



L'ORÉAL

Annual Results **2009**

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Consolidated group sales 2009



- **Growth at constant exchange rates** **+ 0,8 %**
 - of which:
 - Like-for-like growth **-1.1%**
 - External growth impact **+1.9%**
- **Exchange rate impact** **- 1,2 %**
- **Published growth figures** **- 0,4 %**



Some significant examples of exchange rates evolution (Euro parity)

| | Weight in Consolidated sales 2009 | Average rate 2008 | Average rate 2009 | Growth 2009 / 2008 |
|------------------------|---|----------------------|----------------------|-----------------------|
| Dollar us | 22,4 % | 0,683 | 0,719 | + 5,3 % |
| Pound Sterling | 6,5 % | 1,258 | 1,122 | - 10,8 % |
| Chinese Yuan | 4,9 % | 0,098 | 0,105 | + 7,1 % |
| Russian Rouble | 3,2 % | 0,027 | 0,022 | - 17,4 % |
| Canadian Dollar | 3,0 % | 0,642 | 0,630 | - 1,7 % |
| Brazilian Real | 3,0 % | 0,376 | 0,362 | - 3,7 % |
| Yen (100) | 2,5 % | 6,644 | 7,690 | + 15,7% |
| Mexican Peso | 1,7 % | 0,062 | 0,053 | - 13,4 % |

NB : The Euro Zone represents 34.2% of consolidated sales in 2009



2009 consolidated sales (in millions of euros)

| | 2008 | 2009 | Growth | | |
|---------------------------|---------------|---------------|----------------|---------------------------|-------------------|
| | | | Like-for-like | At constant exchange rate | Published figures |
| Professional Products | 2 472 | 2 389 | - 3,3 % | - 3,3 % | - 3,4 % |
| Consumer Products | 8 355 | 8 555 | + 3,2% | + 3,4 % | + 1,5 % |
| Luxury Products | 4 170 | 4 080 | - 9,0 % | - 2,5 % | - 2,2 % |
| Active Cosmetics | 1 289 | 1 234 | - 1,5 % | - 1,5 % | - 4,3 % |
| Cosmetics total | 16 359 | 16 257 | - 1,5 % | + 0,5 % | - 0,6 % |
| The Body Shop | 756 | 726 | + 0,7 % | + 0,7 % | - 3,9 % |
| Dermatology* / Galderma | 427 | 489 | + 10,8 % | + 12,5 % | + 14,6 % |
| Consolidated total | 17 542 | 17 473 | - 1,1 % | + 0,8 % | - 0,4 % |

*group share, i.e 50 %



2009 cosmetics sales by geographic zone (in millions of euros)

| | 2008 | 2009 | Growth | | |
|------------------------|---------------|---------------|----------------|----------------------------|-------------------|
| | | | Like-for-like | At constant exchange rates | Published figures |
| Western Europe | 7 382 | 7 036 | - 6,3 % | - 3,4 % | - 4,7% |
| North America | 3 739 | 3 802 | - 3,4 % | - 2,6 % | + 1,7 % |
| New markets | 5 238 | 5 419 | + 7,2 % | + 8,5 % | + 3,4 % |
| Cosmetics total | 16 359 | 16 257 | - 1,5 % | + 0,5 % | - 0,6 % |



Cosmetics sales

New markets (in millions of euros)

| | 2009 | Progression | | |
|--------------------------|--------------|----------------|-----------------------------|-------------------|
| | | Like-for-like | At constant exchanges rates | Published figures |
| Asia excluding Japan | 1 723 | + 12,2 % | + 12,4 % | + 16,6 % |
| Japan | 425 | - 5,0 % | 0,0 % | + 15,7 % |
| Eastern Europe | 1 213 | + 3,3 % | + 4,1 % | - 12,2 % |
| Latin America | 1 138 | + 11,2 % | + 11,2 % | - 1,1 % |
| Africa-Orient-Pacific | 920 | + 5,0 % | + 8,6 % | + 6,7 % |
| Total New markets | 5 419 | + 7,2 % | + 8,5 % | + 3,4 % |



