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 2016

HIGHLIGHTS

- Under the backdrop of economic uncertainties and sluggish retail market globally, the Group still recorded encouraging growth in emerging countries, emerging brands and e-commerce channels
- Group's net sales were €551.7 million, recording an increase of 1.3% for the first six months of FY2016 at constant exchange rates
- Brazil, Russia and China were among the fastest growing countries, with sales growth at constant rates of 20.5%, 10.6% and 5.4% respectively
- Gross profit margin reached 82.2%, 0.6 points higher than same period last year
- Profit for the period was €26.4 million, an increase of 31.7% as compared to the same period last year

INTERIM RESULTS

The board (the "Board") of directors (the "Directors") 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 2016 together with comparative figures for the six months ended 30 September 2015. 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*	**2016**	**2015**
		€ '000	*€ '000*
Net Sales	2	**551,663**	**546,699**
Cost of sales		(98,230)	(100,758)
Gross profit		**453,433**	**445,941**
% of net sales		82.2%	81.6%
Distribution expenses		(289,448)	(280,681)
Marketing expenses		(77,296)	(71,752)
Research & development expenses		(7,476)	(6,226)
General and administrative expenses		(60,647)	(56,044)
Share of losses from joint venture accounted for using the equity method		(27)	(27)
Other gains, net	3	832	449
Operating profit	4	**19,371**	**31,660**
Finance costs, net	5	(118)	(124)
Foreign currency gains / (losses)		649	(9,591)
Profit before income tax		**19,902**	**21,945**
Income tax credit / (expense)	6	6,545	(1,871)
Profit for the period from continuing operations		**26,447**	**20,074**
Attributable to:			
Equity owners of the company		25,989	19,409
Non-controlling interests		458	665
Total		**26,447**	**20,074**
Effective tax rate		-32.9%	8.5%
Earnings per share for profit attributable to the equity owners of the Company during the period *(expressed in Euros per share)*			
Basic		0.018	0.013
Diluted		0.018	0.013
Number of shares used in earnings per share calculation			
Basic	7	1,464,559,221	1,470,574,041
Diluted	7	1,466,793,552	1,473,883,159

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	*Notes*	30 September 2016 *€ '000*	31 March 2016 *€ '000*
ASSETS			
Property, plant and equipment, net		177,234	181,661
Goodwill		134,586	129,508
Intangible assets, net		59,206	60,540
Deferred income tax assets		93,998	71,189
Investments in joint ventures		(70)	(43)
Other non-current receivables		35,358	33,082
Non-current assets		**500,312**	**475,937**
Inventories, net	9	155,909	136,994
Trade receivables, net	10	102,836	97,498
Other current assets		55,019	52,628
Derivatives financial instruments		259	468
Cash and cash equivalents		390,269	424,818
Current assets		**704,292**	**712,406**
TOTAL ASSETS		**1,204,604**	**1,188,343**
EQUITY AND LIABILITIES			
Share capital		44,309	44,309
Additional paid-in capital		342,851	342,851
Other reserves		(37,845)	(45,975)
Retained earnings		492,787	509,399
Capital and reserves attributable to the equity owners		**842,102**	**850,584**
Non-controlling interests		2,207	4,973
Total equity		**844,309**	**855,557**
Borrowings		87,965	86,382
Other financial liabilities		9,224	8,846
Deferred income tax liabilities		4,072	4,420
Other non-current liabilities		30,559	29,468
Non-current liabilities		**131,820**	**129,116**
Trade payables	11	85,574	92,022
Social and tax liabilities		54,576	63,675
Current income tax liabilities		5,020	8,420
Borrowings		2,445	2,496
Derivatives financial instruments		427	67
Provisions for other liabilities and charges		12,598	19,226
Other current liabilities		67,835	17,764
Current liabilities		**228,475**	**203,670**
TOTAL EQUITY AND LIABILITIES		**1,204,604**	**1,188,343**
NET CURRENT ASSETS		**475,817**	**508,735**
TOTAL ASSETS LESS CURRENT LIABILITIES		**976,129**	**984,672**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. **Basis of preparation**

This condensed consolidated interim financial information ("consolidated interim financial information") for the six-month period ended 30 September 2016 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 2016, 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 this consolidated interim financial information are consistent with those of the annual consolidated financial statements for the year ended 31 March 2016.

