In addition to other information in this prospectus, you should carefully consider the following risk factors before making any investment decision in relation to the Offer Shares, which may not be typically associated with investing in equity securities of companies from other jurisdictions. If any of the possible events described below occur, our business, financial condition or results of operation could be materially and adversely affected and the market price of the Offer Shares could fall significantly.

RISKS RELATING TO OUR BUSINESS

We are currently principally reliant upon one brand, namely our L'Occitane brand. If we are unable to adequately or successfully protect and promote our L'Occitane brand, or if we are subject to product liability claims, our results of operation may be adversely affected.

We currently derive almost all of our revenue from sales of our L'Occitane brand of products. Sales of our L'Occitane products accounted for approximately 96.5%, 98.3%, 95.2% and 95.6% of our total revenue for each of the three years ended 31 March 2009 and nine months ended 31 December 2009, respectively. Our continued success and growth therefore depend significantly on our ability to protect and promote, in our existing markets and new markets we intend to enter into, our L'Occitane brand. Promoting and defending our L'Occitane brand also depends, in part, on securing the cooperation of distributors and wholesalers and controlling the distribution of our L'Occitane products through our wholesale channels. If we fail to successfully promote our L'Occitane brand or to protect and enhance its brand identity, if we fail to properly supervise the distribution or use of our L'Occitane products by third party distributors or spa operators or in the case of non-compliance by such third party distributors or spa operators with our policies, the market recognition of our L'Occitane brand may deteriorate, we may not be able to sell our L'Occitane products at acceptable prices and/or volumes, and, as a result, our results of operation may be adversely affected.

Further, we face an inherent business risk of exposure to product liability claims in the event that the use of our products results, or is alleged to result, in undesirable side effects, health or safety issues or damage. If we experience any material product recalls of our L'Occitane products, the reputation of our L'Occitane brand may suffer damage. We maintain insurance to cover financial loss we may sustain as a result of product liability claims. However, a successful product liability claim against us could cause a deterioration of our brand, and could be in excess of our available insurance coverage and established reserves, result in legal costs incurred in connection with such claim or other adverse allegations and costs incurred in connection with a product recall campaign or in rectifying any product defects, any of which could have an adverse effect on our sales, results of operation and financial condition.

We may not be able to protect adequately or enforce our intellectual property rights, which could impact upon our reputation, leading to a loss of consumer confidence, reduced sales and/or higher administrative costs.

Counterfeiting and imitation have occurred in the past for many consumer products, including cosmetics. As our L'Occitane brand is a well known brand around the world, we have in the past experienced counterfeiting and imitation of our products. We are unable to guarantee that counterfeiting and imitation would not occur or, if it does occur, that we would be able to detect and address the problem effectively. Any occurrence of counterfeiting or imitation could impact negatively upon our reputation and brand name, lead to loss of consumer confidence in our brand, and, as a consequence, adversely affect our results of operation. Consequently, we do our utmost to fight against any counterfeiting and imitation of our products or brands.

The laws of some foreign countries do not protect our proprietary rights as fully as do the laws of European Union member States or the United States. As a result, we may not be able to protect our intellectual property rights adequately by legal means in some of the jurisdictions where we do business.

Litigation may be necessary in the future to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others. The costs required to protect our trademarks, trade names and patents, including legal fees and expenses, could be substantial. Litigation may also be necessary to defend against claims of infringement or invalidity by others as we actively pursue innovation in the cosmetics and toiletries industry and enhance the value of our intellectual property portfolio. An adverse outcome in litigation or any similar proceedings could adversely affect our business, financial condition and results of operation. In addition, the diversion of management's attention and resources while addressing any intellectual property litigation claim, regardless of whether the claim is valid, could be significant and could significantly affect our business, financial condition and results of operation.

Please see the section headed "Business — Intellectual Property" for further information relating to our intellectual property.

