L'OCCITANE INTERNATIONAL S.A.

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

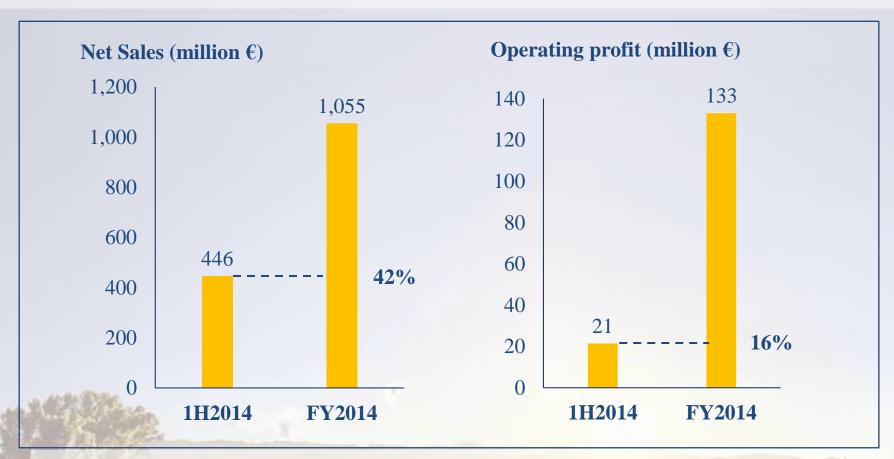


Highlights

For the six months ended 30 September	2013	2014	Change
(million €)			
Net sales	446.4	485.9	+8.9%
Gross profit	362.5	390.0	+7.6%
Gross profit margin	81.2%	80.3%	-0.9 pp
Operating profit	21.4	31.4	+46.6%
Operating profit margin	4.8%	6.5%	+1.7 pp
Profit for the period	14.5	37.3	+156.3%
Net profit margin	3.3%	7.7%	+4.4 pp
Earnings per share (€ per share)	0.009	0.025	+162.7%
Net cash	198.2	181.4	-8.5%



Seasonality: lower contribution from first half

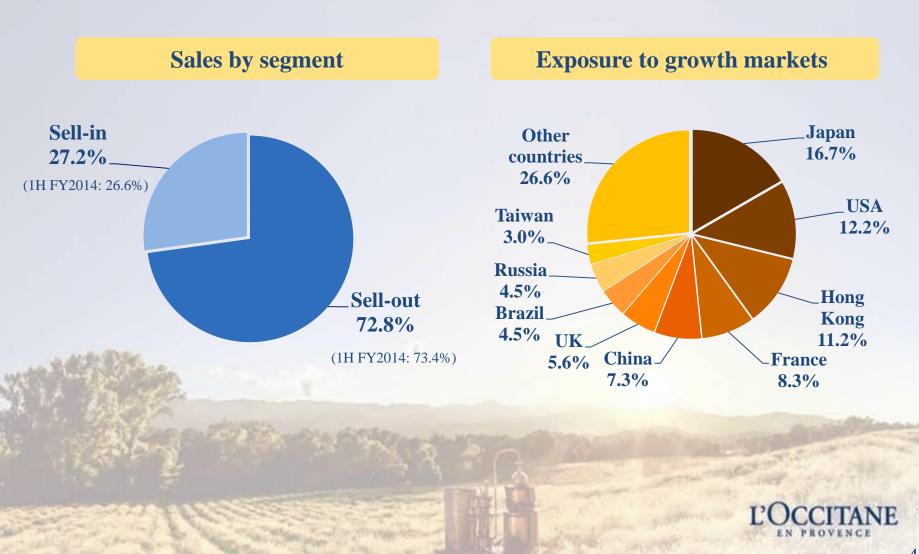


For the first half of last financial year (FY2014):

- net sales accounted for 42% of the full year's sales
- operating profit accounted for 16% of the full year's operating profit

