L'OCCITANE
EN PROVENCE

L'OCCITANE INTERNATIONAL S.A.

(Incorporated under the laws of Luxembourg with limited liability)

Stock code : 973

2012
Interim Report

Contents

Corporate Information




Executive Directors

Reinold Geiger
(Chairman and Chief Executive Officer)
Emmanuel Laurent Jacques Osti
(Managing Director)
André Joseph Hoffmann
(Managing Director Asia-Pacific)
Domenico Trizio
(Chief Operating Officer)
Thomas Levilion
(Group Deputy General Manager,
Finance and Administration)

Non-executive Directors

Karl Guénard
Martial Thierry Lopez
Pierre Maurice Georges Milet

Independent Non-executive Directors

Charles Mark Broadley
Susan Saltzbart Kilsby
Jackson Chik Sum Ng

Joint Company Secretaries

Kenny Yee Hing Choy
Sylvie Duvieusart-Marquant

Authorised Representatives

André Joseph Hoffmann
Kenny Yee Hing Choy

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

1, rue du Fort Rheinsheim
L-2419 Luxembourg

Headquarter Offices

1, rue du Fort Rheinsheim
L-2419 Luxembourg

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

Principal Place of Business in Hong Kong

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

Stock Code

973

Company Website

www.loccitane.com

Audit Committee

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

Remuneration Committee

Susan Saltzbart Kilsby (Chairman)
Charles Mark Broadley
Domenico Trizio

Nomination Committee

Jackson Chik Sum Ng (Chairman)
André Joseph Hoffmann
Susan Saltzbart Kilsby

Principal Bankers

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

Auditor

PricewaterhouseCoopers

Principal Share Registrar and Transfer Office

Banque Privée Edmond de Rothschild
20, Boulevard Emmanuel Servais
L-2535, Luxembourg

Hong Kong Share Registrar

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

Financial Highlights

FINANCIAL HIGHLIGHTS

Highlights of results for the six months ended 30 September	2012	2011
Net sales *(€ million)*	449.2	368.5
Operating profit *(€ million)*	41.9	32.7
Profit for the period *(€ million)*	34.5	29.8
Gross profit margin	82.1%	82.3%
Operating profit margin	9.3%	8.9%
Net profit margin	7.7%	8.1%
Net operating profit after tax *(€ million)* (NOPAT)(1)	35.7	30.0
Capital employed *(€ million)*(2)	452.9	393.1
Return on capital employed (ROCE)(3)	7.9%	7.6%
Return on equity (ROE)(4)	5.2%	5.1%
Current ratio *(times)*(5)	2.68	2.84
Gearing ratio(6)	9.4%	9.5%
Average inventory turnover days(7)	312	326
Turnover days of trade receivables(8)	33	31
Turnover days of trade payables(9)	208	208
Total number of own stores(10)	1,120	967
Profit attributable to equity owners *(€ million)*	33.7	29.0
Basic earnings per share *(€)*	0.023	0.020

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

Chairman's Statement

Photo by Ranjan Basu, Planman Media

Message from

REINOLD GEIGER

- *Despite the challenging global economic environment, most countries delivered strong growth in local currency and the Company recorded an* ***improvement in overall operating profit margin.***
- ***Russia*** *and* ***China*** *were the* ***best-performing markets*** *in net sales growth, reaching 35.0% and 22.7% respectively in local currency terms.*
- ***Hong Kong****, the* ***United Kingdom*** *and the* ***United States*** *continue to contribute and maintain solid growth, with* ***strong double-digit net sales growth*** *at 18.7%, 20.5% and 16.9% respectively.*

The global retail expansion strategy has enabled us to further strengthen our leading position in the cosmetics business. We continue to expand with new openings and important renovations in various markets globally. For the six months ended 30 September 2012, the Company increased the total number of our own retail stores to 1,120 and net own stores openings were 57 over the six months ended 30 September 2012, excluding the acquisition of our distributor in Ireland.

The Company continues to invest with increased capital expenditure for new store openings and important store renovations. Meanwhile, we expect to further develop our own retail network as reflected from the recent acquisition of our distributor in Ireland and the creation of the Nordic entity in Sweden.

As we devote additional resources to further strengthen our business platform for future growth, we are mindful of the need for high calibre talent and management staff to help steer the Group to the next level. Hence, we have enhanced our human resource (HR) efforts by implementing employee retention strategies, adding key high-level hires to strengthen our existing management team and implemented a succession planning program for the Company.

With the support of our management team, we will maintain our efforts in direct marketing, digital, advertising, research and development and international management. The digital online channel remains a key area of focus and growth driver for us and we expect to increase spending in this channel to enhance our internet presence.

So far, our investments in digital media are starting to yield strong results and the E-commerce channel has become the fastest growing channel for us during these last six months. For certain key markets, we have started the development of state-of-the-art customer relationship management (CRM) capabilities to help us extract the value from this digital channel which will also complement our own retail operations.

At the same time, we continue our investment program to improve our operating infrastructure business platform particularly by allocating resources to improve our supply chain and information technology (IT) systems.

We have implemented a new logistics set-up and a new central warehouse in Manosque which went "live" in April of this year and added as well a new European distribution centre. Presently we are in the phase of expanding and re-building our main Manosque factory, which includes investments to enhance our production capacity. This one-off investment will represent a significant part of our capital expenditure for this fiscal year.

The implementation of SAP remains on track as demonstrated by its successful introduction and integration in Hong Kong. In addition, we expect to roll-out CBR, our new Group Point of Sales system, which is vital to the operations of our business. As we expect roll-out and integration of SAP and CBR, we look forward to enjoying the benefits of productivity and efficiency gains in the coming years.

As part of the Group's new five-year business plan, initiatives are being taken to drive the performance of all the brands in our Group's brand portfolio as highlighted by recent strategic new key hires. In terms of brand updates, we remain committed to our long term investment in Melvita and conscious efforts are being taken to drive the performance of Melvita.

In July of this year, the Group's brand portfolio welcomes the addition of the Erborian brand, a French-Korean skincare range, based on Korean medicinal herbs and science. This recent acquisition highlights our vision to develop and retail high quality products that are rich in natural and organic ingredients and in line with our overall corporate strategy to grow and develop the Group to become a leading global player in the natural and organic ingredients-based beauty and personal care products space.

Overall, the performance achieved by the Company in the first half of financial year 2013 has demonstrated the resilience of our business model and highlighted our track record of sustainable growth.

Looking forward, we remain committed to our vision and will continue to invest and take advantage of potential business opportunities which will create lasting value to our shareholders.

Management Discussion and Analysis

HIGHLIGHTS :

- Group's net sales were €449.2 million, recording an increase of 21.9% compared with the six months ended 30 September 2011
- Growth was primarily driven by the United States, Hong Kong, Russia and China
- Same Store Sales Growth was 2.6%
- The net own stores openings were 57 over the 6 months ended 30 September 2012 compared to 56 over the same period last year, excluding the acquisition of distributors
- Operating profit grew by 27.9% to €41.9 million and operating margin rose to 9.3%
- Profit for the period was €34.5 million and net profit margin was 7.7%

Summary:

For the period ended 30 September	**2012** **€ million or %**	2011 *€ million or %*
Net Sales	**449.2**	368.5
Operating profit	**41.9**	32.7
Profit for the period	**34.5**	29.8
Gross profit margin	**82.1%**	82.3%
Operating profit margin	**9.3%**	8.9%
Net profit margin	**7.7%**	8.1%

Definitions:

Comparable Stores means existing retail stores which have been open for at least 24 months before the end of the financial year under discussion.

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

Comparable Store Sales means net sales from Comparable Stores and internet sales 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

We are subject to seasonal variances in sales, which are significantly higher in our financial third quarter (between 1 October and 31 December) in anticipation of and during the Christmas holiday season. For the period ended 30 September 2011, the level of sales represented 40.3% of the annual level of sales in the year ended 31 March 2012 and the level of operating profit represented 21.5% of the annual operating profit in the year ended 31 March 2012. This ratio is not representative of 2013 annual result.

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

REVENUE ANALYSIS

Net sales were €449.2 million for the period ended 30 September 2012, a 21.9%, or €80.7 million increase compared to the period ended 30 September 2011, reflecting net sales growth in all our business segments and geographic areas. For the period ended 30 September 2012, net sales in our Sell-out and Sell-in business segments (representing 73.8% and 26.2% of our total net sales, respectively) increased by 13.7% and 13.1%, respectively, excluding foreign currency translation effects. Net sales increased by 13.5% excluding foreign currency translation effects.

We increased the total number of retail locations where our products are sold from 2,082 as at 31 March 2012 to 2,218 as at 30 September 2012. We likewise increased the number of our own retail stores from 1,053 at 31 March 2012 to 1,120 at 30 September 2012, representing a net increase of 67 L'Occitane and Melvita stores, including 25 additional stores in Asia, 32 in Europe and 10 in the Americas. Excluding foreign currency translation effects, Comparable Store Sales represented 12.4% of our overall growth in the period ended 30 September 2012 while Non-comparable Store Sales during the period represented 60.1% of our overall growth, and our Sell-in segment contributed 26.0% to our overall growth.

Our sales in Hong Kong, the United States, Russia, China and other countries were the driving factors of our net sales growth in the period ended 30 September 2012.

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 period ended 30 September 2012:

	€'000	*% Growth*	*% Growth(2)*	*% Contribution to Overall Growth(2)*
Sell-out	**61,483**	**22.8%**	**13.7%**	**74.0%**
Comparable Stores	25,060	10.7%	2.6%	12.4%
Non-comparable Stores	35,063	112.9%	96.4%	60.1%
Other(1)	1,360	25.9%	14.8%	1.6%
Sell-in	**19,250**	**19.5%**	**13.1%**	**26.0%**
Overall Growth	**80,733**	**21.9%**	**13.5%**	**100.0%**

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

Sell-out

Sell-out net sales increased by 13.7% excluding foreign currency translation effects, which was primarily related to the Non-comparable Stores with our net addition of 225 own stores between 1 April 2011 and 30 September 2012. During the six months ended 30 September 2012 we added a net 67 own stores including net additions of 9 stores each in China and Russia, 5 stores in Japan, 4 stores in Brazil, 3 stores each in the United Kingdom and the United States, 1 store each in Hong Kong and Taiwan and 22 stores in other countries. Furthermore, we added 10 stores following the acquisition of our distributor in Ireland in July 2012. Excluding this acquisition, our net addition of 57 stores compares to a net addition of 56 stores during the six months ended 30 September 2011, excluding the net addition of 16 stores due to the acquisition of our distributor in Malaysia in August 2011. Net sales of our own retail stores and the internet represented 72.4% of our overall growth in the period ended 30 September 2012, with Non-comparable Stores providing 60.1% of the growth and Comparable Stores and the internet providing 12.4% of the growth, respectively. In the context of the global economic slowdown, our Same Store Sales Growth declined to 2.6%. For the period ended 30 September 2011, this ratio was 6.1%. This increase was driven by a combination of slightly higher average value of sales transactions and an increase in the number of transactions.

Sell-in

Excluding foreign currency translation effects, the Sell-in segment grew by 13.1% in the period ended 30 September 2012, as compared to the period ended 30 September 2011, primarily due to an increase of 22.6% in sales to travel retail customers. This was partly offset by the planned decrease of private label sales.

Geographic Areas

The following table presents our net sales growth for the period ended 30 September 2012 and contribution to net sales growth (including and excluding foreign currency translation effects as indicated) by geographic area:

	Net Sales Growth period ended 30 September 2012 compared to period ended 30 September 2011			
	€'000	*% Growth*	*% Growth[(1)]*	*% Contribution to Overall Growth[(1)]*
Japan	13,173	14.5	1.3	2.4
Hong Kong[(2)]	11,872	33.6	18.7	13.2
China	7,619	39.9	22.7	8.7
Taiwan	2,193	17.7	7.5	1.9
France	1,186	3.4	3.4	2.4
United Kingdom	5,774	32.5	20.5	7.3
United States	12,190	31.5	16.9	13.1
Brazil	859	4.5	14.8	5.7
Russia	5,479	37.9	35.0	10.2
Other Countries[(3)]	20,387	23.9	20.5	35.1
All countries	**80,733**	**21.9**	**13.5**	**100.0**

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

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

	Period ended 30 September 2012 compared to period ended 30 September 2011							
	Own stores				% of Overall Growth[(1)(2)]			
	30 Sep 2012	Net openings YTD Sep 2012	30 Sep 2011	Net openings YTD Sep 2011	Non-comparable Stores	Comparable stores and e-commerce	Total Stores and e-commerce	Same Store Sales Growth[(2)]
Japan[(3)]	95	5	87	4	8.8	(8.6)	0.1	(6.5)
Hong Kong[(4)]	30	1	23	1	6.0	1.4	7.3	7.0
China	102	9	85	14	6.1	1.8	8.0	6.8
Taiwan[(5)]	63	1	56	4	1.9	(0.8)	1.1	(4.3)
France[(6)]	66	–	63	(3)	0.9	1.6	2.5	4.8
United Kingdom[(7)]	60	3	55	7	2.5	2.3	4.9	9.7
United States[(8)]	173	3	168	1	4.1	7.6	11.6	11.7
Brazil	67	4	53	7	5.1	(0.4)	4.7	(1.2)
Russia[(9)]	85	9	61	4	5.3	3.1	8.4	13.8
Other Countries[(10)]	379	32	316	33	19.4	4.4	23.8	4.6
All countries	**1,120**	**67**	**967**	**72**	**60.1**	**12.4**	**72.4**	**2.6**

(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 4 and 10 Melvita stores as at 30 September 2011 and 30 September 2012, respectively.
(4) Includes 1 L'Occitane store in Macau, and 4 and 9 Melvita stores in Hong Kong as at 30 September 2011 and 30 September 2012, respectively.
(5) Includes 5 and 9 Melvita stores as at 30 September 2011 and 30 September 2012, respectively.
(6) Includes 4 Melvita stores as at 30 September 2011 and 30 September 2012.
(7) Includes 2 Melvita stores as at 30 September 2011 and 30 September 2012.
(8) Includes 3 and 2 Melvita stores as at 30 September 2011 and 30 September 2012, respectively.
(9) Includes 6 and 8 Melvita stores as at 30 September 2011 and 30 September 2012, respectively.
(10) Includes 4 and 10 Melvita stores as at 30 September 2011 and 30 September 2012, respectively.

