L'OCCITANE
EN PROVENCE

L'OCCITANE INTERNATIONAL S.A.

(Incorporated under the laws of Luxembourg with limited liability)

Stock code : 973

2014
Interim Report

Contents

Corporate Information

Executive Directors

Reinold Geiger
(Chairman and Chief Executive Officer)
Emmanuel Osti
(Managing Director)
André Hoffmann
(Managing Director Asia-Pacific)
Domenico Trizio
(Chief Operating Officer)
Thomas Levilion
(Group Deputy General Manager,
Finance and Administration)
Karl Guénard
(Joint Company Secretary)
Nicolas Veto
(Group Human Resources Executive VP)
(appointed on 24 September 2014)

Non-Executive Director

Martial Lopez

Independent Non-Executive Directors

Charles Mark Broadley
Jackson Chik Sum Ng
Valérie Bernis
Pierre Milet

Joint Company Secretaries

Karl Guénard
Mei Yee Yung

Authorised Representatives

André Hoffmann
Jackson Chik Sum Ng

Company Legal Name

L'Occitane International S.A.

Date of Incorporation

22 December 2000

Date of Listing in Hong Kong

7 May 2010

Registered Office

49, Boulevard Prince Henri
L-1724 Luxembourg

Headquarter Offices

49, Boulevard Prince Henri
L-1724 Luxembourg

Chemin du Pré-Fleuri 3
CP 165
1228 Plan-les-Ouates
Geneva
Switzerland

Principal Place of Business in Hong Kong

38/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

Stock Code

973

Company Website

www.loccitane.com

Audit Committee

Charles Mark Broadley *(Chairman)*
Martial Lopez
Jackson Chik Sum Ng

Remuneration Committee

Pierre Milet *(Chairman)*
Charles Mark Broadley
Domenico Trizio

Nomination Committee

Jackson Chik Sum Ng *(Chairman)*
Valérie Bernis
André Hoffmann

Principal Bankers

Crédit Agricole Corporate and Investment Bank
BNP Paribas
Crédit Industriel et Commercial
HSBC France
Société Générale
Crédit du Nord
BRED - Banque Populaire

Auditor

PricewaterhouseCoopers

Principal Share Registrar and Transfer Office

49, Boulevard Prince Henri L-1724 Luxembourg

Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Financial Highlights

FINANCIAL HIGHLIGHTS

Highlights of results for the six months ended 30 September	2014	2013
Net sales *(€ million)*	485.9	446.4
Operating profit *(€ million)*	31.4	21.4
Profit for the period *(€ million)*	37.3	14.5
Gross profit margin	80.3%	81.2%
Operating profit margin	6.5%	4.8%
Net profit margin	7.7%	3.3%
Net operating profit after tax *(€ million)* (NOPAT)(1)	37.3	15.4
Capital employed *(€ million)*(2)	623.5	537.3
Return on capital employed (ROCE)(3)	6.0%	2.9%
Return on equity (ROE)(4)	4.8%	2.0%
Current ratio (times)(5)	3.15	2.74
Gearing ratio(6)	9.8%	8.8%
Average inventory turnover days(7)	307	324
Turnover days of trade receivables(8)	34	33
Turnover days of trade payables(9)	165	201
Total number of own stores(10)	1,340	1,280
Profit attributable to equity owners *(€ million)*	36.6	14.0
Basic earnings per share *(€)*	0.025	0.009

Notes:
(1) (Operating profit + foreign currency net gains or losses) x (1 - effective tax rate)
*(2) Non-current assets - (deferred tax liabilities + other financial liabilities + other non-current liabilities) + working capital**
(3) NOPAT/Capital employed
(4) Net profit attributable to equity owners of the Company/shareholders' equity excluding minority interest
(5) Current assets/current liabilities
(6) Total debt/total assets
(7) Average inventory turnover days equals average inventory divided by cost of sales and multiplied by 182.5. Average inventory equals the average of net inventory at the beginning and end of a given period.
(8) Turnover days of trade receivable equals average trade receivables divided by net sales and multiplied by 182.5. Average trade receivables equals the average of net trade receivables at the beginning and end of a given period.
(9) Turnover days of trade payables equals average trade payables divided by cost of sales and multiplied by 182.5. Average trade payables equals the average of trade payables at the beginning and end of a given period.
(10) L'Occitane and Melvita branded boutiques and department store corners directly managed and operated by us.

* *Note that in previous communications, the calculation of working capital included current financial liabilities such as dividends and acquisition payments. These are now excluded to show only working capital relating to operations. Thus the Capital employed and ROCE for 30 September 2013 have been restated.*

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.


FRISSON DE VERVEINE
NEW EAU DE TOILETTE
VERVEINE
L'OCCITANE
EN PROVENCE

Chairman's Statement

Our strong results have been driven by our balanced approach to promote revenue growth and adopt selective investments to create new growth opportunities with the emerging brands. Through our high-quality natural products and great brand experience, both on and offline, we will deliver sustainable performance over the long term.

Photo by Ranjan Basu, Planman Media

Message from

Reinold Geiger

Chairman and Chief Executive Officer

During the first half, we delivered a strong set of results amid the challenging business environment. As we focus and invest for growth, efforts are accelerated to support our portfolio of brands, especially the emerging brands; Erborian and L'Occitane au Brésil. We are confident we can create strong natural brands. Our corporate strategy reflects our balanced approach to promote revenue growth and adopt selective investments to create new growth opportunities with the emerging brands.

This report sets out the success and progress that we have achieved during the period under review with highlights that include the following:

- All key markets delivered growth in local currency amid a challenging operating environment. Brazil and Hong Kong emerged as the best-performing markets, growing at 19.5% each at constant exchange rates. Developed markets like Japan, the United States and the United Kingdom continued to contribute and posted sales growth at 13.0%, 11.4% and 5.7%, respectively at constant exchange rates.

- The Group expanded with selective new openings and key retail upgrades projects in various markets around the world. The combined efforts of both selective store expansion and retail network upgrades are critical to complement the Group's fast growing e-commerce strategy and encourage customer engagement, both in-store and digital to drive retail sales frequency.

- Digital is the fastest growing channel and one of the key growth drivers for the Group and the increased digital investment has shown positive results. For the period under review, the e-commerce business posted strong sales growth.

- Travel retail channel outperformed and the Sell-in business segment posted sales growth of 12.8% at constant exchange rates, largely driven by the travel retail wholesale business.

- Management continued to optimize the Group's operating infrastructure and the Group expects to reap further savings and improvements in the logistics and production costs.

- Operating profit was €31.4 million, an increase of 46.6% and the profit for the period was €37.3 million, an increase of 156.3%. The significant increase in the profit for the period was mainly due to foreign currency exchange impacts, which include foreign currency exchange gain of €8.9 million for the period under review, as compared to foreign currency exchange loss of €7.4 million during the same period last year.

For the rest of the financial year, the Group seeks to optimize its retail investment through a selective retail network expansion strategy and key retail upgrades for existing retail network to support the Group's vision to create unique brand experience to complement the digital experience.

In terms of brand development, the team is devoted to building a brand portfolio consisting of high quality brands that are rich in natural and organic ingredients of traceable origins and respect for the environment. Management will introduce the pipeline of new innovative products, which had been developed by our R&D team.

At the same time, the Group will continue the further expansion of the CRM tools and e-commerce facilities and capabilities to enhance the digital experience for our customers and increase frequency.

Looking ahead, we continue to lead the Group and doing what we know best. Through our high-quality natural products, great brand experience with our stores and our ability to create new opportunities with our emerging brands, we believe we will deliver sustainable performance over the long term.

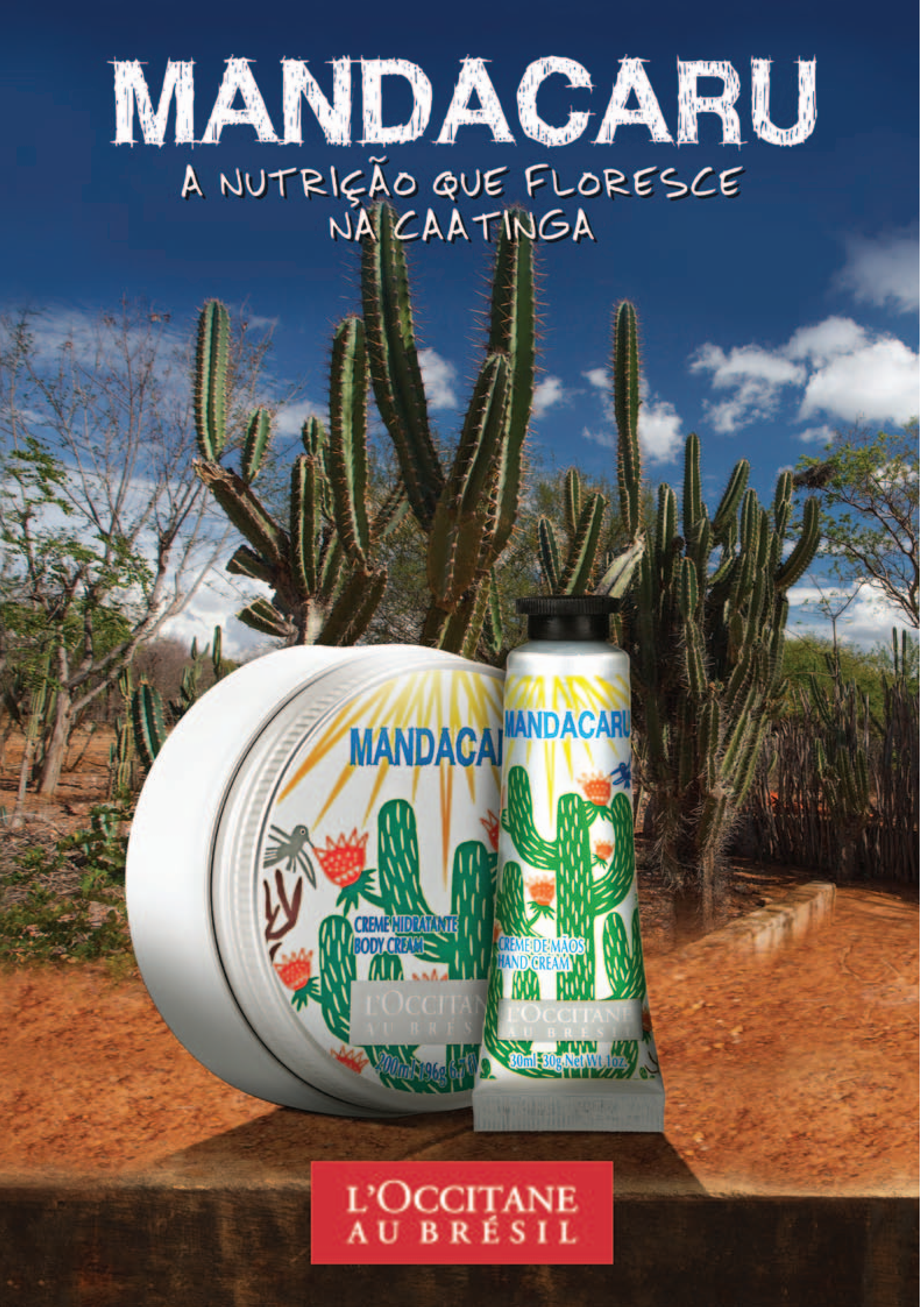

DIVINE YOUTH OIL
REVEAL THE YOUTH IN YOU
L'OCCITANE
HUILE DE JEUNESSE
DIVINE
À L'IMMORTELLE BIOLOGIQUE
L'OCCITANE
EN PROVENCE
L'OCCITANE
EN PROVENCE

• IFC, Hong Kong

• IFC, Hong Kong

• IFC, Hong Kong


erborian
KOREAN SKIN THERAPY
DONGBAEK
CAMELLIA ESSENCE
73% D'HUILE DE CAMELIA EXTRA VIERGE
SÉRUM RELIPIDANT
73% OF EXTRA VIRGIN CAMELLIA OIL
LIPID RICH SERUM
30 ML 1 FL. OZ.
erborian
DONGBAEK
CAMELLIA ESSENCE
73% D'HUILE DE CAMELIA EXTRA VIERGE
SÉRUM RELIPIDANT
73% OF EXTRA VIRGIN CAMELLIA OIL
LIPID RICH SERUM
30 ML 1 FL. OZ.



MANDACARU
A NUTRIÇÃO QUE FLORESCE
NA CAATINGA
MANDACARU
CREME HIDRATANTE
BODY CREAM
MANDACARU
CREME DE MÃOS
HAND CREAM
30ml 30g Net Wt 1oz.
L'OCCITANE
AU BRÉSIL

Summary:

For the six months ended 30 September	**2014 € million or %**	2013 € million or %
Net sales	**485.9**	446.4
Operating profit	**31.4**	21.4
Profit for the period	**37.3**	14.5
Gross profit margin	**80.3%**	81.2%
Operating profit margin	**6.5%**	4.8%
Net profit margin	**7.7%**	3.3%

Definitions:

Comparable Stores means existing retail stores which have been open for at least 24 months before the end of the financial year under discussion, including e-commerce and excluding renovated stores.

Non-comparable Stores means new retail stores opened, including renovated stores and stores closed within the 24 months before the end of the financial year under discussion.

Comparable Store Sales means net sales from Comparable Stores during the financial period under discussion. Unless otherwise indicated, discussion of Comparable Store Sales excludes foreign currency translation effects.

Non-comparable Store Sales means net sales from Non-comparable Store Sales during the financial period under discussion. Non-comparable Store Sales also include sales from a limited number of promotional campaigns usually held at temporary common areas of shopping malls. Unless otherwise indicated, discussion of Non-comparable Store Sales excludes foreign currency translation effects.

Same Store Sales Growth represents a comparison between Comparable Store Sales for two financial periods. Unless otherwise indicated, discussion of Same Store Sales Growth excludes foreign currency translation effects.

Overall Growth means the total worldwide net sales growth for the financial period(s) presented excluding foreign currency translation effects.


ARLÉSIENNE
the new fragrance
ARLÉSIENNE
L'OCCITANE
EN PROVENCE
L'OCCITANE
EN PROVENCE

Seasonality of operations

The Group is subject to seasonal variances in sales, which are significantly higher in our financial third quarter (between 1 October and 31 December) in anticipation of and during the Christmas holiday season. For the six months ended 30 September 2013, the level of sales represented 42.3% of the annual level of sales in the year ended 31 March 2014 and the level of operating profit represented 16.1% of the annual operating profit in the year ended 31 March 2014. These ratios are not representative of FY2015 annual result.

Seasonality also has an impact on the production schedule and the use of working capital. We generally use a significant part of our working capital between April to November in order to increase the production in anticipation of increased sales and new product launches during the Christmas holiday season.

REVENUE ANALYSIS

Net sales were €485.9 million for the six months ended 30 September 2014, an increase of €39.5 million or 8.9% as compared to the six months ended 30 September 2013. At constant exchange rates, net sales increased by 11.9%. Net sales in Sell-out and Sell-in business segments (representing 72.8% and 27.2% respectively of total net sales) increased by 11.6% and 12.8% respectively, at constant exchange rates.

