



# 2016 HALF-YEAR RESULTS

July 29<sup>th</sup>, 2016

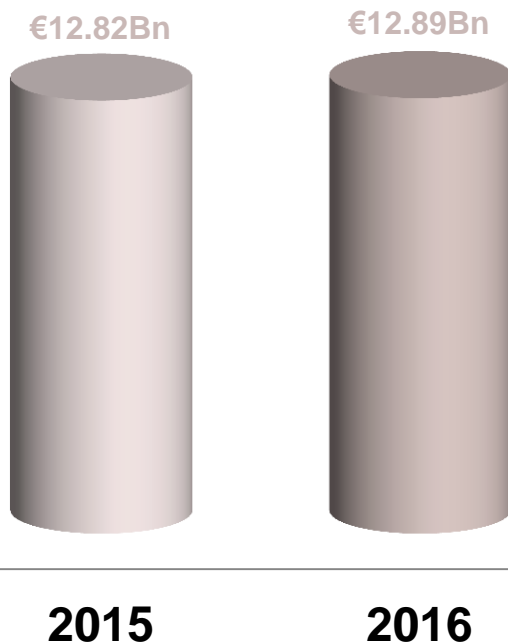
Mr Christian Mulliez  
Chief Financial Officer

L'ORÉAL



# Consolidated group sales at the end of June 2016

(in million euros)



<b>Growth at constant exchange rates</b>	<b>+4.5%</b>
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*Of which:*

- <i>like-for-like growth</i>	+4.2%
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- <i>external growth impact</i>	+0.3%
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<b>Exchange rate impact</b>	<b>-3.9%</b>
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<b>Reported growth</b>	<b>+0.6%</b>
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## Changes in exchange rates (against the euro)

	Weight in consolidated sales at June 30 <sup>th</sup> , 2016	Average rate January – June 2015	Average rate January – June 2016	Change H1 2016 - H1 2015
<b>Euro</b>	26.0%	—	—	—
<b>US Dollar</b>	26.9%	1.115	1.115	+0.0%
<b>Chinese Yuan</b>	8.6%	0.144	0.137	-5.0%
<b>Sterling Pound</b>	6.1%	1.366	1.285	-5.9%
<b>Canadian Dollar</b>	2.7%	0.726	0.674	-7.2%
<b>Brazilian Real</b>	2.5%	0.303	0.242	-19.9%
<b>Russian Ruble</b>	2.1%	0.016	0.013	-18.2%
<b>Japanese Yen (1000)</b>	1.7%	7.457	8.039	+7.8%
<b>Mexican Peso</b>	1.5%	0.059	0.050	-16.2%



## Consolidated sales by division at the end of June 2016

			% change		
	2015 (€ million)	2016 (€ million)	Like-for-like	At constant exchange rates	Reported
Professional Products	1 740	1 724	+2.2%	+2.2%	-0.9%
Consumer Products	6 161	6 155	+4.3%	+4.7%	-0.1%
L'Oréal Luxe	3 487	3 595	+5.6%	+5.6%	+3.1%
Active Cosmetics	1 019	1 021	+5.0%	+4.8%	+0.3%
<b>Divisions Total</b>	<b>12 407</b>	<b>12 496</b>	<b>+4.4%</b>	<b>+4.6%</b>	<b>+0.7%</b>
The Body Shop	412	399	-0.6%	+0.8%	-3.2%
<b>Consolidated Total</b>	<b>12 819</b>	<b>12 895</b>	<b>+4.2%</b>	<b>+4.5%</b>	<b>+0.6%</b>



## Total divisions sales by region at the end of June 2016

	In € million	% change	
		Like-for-like	Reported
Western Europe	4 184.4	+1.7%	+0.6%
North America	3 460.0	+4.6%	+4.0%
New Markets	4 851.6	+6.8%	-1.4%
of which:			
- <i>Asia, Pacific</i>	2 815.8	+4.6%	+1.0%
- <i>Latin America</i>	863.3	+10.8%	-9.1%
- <i>Eastern Europe</i>	773.7	+8.9%	-3.7%
- <i>Africa, Middle-East</i>	398.8	+9.7%	+5.3%
<b>Divisions Total</b>	<b>12 496.0</b>	<b>+4.4%</b>	<b>+0.7%</b>



## Total divisions sales by business segment at the end of June 2016

	€ million	Weight	Like-for-like % change
Skincare	3 759	30.1%	+0.6%
Make-up	3 157	25.3%	+12.4%
Hair Care	2 450	19.6%	+3.4%
Hair Colour	1 533	12.3%	+2.9%
Perfumes	1 046	8.4%	+3.6%



