

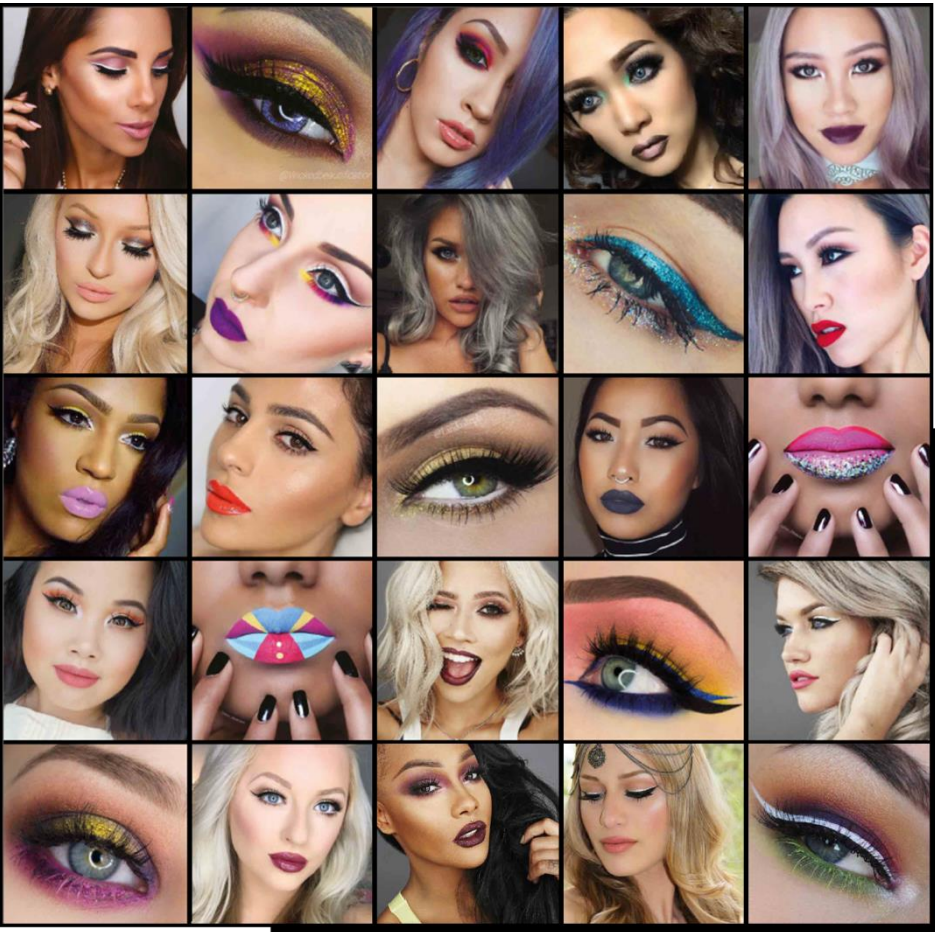
CAGE

MARCH 22ND, 2016

L'ORÉAL

JEAN-PAUL AGON
CHAIRMAN AND CEO

L'ORÉAL



1

L'ORÉAL CORE FEATURES

L'ORÉAL

A PURE PLAYER

**30 YEARS
OF LEADERSHIP
IN THE BEAUTY INDUSTRY**



ALL CHANNELS, ALL CATEGORIES, ALL PRICES

ACROSS
ALL
DISTRIBUTION
CHANNELS

HAIR
SALONS



MASS
MARKET



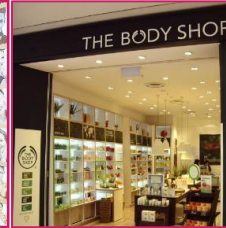
DEPARTMENT
STORES
PERFUMERIES



PHARMACIES
DRUGSTORES
MEDSPAS



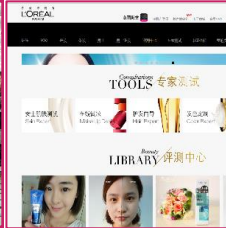
BRANDED
RETAIL



TRAVEL
RETAIL



E-COMMERCE



HAIR CARE



HAIR COLOR



SKINCARE



PERFUMES



MAKE-UP

ACROSS
ALL
BEAUTY
CATEGORIES

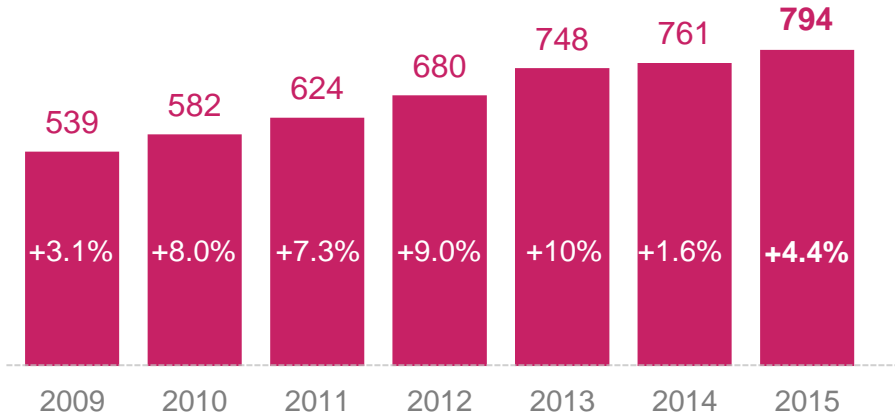
A STRATEGY BASED ON RESEARCH, INNOVATION & QUALITY

3,871

R&I EMPLOYEES

794M€

DEDICATED IN 2015



130

MOLECULES
IN 40 YEARS

BREAKTHROUGH INNOVATIONS



IONENE G

1978



RECONSTRUCTED SKIN

1988



MEXORYL SX

1993



LHA

1993



VITREOSCILLA FILIFORMIS

1994



MEXORYL XL

1995



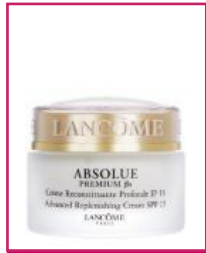
AMINEXIL

1995



CERAMIDE R

1995



PRO-XYLANE

2006



RUBILANE

2008



ODS

2009



CYLANE

2010



LR2412

2011



STEMOXYDINE

2012



RESVERATROL BE

2014



BLONDS RESIST

CARMIN'R

2014



QUINOA EXTRACT

2015

A UNIQUE PORTFOLIO OF COMPLEMENTARY BRANDS

Professional Products

Consumer Products

L'Oréal Luxe

Active Cosmetics



L'ORÉAL
PARIS

CARITA
PARIS

KÉRASTASE
PARIS

DECLÉOR
PARIS

Parce que vous le méritez bien.
L'ORÉAL
PARIS

GARNIER

LANCÔME
PARIS

BIOTHERM

cacharel

YVES SAINT LAURENT
BEAUTE

LA ROCHE-POSAY
LABORATOIRE DERMATOLOGIQUE

VICHY
LABORATOIRES

ROGER & GALLET
PARIS
DISTILLATEUR DE BONHEUR DEPUIS 1862



GIORGIO ARMANI

VIKTOR & ROLF

DIESEL
HR
L'ESSENTIEL



REDKEN
5TH AVENUE NYC

MATRIX
IMAGINEZ TOUT CE QUE VOS POIRES SONT CAPABLES

essie

MAYBELLINE
NEW YORK

essie

NYX
PROFESSIONAL MAKEUP

SOFTSHEEN · CARSON

Kiehl's
SINCE 1851

RALPH LAUREN
FRAGRANCES

ud
URBAN DECAY

clarisonic

SKINCEUTICALS



me
美印面膜

shu uemura

YUESAI



Niely
Cosméticos



Nice & Lovely



A GLOBAL LEADER

82 811 employees
in **140** countries

3rd
worldwide advertiser**

2nd company worldwide
for its ethical reputation***

11th
company preferred
by business students worldwide****

*AT DECEMBER 31ST 2015 - **ADAGE – RANKING FOR 2014 - ***COVALENCE ETHICAL QUOTE -
****2015 UNIVERSUM RANKING

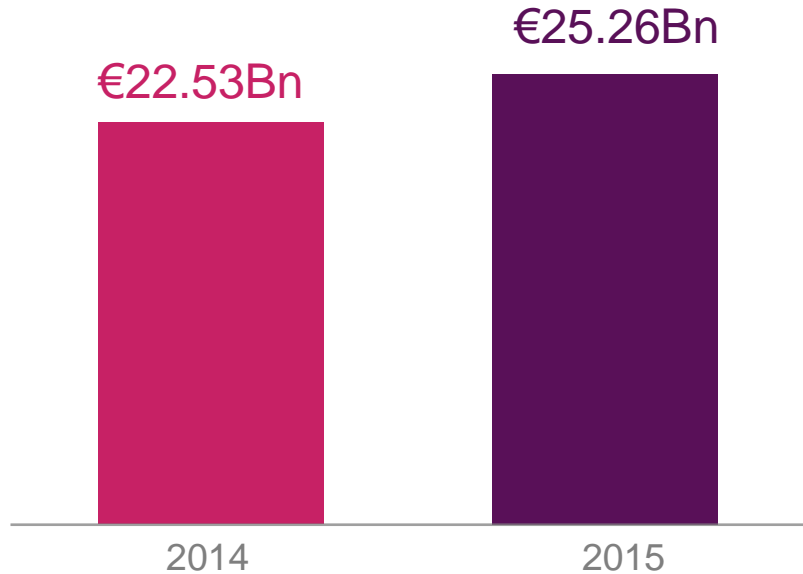


2

**A POWERFUL &
LONG-TERM
BUSINESS
MODEL**

2015 CONSOLIDATED SALES

Consolidated sales
at the end of December



GROWTH AT CONSTANT EXCHANGE RATES +4.9%

of which:

