



# ANNUAL GENERAL MEETING

April 22<sup>nd</sup>, 2015

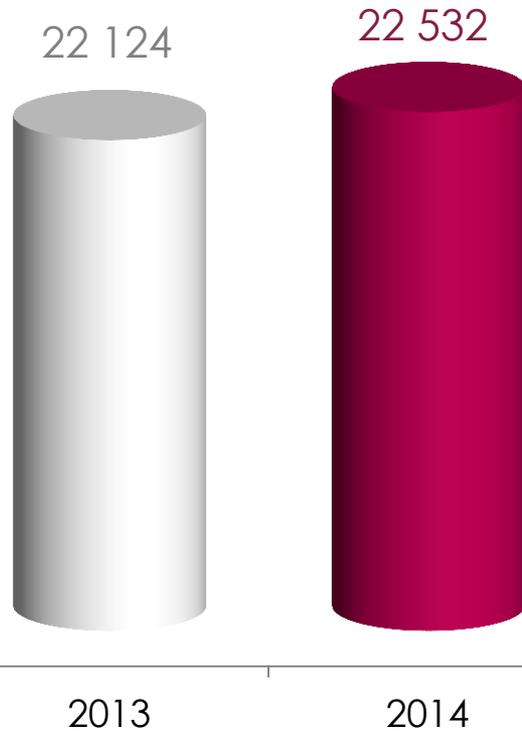
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Mr. Christian Mulliez

Chief Financial Officer

L'ORÉAL

# Consolidated group sales 2014 in million euros



**Growth at constant exchange rates**

**+4.1%**

of which :

