

L'ORÉAL USA
Total Rewards ● ● ● ●
 PAY. BENEFITS. LEARNING. WORKLIFE.



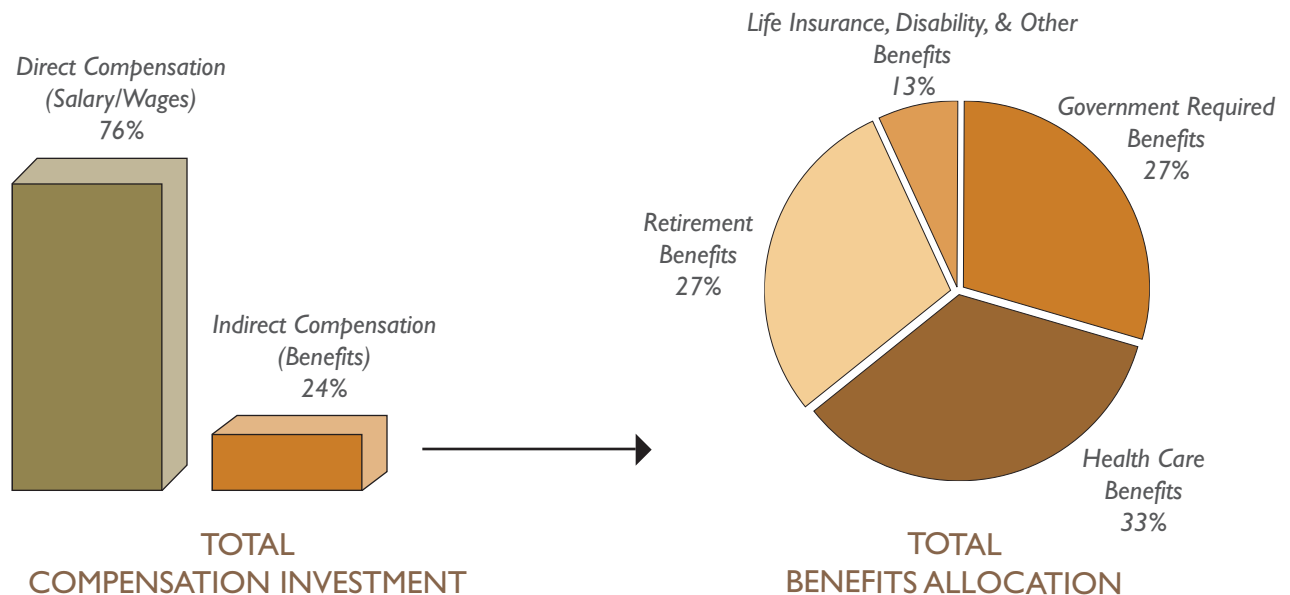
L'ORÉAL *&Me*

My Total Rewards

Our Philosophy

The **rewards you receive** for working at L'ORÉAL USA — your **compensation**, a broad range of **benefits** including health care, insurance protection against loss of income, retirement plans, **learning for development**, and **worklife programs** to support your personal needs — all add up to an offering that's much **more than a paycheck**. It's a collection of highly **competitive plans and policies** designed to **reward you** for your contribution to the **leading beauty company** in the world.

In 2010, L'Oréal invested approximately \$658 million in direct pay and benefits for its employees.



Dear L'Oréal USA Employee,

Enclosed is your personal 2011 Total Rewards Statement.

It is through your expertise, your passion, your drive for excellence, your innovative ideas, and your leadership that L'Oréal USA will achieve successful results.

In recognition of your dedication and efforts, it is important that you have a complete, clear and transparent view of our Total Rewards package. This statement specifically covers what your total rewards include—not just today, but over the long term. This snapshot provides the value of all forms of compensation; detailing pay, benefits and other programs supported by the company dollars. It is designed to express the total investment that L'Oréal and You, together, contribute to your package.

You can also find more details offered to you through L'Oréal's Total Rewards program on Planet L'Oréal. Visit the L'Oréal & Me website to learn more about the plans.

