

FIRST QUARTER 2019 SALES

STRONG SALES GROWTH: +7.7% ¹

- **Sales: 7.55 billion euros**
 - +7.7% like-for-like ¹
 - +8.9% at constant exchange rates
 - +11.4% based on reported figures
- **Dynamic growth in L'Oréal Luxe and Active Cosmetics**
- **Powerful momentum maintained in New Markets, driven by Asia Pacific**
- **Strong development of e-commerce at +43.7% ² and Travel Retail at +24.1% ¹**

Commenting on the figures, Mr Jean-Paul Agon, Chairman and CEO of L'Oréal, said:

"In the first quarter of 2019, L'Oréal maintains the rhythm set in the last quarter of 2018, with strong sales growth at +7.7% on a like-for-like basis ¹, and +11.4% based on reported figures. As anticipated, the powerful underlying growth drivers remain the same as in 2018: Luxe and Active Cosmetics, skincare, Asia, e-commerce and Travel Retail. Furthermore, the performance by Division and Zone remains contrasted in a market itself very contrasted.

L'Oréal Luxe has performed remarkably well in a particularly buoyant market, led by its four major brands, Lancôme, Yves Saint Laurent, Giorgio Armani and Kiehl's, all of which posted more than 15% growth, and by very strong development in Asia. The Active Cosmetics Division is exceptionally dynamic, growing in every region of the world, and growth in the Consumer Products Division is gradually improving. The Professional Products Division is making headway in a market that remains challenging.

At a regional level, the highlight is Asia Pacific, which has become the first Zone of the Group, powering ahead not only in China but also in India, Indonesia and Malaysia, which have all posted double-digit growth. In contrast, the first quarter saw modest growth in North America and Western Europe.

The e-commerce and Travel Retail channels remain extremely dynamic. E-commerce grew by +43.7% ², and is a powerful growth driver for every Division and all regions of the world. Travel Retail, which surpassed the €2 billion mark in 2018, continues to grow very fast.

Despite a volatile, uncertain and contrasted economic environment, this positive start to the year gives us confidence in our capacity to outperform the market in 2019 and see another year of growth in sales and profits."

¹ Like-for-like: based on a comparable scope of consolidation and constant exchange rates.

² Sales achieved on our brands' own websites + estimated sales achieved by our brands corresponding to sales through our retailers' websites (non-audited data).

First quarter 2019 sales

Like-for-like, i.e. based on a comparable scope of consolidation and constant exchange rates, the growth of L'Oréal group sales was at +7.7%.

The net impact of changes in the scope of consolidation was +1.2%.

Growth at constant exchange rates amounted to +8.9%.

Currency fluctuations had a positive impact of +2.5%. Extrapolating from the exchange rates on 31 March 2019, i.e. with €1 = \$1.123 up to 31 December, the impact of currency fluctuations on sales for the full year 2019 would be approximately +2.2%.

Based on reported figures, the Group's sales, at 31 March 2019, amounted to 7.55 billion euros, that is +11.4%.

Sales by Division and geographic Zone

€ million	Quarterly sales		Growth	
	1 st quarter 2018	1 st quarter 2019	Like-for-like	Reported
By Division				
Professional Products	797.3	835.3	+2.2%	+4.8%
Consumer Products	3,070.5	3,284.5	+3.3%	+7.0%
L'Oréal Luxe	2,252.5	2,679.6	+14.2%	+19.0%
Active Cosmetics	658.4	751.0	+13.0%	+14.1%
Group total	6,778.6	7,550.5	+7.7%	+11.4%
By geographic Zone				
Western Europe	2,124.8	2,169.0	+1.1%	+2.1%
North America	1,735.7	1,895.5	+1.2%	+9.2%
New Markets, of which:	2,918.1	3,486.0	+16.6%	+19.5%
- Asia Pacific	1,838.5	2,398.0	+23.2%	+30.4%
- Latin America ³	426.6	422.3	+4.0%	-1.0%
- Eastern Europe	477.5	483.5	+7.1%	+1.3%
- Africa, Middle East	175.6	182.1	-1.0%	+3.7%
Group total	6,778.6	7,550.5	+7.7%	+11.4%

³ The Group has applied the IAS 29 accounting rule (Financial Reporting in Hyperinflationary Economies) to Argentina from 1 July 2018 onwards. The negative impact of this adjustment amounts to 390 basis points on like-for-like growth in Latin America and to 30 basis points on the growth of the whole L'Oréal group in the first quarter of 2019.

