

L'ORÉAL

.../...

The gross margin increased significantly and, after strong investments in research, innovation, and business drivers, the operating margin set a new record at 18.3% of sales.

More than ever, it's the strength of L'Oréal's business model, robust and well-balanced, covering all circuits, all categories, all price points and addressing all consumers, that enables the Group to seize opportunities wherever they are. All over the world, our teams are alert and listening to consumers' needs and desires. They adapt and allocate resources with great agility, always in the pursuit of excellence. This is how L'Oréal delivers profitable and sustainable growth, and strengthens its position as the cosmetics market leader year after year.

And finally, in 2018, L'Oréal was recognised once again for its leadership in corporate environmental and social responsibility, notably by the CDP which identified L'Oréal, for the third consecutive year, as a world leader in sustainable development, with three 'A' scores for the management of climate change, water security and forests. L'Oréal has also been acknowledged for its commitment to gender equality, and was named number 1 in Europe for gender parity by Equileap. In terms of ethics, L'Oréal remains exemplary, and is ranked number 1 worldwide by the ethical reputation index Covalence EthicalQuote.

In an economic context that remains volatile and uncertain, we are confident, thanks to our innovations, powerful brands, digital excellence and in particular our outstanding teams all over the world, that we can pursue our corporate social responsibility commitments, outperform the beauty market in 2019 and achieve another year of growth in both sales and profits."

The Board of Directors will propose to the Annual General Meeting of 18 April 2019 the renewal of the tenure as director of Ms Sophie Bellon for a term of four years.

The Board will propose to the Annual General Meeting the candidacy of Ms Fabienne Dulac, Deputy CEO of the Orange Group, Chief Executive Director of Orange France, as a new independent director.

If the Annual General Meeting approves the proposed renewal of tenure and candidacy, the number of independent directors will be 8 out of 14, representing an independent director ratio of 57%. The number of women on the Board of Directors will be 7 out of 14 directors appointed by the Annual General Meeting, which corresponds to a women's representation rate of 50%⁵.

⁵ The two directors representing employees are not taken into account in calculating these percentages, in accordance with the AFEP-MEDEF Code.

2018 Sales

Like-for-like, i.e. based on a comparable scope of consolidation and constant exchange rates, the sales growth of the L'Oréal group was +7.1%.

The net impact of changes in the scope of consolidation amounted to +0.9%.

Growth at constant exchange rates was +8.0%.

At the end of 2018, **currency fluctuations** had a negative impact of -4.5%.

Based on reported figures, the Group's sales, at 31 December 2018, amounted to 26.9 billion euros, an increase of +3.5%.

Sales by Division and Geographic Zone

	4 th quarter 2018			At 31 December 2018		
	€m	Growth Like-for-like	Reported	€m	Growth Like-for-like	Reported
<u>By Division</u>						
Professional Products	857.2	+3.5%	+3.1%	3,262.5	+2.0%	-2.6%
Consumer Products	3,041.7	+2.8%	+4.5%	12,032.2	+2.5%	-0.7%
L'Oréal Luxe	2,651.5	+14.7%	+15.3%	9,367.2	+14.4%	+10.6%
Active Cosmetics	523.0	+11.9%	+10.7%	2,275.5	+11.9%	+9.2%
Group total	7,073.4	+7.7%	+8.6%	26,937.4	+7.1%	+3.5%
<u>By Geographic Zone</u>						
Western Europe	2,075.1	+0.9%	+1.3%	8,065.1	-0.3%	-0.7%
North America	1,849.2	+2.2%	+5.0%	7,234.3	+2.7%	-1.6%
New Markets, of which:	3,149.1	+16.5%	+16.5%	11,638.1	+16.1%	+10.3%
- Asia Pacific	2,063.3	+26.2%	+29.3%	7,405.6	+24.1%	+20.4%
- Latin America ⁶	463.4	-2.8%	-5.1%	1,784.8	-0.4%	-8.6%
- Eastern Europe	454.2	+9.1%	+1.0%	1,754.2	+9.1%	+0.2%
- Africa, Middle East ⁷	168.2	-2.7%	-1.1%	693.5	+4.9%	+0.2%
Group total	7,073.4	+7.7%	+8.6%	26,937.4	+7.1%	+3.5%

⁶ The Group has applied the IAS 29 accounting rule (Financial Reporting in Hyperinflationary Economies) to Argentina from 1 July 2018 onwards. The negative impact of this adjustment amounts to 200 basis points on like-for-like growth in Latin America and to 10 basis points on the growth of the whole L'Oréal group in the full-year 2018.

