

# L'ORÉAL

## 2004 Sales: 14.53 Billion Euros, Up By +6.2% Like-For-Like.

Clichy, Wednesday, January 26th 2005 – 6 p.m.

### 2004 SALES

**14.53 BILLION EUROS, UP BY +6.2% LIKE-FOR-LIKE**

### 2004 RESULTS TARGETS CONFIRMED

- Another year of strong growth and market share gains
- Rapid growth in North America
- Spectacular expansion in new and emerging markets
- Consumer spending slowdown in Western Europe

L'Oréal sales, at December 31st 2004, reached 14.53 billion euros, representing +6.8% growth excluding exchange rate effects, +6.2% like-for-like growth and +3.6% based on published figures. The impact of exchange rate effects amounted to -3.2% in 2004.

The net effect of structural changes (the consolidation of Mininurse and Yue Sai in China, and the 100% consolidation of Shu Uemura in Japan) was +0.6% at the end of December 2004.

**Commenting on the figures, Mr Lindsay OWEN-JONES, Chairman and Chief Executive Officer of L'Oréal, said:** "2004 sales growth, at +6.2% like-for-like, is fully in line with our targets and significantly higher than the growth rate of the cosmetics market.

Overall, our strategy of retail channel diversification, and strong presence in the new markets of fast-growing countries has helped us maintain a good sales trend in spite of a rather sluggish climate in Europe.

These achievements mean that, despite the persistent negative impact of exchange rates, we can confirm our targets for the annual results".

### Sales growth by operational division and geographic zone was as follows:

.v2petit-bleupress {font-family:Arial, Helvetica, sans-serif; font-size: 11px; color:#333453}  
.v2petit-bleupress10 {font-family:Arial, Helvetica, sans-serif; font-size: 10px; color:#333453}

---

**4th quarter 2004    At December 31, 2004**

---

€ m	Growth	€ m	Growth
-----	--------	-----	--------

---

**Like-for-like    Published figures    Like-for-like    Published figures**

**By operational division**

Professional Products 493 + 8.5 % + 6.1 % 1,998 + 7.6 % + 5.2 %

Consumer Products 1,870 + 8.5 % + 6,3 % 7,754 + 5.8 % + 3.3 %

Luxury Products 1,023 + 1.5 % - 1.6 % 3,520 + 5.2 % + 2.3 %

Active Cosmetics 174 + 9.4 % + 8.7 % 852 + 15.0 % + 13.8 %

**Cosmetics total** 3,583 + 6.3 % + 3.8 % 14,220 + 6.3 % + 3.8 %

**By geographic zone**

Western Europe 1,738 + 1.3 % + 1.3 % 7,313 + 1.1 % + 1.3 %

North America 990 + 9.0 % + 0.7 % 3,772 + 8.1 % - 0.3 %

Rest of World, of which: 854 + 14.4 % + 13.5 % 3,135 + 18.1 % + 16.2 %

- Asia 343 + 11.4 % + 14.9 % 1,269 + 17.0 % + 19.3 %

- Latin America 202 + 16.8 % + 8.7 % 724 + 16.2 % + 7.0 %

- Eastern Europe 150 + 24.6 % + 25.9 % 524 + 29.3 % + 27.3 %

- Other countries 159 + 9.3 % + 6.7 % 618 + 13.9 % + 13.2 %

**Cosmetics total** 3,583 + 6.3 % + 3.8 % 14,220 + 6.3 % + 3.8 %

Dermatology (1) 88 - 3.3 % - 9.5 % 293 + 1.8 % - 4.3 %

**Group total** 3,675 + 6.0 % + 3.4 % 14,534 + 6.2 % + 3.6 %      (1) Group share, i.e. 50%

In the fourth quarter, cosmetics sales grew by +6.3% like-for-like. The end of the year saw strong growth in the United States and a good performance from Professional Products and Consumer Products. In Luxury Products, however, the comparison base was high because of the division's major perfume launches at the end of 2003.

Over the full year, with +6.3% growth like-for-like (based on an identical structure and constant

exchange rates), L'Oréal's cosmetics sales once again increased faster than the market in 2004.

