



CONVENING NOTICE

**ORDINARY AND EXTRAORDINARY
ANNUAL GENERAL MEETING**

FRIDAY, APRIL 26TH, 2013 AT 10 A.M.

PALAIS DES CONGRES

75017 PARIS - FRANCE

L'ORÉAL

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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. In case of discrepancy the French version prevails.



AGENDA

of the Annual General Meeting of Friday, April 26th, 2013

ORDINARY PART

1. Approval of the 2012 parent company financial statements
2. Approval of the 2012 consolidated financial statements
3. Allocation of the Company's net income for 2012 and declaration of the dividend
4. Appointment of Ms. Virginie Morgon as Director
5. Renewal of the tenure as Director of Mrs. Françoise Bettencourt Meyers
6. Renewal of the tenure as Director of Mr. Peter Brabeck-Letmathe
7. Renewal of the tenure as Director of Mr. Louis Schweitzer
8. Authorisation for the Company to buy back its own shares

EXTRAORDINARY PART

9. Delegation of authority to the Board of Directors to increase the share capital either through the issue of ordinary shares with maintenance of preferential subscription rights, or *via* the capitalisation of share premiums, reserves, profits or other amounts
10. Authorisation to the Board of Directors to make free grants to employees and corporate officers of existing shares and/or of shares to be issued entailing waiver by the shareholders of their preferential subscription right
11. Delegation of authority to the Board for the purpose of carrying out a capital increase reserved for employees with cancellation of the shareholders' preferential subscription right
12. Powers for formalities

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S MESSAGE

Dear Shareholder,

I am pleased to invite you to attend L'Oréal's Annual General Meeting which will be held on Friday, April 26th, 2013 at 10 a.m. at the Palais des Congrès, Porte Maillot in Paris.

2012 was a good year for L'Oréal on many fronts. The Group achieved strong sales growth, and once again demonstrated its ability to outperform the beauty market, and to gain market share, even in the more difficult markets of Western Europe and the United States. 2012 was also a very good vintage in terms of innovations in each of our Divisions and major business segments. The profits and cash flow have grown very strongly and confirm the power of our business model.

The Annual General Meeting is a privileged occasion for the provision of information and dialogue between L'Oréal and its shareholders. It also offers you the opportunity to express your views and vote to actively participate in decisions concerning the L'Oréal Group.

I count on your attendance at this Annual General Meeting. If you are unable to be present, please note that you have the possibility to vote via Internet or by post, or give a proxy to the Chairman of the Meeting or any other person of your choice. You will find all the relevant information in this document, as well as the Meeting's agenda and the draft resolutions submitted for your approval. You will also be able to watch the recorded webcast of the main speeches of the Annual General Meeting on our website www.loreal-finance.com.

In the name of the Board of Directors, I want to thank each one of you for your trust and loyalty, and look forward to seeing you on April 26th.

“ IN VIEW OF THESE SUCCESSES AND IMPROVEMENTS, WE ARE FACING THE FUTURE WITH OPTIMISM AND CONFIDENCE. ”

JEAN-PAUL AGON
CHAIRMAN AND CHIEF EXECUTIVE OFFICER



1

BRIEF PRESENTATION OF THE L'OREAL GROUP IN 2012 AND KEY FIGURES

2012 KEY FIGURES

Strong growth in sales and profits

22.46 billion euros (+10.4%)	3.7 billion euros (+12.3%)	2.9 billion euros (+17.6%)	4.91 euros (+13.6%)	2.30 per share (+15%)
2012 SALES	OPERATING PROFIT	NET PROFIT AFTER NON-CONTROLLING INTERESTS	NET EARNINGS PER SHARE ⁽¹⁾	INCREASE IN DIVIDEND ⁽²⁾

(1) Diluted net earnings per share, based on net profit excluding non-recurring items after non-controlling interests.

(2) Proposed at the Annual General Meeting of April 26th, 2013.

COMMENTS

The Board of Directors of L'Oréal met on February 11th, 2013 under the chairmanship of Mr Jean-Paul Agon and in the presence of the Statutory Auditors. The Board closed the consolidated financial statements and the financial statements for 2012.

Commenting on the annual results, Mr Jean-Paul Agon, Chairman and Chief Executive Officer of L'Oréal, said:

"2012 was a good year for L'Oréal on many fronts. The Group achieved strong sales growth, and once again demonstrated its ability to outperform the beauty market, and to gain market share, even in the more difficult markets of Western Europe and the United States. 2012 was also a very good vintage in terms of innovations – amongst the most remarkable in the industry – in each of our Divisions and major business segments.

2012 also marked a milestone in the acceleration of the Group's internationalisation, as the "New Markets" became the number one geographic zone.

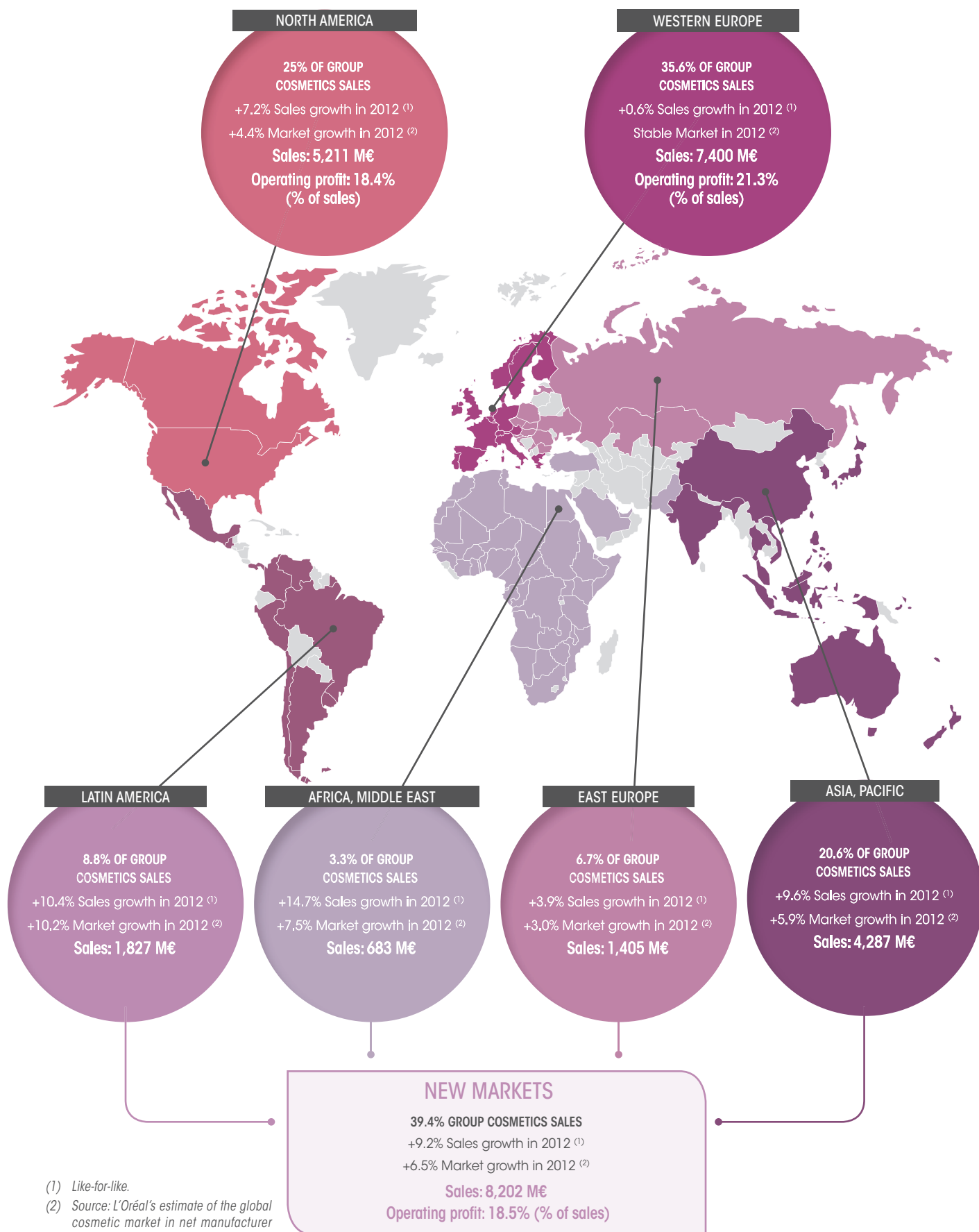
Lastly, the profits and cash flow have grown very strongly, reaching record levels, and confirming the power of our business model.

In view of these successes and improvements, we are facing the future with optimism and confidence. Confidence in the positive dynamics of our market. Confidence in the strength of our "Beauty for all" mission, in our "universalisation" strategy, and in our ambition to conquer one billion new consumers. And finally, confidence in the fundamentals of L'Oréal: its research, its ability to innovate and create high quality products, its outstanding portfolio of brands, its business model, which creates both value and cash flow, and lastly the unique strength of its teams.

The Group is thus well prepared to outperform the market in 2013, and to achieve another year of sales and profit growth."

The Board of Directors has decided to propose to the Annual General Meeting of April 26th, 2013 the payment of a dividend of €2.30 per share, an increase of 15% compared with the previous year.

INTERNATIONAL AND COSMETICS MARKET



(1) Like-for-like.

(2) Source: L'Oréal's estimate of the global cosmetic market in net manufacturer prices excluding soap, toothpaste, razors and blades. Excluding currency effects.

2012 SALES GROWTH

Like-for-like, i.e. based on a comparable structure and identical exchange rates, the sales trend of the L'Oréal Group was +5.5%.

The net impact of changes in consolidation amounted to +0.7%.

Currency fluctuations had a positive impact of +4.2%.

Growth at constant exchange rates was +6.2%.

Based on reported figures, the Group's sales, at December 31st, 2012, amounted to 22.463 billion euros, an increase of +10.4%.

Sales by Operational Division and geographic zone

€ millions	2010	2011	2012	2011/2012 Progression	
				Like-for-like	Reported figures
By Operational Division					
Professional Products	2,717.1	2,813.8	3,002.6	+2.1%	+6.7%
Consumer Products	9,529.9	9,835.2	10,713.2	+5.0%	+8.9%
L'Oréal Luxe	4,506.6	4,800.1	5,568.1	+8.3%	+16.0%
Active Cosmetics	1,385.6	1,421.7	1,528.0	+5.8%	+7.5%
Cosmetics Total	18,139.1	18,870.8	20,811.9	+5.5%	+10.3%
By geographic zone					
Western Europe	7,181.0	7,246.6	7,399.6	+0.6%	+2.1%
North America	4,291.5	4,406.2	5,210.7	+7.2%	+18.3%
New Markets, of which:	6,666.6	7,218.0	8,201.6	+9.2%	+13.6%
Asia, Pacific	3,192.2	3,619.5	4,287.0	+9.6%	+18.4%
Eastern Europe	1,398.9	1,336.9	1,405.0	+3.9%	+5.1%
Latin America	1,517.7	1,680.9	1,826.6	+10.4%	+8.7%
Africa, Middle-East	557.8	580.7	683.0	+14.7%	+17.6%
Cosmetics Total	18,139.1	18,870.8	20,811.9	+5.5%	+10.3%
The Body Shop	754.9	767.6	855.3	+4.9%	+11.4%
Dermatology ⁽¹⁾	601.7	704.7	795.5	+5.9%	+12.9%
GROUP TOTAL	19,495.8	20,343.1	22,462.7	+5.5%	+10.4%

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

Cosmetics sales growth

Professional products

In a market affected by the slowdown in southern European countries, and the low weight of the New Markets, the Professional Products Division posted +2.1% like-for-like and +6.7% reported growth in 2012.