Japan

Net sales in Japan increased by 1.3% in local currency in the period ended 30 September 2012, as compared to the period ended 30 September 2011, contributing 2.4% to our overall growth. This was primarily due to the development of our internet and Sell-in activities. In a particularly weak economy and consumer sentiment, our Same Store Sales Growth decreased by 6.5%, which was driven by a decrease in the number of transactions. This was more than offset by the Non-comparable Store Sales with a net addition of 12 stores since April 2011, out of which a net 5 stores were opened during the six months ended 30 September 2012. Non-comparable Store Sales contributed 8.8% to our overall growth. Our internet and mail-order sales in Japan grew by 9.4% year-on-year.

Hong Kong

Hong Kong increased its sales by 18.7% in local currency, contributing 13.2% to our overall growth. Our Sell-out segment contributed 7.3% to our overall growth, notably due to 6.0% from Non-comparable Stores and 1.4% from Comparable Stores. Our Comparable Store Sales grew by 7.0% and was impacted by some cannibalization and renovation effects. Excluding such effects, the Same Store Sales Growth was 19.0%, a strong performance considering the high base of Comparable Store Sales at 35.6% achieved over the same period in FY2012. Our Sell-in sales grew by 13.8% in local currency due to the success of our travel retail sales in Asia.

China

We experienced the second fastest growth among our key countries in China with an increase of 22.7% in local currency. Comparable Store Sales and Non-comparable Store Sales contributed 1.8% and 6.1%, respectively, to our overall growth. Non-comparable Store Sales were driven by the net opening of 31 stores since 1 April 2011, including 9 net openings during the period under review. Same Store Sales Growth was 6.8%, as compared to 17.3% over the same period last year, which represents resilient performance in the softening economy. The total net sales in China also benefited from healthy developments in our wholesale activities, with the Sell-in segment contributing 0.7% to our overall growth.

Taiwan

Net sales in Taiwan increased by 7.5% in local currency. Whilst Comparable Store Sales decreased by 4.3% due to the slowdown in the domestic demand, this was more than offset by the Non-comparable Store Sales which contributed 1.9% to our overall growth. Our Sell-in segment sales increased by 34.7%, principally driven by the positive developments of the distributor and B-to-B activities.

France

Net sales in France increased by 3.4% primarily due to a healthy 4.8% Same Store Sales Growth, contributing 1.6% to our overall growth, with good performances of the L'Occitane and Melvita Comparable Stores and a significant increase in our e-commerce sales which grew by 50.6%. Our Sell-in segment experienced a slight decline of 0.4% as a result of the corporate initiative to discontinue sales of products under third parties' brands. The demand from our wholesale customers and concessionaires was weak, as they tended to limit their inventories, but this was offset by strong developments with department stores. Our sales benefited from a TV advertising program of our L'Occitane Immortelle face care range that was launched this year in September to October. This program will also support our sales during the upcoming Holiday season.


25%

United Kingdom

We continued to experience strong growth in the United Kingdom with a well-balanced contribution of all our activities. Within our Sell-out segment, the Comparable Stores and e-commerce contributed 2.3% to our overall growth with a Same Store Sales Growth of 9.7%, whilst the Non-comparable Stores and the Sell-in segment contributed 2.5% and 2.4%, respectively, to our overall growth. The retail sales were negatively impacted by the Olympics in London, which explains the slightly lower Same Store Sales growth than in the first quarter of the current financial year. The growth in our Sell-in activities was driven by strong achievements in our wholesale activities and increased sales to a television sales operator.

United States

Net sales in the United States increased by 16.9% in local currency and benefited mainly from increases in the Sell-out segment, with Comparable Store Sales growing by 11.7% and contributing 7.6% to our overall growth. This was achieved through a balanced combination of an increase in the number of transactions and the average transaction value, as well as the continued strong performance of our internet sales, which grew by 26.8%. Non-comparable Store Sales contributed 4.1% to our overall growth due to the net opening of 6 stores over the period from 1 April 2011 to 30 September 2012, out of which 3 net openings occurred during the period under review. Our two large format lifestyle retail concept stores in New York, opened at the end of 2011, continued to perform above our expectations. The sales in our Sell-in segment contributed 1.5% to our overall growth due principally to a 26.3% increase in our sales to wholesale accounts and department stores.

Brazil

In the context of a softening economy and weak domestic consumption, our sales in Brazil increased by 14.8% in local currency, contributing 5.7% to our overall growth. This growth was essentially driven by the Non-comparable Stores, which contributed 5.1% to our overall growth, as we opened a net of 21 stores over the period from 1 April 2011 to 30 September 2012, out of which 4 net openings occurred during the period under review. Our Same Stores Sales Growth was weaker than expected with a negative 1.2%, which could be partly explained by some cannibalization effects notably in the cities of Rio de Janeiro and Sao Paulo. Excluding such effects, the Same Store Sales Growth was a negative 0.7%. Our Sell-out segment benefited from strong increases in the sales of our spas which contributed 0.5% to our overall growth.

Russia

With a sales increase of 35.0% in local currency, Russia achieved the fastest growth among our key countries. This was driven primarily by the growth in the Non-comparable Store Sales, which contributed 5.3% to the overall growth, as a result of our 28 net openings over the last 18 months, including 9 net openings during the period under review. The Comparable Store Sales grew by 13.8% during the period ended 30 September 2012, as compared to 7.2% in the period ended 30 September 2011, in the context of a stronger economy than in most other parts of the world. It also benefited from the impressive 49.8% growth in our internet sales and the implementation of CRM tools last year. Our Sell-in sales increased by 23.6% and contributed 1.2% to our overall growth, driven by the development of our wholesale activities and our sales to distributors in cities other than Moscow and St. Petersburg.

Other countries

Net sales in other countries rose by 20.5% in local currencies. Our Sell-out segment contributed 23.9% to our overall growth. Comparable Store Sales accounted for 4.4% of our overall growth with a Same Store Sales Growth of 4.6%. Non-comparable Store Sales contributed 19.4% to the overall growth as a result of our stores network expansion. During the period under review, we increased the number of our retail stores in this group by 32 with, among others, 7 stores in Korea, 5 stores in Germany, 3 stores in Italy and 2 stores each in Canada and Spain, and we added 10 stores in Ireland as a consequence of our acquisition of our distributor in Ireland. Sales in Korea, Germany, Spain, Canada and Italy grew by 23.7%, 24.3%, 8.1%, 19.7% and 24.6%, respectively, excluding foreign currency translation effects. Our Sell-in sales increased by 17.0% and contributed 11.2% to our overall growth due to the increase in sales to travel retail customers and to distributors.

PROFITABILITY ANALYSIS

Cost of sales and gross profit

Cost of sales increased by 23.3%, or €15.2 million, to €80.4 million in the period ended 30 September 2012 compared to the period ended 30 September 2011. Our gross profit margin decreased marginally by 0.2 points to 82.1% in the period ended 30 September 2012. The decline in gross profit margin reflected principally:

- the cost of the mini products and pouches ("MPPs"), which were recognized as marketing expenses in the period ended 30 September 2011, for 1.4 points. Excluding this change, the gross margin increased by 1.2 points;
- a favourable impact of the currencies of 1.2 points of net sales;
- favourable prices and product mix more than offsetting the increase in production cost, for a net 0.1 point;
- the effect of the improved channel mix as our sales in our Sell-out segment increased in the period ended 30 September 2012 relative to sales of our other segments. This was partly offset by a less favourable country mix. The net impact of those mix effects was a positive 0.1 points; and
- the phasing of our deliveries due to the seasonality, negatively impacting freight and duties, and other effects for 0.2 points.

Distribution expenses

Distribution expenses increased by 25.0%, or €45.2 million, to €225.5 million in the period ended 30 September 2012, as compared to the period ended 30 September 2011. As a percentage of net sales, our distribution expenses increased by 1.3 points to 50.2% of net sales in the period ended 30 September 2012, as compared to the period ended 30 September 2011. This increase is attributable to a combination of:

- investments in our Sell-in and Sell-out segments, related to store openings, store renovations and relocations, and to the strengthening of our sales organizations, impacting for 0.6 points;
- unfavourable channel and country mix effects for 0.3 points;
- one-time costs due to the set-up of our new international and European warehouses and other unfavourable non-recurring effects, for 0.3 points;
- the reclassification of our architects and construction teams to distribution, from the general and administrative expenses, for 0.2 points;

partly balanced by:

- a positive impact of the currencies and other effects for 0.1 points.

Strong Global Presence

• Elements, Hong Kong

• Atrium Moscow, Russia

• Flagship, Shibuya Terrace de Provence Tokyo, Japan

• Paulista Sao Paulo, Brazil

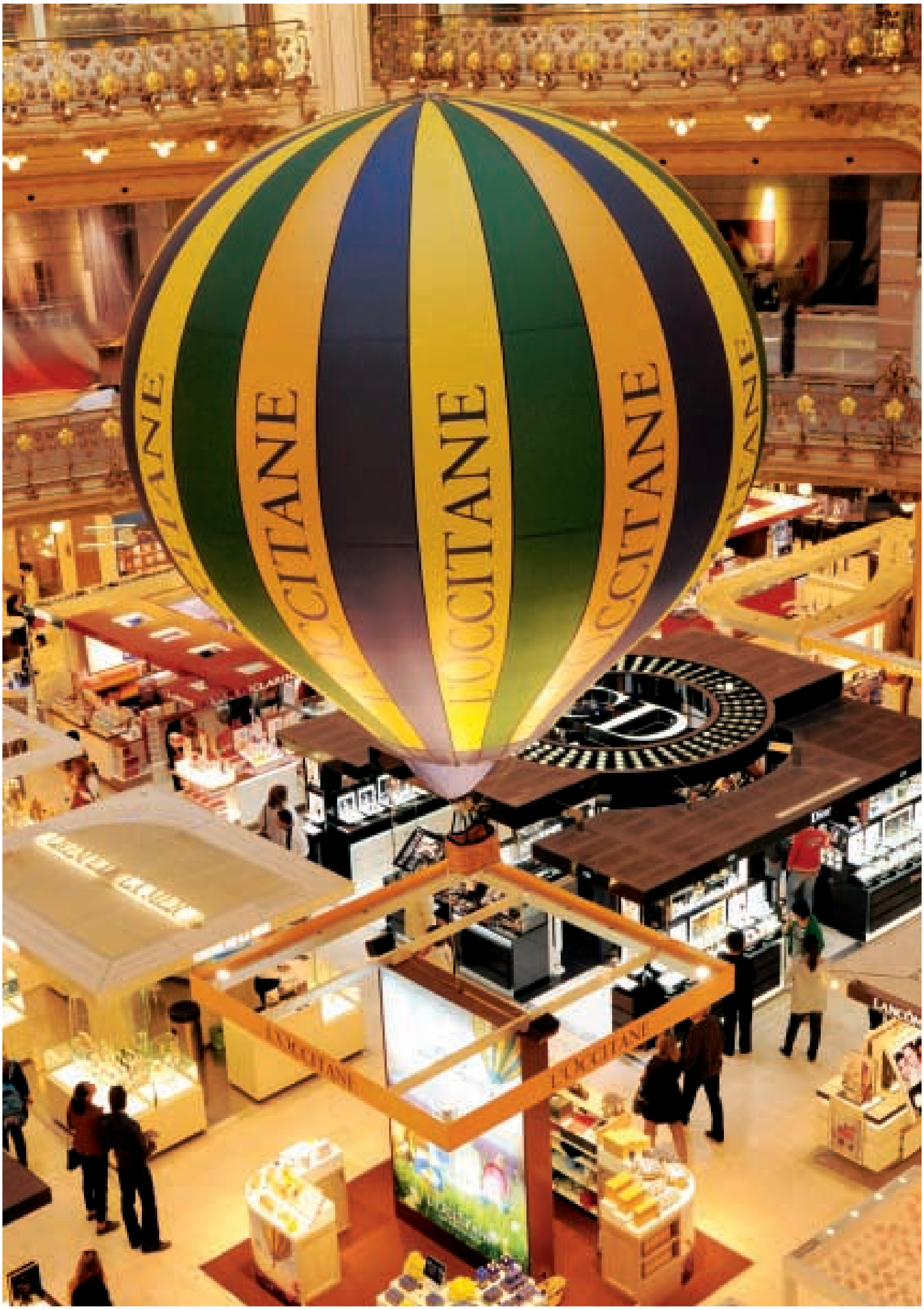
• Flagship, West Nanjing Road Shanghai, China

• Carrousel du Louvres Paris, France

• Flagship, 170 5th Avenue New York, United States

• Flagship, Yorkdale Mall Toronto, Canada

• Flagship, 86th Street New York, United States



• Galleries Lafayette Paris, France

• *Flagship, Apgujung Seoul, Korea*

• *Schadow Arkaden, Germany*

Marketing expenses

Marketing expenses increased by 15.7%, or €6.8 million, to €50.2 million in the period ended 30 September 2012, as compared to the period ended 30 September 2011. Our marketing expenses, as a percentage of net sales, decreased by 0.6 points to 11.2% of net sales in the period ended 30 September 2012, as compared to the period ended 30 September 2011. This decrease is attributable to:

- a favourable 1.4 points representing the one-time effect of the reclassification of the cost of our MPPs to the cost of sales;
- unfavourable non-recurring effects for 1.2 points, essentially related to the one-time gain recorded last year with the recognition of our MPPs inventory;
- investments notably in operational marketing and advertising for 0.5 points. However, some investments in communication and media will be phased in the second half-year, closer to the holiday season. As compared to the period ended 30 September 2011, this represented a positive effect of 0.6 points; and
- leverage on our marketing structures for 0.3 points.

