

**COTY INC. & SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**

(in millions, except per share data)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2017	2016	2017	2016
<b>Net revenues</b>	<b>\$ 2,032.1</b>	<b>\$ 950.7</b>	<b>\$ 5,409.0</b>	<b>\$ 3,273.5</b>
Cost of sales	816.1	369.0	2,153.2	1,280.4
<i>as % of Net revenues</i>	40.2%	38.8%	39.8%	39.1%
<b>Gross profit</b>	<b>1,216.0</b>	<b>581.7</b>	<b>3,255.8</b>	<b>1,993.1</b>
<i>Gross margin</i>	59.8%	61.2%	60.2%	60.9%
Selling, general and administrative expenses	1,092.4	494.2	2,741.5	1,493.9
<i>as % of Net revenues</i>	53.8%	52.0%	50.7%	45.6%
Amortization expense	102.6	20.9	219.0	59.0
Restructuring costs	155.8	6.6	179.0	79.3
Acquisition-related costs	57.7	37.0	275.1	98.3
Asset impairment charges	—	—	—	5.5
<b>Operating (loss) income</b>	<b>(192.5)</b>	<b>23.0</b>	<b>(158.8)</b>	<b>257.1</b>
<i>as % of Net revenues</i>	(9.5%)	2.4%	(2.9%)	7.9%
Interest expense, net	60.8	25.1	159.1	55.7
Loss on extinguishment of debt	—	—	—	3.1
Other (income) expense, net	(0.5)	6.6	0.2	30.4
<b>(Loss) income before income taxes</b>	<b>(252.8)</b>	<b>(8.7)</b>	<b>(318.1)</b>	<b>167.9</b>
<i>as % of Net revenues</i>	(12.4%)	(0.9%)	(5.9%)	5.1%
(Benefit) provision for income taxes	(93.4)	11.6	(220.6)	(42.5)
<b>Net income</b>	<b>(159.4)</b>	<b>(20.3)</b>	<b>(97.5)</b>	<b>210.4</b>
<i>as % of Net revenues</i>	(7.8%)	(2.1%)	(1.8%)	6.4%
Net income attributable to noncontrolling interests	3.5	2.4	14.2	12.1
Net income attributable to redeemable noncontrolling interests	1.3	4.1	5.7	10.4
<b>Net income attributable to Coty Inc.</b>	<b>\$ (164.2)</b>	<b>\$ (26.8)</b>	<b>\$ (117.4)</b>	<b>\$ 187.9</b>
<i>as % of Net revenues</i>	(8.1%)	(2.8%)	(2.2%)	5.7%
<b>Net income attributable to Coty Inc. per common share:</b>				
Basic	\$ (0.22)	\$ (0.08)	\$ (0.19)	\$ 0.54
Diluted	\$ (0.22)	\$ (0.08)	\$ (0.19)	\$ 0.53
<b>Weighted-average common shares outstanding:</b>				
Basic	747.3	337.9	607.9	347.8
Diluted	747.3	337.9	607.9	356.9
<b>Cash dividend declared per common share</b>	<b>\$ 0.125</b>	<b>\$ —</b>	<b>\$ 0.525</b>	<b>\$ 0.250</b>

**COTY INC.**  
**SUPPLEMENTAL SCHEDULES INCLUDING NON-GAAP FINANCIAL MEASURES**

**RECONCILIATION OF REPORTED TO ADJUSTED RESULTS FOR THE CONSOLIDATED STATEMENTS OF OPERATIONS**

These supplemental schedules provide adjusted Non-GAAP financial information and a quantitative reconciliation of the difference between the Non-GAAP financial measure and the financial measure calculated and reported in accordance with GAAP.

Three Months Ended March 31, 2017					
(in millions)	Reported (GAAP)	Adjustments <sup>(a)</sup>	Adjusted (Non-GAAP)	Foreign Currency Translation	Adjusted Results at Constant Currency
<b>Net revenues</b>	\$ 2,032.1		\$ 2,032.1	\$ 17.4	\$ 2,049.5
<b>Gross profit</b>	1,216.0	71.2	1,287.2	27.2	1,314.4
<i>Gross margin</i>	59.8%		63.3%		64.1%
<b>Operating (loss) income</b>	(192.5)	400.8	208.3	10.4	218.7
<i>as % of Net revenues</i>	(9.5%)		10.3%		10.7%
<b>Net income attributable to Coty Inc.</b>	\$ (164.2)	\$ 274.5	\$ 110.3		
<i>as % of Net revenues</i>	(8.1%)		5.4%		
<b>EPS (diluted)</b>	\$ (0.22)		\$ 0.15		
Three Months Ended March 31, 2016					
(in millions)	Reported (GAAP)	Adjustments <sup>(a)</sup>	Adjusted (Non-GAAP)		
<b>Net revenues</b>	\$ 950.7		\$ 950.7		
<b>Gross profit</b>	581.7	5.4	587.1		
<i>Gross margin</i>	61.2%		61.8%		
<b>Operating income</b>	23.0	79.6	102.6		
<i>as % of Net revenues</i>	2.4%		10.8%		
<b>Net income attributable to Coty Inc.</b>	\$ (26.8)	\$ 74.6	\$ 47.8		
<i>as % of Net revenues</i>	(2.8%)		5.0%		
<b>EPS (diluted)</b>	\$ (0.08)		\$ 0.14		

<sup>(a)</sup> See "Reconciliation of Reported Operating Income to Adjusted Operated Income" and "Reconciliation of Reported Net Income to Adjusted Net Income" for a detailed description of adjusted items.