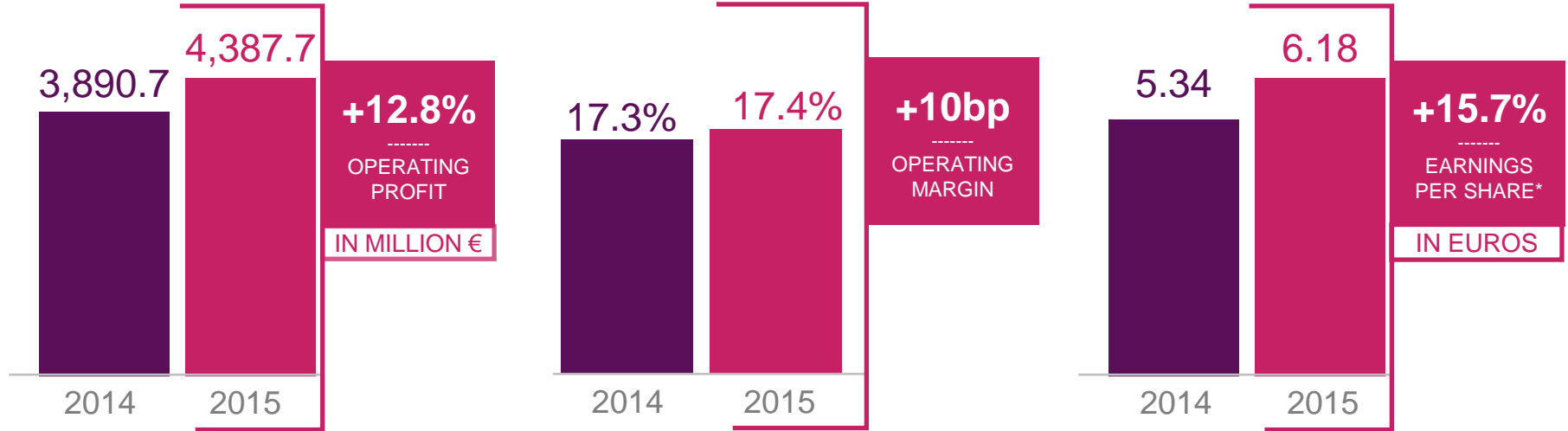
- *like-for-like growth* +3.9%

- *external growth impact* +1.0%

Exchange rate impact +7.2%

REPORTED GROWTH +12.1%

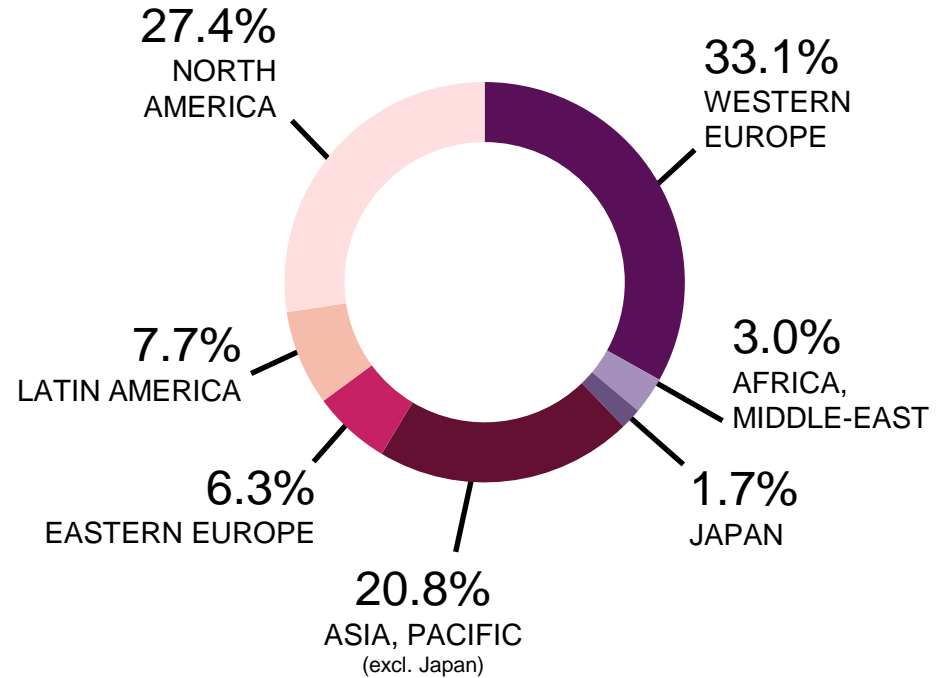
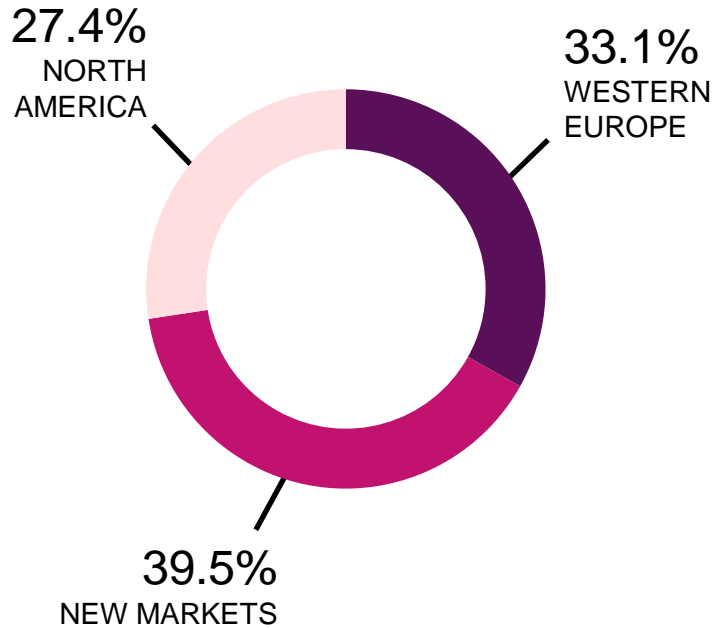
2015 STRONG FINANCIAL RESULTS



*DILUTED EARNINGS PER SHARE BASED ON NET PROFIT FROM CONTINUING OPERATIONS, EXCLUDING NON-RECURRING ITEMS, AFTER NON-CONTROLLING INTERESTS