The Group increased the total number of retail locations where the products are sold from 2,572 as at 31 March 2014 to 2,715 as at 30 September 2014, an increase of 5.6%. The Group maintained its selective global retail expansion strategy and increased the number of its own retail stores by 3.5% from 1,295 as at 31 March 2014 to 1,340 as at 30 September 2014, representing a net increase of 45 stores, including 18 additional stores in Asia Pacific, 14 in Europe and 13 in the Americas. At constant exchange rates, the net sales from Comparable Stores, Non-comparable Stores, Other Sell-out and Sell-in segments contributed 27.3%, 41.7%, 2.5% and 28.5% respectively to Overall Growth for the period ended 30 September 2014.

The Group's sales in Japan, Hong Kong, the United States and China were the driving factors of net sales growth for the six months ended 30 September 2014.

Business Segments

The following table provides a breakdown of the net sales year-on-year growth (including and excluding foreign currency translation effects as indicated) by business segment for the six months ended 30 September 2014:

	Year-on-year growth			
	€'000 Growth	*% Growth*	*% Growth(2)*	*% Contribution to Overall Growth(2)*
Sell-out	**26,272**	**8.0**	**11.6**	**71.5**
Comparable Stores	6,878	2.9	6.1	27.3
Non-comparable Stores	18,397	22.2	26.9	41.7
Other (1)	998	13.7	18.1	2.5
Sell-in	**13,242**	**11.1**	**12.8**	**28.5**
Overall Growth	**39,514**	**8.9**	**11.9**	**100.0**

(1) Includes mail-order and other sales.
(2) Excludes the impact of foreign currency translation effects.

Management Discussion & Analysis

Sell-out

For the six months ended 30 September 2014, the Sell-out business segment accounted for 72.8% of the Group's net sales and amounted to €353.7 million, an increase of 8.0% as compared to same period last year and an 11.6% increase at constant exchange rates. Both Comparable Stores and Non-comparable Stores were the contributors towards this local currency growth with Same Store Sales Growth at 6.1%.

Sell-out segment contributed 71.5% to Overall Growth for the six months ended 30 September 2014, with 41.7% from Non-comparable Stores, 27.3% from Comparable Stores and e-commerce and 2.5% from other Sell-out. The Group's online retail channel maintained its momentum with a 34.7% growth at constant exchange rates during the six months ended 30 September 2014 as compared to the same period last year.

There was a net addition of 38 own stores (excluding acquisition from distributor) for the six months ended 30 September 2014, including net additions of 11 stores in the United States, 9 stores in China, 5 stores in France, 4 stores in the United Kingdom, 3 stores in Hong Kong, 2 stores each in Japan and Brazil and 1 store each in Russia and Taiwan. Furthermore, the Company added 7 stores from the acquisition of the distributor in Norway in August 2014. The Group continued its retail network upgrade with 73 stores renovated or relocated during the six months ended 30 September 2014 as compared to 68 stores during the same period last year.

Sell-in

For the six months ended 30 September 2014, the Sell-in business segment accounted for 27.2% of the Group's total sales and amounted to €132.2 million, an increase of 11.1% as compared to same period last year and a 12.8% increase at constant exchange rates. The growth was primarily due to an increase in wholesale business, particularly travel retail. Sell-in segment represented 28.5% of the Overall Growth for the six months ended 30 September 2014.

Geographic Areas

The following table presents our net sales growth for the period ended 30 September 2014 and contribution to net sales growth (including and excluding foreign currency translation effects as indicated) by geographic area:

	Net Sales Growth six months ended 30 September 2014 compared to six months ended 30 September 2013			
	€'000 Growth	% Growth	% Growth[1]	% Contribution to Overall Growth[1]
Japan	4,445	5.8	13.0	18.7
Hong Kong[2]	7,942	17.1	19.5	17.0
China	4,188	13.3	16.6	9.8
Taiwan	(110)	(0.7)	1.9	0.5
France	340	0.8	0.8	0.6
United Kingdom	2,910	12.1	5.7	2.6
United States	4,740	8.7	11.4	11.7
Brazil	2,372	12.1	19.5	7.2
Russia	70	0.3	13.4	5.5
Other countries[3]	12,616	10.8	12.0	26.3
All countries	**39,514**	**8.9**	**11.9**	**100.0**

(1) Excludes the impact of foreign currency translation effects and reflects growth from all business segments, including growth from our own retail store sales.
(2) Includes sales in Macau.
(3) Includes sales from Luxembourg.

Management Discussion & Analysis

The following table provides a breakdown, by geographic area, of the number of our own retail stores, their contribution percentage to overall growth and the Same Store Sales Growth for periods indicated:

	Period ended 30 September 2014 compared to period ended 30 September 2013							
	Own Retail Stores				% contribution to Overall Growth(1) (2)			
	30 Sep 2014	*Net openings YTD Sep 2014*	*30 Sep 2013*	*Net openings YTD Sep 2013*	*Non-comparable Stores*	*Comparable Stores*	*Total Stores*	**Same Store Sales Growth(2)**
Japan(3)	108	2	102	2	8.8	8.1	17.0	10.0
Hong Kong(4)	35	3	34	3	4.7	(0.7)	4.0	(4.2)
China	145	9	141	22	3.3	4.1	7.4	9.9
Taiwan(5)	55	1	61	–	(1.2)	1.2	0.1	8.8
France(6)	80	5	73	3	2.2	0.2	2.4	0.6
United Kingdom	72	4	66	4	1.0	0.6	1.7	2.8
United States(7)	208	11	196	10	4.1	3.7	7.8	4.9
Brazil	80	2	75	5	4.1	1.1	5.1	5.3
Russia(8)	111	1	105	6	3.6	3.0	6.6	12.2
Other countries(9)	446	7	427	27	11.0	5.9	16.9	5.2
All countries	**1,340**	**45**	**1,280**	**82**	**41.7**	**27.3**	**69.0**	**6.1**

(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 12 and 11 Melvita stores as at 30 September 2013 and 30 September 2014 respectively.
(4) Includes 2 L'Occitane stores in Macau and 10 Melvita stores in Hong Kong as at 30 September 2013 and 3 L'Occitane stores in Macau and 10 Melvita stores in Hong Kong as at 30 September 2014.
(5) Includes 7 Melvita stores as at 30 September 2013.
(6) Includes 4 Melvita stores as at 30 September 2013 and 30 September 2014.
(7) Includes 1 Melvita store as at 30 September 2013.
(8) Includes 7 and 4 Melvita stores as at 30 September 2013 and 30 September 2014 respectively.
(9) Includes 7 Melvita stores as at 30 September 2013 and 30 September 2014. The net openings include 6 stores from the acquisition of distributor in South Africa as at 30 September 2013 and 7 stores from the acquisition of distributor in Norway as at 30 September 2014.

Japan

Japan's net sales for the six months ended 30 September 2014 were €81.0 million, an increase of 5.8% as compared to same period last year. At constant exchange rates, Japan's sales growth was 13.0%, contributing 18.7% to Overall Growth. Comparable Stores contributed 8.1% to Overall Growth and Non-comparable Stores contributed 8.8% to Overall Growth. During the period, Japan had a net addition of 2 stores and Same Store Sales Growth was 10.0%. At constant exchange rates, Sell-in Sales recorded a growth of 2.3% as compared to the same period last year.

Hong Kong

Hong Kong's net sales for the six months ended 30 September 2014 were €54.5 million, an increase of 17.1% as compared to same period last year. At constant exchange rates, the growth was 19.5%, contributing 17.0% to Overall Growth. Sell-out segment contributed 4.4% to Overall Growth, a negative 0.7% from Comparable Stores and 4.7% from Non-comparable Stores. Same Stores Sales Growth posted a decline of 4.2% as the Comparable Stores composition had fewer stores due to renovation and relocation. Hong Kong and Macau retail sales recorded a growth of 10.4% in local currency during the period, mainly contributed by Non-comparable Stores which recorded a growth of 23.0%.

During the period, Hong Kong had a net addition of 3 stores. At constant exchange rates, Sell-in segment grew by 26.0% and contributed 12.6% to Overall Growth. This growth was mainly driven by travel retail channel.

China

China's net sales for the six months ended 30 September 2014 were €35.7 million, an increase of 13.3% as compared to same period last year. At constant exchange rates, the growth was 16.6%, contributing 9.8% to Overall Growth. China remains one of the fastest growing countries of the Group. Comparable Store Sales and Non-comparable Store Sales contributed 4.1% and 3.3% respectively to Overall Growth. During the period, China had a net addition of 9 stores. Same Store Sales Growth was 9.9%. At constant exchange rates, Sell-in sales recorded an increase of 28.3%, contributing 2.3% to Overall Growth.

Taiwan

Taiwan's net sales for the six months ended 30 September 2014 were €14.7 million, a decrease of 0.7% as compared to same period last year. At constant exchange rates, the growth was 1.9%, contributing 0.5% to Overall Growth. During the period, Same Store Sales Growth was 8.8% and the growth in Sell-out segment was flat. This was mainly due to a decline in Non-comparable Stores Sales as a result of the transfer of the Melvita business to a distributor last year. The strong Same Store Sales Growth was mainly due to successful new product launches. At constant exchange rates, Sell-in sales recorded an increase of 17.5% as compared to the same period last year, contributing 0.5% to Overall Growth.

France

France's net sales for the six months ended 30 September 2014 were €40.5 million, an increase of 0.8% as compared to same period last year. At constant exchange rates, the growth was 0.8%, contributing 0.6% to Overall Growth. At constant exchange rates, Sell-out sales growth was 5.7%, and contributed 2.2% to Overall Growth. Same Store Sales Growth was 0.6%. During the period, France had a net addition of 5 stores. Sell-in segment recorded a decline of 4.3%, contributing negative 1.6% to Overall Growth, mainly due to soft sales in wholesale and distribution channels.

United Kingdom

The United Kingdom's net sales for the six months ended 30 September 2014 were €27.0 million, an increase of 12.1% as compared to same period last year. At constant exchange rates, the growth was 5.7%, contributing 2.6% to Overall Growth. Sell-out segment contributed 1.7% to Overall Growth, driven by both Comparable Stores and Non-comparable Stores. Comparable Store Sales grew by 2.8% in local currency, contributing 0.6% to Overall Growth. Non-comparable Stores contributed 1.0% to Overall Growth with an addition of 4 stores during the period. Sell-in segment recorded an increase of 8.0% in local currency and contributed 0.9% to Overall Growth.

United States

The United States's net sales for the six months ended 30 September 2014 were €59.1 million, an increase of 8.7% as compared to same period last year. At constant exchange rates, the growth was 11.4%, contributing 11.7% to Overall Growth. Same Store Sales Growth was 4.9% which contributed 3.7% to Overall Growth. E-commerce channel remained one of the key drivers to the Same Store Sales Growth. Non-comparable Store Sales recorded a growth of 30.7% at constant rates and contributed 10.3% to Overall Growth, mainly supported by net addition of 11 stores in FY2014 and net addition of 11 stores during the period. Sell-in segment grew by 35.0% at constant exchange rates, contributing 4.0% to Overall Growth. The strong growth was contributed by both offline and online wholesalers.

Brazil

Brazil's net sales for the six months ended 30 September 2014 were €22.1 million, an increase of 12.1% as compared to same period last year. At constant exchange rates, the growth was 19.5%, contributing 7.2% to Overall Growth. The growth was driven by both Sell-out and Sell-in segments. Same Store Sales Growth was 5.3% with a contribution of 1.1% to Overall Growth. Non-comparable Stores Sales growth was supported by net addition of 8 stores in FY2014 and net addition of 2 stores during the period, contributing 4.1% to Overall Growth. The successful launch of the new brand, L'Occitane au Brésil, helped to drive both Same Store Sales and Non-comparable Store Sales growth. Sell-in sales increased by 39.2% at constant exchange rates, contributing 2.1% to Overall Growth. The strong growth was mainly contributed by wholesale distribution channel.

Russia

Russia's net sales for the six months ended 30 September 2014 were €22.0 million, an increase of 0.3% as compared to same period last year. The soft net sales growth was due to foreign currency impacts from a weak Russian Ruble and strong Euro. At constant exchange rates, the growth was 13.4%, contributing 5.5% to Overall Growth. Russia remains one of the fastest growing countries of the Group. The growth was mainly driven by Sell-out segment which contributed 6.8% to Overall Growth. Same Store Sales Growth was 12.2% for the period as compared to 0.7% in the same period last year. Non-comparable Store Sales contributed 3.6% to Overall Growth. At constant exchange rates, Sell-in segment declined by 16.7%, as a result of high base from same period last year.

Other countries

Other countries' net sales for the six months ended 30 September 2014 were €129.3 million, an increase of 10.8% as compared to same period last year. At constant exchange rates, the growth was 12.0%, contributing 26.3% to Overall Growth. Sell-out segment recorded a growth of 12.6% at constant rates and contributed 17.7% to Overall Growth. Comparable Store Sales contributed 5.9% to Overall Growth with Same Store Sales Growth of 5.2%. Non-comparable Store Sales contributed 11.0% to the Overall Growth as a result of stores network expansion. During the six months ended 30 September 2014, the number of own stores in other countries increased from 439 to 446, a net increase of 7. In terms of geographical area, 3 of the new stores were opened in Asia and 4 in Europe. In Europe it was a mixed of 3 net closing in some countries and 7 stores acquired from the distributor in Norway in August 2014. At constant exchange rates, net Sales in Canada and Australia grew by 37.4% and 14.9% respectively. Sell-in sales increased by 11.0% at constant exchange rates and contributed 8.6% to Overall Growth, mainly driven by increased sales to travel retail and wholesale customers.

PROFITABILITY ANALYSIS

Cost of sales and gross profit

Cost of sales increased by 14.3%, or €12.0 million, to €95.8 million in the period ended 30 September 2014 compared to the period ended 30 September 2013. Our gross profit margin decreased by 0.9 points to 80.3% in the period ended 30 September 2014. The decline in gross profit margin was essentially due to the exchange rates for 0.4 points of net sales, increased production costs for 0.3 points in relation to the depreciation of the capital expenditures borne last year in our factory

and information systems and to higher obsolescence for 0.3 points due to the renewal and extension of our product ranges notably for our emerging brands. This was mitigated by favourable prices and product mix effects for 0.1 point.

Reduction in freight and duties resulting from a tighter inventory management and a slightly positive channel mix effect for a total 0.2 points were offset by the brand mix effect and other costs for 0.1 point each.

Distribution expenses

Distribution expenses increased by 7.1%, or €16.3 million, to €246.8 million in the period ended 30 September 2014. As a percentage of net sales, our distribution expenses decreased by 0.8 points to 50.8% of net sales in the period ended 30 September 2014. This decrease is attributable to a combination of:

- efficiency gains due to productivity and restructuring efforts in our stores and warehouses for 0.5 points;
- leverage on higher sales for 0.3 points;
- a favourable channel mix effect from a higher share of Sell-in sales for 0.5 points; and
- one-off spending last year, and other effects for a total 0.1 point.

This was partly offset by investments in our Sell-in and Sell-out segments, notably rents and depreciations related to store openings and renovations, and costs incurred to strengthen our sales organizations, impacting for 0.6 points.

Marketing expenses

Marketing expenses decreased slightly, by €0.1 million, to €57.0 million in the period ended 30 September 2014. Our marketing expenses, as a percentage of net sales, decreased by 1.1 points to 11.7% of net sales in the period ended 30 September 2014. This decrease was attributable to:

- lower advertisement, mailing activity and sampling for 0.9 points. Such decrease is considered as phasing, as such investments are scheduled to take place in the second half of the financial year;
- leverage on higher sales for 0.3 points;
- a tighter management of our inventory of promotional goods and mini products and pouches ("MPPs") for 0.2 points; and
- positive channel mix effects for 0.1 point.