Research & development expenses

Research and development ("R&D") expenses increased by 15.8%, or €0.5 million, to €3.5 million in the period ended 30 September 2012, as compared to the period ended 30 September 2011, with the increase being mainly explained by the development of product offers for our new, smaller brands. Our R&D expenses, as a percentage of net sales, remained stable at 0.8% of net sales in the period ended 30 September 2012, as compared to the period ended 30 September 2011.

General and administrative expenses

General and administrative expenses increased by 8.6%, or €3.8 million, to €47.7 million in the period ended 30 September 2012, as compared to the period ended 30 September 2011 and decreased by 1.3 points of net sales. This decrease as a percentage of net sales was attributable to:

- favourable exchange rates effects for 0.4 points;
- leverage of our existing structures on higher sales for 0.5 points;
- the reclassification of our architects and construction teams to the distribution expenses for 0.2 points; and
- non-recurring elements and other effects impacting favourably for 0.2 points.

• Hysan Place, Hong Kong

Operating profit

Operating profit increased by 27.9%, or €9.1 million, to €41.9 million in the period ended 30 September 2012, as compared to the period ended 30 September 2011, and our operating profit margin increased by 0.4 points of net sales to 9.3%. The increase in our operating profit margin is explained by:

- favourable exchange rates effects for 2.1 points;
- unfavourable non-recurring elements, essentially one-time gains in the same period last year, for 1.3 points;
- investments in our future sales growth and other effects, net of phasing, for 0.9 points;
- unfavourable mix effects for 0.4 points, due to the evolution of our sales in the different brands, channels and countries; and
- leverage on our existing structures for 0.9 points.

Finance costs, net

Net finance costs increased by €1.0 million, to €1.3 million in the period ended 30 September 2012 compared to the period ended 30 September 2011. This increase was mainly related to lower interest on our cash balances, withholding taxes on the interest paid by our Brazilian subsidiary on its financing by the Company and non-cash items related to put options on some non-controlling interests.

Foreign currency gains/losses

Our net foreign currency losses amounted to €2.9 million for the period ended 30 September 2012 and were principally explained by unrealized losses on the Japanese yen and US dollar.

Income tax expense

The effective rate for income taxes was 8.4% for the period ended 30 September 2012, as compared to 0.7% for the period ended 30 September 2011 and 12.7% for the period ended 30 September 2010. The increase in the effective tax rate from the period ended 30 September 2011 is explained mainly by higher pre-tax profits in the countries where the tax rate is the highest.

Profit for the period

For the aforementioned reasons, profit for the period increased by 15.8% or €4.7 million to €34.5 million in the period ended 30 September 2012, as compared to the period ended 30 September 2011. Basic and diluted earnings per share increased for the period ended 30 September 2012, compared with period ended 30 September 2011, by 16.8%. The number of shares used in the calculation of the basic earnings per share decreased by 0.5% to 1,470,309,391 as a consequence of our repurchase of 6,655,500 shares during FY2012.

BALANCE SHEET REVIEW

Liquidity and capital resources

As at 30 September 2012, we had cash and cash equivalents of €292.0 million, as compared to €308.3 million as at 31 March 2012 and €255.4 million as at 30 September 2011.

As at 30 September 2012, the aggregate amount of undrawn borrowing facilities was €292.5 million. As at 30 September 2012, our total borrowings, including finance lease liabilities, current accounts with minority shareholders and bank overdrafts, amounted to €92.9 million, as compared to €69.2 million as at 31 March 2012, with the increase being explained by increased borrowings in foreign currencies to offset increased foreign currencies exposures in our balance sheet.

Investing activities

Net cash used in investing activities was €48.7 million in the period ended 30 September 2012, as compared to €52.7 million in the period ended 30 September 2011, representing a decrease of €4.0 million. This reflected capital expenditures primarily related to:

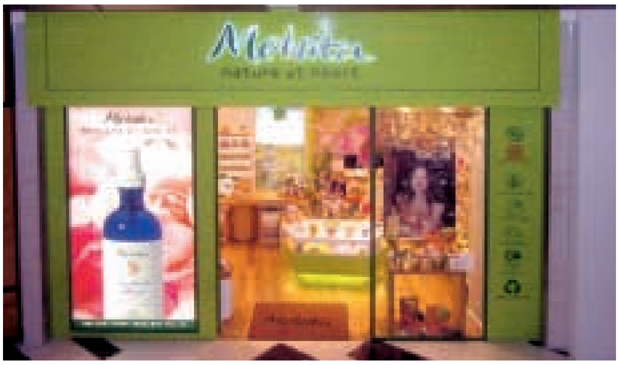
- the acquisition of our distributor in Ireland and the acquisition of 50.14% of the share capital of Symbiose Cosmetics France, owner of the Erborian brand. Both acquisitions accounted for a total of €4.6 million, which compares to €22.2 million spent during the same period last year for the acquisition of our distributor in Malaysia and the non-controlling interests in our affiliates in Switzerland and Korea;

- the additions of leasehold improvements, other tangible assets, key moneys and changes in deposits related to stores for €17.2 million;

- the additions in IT software and equipment for €5.3 million, including €3.2 million for the implementation of SAP as our enterprise resources planning system; and

- the additions of machinery, equipment, construction, fittings and others to our factories, R&D and warehousing facilities for €18.8 million. Out of this amount, €17.7 million were in-progress in our Manosque facility.

• *Lazona Kawaski, Japan*



• *IFC Mall Seoul, Korea*

Financing activities

Net cash generated in financing activities was €19.7 million in the period ended 30 September 2012, as compared to €9.6 million in the period ended 30 September 2011. Net cash generated during the period under review mainly reflected the following:

- a net increase in bank borrowings as discussed above; and

- the payment of a total of €3.1 million dividend to non-controlling interests in our subsidiaries.

Inventories

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

Fowr the period ended 30 September	2012	2011
Average Inventory turnover days(1)	312	326

(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.*

Our inventory, which usually reaches its peak around September due to seasonality, increased by €16.3 million, to €148.3 million as at 30 September 2012, from €132.0 million as at 30 September 2011. The decrease in inventory turnover days by 14 days was driven by:

- reduced finished goods inventory turnover days, for 14 days, notably with several key countries like France, Japan, the United States and Brazil;
- almost stable inventories of raw materials, components and work-in-progress at our factories, favourably impacting the inventory turnover days by 11 days.

Such a combination of favourable effects allowed to more than offset:

- unfavourable exchange rates and other effects for 3 days; and
- the one-time effect of the recognition of our MPPs inventory as at 30 September 2011 for 8 days.

TRADE RECEIVABLES

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

For the period ended 30 September	2012	2011
Turnover days of trade receivables(1)	33	31

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

Turnover days of trade receivables increased by 2 days from the period ended 30 September 2011 to the period ended 30 September 2012 primarily due to the development of our Sell-out sales in department stores in China, Korea and Hong Kong and to delayed credit card payments in Brazil.

TRADE PAYABLES

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

For the period ended 30 September	2012	2011
Turnover days of trade payables(1)	208	208

(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.*

In our previous communications, we disclosed the turnover days of trade payables based on total purchases rather than cost of sales. The management believes that the turnover days of trade payables based on cost of sales provides a better understanding of the Company's overall working capital and intends to disclose and comment on this ratio in the future.

Based on total purchases, our turnover days of trade payables were 67 days as at 30 September 2012, as compared to 61 days as at 30 September 2011. Total purchases are estimated by deducting employee benefits, depreciation and changes in provisions from the total costs and expenses.

• L'Occitance café Taipei, Taiwan

• L'Occitance café Taipei, Taiwan

From the period ended 30 September 2011 to the period ended 30 September 2012, our average trade payables increased by €17.5 million, whilst the turnover days of trade payables based on the cost of sales remained unchanged.

BALANCE SHEET RATIOS

Our return on capital employed and return on equity ratios are typically impacted by our seasonality. They increased as at 30 September 2012, as compared to 30 September 2011, due to the increased net operating profit after tax and profit for the period by 18.8%, whilst our capital employed and equity increased by 9.1% from one period to the other. The increase in our capital employed resulted from our capital expenditures and increased working capital. Our equity increased by €83.1 million from 30 September 2011 to 30 September 2012 primarily as a combination of our profit during this period partly offset by the payment of the dividend related to the financial year 2012. As a consequence of our high net cash position, our liquidity and capital adequacy ratio remained very favourable.

For the period ended	30 September 2012 *€'000*	31 March 2012 *€'000*	30 September 2011 *€'000*
Profitability			
Net operating profit after tax (NOPAT)(1)	35,677	124,045	30,027
Capital employed(2)	452,877	416,070	393,075
Return on capital employed (ROCE)(3)	7.9%	29.8%	7.6%
Return on equity (ROE)(4)	5.2%	18.6%	5.1%
Liquidity			
Current ratio (times)(5)	2.68	3.38	2.84
Quick ratio (times)(6)	2.01	2.62	2.10
Capital adequacy			
Gearing ratio(7)	9.4%	7.6%	9.5%
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
(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

We enter into forward exchange contracts to hedge anticipated transactions, as well as receivables and payables not denominated in our presentation currency, the Euro, for periods consistent with our identified exposures. As at 30 September 2012, we had foreign exchange derivatives net liabilities of €1.6 million in the form of forward exchange contracts (in accordance with fair market valuation requirements under IFRS). The notional principal amounts of outstanding forward exchange derivatives as at 30 September 2012 were primarily Japanese yen for an equivalent of €30.4 million, Singaporean dollars for €6.3 million, US dollars for €1.8 million and Australian dollars for €1.5 million.

INTEREST RATE RISK MANAGEMENT

We enter into interest rate derivative contracts to manage the exposure to fluctuations of interest rates on our long-term borrowings. As at 30 September 2012, we had interest rate derivative liabilities of €0.2 million. The notional principal amount of outstanding interest rate derivatives as at 30 September 2012 was €18.2 million.

DIVIDENDS

On 18 June 2012, our Board recommended the payment of a dividend of €0.0247 per share on our common stock, representing a total dividend of €36.3 million, or 30% of the profit attributable to the equity owners of the Company, out of our distributable reserves of €246.5 million as of 31 March 2012. The amount of the dividend was based on 1,470,309,391 shares in issue excluding the treasury shares. The shareholders approved this dividend at a meeting held on 26 September 2012. The dividend was paid on 24 October 2012.

POST BALANCE SHEET EVENTS

On 26 October 2012, the Company granted 3,406,680 options pursuant to the Company Share Option Scheme adopted on 30 September 2010. The exercise price for the options granted was HKD23.60. The options are exercisable during a period commencing 26 October 2016 and expiring 26 October 2020.

On 26 October 2012, the Company granted 1,952,680 free shares pursuant to the Company Free Share Plan adopted on 30 September 2010. The free shares will vest on 26 October 2016.

In July 2012, the French tax authorities started an audit of the tax returns filed by L'Occitane SA for the years ended in March 2009, March 2010 and March 2011. As of the date of this announcement, no conclusion can be drawn as to the outcome of this audit.

In October 2012, the Group has received a tax reassessment from the tax authority in Brazil amounting to €4.9 million for the years 2008, 2009 and 2010. After consultation with external lawyers, the Group considered that the risk associated is not material.

STRATEGIC REVIEW AND PROSPECTS

Summary of the activity during the period:

Despite a challenging global economic environment, most countries were able to deliver strong growth in local currency and the Group recorded an improvement in overall operating profit margin. Excluding foreign currency translation effects, Russia and China were the best-performing markets in net sales growth, reaching 35.0% and 22.7% respectively. Developed markets like Hong Kong, the United Kingdom and the United States also continue to contribute and maintain solid growth, with strong double-digit net sales growth at 18.7%, 20.5% and 16.9% respectively.

The global retail expansion strategy has enabled the Group to further strengthen its leading position in the business. The Company continues to expand with new openings and important renovations in various markets globally. For the six months ended 30 September 2012, the Company increased the total number of own retail stores to 1,120. The Group's net own stores openings were 57 over the six months ended 30 September 2012, excluding the addition of 10 stores from the acquisition of the Company's distributor in Ireland.

The Group continues to invest with increased capital expenditure for new store openings and important store renovations. Efforts to further develop our own retail network can be reflected from the acquisition of the Group's distributor in Ireland and the creation of the Nordic entity in Sweden.

As we devote additional resources to further strengthen our business platform for future growth, we are mindful of the need for high calibre talent and management staff to help steer the Group to the next level. We have enhanced our human resource (HR) efforts by implementing employee retention strategies, adding key high-level hires to strengthen our existing management team and putting in place a succession planning program for the Group.

With the integral support of our talented management team, we maintain our marketing efforts in direct marketing, digital, advertising, research and development and international management.

The digital online channel remains a key area of focus and growth driver for the Group and increased spending has been allocated to this channel to enhance our internet presence through increased investments in digital media and we are seeing strong developments in our e-commerce business. For certain key markets, we have started the development of state-of-the-art customer relationship management (CRM) capabilities to help us extract the value from this digital channel which will also complement our own retail operations.

We continue our investment program to improve our operating infrastructure business platform particularly by allocating resources to improve our supply chain and information technology (IT) systems.

We put in place a new logistics set-up and a new central warehouse in Manosque which went "live" in April of this year and we added a new European distribution centre. At the same time, we launched the expansion and re-building of our main Manosque factory, which included investments to enhance our production capacity. This one-off investment represents a significant part of our capital expenditure for this fiscal year.

The implementation of SAP remains on track as demonstrated by its successful introduction and smooth integration in Hong Kong. In addition, we expect the further roll-out of CBR, our new Group Point of Sales system, which is vital to the operations of our business. As we expect further roll-out and integration of SAP and CBR, we look forward to enjoying the benefits of productivity and efficiency gains in the coming years.

