

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

L'OCCITANE

EN PROVENCE

L'OCCITANE INTERNATIONAL S.A.

49, Boulevard Prince Henri L-1724 Luxembourg

R.C.S. Luxembourg: B80359

(Incorporated under the laws of Luxembourg with limited liability)

(Stock code: 973)

UNAUDITED TRADING UPDATE FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

L'Occitane International S.A. (the "Company") is pleased to present the unaudited 2017/2018 ("FY2018") trading update of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2017. 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 grew by 1.1% at constant rates and -0.6% at reported rates
- On a like-for-like basis (i.e. excluding Le Couvent des Minimes and one-off deal of L'Occitane au Brésil last year), sales grew by 2.3% at constant rates and 0.5% at reported rates
- Continuing the momentum in the first quarter, China outperformed with 22.7% growth in local currency, with same store sales growth accelerated to 15.8%
- Brazil grew by 13.2% in local currency and 18.8% at reported rates
- Web Sell-out channels (own E-commerce and marketplaces) delivered encouraging growth of 22.6% and reached 12.9% of the total Sell-out sales

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 six months ended 30 September 2017:

Sales and % of total sales

	30 Sep 2017		30 Sep 2016	
	€ '000	%	€ '000	%
Sell-out	397,077	72.4	400,549	72.6
Sell-in	151,133	27.6	151,114	27.4
Total	548,210	100.0	551,663	100.0

Year-on-year growth

	Growth		Contribution to	
	€ '000	%	Growth ⁽²⁾	Overall Growth ⁽²⁾
			%	%
Sell-out	(3,473)	(0.9)	1.1	74.2
Comparable Stores	(6,355)	(2.0)	(0.1)	(6.6)
Non-comparable Stores & others ⁽¹⁾	2,883	3.2	5.2	80.8
Sell-in	19	0.0	1.0	25.8
Overall Growth	(3,453)	(0.6)	1.1	100.0

(1) Others include marketplaces, mail-orders and other service 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 six months ended 30 September 2017 and contribution to overall sales growth (including and excluding foreign currency translation effects as indicated) by geographic area:

	Sales and % of total sales							
	30 Sep 2017		30 Sep 2016		Growth		Contribution to Overall Growth ⁽¹⁾	
	€ '000	%	€ '000	%	€ '000	%	Growth ⁽¹⁾	%
Japan	99,448	18.1	104,460	18.9	(5,012)	(4.8)	1.8	31.7
Hong Kong ⁽²⁾	51,147	9.3	50,927	9.2	220	0.4	2.6	22.6
China	60,041	11.0	50,797	9.2	9,244	18.2	22.7	197.9
Taiwan	15,292	2.8	15,871	2.9	(578)	(3.6)	(7.1)	(19.4)
France	44,664	8.1	43,826	7.9	838	1.9	1.9	14.4
United Kingdom	23,470	4.3	26,475	4.8	(3,005)	(11.4)	(4.7)	(21.2)
United States	62,989	11.5	70,838	12.8	(7,849)	(11.1)	(10.2)	(123.8)
Brazil	26,703	4.9	22,478	4.1	4,225	18.8	13.2	51.1
Russia	18,976	3.5	17,248	3.1	1,727	10.0	(0.8)	(2.5)
Other countries ⁽³⁾	145,480	26.5	148,742	27.0	(3,262)	(2.2)	(2.0)	(50.7)
All countries	548,210	100.0	551,663	100.0	(3,453)	(0.6)	1.1	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 and to distributors and travel retail customers in Asia.

(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 six months ended 30 September 2017 compared to the six months ended 30 September 2016:

	Own Retail Stores				% contribution to Overall Growth ⁽¹⁾⁽²⁾			
	Net openings YTD		Net openings YTD		Non-comparable Stores	Comparable Stores	Total Stores	Same Store Sales Growth % ⁽²⁾
	30 Sep 2017	30 Sep 2017	30 Sep 2016	30 Sep 2016				
Japan ⁽³⁾	141	7	130	7	50.1	17.2	67.2	1.4
Hong Kong ⁽⁴⁾	35	1	34	(2)	(30.3)	(11.1)	(41.5)	(5.1)
China ⁽⁵⁾	197	(5)	195	8	20.3	93.8	114.1	15.8
Taiwan ⁽⁶⁾	54	(2)	56	1	(2.8)	(13.6)	(16.4)	(7.9)
France ⁽⁷⁾	82	2	81	—	8.7	(15.0)	(6.3)	(4.9)
United Kingdom	76	2	75	—	(5.2)	(5.6)	(10.8)	(1.9)
United States	205	(2)	215	(2)	(54.3)	(48.3)	(102.6)	(6.1)
Brazil ⁽⁸⁾	122	(1)	101	9	35.3	9.8	45.1	3.6
Russia ⁽⁹⁾	103	(1)	107	4	(1.0)	(8.5)	(9.5)	(4.8)
Other countries ⁽¹⁰⁾	504	4	501	7	(0.2)	(25.4)	(25.6)	(2.0)
All countries⁽¹¹⁾	1,519	5	1,495	32	20.6	(6.6)	13.9	(0.1)

(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 22 and 30 Melvita stores as at 30 September 2016 and 30 September 2017 respectively.