Consumer Products

The Consumer Products Division achieved sales growth of +5% like-for-like and +8.9% based on reported figures, driven by strategic advances in Western Europe and North America, along with major product initiatives.

L'Oréal Luxe

In 2012, L'Oréal Luxe sales grew by +8.3% like-for-like and +16% based on reported figures. In each of the four quarters, the Division significantly outperformed market growth, thanks especially to the dynamism of Lancôme, and the good performances in Asia and North America.

Active Cosmetics

2012 was a particularly good year for the Division, with sales growth of 5.8% like-for-like, and 7.5% based on reported figures, which is roughly twice as fast as the trend in the dermocosmetics market.

Multi-division summary by geographic zone

Western Europe

The European context saw the decline of markets in the southern countries, particularly in hair salons and the luxury segment, and the resilience of the rest of Europe. At 12 months, L'Oréal sales increased by +0.6% like-for-like, and +2.1% based on reported figures, thus raising its market share, particularly in the Consumer Products Division, which consolidated its number one position. The Group performed well, particularly in France – where the acquisition of Cadum fully played its part – in the United Kingdom, in Germany and in Northern Europe.

North America

In North America, L'Oréal ended 2012 with growth of 7.2% like-for-like and 18.3% based on reported figures. The good results seen in 2011 were surpassed in 2012. The Consumer Products Division became n°1 in its

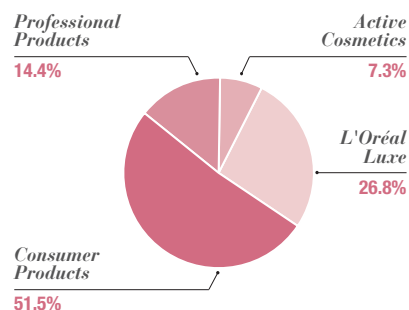
segment, thanks to strong growth at Garnier, Maybelline and Essie. The end of the year was marked by the strategic launch of L'Oréal Paris Advanced Hair Care. L'Oréal Luxe outperformed its market, thanks especially to Clarisonic. The Active Cosmetics Division significantly increased its presence in drugstores.

New Markets

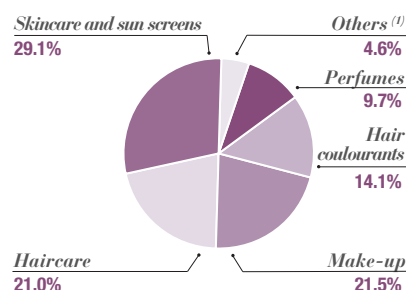
- **Asia, Pacific:** L'Oréal achieved annual growth of +9.6% like-for-like and +18.4% based on reported figures. The Group is increasing market share in the region. While the selective channel context slowed in the second half, particularly in South Korea and in travel retail, L'Oréal strengthened its positions thanks to initiatives by Lancôme, Kiehl's and Yves Saint Laurent. In China, the Group grew faster than the market, especially with L'Oréal Luxe, Maybelline and L'Oréal Paris Men Expert. India, Indonesia and Thailand are particularly dynamic, driven by local initiatives such as Colossal Kajal by Maybelline, and the Garnier Men range.
- **Eastern Europe:** With sales growth of +3.9% like-for-like and +5.1% based on reported figures, the Group is continuing its recovery, and is once again growing faster than the market. The turnaround is being driven by the Professional Products Division, with its conquest of new hair salons, particularly in Russia and Poland, and by the Consumer Products Division, thanks to the success of Elvive Arginine by L'Oréal Paris and Garnier ColorSensation hair colourants.
- **Latin America:** L'Oréal achieved like-for-like growth of +10.4% and +8.7% based on reported figures, with increased growth in the second half. In 2012, L'Oréal became the market leader in Mexico, and expanded its positions in Chile, Argentina and Uruguay. L'Oréal accelerated its roll-out in the countries of Central America, and in Colombia, with the acquisition of the Vogue brand, the mass-market make-up leader in Colombia. In Brazil, the initiatives of Elvive Arginine Resist, hair oils and hair colourants led to an improvement in positions. The dynamism of the Active Cosmetics Division in this Zone is also worth noting.
- **Africa, Middle-East:** With growth of +14.7% like-for-like and +17.6% based on reported figures, the Africa Middle East Zone recorded very good performances in Turkey, the Gulf States and the Levant. 2012 was notable for the rising momentum of new subsidiaries in Egypt and Kenya, and the opening of a new subsidiary in Saudi Arabia.

2012 consolidated sales of the cosmetics branch

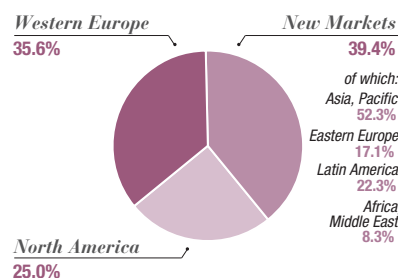
By division



By business segment



By geographic zone



(1) "Other" includes hygiene products and sales made by American distributors with brands outside of the Group.

The Body Shop Sales

2012 was a year of acceleration for The Body Shop, whose sales grew by +4.9% like-for-like and +11.4% based on reported figures.

The brand unveiled its new "Beauty with Heart" identity in 2012, and started rolling out the new "Pulse" store concept. In addition, The Body Shop continued its multi-channel approach with a strong increase in e-commerce.

In 2012, the brand strengthened its offering in skincare categories, with the success of the Chocomania bodycare range, and in facial skincare, with the innovative Drops of Youth.

The Body Shop achieved dynamic sales in the Middle East and in south-east Asia, while recording solid scores in Europe.

Galderma sales

Galderma sales increased by +5.9% like-for-like and +12.9% based on reported figures, with a fourth quarter which, as announced, reflected the impact of competition from generics in prescription products, especially in the United States.

Epiduo (acne) and Oracea (rosacea) are continuing to grow in the prescription products category. Epiduo is the world's leading prescription product in the topical acne treatment market.

Sales of over-the-counter (OTC) products increased strongly, driven by Cetaphil (a hydrating and cleansing skincare range).

The strong growth of the Restylane range (dermal filler) and the success of Azzalure (muscle relaxant) have this year once again helped to make Galderma one of the world leaders in the aesthetic and corrective dermatology market.

Asia and Latin America are growing strongly.

2012 RESULTS

1) Operating profitability and consolidated income statement

	2010		2011		2012	
	€ millions	% 2010 sales	€ millions	% 2011 sales	€ millions	% 2012 sales
Sales	19,496	100%	20,343	100%	22,463	100%
Cost of sales	-5,697	29.2%	-5,851	28.8%	-6,588	29.3%
Gross profit	13,799	70.8%	14,492	71.2%	15,875	70.7%
Research and development expenses	-665	3.4%	-720	3.5%	-791	3.5%
Advertising and promotion expenses	-6,029	30.9%	-6,292	30.9%	-6,776	30.2%
Selling, general and administrative expenses	-4,049	20.8%	-4,187	20.6%	-4,611	20.5%
OPERATING PROFIT	3,057	15.7%	3,293	16.2%	3,697	16.5%

Gross profit increased by 9.5%; it came out at 70.7% of sales, compared with 71.2% in 2011. As in the 1st semester, the gross profit underwent the combined effects of the exchange rate effect due to the weakening of the euro against the main currencies, of the impact of the consolidation of the American company *Clarisonic*, and of a slight increase in customer allowances, in the context of arbitrage with advertising and promotion expenses.

Research expenses increased strongly at +9.7%, and remained stable as a percentage of sales at 3.5%.

Advertising and promotion expenses increased by 7.7%; they came out at 30.2% of sales, slightly below the figure for 2011.

Selling, general and administrative expenses, at 20.5% of sales, once again declined by 10 basis points compared with 2011.

Overall, **operating profit** at 3,697 million euros, has increased by 12.3%, reflecting a significant improvement in profitability compared with 2011, at 30 basis points.

2) Operating profit by branch and by Division

	2010		2011		2012	
	€ millions	% 2010 sales	€ millions	% 2011 sales	€ millions	% 2012 sales
By Operational Division						
Professional Products	552	20.3%	579	20.6%	615	20.5%
Consumer Products	1,765	18.5%	1,859	18.9%	2,051	19.1%
L'Oréal Luxe	791	17.5%	926	19.3%	1,077	19.3%
Active Cosmetics	278	20.1%	287	20.2%	311	20.4%
Cosmetics Divisions total	3,385	18.7%	3,651	19.3%	4,054	19.5%
Non-allocated ⁽¹⁾	-513	-2.8%	-546	-2.9%	-577	-2.8%
Cosmetics branch total	2,872	15.8%	3,105	16.5%	3,477	16.7%
The Body Shop	65	8.7%	68	8.9%	77	9.1%
Dermatology branch ⁽²⁾	119	19.8%	120	17.0%	143	17.9%
GROUP	3,057	15.7%	3,293	16.2%	3,697	16.5%

(1) Non-allocated = Central group expenses, fundamental research expenses, stock options and free grant of shares expenses and miscellaneous items. As a % of cosmetics sales.

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

The profitability of the Professional Products Division at 20.5% is in line with 2011. The profitability of the Consumer Products Division and the Active Cosmetics Division once again improved in 2012. The profitability of L'Oréal Luxe remained stable in 2012, at 19.3%.

The Body Shop continued to improve its profitability by 20 basis points in 2012, at 9.1%.

Finally, the profitability of Galderma, at 17.9% of sales, grew by 90 basis points in 2012.

3) Profitability by geographic zone

	2010		2011		2012	
	€ millions	% 2010 sales	€ millions	% 2011 sales	€ millions	% 2012 sales
Operating profit						
Western Europe	1,552	21.6%	1,513	20.9%	1,576	21.3%
North America	709	16.5%	810	18.4%	960	18.4%
New Markets	1,125	16.9%	1,328	18.4%	1,518	18.5%
COSMETICS ZONES TOTAL ⁽¹⁾	3,385	18.7%	3,651	19.3%	4,054	19.5%

(1) Before non-allocated.

Profitability in Western Europe improved by 40 basis points at 21.3%. Profitability in North America remained stable and its operating profit increased by 18.5%.

Profitability in the New Markets increased by 10 basis points at 18.5%, and their operating profit grew by more than 14%.

4) Net earnings per share ⁽¹⁾: €4.91

€ millions	2010	2011	2012
Operating profit	3,057	3,293	3,698
Finance Costs excluding dividends received	-36	-25	-11
Sanofi dividends	284	295	313
Pre-tax profit excluding non-recurring items	3,305	3,563	4,000
Income tax excluding non-recurring items	-932	-978	-1,025
Minority interests	-2.3	-2.5	-2.7
Net profit excluding non-recurring items after minority interests ⁽²⁾	2,371	2,583	2,972
EPS ⁽¹⁾ (€)	4.01	4.32	4.91
Diluted average number of shares	591,392,449	597,633,103	605,305,458

(1) Diluted net earnings per share excluding non-recurring items after non-controlling interests.

(2) Net profit excluding non-recurring items after non-controlling interests does not include impairment of assets, restructuring costs, tax effects or non-controlling interests.

Total finance costs amounted to 11 million euros.

Dividends from Sanofi amounted to 313 million euros.