In terms of brand updates, we remain committed to our long term investment in Melvita and repetitive efforts are taken to drive the performance of Melvita. As part of the Group's new five-year business plan, initiatives are being taken to drive the performance of all the brands in our Group's brand portfolio as highlighted by recent strategic new key hires.

In July of this year, the Group's brand portfolio welcome the addition of the Erborian brand, a French-Korean skincare range, based on Korean medicinal herbs and science. This recent acquisition highlights our Group's commitment to developing and retailing high quality products that are rich in natural and organic ingredients of traceable origins and respect for the environment. This acquisition is in line with our overall corporate strategy to grow and develop the Group to become a leading global player in the natural and organic ingredients-based beauty and personal care products space.

Overall, the performance achieved by the Company in the first half of financial year 2013 demonstrates the resilience of our business model and highlights our track record of sustainable growth.

Prospects for the second half of the year:

The Group maintains its overall corporate strategy to expand our own retail network by opening more stores globally, by investing to strengthen our brands in our Group's portfolio, directing efforts to enhance our brand's presence in the digital channel, by investing to enhance our supply chain and further improve our HR development.

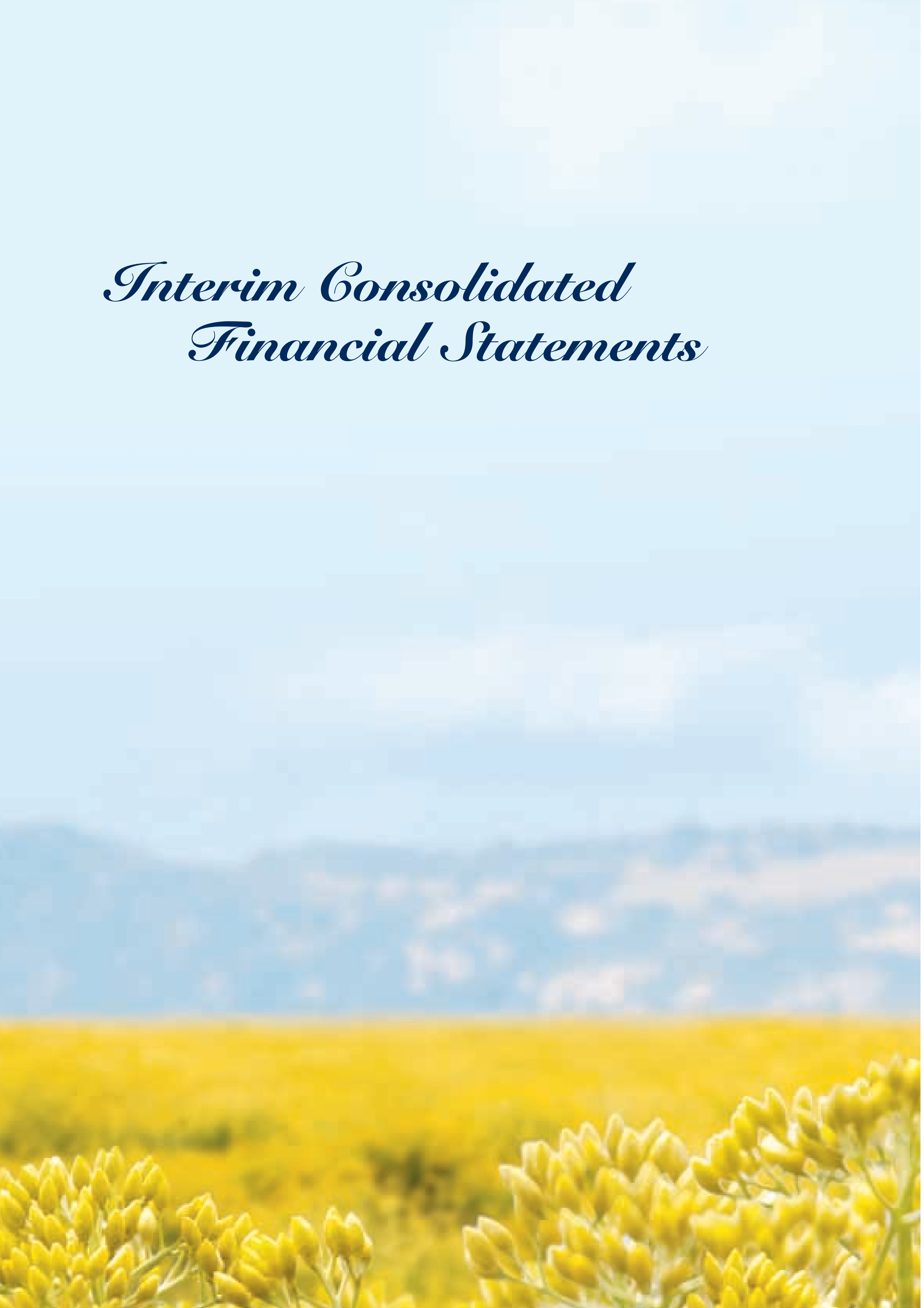
As part of the global retail expansion strategy, we will continue to invest in new stores in both developing and developed countries and to renovate stores in all our key markets. The Group has demonstrated strong resilience in the current challenging market environment and will continue to grow, expand and explore strategic acquisition opportunities to further enhance its leading position in the industry.

From an operational stand point, we will maintain our efforts to improve our supply chain management. We are currently in the process of re-designing and expanding the main Manosque factory and expect to launch the third tranche of the new Manosque international warehouse by the end of this financial year.

In terms of IT system upgrade, we will continue to implement and roll-out our SAP core model in other countries. Presently, we are at the advanced stage of developing the SAP system for our manufacturing arm and we target to launch the system during the next financial year. The launch of our SAP model for other key markets such as the United States and Japan is underway and efforts are being made to prepare these markets for its integration.

Overall, we will continue the efforts to develop our systems, processes, organization and capacities as initiated in the first half of this financial year. Against the backdrop of the global market uncertainty, the Group and the management will strive to maintain its sales growth with a combination of improving Same Store Sales Growth and higher sales in Non-comparable Stores. Looking forward, we remain committed to our vision and will continue to invest and take advantage of potential business opportunities which will create lasting value to our shareholders.

Interim Consolidated Financial Statements



Report on review of the condensed consolidated interim financial information

To the Board of Directors of
L'Occitane International S.A.

INTRODUCTION

We have reviewed the accompanying consolidated interim balance sheet of L'Occitane International S.A. and its subsidiaries (together the "Group") as of 30 September 2012 and the related consolidated interim statement of income, statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes (the "condensed consolidated interim financial information"). The Board of Directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim financial reporting" as issued by the International Accounting Standards Board. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review, and to report our conclusion solely to you, as a body. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 27 November 2012

Philippe Duren

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

In thousands of Euros, except per share data	Notes	Period ended 30 September 2012	2011
Net Sales		**449,227**	**368,494**
Cost of sales		(80,437)	(65,213)
Gross profit		**368,790**	**303,281**
% of net sales		*82.1%*	*82.3%*
Distribution expenses		(225,490)	(180,328)
Marketing expenses		(50,203)	(43,400)
Research and development expenses		(3,545)	(3,061)
General and administrative expenses		(47,669)	(43,897)
Other (losses)/gains, net	(20)	(27)	123
Operating profit		**41,856**	**32,718**
Finance costs, net	(21)	(1,272)	(234)
Foreign currency gains/(losses)	(22)	(2,915)	(2,492)
Profit before income tax		**37,669**	**29,992**
Income tax expense	(23)	(3,157)	(197)
Profit for the period		**34,512**	**29,795**
Attributable to:			
Equity owners of the Company		33,668	28,952
Non-controlling interests		844	843
Total		**34,512**	**29,795**
Earnings per share for profit attributable to the equity owners of the Company during the half-year *(expressed in Euros per share)*	(24)		
Basic		0.023	0.020
Diluted		0.023	0.020
Number of shares used in earnings per share calculation	(24)		
Basic		1,470,309,391	1,476,964,891
Diluted		1,470,309,391	1,476,964,891

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

In thousands of Euros	Notes	Period ended 30 September 2012	2011
Profit for the period		**34,512**	**29,795**
Other comprehensive income:			
Cash flow hedges fair value gains, net of tax	(13)	201	256
Currency translation differences		5,060	5,448
Other comprehensive income/(loss) for the period, net of tax		**5,261**	**5,704**
Total comprehensive income for the period		**39,773**	**35,499**
Attributable to:			
– Equity owners of the Company		38,988	34,538
– Non-controlling interests		785	961
Total		**39,773**	**35,499**

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

CONSOLIDATED BALANCE SHEETS

ASSETS *In thousands of Euros*	**Notes**	**30 September 2012**	**31 March 2012**
Property, plant and equipment, net	(7)	143,110	120,787
Goodwill	(8)	114,648	106,747
Intangible assets, net	(9)	57,949	54,923
Deferred income tax assets		55,390	41,972
Available-for-sale financial assets		49	49
Other non-current receivables		28,268	25,582
Non-current assets		**399,414**	**350,060**
Inventories, net	(10)	148,330	126,410
Trade receivables, net	(11)	87,316	76,747
Other current assets	(12)	59,911	48,471
Derivative financial instruments	(13)	202	1,006
Cash and cash equivalents		292,029	308,303
Current assets		**587,788**	**560,937**
TOTAL ASSETS		**987,202**	**910,997**

EQUITY AND LIABILITIES *In thousands of Euros*	**Notes**	**30 September 2012**	**31 March 2012**
Share capital	(14)	44,309	44,309
Additional paid-in capital	(14)	342,851	342,851
Other reserves		(4,853)	(5,463)
Retained earnings		266,859	268,495
Capital and reserves attributable to the equity owners of the Company		**649,166**	**650,192**
Non-controlling interests		2,803	5,075
Total equity		**651,969**	**655,267**
Borrowings	(15)	86,015	64,816
Deferred income tax liabilities		1,120	1,948
Derivative financial instruments	(13)	—	360
Other financial liabilities	(6)	13,129	8,404
Other non-current liabilities	(16)	16,005	14,418
Non-current liabilities		**116,269**	**89,946**
Trade payables	(17)	98,972	84,528
Salaries, wages, related social items and other tax liabilities		47,701	47,328
Current income tax liabilities		12,412	17,945
Borrowings	(15)	6,922	4,425
Other current liabilities	(16)	47,203	8,156
Derivative financial instruments	(13)	1,944	164
Provisions for other liabilities and charges	(18)	3,810	3,238
Current liabilities		**218,964**	**165,784**
TOTAL EQUITY AND LIABILITIES		**987,202**	**910,997**
NET CURRENT ASSETS		**368,824**	**395,153**
TOTAL ASSETS LESS CURRENT LIABILITIES		**768,238**	**745,213**

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

						Attributable to equity owners of the Company								
						Other reserves					Retained earnings			
In thousands of Euros (except "Number of Shares")	Notes	Number of shares	Share capital	Additional paid-in capital	Share Based Payments	Hedging reserve	Cumul. Currency Transl. Diff.	Treasury shares	Other items	Excess of consideration paid in transactions with non-controlling interests	Prior years	Profit for the period	Non-controlling interests	TOTAL EQUITY
Balance at 31 March 2011		**1,476,964,891**	**44,309**	**342,851**	**5,122**	**(558)**	**2,201**	**–**	**–**	**(934)**	**67,774**	**99,501**	**4,998**	**565,264**
Comprehensive income														
Profit for the six-month period		–	–	–	–	–	–	–	–	–	–	28,952	843	29,795
Other comprehensive income														
Currency translation differences		–	–	–	–	–	5,330	–	–	–	–	–	118	5,448
Cash flow hedges fair value (losses), net of tax	(13)	–	–	–	–	256	–	–	–	–	–	–	–	256
Total comprehensive income		**–**	**–**	**–**	**–**	***256***	***5,330***	**–**	**–**	**–**	**–**	***28,952***	***961***	***35,499***
Transactions with owners														
Allocation of prior year earnings		–	–	–	–	–	–	–	–	–	99,501	(99,501)	–	–
Dividends declared		–	–	–	–	–	–	–	–	–	–	(19,329)	(5,043)	(24,372)
Contribution from the parent	(14.3)	–	–	–	1,191	–	–	–	–	–	–	–	–	1,191
Employee share option : value of employee services	(14.3)		–	–	390	–	–	–	–	–	–	–	–	390
Non-controlling interests in capital increase		–	–	–	–	–	–	–	–	–	–	–	219	219
Transactions with non-controlling interests	(5)	–	–	–	–	–	–	–	–	(8,798)	–	–	(892)	(9,690)
Total transaction with owners		**–**	**–**	**–**	***1,581***	**–**	**–**	**–**	**–**	***(8,798)***	***99,501***	***(118,830)***	***(5,716)***	***(32,262)***
Balance at 30 September 2011		**1,476,964,891**	**44,309**	**342,851**	**6,703**	**(302)**	**7,531**	**–**	**–**	**(9,732)**	**167,275**	**9,623**	**243**	**568,501**
Balance at 31 March 2012		**1,476,964,891**	**44,309**	**342,851**	**8,105**	**(258)**	**6,164**	**(9,247)**	**(495)**	**(9,732)**	**167,275**	**101,220**	**5,075**	**655,267**
Comprehensive income														
Profit for the six-month period		–	–	–	–	–	–	–	–	–	–	33,668	844	34,512
Other comprehensive income														
Currency translation differences		–	–	–	–	–	5,119	–	–	–	–	–	(59)	5,060
Cash flow hedges fair value (losses), net of tax	(13)	–	–	–	–	201	–	–	–	–	–	–	–	201
Total comprehensive income		**–**	**–**	**–**	**–**	**201**	**5,119**	**–**	**–**	**–**	**–**	**33,668**	**785**	**39,773**
Transactions with owners														
Allocation of prior year earnings		–	–	–	–	–	–	–	–	–	121,159	(121,159)	–	–
Dividends declared		–	–	–	–	–	–	–	–	–	–	(36,317)	(3,129)	(39,446)
Contribution from the parent	(14.3)	–	–	–	625	–	–	–	–	–	–	–	–	625
Employee share option : value of employee services	(14.3)	–	–	–	354	–	–	–	–	–	–	–	–	354
Non-controlling interests in capital increase		–	–	–	–	–	–	–	–	–	–	–	72	72
Transactions with non-controlling interests	(5)	–	–	–	–	–	–	–	–	(4,676)	–	–	–	(4,676)
Total transaction with owners		**–**	**–**	**–**	**979**	**–**	**–**	**–**	**–**	**(4,676)**	**121,159**	**(157,476)**	**(3,057)**	**(43,071)**
Balance at 30 September 2012		**1,476,964,891**	**44,309**	**342,851**	**9,084**	**(57)**	**11,283**	**(9,247)**	**(495)**	**(14,408)**	**288,434**	**(22,588)**	**2,803**	**651,969**

