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L'OCCITANE

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L'OCCITANE INTERNATIONAL S.A.

49, Boulevard Prince Henri L-1724 Luxembourg

R.C.S. Luxembourg: B80359

(Incorporated under the laws of Luxembourg with limited liability)

(Stock code: 973)

ANNOUNCEMENT SETTLEMENT OF TAX DISPUTES WITH THE FRENCH TAX AUTHORITIES

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.

Reference is made to the disclosure on contingency by L'Occitane International S.A. (the "Company") in its annual report for the financial year ended 31 March 2013, interim report for the six months ended 30 September 2013, annual report for the financial year ended 31 March 2014, interim report for the six months ended 30 September 2014, annual report for the financial year ended 31 March 2015 and interim report for the six months ended 30 September 2015.

In July 2012, the French tax authorities ("FTA") started an audit of the tax returns filed by Laboratoires M&L S.A. ("M&L"), formerly known as L'Occitane S.A. in France, a subsidiary of the Company, for the three financial years ended 31 March 2009 ("FY2009"), 2010 ("FY2010") and 2011 ("FY2011"). The FTA questioned the level of intercompany transactions. After consulting its tax advisors, the Company made a provision of €8 million tax liabilities in the financial year ended 31 March 2015 ("FY2015"). On 30 November 2015, the FTA and M&L reached a €10.5 million settlement for FY2009, FY2010 and FY2011. The amount was paid in January 2016. The under-provided €2.5 million is recognised as income tax expense in the financial year ended 31 March 2016 ("FY2016").

Furthermore, in June 2015, the FTA started another audit of the tax returns filed by M&L for the three financial years ended 31 March 2012 ("FY2012"), 2013 ("FY2013") and 2014 ("FY2014"). As mentioned in the interim report for the six months ended 30 September 2015, the Company could not assess any reliable

estimate for the risk related to those fiscal years and no provision had been recorded in the previous annual and interim reports. In April 2016, the FTA and M&L reached an agreement on the level of intercompany transactions with approximately €6.6 million of additional income tax and other taxes for FY2012 and FY2013 and a tax relief for FY2014. The €6.6 million is provided for as income tax expense in FY2016.

In accordance with the related French law, a tax re-assessment triggers a re-assessment of the Company's legal profit sharing with its employees in France. Accordingly, the Company records additional profit sharing plus social charges of €3.0 million as "other losses" in the operating profit in FY2016. The additional profit sharing will be paid out during the financial year ending 31 March 2017.

In relation to the aforementioned tax and profit sharing re-assessments, M&L also recognises late payment interests of €2.5 million as finance costs in FY2016.

In summary, the total financial impact of the one-off items listed above on FY2016 is €14.6 million, with €3.0 million on operating expenses, €2.5 million on finance costs and €9.1 million on income tax expenses.

The FTA are about to start the audit of the tax return filed by M&L for FY2015. After consulting its tax advisors, the Company considers no risks for FY2015 nor FY2016 and does not record any provision in FY2016.

Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

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

Luxembourg, 3 May 2016

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 (Vice-Chairman and Managing Director Asia-Pacific), Mr. Domenico Trizio (Group Managing Director), Mr. Thomas Levilion (Group Deputy General Manager, Finance and Administration) and Mr. Karl Guénard (Joint Company Secretary), 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.