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L'OCCITANE

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L'OCCITANE INTERNATIONAL S.A.

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)

UNAUDITED TRADING UPDATE FOR THE NINE MONTHS ENDED 31 DECEMBER 2012

L'Occitane International S.A. (the "Company") is pleased to present the unaudited 2012/2013 ("FY2013") third quarter trading update of the Company and its subsidiaries (the "Group") for the nine months ended 31 December 2012. This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Highlights

- Group's net sales were €801.3 million, recording an increase of 17.6% compared with the nine months ended 31 December 2011. Local currency growth was 12.2%
- Growth was primarily driven by Hong Kong, the United States, Russia and China. Russia and China were among the fastest growing countries (33.4% and 26.8%, respectively)
- Overall Same Store Sales Growth increased to 3.2%
- The net own stores openings were 130 over the nine months ended 31 December 2012 (compared to 122 over the same period last year), excluding the acquisition of distributors

Business Segments

The following tables provide a breakdown of the net sales and year-on-year growth (including and excluding foreign currency translation effects as indicated) by business segment for the nine months ended 31 December 2012:

	Sales and % of total sales			
	31 December 2012	%	31 December 2011	%
	€ '000		€ '000	
Sell-out	604,530	75.4	507,488	74.5
Sell-in	196,741	24.6	173,884	25.5
Total	<u>801,271</u>	<u>100.0</u>	<u>681,373</u>	<u>100.0</u>
				%
	€ '000	% Growth	% Growth ⁽²⁾	Contribution to Overall Growth ⁽²⁾
Sell-out	97,041	19.1	13.3	81.6
Comparable Stores	36,373	8.5	3.2	16.7
Non-comparable Stores	59,023	83.4	74.5	63.6
Other ⁽¹⁾	1,646	18.4	12.0	1.3
Sell-in	22,857	13.1	8.8	18.4
Overall Growth	<u>119,898</u>	<u>17.6</u>	<u>12.2</u>	<u>100.0</u>

⁽¹⁾ Includes mail-order and other sales.

⁽²⁾ Excludes the impact of foreign currency translation effects.

Geographic Areas

The following table presents our net sales and net sales growth for the nine months ended 31 December 2012 and contribution to overall sales growth (including and excluding foreign currency translation effects as indicated) by geographic area:

€ '000	Sales and % of total sales				Growth	% Growth	% Growth ⁽¹⁾	% Contribution to Overall Growth ⁽¹⁾
	31 December 2012		31 December 2011					
Japan	169,314	21.1	156,152	22.9	13,162	8.4	1.5	2.9
Hong Kong ⁽²⁾	82,749	10.3	65,892	9.7	16,857	25.6	15.7	12.5
China	48,466	6.0	34,769	5.1	13,697	39.4	26.8	11.2
Taiwan	28,736	3.6	25,161	3.7	3,575	14.2	5.2	1.6
France	65,243	8.1	61,808	9.1	3,435	5.6	5.6	4.1
United Kingdom	45,744	5.7	37,409	5.5	8,335	22.3	13.5	6.1
United States	97,136	12.1	79,973	11.7	17,163	21.5	12.9	12.4
Brazil	36,940	4.6	36,186	5.3	753	2.1	12.6	5.5
Russia	38,625	4.8	28,101	4.1	10,524	37.4	33.4	11.3
Other Countries ⁽³⁾	188,319	23.5	155,922	22.9	32,398	20.8	17.3	32.5
All countries	801,271	100.0	681,373	100.0	119,898	17.6	12.2	100.0

⁽¹⁾ Excludes the impact of foreign currency translation effects and reflects growth from all business segments, including growth from our own retail store sales.

⁽²⁾ Includes sales in Macau.

⁽³⁾ Includes sales from Luxembourg.

The following table provides a breakdown, by geographic area, of the number of our own retail stores, their contribution percentage to overall growth and our Same Store Sales Growth for the nine months indicated:

