

L'ORÉAL

L'Oréal and Natura enter into exclusive discussions regarding The Body Shop

Clichy – 9 June 2017 – Following an extensive review of the strategic options for The Body Shop to ensure its best future development, L'Oréal has received a firm offer from Natura Cosméticos SA to acquire The Body Shop and has entered into exclusive discussions with Natura.

The proposed transaction values The Body Shop at an enterprise value of 1.0 billion euros.

Acquired by L'Oréal in 2006, The Body Shop is a British iconic brand, focusing on innovative, nature-inspired products. Founded in 1976 by Anita Roddick in Brighton, England, The Body Shop has expanded into a global leader in ethical and natural beauty, with the deep-rooted belief that business can be a force for good. It is now present in more than 60 countries around the world, through various distribution channels including more than 3,000 point of sales and e-commerce. In 2016, it generated retail sales of around 1.5 billion euros and net sales of 921 million euros.

"I am very pleased to announce Natura as the potential new "home" for The Body Shop. It is the best new owner we could imagine to nurture the brand DNA around naturality and ethics. Natura will support The Body Shop development in the long-term and enable The Body Shop to best serve its customers while respecting its strong commitments towards its employees, franchisees and stakeholders. I would like to thank all The Body Shop employees and partners around the world for their contribution to the development of the brand over the past eleven years and I am confident they will be in the best hands for the future", said Jean-Paul Agon, Chairman & CEO of L'Oréal.

"I am sure that all customers, employees, franchisees and stakeholders of The Body Shop will join me in welcoming L'Oréal's decision to enter into exclusive discussions with Natura. The ethical values and expertise of Natura make it the perfect new owner for The Body Shop to accelerate the rejuvenation of the brand and its future expansion," said Jeremy Schwartz, Chairman & CEO of The Body Shop.

The proposed transaction will be submitted to L'Oréal's employee representative body¹ and is subject to regulatory approval notably in Brazil and in the United States. The proposed transaction is expected to close during 2017.

About The Body Shop

Founded in 1976 in Brighton, England, by Anita Roddick, The Body Shop is a global beauty brand. The Body Shop seeks to make a positive difference in the world by offering high-quality, naturally-inspired skincare, hair care and make-up produced ethically and sustainably. The Body Shop pioneered the philosophy that business can be a force for good and this ethos is still the brand's driving force. The Body Shop has more than 3,000 stores in more than 60 countries.

About L'Oréal

L'Oréal has devoted itself to beauty for over 100 years. With its unique international portfolio of 34 diverse and complementary brands, the Group generated sales amounting to 25.8 billion euros in 2016 and employs 89,300 people worldwide. As the world's leading beauty company, L'Oréal is present across all distribution networks: mass market, department stores, pharmacies and drugstores, hair salons, travel retail, branded retail and e-commerce.

Research and innovation, and a dedicated research team of 3,870 people, are at the core of L'Oréal's strategy, working to meet beauty aspirations all over the world. L'Oréal's sustainability commitment for 2020 "Sharing Beauty With All" sets out ambitious sustainable development objectives across the Group's value chain. www.loreal.com

¹ Comité Central d'Entreprise

"This news release does not constitute an offer to sell, or a solicitation of an offer to buy L'Oréal shares. If you wish to obtain more comprehensive information about L'Oréal, please refer to the public documents registered in France with the Autorité des Marchés Financiers, also available in English on our Internet site www.loreal-finance.com.

This news release may contain some forward-looking statements. Although the Company considers that these statements are based on reasonable hypotheses at the date of publication of this release, they are by their nature subject to risks and uncertainties which could cause actual results to differ materially from those indicated or projected in these statements."

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