2014 Results

February 13th 2015

Jean-Paul AGON
Chairman and CEO
Very solid performance
4th quarter was the best of the year

Significant improvement of profitability and strong increase in net profit

A year of major strategic transformations
The announcement on February 11th 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 1st 2014. All figures for earlier periods have been restated accordingly.
4th quarter was the best of the year

Significant improvement of profitability and strong increase in net profit

A year of major strategic transformations
4th quarter was the best of the year

Significant improvement of profitability and strong increase in net profit

A year of major strategic transformations
The beauty market
Worldwide beauty market* 2014

≈ +3.5%*

Worldwide beauty market* 2014

- Luxury +5%
- Mass Market +3.5%
- Door-to-door +2%
- Dermo Cosmetics +5%
- Hair Salons +1%
- E-commerce +18%

New Markets excl. Japan

+6%

North America

+3%

Western Europe

0%

Japan

+1%

Worldwide beauty market*

2014

Worldwide beauty market* 2014

Excluding soaps, toothpastes and razors. 2014 provisional estimates.
Source: L’Oréal estimates. Excluding exchange rate impact.

11 - February 13th 2015

+10% Latin America
+3% Eastern Europe
+7% Africa, Middle East
+6% Asia Pacific excl. Japan

*Excluding soaps, toothpastes and razors. 2014 provisional estimates.
Source: L’Oréal estimates. Excluding exchange rate impact.
Another year of progress
Market share gains in 3 divisions out of 4

+8.7%*  
Active Cosmetics

+7.1%*  
L’Oréal Luxe

+2.6%*  
Professional Products

+1.6%*  
Consumer Products

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

*Like-for-like sales growth
In accordance with IFRS 11 accounting rule, Inneov has been consolidated under the equity method as of January 1st 2014. All figures for earlier periods have been restated accordingly.

*Like-for-like cosmetics sales growth
*Like-for-like cosmetics sales growth

In accordance with IFRS 11 accounting rule, Inneov has been consolidated under the equity method as of January 1st 2014. All figures for earlier periods have been restated accordingly.
Western Europe
Notable acceleration...
...in the final quarter

Q1 +2.8%
Q2 +2.8%
Q3 -0.4%
Q4 +4.3%

*Like-for-like cosmetics sales growth
In accordance with IFRS 11 accounting rule, Inneov has been consolidated under the equity method as of January 1st 2014. All figures for earlier periods have been restated accordingly.

+2.4%*
Market +0.3% *

L’Oréal +2.4% **

strong outperformance

**Like-for-like cosmetics sales growth

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

*Excluding soaps, toothpastes and razors. 2014 provisional estimates.
Source: L’Oréal estimates. Excluding exchange rate impact.
Strong performances in Northern Europe

+4.4%* | United Kingdom

+6.0%* | Germany

*Like-for-like cosmetics sales growth

In accordance with IFRS 11 accounting rule, Inneov has been consolidated under the equity method as of January 1st 2014. All figures for earlier periods have been restated accordingly.
Real turnaround in Southern Europe

+4.3%* | Spain
+6.6%* | Portugal
+4.6%* | Greece

*Like-for-like cosmetics sales growth

In accordance with IFRS 11 accounting rule, Inneov has been consolidated under the equity method as of January 1st 2014. All figures for earlier periods have been restated accordingly.
Market share gain opportunities
Weakening of the euro
Decrease in oil prices
Consumption recovery?
In accordance with IFRS 11 accounting rule, Inneov has been consolidated under the equity method as of January 1st 2014. All figures for earlier periods have been restated accordingly.

*Like-for-like cosmetics sales growth
North America
Confidence in growth recovery in North America
New Markets

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

*Like-for-like cosmetics sales growth
New Markets

**Excluding soaps, toothpastes and razors.**

2014 provisional estimates.

Source: L’Oréal estimates. Excluding exchange rate impact.

**Market**

+5.3%*

**L’Oréal**

+6.9%**

**Strengthening our positions**

*Like-for-like cosmetics sales growth

In accordance with IFRS 11 accounting rule, Inneov has been consolidated under the equity method as of January 1st 2014. All figures for earlier periods have been restated accordingly.
Significant growth in New Markets

- Latin America: +10.0%*
- Asia Pacific: +5.3%*
- Eastern Europe: +6.0%*
- Africa, Middle East: +13.5%*

*Like-for-like cosmetics sales growth

In accordance with IFRS 11 accounting rule, Inneov has been consolidated under the equity method as of January 1st 2014. All figures for earlier periods have been restated accordingly.
Shift in distribution

Department stores

Cosmetics stores
Personal care stores
E-commerce
Adapting our strategy to this very fast changing market
Quick expansion in e-commerce

10% of sales in e-commerce

February 13th 2015
Confidence to accelerate our growth
***Like***

**-**

**for**

**like** sales growth

273 - 282

February 13 th 2015
4th quarter +6%*

*Like-for-like sales growth
Diversity

Instant Results

Nature

Ethics
Strong financial results
Strong financial results*

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Profit Margin</td>
<td>17.0%</td>
<td>17.3%</td>
</tr>
<tr>
<td>Operating Net Cash (in million euros)</td>
<td>2,671</td>
<td>2,856</td>
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</tbody>
</table>

*The announcement on February 11th 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 1st 2014. All figures for earlier periods have been restated accordingly.
Strong financial results

+66% Net profit* (in million euros)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
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<tr>
<td></td>
<td>2,958</td>
<td>4,910</td>
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</table>

+4.1% Earnings per share** (in euros)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
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<tbody>
<tr>
<td></td>
<td>5.13</td>
<td>5.34</td>
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</table>

*After non-controlling interest.

