



# L'ORÉAL

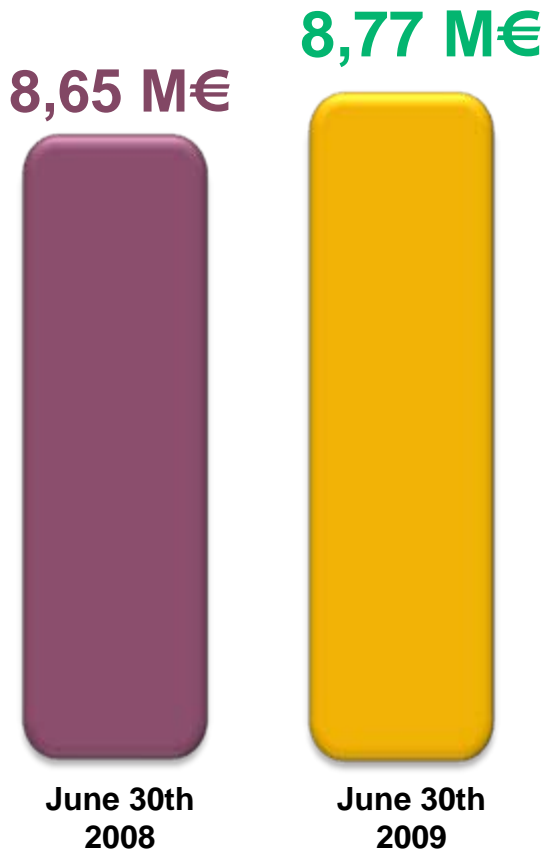
## Résultats 1er semestre 2009 *2009 Half-year Results*

Vendredi 28 août 2009  
*Friday, August 28<sup>th</sup> 2009*

M. Christian MULLIEZ  
Vice-Président Directeur Général  
Administration et Finances

*Executive Vice-President  
Administration & Finance*

# Consolidated group sales at the end of June 2009



- **Growth at constant exchange rates** + **0.4 %**  
Of which :
  - Growth like-for-like - 3.2 %
  - External growth impact + 3.6 %
- **Exchange rate impact** + **1.0 %**
- **Growth published figures** + **1.4 %**

# Some significant examples of exchange rates evolution (euro parity)

	Weight in consolidated sales at June 30th 2009	Average rate June 2008	Average rate June 2009	Growth 2009 / 2008
US DOLLAR	22,8 %	0,654	0,751	14,8 %
STERLING POUND	6,1 %	1,291	1,118	-13,4 %
CHINESE YUAN	5,0 %	0,093	0,110	18,8 %
RUSSIAN ROUBLE	3,1 %	0,027	0,023	-16,9 %
CANADIAN DOLLAR	2,8 %	0,650	0,623	-4,1 %
BRAZILIAN REAL	2,5%	0,385	0,343	-11,0 %
YEN (100)	2,5 %	6,228	7,874	26,4 %
MEXICAN PESO	1,6 %	0,062	0,054	-11,9 %

*NB: Euro represents 35.5 % of consolidated sales at June 30th 2009*

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

	30.06.2008	% of sales	31.12.2008	% of sales	30.06.2009	% of sales	Growth 30.06.2009 / 30.06.2008
<b>Sales</b>	8646,3	100 %	17541,8	100 %	8769,4	100 %	+ 1,4 %
<b>Cost of sales</b>	-2476,0	28,6 %	-5187,2	29,6 %	-2610,1	29,8 %	
<b>Gross profit</b>	6170,3	71,4 %	12354,6	70,4 %	6159,3	70,2 %	
<b>Research &amp; Development</b>	-278,8	3,2 %	-587,5	3,3 %	-286,9	3,3 %	
<b>Advertising &amp; promotion</b>	-2567,3	29,7 %	-5269,1	30,0 %	-2634,5	30,0 %	
<b>Selling, general and adm. expenses</b>	-1826,6	21,1 %	-3773,4	21,5 %	-1864,1	21,3 %	
<b>Operating profit</b>	1497,7	17,3 %	2724,6	15,5 %	1373,9	15,7%	- 8,3 %

Foreign exchange gains and losses have been reclassified to the various lines making up the operating profit. Net sales and operating profit remain unchanged.

