

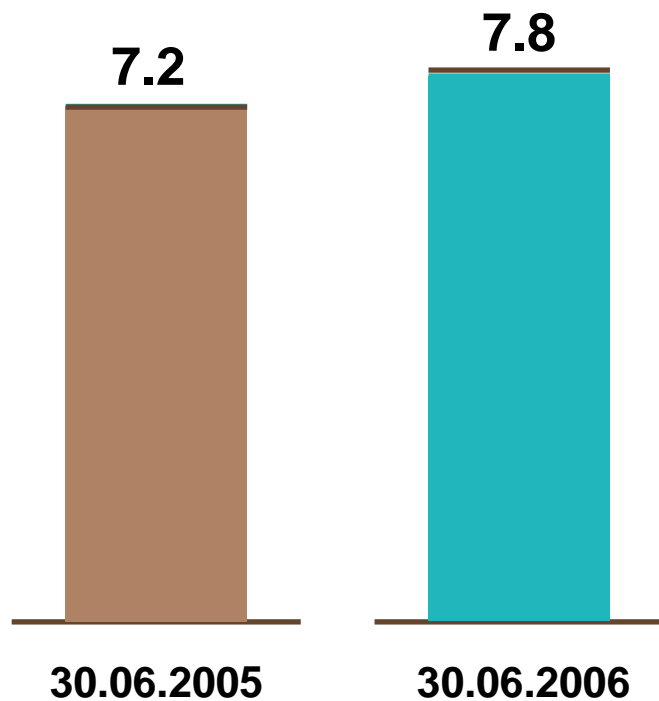
L'ORÉAL

2006 half-year results

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Executive Vice-President
Administration and Finance

August 31st, 2006

Consolidated group sales at the end of June, 2006 (in billions of euros)



- ▶ **Growth like-for-like** **+5.8%**
 - exchange rate impact **+2.4%**
 - external growth impact **+0.5%**
- ▶ **Growth published figures** **+8.7%**

Some significant examples of exchange rates evolution (euro parity)

	Weight in consolidated sales at June 30 th 2006	Average rate at June 30 th 2005	Average rate at June 30 th 2006	2006/2005
US DOLLAR	23.5%	0.784	0.814	+3.8%
POUND STERLING	5.5%	1.465	1.455	-0.6%
CANADIAN DOLLAR	3.0%	0.634	0.715	+12.7%
CHINA YUAN	2.7%	0.095	0.101	+7.0%
RUSSIAN ROUBLE	2.5%	0.028	0.029	+5.4%
YEN (100)	2.3%	0.737	0.704	-4.5%
BRESILIAN REAL	2.3%	0.311	0.372	+19.7%

NB : Euro represents 39.4% of consolidated sales at June 30th, 2006.

August 31st, 2006

3

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Consolidated sales at the end of June, 2006

	€M	Growth	
		Like-for-like	Published figures
Professional Products	1,070	+2.7%	+4.7%
Consumer Products	4,077	+5.8%	+8.2%
Luxury Products	1,786	+6.1%	+9.4%
Active Cosmetics	653	+11.6%	+16.6%
Cosmetics total	7,633	+5.8%	+8.6%
Dermatology ^(*)	152	+7.9%	+11.6%
Consolidated total	7,785	+5.8%	+8.7%

** group's share i.e. 50%*

Cosmetics sales by geographic zone at the end of June, 2006

	€M	Growth	
		Like-for-like	Published figures
Western Europe	3,671	+3.7%	+3.9%
North America	1,965	+3.8%	+9.5%
Rest of the world	1,997	+12.0%	+17.5%
Cosmetics total	7,633	+5.8%	+8.6%

Cosmetics sales in the rest of the world at the end of June, 2006 (in millions of euros)

	30.06.2006	Growth	
		Like-for-like	Published figures
Asia	740	+6.3%	+10.8%
Latin America	481	+16.2%	+28.0%
Eastern Europe	411	+21.9%	+26.7%
Other countries	365	+8.9%	+10.1%
Rest of the world total	1,997	+12.0%	+17.5%

Consolidated profit and loss accounts excluding non-recurrent items (in millions of euros)

