Clichy, February 13th, 2012 at 6:00 p.m.

L'ORÉAL

2011 Annual Results

SUSTAINED GROWTH IN SALES
SOLID INCREASE IN PROFITS

- **Sales: 20.34 billion euros, +5.1% like-for-like***
- **Strong improvement in operating margin: +50 bps** at 16.2%**
- **Record gross margin: +40 bps at 71.2%**
- **Net earnings per share***: +7.8%**
- **Increase in dividend****: +11% at 2 euros**
- **Confidence in another year of sales and profit growth.**

News Release

The Board of Directors of L'Oréal met on February 13th, 2012 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 2011.

Commenting on the annual results, Mr Jean-Paul Agon, Chairman and Chief Executive Officer of L'Oréal, said:
"2011 was a solid year of development, which has made the group even stronger. In a cosmetics market whose global trend was favourable, L'Oréal achieved sustained sales growth and confirmed its position as the world leader in beauty.
All divisions are expanding. L'Oréal Luxury in particular posted a very good year, especially thanks to Lancôme, Giorgio Armani and Kiehl's.
Internationalisation is continuing across all divisions. The group is pursuing its conquest of the New Markets, with Asia and Latin America leading the way, and is making clear progress in North America. 2012 will be a symbolic year, as the New Markets are set to become the group's number one geographic zone.
These performances demonstrate the relevance of our strategic thrusts and provide further confirmation of the key role played by research, innovation and creativity in our industry.
2011 was also another year of solid construction for our operating profit. The strong growth in results reflects the virtuous dynamics set in motion: operational efficiency has advanced in all fields of activity, enabling us to prepare well for the future, and the profitability of the New Markets zone increased substantially.
The good quality of these results means that we are more confident than ever in the group's ability to achieve sustainable and profitable growth. We are well equipped to succeed in our strategy of universalising beauty and to achieve another year of sales and profit growth in 2012."

The Board of Directors has decided to propose to the Annual General Meeting of April 17th, 2012 the payment of a dividend of 2 euros per share, an increase of +11% compared with 2010.

"Through its proposal to pay a dividend of 2 euros, the Board of Directors is expressing its confidence in the group's outlook and its strong potential for development," said Mr Jean-Paul Agon, at the end of the Board meeting.

** +4.3% based on reported figures*
*** basis points*
**** 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 17th, 2012.*

A – 2011 sales

Like-for-like, i.e. based on a comparable structure and identical exchange rates, the sales trend of the L'Oréal group was +5.1%.
The net impact of changes in consolidation amounted to +0.6%.
Currency fluctuations had a negative impact of -1.4%.
Growth at constant exchange rates was +5.7%.
Based on reported figures, the group's sales, at December 31st, 2011, amounted to 20.343 billion euros, an increase of +4.3%.

Sales by operational division and geographic zone

	4th quarter 2011			At December 31st, 2011		
	€m	Growth		€m	Growth	
		Like-for-like	Reported		Like-for-like	Reported
By operational division						
Professional Products	704.6	3.2%	5.1%	2,813.8	2.5%	3.6%
Consumer Products	2,405.2	4.1%	3.9%	9,835.2	4.5%	3.2%
L'Oréal Luxury	1,350.4	6.9%	7.3%	4,800.1	8.2%	6.5%
Active Cosmetics	305.5	1.1%	0.3%	1,421.7	3.2%	2.6%
Cosmetics total	**4,765.7**	**4.5%**	**4.8%**	**18,870.8**	**5.0%**	**4.0%**
By geographic zone						
Western Europe	1,748.3	-0.6%	-0.3%	7,246.6	0.6%	0.9%
North America	1,122.6	5.6%	7.6%	4,406.2	5.5%	2.7%
New Markets, of which:	1,894.8	9.1%	8.2%	7,218.0	9.5%	8.3%
- *Asia, Pacific*	*975.3*	*12.7%*	*15.6%*	*3,619.5*	*13.0%*	*13.4%*
- *Eastern Europe*	*355.0*	*-3.0%*	*-5.2%*	*1,336.9*	*-2.8%*	*-4.4%*
- *Latin America*	*423.7*	*10.9%*	*5.2%*	*1,680.9*	*13.2%*	*10.8%*
- *Africa, Middle East*	*140.9*	*15.7%*	*7.2%*	*580.7*	*10.5%*	*4.1%*
Cosmetics total	**4,765.7**	**4.5%**	**4.8%**	**18,870.8**	**5.0%**	**4.0%**
The Body Shop	264.4	7.6%	6.4%	767.6	4.2%	1.7%
Dermatology(1)	225.6	13.4%	25.1%	704.7	8.4%	17.1%
Group total	**5,255.7**	**5.1%**	**5.6%**	**20,343.1**	**5.1%**	**4.3%**

