2016 RESULTS
February 10th, 2017
L’ORÉAL
Jean-Paul AGON
Chairman and CEO
A VUCA WORLD

Volatile
Uncertain
Complex
Ambiguous
WORLDWIDE BEAUTY MARKET*

* EXCLUDING RAZORS, SOAPS AND TOOTHPASTES. 2016 PROVISIONAL ESTIMATES
SOURCE: L’ORÉAL ESTIMATES. EXCLUDING EXCHANGE RATE IMPACT

≃ +4%
* EXCLUDING RAZORS, SOAPS AND TOOTHPASTES. 2016 PROVISIONAL ESTIMATES
SOURCE: L’OREAL ESTIMATES. EXCLUDING EXCHANGE RATE IMPACT

BEAUTY MARKET* BY GEOGRAPHIC ZONE

- NORTH AMERICA: ≃ +4%
- WESTERN EUROPE: ≃ +1%
- NEW MARKETS: ≃ +5%

February 10th, 2017
AFRICA, MIDDLE EAST ≃ +1.5%
LATIN AMERICA ≃ +8%
ASIA, PACIFIC ≃ +4.5%
EASTERN EUROPE ≃ +7%

* EXCLUDING RAZORS, SOAPS AND TOOTHPASTES. 2016 PROVISIONAL ESTIMATES
SOURCE: L’OREAL ESTIMATES. EXCLUDING EXCHANGE RATE IMPACT

February 10th, 2017
**WORLDWIDE BEAUTY MARKET* BY SECTOR**

- **LUXURY**: $≈ +5.5\%$
- **MASS MARKET**: $≈ +4\%$
- **DERMO-COSMETICS**: $≈ +4.5\%$
- **PROFESSIONAL BEAUTY**: $≈ +2\%$
- **DOOR-TO-DOOR**: $≈ +1.5\%$

**E-COMMERCE**: $≈ +21\%$

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* EXCLUDING RAZORS, SOAPS AND TOOTHPASTES. 2016 PROVISIONAL ESTIMATES
SOURCE: L’OcéAL ESTIMATES. EXCLUDING EXCHANGE RATE IMPACT
A GOOD YEAR

GROWTH ACCELERATION
OUTPERFORMANCE VS. MARKET
INCREASED LEADERSHIP

February 10th, 2017
February 10th, 2017

GREAT VINTAGE OF INNOVATION
CONSUMER PRODUCTS

+4.4%*

Market**: ≈ +4%

L’ORÉAL LUXE

+6.9%*

Market**: ≈ +5.5%

ACTIVE COSMETICS

+5.7%*

Market**: ≈ +4.5%

3 DIVISIONS OUT OF 4 GREAT PROGRESS

+1.8%*

Market**: ≈ +2%

February 10th, 2017

*2016 LIKE-FOR-LIKE SALES GROWTH

**EXCLUDING SOAPS, TOOTHPASTES AND RAZORS.

2016 PROVISIONAL ESTIMATES. SOURCE: L’ORÉAL ESTIMATES. EXCLUDING EXCHANGE RATE IMPACT
UNIQUE PORTFOLIO OF ICONIC BRANDS

FAST PACE OF GREAT INNOVATIONS

PERFECT OPERATIONAL EXECUTION

February 10th, 2017
MAXIMIZATION OF MAKE-UP

ROLL-OUT OF NYX PROFESSIONAL MAKE-UP

DEPLOYMENT OF GARNIER ULTRA-DOUX

February 10th, 2017
*AGREEMENT TO ACQUIRE LEADS DERMOCOSMETICS SKINCARE STRATEGIC ACQUISITION*
PICK-UP OF THE HAIR COLOR MARKET
FULL DEPLOYMENT OF 2016 LAUNCHES
MARKET SHARE GAINS IN THE 3 STRATEGIC REGIONS

NORTH AMERICA
+5.8%*
Market**: ≃ +4%

WESTERN EUROPE
+2.4%*
Market**: ≃ +1%

NEW MARKETS
+6.3%*
Market**: ≃ +5%

*2016 LIKE-FOR-LIKE TOTAL DIVISIONS SALES GROWTH
**EXCLUDING SOAPS, TOOTHPASTES AND RAZORS.
2016 PROVISIONAL ESTIMATES. SOURCE: L’ORÉAL ESTIMATES. EXCLUDING EXCHANGE RATE IMPACT
A YEAR OF ACCELERATION

+3.5%*

2015

+5.8%*

2016

* LIKE-FOR-LIKE TOTAL DIVISIONS SALES GROWTH

February 10th, 2017
CONSUMER PRODUCTS:
SPECTACULAR MARKET SHARE GAINS
x2 THE MARKET

L’ORÉAL LUXE:
CLEARLY WINNING

ACTIVE COSMETICS:
KEY ROLE IN THE CREATION
OF THE DERMOCOSMETICS CATEGORY
**NORTH AMERICA**

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**LEADERSHIP EXTENDED**

- **L'ORÉAL**: \( \approx x2 \)
- COMPETITOR #1
- COMPETITOR #2
- COMPETITOR #3
- COMPETITOR #4

*L'ORÉAL ESTIMATES*
EXCLUDING SOAPS, TOOTHPASTES AND RAZORS.
2016 PROVISIONAL ESTIMATES. SOURCE: L’ORÉAL ESTIMATES. EXCLUDING EXCHANGE RATE IMPACT

