

L'ORÉAL

22.7% Increase In Dividend

Clichy, Tuesday, 26th March, 2002 - 5.45 pm

Strong growth confirmed in Net profit before capital gains and losses and minority interests:

19.6% increase

Substantial rise in dividend (+22.7%), with the payment date again brought forward

Board of Directors to be strengthened by appointment of 3 new directors The Board of Directors of L'OREAL met on Tuesday, 26th March, 2002 under the chairmanship of Mr Lindsay OWEN-JONES and in the presence of the Statutory Auditors. The Board of Directors closed the group's consolidated financial statements and the financial statements of the parent company, L'OREAL S.A., for 2001.

Millions of euros Growth 2001/2000

Sales 13,740 + 8.4%

Adjusted operating profit (1) 1,669 + 12.7%

Net profit before capital gains and losses and after minority interests (2) 1,229 + 19.6%

Earnings per share (euro) 1.82 + 19.6%

Net dividend (euro) 0.54 + 22.7%

(1) Including exchange gains and losses.

(2) Net profit before capital gains and losses, exceptional items and amortisation of goodwill.

The confirmed 19.6% increase in Net profit before capital gains and losses and minority interests stems from a combination of strong organic growth and further improvement in margins

The audited financial statements confirm the results published on 21st February, 2002. The pre-tax profit of the fully consolidated companies amounted to € 1.5 billion, an increase of 13.6%. This confirms that double-digit growth has been achieved for the seventeenth consecutive year. Net profit before capital gains and losses and after minority interests was over € 1.2 billion, representing an increase of 19.6%.

Substantial rise in dividend (+22.7%), with the payment date again brought forward

At the Annual General Meeting of Shareholders - to be held on Wednesday, 29th May, 2002 from 10.15am to 12.45pm, at UNESCO, 125 avenue de Suffren, 75007 Paris - the Board of Directors will propose that the payment of a substantially increased dividend will be made earlier than originally scheduled.

The proposed net dividend is € 0.54 with a tax credit of € 0.27, representing a growth rate of 22.7%. This should be higher than last year's net dividend of € 0.44, and should be paid from Tuesday, 4th June 2002, four days ahead of the payment date in 2001.

Three new Board Members

At the Annual General Meeting, the Board of Directors will propose that the terms of office of five directors should be renewed: Mr Lindsay OWEN-JONES, Mr Francisco CASTANER BASCO, Mr Marc LADREIT de LACHARRIERE, Mr Olivier LECERF and Mr Michel SOMNOLET.

The Board will also propose the appointment of three new directors: Mr Jean-Louis DUMAS (Chairman of HERMES), Mr Xavier FONTANET (Chairman of ESSILOR) and Mr Franck RIBOUD (Chairman of DANONE). The inclusion of three well-known figures from international industry will both strengthen the Board of Directors and increase its independence.

Conditions for admittance to the Annual General Meeting are published in the "Shareholders' Letters" and on the site www.loreal-finance.com.

The draft resolutions will be set out in the Annual General Meeting notice of Friday, 5th April in the Bulletin des Annonces Légales Obligatoires (BALO) and on L'Oréal's finance website.

Other legal documents will be available to shareholders from 13th May onwards, after publication of the Notice to Attend the Annual General Meeting.

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Extensive live coverage of the annual presentation of the 2001 financial results will be available online at the <http://www.loreal-finance.com> site on Thursday, 4th April, 2002 from 10.45am onwards.

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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."

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