

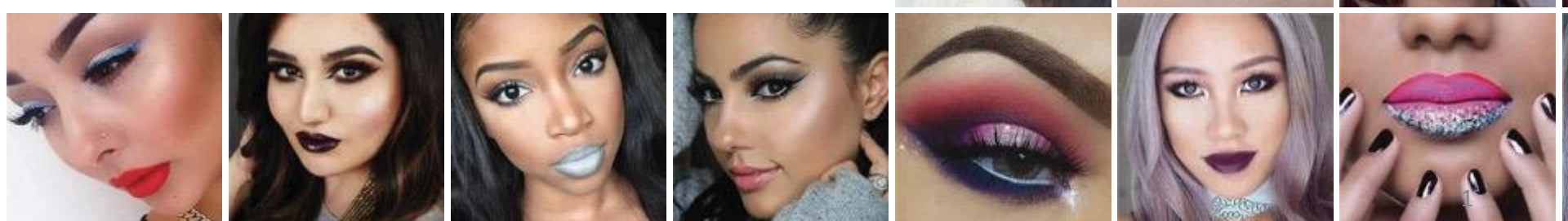


# FIRST-HALF 2016 RESULTS

July 29<sup>th</sup>, 2016

# L'ORÉAL

Jean-Paul AGON  
Chairman and CEO



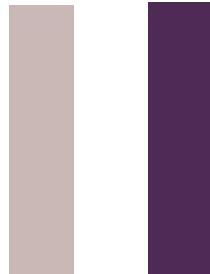
# A solid performance in a volatile environment

## CONSOLIDATED GROUP SALES

(IN BILLION EUROS)