- *like-for-like growth*

+3.7%

- *external growth impact*

+0.4%

**Exchange rate impact**

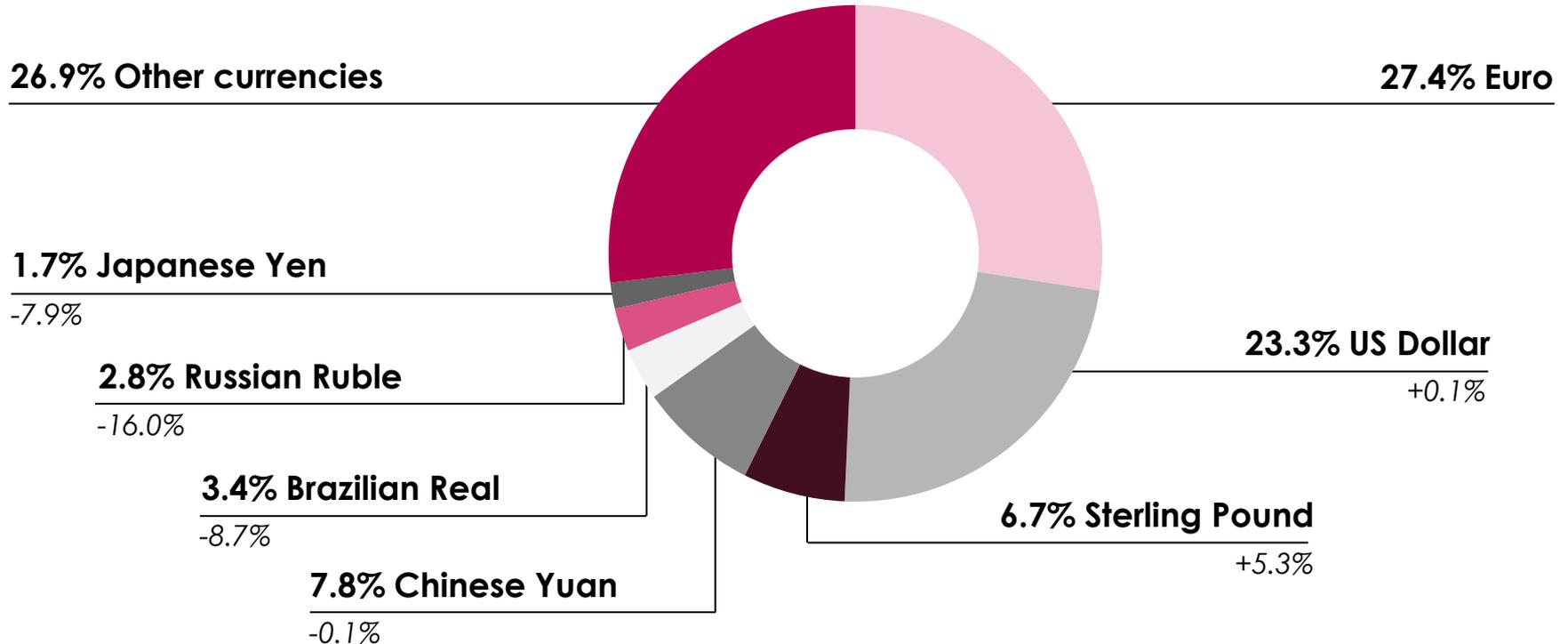
**-2.3%**

**Reported growth**

**+1.8%**

The announcement on February 11<sup>th</sup> 2014 of the disposal of 50% of Galderma leads to account for this business in accordance with IFRS 5 accounting rule on discontinued operations. In accordance with IFRS 11 accounting rule, Inneov has been consolidated under the equity method as of January 1<sup>st</sup> 2014. All figures for earlier periods have been restated accordingly.

# Breakdown of 2014 consolidated sales by currency and changes in currencies against the euro



## 2014 consolidated sales by division in million euros

	2013	2014	% change		
			Like-for-like	At constant exchange rates	Reported
Professional Products	2 974	3 032	+2.6%	+4.4%	+2.0%
Consumer Products	10 873	10 768	+1.6%	+2.0%	-1.0%
L'Oréal Luxe	5 865	6 198	+7.1%	+6.9%	+5.7%
Active Cosmetics	1 576	1 660	+8.7%	+8.7%	+5.3%
<b>Cosmetics Total</b>	<b>21 288</b>	<b>21 658</b>	<b>+3.8%</b>	<b>+4.2%</b>	<b>+1.7%</b>
The Body Shop	836	874	+1.6%	+2.8%	+4.6%
<b>Consolidated Total</b>	<b>22 124</b>	<b>22 532</b>	<b>+3.7%</b>	<b>+4.1%</b>	<b>+1.8%</b>

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## 2014 cosmetics sales by region in million euros

	2013	2014	% change		
			Like-for-like	At constant exchange rates	Reported
Western Europe	7 468	7 698	+2.4%	+2.5%	+3.1%
North America	5 356	5 389	+1.1%	+1.4%	+0.6%
New Markets	8 465	8 571	+6.9%	+7.7%	+1.3%
<b>Cosmetics Total</b>	<b>21 288</b>	<b>21 658</b>	<b>+3.8%</b>	<b>+4.2%</b>	<b>+1.7%</b>

*In accordance with IFRS 11 accounting rule, Inneov has been consolidated under the equity method as of January 1<sup>st</sup> 2014. All figures for earlier periods have been restated accordingly.*