This was mitigated by investments in digital resources and customer relationship management ("CRM") for 0.3 points, and exchange rate and other effects for 0.1 point.

Research & development expenses

Research and development ("R&D") expenses increased by 29.7%, or €1.4 million, to €6.0 million in the period ended 30 September 2014. Our R&D expenses increased by 0.2 points as a percentage of net sales with the increase being explained by investments in our new products and new brands for 0.2 points, including an unfavourable brand mix effect. Leverage on higher sales accounted for a favourable 0.1 point, which was offset by unfavourable exchange rates and other effects.

General and administrative expenses

General and administrative expenses increased by 0.7%, or €0.4 million, to €49.1 million in the period ended 30 September 2014 and decreased by 0.8 points of net sales. This decrease is attributable to a combination of:

- savings for 0.2 points, and leverage on higher sales for 0.1 point;
- one-off costs last year for 0.2 points, and non-recurring gains for 0.3 points; and
- phasing effects for 0.1 point.

This was partly offset by unfavourable exchange rates effects for 0.1 point.

Operating profit

Operating profit increased by 46.6%, or €10.0 million, to €31.4 million in the period ended 30 September 2014, and our operating profit margin rose by 1.7 points of net sales to 6.5%. The increase in our operating profit margin is explained by the combination of:

- investments in our future sales growth, for 1.3 points;
- unfavourable exchange rates effects for 0.6 points;
- favourable prices and product mix effects for 0.1 point and positive channel mix effects for 0.6 points;
- one-off costs incurred last year and non-recurring gains this year for a total 0.6 points;
- the phasing of our expenses for 1.0 point; and
- productivity, savings, leverage on higher sales and other effects for 1.3 points.

Finance costs, net

Net finance costs decreased by € 0.7 million, to € 0.1 million in the period ended 30 September 2014. The decrease was mainly due to the fact that revaluation of the financial liability for the former minority shareholder of the Russia subsidiary was no longer required after the acquisition of the minority shares in April 2014.

Foreign currency gains/losses

Net foreign currency gains amounted to €8.9 million for the period ended 30 September 2014, as compared to net currency losses of €7.4 million for the period ended 30 September 2013. The losses last year were mainly unrealized and explained by the unfavourable evolution of the euro versus key foreign currencies between 31 March 2013 and 30 September 2013. Conversely, the gain of €8.9 million this year, out of which €8.5 million being unrealized, is essentially due to the stronger euro as at 30 September 2014 as compared to 31 March 2014. The total net foreign currency gains of €8.9 million can be broken down in approximately €6.0 million from the US dollar and currencies linked to the US dollar, approximately €1.4 million from the Japanese yen and approximately €1.5 million from various other currencies.

Income tax expense

The effective income tax resulted in an expense of €3.0 million for the period ended 30 September 2014, as compared to a gain of €1.3 million for the period ended 30 September 2013, representing an effective income tax rate of 7.4% for the period ended 30 September 2014. The increase in income tax expense is explained by higher profits in countries where higher effective tax rates are applicable, combined with the depreciation of certain tax assets in Brazil. This was partly offset by favourable exchange rates effects, tax savings and other gains.

Profit for the period

For the aforementioned reasons, profit for the period ended 30 September 2014 increased by 156.3% or €22.7 million to €37.3 million, as compared to the period ended 30 September 2013. Basic and diluted earnings per share increased for the period ended 30 September 2014 by 162.7%.

Management Discussion & Analysis

BALANCE SHEET REVIEW

Liquidity and capital resources

As at 30 September 2014, the Group had cash and cash equivalents of €289.2 million, as compared to €319.3 million as at 31 March 2014 and €289.7 million as at 30 September 2013.

As at 30 September 2014, the aggregate amount of undrawn borrowing facilities was €316.0 million. As at 30 September 2014, the total borrowings, including finance lease liabilities, current accounts with minority shareholders and bank overdrafts, amounted to €107.9 million, as compared to €79.4 million as at 31 March 2014. The increase was mainly due to seasonal cash needs of the subsidiaries.

Investing activities

Net cash used in investing activities was €33.9 million for the six months ended 30 September 2014, as compared to €47.1 million same period last year, representing a decrease of €13.2million. This reflected capital expenditures primarily related to:

- the addition of leasehold improvements, other tangible assets, key moneys and changes in deposits related to stores for €18.5 million;
- acquisition of Norway operations for €5.6 million;
- additions in IT software and equipment for €4.2 million, including €1.4 million for SAP, €0.7 million for POS and CRM systems and €2.0 million for hardware and equipment; and
- purchases of machinery, equipment, construction, fittings and others for factories, R&D and warehouses for €5.0 million. Out of this amount, €1.1 million were in-progress in the Manosque facility.

Financing activities

Net cash outflow generated from financing activities was €15.2 million for the six months ended 30 September 2014. During the same period last year, net cash inflow was €7.9 million generated from financing activities. Net cash outflow from financing activities during the period under review was mainly due to a payment of €41.3 million for the acquisition of the remaining non-controlling interests in Russia subsidiary.

Inventories

The following table sets out a summary of the average inventory days for the periods indicated:

For the period ended 30 September	2014	2013
Average Inventory turnover days(1)	307	324

(1) Average inventory turnover days equals average inventory divided by cost of sales and multiplied by 182.5. Average inventory equals the average of net inventory at the beginning and end of a given period.

Inventory net value was €173.4 million as at 30 September 2014, increased by €12.9 million compared to €160.5 million as at 30 September 2013. The decrease in inventory turnover days by 17 days was due to:

- a decrease in finished goods and raw materials in the factory primarily for a net 6 days;
- favourable FX rates effects for 9 days; and
- higher allowances impacting for 2 days.

Trade receivables

The following table sets out a summary of the turnover of trade receivables for the periods indicated:

For the period ended 30 September	2014	2013
Turnover days of trade receivables(1)	34	33

(1) Turnover days of trade receivables equals average trade receivables divided by net sales and multiplied by 182.5. Average trade receivables equals the average of net trade receivables at the beginning and end of a given period.


Nature's Treasure
Treat that someone special to the gifts of L'Or Bio
"A combination of five rare and precious oils, collected from around the world, provide powerful nourishing properties."
Melvita
L'OR BIO
Melvita
L'OR BIO
HUILE EXTRAORDINAIRE
EXTRAORDINARY OIL
BIO
Melvita

Turnover days of trade receivables slightly increased by 1 day to 34 days for the period ended 30 September 2014 primarily due to Japan, China and Russia despite a positive overall exchange rates effect.

Trade payables

The following table sets out a summary of the turnover of trade payables for the periods indicated:

For the period ended 30 September	2014	2013
Turnover days of trade payables[(1)]	165	201

(1) Turnover days of trade payables equals average trade payables divided by cost of sales and multiplied by 182.5. Average trade payables equals the average of trade payables at the beginning and end of a given period.

The decrease in turnover days of trade payables for the period ended 30 September 2014 was mainly due to decrease in trade payables at factory level as a result of improved productivity at the purchase accounting department.

BALANCE SHEET RATIOS

The Group's profitability ratios for the six months ended 30 September 2014 increased as compared to same period last year. Return on capital employed for the six months ended 30 September 2014 rose to 6.0% as compared to 2.9% for the same period last year. The increase was mainly explained by a 142.1% increase in net operating profit after tax, together with an increase of 16.0% in capital employed. Return on equity was 4.8% for the six months ended 30 September 2014 compared to 2.0% same period last year. The increase was mainly explained by an increase of 162.7% in net profit attributable to equity owners, together with an increase of 11.7% in shareholders' equity. The Group's liquidity and capital adequacy ratios remained favourable as a result of high net cash position.

For the period ended	30 September 2014 *€ '000*	31 March 2014 *€ '000*	30 September 2013 *€ '000*
Profitability			
Net operating profit after tax (NOPAT)[(1)]	37,338	93,589	15,423
Capital employed[(2)]	623,480	564,198	537,321
Return on capital employed (ROCE)[(3)]	6.0%	16.6%	2.9%
Return on equity (ROE)[(4)]	4.8%	11.8%	2.0%
Liquidity			
Current ratio (times)[(5)]	3.15	2.92	2.74
Quick ratio (times)[(6)]	2.25	2.21	1.99
Capital adequacy			
Gearing ratio[(7)]	9.8%	7.4%	8.8%
Debt to equity ratio[(8)]	net cash position	net cash position	net cash position

(1) (Operating profit + foreign currency net gains or losses) x (1 - effective tax rate)
*(2) Non-current assets - (deferred tax liabilities + other financial liabilities + other non-current liabilities) + working capital**
(3) NOPAT/Capital employed
(4) Net profit attributable to equity owners of the Company/shareholders' equity at period end excluding minority interest
(5) Current assets/current liabilities
(6) (Current assets - inventories)/current liabilities
(7) Total debt/total assets
(8) Net debt/(total assets - total liabilities)
** note that in previous communications, the calculation of working capital included current financial liabilities such as dividends and acquisition payments. These are now excluded to show only working capital relating to operations. Thus the Capital employed and ROCE for 31 March 2014 and 30 September 2013 have been restated.*

FOREIGN EXCHANGE RISK MANAGEMENT

The Group enters into forward exchange contracts to hedge anticipated transactions, as well as receivables and payables not denominated in our presentation currency, the Euro, for periods consistent with our identified exposures. As at 30 September 2014, the Group had foreign exchange derivatives net liabilities of €1.3 million in the form of forward exchange contracts (in accordance with fair market valuation requirements under IFRS). The notional principal amounts of outstanding forward exchange derivatives as at 30 September 2014 were primarily United States Dollar for an equivalent of €23.4 million, Japanese Yen for €9.0 million, British Pounds for €8.5 million and Chinese Yuan for €6.4 million.

DIVIDENDS

At the Board meeting held on 10 June 2014, the Board recommended a distribution of gross dividend of €0.0213 per share for a total amount of € 31.3 million or 35.0% of the net profit attributable to the equity owners of the Company. The amount of the proposed dividend is based on 1,470,309,391 shares in issue as at 10 June 2014 excluding 6,655,500 treasury shares. The shareholders approved this dividend at a meeting held on 24 September 2014. The dividend was paid on 22 October 2014.

POST BALANCE SHEET EVENTS

There are no post balance sheet events that require to be reported.

STRATEGIC REVIEW AND PROSPECTS

Summary of the activities during the period:

For the six months ended 30 September 2014, the Group executed its corporate strategy by maintaining retail investment in selective new stores and upgrading the retail network significantly through store renovations and relocations ("retail upgrades"). All key markets delivered growth in local currency amid a challenging operating environment in many countries. Brazil and Hong Kong emerged as the best-performing markets, growing at 19.5% each at constant exchange rates. Developed markets like Japan, the United States and the United Kingdom continued to contribute and deliver sales growth at 13.0%, 11.4% and 5.7%, respectively at constant exchange rates.

The Group expanded with selective new openings and key retail upgrades projects in various markets globally. For the six months ended 30 September 2014, the Group saw its own retail network grew by a steady rate of about 5%, to 1,340 own stores. The Group's net own stores openings were 38 over the period, excluding the acquisitions from distributors. During the same period, the Group executed 73 retail upgrades as compared to 68 for the same period last year. The combined efforts of both selective store expansion and retail network upgrades are critical to complement the Group's fast growing e-commerce strategy and increased investments to encourage greater customer engagement with the newly implemented CRM initiatives, both in-store and digital to drive retail sales frequency. So far, the results had been positive.

The first half of the Group's financial year highlighted the positive performance of Japan and management's focus to improve the business in Japan. At the same time, the Group's Sell-in business segment outperformed with sales growth of 12.8% at constant exchange rates, largely driven by the travel retail wholesale business.

As the Group continues to invest for future growth, research and development efforts are accelerated to support the pipeline of innovative new products for the portfolio of brands, especially the emerging brands such as Erborian and Au Brésil. These efforts are necessary to ensure the portfolio brands have strong product lines and are positioned to become high-growth global beauty brands.

The digital online channel has become one of the key growth drivers for the Group and the increased digital spend has shown positive results. For the period under review, the e-commerce business has posted strong sales growth and we expect business through the digital platform to accelerate further. For certain key markets, the Group had successfully launched the state-of-the-art CRM program. This exercise will help increase customer frequency and complement its own retail operations for the respective markets.

During the first half of this financial year, Brazil implemented SAP. In addition, management continued to integrate "Operations Roadmap" into the Group's operating infrastructure and the Group expects to reap further savings and improvements in the logistics and production costs.

The Group reported that the operating profit was €31.4 million, an increase of 46.6% for the period under review and the profit for the period was €37.3 million, an increase of 156.3%. Overall, the significant increase was mainly due to foreign currency exchange impacts, which include foreign currency exchange gain of €8.9 million for the period under review, as compared to foreign currency exchange loss of €7.4 million during the same period last year.

Management strives to promote revenue growth from the respective brands. The Group will dedicate investments and will develop infrastructure efficiencies to support sustainable long term profit growth across the Group, especially with the focus on improving its retail, digital and marketing strategies.

Prospects for the second half of the year:

The Group will seek to optimize its retail investment through a selective retail network expansion strategy and key retail upgrades for existing retail network to support the Group's vision to create a unique brand experience to complement the digital experience.

As part of the global retail expansion strategy, the Group will invest in building new stores in both developing and developed countries and to upgrade our retail network in all our key markets.

In terms of brand development, the team is devoted to building a brand portfolio consisting of high quality brands that are rich in natural and organic ingredients of traceable origins and respect for the environment. Management will introduce the pipeline of new innovative products, which had been developed after much time and efforts by our R&D team.

The Group will continue the further expansion of the CRM tools and e-commerce facilities and capabilities to enhance the digital brand experience for our customers and increase frequency.

The Group has a global retail network and is exposed to exchange rate risk which can affect both the top and bottom line.

In order to manage the exchange rate risk, the Group will keep its global hedging policy and enter into derivative hedging contracts to hedge the value in euro (or in other operating currencies) of the identified expected cash flows. However, the Group would like to highlight that the translation impact from the exchange rate conversion cannot be avoided.

The Group will focus efforts to develop the systems, processes, organization and capacities as implemented in the first half of this financial year. Looking ahead, the Group is committed to its vision of becoming a high-growth player in the beauty industry and will continue to invest and take advantage of potential business opportunities which will create lasting value for its shareholders.

INTERIM
CONSOLIDATED FINANCIAL STATEMENTS

Independent Review Report

Report on Review of the Consolidated Condensed Interim Financial Information

To the Shareholders of
L'Occitane International S.A.

