



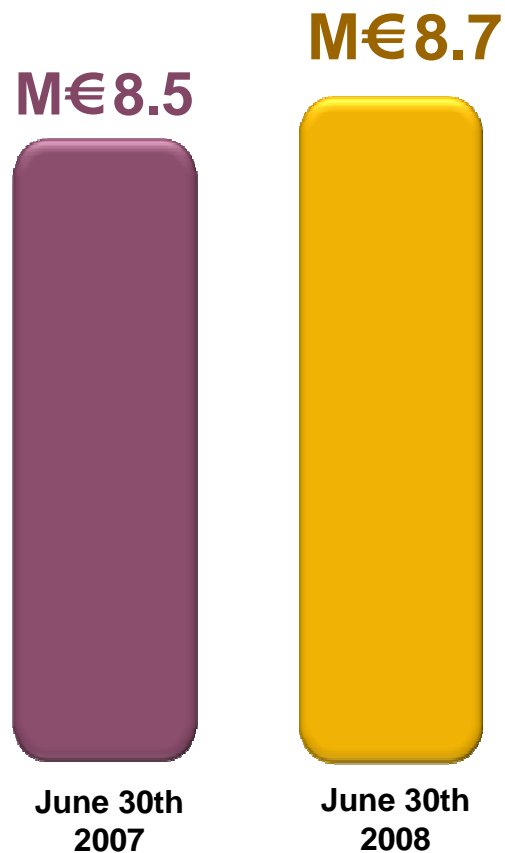
L'ORÉAL

2008 Half-year **Results**

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Executive Vice-Président
Administration & Finance

Friday, August 29th 2008

Consolidated group sales at the end of June 2008



- **Growth at constant exchange rates + 7.1 %**
dont :
 - Growth like-for-like + 5.3 %
 - External growth impact + 1.8 %
- **Exchange rate impact - 5.5 %**
- **Growth published figures + 1.6 %**

Some significant examples of exchange rates evolution (euro parity)



	Weight in consolidated sales at June 30th 2008	Average rate June 2007	Average rate June 2008	Growth 2008 / 2007
US DOLLAR	20.8 %	0.752	0.654	- 13.1 %
STERLING POUND	6.7 %	1.482	1.291	- 12.9 %
CHINESE YUAN	3.7 %	0.098	0.093	- 5.0 %
RUSSIAN ROUBLE	3.6 %	0.029	0.027	- 5.3 %
CANADIAN DOLLAR	2.9 %	0.664	0.650	- 2.1 %
BRAZILIAN REAL	2.4 %	0.368	0.385	+ 4.6 %
YEN (100)	1.9 %	0.627	0.623	- 0.6 %
MEXICAN PESO	1.8 %	0.069	0.062	- 10.4 %

NB: Euro zone represents 37.2 % of consolidated sales at June 30th 2008



Consolidated profit and loss accounts: from sales to operating profit (in millions of euros)

	30.06.2007	% of sales	31.12.2007	% of sales	30.06.2008	% of sales	Growth 30.06.2008 / 30.06.2007 at constant exchange rates* published figures	
Sales	8,514.3	100 %	17,062.6	100 %	8,646.3	100 %	+ 7.1 %	+ 1.6 %
Cost of sales	- 2,428.4	28.5 %	- 4,941.0	29.0 %	- 2,505.3	29.0 %		
Gross profit	6,085.9	71.5 %	12,121.6	71.0 %	6,141.1	71.0 %		
Research & Development	- 272.4	3.2 %	- 559.9	3.3 %	- 272.0	3.1 %		
Advertising & promotion	- 2,599.1	30.5 %	- 5,126.7	30.0 %	- 2,570.1	29.7 %		
Selling, general and adm. expenses	- 1,777.3	20.9 %	- 3,618.2	21.2 %	- 1,829.4	21.2 %		
Foreign exchange gains and losses	+ 3.8	-	+ 10.4	+ 0.1 %	+ 28.1	-		
Operating profit	1,440.9	16.9 %	2,827.2	16.6 %	1,497.7	17.3 %	+ 8.5 %	+ 3.9 %

