

2016 Annual Results

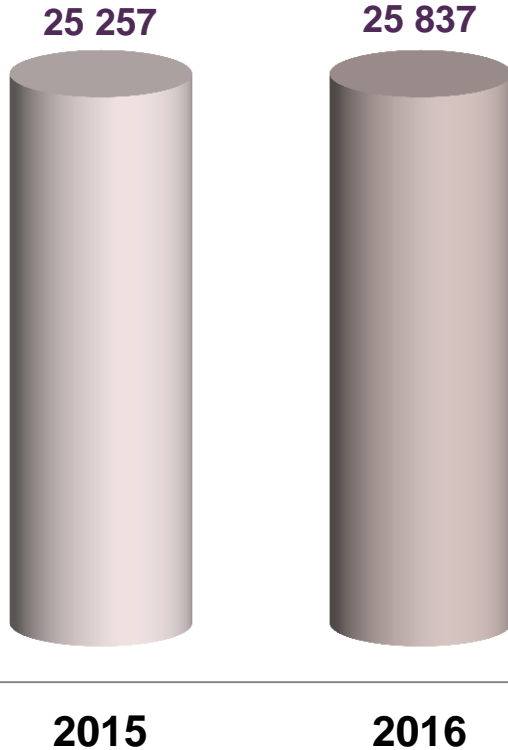
February 10th, 2017

Mr. Christian Mulliez
Chief Financial Officer

L'ORÉAL



2016 consolidated group sales (in million euros)



Growth at constant exchange rates	+5.1%
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Of which:

- <i>like-for-like growth</i>	+4.7%
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- <i>external growth impact</i>	+0.4%
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Exchange rate impact	-2.8%
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Reported growth	+2.3%
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Changes in exchange rates (against the euro)

	Weight in 2016 consolidated sales	Average rate 2015	Average rate 2016	Change 2016 / 2015
Euro	24.7%	—	—	—
US Dollar (€1=)	27.3%	1.109	1.106	+0.3%
Chinese Yuan	7.7%	0.143	0.136	-5.2%
Sterling Pound	6.4%	1.378	1.225	-11.1%
Brazilian Real	2.9%	0.275	0.261	-5.1%
Canadian Dollar	2.8%	0.706	0.682	-3.4%
Russian Ruble	2.3%	0.015	0.014	-8.8%
Japanese Yen (1000)	1.9%	7.450	8.329	+11.8%
Mexican Peso	1.5%	0.057	0.048	-14.9%



2016 consolidated sales

			% change		
	2015 (€ million)	2016 (€ million)	Like-for-like	At constant exchange rates	Reported
Professional Products	3 400	3 400	+1.8%	+2.0%	+0.0%
Consumer Products	11 844	11 993	+4.4%	+4.6%	+1.3%
L'Oréal Luxe	7 230	7 662	+6.9%	+7.8%	+6.0%
Active Cosmetics	1 816	1 861	+5.7%	+5.4%	+2.4%
Divisions Total	24 290	24 916	+4.9%	+5.2%	+2.6%
The Body Shop	967	921	+0.6%	+0.9%	-4.8%
Consolidated Total	25 257	25 837	+4.7%	+5.1%	+2.3%



2016 total divisions sales by region*

	2015 (€ million)	2016 (€ million)	% change		
			Like-for-like	At constant exchange rates	Reported
Western Europe	7 968	8 008	+2.4%	+2.5%	+0.5%
North America	6 654	7 099	+5.8%	+6.7%	+6.7%
New Markets	9 667	9 809	+6.3%	+6.5%	+1.5%
Total divisions	24 290	24 916	+4.9%	+5.2%	+2.6%

* 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 Zone. 2015 figures have been restated to allow for this change.



2016 total divisions sales New Markets*

	2016 (€ million)	% change		
		Like-for-like	At constant exchange rates	Reported
Asia, Pacific	5 635	+3.6%	+3.6%	+1.8%
Latin America	1 838	+11.1%	+11.9%	-1.8%
Eastern Europe	1 572	+10.4%	+10.4%	+2.7%
Africa, Middle-East	764	+7.9%	+7.9%	+5.0%
Total New Markets	9 809	+6.3%	+6.5%	+1.5%

* 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 Zone. 2015 figures have been restated to allow for this change.



