

Deutsche Bank

June 13th, 2017

Mr. JEAN-PAUL AGON
Chairman and Chief Executive Officer

L'ORÉAL



N°1

Beauty Company
Worldwide

€25.8 billion sales in 2016

3rd worldwide advertiser*

17.6% operating margin

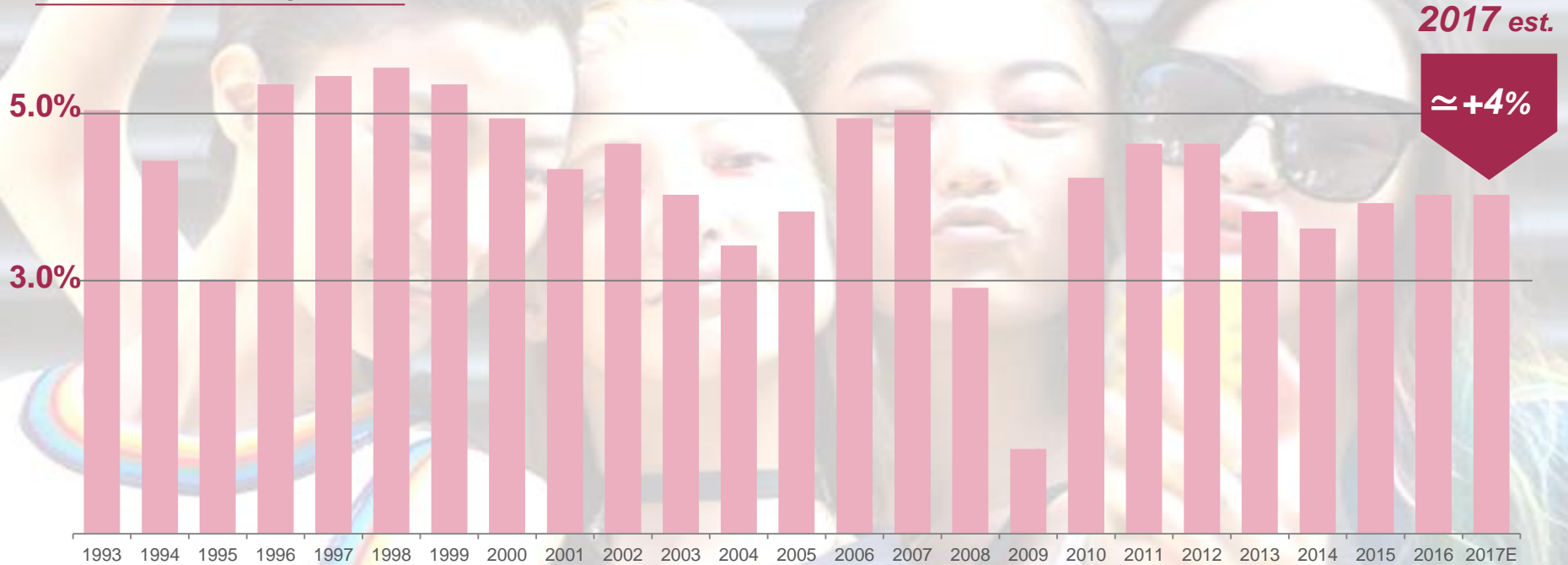
89,000 beauty experts

* 2016 Adage ranking



A compelling industry Consumers always seeking for more and better beauty

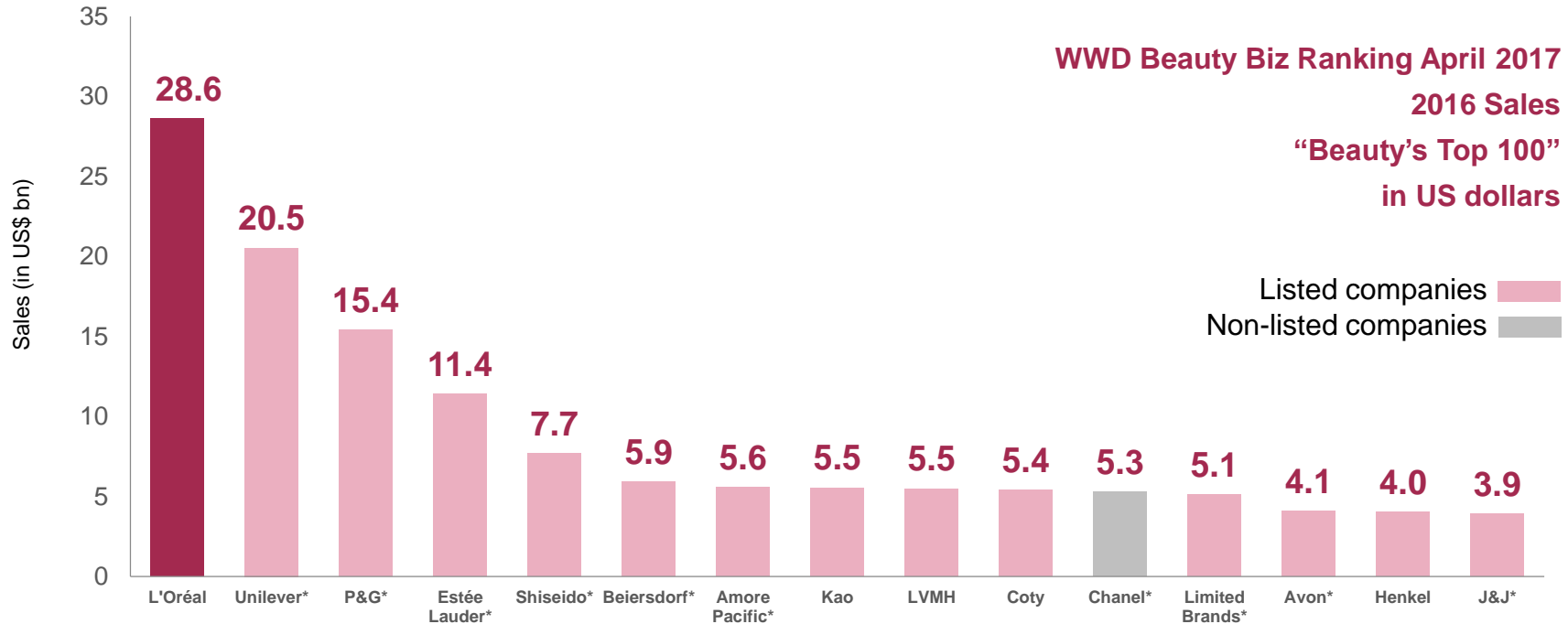
Beauty market growth*



* L'Oréal BMS estimates - excluding soap, toothpaste and razors. Net manufacturing price (sell-in). Growth at constant exchange rates



Leader of the beauty industry





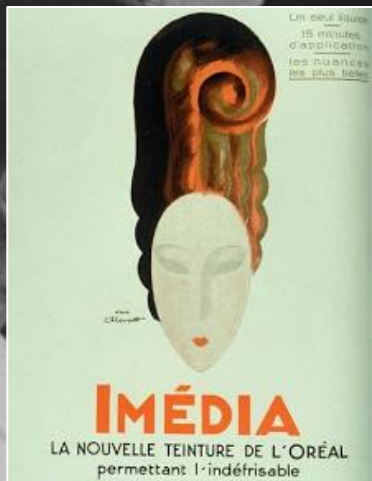
L'Oréal,
a unique set of
core strengths



One passion
Beauty

Pure player
in beauty

since 1909



One belief Science Founded by a chemist

Data & knowledge accumulated over 100 years



One obsession The Consumer



Presence across all channels, all categories and regions

HAIR SALONS



MASS MARKET



DEPARTMENT STORES
PERFUMERIES



PHARMACIES
DRUGSTORES
MEDISPAS