**Diluted earnings per share based on net profit from continuing operations excluding non-recurring items, after non-controlling interest.
Strong financial results

Dividend per share (in euros)

2013: 2.50€
2014: 2.70€*

+8%

*Proposed at the Annual General Meeting to be held on April 22nd, 2015.
A year of major progress and transformation
Strategic external growth

Digital transformation

Corporate social responsibility
A unique portfolio of complementary brands

<table>
<thead>
<tr>
<th>Professional Products</th>
<th>Consumer Products</th>
<th>L’Oréal Luxe</th>
<th>Active Cosmetics</th>
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<tbody>
<tr>
<td>L’Oréal</td>
<td>L’Oréal Paris</td>
<td>Lancôme</td>
<td>Roger &amp; Gallet</td>
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<tr>
<td>CARITA</td>
<td>Garnier</td>
<td>Cacharel</td>
<td>Vichy</td>
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<td>Kérastase</td>
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<td>Yves Saint Laurent</td>
<td>La Roche-Posay</td>
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<td>Redken</td>
<td>Maybelline New York</td>
<td>Giorgio Armani</td>
<td>SkinCeuticals</td>
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<tr>
<td>Matrix</td>
<td>essie</td>
<td>Viktor &amp; Rolf</td>
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<td></td>
<td>Nelly</td>
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<tr>
<td></td>
<td>Nice &amp; Lovely</td>
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</tr>
</tbody>
</table>

*Acquisition that is currently being finalised.

48 - February 13th 2015
Opportunity to expand in professional beauty services
strengthen our presence and potential on key strategic markets

*Acquisition that is currently being finalised.*
Haircolor in Brazil and Latin America

*Acquisition that is currently being finalised.
Make-up in America and worldwide
Strengthen our expertise in beauty for people of multicultural origin

Carols Daughter

L'Oréal
Strategic external growth

Digital transformation

Corporate social responsibility
Lubomira Rochet
Chief Digital Officer
Executive Committee
Digital transforms the relationship between brands and consumers
Maximize this major opportunity
Be the leader of “digital beauty”
16% of our media dedicated to digital

700 digital people recruited in 4 years

800M€* in e-commerce

*Direct and indirect sales
USA: 5 L’Oréal brands in the top 10
Source: L2 Digital IQ Index: Beauty

5 L’Oréal brands

L’Oréal Paris

Lancôme Paris

Maybelline New York

Urban Decay

Kiehl’s
Leveraging the Group’s success

- Decentralized organisation
- Entrepreneurial spirit
- Multi-brand / multi-channel approach
Strategic external growth
Digital transformation

Corporate social responsibility
SHARING BEAUTY WITH ALL

- Design & Sourcing: Innovating Sustainably
- People & Partners: Developing Sustainably
- Less & More: Producing Sustainably
- Inform & Empower: Living Sustainably
2014 a year of progress and development
Great launches,
Market share gains and conquests
Strategic acquisitions
Strategic internal transformations

2014 a year of progress and development
Adapt to a fast-changing world
“Seize up-and-coming trends”
François Dalle
A leader with the spirit of a challenger.
A large company with the spirit of a start-up
2015: confidence and ambition
Continuing growth of our markets

Capacity to outperform the market

Favourable impact of the monetary environment

Very talented and highly committed teams
Continuing Growth of the Cosmetics market

Worldwide Cosmetics Market 1993-2014*

*Excluding soaps, toothpastes and razors.
2014 provisional estimates.
Source: L’Oréal estimates. Excluding exchange rate impact.
Continuing growth of our markets

Capacity to outperform the market

Favourable impact of the monetary environment

Very talented and highly committed teams
Continuing growth of our markets
Capacity to outperform the market

Favourable impact of the monetary environment

Very talented and highly committed teams
Favourable impact of the monetary environment

Weight in consolidated sales January 2015

Euro zone: 25%
North America: 25%
Others: 50%
Continuing growth of our markets
Capacity to outperform the market

Favourable impact of the monetary environment

Very talented and highly committed teams
Continuing growth of our markets
Capacity to outperform the market
Favourable impact of the monetary environment

Very talented and highly committed teams
Best employer
in France

The 400 best employers
in France

N°1
L’ORÉAL

The 400 meilleurs employeurs
de France

Les 400 meilleurs employeurs
de France

Capital

February 13th 2015
Our Mission:
beauty
for all
Our Strategy

Universalisation

Globalising while respecting differences

February 13, 2015
Our Ambition | 1 billion new consumers
Continue the conquest of the beauty market

Strengthen our positions

Increase our market shares
Pursuing the great L’Oréal adventure
New L’Oréal of the 21st century

Universal
Digital
Sustainable
Thank you
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