

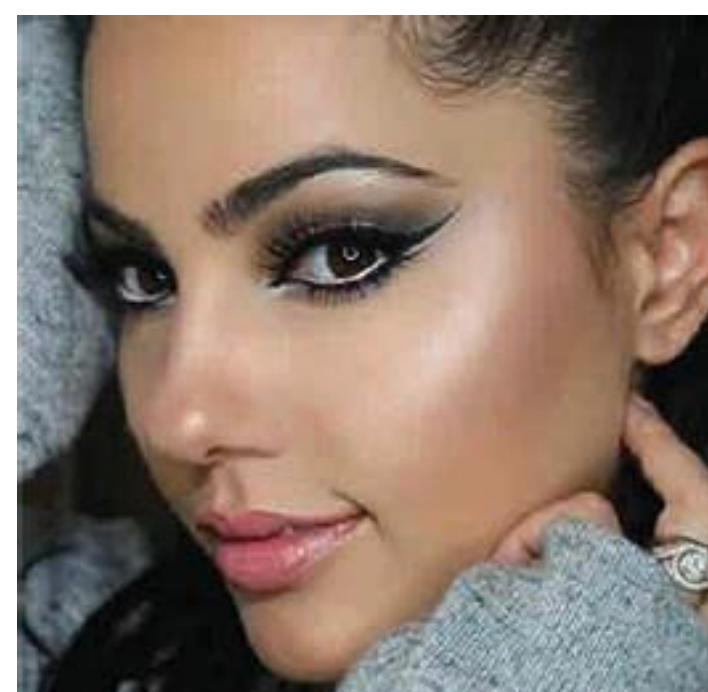


CAGNY

February 24th, 2017

L'ORÉAL

Jean-Paul AGON
Chairman and CEO





.1
WHO WE ARE

February 24th, 2017

L'ORÉAL



PURE
PLAYER
IN BEAUTY

#1
BEAUTY
COMPANY
WORLDWIDE

February 24th, 2017

L'ORÉAL



A GLOBAL
LEADER

€25.8 billion
sales in 2016

12.6% market share*

140 countries

7 billion products sold

89,000 employees



**OUR MISSION
BEAUTY
FOR ALL**

**OUR
STRATEGY
UNIVERSALIZATION**

GLOBALIZATION
THAT CAPTURES,
UNDERSTANDS
AND RESPECTS
DIFFERENCES

ALL CHANNELS
ALL CATEGORIES
ALL PRICES

ACROSS ALL
DISTRIBUTION
CHANNELS

HAIR
AND BEAUTY
SALONS



MASS
MARKET



DEPARTMENT
STORES
PERFUMERIES



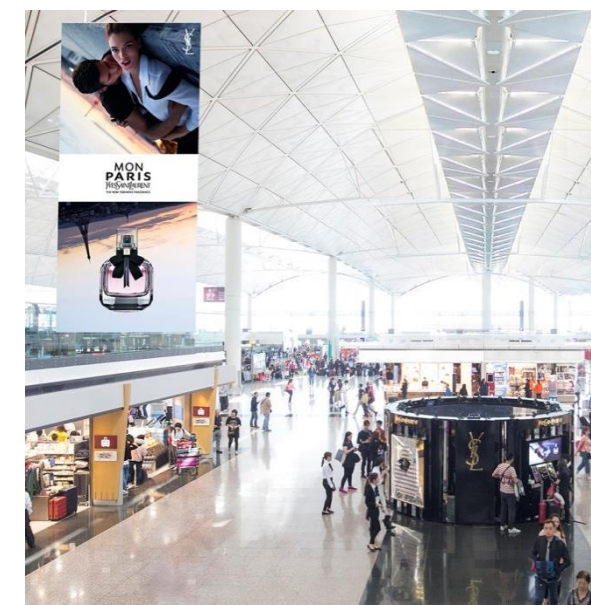
PHARMACIES
DRUGSTORES
MEDISPAS



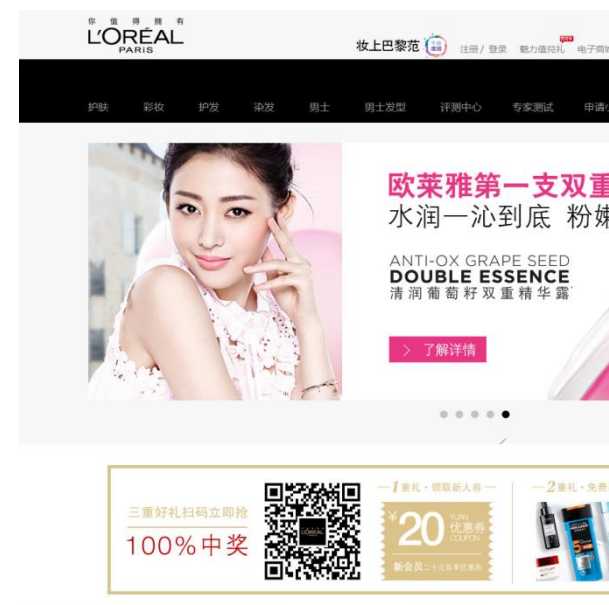
BRANDED
RETAIL



TRAVEL
RETAIL



E-COMMERCE



ACROSS
ALL BEAUTY
CATEGORIES



HAIRCARE



HAIR COLOR



SKINCARE



FRAGRANCE



MAKE-UP

February 24th, 2017

L'ORÉAL

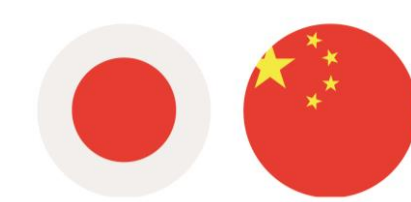
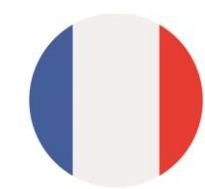
UNIQUE FLOTILLA
OF
COMPLEMENTARY
BRANDS

PROFESSIONAL
PRODUCTS

CONSUMER
PRODUCTS

L'ORÉAL
LUXE

ACTIVE
COSMETICS



L'ORÉAL
PROFESSIONNEL
PARIS

KÉRASTASE
PARIS

CARITA
PARIS

DECLÉOR
PARIS

L'ORÉAL
PARIS

GARNIER

LANCÔME
PARIS

YVES SAINT LAURENT

BIOThERM *Atelier Cologne*
Maison de Parfum
PARIS

cacharel

VICHY
LABORATOIRES

LA ROCHE-POSAY
LABORATOIRE DERMATOLOGIQUE

ROGER & GALLET
PARIS
DISTILLATEUR DE BONHEUR DEPUIS 1862

GIORGIO ARMANI DIESEL

HR VIKTOR & ROLF

THE BODY SHOP

REDKEN
5TH AVENUE NYC

MATRIX
IMAGINEZ TOUT CE QUE VOUS POURRIZ ÊTRE

essie

PUREOLOGY
serious colour care

MAYBELLINE
NEW YORK

NYX
PROFESSIONAL MAKEUP

essie

SOFTSHEEN·CARSON®

Kiehl's UD
SINCE 1851 URBAN DECAY

RALPH LAUREN
FRAGRANCES

it COSMETICS clarisonic

SKINCEUTICALS

mg
magic moment

YUESAI

shu uemura

Niely
Cosméticos

ACQUISITIONS
BOLSTERING
OUR FLOTILLA
OF BRANDS

AND
FOSTERING
OUR FUTURE
ORGANIC
GROWTH



*AGREEMENT TO ACQUIRE

A SIGNIFICANT AMERICAN FOOTPRINT

MORE SALES IN US DOLLARS THAN IN EUROS

AS MANY AMERICAN AS EUROPEAN BRANDS

27.3%
US Dollar

24.7%
Euro

48%
Others

WEIGHT IN 2016 CONSOLIDATED SALES



NYX
PROFESSIONAL MAKEUP

RALPH LAUREN
FRAGRANCES

REDKEN
5TH AVENUE NYC

PUREOLOGY
serious colour care

essie

clarisonic

MATRIX
IMAGINEZ TOUT CE QUE VOUS POUVEZ ÊTRE

MAYBELLINE
NEW YORK

Kiehl's
SINCE 1851

it COSMETICS

CeraVe^{*}
DEVELOPED WITH DERMATOLOGISTS

UD
URBAN DECAY

SKINCEUTICALS

SOFTSHEEN-CARSON[®]