BRANDED RETAIL



TRAVEL RETAIL



E-COMMERCE



Across all distribution channels



HAIR CARE



HAIR COLOR



SKINCARE



PERFUMES



MAKE-UP

Across all beauty categories

WESTERN EUROPE

NORTH AMERICA

NEW MARKETS

Across all regions



Our global flotilla of complementary brands

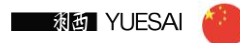
PROFESSIONAL PRODUCTS 13.2%*



CONSUMER PRODUCTS 46.4%*



L'ORÉAL LUXE 29.7%*



ACTIVE COSMETICS 7.2%*

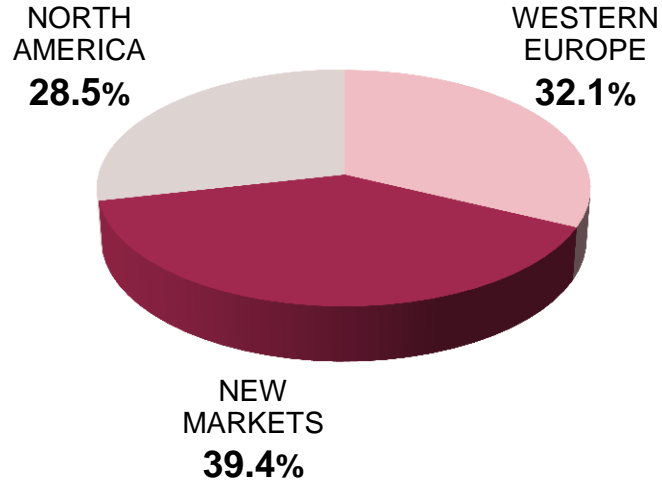


* as a % of 2016 consolidated sales

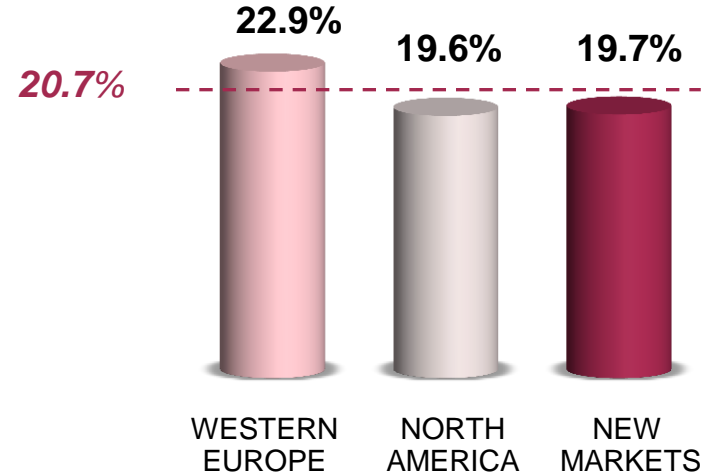


A balanced business model

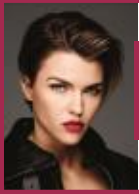
2016 SALES BY REGION



OPERATING PROFIT BY REGION*



* Before central group expenses, fundamental research expenses, stock-option & free grant of shares expenses and miscellaneous items – as a % of total divisions sales; as of July 1st, 2016, the Asian Travel Retail business of the Consumer Products Division, previously recorded under the Western Europe Zone, was transferred to the Asia, Pacific.



