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L'OCCITANE

EN PROVENCE

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 2017

L'Occitane International S.A. (the "Company") is pleased to present the unaudited 2016/2017 ("FY2017") trading update of the Company and its subsidiaries (the "Group") for the financial year ended 31 March 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 3.2% at reported rates and 1.7% at constant rates for FY2017
- The growth was mainly contributed by the stores opened in these two years, own E-commerce, marketplaces, webpartners and wholesale channels
- All existing brands posted growth with double-digit growth in the emerging brands
- Own E-commerce channel continued to outperform with growth of 11.8% at constant rates
- Brazil remained the fastest growing country with 18.4% growth, followed by China with 11.0% growth (both in local currencies)
- Japan posted a growth rate of 15.5% at reported rates due to strengthening Japanese Yen

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 FY2017:

Sales and % of total sales	FY2017		FY2016	
	€ '000	%	€ '000	%
Sell-out	992,512	75.0	962,436	75.0
Sell-in	330,665	25.0	320,240	25.0
Total	1,323,177	100.0	1,282,676	100.0

Year-on-year growth

	Growth		Contribution to Overall Growth ⁽²⁾	
	€ '000	%	Growth ⁽²⁾ %	Overall Growth ⁽²⁾ %
Sell-out	30,076	3.1	1.3	55.2
Comparable Stores	2,052	0.3	(1.3)	(43.1)
Non-comparable Stores & others ⁽¹⁾	28,023	11.5	9.0	98.3
Sell-in	10,426	3.3	3.1	44.8
Overall Growth	40,501	3.2	1.7	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 FY2017 and contribution to overall sales growth (including and excluding foreign currency translation effects as indicated) by geographic area:

	Sales and % of total sales							Contribution to Overall Growth ⁽¹⁾
	FY2017		FY2016		Growth	Growth	Growth ⁽¹⁾	
	€ '000	%	€ '000	%	€ '000	%	%	
Japan	238,795	18.0	206,696	16.1	32,098	15.5	4.1	37.7
Hong Kong ⁽²⁾	124,329	9.4	138,566	10.8	(14,238)	(10.3)	(11.0)	(68.0)
China	139,012	10.5	131,319	10.2	7,692	5.9	11.0	64.6
Taiwan	41,555	3.1	41,460	3.2	95	0.2	(3.3)	(6.1)
France	100,478	7.6	101,355	7.9	(877)	(0.9)	(0.9)	(3.9)
United Kingdom	64,816	4.9	74,839	5.8	(10,023)	(13.4)	0.4	1.5
United States	171,198	12.9	173,115	13.5	(1,918)	(1.1)	(1.8)	(14.3)
Brazil	56,509	4.3	43,473	3.4	13,036	30.0	18.4	35.7
Russia	48,973	3.7	44,940	3.5	4,033	9.0	3.1	6.2
Other countries ⁽³⁾	337,513	25.5	326,912	25.5	10,601	3.2	3.2	46.5
All countries	1,323,177	100.0	1,282,676	100.0	40,501	3.2	1.7	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 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 FY2017 compared to FY2016:

	Own Retail Stores				% contribution to Overall Growth ^{(1) (2)}			Same Store Sales Growth % ⁽²⁾
	Net openings YTD		Net openings YTD		Non-comparable Stores	Comparable Stores	Total Stores	
	31 Mar 2017	31 Mar 2017	31 Mar 2016	31 Mar 2016				
Japan ⁽³⁾	134	11	123	12	42.5	(5.7)	36.8	(0.9)
Hong Kong ⁽⁴⁾	34	(2)	36	—	(24.2)	(18.2)	(42.5)	(13.3)
China ⁽⁵⁾	202	15	187	26	31.4	15.2	46.6	3.9
Taiwan ⁽⁶⁾	56	1	55	—	(2.4)	(2.4)	(4.8)	(2.1)
France ⁽⁷⁾	80	(1)	81	—	(0.1)	(9.9)	(10.0)	(5.3)
United Kingdom	74	(1)	75	2	0.8	(3.4)	(2.6)	(1.6)
United States	207	(10)	217	3	(13.5)	(7.4)	(20.9)	(1.4)
Brazil ⁽⁸⁾	123	31	92	11	15.9	8.9	24.7	7.2
Russia ⁽⁹⁾	104	1	103	(4)	2.4	(1.7)	0.8	(1.6)
Other countries ⁽¹⁰⁾	500	6	494	29	17.8	(18.4)	(0.6)	(2.5)
All countries⁽¹¹⁾	1,514	51	1,463	79	70.6	(43.1)	27.5	(1.3)

(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 20 and 26 Melvita stores as at 31 March 2016 and 31 March 2017 respectively.

