L'OCCITANE
EN PROVENCE

L'OCCITANE INTERNATIONAL S.A.

(Incorporated under the laws of Luxembourg with limited liability)

Stock code : 973

FY2016
Interim Report

L'OCCITANE
EN PROVENCE

L'OCCITANE
AU BRÉSIL

Melvita

1862
LE COUVENT DES MINIMES

erborian
KOREAN SKIN THERAPY
PARIS · SEOUL

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

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CORPORATE INFORMATION

Executive Directors

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

Non-Executive Director

Martial Lopez

Independent Non-Executive Directors

Charles Mark Broadley
Jackson Chik Sum Ng
Valérie Bernis
Pierre Milet

Joint Company Secretaries

Karl Guénard
Mei Yee Yung

Authorised Representatives

André Hoffmann
Jackson Chik Sum Ng

Company Legal Name

L'Occitane International S.A.

Date of Incorporation

22 December 2000

Date of Listing in Hong Kong

7 May 2010

Registered Office

49, Boulevard Prince Henri
L-1724 Luxembourg

Headquarter Offices

49, Boulevard Prince Henri
L-1724 Luxembourg

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

Principal Place of Business in Hong Kong

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

Stock Code

973

Company Website

www.loccitane.com

Audit Committee

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

Remuneration Committee

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

Nomination Committee

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

Principal Bankers

Groupe Crédit Agricole
- Crédit Agricole CIB
- Le Crédit Lyonnais (LCL)
- Caisse Régionale du Crédit Agricole Mutuel Provence Côte d'Azur

HSBC France
BNP Paribas
Groupe Société Générale
- Société Générale
- Crédit du Nord

Barclays
Natixis
CIC Lyonnaise de Banque

Auditor

PricewaterhouseCoopers

Principal Share Registrar and Transfer Office

49, Boulevard Prince Henri L-1724 Luxembourg

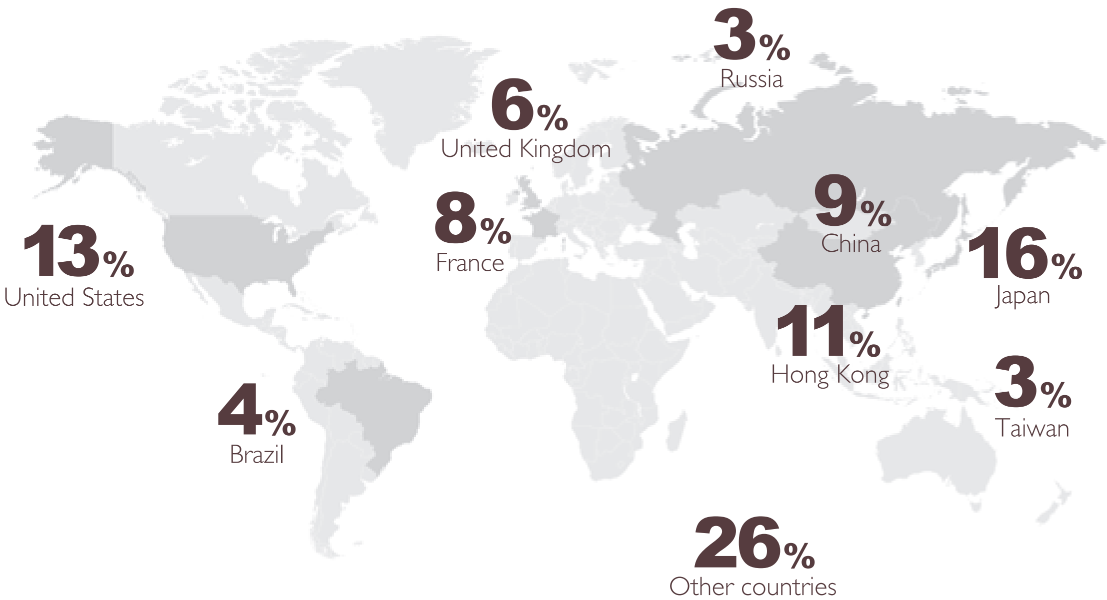
Hong Kong Share Registrar

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

Financial Highlights

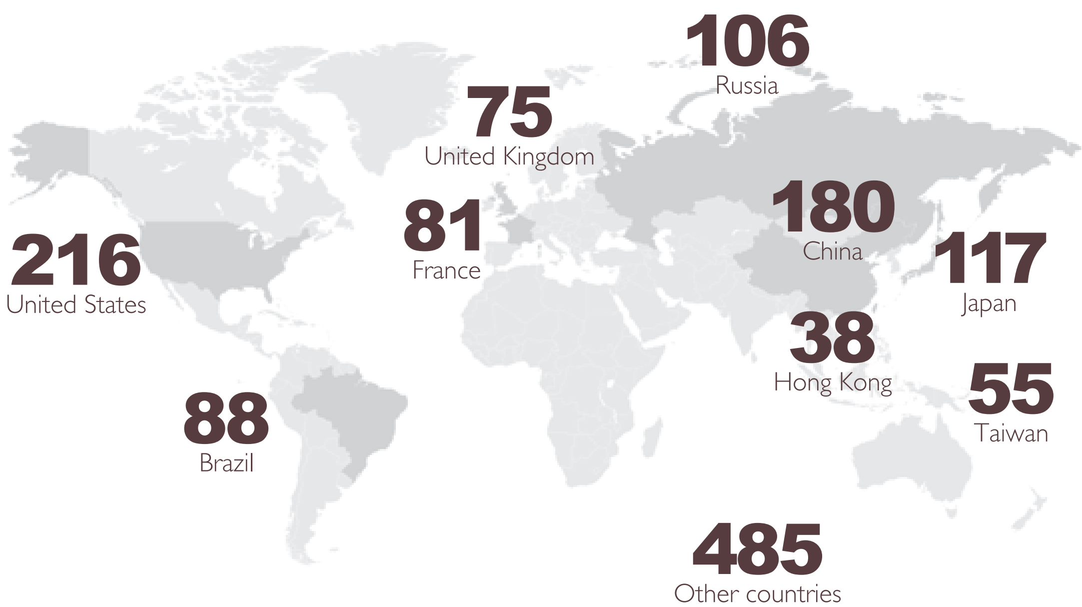
OUR ACTIVITY WORLDWIDE

Net sales (%) by geographic areas



OUR STORES WORLDWIDE

2,859 retail locations and 1,441 stores operated directly by the group



Highlights of results for the six months ended 30 September	***2015***	*2014*
Net sales *(€ million)*	**546.7**	485.9
Operating profit *(€ million)*	**31.7**	31.4
Profit for the period *(€ million)*	**20.1**	37.3
Gross profit margin	**81.6%**	80.3%
Operating profit margin	**5.8%**	6.5%
Net profit margin	**3.7%**	7.7%
Net operating profit after tax *(€ million)* (NOPAT)(1)	**20.2**	37.3
Capital employed *(€ million)*(2)	**566.6**	623.5
Return on capital employed (ROCE)(3)	**3.6%**	6.0%
Return on equity (ROE)(4)	**2.6%**	4.8%
Current ratio (times)(5)	**2.5**	3.2
Gearing ratio(6)	**9.3%**	9.8%
Average inventory turnover days(7)	**293**	307
Turnover days of trade receivables(8)	**34**	34
Turnover days of trade payables(9)	**167**	165
Total number of own stores(10)	**1,441**	1,340
Profit attributable to equity owners *(€ million)*	**19.4**	36.6
Basic earnings per share *(€)*	**0.013**	0.025

Notes:

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

Disclaimer

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

Chairman's Statement

Photo by Ranjan Basu, Planman Media

Message from

REINOLD GEIGER

Chairman and Chief Executive Officer

FY2016 IS A YEAR OF TRANSFORMATION FOR L'OCCITANE; A YEAR TO BE MARKED BY INNOVATION FOR SUSTAINABLE GROWTH. WE'VE TARGETED A SERIES OF INVESTMENTS WITH AN AIM TO RAISE BRAND AWARENESS AND UNLOCK GROWTH POTENTIAL FOR L'OCCITANE AND EMERGING BRANDS, SPREAD OUT OUR TRUE STORIES THROUGH INNOVATION AND DIGITAL.

The first half of financial year 2016 tested and witnessed L'Occitane's adaptivity and sustainability. Under the backdrop of global political and economic tensions, we've delivered resilient sales performance across all regions. Part of the 12.5% sales growth is attributable to our commitment to enrich offerings, on both brand and product side. We are pleased to see emerging brands like Melvita and L'Occitane au Brésil delivered marvelous growth in France, Japan, and Brazil. We've also started to roll out standalone stores for Erborian, the French and Korean fusion brand which aims at natural perfection. Erborian's new stores in Paris and Seoul gained good traction, warmed up the grand openings in Russia and HK in the third quarter.

With the passion to quality cosmetics in the finest natural ingredients and curiosity to the secret of natural beauty, our strong product pipeline including Reine Blanche, Cédrat and Citrus Verbena, one by one excited our loyal customers and revolutionized the premium beauty market. Reine Blanche demonstrated our state-of-the-art capability, creating a whitening range featuring an unconventional technique with natural ingredients. We are confident to attract a good pickup in the third quarter with superior additions to our signature Divine collection, as well as the inspiring and exciting festive collaboration with our creative and artistic partner, Pierre Hermé.

Our most valuable assets under this ever-changing environment are entrepreneurship and dedicated team. Our evolving culture and entrepreneur spirit guided us through many significant moments, in particular our digital revolution and the "Brand Awareness Program". We are again a pioneer to lead the investment in digital, from marketing, CRM, platform integration to research on consumer behavior. With sophisticated designs and inspiration from our talent pools across key regions, we will infuse "digical" (digital + physical) concept to our on-line and brick and mortar touch points. The success of our omni-channel strategy is well endorsed by fast growing E-commerce business and impressive store traffic backed by loyal clientele.

In our mind, respect for environment, society and human is equally important as business. The ongoing dialogue with all of our stakeholders allowed us a comprehensive approach while remain attentive and open to exchange. As an affirmed member of UN Global Compact since year 2011, our commitment to the 10 guiding principles not only made influences, but also contributed great satisfaction for all of our employees. I am proud to see that L'Occitane has been recognized by the UN as an exemplary company for its actions in Burkina Faso, and over these years, we have moved our steps further with our up-and-running Green Technology Laboratory, ongoing Employee Commitment Programme, responsible purchasing policy and traceable supply chains. Most important of all, this caring culture also cultivated a sustainable and balanced talent pool to support our growth.

Looking ahead, the fear of global economic downturn as well as economic and political unrest will continue to impact consumer sentiment across all markets. The recent terror attack in Paris did not quite tear apart our confidence and solidarity; we instead experienced a worldwide unity within our company which reaffirmed that we are well positioned to tap into growth opportunities in the face of challenging times. Our L'Occitane & Pierre Hermé holiday edition which demonstrated well our innovative capability is expected to unveil a tremendous start to our peak season. In the long run, we believe our focused and disciplined investment will create lasting value in return of the unwavering support from our shareholders.


CRÈME MASQUE DIVINE

MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion & Analysis

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 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. This also includes other sales from mail order and market place.

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 2014, the level of sales represented 41.2% of the annual level of sales in the year ended 31 March 2015 and the level of operating profit represented 19.1% of the annual operating profit in the year ended 31 March 2015. These ratios are not representative of FY2016 annual results.

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 €546.7 million for the six months ended 30 September 2015, an increase of €60.8 million or 12.5% as compared to the six months ended 30 September 2014. At constant exchange rates, net sales increased by 5.8%. Net sales in Sell-out and Sell-in business segments, representing 72.8% and 27.2% respectively of total net sales, increased by 5.9% and 5.4% respectively, at constant exchange rates.

The Group increased the total number of retail locations where the products are sold from 2,797 as at 31 March 2015 to 2,859 as at 30 September 2015, an increase of 2.2%. The Group maintained its selective global retail expansion strategy and increased the number of its own retail stores by 4.1% from 1,384 as at 31 March 2015 to 1,441 as at 30 September 2015, representing a net increase of 57 stores, compared to 38 net openings (excluding acquisitions) during the same period last year.

At constant exchange rates, the net sales from Comparable Stores, Non-comparable Stores and Sell-in segments contributed 15.8%, 58.6% and 25.6% respectively to Overall Growth for the period ended 30 September 2015.

China, Japan and France were the key contributing countries of net sales growth for the six months ended 30 September 2015.

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 2015:

	YEAR-ON-YEAR GROWTH			
	€'000 Growth	*% Growth*	*% Growth(2)*	*% Contribution to Overall Growth(2)*
Sell-out	**44,464**	**12.6**	**5.9**	**74.4**
Comparable Stores	22,370	8.2	1.6	15.8
Non-comparable Stores (1)	22,094	26.9	20.0	58.6
Sell-in	**16,361**	**12.4**	**5.4**	**25.6**
Overall Growth	**60,825**	**12.5**	**5.8**	**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 2015, the Sell-out business segment accounted for 72.8% of the Group's net sales and amounted to €398.2 million, an increase of 12.6% as compared to the same period last year and a 5.9% increase at constant exchange rates. Non-comparable Stores were the main contributor towards this local currency growth.

Sell-out segment contributed 74.4% to Overall Growth for the six months ended 30 September 2015, with 58.6% from Non-comparable Stores and 15.8% from Comparable Stores. The Group's online retail channel maintained its momentum with a 20.6% growth at constant exchange rates during the six months ended 30 September 2015 as compared to the same period last year.

There was a net addition of 57 own stores during the six months ended 30 September 2015, including net additions of 19 stores in China, 7 stores in Brazil, 6 stores in Japan, 2 stores each in Hong Kong, the UK and USA, 20 stores in Other Countries and 1 net closing in Russia. The Group continued to upgrade its retail network with 64 stores renovated or relocated during the six months ended 30 September 2015.

Sell-in

For the six months ended 30 September 2015, the Sell-in business segment accounted for 27.2% of the Group's total sales and amounted to €148.5 million, an increase of 12.4% as compared to the same period last year and a 5.4% increase at constant exchange rates. The growth was primarily driven by B2B, wholesale and distribution channels. Travel retail business in Asia was hampered by the outbreak of MERS in Korea, which significantly affected the inbound tourism flows in HK and Macau whilst business in the Americas and the Middle East was affected by strong US dollar.

