Procter & Gamble and Coty Intend to Merge P&G Beauty Brands with Coty

The present press release has been established and submitted to the review of the French financial market authority ("Autorité des marchés financiers," "AMF") under Article 231-24 of the AMF general regulation. This press release is neither an offering document pursuant to U.S. securities laws and regulations, nor an information memorandum ("note d'information") within the meaning of French securities laws and regulations.

The present press release is solely addressed to Procter & Gamble shareholders whose shares are registered with Euroclear France.

CINCINNATI--(BUSINESS WIRE)-- Regulatory News:

The Procter & Gamble Company ("Procter & Gamble") (Paris:PGP) and Coty Inc. ("Coty") announced on July 9, 2015 a proposed acquisition of Procter & Gamble's global fine fragrances, salon professional, cosmetics and retail hair color businesses, along with select hair styling brands ("P&G Beauty Brands") by Coty.

Description of the transactions

For the purposes of the proposed transactions, Procter & Gamble, an Ohio company listed on the New York Stock Exchange (the "NYSE") and on the professional segment of Euronext Paris, would separate certain specified assets and liabilities related to P&G Beauty Brands, excluding specified excluded brands (the transferred assets and liabilities are referred to as "Galleria"), by transferring Galleria to Galleria Co., a wholly owned subsidiary of Procter & Gamble ("Galleria Company"). Procter & Gamble expects to distribute all the shares representing the capital of Galleria Company to its shareholders in an exchange offer as described below.

Pursuant to the exchange offer, Procter & Gamble would offer to each of its shareholders the right to exchange its shares of Procter & Gamble common stock for shares of Galleria Company common stock.

Following completion of the exchange offer, Galleria Company would merge with and into Green Acquisition Sub Inc., a wholly owned subsidiary of Coty established specifically for the purposes of the contemplated transactions ("Merger Sub") and each share of Galleria Company common stock received by Procter & Gamble shareholders in the exchange offer would automatically convert into the right to receive one share of Coty class A common stock.

Terms of the Exchange Offer

Procter & Gamble shareholders residing in France who wish to tender their Procter & Gamble common stock and whose shares are accepted in the exchange offer would be entitled to receive shares of Galleria Company common stock, which would be automatically converted upon the consummation of the merger into the right to receive shares of Coty class A common stock.

Coty shares are only listed on the NYSE and will not be listed on Euronext Paris.

The exchange offer would be governed by U.S. law and would be submitted to the sole supervision of the U.S. Securities and Exchange Commission (the "SEC"). Upon the launch of the exchange offer, Procter & Gamble would inform its shareholders residing in France about the specific procedures applicable to them if they choose to tender their shares in the exchange offer. Procter & Gamble will be issuing French language translations of each U.S. press release issued in connection with the exchange offer (launch, end of VWAP period, expiration, etc.).

The exchange offer is expected to launch in the third quarter of 2016 and to remain open for a period of at least 20 business days. The exchange offer period may be extended by Procter & Gamble. The timetable of the exchange offer would be published by Procter & Gamble on the date the exchange offer is launched. Shareholders residing in France who wish to participate must do so early in the process in order to ensure that their shares are submitted by the expiration date of the exchange offer. Should the exchange offer be extended, it is possible that, because of the settlement-delivery timing of the Procter & Gamble shares in the United States, shareholders in France may not be able to participate in the exchange offer beyond the initial expiration date. The settlement of the exchange offer and the merger of Galleria Company and Merger Sub would occur as soon as practicable after completion of the exchange offer.

The exchange offer would allow holders of shares of Procter & Gamble common stock to exchange their shares for shares of Galleria Company common stock at a discount to the Coty stock price. The Coty stock price is used as a reference to determine the value of the Galleria Company shares because each share of Galleria Company common stock would automatically convert into the right to receive one share of Coty class A common stock upon consummation of the merger. The amount of the discount would be determined by Procter & Gamble shortly prior to the launch of the exchange offer.

