ANNUAL GENERAL MEETING

Thursday April 17th, 2014

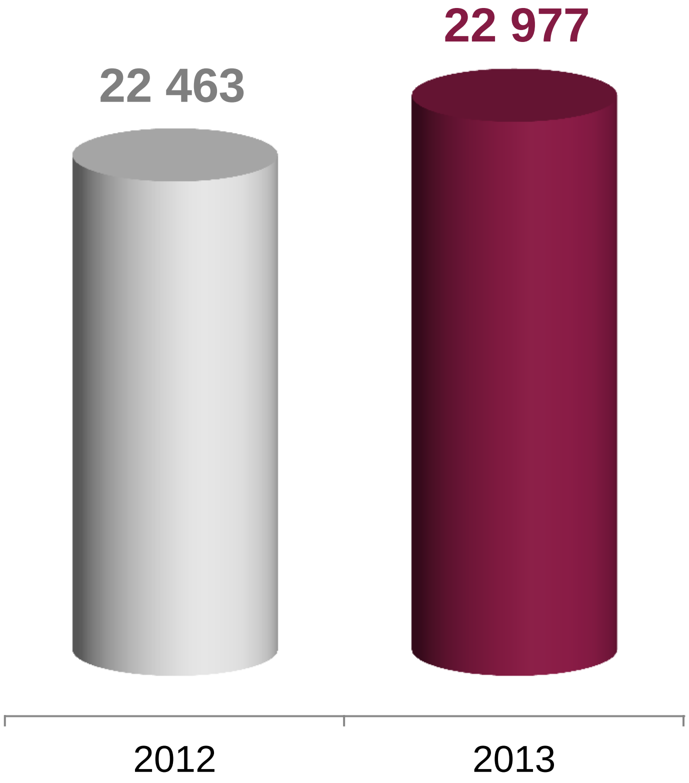
Mr. Christian Mulliez

Executive Vice-President
Administration and Finance

L'ORÉAL

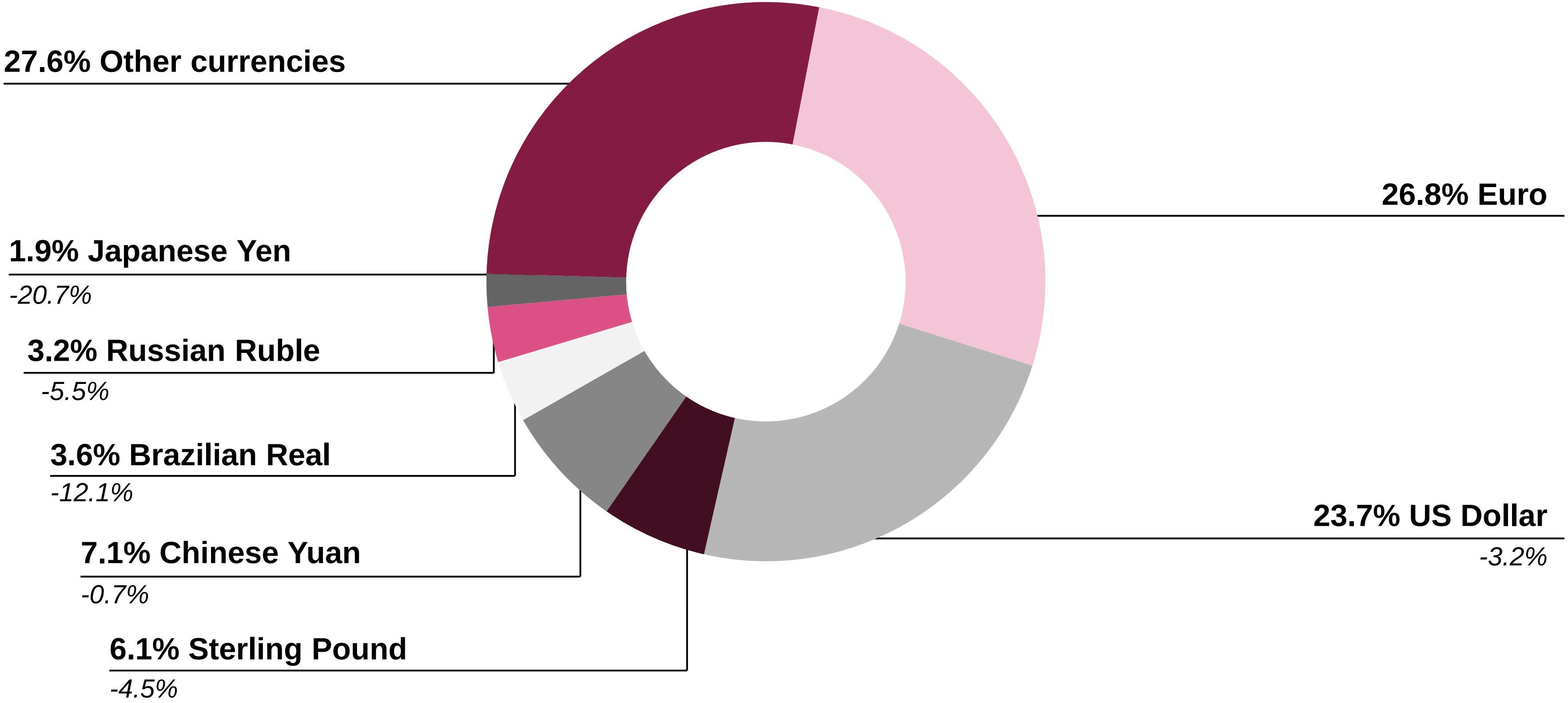
Consolidated group sales 2013

(in million euros)



Growth at constant exchange rates	**+6.0%**
of which:	
− like-for-like growth	+5.5%
− external growth impact	+1.0%
Exchange rate impact	**-3.7%**
Reported growth	**+2.3%**