Geographic Areas

The following table presents our net sales growth for the period ended 30 September 2015 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 2015		**30 September 2014**		*Growth*	*Growth*	*Growth[(1)]*	*Contribution to Overall Growth[(1)]*
	€'000	*%*	*€'000*	*%*	*€'000*	*%*	*%*	*%*
Japan	90,113	16.5	81,024	16.7	9,089	11.2	8.2	23.7
Hong Kong[(2)]	58,103	10.6	54,505	11.2	3,598	6.6	(12.0)	(23.4)
China	51,438	9.4	35,673	7.3	15,765	44.2	20.4	26.0
Taiwan	16,658	3.0	14,747	3.0	1,911	13.0	(1.3)	(0.7)
France	45,005	8.2	40,506	8.3	4,499	11.1	11.1	16.0
United Kingdom	31,648	5.8	27,016	5.6	4,632	17.1	4.9	4.7
United States	72,277	13.2	59,056	12.2	13,220	22.4	0.6	1.3
Brazil	19,539	3.6	22,050	4.5	(2,511)	(11.4)	5.6	4.4
Russia	17,969	3.3	22,006	4.5	(4,037)	(18.3)	8.1	6.4
Other countries[(3)]	143,950	26.3	129,291	26.6	14,659	11.3	9.0	41.6
All countries	**546,699**	**100.0**	**485,874**	**100.0**	**60,825**	**12.5**	**5.8**	**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 percentage contribution to Overall Growth and the Same Store Sales Growth for the six months ended 30 September 2015 compared to the six months ended 30 September 2014:

	Own Retail Stores				% contribution to Overall Growth[(1) (2)]			
	30 Sep 2015	*Net openings YTD Sep 2015*	*30 Sep 2014*	*Net openings YTD Sep 2014*	*Non-comparable Stores*	*Comparable Stores*	*Total Stores*	*Same Store Sales Growth %* [(2)]
Japan[(3)]	117	6	108	2	9.4	12.9	22.4	6.9
Hong Kong[(4)]	38	2	35	3	(3.7)	(8.2)	(12.0)	(16.2)
China[(5)]	180	19	145	9	11.3	2.3	13.6	2.5
Taiwan	55	—	55	1	(0.7)	(2.0)	(2.8)	(6.2)
France[(6)]	81	—	80	5	2.8	4.6	7.4	6.4
United Kingdom	75	2	72	4	2.0	1.2	3.2	2.4
United States	216	2	208	11	5.0	(2.8)	2.2	(1.8)
Brazil	88	7	80	2	2.4	2.4	4.8	5.1
Russia[(7)]	106	(1)	111	1	1.0	3.3	4.3	7.0
Other countries[(8)]	485	20	446	7	15.9	2.2	18.0	0.9
All countries	**1,441**	**57**	**1,340**	**45**	**45.3**	**15.8**	**61.2**	**1.6**

(1) Represents percentage of overall net sales growth attributable to Non-comparable Stores, Comparable Stores and Total Stores for the geographic area and period indicated.
(2) Excludes foreign currency translation effects.
(3) Includes 11 and 17 Melvita stores as at 30 September 2014 and 30 September 2015 respectively.
(4) Includes 3 L'Occitane stores in Macau and 10 Melvita stores in Hong Kong as at 30 September 2014 and 30 September 2015.
(5) Includes 8 Melvita stores as at 30 September 2015.
(6) Includes 4 Melvita stores as at 30 September 2014 and 5 Melvita and 1 Erborian stores as at 30 September 2015.
(7) Includes 4 Melvita stores as at 30 September 2014.
(8) Includes 7 L'Occitane stores from the acquisition of distributor in Norway and 7 Melvita stores as at 30 September 2014 and 8 Melvita and 1 Erborian stores as at 30 September 2015.

Japan

Japan's net sales for the six months ended 30 September 2015 were €90.1 million, an increase of 11.2% as compared to the same period last year. At constant exchange rates, Japan's sales growth was 8.2%, contributing 23.7% to Overall Growth. Same Store Sales Growth was 6.9 %, thanks to the successful product launches and marketing campaigns. Comparable Stores contributed 12.9% to Overall Growth and Non-comparable Stores contributed 10.0% to Overall Growth. During the period, Japan had a net addition of 6 stores. At constant exchange rates, Sell-in sales recorded a growth of 3.2% as compared to the same period last year and contributed 0.7% to Overall Growth.

Hong Kong

Hong Kong's net sales for the six months ended 30 September 2015 were €58.1 million, an increase of 6.6% as compared to the same period last year. At constant exchange rates, the growth was -12.0%, posting a negative contribution of 23.4% to Overall Growth. Under weak market sentiment and sharp decrease in mainland Chinese tourists, Sell-out segment saw a drop of 14.3% with Same Stores Sales Growth posting a decline of 16.2%. Business environment for Sell-in segment was also challenged, in particular travel retail business in Asia. Travel retail sell-through was affected by the lagging effects of MERS in Korea and a material traffic drop in Hong Kong and Macau.

China

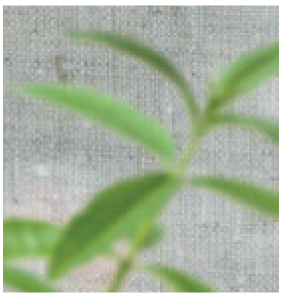
China's net sales for the six months ended 30 September 2015 were €51.4 million, an increase of 44.2% as compared to the same period last year. At constant exchange rates, the growth was 20.4%, contributing 26.0% to Overall Growth. China had the highest growth of the Group, mainly driven by the quality new stores which have been opened during last and current financial years and sales to T-mall, together contributing 20.0% to Overall Growth. China had a net addition of 19 stores, representing 11 L'Occitane stores and 8 Melvita stores opened during the first half of the financial year. At constant exchange rates, Sell-in sales recorded an increase of 18.7%, contributing 3.7% to Overall Growth.

Taiwan

Taiwan's net sales for the six months ended 30 September 2015 were €16.7 million, an increase of 13.0% as compared to the same period last year. At constant exchange rates, the growth was -1.3%, contributing -0.7% to Overall Growth. Same Store Sales deteriorated to -6.2% as a result of weakened retail environment together with the severe weather caused by typhoons during the second quarter of FY2016. Sell-out sales recorded a drop of 2.0% whilst Sell-in sales posted an increase of 4.2% at constant exchange rates, mainly contributed by B2B channel.

France

France's net sales for the six months ended 30 September 2015 were €45.0 million, an increase of 11.1% as compared to the same period last year, contributing 16.0% to Overall Growth. Sell-out sales growth was 9.2% and contributed 7.2% to Overall Growth, with a solid Same Store Sales Growth of 6.4%. Sell-in sales recorded a growth of 13.3%, contributing 8.9% to Overall Growth. The healthy growth in both Sell-out and Sell-in segments were driven by a combination of factors, including new local customer acquisition programs, successful product launches, notable increase in tourist traffic and accelerated growth of the emerging brands Erborian and Melvita.



United Kingdom

The United Kingdom's net sales for the six months ended 30 September 2015 climbed to €31.6 million, an increase of 17.1% as compared to the same period last year. At constant exchange rates, the growth was 4.9%, contributing 4.7% to Overall Growth. Sell-out segment posted a growth of 4.5% and contributed 3.2% to Overall Growth, with a balanced contribution from both Comparable Stores and Non-comparable Stores. Comparable Store Sales grew by 2.4% in local currency, contributing 1.2% to Overall Growth. Non-comparable Store Sales contributed 2.0% to Overall Growth mainly due to the 2 stores opened during the period and 5 stores opened in last financial year. Sell-in segment recorded an increase of 5.9% in local currency and contributed 1.5% to Overall Growth.

United States

The United States's net sales for the six months ended 30 September 2015 were €72.3 million, an increase of 22.4% as compared to the same period last year. At constant exchange rates, the growth was 0.6%, contributing 1.3% to Overall Growth. Sell-out channel recorded a growth of 1.1% at constant exchange rates, contributing 2.0% to Overall Growth. Same Store Sales Growth was -1.8% which contributed -2.8% to Overall Growth. Non-comparable Store Sales recorded a growth of 19.3% at constant rates and contributed 5.0% to Overall Growth, mainly supported by the ramp-up of net addition of 17 stores in FY2015 and net addition of 2 stores during the period. The retail environment remained tough due to slow economic growth, strong US dollar and sluggish tourist traffic. Sell-in segment dropped by 2.3% at constant exchange rates, contributing -0.7% to Overall Growth, mainly due to the exit from Nordstrom.

Brazil

Brazil's net sales for the six months ended 30 September 2015 were €19.5 million, a decrease of 11.4% as compared to same period last year. At constant exchange rates, the growth was 5.6%, contributing 4.4% to Overall Growth. The growth was driven by Sell-out segment. Despite the plunging economy, the Company recorded Same Store Sales Growth of 5.1% in Brazil, with a contribution of 2.4% to Overall Growth, partly contributed by the encouraging Same Store Sales Growth of L'Occitane au Brésil at 24.0%. Non-comparable Stores Sales growth was supported by net addition of 3 stores in FY2015 and net addition of 7 stores during the period, contributing 2.4% to Overall Growth. Sell-in segment dropped by 4.6% at constant exchange rates, contributing -0.6% to Overall Growth.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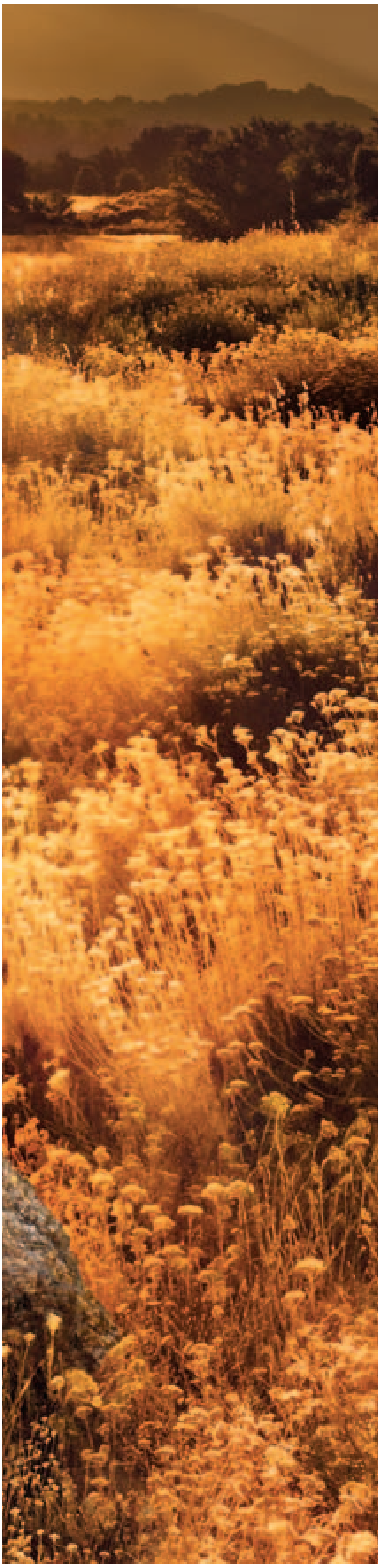


Russia

Russia's net sales for the six months ended 30 September 2015 were €18.0 million, a decrease of 18.3% 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 8.1%, contributing 6.4% to Overall Growth. The growth was driven by both Sell-out and Sell-in segments, contributing 3.5% and 2.8% respectively to Overall Growth. Same Store Sales Growth remained healthy at 7.0% for the period as compared to a high base of 12.2% in the same period last year. E-commerce sales grew rapidly at 56.6% at constant exchange rates. The Russia economy continued to deteriorate under the international sanctions, tumbling Russian ruble, high inflation and sluggish retail market. Sales were affected by a drop in retail traffic and tickets but compensated by the price increases during the period.

Other countries

Other countries' net sales for the six months ended 30 September 2015 were €144.0 million, an increase of 11.3% as compared to the same period last year. At constant exchange rates, the growth was 9.0%, contributing 41.6% to Overall Growth. Sell-out segment recorded a growth of 6.9% at constant rates and contributed 20.5% to Overall Growth. Comparable Store Sales contributed 2.2% to Overall Growth with Same Store Sales Growth of 0.9%. Non-comparable Stores contributed 18.3% to the Overall Growth as a result of contentious expansion of store network. During the six months ended 30 September 2015, the number of own stores in other countries increased from 465 at the end of March 2015 to 485, a net increase of 20 stores. In terms of geographical area, 6 of the new stores were opened in Asia, 9 in Europe and South Africa and 5 in the Americas. At constant exchange rates, Canada, Australia and Germany led the growth with net sales grew by 18.8%, 15.1% and 9.5% respectively. Sell-in sales increased by 12.8% at constant exchange rates and contributed 21.1% to Overall Growth, mainly driven by increased sales from travel retail business in Europe, B2B and other wholesale customers.

PROFITABILITY ANALYSIS

Cost of sales and gross profit

Cost of sales increased by 5.1%, or €4.9 million to €100.8 million for the six months ended 30 September 2015 compared to the same period last year. The gross profit margin increased by 1.3 points to 81.6% for the period ended 30 September 2015 as compared to 80.3% for the same period last year. The increase in gross profit margin was essentially due to favourable exchange rates for 1.1 points of net sales, price increases in certain key countries during the period and favourable product mix effects for 0.6 points and lower freight and duties and better inventory management for another 0.5 points.

The gross margin improvement was partly offset by the increase in production costs for 0.2 points, brand, channel & product mixes for 0.3 points, higher usage of MPPs and boxes for another 0.3 points and other effects for 0.1 points.

Distribution expenses

Distribution expenses increased by 13.7%, or €33.9 million, to €280.7 million for the period ended 30 September 2015 compared to the same period last year. As a percentage of net sales, the distribution expenses increased by 0.5 points to 51.3% of net sales for the period ended 30 September 2015. This increase was attributable to a combination of:

- higher investment to enhance staff structure in wholesale, travel retail and emerging brands and to implement POS systems and store digitalization in some countries for 0.5 points;
- lower leverage in retail personnel costs, rental expenses and depreciation for 0.8 points; and
- other effects for a total of 0.2 points

The operating pressure was partly offset by

- favourable channel mix for 0.4 points
- positive foreign exchange conversion effects for 0.3 points; and
- costs savings and logistics efficiency for 0.3 points.