**Nine Months Ended March 31, 2017**

(in millions)	Reported (GAAP)	Adjustments <sup>(a)</sup>	Adjusted (Non-GAAP)	Foreign Currency Translation	Adjusted Results at Constant Currency
<b>Net revenues</b>	\$ 5,409.0	\$ —	\$ 5,409.0	\$ 86.3	\$ 5,495.3
<b>Gross profit</b>	3,255.8	126.9	3,382.7	81.7	3,464.4
<i>Gross margin</i>	60.2%		62.5%		63.0%
<b>Operating income</b>	(158.8)	841.5	682.7	40.2	722.9
<i>as % of Net revenues</i>	(2.9%)		12.6%		13.2%
<b>Net income attributable to Coty Inc.</b>	\$ (117.4)	\$ 529.3	\$ 411.9		
<i>as % of Net revenues</i>	(2.2%)		7.6%		
<b>EPS (diluted)</b>	\$ (0.19)		\$ 0.67		

**Nine Months Ended March 31, 2016**

(in millions)	Reported (GAAP)	Adjustments <sup>(a)</sup>	Adjusted (Non-GAAP)
<b>Net revenues</b>	\$ 3,273.5		\$ 3,273.5
<b>Gross profit</b>	1,993.1	9.0	2,002.1
<i>Gross margin</i>	60.9%		61.2%
<b>Operating income</b>	257.1	271.6	528.7
<i>as % of Net revenues</i>	7.9%		16.2%
<b>Net income attributable to Coty Inc.</b>	\$ 187.9	\$ 251.6	\$ 439.5
<i>as % of Net revenues</i>	5.7%		13.4%
<b>EPS (diluted)</b>	\$ 0.53		\$ 1.23

<sup>(a)</sup> See "Reconciliation of Reported Operating Income to Adjusted Operating Income" and "Reconciliation of Reported Net Income to Adjusted Net Income" for a detailed description of adjusted items.

**RECONCILIATION OF REPORTED OPERATING INCOME TO ADJUSTED OPERATING INCOME**

(in millions)	Three Months Ended March 31,			Nine Months Ended March 31,		
	2017	2016	Change	2017	2016	Change
<b>Reported Operating (Loss) Income</b>	<b>(192.5)</b>	<b>23.0</b>	<b>NM</b>	<b>(158.8)</b>	<b>257.1</b>	<b>NM</b>
<i>% of Net revenues</i>	(9.5%)	2.4%		(2.9%)	7.9%	
Costs related to acquisition activities <sup>(a)</sup>	122.3	42.4	>100%	395.7	107.3	>100%
Amortization expense <sup>(b)</sup>	102.6	20.9	>100%	219.0	59.0	>100%
Restructuring and other business realignment costs <sup>(c)</sup>	175.9	15.3	>100%	210.9	98.5	>100%
Pension settlement charge <sup>(d)</sup>	—	—	N/A	15.9	—	N/A
Asset impairment charges <sup>(e)</sup>	—	—	N/A	—	5.5	(100%)
Share-based compensation expense adjustment <sup>(f)</sup>	—	1.0	(100%)	—	1.3	(100%)
Total adjustments to Reported Operating Income	400.8	79.6	>100%	841.5	271.6	>100%
<b>Adjusted Operating Income</b>	<b>208.3</b>	<b>102.6</b>	<b>&gt;100%</b>	<b>682.7</b>	<b>528.7</b>	<b>29%</b>
<i>% of Net revenues</i>	10.3%	10.8%		12.6%	16.2%	

<sup>(a)</sup> In the three months ended March 31, 2017, we incurred \$122.3 of costs related to acquisition activities. We recognized acquisition-related costs of \$57.7, included in the Condensed Consolidated Statements of Operations. These costs primarily consist of legal and consulting fees in connection with the acquisition of the P&G Beauty Business. We also incurred \$28.3, \$22.2 and \$12.7 in costs of sales primarily reflecting revaluation of acquired inventory in connection with the acquisition of ghd, Younique and the P&G Beauty Business in the Condensed Consolidated Statements of Operations. In the three months ended March 31, 2016, we incurred \$42.4 of costs related to acquisition activities.

