



Annual General Meeting

18th April 2019

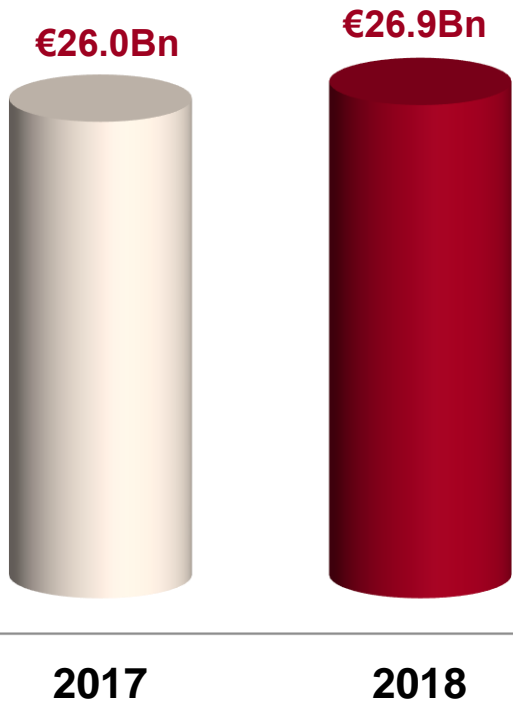
Mr Christophe BABULE

Chief Financial Officer

L'ORÉAL



2018 consolidated group sales



Like-for-like growth	+7.1%
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Of which:

Growth at constant exchange rates	+8.0%
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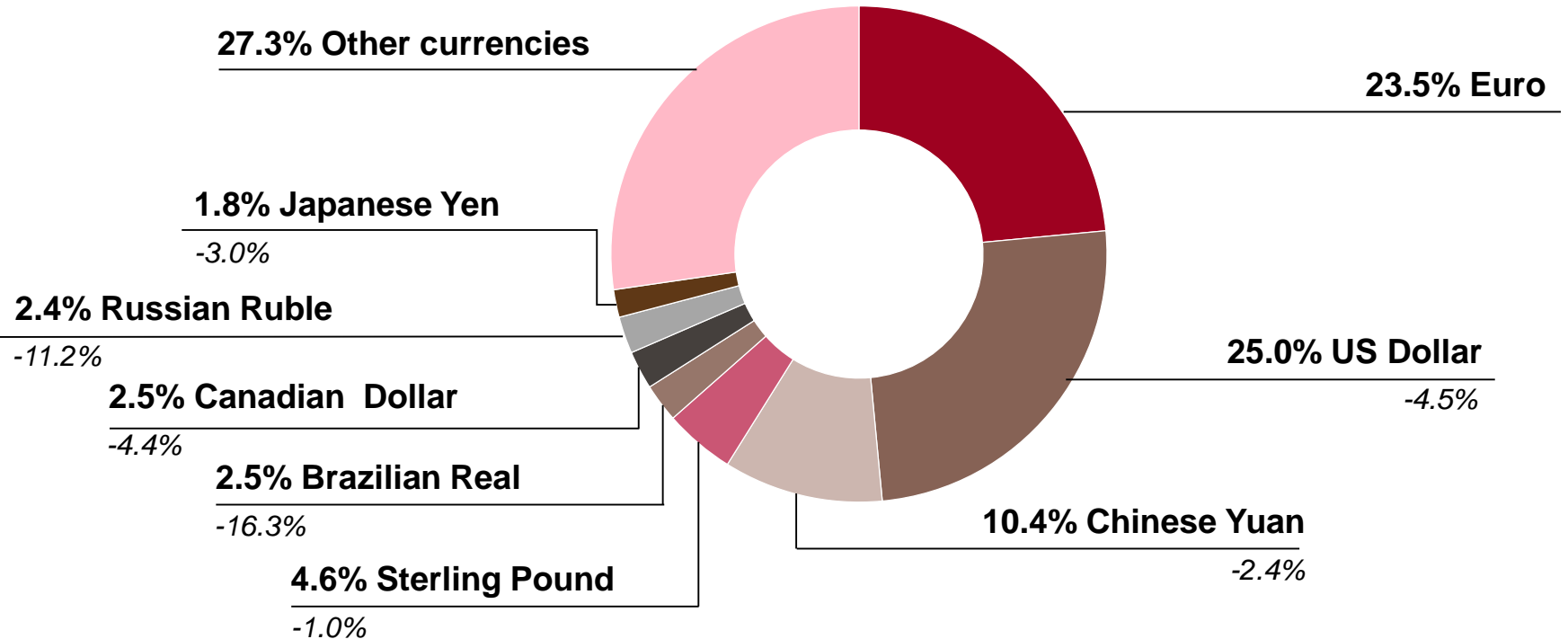
- external growth impact	+0.9%
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- exchange rate impact	-4.5%
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Reported growth	+3.5%
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Breakdown of 2018 consolidated sales by currency and changes in currencies against the euro





