



L'ORÉAL

ORDINARY AND EXTRAORDINARY ANNUAL GENERAL MEETING OF TUESDAY, APRIL 27TH, 2010
CONVENING NOTICE

Contents

How to take part in the Annual General Meeting?	Mid-section booklet
Agenda of the Annual General Meeting	2
Chairman's Message	3
Brief presentation of the L'Oréal Group in 2009 and key annual indicators	4
5 year financial summary	10
Report of the Board of Directors on the draft resolutions	11
Draft resolutions	15
Board of Directors	18
Information concerning Directors whose tenure renewal is proposed to the AGM	20
Statutory Auditors' special reports	25

Agenda of the Annual General Meeting

Ordinary part

1. Approval of the 2009 parent company financial statements
2. Approval of the 2009 consolidated financial statements
3. Allocation of the company's net income for 2009 and declaration of the dividend
4. Regulated agreements and regulated commitments
5. Renewal of the tenure as Director of Sir Lindsay Owen-Jones
6. Renewal of the tenure as Director of Mr. Jean-Paul Agon
7. Renewal of the tenure as Director of Mr. Francisco Castañer Basco
8. Renewal of the tenure as Director of Mr. Charles-Henri Filippi
9. Renewal of the tenure as Director of Mr. Xavier Fontanet
10. Renewal of the tenure as Director of Mr. Marc Ladreit de Lacharrière
11. Renewal of the terms of office of a Statutory Auditor and substitute Statutory Auditor
12. Renewal of the term of office of a Statutory Auditor and appointment of a substitute Statutory Auditor
13. Authorisation for the company to buy back its own shares

Extraordinary part

14. Delegation of authority to the Board of Directors to reduce the share capital by cancelling shares purchased by the company under Articles L. 225-209 and L. 225-208 of the French Commercial Code
15. Powers for formalities

This is a free translation into English of the Convening Notice issued in the French language and is provided solely for the convenience of English speaking readers.

Chairman's Message



Dear Shareholder,

I have pleasure in inviting you to the Ordinary and Extraordinary Annual General Meeting of the shareholders of L'Oréal which will be held on Tuesday, April 27th, 2010 at 10.00 a.m. in the Carrousel du Louvre in Paris.

The Annual General Meeting is a privileged occasion for information, exchange and dialogue between L'Oréal and its shareholders. It also offers you the opportunity to participate in important decisions concerning your Group.

We strongly hope that you will be able to attend the meeting personally; however, if you are unable to be present, you have the possibility to vote by mail or by Internet or give a proxy to the Chairman of the Annual General Meeting or any other duly authorised person.

In the following pages, you will find all the practical terms and conditions of participation in the Annual General Meeting, the agenda and the draft resolutions that are submitted for your approval.

I want to thank you for your trust and loyalty, and look forward to seeing you on April 27th.

Sir Lindsay Owen-Jones
Chairman

Brief presentation of the L'Oréal Group in 2009 and key annual indicators

Key Figures

Consolidated sales	17.5 billion euros
Good quality operating profit	Improvement in gross profit rate Reduction in selling, general and administrative expenses Increase in R&D and advertising & promotion expenses
Strong growth in cash flow	
Net earnings per share *	3.42 euros
Growth in dividend **	1.50 euro (+4.2%)

* Diluted net earnings per share, based on net profit excluding non-recurrent items attributable to the Group.

** Proposed at the Annual General Meeting of April 27th, 2010.

Comments

The Board of Directors of L'Oréal met on February 15th, 2010 under the chairmanship of Sir Lindsay Owen-Jones and in the presence of the Statutory Auditors. The Board closed the consolidated financial statements and the financial statements for 2009.

Commenting on the figures, Mr. Jean-Paul Agon, Chief Executive Officer of L'Oréal, said:

"After a difficult start to the year due to a contraction in sell-out and drastic inventory reduction by the trade, the cosmetics market has gradually improved and ended up slightly positive. In this context, L'Oréal has weathered the crisis well and confirmed its position as the world leader in beauty.

2009 has been an exceptional vintage for innovation, and a year of very strong dynamism in Consumer Products, along with the conquest of a large number of new hair salons and rapid growth in new markets. The group ended the year with good quality operating results, record cash flow and a very robust financial situation.

We have also devoted the year to preparing for the future with three major strategic changes: the broadening of the consumer base with the target of winning a billion new consumers, a thorough transformation of the company to make it stronger and more flexible, and finally, a determined increase of investments in R&D and advertising & promotion to accelerate growth.

Overall, L'Oréal has emerged from 2009 stronger, and has prepared itself well for a return to sales and results growth in 2010."

Furthermore, the Board of Directors has decided to propose to the Annual General Meeting on April 27th, 2010 the payment of a dividend of €1.50 per share, an increase of +4.2% compared with 2008.

At the end of the Board meeting, Sir Lindsay Owen-Jones said:

"2009 has ended with good quality results, in a truly exceptional economic context. Thanks to the energy, imagination and combativity of Jean-Paul Agon and his teams, the Group has succeeded in renewing itself and preparing for the future. The proposal by the Board of Directors to pay a dividend of 1.50 euro is an expression of our confidence in the solidity of L'Oréal and of our legitimate and particular concern to achieve the right balance."

The Board has decided to continue the separation of the roles of Chairman and Chief Executive Officer, and to renew the tenure of Sir Lindsay Owen-Jones as Chairman and that of Mr. Jean-Paul Agon as Chief Executive Officer at the meeting to be held after the Annual General Meeting on April 27th, 2010, subject to the renewal of their terms of office as Directors. This renewal and the remuneration of the Chairman and of the Chief Executive Officer are the subject of a news release available on the company's Internet site.

2009 sales

Like-for-like, i.e. based on a comparable structure and identical exchange rates, the sales trend of the L'Oréal Group was -1.1%.

The net impact of changes in consolidation, as a result of the acquisitions of YSL Beauté, CollaGenex Pharmaceuticals and the 100% consolidation of Club des Créateurs de Beauté, amounted to +1.9%.

Currency fluctuations had a negative impact of -1.2%.

Growth at constant exchange rates was +0.8%.

Based on reported figures, the Group's sales, at December 31st, 2009, amounted to 17.473 billion euros, a decrease of -0.4%.

Sales by operational Division and geographic zone

	4 th quarter 2009			At December 31 st 2009		
	€ millions	Growth		€ millions	Croissance à données	
		Like-for-like	Reported		Like-for-like	Reported
By operational Division						
Professional Products	581.6	-1.5%	-6.7%	2,388.5	-3.3%	-3.4%
Consumer Products ⁽¹⁾	2,074.8	5.2%	-0.2%	8,555.2	3.2%	1.5%
Luxury Products	1,159.9	-4.7%	-9.1%	4,079.6	-9.0%	-2.2%
Active Cosmetics	260.1	1.1%	-3.4%	1,233.8	-1.5%	-4.3%
Cosmetics total	4,076.4	1.0%	-4.0%	16,257.2	-1.5%	-0.6%
By geographic zone						
Western Europe	1,714.7	-6.1%	-6.9%	7,036.6	-6.3%	-4.7%
North America	904.6	-0.8%	-10.4%	3,801.9	-3.4%	1.7%
Rest of the World, of which:	1,457.1	12.2%	4.5%	5,418.7	7.2%	3.4%
- Asia	559.8	12.6%	4.9%	2,147.8	8.3%	16.5%
- Eastern Europe	335.8	11.3%	-3.8%	1,212.8	3.3%	-12.1%
- Latin America	320.0	10.3%	3.7%	1,138.4	11.2%	-1.1%
- Africa-Orient-Pacific	241.4	15.3%	18.7%	919.7	5.0%	6.7%
Cosmetics total	4,076.4	1.0%	-4.0%	16,257.2	-1.5%	-0.6%
The Body Shop	240.9	3.9%	-2.0%	726.3	0.7%	-3.9%
Dermatology ⁽²⁾	151.2	14.2%	10.3%	489.1	10.8%	14.6%
Group total	4,468.5	1.5%	-3.5%	17,472.6	-1.1%	-0.4%

(1) After reclassification of the "Distance selling" activity under the Consumer Products Division heading.

(2) Group share, i.e. 50%.

Brief presentation of the L'Oréal Group in 2009 and key annual indicators

Cosmetics sales

Professional Products

In a hairdressing market which felt the strong impact of the economic context, the Professional Products Division ended 2009 at -3.3% like-for-like and is significantly strengthening its positions in all regions of the world, with a steady improvement in the second part of the year.

Consumer Products

The Consumer Products Division achieved annual growth of +3.2% like-for-like, with a fourth quarter at +5.2%. The 2nd half thus reflected a strong upturn in amounts invoiced, bolstered in particular by the *Garnier* and *Maybelline* brands, the dynamism of the new markets, and rapid growth in skincare. Over the full year, the Division grew slightly faster than the worldwide market trend.

Luxury Products

The Luxury Products Division ended 2009 at -9% like-for-like and -2.2% based on reported figures with the consolidation of *YSL Beauté*. The large difference between shipments to distributors and retail sales is due to the impact of inventory reduction which affected most regions. The end of the year brought a recovery in sell-out, and over the full year the Division held on to its worldwide positions in sell-out terms. The weakness of the perfume market and the particularly difficult situation of some West European markets, where the Division's brands are leaders, hampered its performance.

Active Cosmetics

The Active Cosmetics Division annual sales trend was -1.5% like-for-like. The 4th quarter again reflected an improvement at +1.1% like-for-like, confirming the recovery in activity compared with the 1st half. Worldwide, the Division confirmed its position as number one in dermocosmetics.

Multi-division summary by geographic zone

Western Europe

Annual performance came out at -6.3% like-for-like. The group's trend is still favourable in the United Kingdom, while France, Italy and particularly Spain and Travel Retail are continuing to weigh on performances in this zone. The impact of inventory reductions by distributors, which is particularly significant in Luxury Products, is gradually declining.

North America

The situation improved at the end of the year with a 4th quarter at -0.8% like-for-like, enabling the Group to end 2009 at -3.4%. Over the full year, the Group slightly outpaced the market in sell-out terms. The Luxury Products Division picked up in the final months of the year with the successes of *Lancôme* and *Yves Saint Laurent*. Professional Products produced one of their best ever years in market share gain terms, thanks in particular to the distribution strategy initiated 3 years ago with the acquisition of distributors. Consumer Products are growing slightly faster than the market.