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

1) Cosmetics sales

PROFESSIONAL PRODUCTS

In a generally sluggish market, the Professional Products Division achieved 2011 growth of +2.5% like-for-like and +3.6% based on reported figures. Growth based on constant exchange rates, including the impact of acquisitions, came out at +5.1%. Initiatives in hair colourants and haircare enabled the division to win market share in all zones.

- Haircare growth was driven by the success of hair oils, with *Mythic Oil* from *L'Oréal Professionnel*, *Elixir Ultime* from *Kérastase* and *Argan-6 oil* by *Redken*. *Fusio-Dose* by *Kérastase*, the ultra-personalised made-to-measure salon haircare, and *Total Results* by *Matrix,* the accessible professional haircare range, are also contributing to growth.
  In hair colourants, *L'Oréal Professionnel* is continuing to roll out *Inoa*, and is reinventing tone-on-tone colour with *Dialight* and *Diarichesse*. *Redken* has created *Color Fusion Extra Lift,* a formula with unique lightening power, and *Matrix* is expanding in Asia thanks to *SoColor* (90ml) and *Wonderbrown*.

- The division is continuing to improve its positions in the developed markets, with significant market share gains in Germany and the United Kingdom. The conquest of the luxury haircare segment is continuing with *Kérastase* and *Shu Uemura Art of Hair*. In the United States, the division posted positive growth, bolstered by the SalonCentric network.
  In the New Markets, the division is growing fast, particularly in Asia, Latin America and the Middle East. It is increasing its presence in all zones by investing in hairdresser training and rolling out innovations attuned to local beauty rituals and expectations, as exemplified by the launches of *Oilthérapie* in India and *X-Tenso Care* in Brazil.

CONSUMER PRODUCTS

The Consumer Products Division achieved growth of +4.5% like-for-like and +3.2% based on reported figures at end-2011. *Maybelline* posted another year of strong growth and *L'Oréal Paris* is accelerating.

- *L'Oréal Paris* is launching strong initiatives in all categories. The renewal of the *Elvive* range and the success of *Elvive Triple Resist enriched with Arginine*, are galvanising the haircare segment in Europe. In make-up, the brand is standing out from the competition with *Lash Architect* mascara and *Color Riche* lipstick. The new hair colourant *Sublime Mousse* and the strong growth of skincare in China are also contributing to the brand's acceleration.
  Maybelline is performing extremely well on all continents, with its *Falsies Flared* and *Colossal Cat Eyes* mascaras, *Fit Me* foundation, and *Color Stay* lipsticks.
  Garnier is continuing its initiatives, particularly in skincare with its BB cream, *Miracle Skin Perfector,* in Europe, and *Dark Spot Corrector* in the United States.

- In Western Europe, the division is winning market share in France, Germany and the Nordic countries. The situation is more difficult in the countries of the South.
  In North America, the division is improving its positions thanks to haircare, make-up and skincare.
  In the New Markets, the division is performing well in all zones, with the exception of Eastern Europe. In Asia, the division is continuing to grow strongly, particularly in facial skincare for both women and men. In Latin America, the division had a good year, particularly in Mexico, Argentina and Chile, thanks to the success of its deodorants and hair colourants.

L'ORÉAL LUXURY

Bolstered by a lively market trend and the dynamism of its major brands, L'Oréal Luxury recorded 2011 sales up by +8.2% like-for-like and +6.5% based on reported figures. In all regions, the division has major stand-out innovations, with *Visionnaire* from *Lancôme* taking pride of place.