Income tax excluding non-recurring items amounted to 1,025 million euros, representing a rate of 25.6%, below the 2011 rate of 27.4%, with the benefit of a non-recurring fiscal change effect in China.

Net profit excluding non-recurring items after non-controlling interests amounted to 2,972 million euros, up by 15.1%.

Net earnings per share, at €4.91, increased by +13.6%.

5) Net profit after minority interest: €2,868 million

€ millions	2010	2011	2012	2011/2012 Evolution
Net profit excluding non-recurring items after minority interest	2,371	2,583	2,972	
Non-recurring items not of tax	-131	-145	-104	
Net profit after minority interest	2,240	2,438	2,868	+17.6%
<i>Diluted earnings per share (€)</i>	<i>3.79</i>	<i>4.08</i>	<i>4.74</i>	

After allowing for non-recurring items, representing in 2012 a charge, net of tax, of 104 million euros, **net profit after non-controlling interests** amounted to 2,868 million euros, an increase of 17.6%.

6) Cash flow Statement, Balance sheet and Net Cash flow

Gross cash flow amounted to 3,661 million euros, an increase of +13.5%. The **working capital requirement** increased modestly, in 2012, by 129 million euros.

Inventories declined significantly as a percentage of sales, at 9.1% at end-2012; trade accounts receivable also declined, at 14.3% of sales; investments, at 955 million euros, amounted to 4.3% of sales, an identical level to 2011. As a result, operating cash flow increased by 26.4%.

After dividend payment and acquisitions (mainly *Cadum* and *Urban Decay*), the Group recorded, at December 31st, 2012, a **net cash surplus** of 1,575 million euros, compared with 504 million euros at end-2011.

The balance sheet structure is very solid. The reinforcement of **shareholders' equity** compared with end-2011 is mainly the result of profit allocated to reserves and the net increase in value of the Sanofi shares, valued at market price.

7) Share capital

The Board of Directors has set the amount of the share capital at December 31st, 2012: 608,810,827 shares with a par value of €0.20, representing a total of €121,762,165.40.

2

FIVE-YEAR FINANCIAL SUMMARY

L'Oréal parent company (excluding subsidiaries)

€ millions (except for earnings per share, shown in euros)	2008	2009	2010	2011	2012
I. Financial position at financial year-end					
a) Share capital	120.5	119.8	120.2	120.6	121.8
b) Number of shares	602,415,810	598,972,410	600,992,585	602,984,082	608,810,827 ⁽¹⁾
c) Number of convertible bonds	0	0	0	0	0
II. Overall results of operations					
a) Net pre-tax sales	2,115.2	2,051.1	2,231.0	2,421.1	2,606.8
b) Pre-tax profit before depreciation, amortisation, provisions and reversals of provisions (including provision for investment and Profit Sharing reserve)	1,713.4	1,766.3	2,048.4	2,344.8	2,517.5
c) Income tax	-143.4	-114.9	-104.6	-51.3	11.4
d) Net profit	1,552.1	1,841.8	1,995.3	2,169.8	2,408.0
e) Amount of distributed profits	861.8	898.9	1,082.5	1,212.4	1,397.4 ⁽²⁾
III. Results of operations per share (€)					
a) Profit after tax and Profit Sharing, but before depreciation, amortisation and provisions	3.05	3.11	3.55	3.94	4.09
b) Net profit	2.58	3.07	3.32	3.60	3.96
c) Dividend paid on each share	1.44	1.50	1.80	2.00	2.30 ⁽²⁾
IV. Staff					
a) Number of employees	5,848	5,855	5,957	6,016	6,097
b) Total salaries	381.1	403.8	426.7	459.0	489.5
c) Amount paid for welfare benefits (social security, provident schemes, etc)	159.3	172.8	182.5	200.4	208.6

(1) The share capital comprises 608,810,827 shares with a par value of €0.20, following the subscription of 5,826,745 shares of Treasury stock by means of exercise of stock options and free shares.

(2) The dividend will be proposed to the Annual General Meeting of April 26th, 2013.

3

DRAFT RESOLUTIONS AND REPORT OF THE BOARD OF DIRECTORS, COMPOSITION OF THE BOARD OF DIRECTORS

ORDINARY PART

Resolutions 1, 2 and 3: Approval of the Company financial statements, allocation of the Company's net income for 2012 and declaration of the dividend

Statement of reasons

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 an income statement which shows net income of €2,407,976,604.53 for 2012, compared with €2,169,772,192.21 for 2011;
- the 2012 consolidated financial statements.

The details of these financial statements are set out in the 2012 Annual Financial Report and the main data included in the file for calling this Annual General Meeting.

The Board of Directors proposes to the Annual General Meeting:

- an ordinary dividend of €2.30 per share, representing an increase of 15% compared with the dividend for the previous year;

The rate of distribution of the ordinary dividend (ordinary dividend paid/net income excluding non-recurrent items, Group share, per share) would be 46.8% and would thus continue to rise:

Year	2007	2008	2009	2010	2011
Rate of distribution	41.1%	41.3%	43.9%	44.9%	46.3%

- a preferential dividend of €2.53 per share.

The preferential dividend will be granted to the shares held in registered form since December 31st, 2010 at the latest, and which continuously remain in registered form until the dividend payment date in 2013. The number of shares giving entitlement to such preferential dividend cannot exceed 0.5% of share capital for any one shareholder.

If the Annual General Meeting approves this proposal, the ex dividend date for the dividends (both ordinary and preferential) will be Tuesday, May 7th, 2013 and the dividends will be paid on Friday, May 10th, 2013.

The amount of the ordinary dividend and the preferential dividend is eligible for the tax deduction provided for in Article 158-3-2° of the French Tax Code.

First resolution: Approval of the 2012 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 2012 Parent Company financial statements, as presented and the transactions included in these financial statements and summarised in these reports, showing net income of €2,407,976,604.53, compared with €2,169,772,192.21 for 2011.

Second resolution: Approval of the 2012 consolidated financial statements

The Annual General Meeting, having reviewed the reports of the Board of Directors and the Statutory Auditors, approves the 2012 consolidated financial statements.

Third resolution: Allocation of the Company's net income for 2012 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 2012 financial year amounting to €2,407,976,604.53, as follows:

No allocation to the legal reserve which already represents over one tenth of the share capital	-
Amount allocated to the shareholders as a dividend* (including preferential dividend)	€1,397,400,604.00
Balance that will be allocated to the "Other reserves" item	€1,010,576,000.53

* 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 11th, 2013 and will be adjusted to reflect:

- the number of shares issued between February 11th, 2013 and the date of payment of this dividend following the exercise of stock options or the final vesting of new free shares granted and giving entitlement to such dividend;
- the final number of shares eligible for the preferential dividend, taking into account sales or transfer to a bearer account between February 11th, 2013 and the date of payment of the dividend.

The Annual General Meeting therefore declares an ordinary dividend to be paid of €2.30 per share, the preferential dividend amounting to €2.53 per share. The preferential dividend will be granted to the shares held in registered form since December 31st, 2010 at the latest, and which continuously remain in registered form until the dividend payment date, it being specified that the number of shares giving entitlement to such preferential dividend cannot exceed 0.5% of share capital for any one shareholder.

The ex dividend date for the dividends (both ordinary and preferential) will be Tuesday, May 7th, 2013 and the dividends will be paid on Friday, May 10th, 2013.

In the event that, at the time of payment of the dividend, the Company holds treasury shares, the distributable profit corresponding to the unpaid dividend due to the holding of such shares, would be allocated to the "Other reserves" item.

It is specified that, as the law currently stands, 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.

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:

	2009	2010	2011
Ordinary dividend per share	€1.50	€1.80	€2.00
Preferential dividend per share*			€0.20

* The preferential dividend was distributed for the first time in 2012 with respect to the 2011 financial year.

Resolutions 4, 5, 6, 7: Tenures as Directors

Statement of reasons

The appointment of a new Director is put to the vote of the Annual General Meeting as well as the renewal of three Directors whose tenures as Directors expire at the close of this Annual General Meeting.

1. L'Oréal's Board of Directors at December 31st, 2012

The Directors of L'Oréal come from different backgrounds. They complement one another due to their different professional experience, their skills and their nationalities. 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 in the context of the decisions that it is called on to make.

The Directors 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 whose remits have been extended since 2011.



Jean-Paul Agon ⁽¹⁾

French. Age: 56. He 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, Executive Vice-President 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 and finally Chairman and CEO in 2011. A Director of L'Oréal since 2006, he is also Chairman of the L'Oréal Corporate Foundation. Jean-Paul Agon is also a Director of Air Liquide.

Françoise Bettencourt Meyers ⁽²⁾



French. Age: 59. The daughter of Mrs. Liliane Bettencourt, who is herself the daughter of the founder of L'Oréal, Eugène Schueller, she has been the Chairperson of the family-owned holding company since January 31st, 2012 and is the Chairperson of the Bettencourt Schueller Foundation. Françoise Bettencourt Meyers has been a Director of L'Oréal since 1997.

Peter Brabeck-Letmathe ^{(2) (4) (6)}



Austrian. Age: 68. His main position outside L'Oréal is that of Chairman of the Board of Directors of Nestlé. Peter Brabeck-Letmathe has been a Director of L'Oréal and Vice-Chairman of the Board of Directors since 1997.



Paul Bulcke ⁽²⁾

Belgian. Age: 58. He joined Nestlé in 1979, and has been its Chief Executive Officer since 2008. Paul Bulcke has been a Director of L'Oréal since 2012, and is a Board member of Roche Holding in Switzerland.



Charles-Henri Filippi ^{(6) (8)}

French. Age: 60. He spent his career in particular within the HSBC Group, in which he was notably Chairman and Chief Executive Officer of HSBC France from 2004 to 2007 and Chairman of the Board of Directors in 2007 and 2008. Charles-Henri Filippi has been a Director of L'Oréal since 2007 and is also a Board member of France Telecom, a member of the Supervisory Board of Euris and a non-voting member of the Board of Directors of Nexity. He is currently the Chairman of Citigroup for France. It is noted that Citigroup does not have, and has never had, a significant position with regard to L'Oréal's banking transactions. Nevertheless, Charles-Henri Filippi is aware that he is under the obligation of notifying the L'Oréal Board of Directors of all situations constituting a conflict of interest, even if such conflict is only potential, and that he must refrain from participating in the corresponding decisions. Furthermore, at Citigroup, he will not take part in the work that is liable to concern L'Oréal. Charles-Henri Filippi is an independent Director, with no conflicts of interest, available and competent.

Mr. Filippi harmoniously and effectively supplements the Board's expertise in the field of finance.



Xavier Fontanet ⁽³⁾

French. Age: 64. He is a former Chairman and Chief Executive Officer (1996-2009) and former Chairman of the Board of Directors of Essilor (2010-2012), member of the Supervisory Board of Schneider Electric, and he has been a Director of L'Oréal since 2002.



Bernard Kasriel ^{(2) (5)}

French. Age: 66. He is a former Chief Executive Officer of Lafarge. He has been a Director of L'Oréal since 2004. He is also a Board member of Arkema and Nucor (United States).



Christiane Kuehne ⁽⁸⁾

Swiss. Age: 57. She is the Head of the Food Strategic Business Unit at Nestlé which she joined in 1977. Christiane Kuehne has been a member of L'Oréal's Board of Directors since April 2012.