€850M
DEDICATED
TO R&I
IN 2016

**A UNIQUE
RESEARCH
& INNOVATION
POWER**

3,862
R&I
EXPERTS

130
MOLECULES
IN 40 YEARS



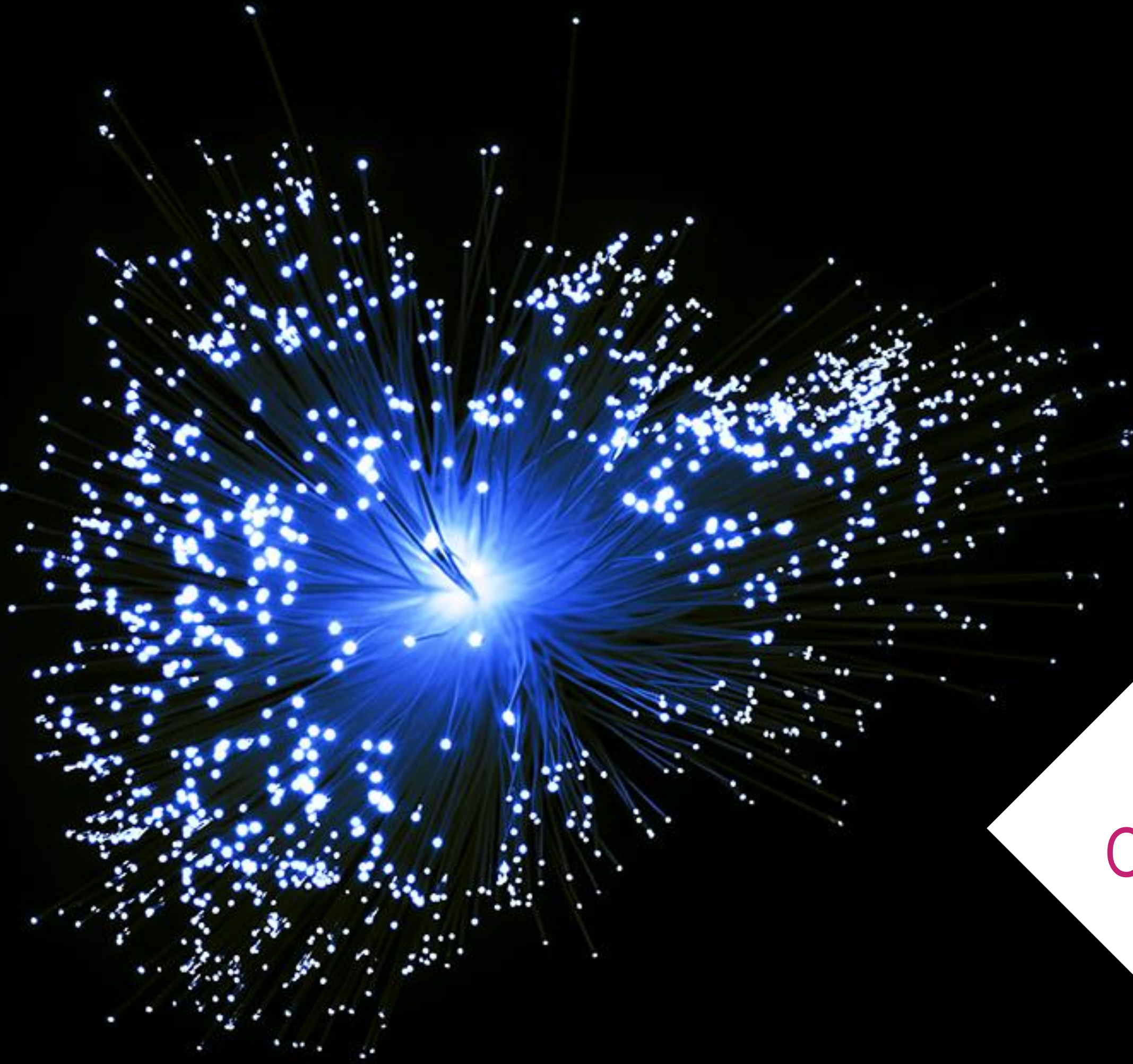
89,000 TALENTS
PASSIONATE
ABOUT
BEAUTY

ENTREPRENEURIAL
SPIRIT

PEOPLE
OVER
PROCESSES

February 24th, 2017

L'ORÉAL



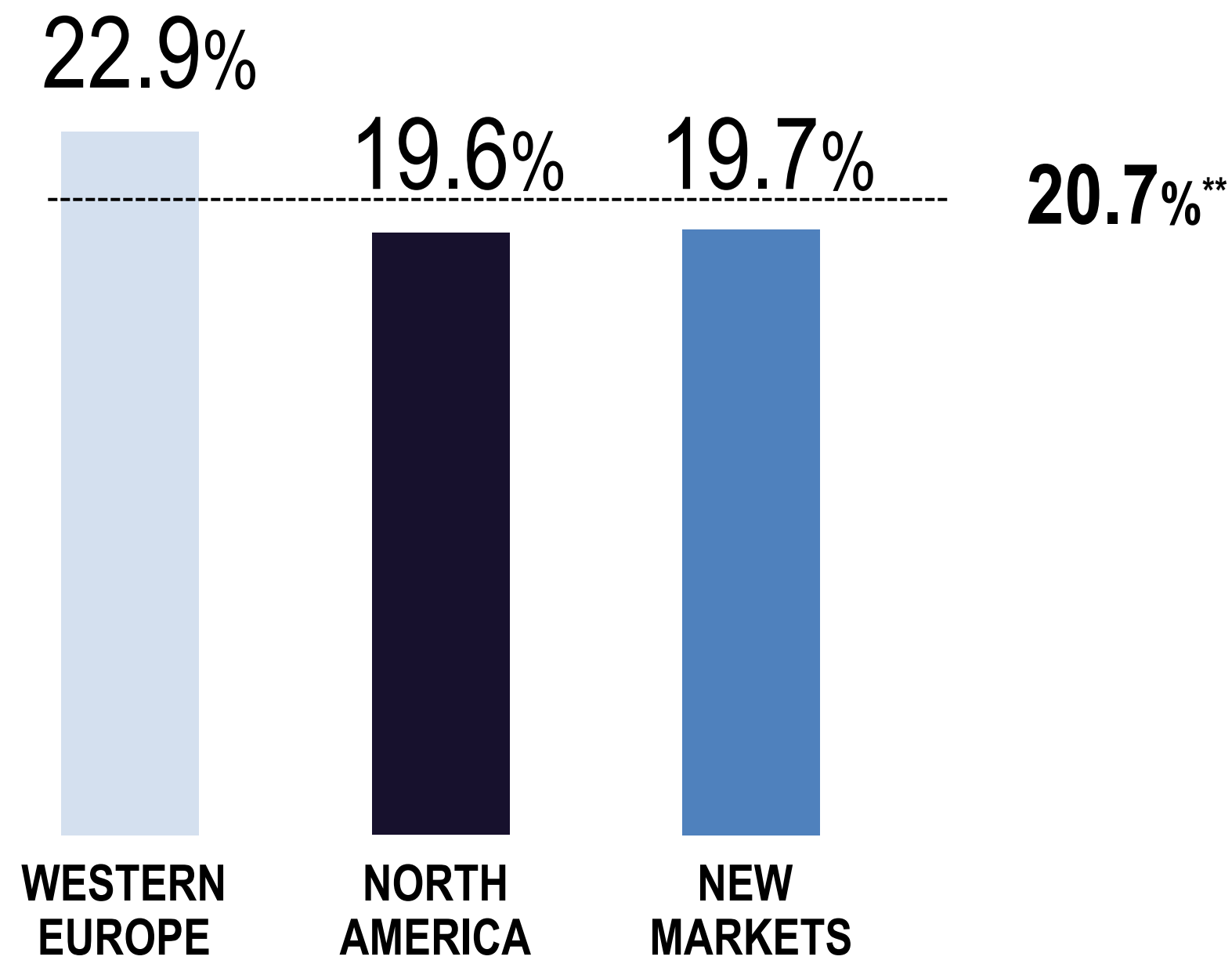
STRATEGICALLY
CONCENTRATED
OPERATIONALLY
DECENTRALIZED

UNIQUE
ORGANIZATION

BALANCED BUSINESS MODEL

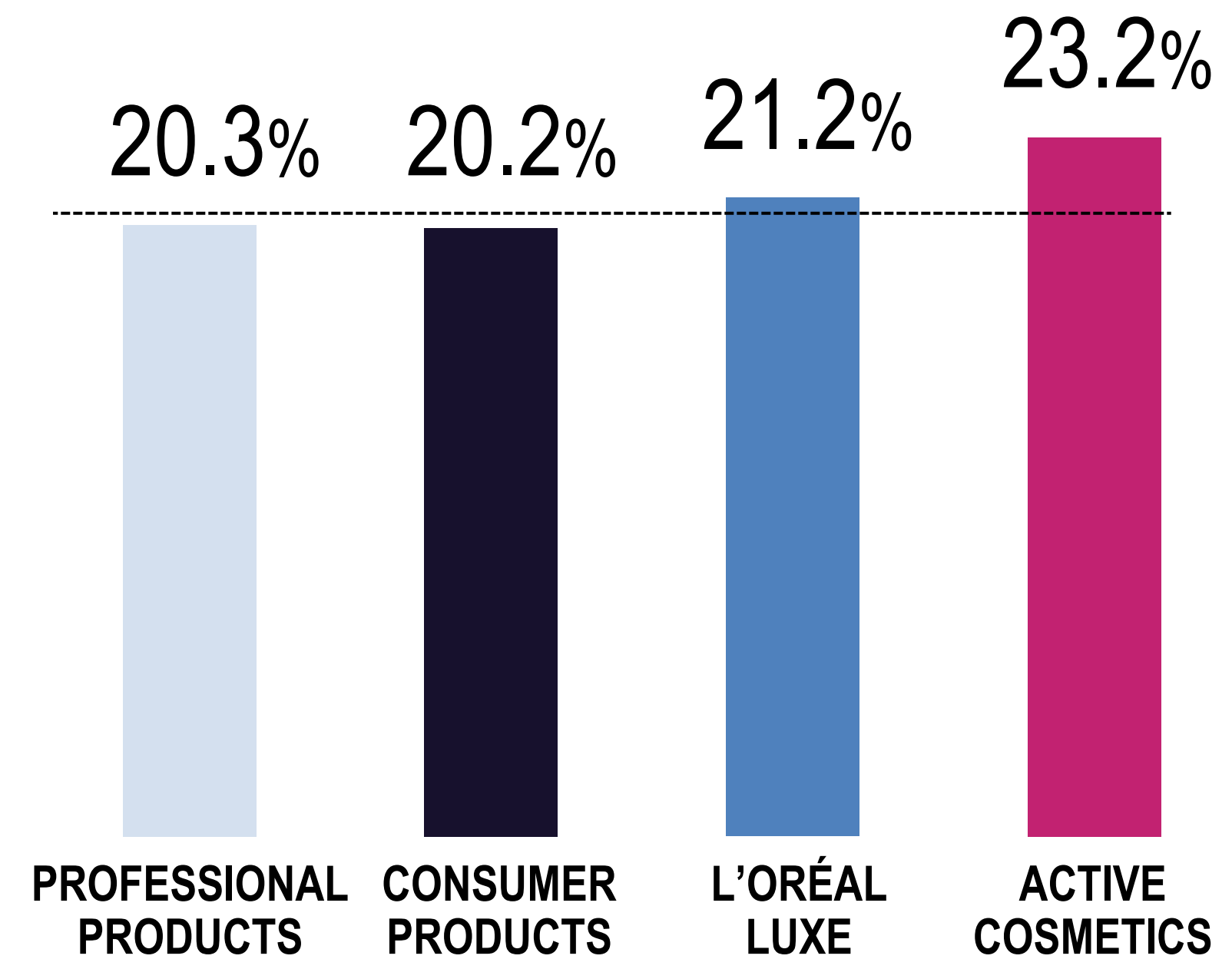
2016 OPERATING MARGIN BY REGION*

(as a % of sales)



2016 OPERATING MARGIN BY DIVISION*

(as a % of sales)



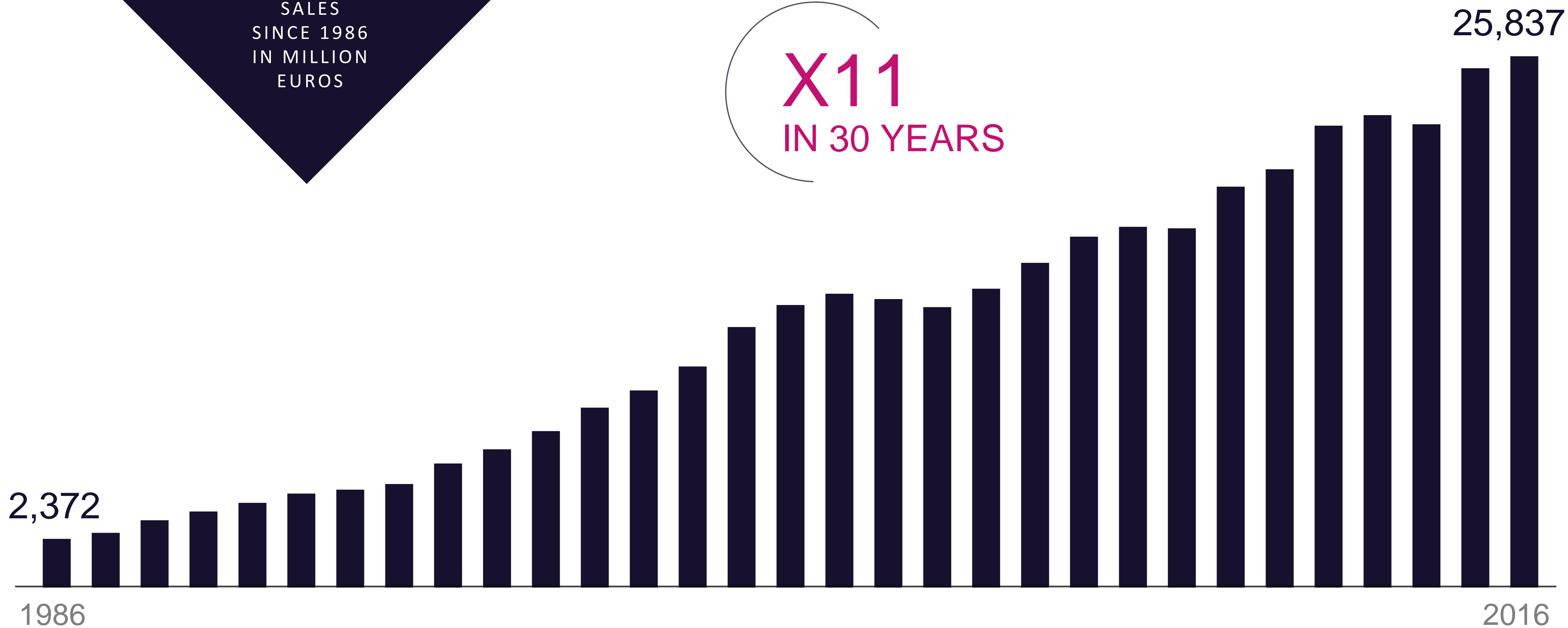
*BEFORE CENTRAL GROUP EXPENSES, FUNDAMENTAL RESEARCH EXPENSES, STOCK OPTIONS AND FREE GRANT OF SHARES AND MISCELLANEOUS ITEMS

