

Clichy, February 11th, 2013 at 6:00 p.m.

Annual Results 2012

STRONG GROWTH IN SALES AND PROFITS

- **Sales: 22.46 billion euros**
 - +10.4% based on reported figures
 - +6.2% excluding currency fluctuations
 - +5.5% like-for-like
- **Operating profit: +12.3% at 16.5% of sales**
- **Net profit after non-controlling interests: +17.6%**
- **Net earnings per share*: +13.6% at 4.91 euros**
- **Dividend**: +15% at 2.30 euros**
- **Net cash flow: +26.4% at 2.58 billion euros**

The Board of Directors of L'Oréal met on February 11th, 2013 under the chairmanship of Jean-Paul Agon and in the presence of the Statutory Auditors. The Board closed the consolidated financial statements and the financial statements for 2012.

Commenting on the annual results, Mr Jean-Paul Agon, Chairman and Chief Executive Officer of L'Oréal, said:

"2012 was a good year for L'Oréal on many fronts. The Group achieved strong sales growth, and once again demonstrated its ability to outperform the beauty market, and to gain market share, even in the more difficult markets of Western Europe and the United States. 2012 was also a very good vintage in terms of innovations – amongst the most remarkable in the industry – in each of our Divisions and major business segments.

2012 also marked a milestone in the acceleration of the Group's internationalisation, as the "New Markets" became the number one geographic zone.

Lastly, the profits and cash flow have grown very strongly, reaching record levels, and confirming the power of our business model.

In view of these successes and improvements, we are facing the future with optimism and confidence. Confidence in the positive dynamics of our market. Confidence in the strength of our "Beauty for all" mission, in our "universalisation" strategy, and in our ambition to conquer one billion new consumers. And finally, confidence in the fundamentals of L'Oréal: its research, its ability to innovate and create high quality products, its outstanding portfolio of brands, its business model, which creates both value and cash flow, and lastly the unique strength of its teams.

The Group is thus well prepared to outperform the market in 2013, and to achieve another year of sales and profit growth."

The Board of Directors has decided to propose to the Annual General Meeting of April 26th, 2013 the payment of a dividend of 2.30 euros per share, an increase of +15% compared with the previous year, and the setting up of a new share buyback plan amounting to 500 millions in the 1st half of 2013.

The Board will also propose to the Annual General Meeting the renewal of the terms of office of Mrs Françoise Bettencourt Meyers, of Mr Peter Brabeck-Letmathe and Mr Louis Schweitzer. It will also propose the appointment as new Board Director of Mrs Virginie Morgon, Executive Board Member and Chief Investment Officer of Eurazeo, one of the leading investment companies listed in Europe.

*Diluted net earnings per share, based on net profit excluding non-recurring items after non-controlling interests.

** Proposed at the Annual General Meeting of April 26th, 2013.

A – 2012 sales

Like-for-like, i.e. based on a comparable structure and identical exchange rates, the sales trend of the L'Oréal Group was +5.5%.

The net impact of changes in consolidation amounted to +0.7%.

Currency fluctuations had a positive impact of +4.2%.

Growth at constant exchange rates was +6.2%.

Based on reported figures, the Group's sales, at December 31st, 2012, amounted to 22.463 billion euros, an increase of +10.4%.

Sales by operational division and geographic zone

	4 th quarter 2012			At December 31 st , 2012		
	€m	Growth		€m	Growth	
		Like-for-like	Reported		Like-for-like	Reported
<u>By operational division</u>						
Professional Products	741.7	2.4%	5.3%	3,002.6	2.1%	6.7%
Consumer Products	2,613.4	5.8%	8.7%	10,713.2	5.0%	8.9%
L'Oréal Luxe	1,516.7	6.2%	12.3%	5,568.1	8.3%	16.0%
Active Cosmetics	331.9	7.1%	8.6%	1,528.0	5.8%	7.5%
Cosmetics total	5,203.6	5.5%	9.2%	20,811.9	5.5%	10.3%
<u>By geographic zone</u>						
Western Europe	1,805.0	1.4%	3.2%	7,399.6	0.6%	2.1%
North America	1,289.0	7.3%	14.8%	5,210.7	7.2%	18.3%
New Markets, of which:	2,109.6	8.2%	11.3%	8,201.6	9.2%	13.6%
- Asia, Pacific	1,089.0	6.5%	11.7%	4,287.0	9.6%	18.4%
- Eastern Europe	381.1	4.0%	7.4%	1,405.0	3.9%	5.1%
- Latin America	474.7	13.5%	12.0%	1,826.6	10.4%	8.7%
- Africa, Middle East	164.7	14.6%	16.9%	683.0	14.7%	17.6%
Cosmetics total	5,203.6	5.5%	9.2%	20,811.9	5.5%	10.3%
The Body Shop	290.3	4.1%	9.8%	855.3	4.9%	11.4%
Dermatology ⁽¹⁾	236.4	0.9%	4.8%	795.5	5.9%	12.9%
Group total	5,730.2	5.3%	9.0%	22,462.7	5.5%	10.4%