A BALANCED GEOGRAPHICAL PRESENCE

Breakdown of 2015 sales by region*

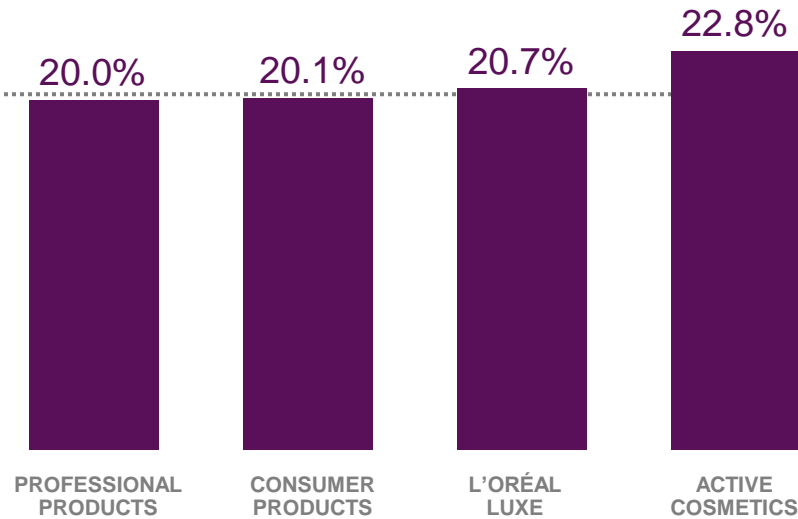


* COSMETICS DIVISIONS TOTAL

BALANCED OPERATING MARGINS

BY DIVISION*

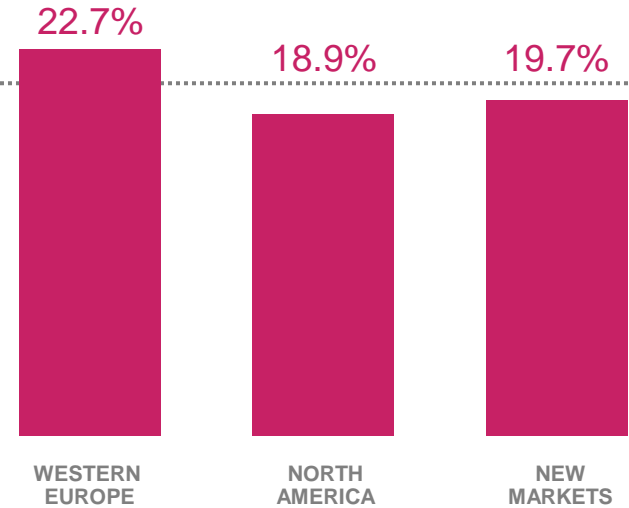
As a % of 2015 sales



20.5%**

BY REGION*

As a % of 2015 sales



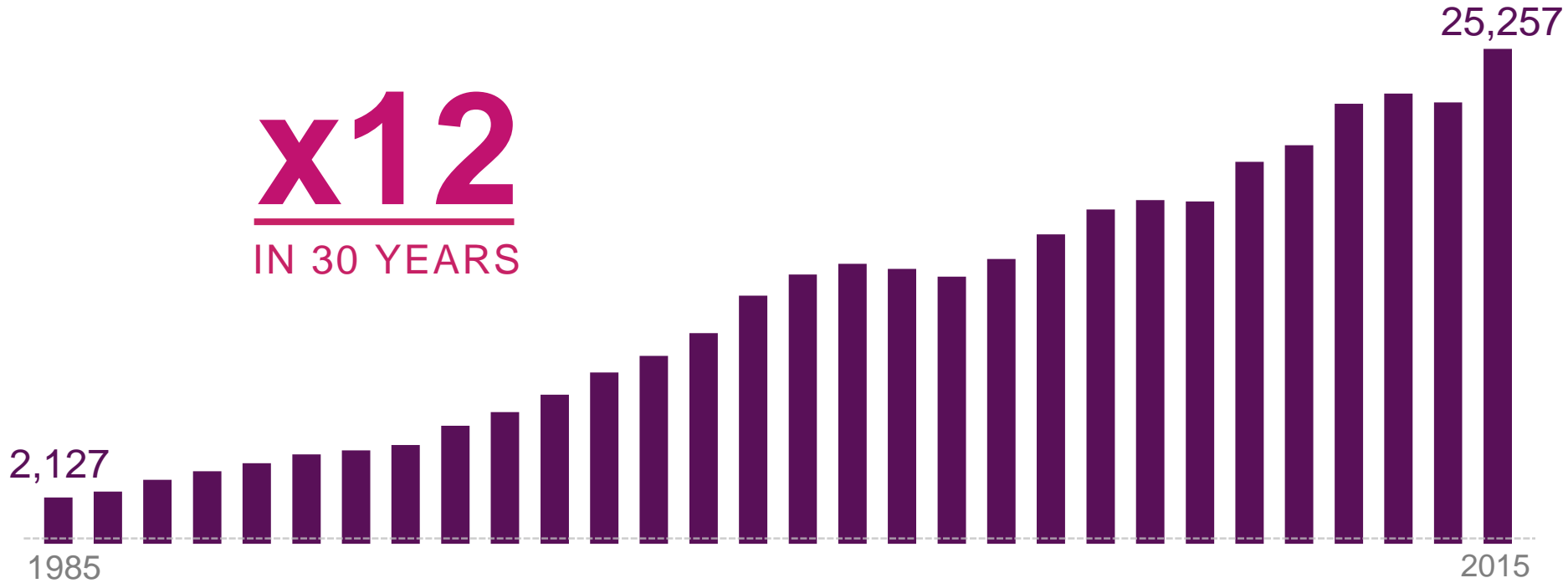
* BEFORE CENTRAL GROUP EXPENSES, FUNDAMENTAL RESEARCH EXPENSES, STOCK-OPTION & FREE GRANT OF SHARES EXPENSES AND MISCELLANEOUS ITEMS.