Sales trends by division for the full year were as follows:

- The **Professional Products Division**, whose products are sold through hair salons, achieved +7.6% like-for-like growth, which was greater than the market. Growth was supported by the launches of the Kérastase Réflexion range of haircare products for coloured hair, and of Platinum lightening paste from L'Oréal Professionnel, together with the continuing global roll-out of Matrix.

- The sales of the **Consumer Products Division** increased by +5.8% like-for-like. The second part of the year benefited from the excellent reception given to the latest launches from L'Oréal Paris (Elsève anti-dandruff shampoo, the Refinish facial micro-dermabrasion kit and Accord Parfait foundation), Garnier (Multilights hair colour kit), and Maybelline (XXL mascara and Dream Matte Mousse foundation).

- The **Luxury Products Division** achieved like-for-like growth of +5.2%. Several product successes made important contributions. Consumer response to Armani Code perfume has been very promising. The latest launches - Line Peel cream from Biotherm, Hydra Genius cream from Helena Rubinstein and Hypnose mascara from Lancôme - are big successes. Growth trends for Kiehl's and Shu Uemura are robust and their global roll-out continues.

The opening of boutiques for Lancôme, Biotherm and Kiehl's has generated considerable interest and very encouraging scores.

- **Active Cosmetics**, number one in the market for dermocosmetic products sold through pharmacies, once again produced strong like-for-like growth with a figure of +15.0%. The successes of the Liposyne slimming line, the Normaderm anti-acne facial skincare line from Vichy, and Rosaliac, the anti-redness skincare product from La Roche-Posay, made a solid contribution to this performance.

In the fast-growing nutricosmetics market, Innéov has further improved its position thanks to the success of Innéov Firmness, which is now number one in the anti-ageing segment, and the launch of its second product Innéov Hair Mass in the largest segment of the European market: haircare.

Galderma recorded like-for-like sales growth of +1.8%, a modest increase mainly reflecting the sluggishness of the dermatology market in the United States.

### **Rapid growth in North America**

#### **Spectacular expansion of new markets**

- In **North America**, like-for-like sales growth was +8.1%, with each of the three divisions making substantial market share gains.

In Professional Products, the year was notable for the success of the Redken for Men line, the spectacular rise of Kérastase and the success of Curl Life haircare products from Matrix and Luo Color from L'Oréal Professionnel.

In Consumer Products, the big news was the breakthrough of Fructis, which, although only launched two years ago, won a substantial share of the shampoo and styling markets.

L'Oréal Paris meanwhile made substantial progress in skincare with the launch of Refinish. Maybelline confirmed its position as number one in mass-market make-up. Lastly, in Luxury

Products, Kiehl's achieved strong growth thanks to the success of the Abyssine cream line and the extension of its boutique network.

In make-up, Lancôme grew strongly, reflecting the success of Juicy Wear lipstick. The new Armani Cosmetics line success story continued.

In the perfumes market, the Ralph Lauren brand continued to move forward, with successful launches for Ralph Cool and Lauren Style.

- Sales in **Western Europe** increased by +1.1% like-for-like.

Professional Products sales continued to outstrip the market growth rate, thanks largely to successful launches for the Kérastase Réflexion haircare line and Platinum lightening paste, and the revamping of the Tecni Art styling line.

Consumer Products sales gathered speed sharply in the 4th quarter, with successful new products that were very well received. The division recorded large market share gains: in value terms, the division is now number one in the facial skincare market, and has increased its hair colourant market share by more than one percentage point.

Luxury Products sales were strong in the U.K. and in Spain. Sales trends, although good in France and Germany, were held back by stock reduction in the selective retail channel.

Once again, Active Cosmetics made rapid progress while winning market share, particularly in Germany.

- The growth rate in the **Rest of the World** was once again very high at +18.1% like-for-like.
- Sales continued to increase quickly in **Asia**, with like-for-like growth of +17%. Sales in China almost doubled thanks to the effect of growth by existing brands and the Mininurse and Yue Sai acquisitions.