+ 40 basis points

* At constant exchange rates:
2008 data at 2008 rates / 2007 data at 2007 rates

Gross margin

(as % of sales)



	1 st half 2006	2 nd half	Full year 2006	1 st half 2007	2 nd half	Full year 2007	1 st half 2008
Gross margin	71.5 %	70.6 %	71.1 %	71.5%	70.6 %	71.0 %	71.0 %
Gross margin adjusted of foreign exchange gains and losses*	71.1 %	70.5 %	70.8 %	71.5 %	70.7 %	71.1 %	71.3 %

* Estimated at 78 % of total (80% in 2008)



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Half-yearly results

Operating profit as % of sales



	2001	2002	2003	2004	2004 IFRS	2005	2006	2007	2008
1 st half	11.7 %	14.1 %	15.8 %	15.4 %	16.1 %	15.6 %	17.1 %	16.9 %	17.3 %
2 nd half	12.6 %	11.6 %	12.1 %	14.3 %	14.5 %	15.6 %	15.1 %	16.2 %	-
Full year	12.1 %	12.9 %	14.0 %	14.9 %	15.3 %	15.6 %	16.1 %	16.6 %	-

Operating profit – Branches and divisions (as % of sales)



	Full year 2006	Full year 2007	1 st half 2007	1 st half 2008
Professional Products	20.8 %	21.0 %	21.3 %	21.1 %
Consumer Products	18.0 %	19.1 %	20.6 %	21.4 %
Luxury Products	20.6 %	21.5 %	19.1 %	19.6 %
Active Cosmetics	19.6 %	20.5 %	24.8 %	24.3 %
Cosmetics divisions total	19.1 %	20.0 %	20.6 %	21.1 %
<i>Non allocated*</i>	- 2.9 %	- 3.0 %	- 2.8 %	- 2.9 %
Cosmetics branch total	16.1 %	17.0 %	17.8 %	18.2 %
The Body Shop	13.4 %**	8.1 %	0.4 %	0.1 %
Dermatology branch	17.3 %	16.9 %	8.6 %	11.2 %
Group	16.1 %	16.6 %	16.9 %	17.3 %

* Group central expenses, fundamental research expenses, stock option costs and misc. As % of total sales.

** 2nd half.

Consolidated profit and loss accounts: from operating profit to net profit (in millions of euros)



	30.06.2007	31.12.2007	30.06.2008	Growth at constant exchange rates* published exchange rates* figures	
Operating profit	1,440.9	2,827.2	1,497.7	+ 8.5 %	+ 3.9 %
Finance costs	- 75.4	- 174.5	- 66.7		
Other net financial expenses	- 2.7	- 7.7	- 3.1		
Sanofi-Aventis dividends	250.4	250.4	244.8		
Share in net income of equity affiliates	0.2	0.1	-		
Profit before tax and non-recurrent items	1,613.4	2,895.6	1,672.6	+ 76 %	+ 3.7 %
Tax on profit before non-recurrent items	- 431.2	- 855.5	- 414.6		
Minority interests	- 1.1	- 1.5	- 1.8		
Net profit excluding non-recurrent items after minority interests	1,181.1	2,038.6	1,256.2	+ 10.1 %	+ 6.4 %
Per share** (in euros)	1.94	3.36	2.11	+ 12.3 %	+ 8.5 %
<i>Non-recurrent items ("other income and expenses")</i>	- 6.3	+ 617.4	- 1.7		
<i>Taxes on non-recurrent items</i>	+ 2.8	- 4.2	+ 1.1		
<i>Net profit</i>	<i>1,177.6</i>	<i>2,656.0</i>	<i>1,255.6</i>		
<i>Net profit diluted net earnings per share (€)</i>	<i>1.94</i>	<i>4.38</i>	<i>2.11</i>		
	607,695,515	606,012,471	595,928,002		