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

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

In thousands of Euros	Notes	Period ended 30 September 2012	2011
Cash flows from operating activities			
Profit for the half-year		34,512	29,795
Adjustments to reconcile profit for the half-year to net cash from operating activities			
Depreciation, amortization and impairment	(19.3)	19,724	16,419
Deferred income taxes		(14,299)	(12,281)
Unwinding of discount on other financial liabilities		623	259
Share based payment	(14.3)	978	1,581
Change in the fair value of derivatives	(13)	2,391	2,364
Other (gains)/losses - net	(20)	163	(371)
Net movements in provisions	(18)	1,090	325
Changes in working capital (excluding the effects of acquisitions and exchange differences on consolidation)			
Inventories		(19,344)	(27,677)
Trade receivables		(7,353)	(4,488)
Trade payables		12,331	2,013
Salaries, wages, related social items and other tax liabilities		(289)	3,473
Current income tax assets and liabilities		1,337	(7,859)
Unpaid finance costs		—	(39)
Other assets and liabilities, net		(16,625)	(8,446)
Net cash inflow from operating activities		**15,239**	**(4,932)**
Cash flows from investing activities			
Acquisition of business combinations and other interests	(5.1)	(4,632)	(22,241)
Purchases of property, plant and equipment	(7)	(37,901)	(24,104)
Purchases of intangible assets	(9)	(6,211)	(7,487)
Proceeds from sale of fixed assets		1,025	3,668
Change in deposits and key moneys paid to the landlords		(909)	(2,431)
Change in non-current receivables and liabilities		(57)	(67)
Net cash (outflow) from investing activities		**(48,685)**	**(52,662)**
Cash flows from financing activities			
Proceeds from non-controlling interests		44	219
Dividends paid to non-controlling interests		(3,129)	(3,544)
Change in dividends payable		(39)	—
Proceeds from borrowings	(15)	24,188	23,071
Repayments of borrowings	(15)	(812)	(9,782)
Repayments on obligations under finance leases	(15)	(556)	(393)
Net cash inflow from financing activities		**19,696**	**9,571**
Effects of exchange rate changes		(2,590)	440
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		**(16,340)**	**(47,583)**
Cash, cash equivalents and bank overdrafts at the beginning of the half-year		**308,284**	**299,853**
Cash and cash equivalents		308,303	300,125
Bank overdrafts		(19)	(272)
Cash, cash equivalents and bank overdrafts at end of the half-year		**291,945**	**252,270**
Cash and cash equivalents		292,029	255,393
Bank overdrafts		(84)	(3,123)

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

1. THE GROUP

L'Occitane International S.A. (the "Company") 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 other ranges of fragrant products for the home, cosmetic products, perfumes, soaps and natural products, under the trademarks 'Couvent des Minimes' and 'Erborian'. These products are marketed primarily through external distribution.

L'Occitane International S.A. is a Luxembourg Société Anonyme registered in the Luxembourg Trade and Commercial Register, Grand Duchy of Luxembourg under the R.C.S. Number: B-80 359. The address of the Company is as follows: 1, rue du Fort Rheinsheim, L-2419 Luxembourg.

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

This consolidated interim financial information was approved by the Board of Directors on 27 November 2012.

This 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 2012 ("period ended 30 September 2012") has been prepared in accordance with IAS 34, 'Interim financial reporting' issued by the International Accounting Standards Board. The consolidated interim financial information should be read in conjunction with the consolidated annual financial statements for the year ended 31 March 2012, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

2.2. Accounting policies

The accounting policies and methods of computation used in the preparation of this interim financial information are consistent with those used in the annual consolidated financial statements for the year ended 31 March 2012, except for taxes on income in the interim periods which are accrued using the tax rate that would be applicable to expected total annual earnings.

The amended standards and interpretations that are effective for the first time for the Group for the financial period beginning 1 April 2012 do not have any material impact on the consolidated financial statements.

2.3. Estimates

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

In preparing this consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimations uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 March 2012, with the exception of changes in estimates that are required in determining the provision for income taxes.

2.4. Seasonality of operations

The Group is subject to significant seasonal variances in sales, which are significantly higher in its financial third quarter (between 1 October and 31 December) in anticipation of and during the Christmas holiday season. For the period ended 30 September 2011, the level of sales represented 40.3% of the annual level of sales in the year ended 31 March 2012 and the level of operating profit represented 21.5% of the annual operating profit in the year ended 31 March 2012. These ratios are not representative of sales and operating profit expected for the year ended 31 March 2013.

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

3. FINANCIAL RISK MANAGEMENT

3.1. Financial risk factors

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

(a) *Market risk*

Foreign exchange risk

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

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

Cash flow and fair value interest rate risk

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

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

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the differences between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts.

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

Price risk

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

(b) *Credit risk*

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

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

- For customers in the Sell-in and B-to-B segments, sales are made with credit terms generally from 60 and 90 days and the Group maintains adequate allowances for potential credit losses and follows regularly the solvency of its counterpart. As of 30 September 2012, the Group did not have any significant concentration of business conducted with a particular customer that could, if suddenly eliminated, severely impact the operations of the Group;
- For customers in the Sell-out segment, the Group's sales to end customers are made in cash or via major credit cards and no credit terms are generally granted to the end customers. When the Sell-out sales are generated in department stores, a credit term is granted to the department store until the cash is transferred to the Group. This credit term is generally from 60 to 90 days;
- Cash and cash equivalents and derivatives financial instruments are concentrated on few independently rated parties with a minimum rating of 'A'.

(c) *Liquidity risk*

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

Management monitors rolling forecasts of the Group's liquidity reserve (comprising undrawn borrowing facility and cash and cash equivalents) on the basis of expected cash flow. The liquidity reserve as at 30 September 2012 is as follows:

In thousands of Euros	30 September 2012
Cash and cash equivalents and bank overdrafts	291,945
Undrawn borrowing facilities	292,509
Liquidity reserves	**584,454**

3. FINANCIAL RISK MANAGEMENT *(continued)*

3.2. Capital risk management

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

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

The company also has treasury shares (note 14.2).

4. SEGMENT INFORMATION

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

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

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

- Sell-out comprises the sales of our products directly to final customers. These sales are mainly done in the Group's stores and/or through the Group's website;
- Sell-in comprises the sales of our 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 and the sales of the Group's products to an intermediate who will provide them as free amenities to its final customers. These intermediates are mainly airline companies and hotels.

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

4.1. Operating segments

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

	Period ended 30 September 2012			
In thousands of Euros	**Sell-Out**	**Sell-In**	**Other reconciling items**	**Total**
Sales	331,389	117,838	—	449,227
In %	*73.8%*	*26.2%*	—	*100.0%*
Gross profit	289,943	78,847	—	368,790
% of sales	87.5%	66.9%	—	82.1%
Distribution expenses	(178,096)	(20,107)	(27,287)	(225,490)
Marketing expenses	(20,759)	(3,293)	(26,151)	(50,203)
Research and development expenses	—	—	(3,545)	(3,545)
General and administrative expenses	—	—	(47,669)	(47,669)
Other gains/(losses), net	172	(40)	(159)	(27)
Operating profit	**91,260**	**55,407**	**(104,811)**	**41,856**
% of sales	*27.5%*	*47.0%*		*9.3%*

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).

4. SEGMENT INFORMATION *(continued)*

4.1. Operating segments *(continued)*

There are no significant inter-segment transfers or transactions.

	Period ended 30 September 2011			
In thousands of Euros	Sell-Out	Sell-In	Other reconciling items	Total
Sales	269,905	98,588	—	368,494
In %	*73.2%*	*26.8%*	—	*100.0%*
Gross profit	238,649	64,632	—	303,281
% of sales	88.4%	65.6%	—	82.3%
Distribution expenses	(141,584)	(15,871)	(22,873)	(180,328)
Marketing expenses	(21,807)	(2,753)	(18,840)	(43,400)
Research and development expenses	—	—	(3,061)	(3,061)
General and administrative expenses	(1,178)	—	(42,719)	(43,897)
Other gains/(losses), net	478	—	(355)	123
Operating profit	**74,558**	**46,008**	**(87,848)**	**32,718**
% of sales	*27.6%*	*46.7%*		*8.9%*

4.2. Geographic areas

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

	Period ended 30 September			
	2012		2011	
In thousands of Euros	Total	*In %*	Total	*In %*
Japan	104,193	23.2%	91,020	24.7%
United States	50,887	11.3%	38,697	10.5%
Hong-Kong	47,205	10.5%	35,333	9.6%
France	36,271	8.1%	35,085	9.5%
China	26,703	5.9%	19,084	5.2%
Luxembourg - Swiss branch	25,932	5.8%	21,472	5.8%
United Kingdom	23,514	5.2%	17,740	4.8%
Brazil	20,118	4.5%	19,259	5.2%
Russia	19,938	4.4%	14,459	3.9%
Taiwan	14,582	3.3%	12,389	3.4%
Other countries	79,884	17.8%	63,956	17.4%
Sales	**449,227**	**100%**	**368,494**	**100%**

5. INFORMATION RELATING TO CHANGES IN THE GROUP STRUCTURE

5.1. For the period ended 30 September 2012

(a) *Business combinations in France*

On 6 July 2012, the Group acquired 50.14% of the issued shares in Symbiose Cosmetic France SAS that distributes cosmetic products under the trademark Erborian mainly in France and in Korea, for a total amount of €2,757,000:

- €2,507,000 was paid in July 2012 ; and
- €250,000 is to be paid before January 2014 (this amount bears interest at 6% and is not to be discounted),

At that date, the Group also agreed to subscribe to a capital increase to acquire a 12.46% additional interest in Symbiose for an amount of €1,831,000. Consequently, the total purchase consideration amounts to €4,588,000 for a percentage interest of 62.6%.

The following table summarizes the consideration paid for Symbiose Cosmetic France SAS, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date:

In thousands of Euros	Provisional fair value
Cash paid	4,338
Equity instruments	—
Deferred payment	250
Total purchase consideration	**4,588**
Recognised amounts of identifiable assets acquired and (liabilities assumed)	
Property, plant and equipment (note 7)	13
Intangible assets (note 9):	
– Erborian brand	1,419
– Other intangible assets	3
Other non-current assets	—
Inventories	158
Trade receivables	1,124
Other current assets	93
Cash and cash equivalents	2,132
Borrowings	(696)
Net deferred tax liabilities	(300)
Trade payables	(353)
Salaries, wages, related social items and other tax liabilities	—
Other current liabilities	(71)
Total identifiable net assets	**3,522**
Non-controlling interests	**(1,318)**
Goodwill (note 8)	2,384
	4,588

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

5.1. For the period ended 30 September 2012 *(continued)*

(a) Business combinations in France (continued)

The outflow of cash to acquired business, net of cash acquired amounts to €2,206,000.

There is no contingent consideration.

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

The goodwill determined under the partial goodwill approach amounts to €2,384,000 and arises from number of factors. Most significant amongst these is the premium attributable to a pre-existing, well positioned business operating in a competitive market. Other important elements include expected synergies through combining a highly skilled workforce and obtaining economies of scale. The goodwill is not deductible for tax purposes.

The fair value of the acquired identifiable assets (including the brand) and assumed liabilities is provisional pending receipt of the final valuations. A deferred tax liability of €473,000 has been provided in relation to the fair value adjustments.

The acquired business contributed net sales of €449,000 and net loss for the period of €77,000.

The Group has also granted a put option to the minority shareholders Katalin Berenyi and Hojung Lee whereby they can require L'Occitane to purchase up to 30% of their shares after July 2015. After July 2017, the non- controlling interests can also require the conversion of the Symbiose shares in a variable number of LOI shares. The purchase price of the Symbiose shares will be defined by a formula deemed to approximate the fair market value.

At the acquisition date a financial liability relating to the acquisition of the 37.4% remaining interests was recorded for an amount of €6,031,000. The difference between the initial accounting of the financial liability of €6,031,000 and the historical value of non-controlling interest amounting to €1,318,000 is recorded within 'other reserves' in 'equity attributable to the equity owners of the Company' for an amount of €4,713,000. In the statement of income, the profit for the period of the acquired business is shared between the part attributable to the equity owners of the Company and to the non-controlling interests. In the statement of changes in equity, the part of the profit attributable to non-controlling interests is then reclassified within 'other reserves' 'equity attributable to the equity owners of the Company'.

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

5.1. For the period ended 30 September 2012 *(continued)*

(b) ***Business combinations in Ireland***

On 14 June 2012, a new subsidiary, L'Occitane Ireland Ltd was created. On 9 July 2012 L'Occitane Ireland Ltd acquired 100% of the issued share capital and voting rights of Orange Tree ltd and Olive tree lifestyle products ltd for a total consideration of €3,082,000. L'Occitane Ireland Ltd is located in Dublin, Ireland and is specialized in the distribution of L'Occitane products in that country.

