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**L'OCCITANE**  
EN PROVENCE  
**L'OCCITANE INTERNATIONAL S.A.**  
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R.C.S. Luxembourg: B80359  
(Incorporated under the laws of Luxembourg with limited liability)  
(Stock code: 973)

**UNAUDITED TRADING UPDATE  
FOR THE YEAR ENDED 31 MARCH 2016**

L'Occitane International S.A. (the "Company") is pleased to present the unaudited 2015/2016 ("FY2016") trading update of the Company and its subsidiaries (the "Group") for the financial year ended 31 March 2016. 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.

**Highlights**

- Group's net sales were €1,282.7 million, recording an increase of 8.9% for FY2016. At constant exchange rates, the growth was 5.0%
- Growth was primarily driven by China, France, Japan, Brazil, and Russia. At constant exchange rates, China, Brazil, France and Russia were among the fastest growing countries (16.8%, 11.5%, 11.0% and 10.0% respectively)
- Own E-Commerce sales growth remained strong at 14.5% at constant exchange rates, reached 9.8% as compared to retail sales
- Overall Same Store Sales Growth was 1.2%

**Business Segments**

The following tables provide a breakdown of the net sales and year-on-year growth (including and excluding foreign currency translation effects as indicated) by business segment for FY2016:

**Sales and % of total sales**

	<b>FY2016</b>		<b>FY2015</b>	
	<b>€ '000</b>	<b>%</b>	<b>€ '000</b>	<b>%</b>
Sell-out	962,436	75.0	883,381	75.0
Sell-in	<u>320,240</u>	<u>25.0</u>	<u>294,496</u>	<u>25.0</u>
<b>Total</b>	<b><u>1,282,676</u></b>	<b><u>100.0</u></b>	<b><u>1,177,877</u></b>	<b><u>100.0</u></b>

**Year-on-year growth**

	<b>Growth</b>	<b>Growth</b>	<b>Contribution to</b>	<b>Contribution to</b>
	<b>€ '000</b>	<b>%</b>	<b>Growth<sup>(2)</sup></b>	<b>Overall Growth<sup>(2)</sup></b>
			<b>%</b>	<b>%</b>
<b>Sell-out</b>	<b>79,055</b>	<b>8.9</b>	<b>5.1</b>	<b>77.1</b>
Comparable Stores	32,733	5.2	1.2	13.2
Non-comparable Stores & others <sup>(1)</sup>	46,322	18.3	14.9	63.9
<b>Sell-in</b>	<u>25,744</u>	<u>8.7</u>	<u>4.6</u>	<u>22.9</u>
<b>Overall Growth</b>	<b><u>104,799</u></b>	<b><u>8.9</u></b>	<b><u>5.0</u></b>	<b><u>100.0</u></b>

(1) Others include marketplaces, mail-orders and other service sales.

(2) Excludes the impact of foreign currency translation effects.

## Geographic Areas

The following table presents the net sales and net sales growth for FY2016 and contribution to overall sales growth (including and excluding foreign currency translation effects as indicated) by geographic area:

	Sales and % of total sales							
	FY2016		FY2015		Growth		Contribution to Overall Growth <sup>(1)</sup>	
	€ '000	%	€ '000	%	€ '000	%	Growth <sup>(1)</sup> %	Growth <sup>(1)</sup> %
Japan	206,696	16.1	188,325	16.0	18,371	9.8	4.5	14.2
Hong Kong <sup>(2)</sup>	138,566	10.8	134,180	11.4	4,386	3.3	(9.3)	(21.0)
China	131,319	10.2	102,975	8.7	28,344	27.5	16.8	29.4
Taiwan	41,460	3.2	38,985	3.3	2,475	6.3	(0.7)	(0.5)
France	101,355	7.9	91,279	7.7	10,076	11.0	11.0	17.1
United Kingdom	74,839	5.8	67,198	5.7	7,641	11.4	3.2	3.6
United States	173,115	13.5	153,578	13.0	19,537	12.7	(1.3)	(3.5)
Brazil	43,473	3.4	49,265	4.2	(5,792)	(11.8)	11.5	9.6
Russia	44,940	3.5	50,400	4.3	(5,461)	(10.8)	10.0	8.6
Other countries <sup>(3)</sup>	326,912	25.5	301,691	25.6	25,221	8.4	8.3	42.5
<b>All countries</b>	<b>1,282,676</b>	<b>100.0</b>	<b>1,177,877</b>	<b>100.0</b>	<b>104,799</b>	<b>8.9</b>	<b>5.0</b>	<b>100.0</b>

