

[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 2015**

**Sales Rose 12.5% and Local Currency Sales Growth at 5.8%  
Same Store Sales Growth at 1.6%**

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**E-commerce Channels Continued to Deliver 20.6% Growth  
China Sales Grew 20.4% at Constant Exchange Rates,  
Representing 9.4% of Group Sales**

(27 October 2015, 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 origins and true stories from Provence, France, today announces the unaudited trading update for the six months ended 30 September 2015.

Net sales for the six months ended 30 September 2015 were €546.7 million, an increase of 12.5% at actual rates and 5.8% in local currency. Growth was primarily driven by China, Japan, France and Russia. Meanwhile, China, France, Japan and Russia were the fastest growing countries, with respective growth of 20.4%, 11.1%, 8.2% and 8.1% at constant exchange rates.

The Group continued to attract more demand in China with expanded exposure through new stores in quality locations and successful collaboration with online marketplaces. In France, good momentum persisted as a result of thriving new customer acquisition programs and new product launches, growing number of inbound travelers as well as emerging brands. Successful product launches in Japan has also facilitated sales growth. Nevertheless, sales in Hong Kong were further affected by weak demand, slowing Chinese inbound tourist traffic and weak travel retail performance due to the outbreak of MERS in Korea.

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

€'000	For the six months ended 30 September		% Growth <sup>(1)</sup>	% SSS Growth <sup>(1)</sup>
	2015	2014		
Japan	<b>90,113</b>	81,024	8.2	6.9
Hong Kong	<b>58,103</b>	54,505	(12.0)	(16.2)
China	<b>51,438</b>	35,673	20.4	2.5
Taiwan	<b>16,658</b>	14,747	(1.3)	(6.2)
France	<b>45,005</b>	40,506	11.1	6.4
United Kingdom	<b>31,648</b>	27,016	4.9	2.4
United States	<b>72,277</b>	59,056	0.6	(1.8)
Brazil	<b>19,539</b>	22,050	5.6	5.1
Russia	<b>17,969</b>	22,006	8.1	7.0
Other Countries	<b>143,950</b>	129,291	9.0	0.9
All Countries	<b>546,699</b>	485,874	5.8	1.6

<sup>(1)</sup>Excludes foreign currency translation effects

The sell-out sales accounted for 72.8% of net sales and amounted to €398.2 million, an increase of 5.9% at constant exchange rates. The growth of the sell-out segment was primarily driven by store expansions and E-commerce. The Group's E-commerce channels continued to outperform with a 20.6% growth at constant exchange rates during the period under review.

The sell-in sales accounted for 27.2% of the Group's total sales and amounted to €148.5 million, an increase of 5.4% at constant exchange rates. The strong performance of B2B, wholesale and distribution channels offset somewhat the sluggishness in travel retail segment.

During the period under review, the Group maintained its strategy of expanding its global retail network selectively, with net own-store openings of 57 stores and renovations or relocations of 64 stores.

As part of the Group's multi-brand strategy to support long-term growth with emerging brands, it opened the second Erborian flagship store in Korea in September, capturing the growing demand of premium natural cosmetic products with the brand's delicate, sophisticated and Korean-French fusion features. As at the end of September 2015, the company has also opened the eighth Melvita stores in China.

Mr. Reinold Geiger, Chairman and Chief Executive Officer of L'Occitane, said, "The global political tensions, currency wars as well as other macroeconomic headwinds during the first half of financial year 2016 presented a mixed and challenging backdrop to all international businesses. This inevitably impacted our operations while we are at investment stage for new marketing campaigns."

"With our consistent, balanced and sustainable investment strategy, we've started to roll out digital marketing programs to engage more targeted consumers. As part of our omni-channel strategy, we have also added more upscale stores with digital features in quality locations. We are confident that this refined branding strategy shall boost our sales in the upcoming holiday season and increase L'Occitane brand value in the long run."

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

L'Occitane International S.A. (the "Company") is a global, natural and organic ingredient-based cosmetics and well-being products manufacturer and retailer with origins and true stories from Provence, France. Besides its core brand L'Occitane en Provence, the Group has also developed four emerging brands (Melvita, L'Occitane au Brésil, Le Couvent des Minimes and Erborian) since 2008 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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