

[For Immediate Release]



## L'Occitane International S.A.

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(Incorporated under the laws of Luxembourg with limited liability)

### L'Occitane Announces FY2014 Annual Results Achieved encouraging growth performance with Continued investments in future sales growth Dividend payout ratio remained at 35%

1. Net sales were €1,054.9 million, a growth of 1.1%. At constant exchange rates, sales growth was 9.4%
2. Overall Same Store Sales Growth increased to 3.7% (compared to 2.4% last year)
3. Growth was primarily driven by the expansion in the United States, China, Russia and Brazil. Brazil, China and Russia were among the fastest growing countries, and Japan resumed growth in local currency
4. Continued investments in future sales growth, particularly in stores and store renovations, digital marketing, e-commerce and R&D
5. Positive contributions from the brands' positioning in terms of prices and product mix, and from logistics and production costs
6. The adverse currency situation impacted the Group's operating margin, foreign exchange result and effective tax rate
7. Operating profit was €132.9 million, a decline of 16.0%, whilst Profit for the year was €92.5 million, a decrease of 26.3%
8. Proposed dividend of €0.0213 per share, payout ratio of 35.0%

#### FINANCIAL HIGHLIGHTS

(in €'000, unless otherwise stated)	For the year ended 31 March	
	2014	2013
<b>Net sales</b>	<b>1,054,872</b>	1,043,363
<b>Gross profit</b>	<b>855,593</b>	855,461
<i>Gross margin</i>	<b>81.1%</b>	82.0%
<b>Operating profit</b>	<b>132,921</b>	158,284
<i>Operating margin</i>	<b>12.6%</b>	15.2%
<b>Profit for the year</b>	<b>92,522</b>	125,608
<i>Net profit margin</i>	<b>8.8%</b>	12.0%
<b>Basic EPS (€)</b>	<b>0.061</b>	0.083
<b>Dividend per share (€)</b>	<b>0.0213*</b>	0.0292
<b>Net cash</b>	<b>239.9</b>	237.2

\*The figure illustrates dividends declared for the period indicated, not actual dividends paid during the period indicated. Final dividend proposed for the year ended 31 March 2014 was €0.0213 per share, which is subject to the approval of the shareholders of the Group at the forthcoming Annual General Meeting.

(10 June 2014, 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 annual results for the year ended 31 March 2014 ("FY2014").

During FY2014, profit for the period was €92.5 million, down 26.3% as compared to last year. Softer sales growth, foreign currency exchange impacts from weak Japanese Yen and strong Euro, combined with pressure on profitability from higher investments in the retail business, all led to lowered overall business performance.

At constant exchange rates, net sales increased by 9.4% for the year ended 31 March 2014. Net sales for the year amounted to €1,054.9 million, an increase of €11.5 million or 1.1% as compared to the previous year.

The sell-out business accounted for 75.4% of the Group's total sales and amounted to €795.7 million, an increase of 11.0% at constant exchange rates. New stores contributed mainly towards this growth as well as existing comparable stores, with Same Store Sales Growth reported at 3.7%.

Amid the difficult economic environment in many countries, the Group still achieved encouraging growth during the year. All key markets delivered growth in local currency. Brazil, China and Russia continued to be the best performing markets, growing at 20.8%, 19.9% and 17.4% respectively at constant exchange rates. In addition, the United States market continued to contribute and posted strong sales growth of 11.2% at constant exchange rates. Japan, one of the key markets, posted an improvement in sales trend during the second half of the financial year.

The online retail channel remained dynamic with a 29.7% growth at constant exchange rates and accounted for more than 7.0% of its overall global retail sales. The management team has also stepped up digital marketing investments to promote greater brand awareness in the digital space and support the higher margin E-commerce retail business which is the fastest growing channel of the Group.

Despite the weaker performance, the Group's balance sheet remained healthy. As at 31 March 2014, the Group remains in a net cash position.

Mr. Reinold Geiger, Chairman and CEO of L'Occitane, said, "During the year, we had balanced development focus on revenue growth and further investments. We continued our program of R&D, retail and digital investment with the management focused on executing its corporate strategies and achieved encouraging growth figures amid the challenging market conditions globally."

Mr. Geiger continued, "Looking ahead, the global macro-economic outlook may remain challenged, particularly with high currency volatility. Nevertheless, the Group will maintain its pursuit to build a stronger and more efficient company. The management and the Board believe that the combined results of the operational, sales and marketing initiatives will drive growth and deliver strong and sustainable results in the interest of the shareholders."

— End —

## **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.

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