

[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 Six Months Ended 30 September 2018

Net sales up 12.4% at constant rates
Local currency sales in U.S. grew 65.8% from LimeLife and core brand
Same store sales growth accelerated to 2.0%

(23 October 2018, Hong Kong) L'Occitane International S.A. ("L'Occitane" or the "Group"; SEHK stock code: 973), an international group that manufactures and retails beauty and well-being products that are rich in natural and organic ingredients, today announces the unaudited trading update for the six months ended 30 September 2018.

Net sales for the six months ended 30 September 2018 were €595.4 million, an improvement of 12.4% at constant rates and 8.6% at actual rates compared to the same period of last year. On a like-for-like basis (excluding LimeLife¹ and Le Couvent des Minimes), the Group's sales improved by 4.9%, compared to 3.6% in the first quarter of the financial year.

The U.S., Hong Kong, China and Russia were among the markets with the highest sales growth during the period in local currency terms. Sales in the U.S. grew 65.8%, driven by LimeLife and the continued momentum of the Group's core L'OCCITANE en Provence brand, despite having 15 fewer stores than the same period of last year. Local currency sales in Hong Kong grew by 18.6%, which was mainly contributed by the dynamic travel retail market in the region. However, the growth rate was lower than the high growth recorded in the first quarter, as a result of more cautious spending from Mainland Chinese tourists and the impact of Typhoon Mangkhut. Despite this, the successful launch of the Immortelle Reset serum helped recruit new face care customers.

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

€'000	For the six months ended 30 September		% Growth	% Growth ⁽¹⁾	% SSS Growth ⁽¹⁾
	2018	2017			
Japan	96,164	99,448	(3.3)	(0.5)	1.3
Hong Kong	58,436	51,147	14.3	18.6	5.4
China	67,845	60,041	13.0	14.1	7.6
Taiwan	14,360	15,292	(6.1)	(2.7)	(3.0)
France	45,450	44,664	1.8	1.8	(4.6)
UK	23,173	23,470	(1.3)	(0.7)	(0.8)
USA	100,367	62,989	59.3	65.8	3.3
Brazil	23,869	26,703	(10.6)	9.7	6.4
Russia	18,614	18,976	(1.9)	11.8	4.2
Other Countries	147,107	145,480	1.1	2.8	(0.6)
All Countries	595,385	548,210	8.6	12.4	2.0

⁽¹⁾Excludes foreign currency translation effects

¹ LimeLife by Alcone ('LimeLife') became a subsidiary of the Group in January 2018 and its sales have been consolidated since.

Growth in China accelerated to 14.1% with contribution from all channels, supported by the Immortelle Reset serum launch, brand ambassadors – Liu Shishi and Lu Han, as well as the new web partner, JD.com. Sales growth in Russia and Brazil also accelerated, with local currency sales growing 11.8% and 9.7% respectively.

During the first half of FY2019, sell-out sales accounted for 73.2% of the net sales and amounted to €435.9 million, an increase of 13.9% at constant rates as compared to last year. This growth was primarily contributed by other sales, principally LimeLife and marketplaces. 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, equivalent to 12.4% of total sell-out sales. The Group's same store sales growth for the six months ended 30 September 2018 was 2.0%, an improvement from 0.6% in the first quarter. This was mainly due to improvements in Japan, the U.S., Brazil, Russia and other countries.

Sell-in sales accounted for 26.8% of the Group's total sales and amounted to €159.5 million, 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 channels of the L'OCCITANE en Provence brand. The Group's Erborian and L'OCCITANE au Brésil brands also expanded their sell-in channels.

All emerging brands continued to grow as planned. For the six months ended September 2018, the Group's own store network remained at 1,555 locations, while a total of 88 stores were refurbished or relocated, compared to 97 stores in the same period of last year.

Mr. Reinold Geiger, Chairman and Chief Executive Officer of L'Occitane, said, "We are delighted to see the successful launch of the Immortelle Reset serum and that it is already one of our bestsellers globally. It demonstrates the effectiveness of our hero product strategy, which aims to boost customer recruitment, brand awareness and our face care image. It was also an important contributor to the broad-based improvement in many key markets. This leaves us in good stead for the stronger sales that we normally see in the second half of the financial year."

"Looking forward, we will continue to leverage the universal appeal of our natural, organic and well-being attributes in ways that resonate with local markets. Notwithstanding the prevailing macroeconomic uncertainties, we are confident that with our team's focus and discipline, we will continue to propel our performance and presence in the global beauty market."

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About L'Occitane International S.A.

L'Occitane International S.A. is an international group that manufactures and retails beauty and well-being products that are rich in natural and organic ingredients. A global leader in the premium beauty market, the Group has more than 3,000 retail outlets, including over 1,500 owned stores, and is present in 90 countries. Through its five brands - L'OCCITANE en Provence, Melvita, Erborian, L'OCCITANE au Brésil and LimeLife by Alcone – the Group offers new and extraordinary beauty experiences, using high quality products that respect nature, the environment and the people who surround it.

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