	2005 full-year % of sales	30.06.2005 (€M)	% of sales	30.06.2006 (€M)	% of sales	
Sales	100%	7,163.6	100%	7,785.5	100 %	→ +8.7%
<i>Cost of sales</i>	<i>29.9%</i>	<i>-2,162.5</i>	<i>30.2%</i>	<i>-2,218.9</i>	<i>28.5%</i>	
Gross profit	70.1%	5,001.1	69.8%	5,566.6	71.5%	
<i>Research and development</i>	<i>3.4%</i>	<i>-240.8</i>	<i>3.4%</i>	<i>-253.9</i>	<i>3.3%</i>	
<i>Advertising and promotion</i>	<i>30.1%</i>	<i>-2,182.6</i>	<i>30.5%</i>	<i>-2,360.9</i>	<i>30.3%</i>	
<i>Selling, general and adm. expenses</i>	<i>20.7%</i>	<i>-1,454.9</i>	<i>20.3%</i>	<i>-1,575.1</i>	<i>20.2%</i>	
Operating profit before foreign exchange gains and losses	15.9%	1,122.8	15.7%	1,376.7	17.7%	→ +22.6%
Foreign exchange gains and losses	-0.3%	-8.2	-0.1%	-43.3	-0.6%	
Operating profit	15.6%	1,114.6	15.6%	1,333.4	17.1%	→ +19.6%

Operating profit Branches and divisions (as % of sales)

	2005 First-half	2005 Full-year	2006 First-half
Professional Products	19.1%	19.7%	20.9%
Consumer Products	17.7%	17.2%	19.6%
Luxury Products	17.1%	20.2%	18.3%
Active Cosmetics	24.7%	19.0%	27.4%
COSMETICS TOTAL	18.2%	18.4%	20.1%
<i>Non allocated*</i>	-2.6%	-2.8%	-2.8%
COSMETICS BRANCH	15.7%	15.6%	17.2%
Dermatology branch	10.4%	16.9%	11.0%
GROUP	15.6%	15.6%	17.1%

* Group central expenses, fundamental research expenses, stock-option costs and misc. – As % of total sales.

Consolidated profit and loss accounts

From operating profit to net profit

(in millions of euros)

	30.06.2005	30.06.2006	Growth
Operating profit	1,114.6	1,333.4	+19.6%
Finance costs	-26.3	-45.9	+74.2%
Other net financial expenses	-0.5	-0.9	-
Sanofi-Aventis dividends	171.6	217.4	+26.7%
Share in net income of equity affiliates	-0.7	-	-
Profit before tax and non-recurrent items	1,258.7	1,504.1	+19.5%
Tax on profit before non-recurrent items	-366.5	-417.2	+13.8%
Minority interests	-0.6	-1.0	-
Net profit excluding non-recurrent items after minority interests	891.6	1,085.9	+21.8%
Per share** (in euros)	1.40	1.76	+25.2%
<i>Non-recurrent items ("other net expenses")</i>	-2.3	+1.2	-
<i>Tax effect</i>	+2.3	-0.4	-
<i>Net profit</i>	<i>891.6</i>	<i>1,086.7</i>	<i>+21.9%</i>
<i>Résultat net part du groupe dilué par action (€)</i>	<i>1.40</i>	<i>1.76</i>	<i>+25.2%</i>

** Diluted net earnings per share based on the net profit excluding non-recurrent items after minority interests
Diluted number of shares (000)

