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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 SIX MONTHS ENDED 30 SEPTEMBER 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 six months ended 30 September 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 8.6% at reported rates and 12.4% at constant exchange rates
- Excluding LimeLife, like-for-like sales growth was 4.9%, an improvement from 3.6% in the first quarter this year
- The US led the growth with 65.8% in local currency, driven by LimeLife and continued growth recovery of the L'Occitane en Provence brand
- Hong Kong, China and Russia all posted double-digit growth in local currency at 18.6%, 14.1% and 11.8% respectively
- Same stores sales growth accelerated to 2.0%, from 0.6% in the first quarter this year

#### 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 2018:

#### Sales and % of total sales

	30 Sep 2018		30 Sep 2017	
	€ '000	%	€ '000	%
Sell-out	435,924	73.2	397,077	72.4
Sell-in	159,461	26.8	151,133	27.6
<b>Total</b>	<b>595,385</b>	<b>100.0</b>	<b>548,210</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>38,847</b>	<b>9.8</b>	<b>13.9</b>	<b>81.3</b>
Comparable Stores	(5,208)	(1.8)	2.0	8.7
Non-comparable Stores & others <sup>(1)</sup>	44,056	43.3	48.6	72.6
<b>Sell-in</b>	<b>8,328</b>	<b>5.5</b>	<b>8.4</b>	<b>18.7</b>
<b>Overall Growth</b>	<b>47,175</b>	<b>8.6</b>	<b>12.4</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 six months ended 30 September 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 Sep 2018		30 Sep 2017		Growth		Growth <sup>(1)</sup>	
	€ '000	%	€ '000	%	€ '000	%	%	
Japan	96,164	16.2	99,448	18.1	(3,284)	(3.3)	(0.5)	(0.7)
Hong Kong <sup>(2)</sup>	58,436	9.8	51,147	9.3	7,289	14.3	18.6	14.0
China	67,845	11.4	60,041	11.0	7,804	13.0	14.1	12.4
Taiwan	14,360	2.4	15,292	2.8	(932)	(6.1)	(2.7)	(0.6)
France	45,450	7.6	44,664	8.1	786	1.8	1.8	1.2
United Kingdom	23,173	3.9	23,470	4.3	(297)	(1.3)	(0.7)	(0.2)
United States <sup>(3)</sup>	100,367	16.9	62,989	11.5	37,378	59.3	65.8	60.9
Brazil	23,869	4.0	26,703	4.9	(2,834)	(10.6)	9.7	3.8
Russia	18,614	3.1	18,976	3.5	(362)	(1.9)	11.8	3.3
Other countries <sup>(4)</sup>	147,107	24.7	145,480	26.5	1,627	1.1	2.8	6.0
<b>All countries</b>	<b>595,385</b>	<b>100.0</b>	<b>548,210</b>	<b>100.0</b>	<b>47,175</b>	<b>8.6</b>	<b>12.4</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 0.9%.

(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 six months ended 30 September 2018 compared to the six months ended 30 September 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 Sep 2018	30 Sep 2018	30 Sep 2017	30 Sep 2017				
Japan <sup>(3)</sup>	151	7	141	7	2.0	1.2	3.2	1.3
Hong Kong <sup>(4)</sup>	34	—	35	1	0.0	0.8	0.8	5.4
China <sup>(5)</sup>	194	(3)	197	(5)	0.3	4.6	5.0	7.6
Taiwan	51	(1)	54	(2)	(0.1)	(0.3)	(0.5)	(3.0)
France <sup>(6)</sup>	82	—	82	2	4.0	(1.2)	2.8	(4.6)
United Kingdom	74	—	76	2	(0.4)	(0.2)	(0.6)	(0.8)
United States	190	(6)	205	(2)	(1.1)	1.9	0.9	3.3
Brazil <sup>(7)</sup>	164	(2)	122	(1)	1.2	1.8	3.0	6.4
Russia <sup>(8)</sup>	104	1	103	(1)	0.8	0.7	1.5	4.2
Other countries <sup>(9)</sup>	511	4	504	4	1.9	(0.6)	1.3	(0.6)
<b>All countries<sup>(10)</sup></b>	<b>1,555</b>	<b>—</b>	<b>1,519</b>	<b>5</b>	<b>8.6</b>	<b>8.7</b>	<b>17.4</b>	<b>2.0</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 30 and 34 Melvita stores as at 30 September 2017 and 30 September 2018 respectively.

(4) Includes 3 L'Occitane stores in Macau and 10 Melvita stores in Hong Kong as at 30 September 2017 and 3 L'Occitane stores in Macau and 8 Melvita stores in Hong Kong as at 30 September 2018.

(5) Includes 7 and 5 Melvita stores as at 30 September 2017 and 30 September 2018 respectively.

(6) Includes 3 Melvita and 1 Erborian stores as at 30 September 2017 and 4 Melvita and 1 Erborian stores as at 30 September 2018.

(7) Includes 35 and 75 L'Occitane au Brésil stores as at 30 September 2017 and 30 September 2018 respectively.

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

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

(10) Include 52 Melvita, 35 L'Occitane au Brésil and 5 Erborian stores as at 30 September 2017 and 56 Melvita, 75 L'Occitane au Brésil and 11 Erborian stores as at 30 September 2018.

The Group's net sales at reported rates were €595.4 million, recording growth of 8.6% over the same period last year. At constant exchange rates, sales growth was 12.4%. LimeLife by Alcone ("LimeLife") became a subsidiary of the Group in January 2018 and its sales are consolidated since. Like-for-like sales growth (excluding LimeLife and Le Couvent des Minimes) further improved to 4.9%, from 3.6% in the first quarter of the financial year.

During the first half of FY2019, Sell-out sales accounted for 73.2% of the net sales and amounted to €435.9 million, posted a growth of 9.8% at reported rates as compared to same period last year. At constant exchange rates, the growth was 13.9%. This growth was primarily contributed by other sales, principally LimeLife and marketplaces. Same store sales growth was 2.0% (from 0.6% in the first quarter) and contributed 8.7% to overall growth, mainly due to improvements in Japan, the US, Brazil, Russia and other countries. As compared to last year, sales of the Group's Web Sell-out channels (including own E-commerce and Marketplaces) grew by 8.7% at constant exchange rates, now equivalent to 12.4% of the total Sell-out sales.

Sell-in sales accounted for 26.8% of the Group's total sales and amounted to €159.5 million, posted an increase of 8.4% at constant exchange rates as compared to last year. The increase was primarily driven by the dynamic growth in travel retail, web partner and B2B of the L'Occitane en Provence brand. Erborian and L'Occitane au Brésil brands also expanded in sell-in channel.

All emerging brands continued to grow as planned.

In terms of geographical areas, the US, Hong Kong, China and Russia were among markets with highest sales growth in local currencies. For the six months ended 30 September 2018, the US grew by 65.8% in local currency. In addition to the growth driven by LimeLife, the L'Occitane en Provence brand posted growth during the first six months of FY2019, despite having 15 fewer stores than the same period last year. Hong Kong grew by 18.6%, mainly contributed by the dynamic travel retail sales. Growth in China accelerated to 14.1% with contribution from all channels. Sales growth in Russia and Brazil also accelerated, with local currency growth at 11.8% and 9.7% respectively.

For the six months ended September 2018, the Group's own store network remained at 1,555 locations. The Group also refurbished or relocated 88 stores (same period last year: 97).

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

Hong Kong, 23 October 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. Silvain Desjonquères (Group Managing Director), Mr. Thomas Levilion (Group Deputy General Manager, Finance and Administration) and Mr. Karl Guénard (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.*