INTRODUCTION

We have reviewed the accompanying condensed consolidated interim balance sheet of L'Occitane International S.A. and its subsidiaries (the 'Group') as of 30 September 2014 and the related condensed consolidated interim statement of income, statements of comprehensive income, changes in equity and cash flows for the for the six-month period then ended and a summary of significant accounting policies and other explanatory notes (the "condensed consolidated interim financial information"). The Board of Directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "interim financial reporting" as issued by the International Accounting Standards Board. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity', as adopted for Luxembourg by the "Institut des Réviseurs d'Entreprises". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim financial reporting' as issued by the International Accounting Standards Board.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 25 November 2014

Philippe Duren

PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg
T: +352 494848 1, F:+352 494848 2900, www.pwc.lu

Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - Capital social EUR 516 950 - TVA LU25482518

Interim Consolidated Statements Of Income

In thousands of Euros, except per share data	Notes	Period ended 30 September 2014	2013
Net Sales		**485,874**	**446,361**
Cost of sales		(95,840)	(83,835)
Gross profit		**390,034**	**362,526**
% of net sales		80.3%	81.2%
Distribution expenses		(246,791)	(230,515)
Marketing expenses		(57,027)	(57,078)
Research & development expenses		(6,035)	(4,653)
General and administrative expenses		(49,126)	(48,775)
Share of profit/(loss) from joint ventures accounted for using the equity method		(30)	—
Other gains/(losses), net	(20)	407	(59)
Operating profit		**31,432**	**21,446**
Finance income	(21)	1,520	1,517
Finance costs	(21)	(1,581)	(2,317)
Foreign currency gains/(losses)	(22)	8,899	(7,388)
Profit before income tax		**40,270**	**13,258**
Income tax expense	(23)	(2,988)	1,287
Profit for the period		**37,282**	**14,545**
Attributable to:			
Equity owners of the Company		36,649	13,952
Non-controlling interests		633	593
Total		**37,282**	**14,545**
Earnings per share for profit attributable to the equity owners of the Company during the period *(expressed in Euros per share)*	(24)		
Basic		0.025	0.009
Diluted		0.025	0.009
Number of shares used in earnings per share calculation	(24)		
Basic		1,470,309,391	1,470,309,391
Diluted		1,471,486,434	1,470,960,118

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Interim Consolidated Statements Of Comprehensive Income

In thousands of Euros	Notes	Period ended 30 September 2014	2013
Profit for the period		**37,282**	**14,545**
Other comprehensive income:			
Actuarial gains/(losses) on defined benefit obligation		–	–
Total items that will not be reclassified to profit and loss		**–**	**–**
Cash flow hedges fair value gains/(losses), net of tax	(13)	–	–
Currency translation differences		6,592	(11,956)
Total tems that may be reclassified subsequently to profit and loss		**6,592**	**(11,956)**
Other comprehensive income/(loss) for the period, net of tax		**6,592**	**(11,956)**
Total comprehensive income for the period		**43,874**	**2,589**
Attributable to:			
– Equity owners of the Company		42,884	2,136
– Non-controlling interests		990	453
Total comprehensive income for the period		**43,874**	**2,589**

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Consolidated Balance Sheets

ASSETS *In thousands of Euros*	Notes	30 September 2014	31 March 2014
Property, plant and equipment	(7)	182,698	177,424
Goodwill	(8)	143,837	134,789
Intangible assets	(9)	68,538	69,748
Deferred income tax assets	(23)	71,997	57,169
Investments in joint ventures		(20)	10
Other non-current assets		27,764	25,594
Non-current assets		**494,814**	**464,734**
Inventories	(10)	173,372	148,723
Trade receivables	(11)	94,226	85,315
Other current assets	(12)	53,097	56,613
Derivative financial instruments	(13)	174	313
Cash and cash equivalents		289,217	319,253
Current assets		**610,086**	**610,218**
TOTAL ASSETS		**1,104,900**	**1,074,951**

EQUITY AND LIABILITIES *In thousands of Euros*	Notes	30 September 2014	31 March 2014
Share capital	(14)	44,309	44,309
Additional paid-in capital	(14)	342,851	342,851
Other reserves		(23,205)	(31,060)
Retained earnings		406,524	401,296
Capital and reserves attributable to the equity owners of the Company		**770,479**	**757,396**
Non-controlling interests		3,040	5,388
Total equity		**773,519**	**762,784**
Borrowings	(15)	104,744	73,552
Other financial liabilities	(6)	7,176	6,900
Deferred income tax liabilities	(23)	3,478	3,127
Other non-current liabilities	(16)	22,283	19,530
Non-current liabilities		**137,681**	**103,109**
Trade payables	(17)	82,200	91,253
Social and tax liabilities		48,107	47,862
Current income tax liabilities		7,723	7,533
Borrowings	(15)	3,115	5,811
Derivative financial instruments	(13)	1,491	121
Provisions	(18)	5,696	4,908
Other current liabilities	(16)	45,368	51,570
Current liabilities		**193,700**	**209,058**
TOTAL EQUITY AND LIABILITIES		**1,104,900**	**1,074,951**
NET CURRENT ASSETS		**416,386**	**401,160**
TOTAL ASSETS LESS CURRENT LIABILITIES		**911,200**	**865,893**

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Interim Consolidated Statements Of Changes In Equity

In thousands of Euros (except "Number of Shares")	Notes	Number of shares	Share capital	Additional paid-in capital	Share based payments	Hedging reserve	Cumul. Currency Transl. Diff.	Other reserves Excess of consideration paid in transaction with non-controlling intrests	Actuarial gains/ (losses)	Other reserves	Retained earnings	Non-controlling interests	TOTAL EQUITY
		Attributable to equity owners of the Company											
Balance at 31 March 2013		1,476,964,891	44,309	342,851	10,475	–	1,520	(14,445)	(513)	(9,742)	354,880	4,974	734,309
Profit for the 6-month period		–	–	–	–	–	–	–	–	–	13,952	593	14,545
Other comprehensive income													
Currency translation differences		–	–	–	–	–	(11,816)	–	–	–	–	(140)	(11,956)
Actuarial losses on defined benefit obligation		–	–	–	–	–	–	–	–	–	–	–	–
Total comprehensive income		–	–	–	–	–	*(11,816)*	–	–	–	*13,952*	*453*	*2,589*
Transactions with owners		–											
Dividends declared		–	–	–	–	–	–	–	–	–	(42,933)	(2,942)	(45,875)
Contribution from the parent	(14.3)	–	–	–	888	–	–	–	–	–	–	–	888
Employee share option: value of employee services	(14.3)	–	–	–	862	–	–	–	–	–	–	–	862
Non-controlling interests in capital increase		–	–	–	–	–	–	–	–	–	–	181	181
Total contributions by and distribution to owners of the Company		–	–	–	*1,750*	–	–	–	–	–	*(42,933)*	*(2,761)*	*(43,944)*
Transactions with non-controlling interests	(5.2)	–	–	–	–	–	–	(450)	–	–	–	120	(330)
Total transaction with owners		–	–	–	–	–	–	*(450)*	–	–	–	*120*	*(330)*
Balance at 30 September 2013		1,476,964,891	44,309	342,851	12,225	–	(10,296)	(14,895)	(513)	(9,742)	325,899	2,786	692,624

In thousands of Euros (except "Number of Shares")	Notes	Number of shares	Share capital	Additional paid-in capital	Share based payments	Hedging reserve	Cumul. Currency Transl. Diff.	Other reserves Excess of consideration paid in transaction with non-controlling intrests	Actuarial gains/ (losses)	Other reserves	Retained earnings	Non-controlling interests	TOTAL EQUITY
		Attributable to equity owners of the Company											
Balance at 31 March 2014		1,476,964,891	44,309	342,851	12,150	–	(18,073)	(14,895)	(500)	(9,742)	401,296	5,388	762,784
Profit for the 6-month period		–	–	–	–	–	–	–	–	–	36,649	633	37,282
Other comprehensive income													
Currency translation differences		–	–	–	–	–	6,235	–	–	–	–	357	6,592
Actuarial losses on defined benefit obligation		–	–	–	–	–	–	–	–	–	–	–	–
Total comprehensive income		–	–	–	–	–	*6,235*	–	–	–	*36,649*	*990*	*43,874*
Transactions with owners		–											
Dividends declared		–	–	–	–	–	–	–	–	–	(31,318)	(3,263)	(34,581)
Employee share option: value of employee services	(14.3)	–	–	–	1,346	–	–	–	–	–	–	–	1,346
Non-controlling interests in capital increase		–	–	–	–	–	–	–	–	–	–	55	55
Total contributions by and distribution to owners of the Company		–	–	–	*1,346*	–	–	–	–	–	*(31,318)*	*(3,208)*	*(33,180)*
Non-controlling interests recorded as a liabilities		–	–	–	–	–	–	–	–	–	(103)	103	–
Transactions with non-controlling interests	(5)	–	–	–	–	–	–	274	–	–	–	(233)	41
Total transaction with owners		–	–	–	–	–	–	*274*	–	–	*(103)*	*(130)*	*41*
Balance at 30 September 2014		1,476,964,891	44,309	342,851	13,496	–	(11,838)	(14,621)	(500)	(9,742)	406,524	3,040	773,519

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Interim Consolidated Statements Of Cash Flows

In thousands of Euros	Notes	Period ended 30 September 2014	2013
Cash flows from operating activities			
Profit for the half-year		37,282	14,545
Adjustments to reconcile profit for the half-year to net cash from operating activities			
Depreciation, amortization and impairment	(19.3)	27,511	22,856
Deferred income taxes		(12,460)	(16,106)
Unwinding of discount on other financial liabilities	(6)	276	962
Share based payment	(14.3)	1,346	1,750
Change in the fair value of derivatives	(22)	1,509	(742)
Other losses/(gains) - net	(20)	401	433
Net movements in provisions	(18)	1,449	(47)
Share of (profit)/loss from joint operations		30	—
Changes in working capital			
Inventories		(19,334)	(27,388)
Trade receivables		(3,774)	8,205
Trade payables		(12,167)	(1,094)
Salaries, wages, related social items and other tax liabilities		(1,017)	1,987
Current income tax assets and liabilities		2,667	(1,547)
Other assets and liabilities, net		3,937	(2,408)
Net cash inflow from operating activities		**27,656**	**1,406**
Cash flows from investing activities			
Acquisition of business combinations, net of cash acquired	(5.1)	(5,611)	—
Purchases of property, plant and equipment	(7)	(25,158)	(33,924)
Purchases of intangible assets	(9)	(3,492)	(12,489)
Proceeds from sale of fixed assets		1,202	355
Change in deposits and key moneys paid to the landlords		(585)	(839)
Change in non-current receivables and liabilities		(252)	(213)
Investments in associates		—	(20)
Net cash (outflow) from investing activities		**(33,896)**	**(47,130)**

In thousands of Euros	Notes	Period ended 30 September 2014	2013
Cash flows from financing activities			
Proceeds from non-controlling interests		55	181
Transaction with non-controlling interests recorded as a liability	(16)	(41,304)	—
Transaction with non-controlling interests	(5.1)	41	(330)
Dividends paid to non-controlling interests		(2,166)	(903)
Proceeds from borrowings	(15)	119,357	25,453
Repayments of borrowings	(15)	(91,161)	(16,520)
Net cash (outflow)/inflow from financing activities		**(15,178)**	**7,881**
Exchange gains/(losses) on cash, cash equivalents and bank overdrafts		(8,618)	7,730
Net (decrease) in cash, cash equivalents and bank overdrafts		**(30,036)**	**(30,113)**
Cash, cash equivalents and bank overdrafts at the beginning of the half-year		**319,253**	**319,809**
Cash and cash equivalents		*319,253*	*319,874*
Bank overdrafts		—	*(65)*
Cash, cash equivalents and bank overdrafts at end of the half-year		**289,217**	**289,697**
Cash and cash equivalents		*289,217*	*289,698*
Bank overdrafts		—	*(1)*

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Notes To The Consolidated Interim Financial Information

Notes To The Consolidated Interim Financial Information

1. THE GROUP

L'Occitane International S.A. (the "Company" or "LOI") and its consolidated subsidiaries (hereinafter referred to as the "Group") design, manufacture and market, under the trademarks L'Occitane and Melvita, a wide range of cosmetic products, perfumes, soaps and fragrant products for the home based on natural or organic ingredients.

The Group also designs and markets another range of fragrant products for the home, cosmetic products, perfumes, soaps and natural products, under the trademark 'Couvent des Minimes' and 'Erborian'. These products are marketed primarily through external distribution.

L'Occitane International S.A. is a Luxembourg Société Anonyme registered in the Luxembourg Trade and Commercial Register, Grand Duchy of Luxembourg under the R.C.S. Number: B-80 359. The address of the Company is as follows: 49, Boulevard Prince Henri, L-1724 Luxembourg.

The Group is listed on the Main Board of The Stock Exchange of Hong-Kong Limited.

This consolidated interim financial information was approved for issue by the Board of Directors on 24 November 2014.

This condensed consolidated interim financial information has been reviewed, not audited.

2. BASIS OF PREPARATION

2.1. Basis of preparation

This condensed consolidated interim financial information ("consolidated interim financial information") for the six-month period ended 30 September 2014 ("period ended 30 September 2014") has been prepared in accordance with IAS 34, 'Interim financial reporting' issued by the International Accounting Standards Board. The consolidated interim financial information should be read in conjunction with the consolidated annual financial statements for the year ended 31 March 2014, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

2.2. Accounting policies

The accounting policies and methods of computation used in the preparation of this interim financial information are consistent with those used in the annual consolidated financial statements for the year ended 31 March 2014, except as described below:

- The Group has applied the following interpretation that is effective for the first time for the Group for the financial period beginning 1 April 2014:

Standard	Topic	Key requirements
IFRIC 21	Levies	IFRIC 21 addresses the accounting for a liability to pay a levy if that liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to pay a levy, and when should a liability be recognised. The Group is not currently subject to significant levies. The adoption of the interpretation has had no significant effect on the financial statements for earlier periods and on the interim financial statements for the period ended 30 September 2014. The Group does not expect IFRIC 21 to have a significant effect on the results for the financial year ending 31 March 2015.

2. BASIS OF PREPARATION *(continued)*

2.2. Accounting policies *(continued)*

Other interpretations and amendments to IFRSs effective for the financial period beginning 1 April 2014 do not have any material impact on the consolidated financial statements.

- Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

2.3. Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates.

In preparing this consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimations uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 March 2014, with the exception of changes in estimates that are required in determining the provision for income taxes.

2.4. Seasonality of operations

The Group is subject to significant seasonal variances in sales, which are significantly higher in its financial third quarter (between 1 October and 31 December) in anticipation of and during the Christmas holiday season. For the period ended 30 September 2013, the level of sales represented 42.3 % of the annual level of sales in the year ended 31 March 2014 and the level of operating profit represented 16.1 % of the annual operating profit in the year ended 31 March 2014. These ratios are not representative of sales and operating profit expected for the year ended 31 March 2015.

Seasonality also has an impact on the production schedule and the use of working capital. The Group generally uses a significant part of its working capital between April to November in order to increase the production in anticipation of increased sales during the Christmas holiday season.

3. FINANCIAL RISK MANAGEMENT

3.1. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

The condensed interim consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2014.

There have been no changes in the risk management department or in any risk management policies since year-end.

3. FINANCIAL RISK MANAGEMENT *(continued)*

3.1. Financial risk factors *(continued)*

(a) Market risk

Foreign exchange risk

The Group conducts its distribution activities worldwide. Sales made by the subsidiaries are denominated in their local currency. The production sites are located in France and, consequently, a major part of the costs of production or purchase is denominated in Euros. The Group is thus exposed to foreign exchange risk on its commercial transactions, whether known or forecasted.

