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# 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 THREE MONTHS ENDED 30 JUNE 2018

L'Occitane International S.A. (the "Company") is pleased to present the unaudited 2018/2019 ("FY2019") trading update of the Company and its subsidiaries (the "Group") for the three months ended 30 June 2018. 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 6.2% at reported rates and 12.3% at constant exchange rates
- Excluding LimeLife, like-for-like sales growth was 3.6%
- The US was the market with highest growth in local currency at 73.7%, driven by LimeLife and growth recovery of L'Occitane en Provence brand
- Hong Kong and China also recorded impressive growth of 25.5% and 12.5% in local currency, respectively
- Brazil and Russia both posted high single-digit growth in local currency

#### 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 three months ended 30 June 2018:

#### Sales and % of total sales

	30 Jun 2018		30 Jun 2017	
	€ '000	%	€ '000	%
Sell-out	220,784	74.4	206,364	73.8
Sell-in	75,981	25.6	73,171	26.2
<b>Total</b>	<b>296,765</b>	<b>100.0</b>	<b>279,535</b>	<b>100.0</b>

#### Year-on-year growth

	Growth		Contribution to	
	€ '000	%	Growth <sup>(2)</sup>	Overall Growth <sup>(2)</sup>
			%	%
<b>Sell-out</b>	<b>14,421</b>	<b>7.0</b>	<b>13.5</b>	<b>81.4</b>
Comparable Stores	(7,972)	(5.0)	0.6	2.9
Non-comparable Stores & others <sup>(1)</sup>	22,393	49.3	59.3	78.4
<b>Sell-in</b>	<b>2,810</b>	<b>3.8</b>	<b>8.7</b>	<b>18.6</b>
<b>Overall Growth</b>	<b>17,231</b>	<b>6.2</b>	<b>12.3</b>	<b>100.0</b>

(1) Others include marketplaces, mail-orders, other service and LimeLife 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 three months ended 30 June 2018 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 <sup>(1)</sup>
	30 Jun 2018		30 Jun 2017		Growth		Growth <sup>(1)</sup>	
	€ '000	%	€ '000	%	€ '000	%	%	
Japan	48,566	16.4	53,189	19.0	(4,623)	(8.7)	(3.1)	(4.8)
Hong Kong <sup>(2)</sup>	27,671	9.3	24,076	8.6	3,596	14.9	25.5	17.9
China	33,328	11.2	29,805	10.7	3,523	11.8	12.5	10.8
Taiwan	7,123	2.4	7,743	2.8	(620)	(8.0)	(1.6)	(0.4)
France	22,963	7.7	22,902	8.2	61	0.3	0.3	0.2
United Kingdom	10,281	3.5	11,396	4.1	(1,115)	(9.8)	(8.2)	(2.7)
United States <sup>(3)</sup>	53,634	18.1	33,573	12.0	20,061	59.8	73.7	72.1
Brazil	12,627	4.3	14,068	5.0	(1,441)	(10.2)	9.3	3.8
Russia	8,937	3.0	9,657	3.5	(720)	(7.5)	8.9	2.5
Other countries <sup>(4)</sup>	71,635	24.1	73,126	26.2	(1,490)	(2.0)	0.3	0.6
<b>All countries</b>	<b>296,765</b>	<b>100.0</b>	<b>279,535</b>	<b>100.0</b>	<b>17,231</b>	<b>6.2</b>	<b>12.3</b>	<b>100.0</b>

(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) Growth in the US excluding LimeLife and the impact of foreign currency translation was 2.2%.

(4) 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 three months ended 30 June 2018 compared to the three months ended 30 June 2017:

	Own Retail Stores				% contribution to Overall Growth <sup>(1) (2)</sup>			Same Store Sales Growth % <sup>(2)</sup>
	Net openings YTD		Net openings YTD		Non-comparable Stores	Comparable Stores	Total Stores	
	30 Jun 2018	30 Jun 2018	30 Jun 2017	30 Jun 2017				
Japan <sup>(3)</sup>	148	4	139	5	0.3	(2.4)	(2.1)	(2.2)
Hong Kong <sup>(4)</sup>	35	1	35	1	(0.2)	1.9	1.6	11.1
China <sup>(5)</sup>	196	(1)	199	(3)	0.0	4.7	4.7	7.8
Taiwan	51	(1)	54	(2)	(0.1)	0.1	(0.0)	0.9
France <sup>(6)</sup>	81	(1)	81	1	4.0	(1.2)	2.7	(4.7)
United Kingdom	74	—	74	—	(0.5)	(1.4)	(1.9)	(6.2)
United States	189	(7)	206	(1)	(0.8)	1.8	1.0	2.7
Brazil <sup>(7)</sup>	161	(5)	123	—	1.0	1.9	2.9	6.5
Russia <sup>(8)</sup>	103	—	103	(1)	0.8	0.5	1.3	2.5
Other countries <sup>(9)</sup>	510	3	504	4	0.7	(3.0)	(2.3)	(2.7)
<b>All countries<sup>(10)</sup></b>	<b>1,548</b>	<b>(7)</b>	<b>1,518</b>	<b>4</b>	<b>5.0</b>	<b>2.9</b>	<b>7.9</b>	<b>0.6</b>

(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 28 and 34 Melvita stores as at 30 June 2017 and 30 June 2018 respectively.

(4) Includes 3 L'Occitane stores in Macau and 10 Melvita stores in Hong Kong as at 30 June 2017 and 3 L'Occitane stores in Macau and 9 Melvita stores in Hong Kong as at 30 June 2018.

(5) Includes 9 and 6 Melvita stores as at 30 June 2017 and 30 June 2018 respectively.

(6) Includes 3 Melvita and 1 Erborian stores as at 30 June 2017 and 30 June 2018.

(7) Includes 36 and 72 L'Occitane au Brésil stores as at 30 June 2017 and 30 June 2018 respectively.

(8) Includes 3 and 5 Erborian stores as at 30 June 2017 and 30 June 2018 respectively.

(9) Include 4 Melvita and 1 Erborian stores as at 30 June 2017 and 5 Melvita and 2 Erborian stores as at 30 June 2018.

(10) Include 54 Melvita, 36 L'Occitane au Brésil and 5 Erborian stores as at 30 June 2017 and 57 Melvita, 72 L'Occitane au Brésil and 8 Erborian stores as at 30 June 2018.

The Group's net sales at reported rates were €296.8 million, a growth of 6.2% over the same period last year. At constant exchange rates, sales growth was 12.3%. LimeLife by Alcone ("LimeLife") became a subsidiary of the Group in January 2018 and its sales are consolidated since. Excluding LimeLife, like-for-like sales grew at a healthy 3.6%.

During the first three months of FY2019, Sell-out sales accounted for 74.4% of the net sales and amounted to €220.8 million, posted a growth of 7.0% at reported rates as compared to same period last year. At constant exchange rates, the growth was 13.5%. This growth was primarily contributed by other sales, principally LimeLife, marketplaces, café and spa businesses, altogether posted a growth of 291.5% 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 5.5% at constant exchange rates, now equivalent to 12.4% of the total Sell-out sales. The growth was impacted by a high base and aggressive competition in some countries. The Group's same store sales for the three months ended 30 June 2018 increased by 0.6%. The first quarter of FY2019 saw improvements in same store sales growth in some key countries, in particular, Hong Kong with double-digit growth.

Sell-in sales accounted for 25.6% of the Group's total sales and amounted to €76.0 million, posted an increase of 8.7% at constant exchange rates as compared to last year. The increase was primarily driven by the dynamic growth in travel retail, B2B and web partner channels of the L'Occitane en Provence brand.

All emerging brands continued to grow as planned.

In terms of geographical areas, the US, Hong Kong and China were among markets with highest sales growth in local currencies. For the three months ended 30 June 2018, the US sales grew by 73.7% in local currency. In addition to the growth driven by LimeLife, the US core business resumed growth to a healthy 2.2% despite having 17 fewer stores than last year. The good results were contributed by continuous efforts in the digital realm and effective CRM programmes. Hong Kong benefited from the recovery of local retail market as well as a dynamic travel retail market in the region. Sales increased by 25.5%, with same store sales growth at 11.1%. The launch of Aqua Réotier also successfully recruited new face care clientele. China continued to see double-digit growth despite the high base last year. Brazil and Russia also performed well with growth at 9.3% and 8.9% respectively.

The Group's store network rationalization continued, with net 7 closings during the quarter (same period last year: 4 net openings). The stores closed were mainly in the US and Brazil.

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

Hong Kong, 24 July 2018

*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), 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.*