Rest of the World

- **Asia:** The group's growth accelerated in the 4th quarter to +12.6% like-for-like and +17.9% excluding Japan. Over the full year, the Group recorded growth of +8.3%, in a market that was stagnant because of very depressed consumption in Japan. Outside Japan, the Group's growth rate was +12.2%. L'Oréal is strengthening its positions in the three major markets in this zone – Japan, South Korea and China – and in new markets such as Indonesia. The skincare category is continuing its rapid expansion. In China, where the Group recorded a further market share gain, the haircare line *L'Oréal Hair Expertise* launched this summer has made a very good start.
- **Eastern Europe:** After a difficult start to the year for the market, sales accelerated sharply in the final quarter, with a growth rate of +11.3%, enabling L'Oréal to end the year at +3.3%. The group strengthened its positions, particularly in the Consumer Products Division. There is a very pronounced contrast: the sales trend in Hungary and the Czech Republic was still negative, whilst growth was strong in Ukraine, and Russia recorded a strong growth rate at the end of the year. The group has created a subsidiary in Kazakhstan.
- **Latin America:** Sales grew by +11.2% like-for-like. All major countries are recording sales growth. Brazil accelerated, ending the year at +15%. Argentina and Chile are posting double-digit growth. Mexico is gradually improving, and resumed positive growth with the haircare breakthrough of *Elvive Total Repair 5* by L'Oréal Paris.
- **Africa-Orient-Pacific:** Sales increased by +5% like-for-like, with strong acceleration in the 4th quarter at +15.3%. The situation is contrasting: India has a growth rate of +31.5%, and is back on the offensive, driven by the *Garnier* brand. South Africa recorded a high growth rate. The Gulf countries however had a very tough year because the Luxury Products Division was hit hard by the crisis in the region. The group has created subsidiaries in Egypt and Pakistan.

The Body Shop sales

The Body Shop ended the year with like-for-like growth at +0.7%. Total Retail Sales ⁽¹⁾ grew by +1.0%. With a comparable store base ⁽²⁾, sales were down by -0.6%. The Body Shop proved resilient in a severely affected retail market, registering solid growth in most of Asia, the Middle East and mainland Europe. However, the economic climate continued to hamper customer footfall in countries such as the United Kingdom and in North America.

The Body Shop continued to pursue its innovations strategy with the launch of *Nutriganics*, its first certified organic skincare regime and *Love Etc™*, a fragrance using Community Trade alcohol made from organic sugar cane. The brand also launched *The Originals* collection, which includes 11 iconic The Body Shop products sold at attractive prices.

The brand further extended its reach by opening new retail outlets in airports.

At the end of 2009, The Body Shop has a total of 2,550 stores in 63 countries.

(1) Retail sales: total sales to consumers through all channels.

(2) Retail sales with a comparable store base: total sales to consumers by stores which operated continuously from January 1st to December 31st, 2008 and over the same period in 2009.

Galderma sales

Galderma achieved a year of solid growth at +10.8% like-for-like. Sales increased by +9.5% in the North America zone. Sales in Europe and the Rest of the World zone posted double-digit growth. The company recorded the highest absolute growth in the dermatology industry in 2009, achieving record market share.

The Adapalene molecule, which serves as the foundation for Epiduo and Differin, continued to grow market share worldwide as the leading topical treatment for acne. Epiduo was approved in a growing number of countries on the five continents and was ranked as the fastest growing product in dermatology. In Japan, one year after its launch, *Differin* 0.1% gel continued to conquer the acne market. *Oracea* (rosacea) was approved in Europe together with *Clobex Shampoo* (psoriasis). *Azzalure*, a botulinum toxin type A specifically developed to correct glabellar lines, was launched with success in the European market. *Vectical* was approved in the United States and rapidly adopted as an important component in the treatment of psoriasis.

2009 Results

1) Operating profitability and Consolidated profit and loss account

€ millions	12.31.2008*	As % of sales	12.31.2009	As % of sales
Sales	17,542	100%	17,473	100%
Cost of sales	-5,187	29.6%	-5,162	29.5%
Gross profit	12,355	70.4%	12,311	70.5%
Research and development expenses	-588	3.3%	-609	3.5%
Advertising and promotion expenses	-5,269	30.0%	-5,389	30.8%
Selling, general and administrative expenses	-3,773	21.5%	-3,736	21.4%
Operating profit	2,725	15.5%	2,578	14.8%

* Foreign exchange gains and losses have been reclassified to the various lines making up the operating profit. Net sales and operating profit remain unchanged.

Brief presentation of the L'Oréal Group in 2009 and key annual indicators

Gross margin amounted to 70.5% of sales. The improvement of 10 basis points reflects efficiency gains in plants and gains on purchasing, and, on the other hand, extra costs linked in particular to monetary parities. This improvement in gross profit was particularly significant in the second half of 2009.

Research and development expenses, as announced, increased as a percentage to reach 3.5% of sales.

Advertising and promotion expenses, at 30.8% of sales, have increased significantly compared with 2008 when they stood at 30%. Investments to support the brands have increased across all divisions and zones.

Selling, general and administrative expenses have declined to 21.4% of sales, representing a reduction of 10 basis points. This decrease was most significant in the second half.

Operating profit amounted to 2,578 million euros, down by -5.4%. The reduction in the operating profitability percentage reflects the increase in advertising and promotion investments in 2009.

2) Operating profit by branch and division

	2008		2009	
	€ millions	% of sales	€ millions	% of sales
By operational division				
Professional Products	519	21.0%	477	20.0%
Consumer Products ⁽¹⁾	1,566	18.6%	1,577	18.4%
Luxury Products	767	18.4%	617	15.1%
Active Cosmetics	259	20.1%	250	20.2%
Cosmetics Divisions total	3,110	19.0%	2,921	18.0%
Non-allocated ⁽²⁾	-502	-3.1%	-482	-3.0%
Cosmetics branch total	2,608	15.9%	2,439	15.0%
The Body Shop	36	4.8%	54	7.4%
Dermatology branch ⁽³⁾	80	18.7%	85	17.4%
Group	2,725	15.5%	2,578	14.8%

(1) After reclassification of the "Distance selling" activity under the Consumer Products Division heading.

(2) Non-allocated = Central group expenses, fundamental research expenses, stock option expenses and miscellaneous items. As % of total sales.

(3) Group share, i.e. 50%.

The profitability of the Professional Products Division was slightly lower at 20.0% of sales.

The profitability of the Consumer Products Division remained practically stable at 18.4% of sales.

The profitability of the Luxury Products Division decreased by 330 basis points, of which 100 basis points are the result of the dilution of Yves Saint Laurent Beauté.

The profitability of Active Cosmetics increased very slightly to 20.2% of sales.

In 2009 The Body Shop achieved a strong improvement in its profitability, which amounted to 7.4% of sales.

Finally, the profitability of the Dermatology branch, Galderma, reached 17.4%. Galderma invested significantly in 2009 in order to take up new positions in the acne field with its new product *Epiduo*.

3) Profitability by geographic zone

	2008		2009	
	€ millions	% of sales	€ millions	% of sales
Operating profit				
Western Europe	1,634	22.1%	1,470	20.9%
North America	593	15.9%	554	14.6%
Rest of the World	884	16.9%	896	16.5%
Cosmetics zones total	3,110	19.0%	2,921	18.0%

The lower profitability in Western Europe at 20.9% is the result of the greater weight of research expenses and advertising and promotion expenses.

In North America and in the Rest of the World zone, the decline in profitability reflects the increase in advertising and promotion expenses.

Brief presentation of the L'Oréal Group in 2009 and key annual indicators

4) Net earnings per share: €3.42

€ millions	12.31.2008	12.31.2009
Operating profit	2,725	2,578
Finance costs	-181	-89
Sanofi-Aventis dividends	245	260
Pre-tax profit excluding non-recurrent items	2,789	2,749
Income tax excluding non-recurrent items	-722	-749
Minority interests	-2.6	-2.7
Net profit excluding non-recurrent items after minority interests ⁽¹⁾	2,064	1,997
EPS ⁽²⁾ (€)	3.49	3.42
Diluted average number of shares	590,920,078	583,797,566

(1) Net profit excluding non-recurrent items after minority interests does not include capital gains and losses on disposals of long-term assets, impairment of assets, restructuring costs, associated tax effects or minority interests.

(2) Diluted net earnings per share excluding non-recurrent items after minority interests.

The finance costs were reduced by half to 89 million euros.

Dividends received from Sanofi-Aventis amounted to 260 million euros, up by +6.3%.

Tax amounted to 749 million euros, representing a rate of 27.3%.

In all, net profit excluding non-recurrent items after minority interests totalled 1,997 million euros, down by -3.2% and -2% at constant exchange rates.

Net earnings per share amounted to €3.42, down by -2.1%, and down by -0.8% at constant exchange rates.

5) Net profit excluding non-recurrent items after minority interests: €1,997m

€ millions	12.31.2008	12.31.2009	
Net profit excluding non-recurrent items after minority interests	2,064	1,997	-3.2%
Non-recurrent items net of tax	-116	-205	
Net profit after minority interests	1,948	1,792	
Diluted earnings per share (€)	3.30	3.07	

Non-recurrent items amounted to a gross amount of -278 million euros before tax (-205 million euros, net of tax) and consist primarily of:

- i. 54 million euros of depreciation of intangible assets and goodwill;
- ii. 223 million euros of restructuring costs.

6) Cash flow Statement, Balance sheet and Debt

Gross cash flow amounted to 2,758 million euros, an increase compared with 2008.

The working capital requirement trend was extremely favourable, with a decrease of 466 million euros at December 31st. Inventories were down by 170 million euros. Trade accounts receivable decreased by 312 million euros.

Capital expenditure was contained at 3.6% of sales, compared with 4.3% in 2008.

After dividend payment, amounting to 851 million euros, the residual cash flow comes out at 1,809 million euros, representing very strong growth compared with 2008.

The balance sheet structure is very robust, with shareholders' equity representing 58% of total assets.

Net financial debt amounted to 1,958 million euros, representing 14.4% of shareholders' equity, compared with 3,700 million euros and 32% at end-2008.

7) Share capital

Finally, the Board of Directors has set the amount of the share capital at December 31st, 2009: 598,972,410 shares with a par value of 0.20 euro, representing a total of 119,794,482 euros.