In the nine months ended March 31, 2017, we incurred \$395.7 of costs related to acquisition activities. We recognized acquisition-related costs of \$275.1, included in the Condensed Consolidated Statements of Operations. These costs primarily consist of legal and consulting fees in connection with the acquisition of the P&G Beauty Business. We also incurred \$44.4, \$22.2 and \$48.8 in costs of sales primarily reflecting revaluation of acquired inventory in connection with the acquisitions of ghd, Younique and the P&G Beauty Business, respectively in the Condensed Consolidated Statements of Operations. In the nine months ended March 31, 2016, we incurred \$107.3 of costs related to acquisition activities.

<sup>(b)</sup> In the three months ended March 31, 2017, amortization expense increased to \$102.6 from \$20.9 in the three months ended March 31, 2016 primarily as a result of the acquisitions of ghd, Younique and the P&G Beauty Business. In the three months ended March 31, 2017, amortization expense of \$25.2, \$58.5, and \$18.9 was reported in the Luxury, Consumer Beauty and Professional Beauty segments, respectively.

In the nine months ended March 31, 2017, amortization expense increased to \$219.0 from \$59.0 in the nine months ended March 31, 2016 primarily as a result of the acquisitions of ghd, Younique and the P&G Beauty Business. In the nine months ended March 31, 2017, amortization expense of \$70.6, \$110.7, and \$37.6 was reported in the Luxury, Consumer Beauty and Professional Beauty segments, respectively.

<sup>(c)</sup>In the three months ended March 31, 2017, we incurred restructuring and other business structure realignment costs of \$175.9. We incurred restructuring costs of \$155.8 primarily related to Global Integration Activities, included in the Condensed Consolidated Statements of Operations. We incurred business structure realignment costs of \$20.1 primarily related to our Global Integration Activities, Organizational Redesign and certain other programs. Of this amount, \$12.1 is included in selling, general and administrative expenses and \$8.0 is included in cost of sales.

In the nine months ended March 31, 2017, we incurred restructuring and other business structure realignment costs of \$210.9. We incurred restructuring costs of \$179.0 primarily related to the Global Integration Activities, included in the Condensed Consolidated Statements of Operations. We incurred business structure realignment costs of \$31.9 primarily related to our Global Integration Activities, Organizational Redesign and certain other programs. Of this amount \$15.7 is included in selling, general and administrative expenses, \$11.5 is included in cost of sales, and \$4.7 is included in other expense.

<sup>(d)</sup>In the nine months ended March 31, 2017, we incurred a charge of \$15.9, in connection with the settlement of obligations related to the U.S. Del Laboratories, Inc. pension plan. The settlement of the plan was effectuated through the purchase of annuity contracts from a third-party insurance provider, effectively transferring the U.S. Del Laboratories, Inc. pension plan obligation to the insurance provider, during the three months ended December 31, 2016. The settlement charge is as a result of accelerating the recognition of losses previously deferred in other comprehensive income (loss).

<sup>(e)</sup>In the nine months ended March 31, 2016, asset impairment charges of \$5.5 were reported in the Condensed Consolidated Statements of Operations. The impairment represents the write-off of long-lived assets in Southeast Asia consisting of customer relationships reported in Corporate.

<sup>(f)</sup>In the three months ended March 31, 2017 and in the nine months ended March 31, 2017 there were no share-based compensation expense adjustments included in the calculation of adjusted operating income. In the three months ended March 31, 2016 and in the nine months ended March 31, 2016, share-based compensation expense adjustment included in the calculation of adjusted operating income was 1.0 million and 1.3 million, respectively .

### RECONCILIATION OF REPORTED INCOME BEFORE INCOME TAXES AND EFFECTIVE TAX RATES TO ADJUSTED INCOME BEFORE INCOME TAXES, EFFECTIVE TAX RATES AND CASH TAX RATES

(in millions)	Three Months Ended March 31, 2017			Three Months Ended March 31, 2016		
	(Loss)Income Before Income Taxes	(Benefit)Provision for Taxes	Effective Tax Rate	Income Before Income Taxes	Provision for Taxes	Effective Tax Rate
<b>Reported (Loss) Income Before Taxes</b>	\$ (252.8)	\$ (93.4)	36.9%	\$ (8.7)	\$ 11.6	(133.3)%
Adjustments to Reported Operating Income <sup>(a) (b)</sup>	400.8	126.3		79.6	6.5	
Adjustments to Interest expense <sup>(b) (c)</sup>	—	—		(4.6)	(0.4)	
Other Adjustments <sup>(b) (c)</sup>	—	—		6.2	0.5	
<b>Adjusted Income Before Taxes</b>	<b>\$ 148.0</b>	<b>\$ 32.9</b>	<b>22.2%</b>	<b>\$ 72.5</b>	<b>\$ 18.2</b>	<b>25.1%</b>

<sup>(a)</sup> See "Reconciliation of Operating Income to Adjusted Operating Income"

<sup>(b)</sup> The tax effects of each of the items included in adjusted income are calculated in a manner that results in a corresponding income tax expense/provision for adjusted income. In preparing the calculation, each adjustment to reported income is first analyzed to determine if the adjustment has an income tax consequence. The provision for taxes is then calculated based on the jurisdiction in which the adjusted items are incurred, multiplied by the respective statutory rates and offset by the increase or reversal of any valuation allowances commensurate with the non-GAAP measure of profitability.