Marketing expenses

Marketing expenses increased by 25.8%, or €14.7 million, to €71.8 million for the period ended 30 September 2015 compared to the same period last year. The marketing expenses, as a percentage of net sales, increased by 1.4 points to 13.1% of net sales for the period ended 30 September 2015. This increase was attributable to:

- increase in advertising expenditure, in particularly digital marketing, PR events and marketing materials for 0.9 points;
- enhancement of the product development and digital teams as well as the marketing teams for a total of 0.7 points;
- unfavourable brand mix effect for 0.2 points as a result of a higher share of the emerging brands in sales mix, commanding a higher level of marketing expenses; and
- phasing and other effects for 0.2 points.

This was mitigated by a favourable exchange rate effect of 0.2 points and improvement in leverage and efficiency for 0.4 points.

Research & development expenses

Research and development ("R&D") expenses increased by 3.2%, or €0.2 million, to €6.2 million for the period ended 30 September 2015 compared to the same period last year. The R&D expenses decreased by 0.1 points to 1.1% of net sales for the period ended 30 September 2015. The improvement was mainly due to leverage on higher sales and favourable exchange rates.

General and administrative expenses

General and administrative expenses increased by 14.1%, or €6.9 million, to €56.0 million compared to the same period last year. The general and administrative expenses, as a percentage of net sales, increased by 0.2 points to 10.3% of the net sales for the period ended 30 September 2015. This increase was attributable to a combination of:

- reinforcement of the management teams in certain subsidiaries as well as in the headquarters for 0.5 points; and
- one-off expenses and others for 0.2 points; and

This was partly mitigated by leverage and efficiency on higher sales for 0.3 points and favourable exchange rates effect for 0.2 points.

Operating profit

Operating profit increased by 0.7%, or €0.2 million, to €31.7 million for the period ended 30 September 2015; however, the operating profit margin decreased by 0.7 points to 5.8% of net sales. The decrease in our operating profit margin is explained by the combination of:

- increase in advertising, marketing and product development expenses for 1.7 points; reinforcement in retail sales teams and new stores opening for 0.5 points; and organization structure enhancement for future growth in the headquarters and certain subsidiaries for another 0.5 points;
- unfavourable brand mix for 0.4 points as a result of a higher share of the emerging brands in sales mix, commanding a higher level of marketing expenses;
- drop in leverage of distribution expenses for 0.3 points;
- one-off and other costs incurred this year for 0.4 points;

partly offset by;

- favourable exchange rates effects for 1.8 points;

- improvement in efficiency for 0.9 points;
- favourable price and product mix effect, partly offset by a higher usage of MPPs and boxes, for 0.2 points; and
- positive channel mix effect for 0.2 points.

Finance costs, net

Net finance costs, at €0.1 million for the period ended 30 September 2015, remained the same as compared to the same period last year.

Foreign currency gains/losses

Net foreign currency losses amounted to €9.6 million for the six months ended 30 September 2015, as compared to net currency gains of €8.9 million for the same period last year. The losses this year were mainly unrealized and resulted from period-end conversion of intercompany loans and trade balances into euro, at relatively stronger euro rates against various foreign currencies at the end of September 2015 as compared to those rates at the end of March 2015, leading to unrealized foreign exchange losses on these loans and trade balances, notably with subsidiaries in Brazil, Russia, South Africa, Mexico, Malaysia and Korea. No material gain or loss was recorded in other subsidiaries using major hard currencies, which can be hedged by financial instruments at relatively reasonable costs.

Income tax expense

The effective income tax resulted in an expense of €1.9 million for the period ended 30 September 2015, as compared to €3.0 million for the period ended 30 September 2014, representing an effective income tax rate of 8.5% for the period ended 30 September 2015. The decrease in income tax expense is explained by the lower profits notably in countries with high tax rates, combined with favourable effects on the deferred tax assets related to intercompany margins. This was partly offset by unfavourable exchange rates effects also impacting the intercompany margins.

Profit for the period

For the aforementioned reasons, profit for the six months ended 30 September 2015 decreased by 46.2% or €17.2 million to €20.1 million, as compared to the same period last year. For the period ended 30 September 2015, the basic and diluted earnings per share decreased by 47.0% and 47.1% respectively.

BALANCE SHEET REVIEW

Liquidity and capital resources

As at 30 September 2015, the Group had cash and cash equivalents of €400.0 million, as compared to €395.1 million as at 31 March 2015 and €289.2 million as at 30 September 2014.

As at 30 September 2015, the aggregate amount of undrawn borrowing facilities was €310.7 million. As at 30 September 2015, the total borrowings, including finance lease liabilities, current accounts with minority shareholders and bank overdrafts, amounted to €111.7 million, as compared to €110.2 million as at 31 March 2015.

Investing activities

Net cash used in investing activities was €32.9 million for the six months ended 30 September 2015, as compared to €33.9 million same period last year, representing a decrease of €1.0 million. This reflected capital expenditures primarily related to:

- the addition of leasehold improvements, other tangible assets, key moneys and changes in deposits related to stores for €16.4 million;
- additions in IT software and equipment for €4.6 million, including €3.3 million for hardware and equipment and €1.3 million for various software; and
- purchases of machinery, equipment, construction, fittings and others for the factories, R&D, warehouses and offices for €11.3 million. Out of this amount €6.6 million were in progress in the Manosque facility.

Financing activities

Net cash inflow generated from financing activities was €0.3 million for the six months ended 30 September 2015. During the same period last year, net cash outflow was €15.2 million generated from financing activities. Net cash inflow from financing activities during the period under review mainly reflected the cash needs at subsidiary level.

Inventories

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

FOR THE PERIOD ENDED 30 SEPTEMBER	***2015***	*2014*
Average Inventory turnover days(1)	**293**	307

(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 €163.1 million as at 30 September 2015, a decrease of €10.2 million or 5.9% as compared to €173.3 million as at 30 September 2014. The decrease in inventory turnover days by 14 days was due to:

- a decrease in raw materials at the factory by net 10 days;
- a decrease in finished goods at subsidiaries in particular the USA, Japan and the UK for a total of 21 days;

and offset by

- unfavourable foreign exchange rates effects for 12 days; and
- higher Mini Products and Pouches (“MPP”) and box inventory and allowances for 5 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	***2015***	*2014*
Turnover days of trade receivables(1)	**34**	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 remained at 34 days for the period ended 30 September 2015.

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	***2015***	*2014*
Turnover days of trade payables(1)	**167**	165

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

The increase in 2 turnover days of trade payables for the period ended 30 September 2015 was mainly due to increase in accrued expenses at certain subsidiaries for 4 days. This was offset by 2 turnover days from the foreign exchange effects.

BALANCE SHEET RATIOS

The Group's profitability ratios for the six months ended 30 September 2015 decreased as compared to same period last year. Return on capital employed for the six months ended 30 September 2015 dropped to 3.6% as compared to 6.0% for the same period last year. The decrease was mainly explained by a 45.9% decrease in net operating profit after tax, together with a decrease of 9.1% in capital employed. Return on equity was 2.6% for the six months ended 30 September 2015 compared to 4.8% same period last year. The decrease was mainly explained by a decrease of 47.0% in net profit attributable to equity owners, together with a decrease of 1.5% 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 2015 €'000***	*31 March 2015 €'000*	*30 September 2014 €'000*
Profitability			
Net operating profit after tax (NOPAT)(1)	**20,187**	128,991	37,338
Capital employed(2)	**566,597**	575,238	623,480
Return on capital employed (ROCE)(3)	**3.6%**	22.4%	6.0%
Return on equity (ROE)(4)	**2.6%**	14.3%	4.8%
Liquidity			
Current ratio (times)(5)	**2.50**	3.55	3.15
Quick ratio (times)(6)	**1.92**	2.76	2.25
Capital adequacy			
Gearing ratio(7)	**9.3%**	9.1%	9.8%
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 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 2015, the Group had foreign exchange derivatives net assets of €0.3 million in the form of forward foreign exchange contracts (in accordance with fair market valuation requirements under IFRS). The notional principal amounts of outstanding forward exchange derivatives as at 30 September 2015 were primarily Japanese Yen for an equivalent of €18.6 million, United States Dollar for €2.7 million, Chinese Yuan for €4.0 million, Great British Pounds for €1.6 million and Mexican Pesos for €0.1 million.

DIVIDENDS

At the Board meeting held on 1 June 2015, the Board recommended a distribution of a gross final dividend of €0.0291 together with a special dividend of €0.034 per share for an aggregated sum of €92.8 million or 75.8% of the net profit attributable to the equity owners of the Company. The total amount of the proposed final and special dividends is based on 1,470,574,041 shares in issue as at 30 September 2015 excluding 6,390,850 treasury shares. The shareholders of the Company approved both the final and special dividends at the annual general meeting held on 30 September 2015. The dividends were paid on 22 October 2015.

POST BALANCE SHEET EVENTS

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

STRATEGIC REVIEW

During the first half of financial year 2016 ("FY2016"), the Group continued its long term strategy of investing for sustainable growth. Some of its key markets posted resilient growth despite the challenging global economic backdrop, supported by management team's commitment to pursue innovative approaches in product development, marketing and CRM initiatives. The Group's focused investment during the period has empowered its emerging brands, particularly Melvita and L'Occitane au Brésil, the growth of which was impressive and presented a lucrative opportunity in the long term. The quality new stores it opened selectively over the past two years, as well as on-line channels expanded strategically under its omni-channel expansion strategy have also added on to the growth globally.

Optimized Omni-Channel Expansion

The expansion and upgrade of our retail network continued to drive a balanced growth across channels, with China, France, Japan and Russia being the best performing markets growing at 20.4%, 11.1%, 8.2% and 8.1% respectively.

As part of the selective omni-channel strategy, the Group grew the total number of own retail stores to 1,441 and upgraded 64 of them in the first six months of FY2016. On top of the flagship stores and these quality physical touch points, some of which equipped with

digital features and demonstrated L'Occitane's core value, the Group also recorded initial success with its E-commerce outreach through own website, marketplaces and web partners.

In France and UK, the new "order online, pick in stores" services proved L'Occitane's caring way of customer services and elevated shopping experience at L'Occitane's every touch point.

Focused CRM and Digital Marketing Investment

During the period, the marketing and CRM teams in some of the key markets have also continued to initiate innovative collaboration with social networking platforms, such as Line in Japan, Kakao Talk in Korea, as well as Wechat in China, with an aim to further integrate its physical and digital platforms to enhance brand experience so as to engage new and re-engage existing consumers.

Under the new brand awareness program to raise L'Occitane's awareness and relevance to skincare products, the Group launched a "Skin Care Recruitment Campaign" with targeted digital sampling mechanism being one of the key features, in a hope to drive new customer acquisition in an efficient manner.

To facilitate the spread of L'Occitane's true stories, marketing team had also engaged top beauty bloggers and vloggers (video bloggers) as our brand ambassadors to deliver interactive and multimedia branding contents comprising brand, product, as well as holiday campaign movies.

Evolved development of E-commerce Business

At the Group level, E-commerce business continued to lead the growth with a more than 20% increase over the same period last year. The impressive performance of on-line business in most of its key countries showcased the Group's digital capability and commitment.

With less than a year's operation, the amazing result of our digital flagship boutique on Tmall marketplace in China demonstrated L'Occitane's appeal to sophisticated shoppers in emerging countries. The Group continued to explore opportunities with reputable social media partners in various areas, such as Line and Kakao Talk, with which successfully drove more traffic to both its on-line channels and physical stores.

The Group considered the successful implementation and integration of own E-commerce platforms, physical POS systems and on-line CRM programs as the keys to tap into the growing on-line beauty market. These major improvements in its on-line platforms proved to be essential to a balanced and sustained growth in the digital area.

Enriched Brand Portfolio and Product Offerings

During the period, the Group opened 8 Melvita stores in China and inaugurated its first Erborian stores in Paris, France and Seoul, Korea. With a focused organic positioning, new anti-aging product offerings as well as the branding effects of new Opera store in France, Melvita saw sound growth in both Japan and France markets. The ramp-up of L'Occitane au Brésil brand was well on track, with more sales points opened and number of SKUs doubled in 2 years to over 100 as at 30 September 2015. In addition to the good growth obtained through physical sales points, the recent launch of L'Occitane au Brésil's own E-commerce website also generated tremendous interest.

Within its core brand, L'Occitane en Provence, the Group's ongoing dedication to research & development capability amplified its face care product spectrum by sourcing nature's finest ingredients. The launch of the breakthrough whitening range, Reine Blanche, not only appealed well to Asian customers, but also reinforced L'Occitane's skin care brand identity during the period under review. Together with several others key successful launches including the Cédrat men's grooming collection and the Citrus Verbena, a respectable retail growth was achieved in the midst of deteriorating economic conditions.

Delivered Operational Consistency under Volatile Conditions

Under its guideline of "Operations roadmap" and after the successful implementation of SAP, the Group continued to roll out retail and CRM infrastructures in the first half of FY2016. Better efficacies were found in particular with

supply chain and inventory management which result in positive contribution to gross profit. Its solid pricing strategy and discount control initiatives in turn ensured the optimal sales efficiency whilst safeguarded and strengthen brand integrity, proposition and profitability. With a consistent, balanced approach to focus on cost saving programs while pursuing long term investment, the Group continued to allocate resources to solidify its competitive advantages in branding and retail operation, in particular marketing campaigns, talent recruitment, store upgrade and expansion as well as front-line staffing structure.

The short term extreme volatility in foreign currency movement, however, hampered the foreign exchange benefit on the operating profit the Group recorded in the first six months as at 30 September 2015. With its goal to stabilize international business operation, the Group continued the global hedging policy to mitigate foreign exchange impacts.

Engaged Corporate Social Responsibility

Committed to its mission to develop and market products that are increasingly respectful of man and the environment, the Group aims to achieve long term business success through caring and sustainable approaches. During the period, the Group actively engaged in various sort of charity events and supported health and life essentials for those areas where it sourced natural ingredients.

OUTLOOK

In the second half of FY2016 and beyond, the Group expects to drive sustainable growth endorsed by committed management team with investment in business platforms, marketing and product innovations. The Group will continue to roll out refined format stores selectively in quality locations, especially in Asia, to replace those in weaker locations and positions. As an integral part of its omni-channel strategy, investment in digital platforms, such as own E-commerce websites, marketplaces and on-line partners shall remain the Group's key focus in the rest of the financial year. The novel click and collect services provided in France and UK would be extended to more point of sales, which is expected to reward L'Occitane through being more connected to customers as well as increasing sales.

