L'OCCITANE
EN PROVENCE

L'OCCITANE INTERNATIONAL S.A.

(Incorporated under the laws of Luxembourg with limited liability)

Stock code : 973

FY2018
Interim Report

L'OCCITANE
EN PROVENCE

Melvita
french organic beauty care since 1983

erborian
KOREAN SKIN THERAPY
PARIS · SEOUL

L'OCCITANE
AU BRÉSIL

The L'OCCITANE Group consists of four brands: L'OCCITANE en Provence, Melvita, Erborian and L'OCCITANE au Brésil.

CONTENTS

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

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

Company Website

group.loccitane.com

Audit Committee

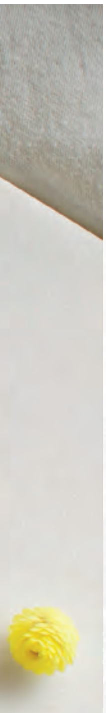
Charles Mark Broadley *(Chairman)*
Martial Lopez
Jackson Chik Sum Ng

Remuneration Committee

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

Nomination Committee

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



Principal Bankers

HSBC France
Groupe Crédit Agricole
    Crédit Agricole CIB
    Le Crédit Lyonnais (LCL)
    Caisse Régionale du Crédit Agricole Mutuel
        Provence Côte d'Azur
BNP Paribas
Groupe BPCE
    Natixis
    BRED
    CEPAC
    Palatine
Groupe Société Générale
    Société Générale
    Crédit du Nord
CIC

Auditor

PricewaterhouseCoopers

Principal Share Registrar and Transfer Office

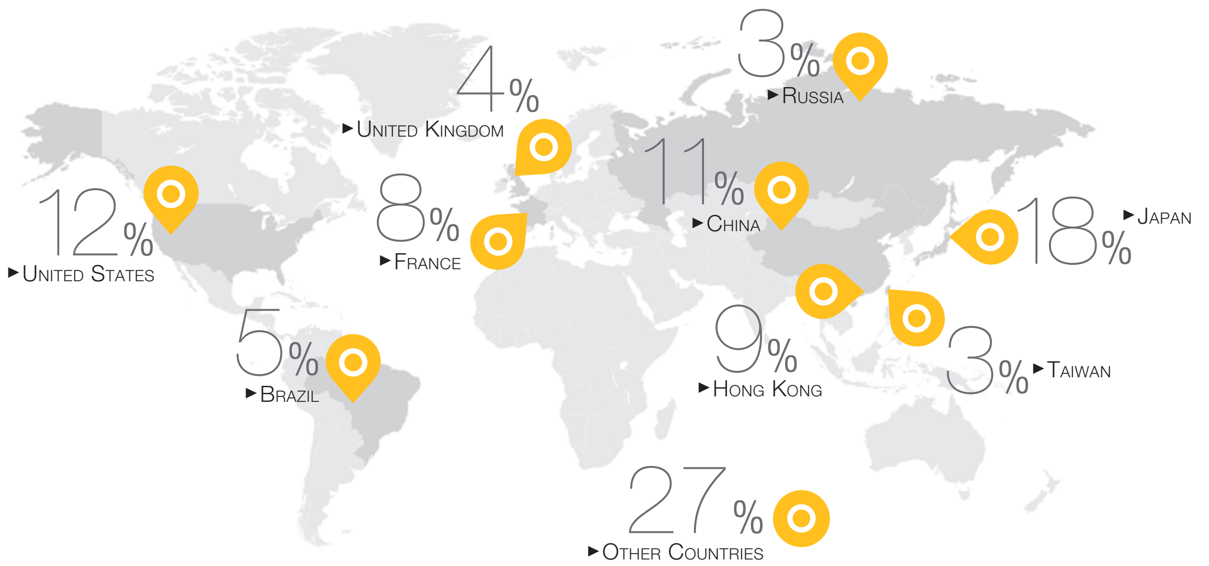
49, Boulevard Prince Henri L-1724 Luxembourg

Hong Kong Share Registrar

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

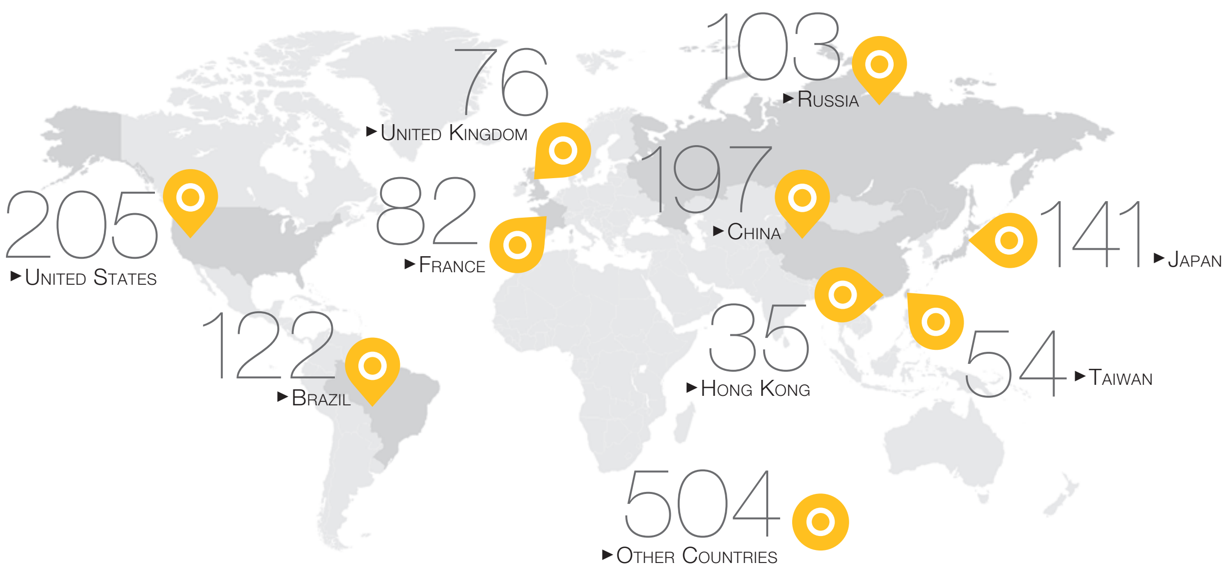
Financial Highlights

Our Activity Worldwide



* Net sales (%) by geographic areas

Our Stores Worldwide



* 3,104 retail locations and 1,519 stores operated directly by the group

HIGHLIGHTS OF RESULTS

for the six months ended 30 September	***2017***	*2016*
Net sales *(€ million)*	**548.2**	551.7
Operating profit *(€ million)*	**13.8**	19.4
Profit for the period *(€ million)*	**10.7**	26.4
Gross profit margin	**82.8%**	82.2%
Operating profit margin	**2.5%**	3.5%
Net profit margin	**2.0%**	4.8%
Net operating profit after tax *(€ million)* (NOPAT)(1)	**11.6**	26.6
Capital employed *(€ million)*(2)	**695.5**	587.1
Return on capital employed (ROCE)(3)	**1.7%**	4.5%
Return on equity (ROE)(4)	**1.3%**	3.1%
Current ratio (times)(5)	**2.5**	3.1
Gearing ratio(6)	**7.2%**	7.5%
Average inventory turnover days(7)	**285**	272
Turnover days of trade receivables(8)	**34**	33
Turnover days of trade payables(9)	**200**	165
Total number of own stores(10)	**1,519**	1,495
Profit attributable to equity owners *(€ million)*	**11.1**	26.0
Basic earnings per share *(€)*	**0.008**	0.018

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, Melvita, L'Occitane an Brésil and Erborian 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

20 November 2017

The six months ended 30 September 2017 once again reflected our long-term focus. Despite short-term challenges, we continued to invest in our brand and company by creating exceptional brand experiences and building a sound platform to propel future growth. Our actions resonate with our aim to distill the best of nature into products that tell a story and represent values that are more than skin deep.

The first half of FY2018 was a highly dynamic period for the Group during which we made progress in key areas ahead of the traditionally more active second half of the year. Against the challenging retail backdrop, we stayed focused on increasing the appeal of our brands, enchanting customers with a memorable online and offline shopping experience, and further improving our operational efficiency.

While L'Occitane en Provence is renowned for its use of high-quality, natural and sustainable ingredients and products that connect to our origins in Provence, we are always seeking to reinvent ourselves in an increasingly competitive global marketplace. It is essential that we develop new audiences, both in traditional and new markets, as well as new sources of growth – which we are already starting to achieve with our emerging brands: Melvita, L'Occitane au Brésil, Erborian and most recently, through our stake in LimeLight by Alcone ('LimeLight').

This need to captivate also extends to our entire customer experience – both within our storefronts and online channels. This is where our 'Sunshine Concept' comes in. Starting at our store on the Avenue des Ternes in Paris, we reintroduced the essence of Provence with a modern interpretation back into our customers' shopping experience, using the signature yellow that we have long been known for. Elements of the Sunshine Concept have also been brought into our new e-commerce websites that debuted in late August 2017, taking our customers on a unified, evocative and memorable journey through all touchpoints.

We are also bringing back the virtues of simplicity and authenticity into our merchandising strategy. Following the successful launch of our first 'hero product', Terre de Lumière, earlier this year, we recently re-launched 'Divine Youth Oil' to boost our reputation for skin care. While still early days, we have already seen promising growth from this product, and in some markets, it has already become the top face care product. This is a significant stride which bodes well for the introduction of future hero products.

Apart from these successful product launches and revamped shopping experiences, we have continued to build on the momentum that we developed last year in growing our emerging brands and sales in emerging markets. Melvita in particular has continued to move from strength to strength, especially in the Japan and France markets. It will not be too long before it becomes a material contributor to the Group. At the same time, we pressed ahead with our ambitious plans to tap the potential of LimeLight in the colour cosmetics space.

In key emerging markets, the Group still has vast room to grow. China remains a bright spot for the Group. Excluding the impact of exchange rates, sales in this market grew by more than 20%, with much of this growth being driven by same store sales growth and a highly successful brand ambassador campaign. Sales through T-mall also grew by triple digits – the surest sign yet of the growing effectiveness of our online retail strategy and how we might be able to use more brand ambassadors in the future to increase relevance to and proximity with a broader audience.

However, due to some one-off and phasing reasons, many of these successes have not been reflected in our financial performance for the first half of the year. Yet, these investments that we are seeding today will blossom into future growth. These include ramping up production capacity, opening regional distribution hubs, and growing brand visibility.

We are confident that due to our strong gifting and holiday image, we will see many of the benefits of this groundwork flow into the upcoming holiday period. The signs are positive, with a strong start to the second half of the year. In addition, we believe our two major flagship openings on Regent Street in London and the Champs-Élysées in Paris will delight customers from around the globe and will quickly become iconic local and tourist landmarks.

I am also pleased that we have continued to be recognized for our efforts to maintain dialogue with our investors and stakeholders with three awards at the HKIRA's 2017 Investor Relations Awards.

Looking forward, we will continue to grow our brand appeal through our omni-channel strategy, trend influencers, and with innovative digital content to take our customers on a sensorial voyage. Staying true to our entrepreneurial spirit yet pragmatic approach, we will move closer to our goal to be the number one natural brand in the affordable premium segment and drive lasting value for our shareholders. We thank you for your support.