<sup>(c)</sup> See the "Reconciliation of Reported Net (Loss) Income Attributable to Coty Inc. to Adjusted Net Income Attributable to Coty Inc."

(in millions)	Nine Months Ended March 31, 2017			Nine Months Ended March 31, 2016		
	(Loss)Income Before Income Taxes	(Benefit)Provision for Taxes	Effective Tax Rate	Income Before Income Taxes	(Benefit)Provision for Taxes	Effective Tax Rate
<b>Reported (Loss) Income Before Taxes</b>	\$ (318.1)	\$ (220.6)	69.3%	\$ 167.9	\$ (42.5)	(25.3)%
Adjustments to Reported Operating Income <sup>(a) (b)</sup>	841.5	313.0		271.6	37.6	
Adjustments to Interest expense <sup>(b) (c)</sup>	1.4	0.6	—	(13.1)	(1.8)	—
Other Adjustments <sup>(b) (c)</sup>	—	—		33.5	4.6	
<b>Adjusted Income Before Taxes</b>	<b>\$ 524.8</b>	<b>\$ 93.0</b>	<b>17.7%</b>	<b>\$ 459.9</b>	<b>\$ (2.1)</b>	<b>(0.5)%</b>

<sup>(a)</sup> See "Reconciliation of Operating Income to Adjusted Operating Income"

<sup>(b)</sup> The tax effects of each of the items included in adjusted income are calculated in a manner that results in a corresponding income tax expense/provision for adjusted income. In preparing the calculation, each adjustment to reported income is first analyzed to determine if the adjustment has an income tax consequence. The provision for taxes is then calculated based on the jurisdiction in which the adjusted items

are incurred, multiplied by the respective statutory rates and offset by the increase or reversal of any valuation allowances commensurate with the non-GAAP measure of profitability.

<sup>(c)</sup> See "Reconciliation of Reported Net (Loss) Income Attributable to Coty Inc. to Adjusted Net Income Attributable to Coty Inc."

## RECONCILIATION OF REPORTED NET INCOME TO ADJUSTED NET INCOME

(in millions)	Three Months Ended March 31,			Nine Months Ended March 31,		
	2017	2016	Change	2017	2016	Change
<b>Reported Net Income Attributable to Coty Inc.</b>	<b>\$ (164.2)</b>	<b>\$ (26.8)</b>	<b>NM</b>	<b>\$ (117.4)</b>	<b>\$ 187.9</b>	<b>NM</b>
<i>% of Net revenues</i>	(8.1%)	(2.8%)		(2.2%)	5.7%	
Adjustments to Reported Operating Income <sup>(a)</sup>	400.8	79.6	>100%	841.5	271.6	>100%
Adjustments to Interest Expense <sup>(b)</sup>	—	(4.6)	100%	1.4	(13.1)	>100%
Loss on early extinguishment of debt <sup>(c)</sup>	—	—	N/A	—	3.1	(100%)
Adjustments to Other Expense <sup>(d)</sup>	—	6.2	N/A	—	30.4	N/A
Change in tax provision due to adjustments to Reported Net Income Attributable to Coty Inc.	(126.3)	(6.6)	NM	(313.6)	(40.4)	NM
<b>Adjusted Net Income Attributable to Coty Inc.</b>	<b>\$ 110.3</b>	<b>\$ 47.8</b>	<b>&gt;100%</b>	<b>\$ 411.9</b>	<b>\$ 439.5</b>	<b>(6%)</b>
<i>% of Net revenues</i>	5.4%	5.0%		7.6%	13.4%	

### Per Share Data

Adjusted weighted-average common shares

Basic	747.3	337.9	607.9	347.8
Diluted	751.5	346.0	613.4	356.9

Adjusted Net Income Attributable to Coty Inc. per Common Share

Basic	\$ 0.15	\$ 0.14	\$ 0.68	\$ 1.26
Diluted	\$ 0.15	\$ 0.14	\$ 0.67	\$ 1.23

<sup>(a)</sup> See "Reconciliation of Operating Income to Adjusted Operating Income" in Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

<sup>(b)</sup> The amount in the three months ended March 31, 2016 primarily represents a net gain of \$4.6 on the revaluation of intercompany loans used to facilitate payments for the Brazil Acquisition, included in Interest expense, net in the Condensed Consolidated Statements of Operations.

The amount in the nine months ended March 31, 2017 represents a net loss of \$1.4 incurred in connection with the Brazil Acquisition and subsequent intercompany loans, included in Interest expense, net in the Consolidated Statements of Operations.

The amount in the nine months ended March 31, 2016 primarily represents one-time gains of \$11.1 on short-term forward contracts to exchange Euros for U.S. Dollars related to the Euro-denominated portion of the Term Loan B Facility and a net losses of \$2.0 on the revaluation of intercompany loans including the impact of derivative contracts used to hedge intercompany loans to facilitate payments in connection with the Brazil Acquisition, included in Interest expense, net in the Condensed Consolidated Statements of Operations.