Consolidated profit and loss accounts

From sales to operating profit

(in millions of euros)

| | 31.12.2008 | % of Sales | 31.12.2009 | % of Sales |
|---|------------------|----------------|------------------|---------------|
| Sales | 17 541,8 | 100,0 % | 17 472,6 | 100 % |
| <i>Costs of sales</i> | <i>- 5 187,2</i> | <i>29,6 %</i> | <i>- 5 161,6</i> | <i>29,5 %</i> |
| Gross profit | 12 354,6 | 70,4 % | 12 311,0 | 70,5 % |
| <i>Research and development</i> | <i>- 587,5</i> | <i>3,3 %</i> | <i>- 609,2</i> | <i>3,5 %</i> |
| <i>Advertising and promotion</i> | <i>- 5 269,1</i> | <i>30,0 %</i> | <i>- 5 388,7</i> | <i>30,8 %</i> |
| <i>Selling, general and admin. expenses</i> | <i>- 3 773,4</i> | <i>21,5 %</i> | <i>- 3 735,5</i> | <i>21,4 %</i> |
| Operating profit | 2 724,6 | 15,5 % | 2 577,6 | 14,8 % |

*Foreign exchange gains and losses have been reclassified to the different lines of the operating profit.
Net sales and operating profit remain unchanged.*



Half year consolidated profit and loss accounts

From sales to operating profit

| | 1st Half 2008 | 2nd Half 2008 | 2008 | 1st Half 2009 | 2nd Half 2009 | 2009 |
|---|---------------------|---------------------|---------------|---------------------|---------------------|---------------|
| Sales | 100 % | 100 % | 100 % | 100 % | 100 % | 100 % |
| <i>Costs of sales</i> | 28,6 % | 30,5 % | 29,6 % | 29,8% | 29,3% | 29,5% |
| Gross profit | 71,4 % | 69,5 % | 70,4 % | 70,2% | 70,7% | 70,5 % |
| <i>Research & development</i> | 3,2 % | 3,5 % | 3,3 % | 3,3% | 3,7 % | 3,5 % |
| <i>Advertising & promotion</i> | 29,7% | 30,4 % | 30,0 % | 30,0% | 31,6 % | 30,8 % |
| <i>Selling, general & admin. expenses</i> | 21,1 % | 21,9 % | 21,5 % | 21,3% | 21,5 % | 21,4 % |
| Operating profit | 17,3 % | 13,8 % | 15,5 % | 15,7 % | 13,8 % | 14,8 % |



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

| | 2008 | 2009 |
|----------------------------------|----------------|----------------|
| Professional Products | 21,0 % | 20,0 % |
| Consumer Products* | 18,6 % | 18,4 % |
| Luxury Products | 18,4 % | 15,1 % |
| Active Cosmetics | 20,1 % | 20,2 % |
| Cosmetics divisions total | 19,0 % | 18,0 % |
| <i>Non allocated **</i> | <i>- 3,1 %</i> | <i>- 3,0 %</i> |
| Cosmetics branch total | 15,9 % | 15,0 % |
| The Body Shop | 4,8 % | 7,4 % |
| Dermatology branch / Galderma | 18,7 % | 17,4 % |
| Group | 15,5 % | 14,8 % |

* *inc CCB*

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



Cosmetics – Operating profit Geographic zones

| Operating profit | 2008 | | 2009 | |
|------------------------------------|----------------|---------------|----------------|---------------|
| | €m | % of sales | €m | % of sales |
| Western Europe | 1 633,6 | 22,1 % | 1 470,4 | 20,9 % |
| North America | 593,0 | 15,9 % | 554,4 | 14,6 % |
| New markets | 883,7 | 16,9 % | 896,0 | 16,5 % |
| Total of geographic zones * | 3 110,3 | 19,0 % | 2 920,8 | 18,0 % |

* Before non allocated



Consolidated profit and loss accounts From operating profit to net profit excluding non-recurrent items (in millions of euros)

| | 31.12.2008 | 31.12.2009 |
|--|--------------------|--------------------|
| Operating profit | 2 724,6 | 2 577,6 |
| Finance costs | - 181,4 | - 89,0 |
| Sanofi-Aventis dividends | 244,7 | 260,1 |
| Profit before tax and non-recurrent items | 2 787,9 | 2 748,6 |
| Tax on profit before non-recurrent items | - 721,5 | - 749,2 |
| Minority interests | - 2,7 | - 2,7 |
| Net profit excluding non-recurrent items after minority interests | 2 063,6 | 1 996,7 |
| Per share* (in euros) | 3,49 | 3,42 |
| Average diluted number of shares | 590 920 078 | 583 797 566 |

* Diluted net earnings per share based on net profit excluding non-recurrent items



Consolidated profit and loss accounts From net profit excluding non-recurrent items to net profit (in millions of euros)

| | 31.12.2008 | 31.12.2009 |
|---|------------|------------|
| Net profit excluding non-recurrent items | 2 063,6 | 1 996,7 |
| Non-recurrent items | - 115,5 | - 204,5 |
| <i>of which : - other income and expenses</i> | - 156,3 | - 277,6 |
| <i>- taxes on non-recurrent items</i> | + 40,8 | + 73,1 |
| Net profit | 1 948,3 | 1 792,2 |



