ANNUAL GENERAL MEETING
TUESDAY, APRIL 22nd 2008
CONVENING NOTICE

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ACCESS

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

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

CAR PARKS

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

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

Parking Pyramides
15, rue des Pyramides

Parking Vendôme
Place Vendôme

Parking Saint-Honoré
Place Marché Saint-Honoré

Parking Louvre des Antiquaires
1, rue Marengo

MÉTRO

Line 1 : Palais-Royal – Musée du Louvre

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

AGENDA
ANNUAL GENERAL MEETING
TUESDAY, APRIL 22nd 2008

L'Oréal Shareholders are summoned to the Annual General Meeting at the Carrousel du Louvre – 99, rue de Rivoli, 75001 Paris – on Tuesday, April 22nd at 10 am, in order to deliberate on the following agenda and to give a ruling on the draft resolutions presented by the Board of Directors:

ORDINARY PART

1. Approval of the 2007 parent company financial statements
2. Approval of the 2007 consolidated financial statements
3. Allocation of the company's net income for 2007 and declaration of the dividend
4. Regulated agreements and regulated commitments
5. Ratification of the cooptation of Mr Filippi as director
6. Renewal of the tenure as director of Mr Bernard Kasriel
7. Authorisation for the company to buy back its own shares

EXTRAORDINARY PART

8. Authorisation given to the Board of Directors to cancel shares purchased by the company under Articles L. 225-209 and L. 225-208 of the French Commercial Code
9. Powers for formalities

REPORT OF THE BOARD OF DIRECTORS ON THE DRAFT RESOLUTIONS SUBMITTED FOR APPROVAL TO THE ANNUAL GENERAL MEETING ON TUESDAY APRIL 22nd, 2008

ORDINARY PART

Approval of the annual financial statements, allocation of the company's net income for 2007 and declaration of the dividend

[first, second and third resolutions]

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

- the parent company financial statements, with a profit and loss account which shows net income of €2,822.4 million for 2007 compared with €1,690.3 million at December 31st, 2006,

- and the 2007 consolidated financial statements, the main details of which are set out in the 2007 Annual Report, together with the main information included in the file for calling the Annual General Meeting on Tuesday April 22nd, 2008.

The Board of Directors proposes to the Annual General Meeting a net dividend of €1.38 per share, representing an increase of 16.9% compared with the net dividend for 2006.

The dividend for the 2007 financial year will be detached from the share on April 25th, 2008 and will be payable in cash as from April 30th on positions established as of the evening of April 29th.

Regulated agreements and regulated commitments
[fourth resolution]

Two regulated commitments referred to in Article L.225-42-1 of the French Commercial Code (*Code de commerce*) that received the prior authorisation of the Board of Directors on February 13th, 2008 are submitted for the approval of the Annual General Meeting:

In this regard, in order to comply with French Law No. 2007-1223 of August 21st, 2007 to promote work, employment and purchasing power (known as the TEPA law) undertakings made by the company to its corporate officers corresponding to elements of remuneration, indemnities or benefits due or that may become due in respect of the termination or change in the duties of the corporate officer or thereafter, must be authorised by the Board of Directors and subject to performance conditions and then approved by the general meeting.

These commitments submitted for approval by the Annual General Meeting are as follows:

- in the event of non-renewal or removal from his corporate office, except for gross misconduct or gross negligence, Mr Jean-Paul Agon will be entitled to an indemnity for termination of his corporate office equal to 3 months' remuneration (solely his fixed remuneration) per year of performance of the corporate office of Chief Executive Officer, as from 2006 inclusive, and limited to a maximum of 12 months of the fixed part of the last remuneration received in respect of his corporate office, subject to fulfilment of performance conditions.

  This indemnity will be added to the indemnities payable, where applicable, in the event of subsequent termination of his resumed employment contract calculated on the basis of the applicable collective bargaining agreement.
- in the event of retirement at the company's request or voluntary retirement which takes place at the time of termination of his corporate office or thereafter, Mr Jean-Paul Agon will be entitled to a departure or retirement indemnity determined in accordance with the same terms and conditions as those applicable to a senior manager of L'Oréal, namely, on the basis of his length of service, an amount of 6 months' average remuneration (fixed + variable portions) over the 12 months prior to the month of his departure.

  This indemnity will be calculated on the basis of the fixed and variable remuneration received as a corporate officer and the total length of service accrued pursuant to his employment contract and his corporate office, subject to fulfilment of performance conditions.

  This indemnity may not be lower than the departure or retirement indemnity to which he would be entitled pursuant to his resumed employment contract, and will not be received cumulatively with either such a departure or retirement indemnity or with an indemnity due to non-renewal or removal from his corporate office.

The performance conditions mentioned above and decided on by the Board of Directors are assessed as follows: one-half will be based on the rate of growth in L'Oréal's sales as compared to the market growth rate while the other-half will be based on the change in earnings per share (diluted net earnings per share excluding non-recurrent items, after minority interests); both these conditions will be assessed for the last four financial years prior to the year in which the corporate office ends.

Depending on the level of fulfilment of such conditions, the amount of each component of the indemnity will be reduced or may even amount to zero.

Were an event to occur which would be likely to lead to a significant reduction in earnings per share during the financial year, then the Board of Directors would reserve the right to include the year then in progress in the four years taken into account in order to calculate the performance condition.

These commitments are described in the Statutory Auditors' special report.

Ratification of the cooptation as director of Mr Charles-Henri Filippi
[fifth resolution]

Having reviewed the Report of the Board of Directors, the Annual General Meeting is asked to ratify the cooptation decided by the Board of Directors at its meeting on November 30th, 2007, of Mr Charles-Henri Filippi as director to replace Mr Franck Riboud who was resigning, for the remainder of his tenure, that is until the end of the Annual General Meeting to be held in 2010 to review the financial statements for the previous financial year.

Renewal of the tenure as director of Mr Bernard Kasriel
[sixth resolution]

The Annual General Meeting is asked to renew the tenure as director of Mr Bernard Kasriel for a period of four years as provided for by the Articles of Association.

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

Authorisation for the company to buy back its own shares
[seventh resolution]

During 2007 and up until February 13th, 2008, the Board of Directors continued with the implementation of its policy of buying back then cancelling shares: 16.28 million shares were bought back, for a total amount of €1,420 million while 28.9 million shares were cancelled.

As the existing authorisation is due to expire in October 2008, a proposal is made to the Annual General Meeting that it should grant the Board a further authorisation enabling it to continue with its share buyback policy, depending on the opportunities that may arise, and except during periods of public offers with regard to the company's capital.

A detailed report on the transactions carried out and a description of the authorisation that is being put to your vote are included in the chapter of the Management Report entitled "Buyback of its own shares by the Company".

The authorisation would be granted for a period of 18 months at a purchase price per share that may not be greater than €130. The authorisation would concern no more than 10% of the capital for a maximum amount of €7.9 billion, it being stipulated that the company may at no time hold over 10% of its own capital.

EXTRAORDINARY PART

Authorisation for the Board of Directors to cancel shares purchased by the company under Articles L. 225-209 and L. 225-208 of the French Commercial Code

[eighth resolution]

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

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

  A proposal is made to the Annual General Meeting that it should grant the Board a further authorisation enabling it to continue with its cancellation policy, within the limits provided for by law.

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

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

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

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

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

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

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

Powers for formalities
[*ninth resolution*]

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

The Board of Directors

DRAFT RESOLUTIONS
SUBMITTED FOR APPROVAL TO
THE ORDINARY AND EXTRAORDINARY GENERAL MEETING
APRIL 22ND, 2008

ORDINARY PART

1st resolution.
Approval of the 2007 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 2007 parent company financial statements showing net income of €2,822,429,471.46 compared with €1,690,255,720.74 for 2006.

2nd resolution.
Approval of the 2007 consolidated financial statements

The Annual General Meeting, having reviewed the reports of the Board of Directors and the Statutory Auditors, approves the 2007 consolidated financial statements.

3rd resolution.
Allocation of the company's net income for 2007 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 2007 financial year, amounting to €2,822,429,471.46, as follows:

No allocation to the legal reserve which already represents over one-tenth of the share capital	-
An amount of will be allocated to shareholders as a dividend (1)	€842,888,281.80
The balance, that is will be allocated to the "Other reserves" item	€1,979,541,189.66

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

These amounts take into account the total number of shares forming the capital at February 13th, 2008, the date of the Board Meeting which adopted this proposal for allocation of the company's income, and will be adjusted to reflect the number of shares issued following the exercise of share subscription options with 2007 dividend rights on the dividend payment date.

The Annual General Meeting therefore declares a net dividend to be paid for the financial year of €1.38 per share.

The Annual General Meeting decides that this dividend will be paid on Wednesday, April 30th, 2008, the amount of distributable income corresponding to the dividends on treasury shares held by the company on such date being allocated to the "Ordinary reserve" item.

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

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

	2004	2005	2006
Dividend per share	€0.82	€1.00	€1.18

4th resolution.
Regulated agreements and regulated commitments

The Annual General Meeting, having reviewed the special report of the Statutory Auditors provided for in Article L. 225-40 of the French Commercial Code, decides on the basis of this report and approves, in accordance with Article L. 225-42-1 of the French Commercial Code, the commitments made with regard to the Chief Executive Officer as set out in this report.