(4) Includes 2 L'Occitane stores in Macau and 9 Melvita stores in Hong Kong as at 30 September 2016 and 3 L'Occitane stores in Macau and 10 Melvita stores in Hong Kong as at 30 September 2017.

(5) Includes 10 and 7 Melvita stores as at 30 September 2016 and 30 September 2017 respectively.

(6) Includes 1 Erborian store as at 30 September 2016.

(7) Includes 4 Melvita and 1 Erborian stores as at 30 September 2016 and 3 Melvita and 1 Erborian stores as at 30 September 2017.

(8) Includes 18 and 35 L'Occitane au Brésil stores as at 30 September 2016 and 30 September 2017 respectively.

(9) Includes 1 and 3 Erborian stores as at 30 September 2016 and 30 September 2017 respectively.

(10) Include 9 Melvita and 2 Erborian stores as at 30 September 2016 and 2 Melvita and 1 Erborian stores as at 30 September 2017.

(11) Include 54 Melvita, 18 L'Occitane au Brésil and 5 Erborian stores as at 30 September 2016 and 52 Melvita, 35 L'Occitane au Brésil and 5 Erborian stores as at 30 September 2017.

The Group's net sales at reported rates were €548.2 million, reduced by 0.6% over the same period last year. At constant exchange rates, sales growth was 1.1%. During the financial year ended 31 March 2017, the Company disposed of Le Couvent des Minimes and there was a one-off deal of L'Occitane au Brésil in September 2016. Excluding Le Couvent des Minimes and the one-off deal, the Group's sales growth at reported rates and constant rates were 0.5% and 2.3% respectively.

During the first half of FY2018, Sell-out sales accounted for 72.4% of the net sales and amounted to €397.1 million, a decrease of 0.9% at reported rates as compared to the same period last year. At constant rates, the growth was 1.1%. This growth was primarily contributed by Non-comparable Stores and other sales, including new stores and stores renovated in last year and this year, marketplaces and spa businesses. The growth was 5.2% at constant exchange rates. As compared to last year, sales of the Group's Web Sell-out channels (including own E-commerce and marketplaces) grew by 22.6% at constant exchange rates, equivalent to 12.9% of the total Sell-out sales*. The Group's same store sales for the six months ended 30 September 2017 decreased by 0.1%, but improved from -0.6% for the first quarter of FY2018 and -2.5% for the same period last year, thanks to the double-digit same store sales growth in China and overall improvements in key countries.

Sell-in sales accounted for 27.6% of the Group's total sales and amounted to €151.1 million, posted an increase of 1.0% at constant exchange rates as compared to last year. Like-for-like growth was 5.4%. The increase was primarily driven by the dynamic growth in travel retail, distribution, B2B and web-partner channels of L'Occitane en Provence brand. The emerging brands Melvita and Erborian also drove overall sales growth, each delivering double digit growth. Excluding the one-off deal last year, L'Occitane au Brésil remained in strong growth at mid-double digits.

In terms of geographical areas, China and Brazil were the countries with highest sales growth in local currencies. For the six months ended 30 September 2017, China sales had an impressive growth of 22.7% in local currency with the same store sales growth of 15.8%, thanks to the retail market recovery as well as the successful marketing campaign with Chinese artist Lu Han continued to draw traffic both online and offline. Sales in T-mall continued to grow at triple digits and was ahead of plan. Brazil grew by 13.2% in local currency, contributed by both sell-in and sell-out channels. Growth was driven by both L'Occitane en Provence and L'Occitane au Brésil.

The Group maintained selective openings of 5 net stores and renovated 78 stores during the first half of FY2018 (same period last year: 32 net stores opened and 39 stores renovated).

* In previous communications, the Group used to disclose its own E-commerce sales growth and ratio to retail sales, for the six months ended 30 September 2017, such indicators were 12.3% and 11.4%, respectively.

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

Hong Kong, 24 October 2017

As at the date of this announcement, the executive directors of the Company are Mr. Reinold Geiger (Chairman and Chief Executive Officer), Mr. André Hoffmann (Vice-Chairman & Managing Director Asia-Pacific), Mr. Domenico Trizio (Group Managing Director), Mr. Thomas Levilion (Group Deputy General Manager, Finance and Administration) and Mr. Karl Guénard (Joint Company Secretary), the non-executive director of the Company is Mr. Martial Lopez and the independent non-executive directors of the Company are Mrs. Valérie Bernis, Mr. Charles Mark Broadley, Mr. Pierre 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.