

L'ORÉAL

L'Oréal E-Strat Challenge 7

Paris, 14 December 2006

The most international edition ever with more than 44, 000 students from around the world.

44,106 students from 128 countries applied this year to take part in the Ultimate Business Game, the internationally renowned L'Oréal e-Strat Challenge 7. This online business strategy competition run by the world's leading cosmetics company L'Oréal rallies the most talented students from across the world.

As from today, after a rigorous selection, 4,500 students (1500 teams) will be competing online in real time over the next six weeks putting their quick thinking, strategic moves and creative solutions to the test to find out what it takes to work in a dynamic business environment.

For this edition, selected MBA and Undergraduate students will be translating strategy into a realistic business simulation concerning all aspects of the company: pricing, production volume and capacity, research and development, marketing, advertising and brand positioning. Hence, students will have the opportunity to experience what it takes to be in the role of a L'Oréal General Manager.

The L'Oréal e-Strat Challenge 7 has been designed to match the aspirations of today's young students. More than a business simulation, L'Oréal e-Strat 7 is a highly developed entrepreneurial challenge, considered by academia and students as an educational tool as well as a professional benchmark. This year, professors of 23 academic university courses from 16 countries will be using The L'Oréal e-Strat Challenge 7 as a strategic teaching tool.

L'Oréal e-Strat Challenge is the first business game in the world to be accredited by The European Foundation for Management Development (EFMD) with the CEL accreditation, for its pedagogical dimension and its high educational content.

Since its inception, L'Oréal e-Strat Challenge has attracted more than 174,000 students from 2,190 schools in 128 countries while recruiting over 240 players from across the world.

Commenting on the success of the L'Oréal e-Strat Challenge 7, Geoff Skingsley, L'Oréal's Executive Vice President in charge of Human Resources said: "The L'Oréal e-Strat Challenge is a pillar of L'Oréal's Human Resources strategy. For students the L'Oréal e-Strat Challenge is an open door into L'Oréal's business reality in a highly dynamic and competitive market. It is a great way for us to identify talent when we see it in action. "

In order to provide the students with greater exposure to a real-life situation, the winners from each of the eight zones will be invited to submit a strategic Business Plan and "sell" their company to the L'Oréal e-Strat Executive Jury at L'Oréal's Head Office in Paris, France on April 18th 2007. The

winning teams will be awarded a one-week trip to the destination of their choice and could land a real job at L'Oréal.

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Further information on L'Oréal e-Strat Challenge available at: www.e-strat.loreal.com

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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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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