5 year financial summary

L'OREAL PARENT COMPANY (EXCLUDING SUBSIDIARIES)

€ millions (except for earnings per share, shown in euros)	2005	2006	2007	2008	2009
I. Financial position at financial year-end					
a) Share capital	131.8	127.9	123.6	120.5	119.8
b) Number of shares	658,769,660	639,616,410	617,975,610	602,415,810	598,972,410 ⁽¹⁾
c) Number of convertible bonds	0	0	0	0	0
II. Overall results of operations					
a) Net pre-tax sales	1,856.6	2,003.4	2,073.8	2,115.2	2,051.1
b) Pre-tax profit before depreciation, amortisation, provisions and reversals of provisions (including provision for investment and profit sharing reserve)	1,403.0	1,484.4	2,841.7	1,713.4	1,766.3
c) Income tax	-58.8	-54.5	-68.7	-143.4	-114.9
d) Net profit	1,589.6	1,690.3	2,822.4	1,552.1	1,841.8
e) Amount of distributed profits	658.8	738.8	842.9	861.8	898.9 ⁽²⁾
III. Results of operations per share					
a) Profit after tax and profit sharing, but before depreciation, amortisation and provisions	2.20	2.38	4.68	3.05	3.11
b) Net profit	2.41	2.64	4.57	2.58	3.07
c) Dividend paid on each share (not including tax credit)	1.00	1.18	1.38	1.44	1.50 ⁽²⁾
IV. Personnel					
a) Number of employees	5,759	5,793	5,862	5,848	5,855
b) Total salaries	339.2	345.4	370.3	381.1	403.8
c) Amount paid for welfare benefits (social security, provident schemes, etc.)	138.8	142.3	158.7	159.3	172.8

(1) The share capital comprises 598,972,410 shares with a par value of €0.2, following the cancellation of 3,970,600 shares of Treasury stock held by the company as of February 16th, 2009 and the subscription of 527,200 shares of Treasury stock by means of exercise of stock options.

(2) Dividend proposed to the Annual General Meeting of April 27th, 2010.

Report of the Board of Directors on the draft resolutions

Ordinary Part

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS, ALLOCATION OF THE COMPANY'S NET INCOME FOR 2009 AND DECLARATION OF THE DIVIDEND

First, second and third resolutions

Having reviewed the Reports of the Board of Directors and the Statutory Auditors, the Annual General Meeting is called on to approve:

- the parent company financial statements, with a profit and loss account which shows net income of €1,841.8 million for 2009, compared with €1,552.1 million at December 31st, 2008;
- the 2009 consolidated financial statements;

the main details of which are set out in the 2009 Annual Report, together with the main information included in the file for calling the Annual General Meeting on April 27th, 2010.

The Board of Directors proposes to the Annual General Meeting a net dividend of €1.50 per share, representing an increase of +4.2% compared with the net dividend for 2008.

The dividend for the 2009 financial year would be paid to the shareholders on Wednesday May 5th, 2010 for the shares they held on Thursday, April 29th, 2010 at the latest.

REGULATED AGREEMENTS AND COMMITMENTS RELATED TO THE STATUS OF MR. JEAN-PAUL AGON, WHOSE EMPLOYMENT CONTRACT IS SUSPENDED

Fourth resolution

Vote by the Annual General Meeting in 2010 in respect of regulated agreements and commitments concerning the Chief Executive Officer in advance of renewal of his term of office by the Board of Directors at the close of this Annual General Meeting

In 2006, the Board of Directors decided to separate the roles of Chairman and Chief Executive Officer, with a clear definition of the responsibilities of each of them, described in the Internal Rules of the Board of Directors.

At its meeting on February 15th, 2010, the Board decided to continue with this separation of roles and to renew the duties of Sir Lindsay Owen-Jones as Chairman and Mr. Jean-Paul Agon as Chief Executive Officer at its meeting to be held at the close of the Annual General Meeting of April 27th, 2010, subject to renewal of their terms of office as Directors.

The Board has chosen to continue with this practice after observing from the annual evaluation of the Board's *modus operandi* that the separation of their duties has given complete satisfaction.

The Code of Corporate Governance for listed companies, prepared jointly by the AFEP and the MEDEF, to which L'Oréal refers, recommends that companies should put an end to the practice of combining an employment contract with a corporate office (point 19) although it does not impose this as a mandatory requirement. L'Oréal's Board of Directors shares the objectives of this recommendation which aims at avoiding the possibility of concurrently obtaining benefits both from the employment contract and the corporate office and at prohibiting any interference with the possibility of removing corporate officers *ad nutum*. The Board of Directors therefore intends to formally lay down the methods of application of the objectives of the recommendation, as adapted to the professional context in the L'Oréal Group.

The Board's intention is to use the treatment set out below for Mr. Jean-Paul Agon and, in future, for any new corporate officer appointed who has over 15 years' length of service in the Group at the time of appointment.

L'Oréal's ongoing policy has been to appoint employees who have completely succeeded in the various stages of their careers in the Group as corporate officers. This is how Mr. Jean-Paul Agon, then Deputy Chief Executive Officer, was appointed as Chief Executive Officer of L'Oréal in April 2006, following a brilliant career spanning 27 years within the Group.

The Board of Directors notes that if, in accordance with the AFEP/MEDEF recommendation, Mr. Jean-Paul Agon's employment contract with L'Oréal was to be terminated, Mr. Agon would lose the status he acquired as a result of the twenty-seven years he spent working for the Group as an employee.

The Board does not want Mr. Jean-Paul Agon, who accepted the office of Chief Executive Officer after 27 years working with L'Oréal, to be deprived of the benefits to which he would have continued to be entitled had he remained an employee.

The Board of Directors considers that the objective pursued by the AFEP/MEDEF recommendation can be fully achieved by maintaining the suspension of the employment contract and clearly separating out the benefits related to the employment contract on the one hand from those relating to his corporate office on the other.

The Board of Directors has decided to eliminate all right to any indemnity in the event of termination of the corporate office.

In the event of departure, and depending on the reasons, Mr. Jean-Paul Agon would only be paid the dismissal indemnities, except in the event of gross misconduct or gross negligence, or retirement indemnities in the event of voluntary retirement or retirement at the company's request due pursuant to the employment contract that has been suspended. These indemnities, which are attached solely to termination of the employment contract and in strict application of the National Collective Bargaining Agreement for the Chemical Industries and the company-level agreements applicable to all L'Oréal executives, are due in any event pursuant to public policy rules of employment law. They are not subject to any condition other than those provided for by the National Collective Bargaining Agreement for the Chemical Industries or the above-mentioned company-level agreements. The same applies to the non-competition clause and the related financial consideration.

Remuneration in respect of the corporate office will in no event be taken into consideration for calculation of the indemnities due pursuant to the collective bargaining agreement and the company-level agreements applicable to all L'Oréal executives.

Mr. Jean-Paul Agon will continue to benefit from the defined-benefit pension scheme as that which currently applies to the Group's senior managers.

The reference remuneration to be taken into consideration for all the rights attached to the employment contract and in particular for computation of the above-mentioned retirement pension, is calculated on the basis of the remuneration at the date of suspension of the employment contract in 2006, i.e. fixed remuneration of €1,500,000 and variable remuneration of €1,250,000. This reference remuneration

Report of the Board of Directors on the draft resolutions

is reviewed every year by applying the revaluation coefficient in respect of salaries and pension contributions published by the French State pension fund. As of January 1st, 2010, the fixed remuneration amounts to €1,570,500 and variable remuneration to €1,308,750.

The length of service applied will take into consideration his entire career, including the years during which he was Chief Executive Officer.

Mr. Jean-Paul Agon will continue to benefit from the additional social protection schemes and in particular the employee benefit and healthcare schemes available to the company's employees due to the fact that he will be treated as a senior manager throughout the entire period of his corporate office.

The above will be subject to the procedure applicable to regulated agreements and commitments. The Statutory Auditors will be informed of the provisions and the commitment will be submitted for approval to the Annual General Meeting on April 27th, 2010 when it makes a decision with regard to the special report prepared by the Statutory Auditors.

Inasmuch as the new provisions are tied in with renewal of the Chief Executive Officer's term of office at the close of the Annual General Meeting on April 27th, 2010, the resolution put to the vote of the shareholders will be subject to the condition precedent of renewal of this term of office.

RENEWAL OF TENURES AS DIRECTOR

Fifth to tenth resolutions

Six tenures as Director are due to expire at the close of this Annual General Meeting, they are submitted for renewal.

L'Oréal's Board of Directors

L'Oréal's Directors come from different backgrounds. They complement one another due to their different professional experience and their skills; they have good knowledge of the company. The Directors are present, active and closely involved. These are all assets which contribute to the quality of the Board's deliberations and the preparation of its decisions of a strategic nature.

The Appointments and Governance Committee has proposed to the Board of Directors that it review on a case-by-case basis the situation of each of the Directors with regard to their independence according to the criteria set out in the AFEP-MEDEF Code.

The Directors are independently minded. They have a duty of vigilance and exercise complete freedom of judgment. This freedom of judgment enables them in particular to participate, in complete independence, in the decisions or work of the Board and its Committees.

L'Oréal has a well-balanced Board comprising 14 members at February 15th, 2010: the Chairman and the Chief Executive Officer, six Directors appointed by the majority shareholders, three of whom are appointed by Mrs. Bettencourt's family group and three by Nestlé (the two Vice-Chairmen of the Board being chosen from among these members) and six independent Directors: Mrs. Annette Roux, Mr. Charles-Henri Filippi, Mr. Xavier Fontanet, Mr. Bernard Kasriel, Mr. Marc Ladreit de Lacharrière and Mr. Louis Schweitzer. Mr. Ladreit de Lacharrière has been a Director of L'Oréal for over 12 years but his professional experience and his freedom of judgment, combined with his good knowledge of the company, make a big contribution to the Board's discussions and decisions.

It is proposed to maintain this balance which is considered to be satisfactory by proposing to the Annual General Meeting to renew the tenures of the six Directors that are due to expire in 2010.

In order to stagger renewal of the terms of office of Directors as required by the AFEP-MEDEF Code to which the company has chosen to refer,

specific terms of office of one and two years are proposed in accordance with Article 8 (2) of the Articles of Association which provides that:

"The length of the terms of office of Directors is four years. By way of exception, the Annual General Meeting may appoint a Director for a term of office of one, two or three years, in order to provide for staggered renewal of the Directors' terms of office."

It is thus suggested to the Annual General Meeting that it renew the tenure as Directors of:

- Sir Lindsay Owen-Jones, Mr. Jean-Paul Agon, Mr. Xavier Fontanet and Mr. Marc Ladreit de Lacharrière, for a term of four years;
- Mr. Francisco Castañer Basco, for a term of two years;
- Mr. Charles-Henri Filippi, for a term of one year.

Presentation of the Directors whose term of office is proposed for renewal:

Sir Lindsay Owen-Jones, 63 years old and a British national, joined L'Oréal in 1969. He began his career in France then successively held the positions of Chief Executive Officer of L'Oréal's Italian subsidiary from 1978 to 1981 and President (CEO) of L'Oréal USA from 1981 to 1984. He was appointed as Director and Chief Executive Officer of L'Oréal in 1984 and then Chairman and Chief Executive Officer in 1988. Since April 25th, 2006, he is the non-executive Chairman of the Group. Sir Lindsay Owen-Jones is also Chairman of the Fondation d'Entreprise L'Oréal and a Director of Sanofi-Aventis and Ferrari (Italy).