**DIVISIONS TOTAL

SUSTAINED GROWTH*

SALES
SINCE 1986
IN MILLION
EUROS

X11
IN 30 YEARS



*EXCLUDING SYNTHÉLABO FROM 1986 TO 1998

SUSTAINED PROFIT INCREASE*

NET PROFIT
SINCE 1986
IN MILLION
EUROS

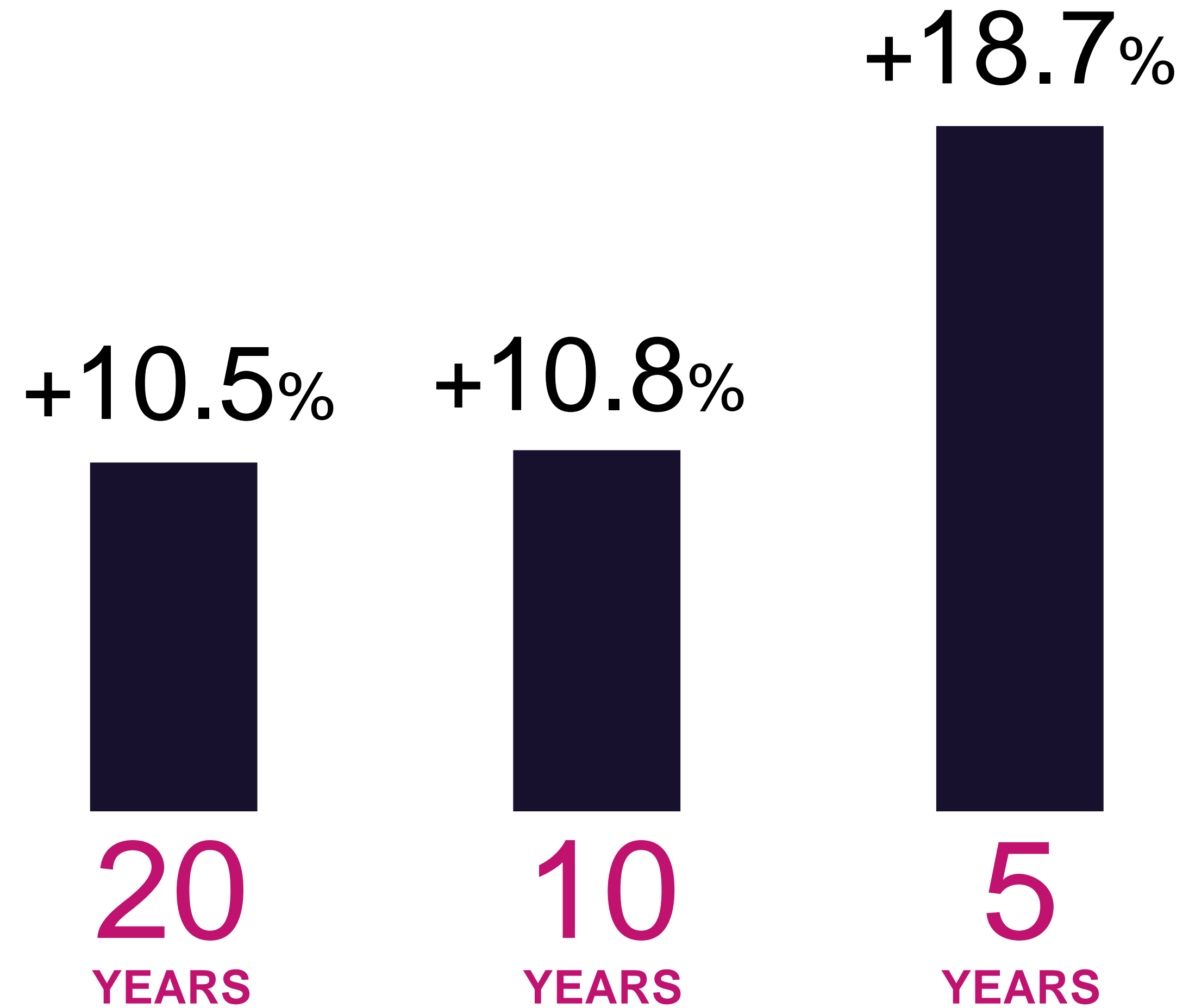
X27
IN 30 YEARS



*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

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 2016

LONG-TERM
STRATEGIC
PERSPECTIVE

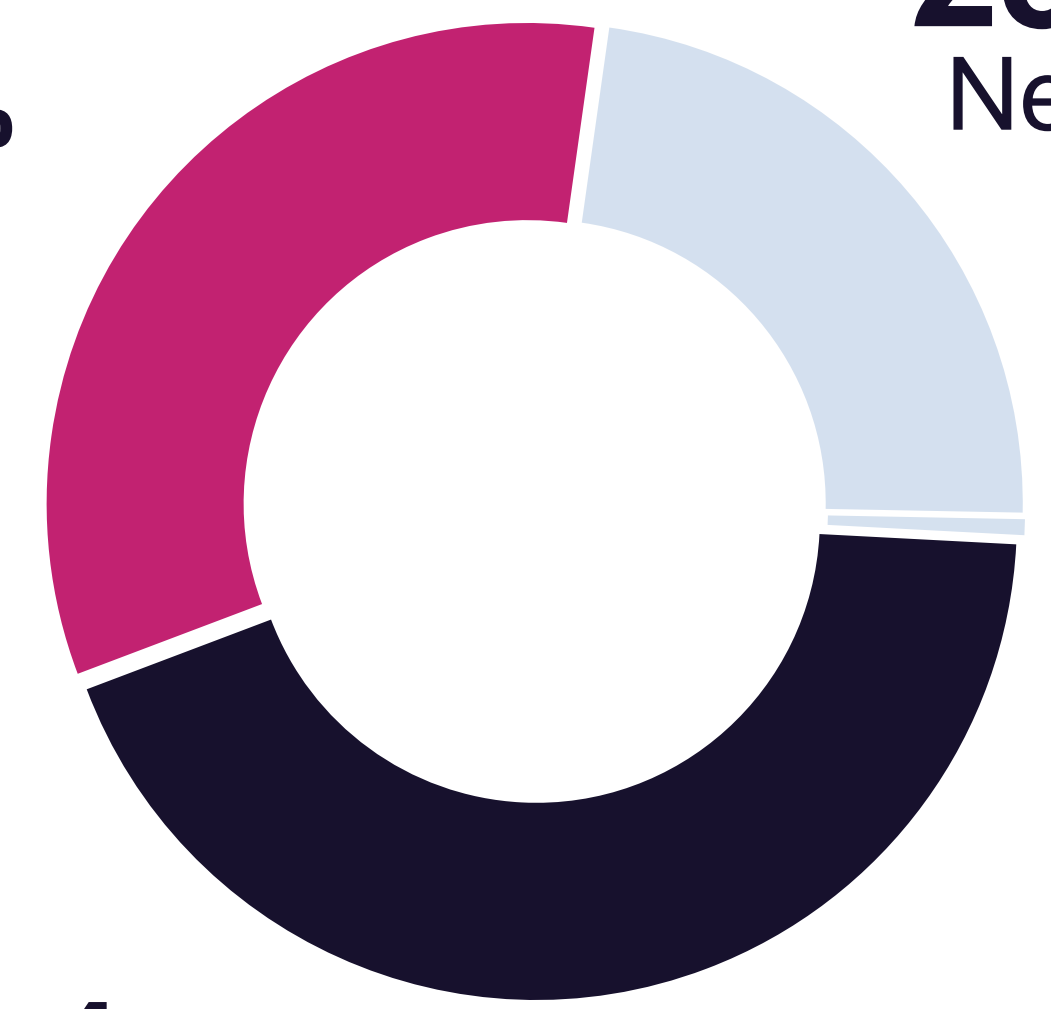
A SOLID
SHAREHOLDER
BASE*

33.0%
Bettencourt
Meyers family

23.1%
Nestlé

0.5%
Treasury
stock

43.4%
Free float



*AT 31 DECEMBER 2015

A HIGH POTENTIAL LEADER

MARKET SHARE AND RANKING BY GEOGRAPHIC ZONE 2016*

WORLDWIDE MARKET SHARE

12.6%

NORTH AMERICA



14.0%
N°1

WESTERN EUROPE



20.2%
N°1

AFRICA, MIDDLE EAST**



13.0%
N°2

LATIN AMERICA



8.8%
N°4

EASTERN EUROPE



12.8%
N°1

ASIA, PACIFIC



9.5%
N°1
EXCL. JAPAN

MARKET SHARE IN "NEW MARKETS"

8.5%

*EXCLUDING SOAPS, RAZORS AND TOOTHPASTES. L'ORÉAL ESTIMATES
RANKING BASED ON EUROMONITOR 2015 FIGURES
**IN THE COUNTRIES WHERE L'ORÉAL IS PRESENT

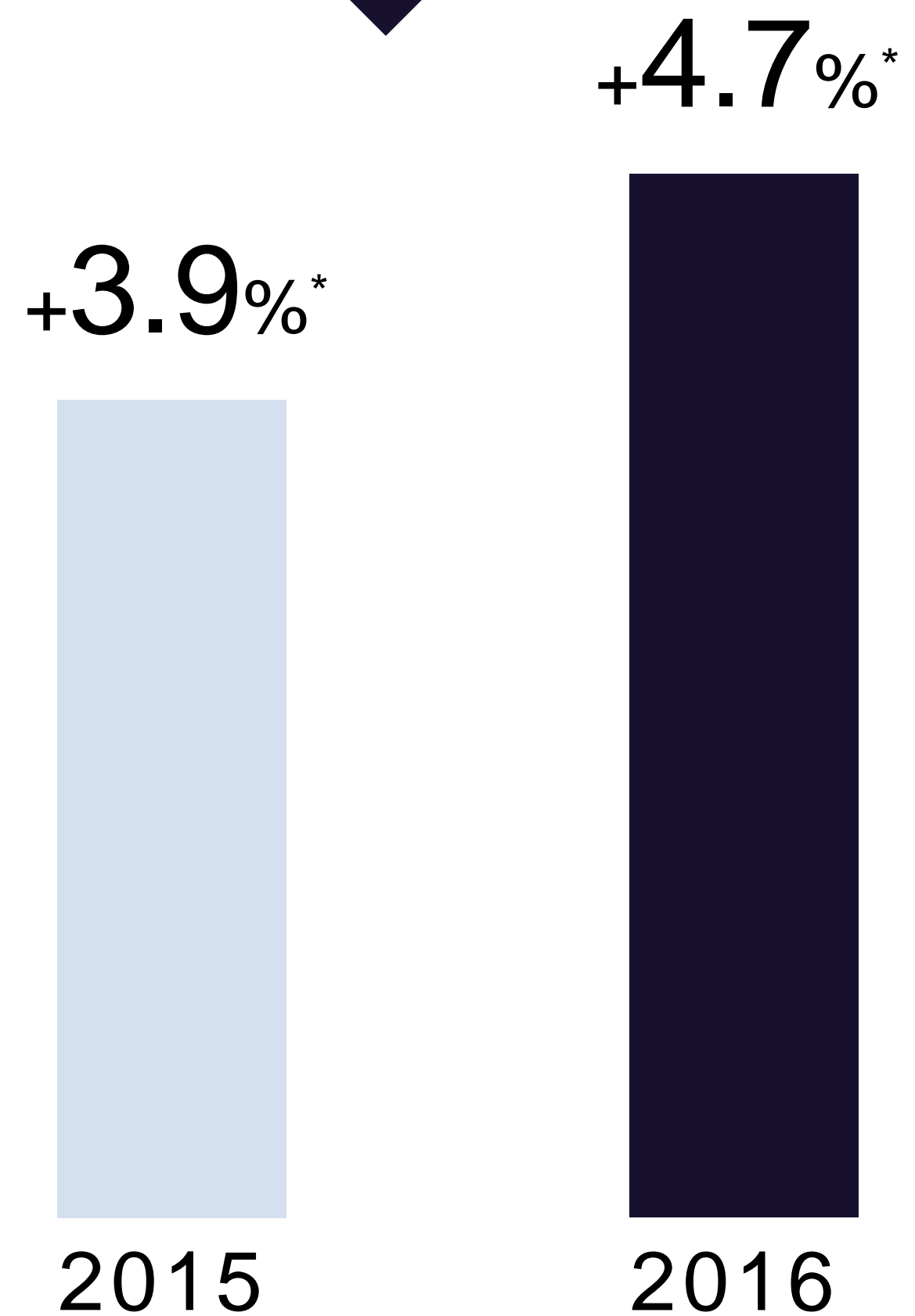


.2
2016
A GOOD YEAR

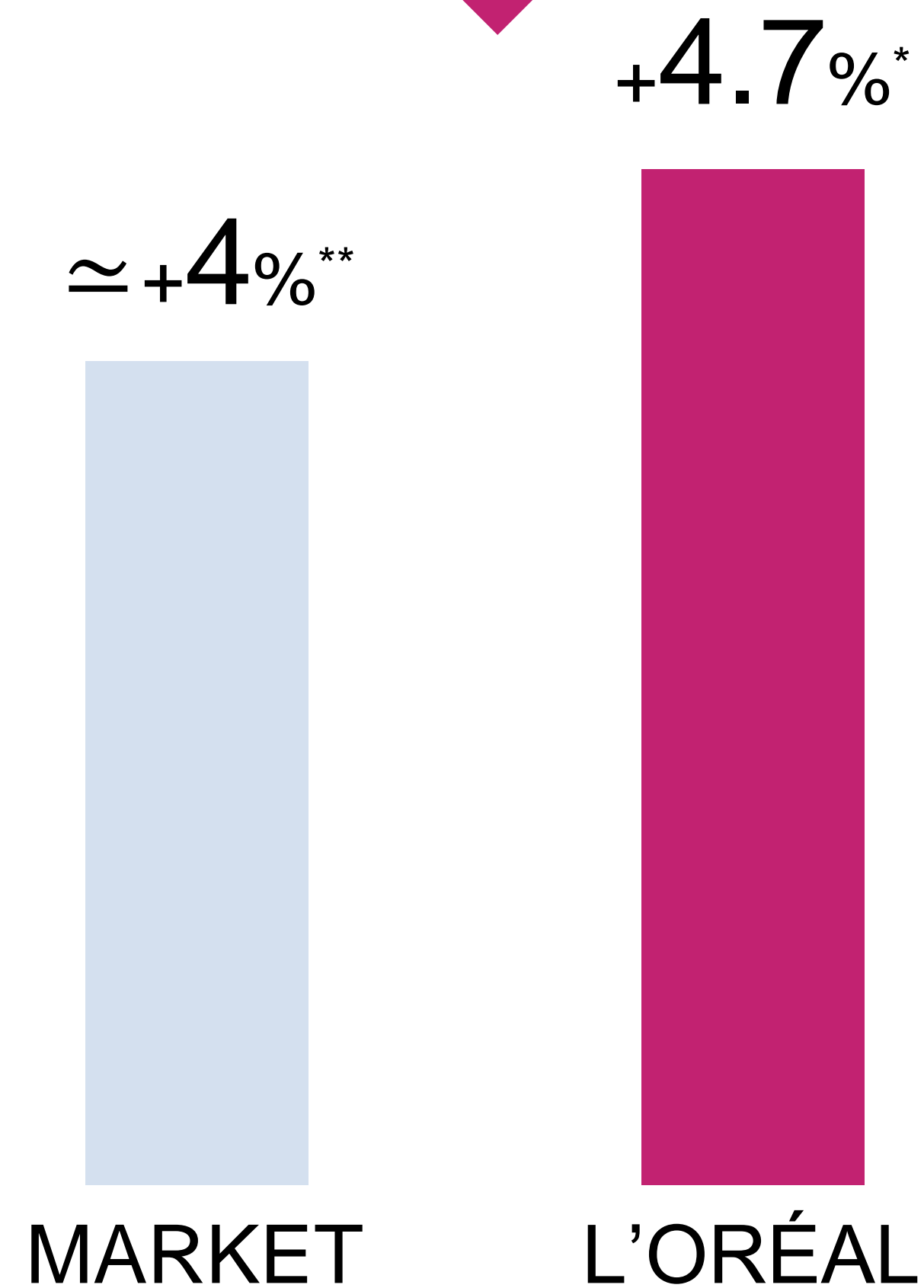
February 24th, 2017

L'ORÉAL

GROWTH ACCELERATION



OUTPERFORMANCE VS. MARKET



*LIKE-FOR-LIKE SALES GROWTH
**EXCLUDING SOAPS, TOOTHPASTES AND RAZORS.
2016 PROVISIONAL ESTIMATES. SOURCE: L'ORÉAL ESTIMATES. EXCLUDING EXCHANGE RATE IMPACT