**2016 LIKE-FOR-LIKE TOTAL DIVISIONS SALES GROWTH

≃ +1%*

≈ +1%*

WESTERN EUROPE

SOLID GROWTH

+2.4%**

MARKET

L’ORÉAL

February 10th, 2017
L’ORÉAL

WESTERN EUROPE

≃ x3

COMPETITOR #1

COMPETITOR #2

COMPETITOR #3

COMPETITOR #4

STRONG LEADERSHIP POSITION

*L’ORÉAL ESTIMATES
UK: +10%*
GERMANY: +4%*
SPAIN: +9%*

* 2016 LIKE-FOR-LIKE TOTAL DIVISIONS SALES GROWTH
SOLID GROWTH IN NEW MARKETS

* 2016 LIKE-FOR-LIKE TOTAL DIVISIONS SALES GROWTH

LATIN AMERICA: +11.1%*
AFRICA, MIDDLE EAST: +7.9%*
EASTERN EUROPE: +10.4%*
ASIA, PACIFIC: +3.6%*

February 10th, 2017
GOOD MARKET SHARE GAINS

MEXICO +13%*

COLOMBIA +14%*

PERU +16%*

BRAZIL +6%*

LATIN AMERICA +11.1%*

* 2016 LIKE-FOR-LIKE TOTAL DIVISIONS SALES GROWTH
EXCELLENT YEAR

RUSSIA +16%*

UKRAINE +16%*

POLAND +6%*

EASTERN EUROPE +10.4%*

* 2016 LIKE-FOR-LIKE TOTAL DIVISIONS SALES GROWTH

February 10th, 2017
SOUTH KOREA: +9%*
TAIWAN: +5%*
INDONESIA: +24%*
AUSTRALIA: +9%*

ASIA, PACIFIC: +3.6%*

* 2016 LIKE-FOR-LIKE TOTAL DIVISIONS SALES GROWTH

February 10th, 2017
L’ORÉAL LUXE REINFORCED ITS LEADERSHIP

CONSUMER PRODUCTS DIVISION SLOWED DOWN BY:
DIFFICULTIES OF MAGIC
PROGRESSIVE ADJUSTMENT
TO THE ACCELERATING CHANNEL SHIFT

February 10th, 2017
L’ORÉAL CHINA N°1 IN E-COMMERCE

Source: SmartPath E-Commerce Panel, 2016 YTD Nov

February 10th, 2017
BRANDS STRONGER THAN EVER
ALL DIVISIONS HAVE GAINED SHARES

EGYPT +41%*

PAKISTAN +25%*

AFRICA, MIDDLE EAST +7.9%*

* 2016 LIKE-FOR-LIKE TOTAL DIVISIONS SALES GROWTH

February 10th, 2017
Expands Active Cosmetics potential

Perfect complement to our make-up artists brands

Enhances our position in the fast-growing segment of alternative perfumery

Taps into new aspirations in skincare

*CERAVE*

AGREEMENT TO ACQUIRE
**COMPELLING SET OF RESULTS**

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Margin</th>
<th>Net Cash Flow* (in Million Euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>17.4%</td>
<td>3,031</td>
</tr>
<tr>
<td>2016</td>
<td>17.6%</td>
<td>3,318</td>
</tr>
</tbody>
</table>

*NET CASH FLOW: GROSS CASH FLOW - CHANGES IN WORKING CAPITAL - CAPITAL EXPENDITURE

+20BP

+9.5%
**COMPELLING SET OF RESULTS**

- **DIVIDEND PER SHARE (IN EUROS)**
  - **2015:** 3.10
  - **2016:** 3.30* (Proposed at the Annual General Meeting to be held on April 20th, 2017)

**+6.5%**
VERY GOOD YEAR IN THE PACE OF OUR TRANSFORMATION

February 10th, 2017
INCREASED DIGITAL LEAD
SALES GROWTH

+33%*

EQUIVALENT TO OUR
4th COUNTRY

* LIKE-FOR-LIKE SALES GROWTH, SALES ACHIEVED ON OUR BRANDS' OWN WEBSITES AND ESTIMATED SALES ACHIEVED BY OUR BRANDS CORRESPONDING TO SALES THROUGH RETAILERS' WEBSITES (NON AUDITED DATA)

L’ORÉAL LEADING E-COMMERCE

February 10th, 2017
PRECISION ADVERTISING

THE MOST ENGAGING CONTENT
THE MOST RELEVANT CONTEXT
AT THE RIGHT TIME
TO THE RIGHT TARGET
SUCCESS
OF OUR DIGITAL
TRANSFORMATION