The exchange ratio set for the exchange offer, i.e. the number of shares of Galleria Company common stock, and as a result the number of shares of Coty class A common stock, that a tendering holder would receive for each share of Procter & Gamble common stock accepted in the exchange offer would be announced by press release no later than 9:00 a.m., New York City time, on the trading day immediately preceding the expiration date of the exchange offer.

To determine the exchange ratio of the exchange offer:

(i) the value of the shares of Procter & Gamble common stock would be calculated by Procter & Gamble on the basis of the price determined by reference to the arithmetic average of the daily volume-weighted market price ("VWAP") of shares of Procter & Gamble common stock traded on the NYSE during the period of three consecutive trading days ending on the second trading day preceding the expiration date of the exchange offer (such three day period, the "Averaging Period"); and

(ii) the value of the shares of Galleria Company common stock would be calculated by Procter & Gamble on the basis of the price determined by reference to the arithmetic average of the daily VWAP of shares of Coty common stock traded on the NYSE during the Averaging Period.

Upon consummation of the exchange offer and the automatic conversion of the shares of Galleria Company common stock into the right to receive shares of Coty class A common stock, tendering shareholders would be entitled to receive only a whole number of shares of Coty class A common stock. If the number of shares tendered would give rise to a fractional number of shares of Coty class A common stock, the fractions would be settled in cash by payment of a sum equal to a pro-rata portion of the net proceeds of the sale of all fractional shares in the open market.

Procter & Gamble is not required to complete the exchange offer unless the number of shares of Galleria Company common stock that would be distributed in exchange for shares of Procter & Gamble common stock validly tendered in the exchange offer and not properly withdrawn exceeds a specified percentage, to be calculated based on the relative prices per share of Coty class A common stock and Procter & Gamble common stock and the relative number of shares of Coty class A common stock and Procter & Gamble common stock outstanding as of the expiration date of the exchange offer. At any time prior to such expiration date, Procter & Gamble, in its reasonable judgment and after consultation with Coty, may increase the specified percentage by the minimum amount necessary to ensure that the exchange offer would benefit from certain favorable United States tax law provisions.

If the exchange offer is completed but not fully subscribed, the balance of Galleria Company shares held by Procter & Gamble upon completion of the exchange offer would be distributed as a dividend to Procter & Gamble shareholders (including French shareholders) holding Procter & Gamble shares after completion of the exchange offer, on a pro rata basis to their respective shareholdings in Procter & Gamble.

If the exchange offer is oversubscribed, Procter & Gamble would accept the number of shares tendered on a pro rata basis, by multiplying the number of shares validly tendered and not withdrawn by each Procter & Gamble shareholder by a factor determined by dividing the total number of shares that Procter & Gamble is able to accept in connection with the exchange offer by the total number of shares validly tendered and not withdrawn in the exchange offer. Shareholders owning less than 100 shares of Procter & Gamble who tender all of their shares would not be subject to the proration mechanism.

Procter & Gamble shareholders residing in France who wish to tender their shares would need to comply with specific procedures. Because of the exchange offer timeline, as well as specific internal procedures and deadlines imposed by financial intermediaries to their clients in order for such financial intermediaries to comply with the regulatory timeline for the offer, it is possible that Procter & Gamble shareholders residing in France who decide to participate in the exchange offer might not know the exchange ratio of the offer when they tender their shares and might not be granted the opportunity to withdraw their order within the set deadlines.

Tax

Procter & Gamble shareholders who are individuals and who are residents of France for tax purposes, and who are acting in their capacity as individuals for the purposes of managing their personal assets, should qualify for the rollover regime under Article 150-0 B of the French tax code provided that (i) the exchange of shares of Procter & Gamble common stock for shares of Galleria Company common stock is deemed to result from an exchange offer within the meaning of such provision and within the meaning of applicable rules and regulations in the United States, (ii) the exchange of shares of Galleria Company common stock for shares of Coty class A common stock constitutes a "merger" or a "contribution in kind of securities" from a United States legal perspective and (iii) the overall amount of cash received by such shareholders, if any, does not exceed 10% of the nominal value of the shares of Coty class A common stock received. Provided these conditions are met, the exchange would not constitute a taxable event and the taxable capital gain realized upon the future sale of the shares of Coty class A common stock would be calculated by reference to the acquisition cost of the Procter & Gamble shares tendered in the exchange. The foregoing represents a general tax analysis and should not be solely relied upon by Procter & Gamble shareholders in determining whether to participate in the exchange offer. Procter & Gamble shareholders resident in France are encouraged to consult their tax advisors before deciding to participate with respect to the foregoing and to consider their specific situation.