+ **4.2%**\*

12.8    12.9



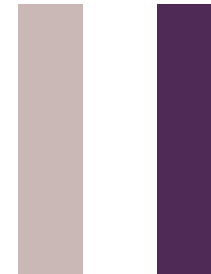
H1 2015    H1 2016

Sustained  
investment  
in our Brands

## OPERATING MARGIN

+ **20**bps

18.1%    18.3%



H1 2015    H1 2016

\*Like-for-like sales growth



# 1. The Beauty Market

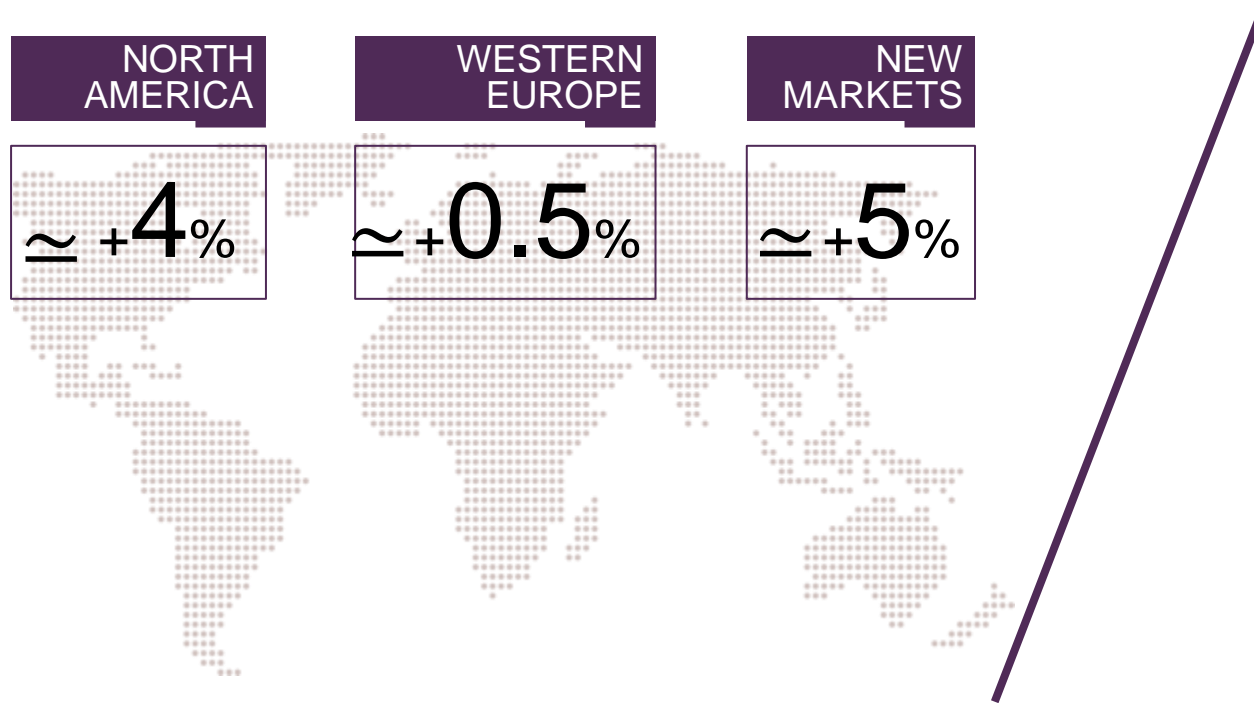


FIRST HALF TREND  
2016

≈ +3.5% / +4%\*

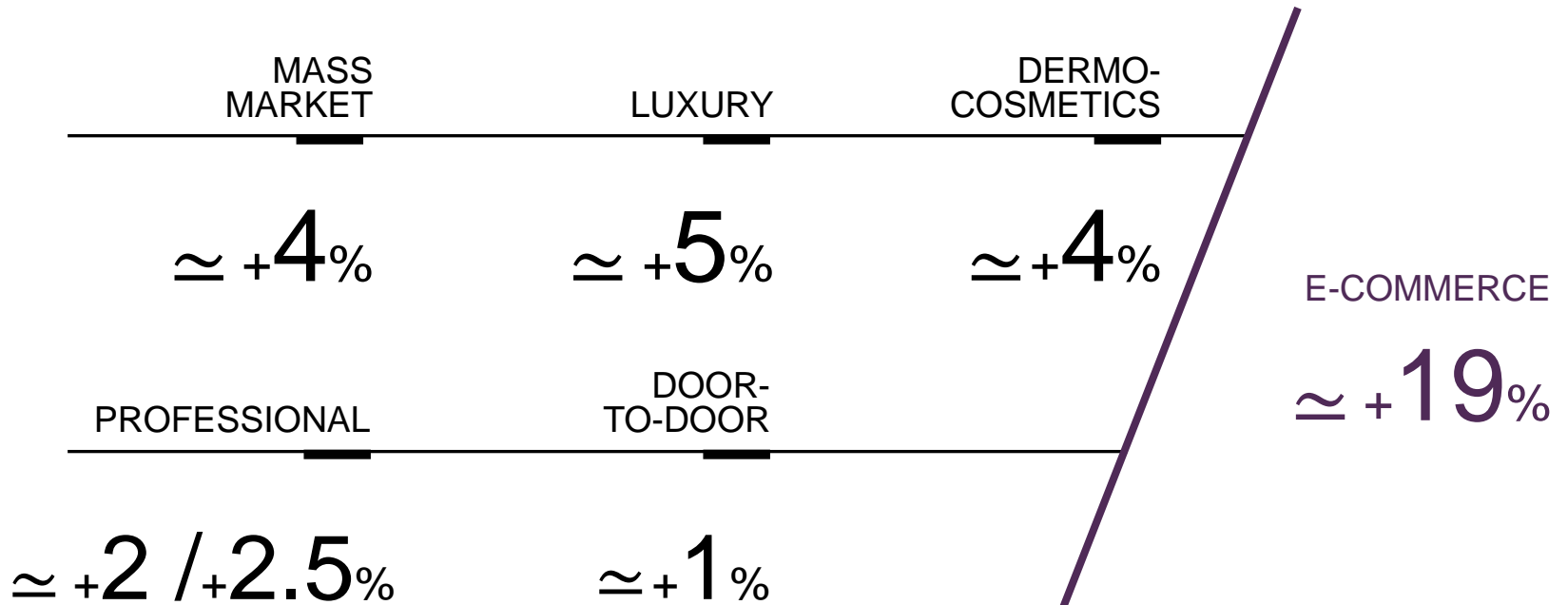
\* Excluding razors, soaps and toothpastes. First half 2016 provisional estimates  
Source: L'Oréal estimates. Excluding exchange rate impact

# Worldwide Beauty Market\* by geographic zone



\* Excluding razors, soaps and toothpastes. First half 2016 provisional estimates  
Source: L'Oréal estimates. Excluding exchange rate impact

# Worldwide Beauty Market\* by sector



\* Excluding razors, soaps and toothpastes. First half 2016 provisional estimates  
Source: L'Oréal estimates. Excluding exchange rate impact

# Make-up momentum everywhere



USA

**Mature  
make-up market**

-----  
>20% of beauty  
+8% growth\*



Russia

**Moderately developed  
make-up market**

-----  
≈ 15% of beauty  
+9% growth\*



China

**High potential  
make-up market**

-----  
≈ 10% of beauty  
+8% growth\*

\*H1 2016 market growth at constant exchange rates



FIRST HALF TREND  
2016

---

≈ +3.5% / +4%\*

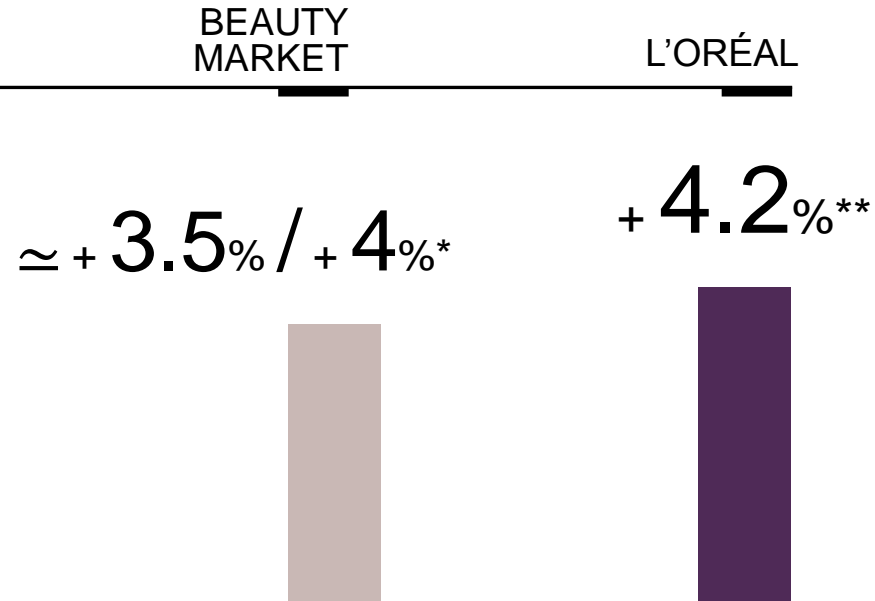
\* Excluding razors, soaps and toothpastes. First half 2016 provisional estimates  
Source: L'Oréal estimates. Excluding exchange rate impact