MARKET SHARE
GAINS IN OUR
3 STRATEGIC
REGIONS

NORTH AMERICA



+5.8%*

Market^{**}: \simeq +4%

WESTERN EUROPE



+2.4%*

Market^{**}: \simeq +1%

\simeq x3

COMPETITOR #2

NEW MARKETS



+6.3%*

Market^{**}: \simeq +5%

*2016 LIKE-FOR-LIKE TOTAL DIVISIONS SALES GROWTH

**EXCLUDING SOAPS, TOOTHPASTES AND RAZORS.

2016 PROVISIONAL ESTIMATES. SOURCE: L'ORÉAL ESTIMATES. EXCLUDING EXCHANGE RATE IMPACT

CONSUMER PRODUCTS



+4.4%*

Market^{**}: \simeq +4%

L'ORÉAL LUXE



+6.9%*

Market^{**}: \simeq +5.5%

ACTIVE COSMETICS



+5.7%*

Market^{**}: \simeq +4.5%

**3 DIVISIONS
OUT OF 4
OUTPERFORMED
THEIR MARKET**

PROFESSIONAL PRODUCTS



+1.8%*

Market^{**}: \simeq +2%

*2016 LIKE-FOR-LIKE SALES GROWTH

**EXCLUDING SOAPS, TOOTHPASTES AND RAZORS.

2016 PROVISIONAL ESTIMATES. SOURCE: L'ORÉAL ESTIMATES. EXCLUDING EXCHANGE RATE IMPACT



L'ORÉAL
LUXE

CONTINUED
MARKET SHARE
GAINS

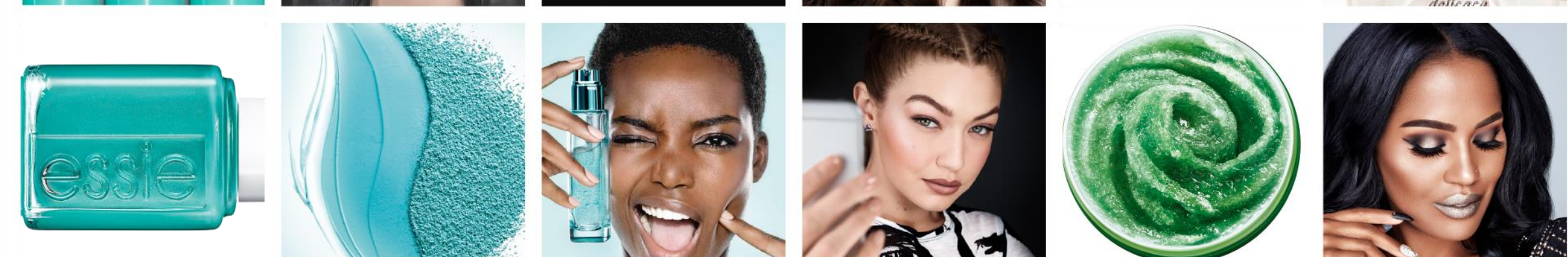
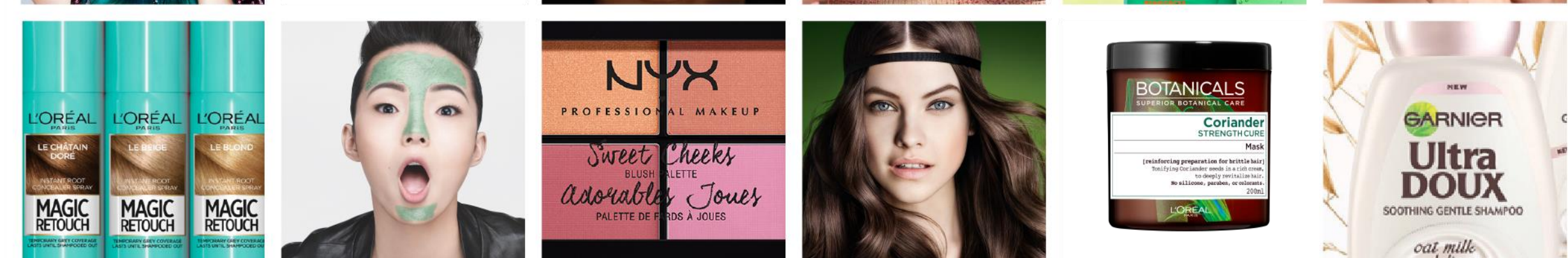
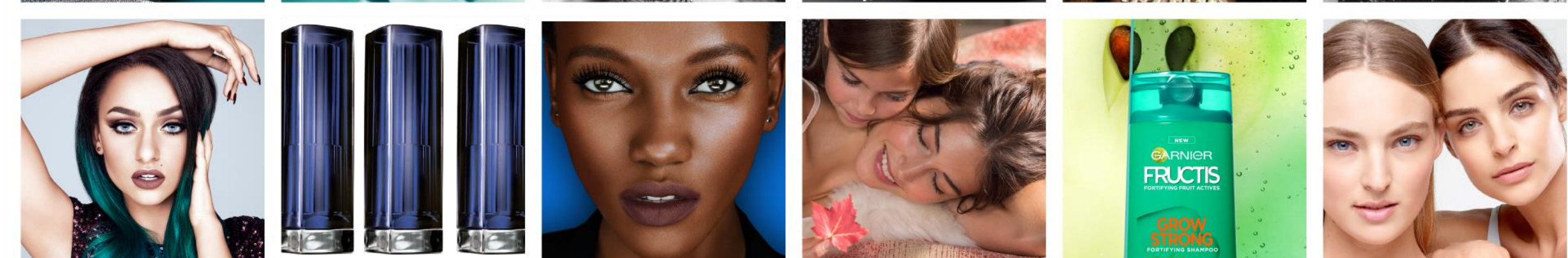
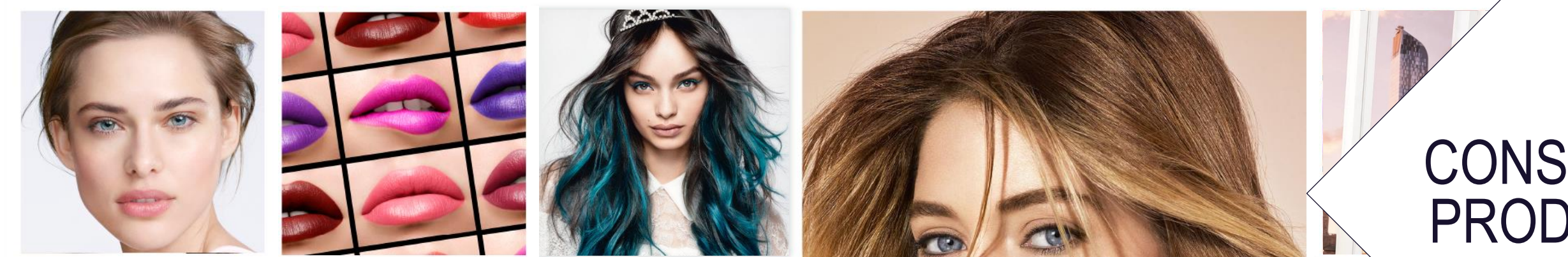
UNIQUE PORTFOLIO OF ICONIC BRANDS

FAST PACE OF GREAT INNOVATIONS

PERFECT OPERATIONAL EXECUTION

February 24th, 2017

L'ORÉAL



CONSUMER PRODUCTS

REINVENTED ITSELF

MAXIMIZATION OF MAKE-UP

ROLL-OUT OF NYX PROFESSIONAL MAKE-UP

DEPLOYMENT OF GARNIER ULTRA-DOUX

February 24th, 2017

L'ORÉAL



ACTIVE
COSMETICS

LEADS
DERMOCOSMETICS
SKINCARE



LA ROCHE-POSAY
LABORATOIRE DERMATOLOGIQUE

nouveau

LIPIKAR
BAUME AP+

Avec de l'eau thermale de La Roche-Posay

BAUME RELIPIDANT
ANTI-IRRITATIONS
ANTI-GRATTAGE

Apaise immédiatement
Espace les pics
de sécheresse sévère

Peaux à tendance atopique
Nourrissant, enfant et adulte
Sans parfum, sans paraben