Conditions

The merger would be consummated as soon as practicable following completion of the exchange offer and would be subject to the satisfaction of certain other conditions, including the receipt by Procter & Gamble of an opinion from tax counsel regarding certain aspects of the contemplated transactions.

The board of directors of Coty has approved the contemplated transactions. Holders representing more than a majority of the voting power of Coty have approved, by written consent, the issuance of shares of Coty common stock in connection with the contemplated transactions.

The board of directors of Procter & Gamble has also approved the contemplated transactions. The contemplated merger will also be approved by Procter & Gamble as the sole shareholder of Galleria Company.

Important information regarding this press release

This press release is only for use in France, and more particularly, for Procter & Gamble shareholders residing in France. This press release must not in any circumstances be delivered, distributed or sent outside of France.

The distribution of this press release, the acceptance of the exchange offer and the settlement of the Procter & Gamble shares tendered in the exchange offer may be subject to specific regulations or restrictions in certain jurisdictions.

This press release is not an offer to sell or an offer or the solicitation of an offer to purchase securities in any country where such an offer or solicitation is illegal. Any exchange offer will be made only by means of the Offer Documents (as defined below). Any exchange offer will not be made, and will not be available, to any persons who are directly or indirectly subject to such offer or selling restrictions, and tenders of Procter & Gamble shares will not be accepted from any country where the exchange offer is restricted. Persons in possession of this release should inquire about, and comply with, all restrictions that may be applicable in their jurisdiction. Procter & Gamble shall not be liable for any breach or failure to comply with applicable law or regulations by any person.

Before deciding to tender their shares in the exchange offer, shareholders of Procter & Gamble should ensure that they have carefully reviewed all information prepared and provided by Procter & Gamble relating to the exchange offer and to the contemplated transactions.

Pursuant to U.S. securities laws, the following documents (the "Offer Documents") have been or are expected to be filed with the SEC in connection with the expected exchange offer: Galleria Company has filed a Registration Statement on Form S-4/S-1, Coty has filed a Registration Statement on Form S-4 and Procter & Gamble will file a Tender Offer Statement on Schedule TO. The registration statements, when declared effective by the SEC, and the Schedule TO, when filed with the SEC, will include a description of the terms of the proposed exchange offer and of the contemplated merger. A copy of the final Offer Documents, when available, can be obtained at no cost by shareholders of Procter & Gamble upon oral or written request to the information agent, D.F. King & Co., Inc., located at 48 Wall Street, New York, New York, 10005, or at +1-212-269-5550 (for banks and brokers) or 1-877-297-1747 (for all others). In order to receive timely delivery of these materials, shareholders of Procter & Gamble resident in France must make a request no later than five business days prior to the expiration of the exchange offer. The final version of the Offer Documents will also be made available on the website of the SEC: www.sec.gov.

Procter & Gamble shareholders considering tendering their Procter & Gamble shares in the exchange offer would be informed by Euronext Paris, upon the launch of the exchange offer, of the specific procedures applicable to them as well as of the steps required for participation in the exchange offer and of the potential fees they may incur, should they elect to participate.

Centralization

- Centralization of the exchange offer will be done by Euronext Paris.

For technical reasons of delay of transfer of Procter & Gamble shares to the United States, Euroclear France affiliates must deliver the Procter & Gamble shares tendered by their clients in the exchange offer to Euronext Paris on its Euroclear France account n°500.

Shareholders may withdraw their tendered shares from the exchange offer provided they inform their intermediary in due time before the delivery of the shares to Euronext Paris.

Please note that due to specific procedures in France:

- it is unlikely that Procter & Gamble shareholders will know the final exchange ratio prior to tendering their shares and,
- in the event the exchange offer is extended, French shareholders may not be able to participate in the exchange offer during the extended period or withdraw shares previously tendered.