## 2. H1 Performance

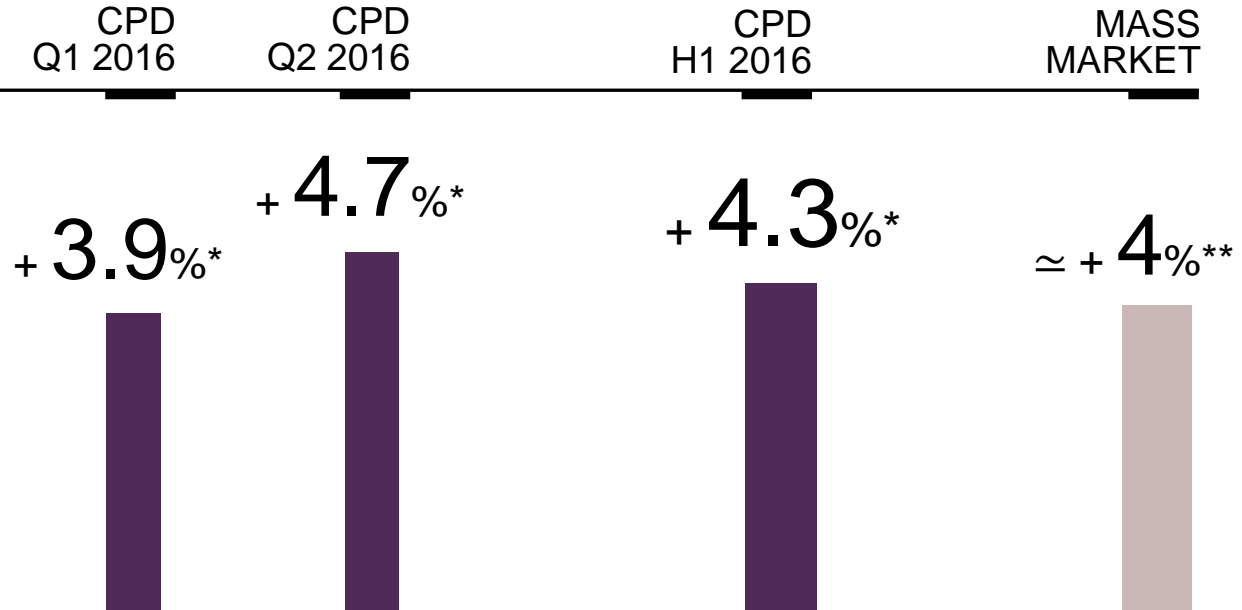
# Strengthening of our leadership



\* First half 2016 provisional estimates  
Source: L'Oréal estimates excluding exchange rate impact

\*\* H1 2016 like-for-like sales growth

# Consumer Products Division Acceleration confirmed, strategic choices paying off



\* Like-for-like sales growth

\*\* First half 2016 provisional estimates

Source: L'Oréal estimates excluding exchange rate impact

First strategic choice: Make-up  
A unique, powerful brand portfolio



**MAYBELLINE NEW YORK**  
#1 worldwide\*



**L'ORÉAL MAKEUP  
DESIGNER PARIS**  
#2 worldwide\*



**ESSIE**  
double-digit growth



**NYX PROFESSIONAL MAKEUP**  
booming everywhere

\* Source: 2016 Euromonitor

+ 99%\*



# Second Strategic choice: Universalisation of Ultra Doux

UK



SPAIN



GERMANY



# Second Strategic choice: Universalisation of Ultra Doux

US / CHINA



# NYX Professional Makeup and Ultra Doux will continue to fuel momentum





# L'Oréal Luxe Sustained growth, further market share gain



SELECTIVE  
MARKET

L'ORÉAL

≈ + 5%\*

+ 5.6%\*\*



\* First half 2016 provisional estimates  
Source: L'Oréal estimates excluding exchange rate impact

\*\* H1 2016 like-for-like sales growth

# L'Oréal Luxe - Sustained growth, further market share gain

YVES SAINT LAURENT



URBAN DECAY



GIORGIO ARMANI



LANCÔME  
PARIS



Kiehl's  
SINCE 1851



L'Oréal Luxe  
Sustained growth, further market share gain





Atelier Cologne  
— Maison de Parfum —  
PARIS



# L'Oréal Professional Products continues to take the initiative to energise the market



PROFESSIONAL  
MARKET

L'ORÉAL

≈ + 2/+ 2.5%\*    + 2.2%\*\*



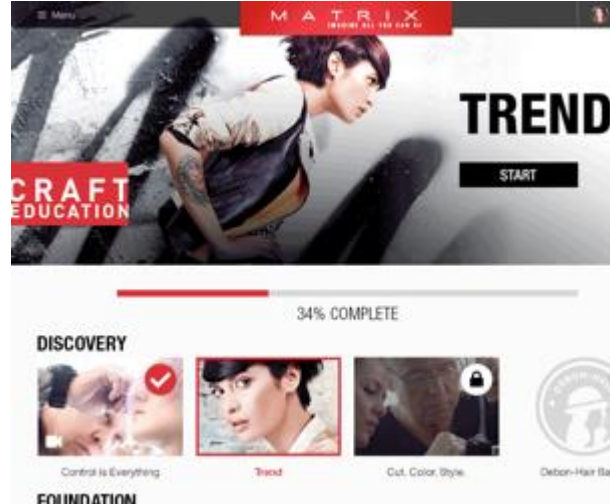
\* First half 2016 provisional estimates  
Source: L'Oréal estimates excluding exchange rate impact

\*\* H1 2016 like-for-like sales growth

# L'Oréal Professional Products continues to take the initiative to energise the market



Salon Emotion



e-education



Hair Fashion Night

# L'Oréal Professional Products continues to take the initiative to energise the market



Sugar Shine Innovation

MATRIX  
**+ 5%\***

REDKEN  
**+ 4%\***



Strong Digital Activation

\* H1 2016 like-for-like sales growth

DECLÉOR  
PARIS  
SKIN · BODY · MIND

+ 9%\*



\* H1 2016 like-for-like sales growth

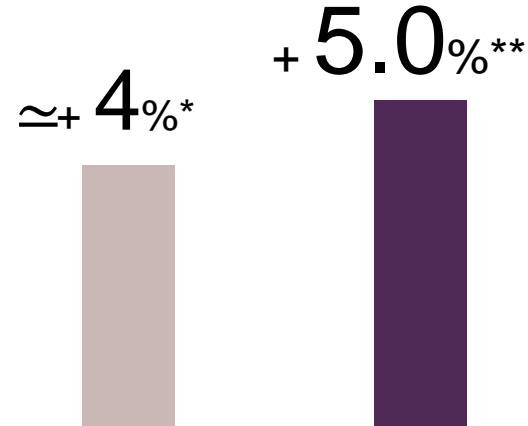


# L'Oréal Active Cosmetics continues to drive the market



DERMO-COSMETICS  
MARKET

L'ORÉAL



\* First half 2016 provisional estimates  
Source: L'Oréal estimates excluding exchange rate impact