We develop almost all and manufacture a significant portion of our products at our own manufacturing plants in Manosque and Lagorce. Our operations and financial performance may be materially adversely affected if we experience any major disruptions, damage or destruction, including as a result of explosion, fire or other disruptions at our manufacturing plants in Manosque and in Lagorce.

We develop almost all and manufacture a significant portion of our products at our manufacturing plants in Manosque and Lagorce. We produce soaps in Lagorce, candles in Manosque, and a significant portion of our remaining products at both plants. Certain of the materials which we use for our production are highly flammable and we are therefore subject to the risk of explosion and fire. The risk of any occurrence in the future cannot be completely eliminated. Further, significant unscheduled downtime at our Manosque and Lagorce facilities due to equipment breakdowns, power failures, weather conditions, fire or explosion or other natural disasters could cause disruptions in our operations or delay our delivery schedules. Our current insurance coverage may not be sufficient to cover all of our potential losses due to an explosion or fire. If any manufacturing plant were to be damaged or cease operations, including as a result of an explosion, fire or other disruptions, it would temporarily reduce our manufacturing capacity and affect our ability to provide our products to our customers, which could adversely affect our sales, business, financial condition and results of operation.

We may face difficulties during the initial, transitional stages of our expansion, especially in developing countries where we have not yet established a secure foothold. We may also face difficulties in identifying appropriate acquisition targets or in integrating acquired businesses into our operations. Further, we may experience difficulties in managing future growth, including our expansion plans for our newly acquired brand, Melvita. Our financial performance may thereby be adversely affected.

We may experience difficulties during the initial, transitional stages of our expansion, especially in developing countries where we have not yet established a secure foothold. For example, our current raw material suppliers may not have the capacity to supply us with additional quantities of raw materials required if we increase our production volume. Larger-scale suppliers may have the capacity to supply such additional quantities; however they may charge a higher price, especially if our purchase volume does not match certain thresholds and they receive larger orders from other manufacturers. We may therefore experience shortages of raw materials and/or higher costs for the procurement of raw materials, and our results of operation may thereby be adversely affected.

We may also face difficulty in integrating our acquired businesses, and we cannot guarantee that the synergies that we planned from the acquisitions will materialise. For example, we face risks with respect to our 2008 acquisition of M&A SAS and the Melvita brand. We intend to expand the Melvita brand by, among other things, opening new Melvita stores, and we currently estimate that over the next five years approximately 15% to 25% of the net proceeds from the Global Offering will be used for such purpose. However, should our plans for Melvita not be successfully executed for any reason, our growth from and return on our investment in Melvita may be adversely affected and thereby impact our business, results of operation and financial position.

Our organic growth, as well as growth arising from acquisitions, could place a significant strain on our managerial, operational and financial resources. Our ability to manage our future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to train, motivate and manage an enlarged workforce, including our ability to recruit qualified personnel with the necessary technical skills and experience and the integration of our existing workforce with that of any businesses that we may acquire. Failure to effectively manage our expansion may lead to increased costs, a decline in sales and reduced profitability.

We may also seek to achieve our growth targets through acquisitions of local businesses providing access to new markets and/or creating synergies with our existing business. We may not be able to identify appropriate targets, complete the acquisitions on satisfactory terms, particularly as to price, which could adversely affect our business, financial condition and results of operation. There can be no assurance that we will be able to achieve our growth objectives.

Some markets in which we operate are highly competitive and have well-established competitors. If we are unable to remain competitive, we will lose market share to our competitors as well as new entrants to our markets, and our financial performance would be adversely affected.

The pricing and demand for our products are affected by the intensity of the competition we face. Some of our more well known competitor brands include, among others, Aveda, The Body Shop, Origins, Natura, Kiehl's and Yves Rocher. We expect competition to further intensify principally due to the entry of new international and local brands, industry consolidation and the general trend of increased consumer demand and hence increased numbers of manufacturers of natural and organic ingredient-based cosmetics. As a result of increased competition, our sales and results of operation may be significantly adversely affected.