A balanced business model

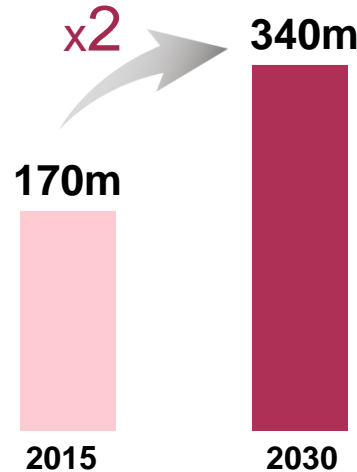
Current market dynamics → Premiumisation

HIGHEST PROPENSITY TO TRADE UP



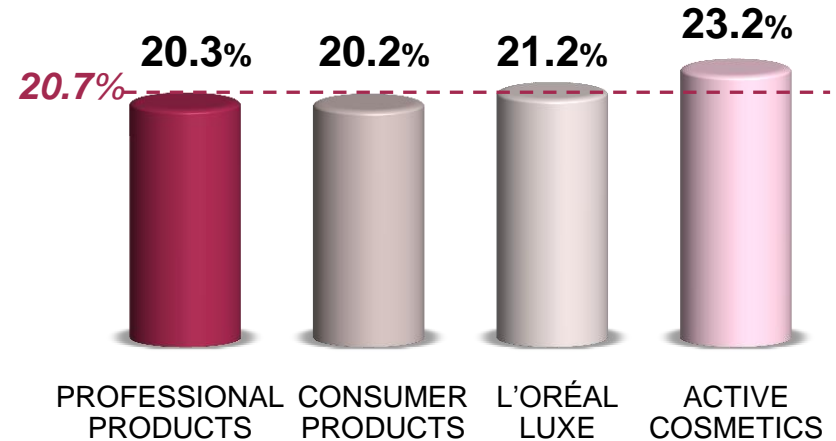
% of people who traded up/down (2)

UPPER CLASS GROWTH



Number of people (3)

OPERATING PROFIT BY DIVISION(1)



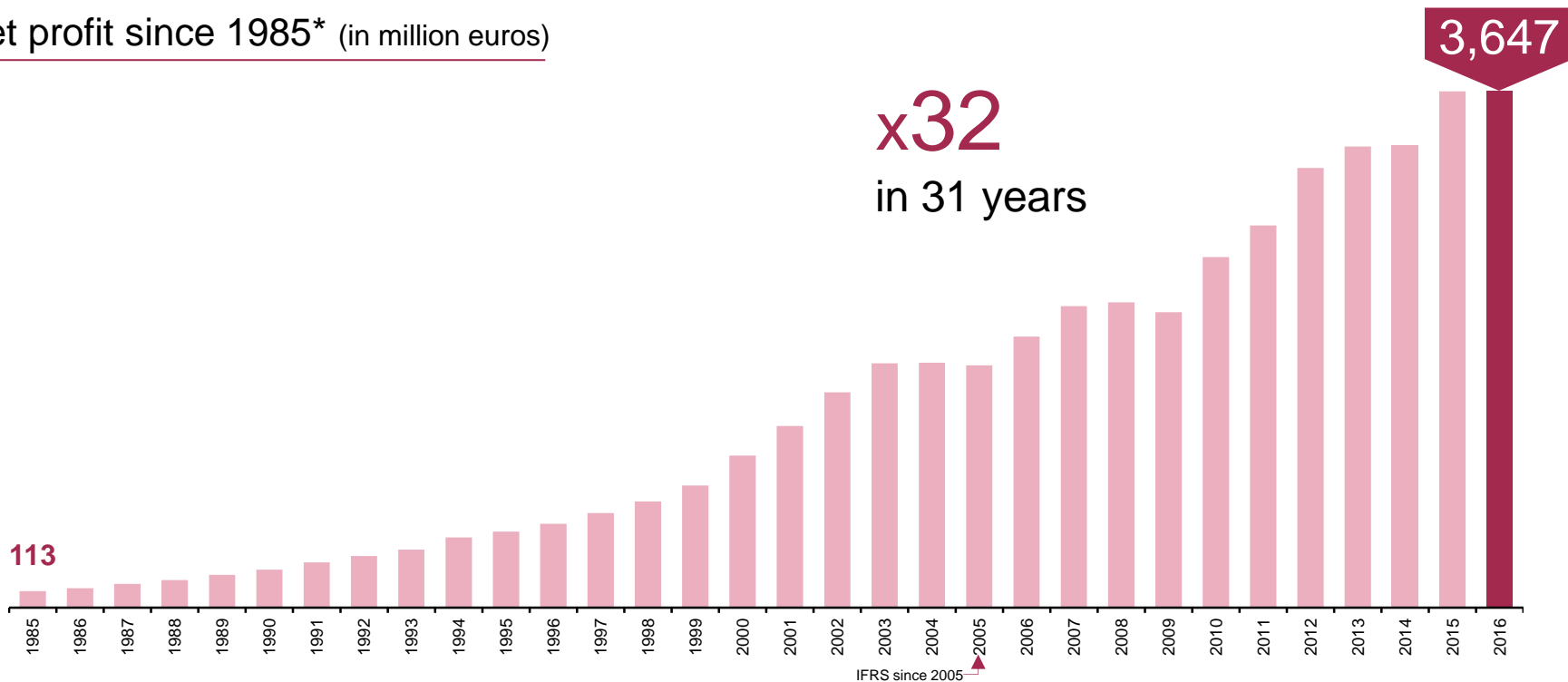
(1) Before central group expenses, fundamental research expenses, stock-option & free grant of shares expenses and miscellaneous items – as a % of sales.