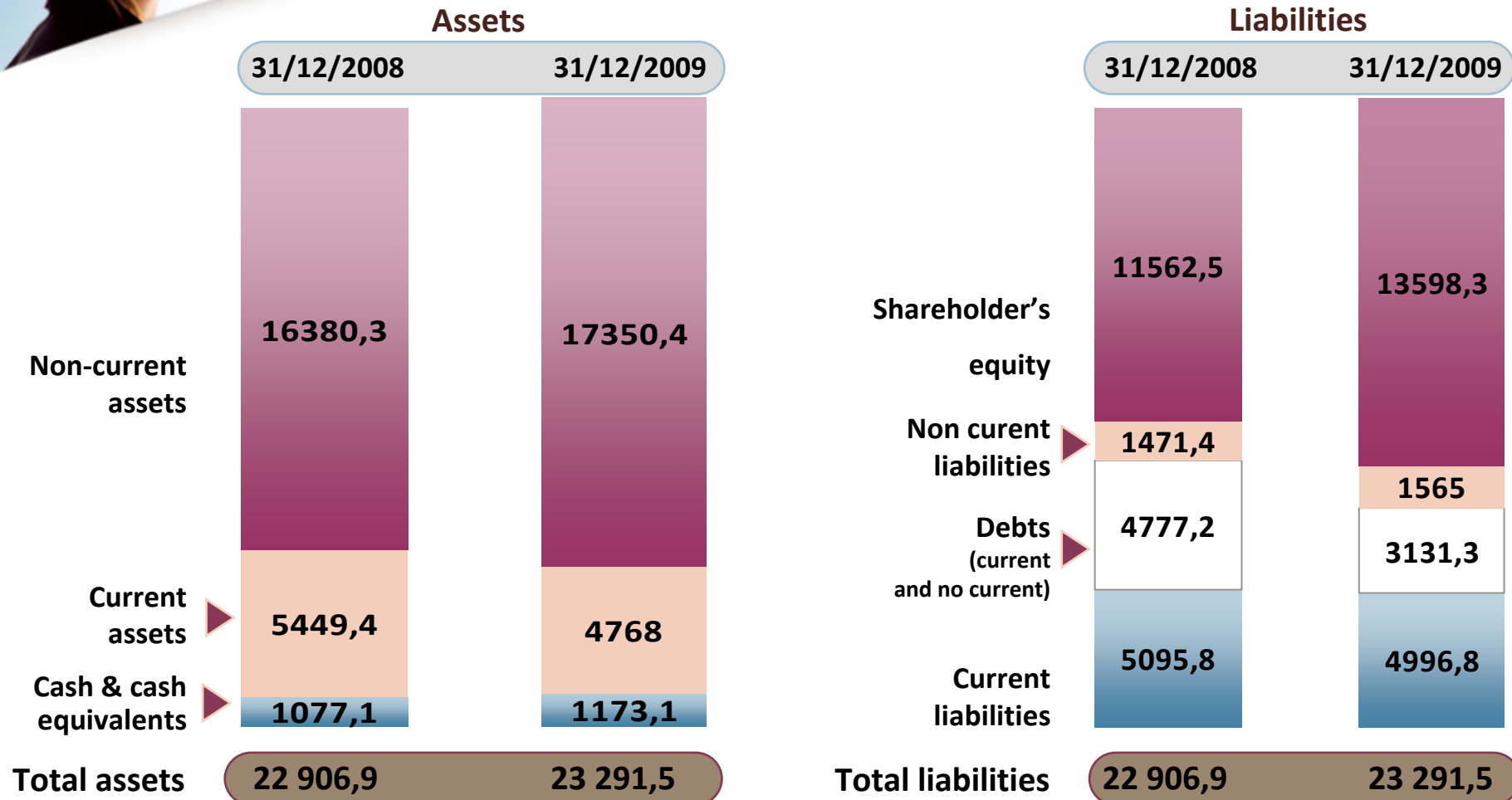
Cash flow statement (in millions of euros)

| | 31.12.2008 | 31.12.2009 |
|---|------------------|-----------------|
| Net profit | 1 950,9 | 1 794,9 |
| Depreciations and provisions | 706,1 | 834,0 |
| Gains and losses on disposal of assets, change in deferred tax and others | 88,9 | 129,3 |
| Cash flow | 2 745,9 | 2 758,2 |
| Change in working capital requirement | - 148,8 | +466,3 |
| Investments | - 745,9 | -628,0 |
| Operating net cash | 1 851,2 | 2 596,5 |
| Dividends paid | - 849,2 | - 851,5 |
| Divestments and others | - 0,2 | + 64,2 |
| Residual cash flow (before acquisitions or disposals) | 1 001,8 | 1 809,2 |
| Acquisitions | - 1 299,1 | - 160,2 |
| Disposal of Sanofi Aventis shares | - | - |
| Share buy back (net) | - 912,6 | + 65,0 |
| Residual cash flow after acquisitions | - 1 209,9 | +1 714,0 |