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

Interpretations and amendments to IFRSs effective for the financial period beginning 1 April 2016 do not have any material impact on the consolidated financial statements.

2. **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 countries.

2.1 **Operating segments**

For the six months ended 30 September 2016

	Sell-Out € '000	Sell-In € '000	Other reconciling items € '000	Total € '000
Net sales	**400,549**	**151,114**	**—**	**551,663**
In %	*72.6%*	*27.4%*	*—*	*100.0%*
Gross profit	**349,712**	**103,721**	**—**	**453,433**
% of sales	*87.3%*	*68.6%*	*—*	*82.2%*
Distribution expenses	(236,283)	(27,913)	(25,252)	(289,448)
Marketing expenses	(24,233)	(4,897)	(48,166)	(77,296)
Research & development expenses	—	—	(7,476)	(7,476)
General and administrative expenses	—	—	(60,647)	(60,647)
Share of loss from joint operations	—	—	(27)	(27)
Other gains net	308	1	523	832
Operating profit	**89,504**	**70,912**	**(141,045)**	**19,371**
% of sales	*22.3%*	*46.9%*	*—*	*3.5%*

For the six months ended 30 September 2015

	Sell-Out € '000	Sell-In € '000	Other reconciling items € '000	Total € '000
Net sales	**398,180**	**148,519**	**—**	**546,699**
In %	*72.8%*	*27.2%*	*—*	*100%*
Gross profit	**344,597**	**101,344**	**—**	**445,941**
% of sales	*86.5%*	*68.2%*	*—*	*81.6%*
Distribution expenses	(229,233)	(27,561)	(23,887)	(280,681)
Marketing expenses	(25,012)	(3,321)	(43,419)	(71,752)
Research & development expenses	—	—	(6,226)	(6,226)
General and administrative expenses	—	—	(56,044)	(56,044)
Share of loss from joint operations	—	—	(27)	(27)
Other gains / (losses), net	(84)	(51)	584	449
Operating profit	**90,268**	**70,411**	**(129,019)**	**31,660**
% of sales	*22.7%*	*47.4%*	*—*	*5.8%*

2.2. **Geographic areas**

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

30 September	**2016**		**2015**	
In thousands of Euros	*Total*	*In % of total*	*Total*	*In % of total*
Japan	104,460	18.9%	90,113	16.5%
United States	70,838	12.8%	72,277	13.2%
Hong Kong [1]	50,927	9.2%	58,103	10.6%
China	50,797	9.2%	51,438	9.4%
France	43,826	7.9%	45,005	8.2%
Luxembourg - Swiss branch [2]	36,027	6.5%	32,854	6.0%
United Kingdom	26,475	4.8%	31,648	5.8%
Brazil	22,478	4.1%	19,539	3.6%
Russia	17,248	3.1%	17,969	3.3%
Taiwan	15,871	2.9%	16,658	3.0%
Other countries	112,716	20.4%	111,095	20.3%
Net sales	**551,663**	**100%**	**546,699**	**100%**

(1) Includes sales in Macau and to distributors and travel retail customers in Asia.

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

3. **Gains / (Losses) on sale of assets, net**

30 September	**2016** € '000	**2015** € '000
Net gains / (losses) on sale of assets	268	(176)

4. **Depreciation, amortization and impairment**

Operating profit is arrived at after charging the following:

30 September	**2016** € '000	**2015** € '000
Depreciation, amortization and impairment	31,616	29,791

5. **Finance costs, net**

30 September	**2016** € '000	**2015** € '000
Interest on cash and cash equivalents	1,213	1,368
Finance income	**1,213**	**1,368**
Interest expense	(953)	(1,114)
Unwinding of discount of financial liabilities	(378)	(378)
Finance costs	**(1,331)**	**(1,492)**
Finance costs, net	**(118)**	**(124)**

