

L'ORÉAL

L'Oréal invents the luxury beauty of tomorrow in China

Shanghai, 10 April 2013 – L'Oréal reaffirms its commitment to developing the luxury beauty market in China at a press conference held today in Shanghai. The market leader and pioneer in luxury beauty in China laid out its plans for attracting the next generation of Chinese luxury consumers, namely with the introduction of game-changing innovations like the successful launch of instrumental beauty leader, Clarisonic, in January 2013 and the highly anticipated opening of the new Yves Saint Laurent Beauté boutique in May 2013.

Jean-Paul Agon, Chairman and CEO, L'Oréal Group, said "Chinese consumers are at the heart of L'Oréal's focus and energies. A potential 250 million new Chinese consumers will be using L'Oréal's products in the next 10 to 15 years, making China the number one contributor to our ambition of winning 1 billion new consumers and to our strategy of universalization. A significant portion of these consumers will be recruited by our Luxe brands, the segment where L'Oréal has historically led the market and where it will continue to influence the shape of its future."

A unique and complete portfolio of luxury brands

The launch of new brands like Yves Saint Laurent Beauté further enhance the existing L'Oréal Luxe portfolio, allowing it to meet the needs of Chinese women and men across age, economic and lifestyle categories. The luxury beauty shopper is able to choose from rich European heritage brands like Lancôme and Giorgio Armani, disruptive American brands like Kiehl's and Clarisonic as well as Asian gems like Shu Uemura or Yue Sai – the local brand that is based on high-tech extraction methods of traditional Chinese medicine and emblematic of "invented in China, for China".

Behind the strength of its brands is L'Oréal's devotion to gaining a profound understanding of the Chinese consumer and the specificities of Chinese skin and hair. This insight is made possible by the Group's long-term investment in Research and Innovation, creating research hubs all over the world, like the one in Pudong, Shanghai, to be ever closer to its consumers. With the understanding of local needs, L'Oréal Luxe has been able to adapt its offering to the cultural habits, texture preferences and skin care routines of Chinese women and men, providing them with iconic, tailor-made premium products like Giorgio Armani's Crema Nera Extrema and Helena Rubinstein's Life Pearl Cellular. Chinese consumers' penchant for ingredients used in traditional Chinese medicine has also inspired L'Oréal's formulations, as seen in the Énergie de Vie range by Lancôme which uses precious root extracts of rhodiola, gentian and wild yam.

China – L'Oréal Luxe's foremost growth driver

Said Nicolas Hieronimus, President, L'Oréal Luxe, "The most beautiful expression of L'Oréal Luxe brands is in China - Our brands have flourished and we have consistently outperformed the market growth for the past 10 years. Our desire and commitment is to continue investing in the development of the luxury beauty segment in China, growing our Luxe offering and leading the way in innovation and retail. More than that, we are absolutely committed to giving Chinese people the most innovative and aspirational products along with the most sublime consumer experiences, made possible by the force of our local talents."

L'Oréal Luxe has led the way for luxury beauty in China since it first introduced Lancôme to Chinese consumers in 1993. L'Oréal Luxe pioneered the launch of international luxury beauty brands, the opening of counters across numerous cities, including tier 2 and 3 cities, and the development of leading-edge media and digital initiatives in order to reach and deeply engage a diversity of consumers. 20 years and 10 luxury brands later (and soon 11 with the upcoming launch of Yves Saint Laurent Beauté), this foresight has paid off – L'Oréal Luxe is the most dynamic of the major luxury cosmetics groups in China with a growth of 1.3 times the market.

China has, in turn, provided L'Oréal Luxe the opportunity to reinvent itself and redefine its brands to cater to the beauty needs of a new generation of Chinese consumers. The exigencies of the market have challenged and inspired each of L'Oréal's Luxe brands to constantly raise the bar in terms of product offerings, distribution, retail and service excellence as well as creative communications campaigns.

For more information, please visit www.beautyin-luxeinchina.com

About L'Oréal

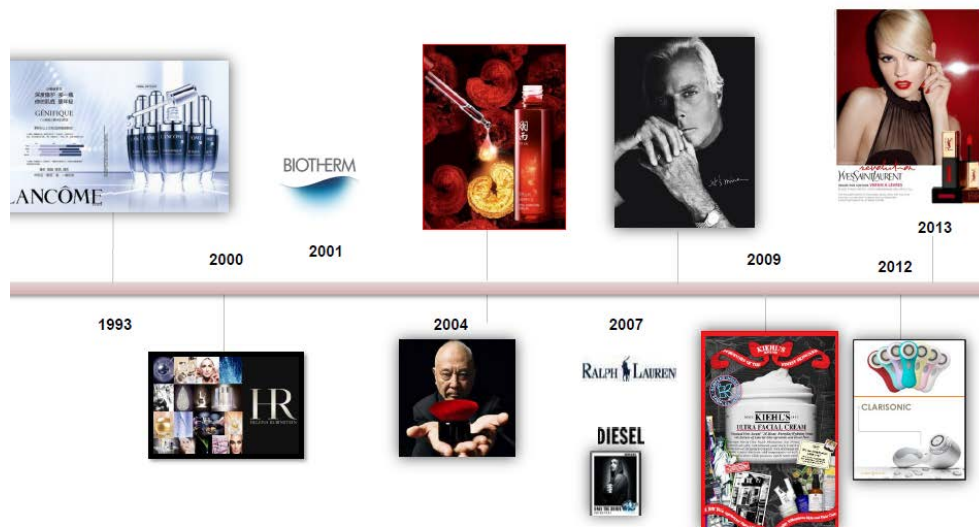
L'Oréal, the world's leading beauty company, has catered to all forms of beauty in the world for over 100 years and has built an unrivalled portfolio of 27 international, diverse and complementary brands. With sales amounting to 22.5 billion euros in 2012, L'Oréal employs 72,600 people worldwide. In 2013, the Ethisphere Institute, a leading international think-tank for business ethics, corporate social responsibility and sustainability, recognized L'Oréal as one of the World's Most Ethical Companies. This is the fourth time that L'Oréal has received this distinction. www.loreal.com

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Annex - Key Figures on L'Oréal Luxe in China

• Milestones of L'Oréal Luxe in China

- 1993 – Lancôme
- 2000 – Helena Rubinstein
- 2001 – Biotherm
- 2004 – Shu Uemura, Yue Sai
- 2007 – Ralph Lauren and Diesel fragrances
- 2008 – Giorgio Armani
- 2009 – Kiehl's
- 2013 – Clarisonic, Yves Saint Laurent Beauté



• In China, L'Oréal Luxe brands are present in

- 972 department stores
- 140 Sephora stores
- 6 boutiques
- 68 airport retail spaces
- more than 700 cities via e-commerce

• L'Oréal Luxe market ranking in China

- No. 1 luxury beauty in China
- No. 1 in men's skin care

• L'Oréal Luxe brand highlights in China

- *Lancôme*
 - Leader in premium skincare, whitening and anti-ageing
 - 2 serums sold per minute
- *Biotherm*
 - No. 1 in men's skin care in selective market
 - 1st luxury men's skin care brand to enter the China market
- *Kiehl's*
 - 51 openings in 22 cities
- *Clarisonic*
 - 1 unit sold every 2 minutes since its launch in January 2013