** COSMETICS DIVISIONS TOTAL

SUSTAINED GROWTH

Sales since 1985 in million euros

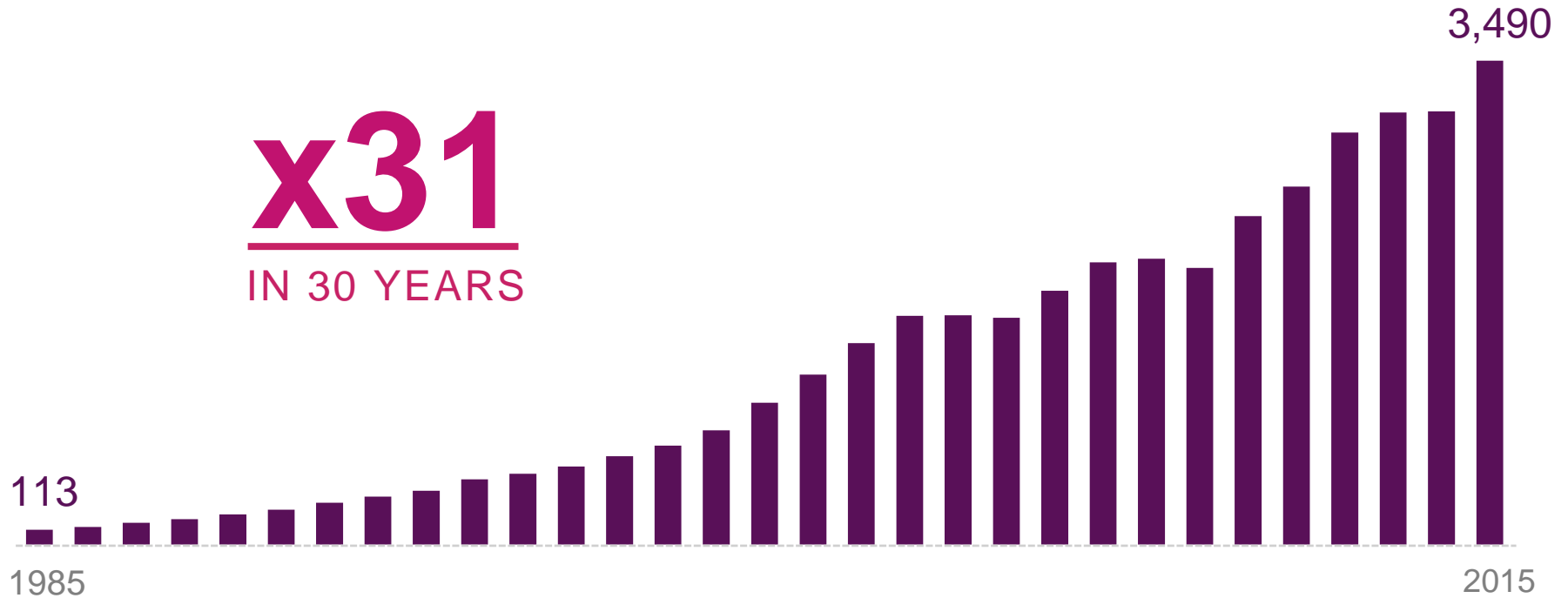
x12
IN 30 YEARS



SUSTAINED PROFIT INCREASE

Net profit since 1985 in million euros*

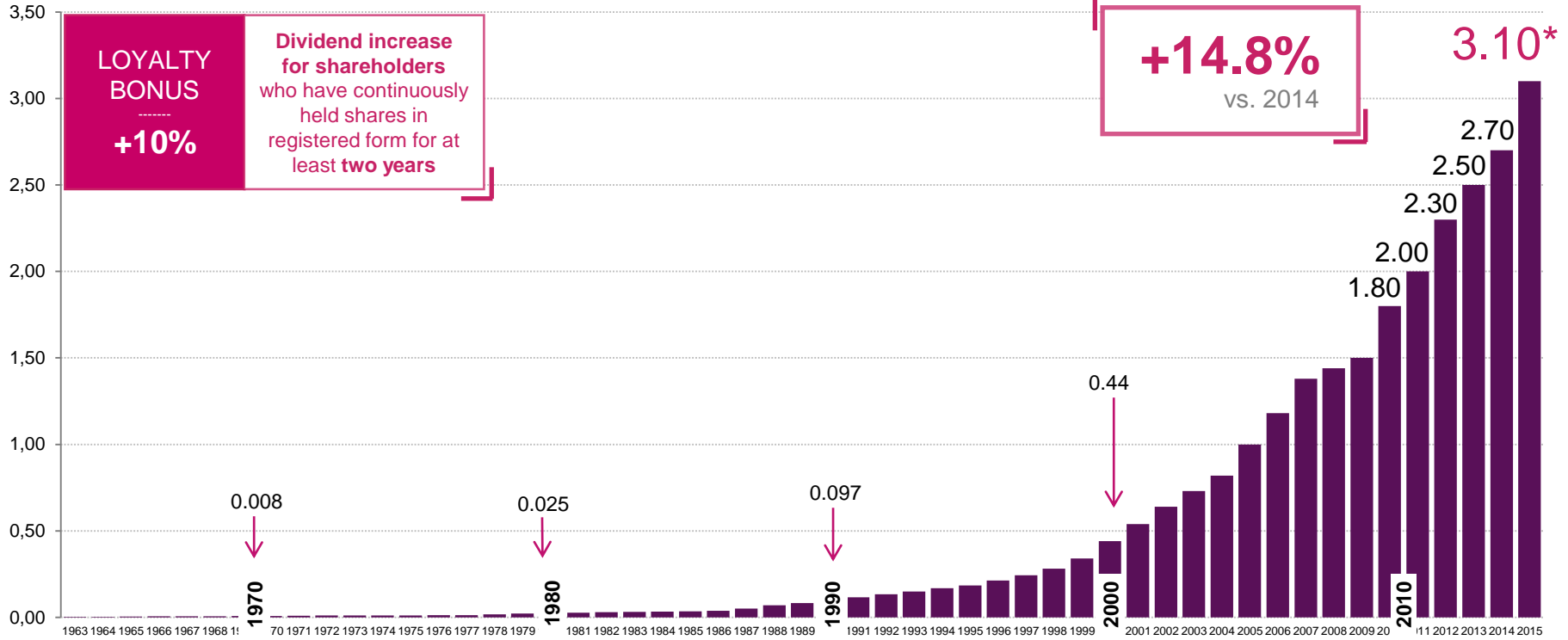
x31
IN 30 YEARS



* 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; IFRS SINCE 2005

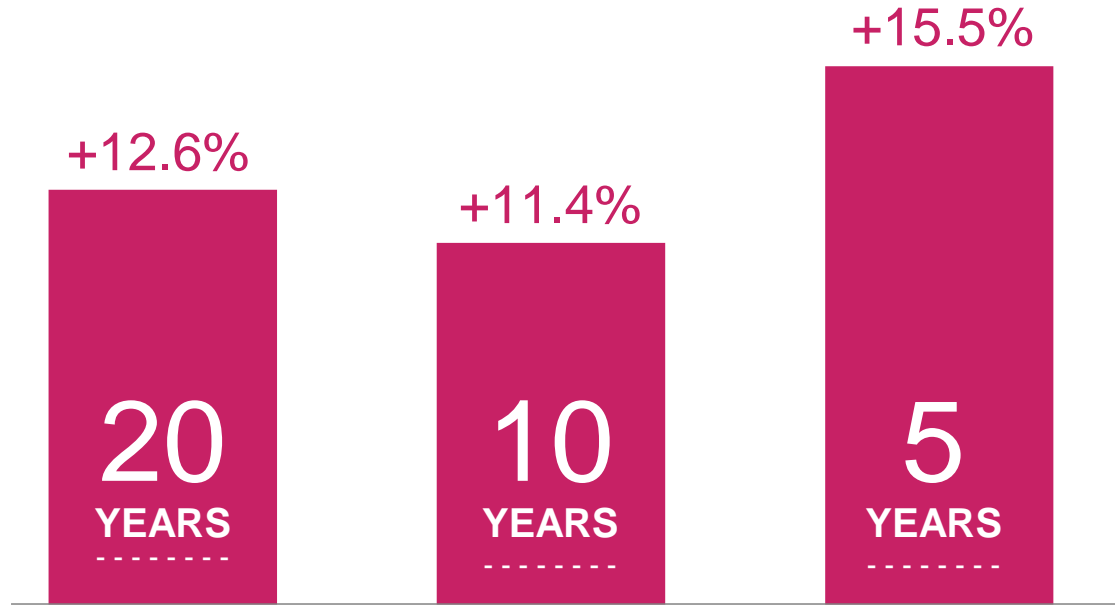
A DYNAMIC DIVIDEND POLICY

Dividend per share since 1963 in euros



*PROPOSED AT THE ANNUAL GENERAL MEETING TO BE HELD ON APRIL 20TH, 2016

DOUBLE-DIGIT TSR ANNUAL TOTAL SHAREHOLDER RETURN*



*TAKES INTO ACCOUNT THE VALUE OF THE SHARE AND THE DIVIDEND INCOME RECEIVED (EXCLUDING TAX CREDITS), AT DECEMBER 31ST 2015



3

PROSPECTS AND STRATEGY



PROSPECTS AND STRATEGY

Continuous market growth

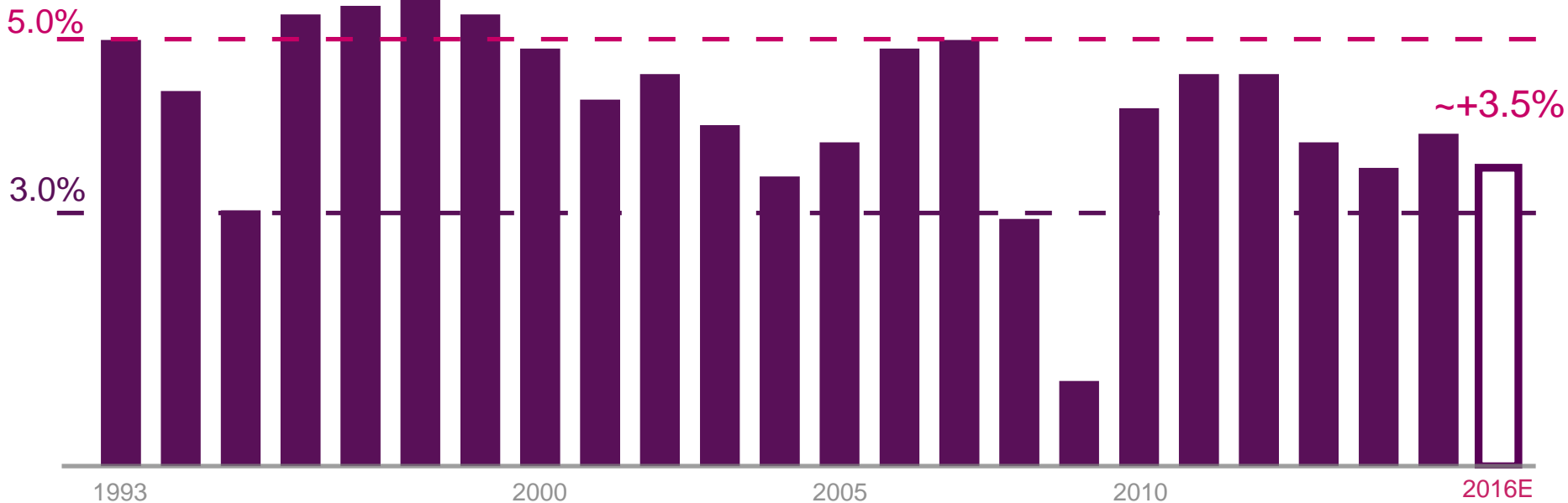
L'Oréal's strong potential

Strategy by Division

The New L'Oréal

THE BEAUTY MARKET CONTINUES TO DEVELOP

Worldwide Beauty Market 1993-2016*



*EXCLUDING SOAPS, TOOTHPASTES AND RAZORS. 2015 PROVISIONAL ESTIMATES
SOURCE: L'ORÉAL ESTIMATES. EXCLUDING EXCHANGE RATE IMPACT