Strong Global Presence

Strong Global Presence

1. *Iguatemi São Paulo, Brazil*
2. *Centrepoint Sydney, Australia*
3. *Kokubunji Celeo Tokyo, Japan*
4. *Yorkdale Toronto, Canada*
5. *Festival Walk Kowloon Tong, Hong Kong*
6. *Deji Plaza Nanjing, China*
7. *Zelenopark Moscow, Russia*
8. *Ternes Paris, France*
9. *Flatiron Building New York, United States*
10. *IFC Mall Seoul, Korea*
11. *Chelmsford, United Kingdom*

Management Discussion & Analysis

L'OCCITANE
EN PROVENCE

Management Discussion & Analysis

Summary:

For the six months ended 30 September	***2017***	*2016*
Net sales (€'M)	**548.2**	551.7
Operating profit (€'M)	**13.8**	19.4
Profit for the period (€'M)	**10.7**	26.4
Gross profit margin (% to sales)	**82.8%**	82.2%
Operating profit margin (% to sales)	**2.5%**	3.5%
Net profit margin (% to sales)	**2.0%**	4.8%

Definitions:

Comparable Stores means existing retail stores which have been opened before the start of the previous financial year, including Company owned e-commerce 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 third financial quarter (between 1 October and 31 December) in anticipation of and during the Christmas holiday season. For the six months ended 30 September 2016, the level of sales represented 41.7% of the annual level of sales in the year ended 31 March 2017 ("FY2017") and the level of operating profit represented 11.5% of the annual operating profit in the year ended 31 March 2017. Yet these ratios are not representative of the annual results for the year ending 31 March 2018 ("FY2018").

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

The Group's net sales at reported rates were €548.2 million, reduced by 0.6% over the same period last year. At constant exchange rates, sales growth was 1.1%. During FY2017, the Company disposed of Le Couvent des Minimes and there was a one-off deal of L'Occitane au Brésil in September 2016. On a like-for-like basis (i.e. excluding Le Couvent des Minimes and the one-off deal), the Group's sales grew by 2.3% at constant rates and 0.5% at reported rates.

The Group increased the total number of retail locations where its products are sold from 3,037 as at 31 March 2017 to 3,104 as at 30 September 2017, an increase of 67 locations or 2.2%. The Group maintained its selective global retail expansion strategy and increased the number of its own retail stores from 1,514 as at 31 March 2017 to 1,519 as at 30 September 2017, representing a net increase of 5 stores or 0.3%.

Geographically, China, Brazil, Japan, Hong Kong and France were the key contributing countries to Overall Growth.

Management Discussion & Analysis

Business Segments

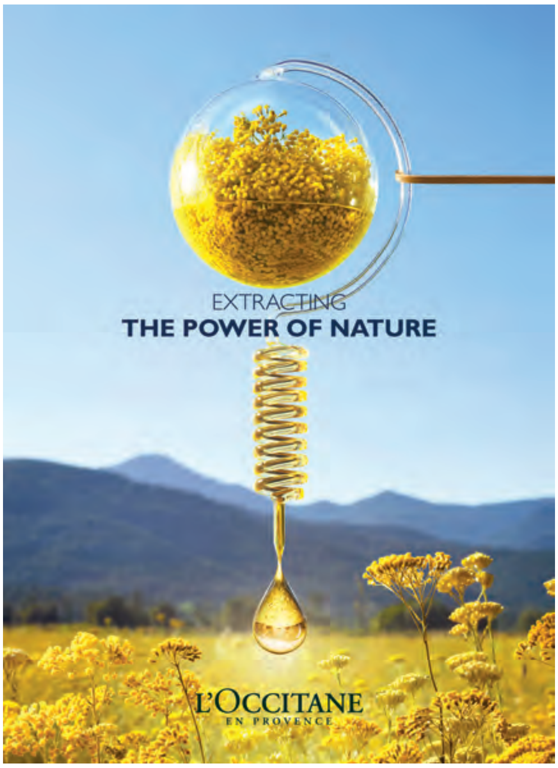
The following table provides a breakdown of the net sales year-on-year growth (including and excluding foreign currency translation effects as indicated) by business segment for the six months ended 30 September 2017:

	Year-on-year growth			
	Growth €'000	*Growth %*	*Growth[2] %*	*Contribution to Overall Growth[2] %*
Sell-out	**(3,473)**	**(0.9)**	**1.1**	**74.2**
Comparable Stores	(6,355)	(2.0)	(0.1)	(6.6)
Non-comparable Stores & others [1]	2,883	3.2	5.2	80.8
Sell-in	**19**	**0.0**	**1.0**	**25.8**
Overall Growth	**(3,453)**	**(0.6)**	**1.1**	**100.0**

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

Sell-out

During the first half of FY2018, Sell-out sales accounted for 72.4% of the net sales and amounted to €397.1 million, a decrease of 0.9% at reported rates as compared to same period last year. At constant rates, the growth was 1.1%. This growth was primarily contributed by Non-comparable Stores and other sales, including new stores and stores renovated in last year and this year, marketplaces and spa businesses. The growth was 5.2% at constant exchange rates. As compared to last year, sales of the Group's Web Sell-out channels (including own e-commerce and marketplaces) grew by 22.6% at constant exchange rates, equivalent to 12.9% of the total Sell-out sales. The Group's same store sales for the six months ended 30 September 2017 decreased by 0.1%, but improved from -0.6% for the first quarter of FY2018 and -2.5% for the same period last year, thanks to the double-digit same store sales growth in China and overall improvements in key countries.



There was a net addition of 5 own stores during the six months ended 30 September 2017. The number of stores in Asia Pacific was unchanged during the period, with 7 openings in Japan, 2 openings each in Australia and India, 1 opening in Macau and offset by certain closings in the region. In China, 3 Melvita and 2 L'Occitane en Provence net stores were closed due to performance issues. In Americas, there were net closings of 3 stores in which 2 stores in the US were closed at the end of lease and 1 L'Occitane au Brésil store was converted to franchise in

Brazil. In Europe & Africa, there were net 8 openings, with 2 openings each in France and the UK, and 1 opening each in Germany, Spain, Belgium and South Africa. The Group continued to upgrade its retail network with 78 stores refurbished during the six months ended 30 September 2017, a clear acceleration from 39 stores in the same period last year.

Sell-in

Sell-in sales accounted for 27.6% of the Group's total sales and amounted to €151.1 million, an increase of 1.0% at constant exchange rates as compared to last year. Like-for-like growth was 5.4%. The increase was primarily driven by the dynamic growth in travel retail, distribution, B2B and web-partner channels of L'Occitane en Provence brand. Travel retail saw good growth during the first half of FY2018, in particular in China, Japan, Germany, North America and inflight sales. In addition, the emerging brands Melvita and Erborian also drove overall sales growth, each delivering double-digit growth. Excluding the one-off deal last year, L'Occitane au Brésil remained in strong growth at mid-double digit.

Geographic Areas

The following table presents our net sales growth for the six months ended 30 September 2017 and contribution to net sales growth (including and excluding foreign currency translation effects as indicated) by geographic area:

Sales and % of total sales

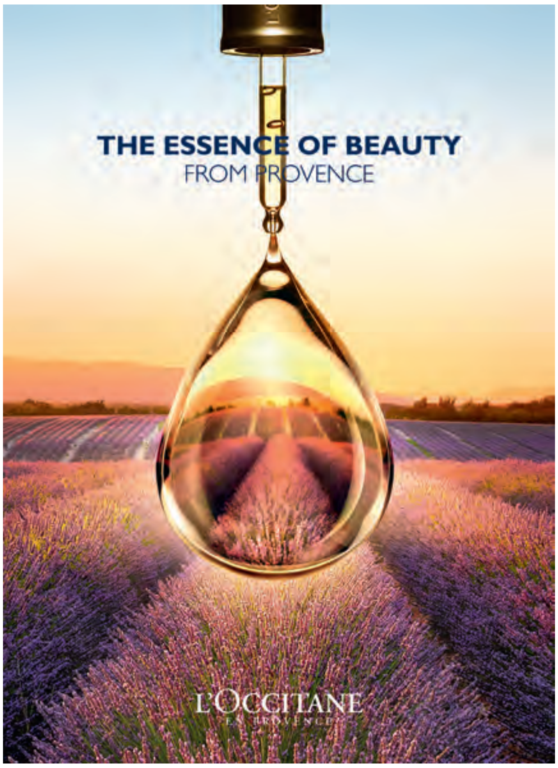
	30 Sep 2017		30 Sep 2016		*Growth*	*Growth*	*Growth*[1]	*Contribution to Overall Growth*[1]
	€'000	*%*	*€'000*	*%*	*€'000*	*%*	*%*	*%*
Japan	99,448	18.1	104,460	18.9	(5,012)	(4.8)	1.8	31.7
Hong Kong[2]	51,147	9.3	50,927	9.2	220	0.4	2.6	22.6
China	60,041	11.0	50,797	9.2	9,244	18.2	22.7	197.9
Taiwan	15,292	2.8	15,871	2.9	(578)	(3.6)	(7.1)	(19.4)
France	44,664	8.1	43,826	7.9	838	1.9	1.9	14.4
United Kingdom	23,470	4.3	26,475	4.8	(3,005)	(11.4)	(4.7)	(21.2)
United States	62,989	11.5	70,838	12.8	(7,849)	(11.1)	(10.2)	(123.8)
Brazil	26,703	4.9	22,478	4.1	4,225	18.8	13.2	51.1
Russia	18,976	3.5	17,248	3.1	1,727	10.0	(0.8)	(2.5)
Other countries[3]	145,480	26.5	148,742	27.0	(3,262)	(2.2)	(2.0)	(50.7)
All countries	**548,210**	**100.0**	**551,663**	**100.0**	**(3,453)**	**(0.6)**	**1.1**	**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 2017 compared to the six months ended 30 September 2016:

	Own Retail Stores				**% contribution to Overall Growth[1] [2]**			
	30 Sep 2017	*Net openings YTD 30 Sep 2017*	*30 Sep 2016*	*Net openings YTD 30 Sep 2016*	*Non-comparable Stores*	*Comparable Stores*	*Total Stores*	*Same Store Sales Growth % [2]*
Japan[3]	141	7	130	7	50.1	17.2	67.2	1.4
Hong Kong[4]	35	1	34	(2)	(30.3)	(11.1)	(41.5)	(5.1)
China[5]	197	(5)	195	8	20.3	93.8	114.1	15.8
Taiwan[6]	54	(2)	56	1	(2.8)	(13.6)	(16.4)	(7.9)
France[7]	82	2	81	—	8.7	(15.0)	(6.3)	(4.9)
United Kingdom	76	2	75	—	(5.2)	(5.6)	(10.8)	(1.9)
United States	205	(2)	215	(2)	(54.3)	(48.3)	(102.6)	(6.1)
Brazil[8]	122	(1)	101	9	35.3	9.8	45.1	3.6
Russia[9]	103	(1)	107	4	(1.0)	(8.5)	(9.5)	(4.8)
Other countries[10]	504	4	501	7	(0.2)	(25.4)	(25.6)	(2.0)
All countries[11]	**1,519**	**5**	**1,495**	**32**	**20.6**	**(6.6)**	**13.9**	**(0.1)**

(1) Represents percentage of overall net sales growth attributable to Non-comparable Stores, Comparable Stores and Total Stores for the geographic area and period indicated.
(2) Excludes foreign currency translation effects.
(3) Includes 22 and 30 Melvita stores as at 30 September 2016 and 30 September 2017 respectively.
(4) Includes 2 L'Occitane stores in Macau and 9 Melvita stores in Hong Kong as at 30 September 2016 and 3 L'Occitane stores in Macau and 10 Melvita stores in Hong Kong as at 30 September 2017.
(5) Includes 10 and 7 Melvita stores as at 30 September 2016 and 30 September 2017 respectively.
(6) Includes 1 Erborian store as at 30 September 2016.
(7) Includes 4 Melvita and 1 Erborian stores as at 30 September 2016 and 3 Melvita and 1 Erborian stores as at 30 September 2017.
(8) Includes 18 and 35 L'Occitane au Brésil stores as at 30 September 2016 and 30 September 2017 respectively.
(9) Includes 1 and 3 Erborian stores as at 30 September 2016 and 30 September 2017 respectively.
(10) Include 9 Melvita and 2 Erborian stores as at 30 September 2016 and 2 Melvita and 1 Erborian stores as at 30 September 2017.
(11) Include 54 Melvita, 18 L'Occitane au Brésil and 5 Erborian stores as at 30 September 2016 and 52 Melvita, 35 L'Occitane au Brésil and 5 Erborian stores as at 30 September 2017.



