L'OCCITANE EN PROVENCE

L'OCCITANE INTERNATIONAL S.A.

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R.C.S. Luxembourg: B80359
(Incorporated under the laws of Luxembourg with limited liability)
(Stock Code: 973)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

HIGHLIGHTS

- Group's net sales were €446.4 million. At constant exchange rates, sales growth was 7.2% as compared to the six months ended 30 September 2012
- Sales growth was primarily driven by the United States, China, France and Russia. China and Russia were among the fastest growing countries (18.7% and 17.0% respectively)
- The net own-store openings were 76 in the six months ended 30 September 2013 (compared to 57 over the same period last year), excluding the acquisition of distributors
- Profit for the period was €14.5 million, posting a decline of 57.9% compared to the same period last year, driven notably by exchange rates conditions, softer sales growth and investments for future development

INTERIM RESULTS

The board of directors (the "Board") of L'Occitane International S.A. (the "Company") is pleased to announce the consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2013 together with comparative figures for the six months ended 30 September 2012. The following financial information, including the comparative figures, has been prepared in accordance with International Financial Reporting Standards ("IFRS").

CONSOLIDATED STATEMENT OF INCOME

For the six months ended 30 September	*Notes*	2013 *€ '000*	2012 *€ '000*	% Change
Net Sales	2	**446,361**	**449,227**	-0.6
Cost of sales		(83,835)	(80,437)	4.2
Gross profit		**362,526**	**368,790**	-1.7
% of net sales		*81.2%*	*82.1%*	n/a
Distribution expenses		(230,515)	(225,490)	2.2
Marketing expenses		(57,078)	(50,203)	13.7
Research & development expenses		(4,653)	(3,545)	31.3
General and administrative expenses		(48,775)	(47,669)	2.3
Other (losses) / gains, net	3	(59)	(27)	118.5
Operating profit	4	**21,446**	**41,856**	-48.8
Finance costs, net	5	(800)	(1,272)	-37.1
Foreign currency gains / (losses)		(7,388)	(2,915)	153.4
Profit before income tax		**13,258**	**37,669**	-64.8
Income tax expense	6	1,287	(3,157)	-140.8
Profit for the period		**14,545**	**34,512**	-57.9
Attributable to:				
Equity owners of the Company		13,952	33,668	-58.6
Non-controlling interests		593	844	-29.7
Total		**14,545**	**34,512**	-57.9
Effective tax rate		-9.7%	8.4%	n/a
Earnings per share for profit attributable to the equity owners of the Company during the period *(expressed in Euros per share)*				
Basic	7	0.009	0.023	-58.6
Diluted	7	0.009	0.023	-58.6
Number of shares used in earnings per share calculation				
Basic		1,470,309,391	1,470,309,391	0.0
Diluted		1,470,960,118	1,470,309,391	0.0

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	*Notes*	**30 September 2013** *€ '000*	**31 March 2013** *€ '000*
ASSETS			
Property, plant and equipment, net		175,021	164,608
Goodwill		115,919	120,701
Intangible assets, net		69,490	62,531
Deferred income tax assets		65,762	52,550
Available-for-sale financial assets		47	47
Investments in associates		20	—
Other non-current receivables		26,166	27,282
Non-current assets		**452,425**	**427,719**
Inventories, net	9	160,491	137,177
Trade receivables, net	10	74,616	86,696
Other current assets		58,678	61,160
Derivatives financial instruments		767	406
Cash and cash equivalents		289,698	319,874
Current assets		**584,250**	**605,313**
TOTAL ASSETS		**1,036,675**	**1,033,032**
EQUITY AND LIABILITIES			
Share capital		44,309	44,309
Additional paid-in capital		342,851	342,851
Other reserves		(23,221)	(12,705)
Retained earnings		325,899	354,880
Capital and reserves attributable to the equity owners		689,838	729,335
Non-controlling interests		2,786	4,974
Total equity		**692,624**	**734,309**
Borrowings		85,633	76,771
Deferred income tax liabilities		2,908	3,207
Derivatives financial instruments		—	—
Other financial liabilities		24,757	23,795
Other non-current liabilities		17,645	17,259
Non-current liabilities		**130,943**	**121,032**
Trade payables	11	89,905	94,990
Salaries, wages, related social items and other tax liabilities		50,675	50,195
Current income tax liabilities		6,424	10,294
Borrowings		5,829	5,944
Other current liabilities		54,778	9,504
Derivatives financial instruments		177	558
Provisions for other liabilities and charges		5,320	6,206
Current liabilities		**213,108**	**177,691**
TOTAL EQUITY AND LIABILITIES		**1,036,675**	**1,033,032**
NET CURRENT ASSETS		**371,142**	**427,622**
TOTAL ASSETS LESS CURRENT LIABILITIES		**823,567**	**855,341**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

This condensed consolidated interim financial information of the Group for the six months ended 30 September 2013 has been prepared in accordance with IAS 34, 'Interim financial reporting' issued by the International Accounting Standards Board. This condensed consolidated interim financial information should be read in conjunction with the Group's consolidated annual financial statements for the year ended 31 March 2013, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The accounting policies and methods of computation used in the preparation of the interim financial information are consistent with those used in the annual consolidated financial statements for the year ended 31 March 2013, except as described below:-

- The Group has applied the following amended standards and standards that are effective for the first time for the Group for the financial period beginning 1 April 2013

Standard	**Topic**	**Key requirements**
IAS 1 (amendment)	Financial statements presentation regarding other comprehensive income	To group items presented in 'other comprehensive income' on the basis of whether they could subsequently be reclassifiable to profit or loss.
IAS 19 (amendment)	Employee benefits	To immediately recognize all past service costs and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset).
IFRS 9	Financial instruments	The standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset.
IFRS 10	Consolidated Financial Statements	The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.
IFRS 11	Joint arrangements	To classify the joint arrangements either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement.
IFRS 12	Disclosure of Interests in Other Entities	To disclose information for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.
IFRS 13	Fair Value Measurement	To improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement.