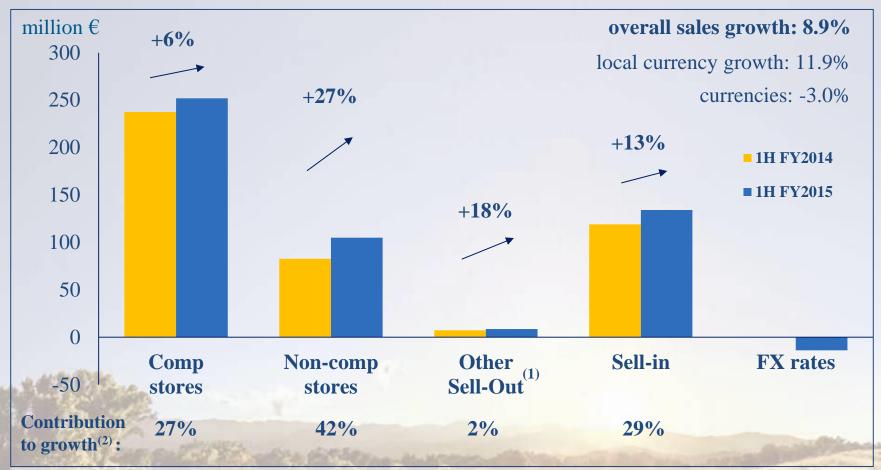


Net Sales Breakdown



Net sales up 11.9%

(Local currency growth)



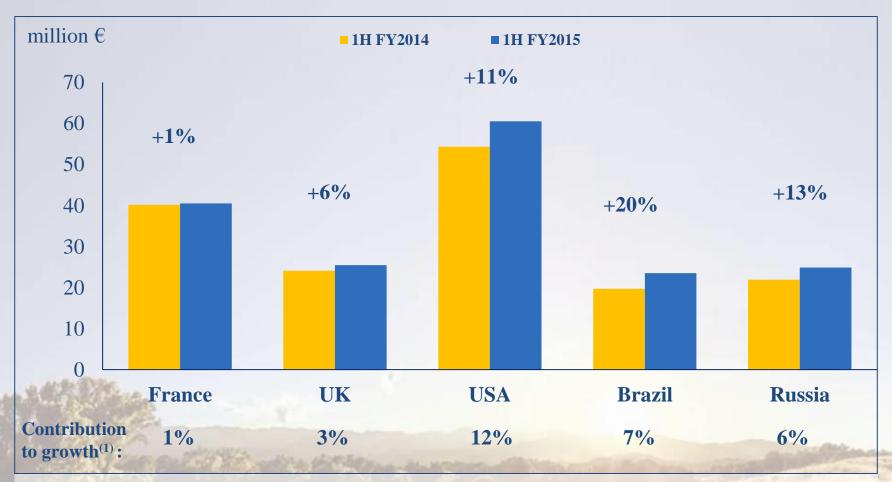
⁽¹⁾ Includes mail-order and other sales



⁽²⁾ Excluding foreign currency translation effects

Sales growth by geography – Americas and Europe

(Local currency growth)

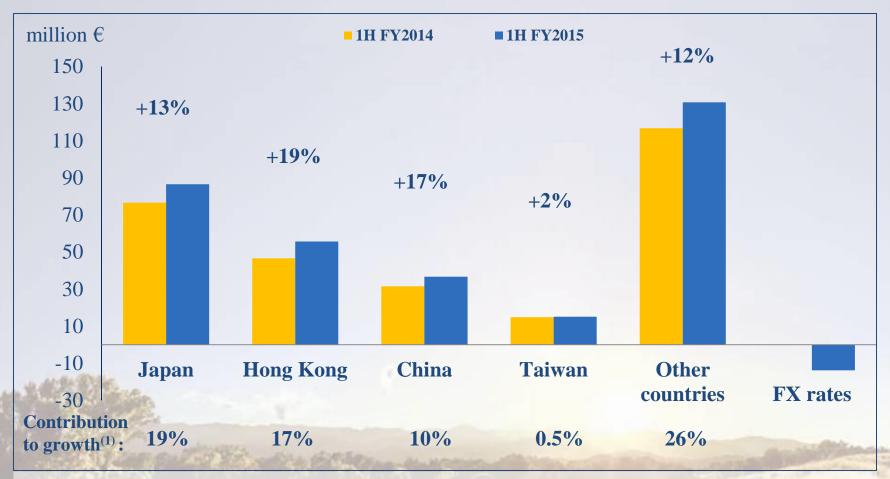


⁽¹⁾ Excluding foreign currency translation effects



Sales growth by geography – Asia and Other Countries

(Local currency growth)