2018 sales by Division (in million euros)

	2017	2018	% Change		
			Like-for-like	At constant exchange rate	Reported
Professional Products	3 350	3 262	+2.0%	+1.7%	-2.6%
Consumer Products	12 118	12 032	+2.5%	+4.0%	-0.7%
L'Oréal Luxe	8 471	9 367	+14.4%	+14.5%	+10.6%
Active Cosmetics	2 082	2 275	+11.9%	+13.9%	+9.2%
Total	26 023	26 937	+7.1%	+8.0%	+3.5%



2018 sales by region (in million euros)

			% Change		
	2017	2018	Like-for-like	At constant exchange rate	Reported
Western Europe	8 125	8 065	-0.3%	-0.3%	-0.7%
North America	7 350	7 234	+2.7%	+3.1%	-1.6%
New Markets	10 547	11 638	+16.1%	+18.2%	+10.3%
Total	26 023	26 937	+7.1%	+8.0%	+3.5%

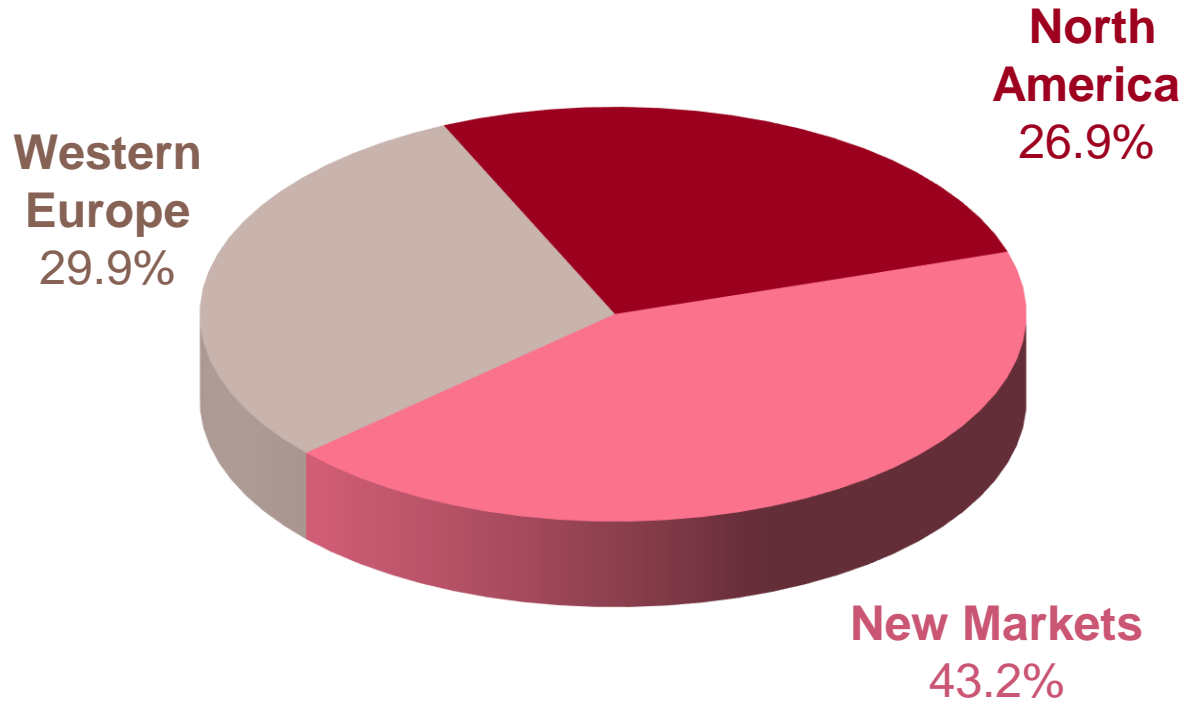


2018 sales: New Markets (in million euros)

	% Change			
	2018	Like-for-like	At constant exchange rate	Reported