Japan

Japan's net sales for the six months ended 30 September 2017 were €99.4 million, a decrease of 4.8% as compared to the same period last year. At constant exchange rates, the growth was 1.8%. Same Store Sales Growth was 1.4%. During the second quarter of FY2018, Japan saw a slow-down from the first quarter, due mainly to weaker-than-expected marketing windows during the summer season, as well as a high number of typhoon hits that caused store closure days. However, e-commerce performed very well with low double-digit growth. Melvita remained the growth engine in Japan with mid-double-digit growth, mainly contributed by the double-digit same store growth as well as the new stores. At the end of September 2017, Japan had 30 Melvita stores.

Hong Kong

Hong Kong's net sales for the six months ended 30 September 2017 were €51.1 million, an increase of 0.4% as compared to the same period last year. At constant exchange rates, the growth was 2.6%. The growth was driven mainly by travel retail channel. During the first half of FY2018, travel retail channel saw good growth on sales to duty free operators and airlines in China and Japan. On the other hand, the retail market remained sluggish in the context of weak traffic, and retail sales were also affected by the closures of two underperforming stores as well as some temporary closings for renovation.

China

China's net sales for the six months ended 30 September 2017 were €60.0 million, an increase of 18.2% as compared to the same period last year. At constant exchange rates, the growth was 22.7%. The impressive growth was driven mainly by Same Store Sales Growth of 15.8%, thanks to the retail market recovery as well as the successful marketing campaign with Chinese artist Lu Han continued to draw traffic both online and offline. Sales in T-mall continued to grow at triple digits and were ahead of plan. B2B also delivered an excellent performance, thanks to growing orders from independent hotels and Shangri-la.

Taiwan

Taiwan's net sales for the six months ended 30 September 2017 were €15.3 million, a decrease of 3.6% as compared to the same period last year. At constant exchange rates, the decrease was 7.1%. Same Store Sales deteriorated to -7.9% from the first quarter of FY2018. Retail sales were hindered by the less generous summer promotion offered by the department stores, a couple of mediocre launches and the timing difference in anniversary sale in department stores. Nonetheless, sales of skin care products remained strong in particular the Immortelle and Reine Blanche ranges.

France

France's net sales for the six months ended 30 September 2017 were €44.7 million, an increase of 1.9% as compared to the same period last year. Excluding Le Couvent des Minimes, like-for-like growth was 4.0%. The growth was primarily driven by Melvita and Erborian. L'Occitane en Provence also resumed to growth, thanks to the wholesale and distribution channels. The second quarter saw improvement in retail sentiment as well as sales with positive growth against the same quarter last year, which was affected by terrorist threats. Same Store Sales Growth improved from -7.8% in the previous quarter to -4.9% in the first half of FY2018. Sell-in posted an encouraging growth of 7.0%. The two emerging brands, Melvita and Erborian, continued to grow through existing wholesale networks together with new doors.

United Kingdom

The United Kingdom's net sales for the six months ended 30 September 2017 were €23.5 million, a decrease of 11.4% as compared to the same period last year. This was driven mainly by a weak Great British Pound. At constant exchange rates, the growth was -4.7%. UK saw a slight improvement in retail sales in the second quarter. Own e-commerce and B2B remained in healthy growth. Yet TV channel sales dropped as a result of reduced activities.

United States

The United States' net sales for the six months ended 30 September 2017 were €63.0 million, a decrease of 11.1% as compared to the same period last year. At constant exchange rates, the growth was -10.2%. Sell-out channel recorded a decrease of 9.4% at constant exchange rates, mainly attributable to closures of 10 underperforming stores together with weak Same Store Sales Growth. The retail market remained challenging as a result of declining traffic and stiff competition. Wholesale sales were affected by phasing of promotional activities. On the contrary, web-related channels, such as marketplace and web-partner channels were growing strongly notably with Amazon Direct.

Brazil

Brazil's net sales for the six months ended 30 September 2017 were €26.7 million, an increase of 18.8% as compared to the same period last year. At constant exchange rates, the growth was 13.2%. Brazil was one of the fastest growing countries of the Group with growth contributed by all main channels and by both L'Occitane en Provence and L'Occitane au Brésil brands. Sell-out grew by 15.0%, contributed by the new and renovated stores opened in these two years. We had 122 stores in Brazil at the end of September 2017, including 35 L'Occitane au Brésil stores. Own e-commerce continued to drive growth for both brands. The encouraging results were attributable to the marketing and CRM (customer relationship management) actions which stimulated online traffic and boosted conversion rate and average ticket value.

Russia

Russia's net sales for the six months ended 30 September 2017 were €19.0 million, an increase of 10.0% as compared to the same period last year. The increase in net sales was due to favorable foreign currency movements, i.e. stronger Russian Ruble against Euro. At constant rates, the growth was -0.8%. Sell-out sales were affected by competitive market sentiment with heavy discounts among retailers. Besides, there were 4 stores less than same period last year. Sell-in sales, however, posted good results, with healthy growth in chain wholesale and B2B.

Other countries

Other countries' net sales for the six months ended 30 September 2017 were €145.5 million, a decrease of 2.2%. At constant exchange rates, the growth was 2.0%. Sell-out segment recorded a drop of 1.1% at constant rates. Same Store Sales Growth was -2.0%. Australia, Mexico and Malaysia posted good results. During the six months ended 30 September 2017, the number of own stores in other countries increased from 501 to 504. Sell-in segment posted a growth of -3.4% at constant rates. The decrease was due mainly to a one-off deal of L'Occitane au Brésil recorded in the Luxembourg Swiss branch in September 2016. Excluding this one-off deal last year as well as Le Couvent des Minimes, the Sell-in segment indeed posted a growth of 5.3%, contributed by distribution, travel retail and B2B channels.

PROFITABILITY ANALYSIS

Cost of sales and gross profit

Cost of sales reduced by 4.0%, or €4.0 million to €94.3 million for the six months ended 30 September 2017 as compared to the same period last year. The gross profit margin increased by 0.6 points to 82.8% for the period ended 30 September 2017, mainly due to the following factors:

- reduction in production costs for 0.5 points;
- price increase in certain key countries for 0.3 points; and
- reduction in obsolescence for 0.2 points.

The gross profit margin improvement was partly offset by unfavourable foreign exchange impact for 0.2 points, reduction in margin of post-disposal production of Le Couvent des Minimes for 0.1 points and the one-off deal of L'Occitane au Brésil last year for another 0.1 points.

Distribution expenses

Distribution expenses increased by 2.6%, or €7.5 million, to €297.0 million for the period ended 30 September 2017 as compared to the same period last year. As a percentage of net sales, the distribution expenses increased by 1.7 points to 54.2% of net sales for the period ended 30 September 2017. This increase was attributable to a combination of:

- deleverage under tough retail environment in particular from rent and personnel costs for 1.2 points;
- pre-opening costs for flagship stores and closing of non-performing stores for 0.5 points;
- investment in and operation of the Asia Central Warehouse for 0.3 points; and
- brand mix effect for 0.1 points and foreign exchange impact and others for another 0.1 points.

The operating pressure was partly offset by:

- favourable channel mix for 0.4 points, as a result of higher share of Web and Sell-in channels; and
- others including the disposal of Le Couvent des Minimes for 0.1 points.

Marketing expenses

Marketing expenses increased by 0.6%, or €0.5 million, to €77.8 million for the period ended 30 September 2017 as compared to the same period last year. The marketing expenses as a percentage of net sales increased by 0.2 points, to 14.2% of net sales for the six months ended 30 September 2017. This increase was attributable to:

- investment in marketing for a total 0.2 points, particularly in a brand ambassador in China, media influencers in the USA and new product launches such as Divine Youth Oil and Terre de Lumière. Such investments were partly offset by savings in direct mailers, emails and flower show;
- phasing of marketing materials shipped to subsidiaries before holiday seasons for another 0.2 points;
- further investment in the marketing teams for 0.1 points.

The increase in spending was largely offset by:

- leverage from higher sales of emerging brands for 0.2 points; and
- reduction in professional fees for 0.1 points.

Research & development expenses

Research and development ("R&D") expenses increased by 2.8%, or €0.2 million, to €7.7 million for the period ended 30 September 2017 compared to the same period last year. The R&D expenses as a percentage of net sales remained at 1.4% for the period ended 30 September 2017.

General and administrative expenses

General and administrative expenses decreased by 3.4%, or €2.0 million, to €58.6 million compared to the same period last year. As a percentage of net sales, general and administrative expenses decreased by 0.3 points to 10.7% for the period ended 30 September 2017. This improvement was attributable to a combination of:

- reduction in personnel costs after various reorganization projects at group and subsidiary levels for 0.2 points;
- decrease in information technology expenses, notably in the USA and at headquarters for 0.1 points; and
- one-off items of tax reliefs, subsidies, litigations, and credit recoveries and other for 0.2 points.

This was partly offset by increase in consulting, tax and legal fees on various projects for 0.1 points, and unfavourable exchange rates for 0.1 points.

Operating profit

Operating profit decreased by 28.9%, or €5.6 million, to €13.8 million for the period ended 30 September 2017 and the operating profit margin decreased by 1.0 point to 2.5% of net sales. The decrease in operating profit margin is explained by a combination of:

- one-off effects primarily due to pre-opening and closing costs and L'Occitane au Brésil deal last year for 0.5 points;
- FX and others for 0.4 points;
- unfavourable leverage in retail largely offset by efficiency gains in production and general and administrative expenses for 0.3 points;
- phasing effects for 0.2 points;
- increase in advertising & marketing, partly balanced by the leveraging of existing structures in the emerging brands, for net 0.1 points;
- other investments essentially related to the implementation of the new Asian warehouse for 0.3 points.

This was partly offset by:

- favourable channel mix for 0.4 points;
- positive price and product mix for 0.3 points; and
- gain from the joint venture with Limelight for 0.1 points.

Finance costs, net

Net finance costs were €0.8 million for the period ended 30 September 2017, €0.7 million higher than same period last year. The key reasons were the investments in LimeLight and our flagship stores.

Foreign currency gains/losses

Net foreign currency losses amounted to €3.0 million for the six months ended 30 September 2017, as compared to net currency gains of €0.6 million for the same period last year. The losses this year were mainly unrealized and resulted from period-end conversion of bank and intercompany trade balances. During the period, the foreign currency losses were mainly from US Dollar, Korean Won, Chinese Yuan, Russian Ruble and Taiwanese Dollar, which were partly offset by gains in Brazilian Real.

