

L'ORÉAL

L'Oréal inaugurates its largest factory in the world in Indonesia to meet fast-rising demand in the South-East Asian beauty market

L'Oréal invests EUR 100 million in the first LEED certified factory in Indonesia

Jababeka, 7 November 2012 – L'Oréal announced today the opening of its largest factory in the world. The 66,000 m² building is located at the Jababeka Industrial Estate, West Java, Indonesia, around 60 kilometers east of Jakarta. With a staged investment totalling EUR 100 million (approximately IDR 1.25 trillion), this new factory will serve as the production hub for the South-East Asian region.

“As we have been successfully operating a factory in Indonesia since 1986, the country is therefore the clear choice for L'Oréal's ASEAN production hub,” said **Jean-Philippe Blanpain, L'Oréal's Executive Vice-President of Operations**. *“Building our largest factory in Indonesia once again demonstrates our dedication to providing Indonesians and the markets in the ASEAN region products with superior quality and value.”*

In line with the Group's ambition to reach one billion new consumers in the next ten years, the factory will respond to increased market demand in Indonesia and ASEAN, which represents new frontiers of growth for L'Oréal.

“With the highest growth of the Group in Asia Pacific, Indonesia is a key contributor to the L'Oréal objective of reaching one billion new consumers. The Jababeka plant reflects our confidence in the continuous expansion of the Indonesian market and our strong commitment to the country,” said **Jochen Zaumseil, L'Oréal's Executive Vice-President, Asia Pacific Zone**.

State-of-the-art facility dedicated to consumer products

L'Oréal's first factory in Indonesia was established in 1986 in the suburb of Ciracas, Jakarta. Due to the tremendous growth experienced over the last 4 years, it was decided to build a new and larger facility, and to transfer all the activities to the Jababeka plant.

Making a total of 43 L'Oréal factories worldwide, the new Jababeka plant will manufacture hair and skin care products for the mass market brands, L'Oréal Paris and Garnier. 30% of the production will cater to the domestic market while 70% will be distributed to all other countries in the South-East Asian region.

In 2013, the plant will produce 200 million units and has an installed capacity of 300 million units with the potential to reach up to 500 million units per year. The plant features state-of-the-art facilities including high-speed production lines, processing tanks with automatic recipes management, a lighting system based on movement detection and an advanced technology water treatment plant which is currently under development.

Commitment to sustainable development

The Jababeka plant is the first LEED certified factory in Indonesia and has been built following LEED requirements. These consist of a US standard which defines excellence in terms of design and building construction process with regard to key aspects of sustainability including water and energy efficiencies, atmosphere management, materials and resources utilization and environmental quality.

Since 2005, L'Oréal Indonesia has reduced waste and water consumption per unit by 52%, and CO² emissions per unit by 38%. The goal is to decrease absolute CO² emissions by 50% from 2005 to 2015 (from 2,000 to 1,000 tons).

Contribution to the local people and economy

L'Oréal employs nearly 800 people in Indonesia with almost 450 of them working at the new factory in Jababeka. Throughout the transfer process of the factory, L'Oréal has succeeded in retaining 96% of its existing employees from the former factory in Ciracas. In order to facilitate the move to the Jababeka premises 40 km away, L'Oréal provided employees with transfer and housing incentives. A total of 262 employees and their families have now become home owners in the surrounding areas of the new factory.

In addition, the factory, which plans to expand according to market needs, will use local materials and suppliers as much as possible.

Mohamad S. Hidayat, Minister of Industry of the Republic of Indonesia stated, *"The government of Indonesia appreciates the strategic decision taken by the L'Oréal Group in supporting the development of the industrial sector in Indonesia, specifically the beauty industry, by opening their largest factory in Indonesia."*

For more information, please visit www.beauty-indonesia.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. www.loreal.com

About L'Oréal Indonesia

In Indonesia, L'Oréal has been present since 1979 and is now operating through two entities: PT L'Oréal Indonesia, which handles marketing and distribution activities, and PT Yasulor Indonesia, which focuses on manufacturing operations. L'Oréal brands in Indonesia comprise of: L'Oréal Professionel; Kerastase Paris; Matrix; L'Oréal Paris; Maybelline New York; Garnier; Lancôme; Biotherm; Shu Uemura; Yves Saint Laurent; Kiehl's; perfumery which includes Giorgio Armani, Ralph Lauren, and Diesel; and The Body Shop which is distributed by a third party agent. www.loreal.co.id

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Annex - Key Figures

Worldwide Operations Key Figures

- **43** plants across the world (including the new factory in Jababeka, Indonesia)
- **146** distribution centres
- **Over 20,000** Operations employees across the world
- **5,8 billion** cosmetics managed units, of which **87,4%** are produced internally
- Over **84%** of plants are ISO 9001 or FDA (quality), ISO 14001 (environment), OHSAS 18001 or VPP (safety) certified
- **EUR 398 million** Operations capital spending in 2011

L'Oréal Indonesia factory in Jababeka Key Figures

- **450** employees
- **200,000 m²** surface area / **66,000 m²** building
- **EUR 100 million** or **IDR 1.25 trillion** is the total investment over a period of 6 years
- **Hair care** and **skin care** produced for L'Oréal Paris and Garnier brands
- **200 million units** per year by 2013 / Potential of **500 million units** per year
- Distribution of products is **30%** in Indonesia and **70%** in South-East Asia
- **1st LEED Silver certified** factory in Indonesia
- More than **10,000 hours** per year for training (3 days per employee)