

[For Immediate Release]



L'Occitane International S.A.

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(Incorporated under the laws of Luxembourg with limited liability)

L'Occitane Announces FY2016 Annual Results

Impressive sales growth of 8.9% despite challenging backdrop
Operating profit grew 2.4% to €168.0mn led by stringent execution
Respectable net profit of €113.6mn amidst one-offs totalled -€21.5mn

1. Net sales were €1,282.7 million with a growth of 8.9%. At constant exchange rates, sales growth was 5.0%
2. Growth was primarily driven by China, France, Japan, Brazil and Russia. China, Brazil, France and Russia were among the fastest growing countries (16.8%, 11.5%, 11.0% and 10.0% respectively)
3. Own E-Commerce sales continued to capture strong growth at 14.5%, reached 9.8% as compared to retail sales
4. Continued investment in brand positioning, quality expansion, digital revolution, product development and CRM for all brands contributed to impressive growth
5. Net cash increased by 17.9% to €335.9 million
6. Operating profit reached €168.0 million, a growth of 2.4% supported by strong management team, whilst net profit declined by 9.6% to €113.6 million due to one-offs
7. The one-off unrealized FX losses of €6.9 million and financial impact of tax disputes of €14.6 million were largely offset by better efficiencies
8. Inventory turnover days improved by 17 days to 245 days
9. Proposed a final dividend of €0.0291 per share, same as FY2015

FINANCIAL HIGHLIGHTS

For the year ended 31 March

(in million €, unless otherwise stated)

	2016	2015	Change
Net sales	1,282.7	1,177.9	+8.9%
Gross profit	1,061.5	963.2	+10.2%
<i>Gross margin</i>	82.8%	81.8%	+1.0 pp
Operating profit	168.0	164.1	+2.4%
<i>Operating margin</i>	13.1%	13.9%	-0.8 pp
Profit for the year	113.6	125.6	-9.6%
<i>Net profit margin</i>	8.9%	10.7%	-1.8 pp
Basic EPS (€)	0.075	0.083	-9.6%
Dividend per share (€)*	0.0291	0.0291	-
Dividend payout ratio (%)*	38.7%	35.0%	+3.7 pp
Return on capital employed (%)	22.2%	22.4%	-0.2 pp
Return on equity (ROE) (%)	13.0%	14.3%	-1.4 pp
Gearing ratio (%)	7.5%	9.1%	-1.6 pp
Net Cash	335.9	285.0	+17.9%

*The figure illustrates dividends declared for the period indicated, not actual dividends paid during the period indicated. Final dividend of €0.0291 per share proposed for the year ended 31 March 2016 is subject to the approval of the shareholders of the Group at the forthcoming Annual General Meeting. For FY2015, the figure excluded the special dividend of €0.034.

(6 June 2016, Hong Kong) L'Occitane International S.A. ("L'Occitane" or the "Group"; SEHK stock code: 973), a world's leading natural ingredient-based cosmetics and well-being products enterprise with true stories from around the world, today announces the annual results for the year ended 31 March 2016 ("FY2016").

The Group recorded net sales of €1,282.7 million in FY2016, representing an increase of €104.8 million, or 8.9% against last year despite lingering economic uncertainty. Net sales grew 5.0% at constant exchange rates, attributable to its committed team and investment in brand awareness, quality expansion, digital revolution, product development and CRM capability.

Gross profit increased by 10.2%, or €98.3 million, to €1,061.5 million in FY2016 attributable to favourable foreign exchange effect, price mix and efficient supply chain management. Gross profit margin expanded by 1.0 point to 82.8% in FY2016.

During the year, operating profit grew 2.4% to €168.0 million supported by strong management team. Net profit was lowered by 9.6% to €113.6 million as a result of the one-off, non-cash foreign currency losses as well as the settlement of tax disputes with the French Tax Authorities. The one-off net FX losses caused by currency volatility narrowed from €9.6 million in first half to €6.9 million for the full year of FY2016. The FX losses were unrealized, caused by the depreciation of intercompany loans and trade balances with subsidiaries in emerging countries such as Russia, China, UK and Korea.

The Sell-out business accounted stably for 75.0% of the Group's total sales and amounted to €962.4 million, an increase of 5.1% at constant exchange rates. Quality store openings, renovations and its outstanding performance on marketplaces in China and Korea were the major contributors, accounting for 63.9% of the overall growth.

The Sell-in business accounted for 25.0% of the Group's total sales and reached €320.2 million, an increase of 4.6% at constant exchange rates. The segment continued to grow alongside quality expansion for all brands, despite a volatile operating environment marked by sluggish consumer sentiment globally and weak traffic at travel retail channels, especially in Greater China region.

Throughout FY2016, the Group achieved strong growth across markets, with China, Brazil, France and Russia being the best performing markets, growing at 16.8%, 11.5%, 11.0% and 10.0% respectively at constant exchange rates.

As part of its selective omni-channel strategy, the Group grew the total number of own retail stores to 1,463, with 66 of them for emerging brands in FY2016. Own E-commerce channel continued to fuel the business with a 14.5% growth at constant exchange rates, representing 9.8% as compared to retail sales.

With 8 Melvita stores opened in China and its first Erborian stores inaugurated in Paris, Seoul and Moscow, the Group continued the growth momentum for emerging brands. The ramp-up of L'Occitane au Brésil brand was also well on track, with more sales points opened and number of SKUs doubled in 2 years to over 130 as at 31 March 2016.

To further enhance brand awareness, skincare relevance and cultivate stronger bonds with its customers, the Group continued its investment in customer centric approaches, primarily in digital marketing areas and targeting analytics, to anchor the long term growth and prosperity of its business.

The Group's balance sheet remained healthy during the period under review, with its net cash position amounted to €335.9 million as at 31 March 2016. L'Occitane is pleased to announce a final dividend of €0.0291 per share, representing a dividend pay-out ratio of 38.7% in FY2016.

Mr. Reinold Geiger, Chairman and CEO of L'Occitane, said, "FY2016 was marked by the most marvelous changes. Across the Group we drove digital innovations to the ways we work, the ways we do business, as well as to how we connect and communicate with our consumers. These evolutionary approaches have strengthened L'Occitane's capability to secure a strong global growth under economic downturns,"

"From the iconic Shea Butter hand cream to Divine, Reine Blanche and Shea Face, we continued to introduce fresh recipes for beauty so as to cater for growing appetites for natural skin care. In the past 40 years of successful journey, we have infused L'Occitane lifestyle to millions of minds and influenced a lot of them through our great products, services as well as charity works. Our commitment to investments for long term growth shall pave the way for another 40 years of success, and to deliver sustainable and profitable growth for our shareholders and stakeholders."

— End —

About L'Occitane International S.A.

L'Occitane International S.A. (the "Company") is a world's leading natural ingredient-based cosmetics and well-being products enterprise with true stories from around the world. The global leader in premium beauty market sells its best quality products, produced with cutting-edge technology under five brands including L'Occitane en Provence, L'Occitane au Brésil, Melvita, Le Couvent des Minimes and Erborian and is committed to developing and retailing high quality products that are rich in natural ingredients of traceable origins and respect the environment.

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