- *Lancôme* posted a year of strong growth, with the high-profile launch of *Visionnaire*, the first-ever fundamental skin corrector, protected by 20 patents and the winner of the Prix d'Excellence Marie-Claire. Meanwhile, the brand is continuing to grow thanks to its flagship products, *Génifique, Rénergie* and *Teint Miracle.* The new mascara *Hypnôse Doll Eyes* and the launch of the fragrance *Trésor Midnight Rose* also reflect the brand renewal now under way.
  L'Oréal Luxury enjoyed an excellent year in facial skincare, with strong performances from *Lancôme*, the rapid expansion of *Kiehl's* on all continents, and the introduction of *Régénessence* skincare by *Giorgio Armani*, along with the initiatives of *Biotherm*.
  Yves Saint Laurent is bringing out its new skincare line, *Forever Youth Liberator*. Its store sales are increasing thanks to *Opium*, *L'Homme* men's fragrances and the make-up lines.
  The *Giorgio Armani* brand is being driven by the healthy trends of *Acqua di Gio* and *Code Homme*, and by the growing success of the women's fragrance *Acqua di Gioia*.
  Loverdose by *Diesel* was ranked in Europe one of the best women's fragrance launches of the year.
  The instrumental cosmetics brand *Clarisonic,* acquired in December, has joined the L'Oréal Luxury brand portfolio; it is the market leader in sonic technology skincare applications.

- In Western Europe, L'Oréal Luxury ended the year well, particularly in France, driven by the dynamism of *Lancôme, Kiehl's* and *Diesel*.
  In North America, the division recorded strong growth with its brands *Lancôme*, *Yves Saint Laurent, Kiehl's, Giorgio Armani* and *Viktor & Rolf.*
  In the New Markets, L'Oréal Luxury is growing fast. Thanks to *Lancôme*, *Kiehl's* and *Shu Uemura*, the division is making substantial market share gains in Asia; it is also continuing to grow in Latin America, the Middle East and Eastern Europe.

ACTIVE COSMETICS

In 2011, the Active Cosmetics Division grew by +3.2% like-for-like and +2.6% based on reported figures. With strong dynamism in Latin America, the United States and Africa, Middle East, the division is strengthening its position as number one in the worldwide dermocosmetics market.

- The division's sales are increasing, thanks to the dynamism not only of *La Roche Posay*, but also of *SkinCeuticals* and *Roger&Gallet*.
  La Roche Posay is growing on all continents, thanks in particular to *Tolériane Ultra*, skincare for highly sensitive and allergy-prone skin, and *Cicaplast Baume B5* in the scarring segment.
  Vichy is maintaining its world number one position, and carried out two major launches in Europe: *Lift Activ Sérum 10* in anti-ageing skincare, and *Dercos Aminexil* in anti-hairloss haircare.
  The strong growth of *SkinCeuticals* is continuing, both in its original market in the United States, and in Europe.
  Finally, the internationalisation of *Roger&Gallet* is continuing, with strong growth in the countries it is moving into, and the highly successful launch of the fragrance *Fleur d'Osmanthus.*

- The division's growth is being boosted by good performances in North America and in the New Markets, particularly Latin America and the Africa, Middle East zone. The very good scores of *Innéov in* Brazil, now the brand's number one market worldwide, are worth noting.
  In Europe, the division's growth continues to reflect contrasting trends in different countries: positive in France, but more difficult in Southern Europe and in Eastern Europe, where difficulties in the pharmacies channel are continuing.
  The broadening of distribution and the conquest of new health channels, such as drugstores and medispas, are an important element in the division's worldwide strategy.

Multi-division summary by geographic zone

WESTERN EUROPE

In a very slightly positive market, L'Oréal recorded a growth rate of +0.6% like-for-like, with good growth rates in France, Germany and the United Kingdom, and in Travel Retail. Sales have been galvanised in this zone by *Maybelline* make-up and by L'Oréal Luxury. The situation remains more difficult in Southern Europe, and particularly in Greece and Portugal.

NORTH AMERICA

In North America, L'Oréal grew faster than the market, and recorded 2011 growth of +5.5% like-for-like. The Luxury, Consumer Products and Active Cosmetics Divisions all posted sustained growth. The Consumer Products Division is significantly outperforming the market trend, thanks in particular to *Maybelline* and *Garnier*. The recently acquired *Essie* brand had a very good year. Growth in the Professional Products Division is less substantial, but is nevertheless ahead of the professional market trend.

NEW MARKETS

At December 31st, 2011, the New Markets posted growth of +9.5% like-for-like and +8.3% based on reported figures. Excluding Japan, the New Markets recorded growth of +10.6% like-for-like, driven by the constant dynamism of Asia.

