

**COTY INC. & SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In millions, except per share data)

	Year Ended June 30,		
	2017	2016	2015
<b>Net revenues</b>	<b>\$ 7,650.3</b>	<b>\$ 4,349.1</b>	<b>\$ 4,395.2</b>
Cost of sales	3,028.5	1,746.0	1,757.0
<b>Gross profit</b>	<b>4,621.8</b>	<b>2,603.1</b>	<b>2,638.2</b>
Selling, general and administrative expenses	4,060.0	2,027.8	2,066.1
Amortization expense	275.1	79.5	74.7
Restructuring costs	372.2	86.9	75.4
Acquisition-related costs	355.4	174.0	34.1
Asset impairment charges	—	5.5	—
Gain on sale of assets	(3.1)	(24.8)	(7.2)
<b>Operating (loss) income</b>	<b>(437.8)</b>	<b>254.2</b>	<b>395.1</b>
Interest expense, net	218.6	81.9	73.0
Loss on early extinguishment of debt	—	3.1	88.8
Other expense, net	1.6	30.4	—
<b>(Loss) income before income taxes</b>	<b>(658.0)</b>	<b>138.8</b>	<b>233.3</b>
Benefit for income taxes	(259.5)	(40.4)	(26.1)
<b>Net (loss) income</b>	<b>(398.5)</b>	<b>179.2</b>	<b>259.4</b>
Net income attributable to noncontrolling interests	15.4	7.6	15.1
Net income attributable to redeemable noncontrolling interests	8.3	14.7	11.8
<b>Net (loss) income attributable to Coty Inc.</b>	<b>\$ (422.2)</b>	<b>\$ 156.9</b>	<b>\$ 232.5</b>
<b>Net (loss) income attributable to Coty Inc. per common share:</b>			
Basic	\$ (0.66)	\$ 0.45	\$ 0.66
Diluted	(0.66)	0.44	0.64
<b>Weighted-average common shares outstanding:</b>			
Basic	642.8	345.5	353.3
Diluted	642.8	354.2	362.9

See notes to Consolidated Financial Statements.

**COTY INC. & SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(In millions, except per share data)

	June 30, 2017	June 30, 2016
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 535.4	\$ 372.4
Restricted cash	35.3	—
Trade receivables—less allowances of \$58.5 and \$35.2, respectively	1,470.3	682.9
Inventories	1,052.6	565.8
Prepaid expenses and other current assets	487.9	206.8
Deferred income taxes	—	110.5
<b>Total current assets</b>	<b>3,581.5</b>	<b>1,938.4</b>
<b>Property and equipment, net</b>	<b>1,632.1</b>	<b>638.6</b>
<b>Goodwill</b>	<b>8,555.5</b>	<b>2,212.7</b>
<b>Other intangible assets, net</b>	<b>8,425.2</b>	<b>2,050.1</b>
<b>Deferred income taxes</b>	<b>72.6</b>	<b>15.7</b>
<b>Other noncurrent assets</b>	<b>281.3</b>	<b>180.1</b>
<b>TOTAL ASSETS</b>	<b>\$ 22,548.2</b>	<b>\$ 7,035.6</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 1,732.1	\$ 921.4
Accrued expenses and other current liabilities	1,796.4	748.4
Short-term debt and current portion of long-term debt	209.1	161.8
Income and other taxes payable	66.0	18.7
Deferred income taxes	—	4.9
<b>Total current liabilities</b>	<b>3,803.6</b>	<b>1,855.2</b>
<b>Long-term debt, net</b>	<b>6,928.3</b>	<b>3,936.4</b>
<b>Pension and other post-employment benefits</b>	<b>549.2</b>	<b>230.6</b>
<b>Deferred income taxes</b>	<b>924.9</b>	<b>339.2</b>
<b>Other noncurrent liabilities</b>	<b>473.4</b>	<b>233.8</b>
<b>Total liabilities</b>	<b>12,679.4</b>	<b>6,595.2</b>
<b>COMMITMENTS AND CONTINGENCIES (Note 24)</b>		
<b>REDEEMABLE NONCONTROLLING INTERESTS</b>	<b>551.1</b>	<b>73.3</b>
<b>EQUITY:</b>		
Preferred stock, \$0.01 par value; 20.0 shares authorized; 4.2 and 1.7 issued and outstanding, at June 30, 2017 and 2016, respectively	—	—
Class A Common Stock, \$0.01 par value; 1,000.0 and 800.0 shares authorized, 812.9 and 138.7 issued and 747.9 and 75.1 outstanding at June 30, 2017 and 2016, respectively	8.1	1.4
Class B Common Stock, \$0.01 par value; 0.0 and 262.0 shares authorized, 0.0 and 262.0 issued and outstanding at June 30, 2017 and 2016, respectively	—	2.6
Additional paid-in capital	11,203.2	2,038.4
Accumulated deficit	(459.2)	(37.0)
Accumulated other comprehensive income (loss)	4.4	(239.7)
Treasury stock—at cost, shares: 65.0 and 63.6 at June 30, 2017 and 2016, respectively	(1,441.8)	(1,405.5)
<b>Total Coty Inc. stockholders' equity</b>	<b>9,314.7</b>	<b>360.2</b>
<b>Noncontrolling interests</b>	<b>3.0</b>	<b>6.9</b>
<b>Total equity</b>	<b>9,317.7</b>	<b>367.1</b>
<b>TOTAL LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY</b>	<b>\$ 22,548.2</b>	<b>\$ 7,035.6</b>

