

# L'ORÉAL

## 1st HALF 2008 RESULTS

### **STRONG GROWTH IN RESULTS AT CONSTANT EXCHANGE RATES\*:**

- **NET EARNINGS PER SHARE\*\*:** +12.3%  
(+8.5% based on reported figures)
- **NET PROFIT\*\*:** +10.1%  
(+6.4% based on reported figures)

\* \*

### **RECORD-LEVEL OPERATING PROFITABILITY**

**+40 BASIS POINTS TO 17.3% OF SALES**

\* \*

### **FOR 2008: CONFIDENCE IN DOUBLE-DIGIT NET EARNINGS PER SHARE GROWTH AT CONSTANT EXCHANGE RATES \***

Commenting on these figures, Mr Jean-Paul Agon, Chief Executive Officer of L'Oréal, said:

*"The first-half results are very encouraging. In view of the scale of the currency fluctuations noted since the beginning of the year, performance should be considered on a comparable exchange rate basis\*. With a progression of +7.1% in sales at constant exchange rates\*, L'Oréal has continued to gain market share worldwide and is making progress, according to our estimates, significantly ahead of the cosmetics market.*

*With an improvement of 40 basis points, operating profitability is once more progressing very strongly, reaching a record level. Our continued efforts in product value enhancement and productivity have enabled us to compensate for increases in the prices of raw materials and energy. These results, combined with a slight reduction in the tax rate, enable us to achieve a substantial increase in our net profit.*

*This performance, achieved in what everyone recognises is a difficult economic environment, confirms the solidity and the dynamism of the L'Oréal business model.*

*In view of these achievements, the extensive launch programme up to the end of the year, and our continuing efforts to keep costs under strict control, we look forward with confidence to achieving double-digit growth in net earnings per share, at constant exchange rates, for 2008\*."*

\* based on constant translation rates:

2008 data at 2008 rates / 2007 data at 2008 rates

\*\* Net profit excluding non-recurrent items after minority interests

## SALES GROWTH

- Based on reported figures, the group's sales, at June 30th 2008, amounted to 8.646 billion euros, an increase of +1.6%. Like-for-like, i.e. based on a comparable structure and identical exchange rates, the increase in the sales of the L'Oréal group was +5.3%. The net impact of changes in consolidation, mainly as a result of the acquisitions in the United States of *PureOlogy*, *Beauty Alliance*, *Maly's West*, *Columbia Beauty Supply*, *CollaGenex Pharmaceuticals*, and in Turkey of *Canan*, amounted to +1.8%. Currency fluctuations had a negative impact of -5.5%. Growth excluding the exchange rate impact was +7.1%.
- The news release of July 17th 2008 details the activity of the cosmetics divisions and the geographic zones for the first half of 2008. This news release is available and can be downloaded from the [www.loreal-finance.com](http://www.loreal-finance.com) site.
- The table of cosmetics sales by division and by geographic zone is provided in the annexe.

## OPERATING PROFITABILITY UP BY 40 BASIS POINTS

Consolidated profit and loss account,  
from sales to operating profit

In €m	30.06.2007	As % of sales	31.12.2007	As % of sales	30.06.2008	As % of sales	Growth	
							at constant exchange rates*	Reported
<b>Sales</b>	<b>8,514.3</b>	<b>100%</b>	<b>17,062.6</b>	<b>100%</b>	<b>8,646.3</b>	<b>100%</b>	<b>+7.1%</b>	<b>+1.6%</b>
<i>Cost of sales</i>	-2,428.4	28.5%	- 4,941.0	29.0%	-2,505.3	29.0%		
<b>Gross Profit</b>	<b>6,085.9</b>	<b>71.5%</b>	<b>12,121.6</b>	<b>71.0%</b>	<b>6,141.1</b>	<b>71.0%</b>		
<i>Research and development expenses</i>	-272.4	3.2%	-559.9	3.3%	-272.0	3.1%		
<i>Advertising and promotion expenses</i>	-2,599.1	30.5%	-5,126.7	30.0%	-2,570.1	29.7%		
<i>Selling general and administrative expenses</i>	-1,777.3	20.9%	- 3,618.2	21.2%	-1,829.4	21.2%		
<i>Foreign exchange gains</i>	3.8	-	10.4	0.1%	28.1	-		
<b>Operating profit</b>	<b>1,440.9</b>	<b>16.9%</b>	<b>2,827.2</b>	<b>16.6%</b>	<b>1,497.7</b>	<b>17.3%</b>	<b>+8.5%</b>	<b>+3.9%</b>

\*based on constant translation rates:  
2008 data at 2008 rates / 2007 data at 2008 rates

**Gross profit** amounted to € 6,141m, at 71% of sales. Gross profit as a percentage of sales was unchanged against the year 2007 and slightly down compared with 2007 first half. After allocating exchange gains which are related to gross profit, and excluding US professional hair salon distributors acquired since 2007 -whose operating structure is very different to that of the Group- gross profit from half-year to half-year would have fallen slightly by approximately 10 basis points. This very limited decrease in a difficult environment is evidence of the impact of product value enhancement and continuing productivity efforts.

