



Sales  
**+ 6.5%**

Further  
improvement  
in operating  
profitability

Net profit\*  
**+ 37%**

Net profit  
excluding  
non-recurrent  
items<sup>(2)</sup>  
**+ 10.3%**

Net earnings  
per share<sup>(1)</sup>  
**+ 13.5%**

“ In 2005, L'Oréal's growth once again clearly outperformed the world market, thanks to the powerful appeal of its brands and the success of its new high-value-added products. Growth was driven by good performance in North America and new breakthroughs in emerging markets, while the rates of increase were more modest in Western Europe. Growth in sales combined with strict cost control has enabled us once again to improve profitability and achieve double-digit earnings growth. We are confident about the outlook for 2006 in view of the faster growth in Western Europe at the end of last year and the strong international momentum. ”

Sir Lindsay OWEN-JONES,  
Chairman and Chief Executive Officer

## Key annual indicators

(€M)	At 12/31/2004 IFRS	At 12/31/2004 IFRS Pro forma <sup>(*)</sup>	At 12/31/2005 IFRS	% growth over pro forma 2004
Sales	13,641	13,641	14,533	+ 6.5%
Operating profit before foreign exchange gains and losses	2,053	2,053	2,313	+ 12.7%
Operating profit	2,089	2,089	2,266	+ 8.5%
Pre-tax profit excluding non-recurrent items	2,334 <sup>(*)</sup>	2,187	2,370	+ 8.4%
Net profit after minority interests	3,970 <sup>(*)</sup>	1,439	1,972	+ 37%
Net profit excluding non-recurrent items <sup>(2)</sup>		1,486	1,639	+ 10.3%
Net earnings per share <sup>(1)</sup> (in euros)		2.29	2.60	+ 13.5%

(\*) For the purposes of comparison, the pro forma profit and loss statement has been adjusted to take into account the deconsolidation of Sanofi-Synthélabo on January 1st 2004:

- by replacing the share in the net profit of Sanofi-Synthélabo, i.e. €293.5m, with the dividends received, i.e. €145.9m;
- and by neutralising the dilution capital gain, net of tax, relating to these shares, i.e. €2,854.5m gross and €471.1m tax.

(1) Net earnings per share: diluted net earnings per share based on the net profit excluding non-recurrent items after minority interests.

(2) Net profit excluding non-recurrent items after minority interests does not include capital gains and losses on disposals of long-term assets, impairment of assets, restructuring costs, associated tax effects or minority interests.

➔ **Next shareholder event:**  
Annual General Shareholders' Meeting on April 25, 2006

➔ The full text of this news release is available on L'Oréal's financial Internet site:  
[www.loreal-finance.com](http://www.loreal-finance.com) and on its mobile edition for PDA

L'ORÉAL  
PROFESSIONNEL  
PARIS

REDKEN  
5TH AVENUE NYC

MATRIX

L'ORÉAL  
PARIS

●●● GARNIER

MAYBELLINE  
NEW YORK  
MAYBE SHE'S BORN WITH IT. MAYBE IT'S MAYBE LITE.

SOFTSHEEN-CARSON™

LANCÔME  
PARIS

BIOThERM

HR HELENA  
RUBINSTEIN

GIORGIO ARMANI  
PARFUMS

RALPH LAUREN

eacharel

Kiehl's  
SINCE 1851

shu uemura

VICHY  
LABORATOIRES  
LA SANTÉ PASSE AUSSI PAR LA PEAU.

LA ROCHE-POSAY  
LABORATOIRE PHARMACEUTIQUE