(2) McKinsey Global Consumer Sentiment Survey, 2016. (3) Source: The Rising Global Middle Class study from World Data Lab, 2017.

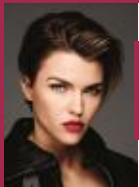


Robust, long term successful business model

Net profit since 1985* (in million euros)

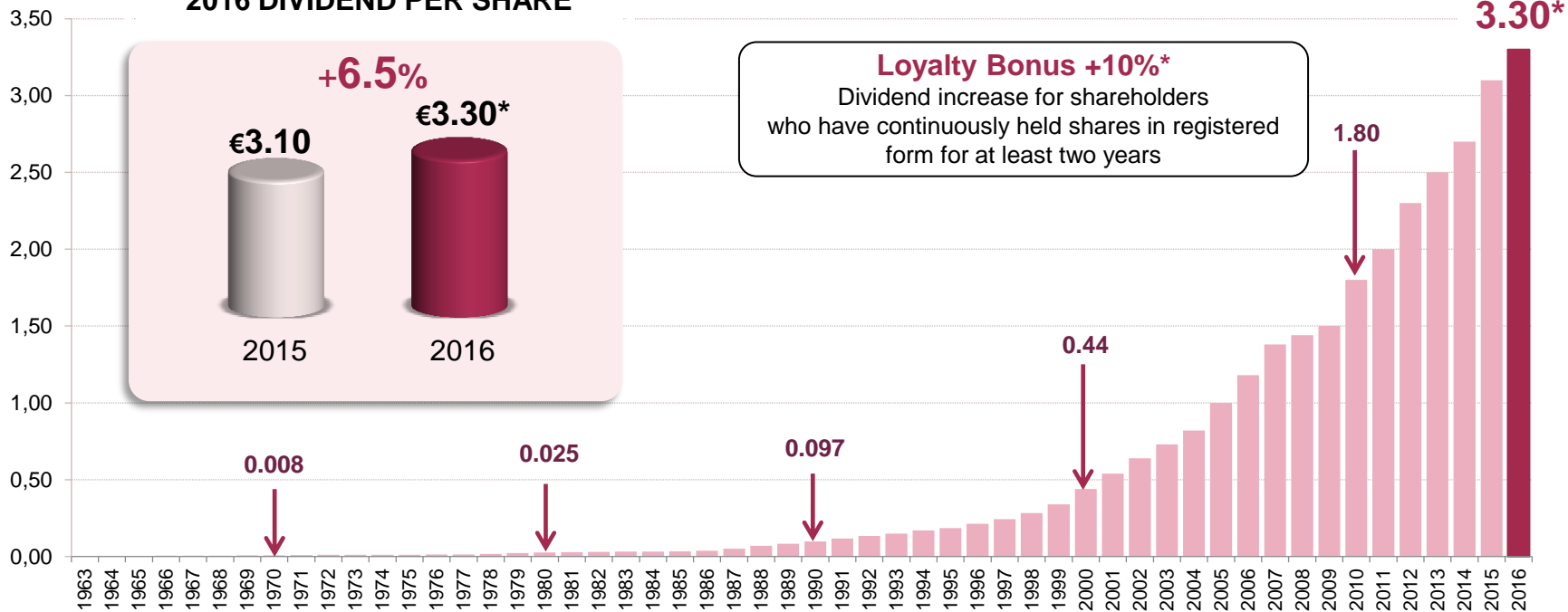


*Net operating profit, excl. non-recurring items attributable to owners of the company, with Synthélabo consolidated fully up to 1998; net profit excl. non-recurring items attributable to owners of the company, with Sanofi-Synthélabo equity consolidated from 1999 to 2004; net profit excl. non-recurring items attributable to owners of the company including Sanofi dividend from 2004



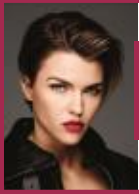
Dividend per share since 1963 (in euros)

