

ADDENDUM

TO THE AGENDA PUBLISHED AT THE BALO (N°31) ON MARCH 12, 2014
REGARDING THE COMBINED GENERAL MEETING TO BE HELD ON APRIL 17, 2014

(see L'Oréal's news release published on March 24, 2014)

Resolution 14: Approval of the sale by L'Oréal of its entire stake in the companies of the Galderma group to Nestlé within the scope of the regulated agreements procedure

STATEMENT OF REASONS

The regulated agreement within the meaning of article L. 225-38 of the French Commercial Code which you are being asked to approve was entered into in the context explained in the tenth resolution.

This agreement between L'Oréal and Nestlé was authorised prior to its execution by the board of directors on March 20th, 2014.

Following the opinion of the employee representative bodies of the relevant companies, the Board of Directors, during its meeting held on March 20th, 2014, decided to authorise, prior to its execution, the sale by L'Oréal of its entire stake in the companies of the Galderma group to Nestlé.

The sale is conditioned upon the authorisation, either expressly or tacitly, of the sale of the stake held in the companies of the Galderma group by the relevant antitrust authorities.

The sale was agreed for a total price of €2.63 billion after repayment of receivables owed to L'Oréal by the companies of the Galderma group. The Cabinet Kling & Associés issued a fairness opinion regarding this price, which concludes that the price is « *fair for L'Oréal and its shareholders, and therefore safeguards their interests* ».

Since this agreement falls within the scope of Article L. 225-38 of the French Commercial Code, it is submitted to the approval of the Annual General Meeting.

Fourteenth resolution: Approval of the sale by L'Oréal of its entire stake in the companies of the Galderma group to Nestlé within the scope of related party agreements procedure

The Annual General Meeting, voting in accordance with the quorum and majority requirements for

ordinary general meetings, after hearing the reading of the Statutory Auditors' Special Report on the agreements referred to by Articles L. 225-38 *et seq.* of the French Commercial Code relating to the sale by the Company of its holdings in the companies of the Galderma group to Nestlé, approves the new agreement herein mentioned.

See on the back the Statutory Auditors' Special Report on the regulated agreement relating to the sale of Galderma.

STATUTORY AUDITORS' SPECIAL REPORT ON THE REGULATED AGREEMENT RELATING TO THE SALE OF GALDERMA

(Annual General Meeting held to approve the financial statements for the year ended December 31st, 2013)

In our capacity as Statutory Auditors of your Company, we hereby present our report on the regulated agreement, which was previously authorized by the Board of Directors on March 20, 2014 and communicated to us on March 21, 2014 pursuant to article L.225-40 of the French Commercial Code (*Code de commerce*).

It is our responsibility to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have identified as part of our engagement, without expressing an opinion on their usefulness and merit or identifying such other agreements, if any. Under the provisions of article R.225-31 of the French Commercial Code, it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France. These procedures consisted in verifying that the information provided to us is consistent with the underlying documents.

Agreement with Nestlé, shareholder of more than 10% of L'Oréal and sharing common members of the Boards of Directors

On March 20, 2014, L'Oréal's Board of Directors authorized, prior to its execution, the agreement concerning the sale by L'Oréal of all its shares in Galderma group companies to Nestlé.

This transaction is conditioned upon the relevant antitrust authorities' clearance, either expressly or tacitly, of the sale of the shares in the Galderma group companies.

The selling price that Nestlé has agreed to pay for L'Oréal's shares in the Galderma group companies amounts to €2.63 billion, taking into account the repayment of L'Oréal's receivables from the Galderma group companies. A fairness opinion regarding this price was issued by Cabinet Didier Kling & Associés, which concludes that the price is "fair for L'Oréal and its shareholders, and therefore safeguards their interests."

The individuals concerned by this sale agreement are the members common to both the L'Oréal and Nestlé Boards of Directors, Messrs Peter Brabeck-Letmathe, Paul Bulcke and Jean-Pierre Meyers who, pursuant to the applicable legal requirements, did not participate in the vote of the Board of Directors approving the sale agreement, and Mrs. Christiane Kuehne, who did not wish to take part in the vote due to her employment contract at Nestlé.

Nestlé, who owns more than 10% of the L'Oréal voting rights and has concluded the sale agreement with L'Oréal, is deemed to be an interested shareholder according to the applicable law.

Neuilly-sur-Seine, March 21, 2014
The Statutory Auditors

PricewaterhouseCoopers Audit
Gérard Morin

Deloitte & Associés
David Dupont-Noel