(1) Excludes the impact of foreign currency translation effects and reflects growth from all business segments, including growth from the own retail store sales.

(2) Includes sales in Macau and to distributors and travel retail customers in Asia.

(3) Includes sales from Luxembourg.

The following table provides a breakdown, by geographic area, of the number of own retail stores, their contribution percentage to overall growth and same store sales growth for the periods indicated:

	Own Retail Stores				% contribution to Overall Growth <sup>(1)(2)</sup>			Same Store Sales Growth % <sup>(2)</sup>
	Net openings YTD Mar		Net openings YTD Mar		Non-comparable Stores	Comparable Stores	Total Stores	
	31 Mar 2016	2016	31 Mar 2015	2015				
Japan <sup>(3)</sup>	123	12	111	5	11.2	3.5	14.6	1.8
Hong Kong <sup>(4)</sup>	36	—	36	4	(5.5)	(9.8)	(15.2)	(17.2)
China <sup>(5)</sup>	187	26	161	25	12.4	2.5	14.9	2.1
Taiwan	55	—	55	1	(0.8)	(1.1)	(1.9)	(2.8)
France <sup>(6)</sup>	81	—	81	6	2.4	4.8	7.1	6.8
United Kingdom	75	2	73	5	2.2	1.2	3.3	1.9
United States	217	3	214	17	2.0	(2.4)	(0.4)	(1.3)
Brazil <sup>(7)</sup>	92	11	81	3	4.2	4.0	8.2	9.1
Russia <sup>(8)</sup>	103	(4)	107	(3)	2.9	3.9	6.8	8.1
Other countries <sup>(9)</sup>	494	29	465	26	17.4	6.7	24.1	2.6
<b>All countries</b>	<b>1,463</b>	<b>79</b>	<b>1,384</b>	<b>89</b>	<b>48.4</b>	<b>13.2</b>	<b>61.5</b>	<b>1.2</b>

(1) Represents percentage of overall net sales growth attributable to Non-comparable Stores, Comparable Stores and Total Stores for the geographic area and period indicated.

(2) Excludes foreign currency translation effects.

(3) Includes 13 and 20 Melvita stores as at 31 March 2015 and 31 March 2016 respectively.

(4) Includes 3 L'Occitane stores in Macau and 10 Melvita stores in Hong Kong as at 31 March 2015 and 3 L'Occitane stores in Macau and 8 Melvita stores in Hong Kong as at 31 March 2016.

(5) Includes 8 Melvita stores as at 31 March 2016.

(6) Includes 5 Melvita stores as at 31 March 2015 and 4 Melvita stores and 1 Erborian store as at 31 March 2016.

(7) Includes 6 L'Occitane au Brésil stores as at 31 March 2015 and 12 L'Occitane au Brésil stores as at 31 March 2016.

(8) Includes 1 Erborian store as at 31 March 2016.

(9) Includes 7 L'Occitane stores from the acquisition of distributor in Norway and 6 Melvita stores as at 31 March 2015 and 10 Melvita and 2 Erborian stores as at 31 March 2016.