(1) Group share, i.e. 50%.

1) Cosmetics sales

PROFESSIONAL PRODUCTS

In a market affected by the slowdown in southern European countries, and the low weight of the New Markets, the Professional Products Division posted +2.1% like-for-like and +6.7% reported growth in 2012.

- In the technical products category, the new-generation long-lasting hair colourant ODS2 (Oil Delivery System) was rolled out worldwide under the brands *INOA2* by *L'Oréal Professionnel*, *Chromatics* by *Redken* and, at the end of the year, *ColorInsider* by *Matrix*. Haircare is growing strongly, boosted by hair oils, and by the rising momentum of the Division's luxury brands: *Kérastase*, with *Cristalliste* and with the recent launch of *Initialiste*, the first beauty serum with plant stem cells, along with *Pureology* and *Shu Uemura Art of Hair*.
- The Division is making progress in Germany, France and the United Kingdom, but sales have receded in southern Europe because of a decline in salon visits. In the United States, the year was marked by SalonCentric's supply chain reorganisation. The Division's positions are rising strongly in the New Markets in Eastern Europe, Asia and the Middle East.

CONSUMER PRODUCTS

The Consumer Products Division achieved sales growth of +5% like-for-like and +8.9% based on reported figures, driven by strategic advances in Western Europe and North America, along with major product initiatives.

- Haircare is growing strongly, thanks to the good results of the renewal of *Elvive* by *L'Oréal Paris*, its new *Arginine Resist* for fragile hair, and hair oils. In hair colourants, the year-end was marked by the launch of *Olia* by *Garnier*, the first home-use hair colourant to feature ODS technology. This initiative, which marks a breakthrough in the market, is making a strong start in Western Europe, and will then be rolled out worldwide. The facial skincare category is growing, thanks to the worldwide success of *Revitalift Laser* by *L'Oréal Paris*, a major anti-ageing innovation with a high concentration of *Proxylane*; and *BB Cream* by *Garnier*, whose success has effectively created a completely new category. Finally, the make-up category was enlivened by the innovative *Volume Express Mega Plush* mascara by *Maybelline* and by the start of the internationalisation of the *Essie* brand.
- The Division set a new all-time record for market share in Western Europe – notably in France – along with North America. In the New Markets, the Division is improving its positions in Mexico, Chile, Indonesia, Thailand and Turkey.

L'ORÉAL LUXE

In 2012, L'Oréal Luxe sales grew by 8.3% like-for-like and +16% based on reported figures. In each of the four quarters, the Division significantly outperformed market growth, thanks especially to the dynamism of *Lancôme*, and the good performances in Asia and North America.

- The *Lancôme* brand grew strongly, driven by innovations – in facial skincare with *Génifique Yeux Light Pearl*, and in fragrances with the launch of *La Vie est Belle*, the top worldwide launch of the year in its category – and thanks to the brand's new premium luxury positioning, with *Absolue L'Extrait*. The year 2012 also brought a change of status for *Yves Saint Laurent*, which received the Prestige Brand of the Year award from the American magazine WWD: the brand is strengthening its multi-business segment dimension with the launch of *Forever Youth Liberator* facial skincare, the success in make-up of *Vernis à Lèvres*, and more recently, the European launch of the women's perfume, *Manifesto*. The strategic facial skincare category is growing strongly. The successes of *Lancôme* are backed up by the powerful worldwide growth of *Kiehl's* and the growth of *Clarisonic* in instrumental cosmetics in the United States. Women's fragrances are also being supported by the launch of *Ralph Lauren's Big Pony Collection for Women* and by the rising momentum of *Flowerbomb* by *Viktor & Rolf*.

In make-up, the end of the year was notable for the launch of *Maestro* foundation by *Giorgio Armani*, with a remarkably innovative formula, and finally for the acquisition in December of the Californian make-up brand *Urban Decay*.

