

[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 FY2016 Interim Results

Solid sales growth of 12.5% backed by strong management team
Operating profit stayed at €31.7 million due to stringent execution
Profit for the period dropped to €20.1 million amid volatile FX

1. Net sales were €546.7 million, a growth of 12.5%. At constant exchange rates, sales growth was 5.8%
2. Growth was primarily driven by China, Japan and France. China, France, Japan and Russia were among the fastest growing countries
3. Online retail channel continued to grow at 20.6% attributed to Group's digital commitment
4. Continued investment in product development, supply chain, digital marketing, refined stores and CRM laid the foundation for solid growth
5. Net cash inflow from operations increased by 16.8% to €32.3 million
6. Operating profit maintained at €31.7 million despite challenging economic backdrop, whilst profit for the period drop by 46.2% to €20.1 million due to FX impact
7. Short term FX volatility caused mostly unrealized FX losses of €9.6 million

FINANCIAL HIGHLIGHTS

(in million €, unless otherwise stated)	For the six months ended 30 September		
	2015	2014	Change
Net sales	546.7	485.9	+12.5%
Gross profit	445.9	390.0	+14.3%
<i>Gross margin</i>	<i>81.6%</i>	<i>80.3%</i>	+1.3pt
Operating profit	31.7	31.4	+0.7%
<i>Operating margin</i>	<i>5.8%</i>	<i>6.5%</i>	-0.7pt
Profit for the year	20.1	37.3	-46.2%
<i>Net profit margin</i>	<i>3.7%</i>	<i>7.7%</i>	-4.0pt
Basic EPS (€)	0.013	0.025	-47.1%
Return on capital employed (%)	3.6%	6.0%	-2.4pt
Return on equity (ROE) (%)	2.6%	4.8%	-2.2pt
Gearing ratio (%)	9.3%	9.8%	-0.5pt
Cash and cash equivalents	400.0	289.2	+38.3%
Net cash	195.5	150.0	+30.3%

(16 November 2015, Hong Kong) L'Occitane International S.A. ("L'Occitane" or the "Group"; SEHK stock code: 973), a global, natural and organic ingredient-based cosmetics and well-being products enterprise with strong regional roots in Provence, France, today announces the interim results for the six months ended 30 September 2015 ("1H FY2016").

The Group recorded net sales of €546.7 million during 1H FY2016, representing an increase of €60.8 million or 12.5% as compared to last year. Net sales grew 5.8% at constant exchange rate, attributable to its solid management team and investment in quality expansion and emerging brands.

Gross profit increased by 14.3%, or €55.9 million, to €445.9 million in 1H FY2016 attributable to favourable foreign exchange impact, price increases and efficient supply chain management. Gross profit margin expanded by 1.3 points from 80.3% in 1H FY2015 to 81.6% in 1H FY2016.

During 1H FY2016, operating profit maintained at €31.7 million despite challenging economic backdrop, whilst profit drop by 46.2% to €20.1 million as a result of the mostly unrealized, non-cash foreign currency losses. The short term foreign exchange volatility during the period caused losses of €9.6 million for 1H FY2016, which are mostly related to intercompany loans and trade balances with subsidiaries in emerging countries such as Brazil, Russia, South Africa, Mexico, Malaysia and Korea.

The Sell-out business accounted for 72.8% of the Group's total sales and amounted to €398.2 million, an increase of 5.9% at constant exchange rates. Quality store openings and renovations were the major contributors, grew by 20.0% compared to the same period last year and contributed 58.6% of the overall growth.

Sell-in business accounted for 27.2% of the Group's total sales and reached €148.5 million, an increase of 5.4% at constant exchange rates. The segment continued to grow in a challenging operating environment marked by dampened consumer sentiment globally and the sluggish travel retail business in Asia.

Despite the challenging macro environment in many of its key markets, the Group achieved solid growth during 1H FY2016. China, France, Japan and Russia were the best performing markets, growing at 20.4%, 11.1%, 8.2% and 8.1% respectively at constant exchange rates.

As part of the selective omni-channel strategy, the Group grew the total number of own retail stores to 1,441 and upgraded 64 of them in 1H FY2016. Own E-commerce channel continued to fuel the business with a 20.6% growth at constant exchange rates.

With 8 Melvita stores opened in China and its first Erborian stores inaugurated in Paris and Seoul, the Group continued to support its growth with emerging brands. The ramp-up of L'Occitane au Brésil brand was also well on track, with more sales points opened and number of SKUs doubled in 2 years to over 100 as at 30 September 2015.

To further enhance brand awareness, skincare relevance and create stronger bonds to its customers, the Group planned the €10.0 million budget "Brand Awareness Program" to invest with customer centric approaches, primarily in digital marketing areas and targeting analytics, to anchor the long term growth and prosperity of its business.

The Group's balance sheet remained healthy during the period under review, with its net cash position amounted to €195.5 million as at 30 September 2015.

Mr. Reinold Geiger, Chairman and CEO of L'Occitane, said, "Despite the unstable global economy and volatile consumer sentiment during the first half of FY2016, we see some of our key markets posting resilient growth due to our committed team. With L'Occitane's evolving culture and entrepreneur spirit, we are envisioned to be the leading retailer for premium natural cosmetics while the retail industry is undergoing a revolutionary change towards digital."

Mr. Geiger continued, "Looking ahead, the fear of global economic downturn will continue to impact consumer sentiment across all markets, while we are well positioned to tap into growth opportunities. Our L'Occitane & Pierre Hermé holiday edition which demonstrated well our innovative capability is expected to unveil a tremendous start to our peak season. In the long run, we believe our focused and disciplined investment in the Brand Awareness Program will create lasting value in return of the unwavering support from our shareholders."

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About L'Occitane International S.A.

L'Occitane International S.A. (the "Group") is a global, natural and organic ingredient-based cosmetics and well-being products manufacturer and retailer with strong regional roots in Provence, France. The Group has five brands (L'Occitane en Provence, L'Occitane au Brésil, Melvita, Le Couvent des Minimes and Erborian) in its portfolio and is committed to developing and retailing high quality products that are rich in natural and organic ingredients of traceable origins and respect for the environment.

iPR Ogilvy & Mather

Charis Yau / Hazel Chan/ Christy Chan
Tel: (852) 2136 6183/ 3920 7651/ 3920 7678
Fax: (852) 3170 6606
Email: loccitane@iprogilvy.com