\*\* H1 2016 like-for-like sales growth

# La Roche-Posay A better life for sensitive skin



+ 12%\*



\* H1 2016 like-for-like sales growth

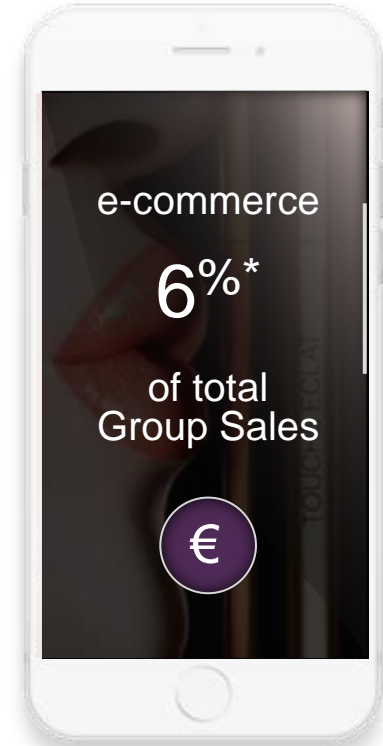
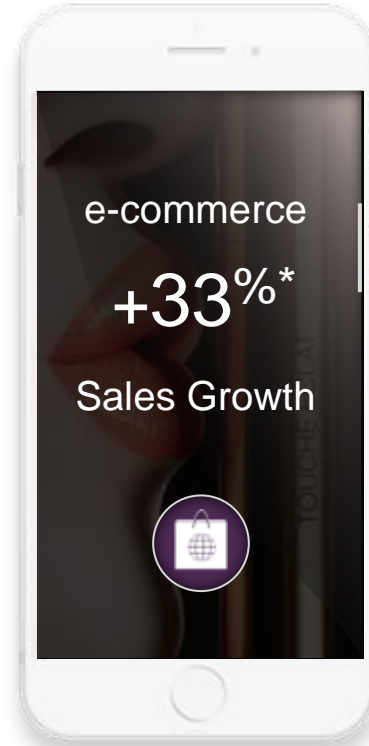