Breakdown of 2013 consolidated sales by currency and changes in currencies against the euro



2013 consolidated sales
(in million euros)

	2012	2013	% change	
			Like-for-like	**Reported**
Professional Products	3 003	2 974	+2.1%	-1.0%
Consumer Products	10 713	10 873	+4.9%	+1.5%
L'Oréal Luxe	5 568	5 865	+6.8%	+5.3%
Active Cosmetics	1 528	1 602	+7.8%	+4.9%
Cosmetics Total	**20 812**	**21 315**	**+5.2%**	**+2.4%**
The Body Shop	855	836	+1.2%	-2.3%
Dermatology* / Galderma	795	826	+3.9%	+3.9%
Consolidated Total	**22 463**	**22 977**	**+5.0%**	**+2.3%**

** Group share, i.e. 50 %*

2013 Cosmetics sales by region

(in million euros)

			% change	
	2012	**2013**	**Like-for-like**	**Reported**
Western Europe	7 400	7 483	+1.9%	+1.1%
North America	5 211	5 356	+3.8%	+2.8%
New Markets	8 202	8 475	+9.4%	+3.3%
Cosmetics Total	**20 812**	**21 315**	**+5.2%**	**+2.4%**

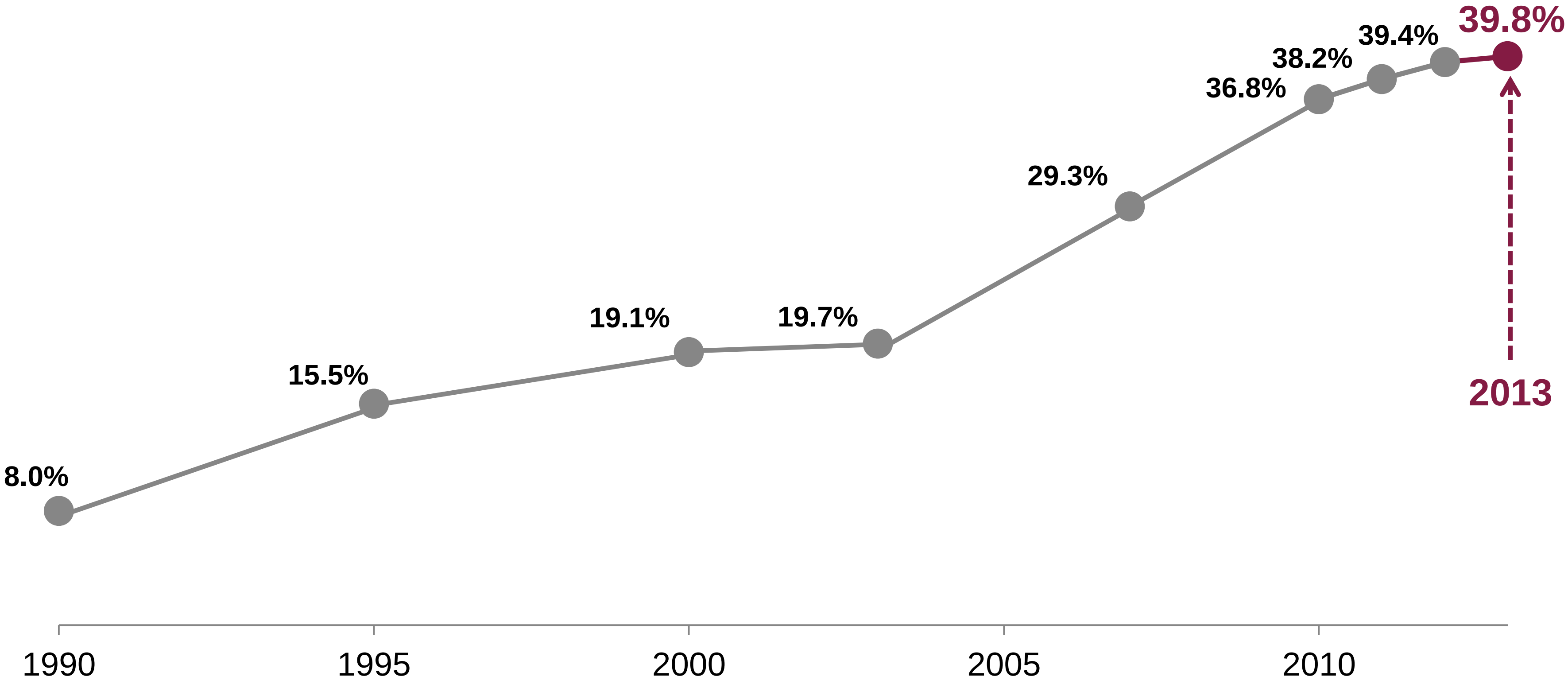
Cosmetics sales: New Markets

(in million euros)