⁷ The application of the IFRS 15 accounting rule from 1 January 2018 has resulted in the restatement of sales with distributors when they operate as agents and not on their own behalf. The impact of this restatement amounted to 7.6 million euros on the sales of the Africa, Middle East Zone in the fourth quarter of 2018. The effect of this accounting method on the profit and loss account and the balance sheet is not material.

PROFESSIONAL PRODUCTS

The Professional Products Division ended the year at +2.0% like-for-like and -2.6% reported.

The year was marked by renewed dynamism in this Division, which accelerated in the fourth quarter. All geographic Zones are growing, except for Western Europe. The return to growth in the United States and Brazil has been confirmed. Momentum was maintained in the Asia Pacific Zone, driven by India and China, and in Eastern Europe.

Haircare is benefiting from the strong growth of *Kérastase*, combining the success of *Resistance Extentioniste* and *Fusio-Dose* customised in-salon haircare with the roll-out of a selective multi-channel strategy. Dynamism in hair colour is being driven by *Shades EQ* by *Redken*, which recorded another year of growth, the success of the *SoColor Cult* launch at *Matrix* and the good performance of *Dia* at *L'Oréal Professionnel*.

CONSUMER PRODUCTS

The Consumer Products Division posted fourth quarter growth of +2.8% like-for-like, and ended the year at +2.5% like-for-like and -0.7% reported.

The Division's three major brands are growing. *L'Oréal Paris* and *Maybelline New York* are maintaining their very good annual momentum, and *Garnier* accelerated in the fourth quarter.

Skincare is growing strongly, with double-digit growth worldwide in facial skincare, thanks to the excellent performance of *Revitalift Filler* by *L'Oréal Paris*, *Garnier* tissue masks and *Men Expert* skincare. Makeup growth continues, driven especially by *Maybelline New York* and the global success of *Superstay Matte Ink* and *Fit Me!*. In haircare there were two very successful launches: *Elseve Dream Lengths* and *Fructis Hair Food*.

The Division is facing ongoing difficulties in Western Europe, where the market remains sluggish, and in Brazil. It is winning market share in the United States and Eastern Europe, and continuing to accelerate sharply in Asia, thanks in particular to China and India.

E-commerce⁴ continues to show strong growth.

L'ORÉAL LUXE

L'Oréal Luxe sales grew by +14.4% like-for-like and +10.6% reported, with a second half at +15.1% like-for-like. The Division outperformed the market and made 2018 a historic year.

The Division's four billionaire brands are posting double-digit growth. *Lancôme* is being driven by its skincare performance, with franchises *Génifique* and *Absolue*, and the undisputed success of *La Vie est Belle*. *Yves Saint Laurent* and *Giorgio Armani* had a very good year in fragrances, with *Black Opium*, *Y*, *Si Passione* and *Acqua di Giò Absolu*, and in foundations. *Kiehl's* is benefiting from the acceleration in skincare, with an excellent performance from *Line-Reducing Concentrate*. The successful development of *IT Cosmetics* and *Atelier Cologne* is continuing.

L'Oréal Luxe is winning market share in Asia Pacific, particularly in China where growth is double-digit. The Division performed well in dynamic markets in Travel Retail, Eastern Europe and Latin America. In Western Europe and Africa, Middle East, it is outperforming more difficult markets.

Meanwhile, the Division continues to accelerate in e-commerce⁴.

ACTIVE COSMETICS

The Active Cosmetics Division maintained strong growth momentum in the fourth quarter, and ended an outstanding year at +11.9% like-for-like and +9.2% reported.

The Division continues to win market share across all geographic Zones at a rapid pace, with growth remaining strong in North America and in Asia.