\* H1 2016 like-for-like sales growth



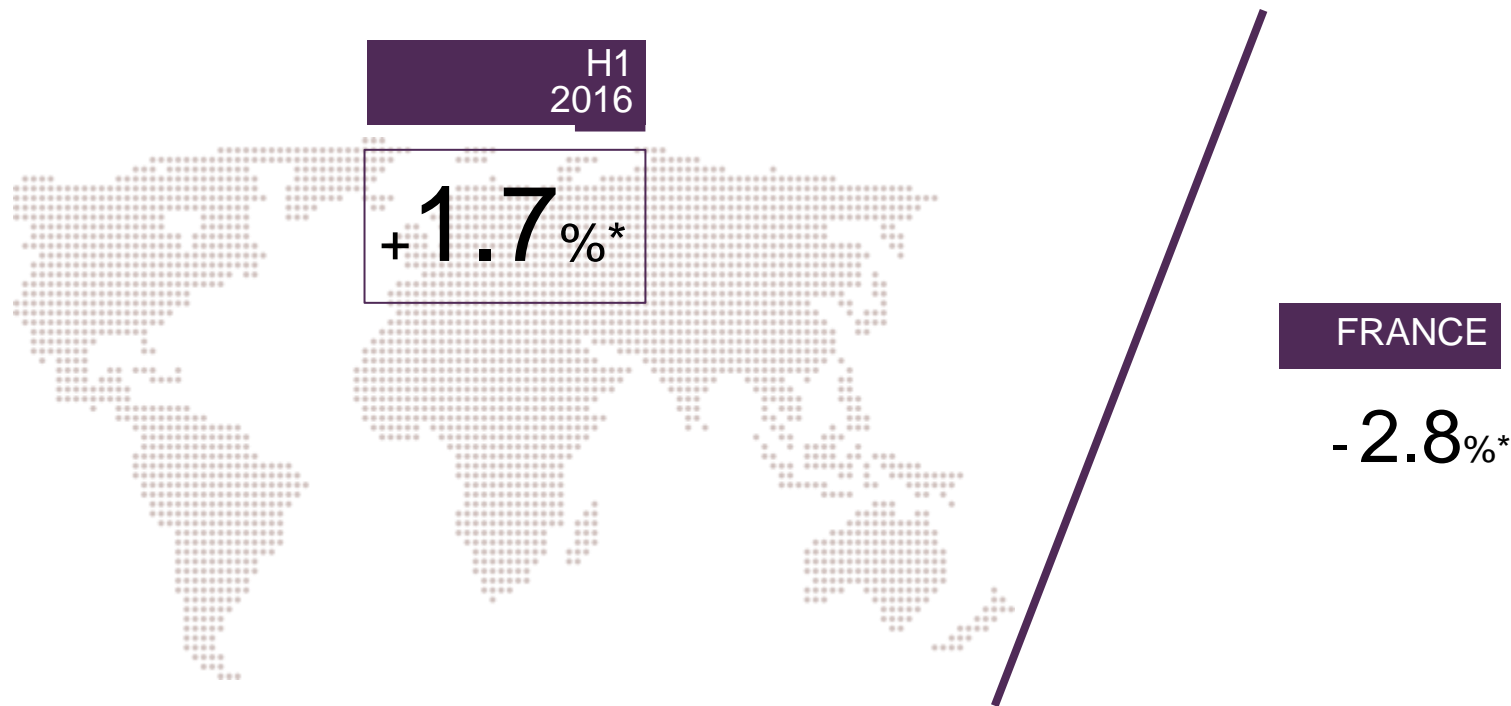
- 0.6%\*

\* H1 2016 like-for-like sales growth



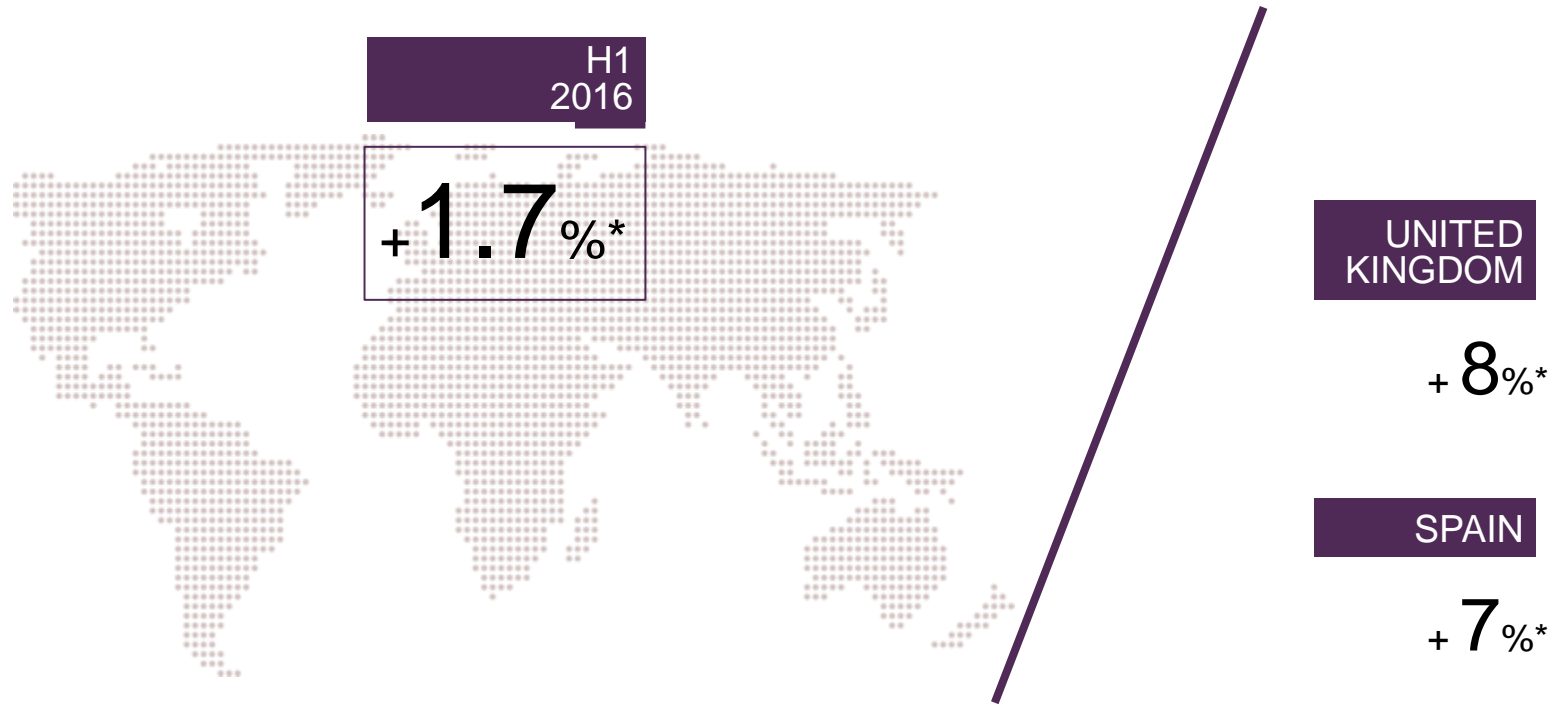
\* H1 2016 Like-for-like sales growth. Sales achieved on our brands' own websites and estimated sales achieved by our brands corresponding to sales through retailers' websites (non audited data)

