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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 NINE MONTHS ENDED 31 DECEMBER 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 nine months ended 31 December 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 10.6% at constant rates and 8.5% at reported rates
- On a like-for-like basis (excluding LimeLife, Le Couvent des Minimes and at constant currency rates), sales grew by 4.4%
- The US led the growth with 50.3% in local currency, driven by both brands LimeLife and L'Occitane en Provence
- China, Russia, Brazil and Hong Kong posted double-digit growth in local currency at 12.7%, 11.7%, 10.0% and 10.0% respectively
- Overall same store sales growth remained healthy at 2.0%

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 nine months ended 31 December 2018:

Sales and % of total sales

	31 Dec 2018		31 Dec 2017	
	€ '000	%	€ '000	%
Sell-out	813,751	74.9	741,924	74.1
Sell-in	272,676	25.1	258,969	25.9
Total	1,086,427	100.0	1,000,893	100.0

Year-on-year growth

	Growth		Contribution to Overall Growth ⁽²⁾	
	€ '000	%	Growth ⁽²⁾ %	Overall Growth ⁽²⁾ %
Sell-out	71,827	9.7	11.8	83.1
Comparable Stores	(1,083)	(0.2)	2.0	10.2
Non-comparable Stores & others ⁽¹⁾	72,909	35.9	37.9	72.9
Sell-in	13,707	5.3	6.9	16.9
Overall Growth	85,534	8.5	10.6	100.0

(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 nine months ended 31 December 2018 and contribution to overall sales growth (including and excluding foreign currency translation effects as indicated) by geographic area:

	Sales and % of total sales								
	31 Dec 2018		31 Dec 2017		Growth		Growth ⁽¹⁾		Contribution to Overall Growth ⁽¹⁾
	€ '000	%	€ '000	%	€ '000	%	%	%	
Japan	160,274	14.8	161,489	16.1	(1,215)	(0.8)	(0.3)	(0.5)	
Hong Kong ⁽²⁾	106,155	9.8	97,164	9.7	8,991	9.3	10.0	9.2	
China	127,150	11.7	114,057	11.4	13,093	11.5	12.7	13.7	
Taiwan	29,632	2.7	30,792	3.1	(1,160)	(3.8)	(2.4)	(0.7)	
France	81,378	7.5	80,761	8.1	617	0.8	0.8	0.6	
United Kingdom	49,155	4.5	49,108	4.9	46	0.1	0.5	0.2	
United States ⁽³⁾	181,701	16.7	121,666	12.2	60,035	49.3	50.3	57.9	
Brazil	46,305	4.3	49,798	5.0	(3,493)	(7.0)	10.0	4.7	
Russia	36,434	3.4	36,617	3.7	(183)	(0.5)	11.7	4.0	
Other countries ⁽⁴⁾	268,244	24.7	259,442	25.9	8,802	3.4	4.5	11.0	
All countries	1,086,427	100.0	1,000,893	100.0	85,534	8.5	10.6	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) Growth in the US excluding LimeLife and the impact of foreign currency translation was 0.7%.

(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 nine months ended 31 December 2018 compared to the nine months ended 31 December 2017:

	Own Retail Stores				% contribution to Overall Growth ^{(1) (2)}				
	Net openings YTD		Net openings YTD		Non-comparable Stores		Comparable Stores		Same Store Sales Growth % ⁽²⁾
	31 Dec 2018	31 Dec 2018	31 Dec 2017	31 Dec 2017	Total Stores	Total Stores	Total Stores		
Japan ⁽³⁾	152	8	143	9	2.5	0.1	2.6	0.1	
Hong Kong ⁽⁴⁾	36	2	36	2	(0.1)	0.1	(0.1)	0.3	
China ⁽⁵⁾	190	(7)	198	(4)	0.0	4.7	4.7	6.8	
Taiwan	53	1	51	(5)	(0.2)	(0.3)	(0.5)	(2.2)	
France ⁽⁶⁾	85	3	83	3	3.6	(1.2)	2.4	(3.6)	
United Kingdom	74	—	76	2	(0.7)	(0.1)	(0.7)	(0.2)	
United States	191	(5)	205	(2)	(1.6)	1.7	0.1	2.3	
Brazil ⁽⁷⁾	171	5	124	1	1.6	1.8	3.3	5.4	
Russia ⁽⁸⁾	106	3	102	(2)	1.2	1.4	2.6	6.3	
Other countries ⁽⁹⁾	507	—	512	12	2.0	2.1	4.1	1.7	
All countries⁽¹⁰⁾	1,565	10	1,530	16	8.4	10.2	18.5	2.0	

(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 31 and 34 Melvita stores as at 31 December 2017 and 31 December 2018 respectively.