We value your contributions and thank you for your continued commitment.

Sincerely,



A handwritten signature in black ink that reads "Sarah Hibberson".

Sarah Hibberson
Senior Vice President
Human Resources

Personal Information

This statement has been prepared especially for:

John Doe

Date of Birth: 05/27/XXXX

Hire Date: 08/01/2001

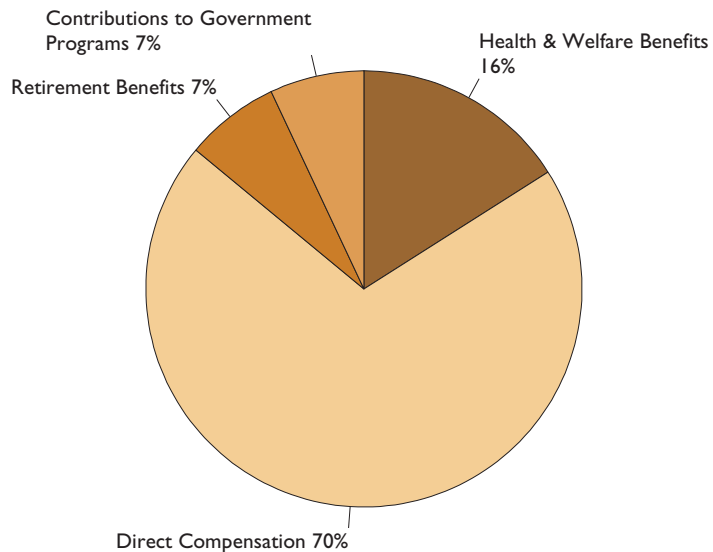
Employee ID 000000

2011 Base Salary: \$54,950

Bonus Eligibility Target: 0%

All benefits in this statement are as of January 1, 2011 unless otherwise stated.

Your 2010 Total Compensation



■ **Direct Compensation** includes gross earnings paid in 2010.

■ **Health & Welfare Benefits** includes medical, prescription, dental, vision, EAP, life, AD&D, and disability benefits.

■ **Retirement Benefits** includes the Pension Plan and 401(k) Retirement Savings Plans.

■ **Contributions to Government Programs** includes Social Security, Medicare, Workers' Compensation, and Unemployment Insurance.

Total 2010 Direct Compensation		\$54,477
Base Pay	\$52,950	
Profit Sharing Plan	\$1,527	

L'Oréal USA paid the following amounts on your behalf in 2010:

Contributions to Government Programs		\$5,634
Social Security, Medicare, Workers' Compensation, and Unemployment Insurance.		

Health & Welfare Benefits		\$12,076
Medical, prescription, dental, vision, EAP, life, AD&D, and disability benefits.		

Retirement Benefits		\$5,392
The company's contribution toward your Pension and 401(k) Retirement Savings Plans.		

my TOTAL COMPENSATION in 2010		\$77,579
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my Total Compensation

	<u>Your 2011 Contribution</u>	<u>L'Oréal's 2011 Contribution</u>
<p>Medical & Prescription Drug Coverage You have elected medical coverage through United Healthcare PPO I for yourself and your family.</p>	\$3,864	\$12,197
<p>Dental Benefits You have elected dental coverage through Aetna PPO for yourself and your family.</p>	\$300	\$1,249
<p>Employee Assistance Program The Employee Assistance Program is offered through United Behavioral Health and is provided to you and your family.</p>	\$0	\$31
<p>Flexible Spending Accounts</p>		
Health Care	\$750	\$0
Dependent Care	\$5,000	\$0
e-TRAC (monthly) You have elected not to contribute.		
<p>L'Oréal USA Provided Life Insurance Coverage</p>		
L'Oréal USA provides you with \$127,000 of Basic Life Insurance.	\$0	\$160
L'Oréal USA provides you with \$64,000 of Basic Accidental Death & Dismemberment Insurance (AD&D).	\$0	\$11
<p>L'Oréal USA Provided Short Term Disability</p>	\$0	\$29
<p>Employee Paid Supplemental Life Insurance Coverage</p>		
You have elected \$380,000 for yourself.	\$397	\$0
You have elected \$50,000 for your spouse.	\$43	\$0
You have elected \$4,000 for your child(ren).	\$5	\$0
<p>Employee Paid Long Term Disability</p>	\$176	\$0

Other Income Protection

Short Term Disability (STD)

If you are unable to work for a short period of time due to an approved disability, you will receive a percentage of your base pay for up to 26 weeks.