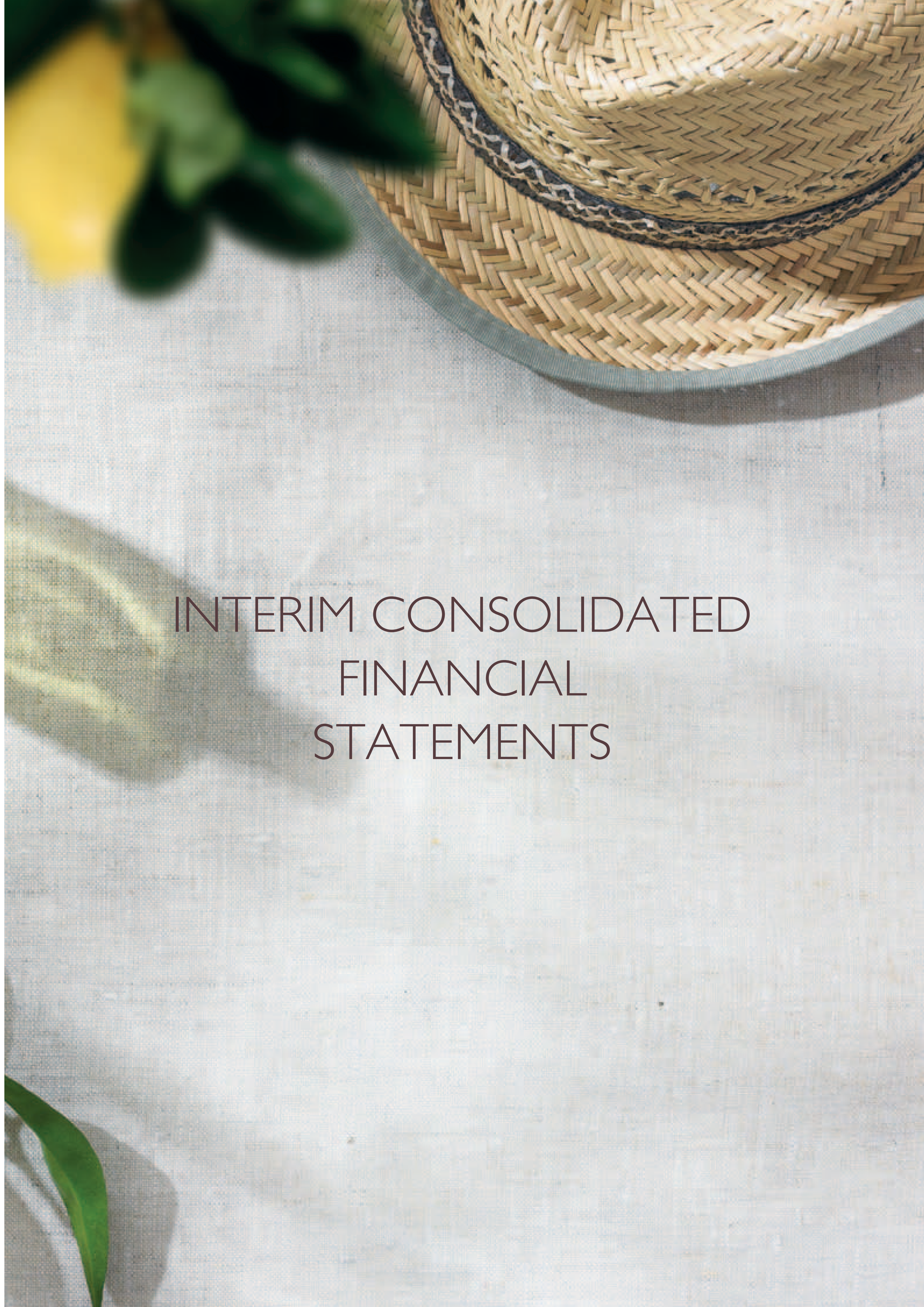
With several initial investments been made, the Group will officially kickoff the "Brand Awareness Program" to greet its 40 year anniversary in calendar year 2016. The program shall enable greater and better recognition of L'Occitane brand and its products, and, in turn, create a long lasting attractiveness to existing and potential customers. With a budget of €10.0 million allocating to digital and innovative marketing approaches, customer centric digital platforms, "digical" (digital + physical) concept flagships, advanced targeting technology and analytics as well as CRM integration, it also plans to be the first beauty brand to launch shopping behavior study on "Research Online, Purchase Offline" to fully unfold the mechanism in collaboration with search engines.

Sharing a same passion for ingredients, sensoriality and Corsica, L'Occitane has collaborated with its French counterpart Pierre Hermé to launch a refreshing and delicate limited collection for the upcoming holiday season. These original, captivating perfumed products are expected to witness a decent pickup of demand during the festive season.

The Group will remain its global hedging policy with cautious derivative contracts to hedge the value of expected cash flows in major operating currencies.

Nevertheless, the Group would like to highlight that the approach will assist in stabilizing cash flow volatility while is impossible to lift the translation impact from exchange rate conversion. Under this context, there remain uncertainties and factors that are beyond the Group's control.

The fear of the global economic downturn will continue to impact consumer sentiment across all markets, while the Group has been well prepared in the face of unstable, highly volatile operating environment. The Group believes the efforts to drive quality growth and improve efficiencies with focused investment will secure its position as a growing player in the premium natural cosmetics space, which in turn will create lasting value for its shareholders.



INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Independent Review Report

Report on Review of the Condensed Consolidated Interim Financial Information

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

INTRODUCTION

We have reviewed the accompanying condensed consolidated interim balance sheet of L'Occitane International S.A. and its subsidiaries (the 'Group') as of 30 September 2015 and the related condensed consolidated interim statement of income, statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory notes (the "condensed consolidated interim financial information"). The Board of Directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "interim financial reporting" as issued by the International Accounting Standards Board. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

SCOPE OF REVIEW

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

CONCLUSION

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

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 16 November 2015

Philippe Duren

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INTERIM CONSOLIDATED STATEMENTS OF INCOME

		Period Ended 30 September	
In thousands of Euros, except per share data	*Notes*	***2015***	***2014***
Net Sales	(4)	**546,699**	**485,874**
Cost of sales		(100,758)	(95,840)
Gross profit		**445,941**	**390,034**
% of net sales		*81.6%*	*80.3%*
Distribution expenses		(280,681)	(246,791)
Marketing expenses		(71,752)	(57,027)
Research & development expenses		(6,226)	(6,035)
General and administrative expenses		(56,044)	(49,126)
Share of losses from joint ventures accounted for using the equity method		(27)	(30)
Other gains net	(20)	449	407
Operating profit		**31,660**	**31,432**
Finance income	(21)	1,368	1,520
Finance costs	(21)	(1,492)	(1,581)
Foreign currency gains/(losses)	(22)	(9,591)	8,899
Profit before income tax		**21,945**	**40,270**
Income tax expense	(23)	(1,871)	(2,988)
Profit for the period		**20,074**	**37,282**
Attributable to:			
Equity owners of the Company		19,409	36,649
Non-controlling interests		665	633
Total		**20,074**	**37,282**
Earnings per share for profit attributable to the equity owners of the Company during the period *(expressed in Euros per share)*	(24)		
Basic		0.013	0.025
Diluted		0.013	0.025
Number of shares used in earnings per share calculation	(24)		
Basic		1,470,574,041	1,470,309,391
Diluted		1,473,883,159	1,471,486,434

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

Interim Consolidated Statements of Comprehensive Income

In thousands of Euros	*Notes*	***Period ended 30 September*** **2015**	**2014**
Profit for the period		**20,074**	**37,282**
Other comprehensive income:			
Actuarial gains/(losses) on defined benefit obligation		—	—
Total items that will not be reclassified to profit and loss		—	—
Cash flow hedges fair value gains/(losses), net of tax	(13)	—	—
Currency translation differences (1)		(22,658)	6,592
Total items that may be reclassified subsequently to profit and loss		**(22,658)**	**6,592**
Other comprehensive income/(loss) for the period, net of tax		**(22,658)**	**6,592**
Total comprehensive income/(loss) for the period		**(2,584)**	**43,874**
Attributable to:			
– Equity owners of the Company		(2,675)	42,884
– Non-controlling interests		91	990
Total comprehensive income for the period		**(2,584)**	**43,874**

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

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

Consolidated Balance Sheets

ASSETS		***30 September***	***31 March***
In thousands of Euros	Notes	***2015***	***2015***
Property, plant and equipment	(7)	184,867	184,722
Goodwill	(8)	128,370	138,228
Intangible assets	(9)	62,464	67,656
Deferred income tax assets	(23)	81,181	68,702
Investments in joint ventures		(31)	(4)
Other non-current assets		30,659	31,634
Non-current assets		**487,510**	**490,938**
Inventories	(10)	163,135	159,947
Trade receivables	(11)	94,686	106,978
Other current assets	(12)	50,620	56,361
Derivative financial instruments	(13)	372	1
Cash and cash equivalents		399,966	395,128
Current assets		**708,779**	**718,415**
TOTAL ASSETS		**1,196,289**	**1,209,353**

EQUITY AND LIABILITIES		***30 September***	***31 March***
In thousands of Euros	Notes	***2015***	***2015***
Share capital	(14)	44,309	44,309
Additional paid-in capital	(14)	342,851	342,851
Other reserves		(46,214)	(25,432)
Retained earnings		418,645	492,092
Capital and reserves attributable to the equity owners of the Company		**759,591**	**853,820**
Non-controlling interests		2,474	6,372
Total equity		**762,065**	**860,191**
Borrowings	(15)	109,110	107,373
Other financial liabilities	(6)	8,468	7,452
Deferred income tax liabilities	(23)	4,521	4,730
Other non-current liabilities	(16)	28,560	27,089
Non-current liabilities		**150,659**	**146,644**
Trade payables	(17)	90,773	90,667
Social and tax liabilities		56,941	64,703
Current income tax liabilities		7,999	13,347
Borrowings	(15)	2,593	2,803
Derivative financial instruments	(13)	68	1,215
Provisions	(18)	14,228	15,266
Other current liabilities	(16)	110,963	14,516
Current liabilities		**283,565**	**202,518**
TOTAL EQUITY AND LIABILITIES		**1,196,289**	**1,209,353**
NET CURRENT ASSETS		**425,214**	**515,897**
TOTAL ASSETS LESS CURRENT LIABILITIES		**912,724**	**1,006,835**

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

Interim Consolidated Statements of Changes in Equity

		Attributable to equity owners of the Company											
In thousands of Euros (except "Number of Shares")	**Notes**	**Number of shares**	**Share capital**	**Additional paid-in capital**	**Share based payments**	**Other items**	**Cumul. Currency Transl. Diff.**	**Other reserves Excess of consideration paid in transaction with non-controlling interests**	**Actuarial gains/ (losses)**	**Treasury shares**	**Profit for the period**	**Non-controlling interests**	**TOTAL EQUITY**
Balance at 31 March 2014		**1,476,964,891**	**44,309**	**342,851**	**12,150**	**–**	**(18,073)**	**(14,895)**	**(995)**	**(9,247)**	**401,296**	**5,388**	**762,784**
Profit for the 6-month period		–	–	–	–	–	–	–	–	–	36,649	633	37,282
Other comprehensive income													
Currency translation differences		–	–	–	–	–	6,235	–	–	–	–	357	6,592
Actuarial losses on defined benefit obligation		–	–	–	–	–	–	–	–	–	–	–	–
Total comprehensive income		**–**	**–**	**–**	**–**	**–**	***6,235***	**–**	**–**	**–**	***36,649***	***990***	***43,874***
Transactions with owners													
Dividends declared		–	–	–	–	–	–	–	–	–	(31,318)	(3,263)	(34,581)
Employee share option: value of employee services	(14.3)	–	–	–	1,346	–	–	–	–	–	–	–	1,346
Non-controlling interests in capital increase		–	–	–	–	–	–	–	–	–	–	55	55
Total contributions by and distribution to owners of the Company		**–**	**–**	**–**	***1,346***	**–**	**–**	**–**	**–**	**–**	***(31,318)***	***(3,208)***	***(33,180)***
Non-controlling interests recorded as a liabilities		–	–	–	–	–	–	–	–	–	(103)	103	–
Transactions with non-controlling interests	(5)	–	–	–	–	–	–	274	–	–	–	(233)	41
Total transaction with owners		**–**	**–**	**–**	**–**	**–**	**–**	***274***	**–**	**–**	***(103)***	***(130)***	***41***
Balance at 30 September 2014		**1,476,964,891**	**44,309**	**342,851**	**13,496**	**–**	**(11,838)**	**(14,621)**	**(995)**	**(9,247)**	**406,524**	**3,040**	**773,519**
Balance at 31 March 2015		**1,476,964,891**	**44,309**	**342,851**	**15,025**		**(14,202)**	**(14,618)**	**(2,390)**	**(9,247)**	**492,092**	**6,372**	**860,191**
Profit for the 6-month period		–	–	–	–	–	–	–	–	–	19,409	665	20,074
Other comprehensive income													
Currency translation differences		–	–	–	–	–	(22,084)	–	–	–	–	(574)	(22,658)
Actuarial losses on defined benefit obligation		–	–	–	–	–	–	–	–	–	–	–	–
Total comprehensive income		**–**	**–**	**–**	**–**	**–**	***(22,084)***	**–**	**–**	**–**	***19,409***	***91***	***(2,584)***
Transactions with owners													
Dividends declared		–	–	–	–	–	–	–	–	–	(92,793)	(4,052)	(96,845)
Proceeds from exercise of 264 560 stock options	(14.2)	–	–	–	–	247	–	–	–	367	–	–	614
Employee share option: value of employee services	(14.3)	–	–	–	1,326	–	–	–	–	–	–	–	1,326
Total contributions by and distribution to owners of the Company		**–**	**–**	**–**	***1,326***	***247***	**–**	**–**	**–**	***367***	***(92,793)***	***(4,052)***	***(94,905)***
Transactions with non-controlling interests	(6)	–	–	–	–	–	–	(638)	–	–	(63)	63	(638)
Total transaction with owners		**–**	**–**	**–**	**–**	**–**	**–**	***(638)***	**–**	**–**	***(63)***	***63***	***(638)***
Balance at 30 September 2015		**1,476,964,891**	**44,309**	**342,851**	**16,351**	**247**	**(36,286)**	**(15,256)**	**(2,390)**	**(8,880)**	**418,645**	**2,474**	**762,065**