Development prospects are promising with Garnier and Yue Sai in China, with Shu Uemura (now available in all Asian countries), with Matrix in the Chinese world, and with La Roche-Posay in Japan and China.

- Sales in **Latin America**, which increased by +16.2% like-for-like, were supported by growth in all the group's divisions.

Consumer Products took advantage of the successes of Nutrisse hair colourant and the Fructis lines from Garnier, and of the expansion of Maybelline.

The Professional Products division made progress in haircare and hair colourants with Diacolor Richesse from L'Oréal Professionnel. The Luxury Products division turned in an excellent performance in perfumes, particularly in Mexico.

- In **Eastern Europe**, 2004 saw very rapid sales growth of +29.3% like-for-like. This result stemmed largely from the successes scored by Garnier in skincare and hair colourants.

Maybelline, whose sales are advancing strongly, is confirming its status as a major mass-market brand, particularly in the foundation and eye make-up segments.

Lastly, L'Oréal Paris was strengthened by the sales expansion of Elsève haircare products.

In Active Cosmetics, Vichy chalked up another remarkable performance in pharmacy sales.

In hair salons, the development of Matrix, the most affordable of the division's brands, has broadened the distribution base.

- Sales in all the **Other Countries** combined grew strongly at +13.9% like-for-like. Performance in India, Australia and Turkey was outstanding.

Contact at L'ORÉAL

Journalists

**Mr Mike RUMSBY**

Tel: +33.1.47.56.76.71

<http://www.loreal.com>

For more information, please contact your bank, broker or financial institution (I.S.I.N. code: FR0000120321), and consult your usual newspapers, and the Internet site for shareholders and investors, <http://www.loreal-finance.com>, or its mobile version on your PDA, at [loreal-finance.com](http://www.loreal-finance.com) mobile edition; alternatively call: +33.1.40.14.80.50.

## About L'Oréal

L'Oréal has devoted itself to beauty for over 100 years. With its unique international portfolio of 34 diverse and complementary brands, the Group generated sales amounting to 25.8 billion euros in 2016 and employs 89,300 people worldwide. As the world's leading beauty company, L'Oréal is present across all distribution networks: mass market, department stores, pharmacies and drugstores, hair salons, travel retail, branded retail and e-commerce.

Research and innovation, and a dedicated research team of 3,870 people, are at the core of L'Oréal's strategy, working to meet beauty aspirations all over the world. L'Oréal's sustainability commitment for 2020 "Sharing Beauty With All" sets out ambitious sustainable development objectives across the Group's value chain. [www.loreal.com](http://www.loreal.com)

---

*"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."*

## **Contacts L'OREAL** (switchboard + 33 1.47.56.70.00)

### **Individual shareholders and market authorities**

Jean Régis CAROF  
Tel : + 33 (0)1.47.56.83.02  
[jean-regis.carof@loreal.com](mailto:jean-regis.carof@loreal.com)

### **Financial analysts and institutional investors**

Françoise LAUVIN  
Tel : +33 (0)1.47.56.86.82  
[francoise.lauvin@loreal.com](mailto:francoise.lauvin@loreal.com)

### **Journalists**

Stéphanie Carson-Parker  
Tel : + 33 (0)1 47 56 76 71  
[stephanie.carsonparker@loreal.com](mailto:stephanie.carsonparker@loreal.com)

For further information, please contact your bank, stockbroker or financial institution (I.S.I.N. code: FR0000120321), and consult your usual newspapers or magazines or the Internet site for shareholders and investors, [www.loreal-finance.com](http://www.loreal-finance.com), the L'Oréal Finance app or call the toll-free number from France: 0.800.66.66.66.

Anne-Laure RICHARD  
Tél : +33 (0)1.47.56. 80.68  
[annelaure.richard@loreal.com](mailto:annelaure.richard@loreal.com)

Polina Huard  
Tél : +33 (0)1 47 56 87 88  
[polina.huard@loreal.com](mailto:polina.huard@loreal.com)

Vanessa Wang  
Tel : +33 (0)1 47 56 76 88  
[vanessa.wang@loreal.com](mailto:vanessa.wang@loreal.com)