400 ml . Made in France

STRATEGIC ACQUISITION*



February 24th, 2017

L'ORÉAL

*AGREEMENT TO ACQUIRE

PROFESSIONAL
PRODUCTS

2017

PICK-UP OF THE HAIR COLOR MARKET

FULL DEPLOYMENT OF 2016 LAUNCHES



February 24th, 2017

L'ORÉAL

4 NEW STRATEGIC ACQUISITIONS



Perfect complement to our make-up artist brands



Expands Active Cosmetics potential. x2 turnover of the division in the US



Enhances our position in the fast-growing segment of alternative perfumery



Taps into new aspirations in skincare

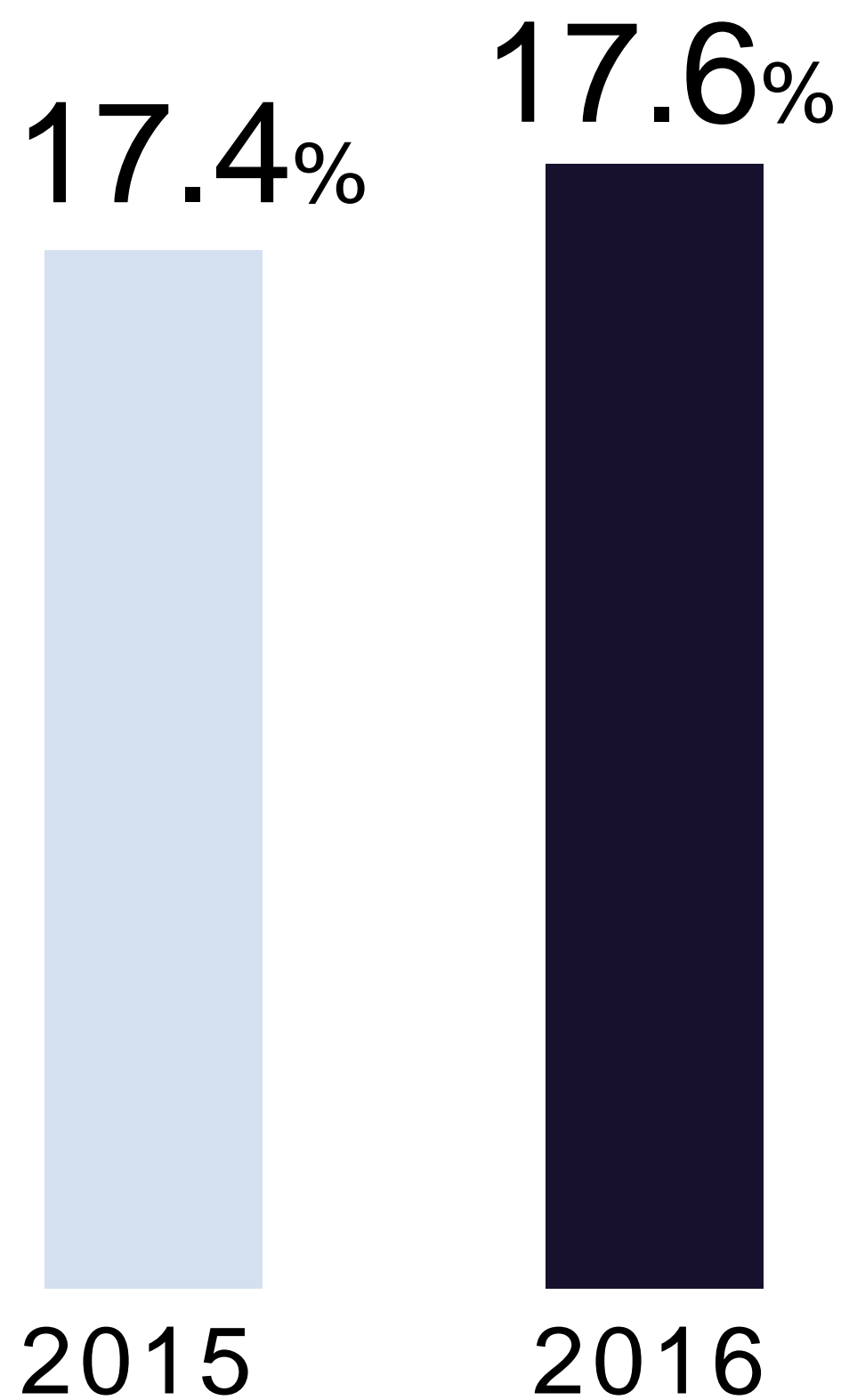


*AGREEMENT TO ACQUIRE

COMPELLING SET OF RESULTS

OPERATING MARGIN

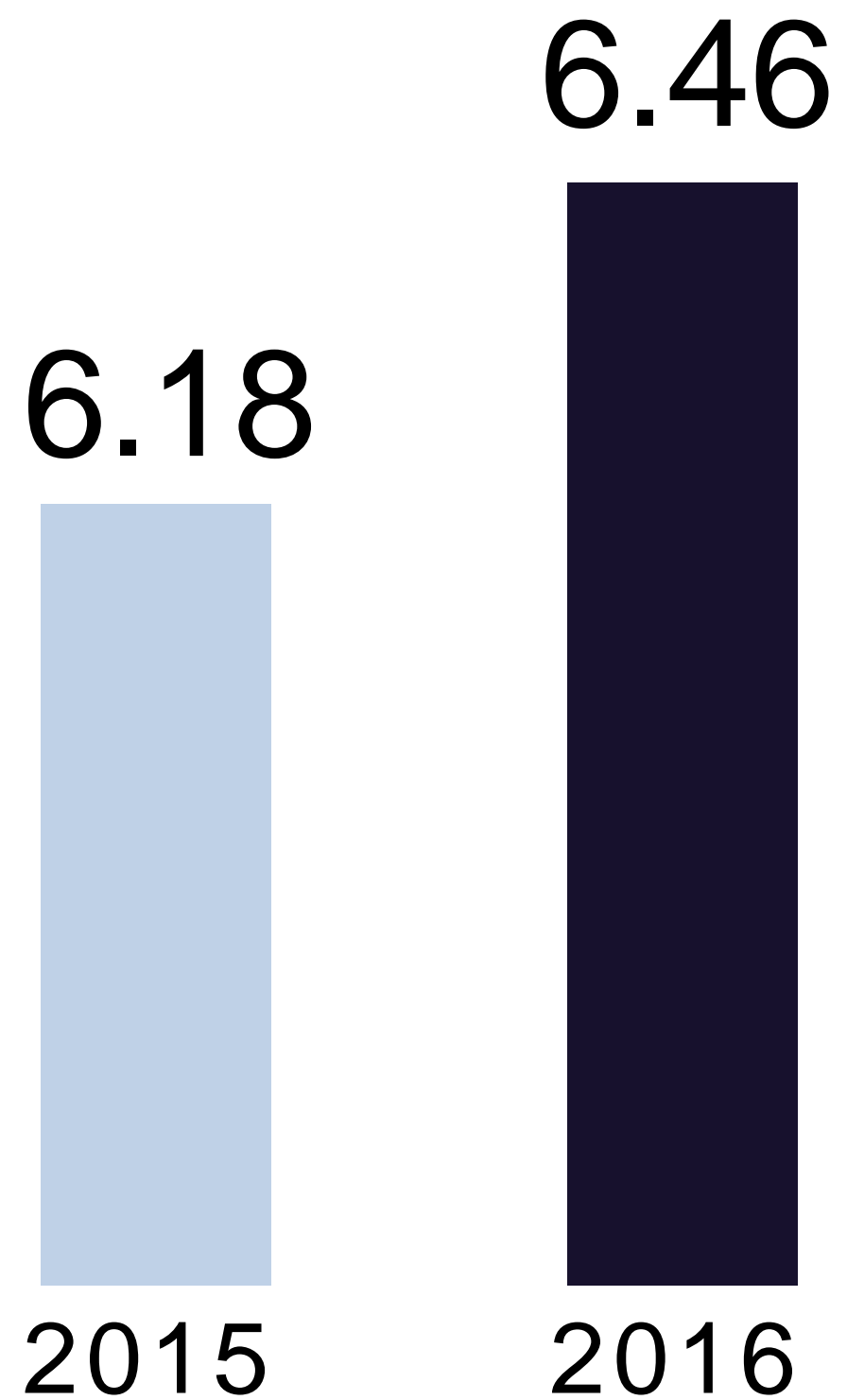
+20BP



EARNINGS PER SHARE**

(IN EUROS)

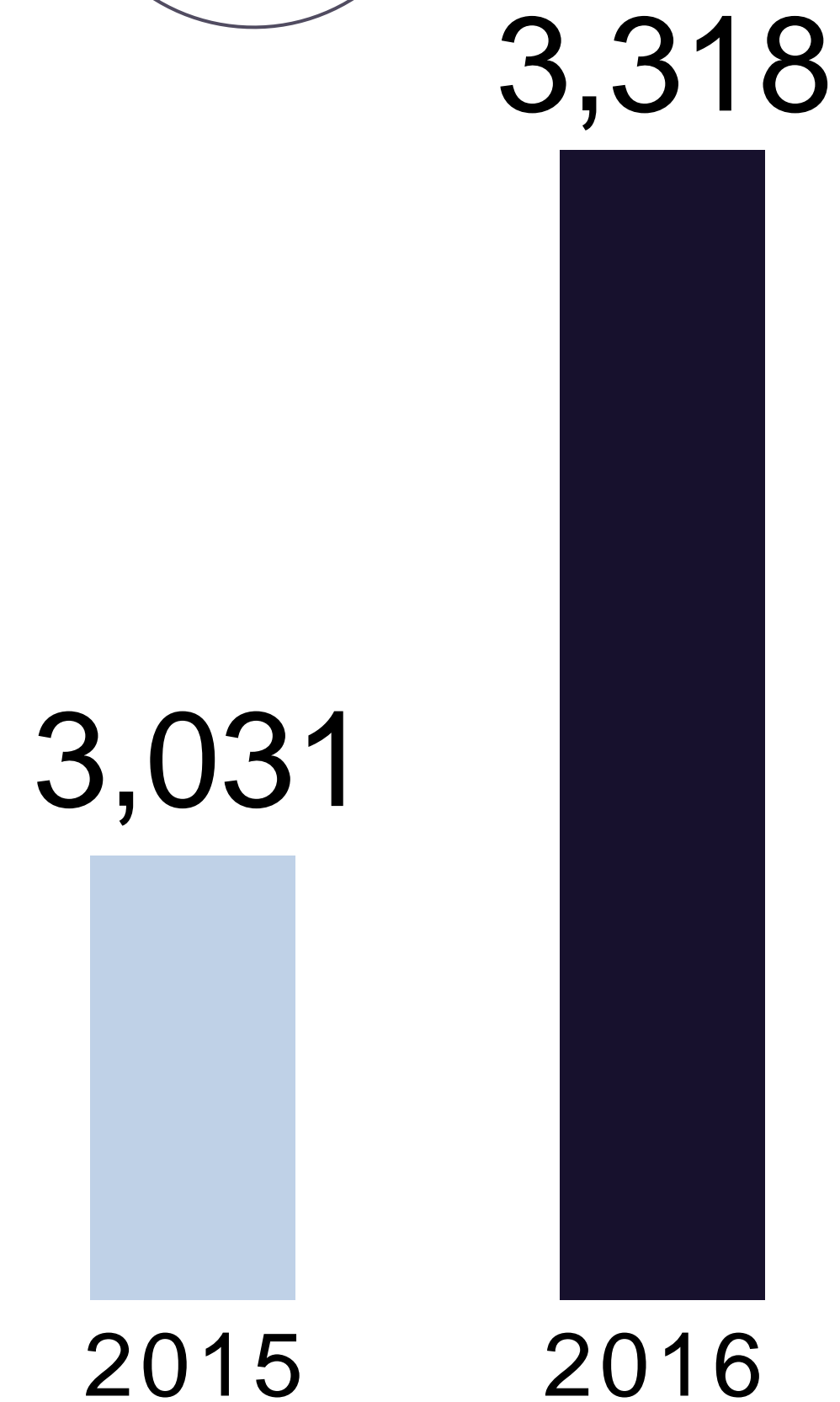
+4.6%



NET CASH FLOW*

(IN MILLION EUROS)

+9.5%



*NET CASH FLOW: GROSS CASH FLOW - CHANGES IN WORKING CAPITAL - CAPITAL EXPENDITURE

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

A DYNAMIC DIVIDEND POLICY

DIVIDEND PER SHARE SINCE 1963
IN EUROS

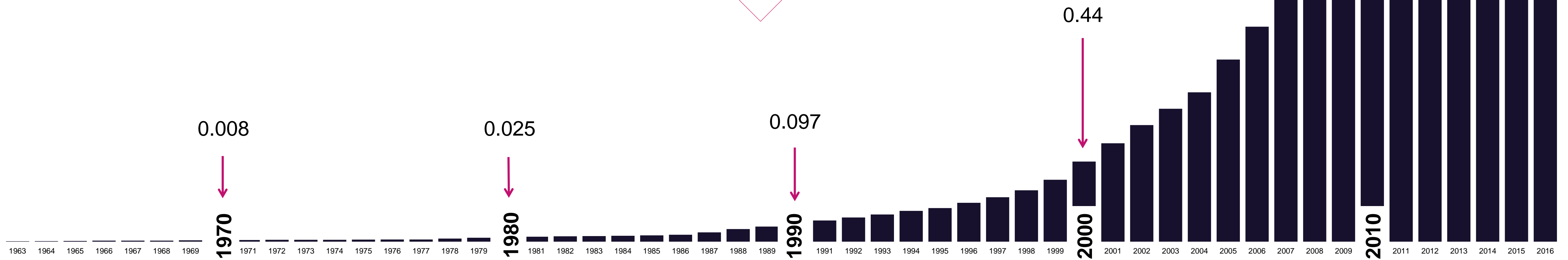
LOYALTY BONUS

+10%

Dividend increase for shareholders who have continuously held shares in registered form for at least two years

+6.5%
vs 2015

3.30*

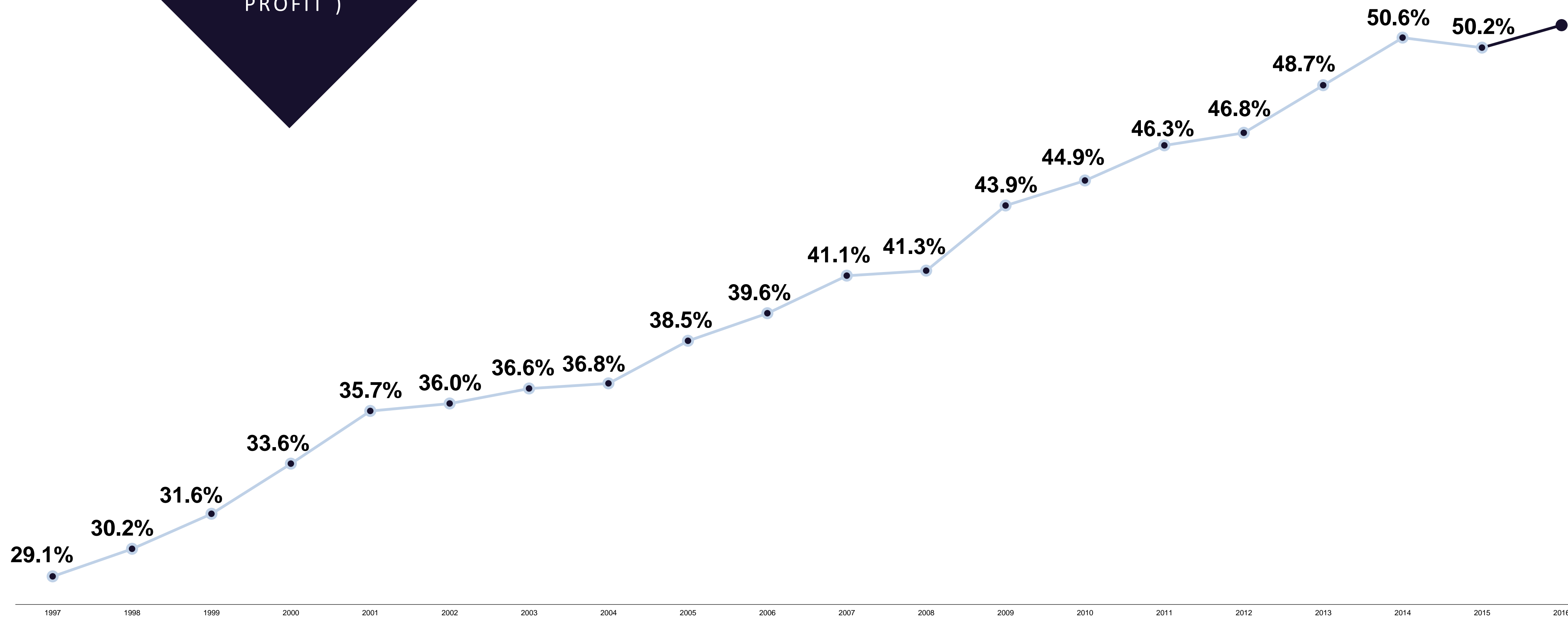


*PROPOSED AT THE ANNUAL GENERAL MEETING TO BE HELD ON APRIL 20TH, 2017

PAYOUT RATIO FROM 1997 TO 2016

(AS A % OF NET
PROFIT*)