<sup>(c)</sup> In the nine months ended March 31, 2016, the amount represents the write-off of deferred financing costs in connection with the refinancing of the prior Coty Inc. credit facilities, included in loss on early extinguishment of debt in the Condensed Consolidated Statements of Operations. In the nine months ended March 31, 2015, the loss on early extinguishment of debt associated with the repurchase of our previously existing Senior Notes is included in loss on early extinguishment of debt in the Condensed Consolidated Statements of Operations.

<sup>(d)</sup> In the nine months ended March 31, 2016, we incurred losses of \$29.6 related to hedges in connection with the Brazil acquisition and expenses of \$0.8 related to the purchase of the remaining mandatorily redeemable financial interest in a subsidiary, included in other expense (income), net in the Condensed Consolidation Statements of Operations.

## RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW

(in millions)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2017	2016	2017	2016
<b>Net cash provided by operating activities</b>	<b>\$ 43.3</b>	<b>\$ (71.8)</b>	<b>\$ 706.7</b>	<b>\$ 445.3</b>
Capital expenditures	(125.8)	(36.8)	(324.0)	(115.1)
<b>Free cash flow</b>	<b>\$ (82.5)</b>	<b>\$ (108.6)</b>	<b>\$ 382.7</b>	<b>\$ 330.2</b>

## NET REVENUES AND ADJUSTED OPERATING INCOME BY SEGMENT

Three Months Ended March 31,

(in millions)	Net Revenues		Change			Reported Operating Income		Adjusted Operating Income	
	2017	2016	Actual Year - over - Year	Combined Company Year-Over-Year	Combined Company Constant Currency	2017	Change	2017	Change
Luxury	\$ 634.6	\$ 405.9	56%	1%	2%	\$ 60.9	>100%	\$ 86.1	94%
Consumer Beauty	988.6	488.5	>100%	5%	5%	63.0	61%	121.5	>100%
Professional	408.9	56.3	> 100%	11%	14%	(18.2)	NM	0.7	(95%)
Corporate	—	—	N/A	N/A	N/A	(298.2)	NM	—	N/A
<b>Total</b>	<b>\$ 2,032.1</b>	<b>\$ 950.7</b>	<b>&gt;100%</b>	<b>5%</b>	<b>6%</b>	<b>\$ (192.5)</b>	<b>NM</b>	<b>\$ 208.3</b>	<b>&gt;100%</b>

Nine Months Ended March 31,

(in millions)	Net Revenues		Change			Reported Operating Income		Adjusted Operating Income	
	2017	2016	Actual Year - over - Year	Combined Company Year-Over-Year	Combined Company Constant Currency	2017	Change	2017	Change
Luxury	\$ 1,918.6	\$ 1,433.4	34%	(5%)	(3%)	\$ 203.6	(1%)	\$ 274.2	9%
Consumer Beauty	2,562.2	1,653.7	55%	(4%)	(3%)	178.6	(15%)	289.5	32%
Professional	928.2	186.4	>100%	6%	8%	81.5	>100%	119.0	>100%
Corporate	—	—	N/A	>100%	>100%	(622.5)	NM	—	N/A
<b>Total</b>	<b>\$ 5,409.0</b>	<b>\$ 3,273.5</b>	<b>65%</b>	<b>(2%)</b>	<b>(1%)</b>	<b>\$ (158.8)</b>	<b>NM</b>	<b>\$ 682.7</b>	<b>29%</b>

## NET REVENUES BY GEOGRAPHIC REGION

Three Months Ended March 31,

(in millions)	Net Revenues		Change		
	2017	2016	Reported Basis	Combined Company Year-over-Year	Combined Company Constant Currency
North America	\$ 685.1	\$ 311.1	>100%	3%	4%
Europe	848.4	402.0	>100%	0%	4%
ALMEA	498.6	237.6	>100%	17%	13%
<b>Total</b>	<b>\$ 2,032.1</b>	<b>\$ 950.7</b>	<b>&gt;100%</b>	<b>5%</b>	<b>6%</b>

Nine Months Ended March 31,

(in millions)	Net Revenues		Change		
	2017	2016	Reported Basis	Combined Company Year-over-Year	Combined Company Constant Currency
North America	\$ 1,727.4	\$ 1,072.8	61%	(5%)	(3%)
Europe	2,429.4	1,494.8	63%	(6%)	(2%)
ALMEA	1,252.2	705.9	77%	(9%)	6%
<b>Total</b>	<b>\$ 5,409.0</b>	<b>\$ 3,273.5</b>	<b>65%</b>	<b>(2%)</b>	<b>(1%)</b>