# Half-yearly results operating profit (as % of sales)

	2002	2003	2004	2004 IFRS	2005	2006	2007	2008	2009
1 <sup>st</sup> half	14,1 %	15,8 %	15,4 %	16,1 %	15,6 %	17,1 %	16,9 %	17,3 %	<b>15,7 %</b>
2 <sup>nd</sup> half	11,6 %	12,1 %	14,3 %	14,5 %	15,6 %	15,1 %	16,2 %	13,8%	
<b>Full year</b>	<b>12,9 %</b>	<b>14,0 %</b>	<b>14,9 %</b>	<b>15,3 %</b>	<b>15,6 %</b>	<b>16,1 %</b>	<b>16,6 %</b>	<b>15,5 %</b>	

# Operating profit – Branches and divisions

(as % of sales)

	1 <sup>st</sup> half 2008	Full year 2008	1 <sup>st</sup> half 2009
Professional Products	21,1 %	21,0 %	19,1 %
Consumer Products (1)	21,2 %	18,6 %	20,7 %
Luxury Products	19,6 %	18,4 %	11,9 %
Active Cosmetics	24,3 %	20,1 %	27,9 %
<b>Cosmetics divisions total</b>	<b>21,1 %</b>	<b>19,0 %</b>	<b>19,0 %</b>
<i>Non allocated*</i>	- 2,9 %	-3,1 %	-2,7 %
<b>Cosmetics branch total</b>	<b>18,2 %</b>	<b>15,9 %</b>	<b>16,3 %</b>
The Body Shop	0,1 %	4,8 %	1,9 %
Dermatology branch	11,2 %	18,7 %	11,6 %
<b>Group</b>	<b>17,3 %</b>	<b>15,5 %</b>	<b>15,7 %</b>

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

(1) Including CCB

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


	30.06.2008	31.12.2008	30.06.2009	Growth
<b>Operating profit</b>	<b>1 497,7</b>	<b>2724,6</b>	<b>1373,9</b>	<b>- 8,3 %</b>
Finance costs	- 66,7	-174,2	-49,7	
Other net financial expenses	- 3,1	-7,2	-2,8	
Sanofi-Aventis dividends	244,8	244,7	260,1	
<b>Profit before tax and non-recurrent items</b>	<b>1 672,6</b>	<b>2787,9</b>	<b>1581,5</b>	<b>- 5,4 %</b>
Tax on profit before non-recurrent items	- 414,6	-721,5	-368,3	
Minority interests	- 1,8	-2,7	-2,1	
<b>Net profit excluding non-recurrent items after minority interests</b>	<b>1 256,2</b>	<b>2063,6</b>	<b>1211,0</b>	<b>- 3,6 %</b>
<b>Per share* (in euros)</b>	<b>2,11</b>	<b>3,49</b>	<b>2,08</b>	<b>- 1,5 %</b>

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

595 928 002

590 920 078

583 140 468



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

	30.06.2008	31.12.2008	30.06.2009
<b>Net profit excluding non-recurrent items after minority interests</b>	1256,2	2063,6	1211,0
<b>Non-recurrent items</b>	-0,6	-115,5	-127,5
<i>Of which: 'other income and expenses'</i>	-1,7	-156,3	-168,7
<i>Taxes on non-recurrent items</i>	+1,1	+40,8	+41,2
<b>Net Profit</b>	1255,6	1948,3	1083,5
Net profit per share* (€)	2,11	3,30	1,86

\* On average diluted number of shares.

# Cash flow statement

(in millions of euros)

	30.06.2008	31.12.2008	30.06.2009
Net income	1 257,4	1950,9	1085,6
Depreciation and provisions	+ 243,0	+ 706,1	+ 398,3
Gains and losses on disposals of assets, change in deferred tax and others	+ 33,5	+ 88,9	+ 69,5
<b>Cash flow</b>	<b>1 533,9</b>	<b>2745,9</b>	<b>1553,4</b>
Change in working capital requirement	- 630,6	- 148,8	- 309,9
Investments	- 339,4	- 745,9	- 303,4
<b>Operating net cash</b>	<b>563,9</b>	<b>1851,2</b>	<b>940,1</b>
Dividends paid	- 829,1	- 849,2	- 849,4
Divestments and others	+ 8,7	-0,2	+ 33,7
Acquisitions	- 1 298,3	- 1299,1	- 83,3
Disposal of Sanofi-Aventis Shares	-	-	-
Share buy-back*	- 553,2	- 912,6	0
<b>Residual cash flow after acquisitions</b>	<b>- 2 108,0</b>	<b>-1209,9</b>	<b>41,1</b>

