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L'OCCITANE INTERNATIONAL S.A.

Société Anonyme

1, rue du Fort Rheinsheim L-2419 Luxembourg

R.C.S. Luxembourg: B80359

(Incorporated under the laws of Luxembourg with limited liability)

(Stock code: 973)

PROPOSED ADOPTION OF THE FREE SHARE PLAN

The Board is pleased to announce that it proposes to adopt a Free Share Plan. The Free Share Plan is not a scheme covered under Chapter 17 of the Listing Rules and accordingly the provisions of the Free Share Plan will not be required to comply with the requirements of Chapter 17 of the Listing Rules. However, under applicable Luxembourg law, the Free Share Plan will require Shareholders' approval.

The Free Share Plan will provide Employees with an opportunity to have a personal stake in the Company through an offer of grant of Free Shares. The purpose of the Free Share Plan is to motivate Employees and optimise their performance, effectiveness and efficiency for the benefit of the Group and to attract and retain or otherwise maintain ongoing business relationship with Employees whose contributions are or will be beneficial to the long-term growth of the Group.

A circular containing, among other things, further details of the Free Share Plan and a notice of the Annual General Meeting for the purpose of approving adoption of the Free Share Plan will be dispatched by the Company to the Shareholders in accordance with the Listing Rules.

INTRODUCTION

The Board is pleased to announce that it proposes to adopt a Free Share Plan. The Free Share Plan is not a scheme covered under Chapter 17 of the Listing Rules and accordingly the provisions of the Free Share Plan will not be required to comply with the requirements of Chapter 17 of the Listing Rules. However, under applicable Luxembourg law, the Free Share Plan will require Shareholders' approval.

The principal terms of the Free Share Plan are set out below. Any grant of Free Shares shall be granted under the General Mandate.

1. Purpose of the Free Share Plan

The Free Share Plan will provide Employees with an opportunity to have a personal stake in the Company through an offer of grant of Free Shares.

The purpose of the Free Share Plan is to achieve the following objectives:

- to motivate Employees and optimise their performance, effectiveness and efficiency for the benefit of the Group; and
- to attract and retain or otherwise maintain ongoing business relationship with Employees whose contributions are or will be beneficial to the long-term growth of the Group.

2. Participants

The Participants of the Free Share Plan are Employees only. Free Shares will not be granted to connected persons (as defined in the Listing Rules) of the Company. In determining the basis of eligibility of each Participant, the Board will take into account such factors as it may at its discretion consider appropriate, including but not limited to whether the Participant has contributed or will contribute to the business growth and value of the Group.

3. Grant of Free Shares

Under the rules of the Free Share Plan, the Board may during the Plan Period at its discretion grant Free Shares in accordance with the Free Share Plan to an Employee subject to such conditions as the Board may think fit. The Board may at its discretion, determine the period of time during which to allocate the Free Shares in respect of all or some of the Shares to which the grant of Free Shares relate will vest subject to and in accordance with the terms and conditions of the grant of Free Shares.

In addition, the Board may at its discretion grant Free Shares to a Grantee who has previously acquired Shares, on the condition that the Grantee hold onto to those Shares for a specified period of time, any performance targets to be imposed have been met and/or any other conditions as the Board may think fit.

4. Number of shares subject to the Free Share Plan

The total number of Free Shares subject to the Free Share Plan is 0.5% of the Company's issued share capital as at the date of adoption of the Free Share Plan.

5. Duration and performance target

The validity of the authorisation of the plan representing the time period in which the Board could grant the Free Shares is three years.

The vesting period of the Free Shares is set at four years or such other vesting period as the Board may specify at the time of the grant. Subject to exceptions, Grantees leaving the employment of the Company within four years of receiving a grant of Free Shares would in principle forfeit the respective Free Shares.

The Grantee may be required to achieve performance targets as the Board may specify in the grant before any Free Shares can be allocated.

6. Termination

The Company by ordinary resolution of the shareholders, or the Board, may at any time terminate the operation of the Free Share Plan, and in such event, no further Free Shares will be offered or granted, but in all other respects the Free Share Plan shall remain in full force and effect. Any granted but unallocated Free Shares shall continue to be exercisable in accordance with their terms of issue after the termination of the Free Share Plan.

7. Transferability of Free Shares

Free Shares shall be personal to the Grantee and shall not be assignable or transferable. No Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interests in favour of any third party over or in relation to any Free Share.

GENERAL

A circular containing, among other things, further details of the Free Share Plan and a notice of the Annual General Meeting for the purpose of approving adoption of the Free Share Plan will be dispatched by the Company to the Shareholders in accordance with the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“Annual General Meeting”	the annual general meeting of the Company to be held on Thursday, 30 September 2010
“Board”	the board of Directors

“Company”	L’Occitane International S.A., a société anonyme incorporated and existing under the laws of the Grand-Duchy of Luxembourg on 22 December 2000 having its registered office at 1, rue du Fort Rheinsheim, L-2419 Luxembourg, registered with the Luxembourg trade and companies register under registration number B80359 with limited liability, with its shares listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Employee(s)”	employees of the Group
“Free Share(s)”	Share(s) to be issued pursuant to the Free Share Plan
“Free Share Plan”	the proposed 2010 free share plan to be adopted by the Company
“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and/or deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such general mandate
“Grantee”	any Participant who accepts an offer in accordance with the terms of the Free Share Plan or (where the context so permits) any person who is entitled to any Free Share in consequence of the death of the original Grantee
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Participant”	any eligible Employee who the Board considers, in its sole discretion, have contributed or will contribute to the business growth and value of the Group
“Plan Period”	the validity of the authorisation of the Free Share Plan, representing the time period in which the Board could grant the Free Shares, being three years

“Share(s)”	ordinary share(s) of nominal value of EUR0.03 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
L’Occitane International S.A.
Reinold Geiger
Chairman

Hong Kong, 7 September 2010

As at the date of this announcement, the executive directors of the Company are Mr. Reinold Geiger, Mr. Emmanuel Laurent Jacques Osti, Mr. André Joseph Hoffmann and Mr. Thomas Levilion, the non-executive directors of the Company are Mr. Karl Guenard, Mr. Martial Thierry Lopez and Mr. Pierre Maurice Georges Milet and the independent non-executive directors of the Company are Mr. Charles Mark Broadley, Ms. Susan Saltzbar Kilsby and Mr. Jackson Chik Sum Ng.