## RECONCILIATION OF REPORTED NET REVENUES TO COMBINED COMPANY NET REVENUES

(in millions)	Three Months Ended March 31,			Nine Months Ended March 31,		
	2017	2016	Change	2017	2016	Change
<b>Reported Net Revenues</b>	\$ 2,032.1	\$ 950.7	>100%	\$ 5,409.0	\$ 3,273.5	65%
P&G Specialty Beauty Business	—	989.0		1,020.0	3,315.2	
<b>Combined Company Net Revenues:</b>						
At actual rates	\$ 2,032.1	\$ 1,939.7	5%	\$ 6,429.0	\$ 6,588.7	(2%)
At constant rates	2,049.4	1,939.7	6%	6,526.6	6,588.7	(1%)

## RECONCILIATION OF REPORTED OPERATING INCOME TO ADJUSTED OPERATING INCOME BY SEGMENT

(in millions)	Three Months Ended March 31, 2017				
	Reported (GAAP)	Adjustments <sup>(a)</sup>	Adjusted (Non-GAAP)	Foreign Currency Translation	Adjusted Results at Constant Currency
<b>OPERATING INCOME (LOSS)</b>					
Luxury	\$ 60.9	\$ (25.2)	\$ 86.1	\$ 6.1	\$ 92.2
Consumer Beauty	63.0	(58.5)	121.5	3.0	124.5
Professional Beauty	(18.2)	(18.9)	0.7	1.3	2.0
Corporate	(298.2)	(298.2)	—	—	
<b>Total</b>	<u>\$ (192.5)</u>	<u>\$ (400.8)</u>	<u>\$ 208.3</u>	<u>\$ 10.4</u>	<u>\$ 218.7</u>
<b>OPERATING MARGIN</b>					
Luxury	9.6%		13.6%		14.3%
Consumer Beauty	6.4%		12.3%		12.6%
Professional Beauty	(4.5%)		0.2%		0.5%
Corporate	N/A		N/A		N/A
<b>Total</b>	<u>(9.5%)</u>		<u>10.3%</u>		<u>10.7%</u>
	Three Months Ended March 31, 2016				
(in millions)	Reported (GAAP)	Adjustments <sup>(a)</sup>	Adjusted (Non-GAAP)		
<b>OPERATING INCOME (LOSS)</b>					
Luxury	\$ 29.7	\$ (14.7)	\$ 44.4		
Consumer Beauty	39.2	(4.0)	43.2		
Professional Beauty	12.8	(2.2)	15.0		
Corporate	(58.7)	(58.7)	—		
<b>Total</b>	<u>\$ 23.0</u>	<u>\$ (79.6)</u>	<u>\$ 102.6</u>		
<b>OPERATING MARGIN</b>					
Luxury	7.3%		10.9%		
Consumer Beauty	8.0%		8.8%		
Professional Beauty	22.7%		26.6%		
Corporate	N/A		N/A		
<b>Total</b>	<u>2.4%</u>		<u>10.8%</u>		

<sup>(a)</sup> See "Reconciliation of Reported Operating Income to Adjusted Operated Income" for a detailed description of adjusted items.

**Nine Months Ended March 31, 2017**

(in millions)	Reported (GAAP)	Adjustments <sup>(a)</sup>	Adjusted (Non-GAAP)	Foreign Currency Translation	Adjusted Results at Constant Currency
<b>OPERATING INCOME (LOSS)</b>					
Luxury	\$ 203.6	\$ (70.6)	\$ 274.2	\$ 16.5	\$ 290.7
Consumer Beauty	178.6	(110.9)	289.5	14.1	303.6
Professional Beauty	81.5	(37.5)	119.0	9.5	128.5
Corporate	(622.5)	(622.5)	—	—	—
<b>Total</b>	<b>\$ (158.8)</b>	<b>\$ (841.5)</b>	<b>\$ 682.7</b>	<b>\$ 40.1</b>	<b>\$ 722.8</b>
<b>OPERATING MARGIN</b>					
Luxury	10.6%		14.3%		13.0%
Consumer Beauty	7.0%		11.3%		10.0%
Professional Beauty	8.8%		12.8%		10.1%
Corporate	N/A		N/A		N/A
<b>Total</b>	<b>(2.9%)</b>		<b>12.6%</b>		<b>11.1%</b>

**Nine Months Ended March 31, 2016**

(in millions)	Reported (GAAP)	Adjustments <sup>(a)</sup>	Adjusted (Non-GAAP)
<b>OPERATING INCOME (LOSS)</b>			
Luxury	\$ 206.1	\$ (44.8)	\$ 250.9
Consumer Beauty	210.2	(8.3)	218.5
Professional Beauty	53.4	(5.9)	59.3
Corporate	(212.6)	(212.6)	—
<b>Total</b>	<b>\$ 257.1</b>	<b>\$ (271.6)</b>	<b>\$ 528.7</b>
<b>OPERATING MARGIN</b>			
Luxury	14.4%		17.5%
Consumer Beauty	12.7%		13.2%
Professional Beauty	28.6%		31.8%
Corporate	N/A		N/A
<b>Total</b>	<b>7.9%</b>		<b>16.2%</b>