The above amended standards and standards do not have any material impact on the consolidated financial statements.

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

2. Net sales and segment information

Management assesses the performance of two operating segments, which are Sell-out and Sell-in:

- Sell-out comprises the sales of products directly to the final customers. These sales are mainly done in the Group's stores and/or through the Group's websites;
- Sell-in comprises the sales of products to intermediates. These intermediates are mainly distributors, wholesalers, TV show channels and travel retailers. This segment also comprises sales of products to corporate customers, airline companies and hotels.

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

2.1. Operating segments

30 September	**2013**			
	Sell-out	**Sell-in**	**Other reconciling items**	**Total**
	€ '000	*€ '000*	*€ '000*	*€ '000*
Net sales	327,444	118,917	—	446,361
In %	73.4%	26.6%	—	100.0%
Gross profit	280,944	81,582	—	362,526
% of sales	85.8%	68.6%	—	82.1%
Distribution expenses	(187,135)	(21,036)	(22,344)	(230,515)
Marketing expenses	(22,122)	(3,481)	(31,475)	(57,078)
Research & development expenses	—	—	(4,653)	(4,653)
General and administrative expenses	—	—	(48,775)	(48,775)
Other (losses) / gains, net	(229)	(36)	206	(59)
Operating profit	71,457	57,030	(107,041)	21,446
% of sales	21.8%	48.0%	—	4.8%

30 September	**2012**			
	Sell-out	**Sell-in**	**Other reconciling items**	**Total**
	€ '000	*€ '000*	*€ '000*	*€ '000*
Net 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 & development expenses	—	—	(3,545)	(3,545)
General and administrative expenses	—	—	(47,669)	(47,669)
Other (losses) / gains, net	172	(40)	(159)	(27)
Operating profit	91,260	55,407	(104,811)	41,856
% of sales	27.5%	47.0%	—	9.3%

2.2. **Geographic areas**

Net sales are allocated based on the country of the invoicing subsidiary.

30 September	**2013**		**2012**	
	Total *€ '000*	**In %**	**Total** *€ '000*	**In %**
Japan	76,579	17.2%	104,193	23.2%
United States	54,316	12.2%	50,887	11.3%
Hong Kong(1)	46,562	10.4%	47,205	10.5%
France	40,166	9.0%	36,271	8.1%
China	31,485	7.1%	26,703	5.9%
Luxembourg(2)	27,193	6.1%	25,932	5.8%
United Kingdom	24,106	5.4%	23,514	5.2%
Brazil	19,678	4.4%	20,118	4.5%
Russia	21,936	4.9%	19,938	4.4%
Taiwan	14,857	3.3%	14,582	3.3%
Other countries	89,483	20.1%	79,884	17.8%
Net sales	446,361	100%	449,227	100%

(1) Includes sales in Macau.

(2) Sales invoiced by the Company to distributors and travel retail customers in Europe, Middle-East and the Americas.

3. Losses on sale of assets, net

30 September	**2013** *€ '000*	**2012** *€ '000*
Net losses on sale of assets	(433)	(163)

4. Depreciation, amortization and impairment

Operating profit is arrived at after charging the following:

30 September	**2013** *€ '000*	**2012** *€ '000*
Depreciation, amortization and impairment	22,856	19,724

5. Finance costs, net

30 September	2013 € '000	2012 € '000
Interest on cash and cash equivalents	1,517	1,255
Fair value gains on derivatives	—	—
Finance income	1,517	1,255
Interest expense	(1,355)	(1,857)
Unwinding of discount of financial liabilities	(962)	(623)
Fair value losses on derivatives	—	(47)
Finance costs	(2,317)	(2,527)
Finance costs, net	(800)	(1,272)

6. Taxation

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

30 September	2013 € '000	2012 € '000
Profit before income tax	13,258	37,669
Income tax calculated at corporate tax rate *(Luxembourg tax rate of 29.22% at 30 September 2013 and of 28.59% as at 30 September 2012)*	(3,874)	(10,770)
Effect of different tax rates in foreign countries	7,919	10,428
Effect of unrecognized tax assets	(2,466)	(2,067)
Expenses not deductible for taxation purposes	(214)	(507)
Effect of unremitted tax earnings	(78)	(241)
Income tax expense	1,287	(3,157)

7. Earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to equity owners of the Company of €13.952 million for the six months ended 30 September 2013 (as compared to €33.668 million for the six months ended 30 September 2012) and the weighted average number of shares in issue of 1,470,309,391 (basic) and 1,470,960,118 (diluted) for the period ended 30 September 2013 and 1,470,309,391 (basic and diluted) for the period ended 30 September 2012.

8. Dividends

In line with its policy to declare and pay only a final dividend each year, the Board has recommended that no distribution would be made from the profits of the six months ended 30 September 2013.

9. Inventories, net

Inventories, net consist of the following items:

	30 Sep 2013 € '000	31 Mar 2013 € '000	30 Sep 2012 € '000
Raw materials and supplies	24,860	23,619	23,700
Finished goods and work in progress	149,212	125,819	138,639
Inventories, gross	174,072	149,438	162,339
Less, allowance	(13,581)	(12,261)	(14,009)
Inventories, net	160,491	137,177	148,330

10. Trade receivables, net

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

	30 Sep 2013 € '000	31 Mar 2013 € '000	30 Sep 2012 € '000
Current and past due within 3 months	72,917	85,397	85,275
Past due from 3 to 6 months	862	909	1,243
Past due from 6 to 12 months	490	262	324
Past due over 12 months	347	128	474
Trade receivables, net	74,616	86,696	87,316

The Group's sales to end customers are retail sales and no credit terms are granted to the end customers. For customers in the Sell-in segment, sales are made with credit terms generally from 60 to 90 days.

