L'OCCITANE
EN PROVENCE

L'OCCITANE INTERNATIONAL S.A.

(Incorporated under the laws of Luxembourg with limited liability)

Stock code : 973

FY2017
Interim Report

L'OCCITANE
EN PROVENCE

Melvita
french organic beauty care since 1983

1862
LE COUVENT DES MINIMES

erborian
KOREAN SKIN THERAPY
PARIS · SEOUL

L'OCCITANE
AU BRÉSIL

The L'OCCITANE Group consists of five brands: L'OCCITANE en Provence, Melvita, Le Couvent des Minimes, Erborian and L'OCCITANE au Brésil.

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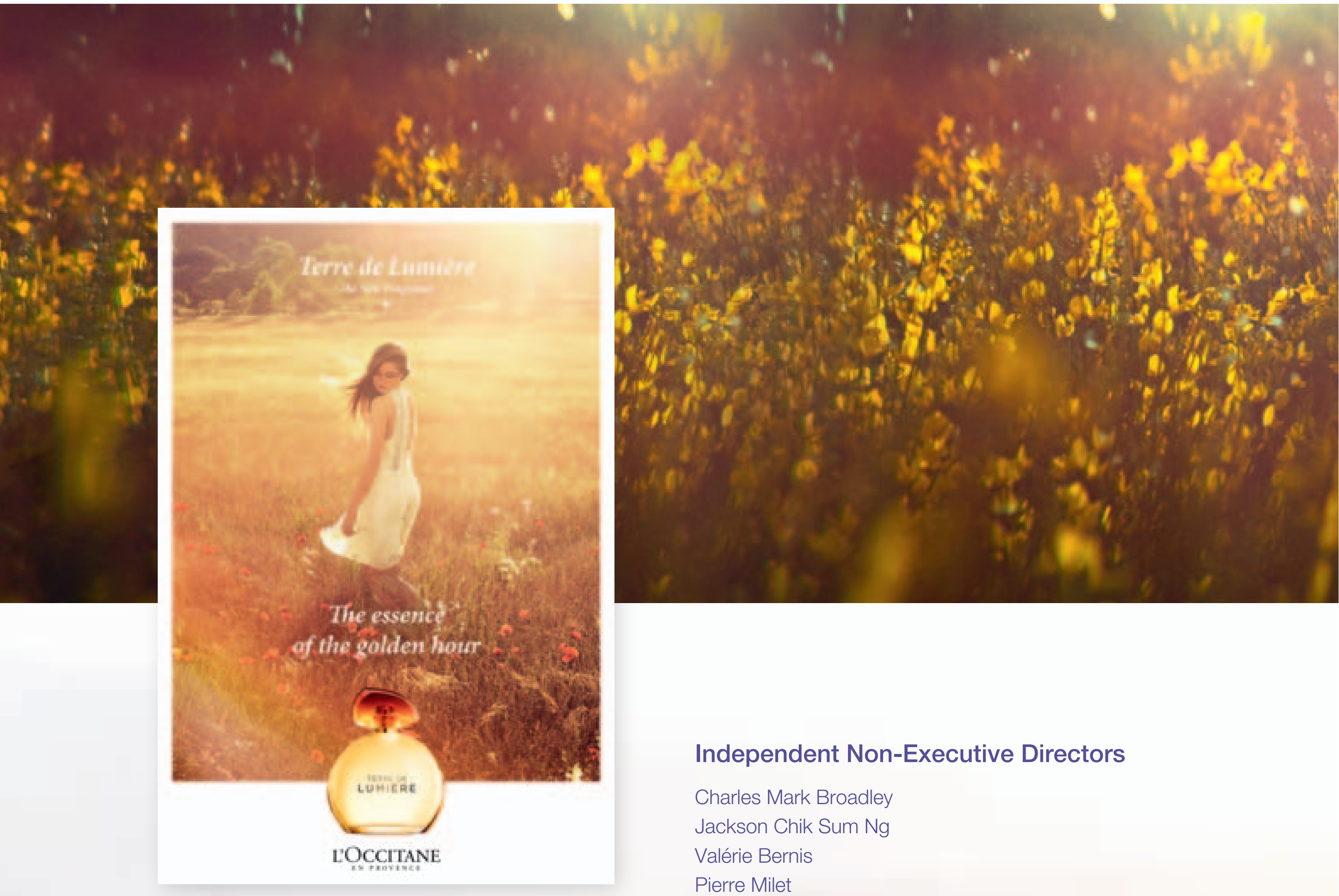
CORPORATE INFORMATION



Executive Directors

Reinold Geiger
(Chairman and Chief Executive Officer)
André Hoffmann
(Vice-Chairman and Managing Director Asia-Pacific)
Domenico Trizio
(Group Managing Director and Chief Operating Officer)
Thomas Levilion
(Group Deputy General Manager, Finance and Administration)
Karl Guénard
(Joint Company Secretary)

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
Ming Wai Mok

Authorised Representatives

André Hoffmann
Jackson Chik Sum Ng

Company Legal Name

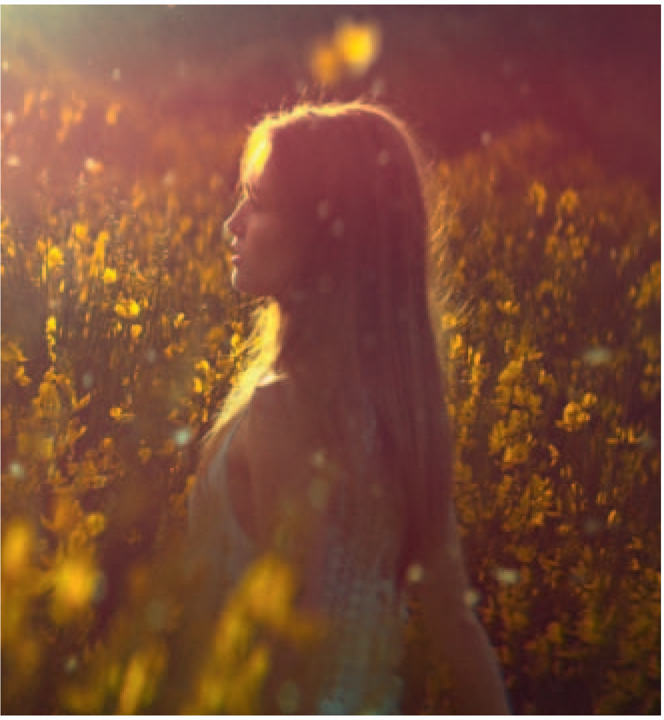
L'Occitane International S.A.

Date of Incorporation

22 December 2000

Date of Listing in Hong Kong

7 May 2010



Company Website

group.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

Groupe Crédit Agricole
    Crédit Agricole CIB
    Le Crédit Lyonnais (LCL)
    Caisse Régionale du Crédit Agricole Mutuel Provence Côte d'Azur
HSBC France
BNP Paribas
Groupe Société Générale
    Société Générale
    Crédit du Nord
Barclays
Natixis
CIC Lyonnaise de Banque

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

Registered Office

49, Boulevard Prince Henri
L-1724 Luxembourg

Headquarter Offices

49, Boulevard Prince Henri
L-1724 Luxembourg

Chemin du Pré-Fleuri 5
CP 165
1228 Plan-les-Ouates
Geneva
Switzerland

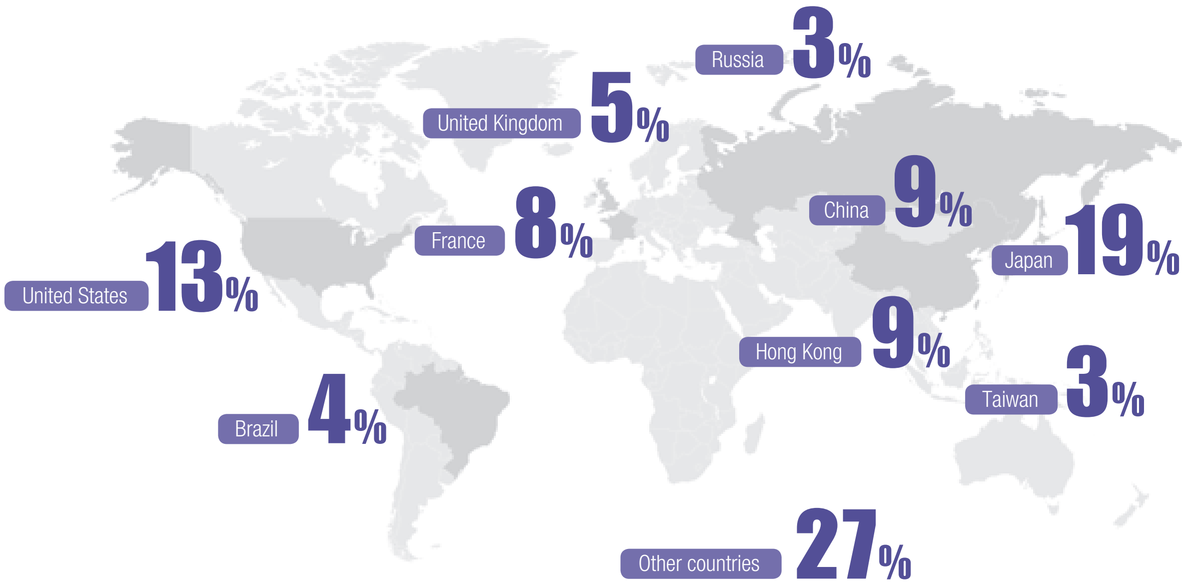
Principal Place of Business in Hong Kong

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

Stock Code

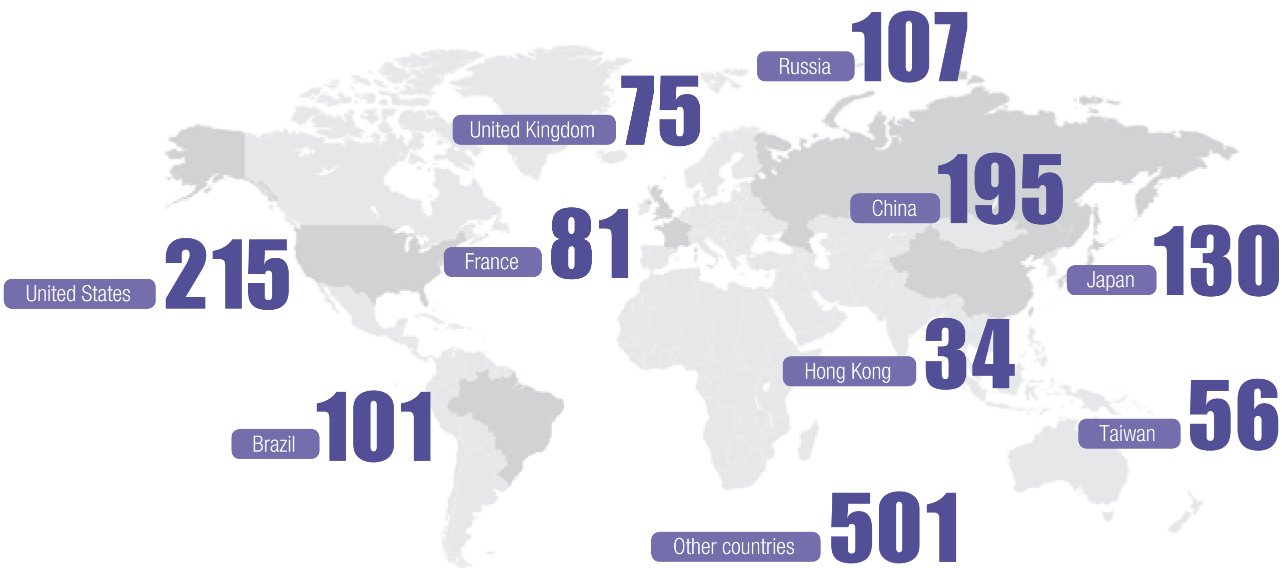
973

OUR ACTIVITY WORLDWIDE



Net sales (%) by geographic areas

OUR STORES WORLDWIDE



2,993 retail locations and 1,495 stores operated directly by the group

HIGHLIGHTS OF RESULTS

the six months ended 30 September	***2016***	*2015*
Net sales *(€ million)*	**551.7**	546.7
Operating profit *(€ million)*	**19.4**	31.7
Profit for the period *(€ million)*	**26.4**	20.1
Gross profit margin	**82.2%**	81.6%
Operating profit margin	**3.5%**	5.8%
Net profit margin	**4.8%**	3.7%
Net operating profit after tax *(€ million)* (NOPAT)(1)	**26.6**	20.2
Capital employed *(€ million)*(2)	**587.1**	566.6
Return on capital employed (ROCE)(3)	**4.5%**	3.6%
Return on equity (ROE)(4)	**3.1%**	2.6%
Current ratio (times)(5)	**3.1**	2.5
Gearing ratio(6)	**7.5%**	9.3%
Average inventory turnover days(7)	**272**	293
Turnover days of trade receivables(8)	**33**	34
Turnover days of trade payables(9)	**165**	164*
Total number of own stores(10)	**1,495**	1,441
Profit attributable to equity owners *(€ million)*	**26.0**	19.4
Basic earnings per share *(€)*	**0.018**	0.013

** restated due to reclassification.*

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
Note that 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.
(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.