**RECONCILIATION OF REPORTED NET REVENUES TO LIKE-FOR-LIKE NET REVENUES**

**1Q FY17 (Three Months Ended Sep. 30, 2016) Net Revenue Change YoY**

Net Revenues Change YoY	Reported Basis vs Legacy Coty	Combined Company Reported 1	Combined Company Reported at Constant Currency	of which	
				Impact from Acquisitions <sup>1</sup>	Combined Company Organic (LFL)
Luxury	(6)%	(6)%	(5)%	—%	(5)%
Consumer Beauty	1 %	(2)%	(1)%	6%	(7)%
Professional Beauty	(9)%	(5)%	(5)%	—%	(5)%
<b>Total Company</b>	<b>(3)%</b>	<b>(4)%</b>	<b>(3)%</b>	<b>3%</b>	<b>(6)%</b>

<sup>1</sup> Combined Company reflects combined Legacy-Coty and P&G Beauty Business net revenues in the current and prior-year period.

<sup>2</sup> Acquisitions reflect the net revenue contribution in the current period from the acquisition of Hypermarcas Beauty business.



**2Q FY17 (Three Months Ended Dec. 31, 2016) Net Revenue Change YoY**

Net Revenues Change YoY	Reported Basis vs Legacy Coty	Combined Company Reported <sup>1</sup>	Combined Company Reported at Constant Currency	of which	
				Impact from Acquisitions <sup>2</sup>	Combined Company Organic (LFL)
Luxury	52%	(7)%	(4)%	—%	(4)%
Consumer Beauty	68%	(13)%	(11)%	7%	(18)%
Professional Beauty	>100%	11 %	14 %	13%	1%
<b>Total Company</b>	<b>90%</b>	<b>(7)%</b>	<b>(4)%</b>	<b>6%</b>	<b>(10)%</b>

<sup>1</sup> Combined Company reflects combined Legacy-Coty and P&G Beauty Business net revenues in the current and prior-year period.

<sup>2</sup> Acquisitions reflect the net revenue contribution in the current period from the acquisition of Hypermecas Beauty business and ghd.

**3Q FY17 (Three Months Ended March 31, 2017) Net Revenue Change YoY**

Net Revenues Change YoY	Reported Basis vs Legacy Coty	Combined Company Reported <sup>1</sup>	Combined Company Reported at Constant Currency	of which	
				Impact from Acquisitions <sup>2</sup>	Combined Company Organic (LFL)
Luxury	56%	1%	2%	—%	2 %
Consumer Beauty	>100%	5%	5%	11%	(6)%
Professional Beauty	>100%	11%	14%	14%	—
<b>Total Company</b>	<b>&gt;100%</b>	<b>5%</b>	<b>6%</b>	<b>8%</b>	<b>(2)%</b>

<sup>1</sup> Combined Company reflects combined Legacy-Coty and P&G Beauty Business net revenues in the current and prior-year period.

<sup>2</sup> Acquisitions reflect the net revenue contribution in the current period from the acquisition of ghd, Younique, and one month of Hypermecas Beauty business.

**3Q FY17 (Nine Months Ended March 31, 2017) Net Revenue Change YoY**

Net Revenues Change YoY	Reported Basis vs Legacy Coty	Combined Company Reported <sup>1</sup>	Combined Company Reported at Constant Currency	of which	
				Impact from Acquisitions <sup>2</sup>	Combined Company Organic (LFL)
Luxury	34%	(5)%	(3)%	—%	(3)%
Consumer Beauty	55%	(4)%	(3)%	8%	(11)%
Professional Beauty	>100%	6%	8%	9%	(1)%
<b>Total Company</b>	<b>65%</b>	<b>(2)%</b>	<b>(1)%</b>	<b>5%</b>	<b>(6)%</b>

<sup>1</sup> Combined Company reflects combined Legacy-Coty and P&G Beauty Business net revenues in the current and prior-year period.

<sup>2</sup> Acquisitions reflect the net revenue contribution in the current period from the acquisition of seven months of Hypermecas Beauty business, ghd, and Younique.