Consolidated profit and loss accounts: from sales to operating profit

<i>(in million euros)</i>	2015	As a % of sales	2016	As a % of sales	Change
Sales	25 257.4	100.0%	25 837.1	100.0%	+2.3%
Cost of sales	-7 277.4	28.8%	-7 341.7	28.4%	
Gross profit	17 980.0	71.2%	18 495.4	71.6%	+40bp
Research and development	-794.1	3.1%	-849.8	3.3%	
Advertising and promotion	-7 359.6	29.1%	-7 498.7	29.0%	
Selling, general and administrative expenses	-5 438.6	21.5%	-5 607.0	21.7%	
Operating profit	4 387.7	17.4%	4 539.9	17.6%	+20bp



Operating profit margin by division

<i>(as a % of sales)</i>	2014	2015	2016
Professional Products	20.1%	20.0%	20.3%
Consumer Products	20.3%	20.1%	20.2%
L'Oréal Luxe	20.5%	20.7%	21.2%
Active Cosmetics	22.7%	22.8%	23.2%
Total divisions before non-allocated expenses	20.5%	20.5%	20.7%
Non-allocated expenses*	-2.8%	-2.6%	-2.6%
Total divisions after non-allocated expenses	17.7%	17.8%	18.1%
The Body Shop	7.5%	5.7%	3.7%
Group	17.3%	17.4%	17.6%

* Central group expenses, fundamental research expenses, stock-options & free grant of shares expenses and miscellaneous items as a % of total divisions sales



Operating profit margin by region

<i>(as a % of sales)</i>	2014	2015	2016
Western Europe	22.6%	22.6%	22.9%
North America	18.7%	18.9%	19.6%
New Markets	19.8%	19.9%	19.7%
Total divisions*	20.5%	20.5%	20.7%

** Before non allocated expenses. 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 Zone. 2014 and 2015 figures have been restated to allow for this change.*



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

<i>(in million euros)</i>	2015	2016	% change 2016 / 2015
Operating profit	4 387.7	4 539.9	+3.5%
Financial revenues-expenses before dividends received	-13.8	-19.3	
Sanofi dividends	336.9	346.5	
Profit before tax and associates, before non-recurring items	4 710.8	4 867.1	+3.3%
Income tax excluding non-recurring items	-1 219.7	-1 216.8	
Share of profit of associates, excluding non-recurring items	—	-0.1	
Non-controlling interests	-1.3	-3.0	
Net profit excluding non-recurring items, after non-controlling interests	3 489.8	3 647.2	
Earnings per share* (in euros)	6.18	6.46	+4.6%
Diluted average number of shares	564 891 388	564 509 135	

* Diluted earnings per share based on net profit excluding non-recurring items, after non-controlling interests



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

<i>(in million euros)</i>	2015	2016	% change
Net profit from continuing operations excluding non-recurring items	3 489.8	3 647.2	+4.5%
Non-recurring items	-192.5	-541.5	
- <i>Of which:</i>			
- <i>other income and expenses</i>	-189.3	-543.7	
- <i>taxes on non-recurring items</i>	-3.2	+2.2	
Net profit*	3 297.4	3 105.8	

* After non-controlling interests



Cash flow statements

<i>(in million euros)</i>	2015	2016	% change 2016 / 2015
Net profit	3 298.5	3 108.7	
Depreciation, amortisation and provisions	933.8	1 424.5	
Capital gains and losses on disposals of assets, changes in deferred taxes and others	+171.2	+184.0	
Share of profit of associates, net of dividends received	-4.0	+0.1	
Cash flow	4 399.5	4 717.3	+7.2%
Changes in working capital	-196.4	-12.7	
Investments	-1 172.1	-1 386.5	
Operating net cash flow	3 031.0	3 318.1	+9.5%
Dividends paid	-1 534.8	-1 832.9	
Acquisitions	-435.3	-1 209.3	
Acquisitions of treasury stock	—	-499.1	
Capital increase	+338.6	+163.2	
Others*	-19.5	-14.8	
Residual cash flow after acquisitions	+1 380.0	-74.7	