The Group treasury's risk management policy is to hedge a portion of its subsidiaries' known or forecasted commercial transactions not denominated in the presentation currency. The currency exposure must be hedged gradually from a minimum hedging of 17% of the total anticipated trade flow in foreign currency seven months before the anticipated due date to a maximum total hedging (100%) two months before the anticipated due date. The main currencies hedged are the United States Dollar, the Japanese Yen, the Sterling Pound, the Yuan, the Mexican Peso and the Australian Dollar. The hedging policy is adjusted on a case by case basis based on market conditions. In order to achieve this objective, the Group uses foreign currency derivative instruments which are traded "over the counter" with major financial institutions.

Cash flow and fair value interest rate risk

The cash is currently invested in treasury deposit at short term and takes profit of any increase in Euro interest rates.

The Group's interest rate risk arises from non-current borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

In accordance with debt covenants described in note 15.2, the interest rate of certain bank borrowings can be re-priced.

Price risk

The Group is not significantly exposed to equity securities risk and to commodity price risk.

The Group is also exposed to price risk arising from investments in equity securities. The investments are done in accordance with the limits set by the Financial Investment Committee in charge of selecting the investments. On 30 September 2014, the Group has no investment in equity securities.

(b) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with bank and financial institutions, as well as credit exposures to wholesale and retail customers.

The Group has no significant concentrations of credit risk for customers:

- For customers in the Sell-in segment, sales are made with credit terms generally from 60 and 90 days and the Group maintains adequate allowances for potential credit losses and follows regularly the solvency of its counterpart. As of 30 September 2014, the Group did not have any significant concentration of business conducted with a particular customer that could, if suddenly eliminated, severely impact the operations of the Group;
- For customers in the Sell-out segment, the Group's sales to end customers are made in cash or via major credit cards and no credit terms are generally granted to the end customers. When the Sell-out sales are generated in department stores, a credit term is granted to the department store until the cash is transferred to the Group. This credit term is generally from 60 to 90 days.
- Cash and cash equivalents and derivatives financial instruments are concentrated on few independently rated parties with a minimum rating of 'A'.

3. FINANCIAL RISK MANAGEMENT *(continued)*

3.1. Financial risk factors *(continued)*

(c) ***Liquidity risk***

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

On 18 July 2014, the Company signed a multi-currency revolving facility agreement for an amount of € 400 million with a 5 years maturity to replace the previous revolving facility agreement for an amount of € 350 million signed in July 2010 (note 15.2).

Management monitors rolling forecasts of the Group's liquidity reserve (comprising undrawn borrowing facility and cash and cash equivalents) on the basis of expected cash flow. The liquidity reserves as at 30 September 2014 are as follows:

In thousands of Euros	**30 September 2014**
Cash and cash equivalents and bank overdrafts	289,217
Undrawn borrowing facilities (note 15.2)	315,968
Liquidity reserves	**605,185**

3.2. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company has also treasury shares (note 14.2).

4. SEGMENT INFORMATION

The chief operating decision-makers have been identified as the Chairman & CEO and the Managing Director. They review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Chairman & CEO and the Managing Director consider the business from both a channel and a geographic perspective. They review the operating results of both sets of components and financial information is available for both, however the channels are the operating segments.

From a channel perspective, management assesses the performance of two operating segments, which are Sell-out and Sell-in:

- Sell-out comprises the sales of products directly to the final customers. These sales are mainly done in the Group's stores and/or through the Group's websites;

- Sell-in comprises the sales of products to intermediates. These intermediates are mainly distributors, wholesalers, TV show channels and travel retailers. This segment also comprises sales of products to corporate customers which will give them out as presents, for example to their customers or employees and the sales of the Group's products to an intermediate who will provide them as free amenities to its final customers. These intermediates are mainly airlines companies and hotels.

From a geographical perspective, management assesses the performance of the different countries.

4.1. Operating segments

The measure of profit or loss for each operating segment is their operating profit. The operating segments information is as follows:

In thousands of Euros	Period ended 30 September 2014 Sell-Out	Sell-In	Other reconciling items	Total
Net sales	**353,716**	**132,159**	**—**	**485,874**
In %	*72.8%*	*27.2%*	—	*100%*
Gross profit	**302,242**	**87,791**	**—**	**390,033**
% of sales	85.4%	66.4%	—	80.3%
Distribution expenses	(200,145)	(23,931)	(22,714)	(246,791)
Marketing expenses	(22,296)	(3,821)	(30,910)	(57,027)
Research & development expenses	—	—	(6,035)	(6,035)
General and administrative expenses	—	—	(49,126)	(49,126)
Share of profit/(loss) from joint operations	—	—	(30)	(30)
Other gains/(losses), net	374	—	33	407
Operating profit	**80,175**	**60,039**	**(108,782)**	**31,431**
% of sales	*22.7%*	*45.4%*	—	*6.5%*

In thousands of Euros	Period ended 30 September 2013 Sell-Out	Sell-In and B-to-B	Other reconciling items	Total
Net sales	**327,444**	**118,917**	**—**	**446,361**
In %	*73.4%*	*26.6%*	—	*100%*
Gross profit	**280,944**	**81,582**	**—**	**362,526**
% of sales	85.8%	68.6%	—	81.2%
Distribution expenses	(187,135)	(21,036)	(22,344)	(230,515)
Marketing expenses	(22,122)	(3,481)	(31,475)	(57,078)
Research & development expenses	—	—	(4,653)	(4,653)
General and administrative expenses	—	—	(48,775)	(48,775)
Other gains / (losses), net	(229)	(36)	206	(59)
Operating profit	**71,457**	**57,030**	**(107,041)**	**21,446**
% of sales	*21.8%*	*48.0%*	—	*4.8%*

The other reconciling items include amounts corresponding to central corporate functions unrelated to a specific business segment (mainly the central distribution warehouses, central marketing and most of general and administration expenses).

There are no significant inter-segment transfers or transactions.

4. SEGMENT INFORMATION *(continued)*

4.2. Geographic areas

Sales consist only of product sales. Sales are allocated based on the country of the invoicing subsidiary.

	Period ended 30 September			
	2014		2013	
In thousands of Euros	Total	In %	Total	In %
Japan	81,024	16.7%	76,579	17.2%
United States	59,056	12.2%	54,316	12.2%
Hong Kong	54,505	11.2%	46,562	10.4%
France	40,506	8.3%	40,166	9.0%
China	35,673	7.3%	31,485	7.1%
Luxembourg - Swiss branch	29,729	6.1%	27,193	6.1%
United Kingdom	27,016	5.6%	24,106	5.4%
Brazil	22,050	4.5%	19,678	4.4%
Russia	22,006	4.5%	21,936	4.9%
Taiwan	14,747	3.0%	14,857	3.3%
Other countries	99,562	20.5%	89,483	20.1%
Net sales	**485,874**	**100%**	**446,361**	**100%**

5. INFORMATION RELATING TO CHANGES IN THE GROUP STRUCTURE

5.1. For the period ended 30 September 2014

Acquisition of a distributor in Norway

On 30 July 2014 the Group acquired 100% of the issued share capital and voting rights of L'Occitane Norway AB for a total consideration of € 6,639,000. L'Occitane Norway AB is located in Oslo, Norway and is specialized in the distribution of L'Occitane products in that country.

The following table summarizes the consideration paid for L'Occitane Norway AB, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date:

In thousands of Euros	Fair value
Cash	5,986
Deferred payment	653
Equity instruments	—
Contingent consideration	—
Total consideration transferred	**6,639**
Indemnification asset	—
Fair value of equity interest held before the business combination	—
Total consideration transferred	**6,639**

5. INFORMATION RELATING TO CHANGES IN THE GROUP STRUCTURE *(continued)*

5.1. For the period ended 30 September 2014 *(continued)*

Recognised amounts of identifiable assets acquired and (liabilities assumed)	
Property, plant and equipment (note 7)	218
Intangible assets (note 9)	17
Other non-current assets	105
Inventories	629
Trade receivables	803
Other current assets	60
Cash and cash equivalents	375
Borrowings	—
Net deferred tax liabilities	—
Trade payables	(840)
Salaries, wages, related social items and other tax liabilities	(354)
Contingent liability	—
Other current liabilities	(462)
Total identifiable net assets	**551**
Non-controlling interests	—
Goodwill (note 8)	6,088
Total	**6,639**

The above fair value of the acquired identifiable net assets is provisional pending receipt of the final valuation of those assets.

The outflow of cash to acquired business, net of cash acquired amounted to € 5,611,000.

The acquisition-related costs were non-significant and expensed in the interim consolidated statement of income, within 'general and administrative expenses'.

The goodwill of € 6,088,000 rose from number of factors. Most significant amongst these was the premium attributable to the increased profitability linked to the margins previously earned by the agent and also to the fact that the access of the Group to this geographical market will be facilitated (there was no contractual customer relationship as the acquired business is mainly related to the Sell-out operating segment). None of the goodwill recognised is expected to be deductible for income tax purposes.

For the half year period ended 30 September 2014, the acquired business contributed net sales of € 1,675,000 and net loss for the period of € 62,000.

Transaction with non-controlling interests

On 7 July 2014, the Company sold 25% of the shareholding in L'Occitane South Africa for a total consideration of € 41,000.

5. INFORMATION RELATING TO CHANGES IN THE GROUP STRUCTURE *(continued)*

5.1. For the period ended 30 September 2014 *(continued)*

The effect of changes in the ownership interest of L'Occitane South Africa on the equity attributable to owners of the Company during the period ended 30 September 2014 are summarised as follows:

In thousands of Euros	**L'Occitane South Africa**
Carrying amount of non-controlling interests sold	233
Consideration received from non-controlling interests	(41)
Excess of consideration received recognised in the transaction with non-controlling interests within 'other reserves' in equity	**(274)**

5.2. For the period ended 30 September 2013

Joint operations

On 2 July 2013, LOI and SMCM (a third company held by Daniel Margot) entered into the shareholder's agreement of a new created entity 'Savonnerie nature en Provence' ('SNP') with the objective of combining the expertise of SMCM in soap manufacturing and LOI's decision to outsource its soap production. LOI owns 20% of Savonnerie nature en Provence. Under the shareholders' agreement, a joint control was established between LOI and SMCM. Therefore this investment was recorded using the equity method with a percentage of 20%.

Business combination in South Africa

On 3 June 2013, the Company created a new subsidiary in South Africa, L'Occitane South Africa Ltd. This new subsidiary acquired 6 stores from the former distributor for a consideration of approximately € 500,000.

Creation of subsidiaries

On 4 July 2013, a new subsidiary, L'Occitane Portugal Unipessoal LDA was created to distribute the products in Portugal.

Transaction with non-controlling interests

On 17 May 2013, the Company acquired the remaining 5.45% in the subsidiary L'Occitane Central Europe s.r.o. for a total consideration of € 330,000. L'Occitane Central Europe is located in Czech Republic and is specialized in the distribution of L'Occitane products in Central Europe countries. After this transaction, L'Occitane Central Europe was 100% held by the Group.

The effect of changes in the ownership interest of L'Occitane Central Europe on the equity attributable to owners of the Company during the period ended 30 September 2013 was summarised as follows:

In thousands of Euros	**L'Occitane Central Europe**
Carrying amount of non-controlling interests acquired	(120)
Consideration paid to non-controlling interest	330
Excess of consideration paid recognised in the transaction with non-controlling interests within 'other reserves' in equity	**450**

6. OTHER FINANCIAL LIABILITIES

The following put options have been granted by the Group to the non-controlling interests:

In thousands of Euros	31 March 2014	Dividend paid to the non-controlling interests	Change in estimates in the valuation of the exercice price	Unwinding of discount (note 21)	30 September 2014
Katalin Berenyi and Hojung Lee (Symbiose)	6,900	—	—	276	7,176
Total other financial liabilities	**6,900**	**—**	**—**	**276**	**7,176**

7. PROPERTY, PLANT AND EQUIPMENT

Changes in property, plant and equipment can be analysed as follows:

In thousands of Euros	
Net book value as of 1 April 2014	**177,424**
Additions	25,158
Disposals	(1,489)
Acquisition of subsidiaries (note 5.1)	218
Depreciation (note 19.3)	(23,384)
Impairment loss (note 19.3)	—
Reversal of impairment loss (note 19.3)	849
Other movements	(140)
Exchange differences	4,062
Net book value as of 30 September 2014	**182,698**

As at 30 September 2014, the net book value under finance leases amounts to € 15,099,000 and mainly relates to the land and building of the plants in Lagorce and Manosque, France. During the period ended 30 September 2014, no finance lease was drawn.

8. GOODWILL

Changes in goodwill are as follows:

In thousands of Euros	
Cost as of 1 April 2014	**135,789**
Acquisition of subsidiaries (see note 5.1)	6,088
Exchange differences	2,960
Cost as of 30 September 2014	**144,837**
Accumulated impairment as of 1 April 2014	**(1,000)**
Impairment loss	—
Exchange differences	—
Accumulated impairment as of 30 September 2014	**(1,000)**
Net book value as of 30 September 2014	**143,837**

9. INTANGIBLE ASSETS

Intangible assets include notably:

- Key moneys;
- Acquired trademarks (Melvita, Erborian);
- Internally used software including enterprise resources planning system, point-of-sales system and others.

Except for trademarks, there are no intangible assets with indefinite useful lives.

Changes in intangible assets can be analysed as follows:

In thousands of Euros	
Net book value as of 1 April 2014	**69,748**
Additions	3,492
Disposals	(113)
Acquisition of subsidiaries (note 5.1)	17
Amortization (note 19.3)	(4,976)
Impairment loss (note 19.3)	—
Other movements	130
Exchange differences	240
Net book value as of 30 September 2014	**68,538**

Additions mainly concern software an amount of € 3,080,000.

10. INVENTORIES

Inventories consist of the following:

In thousands of Euros	30 September 2014	31 March 2014
Raw materials and supplies	25,458	25,623
Finished goods and work in progress	163,776	138,397
Inventories, gross	**189,234**	**164,020**
Less, allowance	(15,862)	(15,297)
Inventories	**173,372**	**148,723**

Included in the finished goods are mini products, pouches and boxes bundled with regular products for an amount of € 23,565,000 as at 30 September 2014 (€16,329,000 as at 31 March 2014).

11. TRADE RECEIVABLES

Trade receivables, net ageing analysis consist of the following:

In thousands of Euros	30 September 2014	31 March 2014
Current and past due within 3 months	92,659	83,996
Past due 3 to 6 months	977	475
Past due 6 to 12 months	427	443
Past due Over 12 months	163	401
Trade receivables	**94,226**	**85,315**

The Group considers that there is no recoverability risk on these past due receivables.

12. OTHER CURRENT ASSETS

The following table presents details of other current assets:

In thousands of Euros	30 September 2014	31 March 2014
Value added tax receivable and other taxes and social items receivable	21,216	20,672
Prepaid expenses (a)	20,038	19,076
Income tax receivable (b)	4,332	6,426
Short-term bank deposit (c)	—	3,213
Advance payments to suppliers	4,530	4,204
Other current assets	2,981	3,022
Total other current assets	**53,097**	**56,613**

(a) Prepaid expenses relate mainly to the pre-payment of rental expenses in relation to the stores.

(b) Income tax receivable is related to down payments of income tax that are higher than the final income tax expense expected to be paid for the period.

(c) The short-term bank deposit was pledged as collateral for a short-term bank borrowing (note 15).