2016 DIVIDEND PER SHARE

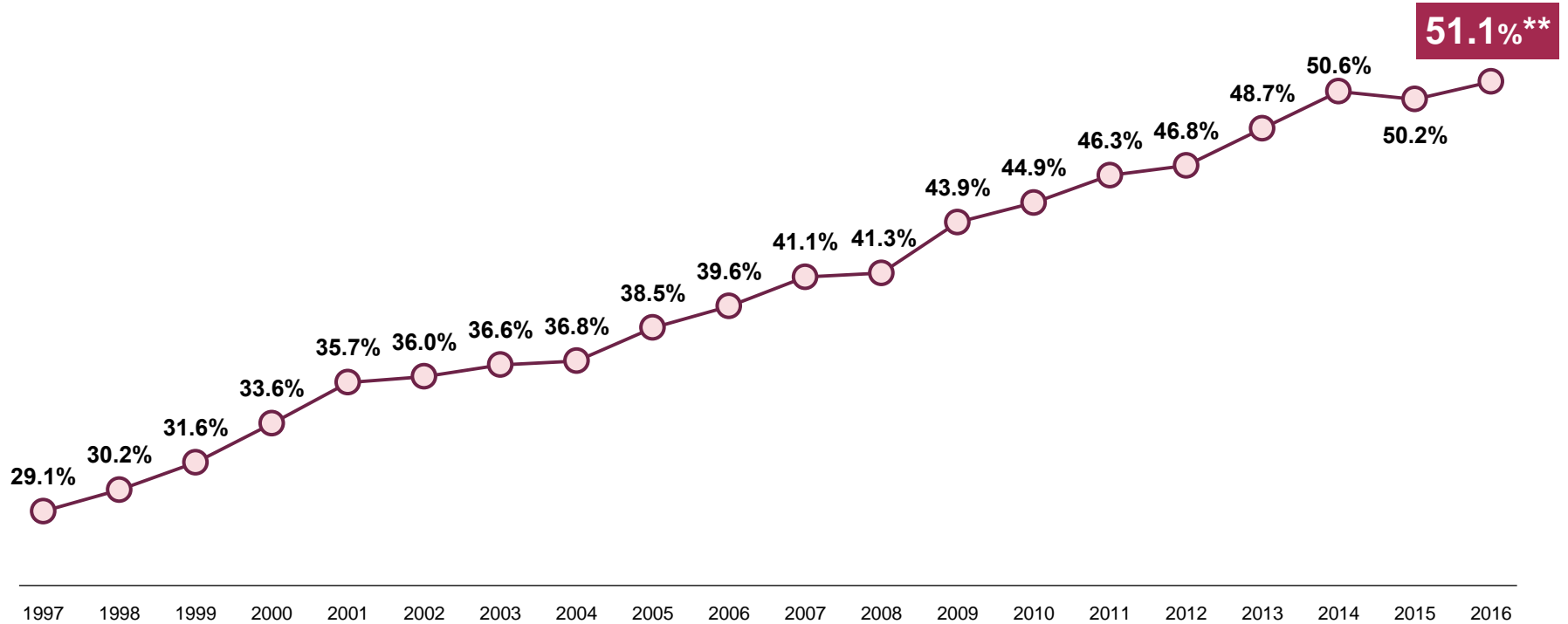


* Approved at the shareholders' meeting held on April 20th, 2017

2016 dividend paid in 2017: pay-out of the 10% loyalty bonus (preferential dividend of 10%), for shares held in registered form since 2014



Payout ratio from 1997 to 2016 (as a % of net profit*)



* Taking into account the Sanofi history with regards to the dividends

** Based on the dividend approved at the shareholders' meeting held on April 20th, 2017



Sharing Beauty With All 2016 achievements

INNOVATING SUSTAINABLY



82%
of new or
renovated
products have
an environmental
or social benefit

PRODUCING SUSTAINABLY



-67%
of CO₂ emissions
from plants
and DC from
a 2005 baseline

*-48% water consumption**
*-35% waste generated**

LIVING SUSTAINABLY



90%
of group brands
have conducted an
assessment of
their
environmental
or social
impact

DEVELOPING SUSTAINABLY



67,553
people from
communities in
difficulty who have
had access
to work through
one of L'Oréal's
programmes



Acknowledged leadership in CSR and ethics

SUSTAINABILITY

1 out of 2
companies
worldwide
with 3 As



ETHICS

« **One of the
most ethical**
companies
in the world »



2nd company
worldwide
for its ethical
reputation



DIVERSITY

1st company
worldwide out
of 3,000 companies
for Gender Equality,



INCLUSION

19th company
worldwide (Thomson
Reuters' Diversity
and Inclusion Index)





A
bright
new world
of beauty



The era of Social Beauty



L'Oréal is uniquely positioned to capture and drive the bright new world of beauty

At the cutting edge of direct consumer relationship

Be where our consumers want to shop

R&I superiority

Innovation

Consumer insights

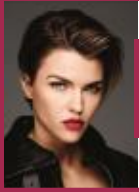
Spot trends and translate them into innovations