# Western Europe Penalised by France



\* H1 2016 total divisions like-for-like sales growth

# Despite France L'Oréal outperforms in Western Europe



\* H1 2016 total divisions like-for-like sales growth

# Despite France L'Oréal outperforms in Western Europe

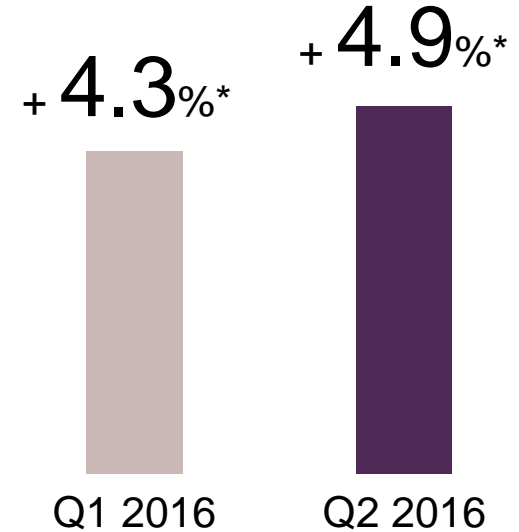




# Growth acceleration in North America

H1  
2016

+ 4.6%\*



\* H1 2016 total divisions like-for-like sales growth

+ 4.6%\*



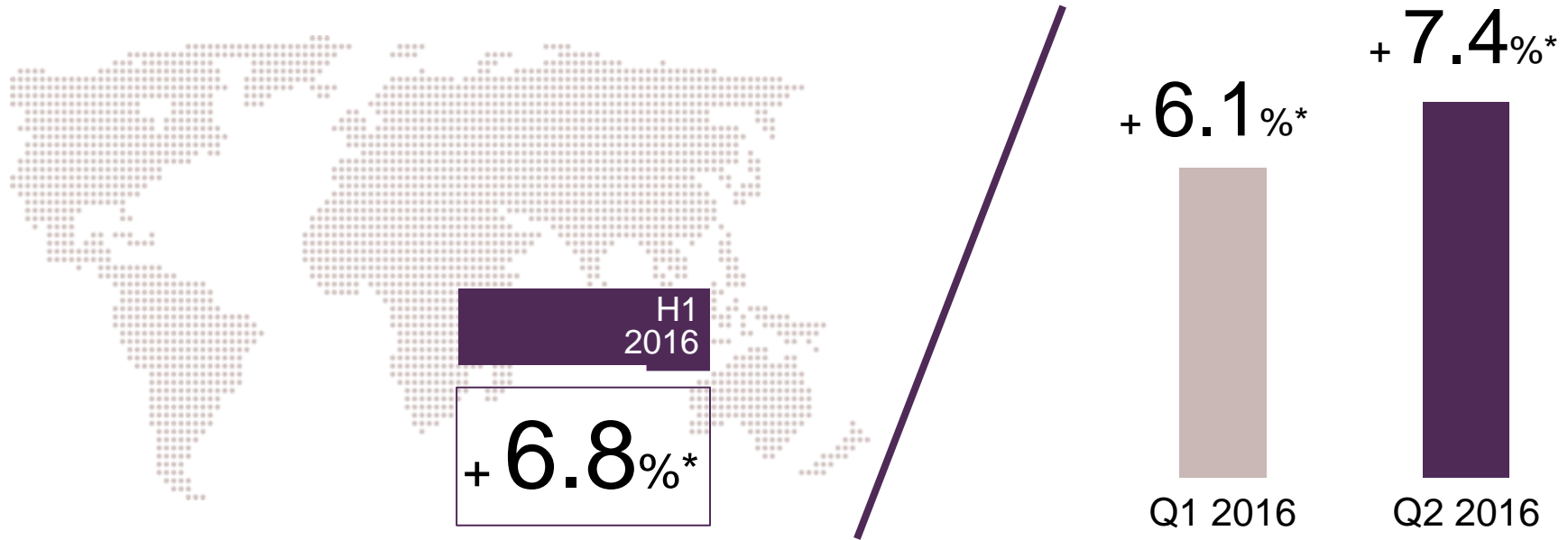
H1 2016

Gaining share in both Mass & Luxury

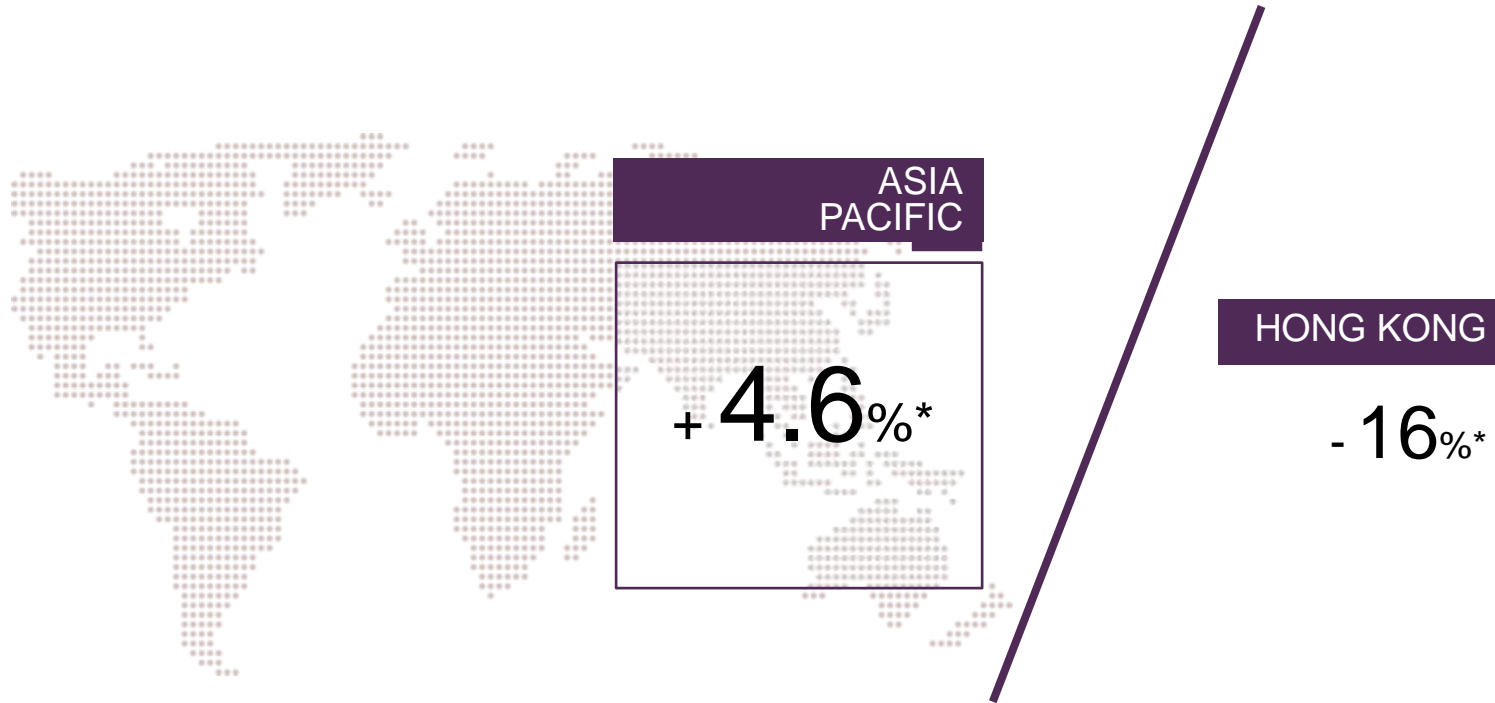


\* H1 2016 total total divisions like-for-like sales growth

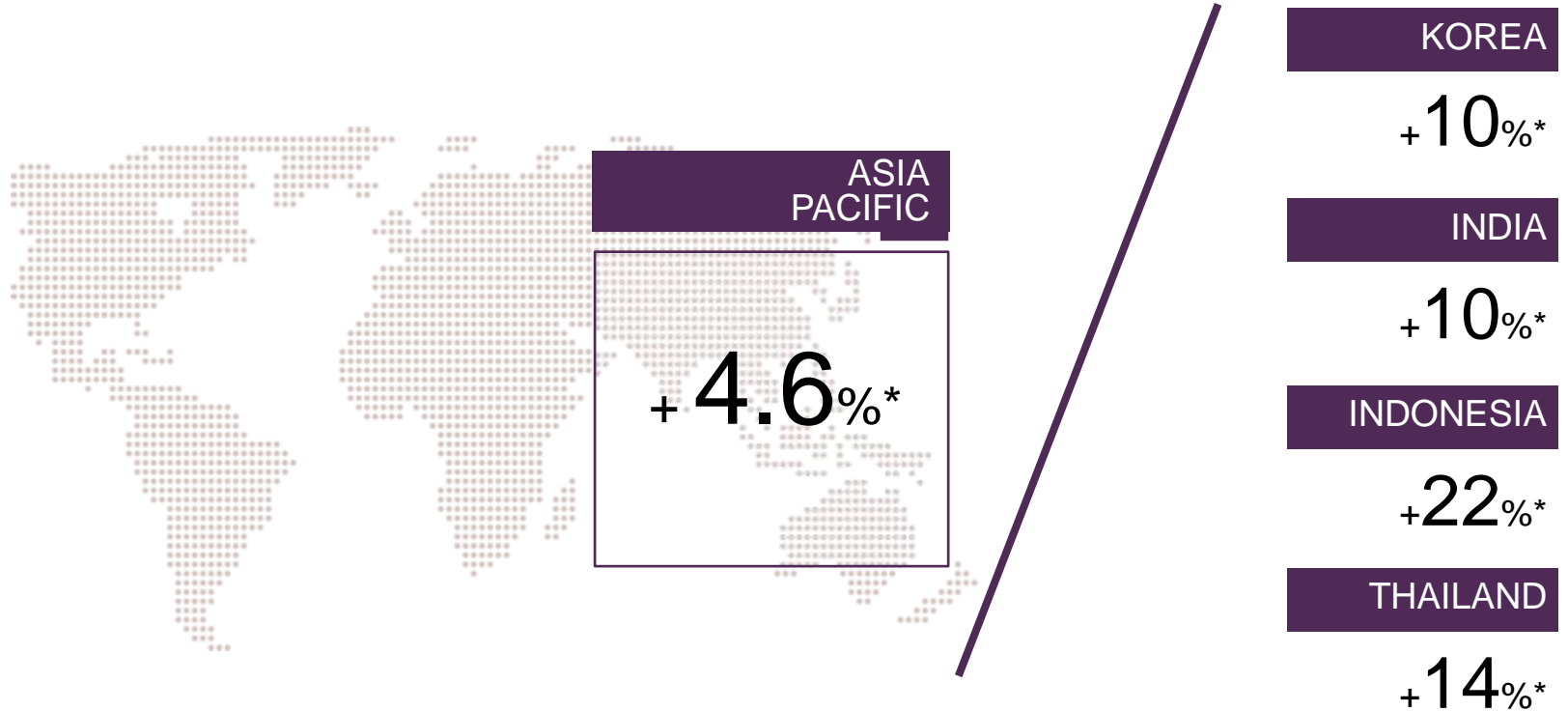
