

[For Immediate Release]



## **L'Occitane International S.A.**

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(Incorporated under the laws of Luxembourg with limited liability)

### **L'Occitane announces interim results for the six months ended 30 September 2014**

**Strong return to sales and earnings growth**  
**Operating profit up 47% to €31.4 million**  
**Profit for the period rose 156% to €37.3 million**

1. Net sales were €485.9 million with 11.9% growth at constant exchange rates, primarily driven by Japan, Hong Kong, the United States and China. Brazil, Hong Kong, China and Russia were among the fastest-growing countries.
2. Same Store Sales Growth was 6.1% (1H FY2014: 0.9%).
3. Operating profit was €31.4 million, an increase of 46.6%.
4. Profit for the period rose 156.3% to €37.3 million, due to foreign currency gains of €8.9 million during this period, as compared to foreign currency losses of €7.4 million same period last year.
5. Strong results were driven by the successful execution of corporate strategies.
6. Digital online channel outperformed and investments have created efficiency and productivity gains across the Group's business platform.

#### **FINANCIAL HIGHLIGHTS**

(in €'000, unless otherwise stated)	<b>For the six months ended 30 September</b>		
	<b>2014</b>	<b>2013</b>	<b>Change</b>
<b>Net sales</b>	<b>485,874</b>	446,361	8.9%
<b>Gross profit</b>	<b>390,034</b>	362,526	7.6%
<i>Gross margin</i>	<b>80.3%</b>	81.2%	
<b>Operating profit</b>	<b>31,432</b>	21,446	46.6%
<i>Operating margin</i>	<b>6.5%</b>	4.8%	
<b>Profit for the period</b>	<b>37,282</b>	14,545	156.3%
<i>Net margin</i>	<b>7.7%</b>	3.3%	
<b>Basic EPS (€)</b>	<b>0.025</b>	0.009	162.7%
<b>Cash and cash equivalents</b>	<b>289,217</b>	289,698	-0.2%
<b>Return on capital employed (%)</b>	<b>6.0%</b>	2.9%	
<b>Return on equity (ROE) (%)</b>	<b>4.8%</b>	2.0%	
<b>Gearing ratio (%)</b>	<b>9.8%</b>	8.8%	
<b>Debt to equity ratio</b>	<b>Net cash position</b>	Net cash position	

(24 November 2014, Hong Kong) L'Occitane International S.A. ("L'Occitane" or the "Group"; SEHK stock code: 973), a global, natural ingredient-based cosmetics and well-being products enterprise with strong regional roots in Provence, France, today announces the consolidated interim results for the six months ended 30 September 2014.

At constant exchange rates, net sales for the period amounted to €485.9 million for the six months ended 30 September 2014, an increase of 11.9% as compared to the same period last year. The Group's sales in Japan, Hong Kong, the United States and China were the driving factors of net sales growth during the first half.

Profit for the period was €37.3 million for the six-month period ended 30 September 2014, up 156.3% as compared to the same period last year. The sharp increase was mainly contributed by foreign currency gains of €8.9 million during this period, as compared to foreign currency losses of €7.4 million same period last year. However, the foreign currency gains of €8.9 million were mostly unrealized.

The sell-out sales accounted for 72.8% of net sales and amounted to €353.7 million, an increase of 11.6% at constant exchange rates. Comparable and non-comparable stores contributed towards this local currency growth, while Same Store Sales Growth was 6.1%. The sell-in segment outperformed with sales growth of 12.8% at constant exchange rates, largely driven by good progress in the travel retail wholesale business.

Despite a challenging operating environment, the Group delivered strong performance across its key markets. Brazil and Hong Kong emerged as the best-performers, growing at 19.5% each at constant exchange rates. Developed markets like Japan, United States and the United Kingdom continued to contribute and deliver sales growth at 13.0%, 11.4% and 5.7%, respectively at constant exchange rates.

The strong results were driven by the successful execution of corporate strategies. The digital online channel continued to outperform and the investments have created efficiency and productivity gains across the Group's business platform. The e-commerce business maintained its momentum with 34.7% growth at constant exchange rates for the six months ended 30 September 2014.

The Group continued to expand with select openings and key retail upgrade projects globally. The combined efforts of a selective store expansion and retail network upgrades are critical to complement the Group's fast growing e-commerce strategy.

Mr. Reinold Geiger, Chairman and CEO of L'Occitane, said, "During the first half, we delivered a strong set of results amid the challenging business environment. As we focus and invest for growth, efforts are accelerated to support our portfolio of brands, especially the emerging brands; Erborian and L'Occitane au Brésil. We are confident we can create strong natural brands. Our corporate strategy reflects our balanced approach to promote revenue growth and adopt selective investments to create new growth opportunities with the emerging brands."

"Looking ahead, we continue to lead the Group and doing what we know best. Through our high-quality natural products, great brand experience with our stores and our ability to create new opportunities with our emerging brands, we believe the Group is poised to deliver sustainable performance over the long term."

— End —

## **About L'Occitane International S.A.**

L'Occitane International S.A. (the "Company") is a global, natural ingredient-based cosmetics and well-being products manufacturer and retailer with strong regional roots in Provence, France. The Company has five brands (L'Occitane en Provence, L'Occitane au Brésil, Melvita, Le Couvent des Minimes and Erborian) in its portfolio and is committed to developing and retailing high quality products that are rich in natural and organic ingredients of traceable origins and respect for the environment.

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