6. **Taxation**

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

30 September	**2016** € '000	**2015** € '000
Profit before income tax	19,902	21,945
Income tax calculated at corporate tax rate *(Luxembourg tax rate of 29.22% as at 30 September 2016 and 30 September 2015)*	(5,815)	(6,412)
Effect of different tax rates in foreign countries	13,890	6,605
Effect of unrecognized tax assets	(1,599)	(1,632)
Expenses not deductible for taxation purposes	210	(327)
Effect of unremitted tax earnings	(141)	(105)
Income tax expense	6,545	(1,871)

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 €26.0 million for the six months ended 30 September 2016 (as compared to €19.4 million for the six months ended 30 September 2015) and the weighted average number of shares in issue of 1,464,559,221 (basic) and 1,466,793,552 (diluted) for the period ended 30 September 2016 and 1,470,574,041 (basic) and 1,473,883,159 (diluted) for the period ended 30 September 2015.

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 2016.

9. **Inventories, net**

Inventories, net consist of the following items:

	30 Sep 2016 *€ '000*	**31 Mar 2016** *€ '000*	**30 Sep 2015** *€ '000*
Raw materials and supplies	20,350	20,956	20,441
Finished goods and work in progress	147,494	128,011	156,464
Inventories, gross	167,844	148,967	176,905
Less: allowance	(11,935)	(11,973)	(13,770)
Inventories, net	155,909	136,994	163,135

10. **Trade receivables, net**

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

	30 Sep 2016 *€ '000*	**31 Mar 2016** *€ '000*	**30 Sep 2015** *€ '000*
Current and past due within 3 months	102,116	95,275	93,804
Past due from 3 to 6 months	666	1,663	612
Past due from 6 to 12 months	17	560	270
Past due over 12 months	37	—	—
Trade receivables, net	102,836	97,498	94,686

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

11. **Trade payables**

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

	30 Sep 2016 *€ '000*	**31 Mar 2016** *€ '000*	**30 Sep 2015** *€ '000*
Current and past due within 3 months	85,150	91,294	88,795
Past due from 3 to 6 months	47	40	1,479
Past due from 6 to 12 months	25	681	75
Past due over 12 months	352	7	424
Trade payables	85,574	92,022	90,773

MANAGEMENT DISCUSSION & ANALYSIS

Summary:

For the six months ended 30 September	**2016**	**2015**
Net sales (€'M)	551.7	546.7
Operating profit (€'M)	19.4	31.7
Profit for the period (€'M)	26.4	20.1
Gross profit margin (% to sales)	82.2%	81.6%
Operating profit margin (% to sales)	3.5%	5.8%
Net profit margin (% to sales)	4.8%	3.7%

Definitions:

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

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

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

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

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

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

Seasonality of operations

The Group is subject to seasonal variances in sales, which are significantly higher in our financial third quarter (between 1 October and 31 December) in anticipation of and during the Christmas holiday season. For the six months ended 30 September 2015, the level of sales represented 42.6% of the annual level of sales in the year ended 31 March 2016 ("FY2016") and the level of operating profit represented 18.8% of the annual operating profit in the year ended 31 March 2016. These ratios are not representative of the annual results for the year ending 31 March 2017 ("FY2017").

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

REVENUE ANALYSIS

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

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

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

Business Segments

The following table provides a breakdown of the net sales year-on-year growth (including and excluding foreign currency translation effects as indicated) by business segment for the six months ended 30 September 2016:

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

[1] Others include marketplaces, mail-orders and other service sales.

[2] Excludes the impact of foreign currency translation effects.

Sell-out

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

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

Sell-in

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

Geographic Areas

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

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

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

(2) Includes sales in Macau and to distributors and travel retail customers in Asia.

(3) Includes sales from Luxembourg.

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

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

(1) Represents percentage of overall net sales growth attributable to Non-comparable Stores, Comparable Stores and Total Stores for the geographic area and period indicated.

(2) Excludes foreign currency translation effects.

(3) Includes 17 and 22 Melvita stores as at 30 September 2015 and 30 September 2016 respectively.