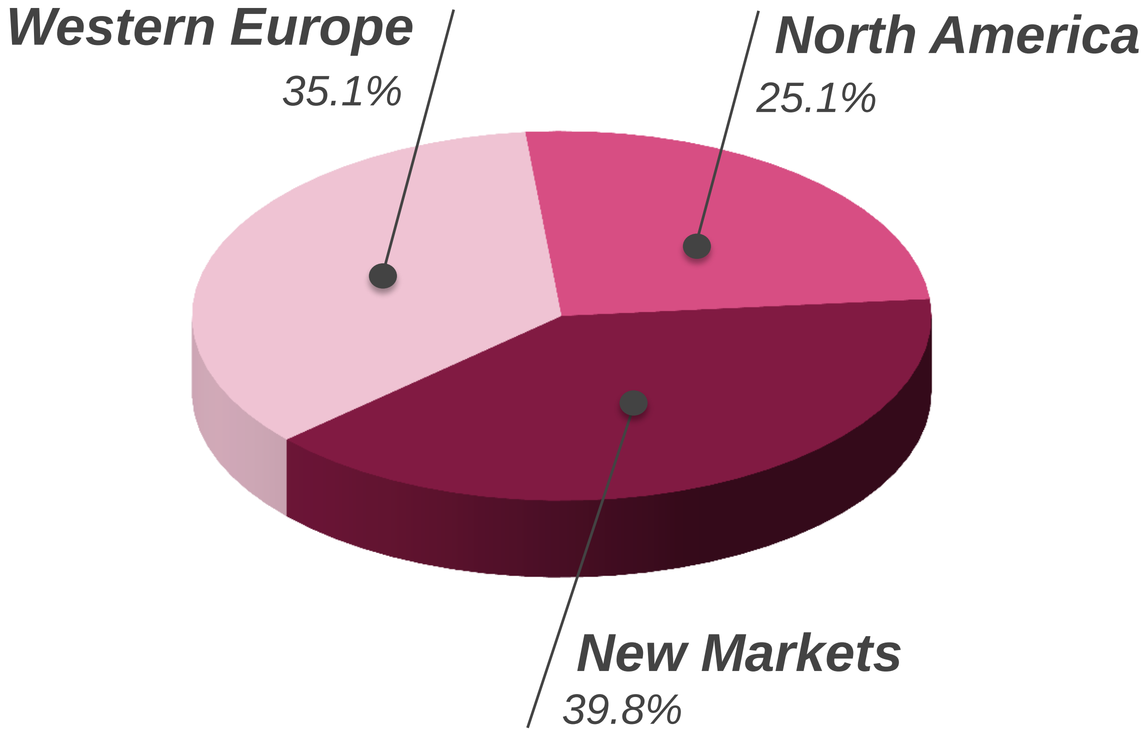
	2013	% change	
		Like-for-like	**Reported**
Asia, Pacific	4 382	+8.4%	+2.2%
- of which Asia, Pacific excluding Japan	*3 952*	*+9.5%*	*+5.9%*
Latin America	1 894	+11.5%	+3.7%
Eastern Europe*	1 693	+8.2%	+4.2%
Africa, Middle East*	505	+14.3%	+9.0%
Total New Markets	**8 475**	**+9.4%**	**+3.3%**

** As of July 1st 2013, Turkey and Israel, which had previously been recorded under the Africa, Middle East zone were transferred to the Eastern Europe zone. All figures for earlier periods have been restated to allow for this change.*

Weight of New Markets in Cosmetics sales



Weight of different regions in Cosmetics sales

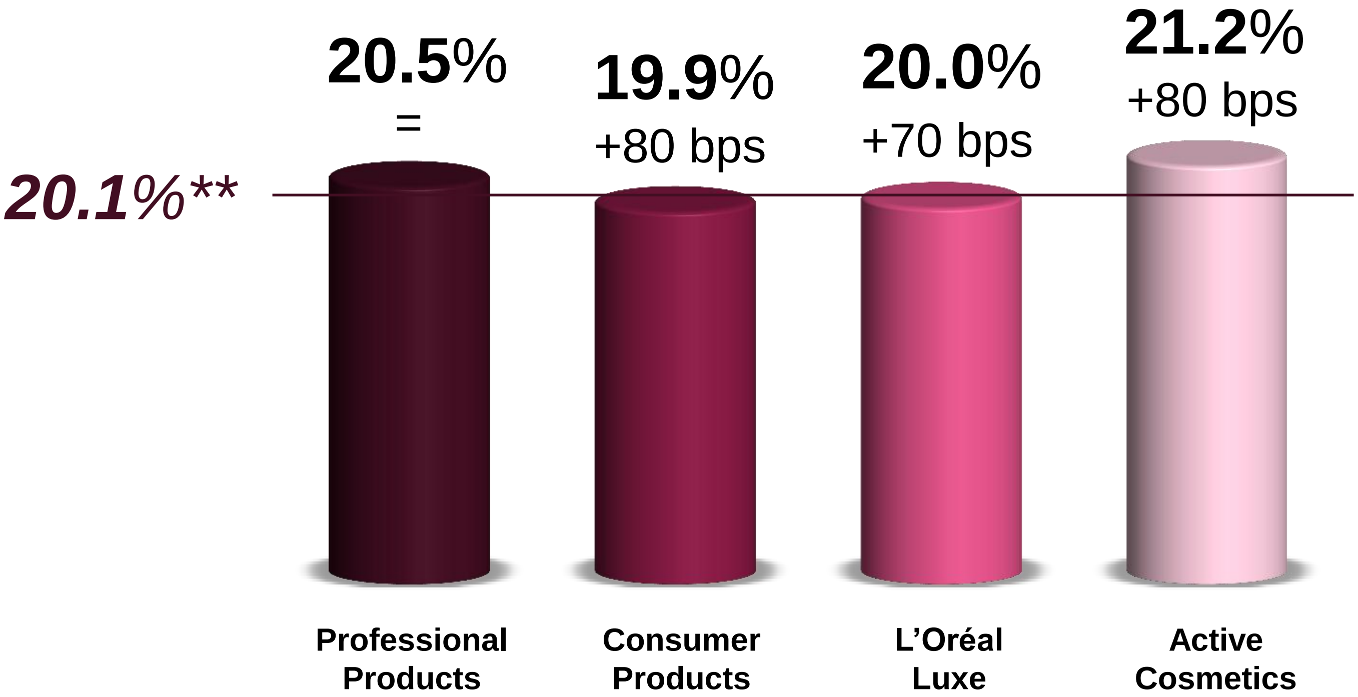


Consolidated profit and loss account: From sales to operating profit (in million euros)