The Group's net sales for FY2016 were €1,282.7 million, an increase of 8.9% as compared to the financial year ended 31 March 2015 ("FY2015"). At constant exchange rates, the sales growth was 5.0%. The Group managed to achieve a decent sales growth under the global economic slowdowns and markets turmoil, through selective expansion of the retail and wholesale networks, emphasis on digital channels and platforms, successful new product offerings, enhanced CRM capability and integrated online/offline marketing campaigns for both L'Occitane and the emerging brands. During the year, exchange rates remained highly volatile and had negatively affected sales growth of the Group in certain key countries. Despite that, there was still a 3.9% overall favourable foreign currency impact for FY2016.

During FY2016, Sell-out sales accounted for 75.0% of net sales and amounted to €962.4 million, an increase of 8.9% (5.1% at constant exchange rates) as compared to FY2015. This growth was mainly contributed by Non-comparable Stores including new stores opened and stores renovated in these two years. Own E-commerce channel, T-mall in China and marketplace operators in Korea also contributed to the growth. Same store sales growth for FY2016 was at 1.2%. The Group's own E-commerce channel achieved a 14.5% growth at constant exchange rates for FY2016 and reached 9.8% as compared to the retail sales.

Sell-in sales accounted for 25.0% of the Group's total net sales and amounted to €320.2 million, an increase of 8.7% (4.6% at constant exchange rates) as compared to FY2015, with strong contributions from wholesales, distributors, B2B and web partners.

In terms of geographical areas, China, Brazil, France and Russia were among countries with highest sales growth at constant exchange rates. For FY2016, China had the highest sales growth of the Group at 16.8% in local currency, mainly contributed by both Non-comparable Stores and other sales including sales from T-mall.

Against the backdrop of economic turmoil and currency depreciation in FY2016, Brazil achieved a growth of 11.5% in local currency, with the highest same store sales growth of the Group at 9.1%. The good results were contributed by the new store openings and successful products launches coupled with CRM and digital initiatives for both L'Occitane en Provence and L'Occitane au Brésil brands. The new products and festive season launches were also well received in the market. Network expansion of L'Occitane au Brésil was accelerated during the year, with 6 net own-stores openings and a significant increase in franchise stores.

France posted a sales growth of 11.0% for FY2016, slightly decelerated from 12.9% for the nine months ended December 2015. This was mainly affected by lower traffic in the touristic areas in Paris during the last quarter, which was in line with the overall drop in visitors to Paris after the terrorist attacks. Despite all these, same store sales growth remained at a resilient pace of 6.8%. Sell-in segment also performed well in major wholesale channels such as department stores, pharmacies, web partners and distributors. Under aggressive expansion of the wholesale networks, the emerging brands of the Group were also key contributors to the Sell-in growth in France.

Despite the challenging economic environment, Russia posted a net sales growth of 10.0% in local currency. The growth was mainly driven by the strong same store sales growth at 8.1% together with the new shops opened in the last two years. During the last quarter, the sales growth accelerated as a result of successful product offerings and moderate price hikes. Sales to distributors also increased.

Japan posted a net sales growth of 4.5% in local currency and contributed 14.2% to overall growth. The decent growth outperformed the weak and flat market environment, which was mainly contributed by stores opened in these two years.

Hong Kong retail remained sluggish due to the drop in mainland Chinese tourists and the relatively strong Hong Kong dollars. Total retail sales in Hong Kong and Macau dropped by 15.2%. Hong Kong travel retail business also suffered from the lower traffic in the Greater China region.

The Group maintained its selective global retail expansion during FY2016 with net 79 stores opened, as compared to net 82 stores opened during last year (excluding the acquisition of 7 stores from a distributor in Norway). The Group continued its retail network upgrade with 116 stores renovated or relocated during FY2016 (compared to 108 stores during FY2015). This increase reflected the Group's continuous efforts to rationalize the retail network through opening in certain promising countries such as China, Japan and Canada and also closing certain underperforming stores. For emerging brands, the Group had accelerated the expansion during the year with net 26 openings. At the end of March 2016, emerging brands had a total of 66 own-stores.

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

Hong Kong, 19 April 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 (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*

## **Disclaimer**

*The financial information and certain other information presented in a number of tables have been rounded to the nearest whole number or the nearest decimal. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.*