

ACTIVE

# Cosmetics

VICHY  
LA ROCHE-POSAY  
INNÉOV  
SKINCEUTICALS  
SANOFLORE







## Anticipating health expectations in beauty

“As number 1 in the market for dermocosmetics sold in pharmacies, the Active Cosmetics Division’s first challenge is to be the key partner of pharmacists and dermatologists, through a portfolio of unique and complementary brands, backed up by training initiatives to support their development. The second challenge is to roll out the major brands in geographic zones where the potential of the division has not yet been fully realised, in Eastern Europe, Asia and Latin America, and also in the United States. And the third is to continue innovating in the core skincare business, to sustain the major franchises in the catalogue.”

**Brigitte Liberman**  
Managing Director  
Active Cosmetics

### 2008 REVIEW

In a slowing dermocosmetics market, the Active Cosmetics Division recorded +4.2% like-for-like growth, with contrasting results across the geographic zones. Western Europe was down slightly, held back by a weaker pharmacy market and the fall in sales of seasonal products for VICHY. North America continued to grow, with a +4.7% rise in a very troubled market. The Rest of the World zone confirmed its dynamism with double-digit growth of +14%, driven particularly by Latin America and Asia, and today accounts for 36.4% of the division’s sales. Thanks to increased advertising and promotional investments, the division’s global position is being strengthened in its core skincare business.

### 2009 OUTLOOK

The market for dermocosmetics sold in pharmacies should be supported by the intrinsic values of the channel: health, ethics, advice, proximity and good value for money. As the market leader, the Active Cosmetics Division should benefit from several favourable factors: a unique portfolio of complementary brands covering all consumption trends which combine beauty and health; the richness of its product innovation in the key dermocosmetics segments such as acne, anti-ageing, sun protection and bodycare; the focusing of resources and investments on major initiatives; and continuing efforts to boost productivity in organisation and purchasing.

### CONSOLIDATED SALES BY GEOGRAPHIC ZONE

€ millions	2007	2008	% of 2008 sales	Growth 2008/2007 Like-for-like	Growth 2008/2007 Published figures
Western Europe	727.5	716.7	55.6%	-1.5%	-1.5%
North America	105.1	103.3	8.0%	+4.7%	-1.8%
Rest of the World	415.4	469.4	36.4%	+14.0%	+13.0%
<b>TOTAL</b>	<b>1,248.1</b>	<b>1,289.3</b>	<b>100%</b>	<b>+4.2%</b>	<b>+3.3%</b>

### CONSOLIDATED SALES BY BUSINESS SEGMENT

€ millions	2007	2008	% of 2008 sales	Growth 2008/2007 Like-for-like	Growth 2008/2007 Published figures
Skincare	978.4	993.5	77.1%	+2.6%	+1.5%
Haircare	98.8	109.9	8.5%	+11.9%	+11.3%
Make-up	93.7	94.2	7.3%	+1.2%	+0.5%
Other	77.2	91.6	7.1%	+16.4%	+18.7%
<b>TOTAL</b>	<b>1,248.1</b>	<b>1,289.3</b>	<b>100%</b>	<b>+4.2%</b>	<b>+3.3%</b>

# 08 highlights

**Another year of double-digit growth for LA ROCHE-POSAY** with accelerated growth in Latin America, Asia and Eastern Europe.

**VICHY consolidates its world number 1 position** in the anti-ageing segment with the successful Liftactiv CxP range of anti-wrinkle and firming products.



**Relay brands SKINCEUTICALS and SANOFLORE continue their gradual roll-out** in Europe in response to new consumption trends.

**INNÉOV continues to conquer world markets** with a successful move into Brazil. The nutricosmetics brand is strengthening its position as number 1 in the European market.



—VICHY  
Ukraine.