**COTY INC. & SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(Unaudited)**

(in millions)	<b>March 31,</b>	<b>June 30,</b>
	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 767.0	\$ 372.4
Restricted cash	25.0	—
Trade receivables—less allowances of \$81.7 and \$35.2, respectively	1,380.9	682.9
Inventories	1,034.3	565.8
Prepaid expenses and other current assets	380.4	206.8
Deferred income taxes	158.6	110.5
<b>Total current assets</b>	<b>3,746.2</b>	<b>1,938.4</b>
<b>Property and equipment, net</b>	1,555.8	638.6
<b>Goodwill</b>	8,111.8	2,212.7
<b>Other intangible assets, net</b>	8,968.8	2,050.1
<b>Deferred income taxes</b>	100.9	15.7
<b>Other noncurrent assets</b>	289.8	180.1
<b>TOTAL ASSETS</b>	<b>\$ 22,773.3</b>	<b>\$ 7,035.6</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 1,456.5	\$ 921.4
Accrued expenses and other current liabilities	1,558.7	748.4
Short-term debt and current portion of long-term debt	193.0	161.8
Income and other taxes payable	9.7	18.7
Deferred income taxes	39.8	4.9
<b>Total current liabilities</b>	<b>3,257.7</b>	<b>1,855.2</b>
<b>Long-term debt, net</b>	6,909.3	3,936.4
<b>Pension and other post-employment benefits</b>	603.6	230.6
<b>Deferred income taxes</b>	1,480.2	339.2
<b>Other noncurrent liabilities</b>	385.5	233.8
<b>Total liabilities</b>	<b>12,636.3</b>	<b>6,595.2</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>REDEEMABLE NONCONTROLLING INTERESTS</b>	<b>506.4</b>	<b>73.3</b>
<b>EQUITY:</b>		
Common Stock	8.1	4.0
Additional paid-in capital	11,391.5	2,038.4
Accumulated deficit	(154.4)	(37.0)
Accumulated other comprehensive loss	(193.7)	(239.7)
Treasury stock	(1,441.8)	(1,405.5)
<b>Total Coty Inc. stockholders' equity</b>	<b>9,609.7</b>	<b>360.2</b>
<b>Noncontrolling interests</b>	20.9	6.9
<b>Total equity</b>	<b>9,630.6</b>	<b>367.1</b>
<b>TOTAL LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY</b>	<b>\$ 22,773.3</b>	<b>\$ 7,035.6</b>

**COTY INC. & SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)**

	<b>Nine Months Ended March 31,</b>	
<b>(in millions)</b>	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net (loss) income	\$ (97.5)	\$ 210.4
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	414.9	171.0
Asset impairment charges	—	5.5
Deferred income taxes	(298.3)	(102.6)
Provision for bad debts	23.3	1.9
Provision for pension and other post-employment benefits	44.7	9.3
Share-based compensation	19.1	18.4
Loss on early extinguishment of debt	—	3.1
Other	(0.6)	13.1
Change in operating assets and liabilities, net of effects from purchase of acquired companies:		
Trade receivables	(216.2)	(0.9)
Inventories	172.6	25.0
Prepaid expenses and other current assets	(6.5)	10.9
Accounts payable	339.3	50.4
Accrued expenses and other current liabilities	345.4	39.9
Income and other taxes payable	3.1	(31.0)
Other noncurrent assets	9.9	8.8
Other noncurrent liabilities	(46.5)	12.1
<b>Net cash provided by operating activities</b>	<b>706.7</b>	<b>445.3</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital expenditures	(324.0)	(115.1)
Payment for business combinations, net of cash acquired	(742.6)	(897.3)
Proceeds from sale of asset	10.5	—
Payments related to loss on foreign currency contracts	—	(29.6)
<b>Net cash used in investing activities</b>	<b>(1,056.1)</b>	<b>(1,042.0)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from short-term debt, original maturity more than three months	9.5	17.0
Repayments of short-term debt, original maturity more than three months	(9.7)	(22.2)
Net (repayments) proceeds from short-term debt, original maturity less than three months	(48.7)	6.1
Proceeds from revolving loan facilities	1,809.4	1,590.0
Repayments of revolving loan facilities	(1,624.4)	(620.0)
Proceeds from term loans	1,075.0	2,979.6
Repayments of term loans	(95.7)	(2,474.7)
Dividend paid	(279.2)	(89.0)
Net proceeds from issuance of Class A Common Stock and Series A Preferred Stock and related tax benefits	19.5	36.8
Payments for purchases of Class A Common Stock held as Treasury Stock	(36.3)	(727.9)
Net proceeds from foreign currency contracts	3.8	8.9
Payments for mandatorily redeemable noncontrolling interests	—	(1.7)
Purchase of additional noncontrolling interests	(9.8)	—
Distributions to noncontrolling interests and redeemable noncontrolling interests	(7.5)	(23.5)
Payment of deferred financing fees	(24.8)	(56.3)
Other	—	(1.4)
<b>Net cash provided by financing activities</b>	<b>781.1</b>	<b>621.7</b>
<b>EFFECT OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS</b>	<b>(12.1)</b>	<b>0.3</b>
<b>NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	<b>419.6</b>	<b>25.3</b>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH—Beginning of period</b>	<b>372.4</b>	<b>341.3</b>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH—End of period</b>	<b>\$ 792.0</b>	<b>\$ 366.6</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:</b>		
Cash paid during the period for interest	\$ 132.9	\$ 57.8
Cash paid during the period for income taxes, net of refunds received	63.6	89.0
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING AND INVESTING ACTIVITIES:</b>		
Accrued capital expenditure additions	\$ 70.8	\$ 39.5
Non-cash Common Stock issued for business combination	9,628.6	—
Non-cash debt assumed for business combination	1,943.0	—
Non-cash capital contribution associated with special share purchase transaction	—	13.8
Non-cash redeemable noncontrolling interest for business combinations	410.9	—