Euronext Paris will publish as soon as it has been informed:

- the final exchange ratio
- the possible proration
- the date of settlement and delivery of shares of Coty class A common stock to intermediaries
- the average price of shares of Coty class A common stock for the payment of fractional shares and the date of this payment to intermediaries.

- Delivery of shares of Coty class A common stock – payment of fractional shares

As a reminder, shares of Coty class A common stock are only listed on the NYSE and will not be listed on Euronext Paris.

Following completion of the exchange offer, after reception of shares of Coty class A common stock (ISIN US US2220702037) on its Euroclear France account, Euronext Paris would deliver such shares to intermediaries and such shares would be temporarily admitted in Euroclear France. Cash payments will be made by Euronext Paris in euros on the basis of the prevailing exchange rate on the date of receipt of the funds from the exchange agent for the exchange offer and conversion into euros by such agent.

French shareholders of Procter & Gamble whose shares are held through Euroclear France are not individually identified as shareholders of Procter & Gamble. As a result, Euronext Paris will receive in a single transfer the shares of Coty class A common stock and payment for the fractional shares owed to French shareholders who tendered in the offer.

The shares of Coty class A common stock and the payment for the fractional shares owed to French shareholders who tendered their shares in the exchange offer will be distributed *prorata* to the number of shares tendered in the offer.

About Procter & Gamble

P&G serves consumers around the world with one of the strongest portfolios of trusted, quality, leadership brands, including Always®, Ambi Pur®, Ariel®, Bounty®, Charmin®, Crest®, Dawn®, Downy®, Fairy®, Febreze®, Gain®, Gillette®, Head & Shoulders®, Lenor®, Olay®, Oral-B®, Pampers®, Pantene®, SK-II®, Tide®, Vicks®, and Whisper®. The P&G community includes operations in approximately 70 countries worldwide. Please visit http://www.pg.com (in English) or http://www.fr.pg.com (in French) for the latest news and information about P&G and its brands.

About Galleria Company

Galleria Company, a Delaware corporation, is a wholly owned subsidiary of Procter & Gamble organized on June 25, 2015 for the purpose of effecting the separation of Galleria from Procter & Gamble. Galleria Company has no material assets or liabilities of any kind other than those incident to its formation and those acquired or incurred in connection with the contemplated transactions described in this press release.

About Coty

Coty, a Delaware corporation, is a leading global beauty company. Founded in Paris in 1904, Coty is a pure play beauty company with a portfolio of well-known brands that compete in the three segments in which Coty operates: Fragrances, Color Cosmetics and Skin & Body Care. Coty currently holds the #2 global position in fragrances, the #4 global position in color cosmetics and has a strong regional presence in skin and body care. Coty's top 10 brands, which Coty refers to as its "power brands," generated 72% of its net revenues in fiscal 2015 and comprise the following globally recognized brands: adidas®, Calvin Klein®, Chloé®, DAVIDOFF®, Marc Jacobs®, OPI®, philosophy®, Playboy®, Rimmel® and Sally Hansen®. Coty's brands compete in all key distribution channels across both prestige and mass markets and in over 130 countries and territories.

Some of the statements and assumptions included in this release regarding Procter & Gamble, Galleria Company and Coty contain "forward-looking statements", or are founded on such statements, and involve risks and uncertainties. These statements concern in particular the outcome of the contemplated exchange offer or merger, and can be identified by the use of such terms as "plan," "intend," "believe," "will" and "expect." By their very nature, forward-looking statements speak to risks and uncertainties, since they relate to events and depend on circumstances that will occur in the future and which may be beyond control of Procter & Gamble, Galleria Company or Coty. Actual results and outcomes may be materially different from those presented or suggested in such statements because of various factors, in particular the outcome of the contemplated exchange offer and the merger as well others factors identified in the Offer Documents relating to the contemplated transactions filed with the SEC.

Contacts

P&G
Damon Jones, +1-513-983-0190
Jones.dd@pg.com

Source: The Procter & Gamble Company