(4) Includes 3 L'Occitane stores in Macau and 8 Melvita stores in Hong Kong as at 31 March 2016 and 2 L'Occitane stores in Macau and 10 Melvita stores in Hong Kong as at 31 March 2017.

(5) Includes 8 and 10 Melvita stores as at 31 March 2016 and 31 March 2017 respectively.

(6) Includes 1 Erborian store as at 31 March 2017

(7) Includes 4 Melvita and 1 Erborian stores as at 31 March 2016 and 3 Melvita and 1 Erborian stores as at 31 March 2017.

(8) Includes 12 and 36 L'Occitane au Brésil stores as at 31 March 2016 and 31 March 2017 respectively.

(9) Includes 1 and 2 Erborian stores as at 31 March 2016 and 31 March 2017 respectively.

(10) Include 10 Melvita and 2 Erborian stores as at 31 March 2016 and 5 Melvita and 1 Erborian stores as at 31 March 2017.

(11) Include 50 Melvita, 12 L'Occitane au Brésil and 4 Erborian stores as at 31 March 2016 and 54 Melvita, 36 Au Brésil and 5 Erborian stores as at 31 March 2017.

The Group's net sales at reported rates were €1,323.2 million, grew by 3.2% over the same period last year, thanks to positive foreign currencies impact. At constant exchange rates, sales growth was 1.7%. During FY2017, the Company disposed of Le Couvent des Minimes. Excluding Le Couvent des Minimes, the Group's like-for-like sales growth at reported rates and constant rates were 3.2% and 1.8% respectively for FY2017.

During FY2017, Sell-out sales accounted for 75.0% of the net sales and amounted to €992.5 million, posted a growth of 3.1% at reported rates as compared to last year. At constant rates, the growth was 1.3%. This growth was primarily contributed by Non-comparable Stores and other sales, including new stores opened and stores renovated in last year and this year, marketplaces, café and spa businesses, altogether posted a growth of 9.0% at constant exchange rates. As compared to last year, the Group's own E-commerce channel grew by 11.8% at constant exchange rates, equivalent to 11.0% of the total retail sales. The Group's same store sales for FY2017 decreased by 1.3%, yet still improved from -1.7% for the first nine months ended 31 December 2016. The last quarter saw some improvements in overall same store sales, mainly contributed by China, Japan and the UK.

Sell-in sales accounted for 25.0% of the Group's total sales and amounted to €330.7 million, and posted an increase of 3.1% at constant exchange rates as compared to last year. The increase was primarily driven by the dynamic growth in webpartners, wholesale, distribution and B2B channels and the emerging brands - L'Occitane au Brésil, Melvita and Erborian.

In terms of geographical areas, Brazil, China and Japan were among countries with highest sales growth in local currencies. For FY2017, sales in Brazil grew by 18.4% in local currency, contributed by both sell-in and sell-out channels and also by both L'Occitane en Provence and L'Occitane au Brésil brands. China sales had an increase of 11.0% in local currency, thanks to accelerated growth in retail, marketplaces and B2B in the last quarter of FY2017. Same store sales growth was 3.9%, improved significantly from 0.6% for the first nine months of FY2017. As a result of a stronger Japanese Yen compared to last year, the sales growth in Japan was 15.5% at reported rates and 4.1% at constant rates. The growth in Japan was also contributed by encouraging growth in own E-commerce business and web-partners. Sales continued to improve in the UK, with dynamic growth in E-commerce, TV and wholesale channels.

For FY2017, the Group maintained its selective global retail expansion with 51 net stores opened (FY2016: 79).

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

Hong Kong, 25 April 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.