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

<i>(in million euros)</i>	<b>H1-2015</b>	As a % of sales	<b>2015</b>	As a % of sales	<b>H1-2016</b>	As a % of sales	<b>Change H1-2016 vs. H1-2015</b>
<b>Sales</b>	<b>12 818.9</b>	<b>100.0%</b>	<b>25 257.4</b>	<b>100.0%</b>	<b>12 894.6</b>	<b>100.0%</b>	<b>+0.6%</b>
Cost of sales	-3 630.3	28.3%	-7 277.4	28.8%	-3 561.2	27.6%	
<b>Gross profit</b>	<b>9 188.6</b>	<b>71.7%</b>	<b>17 980.0</b>	<b>71.2%</b>	<b>9 333.4</b>	<b>72.4%</b>	<b>+70bp</b>
Research and development expenses	-379.7	3.0%	-794.1	3.1%	-414.2	3.2%	
Advertising and promotion expenses	-3 753.3	29.3%	-7 359.6	29.1%	-3 790.9	29.4%	
Selling, general and administrative expenses	-2 732.6	21.3%	-5 438.6	21.5%	-2 764.7	21.4%	
<b>Operating profit</b>	<b>2 323.0</b>	<b>18.1%</b>	<b>4 387.7</b>	<b>17.4%</b>	<b>2 363.6</b>	<b>18.3%</b>	<b>+20bp</b>



## Operating profit margin by division

<i>(as a % of sales)</i>	<b>H1-2015</b>	<b>Full year 2015</b>	<b>H1-2016</b>
Professional Products	19.1%	20.0%	19.6%
Consumer Products	21.3%	20.1%	21.2%
L'Oréal Luxe	20.5%	20.7%	21.3%
Active Cosmetics	27.5%	22.8%	27.7%
<b>Total divisions before non-allocated expenses</b>	<b>21.3%</b>	<b>20.5%</b>	<b>21.6%</b>
Non-allocated expenses*	-2.5%	-2.6%	-2.5%
<b>Total divisions after non-allocated expenses</b>	<b>18.8%</b>	<b>17.8%</b>	<b>19.1%</b>
The Body Shop	-1.8%	5.7%	-5.6%
<b>Group</b>	<b>18.1%</b>	<b>17.4%</b>	<b>18.3%</b>

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





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

<i>(in million euros)</i>	H1-2015	2015	H1-2016	Change H1-16 vs. H1-15
<b>Operating profit</b>	<b>2 323.0</b>	<b>4 387.7</b>	<b>2 363.6</b>	<b>+1.7%</b>
Financial revenues-expenses before dividends received	-9.8	-13.8	+1.8	
Sanofi dividends	336.9	336.9	346.5	
<b>Profit before tax and associates, before non-recurring items</b>	<b>2 650.1</b>	<b>4 710.8</b>	<b>2 711.9</b>	<b>+2.3%</b>
Income tax excluding non-recurring items	-692.1	-1 219.7	-684.1	
Share of profit of associates, excluding non-recurring items	—	—	-0.1	
Non-controlling interests	-0.6	-1.3	-2.4	
Net profit excluding non-recurring items, after non-controlling interests	1 957.3	3 489.8	2 025.4	
<b>Earnings per share* (in euros)</b>	<b>3.47</b>	<b>6.18</b>	<b>3.59</b>	<b>+3.4%</b>
Diluted average number of shares	564 094 688	564 891 388	564 258 226	

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



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

<i>(in million euros)</i>	H1-2015	2015	H1-2016	Change H1-16 vs. H1-15
<b>Net profit excluding non-recurring items, after non-controlling interests</b>	<b>1 957.3</b>	<b>3 489.8</b>	<b>2 025.4</b>	<b>+3.5%</b>
<b>Non-recurring items</b>	<b>-74.7</b>	<b>-192.5</b>	<b>-545.9</b>	
<i>- of which:</i>				
<i>- other income and expenses</i>	-46.0	-189.3	-522.3	
<i>- taxes on non-recurring items</i>	-28.7	-3.2	-23.6	
<b>Net profit after non-controlling interests</b>	<b>1 882.6</b>	<b>3 297.4</b>	<b>1 479.5</b>	



# Cash flow statement

(in million euros)

	H1-2015	2015	H1-2016	Change H1-16 vs. H1-15
Net profit	1 883.2	3 298.5	1 481.8	
Depreciation, amortisation and provisions	410.2	933.8	888.2	
Capital gains and losses on disposals of assets, changes in deferred taxes and others	+79.3	+171.2	+97.7	
Share of profit of associates, net of dividends received	-2.7	-4.0	—	
<b>Cash flow</b>	<b>2 370.0</b>	<b>4 399.5</b>	<b>2 467.7</b>	<b>+4.1%</b>
Changes in working capital	-815.9	-196.4	-545.6	
Investments	-512.0	-1 172.1	-596.7	
<b>Operating net cash</b>	<b>1 042.1</b>	<b>3 031.0</b>	<b>1 325.4</b>	<b>+27.2%</b>
Dividends paid	-1 535.0	-1 534.8	-1 796.6	
Acquisitions	-412.8	-435.3	-20.7	
Acquisitions of treasury stock	—	—	-499.1	
Capital increase	+180.2	+338.6	+89.4	
Others*	+24.1	-19.5	-21.9	
<b>Residual cash flow after acquisitions</b>	<b>-701.4</b>	<b>+1 380.0</b>	<b>-923.5</b>	