## Innovating in skincare, our core business

### VICHY

Laboratoires Vichy develop everyday skincare products dedicated to skin health and beauty. After a slow start to the year, reflecting an underachievement in seasonal products, VICHY enjoyed a more dynamic second half thanks to major innovations in facial skincare. Liftactiv CxP is an anti-wrinkle firming care product that uses biological action for a lifting effect; Normaderm, an anti-imperfections moisturiser with an improved formula; Aqualia, which is continuing to grow, boosted by the arrival of Aqualia Thermal Mineral Balm. In haircare, the launch of Aminexil Energy to treat premature hair loss is confirming VICHY as the leader in this segment. Number 1 in pharmacy sales in Europe, Asia and Latin America, VICHY continued its roll-out in the United States in 2008.

### LA ROCHE-POSAY

LA ROCHE-POSAY offers a line of everyday dermocosmetics products, and a make-up line that combines maximum tolerance and effectiveness in daily care for all skin types, including the most sensitive. In 2008, the brand's sales grew by 11.4% thanks to the support of over 25,000 dermatologists who prescribe LA ROCHE-POSAY in over 60 countries, and the back-up of active advisory services in pharmacies. The year's highlights included three major launches: the new paraben-free, alcohol-free Physiologique make-up remover, Hydréane moisturiser for sensitive skin with LA ROCHE-POSAY thermal spring water, and Kérium Anti-Hairloss, an intensive treatment containing madecassoside.

### INNÉOV

In 2008, five years after its creation, INNÉOV confirmed its position as number 1 in Europe in the nutricosmetics segment. The brand is renowned for its rigorous scientific approach, the result of collaboration between L'Oréal and Nestlé research teams. INNÉOV's sales and market share grew rapidly, and have been boosted by two major initiatives in particular: Innéov Homme Anti-Chute, the first nutritional concentrate to tackle the four biological causes of hair loss in men, and the brand's launch in Brazil, where INNÉOV received an enthusiastic welcome from dermatologists and consumers.

## Partnership

### 2,000 "PHARMACY-MANAGERS" TRAINED IN 10 COUNTRIES

As the number 1 in dermocosmetics, the division is keen to train and assist its pharmacist partners in their development. In 2008, it celebrated its 2000<sup>th</sup> "Pharmacy Manager". All participants completed the high-level marketing and management course devised by the division. The objective is to respond more effectively to consumer expectations by boosting the attractiveness of the sales outlet and the key values—beauty and health advice and services—of the channel. The "Pharmacy Manager" programme is now operating in over 10 countries and has had very positive results in terms of growth in the dermocosmetics sector.



—VICHY  
Aqualia Thermal mineral balm with its "Bandage" effect rehydrates and repairs the skin.



—LA ROCHE-POSAY  
Kérium Anti-Hairloss: an intensive treatment with madecassoside, for both men and women.



—INNÉOV  
Innéov Homme Anti-Chute strengthens and thickens hair thanks to pine phytosterols.



—LA ROCHE-POSAY  
China.

## Commitments

### Strict dermatological and environmental standards

The first active ingredient of the personal care products, La Roche-Posay thermal spring water is a rare and fragile natural resource. The brand is committed to closely monitoring activities around the spring on a daily basis, checking the quality of the water and more generally protecting the environment. LA ROCHE-POSAY now also offers its consumers a broad range of paraben-free products.



—SKINCEUTICALS  
Italy.

### SKINCEUTICALS

SKINCEUTICALS has consolidated its position as number 1 in medical and professional skincare in medical, aesthetic and medi-spa channels in the United States. The brand's successful entry into the major European markets is the first step in its globalisation. The launch of Phloretin CF serum, the winner of numerous awards in the United States, is bolstering the technological leadership of SKINCEUTICALS in antioxidants.

### SANOFLORE

Experts in organic products, Laboratoires Sanoflore became part of L'Oréal in October 2006. SANOFLORE is positioned as an effective organic brand, offering a full range of organic essential oil-based cosmetics, aromatherapy and phytotherapy products. In 2008, SANOFLORE began its international expansion in the pharmacy channel and through a number of distributors specialising in organic cosmetics. It aims to become a major player in the fast-growing market for natural cosmetics.



—SANOFLORE  
Germany.



—SKINCEUTICALS  
A.G.E. Interrupter addresses the complex phenomenon of intrinsic ageing and the glycation process in particular.



—SANOFLORE  
The aroma draining sap helps combat water retention and drain off toxins for a more slender figure.