

## 2007 ANNUAL RESULTS

### THE SYMBOLIC €1 BILLION MILESTONE EXCEEDED

Consolidated financial highlights	2007	2006	Change at average exchange rates	Change at constant exchange rates
	In €million		In %	
Net sales	1,007.5	967.2	+4.2	+7.3
Operating profit	111.4	127.3	-12.5	-4.1
Net profit - Group share	90.7	223.3	-59.4	-55.5
Net recurring income - Group share <sup>(1)</sup>	90.7	92.2	-1.7	+7.7
Cash flow	128.9	114.7	+12.4	-
Net cash	185.0	54.8	-	-
Stockholders' equity	823.9	780.7	+5.5	-
Capital expenditures	74.0	56.1	+31.9	-
Change in working capital	13.8	6.5	-	-
Earnings per share in € <sup>(1)</sup>	2.34	2.40	-2.5	-
Dividend per share in € <sup>(2)</sup>	0.85	0.85	-	-

In 2007 consolidated net sales ended up at €1,007.5 million. Despite this satisfactory growth of 7.3%, the operating margin, that improved significantly in the second half, was 11.1% for the full year versus 13.2% at the end of 2006. This result reflects:

- Unfavourable foreign exchange trends adversely impacting sales and manufacturing costs resulting in a negative translation effect on operating profit of €10.7 million;
- The increased share in the product mix of Make-up with its higher production costs ;
- Significant marketing and commercial efforts to support the long-term positions of Group brands, and particularly Clarins;
- The launch of several internal growth projects.

Operating profit was €111.4 million, down 12.5% at average exchange rates and 4.1% at constant exchange rates.

Net recurring income declined marginally 1.7% to €90.7 million as a result of net financial income and effective foreign exchange hedging.

Cash flow registered strong growth of 12.4% to €128.9 million providing financing for capital expenditures and growth in working capital requirements. Proceeds from the partial sale of the stake in L'Occitane and the exercise of options generated a surplus of €149.4 million boosting the Group's net cash balance to a record level of €185.0 million.

Confident in the significant potential of Clarins Group, the Management Board will ask the Combined General Meeting to be held on May 6, 2008 (9:30 a.m., Pavillon d'Armenonville, Paris, Allée de Longchamp, Paris 75016) to approve a dividend of €0.85.

<sup>(1)</sup> Excluding the remeasurement of L'Occitane financial instruments

<sup>(2)</sup> Excluding the special dividend of €0.50 paid for fiscal 2006



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