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

In thousands of Euros	**Provisional fair value**
Cash paid	2,796
Equity instruments	—
Deferred payment	286
Total purchase consideration	**3,082**
Recognised amounts of identifiable assets acquired and (liabilities assumed)	
Property, plant and equipment (note 7)	65
Intangible assets (note 9)	—
Other non-current assets	—
Inventories	468
Trade receivables	90
Other current assets	43
Cash and cash equivalents	370
Borrowings	(88)
Net deferred tax liabilities	—
Trade payables	(393)
Salaries, wages, related social items and other tax liabilities	(116)
Other current liabilities	(11)
Total identifiable net assets	**428**
Non-controlling interests	**—**
Goodwill (note 8)	2,654
	3,082

The outflow of cash to acquired business, net of cash acquired amounts to €2,426,000.

There is no contingent consideration.

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

The goodwill of €2,654,000 arises from number of factors. Most significant amongst these is the premium attributable to the increased profitability linked to the margins previously earned by the agent and also to the fact that the access of the Group to this geographical market will be facilitated (there is no contractual customer relationship as the acquired business is mainly related to the Sell-out operating segment).

The acquired business contributed net sales of €765,000 and net loss for the period of €186,000.

(c) ***Creation of subsidiaries***

On 1 September 2012, a new subsidiary, L'Occitane Nordic AB was created to distribute the products in Sweden.

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

5.2. For the period ended 30 September 2011

(a) *Transactions with non-controlling interests*

L'Occitane (Korea) Ltd

On 8 August 2011, the Company acquired the remaining 49.9% of non-controlling interests in L'Occitane (Korea) Ltd for a total consideration of €7,162,000 in cash. L'Occitane (Korea) Ltd is located in Korea and is specialized in the distribution of L'Occitane products in that country. After this transaction, L'Occitane (Korea) Ltd was 100% held by the Group.

The carrying amount of the non-controlling interests in L'Occitane (Korea) Ltd on the date of acquisition was €866,000. The Group recognised a decrease in non-controlling interests of €866,000 and a decrease in equity attributable to owners of the Company of €6,296,000.

L'Occitane (Swiss) SA

On 8 August 2011, the Company acquired the remaining 49.9% of non-controlling interests in L'Occitane (Swiss) SA for a total consideration of €2,528,000 in cash. L'Occitane (Swiss) SA is located in Switzerland and is specialized in the distribution of L'Occitane products in that country. After this transaction, L'Occitane (Swiss) SA was 100% held by the Group.

The carrying amount of the non-controlling interests in L'Occitane (Swiss) SA on the date of acquisition was €26,000. The Group recognised a decrease in non-controlling interests of €26,000 and a decrease in equity attributable to owners of the Company of €2,502,000.

The effect of changes in the ownership interest of L'Occitane (Korea) Ltd and L'Occitane (Swiss) SA on the equity attributable to owners of the Company during the period ended 30 September 2012 was summarised as follows:

In thousands of Euros	L'Occitane (Korea) Ltd	L'Occitane (Swiss) SA	Total
Carrying amount of non-controlling interests acquired	866	26	892
Consideration paid to non-controlling interest	7,162	2,528	9,690
Excess of consideration paid recognised in the transaction with non-controlling interests within 'other reserves' in equity	**6,296**	**2,502**	**8,798**

(b) *Business combinations in Malaysia*

On 8 August 2011, the Group acquired 100% of the issued share capital and voting rights of Far East Cosmetics Holding BV a fully owned subsidiary of Clarins B.V. for a total consideration of €10,463,000. Far East Cosmetics Holding BV was located in The Netherlands and was the owner of L'Occitane Malaysia SDN BHD.

L'Occitane Malaysia SDN BHD was the beneficiary of an asset and leasehold transfer or use agreement dated 31 July 2011 from Clarins SDN BHD the former Malaysian agent of the Company. The assets transferred included fixed assets, leasehold deposits, inventories, promotional goods and the right of use lease agreements relating to retail activities in Malaysia for an amount of €2,093,000.

The acquisition and the asset transfer were considered as a single transaction under which the Group had acquired the business formerly conducted by Clarins SDN BHD. This business combination was expected to increase the profitability of the Group by directly doing business in Malaysia rather than working though a distributor agent.

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

5.2. For the period ended 30 September 2011 *(continued)*

(b) Business combinations in Malaysia (continued)

The following table summarised the consideration paid for €12,556,000, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date:

In thousands of Euros	Far East Cosmetics Holding BV	L'Occitane Malaysia SDN BHD	Total
Cash	10,463	2,093	12,556
Contingent consideration	—	—	—
Total consideration	**10,463**	**2,093**	**12,556**
Acquisition-related costs (included in the administrative expenses in the statement of income for the half-year ended 30 September 2011)	—	—	—
Recognised amounts of identifiable assets acquired and (liabilities assumed)	**10,463**	**2,093**	**12,556**
Cash and cash equivalents	5	—	5
Property, plant and equipment (note 6)	—	371	371
Key moneys (note 8)	—	—	—
Contractual customer relationship (note 8)	—	—	—
Other non-current assets	—	315	315
Deferred tax assets	—	—	—
Inventories	—	1,348	1,348
Trade receivables and other current assets	—	59	59
Trade payables and other current liabilities	—	—	—
Total identifiable net assets	**5**	**2,093**	**2,098**
Non-controlling interests	**—**	**—**	**—**
Goodwill (note 7)			10,458

The goodwill related to Malaysia was attributable to the increased profitability linked to the margins previously earned by the agent and also to the fact that the access of the Group to this geographical market will be facilitated.

The revenue contributed by L'Occitane Malaysia SDN BHD included in the consolidated income statement from 8 August 2011 to 30 September 2011 was €1,398,000. L'Occitane Malaysia SDN BHD had also contributed profit of €149,000 over the same period.

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 2011	Dividend paid to the non-controlling interests	Change in estimates in the valuation of the exercise price	Unwinding of discount (note 22)	Exercise of the option/ purchase of non-controlling interests	31 March 2012
Anton Luybimov (L'Occitane Russia)	8,154	(1,929)	–	494	–	6,719
Harald Link and Nunthinee Sudhirak (L'Occitane Thailand)	250	–	–	12	–	262
Katalin Berenyi and Hojung Lee (Symbiose)	–	–	6,031	117	–	6,148
Total put options	**8,404**	**(1,929)**	**6,031**	**623**	**–**	**13,129**

7. PROPERTY, PLANT AND EQUIPMENT, NET

As of 30 September 2012, changes in property, plant and equipment, can be analyzed as follows:

In thousands of Euros	
Net book value as of 1 April 2012	**120,787**
Additions	37,901
Disposals	(887)
Acquisition of subsidiaries	78
Depreciation	(16,339)
Impairment loss	–
Reversal of impairment loss	196
Other movements	93
Exchange differences	1,281
Net book value as of 30 September 2012	**143,110**

As at 30 September 2012, the net book value under finance leases amounts to € 19,493,000 and mainly relates to the land and building of the plant in Lagorce and Manosque, France. During the period ended 30 September 2012, no finance lease was drawn.

Main additions during the period related to:

- Leasehold improvements for the opening of 57 stores;
- Extension of the plant in Lagorce, France;
- Acquisition of land and construction of a new logistic platform in Manosque, France. The land is pledged as a security for the new loan signed on 20 June 2011 (note 15.2).

8. GOODWILL

Change in goodwill is as follows:

In thousands of Euros	
Cost as of 1 April 2012	**106,747**
Acquisition of subsidiaries (note 5.1)	5,038
Change in the estimated fair value of other financial liabilities relating to put options	—
Exchange differences	**2,863**
Cost as of 30 September 2012	**114,648**
Accumulated impairment as of 1 April 2012	**—**
Impairment loss	—
Exchange differences	—
Accumulated impairment as of 30 September 2012	**—**
Net book value as of 30 September 2012	**114,648**

9. INTANGIBLE ASSETS, NET

Intangible assets include notably:

- Indemnities paid to the previous lessee at the inception of the lease which are recorded as key money and amortized over a period of 10 years or over the lease term if shorter;
- 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.

As of 30 September 2012, changes in intangible assets, net can be analysed as follows:

In thousands of Euros	
Net book value as of 1 April 2012	**54,923**
Additions	6,211
Disposals	(497)
Amortization	(3,581)
Acquisition of subsidiaries	1,422
Impairment loss	—
Other movements	(348)
Exchange differences	(181)
Net book value as of 30 September 2012	**57,949**

Additions mainly concern:

- Key moneys for an amount of €1,395,000. Such key moneys were mainly acquired in Italy and in Switzerland;
- Intangible assets in progress for an amount of €3,647,000 that mainly relate to the implementation of a new ERP.

10. INVENTORIES, NET

Inventories, net consist of the following items:

In thousands of Euros	30 September 2012	31 March 2012
Raw materials and supplies	23,700	24,248
Finished goods and work in progress	138,639	111,658
Inventories, gross	**162,339**	**135,906**
Less, allowance	(14,009)	(9,496)
Inventories, net	**148,330**	**126,410**

Mini products and pouches are essentially bundled with regular products and are part of the cost of sales. Therefore they are part of the inventories for an amount of €14,464,000 as at 30 September 2012 (€10,900,000 as at 31 March 2012).

11. TRADE RECEIVABLES, NET

Trade receivables, net ageing analysis consist of the following:

In thousands of Euros	30 September 2012	31 March 2012
Current and past due within 3 months	85,275	75,064
3 to 6 months	1,243	959
6 to 12 months	324	329
Over 12 months	474	395
Trade receivables, net	**87,316**	**76,747**

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

12. OTHER CURRENT ASSETS

The following table presents details of other current assets:

In thousands of Euros	30 September 2012	31 March 2012
Value added tax receivable and other taxes and social item receivable	30,109	18,218
Prepaid expenses (a)	16,414	14,561
Income tax receivable (b)	1,772	8,518
Short-term bank deposit (c)	3,934	1,696
Advance payments to suppliers	2,838	2,031
Other current assets	4,844	3,447
Total other current assets	**59,911**	**48,471**

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

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

(c) The short-term bank deposit is pledged as collateral for a short-term bank borrowing (note15).

13. DERIVATIVE FINANCIAL INSTRUMENTS

(a) Analysis of derivative financial instruments

Derivative financial instruments are analysed as follows:

In thousands of Euros	30 September 2012 Assets	30 September 2012 Liabilities	31 March 2012 Assets	31 March 2012 Liabilities
Interest rate derivatives - held for trading	—	50	—	87
Foreign exchange derivatives - held for trading	202	1,756	1,006	77
Sub-total derivatives at fair value through profit and loss	**202**	**1,806**	**1,006**	**164**
Interest rate derivatives - cash flow hedges	—	138	—	360
Foreign exchange derivatives - cash flow hedges	—	—	—	—
Sub-total derivatives designated as hedging instruments	**—**	**138**	**—**	**360**
Total derivative financial instruments	**202**	**1,944**	**1,006**	**524**
Less non-current portion:				
– Interest rate derivatives - cash flow hedges	—	—	—	360
– Interest rate derivatives - held for trading	—	—	—	—
Non-current portion of derivative financial instruments	**—**	**—**	**—**	**360**
Current portion of derivative financial instruments	**202**	**1,944**	**1,006**	**164**

(b) Derivatives at fair value through profit and loss

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

(c) Derivatives designated as hedging instruments

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 comprehensive income for an amount net of tax;
- The ineffective portion that arises from derivatives designated as hedging instruments is recognized in the statement of income, within ‘Finance costs’ for interest derivatives and within ‘Foreign currency gains/(losses)’ for currency derivatives.

(d) Notional amounts of derivatives

Foreign exchange derivatives

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

In thousands of Euros	30 September 2012	31 March 2012
Sale of currencies		
JPY	30,432	39,339
USD	1,759	7,487
SGD	6,310	—
CAD	1,206	1,487
AUD	1,452	686
THB	1,025	991
CZK	211	291
PLN	85	217
GBP	—	5,396
Purchase of currencies		
JPY	—	7,758
EUR	6,000	1,988

Interest rate derivatives

In thousands of Euros	Rates	30 September 2012	31 March 2012
Derivatives that qualify for hedge accounting			
Swap EUR	Fixed interest rate: 4%	15,000	15,000
Derivatives that do not qualify for hedge accounting			
Swap EUR	Fixed interest rate: 3.7625%	2,948	3,150

14. CAPITAL AND RESERVES

L'Occitane International S.A. ("LOI") is a corporation incorporated in the Grand Duchy of Luxembourg. The authorized capital of the Company is €1,500,000,000 out of which €44,309,000 are issued as at 30 September 2012. At 30 September 2012, the Company's share capital is held by the company L'Occitane Groupe S.A. ('LOG', 'the parent company'), in a proportion of 69.50%.

All the 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
Balance at 31 March 2011	**1,476,964,891**	**44,309**	**342,851**
	–	–	–
Balance at 31 March 2012	**1,476,964,891**	**44,309**	**342,851**
	–	–	–
Balance at 30 September 2012	**1,476,964,891**	**44,309**	**342,851**

14.2. Treasury shares

During the fiscal year ended 31 March 2012, the Company purchased 6,655,500 own shares at an average price of HK$14.48 per share on The Hong Kong Stock Exchange. The purchase involved a total cash outflow of HK$96,383,469.46 (including directly attributable costs). The aggregate price of the purchased shares was deducted from equity as treasury shares reserve for an amount of €9,247,000.

No treasury shares were acquired over the period ended 30 September 2012.