* based on identical exchange rates

** Diluted net earnings per share based on net profit excluding non-recurrents items, after minority interests
Average diluted number of shares

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Cash flow statement

(in millions of euros)



	30.06.2007	31.12.2007	30.06.2008
Net income	1 178,7	2 657,5	1 257,4
Depreciation and provisions	249,9	598,5	243,0
Gains and losses on disposals of assets, change in deferred tax and others	26,7	- 535,7	-
Cash flow	1 455,3	2 720,4	1 533,9
Change in working capital requirement	- 453,3	- 76,3	- 630,6
Investments	- 371,0	- 776,0	- 339,4
Operating net cash	631,0	1 868,1	563,9
Dividends paid	- 730,9	- 725,7	- 829,1
Divestments and others	+ 21,7	+ 19,9	+ 8,7
Acquisitions	- 474,1	- 604,4	- 1 298,3
Disposal of Sanofi-Aventis sales	-	1 465,3	-
Share buy-back*	- 487,6	- 1 001,0	- 553,2
Residual cash flow after acquisitions	- 1 039,9	+ 1 022,2	- 2 108,0

* net of sales for stock options exercise

Inventories & trade debtors

(as % of sales)



	June 30th 2007	December 30th 2007	June 30th 2008	June 30th 2008 Excluding YSL
Inventories	9.4 %	9.1 %	9.4 %	9.0 %
Trade debtors	18.2 %	15.3 %	18.0 %	17.4 %

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Yves Saint Laurent Beauté acquisition



- **Main elements of the provisional acquisition balance sheet (€M) :**

- Non current assets	72.4
- Current assets	302.1
of with : - inventories	79.0
- trade debtors	97.0
- Non current liabilities	- 50.1
- Current liabilities	-260.1
	<hr/>
Total net equity acquired	64.4
Goodwill	1 042.6
Price paid	1 107.0

- **Sales figures:**

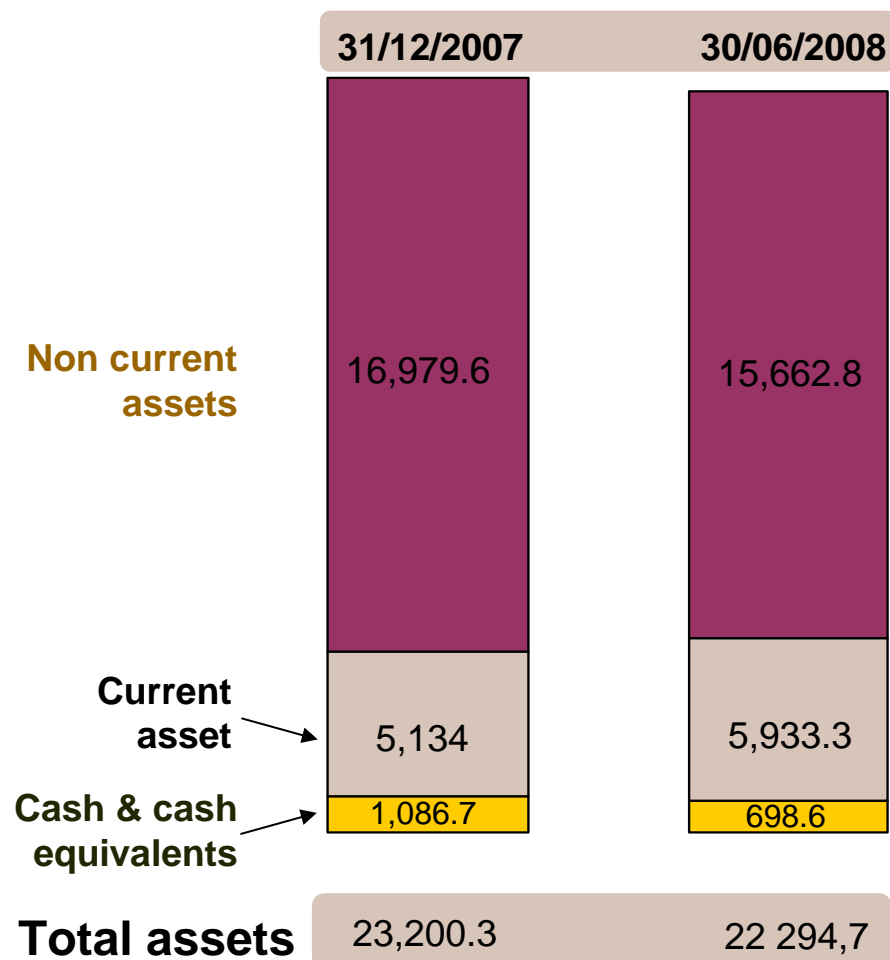
1 st half 2007	2 nd half 2007	Full year 2007	1 st half 2008
€ 290 M	€ 359 M	€ 649 M	€ 299 M