5th resolution.
Ratification of the cooptation of Mr Filippi as director

The Annual General Meeting, having reviewed the report of the Board of Directors, ratifies the cooptation made by the Board of Directors at its meeting on November 30th, 2007, of Mr Charles-Henri Filippi as director to replace Mr Franck Riboud, who was resigning, for the remainder of his tenure, that is until the end of the General Meeting to be held in 2010 to review the financial statements for the previous financial year.

6th resolution .
Renewal of the tenure as director of Mr Bernard Kasriel

The Annual General Meeting renews the tenure as director of Mr Bernard Kasriel for a period of four years as provided for by the Articles of Association.

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

7th resolution.
Authorisation for the company to buy back its own shares

The Annual General Meeting, having reviewed the reports of the Board of Directors, decides to authorise the Board of Directors, effective as of the date set out hereinafter, with the possibility for it to delegate under the conditions provided for by law, to trade in the company's shares on the Stock Exchange or otherwise, in accordance with the requirements of Articles L. 225-209 *et seq*. of the French Commercial Code, and subject to the following conditions:

- the purchase price per share may not be greater than €130;
- the number of shares that may be bought by the company pursuant to this authorisation 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 13th, 2008, 61,078,861 shares for a maximum amount of €7.9 billion, it being stipulated that the company may at no time hold over 10% of its own capital.

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

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

- their cancellation for purposes of optimising shareholders' equity and net earnings per share by a reduction in the capital, subject to adoption of the eighth resolution set out below;
- their allocation to employees and corporate officers of the company and affiliates, under the terms and conditions provided for by French law, and in particular within the scope of employee profit-sharing schemes, share purchase options, free grants of shares or company savings schemes,
- animating 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:

- shall take effect on the date when the Board of Directors decides on its implementation, and that this decision will automatically lead to expiry of the authorisation to buy back the company's shares granted by the Annual General Meeting on April 24th, 2007, which shall remain in force until such date;
- shall expire at the end of a period of 18 months following this Annual General Meeting.

The Annual General Meeting grants full powers to the Board of Directors, with the possibility for it to delegate, to make all trades, enter into all agreements, prepare all documents, particularly for information purposes, carry out all formalities, including assigning and reassigning the shares purchased to the different goals pursued, and make all declarations and filings with all organisations and, in general, take all actions that are necessary for the implementation of this resolution.

EXTRAORDINARY PART

8th resolution.
Authorisation given to the Board of Directors to cancel shares purchased by the company under Articles L. 225-209 and L. 225-208 of the French Commercial Code

The Annual General Meeting, deciding under the quorum and majority requirements for Extraordinary General Meetings, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors;

- authorises the Board of Directors, in accordance with Article L. 225-209 of the French Commercial Code, to cancel, on one or more occasions, the shares held by the company pursuant to Article L. 225-209 of the French Commercial Code, within the limit of 10% of the capital as of the date of cancellation, per twenty-four month period. This authorisation is given for a period of twenty-six months as from the date of this Annual General Meeting and renders ineffective any prior authorisation for the same purpose,
- authorises the Board of Directors, for a period of twenty-six months as from the date of this Annual General Meeting, in accordance with Articles L. 225-204 and L. 225-205 of the French Commercial Code, to cancel, on one or more occasions, a maximum of 500,000 shares purchased by the company on the basis of Article L. 225-208 of the French Commercial Code to cover share purchase options which currently correspond, or will correspond in future, to options that are no longer exercisable.

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

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

9th 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.

STATUS OF FINANCIAL AUTHORISATIONS IN FORCE GRANTED BY THE ANNUAL GENERAL MEETING TO THE BOARD OF DIRECTORS AND PRESENTATION OF THE AUTHORISATIONS PROPOSED TO THE ANNUAL GENERAL MEETING ON TUESDAY APRIL 22nd, 2008

Share capital increases

	Authorisations in force				Authorisations proposed to the AGM of April 22nd, 2008		
	AGM (Resolution No)	Length (Expiry date)	Maximum authorised amount	Use made of the authorisation at February 29th, 2008	Resolution No	Length	Maximum ceiling
Capital increase through the issue of shares with maintenance of preferential subscription rights or via the capitalisation of reserves	2007 AGM (8th)	26 months (June 24th, 2009)	An increase in the share capital to €185,000,000	None		None	
Capital increase reserved for employees	2007 AGM (11th)	26 months (June 24th, 2009)	1% of the share capital at the time of the AGM (6,261,269 shares)	None		None	

Buyback by the company of its own shares

	Authorisations in force				Authorisations proposed to the AGM of April 22nd, 2008		
	AGM (Resolution No)	Length (Expiry date)	Maximum authorised amount	Treasury shares held by the company at February 29th, 2008	Resolution No	Length	Maximum ceiling
Buyback by the company of its own shares (maximum purchase price per share proposed for the 2008 AGM: €130)	2007 AGM (7th)	18 months (October 24th, 2008)	10% of the share capital (62,612,691 shares on the 14th of February 2007)	2.76% of the share capital	7th	18 months	10% of the share capital on the date of buyback

Reduction in the share capital via cancellation of shares

	Authorisations in force				Authorisations proposed to the AGM of April 22nd, 2008		
	AGM (Resolution No)	Length (Expiry date)	Maximum authorised amount	Use made of the authorisation at February 29th, 2008	Resolution No	Length	Maximum ceiling
Cancellation of shares purchased by the company within the scope of Art. L. 225-209 of the French Commercial Code	2003 AGM (10th)	5 years (May 22nd, 2008)	10% of the share capital on the date of cancellation per 24-month period	63,632,100 shares (9.41% of the initial share capital)	8th	26 months as from the AGM	10% of the share capital
Cancellation of shares purchased by the company within the scope of Art. L. 225-208 of the French Commercial Code	2006 AGM (15th)	26 months (June 25th, 2008)	1.8 million shares	1,800,000 shares (0.27% of the initial share capital)	8th	26 months as from the AGM	500,000 shares

Stock options and free grant of shares

	Authorisations in force				Authorisations proposed to the AGM of April 22nd, 2008		
	AGM (Resolution No)	Length (Expiry date)	Maximum authorised amount	Stock options allocated at February 29th, 2008	Resolution No	Length	Maximum ceiling
Allocation of share purchase opions (no discount with regard to exercise price) **Allocation of share subscription options** (no discount with regard to exercise price)	2007 AGM (9th)	26 months (June 24th, 2009)	2% of the share capital on the date of the Board of Directors' decision	4,000,000 share subscription options		None	
Free grant of existing shares or shares to be issued	2007 AGM (10th)	26 months (June 24th, 2009)	0.2% of the share capital on the date of the Board of Directors' decision	None		None	

BOARD OF DIRECTORS

COMPOSITION AT DECEMBER 31st 2007.

SIR LINDSAY OWEN-JONES (1)
Age: 61. British. Joined the L'Oréal group in 1969. During his international career, he was Chief Executive of L'Oréal in Italy from 1978 to 1981 and President (CEO) of L'Oréal USA from 1981 to 1984. He was appointed Deputy Chairman and Chief Executive Officer in 1984, Chairman and Chief Executive Officer in 1988, and has been Chairman of the Board of Directors since April 25th 2006. L'Oréal Board member since 1984 (term of office renewed in 2006). Director and Chairman of the L'Oréal Corporate Foundation. Board member of Sanofi-Aventis and Ferrari (Italy). Vice-Chairman of the Supervisory Board of Air Liquide.

JEAN-PAUL AGON
Age: 51. Joined the L'Oréal group in 1978. During his international career, he was General Manager of Consumer Products in Greece, and of L'Oréal Paris in France, International Managing Director of BIOTHERM, Managing Director of L'Oréal in Germany, Managing Director of the Asia zone, and President and CEO of L'Oréal USA. Appointed Deputy Chief Executive Officer of L'Oréal in 2005 and then Chief Executive Officer on April 25th 2006. L'Oréal Board member since April 25th 2006. Director of the L'Oréal Corporate Foundation.

JEAN-PIERRE MEYERS (2) (6) (8)
Age: 59. L'Oréal Board member since 1987 (term of office renewed in 2005), Vice-Chairman of the Board. Nestlé SA (Switzerland) Board member.

PETER BRABECK-LETMATHE (2) (5) (6)
Age: 63. Austrian. With the Nestlé group since 1968, appointed General Manager in 1992, then Chief Executive Officer of Nestlé SA (Switzerland) in 1997, Vice-Chairman of the Board in 2001 and Chairman in 2005. L'Oréal Board member since 1997 (term of office renewed in 2005), Vice-Chairman of the Board. Board member of Crédit Suisse Group (Switzerland) and Roche Holding (Switzerland).

LILIANE BETTENCOURT (2) (3)
Daughter of Eugène Schueller, who founded L'Oréal almost a century ago. L'Oréal Board member since 1995 (term of office renewed in 2007).