	2012	as a % of sales	2013	as a % of sales	Change
Sales	**22 462.7**	**100.0%**	**22 976.6**	**100.0%**	**+2.3%**
Cost of sales	-6 587.7	29.3%	-6 601.8	28.7%	
Gross profit	**15 875.0**	**70.7%**	**16 374.8**	**71.3%**	**+60 bps**
Research and development	-790.5	3.5%	-857.0	3.7%	
Advertising and promotion	-6 776.3	30.2%	-6 886.2	30.0%	
Selling, general and administrative expenses	-4 610.9	20.5%	-4 756.8	20.7%	
Operating profit	**3 697.3**	**16.5%**	**3 874.8**	**16.9%**	**+40 bps**

Operating profit by division*

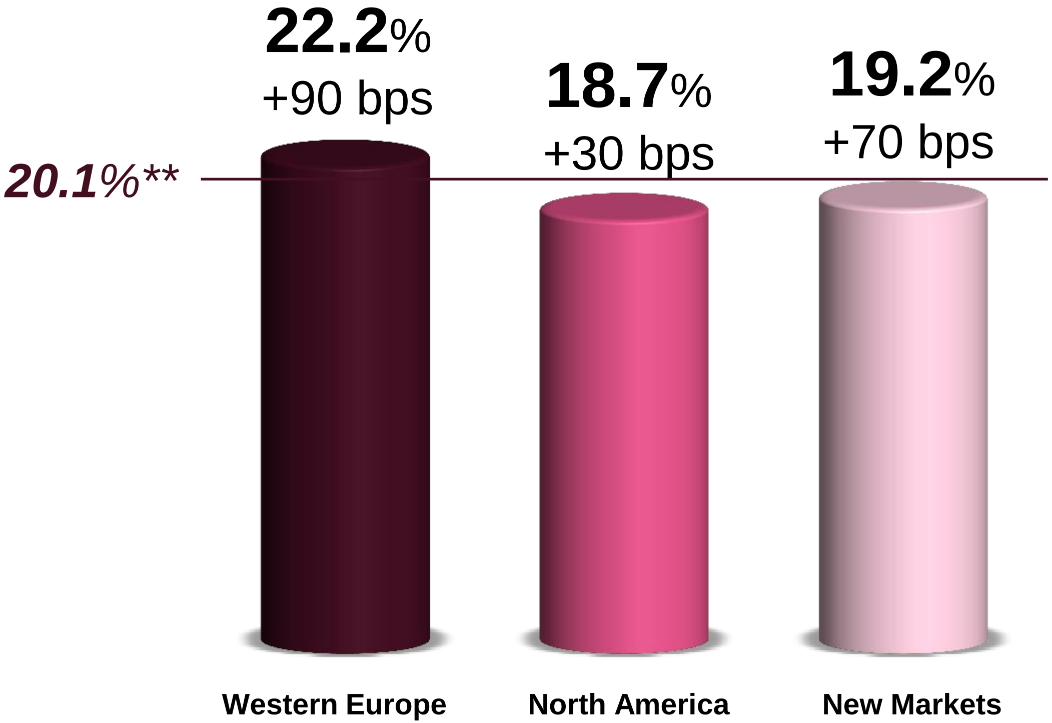
(as a % of sales)



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

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 divisions total*

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

(in million euros)

	2012	2013	% change
Operating profit	**3 697.3**	**3 874.8**	**+4.8%**
Financial revenues/expenses before dividends received	-11.0	-42.7	
Sanofi dividends	313.4	327.5	
Profit before tax and non-recurring items	**3 999.7**	**4 159.6**	**+4.0%**
Income tax excluding non-recurring items	-1 025.3	-1 038.9	
Non-controlling interests	-2.7	-3.2	
Net profit excluding non-recurring items attributable to owners of the company	**2 971.7**	**3 117.5**	
Earnings per share* (in euros)	**4.91**	**5.13**	**+4.4%**
Diluted average number of shares	605 305 458	608 001 407	

** Diluted earnings per share based on net profit excluding non-recurring items, attributable to owners of the company*

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

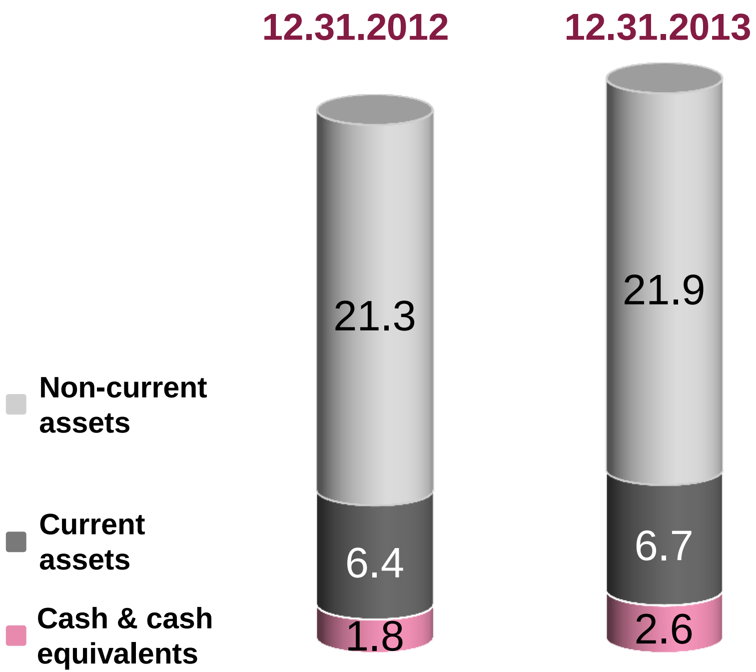
(in million euros)

