

Eastern Europe

L'Oréal's strong trend of dynamic growth continued with like-for-like sales recording a +21.1% increase. However, there was a change in pace in the final quarter due to difficulties experienced by some distributors in Russia and Ukraine. Like-for-like growth remained strong in both of these countries, at +20.7% in Russia and +70.0%⁽¹⁾ in Ukraine. Poland also recorded steady growth. Lastly, the other countries in the region, such as Romania, Croatia and Slovenia, made significant contributions to growth. Among the major successes of the year, the Professional Products Division strengthened its leadership position throughout the zone, particularly in Russia, while LANCÔME achieved a market breakthrough in all countries.

Winning over and modernising Russian hair salons

Fully playing a true leadership role in the Russian market, the Professional Products Division provides the right solution for all salons from the most accessible to the most luxurious end of the market. By focusing on hairdresser training, the division is playing an active part in the emergence of modern, dynamic hair salons. In three years, its sales have more than doubled.

L'ORÉAL PROFESSIONNEL was the first brand introduced in Russia in 1996, and is today present in 3,600 salons. Ranked number 1 for image both by hairdressers and consumers⁽²⁾, the technological leadership of its products, and its Paris fashion-based inspiration are widely recognised. In this premium salon segment, the division strengthened its line-up in 2007 with the launch of the American brand REDKEN 5TH AVENUE.

AFFORDABILITY WITH MATRIX

To meet the needs of more affordable salons keen to provide the best value for money, the division launched MATRIX in 2003. The brand, whose sales grew by +53% in 2008, has already won over 5,600 salons, and is aiming to extend its network much further.

LUXURY PROVES HIGHLY DYNAMIC

The luxury salon segment has also been particularly dynamic over the last few years. Present in more than 400 of the most prestigious salons, KÉRASTASE increased its sales by +33% in 2008. Russian women appreciate highly advanced beauty services and rituals,

(1) Excluding exports.

(2) Source: Image study, hairdressers and consumers, MASMI, 2008.



L'ORÉAL IN RUSSIA

As soon as the market opened up in the early 1990s, L'Oréal rolled out its major brands. Since 2007, L'Oréal has been number 1 in cosmetics in Russia. GARNIER is the skincare market leader, all retail channels combined, and L'ORÉAL PARIS is the leading make-up brand. The Active Cosmetics Division, number 1 in its market, has been boosted by LA ROCHE-POSAY and INNÉOV, which have doubled their sales in two years. Lastly, in a booming selective market, the Luxury Products Division recorded extremely rapid growth.



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KÉRASTASE is highly selective in extending its distribution.

as reflected in the success of the hair beauty institute opened in one of Moscow's most luxurious salons, Sakura. In 2008, the newly created brand KÉRASKIN ESTHETICS made its first appearance in a dozen high-end salons in Moscow and Saint Petersburg. In a country in which over 50% of luxury salons are equipped with beauty care booths, growth prospects for KÉRASKIN ESTHETICS are highly promising.

40,000 HAIRDRESSERS TRAINED IN 2008

A key factor in rolling out the brands, education is crucial in enhancing hairdressers' technical skills and artistry. The Professional Products Division is investing hugely in education via its academy in Moscow, 17 technical centres in provincial Russia, and a large number of demonstrations and artistic shows, including Colour Trophy, which every year brings together the country's top hair colourant specialists. In all, these events and seminars generated more than 40,000 training contacts in 2008.



Lancôme wins over Russian women

In Russia, 9 out of 10 women know the LANCÔME brand. Thousands of them have adopted its Hypnôse mascara, and joined waiting lists to buy Ôscillation vibrating powermascara, launched exclusively in the celebrated department stores GUM and TSUM.



Its success propelled LANCÔME to the top position in mascara sales in 2008. The fragrances were just as well received, with Magnifique topping the sales chart at GUM in the month it was launched. The embodiment of French charm and elegance, LANCÔME inspires the dreams of Russian women, and young women in particular. To get closer to its customers, the brand has almost tripled its sales outlets in three years, while maintaining its highly selective approach. Its sales grew by +21% in 2008.

Maybelline New York is a hit in Ukraine

MAYBELLINE NEW YORK is continued to win over Ukraine. The brand's like-for-like sales increased by +84%⁽¹⁾ in 2008, boosted by the star mascaras Define-A-Lash and Volum'Express, and by Affinitone foundation. Specially adapted to suit the complexion of East European women, Affinitone is a tremendous success in all countries in the zone. By recruiting the top make-up artists in Ukraine, MAYBELLINE NEW YORK reasserts itself as a fashionable brand. It also goes to meet its customers in universities, and is strengthening its advisory role with beauty counsellors in the most dynamic sales outlets. The brand is thus positioning itself at the heart of Ukrainian women's everyday beauty concerns.



(1) Excluding exports.