

L'ORÉAL

Strong Increase In 1st Half 2002 Profit Net Profit Before Exceptionals: Up 29.6%

.v2petit-bleupressbold {font-family:Arial, Helvetica, sans-serif; font-size: 11px; color:#333453}
Clichy, Wednesday 4 September 2002 5.30 pm

- **Consolidated group sales** up to 30th June 2002 amounted to € 7.4 billion. This represents a growth rate of 5.6% compared with the 1st half of 2001 based on consolidated figures, and 8.6% on a like-for-like basis.
- **Net profit before exceptionals, i.e. before capital gains and losses and after minority interests**, which forms the basis for calculating earnings per share, amounted to € 761.1 million, an increase of 29.6%. This figure does not include non-recurrent items.

Mr Lindsay Owen-Jones, Chairman and Chief Executive Officer of L'Oréal, commented: *"Strong organic growth in sales, together with productivity gains and careful management of exchange rate risks, have brought a marked increase in margins. Although it is not possible to extrapolate from the first half results, they seem extremely encouraging. Our confidence in the results for the year as a whole has been strengthened: despite an unpredictable economic climate, 2002 should be a very good year for L'Oréal"*.

Strong growth in sales

New products prove exceptionally successful

Many products launched over the past 12 months have been exceptionally successful:

- In the Consumer Products Division, Fructis Style by Garnier, the facial skincare line Visible Results and Lash Architect mascara from L'Oréal Paris, and Water Shine Diamonds lipstick from Maybelline.
- In the Luxury Products Division, Armani Mania perfume - which has strengthened the leadership of the Giorgio Armani brand on the men's fragrance market - and the skincare lines Absolue Yeux from Lancôme, Source Thérapie from Biotherm and Prodigy by Helena Rubinstein.
- Vichy's Oligo 25 skincare line, sold in pharmacies.
- Amongst the professional products sold through hair salons, the Sleek Look haircare line from Matrix - a recently acquired brand which now benefits from the group's technologies - and the L'Oréal Professionnel colourant line Majirouge Mix Plus.

Strong sales in all Divisions:

At 30th June 2002 (€ millions) Like-for-like growth Growth in consolidated figures

Consumer Products **4,009 + 9.1% + 6.6%**

Luxury Products **1,757 +5.5% +3.8%**

Professional Products **983 +9.3% +6.6%**

Active Cosmetics **404 +12.0% +9.4%**

Direct marketing and others **57 +15.7% +12.8%**

Cosmetics Total **7,210 +8.4% +6.1%**

Good growth in Western Europe:

Western Europe, which accounts for a little under half of cosmetics sales, achieved good sales growth (6.4%) with encouraging performances in the U.K. (14.4%), Spain (9%), but also in Germany (5.6%) and France (4.5%).

Dynamic performance on new markets:

The group's new growth driver countries continued to demonstrate their very large potential. Very substantial advances were made in Asian countries such as China (64%), Korea (35%) and Thailand (33%), in Latin American countries including Brazil (26%) and Mexico (16%), and in South Africa (33%).

Sales continued to advance by 63% in Russia after two years of very strong growth (52% in 2001, 47% in 2000). Other sales breakthroughs came in Hungary (13%), the Czech Republic (16%), Romania (40%), Slovakia (30%) and Slovenia (79%).

At 30th June 2002 (€ millions) Like-for-like growth Growth in consolidated figures

Western Europe **3,678.7 + 6.4% + 6.2 %**

North America **2,140.7 + 4.0% + 1.7%**

Rest of the World **1,390.4 + 22.8% + 13.3 %**

Cosmetics Total 7,209.8 + 8.4% + 6.1%

Sharp increase in operating profit Adjusted operating profit, i.e. including exchange gains and losses, increased by 27.2% to € 1,036 million. This represents 14.1% of consolidated sales, compared with 11.7% up to end-June 2001. The strong growth in sales, together with productivity gains, and the strict management of exchange rate risks were the factors behind this very substantial

improvement in operating margins.