Income tax expense

Income tax resulted in a tax credit of €0.7 million for the period ended 30 September 2017, as compared to a tax credit of €6.5 million same period last year, representing an effective income tax rate of -7.4% for the period ended 30 September 2017. The decrease in income tax credit this year is mainly due to the lower deferred tax assets related to intercompany margins, which is explained by the phasing of intercompany sales and exchange rates effects.

Profit for the period

For the aforementioned reasons, net profit for the six months ended 30 September 2017 decreased by 59.4% or €15.7 million to €10.7 million, as compared to the same period last year. For the period ended 30 September 2017, the basic and diluted earnings per share both decreased by 55.6%.

BALANCE SHEET REVIEW

Liquidity and capital resources

As at 30 September 2017, the Group had cash and cash equivalents of €303.2 million, as compared to €390.3 million as at 30 September 2016 and €452.8 million as at 31 March 2017.

As at 30 September 2017, the aggregate amount of undrawn borrowing facilities was €327.3 million. As at 30 September 2017, the total borrowings, including finance lease liabilities, current accounts with minority shareholders and bank overdrafts, amounted to €89.9 million, as compared to €73.0 million as at 31 March 2017.

The financings were mainly arranged with commercial banks and based on Euribor or Libor rates plus a margin. No financings were arranged with fixed interest rates.

Investing activities

Net cash used in investing activities was €176.8 million for the six months ended 30 September 2017, as compared to €24.8 million same period last year, representing an increase of €151.9 million. The increase was mainly related to the investment in Limelight by Alcone, key money for a flagship shop to be opened in Paris on Champs-Élysées and addition of machinery and equipment for the factories in Brazil and Manosque.

The capital expenditures during the period were primarily related to:

- acquisition of 40% of Limelight USA for €114.2 million;
- investments in L'Occitane Innovation Lab, a wholly-owned subsidiary engaged in acquisition and investment in startup businesses in biotech and digital fields, for €5.0 million;
- additions of key money, leasehold improvements and other tangible assets relating to stores for €40.5 million; and
- work-in-progress and purchases of machinery and equipment for the factories in Brazil and Manosque for €9.1 million.

Financing activities

Financing activities resulted in a net inflow of €14.8 million for the six months ended 30 September 2017. During the same period last year, it was a net cash outflow of €6.1 million. The net inflow this year was due mainly to an increase of cash needs at subsidiaries, which is reflected in higher outstanding borrowings at the end of the period. The net outflow last year was mainly explained by the bought back of €7.3 million treasury 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	***2017***	*2016*
Average Inventory turnover days[1]	**285**	272

(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 €156.8 million as at 30 September 2017, an increase of €0.9 million or 0.5% as compared to €155.9 million as at 30 September 2016. The increase in inventory turnover days by 13 days was due to:

- increase in raw materials and work-in-progress at the factories by net 6 days;
- increase in finished goods in Asian distribution centre, at the factories, in Japan and Brazil for a total of 6 days;
- increase in Mini Products and Pouches ("MPP") and boxes inventory for 5 days;

  and offset partly by:

- favourable foreign exchange rate effects for 4 days.

Trade receivables

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

For the period ended 30 September	***2017***	*2016*
Turnover days of trade receivables[1]	**34**	33

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

The slight increase in turnover days of trade receivables by 1 day for the period ended 30 September 2017 was mainly attributed to 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	***2017***	*2016*
Turnover days of trade payables[1]	**200**	165

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

The increase in turnover day of trade payables for the period ended 30 September 2017 was mainly attributed to the increase in trade payables and accrued expenses at the factory and some key subsidiaries.

BALANCE SHEET RATIOS

The Group's profitability ratios for the six months ended 30 September 2017 deteriorated as compared to the same period last year. Return on capital employed for the six months ended 30 September 2017 decreased to 1.7% as compared to 4.5% for the same period last year. The decrease was mainly explained by a decrease in net profit for the period. The Group's liquidity and capital adequacy ratios remained healthy as a result of high net cash position.

For the period ended	***30 September 2017 €'000***	*31 March 2017 €'000*	*30 September 2016 €'000*
Profitability			
Net operating profit after tax (NOPAT)[1]	**11,596**	132,997	26,604
Capital employed[2]	**695,483**	540,634	587,069
Return on capital employed (ROCE)[3]	**1.7%**	24.6%	4.5%
Return on equity (ROE)[4]	**1.3%**	14.3%	3.1%
Liquidity			
Current ratio (times)[5]	**2.46**	3.57	3.08
Quick ratio (times)[6]	**1.83**	2.91	2.40
Capital adequacy			
Gearing ratio[7]	**7.2%**	5.9%	7.5%
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 2017, the Group had foreign exchange derivatives net assets 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 the outstanding sales forward exchange derivatives and outstanding purchase forward exchange derivatives were €81.4 million and €5.1 million respectively.

DIVIDENDS

At the Board meeting held on 12 June 2017, the Board recommended a distribution of a gross final dividend of €0.0316 per share for an aggregated sum of €46.2 million or 35.0% of the net profit attributable to the equity owners of the Company. The amount of the final dividend was based on 1,461,435,471 shares of the Company (the "Shares") in issue as at 27 September 2017 excluding 15,529,420 treasury shares. The shareholders of the Company (the "Shareholders") approved the final dividend at the annual general meeting held on 27 September 2017. The dividend was paid on 19 October 2017.

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 2017.

POST BALANCE SHEET EVENTS

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

Strategic Review

In the first six months ended 30 September 2017 (the "first half of FY2018"), the Group stayed focused on its multiple strategies to achieve long-term growth, anchored by three main objectives: boosting brand appeal, enchanting more customers by providing exceptional experiences — both offline and online, as well as improving operational efficiency.

Despite encountering some short-term challenges from unseasonable weather, a toughening retail environment in some key markets, and foreign exchange headwinds, the Group made considerable progress in each of these areas. The Group also continued to perform well in key growth markets in Asia and South America, as well as on online channels, positioning it well for future sustainable growth.

Due to L'Occitane's strong gifting and holiday image, sales are normally positively stewed towards the third financial quarter (between 1 October and 31 December). The strong seasonality is also reflected in the production schedule and use of working capital, and magnified the impact of lower operating leverage during a time when the retail environment was also challenging. As a result, the Group's performance in the first half of the financial year should not be representative of the annual results.

Boosting brand appeal

The Group continued to refine its merchandising strategy, promoting iconic and best-selling products that have been, historically, highly effective in attracting new customers and retaining existing ones. This included showcasing selected 'hero products' across all distribution formats, by streamlining the number of animations yet increasing the visibility of each.

One recent example of this strategy was the re-launch of 'Divine Youth Oil' — an existing product with a newly refined formula — during the first half of FY2018. This product drove promising growth in Asia within a few weeks of its launch, indicating early success of this strategy and deepening our skincare expertise image.

Leveraging on its recent investment in LimeLight by Alcone, the Group also continued to explore new product streams, such as colour cosmetics, in order to appeal to a wider audience, including younger consumers.

Enchanting customers with exceptional omni-channel experiences

The Group continued to invest in upgrading its physical stores, self-owned e-commerce websites, third-party marketplaces, and social media platforms in order to provide customers with a seamless, surprising, and memorable online and offline shopping experience.

At the core of the Group's omni-channel sales strategy is the 'Sunshine Concept', which aims to bring the essence of Provence into the Group's stores and online channels. Retaining the use of the Group's signature yellow, the new concept incorporates the use of light to bring customers into the heart of the south of France, featuring a modernized look and easier navigation of its storefronts.

The Group is also set to open two new flagship stores on Regent Street in London and on the Avenue des Champs-Élysées in Paris, with the latter being a one-of-a-kind concept store in partnership with famous French pastry chef, Pierre Hermé.

Elements of the 'Sunshine Concept' have also been incorporated into the Group's new e-commerce websites, which debuted in late August and already showed improving conversion rates. This digital presence, complemented by working closely with third-party marketplaces such as T-mall, have supported the strong 22.6% growth of the Group's Web Sell-out sales, equivalent to 12.9% of total Sell-out sales in the first half of FY2018.

Increased renovation activity as part of selective network expansion

The Group's store network expansion remained selective, handpicking quality locations in promising markets while rationalizing its store network in others to adapt to shifting shopping behaviour. In the first half of FY2018, the Group opened a net of 5 own stores to reach a total of 1,519 stores globally. At the same time, the Group significantly stepped up its renovation activity, refurbishing a total of 78 stores during the first half of FY2018, compared with 39 in the same period last year. These renovations delivered a refreshed layout that incorporates more digital features and in-store technology, driving more return traffic.

The Group also continued to foster a growing network of its emerging brands, for instance in Japan where a net of 4 Melvita stores were opened during the period.

Multi-brand strategy yielding positive results

The Group's multi-brand strategy continued to achieve results, with each of its emerging brands, Melvita, L'Occitane au Brésil and Erborian achieving double-digit growth. This growth was seen primarily in the Japan, France and Brazil markets where there is strong demand for superior quality products at reasonable price points.

LimeLight by Alcone, the U.S.-based natural skincare and personalized makeup company in which the Group acquired a minority stake, continued to grow briskly during the first half of FY2018 while remaining profitable. The Group continues to support this rising brand in product development, infrastructure setup and competitive mapping, for eventual international rollout. In keeping with its established strategy, the Group will continue to explore other potential investments and M&A opportunities as well as grow the contribution from emerging brands.

Accelerating returns from digital marketing and brand awareness investments

The Group started seeing increased returns from its ongoing digital marketing and brand awareness investments. Most notable was the highly successful brand ambassador campaign in China, featuring singer Lu Han, which was one of the driving forces behind the rapid growth achieved on its Web Sell-out channels in the first half of FY2018, particularly on T-mall. The success of this campaign highlighted the Group's ability to appeal to a new generation of online-savvy consumers in emerging markets.

The Group also continued to ramp up its collaboration with beauty bloggers and vloggers to target this new generation of consumers, as well as its use of social media platforms including WeChat in China, Line in Japan and Kakao Talk in South Korea.

Operational efficiency

The Group further optimized its management structure and operations during the first half of FY2018 in order to control costs and increase efficiency. It managed to expand its gross profitability despite investments in innovation. It also continued to implement a controlled pricing and discount strategy to safeguard and strengthen its brand integrity, proposition, and profitability. The Group also continued to identify new growth opportunities and ways to achieve operational excellence.

Recognizing its role in Corporate Social Responsibility

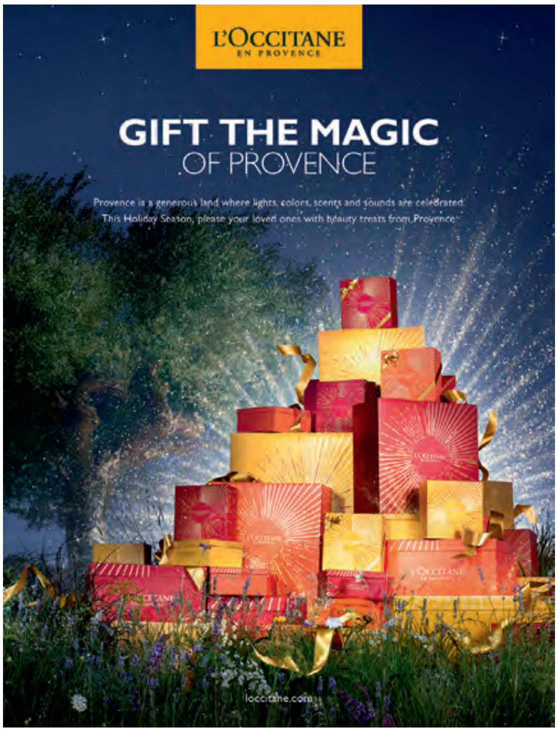
The Group recognizes its responsibility to be respectful of both mankind and the environment. It is committed to using natural and organic ingredients, all of which are sourced and produced in a way that is sustainable and eco-friendly.