Culture

Agility

Multi-channel
Multi-categories



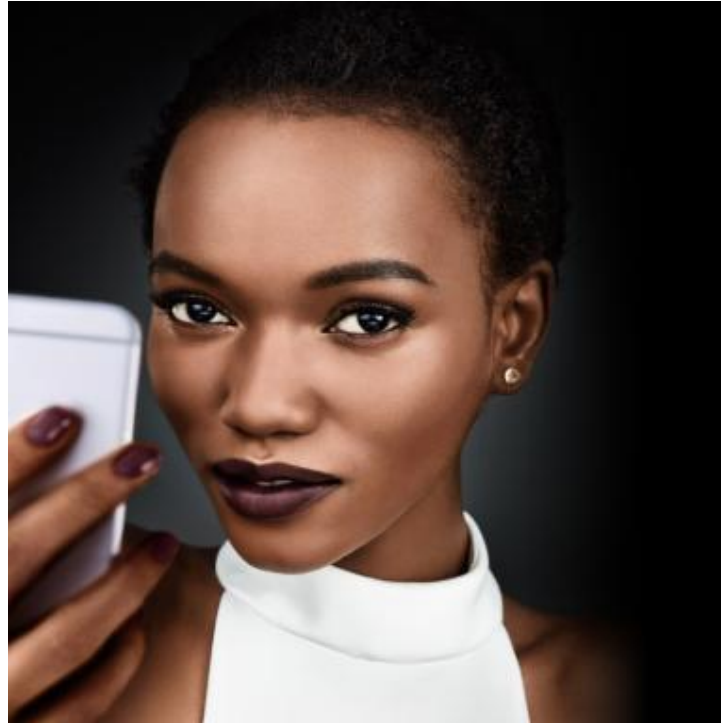


Leading in digital

E-commerce
6.5%⁽¹⁾
of Group sales

+33% growth⁽²⁾

Be where our
consumers shop



32% of media
invested in digital⁽³⁾

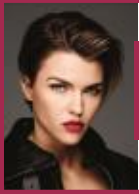
Reach consumers
where they are

Give them the content
they want

Talk to them
individually

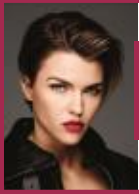
(1) 2016 sales achieved on our brands' own websites + estimated sales achieved by our brands corresponding to sales through our retailers' websites (non audited data).

(2) 2016 like-for-like sales growth. (3) As of December 2016 versus 25% in 2015.



Pushing the boundaries of innovation in products...