	Own retail stores				% contribution to Overall Growth ⁽¹⁾⁽²⁾			Same Store Sales Growth ⁽²⁾
	31 Dec 2012	net openings YTD Dec 2012	31 Dec 2011	net openings YTD Dec 2011	Non-comparable Stores	Comparable stores	Total Stores	
Japan ⁽³⁾	102	12	91	8	7.9	(6.8)	1.2	(5.0)
Hong Kong ⁽⁴⁾	31	2	25	3	6.5	1.3	7.9	6.0
China	116	23	91	20	6.7	4.0	10.6	13.7
Taiwan ⁽⁵⁾	63	1	61	9	2.0	(1.0)	1.0	(4.6)
France ⁽⁶⁾	67	1	65	(1)	1.2	2.4	3.6	6.7
United Kingdom ⁽⁷⁾	62	5	57	9	2.7	2.2	4.9	7.4
United States ⁽⁸⁾	188	18	172	5	4.8	7.2	12.0	9.4
Brazil	72	9	63	17	4.3	(0.7)	3.6	(2.1)
Russia ⁽⁹⁾	97	21	69	12	6.1	3.2	9.3	12.4
Other Countries ⁽¹⁰⁾	395	48	339	56	21.3	4.8	26.2	4.6
All countries	1,193	140	1,033	138	63.6	16.7	80.3	3.2

⁽¹⁾ Represents percentage of overall net sales growth attributable to Non-comparable Stores, Comparable Stores and Total Stores for the geographic area and period indicated.

⁽²⁾ Excludes foreign currency translation effects.

⁽³⁾ Includes 5 and 12 Melvita stores as at 31 December 2011 and 31 December 2012, respectively.

⁽⁴⁾ Includes 1 L'Occitane store in Macau, and 4 and 9 Melvita stores in Hong Kong as at 31 December 2011 and 31 December 2012, respectively.

⁽⁵⁾ Includes 7 and 9 Melvita stores as at 31 December 2011 and 31 December 2012, respectively.

⁽⁶⁾ Includes 4 Melvita stores as at 31 December 2011 and 31 December 2012.

⁽⁷⁾ Includes 2 Melvita stores as at 31 December 2011 and 31 December 2012.

⁽⁸⁾ Includes 3 and 2 Melvita stores as at 31 December 2011 and 31 December 2012, respectively.

⁽⁹⁾ Includes 5 and 8 Melvita stores as at 31 December 2011 and 31 December 2012, respectively.

⁽¹⁰⁾ Includes 9 Melvita stores as at 31 December 2011 and 31 December 2012.

The net openings include 16 stores from the acquisition of our distributor in Malaysia and 10 stores from the acquisition of our distributor in Ireland as at 31 December 2011 and 31 December 2012, respectively.

The performance achieved by the Group in the context of a challenging global environment during the nine months ended 31 December 2012 continues to illustrate the resilience and efficiency of our own retail and E-commerce expansion strategy.

During the third quarter of FY2013, 93.1% of our overall growth, excluding foreign currencies translation effects, was driven by the development of our sales in our sell-out segment. In particular, our online retail sales showed excellent sales momentum, illustrated by 32.0% year-on-year growth during our third quarter, highlighting the synergy of this channel with our own retail. The Group plans to continue expanding its online sales efforts and will continue investments in the social and digital media to further enhance our prospects.

Overall, our Same Store Sales Growth for the third quarter reached 4.0%, with strong performances in China, Russia, France and the United States. Japan, Taiwan and Brazil remained soft due to the prevailing weakness and uncertainty in those markets and showed negative Same Store Sales Growth.

Our Same Stores Sales Growth in Hong Kong maintained solid growth, but was impacted by renovations and cannibalization effects. Excluding such effects, our Same Store Sales Growth in Hong Kong over the nine months ended 31 December 2012 was 18.9%.

We continued to rapidly expand our own stores network: during the nine months ended 31 December 2012, we had 130 net store openings, excluding acquisitions, which compares with 122 net openings during the same period last year. We also added net 10 stores from the acquisition of our distributor in Ireland. Furthermore, we accelerated our store renovation program. We renovated or relocated 55 stores during the period under review, as compared to 42 renovations and relocations during the same period last year.

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

Hong Kong, 29 January 2013

As at the date of this announcement, the executive Directors of the Company are Mr. Reinold Geiger (Chairman and Chief Executive Officer), Mr. Emmanuel Laurent Jacques Osti (Managing Director), Mr. André Joseph Hoffmann (Managing Director Asia-Pacific), Mr. Domenico Luigi Trizio (Chief Operating Officer) and Mr. Thomas Levilion (Group Deputy General Manager, Finance and Administration), the non-executive Directors of the Company are Mr. Karl Guénard and Mr. Martial Thierry Lopez and the independent non-executive Directors of the Company are Mrs. Valérie Irène Amélie Monique Bernis, Mr. Charles Mark Broadley and Mr. Jackson Chik Sum Ng.

Disclaimer

The financial information and certain other information presented in a number of tables have been rounded to the nearest whole number or the nearest decimal. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.