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.

CHAIRMAN'S STATEMENT

Message from

REINOLD GEIGER

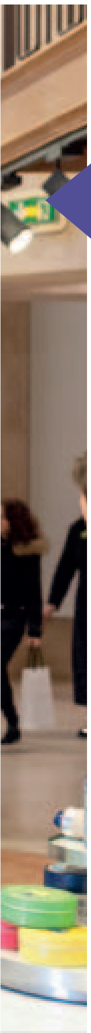
Chairman and Chief Executive Officer

29 November 2016

The first half of FY2017 bought its share of short-term challenges, particularly in developed markets where unseasonable weather, terrorism threats, economic and political uncertainties, as well as slowing retail spending weighed on the growth of our overall sales. However, this could not overshadow the large number of bright spots emanating from emerging markets such as Brazil, Russia and China, as well as from the growth of our emerging brands, L'Occitane au Brésil, Melvita and Erborian. Our strong performance in both of these areas as the result of our omni-channel platforms was fantastic to see as they represent the future growth of our business.

It also underscores the investments we have made in increasing brand awareness – an objective that is more important than ever as we face greater competition from our peers, especially in Asia. We are attracting new users who are increasingly uninspired in this age of 'fast fashion' and are seeking something that offers superior quality and is able to stand the test of time, something that delivers a story and with unique origins. Our brands stand out because of their use of high-quality, natural and sustainable ingredients; the vigour of our in-house R&D capabilities that has unlocked the secrets of natural beauty; and products which strongly connect to true stories from Provence and around the world.

This success can be witnessed through our ability to grow robustly without relying overly on third parties and a retail model where around three quarters of our sales are attributable to purchases made directly out of our increasingly innovative and stimulating direct e-commerce stores and physical storefronts. Recent achievements in this area include the opening of our newly renovated store in Tokyo's Shinjuku district that blends traditional shopping with an immersive, state-of-the-art digital technology experience, as well as an exciting new concept store in the iconic Flatiron Building in New York City. The period also saw us open new flagship stores at the Iguatemi in São Paulo, Brazil, Walt



The six months ended 30 September 2016 once again highlighted the competitiveness of our core proposition: beauty products made from natural ingredients and centred around well-being. As many of our customers face the stress and grind of their daily lives, our products with proven effectiveness offer both relief and escape, not least the opportunity to pamper themselves.

Disney World in Orlando, Florida and at New York City's newly rebuilt World Trade Centre.

The recent launch of 'Divine Harmony', an exceptional addition to our expanding range of age-defying face care products sourced from nature's finest ingredients, including immortelle flowers and Jania Rubens from Corsica's earth and sea, has been warmly received. We are also seeing a similar response for our new fragrance line, 'Terre de Lumière', which is being exclusively rolled-out at selected travel retail locations in Europe before reaching our own stores. Both products will help us make further in-roads into the face-care and fragrance markets, while also expanding the reach of our brand identity.

This brand identity also extends to respect for the environment, community and humanity. I am particularly pleased to report the continued growth of our 'Union for Vision' programme, our landmark initiative that provides access to eye care treatment to people in need around the world. In June 2016, more than 5,000 of our employees, including myself, ran or walked a total of 95,000 kilometres over three weeks as part of our 'Race for Vision' event, helping 31,952 people to receive eye care treatment – a phenomenal result! This has bought us closer to our target to provide treatment to 10 million beneficiaries by the year 2020. We have also continued to reduce our environmental impact as we continue to grow by ensuring that more of our activities obtain ISO 14001 certification, which has already been awarded to many parts of our business, including our production sites in France and our head office in Geneva, Switzerland.

And of course, this commitment to the environment feeds back into our products, with over 92% of our product range containing at least 90% naturally derived ingredients, a statistic that continues to set us apart from our peers in the market. We are also committed to avoiding all hazardous and potentially hazardous materials, ensuring that our customers enjoy products made at a high standard that is both environmentally friendly and safe.

We are also investing strongly in human capital as part of our operational overhaul and reorganisation in order to attract and retain the best talent. This includes the creation of a new Chief Growth Officer position, responsible for overseeing marketing, strategic pricing and digital to drive our future growth and profitability. We are also committed to making our company a great place to work, with our UK operations being named by the *Sunday Times* as a 'UK Top Employer' every year since 2012 and also featuring in the *Sunday Times*' list of the '100 Best Companies to Work For'.

Our professional and dedicated team has also been recognised for their efforts to engage with our investors after picking up three awards at the HKIRA's 2016 Investor Relations Awards.

Looking forward, we will continue to implement our ongoing strategies to achieve sustainable growth and our vision to become the world's number one natural beauty brand. This includes the development of rich content for use in our digital and traditional media communications, tailored for particular markets including China and travel retail. We will also continue to invest in our omni-channel strategy and digital presence to more closely integrate our online business and our physical stores, incorporating new store concepts and our new e-commerce websites to captivate and enchant our customers. We believe that our efforts will drive quality growth and improve efficiency, boosting our position in the premium natural cosmetics space and creating lasting value for our shareholders. We thank you for your support.

STRONG GLOBAL PRESENCE

• Westfield Chatswood Sydney, Australia

• Apgujong Seoul, Korea

• Parc Central Guangzhou, China

• Barcelona, Spain

• Galeries Lafayette Paris, France

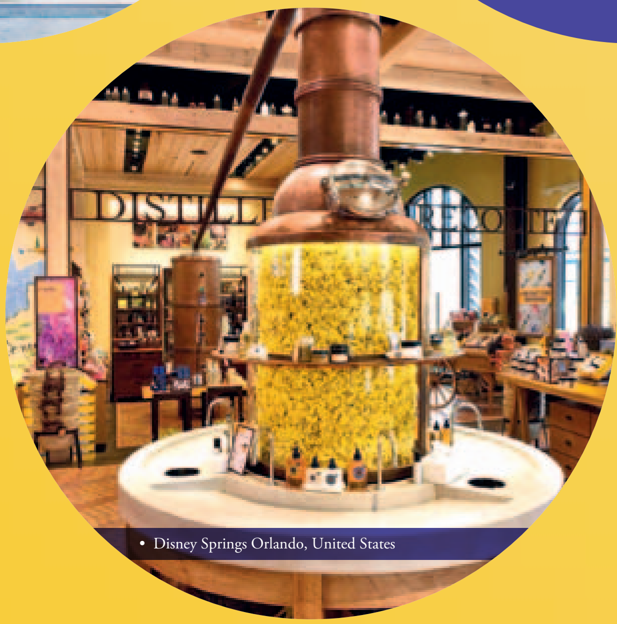
• Flatiron Building New York, United States

• Shinjuku Digital Store Tokyo, Japan

• Chia Yi ShowTime, Taiwan

STRONG GLOBAL PRESENCE

• Iguatemi São Paulo, Brazil



• Disney Springs Orlando, United States

• Grand Central London, United Kingdom

MANAGEMENT DISCUSSION & ANALYSIS


HARMONIE DIVINE
DIVINE HARMONY SERUM
SUPREME SYNERGY YOUTH CARE
SÉRUM HARMONIE DIVINE
L'OCCITANE
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Definitions:

Comparable Stores means existing retail stores which have been opened before the start of the previous financial year, including Company owned ecommerce websites and excluding renovated stores.

Non-comparable Stores & others means all stores that are not Comparable Stores, i.e. stores opened, closed and renovated during the previous or the current financial period under discussion, together with other sales from marketplaces, mail-orders and services.

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.

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 2015, the level of sales represented 42.6% of the annual level of sales in the year ended 31 March 2016 ("FY2016") and the level of operating profit represented 18.8% of the annual operating profit in the year ended 31 March 2016. These ratios are not representative of the annual results for the year ending 31 March 2017 ("FY2017").

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 and 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 €551.7 million for the six months ended 30 September 2016, an increase of €5.0 million or 0.9% as compared to the six months ended 30 September 2015. Overall Growth was 1.3%. At constant exchange rates, net sales in Sell-out and Sell-in business segments, representing 72.6% and 27.4% respectively of total net sales, and contributing 0.6% and 3.2% respectively to Overall Growth.

The Group increased the total number of retail locations where its products are sold from 2,924 as at 31 March 2016 to 2,993 as at 30 September 2016, an increase of 69 locations or 2.4%. The Group maintained its selective global retail expansion strategy and increased the number of its own retail stores from 1,463 as at 31 March 2016 to 1,495 as at 30 September 2016, representing a net increase of 32 stores or 2.2%.

Sales from Comparable Stores, Non-comparable Stores and others and Sell-in segments grew by -2.5%, 13.7% and 3.2% respectively. Geographically, Brazil, China, Russia, Japan and Other Countries were the key contributing countries to Overall Growth.

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 2016:

	YEAR-ON-YEAR GROWTH			
	€'000 Growth	% Growth	% Growth[2]	% Contribution to Overall Growth[2]
Sell-out	**2,369**	**0.6**	**0.6**	**34.3**
Comparable Stores	(8,406)	(2.6)	(2.5)	(112.8)
Non-comparable Stores & others [1]	10,775	13.9	13.7	147.1
Sell-in	**2,594**	**1.7**	**3.2**	**65.7**
Overall Growth	**4,963**	**0.9**	**1.3**	**100.0**

(1) Others include marketplaces, mail-orders and other service sales.
(2) Excludes the impact of foreign currency translation effects.

Sell-out

For the six months ended 30 September 2016, the Sell-out business segment accounted for 72.6% of the Group's net sales and amounted to €400.5 million, an increase of 0.6% as compared to the same period last year and also a 0.6% increase at constant exchange rates. Non-comparable Stores and others, including new stores opened and stores renovated in last year and this year, marketplaces, café and spa businesses, altogether posted a growth of 13.7% at constant exchange rates. As compared to the same period last year, the Group's E-commerce channels grew by 6.8% at constant exchange rates, equivalent to 10.1% of the total retail sales. Group's same store sales for the first six months of FY2017 fell 2.5% under the backdrops of uncertainties brought by the weak global economy, threats of terrorist attacks in France and other European countries, economic uncertainties in the UK, depressed retail market in HK as well as severe weather in some markets all added to the difficult retail environment globally.

There was a net addition of 32 own stores during the six months ended 30 September 2016. The net openings in Asia included 8 stores in China, 7 in Japan, and some others in Korea, India and Taiwan. We had also closed 2 stores in HK & Macau. In Americas, the net openings were primarily in Brazil, with 9 net stores opened, including 6 au Brésil stores. In Europe, the 4 net openings were mainly related to L'Occitane en Provence stores in Russia. The Group continued to upgrade its retail network with 55 stores renovated or relocated during the six months ended 30 September 2016.

Sell-in

For the six months ended 30 September 2016, the Sell-in business segment accounted for 27.4% of the Group's total sales and amounted to €151.1 million, an increase of 1.7% as compared to the same period last year and a 3.2% increase at constant exchange rates. The growth was primarily driven by the dynamic growth in wholesale and distribution channels of the emerging brands, in particular, au Brésil, Melvita and Erborian. Travel Retail business remained weak but we saw improvement in the second quarter from the first quarter of FY2017. The improvement came from certain Asian countries such as Korea and Japan. However, the situation remained challenging in some key European cities such as Frankfurt, Paris and Istanbul which were heavily affected by terrorist threats.