51.1%**



*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



FAST PACE OF
TRANSFORMATION

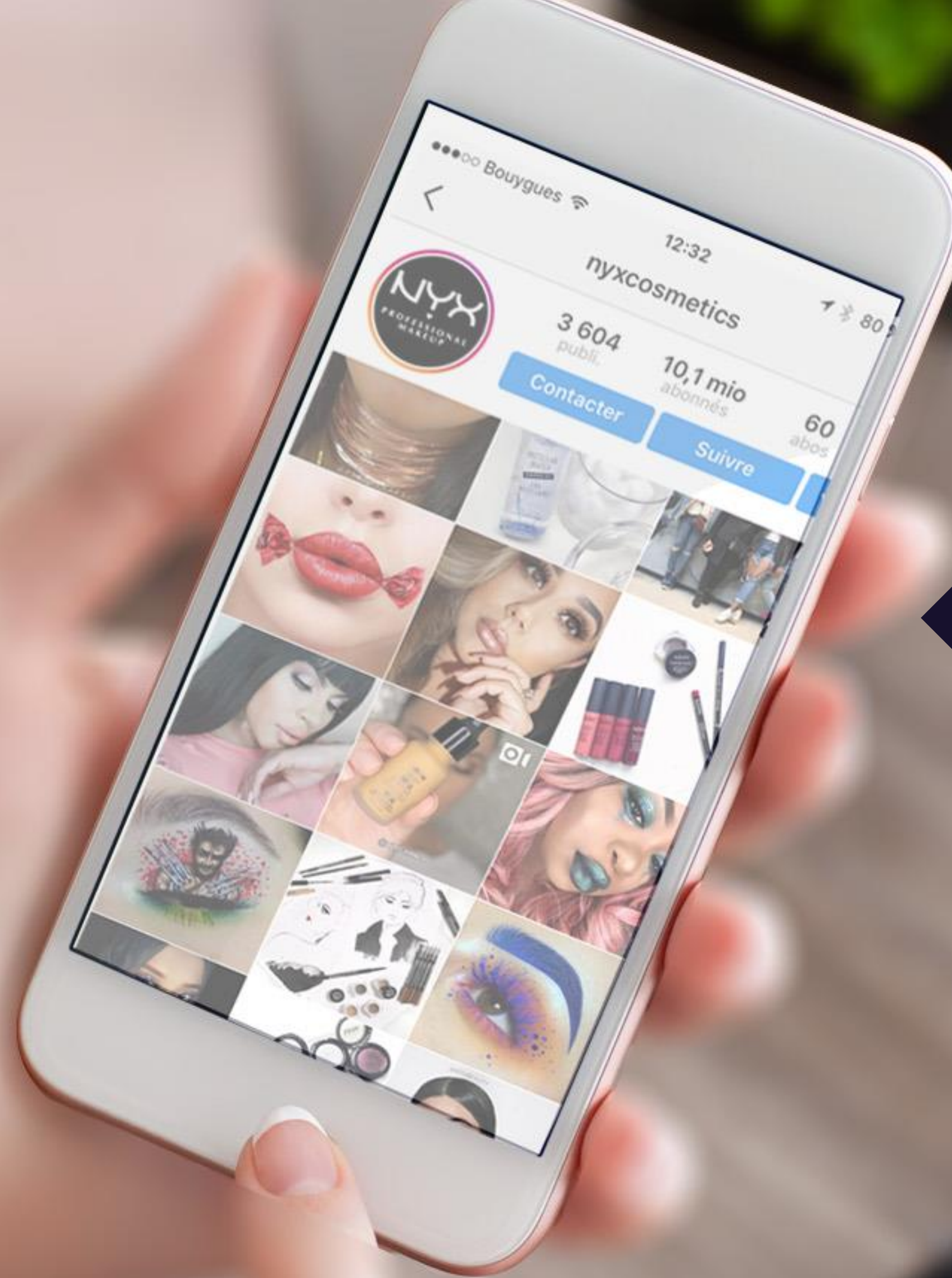
February 24th, 2017

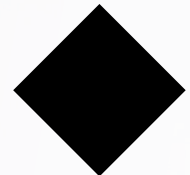
L'ORÉAL

TRANSFORMATION #1: DIGITAL

INCREASED
DIGITAL
LEAD

CLEAR
STRATEGIC
DIRECTION
DECENTRALIZED,
AGILE
EXECUTION





L'ORÉAL
LEADING
E-COMMERCE

+33%*
SALES
GROWTH

€1.7Bn*
SALES

EQUIVALENT
TO OUR
4th
COUNTRY

*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)



TRANSFORMATION #1: DIGITAL

L'ORÉAL
CHINA
#1 IN
E-COMMERCE



SOURCE: SMARTPATH E-COMMERCE PANEL, 2016 YTD NOV

TRANSFORMATION #1: DIGITAL

OPTIMIZING OUR COMMUNICATION AND MEDIA EFFICIENCY

3rd WORLDWIDE ADVERTISER*

32% OF OUR MEDIA IN DIGITAL

PRECISION ADVERTISING



THE MOST ENGAGING CONTENT
THE MOST RELEVANT CONTEXT
AT THE RIGHT TIME
TO THE RIGHT TARGET



*ADAGE 2014



SIGNIFICANT
INVESTMENT
IN TALENT

1,600
DIGITAL
EXPERTS

14,000
UP-SKILLED



ADVANCES IN
MANUFACTURING
AND SUPPLY
CHAIN

INDUSTRY 4.0

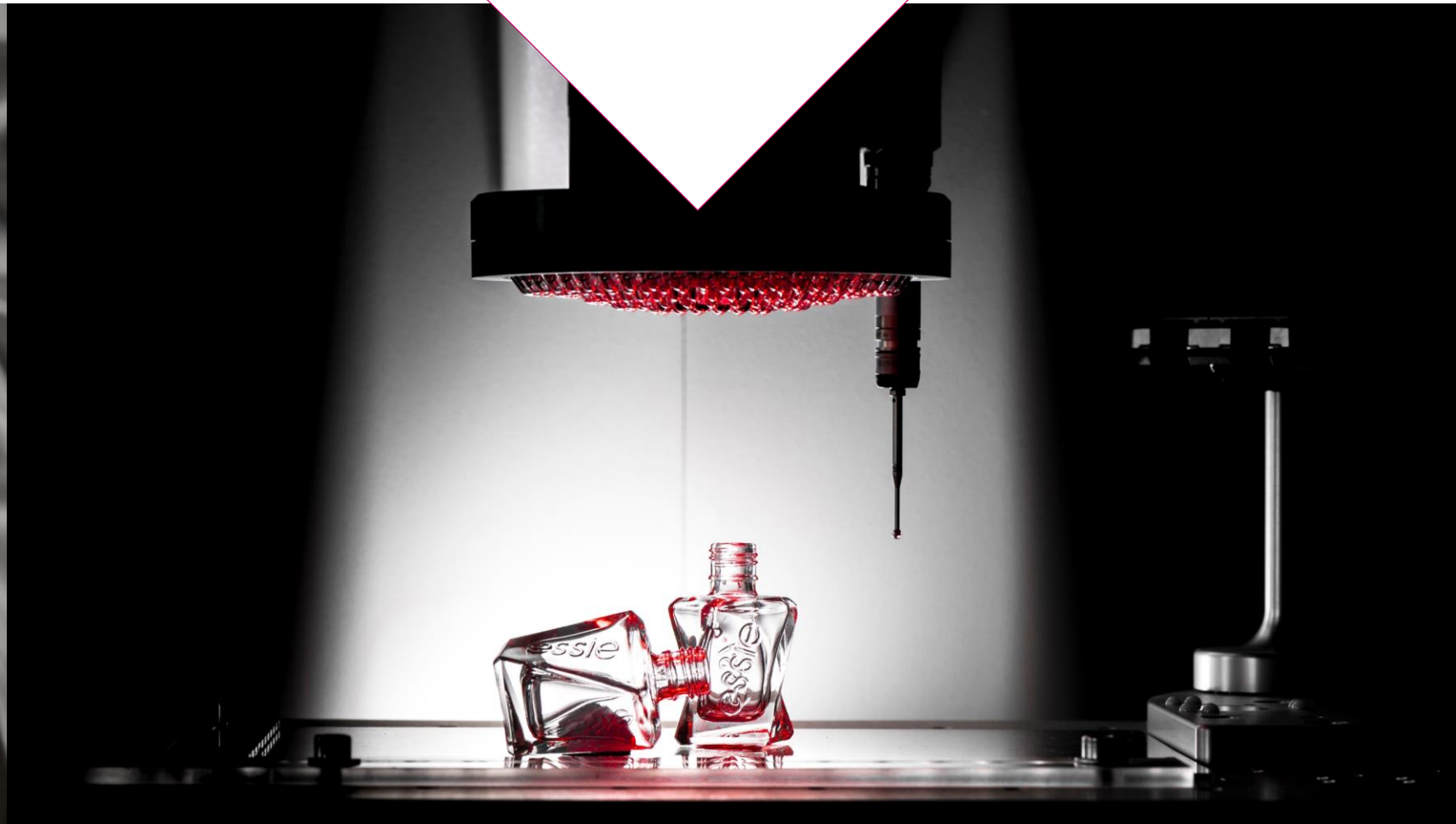


TRANSFORMATION #2: OPERATIONS

PROTOTYPING
TECHNIQUES

NEW
INDUSTRIAL
PLATFORMS

MORE
REACTIVE
SUPPLY
CHAIN

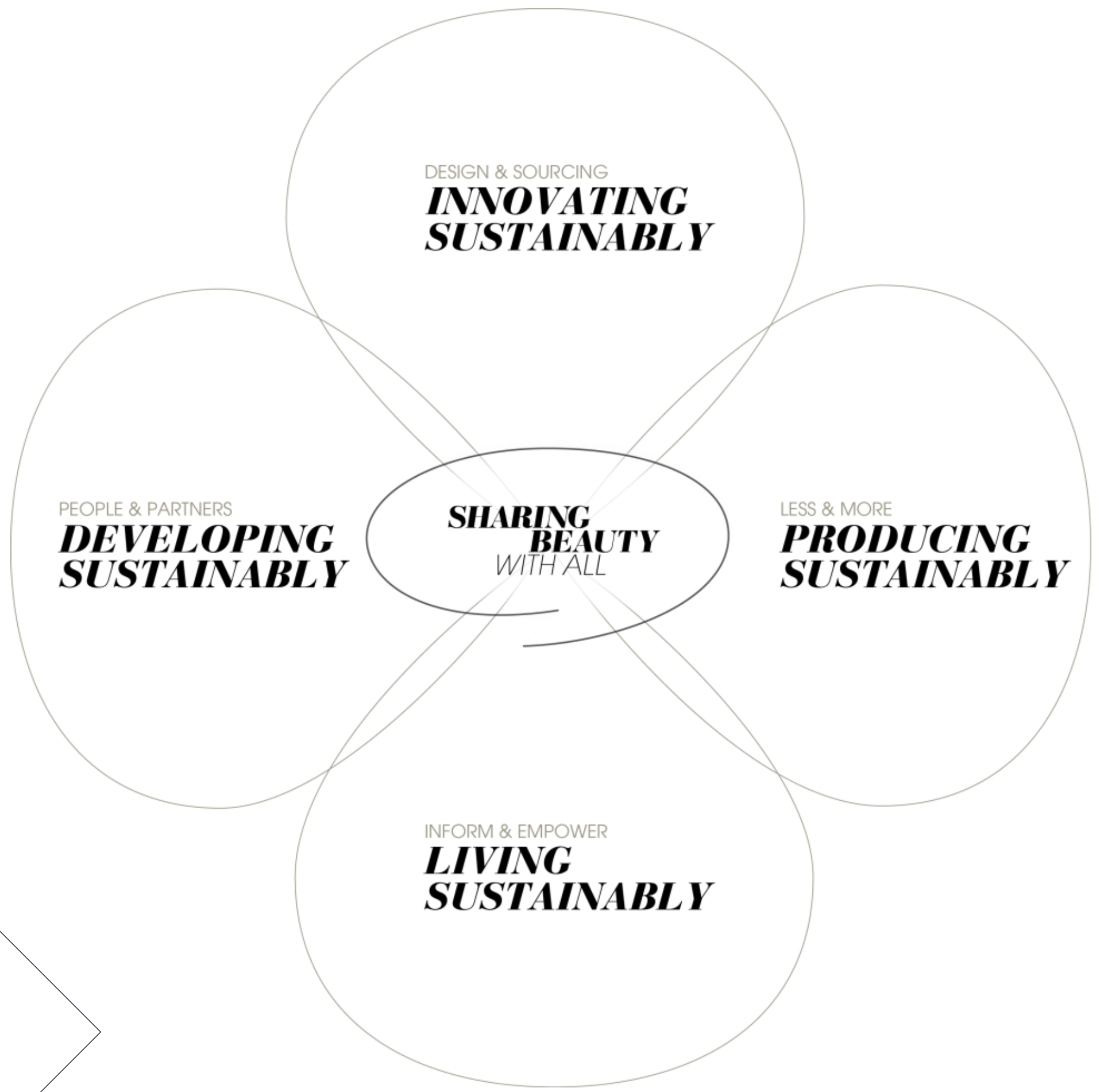




PROFOUND
TRANSFORMATION
IN SUSTAINABLE
DEVELOPMENT



TRANSFORMATION #3: SUSTAINABLE DEVELOPMENT



1 OF ONLY 2
COMPANIES
WORLDWIDE
WITH 3 "A"s



SHARING
BEAUTY
WITH ALL

2016
RESULTS



82% of new products have an improved environmental or social profile

Dissociate our growth from our environmental impact

-67% reduction in CO₂ emissions from plants and distribution centres since 2005

+29% production increase

More than **67,000 people** from underprivileged communities were provided access to work