11. Trade payables

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

	30 Sep 2013 € '000	31 Mar 2013 € '000	30 Sep 2012 € '000
Current and past due within 3 months	88,558	94,507	97,809
Past due from 3 to 6 months	348	480	1,086
Past due from 6 to 12 months	861	3	77
Past due over 12 months	138	—	—
Trade payables	89,905	94,990	98,972

MANAGEMENT DISCUSSION & ANALYSIS

Summary:

For the six months ended 30 September	**2013** *€ million or %*	**2012** *€ million or %*
Net Sales	446.4	449.2
Operating profit	21.4	41.9
Profit for the period	14.6	34.5
Gross profit margin	81.2%	82.1%
Operating profit margin	4.8%	9.3%
Net profit margin	3.3%	7.7%

Definitions:

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

Non-comparable Stores means new retail stores opened, including renovated stores, 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 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 six months ended 30 September 2012, the level of sales represented 43.1% of the annual level of sales in the year ended 31 March 2013 and the level of operating profit represented 26.4% of the annual operating profit in the year ended 31 March 2013. This ratio is not representative of FY2014 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 €446.4 million for the six months ended 30 September 2013, a 0.6% or €2.9 million decrease as compared to the six months ended 30 September 2012. The decrease was mainly due to foreign currency translation effects. At constant exchange rates, net sales increased by 7.2%. Net sales in Sell-out and Sell-in business segments (representing 73.4% and 26.6% respectively of total net sales) increased by 8.0% and 4.8% respectively, at constant exchange rates.

The Group increased the total number of retail locations where the products are sold from 2,364 as at 31 March 2013 to 2,506 as at 30 September 2013, an increase of 6.0%. The Company remained on track with its global retail expansion strategy and increased the number of its own retail stores by 6.8% from 1,198 as at 31 March 2013 to 1,280 as at 30 September 2013, representing a net increase of 82 stores, including 40 additional stores in Asia, 20 in Europe and 16 in the Americas and 6 in Africa. At constant exchange rates, Comparable Store Sales represented 7.0% of Overall Growth for the period ended 30 September 2013 while Non-comparable Store Sales during the period represented 74.0% of Overall Growth, and Sell-in segment contributed 17.6% to Overall Growth.

The Group's sales in the United States, China, France and Russia were the driving factors of net sales growth for the six months ended 30 September 2013.

Business Segments

The following table provides a breakdown of the net sales year-on-year growth (including and excluding foreign currency translation effects as indicated) by business segment for the six months ended 30 September 2013:

	€ '000	*% Growth*	*% Growth(2)*	*% Contribution to Overall Growth(2)*
Sell-out	(3,944)	(1.2)	8.0	82.4
Comparable Stores	(19,967)	(7.8)	0.9	7.0
Non-comparable Stores	16,688	24.3	34.7	74.0
Other(1)	(665)	(10.1)	6.7	1.4
Sell-in	1,078	0.9	4.8	17.6
Overall Growth	**(2,866)**	**(0.6)**	**7.2**	**100.0**

(1) Includes mail-order and other sales.

(2) Excludes the impact of foreign currency translation effects.

Sell-out

For the six months ended 30 September 2013, the Sell-out business segment accounted for 73.4% of the Group's total sales and amounted to €327.4 million, a decrease of 1.2% as compared to same period last year and an 8.0% increase at constant exchange rates. Non-comparable Store Sales was the main contributor towards this local currency growth as well as existing Comparable Store Sales with Same Store Sales Growth at constant exchange rates of 0.9%.

Sell-out segment contributed 82.4% to Overall Growth for the six months ended 30 September 2013, as compared to the same period last year, with Non-comparable Stores providing 74.0% and Comparable Stores, internet and other Sell-out providing 8.3% of Overall Growth. The Group's online retail channel maintained its momentum with a 23.9% growth at constant exchange rates during the six months ended 30 September 2013 as compared to the same period last year.

There was a net addition of 76 own stores (excluding acquisition from distributor) for the six months ended 30 September 2013, including net additions of 22 stores in China, 10 stores in the United States, 6 stores in Russia, 5 stores in Brazil, 4 stores in the United Kingdom, 3 stores each in Hong Kong and France, 2 stores in Japan and 21 stores in other countries. Furthermore, the Company added 6 stores after the acquisition of the distributor in South Africa in June 2013. The Group continued its retail network upgrade with 68 stores renovated or relocated for the six months ended 30 September 2013 as compared to 42 stores during the same period last year.

Sell-in

For the six months ended 30 September 2013, the sell-in business segment accounted for 26.6% of the Group's total sales and amounted to €118.9 million, an increase of 0.9% as compared to same period last year and a 4.8% increase at constant exchange rates. The growth was primarily due to an increase in wholesale business. Sell-in segment represented 17.6% of the Overall Growth for the six months ended 30 September 2013 as compared to same period last year.