14.3. Share-based payments

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

(i) ***Main characteristics and detail of the plans with LOI equity instruments***
On 30 September 2012, the stock options and free shares plans are the following:

	Movements in the number of equity instruments granted					Characteristics of the plans/grants			
Plans/grants	At the beginning of the period/ year	Granted over the period/year	Forfeited	At the end of the period/year	Number of options exercisable or shares	Contractual option term	Vesting period	Grantees	Performance conditions
Stock options plan authorized on 30 September 2010 for 1.5% of the Company's issued share capital as at 30 September 2010 (a):									
Granted on 4 April 2011 at an exercise price of HKD 19.84	7,974,000	–	(981,000)	6,993,000	–	8 years	4 years	Middle management	Non-market performance conditions: the number of options exercisable depends on the achievement of conditions based on Group net sales and Group operating profit
Granted on 4 April 2011 at an exercise price of HKD 19.84	520,000	–	–	520,000	–	8 years	4 years	Group management	Market performance conditions : the number of options exercisable depends on the change in the share price
Granted on 4 April 2011 at an exercise price of HKD 19.84	1,820,000	–	(250,000)	1,570,000	–	8 years	4 years	Group management	No performance condition other than the service conditions.
Free share plan authorized on 30 September 2010 for 0.5% of the Company's issued share capital as at 30 September 2010 (b):									
No grant									

Characteristics of the above authorizations:

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

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

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

14. CAPITAL AND RESERVES *(continued)*

14.3. Share-based payments *(continued)*

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

LOG granted rights to its own equity instruments direct to LOI and its subsidiaries' employees.

Accounting treatment

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

During the period ended 30 September 2012, no share-based payment related to LOG equity instruments has been granted.

On 30 September 2012, the stock options plans are the following:

	Movements in the number of equity instruments granted						Characteristics of the plans/grants			
Plans/grants	At the beginning of the period/year	Exercised over the period/year	Forfeited	Expired	At the end of the period/year	Number of options exercisable	Contractual option term	Vesting period	Grantees	Performance conditions
Plan authorized on 28 January 2010 for 730,000 stock options										
Granted on July 2009 (authorized in January 2010) at an exercise price of € 23.20	316,200	–	(34,000)	–	282,200	–	6 years	4 years	Management and middle management	None
Granted on April 2010 at an exercise price of € 23.20	10,000	–	–	–	10,000	–	6 years	4 years	Management and middle management	None
Plan authorized on 28 September 2007 for 200,000 stock options										
Granted on February 2008 at an exercise price of € 26.10	95,550	(32,500)	(500)	–	62,550	62,550	6 years	4 years	Management and middle management	None

On 30 September 2012, the free shares plans are the following:

Plans/grants	At the beginning of the period/year	Vested over the period/year	Forfeited	Expired	At the end of the period/year	Contractual option term	Expected maturity	Vesting period	Grantees	Performance conditions
Plan authorized on 28 September 2007 for 40,000 free shares										
Granted on June 2008	23,245	(23,075)	(170)	–	–	–	–	4 years	Management and middle management	None
Granted on August 2010	9,755	–	(1,250)	–	8,505	–	–	4 years	Management and middle management	None
Plan authorized on 27 December 2007 for 30,000 free shares										
Granted on June 2008	4,807	(4,807)	–	–	–	–	–	4 years	Management and middle management	None
Granted on July 2009	16,405	–	(1,490)	–	14,915	–	–	4 years	Management and middle management	None
Granted on August 2010	3,745	–	–	–	3,745	–	–	4 years	Management and middle management	None

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

(iii) ***Total share-based compensation expense***

During the period ended 30 September 2012, the share-based compensation expense recognized within the employee benefits is the following:

- For plans with LOI equity instruments: €354,000 (€390,000 during the period ended 30 September 2011);
- For plans with LOG equity instruments: €625,000 (€1,191,000 during the period ended 30 September 2011).

14. CAPITAL AND RESERVES *(continued)*

14.4. Distributable reserves

On 31 March 2012, the distributable reserves of the Company amounted to €246,477,000.

14.5. Dividend per share

On 30 September 2012, the annual Shareholder's Meeting approved the distribution of €36,317,000 being €0.0247 per share (excluding 6,655,500 own shares held as treasury shares) which was paid on 24 October 2012.

On 30 September 2011, the annual Shareholder's Meeting approved the distribution of €19,939,026 being €0.0135 per share which was paid on 21 October 2011.

15. BORROWINGS

Borrowings include the following items:

In thousands of Euros	30 September 2012	31 March 2012
FY 2011 Revolving facility	60,622	42,112
FY 2012 bank borrowing	10,000	6,826
Other bank borrowings	3,904	1,497
Finance lease liabilities	17,381	17,938
Current accounts with minority shareholders and related parties	946	849
Bank overdrafts	84	19
Total	**92,937**	**69,241**
Less, current portion:		
– FY 2011 Revolving facility	(294)	(247)
– FY 2012 bank borrowing	—	—
– Other bank borrowings	(3,855)	(1,497)
– Finance lease liabilities	(1,743)	(1,813)
– Current accounts with minority shareholders and related parties	(946)	(849)
– Bank overdrafts	(84)	(19)
Total current	**(6,922)**	**(4,425)**
Total non-current	**86,015**	**64,816**

The FY 2012 Revolving Facility is secured by a pledged on 100% of L'Occitane S.A. shares (note 26.3).The FY 2012 bank borrowing is secured by land in Manosque, France. A part of the other bank borrowings is secured by a pledge on a short-term bank deposit (note 12).

15. BORROWINGS *(continued)*

15.1. Maturity of non-current borrowings

For the period ended 30 September 2012 and for the year ended 31 March 2012, maturity of non-current borrowings, excluding current portion, can be broken down as follows:

In thousands of Euros	Between 1and 2 years	Between 2 and 5 years	Over 5 years	Total
FY 2011 Revolving facility	—	60,328	—	60,328
FY 2012 bank borrowing	714	2,143	7,143	10,000
Other bank borrowings	49	—	—	49
Finance lease liabilities	1,743	5,164	8,731	15,638
Maturity on 30 September 2012	**2,506**	**67,635**	**15,874**	**86,015**
FY 2011 Revolving facility	—	41,865	—	41,865
FY 2012 bank borrowing	488	1,464	4,874	6,826
Other bank borrowings	—	—	—	—
Finance lease liabilities	1,850	4,866	9,409	16,125
Maturity on 31 March 2012	**2,338**	**48,195**	**14,283**	**64,816**

15.2. Credit facilities agreements

FY 2012 bank borrowing

On 20 June 2011, the Group signed a new bank borrowing agreement for an amount of €10.0 million with a 14 years maturity and that can be drawn only by L'Occitane S.A.. As at 30 September 2012, the bank borrowing was drawn for an amount of €10,000,000.

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

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

FY 2011 Revolving facility

On 28 July 2010, the Company signed a multi-currency revolving facility agreement for an amount of €350 million with a 5 years maturity and that can be drawn only by the Company and L'Occitane S.A..

Event of default resulting in the early repayment of the FY 2011 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) – 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 and this level was respected as at 31 March 2012.

15. BORROWINGS *(continued)*

15.2. Credit facilities agreements *(continued)*

FY 2011 Revolving facility (continued)

The FY 2012 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 being comprised between 2.5 and 3.5:	Euribor 3M + Margin
Ratio being comprised between 1.5 and 2.5:	Euribor 3M + Margin - 0.1
Ratio being comprised between 0.5 and 1.5	Euribor 3M + Margin - 0.25
Ratio lower than 0.5	Euribor 3M + Margin - 0.4

As at 31 March 2012, the ratio was lower than 0.5 and the interest rate is based on Euribor 3M + Margin - 0.4 for the fiscal year ending 31 March 2013 (the interest rate was Euribor 3M + Margin - 0.4 for the fiscal year ended 31 March 2012).

The FY 2012 Revolving Facility is secured by a pledge on 100 % of L'Occitane S.A. shares (26.3).

15.3. Current accounts with minority shareholders

Current accounts with minority shareholders and related parties concern:

In thousands of Euros		30 September 2012	31 March 2012
Entity	**Minority shareholders**		
L'Occitane Nordic AB	Johan Nilsson	102	—
L'Occitane Thailand	Various individual minority shareholders	839	849
L'Occitane India	Beauty Concepts Pvt Ltd.	5	—
Total current accounts		**946**	**849**

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 31 March 2012, an amount of €13,997,000 was drawn and no additional amount was drawn over the period ended 30 September 2012.

16. OTHER CURRENT AND NON-CURRENT LIABILITIES

Other current and non-current liabilities include the following:

In thousands of Euros	30 September 2012	31 March 2012
Retirement indemnities	3,842	3,519
Liabilities linked to operating leases	8,046	7,053
Provisions for dismantling and restoring	4,082	3,626
Grants to a foundation	35	220
Total non-current liabilities	**16,005**	**14,418**
Grants to a foundation	231	240
Dividend payable to equity owners of the Company	36,317	—
Dividend payable to non-controlling interests	1,791	—
Prepayment from customers	704	394
Liabilities related to the acquisition of subsidiaries	536	—
Deferred revenue	7,624	7,522
Total current liabilities	**47,203**	**8,156**

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 2012	31 March 2012
Current and past due within 3 months	97,809	84,175
Past due from 3 to 6 months	1,086	335
Past due from 6 to 12 months	77	18
Past due over 12 months	—	—
Trade payables	**98,972**	**84,528**

18. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

Within the normal framework of their activities, the Group and its subsidiaries are subject to various forms of litigation and legal proceedings. The Group sets aside a provision based on its past experience and on facts and circumstances known at the balance sheet date. The provision charge is recognized in the statement of income within "General and administrative expenses". When the date of the utilization is not reliably measurable, the provisions are not discounted and are classified in current liabilities. The impact for not discounting is not significant.

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

Commercial claims relate mainly to claims from distributors.

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.

As at 30 September 2012, provisions for other liabilities and charges can be analysed as follows:

In thousands of Euros	31 March 2012	Additional provisions	Unused amounts reversed	Used during the period	Exchange differences	30 September 2012
Social litigations	1,078	173	(38)	(62)	–	1,151
Commercial claims	145	204	–	(30)	–	319
Provision for returned goods	–	345	–	–	–	345
Onerous contracts	861	–	–	–	16	877
Tax risks	1,154	–	–	–	(36)	1,118
Total	**3,238**	**722**	**(38)**	**(92)**	**(20)**	**3,810**

19. EXPENSES BY NATURE

19.1. Breakdown of expenses by nature

Expenses by nature include the following amounts:

In thousands of Euros	Period ended 30 September 2012	2011
Employee benefits (a)	137,102	114,605
Rent and occupancy (b)	85,022	69,871
Raw materials and consumables used	65,150	55,810
Change in inventories of finished goods and work in progress	(23,673)	(29,000)
Advertising costs (c)	45,465	39,994
Professional fees (d)	28,804	22,495
Depreciation, amortization and impairment	19,724	16,419
Transportation expenses	15,712	14,822
Other expenses	34,038	30,883
Total cost of sales, distribution expenses, marketing expenses, research and development expenses, general and administrative expenses	**407,344**	**335,899**

(a) Employee benefits include wages, salaries, bonus, share-based payments, 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

	2012	2011
Workforce (full time equivalent)	**6,798**	**5,861**

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

19.3. Breakdown of depreciation, amortization and impairment

Depreciation, amortization and impairment include the following:

In thousands of Euros	Period ended 30 September 2012	2011
Depreciation of property, plant and equipment	16,339	13,568
Impairment charge on property, plant and equipment, net	(196)	(148)
Amortization of intangible assets	3,581	2,999
Impairment charge on intangible assets, net	—	—
Depreciation, amortization and impairment	**19,724**	**16,419**

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 2012	2011
Net gains/(losses) on sale of assets	(163)	371
Government grant on research & development costs	310	435
Adjustment on prior years results in subsidiaries.	(174)	(683)
Other gains/(losses), net	**(27)**	**123**

21. FINANCE COSTS, NET

Finance costs, net consist of the following:

In thousands of Euros	Period ended 30 September 2012	2011
Interest on cash and cash equivalents	1,255	1,625
Fair value gains on derivatives	—	—
Finance income	**1,255**	**1,625**
Interest expense	(2,480)	(1,721)
Fair value losses on derivatives	(47)	(138)
Finance costs	**(2,527)**	**(1,859)**
Finance costs, net	**(1,272)**	**(234)**

22. FOREIGN CURRENCY GAINS/(LOSSES)

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

In thousands of Euros	Period ended 30 September 2012	2011
Foreign exchange differences	(432)	(270)
Fair value gains/(losses) on derivatives	(2,483)	(2,222)
Foreign currency gains/(losses)	**(2,915)**	**(2,492)**

23. INCOME TAX EXPENSE

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

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

In thousands of Euros	Period ended 30 September 2012	2011
Profit before income tax	37,669	29,992
Income tax calculated at corporate tax rate *(Luxembourg tax rate of 28.80% as at 30 September 2011 and 28.59% as at 30 September 2012)*	(10,770)	(8,638)
Effect of different tax rates in foreign countries	10,428	11,339
Effect of unrecognized tax assets	(2,067)	(1,819)
Expenses not deductible for taxation purposes	(507)	(449)
Effect of unremitted tax earnings	(241)	(630)
Income tax expenses	**(3,157)**	**(197)**

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 year, excluding ordinary shares purchased by the group and held as treasury shares.

	Period ended 30 September 2012	2011
Profit for the half-year attributable to equity owners of the Company *(in thousands of Euros)*	**33,668**	**28,952**
Weighted average number of ordinary shares in issue	1,470,309,391	1,476,964,891
Basic earnings per share *(in € per share)*	**0.023**	**0.020**

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 2012	2011
Profit for the half-year attributable to equity owners of the Company *(in thousands of Euros)*	**33,668**	**28,952**
Weighted average number of ordinary shares in issue	1,470,309,391	1,476,964,891
Adjustement for stock options (a)	—	—
Weighted average number of ordinary shares for diluted earnings per share	**1,470,309,391**	**1,476,964,891**
Diluted earnings per share *(in € per share)*	**0.023**	**0.020**

(a) There is no dilutive effect in September 2011 and in September 2012 as the average market price of ordinary shares was lower than the exercise price of the stock options.