# New Markets acceleration



\* H1 2016 total divisions like-for-like sales growth



\* H1 2016 like-for-like total divisions sales growth



\* H1 2016 like-for-like total divisions sales growth



- Outperformance of L'Oréal Luxe
- Good growth of L'Oréal Paris, #1 beauty brand in China
- Negative impact of Magic
  
- Excluding Magic, mid-single digit growth

# Eastern Europe Continuing to gain market share



\* H1 2016 like-for-like total divisions sales growth

# Latin America Back to double-digit growth



\* H1 2016 like-for-like total divisions sales growth



AFRICA,  
MIDDLE EAST

+ 9.7%\*

New R&I center  
in Johannesburg



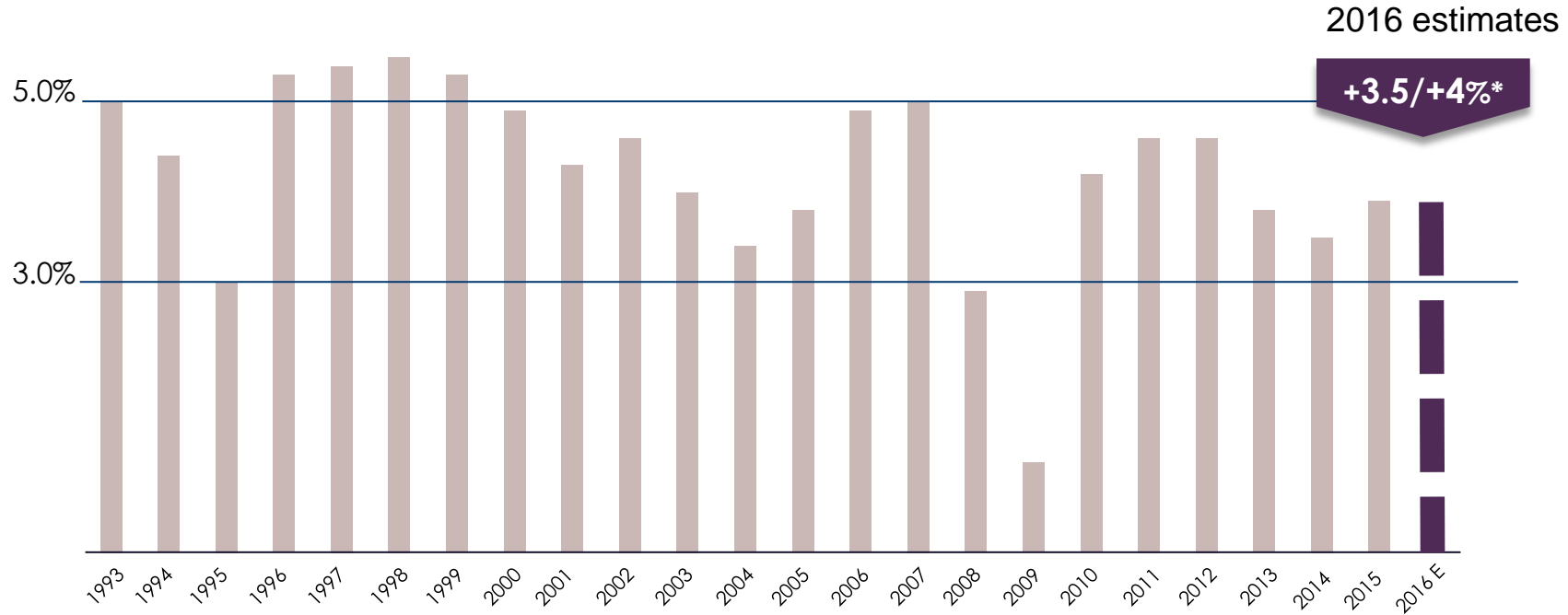
\* H1 2016 like-for-like total divisions sales growth



