

[For Immediate Release]



## L'Occitane International S.A.

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(Incorporated under the laws of Luxembourg with limited liability)

### L'Occitane Announces Unaudited Trading Update For the Nine Months Ended 31 December 2017

**Net Sales up 3.0% at Constant Rates and 3.9% on Like-for-like Basis  
Same-store sales improved significantly in key countries during festive season  
China continued to outperform, while recovery in Hong Kong accelerated**

(22 January 2018, Hong Kong) L'Occitane International S.A. ("L'Occitane" or the "Group"; SEHK stock code: 973), a global, natural ingredient-based cosmetics and well-being products company with origins and true stories from Provence, France and around the world, today announces the unaudited trading update for the nine months ended 31 December 2017.

Net sales for the nine months ended 31 December 2017 were €1,000.9 million, an improvement of 3.0% at constant rates and a slight decline of 0.6% at actual rates compared to the same period of last year. On a like-for-like basis (i.e. excluding Le Couvent des Minimes and a one-off deal of L'Occitane au Brésil last year), the Group's net sales were up 3.9% and 0.3% at constant rates and actual rates respectively.

China, Brazil and Hong Kong were the fastest-growing markets during the period in local currency terms. Sales in China grew 23.4%, while same-store sales grew 17.4%, thanks to the continued success of local marketing campaigns featuring the artist Lu Han, as well as the attractive festive-season offerings. Local currency sales in Brazil rose 12.5%, driven by both Sell-in and Sell-out channels for the L'Occitane en Provence and L'Occitane au Brésil brands. Sales in Hong Kong continued to recover strongly thanks to strong travel retail sales in Asia.

Net sales, net sales growth and Same Store Sales Growth by geographical areas:

€'000	For the nine months ended 31 December		% Growth	% Growth <sup>(1)</sup>	% SSS Growth <sup>(1)</sup>
	2017	2016			
Japan	<b>161,489</b>	174,334	(7.4)	0.9	0.6
Hong Kong	<b>97,164</b>	93,695	3.7	9.7	0.4
China	<b>114,057</b>	96,803	17.8	23.4	17.4
Taiwan	<b>30,792</b>	31,404	(1.9)	(2.1)	(2.1)
France	<b>80,761</b>	79,431	1.7	1.7	(3.6)
UK	<b>49,108</b>	52,942	(7.2)	(2.6)	0.2
USA	<b>121,666</b>	136,204	(10.7)	(6.0)	(3.7)
Brazil	<b>49,798</b>	44,861	11.0	12.5	4.6
Russia	<b>36,617</b>	33,870	8.1	3.8	(0.5)
Other Countries	<b>259,442</b>	263,673	(1.6)	(0.4)	(0.4)
All Countries	<b>1,000,893</b>	1,007,217	(0.6)	3.0	1.4

<sup>(1)</sup>Excludes foreign currency translation effects

The Group saw a significant improvement in same-store sales during the third quarter in most key markets, with same-store sales rising 1.4% in the nine months ended 31 December 2017 compared to -0.1% for the six months ended 30 September 2017. This improvement was due to the Group's strong brand visibility during the festive season and attractive product offerings. The Group also further strengthened its brand image and generated excitement through flagship store openings in France, the UK and Canada.

The Group's emerging brands continued to grow steadily, with Melvita and Erborian delivering double-digit growth and contributing to overall sales growth. Excluding the one-off deal last year, L'Occitane au Brésil continued to deliver strong mid-double-digit growth.

Sell-out sales accounted for 74.1% of net sales and amounted to €741.9 million, an increase of 2.5% at constant rates. This growth was primarily attributed to positive same-store growth, as well as non-comparable stores and other sales, including new stores and stores renovated in the last year and this year, marketplaces and spa businesses. Sales from the Group's Web Sell-out channels (including own E-commerce and marketplaces) grew by 21.2% at constant exchange rates, representing 14.3% of total Sell-out sales.

Sell-in sales accounted for 25.9% of the Group's total sales and amounted to €259.0 million, an increase of 4.4% at constant exchange rates as compared to last year (and up 8.2% on a like-for-like basis). This growth was primarily driven by strong growth in travel retail.

During the nine months ended 31 December 2017, the Group selectively opened a net 16 stores and renovated 118 stores.

Mr. Reinold Geiger, Chairman and Chief Executive Officer of L'Occitane, said, "We are pleased by our performance during the holiday season as customers continue to be enthralled with our seasonal products, in addition to our relaunched hero products. This comes down to our brand's strong relevance and influence despite the fact that consumers today are never short of choice."

"Our focus remains on building on this foundation, including leveraging on our new flagship stores, deepening our foothold in different product categories, and appealing to new audiences, both online and offline. We also welcome the latest addition to the L'Occitane family, LimeLife by Alcone<sup>1</sup>, to complement our existing product portfolio and strategy. In the next quarter, we look forward to start seeing its exciting growth be reflected in the Group."

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## **About L'Occitane International S.A.**

L'Occitane International S.A. (the "Company") is the world's leading natural ingredient-based cosmetics and well-being products company with origins and true stories from Provence, France and around the world. A global leader in the premium beauty market, L'Occitane produces and retails best quality products, produced with cutting-edge technology under five brands, including L'Occitane en Provence, Melvita, Erborian, L'Occitane au Brésil and LimeLife by Alcone. Its products are rich in natural ingredients of traceable origins, while also respecting the environment.

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<sup>1</sup> See the following press release: [L'Occitane Takes Controlling Stake in LimeLife](#) (9 January 2018)