Asia, Pacific	7 405	+24.1%	+25.3%	+20.4%
Latin America	1 784	-0.4%	+7.2%	-8.6%
Eastern Europe	1 754	+9.1%	+9.2%	+0.2%
Africa, Middle-East	693	+4.9%	+5.1%	+0.2%
Total New Markets	11 638	+16.1%	+18.2%	+10.3%



Weight of different regions in sales



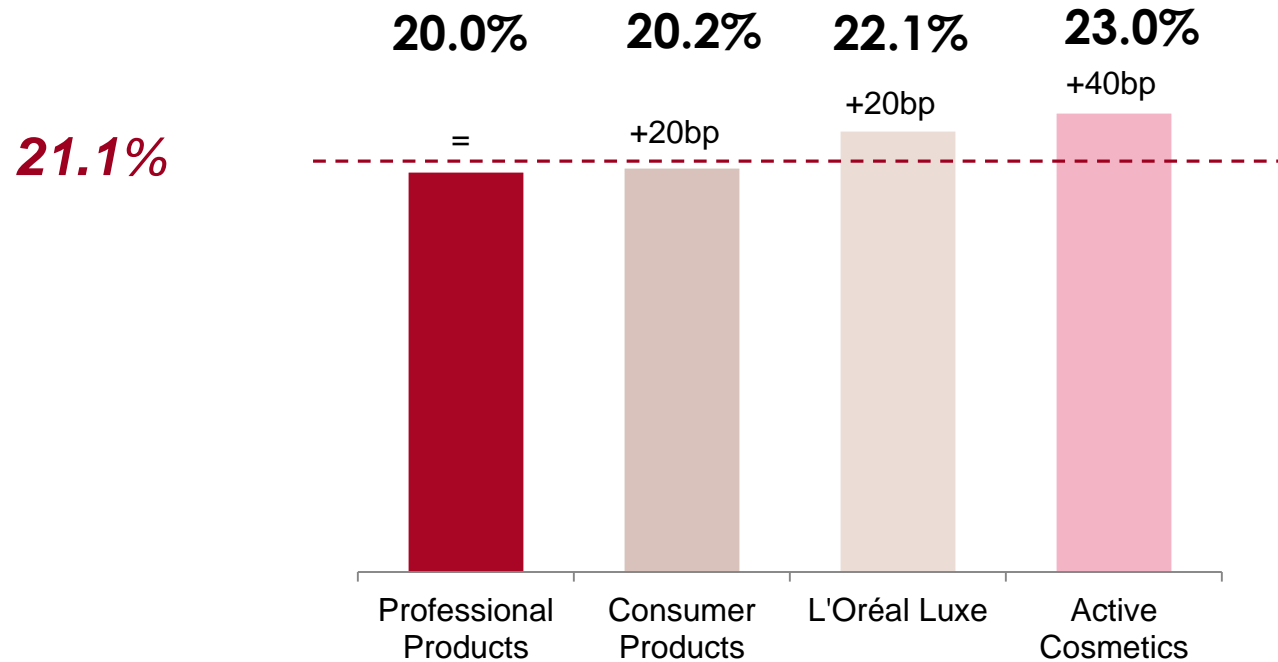


Consolidated profit and loss account: from sales to operating profit

<i>(in million euros)</i>	2017	As a % of sales	2018	As a % of sales	Change
Sales	26 023.7	100.0%	26 937.4	100.0%	
Cost of sales	-7 359.2	28.3%	-7 331.6	27.2%	
Gross profit	18 664.5	71.7%	19 605.8	72.8%	+110 bps
Research and development expenses	-877.1	3.4%	-914.4	3.4%	
Advertising and promotion expenses	-7 650.6	29.4%	-8 144.7	30.2%	
Selling, general and administrative expenses	-5 460.5	21.0%	-5 624.7	20.9%	
Operating profit	4 676.3	18.0%	4 922.0	18.3%	+30 bps