618,786

618,629

August 31st, 2006

9

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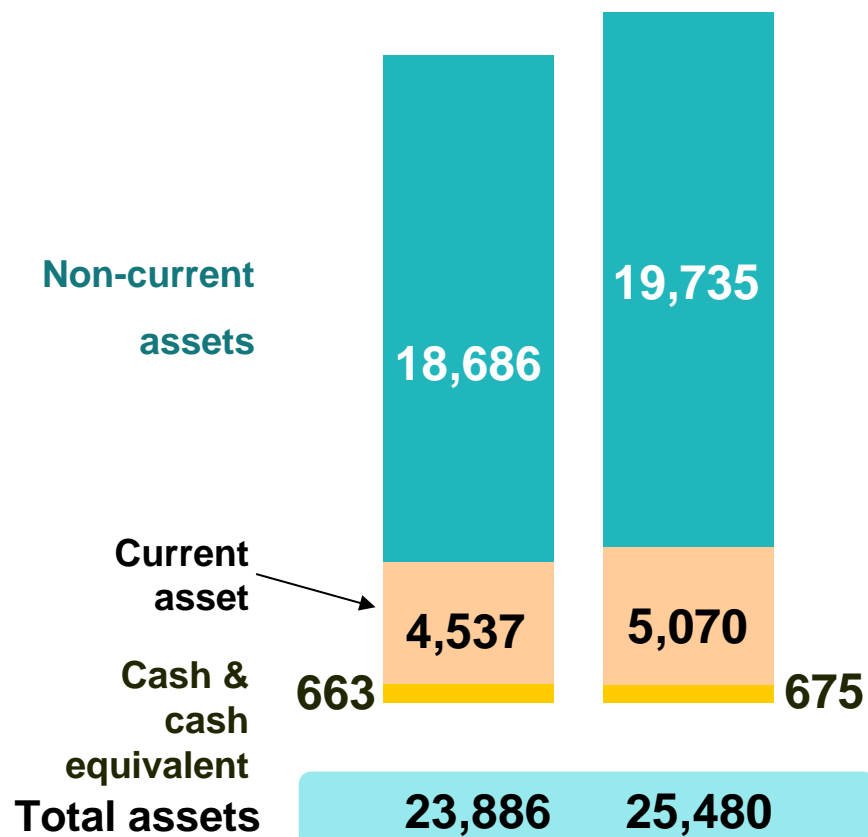
Cash flow statement (in millions of euros)

	30.06.2005	31.12.2005	30.06.2006	
Net income	892.2	1,973.2	1,087.7	→ +21.9%
Depreciation and provisions	171.6	426.9	207.5	
Gains and losses on disposals of assets, change in deferred tax and others	36.9	-270.5	45.8	
Cash flow	1,100.7	2,129.6	1,341.0	→ +21.8%
Change in working capital requirement	-502.6	-35.7	-418.0	
Investments	-321.3	-662.3	-351.7	
Operating net cash	276.8	1,431.6	571.3	
Dividends paid	-553.1	-563.3	-634.6	
Divestments and others	-6.0	-25.8	-5.8	
Residual cash flow (before acquisitions or disposals)	-282.3	842.5	-69.1	

Balance sheet (in millions of euros)