	2012	2013	% change
Net profit excluding non-recurring items*	**2 971.7**	**3 117.5**	**+4.9%**
Non-recurring items	**-104.0**	**-159.2**	
of which :			
– *other income and expenses*	*-123.8*	*-135.2*	
– *taxes on non-recurring items*	*+19.8*	*-24.1*	
Net profit*	**2 867.7**	**2 958.2**	**+3.2%**

** Attributable to owners of the company*

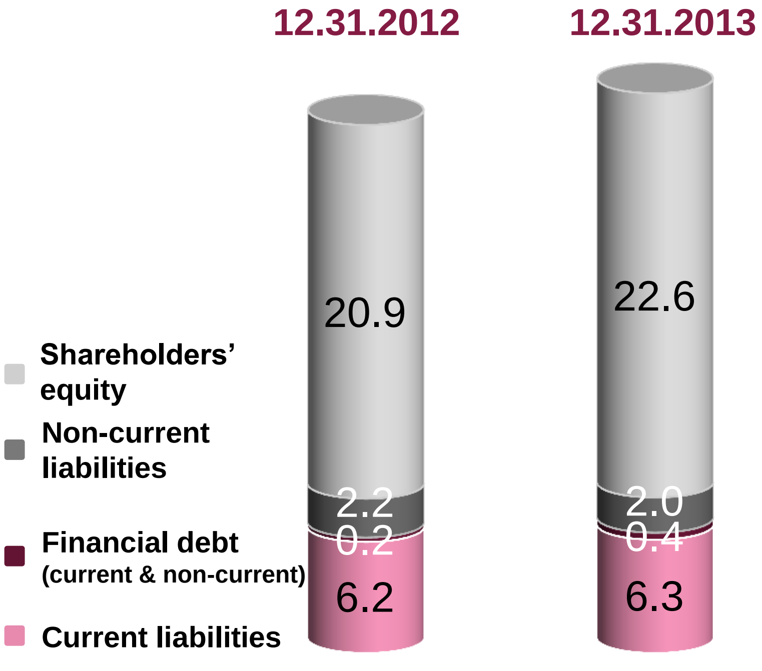
Balance sheet
(in billion euros)

Assets



Total Assets 29.5 31.3

Liabilities



Total Liabilities 29.5 31.3

Financial situation
(in million euros)

	12.31.2012	12.31.2013	% change
Cash flow	3 661	3 906	+6.7%
Net cash	+1 575	+2 215	+40.6%

Short term ratings by rating agencies

Ratings in 2013:		
Standard & Poor’s	A 1 +	(June 2013)
Moody’s	Prime 1 (P-1)	(June 2013)
Fitch Ratings	F1 +	(August 2013)