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

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

In thousands of Euros	*Notes*	***Period ended 30 September*** ***2015***	***2014***
Cash flows from operating activities			
Profit for the half-year		20,074	37,282
Adjustments to reconcile profit for the half-year to net cash from operating activities			
Depreciation, amortization and impairment	(19.3)	29,791	27,511
Deferred income taxes		(16,071)	(12,460)
Unwinding of discount on other financial liabilities	(6)	378	276
Share based payment	(14.3)	1,326	1,346
Change in the fair value of derivatives	(22)	(1,518)	1,509
Other losses - net	(20)	176	401
Net movements in provisions	(18)	565	1,449
Share of loss from joint operations		27	30
Changes in working capital			
Inventories		(8,922)	(19,334)
Trade receivables		7,206	(3,774)
Trade payables		212	(12,167)
Salaries, wages, related social items and other tax liabilities		(5,598)	(1,017)
Current income tax assets and liabilities		(3,357)	2,667
Other assets and liabilities, net		8,014	3,937
Net cash inflow from operating activities		**32,303**	**27,656**
Cash flows from investing activities			
Acquisition of business combinations, net of cash acquired	(5.2)	(681)	(5,611)
Purchases of property, plant and equipment	(7)	(29,483)	(25,158)
Purchases of intangible assets	(9)	(3,061)	(3,492)
Proceeds from sale of fixed assets		537	1,202
Change in deposits and key moneys paid to the landlords		(532)	(585)
Change in non-current receivables and liabilities		(363)	(252)
Net cash (outflow) from investing activities		**(33,583)**	**(33,896)**
Cash flows from financing activities			
Proceeds from non-controlling interests		—	55
Proceeds from the exercise of stocks options	(14.2)	614	—
Transaction with non-controlling interests recorded as a liability	(16)	—	(41,304)
Transaction with non-controlling interests	(5.1)	—	41
Dividends paid to non-controlling interests		(1,861)	(2,166)
Proceeds from borrowings	(15)	181,574	119,357
Repayments of borrowings	(15)	(180,030)	(91,161)
Net cash inflow/(outflow) from financing activities		**297**	**(15,178)**
Exchange gains/(losses) on cash, cash equivalents and bank overdrafts		5,821	(8,618)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		**4,838**	**(30,036)**
Cash, cash equivalents and bank overdrafts at the beginning of the half-year		**395,128**	**319,253**
Cash and cash equivalents		*395,128*	*319,253*
Cash, cash equivalents and bank overdrafts at end of the half-year		**399,966**	**289,217**
Cash and cash equivalents		*399,966*	*289,217*

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. THE GROUP

L'Occitane International S.A. (the "Company" or "LOI") and its consolidated subsidiaries (hereinafter referred to as the "Group") design, manufacture and market, under the trademarks L'Occitane and Melvita, a wide range of cosmetic products, perfumes, soaps and fragrant products for the home based on natural or organic ingredients.

The Group also designs and markets another range of fragrant products for the home, cosmetic products, perfumes, soaps and natural products, under the trademark 'Couvent des Minimes' and 'Erborian'. These products are marketed primarily through external distribution.

L'Occitane International S.A. is a Luxembourg Société Anonyme registered in the Luxembourg Trade and Commercial Register, Grand Duchy of Luxembourg under the R.C.S. Number: B-80 359. The address of the Company is as follows: 49, Boulevard Prince Henri, L-1724 Luxembourg.

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

This consolidated interim financial information was approved for issue by the Board of Directors on 16 November 2015.

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

2. BASIS OF PREPARATION

2.1. Basis of preparation

This condensed consolidated interim financial information ("consolidated interim financial information") for the six-month period ended 30 September 2015 ("period ended 30 September 2015") has been prepared in accordance with IAS 34, 'Interim financial reporting' as issued by the International Accounting Standards Board. The consolidated interim financial information should be read in conjunction with the consolidated annual financial statements for the year ended 31 March 2015, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

2.2. Accounting policies

The accounting policies and methods of computation used in the preparation of this interim financial information are consistent with those of the annual consolidated financial statements for the year ended 31 March 2015, except as described below:

- Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.
- Interpretations and amendments to IFRSs effective for the financial period beginning 1 April 2015 do not have any material impact on the consolidated financial statements.

2.3. Estimates

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

In preparing this consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimations uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 March 2015, with the exception of changes in estimates that are required in determining the provision for income taxes.

2. BASIS OF PREPARATION *(continued)*

2.4. Seasonality of operations

The Group is subject to significant seasonal variances in sales, which are significantly higher in its financial third quarter (between 1 October and 31 December) in anticipation of and during the Christmas holiday season. For the period ended 30 September 2014, the level of sales represented 41.2% of the annual level of sales in the year ended 31 March 2015 and the level of operating profit represented 19.1% of the annual operating profit in the year ended 31 March 2015. These ratios are not representative of sales and operating profit expected for the year ended 31 March 2016.

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

3. FINANCIAL RISK MANAGEMENT

3.1. Financial risk factors

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

The condensed interim consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2015.

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

(a) Market risk

Foreign exchange risk

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

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

3. FINANCIAL RISK MANAGEMENT *(continued)*

3.1. Financial risk factors *(continued)*

(a) Market risk (continued)

Cash flow and fair value interest rate risk

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

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

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

Price risk

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

The Group is also exposed to price risk arising from investments in equity securities. The investments are done in accordance with the limits set by the Financial Investment Committee in charge of selecting the investments. On 30 September 2015, the Group has no investment in equity securities.

(b) Credit risk

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

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

- For customers in the Sell-in segment, sales are made with credit terms generally from 60 and 90 days and the Group maintains adequate allowances for potential credit losses and follows regularly the solvency of its counterpart. As of 30 September 2015, the Group did not have any significant concentration of business conducted with a particular customer that could, if suddenly eliminated, severely impact the operations of the Group;
- For customers in the Sell-out segment, the Group's sales to end customers are made in cash or via major credit cards and no credit terms are generally granted to the end customers. When the Sell-out sales are generated in department stores, a credit term is granted to the department store until the cash is transferred to the Group. This credit term is generally from 60 to 90 days.
- Cash and cash equivalents and derivatives financial instruments are concentrated on few independently rated parties with a minimum rating of 'A'.

3. FINANCIAL RISK MANAGEMENT *(continued)*

3.1. Financial risk factors *(continued)*

(c) Liquidity risk

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

Management monitors rolling forecasts of the Group's liquidity reserve (comprising undrawn borrowing facility and cash and cash equivalents) on the basis of expected cash flow. The liquidity reserves as at 30 September 2015 are as follows:

In thousands of Euros	***30 September 2015***
Cash and cash equivalents and bank overdrafts	399,966
Undrawn borrowing facilities (note 15.2)	309,280
Liquidity reserves	**709,246**

3.2. Capital risk management

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

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

The company has also treasury shares (note 14.2).

4. SEGMENT INFORMATION

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

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

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

- Sell-out comprises the sales of products directly to the final customers. These sales are mainly done in the Group's stores and/or through the Group's websites;
- Sell-in comprises the sales of the products to intermediaries. These intermediates are mainly distributors, wholesalers, TV show channels and travel retailers. This segment also comprises sales of products to corporate customers which will give them out as presents, for example to their customers or employees;
- Business to business (B to B) comprises the sales of the Group's products to an intermediate who will provide them as free amenities to its final customers. These intermediates are mainly airlines companies and hotels.

4. SEGMENT INFORMATION *(continued)*

In accordance with the aggregation criteria of IFRS 8.12, the operating segments Sell-in and B-to-B have been aggregated into a single reportable segment as the distribution channels and the credit risks are similar.

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

4.1. Operating segments

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

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

	Period ended 30 September 2014			
In thousands of Euros	**Sell-Out**	**Sell-In and B-to-B**	**Other reconciling items**	**Total**
Net sales	**353,716**	**132,159**	**—**	**485,874**
In %	*72.8%*	*27.2%*	—	*100%*
Gross profit	**302,242**	**87,791**	**—**	**390,033**
% of sales	*85.4%*	*66.4%*	—	*80.3%*
Distribution expenses	(200,145)	(23,931)	(22,714)	(246,791)
Marketing expenses	(22,296)	(3,821)	(30,910)	(57,027)
Research & development expenses	—	—	(6,035)	(6,035)
General and administrative expenses	—	—	(49,126)	(49,126)
Share of profit/(loss) from joint operations	—	—	(30)	(30)
Other gains/(losses), net	374		33	407
Operating profit	**80,175**	**60,039**	**(108,782)**	**31,431**
% of sales	*22.7%*	*45.4%*	—	*6.5%*

The other reconciling items include amounts corresponding to central corporate functions unrelated to a specific business segment (mainly the central distribution warehouses, central marketing and most of general and administration expenses).

There are no significant inter-segment transfers or transactions.

4. SEGMENT INFORMATION *(continued)*

4.2. Geographic areas

	Period ended 30 September			
	2015		2014	
In thousands of Euros	**Total**	***In %***	**Total**	***In %***
Japan	90,113	*16.5%*	81,024	*16.7%*
United States	72,277	*13.2%*	59,056	*12.2%*
Hong Kong	58,103	*10.6%*	54,505	*11.2%*
China	51,438	*9.4%*	35,673	*7.3%*
France	45,005	*8.2%*	40,506	*8.3%*
Luxembourg - Swiss branch	32,854	*6.0%*	29,729	*6.1%*
United Kingdom	31,648	*5.8%*	27,016	*5.6%*
Brazil	19,539	*3.6%*	22,050	*4.5%*
Russia	17,969	*3.3%*	22,006	*4.5%*
Taiwan	16,658	*3.0%*	14,747	*3.0%*
Other countries	111,095	*20.3%*	99,562	*20.5%*
Net sales	**546,699**	***100%***	**485,874**	***100%***

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

5. INFORMATION RELATING TO CHANGES IN THE GROUP STRUCTURE

5.1. For the period ended 30 September 2015

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

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

5.2. For the period ended 30 September 2014

Acquisition of a distributor in Norway

On 30 July 2014 the Group acquired 100% of the issued share capital and voting rights of L'Occitane Norway AB for a total consideration of €6,639,000. L'Occitane Norway AB is located in Oslo, Norway and is specialized in the distribution of L'Occitane products in that country.

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

In thousands of Euros	**Fair value**
Cash	5,986
Deferred payment	653
Equity instruments	—
Contingent consideration	—
Total consideration transferred	**6,639**
Indemnification asset	—
Fair value of equity interest held before the business combination	—
Total consideration transferred	**6,639**
Recognised amounts of identifiable assets acquired and (liabilities assumed)	
Property, plant and equipment	218
Intangible assets	17
Other non-current assets	105
Inventories	629
Trade receivables	803
Other current assets	60
Cash and cash equivalents	375
Borrowings	—
Net deferred tax liabilities	—
Trade payables	(840)
Salaries, wages, related social items and other tax liabilities	(354)
Contingent liability	—
Other current liabilities	(462)
Total identifiable net assets	**551**
Non-controlling interests	—
Goodwill	6,088
Total	**6,639**

The outflow of cash to acquired business, net of cash acquired amounted to €5,611,000.

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

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

5.2. For the period ended 30 September 2014 *(continued)*

Acquisition of a distributor in Norway (continued)

The goodwill of €6,088,000 rose from number of factors. Most significant amongst these was the premium attributable to the increased profitability linked to the margins previously earned by the agent and also to the fact that the access of the Group to this geographical market will be facilitated (there was no contractual customer relationship as the acquired business is mainly related to the Sell-out operating segment). None of the goodwill recognised is expected to be deductible for income tax purposes.

For the half year period ended 30 September 2014, the acquired business contributed net sales of €1,675,000 and net loss for the period of €62,000.

Transaction with non-controlling interests

On 7 July 2014, the Company sold 25% of the shareholding in L'Occitane South Africa for a total consideration of €41,000.

The effect of changes in the ownership interest of L'Occitane South Africa on the equity attributable to owners of the Company during the period ended 30 September 2014 are summarised as follows:

In thousands of Euros	**L'Occitane South Africa**
Carrying amount of non-controlling interests sold	233
Consideration received from non-controlling interests	(41)
Excess of consideration received recognised in the transaction with non-controlling interests within 'other reserves' in equity	**(274)**

6. OTHER FINANCIAL LIABILITIES

The following put options have been granted by the Group to the non-controlling interests:

In thousands of Euros	**31 March 2015**	**Change in estimates in the valuation of the exercice price**	**Unwinding of discount (note 21)**	**30 September 2015**
Katalin Berenyi and Hojung Lee (Symbiose)	7,452	638	378	8,468
Total other financial liabilities	**7,452**	**638**	**378**	**8,468**

7. PROPERTY, PLANT AND EQUIPMENT

Changes in property, plant and equipment can be analysed as follows:

In thousands of Euros

Net book value as of 1 April 2015	**184,722**
Additions	29,483
Disposals	(365)
Acquisition of subsidiaries (note 5.1)	—
Depreciation (note 19.3)	(24,295)
Impairment loss (note 19.3)	—
Reversal of impairment loss (note 19.3)	27
Other movements	943
Exchange differences	(5,648)
Net book value as of 30 September 2015	**184,867**

As at 30 September 2015, the net book value under finance leases amounts to €12,539,000 and mainly relates to the land and building of the plants in Lagorce and Manosque, France. During the period ended 30 September 2015, no finance lease was drawn.

The additions of the period are mainly related to stores for €15,700,000.

8. GOODWILL

Changes in goodwill are as follows:

In thousands of Euros

Cost as of 1 April 2015	**139,228**
Acquisition of subsidiaries (see note 5.1)	—
Exchange differences	(9,858)
Cost as of 30 September 2015	**129,370**
Accumulated impairment as of 1 April 2015	**(1,000)**
Impairment loss	—
Exchange differences	—
Accumulated impairment as of 30 September 2015	**(1,000)**
Net book value as of 30 September 2015	**128,370**

9. INTANGIBLE ASSETS

Intangible assets include notably:

- Key moneys;
- Acquired trademarks (Melvita, Erborian);
- Internally used software including enterprise resources planning system, point-of-sales system and others.

Except for trademarks, there are no intangible assets with indefinite useful lives.

Changes in intangible assets can be analysed as follows:

In thousands of Euros	
Net book value as of 1 April 2015	**67,656**
Additions	3,061
Disposals	(348)
Acquisition of subsidiaries (note 5.1)	—
Amortization (note 19.3)	(5,523)
Impairment loss (note 19.3)	—
Other movements	(942)
Exchange differences	(1,440)
Net book value as of 30 September 2015	**62,464**

Additions mainly concern software for an amount of €2,317,000.