.3
BRIGHT
PROSPECTS
FOR THE FUTURE

February 24th, 2017

L'ORÉAL

**THE WORLD
IS CHANGING AT
AN AMAZING SPEED**

**THE DAWN OF
A NEW WORLD OF BEAUTY**

February 24th, 2017

L'ORÉAL

A NEW
GOLDEN ERA
FOR BEAUTY

MORE THAN 2 Tn
PICTURES SHARED
PER YEAR

February 24th, 2017

L'ORÉAL



THE ERA
OF SOCIAL
BEAUTY

- APPEARANCE
- SELF-EXPRESSION
- SOCIAL SHARING
- SELF-ESTEEM

February 24th, 2017

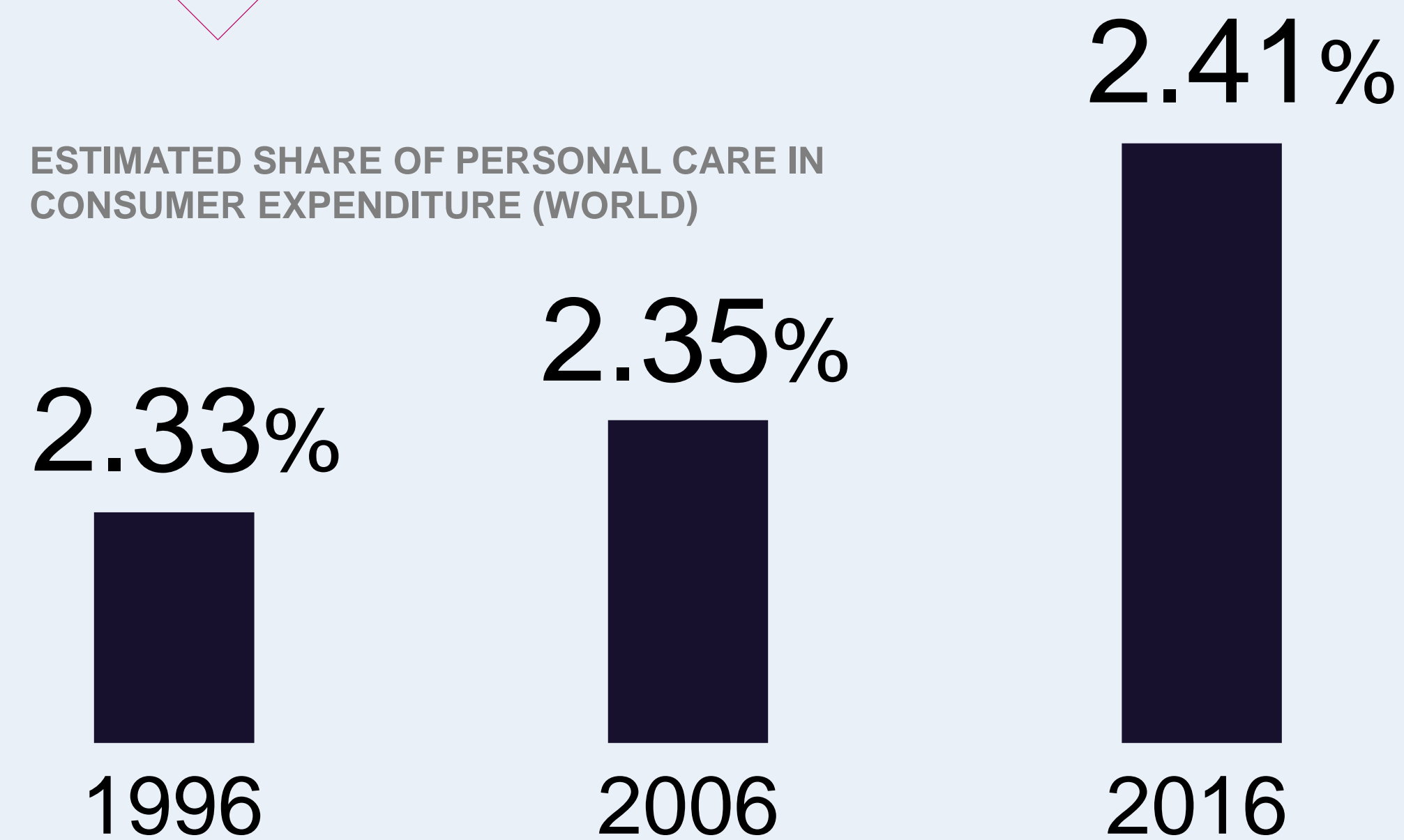
L'ORÉAL

CONSUMERS
WANT
MORE
BEAUTY

LARGER
SHARE OF
INCOME SPENT
ON BEAUTY



ESTIMATED SHARE OF PERSONAL CARE IN
CONSUMER EXPENDITURE (WORLD)



NEW CONSUMERS' ASPIRATIONS

MORE INNOVATIONS
NEW, DIFFERENT,
BETTER
PRODUCTS

A COMMITMENT TO
QUALITY, EFFICACY,
SAFETY,
SINCERITY

PREMIUMIZATION

BEAUTY IS THE CATEGORY
WITH THE HIGHEST
TRADE-UP
RATE*



*SOURCE: MCKINSEY GLOBAL CONSUMER SENTIMENT SURVEY, 2016

NEW
CONSUMERS'
EXPECTATIONS

MORE
PERSONAL
RELATIONSHIP
WITH
BRANDS

CUSTOMIZED
ADVICE
AND NEW
SERVICES

BEST
IMMERSIVE
SHOPPING
EXPERIENCE

\$10 & UNDER

BEAUTY SCHOOL
DROPOUT

BEAUTY
SCHOOL
DROPOUT

turn cheek

February 24th, 2017

L'ORÉAL



L'OREAL IS
UNIQUELY POSITIONED
TO DRIVE AND LEAD
THIS EXCITING
NEW WORLD
OF BEAUTY

February 24th, 2017

L'ORÉAL



**SUPERIORITY
IN R&I**



ASSET #1: SUPERIORITY IN R&I

**LEADING
IN QUALITY,
EFFICACY
AND SAFETY**

**DIGITALIZATION OF
LABORATORIES**

**HUBS
ADAPTED TO
A MULTIPOLARIZING
WORLD**

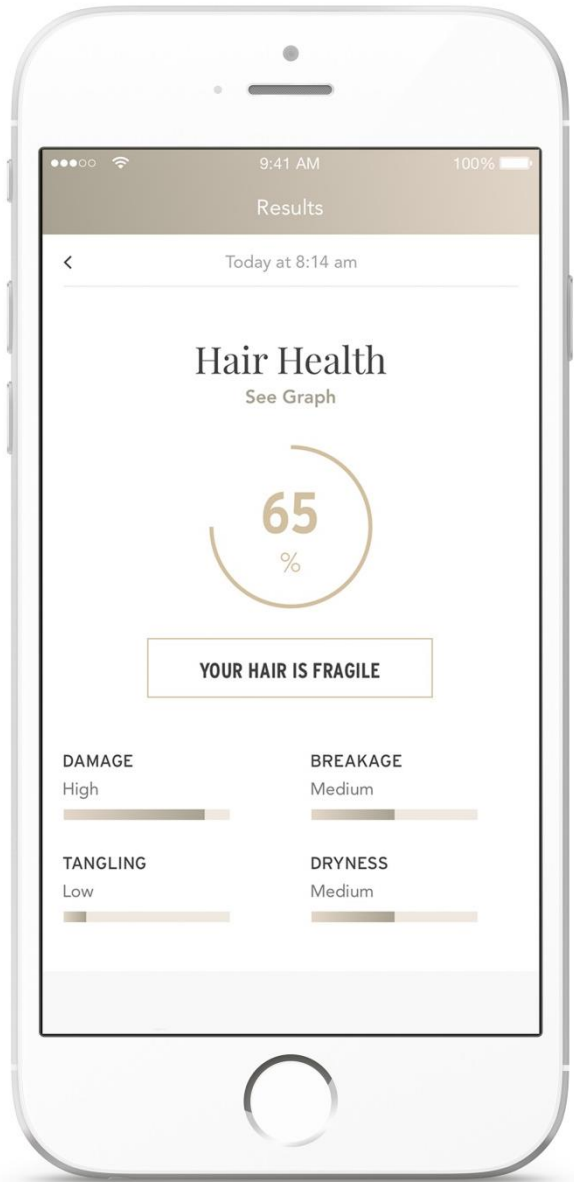


ASSET #1: SUPERIORITY IN R&I

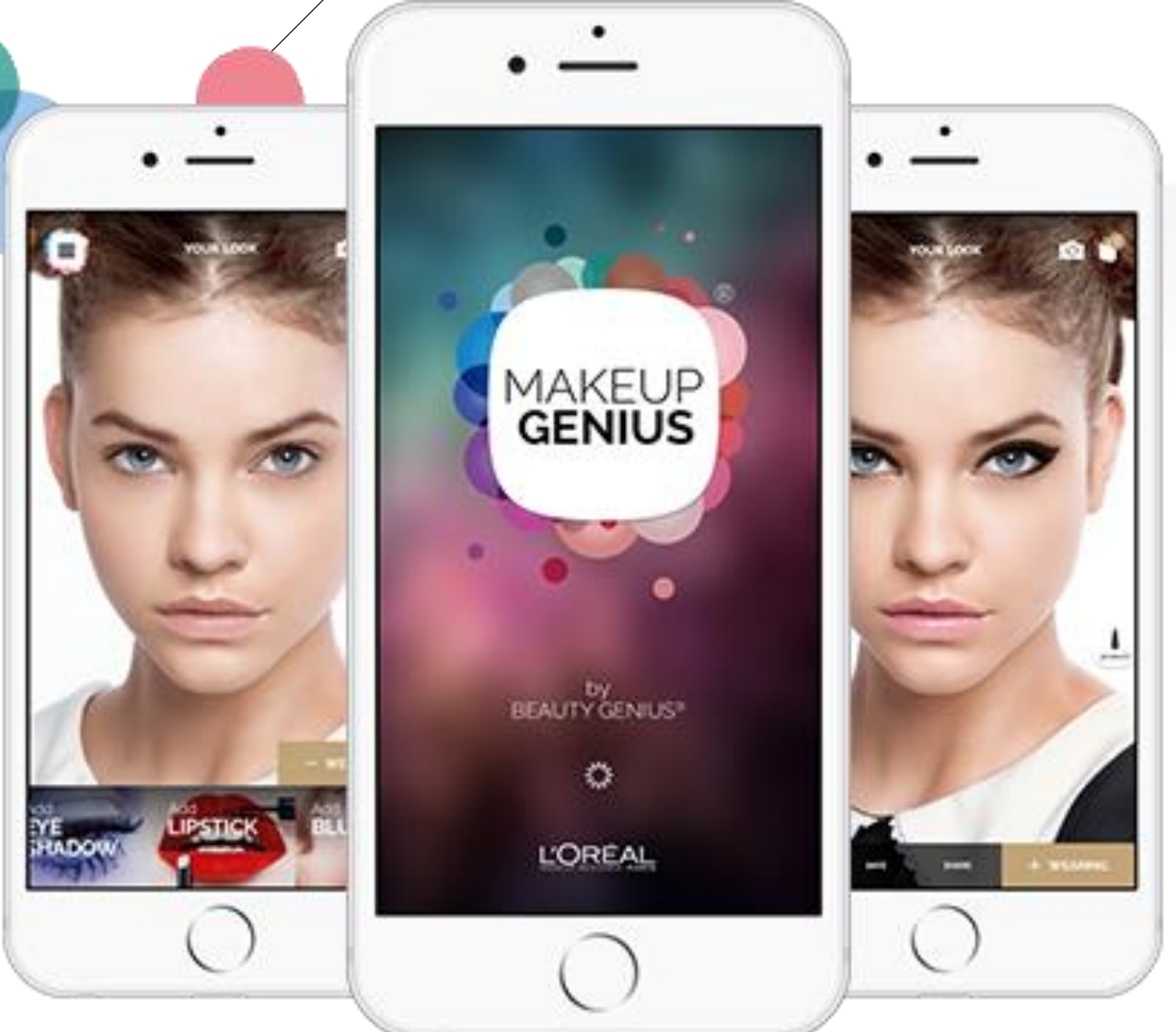
NEW SERVICES

UV PATCH

MAKEUP GENIUS



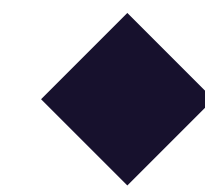
CONNECTED BRUSH



February 24th, 2017

L'ORÉAL

QUICK TO SEIZE
AND LEVERAGE
TRENDS



ASSET #2: ABILITY TO SPOT TRENDS

MAKE-UP

NATURAL

PERSONALIZATION





MAXIMIZING THE MAKE-UP BOOM

◆ ASSET #2: ABILITY TO SPOT TRENDS



*EXCLUDING RAZORS, SOAPS AND TOOTHPASTES. 2016 PROVISIONAL ESTIMATES
SOURCE: L'ORÉAL ESTIMATES. EXCLUDING EXCHANGE RATE IMPACT
**2016 LIKE-FOR-LIKE SALES GROWTH