Jean-Paul Agon, 53 years old, joined L'Oréal in 1978. Following an international career as General Manager of the Consumer Products Division in Greece and of L'Oréal Paris in France, International Managing Director of Biotherm, General Manager of L'Oréal Germany, Managing Director of the Asia zone, President and CEO of L'Oréal USA, Jean-Paul Agon was appointed as Deputy Chief Executive Officer of L'Oréal in 2005 and then Chief Executive Officer in April 2006. A Director of L'Oréal since 2006, he is also a Director of the Fondation d'Entreprise L'Oréal.

Francisco Castañer Basco, 65 years old, is a Spanish national. With the Nestlé group from 1964 to 2009, he was appointed General Manager in 1997. A Director of L'Oréal since 1998, his tenure was renewed in 2006. He is also a Director and Vice-Chairman of Alcon (Switzerland). He has a very wide variety of skills and, as an Audit Committee member since 1999, his advice is always extremely useful; he is a Director who is very present.

Charles-Henri Filippi is 57 years old. From 1979 to 1987 in French government service, then from 1987 to 2008 with CCF, which became HSBC France in 2000, he was appointed Chief Executive Officer of CCF in 1995, member of the Executive Committee of HSBC from 2001 to 2004, Chairman and Chief Executive Officer of HSBC France from 2004 to 2007 and Chairman of the Board of Directors in 2007 and 2008. Chairman of Octagones and Alfina, Charles Henri Filippi has been a Director of L'Oréal since 2007 and is also a Director of France Telecom, a member of the Supervisory Board of Euris and a non-voting member of the Board of Nexity. He is an available, skilled, independent Director, free of interests. Chairman of L'Oréal's Audit Committee, he harmoniously completes the Board's expertise in the financial field.

Xavier Fontanet is 61 years old. He was appointed as Chief Operating Officer of Essilor in 1991, then Vice-Chairman and Chief Operating Officer in 1995 and Chairman and Chief Executive Officer in 1996; he has been Chairman of the Board of Directors since January 1st, 2010. Essilor is a remarkable success, in countries where L'Oréal is also present and this represents an opportunity for very useful exchanges of views on the Board of L'Oréal. Xavier Fontanet has been a Director of L'Oréal since 2002, his term of office was renewed in 2006, and he is also a Director of Crédit Agricole SA and the Fonds Stratégique d'Investissement (FSI).

Report of the Board of Directors on the draft resolutions

Marc Ladreit de Lacharrière is 69 years old and is a member of the Institut de France. He worked at L'Oréal from 1976 to 1991 and is former Vice-President in Charge of Administration and Finance, and former Deputy Chief Executive Officer from 1984 to 1991. He is the Chairman and Chief Executive Officer of Fimalac, Chairman of Fitch (USA) and has

been a Director of L'Oréal since 1984; his term of office was last renewed in 2006. Marc Ladreit de Lacharrière is also a Director of the Fondation d'Entreprise L'Oréal, Renault and Casino. In addition to his success in a large number of fields, he is a free spirit who contributes a lot to the Board's debates, with an independent view of L'Oréal.

For information purposes, if the Annual General Meeting votes the renewals proposed to it in 2010, the expiry dates of the terms of office of the 14 Directors of L'Oréal would be as follows:

Directors	Expiry dates of terms of office			
	2011	2012	2013	2014
Sir Lindsay Owen-Jones				X
Mr. Jean-Paul Agon				X
Mr. Jean-Pierre Meyers		X		
Mr. Peter Brabeck-Letmathe			X	
Mrs. Liliane Bettencourt	X			
Mrs. Françoise Bettencourt-Meyers			X	
Mr. Werner J. Bauer		X		
Mr. Francisco Castañer Basco		X		
Mr. Charles-Henri Filippi	X			
Mr. Xavier Fontanet				X
Mr. Bernard Kasriel		X		
Mr. Marc Ladreit de Lacharrière				X
Mrs. Annette Roux	X			
Mr. Louis Schweitzer			X	
Number of renewals per year	3	4	3	4

TERMS OF OFFICE OF THE STATUTORY AUDITORS AND SUBSTITUTE STATUTORY AUDITORS

Eleventh and twelfth resolutions

It is proposed that you renew the terms of office of the two Statutory Auditors and renew and appoint the substitute Statutory Auditors for a period of six financial years.

The Statutory Auditors are appointed for six financial years and their duties expire after the decision of the Annual General Meeting reviewing the financial statements for the sixth financial year.

The term of office of PricewaterhouseCoopers Audit, Statutory Auditor and the term of office of Mr. Yves Nicolas, substitute Statutory Auditor, expire at the close of this Annual General Meeting of April 27th, 2010.

The term of office of Deloitte & Associés, Statutory Auditor and the term of office of Mr. Jean-Paul Picard, substitute Statutory Auditor, expire at the close of this Annual General Meeting of April 27th, 2010.

The Board of Directors chooses the Statutory Auditors proposed to the Annual General Meeting with a view to their appointment and, in 2009, at the end of a formal evaluation process which made it possible in particular to make sure of their independence and objective approach, the Audit Committee issued a recommendation.

It is proposed to the Annual General Meeting:

- to renew the term of office of PricewaterhouseCoopers Audit, Statutory Auditor, and the term of office of Mr. Yves Nicolas, substitute Statutory Auditor, for a term of six financial years namely until the close of the Annual General Meeting which will review the financial statements for the financial year ending December 31st, 2015;

- to renew the term of office of Deloitte & Associés, Statutory Auditor, and to appoint BEAS as substitute Statutory Auditor, for a term of six financial years namely until the close of the Annual General Meeting which will review the financial statements for the financial year ending December 31st, 2015.

AUTHORISATION FOR THE COMPANY TO BUY BACK ITS OWN SHARES

Thirteenth resolution

It is proposed that you give the Board of Directors a new authorisation to buy back shares of the company.

During 2009 and up until February 15th, 2010, the Board of Directors did not buy back any shares.

As the existing authorisation is due to expire in October 2010, it is proposed that the Annual General Meeting give the Board a new authorisation which will enable it to resume its share buyback policy where applicable, depending on the opportunities that may arise, except during periods of public offers with regard to the company's capital.

The description of the authorisation put to your vote is set out in the paragraph entitled *Buyback by the company of its own shares of the 2009 Management Report*.

The authorisation would be granted for a period of 18 months at a purchase price per share that may not be greater than €130. The authorisation would concern no more than 10% of the capital, namely, for information purposes, for a maximum amount of €7.8 billion at February 15th, 2010, it being stipulated that the company may at no time hold over 10% of its own capital.

Extraordinary Part

DELEGATION OF AUTHORITY GIVEN TO THE BOARD OF DIRECTORS TO REDUCE THE SHARE CAPITAL BY CANCELLING SHARES PURCHASED BY THE COMPANY UNDER ARTICLES L. 225-209 AND L. 225-208 OF THE FRENCH COMMERCIAL CODE

Fourteenth resolution

With regard to the authorisation given to the Board of Directors to cancel shares purchased by the company under Article L. 225-209 of the French Commercial Code

The authorisation given to the Board of Directors in 2008 to cancel shares purchased by the company under Article L. 225-209 of the French Commercial Code is due to expire.

A proposal is made to the Annual General Meeting that it should grant the Board a further authorisation enabling it to cancel shares, within the limits provided for by law.

This authorisation would be granted for a period of twenty-six months, as from the date of the Annual General Meeting of April 27th, 2010 and would render any prior authorisation ineffective.

With regard to the authorisation given to the Board of Directors to cancel shares purchased by the company under Article L. 225-208 of the French Commercial Code

Certain stock options to purchase shares allocated in the past can no longer be exercised, for example as a result of the fact that the beneficiary of such stock options has left the company.

The resolution providing for cancellation of the shares purchased by the Company under Article L. 225-209 of the French Commercial Code, as mentioned above, does not enable these shares to be cancelled, as the legal rules governing their cancellation are different.

The authorisation given to the Board of Directors in 2008 to cancel the corresponding shares, purchased by the company under Article L. 225-208 of the French Commercial Code, is due to expire.

A proposal is made that, for a maximum of 500,000 shares, namely a maximum reduction in the share capital of €100,000, the shares corresponding to stock options to purchase shares that can no longer be exercised should be covered by the cancellation policy currently being conducted by the Board of Directors.

This authorisation would be valid for a period of twenty-six months, as from the date of the Annual General Meeting of April 27th, 2010 and would render any prior authorisation ineffective.

POWERS FOR FORMALITIES

Fifteenth resolution

This resolution is intended to grant the powers necessary to carry out all formalities resulting from the holding of the Annual General Meeting.

How to take part in the Annual General Meeting ?

Conditions to be met to exercise your voting right

All shareholders have the right to attend the Annual General Meeting regardless of the number of shares held or their way of custody (registered or bearer shares). The right to participate in the Meeting is subject to the accounting registration of the shares no later than the third working day prior to the Annual General Meeting, which is on Thursday, April 22nd, 2010 at zero hours (Paris local time).

As a shareholder, you may choose between the following methods to exercise your voting right:

- by attending personally the meeting;
- by post: vote or give proxy to the Chairman of the meeting, to your spouse or another shareholder;

- by Internet: vote or give proxy to the Chairman of the meeting, to your spouse or another shareholder.

For more information, please:

- Visit our website www.loreal-finance.com;
- Contact the Shareholder Services department on the following number when calling from abroad (+33 1 40 14 80 50), from 8.45 a.m. to 6 p.m. (Paris local time) from Monday to Friday;
- Send us an email at the following address: info@loreal-finance.com.

	Holders of registered shares	Holders of bearer shares
Attend** the Annual General Meeting	Tick box A at the top left-hand side of the form. Date and sign at the bottom of the form. Return it using the free post envelope sent with the Convening Notice. You will receive your entrance card by post*.	Contact the institution that is custodian of your shares indicating that you want to attend the Annual General Meeting, and ask for a certificate proving your shareholder status at the date of the request. The custodian will then transmit it to BNP Paribas Securities Services. You will receive your entrance card by post *.
	<i>On the day of the Annual General Meeting, each shareholder must provide proof of his shareholder status and his identity during the registration process.</i>	
By post**: Vote Give your Proxy	Vote	
	Tick box B at the top left-hand side of the form Tick box B1 "I vote by post" The numbers correspond to the order of the resolutions. <u>Leave the box blank</u> if you vote Yes . <u>Blacken the box</u> to vote No or to abstain. Don't forget to mention your choice should amendments or new resolutions be proposed during the Annual General Meeting.	
	Give your Proxy to the Chairman of the meeting	
	Tick box B at the top left-hand side of the form. Tick box B2 "I hereby give proxy to the Chairman of the meeting."	
Give your proxy to your spouse or another shareholder		
Tick box B at the left-side hand of the form. Tick box B3 "I hereby give proxy to my spouse or another shareholder".		
Whatever option is chosen:		
Date and sign the bottom of the form, and return it using the free post envelope sent with the Convening Notice. Note: If you hold bearer shares, you must ask for a certificate proving your shareholder status at the date of the request from your account manager.		
Address of the website specifically intended for the Annual General Meeting accessible from April 9th, 2010: https://gisproxy.bnpparibas.com/loreal.pg		
By Internet: Vote Give your Proxy	If you are a holder of pure registered shares:	Ask the institution that is the custodian of your shares for a shareholding certificate and give him your e-mail address. In accordance with the usual procedure, the custodian institution will send on the certificate of participation, with your email address, to BNP Paribas Securities Services. This email address will be used by BNP Paribas Securities Services to provide you your username and password which will enable you to access the website. Follow the instructions shown on the screen.
	Access the website by using the username and the password that you usually use to consult your account on the GISNOMI website. If you are a holder of managed registered shares: You will be able to obtain your password by using the username shown at the top right-hand corner of the form sent with the Convening Notice. Follow the instructions shown on the screen.	

