

L'OREAL

**STATUTORY AUDITORS' SPECIAL REPORT
ON THE FREE GRANTING OF EXISTING SHARES OR SHARES TO BE ISSUED TO
EMPLOYEES OF THE COMPANY**

**Ordinary and Extraordinary Shareholders' Meeting of April 16, 2009
(13th resolution)**

PricewaterhouseCoopers Audit
63, rue de Villiers
92200 Neuilly-sur-Seine Cedex

Deloitte & Associés
185, avenue Charles de Gaulle
92200 Neuilly-sur-Seine Cedex

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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. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

L'OREAL
14, rue Royale
75008 Paris

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with Article L.225-197-1 of the French Commercial Code (*Code de commerce*), we have prepared this report on the project for the free granting of existing shares or shares to be issued to employees of L'Oréal or affiliated companies as defined by Article L.225-197-2 of the French Commercial Code, or to certain categories of employees.

Shareholders are requested to authorize the Board of Directors to grant, for no consideration and on one or more occasions, existing shares or shares to be issued. It is the role of the Board of Directors to prepare a report on the transaction which it wishes to perform. It is our role, where necessary, to comment on the information which is communicated to you on the proposed transaction.

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 proposed terms and conditions presented in the Board of Directors' report comply with the provisions provided for by law.

We have no comments to make on the information given in the Board of Directors' report relating to the proposed transaction.

Neuilly-sur-Seine, February 25, 2009

PricewaterhouseCoopers Audit

Deloitte & Associés

Etienne Boris

Etienne Jacquemin