All the major brands are contributing to the Division's growth. *La Roche-Posay* ended the year with double-digit growth, driven by its anti-wrinkle innovation *Hyalu B5*, and core franchises *Anthelios* and *Effaclar*, and is performing well across all Zones. Growth at *Vichy* is again bolstered by the success of *Minéral 89*, the star product of 2018. *SkinCeuticals* is posting very strong growth in all Zones, and strengthening its number 1 position in professional skincare in the United States. *CeraVe* is recording double-digit growth in North America, and has now been rolled out in more than 30 countries.

E-commerce⁴ is accelerating sharply, and accounts for more than 13% of the Division's sales.

Multi-division summary by Geographic Zone

WESTERN EUROPE

The Zone recorded sales growth in the fourth quarter, and ended the year at -0.3% like-for-like, and -0.7% reported. In 2018, Western Europe was affected by the sluggishness of some markets, such as France and the United Kingdom, and by a slowdown in the makeup category.

L'Oréal Luxe is outperforming its market, thanks to the dynamism of *Lancôme*, *Giorgio Armani* and *Kiehl's*, and the same is true of the Active Cosmetics Division, thanks to the rapid growth of *La Roche-Posay* and the *CeraVe* roll-out. The Consumer Products Division is strengthening its positions in makeup, reflecting the good results of the *Maybelline New York* and *Essie* brands, and more recently in skincare, thanks to *L'Oréal Paris* anti-ageing products and *Garnier* cleansing.

NORTH AMERICA

The Zone posted growth of +2.7% like-for-like and -1.6% reported.

The Consumer Products Division remains on track, and increased its market share in the makeup and hair colour segments, thanks to strong performances by the *L'Oréal Paris*, *Maybelline New York* and *Essie* brands. In luxury, skincare is a highly dynamic segment, with the *Kiehl's* and *IT Cosmetics* brands outperforming the market. L'Oréal Luxe is also growing faster than its market in the fragrance category. In the Professional Products Division, growth is driven by the *Redken* and *Matrix* brands, and by the acquisition of *Pulp Riot*. The upturn in the sales of the iconic *Kérastase* brand is also worth noting. The Active Cosmetics Division posted a good performance close to 20% with its brands *CeraVe*, *SkinCeuticals*, *La Roche-Posay* and *Vichy*, which are all delivering double-digit growth.

NEW MARKETS

Asia Pacific: Growth in this Zone came out at +24.1% like-for-like and +20.4% reported. All four Divisions are winning market share. The dynamism of Chinese consumers, combined with the good performance of premium brands and rapid growth in several other South-East Asian markets as well as in Travel Retail, were the Zone's main growth drivers. The four Divisions posted robust fourth-quarter figures, thanks to the success of Singles' Day (11/11) sales in China. The acquisition of *Stylenanda* in June strengthened the Group's position in the Zone.

Latin America: The Zone is at -0.4% like-for-like and -8.6% reported. The L'Oréal Luxe and Active Cosmetics Divisions are posting strong growth, and winning market share. In Brazil, the Professional Products Division is growing strongly, while the performance of the Consumer Products Division reflects ongoing challenges, but improved in the second half. The adjustment on 1 July to allow for hyperinflation in Argentina had a negative impact of -2.0% like-for-like on the Zone's annual growth.

Eastern Europe: In this Zone growth amounted to +9.1% like-for-like and +0.2% reported. Growth was driven by all four Divisions, but especially by Active Cosmetics. Across the individual countries, Turkey, Ukraine, Romania and Czech Republic posted very dynamic growth. E-commerce⁴ is growing very quickly, by more than 50%.

Africa, Middle East: The Zone recorded growth of +4.9% like-for-like and +0.2% reported, despite the unfavourable geopolitical context and sluggish markets, especially in the Middle East. Egypt and Morocco posted good growth, and all Divisions increased their market share. There was positive development in South Africa and Kenya, thanks in particular to the Consumer Products Division and the launch of the *Mixa* bodycare range.