10. INVENTORIES

Inventories consist of the following:

In thousands of Euros	**30 September 2015**	**31 March 2015**
Raw materials and supplies	20,441	24,400
Finished goods and work in progress	156,464	151,166
Inventories, gross	**176,905**	**175,566**
Less, allowance	(13,770)	(15,619)
Inventories	**163,135**	**159,947**

11. TRADE RECEIVABLES

Trade receivables, net ageing analysis consist of the following:

In thousands of Euros	**30 September 2015**	**31 March 2015**
Current and past due within 3 months	93,804	105,157
Past due 3 to 6 months	612	1,148
Past due 6 to 12 months	270	673
Past due Over 12 months	—	—
Trade receivables	**94,686**	**106,978**

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

12. OTHER CURRENT ASSETS

The following table presents details of other current assets:

In thousands of Euros	**30 September 2015**	**31 March 2015**
Value added tax receivable and other taxes and social items receivable	17,948	23,231
Prepaid expenses (a)	17,079	19,807
Income tax receivable (b)	4,991	5,914
Advance payments to suppliers	6,102	3,408
Other current assets	4,500	4,000
Total other current assets	**50,620**	**56,361**

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

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

13. DERIVATIVE FINANCIAL INSTRUMENTS

a) Analysis of derivative financial instruments

Derivative financial instruments are analysed as follows:

In thousands of Euros	30 September 2015		31 March 2015	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Interest rate derivatives				
- held for trading	—	—	—	—
Foreign exchange derivatives				
- held for trading	372	68	1	1,215
Sub-total derivative financial instruments at fair value through profit and loss (a)	**372**	**68**	**1**	**1,215**
Interest rate derivatives				
- cash flow hedges	—	—	—	—
Foreign exchange derivatives				
- cash flow hedges	—	—	—	—
Sub-total derivative financial instruments designated as hedging instruments (b)	**—**	**—**	**—**	**—**
Total derivative financial instruments	**372**	**68**	**1**	**1,215**
Less non-current portion:				
– Interest rate derivatives				
- cash flow hedges	—	—	—	—
– Interest rate derivatives				
- held for trading	—	—	—	—
Non-current portion of derivative financial instruments	**—**	**—**	**—**	**—**
Current portion of derivative financial instruments	**372**	**68**	**1**	**1,215**

13. DERIVATIVE FINANCIAL INSTRUMENTS *(continued)*

a) Analysis of derivative financial instruments *(continued)*

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

(b) The change in the fair value of derivatives designated as hedging instrument is recognised as follows:

- The effective portion of changes in the fair value of derivatives designated as hedging instruments has been recognized in the statement of comprehensive income for an amount net of tax;
- The ineffective portion that arises from derivatives designated as hedging instruments is recognized in the interim consolidated statement of income, within 'Finance income'/'Finance costs' for interest derivatives and within 'Foreign currency gains/(losses)' for currency derivatives.

b) Notional amounts of derivative financial instruments

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

Currencies	**30 September 2015**	**31 March 2015**
Sale of currencies		
JPY	18,579	12,826
USD	2,678	7,064
CNY	4,002	4,437
GBP	1,625	3,678
MXN	149	225
AUD	—	2,324
PLN	—	267
CZK	—	217

14. CAPITAL AND RESERVES

L'Occitane International S.A. ("LOI") is a corporation incorporated in the Grand Duchy of Luxembourg. The authorized capital of the Company is €1,500,000,000 out of which €44,309,000 are issued as at 30 September 2015. At 30 September 2015, the Company's share capital is held by the company L'Occitane Groupe S.A. ('LOG', 'the parent company'), in a proportion of 69.18%.

All the issued shares of the Company are fully paid and benefit from the same rights and obligations.

14.1. Share capital and Additional paid-in capital

The changes in the number of shares, share capital and additional paid-in capital are summarized as follows:

In thousands of Euros except "Number of shares"	Number of shares	Share capital	Additional paid-in capital
At 31 March 2014	**1,476,964,891**	**44,309**	**342,851**
At 31 March 2015	**1,476,964,891**	**44,309**	**342,851**
At 30 September 2015	**1,476,964,891**	**44,309**	**342,851**

14.2. Treasury shares

As at 31 March 2015, the Company owned 6,655,500 own shares and the aggregate price of the purchased shares was deducted from equity as treasury shares reserve for an amount of €9,247,000.

On 21 April 2015, the Board of directors transferred 1,000,000 out of those treasury shares to a dedicated bank account for selling them to beneficiaries of share based payments.

No treasury shares were acquired over the half year period ended 30 September 2015.

Over the half year period ended 30 September 2015, the employees exercised 264,650 (note 14.3) of their stock options for an average price of HK$19.84 per share.The exercise of stock options involved total cash inflow of €614,000. The aggregate price of the sold treasury shares was accounted from equity treasury shares reserve for an amount of €367,000.

As at 30 September 2015, the Company held 6,390,850 of its own shares. The aggregate price of the purchased shares was deducted from equity as treasury shares reserve for an amount of €8,880,000.

14. CAPITAL AND RESERVES *(continued)*

14.3. Share-based payments

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

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

On 30 September 2015, the stock options and free shares plans are the following:

	Movements in the number of equity instruments granted						Characteristics of the plans/grants			
Plans/grants	**At the beginning of the period/ year**	**Granted over the period/ year**	**Cancelled or Forfeited**	**Exercised over the period/ year**	**At the end of the period/ year**	**Number of options exercisable or shares**	**Contractual option term**	**Vesting period**	**Grantees**	**Performance conditions**
Stock options plan authorized on 30 September 2010 for 1.5% of the Company's issued share capital as at 30 September 2010 (a):										
Granted on 4 April 2011 at an exercice price of HKD 19.84	5,660,000	–	(2,609,400)	(214,650)	2,835,950	2,835,950	8 years	4 years	Middle management	Non-market performance conditions: the number of options exercisable depends on the achievement of conditions based on Group net sales and Group operating profit
Granted on 4 April 2011 at an exercice price of HKD 19.84	520,000	–	(301,600)	–	218,400	218,400	8 years	4 years	Group management	Market performance conditions: the number of options exercisable depends on the change in the share price
Granted on 4 April 2011 at an exercice price of HKD 19.84	1,420,000	–	–	(50,000)	1,370,000	1,370,000	8 years	4 years	Group management	No performance condition other than the service conditions.
Granted on 26 October 2012 at an exercice price of HKD 23.60	2,987,180	–	(74,000)	–	2,913,180	–	8 years	4 years	Group & Middle management	No performance condition other than the service conditions.
Granted on 28 November 2012 at an exercice price of HKD 24.47	1,249,169	–	–	–	1,249,169	–	8 years	4 years	Group & Middle management	No performance condition other than the service conditions.
Stock options plan authorized on 25 September 2013 for 1.5% of the Company's issued share capital as at 25 September 2013 (b):										
Granted on 4 December 2013 at an exercice price of HKD 17.62	10,942,500	–	(350,000)	–	10,592,500	–	8 years	4 years	Group & Middle management	No performance condition other than the service conditions.
Granted on 24 February 2015 at an exercice price of HKD 19.22	998,600	–	–	–	998,600	–	8 years	4 years	Group & Middle management	Non-market performance conditions: the number of options exercisable depends on the achievement of conditions based on Group net sales and Group operating profit
Free share plan authorized on 30 September 2010 for 0.5% of the Company's issued share capital as at 30 September 2010 (a):										
Granted on 26 October 2012	1,604,180	–	(52,500)	–	1,551,680	–	N/A	4 years	Group & Middle management	No performance condition other than the service conditions.
Free share plan authorized on 25 September 2013 for 0.5% of the Company's issued share capital as at 25 September 2013 (b):										
Granted on 4 December 2013	823,000	–	(28,750)	–	794,250	–	N/A	4 years	Group & Middle management	No performance condition other than the service conditions.
Granted on 24 February 2015	840,900	–	(28,900)	–	812,000	–	N/A	4 years	Group & Middle management	Non-market performance conditions: the number of options exercisable depends on the achievement of conditions based on Group net sales and Group operating profit

14. CAPITAL AND RESERVES *(continued)*

14.3. Share-based payments *(continued)*

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

Characteristics of the above authorizations:

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

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

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

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

LOG, the parent company of L'Occitane International S.A. granted rights to its own equity instruments direct to L'Occitane International S.A. and its subsidiaries' employees.

Accounting treatment

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

During the period ended 30 September 2015, no share-based payment related to LOG equity instruments has been granted.

On 30 September 2015, the stock options plans are the following:

	Movements in the number of equity instruments granted					Characteristics of the plans/grants				
Plans/grants	At the beginning of the period/year	Exercised over the period/year	Forfeited	Expired	At the end of the period/year	Number of options exercisable	Contractual option term	Vesting period	Grantees	Performance conditions
Plan authorized on 28 January 2010 for 730,000 stock options										
Granted on July 2009 (authorized in January 2010) at an exercice price of € 23.20	58,385	(26,385)	–	–	32,000	32,000	6 years	4 years	Management and middle management	None
Granted on April 2010 at an exercice price of € 23.20	10,000	(10,000)	–	–	–	–	6 years	4 years	Management and middle management	None
Plan authorized on 28 September 2007 for 200,000 stock options										
Granted on February 2008 at an exercice price of € 26.10	–	–	–	–	–	–	6 years	4 years	Management and middle management	None

14. CAPITAL AND RESERVES *(continued)*

14.3. Share-based payments *(continued)*

(iii) Total share-based compensation expense

During the period ended 30 September 2015 and 30 September 2014, the share-based compensation expense recognized within the employee benefits is the following:

In thousands of Euros	**2015**	**2014**
LOI equity instruments	1,326	1,346
	1,326	**1,346**

14.4. Distributable reserves

On 31 March 2015, the distributable reserves of L'Occitane International S.A. amounted to €438,383,831 (€371,057,108 as at 31 March 2014).

14.5. Dividend per share

On 30 September 2015, the annual Shareholder's Meeting approved the distribution of €92,196,000 being €0.0631 per share (excluding 6,390,850 treasury shares) which was paid on 22 October 2015.

On 24 September 2014, the annual Shareholder's Meeting approved the distribution of €31,318,000 being €0.0213 per share (excluding 6,655,500 treasury shares) which was paid on 22 October 2014.

15. BORROWINGS

Borrowings include the following items:

In thousands of Euros	***30 September 2015***	***31 March 2015***
FY 2015 Revolving facility	90,824	88,417
FY 2012 bank borrowing	8,573	8,574
Other bank borrowings	39	70
Finance lease liabilities	12,176	13,018
Current accounts with non controlling interests	91	97
Total	**111,703**	**110,176**
Less, current portion:		
– FY 2015 Revolving facility	(104)	(111)
– FY 2012 bank borrowing	(714)	(716)
– Other bank borrowings	(39)	(70)
– Finance lease liabilities	(1,736)	(1,905)
– Current accounts with non controlling interests	—	(1)
Total current	**(2,593)**	**(2,803)**
Total non-current	**109,110**	**107,373**

15.1. Maturity of non-current borrowings

For the period ended 30 September 2015 and for the year ended 31 March 2015, maturity of non-current borrowings, excluding current portion, can be broken down as follows:

In thousands of Euros	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
FY 2015 Revolving facility	90,720	—	—	90,720
FY 2012 bank borrowing	714	2,143	5,002	7,859
Other bank borrowings	—	—	—	—
Current account with minority interests	91	—	—	91
Finance lease liabilities	1,539	4,081	4,820	10,440
Maturity on 30 September 2015	**93,064**	**6,224**	**9,822**	**109,110**
FY 2015 Revolving facility	88,306	—	—	88,306
FY 2012 bank borrowing	716	2,141	5,000	7,857
Other bank borrowings	—	—	—	—
Current account with minority interests	96	—	—	96
Finance lease liabilities	1,563	4,157	5,393	11,113
Maturity on 31 March 2015	**90,681**	**6,298**	**10,393**	**107,373**

15. BORROWINGS *(continued)*

15.2. Credit facilities agreements

FY 2015 Revolving facility

On 18 July 2014, the Company signed a multi-currency revolving facility agreement for an amount of €400 million with a 5 years maturity plus an option of extension for 2 additional years. An amount of €90,720,000 is drawn as at 30 September 2015.

Event of default resulting in the early repayment of the FY 2015 Revolving facility agreement depends on the Leverage financial ratio which is based on the annual Group's consolidated financial statements. The leverage financial ratio is calculated as follows: Consolidated net debt/EBITDA. For the measurement of this ratio, the definitions to be used are as follows:

Consolidated net debt	Current and non-current borrowings (including finance leases and other commitments (but excluding lease commitments, long term employee benefits, raw materials commitments and grant to foundation) – cash and cash equivalents
EBITDA	Operating profit before depreciation, amortization and impairment and before net movements in provisions

The leverage financial ratio is to be lower than 3.5. It is calculated on an annual basis. As at 31 March 2015 the ratio was respected.

The FY 2015 Revolving facility includes a repricing option. The interest rates depend on the above described Leverage financial ratio calculated every year after the consolidated financial statements of the Group are issued. The change in the ratio results in repricing the interest rate as follows:

Leverage financial ratio	**Repricing**
Ratio higher than 2.5	Euribor 3M + Margin
Ratio being comprised between 2.0 and 2.5	Euribor 3M + Margin - 0.2
Ratio being comprised between 1.5 and 2.0	Euribor 3M + Margin - 0.35
Ratio being comprised between 1 and 1.5	Euribor 3M + Margin - 0.50
Ratio being comprised between 0.5 and 1	Euribor 3M + Margin - 0.60
Ratio lower than 0.5	Euribor 3M + Margin - 0.70

As at 30 September 2015, the ratio is lower than 0.5 and the interest rate is based on Euribor 3M + Margin - 0.7.
As at 31 March 2015, the ratio was lower than 0.5 and the interest rate was based on Euribor 3M + Margin - 0.7.

FY 2012 bank borrowing

On 20 June 2011, the Group signed a bank borrowing agreement for an amount of €10 million with a 15 years maturity and that can be drawn only by Laboratoires M&L. As at 30 September 2015, the remaining balance of the bank borrowing is €8,573,000.

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

15. BORROWINGS *(continued)*

15.3. Current accounts with non-controlling interests

Current accounts with non-controlling interests:

In thousands of Euros		***30 September 2015***	***31 March 2015***
Entity	**Minority shareholders**		
L'Occitane Nordic AB	Johan Nilsson	91	97
Total current accounts		**91**	**97**

15.4. Finance lease liabilities

On 30 March 2010, the Company signed a finance lease agreement in connection with (i) the acquisition of the existing land and building of Melvita for an amount of €4,934,000 and (ii) the extension and restructuring of the plant for an amount of €9,066,000. The lease term of the finance lease is 15 years and the interest rate is based on Euribor 3M.