Geographic Areas

The following table presents our net sales growth for the period ended 30 September 2016 and contribution to net sales growth (including and excluding foreign currency translation effects as indicated) by geographic area:

SALES AND % OF TOTAL SALES

	30 September 2016		30 September 2015		Growth	Growth	Growth[(1)]	Contribution to Overall Growth[(1)]
	€'000	%	€'000	%	€'000	%	%	%
Japan	104,460	18.9	90,113	16.5	14,348	15.9	1.3	16.3
Hong Kong[(2)]	50,927	9.2	58,103	10.6	(7,176)	(12.4)	(11.2)	(90.0)
China	50,797	9.2	51,438	9.4	(641)	(1.2)	5.4	38.6
Taiwan	15,871	2.9	16,658	3.0	(787)	(4.7)	(2.9)	(6.8)
France	43,826	7.9	45,005	8.2	(1,179)	(2.6)	(2.6)	(16.3)
United Kingdom	26,475	4.8	31,648	5.8	(5,173)	(16.3)	(4.9)	(21.3)
United States	70,838	12.8	72,277	13.2	(1,439)	(2.0)	(0.7)	(6.7)
Brazil	22,478	4.1	19,539	3.6	2,939	15.0	20.5	55.4
Russia	17,248	3.1	17,969	3.3	(721)	(4.0)	10.6	26.3
Other countries[(3)]	148,742	27.0	143,950	26.3	4,793	3.3	5.2	104.4
All countries	**551,663**	**100.0**	**546,699**	**100.0**	**4,963**	**0.9**	**1.3**	**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 and to distributors and travel retail customers in Asia.
(3) Includes sales from Luxembourg.

The following table provides a breakdown, by geographic area, of the number of our own retail stores, their percentage contribution to Overall Growth and the Same Store Sales Growth for the six months ended 30 September 2016 compared to the six months ended 30 September 2015:

	Own Retail Stores				**% contribution to Overall Growth[1] [2]**			
	30 Sep 2016	*Net openings YTD 30 Sep 2016*	*30 Sep 2015*	*Net openings YTD 30 Sep 2015*	*Non-comparable Stores*	*Comparable Stores*	*Total Stores*	*Same Store Sales Growth % [2]*
Japan[3]	130	7	117	6	58.0	(37.4)	20.6	(4.1)
Hong Kong[4]	34	(2)	38	2	(21.1)	(27.6)	(48.7)	(13.7)
China[5]	195	8	180	19	43.4	(8.2)	35.3	(1.7)
Taiwan[6]	56	1	55	—	(1.7)	(1.5)	(3.2)	(1.0)
France[7]	81	—	81	—	(2.6)	(21.0)	(23.7)	(7.3)
United Kingdom	75	—	75	2	3.4	(12.7)	(9.3)	(4.5)
United States	215	(2)	216	2	(3.2)	(9.6)	(12.8)	(1.3)
Brazil[8]	101	9	88	7	17.8	21.1	38.9	11.4
Russia[9]	107	4	106	(1)	8.1	8.0	16.2	5.6
Other countries[10]	501	7	485	20	36.6	(23.9)	12.7	(2.3)
All countries[11]	**1,495**	**32**	**1,441**	**57**	**138.8**	**(112.8)**	**25.9**	**(2.5)**

(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 17 and 22 Melvita stores as at 30 September 2015 and 30 September 2016 respectively.
(4) Includes 3 L'Occitane stores in Macau and 10 Melvita stores in Hong Kong as at 30 September 2015 and 2 L'Occitane stores in Macau and 9 Melvita stores in Hong Kong as at 30 September 2016.
(5) Includes 8 and 10 Melvita stores as at 30 September 2015 and 30 September 2016 respectively.
(6) Includes 1 Erborian store as at 30 September 2016.
(7) Includes 5 Melvita and 1 Erborian stores as at 30 September 2015 and 4 Melvita and 1 Erborian stores as at 30 September 2016.
(8) Includes 8 and 18 au Brésil stores as at 30 September 2015 and 30 September 2016 respectively.
(9) Includes 1 Erborian store as at 30 September 2016.
(10) Include 8 Melvita and 1 Erborian stores as at 30 September 2015 and 9 Melvita and 2 Erborian stores as at 30 September 2016.
(11) Include 48 Melvita, 8 Au Brésil and 2 Erborian stores as at 30 September 2015 and 54 Melvita, 18 Au Brésil and 5 Erborian stores as at 30 September 2016.

Japan

Japan's net sales for the six months ended 30 September 2016 were €104.5 million, an increase of 15.9% as compared to the same period last year. Same Store Sales Growth was -4.1%. At constant exchange rates, Japan had an overall growth of 1.3%, slowed down from 3.2% for the first quarter of FY2017. During the second quarter of FY2017, Japan saw a significant retail market downtrend as a result of high number of typhoon hits and unusually high temperature and humidity. However, E-commerce platform issues were fading and sales growth returned positive during the second quarter of FY2017. Yet that was not enough to cover the shortfall made in the first quarter of FY2017. In September 2016, Japan launched its first digital Provence store in Shinjuku flagship which brought unique "voyage to Provence" experience to the customers and created market buzz.

China

China's net sales for the six months ended 30 September 2016 were €50.8 million, a decrease of 1.2% as compared to the same period last year. The drop was due to a weaker Chinese Yuan. At constant exchange rates, the growth was 5.4%, improved from 1.9% for the first quarter of the financial year. Improvement mainly came from the stores opened and renovated during these two years. In addition, B2B grew more than 20%. T-mall had resumed back on track with good growth since the switch back to the previous agent.

Hong Kong

Hong Kong's net sales for the six months ended 30 September 2016 were €50.9 million, a decrease of 12.4% as compared to the same period last year. At constant exchange rates, the growth was -11.2%. Hong Kong business remained challenging with continued drop in mainland Chinese tourist traffic, soft new product launch results and heavy discounts offered by competitors. During the period, two retail stores were closed due to performance issues. In contrast, travel retail sales rebounded in the second quarter of FY2017, mainly coming from sales to Korea, Japan and South East Asian countries.

Taiwan

Taiwan's net sales for the six months ended 30 September 2016 were €15.9 million, a decrease of 4.7% as compared to the same period last year. At constant exchange rates, the growth was -2.9%. Same Store Sales improved from -8.4% for the first quarter to -1.0% for the first half of FY2017, mainly due to successful product launches of Verbena and Divine Harmony, and the summer sale promotions carried out by major department stores.

France

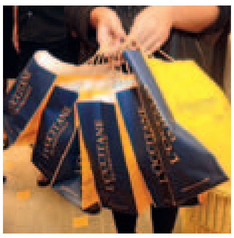
France's net sales for the six months ended 30 September 2016 were €43.8 million, a decrease of 2.6% as compared to the same period last year. In France, retail sales continued to be affected by the terrorist threats and poor retail sentiment. Same Store Sales Growth was -7.3%, deteriorated slightly from the first quarter of FY2017. Sell-in posted a growth of 2.5%. Growth was mainly recorded in E-commerce and the development of emerging brands in wholesale. Melvita grew faster than planned through organic channels and new doors in pharmacy. Erborian and LCDM continued to grow through international wholesale chains.

United Kingdom

The United Kingdom's net sales for the six months ended 30 September 2016 were €26.5 million, a decrease of 16.3% as compared to the same period last year. This was mainly driven by a high comparable base as well as a weak Great British Pound. At constant exchange rates, the growth was -4.9%. UK was hit by weak traffic, economic uncertainties post-Brexit referendum and severe weather. In addition, sell-in sales decreased mainly due to the pull-out of Debenhams department stores.

United States

The United States's net sales for the six months ended 30 September 2016 were €70.8 million, a decrease of 2.0% as compared to the same period last year. At constant exchange rates, the growth was -0.7%. Sell-out channel recorded a drop of 1.6% at constant exchange rates. Same Store Sales Growth was -1.3%. The US saw a slowdown in the second quarter of FY2017 as retail remained challenging as a result of lower traffic, in particular in tourist areas. E-commerce channel continued to grow with gains from conversion and ATV, yet traffic was challenging. The first half of FY2017 also saw good growth in web partners and department stores channels. Sell-in segment grew by 5.2% at constant exchange rates.



Brazil

Brazil's net sales for the six months ended 30 September 2016 were €22.5 million, an increase of 15.0% as compared to the same period last year. At constant exchange rates, the growth was 20.5%. Brazil was the fastest growing country of the Group with growth contributed from all main channels and from both L'Occitane en Provence and L'Occitane au Brésil brands. Sell-out grew by 18.0%, contributed by both Comparable Stores with Same Store Sales growth at 11.4%, and the new and renovated stores opened in these two years. We now have 101 stores in Brazil at the end of September 2016, including 18 L'Occitane au Brésil stores. Sales also benefited from a moderate price increase of four percent during the period. Digital growth has been growing even faster with conversion rate improved, thanks to the collaboration of the local and central digital teams. Sell-in sales rose by 34.2%, with contribution mainly from further development of the franchise network.

Russia

Russia's net sales for the six months ended 30 September 2016 were €17.2 million, a decrease of 4.0% as compared to the same period last year. The decline in net sales was impacted by unfavorable foreign currency movements, i.e. weak Russian Ruble and strong Euro. At constant exchange rates, Russia remained one of the fastest growing countries of the Group, with a resilient growth of 10.6%. The growth was driven by both Sell-out and Sell-in segments, with growth at constant rates of 7.5% and 26.9% respectively. Same Store Sales Growth remained healthy at 5.6%. The Russia economy continued to stabilize with settling of oil price and slight rebound of Russian Ruble. However, retail market sentiment has yet to recover fully.

Other countries

Other countries' net sales for the six months ended 30 September 2016 were €148.7 million, an increase of 3.3% as compared to the same period last year. At constant exchange rates, the growth was 5.2%. Sell-out segment recorded a growth of 2.1% at constant rates. Same Store Sales Growth was -2.3%. Non-comparable Stores & others grew at 20.5% as a result of store network expansion, together with the encouraging growth of Marketplaces in Korea. During the six months ended 30 September 2016, the number of own stores in other countries increased from 494 to 501. Canada, Australia, Korea and Mexico led the growth with contribution to Overall Growth by 18.6%, 13.6%, 11.1% and 8.6% respectively. Sell-in sales increased by 10.8% at constant exchange rates, mainly driven by dynamic wholesale and distribution sales from Luxembourg - Swiss branch as well as from the countries mentioned above.

PROFITABILITY ANALYSIS

Cost of sales and gross profit

Cost of sales reduced by 2.5%, or €2.5 million to €98.2 million for the six months ended 30 September 2016 as compared to the same period last year. The gross profit margin increased by 0.6 points to 82.2% for the period ended 30 September 2016 as compared to 81.6% for the same period last year. The increase in gross profit margin was essentially due to price increase in certain key countries during the period for 0.5 points, reduction in obsolescence for 0.1 points, reduction in use of Mini Products and Pouches ("MPP") and box for 0.1 points and reduction in production cost for 0.1 points.

The gross margin improvement was partly offset by unfavourable brand mix for 0.1 points and other factors for another 0.1 points.

Distribution expenses

Distribution expenses increased by 3.1%, or €8.8 million, to €289.4 million for the period ended 30 September 2016 as compared to the same period last year. As a percentage of net sales, the distribution expenses increased by 1.2 points to 52.5% of net sales for the period ended 30 September 2016. This increase was attributable to a combination of:

- lower leverage under tough retail environment and expenses incurred in closing non-performing stores and opening new ones for 1.0 points;
- higher investment in emerging brands for 0.4 points; and
- phasing effect for 0.4 points;

The operating pressure was partly offset by:

- favourable channel mix for 0.3 points, as a result of higher sharing of Sell-in channels;
- brand mix for 0.2 points; and
- positive foreign exchange conversion effects for 0.1 points.

Marketing expenses

Marketing expenses increased by 7.7%, or €5.5 million, to €77.3 million for the period ended 30 September 2016 as compared to the same period last year. The marketing expenses as a percentage of net sales increased by 0.9 points, to 14.0% of net sales for the six months ended 30 September 2016. This increase was attributable to:

- increase in advertising expenditure, in particularly digital marketing and brand awareness for 0.4 points;
- investment in the emerging brands and brand mix for a total of 0.3 points; and
- others including reclassification and foreign exchange conversion for 0.2 points.

Research & development expenses

Research and development ("R&D") expenses increased by 20.1%, or €1.3 million, to €7.5 million for the period ended 30 September 2016 compared to the same period last year. The R&D expenses as a percentage of net sales increased by 0.3 points to 1.4% for the period ended 30 September 2016. The increase was mainly due to investment in new projects, research staff and further investment in L'Occitane au Brésil brand.

General and administrative expenses

General and administrative expenses increased by 8.2%, or €4.6 million, €60.6 million compared to the same period last year. The general and administrative expenses, as a percentage of net sales, increased by 0.7 points to 11.0% of the net sales for the period ended 30 September 2016. This increase was attributable to a combination of:

- investments in information technologies, mainly in the security of our infrastructure and in data warehouse for 0.3 points;
- decrease in leverage and efficiency for 0.2 points;
- one-off expenses for 0.2 points; and
- higher rent and occupancy costs for our premises in Taiwan, France and Switzerland for 0.1 points.