* If you have not received your entrance card by the third working day prior to the Annual General Meeting, please ask your custodian institution for a shareholding certificate.

** For holders of registered shares, the voting form is sent automatically with the convening notice. For holders of bearer shares who have not received the voting form, all requests have to be addressed to the institution that is custodian of your shares who will then transmit both the shareholding certificate and the postal voting form to BNP Paribas Securities Services. All requests will only be honoured if they are received no later than six days before the date of the Annual General Meeting.

How to take part in the Annual General Meeting ?

Use of the voting form

Ce formulaire n'est pas à utiliser dans le cas d'un vote par Internet (voir instructions ci-jointes ou sur <http://gisproxy.bnpparibas.com/loreal/pg>) / This form should not be used in case of voting by Internet (see attached instruction or at <http://gisproxy.bnpparibas.com/loreal/html>)

IMPORTANT : avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso / Before selecting, please see instructions on reverse side.
QUELLE QUE SOIT L'OPTION CHOISIE, DATER ET SIGNER AU BAS DU FORMULAIRE / WHICHEVER OPTION IS USED, DATE AND SIGN AT THE BOTTOM OF THE FORM

A. Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire / I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.
 B. J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / I prefer to use the postal voting form or the proxy form as specified below.

L'ORÉAL
 Société Anonyme au capital de € 119.794.482
 Siège Social :
 14, rue Royale, 75008 PARIS-France
 632 012 100 RCS PARIS

ASSEMBLÉE GÉNÉRALE MIXTE des actionnaires convoquée pour le jeudi 27 avril 2010 à 10 h 00, au Carrousel du Louvre, 99, rue de Rivoli, 75001 PARIS - France.
COMBINED GENERAL MEETING for the shareholders to be held on Thursday April 27, 2010 at 10:00 am at Carrousel du Louvre, 99, rue de Rivoli, 75001 PARIS - France.

CADRE RÉSERVÉ / For Company's use only
 Identifiant / Account
 Nominatif Registered VS / single vote
 Porteur / Bearer VD / double vote
 Nombre d'actions / Number of shares
 Nombre de voix / Number of voting rights

B1 JE VOTE PAR CORRESPONDANCE / I VOTE BY POST
 Cf. au verso renvoi (3) - See reverse (3)
 Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci ■ la case correspondante et pour lesquels je vote NON ou je m'abstiens.
 I vote FOR all the draft resolutions approved by the Board of Directors EXCEPT those indicated by a shaded box - like this ■, for which I vote against or I abstain.
 Sur les projets de résolutions non agréés par le Conseil d'Administration ou le Directoire ou la Gérance, je vote en noircissant comme ceci ■ la case correspondante à mon choix.
 On the draft resolutions not approved by the Board of directors, I cast my vote by shading the box of my choice - like this ■.

1	2	3	4	5	6	7	8	9	Oui/Yes	Non/No	Oui/Yes	Non/No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A <input type="checkbox"/>	<input type="checkbox"/>	F <input type="checkbox"/>	<input type="checkbox"/>
10	11	12	13	14	15	16	17	18	B <input type="checkbox"/>	<input type="checkbox"/>	G <input type="checkbox"/>	<input type="checkbox"/>
19	20	21	22	23	24	25	26	27	C <input type="checkbox"/>	<input type="checkbox"/>	H <input type="checkbox"/>	<input type="checkbox"/>
28	29	30	31	32	33	34	35	36	D <input type="checkbox"/>	<input type="checkbox"/>	J <input type="checkbox"/>	<input type="checkbox"/>
37	38	39	40	41	42	43	44	45	E <input type="checkbox"/>	<input type="checkbox"/>	K <input type="checkbox"/>	<input type="checkbox"/>

B2 JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE
 dater et signer au bas du formulaire, sans rien remplir
 I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE MEETING
 date and sign the bottom of the form without completing it
 cf. au verso renvoi (2) - See reverse (2)

B3 JE DONNE POUVOIR A : (soit le conjoint, soit un autre actionnaire - cf. renvoi (2) au verso) pour me représenter à l'assemblée / I HEREBY APPOINT (you may give your PROXY either to your spouse or to another shareholder - see reverse (2)) to represent me at the above mentioned meeting.
 M, Mme ou Mlle / Mr, Mrs or Miss
 Adresse / Address

ATTENTION : S'il s'agit de titres au porteur, le présent formulaire de vote devra être adressé directement à votre teneur de comptes.
 CAUTION: If you're voting on bearer securities, this proxy voting form shall be sent directly to your custodian bank.

Nom, Prénom, Adresse de l'actionnaire (si ces informations figurent déjà, les vérifier et les rectifier éventuellement)
 - Surname, first name, address of the shareholder (if this information is already supplied, please verify and correct if necessary)
 Cf. au verso renvoi (1) - See reverse (1)

Right your surname, first name and address. If this information is already supplied, please verify it.

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / In case amendments or new resolutions are proposed during the meeting
 - Je donne pouvoir au Président de l'A.G. de voter en mon nom. / I appoint the Chairman of the meeting to vote on my behalf...
 - Je m'abstiens (l'abstention équivaut à un vote contre). / I abstain from voting (is equivalent to a vote against)
 - Je donne procuration (cf. au verso renvoi 2) à M, Mme ou Mlle pour voter en mon nom / I appoint (see reverse (2)) Mr, Mrs or Miss / to vote on my behalf

Pour être prise en considération, toute formule (A ou B) doit parvenir au plus tard le 23 avril 2010, à
 In order to be considered, all forms (A or B) must be returned no later than April 23, 2010 to:
 Services Actionnaires de L'Oréal - BNP Paribas Securities Services -
 GCT Assemblées, Les Grands Moulins de Pantin - 9 rue du Débarcadère - 93761 Pantin Cedex
 The French version prevails. English translation is for convenience only.

Date & Signature

Access

The entrance of the Carrousel du Louvre is located at: 99 rue de Rivoli – 75001 Paris.

The location of the room where the General Meeting will take place will be indicated at the entrance of the Carrousel du Louvre.

CAR PARKS

Parking Carrousel du Louvre
Av. du Général-Lemonnier (tunnel)

Parking Saint-Germain l'Auxerrois
1, place du Louvre

Parking Pyramides
15, rue des Pyramides

Parking Vendôme
Place Vendôme

Parking Saint-Honoré
Place Marché Saint-Honoré

Parking Louvre des Antiquaires
1, rue Marengo

SUBWAY

Line 1: Palais-Royal – Musée du Louvre

Practical details

In order for this voting form to be considered, whatever option you have chosen, it has to be:

- duly dated and signed;
- received by BNP Paribas Securities Services, GCT Assemblées – Les Grands Moulins de Pantin, 9 rue du Débarcadère, 93761 Pantin Cedex, no later than six days before the date of the Annual General Meeting.

Under no circumstances should this voting form be returned to L'Oréal.

Voting by Internet before the Annual General Meeting will no longer be possible from Wednesday, April 26th 2010 at 3 p.m. (Paris local time). In order to avoid potential congestion on the special secure website, shareholders are recommended not to wait until the day before the Annual General Meeting to vote.

Please note that any shareholder who has already cast a vote, applied for an entrance card or requested a certificate of participation (Article R 225-85 of the French Commercial Code):

- can no longer choose any other method of participation in the meeting;
- has the possibility of selling all or part of his/her shares.

However, if the sale takes place before Thursday, April 22nd, 2010 at zero hours (Paris local time), the company will invalidate or modify accordingly, as the case may be, the vote cast, the proxy form, the entrance card or the shareholding certificate. To this end, the custodian of his/her shares shall inform the company or its authorised representative of the sale and provide it with the necessary information.

All requests for the inclusion of draft resolutions on the agenda by shareholders which meet the conditions laid down in article R.225-73 of the French Commercial Code, in accordance with legal provisions, must be sent to L'Oréal headquarters by registered letter with acknowledgement receipt no later than twenty-five days prior to the Annual General Meeting. All requests shall be accompanied by a certificate proving shareholders' status. The consideration of the draft resolution is subject to the transmission of a new certificate proving the accounting registration of the shares held by the resolution's proposer by Thursday, April 22nd, 2010 at zero hours (Paris local time).

No sale or other transaction carried out after Thursday, April 22nd, 2010 at zero hours (Paris local time) whatever the method used, will be notified by the custodian of the shares or taken into account by the company, notwithstanding any agreement that may be reached to the contrary.

Request for provision of statutory documents and information ⁽¹⁾

Ordinary and Extraordinary Annual General Meeting of Tuesday, April 27th, 2010

(reserved for shareholders only) ⁽¹⁾

L'ORÉAL

For the attention of the Director of Shareholder Relations

41, rue Martre – 92117 Clichy Cedex – Fax: +33 1 47 56 86 42 – International phone number: +33 1 40 14 80 50
Freephone number (from France only): 0 800 66 66 66

E-mail: info@loreal-finance.com

I, the undersigned:

Surname: First name:

Address:

The holder of: registered shares

and/or of bearer shares registered with ⁽²⁾

request that the documents and information provided for in Articles R. 225-81 and R. 225-83 of the French Commercial Code concerning the General Meeting to be held on April 27th, 2010 should be sent to me at the above address.

Signed in, on.....2010

(1) This request is reserved for shareholders only and must be sent to L'Oréal, for the attention of the Director of Shareholder Relations, 41, rue Martre – 92117 Clichy Cedex – Fax: 01 47 56 86 42 - E-mail: info@loreal-finance.com – Freephone number (from France only): 0 800 66 66 66

(2) Please provide precise details of the bank, financial institution or brokerage firm which is the custodian of the shares, together with a certificate showing that the person requesting the information is a shareholder at the time of his/her request.