Balance sheet

(in millions of euros)



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.



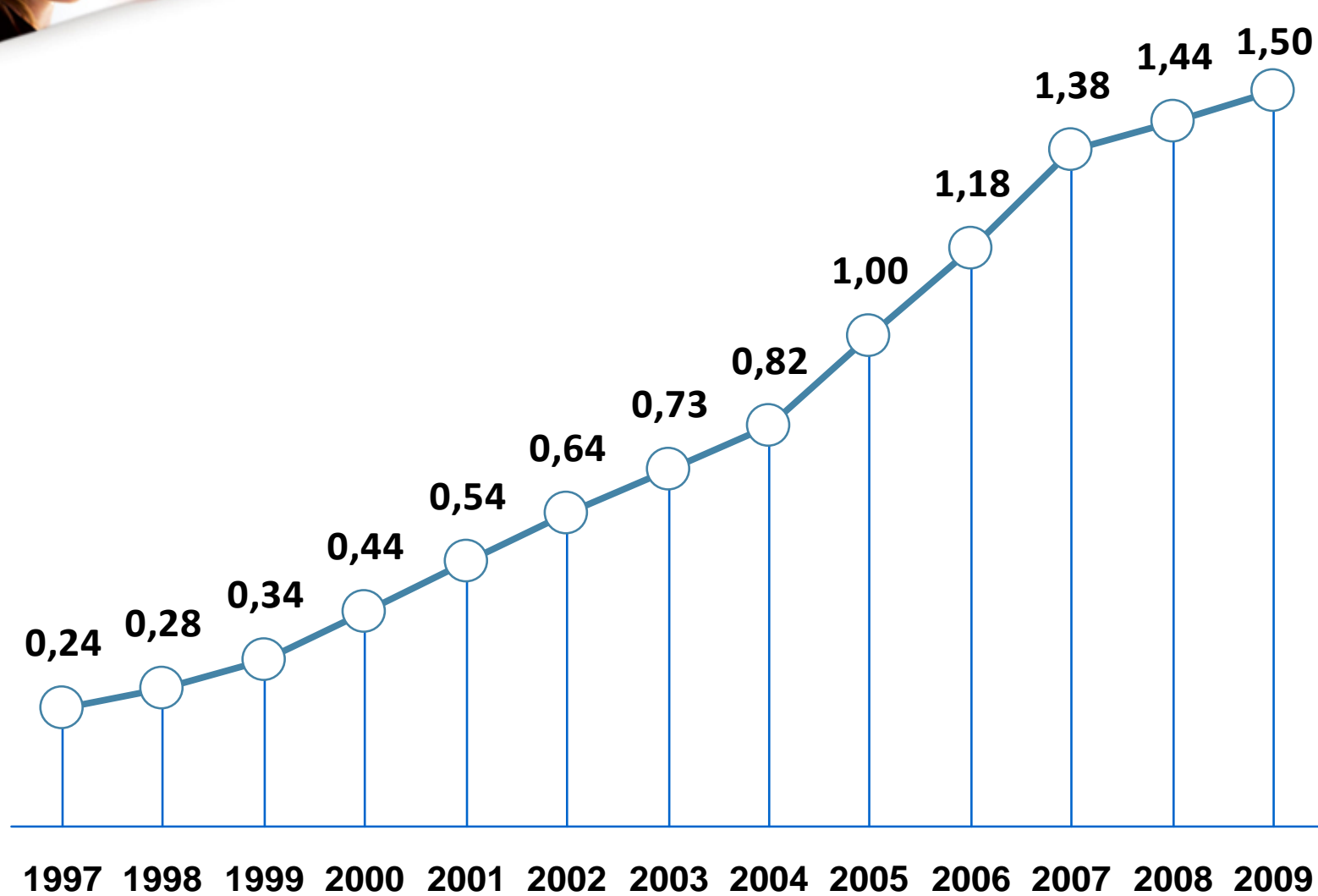
Net debt and gearing

| | 31.12.2008 | 31.12.2009 |
|-----------------|-----------------|-----------------|
| Net debt | 3 700 M€ | 1 958 M€ |
| Gearing* | 31,3 % | 14,4 % |