- **Asia, Pacific:** L'Oréal achieved annual growth in Asia-Pacific of +13.0% like-for-like and +13.4% based on reported figures. If Japan is excluded, growth in this zone amounted to +16.1% like-for-like and +15.5% based on reported figures. Despite the disasters which hit Japan, Australia, New Zealand and Thailand during the year, the group is continuing to improve its positions throughout the zone, driven by markets whose dynamism remains intact. The group is advancing thanks to the very good scores of L'Oréal Luxury in Greater China and South Korea with *Lancôme, Kiehl's, Shu Uemura* and *Biotherm*. Consumer Products are also contributing to this dynamism thanks to *L'Oréal Paris* and *Maybelline*. L'Oréal is thus asserting its status as a skincare and make-up expert in all countries in this zone. Haircare made a good start in the emerging markets of South-East Asia.

- **Eastern Europe:** At end-2011, the group is at -2.8% like-for-like in Eastern Europe. In a dismal economic context which is affecting all the countries in this zone, the group's divisions recorded contrasting levels of performance. The Professional Products Division and L'Oréal Luxury are improving their penetration. In the Consumer Products Division, a programme of carefully adapted initiatives is under way, for *Garnier* in particular.

- **Latin America:** In 2011, L'Oréal achieved growth of +13.2% like-for-like in Latin America. Argentina, Mexico and Central America are the growth drivers in this zone. Brazil is still posting a solid trend. All the group's divisions recorded good performances, particularly the Active Cosmetics Division. The very good results of *Maybelline* make-up in the Consumer Products Division are worth noting.

- **Africa, Middle East:** At December 31st, 2011, Africa - Middle East achieved growth of +10.5% like-for-like. In this zone, growth is being driven by the countries of the Levant, the Gulf and Turkey, and by two recently created subsidiaries, Pakistan and Egypt. However, the situation is more contrasted in South Africa. All divisions are contributing to the dynamism of this expansion.

2) The Body Shop sales

In 2011, The Body Shop achieved solid sales growth at +4.2% like-for-like, with a sharp acceleration in the in the 4th quarter. Retail sales[(1)] also increased by +3.8%.

The Body Shop is further enhancing its militant approach to innovation, with launches including *Brush with Fashion*, a make-up collection created for young consumers, *Earth lovers*, a range of eco-designed, 100%-biodegradable shower gels, as well as *White Musk Libertine*, a fragrance based on animal-friendly musk and Community Fair Trade organic alcohol.

In 2011, The Body Shop achieved growth in Europe and North America and quickly expanded in the New Markets. The brand experienced strong growth in the Middle East, particularly in Saudi Arabia and Egypt, as well as in Asian countries such as India and Hong Kong, and in Eastern Europe. The brand now has 16 online stores and is continuing to grow at an accelerated rate in e-commerce. Finally, The Body Shop now has a robust presence in global Travel Retail outlets across 44 markets.

At the end of 2011, The Body Shop has a total of 2,748 stores, an addition of 143 since December 31st, 2010.

(1) Retail sales: total sales to consumers through all channels, including franchisees.

3) Galderma sales

Galderma's sales increased by +8.4% like-for-like and +17.1% based on reported figures.

Galderma confirmed its dynamism thanks to the success of its innovative products which offset the negative impact of generics on the sales of *Differin 0.1%* gel and cream (acne) in the United States and *Loceryl* lacquer (onychomycosis) in Europe. The *Epiduo* (acne), *Oracea* (rosacea) and *Cetaphil Restoraderm* (therapeutic skincare, line specifically formulated for atopic skin) brands recorded very good scores. The acquisition of Q-Med and its flagship product *Restylane*, the launch of the *Emervel* range (hyaluronic acid dermal fillers) and the success of *Azzalure* (muscle relaxant) have helped Galderma become one of the leaders in the aesthetic and corrective dermatology market.

The expansion of Galderma in the New Markets, such as Brazil, Russia, and the Asian countries has contributed to this solid growth. Good performances in Germany and the United Kingdom are also worth noting.

Galderma continued to invest in R&D and manufacturing, thus assuring its strategic development in the three key segments: prescription products, OTC products and aesthetic and corrective medical solutions.

B – Important events during the period 10/01/11 - 12/31/11

- On November 10th, L'Oréal USA and Pacific Bioscience Laboratories Inc. (PBL) signed a merger agreement. Founded in 2001, this company has developed a patented technology used in a range of products marketed under the *Clarisonic* brand that are proving extremely successful. The *Clarisonic* brand is the leader in the dynamic market for skincare devices and technologies. The acquisition was completed on December 15th, 2011. In 2010, Pacific Bioscience Laboratories Inc. (PBL) achieved sales of $105 million.