AND WILL CONTINUE TO GROW

NEW CONSUMERS

MIDDLE CLASS

NEW TARGETS

SENIORS
MEN

NEW NEEDS

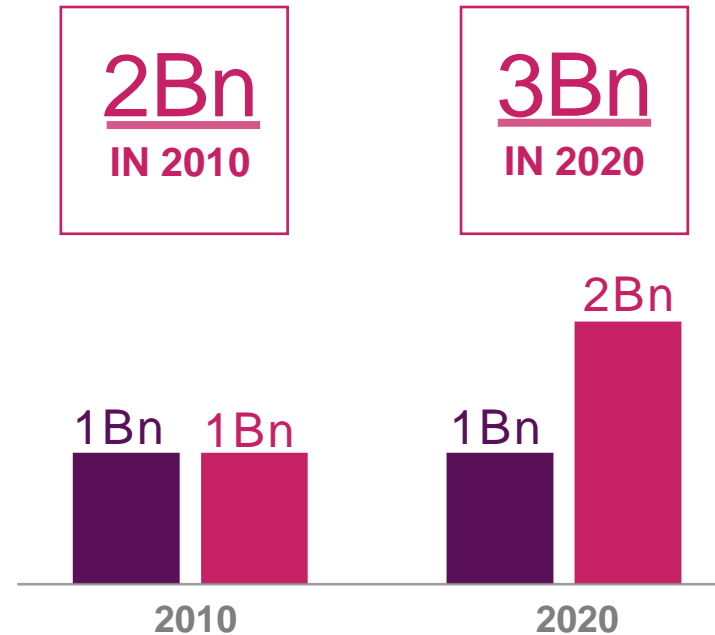
URBANISATION



NEW DESIRES

DIGITAL



NEW CONSUMERS RISE OF THE MIDDLE CLASS



 in developed countries
 in emerging countries



NEW TARGETS SENIORS AND MEN





NEW NEEDS URBANISATION

ALREADY **3.6Bn**
PEOPLE LIVING IN CITIES

PROJECTED TO GROW
+40% BY 2030

Socialisation

**Pollution increases
skin concerns:**

dullness, sensitivity, acne,
pores and pigment spots





NEW DESIRES DIGITAL

IN THIS DIGITAL WORLD

WITH BOOMING SELFIES
AND SOCIAL NETWORKS

**APPEARANCE
IS MORE THAN EVER
ESSENTIAL**

MAKE-UP

1.7x

FASTER THAN
TOTAL BEAUTY
MARKET GROWTH



PROSPECTS AND STRATEGY

Continuous
market growth

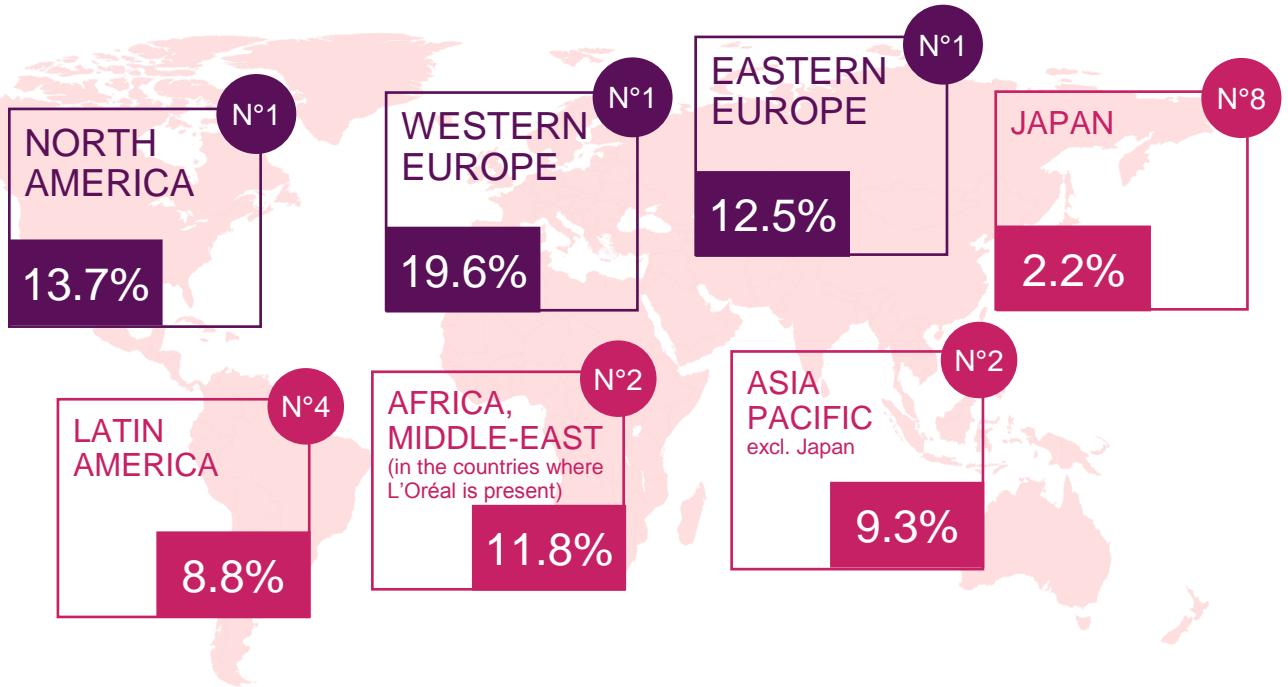
L'Oréal's strong potential

Strategy by Division

The New L'Oréal

A LEADER WITH SIGNIFICANT POTENTIAL

Ranking and market share by geographic zone 2015*



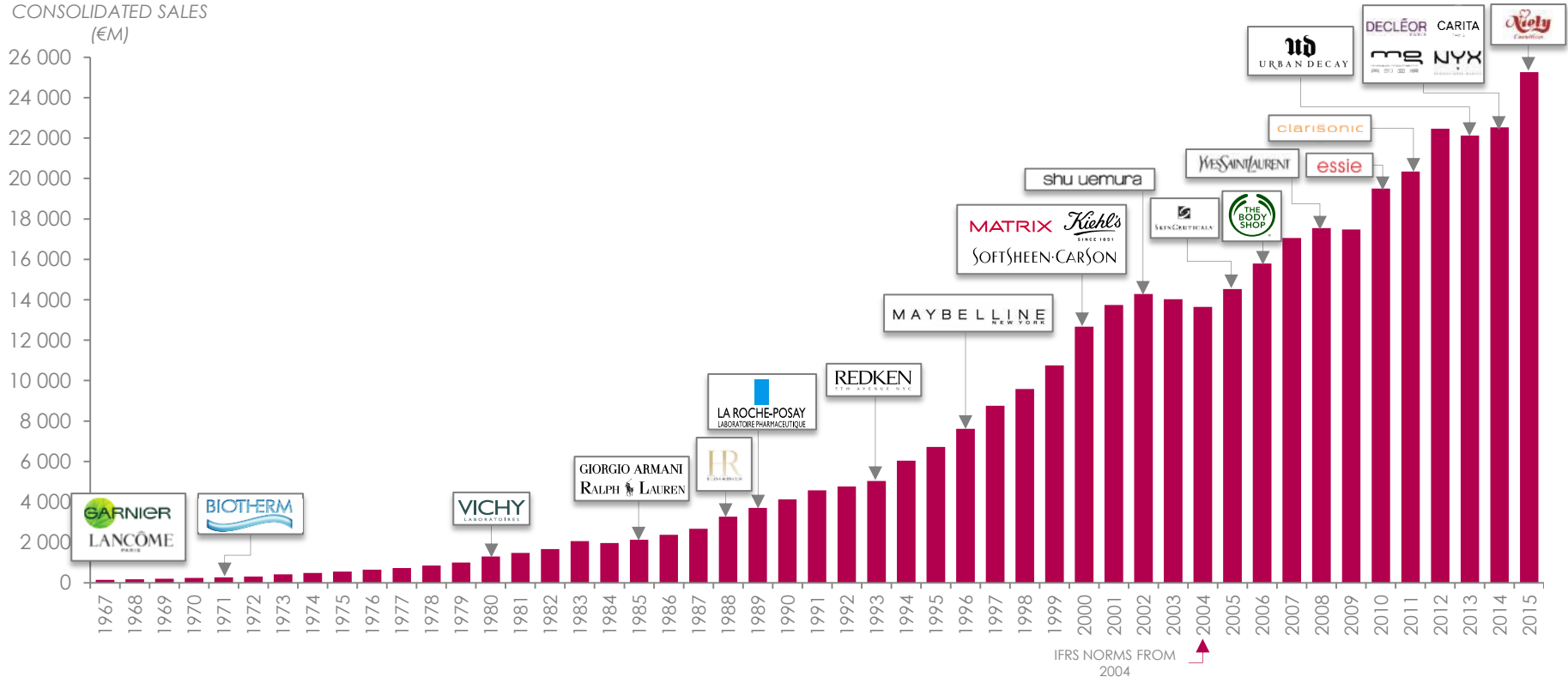
L'ORÉAL
"WORLD":
12.5%

"NEW
MARKETS":
8.5%

*EXCLUDING SOAPS, RAZORS AND TOOTHPASTES. L'ORÉAL ESTIMATES BMS RANKING BASED ON EUROMONITOR 2015 FIGURES

EXISTING BRANDS + TARGETED ACQUISITIONS FOSTERING OUR ORGANIC GROWTH

CONSOLIDATED SALES
(€M)



THE ANNOUNCEMENT ON FEBRUARY 11TH 2014 OF THE DISPOSAL OF 50% OF GALDERMA LEADS TO ACCOUNT FOR THIS BUSINESS IN ACCORDANCE WITH IFRS 5 ACCOUNTING RULE ON DISCONTINUED OPERATIONS. IN ACCORDANCE WITH IFRS 11 ACCOUNTING RULE, INNEOV HAS BEEN CONSOLIDATED UNDER THE EQUITY METHOD AS OF JANUARY 1ST 2014. 2013 FIGURES HAVE BEEN RESTATED ACCORDINGLY.