Important events during the period 01/10/18 to 31/12/18 and post-closing event

- On 19 November 2018, the L'Oréal group announced two important changes within its Executive Committee: Christophe Babule is appointed Executive Vice-President, Chief Financial Officer, and will succeed Christian Mulliez as of 8 February 2019. Cyril Chapuy was appointed President L'Oréal Luxe, as of 1 January 2019, reporting to Nicolas Hieronimus, Deputy CEO in charge of Divisions.
- On 5 December 2018, L'Oréal announced the launch of BOLD, Business Opportunities for L'Oréal Development, a corporate venture capital fund that will take minority stakes in innovative startups with high growth potential. The fund will invest in new business models in marketing, Research & Innovation, digital, retail, communication, supply chain and packaging.
- On 20 December 2018, *Covalence EthicalQuote* ranked L'Oréal number 1 worldwide across all industries in its reputation index. This ranking of the world's largest listed companies reflects stakeholder and media perceptions, and companies' communication on environmental, social, governance and human rights issues.
- On 22 January 2019, L'Oréal was recognised for the third year in a row as a global leader in corporate sustainability by non-profit organisation CDP, with three 'A' scores for the management of climate change, water security and forests.

2018 Results

Audited financial statements, certification in progress.

Operating profitability at 18.3% of sales

Consolidated profit and loss accounts: from sales to operating profit.

	2017		2018	
	€m	% sales	€m	% sales
Sales	26,023.7	100.0%	26,937.4	100.0%
<i>Cost of sales</i>	-7,359.2	28.3%	-7,331.6	27.2%
Gross profit	18,664.5	71.7%	19,605.8	72.8%
<i>R&D expenses</i>	-877.1	3.4%	-914.4	3.4%
<i>Advertising and promotion expenses</i>	-7,650.6	29.4%	-8,144.7	30.2%
<i>Selling, general and administrative expenses</i>	-5,460.5	21.0%	-5,624.7	20.9%
Operating profit	4,676.3	18.0%	4,922.0	18.3%

Gross profit, at 19,605 million euros, came out at 72.8% of sales, compared with 71.7% in 2017, which is an improvement of 110 basis points.

Research and Development expenses, at 914 million euros, have increased by 4.3%.

As announced, **advertising and promotion expenses** increased to 30.2% of sales, representing an increase of 80 basis points.

Selling, general and administrative expenses, at 20.9% of sales, have been reduced by 10 basis points.

Overall, **operating profit** has grown by +5.3% to 4,922 million euros, and amounts to 18.3% of sales, representing an increase of 30 basis points.

Operating profit by Division

	2017		2018	
	€m	% sales	€m	% sales
By Division				
Professional Products	669.4	20.0%	651.5	20.0%
Consumer Products	2,419.0	20.0%	2,428.1	20.2%
L'Oréal Luxe	1,855.8	21.9%	2,072.4	22.1%
Active Cosmetics	471.2	22.6%	523.0	23.0%
Divisions total	5,415.4	20.8%	5,675.0	21.1%
<i>Non-allocated</i> ⁸	-739.1	-2.8%	-753.1	-2.8%
Group	4,676.3	18.0%	4,922.0	18.3%

The profitability of the **Professional Products Division** came out at 20.0%.

The profitability of the **Consumer Products Division** came out at 20.2%, an improvement of 20 basis points compared with 2017.

The profitability of **L'Oréal Luxe**, at 22.1%, increased by 20 basis points.

The profitability of the **Active Cosmetics Division** came out at 23.0%, representing an increase of 40 basis points.

Non-allocated expenses amounted to 753 million euros, which is stable in relative value.

Profitability by Geographic Zone

Operating profit	2017		2018	
	€m	% sales	€m	% sales
Western Europe	1,860.4	22.9%	1,682.5	20.9%
North America	1,411.3	19.2%	1,430.0	19.8%
New Markets	2,143.6	20.3%	2,562.5	22.0%
Geographic Zones total ⁹	5,415.4	20.8%	5,675.0	21.1%

Profitability in **Western Europe** came out at 20.9%, 200 basis points lower than last year.

In **North America**, profitability came out at 19.8%, an increase of 60 basis points compared with 2017.

And in the **New Markets**, profitability increased by 170 basis points compared to the previous year, and amounted to 22.0% of sales.