13. DERIVATIVE FINANCIAL INSTRUMENTS

a) Analysis of derivative financial instruments

Derivative financial instruments are analysed as follows:

	30 September 2014		31 March 2014	
In thousands of Euros	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives - held for trading	—	—	—	—
Foreign exchange derivatives - held for trading	174	1,491	313	121
Sub-total derivative financial instruments at fair value through profit and loss (a)	**174**	**1,491**	**313**	**121**
Interest rate derivatives - cash flow hedges	—	—	—	—
Foreign exchange derivatives - cash flow hedges	—	—	—	—
Sub-total derivative financial instruments designated as hedging instruments (b)	**—**	**—**	**—**	**—**
Total derivative financial instruments	174	1,491	313	121
Less non-current portion:				
– Interest rate derivatives - cash flow hedges	—	—	—	—
– Interest rate derivatives - held for trading	—	—	—	—
Non-current portion of derivative financial instruments	**—**	**—**	**—**	**—**
Current portion of derivative financial instruments	**174**	**1,491**	**313**	**121**

13. DERIVATIVE FINANCIAL INSTRUMENTS *(continued)*

a) Analysis of derivative financial instruments *(continued)*

(a) The change in fair value related to derivatives at fair value through profit and loss is recognized in the statement of income, within 'Finance income'/'Finance costs' for interest derivatives and within 'Foreign currency gains/(losses)' for currency derivatives.

(b) The change in the fair value of derivatives designated as hedging instrument is recognised as follows:

- The effective portion of changes in the fair value of derivatives designated as hedging instruments has been recognized in the statement of comprehensive income for an amount net of tax;

- The ineffective portion that arises from derivatives designated as hedging instruments is recognized in the interim consolidated statement of income, within 'Finance income'/'Finance costs' for interest derivatives and within 'Foreign currency gains/(losses)' for currency derivatives.

b) Notional amounts of derivative financial instruments

The notional principal amounts of the outstanding forward foreign exchange derivatives are (in thousands of Euros):

Currencies	30 September 2014	31 March 2014
Sale of currencies		
USD	23,436	—
JPY	9,031	14,006
SGD	—	7,854
GBP	8,545	5,373
CNY	6,376	—
AUD	2,489	2,442
MXN	888	3,436
PLN	—	391
CZK	—	230
Purchase of currencies		
HKD	8,287	—
CHF	—	2,462

14. CAPITAL AND RESERVES

L'Occitane International S.A. ("LOI") is a corporation incorporated in the Grand Duchy of Luxembourg. The authorized capital of the Company is € 1,500,000,000 out of which € 44,309,000 are issued as at 30 September 2014. At 30 September 2014, the Company's share capital is held by the company L'Occitane Groupe S.A. ('LOG', 'the parent company'), in a proportion of 69.18%.

All the issued shares of the Company are fully paid and benefit from the same rights and obligations.

14. CAPITAL AND RESERVES *(continued)*

14.1. Share capital and Additional paid-in capital

The changes in the number of shares, share capital and additional paid-in capital are summarized as follows:

In thousands of Euros except "Number of shares"	Number of shares	Share capital	Additional paid-in capital
At 31 March 2013	**1,476,964,891**	**44,309**	**342,851**
At 31 March 2014	**1,476,964,891**	**44,309**	**342,851**
At 30 September 2014	**1,476,964,891**	**44,309**	**342,851**

14.2. Treasury shares

As at 30 September 2014, the Company held 6,655,500 of its own shares. The aggregate price of the purchased shares was deducted from equity as treasury shares reserve for an amount of € 9,247,000.

No treasury shares were acquired over the half year period ended 30 September 2014.

14.3. Share-based payments

There are two types of share-based payments that were granted: (i) share-based payments related to LOI equity instruments and (ii) share-based payments related to LOG equity instruments.

(i) ***Main characteristics and detail of the plans with LOI equity instruments***

On 30 September 2014, the stock options and free shares plans are the following:

	Movements in the number of equity instruments granted					Characteristics of the plans/grants			
Plans/grants	At the beginning of the period/ year	Granted over the period/ year	Forfeited	At the end of the period/ year	Number of options exercisable or shares	Contractual option term	Vesting period	Grantees	Performance conditions
Stock options plan authorized on 30 September 2010 for 1.5% of the Company's issued share capital as at 30 September 2010 (a):									
Granted on 4 April 2011 at an exercice price of HKD 19.84	6,223,000		(393,000)	5,830,000	–	8 years	4 years	Middle management	Non-market performance conditions: the number of options exercisable depends on the achievement of conditions based on Group net sales and Group operating profit
Granted on 4 April 2011 at an exercice price of HKD 19.84	520,000			520,000	–	8 years	4 years	Group management	Market performance conditions : the number of options exercisable depends on the change in the share price
Granted on 4 April 2011 at an exercice price of HKD 19.84	1,420,000			1,420,000	–	8 years	4 years	Group management	No performance condition other than the service conditions.
Granted on 26 October 2012 at an exercice price of HKD 23.60	3,156,680		(78,000)	3,078,680	–	8 years	4 years	Group & Middle management	No performance condition other than the service conditions.
Granted on 28 November 2012 at an exercice price of HKD 24.47	1,249,169			1,249,169	–	8 years	4 years	Group & Middle management	No performance condition other than the service conditions.

14. CAPITAL AND RESERVES *(continued)*

14.3. Share-based payments *(continued)*

(i) Main characteristics and detail of the plans with LOI equity instruments (continued)

Plans/grants	At the beginning of the period/year	Granted over the period/year	Forfeited	At the end of the period/year	Number of options exercisable or shares	Contractual option term	Vesting period	Grantees	Performance conditions
	Movements in the number of equity instruments granted						Characteristics of the plans/grants		
Stock options plan authorized on 25 September 2013 for 1.5% of the Company's issued share capital as at 25 September 2013 (b):									
Granted on 4 December 2013 at an exercise price of HKD 17.62	11,468,750		(124,000)	11,344,750	–	8 years	4 years	Group & Middle management	No performance condition other than the service conditions.
Free share plan authorized on 30 September 2010 for 0.5% of the Company's issued share capital as at 30 September 2010 (a):									
Granted on 26 October 2012	1,766,680		(78,500)	1,688,180	–	N/A	4 years	Group & Middle management	No performance condition other than the service conditions.
Free share plan authorized on 25 September 2013 for 0.5% of the Company's issued share capital as at 25 September 2013 (b):									
Granted on 4 December 2013	867,500		(16,750)	850,750	–	N/A	4 years	Group & Middle management	No performance condition other than the service conditions.

Characteristics of the above authorizations:

(a) The validity of the authorization is 3 years. A vesting period of 4 years as service condition is required. At each grant date, the Board may specify performance targets. The exercise price is to be determined by the Board.

(b) The validity of the authorization is 3 years. A vesting period of 4 years as service condition is required. At each grant date, the Board may specify performance targets.

The stock options forfeited are related to the employees who left the Company before the end of the vesting period.

(ii) Main characteristics and detail of the plans with LOG equity instruments

LOG, the parent company of L'Occitane International S.A. granted rights to its own equity instruments direct to L'Occitane International S.A. and its subsidiaries' employees.

Accounting treatment

In accordance with IFRS 2, these share-based arrangements are accounted for as an equity-settled share-based payment transaction in the consolidated financial statements of L'Occitane International S.A.. Therefore, the share-based compensation expense is recognized with a corresponding effect in equity attributable to the owners of the Company as a 'contribution from the parent'.

During the period ended 30 September 2014, no share-based payment related to LOG equity instruments has been granted.

14. CAPITAL AND RESERVES *(continued)*

14.3. Share-based payments *(continued)*

(ii) *Main characteristics and detail of the plans with LOG equity instruments (continued)*

Accounting treatment *(continued)*

On 30 September 2014, the stock options plans are the following:

Plans/grants	At the beginning of the period/year	Exercised over the period/year	Forfeited	Expired	At the end of the period/year	Number of options exercisable	Contractual option term	Vesting period	Grantees	Performance conditions
	Movements in the number of equity instruments granted						Characteristics of the plans/grants			
Plan authorized on 28 January 2010 for 730,000 stock options										
Granted on July 2009 (authorized in January 2010) at an exercice price of € 23.20	142,350	(51,465)	–	–	90,885	–	6 years	4 years	Management and middle management	None
Granted on April 2010 at an exercice price of € 23.20	10,000	–	–	–	10,000	–	6 years	4 years	Management and middle management	None
Plan authorized on 28 September 2007 for 200,000 stock options										
Granted on February 2008 at an exercice price of € 26.10	9,350	(9,350)	–	–	–	–	6 years	4 years	Management and middle management	None

The stock options forfeited are related to the employees who left the Company before the end of the vesting period.

(iii) *Total share-based compensation expense*

During the period ended 30 September 2014 and 30 September 2013, the share-based compensation expense recognized within the employee benefits is the following:

In thousands of Euros	Period ended 30 September 2014	2013
LOI equity instruments	1,346	862
LOG equity instruments	—	888
Total (note 21)	**1,346**	**1,750**

14.4. Distributable reserves

On 31 March 2014, the distributable reserves of L'Occitane International S.A. amounted to € 371,057,108.

14.5. Dividend per share

On 24 September 2014, the annual Shareholder's Meeting approved the distribution of € 31,318,000 being € 0.0213 per share (excluding 6,655,500 treasury shares) which was paid on 22 October 2014.

On 25 September 2013, the annual Shareholder's Meeting approved the distribution of € 42,933,000 being € 0.0292 per share (excluding 6,655,500 treasury shares) which was paid on 23 October 2013.

15. BORROWINGS

Borrowings include the following items:

In thousands of Euros	30 September 2014	31 March 2014
FY 2015 Revolving facility	84,149	—
FY 2011 Revolving facility	—	52,095
FY 2012 bank borrowing	9,288	9,289
Other bank borrowings	342	3,067
Finance lease liabilities	13,976	14,812
Current accounts with non controlling interests	104	100
Bank overdrafts	—	—
Total	**107,859**	**79,363**
Less, current portion:		
– FY 2015 Revolving facility	(117)	—
– FY 2011 Revolving facility	—	(112)
– FY 2012 bank borrowing	(716)	(717)
– Other bank borrowings	(297)	(3,067)
– Finance lease liabilities	(1,985)	(1,915)
– Current accounts with non controlling interests	—	—
– Bank overdrafts	—	—
Total current	**(3,115)**	**(5,811)**
Total non-current	**104,744**	**73,552**

The FY 2012 bank borrowing is secured by a pledge on the land acquired by Laboratoires M&L S.A. to build the logistic platform in Manosque, France (note 26.3).

As at 31 March 2014, the FY 2011 Revolving Facility was secured by a pledge on 100 % of Laboratoires M&L S.A. shares (note 26.3).

As at 31 March 2014, a part of the other bank borrowings was secured by a pledge on a short-term bank deposit (note 12).

15. BORROWINGS *(continued)*

15.1. Maturity of non-current borrowings

For the period ended 30 September 2014 and for the year ended 31 March 2014, maturity of non-current borrowings, excluding current portion, can be broken down as follows:

In thousands of Euros	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
FY 2015 Revolving facility	84,032	—	—	84,032
FY 2012 bank borrowing	715	2,143	5,714	8,572
Other bank borrowings	45	—	—	45
Current account with minority interests	104	—	—	104
Finance lease liabilities	1,684	4,329	5,978	11,991
Maturity on 30 September 2014	**86,580**	**6,472**	**11,692**	**104,744**
FY 2011 Revolving facility	51,983	—	—	51,983
FY 2012 bank borrowing	714	2,142	5,716	8,572
Current account with minority interests	100	—	—	100
Finance lease liabilities	1,845	4,463	6,589	12,897
Maturity on 31 March 2014	**54,642**	**6,605**	**12,305**	**73,552**

15.2. Credit facilities agreements

FY 2015 Revolving facility

On 18 July 2014, the Company signed a multi-currency revolving facility agreement for an amount of € 400 million with a 5 years maturity plus an option of extension for 2 additional years. An amount of € 84,032,000 is drawn as at 30 September 2014.

Event of default resulting in the early repayment of the FY 2015 Revolving facility agreement depends on the Leverage financial ratio which is based on the annual Group's consolidated financial statements. The leverage financial ratio is calculated as follows: Consolidated net debt/EBITDA. For the measurement of this ratio, the definitions to be used are as follows:

Consolidated net debt	Current and non-current borrowings (including finance leases and other commitments (but excluding lease commitments, long term employee benefits, raw materials commitments and grant to foundation) – cash and cash equivalents
EBITDA	Operating profit before depreciation, amortization and impairment and before net movements in provisions

The leverage financial ratio is to be lower than 3.5. It will be calculated on an annual basis. The ratio will be calculated for the first time with the annual consolidated financial statements as at 31 March 2015.

15. BORROWINGS *(continued)*

15.2. Credit facilities agreements *(continued)*

FY 2015 Revolving facility (continued)

The FY 2015 Revolving facility includes a repricing option. The interest rates depend on the above described Leverage financial ratio calculated every year after the consolidated financial statements of the Group are issued. The change in the ratio results in repricing the interest rate as follows:

Leverage financial ratio	Repricing
Ratio higher than 2.5	Euribor 3M + Margin
Ratio being comprised between 2.0 and 2.5	Euribor 3M + Margin - 0.2
Ratio being comprised between 1.5 and 2.0	Euribor 3M + Margin - 0.35
Ratio being comprised between 1 and 1.5	Euribor 3M + Margin - 0.50
Ratio being comprised between 0.5 and 1	Euribor 3M + Margin - 0.60
Ratio lower than 0.5	Euribor 3M + Margin - 0.70

As at 30, September 2014, the ratio was lower than 0.5 and the interest rate is based on Euribor 3M + Margin - 0.7.

FY 2012 bank borrowing

On 20 June 2011, the Group signed a bank borrowing agreement for an amount of € 10 million with a 14 years maturity and that can be drawn only by Laboratoires M&L. As at 31 March 2014 and 30 September 2014, the bank borrowing was totally drawn.

The interest rate of the bank borrowing is based on Euribor 3M + margin.

FY 2011 Revolving facility

On 28 July 2010, the Company had signed a multi-currency revolving facility agreement for an amount of € 350 million with a 5 years maturity and that can be drawn only by the Company and Laboratoires M&L. This revolving facility has been reimbursed on 18 July 2014.

15.3. Current accounts with non-controlling interests

Current accounts with non-controlling interests:

In thousands of Euros		30 September 2014	31 March 2014
Entity	**Minority shareholders**		
L'Occitane Nordic AB	Johan Nilsson	104	100
Total current accounts		**104**	**100**

15.4. Finance lease liabilities

On 30 March 2010, the Company signed a finance lease agreement in connection with (i) the acquisition of the existing land and building of Melvita for an amount of € 4,934,000 and (ii) the extension and restructuring of the plant for an amount of € 9,066,000. The lease term of the finance lease is 15 years and the interest rate is based on Euribor 3M.

As at 30 September 2014, no new amount was drawn.

16. OTHER CURRENT AND NON-CURRENT LIABILITIES

Other current and non-current liabilities include the following:

In thousands of Euros	30 September 2014	31 March 2014
Grants to a foundation	75	—
Retirement indemnities	7,288	6,573
Long term employement benefits	399	357
Liabilities linked to operating leases	10,375	8,725
Provisions for dismantling and restoring	4,146	3,874
Total other non—current liabilities	**22,283**	**19,530**
Grants to a foundation	1,255	65
Dividend payable to equity owners of the Company	31,318	—
Dividend payable to non—controlling interests	1,623	—
Liabilities linked to purchase of non contolling interests (a)	—	41,304
Deferred payment relating to the acquisition of a subsidiary (note 5.1)	653	—
Deferred revenue	10,519	10,201
Total other current liabilities	**45,368**	**51,570**

(a) On 30 April 2014 the Group exercised a put option to acquire the remaining non-controlling interests of 49% in L'Occitane Russia. The purchase consideration of € 41,304,000 was paid on 16 May 2014.