This was partly mitigated by favourable exchange rates for 0.1 points.

Operating profit

Operating profit decreased by 38.8%, or €12.3 million, to €19.4 million for the period ended 30 September 2016 and the operating profit margin decreased by 2.3 points to 3.5% of net sales. The decrease in operating profit margin is explained by a combination of:

- further investment in emerging brands and brand mix effect for 0.7 points;
- increase in advertising & marketing and product development expenses for 0.5 points;
- other investments mainly for upgrading our IT infrastructure and offices for 0.5 points;
- deleverage effects for 1.0 points;
- phasing effects for 0.4 points;
- foreign exchange conversion effects and others for 0.1 points;

partly offset by;

- favourable price and product mix for 0.6 points; and
- positive channel mix for 0.3 points.

Finance costs, net

Net finance costs, at €0.1 million for the period ended 30 September 2016, remained the same as compared to the same period last year.

Foreign currency gains/losses

Net foreign currency gains amounted to €0.6 million for the six months ended 30 September 2016, as compared to net currency losses of €9.6 million for the same period last year. The gains this year were mainly unrealized and resulted from period-end conversion of intercompany loans and trade balances. During the period, the Group achieved gains mainly from the Korean Won, Russian Ruble, South-African Rand, US Dollar and Japanese Yen, which were partly offset by losses on a few currencies including the Brazilian Reals and Chinese Renminbi.

Income tax expense

Income tax resulted in a tax credit of €6.5 million for the period ended 30 September 2016, as compared to an expense of €1.9 million same period last year, representing an effective income tax rate of -32.9% for the period ended 30 September 2016. The decrease in income tax expense is mainly explained by the lower profits notably in countries with higher tax rates, combined with favourable effects on the deferred tax assets related to intercompany margins.

Profit for the period

For the aforementioned reasons, profit for the six months ended 30 September 2016 increased by 31.7% or €6.4 million to €26.4 million, as compared to the same period last year. For the period ended 30 September 2016, the basic and diluted earnings per share both increased by 38.5%.

BALANCE SHEET REVIEW

Liquidity and capital resources

As at 30 September 2016, the Group had cash and cash equivalents of €390.3 million, as compared to €400.0 million as at 30 September 2015 and €424.8 million as at 31 March, 2016.

As at 30 September 2016, the aggregate amount of undrawn borrowing facilities was €328.4 million. As at 30 September 2016, the total borrowings, including finance lease liabilities, current accounts with minority shareholders and bank overdrafts, amounted to €90.4 million, as compared to €88.9 million as at 31 March 2016.

The interest rates of the signed credit facility agreements are based on EUROBOR 3M + margin and subject to a variable relating to the financial leverage ratio of the Company at the beginning of the financial year. As the Company was in low financial leverage at the end of 31 March 2016, the applicable threshold for interest rate calculation for the FY2017 is thus most favourable. Details of the interest rate arrangements are set out in the notes 15.2 of the note to the consolidated interim financial information.

Investing activities

Net cash used in investing activities was €24.8 million for the six months ended 30 September 2016, as compared to €33.6 million same period last year, representing a decrease of €8.8 million. The decrease, which was mainly related to the factory, marked the end of the factory's 3-year expansion and warehousing improvement plan last year.

The capital expenditures during the period were primarily related to:

- additions of leasehold improvements, other tangible assets, key moneys and changes in deposits related to stores for €14.4 million;
- additions in IT software, hardware, equipment and website redesign for €4.2 million; and
- purchases of machinery and equipment for the factories, warehouses and offices in subsidiaries and others for €4.4 million.

Financing activities

Financing activities resulted in a net outflow of €6.1 million for the six months ended 30 September 2016. During the same period last year, a net cash inflow of €0.3 million was generated. The cash needs at subsidiaries remained stable in these two periods. The net outflow this year was mainly explained by the bought back of €7.3 million shares in June and July of 2016.

Inventories

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

FOR THE PERIOD ENDED 30 SEPTEMBER	2016	2015
Average Inventory turnover days(1)	272	293

(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 €155.9 million as at 30 September 2016, a decrease of €7.2 million or 4.4% as compared to €163.1 million as at 30 September 2015. The decrease in inventory turnover days by 21 days was due to:

- decrease in raw materials and work-in-progress at the factories by net 1 day;
- decrease in finished goods at the factories, in Brazil and Japan for a total of 11 days;
- favourable foreign exchange rate effects for 15 days;

and offset partly by:

- increase in Mini Products and Pouches ("MPP") and boxes inventory for 3 days; and increase of another 3 days due to reduction in inventory provision and others.

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	2016	2015
Turnover days of trade receivables(1)	33	34

(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.

Turnover days of trade receivables improved slightly by 1 day for the period ended 30 September 2016, mainly contributed by the Sell-in segment.

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	2016	2015
Turnover days of trade payables(1)	165	164*

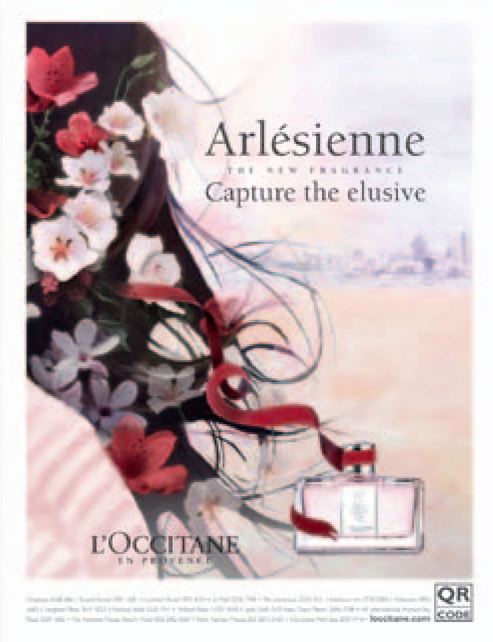
(1) Turnover days of trade payables equals average trade payables divided by cost of sales and multiplied by 182.5. Average trade payables equals the average of trade payables at the beginning and end of a given period.

* Restated due to reclassification.

The increase in 1 turnover day of trade payables for the period ended 30 September 2016 was a net result of improvement in certain key countries and the unfavourable foreign exchange effects.

BALANCE SHEET RATIOS

The Group's profitability ratios for the six months ended 30 September 2016 improved as compared to the same period last year. Return on capital employed for the six months ended 30 September 2016 rose to 4.5% as compared to 3.6% for the same period last year. The increase was mainly explained by a 31.7% increase in net profit for the period. In addition, return on equity for the six months ended 30 September 2016 was 3.1%, improved from the same period last year, mainly contributed by higher net profit attributable to equity owners. The Group's liquidity and capital adequacy ratios remained favourable as a result of higher net cash position.



FOR THE PERIOD ENDED	***30 September 2016 €'000***	*31 March 2016 €'000*	*30 September 2015 €'000*
Profitability			
Net operating profit after tax (NOPAT)(1)	**26,604**	115,490	20,187
Capital employed(2)	**587,069**	519,616	566,597
Return on capital employed (ROCE)(3)	**4.5%**	22.2%	3.6%
Return on equity (ROE)(4)	**3.1%**	13.0%	2.6%
Liquidity			
Current ratio (times)(5)	**3.08**	3.50	2.50
Quick ratio (times)(6)	**2.40**	2.83	1.92
Capital adequacy			
Gearing ratio(7)	**7.5%**	7.5%	9.3%
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. Note that working capital excludes financial liabilities such as dividends and acquisition payment.
(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)

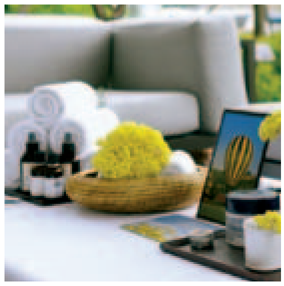
FOREIGN EXCHANGE RISK MANAGEMENT

The Group enters into forward foreign 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 2016, the Group had foreign exchange derivatives net liabilities of €0.2 million in the form of foreign exchange forward contracts (in accordance with fair market valuation requirements under IFRS). The notional principal amounts of outstanding forward exchange derivatives as at 30 September 2016 were primarily Japanese Yen for an equivalent of €26.7 million, Chinese Yuan for €12.8 million, United States Dollar for €10.8 million, Great British Pound for €6.6 million and Australian Dollar for €5.4 million and Russian Ruble for €4.6 million.

DIVIDENDS

At the Board meeting held on 6 June 2016, the Board recommended a distribution of a gross final dividend of €0.0291 per share of the Company ("Share")for an aggregated sum of €42.6 million or 38.6% of the net profit attributable to the equity owners of the Company. The amount of the proposed final dividend is based on 1,464,559,221 shares in issue as at 28 September 2016 excluding 12,405,670 treasury shares. The shareholders of the Company approved the final dividend at the annual general meeting held on 28 September 2016. The dividend was paid on 20 October 2016.

In line with its policy to declare and pay only a final dividend each year, the Board has recommended that no distribution would be made from the profits of the six months ended 30 September 2016.



CONTINGENT LIABILITIES

Details of contingent liabilities are set out under the heading "Other Contingent Liabilities" on page 66 of this interim report.

POST BALANCE SHEET EVENTS

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

STRATEGIC REVIEW

In the six months ended 30 September 2016 ("the first half of FY2017"), the Group continued to implement its multiple strategies for long-term growth. Despite encountering a number of short-term challenges, including unseasonable weather, as well as other consumer confidence-sapping events such as terrorism fears and political uncertainty, the Group achieved decent growth, particularly in certain developing economies and around its emerging brands.

This outcome was the direct result of the Group's focused investment in optimising its omni-channel expansion strategy and upgrading its product mix, additional investments in brand awareness, marketing and CRM initiatives, as well as in improving operational efficiency. As a result, the Group remains well positioned to sustain its financial performance and further grow its business globally.

Selective omni-channel expansion delivering positive results

The Group continues to carefully manage the growth of its retail store network by favouring quality locations and promising markets, particularly in Brazil, China, Japan and Russia. During the first half of FY2017, the Group opened a net 32 own stores, growing its global own retail store network to a total of 1,495 stores. This resulted in 20.5% and 10.6% local currency sales growth in Brazil and Russia respectively. The Group also upgraded 55 stores globally during the period as part of its strategy to drive more return traffic by refreshing its store concept and incorporating more innovative digital features and in-store technology.

Another important facet of the Group's omni-channel strategy is online outreach, which is being spearheaded by its own E-commerce website, as well as by working with marketplaces, web partners and social media platforms (see "Growing digital presence and CRM system" below). This growing online presence continues to be a key driver of the Group's sales: either in the form of direct online sales or by driving traffic to its physical touch points.

This strategy is also supporting the creation of a flexible, customer-centric and superior shopping experience. One reflection of this is the Group's "order online, pick in store" service in France and the UK, as well as its collaboration with CollectPlus in the UK, which allows customers to collect or return purchases at 5,800 newsagents and convenience stores across the country.

Multi-brand focus supporting growth

The Group's multi-brand growth strategy continued to progress steadily in the first half of FY2017. L'Occitane en Provence, the Group's core brand, continued to open stores in selective locations in key markets, further strengthening its reach and positioning within the global beauty market. Its emerging brands, particularly Melvita and L'Occitane au Brésil, performed well during the first half of FY2017, particularly in the Japan, Hong Kong, France and Brazil markets. The Group's Franco-Korean fusion brand, Erborian, also continued to grow.

The Group's emerging brands are well positioned in the 'sweet spot' of the growing market for 'affordable luxury' products: high-quality, premium performance and natural products that appeal to discerning consumers at reasonable price points. It is a proposition that appeals to customers grappling with tightening economic conditions and was a strong factor supporting the performance of the Melvita and L'Occitane au Brésil brands in markets such as Japan and Brazil respectively.

During the period, the Group opened a net of 4 Melvita stores, 6 L'Occitane au Brésil stores and 1 Erborian store globally.

Encouraging response to new product lines

The Group's ongoing investment in research and development continued to refine and amplify the product range of its core brand, L'Occitane en Provence. The first half of FY2017 saw the launch of 'Divine Harmony', the Group's new premium face care range of anti-aging creams and serums made from nature's finest ingredients. Initial feedback in the first few weeks since its launch has been promising and has helped further expand the Group's strong brand identity in the body care and skin care markets into the face care market.