Some of our competitors may have greater financial, technological, marketing and customer service resources and, in certain markets, greater brand recognition than we do. This may allow them to devote greater resources to the development, promotion, sale and support of their products than we can. As a result, we may not be able to compete effectively in certain of our target markets, our products might not be accepted as we expect them to be in these target markets, and competitive pressures could adversely affect our business, financial condition and results of operation.

We may fail to anticipate or respond to changes in consumer demand and trends in the global cosmetics industry in a timely manner.

We operate in an industry that is subject to rapid and unpredictable changes in consumer demand and trends. Our success depends on our ability to identify and respond to constantly shifting consumer demand and trends, develop new and appealing products on a timely basis, and achieve acceptance of such new products by customers. In particular, we depend on, to a significant extent, continued consumer demand for natural- and organic- based personal care products and we cannot assure you that consumers will continue to demand such products. If we fail to anticipate and respond appropriately to changing consumer trends and preferences, or if consumer preferences shift away from natural- and organic- based personal care products, our brand and results of operation and financial condition may be materially and adversely affected.

Moreover, we rely on our vertically integrated business model to anticipate changes and trends in consumer demand and adjust our product mix accordingly. If we misjudge consumer demand, we may incur development, production and marketing costs which we are not able to recover and our results of operation may be adversely affected.

Our business depends on a stable and adequate supply of raw materials, which may be subject to shortages in supply or delays in delivery.

We depend on suppliers of raw materials, such as shea butter, immortelle essential oil, perfume bases and packaging materials in order to maintain our production processes. Our production volume and production costs are dependent on our ability to source at acceptable prices and maintain a stable supply of raw materials.

Almost all of the natural and organic ingredients used in our products are derived from plants and other natural produce grown in or around Provence. We also procure most of our shea butter from Burkina Faso in Africa. If the harvest and hence the supply of such natural and organic ingredients are affected by natural disasters, adverse weather conditions, diseases, pest infestations, disruptions in transport infrastructure, labour strikes, work stoppages or other inclement factors, we may not be able to locate alternative sources of supply of such natural and organic ingredients in sufficient quantities, of suitable quality and/or at acceptable prices. This is particularly true for our supply of immortelle essential oil for which we rely on a limited number of suppliers. Our results of operation may thereby be adversely affected.

In addition, we source all of our packaging materials from a large number of third party suppliers. If we experience any material shortages or delay in delivery of packaging materials, our ability to package and deliver our finished goods to our points of sale may be materially adversely affected, and our reputation and sales may suffer material damage, which would adversely affect our results of operation.

The risk of product contamination resulting in product liability may materially adversely affect our business.

As is the case with other consumer product manufacturers, we are subject to product liability claims if our products are found to be unfit for human use or cause illness. Products may be rendered unfit for human use due to contamination of ingredients, whether accidental or not, and illegal tampering. Despite the measures we have in place to control the quality of our products, contamination of ingredients of our products may occur during the transportation, production, distribution and sales processes due to reasons unknown to us or out of our control. The occurrence of such problems may result in product recalls which will cause serious damage to our reputation and brand, as well as loss of revenue. We cannot assure you that such incidents will not occur in the future. In addition, adverse publicity about these types of concerns relating to our brand or to the industry as a whole, whether or not legitimate, may discourage consumers from purchasing our products. If consumers lose confidence in our brand, we could experience long term declines in our sales, resulting in losses which we may not be able to recover.

Fluctuations in the value of the currencies of the countries in which we derive revenues against the Euro, our reporting currency, could adversely affect our financial performance.

Our reporting currency is the Euro. However, we sell our products in over 80 countries and we generate sales revenue in more than 15 different currencies. For the nine-month period ended 31 December 2009, approximately 46% of our total costs (cost of goods sold and operating expenses) were denominated in Euros, approximately 21% in US dollars and currencies pegged to the US dollar and approximately 17% in Japanese Yen, whilst approximately 27% of our net sales were denominated in Euros, approximately 25% in US dollars and currencies pegged to the US dollar and approximately 24% in Japanese Yen.