**Research and Development expenses** represented 3.1% of sales.

**Advertising and Promotion expenses** came out at € 2,570m. In 2008 first half, they accounted for 29.7% of sales, compared with 30.5% for 2007 first half. This half-year to half-year decrease comes down to 30 basis points when the structural impact of US professional hair salon distributors is taken into account. This item also benefited from continuing productivity and purchasing efforts.

**Selling, General and Administrative expenses** amounted to € 1,829m, accounting for 21.2% of sales, which is identical to that of the year 2007 and slightly higher than that of the first half of 2007.

After allowing for a foreign exchange gain of € 28m, **operating profit** totalled € 1,498m. This is up +8.5% at constant exchange rates and +3.9% based on reported figures. It totalled 17.3% of sales, up 40 basis points compared with the first half of 2007.

Operating profit by branch and division

	June 30th 2007		June 30th 2008	
	€m	% of sales	€m	% of sales
<b><u>By operational division</u></b>				
Professional Products (1)	245.6	21.3%	263.0	21.1%
Consumer Products	879.9	20.6%	920.3	21.4%
Luxury Products	350.3	19.1%	354.1	19.6%
Active Cosmetics	177.9	24.8%	179.7	24.3%
<b>Cosmetics divisions total</b>	<b>1,651.4</b>	<b>20.6%</b>	<b>1,713.7</b>	<b>21.1%</b>
Non-allocated (2)	-225.6	-2.8%	-236.3	-2.9%
<b>Cosmetics branch</b>	<b>1,425.8</b>	<b>17.8%</b>	<b>1,477.4</b>	<b>18.2%</b>
<b>The Body Shop</b>	<b>1.4</b>	<b>0.4%</b>	<b>0.4</b>	<b>0.1%</b>
<b>Dermatology branch(3)</b>	<b>13.7</b>	<b>8.6%</b>	<b>19.9</b>	<b>11.2%</b>
<b>Group</b>	<b>1,440.9</b>	<b>16.9%</b>	<b>1,497.7</b>	<b>17.3%</b>

(1) excluding US professional hair salon distributors: from 22.3% in the first half of 2007 to 22.6% in the first half of 2008.

(2) Non-allocated = Central group expenses, fundamental research expenses, stock option expenses and miscellaneous items.  
As % of total sales.

(3) Group Share: ie 50%

The profitability of the cosmetics Divisions improved, rising from 20.6% of sales in the first half of 2007 to 21.1% in the same period in 2008.

The profitability of The Body Shop is slightly positive, practically at the same level as 2007. The Body Shop profits are almost entirely made in the second half of each year.

The Dermatology branch Galderma substantially increased profitability during 2008 first half to 11.2%.

## NET EARNINGS PER SHARE GROWTH: +12.3% AT CONSTANT EXCHANGE RATES\*

Consolidated profit and loss account,  
from operating profit to net profit excluding non-recurrent items

<i>In €m</i>	30.06.2007	31.12.2007	30.06.2008	Growth	
				at constant exchange rates*	reported
<b>Operating profit</b>	1 440.9	2,827.2	1,497.7	+8.5%	+3.9%
Finance costs	-75.4	-174.5	-66.7		
Other financial income (expense)	-2.7	-7.7	-3.1		
Sanofi-Aventis dividends	250.4	250.4	244.8		
Share in net profit of equity affiliates	0.2	0.1	-		
<b>Profit before tax excluding non-recurrent items</b>	1,613.4	2,895.6	1,672.6	+7.6%	+3.7%
<i>Income tax excluding non-recurrent items</i>	-431.2	-855.5	-414.6		
<i>Minority interests</i>	-1.1	-1.5	-1.8		
<b>Net profit excluding non-recurrent items after minority interests (1)</b>	1,181.1	2,038.6	1,256.2	+10.1%	+6.4%
<b>Net EPS ** (in euros)</b>	1.94	3.36	2.11	+12.3%	+8.5%
<b>Net profit after minority interests</b>	1,177.6	2,656.0	1,255.6		
Diluted net EPS after minority interests (€)	1.94	4.38	2.11		
<b>Diluted average number of shares</b>	607,695,515	606,012,471	595,928,002		

\* based on constant translation rates:

2008 data at 2008 rates / 2007 data at 2008 rates

\*\* Diluted net earnings per share excluding non-recurrent items, after minority interests.