\* net of sales for stock options exercise



# Inventories & trade debtors

(as % of sales)

	June 30 <sup>th</sup> 2008	December 31 <sup>th</sup> 2008	June 30 <sup>th</sup> 2009
Inventories	9,4 %	9,3 %	8,7 %
Trade debtors	18,0 %	15,4 %	16,1 %

# Cash flow statement

(in millions of euros)

	30.06.2008	31.12.2008	30.06.2009
Net income	1 257,4	1950,9	1085,6
Depreciation and provisions	+ 243,0	+ 706,1	+ 398,3
Gains and losses on disposals of assets, change in deferred tax and others	+ 33,5	+ 88,9	+ 69,5
<b>Cash flow</b>	<b>1 533,9</b>	<b>2745,9</b>	<b>1553,4</b>
Change in working capital requirement	- 630,6	- 148,8	- 309,9
Investments	- 339,4	- 745,9	- 303,4
<b>Operating net cash</b>	<b>563,9</b>	<b>1851,2</b>	<b>940,1</b>
Dividends paid	- 829,1	- 849,2	- 849,4
Divestments and others	+ 8,7	-0,2	+ 33,7
Acquisitions	- 1 298,3	- 1299,1	- 83,3
Disposal of Sanofi-Aventis Shares	-	-	-
Share buy-back*	- 553,2	- 912,6	0
<b>Residual cash flow after acquisitions</b>	<b>- 2 108,0</b>	<b>-1209,9</b>	<b>41,1</b>

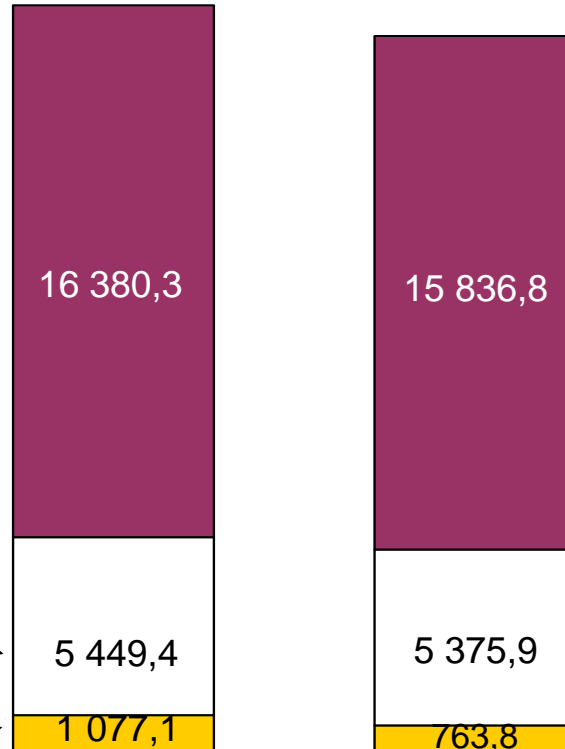
\* net of sales for stock options exercise