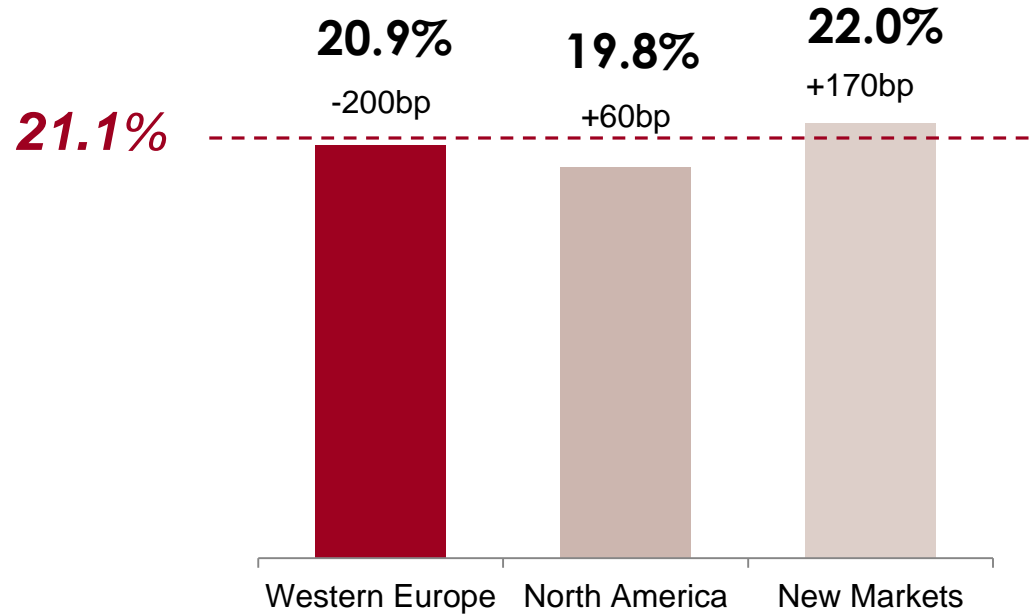
2018 operating margin by Division* (as a % of sales)



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



2018 operating margin 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 divisions sales.



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

<i>(in million euros)</i>	2017	2018	% Change
Operating profit	4 676.3	4 922.0	+5.3%
Financial revenues-expenses before dividends received	-22.9	-1.9	
Sanofi dividends	350.0	358.3	
Profit before tax and associates, excluding non-recurring items	5 003.3	5 278.4	+5.5%
Income tax excluding non-recurring items	-1 250.5	-1 286.8	
Share of profit in associates, excluding non-recurring items	-0.1	+0.1	
Non-controlling interests	-3.9	-4.1	
Net profit excluding non-recurring items, attributable to owners of the company	3 748.7⁽¹⁾	3 987.6⁽³⁾	+6.4%
Earnings per share (in euros)	6.65 ⁽²⁾	7.08⁽⁴⁾	+6.5%
Diluted average number of shares	563 528 502	563 098 506	

(1): Net profit from continuing operations, excluding non-recurring items, attributable to owners of the company

(2): Diluted earnings per share based on net profit from continuing operations, excluding non-recurring items, attributable to owners of the company

(3): Net profit excluding non-recurring items, attributable to owners of the company

(4): Diluted earnings per share, 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)

