

L'OREAL

**STATUTORY AUDITORS' SPECIAL REPORT
ON THE GRANTING OF SHARE SUBSCRIPTION AND/OR PURCHASE OPTIONS
TO EMPLOYEES AND CORPORATE OFFICERS**

**Ordinary and Extraordinary Shareholders' Meeting of April 16, 2009
(12th resolution)**

PricewaterhouseCoopers Audit
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92524 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 Articles L.225-177 and R.225-144 of the French Commercial Code (*Code de commerce*), we have prepared this report on the granting of share subscription and/or purchase options to employees and corporate officers of L'Oréal and companies or economic interest grouping directly or indirectly affiliated with L'Oréal within the meaning of Article L.225-180 of the French Commercial Code.

It is the responsibility of the Board of Directors to prepare a report on the reasons for the granting of share subscription and/or purchase options and the proposed terms and conditions for determining the subscription and/or purchase price. It is our responsibility to comment on the proposed terms and conditions for determining the subscription or purchase price.

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 for determining the subscription and/or purchase price are disclosed in the Board of Directors' report, that they comply with legal provisions, in order to inform shareholders, and that they do not appear obviously inappropriate.

We have no comments to make on the proposed terms and conditions.

Neuilly-sur-Seine, February 25, 2009

PricewaterhouseCoopers Audit

Deloitte & Associés

Etienne Boris

Etienne Jacquemin