- The Division outperformed the market in all the major zones and in Travel Retail.

ACTIVE COSMETICS

2012 was a particularly good year for the Division, with sales growth of 5.8% like-for-like, and 7.5% based on reported figures, which is roughly twice as fast as the trend in the dermocosmetics market.

- 2012 brought a new start for *Vichy*, driven by its new brand identity, and strong initiatives such as *Idéalia*, in skincare, and *Dercos Neogenic*, the first hair redensifying treatment with stemoxydine. The *La Roche-Posay* brand, strongly established with 25,000 dermatologists, is maintaining its strong growth rate, and has in fact become the top dermocosmetics brand in Brazil. Its latest innovation, *Redermic-R* is extremely promising. The Division's relay brands are making a strong contribution to its success. *SkinCeuticals*, the premium medical and professional brand, is continuing its internationalisation.
- Lastly, 2012 was the first-ever year in which the Division made more than 50% of its sales outside Western Europe. It also made a breakthrough in North America, and is maintaining its strong dynamism in Latin America.

Multi-division summary by geographic zone

WESTERN EUROPE

The European context saw the decline of markets in the southern countries, particularly in hair salons and the luxury segment, and the resilience of the rest of Europe. At 12 months, L'Oréal sales increased by +0.6% like-for-like, and +2.1% based on reported figures, thus raising its market share, particularly in the Consumer Products Division, which consolidated its number one position. The Group performed well, particularly in France – where the acquisition of *Cadum* fully played its part – in the United Kingdom, in Germany and in Northern Europe.

NORTH AMERICA

In North America, L'Oréal ended 2012 with growth of 7.2% like-for-like and 18.3% based on reported figures. The good results seen in 2011 were surpassed in 2012. The Consumer Products Division became n°1 in its segment, thanks to strong growth at *Garnier*, *Maybelline* and *Essie*. The end of the year was marked by the strategic launch of *L'Oréal Paris Advanced Hair Care*. L'Oréal Luxe outperformed its market, thanks especially to *Clarisonic*. The Active Cosmetics Division significantly increased its presence in drugstores.

NEW MARKETS

- **Asia, Pacific:** L'Oréal achieved annual growth of +9.6% like-for-like and +18.4% based on reported figures. The Group is increasing market share in the region. While the selective channel context slowed in the second half, particularly in South Korea and in Travel Retail, L'Oréal strengthened its positions thanks to initiatives by *Lancôme*, *Kiehl's* and *Yves Saint Laurent*. In China, the Group grew faster than the market, especially with L'Oréal Luxe, *Maybelline* and *L'Oréal Paris Men Expert*. India, Indonesia and Thailand are particularly dynamic, driven by local initiatives such as *Colossal Kajal* by *Maybelline*, and the *Garnier Men* range.
- **Eastern Europe:** With sales growth of +3.9% like-for-like and +5.1% based on reported figures, the Group is continuing its recovery, and is once again growing faster than the market. The turnaround is being driven by the Professional Products Division, with its conquest of new hair salons, particularly in Russia and Poland, and by the Consumer Products Division, thanks to the success of *Elvive Arginine* by *L'Oréal Paris* and *Garnier ColorSensation* hair colourants.

- **Latin America** : L'Oréal achieved like-for-like growth of +10.4% and +8.7% based on reported figures, with increased growth in the second half. In 2012, L'Oréal became the market leader in Mexico, and expanded its positions in Chile, Argentina and Uruguay.
L'Oréal accelerated its roll-out in the countries of Central America, and in Colombia, with the acquisition of the *Vogue* brand, the mass-market make-up leader in Colombia.
In Brazil, the initiatives of *Elvive Arginine Resist*, hair oils and hair colourants led to an improvement in positions. The dynamism of the Active Cosmetics Division in this zone is also worth noting.
- **Africa, Middle East** : With growth of +14.7% like-for-like and +17.6% based on reported figures, the Africa Middle East zone recorded very good performances in Turkey, the Gulf States and the Levant. 2012 was notable for the rising momentum of new subsidiaries in Egypt and Kenya, and the opening of a new subsidiary in Saudi Arabia.

2) The Body Shop sales

2012 was a year of acceleration for *The Body Shop*, whose sales grew by +4.9% like-for-like and +11.4% based on reported figures.