FRANÇOISE BETTENCOURT MEYERS
Age: 54. Daughter of Mrs Bettencourt. L'Oréal Board member since 1997 (term of office renewed in 2005).

WERNER BAUER
Age: 57. German. With the Nestlé group since 1990, appointed General Manager in 2002. L'Oréal Board member since 2005. Board member of Alcon (Switzerland).

FRANCISCO CASTAÑER BASCO (2) (8)
Age: 63. Spanish. With the Nestlé group since 1964, appointed General Manager in 1997. L'Oréal Board member since 1998 (term of office renewed in 2006). Board member and Vice-Chairman of Alcon (Switzerland).

CHARLES-HENRI FILIPPI (9)
Age: 55. French civil service from 1979 to 1987. Joined CCF (which became HSBC France in 2000) in 1987. Chief Executive Director in 1995, Group Executive Committee member from 2001 to 2004, Chairman and Chief Executive Officer of HSBC France from 2004 to 2007, and

Chairman of the Board since September 2007. L'Oréal Board member since November 30th 2007. Board member and Executive Commission member of Altadis, Supervisory Board member of Euris and Censor of Nexity.

XAVIER FONTANET (7)
Age: 59 ans. Appointed Chief Executive Officer of Essilor in 1991, Vice-Chairman and Chief Executive Officer in 1995, Chairman and Chief Executive Officer since 1996. L'Oréal Board member since 2002 (term of office renewed in 2006). Board member of Crédit Agricole SA.

BERNARD KASRIEL(2) (4) (5)
Age: 61. With the Institut du développement industriel from 1970 to 1975. Chief Executive Officer of Braud from 1972 to 1974. Executive Vice-President of the Société phocéenne de métallurgie from 1975 to 1977. Joined Lafarge in 1977, Deputy General Manager in 1982. Assigned to the United States between 1987 and 1989, appointed Executive Vice-President from 1989 to 2003, and then Chief Executive Officer from 2003 to 2005. L'Oréal Board member since 2004. Board member of Lafarge and Arkema. Partner of LBO France since September 2006.

MARC LADREIT DE LACHARRIERE
Age: 67. Member of the Institut. With L'Oréal from 1976 to 1991, former Vice-President in charge of Administration and Finance, Group Executive Vice-President from 1984 to 1991. Chairman and Chief Executive Officer of Fimalac. Chairman of Fitch Ratings, Inc. L'Oréal Board member since 1984 (term of office renewed in 2006). Director of L'Oréal Corporate Foundation. Board member of Renault and Casino.

ANNETTE ROUX
Age: 65. Joined Bénéteau in 1964, Chairman and Chief Executive Officer from 1976 to 2005, Vice-Chairman of the Supervisory Board since January 2005. L'Oréal Board member since April 24th 2007. President of the Bénéteau Corporate Foundation. President of the Fédération des industries nautiques.

LOUIS SCHWEITZER
Age: 65. Joined Renault in 1986, Chairman and Chief Executive Officer from 1992 to 2005, Chairman of the Board thereafter. L'Oréal Board member since 2005. Board member of BNP Paribas, EDF, Veolia Environnement, AB Volvo (Sweden). Chairman of the Board of AstraZeneca (United Kingdom). Vice-Chairman of the Supervisory Board of Philips (Netherlands).

Franck Riboud stepped down as director on November 15th 2007.

(1) Chairman of the "Strategy and Implementation" Committee.
(2) Member of the "Strategy and Implementation" Committee.
(3) Chairwoman of the "Management and Remuneration" Committee until November 30th 2007.
(4) Chairman of the Appointments Committee and the Remuneration Committee since November 30th 2007.
(5) Member of the "Management and Remuneration" Committee until November 30th 2007.
(6) Member of the Appointments Committee and Remuneration Committee since November 30th 2007.
(7) Chairman of the Audit Committee.
(8) Member of the Audit Committee.
(9) The tenure of Mr Charles-Henri Filippi is to be ratified by the Annual General Meeting of April 22nd 2008.

INFORMATION CONCERNING DIRECTORS WHOSE TENURE RENEWAL OR APPOINTMENT IS PROPOSED TO THE ANNUAL GENERAL MEETING

INFORMATION CONCERNING THE DIRECTOR WHOSE TENURE APPOINTMENT IS PROPOSED TO THE ANNUAL GENERAL MEETING

Charles Henri Filippi **Director** **Holds 1,000 L'Oréal shares**	Expiry date of term of office **2010**

Main corporate office held outside L'Oréal

HSBC France............*Chairman of the Board*

Professional address: 103, avenue des Champs Elysées – 75008 Paris - France

Other corporate offices and directorships held

French companies

Altadis............*Director and Member of the Executive Commission*

France Telecom............*Director (since February 5th, 2008)*

Octagones SASU............*Chairman (since April 17th, 2007)*

Nexity............*Director Observer (since July 23rd, 2007)*

Foreign companies

HSBC Bank plc (United Kingdom)............*Director*

HSBC Private Banking Holdings (Suisse) SA (Switzerland)............*Director*

Other

Centre National d'Art et de Culture Georges Pompidou............*Direc*

Main corporate offices and directorships over the last five years that have expired	Expiry date of term of office
French companies	
Galeries Lafayette............Member of the Supervisory Board	May 2005
HSBC Asset Management Holding............Director	June 2006
HSBC France............*Chief Executive Officer*	September 2007
HSBC Private Bank France............*Chairman of the Supervisory Board*	June 2007
Foreign companies	
HSBC Holdings plc (United Kingdom)............*Group Managing Director* ....*and Member of the Group Management Board*	September 2007
HSBC Trinkaus & Burkhardt AG (Germany)............*Member of the Supervisory Board*	September 2007

Information concerning the director whose tenure renewal is proposed to the Annual General Meeting

	Expiry date of term of office
Bernard Kasriel **Director** **Member of the Management and Remuneration Committee** (until November 30th, 2007) **Member of the Strategy and Implementation Committee** **Chairman of the Appointments Committee and the Remuneration Committee** (since November 30th, 2007) **Holds 1,510 L'Oréal shares**	**2008**

Main corporate office held outside L'Oréal

LBO France .... Partner and Member of the Management Board

Professional address: ***148 rue de l'Université, 75007 Paris***

Other corporate offices and directorships held

French companies

Lafarge SA .... *Director*

Arkema SA .... *Director*

Foreign company

Nucor (United States) .... *Director*

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

		Expiry date of term of office
French companies		
Lafarge SA	Vice-Chairman and Chief Executive Officer	May 2003
	Chief Executive Officer	December 2005
Foreign companies		
Blue Circle North America (United States)	Director	December 2006
Compagnie Coppée de Développement Industriel (Belgium)	Director	May 2004
Lafarge North America (United States)	Vice-Chairman of the Board	December 2005
	Director	November 2006
Lafarge Roofing GmbH (Germany)	Member of the Supervisory Board (“*Aufsichtsratsvorsitzender*”)	July 2006
Sabelfi (Belgium)	Director	May 2006
Sonoco Products Company (United States)	Director	February 2007
Ybitas Lafarge (Turkey)	Director	March 2004

BRIEF PRESENTATION OF THE L'ORÉAL GROUP IN 2007

2007 FINANCIAL HIGHLIGHTS

- SALES UP BY +8.1%
- SUBSTANTIAL IMPROVEMENT IN OPERATING PROFIT: +11.3%
- STRONG GROWTH IN NET EARNINGS PER SHARE (1): +13.0 %
- STRONG INCREASE IN DIVIDEND(2) : + 16.9%

SUMMARY

The Board of Directors of L'Oréal met on February 13th 2008 under the chairmanship of Sir Lindsay Owen-Jones and in the presence of the Statutory Auditors. The Board closed the consolidated financial statements and the financial statements of the L'Oréal parent company for 2007.

Commenting on the annual results, Mr Jean-Paul Agon, Chief Executive Officer of L'Oréal, said: "The Group's sales growth accelerated significantly in 2007 to reach +8% like-for-like, clearly faster than the growth of the worldwide cosmetics market; all divisions gained market share and the Group improved its positions on all continents.
The Group's results have once again advanced substantially and are of a very high quality.
Based on a comparable structure(3), operating profit grew by 90 basis points, thanks to an improvement in gross profit and strict cost control.
All divisions and zones contributed to this achievement. The profitability of the "Rest of the World" zone has increased considerably; in absolute value, it is at the same level as North America.
Despite the negative impact of currency fluctuations, which was more pronounced in the 4th quarter, net earnings per share growth was very strong at +13%. Based on identical exchange rates, this growth rate would have reached +15.9%."

Key Annual Indicators

€M	31.12.2006	31.12.2007	As % of sales	Change
Sales	15,790	17,063	100%	+8.1%
Gross profit	11,221	12,122	71.0%	+8.0%
Operating profit	2,541	2,827	16.6%	+11.3%
Net profit excluding non-recurrent items after minority interests (4)	1833	2,039	11.9%	+11.2%
Net profit after minority interests	2061	2,656	15.6%	+28.9%
EPS (1) (€)	2.98	3.36		+13.0%

[1] *Diluted net earnings per share based on net profit excluding non-recurrent items after minority interests.*
[2] *Dividend to be proposed to the Annual General Meeting of Shareholders on April 22nd 2008.*
[3] *Comparable structure basis: excluding The Body Shop, and excluding professional distribution to the hair salons in the United States.*
[4] *Net profit excluding non-recurrent items after minority interests does not include capital gains and losses on disposals of long-term assets, impairment of assets, restructuring costs, associated tax effects or minority interests.*

SALES UP BY +8.1%

L'Oréal group sales at December 31st 2007 amounted to € 17.1 billion, up by +8.1% based on reported figures.