	2017	2018	Change
Net profit excluding non-recurring items, attributable to owners of the company	3 748.7⁽¹⁾	3 987.6⁽²⁾	+6.4%
Non-recurring items	-167.2	-92.2	
- of which:			
Impact of the disposal of The Body Shop	-240.1	-	
Other non-recurring items	+72.9	-92.2	
- other income and expenses	-276.3	-94.7	
- non-recurring tax items	+349.2	+2.5	
Net profit attributable to owners of the company	3 581.4	3 895.4	+8.8%

(1) Net profit from continuing operations excluding non-recurring items, attributable to owners of the company

(2) Net profit excluding non-recurring items, attributable to owners of the company



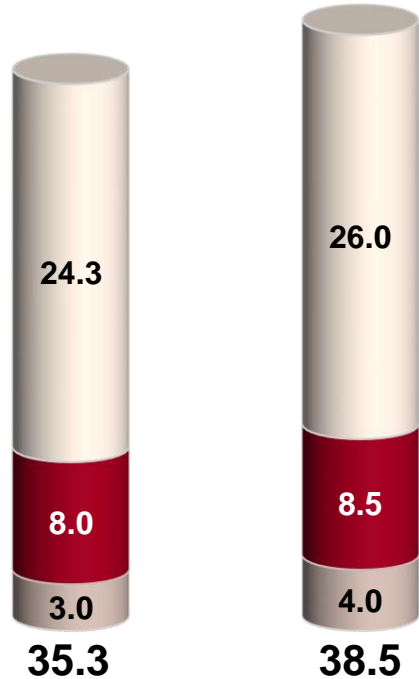
Balance sheet (in billion euros)

Assets

31 Dec. 2017

31 Dec. 2018

- Non-current assets
- Current assets
- Cash & cash equivalents

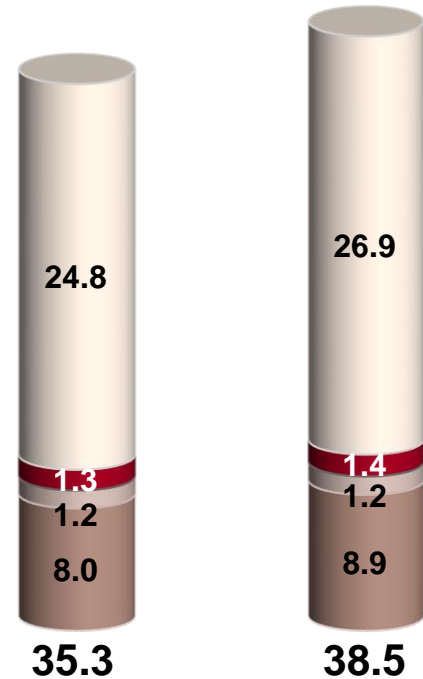


Liabilities

31 Dec. 2017

31 Dec. 2018

- Shareholders' equity
- Non-current liabilities
- Financial debt (current & non-current)
- Current liabilities





Net cash

<i>(in million euros)</i>	31 December 2017	31 December 2018
Net cash	1 872	2 751
Gearing*	N.A.	N.A.

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



Short term ratings by rating agencies

Ratings in 2018

Standard & Poor's A1 + (September 2018)

Moody's Prime 1 (P-1) (April 2018)

Fitch Ratings F1 + (September 2018)