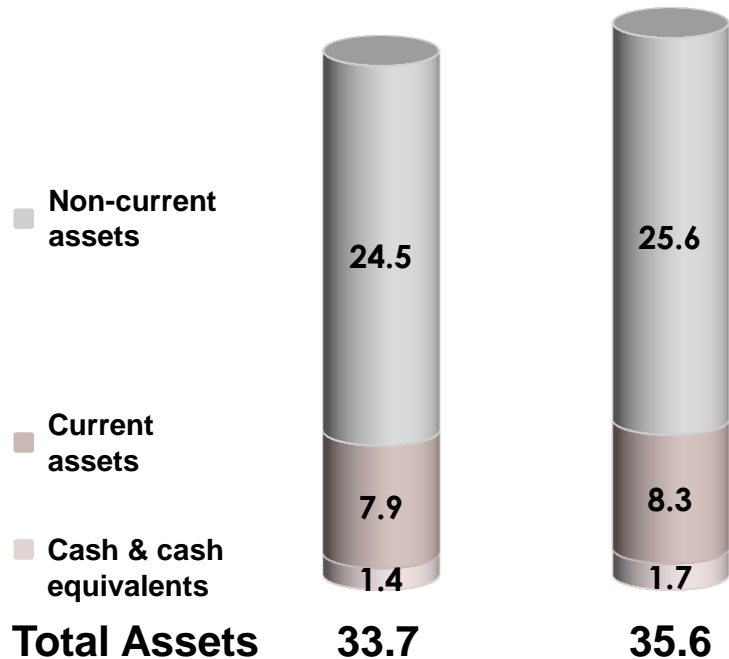
* Others include disposal of treasury stock and purchase of non-controlling interests



Assets

31st Dec. 2015

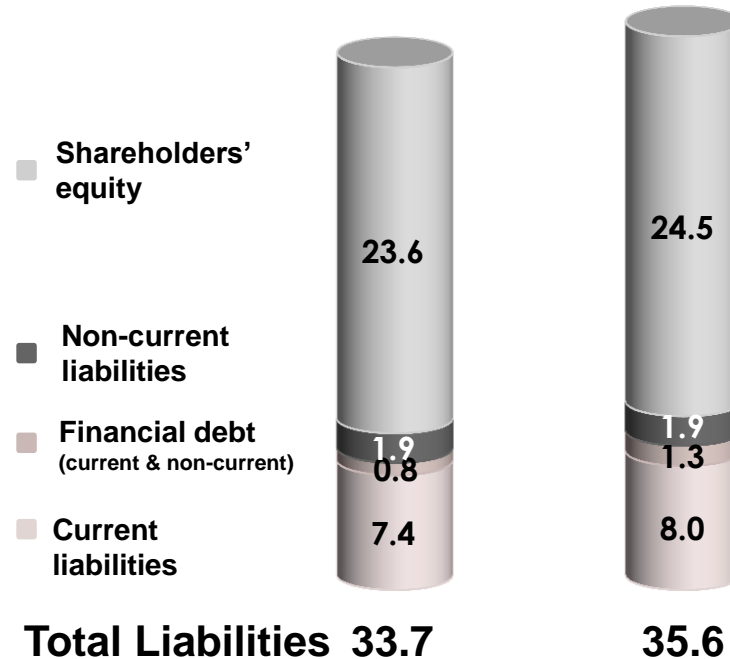
31st Dec. 2016



Liabilities

31st Dec. 2015

31st Dec. 2016





Net cash - net debt and gearing

<i>in million euros</i>	31st Dec. 2015
Net cash	618
Gearing*	N.A.