⁽¹⁾ Excluding foreign currency translation effects



Store network: selective expansion on track

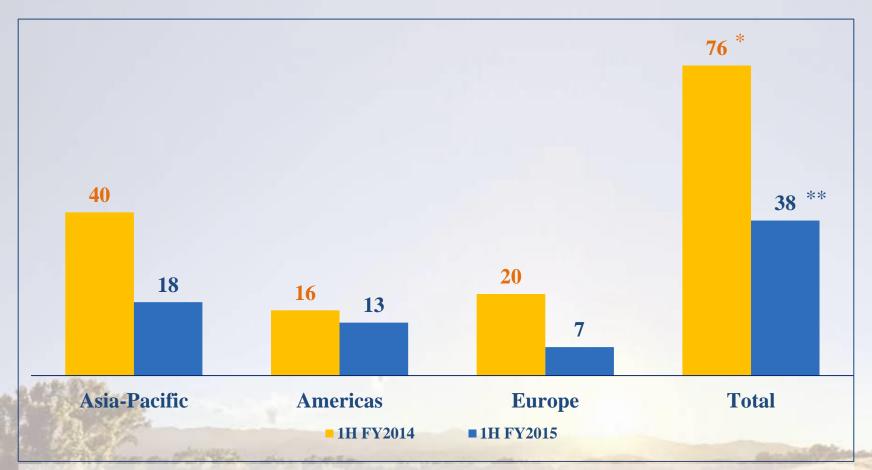


^{*}Includes 7 stores from acquisition of distributor in Norway



Net store openings by region:

38 own-stores opened during the six months ended 30 September 2014 **



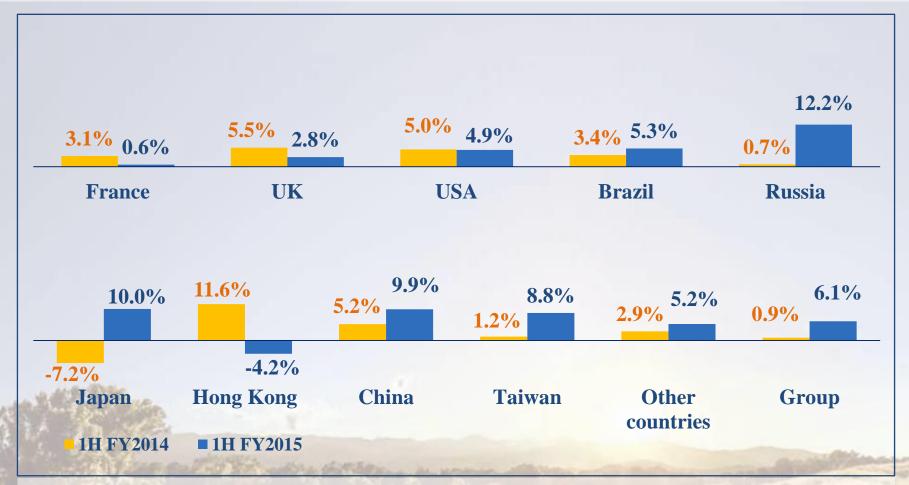
^{*} Excluding 6 stores acquired from distributor in South Africa in June 2013