These ratings were confirmed in February 2014

Internal control: a range of tools and procedures

Financial charter

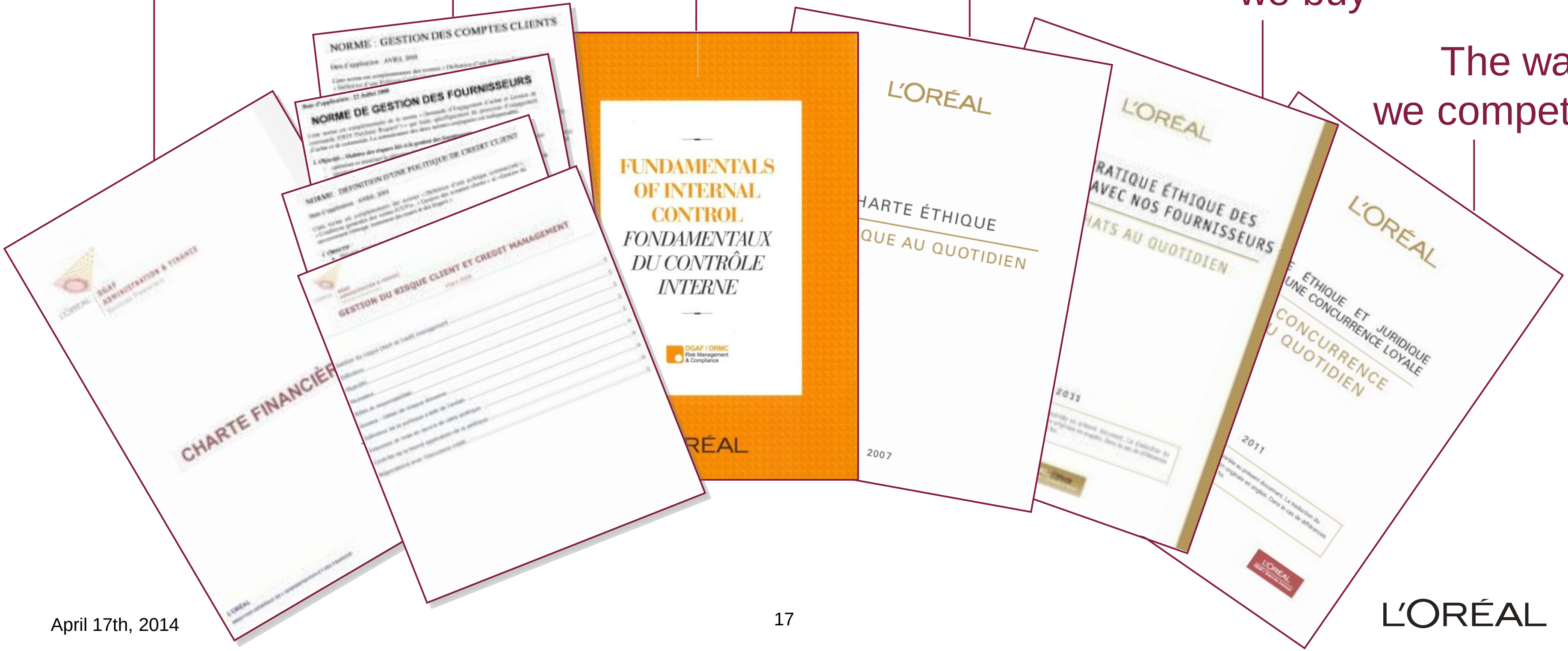
Management standards

Fundamentals of Internal control

Ethical charter

The way we buy

The way we compete



2013 dividend

→ **€2.50** per share*

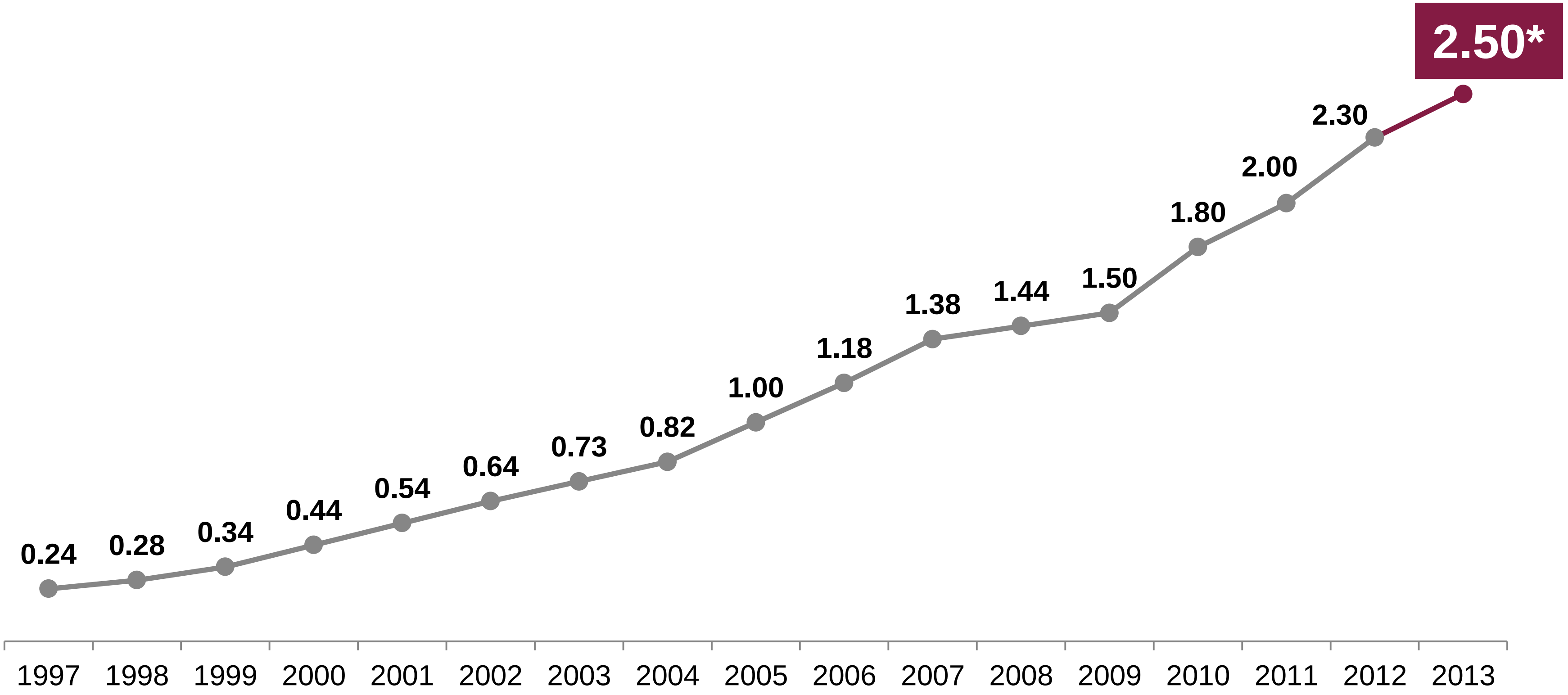
→ **+8.7%** growth over the previous year

Loyalty bonus dividend of +10%, i.e. €2.75 per share for shares held continuously under the registered form since end 2011*

** Proposed at the shareholders' meeting to be held on April 17th, 2014*

Dividend from1997 to 2013

(in euros)