(1) Net profit excluding non-recurrent items after minority interests does not include capital gains and losses on disposals of long-term asset, impairment of assets, restructuring costs, associated tax effects or minority interests.

The cost of net debt totalled € 67m, lower than in 2007 despite the increase in interest rates and the ongoing share buy-back plan. This improvement is due to investments from the sale of Sanofi-Aventis shares in November 2007 for 1.5 billion euros.

The dividend received from Sanofi-Aventis for 2007 amounted to € 245m. This stability is due to the sale of Sanofi-Aventis shares in 2007.

Profit before tax excluding non-recurrent items amounted to € 1,673m, an increase of +7.6% at constant exchange rates and up +3.7% for reported figures.

Income tax excluding non-recurrent items amounted to € 415m. Tax rate fell from 26.7% during 2007 first half to 24.8% during 1<sup>st</sup> half 2008. This reduction is due to lower tax rates in certain countries, to an increase in the R&D tax credit, and to the outcome of tax disputes.

Net profit after minority interests amounted to € 1,256m.

Net profit excluding non-recurrent items after minority interests totalled € 1,256m up by +10.1% at constant exchange rates and up +6.4% for reported figures, compared with 2007 first half. After allowing for the positive impact of share buybacks, EPS amounted to € 2.11, up by + 12.3% at constant exchange rates and by +8.5% based on reported figures.

- **Cash flow Statements/Balance sheet**

**Gross cash flow** amounted to € 1,534m, an increase of +5.4%. This increase is in line with the rate of earnings growth.

**Net debt** totalled 4.52 billion euros at June 30<sup>th</sup>, 2008 as compared to 4.46 billion euros at June 30<sup>th</sup> 2007.

The balance sheet structure is solid. **Shareholders' equity** represents 49% of total assets. The decline in this figure compared with December 31st 2007 reflects the lower market capitalisation of Sanofi-Aventis, but also the dividend payout, the share buybacks and the negative conversion rates of the net situation in subsidiaries resulting from significant exchange fluctuations.

Yves Saint Laurent Beauté was acquired on June 30<sup>th</sup> 2008, impacting the total of assets and debts by an amount of € 1,107m.

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*"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](http://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."*

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ANNEXE:

**I. Sales growth by operational division and geographic zone**

	1st half 2008			
	€m	Growth		
		like-for-like	reported	at constant exchange rates*
<b><u>By operational division</u></b>				
Professional Products	1,249	+3.8%	+8.3%	+14.4%
Consumer Products	4,307	+5.7%	+0.7%	+6.1%
Luxury Products	1,811	+4.9%	-1.2%	+4.9%
Active Cosmetics	738	+4.4%	+3.0%	+4.4%
<b>Cosmetics total</b>	<b>8,134</b>	<b>+5.0%</b>	<b>+1.5%</b>	<b>+6.7%</b>
<b><u>By geographic zone</u></b>				
Western Europe	3,795	+1.3%	-0.1%	+1.4%
North America	1,804	-0.5%	-6.5%	+6.0%
Rest of the World. including:	2,535	+15.7%	+11.0%	+16.5%
- Asia	878	+19.4%	+11.4%	+19.7%
- Eastern Europe	694	+25.9%	+24.9%	+25.9%
- Latin America	530	+4.6%	+0.5%	+4.6%
- Other countries	434	+8.9%	+5.0%	+12.4%
<b>Cosmetics total</b>	<b>8,134</b>	<b>+5.0%</b>	<b>+1.5%</b>	<b>+6.7%</b>
The Body Shop	334	+7.4%	-2.0%	+9.6%
Dermatology <sup>(1)</sup>	178	+17.5%	+11.9%	+21.3%
<b>Group total</b>	<b>8,646</b>	<b>+5.3%</b>	<b>+1.6%</b>	<b>+7.1%</b>

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

\*based on constant translation rates:  
2008 data at 2008 rates / 2007 data at 2008 rates

