

L'ORÉAL

L'Oréal Acquires Matrix Essentials

L'Oréal S.A., the world's leading cosmetics company, today announced the signing of an agreement with Bristol-Myers Squibb whereby Cosmair, Inc., L'Oréal's wholly owned U.S. subsidiary, would acquire its Matrix Essentials division.

Matrix is the leading manufacturer of haircare products for the professional salon industry in North America. It manufactures and markets shampoo, haircolor, styling and hair care products sold exclusively through beauty salons. Its product line includes several popular brands, such as Biolage, SoColor, Opticurl and Amplify, which are distributed in 80,000 hair salons throughout the U.S.

In 1999, Matrix had sales of \$342 million, with North America accounting for approximately 90 percent of its total sales. Its products are also distributed in Europe primarily in the U.K., Italy and Scandinavia, as well as Australia. Matrix currently employs approximately 1,000 people.

This acquisition will reinforce L'Oréal's commitment to the beauty salon industry and its partnership with distributors and hairstylists. "Matrix has an outstanding reputation among hairdressers," said Guy Peyrelongue, president and CEO of Cosmair. "With Matrix, we will become the U.S. leader in professional hair products, where we already enjoy great success with such brands as Redken 5th Ave, L'Oréal Professionnel and Kerastase."

"Matrix will be an ideal complement to our division's portfolio since it provides a brand with a very broad distribution and audience reach," said Alain Leprince-Ringuet, vice president of L'Oréal in charge of Professional Products Division. "It will also help us pass the 10 billion French francs threshold of annual sales for the division."

According to Lindsay Owen-Jones, chairman and CEO of L'Oréal S.A., "With the acquisition of Matrix, the Group will significantly reinforce its worldwide leadership in the professional salon industry. We foresee very fast international development for this outstanding brand. This acquisition strengthens L'Oréal's position in the hair products market, one of the most strategic categories for the Group."

The transaction is expected to close sometime during the second quarter. Terms of the transaction have not been announced. The completion of the acquisition is subject to customary governmental and corporate board approvals.

L'Oréal S.A., based in Paris, is the world's largest cosmetics company, with 1999 consolidated sales of Euro 10.7 billion. Operating in more than 150 countries and employing more than 42,000 people, L'Oréal Group companies manufacture and market such well known brands as L'Oréal, L'Oréal Professionnelle, Lancôme, Maybelline, Laboratoires Garnier, Redken 5th Ave., Soft Sheen, Ralph Lauren Fragrances, Giorgio Armani Parfums, Biotherm and Helena Rubinstein.

Cosmair, Inc. is headquartered in New York City and manages U.S. research, administration, and manufacturing and distribution facilities in New Jersey, Kentucky, Arkansas, Illinois and Colorado, as well as in the Caribbean.

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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