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- This year, every student who registers will play L'Oréal e-Strat Challenge, one of the most successful and popular business simulation games -

Clichy, October 3, 2005 – L'Oréal, the world's leading cosmetics company, launches today its most popular, strategic online business competition for students worldwide - the L'Oréal e-Strat Challenge Episode 6, this year in partnership with MSN Microsoft.

Already in its sixth year, L'Oréal e-Strat Challenge allows students to put themselves in the driver's seat as a general manager of a leading virtual cosmetics company. The simulation is carefully designed to illustrate diverse yet realistic business marketing situations that L'Oréal managers face every day. This year, L'Oréal is partnering with MSN Microsoft, the world's leader in software, internet and services technologies, to make the business game L'Oréal e-Strat Challenge one of the most innovative, international and interactive strategic simulations in the corporate world today.

The partnership with MSN Microsoft will allow the participants of L'Oréal e-Strat Challenge Episode 6 to have an international platform for exchange and communication. The creation of a specially-dedicated e-Strat MSN Space will give students from around the world the opportunity to get the latest update on the L'Oréal e-Strat Challenge Episode 6 competition and will allow them to participate in L'Oréal e-Strat Challenge blogs (web log -a shared online journal; a public website where users post on a frequently updated informal journal their thoughts and comments). In addition, the partnership includes L'Oréal e-Strat Challenge editorial placements in MSN Hotmail and Messenger.

Geoff Skingsley, L'Oréal Executive Vice-President Human Resources commented: *"The choice to partner with MSN Microsoft was a logical decision since it provides L'Oréal with world-renowned expertise in internet communication services. For a business game that is already a global benchmark for creating a real business experience online, this additional association creates a platform for exchange and networking amongst the thousands of L'Oréal e-Strat Challenge business students from the four corners of the world. We are excited by the new horizons that this partnership is offering for the thousands of students who will participate in this year's challenge."*

Significantly, L'Oréal e-Strat Challenge Episode 6 will this year be a more democratic international game, the competition this year will be open directly to all the students registering from around the

world. Jean-Claude Le Grand, L'Oréal Director of International Corporate Recruitment, said: *"Our aim for this edition of L'Oréal e-Strat Challenge 6 is to increase its international reach, allowing us to be in touch with the best and the brightest talents from around the world. L'Oréal e-Strat Challenge has over the years become a highly sought-after business debut for undergraduate and MBA students and it is one of our biggest and most highly-anticipated HR initiatives of the year."*

To play the game, after the first round, teams of three students are asked every week to make strategic decisions such as corporate social responsibility, brand strategy and marketing. In turn, they are measured based on their Share Price Index (SPI) which includes brand market shares, the firm's revenues, the quality of research and development, as well as consumer satisfaction. Upon reaching the Finals, the teams are asked to present their business plans before a panel of L'Oréal executives in Paris.

Since its launch in 2000, L'Oréal e-Strat Challenge has provided more than 93,000 students from more than 100 countries with the chance to gain real business experience and test their strategic thinking skills against peers worldwide. The business simulation is also available to professors to use directly in class as part of their business and management courses. This is the strongest sign yet that the academic world is recognising the pedagogical value of business games. To date, L'Oréal has successfully recruited a total number of 186 students from around the world directly from the L'Oréal e-Strat Challenge.

Registration dates for L'Oréal e-Strat Challenge Episode 6 begins today on www.e-strat.loreal.com and ends on 1st December 2005.

e-strat MSN Space: <http://spaces.msn.com/members/estrat>

Note to Editors:

Microsoft: Founded in 1975, Microsoft (Nasdaq "MSFT") is the worldwide leader in software, services and Internet technologies for personal and business computing. The company offers a wide range of products and services designed to empower people through great software – any time, any place and on any device.

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

Further information on L'Oréal available at: www.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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