Like-for-like (i.e. based on a comparable structure and identical exchange rates), the increase in the group's sales amounted to +8.0%.

The net impact of changes in consolidation, as a result of the acquisitions of *The Body Shop*, *Sanoflore*, *Beauty Alliance*, *PureOlogy* and *Maly's West* amounted to +3.6%.

The negative impact of currency fluctuations amounted to -3.5% over the full-year 2007. Growth excluding currency fluctuations amounted to +11.6%.

Improvement of Sales
by operational division and geographic zone

	At December 31st, 2007		
		Growth	
	€m	Like-for-like	Reported
By operational division			
Professional Products	2,392	+7.5 %	+12.5 %
Consumer Products	8,28	+7.9 %	+4.8 %
Luxury Products	3,928	+8.4 %	+4.1 %
Active Cosmetics	1,248	+10.8 %	+10.7 %
Cosmetics total	15,908	+8.0 %	+6.0 %
By geographic zone			
Western Europe	7,25	+4.1 %	+3.7 %
North America	4,004	+4.8 %	+1.3 %
Rest of the World, of which:	4,654	+17.9 %	+14.5 %
- *Asia*	*1,58*	*+14.3 %*	*+7.0 %*
- *Latin America*	*1,124*	*+14.6 %*	*+10.1 %*
- *Eastern Europe*	*1,142*	*+29.4 %*	*+34.4 %*
- *Other countries*	*808*	*+15.4 %*	*+12.5 %*
Cosmetics total	15,908	+8.0 %	+6.0 %
The Body Shop	787	+5.7 %	+80.9 %
Dermatology(1)	368	+12.7 %	+6.9 %
Group total	17,063	+8.0 %	+8.1 %

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

COSMETICS BRANCH: SALES TRENDS BY OPERATIONAL DIVISION AND GEOGRAPHIC ZONE

- The **Professional Products** Division recorded strong like-for-like growth of +7.5%, consolidating its worldwide leadership.

  - *L'Oréal Professionnel* is continuing its breakthrough in the seniors segment thanks to the success of two key product initiatives: *Color Suprême* hair colourant which is being rolled out worldwide, and the anti-ageing haircare range *Age Densiforce*.
  - *Redken* has successfully launched its *Fresh Curls* range and has internationalised its *Urban Experiment* styling range.
  - *Matrix* has accelerated its penetration outside the United States, particularly in Europe with the *Biolage* range.
  - In the dynamic luxury hairdressing market, the Division is continuing to build a comprehensive offering to meet the needs of the most exclusive salons.
  - In addition to the very fast growth achieved by *Kérastase* with the launch of *Noctogenist*, the Division now includes the American brand *PureOlogy* acquired in May, and the newly created *Shu Uemura Art of Hair* range, whose launch in the United States and Europe is just beginning.

- The **Consumer Products** Division posted like-for-like growth of +7.9% in 2007, a very significant acceleration compared with previous years.
  The dynamism of the different countries and the strong programme of new products enabled the three major brands - *L'Oréal Paris, Garnier* and *Maybelline New-York* - to produce very similar performances.
  - The skincare category was the division's number one growth driver with some major successes: for *L'Oréal Paris* they were *Skin Genesis*, a cell rejuvenation skincare line, *Men Expert Hydra Energetic* and the new *Revitalift*, world number one in the anti-wrinkle segment. *Garnier* is continuing to build up this category across the world by making use of the major franchises *Ultralift, Nutritionist* and *Light* while adapting them to each zone.
  - Make-up was also very dynamic, with a large number of innovations: in mascara with *Define-A-Lash* from *Maybelline* and *Telescopic* from *L'Oréal Paris*, in foundations with *Bare Natural* by *L'Oréal Paris* and *Superstay Silky* by *Maybelline,* and in lipstick with *Color Riche* and *Glam Shine 6h* from *L'Oréal Paris*.

- The **Luxury Products** Division ended the year with +8.4% like-for-like growth, with a fourth quarter at +12.1%, driven by powerful product initiatives.
  - Perfumes were particularly dynamic in the fourth quarter, thanks to the launches of *Diesel Fuel for Life* (for men and women), *Emporio Diamonds,* the new women's fragrance from *Giorgio Armani* and the men's fragrance *Polo Explorer* by *Ralph Lauren*. Sales were also excellent for *Trésor* by *Lancôme*, with American actress Kate Winslet as its new ambassador, and the strong development of *Viktor & Rolf*. The Division, already world number one in this category, is further strengthening its positions.
  - The skincare category is doing well, particularly anti-ageing products. Lancôme is achieving worldwide success with the new *Rénergie Morpholift R.A.R.E* line, and *Biotherm* and *Shu Uemura* are having similar success with *ReMinérale* and *Phytoblack Lift* respectively. The premium skincare line *Armani Crema Nera* is being started up worldwide.
  - In make-up, *Lancôme* sales accelerated in the 4th quarter thanks to *Virtuôse* mascara, which is consolidating the brand's position in the mascara market, and in the whole selective make-up segment. There was also a major success for the

mascara *Lash Queen Féline Blacks* from *Helena Rubinstein*. *Armani* is continuing its global brand development with the very upmarket expansion of *Giorgio Armani Cosmetics* make-up. And the growth of *Shu Uemura* make-up accelerated at the end of the year, as it capitalised on its new foundation *Face Architect*.

- The growth of **Active Cosmetics** continued at the high rate of +10.8% like-for-like, with a strong 4th quarter at +14.2%.
  - *Vichy* took advantage of the successful launch of *Aqualia Thermal* and the *Vichy Homme* range.
  - The growth of *La Roche-Posay* accelerated thanks to the success of the facial skincare products and the launch of *Biomédic*, a new range of peeling products exclusively for use by dermatologists.
  - *Innéov* also achieved strong growth, becoming number one in oral cosmetics sold in European pharmacies.
  - *Sanoflore* and *Skinceuticals* started their globalisation programmes in the fourth quarter.

WESTERN EUROPE

Growth in Western Europe amounted to + 4.1% like-for-like, as the market trend appears to have held up well. Sales trends rose very significantly in the United Kingdom and Spain. In France and Germany trends improved in the second half of the year.

- The **Professional Products** Division turned in good performances in all the countries, particularly in Germany and the United Kingdom. The American brands *Matrix* and *Redken* are growing strongly, fulfilling their role as growth relays.
- The **Consumer Products** Division won market share, strengthening its leadership thanks to the outstanding performance of *L'Oreal Paris* and *Maybelline*. Market share gains have been particularly substantial in facial skincare, foundation and lipstick.
  All the European countries have positive growth rates, even though the quarter was marked by substantial returns of sun protection products. In addition to very good performances in Spain, Great Britain and Sweden, sell-through increased substantially in Germany, particularly in facial skincare as the Division advanced significantly faster than the market.
- The **Luxury Products** Division is accelerating very strongly with excellent performances in Great Britain, France and Italy. It has been galvanised by the success of *Diesel*, and the men's fragrance in particular, which has made the top three in several European markets. The *Kiehl's* and *Shu Uemura* brands are clearly becoming growth relays for the Division.
- The **Active Cosmetics** Division recorded high growth in the 4th quarter, reflecting in particular the rapid growth of *La Roche-Posay* and the launch of *Sanoflore* and *SkinCeuticals* in the major countries in the zone.

NORTH AMERICA

With market growth slower than in 2006, the group's sales growth in North America amounted to +4.8%, with a strong 4th quarter (+7.2%).

- The **Professional Products** Division, already the market leader, continued to gain market share, particularly in hair colourants, and strengthened control of its distribution by acquiring professional distributors *Beauty Alliance* and *Maly's West*. With the acquisition of *PureOlogy*, the launch of *Shu Uemura Art of Hair,* and the strong growth of *Kerastase*, the division is intensifying its presence in the booming segment of the most exclusive salons.

- The **Consumer Products** Division has continued to win market share, particularly in make-up with the major successes of *Bare Naturale* and *Infallible Lip* by *L'Oréal Paris*. Skincare products achieved strong growth thanks to the strategic launch of *Nutritioniste* by *Garnier* at the start of the year, and *Skin Genesis* from *L'Oréal Paris*.
- The **Luxury Products** Division sales grew slightly faster than the market trend; thanks to very robust sales in fragrances, the division consolidated its leadership in men's fragrances with the success of *Diesel Fuel for Life* and *Ralph Lauren Explorer*. *Lancôme* strengthened its number one position in anti-ageing skincare with the success of *Absolue βx Ultimate Serum*, *Collaser Eye* and *Renergie Morpholiftt R.A.R.E*. and in mascara with the successful launch of *Virtuose*.
- The **Active Cosmetics** Division has continued its roll-out, with the expansion of its drugstore distribution in the north-east of the U.S.A. and in California, and thanks to the high growth of *SkinCeuticals*.