The brand unveiled its new "*Beauty with Heart*" identity in 2012, and started rolling out the new "Pulse" store concept. In addition, *The Body Shop* continued its multi-channel approach with a strong increase in e-commerce.

In 2012, the brand strengthened its offering in skincare categories, with the success of the *Chocomania* bodycare range, and in facial skincare, with the innovative *Drops of Youth*.

The Body Shop achieved dynamic sales in the Middle East and in south-east Asia, while recording solid scores in Europe.

3) Galderma sales

Galderma sales increased by +5.9% like-for-like and +12.9% based on reported figures, with a fourth quarter which, as announced, reflected the impact of competition from generics in prescription products, especially in the United States.

Epiduo (acne) and *Oracea* (rosacea) are continuing to grow in the prescription products category. *Epiduo* is the world's leading prescription product in the topical acne treatment market.

Sales of over-the-counter (OTC) products increased strongly, driven by *Cetaphil* (a hydrating and cleansing skincare range).

The strong growth of the *Restylane* range (dermal filler) and the success of *Azzalure* (muscle relaxant) have this year once again helped to make *Galderma* one of the world leaders in the aesthetic and corrective dermatology market.

Asia and Latin America are growing strongly.

B – Important events during the period 10/01/12 - 12/31/12

- On October 24th, 2012, L'Oréal USA signed an agreement for the acquisition of Emiliani Enterprises for its SalonCentric Division. The acquisition was finalised on December 15th, 2012.
- On October 31st, 2012, L'Oréal acquired the *Vogue* make-up brand in Colombia. The acquisition was finalised on January 31st, 2013.
- On November 7th, 2012, in Indonesia, L'Oréal inaugurated its largest factory in the world, to meet the rapidly growing demand from the beauty market in south-east Asia.
- On November 14th, 2012, a new subsidiary, L'Oréal KSA, was founded in Saudi Arabia. L'Oréal holds 75% of the entity.

- On November 26th, 2012, L'Oréal signed an agreement to acquire *Urban Decay*. The acquisition was finalised on December 17th, 2012.
- On December 10th, 2012, Galderma Pharma S.A. signed an agreement to acquire Spirig Pharma A.G., a major player in the Swiss dermatology market.
- On December 11th, 2012, in Mexico, L'Oréal inaugurated the largest hair colourant product factory in the world.

C – Results 2012

Audited financial statements, certification in progress.

1) Operating profitability at 16.5% of sales

Consolidated profit and loss account: from sales to operating profit.

	2011		2012	
	€m	% sales	€m	% sales
Sales	20,343.1	100.0%	22,462.7	100.0%
<i>Cost of sales</i>	- 5,851.5	28.8%	-6,587.7	29.3%
Gross profit	14,491.6	71.2%	15,875.0	70.7%
<i>Research and development expenses</i>	- 720.5	3.5%	- 790.5	3.5%
<i>Advertising and promotion expenses</i>	- 6,291.6	30.9%	- 6,776.3	30.2%
<i>Selling, general and administrative expenses</i>	- 4,186.9	20.6%	- 4,610.9	20.5%
Operating profit	3,292.6	16.2%	3,697.3	16.5%

Gross profit increased by 9.5%; it came out at 70.7% of sales, compared with 71.2% in 2011. As in the 1st semester, the gross profit underwent the combined effects of the exchange rate effect due to the weakening of the euro against the main currencies, of the impact of the consolidation of the American company *Clarisonic*, and of a slight increase in customer allowances, in the context of arbitrage with advertising and promotion expenses.

Research expenses increased strongly at +9.7%, and remained stable as a percentage of sales at 3.5%.

Advertising and promotion expenses increased by 7.7%; they came out at 30.2% of sales, slightly below the figure for 2011.

Selling, general and administrative expenses, at 20.5% of sales, once again declined by 10 basis points compared with 2011.

Overall, **operating profit** at 3,697 million euros, has increased by 12.3%, reflecting a significant improvement in profitability compared with 2011, at 30 basis points.