Geographic Areas

The following table presents our net sales growth for the period ended 30 September 2013 and contribution to net sales growth (including and excluding foreign currency translation effects as indicated) by geographic area:

	Net Sales Growth six months ended 30 September 2013 compared to six months ended 30 September 2012			
	€ '000	*% Growth*	*% Growth*[(1)]	*% Contribution to Overall Growth*[(1)]
Japan	(27,614)	(26.5)	(4.9)	(16.0)
Hong Kong[(2)]	(643)	(1.4)	2.3	3.4
China	4,782	17.9	18.7	15.6
Taiwan	275	1.9	5.3	2.4
France	3,895	10.7	10.7	12.1
United Kingdom	593	2.5	9.2	6.7
United States	3,429	6.7	10.8	17.1
Brazil	(440)	(2.2)	10.2	6.4
Russia	1,998	10.0	17.0	10.5
Other countries[(3)]	10,860	10.3	12.7	41.9
All countries	**(2,866)**	**(0.6)**	**7.2**	**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:

	Own retail stores				*% contribution to Overall Growth[(1)(2)]*			
	30 Sep 2013	**Net openings YTD Sep 2013**	**30 Sep 2012**	**Net openings YTD Sep 2012**	*Non-comparable Stores*	*Comparable stores*	*Total Stores*	*Same Store Sales Growth[(2)]*
Japan[(3)]	102	2	95	5	0.8	(15.8)	(15.0)	(7.2)
Hong Kong[(4)]	34	3	30	1	2.5	2.8	5.4	11.6
China	141	22	102	9	15.2	2.9	18.1	5.2
Taiwan[(5)]	61	—	63	1	1.4	0.3	1.7	1.2
France[(6)]	73	3	66	—	3.9	1.4	5.4	3.1
United Kingdom[(7)]	66	4	60	3	4.4	2.6	7.0	5.5
United States[(8)]	196	10	173	3	10.3	5.9	16.2	5.0
Brazil	75	5	67	4	3.3	1.5	4.8	3.4
Russia[(9)]	105	6	85	9	5.6	0.2	5.8	0.7
Other Countries[(10)]	427	27	379	32	26.6	5.1	31.7	2.9
All countries	**1,280**	**82**	**1,120**	**67**	**74.0**	**7.0**	**81.0**	**0.9**

(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 10 and 12 Melvita stores as at 30 September 2012 and 30 September 2013 respectively.

(4) Includes 1 L'Occitane store in Macau and 9 Melvita stores in Hong Kong as at 30 September 2012 and 2 L'Occitane stores in Macau and 10 Melvita stores in Hong Kong as at 30 September 2013.

(5) Includes 9 and 7 Melvita stores as at 30 September 2012 and 30 September 2013 respectively.

(6) Includes 4 Melvita stores as at 30 September 2012 and 30 September 2013.

(7) Includes 2 Melvita stores as at 30 September 2012.

(8) Includes 2 and 1 Melvita stores as at 30 September 2012 and 30 September 2013 respectively.

(9) Includes 8 and 7 Melvita stores as at 30 September 2012 and 30 September 2013 respectively.

(10) Includes 10 and 7 Melvita stores as at 30 September 2012 and 30 September 2013 respectively. The net openings include 10 stores from the acquisition of distributor in Ireland as at 30 September 2012 and 6 stores from the acquisition of distributor in South Africa as at 30 September 2013.

Japan

Japan's net sales for the six months ended 30 September 2013 were €76.6 million, a decrease of 26.5% as compared to same period last year. The decrease was largely due to foreign currency exchange impacts from a weak Japanese Yen and strong Euro. At constant exchange rates, Japan's sales posted a decline of 4.9%, contributing a negative 16.0% to Overall Growth, and sales from the Sell-out sales segment declined by 5.0%. Non-comparable Store Sales contributed 0.8% to Overall Growth. During the period, Japan had a net addition of 2 stores and Same Store Sales Growth was negative 7.2%. At constant exchange rates, the Sell-in Sales recorded a decline of 3.8% as compared to the same period last year, mainly due to weaker sell-through via the television home shopping channel.

Hong Kong

Hong Kong's net sales for the six months ended 30 September 2013 were €46.6 million, a decrease of 1.4% as compared to same period last year. At constant exchange rates, the local currency growth was 2.3%, contributing 3.4% to Overall Growth. Sell-out segment contributed 5.2% to Overall Growth, 2.8% from Comparable Stores and 2.5% from Non-comparable Stores. During the period, Hong Kong had a net addition of 3 stores and Same Store Sales Growth was 11.6%, with Comparable Stores making a contribution of 2.8% to Overall Growth. At constant exchange rates, the Sell-in Sales recorded a decline of 2.1% as compared to the same period last year, due to softer sell-through in the travel retail channel.

China

China's net sales for the six months ended 30 September 2013 were €31.5 million, an increase of 17.9% as compared to same period last year. At constant exchange rates, the local currency growth was 18.7%, contributing 15.6% to Overall Growth. China remains one of the fastest growing countries of the Company. Comparable Store Sales and Non-comparable Store Sales contributed 2.9% and 15.2% respectively to Overall Growth. During the period, China had a net addition of 22 stores and Same Store Sales growth was 5.2%. At constant exchange rates, the Sell-in Sales recorded a decline of 15.4% as compared to the same period last year, due to slower sales in the B2B channel.

Taiwan

Taiwan's net sales for the six months ended 30 September 2013 were €14.9 million, an increase of 1.9% as compared to same period last year. At constant exchange rates, the local currency growth was 5.3%, contributing 2.4% to Overall Growth. The growth rates for Sell-out and Sell-in in Taiwan were 2.7% and -0.3% respectively. During the period, Same Store Sales Growth was 1.2%. The growth of Sell-out sales was mainly driven by Non-comparable stores, which had a local currency growth of 12.1% and contributed 1.4% to Overall Growth. At constant exchange rates, the Sell-in sales recorded a decline of 5.5% as compared to the same period last year.

France

France's net sales for the six months ended 30 September 2013 were €40.2 million, an increase of 10.7% as compared to same period last year. At constant exchange rates, the local currency growth was 10.7%, contributing 12.1% to Overall Growth. E-commerce sales had an encouraging growth as a result of the strategic penetration in this market segment. Sell-out sales growth was 5.2%, with Same Store Growth of 3.1%. During the period, France had a net addition of 3 stores. Sell-in segment recorded a growth of 12.8%, contributing 6.9% to Overall Growth, mainly due to increase in wholesale and distribution channels.