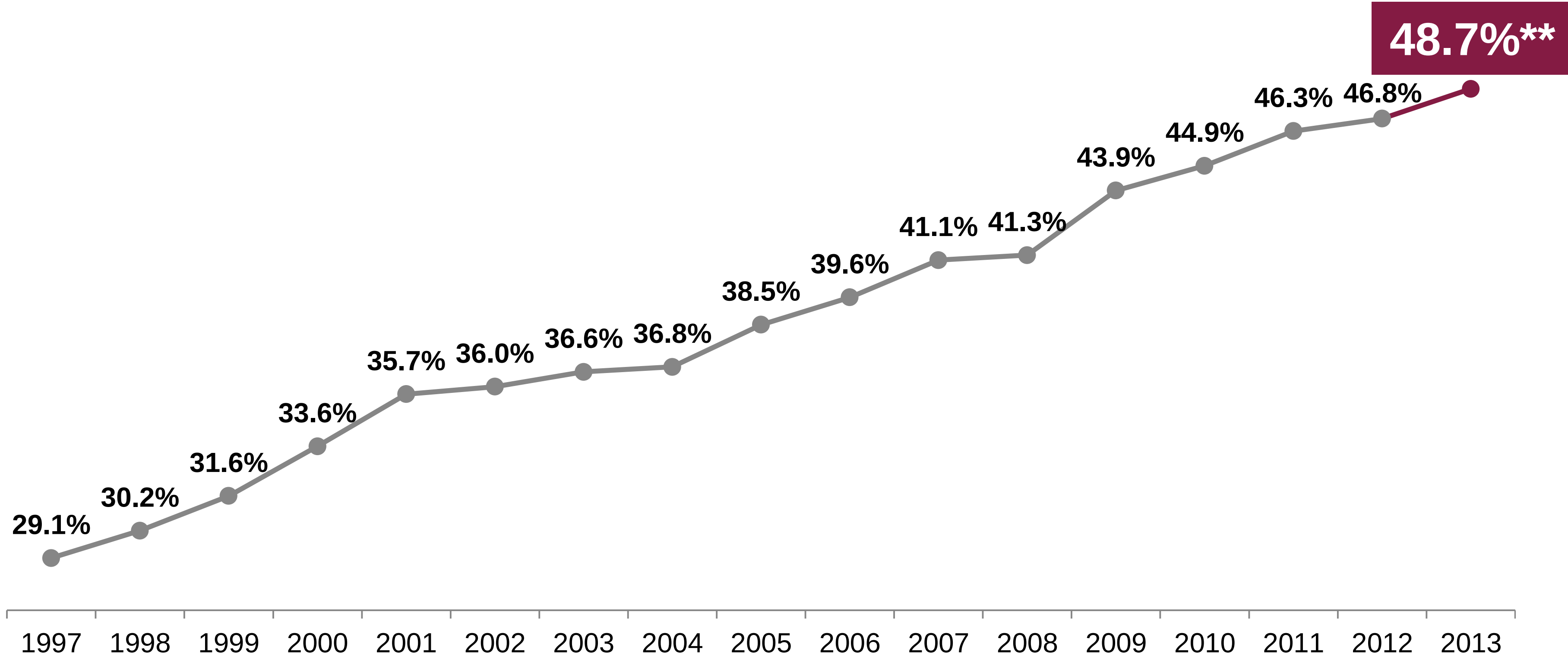


** Proposed at the shareholders' meeting to be held on April 17th, 2014*

2013: pay-out of the10% loyalty bonus (preferential dividend of 10%), for shares held in registered form since 2011

Payout ratio from 1997 to 2013

(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 17th, 2014*

Strategic transaction announced on February 11th 2014

Transaction structure

Buy-back by L'Oréal of €6.0bn L'Oréal shares owned by Nestlé

- *48.5 million shares*
- *8.0% of share capital*
- *€124.48 per share*

➢ *Disposal of our 50% stake in Galderma to Nestlé*

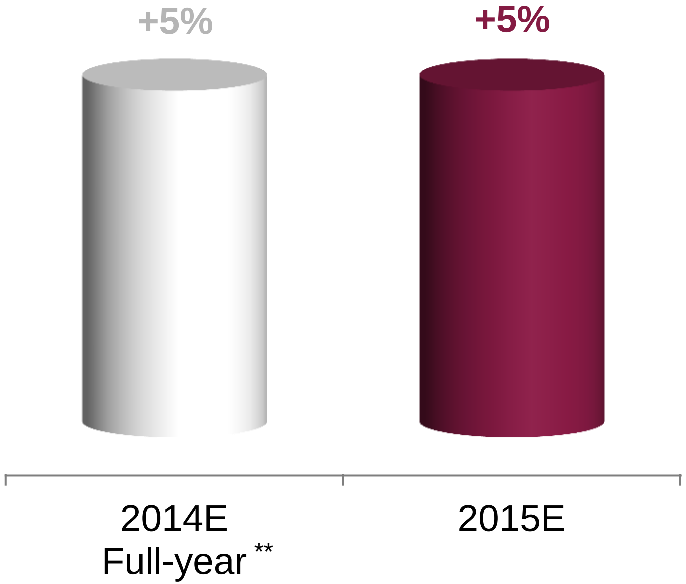
- *Enterprise value (for 50%): **€3.13bn***
- *Equity value (for 50%): **€2.64bn***

➢ *Cash payment to Nestlé for €3.40bn*

The repurchased shares will be canceled

Financial impacts

EPS impact*



Financial structure impact

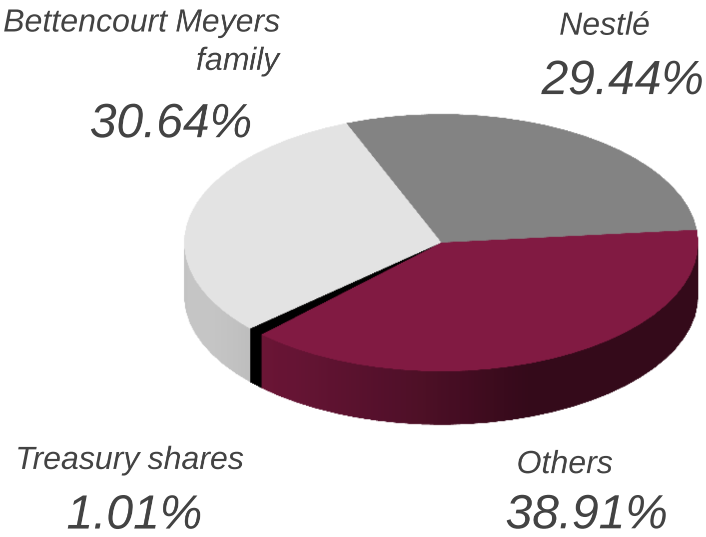
Pro-forma as of 12.31.2013

Net cash as of 12.31.2013 pre-transaction	***€2.2bn***
Transaction financing	***- €3.4bn***
Galderma deconsolidation / Repayment of current account granted to Galderma***	***+ €0.5bn***
Net debt as of 12.31.2013 pro-forma post-transaction	***- €0.7bn***
Net financial debt / EBITDA 2013 pro-forma	*0.2x*