The Group also recently launched 'Terre de Lumière', a new fragrance line, at selected travel retail locations in Europe, where it is being showcased in one-of-a-kind high-profile, creative podiums that incorporate theatre and 'retail-tainment' features. It is the Group's first faceted fragrance that breaks through its traditional range of single ingredient products, a feature that is expected to draw in new customers.

Growing digital presence and CRM system

The Group's ongoing investment in growing its digital presence — a successful combination of self-owned e-commerce websites, user-friendly mobile sites, marketplaces, social media platforms and online CRM programs — continues to be a key factor driving sales growth and physical traffic. During the first half of FY2017, it successfully oversaw a planned revamp of its global desktop and mobile websites for its E-commerce business, enhancing the Group's ability to aggressively tap the growing global online beauty market. The Group's E-commerce business grew 6.8% during the first half of FY2017.

The Group has continued to focus particularly on expanding its relationship with marketplaces such as Tmall in China to reach a new generation of savvy online consumers in emerging markets. It is also investing in integrating its online and offline CRM programs to better serve regular customers and drive return traffic to the Group's online and physical sales points.

Continued investment in digital marketing and brand awareness

The core proposition of the Group's brands is great products that spread natural lifestyles through true stories from around the world: an ideal that it continues to communicate through its digital and brand awareness investments. Throughout the period, the Group continued to innovatively collaborate with social media platforms, including WeChat in China, Line in Japan and Kakao Talk in Korea, allowing existing and potential customers to encounter an enhanced brand experience and learn about these true stories.

The Group is also strengthening other ways that it directly interacts with its customers. It further increased its level of engagement with highly followed beauty bloggers and vloggers to act as the Group's brand ambassadors to target consumers through 'emotional' branding. It also continued to provide a very high standard of training to its in-store beauty advisors, combined with an effective sales incentive programme.

The Group's digital marketing investments are also becoming a feature of storefronts, such as at its newly renovated store in Tokyo's Shinjuku district that blends traditional shopping with an immersive, state-of-the-art digital technology experience. By visually interacting with images of natural product ingredients, such as lavender and rose, customers are introduced to the true stories of the Group's brands.

The Group also invests in online analytics, including how its customers use search engines and engage with the Group's E-commerce business and online marketplaces in order to deliver a more tailored shopping experience and boost conversion rates.

Improved operational efficiency

The Group continued to implement its 'operations roadmap', under which it optimises its supply chain, inventory management and other key functions to increase operational efficiency and support gross profit. It also continued to implement a controlled pricing and discount strategy to safeguard and strengthen the Group's brand integrity, proposition and profitability.

The Group's recent reorganisation and optimisation of its management structure, which included the appointment of a new Chief Growth Officer, is allowing it to explore more growth opportunities and eliminate inefficiencies, and is expected to pave the way toward achieving operational excellence.

Recognising its role in Corporate Social Responsibility

The Group recognises its responsibility to be respectful of both mankind and the environment. Its products are renowned for their use of natural and organic ingredients, all of which is sourced and produced in a way that is sustainable and not harmful to the environment.

The Group also takes seriously its responsibility to look out for the interests of its employees and the people living in the communities from which it sources its natural ingredients. The Group is also heavily involved in various charities and charitable causes.

For more information on the Group's business ethics, responsible purchasing policies and good work in the areas of social responsibility and environmental sustainability, please refer to its annually-published CSR report.

OUTLOOK

Looking forward to the second half of FY2017 and beyond, the Group will continue to pursue sustainable growth and its vision to become the No. 1 natural beauty brand. The Group's omni-channel expansion strategy will remain at the core of its activity, as it seeks to more closely integrate its on-line business and physical stores. In addition, it aims to upgrade the training of its beauty advisors to further reinforce the customer-centric nature of its shopping experiences, while also continuing to focus on expanding its digital presence through marketing and analytics to drive more traffic and sales.

The Group will also seek to capitalise on the initial success of its new 'Divine Harmony' range and 'Terre de Lumière' perfume to improve its recognition in the face care and fragrance markets. It will seek to further boost the profile of its emerging brands in order to occupy niches at different price points in the beauty market.

Following the successful opening of new flagship stores for L'Occitane en Provence at Disney World in Orlando, Florida, at the Iguatemi in São Paulo, Brazil, and at the World Trade Centre in New York City, the Group has high expectations for a brand new concept store in the iconic Flatiron Building, also in New York City, following the completion of its renovation at the end of November 2016.

Most importantly, the Group will continue boosting efficiencies within its organisation in order to deliver lasting value to its shareholders.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT REVIEW REPORT

Report on Review of the Condensed Consolidated 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 2016 and the related condensed consolidated interim statement of income, statements of comprehensive income, changes in equity and cash flows 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, 29 November 2016

Philippe Duren

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INTERIM CONSOLIDATED STATEMENTS OF INCOME

In thousands of Euros, except per share data	*Notes*	**Period ended 30 September** ***2016***	***2015***
Net Sales	(4)	**551,663**	**546,699**
Cost of sales		(98,230)	(100,758)
Gross profit		**453,433**	**445,941**
% of net sales		82.2%	81.6%
Distribution expenses		(289,448)	(280,681)
Marketing expenses		(77,296)	(71,752)
Research & development expenses		(7,476)	(6,226)
General and administrative expenses		(60,647)	(56,044)
Share of profit/(loss) from joint ventures accounted for using the equity method		(27)	(27)
Other gains/(losses), net	(20)	832	449
Operating profit		**19,371**	**31,660**
Finance income	(21)	1,213	1,368
Finance costs	(21)	(1,331)	(1,492)
Foreign currency gains/(losses)	(22)	649	(9,591)
Profit before income tax		**19,902**	**21,945**
Income tax expense	(23)	6,545	(1,871)
Profit for the period		**26,447**	**20,074**
Attributable to:			
Equity owners of the Company		25,989	19,409
Non-controlling interests		458	665
Total		**26,447**	**20,074**
Earnings per share for profit attributable to the equity owners of the Company during the period *(expressed in Euros per share)*	(24)		
Basic		0.018	0.013
Diluted		0.018	0.013
Number of shares used in earnings per share calculation	(24)		
Basic		1,464,559,221	1,470,574,041
Diluted		1,466,793,552	1,473,883,159

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** ***2016***	***2015***
Profit for the period		**26,447**	**20,074**
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 (1)		14,746	(22,658)
Total items that may be reclassified subsequently to profit and loss		**14,746**	**(22,658)**
Other comprehensive income/(loss) for the period, net of tax		**14,746**	**(22,658)**
Total comprehensive income for the period		**41,193**	**(2,584)**
Attributable to:			
– Equity owners of the Company		40,553	(2,675)
– Non-controlling interests		640	91
Total comprehensive income for the period		**41,193**	**(2,584)**

(1) Over the period ended 30 September 2016, currency translation differences include an amount of €1,389,000 corresponding to exchange losses on intercompany receivables and payables that are, in substance, part of the Company's net investment in subsidiaries according to IAS 21 (€4,595,000 for the period ended 30 September 2015).

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 2016***	***31 March 2016***
Property, plant and equipment	(7)	177,234	181,661
Goodwill	(8)	134,586	129,508
Intangible assets	(9)	59,206	60,540
Deferred income tax assets	(23)	93,998	71,189
Investments in joint ventures		(70)	(43)
Other non-current assets		35,358	33,082
Non-current assets		**500,312**	**475,937**
Inventories	(10)	155,909	136,994
Trade receivables	(11)	102,836	97,498
Other current assets	(12)	55,019	52,628
Derivative financial instruments	(13)	259	468
Cash and cash equivalents		390,269	424,818
Current assets		**704,292**	**712,406**
TOTAL ASSETS		**1,204,604**	**1,188,343**

EQUITY AND LIABILITIES *In thousands of Euros*	*Notes*	***30 September 2016***	***31 March 2016***
Share capital	(14)	44,309	44,309
Additional paid-in capital	(14)	342,851	342,851
Other reserves		(37,845)	(45,975)
Retained earnings		492,787	509,399
Capital and reserves attributable to the equity owners of the Company		**842,102**	**850,584**
Non-controlling interests		2,207	4,973
Total equity		**844,309**	**855,557**
Borrowings	(15)	87,965	86,382
Other financial liabilities	(6)	9,224	8,846
Deferred income tax liabilities	(23)	4,072	4,420
Other non-current liabilities	(16)	30,559	29,468
Non-current liabilities		**131,820**	**129,116**
Trade payables	(17)	85,574	92,022
Social and tax liabilities		54,576	63,675
Current income tax liabilities		5,020	8,420
Borrowings	(15)	2,445	2,496
Derivative financial instruments	(13)	427	67
Provisions	(18)	12,598	19,226
Other current liabilities	(16)	67,835	17,764
Current liabilities		**228,475**	**203,670**
TOTAL EQUITY AND LIABILITIES		**1,204,604**	**1,188,343**

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	Other reserves	Cumul. Currency Transl. Diff.	Other reserves Excess of consideration paid in transaction with non-controlling interests	Actuarial gains/ (losses)	Treasury shares	Profit for the period	Non-controlling interests	TOTAL EQUITY
		Attributable to equity owners of the Company											
					Other reserves								
Balance at 31 March 2015		**1,476,964,891**	**44,309**	**342,851**	**15,025**		**(14,202)**	**(14,618)**	**(2,390)**	**(9,247)**	**492,092**	**6,372**	**860,192**
Profit for the 6-months period		–	–	–	–	–	–	–	–	–	19,409	665	20,074
Other comprehensive income													
Currency translation differences		–	–	–	–	–	(22,084)	–	–	–	–	(574)	(22,658)
Actuarial losses on defined benefit obligation		–	–	–	–	–	–	–	–	–	–	–	–
Total comprehensive income		**–**	**–**	**–**	**–**	**–**	***(22,084)***	**–**	**–**	**–**	***19,409***	***91***	***(2,584)***
Transactions with owners													
Dividends declared		–	–	–	–	–	–	–	–	–	(92,793)	(4,052)	(96,845)
Proceeds from exercise of 264 560 stock options	(14.2)	–	–	–	–	247	–	–	–	367	–	–	614
Employee share option: value of employee services	(14.3)	–	–	–	1,326	–	–	–	–	–	–	–	1,326
Total contributions by and distribution to owners of the Company		**–**	**–**	**–**	***1,326***	***247***	**–**	**–**	**–**	***367***	***(92,793)***	***(4,052)***	***(94,905)***
Transactions with non-controlling interests	(6.0)	–	–	–	–	–	–	(638)	–	–	(63)	63	(638)
Total transaction with owners		**–**	**–**	**–**	**–**	**–**	**–**	***(638)***	**–**	**–**	***(63)***	***63***	***(638)***
Balance at 30 September 2015		**1,476,964,891**	**44,309**	**342,851**	**16,351**	**247**	**(36,286)**	**(15,256)**	**(2,390)**	**(8,880)**	**418,645**	**2,474**	**762,065**
Balance at 31 March 2016		**1,476,964,891**	**44,309**	**342,851**	**17,669**	**(682)**	**(34,424)**	**(15,256)**	**(1,313)**	**(11,969)**	**509,399**	**4,973**	**855,557**
Profit for the 6-months period		–	–	–	–	–	–	–	–	–	25,989	458	26,447
Other comprehensive income													
Currency translation differences		–	–	–	–	–	14,564	–	–	–	–	182	14,746
Actuarial losses on defined benefit obligation		–	–	–	–	–	–	–	–	–	–	–	–
Total comprehensive income		**–**	**–**	**–**	**–**	**–**	***14,564***	**–**	**–**	**–**	***25,989***	***640***	***41,193***
Transactions with owners													
Dividends declared		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(42,619)**	**(3,388)**	**(46,007)**
Proceeds from purchase of 4,057,500 treasury shares	(14.2)	–	–	–	–	–	–	–	–	(7,338)	–	–	(7,338)
Employee share option: value of employee services	(14.3)	–	–	–	904	–	–	–	–	–	–	–	904
Total contributions by and distribution to owners of the Company		**–**	**–**	**–**	***904***	**–**	**–**	**–**	**–**	***(7,338)***	***(42,619)***	***(3,388)***	***(52,441)***
Transactions with non-controlling interests	(5)	–	–	–	–	–	–	–	–	–	18	(18)	–
Total transaction with owners		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	***18***	***(18)***	**–**
Balance at 30 September 2016		**1,476,964,891**	**44,309**	**342,851**	**18,573**	**(682)**	**(19,860)**	**(15,256)**	**(1,313)**	**(19,307)**	**492,787**	**2,207**	**844,309**