^{**}Excluding 7 stores acquired from distributor in Norway in August 2014

Same store sales growth profile*

YTD September 2014 as compared to YTD September 2013



^{*}Including E-commerce and excluding stores closed for renovation

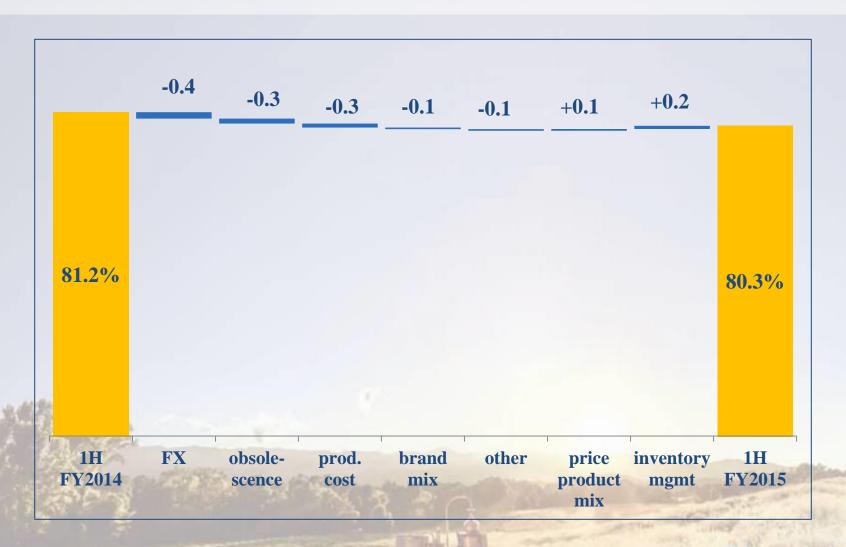


Profitability analysis

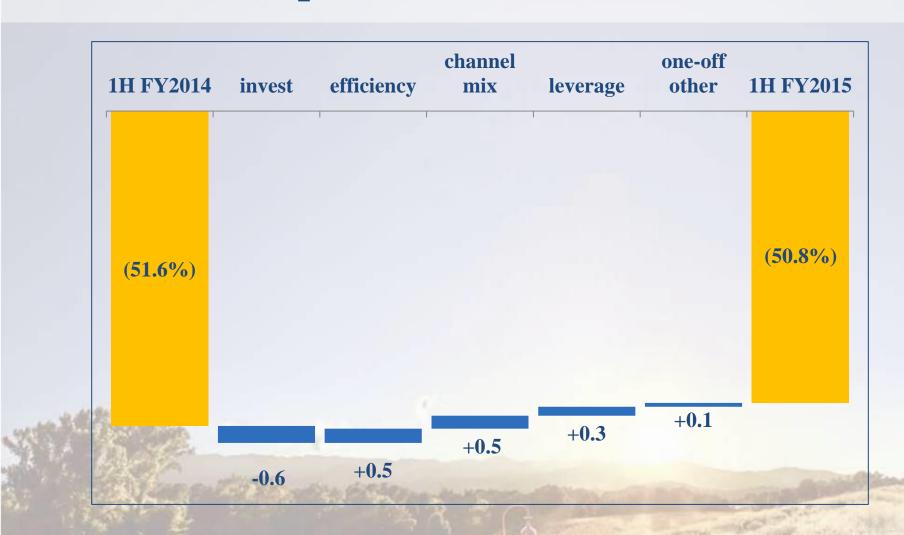
	% of net sales		
For the six months ended 30 September	2013	2014	Change
Gross profit margin	81.2	80.3	(0.9)
Distribution expenses	(51.6)	(50.8)	0.8
Marketing expenses	(12.8)	(11.7)	1.1
Research & development expenses	(1.0)	(1.2)	(0.2)
General & administrative expenses	(10.9)	(10.1)	0.8
Other (losses) / gains	(0.0)	0.1	0.1
Operating profit margin	4.8	6.5	1.7