- On December 6th, L'Oréal opened its new subsidiary in Kenya. Based in Nairobi, the subsidiary will be the hub for expanding the group's activities in East Africa, a region which also includes Uganda, Tanzania, Rwanda, Burundi and Ethiopia. By opening new subsidiaries in Kenya and Nigeria, the L'Oréal group is reaffirming its confidence in the African region's growth potential.

- On December 19th, L'Oréal signed a memorandum of understanding with the state and city of Rio de Janeiro for the building of a Research and Innovation centre in an area adjacent to the Federal University of Rio de Janeiro Technology Park. The investment of around €30 million will serve to accelerate the growth of innovative products tailored for the Brazilian and Latin American markets that may potentially be marketed in other locations around the world.

C – 2011 Results

1) Operating profitability at 16.2% of sales

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

	2010		2011	
	€m	% sales	€m	% sales
Sales	**19,495.8**	**100.0%**	**20,343.1**	**100.0%**
Cost of sales	*-5,696.5*	*29.2%*	*-5,851.5*	*28.8%*
Gross profit	**13,799.3**	**70.8%**	**14,491.6**	**71.2%**
Research and development expenses	*-664.7*	*3.4%*	*-720.5*	*3.5%*
Advertising and promotion expenses	*-6,029.1*	*30.9%*	*-6,291.6*	*30.9%*
Selling, general and administrative expenses	*-4,048.6*	*20.8%*	*-4,186.9*	*20.6%*
Operating profit	**3,056.9**	**15.7%**	**3,292.6**	**16.2%**

Gross margin came out at 71.2% of sales, an improvement of 40 basis points compared with 2010.

Research expenses increased by 8.4%, representing 3.5% of sales. This latest increase reflects the strategic decision to make significant investments in research.

Advertising and promotion expenses came out at 30.9% of sales, which is identical to the 2010 level.

Selling, general and administrative expenses grew less rapidly than sales. At 20.6%, they improved by 20 basis points compared with 2010.

Overall, **operating profit** came out at 3,292.6 million euros, representing growth of 7.7%, reflecting a very significant improvement in profitability compared with 2010, at +50 basis points.

2) Operating profit by branch and division

	2010		2011	
	€m	% sales	€m	% sales
By operational division				
Professional Products	551.9	20.3%	578.6	20.6%
Consumer Products	1,764.6	18.5%	1,859.0	18.9%
L'Oréal Luxury	790.5	17.5%	926.3	19.3%
Active Cosmetics	278.2	20.1%	286.7	20.2%
Cosmetics divisions total	**3,385.3**	**18.7%**	**3,650.6**	**19.3%**
Non-allocated[*]	*-512.9*	*-2.8%*	*-546.2*	*-2.9%*
Cosmetics branch total	**2,872.4**	**15.8%**	**3,104.4**	**16.5%**
The Body Shop	**65.3**	**8.7%**	**68.1**	**8.9%**
Dermatology branch[**]	**119.2**	**19.8%**	**120.1**	**17.0%**
Group	**3,056.9**	**15.7%**	**3,292.6**	**16.2%**

** 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%.*

Once again this year and as in 2010, all the divisions achieved growth in their operating profitability, particularly L'Oréal Luxury at +180 basis points.

The Body Shop improved its profitability in 2011.

Finally, Galderma had to face competition from generics on two major drugs, *Differin 0.1%* and *Loceryl.*

3) Profitability by geographic zone

Operating profit	2010		2011	
	€m	% sales	€m	% sales
Western Europe	1,552.0	21.6%	1,512.3	20.9%
North America	708.5	16.5%	810.1	18.4%
New Markets	1,124.8	16.9%	1,328.1	18.4%
Cosmetics zones total*	**3,385.3**	**18.7%**	**3,650.6**	**19.3%**

** Before non-allocated.*

Profitability in Western Europe contracted slightly at 20.9%, returning to its 2009 level.

The profitability figures in the North America and New Markets zones once again increased substantially, with both reaching 18.4% of sales.

4) Net earnings per share**: €4.32

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

€m	2010	2011
Operating profit	**3,056.9**	**3,292.6**
Financial revenues and expenses excluding dividends received	*-35.6*	*-25.2*
Sanofi dividends	283.8	295.6
Profit before tax excluding non-recurring items	3,305.2	3,563.1
Income tax excluding non-recurring items	*-931.9*	*-977.6*
Non-controlling interests	*-2.3*	*-2.5*
Net profit excluding non-recurring items after non-controlling interests*	**2,370.9**	**2,582.9**
Net EPS (€)**	**4.01**	**4.32**
Net profit after non-controlling interests	2,239.7	2,438.4
Diluted net EPS after non-controlling interests (€)	3.79	4.08
Diluted average number of shares	**591,392,449**	**597,633,103**

** 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 have once again this year declined very substantially, at 25.2 million euros. This latest reduction is the result of the large reduction in our average debt.
Dividends from Sanofi amounted to 295.6 million euros, an increase of +4.2%.
Income tax excluding non-recurring items amounted to 977.6 million euros, representing a rate of 27.4%, slightly below the 2010 rate.

