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L'OCCITANE

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L'OCCITANE INTERNATIONAL S.A.

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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 2013

L'Occitane International S.A. (the "Company") is pleased to present the unaudited 2013/2014 ("FY2014") trading update of the Company and its subsidiaries (the "Group") for the nine months ended 31 December 2013. 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

- Net sales were €803.9 million. At constant exchange rates, sales growth was 8.7% as compared to the nine months ended 31 December 2012
- Growth was primarily driven by the United States, China, Russia and Brazil. China, Russia and Brazil were among the fastest growing countries (18.8%, 18.0% and 14.6% respectively)
- The Online retail channel continued to outperform with a 28.2% growth at constant exchange rates during the nine months of FY2014 as compared to the same period last year
- Japan showed an improvement in sales trend, particularly during the last three months of the period under review
- Overall Same Store Sales Growth increased to 2.5% for the nine months ended 31 December 2013 (from 0.9% for the six months ended 30 September 2013)
- The Group store opening plan remained on track. The net own-store openings, excluding transactions with distributors, were 108 in the nine months ended 31 December 2013 (compared to 130 over the same period last year)
- The renovated and relocated stores were 82 during the nine months ended 31 December 2013 (compared to 55 over the same period last year)

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 2013:

	Sales and % of total sales			
	31 Dec 2013		31 Dec 2012	
	€ '000	%	€ '000	%
Sell-out	605,800	75.4	604,530	75.4
Sell-in	198,117	24.6	196,741	24.6
Total	803,917	100.0	801,271	100.0
	€ '000	% Growth	% Growth ⁽²⁾	Contribution to Overall Growth ⁽²⁾
Sell-out	1,270	0.2	9.9	86.0
Comparable Stores	(28,853)	(6.5)	2.5	16.2
Non-comparable Stores	31,072	21.2	32.3	68.4
Other ⁽¹⁾	(950)	(9.0)	8.8	1.3
Sell-in	1,375	0.7	4.9	14.0
Overall Growth	2,645	0.3	8.7	100.0

⁽¹⁾ Includes mail-order and other sales.

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

Geographic Areas

The following table presents the net sales and net sales growth for the nine months ended 31 December 2013 and contribution to overall sales growth (including and excluding foreign currency translation effects as indicated) by geographic area:

	Sales and % of total sales		€ '000		%		%		Contribution to Overall Growth ⁽¹⁾
	31 December 2013	31 December 2012		Growth	Growth	Growth ⁽¹⁾			
Japan	128,870	16.0	169,314	21.1	(40,444)	(23.9)	(1.3)	(3.2)	
Hong Kong ⁽²⁾	82,281	10.2	82,749	10.3	(468)	(0.6)	3.7	4.4	
China	56,770	7.1	48,466	6.0	8,304	17.1	18.8	13.1	
Taiwan	28,607	3.6	28,736	3.6	(129)	(0.5)	4.2	1.8	
France	69,856	8.7	65,243	8.1	4,613	7.1	7.1	6.7	
United Kingdom	47,799	5.9	45,744	5.7	2,055	4.5	9.9	6.5	
United States	105,050	13.1	97,136	12.1	7,914	8.1	12.8	18.0	
Brazil	36,959	4.6	36,940	4.6	19	0.1	14.6	7.8	
Russia	42,046	5.2	38,625	4.8	3,421	8.9	18.0	10.0	
Other countries ⁽³⁾	205,679	25.6	188,319	23.5	17,361	9.2	12.9	34.9	
All countries	803,917	100.0	801,271	100.0	2,645	0.3	8.7	100.0	

⁽¹⁾ Excludes the impact of foreign currency translation effects and reflects growth from all business segments, including growth from the 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 own retail stores, their contribution percentage to overall growth and Same Store Sales Growth for the periods indicated:

	Own Retail Stores				% contribution to Overall Growth ^{(1) (2)}			Same Store Sales Growth ⁽²⁾
	Net openings		Net openings		Non-comparable Stores	Comparable stores	Total Stores	
	31 Dec 2013	YTD Dec 2013	31 Dec 2012	YTD Dec 2012				
Japan ⁽³⁾	107	7	102	12	4.8	(7.5)	(2.7)	(4.7)
Hong Kong ⁽⁴⁾	35	4	31	2	4.4	1.5	5.9	7.0
China	144	25	116	23	13.1	1.7	14.9	3.8
Taiwan ⁽⁵⁾	54	(7)	63	1	0.4	0.8	1.2	3.9
France ⁽⁶⁾	75	5	67	1	3.4	0.8	4.3	2.2
United Kingdom ⁽⁷⁾	67	5	62	5	3.8	2.5	6.3	5.8
United States ⁽⁸⁾	200	14	188	18	8.6	8.3	16.9	8.3
Brazil	77	7	72	9	5.1	1.8	6.9	5.2
Russia ⁽⁹⁾	106	7	97	21	4.9	0.2	5.1	0.5
Other countries ⁽¹⁰⁾	440	40	395	48	19.9	6.0	25.8	4.0
All countries	1,305	107	1,193	140	68.4	16.2	84.6	2.5

⁽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 12 Melvita stores as at 31 December 2012 and 31 December 2013.