** Net debt / equity*



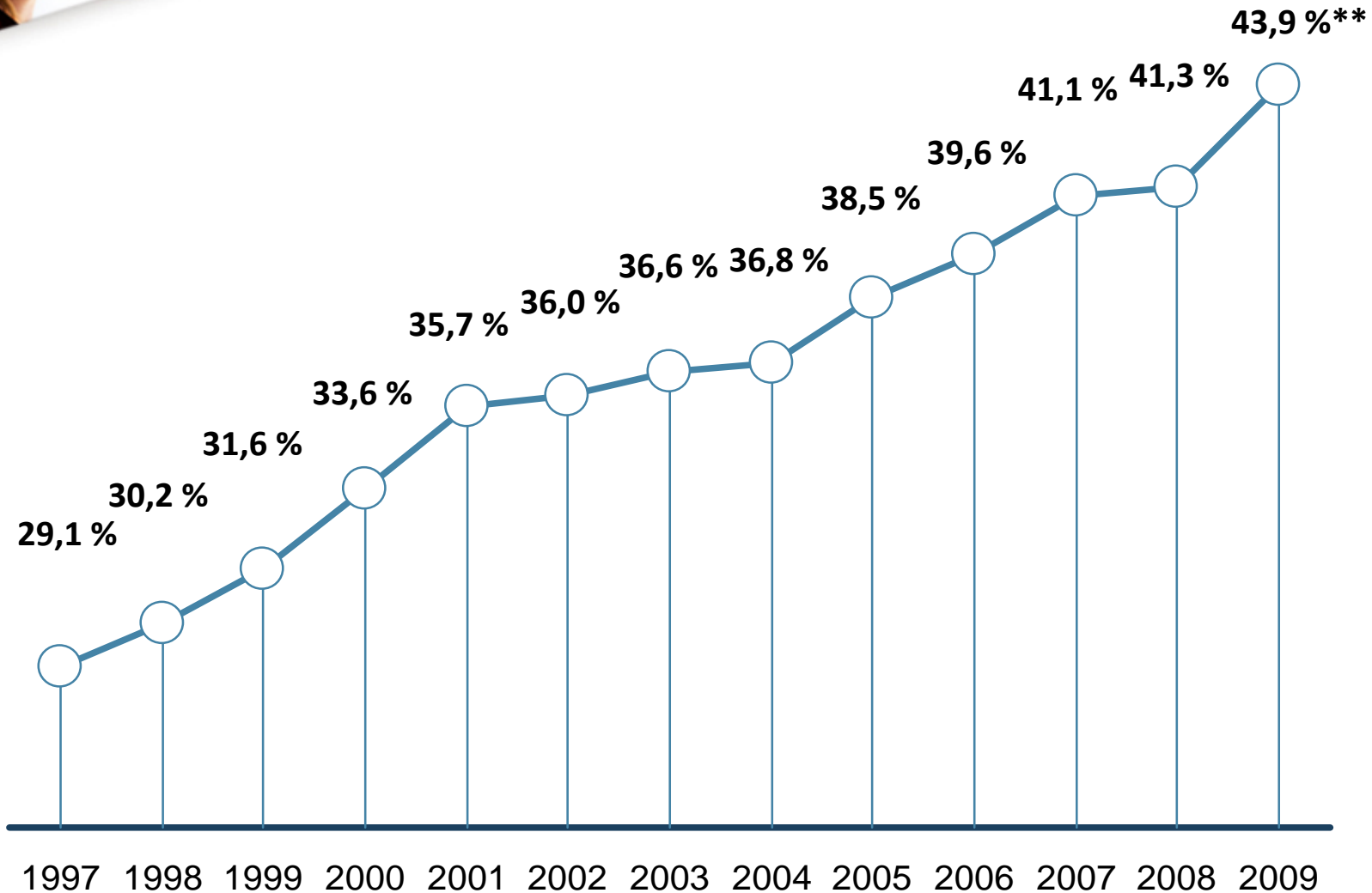
Dividend from 1997 to 2009 (in euro)



* Proposed at the shareholders' meeting to be held on April 27th, 2010.



Pay out ratio 1997-2009 as % of net profit *



* Taking into account the Sanofi history with regards to the dividends.

** Based on dividend proposed at the shareholders' meeting to be held on April 27th, 2010.



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