

[For Immediate Release]



## **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)*

### **L'Occitane Announces Unaudited Trading Update For the Year Ended 31 March 2016**

**Sales Rose 8.9% at actual rates and 5.0% at constant rates  
Own E-Commerce +14.5%yoy, now 9.8% as compared to Retail Sales**

**\* \* \***

#### **Rapid China Sales lifted by 16.8% as the Top Growth Contributor**

(19 April 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 year ended 31 March 2016 ("FY2016").

Net sales for FY2016 were €1,282.7 million, an increase of 8.9% at actual rates and 5.0% at constant exchange rates. Growth was primarily driven by China, France, Japan, Brazil, and Russia. At constant exchange rates, China, Brazil, France and Russia represented the fastest growing countries (16.8%, 11.5%, 11.0% and 10.0% respectively).

Despite global economic slowdowns and markets turmoil, the Group continued to attract solid demand in its major markets through selective expansions of the retail and wholesale networks, thriving digital channels and platforms, successful new product offerings, enhanced CRM capability and integrated online/offline marketing campaigns for both L'Occitane en Provence and its emerging brands.

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

€'000	<b>FY2016</b>	FY2015	% Growth	% Growth <sup>(1)</sup>	% SSS Growth <sup>(1)</sup>
Japan	<b>206,696</b>	188,325	9.8	4.5	1.8
Hong Kong	<b>138,566</b>	134,180	3.3	(9.3)	(17.2)
China	<b>131,319</b>	102,975	27.5	16.8	2.1
Taiwan	<b>41,460</b>	38,985	6.3	(0.7)	(2.8)
France	<b>101,355</b>	91,279	11.0	11.0	6.8
United Kingdom	<b>74,839</b>	67,198	11.4	3.2	1.9
United States	<b>173,115</b>	153,578	12.7	(1.3)	(1.3)
Brazil	<b>43,473</b>	49,265	(11.8)	11.5	9.1
Russia	<b>44,940</b>	50,400	(10.8)	10.0	8.1
Other Countries	<b>326,912</b>	301,691	8.4	8.3	2.6
All Countries	<b>1,282,676</b>	1,177,877	8.9	5.0	1.2

<sup>(1)</sup>Excludes foreign currency translation effects; SSS including own E-Commerce

In China, consumer sentiment remained weak in the last quarter while L'Occitane sustained fantastic growth momentum of 16.8% with its quality store expansions and renovations, as well as good performance on T-mall. Despite weakening economy and fragile currency, Brazil delivered a strong 11.5% increase in revenue attributable to its 9.1% growth in comparable store sales - the highest amongst all countries. Brazil's good results are boosted by store expansions, successful product pipelines and digital initiatives for both L'Occitane en Provence and L'Occitane au Brésil brands. In France, the impact of slowing touristic traffic post the terrorist attacks was largely offset by resilient local demand and rapid own E-commerce growth. Sales were further supported by successful product pipelines during the festive season as well as fast-growing emerging brands, which attracted good demand in both its retail and wholesale channels in France. Growth in Russia accelerated to 10.0%, driven by the robust 8.1% same store sales growth, store expansions and great product offerings. Business in Japan also outperformed the flattish retail market, with 4.5% growth in local currency. Though decelerated, the overall 9.3% sales decline in Hong Kong was affected by both weak Hong Kong retail and Asia Pacific travel retail performance. Retail sales in Hong Kong and Macau remained weak, dropped by 15.2% as Chinese tourists continued to explore alternative shopping destinations. Passenger traffic at travel retail channels in Greater China region continued to be slow, dampened the Group's growth in this segment.

The sell-out sales accounted for 75.0% of net sales and amounted to €962.4 million, representing an increase of 8.9%, primarily driven by store renovations and expansions in these two years, as well as dynamic on-line business. Comparable sales grew by 1.2% in the context of distressed global economy. L'Occitane's own E-commerce sites continued to gain great traction with a 14.5% growth at constant exchange rates, reaching 9.8% as compared to retail sales. Its strong online marketplaces presence in China and Korea also boosted overall retail growth during the year under review.

The sell-in sales accounted for 25.0% of net sales and amounted by 8.7% to €320.2 million. The strong performance of wholesales, distributors, B2B channels and web partners offset somewhat the sluggishness in the travel retail segment.

During the year under review, L'Occitane strengthened its omni-channel strategy to amplify consumer experience through self-operated retail network, selectively adding a net 79 stores and renovating or relocating 116 stores. The balanced approach of optimizing retail touch points is well reflected in the new openings in China, Japan and Canada alongside the closures of underperforming doors.

As part of L'Occitane's multi-brand strategy to support long-term growth with emerging brands, it opened 4 Erborian stores in fashion capitals including Paris, Seoul and Moscow in FY2016, capturing the growing demand of premium natural cosmetic products with the brand's delicate and sophisticated Korean-French fusion features. The recent grand opening of its Taiwan Erborian boutique coincided with L'Occitane's 40<sup>th</sup> anniversary roadshows, creating a buzz in the market. In FY2016, the company has also expanded its store networks for Melvita and L'Occitane au Brésil. Total net opening for emerging brands accelerated to 26 stores during the year, bringing the balance of own touch points for the 3 emerging brands to 66.

Mr. Reinold Geiger, Chairman and Chief Executive Officer of L'Occitane, said, "FY2016 was a year of great changes for us. We have upgraded L'Occitane's ways of serving customers through digital evolution and brand awareness investments. We have also amplified our product spectrum with Reine Blance and Shea Face, the two new collections that well addressed customers' appetite and witnessed our stronger skin care relevance. With our committed professional team and balanced growth approach, L'Occitane continued to deliver great sales performance especially in Russia, under such difficult operating conditions."

"The past 40 years of journey is a vivid proof of L'Occitane's long term success. We confidently believe that our refined expansion strategy, long-term brand awareness investment as well as cost saving initiatives shall pave the way for sustainable and profitable growth."

- End -

### **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.

For details, please contact:

#### **Media Contact**

##### **iPR Ogilvy & Mather**

Ms. Lorraine Luk / Hazel Chan / Christy Chan  
Tel: (852) 2169 0467 / 3920 7651 / 3920 7678  
Fax: (852) 3170 6606  
Email: [loccitane@iprogilvy.com](mailto:loccitane@iprogilvy.com)

#### **Analyst Contact**

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

Ms. Olivia Wang  
Investor Relations Director  
Tel: (852) 2899 4106  
Email: [Olivia.WANG@loccitane.com](mailto:Olivia.WANG@loccitane.com)