If the FY2006 exchange rates for the US dollar and the Japanese Yen had continued during FY2007, we estimate that our net sales and net profit would have been higher by approximately €10.5 million and €4.8 million respectively. If the FY2007 exchange rates for the US dollar and the Japanese Yen had continued during FY2008, we estimate that our net sales and net profit would have been improved by approximately €14.7 million and €7.0 million respectively. If the FY2008 exchange rates for the US dollar and the Japanese Yen had continued during FY2009, we estimate that our net sales and net profit would have been lower by approximately €19.8 million and €9.1 million. If the FY2009 exchange rates for the US dollar and the Japanese Yen had continued during the nine-month period ended 31 December 2009, we estimate that our net sales and net profit would have been lowered by approximately €2.5 million and €0.4 million respectively. The above sensitivity analysis do not take into consideration the effect of a higher/lower Euro on the fair market value of our foreign currency derivative instruments and on realized exchange gains and losses. Any future material increase in the value of the Euro relative to the currencies in which we derive our revenues would increase our expenses relative to our revenues, and could adversely affect our profitability.

We, LOG and our subsidiary, L'Occitane S.A., have entered into a senior credit facility agreement that comprises three different credit facilities. Any default under any of these facilities would trigger automatic defaults in the other facilities, causing all principal amounts and interest to become immediately due and payable.

Under a senior credit facility agreement, LOG, our controlling shareholder and which is not part of the Group nor under the Group's control, was granted a loan of €205.0 million (the ***Acquisition Facility***), of which €174.3 million remained outstanding as at 31 December 2009, and we and L'Occitane S.A. were granted a capital expenditures facility of €50.0 million (the ***Capex Facility***), of which €49.6 million remained outstanding as at 31 December 2009, and a revolving facility of €25.0 million (the ***Revolving Facility***), of which €1.3 million remained outstanding as at 31 December 2009. Under the senior credit facility agreement, we are subject to two key restrictive covenants requiring us to maintain a leverage financial ratio and a finance cost coverage ratio, both based on LOG's consolidated financial statements. Please see the section headed "Financial Information — Credit Facilities" for further details relating to the two key restrictive convenants. Under the terms of this credit facility, failure to comply with these restrictive covenants would constitute a default and any default under any of the Acquisition Facility, Capex Facility or Revolving Facility will trigger automatic defaults in the other facilities so that all principal amounts and interest owing under all facilities would become immediately due and payable, which may have a material adverse effect on our financial position. For the avoidance of doubt, neither our Company nor L'Occitane S.A. is under any obligation to repay any amounts owed by LOG, and LOG will not be under any obligation after listing to repay any amounts owed by us or L'Occitane S.A., to the Lending Syndicate under the 2007 Credit Facility, whether generally or upon an automatic default triggered by a default under any of the Acquisition Facility, Capex Facility or Revolving Facility.

Logistical problems such as technical faults with ordering systems or delays in delivery, or failure to store inventory in optimal conditions, may adversely affect our sales and damage our reputation.

We rely on our enterprise resource planning and other related information technology systems for the ordering, delivery arrangement and inventory management of our products. We may experience disruptions and technical failures or errors in the operation of such systems.

Also, we rely on independent third party logistics companies for the distribution and transportation of our products. The services provided by such logistics companies could be suspended, which could interrupt the supply of our products to points of sale due to force majeure or other unforeseen events. Delivery disruptions may occur for various reasons beyond our control, including poor handling, transportation bottlenecks, natural disasters, labour strikes, and could lead to delayed or lost deliveries or damaged goods. If our products are not delivered on time, or are delivered damaged, we may have to pay compensation in excess of our carriage of goods insurance coverage, we could lose business and our reputation could be harmed, which may adversely affect our results of operation.

Further, if we or any third party warehousing provider engaged by us fail to store our inventory at optimal conditions, such as at optimal temperatures and humidity levels, the quality and shelf life of our products may be adversely affected, and we may as a result suffer damage to our reputation, which may adversely affect our results of operation.

