

L'ORÉAL

L'Oréal opens in Mexico the largest hair color production plant in the world

With an investment of over 100 million USD, this second plant in Mexico secures L'Oréal's strategic position in Latin America.

San Luis Potosí, December 11th, 2012 – L'Oréal, announced today the opening of the largest hair color production plant in the world in terms of production capacity.

With an investment totaling USD 100 million, this new factory will double the production capacity in Mexico, and will supply both Latin America and North America.

"I welcome L'Oréal's decision and the company's confidence in our country. The investment of 100 million USD and the creation of 1200 jobs mark the strengthening of this confidence in Mexico. I extend a warm welcome to all the employees of this important group" said Enrique Peña Nieto, President of Mexico.

Focusing entirely on hair color products, the 32,000 m² facility is located in the "Logistik II" Industrial Park, in Villa de Reyes, State of San Luis Potosí. L'Oréal's other production plant is located in Mexico City.

"The L'Oréal Group has decided to open its new production plant in Mexico, since this is one of the most strategic countries for the Group, a key crossroad between North America and Latin America. To have built our largest hair color plant here shows once more our deep commitment to provide the market with superior quality products and great value" said **Jean-Philippe Blanpain, Executive Vice-President of Operations L'Oreal.**

In line with the Group's ambition to reach one billion new consumers in the next ten years, this new factory is also a part of L'Oréal's global strategy towards greater specialization of its production by business segment.

"Given the growth of our business in the country and our industrial expertise, Mexico is key to attaining our goal of our next billion new consumers. The plant of San Luis Potosi reflects our confidence in the ongoing expansion of the Mexican market and that of the Latin American market itself" said **Alexandre Popoff, Executive Vice-President Latin America Zone L'Oréal.**

A Unique Facility Dedicated to Hair Color

The plant in San Luis Potosí started operations in April 2012, with a targeted production of over 100 million units in 2013, and over 210 million in 2014 – for a total production of 400 million cosmetics units in the country (including the Mexico City plant).

It currently manufactures hair color products for L'Oréal Paris, Garnier, SoftSheen Carson and, from 2013, for L'Oréal Professionnel.

Regarding sustainability, the plant already features advanced technologies for water treatment and solar powered equipment – with wind energy coming in the next few months. After our distribution center, the new plant is also in the process of becoming LEED certified.

L’Oreal Mexico has reduced water consumption per unit by 60% and CO2 emissions per unit by 60 % which is over and above the Group’s objective to decrease by 50% water consumption, CO2 emissions, and waste by 2015.

The contribution to the local economy and population

The new plant in San Luis Potosí is a direct employment source for 400 people and an indirect employment source for 800 individuals. In this way, L’Oréal México confirms its investment in the country, boosting the local economy through its leadership in the personal care, health and beauty market, and through their major investment in the industrial sector.

For more information visit www.lorealbellezasanluispotosi.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 20.3 billion euros in 2011, L'Oréal employs 68,900 people worldwide. Regarding sustainable development, Corporate Knights, a Global Responsible Investment Network, has selected L'Oréal for its 2012 ranking of the Global 100 Most Sustainable Corporations in the World. L'Oréal has received this distinction for the 5th consecutive year.

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About L'Oréal México

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Started operations in 1962, and currently employs over 3,000 people.

L'Oréal is N°1 in the mass market circuit, and its categories, in the beauty salon circuit, and in the dermo-cosmetic circuit (and N°2 in the selective circuit). L'Oréal is N°1 in all the distribution and categories circuits.

L'Oreal's portofolio boasts numerous "best-sellers" in the country: Elvive, Fructis, Nutrisse, Excellence, Obao, as well as their Lancôme products, Giorgio Armani perfumes, Ralph Lauren and Cacharel, the Majirel hair dyes, Normaderm by Vichy, Anthelios from La Roche Posay, Innéov.

Furthermore, the 65,000 m² Distribution Center built in 2010 is the second largest Center of the Group. It is in total compliance with the specifications of the "L'ORÉAL Sustainable Building Guide" and it was the first Distribution Center to attain the "LEED GOLD" certification.

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ANNEX

Key items - Industrial Operations L'Oréal Group

- **43** production plants worldwide
- **146** distribution centers
- **Over 20,000 employees in industrial operations worldwide.**
- **5.8 billion units produced.**
- **Over 84% of the production is manufactured in compliance with the ISO 9001 (quality), ISO 14001 (environment), OHSAS 18001 (safety) Certifications**
- Capital invested in our operations: **398 million euros in 2011**

Key items- San Luis Potosí Plant

- Around **300** employees to date
- **95 000 m²** surface area / **32,000 m²** building
- Total investment of **100 million USD**
- **Plant dedicated to Hair color** – production for the L'Oréal Paris, Garnier, SoftSheen Carson and L'Oréal Professionnel brands
- **210 million units** per year by 2014 / Potential of **365 million units** per year
- Distribution of products in North and Latin America
- **LEED certification** in progress