(1) Chairman of the Strategy and Sustainable Development Committee.
(2) Member of the Strategy and Sustainable Development Committee.
(3) Chairman of the Appointments and Governance Committee.
(4) Member of the Appointments and Governance Committee.
(5) Chairman of the Human Resources and Remuneration Committee.
(6) Member of the Human Resources and Remuneration Committee.
(7) Chairman of the Audit Committee since February 12th, 2013.
(8) Member of the Audit Committee, chaired by Charles-Henri Filippi until February 12th, 2013.



Marc Ladreit de Lacharrière

French. Age: 72. A member of the Institut de France and with L'Oréal from 1976 to 1991, Marc Ladreit de Lacharrière has been a Director of L'Oréal since 1984, Chairman and Chief Executive Officer of Fimalac, Chairman of Fitch (United States), and a Board member of Casino, Lucien Barrière and Renault. His professional experience and his freedom of judgment, combined with a good knowledge of the company, make a big contribution to the discussions and decisions of the Board. His length of office is an asset for the Board. It contributes to putting L'Oréal's main strategic options into perspective.



Jean-Pierre Meyers ^{(2) (4) (6) (8)}

French. Age: 64. He has been a Director of L'Oréal since 1987, Vice-Chairman of the Board of Directors since 1994. He is Vice-Chairman of the Supervisory Board and Chief Executive Officer of the family-owned company Téthys, a Board member of Nestlé and Vice-Chairman of the Bettencourt Schueller Foundation.



Jean-Victor Meyers

French. Age: 26. He studied economics and management at universities in France and the United States. In the context of his professional experience, and over the last few years, he has spent several months in L'Oréal Divisions, in France and other countries. He has been a member of the Supervisory Board of the family holding company Téthys since January 2011 and was co-opted to L'Oréal's Board of Directors at its meeting on February 13th, 2012. This co-optation was ratified by the Annual General Meeting on April 17th, 2012.



Sir Lindsay Owen Jones

British. Age: 67. He joined the L'Oréal Group in 1969. After a career in France, Chief Executive Officer of L'Oréal in Italy from 1978 to 1981, President (CEO) of L'Oréal USA from 1981 to 1984, he was appointed as a Director and Chief Executive Officer of L'Oréal in 1984 then Chairman and Chief Executive Officer in 1988. Honorary Chairman of L'Oréal since March 18th, 2011, Sir Lindsay Owen-Jones is a Board member of Ferrari (Italy).



Annette Roux

French. Age: 70. Chairperson and Managing Director of Bénéteau from 1976 to 2005, then Vice-Chairperson of the Supervisory Board, Annette Roux has been a member of L'Oréal's Board of Directors since 2007. She is also Chairperson of the Bénéteau Corporate Foundation.



Louis Schweitzer ^{(2) (7)}

French. Age: 70. Chairman and Chief Executive Officer of Renault from 1992 to 2005, Chairman of the Board of Directors until 2009, Louis Schweitzer has been a Director of L'Oréal since 2005. He is also a member of the Advisory Committees of Allianz AG (Germany) and Bosch (Germany).

The term of office of a L'Oréal Director is renewable, and has a statutory duration of four years or less to allow a staggered renewal of Directors' terms of office. Each Director owns a minimum of 1,000 L'Oréal shares. The complete list of Directors' duties, in compliance with the Law, is indicated in the chapter "Governance of the Company" in Registration Document 2012.

- (1) Chairman of the Strategy and Sustainable Development Committee.
- (2) Member of the Strategy and Sustainable Development Committee.
- (3) Chairman of the Appointments and Governance Committee.
- (4) Member of the Appointments and Governance Committee.
- (5) Chairman of the Human Resources and Remuneration Committee.
- (6) Member of the Human Resources and Remuneration Committee.
- (7) Chairman of the Audit Committee since February 12th, 2013.
- (8) Member of the Audit Committee, chaired by Charles-Henri Filippi until February 12th, 2013.

2. Assessment of the independence of Directors

The Appointments and Governance Committee proposes to the Board of Directors every year to 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.

L'Oréal has a well-balanced Board comprising 14 members at December 31st, 2012: the Chairman and Chief Executive Officer, Jean-Paul Agon, the Honorary Chairman, Sir Lindsay Owen-Jones, 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: Ms. Annette Roux, Mr. Charles-Henri Filippi, Mr. Xavier Fontanet, Mr. Bernard Kasriel, Mr. Marc Ladreit de Lacharrière and Mr. Louis Schweitzer.

The review of the independence of these Directors was made by the Appointments and Governance Committee at the end of 2012 on the basis, in particular, of the study of the relations existing between the Company and the companies in which the Directors have offices. The Directors have no conflicts of interest. The other corporate offices and directorships held, their availability, their personal contributions and their participation in the work and discussions of the Board and its Committees in 2012 were taken into consideration by the Appointments and Governance Committee to evaluate the composition and *modus operandi* of the Board.

3. Appointment of a new Director in 2013

The Appointments and Governance Committee looked at the profile of a possible new Director who was approved by the Board of Directors. The proposed appointment of Ms. Virginie Morgon is submitted to the Annual General Meeting.



Virginie Morgon. French. Age: 43. She worked for 16 years at Lazard, in particular as an investment banker in New York and London at the start of her career in 1991 and as a senior partner in Paris from 2001 to 2007. Virginie Morgon advised a large number of French and international groups on mergers and acquisitions. Since 2008 with Eurazeo, one of the top listed investment companies in Europe, she is a member of the Executive Board and was appointed as Chief Investment Officer in December 2012.

Virginie Morgon is a Director of Accor and Edenred* and a member of their Audit Committees. Virginie Morgon is a member of the Board of Directors of the Women's Forum for the Economy & Society.

Virginie Morgon has concrete experience of the corporate world as an investor and will provide L'Oréal's Board of Directors with complementary experience and skills in this area.

This appointment of Ms. Virginie Morgon as an independent Director for a period of four years would increase the number of Directors to 15 and the number of women on the Board to 4, thus leading to a percentage of representation of women of 26.7% as opposed to 21.4% in 2012, and the number of independent Directors to 7, thus giving a percentage of independent Directors of 46.7% as compared with 42.9% in 2012.

** Until March 6th, 2013.*

4. Renewal of tenures as Directors in 2013

As the tenures as Directors of Françoise Bettencourt Meyers, Peter Brabeck-Letmathe and Louis Schweitzer expire in 2013, the renewal of their tenures for a period of four years is submitted to the Annual General Meeting.

For information purposes, if the Annual General Meeting votes in favour of the appointment and renewals proposed to it in 2013, the expiry dates of the terms of office of the 15 Directors of L'Oréal would be as follows:

Directors	Expiry dates of terms of office			
	2014	2015	2016	2017
Jean-Paul Agon	X			
Françoise Bettencourt Meyers				X
Peter Brabeck-Letmathe				X
Paul Bulcke			X	
Charles-Henri Filippi		X		
Xavier Fontanet	X			
Bernard Kasriel			X	
Christiane Kuehne			X	
Marc Ladreit de Lacharrière	X			
Jean-Pierre Meyers			X	
Jean-Victor Meyers			X	
Virginie Morgon				X
Sir Lindsay Owen-Jones	X			
Annette Roux		X		
Louis Schweitzer				X
Number of renewals per year	4	2	5	4

Fourth resolution: Appointment of Ms. Virginie Morgon as Director

The Annual General Meeting, having reviewed the Report of the Board of Directors, decides to appoint Ms. Virginie Morgon as Director for a period of four years.

Her tenure will expire at the end of the Annual General Meeting to be held in 2017 to review the financial statements for the previous financial year.

Fifth resolution: Renewal of the tenure as Director of Mrs. Françoise Bettencourt Meyers

The Annual General Meeting, having reviewed the Report of the Board of Directors, renews the tenure of Mrs. Françoise Bettencourt Meyers for a period of four years.

Her tenure will expire at the end of the Annual General Meeting to be held in 2017 to review the financial statements for the previous financial year.

Sixth resolution: Renewal of the tenure as Director of Mr. Peter Brabeck-Letmathe

The Annual General Meeting, having reviewed the Report of the Board of Directors, renews the tenure of Mr. Peter Brabeck-Letmathe for a period of four years.

His tenure will expire at the end of the Annual General Meeting to be held in 2017 to review the financial statements for the previous financial year.

Seventh resolution: Renewal of the tenure as Director of Mr. Louis Schweitzer

The Annual General Meeting, having reviewed the Report of the Board of Directors, renews the tenure of Mr. Louis Schweitzer for a period of four years.

His tenure will expire at the end of the Annual General Meeting to be held in 2017 to review the financial statements for the previous financial year.

Resolution 8: Authorisation for the Company to buy back its own shares

Statement of reasons

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

Pursuant to the authorisation voted by the Annual General Meeting of April 17th, 2012 and during the period from August 30th to December 31st, 2012, the Board of Directors bought back L'Oréal shares for an amount of €498 million with a view to their cancellation. The 5,077,250 shares purchased in this manner were cancelled by the Board of Directors on February 11th, 2013.

As the existing authorisation is due to expire in October 2013, 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 Company could buy back its own shares with the aim of:

- their cancellation;
- their sale within the scope of employee share ownership schemes and their allocation to free grants of shares for the benefit of employees and corporate officers of the L'Oréal Group;
- market animation of the share;
- 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.

The authorisation would be granted for a period of 18 months at a purchase price per share that may not be greater than €170. The authorisation would concern no more than 10% of the capital, namely, for information purposes, 60,431,362 shares for a maximum amount of €10.27 billion at February 11th, 2013, it being stipulated that the Company may at no time hold over 10% of its own capital.

Eighth resolution: 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 Chairman and 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 €170;
- 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 11th, 2013, 60,431,362 shares for a maximum amount of €10.27 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, the prices and numbers indicated above will be adjusted where applicable.

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

- their cancellation by a reduction in capital;
- their allocation or sale to employees and corporate officers of the Company and affiliates, under the terms and conditions provided for by French or foreign law, and in particular within the scope of employee profit sharing schemes, free grants of shares or all employee share ownership

programmes as well as carrying out any transaction to cover the above-mentioned employee share ownership programmes;

- 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 as from the date hereof any prior authorisation for the same purpose.

The Board of Directors will have the possibility of allocating all the treasury shares currently held by the Company to any of these objectives under the conditions provided for in this share buyback programme. Full powers are granted to the Board of Directors, with the possibility for it to delegate, for the implementation of this resolution.

EXTRAORDINARY PART

Resolution 9: Delegation of authority to the Board of Directors to increase the share capital either through the issue of ordinary shares with maintenance of preferential subscription rights, or via the capitalisation of share premiums, reserves, profits or other amounts

Statement of reasons

It is proposed that the Annual General Meeting give an authorisation to the Board of Directors to increase the share capital either through the issue of ordinary shares with maintenance of preferential subscription rights, or via the capitalisation of share premiums, reserves, profits or other amounts.

The total amount of the capital increases that may thus be carried out may not lead to the share capital, which amounts to €120,862,724.20 as of February 11th, 2013, being increased to over €169,207,813.88. The increases that may be carried out pursuant to Resolution 11 will also

be deducted from this ceiling. It corresponds to a maximum increase of 40% of the capital.

In the event of a free grant of shares, the allotment rights forming fractional shares will not be negotiable or transferable. The corresponding shares will be sold and the amounts resulting from the sale will be allocated to the holders of these rights.

No overallocation option is provided for.

This delegation of authority would be valid for a period of 26 months as from the date of the Annual General Meeting.