⁽⁴⁾ Includes 1 L'Occitane store in Macau and 9 Melvita stores in Hong Kong as at 31 December 2012 and 3 L'Occitane stores in Macau and 10 Melvita stores in Hong Kong as at 31 December 2013.

⁽⁵⁾ Includes 9 Melvita stores as at 31 December 2012. During the period ended 31 December 2013, 7 Melvita stores were sold to a distributor in Taiwan. Excluding this transaction, there was no change in the number of net openings for the nine months ended 31 December 2013.

⁽⁶⁾ Includes 4 Melvita stores as at 31 December 2012 and 31 December 2013.

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

⁽⁸⁾ Includes 2 Melvita stores as at 31 December 2012.

⁽⁹⁾ Includes 8 and 6 Melvita stores as at 31 December 2012 and 31 December 2013 respectively.

⁽¹⁰⁾ Includes 9 and 7 Melvita stores as at 31 December 2012 and 31 December 2013 respectively. The net openings include 10 stores from the acquisition of distributor in Ireland as at 31 December 2012 and 6 stores from the acquisition of distributor in South Africa as at 31 December 2013.

As the Group will be accelerating its store renovation policy, the Same Store Sales Growth is now calculated excluding renovated stores. The table below provides a comparison of the Group's Same Store Sales Growth excluding and including renovated stores for the periods indicated:

	Same Store Sales Growth ⁽¹⁾			
	31 December 2013		31 December 2012	
	excluding renovated stores	including renovated stores	excluding renovated stores	including renovated stores
Japan	(4.7)	(5.3)	(5.0)	(5.0)
Hong Kong	7.0	4.1	8.8	6.0
China	3.8	3.7	15.6	13.7
Taiwan	3.9	3.2	(4.4)	(4.6)
France	2.2	2.2	7.3	6.6
United Kingdom	5.8	5.0	7.4	7.4
United States	8.3	7.8	9.6	9.4
Brazil	5.2	4.0	(2.5)	(2.1)
Russia	0.5	(0.0)	13.0	12.4
Other countries	4.0	4.0	4.8	4.6
All countries	2.5	2.1	3.3	3.2

⁽¹⁾ excludes foreign currency translation effects

Net sales were €803.9 million for the nine months ended 31 December 2013, an increase of 0.3% as compared to the nine months ended 31 December 2012. At constant exchange rates, the Group generated sales growth of 8.7%.

During the nine months ended 31 December 2013, Sell-out sales accounted for 75.4% of net sales and amounted to €605.8 million, an increase of 0.2% (9.9% at constant exchange rates) as compared to the same period last year. This growth was mainly contributed by Non-comparable Stores. The Same Store Sales Growth for the nine months ended 31 December 2013 was 2.5%. The Group's online retail channel continued to outperform with a 28.2% growth at constant exchange rates during the nine months of FY2014 as compared to the same period last year.

Sell-in sales accounted for 24.6% of the Group's total sales and amounted to €198.1 million, an increase of 0.7% (4.9% at constant exchange rates) as compared to the same period last year. The Sell-in business continued to grow in a challenged operating environment and accounted for 14.0% of the Group's overall growth.

In terms of geographical areas, China, Russia, Brazil and the United States were among countries with highest sales growth at constant exchange rates.

Japan showed an improvement in sales trend, particularly during the last three months of the period under review. Japan reported a smaller decline in Same Store Sales for the period under review, compared to the six months ended 30 September 2013. At constant exchange rates, the sales decrease in Japan narrowed to 1.3% for the nine months ended 31 December 2013 (as compared to a decline of 4.9% for the six months ended 30 September 2013).

The United States, Hong Kong, the United Kingdom and Brazil were among countries with strong Same Store Sales Growth for the nine months ended 31 December 2013.

The Group maintained its planned global retail expansion during the nine months ended 31 December 2013 with 108 net store openings, as compared to 130 during the same period last year, excluding the transactions with distributors. The Group continued its retail network upgrade with 82 stores renovated or relocated during the nine months of FY2014 as compared to 55 stores during the same period last year.

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

Hong Kong, 28 January 2014

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. Thomas Levilion (Group Deputy General Manager, Finance and Administration), Mr. Domenico Luigi Trizio (Chief Operating Officer) and Mr. Karl Guénard, the non-executive Director of the Company is Mr. Martial Thierry Lopez and the independent non-executive Directors of the Company are Mrs. Valérie Irène Amélie Monique Bernis, Mr. Charles Mark Broadley, Mr. Pierre Maurice Georges Milet 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.