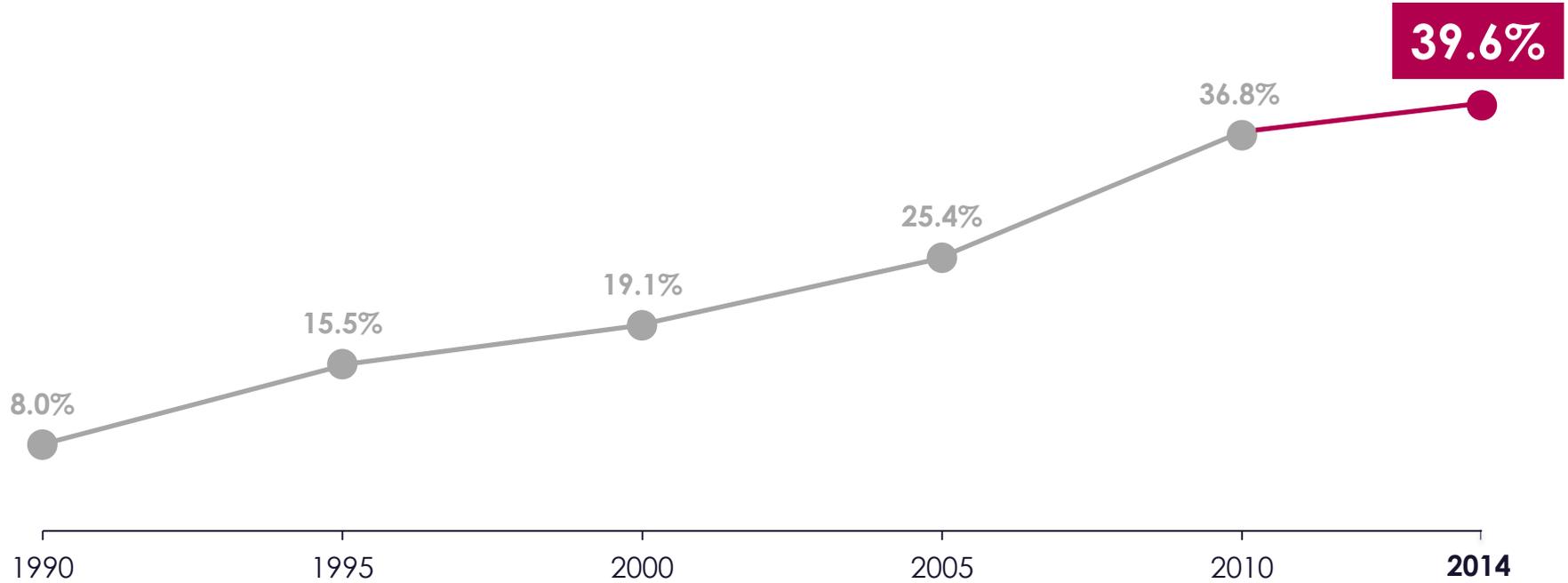
## 2014 cosmetics sales – New Markets in million euros

	2014	% change		
		Like-for-like	At constant exchange rates	Reported
Asia, Pacific	4 564	+5.3%	+6.4%	+4.1%
- of which Asia, Pacific excl. Japan	4 185	+5.8%	+7.6%	+5.9%
Latin America	1 854	+10.0%	+10.1%	-1.7%
Eastern Europe*	1 585	+6.0%	+5.8%	-6.3%
Africa, Middle East*	568	+13.5%	+15.3%	+12.5%
<b>New Markets Total</b>	<b>8 571</b>	<b>+6.9%</b>	<b>+ 7.7%</b>	<b>+1.3%</b>

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\* As of July 1<sup>st</sup> 2013, Turkey and Israel, which were previously included in the Africa, Middle-East zone, were transferred to the Eastern Europe zone. All figures for earlier periods have been restated accordingly.