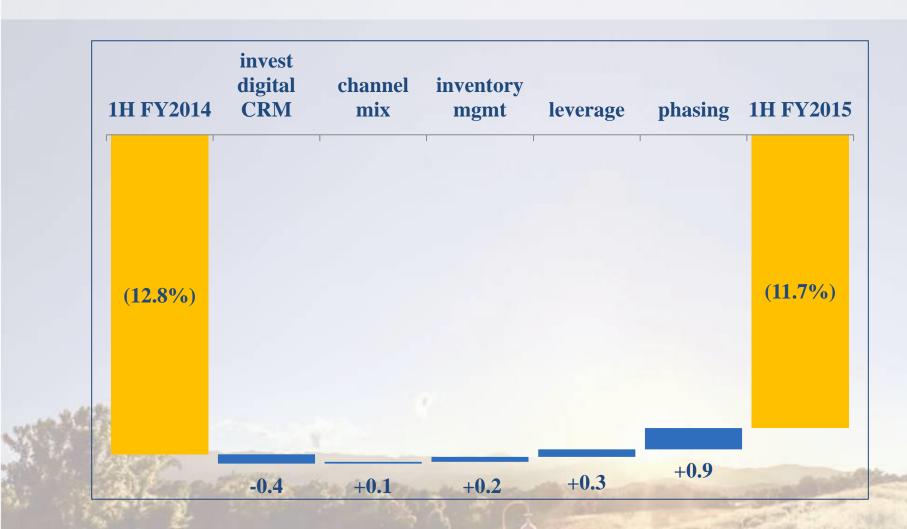
Gross margin (as % of net sales)



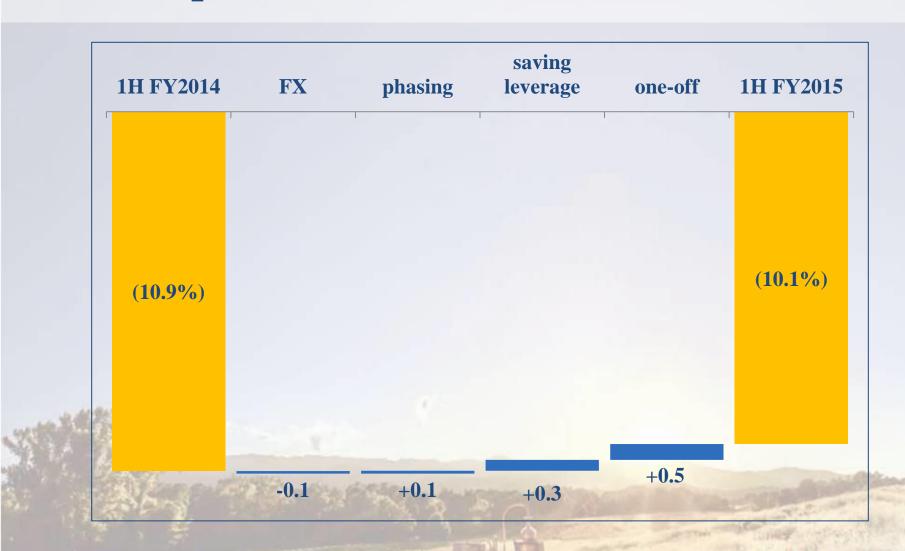
Distribution expenses (as % of net sales)