Net profit excluding non-recurring items after non-controlling interests amounted to 2,582.9 million euros, up by 8.9%.

Net earnings per share, at €4.32, increased by 7.8%.

After allowing for non-recurring items, representing in 2011 a charge, net of tax, of 144 million euros, **net profit** amounted to 2,438.4 million euros, an increase of 8.9%.

5) Cash flow Statement, Balance sheet and Debt

Gross cash flow amounted to 3,226.2 million euros.

The **working capital requirement** increased by 322.0 million euros, after two years of decline in absolute value. This represents a return to a situation more in line with the group's activity.

Capital expenditure, at 865.7 million euros, amounted to 4.3% of sales.

After dividend payment and acquisitions (Q-MED and *Clarisonic*), the group recorded at December 31st, 2011, a **net cash surplus** of 504 million euros.

The balance sheet structure is very solid, as at end-2011 **shareholders' equity** represented 65.7% of total assets. The reinforcement of shareholders' equity compared with end-2010 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 17th, 2012

The Board of Directors has decided to propose that the Annual General Meeting of Shareholders of April 17th, 2012 should approve a dividend of 2 euros per share, an increase of +11% compared with the dividend paid in 2011. This dividend will be paid on May 3rd, 2012 (ex-dividend date April 27th, 2012 at 0:00 a.m., Paris time).
2012 is the first year in which shareholders who have continually held their shares in registered form for over 2 years will receive a loyalty bonus of +10%.

Results

7) Share capital

The Board of Directors has set the amount of the share capital at December 31st, 2011 to 602,984,082 shares with a par value of 0.20 euro, representing a total of 120,596,816.40 euros.

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D – Appendices

Appendix 1: L'Oréal group sales 2010/2011 (€ millions)

	2010	2011
First quarter:		
Cosmetics	4,445	4,861
The Body Shop	164	170
Dermatology	112	130
First quarter total	**4,722**	**5,160**
Second quarter:		
Cosmetics	4,617	4,644
The Body Shop	170	168
Dermatology	158	177
Second quarter total	**4,945**	**4,989**
First half:		
Cosmetics	9,062	9,505
The Body Shop	334	337
Dermatology	271	307
First half total	**9,667**	**10,150**
Third quarter:		
Cosmetics	4,529	4,600
The Body Shop	172	166
Dermatology	151	172
Third quarter total	**4,852**	**4,938**
Nine months:		
Cosmetics	13,591	14,105
The Body Shop	506	503
Dermatology	421	479
Nine months total	**14,518**	**15,087**
Fourth quarter:		
Cosmetics	4,549	4,766
The Body Shop	249	264
Dermatology	180	226
Fourth quarter total	**4,977**	**5,256**
Full year		
Cosmetics	18,139	18,871
The Body Shop	755	768
Dermatology	602	705
Full year total	**19,496**	**20,343**

Appendix 2: Compared consolidated income statements

€ millions	**2011**	**2010**	**2009**
Net sales	**20,343.1**	**19,495.8**	**17,472.6**
Cost of sales	-5,851.5	-5,696.5	-5,161.6
Gross profit	**14,491.6**	**13,799.3**	**12,311.0**
Research and development	-720.5	-664.7	-609.2
Advertising and promotion	-6,291.6	-6,029.1	-5,388.7
Selling, general and administrative expenses	-4,186.9	-4,048.6	-3,735.5
Operating profit	**3,292.6**	**3,056.9**	**2,577.6**
Other income and expenses	-96.3	-153.2	-277.6
Operational profit	**3,196.3**	**2,903.7**	**2,299.9**
Finance costs on gross debt	-48.1	-43.8	-92.0
Finance income on cash and cash equivalents	28.5	17.2	16.0
Finance costs, net	**-19.6**	**-26.6**	**-76.0**
Other financial income (expenses)	-5.6	-9.0	-13.0
Sanofi dividends	295.6	283.8	260.1
Profit before tax and non-controlling interests	**3,466.7**	**3,151.9**	**2,471.0**
Income tax	-1,025.8	-909.9	-676.1
Net profit	**2,440.9**	**2,242.0**	**1,794.9**
attributable to:			
- owners of the company	2,438.4	2,239.7	1,792.2
- non-controlling interests	2.5	2.3	2.7
Earnings per share attributable to owners of the company *(euros)*	4.11	3.82	3.07
Diluted earnings per share attributable to owners of the company *(euros)*	4.08	3.79	3.07
Earnings per share attributable to owners of the company excluding non-recurring items *(euros)*	4.36	4.04	3.42
Diluted earnings per share attributable to owners of the company excluding non-recurring items *(euros)*	4.32	4.01	3.42