United Kingdom

United Kingdom's net sales for the six months ended 30 September 2013 were €24.1 million, an increase of 2.5% as compared to same period last year. At constant exchange rates, the local currency growth was 9.2%, contributing 6.7% to Overall Growth. The Sell-out segment contributed 7.0% to Overall Growth, driven by both Comparable Stores and Non-comparable Stores. Comparable Store Sales grew by 5.5% in local currency, contributing 2.6% to Overall Growth. Non-comparable Stores also contributed 4.4% to Overall Growth with an addition of 4 stores during the period. The Sell-out segment benefited from strong growth in the e-commerce business, successful re-launch of the Immortelle Divine skincare range and the launch of its first television advertising campaign during the period. Sell-in segment was impacted by softer sell-through via the television home shopping channel.

United States

The United States net sales for the six months ended 30 September 2013 were €54.3 million, an increase of 6.7% as compared to same period last year. At constant exchange rates, the local currency growth was 10.8%, contributing 17.1% to Overall Growth. The positive results were mainly from improvements in Sell-out segment. Comparable Stores Sales Growth was 5.0% which contributed 5.9% to Overall Growth. The Company's investment on the store renovation program during the past few years has started to yield benefits. In addition, as a result of corporate initiatives to improve digital marketing and enhance customer relationship management, the e-commerce channel continued to record strong growth. Non-comparable Store Sales contributed 10.3% to Overall Growth mainly benefited by 16 stores opened in FY2013 and the 10 net store openings in the six months ended 30 September 2013. Sell-in segment grew by 5.3% at constant exchange rates, contributing 1.0% to Overall Growth.

Brazil

Brazil's net sales for the six months ended 30 September 2013 were €19.7 million, a decrease of 2.2% as compared to same period last year. The decrease was due to weak Brazilian Real and strong Euro. At constant exchange rates, the local currency growth was 10.2%, contributing 6.4% to Overall Growth. The growth was driven mainly by Sell-out segment. Same Store Sales Growth was 3.4% (vs. -1.2% same period last year) with a contribution of 1.5% to Overall Growth. Non-comparable Stores Sales growth was fuelled by stores opened in FY2013 (net 7 stores) and in the six months ended 30 September 2013 (net 5 stores), contributing 3.3% to Overall Growth. The successful launch of the new brand, L'Occitane au Brésil, helped improve both Same Store Sales and Non-comparable Stores growth. Sell-in sales increased by 16.5% at constant exchange rates, contributing 1.4% to Overall Growth.

Russia

Russia's net sales for the six months ended 30 September 2013 were €21.9 million, an increase of 10.0% as compared to same period last year. At constant exchange rates, the local currency growth was 17.0%, contributing 10.5% to Overall Growth. Russia remains one of the fastest growing countries of the Company. The growth was mainly driven by both Sell-out and Sell-in segments, which contributed to Overall Growth by 6.4% and 4.1% respectively. Same Store Sales Growth was 0.7% in the six months ended 30 September 2013 as compared to a high base of 14.6% in same period last year. Non-comparable Store Sales contributed 5.6% to Overall Growth. Russia continued its store opening plan and had a net addition of 6 stores during the period. The Sell-in segment grew by 42.2% at constant exchange rates, mainly driven by distribution business, and contributed 4.1% to Overall Growth.

Other countries

Other countries' net sales for the six months ended 30 September 2013 were €116.7 million, an increase of 10.3% as compared to same period last year. At constant exchange rates, the local currency growth was 12.7%, contributing 41.9% to Overall Growth. Sell-out segment contributed 31.7% to Overall Growth. Comparable Store Sales accounted for 5.1% of Overall Growth with Same Store Sales Growth of 2.9%. Non-comparable Store Sales contributed 26.6% to the Overall Growth as a result of stores network expansion. During the six months ended 30 September 2013, the number of stores in other countries increased from 400 to 427, a net increase of 27. In terms of geographical area, 13 of the new stores were opened in Asia, 7 in Europe, 1 in Americas and 6 in Africa. The 6 new stores in Africa were through acquisition of the distributor in South Africa in June 2013. Net Sales in Canada, Malaysia, Germany, Korea, and Australia grew by 25.1%, 18.7%, 15.2%, 13.3% and 11.8% respectively, at constant exchange rates. Sell-in sales increased by 8.4% at constant exchange rates and contributed 10.1% to Overall Growth, mainly driven by increased sales to travel retail and wholesale customers.

PROFITABILITY ANALYSIS

Cost of sales and gross profit

Cost of sales increased by 4.2%, or €3.3 million, to €83.8 million in the period ended 30 September 2013 compared to the period ended 30 September 2012. Our gross profit margin decreased by 0.9 points to 81.2% in the period ended 30 September 2013. The decline in gross profit margin was essentially due to the exchange rates for 1.0 points of net sales, the phasing of our deliveries due to the seasonality, negatively impacting freight and duties for 0.4 points, and reclassifications and other effects for 0.7 points. The reclassifications were related to labeling, packing, quality check costs and gift boxes previously accounted for in the distribution costs. In addition, the softer sales affected our country and channel mix unfavourably for 0.1 point. This was mitigated by:

- favourable prices and mix effects in both our Sell-out and Sell-in segments for 0.7 points; and
- gains in production costs for 0.6 points.

Distribution expenses

Distribution expenses increased by 2.2%, or €5.0 million, to €230.5 million in the period ended 30 September 2013. As a percentage of net sales, our distribution expenses increased by 1.4 points to 51.6% of net sales in the period ended 30 September 2013. This increase is attributable to a combination of:

- the consequences of the softer sales growth on personnel expenses, rent and occupation costs relative to sales, for 1.7 points;
- unfavourable channel mix effects for 0.3 points; and
- 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 1.5 points.