## II - Compared consolidated profit and loss accounts

€ millions

	1 <sup>st</sup> half 2008	1 <sup>st</sup> half 2007	2007
<b>Net sales</b>	<b>8,646.3</b>	<b>8,514.3</b>	<b>17,062.6</b>
Cost of sales	-2,505.3	-2,428.4	-4,941.0
<b>Gross profit</b>	<b>6,141.1</b>	<b>6,085.9</b>	<b>12,121.6</b>
Research and development	-272.0	-272.4	-559.9
Advertising and promotion	-2,570.1	-2,599.1	-5,126.7
Selling, general and administrative expenses	-1,829.4	-1,777.3	-3,618.2
<b>Operating profit before foreign exchange gains and losses</b>	<b>1,469.6</b>	<b>1,437.1</b>	<b>2,816.8</b>
Foreign exchange gains and losses	28.1	3.8	10.4
<b>Operating profit</b>	<b>1,497.7</b>	<b>1,440.9</b>	<b>2,827.2</b>
Other income and expenses	-1.7	-6.3	621.6
<b>Operational profit</b>	<b>1,496.0</b>	<b>1,434.6</b>	<b>3,448.8</b>
Finance costs	-66.7	-75.4	-174.5
Other financial income (expense)	-3.1	-2.7	-7.6
Sanofi-Aventis dividends	244.8	250.4	250.3
Share in net profit (loss) of equity affiliates	-	0.2	0.1
<b>Profit before tax and minority interests</b>	<b>1,671.0</b>	<b>1,607.1</b>	<b>3,517.2</b>
Income tax	-413.6	-428.4	-859.7
<b>Net profit</b>	<b>1,257.4</b>	<b>1,178.7</b>	<b>2,657.5</b>
attributable to:			
- group share	1,255.6	1,177.6	2,656.0
- minority interests	1.8	1.1	1.5
Net profit attributable to the group per share (euros)	2.12	1.95	4.42
Diluted net profit attributable to the group per share (euros)	2.11	1.94	4.38
Net profit excluding non-recurrent items attributable to the group per share (euros)	2.12	1.96	3.39
Diluted net profit excluding non-recurrent items attributable to the group per share (euros)	2.11	1.94	3.36

### III - Compared consolidated balance sheets

€ millions

	06.30.2008	06.30.2007	12.31.2007
<b>Assets</b>			
<b>Non-current assets</b>	<b>15,662.8</b>	<b>18,289.6</b>	<b>16,979.6</b>
Goodwill	5,478.0	4,492.1	4,344.4
Other intangible assets	1,899.9	1,928.4	1,959.2
Tangible assets	2,659.4	2,660.6	2,651.1
Non-current financial assets	5,183.6	8,757.7	7,608.9
Investments in equity affiliates	-	-	-
Deferred tax assets	441.9	450.8	416.0
<b>Current assets</b>	<b>6,631.9</b>	<b>6,099.3</b>	<b>6,220.7</b>
Inventories	1,623.2	1,547.6	1,547.6
Trade accounts receivable	3,096.2	3,003.3	2,617.5
Other current assets	1,155.9	867.0	926.4
Current tax assets	58.0	37.0	42.5
Cash and cash equivalents	698.6	644.4	1,086.7
<b>Total assets</b>	<b>22,294.7</b>	<b>24,388.9</b>	<b>23,200.3</b>

€ millions

	06.30.2008	06.30.2007	12.31.2007
<b>Liabilities</b>			
<b>Shareholders' equity</b>	<b>10,915.2</b>	<b>13,195.0</b>	<b>13,621.8</b>
Capital stock	122.2	125.2	123.6
Additional paid-in capital	965.1	960.8	963.2
Other reserves	9,914.4	9,347.1	8,695.8
Items directly recognised in equity	1,020.2	3,664.2	3,408.9
Cumulative translation adjustments	-687.7	-116.1	-441.1
Treasury stock	-1,677.6	-1,966.3	-1,787.2
Net profit attributable to the group	1,255.6	1,177.6	2,656.0
<b>Shareholders' equity excluding minority interests</b>	<b>10,912.2</b>	<b>13,192.5</b>	<b>13,619.2</b>
Minority interests	3.0	2.5	2.5
<b>Non-current liabilities</b>	<b>3,863.3</b>	<b>3,970.7</b>	<b>3,978.5</b>
Provisions for employee retirement obligation and related benefits	714.5	784.5	755.3
Provisions for liabilities and charges	152.1	163.4	148.5
Deferred tax liabilities	424.6	483.9	491.6
Non-current borrowings and debts	2,572.1	2,538.9	2,583.0
<b>Current liabilities</b>	<b>7,516.2</b>	<b>7,223.2</b>	<b>5,600.1</b>
Trade accounts payable	2,601.4	2,512.5	2,528.7
Provisions for liabilities and charges	276.9	251.7	285.7
Other current liabilities	1,805.6	1,676.4	1,732.5
Current tax liabilities	186.2	215.6	176.5
Current borrowings and debts	2,646.1	2,567.0	876.8
<b>Total liabilities</b>	<b>22,294.7</b>	<b>24,388.9</b>	<b>23,200.3</b>