PROFESSIONAL PRODUCTS

At the end of March, the Professional Products Division reported growth of +2.2% like-for-like and +4.8% based on reported figures.

The Division's performance has been mixed. The United States continues to grow at a good pace, while the Asia Pacific Zone, posting a strong increase, is reinforcing its role as a growth driver. Eastern Europe maintains its momentum, while Western Europe remains challenging.

Haircare is boosted by strong growth at *Kérastase* – fuelled by the success of *Resistance Extentioniste* –, the *Fusio-Dose* line of personalised hair treatment, as well as the recent launch of *Blond Absolu*. Hair colour benefits from the strength of iconic core franchises: *Shades EQ* at *Redken*, *Inoa* at *L'Oréal Professionnel* and *SoColor* from *Matrix*.

CONSUMER PRODUCTS

The Consumer Products Division was up +3.3% like-for-like and +7.0% based on reported figures in the first quarter.

L'Oréal Paris had a strong start to the year, thanks in particular to face care, including *Revitalift Filler* and *Age Perfect*, as well as the very successful launch of *Rouge Signature* in makeup. *Garnier* is continuing its acceleration that began in the fourth quarter of 2018. Growth in haircare led the way, boosted by the success of *Fructis Hair Food* and the strength of *Ultra Doux*. Face care and a strong start for *Garnier Organic* in Europe were factors as well. *3CE Stylenanda*, the South Korean makeup brand acquired recently, is making significant progress.

The Division has seen a return to growth in Western Europe and is facing a more challenging environment in the United States. In the New Markets, the Division continues to grow in Eastern Europe and in the major strategic countries, with very positive results in China, India, Indonesia and Russia.

E-commerce remains on a strong growth path.

L'ORÉAL LUXE

At the end of March, L'Oréal Luxe posted growth of +14.2% on a like-for-like basis and +19.0% based on reported figures, outperforming a selective market that remains highly dynamic.

The Division's four billionaire brands maintained double-digit growth. Skincare is accelerating, fuelled by an excellent performance at *Lancôme* with the success of the *Génifique* franchise, at *Kiehl's* with strong sales of *Ultra Facial Cream*, and at *Helena Rubinstein*, which has confirmed its success in the ultra-premium segment with the launch of *Prodigy Cellglow*. In makeup, *Giorgio Armani* and *Yves Saint Laurent* are enjoying success in the lipstick segment with *Rouge d'Armani Matte* and *Rouge Pur Couture The Slim* respectively. The first quarter has also seen a solid performance in fragrances, notably with *Atelier Cologne*, which continues to attract new consumers.

Growth has been substantially driven by Asia and Travel Retail, and the Division continues to perform very well in e-commerce.

ACTIVE COSMETICS

The Active Cosmetics Division continues to accelerate, with another quarter of double-digit growth at +13.0% like-for-like and +14.1% based on reported figures.

All Zones are recording growth, with an especially remarkable performance in the New Markets and North America, and good momentum in Western Europe.

La Roche-Posay accelerates posting double-digit growth, driven by *Hyalu B5* along with its star franchises *Effaclar*, *Anthelios* and *Lipikar*, with impressive growth in every Zone. *Vichy* recorded strong performance, especially in Germany, Russia and Brazil, and launched two products that were among the major contributors to growth in the Division: *Liftactiv Specialist* and its new moisturising foundation *Minéral Blend*. *SkinCeuticals* is performing exceptionally well in North America, Latin America and Asia. *CeraVe* continues to capture market shares in North America, and is deploying in the rest of the world, with most notably the launch in China.

Summary by geographic Zone

WESTERN EUROPE

The Zone posted growth of +1.1% like-for-like and +2.1% based on reported figures, in a largely lacklustre market, particularly in the United Kingdom.

The Consumer Products Division is back to growth and initial results from *Garnier Organic* face care products and the *Elseve Purple* range of shampoos and haircare products from *L'Oréal Paris* are very encouraging. L'Oréal Luxe is also making progress thanks to strong momentum in the *Giorgio Armani* and *Kiehl's* brands. The Active Cosmetics Division made a positive start to the year, particularly with *La Roche-Posay* and the confirmed success of *Hyalu B5*. The Professional Products Division, however, has been impacted by a slowdown in France.