... and creating new beauty consumer experiences

CONNECTED DEVICES

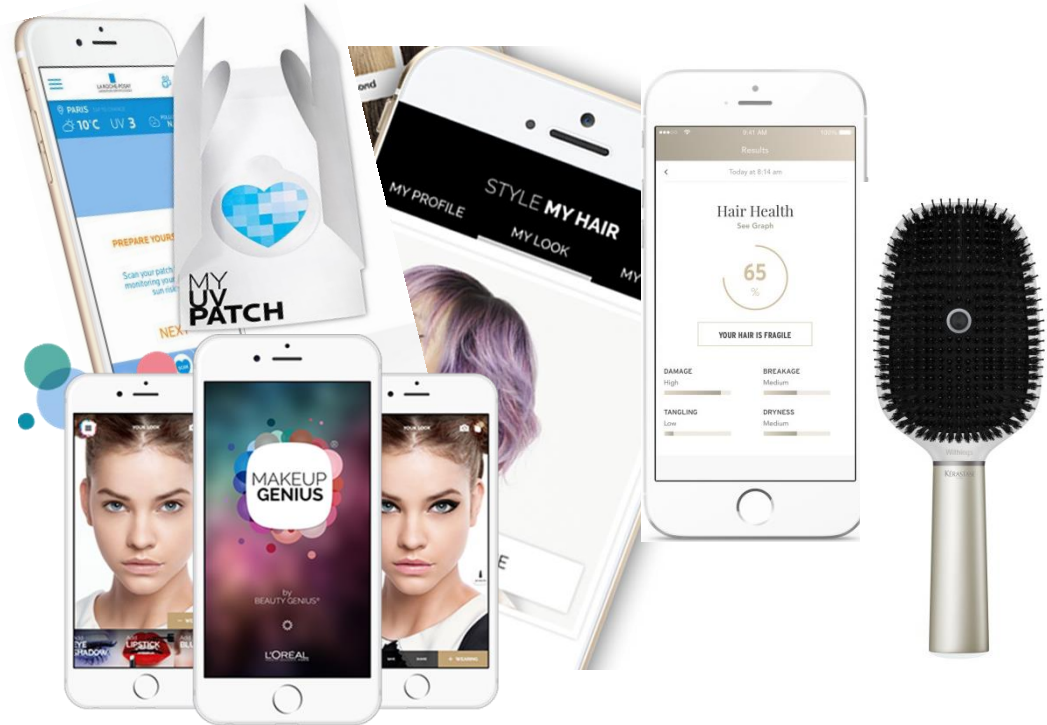
Personalisation

NEW CONSUMER TOUCHPOINTS

Relevance

CUSTOMISATION

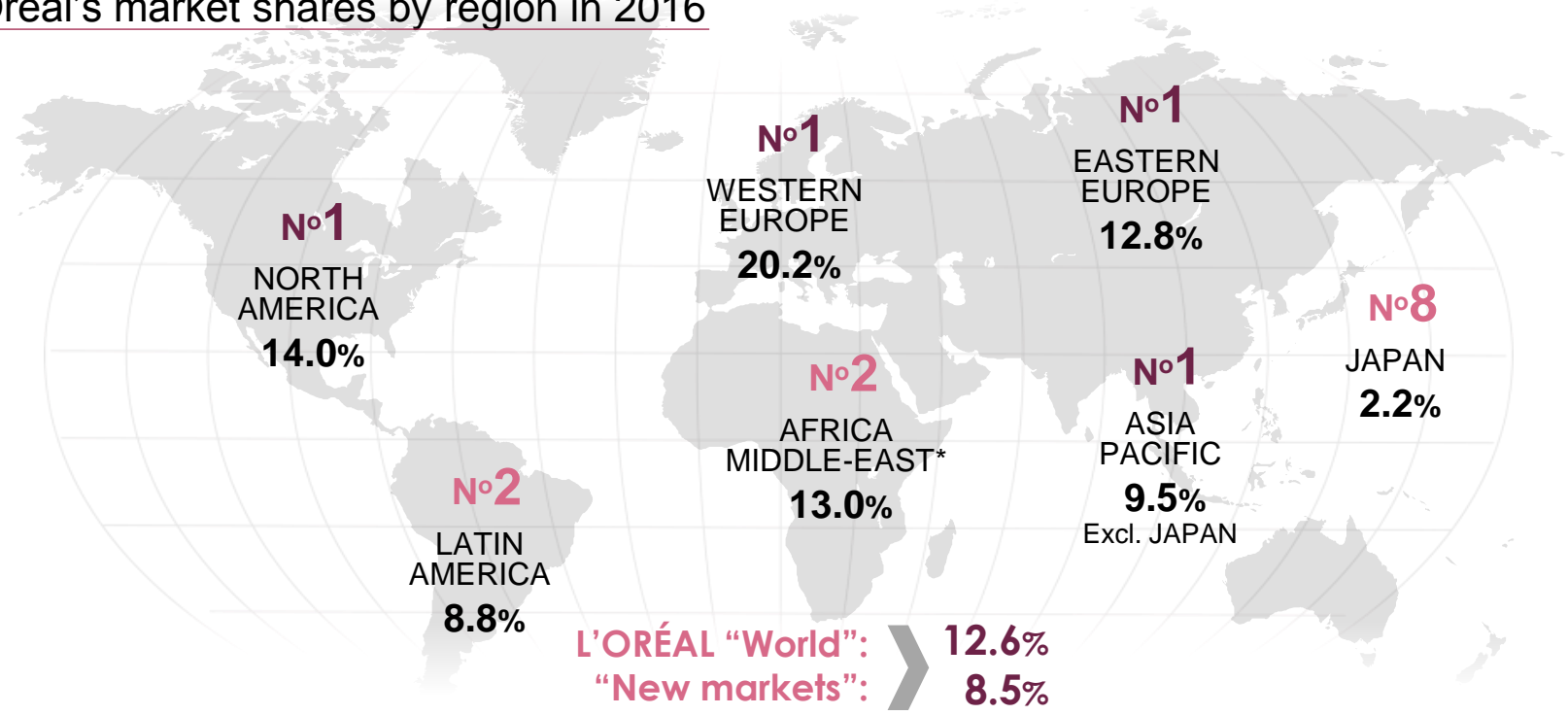
3D printing
ultra connected





Leader in beauty with high potential

L'Oréal's market shares by region in 2016



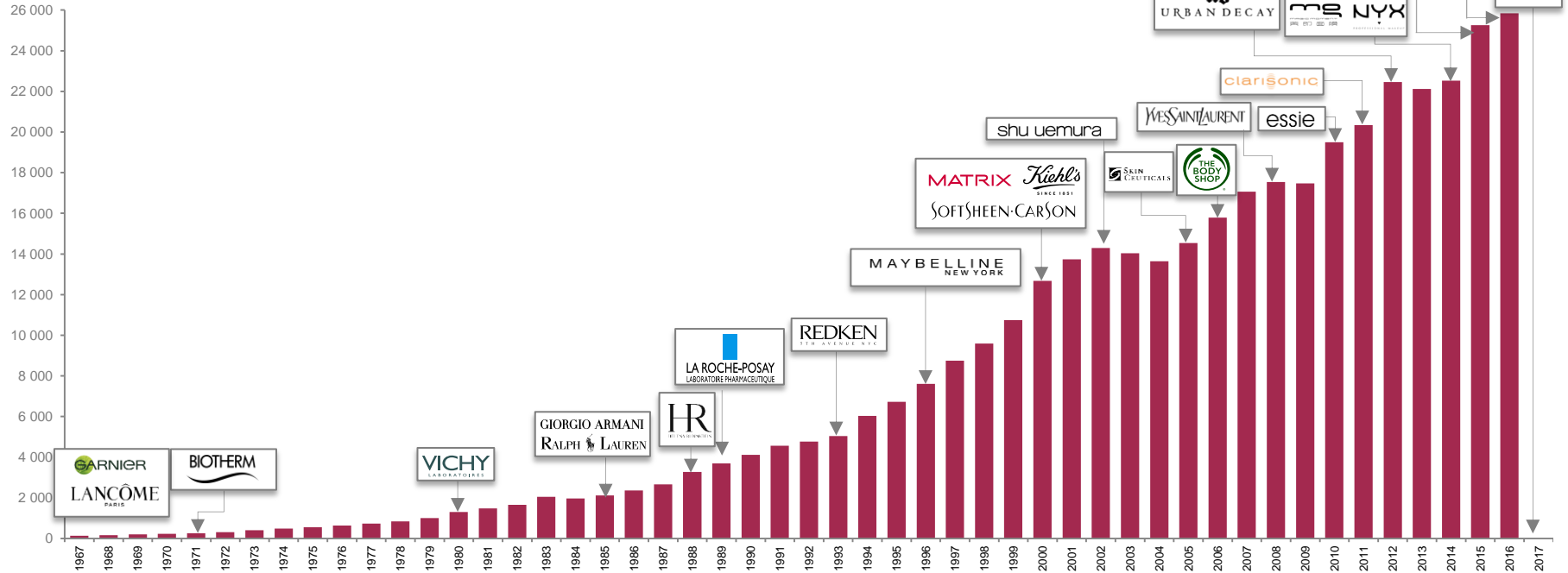
Source: Market shares BMS L'Oréal estimates, excluding soaps, razors, blades and toothpastes. Ranking, Euromonitor 2017.