HIGHLIGHTS

MAYBELLINE
NEW YORK


LA ROCHE-POSAY
LABORATOIRE DERMATOLOGIQUE

Kiehl's
SINCE 1851

REDKEN
5TH AVENUE NYC

CAGR
+10.8%

x7.7

Since 1995

CAGR
+15.7%

x51.9

Since 1988

CAGR
+21.7%

x23.3

Since 1999

CAGR
+8.7%

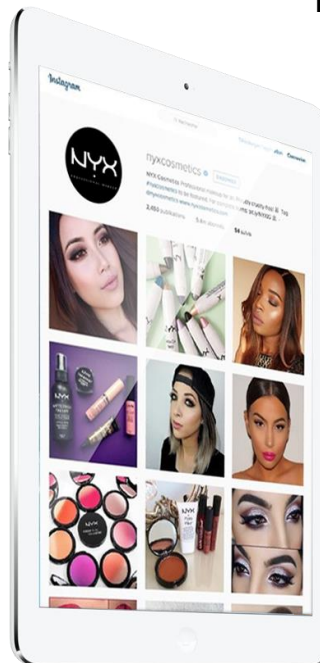
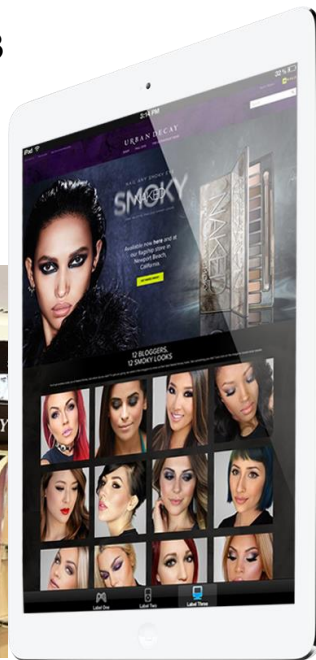
x6.8

Since 1992

URBAN DECATY

beauty with an edge®

2012-2015: SALES X3
.....
LAUNCHED IN
35 COUNTRIES



PROFESSIONAL MAKE-UP
ACQUIRED IN 2014
.....
DIGITALLY ACTIVATED
.....
GOES GLOBAL
IN 2016





PROSPECTS AND STRATEGY

Continuous
market growth

L'Oréal's strong potential

Strategy by Division

The New L'Oréal

CONSUMER PRODUCTS DIVISION ACCELERATE GROWTH

1

RENEWING
OUR CORE
BRANDS

2

LEVERAGING
GLOBAL BEAUTY
TRENDS

3

MAXIMISING
INNOVATION

4

MAKING THE MOST
OF OUR DIGITAL
EDGE

CONSUMER PRODUCTS DIVISION SEIZING THE OPPORTUNITIES OF GLOBAL MARKET TRENDS



L'ORÉAL LUXE KEEP OUR STRONG PACE OF GROWTH

HISTORICAL BEAUTY BRANDS



LANCÔME



BIOThERM



YUE SAI



H.RUBINSTEIN

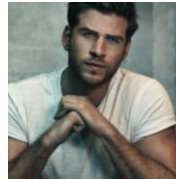
FASHION BEAUTY BRANDS



YSL



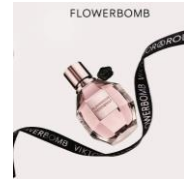
ARMANI



DIESEL



RALPH LAUREN



VIKTOR&ROLF



PROENZA
SCHOULER

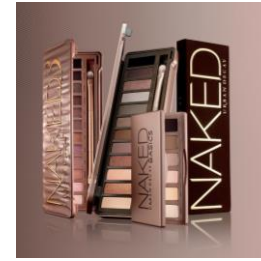


MAISON
MARGIELA



CACHAREL

“NEW LUXURY” BRANDS



URBAN DECAY



KIEHL'S



SHU UEMURA



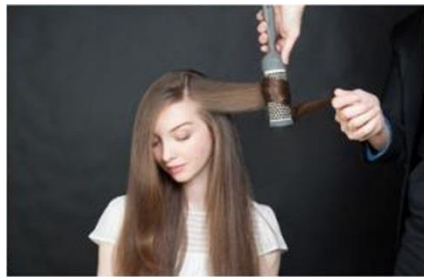
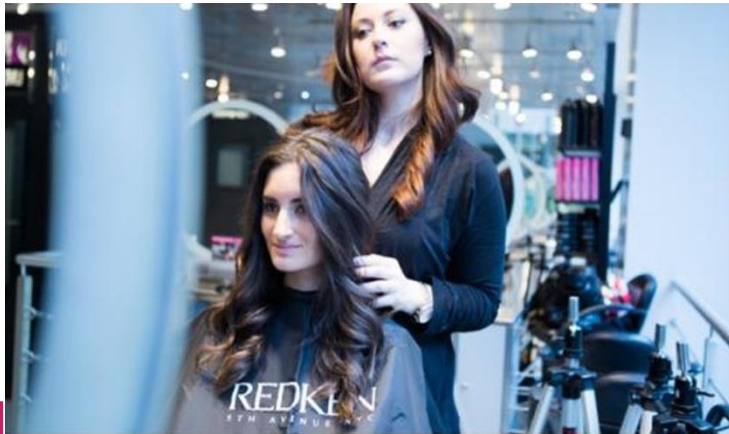
CLARISONIC