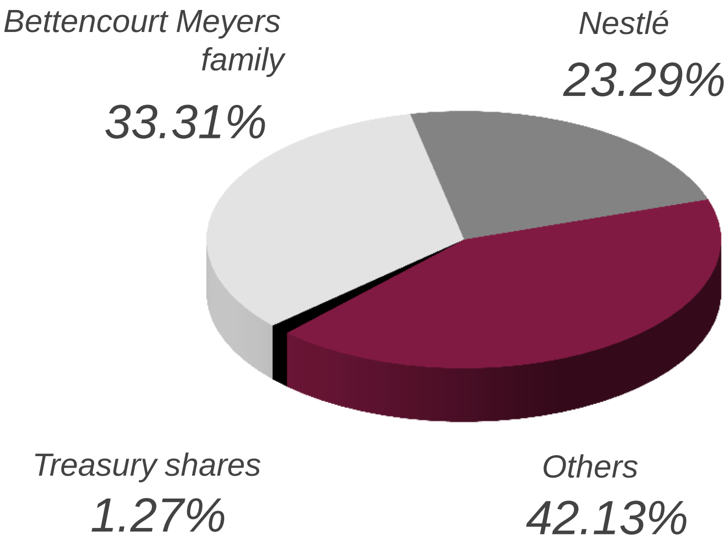
**   Diluted earnings per share based on net profit excluding non-recurring items, attributable to owners of the company*
***   Actual impact depending on the closing date of the transaction*
**** Including the repayment of the current account granted by L'Oréal to Galderma (€0.6bn as of 12.31.2013)*

Shareholding structure evolution

Shareholding structure as of 12.31.2013*



Shareholding structure after the transaction**

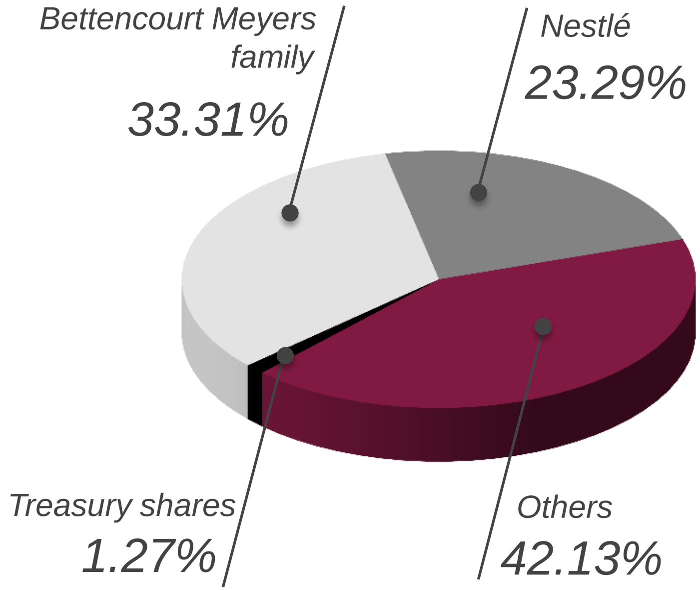


* as a % of share capital based on a total number of shares of 605,901,887 as of 12.31.2013

** as a % of share capital based on a total number of shares of 606,059,384 as of 01.31.2014 - after cancellation of the repurchased shares

Shareholding and governance evolution

Shareholding structure after the transaction*



Governance

Shareholders' pact adapted to reflect the new shareholding structure

- *The number of Nestlé representatives on the L'Oréal board will be reduced from 3 to 2*
- *Standstill adjusted for the Bettencourt Meyers family's and Nestlé's pro-forma stakes*

Concerted action between the Bettencourt Meyers family and Nestlé confirmed

** as a % of share capital based on a total number of shares of 606,059,384 as of 01.31.2014 - after cancellation of the repurchased shares*

An encouraging and contrasted first quarter

First quarter 2014 consolidated sales by division

	Q1-2014 (in €M)	% change	
		Like-for-like	**Reported**
Professional Products	735.2	+3.7%	-2.3%
Consumer Products	2 758.9	+1.2%	-5.5%
L'Oréal Luxe	1 460.8	+7.2%	+2.7%
Active Cosmetics	507.4	+8.7%	+3.9%
Total Cosmetics Divisions	**5 462.2**	**+3.7%**	**-2.2%**
The Body Shop	176.4	-3.4%	-3.0%
Consolidated Total*	**5 638.6**	**+3.5%**	**-2.2%**

** In accordance with IFRS 11 accounting rules at January 1st, 2014, Innéov has been consolidated under the equity method.*
In addition, the announcement on February 11th, 2014, of the disposal of 50% stake in Galderma lead to consolidate this business as a discontinued operation, in accordance with IFRS 5 accounting rule. Therefore, Innéov and Galderma's sales are no longer included in our reported turnover and data for earlier periods have been restated accordingly.

An encouraging and contrasted first quarter

First quarter 2014 cosmetics sales by region

	Q1-2014 (in €M)	% change Like-for-like	% change Reported
Western Europe	2 019.9	+2.8%	+1.8%
North America	1 295.2	-0.6%	-5.6%
New Markets	2 147.2	+7.5%	-3.6%
of which:			
- Asia, Pacific	*1 166.4*	*+6.8%*	*-1.9%*
- Latin America	*410.9*	*+8.2%*	*-10.0%*
*- Eastern Europe**	*426.8*	*+6.3%*	*-6.0%*
*- Africa, Middle East**	*143.1*	*+14.9%*	*+10.8%*
Total Cosmetics Divisions	**5 462.2**	**+3.7%**	**-2.2%**

** As of July 1st 2013, Turkey and Israel, which had previously been recorded under the Africa, Middle East zone were transferred to the Eastern Europe zone. All figures for earlier periods have been restated to allow for this change.*

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