The Group also takes seriously its responsibility to protect the interests of its employees and the natural heritage of the lands from which it is inspired. The Group is also heavily involved in various charities and charitable causes.

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

Outlook

Looking forward to the second half of FY2018 and beyond, the Group will stay on course to implement its marketing, store revamp and efficiency-enhancing strategies. Its omni-channel expansion will remain a pillar of its activity, as it seeks to create frictionless physical and online shopping experiences while raising the visibility of its brands. One reflection of this is the extension of the "Click and Collect" services to additional markets in Asia and the Americas — where customers are taken on a unified brand journey online with the new e-commerce website, to offline with the 'Sunshine Concept'. At the same time, the Group will continue to leverage on its new 'Learning Management System' — a digital training platform for in-store beauty advisors to further reinforce customer-centricity.



Another facet of the Group's strategy is to reinvigorate brand appeal. Key to achieving this will be continued investment in new brand ambassadors and other marketing initiatives in order to build on the Group's recent success in increasing online and offline sales in emerging markets. It recently re-signed Lu Han for 2018 to promote the Group's body care products in China, and it will soon bring on board a new female brand ambassador to promote its face care products in its three main Greater China markets: Mainland China, Hong Kong and Taiwan, as well as within its travel retail channels.

In light of the seasonality of its operations, the Group is poised to captivate customers through exciting marketing actions focused in the second half of the year, especially during the upcoming holiday season. The Group will seek to capitalize on the initial successes of its new 'Divine Youth Oil' and 'Terre de Lumière' fragrance, as well as the sought-after Advent Calendar to further strengthen its foothold in the natural beauty market.

The Group will also continue to leverage its investment in LimeLight by Alcone to support its efforts to gain greater exposure in product ranges such as colour cosmetics, as well as to the online direct sales — or 'social commerce' — business model.

These selected initiatives, coupled with the Group's commitment to drive operational efficiencies, will continue to underpin its ability to deliver long-term and sustainable value to investors.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Interim Consolidated Financial Statements

Independent Review Report

pwc

Report on Review of Condensed Consolidated Interim Financial Information

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

We have reviewed the accompanying condensed consolidated interim financial information of L'Occitane International S.A. and its subsidiaries (the "Group"), which comprise the interim consolidated balance sheets as at 30 September 2017, and the interim consolidated statements of income, the interim consolidated statements of comprehensive income, the interim consolidated statements of changes in equity and the interim consolidated statements of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information (the "condensed consolidated interim financial information").

BOARD OF DIRECTORS' RESPONSIBILITY FOR 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, and for such internal control as the Board of Directors determines is necessary to enable the preparation of condensed consolidated interim financial information that are free from material misstatement, whether due to fraud or error.

RESPONSIBILITY OF THE "RÉVISEUR D'ENTREPRISES AGRÉÉ"

Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE 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". This standard requires us to comply with relevant ethical requirements and conclude whether anything has come to our attention that causes us to believe that the condensed consolidated interim financial information, taken as a whole, is not prepared in all material respects in accordance with the applicable financial reporting framework.

A review of condensed consolidated interim financial information in accordance with ISRE 2410 is a limited assurance engagement. The "Réviseur d'entreprises agréé" performs procedures, primarily consisting of making inquiries of management and others within the Group, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on this condensed consolidated interim financial information.

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, 20 November 2017

Philippe Duren

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Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
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Interim Consolidated Statements of Income

In thousands of Euros, except per share data	*Notes*	***Period ended 30 September*** ***2017***	***2016***
Net Sales	(4)	**548,210**	**551,663**
Cost of sales		(94,263)	(98,230)
Gross profit		**453,947**	**453,433**
% of net sales		*82.8%*	*82.2%*
Distribution expenses		(296,987)	(289,448)
Marketing expenses		(77,770)	(77,296)
Research & development expenses		(7,682)	(7,476)
General and administrative expenses		(58,601)	(60,647)
Share of profit/(loss) from joint ventures accounted for using the equity method		405	(27)
Other gains/(losses), net	(20)	468	832
Operating profit		**13,780**	**19,371**
Finance income	(21)	739	1,213
Finance costs	(21)	(1,548)	(1,331)
Foreign currency gains/(losses)	(22)	(2,980)	649
Profit before income tax		**9,991**	**19,902**
Income tax credit	(23)	736	6,545
Profit for the period		**10,727**	**26,447**
Attributable to:			
Equity owners of the Company		11,077	25,989
Non-controlling interests		(350)	458
Total		**10,727**	**26,447**
Earnings per share for profit attributable to the equity owners of the Company during the period *(expressed in Euros per share)*	(24)		
Basic		0.008	0.018
Diluted		0.008	0.018
Number of shares used in earnings per share calculation	(24)		
Basic		1,461,435,471	1,464,559,221
Diluted		1,463,011,450	1,466,793,552

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

Interim Consolidated Statements of Comprehensive Income

		Period ended 30 September	
In thousands of Euros	*Notes*	***2017***	***2016***
Profit for the period		**10,727**	**26,447**
Cash flow hedges fair value gains/(losses), net of tax	(13)		
Currency translation differences[1]		(22,065)	14,746
Total items that may be reclassified subsequently to profit and loss		**(22,065)**	**14,746**
Other comprehensive income/(loss) for the period, net of tax		**(22,065)**	**14,746**
Total comprehensive income for the period		**(11,338)**	**41,193**
Attributable to:			
– Equity owners of the Company		(10,822)	40,553
– Non-controlling interests		(516)	640
Total comprehensive income for the period		**(11,338)**	**41,193**

(1) Over the period ended 30 September 2017, currency translation differences include an amount of €1,213,000 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 (€1,389,000 for the period ended 30 September 2016).

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 2017***	***31 March 2017***
Property, plant and equipment	(7)	172,802	172,357
Goodwill	(8)	130,268	138,676
Intangible assets	(9)	75,899	56,677
Deferred income tax assets	(23)	89,366	80,058
Investments in joint ventures	(5.1)	114,316	—
Other non-current assets		41,264	41,449
Non-current assets		**623,915**	**489,217**
Inventories	(10)	156,760	138,096
Trade receivables	(11)	99,014	107,983
Other current assets	(12)	57,446	55,162
Derivative financial instruments	(13)	845	153
Cash and cash equivalents		303,203	452,751
Current assets		**617,268**	**754,145**
TOTAL ASSETS		**1,241,183**	**1,243,362**

EQUITY AND LIABILITIES *In thousands of Euros*	*Notes*	***30 September 2017***	***31 March 2017***
Share capital	(14)	44,309	44,309
Additional paid-in capital	(14)	342,851	342,851
Other reserves		(88,359)	(66,125)
Retained earnings		563,657	598,845
Capital and reserves attributable to the equity owners of the Company		**862,458**	**919,880**
Non-controlling interests		175	465
Total equity		**862,633**	**920,345**
Borrowings	(15)	87,448	70,572
Other financial liabilities	(6)	6,033	5,603
Other non-current liabilities	(16)	30,478	31,405
Deferred income tax liabilities	(23)	3,493	3,973
Non-current liabilities		**127,452**	**111,553**
Trade payables	(17)	104,417	102,429
Social and tax liabilities		56,376	64,339
Current income tax liabilities		6,904	9,496
Borrowings	(15)	2,424	2,468
Derivative financial instruments	(13)	647	442
Provisions	(18)	11,876	14,266
Other current liabilities	(16)	68,454	18,024
Current liabilities		**251,098**	**211,464**
TOTAL EQUITY AND LIABILITIES		**1,241,183**	**1,243,362**

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	Attributable to equity owners of the Company										Non-controlling interests	TOTAL EQUITY
					Other reserves								
		Number of shares	Share capital	Additional paid-in capital	Share based payments	Other items	Cumul. Currency Transl. Diff.	Excess of consideration paid in transaction with non-controlling interests	Actuarial gains/ (losses)	Treasury shares	Profit for the period		
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-month 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**
Balance at 31 March 2017		**1,476,964,891**	**44,309**	**342,851**	**19,232**	**(2,089)**	**(11,185)**	**(48,821)**	**(727)**	**(22,535)**	**598,845**	**465**	**920,345**
Profit for the 6-month period		–	–	–	–	–	–	–	–	–	11,077	(350)	10,727
Other comprehensive income													
Currency translation differences		–	–	–	–	–	(21,899)	–	–	–	–	(166)	(22,065)
Actuarial losses on defined benefit obligation		–	–	–	–	–	–	–	–	–	–	–	–
Total comprehensive income		–	–	–	–	–	*(21,899)*	–	–	–	*11,077*	*(516)*	*(11,338)*
Transactions with owners													
Dividends declared		–	–	–	–	–	–	–	–	–	(46,181)	–	(46,181)
Payment for the purchase of 1,284,750 treasury shares	(14.2)	–	–	–	–	–	–	–	–	(2,341)	–	–	(2,341)
Contribution from the parent		–	–	–	1,101	–	–	–	–	–	–	–	1,101
Employee share option: value of employee services	(14.3)	–	–	–	905	–	–	–	–	–	–	–	905
Total contributions by and distribution to owners of the Company		–	–	–	*2,006*	–	–	–	–	*(2,341)*	*(46,181)*	–	*(46,516)*
Non-controlling interests recorded as a liabilities		–	–	–	–	–	–	–	–	–	(8)	8	–
Transactions with non-controlling interests	(5)	–	–	–	–	–	–	–	–	–	(76)	218	142
Total transaction with owners		–	–	–	–	–	–	–	–	–	*(84)*	*226*	*142*
Balance at 30 September 2017		**1,476,964,891**	**44,309**	**342,851**	**21,238**	**(2,089)**	**(33,084)**	**(48,821)**	**(727)**	**(24,876)**	**563,657**	**175**	**862,633**

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

Interim Consolidated Statements of Cash Flows

In thousands of Euros	Notes	Period ended 30 September 2017	2016
Cash flows from operating activities			
Profit for the half-year		10,727	26,447
Adjustments to reconcile profit for the half-year to net cash from operating activities			
Depreciation, amortization and impairment	(19.3)	30,586	31,616
Deferred income taxes		(14,426)	(20,847)
Unwinding of discount on other financial liabilities	(6)	430	378
Share based payment	(14.3)	2,006	904
Change in the fair value of derivatives	(22)	(487)	569
Other losses/(gains) - net	(20)	238	(268)
Net movements in provisions	(18)	(486)	(6,301)
Share of (profit)/loss from joint operations		(405)	27
Changes in working capital			
Inventories		(23,987)	(16,519)
Trade receivables		2,343	(1,888)
Trade payables		7,369	(8,786)
Salaries, wages, related social items and other tax liabilities		(5,543)	(10,313)
Current income tax assets and liabilities		(119)	(2,070)
Other assets and liabilities, net		(326)	4,801
Net cash inflow/(outflow) from operating activities		**7,920**	**(2,250)**
Cash flows from investing activities			
Acquisition of business combinations, net of cash acquired	(5)	(5,000)	(1,848)
Investment in associate	(5.1)	(114,161)	—
Purchases of property, plant and equipment	(7)	(32,041)	(19,879)
Purchases of intangible assets	(9)	(23,543)	(4,143)
Proceeds from sale of fixed assets		682	1,446
Change in deposits and key moneys paid to the landlords		(1,709)	237
Change in non-current receivables and liabilities		(1,001)	(641)
Net cash (outflow) from investing activities		**(176,773)**	**(24,828)**
Cash flows from financing activities			
Transaction with non-controlling interests	(5)	218	—
Dividends paid to non-controlling interests		—	(211)
Proceeds from purchase of treasury shares	(14.1)	(2,341)	(7,338)
Proceeds from borrowings	(15)	73,397	72,486
Repayments of borrowings	(15)	(56,513)	(71,068)
Net cash inflow/(outflow) from financing activities		**14,761**	**(6,131)**