L'ORÉAL

ACTIVE COSMETICS SUSTAIN OUR STRONG GROWTH AND LEADERSHIP



PROFESSIONAL PRODUCTS CONSOLIDATE OUR LEADERSHIP AND BOOST THE MARKET





2016 OUTLOOK

AMBITION TO
OUTPERFORM
THE MARKET

CLEAR ACTION-PLAN
BY DIVISION

GRADUAL
ACCELERATION
PHASED WITH
LAUNCHES

ANOTHER YEAR OF
SALES AND PROFIT
GROWTH



PROSPECTS AND STRATEGY

Continuous
market growth

L'Oréal's strong potential

Strategy by Division

The New L'Oréal



**THE NEW
L'ORÉAL**

**MORE...
UNIVERSAL
DIGITAL
SUSTAINABLE**



**MORE
UNIVERSAL**

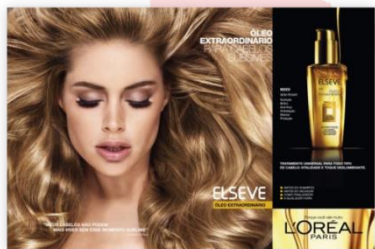
OUR STRATEGY
UNIVERSALISATION

GLOBALISING WHILE
CAPTURING,
UNDERSTANDING
& RESPECTING
DIFFERENCES

UNIVERSALISATION

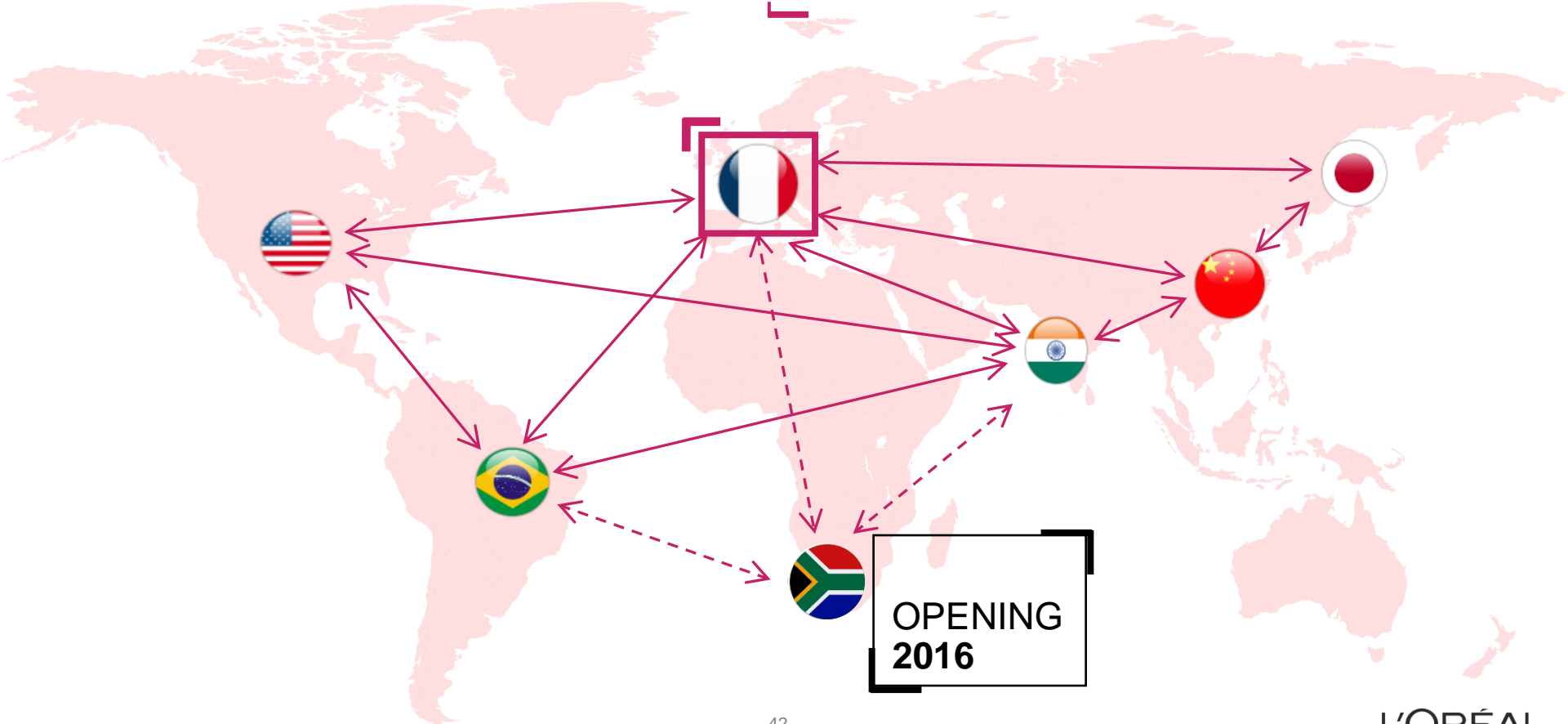
GLOBALLY
ASPIRATIONAL

LOCALLY
RELEVANT

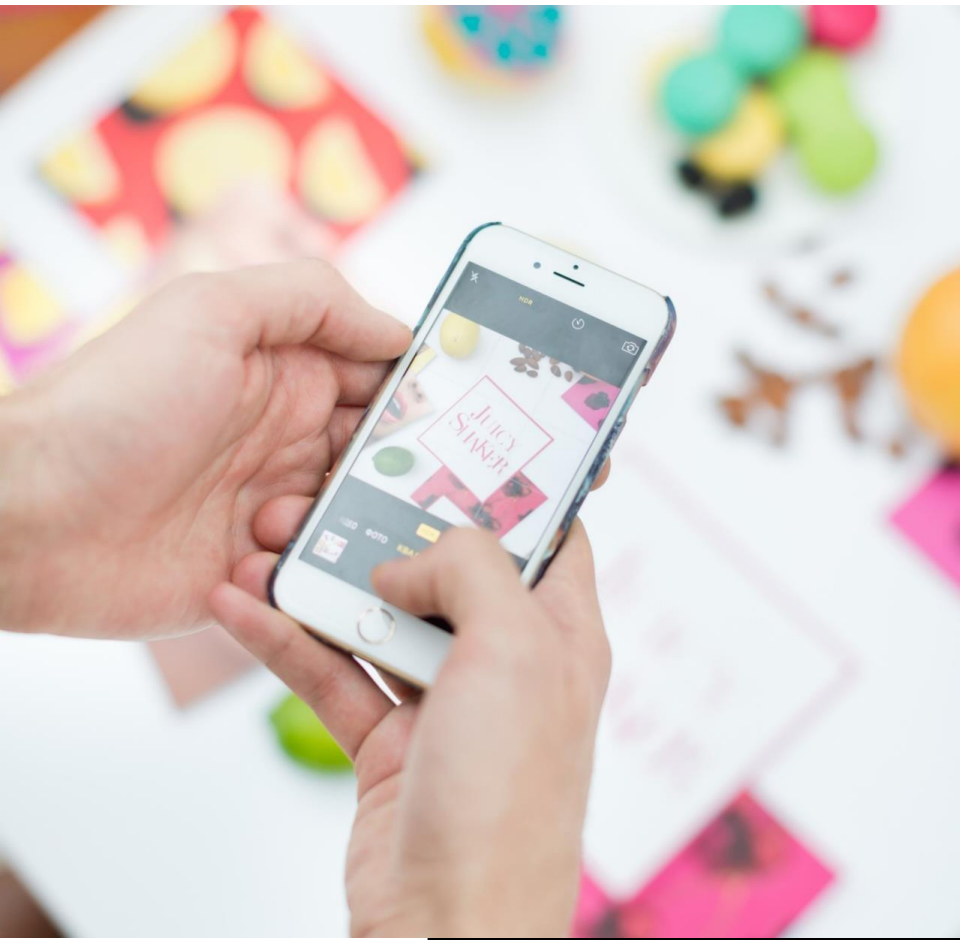


ELVIVE EXTRAORDINARY OILS

A STRONG R&I CENTER COUPLED WITH REGIONAL R&I/MARKETING HUBS



**OPENING
2016**



**MORE
DIGITAL**



**BEAUTY
& DIGITAL**

**THE PERFECT
MATCH**

BEAUTY: AMONG THE MOST SEARCHED TOPICS



beauty



Web

Images

News

Maps

Books

More ▾

Search tools

About 1,520,000,000 results (0.60 seconds)

5 BILLION SEARCHES A YEAR

www.byrdie.com/best-beauty-blogs-2014 ▾ Traduire cette page

2 juil. 2014 - **Beauty** fanatics know that when you stumble upon a **blog** that speaks to you, it's akin to finding a soulmate— you know that euphoric feeling of, ...

45 BILLION VIDEOS

fashionista.com/.../10-most-popular-beauty-youtube-... ▾ Traduire cette page

27 nov. 2013 - And the most viewed **beauty videos** EVER on YouTube are...



DIGITAL ENHANCING OUR COMPETITIVE EDGE

**E-COMMERCE
SALES***

1.3 Bn€
+38%

**MORE THAN
5%**

OF TOTAL
GROUP SALES*

**MORE THAN
1,000**

DIGITAL
PROFESSIONALS

25%
OF OUR MEDIA

DEDICATED
TO DIGITAL

*LIKE-FOR-LIKE SALES GROWTH. DIRECT AND INDIRECT SALES

L'ORÉAL CHINA RAPID TRANSFORMATION



MORE THAN
20%

OF OUR CONSUMER
PRODUCTS SALES
IN E-COMMERCE

USA:



4 L'ORÉAL BRANDS IN THE L2 TOP 5

Source: L2 Digital IQ Index: Beauty



URBAN DECAY

MAYBELLINE
NEW YORK

L'ORÉAL
PARIS

LANCÔME
PARIS

2015



CHINA:

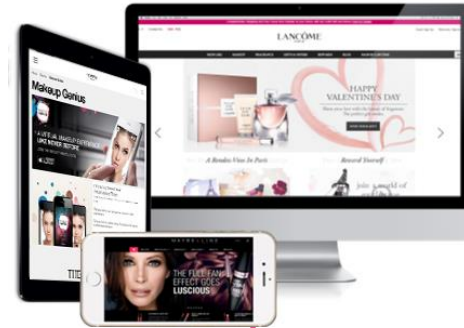
3 L'ORÉAL BRANDS IN THE L2 TOP 5

Source: L2 Digital IQ Index: Beauty

LANCÔME
PARIS

L'ORÉAL
PARIS

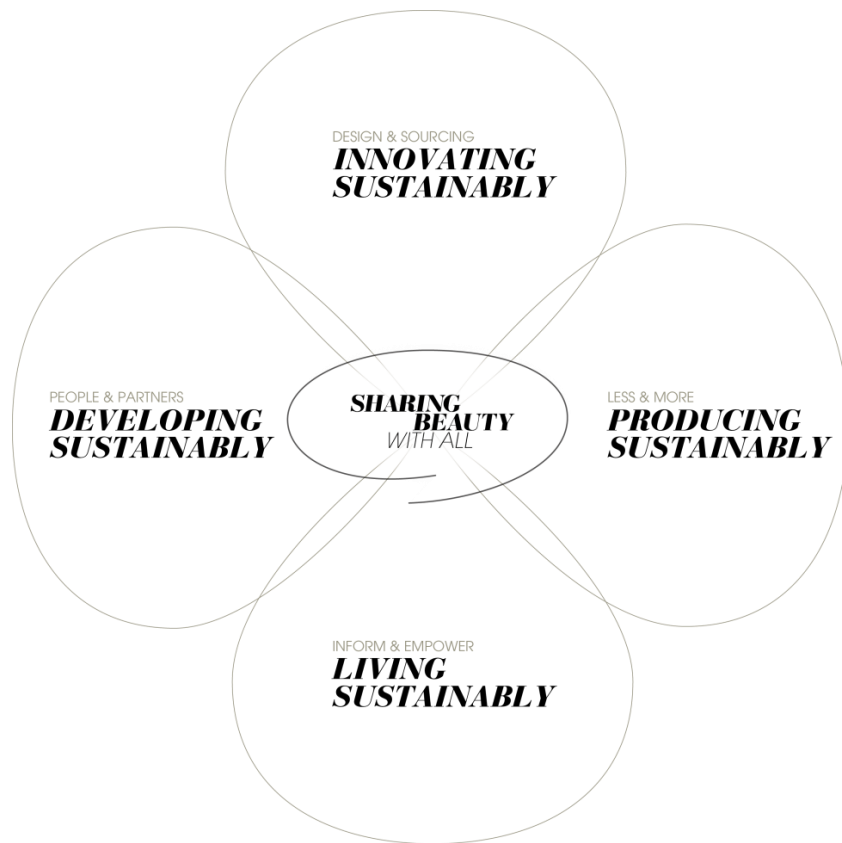
MAYBELLINE
NEW YORK



SHARING BEAUTY WITH ALL

THE L'ORÉAL SUSTAINABILITY COMMITMENT

**MORE
SUSTAINABLE**



**SHARING
BEAUTY**
WITH ALL

THE L'ORÉAL SUSTAINABILITY COMMITMENT

COMMITMENTS FOR 2020

SUSTAINABLE INNOVATION

100%
of products
have an
environmental
or social benefit

SUSTAINABLE PRODUCTION

-60%
environmental
footprint
from a 2005 baseline
-60% CO₂ emissions
*-60% water consumption**
*-60% waste generated**

SUSTAINABLE CONSUMPTION

We will empower
every L'Oréal
consumer to make
**sustainable
consumption
choices**

EMPLOYEES

L'Oréal employees
will have access to
**health care,
social
protection
& training,**
wherever they are
in the world

SUPPLIERS

100%
of our strategic
suppliers will be
participating
in our **supplier
sustainability
program**