17. TRADE PAYABLES

The credit terms granted by the suppliers to the production subsidiaries and to the distribution subsidiaries were usually 80 to 110 days and 30 to 60 days, respectively.

Ageing analysis of trade payables from due date at the respective balance sheet date is as follows:

In thousands of Euros	30 September 2014	31 March 2014
Current and past due within 3 months	79,327	90,296
Past due from 3 to 6 months	1,020	102
Past due from 6 to 12 months	1,189	855
Past due over 12 months	664	—
Trade payables	**82,200**	**91,253**

18. PROVISIONS

Provisions can be analysed as follows:

		Charged/(credited) to the income statement				
In thousands of Euros	31 March 2014	Additional provisions	Unused amounts reversed	Used	Exchange differences	30 September 2014
Social litigations (a)	1,325	65	(15)	(150)	6	1,231
Commercial claims (b)	1,035	91	(164)	–	57	1,019
Provision for returned goods	415	522	–	(422)	59	574
Onerous contracts (c)	469	230	–	–	(9)	690
Tax risks	1,664	485	–	–	33	2,182
Total	**4,908**	**1,393**	**(179)**	**(572)**	**146**	**5,696**

(a) Social litigation relates mainly to litigations with employees in relation to staff benefits or potential claims from social security administrations authorities.

(b) Commercial claims relate mainly to claims from distributors.

(c) Onerous contracts relate to operating lease contracts for certain stores where the unavoidable costs of meeting the obligations under the lease agreement exceed the economic benefits expected to be received from it.

In the directors' opinion, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided at each balance sheet date.

No reimbursement is expected in connection with these provisions and accordingly no corresponding asset was recognized.

The provisions reversed unused are mainly due to statute of limitation of certain risks.

19. EXPENSES BY NATURE

19.1. Breakdown of expenses by nature

Expenses by nature include the following amounts:

	Period ended 30 September	
In thousands of Euros	2014	2013
Employee benefits expenses (a)	153,954	142,687
Rent and occupancy (b)	95,190	86,671
Raw materials and consumables used	74,784	67,614
Change in inventories of finished goods and work in progress	(20,696)	(28,979)
Advertising costs (c)	46,464	48,616
Professional fees (d)	29,583	28,196
Depreciation, amortization and impairment	27,511	22,856
Transportation expenses	24,475	24,311
Other expenses	23,555	32,884
Total cost of sales, distribution expenses, marketing expenses, research and development expenses, general and administrative expenses	**454,819**	**424,856**

19. EXPENSES BY NATURE *(continued)*

19.1. Breakdown of expenses by nature *(continued)*

(a) Employee benefits include wages, salaries, bonus, share-based compensations, social security, post employment benefits and the cost of the temporary staff.

(b) Rent and occupancy include the minimum lease payments for operating leases, contingent rents (variable rents based on sales) and other charges related to these leases.

(c) Advertising costs also include all distribution and marketing promotional goods given for free to customers without any obligation to purchase products.

(d) Professional fees include mainly payments made to warehouse management companies, marketing agencies and lawyers.

19.2. Workforce

In thousands of Euros	Period ended 30 September 2014	2013
Workforce (full time equivalent)	**7,846**	**7,455**

The Group's workforce is expressed as the number of employees at the end of the period.

19.3. Breakdown of depreciation, amortization and impairment

Depreciation, amortization and impairment include the following:

In thousands of Euros	Period ended 30 September 2014	2013
Depreciation of property, plant and equipment (note 7)	23,384	18,627
Impairment charge on property, plant and equipment (note 7)	(849)	(289)
Amortization of intangible assets (note 9)	4,976	4,517
Impairment charge on intangible assets (note 9)	—	—
Depreciation, amortization and impairment	**27,511**	**22,856**

20. OTHER GAINS/(LOSSES), NET

Other gains/(losses), net in the consolidated statement of income comprises the following:

In thousands of Euros	Period ended 30 September 2014	2013
Net profit/(loss) on sale of assets	(401)	(433)
Government grant on research & development costs	689	410
Other items	119	(36)
Other gains/(losses), net	**407**	**(59)**

21. FINANCE INCOME AND FINANCE COSTS

Finance income and finance costs consist of the following:

In thousands of Euros	Period ended 30 September 2014	2013
Interest on cash and cash equivalents	1,520	1,517
Fair value gains on derivatives	—	—
Finance income	**1,520**	**1,517**
Interest expense	(1,305)	(1,355)
Unwinding of discount of other financial liabilities (note 6)	(276)	(962)
Fair value losses on derivatives (note 13)	—	—
Finance costs	**(1,581)**	**(2,317)**
Finance costs, net	**(61)**	**(800)**

22. FOREIGN CURRENCY GAINS/(LOSSES)

Foreign currency gains/(losses) consist of the following:

In thousands of Euros	Period ended 30 September 2014	2013
Foreign exchange differences	10,408	(8,130)
Fair value gains/(losses) on derivatives (note 13)	(1,509)	742
Foreign currency gains/(losses)	**8,899**	**(7,388)**

Foreign exchange differences mainly correspond to:

- Unrealized net foreign exchange gains : € 10 million (net losses amounting to € 8.3 million for the period ended 30 September 2013);
- Realized net foreign exchange gains/losses: € 0.4 (net gains amounting to € 0.2 million for the period ended 30 September 2013).

23. INCOME TAX

23.1. Income tax expense

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Reconciliation between the reported income tax expense and the theoretical amount that would arise using a standard tax rate is as follows:

In thousands of Euros	Period ended 30 September 2014	2013
Profit before income tax	40,270	13,258
Income tax calculated at corporate tax rate *(Luxembourg tax rate of 29.22% as at 30 September 2014 and 2013)*	(11,767)	(3,874)
Effect of different tax rates in foreign countries	13,187	7,919
Effect of unrecognized tax assets	(5,882)	(2,466)
Expenses not deductible for taxation purposes	1,722	(214)
Effect of unremitted tax earnings	(248)	(78)
Income tax expense	**(2,988)**	**1,287**

23.2. Deferred income tax assets and liabilities

The increase in the deferred income tax assets mainly correspond to the losses generated in a tax jurisdiction over the half-year period ended 30 September 2014.

24. EARNINGS PER SHARE

24.1. Basic

Basic earnings per share is calculated by dividing the profit attributable to equity owners of the Company by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Group and held as treasury shares (note 14.2).

	Period ended 30 September 2014	2013
Profit for the half-year attributable to equity owners of the Company *(in thousands of Euros)*	**36,649**	**13,952**
Weighted average number of ordinary shares in issue	1,470,309,391	1,470,309,391
Basic earnings per share *(in € per share)*	**0.025**	**0.009**

24. EARNINGS PER SHARE *(continued)*

24.2. Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Period ended 30 September	
	2014	2013
Profit for the half-year attributable to equity owners of the Company *(in thousands of Euros)*	**36,649**	**13,952**
Weighted average number of ordinary shares in issue	1,470,309,391	1,470,309,391
Adjustement for free shares	1,177,043	650,727
Weighted average number of ordinary shares for diluted earnings per share	1,471,486,434	1,470,960,118
Diluted earnings per share *(in € per share)*	**0.025**	**0.009**

25. CONTINGENCIES

25.1. Legal proceedings

The Group is subject to legal proceedings, claims and litigation arising in the ordinary course of business. The Group's management does not expect that the ultimate costs to resolve these other matters will have a material adverse effect on the Group's consolidated financial position, statement of income or cash flows.

In the United States, a class action lawsuit is pending in the State of California versus L'Occitane Inc. as a result of the collection of customer personal information by L'Occitane. Based on the lawyer's opinion, the risk is probable but the final outcome of this legal action cannot be reliably estimated. As at 31 March 2014, after consultation with external lawyer, the Group recorded an accrual for a total amount of € 560,000 which includes (i) the accrued lawyer's fees, (ii) the distribution to customers in the form of gift cards, and (iii) the legal fees to be paid for the class action lawyer for the plaintiff.

25.2. Tax risks

In October 2012, the Group has received a tax reassessment from the tax authority in Brazil amounting to € 4.9 million for the year 2008, 2009 and 2010. This reassessment does not relate to an underestimation of the declared revenues in Brazil but to a lack of formal adequate paper documentation (instead of the electronic documentation provided by the Group). After consultation with external lawyers and comparison with other similar cases in Brazil for which the final penalty was significantly reduced, the Group recorded a provision amounting to € 550,000.

In July 2012, the French tax authorities started an audit of the tax returns filed by L'Occitane S.A. for the years ended in March 2009, 2010 and 2011. In December 2012, the company received a first tax reassessment for a total amount of € 10,000,000 plus the late payment of interests and penalties relating to the year-ended 31 March 2009. In December 2013, the company received a second tax reassessment for an additional total amount of € 23,700,000 plus the late payment of interests and penalties relating to the year-ended 31 March 2010 and 2011. The French tax authorities questioned the nature and level of intercompany transactions. After consulting its tax advisors, the Group considers that the French tax authorities' position is unfounded and has challenged this reassessment. At the present time, the probability and the amount of the obligation cannot be reliably assessed. Consequently, no provision has been recorded.

25.3. Other contingent liabilities

The Group has contingent liabilities in respect of bank, other guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities. All guarantees given by the Group are described in note 26.3.

26. COMMITMENTS

26.1. Capital and other expenditure commitments

Capital and other expenditure contracted for at the balance sheet date but not yet incurred is as follows:

In thousands of Euros	30 September 2014	31 March 2014
Property, plant and equipment	4,114	4,641
Intangible assets	154	27
Raw materials	1,915	5,338
Total	**6,183**	**10,006**

The amounts as of 30 September 2014 and 31 March 2014 are mainly related to the plants in France.

26.2. Lease commitments

The Group leases various retail stores, offices and warehouses under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses, free-rents period and renewal rights. The lease expenditure charged to the statement of income is disclosed in note 19.

The future aggregate minimum annual lease payments under all non-cancellable operating leases are as follows:

In thousands of Euros	30 September 2014	31 March 2014
Within one year	103,468	95,876
One to two years	84,887	80,385
Two to three years	61,586	60,292
Three to four years	47,964	47,224
Four to five years	39,016	36,604
Subsequent years	102,378	97,499
Total	**439,299**	**417,880**

The above minimum lease payments do not include contingent rents (mainly variable rents based on sales in the stores).

The increase in lease commitments relates to the lease agreements of the new stores open during the period ended 30 September 2014.

26.3. Other commitments

In thousands of Euros	30 September 2014	31 March 2014
Pledge of land and building (a)	9,288	9,289
Pledge of investments (b)	—	52,095
Total	**9,288**	**61,384**

(a) As at 30 September 2014 and as at 31 March 2014, the pledge of land and building corresponds to the FY 2012 bank borrowing (note 15).

(b) As at 31 March 2014, the pledge of investments corresponded to the FY 2011 Revolving facility (note 15).

27. TRANSACTIONS WITH RELATED PARTIES

The following transactions were carried out with related parties:

27.1. Key management compensation

Key management is composed of the Directors (executive and non-executive Company's Board members) and the senior management.

Emoluments expensed during the periods are analysed as follows:

In thousands of Euros	Period ended 30 September 2014	2013
Executive directors	1,493	1,542
Non executive directors	71	69
Senior management	1,426	1,437
Total key management emoluments	**2,990**	**3,049**

During the period ended 30 September 2014 and 30 September 2013, no stock options were granted to the Directors.

In addition to the directors' remuneration disclosed above, certain directors receive remuneration from the Company's holding company, LOG, which totals € 111,000 (€ 167,000 for the period ended 30 September 2013), part of which is in respect of their services to the Company and its subsidiaries.

27.2. Other transactions with other related parties

The sales/(purchases) with other related parties are as follows:

In thousands of Euros	Period ended 30 September 2014	2013
Sales of goods	98	36
Sales of services	11	—
Purchase of services from related parties	(72)	(221)
Purchase of services from other related parties (close members of the family of key management)	(121)	(114)
Interest expenses	—	—

28. POST BALANCE SHEET EVENTS

There are no post balance sheet events that require to be reported.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 September 2014, the following Directors or chief executive of the Company had or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) (i) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 & 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have taken under such provision of the SFO), (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"):

(a) Interests in the shares of the Company

Name of Director	Capacity and Nature of Interest	Number of shares/ underlying shares held or controlled	Approximate % of Shareholding (Note 3)
Reinold Geiger (Note 1)	Interest in controlled corporation, beneficial Interest and deemed Interest	1,029,821,852 (long position)	69.73%
André Hoffmann	Beneficial Interest	2,766,961 (long position)	0.19%
Domenico Trizio	Beneficial Interest	2,024,500 (long position)	0.14%
Emmanuel Osti (Note 2)	Beneficial Interest and deemed Interest	949,247 (long position)	0.06%
Thomas Levilion	Beneficial Interest	679,500 (long position)	0.05%
Nicolas Veto	Beneficial Interest	183,000 (long position)	0.01%
Charles Mark Broadley	Beneficiary of a trust and beneficial Interest	152,000 (long position)	0.01%
Karl Guénard	Beneficial Interest	90,500 (long position)	0.01%
Jackson Chik Sum Ng	Beneficial Interest	80,000 (long position)	0.01%
Martial Lopez	Beneficial Interest	60,000 (long position)	0.00%
Pierre Milet	Beneficial Interest	50,000 (long position)	0.00%

Notes:

(1) Mr. Reinold Geiger is the beneficial owner of 811,250 Shares of the Company and of the entire issued share capital of Société d'Investissement Cime S.A. ("CIME"), which in turn has beneficial interest and deemed interest in approximately 66.87% of the entire issued share capital of the L'Occitane Groupe S.A. ("LOG") (being beneficial owner of 11,117,207 shares and having deemed interest in 3,788,617 treasury shares being held by LOG, in 253 shares and in 34,460 shares being held by Mr. Geiger's wife). Mr. Reinold Geiger is therefore deemed under the SFO to be interested in all the shares registered in the name of LOG, which holds 1,021,827,891 shares in the Company and controls 6,655,500 treasury shares held by the Company. Mr. Geiger also has a beneficial interest in shares of the Company (527,211 underlying shares). See details in Share Option Plan section.

(2) Comprised of 693,711 underlying shares held by Mr. Emmanuel Osti and 255,536 underlying shares held by Ms. Cécile de Verdelhan, each as beneficial and registered owner. Mr. Osti is deemed under the SFO to be interested in the underlying shares of the Company held by Mr. Osti's spouse, Ms. de Verdelhan.

(3) Based on guidance received from the SFC, the disclosure of interest calculations shown in the table above have been calculated on the basis of the Company's total issued share capital including 6,655,500 shares that are held in treasury and do not have voting rights whilst they are held in treasury.