## Weight of New Markets in cosmetics sales

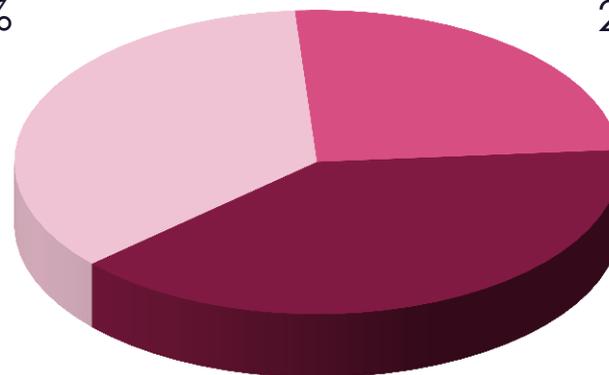




## Weight of different regions in cosmetics sales

**Western  
Europe**  
35.5%

**North  
America**  
24.9%



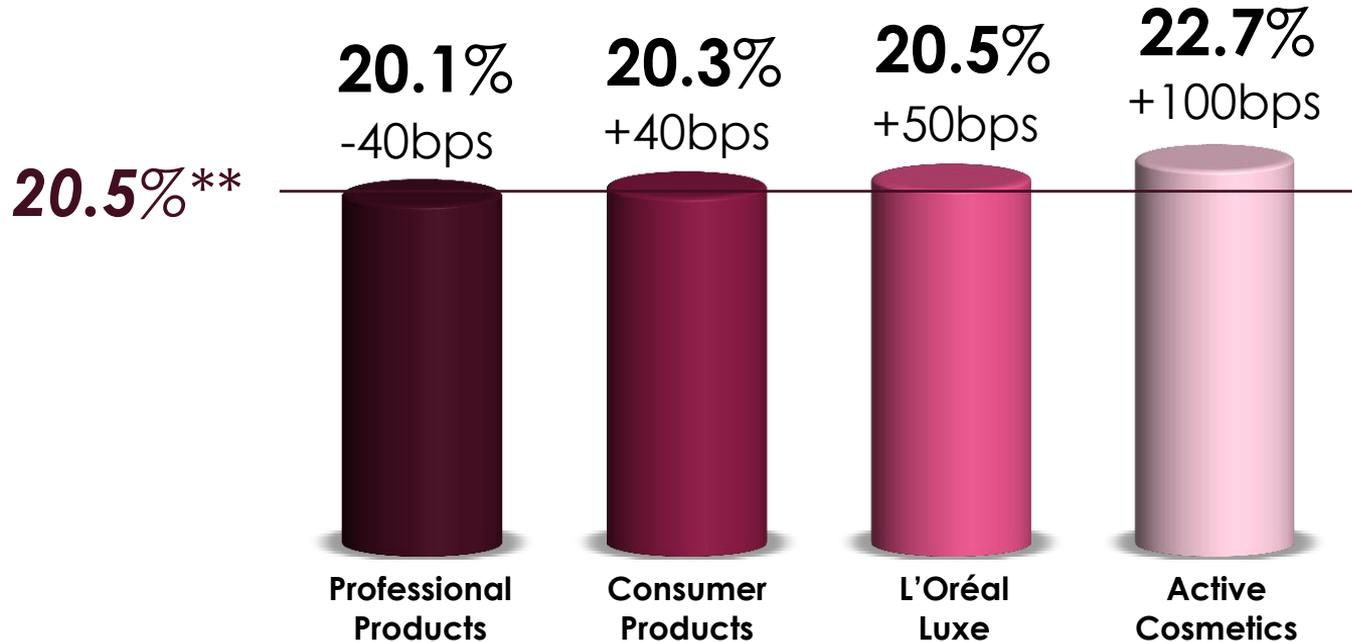
**New  
Markets**  
39.6%

## Consolidated profit and loss account: From sales to operating profit

<i>(in million euros)</i>	<b>2013</b>	As a % of sales	<b>2014</b>	As a % of sales	<b>% change</b>
<b>Sales</b>	<b>22 124.2</b>	<b>100.0%</b>	<b>22 532.0</b>	<b>100.0%</b>	<b>+1.8%</b>
Cost of sales	-6 379.4	28.8%	-6 500.7	28.9%	
<b>Gross profit</b>	<b>15 744.8</b>	<b>71.2%</b>	<b>16 031.3</b>	<b>71.1%</b>	
Research and development	-748.3	3.4%	-760.6	3.4%	
Advertising and promotion	-6 621.7	29.9%	-6 558.9	29.1%	
Selling, general and administrative expenses	-4 614.4	20.9%	-4 821.1	21.4%	
<b>Operating profit</b>	<b>3 760.4</b>	<b>17.0%</b>	<b>3 890.7</b>	<b>17.3%</b>	<b>+30bps</b>

*The announcement on February 11<sup>th</sup> 2014 of the disposal of 50% of Galderma leads to account for this business in accordance with IFRS 5 accounting rule on discontinued operations. In accordance with IFRS 11 accounting rule, Inneov has been consolidated under the equity method as of January 1<sup>st</sup> 2014. All figures for earlier periods have been restated accordingly.*