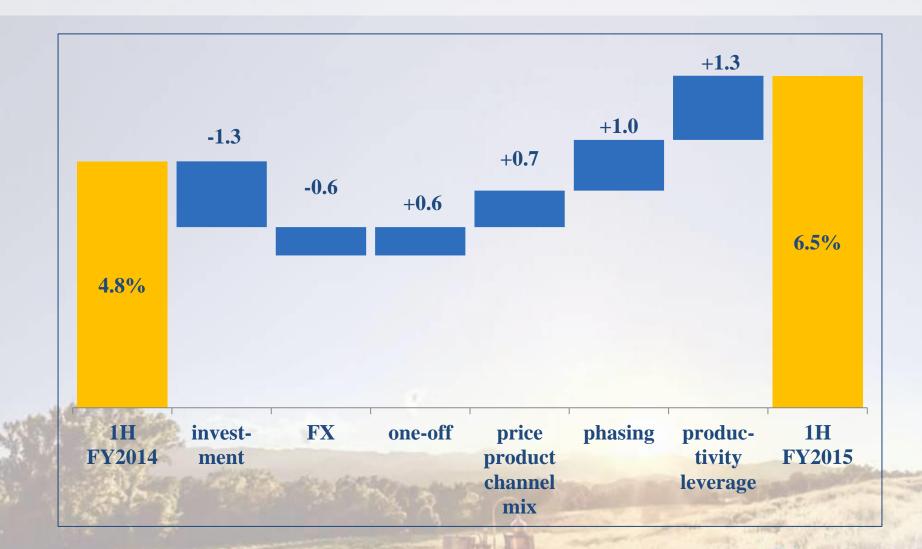
Marketing expenses (as % of net sales)



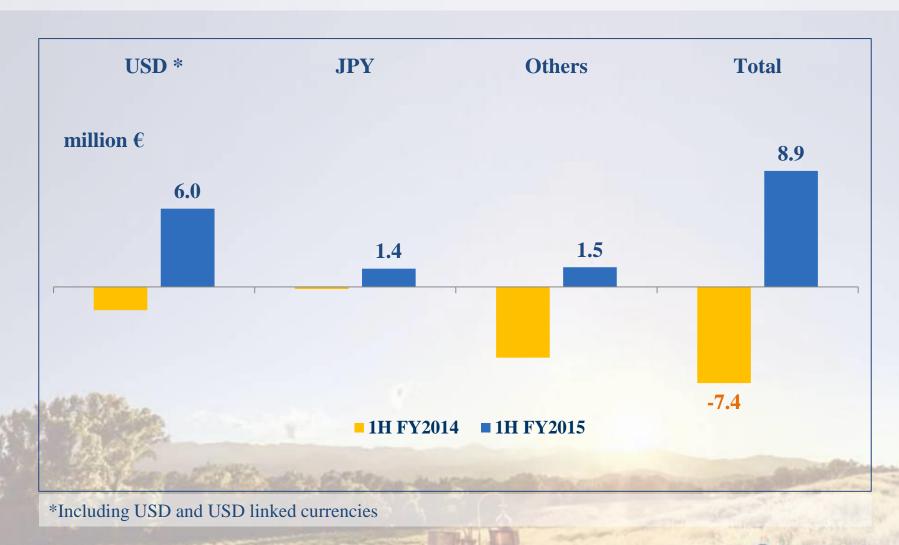
G & A expenses (as % of net sales)



Operating profit margin (as % of net sales)



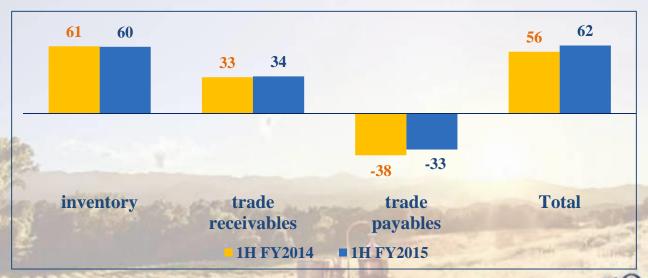
Exchange Gains / (losses)