This was partly offset by lower central logistic costs for 0.4 points, reclassification to the cost of sales as mentioned above for 0.8 points, a lower impact of the cost of gift boxes for 0.6 points due to their recognition as sellable articles, and other effects for 0.3 points.

Marketing expenses

Marketing expenses increased by 13.7%, or €6.9 million, to €57.1 million in the period ended 30 September 2013. Our marketing expenses, as a percentage of net sales, increased by 1.6 points to 12.8% of net sales in the period ended 30 September 2013. This increase was attributable to:

- a brand mix effect, with the development of our new brands, accounting for 0.3 points;
- investments in digital and traditional media for 0.9 points, notably in Japan, the USA and the UK;
- investments in mailings and customer relationship management ("CRM") particularly in France, the USA and the UK, for 0.3 points; and
- investments in samples, windows, other communication tools, and other effects for 0.1 points.

Research & development expenses

Research and development ("R&D") expenses increased by 31.3%, or €1.1 million, to €4.7 million in the period ended 30 September 2013. Our R&D expenses increased by 0.3 points, as a percentage of net sales with the increase being equally explained by the development of product offers for our new brands and by the unfavourable exchange rates.

General and administrative expenses

General and administrative expenses increased by 2.3%, or €1.2 million, to €48.8 million in the period ended 30 September 2013 and increased by 0.3 points of net sales, which was essentially attributable to the unfavourable exchange rates effects.

Operating profit

Operating profit decreased by 48.8%, or €20.4 million, to €21.4 million in the period ended 30 September 2013, and our operating profit margin declined by 4.5 points of net sales to 4.8%. The decrease in our operating profit margin is explained by:

- unfavourable exchange rates effects for 1.3 points;
- investments in our future sales growth, for 2.1 points;
- increased efforts in digital and traditional media, and other marketing tools for a total 1.0 points; and
- the effect of the softer sales growth, essentially impacting our distribution expenses, for 2.1 points.

This was partly offset by:

- efficiency gains in production and central logistics for 1.0 points;
- positive prices and product mix effects for 0.7 points, and other effects for 0.3 points.

Finance costs, net

Net finance costs decreased by €0.5 million, to €0.8 million in the period ended 30 September 2013. This decrease was mainly related to lower interest expenses due to the combination of lower interest rates and our sound net cash situation.

Foreign currency gains/losses

Net foreign currency losses amounted to €7.4 million for the period ended 30 September 2013 and were explained by € 8.3 million unrealized losses primarily due to the financing of our subsidiaries and to the revaluation of unsettled trading operations, as a consequence of the strong euro. Such unrealized losses were partly compensated by realized gain on trading operations essentially in Japanese Yen.

Income tax expense

The effective income tax resulted in a gain of €1.3 million for the period ended 30 September 2013, as compared to an expense of €3.2 million, representing an effective income tax rate of 8.4% for the period ended 30 September 2012. The gain in income tax during the period ended 30 September 2013 is essentially related to losses incurred in the first half of this financial year in some countries with higher effective tax rates than in the combined French and Swiss entities, where taxable profits were achieved.

Profit for the period

For the aforementioned reasons, profit for the period decreased by 57.9% or €19.9 million to €14.6 million in the period ended 30 September 2013, as compared to the period ended 30 September 2012. Basic and diluted earnings per share decreased for the period ended 30 September 2013 by 58.5%.

BALANCE SHEET REVIEW

Liquidity and capital resources

As at 30 September 2013, the Group had cash and cash equivalents of €289.7 million, as compared to €319.9 million as at 31 March 2013 and €292.0 million as at 30 September 2012.

As at 30 September 2013, the aggregate amount of undrawn borrowing facilities was €290 million. As at 30 September 2013, our total borrowings, including finance lease liabilities, current accounts with minority shareholders and bank overdrafts, amounted to €91 million, as compared to €83 million as at 31 March 2013, 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 €47.1 million for the six months ended 30 September 2013, as compared to €48.7 million same period last year, representing a decrease of €1.6 million. This reflected capital expenditures primarily related to:

- additions of leasehold improvements, other tangible assets, key moneys and changes in deposits related to stores for €24.3 million;

- additions in IT software and equipment for €9.1 million, including €4.7 million for the implementation of SAP as the Group's enterprise resources planning system and €2.0 million for POS and CRM systems; and

- additions of machinery, equipment, construction, fittings and others to factories and R&D for €11.4 million. Out of this amount, €5.9 million were in-progress in the Manosque facility.

Financing activities

Net cash generated in financing activities was €7.9 million for the six months ended 30 September 2013. During the same period last year, net cash of €19.7 million was generated from financing activities. Net cash generated during the period under review mainly reflected a net increase in bank borrowings to meet seasonal cash needs of the subsidiaries.

Inventories

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

For the period ended 30 September	2013	2012
Average Inventory turnover days(1)	324	312

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

Inventory, net value was €160.5 million as at 30 September 2013, increased by €23.3 million compared to €137.2 million as at 30 September 2012. The increase in inventory turnover days by 12 days was due to:

- increase in finished goods and raw materials buffer in the factory for 12 days in order to ensure continuous supply during SAP implementation in the factory; and

- the recognition of gift boxes as sellable articles, with no cash effect for 6 days.

This was partly offset by favourable exchange rates and other effects for a total of 6 days.

Trade receivables

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

For the period ended 30 September	2013	2012
Turnover days of trade receivables(1)	33	33

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

Turnover days of trade receivables remained at 33 days for the period ended 30 September 2013.

Trade payables

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

For the period ended 30 September	2013	2012
Turnover days of trade payables(1)	201	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.

The decrease in turnover days of trade payables for the period ended 30 September 2013 was mainly due to decrease in trade payables at factory level together with foreign currency impact on trade payables conversion, in particular for Japan.