Ninth resolution: Delegation of authority to the Board of Directors to increase the share capital either through the issue of ordinary shares with maintenance of preferential subscription rights, or via the capitalisation of share premiums, reserves, profits or other amounts

The Annual General Meeting, having reviewed the Report of the Board of Directors and in accordance with Articles L. 225 109 et seq. of the French Commercial Code, and in particular Article L. 225-129-2 of the French Commercial Code:

- 1) delegates to the Board of Directors the authority to decide on one or more increases in the share capital:
 - a) through the issue of ordinary shares of the company, and/or
 - b) via the capitalisation of share premiums, reserves, profits or other amounts in the form of allocations of bonus shares or an increase in the par value of existing shares.

The delegation of authority thus granted to the Board of Directors is valid for a period of 26 months as from the date of this Annual General Meeting;

- 2) decides that the total amount of the capital increases that may thus be carried out may not lead to the share capital, which amounts to €120,862,724.20 as of February 11th, 2013, being increased to over €169,207,813.88;

- 3) decides, if the Board of Directors uses this delegation of authority within the scope of the share issues referred to in paragraph 1.a that:

- a) the shareholders will have a preferential subscription right to the shares issued pursuant to this resolution, in proportion to the amount of their shares,

- b) if subscriptions made by shareholders by way of right on the basis of the shares they hold and, where applicable, their subscriptions for excess shares, do not cover the full number of shares issued, the Board of Directors will be able to offer to the public all or part of the non-subscribed shares;

- 4) decides that, if the Board of Directors uses this delegation of authority within the scope of capitalisations of share premiums, reserves, profits or other amounts referred to in paragraph 1.b, where applicable, in accordance with the provisions of Article L. 225-130 of the French Commercial Code, the fractional share rights will not be negotiable or transferable and the corresponding shares will be sold; the amounts derived from the sale will be allocated to the holders of the rights within thirty days at the latest after entry in their account of the whole number of shares allocated;

- 5) records that this delegation renders ineffective any prior delegation for the same purpose.

Resolution 10: Authorisation to the Board of Directors to make free grants of share to employees and waiver by their shareholders of their preferential subscription right

Statement of reasons

The authorisations granted by the Annual General Meeting to the Board of Directors to grant stock options to purchase and/or subscribe for shares and to make free grants of shares to the Group's employees and certain of its corporate officers are due to expire in 2013.

Further to the decision made by the Board of Directors of April 17th, 2012, upon the proposal of the Human Resources and Remuneration Committee to replace the grant of stock options to purchase or subscribe for shares with free grants of shares for all the beneficiaries, including the Chairman and Chief Executive Officer, the Board of Directors is only asking the Annual General Meeting to renew the authorisation to make free grants of shares of the Company.

Within the scope of this authorisation, the number of free shares that may be granted may not represent more than 0.6% of the share capital on the date of the Board of Directors' decision.

The total number of free shares granted to the corporate officers during a financial year may not represent more than 10% of the total number of free shares granted during that same financial year.

The free grant of shares to beneficiaries would become final and binding, subject to satisfaction of the other conditions set at the time of grant, including in particular the condition of presence in the Company, for all or part of the shares granted:

- either at the end of a minimum vesting period of four years, in such case without any minimum holding period;
- or at the end of a minimum vesting period of two years, it being specified that the beneficiaries will then be required to hold these shares for a minimum period of two years after the date of final award thereof.

The Board of Directors will have the possibility, in any case, to set vesting or holding periods which are longer than the minimum periods set, including in the event that the minimum holding period provided for by French law with regard to French residents is abolished. This mechanism would make it possible to harmonise the various operations with the different local constraints.

If the Annual General Meeting votes in favour of this tenth resolution, any free grants of shares will be decided by the Board of Directors on the basis of the proposals of the Executive Management examined by the Human Resources and Remuneration Committee.

The Board of Directors will determine the identity of the beneficiaries of the free grants of shares and the performance conditions to be met for the final vesting of all or part of the shares.

These performance conditions would take into account:

- partly the growth in L'Oréal's comparable cosmetics sales as compared to those of a panel of L'Oréal's biggest direct competitors;

- partly the growth in L'Oréal's consolidated operating profit.

The figures recorded year after year to determine the performance levels achieved are published in the Annual Financial Report.

The Board of Directors would once again apply the performance conditions that it uses in application of the authorisation in force which was voted on by the Annual General Meeting of April 22nd, 2011.

The Board of Directors considers that these two criteria, assessed over a long period of 3 full financial years and applied to several plans, are complementary, in line with the Group's objectives and suitable to its specificities and should make it possible to promote balanced, continuing growth over the long term. They are demanding but remain a source of motivation for beneficiaries.

In order for all the free shares granted to finally vest for the beneficiaries at the end of the vesting period pursuant to the criterion related to sales, L'Oréal's growth must be at least equal to average growth in sales of the panel of competitors. This panel currently consists of Procter & Gamble, Unilever, Estée Lauder, Shiseido, Beiersdorf, Johnson & Johnson, Henkel, LVMH, Kao, Revlon and Elizabeth Arden.

No share will finally vest pursuant to the criterion relating to operating profit, if this profit does not increase in absolute value over the period.

These performance conditions will apply to all the individual grants of more than 200 free shares per plan, with the exception of those for the corporate officers and the Executive Committee members, to which they will apply in full.

The free grant of shares may be carried out without any performance condition within the scope of grants that may be made to all the employees of the Group, or for shares granted in respect of cash subscriptions made within the scope of an increase in capital reserved for the Group's employees pursuant to the eleventh resolution.

Any grants of shares to the corporate officers will be decided by the Board of Directors on the basis of the proposals of the Human Resources and Remuneration Committee, after assessment of their performance.

The corporate officers will be obliged to retain 50% of the free shares that will be definitively granted to them at the end of the vesting period in registered form until the termination of their duties.

A corporate officer may not be granted free shares at the time of termination of office.

The authorisation requested from the Annual General Meeting would be granted for a period limited to 26 months as from the decision by the Annual General Meeting.

Tenth resolution: Authorisation to the Board of Directors to make free grants to employees and corporate officers of existing shares and/or of shares to be issued entailing waiver by the shareholders of their preferential subscription right

The Annual General Meeting, having reviewed the Report of the Board of Directors and the special Report of the Statutory Auditors, in accordance with Articles L. 225-197-1 *et seq.* of the French Commercial Code:

- authorises the Board of Directors to make, on one or more occasions, to employees and corporate officers of the Company and of French and foreign affiliates as defined by Article L. 225-197-2 of the French Commercial Code or certain categories of such employees or corporate officers, free grants of existing shares or shares to be issued of L'Oréal;
 - sets at 26 months as from the date of this Annual General Meeting, the period of validity of this authorisation which may be used on one or more occasions;
 - decides that the number of free shares thus granted may not represent more than 0.6% of the share capital at the date of the decision made by the Board of Directors, it being specified that this maximum number of shares, either existing or to be issued, does not take into account the number of additional shares that may be allocated due to an adjustment in the number of shares granted initially as the result of a transaction affecting the Company's capital;
 - decides that the number of free shares granted to corporate officers of the Company during a financial year pursuant to this resolution may not represent more than 10% of the total number of free shares granted during a financial year pursuant to this resolution;
 - decides that the Board of Directors will determine the identity of the beneficiaries of the grants, and the number of free shares granted to each of them as well as the conditions to be met for the grant to finally vest, and in particular the performance conditions, it being stipulated that the free grant of shares may be carried out without any performance condition within the scope of a grant made (i) to all the employees and corporate officers of L'Oréal and, where applicable, of its affiliates as defined by Article L. 3332-14 of the French Labour Code or Article 217 *quinquies* of the French Tax Code, or (ii) to employees and corporate officers of foreign companies subscribing to an increase in capital carried out pursuant to the eleventh resolution of this Annual General Meeting
- or participating in an employee share ownership transaction through the sale of existing shares or (iii) to employees who are not members of the Executive Committee for at most 200 of the free shares that are granted to them within the scope of each of the plans decided by the Board of Directors;
- decides that the grant of such shares to beneficiaries will become final and binding, subject to satisfaction of the other conditions set at the time of grant, for all or part of the shares granted either:
 - at the end of a minimum vesting period of four years, in such case without any minimum holding period, or
 - at the end of a minimum vesting period of two years, it being specified that the beneficiaries will then be required to hold these shares for a minimum period of two years after the date of the final award thereof;
 - decides that the grant of these shares to their beneficiaries will become final and binding prior to the expiry of the above-mentioned vesting periods in the event of disability of the beneficiary corresponding to classification in the second or third categories provided for in Article L. 341 1 of the French Social Security Code (*Code de la sécurité sociale*) and that such shares will be freely transferable in the event of disability of the beneficiary corresponding to classification in the above-mentioned categories under the French Social Security Code;
 - authorises the Board of Directors to make, where applicable, during the vesting period, adjustments to the number of shares, related to any potential transactions with regard to the Company's capital within the meaning of Article L. 225-181 of the French Commercial Code, in order to preserve the rights of the beneficiaries;
 - records that this authorisation automatically entails, in favour of the beneficiaries of free shares granted, the waiver by the shareholders of their preferential subscription right and the portion of the reserves which, where applicable, will be used in the event of the issue of new shares;
 - delegates full powers to the Board, with the possibility to delegate within the legal limits, to implement this authorisation, it being specified that the Board of Directors will be able to provide for vesting and holding periods which are longer than the minimum periods set above.

Resolution 11: Delegation of authority to the Board of Directors for the purpose of carrying out a capital increase reserved for employees with cancellation of the shareholders' preferential subscription right

Statement of reasons

The delegation of authority granted to the Board of Directors to increase the share capital, and the authorisations to make free grants of shares to be issued, give rise to a corresponding obligation to submit to the Annual General Meeting a draft resolution enabling a potential capital increase to be carried out reserved for employees.

In accordance with the French Labour Code, the issue price may not be higher than the average of the trading prices on the NYSE-Euronext Paris market for the twenty trading days prior to the date of the decision setting the opening date of the subscription period. It also may not be over 20% lower than this average, it being specified that the Board of Directors, or

the person to whom it delegates, if it deems it appropriate, is expressly authorised to reduce or eliminate the discount, in particular to take into account legal and tax regimes applicable in the countries of residence of certain beneficiaries of the capital increase.

The Annual General Meeting is therefore asked to delegate to the Board of Directors the authority to decide to carry out this increase in capital on one or more occasions, for a period of 26 months and within the limit of 1% of the share capital, namely for information purposes at February 11th, 2013 through the issue of 6,043,136 new shares: the amount of the increase or increases in capital that may be carried out in this respect would be deducted from the total ceiling for increases in capital provided for in the ninth Resolution.