## IV – Consolidated statement of changes in shareholders' equity

€ millions	Common shares outstanding	Capital stock	Additional paid-in capital	Retained earnings and net income	Items directly recognised in equity	Treasury stock	Cumulative translation adjustments	Shareholders' equity excluding minority interests	Minority interests	Shareholders' equity
<b>At 12.31.2006</b>	<b>605,722,110</b>	<b>127.9</b>	<b>958.5</b>	<b>11,035.4</b>	<b>5,066.9</b>	<b>-2,496.3</b>	<b>-70.3</b>	<b>14,622.1</b>	<b>2.1</b>	<b>14,624.2</b>
Capital increase	75,050	-	4.7					4.7		4.7
Cancellation of treasury stock		-4.3		-1,704.8		1,709.1		-		-
Dividends paid (not paid on treasury stock)				-711.6				-711.6	-0.9	-712.5
<i>Cumulative translation adjustments</i>							-370.8	-370.8		-370.8
<i>Financial assets available for sale</i>					-1,685.9			-1,685.9		-1,685.9
<i>Cash flows hedging</i>					27.9			27.9		27.9
Items directly recognised in equity		-			-1,658.0	-	-370.8	-2,028.8	-	-2,028.8
Consolidated net income of the period				2,656.0				2,656.0	1.5	2,657.5
<b>Total income and expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,656.0</b>	<b>-1,658.0</b>	<b>-</b>	<b>-370.8</b>	<b>627.2</b>	<b>1.5</b>	<b>628.7</b>
Deferred share-based payment				69.1				69.1		69.1
Net changes in treasury stock	-10,486,487			-1.6		-1,000.0		-1,001.6		-1,001.6
Other movements				9.3				9.3	-0.1	9.2
<b>At 12.31.2007</b>	<b>595,310,673</b>	<b>123.6</b>	<b>963.2</b>	<b>11,351.8</b>	<b>3,408.9</b>	<b>-1,787.2</b>	<b>-441.1</b>	<b>13,619.2</b>	<b>2.5</b>	<b>13,621.8</b>
Capital increase	32,150	-	1.9					1.9		1.9
Cancellation of treasury stock		-1.4		-661.3		662.7		-	-	-
Dividends paid (not paid on treasury stock)				-817.1				-817.1	-1.1	-818.2
<i>Cumulative translation adjustments</i>							-246.6	-246.6		-246.6
<i>Financial assets available for sale</i>					-2,389.4			-2,389.4		-2,389.4
<i>Cash flows hedging</i>					0.7			0.7		0.7
Items directly recognised in equity					-2,388.7		-246.6	-2,635.3		-2,635.3
Consolidated net income of the period				1,255.6				1,255.6	1.8	1,257.4
<b>Total income and expenses</b>				<b>1,255.6</b>	<b>-2,388.7</b>		<b>-246.6</b>	<b>-1,379.7</b>	<b>1.8</b>	<b>-1,377.9</b>
Deferred share-based payment				43.4				43.4		43.4
Net changes in treasury stock	-6,999,900			-0.1		-553.1		-553.2		-553.2
Other movements				-2.3				-2.3	-0.2	-2.5
<b>At 06.30.2008</b>	<b>588,342,923</b>	<b>122.2</b>	<b>965.1</b>	<b>11,170.0</b>	<b>1,020.2</b>	<b>-1,677.6</b>	<b>-687.7</b>	<b>10,912.2</b>	<b>3.0</b>	<b>10,915.2</b>