Adjusted operating profit by branch

At 30th June 2001 At 30th June 2002 As % of sales

Cosmetics € 790.3m € 1,007.5m 14.0 %

Dermatology (1) € 25.7m € 23.7m 15.4 %

Consolidated total € 814.4m € 1,036.0m 14.1 %

Growth = an increase of 27.2%

Group share, i.e. 50%.

Net financial expenses and provisions, excluding exchange gains and losses, amounted to € 112 million, compared with € 87.3 million at end-June 2001.

As a result, the pre-tax profit of fully consolidated companies amounted to € 924.0 million, up by 27.1%.

Corporate income tax at group level was € 319.7 million, up by 22.3%.

The net operating profit of fully consolidated companies was thus € 604.3 million, representing an increase of 29.8%.

Good contribution from SANOFI-SYNTHELABO

The group share of the net profit of equity affiliates amounted to € 161,9 million. This consists mainly of SANOFI-SYNTHELABO which contributed € 161.7 million to consolidated profit, representing an increase of 28.6%.

Main half-year indicators

At 30th June 2001 (€ millions) At 30th June 2002 (€ millions) Growth

Consolidated sales 6,978.3 7,371.3 + 5.6 %

Operating profit 792.4 1,017.0 + 28.4 %

Adjusted operating profit (2) 814.4 1,036.0 + 27.2 %

Pre-tax profit of fully consolidated companies 727.1 924.0 + 27.1 %

Net profit before capital gains/losses of fully consolidated companies 465.7 604.3 + 29.8 %

Group share of net profit of equity affiliates 126.2 161.9 + 28.3 %

Net profit before capital gains/losses and minority interests 591.9 766.3 + 29.5%

Net profit before capital gains/losses and after minority interests 587.1 761.1 + 29.6 %

(2) Operating profit including exchange gains and losses.

Net book profit after capital gains/losses and minority interests was € 713.3 million, an increase of 1.8%. Last year net book profit after capital gains/losses and minority interests included the capital gain resulting from the disposal of the stakes in Marie-Claire and Lanvin.

L'ORÉAL contacts

Shareholders and market authorities

M. François Archambault

Tél.: +33 (0)1.47.56.83.45

<http://www.loreal-finance.com> Analysts and Institutional Investors

Mrs Caroline Millot

Tél. : +33 (0)1.47.56.86.82

Fax : +33 (0)1.47.56.80.02 Journalists

M. Lorrain KRESSMANN

Tél. : +33 (0)1.47.56.40.24

<http://www.loreal.com>

For further information, please consult your bank, broker or financial institution, or your usual newspapers. Alternatively, you may consult the Internet site specially provided for shareholders and investors, <http://www.loreal-finance.com>. Alternatively, call the following number : +33 1 58 13 51 36

L'OREAL - 41 rue Martre - 92117 CLICHY -France

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

"This 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, 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."

Contacts L'OREAL (switchboard + 33 1.47.56.70.00)

Individual shareholders and market authorities

Jean Régis CAROF
Tel : + 33 (0)1.47.56.83.02
jean-regis.carof@loreal.com

Financial analysts and institutional investors

Françoise LAUVIN
Tel : +33 (0)1.47.56.86.82
francoise.lauvin@loreal.com

Journalists

Stéphanie Carson-Parker
Tel : + 33 (0)1 47 56 76 71
stephanie.carsonparker@loreal.com

For further information, please contact your bank, stockbroker or financial institution (I.S.I.N. code: FR0000120321), and consult your usual newspapers or magazines or the Internet site for shareholders and investors, www.loreal-finance.com, the L'Oréal Finance app or call the toll-free number from France: 0.800.66.66.66.

Anne-Laure RICHARD
Tél : +33 (0)1.47.56. 80.68
annelaure.richard@loreal.com

Polina Huard
Tél : +33 (0)1 47 56 87 88
polina.huard@loreal.com

Vanessa Wang
Tel : +33 (0)1 47 56 76 88
vanessa.wang@loreal.com