

L'ORÉAL

L'OREAL ENTERS DEAL TO BUILD A RESEARCH AND INNOVATION CENTER IN RIO DE JANEIRO

L'Oréal signed a Memorandum of Understanding today with the state and city of Rio de Janeiro to build a Research and Innovation Center on Bom Jesus Island in an area adjacent to the Federal University of Rio de Janeiro Technology Park.

Clichy, December 19, 2011- The L'Oréal Group has had operations in Brazil for 50 years and has chosen to set up its Latin American Research and Innovation Center in the state and city of Rio de Janeiro.

The agreement is yet another development in Rio de Janeiro's socio-economic and environmental road to progress, primarily in hiring local specialised talent and scientific partnerships with the Federal University of Rio de Janeiro.

The project represents an investment of around €30 million (R\$70,000,000) that will create 150 direct jobs by 2015. The purpose of the Memorandum of Understanding is to acquire land with a total surface area of over 28,000 m².

The laboratory will serve to accelerate the growth of innovative products tailored for the Brazilian and Latin American markets that may potentially be marketed in other locations around the world.

"The move to build a laboratory in Brazil is in line with L'Oréal's globalization strategy of meeting every beauty inspiration by providing the most local innovations for consumers and adapting to each culture's specific needs," says Didier Tisserand, Managing Director of L'Oréal Brazil.

Brazil is a very high growth market and its extraordinary diversity and rich cultural heritage are an endless source of inspiration. It promises to be an amazing growth opportunity for L'Oréal.

Brazilian officials are working to transform Bom Jesus Island into a Green District with a cluster of high-technology research centers that rely on renewable energies. The project meets LEED standards (Leadership in Energy and Environmental) and the Group's sustainable development standards.

"This is a new step towards innovation and technological development. I am very honored that a large group like L'Oréal has chosen to develop its activities in Rio. I am confident that this investment will allow us to respond even better to the expectations of Brazilian women by offering them specific, high quality products," declared the Governor of Rio de Janeiro, Sergio Cabral.

About L'Oréal

L'Oréal, the world's leading cosmetics company, has catered to all forms of beauty in the world for over 100 years and has built an unrivalled portfolio of 23 international, diverse and complementary brands. With sales amounting to 19.5 billion euros in 2010, L'Oréal is present in 130 countries and employs 66,600 people. Regarding sustainable development, Corporate Knights, a Global Responsible Investment Network, has selected L'Oréal for its 2011 ranking of the Global 100 Most Sustainable Corporations in the World. L'Oréal has received this distinction for the 4th consecutive year. www.loreal.com

L'Oréal Brazil

- 2,100 employees
- 2 plants in Rio de Janeiro and São Paulo
- 497 million units produced in 2010
- 1 Distribution Center in Rio de Janeiro
- 2 Academies for the Hair Stylist Technical Training Center, (Rio and São Paulo) and 29 professional technical centers across Brazil.
- 2 L'Oréal Professional Institutes (schools to train hair and manicure professionals) in Rio de Janeiro and São Paulo and an Institute franchise in Rio de Janeiro
- A Development Center in the Rio plant that has been in operation since 2008

"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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