Draft resolutions

Ordinary Part

1. Approval of the 2009 parent company financial statements

The Annual General Meeting, having reviewed the reports of the Board of Directors and the Statutory Auditors, approves the report of the Board of Directors and the 2009 parent company financial statements showing net income of €1,841,772,283.85, compared with €1,552,103,144.14 for 2008.

2. Approval of the 2009 consolidated financial statements

The Annual General Meeting, having reviewed the reports of the Board of Directors and the Statutory Auditors, approves the 2009 consolidated financial statements.

3. Allocation of the company's net income for 2009 and declaration of the dividend

The Annual General Meeting, on the proposal of the Board of Directors, decides to allocate the net income for the 2009 financial year, amounting to €1,841,772,283.85 as follows:

No allocation to the legal reserve which already represents over one-tenth of the share capital	-
An amount of: will be allocated to shareholders as a dividend ⁽¹⁾	€898,873,365.00
The balance that is: will be allocated to the "Other reserves" item	€942,898,918.85

(1) Including an initial dividend equal to 5% of the amounts paid up on the shares, i.e. the total amount of the share capital.

This amount is calculated on the basis of the number of shares forming the capital at February 15th, 2010, and will be adjusted to reflect the number of shares issued between that date and the date of payment of this dividend following the exercise of stock options with 2009 dividend rights.

The Annual General Meeting therefore declares a dividend to be paid for the financial year of €1.50 per share. The Annual General Meeting decides that this dividend will be paid on Wednesday May 5th, 2010 in respect of the shares they hold on Thursday April 29th, 2010.

The amount of distributable income corresponding to the dividends on Treasury shares held by the company will be allocated to the *Ordinary reserve* item.

It is to be noted that for natural persons who have their tax residence in France, the dividend is liable for personal income tax on the basis of the progressive scale of tax rates and is eligible for the tax deduction provided for in Article 158-3-2° of the French Tax Code, unless such natural person otherwise elects, at the time of receipt of the dividends or on income received during the same year, for the fixed levy in final discharge provided for in Article 117 *quater* of the French Tax Code.

The table set out below gives the amounts of the dividends distributed, that were fully eligible for the tax deduction provided for in Article 158-3-2° of the French Tax Code, for the last three financial years:

	2006	2007	2008
Dividend per share	€1.18	€1.38	€1.44

4. Approval of regulated agreements and commitments relating to the status of Mr. Jean-Paul Agon whose employment contract is suspended

The Annual General Meeting, having reviewed the special report of the Statutory Auditors provided for in Article L. 225-40 of the French Commercial Code, with regard to the agreements and commitments referred to in Articles L.225-38, L.225-42-1 and L.225-22-1 of such Code, approves the commitments made with regard to Mr. Jean-Paul Agon presented in this report.

This decision is made on the condition precedent of renewal of the term of office as Chief Executive Officer of Mr. Jean-Paul Agon by the Board of Directors at its meeting to be held at the close of this General Meeting.

5. Renewal of the tenure as Director of Sir Lindsay Owen-Jones

The Annual General Meeting renews the tenure as Director of Sir Lindsay Owen-Jones for a period of four years.

His tenure will expire at the end of the Annual General Meeting to be held in 2014 to review the financial statements for the previous financial year.

6. Renewal of the tenure as Director of Mr. Jean-Paul Agon

The Annual General Meeting renews the tenure as Director of Mr. Jean-Paul Agon for a period of four years.

His tenure will expire at the end of the Annual General Meeting to be held in 2014 to review the financial statements for the previous financial year.

7. Renewal of the tenure as Director of Mr. Francisco Castañer Basco

The Annual General Meeting renews the tenure as Director of Mr. Francisco Castañer Basco for a period of two years.

His tenure will expire at the end of the Annual General Meeting to be held in 2012 to review the financial statements for the previous financial year.

8. Renewal of the tenure as Director of Mr. Charles-Henri Filippi

The Annual General Meeting renews the tenure as Director of Mr. Charles-Henri Filippi for a period of one year.

His tenure will expire at the end of the Annual General Meeting to be held in 2011 to review the financial statements for the previous financial year.

9. Renewal of the tenure as Director of Mr. Xavier Fontanet

The Annual General Meeting renews the tenure as Director of Mr. Xavier Fontanet for a period of four years.

His tenure will expire at the end of the Annual General Meeting to be held in 2014 to review the financial statements for the previous financial year.

10. Renewal of the tenure as Director of Mr. Marc Ladreit de Lacharrière

The Annual General Meeting renews the tenure as Director of Mr. Marc Ladreit de Lacharrière for a period of four years.

His tenure will expire at the end of the Annual General Meeting to be held in 2014 to review the financial statements for the previous financial year.

11. Renewal of the terms of office of a Statutory Auditor and substitute Statutory Auditor

The Annual General Meeting, after placing on record the expiry of the term of office of PricewaterhouseCoopers Audit, Statutory Auditor, and the term of office of Mr. Yves Nicolas, substitute Statutory Auditor, decides to renew their terms of office for a period of 6 financial years, namely until the close of the Annual General Meeting which will review the financial statements for the financial year ending December 31st, 2015.

12. Renewal of the term of office of a Statutory Auditor and appointment of a substitute Statutory Auditor

The Annual General Meeting, after placing on record the expiry of the term of office of Deloitte & Associés, Statutory Auditor, and the term of office of Mr. Jean-Paul Picard, substitute Statutory Auditor, decides:

- to renew the term of office of Deloitte & Associés as Statutory Auditor and;
- to appoint as substitute Statutory Auditor in respect of Deloitte & Associés, BEAS, 7- Villa Houssay, 92524 Neuilly-sur-Seine Cedex, and registered with the Nanterre Trade and Companies Registry under number 315 172 445;

for a period of 6 financial years, namely until the close of the Annual General Meeting which will review the financial statements for the financial year ending December 31st, 2015.

13. Authorisation for the company to buy back its own shares

The Annual General Meeting, having reviewed the report of the Board of Directors, authorises the Board of Directors, with the possibility for it to delegate to the Chief Executive Officer, to purchase shares of the

company, in accordance with Articles L. 225-209 *et seq* of the French Commercial Code, and subject to the following conditions:

- the purchase price per share may not be greater than €130;
- the number of shares that may be bought by the company may not exceed 10% of the number of shares forming the capital of the company at the time the shares are bought back, that is, for information purposes, as of February 15th, 2010, 59,897,241 shares for a maximum amount of €7.8 billion, it being stipulated that the company may at no time hold over 10% of its own capital.

In the event of any transaction affecting the company's capital, in particular through capitalisation of reserves followed by the issue and grant of bonus shares, and/or share splits or reverse share splits, the amounts indicated above will be adjusted on the basis of the characteristics of the transaction.

The company may buy its own shares for the following purposes:

- their cancellation for purposes of optimising shareholders' equity and net earnings per share by a reduction in the capital, on condition of adoption of the fourteenth resolution set out below;
- their allocation to employees and corporate officers of the company and affiliates, under the terms and conditions provided for by French law, and in particular within the scope of employee profit-sharing schemes, share purchase options, free grants of shares or company savings schemes;
- stabilising the market through a liquidity agreement entered into with an investment services provider;
- retaining them and subsequently using them as payment in connection with external growth transactions.

The purchase of these shares may be carried out by any means, on one or more occasions, on or off the stock markets, including through the acquisition of blocks of shares.

These transactions may be carried out at any time, in accordance with the regulations in force at the time of the transactions concerned, except during periods of public offers with regard to the company's capital.

The Annual General Meeting decides that this authorisation will expire at the end of a period of 18 months following this Annual General Meeting and renders ineffective any prior authorisation for the same purpose.

Full powers are granted to the Board of Directors, with the possibility for it to delegate, for the implementation of this resolution.

Extraordinary Part

14. Delegation of authority to the Board of Directors to reduce the share capital by cancelling shares purchased by the company under Articles L. 225-209 and L. 225-208 of the French Commercial Code

The Annual General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors:

- authorises the Board of Directors, in accordance with Article L. 225-209 of the French Commercial Code, to cancel, on one or more occasions, the shares held by the company pursuant to Article L. 225-209 of the French Commercial Code, within the limit of 10% of the capital as of the date of cancellation, per twenty-four month period;
- authorises the Board of Directors, in accordance with Articles L. 225-204 and L. 225-205 of the French Commercial Code, to cancel, on one or more occasions, a maximum of 500,000 shares purchased by the company on the basis of Article L. 225-208 of the French Commercial Code to cover stock options to purchase shares which currently correspond, or will correspond in future, to options that are no longer exercisable.

Full powers are given to the Board of Directors, with the possibility for it to delegate, to:

- reduce the share capital by cancelling shares;
- decide on the final amount of the reduction in the share capital;
- set the methods and record the completion of such reduction in the share capital;
- offset the difference between the book value of the shares cancelled and their par value against all reserves and available share premiums;
- amend the Articles of Association accordingly;
- and more generally, do all that is necessary to implement this resolution.

These authorisations are granted for a period of twenty-six months as from the date of this Annual General Meeting and render ineffective as of the date hereof any prior authorisation granted for the same purpose.

15. Powers for formalities

The Annual General Meeting grants full powers to the bearer of an original, copy or extract of these minutes to accomplish all legal and administrative formalities, and to make all filings and announcements prescribed by law.