CLEAR STRATEGIC DIRECTION
DECENTRALIZED, AGILE EXECUTION
SIGNIFICANT INVESTMENT IN TALENT

1,600 DIGITAL EXPERTS
14,000 UP-SKILLED
LEADING DIGITAL BEAUTY

February 10th, 2017
MORE REACTIVE SUPPLY CHAIN
PROFOUND TRANSFORMATION
1 OF ONLY 2 COMPANIES WORLDWIDE WITH 3 “A”s
THE WORLD IS CHANGING AT AN AMAZING SPEED
THE DAWN OF A NEW WORLD OF BEAUTY
THE ERA OF SOCIAL BEAUTY
LARGER SHARE OF INCOME SPENT ON BEAUTY

SHARE OF PERSONAL CARE IN CONSUMER EXPENDITURE (WORLD)

1996: 2.33%
2006: 2.35%
2016: 2.41%

SOURCE: EUROMONITOR 2016 (RELEASED IN MARCH 2016)
NEW, DIFFERENT, BETTER PRODUCTS
PREMIUMIZATION

BEAUTY IS THE CATEGORY WITH THE HIGHEST TRADE-UP RATE*

*SOURCE: MCKINSEY GLOBAL CONSUMER SENTIMENT SURVEY, 2016
THE BRIGHT NEW WORLD OF BEAUTY

UNIQUE OPPORTUNITY FOR L’ORÉAL

February 10th, 2017
UNIQUELY POSITIONED TO DRIVE AND CAPTURE THIS EXCITING GOLDEN ERA OF BEAUTY
R&I UNIVERSALIZATION

February 10th, 2017
STRONG PARTNERSHIPS WITH START-UPS

February 10th, 2017
SEIZE UP-AND-COMING TRENDS
HARNESS THE POWER OF SOCIAL LISTENING

February 10th, 2017
CUTTING-EDGE DIRECT-TO-CONSUMER RELATIONSHIPS
AT LEAST 2 L’ORÉAL BRANDS IN THE TOP 5

L2 DIGITAL IQ

L2 DIGITAL IQ INDEX: BEAUTY

February 10th, 2017
EXPLORING OPPORTUNITIES OF DIRECT-TO-CONSUMER CHANNELS

February 10th, 2017
LEADING BEAUTY E-COMMERCE
IMMERSIVE BRAND EXPERIENCE
L’ORÉAL IS PERFECTLY FITTED TO THE NEW WORLD OF BEAUTY
GLOBAL FLOTILLA OF COMPLEMENTARY BRANDS

PROFESSIONAL PRODUCTS
L’ORÉAL PARIS
KERASTASE
CARITA PARIS

CONSUMER PRODUCTS
L’ORÉAL PARIS
LEANNE
GARNIER

L’ORÉAL LUXE
LANCÔME
BIOtherm
Cacharel

ACTIVE COSMETICS
LA ROCHE-POSAY
VICHY
ROGER & GALLET

GIORGIO ARMANI
VIKTOR & ROLF

REDKEN
MAYBELLINE NEW YORK

MATRIX
essie

PUREOLOGY
SoftSheen Carson

Kiehl’s
Ralph Lauren Fragrances
SkinCeuticals

shu uemura

February 10th, 2017

L’ORÉAL
ACROSS ALL DISTRIBUTION CHANNELS

ALL CHANNELS
ALL CATEGORIES
ALL PRICES

HAIR SALONS
BEAUTY SALONS

MASS MARKET

DEPARTMENT STORES
PERFUMERIES

PHARMACIES
DRUGSTORES
MEDISPAS

BRANDED RETAIL

TRAVEL RETAIL

E-COMMERCE

ACROSS ALL BEAUTY CATEGORIES

HAIRCARE
HAIR COLOR
SKINCARE
FRAGRANCE
MAKE-UP

February 10th, 2017
STRATEGICALLY CONCENTRATED
OPERATIONALLY DECENTRALIZED

UNIQUE ORGANIZATION
ENTREPRENEURIAL CULTURE
EXPERT, HIGHLY ENGAGED TEAMS
February 10th, 2017
GOLDEN ERA
OF BEAUTY

GOLDEN ERA
FOR L’ORÉAL
BEAUTY MARKET GROWTH*

*L’ORÉAL BMS ESTIMATES - EXCLUDING SOAP, TOOTHPASTE AND RAZORS. NET MANUFACTURING PRICE (SELL-IN) - PROVISIONAL ESTIMATE. GROWTH AT CONSTANT EXCHANGE RATE

THE MARKET CONTINUES TO DEVELOP

2017 est.

≈ +4%
OUTPERFORM THE MARKET, IN EVERY DIVISION AND REGION

ANOTHER YEAR OF INCREASE IN SALES AND PROFITS

THE PROFILE OF GROWTH WILL BE SIMILAR TO 2016
THANK YOU

MERCI

February 10th, 2017
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February 10th, 2017

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