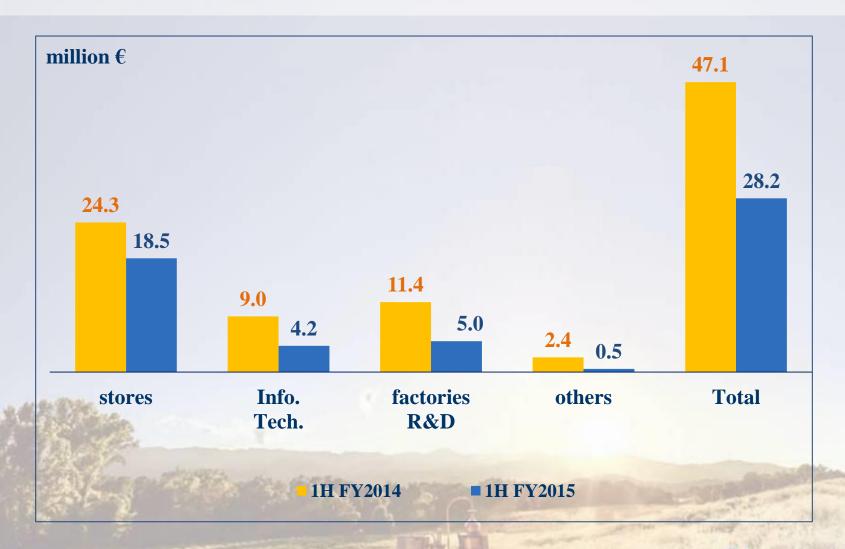
Working capital ratios

as at:	30 Sep 2013	30 Sep 2014	Change
Inventory turnover days (based on cost of sales)	324	307	-17
Trade receivables turnover days (based on net sales)	33	34	1
Trade payables turnover days (based on cost of sales)	201	165	-36
Cash Cycle (days of net sales)	56	62	6

Cash cycle – days of Net sales



Capital expenditures (excl. acquisitions of subsidiaries)





Balance sheet ratios

For the six months ended 30 September	2013	2014
Profitability		
Return on Capital Employed (ROCE) ⁽¹⁾	2.9%	6.0%
Return on equity (ROE) ⁽²⁾	2.0%	4.8%
Liquidity		
Current ratio (times) ⁽³⁾	2.74	3.15
Quick ratio (times) ⁽⁴⁾	1.99	2.25
Capital adequacy		
Gearing ratio ⁽⁵⁾	8.8%	9.8%
Debt to equity ratio ⁽⁶⁾	net cash	net cash

⁽¹⁾ Net Operating Profit After Tax / Capital Employed

NOPAT = (Operating Profit + foreign currency net gains or losses) x (1 - effective tax rate)

Capital Employed = Non-current assets - (deferred tax liabilities + other financial liabilities + other non-current liabilities) + working capital*

^{*}Note that in previous communications, the calculation of working capital included current financial liabilities such as dividends and acquisition payments. These are now excluded to show only working capital relating to operations.



⁽²⁾ Net profit attributable to equity owners / shareholders' equity excluding minority interest

⁽³⁾ Current assets / current liabilities

^{(4) (}Current assets – stocks) / current liabilities

⁽⁵⁾ Total debt / total assets

⁽⁶⁾ Net debt / (total assets - total liabilities) * 100%

Strategic review

- Jump in profits in 1H due to higher sales growth, lower expense to sales ratios across the various expense categories, despite negative FX effects and FX gains
- In this context we consistently pursue our strategy :
 - Focus on digital innovation and e-commerce business, through own and 3rd parties
 - Emphasize R&D and product development for the emerging brands
 - Expand with select stores openings and accelerate key retail upgrade projects
 - Leverage the strength of brands to boost customer engagement, both off and online
 - Capitalize on the favorable travel retail sector with brands (L'Occitane + Melvita)
 - Enhance global infrastructure efficiency and improve productivity, logistics flow and optimize operating costs and investments



Prospects

Growth drivers

- Brands to expand L'Occitane and further develop our new brands
- Geography invest in under-penetrated markets and penetrate emerging countries
- Product innovation and development –
 new ingredients, textures, nature and freshness
- Product categories expand face care and fragrances offerings
- Channels select openings, retail upgrade, travel retail and virtual marketplace
- Marketing innovation in media and digital communication
- Seasonality focus on the key holiday season

Improve efficiency

- Strive to improve productivity, efficiency, cost effectiveness and thus profitability in order to create lasting value to our shareholders
 - Key in H2: go-live with SAP in Brazil, the launch of Melvita in China, optimize back-office and streamline supply chain processes and implement first step of central inventory management

Continue to build for long-term growth and profits



Disclaimer

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