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

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

		Period ended 30 September	
In thousands of Euros	*Notes*	***2016***	***2015***
Cash flows from operating activities			
Profit for the half-year		26,447	20,074
Adjustments to reconcile profit for the half-year to net cash from operating activities			
Depreciation, amortization and impairment	(19.3)	31,616	29,791
Deferred income taxes		(20,847)	(16,071)
Unwinding of discount on other financial liabilities	(6)	378	378
Share based payment	(14.3)	904	1,326
Change in the fair value of derivatives	(22)	569	(1,518)
Other losses/(gains) - net	(20)	(268)	176
Net movements in provisions	(18)	(6,301)	565
Share of (profit)/loss from joint operations		27	27
Changes in working capital			
Inventories		(16,519)	(8,922)
Trade receivables		(1,888)	7,206
Trade payables		(8,786)	212
Salaries, wages, related social items and other tax liabilities		(10,313)	(5,598)
Current income tax assets and liabilities		(2,070)	(3,357)
Other assets and liabilities, net		4,801	8,014
Net cash inflow from operating activities		**(2,250)**	**32,303**
Cash flows from investing activities			
Acquisition of business combinations, net of cash acquired	(5)	(1,848)	(681)
Purchases of property, plant and equipment	(7)	(19,879)	(29,483)
Purchases of intangible assets	(9)	(4,143)	(3,061)
Proceeds from sale of fixed assets		1,446	537
Change in deposits and key moneys paid to the landlords		237	(532)
Change in non-current receivables and liabilities		(641)	(363)
Net cash (outflow) from investing activities		**(24,828)**	**(33,583)**
Cash flows from financing activities			
Proceeds from the exercise of stocks options		—	614
Dividends paid to non-controlling interests		(211)	(1,861)
Proceeds from purchase of treasury shares	(14.1)	(7,338)	—
Proceeds from borrowings	(15)	72,486	181,574
Repayments of borrowings	(15)	(71,068)	(180,030)
Net cash inflow from financing activities		**(6,131)**	**297**
Exchange gains/(losses) on cash, cash equivalents and bank overdrafts		(1,340)	5,821
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		**(34,549)**	**4,838**
Cash, cash equivalents at the beginning of the half-year		**424,818**	**395,128**
Cash, cash equivalents		*424,818*	*395,128*
Cash, cash equivalents at end of the half-year		**390,269**	**399,966**
Cash, cash equivalents		*390,269*	*399,966*

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 29 November 2016.

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-months period ended 30 September 2016 ("period ended 30 September 2016") has been prepared in accordance with IAS 34, «Interim financial reporting» as 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 2016, 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 of the annual consolidated financial statements for the year ended 31 March 2016, except as described below:

- Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.
- Interpretations and amendments to IFRSs effective for the financial period beginning 1 April 2016 do not have any material impact on the consolidated financial statements.

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 2016, with the exception of changes in estimates that are required in determining the provision for income taxes.

2. BASIS OF PREPARATION *(continued)*

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 2015, the level of sales represented 42.6% of the annual level of sales in the year ended 31 March 2016 and the level of operating profit represented 18.9% of the annual operating profit in the year ended 31 March 2016. These ratios are not representative of sales and operating profit expected for the year ended 31 March 2017.

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 2016.

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

(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 Japanese Yen, the Chinese Yuan, the United States Dollar and the Sterling Pound. 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.

3. FINANCIAL RISK MANAGEMENT *(continued)*

3.1. Financial risk factors *(continued)*

(a) Market risk (continued)

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 2016, 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 2016, 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.

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 2016 are as follows:

In thousands of Euros	***30 September 2016***
Cash and cash equivalents and bank overdrafts	390,269
Undrawn borrowing facilities (note 15.2)	328,445
Liquidity reserves	**718,714**

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 and Business to Business:

- 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 the products to an intermediate. 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;
- Business to business (B to B) comprises 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.

4. SEGMENT INFORMATION *(continued)*

In accordance with the aggregation criteria of IFRS 8, the operating segments Sell-in and B-to-B have been aggregated into a single reportable segment as the distribution channels and the credit risks are similar.

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:

	Period ended 30 September 2016			
In thousands of Euros	**Sell-Out**	**Sell-In and B-to-B**	**Other reconciling items**	**Total**
Net sales	**400,549**	**151,114**	**—**	**551,663**
In %	*72.6%*	*27.4%*	—	*100.0%*
Gross profit	**349,712**	**103,721**	**—**	**453,433**
% of sales	*87.3%*	*68.6%*	—	*82.2%*
Distribution expenses	(236,283)	(27,913)	(25,252)	(289,448)
Marketing expenses	(24,233)	(4,897)	(48,166)	(77,296)
Research & development expenses	—	—	(7,476)	(7,476)
General and administrative expenses	—	—	(60,647)	(60,647)
Share of profit/(loss) from joint operations	—	—	(27)	(27)
Other gains/(losses), net	308	1	523	832
Operating profit	**89,504**	**70,912**	**(141,045)**	**19,371**
% of sales	*22.3%*	*46.9%*	—	*3.5%*

	Period ended 30 September 2015			
In thousands of Euros	**Sell-Out**	**Sell-In and B-to-B**	**Other reconciling items**	**Total**
Net sales	**398,180**	**148,519**	**—**	**546,699**
In %	*72.8%*	*27.2%*	—	*100%*
Gross profit	**344,597**	**101,344**	**—**	**445,941**
% of sales	*86.5%*	*68.2%*	—	*81.6%*
Distribution expenses	(229,233)	(27,561)	(23,887)	(280,681)
Marketing expenses	(25,012)	(3,321)	(43,419)	(71,752)
Research & development expenses	—	—	(6,226)	(6,226)
General and administrative expenses	—	—	(56,044)	(56,044)
Share of profit/(loss) from joint operations	—	—	(27)	(27)
Other gains/(losses), net	(84)	(51)	584	449
Operating profit	**90,268**	**70,411**	**(129,019)**	**31,660**
% of sales	*22.7%*	*47.4%*	—	*5.8%*

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

	Period ended 30 September			
	2016		2015	
In thousands of Euros	**Total**	***In %***	**Total**	***In %***
Japan	104,460	*18.9%*	90,113	*16.5%*
United States	70,838	*12.8%*	72,277	*13.2%*
Hong Kong	50,927	*9.2%*	58,103	*10.6%*
China	50,797	*9.2%*	51,438	*9.4%*
France	43,826	*7.9%*	45,005	*8.2%*
Luxembourg - Swiss branch	36,027	*6.5%*	32,854	*6.0%*
United Kingdom	26,475	*4.8%*	31,648	*5.8%*
Brazil	22,478	*4.1%*	19,539	*3.6%*
Russia	17,248	*3.1%*	17,969	*3.3%*
Taiwan	15,871	*2.9%*	16,658	*3.0%*
Other countries	112,716	*20.4%*	111,095	*20.3%*
Net sales	**551,663**	***100%***	**546,699**	***100%***

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

5. INFORMATION RELATING TO CHANGES IN THE GROUP STRUCTURE

5.1. For the period ended 30 September 2016

There was no change in the Group structure during the first semester.

5.2. For the period ended 30 September 2015

There was no change in the Group structure during the first semester.

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 2016**	**Dividend paid to the non-controlling interests**	**Change in estimates in the valuation of the exercice price**	**Unwinding of discount (note 21)**	**30 September 2016**
Katalin Berenyi and Hojung Lee (Symbiose)	8,846	—	—	378	9,224
Total other financial liabilities	**8,846**	**—**	**—**	**378**	**9,224**

During the period ended 30 September 2015, the valuation of financial liabilities in connection with the puts on non-controlling interests has been modified accordingly to revised price formula in the new agreement signed on 29 June 2015.

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 2016	**181,661**
Additions	19,879
Disposals	(669)
Acquisition of subsidiaries	—
Depreciation (note 19.3)	(26,947)
Impairment loss	—
Reversal of impairment loss (note 19.3)	890
Other movements	(102)
Exchange differences	2,522
Net book value as of 30 September 2016	**177,234**

As at 30 September 2016, the net book value under finance leases amounts to €11,107,000 and mainly relates to the land and building of the plants in Lagorce and Manosque, France. During the period ended 30 September 2016, no finance lease was drawn.

The additions of the period are mainly related to openings and refurbishment of stores for €14,932,000.

8. GOODWILL

Changes in goodwill are as follows:

In thousands of Euros

Cost as of 1 April 2016	**130,508**
Exchange differences	5,078
Cost as of 30 September 2016	**135,586**
Accumulated impairment as of 1 April 2016	**(1,000)**
Impairment loss	—
Exchange differences	—
Accumulated impairment as of 30 September 2016	**(1,000)**
Net book value as of 30 September 2016	**134,586**

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 2016	**60,540**
Additions	4,143
Disposals	(509)
Acquisition of subsidiaries	—
Amortization (note 19.3)	(5,759)
Impairment loss (note 19.3)	200
Other movements	—
Exchange differences	591
Net book value as of 30 September 2016	**59,206**

Additions mainly concern software for an amount of €2,992,000.

10. INVENTORIES

Inventories consist of the following:

In thousands of Euros	***30 September 2016***	***31 March 2016***
Raw materials and supplies	20,350	20,956
Finished goods and work in progress	147,494	128,011
Inventories, gross	**167,844**	**148,967**
Less, allowance	(11,935)	(11,973)
Inventories	**155,909**	**136,994**

11. TRADE RECEIVABLES

Trade receivables ageing analysis consist of the following:

In thousands of Euros	***30 September 2016***	***31 March 2016***
Current and past due within 3 months	102,441	95,946
Past due 3 to 6 months	933	1,954
Past due 6 to 12 months	509	669
Past due Over 12 months	299	512
Allowance for doubtful accounts	(1,346)	(1,583)
Trade receivables	**102,836**	**97,498**

The Group considers that there is no recoverability risk on the net receivables after allowance for doubtful accounts.

12. OTHER CURRENT ASSETS

The following table presents details of other current assets:

In thousands of Euros	***30 September 2016***	***31 March 2016***
Value added tax receivable and other taxes and social items receivable	17,417	20,189
Prepaid expenses (a)	22,018	14,978
Income tax receivable (b)	6,225	6,396
Advance payments to suppliers	5,748	5,422
Other current assets	3,611	5,643
Total other current assets	**55,019**	**52,628**

(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.

13. DERIVATIVE FINANCIAL INSTRUMENTS

a) Analysis of derivative financial instruments

Derivative financial instruments are analysed as follows:

In thousands of Euros	***30 September 2016***		***31 March 2016***	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Interest rate derivatives				
- held for trading	—	—	—	—
Foreign exchange derivatives				
- held for trading	259	427	468	67
Sub-total derivative financial instruments at fair value through profit and loss (a)	**259**	**427**	**468**	**67**
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	**259**	**427**	**468**	**67**
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	**259**	**427**	**468**	**67**

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 2016***	***31 March 2016***
Sale of currencies		
JPY	26,749	9,406
CNY	12,785	3,469
USD	10,752	1,976
GBP	6,620	—
AUD	5,414	2,109
RUB	4,637	—
THB	1,551	753
MXN	1,413	—
NOK	664	—
CZK	513	135
PLN	445	635
ZAR	262	—
SEK	120	—
Purchase of currencies		
HKD	12,710	—

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 2016. At 30 September 2016, 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.

14.1. 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 2015	**1,476,964,891**	**44,309**	**342,851**
At 31 March 2016	**1,476,964,891**	**44,309**	**342,851**
At 30 September 2016	**1,476,964,891**	**44,309**	**342,851**

14.2. Treasury shares

As at 31 March 2016, the Company held 8,348,170 own shares and the aggregate price of the shares purchased was deducted from equity as treasury shares reserve for an amount of €11,969,000.

Over the half year period ended 30 September 2016, the Company acquired 4,057,500 of its own shares. The total amount paid to acquire the shares was €7,338,000.

As at 30 September 2016, the Company held 12,405,670 of its own shares. The aggregate price of the purchased shares was deducted from equity as treasury shares reserve for an amount of €19,307,000.