# 2014 operating profit by division\* as a % of sales

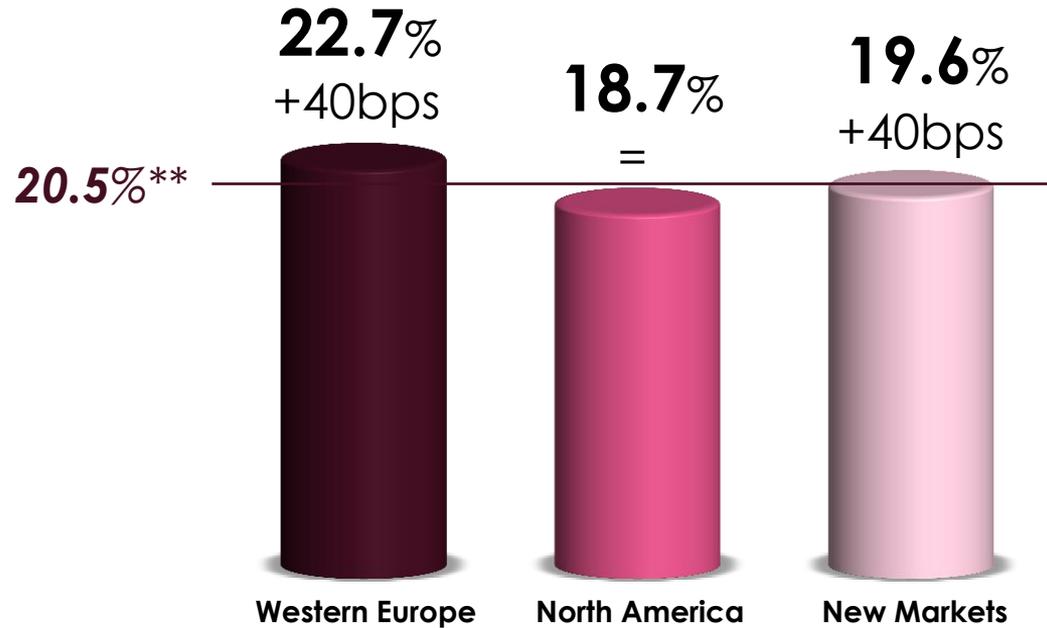


\* Before central group expenses, fundamental research expenses, stock-option & free grant of shares expenses and miscellaneous items – as a % of total cosmetics sales.

\*\* Cosmetics division total

The announcement on February 11<sup>th</sup> 2014 of the disposal of 50% of Galderma leads to account for this business in accordance with IFRS 5 accounting rule on discontinued operations. In accordance with IFRS 11 accounting rule, Inneov has been consolidated under the equity method as of January 1<sup>st</sup> 2014.

# 2014 operating profit by region\* as a % of sales



\* Before central group expenses, fundamental research expenses, stock-option & free grant of shares expenses and miscellaneous items – as a % of total cosmetics sales.

\*\* Cosmetics division total

In accordance with IFRS 11 accounting rule, Inneov has been consolidated under the equity method as of January 1<sup>st</sup> 2014.

# Consolidated profit and loss account: From operating profit to net profit excluding non-recurring items

(in million euros)

	2013	2014	% change
<b>Operating profit</b>	<b>3 760.4</b>	<b>3 890.7</b>	<b>+3.5%</b>
Financial revenues/expenses before dividends received	-31.4	-24.1	
Sanofi dividends	327.5	331.0	
<b>Profit before tax and non-recurring items</b>	<b>4 056.6</b>	<b>4 197.6</b>	
Income tax excluding non-recurring items	-1 018.1	-1 069.5	
Share of profit of associates, excluding non-recurring items	-3.0	-3.0	
Non-controlling interests	-3.2	+0.1	
2013 contribution of Galderma to net profit excluding non-recurring items	+85.1	-	
<b>Net profit from continuing operations, excl. non-recurring items, after non-controlling interests*</b>	<b>3 117.5</b>	<b>3 125.3</b>	
<b>Earnings per share** (in euros)</b>	<b>5.13</b>	<b>5.34</b>	<b>+4.1%</b>
Diluted average number of shares	608 001 407	585 238 674	

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\* 2013 net profit excluding non-recurring items after non-controlling interests as well as 2013 diluted earnings per share are as reported in 2013 accounts

\*\* Diluted earnings per share based on net profit from continuing operations excluding non-recurring items, after non-controlling interests

# Consolidated profit and loss account: From net profit excluding non-recurring items to net profit

(in million euros)	2013	2014	% change
<b>Net profit from continuing operations excluding non-recurring items*</b>	<b>3 117.5</b>	<b>3 125.3</b>	
<b>Non-recurring items and net profit from discontinued operations</b>	<b>-159.3</b>	<b>+1 785.0</b>	
<i>of which:</i>			
– other non-recurring income and expenses	-159.3	-357.7	
– net profit from discontinued operations	--	+ 2 142,7	
<b>Net profit**</b>	<b>2 958.2</b>	<b>4 910.2</b>	<b>+66.0%</b>