Eleven resolution: Delegation of authority to the Board of Directors for the purpose of carrying out a capital increase reserved for employees with cancellation of the shareholders' preferential subscription right

The Annual General Meeting, having reviewed the Report of the Board of Directors and the special Report of the Statutory Auditors, deciding under the quorum and majority requirements for Extraordinary General Meetings, and acting in accordance with the provisions of Articles L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code and Articles L. 3332-18 *et seq.* of the French Labour Code:

- delegates to the Board of Directors the authority to carry out, on one or more occasions, on its own decisions, in the proportions and at the times it may consider appropriate, the issue of shares or securities giving access to the Company's capital reserved for employees, and eligible former employees, of the Company and of its French and foreign affiliates as defined by Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code, who are members of a company savings scheme;
- decides to cancel the preferential subscription right of shareholders for the shares or securities giving access to the Company's capital, it being specified that the subscription of the shares or securities giving access to the Company's capital issued in accordance with this resolution may be carried out through any employee investment fund or other collective body authorised by the regulations;
- sets the period of validity of this delegation at 26 months as from the date of this Annual General Meeting, and records that this delegation renders ineffective any prior delegation for the same purpose, for the unused part thereof;
- decides to set at 1% of the share capital existing at the date of this Annual General Meeting, the capital increase that could thus be completed (that is, for information purposes as at February 11th, 2013, an increase in the share capital by a maximum nominal amount of €1,208,627.20 through the issue of 6,043,136 new shares);
- decides that the amount of the increases in capital that may be carried out pursuant to this resolution will be deducted from the total ceiling for increases in capital provided for in the ninth resolution presented to this Annual General Meeting;
- decides that the subscription price may include a discount as compared with the average of the trading prices on the NYSE-Euronext Paris market for the twenty trading days prior to the date of the decision setting the opening date of the subscription period. Such discount may not exceed 20% of this average, it being specified that the Board of Directors, or the person to whom it delegates, if it deems it appropriate, is expressly

authorised to reduce or eliminate the discount, in particular to take into account legal and tax regimes applicable in the countries of residence of the beneficiaries of the capital increase;

- decides, pursuant to Article L. 3332-21 of the French Labour Code, that the Board of Directors may provide for the free grant to the beneficiaries specified above of shares that have already been issued or are to be issued, as an additional employer contribution that may be paid pursuant to the employee savings scheme regulations, and/or in respect of the discount, provided that taking into account their equivalent monetary value, assessed on the basis of the subscription price, it does not lead to the limits provided for in Articles L. 3332-11 and L. 3332-19 of the French Labour Code being exceeded;
- decides that the Board of Directors will have full powers, with the possibility to delegate further under the conditions provided for by law, to implement this delegation of authority within the limits and under the conditions specified above in particular in order to:
 - set the conditions that must be met by the employees and eligible former employees to be able to subscribe, individually or through an employee investment fund, for the shares issued pursuant to this delegation,
 - decide on the list of the companies whose employees may benefit from the share issue,
 - decide on the amount to be issued, the features, where applicable, of the securities giving access to the Company's capital, the issue price, the dates of the subscription period and the terms and conditions of each share issue,
 - set the time period allotted to the beneficiaries to pay up their shares or securities and the payment terms,
 - set the date, even with retrospective effect, as of which the new shares will carry dividend rights,
 - deduct, where applicable, the costs, taxes and fees of such issues from the amount of the share premiums and deduct, where applicable, from the amounts of the share premiums, the amounts required to increase the legal reserve to the level required by the French legislation and regulations in force,
 - in general, carry out all acts and formalities, take all decisions and enter into any agreements that may be appropriate or necessary for the due and proper completion of the share issues made pursuant to this delegation of authority and record the final completion of the capital increase or capital increases made pursuant to this delegation of authority and amend the Articles of Association accordingly.

Resolution 12: Powers for formalities

Statement of reasons

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

Twelfth resolution: 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.

SHARE CAPITAL: AUTHORISATIONS IN FORCE AND PROPOSED TO THE ANNUAL GENERAL MEETING

The table set out below summarises (particularly in application of Articles L. 225-129-1 and L. 225-129-2 of the French Commercial Code) the currently valid authorisations granted to the Board of Directors by the Annual General Meeting of shareholders concerning the capital, shows the use made of such authorisations over the financial year and presents the authorisations which are to be put to the vote at the Annual General Meeting on April 26th, 2013.

Nature of the authorisation	Authorisations in force				Authorisations proposed to the Annual General Meeting of April 26 th , 2013		
	Date of AGM (resolution no.)	Length (expiry date)	Maximum authorised amount	Use made of the authorisation in 2012	Resolution No.	Length	Maximum ceiling
Share capital increases							
Capital increase through the issue of shares with maintenance of preferential subscription rights or via the capitalisation of share premiums, reserves, profits or other amounts	April 22 nd , 2011 (9 th)	26 months (June 22 nd , 2013)	An increase in the share capital to €180,000,000	Néant	9 th	26 months (June 26 th , 2015)	An increase in the share capital to €169,207,813.88
Capital increase reserved for employees	April 22 nd , 2011 (12 th)	26 months (June 22 nd , 2013)	1% of share capital at the date of the Annual General Meeting (a maximum of 6,017,878 shares)	None	11 th	26 months (June 26 th , 2015)	1% of the share capital at the date of the General Meeting (i.e. a maximum of 6,043,136 shares at February 11 th , 2013)
Buyback by the Company of its own shares							
Buyback by the Company of its own shares	April 17 th , 2012 (9 th)	18 months (October 17 th , 2013)	10% of share capital on the date of the buybacks (i.e. 60,881,083 shares at December 31 st , 2012)	5,077,250 shares (Capital held by the Company at December 31 st , 2012: 1.72% of the share capital)	8 th	18 months (October 26 th , 2014)	10% of share capital on the date of the buybacks (i.e. 60,431,362 shares at February 11 th , 2013)
Reduction in the share capital via cancellation of shares							
Cancellation of shares purchased by the Company within the scope of Article L. 225-209 of the French Commercial Code	April 17 th , 2012 (10 th)	26 months (June 17 th , 2014)	10% of share capital on the date of cancellation per 24-month period (i.e. 60,881,083 shares at December 31 st , 2012) 500,000 shares	None			
Cancellation of shares purchased by the Company within the scope of Article L. 225-208 of the French Commercial Code	April 17 th , 2012 (10 th)	26 months (June 17 th , 2014)	500 000 actions	None			
Stock options and free grants of shares							
Allocation of share purchase or subscription options (no discount with regard to exercise price)	April 22 nd , 2011 (10 th)	26 months (June 22 nd , 2013)	0.6% of share capital on the date of the decision to allocate the options	None			
Free grant of existing shares or shares to be issued to employees	April 22 nd , 2011 (11 th)	26 months (June 22 nd , 2013)	0.6% of share capital on the date of the decision to allocate the options	1,325,050 shares	10 th	26 months (June 26 th , 2015)	0.6% of the share capital at the date of the grant decision

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INFORMATION CONCERNING DIRECTORS *whose appointment or tenure renewal is proposed to the Annual General Meeting*

APPOINTMENT PROPOSED TO THE ANNUAL GENERAL MEETING



Virginie Morgon

French | Age: 43
Professional address: 32 rue de Monceau – 75008 Paris
Holds 1,000 L'Oréal shares

Main corporate office held outside L'Oréal

Eurazeo*	Member of the Executive Board Chief Investment Officer
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Other corporate offices and directorships held

French companies

Accor*	Director
Edenred*	Director [until March 6 th , 2013]
Eurazeo PME	Chairperson of the Supervisory Board
Holdelis (holding company with an investment in Elis)	Chairperson of the Board [since March 1 st , 2013]
LH APCOA (holding company with an investment in APCOA)	Chief Executive Officer

Foreign companies

APCOA Parking AG (Germany)	Chairperson of the Supervisory Board
APCOA Group GmbH (Germany)	Managing Director
APCOA Parking Holdings GmbH (Germany)	Chairperson of the Advisory Board
Broletto 1 Srl (holding company with an investment in Intercos) (Italy)	Chairperson of the Board of Directors
Euraleo Srl (Italy)	Managing Director
Intercos SpA (Italy)	Managing Director
Moncler Srl (Italy)	Vice-Chairperson of the Board of Directors
Sportswear Industries Srl (Italy)	Director

Other

Women's Forum (WEFCOS)	Member of the Board of Directors
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Corporate offices and directorships over the last five years that have expired Expiry date of term of office

French companies

OFI Private Equity Capital (now Eurazeo PME capital)	Chairperson of the Supervisory Board	March 2012
LT Participations (holding company with an investment in Ipsos)	Permanent representative of Eurazeo on the Board of Directors	August 2011
Groupe B&B Hotels	Chairperson of the Supervisory Board	May 2009

Foreign company

APCOA Parking Holdings GmbH (Germany)	Vice-Chairperson of the Advisory Board	September 2008
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* Listed company.

TENURE RENEWALS PROPOSED TO THE ANNUAL GENERAL MEETING

**Françoise Bettencourt Meyers**

French | Age: 59
 Director since 1997
 Member of the Strategy and Sustainable Development Committee
 Professional address: Téthys – 27-29 rue des Poissonniers – 92200 Neuilly sur Seine – France
 Holds 283 L'Oréal shares in absolute ownership and 76,441,389 shares in bare ownership

**Expiry date
 of term of office: 2013**

Other corporate offices and directorships held**French companies**

Téthys SAS	Chairperson [since January 31 st 2012] Chairperson of the Supervisory Board
Financière de l'Arcouest SAS	Chairperson
Société Immobilière Sebor SAS	Chairperson

Other

Bettencourt Schueller Foundation	Chairperson of the Board of Directors
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Corporate offices and directorships over the last five years that have expired

**Expiry date
 of term of office**

Clymène SAS	Chairperson	June 28 th , 2012
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**Peter Brabeck-Letmathe**

Austrian | Age: 68
 Director since 1997
 Vice-Chairman of the Board of Directors
 Member of the Appointments and Governance Committee
 Member of the Human Resources and Remuneration Committee
 Member of the Strategy and Sustainable Development Committee
 Professional address: Nestlé – Avenue Nestlé, 55 – CH 1800 Vevey – Switzerland
 Holds 27,500 L'Oréal shares

**Expiry date
 of term of office: 2013**

Main corporate office held outside L'Oréal

Nestlé S.A. (Switzerland)*	Chairman of the Board
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Other corporate offices and directorships held**Foreign companies**

Credit Suisse Group (Switzerland)*	Vice-Chairman of the Board Director
Delta Topco Limited (Jersey)	Chairman of the Board
Exxon Mobil (USA)*	Director
Nestlé Health Science S.A. in Lutry (Switzerland)	Director and Chairman of the Board
Nestlé Institute of Health Science S.A. in Ecublens (Switzerland)	Member of the Steering Committee

Others

World Economic Forum (Switzerland)	Member of the Foundation Board
European Industrialists Round Table (Belgium)	Member of the Executive Committee Chairman of the Working group on External Economic Relations

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

**Expiry date
 of term of office**

Foreign companies

Roche Holding S.A. (Switzerland)	Director	March 2010
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Others

Uprona Ltd (Canada)	Director and Chairman	February 2011
World Economic Forum (Switzerland)	Chairman of IBC (Internat. Business Council)	November 2010
ECR Europe (Belgium)	Co-Chairman of the Executive Board	May 2008
Cereal Partners Worldwide (Switzerland)	Co-Chairman of the Supervisory Board	April 2008

* Listed company.