2) Operating profit by branch and division

	2011		2012	
	€m	% sales	€m	% sales
<u>By operational division</u>				
Professional Products	578.6	20.6%	615.2	20.5%
Consumer Products	1,859.0	18.9%	2,050.8	19.1%
L'Oréal Luxe	926.3	19.3%	1,077.0	19.3%
Active Cosmetics	286.7	20.2%	311.2	20.4%
Cosmetics divisions total	3,650.6	19.3%	4,054.3	19.5%
<i>Non-allocated*</i>	- 546.2	- 2.9%	-577.2	-2.8%
Cosmetics branch total	3,104.4	16.5%	3,477.1	16.7%
The Body Shop	68.1	8.9%	77.5	9.1%
Dermatology branch**	120.1	17.0%	142.6	17.9%
Group	3,292.6	16.2%	3,697.3	16.5%

* *Non-allocated* = Central Group expenses, fundamental research expenses, stock options and free grant of shares expenses and miscellaneous items. As a % of cosmetics sales.

** Group share, i.e. 50%.

The profitability of the Professional Products Division at 20.5% is in line with 2011. The profitability of the Consumer Products Division and the Active Cosmetics Division once again improved in 2012. The profitability of L'Oréal Luxe remained stable in 2012, at 19.3%.

The Body Shop continued to improve its profitability by 20 basis points in 2012, at 9.1%. Finally, the profitability of Galderma, at 17.9% of sales, grew by 90 basis points in 2012.

3) Profitability by geographic zone

Operating profit	2011		2012	
	€m	% sales	€m	% sales
Western Europe	1,512.3	20.9%	1,576.2	21.3%
North America	810.1	18.4%	959.7	18.4%
New Markets	1,328.1	18.4%	1,518.4	18.5%
Cosmetics zones total*	3,650.6	19.3%	4,054.3	19.5%

* *Before non-allocated.*

Profitability in Western Europe improved by 40 basis points at 21.3%. Profitability in North America remained stable and its operating profit increased by 18.5%.

Profitability in the New Markets increased by 10 basis points at 18.5%, and their operating profit grew by more than 14%.

4) Net earnings per share^{**} : 4.91 euros

Consolidated profit and loss accounts: from operating profit to net profit excluding non-recurring items.

€m	2011	2012	% change
Operating profit	3,292.6	3,697.3	+12.3%
<i>Financial revenues and expenses excluding dividends received</i>	- 25.2	- 11.0	
Sanofi dividends	295.6	313.4	
Profit before tax excluding non-recurring items	3,563.1	3,999.7	+12,3%
<i>Income tax excluding non-recurring items</i>	- 977.6	- 1,025.3	
<i>Non-controlling interests</i>	- 2.5	-2.7	
Net profit excluding non-recurring items after non-controlling interests	2,582.9	2,971.7	+15.1%
Net EPS** (€)	4.32	4.91	+13.6%
Net profit after non-controlling interests	2,438.4	2,867.7	+17.6%
Diluted net EPS after non-controlling interests (€)	4.08	4.74	
Diluted average number of shares	597,633,103	605,305,458	

* Net profit excluding non-recurring items after non-controlling interests does not include impairment of assets, restructuring costs, tax effects or non-controlling interests.

** Diluted net earnings per share excluding non-recurring items after non-controlling interests.

Total finance costs amounted to 11 million euros.

Dividends from Sanofi amounted to 313 million euros.

Income tax excluding non-recurring items amounted to 1,025 million euros, representing a rate of 25.6%, below the 2011 rate of 27.4%, with the benefit of a non-recurring fiscal change effect in China.

Net profit excluding non-recurring items after non-controlling interests amounted to 2,972 million euros, up by 15.1%.

Net earnings per share, at 4.91 euros, increased by +13.6%.

After allowing for non-recurring items, representing in 2012 a charge, net of tax, of 104 million euros, **net profit after non-controlling interests** amounted to 2,868 million euros, an increase of 17.6%.

5) Cash flow statement, Balance sheet and Net financial situation

Gross cash flow amounted to 3,661 million euros, an increase of +13.5%.

The **working capital requirement** increased modestly, in 2012, by 129 million euros.

Inventories declined significantly as a percentage of sales, at 9.1% at end-2012; **trade accounts receivable** also declined, at 14.3% of sales; **investments**, at 955 million euros, amounted to 4.3% of sales, an identical level to 2011. As a result, **operating cash flow** increased by 26.4%.

After dividend payment and acquisitions (mainly *Cadum* and *Urban Decay*), the Group recorded, at December 31st, 2012, a **net cash surplus** of 1,575 million euros, compared with 504 million euros at end-2011.

The balance sheet structure is very solid. The reinforcement of shareholders' equity compared with end-2011 is mainly the result of profit allocated to reserves and the net increase in value of the Sanofi shares, valued at market price.

