

# L'ORÉAL

## L'Oreal Strong Increase In Half-Year Net Profit: + 22.5%

### Main half-year indicators

	at 30 June 1999	at 30 June 2000	Growth
in millions of euros			
Consolidated sales	5 372.5	6 149.9	+14.5%
Operating profit	569.2 (1)	690.2	+21.3%
Adjusted operating profit (2)	562.4 (1)	661.9	+17.7%
Pre-tax profit of fully consolidated companies	513.3 (1)	601.7	+17.2%
Net profit of fully consolidated companies	316.5	377.6	+19.3%
Group's share of net profit of associated companies	66.7	91.0	+36.5%
Net profit before capital gains and losses, after minority interests	379.5	464.9	+22.5%

News Release

The new accounting standards applied since 1st January, 2000 recommend that employee profit-sharing should be recorded under "personnel costs". To make the figures comparable, the 1999 figures have been adjusted by applying the same method.

(2) Adjusted for exchange rate fluctuations.

The consolidated sales of the group up to 30th June, 2000 amounted to € 6.15 billion (FF 40.33 billion), a 14.5% increase based on published figures or 8.2% excluding currency effects.

### Good performance in margins

The group's two sectors, cosmetics and dermatology, achieved improved operating margins.

### Adjusted operating profit

	30 June 1999	% of sales	30 June 2000
% of sales	Increase		
Cosmetics	541.4 m€	10.3%	631.2 m€
10.5%	+16.6%		
Dermatology	24.7 m€	23.9%	32.9 m€
28.1%	+33.2%		
Consolidated			
total	562.4 m€	10.5%	662 m€
17.7%			10.8%

### Strong profit growth for associated companies

Profit for associated companies improved by 36.5%.

As L'OREAL consolidates 19.57% of SANOFI-SYNTHELABO, the group's share amounted to € 85.2 m. This can be compared to € 62 m, corresponding to 56.64% of SYNTHELABO consolidated by L'OREAL in the first half of 1999, and represents an increase of 37.3%.

### Outlook for 2000 as a whole

On the publication of these figures, Mr Lindsay OWEN-JONES, Chairman and Chief Executive Officer of the L'OREAL group, commented: "After the excellent first-half results and in view of the strong growth prospects for the second half, the annual results excluding acquisitions should reflect an increase broadly in line with that achieved in the first half."

The acquisitions of KIEHL'S, MATRIX and CARSON have now been finalised and will be consolidated in the second half of 2000.

For the year as a whole, these acquisitions should contribute an extra two percentage points to

sales growth. In profit terms, the impact of the acquisitions is likely to be slightly negative in 2000, before becoming positive from 2001 onwards.

The accounts for the first half of 2000 will be finalised on 28th September, 2000.

## 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)

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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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