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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 YEAR ENDED 31 MARCH 2014

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 financial year ended 31 March 2014. 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 €1,054.9 million. At constant exchange rates, sales growth was 9.4% as compared to the financial year ended 31 March 2013 (FY2013)
- Growth was primarily driven by the United States, China, Russia and Brazil. Brazil, China and Russia were among the fastest growing countries (20.8%, 19.9% and 17.4% respectively)
- The online retail channel continued to outperform with a 29.7% growth at constant exchange rates during FY2014 as compared to FY2013
- 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 3.7% for FY2014 (compared to 2.4% for FY2013)
- The net own-store openings, excluding non-comparable items, were 115 during FY2014 (compared to 135 in FY2013)
- The renovated and relocated stores were 121 during FY2014 (compared to 74 during FY2013)

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 FY2014:

	Sales and % of total sales			
	FY2014		FY2013	
	€ '000	%	€ '000	%
Sell-out	795,672	75.4	784,859	75.2
Sell-in	259,200	24.6	258,504	24.8
Total	1,054,872	100.0	1,043,363	100.0

	FY2014 compared to FY2013			
	€ '000 Growth	% Growth	% Growth ⁽²⁾	% Contribution to Overall Growth ⁽²⁾
Sell-out	10,813	1.4	11.0	88.0
Comparable Stores	(26,348)	(4.9)	3.7	20.1
Non-comparable Stores	38,322	16.2	27.7	66.8
Other ⁽¹⁾	(1,160)	(8.3)	8.5	1.2
Sell-in	696	0.3	4.5	12.0
Overall Growth	11,509	1.1	9.4	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 FY2014 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⁾	% Contribution to Overall Growth ⁽¹⁾	
	FY2014	FY2013						Growth
Japan	177,749	16.9	219,455	21.0	(41,706)	(19.0)	2.4	5.3
Hong Kong ⁽²⁾	110,674	10.5	111,007	10.6	(332)	(0.3)	3.8	4.4
China	79,893	7.6	67,724	6.5	12,169	18.0	19.9	13.8
Taiwan	36,338	3.4	36,196	3.5	142	0.4	5.5	2.0
France	87,142	8.3	82,532	7.9	4,610	5.6	5.6	4.7
United Kingdom	58,582	5.6	56,086	5.4	2,496	4.4	8.3	4.7
United States	133,264	12.6	124,916	12.0	8,348	6.7	11.2	14.2
Brazil	45,992	4.4	44,217	4.2	1,775	4.0	20.8	9.4
Russia	59,034	5.6	56,309	5.4	2,725	4.8	17.4	10.0
Other countries ⁽³⁾	266,203	25.2	244,921	23.5	21,283	8.7	12.6	31.5
All countries	1,054,872	100.0	1,043,363	100.0	11,509	1.1	9.4	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 year 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 Mar 2014	YTD Mar 2014	31 Mar 2013	YTD Mar 2013				
Japan ⁽³⁾	106	6	100	10	7.0	(1.7)	5.3	(1.4)
Hong Kong ⁽⁴⁾	32	1	31	2	5.0	0.2	5.1	1.1
China ⁽⁵⁾	136	17	119	26	13.0	2.7	15.7	6.1
Taiwan ⁽⁶⁾	54	(7)	61	(1)	0.6	1.0	1.6	5.4
France ⁽⁷⁾	75	5	70	4	3.0	0.4	3.4	1.2
United Kingdom ⁽⁸⁾	68	6	62	5	3.1	1.7	4.7	4.4
United States ⁽⁹⁾	197	11	186	16	7.1	6.1	13.3	7.1
Brazil	78	8	70	7	5.5	3.6	9.2	14.0
Russia ⁽¹⁰⁾	110	11	99	23	4.9	0.0	4.9	0.1
Other countries ⁽¹¹⁾	439	39	400	53	17.5	6.1	23.6	4.7
All countries	1,295	97	1,198	145	66.8	20.1	86.8	3.7

(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 and 11 Melvita stores as at 31 March 2013 and 31 March 2014 respectively.