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

Interim Consolidated Statements of Cash Flows *(continued)*

		Period ended 30 September	
In thousands of Euros	*Notes*	**2017**	**2016**
Exchange gains/(losses) on cash, cash equivalents and bank overdrafts		4,544	(1,340)
Net (decrease) in cash, cash equivalents and bank overdrafts		**(149,548)**	**(34,549)**
Cash, cash equivalents at the beginning of the half-year		**452,751**	**424,818**
Cash, cash equivalents		*452,751*	*424,818*
Cash, cash equivalents at end of the half-year		**303,203**	**390,269**
Cash, cash equivalents		*303,203*	*390,269*

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

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 "Erborian" and "L'Occitane au Brésil". 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 condensed consolidated interim financial information was approved for issue by the Board of Directors on 20 November 2017.

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

2. BASIS OF PREPARATION

2.1. Basis of preparation

This condensed consolidated interim financial information ("consolidated interim financial information") for the six-month period ended 30 September 2017 ("period ended 30 September 2017") 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 2017, 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 consolidated interim financial statements are consistent with those of the annual consolidated financial statements for the year ended 31 March 2017, 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 2017 do not have any material impact on the consolidated interim financial statements.

2.3. Estimates

The preparation of consolidated 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 2017, 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 2016, the level of sales represented 42% of the annual level of sales in the year ended 31 March 2017 and the level of operating profit represented 11% of the annual operating profit in the year ended 31 March 2017. These ratios are not representative of sales and operating profit expected for the year ending 31 March 2018.

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 and 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 foreign currency risk, 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 2017.

(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.

– Commercial transactions:

  The Group's treasury risk management policy is to hedge systematically the transaction risk (amounts invoiced) at a minimum of 80%.

  The economic risk (amounts forecasted) is hedged depending on market conditions and anticipations from management. All decisions to hedge economic risk are formally approved by the group CFO.

  The Group uses forward contracts to hedge the main part of its foreign risk exposure and currency options on a maximum of 40% of its exposure on its main currencies (USD, GBP, JPY, CNY and RUB). All decisions to use foreign exchange derivatives based products must be formally approved by the group CFO.

– Financing operations:

  The Group's treasury risk management policy is to maximize natural hedging using multicurrency bank facilities whenever possible.

  For the currencies not covered by multicurrency bank facilities, the Group treasury's risk management policy is to finance subsidiaries in their local currencies, whenever possible, and to hedge the corresponding exposure for a maximum hedging cost of 7%.

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 long-term 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 margin of certain bank borrowings can change.

Price risk

The Group is not significantly exposed 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 2017, the Group has no significant investment in external equity securities.

(b) Credit risk

Credit risk is managed on group basis, except for credit risk relating to account receivables balances. Each local entity is responsible for monitoring and analysing the credit risk of their clients. Standard payment and delivery terms and conditions are offered. 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 and B-to-B segments, sales are made with credit terms generally from 60 to 90 days and the Group maintains adequate allowances for potential credit losses and follows regularly the solvency of its counterpart. As of 30 September 2017 and 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 30 to 90 days;
- All significant cash deposits are made with major financial institutions having an investment grade rating and invested in fixed term deposits with fixed negotiations terms and interest rate or mutual funds. The Group has temporary exposure to non-investment grade institutions on payments made by customers in certain countries, until the Group transfers such amounts to investment grade institutions. Cash and cash equivalents and derivatives financial instruments are concentrated on few independently rated parties with a minimum rating of "BBB-" (investment Grade) except in countries rated below BBB-.

3. FINANCIAL RISK MANAGEMENT *(continued)*

3.1. Financial risk factors *(continued)*

(c) Liquidity risk

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

On 18 July 2014, the Company signed a multi-currency revolving facility agreement for an amount of €400 million with a five-year maturity to replace the previous revolving facility agreement for an amount of €350 million signed in July 2010.

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 2017 are as follows:

In thousands of Euros	***30 September 2017***
Cash and cash equivalents and bank overdrafts	303,203
Undrawn borrowing facilities (note 15.2)	327,279
Liquidity reserves	**630,482**

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 equity owners 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 equity owners, return capital to equity owners, 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.

4. SEGMENT INFORMATION *(continued)*

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.

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 2017		
In thousands of Euros	**Sell-Out**	**Sell-In and B-to-B**	**Other reconciling items**	**Total**
Net sales	**397,077**	**151,133**	**–**	**548,210**
In %	*72.4%*	*27.6%*	*–*	*100.0%*
Gross profit	**349,525**	**104,422**	**–**	**453,947**
% of sales	*88.1%*	*69.1%*	*–*	*82.8%*
Distribution expenses	(243,672)	(26,684)	(26,631)	(296,987)
Marketing expenses	(23,055)	(4,005)	(50,710)	(77,770)
Research & development expenses	–	–	(7,682)	(7,682)
General and administrative expenses	–	–	(58,601)	(58,601)
Share of profit/(loss) from joint operations	–	–	405	405
Other gains/(losses), net	46	(8)	430	468
Operating profit	**82,844**	**73,725**	**(142,789)**	**13,780**
% of sales	*20.9%*	*48.8%*	*–*	*2.5%*

4. SEGMENT INFORMATION *(continued)*

4.1. Operating segments *(continued)*

	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%*

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.

4.2. Geographic areas

	Period ended 30 September			
	2017		***2016***	
In thousands of Euros	**Total**	***In %***	**Total**	***In %***
Japan	99,448	*18.1%*	104,460	*18.9%*
United States	62,989	*11.5%*	70,838	*12.8%*
China	60,041	*11.0%*	50,797	*9.2%*
Hong Kong	51,147	*9.3%*	50,927	*9.2%*
France	44,664	*8.1%*	43,826	*7.9%*
Luxembourg - Swiss branch	34,954	*6.4%*	36,027	*6.5%*
Brazil	26,703	*4.9%*	22,478	*4.1%*
United Kingdom	23,470	*4.3%*	26,475	*4.8%*
Russia	18,976	*3.5%*	17,248	*3.1%*
Taiwan	15,292	*2.8%*	15,871	*2.9%*
Other countries	110,526	*20.2%*	112,716	*20.4%*
Net sales	**548,210**	***100%***	**551,663**	***100%***

Sales consist mainly 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 2017

The Company has acquired a 40% interest in LimeLight USA for a total consideration of US$128 million (corresponding to €124 million). Founded by Alcone in 2015, LimeLight USA specializes in professional makeup for artists and makeup enthusiasts in the US. In addition, the Company aims to establish with LimeLight USA a joint venture to expand the business model outside of the US.

Name of entity	Place of business	% of ownership interest	Nature of relationship	Measurement method	Share of result
Limelight	United States	40%	Joint venture	Equity method	405,000

Summarized financial information:

Summarised balance sheet *in thousands of Euros*	***September 30 2017***
Total current assets	17,003
Total non-current assets	583
Total assets	**17,586**
Current liabilities	(573)
Equity	18,159
Total liabilities and equity	**17,586**

The current assets are mainly composed by cash and cash equivalents for €4,116,000 and inventories for €11,488,000.

Summarised statement of comprehensive income *in thousands of Euros*	***September 30 2017***
Revenue	18,839
Gross profit	14,399
Other costs	(12,729)
Other income	9
Interest expense	(671)
Total comprehensive income	**1,007**
Group's share in %	40%
Result for the period attributable in	**405**

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

5.2. For the year ended 31 March 2017

On 17 October 2016, L'Occitane International S.A. signed a purchase agreement to acquire the remaining Taiwanese non-controlling interests for an amount of €37,565,000. The difference between the consideration paid and the carrying amount of net assets of the subsidiary €37,073,000 is recorded in 'Other reserves' for an amount of €492,000.

On 11 October 2016, a purchase agreement was signed between L'Occitane International S.A. and the Austrian non-controlling interests for an amount of €1,283,000 (which represents 13% of the share capital). The difference between the consideration paid and the carrying amount of net assets of the subsidiary €982,000 is recorded in 'Other reserves' for an amount of €301,000.

On 1 January 2017, "Le Couvent des Minimes" business was sold for a total price of €7,400,000. The capital gain amounts to €4,397,000 and is recorded on the line 'other (losses)/gains – net' of the statement of income.

On 27 February 2017, the Company purchased new shares in Shanghvi Technologies Private Ltd ("MyGlamm") for an amount of €4,914,000 accounted as financial assets in 'Other non-current assets'.

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 2017**	**Dividend paid to the non-controlling interests**	**Change in estimates in the valuation of the exercise price**	**Unwinding of discount (note 21)**	**30 September 2017**
Katalin Berenyi and Hojung Lee (Erborian)	2,244	–	–	100	2,344
Elizabeth Hajek (Austria)	3,359	–	–	330	3,689
Total other financial liabilities	**5,603**	**–**	**–**	**430**	**6,033**

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 2017	**172,357**
Additions	32,283
Disposals	(920)
Depreciation (note 19.3)	(25,318)
Reversal of impairment loss (note 19.3)	601
Other movements	17
Exchange differences	(6,218)
Net book value as of 30 September 2017	**172,802**

As at 30 September 2017, the net book value under finance leases amounts to €9,825,420 and mainly relates to the land and building of the plants in Lagorce and Manosque, France. During the period ended 30 September 2017, no finance lease was drawn.

The additions of the period are mainly related to openings and refurbishment of stores for €18,473,484.

8. GOODWILL

Changes in goodwill are as follows:

In thousands of Euros

Cost as of 1 April 2017	**139,676**
Exchange differences	(8,408)
Cost as of 30 September 2017	**131,268**
Accumulated impairment as of 1 April 2017	**(1,000)**
Impairment loss	—
Exchange differences	—
Accumulated impairment as of 30 September 2017	**(1,000)**
Net book value as of 30 September 2017	**130,268**

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 2017	**56,677**
Additions	25,793
Amortization (note 19.3)	(5,869)
Other movements	5
Exchange differences	(707)
Net book value as of 30 September 2017	**75,899**

Additions mainly concern key money for an amount of €23,000,000 out of which €2,250,000 were already paid in FY17.