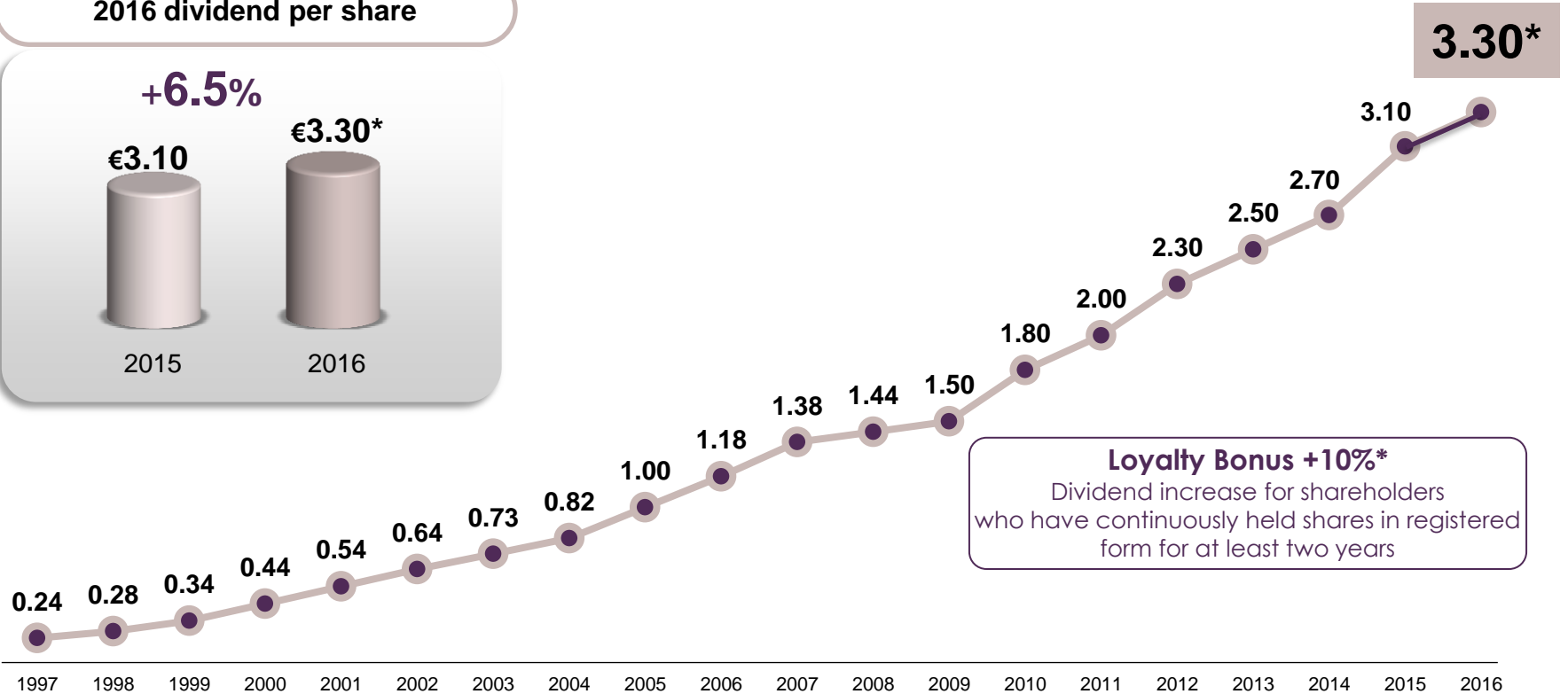
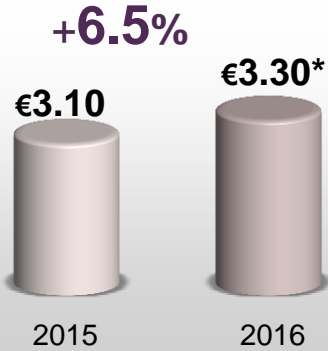
**Net debt / equity attributable to owners of the company*

<i>in million euros</i>	31st Dec. 2016
Net cash	481
Gearing*	N.A.



Dividend from 1997 to 2016 (in euros)