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\* 2013 net profit excluding non-recurring items after non-controlling interests is as reported in 2013 accounts

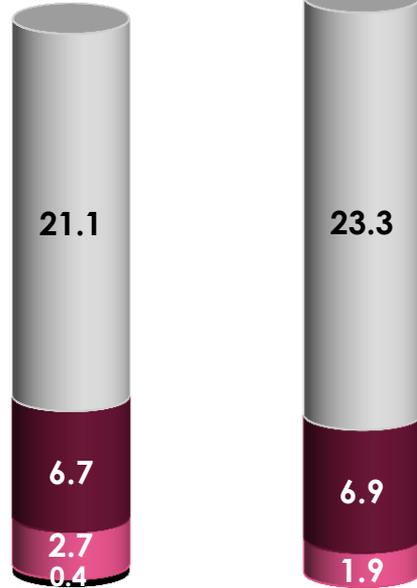
\*\* After non-controlling interests

# Balance sheet in billion euros

## Assets

12.31.2013      12.31.2014

- Non-current assets
- Current assets
- Cash & cash equivalents
- Assets for disposal



**Total Assets**

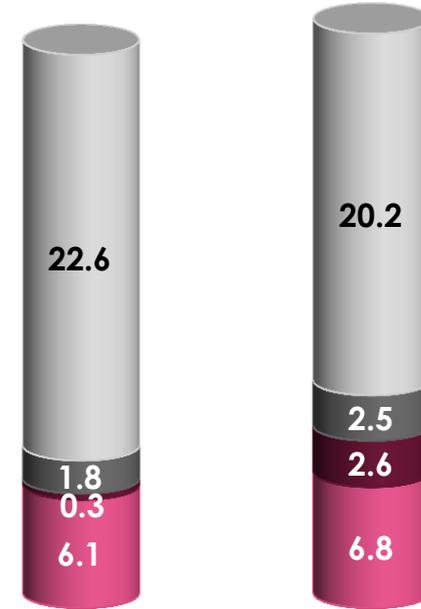
**30.9**

**32.1**

## Liabilities

12.31.2013      12.31.2014

- Shareholders' equity
- Non-current liabilities
- Financial debt (current & non-current)
- Current liabilities



**Total Liabilities**

**30.9**

**32.1**

## Net cash/debt and gearing

<i>in millions euros</i>	<b>31 Dec. 2013</b>
<b>Net cash</b>	<b>2 320</b>
<b>Gearing*</b>	<b>N.A.</b>

<i>in millions euros</i>	<b>31 Dec. 2014</b>
<b>Net debt</b>	<b>671</b>
<b>Gearing*</b>	<b>3.3%</b>

\* Net debt / equity attributable to owners of the company

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## Short term ratings by rating agencies

### Ratings in 2014:

Standard & Poor's

A 1 +

(October 2014)

Moody's

Prime 1 (P-1)

(October 2014)

Fitch Ratings

F1 +

(October 2014)