Our success and ability to operate effectively are dependent on our ability to retain key executives and other personnel, and we may not be able to recruit additional or replacement executives and personnel to augment or complement our management team.
The composition and continued commitment of our management team has been a key element of our success and ability to operate effectively. Our future success is also significantly dependent upon the continued service of our key executives, in particular Mr. Reinold Geiger, Mr. Emmanuel Osti and Mr. André Hoffmann, and other personnel who make up our management team, and our ability to attract and retain personnel who have the necessary experience and expertise. If we experience any significant, material changes to the composition of our management team, we may not be able to recruit suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which could disrupt our business and limit our ability to grow. Further, if we lose our senior management or key personnel to our competitors, our competitiveness, operations and our ability to grow may be adversely affected.

Our comparable store sales and quarterly financial performance may fluctuate for a variety of reasons, which could result in a decline in the price of our shares.
Our comparable store sales and quarterly results of operation have fluctuated in the past, and we expect them to continue to fluctuate in the future. A variety of factors affect our comparable store sales and quarterly financial performance, including:

- seasonality;
- changes in our merchandising strategy or mix;
- the effectiveness of our inventory management;
- timing and concentration of new store openings, including additional human resource requirements and related pre-opening and other start-up costs;
- cannibalisation of existing store sales by new store openings;
- levels of pre-opening expenses associated with new stores;
- timing and effectiveness of our marketing activities, such as new products, direct marketing activity, television and magazine advertisements;
- actions by our existing or new competitors;
- general economic conditions and, in particular, the retail sales environment; and
- store employees' motivation and effectiveness.

Accordingly, our results for any one financial quarter are not necessarily indicative of the results to be expected for any other quarter, and comparable store sales for any particular future period may decrease. In that event, our result of operations may fluctuate significantly, which may result in a decline in the price of our Shares.

RISKS RELATING TO THE GLOBAL COSMETICS INDUSTRY

Changes in existing laws and regulations and/or the imposition of new laws, regulations, restrictions and/or other entry barriers may cause us to incur additional costs to comply with the more stringent rules and/or limit our ability to expand, which could slow down our product development efforts, limit our growth and development and have an adverse impact on our financial position.

We are subject to compliance with various laws and regulations relating to cosmetic products and general consumer protection and product safety in the jurisdictions in which we sell our products. These rules principally set out requirements for the composition, testing, labelling and packaging of our products. Failure to comply with these rules may result in the imposition of conditions on or the suspension of sales or seizure of our products, significant penalties or claims and, in some jurisdictions, criminal liability. In the event that the countries in which we sell our products increase the stringency of such laws and regulations, our production and distribution costs may increase, and we may be unable to pass these additional costs on to our customers. In the event that any such change in law or regulations requires that we obtain a license or permit for our operations, we may be unable to obtain or, if obtained, maintain such license or permit, which may result in a temporary or permanent suspension of some or all of our business activities, which could disrupt our operations and adversely affect our business. Further, in the event that any jurisdiction in which we operate or plan to operate imposes any new laws, regulations, restrictions and/or other barriers to entry, our ability to expand may be thereby limited and our growth and development may be adversely affected.

A continued slowdown in the economy of one or more geographic regions in which we sell our products or new trade protectionist measures could significantly reduce our sales.

The continued growth in revenue from our worldwide sales is highly dependent on the continued expansion of worldwide trade and increase in consumer spending, which in turn depend on the level of global economic growth. We cannot assure you that worldwide trade will sustain a steady rate of growth. Moreover, if the governments of countries in which we sell our products implement protectionist measures that decrease economic trade, such as through trade quotas or tariffs, consumer demand and spending on personal care products may decrease. Any such continued economic slowdown or recession, whether globally or in regions where we have a significant amount of sales, or any new trade protectionist measures, could have a material adverse effect on our business and results of operation.

Disruptions in the global financial markets and the resulting governmental action in other parts of the world could have a material adverse impact on our results of operation, financial condition and cash flows, and could cause the market price of our Shares to decline.

