

L'ORÉAL

Inauguration Of The L'Oreal Predictive Evaluation Center The Cosmetic Industry'S 1St Global Predictive Evaluation Center

The L'Oréal Group, inaugurated today the L'Oréal Predictive Evaluation Center, in Gerland. The center is a research and production center dedicated to the predictive evaluation of the safety and efficacy of its cosmetics ingredients and finished products. Based on 30 years of research and investment, it crystallizes L'Oréal's vision of the future of evaluation.

At the inauguration of the center, L'Oréal Group President and CEO **Jean-Paul Agon** commented, *"As the worldwide beauty leader, L'Oréal aims to remain a pioneer in the technological advancement of evaluation and innovation, and also aims to be an exemplary socially responsible company. The L'Oreal Predictive Evaluation Center is an illustration of the group's commitment to ethical, innovative and responsible beauty, which has always been at the core of our mission."*

A Unique Global Network

In order to predict safety and efficacy of ingredients and finished products at an earlier stage and with greater certainty, the L'Oréal Predictive Evaluation Center designs integrated and innovation-driven evaluation strategies as a result of its vast knowledge base and its expertise in technologies such as tissue engineering, molecule design, imaging, modelling and automated test platforms.

The center is spearheading the group's predictive evaluation research and is the result of a 16 million EUR investment: 7 million EUR in 2000, and 9 million EUR in 2010. It currently produces over 130,000 reconstructed biological skin and corneal tissue units per year. In 2011, the Gerland Center will have capacity to evaluate over 1000 products for safety (formulae or raw materials) and 100 ingredients for efficacy.

The L'Oreal Predictive Evaluation Center will be the center of an international hub connecting L'Oréal's French, Chinese and Singaporean Research & Innovation activities. As the center of the network, it will develop the L'Oréal Group's integrated predictive strategy, while incorporating information from the group's other international Research & Innovation centers.

This hub embodies a radical shift in approach: it represents a technological and scientific leap forward from alternative methods to predictive strategies.

As **Laurent Attal**, Vice-President of Research and Innovation explains, *"The mark of strong research is its ability to anticipate. The L'Oreal Predictive Evaluation Center is a demonstration of L'Oreal's Research and Innovation ambitions. It will lead to the discovery of new forms of efficacy and new levels of performance, paving the way for breakthrough innovations"*.

L'Oréal's Research is at the Heart of a Sustainable, Responsible Innovation Strategy

For over a century L'Oréal has been pushing the boundaries of science to meet the beauty aspirations of millions of women and men. Its commitment to innovation has been relentless in its aim to offer everyone, no matter where they are in the world, the best in cosmetics in terms of quality, efficacy and safety.

This commitment has been reflected in innovation that caters for the world's diversity and adheres to eco-friendly design principles without compromising consumer safety.

L'Oréal's research work is taking its investments onto new scientific and technological ground. In the field of biology for example, the genomics explosion, progress in stem cell research and intensive use of multiple reconstructed skin models are giving us a clearer understanding of the diversity of the aging mechanisms at play in different ethnic skin and hair types, while enabling us to identify new cellular and molecular targets and to predict effects more quickly and accurately.

About L'Oréal

L'Oreal, the world's leading cosmetics company, has catered to all forms of beauty in the world for over 100 years and has built an unrivalled portfolio of 23 international, diverse and complementary brands. With sales amounting to 19.5 billion euros in 2010, L'Oréal is present in 130 countries and employs 66,600 people. Regarding sustainable development, Corporate Knights, a Global Responsible Investment Network, has selected L'Oréal for its 2011 ranking of the Global 100 Most Sustainable Corporations in the World. L'Oréal has received this distinction for the 4th consecutive year. www.loreal.com

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Press Release Annex

L'Oréal's Research in 2010

EUR 665 million allocated to the Research & Innovation budget

612 patents registered

3420 employees worldwide

40% of its raw materials came from plants

26% of its raw materials adhered to green chemistry principles

Predictive Evaluation

The group has invested an average of **EUR 30 million** per year in its French and International laboratories for over 20 years. /li>

Over 13 000 formulae have been tested in these facilities since 2008.

In 2010 the eye irritation potential of **435 raw materials** was evaluated on reconstructed human

corneal epithelium (HCE).

L'Oréal Predictive Evaluation Center

EUR 16 million invested: 7 million in 2000 and 9 million in 2010.

In 2011, it will have capacity to evaluate over **1000 products** for safety (formulae or raw materials) and 100 ingredients for efficacy.

130 000 reconstructed biological tissue units – epidermis, skin and cornea – produced each year.

L'OREAL WORLDWIDE RESEARCH KEY FIGURES

Global Operations Investisments Patents

18 Research centres

12 Evaluation centres **2010:** 665 million Euros

2009: 609 million Euros

2008: 588 million Euros

2010: 612

2009: 674

2008: 628

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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