

[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 Nine Months Ended 31 December 2016

**Net Sales up 1.7% at Constant Rates and 2.3% at Actual Rates
E-Commerce Expands to 11.2% of retail sales**

**Local Currency Sales in Brazil and China Up 19.9% and 8.3%
Growing Popularity of Melvita and Strong Yen Push Japan Sales Up 17.5%**

(23 January 2017, 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 Provence, France and around the world, today announces the unaudited trading update for the nine months ended 31 December 2016.

Net sales for the nine months ended 31 December 2016 were €1,007.2 million, an improvement of 1.7% at constant rates and 2.3% at actual rates compared to the same period of last year. Both growth rates were improved compared to the first half of FY2017. The improvement in net sales was mostly attributable to the Group's web channels, its new stores and newly renovated stores, as well as its emerging brands.

Brazil and Japan were the largest drivers of growth at actual rates, registering growth of 26.6% and 17.5% (due to the stronger Japanese Yen) respectively. The Group's emerging brands continued to perform well: particularly Melvita, which has continued to attract a strong following in the Japanese market.

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

€'000	For the nine months ended 31 December		% Growth	% Growth ⁽¹⁾	% SSS Growth ⁽¹⁾
	2016	2015			
Japan	174,334	148,428	17.5	3.6	(1.6)
Hong Kong	93,695	104,355	(10.2)	(10.2)	(14.7)
China	96,803	94,810	2.1	8.3	0.6
Taiwan	31,404	32,060	(2.0)	(3.4)	(2.7)
France	79,431	80,887	(1.8)	(1.8)	(5.5)
UK	52,942	62,646	(15.5)	(1.3)	(2.1)
USA	136,204	137,828	(1.2)	(1.3)	(1.1)
Brazil	44,861	35,441	26.6	19.9	9.2
Russia	33,870	33,128	2.2	5.6	1.0
Other Countries	263,673	255,094	3.4	4.1	(2.1)
All Countries	1,007,217	984,678	2.3	1.7	(1.7)

⁽¹⁾Excludes foreign currency translation effects

In local currencies, Brazil, China, Russia and Japan were the fastest growing countries with the former two contributing the most to overall growth. The Group's strong performance in Brazil, which grew 19.9% despite the ongoing recession, was driven by both sell-in and sell-out channels, as well as the L'Occitane en Provence and L'Occitane au Brésil brands. Local currency sales in China grew 8.3% due to good growth in new stores, marketplaces such as Tmall, B2B sales, as well as the turnaround of same-store sales, despite strong competition. Local currency sales in Russia grew 5.6% as a result of healthy growth in the Group's distribution and web business. Strengthening E-Commerce sales and the stronger yen both contributed to growth in Japan.

Sell-out sales accounted for 74.7% of net sales and amounted to €752.6 million, an increase of 2.0% at actual exchange rates. This growth was primarily driven by new stores and newly renovated stores. The Group's marketplaces, café and spa businesses also grew 10.4% at constant exchange rates in the nine months ended 31 December 2016, while the growth of its own E-Commerce business accelerated to 11.2% at constant exchange rates during the same period – equivalent to 11.2% of total retail sales.

Overall same-store sales fell 1.7% in the nine months ended 31 December 2016, a gentler fall than in the six months ended 30 September 2016. The Group also saw some improvement in same-store sales growth in the third quarter of FY2017, compared to the first six months of FY2017, in key Western European countries, such as the UK, France, Germany and Italy. This was attributable to the Group's attractive Christmas offerings and dynamic own E-Commerce sales.

Sell-in sales accounted for 25.3% of the Group's total sales and amounted to €254.6 million, an increase of 3.7% at constant exchange rates. The growth was primarily driven by dynamic growth in the wholesale, distribution and B2B channels for the Group's emerging brands, in particular, L'Occitane au Brésil, Melvita and Erborian, in line with its multi-brand strategy.

The Group also recently disposed of its Le Couvent des Minimes brand, which was sold-out through selective pharmacy and perfumery distribution channels, in order to focus on its most important brands.

During the period under review, the Group continued to selectively expand its global retail network as part of its omni-channel expansion strategy, and opened a net 56 stores in the nine months ended 31 December 2016.

Mr. Reinold Geiger, Chairman and Chief Executive Officer of L'Occitane, said, "We are continuing to see a number of bright spots, especially the improving performance of our emerging brands and online business, coupled with our successful holiday gift set offerings. It is also heartening to see further growth in key emerging markets such as Brazil, Russia and China. This result would not have been possible without the investments we are making in marketing, innovative store fronts and online portals, and operational efficiency."

"We will continue to build on the positive initial response to our new products – Divine Harmony and Terre de Lumière – to further engage our customers both online and inside our stores. This, combined with the other progress we are seeing in areas such as same-store sales and E-Commerce, leaves us well placed to deliver further growth in the periods ahead."

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 origins and true stories from Provence, France and 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 four brands, including L'Occitane en Provence, Melvita, 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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