Balance sheet

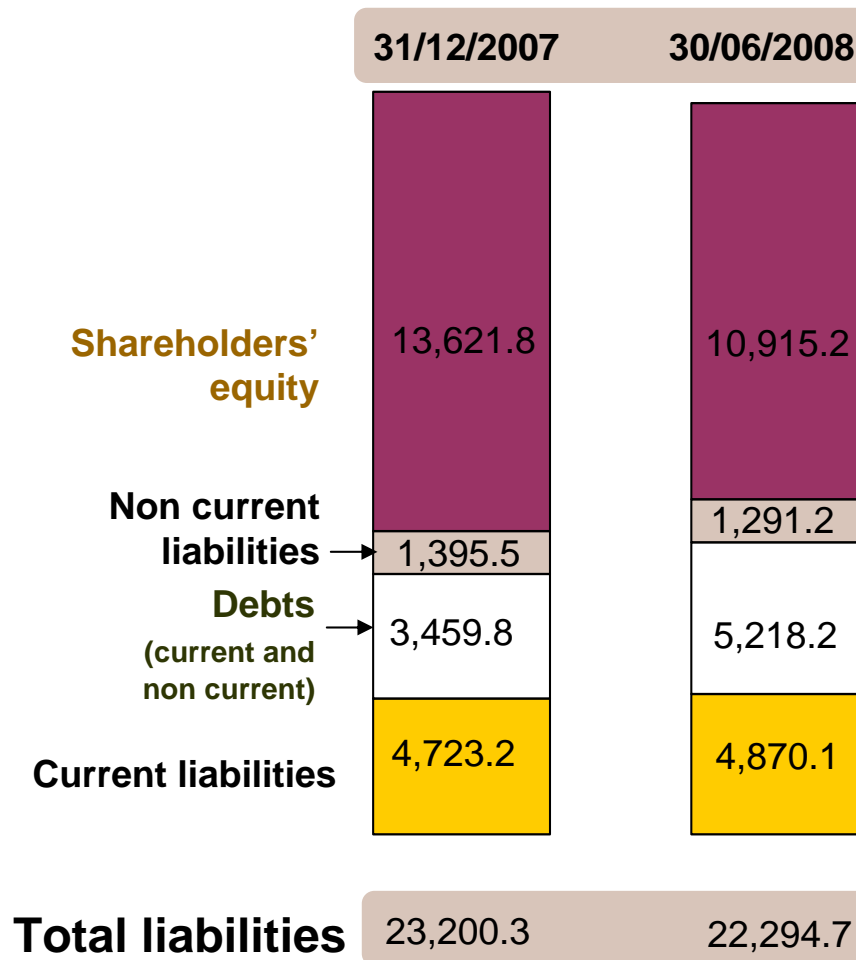
(in millions of euros)



ASSETS



LIABILITIES



Net debt and gearing



	31.12.2006	30.06.2007	31.12.2007	30.06.2008
Net debt	3,329 €M	4,462 €M	2,373 €M	4,520 €M
Gearing*	22.8 %	33.8 %	17.4 %	41.4 %

* Net debt / equity



<http://www.loreal-finance.com>

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