(4) Includes 3 L'Occitane stores in Macau and 10 Melvita stores in Hong Kong as at 31 December 2017 and 3 L'Occitane stores in Macau and 9 Melvita stores in Hong Kong as at 31 December 2018.

(5) Includes 7 and 4 Melvita stores as at 31 December 2017 and 31 December 2018 respectively.

(6) Includes 3 Melvita and 1 Erborian stores as at 31 December 2017 and 5 Melvita and 2 Erborian stores as at 31 December 2018.

(7) Includes 35 and 78 L'Occitane au Brésil stores as at 31 December 2017 and 31 December 2018 respectively.

(8) Includes 4 and 9 Erborian stores as at 31 December 2017 and 31 December 2018 respectively.

(9) Include 4 Melvita and 1 Erborian stores as at 31 December 2017 and 5 Melvita and 2 Erborian stores as at 31 December 2018.

(10) Include 55 Melvita, 35 L'Occitane au Brésil and 6 Erborian stores as at 31 December 2017 and 57 Melvita, 78 L'Occitane au Brésil and 13 Erborian stores as at 31 December 2018.

The Group's net sales reached €1,086.4 million, or 10.6% growth at constant rates for the nine months ended 31 December 2018. Sales at reported rates grew 8.5% over the same period last year. LimeLife by Alcone ("LimeLife") became a subsidiary of the Group in January 2018 and its sales are consolidated since. On a like-for-like sales basis (excluding LimeLife, Le Couvent des Minimes and at constant currency rates), the growth was 4.4%.

For the first nine months of FY2019, Sell-out sales accounted for 74.9% of the net sales and amounted to €813.8 million, an increase of 9.7% at reported rates as compared to the same period last year. At constant rates, the growth was 11.8%. This growth was primarily contributed by other sales, principally LimeLife and marketplaces. Overall same store sales growth remained healthy at 2.0% and contributed 10.2% to overall growth. As compared to the same period last year, sales of the Group's Web Sell-out channels (including own E-commerce and Marketplaces) grew by 11.1% at constant exchange rates, equivalent to 14.3% of the total Sell-out sales.

Sell-in sales accounted for 25.1% of the Group's total sales and amounted to €272.7 million, an increase of 6.9% 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. Erborian and L'Occitane au Brésil brands also expanded in the channel.

In terms of geographical areas, the US led the growth, followed by China, Russia, Brazil and Hong Kong. For the nine months ended 31 December 2018, the US grew by 50.3% in local currency. In addition to the growth driven by LimeLife, the L'Occitane en Provence brand posted growth during the first nine months of FY2019, despite having 14 fewer stores than the same period last year. Same store sales growth was 2.3%. China's sales growth remained dynamic at 12.7% in local currency, thanks to the brand marketing campaigns with celebrities and the great success of the Immortelle Reset serum. Hong Kong maintained double-digit sales growth, yet it slowed from the first half of FY2019 under the challenging macroeconomic and retail conditions. Russia and Brazil posted double-digit growth. Meanwhile, other countries' sales growth accelerated from 2.8% in the first half of FY2019 to 4.5%, thanks to the turnaround of same store sales growth from -0.6% to 1.7%. In particular, Southeast Asian countries, Canada, Mexico and Australia posted impressive growth rates of 23.6%, 13.4%, 12.8% and 10.0% respectively.

The Group opened 10 net stores and renovated 102 stores during the first nine months of FY2019 (16 net stores opened and 118 stores renovated during the same period last year).

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

Hong Kong, 22 January 2019

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.