# Internal control: A range of tools and procedures

Financial charter

The way we buy

The way we compete



**2.70€** per share\*

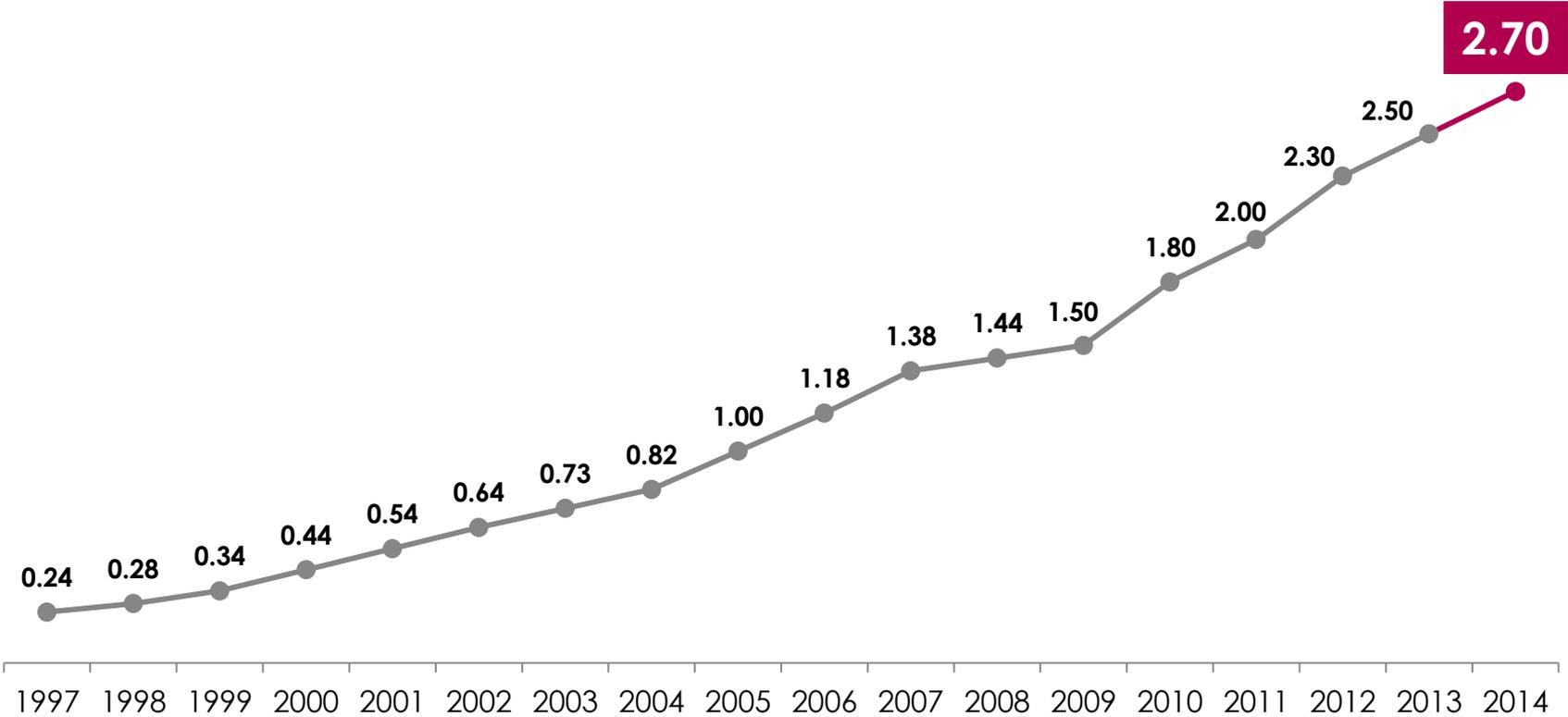
**+8.7%** growth over the previous year

**Loyalty bonus dividend of +10%, i.e. 2.97€**  
**per share for shares held continuously under the**  
**registered form since end 2012\***

*\* Proposed at the shareholders' meeting to be held on April 22<sup>nd</sup>, 2015*