10. INVENTORIES

Inventories consist of the following:

In thousands of Euros	***30 September 2017***	***31 March 2017***
Raw materials and supplies	22,406	22,120
Finished goods and work in progress	145,265	127,856
Inventories, gross	**167,671**	**149,976**
Less, allowance	(10,911)	(11,880)
Inventories	**156,760**	**138,096**

11. TRADE RECEIVABLES

Trade receivables ageing analysis consist of the following:

In thousands of Euros	***30 September 2017***	***31 March 2017***
Current and past due within 3 months	98,749	108,670
Past due 3 to 6 months	648	755
Past due 6 to 12 months	296	33
Past due over 12 months	375	445
Allowance for doubtful accounts	(1,054)	(1,920)
Trade receivables	**99,014**	**107,983**

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 2017***	***31 March 2017***
Value added tax receivable and other taxes and social items receivable	21,835	21,061
Prepaid expenses (a)	19,563	20,952
Income tax receivable (b)	5,434	6,958
Advance payments to suppliers	4,909	4,571
Other current assets	5,705	1,620
Total other current assets	**57,446**	**55,162**

(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 2017***		***31 March 2017***	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Foreign exchange derivatives				
- held for trading	845	647	153	442
Total derivative financial instruments	**845**	**647**	**153**	**442**
Non-current portion of derivative financial instruments	**–**	**–**	**–**	**–**
Current portion of derivative financial instruments	**845**	**647**	**153**	**442**

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.

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.

13. DERIVATIVE FINANCIAL INSTRUMENTS *(continued)*

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 2017***	***31 March 2017***
Sale of currencies		
CNY	24,244	10,456
JPY	21,126	15,893
USD	13,298	4,209
GBP	7,995	3,355
RUB	5,015	1,592
AUD	4,531	2,442
THB	1,865	1,634
MXN	1,184	1,048
CZK	568	299
PLN	488	322
NOK	432	490
ZAR	232	—
SEK	209	153
SGD	187	—
CAD	—	70
Purchase of currencies		
CHF	5,129	106
ZAR	—	11

14. CAPITAL AND RESERVES

L'Occitane International S.A. 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 2017. At 30 September 2017, the Company's share capital is held by the company L'Occitane Groupe S.A. ("LOG", "the parent company"), in a proportion of 72.35%.

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 2016	**1,476,964,891**	**44,309**	**342,851**
At 31 March 2017	**1,476,964,891**	**44,309**	**342,851**
At 30 September 2017	**1,476,964,891**	**44,309**	**342,851**

14.2. Treasury shares

As at 31 March 2017, the Company owned 14,244,670 own shares and the aggregate price of the purchased shares was deducted from equity as treasury shares reserve for an amount of €22,535,000.

Over the half year period ended 30 September 2017, the Company acquired 1,284,750 of its own shares. The total amount paid to acquire the shares was €2,341,000.

As at 30 September 2017, the Company held 15,529,420 of its own shares. The aggregate price of the purchased shares was deducted from equity as treasury shares reserve for an amount of €24,876,000.

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.

14. CAPITAL AND RESERVES *(continued)*

14.3. Share-based payments *(continued)*

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

Set out below are summaries of stock options plans:

	30 September 2017		*31 March 2017*	
	Average exercise price in HKD per share option	**Number of options**	**Average exercise price in HKD per share option**	**Number of options**
As at beginning of the period	16.84	32,002,707	17.81	27,865,588
Granted during the period	—	—	15.16	10,604,700
Exercised during the period	19.84	(283,250)	—	—
Forfeited during the period	17.26	(1,812,750)	18.33	(6,467,581)
As at end of period	**16.78**	**29,906,707**	**16.84**	**32,002,707**

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

Stock options outstanding at the end of the periods have the following expiry date and exercise prices:

			Number of share options	
Grant date	**Expiry date**	**Exercise price**	***30 September 2017***	***31 March 2017***
4 April 2011	4 April 2015	19.84 HKD	1,707,375	1,990,625
4 April 2011	4 April 2015	19.84 HKD	117,000	117,000
4 April 2011	4 April 2015	19.84 HKD	1,320,000	1,320,000
26 October 2012	26 October 2016	23.60 HKD	1,661,060	1,973,060
28 November 2012	29 November 2016	24.47 HKD	841,422	841,422
4 December 2013	4 December 2017	17.62 HKD	6,288,750	6,920,000
23 February 2015	23 February 2019	19.22 HKD	547,000	547,000
21 March 2016	21 March 2020	14.36 HKD	7,224,100	7,688,900
2 February 2017	2 February 2021	15.16 HKD	10,200,000	10,604,700
Total			**29,906,707**	**32,002,707**

Set out below are summaries of free shares plans:

	30 September 2017		**31 March 2017**	
	Average value in HKD per free shares	**Number of free shares**	**Average value in HKD per free shares**	**Number of free shares**
As at the beginning of the period	16.76	1,969,000	19.43	3,928,380
Granted during the period	—	—	—	—
Vested during the period	—	—	23.60	(1,411,180)
Forfeited during the period	17.27	(137,850)	18.31	(548,200)
As at end of period	**16.71**	**1,831,150**	**16.76**	**1,969,000**

14. CAPITAL AND RESERVES *(continued)*

14.3. Share-based payments *(continued)*

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

Free shares outstanding at the end of the periods have the following expiry date and exercise prices:

			Number of free shares	
Grant date	**Expiry date**	**Exercise price**	***30 September 2017***	***31 March 2017***
26 October 2012	26 October 2016	—	—	—
4 December 2013	4 December 2017	—	547,750	580,500
24 February 2015	24 February 2019	—	517,800	578,400
23 March 2016	23 March 2020	—	573,500	618,000
23 March 2016	23 March 2020	—	192,100	192,100
Total			**1,831,150**	**1,969,000**

(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.

(iii) Total share-based compensation expense

During the periods ended 30 September 2017 and 30 September 2016, the share-based compensation expense recognized within the employee benefits is the following:

	Period ended 30 September	
In thousands of Euros	***2017***	***2016***
LOI equity instruments	905	904
LOG equity instruments	1,101	—
Total	**2,006**	**904**

14.4. Distributable reserves

On 30 September 2017, the distributable reserves of L'Occitane International S.A. amounted to €537,733,135 (€530,095,863 as at 31 March 2017).

14.5. Dividend per share

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.

On 27 September 2017, the annual Shareholder's Meeting approved the distribution of €46,181,000 being €0.0316 per share (excluding 15,529,420 treasury shares) which was paid on 19 October 2017.

15. BORROWINGS

Borrowings include the following items:

In thousands of Euros	***30 September 2017***	***31 March 2017***
FY 2015 Revolving facility	72,836	55,651
FY 2012 bank borrowing	7,144	7,144
Finance lease liabilities	9,795	10,137
Current accounts with non controlling interests	97	108
Total	**89,872**	**73,040**
Less, current portion:		
– FY 2015 Revolving facility	(114)	(109)
– FY 2012 bank borrowing	(715)	(713)
– Finance lease liabilities	(1,595)	(1,646)
Total current	**(2,424)**	**(2,468)**
Total non-current	**87,448**	**70,572**

15.1. Maturity of non-current borrowings

For the period ended 30 September 2017 and for the year ended 31 March 2017, 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	72,722	—	—	72,722
FY 2012 bank borrowing	714	2,143	3,572	6,429
Current account with minority interests	97	—	—	97
Finance lease liabilities	1,781	3,807	2,612	8,200
Maturity on 30 September 2017	**75,314**	**5,950**	**6,184**	**87,448**
FY 2015 Revolving facility	55,542	—	—	55,542
FY 2012 bank borrowing	716	2,143	3,572	6,431
Current account with minority interests	108	—	—	108
Finance lease liabilities	1,855	3,461	3,175	8,491
Maturity on 31 March 2017	**58,221**	**5,604**	**6,747**	**70,572**

15. BORROWINGS *(continued)*

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-year maturity plus an option of extension for 2 additional years. An amount of €72,722,000 is drawn as at 30 September 2017.

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 2017 the ratio was respected.

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 2017, the ratio is lower than 0.5 and the interest rate is based on Euribor 3M + Margin - 0.7. As at 31 March 2017 the ratio was lower than 0.5 and the interest rate was based on Euribor/Libor 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-year maturity and that can be drawn only by Laboratoires M&L. As at 30 September 2017, 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. BORROWINGS *(continued)*

15.3. Current accounts with non-controlling interests

Current accounts with non-controlling interests:

In thousands of Euros		***30 September 2017***	***31 March 2017***
Entity	**Minority shareholder**		
L'Occitane Nordic AB	Johan Nilsson	97	108
Total current accounts		**97**	**108**

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 2017, 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 2017***	***31 March 2017***
Liabilities linked to operating leases (a)	13,918	14,659
Retirement indemnities	10,114	9,808
Provisions for dismantling and restoring	5,737	6,326
Long term employement benefits	634	612
Grants to a foundation	75	—
Total non-current liabilities	**30,478**	**31,405**
Dividends payable to equity owners of the Company (note 14.5)	46,181	—
Deferred revenue (b)	19,921	15,777
Deferred payment relating to the acquisition of a subsidiary	2,200	2,200
Grants to a foundation	152	47
Total current liabilities	**68,454**	**18,024**

(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 2017***	***31 March 2017***
Current and past due within 3 months	103,307	101,406
Past due from 3 to 6 months	993	339
Past due from 6 to 12 months	22	7
Past due over 12 months	95	677
Trade payables	**104,417**	**102,429**

18. PROVISIONS

Provisions can be analysed as follows:

		Charged/(credited) to the income statement				
In thousands of Euros	**31 March 2017**	**Additional provisions**	**Unused amounts reversed**	**Used amounts reversed**	**Exchange differences**	**30 September 2017**
Social litigations (a)	2,676	228	(104)	(1,052)	(154)	1,594
Commercial claims (b)	521	307	(66)	(67)	(26)	669
Provision for returned goods	1,738	1,265	—	(1,080)	(173)	1,750
Onerous contracts (c)	8,062	230	—	(1,026)	(615)	6,651
Tax risks	1,269	80	(3)	(22)	(112)	1,212
Total	**14,266**	**2,110**	**(173)**	**(3,247)**	**(1,080)**	**11,876**

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

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

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

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

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

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

19. EXPENSES BY NATURE

19.1. Breakdown of expenses by nature

Expenses by nature include the following amounts:

	Period ended 30 September	
In thousands of Euros	***2017***	***2016***
Employee benefits expenses (a)	186,329	183,873
Rent and occupancy (b)	110,623	111,094
Raw materials and consumables used	56,458	52,945
Change in inventories of finished goods and work in progress	(23,489)	(16,180)
Advertising costs (c)	57,419	59,670
Professional fees (d)	38,936	37,778
Depreciation, amortization and impairment	30,586	31,616
Transportation expenses	23,224	24,319
Other expenses	55,217	47,982
Total cost of sales, distribution expenses, marketing expenses, research and development expenses, general and administrative expenses	**535,303**	**533,097**

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

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

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

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

19.2. Workforce

	Period ended 30 September	
In thousands of Euros	***2017***	***2016***
Workforce (full time equivalent)	**8,957**	**8,491**

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:

In thousands of Euros	***Period ended 30 September*** ***2017***	***2016***
Depreciation of property, plant and equipment (note 7)	25,318	26,947
Impairment reversal on property, plant and equipment (note 7)	(601)	(890)
Amortization of intangible assets (note 9)	5,869	5,759
Impairment reversal on intangible assets (note 9)	—	(200)
Depreciation, amortization and impairment	**30,586**	**31,616**

20. OTHER GAINS/(LOSSES), NET

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

In thousands of Euros	***Period ended 30 September*** ***2017***	***2016***
Net profit/(loss) on sale of assets	(238)	268
Government grant on research & development costs	706	564
Other gains/(losses), net	**468**	**832**

21. FINANCE INCOME AND FINANCE COSTS

Finance income and finance costs consist of the following:

In thousands of Euros	***Period ended 30 September*** ***2017***	***2016***
Interest on cash and cash equivalents	739	1,213
Finance income	**739**	**1,213**
Interest expense	(1,118)	(953)
Unwinding of discount of other financial liabilities (note 6)	(430)	(378)
Finance costs	**(1,548)**	**(1,331)**
Finance costs, net	**(809)**	**(118)**

22. FOREIGN CURRENCY GAINS/(LOSSES)

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

	Period ended 30 September	
In thousands of Euros	**2017**	**2016**
Foreign exchange differences	(3,467)	1,218
Fair value gains/(losses) on derivatives (note 13)	487	(569)
Foreign currency gains/(losses)	**(2,980)**	**649**

Foreign exchange differences mainly correspond to:

- Unrealized net foreign exchange losses: €2.3 million (net gains amounting to €1.9 million for the period ended 30 September 2016);
- Realized net foreign exchange losses: €0.7 million (net losses amounting to €1.3 million for the period ended 30 September 2016).

