L’Oreal USA, a subsidiary of L’Oreal S.A., the world’s largest beauty company, has acquired 100% of Beauty Alliance L.L.C., in which it had taken a 30% minority interest last July.

Beauty Alliance is one of the largest and fastest growing professional salon distributorships in the U.S. selling to 125,000 salons through 870 Distributor Sales Consultants and through 400 professional outlets. Beauty Alliance, a privately-held company headquartered in Clearwater, Florida, will operate as a separate unit within L’Oreal’s Professional Products Division.

“The acquisition of Beauty Alliance allows L’Oreal USA to further strengthen our position in a market which is strategic for us,” said Laurent Attal, President and CEO of L’Oreal USA. “We have a large and vibrant salon business in the United States. The consolidation that has taken place in parts of the US distribution system makes this an appropriate time for L’Oreal to take a greater interest in the distribution process for the benefit of all stakeholders in the professional hair salon industry. This is a strategic investment in the future of salon professionals.”

“After studying the needs and buying habits of professional hairdressers for a very long time, we have determined that the best way to develop our business in the United States is to take this interest in the distribution process in certain territories,” said David Craggs, President of L’Oreal USA’s Professional Products Division. “In doing this we can meet the needs of both small and large salon owners by providing them with unsurpassed service and education through our extensive store and sales consultant networks. The economic equation associated with vertical integration will also allow us to increase our investments, and the acquisition of Beauty Alliance is one way to achieve that goal.”

Beauty Alliance will continue to be led by Jamie Cheek, its current President. “We are very enthusiastic about the growth opportunities this business combination offers both our companies,” noted Mr. Cheek. “L’Oreal and Beauty Alliance share a passion for the professional hairdresser business, and L’Oreal recognizes that we are the premier distributor in the country. To that end, Beauty Alliance will continue as a full service distributor offering a broad range of L’Oreal and other high quality brands both through the distributor sales consultants and the store network.”
Armani, Shu Uemura, L'Oréal Paris, Garnier, Vichy, Biotherm, La Roche-Posay, L'Oréal Professionel and Kérastase. The U.S. is the base for the product development, international marketing and advertising for L’Oréal’s eight American brands: Maybelline New York, Soft-Sheen.Carson, Kiehl’s Since 1851, Ralph Lauren, Redken 5th Avenue NYC, Matrix, Mizani and SkinCeuticals.

"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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