



The Body Shop

08 highlights

Opening of the first The Body Shop stores in Egypt and Slovakia, and strategic acquisition of franchisees in Spain.



In partnership with MTV Networks International, £1 million raised for the Staying Alive Foundation, to educate and prevent the spread of HIV and AIDS.

Introduction of 100% recycled PET bottles.

Development of three new Community Trade supplier relationships in Kenya, Samoa and Ecuador.



Launch of Nature's Minerals™, a make-up range with 100% minerals, fragrance and preservative free, offering the highest sun protection factor in its category.



NUMBER OF STORES

	At December 31 st , 2007	At December 31 st , 2008	Variation in 2008
Company owned stores	1,008	1,069	+61
Franchisees	1,418	1,481	+63
TOTAL	2,426	2,550	+124

SALES

€ millions	2008	Like-for-like growth
Retail sales ⁽¹⁾	1,234.0	+1.9%
Retail sales with a comparable store base ⁽²⁾	1,038.5	-2.3%
Consolidated sales	756.0	+4.6%

RETAIL SALES BY GEOGRAPHIC ZONE

€ millions	2008	% of 2008 sales	Like-for-like growth
Western Europe	549.1	44.5%	+1.4%
North America	196.9	16.0%	-11.3%
Rest of the World	488.0	39.5%	+9.1%
TOTAL	1,234.0	100%	+1.9%

2008 REVIEW

The like-for-like sales of The Body Shop increased by +4.6%. Total retail sales⁽¹⁾ grew by +1.9% with strong performances from Sweden, Switzerland, the Middle East, Hong Kong, Singapore, South Korea, Indonesia and India. However, due to lower footfall in its stores because of the difficult economic climate during the fourth quarter, sales were disappointing in the United Kingdom, Spain and North America. A total of 124 new stores were opened in 2008, taking the total to 2,550 by the end of the year.

2009 OUTLOOK

In 2009, The Body Shop will continue to introduce innovative, nature-inspired and ethically sourced skincare, body care, fragrance and make-up products. The brand will also continue to roll out initiatives in the ethical and societal spheres. It will strengthen the privileged relationship it maintains with its customers, while extending its reach to new markets in collaboration with its strong franchisee network.

(1) Total sales to consumers through all channels.

(2) Total sales to consumers by stores which operated continuously from January 1st to December 31st, 2008 and over the same period in 2007.



—MORINGA
This line offers the benefits of oil from the seeds of the moringa, a "miracle tree" in Ayurvedic medicine.



—DEEP SLEEP
This new body care range with jujube date nourishes and promotes untroubled sleep.



—JAPANESE CHERRY BLOSSOM
This range with cherry extracts and Community Trade ingredients is inspired by the beauty of Japanese cherry blossom.

With its new communications based on "Nature's way to beautiful" and new visual materials in sales outlets, The Body Shop is reasserting its position as the original natural and ethical beauty brand, while generating new impetus for its range.

In 2008, the brand's continued focus on product innovation was reflected in the launch of four "Wellbeing" ranges, containing evocative natural ingredients based on traditional herbal remedies, and the new Nature's Minerals™ make-up range. The brand also introduced the Moringa range of moisturising body care products, rich in Community Trade ingredients, and three new fragrances: Japanese Cherry Blossom, White Musk® Blush and Aqua Lily. A pioneer in the industry, The Body Shop introduced sustainable palm oil across its full range of bar soaps, equating to 7.5 million bars of soap per year.

AWARDS FOR THE BODY SHOP

Ever since its foundation by Dame Anita Roddick in 1976, The Body Shop has defended the principle that companies should adopt a truly responsible approach to society and to communities. Through its campaigns to defend human rights, and its Community Trade programme to support fair trade, the brand has always been a force

for social and environmental change. Its achievements in this field have been recognised through a number of awards including best Ethical Reputation in the United Kingdom, Favourite Green Brand in the United States and best Corporate Social Responsibility in Asia. Since 2003, The Body Shop has raised nearly £1.2 million to help women who are victims of domestic violence, as part of the *Stop Violence in the Home* campaign. In addition, the RSPCA (Royal Society for the Prevention of Cruelty to Animals) awarded it a prize for its long-standing commitment to animal welfare. In 2009, The Body Shop will publish its biennial *Values Report*, developed in consultation with NGOs and other stakeholders, with validation by independent experts.



Commitments

Increasingly fair trade

21 years ago, with the launch of its Community Trade programme, The Body Shop was the first company to bring fair trade to the cosmetics industry. Its unique initiative today enables it to work directly with local suppliers in 20 countries, providing some 25,000 people with access to essential resources such as education. With the development of three new supplier relationships in 2008, three new ingredients will be introduced in the composition of its products: organic virgin coconut oil from Samoa, organic sunflower seed oil from Kenya and organic ethanol from Ecuador. This latter example of organic production will also contribute to safeguarding biodiversity in Ecuador and help provide income for around 200 farmers in the challenging local sugar cane industry.