NEW MARKETS

The strong dynamism of markets continued in all the regions. With a growth rate of +17.9% in the Rest of the World zone over the whole year, the group has greatly increased its penetration.

- The **Asia Zone** accelerated in the 4th quarter to +15.5%, reaching +14.3% like-for-like over the full-year. Growth in Japan amounted to +1.8%; in the rest of Asia, growth totalled +17.8%.

    - In the highly competitive Northern Asian markets (Japan and South Korea), the group's scores were positive, thanks in particular to the successes of the Professional Products Division in both countries, and the breakthroughs of *Kiehl's*, *Shu Uemura* and *Biotherm* in luxury products in South Korea.
    - In China, growth has been very rapid across all the divisions. In Consumer Products, *L'Oréal Paris* is expanding particularly quickly with *Dermo-Expertise* skincare, and also with the great success of *Men Expert,* demonstrating how fast Chinese men are opening up to products in this category. The Luxury Products Division has further strengthened its number 1 position, thanks in large measure to the good skincare performances of *Yue Saï* with *Vital Essential*.
    - Lastly, in the ASEAN countries, conquests are continuing, particularly for Consumer Products and the *Garnier* brand. The *Garnier* facial skincare range, strong in Thailand, has been extended to other countries.
      The new subsidiary, L'Oréal Vietnam has been created, covering the 4 divisions.

- In **Eastern Europe**, growth has remained at an extremely high level: the group ended the year with growth of +29.4%. All the countries are recording very rapid growth, particularly Russia and Poland. L'Oréal Ukraine is now the third largest subsidiary in this zone, two years after its creation.

    - The Professional Products Division has become market leader in Russia, Poland and the Czech Republic. Matrix is now available in more than 10,000 salons in the zone; *Redken* has just been launched in Russia, the Czech Republic and Slovakia.

- The 3 brands of the Consumer Products Division are recording strong and evenly matched growth rates, driven in particular by *L'Oréal Paris* and *Garnier* skincare and by *Maybelline* and *L'Oréal Paris* make-up.
- The Luxury Products Division brands are growing twice as fast as the market, boosted by *Lancôme, Biotherm* and *Giorgio Armani*. The Division is reinforcing its number one position in the zone.
- In addition to the success of *Vichy*, long established as the market leader in pharmacy sales, *La Roche-Posay* is proving to be an important growth relay for the Division. Sanoflore and Skinceuticals are just starting up operations.

- Sales in **Latin America** grew by +14.6% like-for-like. Alongside the two major countries Brazil and Mexico, L'Oréal is recording spectacular growth in Argentina, Colombia, Venezuela and Panama, where a subsidiary was created this year.

  - In Professional Products, the launch of the American brands *Redken* and *Matrix* in several countries is adding to the success of the already well established brands.
  - In Consumer Products, the *Elsève Volume Control* shampoo and haircare brand from *L'Oréal Paris,* created specifically for Latin American hair, has been rolled out in several countries.
  - The Luxury Products Division is continuing its conquests in fragrances, and is rolling out new brands such as *Kiehl's,* which has opened 3 boutiques in Mexico.
  - The Active Cosmetics Division is growing strongly, particularly in Brazil where it is number 1 in the dermocosmetics market. Brazil is now the second most important country in the world for the brand *La Roche-Posay*.

- In the **Other Countries**, like-for-like sales increased by +15.4%.
  - In India, strong growth is continuing thanks to the performances in *Garnier* haircare and skincare with *Light Matte*.
  - In South Africa, as in Australia, the *L'Oréal Paris* brand is growing strongly, particularly in make-up.
  - All our brands are growing in the Maghreb and the Middle East.

THE BODY SHOP

Like-for-like sales growth at *The Body Shop* amounted to +5.7%.
Retail sales(1) increased by +7.9%. With a comparable store base (2), the increase in sales amounted to +3.3%.

- Sales at the end of the year, traditionally the strongest period, were marked by a belated but good level of store frequentation, and the success of gift box sales. 4th quarter sales were held back by the difficulties of a large industrial subcontractor, causing disruptions in the availability of certain products.
- Over the full year, trends in retail sales with a comparable store base were favourable in Western Europe. Growth was rapid in the Rest of the Word, and in Russia, India, Hong Kong and Japan. There were contrasting performance trends in the United States.
- 161 stores were opened during 2007, taking the total to 2,426. The brand is now established in 59 countries.

(1) Retail sales: total sales to consumers through all channels.
(2) Retail sales with a comparable store base: total sales to consumers by stores which operated continuously from January 1st to December 31st 2006 and over the same period in 2007.

GALDERMA

During the last quarter of 2007, *Galderma* experienced solid development, yielding an annual turnover growth of +12.7% in 2007, like-for-like. Sales increased by + 14.4% in the Americas and by + 9.7% in Europe and the Rest of the World.

- This worldwide double digit increase was reinforced by the excellent performance of Differin® 0.1% and 0.3% (acne), Clobex® (psoriasis), Loceryl® (onychomycosis) and Cetaphil® (compromised skin).
- Epiduo™, Galderma's new highly effective acne product, recently received regulatory approval in Argentina and Europe.
- In the corrective and aesthetic dermatology segment, *Galderma* licensed the rights for a botulinum toxin A product. The Company also signed an agreement for the development and distribution rights of an innovative topical anesthetic for aesthetic medical procedures, which should be widely adopted by the industry as a new standard of care.

STRONG IMPROVEMENT IN OPERATING PROFIT ON A COMPARABLE STRUCTURE BASIS

The group consolidated for the first time in 2007, over a full year, The Body Shop, together with the distributors of professional products to American hair salons.
In the interest of visibility and comparability of the performance of the group, the table below sets out the consolidated profit and loss account excluding The Body Shop and excluding professional product distributors. In fact, these two businesses have an operating account structure which is different from that of the L'Oréal group.

Consolidated profit and loss account
excluding The Body Shop and excluding professional distributors in the U.S.A.

€M	31.12.2006 Excluding The Body Shop	As % of sales	31.12.2007 Excluding The Body Shop & Excluding USA Professional Distributors	As % of sales
Sales	**15,355**	**100%**	**16,110**	**100%**
Cost of sales	-4,414	28.7%	-4,592	28.5%
Gross profit	**10,941**	**71.3%**	**11,518**	**71.5%**
Research and development expenses	-531	3.5%	-557	3.5%
Advertising and promotion expenses	-4,718	30.7%	-4,950	30.7%
Selling, general and administrative expenses	-3,153	20.5%	-3,259	20.2%
Foreign exchange gains and losses	-56	0.4%	10	0.1%
Operating profit	**2,483**	**16.2%**	**2,762**	**17.1%**

Excluding The Body Shop and excluding professional distribution in the USA, sales amounted to € 16,110m.

Gross profit represented 71.5% of sales, an increase of 20 basis points compared with 2006. This improvement becomes even more clearly visible if the corresponding proportion of exchange gains and losses is allocated to gross profit in 2007 and 2006, that is 78% of the total. Adjusted for this factor, gross margin advanced by 50 basis points compared with 2006, reflecting the continuous striving to enhance product value, constant efforts to improve plant productivity, and control of ingredient purchasing and packaging costs.

Research and development expenses remained stable as a percentage of sales at 3.5%. Advertising and promotion expenses represented 30.7% of sales in 2007, a level equivalent to 2006. This stability reflects an increase in volumes invested, improved cost management and more favourable media purchasing conditions.

Selling, general and administrative expenses represented 20.2% of sales, compared with 20.5% in 2006. This further improvement has been achieved through determined efforts in organisation, cost reduction and purchasing optimisation.

Operating profit amounted to € 2,762m, an increase of 11.3%. This represents 17.1% of sales, reflecting a further strong improvement in profitability.

2007 consolidated profit and loss account
from sales to operating profit
(including The Body Shop in 2006 and 2007 and professional distribution in the USA in 2007)

€M	31.12.2006	As % of sales	31.12.2007	As % of sales	Change
Sales	**15,790**	**100%**	**17,063**	**100%**	**+8.1%**
Cost of sales	-4,569	28.9%	-4,941	29.0%	+8.1%
Gross profit	**11,221**	**71.1%**	**12,122**	**71.0%**	**+8.0%**
Research and development expenses	-533	3.4%	-560	3.3%	+5.1%
Advertising and promotion expenses	-4,783	30.3%	-5,127	30.0%	+7.2%
Selling, general and administrative expenses	-3,309	21.0%	-3,618	21.2%	+9.3%
Foreign exchange gains and losses	-55	0.3%	+10	**0.1%**	**ns**
Operating profit	**2,541**	**16.1%**	**2,827**	**16.6%**	**+11.3%**

Overall, the group's operating items, including The Body Shop and professional distribution in the USA can be summed up as follows:
- Sales amounted to €17,063m, up by +8.1%.
- Gross profit amounted to €12,122m, representing an increase of +8.0%.
- Operating profit, at 16.6% of sales in 2007, has increased by 11.3%, representing a strong improvement of 50 basis points.