* Scope: countries where L'Oréal is present.



Acquisitions to foster our future organic growth

Consolidated sales (€m)



IFRS norms from 2004



2016 strategic acquisitions



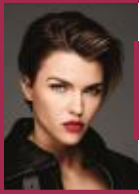
Enhance our position in the fast growing segment of alternative perfumery



Meet the new aspirations of many women in skin care



Perfect complement to the make-up artists brands



CeraVe complements and enhances L'Oréal's brand portfolio





A good first quarter 2017



Strong sales growth at **+7.5%**

+4.2% like-for-like

Atypical market environment
Very differentiated performances by Division

Outstanding growth
of Luxury

Soft Mass Market



L'Oréal and Natura enter into exclusive discussions



Enterprise value of €1.0bn

*“The best new owner
we could imagine to nurture
the brand DNA
around naturality and ethics”*

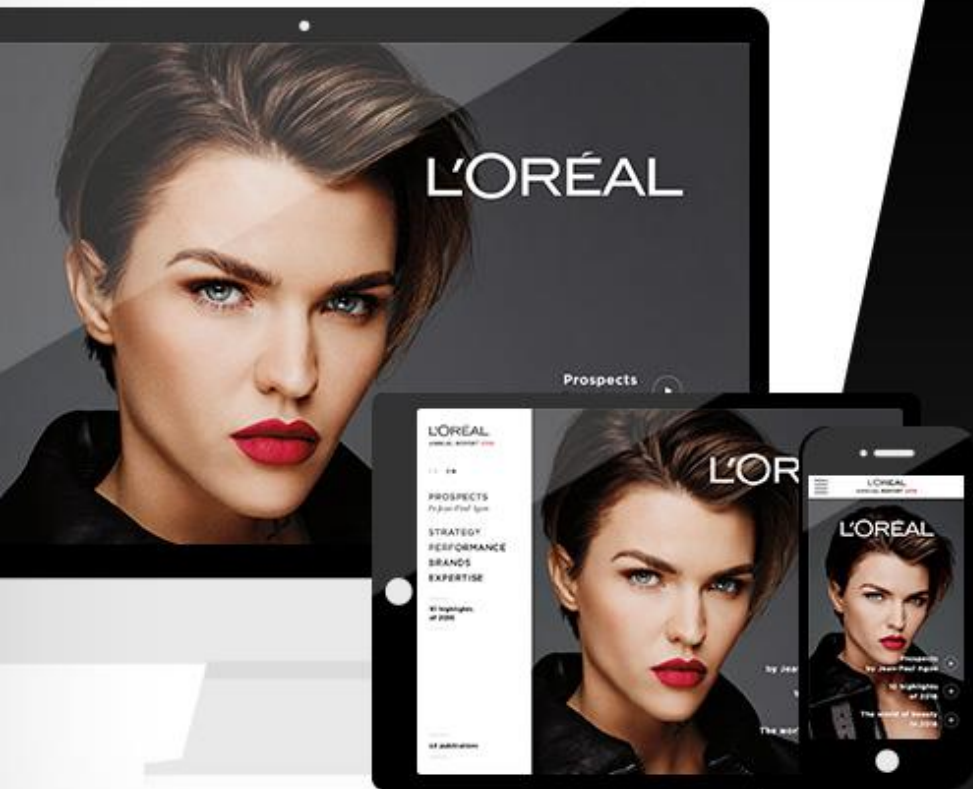


Confidence for 2017

Outperform
the cosmetics market

Achieve another year
of sales and profit growth

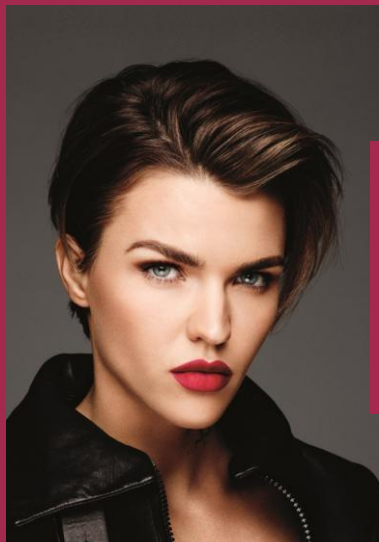




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