As at 30 September 2015, no new amount was drawn.

16. OTHER CURRENT AND NON-CURRENT LIABILITIES

Other current and non-current liabilities include the following:

In thousands of Euros	***30 September 2015***	***31 March 2015***
Liabilities linked to operating leases (a)	12,997	12,305
Retirement indemnities	10,150	9,559
Provisions for dismantling and restoring	4,902	4,693
Long term employement benefits	511	457
Grants to a foundation	—	75
Total other non-current liabilities	**28,560**	**27,089**
Dividends payable to equity owners of the Company	92,793	—
Dividends payable to non-controlling interests	2,067	—
Deferred revenue (b)	13,103	11,002
Deferred payment relating to the acquisition of a subsidiary	—	681
Grants to a foundation	105	75
Other current liabilities	2,895	2,758
Total other current liabilities	**110,963**	**14,516**

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

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

17. TRADE PAYABLES

The credit terms granted by the suppliers to the production subsidiaries and to the distribution subsidiaries were usually 80 to 110 days and 30 to 60 days, respectively.

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

In thousands of Euros	***30 September 2015***	***31 March 2015***
Current and past due within 3 months	88,795	89,216
Past due from 3 to 6 months	1,479	797
Past due from 6 to 12 months	75	212
Past due over 12 months	424	442
Trade payables	**90,773**	**90,667**

18. PROVISIONS

Provisions can be analysed as follows:

		Charged/(credited) to the income statement				
In thousands of Euros	**31 March 2015**	**Additional provisions**	**Unused amounts reversed**	**Used**	**Exchange differences**	**30 September 2015**
Social litigations (a)	949	104	(84)	(148)	(50)	771
Commercial claims (b)	476	—	(3)	—	(67)	406
Provision for returned goods	1,228	1,264	—	(1,245)	(14)	1,233
Onerous contracts (c)	1,725	—	(48)	(511)	(23)	1,143
Tax risks (d)	10,888	168	—	—	(381)	10,675
Total	**15,266**	**1,536**	**(135)**	**(1,904)**	**(535)**	**14,228**

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

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

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

(d) This caption mainly relates to a provision for tax risk for €8,000,000 in connexion with the unresolved tax audit in France (note 25.2).

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

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

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

19. EXPENSES BY NATURE

19.1. Breakdown of expenses by nature

Expenses by nature include the following amounts:

	Period ended 30 September	
In thousands of Euros	***2015***	***2014***
Employee benefits expenses (a)	175,799	153,954
Rent and occupancy (b)	109,790	95,190
Raw materials and consumables used	47,191	74,784
Change in inventories of finished goods and work in progress	(7,996)	(20,696)
Advertising costs (c)	55,574	46,464
Professional fees (d)	32,752	29,583
Depreciation, amortization and impairment	29,791	27,511
Transportation expenses	25,918	24,475
Other expenses	46,641	23,555
Total cost of sales, distribution expenses, marketing expenses, research and development expenses, general and administrative expenses	**515,461**	**454,819**

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

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

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

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

19.2. Workforce

	Period ended 30 September	
In thousands of Euros	***2015***	***2014***
Workforce (full time equivalent)	**8,294**	**7,846**

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

19.3. Breakdown of depreciation, amortization and impairment

Depreciation, amortization and impairment include the following:

	Period ended 30 September	
In thousands of Euros	***2015***	***2014***
Depreciation of property, plant and equipment (note 7)	24,295	23,384
Impairment charge on property, plant and equipment (note 7)	(27)	(849)
Amortization of intangible assets (note 9)	5,523	4,976
Depreciation, amortization and impairment	**29,791**	**27,511**

20. OTHER GAINS/(LOSSES), NET

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

	Period ended 30 September	
In thousands of Euros	***2015***	***2014***
Net profit/(loss) on sale of assets	(176)	(401)
Government grant on research & development costs	625	689
Other items	—	119
Other gains, net	**449**	**407**

21. FINANCE INCOME AND FINANCE COSTS

Finance income and finance costs consist of the following:

	Period ended 30 September	
In thousands of Euros	***2015***	***2014***
Interest on cash and cash equivalents	1,368	1,520
Fair value gains on derivatives	—	—
Finance income	**1,368**	**1,520**
Interest expense	(1,114)	(1,305)
Unwinding of discount of other financial liabilities (note 6)	(378)	(276)
Fair value losses on derivatives (note 13)	—	—
Finance costs	**(1,492)**	**(1,581)**
Finance costs, net	**(124)**	**(61)**

22. FOREIGN CURRENCY GAINS/(LOSSES)

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

	Period ended 30 September	
In thousands of Euros	***2015***	***2014***
Foreign exchange differences	(11,109)	10,408
Fair value gains/(losses) on derivatives (note 13)	1,518	(1,509)
Foreign currency gains/(losses)	**(9,591)**	**8,899**

Foreign exchange differences mainly correspond to:

- Unrealized net foreign exchange losses: €(13.8) million (net gains amounting to €10 million for the period ended 30 September 2014);
- Realized net foreign exchange gains: €2.7 million (net gains amounting to €0.4 million for the period ended 30 September 2014).

23. INCOME TAX

23.1. Income tax expense

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

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

	Period ended 30 September	
In thousands of Euros	***2015***	***2014***
Profit before income tax	21,945	40,270
Income tax calculated at corporate tax rate		
(Luxembourg tax rate of 29.22% as at 30 September 2015 and 2014)	(6,412)	(11,767)
Effect of different tax rates in foreign countries	6,605	13,187
Effect of unrecognized tax assets	(1,632)	(5,357)
Expenses not deductible for taxation purposes	(327)	1,197
Effect of unremitted tax earnings	(105)	(248)
Income tax expense	**(1,871)**	**(2,988)**

23.2. Deferred income tax assets and liabilities

The increase in the deferred income tax assets mainly correspond to the losses generated in a tax jurisdiction over the half-year period ended 30 September 2015.

24. EARNINGS PER SHARE

24.1. Basic

Basic earnings per share is calculated by dividing the profit attributable to equity owners of the Company by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Group and held as treasury shares (note 14.2).

	Period ended 30 September	
	2015	***2014***
Profit for the half-year attributable to equity owners of the Company		
(in thousands of Euros)	19,409	36,649
Weighted average number of ordinary shares in issue	1,470,574,041	1,470,309,391
Basic earnings per share *(in € per share)*	**0.013**	**0.025**

24. EARNINGS PER SHARE *(continued)*

24.2. Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Period ended 30 September	
	2015	*2014*
Profit for the half-year attributable to equity owners of the Company *(in thousands of Euros)*	**19,409**	**36,649**
Weighted average number of ordinary shares in issue	1,470,574,041	1,470,309,391
Adjustement for share options	1,180,591	—
Adjustement for free shares	2,128,527	1,177,043
Weighted average number of ordinary shares for diluted earnings per share	1,473,883,159	1,471,486,434
Diluted earnings per share *(in € per share)*	**0.013**	**0.025**

25. CONTINGENCIES

25.1. Legal proceedings

The Group is subject to legal proceedings, claims and litigation arising in the ordinary course of business. The Group's management does not expect that the ultimate costs to resolve these other matters will have a material adverse effect on the Group's consolidated financial position, statement of income or cash flows.

25.2. Tax risks

In July 2012, the French tax authorities started an audit of the tax returns filed by Laboratoires M&L (previously named L'Occitane SA) for the years ended in March 2009, 2010 and 2011. In December 2012 and in December 2013, the company received tax reassessments proposals for a total amount of €33,700,000 plus the late payment of interest and penalties relating to the year ended in March 2009, 2010 and 2011. The French tax authorities questioned the level of intercompany transactions and mainly the trademark royalties between subsidiaries. For the fiscal year ended 31 March 2014, the Group considered that the French tax authorities' position was unfounded and challenged those reassessments. Therefore no provision was recorded as at 31 March 2014.

In March 2015, the tax authorities responded to the Company: some items of the tax reassessment were abandoned. For the fiscal years ended in March 2009, 2010 and 2011, the revised tax proposed reassessments eventually amounted to €20,300,000 plus the late payment of interest and penalties. The Group continues to challenge the tax authorities' position. Nevertheless, after consulting its tax advisors, the Group considers that the risk is "probable". Consequently after having estimated several scenarios, an amount of €8,000,000 (including late interest) was provided as at 31 March 2015. The provision was recorded in the income tax expense in the statement of income.

In June 2015, the French tax authorities started an audit of the tax returns filed by Laboratoires M&L for the years ended in March 2012, 2013 and 2014. No tax reassessment was yet claimed by the French tax authorities. For the fiscal year ended 31 March 2015, no tax audit has been started. Considering the uncertainty as to the possible legal grounds for future tax audits for those fiscal years, the Group cannot assess any reliable estimate for such a risk. The risk is considered as "not probable" as at 30 September 2015 and no provision was accordingly made.

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

25. CONTINGENCIES *(continued)*

25.3. Other contingent liabilities

The Group has contingent liabilities in respect of bank, other guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities. All guarantees given by the Group are described in note 26.3.

26. COMMITMENTS

26.1. Capital and other expenditure commitments

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

In thousands of Euros	***30 September 2015***	***31 March 2015***
Property, plant and equipment	3,057	10,202
Intangible assets	89	1,213
Raw materials	714	2,354
Total	**3,860**	**13,769**

The amounts as of 30 September 2015 and 31 March 2015 are mainly related to the plants in France.

26.2. Lease commitments

The Group leases various retail stores, offices and warehouses under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses, free-rents period and renewal rights. The lease expenditure charged to the statement of income is disclosed in note 19.

The future aggregate minimum annual lease payments under all non-cancellable operating leases are as follows:

In thousands of Euros	***30 September 2015***	***31 March 2015***
Within one year	108,227	111,594
One to two years	91,003	92,109
Two to three years	71,750	76,436
Three to four years	56,524	58,593
Four to five years	42,399	46,478
Subsequent years	112,771	124,125
Total	**482,675**	**509,334**

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

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

26. COMMITMENTS *(continued)*

26.3. Other commitments

In thousands of Euros	***30 September 2015***	***31 March 2015***
Pledge of land and building (a)	8,573	8,574
Total	**8,573**	**8,574**

(a) As at 30 September 2015 and as at 31 March 2015, the pledge of land and building corresponds to the FY 2012 bank borrowing (note 15).

27. TRANSACTIONS WITH RELATED PARTIES

The following transactions were carried out with related parties:

27.1. Key management compensation

Key management is composed of the Directors (executive and non-executive Company's Board members) and the senior management.

Emoluments expensed during the periods are analysed as follows:

	Period ended 30 September	
In thousands of Euros	***2015***	***2014***
Executive directors	2,092	1,493
Non executive directors	74	71
Senior management	1,510	1,426
Total key management emoluments	**3,676**	**2,990**

During the period ended 30 September 2015 and 30 September 2014, no stock options were granted to the Directors.

In September 2014, in addition to the directors' remuneration disclosed above, some directors received remuneration from the Company's holding company, LOG, which totalled € 111,000. Part of which was in respect of their services to the Company and its subsidiaries. The amount paid during the period ended 30 September 2015 is nil.

27. TRANSACTIONS WITH RELATED PARTIES *(continued)*

27.2. Other transactions with other related parties

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

	Period ended 30 September	
In thousands of Euros	***2015***	***2014***
Sales of goods	43	98
Sales of services	—	11
Purchase of services from related parties	(64)	(72)
Purchase of services from other related parties (close members of the family of key management)	—	(121)

28. POST BALANCE SHEET EVENTS

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

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

As at 30 September 2015, the following directors (the "Directors") or chief executive of the Company had or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) (i) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 & 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have taken under such provision of the SFO), (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"):

(a) Interests in the shares of the Company

Name of Director	Capacity and Nature of Interest	Number of shares/ underlying shares held or controlled	Approximate % of Shareholding *(Note 2)*
Reinold Geiger *(Note 1)*	Interest in controlled corporation, beneficial Interest and deemed Interest	1,029,412,202 (long position)	69.70%
André Hoffmann	Beneficial Interest	2,621,961 (long position)	0.18%
Domenico Trizio	Beneficial Interest	2,146,900 (long position)	0.15%
Thomas Levilion	Beneficial Interest	625,500 (long position)	0.04%
Nicolas Veto	Beneficial Interest	245,900 (long position)	0.02%
Charles Mark Broadley	Beneficiary of a trust and beneficial interest	152,000 (long position)	0.01%
Karl Guénard	Beneficial Interest	90,500 (long position)	0.01%
Jackson Chik Sum Ng	Beneficial Interest	80,000 (long position)	0.01%
Martial Lopez	Beneficial Interest	60,000 (long position)	0.00%
Pierre Milet	Beneficial Interest	50,000 (long position)	0.00%

Notes:

(1) Mr. Reinold Geiger is the beneficial owner of 811,250 Shares of the Company and of the entire issued share capital of Société d'Investissements Cime S.A. ("CIME"), which in turn has beneficial interest and deemed interest in approximately 69.51% of the entire issued share capital of the L'Occitane Groupe S.A. ("LOG") (being beneficial owner of 11,253,328 shares and having deemed interest in 4,277,017 treasury shares being held by LOG, in 253 shares and in 34,460 shares being held by Mr. Geiger's wife). Mr. Reinold Geiger is therefore deemed under the SFO to be interested in all the shares registered in the name of LOG, which holds 1,021,827,891 shares in the Company and controls 6,390,850 treasury shares held by the Company. Mr. Geiger also has a beneficial interest in shares of the Company (382,211 underlying shares). See details in Share Option Plan section.

(2) Based on guidance received from the SFC, the disclosure of interest calculations shown in the table above have been calculated on the basis of the Company's total issued share capital including 6,390,850 shares that are held in treasury and do not have voting rights whilst they are held in treasury.