Louis Schweitzer

French | Age: 70
 Director since 2005
 Member of the Audit Committee and Chairman of the Audit Committee since February 12th, 2013
 Member of the Strategy and Sustainable Development Committee
 Professional address: Renault – Bât. Pierre Dreyfus – 37 avenue Pierre Lefaucheux – 92109 Boulogne-Billancourt Cedex – France
 Holds 2,000 L'Oréal shares

**Expiry date
 of term of office: 2013**

Other corporate offices and directorships held

French companies

BNP Paribas*	Director [until May, 2013]
Veolia Environnement**	Lead Director [since May 16 th , 2012]

Foreign companies

Allianz AG (Germany)*	Member of the Advisory Committee
Bosch (Germany)	Member of the Advisory Committee

Others

Comité des Salons	Chairman
Festival d'Avignon	Chairman
Fondation Nationale des Sciences Politiques	Member of the Board
Initiative France	Chairman
Maison de la Culture MC93	Chairman
Musée du Quai Branly	Director
Société des Amis du Musée du Quai Branly	Chairman
French Institute of International Relations	Vice-President [since April 2012]

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

**Expiry date
 of term of office**

French companies

Veolia Environnement	Vice-Chairman of the Board	May 2012
Le Monde (IMPA, IMSA, SEM)	Chairman of the Supervisory Board	December 2010
Renault	Chairman of the Board	April 2009
Electricité de France	Director	April 2008

Foreign companies

AstraZeneca (United Kingdom)	Director Chairman of the Board	June 2012
AB Volvo (Sweden)	Chairman of the Board	April 2012
Philips (The Netherlands)	Vice-Chairman of the Supervisory Board	April 2008

Others

Institut Français des Relations Internationales	Member of the Board	April 2011
Haute Autorité de Lutte contre les Discriminations et pour l'Égalité	Chairman	March 2010
Le Cercle de l'Orchestre de Paris	Chairman of the Board	June 2008
Musée du Louvre	Member of the Board	May 2008
Banque de France	Member of the Consultative Council	

* Listed company.

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STATUTORY AUDITOR'S REPORTS

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (YEAR ENDED DECEMBER 31ST, 2012)

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.

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31st, 2012, 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.

I. 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 31st, 2012 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.

II. 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 1.15 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 1.23 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.

III. Specific verification

As required by law and in accordance with professional standards applicable in France, we have also verified 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 15th, 2013

The Statutory Auditors

PricewaterhouseCoopers Audit

Gérard Morin

Deloitte & Associés

David Dupont-Noel

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS (YEAR ENDED DECEMBER 31ST 2012)

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 financial statements and includes an explanatory paragraph 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 financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report also includes information relating to the specific verification of information given in the Management Report.

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

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31st 2012, on:

- the audit of the accompanying financial statements of L'Oréal;
- the justification of our assessments;
- the specific verifications and information required by law.

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

I. Opinion on the 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 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 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 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 financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31st 2012, and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

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

Investments have been valued in accordance with the accounting methods described in note 1.7.1 "Accounting policies – Financial Assets – Investments and advances" to the Company's financial statements. As part of our audit, we reviewed whether these accounting methods were appropriate and evaluated the assumptions used.

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

III. Specific verifications and information

In accordance with professional standards applicable in France, we have also performed the specific verifications required by law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Management Report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of shareholders and holders of the voting rights has been properly disclosed in the Management Report.

Neuilly-sur-Seine, February 15th, 2013

The Statutory Auditors

PricewaterhouseCoopers Audit
G rard Morin

Deloitte & Associ s
David Dupont-Noel

STATUTORY AUDITORS' SPECIAL REPORT ON THE AUTHORISATION FOR THE FREE GRANTING OF EXISTING SHARES AND/OR SHARES TO BE ISSUED TO EMPLOYEES AND CORPORATE OFFICERS OF THE COMPANY

Annual General Meeting of April 26th, 2013 (tenth resolution)

This is a free translation into English of the Statutory Auditors' special 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.

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 proposed free granting of existing shares and/or shares to be issued to employees and corporate officers of L'Oréal and affiliated companies within the meaning of Article L. 225-197-2 of the French Commercial Code, or to certain categories of employees and corporate officers, a transaction on which you are asked to vote.

Based on its report, shareholders are requested to authorise the Board of Directors to grant, for a period of twenty-six months, for no consideration and on one or more occasions, existing shares and/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 conduct. 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 in accordance with professional standards applicable in France. 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 free granting of shares.

Neuilly-sur-Seine, February 15th, 2013

The Statutory Auditors

PricewaterhouseCoopers Audit

Gérard Morin

Deloitte & Associés

David Dupont-Noel

STATUTORY AUDITORS' SPECIAL REPORT ON THE SHARE CAPITAL INCREASE RESERVED FOR EMPLOYEES OF THE COMPANY

Annual General Meeting of April 26th, 2013 (eleventh resolution)

This is a free translation into English of the Statutory Auditors' special 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.

In our capacity as Statutory Auditors of your Company and in accordance with Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby present you with our report on the proposal to delegate to the Board of Directors the authority to carry out, on one or more occasions, the issue of shares or securities giving access to the Company's share capital with cancellation of preferential subscription rights, such increase being reserved for employees and eligible former employees of your Company and affiliated companies, within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code (*Code du travail*), who are members of a Internal Audit corporate savings scheme, a transaction on which you are asked to vote.

This proposed share capital increase is submitted to you for approval pursuant to Articles L. 225-129-6 of the French Commercial Code and Article L. 3332-18 *et seq.* of the French Labor Code.

The total number of shares likely to be issued, on one or more occasions, pursuant to this delegation, cannot exceed 1% of the Company's share capital existing as of the date of this Annual General Meeting, it being specified that the total share capital increases likely to be carried out under this resolution shall be allocated to the overall limit stipulated in the ninth resolution.

On the basis of its report, the Board of Directors asks you to delegate, for a period of twenty-six months, the authority to decide one or several share capital increases and to cancel your preferential share subscription rights to the shares to be issued. Where appropriate, the Board of Directors shall set the final terms and conditions of the share capital increases.

It is the role of the Board of Directors to prepare a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. It is our role to comment on the fair presentation of financial data taken from the accounts, on the proposed cancellation of your preferential subscription rights and on certain other information concerning the issue, presented in this report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France. These procedures consisted in verifying the content of the Board of Directors' Report in respect of this transaction and the terms and conditions for determining the share issue price.

Subject to the subsequent review of the terms and conditions of each share capital increase that the Board of Directors may decide, we have no comment to make on the terms and conditions for determining the share issue price as set forth in the Board of Directors' report.

As the final terms and conditions governing the share capital increase(s) have not been set, we do not express an opinion thereon and consequently on the proposed cancellation of preferential share subscription rights.

In accordance with Article R. 225-116 of the French Commercial Code, we shall prepare an additional report for each share capital increase that your Board of Directors may decide to perform.

Neuilly-sur-Seine, February 15th, 2013

The Statutory Auditors

PricewaterhouseCoopers Audit

G rard Morin

Deloitte & Associ s

David Dupont-Noel

Notes

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REQUEST FOR PROVISION OF STATUTORY DOCUMENTS⁽¹⁾

ANNUAL GENERAL MEETING OF APRIL 26TH, 2013

Documents relative to the Annual General Meeting may be seen or downloaded
on the Company's Internet website:

www.loreal-finance.com

I, the undersigned:

Surname: first name:.....

Address:

Post code: City:

The holder of: registered shares

and/or of bearer shares

registered with ⁽²⁾

request that the document and information provided in Articles R. 225-81 et R. 225-83 of the French Commercial Code concerning the General Meeting to be held on April 26th, 2013, should be sent to me at the above address.

Signed in, on2013

(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 – France. Fax: 01 47 56 86 42 - E-mail: info-ag@loreal-finance.com – Freephone number (from France only): 0 800 66 66 66, from abroad: +33 1 40 14 80 50.

(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.



L'ORÉAL

Incorporated in France as a "Société Anonyme"
With registered capital of €120,862,724.20
632 012 100 RCS Paris

Administrative Headquarters:
41, rue Martre
92117 Clichy Cedex – France
Tel.: +33 1 47 56 70 00
Fax: +33 1 47 56 86 42

Registered Office:
14, rue Royale
75008 Paris – France

Freephone number from France:
0 800 66 66 66

Number from abroad:
+33 1 40 14 80 50

This document and all the documents relative to the Annual General Meeting can be found on this website: www.loreal-finance.com, sections "the shareholders' corner", "key dates" and "Annual General Meeting".

CONVENING NOTICE

ORDINARY AND EXTRAORDINARY ANNUAL GENERAL MEETING
of Friday, April 26th, 2013 at 10 a.m.
Palais des Congrès - 75017 PARIS



ORDINARY PART

1. Approval of the 2012 parent company financial statements
2. Approval of the 2012 consolidated financial statements
3. Allocation of the Company's net income for 2012 and declaration of the dividend
4. Appointment of Ms. Virginie Morgon as Director
5. Renewal of the tenure as Director of Mrs. Françoise Bettencourt Meyers
6. Renewal of the tenure as Director of Mr. Peter Brabeck-Letmathe
7. Renewal of the tenure as Director of Mr. Louis Schweitzer
8. Authorisation for the Company to buy back its own shares

EXTRAORDINARY PART

9. Delegation of authority to the Board of Directors to increase the share capital either through the issue of ordinary shares with maintenance of preferential subscription rights, or via the capitalisation of share premiums, reserves, profits or other amounts
10. Authorisation to the Board of Directors to make free grants to employees and corporate officers of existing shares and/or of shares to be issued entailing waiver by the shareholders of their preferential subscription right
11. Delegation of authority to the Board for the purpose of carrying out a capital increase reserved for employees with cancellation of the shareholders' preferential subscription right
12. Powers for formalities

HOW TO TAKE PART IN THE ANNUAL GENERAL MEETING?

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, NAMELY ON TUESDAY, APRIL 23RD, 2013, AT ZERO HOUR (PARIS LOCAL TIME).

Participate in the Annual General Meeting

You may choose between the four following methods to exercise your rights as a shareholder:

- by attending personally the meeting, using your entrance card ⁽¹⁾;
- by voting by post or Internet;
- by giving proxy to the Chairman of the meeting;
- by giving proxy to anyone else.

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 Tuesday, April 23rd, 2013 at zero hour (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.

Save time and care for the environment

You can now opt for an electronic version of your entrance card, which can directly be downloaded on your computer. In order to do this, you need to follow the instructions shown on the last page of this mid-booklet.

That "e-entrance card" can be seen and printed until the day of the Annual General Meeting, and must be shown during the registration process.

In accordance with Article R. 225-84 of the French Commercial Code, any shareholder who wishes to submit written questions may do so in the following manner up until the fourth working day prior to the Annual General Meeting at the latest:

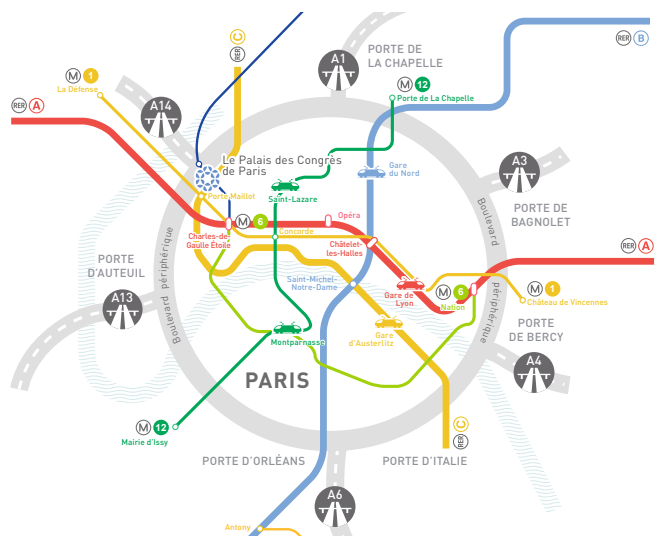
- registered letter with acknowledgement of receipt requested addressed to the Chairman of the Board of Directors, 41 rue Martre – 92117 Clichy Cedex, France;
- or to the following e-mail address:
info-ag@loreal-finance.com

For holders of bearer shares, these questions must be accompanied by a certificate confirming that the shares are recorded in a shareholder's account in the holder's name.