The first 13 weeks are paid at 100% of eligible pay which equals:

The next 13 weeks are paid at 66 2/3% of eligible pay which equals:

Employee Paid Long Term Disability (LTD)

You have LTD coverage of 60% of your eligible pay, up to a maximum of \$10,000 per month. Your LTD payment is *not* taxable income to you.

Your 2011 Benefit Amount

\$1,057/week

\$705/week

\$2,747/month



my Current Coverage

L'Oréal USA Pension Plan

L'Oréal USA proudly offers a Pension Plan for eligible employees. The Pension Plan is funded entirely by L'Oréal USA and is designed to provide you with a monthly or lump sum benefit payable when you retire at age 55 or later. You are 100% vested in your benefit after completing 5 years of vesting service.

Estimated benefit if your service continues until age 62

Monthly benefit payable at age 62

\$2,289

Lump sum payable at age 62

\$362,178

Estimated benefit if your service continues until age 65

Monthly benefit payable at age 65

\$3,130

Lump sum payable at age 65

\$465,180

Retirement Savings Plan - 401(k)

The L'Oréal USA Employee Retirement Savings Plan allows you to save and invest pre-tax dollars on a tax-deferred basis for retirement. The company matches the first 2% of deferred pay at 100%, plus 50% of the next 4% of deferred pay. Your company contributions are 100% vested after 5 years of service. You are always fully vested in your own contributions.

Your account balance as of 12/31/2010

\$27,999

Your estimated contribution for 2011 (*includes catch-up contribution, if applicable*)

\$2,529

If you continue to contribute at 4%, your account balance is estimated to be

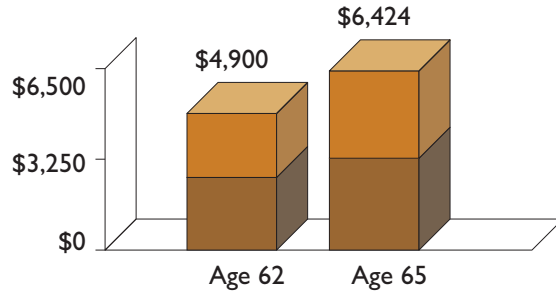
Age 62

\$424,609

Age 65

\$535,556

Your Estimated Monthly Benefit at Retirement



	Age 62	Age 65
Retirement Savings Plan - 401(k)	\$2,611	\$3,294
Pension Plan	\$2,289	\$3,130

Assumptions

Your projected account balances are based on several assumptions. We assumed your pay will increase by 3% each year, you take no early withdrawals or loans from your 401(k) account, you work for L'Oréal USA until the projected date(s), and your 401(k) account balance grows at 6% per year. It is also assumed that you've met the vesting requirements by the projected date(s). You can model your pension benefit with different assumptions by visiting the L'Oréal Pension Servicing Center at <http://loreal.pensionpath.com> or by calling 1-866-333-7317. You can also model your 401(k) benefit with different assumptions by visiting T. Rowe Price at <http://rps.troweprice.com> or by calling 1-800-922-9945.



my Future Income

Time Off Benefits

L'Oréal USA provides you **13** days of holiday pay.

At your 2011 pay rate, this represents

\$2,747

You are eligible for **15** days of paid time off each year.

At your 2011 pay rate, this represents

\$3,170

You are also eligible for **2** personal floating days.

At your 2011 pay rate, this represents

\$423

The total value of your 2011 time off benefits is **\$6,340** which represents **12%** of your base salary.

