

L'ORÉAL

Acquisition Of Artec

Paris, August 20, 2002 - 6 p.m.

L'Oréal, the world's leading cosmetic company, today announced the acquisition of ARTec Systems Group, Inc. by L'Oreal's wholly owned U.S. subsidiary, L'Oréal USA.

Headquartered in Long Island, New York and founded in 1990 by Mr. Leland Hirsch and Mr. Michael Mazzei, ARTec markets hair care and hair color products for the professional salon industry. Among the company's brands are Textureline, Purehair, Kiwi, Enamels, and Spaline all of which are used and sold exclusively through authorized distributors to beauty salons. ARTec sales in 2001 were \$ 38 million worldwide.

"The products of ARTec benefit from a premium image among American hairdressers", declared Mr Jean-Jacques Lebel, L'Oréal President Professional Products worldwide. " Their future development will be made in association with the L'Oréal Professionnel brand enhancing our presence in America's most prestigious salons", added Jean-Jacques Lebel.

"This acquisition will further reinforce L'Oréal's commitment to the beauty salon industry and its partnership with distributors and hairstylists," said Mr. Jean-Paul Agon, President and CEO of L'Oréal USA.

"After a decade of being one of the fastest growing beauty industry companies, L'Oréal is the perfect parent organization to help ARTec achieve its expansion goals," said Mr. Hirsch, President and CEO of ARTec. "What's more, L'Oréal's dedication to the salon business and its commitment to quality and excellence mirrors our own company's philosophy," Mr Hirsch added.

L'Oréal Professionnel Products, the market leader in salon products, with brands like Matrix, Redken, Kérastase and L'Oréal Professionnel in its portfolio, is managed in the United States by David Craggs, President of the US Professionnel Products Division.

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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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