Internal control: A range of tools and procedures





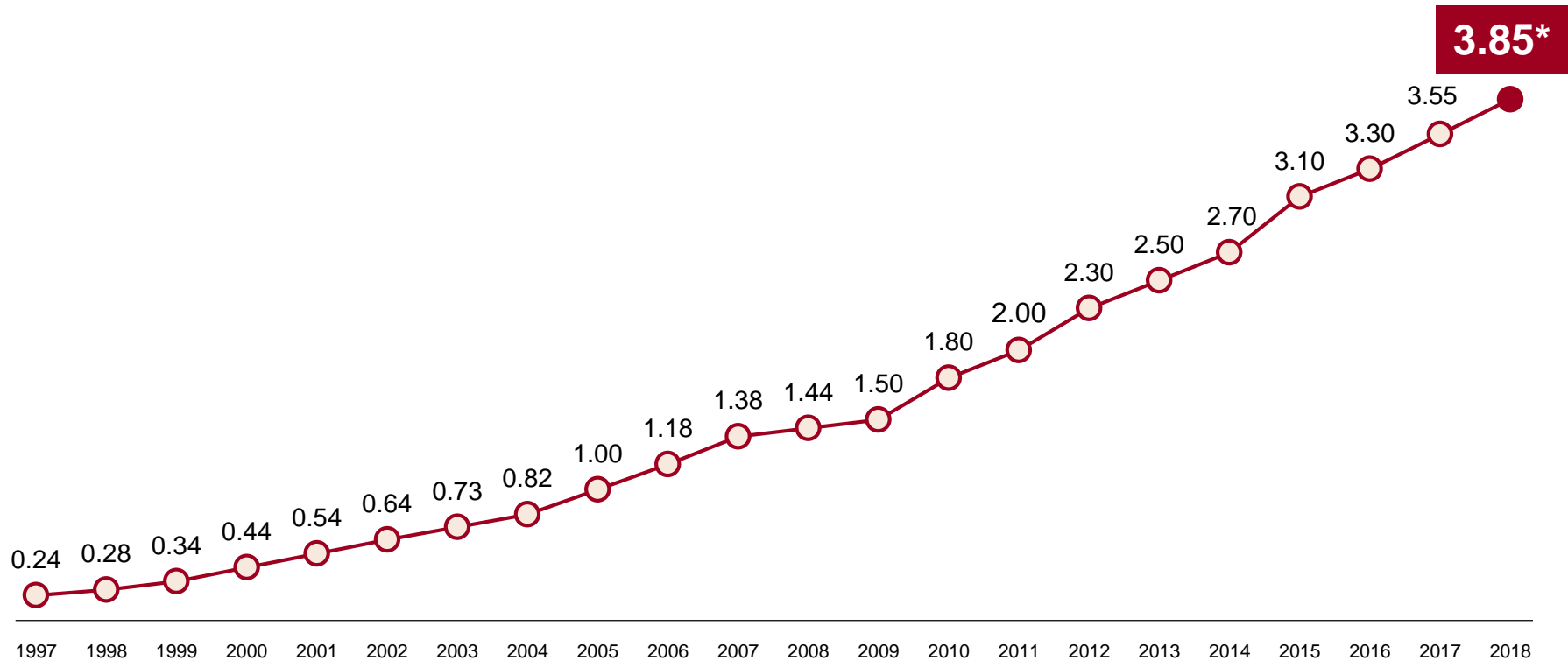
€3.85 per share

+8.5% growth over the previous year

**Loyalty bonus dividend of +10%, i.e. €4.23
per share for shares held continuously under the
registered form for at least two years**



Dividend from 1997 to 2018 (in euros)



**Proposed at the shareholders' meeting to be held on 18 April 2019*

2018 dividend paid in 2019: pay-out of the 10% loyalty bonus (preferential dividend of 10%), for shares held in registered form since 2016



1st quarter 2019 sales by Division

(in million euros)

		% Change	
	Q1-2019	Like-for-like	Reported
Professional Products	835	+2.2%	+4.8%
Consumer Products	3 284	+3.3%	+7.0%
L'Oréal Luxe	2 679	+14.2%	+19.0%
Active Cosmetics	751	+13.0%	+14.1%
Total	7 550	+7.7%	+11.4%



1st quarter 2019 sales by region

(in million euros)

	% change		
	Q1-2018	Like-for-like	Reported
Western Europe	2 169	+1.1%	+2.1%
North America	1 895	+1.2%	+9.2%
New Markets	3 486	+16.6%	+19.5%
<i>Of which :</i>			
- <i>Asia, Pacific</i>	2 398	+23.2%	+30.4%
- <i>Eastern Europe</i>	483	+7.1%	+1.3%
- <i>Latin America</i>	422	+4.0%	-1.0%
- <i>Africa, Middle East</i>	182	-1.0%	+3.7%
Total	7 550	+7.7%	+11.4%



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