The recent global financial crisis has adversely affected the United States, and other world economies. As the financial crisis has broadened and intensified, the growth of the overall global economy has been negatively impacted. An extended downturn could lead to a decline in demand of consumer of cosmetic products.

The recent global financial crisis affecting the banking system and financial markets has also resulted in a tightening in credit markets, a low level of liquidity in many financial markets and increased volatility in credit and equity markets. If these conditions continue or worsen, they may adversely affect the availability, terms and cost of borrowings in the future, including any financings necessary to complete acquisitions or capital expenditures. Any disruptions in our ability to renew existing borrowings or obtain new borrowings may materially and adversely affect our business, financial condition, results of operation and cash flows as we rely on bank borrowings for a portion of our working capital and capital expenditure requirements.

We face risks attributable to changes in economic environments, changes in interest rates, and instability in securities markets, around the world, among other factors. Major market disruptions and current adverse changes in market conditions and uncertainty in the regulatory climate worldwide may adversely affect our business and industry or impair our ability to borrow amounts under our credit facilities or any future financial arrangements. In addition, the timing and nature of any recovery in worldwide financial markets and the global economy remain uncertain, and there can be no assurance that market conditions will improve in the near future or that our results will not be adversely affected.

Upon Listing, the price and trading volume of our Shares may likely be subject to similar market fluctuations which may be unrelated to our operating performance or prospects. Moreover, these recent and developing economic and governmental factors may have a material adverse effect on our results of operation, financial condition or cash flows and could cause the price of our Shares to decline significantly, and you may lose a significant portion of your investment.

The outbreak of any severe contagious diseases in the geographical regions in which we operate, if uncontrolled, could adversely affect our business and results of operation.

The outbreak of any severe communicable disease in any of the geographical regions in which we operate, if uncontrolled, could adversely affect the overall business sentiments and environment in those regions, which in turn may lead to slower overall economic growth. Any contraction or slow down in the economic growth of the geographical regions in which we operate could adversely affect our financial condition, results of operation and future growth.

In addition, if any of our employees is infected or affected by any severe communicable diseases outbreak, it could adversely affect or disrupt our production at the relevant production facility and adversely affect our business operations as we may be required to close our production facilities to prevent the spread of the disease. The spread of any severe communicable disease in any of the geographical regions in which we operate may also affect the operations of our customers and suppliers, causing delivery disruptions, which could in turn adversely affect our operating results.

RISKS RELATING TO THE GLOBAL OFFERING

Our Company is incorporated in Luxembourg, and we and holders of our Shares may be subject to certain Luxembourg laws and regulations relating to taxation that may be different from those under the laws of Hong Kong, including in particular those relating to the taxation of dividend payments and capital gains.

Our Company is a *société anonyme* incorporated and existing under the laws of the Grand-Duchy of Luxembourg.

Dividends paid by our Company to Shareholders are generally subject to a 15% withholding tax in Luxembourg. However, the rate of withholding tax on dividends may be lower in certain circumstances, for example, where an applicable double tax treaty is in place with Luxembourg. Further, subject to any applicable double tax treaties in place, capital gains realised on a substantial participation of Shares before the acquisition or within the first six months of the acquisition thereof are taxable in Luxembourg where the Shares are held by non-residents who have neither a permanent establishment nor a permanent representative in Luxembourg to which the Shares are attributable. Currently, as a result of a double tax treaty between Luxembourg and Hong Kong dated 2 November 2007, the withholding tax levied on dividends paid by our Company to a duly certified resident of Hong Kong is 10% of the gross amount of the dividend, and capital gains realised by a shareholder who is a resident of Hong Kong will not be taxable under Luxembourg capital gains tax. However, we cannot guarantee that these double tax treaty concessions will continue to apply in the future and changes in double tax treaty arrangements between Luxembourg and Hong Kong may have adverse consequences for holders of our Shares. Further, certain documentary evidence, including in certain circumstances, a certificate of residence status issued by the Hong Kong Inland Revenue Department, will have to be provided to the Company at such place within such period of time before any particular dividend payment date as shall be specified by the Company in its announcement of dividend payments in order for certain Hong Kong resident shareholders to enjoy exemptions/reductions in dividend withholding taxes. **Shareholders should seek independent professional advice in relation to the procedures, timing and cost involved in obtaining a certificate of residence status from the Hong Kong Inland Revenue Department.** No action is required to be taken by Hong Kong resident shareholders in order for them to enjoy the Luxembourg capital gains tax exemption.