See notes to Consolidated Financial Statements.

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

	Year Ended June 30,		
	2017	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net (loss) income	\$ (398.5)	\$ 179.2	\$ 259.4
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	555.1	232.0	230.9
Asset impairment charges	—	5.5	—
Deferred income taxes	(390.0)	(139.2)	(87.2)
Provision for bad debts	23.4	21.9	4.5
Provision for pension and other post-employment benefits	53.6	9.2	16.2
Share-based compensation	24.6	22.2	30.6
Gain on sale of assets	(3.1)	(24.8)	(7.2)
Loss on extinguishment of debt	—	3.1	88.8
Other	25.9	12.8	20.5
Change in operating assets and liabilities, net of effects from purchase of acquired companies:			
Trade receivables	(279.8)	(44.5)	(43.5)
Inventories	162.3	27.2	29.4
Prepaid expenses and other current assets	(105.7)	6.7	6.0
Accounts payable	540.9	148.2	7.0
Accrued expenses and other current liabilities	479.2	23.3	16.1
Income and other taxes payable	85.0	15.7	127.7
Other noncurrent assets	23.4	9.0	(136.7)
Other noncurrent liabilities	(38.8)	(6.1)	(36.2)
<b>Net cash provided by operating activities</b>	<b>757.5</b>	<b>501.4</b>	<b>526.3</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Capital expenditures	(432.3)	(150.1)	(170.9)
Payments for business combinations, net of cash acquired	(742.6)	(908.7)	11.7
Additions of goodwill	—	—	(30.0)
Proceeds from sale of assets	11.3	29.2	14.8
Payments related to loss on foreign currency contracts	—	(29.6)	—
Other	—	—	3.2
<b>Net cash used in investing activities</b>	<b>(1,163.6)</b>	<b>(1,059.2)</b>	<b>(171.2)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from short-term debt, original maturity more than three months	9.5	19.1	652.2
Repayments of short-term debt, original maturity more than three months	(10.2)	(28.3)	(655.0)
Net (repayments of) proceeds from short-term debt, original maturity less than three months	(49.2)	25.4	11.6
Proceeds from revolving loan facilities	2,244.4	1,940.0	853.0
Repayments of revolving loan facilities	(2,074.4)	(1,430.0)	(1,616.0)
Proceeds from term loans and other long term debt	1,075.0	3,506.2	800.9
Repayments of term loans and other long term debt	(136.1)	(2,499.4)	(784.6)
Dividend payment	(372.6)	(89.0)	(71.0)
Net proceeds from issuance of Class A Common Stock and Series A Preferred Stock and related tax benefits	22.8	44.7	48.5
Net proceeds from issuance of Class A Common Stock to former CEO	—	—	12.5
Purchase of Class A Common Stock from former CEO	—	—	(42.0)
Payments for purchases of Class A Common Stock held as Treasury Stock	(36.3)	(794.9)	(263.1)
Net payments for foreign currency contracts	(1.2)	(9.7)	(37.9)