

L'ORÉAL

1st Quarter 2005 Sales: 3.54 Billion Euros

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1st QUARTER 2005 SALES: 3.54 BILLION EUROS PROMISING START IN NORTH AMERICA CONTINUING RAPID GROWTH IN NEW MARKETS WESTERN EUROPE REMAINS SLUGGISH

The sales of the L'Oréal group, at March 31st 2005, amounted to 3.54 billion euros.

Like-for-like, i.e. based on a comparable structure and identical exchange rates, the increase in the group's sales was +3.1%.

Currency fluctuations had a negative impact of -1.6%.

The net impact of changes in consolidation amounted to +0.1%, as a result of the acquisition of Yue Sai in China in spring 2004.

Growth based on published IFRS figures amounted to +1.6% compared with the first quarter of 2004 (restated to comply with IFRS standards).

Commenting on the figures, **Mr Lindsay OWEN-JONES, Chairman and Chief Executive Officer of L'Oréal**, said: "The promising start in sales in the United States, and the continuing rapid growth in new markets are very positive factors. In Western Europe, sluggish consumer spending made distributors cautious in their purchasing patterns while our own product launch calendar was a little less intense during that period.

It is important to emphasise, as we do every year at this time, that the significance of the growth rate for a single quarter is limited because of the volatility of launch programmes. Growth in Western Europe should gradually become positive during 2005, enabling the group to achieve full year sales growth fairly similar to that of 2004".

Cosmetics sales growth by operational division and geographic zone

1st quarter 2004		1st quarter 2005	
M€	M€	Growth	
Published	IFRS	Like-for-like IFRS	Published IFRS

By operational division

Professional Products	510	491	499	+3.5%	+1.6%
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Consumer Products	2,040	1,823	1,861	+3.4%	+2.1%
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Luxury Products	822	819	799	-0.3%	-2.4%
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Active Cosmetics	273	270	300	+10.6%	+11.1%
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Cosmetics total	3,670	3,428	3,482	+3.0%	+1.6%
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By geographic zone

Western Europe	1,993	1,826	1,770	-3.0%	-3.1%
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North America	926	869	893	+7.8%	+2.8%
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Rest of the World, of which:	751	733	819	+12.7%	+11.8%
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- Asia	313	307	337	+11.5%	+9.6%
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- Latin America	160	155	161	+5.5%	+3.6%
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- Eastern Europe	128	125	159	+21.3%	+26.6%
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- Other Countries	150	145	163	+15.0%	+12.3%
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Cosmetics total	3,670	3,428	3,482	+3.0%	+1.6%
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Dermatology (1)	57	57	57	+4.4%	+1.3%
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Group total	3,732	3,484	3,539	+3.1%	+1.6%	<i>(1) Group share, i.e 50%</i>
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IFRS restatement of sales: No impact on profit

The application of IFRS standards by the L'Oréal group, from January 1st 2005 onwards, has resulted in the reclassification of certain operating costs, which are deducted from sales. Consolidated sales for 2004, which totalled € 14,534 million in accordance with French accounting standards, amounted to € 13,641 million on the basis of IFRS standards. These reclassifications have no impact on profit.

A detailed presentation of 2004 sales by quarter, division and geographic zone is attached in the annex. [Download the annex](#)

L'Oréal will hold an information meeting on April 28th 2005 to focus on the impact of IFRS

standards on the 2004 financial statements. On the same day, the charts presented at the meeting will be available online on the Internet site: www.loreal-finance.com.

is 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 [which are also available in English on our Internet site: 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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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

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