

[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 2016

**Net Sales up 1.3% in Local Currency, Improving on Previous Quarter
Sales in Japan Grew by 15.9% due to Stronger Yen
Local Currency Sales in Brazil and Russia Up a Solid 20.5% and 10.6%**

(25 October 2016, 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 company with origins and true stories from around the world, today announces the unaudited trading update for the six months ended 30 September 2016.

Net sales for the six months ended 30 September 2016 was €551.7 million, an improvement of 1.3% at constant rates and 0.9% at actual rates compared to the same period of last year, despite the impact of poor weather in key markets such Japan, China and Taiwan. Both growth rates were an improvement over the previous quarter. The improvement in net sales was mainly contributed by stores opened in 2015 and 2016, as well as marketplaces, wholesale and distribution.

Japan and Brazil were the largest drivers of growth at actual rates, registering growth of 15.9% (due to the stronger Japanese Yen) and 15.0% respectively. In local currencies, growth was driven by Brazil and China, with the former registering impressive overall and same-store sales growth. In China, local currency sales grew nicely at 5.4%, despite strong competition and severe rainfall in many parts of the country, driven mostly by new store openings. Sales in Hong Kong continued to be hindered by slower inbound tourist traffic, while sales also slowed in the UK and France. The development of the Group's emerging brands remained on track and contributed more to overall growth.

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

€'000	For the six months ended 30 September		% Growth	% Growth ⁽¹⁾	% SSS Growth ⁽¹⁾
	2016	2015			
Japan	104,460	90,113	15.9	1.3	(4.1)
Hong Kong	50,927	58,103	(12.4)	(11.2)	(13.7)
China	50,797	51,438	(1.2)	5.4	(1.7)
Taiwan	15,871	16,658	(4.7)	(2.9)	(1.0)
France	43,826	45,005	(2.6)	(2.6)	(7.3)
UK	26,475	31,648	(16.3)	(4.9)	(4.5)
USA	70,838	72,277	(2.0)	(0.7)	(1.3)
Brazil	22,478	19,539	15.0	20.5	11.4
Russia	17,248	17,969	(4.0)	10.6	5.6
Other Countries	148,742	143,950	3.3	5.2	(2.3)
All Countries	551,663	546,699	0.9	1.3	(2.5)

⁽¹⁾Excludes foreign currency translation effects

Sell-out sales accounted for 72.6% of net sales and amounted to €400.5 million, an increase of 0.6% in local currency terms compared to the same period of last year. The growth in sell-out sales was primarily driven by new stores and newly renovated stores. It was also driven by the Group's E-commerce channels, which grew 6.8% at constant rates and contributed 10.1% of total retail sales. Overall same-store sales declined slightly in the backdrop of the severe weather in many parts of Asia, the threat of terrorist attacks in France and other European countries, economic uncertainties in the UK and the depressed retail market in Hong Kong.

Sell-in sales accounted for 27.4% of the Group's total sales and amounted to €151.1 million, an increase of 3.2% in local currency terms compared to the same period of last year. Key contributors to this growth was the rapid expansion of wholesale and distribution channels for the Group's emerging brands, in particular, L'Occitane au Brésil, Melvita and Erborian, in line with its multi-brand strategy.

During the period under review, the Group maintained its strategy of selectively expanding its global retail network, and opened a net 32 stores in the six months ended 30 September 2016.

Mr. Reinold Geiger, Chairman and Chief Executive Officer of L'Occitane, said, "It is encouraging to see continued growth in many parts of our business, despite the challenges posed by the unseasonable weather, terrorism fears and economic uncertainties. It shows that the investments and marketing efforts we have made to increase brand awareness and in the upgrade of our products are working – as evidenced by the robust growth we are seeing in markets such as Brazil and Russia."

"We will continue to closely monitor the risks posed by the political situations in Europe and the US, while also maximising operational efficiencies to better weather unexpected downturns. That said, the promising feedback we are receiving from the recent launch of our new 'Divine Harmony' range is leading us to be optimistic about our financial performance in the second half of the financial year."

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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 company with true stories from around the world. A global leader in the premium beauty market, L'Occitane produces and retails best quality products, produced with cutting-edge technology under five brands, including L'Occitane en Provence, Melvita, Le Couvent des Minimes, Erborian and L'Occitane au Brésil. Its products are rich in natural ingredients of traceable origins, while also respecting the environment.

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