Board of Directors

composition at December 31st 2009

| Sir Lindsay Owen-Jones ⁽¹⁾

Age: 63. British. Joined the L'Oréal group in 1969. After starting his career in France, he was Chief Executive Officer of L'Oréal in Italy from 1978 to 1981 and President (CEO) of L'Oréal USA from 1981 to 1984. He was appointed Chief Executive Officer of L'Oréal in 1984 then Chairman and Chief Executive Officer in 1988, non-executive Chairman of the group since April 25th, 2006. L'Oréal Board member since 1984 (term of office renewed in 2006). Director and Chairman of the L'Oréal Corporate Foundation. Board member of Sanofi-Aventis and Ferrari (Italy).

| Jean-Paul Agon

Age: 53. Joined the L'Oréal group in 1978. Following his international career as General Manager of Consumer Products in Greece, and of L'Oréal Paris in France, International Managing Director of Biotherm, Managing Director of L'Oréal in Germany, Managing Director of the Asia zone, President and CEO of L'Oréal USA, appointed Deputy Chief Executive Officer of L'Oréal in 2005 and then Chief Executive Officer in April 2006. L'Oréal Board member since 2006. Board member of the L'Oréal Corporate Foundation.

| Jean-Pierre Meyers ^{(2) (4) (6)}

Age: 61. L'Oréal Board member since 1987 (term of office renewed in 2009⁽⁷⁾), Vice-Chairman of the Board. Nestlé SA (Switzerland) Board member.

| Peter Brabeck-Letmathe ^{(2) (4)}

Age: 65. Austrian. With the Nestlé group since 1968, appointed General Manager in 1992, then Chief Executive Officer of Nestlé SA (Switzerland) in 1997, Vice Chairman of the Board in 2001 and Chairman in 2005. L'Oréal Board member since 1997 (term of office renewed in 2009), Vice-Chairman of the Board. Vice-Chairman of the Board of Crédit Suisse Group (Switzerland), Board member of Roche Holding (Switzerland) and Delta Topco Limited (Jersey).

| Liliane Bettencourt ⁽²⁾

Daughter of Eugène Schueller, founder of L'Oréal. L'Oréal Board member since 1995 (term of office renewed in 2007).

| Françoise Bettencourt Meyers

Age: 56. Daughter of Mrs Bettencourt. L'Oréal Board member since 1997 (term of office renewed in 2009).

| Werner Bauer

Age: 59. German. With the Nestlé group since 1990, appointed General Manager in 2002. L'Oréal Board member since 2005 (term of office renewed in 2009⁽⁷⁾). Board member of Alcon (Switzerland).

| Francisco Castañer Basco ^{(2) (6)}

Age: 65. Spanish. With the Nestlé group since 1964, appointed General Manager in 1997. L'Oréal Board member since 1998 (term of office renewed in 2006). Board member and Vice-Chairman of Alcon (Switzerland).

| Charles-Henri Filippi ⁽⁵⁾

Age: 57. French civil service from 1979 to 1987. Worked for CCF (which became HSBC France in 2000) from 1987 to 2008. Chief Executive Officer of CCF in 1995, HSBC Group Executive Committee member from 2001 to 2004, Chairman and Chief Executive Officer of HSBC France from 2004 to 2007 and Chairman of the Board from September 2007 to December 2008. Chairman of Octagones and Alfina. L'Oréal Board member since 2007⁽⁸⁾. France Telecom Board member, Supervisory Board member of Euris and Censor of Nexity.

(1) Chairman of the Strategy and Implementation Committee.

(2) Member of the Strategy and Implementation Committee.

(3) Chairman of the Appointments and Governance Committee and the Remuneration Committee.

(4) Member of the Appointments and Governance Committee and the Remuneration Committee.

(5) Chairman of the Audit Committee.

(6) Member of the Audit Committee.

(7) The term of office of Mr Bauer and Mr Meyers was renewed for a period of three years to enable a harmonious renewal of the directors' terms of office.

(8) Mr Filippi was co-opted as a member in November 2007 and appointed in 2008 for the remainder of the term of office of his predecessor, i.e. until 2010.

| Xavier Fontanet

Age: 61. Appointed Chief Executive Officer of Essilor in 1991, Vice-Chairman and Chief Executive Officer in 1995, Chairman and Chief Executive Officer from 1996 to 2009, Chairman of the Board of Directors since January 1st, 2010. L'Oréal Board member since 2002 (term of office renewed in 2006). Board member of Crédit Agricole SA and Fonds Stratégique d'Investissement (FSI).

| Bernard Kasriel⁽²⁾ (3)

Age: 63. With the Institut du développement industriel from 1970 to 1975. Chief Executive Officer of Braud from 1972 to 1974. Executive Vice-President of the Société phocéenne de métallurgie from 1975 to 1977. Joined Lafarge in 1977, appointed Deputy General Manager in 1982. Assigned to the United States from 1987 to 1989, appointed Vice-Chairman and Chief Executive Officer from 1989 to 2003, and then Chief Executive Officer from 2003 to 2005. L'Oréal Board member since 2004 (term of office renewed in 2008). Board member of Lafarge, Arkema and Nucor (United States). Partner LBO France.

| Marc Ladreit de Lacharrière

Age: 69. Member of the Institut de France. With L'Oréal from 1976 to 1991, former Executive Vice-President in charge of Administration and Finance, Vice-Chairman and Deputy Chief Executive Officer from 1984 to 1991. Chairman and Chief Executive Officer of Fimalac. Chairman of Fitch (United States). L'Oréal Board member since 1984 (term of office renewed in 2006). Board member of the L'Oréal Corporate Foundation. Board member of Renault and Casino.

| Annette Roux

Age: 67. Joined Bénéteau in 1964, Chairman and Chief Executive Officer from 1976 to 2005, Vice-Chairman of the Supervisory Board thereafter. L'Oréal Board member since 2007. President of the Bénéteau Corporate Foundation.

| Louis Schweitzer

Age: 67. Joined Renault in 1986, Chairman and Chief Executive Officer from 1992 to 2005, Chairman of the Board until 2009. Chairman of the Board of AstraZeneca (United Kingdom). Chairman of the Supervisory Board of Le Monde group. L'Oréal Board member since 2005 (term of office renewed in 2009). Board member of BNP Paribas, Veolia Environnement and AB Volvo (Sweden). Member of the Consultative Board of Allianz AG (Germany).

Under the Articles of Association, the length of a L'Oréal director's term of office, which is renewable, is four years or less, to enable staggered renewal of the directors' terms of office. Each director holds a minimum of 1,000 L'Oréal shares. The full list of directors' offices and directorships, in accordance with legal requirements, is included in the Report of the Chairman of the Board of Directors (Vol. 2 of the Reference Document).

Information concerning Directors

whose tenure renewal is proposed to the AGM

Sir Lindsay Owen-Jones

Director since 1984
 Chairman of the Board
 Chairman of the Strategy and Implementation Committee
 Professional address: L'Oréal -41 rue Martre - 92117 Clichy Cedex
 Holds 3,029,005 L'Oréal shares

Expiry date of term of office
2010

Other corporate offices and directorships held

French companies

Alba Plus SASU	Chairman
Sanofi-Aventis S.A.	Director

Foreign companies

Ferrari S.p.A. (Italy)	Director (Amministratore)
L'Oréal U.K. Ltd (United Kingdom)	Chairman & Director
L'Oréal USA Inc. (United States)	Chairman & Director

Other

Fondation d'Entreprise L'Oréal	Chairman of the Board Director
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Corporate offices and directorships over the last five years that have expired

Expiry date of term of office

French companies

L'Air Liquide S.A.	Vice-Chairman of the Supervisory Board	May 2006
	Vice-Chairman of the Board of Directors	May 2009
L'Oréal S.A.	Chief Executive Officer	April 2006
BNP Paribas S.A.	Director	December 2005

Foreign company

Galderma Pharma (Switzerland)	Director	May 2006
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Information concerning Directors whose tenure renewal is proposed to the AGM

Jean-Paul Agon

Director since 2006
Chief Executive Officer
Professional address: L'Oréal - 41 rue Martre - 92117 Clichy Cedex
Holds 11,500 L'Oréal shares

Expiry date of term of office
2010

Other corporate offices and directorships held

Foreign companies

Galderma Pharma S.A. (Switzerland)	Director
L'Oréal USA Inc. (United States)	Director
The Body Shop International PLC (United Kingdom)	Vice-Chairman and Director

Other

Fondation d'Entreprise L'Oréal	Director
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Main corporate offices and directorships ⁽¹⁾ over the last five years that have expired Expiry date of term of office

French company

L'Oréal S.A.	Deputy Chief Executive Officer	April 2006
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Foreign companies

Galderma Pharma S.A. (Switzerland)	Chairman of the Board	May 2008
L'Oréal Canada (Canada)	Director and Chairman of the Board	June 2005
L'Oréal USA Inc. (United States)	President & Chief Executive Officer	June 2005

(1) Mr Jean-Paul Agon has also held various corporate offices and directorships over the last five years in Group companies that are subsidiaries of L'Oréal USA where he was President and Chief Executive Officer until June 2005.

Francisco Castañer Basco

Director since 1998
Member of the Audit Committee
Member of the Strategy and Implementation Committee
Holds 3,500 L'Oréal shares

Expiry date of term of office
2010

Main corporate office held outside L'Oréal

Nestlé S.A. (Switzerland). Professional address: Avenue Nestlé, 55 - CH 1800 Vevey - Switzerland	Executive Vice-President [until December 31 st , 2009]
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Other corporate offices and directorships held

Foreign companies

Alcon, Inc. (Switzerland)	Director Vice-Chairman
Galderma Pharma S.A. (Switzerland)	Director Chairman of the Board
Nestlé España	Director and Chairman of the Board
Upron (Canada) Ltd. (Canada)	Director

Corporate offices and directorships over the last five years that have expired Expiry date of term of office

Foreign company

Galderma Pharma S.A. (Switzerland)	Chairman of the Board	May 2006
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Information concerning Directors whose tenure renewal is proposed to the AGM

Charles-Henri Filippi

Chairman of the Audit Committee
Director since 2007
Holds 1,000 L'Oréal shares

Expiry date of term of office
2010

Main corporate office held outside L'Oréal

Octagones (parent company) and Alfina (subsidiary) Chairman
Professional address:
20 rue Quentin-Bauchart – 75008 Paris

Other corporate offices and directorships held

French companies

Euris	Member of the Supervisory Board
France Telecom	Director
Nexity	Observer
Piasa S.A.	Director

Foreign company

CVC Capital Partners ("CVC")	Senior Advisor
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Other

Centre National d'Art et de Culture Georges Pompidou	Director
Association des Amis de l'Opéra Comique	Chairman

Corporate offices and directorships over the last five years that have expired

Expiry date of term of office

French companies

Altadis	Director Member of the Executive Commission	February 2008
Galeries Lafayette	Member of the Supervisory Board	May 2005
HSBC Asset Management Holding	Director	June 2006
HSBC France	Chief Executive Officer Chairman of the Board	September 2007 December 2008
HSBC Private Bank France	Chairman of the Supervisory Board	June 2007

Foreign companies

HSBC Bank plc (United Kingdom)	Director	December 2008
HSBC Private Banking Holdings (Suisse) S.A.	Director	December 2008
HSBC Holdings plc (United Kingdom)	Group Managing Director and Member of Group Management Board	September 2007
HSBC Trinkaus & Burkhardt AG (Germany)	Member of the Supervisory Board	September 2007
Seita	Director	April 2005

Other

Association des Amis du Festival d'Automne à Paris	Director	September 2009
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Information concerning Directors whose tenure renewal is proposed to the AGM

Xavier Fontanet

Director since 2002
Holds 1,050 L'Oréal shares

Expiry date of term of office
2010

Main corporate office held outside L'Oréal

Essilor International S.A.
Professional address:
147, rue de Paris - 94227 Charenton Cedex

Chairman of the Board of Directors
[since January 1st, 2010]

Other corporate offices and directorships held

French companies

Crédit Agricole S.A. Director

Fonds Stratégiques d'Investissement S.A. Director

Foreign companies

EOA Holding Co. Inc. (United States) Director
Chairman

Essilor Amico (L.L.C) (United Arab Emirates) Director [since September 10th, 2009]