⁸ *Non-allocated = Central Group expenses, fundamental research expenses, free grant of shares expenses and miscellaneous items. As a % of sales.*

⁹ *Before non-allocated.*

Net profit

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

€m	2017	2018	Growth
Operating profit	4,676.3	4,922.0	+5.3%
<i>Financial revenues and expenses excluding dividends received</i>	-22.9	-1.9	
<i>Sanofi dividends</i>	350.0	358.3	
Profit before tax excluding non-recurring items	5,003.3	5,278.4	+5.5%
<i>Income tax excluding non-recurring items</i>	-1,250.5	-1,286.8	
<i>Net profit excluding non-recurring items of equity consolidated companies</i>	-0.1	+0.1	
<i>Non-controlling interests</i>	-3.9	-4.1	
Net profit excluding non-recurring items after non-controlling interests	3,748.7¹⁰	3,987.6	+6.4%
EPS¹¹ (€)	6.65	7.08	+6.5%
Net profit after non-controlling interests	3,581.4	3,895.4	+8.8%
Diluted EPS after non-controlling interests (€)	6.36	6.92	
Diluted average number of shares	563,528,502	563,098,506	

Finance expenses came out at approximately 1.9 million euros.

Sanofi dividends amounted to 358 million euros.

Income tax excluding non-recurrent items amounted to 1,286 million euros, representing a tax rate of 24.4%.

Net profit excluding non-recurring items after non-controlling interests from continuing operations amounted to 3,987 million euros, an increase of +6.4%, and +10% at constant exchange rates.

Earnings per Share, at 7.08 euros, is up by +6.5%.

Non-recurring items after non-controlling interests¹² amounted to -92 million euros net of tax.

Net profit came out at 3,895 million euros, an increase of +8.8%.

Cash flow statement, Balance sheet and Cash position

Gross cash flow amounted to 5,178 million euros, an increase of 4.1%.

The **working capital requirement** decreased by 113 million euros.

At 1,416 million euros, **investments** represented 5.3% of sales.

Net cash flow¹³ at 3,875 million euros, is down slightly after a strong increase in the previous year.

The **balance sheet** is particularly solid, with shareholders' equity amounting to 26.9 billion euros, and **net cash** at 2,751 million euros at 31 December 2018.

Proposed dividend at the Annual General Meeting of 18 April 2019

The Board of Directors has decided to propose to the shareholders' Annual General Meeting of 18 April 2019 a dividend of 3.85 euros per share, an increase of +8.5% compared with the dividend paid in 2018. The dividend will be paid on 30 April 2019 (ex-dividend date 26 April 2019 at 0:00 a.m., Paris time).

¹⁰ Net profit, excluding non-recurring items after non-controlling interests, from continuing operations.

¹¹ Diluted earnings per share, based on net profit, excluding non-recurring items, after non-controlling interests, from continuing operations.

¹² Non-recurring items include impairment of assets, net profit of discontinued operations, restructuring costs and tax effects of non-recurring items.

¹³ Net cash flow = Gross cash flow + changes in working capital - capital expenditure.

Share capital

At 31 December 2018, the capital of the company is formed by **560,396,652** shares, each with one voting right.

“This news release does not constitute an offer to sell, or a solicitation of an offer to buy L’Oréal shares. If you wish to obtain more comprehensive information about L’Oréal, please refer to the public documents registered in France with the Autorité des Marchés Financiers, also available in English on our Internet site www.loreal-finance.com.

This news release may contain some forward-looking statements. Although the Company considers that these statements are based on reasonable hypotheses at the date of publication of this release, they are by their nature subject to risks and uncertainties which could cause actual results to differ materially from those indicated or projected in these statements.”

This is a free translation into English of the 2018 Annual Results news release issued in the French language and is provided solely for the convenience of English speaking readers. In case of discrepancy, the French version prevails.