14. CAPITAL AND RESERVES *(continued)*

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 2016, 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	Exercised over the period/ year	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 exercise price of HKD 19.84	2,717,950	–	–	–	2,717,950	2,717,950	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 exercise price of HKD 19.84	117,000	–	–	–	117,000	117,000	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 exercise price of HKD 19.84	1,370,000	–	–	–	1,370,000	1,370,000	8 years	4 years	Group management	No performance condition other than the service conditions
Granted on 26 October 2012 at an exercise price of HKD 23.60	2,786,180	–	(553,620)	–	2,232,560	–	8 years	4 years	Group & Middle management	No performance condition other than the service conditions
Granted on 28 November 2012 at an exercise price of HKD 24.47	971,958	–	(130,536)	–	841,422	–	8 years	4 years	Group & Middle management	No performance condition other than the service conditions
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	10,053,000	–	(1,946,250)	–	8,106,750	–	8 years	4 years	Group & Middle management	No performance condition other than the service conditions
Granted on 24 February 2015 at an exercise price of HKD 19.22	998,600	–	(451,600)	–	547,000	–	8 years	4 years	Group & 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 21 March 2016 at an exercise price of HKD 14.36	8,850,900	–	(88,600)	–	8,762,300	–	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)*

	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	Exercised over the period/ year	At the end of the period/ year	Number of options exercisable or shares	Contractual option term	Vesting period	Grantees	Performance 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	1,483,680	–	(72,500)	–	1,411,180	–	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	755,000	–	(92,000)	–	663,000	–	N/A	4 years	Group & Middle management	No performance condition other than the service conditions
Granted on 24 February 2015	768,300	–	(74,000)	–	694,300	–	N/A	4 years	Group & 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 23 March 2016 at an exercise price of HKD 14.36	729,300	–	(8,400)	–	720,900	–	N/A	4 years	Group & Middle management	No performance condition other than the service conditions
Granted on 23 March 2016 at an exercise price of HKD 14.36	192,100	–	–	–	192,100	–	N/A	4 years	Group & 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

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.

14. CAPITAL AND RESERVES *(continued)*

14.3. Share-based payments *(continued)*

(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 2016, no share-based payment related to LOG equity instruments has been granted.

On 30 September 2016, the stock options 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	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
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	11,250	–	–	–	11,250	11,250	6 years	4 years	Management and middle management	None

(iii) Total share-based compensation expense

During the period ended 30 September 2016 and 30 September 2015, the share-based compensation expense recognized within the employee benefits is the following:

	Period ended 30 September	
In thousands of Euros	***2016***	***2015***
LOI equity instruments	904	1,326

14. CAPITAL AND RESERVES *(continued)*

14.4. Distributable reserves

On 30 September 2016, the distributable reserves of L'Occitane International S.A. amounted to €486,035,163 (€452,786,314 as at 31 March 2016).

14.5. Dividend per share

On 30 September 2015, the annual Shareholder's Meeting approved the distribution of €92,196,000 being €0.0631 per share (excluding 6,390,850 treasury shares) which was paid on 19 October 2015.

On 28 September 2016, the annual Shareholder's Meeting approved the distribution of €42,619,000 being €0.0291 per share (excluding 12,405,670 treasury shares) which was paid on 20 October 2016.

15. BORROWINGS

Borrowings include the following items:

In thousands of Euros	***30 September 2016***	***31 March 2016***
FY 2015 Revolving facility	71,664	69,513
FY 2012 bank borrowing	7,858	7,855
Other bank borrowings	—	38
Finance lease liabilities	10,790	11,359
Current accounts with non controlling interests	98	113
Total	**90,410**	**88,878**
Less, current portion:		
– FY 2015 Revolving facility	(109)	(108)
– FY 2012 bank borrowing	(714)	(712)
– Other bank borrowings	—	(34)
– Finance lease liabilities	(1,622)	(1,642)
– Current accounts with non controlling interests	—	—
Total current	**(2,445)**	**(2,496)**
Total non-current	**87,965**	**86,382**

15. BORROWINGS *(continued)*

15.1. Maturity of non-current borrowings

For the period ended 30 September 2016 and for the year ended 31 March 2016, 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	71,555	—	—	71,555
FY 2012 bank borrowing	714	2,143	4,287	7,144
Other bank borrowings	—	—	—	—
Current account with minority interests	98	—	—	98
Finance lease liabilities	1,618	3,757	3,793	9,168
Maturity on 30 September 2016	**73,985**	**5,900**	**8,080**	**87,965**
FY 2015 Revolving facility	69,405	—	—	69,405
FY 2012 bank borrowing	714	2,143	4,286	7,143
Other bank borrowings	4	—	—	4
Current account with minority interests	113	—	—	113
Finance lease liabilities	1,649	3,801	4,267	9,717
Maturity on 31 March 2016	**71,885**	**5,944**	**8,553**	**86,382**

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 €71,555,000 is drawn as at 30 September 2016.

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 is calculated on an annual basis. As at 31 March 2016 the ratio was respected.

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 2016, the ratio is lower than 0.5 and the interest rate is based on Euribor 3M + Margin - 0.7. As at 31 March 2016, the ratio was lower than 0.5 and the interest rate was 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 15 years maturity and that can be drawn only by Laboratoires M&L. As at 30 September 2016, the remaining balance of the bank borrowing is €7,144,000.

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

15.3. Current accounts with non-controlling interests

Current accounts with non-controlling interests:

In thousands of Euros		***30 September 2016***	***31 March 2016***
Entity	**Minority shareholders**		
L'Occitane Nordic AB	Johan Nilsson	98	113
Total current accounts		**98**	**113**

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 2016, 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 2016***	***31 March 2016***
Liabilities linked to operating leases (a)	14,033	14,248
Retirement indemnities	9,838	9,071
Provisions for dismantling and restoring	6,096	5,609
Long term employement benefits	592	540
Total non-current liabilities	**30,559**	**29,468**
Dividends payable to equity owners of the Company (note 14.5)	42,619	—
Dividends payable to non-controlling interests	3,244	—
Deferred revenue (b)	21,930	15,809
Grants to a foundation	42	75
Liabilities linked to purchase of available-for-sales financial assets	—	1,880
Total current liabilities	**67,835**	**17,764**

(a) The liabilities linked to operating leases are related to (i) the impact of recognizing the lease payment as an expense on a straight-line basis; and (ii) incentives received from the lessors at the inception of the lease, which are recognized pro-rata over the lease term.

(b) Deferred revenue is related to (i) sales for which the transfer of ownership and related risks has not occurred at year-end; and (ii) the fair value of the consideration received allocated to the award credits granted in case of loyalty program.

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 2016***	***31 March 2016***
Current and past due within 3 months	85,150	91,294
Past due from 3 to 6 months	47	40
Past due from 6 to 12 months	25	681
Past due over 12 months	352	7
Trade payables	**85,574**	**92,022**

18. PROVISIONS

Provisions can be analysed as follows:

In thousands of Euros	31 March 2016	Additional provisions	Charged/(credited) to the income statement: Unused amounts reversed	Used amounts reversed	Exchange differences	30 September 2016
Social litigations (a)	2,459	98	(8)	(166)	134	2,517
Commercial claims (b)	650	398	(150)	(202)	17	713
Provision for returned goods	1,678	303	(33)	(204)	33	1,777
Onerous contracts (c)	6,782	—	(7)	(616)	101	6,260
Tax risks (d)	7,657	185	(29)	(6,594)	112	1,331
Total	**19,226**	**984**	**(227)**	**(7,782)**	**397**	**12,598**

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

(b) Commercial claims mainly relate 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.

(d) This caption mainly related to a provision for tax risk in connexion with the tax audit in France (note 25.2) reversed and used as of September for €6,606,000.

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:

In thousands of Euros	Period ended 30 September	
	2016	***2015***
Employee benefits expenses (a)	183,873	175,799
Rent and occupancy (b)	111,094	109,790
Raw materials and consumables used	52,945	47,191
Change in inventories of finished goods and work in progress	(16,180)	(7,996)
Advertising costs (c)	59,670	55,574
Professional fees (d)	37,778	32,752
Depreciation, amortization and impairment	31,616	29,791
Transportation expenses	24,319	25,918
Other expenses	47,982	46,641
Total cost of sales, distribution expenses, marketing expenses, research and development expenses, general and administrative expenses	**533,097**	**515,461**

(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 mainly include payments made to warehouse management companies, marketing agencies and lawyers.

19.2. Workforce

In thousands of Euros	Period ended 30 September	
	2016	***2015***
Workforce (full time equivalent)	**8,491**	**8,294**

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

19. EXPENSES BY NATURE *(continued)*

19.3. Breakdown of depreciation, amortization and impairment

Depreciation, amortization and impairment include the following:

	Period ended 30 September	
In thousands of Euros	***2016***	***2015***
Depreciation of property, plant and equipment (note 7)	26,947	24,295
Impairment reversal on property, plant and equipment (note 7)	(890)	(27)
Amortization of intangible assets (note 9)	5,759	5,523
Impairment reversal on intangible assets (note 9)	(200)	—
Depreciation, amortization and impairment	**31,616**	**29,791**

20. OTHER GAINS/(LOSSES), NET

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

	Period ended 30 September	
In thousands of Euros	***2016***	***2015***
Net profit/(loss) on sale of assets	268	(176)
Government grant on research & development costs	564	625
Other gains/(losses), net	**832**	**449**

21. FINANCE INCOME AND FINANCE COSTS

Finance income and finance costs consist of the following:

	Period ended 30 September	
In thousands of Euros	***2016***	***2015***
Interest on cash and cash equivalents	1,213	1,368
Finance income	**1,213**	**1,368**
Interest expense	(953)	(1,114)
Unwinding of discount of other financial liabilities (note 6)	(378)	(378)
Finance costs	**(1,331)**	**(1,492)**
Finance costs, net	**(118)**	**(124)**

22. FOREIGN CURRENCY GAINS/(LOSSES)

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

	Period ended 30 September	
In thousands of Euros	***2016***	***2015***
Foreign exchange differences	1,218	(11,109)
Fair value gains/(losses) on derivatives (note 13)	(569)	1,518
Foreign currency gains/(losses)	**649**	**(9,591)**

Foreign exchange differences mainly correspond to:

- Unrealized net foreign exchange gains: €1.9 million (net losses amounting to €13.8 million for the period ended 30 September 2015);
- Realized net foreign exchange losses: €1.3 million (net gains amounting to €2.7 million for the period ended 30 September 2015).

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:

	Period ended 30 September	
In thousands of Euros	***2016***	***2015***
Profit before income tax	19,902	21,945
Income tax calculated at corporate tax rate *(Luxembourg tax rate of 29.22% as at 30 September 2016 and 2015)*	(5,815)	(6,412)
Effect of different tax rates in foreign countries	13,890	6,605
Effect of unrecognized tax assets	(1,599)	(1,632)
Expenses not deductible for taxation purposes	210	(327)
Effect of unremitted tax earnings	(141)	(105)
Income tax (expense)/credit	**6,545**	**(1,871)**

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 2016.

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	
	2016	*2015*
Profit for the half-year attributable to equity owners of the Company ***(in thousands of Euros)***	**25,989**	**19,409**
Weighted average number of ordinary shares in issue	1,464,559,221	1,470,574,041
Basic earnings per share ***(in € per share)***	**0.018**	**0.013**

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	
	2016	*2015*
Profit for the half-year attributable to equity owners of the Company ***(in thousands of Euros)***	**25,989**	**19,409**
Weighted average number of ordinary shares in issue	1,464,559,221	1,470,574,041
Adjustement for share options	—	1,180,591
Adjustement for free shares	2,234,331	2,128,527
Weighted average number of ordinary shares for diluted earnings per share	1,466,793,552	1,473,883,159
Diluted earnings per share ***(in € per share)***	**0.018**	**0.013**

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.

25.2. Tax risks

In July 2012, the French tax authorities ("FTA") started an audit of the tax returns filed by Laboratoires M&L S.A. ("M&L"), formerly known as L'Occitane S.A. in France, a subsidiary of the Company, for the three financial years ended in March 2009, 2010 and 2011. The FTA questioned the level of intercompany transactions. After consulting its tax advisors, the Company made a provision of €8,000,000 tax liabilities in the financial year ended 31 March 2015. On 30 November 2015, the FTA and M&L reached a €10,500,000 settlement for years ended in March 2009, 2010 and 2011. The amount was paid in January 2016.

Furthermore, in June 2015, the FTA started another audit of the tax returns filed by M&L for the three financial years ended in March 2012, 2013 and 2014.As mentioned in the interim report for the six months ended 30 September 2015, the Company could not assess any reliable estimate for the risk related to those fiscal years and no provision had been recorded in the previous annual and interim financial statements. In April 2016, the FTA and M&L reached an agreement on the level of intercompany transactions with approximately €6,600,000 of additional income tax and other taxes for the fiscal years ended in March 2012 and 2013 and a tax relief for year ended in March 2014. The €6,600,000 has been provided for as "income tax expense" and "current income tax liability" as at 31 March 2016. This amount was paid as at 30 September 2016, together with late payment interests of €700,000 (already recorded as "finance costs" as at 31 March 2016).