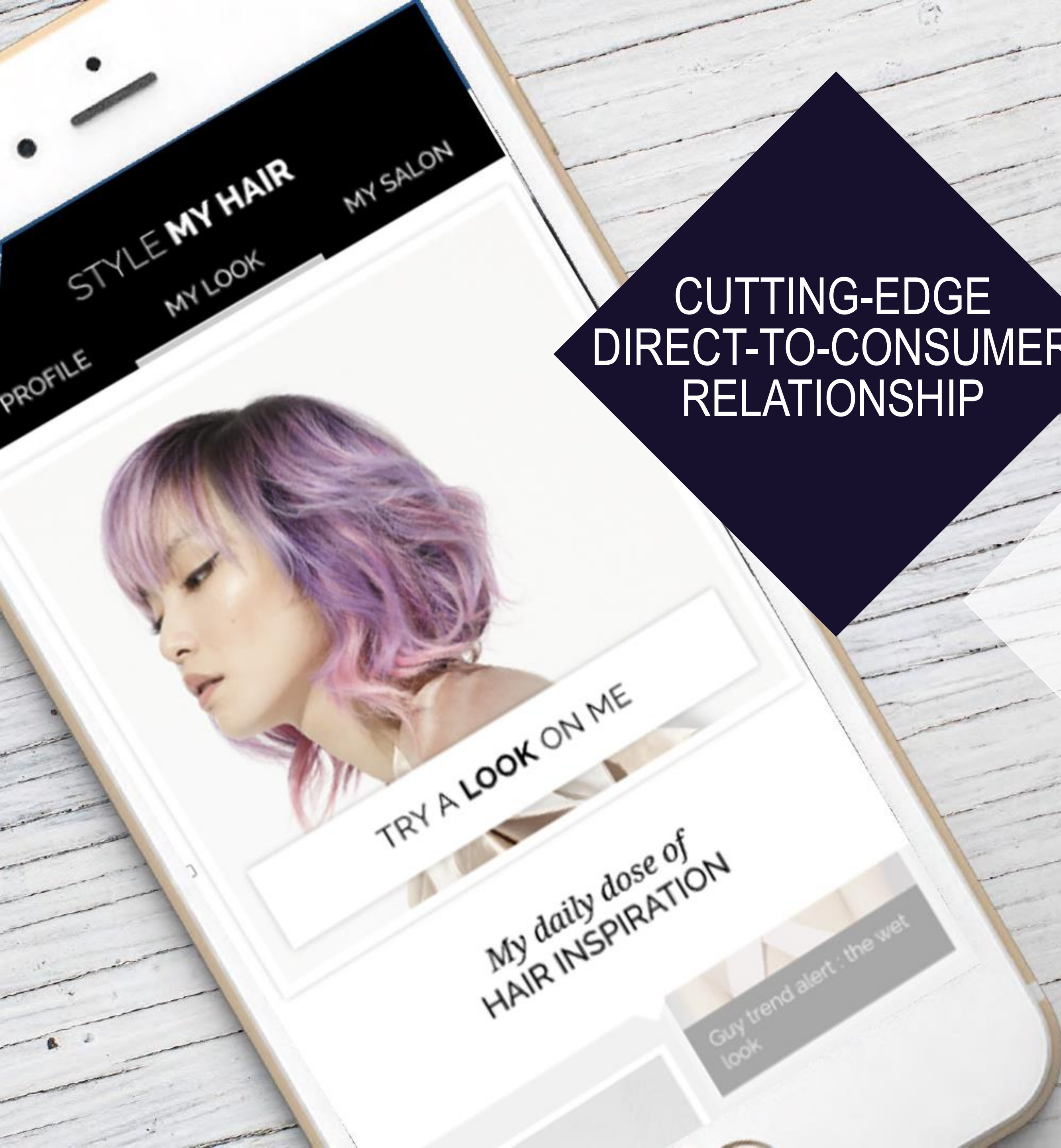
CUTTING-EDGE
DIRECT-TO-CONSUMER
RELATIONSHIP

1 Bn
VISITS

ON OUR BRAND
WEBSITES AND
SOCIAL MEDIA
PAGES

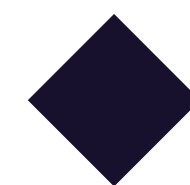
DATA
ASSETS

COMPETITIVE
ADVANTAGE



AT LEAST
2 L'ORÉAL BRANDS
IN THE TOP 5

L2 DIGITAL IQ



ASSET #3: DIRECT-TO-CONSUMER RELATIONSHIPS



ud
URBAN DECAY

MAYBELLINE
NEW YORK

LANCÔME
PARIS



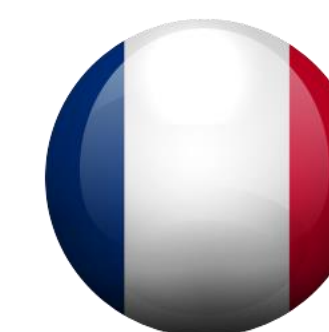
L'ORÉAL
PARIS

LANCÔME
PARIS



MAYBELLINE
NEW YORK

L'ORÉAL
PARIS



LANCÔME
PARIS

L'ORÉAL
PARIS

ADJUSTING OUR
DISTRIBUTION
FOOTPRINT

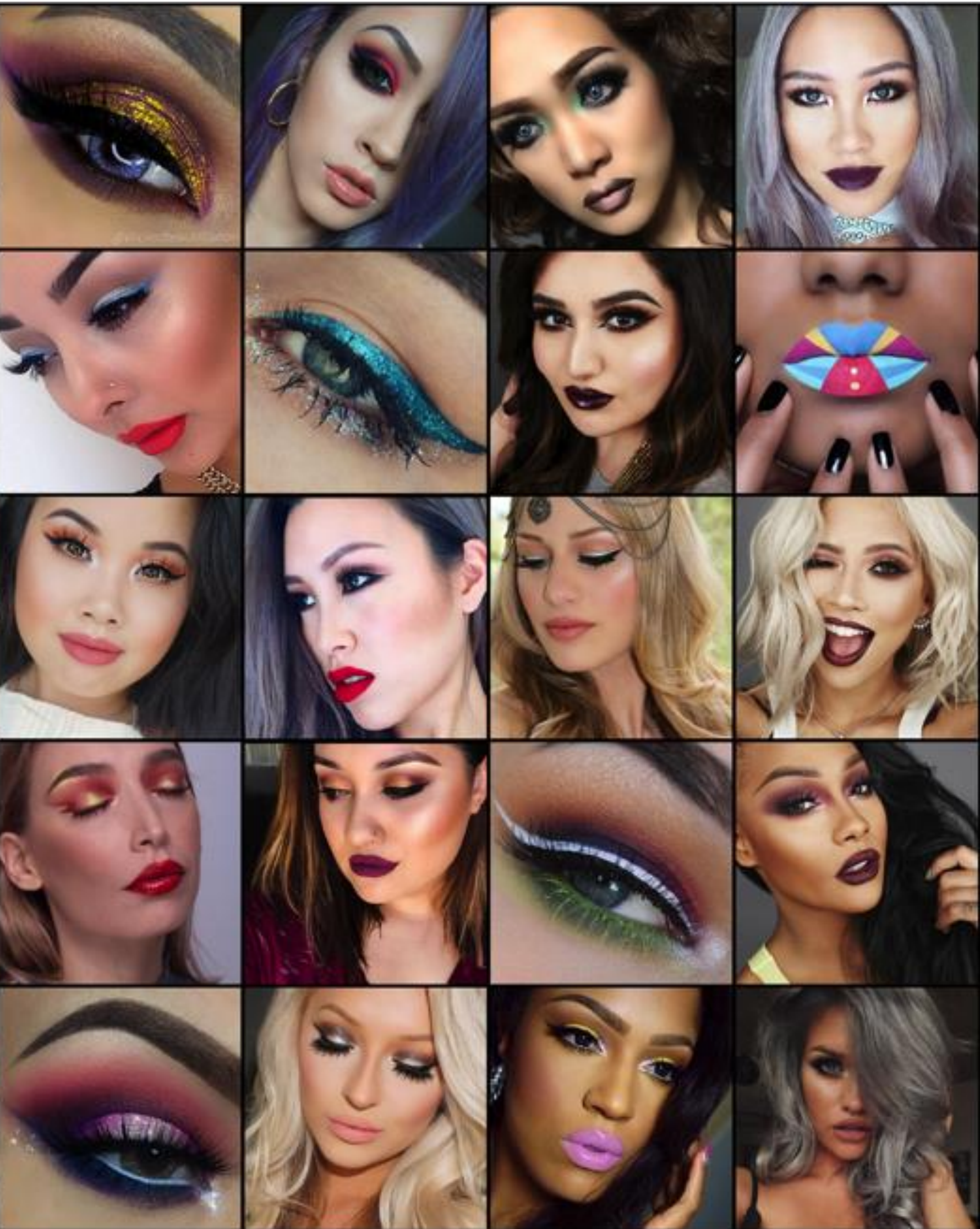
EXPLORING
OPPORTUNITIES OF
DIRECT-TO-CONSUMER
CHANNELS

◆ ASSET #4: AGILITY TO ADAPT CHANNELS



February 24th, 2017

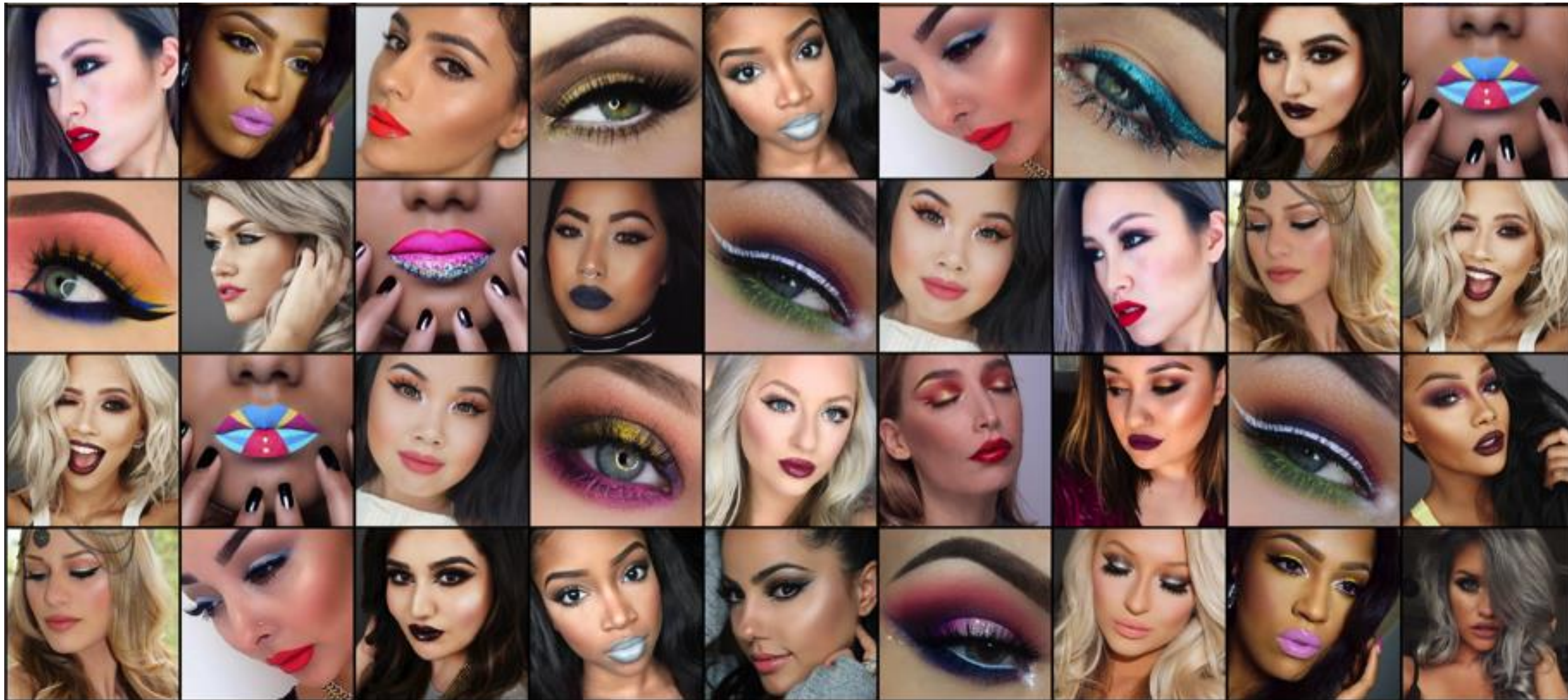
L'ORÉAL



2017
BEAUTY MARKET
ESTIMATE
 $\approx +4\%$

OUTPERFORM
THE MARKET,
IN EVERY DIVISION
AND REGION

ANOTHER
YEAR OF INCREASE
IN SALES
AND PROFITS



-----Disclaimer -----

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February 24th, 2017

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THANK
YOU

QUESTIONS