6) Proposed dividend at the Annual General Meeting of April 26th, 2013

The Board of Directors has decided to propose that the Shareholders' Annual General Meeting of April 26th, 2013 should approve a dividend of 2.30 euros per share, an increase of +15% compared with the dividend paid in 2012. This dividend will be paid on May 10th, 2013 (ex-dividend date May 7th, 2013 at 0:00 a.m., Paris time).

7) Share capital

The Board of Directors has set the amount of the share capital at 31st December, 2012 to **608,810,827** shares with a par value of 0.20 euro, representing a total of 121,762,165.40 euros.

"This news release 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, also available in English on our Internet site www.loreal-finance.com.

This news release 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."

This a free translation into English of the 2012 Annual Results press release issued in the French language and is provided solely for the convenience of English speaking readers. In case of discrepancy, the French version prevails.

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D – Appendices

Appendix 1: L'Oréal Group sales 2011/2012 (€millions)

	2011	2012
<u>First quarter:</u>		
Cosmetics	4,861	5,309
The Body Shop	170	180
Dermatology	130	154
First quarter total	5,160	5,643
<u>Second quarter:</u>		
Cosmetics	4,644	5,162
The Body Shop	168	194
Dermatology	177	215
Second quarter total	4 989	5 570
<u>First half:</u>		
Cosmetics	9,505	10,471
The Body Shop	337	374
Dermatology	307	368
First half total	10,150	11,213
<u>Third quarter:</u>		
Cosmetics	4,600	5,137
The Body Shop	166	191
Dermatology	172	191
Third quarter total	4,938	5,519
<u>Nine months:</u>		
Cosmetics	14,105	15,608
The Body Shop	503	565
Dermatology	479	559
Nine months total	15,087	16,732
<u>Fourth quarter:</u>		
Cosmetics	4,766	5,204
The Body Shop	264	290
Dermatology	226	236
Fourth quarter total	5,256	5,730
<u>Full year</u>		
Cosmetics	18,871	20,812
The Body Shop	768	855
Dermatology	705	796
Full year total	20,343	22,463

Appendix 2: Compared consolidated income statements

€ millions	2012	2011	2010
Net sales	22,462.7	20,343.1	19,495.8
Cost of sales	-6,587.7	-5,851.5	-5,696.5
Gross profit	15,875.0	14,491.6	13,799.3
Research and development	-790.5	-720.5	-664.7
Advertising and promotion	-6,776.3	-6,291.6	-6,029.1
Selling, general and administrative expenses	-4,610.9	-4,186.9	-4,048.6
Operating profit	3,697.3	3,292.6	3,056.9
Other income and expenses	-123.8	-96.3	-153.2
Operational profit	3,573.5	3,196.3	2,903.7
Finance costs on gross debt	-34.5	-48.1	-43.8
Finance income on cash and cash equivalents	31.3	28.5	17.2
Finance costs, net	-3.2	-19.6	-26.6
Other financial income (expenses)	-7.8	-5.6	-9.0
Sanofi dividends	313.4	295.6	283.8
Profit before tax and non-controlling interests	3,875.9	3,466.7	3,151.9
Income tax	-1,005.5	-1,025.8	-909.9
Net profit	2,870.4	2,440.9	2,242.0
attributable to:			
- owners of the company	2,867.7	2,438.4	2,239.7
- non-controlling interests	2.7	2.5	2.3
Earnings per share attributable to owners of the company (<i>euros</i>)	4.79	4.11	3.82
Diluted earnings per share attributable to owners of the company (<i>euros</i>)	4.74	4.08	3.79
Earnings per share attributable to owners of the company excluding non-recurring items (<i>euros</i>)	4.97	4.36	4.04
Diluted earnings per share attributable to owners of the company excluding non-recurring items (<i>euros</i>)	4.91	4.32	4.01

Appendix 3: Consolidated statements of net profit and gains and losses recognised directly in equity

€ millions	2012	2011	2010
Consolidated net profit for the period	2,870.4	2,440.9	2,242.0
<i>Financial assets available for sale</i>	1,730.9	1,051.6	-852.3
<i>Cash flow hedges</i>	103.0	-6.0	-8.0
<i>Cumulative translation adjustments</i>	-134.3	114.5	463.3
<i>Income tax on items that may be reclassified to profit or loss⁽¹⁾</i>	-116.9	-62.8	15.7
Items that may be reclassified to profit or loss	1,582.7	1,097.3	-381.3
<i>Actuarial gains and losses</i>	-271.9	-172.4	-213.5
<i>Income tax on items that may not be reclassified to profit or loss⁽¹⁾</i>	86.7	56.2	76.3
Items that may not be reclassified to profit or loss	-185.2	-116.2	-137.2
Changes in gains and losses recognised directly in equity	1,397.5	981.1	-518.5
Total net profit and gains and losses recognised directly in equity	4,267.9	3,422.0	1,723.5
Attributable to:			
- owners of the company	4,265.1	3,419.5	1,721.2
- non-controlling interests	2.8	2.5	2.3