## Changes in first half 2007

€ millions	Common shares outstanding	Capital stock	Additional paid-in capital	Retained earnings and net income	Items directly recognised in equity	Treasury stock	Cumulative translation adjustments	Shareholders' equity excluding minority interests	Minority interests	Shareholders' equity
<b>At 12.31.2006</b>	<b>605,722,110</b>	<b>127.9</b>	<b>958.5</b>	<b>11,035.4</b>	<b>5,066.9</b>	<b>-2,496.3</b>	<b>-70.3</b>	<b>14,622.1</b>	<b>2.1</b>	<b>14,624.2</b>
Capital increase	37,200	0.0	2.3					2.3		2.3
Cancellation of treasury stock		-2.7		-1,014.2		1,016.9		-		-
Dividends paid (not paid on treasury stock)				-711.7				-711.7	-0.6	-712.3
<i>Cumulative translation adjustments</i>							-45.8	-45.8		-45.8
<i>Financial assets available for sale</i>					-1,387.7			-1,387.7		-1,387.7
<i>Cash flows hedging</i>					-15.0			-15.0		-15.0
Items directly recognised in equity					-1,402.7		-45.8	-1,448.5		-1,448.5
Consolidated net income of the period				1,177.6				1,177.6	1.1	1,178.7
<b>Total income and expenses</b>				<b>1,177.6</b>	<b>-1,402.7</b>		<b>-45.8</b>	<b>-270.9</b>	<b>1.1</b>	<b>-269.8</b>
Deferred share-based payment				34.4				34.4		34.4
Net changes in treasury stock	-5,444,200			-0.6		-486.9		-487.5		-487.5
Other movements				3.8				3.8	-0.1	3.7
<b>At 06.30.2007</b>	<b>600,315,110</b>	<b>125.2</b>	<b>960.8</b>	<b>10,524.7</b>	<b>3,664.2</b>	<b>-1,966.3</b>	<b>-116.1</b>	<b>13,192.5</b>	<b>2.5</b>	<b>13,195.0</b>

## V – Compared consolidated statements of cash flows

€ millions

	1 <sup>st</sup> half 2008	1 <sup>st</sup> half 2007	2007
<b>Cash flows from operating activities</b>			
Net profit attributable to the group	1,255.6	1,177.6	2,656.0
Minority interests	1.8	1.1	1.5
Elimination of expenses and income with no impact on cash flows:			
depreciation and charges to provisions	243.0	249.9	598.5
changes in deferred taxes	-7.2	-2.4	38.3
share-based payment	43.4	34.4	69.1
capital gains and losses on sale of assets	-2.7	-5.8	-11.7
capital gain on Sanofi-Aventis sale, net of tax	-	-	-631.9
share in net income of equity affiliates net of dividend received	-	0.5	0.5
<b>Gross cash flow</b>	<b>1,533.9</b>	<b>1,455.3</b>	<b>2,720.4</b>
Cash (used in) from working capital	-630.6	-453.3	-76.3
<b>Net cash provided by operating activities (A)</b>	<b>903.3</b>	<b>1,002.0</b>	<b>2,644.0</b>
<b>Cash flows from investing activities</b>			
Investments in tangible and intangible assets	-339.4	-371.0	-776.0
Disposals of tangible and intangible assets	5.0	15.1	30.1
Disposal of Sanofi-Aventis, net of tax	-	-	1,465.3
Changes in other financial assets (including investments in non-consolidated companies)	3.7	6.6	-10.2
Effect of changes in the scope of consolidation, net of acquired cash	-1,298.3	-474.1	-604.4
<b>Net cash (used in) from investing activities (B)</b>	<b>-1,629.0</b>	<b>-823.4</b>	<b>104.8</b>
<b>Cash flows from financing activities</b>			
Dividends paid	-829.1	-730.9	-725.7
Capital increase of the parent company	1.9	2.3	4.7
Disposal (acquisition) of treasury stock	-553.2	-487.6	-1,001.6
Issuance (repayment) of short-term loans	1,734.0	257.8	-1,439.1
Issuance of long-term borrowings	-	651.9	753.2
Repayment of long-term borrowings	-4.8	-3.7	-10.1
<b>Net cash (used in) from financing activities (C)</b>	<b>348.8</b>	<b>-310.2</b>	<b>-2,418.7</b>
Net effect of exchange rate changes and fair value changes (D)	-11.2	-5.2	-24.6
<b>Change in cash and cash equivalents (A+B+C+D)</b>	<b>-388.1</b>	<b>-136.8</b>	<b>305.5</b>
<b>Cash and cash equivalents at beginning of the year (E)</b>	<b>1,086.7</b>	<b>781.2</b>	<b>781.2</b>
<b>Cash and cash equivalents at the end of the period (A+B+C+D+E)</b>	<b>698.6</b>	<b>644.4</b>	<b>1,086.7</b>