(4) Includes 3 L'Occitane stores in Macau and 10 Melvita stores in Hong Kong as at 30 September 2015 and 2 L'Occitane stores in Macau and 9 Melvita stores in Hong Kong as at 30 September 2016.

(5) Includes 8 and 10 Melvita stores as at 30 September 2015 and 30 September 2016 respectively.

(6) Includes 1 Erborian store as at 30 September 2016.

(7) Includes 5 Melvita and 1 Erborian stores as at 30 September 2015 and 4 Melvita and 1 Erborian stores as at 30 September 2016.

(8) Includes 8 and 18 au Brésil stores as at 30 September 2015 and 30 September 2016 respectively.

(9) Includes 1 Erborian store as at 30 September 2016.

(10) Include 8 Melvita and 1 Erborian stores as at 30 September 2015 and 9 Melvita and 2 Erborian stores as at 30 September 2016.

(11) Include 48 Melvita, 8 Au Brésil and 2 Erborian stores as at 30 September 2015 and 54 Melvita, 18 Au Brésil and 5 Erborian stores as at 30 September 2016.

Japan

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

Hong Kong

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

China

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

Taiwan

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

France

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

United Kingdom

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

United States

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

Brazil

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

Russia

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

Other countries

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

PROFITABILITY ANALYSIS

Cost of sales and gross profit

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

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

Distribution expenses

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

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

The operating pressure was partly offset by:

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

Marketing expenses

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

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

Research & development expenses

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

General and administrative expenses

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

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

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

Operating profit

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

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

  partly offset by;

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

Finance costs, net

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

Foreign currency gains/losses

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

Income tax expense

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

Profit for the period

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

BALANCE SHEET REVIEW

Liquidity and capital resources

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

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

Investing activities

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

The capital expenditures during the period were primarily related to:

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

Financing activities

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

Inventories

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

For the period ended 30 September	**2016**	**2015**
Average Inventory turnover days[(1)]	272	293

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

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

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

  and offset partly by:

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

Trade receivables

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

For the period ended 30 September	**2016**	**2015**
Turnover days of trade receivables[(1)]	33	34

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

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

Trade payables

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

For the period ended 30 September	**2016**	**2015**
Turnover days of trade payables[(1)]	165	164*

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

* Restated due to reclassification.

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

BALANCE SHEET RATIOS

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

For the period ended	30 September 2016 *€ '000*	31 March 2016 *€ '000*	30 September 2015 *€ '000*
Profitability			
Net operating profit after tax (NOPAT)[(1)]	26,604	115,490	20,187
Capital employed[(2)]	587,069	519,616	566,597
Return on capital employed (ROCE)[(3)]	4.5%	22.2%	3.6%
Return on equity (ROE)[(4)]	3.1%	13.0%	2.6%
Liquidity			
Current ratio (times)[(5)]	3.08	3.50	2.50
Quick ratio (times)[(6)]	2.40	2.83	1.92
Capital adequacy			
Gearing ratio[(7)]	7.5%	7.5%	9.3%
Debt to equity ratio[(8)]	net cash position	net cash position	net cash position

[(1)] (Operating profit + foreign currency net gains or losses) x (1 - effective tax rate)

[(2)] Non-current assets - (deferred tax liabilities + other financial liabilities + other non-current liabilities) + working capital. Note that working capital excludes financial liabilities such as dividends and acquisition payment.

[(3)] NOPAT / capital employed

[(4)] Net profit attributable to equity owners of the Company / shareholders' equity at period end excluding minority interest

[(5)] Current assets / current liabilities

[(6)] (Current assets - inventories) / current liabilities

[(7)] Total debt / total assets

[(8)] Net debt / (total assets - total liabilities)

FOREIGN EXCHANGE RISK MANAGEMENT

The Group enters into forward foreign exchange contracts to hedge anticipated transactions, as well as receivables and payables not denominated in our presentation currency, the Euro, for periods consistent with our identified exposures. As at 30 September 2016, the Group had foreign exchange derivatives net liabilities of €0.2 million in the form of foreign exchange forward contracts (in accordance with fair market valuation requirements under IFRS). The notional principal amounts of outstanding forward exchange derivatives as at 30 September 2016 were primarily Japanese Yen for an equivalent of €26.7 million, Chinese Yuan for €12.8 million, United States Dollar for €10.8 million, Great British Pound for €6.6 million and Australian Dollar for €5.4 million and Russian Ruble for €4.6 million.