(4) Includes 1 L'Occitane store in Macau and 9 Melvita stores in Hong Kong as at 31 March 2013 and 3 L'Occitane store in Macau and 10 Melvita stores in Hong Kong as at 31 March 2014.

(5) 8 stores were transferred to wholesale accounts during FY2014.

(6) Includes 9 Melvita stores as at 31 March 2013.

(7) Includes 4 Melvita stores as at 31 March 2013 and 31 March 2014.

(8) Includes 2 Melvita stores as at 31 March 2013.

(9) Includes 2 Melvita stores as at 31 March 2013.

(10) Includes 8 and 6 Melvita stores as at 31 March 2013 and 31 March 2014 respectively.

(11) Includes 7 and 6 Melvita stores as at 31 March 2013 and 31 March 2014 respectively.

The net openings include 10 stores from the acquisition of distributor in Ireland as at 31 March 2013 and 6 stores from the acquisition of distributor in South Africa as at 31 March 2014.

As the Group has accelerated its store renovation program, 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:

	FY2014 compared to FY2013 Same Store Sales Growth ⁽¹⁾			
	FY2014		FY2013	
	excluding renovated stores	including renovated stores	excluding renovated stores	including renovated stores
Japan	(1.4)	(2.5)	(4.9)	(4.9)
Hong Kong	1.1	0.5	8.7	5.1
China	6.1	5.7	10.7	9.1
Taiwan	5.4	5.0	(4.6)	(4.8)
France	1.2	1.3	8.1	6.1
United Kingdom	4.4	3.5	7.7	7.7
United States	7.1	6.5	9.1	8.4
Brazil	14.0	12.2	(7.5)	(7.0)
Russia	0.1	(0.4)	9.6	9.4
Other countries	4.7	4.4	3.9	3.8
All countries	3.7	2.9	2.4	2.3

⁽¹⁾ excludes foreign currency translation effects

The Group's net sales for FY2014 were €1,054.9 million, an increase of 1.1% as compared to FY2013. At constant exchange rates, the Group generated sales growth of 9.4%. The continual uncertainties of the economic environment and foreign currency impacts affected the sales results of the Group, especially in Japan, Brazil and Russia.

For FY2014, Sell-out sales accounted for 75.4% of net sales and amounted to €795.7 million, an increase of 1.4% (11.0% at constant exchange rates) as compared to FY2013. This growth was mainly contributed by Non-comparable Stores. The Same Store Sales Growth for FY2014 was 3.7%. The Group's online retail channel continued to outperform with a 29.7% growth at constant exchange rates during FY2014 as compared to FY2013.

Sell-in sales accounted for 24.6% of the Group's total sales and amounted to €259.2 million, an increase of 0.3% (4.5% at constant exchange rates) as compared to last year. The Sell-in business continued to grow in a challenged operating environment and accounted for 12.0% of the Group's overall growth.

In terms of geographical areas, Brazil, China, Russia 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. At constant exchange rates, Japan posted sales growth of 2.4% for FY2014, compared to growth of 0.6% for FY2013. Japan reported a decline of 1.4% in Same Store Sales for FY2014, compared to a decline of 4.9% for FY2013.

Brazil, the United States, China and Taiwan were among countries with strong Same Store Sales Growth for FY2014.

The Group remained committed to its retail expansion strategy. Net store openings in FY2014 were 97. However, certain exceptional events including acquisition, disposal and retail network rationalization for Melvita impacted like-for-like net store openings comparison. As a result, the comparable net store openings were 115 for FY2014 and 135 for FY2013. These events included acquiring 6 stores from the distributor in South Africa (10 stores in Ireland in FY2013); switching 8 stores from retail stores to wholesale accounts in China; and disposing of and closing down 16 Melvita stores.

During 2014, the Group continued its retail network upgrade with 121 stores renovated or relocated, compared to 74 stores during FY2013.

The Company will announce its audited annual results for FY2014 on 10 June 2014.

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

Hong Kong, 29 April 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.