Wellness Benefits

Health Club Benefit

This program offers substantial discounts at a network of health clubs, when you work out 4 or more time per month, through the convenience of payroll deduction.

✓ You are currently participating. On average, L'Oréal USA contributes approximately \$50 toward your monthly gym membership.

Voluntary Benefits

L'Oréal USA also provides a variety of voluntary benefits to help you and your family meet your unique needs. For more information, please log on to www.mylorealbenefits.com or call 1-800-964-0043. Please note that some of these benefits, such as ARAG Legal and VSP Vision, can only be elected during the Open Enrollment period.

Auto and Home Insurance

✓ You are currently participating.

Legal Services

You are not currently participating.

Long Term Care Insurance

✓ You are currently participating.

Supplemental Vision

You are not currently participating.

Learning For Development

L'Oréal USA's Learning For Development Center contributed **\$9,927,000** toward training and education in 2010.

L'Oréal USA provided you with **\$755** in tuition reimbursement in 2010.

Free & Discounted Goods Program

L'Oréal USA offers a Free Goods allowance for you to use. You may purchase additional items at 50% off suggested retail prices. In 2010, L'Oréal USA distributed **\$19,137,346** of Free & Discounted Goods to employees and their families.

My Wellness Rewards

Reward yourself for reaching your wellness goals! Each time you complete an approved wellness activity, such as getting your preventative exam with a network physician or participating in a charity sponsored fitness event, you will earn reward points. You can redeem your points for a variety of gifts, such as: sporting equipment, jewelry, iPod accessories and home electronics. To learn more about this exciting new program or to browse the awards catalog, visit www.loreal.rewardssuite.com.

Concierge

This program is designed to help you balance the requirements of your career with your personal life. The concierge can handle most everyday tasks, including errands, making appointments or reservations, shopping for groceries or gifts, or taking your car for an oil change. For more information visit L'Oréal & Me > My Worklife or call 1-877-2PLACES.

Additional Benefits

In addition, L'Oréal USA also offers the following valuable benefits:

- Summer Hours
- Health Assessment Program
- Service Award Program
- Employee Referral Program
- Infertility Benefits
- Backup Child/Elder Care Services
- College Gift Matching
- Discounts at Verizon, GMC, Apple & AT&T
- Will Preparation & Survivor Support Services
- Personal, Bereavement, FMLA, Military, & Jury Duty Leaves
- Employee Credit Union
- Flexible Work Schedules
- Enhanced Maternity Leave
- Wikis & Social Networks
- Adoption Benefits
- Direct Deposit Pay Program & On-Line Paychecks
- Flu Shots
- Community Affairs Involvement
- Tuition Reimbursement



Visit **L'Oréal & Me > My Total Rewards** to learn more about the collection of PAY, BENEFITS, WORKLIFE and LEARNING plans and policies available through *My* Total Rewards.



my Well Being

L'Oréal USA benefits plans are governed by the Internal Revenue Code, ERISA, and other state and federal laws. This statement is not intended to provide you with financial, tax, or legal advice. You should consult with your own advisor for specific advice regarding these matters. While every effort has been taken to give you accurate figures and estimates, the possibility of error does exist. Conditions at your retirement may be different than the assumption shown on this statement; therefore, benefits may vary from the estimates shown.

Complete details of the L'Oréal USA benefit plans are included in the official Plan Documents. If there is any difference between the information presented in this statement and the official Plan Documents, the Plan Documents will govern. The benefit programs described in this statement do not constitute an employment contract, nor do they provide a guarantee of future employment. Your right to receive a benefit depends on the actual facts and rules in the legal documents that govern the Non-Qualified, Medical, Pension Plan of L'Oréal USA, Inc., and the L'Oréal USA, Inc. Employee Retirement Savings Plans (Plan Documents). L'Oréal USA reserves the right to modify or terminate the provisions of the Plans, and to amend the relevant Plan Documents at any time.

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USA