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

€ millions	**2011**	**2010**	**2009**
Consolidated net profit for the period	**2,440.9**	**2,242.0**	**1,794.9**
Financial assets available for sale	*1,051.6*	*-852.3*	*1,142.5*
Cash flow hedges	*-6.0*	*-8.0*	*-154.3*
Cumulative translation adjustments	*114.5*	*463.3*	*6.5*
Income tax on items that may be reclassified to profit or loss(1)	*-62.8*	*15.7*	*19.8*
Items that may be reclassified to profit or loss	1,097.3	-381.3	1,014.5
Actuarial gains and losses	*-172.4*	*-213.5*	*-142.9*
Income tax on items that may not be reclassified to profit or loss(1)	*56.2*	*76.3*	*41.6*
Items that may not be reclassified to profit or loss	-116.2	-137.2	-101.3
Changes in gains and losses recognised directly in equity	***981.1***	***-518.5***	***913.2***
Total net profit and gains and losses recognised directly in equity	**3,422.0**	**1,723.5**	**2,708.1**
Attributable to:			
- owners of the company	**3,419.5**	**1,721.2**	**2,705.4**
- non-controlling interests	2.5	2.3	2.7

(1) *The tax effect is as follows:*

€ millions	**2011**	**2010**	**2009**
Financial assets available for sale	*-63.9*	*14.6*	*-19.8*
Cash flow hedges	*1.1*	*1.1*	*39.6*
Items that may be reclassified to profit or loss	-62.8	15.7	19.8
Actuarial gains and losses	*56.2*	*76.3*	*41.6*
Items that may not be reclassified to profit or loss	56.2	76.3	41.6
Total	**-6.6**	**92.0**	**61.4**

Appendix 4: Compared consolidated balance sheets

Assets

€ millions	12.31.2011	12.31.2010	12.31.2009
Non-current assets	**19,135.0**	**17,048.2**	**17,350.4**
Goodwill	6,204.6	5,729.6	5,466.0
Other intangible assets	2,477.3	2,177.5	2,042.4
Property, plant and equipment	2,880.8	2,677.5	2,599.0
Non-current financial assets	6,900.9	5,837.5	6,672.2
Deferred tax assets	671.4	626.1	570.8
Current assets	**7,722.6**	**6,996.3**	**5,941.1**
Inventories	2,052.1	1,810.1	1,476.7
Trade accounts receivable	2,996.2	2,685.3	2,443.3
Other current assets	904.1	846.0	732.8
Current tax assets	118.0	104.5	115.2
Cash and cash equivalents	1,652.2	1,550.4	1,173.1
Total	**26,857.6**	**24,044.5**	**23,291.5**

Equity & Liabilities

€ millions	12.31.2011	12.31.2010	12.31.2009
Equity	**17,637.5**	**14,865.8**	**13,598.3**
Share capital	120.6	120.2	119.8
Additional paid-in capital	1,271.4	1,148.3	996.5
Other reserves	12,368.8	11,107.1	10,141.3
Items recognised directly in equity	2,054.7	1,188.1	2,169.9
Cumulative translation adjustments	24.9	-89.6	-552.9
Treasury stock	-644.4	-850.9	-1,071.6
Net profit attributable to owners of the company	2,438.4	2,239.7	1,792.2
Equity attributable to owners of the company	**17,634.4**	**14,862.9**	**13,595.2**
Non-controlling interests	3.1	2.9	3.1
Non-current liabilities	**2,090.2**	**2,596.6**	**4,306.6**
Provisions for employee retirement obligations and related benefits	1,128.9	1,129.0	1,021.4
Provisions for liabilities and charges	226.1	181.3	125.6
Deferred tax liabilities	677.7	462.0	418.0
Non-current borrowings and debt	57.5	824.3	2,741.6
Current liabilities	**7,129.9**	**6,582.1**	**5,386.5**
Trade accounts payable	3,247.7	3,153.5	2,603.1
Provisions for liabilities and charges	500.7	536.9	510.0
Other current liabilities	2,066.7	1,958.1	1,750.5
Income tax	224.0	166.6	133.2
Current borrowings and debt	1,090.8	767.0	389.7
Total	**26,857.6**	**24,044.5**	**23,291.5**