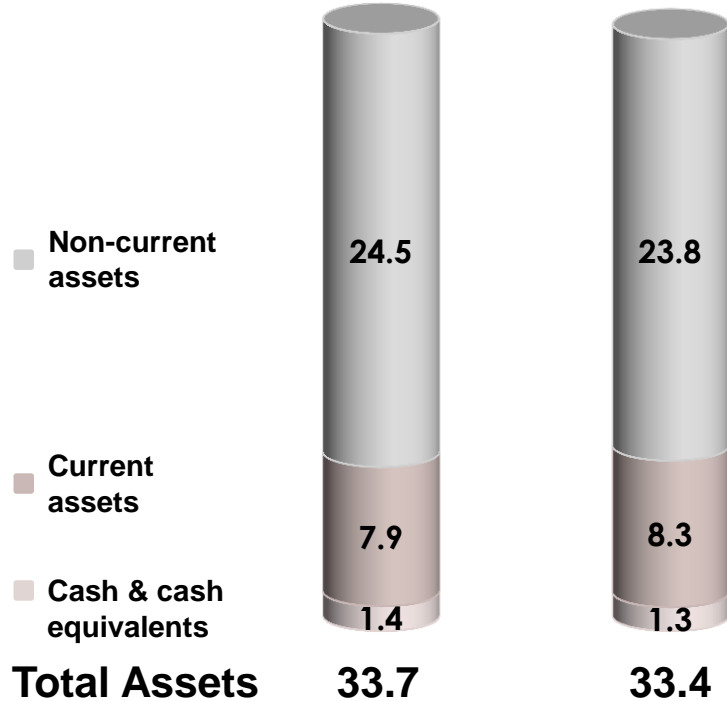
\* Others include disposal of treasury stock and purchase of non-controlling interests



# Balance sheet (in billion euros)

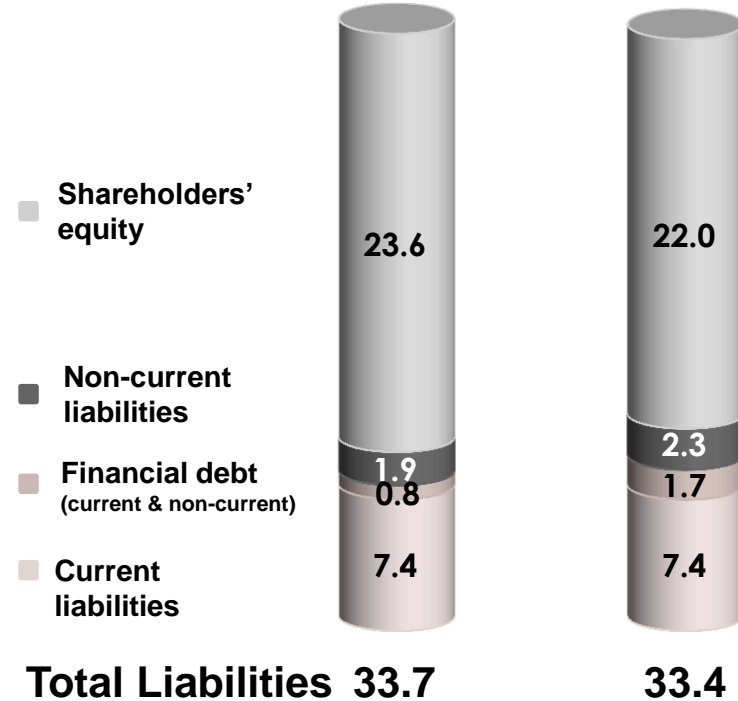
## Assets

31<sup>st</sup> Dec. 2015      30<sup>th</sup> June 2016



## Liabilities

31<sup>st</sup> Dec. 2015      30<sup>th</sup> June 2016





## Net cash/net debt and gearing

<i>in million euros</i>	<b>30<sup>th</sup> June 2015</b>	<b>30<sup>th</sup> June 2016</b>
<b>Net debt</b>	<b>1 394</b>	<b>344</b>
<b>Gearing*</b>	<b>6.1%</b>	<b>1.6%</b>

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

<i>in million euros</i>	<b>31<sup>st</sup> Dec. 2015</b>
<b>Net cash</b>	<b>618</b>
<b>Gearing*</b>	<b>N.A.</b>



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