BALANCE SHEET RATIOS

The Group's profitability ratios for the six months ended 30 September 2013 decreased as compared to same period last year. Return on capital employed for the six months ended 30 September 2013 declined to 3.1% as compared to 7.9% same period last year. The drop was mainly explained by a decrease of 56.8% in net operating profit after tax, together with an increase of 9.2% in capital employed. Return on equity was 2.0% for the six months ended 30 September 2013 compared to 5.2% same period last year. The drop was mainly explained by a decrease of 58.6% in net profit attributable to equity owners, together with an increase of 6.2% in shareholders' equity. The Group's liquidity and capital adequacy ratios remained favourable as a result of high net cash position.

For the period ended	30 September 2013 *€ '000*	31 March 2013 *€ '000*	30 September 2012 *€ '000*
Profitability			
Net operating profit after tax (NOPAT)(1)	15,423	126,663	35,677
Capital employed(2)	494,388	497,150	452,877
Return on capital employed (ROCE)(3)	3.1%	25.5%	7.9%
Return on equity (ROE)(4)	2.0%	16.8%	5.2%
Liquidity			
Current ratio (times)(5)	2.74	3.41	2.68
Quick ratio (times)(6)	1.99	2.63	2.01
Capital adequacy			
Gearing ratio(7)	8.8%	8.0%	9.4%
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

The Group enters into forward exchange contracts to hedge anticipated transactions, as well as receivables and payables not denominated in our presentation currency, the Euro, for periods consistent with our identified exposures. As at 30 September 2013, the Group had foreign exchange derivatives net liabilities of € 0.6 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 2013 were primarily Japanese yen for an equivalent of €13.8 million, British pounds for € 12.9 million and Singaporean dollars for €8.2 million.

INTEREST RATE RISK MANAGEMENT

The Group had no interest rate derivatives as at 30 September 2013.

DIVIDENDS

At the Board meeting held on 17 June 2013, the Board recommended a distribution of gross dividend of €0.0292 per share for a total amount of € 42.9 million or 35.0% of the net profit attributable to the equity owners of the Company. The amount of the proposed dividend is based on 1,470,309,391 shares in issue as at 17 June 2013 excluding 6,655,500 treasury shares. The shareholders approved this dividend at a meeting held on 25 September 2013. The dividend was paid on 23 October 2013.

POST BALANCE SHEET EVENTS

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

STRATEGIC REVIEW AND PROSPECTS

Summary of the activities during the period:

For the six months ended 30 September 2013, the Group pursued its overall corporate strategy by accelerating retail investment in new stores and upgrading the retail network through store renovations and relocations in a challenged macro environment. Most markets were able to deliver growth in local currency. China and Russia maintained their positions as the best-performing markets growing at 18.7% and 17.0%, respectively at constant exchange rates. Developed markets like France, the United Kingdom and the United States continued to contribute and maintain solid sales growth at 10.7%, 9.2% and 10.8%, respectively at constant exchange rates.

With the integral support of a committed management team, the Group stepped up its marketing efforts in direct marketing, digital, advertising, research and development and international management. These investments are necessary to help the Group strengthen its leading position in the beauty and personal care business amid rising global competition.

The Group continued to expand with new openings and important renovations in various markets globally. For the six months ended 30 September 2013, the Group increased the total number of own retail stores to 1,280. The Group's net own stores openings were 76 over the six months ended 30 September 2013, excluding the addition of 6 stores from the acquisition of the Group's distributor in South Africa. During the same period, the Group renovated and relocated 68 stores as compared to 42 stores for the same period last year.

The first half of the Group's financial year marked as well the successful launch of Japan's renovated Aoyama flagship and reflected the Group's focus and on-going efforts to improve the business in Japan. Part of the restructuring program for Japan includes an aggressive renovation program which will take place over the following two years with a significant part of the retail network to be upgraded.

As the Group invested in its business platform for future growth, it is mindful of the need to innovate and create new textures and sensoriality. The progress in our R&D efforts was achieved and mainly led by the team who worked actively to uncover new ingredients and processes with the ultimate goal of creating more exciting new natural ingredients-based products which continue to be a fast-growing segment in the overall beauty and personal care space. These efforts will allow the Group's portfolio of brands to maintain its appeal to the growing global customer base and help steer the Group to the next level.

The digital online channel remained one of the key areas of focus and growth for the Group. The increased spending devoted to enhance the Group's internet presence through increased investments in digital media has shown lasting results. For the period under review, the Group's e-commerce business posted strong sales growth of 23.9% at constant exchange rates as compared to the same period last year. For certain key markets, the Group continued to launch state-of-the-art customer relationship management (CRM) capabilities to enable the respective markets to extract value from this digital channel which will complement their own retail operations.

The Group continued to improve its operating infrastructure business platform by allocating resources to improve the supply chain and information technology (IT) systems.

With the restructured and expanded main Manosque factory, the Group has enhanced its logistic network with the third stage and final phase of expanding the international warehouse in Manosque. Leveraging on the benefits from the new re-modeled Manosque factory, the Group was able to deliver the production batches and filling operations which started in April 2013. The implementation of SAP remained on track as demonstrated by its introduction and smooth integration in Japan, Canada and the United States of America. The roll-out of CBR, the new Group Point of Sales system, which is vital to the Group's operations, is on target in the same countries and all the Western European subsidiaries. It is important to note that these on-going one-off investments are required to allow the Group to reap the benefits of increased production capacity, productivity and efficiency gains in the coming years.

The Group reported that the profit for the period under review is materially less than that of the same period last year due to several factors, which include slower sales growth from Japan, one of the Group's key markets, foreign currency exchange impacts from a weak Japanese yen and strong Euro combined with the pressure on profitability driven by the increased spending and investments in distribution, marketing and the new brands that led to a lower business performance.