### 3. Confidence for 2016

# Confidence for 2016

## The beauty market remains dynamic



\* Excluding soaps, toothpastes and razors

Source: L'Oréal estimates, excluding exchange rate impact

A unique, diverse portfolio of brands to connect with a multi-faceted consumer base



# Confidence for 2016 Recent, complementary acquisitions

*Atelier Cologne*  
— Maison de Parfum —  
PARIS



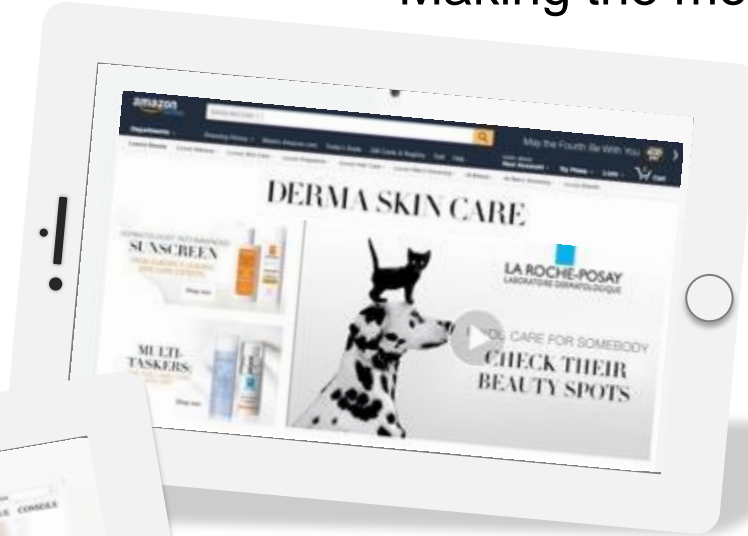
*it* COSMETICS®



# Confidence for 2016 Strong innovation plan



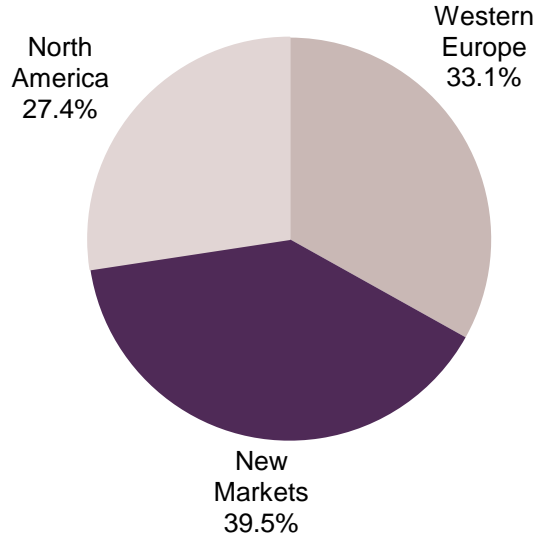
# Confidence for 2016 Making the most of our digital edge



- Already more than 1,400 digital experts on board
- Digital IQ: US, China, Germany: 3 brands in L2's Top 5
- Accelerating, leading e-commerce

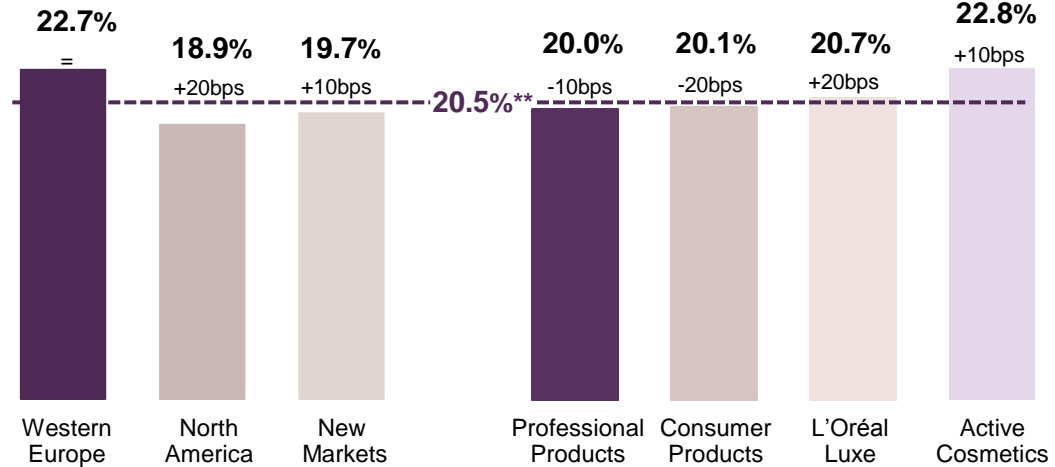
# L'Oréal: the strength of a balanced business model in a VUCA world

Breakdown of 2015 sales by region\*



2015 operating margin by region\*

(as a % of sales)



2015 operating margin by division\*

(as a % of sales)

\* Before central group expenses, fundamental research expenses, stock options and free grant of shares expenses and miscellaneous items – as a % of total divisions sales

\*\* Divisions total





## Confidence in our ability to

- Accelerate our growth
- Outperform the beauty market
- Deliver another year of increasing sales and profits



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