Essilor India PVT Ltd (India) Director

Essilor of America Inc. (United States) Director

Essilor Manufacturing India PVT Ltd (India) Director

Nikon Essilor Co. Ltd (Japan) Director

Shanghai Essilor Optical Company Ltd (China) Director

Transitions Optical Holding B.V. (Netherlands) Director

Transitions Optical Inc. (United States) Director

Corporate offices and directorships over the last five years that have expired

Expiry date of term of office

French companies

Chantiers Bénéteau S.A. Director January 2005

Essilor International S.A. Chairman and Chief Executive Officer January 2010

Other

IMS – Entreprendre pour la Cité Director October 2005

Information concerning Directors whose tenure renewal is proposed to the AGM

Marc Ladreit de Lacharrière

Director since 1984
Holds 40,040 L'Oréal shares

Expiry date of term of office
2010

Main corporate office held outside L'Oréal

F. Marc de Lacharrière (Fimalac) Chairman and Chief Executive Officer
Professional address: 97, rue de Lille – 75007 Paris

Main corporate offices and directorships over the last five years that have expired

French companies

Agence France Museums	Chairman of the Board
Casino	Director
Fimalac Participations	Managing Director
Gilbert Coullier Productions SAS	Director [since October 2009]
Groupe Marc de Lacharrière	Chairman of the Management Board
Renault S.A.	Director
Renault SAS	Director

Foreign companies

Fitch Group (United States)	Chairman
Fitch (United States) Ratings	Chairman

Other

Banque de France	Member of Consultative Council
Comité National des Conseillers du Commerce Extérieur de la France	Honorary Chairman
Conseil Artistique des Musées Nationaux	Member
Fondation d'Entreprise Culture et Diversité	Member
Fondation Bettencourt Schueller	Member
Fondation d'Entreprise L'Oréal	Director
Fondation des Sciences Politiques	Member
Institut de France	Member
Musée des Arts Décoratifs	Member

Corporate offices and directorships over the last five years that have expired

Expiry date of term of office

French company

Groupe Marc de Lacharrière	Managing Director	December 2006
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Foreign companies

Algorithmics (Canada)	Director	2009
Cassina (Italy)	Director	June 2005
Fitch Group Holdings (United States)	Chairman	2006

Other

Conseil Stratégique pour l'Attractivité de la France	Member	March 2005
Musée du Louvre	Member	March 2005

Statutory Auditors'

special reports

Statutory Auditors' Report on the consolidated financial statements (Year ended December 31, 2009)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes explanatory paragraphs discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. This report also includes information relating to the specific verification of information given in the Group's management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2009, on:

- the audit of the accompanying consolidated financial statements of L'Oréal;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements, based on our audit.

Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2009 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to Notes 1.1 "Changes in accounting policies" and 1.2 "Presentation of financial statements" to the consolidated financial statements, relating to changes in accounting methods and to the presentation of financial statements from January 1, 2009.

Justification of our assessments

In accordance with the requirements of article L.823-9 of French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- L'Oréal performs impairment tests on goodwill and intangible assets with indefinite useful lives at least once a year and whenever there is an indication that an asset may be impaired, in accordance with the methods set out in Notes 1.17 and 13 to the consolidated financial statements. We have reviewed the terms and conditions for implementing these impairment tests as well as the assumptions applied;
- Obligations relating to pensions, early retirement benefits and other related benefits granted to employees have been valued and recorded in accordance with the accounting policies described in Notes 1.25 and 21 to the consolidated financial statements. We have reviewed and analyzed the valuation methods of these obligations and the data used and the assumptions applied.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

Specific verification

As required by law, we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's Management Report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine, February 19th, 2010

The Statutory Auditors

PricewaterhouseCoopers Audit
Etienne Boris

Deloitte & Associés
David Dupont-Noel

Statutory Auditors' special report on regulated agreements and commitments with third parties (Year ended December 31st, 2009)

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and regulated commitments issued in French and is provided solely for the convenience of English speaking readers. This report on regulated agreements and regulated commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and the report does not apply to those related party agreements described in IAS 24 or other equivalent accounting standards.

In our capacity as Statutory Auditors of your Company, we hereby present our report on regulated agreements and commitments with third parties.

Regulated agreements and commitments with third parties authorized during the year ended December 31st, 2009 and up to the date of this report

In accordance with Article L. 225-40 of the French Commercial Code (Code de commerce), we have been informed of the following agreements and commitments that received prior authorization of the Board of Directors up to the date of this report.

Our responsibility does not include identifying any undisclosed agreements or commitments. We are required to report to shareholders, based on the information provided, on the main terms and conditions of the agreements and commitments that have been disclosed to us, without commenting on their relevance or substance. Under the provisions of Article R. 225-31 of the French Commercial Code, it is the responsibility of shareholders to determine whether the agreements are appropriate and should be approved.

We performed the procedures that we deemed necessary with regard to French professional standards in relation to this engagement. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Board of Directors' meeting of February 15th, 2010

Nature, purpose, terms and conditions

The Board of Directors' meeting of February 15th, 2010 authorized an agreement to be entered into between your Company and its Chief Executive Officer, Mr. Jean-Paul Agon, which provides as follows:

Confirmation of the suspension of Mr. Jean-Paul Agon's employment contract

The Board of Directors decided to maintain the suspension of Mr. Jean-Paul Agon's employment contract during the period of his corporate office.

Elimination of all rights to any indemnity in respect of Mr. Jean-Paul Agon's corporate office

The Board of Directors has decided to eliminate all right to any indemnity in the event of termination of the corporate office.

In the event of departure, and depending on the reasons, Mr. Jean-Paul Agon would only be paid the dismissal indemnities, except in the event of gross misconduct or gross negligence, or retirement indemnities in the event of voluntary retirement or retirement at the

Company's request due pursuant to the employment contract that has been suspended. These indemnities, which are attached solely to termination of the employment contract and in strict application of the National Collective Bargaining Agreement for the Chemical Industries and the company-level agreements applicable to all L'Oréal executives, are due in any event pursuant to public policy rules. They are not subject to any condition other than those provided for by the National Collective Bargaining Agreement for the Chemical Industries or the above-mentioned company-level agreements.

The same applies to the non-competition clause and the related financial consideration.

Remuneration in respect of the corporate office will in no event be taken into consideration for calculation of the indemnities due pursuant to the collective bargaining agreement and the company-level agreements applicable to all L'Oréal executives.

Mr. Jean-Paul Agon will continue to benefit from the defined benefit pension scheme currently applicable to the Group's senior managers.

Amendment of certain terms and conditions relating to the suspension of the employment contract

The terms and conditions relating to the suspension of Mr. Jean-Paul Agon's employment contract have been amended as follows:

- The reference remuneration to be used to calculate all the rights attached to the employment contract and in particular to compute the pension under the defined benefit scheme will be based on the amount of remuneration under the employment contract when it was suspended in 2006, namely fixed remuneration of €1,500,000 and variable remuneration of €1,250,000. This reference remuneration is reviewed every year by applying the revaluation coefficient in respect of salaries and pension contributions published by the French State pension fund. As of January 1st, 2010, the fixed remuneration amounts to €1,570,500 and variable remuneration to €1,308,750.
- The length of service applied will take into consideration his entire career, including the years during which he was Chief Executive Officer.

Mr. Jean-Paul Agon will continue to benefit from the status of senior manager throughout the period of his corporate office

Mr. Jean-Paul Agon will continue to be entitled to benefit from the additional social protection schemes and in particular the employee benefit and healthcare schemes available to the company's employees due to the fact that he will be treated as a senior manager throughout the entire period of his corporate office.

This agreement supersedes the agreements and commitments previously authorized by the Board of Directors' meetings of April 25th, 2006 and February 13th, 2008.

Neuilly-sur-Seine, February 19th, 2010

The Statutory Auditors

PricewaterhouseCoopers Audit
Etienne Boris

Deloitte & Associés
David Dupont-Noel

Statutory Auditors' special report on the cancellation of own shares purchased by the company

This is a free translation into English of the Statutory Auditors' special report on the cancellation of own shares purchased by the Company issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Ordinary and Extraordinary Shareholder's Meeting of April 27th, 2010

Fourteenth resolution

To the Shareholders,

In our capacity as Statutory Auditors of L'Oréal and in accordance with Articles L. 225-204 and L. 225-209 of the French Commercial Code (Code de commerce) relating to capital decreases by cancellation of own shares purchased by the Company, we hereby report to you on our assessment of the reasons for and the terms and conditions of the proposed share capital decreases.

We have performed the procedures that we deemed necessary with regard to French professional standards in relation to this engagement. Those procedures consist in examining the fairness of the reasons for and the terms and conditions of the proposed capital decreases. Our work consisted in particular of verifying that the capital decrease would not bring the Company's share capital below the minimum legal threshold and that it would not violate shareholder equality.

Cancellation of shares held by the Company within the scope of Article L. 225-204 of the French Commercial Code

The proposed capital decrease relates to the cancellation by the Company of its own shares purchased in accordance with the conditions of Article L. 225-208 of the French Commercial Code.

Shareholders are asked to grant the Board of Directors full powers to cancel, on one or more occasions, a maximum of 500,000 shares purchased by the Company to cover share purchase options which

currently correspond, or will correspond in the future, to options that are no longer exercisable. These powers would be exercisable for a period of twenty-six months from the Shareholders' Meeting of April 27th, 2010. This share capital decrease would reduce the Company's share capital by a maximum of €100,000.

We have no comment to make on the reasons for or terms and conditions of the proposed share capital decrease.

Cancellation of shares held by the Company within the scope of Article L. 225-209 of the French Commercial Code

The proposed capital decrease would take place further to the purchase of shares representing a maximum of 10% of the Company's capital, in accordance with Article L. 225-209 of the French Commercial Code. Under the thirteenth resolution, the Board of Directors is seeking an eighteen-month authorization from the Shareholders' Meeting to perform this purchase.

Shareholders are also asked to grant the Board of Directors full powers to cancel, on one or more occasions, the shares acquired by the Company, within the limit of 10% of the capital as of the date of the cancellation, per twenty-four month period. These powers would be exercisable for a period of twenty-six months from the Shareholders' Meeting of April 27th, 2010.

We have no comment to make on the reasons for or terms and conditions of the proposed capital decrease, the implementation of which depends on the Shareholders' Meeting approving the purchase of the Company's shares, as proposed under the thirteenth resolution.

Neuilly-sur-Seine, February 19th, 2010

The Statutory Auditors

PricewaterhouseCoopers Audit
Etienne Boris

Deloitte & Associés
David Dupont-Noel

L'ORÉAL

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