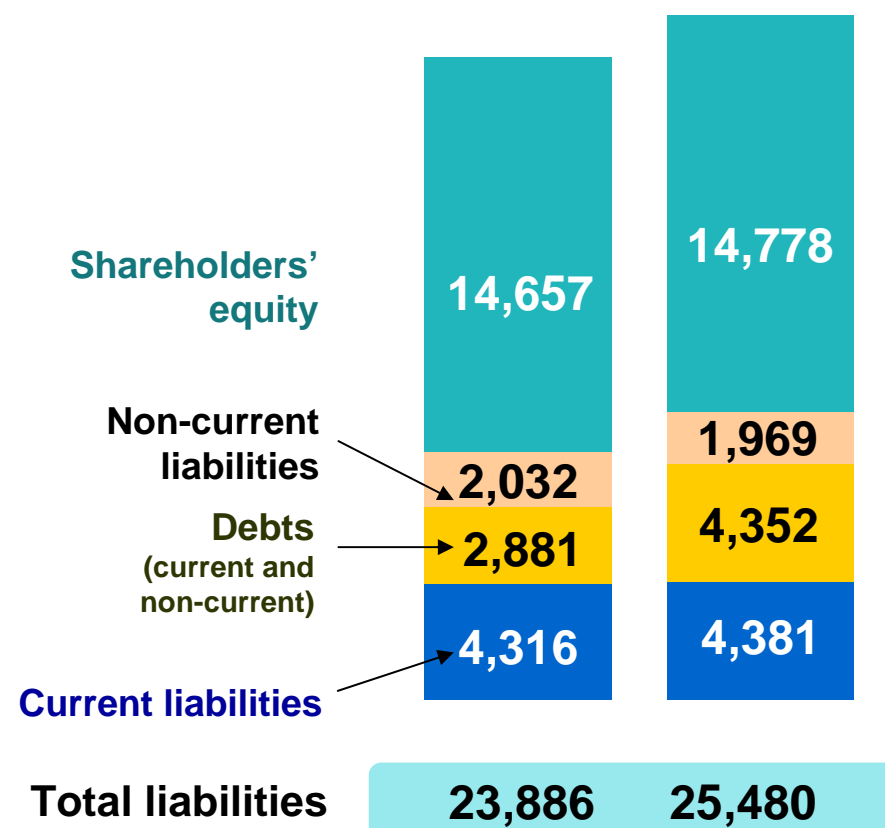
ASSETS

31/12/2005 30/06/2006



LIABILITIES

31/12/2005 30/06/2006

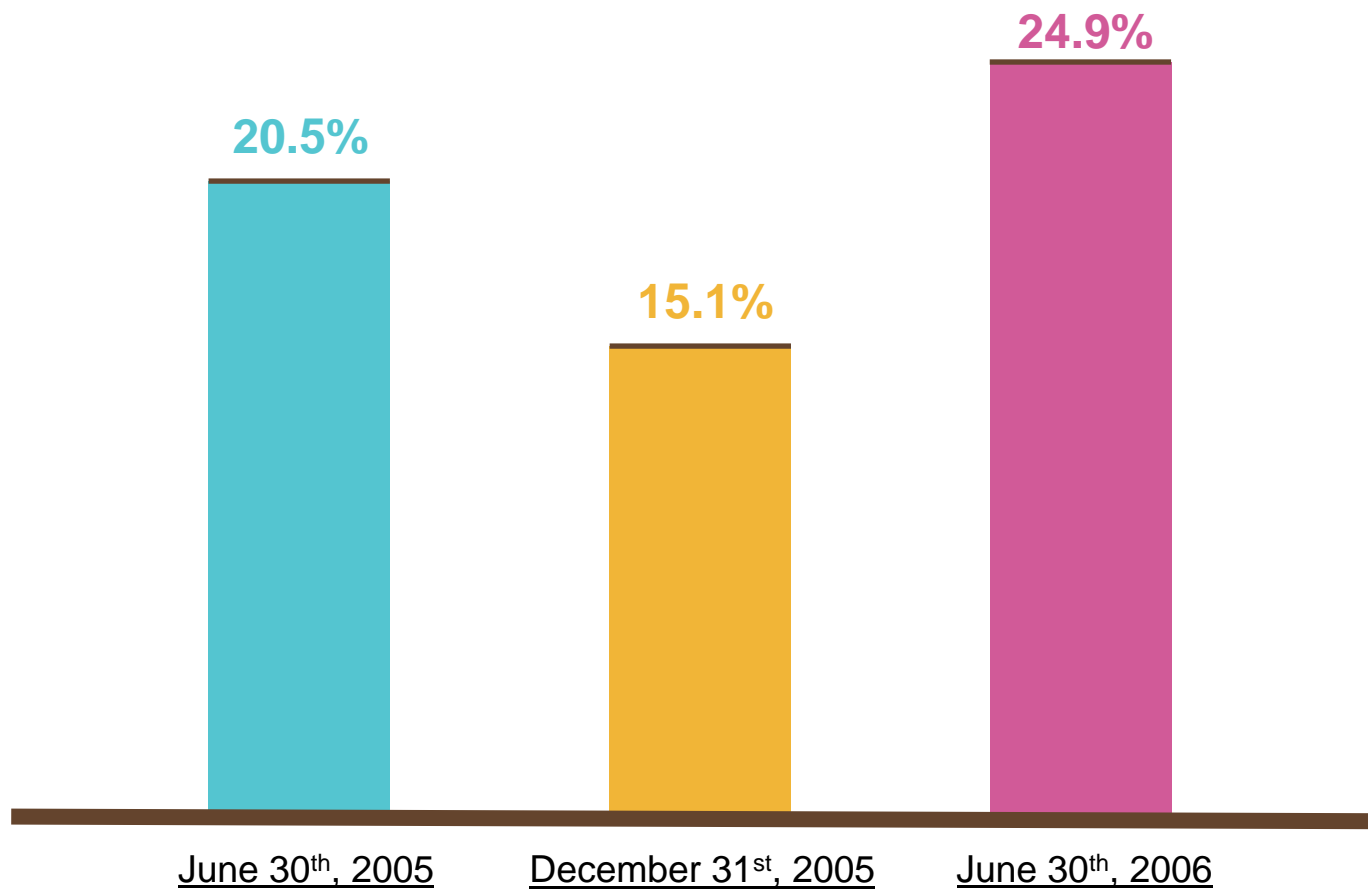


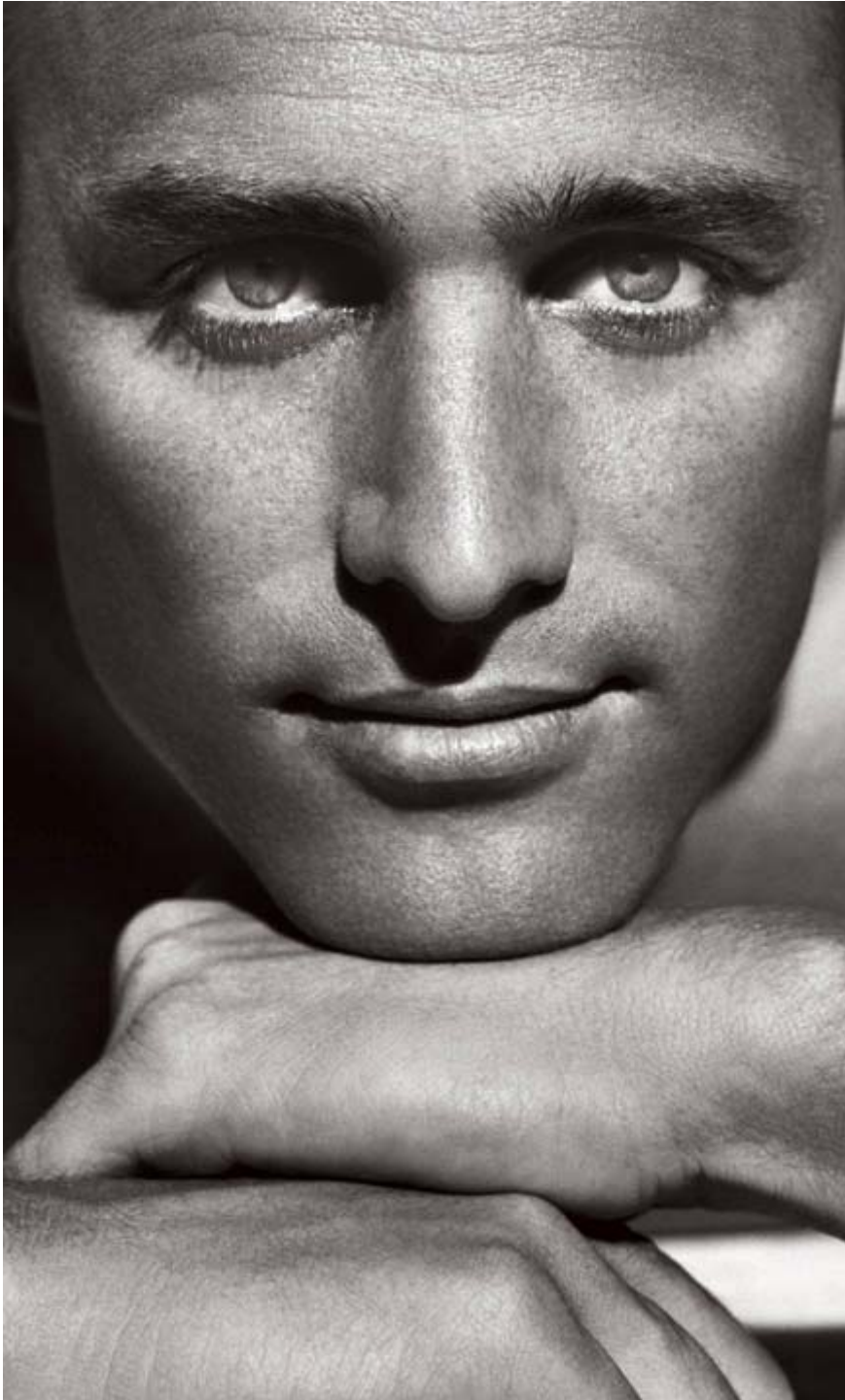
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11

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Gearing (Net debt / shareholders' equity)





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