⁽¹⁾ The tax effect is as follows:

€ millions	2012	2011	2010
<i>Financial assets available for sale</i>	-90.0	-63.9	14.6
<i>Cash flow hedges</i>	-26.9	1.1	1.1
Items that may be reclassified to profit or loss	-116.9	-62.8	15.7
<i>Actuarial gains and losses</i>	86.7	56.2	76.3
Items that may not be reclassified to profit or loss	86.7	56.2	76.3
Total	-30.2	-6.6	92.0

Appendix 4: Compared consolidated balance sheets

Assets

€ millions	12.31.2012	12.31.2011	12.31.2010
Non-current assets	21,315.5	19,135.0	17,048.2
Goodwill	6,478.2	6,204.6	5,729.6
Other intangible assets	2,625.4	2,477.3	2,177.5
Property, plant and equipment	2,962.8	2,880.8	2,677.5
Non-current financial assets	8,531.3	6,900.9	5,837.5
Deferred tax assets	717.8	671.4	626.1
Current assets	8,209.6	7,722.6	6,996.3
Inventories	2,033.8	2,052.1	1,810.1
Trade accounts receivable	3,208.8	2,996.2	2,685.3
Other current assets	1,006.6	904.1	846.0
Current tax assets	137.2	118.0	104.5
Cash and cash equivalents	1,823.2	1,652.2	1,550.4
Total	29,525.1	26,857.6	24,044.5

Equity & Liabilities

€ millions	12.31.2012	12.31.2011	12.31.2010
Equity	20,936.4	17,637.5	14,865.8
Share capital	121.8	120.6	120.2
Additional paid-in capital	1,679.0	1,271.4	1,148.3
Other reserves	13,690.6	12,368.8	11,107.1
Items recognised directly in equity	3,586.4	2,054.7	1,188.1
Cumulative translation adjustments	-109.4	24.9	-89.6
Treasury stock	-904.5	-644.4	-850.9
Net profit attributable to owners of the company	2,867.7	2,438.4	2,239.7
Equity attributable to owners of the company	20,931.6	17,634.4	14,862.9
Non-controlling interests	4.8	3.1	2.9
Non-current liabilities	2,219.2	2,090.2	2,596.6
Provisions for employee retirement obligations and related benefits	1,226.2	1,128.9	1,129.0
Provisions for liabilities and charges	181.7	226.1	181.3
Deferred tax liabilities	764.4	677.7	462.0
Non-current borrowings and debt	46.9	57.5	824.3
Current liabilities	6,369.5	7,129.9	6,582.1
Trade accounts payable	3,318.0	3,247.7	3,153.5
Provisions for liabilities and charges	552.3	500.7	536.9
Other current liabilities	2,141.1	2,066.7	1,958.1
Income tax	157.0	224.0	166.6
Current borrowings and debt	201.1	1,090.8	767.0
Total	29,525.1	26,857.6	24,044.5

