

Acquisition of The Body Shop by L'Oréal

March 2006

Financial highlights of L'Oréal's offer for The Body Shop

- Recommended cash offer for all of The Body Shop's share capital
- Offer values The Body Shop at £652 million (*)
- Offer at 300 pence per share
- Premium of 34.2% over February 21, 2006
- Premium of 31.5% over the average share price for the six months ending February 21, 2006

(*) *based on the issued share capital of 217,4 million shares*



- A partnership which makes perfect sense
- L'Oréal committed to respect The Body Shop's strong values
- The Body Shop to be maintained as a standalone entity with continuity in management



L'Oréal overview

- 100 years of expertise in cosmetics
- 14.5 billion euros in consolidated sales in 2005
- An international company present in 130 countries with only 12% of its sales in its home country, France
- 496 million euros in R&D investments
- 52,403 employees
- 4.4 billion units manufactured annually
- 18 worldwide brands

L'Oreal: a unique and diverse brand portfolio



L'ORÉAL
PROFESSIONNEL
PARIS



KÉRASTASE
PARIS



REDKEN
5TH AVENUE NYC



MATRIX



L'ORÉAL
PARIS



GARNIER



MAYBELLINE
NEW YORK
MAYBE SHE'S BORN WITH IT. MAYBE IT'S MAYBELLINE.



SOFTSHEEN-CARSON™



LANCÔME
PARIS



BIOTERM



HR HELENA
RUBINSTEIN



GIORGIO ARMANI
PARFUMS



RALPH LAUREN



cacharel



Kiehl's
SINCE 1851



shu uemura



VICHY
LABORATOIRES



LA ROCHE-POSAY
LABORATOIRE PHARMACEUTIQUE

The Body Shop within L'Oréal



- **A standalone business within L'Oréal, with existing management, reporting directly to CEO-designate Jean-Paul Agon**
- **A commitment to employees, franchisees and suppliers to uphold The Body Shop's values**
- **Distribution network continuing to offer only The Body Shop branded products**
- **Maintain headquarters in the UK**





A compelling strategic rationale for the transaction

The Body Shop contribution to L'Oréal

- **A successful naturally-oriented cosmetics brand with a strong identity and values.**
- **Exclusive and dedicated distribution expertise and access to high growth direct selling and internet channels**
- **A leading British brand to complement L'Oréal's portfolio**

L'Oréal contribution to The Body Shop

- Access to L'Oréal research and development — further support The Body Shop brand through improved product development
- Leverage L'Oréal's marketing expertise while respecting The Body Shop brand identity
- Worldwide perspective to accelerate development