DIVIDENDS

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

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

POST BALANCE SHEET EVENTS

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

STRATEGIC REVIEW

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

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

Selective omni-channel expansion delivering positive results

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

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

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

Multi-brand focus supporting growth

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

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

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

Encouraging response to new product lines

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

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

Growing digital presence and CRM system

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

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

Continued investment in digital marketing and brand awareness

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

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

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

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

Improved operational efficiency

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

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

Recognising its role in Corporate Social Responsibility

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

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

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

OUTLOOK

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

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

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

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

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 ("Audit Committee") comprising of three non-executive Directors, two of whom are independent non-executive Directors. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and has also discussed auditing, internal controls and financial reporting matters including the review of the consolidated results of the Group for the six months ended 30 September 2016.

CORPORATE GOVERNANCE

The Board reviews its corporate governance practices regularly in order to meet the rising expectations of shareholders, to comply with increasingly stringent regulatory requirements and to 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 2016 save as disclosed below:

Code provision A. 2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

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

Furthermore, Mr. Geiger is supported by Mr. André Hoffmann, Managing Director Asia-Pacific and Vice-Chairman of the Board appointed on 19 April 2016 and by Mr. Domenico Trizio, Group Chief Operating Officer and Group Managing Director of the Company. Mr. Geiger is responsible to the Board and focuses on Group strategies and Board issues, ensuring a cohesive working relationship between members of the Board and management. The two Managing Directors have full executive responsibilities in the business directions and operational efficiency of the business units under their respective responsibilities and are accountable to Mr. Geiger.

Code provision F.1.3 provides that the company secretary should report to the Chairman and CEO. Mr. Karl Guénard ("Mr. Guénard"), joint company secretary of the Company, is based in Luxembourg and reports to Mr. Thomas Levilion ("Mr. Levilion"), an executive Director and the Group's Deputy General Manager whose primary responsibility is to oversee the Group's finance functions worldwide. The Company believes this is appropriate because both Mr. Guénard and Mr. Levilion work closely together on a day-to-day basis including dealing with matters relating to corporate governance and other Board-related matters. Ms. Ming Wai Mok ("Ms. Mok"), another joint company secretary of the Company, is based in Hong Kong. Ms. Mok 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 (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 2016.

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

On 1 April 2016, the Company held 8,348,170 shares in treasury. During the first half of FY2017, the Company repurchased a total of 4,057,500 shares on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") with an aggregate amount of HK$63,272,881.46, which were transferred to treasury on 28 September 2016.

Details of the shares repurchased during the period are set out as follows:

Month of Repurchases	Number of shares purchased	Price paid per share		Aggregate consideration paid
		Highest	Lowest	
June 2016	1,907,500	HK$15.80	HK$13.50	HK$29,602,196.46
July 2016	2,150,000	HK$16.50	HK$15.24	HK$33,670,685.00

The Company held 12,405,670 shares in treasury on 30 September 2016.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 September 2016.

GENERAL INFORMATION

The consolidated financial statements of the Group for the six months ended 30 September 2016 have been reviewed by the Audit Committee.

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, 29 November 2016

As at the date of this announcement, the executive directors of the Company are Mr. Reinold Geiger (Chairman and Chief Executive Officer), Mr. André Hoffmann (Vice-Chairman & Managing Director Asia-Pacific), Mr. Domenico Trizio (Group Managing Director), Mr. Thomas Levilion (Group Deputy General Manager, Finance and Administration) and Mr. Karl Guénard (Joint Company Secretary), the non-executive director of the Company is Mr. Martial Lopez and the independent non-executive directors of the Company are Mrs. Valérie Bernis, Mr. Charles Mark Broadley, Mr. Pierre 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.