25. CONTINGENCIES

25.1. Legal proceedings

In addition to the litigations and claims mentioned above, 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. Contingent liabilities

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

All guarantees given by the Group are described in note 26.3.

26. COMMITMENTS

26.1. Capital and other expenditure commitments

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

In thousands of Euros	30 September 2012	31 March 2012
Property, plant and equipment	33,734	31,115
Intangible assets	—	—
Investment	—	—
Raw materials	1,327	1,274
Total	**35,061**	**32,389**

The above commitments are mainly related to the factories 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 future aggregate minimum annual lease payments under all non-cancellable operating leases are as follows:

In thousands of Euros	30 September 2012	31 March 2012
Within one year	80,500	71,024
One to two years	62,161	55,678
Two to three years	47,493	41,943
Three to four years	34,384	31,081
Four to five years	26,702	24,426
Subsequent years	82,322	64,517
Total	**333,562**	**288,669**

The above minimum lease payments do not include contingent rents (mainly variable rents based on sales in the stores). The increase in lease commitments relates to the lease agreements of the new stores open during the period ended 30 September 2012.

26.3.Other commitments

In thousands of Euros	30 September 2012	31 March 2012
Pledge of key money	—	—
Pledge of land and building (note 15.2)	10,000	6,829
Pledge of investments (note 15)	60,622	42,112
Total	**70,622**	**48,941**

As at 30 September 2012 and 31 March 2012, the pledge of investments corresponds to the FY 2011 Revolving facility (note 15.2).

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 Company's Board members (executive and non-executive Directors).

Emoluments expensed during the periods are analyzed as follows:

In thousands of Euros	Period ended 30 September 2012	2011
Executive directors	1,511	1,279
Non executive directors	64	55
Total Director emolument	**1,575**	**1,334**

During the period ended 30 September 2012, no stock options were granted to the Directors (1,250,000 were granted during period ended 30 September 2011 and are still outstanding) (note 14.3).

27.2. Other transactions with other related parties

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

In thousands of Euros	Period ended 30 September 2012	2011
Sales of goods	41	35
Sales of services	—	—
Purchase of services from related parties	(310)	(270)
Purchase of services from other related parties (close members of the family of key management)	(111)	(103)
Interest expenses	—	—

28. POST BALANCE SHEET EVENTS

On 26 October 2012, the Company granted 3,406,680 share options (with an exercise price of HKD23.60 and a vesting period of 4 years) and 1,952,680 free shares to the employees (with a vesting period of 4 years). The corresponding total employee benefits are estimated to be €4,352,000 over the total vesting period.

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

In July 2012, the French tax authorities started an audit of the tax returns filed by L'Occitane SA for the years ended in March 2009, 2010 and 2011. As at 27 November 2012, no conclusion can be drawn as to the outcome of this audit.

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

As at 30 September 2012, the following Directors or chief executive of the Company had or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 & 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have taken under such provision of the SFO), (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules:

(a) Interests in the shares of the Company

Name of Director	Capacity and Nature of Interest	Number of shares/ underlying shares held	Approximate % of Shareholding
Reinold Geiger (Note 1)	Interest in controlled corporation and beneficial Interest	1,022,077,891 (long position)	69.51%
André Joseph Hoffmann	Beneficial Interest	2,289,750 (long position)	0.16%
Charles Mark Broadley	Beneficiary of a trust and beneficial Interest	152,000 (long position)	0.01%
Susan Saltzbart Kilsby	Beneficiary of a trust and beneficial Interest	108,500 (long position)	0.00%
Jackson Chik Sum Ng	Beneficial Interest	80,000 (long position)	0.00%
Thomas Levilion	Beneficial Interest	250,000 (long position)	0.02%
Martial Thierry Lopez	Beneficial Interest	60,000 (long position)	0.00%
Pierre Maurice Georges Milet	Beneficial Interest	50,000 (long position)	0.00%
Emmanuel Laurent Jacques Osti (Note 2)	Beneficial Interest and deemed Interest	300,000 (long position)	0.02%
Domenico Trizio	Beneficial Interest	1,200,000 (long position)	0.08%

Note:

(1) Mr. Reinold Geiger is the beneficial owner of the entire issued share capital of Société d'Investissement Cime S.A., which in turn is the beneficial owner of approximately 57.55% of the entire issued share capital of the L'Occitane Groupe S.A. ("LOG"). Mr. Reinold Geiger is therefore deemed under the SFO to be interested in all the shares registered in the name of LOG, which holds 1,021,827,891 shares in the Company. Ms. Dominique Maze-Sencier, Mr. Geiger's wife, is also deemed under the SFO to be interested in shares in LOG in which Mr. Geiger is interested.

(2) Comprised of 250,000 underlying shares held by Mr. Emmanuel Osti and 50,000 underlying shares held by Ms. Cecile de Verdelhan, each as beneficial and registered owner. Mr. Osti is deemed under the SFO to be interested in the underlying shares of the Company held by Mr. Osti's spouse, Ms. de Verdelhan.

(b) Interests in the shares of the associated corporation

Long Position in the shares of LOG

Name of Director	Capacity and Nature of Interest	Number of shares held	Approximate % of Shareholding *(Note 4)*
Reinold Geiger	Beneficial interest and deemed Interest	11,305,920 (Note 1)	57.73%
André Joseph Hoffmann	Deemed interest	3,268,676 (Note 2)	16.69%
Emmanuel Laurent Jacques Osti	Beneficial interest and deemed interest	356,544 (Note 3)	1.82%
Martial Thierry Lopez	Beneficial interest	20,000	0.10%
Thomas Levilion	Beneficial interest	12,000	0.06%

Notes:

1. *Comprised of 253 shares held by Mr. Reinold Geiger, 11,271,207 shares held by Société d'Investissement Cime S.A. and 34,460 shares held by Ms. Dominique Maze-Sencier, each as beneficial and registered owner. Mr. Geiger is the beneficial owner of the entire issued share capital of Société d'Investissement Cime S.A.; Mr. Geiger is therefore deemed under the SFO to be interested in all the shares in LOG held by Société d'Investissement Cime S.A. Mr. Geiger is also deemed under the SFO to be interested in the shares in LOG held by Mr. Geiger's wife, Ms. Dominique Maze-Sencier.*

2. *Mr. André Hoffmann controls Provence Investment Pte. Ltd. Mr. Hoffmann is therefore deemed under the SFO to be interested in all the shares in LOG registered in the name of Provence Investment Pte. Ltd., which holds 3,260,676 shares and 8,000 underlying shares in LOG.*

3. *Comprised of 276,384 shares and 8,000 underlying shares held by Mr. Emmanuel Osti and 66,160 shares and 6,000 underlying shares held by Ms. Cecile de Verdelhan, each as beneficial and registered owner. Mr. Osti is deemed under the SFO to be interested in the shares and underlying shares of LOG held by Mr. Osti's spouse, Ms. Cecile de Verdelhan.*

4. *The approximate percentage shareholdings in the share capital of LOG are calculated on the basis of the total number of 19,585,396 LOG shares issued to persons other than LOG, but do not take into account 3,756,558 LOG treasury shares that are held by LOG itself.*

Save as disclosed herein, as at 30 September 2012, 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 2012, 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	Approximate % of Shareholding
Société d'Investissement Cime S.A.	Interest in controlled corporation	1,021,827,891 (long position) *(Note a)*	69.50%
LOG	Beneficial Owner	1,021,827,891 (long position) *(Note a)*	69.50%

Note:

a. *Société d'Investissement Cime S.A. is the beneficial owner of approximately 57.55% of the entire issued share capital of LOG, which held 1,021,827,891 shares. Société d'Investissement Cime S.A. is therefore deemed under the SFO to be interested in all the shares registered in the name of LOG.*

Save as disclosed herein, as at 30 September 2012, the Company had not been notified of any substantial shareholder (other than a Director or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company that were recorded in the register required to be kept under section 336 of the SFO.

SHARE OPTION PLAN

On 30 September 2010, a meeting of the shareholders of the Company authorised the adoption of a share option plan (the "Share Option Plan"), certain characteristics of which are set out in Note 14.3 to the Financial Statements. The purpose of the Share Option Plan is to provide employees of the Group, all its Directors (including NEDs) 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 rules ("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 shall not exceed 22,154,473 Shares, being 1.5% of the Company's issued share capital as at 30 September 2010.

Particulars and movements of Options during the six months ended 30 September 2012 were as follows:

Name/category of participant	As of 01/04/2012	Number of share options Granted during the period	Cancelled during the period	As of 30/09/2012	Date of grant	Exercise Period (Note 1)	Exercise price per Share (HK$)	Price immediately preceding the date of grant (Note 2) (HK$)
Directors								
Reinold Geiger	250,000	–	–	250,000	4 April, 2011	04/04/2015 - 03/04/2019	19.84	19.84
Emmanuel Osti (Note 3)	300,000	–	–	300,000	4 April, 2011	04/04/2015 - 03/04/2019	19.84	19.84
André Hoffmann	250,000	–	–	250,000	4 April, 2011	04/04/2015 - 03/04/2019	19.84	19.84
Thomas Levilion	250,000	–	–	250,000	4 April, 2011	04/04/2015 - 03/04/2019	19.84	19.84
Pierre Milet	50,000	–	–	50,000	4 April, 2011	04/04/2015 - 03/04/2019	19.84	19.84
Susan Kilsby	50,000	–	–	50,000	4 April, 2011	04/04/2015 - 03/04/2019	19.84	19.84
Jackson Ng	50,000	–	–	50,000	4 April, 2011	04/04/2015 - 03/04/2019	19.84	19.84
Mark Broadley	50,000	–	–	50,000	4 April, 2011	04/04/2015 - 03/04/2019	19.84	19.84
Domenico Trizio	1,200,000	–	–	1,200,000	4 April, 2011	04/04/2015 - 03/04/2019	19.84	19.84
Sub-total	2,450,000	–	–	2,450,000				
Others								
Employees	7,864,000	–	(1,231,000)	6,633,000	4 April, 2011	04/04/2015 - 03/04/2019	19.84	19.84
Total	10,314,000	–	(1,231,000)	9,083,000	–	–	–	–

Notes:

1. *As a general rule, the vesting period of the Options is set at four years and the exercise period is set at four years after the date of vesting. The Board is entitled, however, to grant Options to Eligible Persons subject to such conditions as the Board may think fit, including in respect to the vesting and exercise of such Options.*
2. *Being the closing price of the Shares quoted on the Stock Exchange on the trading day immediately prior to the date of grant of the Options.*
3. *Includes 50,000 Options held by Ms. Cecile de Verdelhan, Mr. Osti's spouse.*
4. *The weighted average fair value of Options granted under the Share Option Plan on 4 April 2011 was approximately €0.44. 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

In total, share-based compensation expense of €354,000 was included in the consolidated statement of comprehensive income for the six months ended 30 September 2012 (six months ended 30 September 2011: €390,000). These expenses included the amortisation of the fair value of the share-based awards in the form of Options granted to our directors and employees under our Share Option Plan.

HUMAN RESOURCES

As at 30 September 2012, the Group had 6,798 employees (30 September 2011: 5,861 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. Share options and free shares will also be offered to eligible employees. Training schemes are available where appropriate.

AUDIT COMMITTEE

As required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the Company has an Audit Committee comprising of three Non-executive Directors of the Company, two of whom are Independent Non-executive Directors. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and has also discussed auditing, internal controls and financial reporting matters including the review of the consolidated results of the Group for the six months ended 30 September 2012.

CORPORATE GOVERNANCE

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

The Company has complied with all of the code provisions of the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 to the Listing Rules throughout the six months ended 30 September 2012 save as disclosed below:

The role of the Chief Executive Officer (CEO) of the Group has been assumed by Mr. Reinold Geiger ("Mr. Geiger"), the Chairman of the Board. Such deviation is deemed appropriate as it is considered to be more efficient to have one single person to be the Chairman of the Company as well as to discharge the executive functions of a CEO and it provides the Group with strong and consistent leadership. The Board of Directors believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises highly experienced individuals. There are three 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 committees (Audit Committee, Nomination Committee, Remuneration Committee) and each committee is composed of a majority of independent non-executive Directors. Nevertheless, the Board will regularly review the management structure to ensure that it meets the business development requirements of the Group.

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

Ms. Sylvie Duvieusart-Marquant, the joint company secretary of the Company, reports to Thomas Levilion, 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 Ms. Duvieusart-Marquant 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. Mr. Kenny Yee Hing Choy, the Company's other joint company secretary who is based in Hong Kong, reports to Aidan Goddard who is the Company's chief financial officer for Asia Pacific. The Company believes this is appropriate as Mr. Goddard, who is also based in Hong Kong, works closely with Mr. Levilion. Mr. Choy also coordinates with Ms. Duvieusart-Marquant in the discharge of their duties as joint company secretaries.

CHANGES IN DIRECTORS' INFORMATION

Prior to 30 September 2012 the following changes have occurred in Directors' information:-

Mr. Reinold Geiger, an executive Director and Chairman and Chief Executive Officer of the Company, has been appointed Director of L'Occitane Canada Corp and Melvita Japan K.K. He has also been appointed Chairman of Les Minimes SAS and of the Fondation d'entreprise L'Occitane.

Mr. Emmanuel Laurent Jacques Osti, an executive Director and managing director of the Company, has been appointed Director ("Administrateur") of L'Occitane Suisse S.A., and Manager ("Gérant") of Relais L'Occitane S.a.r.l.

Mr. André Joseph Hoffmann, an executive Director and managing director of the Company, has resigned as Director of L'Occitane Australia Pty Ltd.

Mr. Domenico Trizio, an executive Director and Chief Operating Officer of the Company, has been appointed Director ("Administrateur") of Laboratories M&L S.A.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, they have confirmed that they have complied with the Model Code during the six months ended 30 September 2012.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period under review.


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