# Balance sheet (in millions of euros)

## ASSETS

31/12/2008

30/06/2009



Non current assets

Current assets

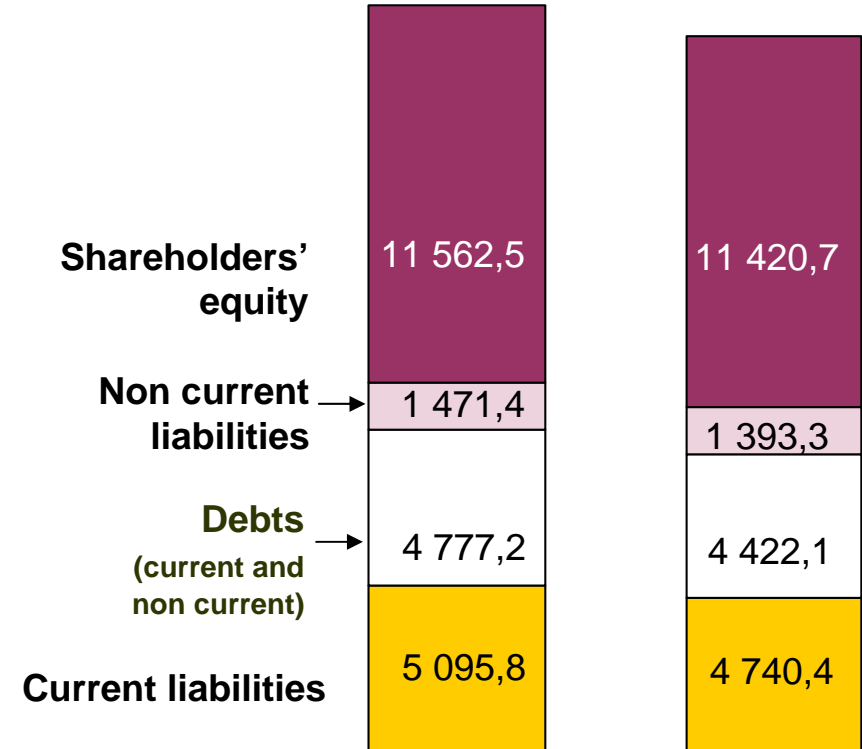
Cash & cash equivalents

**Total assets**

## LIABILITIES

31/12/2008

30/06/2009



Shareholders' equity

Non current liabilities

Debts (current and non current)

Current liabilities

**Total liabilities**

The balance sheet at 31/12/2008 has been reprocessed to take into account the changes in accounting methods relating to samples and PLV costs, loyalty programmes and the recognition of the rate spread regarding social responsibility. The impact on the balance sheet's total is €50m.

# Net debt and gearing

	30.06.2008	31.12.2008	30.06.2009
<b>Net debt</b>	<b>4 520 M€</b>	<b>3 700 M€</b>	<b>3 658 M€</b>
<b>Gearing*</b>	<b>42,0 %</b>	<b>32,0 %</b>	<b>32,0 %</b>

\* Net debt / equity



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

**Thierry Prevot**  
**Directeur Général de la Communication Financière**  
**Group General Manager, Financial Communications**  
**Tel. : + 33 1 47 56 86 22**  
**Fax : + 33 1 47 56 74 93**  
**email : tprevot@dgaf.loreal.com**

**Caroline Millot**  
**Directeur des Relations avec les Investisseurs**  
**Head of Investors Relations**  
**Tel. : + 33 1 47 56 86 82**  
**Fax : + 33 1 47 56 74 93**  
**email : cmillot@dgaf.loreal.com**

-----Avertissement / Disclaimer -----

«Ce document ne constitue pas une offre de vente ou la sollicitation d'une offre d'achat de titres L'Oréal. Si vous souhaitez obtenir des informations plus complètes concernant L'Oréal, nous vous invitons à vous reporter aux documents publics déposés en France auprès de l'Autorité des Marchés Financiers (également disponibles en version anglaise sur notre site Internet [www.loreal-finance.com](http://www.loreal-finance.com)). Ce document peut contenir certaines déclarations de nature prévisionnelle. Bien que la Société estime que ces déclarations reposent sur des hypothèses raisonnables à la date de publication du présent communiqué, elles sont par nature soumises à des risques et incertitudes pouvant donner lieu à un écart entre les chiffres réels et ceux indiqués ou induits dans ces déclarations.»

*"This document does not constitute an offer to sell, or a solicitation of an offer to buy, L'Oréal shares. If you wish to obtain more comprehensive information about L'Oréal, please refer to the public documents registered in France with the Autorité des Marchés Financiers (which are also available in English on our Internet site: [www.loreal-finance.com](http://www.loreal-finance.com)). This document may contain some forward-looking statements. Although the Company considers that these statements are based on reasonable hypotheses at the date of publication of this release, they are by their nature subject to risks and uncertainties which could cause actual results to differ materially from those indicated or projected in these statements."*