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L'OCCITANE

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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 2014

L'Occitane International S.A. (the "Company") is pleased to present the unaudited 2014/2015 ("FY2015") trading update of the Company and its subsidiaries (the "Group") for the nine months ended 31 December 2014. 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 were €882.3 million, recording an increase of 9.8% for the first nine months of FY2015 (compared to a growth of 0.3% same period last year). Local currency growth was 10.8% (compared to 8.7% for the same period last year)
- Growth was primarily driven by Japan, Hong Kong, China and the United States. China, Hong Kong, Russia and Brazil were among the fastest growing countries at constant exchange rates (19.5%, 15.8%, 13.4% and 12.3% respectively)
- The online retail channel continued to outperform with a 33.0% growth at constant exchange rates during the first nine months of FY2015 as compared to the same period last year
- Overall Same Store Sales Growth was 5.9% (compared to 2.5% same period last 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 nine months ended 31 December 2014:

	Sales and % of total sales			
	31 December 2014		31 December 2013	
	€ '000	%	€ '000	%
Sell-out	660,307	74.8	605,800	75.4
Sell-in	222,034	25.2	198,117	24.6
Total	882,341	100.0	803,917	100.0
	Year-on-year growth			
	€ '000 Growth	% Growth	% Growth ⁽²⁾	% Contribution to Overall Growth ⁽²⁾
Sell-out	54,507	9.0	10.4	72.5
Comparable Stores	20,387	4.8	5.9	29.0
Non-comparable Stores ⁽¹⁾	34,121	18.7	20.7	43.6
Sell-in	23,917	12.1	12.0	27.5
Overall Growth	78,424	9.8	10.8	100.0

⁽¹⁾ Includes mail-order and other 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 2014 and contribution to overall sales growth (including and excluding foreign currency translation effects as indicated) by geographic area:

	Sales and % of total sales		€ '000	%	%	% Contribution to Overall Growth ⁽¹⁾	% Contribution to Overall Growth ⁽¹⁾	
	31 December 2014	31 December 2013						Growth
Japan	133,934	15.2	128,870	16.0	5,064	3.9	10.1	15.0
Hong Kong ⁽²⁾	97,787	11.1	82,281	10.2	15,506	18.8	15.8	15.0
China	69,277	7.9	56,770	7.1	12,507	22.0	19.5	12.8
Taiwan	28,785	3.3	28,607	3.6	178	0.6	(0.1)	(0.0)
France	71,651	8.1	69,856	8.7	1,795	2.6	2.6	2.1
United Kingdom	54,618	6.2	47,799	5.9	6,819	14.3	7.6	4.2
United States	117,793	13.4	105,050	13.1	12,744	12.1	8.6	10.5
Brazil	39,755	4.5	36,959	4.6	2,796	7.6	12.3	5.3
Russia	38,196	4.3	42,046	5.2	(3,850)	(9.2)	13.4	6.5
Other countries ⁽³⁾	230,545	26.1	205,679	25.6	24,866	12.1	12.1	28.7
All countries	882,341	100.0	803,917	100.0	78,425	9.8	10.8	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.

⁽³⁾ 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 periods indicated:

period ended 31 December 2014 compared to period ended 31 December 2013

	Own Retail Stores				% contribution to Overall Growth ^{(1) (2)}			⁽²⁾ Same Store Sales Growth
	31 Dec 2014	Net openings YTD Dec 2014	31 Dec 2013	Net openings YTD Dec 2013	Non-comparable Stores	Comparable Stores	Total Stores	
Japan ⁽³⁾	109	3	107	7	6.2	7.3	13.5	8.8
Hong Kong ⁽⁴⁾	36	4	35	4	3.4	(1.0)	2.5	(4.7)
China	155	19	144	25	3.3	5.6	8.9	12.4
Taiwan	55	1	54	(7)	(1.4)	0.8	(0.6)	4.8
France ⁽⁵⁾	81	6	75	5	2.4	1.4	3.8	3.9
United Kingdom	72	4	67	5	1.5	1.3	2.8	4.4
United States	215	18	200	14	5.0	3.1	8.1	3.5
Brazil	80	2	77	7	3.0	0.8	3.8	3.9
Russia ⁽⁶⁾	109	(1)	106	7	3.9	3.9	7.8	14.3
Other countries ⁽⁷⁾	465	26	440	40	13.1	5.8	18.9	4.7
All countries	1,377	82	1,305	107	40.4	29.0	69.4	5.9

⁽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 12 and 11 Melvita stores as at 31 December 2013 and 31 December 2014 respectively.

⁽⁴⁾ Includes 3 L'Occitane stores in Macau and 10 Melvita stores in Hong Kong as at 31 December 2013 and 31 December 2014.

⁽⁵⁾ Includes 4 and 5 Melvita stores as at 31 December 2013 and 31 December 2014 respectively.

⁽⁶⁾ Includes 6 and 2 Melvita stores as at 31 December 2013 and 31 December 2014 respectively.

⁽⁷⁾ Includes 7 Melvita stores as at 31 December 2013 and 31 December 2014. The net openings include 6 stores from the acquisition of distributor in South Africa as at 31 December 2013 and 7 stores from the acquisition of distributor in Norway as at 31 December 2014.

The Group's net sales for the first nine months of FY2015 were €882.3 million, an increase of 9.8% as compared to the same period last year. At constant exchange rates, the Group generated sales growth of 10.8%. The uncertainties of the economic environment and foreign currency effects continued to impact the sales results of the Group.

During the first nine months of FY2015, Sell-out sales accounted for 74.8% of net sales and amounted to €660.3 million, an increase of 9.0% (10.4% at constant exchange rates) as compared to the same period last year. This growth was contributed by both Comparable Stores and Non-comparable Stores. The Same Store Sales Growth for the first nine months of FY2015 was 5.9%. The Group's online retail channel continued to outperform with a 33.0% growth at constant exchange rates during the first nine months of FY2015 as compared to the same period last year.

Sell-in sales accounted for 25.2% of the Group's total sales and amounted to €222.0 million, an increase of 12.1% (12.0% at constant exchange rates) as compared to the same period last year. With a strong contribution from travel retail, the Sell-in business continued to grow in a challenged operating environment.

In terms of geographical areas, China, Hong Kong, Russia and Brazil were among countries with highest sales growth at constant exchange rates.

Russia, China and Japan were among countries with strong Same Store Sales Growth for the nine months ended 31 December 2014.

The Group maintained its selective global retail expansion during the nine months ended 31 December 2014 with 75 net stores opened (excluding the acquisition of 7 stores from a distributor in Norway), as compared to 101 during the same period last year (excluding the acquisition of 6 stores from a distributor in South Africa). The Group continued its retail network upgrade with 86 stores renovated or relocated during the first nine months of FY2015 (compared to 82 stores during the same period last year).

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

Hong Kong, 20 January 2015

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 (Managing Director Asia-Pacific), Mr. Thomas Levilion (Group Deputy General Manager, Finance and Administration), Mr. Domenico Trizio (Chief Operating Officer), Mr. Karl Guénard (Joint Company Secretary) and Mr. Nicolas Veto (Group Human Resources Executive VP), 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.