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Appendices

Appendix 1: L'Oréal group sales 2017/2018 (€ millions)

	2017 ¹⁴	2018
<u>First quarter:</u>		
Operational Divisions	6,847.8	6,778.6
The Body Shop	197.2	
First quarter total	7,045.0	6,778.6
<u>Second quarter:</u>		
Operational Divisions	6,564.2	6,612.1
The Body Shop		
Second quarter total	6,564.2	6,612.1
<u>First half:</u>		
Operational Divisions	13,411.9	13,390.7
The Body Shop		
First half total	13,411.9	13,390.7
<u>Third quarter:</u>		
Operational Divisions	6,097.9	6,473.3
The Body Shop		
Third quarter total	6,097.9	6,473.3
<u>Nine months:</u>		
Operational Divisions	19,509.9	19,864.0
The Body Shop		
Nine months total	19,509.9	19,864.0
<u>Fourth quarter:</u>		
Operational Divisions	6,513.8	7,073.4
The Body Shop		
Fourth quarter total	6,513.8	7,073.4
<u>Full year:</u>		
Operational Divisions	26,023.7	26,937.4
The Body Shop		
Full year total	26,023.7	26,937.4

¹⁴ In the first quarter 2017, reported Group sales included The Body Shop sales, which amounted to 197.2 million euros.

Appendix 2: Compared consolidated income statements

<i>€ millions</i>	2018		
Net sales	26,937.4	26,023.7	24,916.3
Gross profit	19,605.8	18,664.5	17,847.7
Operating profit	4,922.0	4,676.3	4,506.1
Operational profit	4,827.3	4,400.0	3,964.8
Finance costs, net	13.1	3.1	11.6
Profit before tax and associates	5,183.7	4,727.0	4,297.1
Net profit from continuing operations	3,899.5	3,825.6	3,083.4
Net profit from discontinued operations	-	-240.1	25.3
Net profit	3,899.5	3,585.5	3,108.7
	<i>(euros)</i>		
		<i>(euros)</i>	
	<i>(euros)</i>		
		<i>(euros)</i>	
			<i>(euros)</i>

(1) The consolidated income statements for 2017 and 2016 are presented to reflect the impacts of IFRS 5 regarding discontinued operations, restating The Body Shop activity on a single line "Net profit from discontinued operations".

Appendix 3: Consolidated statements of comprehensive income

€ millions	2018		
Consolidated net profit for the period	3,899.5	3,585.5	3,108.7
<i>Financial assets available-for-sale</i>	-	-597.1	-201.0
<i>Cash flow hedges</i>	-60.3	88.9	-124.0
<i>Cumulative translation adjustments</i>	126.4	-824.8	19.6
<i>Income tax on items that may be reclassified to profit or loss ^{(1) (2)}</i>	14.8	4.5	86.3
Items that may be reclassified to profit or loss	80.9	-1,328.5	-219.1
<i>Financial assets at fair value through profit or loss</i>	450.5	-	-
<i>Actuarial gains and losses</i>	-58.5	280.0	-1.3
<i>Income tax on items that may not be reclassified to profit or loss ^{(1) (2)}</i>	0.5	-107.9	-39.3
Items that may not be reclassified to profit or loss	392.5		

Appendix 4: Compared consolidated balance sheets

ASSETS

€ millions	31.12.2018		
Non-current assets	25,991.2	24,320.1	25,584.6
Current assets	12,466.3	11,019.0	10,045.6
TOTAL	38,457.5	35,339.1	35,630.2

EQUITY & LIABILITIES

€ millions	31.12.2018		
Equity	26,933.6	24,818.5	24,504.0
Equity attributable to owners of the company	26,928.4	24,815.7	24,501.9
Non-current liabilities	1,412.2	1,347.2	1,918.9
Current liabilities	10,111.6	9,173.4	9,207.3
TOTAL	38,457.5	35,339.1	35,630.2

(1) The balance sheets at 31 December 2017 and 31 December 2016 have been restated to reflect the change in accounting policies resulting from the application of IFRS 9 "Financial Instruments".

(2) 2016 balance sheets as published including The Body Shop.

