

# L'ORÉAL

## L'ORÉAL'S ACQUISITION OF MAGIC HOLDINGS MARKS FIRM'S BIGGEST INVESTMENT IN CHINESE BEAUTY MARKET

**Clichy, 8 April 2014** – Following the approval by the General Meeting of **Magic Holdings International Limited** shareholders, L'Oréal announces the transaction is now effective. This move marks L'Oréal's biggest investment to-date in the Chinese beauty market and further strengthens the Group's leadership position in the world's third largest beauty market.

**Jean-Paul AGON**, Chairman and CEO, said: *"This is the most important acquisition for L'Oréal since the acquisition of Yves Saint Laurent Beauté in 2008. The MG brand beautifully completes the brand portfolio of our consumer products division in China: L'Oréal Paris, Maybelline New York and MG, the iconic Chinese brand. This acquisition marks the acceleration of our conquest of new consumers in China."*

A specialist in cosmetics facial masks, Magic's turnover in 2013 was approximately 166 million euros (+14% in Hong Kong dollars vs. previous year). Magic's MG brand is China's leading brand in this category. Facial masks are one of China's beauty market's fastest growing areas with very promising development prospects.

**Yuyuan SHE**, CEO Magic Holdings, said: *"We are delighted to join L'Oréal. We believe our brand will benefit from L'Oréal's extensive science based expertise and its world-class management experience and know-how. This move will help to build the special value of the facial mask sector, continuously grow the sector and strengthen MG's leadership."*

L'Oréal Paris is the No.1 beauty brand both in the world and in China, and Maybelline New York, No.1 make-up brand in the world and in China as well. From now on, Magic Holdings will also contribute to the growth of L'Oréal's Consumer Product Division in China.

L'Oréal China disclosed sales of 13.28 billion Yuan (1.55 billion euros) in 2013, an increase of 10.2% versus a year ago. 2013 marked the 13<sup>th</sup> consecutive year of double-digit growth for L'Oréal in China. The record high turnover and a track record of strong growth confirm China's position as the third largest market for L'Oréal.

### **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, travel retail and branded retail.*

*Research and innovation, and a dedicated research team of 4,000 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](http://www.loreal.com)*

### **About L'Oréal China**

L'Oréal has been committed to China since 1997. Today, L'Oréal has more than 3 500 employees in China, a Research & Innovation center in Shanghai and two plants in Suzhou and Yichang. After 17 years of rapid, solid and sustained development, L'Oréal has successfully established itself as a leader in the Chinese beauty market. L'Oréal is No. 1 in skincare, make-up, men's skincare, professional products, luxury beauty and dermo-cosmetics markets.

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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](http://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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