

L'ORÉAL

L'Oréal'S Vichy Factory Cuts Its Co2 Emissions By 50%

Vichy, 28 June 2011 – As part of its sustainable development policy, the L'Oréal Group set itself the goal of reducing CO2 emissions at its industrial sites by 50% between 2005 and 2015. Thanks to an innovative technical solution designed and implemented by EDF Optimal Solutions, the Active Cosmetics Production (ACP) factory in Vichy is now making this goal a reality. The inauguration of the new equipment took place today, attended by Brigitte Liberman, Managing Director of L'Oréal's Active Cosmetics Division and Thierry Raison, General Manager of EDF Optimal Solutions.

Care for the environment is a priority for the L'Oréal Group, which has been engaged in action to use energy more efficiently for many years. Since 2007, the ACP Vichy site has been supported in this aim by EDF Optimal Solutions, an EDF subsidiary specialising in the design and implementation of green and energy-efficient solutions. To help ACP Vichy meet the challenge of cutting its CO2 emissions by half, EDF Optimal Solutions proposed it should focus primarily on the two largest areas of energy expenditure: water heating and air conditioning in the facilities.

In order to optimise both energy savings and environmental benefits, the company designed and created a full tailor-made energy solution that caters for the features of the site's industrial process.

An innovative energy solution

The technical solution that has been implemented is made up of an innovative mix of green, efficient and renewable energies, comprising:

A triple energy recovery system

The system recovers enough energy from the various facilities to heat the equivalent of 12 olympic swimming pools of washing water;

Geothermal energy

The energy taken from the factory's ice cool water production and basement heats all the premises (50,000 m²) during the mid-season periods and fulfils the manufacturing equipment's heating and cooling needs;

Free cooling

This technique replaces traditional cooling with the use of fresh air from outside;

Variable speed drive (VSD) on one of the air compressors

Instead of constantly running at the same speed, the compressor runs at variable speeds depending on the site's needs;

Insulation of the steam system

Heat insulation padding fitted to the gates and pipes significantly reduces energy wastage;

Remote management tools

Energy consumption and CO2 savings can be monitored in real time so as to adjust the operation of the equipment to the pace of production.

This has meant that with the help of EDF Optimal Solutions, the Vichy site is reaching its CO2 emission reduction target ahead of schedule: **over 2000 tonnes of CO2 saved per year, the equivalent of a 50% reduction overall in 2011 already**. The factory's ambition is now to become carbon neutral.

According to L'Oréal's Active Cosmetics Managing Director Brigitte Liberman, *"the L'Oréal Group's Active Cosmetics Division is very attached to the Auvergne region, where its flagship brand Vichy originated. Our division has been present in this area for over 40 years with its production site and distribution hub which delivers our products worldwide. Sustainable development has always been a central concern for us and we have been aiming for our industrial and logistics facilities to set an example in this field. We are very proud of the results we have achieved, which are a first step towards becoming carbon neutral."*

EDF Optimal Solutions Chief Executive Thierry Raison recounts, *"EDF Optimal Solutions is proud to have supported L'Oréal ACP Vichy in its pioneering initiative to reduce its carbon footprint. This achievement, which consists of solutions that can be applied at most industrial sites, tells us loud and clear that industry can set an environmentally sound example. Allowing savings and environmental benefits to go hand-in-hand is what our business is all about."*

Promoting an environmentally responsible corporate model

L'Oréal is committed to an environmentally responsible approach based on understanding the impact its activities have on the environment. The Group has set itself three key targets for its factories and distribution hubs (for 2005-2015):

To cut its greenhouse gas emissions by 50%

To cut its water consumption per finished product by 50%

To cut its waste production per finished product by 50%

In addition to these long-term objectives, L'Oréal will continue to publish yearly targets for other indicators and to report on its achievements every year.

About L'Oréal

As the world's number one cosmetics company L'Oréal has catered for the world's beauty needs for over 100 years, with a unique portfolio of 23 diverse and complementary international brands. With operations in 130 countries, L'Oréal's consolidated turnover in 2010 was EUR 19.5 billion and it employed 66,600 people. In the area of sustainable development, the global socially responsible investment network Corporate Knights selected L'Oréal for its 'Global 100 Most Sustainable Corporations in the World' in 2011, for the fourth year running.

About EDF Optimal Solutions

EDF Optimal Solutions, a subsidiary of the EDF Group, designs and implements full tailor-made green energy efficiency solutions to help businesses and local authorities reduce their energy consumption and CO2 emissions. EDF Optimal Solutions covers all the energy side of its customers' operations, including diagnostics, advice, CO2, footprint, choosing and installing high-performance equipment, installing remote management tools, maintenance, follow-up and finance. To date the company has implemented 2500 solutions, many of them in the agri-food industry.

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Annex - Press release

The operation in numbers

Energy savings:

- 9,500,000 kWh natural gas per year
- equivalent to the annual heating consumption of 6,000 French households

CO2 reduction:

- 2000 tonnes per year
- equivalent to 240 around-the-world long haul flights

- or equivalent to the annual CO2 emissions of 22,000 French people

Quantity of hot water preheated using all the new equipment:

- 53,000m3 per year

- equivalent to 18 olympic swimming pools

Duration of works: 19 months (April 2008 to September 2010)

L'Oréal Active Cosmetics – Facts and figures

World number one in dermatological cosmetics

2010 turnover: EUR 1.4 billion

A portfolio of 6 brands: Vichy, La Roche-Posay, SkinCeuticals, Innéov, Roger&Gallet, Sanoflore

Distribution channels: pharmacies, chemists, medi-spas and in some countries through dermatologists

3 industrial and logistics sites:

- **main industrial site** in Vichy, created in 1969

- **production unit** in La Roche-Posay, created in 1975

- HQE(1) 'sustainable logistics' certified **distribution centre** in Vichy, which distributes all the Division's brands to all its subsidiaries.

Production site certification: ISO 9001, ISO 14001, OHSAS 18001, ECOCERT; compliant with ISO 22716 guidelines

Industrial resources:

- 20 manufacturing facilities; 50 packaging plants

- 18,000 tonnes of cosmetics products manufactured per year (facial care, body care, shampoo, sun care).

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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