(1) On the day of the Annual General Meeting, each shareholder must provide proof of his shareholder status and his identity during the registration process.

To get to the Palais des Congrès 2, place de la Porte Maillot, 75017 Paris

- **Subway:** Line 1
"Porte Maillot" stop;
- **RER:** RER C
"Neuilly – Porte Maillot" stop;
- **Bus:** Lines PC1, PC3, Bb, 43, 73, 82, 244;
"Général Koenig - Palais des Congrès", "Porte Maillot - Palais des Congrès" or "Balabus - Porte Maillot" stops;
- **Car:** The Palais des Congrès has an underground car park.



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-ag@loreal-finance.com**.

METHODS OF PARTICIPATION IN PERSON, BY PROXY OR BY CORRESPONDENCE

You wish to personally attend the Annual General Meeting

Holders of registered shares

- Tick **box A** of the form ⁽¹⁾. 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 ⁽²⁾.

Holders of bearer shares

- 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 ⁽²⁾.

You will not personally attend the Annual General Meeting

For holders of both registered and bearer shares

If you are not personally attending the meeting you can choose one of the three following possibilities; tick the **box B** of the voting form ⁽¹⁾:

- Vote by post: tick box "I vote by post" (**B1**) and vote following the instructions;
- Give your proxy to the Chairman of the meeting: tick the box "I hereby give proxy to the Chairman of the meeting" (**B2**). In that case, a vote in favor of adopting resolutions submitted or approved by the Board of Directors, and a vote against adopting any other draft resolutions will be issued ⁽³⁾;
- Give your proxy to someone else: tick the box "I hereby appoint" (**B3**) and give the name of the person appointed as your proxy who will be present at the meeting ⁽³⁾.

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

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

- Duly dated and signed;
- Received by the department Assemblées Générales de BNP Paribas Securities Services, at the following address: BNP Paribas Securities Services, CTS Service Assemblées Générales, Les Grands Moulins de Pantin, 9 rue du Débarcadère, 93761 Pantin Cedex, France, no later than Tuesday, April 23rd, 2013.

You plan to attend the Meeting in person: check the A case.

You do not plan to attend the Meeting in person: check the B case.

You want to cast a postal vote: check here and follow the instructions.

You want to give proxy to the Chairman of the Meeting: check here.

You want to give proxy to someone else, check here, and indicate the name of the person appointed as your proxy who will be present at the Meeting.

Ce formulaire n'est pas à utiliser dans le cas d'un vote par Internet (voir instructions ci-jointes) / This form should not be used in case of voting by Internet (see attached instruction)

IMPORTANT : avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso / Before selecting, please refer to instructions on reverse side.

QUELLE QUE SOIT L'OPTION CHOISIE, NOIRCIER COMME CECI ■ LA OU LES CASES CORRESPONDANTES, DATER ET SIGNER AU BAS DU FORMULAIRE / WHICHEVER OPTION IS USED, SHADE BOX(ES) LIKE THIS ■, 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

ASSEMBLÉE GÉNÉRALE MIXTE des actionnaires convoquée le vendredi 26 avril 2013 à 10 h 00, au Palais des Congrès, 2 Place de la Porte Maillot, 75017 PARIS - France.
COMBINED GENERAL MEETING for the shareholders to be held on Friday, April 26th, 2013 at 10:00 am at Palais des Congrès, 2 Place de la Porte Maillot, 75017 PARIS - France.

Société Anonyme au capital de € 120.862.724, 20
Siège social :
14, rue Royale, 75008 PARIS-France
632 012 100 RCS PARIS

CADRE RÉSERVÉ À LA SOCIÉTÉ / For Company's use only
Identifiant / Account

Nombre d'actions / Number of shares

Nombre de voix / Number of voting rights

Nominatif / Registered
Porteur / Bearer

Vote simple / Single vote
Vote double / Double vote

B1 JE VOTE PAR CORRESPONDANCE // VOTE BY POST
Cf. au verso renvoi (2) - See reverse (2)

B2 JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE
Cf. au verso renvoi (3) - See reverse (3)

B3 JE DONNE POUVOIR A : cf. au verso renvoi (4) / I HEREBY APPOINT see reverse (4)

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directeur ou la Gérance, à l'EXCEPTION de ceux que je signale en notifiant comme ceci ■ la case correspondante et pour lesquels je vote NON ou je m'abstiens.
I vote YES all the draft resolutions approved by the Board of Directors, EXCEPT those indicated by a shaded box - like this ■, for which I vote NO or I abstain.

Sur les projets de résolutions non agréés par le Conseil d'Administration ou le Directeur ou la Gérance, je vote en notifiant 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
10 11 12 13 14 15 16 17 18
19 20 21 22 23 24 25 26 27
28 29 30 31 32 33 34 35 36
37 38 39 40 41 42 43 44 45

Oui/Non/No
Yes/Abst/Abst

A F
B G
C H
D J
E K

ATTENTION : S'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement retournées à votre banque.
CAUTION : If it is about bearer securities, the present instructions will be valid only if they are directly returned to your 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)

In all cases, date and sign the form here.

Write your name and address here or verify them if they are already

Date & Signature

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 general 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 NO).

- Je donne procuration (cf. au verso renvoi 4) à M., Mme ou Mlle, Raison Sociale, pour voter en mon nom / I appoint (see reverse (4)) Mr, Mrs or Miss, Corporate Name to vote on my behalf

Pour être prise en considération, toute formule (A ou B) doit parvenir au plus tard : le 23 avril 2013
In order to be considered, all forms (A or B) must be returned no later than: April 23rd, 2013

à/ to : Services Actionnaires de L'Oréal - BNP Paribas Securities Services
CTS Assemblées, Les Grands Moulins de Pantin - 9 rue du Débarcadère - 93761 PANTIN Cedex

The french version prevails; English translation is for convenience only

(1) 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.

(2) If you have not received your entrance card by the third working day prior to the Annual General Meeting, namely Tuesday, April 23rd, 2013, please ask your custodian institution for a shareholding certificate. If you are a holder of registered shares, you can go right to the Annual General Meeting (without a shareholding certificate).

(3) In accordance with the provisions of Article R. 225-79 of French Commercial Code, it is possible to revoke a proxy who has previously been appointed. Please see the section entitled "Appointment and revocation of a proxy" on the following page of this document for further information.

METHODS OF PARTICIPATION VIA INTERNET

You are a directly registered shareholder:

- Log in to the Planetshares (<https://planetshares.bnpparibas.com>) website, which will be open as from Friday April 5th, 2013, using the identification number and password which have been provided to you and which you usually use to consult your account.
- Then follow the instructions appearing on the screen.

You are a registered shareholder and your shares are managed by a financial intermediary:

If you want to vote via internet, look at your paper voting form, enclosed with this brochure containing notice of the Annual General Meeting, which contains your identifier in the top right-hand corner. This identifier will enable you to access the Planetshares (<https://planetshares.bnpparibas.com>) website. If you do not have your password, you should ask for it by clicking as follows:

- if you have forgotten your password, click on the link "Forgotten your password?" in the top right-hand corner of the homepage of the "planetshares" website;
- if you are connecting for the first time, click on the link "Connecting for the first time?" in the top right-hand corner of the homepage of the "planetshares" website.

Then follow the instructions appearing on the screen to obtain your password to connect to the site.

You are a holder of bearer shares:

New possibility offered in 2013: you can use the "Votaccess" service to vote via Internet (if the financial intermediary managing your shares offers this service).

- To access the "Votaccess" service, which will be available from April 5th to April 25th, 2013 at 3 p.m., connect to your financial intermediary's "stock market" ("Bourse") portal and access your securities account or share savings plan;
- Follow the instructions appearing on the screen.

From then on, and regardless of the way of custody of your shares, you can:

- Vote by Internet;
- Give your proxy to the Chairman of the meeting or to anyone else ⁽¹⁾;
- Ask for your "e-entrance card" to personally attend the meeting. You will have the possibility to download your entrance card directly on your computer.

Use of the service:

Voting by Internet before the Annual General Meeting will no longer be possible from Thursday, April 25th, 2013 at 3 p.m. (Paris 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.

NB: If you decide to vote by Internet, you must not fill or send back the voting form.

Registered shareholders:

Address of the secure website dedicated to voting prior to the Annual General Meeting and open as from Friday April 5th, 2013:

<https://planetshares.bnpparibas.com>

APPOINTMENT AND REVOCATION OF A PROXY FOR THE ANNUAL GENERAL MEETING

Article R. 225-79 of the French Commercial Code now makes it possible to revoke a proxy who has previously been appointed. The proxy given for an Annual General Meeting can be revoked in the same forms as are required to appoint the proxy.

1/ By post:

The person giving the proxy must send the service Assemblées Générales (Annual General Meetings department) of BNP Paribas Securities Services a letter giving the name of the Company and the date of the Annual General Meeting, the surname, first name, address and registered share account number (or bank account details for bearer shareholders) of the person giving the proxy where applicable and the surname, first name and, if possible, the address of the proxy.

Holders of bearer shares must mandatorily ask the institution that is the custodian of their shares to send written confirmation to the service Assemblées Générales, BNP Paribas Securities Services – CTS Assemblées Générales – Les Grands Moulins de Pantin 9 rue du Débarcadère – 93761 Pantin Cedex.

Appointments or revocations of proxies sent in on paper must be received no later than 3 calendar days prior to the date of the Annual General Meeting, namely at the latest on Tuesday, April 23rd, 2013 at midnight (Paris time).

2/ By internet:

Notification of the appointment or revocation of a proxy can also be made via the internet, in the following manner:

Directly registered shareholder or registered shareholder whose shares are managed by a financial intermediary

The shareholder will have to make his request on PlanetShares (<https://planetshares.bnpparibas.com>) by logging in with his/her usual identifiers

and selecting the page "Shareholders' corner – Annual General Meetings" and then clicking on "Appointing or revoking a proxy".

Bearer shareholder

If the financial intermediary is connected to Votaccess:

- the shareholder will have to log in to his/her financial intermediary's "Stock market" ("Bourse") portal and access his/her securities account or share savings account in order to access the "Votaccess" portal;
- then follow the instructions appearing on the screen.

If the financial intermediary is not connected to Votaccess:

- the shareholder will have to send an email to the following address: **paris.bp2s.france.cts.mandats@bnpparibas.com**. This email must mandatorily contain the following information: name of the Company and date of the Annual General Meeting, last name, first name, address, bank account details of the person granting the proxy and the last name, first name and, if possible, the proxy's address;
- the shareholder will mandatorily have to ask the financial intermediary which manages his/her securities account to send written confirmation to the Service Assemblées Générales of BNP Paribas Securities Services – CTS Assemblées Générales - Grands Moulins de Pantin - 9 rue du Débarcadère – 93761 Pantin Cedex.

Only notifications of appointment or revocation of proxies may be sent to the above-mentioned e-mail address and any request or notification made to this address for another purpose will not be taken into consideration and/or processed.

In order for appointments or revocations of proxies made by e-mail to be validly taken into consideration, the confirmations must be received at the latest by 3 p.m. (Paris time) on the day before the Annual General Meeting, namely on Thursday, April 25th, 2013 at 3 p.m. (Paris time).

(1) In accordance with the provisions of Article R. 225-79 of French Commercial Code, it is possible to revoke a proxy who has previously been appointed. Please see the section above entitled "Appointment and revocation of a proxy" for further information.