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 12.31.2009	**584,735,660**	**119.8**	**996.5**	**11,933.5**	**2,169.9**	**-1,071.6**	**-552.9**	**13,595.2**	**3.1**	**13,598.3**
Consolidated net profit for the period				2,239.7				2,239.7	2.3	2,242.0
Financial assets available for sale					*-837.7*			*-837.7*		*-837.7*
Cash flow hedges					*-6.8*			*-6.8*		*-6.8*
Cumulative translation adjustments							*463.3*	*463.3*		*463.3*
Change in gains and losses recognised directly in equity and items that may be reclassified to profit or loss					-844.5		463.3	*-381.2*		*-381.2*
Actuarial gains and losses					*-137.3*			*-137.3*		*-137.3*
Change in gains and losses recognised directly in equity and items that may not be reclassified to profit or loss					-137.3			-137.3		-137.3
Total net profit and gains and losses recognised directly in equity				**2,239.7**	**-981.8**		**463.3**	**1,721.2**	**2.3**	**1,723.5**
Capital increase	2,520,175	0.5	151.8					152.3		152.3
Cancellation of treasury stock		-0.1		-37.8		37.9		-		-
Dividends paid (not paid on treasury stock)				-878.8				-878.8	-2.2	-881.0
Share-based payment				84.8				84.8		84.8
Net changes in treasury stock	2,400,068			1.1		182.8		183.9		183.9
Purchase of non-controlling interests				-2.9				-2.9		-2.9
Other movements				7.2				7.2	-0.3	6.9
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
Financial assets available for sale					*987.7*			*987.7*		*987.7*
Cash flow hedges					*-4.9*			*-4.9*		*-4.9*
Cumulative translation adjustments							*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
Actuarial gains and losses					*-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
Purchase of non-controlling interests								-		-
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**

Appendix 6: Compared consolidated statements of cash flows

€ millions	**2011**	**2010**	**2009**
Cash flows from operating activities			
Net profit attributable to owners of the company	2,438.4	2,239.7	1,792.2
Non-controlling interests	2.5	2.3	2.7
Elimination of expenses and income with no impact on cash flows:			
• depreciation, amortisation and provisions	614.3	734.2	834.0
• changes in deferred taxes	85.9	110.0	51.7
• share-based payment	86.8	84.8	76.7
• capital gains and losses on disposals of assets	-1.7	0.1	0.9
Gross cash flow	**3,226.2**	**3,171.1**	**2,758.2**
Changes in working capital	-322.0	132.5	466.3
Net cash provided by operating activities (A)	**2,904.2**	**3,303.6**	**3,224.5**
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets	-865.7	-677.9	-628.0
Disposals of property, plant and equipment and intangible assets	15.2	18.3	27.5
Changes in other financial assets (including investments in non-consolidated companies)	-1.2	2.3	36.7
Effect of changes in the scope of consolidation	-717.4	-160.7	-160.2
Net cash (used in) from investing activities (B)	**-1,569.1**	**-818.0**	**-723.9**
Cash flows from financing activities			
Dividends paid	-1,107.6	-921.6	-851.5
Capital increase of the parent company	123.5	152.3	31.1
Disposal (acquisition) of treasury stock	208.2	184.0	65.0
Purchase of non-controlling interests	-	-8.7	-
Issuance (repayment) of short-term loans	852.8	-132.6	-1,886.0
Issuance of long-term borrowings	-	4.0	350.3
Repayment of long-term borrowings	-1,333.6	-1,462.5	-98.4
Net cash (used in) from financing activities (C)	**-1,256.7**	**-2,185.1**	**-2,389.4**
Net effect of changes in exchange rates and fair value (D)	23.4	76.9	-15.3
Change in cash and cash equivalents (A+B+C+D)	**101.8**	**377.4**	**96.0**
Cash and cash equivalents at beginning of the year (E)	**1,550.4**	**1,173.1**	**1,077.1**
Cash and cash equivalents at end of the year (A+B+C+D+E)	**1,652.2**	**1,550.4**	**1,173.1**