(b) Interests in the shares of the associated corporations

Long Position in the shares of LOG

Name of Director	Capacity and Nature of Interest	Number of shares/ underlying shares held or controlled	Approximate % of Shareholding (Note 2)
Reinold Geiger	Beneficial interest and deemed interest	15,565,058 (Note 1)	69.67%
André Hoffmann	Beneficial interest and deemed interest	3,068,676	13.74%
Domenico Trizio	Beneficial interest	3,000	0.01%
Nicolas Veto	Beneficial interest	19,983	0.09%
Martial Lopez	Beneficial interest	18,000	0.08%
Thomas Levilion	Beneficial interest	10,098	0.05%
Karl Guénard	Beneficial interest	3,000	0.01%

Notes:

(1) Comprised of 253 shares held by Mr. Reinold Geiger, 11,253,328 shares held by CIME, 34,460 shares held by Ms. Dominique Maze-Sencier, each as beneficial and registered owner and 4,277,017 treasury shares held by LOG. Mr. Geiger is the beneficial owner of the entire issued share capital of CIME; Mr. Geiger is therefore deemed under the SFO to be interested in all the shares in LOG held by CIME. Mr. Geiger is also deemed under the SFO to be interested in the shares in LOG held by Mr. Geiger's wife, Ms. Dominique Maze-Sencier. As a controlling shareholder of LOG, Mr. Geiger is also deemed to be interested in the treasury shares being held by LOG.

(2) The approximate percentage shareholdings in the share capital of LOG are calculated on the basis of the total number of 22,341,954 shares issued, inclusive of 4,277,017 treasury shares held by LOG.

Save as disclosed herein, as at 30 September 2015, none of the Directors and chief executive of the Company, or any of their spouses, or children under eighteen years of age, had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations recorded in the register required to be kept under section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS IN THE SHARES AND UNDERLYING SHARES OF SUBSTANTIAL SHAREHOLDERS

As at 30 September 2015, the register of substantial shareholders maintained under section 336 of the SFO shows that the Company had been notified of the following substantial shareholders' interests or short positions, other than a Director or chief executive of the Company, in the shares or underlying shares of the Company:

Name of shareholders	Capacity and Nature of Interest	Number of shares/ underlying shares held or controlled	Approximate % of Shareholding *(Note 3)*
Société d'Investissements Cime S.A.	Interest in controlled corporation and deemed interest	1,028,218,741 (long position) *(Note 1)*	69.51%
LOG	Interest in controlled corporation and deemed interest	1,028,218,741 (long position) *(Note 1)*	69.51%
The Capital Group Companies, Inc.	Interest in controlled corporation	73,243,750 (long position) *(Note 2)*	4.96%

Notes:

(1) CIME has an interest in approximately 69.51% of the total issued share capital of LOG (being beneficial owner of 11,253,328 shares and having deemed interest in 4,277,017 treasury shares being held by LOG). CIME is the controlling corporation of LOG and is therefore deemed under the SFO to be interested in all the 1,028,218,741 shares held or controlled in the Company by LOG. As suggested by SFC, being the controlling corporations of the Company, both CIME and LOG have deemed interest in the 6,390,850 treasury shares being held by the Company.

(2) The Capital Group Companies, Inc. directly holds 100% equity interest in Capital Research and Management Company and is therefore deemed to be interested in the 73,243,750 shares held by Capital Research and Management Company.

(3) Based on guidance received from the SFC, the disclosure of interest calculations shown in the table above have been calculated on the basis of the Company's total issued share capital including 6,390,850 shares that are held in treasury and do not have voting rights whilst they are held in treasury.

Save as disclosed herein, as at 30 September 2015, the Company had not been notified of any substantial shareholder (other than a Director or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company that were recorded in the register required to be kept under section 336 of the SFO.

SHARE OPTION PLAN

On 30 September 2010, a meeting of the shareholders of the Company authorised the adoption of a share option plan (the "Share Option Plan 2010"), which expired and was terminated on 29 September 2013 to be replaced by another share option plan (the "Share Option Plan 2013") which was adopted on 25 September 2013. The purpose of the Share Option Plan 2013 is to provide employees of the Group, all its Directors (including non-executive Directors) and Shareholders (together, the "Eligible Persons") with an opportunity to have a proprietary interest in the Company through being granted share options under the Share Option Plan 2013 rules (the "Options"), which will motivate the Eligible Persons to optimise their performance, effectiveness and efficiency for the benefit of the Group and attract and retain or otherwise maintain ongoing business relationships with those Eligible Persons whose contributions are or will be beneficial to the long-term growth of the Group. The maximum number of Shares in respect of which Options may be granted under the Share Option Plan 2013 shall not exceed 22,054,641 Shares, being 1.5% of the Company's issued share capital (excluding shares held in treasury) as at 30 September 2014.

Particulars and movements of share options granted under the Share Option Plans 2010 and 2013 (the 2010 and 2013 Options) during the six months ended 30 September 2015 were as follows. No share options were granted under the Share Option Plan 2013 during this period.

Name/Category of Participant	As of 01/04/2015	Number of share options: Granted during the period	Cancelled or forfeited during the period	Exercised during the period	As of 30/09/2015	Date of grant	Exercise Period [Note 1]	Exercise Price per Share (HK$)	Price immediately preceding the date of grant [Note 2] (HK$)
Directors									
Reinold Geiger	250,000	–	(145,000)	–	105,000	4-Apr-11	04/04/2015-03/04/2019	19.84	19.84
	277,211	–	–	–	277,211	28-Nov-12	28/11/2016-28/11/2020	24.47	24.35
André Hoffmann	250,000	–	(145,000)	–	105,000	4-Apr-11	04/04/2015-03/04/2019	19.84	19.84
	277,211	–	–	–	277,211	28-Nov-12	28/11/2016-28/11/2020	24.47	24.35
Thomas Levilion	250,000	–	(145,000)	–	105,000	4-Apr-11	04/04/2015-03/04/2019	19.84	19.84
	118,000	–	–	–	118,000	28-Nov-12	28/11/2016-28/11/2020	24.47	24.35
	311,500	–	–	–	311,500	4-Dec-13	04/12/2017-03/12/2021	17.62	17.62
	91,000	–	–	–	91,000	24-Feb-15	24/02/2019-23/02/2023	19.22	19.22
Domenico Trizio	1,200,000	–	–	–	1,200,000	4-Apr-11	04/04/2015-03/04/2019	19.84	19,84
	169,000	–	–	–	169,000	28-Nov-12	28/11/2016-28/11/2020	24.47	24.35
	655,500	–	–	–	655,500	4-Dec-13	04/12/2017-03/12/2021	17.62	17.62
	122,400	–	–	–	122,400	24-Feb-15	24/02/2019-23/02/2023	19.22	19.22
Karl Guénard	90,500	–	–	–	90,500	4-Dec-13	04/12/2017-03/12/2021	17.62	17.62
Nicolas Veto [note 3]	50,000	–	(22,500)	–	27,500	4-Apr-11	04/04/2015-03/04/2019	19.84	19.84
	34,000	–	–	–	34,000	28-Nov-12	28/11/2016-28/11/2020	24.47	24.35
	78,250	–	–	–	78,250	4-Dec-13	04/12/2017-03/12/2021	17.62	17.62
	85,400	–	–	–	85,400	24-Feb-15	24/02/2019-23/02/2023	19.22	19.22
Jackson Ng	50,000	–	–	–	50,000	4-Apr-11	04/04/2015-03/04/2019	19.84	19.84
Mark Broadley	50,000	–	–	(50,000)	–	4-Apr-11	04/04/2015-03/04/2019	19.84	19.84
Sub-total [note 4] [note 5]	4,409,972	–	(457,500)	(50,000)	3,902,472				
Others									
Employees	5,500,000	–	(2,453,500)	(214,650)	2,831,850	4-Apr-11	04/04/2015-03/04/2019	19.84	19.84
	3,360,927	–	(74,000)	–	3,286,927	26-Oct-12	26/10/2016-26/10/2020	23.60	23.60
	9,806,750	–	(350,000)	–	9,456,750	4-Dec-13	04/12/2017-03/12/2021	17.62	17.62
	699,800	–	–	–	699,800	24-Feb-15	24/02/2019-23/02/2023	19.22	19.22
Sub-total [note 4] [note 5]	19,367,477	–	(2,877,500)	(214,650)	16,275,327			–	–
Total	23,777,449	–	(3,335,000)	(264,650)	20,177,799			–	–

Notes:

(1) As a general rule, the vesting period of the 2010 and 2013 Options is set at four years and the exercise period is set at four years after the date of vesting. The Share Option Plan 2010 was terminated on 29 September 2013. The Board was however entitled to grant Options to Eligible Persons under the Share Option Plan 2013 subject to such conditions as the Board may think fit, including in respect to the vesting and exercise of such 2013 Options.

(2) Being the closing price of the Shares quoted on the Hong Kong Stock Exchange on the trading day immediately prior to the date of grant of the 2010 or 2013 Options.

(3) Mr. Nicolas Veto is also beneficial owner of 12,500 free shares (with vesting date on 26 October 2016) and 8,250 free shares (with vesting date on 4 December 2017)

(4) Mr. Nicolas Veto was grouped under Employees scheme in FY2014. As he was appointed as a director of the Company on 24 September 2014, his share options are disclosed separately.

(5) Mr Emmanuel Osti resigned as Director on 7 January 2015, Mr. Osti and his wife, Cecile DeVerdelhan are employees and their share options are now grouped under Employees scheme.

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

Date of grant	Expected volatility (%)	Expected life	Risk-free interest rate (%)	Expected dividend yield (%)
4 April 2011	25%	5 years	1.92%	20% of budgeted profit attributable to the equity holders
26 October 2012	25%	5 years	0.50%	30% of budgeted profit attributable to the equity holders
28 November 2012	25%	5 years	0.50%	30% of budgeted profit attributable to the equity holders
4 December 2013	25%	5 years	1.00%	35% of budgeted profit attributable to the equity holders
24 February 2015	25%	5 years	1.00%	35% of budgeted profit attributable to the equity holders

In total, share-based compensation expense of €1,326,000 was included in the consolidated statement of comprehensive income for the six months ended 30 September 2015 (six months ended 30 September 2014: €1,346,000). These expenses included the amortisation of the fair value of the share-based awards in the form of Options granted to the Directors and employees under our 2010 and 2013 Share Option Plans.

FREE SHARE PLAN

On 30 September 2010, a meeting of the shareholders of the Company authorised the adoption of a free share plan (the "Free Share Plan 2010"), which expired and was terminated on 29 September 2013 to be replaced by another free share plan (the "Free Share Plan 2013") which was adopted on 25 September 2013. The purpose of the Free Share Plan 2013 is to provide employees of the Group (the "Employees") with an opportunity to have a proprietary interest in the Company through being granted free shares under the Free Share Plan 2013 rules (the "Free Shares"), which will motivate the relevant Employees to optimise their performance, effectiveness and efficiency for the benefit of the Group and attract and retain or otherwise maintain ongoing business relationships with those Employees whose contributions are or will be beneficial to the long-term growth of the Group. The maximum number of Free Shares that may be granted under the Free Share Plan 2013 shall not exceed 7,351,546 Shares, being 0.5% of the Company's issued share capital (excluding shares held in treasury) as at 30 September 2013.

On 4 December 2013, the Company granted 867,500 free shares in the Company pursuant to the Company's Free Share Plan 2013 to certain eligible Employees (as defined in the rules of the Free Share Plan 2013). The Free Shares will vest on 4 December 2017.

On 24 February 2015, the Company granted 840,900 Free Shares in the Company pursuant to the Company's Free Share Plan 2013 to certain eligible Employees (as defined in the rules of the Free Share Plan 2013). The Free Shares will vest on 24 February 2019.

TREASURY SHARES

On 4 October 2013, the Stock Exchange granted a conditional waiver (the "Waiver") to the Company in respect of Rule 10.06(5) of the Listing Rules to allow it, following any repurchase of shares, to elect to hold its own shares in treasury instead of automatically cancelling such shares. As a consequence of the Waiver, the Stock Exchange has agreed certain consequential modifications to other Listing Rules applicable to the Company.

Shares held in treasury may subsequently be sold for cash, transferred pursuant to an employees' share scheme or cancelled.

Full details of the Waiver and the conditions attached thereto are set out in the announcement issued by the Company on 4 November 2013 and can be found on the Company's website at www.loccitane.com and on the Stock Exchange's website at www.hkexnews.hk.

The Company confirmed that during the six months ended 30 September 2015, the Company was in compliance with the conditions of the Waiver.

During the six months ended 30 September 2015, the Company transferred out of treasury in total 264,650 shares in pursuant to exercises of options granted under the Company's Share Option Plan 2010. The Company holds as at 30 September 2015, 6,390,850 ordinary shares as treasury shares, and the total number of ordinary shares in issue (excluding shares held as treasury shares) is 1,470,574,041.

HUMAN RESOURCES

As at 30 September 2015, the Group had 8,294 employees (30 September 2014: 7,846 employees).

The Group ensures that all levels of employees are paid competitively and are rewarded in accordance with the Group's salary, incentive and bonus schemes. Options and Free Shares may also be offered to eligible employees. Training schemes are available where appropriate.

AUDIT COMMITTEE

As required under the Listing Rules, the Company has an Audit Committee comprising of three non-executive Directors 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 control and financial reporting matters including the review of the consolidated interim results of the Group for the six months ended 30 September 2015.

CORPORATE GOVERNANCE

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

The Company has complied with all of the code provisions of the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 to the Listing Rules throughout the six months ended 30 September 2015 save as disclosed below:

The role of the Chief Executive Officer (the "CEO") of the Group has been assumed by Mr. Reinold Geiger ("Mr. Geiger"), the Chairman of the Board. This deviation is deemed appropriate as it is considered to be more efficient to have one single person to be the Chairman of the Company as well as to discharge the executive functions of a CEO and it provides the Group with strong and consistent leadership. The Directors believe that the balance of power and authority is adequately ensured by the operations of the Board which comprises highly experienced individuals. There are four independent non-executive Directors in the Board. All of them possess adequate independence and therefore the Board considers the Company has achieved balance and provided sufficient protection of its interests. Moreover, Mr. Geiger is not a member of any of the 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. André Hoffmann, the Managing Director Asia-Pacific. Mr Geiger is responsible to the Board and focuses on Group strategies and Board issues, and ensures a cohesive working relationship between members of the Board and management. The Managing Director has full executive responsibilities in the business directions and operational efficiency of the business units under his responsibilities and is 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. Mei Yee Yung ("Ms. Yung"), joint company secretary of the Company, is based in Hong Kong. Ms. Yung works in coordination with Mr. Guénard in the discharge of the company secretarial duties.

CHANGES IN DIRECTORS' INFORMATION

No change has occurred in Directors' information during the six months period ending 30 September 2015.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, they have confirmed that they have complied with the Model Code during the six months ended 30 September 2015.

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 six months ended 30 September 2015.


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