



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 Nine Months Ended 31 December 2015

**Sales Rose 11.6% at actual rates and 5.8% at constant rates
Same Store Sales Growth Accelerated Slightly to 1.8%**

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Growth Driven by E-commerce and China Market

(26 January 2016, Hong Kong) L'Occitane International S.A. ("L'Occitane" or together with its subsidiaries, the "Group"; SEHK stock code: 973), a world's leading natural ingredient-based cosmetics and well-being products enterprise with true stories from around the world, today announces the unaudited trading update for the nine months ended 31 December 2015.

Net sales for the nine months ended 31 December 2015 were €984.7 million, an increase of 11.6% at actual rates and 5.8% at constant exchange rates. Growth was primarily driven by fastest growing countries - China, France, Brazil, Russia and Japan, where sales grew by 19.1%, 12.9%, 11.1%, 8.7% and 5.6% respectively in local currencies.

Despite global political tensions and economic slowdown, the Group continued to attract decent demand in its major markets. In China, weak consumer sentiment alongside the turbulent stock market hit the demand for cosmetic products, while L'Occitane sustained good growth momentum with its quality stores expansion, renovation as well as proactive collaboration with online marketplaces. In France, the impact of slowing retail traffic due to terror attacks was largely offset by resilient local demand and rapid E-commerce growth. Sales were further supported by successful product pipeline during the festive season as well as fast-growing emerging brands, which attracted good demand in both its retail and wholesale channels in France. Overall sales in Hong Kong were stabilized with sales decline narrowing to 9.7%, attributed to a sluggish but improving travel retail business in Asia. Nevertheless, retail sales in Hong Kong remained weak as Chinese tourists continued to explore alternative shopping destinations.

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

€'000	For the nine months ended 31 December		% Growth ⁽¹⁾	% SSS Growth ⁽¹⁾
	2015	2014		
Japan	148,428	133,934	5.6	3.5
Hong Kong	104,355	97,787	(9.7)	(17.3)
China	94,810	69,277	19.1	1.5
Taiwan	32,060	28,785	0.5	(2.5)
France	80,887	71,651	12.9	7.9
United Kingdom	62,646	54,618	3.7	3.0
United States	137,828	117,793	(0.7)	(0.9)
Brazil	35,441	39,755	11.1	8.6
Russia	33,128	38,196	8.7	6.8
Other Countries	255,094	230,545	9.3	3.1
All Countries	984,678	882,341	5.8	1.8

⁽¹⁾Excludes foreign currency translation effects

The sell-out sales accounted for 74.9% of net sales and amounted to €737.6 million, an increase of 5.9% at constant exchange rates. The growth of the sell-out segment was primarily driven by store renovations and expansions, as well as dynamic on-line business. The Group's own E-commerce channels continued to outperform with a 17.7% growth at constant exchange rates, reaching 10.0% as compared to retail sales. Its strong online marketplaces presence in China and Korea also boosted overall retail growth during the period under review.

The sell-in sales accounted for 25.1% of the Group's total sales and amounted to €247.0 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 83 stores and renovations or relocations of 89 stores.

As part of L'Occitane's multi-brand strategy to support long-term growth with emerging brands, it opened 3 more Erborian stores in Russia, Hong Kong and Korea in the third quarter of FY2016, capturing the growing demand of premium natural cosmetic products with the brand's delicate and sophisticated Korean-French fusion features. As at the end of December 2015, the company has also expanded its store network for Melvita and L'Occitane au Brésil.

Mr. Reinold Geiger, Chairman and Chief Executive Officer of L'Occitane, said, "The escalating fear of China's slowdown ignited concerns over global growth in the midst of an ever-challenging and dynamic retail landscape. With our committed team and balanced growth approach, L'Occitane continued to deliver respectable sales performance through quality product offerings, enhanced CRM capability and foremost omni-channel marketing campaigns."

"Looking ahead, volatile global economy, jittery currency and stock markets will continue to impact consumer confidence. Nevertheless, our refined expansion strategy, long-term branding investment as well as cost saving initiatives shall pave the way for sustainable growth and higher return for stakeholders in the long run."

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About L'Occitane International S.A.

L'Occitane International S.A. (the "Company") is a world's leading natural ingredient-based cosmetics and well-being products enterprise with true stories from around the world. The global leader in premium beauty market sells its best quality products, produced with cutting-edge technology under five brands including L'Occitane en Provence, L'Occitane au Brésil, Melvita, Le Couvent des Minimes and Erborian and is committed to developing and retailing high quality products that are rich in natural ingredients of traceable origins and respect the environment.

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