In accordance with the related French law, a tax re-assessment triggers a re-assessment of the Company's legal profit sharing with its employees in France. Accordingly, the Company recorded additional profit sharing plus social charges of €3,000,000 as "other losses" in the operating profit as at 31 March 2016. The additional profit sharing will be paid out during the financial year ending 31 March 2017.

The FTA are about to start the audit of the tax return filed by M&L for the year ended in March 2015. After consulting its tax advisors, the Company has assessed the potential tax risk for the years ended in March 2015 and 2016 and concluded there is no need to record any provision in the year ended 31 March 2016.

United States

In November 2015, the US tax authorities started an audit of the tax returns filed by L'Occitane Inc. for the year ended in March 2014. At the present time, L'Occitane Inc. received an information document request for the years ended in March 2013 and March 2014. The probability and moreover the amount of an obligation cannot be reliably assessed. Consequently, no provision has been recorded.

Due to the uncertainty associated with tax audits, it is possible that at some future date, liabilities resulting from such tax audits or related litigation could vary significantly from the Group's provisions.

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 2016***	***31 March 2016***
Property, plant and equipment	2,369	3,508
Intangible assets	509	446
Raw materials	860	1,936
Total	**3,738**	**5,890**

The amounts as of 30 September 2016 and 31 March 2016 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 2016***	***31 March 2016***
Within one year	114,789	106,754
One to two years	93,109	90,992
Two to three years	70,401	70,828
Three to four years	54,333	54,043
Four to five years	44,815	42,349
Subsequent years	95,428	107,796
Total	**472,875**	**472,762**

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

The decrease in lease commitments mainly relates to exchange rate impact on foreign currency lease agreements.

26.3. Other commitments

In thousands of Euros	***30 September 2016***	***31 March 2016***
Pledge of land and building (a)	7,858	7,855
Total	**7,858**	**7,855**

As at 30 September 2016 and as at 31 March 2016, the pledge of land and building corresponds to the FY 2012 bank borrowing (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:

	Period ended 30 September	
In thousands of Euros	***2016***	***2015***
Executive directors	1,727	2,092
Non executive directors	83	74
Senior management	1,183	1,510
Total key management emoluments	**2,993**	**3,676**

During the period ended 30 September 2016 and 30 September 2015, no stock options were granted to the Directors.

27.2. Other transactions with other related parties

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

In thousands of Euros	***2016***	***2015***
Sales of goods	59	43
Sales of services	273	—
Purchase of services from related parties	(322)	(64)

28. POST BALANCE SHEET EVENTS

In October 2016, L'Occitane International S.A. signed a purchase agreement to acquire the Taiwanese minority shareholders for an amount of € 37.6m.

On 11 October 2016, a purchase agreement was signed between L'Occitane International S.A. and the Austrian minority shareholders for an amount of € 1.3m (which represents 13% of the share capital).

Disclaimer: some information presented in 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, some 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.

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

As at 30 September 2016, the following directors (the "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 2)
Reinold Geiger (Note 1)	Interest in controlled corporation, beneficial Interest and deemed Interest	1,047,932,772 (long position)	70.95%
André Hoffmann	Beneficial Interest	2,877,461 (long position)	0.19%
Domenico Trizio	Beneficial Interest	2,797,900 (long position)	0.19%
Thomas Levilion	Beneficial Interest	1,113,700 (long position)	0.08%
Karl Guénard	Beneficial Interest	188,100 (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 1,148,750 Shares and of the entire issued share capital of Société d'Investissemens CIME S.A. ("CIME"), which in turn has beneficial interest and deemed interest in approximately 73.91% of the entire issued share capital of LOG (being beneficial owner of 11,235,393 shares and having deemed interest in 5,243,826 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 1,033,996,141 Shares and controls 12,405,670 treasury Shares held by the Company. Mr. Geiger also has a beneficial interest in Shares (382,211 underlying Shares). See details in Share Option Plan section.

(2) 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 12,405,670 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 2)
Reinold Geiger	Beneficial interest and deemed Interest	16,513,932 (Note 1)	73.91%
André Hoffmann	Beneficial interest and deemed interest	2,868,676	12.84%
Domenico Trizio	Beneficial interest	3,021	0.01%
Martial Lopez	Beneficial interest	13,800	0.06%
Thomas Levilion	Beneficial interest	10,169	0.05%
Karl Guénard	Beneficial interest	3,021	0.01%

Notes:

(1) Comprised of 253 shares held by Mr. Reinold Geiger, 11,235,393 shares held by CIME, 34,460 shares held by Ms. Dominique Maze-Sencier, each as beneficial and registered owner and 5,243,826 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) 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 5,243,826 treasury shares held by LOG.

Save as disclosed herein, as at 30 September 2016, 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 2016, 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 2)
Société d'Investissements CIME S.A.	Interest in controlled corporation and deemed interest	1,046,401,811 (long position) (Note 1)	70.85%
LOG	Interest in controlled corporation and deemed interest	1,046,401,811 (long position) (Note 1)	70.85%

Notes:

(1) *CIME has an interest in approximately 72.88% of the total issued share capital of LOG (being beneficial owner of 11,235,393 shares and having deemed interest in 5,243,826 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 1,033,996,141 Shares held by LOG. As suggested by SFC, being the controlling corporations of the Company, both CIME and LOG have deemed interest in the 12,405,670 treasury Shares being held by the Company.*

(2) *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 12,405,670 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 2016, 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 and was replaced by another share option plan (the "Share Option Plan 2013") which was adopted on 25 September 2013. This Share Option Plan 2013 expired on 24 September 2016 and was replaced by another share option plan (the "Share Option Plan 2016") which was adopted on 28 September 2016.

The purpose of the Share Option Plan 2016 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 2016 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 2016 shall not exceed 29,291,184 Shares, being 2% of the Company's issued share capital (excluding shares held in treasury) as at 30 September 2016. 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 2016 were as follows. No share options were granted under the Share Option Plan 2016 during this period.

Name/Category of Participant	As of 01/04/2016	Number of share options Granted during the period	Cancelled or forfeited during the period	Exercised during the period	As of 30/09/2016	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	105,000	–	–	–	105,000	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
André Hoffmann	105,000	–	–	–	105,000	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	105,000	–	–	–	105,000	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
	91,000	–	–	–	91,000	24-Feb-15	24/02/2019-23/02/2023	19.22	19.22
	488,200	–	–	–	488,200	23-Mar-16	23/03/2020-22/03/2024	14.36	14.00
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
	122,400	–	–	–	122,400	24-Feb-15	24/02/2019-23/02/2023	19.22	19.22
	651,000	–	–	–	651,000	23-Mar-16	23/03/2020-22/03/2024	14.36	14.00
Karl Guénard	90,500	–	–	–	90,500	4-Dec-13	04/12/2017-03/12/2021	17.62	17.62
	97,600	–	–	–	97,600	23-Mar-16	23/03/2020-22/03/2024	14.36	14.00
Jackson Chik Sum Ng	50,000	–	–	–	50,000	4-Apr-11	04/04/2015-03/04/2019	19.84	19.84
Sub-total	4,914,122	–	–	–	4,914,122				
Others									
Employees	2,639,950	–	(440,500)	–	2,199,450	4-Apr-11	04/04/2015-03/04/2019	19.84	19.84
	2,916,716	–	(684,156)	–	2,232,560	26-Oct-12	26/10/2016-26/10/2020	23.60	23.60
	8,995,500	–	(1,946,250)	–	7,049,250	4-Dec-13	04/12/2017-03/12/2021	17.62	17.62
	785,200	–	(451,600)	–	333,600	24-Feb-15	24/02/2019-23/02/2023	19.22	19.22
	7,614,100	–	(88,600)	–	7,525,500	23-Mar-16	23/03/2020-22/03/2024	14.36	14.00
Sub-total	22,951,466	–	(3,611,106)	–	19,340,360			–	–
Total	27,865,588	–	(3,611,106)	–	24,254,482			–	–

Notes:

(1) As a general rule, the vesting period of the 2010, 2013 and 2016 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, and the Share Option Plan 2013 was terminated on 24 September 2016. The Board was however entitled to grant Options to Eligible Persons under the Share Option Plan 2016 subject to such conditions as the Board may think fit, including in respect to the vesting and exercise of such 2016 Options.

(2) Being the higher of 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, 2013 or 2016 Options; and the average closing price for the five business days immediately preceding the date of grant.

(3) *The weighted average fair value of Options granted under the 2010 Share Option Scheme on 4 April 2011, 26 October 2012, 28 November 2012 and under the 2013 Options on 4 December 2013, 24 February 2015 and 23 March 2016 were approximately €0.44, €0.45, €0.47,€0.31, €0.40 and €0.31 respectively. The following significant assumptions were used to derive the fair value, using the Black-Scholes option pricing model:*

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
24 February 2015	25%	5 years	1.00%	35% of budgeted profit attributable to the equity holders
23 March 2016	25%	5 years	1.00%	35% of budgeted profit attributable to the equity holders

In total, share-based compensation expense of €904,000 was included in the consolidated statement of comprehensive income for the six months ended 30 September 2016 (six months ended 30 September 2015: €1,326,000). 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, 2013 and 2016 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 and replaced by another free share plan (the "Free Share Plan 2013") which was adopted on 25 September 2013. This Free Share Plan 2013 expired on 24 September 2016 and was replaced by another free share plan (the "Free Share Plan 2016") which was adopted on 28 September 2016. The purpose of the Free Share Plan 2016 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 2016 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 2016 shall not exceed 5,858,237 Shares, being 0.4% of the Company's issued share capital (excluding shares held in treasury) as at 30 September 2016.

On 4 December 2013, the Company granted 867,500 Free Shares pursuant to the 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.

On 24 February 2015, the Company granted 840,900 Free Shares pursuant to the 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 24 February 2019.

On 23 March 2016, the Company granted 921,400 Free Shares pursuant to the 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 24 March 2020.

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 group.loccitane.com and on the Stock Exchange's website at www.hkexnews.hk.

The Company confirmed that during the six months ended 30 September 2016, the Company was in compliance with the conditions of the Waiver.

During the six months ended 30 September 2016, 4,057,500 Shares were repurchased and transferred to treasury. The Company holds as at 30 September 2016, 12,405,670 ordinary Shares as treasury Shares, and the total number of ordinary Shares in issue (excluding Shares held as treasury Shares) is 1,464,559,221.

HUMAN RESOURCES

As at 30 September 2016, the Group had 8,491 employees (30 September 2015: 8,294 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, 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 interim results of the Group for the six months ended 30 September 2016.

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 (the "CG Code") set out in Appendix 14 to the Listing Rules throughout the six months ended 30 September 2016 save as disclosed below:

Code provision A. 2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The role of the Chief Executive Officer (the "CEO") of the Group has been assumed by Mr. Reinold Geiger ("Mr. Geiger"), the Chairman of the Board. This 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 Directors believe 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 in 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 Board committees (Audit Committee, Nomination Committee and Remuneration Committee) and each Board 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. André Hoffmann, the Managing Director Asia-Pacific (Vice–Chairman of the Board since 19 April 2016) and by Mr. Domenico Trizio, the Group Chief Operating Officer (Group Managing Director of the Company since 26 January 2016). Mr Geiger 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 Director has full executive responsibilities in the business directions and operational efficiency of the business units under their 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 ("Mr Guénard"), joint company secretary of the Company, is based in Luxembourg and reports to Mr. Thomas Levilion ("Mr. 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. Ming Wai Mok, another joint company secretary of the Company, is based in Hong Kong. Ms. Ming Wai Mok works in coordination with Mr. Guénard in the discharge of the company secretarial duties.

CHANGES IN DIRECTORS' INFORMATION

No change has occurred in Directors' information during the six months period ended 30 September 2016.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the code of conduct for dealing in the securities of the Company by the Directors. 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 2016.

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

During the six months period ended 30 September 2016, the Company repurchased a total of 4,057,500 Shares on the Stock Exchange with an aggregate amount of HK$63,272,881, which were transferred to treasury on 28 September 2016.

Details of Shares repurchased during the six months period ended 30 September 2016 are set out as follow:

		Price paid per Share		
Month of repurchases	**Number of Shares purchased**	**Highest (HK$)**	**Lowest (HK$)**	**Aggregate consideration paid (HK$)**
June 2016	1,907,500	15.80	13.50	29,602,196
July 2016	2,150,000	16.50	15.24	33,670,685

The Company held 12,405,670 Shares in treasury on 30 September 2016. Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 September 2016.


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