GOOD CONTRIBUTION FROM ALL COSMETICS DIVISIONS

Operating profit by branch and division

	2006		2007	
	€M	**% of sales**	**€M**	**% of sales**
By operational division				
Professional Products	443	20.8%	502	21.0%
Consumer Products	1,421	18.0%	1,582	19.1%
Luxury Products	776	20.6%	844	21.5%
Active Cosmetics	221	19.6%	256	20.5%
Cosmetics divisions total	**2,860**	**19.1%**	**3,180**	**20.0%**
Non-allocated (1)	-437	2.9%	-479	3.0%
Cosmetics branch total	**2,423**	**16.1%**	**2,701**	**17.0%**
The Body Shop	**58**	**13.4%**	**64**	**8.1%**
Dermatology branch (2)	**59**	**17.3%**	**62**	**16.9%**
Group	**2,541**	**16.1%**	**2,827**	**16.6%**

(1) Non-allocated = Central group expenses, fundamental research expenses, stock option expenses and miscellaneous items. As % of total sales.
(2) Group share, i.e. 50%

The profitability of each cosmetic Division grew substantially in 2007:

The profitability of The Body Shop is not comparable year-on-year, because this business was only consolidated in the second half of 2006; and each year almost all the profit is made in the second half.

The profitability of the dermatology branch, Galderma, edged down slightly to 16.9% of sales, as a result of research investment decisions in the first half of 2007.

STRONG GROWTH IN NET EARNINGS PER SHARE: + 13.0%

Consolidated profit and loss account
from operating profit to net profit excluding non-recurrent items

In €m	12.31.2006	12.31.2007	Change
Operating profit	**2,541**	**2,827**	**+11.3%**
Financial expense and income	- 120	- 182	
Sanofi-Aventis dividends	218	250	
Share in net profit (loss) of equity affiliates	- 1	-	
Pre-tax profit excluding non-recurrent items	**2,638**	**2,896**	**+9.8%**
Income tax excluding non-recurrent items	- 803	-856	
Minority interests	- 1	-1	
Net profit excluding non-recurrent items after minority interests (1)	**1,833**	**2,039**	**+11.2%**
EPS (2) (€)	**2.98**	**3.36**	**+13.0%**
Net profit after minority interests	**2,061**	**2,656**	**+28.9%**
Diluted net profit per share (group share) (€)	3.35	4.38	+30.9%
Diluted average number of shares	615,723,220	606,012,471	

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

Finance costs increased from € 116m to € 174m in 2007. This reflects the cost of financing acquisitions, rising interest rates in the United States and Europe, and the continuation of the share buyback programme.

The dividends received from Sanofi-Aventis amounted to € 250m, an increase of 15% compared with 2006.

Tax amounted to € 856m.The tax rate in 2007 amounted to 29.5%, lower than in 2006 when the rate was 30.4%.

Overall, net profit excluding non-recurrent items after minority interests at € 2,039m, up by 11.2%.
After allowing for the positive effect of share buybacks, net earnings per share amounted to €3.36, up by +13.0%.

Exchange rate Impact : On an identical exchange rate translation basis, i.e. by applying the exchange rates recorded in 2007 to the 2006 figures, net earnings per share growth would have been +15.9%. This calculation shows the significant impact on the group's earnings of the strong currency fluctuations of 2007.

EXCEPTIONAL GROWTH IN NET PROFIT AFTER MINORITY INTERESTS: + 28.9%

After allowing for non-recurrent items, primarily the capital gain on the disposal of Sanofi-Aventis shares on November 14th 2007, net profit after minority interests amounted to € 2,656m, representing growth of approximately 29%.

STRONG GROWTH IN CASH FLOW : +12.9%

Cash flow at December 31st 2007 amounted to € 2,720m, up by some 13%.
Working capital requirement remained well under control at € 76m.
Capital expenditure at € 776m decreased slightly as a percentage of sales to 4.5% compared with 4.7% in 2006.

Net debt, at December 31st 2007, amounted to € 2,373m, some € 1 billion lower than on December 31st 2006. Gearing has been reduced significantly and is now 17.4%.

PROPOSED DIVIDEND INCREASED BY +16.9%

The Board of Directors has decided to propose that the Annual General Meeting of Shareholders of April 22nd 2008 should approve a dividend of €1.38 per share, representing an increase of +16.9% compared with the dividend paid in 2007.

5 YEAR FINANCIAL SUMMARY

L'OREAL PARENT COMPANY
(excluding subsidiaries)

€ millions (except for earnings per share, shown in euros)	2003	2004	2005	2006	2007
I. Financial position at financial year-end					
a) Share capital	135,2	135,2	131,8	127,9	123,6
b) Number of shares	676 062 160	676 062 160	658 769 660	639 616 410	617 975 610
II. Overall results of operations					
a) Net sales	1 706,1	1 774,2	1 856,6	2 003,4	2 073,8
b) Pre-tax profit before depreciation, amortisation, provisions and reversals of provisions (including provision for investment and profit sharing reserve)	1 261,5	1 341,1	1 403,0	1 484,4	2 841,7
c) Income tax	124,2	-20,8	-58,8	-54,5	-68,7
d) Net income	939,5	1 230,1	1 589,6	1 690,3	2 822,4
e) Amount of distributed profits	493,5	554,4	658,8	738,8	842,9(2)
III. Results of operations per share					
a) Profit after tax and profit sharing, but before depreciation, amortisation and provisions	1,66	1,99	2,20	2,38	4,68
b) Net earnings	1,39	1,82	2,41	2,64	4,57
c) Dividend paid on each share (not including tax credit)	0,73	0,82	1,00	1,18	1,38(2)
IV. Personnel					
a) Number of employees (3)	5 731	5 746	5 759	5 793	5 862
b) Total salaries	325,7	331,8	339,2	345,4	370,3
c) Amount paid for welfare benefits (social security, provident schemes etc.)	134,4	133,9	138,8	142,3	158,7

(1) The share capital comprises 617,975,610 shares with a par value of €0.2, following the cancellation of 13,490,750 shares of treasury stock held by the company as of February 14th, 2007 and of 8,225,100 shares of treasury stock held by the company as of August 30th, 2007, and the subscription of 75,050 shares following the exercise of stock options.
(2)The dividend will be proposed to the Annual General Meeting of April 22nd, 2008.
(3) Employee monthly average

STATUTORY AUDITORS' SPECIAL REPORTS

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

(Year ended December 31, 2007)

This is a free translation into English of the Statutory Auditors' report on the financial statements issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report on the financial statements 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 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 31, 2007 on:

- the audit of the accompanying financial statements of L'Oréal,
- the justification of our assessments,
- the specific verifications and disclosures 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the Company's financial position and its assets and liabilities as of December 31, 2007 and of the results of its operations for the year then ended, in accordance with the accounting rules and principles applicable in France.

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 the notes to the Company's financial statements under "Accounting policies – Financial Assets – Investments and advances". As part of our audit, we reviewed whether these accounting methods were appropriate and, in relation to estimates, whether the assumptions used and the resulting valuations were reasonable.

These assessments were made in the context 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 disclosures

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

We have no matters to report regarding:

- 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,

- the fair presentation of the information provided in the Management Report of the Board of Directors in respect of remuneration and benefits granted to certain company officers and any other commitments made in their favor in connection with, or subsequent to, their appointment, termination or change in function.

In accordance with the law, we verified that information relating to acquisitions of investments and controlling interests and the identity of the shareholders were disclosed in the Management Report.

Neuilly-sur-Seine, February 27, 2008

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Etienne Boris	Etienne Jacquemin

STATUTORY AUDITORS' REPORT ON
THE CONSOLIDATED FINANCIAL STATEMENTS
(Year ended December 31, 2007)

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report on the consolidated financial statements 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 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 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 on the consolidated financial statements should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Following our appointment as Statutory Auditors by your Annual General Meeting, we have audited the accompanying consolidated financial statements of L'Oréal for the year ended December 31, 2007.

The consolidated 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.

1. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our 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 as at December 31, 2007, and of the results of its operations for the year then ended in accordance with IFRS as adopted by the European Union.

2. 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 matters:

- **the company 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 Note 1.15 to the consolidated financial statements. We have reviewed the terms and conditions for implementing this impairment test,**

- **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 assessment methods of these obligations and the data used and the assumptions applied.**

We also assessed whether the estimates used were reasonable.
These assessments were made in the context 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.

3. Specific verification

In accordance with professional standards applicable in France, we have also verified the information given 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 27, 2008

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Etienne Boris	Etienne Jacquemin

Statutory Auditors' report prepared in accordance with Article L.225-235 of the French Commercial Code (Code de commerce) on the report prepared by the Chairman of the Board of L'Oréal, on internal control procedures relating to the preparation and processing of financial and accounting information
(Year ended December 31, 2007)

This is a free translation into English of the Statutory Auditors' report issued in the French language 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 L'Oréal and in accordance with Article L.225-235 of the French Commercial Code, we report to you on the report prepared by the Chairman of the Board of Directors of your Company in accordance with Article L.225-37 of the French Commercial Code for the year ended December 31, 2007.

