

L'ORÉAL

L'Oréal Inaugurates its Factory in Egypt

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L'Oréal's first factory at the heart of the Arab World, located near Cairo in the Pyramids Industrial Park of 10th of Ramadan, was inaugurated last week. With a staged investment totalling 50 million euros, this new factory serves to meet the fast-rising demands of consumers in the region and will be the production hub for L'Oréal's Consumer Products Division in the Middle East and North Africa region.

The Greenfield project completed in 2013 runs across an area of 17,000 m², including manufacturing and warehouse facilities with a three times expansion potential of its current size. Initially dedicated to hair care and hair colouring products, the factory has extended recently its production to skincare.

"With the rising demand of consumers across the region for innovative and high quality beauty products, it was crucial for L'Oréal to have a production facility close to its key markets and able to adapt the product offer to local specificities. The Cairo plant reflects our confidence in the continuous expansion of the MENA market and our strong commitment to Egypt as a strategic production hub" said Geoff Skingsley, L'Oréal's Executive Vice-President, Africa Middle East Zone.

State-of-the-art facility dedicated to consumer products

Adding to the total of 43 L'Oréal factories worldwide, the new Cairo plant manufactures L'Oréal Paris and Garnier products. 10% of the production caters to the domestic market while 90% is exported to other countries in the region.

In 2014, the plant produced 50 million units and has the potential to double its production capacity in the next three years.

The plant features fully automated processing skids with automated recipe control, automated packing lines, fully integrated worldwide Enterprise Resource Planning (ERP) to optimize supply chain and quality management. Special focus was given to environment with an energy efficient building and highly performing state-of-the-art technology for water treatment.

Commitment to sustainable development

The Cairo plant is the first LEED certified factory in Egypt in any industry and has been built following LEED requirements. These consist of a US quality standard which defines excellence in terms of design and building construction process with regard to key aspects of sustainability including water and energy efficiencies, atmosphere management, materials and resources utilization and environmental quality.

The factory aims to contribute to L'Oréal's "Sharing Beauty With All" commitments by limiting its waste generation and water consumption as well as its CO² emissions.

Contribution to local talents and economy

L'Oréal's plant in Cairo employs nearly 200 people and is committed to developing local talent by investing in more than 10,000 hours of training per year including tailored induction programs for its managers which take place in North America and Europe.

In addition, L'Oréal's factory in Egypt prides itself in sourcing more than 70% of its packaging needs amongst regional suppliers and plans to use local materials and suppliers as much as possible.

Key Figures

L'Oréal Worldwide Operations

43 plants across the world (including the new factory in Cairo, Egypt)

Over 6 billion cosmetic units manufactured

Over 75% of plants are ISO 9001

L'Oréal Egypt Factory

Almost 200 employees

17,000 m2 building area / 100,000 m2 plot

EUR 50 million investment

Hair care, hair coloration and skin care produced for L'Oréal Paris and Garnier brands

50 million units produced in 2014

Distribution of products is 10% in Egypt and 90% in MENA

1st LEED Silver certified factory in Egypt

More than 10,000 hours per year for training

About L'Oréal

L'Oréal has devoted itself to beauty for over 105 years. With its unique portfolio of 28 international, diverse and complementary brands, the Group generated sales amounting to 23 billion euros in 2013 and employs 77,500 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 styling salons, travel retail and branded retail.

Research and innovation, and a dedicated research team of 3,600 people, are at the core of L'Oréal's strategy, working to meet beauty aspirations all over the world and attract one billion new consumers in the years to come. L'Oréal's new

sustainability commitment for 2020 "Sharing Beauty With All" sets out ambitious sustainable development objectives across the Group's value chain. www.loreal.com

About L'Oréal Egypt

L'Oréal has been present in Egypt since 2009. Today the subsidiary covers a range of brands from the Group's 4 divisions, including L'Oréal Professionnel, Kerastase, L'Oréal Paris, Maybelline New York, Garnier, Lancôme, Giorgio Armani, Ralph Lauren and La Roche-Posay.

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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.

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"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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