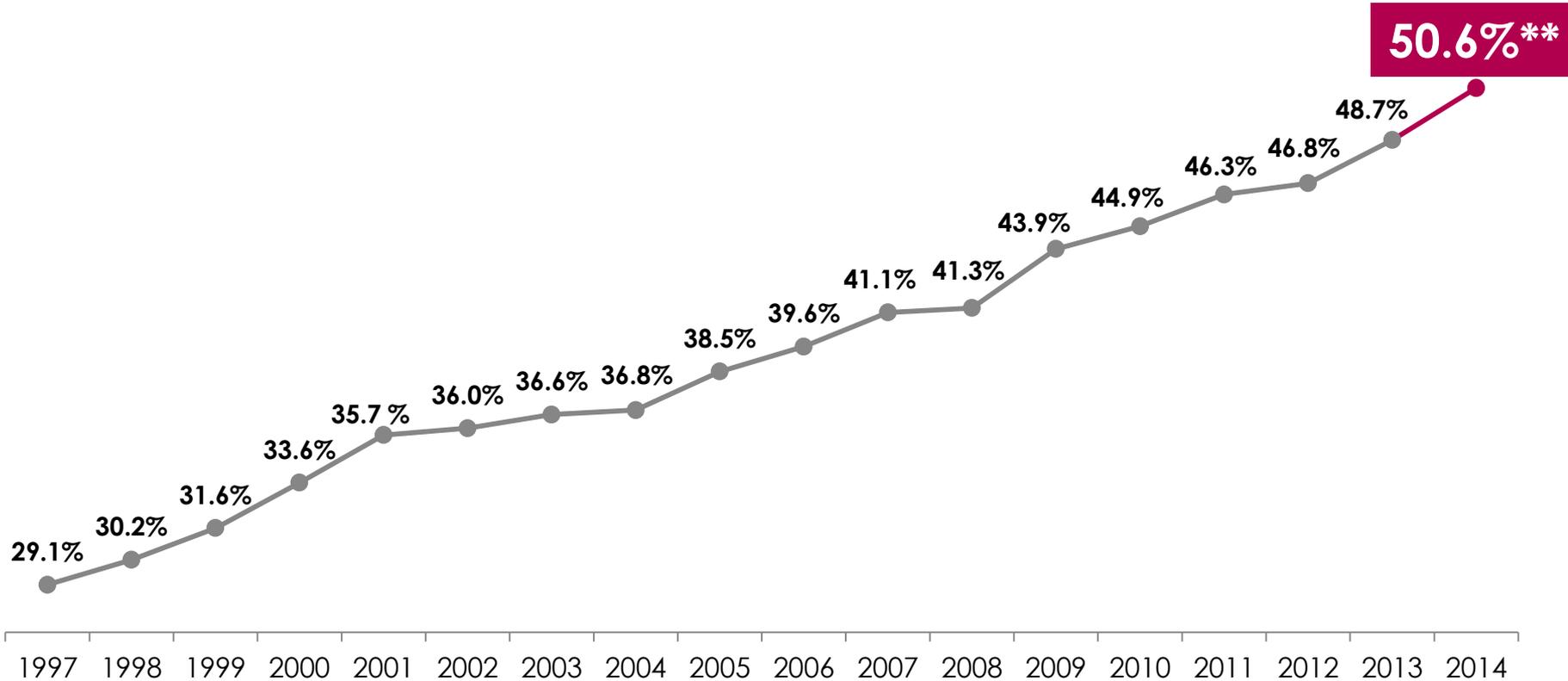
# Dividend from 1997 to 2014

in euros



\* Proposed at the shareholders' meeting to be held on April 22<sup>nd</sup>, 2015  
2014 dividend paid in 2015: pay-out of the 10% loyalty bonus (preferential dividend of 10%), for shares held in registered form since 2012

# Payout ratio from 1997 to 2014 as a % of net profit\*



\* Taking into account the Sanofi history with regards to the dividends

\*\* Based on the dividend proposed at the shareholders' meeting to be held on April 22<sup>nd</sup>, 2015

# 1<sup>st</sup> quarter 2015 cosmetics sales by region (in million euros)

	Q1-2015	Evolution	
		Like-for-like	Reported
Western Europe	2 100.4	+1.3%	+4.0%
North America	1 622.0	+2.4%	+25.2%
New Markets	2 521.5	+7.5%	+17.4%
of which:			
- Asia, Pacific	1 476.1	+5.8%	+26.6%
- Latin America	460.2	+10.0%	+12.0%
- Eastern Europe	396.6	+9.2%	-7.1%
- Africa, Middle-East	188.7	+11.3%	+1.8%
<b>Cosmetics Total</b>	<b>6 243.9</b>	<b>+4.0%</b>	<b>+14.3%</b>

# 1<sup>st</sup> quarter 2015 consolidated sales by division (in million euros)

	Q1-2015	% change	
		Like-for-like	Reported
Professional Products	852.6	+3.5%	+16.0%
Consumer Products	3 078.3	+1.7%	+11.6%
L'Oréal Luxe	1 753.7	+7.5%	+20.1%
Active Cosmetics	559.2	+7.6%	+10.2%
<b>Cosmetics Total</b>	<b>6 243.9</b>	<b>+4.0%</b>	<b>+14.3%</b>
The Body Shop	192.4	+4.2%	+9.1%
<b>Consolidated Total</b>	<b>6 436.3</b>	<b>+4.0%</b>	<b>+14.1%</b>



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