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	**2017**	**2016**
Profit before income tax excluding result of joint ventures	9,586	19,902
Income tax calculated at corporate tax rate *(Luxembourg tax rate of 27.08% as at 30 September 2017 and 29.22% as at 30 September 2016)*	(2,596)	(5,815)
Effect of different tax rates in foreign countries	6,067	13,890
Effect of unrecognized tax assets	(1,465)	(1,599)
Expenses not deductible for taxation purposes	(1,242)	210
Effect of unremitted tax earnings	(28)	(141)
Income tax (expense)/credit	**736**	**6,545**

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 2017.

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	
	2017	*2016*
Profit for the half-year attributable to equity owners of the Company *(in thousands of Euros)*	**11,077**	**25,989**
Weighted average number of ordinary shares in issue	1,461,435,471	1,464,559,221
Basic earnings per share *(in € per share)*	**0.008**	**0.018**

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	
	2017	*2016*
Profit for the half-year attributable to equity owners of the Company *(in thousands of Euros)*	**11,077**	**25,989**
Weighted average number of ordinary shares in issue	1,461,435,471	1,464,559,221
Adjustment for share options	384,598	—
Adjustment for free shares	1,191,381	2,234,331
Weighted average number of ordinary shares for diluted earnings per share	1,463,011,450	1,466,793,552
Diluted earnings per share *(in € per share)*	**0.008**	**0.018**

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. 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.

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 2017***	***31 March 2017***
Property, plant and equipment	6,843	2,458
Intangible assets	1,443	1,909
Raw materials	1,761	3,683
Total	**10,047**	**8,050**

The amounts as of 30 September 2017 and 31 March 2017 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 2017***	***31 March 2017***
Within one year	111,992	114,979
One to two years	88,336	89,581
Two to three years	70,067	69,923
Three to four years	58,824	58,097
Four to five years	46,947	47,966
Subsequent years	108,576	97,301
Total	**484,742**	**477,847**

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 2017***	***31 March 2017***
Pledge of land and building (a)	7,144	7,144
Total	**7,144**	7,144

As at 30 September 2017 and as at 31 March 2017, 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	**2017**	**2016**
Executive directors	1,842	1,727
Non executive directors	82	83
Senior management	1,383	1,183
Total key management emoluments	**3,307**	**2,993**

During the period ended 30 September 2017 and 30 September 2016, 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:

	Period ended 30 September	
In thousands of Euros	**2017**	**2016**
Sales of goods	51	59
Sales of services	382	273
Purchase of services from related parties	(6)	(322)

28. POST BALANCE SHEET EVENTS

There are no post balance sheet events.

Disclaimer: some information presented in tables has 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 2017, 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	1,085,610,022 (long position)	73.50%
André Hoffmann	Beneficial Interest	2,877,461 (long position)	0.19%
Domenico Trizio	Beneficial Interest	3,356,100 (long position)	0.23%
Thomas Levilion	Beneficial Interest	1,532,300 (long position)	0.10%
Karl Guénard	Beneficial Interest	271,800 (long position)	0.02%
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 ultimate beneficial owner of 1,148,750 Shares and of the entire issued share capital of CIME S.C.A. which in turn has 100% interest in Société d'Investissements CIME S.A. ("CIME"), which in turn has beneficial interest and deemed interest in approximately 82.01% of the entire issued share capital of LOG (being beneficial owner of 11,192,960 shares and having deemed interest in 7,129,538 treasury Shares being held by LOG, in 253 shares). Mr. Reinold Geiger is therefore deemed under the SFO to be interested in all the shares registered in the name of LOG, which holds 1,068,549,641 Shares and controls 15,529,420 treasury shares held by the Company. Mr. Geiger also has a beneficial interest in shares under option (382,211 underlying Shares). See details in Share Option Plan section.

(2) Based on guidance from HKEX, 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 15,529,420 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	18,322,751 (Note 1)	82.01%
André Hoffmann	Beneficial interest and deemed interest	2,868,676	12.84%
Domenico Trizio	Beneficial interest	46,044	0.21%
Thomas Levilion	Beneficial interest	31,746	0.14%
Martial Lopez	Beneficial interest	12,800	0.06%
Karl Guénard	Beneficial interest	8,444	0.04%

Notes:

(1) Comprised of 253 shares held by Mr. Reinold Geiger, 11,192,960 shares held by CIME and 7,129,538 treasury shares held by LOG. Mr. Geiger is the ultimate 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. As ultimate 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 7,129,538 treasury shares held by LOG.

Save as disclosed herein, as at 30 September 2017, 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 2017, 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)
Cime Management Sarl	Interest in controlled corporation and deemed interest	1,084,079,061 (long position) (Note 1)	73.40%
Cime S.C.A.	Interest in controlled corporation and deemed interest	1,084,079,061 (long position) (Note 1)	73.40%
Société d'Investissements CIME S.A.	Interest in controlled corporation and deemed interest	1,084,079,061 (long position) (Note 1)	73.40%
LOG	Interest in controlled corporation and deemed interest	1,084,079,061 (long position) (Note 1)	73.40%

Notes:

(1) Each of Cime Management Sarl (indirectly) and Cime S.C.A. (directly) has 100% interest in shareholding of CIME and CIME has an interest in approximately 74.01% of the total issued share capital of LOG (being beneficial owner of 11,192,960 shares and having deemed interest in 7,129,538 treasury shares being directly or indirectly held by LOG). Cime S.C.A. and Cime Management Sarl are the controlling corporations of CIME and CIME is the controlling corporation of LOG. Cime S.C.A., Cime Management Sarl and CIME are therefore deemed under the SFO to be interested in all the 1,068,549,641 Shares held by LOG. Under the SFO, being the controlling corporations of the Company, CIME S.C.A., Cime Management Sarl, CIME and LOG have deemed interest in the 15,529,420 treasury shares being held by the Company.

(2) Based on guidance from HKEX, 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 15,529,420 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 2017, 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 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, 2013 and 2016 (the "2010, 2013 and 2016 Options") during the six months ended 30 September 2017 were as follows. No share options were granted under the Share Option Plan 2016 during this period.

Name/Category of Participant	As of 01/04/2017	Number of share options: Granted during the period	Cancelled or forfeited during the period	Exercised during the period	As of 30/09/2017	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
	418,600	–	–	–	418,600	10-Feb-17	10/02/2021-10/02/2025	15.16	15.03
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
	558,200	–	–	–	558,200	10-Feb-17	10/02/2021-10/02/2025	15.16	15.03
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
	83,700	–	–	–	83,700	10-Feb-17	10/02/2021-10/02/2025	15.16	15.03
Jackson Chik Sum Ng	50,000	–	–	–	50,000	4-Apr-11	04/04/2015-03/04/2019	19.84	19.84
Sub-total	5,974,622	–	–	–	5,974,622				
Others									
Employees	1,862,625	–	(283,250)	–	1,579,375	4-Apr-11	04/04/2015-03/04/2019	19.84	19.84
	1,973,060	–	(312,000)	–	1,661,060	26-Oct-12	26/10/2016-26/10/2020	23.60	23.60
	5,862,500	–	(631,250)	–	5,231,250	4-Dec-13	04/12/2017-03/12/2021	17.62	17.62
	333,600	–	–	–	333,600	24-Feb-15	24/02/2019-23/02/2023	19.22	19.22
	6,452,100	–	(464,800)	–	5,987,300	23-Mar-16	23/03/2020-22/03/2024	14.36	14.00
	9,544,200	–	(404,700)	–	9,139,500	10-Feb-17	10/02/2021-10/02/2025	15.16	15.03
Sub-total	26,028,085	–	(2,096,000)	–	23,932,085				
Total	32,002,707	–	(2,096,000)	–	29,906,707				

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 Plan on 4 April 2011, 26 October 2012, 28 November 2012, under the 2013 Share Option Plan on 4 December 2013, 24 February 2015 and 23 March 2016 and under the 2016 Share Option Plan on 10 February 2017 were approximately €0.44, €0.45, €0.47, €0.31, €0.40, €0.31 and €0.36 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
10 February 2017	22%	5 years	1.92%	35% of budgeted profit attributable to the equity holders

In total, share-based compensation expense of €905,000 was included in the interim consolidated statements of comprehensive income for the six months ended 30 September 2017 (six months ended 30 September 2016: €904,000). 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 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 887,500 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.

During the period from the adoption date of the Free Share Plan 2016 to the six months ended 30 September 2017, the Company did not grant any Free Shares pursuant to the Free Share Plan 2016.

Other Information

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 2017, the Company was in compliance with the conditions of the Waiver.

During the six months ended 30 September 2017, 1,284,750 Shares were repurchased and transferred to treasury. The Company holds as at 30 September 2017, 15,529,420 ordinary Shares as treasury Shares, and the total number of ordinary Shares in issue (excluding Shares held as treasury Shares) is 1,461,435,471.

HUMAN RESOURCES

As at 30 September 2017, the Group had 8,957 employees (30 September 2016: 8,491 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 2017.

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 2017 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 Board believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises highly experienced individuals. There are four independent non-executive Directors 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 and Vice-Chairman of the Board and by Mr. Domenico Trizio, the Group Chief Operating Officer and Group Managing Director of the Company. Mr. Geiger is responsible to the Board and focuses on Group strategies and Board issues, ensuring a cohesive working relationship between members of the Board and management. The two Managing Directors have full executive responsibilities in the business directions and operational efficiency of the business units under their respective responsibilities and are accountable to Mr. Geiger.

Code provision F.1.3 provides that the company secretary should report to the Chairman and CEO. Mr. Karl Guénard ("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 ("Ms Mok"), the other joint company secretary of the Company, is based in Hong Kong. Ms. Mok works in coordination with Mr. Guénard in the discharge of the company secretarial duties.

Other Information

CHANGES IN DIRECTORS' INFORMATION

No change has occurred in Directors' information during the six-month period ended 30 September 2017 which is required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules.

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 required standard of the Model Code during the six months ended 30 September 2017.

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

During the six months period ended 30 September 2017, the Company repurchased a total of 1,284,750 shares on the Stock Exchange with an aggregate amount of HK$20,365,960.68 which were transferred to treasury on 27 September 2017.

Details of Shares repurchased during the six months period ended 30 September 2017 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 2017	1,284,750	16.14	15.62	20,365,960.68

The Company held 15,529,420 Shares in treasury on 30 September 2017. 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 2017.

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