COMMUNITIES

100,000
people
from underprivileged
communities will
access to work

*PER FINISHED PRODUCT

FOCUS ON CO₂ EMISSIONS

-56%

REDUCTION

in factories
& distribution centres

**WHILE PRODUCTION
INCREASED BY +26%***

FURTHER AMBITION



OBJECTIVE:
BECOME "CARBON
BALANCED" IN 2020

Capturing quantities
of carbon equivalent
to those we emit



Volatile
Uncertain
Complex
Ambiguous





L'ORÉAL

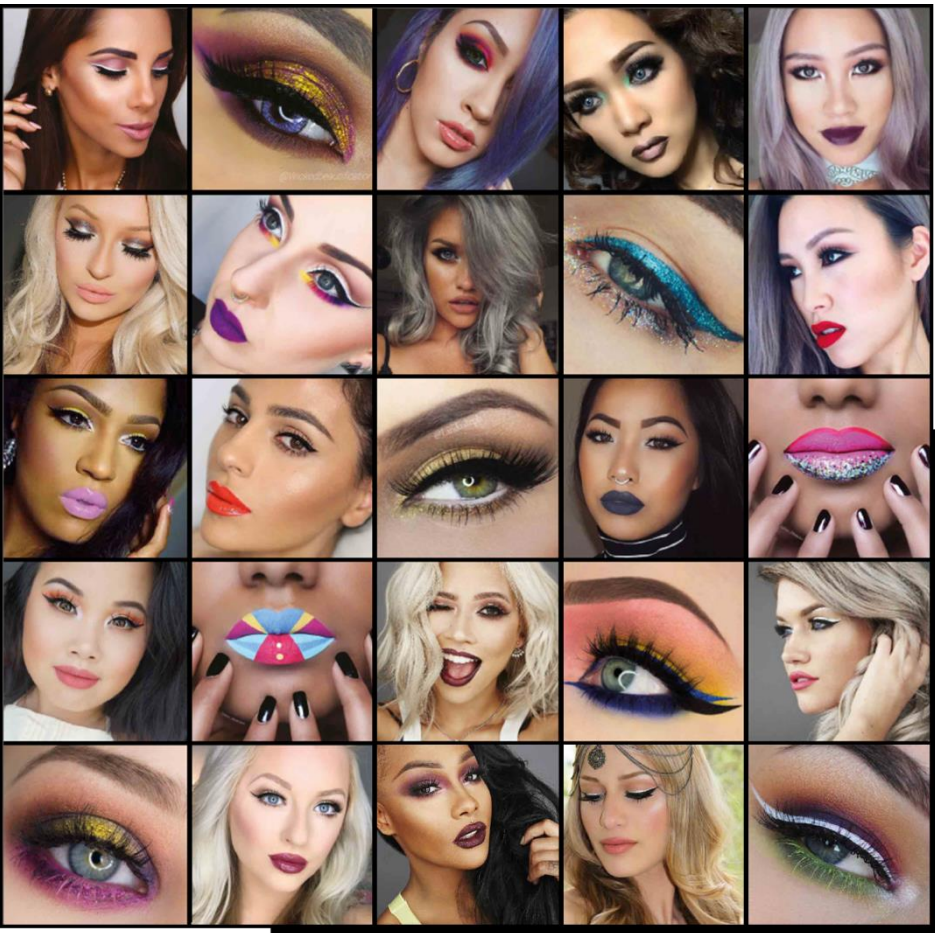
SOLID
&
SUSTAINED
GROWTH

FURTHER
MARKET
SHARE
GAINS

INCREASING
PROFIT

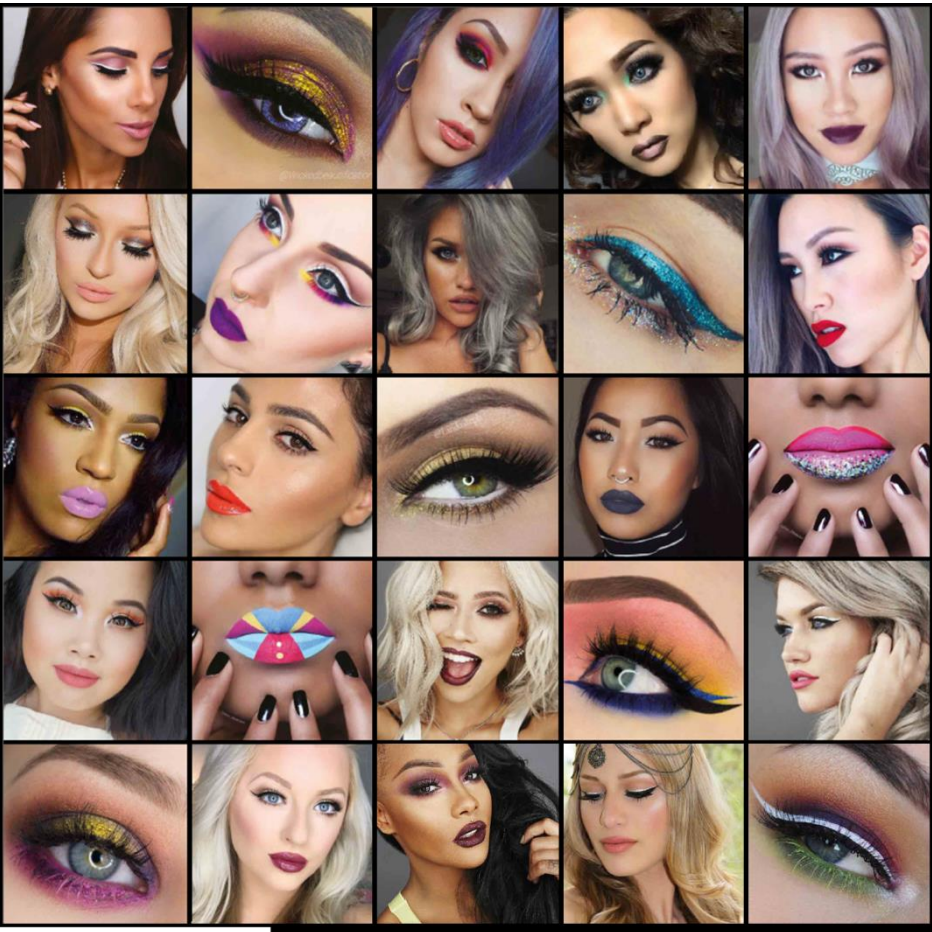
STRONG
CASH FLOW

GROWING
DIVIDEND



THANK
YOU

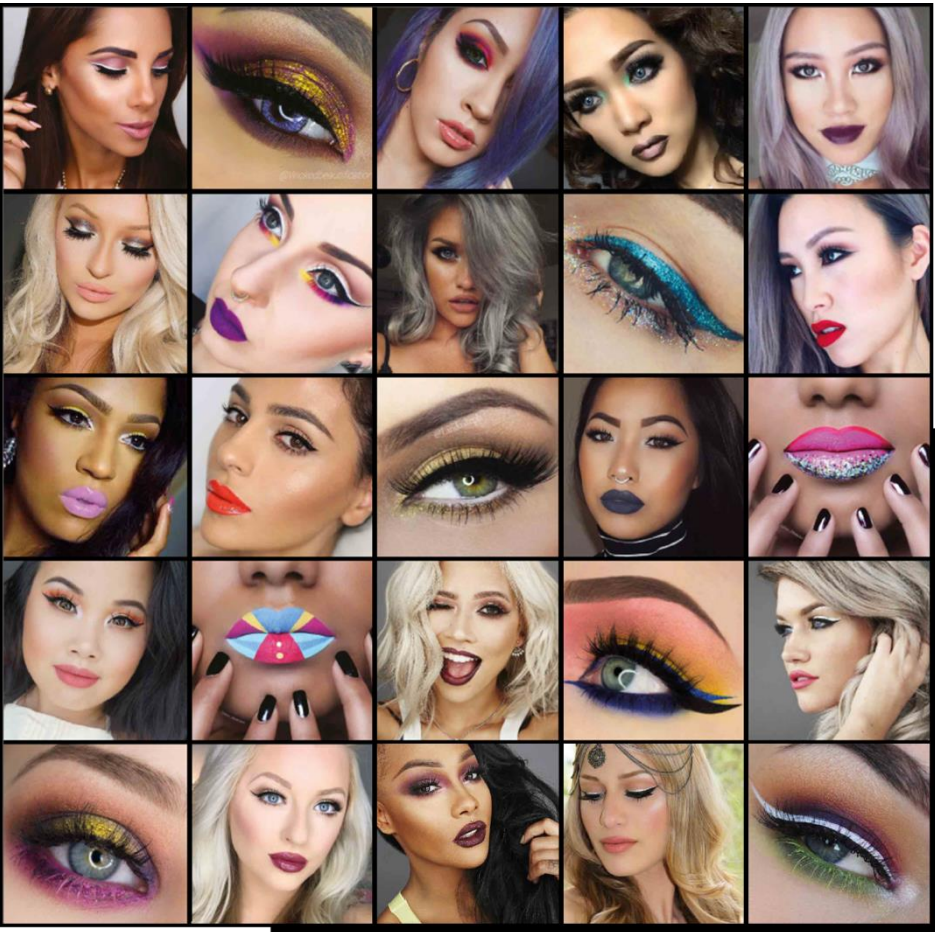
L'ORÉAL



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Q&A

L'ORÉAL