In his report, the Chairman reports, in particular, on the conditions for the preparation and organization of the Board of Directors' work and the internal control procedures implemented by the Company.

It is our responsibility to report to you our observations on the information set out in the Chairman's report on the internal control procedures relating to the preparation and treatment of financial and accounting information.

We performed our procedures in accordance with professional standards applicable in France. These require us to perform procedures to assess the fairness of the information set out in the Chairman's report on the internal control procedures relating to the preparation and processing of financial and accounting information. These procedures notably consisted of:

- obtaining an understanding of the internal control procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based and of existing documentation;

- obtaining an understanding of the work performed to support the information given in the report;

- determining if material weaknesses in the internal control relating to the preparation and processing of the financial and accounting information that we may have identified in the course of our audit are properly described in the Chairman's report.

On the basis of these procedures, we have no matters to report in connection with the information given on the internal control procedures relating to the preparation and processing of financial and accounting information, contained in the Report of the Chairman of the Board, prepared in accordance with Article L.225-37 of the French Commercial Code.

Neuilly-sur-Seine, February 27, 2008

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Etienne Boris	Etienne Jacquemin

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS WITH THIRD PARTIES (Year ended December 31, 2007)

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

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

Regulated agreements and commitments with third parties relating to the year ended December 31, 2007, and up to the date of this report

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

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

We carried out our work in accordance with the professional standards applicable in France. These standards require that we perform procedures to verify that the information given to us agrees with the underlying documents.

<u>Board of Directors meeting of February 13, 2008</u>

a) Nature and purpose

Agreement providing for the termination benefits of the Managing Director.

b) Terms and conditions

The Board of Directors meeting of February 13, 2008 authorized an agreement to be entered into between your Company and Jean-Paul Agon, stipulating that:

- *in the event of non-renewal or removal from his corporate office, except for gross misconduct or gross negligence, Mr Jean-Paul Agon will be entitled to an indemnity*

for termination of his corporate office equal to 3 months' remuneration (solely his fixed remuneration) per year of performance of the corporate office of Chief Executive Officer, as from 2006 inclusive, and limited to a maximum of 12 months of the fixed part of the last remuneration received in respect of his corporate office, subject to fulfillment of performance conditions.
This indemnity will be added to the indemnities payable, where applicable, in the event of subsequent termination of his resumed employment contract calculated on the basis of the applicable collective bargaining agreement.

- *in the event of retirement at the company's request or voluntary retirement which takes place at the time of termination of his corporate office or thereafter, Mr Jean-Paul Agon will be entitled to a departure or retirement indemnity determined in accordance with the same terms and conditions as those applicable to a senior manager of L'Oréal, namely, on the basis of his length of service, an amount of 6 months' average remuneration (fixed + variable portions) over the 12 months prior to the month of his departure.*
  This indemnity will be calculated on the basis of the fixed and variable remuneration received as a corporate officer and the total length of service accrued pursuant to his employment contract and his corporate office, subject to fulfillment of performance conditions.

  This indemnity may not be lower than the departure or retirement indemnity to which he would be entitled pursuant to his resumed employment contract, and will not be received cumulatively with either such a departure or retirement indemnity or with an indemnity due to non-renewal or removal from his corporate office.

  The performance conditions mentioned above and decided on by the Board of Directors are assessed as follows: one-half will be based on the rate of growth in L'Oréal's consolidated sales as compared to the market growth rate while the other-half will be based on the change in earnings per share (diluted net earnings per share excluding non-recurrent items, after minority interests); both these conditions will be assessed for the last four financial years prior to the year in which the corporate office ends.

  Depending on the level of fulfillment of such conditions, the amount of each component of the indemnity will be reduced or may even amount to zero.

  Were an event to occur which would be likely to lead to a significant reduction in earnings per share during the financial year, then the Board of Directors would reserve the right to include the year then in progress in the four years taken into account in order to calculate the performance condition.

Regulated agreements and commitments approved in prior years which remained in force during the year and up to the date of this report

Pursuant to the French Commercial Code, we were informed that the following agreement approved in prior years remained in force during the past year and up to the date of this report.

Board of Directors meeting of April 25, 2006

a) Nature and purpose

Granting Jean-Paul Agon the same status as a senior executive during his term of office, in particular for the purpose of pension and employee benefits, so that he can continue to enjoy the same benefits as those received before his appointment as corporate officer.

b) Terms and conditions

As of the date hereof, this scheme provides entitlement to the payment of a life annuity (with a surviving spouse pension and, under certain conditions, an orphan pension) as well as benefits in the event of temporary disability, definitive disability or death.

Neuilly-sur-Seine, February 27, 2008

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Etienne Boris	Etienne Jacquemin

STATUTORY AUDITORS' SPECIAL REPORT ON THE CANCELLATION OF SHARES PURCHASED BY THE COMPANY
Ordinary and Extraordinary Shareholders' Meeting of April 22, 2008 (eighth resolution)

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

To the Shareholders,

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

We have performed the procedures deemed necessary with regard to the professional standards of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*). Those procedures consist in examining the fairness of the reasons for and the terms and conditions of the proposed capital decreases. Thus, with respect to the capital decrease proposed within the scope of Article L. 225-204, our work consisted notably of verifying that the capital decrease would not bring the Company's share capital below the minimum legal threshold and that it would not violate shareholder equality.

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

The proposed capital decrease would take place further to the purchase of shares in accordance with the conditions of Article L. 225-208 of the French Commercial Code.

Shareholders are asked to grant the Board of Directors full powers to cancel, on one or more occasions, a maximum of 500,000 shares purchased by the Company to cover share purchase options which currently correspond, or will correspond in the future, to options that are no longer exercisable. These powers would be exercisable for a period of twenty-six months from the date of this Meeting. This share capital decrease will reduce your Company's share capital by a maximum of €100,000.

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

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

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

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

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

Neuilly-sur-Seine, February 27, 2008

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Etienne Boris	Etienne Jacquemin

HOW TO TAKE PART IN THE ANNUAL GENERAL MEETING

CONDITIONS TO BE MET TO EXERCISE YOUR VOTING RIGHT

All shareholders may take part in the Annual General Meeting regardless of the number of shares they hold.

Shareholders wishing to attend or be represented at the Annual General Meeting must provide proof of their status by having their shares registered in their name (or in the name of the custodian entered on their account if they are not French residents) no later than the third working day prior to the Annual General Meeting, that is on Thursday, April 17th, 2008 at zero hours (Paris time):

- on the registers of registered shares kept on behalf of the company by its authorised agent BNP Paribas Securities Services, or
- on the registers of bearer shares kept by the custodian with which their shares are registered.

IF YOU WISH TO ATTEND THE L'OREAL ANNUAL GENERAL MEETING

To facilitate the shareholder's admission to the Annual General Meeting, it is recommended that the shareholder obtains, before the Annual General Meeting, an entrance card as follows:

- **Holders of registered shares** must send their request for an entrance card to: L'Oréal Shareholder Services - BNP Paribas Securities Services, G.C.T. Emetteurs – Assemblées – Immeuble Tolbiac, 75450 Paris Cedex 09
- **Holders of bearer shares** must obtain a certificate from the custodian of their shares proving their shareholder status at the date of the request. The custodian will then transmit this certificate to BNP Paribas Securities Services which will send the shareholder an entrance card. A certificate of participation can be issued by the custodian shareholder wishing to attend the Annual General Meeting who has not received his entrance card by the third working day prior to the Annual General Meeting.

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

IF YOU ARE UNABLE TO ATTEND THE L'OREAL ANNUAL GENERAL MEETING

A shareholder unable to attend the Annual General Meeting may cast his vote by choosing from the following options: to be represented by another shareholder or by his/her spouse, to send a proxy form to the Chairman or to cast a postal or vote or internet vote.

- **If you want to cast a postal vote:**
  - All requests for a postal voting form will only be honoured if they are received by: L'Oréal Shareholder Services - BNP Paribas Securities Services, G.C.T. Emetteurs –

Assemblées - Immeuble Tolbiac, 75450 Paris Cedex 09, no later than six days before the date of the Annual General Meeting.

- This form, duly filled in, must then be received by BNP Paribas Securities Services no later than three days before the date of the Annual General Meeting. The certificate of participation and the postal voting form of holders of bearer shares must be sent by the custodians to the BNP Paribas Securities Services at the above address.

- **If you choose to vote by Internet prior to the Annual General Meeting:**

  - **Holders of pure registered shares** must use the identifier number and the password they usually use to consult their account on the GISNOMI website; they can use it to log onto the secure website, specifically intended for voting prior to the Annual General Meeting. Shareholders then have to follow the instructions shown on the screen.
  - **Holders of managed registered shares** must use the identifier shown at the top right-hand corner of the form sent with the convening notice in order to access the secure website, specifically intended for voting prior to the Annual General Meeting. Shareholders should then follow the instructions shown on the screen.
  - **Holders of bearer shares** must contact the institution that is the custodian of their shares, to ask for a certificate of participation, and provide their e-mail address. In accordance with the usual procedure, the custodian institution will send on the certificate of participation, including the email address, to BNP Paribas Securities Services, GCT Securities Services - Services aux Emetteurs – Assemblées - Immeuble Tolbiac, 75450 Paris Cedex 09. This email address will be used by BNP Paribas GCT to provide the shareholder with an identifier which will enable him/her to connect to the secure website, specifically intended for voting prior to the Annual General Meeting. Shareholders then have to follow the instructions shown on the screen.