NORTH AMERICA

The North America Zone recorded growth of +1.2% like-for-like and +9.2% based on reported figures.

The performance in North America is contrasted. Professional Products reported improved growth, driven by *Redken*, *Kérastase* and *Pulp Riot*, while the Active Cosmetics Division continues to report strong performance powered by *CeraVe*, *SkinCeuticals* and *La Roche-Posay*. Despite the slowdown in the luxury market, L'Oréal Luxe was up slightly, with good scores in the fragrance segment, where *Yves Saint Laurent* and *Giorgio Armani* are outperforming their market. The mass market is being held back by the makeup category. However, *L'Oréal Paris* posted a good performance in skincare with *Revitalift Derm Intensives*, while *Essie* reported a strong start to the year thanks to *Gel Couture*.

NEW MARKETS

Asia Pacific: growth in the Zone is at +23.2% like-for-like and +30.4% based on reported figures. All of the Divisions reported strong growth, particularly L'Oréal Luxe and Active Cosmetics. L'Oréal continues to strengthen its position in a Chinese market that remains very buoyant. Growth is also strong in a number of other markets, notably India, Indonesia, Malaysia and the Philippines. *Yves Saint Laurent* and *Giorgio Armani*, along with the premium skincare brands, are reporting the strongest growth. *Stylenanda*, a brand acquired in June 2018, was launched on the Chinese market and is already bolstering growth in the Consumer Products Division.

Latin America: the Zone is at +4.0% like-for-like and -1.0% based on reported figures, fuelled by a return to growth in Brazil. Performance between Divisions was nonetheless contrasted: the L'Oréal Luxe and Active Cosmetics Divisions posted double-digit growth, particularly Active Cosmetics, with outstanding performance of all its brands. Within the Consumer Products Division, there were more marked differences in performance despite double-digit growth for the *Niely* and *Vogue* brands.

Eastern Europe: the Zone grew by +7.1% on a like-for-like basis and +1.3% based on reported figures. The Active Cosmetics Division remains dynamic, thanks to *La Roche-Posay*. The Professional Products Division benefits from the success of *Kérastase*, while the Consumer Products Division is boosted by *Garnier* and the face care category. In terms of countries, Russia has seen a strong start to the year, as have the countries of Central Europe, such as the Czech Republic, Ukraine and Romania. Turkey is experiencing more modest growth, in a tough economic context.

Africa, Middle East: the Zone is at -1.0% like-for-like and +3.7% based on reported figures. The markets in the Middle East continue to be challenging, especially at L'Oréal Luxe. Morocco and Egypt are growing, as is sub-Saharan Africa. The Active Cosmetics Division is driving growth thanks to *La Roche-Posay*.

Important events during the period 1/1/19 to 31/3/19

- On 16 January, L'Oréal announced that it was among 230 companies on the **Bloomberg Gender-Equality Index** (GEI), which puts forward companies that demonstrate transparency in their reporting on gender parity and have pledged a strong commitment to gender equality.
- On 26 February, L'Oréal was honoured for the tenth time as one of the world's most ethical companies by the **Ethisphere Institute**, a global leader in defining and promoting standards in corporate ethics.

"This news release does not constitute an offer to sell, or a solicitation of an offer to buy L'Oréal shares. If you wish to obtain more comprehensive information about L'Oréal, please refer to the public documents registered in France with the Autorité des Marchés Financiers, also available in English on our Internet site www.loreal-finance.com.

This news release may contain some forward-looking statements. Although the Company considers that these statements are based on reasonable hypotheses at the date of publication of this release, they are by their nature subject to risks and uncertainties which could cause actual results to differ materially from those indicated or projected in these statements."

This is a free translation into English of the First quarter 2019 sales news release issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

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Appendix

L'Oréal group sales 2018/2019 (€ million)

	2018	2019
First quarter	6,778.6	7,550.5
Second quarter	6,612.1	
First half total	13,390.7	
Third quarter	6,473.3	
Nine months total	19,864.0	
Fourth quarter	7,073.4	
Full year total	26,937.4	