(b) Interests in the shares of the associated corporations

Long Position in the shares of LOG

Name of Director	Capacity and Nature of Interest	Number of shares/ underlying shares held or controlled	Approximate % of Shareholding (Note 3)
Reinold Geiger	Beneficial interest and deemed Interest	14,940,537 (Note 1)	66.87%
André Hoffmann	Beneficial interest and deemed interest	3,068,676	13.74%
Emmanuel Osti	Beneficial interest and deemed interest	267,124 (Note 2)	1.20%
Nicolas Veto	Beneficial interest	19,933	0.09%
Martial Lopez	Beneficial interest	18,000	0.08%
Thomas Levilion	Beneficial interest	10,041	0.04%

Notes:

(1) Comprised of 253 shares held by Mr. Reinold Geiger, 11,117,207 shares held by CIME, 34,460 shares held by Ms. Dominique Maze-Sencier, each as beneficial and registered owner and 3,788,617 treasury shares held by LOG. Mr. Geiger is the beneficial owner of the entire issued share capital of CIME; Mr. Geiger is therefore deemed under the SFO to be interested in all the shares in LOG held by CIME. Mr. Geiger is also deemed under the SFO to be interested in the shares in LOG held by Mr. Geiger's wife, Ms. Dominique Maze-Sencier. As a controlling shareholder of LOG, Mr. Geiger is also deemed to be interested in the treasury shares being held by LOG.

(2) Comprised of 225,812 shares held by Mr. Emmanuel Osti and 41,312 shares held by Ms. Cécile de Verdelhan, each as beneficial and registered owner. Mr. Osti is deemed under the SFO to be interested in the shares and underlying shares of LOG held by Mr. Osti's spouse, Ms. Cécile de Verdelhan.

(3) The approximate percentage shareholdings in the share capital of LOG are calculated on the basis of the total number of 22,341,954 shares issued, inclusive of 3,788,617 treasury shares held by LOG.

Save as disclosed herein, as at 30 September 2014, none of the Directors and chief executive of the Company, or any of their spouses, or children under eighteen years of age, had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations recorded in the register required to be kept under section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS IN THE SHARES AND UNDERLYING SHARES OF SUBSTANTIAL SHAREHOLDERS

As at 30 September 2014, the register of substantial shareholders maintained under section 336 of the SFO shows that the Company had been notified of the following substantial shareholders' interests or short positions, other than a Director or chief executive of the Company, in the shares or underlying shares of the Company:

Name of shareholders	Capacity and Nature of Interest	Number of shares/ underlying shares held or controlled	Approximate % of Shareholding (Note 3)
Société d'Investissement Cime S.A.	Interest in controlled corporation and deemed interest	1,028,483,391 (long position) (Note 1)	69.63%
LOG	Interest in controlled corporation and deemed interest	1,028,483,391 (long position) (Note 1)	69.63%
The Capital Group Companies, Inc.	Interest in controlled corporation	84,216,500 (long position) (Note 2)	5.70%

Notes:

(1) *CIME has an interest in approximately 66.72% of the total issued share capital of LOG (being beneficial owner of 11,117,207 shares and having deemed interest in 3,788,617 treasury shares being held by LOG). CIME is the controlling corporation of LOG and is therefore deemed under the SFO to be interested in all the 1,021,827,891 shares held in the Company by LOG. As suggested by SFC, being the controlling corporations of the Company, both CIME and LOG have deemed interest in the 6,655,500 treasury shares being held by the Company.*

(2) *The Capital Group Companies, Inc. directly holds 100% equity interest in Capital Research and Management Company and is therefore deemed to be interested in the 84,216,500 shares held by Capital Research and Management Company.*

(3) *Based on guidance received from the SFC, the disclosure of interest calculations shown in the table above have been calculated on the basis of the Company's total issued share capital including 6,655,500 shares that are held in treasury and do not have voting rights whilst they are held in treasury.*

Save as disclosed herein, as at 30 September 2014, the Company had not been notified of any substantial shareholder (other than a Director or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company that were recorded in the register required to be kept under section 336 of the SFO.

SHARE OPTION PLAN

On 30 September 2010, a meeting of the shareholders of the Company authorised the adoption of a share option plan (the "Share Option Plan 2010"), which expired and was terminated on 29 September 2013 to be replaced by another share option plan (the "Share Option Plan 2013") which was adopted on 25 September 2013. The purpose of the Share Option Plan 2013 is to provide employees of the Group, all its Directors (including non-executive Directors) and Shareholders (together, the "Eligible Persons") with an opportunity to have a proprietary interest in the Company through being granted share options under the Share Option Plan 2013 rules (the "Options"), which will motivate the Eligible Persons to optimise their performance, effectiveness and efficiency for the benefit of the Group and attract and retain or otherwise maintain ongoing business relationships with those Eligible Persons whose contributions are or will be beneficial to the long-term growth of the Group. The maximum number of Shares in respect of which Options may be granted under the Share Option Plan 2013 shall not exceed 22,054,641 Shares, being 1.5% of the Company's issued share capital (excluding shares held in treasury) as at 30 September 2014.

Other Information

Particulars and movements of share options granted under the Share Option Plans 2010 and 2013 (the 2010 and 2013 Options) during the six months ended 30 September 2014 were as follows. No share options were granted under the Share Option Plan 2013 during this period.

Name/Category of Participant	As of 01/04/2014	Number of share options Granted during the period	Number of share options Cancelled during the period	As of 30/09/2014	Date of grant	Exercise Period (Note 1)	Exercise Price per Share (HK$)	Price immediately preceding the date of grant (Note 2) (HK$)
Directors								
Reinold Geiger	250,000	–	–	250,000	4-Apr-11	04/04/2015-03/04/2019	19.84	19.84
	277,211	–	–	277,211	28-Nov-12	28/11/2016-28/11/2020	24.47	24.35
Emmanuel Osti (Note 3) (Note 4) (Note 5)	300,000	–	–	300,000	4-Apr-11	04/04/2015-03/04/2019	19.84	19.84
	407,747	–	–	407,747	28-Nov-12	28/11/2016-28/11/2020	24.47	24.35
	75,000	–	–	75,000	4-Dec-13	04/12/2017-03/12/2021	17.62	17.62
André Hoffmann	250,000	–	–	250,000	4-Apr-11	04/04/2015-03/04/2019	19.84	19.84
	277,211	–	–	277,211	28-Nov-12	28/11/2016-28/11/2020	24.47	24.35
Thomas Levilion	250,000	–	–	250,000	4-Apr-11	04/04/2015-03/04/2019	19.84	19.84
	118,000	–	–	118,000	28-Nov-12	28/11/2016-28/11/2020	24.47	24.35
	311,500	–	–	311,500	4-Dec-13	04/12/2017-03/12/2021	17.62	17.62
Domenico Trizio	1,200,000	–	–	1,200,000	4-Apr-11	04/04/2015-03/04/2019	19.84	19.84
	169,000	–	–	169,000	28-Nov-12	28/11/2016-28/11/2020	24.47	24.35
	655,500	–	–	655,500	4-Dec-13	04/12/2017-03/12/2021	17.62	17.62
Karl Guénard	90,500	–	–	90,500	4-Dec-13	04/12/2017-03/12/2021	17.62	17.62
Nicolas Veto (note 6)	50,000	–	–	50,000	4-Apr-11	04/04/2015-03/04/2019	19.84	19.84
	34,000	–	–	34,000	28-Nov-12	28/11/2016-28/11/2020	24.47	24.35
	78,250	–	–	78,250	4-Dec-13	04/12/2017-03/12/2021	17.62	17.62
Jackson Ng	50,000	–	–	50,000	4-Apr-11	04/04/2015-03/04/2019	19.84	19.84
Mark Broadley	50,000	–	–	50,000	4-Apr-11	04/04/2015-03/04/2019	19.84	19.84
Sub-total (note 7)	4,893,919	–	–	4,893,919				
Others								
Employees	5,763,000	–	(393,000)	5,370,000	4-Apr-11	04/04/2015-03/04/2019	19.84	19.84
	3,122,680	–	(78,000)	3,044,680	26-Oct-12	26/10/2016-26/10/2020	23.60	23.60
	10,258,000	–	(124,000)	10,134,000	4-Dec-13	04/12/2017-03/12/2021	17.62	17.62
Sub-total (note 7)	19,143,680	–	(595,000)	18,548,680			–	–
Total	24,037,599	–	(595,000)	23,442,599			–	–

Notes:

(1) As a general rule, the vesting period of the 2010 and 2013 Options is set at four years and the exercise period is set at four years after the date of vesting. The Share Option Plan 2010 was terminated on 29 September 2013. The Board was however entitled to grant Options to Eligible Persons under the Share Option Plan 2013 subject to such conditions as the Board may think fit, including in respect to the vesting and exercise of such 2013 Options.

(2) Being the closing price of the Shares quoted on the Stock Exchange on the trading day immediately prior to the date of grant of the 2010 or 2013 Options.

(3) Includes 50,000 shares of 2010 Options held by Ms. Cécile de Verdelhan, Mr. Osti's spouse.

(4) Includes 130,536 Options held by Ms. Cécile de Verdelhan, Mr. Osti's spouse.

(5) Corresponding to the 75,000 Options held by Ms. Cécile de Verdelhan, Mr. Osti's spouse.

(6) Mr. Nicolas Veto is also beneficial owner of 12,500 free shares (with vesting date on 26 October 2016) and 8,250 free shares (with vesting date on 4 December 2017)

(7) Mr. Nicolas Veto was grouped under Employees scheme in FY2014. As he was appointed as a director of the Company on 24 September 2014, his share options are disclosed separately.

Date of grant	Expected volatility (%)	Expected life	Risk-free interest rate (%)	Expected dividend yield (%)
4 April 2011	25%	5 years	1.92%	20% of budgeted profit attributable to the equity holders
26 October 2012	25%	5 years	0.50%	30% of budgeted profit attributable to the equity holders
28 November 2012	25%	5 years	0.50%	30% of budgeted profit attributable to the equity holders
4 December 2013	25%	5 years	1.00%	35% of budgeted profit attributable to the equity holders

In total, share-based compensation expense of €1,787,000 was included in the consolidated statement of comprehensive income for the six months ended 30 September 2014 (six months ended 30 September 2013: €862,000). These expenses included the amortisation of the fair value of the share-based awards in the form of Options granted to the Directors and employees under our 2010 and 2013 Share Option Plans.

FREE SHARE PLAN

On 30 September 2010, a meeting of the shareholders of the Company authorised the adoption of a free share plan (the "Free Share Plan 2010"), which expired and was terminated on 29 September 2013 to be replaced by another free share plan (the "Free Share Plan 2013") which was adopted on 25 September 2013. The purpose of the Free Share Plan 2013 is to provide employees of the Group (the "Employees") with an opportunity to have a proprietary interest in the Company through being granted free shares under the Free Share Plan 2013 rules (the "Free Shares"), which will motivate the relevant Employees to optimise their performance, effectiveness and efficiency for the benefit of the Group and attract and retain or otherwise maintain ongoing business relationships with those Employees whose contributions are or will be beneficial to the long-term growth of the Group. The maximum number of Free Shares that may be granted under the Free Share Plan 2013 shall not exceed 7,351,546 Shares, being 0.5% of the Company's issued share capital (excluding shares held in treasury) as at 30 September 2014.

On 4 December 2013, the Company granted 887,500 free shares in the Company pursuant to the Company's Free Share Plan 2013 to certain eligible Employees (as defined in the rules of the Free Share Plan 2013). The Free Shares will vest on 4 December 2017.

TREASURY SHARES

On 4 October 2013, the Stock Exchange granted a conditional waiver (the "Waiver") to the Company in respect of Rule 10.06(5) of the Listing Rules to allow it, following any repurchase of shares, to elect to hold its own shares in treasury instead of automatically cancelling such shares. As a consequence of the Waiver, the Stock Exchange has agreed certain consequential modifications to other Listing Rules applicable to the Company.

Shares held in treasury may subsequently be sold for cash, transferred pursuant to an employees' share scheme or cancelled.

Full details of the Waiver and the conditions attached thereto are set out in the announcement issued by the Company on 4 November 2013 and can be found on the Company's website at www.loccitane.com and on the Stock Exchange's website at www.hkexnews.hk.

The Company confirmed that during the six months ended 30 September 2014, the Company was in compliance with the conditions of the Waiver.

HUMAN RESOURCES

As at 30 September 2014, the Group had 7,846 employees (30 September 2013: 7,455 employees).

The Group ensures that all levels of employees are paid competitively and are rewarded in accordance with the Group's salary, incentive and bonus schemes. Options and Free Shares may also be offered to eligible employees. Training schemes are available where appropriate.

AUDIT COMMITTEE

As required under the Listing Rules, the Company has an Audit Committee comprising of three non-executive Directors of the Company, two of whom are Independent Non-executive Directors. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and has also discussed auditing, internal control and financial reporting matters including the review of the consolidated results of the Group for the six months ended 30 September 2014.

Other Information

CORPORATE GOVERNANCE

The Board reviews its corporate governance practices regularly in order to meet the rising expectations of shareholders, to comply with increasingly stringent regulatory requirements and to fulfill its commitment to excellence in corporate governance. The Board is committed to maintaining a high standard of corporate governance practices and business ethics in the firm belief that they are essential for maintaining shareholders' returns.

The Company has complied with all of the code provisions of the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 to the Listing Rules throughout the six months ended 30 September 2014 save as disclosed below:

The role of the Chief Executive Officer (CEO) of the Group has been assumed by Mr. Reinold Geiger ("Mr. Geiger"), the Chairman of the Board. Such deviation is deemed appropriate as it is considered to be more efficient to have one single person to be the Chairman of the Company as well as to discharge the executive functions of a CEO and it provides the Group with strong and consistent leadership. The Board believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises highly experienced individuals. There are four Independent Non-executive Directors on the Board. All of them possess adequate independence and therefore the Board considers the Company has achieved balance and provided sufficient protection of its interests. Moreover, Mr. Geiger is not a member of any of the committees (Audit Committee, Nomination Committee, or Remuneration Committee) and each committee is composed of a majority of Independent Non-executive Directors. Nevertheless, the Board will regularly review the management structure to ensure that it meets the business development requirements of the Group.

Furthermore, Mr. Geiger is supported by Mr. Emmanuel Osti, Managing Director, and Mr. André Hoffmann, Managing Director Asia-Pacific. He is responsible to the Board and focuses on Group strategies and Board issues, and ensures a cohesive working relationship between members of the Board and management. The two Managing Directors have full executive responsibilities in the business direction and operational efficiency of the business units under their respective responsibilities and are accountable to Mr. Geiger.

Code provision F.1.3 provides that the company secretary should report to the Chairman and CEO.

Mr. Karl Guénard, joint company secretary of the Group, is based in Luxembourg and reports to Mr. Thomas Levilion, an Executive Director and the Group's Deputy General Manager whose primary responsibility is to oversee the Group's finance functions worldwide. The Company believes this is appropriate because both Mr. Guénard and Mr. Levilion work closely together on a day to day basis including dealing with matters relating to corporate governance and other Board-related matters. Ms. Yung Mei Yee, joint company secretary of the Group, who is based in Hong Kong, works in coordination with Mr. Guénard in the discharge of all company secretarial duties.

CHANGES IN DIRECTORS' INFORMATION

Prior to 30 September 2014 the following change has occurred in Directors' information:-

Mr. Nicolas Veto was appointed as an executive Director of the Company with effect from 24 September 2014.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, they have confirmed that they have complied with the Model Code during the six months ended 30 September 2014.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2014.


L'OCCITANE
EN PROVENCE