

L'ORÉAL

L'Oréal announces the acquisition by The Body Shop of a majority stake in Brazil's Emporio Body Store

Clichy / Rio de Janeiro / London 15 October 2013 – L'Oréal announces the acquisition by The Body Shop of 51% of **Emporio Body Store** in Brazil with the option of increasing its shareholding to 80% by 2019.

Founded in 1997 in Porto Alegre by Tobias Chanan, Emporio Body Store offers a complete range of beauty products sold through a franchise network.

Brazil is the largest economy in Latin America with a population of 200 million people and a GDP per capita of approximately 12 100 US dollars*. The beauty market in Brazil has experienced a consistent and sustained expansion and as such has become the fourth beauty market in the world**.

Emporio Body Store achieved in 2012 a consolidated turnover of 20 million Reals (approximately 7 million euros). Since 2011, when Mr. Helio Seibel (Grupo Ligna) became the major shareholder, the business has grown strongly and increased from 36 points of sale in 2010 to 84 in 2012, to reach an estimated 130 points of sale end of 2013.

The founder of Emporio Body Store, Tobias Chanan, will remain CEO of the group with the objective to expand the business through the franchise channel. The Company will propose to Brazilian consumers a range of The Body Shop's most popular products complemented by new products developed locally with L'Oréal's Research Centre in Rio de Janeiro, in accordance to The Body Shop's strict requirements and values.

Jeremy Schwartz, Chairman and CEO The Body Shop said, *"I am delighted by this opportunity to launch The Body Shop brand in Brazil through this new venture with Emporio Body Store. We are looking forward to introducing The Body Shop products to discerning Brazilian consumers who appreciate naturally inspired, sensorial products."*

Tobias Chanan, founder and CEO of Emporio Body Store, said: *"We are thrilled to associate our company Emporio Body Store to The Body Shop and the L'Oréal Group. In The Body Shop, we have found our kindred spirit: thanks to the synergy of our values, vision and culture, we will have the opportunity to greatly accelerate our business in Brazil."*

The acquisition is subject to the approval of the Brazilian Anti-Trust Authority CADE, and should be completed before the end of the year.

About L'Oréal

L'Oréal, the world's leading beauty company, has catered to all forms of beauty in the world for over 100 years and has built an unrivalled portfolio of 28 international, diverse and complementary brands. With sales amounting to 22.5 billion euros in 2012, L'Oréal employs 72,600 people worldwide. In 2013, the Ethisphere Institute, a leading international think-tank for business ethics, corporate social responsibility and sustainability, recognized L'Oréal as one of the World's Most Ethical Companies. This is the fourth time that L'Oréal has received this distinction.

About L'Oréal Brazil

L'Oréal Brazil, present in the country since 1959, is one of the leading beauty companies in Brazil. Commercializing 24 international brands through various distribution channels, to attend the very diverse and beauty demanding consumers in the country, L'Oréal Brazil employs directly 2500 people. Its operations include two factories, one in São Paulo and other in Rio de Janeiro and since 2008 a Research & Innovation Center with 80 researchers in Rio de Janeiro. The Brazilian Laboratory has developed successful products that meet the needs of the diverse population of Brazil, with potential to be sold in different parts of the world. L'Oréal Brazil is a source of innovation and inspiration for the L'Oréal Group worldwide.

About The Body Shop

The Body Shop was founded in 1976 by Dame Anita Roddick, in Littlehampton, England. The beauty brand pioneered social activism and was built on the philosophy that business can be a force for good. The business was acquired by L'Oréal in 2006. With its brand expression, Beauty with Heart, The Body Shop continues to be focused on five core values; Against Animal Testing, Support Community Fair Trade, Activate Self Esteem, Defend Human Rights and Protect The Planet. All products are created using the finest ingredients sourced from the four corners of the globe which are not tested on animals. Earlier this year The Body Shop was voted "International Business of the Year" by the prestigious Business in the Community for its pioneering Community Fair Trade sourcing programme which supports over 300,000 people in 21 countries. The Body Shop has over 2,800 stores in 63 countries.

About Emporio Body Store

The Emporio Body Store believes that cosmetics go far beyond product. Deep in its values is the promotion of a different way for women to relate to beauty, through an engaging shopping experience, a warm and pleasant use of cosmetics. Famous for its creams with intense fragrances and sensorial textures, it started its story with handcrafted soap enriched with essential oils and butters by founder Tobias Chanan in 1997. Over the past three years, it has been the Brazilian brand that stood out in the cosmetics segment with a significant growth reaching at the end of the year an estimated 130 points of sales in 58 cities in Brazil. Visual merchandising is one of the main differences of the brand. Within the atmosphere of an emporium, all products tell stories that represent the origin of the ingredients and the concept of each line, and the possibility to customize gifts at purchase.

(*) source: IMF 2012

(**) source: Beauty Market Survey 2012 excluding Razors & Blades, Soaps and Oral Care (sell-in)

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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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