2016 dividend per share

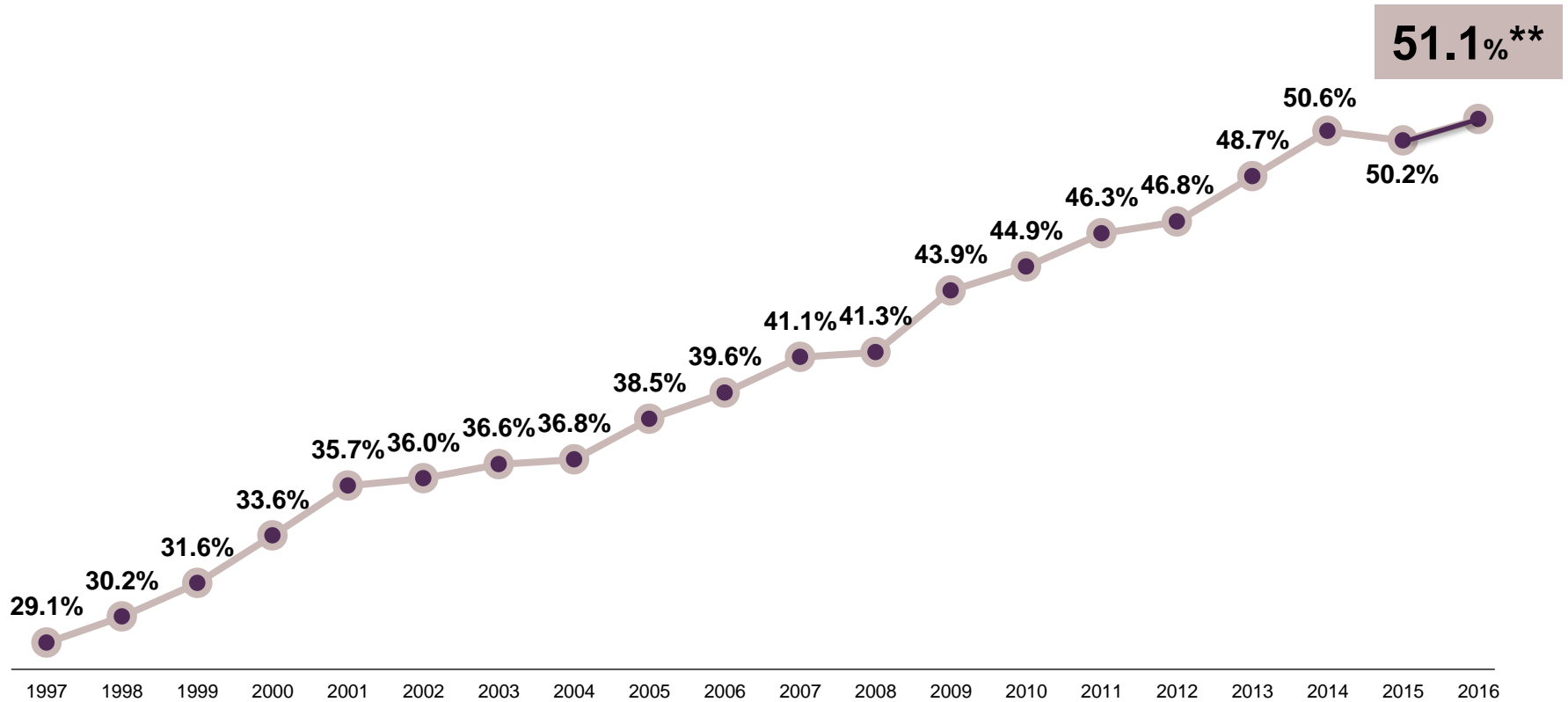


* Proposed at the shareholders' meeting to be held on April 20th, 2017

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

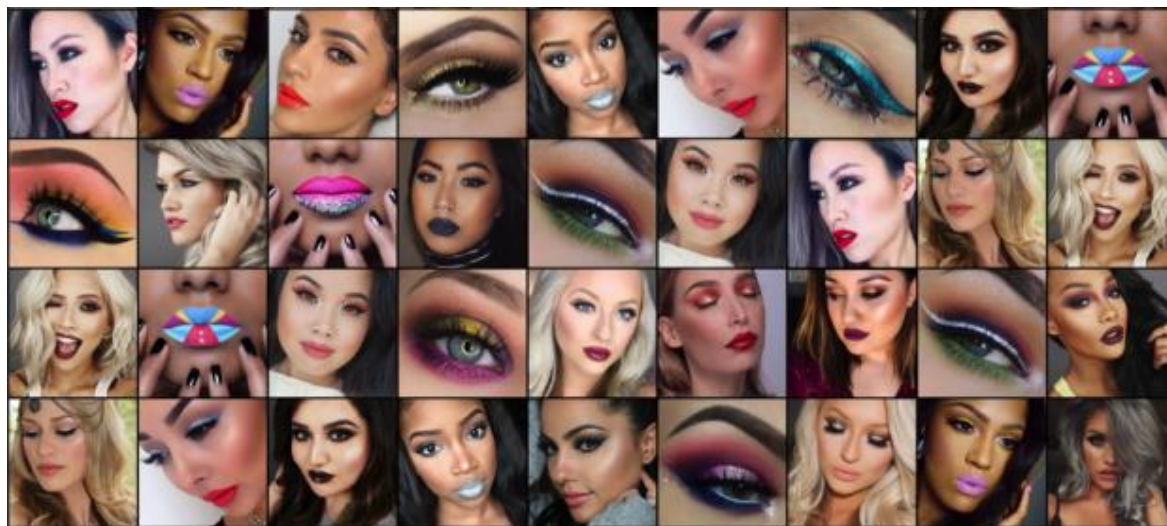


Payout ratio from 1997 to 2016 (as a % of net profit*)



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

** Based on the dividend proposed at the shareholders' meeting to be held on April 20th, 2017



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