The secure website specifically intended for voting prior to the Annual General Meeting will be available by April 4th, 2008 at the latest.

The possibilities of voting by Internet before the Annual General Meeting will cease to be available on the day before the Annual General Meeting, *i.e.* on Monday April 21st 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.

Address of the website specifically intended for the Annual General Meeting:
http://gisproxy.bnpparibas.com

PLEASE NOTE THAT:

- Any shareholder who has already cast a vote, applied for an entrance card or requested a certificate of participation (Article R 225-85 of the French Commercial Code):
  - can no longer choose any other method of participation in the meeting,
  - has the possibility of selling all or part of his/her shares. However, if the sale takes place before Thursday, April 17th, 2008, zero hours (Paris time), on the company will invalidate or modify accordingly, as the case may be, the vote cast, the proxy form, the entrance card or the certificate of participation. To this end, the custodian of his/her shares shall inform the company or its authorised representative of the sale and provide it with the necessary information. No sale or other transaction carried out after Thursday April 17th, 2008, zero hours (Paris time) whatever the method used, will be notified by the custodian of the shares or taken into account by the company, notwithstanding any agreement that may be reached to the contrary.

USE OF THE VOTING FORM

For the forms to be handled efficiently, please provide your contact details in the space marked **C** or check whether they are already shown

1 – If you wish to attend the Annual General Meeting:
- Tick box **A** at the top left-hand side of the form
- Add the date and your signature in the box marked "Date and signature"

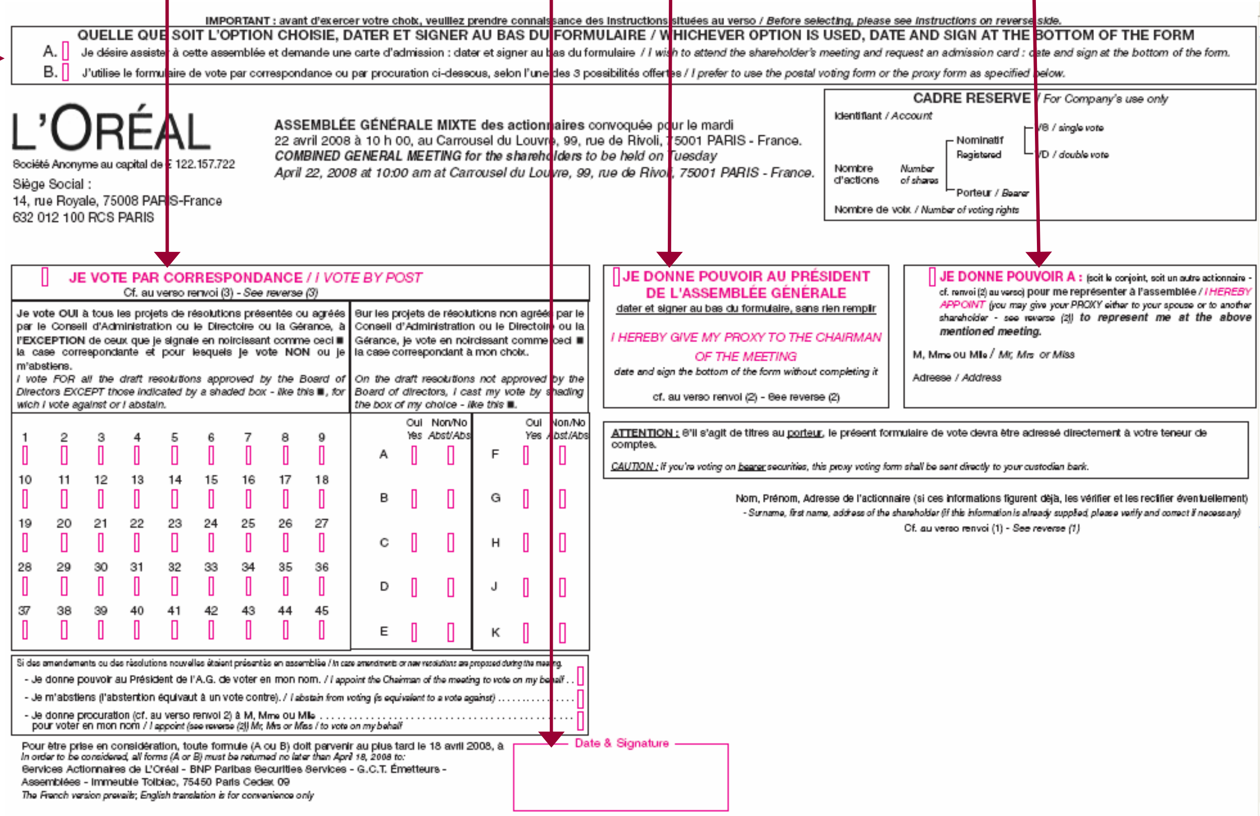
2 – If you have chosen to cast a postal vote or give a proxy: Follow the procedure below.

STEP 1: Tick box B "*I prefer to use the postal voting form or the proxy form as specified below*"

STEP 2: Tick the option you prefer among the following choices: If you want to…

…VOTE BY POST	**…GIVE YOUR PROXY TO THE CHAIRMAN OF THE MEETING**	**…GIVE YOUR PROXY TO YOUR SPOUSE OR ANOTHER SHAREHOLDER**
The numbers corresponds to the order of the resolutions. Leave the box blank to vote YES. Blacken the box to vote NO		Indicate the name of your spouse or the shareholder you want to give your proxy to.

STEP 3: Fill in the date and sign



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

QUELLE QUE SOIT L'OPTION CHOISIE, DATER ET SIGNER AU BAS DU FORMULAIRE / WHICHEVER OPTION IS USED, DATE AND SIGN AT THE BOTTOM OF THE FORM

A. ▯ Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire / *I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.*

B. ▯ J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / *I prefer to use the postal voting form or the proxy form as specified below.*

L'ORÉAL
Société Anonyme au capital de € 122.157.722
Siège Social :
14, rue Royale, 75008 PARIS-France
632 012 100 RCS PARIS

ASSEMBLÉE GÉNÉRALE MIXTE des actionnaires convoquée pour le mardi 22 avril 2008 à 10 h 00, au Carrousel du Louvre, 99, rue de Rivoli, 75001 PARIS - France.
***COMBINED GENERAL MEETING** for the shareholders to be held on Tuesday April 22, 2008 at 10:00 am at Carrousel du Louvre, 99, rue de Rivoli, 75001 PARIS - France.*

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

▯ JE VOTE PAR CORRESPONDANCE / *I VOTE BY POST*
Cf. au verso renvoi (3) - *See reverse (3)*

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci ■ la case correspondante et pour lesquels je vote NON ou je m'abstiens.
I vote FOR all the draft resolutions approved by the Board of Directors EXCEPT those indicated by a shaded box - like this ■, for wich I vote against or I abstain.

Sur les projets de résolutions non agréés par le Conseil d'Administration ou le Directoire ou la Gérance, je vote en noircissant comme ceci ■ la case correspondant 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 Yes	Non/No Abst/Abs		Oui Yes	Non/No Abst/Abs
A	▯	▯	F	▯	▯
B	▯	▯	G	▯	▯
C	▯	▯	H	▯	▯
D	▯	▯	J	▯	▯
E	▯	▯	K	▯	▯

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

Pour être prise en considération, toute formule (A ou B) doit parvenir au plus tard le 18 avril 2008, à
In order to be considered, all forms (A or B) must be returned no later than April 18, 2008 to:
Services Actionnaires de L'Oréal - BNP Paribas Securities Services - G.C.T. Émetteurs - Assemblées - Immeuble Tolbiac, 75450 Paris Cedex 09
The French version prevails; English translation is for convenience only

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

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

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

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

Date & Signature

REQUEST FOR PROVISION OF STATUTORY DOCUMENTS AND INFORMATION (1)

Ordinary and Extraordinary General Meeting of Tuesday, April 22nd, 2008
(reserved for shareholders only)

L'ORÉAL

For the attention of the Director of Shareholder Relations
41, rue Martre – 92117 Clichy – Fax: 01 47 56 86 42 – Freephone number (from France only): 0 800 66 66 66
E-mail: info@loreal-finance.com

I, the undersigned ....

Surname .... First name ....

Address...

The holder of .... registered shares ....

and/or of .... bearer shares registered with(2) ....

request that the documents and information provided for in Articles 133 and 135 of the French Decree of March 23rd, 1967 concerning the General Meeting to be held on April 22nd, 2008 should be sent to me at the above address.

Signed in................................ , on 2008

(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 – Fax: 01 47 56 86 42 - E-mail: info@loreal-finance.com – Freephone number (from France only): 0 800 66 66 66

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