Appendix 5: Consolidated statements of changes in equity

€ millions	Common shares outstanding	Share capital	Additional paid-in capital	Retained earnings and net profit	Items recognised directly in equity	Treasury stock	Cumulative translation adjustments	Equity attributable to owners of the company	Non- controlling interests	Total equity
At 12.31.2010	589,655,903	120.2	1,148.3	13,346.8	1,188.1	-850.9	-89.6	14,862.9	2.9	14,865.8
Consolidated net profit for the period				2,438.4				2,438.4	2.5	2,440.9
<i>Financial assets available for sale</i>					987.7			987.7		987.7
<i>Cash flow hedges</i>					-4.9			-4.9		-4.9
<i>Cumulative translation adjustments</i>							114.5	114.5		114.5
Change in gains and losses recognised directly in equity and items that may be reclassified to profit or loss					982.8		114.5	1,097.3		1,097.3
<i>Actuarial gains and losses</i>					-116.2			-116.2		-116.2
Change in gains and losses recognised directly in equity and items that may not be reclassified to profit or loss					-116.2			-116.2		-116.2
Total net profit and gains and losses recognised directly in equity				2,438.4	866.6		114.5	3,419.5	2.5	3,422.0
Capital increase	1,991,497	0.4	123.1					123.5		123.5
Cancellation of Treasury stock								-		-
Dividends paid (not paid on Treasury stock)				-1,065.3				-1,065.3	-2.2	-1,067.5
Share-based payment				86.8				86.8		86.8
Net changes in Treasury stock	2,739,023			1.7		206.5		208.2		208.2
Other movements				-1.2				-1.2	-0.1	-1.3
At 12.31.2011	594,386,423	120.6	1,271.4	14,807.2	2,054.7	-644.4	24.9	17,634.4	3.1	17,637.5
Consolidated net profit for the period				2,867.7				2,867.7	2.7	2,870.4
<i>Financial assets available for sale</i>					1,640.9			1,640.9		1,640.9
<i>Cash flow hedges</i>					76.0			76.0	0.1	76.1
<i>Cumulative translation adjustments</i>							-134.3	-134.3		-134.3
Change in gains and losses recognised directly in equity and items that may be reclassified to profit or loss					1,716.9		-134.3	1,582.6	0.1	1,582.7
<i>Actuarial gains and losses</i>					-185.2			-185.2		-185.2
Change in gains and losses recognised directly in equity and items that may not be reclassified to profit or loss					-185.2			-185.2		-185.2
Total net profit and gains and losses recognised directly in equity				2,867.7	1,531.7		-134.3	4,265.1	2.8	4,267.9
Capital increase	5,826,745	1.2	407.6					408.8	1.4	410.2
Cancellation of Treasury stock								-		-
Dividends paid (not paid on Treasury stock)				-1,204.3				-1,204.3	-2.5	-1,206.8
Share-based payment				86.4				86.4		86.4
Net changes in Treasury stock	-1,856,506			2.4		-260.1		-257.7		-257.7
Other movements				-1.1				-1.1		-1.1
At 12.31.2012	598,356,662	121.8	1,679.0	16,558.3	3,586.4	-904.5	-109.4	20,931.6	4.8	20,936.4

Appendix 6: Compared consolidated statements of cash flows

€ millions	2012	2011	2010
Cash flows from operating activities			
Net profit attributable to owners of the company	2,867.7	2,438.4	2,239.7
Non-controlling interests	2.7	2.5	2.3
Elimination of expenses and income with no impact on cash flows:			
• depreciation, amortisation and provisions	691.6	614.3	734.2
• changes in deferred taxes	17.3	85.9	110.0
• share-based payment (including free shares)	86.4	86.8	84.8
• capital gains and losses on disposals of assets	-4.3	-1.7	0.1
Gross cash flow	3,661.4	3,226.2	3,171.1
Changes in working capital	-129.1	-322.0	132.5
Net cash provided by operating activities (A)	3,532.3	2,904.2	3,303.6
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets	-955.0	-865.7	-677.9
Disposals of property, plant and equipment and intangible assets	7.3	15.2	18.3
Changes in other financial assets (including investments in non-consolidated companies)	105.8	-1.2	2.3
Effect of changes in the scope of consolidation	-466.2	-717.4	-160.7
Net cash (used in) from investing activities (B)	-1,308.1	-1,569.1	-818.0
Cash flows from financing activities			
Dividends paid	-1,268.2	-1,107.6	-921.6
Capital increase of the parent company	408.8	123.5	152.3
Capital increase of subsidiaries	1.4	-	-
Disposal (acquisition) of Treasury stock	-257.7	208.2	184.0
Purchase of non-controlling interests	-	-	-8.7
Issuance (repayment) of short-term loans	-906.7	852.8	-132.6
Issuance of long-term borrowings	-	-	4.0
Repayment of long-term borrowings	-13.4	-1,333.6	-1,462.5
Net cash (used in) from financing activities (C)	-2,035.8	-1,256.7	-2,185.1
Net effect of changes in exchange rates and fair value (D)	-17.4	23.4	76.9
Change in cash and cash equivalents (A+B+C+D)	171.0	101.8	377.4
Cash and cash equivalents at beginning of the year (E)	1,652.2	1,550.4	1,173.1
Cash and cash equivalents at end of the year (A+B+C+D+E)	1,823.2	1,652.2	1,550.4