Appendix 5: Consolidated statements of changes in equity

€ millions

At 31.12.15	559,988,178	112.6	2,654.4	16,170.8	4,517.5	-233.3	391.9	23,613.9	3.1	23,617.0
At 01.01.2016 ⁽¹⁾	559,988,178	112.6	2,654.4	16,180.8	4,507.5	-233.3	391.9	23,613.9	3.1	23,617.0
<i>Financial assets available-for-sale</i>					-159.3			-159.3		-159.3
<i>Cash flow hedges</i>					-79.3			-79.3	-0.1	-79.4
<i>Cumulative translation adjustments</i>							19.0	19.0	0.6	19.6
Other comprehensive income that may be reclassified to profit and loss					-238.6		19.0	-219.6	0.5	-219.1
<i>Actuarial gains and losses</i>					-40.6			-40.6		-40.6
Other comprehensive income that may not be reclassified to profit and loss					-40.6			-40.6	-	-40.6
Consolidated comprehensive income				3,105.8	-279.2		19.0	2,845.6	3.4	2,849.0
At 31.12.2016 ⁽¹⁾	560,098,396	112.4	2,817.3	17,067.6	4,227.3	-133.6	410.9	24,501.9	2.1	24,504.0
<i>Financial assets available-for-sale</i>					-559.7			-559.7		-559.7
<i>Cash flow hedges</i>					55.5			55.5	0.4	55.9
<i>Cumulative translation adjustments</i>							-824.5	-824.5	-0.3	-824.8
Other comprehensive income that may be reclassified to profit and loss					-504.2		-824.5	-1,328.7	0.1	-1,328.6
<i>Actuarial gains and losses</i>					172.1			172.1		172.1
Other comprehensive income that may not be reclassified to profit and loss					172.1			172.1	-	172.1
Consolidated comprehensive income				3,581.4	-332.2		-824.5	2,424.8	4.1	2,428.9
At 31.12.2017 ⁽¹⁾	559,747,963	112.1	2,935.3	18,343.3	3,895.0	-56.5	-413.5	24,815.7	2.8	24,818.5

(1) Taking into account the change in accounting policies resulting from the application of IFRS 9 "Financial Instruments".

€ millions

At 31.12.2017 ⁽¹⁾	559,747,963	112.1	2,935.3	18,343.3	3,895.0	-56.5	-413.5	24,815.7	2.8	24,818.5
At 01.01.2018 ⁽²⁾	559,747,963	112.1	2,935.3	18,331.3	3,895.0	-56.5	-413.5	24,803.7	1.9	24,805.6
Cash flow hedges					-45.3			-45.3	-0.2	-45.5
Cumulative translation adjustments							114.5	114.5	0.3	114.8
Hyperinflation							11.6	11.6		11.6
Other comprehensive income that may be reclassified to profit and loss					-45.3		126.1	80.8	0.1	80.9
Actuarial gains and losses					-44.0			-44.0		-44.0
Other comprehensive income that may not be reclassified to profit and loss					392.5		392.5	392.5	-	392.5
Consolidated comprehensive income				3,895.4	347.2		126.1	4,368.7	4.2	4,372.9
AT 31.12.2018	559,625,527	112.1	3,070.3	19,847.8	4,242.1	-56.5	-287.4	26,928.4	5.2	26,933.6

(1) Taking into account the change in accounting policies resulting from the application of IFRS 9 "Financial Instruments".

(2) Taking into account the change in accounting policies resulting from the application of IFRS 15 "Revenue from contracts with customers".

Appendix 6: Compared consolidated statements of cash flows

€ millions	2018		
Cash flows from operating activities			
Gross cash flow	5,178.1	4,972.2	4,656.4
Net cash provided by operating activities (A)	5,291.9	5,196.6	4,704.7
Cash flows from investing activities			
Net cash (used in) from investing activities (B)	-2,016.0	-1,516.9	-2,604.5
Cash flows from financing activities			
Net cash (used in) from financing activities (C)	-2,367.5	-2,275.7	-1,740.8
Change in cash and cash equivalents (A+B+C+D)	945.4	1,338.7	346.2
Cash and cash equivalents at beginning of the year (E)	3,046.6	1,746.0	1,399.8
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (A+B+C+D+E+F)	3,992.0	3,046.6	1,746.0

(1) The consolidated statement of cash flows for 2017 and 2016 are presented to reflect the impacts of IFRS 5 regarding discontinued operations.