Overall, the weaker than expected performance achieved by the Company for the six months ended 30 September 2013 demonstrated the risks that the Group faces as result of its international operations. These risks included the current challenged economic conditions which have impacted upon customer demand and exchange rate fluctuations which have affected the Group's revenues, costs, margins and profits.

Management continued to balance revenue growth from the respective brands and increased investments and infrastructure efficiencies to drive sustainable long term profit growth across the Group, especially with the focus on executing its retail, digital and marketing strategies amid an uncertain macro environment to promote and further enhance the brand momentum for the Group's portfolio of brands.

At the same time, the Group continued its global assessment project to optimize all indirect structures, back-office investments and productivity with the goal to unlock resources for marketing, R&D and strategic IT tools (CRM), especially with the significant long-term potential to create clear savings targets. Management has made good progress and will continue to set clear objectives and performance metrics for each saving / improvement project that has been identified.

As the Group executed its strategy to drive infrastructure efficiency, it also launched an "Operations Roadmap" with a similar approach and the key target to generate productivity gains and savings in production and logistics beyond the cost of its recent investments in the infrastructure platform which includes the factories, warehouses and related IT systems.

Prospects for the second half of the year:

The Group maintains its overall corporate strategy to expand its own retail network by opening more stores globally, by investing to strengthen our brands in our Group's portfolio, directing efforts to enhance our presence in the digital channel, by investing to strengthen our supply chain and further improve our operational processes. As part of the global retail expansion strategy, we will continue to invest in new stores in both developing and developed countries and to upgrade our retail network in all our key markets.

In terms of brand development, the team remains committed to building a brand portfolio consisting of high quality brands that are rich in natural and organic ingredients of traceable origins and respect for the environment.

- Extending the L'Occitane brand

  The Group continues to focus on executing its retail, digital and marketing strategy to drive brand momentum supported by the increased investments in digital.

- L'Occitane au Brésil

  The Group will continue to launch new product ranges for L'Occitane au Brésil and expand its distribution channels through kiosks, self-owned retail stores and wholesale in the form of franchised stores in Brazil.

- Melvita

  The new management team for the brand will continue its restructuring program and pursue growth for Melvita with the implementation of key actions that include successful new products, retail store and communication concepts.

- Le Couvent des Minimes

  The Group has shown progress with the development of the Le Couvent des Minimes wholesale business and will continue in its strategy to expand the commercial business base for the brand.

- Erborian

  The Group will pursue its objective to further expand Erborian's product ranges with increased R&D effort to create innovative products which will be synonymous with the Korean/French spirit of the brand.

In terms of IT systems upgrade, the Group will continue to implement and roll-out our SAP core model in other countries. Presently, the Group has launched SAP and Flexnet (a workshop management IT solution) and they went live on 1st November 2013. The Group is now working to introduce SAP in both Brazil and China. The CBR (POS system) which has been successfully implemented in China will be implemented next in Brazil. In addition, the Group will continue the further expansion of the CRM tools and e-commerce facilities and capabilities.

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

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

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 bring the Group back to 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.

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 period ended 30 September 2013.

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 fulfil 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 2013 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. This deviation is deemed appropriate as it is considered to be more efficient to have one single person to be the Chairman of the Company as well as to discharge the executive functions of a CEO and it provides the Group with strong and consistent leadership. The Board believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises highly experienced individuals. There are four independent non-executive Directors in the Board. All of them possess adequate independence and therefore the Board considers the Company has achieved balance and provided sufficient protection of its interests. Moreover, Mr. Geiger is not a member of any of the committees (Audit Committee, Nomination Committee, and 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. Mr. Geiger is responsible to the Board and focuses on Group strategies and Board issues, ensuring a cohesive working relationship between members of the Board and management. The two Managing Directors have full executive responsibilities in the business directions and operational efficiency of the business units under their respective responsibilities and are accountable to Mr. Geiger.

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

Mrs. Sylvie Duvieusart-Marquant resigned as joint company secretary of the Company on 31 August 2013 and was replaced on 1 September 2013 by Mr. Karl Guénard. Mr. Guénard is based in Luxembourg and 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 Mr. Guénard and Mr. Levilion work closely together on a day to day basis including dealing with matters relating to corporate governance and other Board-related matters. Mr. Kenny Yee Hing Choy resigned as joint company secretary on 25 April 2013 and was replaced on the same date by Ms. Yung Mei Yee, who is based in Hong Kong. Ms. Yung works in coordination with Mr. Guénard in the discharge of all company secretarial duties.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by the Directors of Listed Issuers 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 period ended 30 September 2013.

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.

GENERAL INFORMATION

The consolidated financial statements of the Group for the period ended 30 September 2013 have been reviewed by the Audit Committee of the Company.

PUBLICATION OF INTERIM REPORT

The interim results announcement of the Company is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.loccitane.com). The interim report will be dispatched to the shareholders of the Company and will be available on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.loccitane.com) in due course.

By Order of the Board
L'Occitane International S.A.
Reinold Geiger
Chairman

Hong Kong, 25 November 2013

As at the date of this announcement, the executive directors of the Company are Mr. Reinold Geiger, Mr. Emmanuel Laurent Jacques Osti, Mr. André Joseph Hoffmann, Mr. Thomas Levilion, Mr. Domenico Luigi Trizio and Mr. Karl Guénard, the non-executive director of the Company is Mr. Martial Thierry Lopez and the independent non-executive directors of the Company are Mrs. Valérie Irène Amélie Monique Bernis. Mr. Charles Mark Broadley, Mr. Pierre Maurice Georges Milet and Mr. Jackson Chik Sum Ng.

Disclaimer

The financial information and certain other information presented in a number of tables have been rounded to the nearest whole number or the nearest decimal. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.