Please see the sections headed "F. Summary of Main Luxembourg Tax Aspects Relevant to Shareholders of the Company —" in Appendix V and "D. Other Information — 1. Payment of Luxembourg withholding tax on dividends and refund procedures" in Appendix VI to this prospectus for further details regarding tax on dividend payments and capital gains, including details relating to a double tax treaty between Luxembourg and Hong Kong.

If you are in doubt as to the applicability of any Luxembourg laws or regulations, including those mentioned above, you should seek independent professional advice.

We cannot assure you that any amount of dividends we declare in the future will be at a similar level to that declared and paid by us in respect of each of the three financial years ended 31 March 2009. Our ability to pay dividends is subject to our having sufficient distributable reserves as determined in accordance with Luxembourg Generally Accepted Accounting Principles, and dividends paid by us are subject to Luxembourg withholding tax

During each of the four financial years ended 31 March 2010, we paid dividends to the then shareholders in the amount of approximately €8.0 million, €30.9 million and €30.0 million and €32.0 million respectively. On 9 April 2010, the payment of an exceptional dividend of €80.0 million was approved by the board of directors.

We may distribute dividends by way of cash or by other means that we consider appropriate. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the Luxembourg law of 10 August 1915 on commercial companies, as amended (the ***Luxembourg Companies Law***), including the approval of shareholders, as applicable. As substantially all of our operations are conducted through our operating subsidiaries internationally, the ability of these subsidiaries to make dividend and other payments to us may be restricted by a number of factors, including various laws and regulations in which these subsidiaries are subject. In addition, our Controlling Shareholders will be able to influence our dividend policy.

A decision to declare or to pay any dividends in the future, and the amount of any dividends, depend on a number of factors, including our results of operation, financial condition, the payments by our subsidiaries of cash dividends to us, our future prospects, any restrictive covenants that we are obligated to observe and other factors that our Directors may consider important.

Our ability to pay dividends is subject to our having sufficient distributable reserves as determined under accounting standards in accordance with which our Company's financial statements are prepared, namely Luxembourg Generally Accepted Accounting Principles. There may be differences between Luxembourg Generally Accepted Accounting Principles and IFRS. Further, dividends paid by our Company to Shareholders are subject to Luxembourg withholding tax at rates ranging between 10% and 15%, depending on specific circumstances. Please see the sections headed "E. Amendments to the Articles of Association — 13. Distribution of Assets/Reserves" and "F. Summary of Main Luxembourg Tax Aspects Relevant to Shareholders of the Company" in Appendix V to this prospectus for further details.

There has been no prior market for our Shares, and the liquidity and market price of our Shares following the Global Offering may be volatile.

Prior to the completion of the Global Offering, there has been no public market for our Shares. The initial offer price range of the Offer Shares, and the Offer Price, will be the result of negotiations between the Joint Bookrunners (on behalf of the Underwriters) and us. The Offer Price may not be indicative of the price at which our Shares will be traded following the completion of the Global Offering. In addition, there can be no guarantee that (i) an active trading market for our Shares will develop, or (ii) if it does develop, that it will be sustained following the completion of the Global Offering, or (iii) that the market price of our Shares will not decline below the Offer Price. The price of our Shares following the Global Offering may vary substantially from the Offer Price. If active trading does not develop, the liquidity and price of our Shares may be adversely affected.

In addition, stock markets have experienced significant fluctuations in recent years, which have not always been related to the performance of the specific companies whose shares are traded. Such fluctuations, as well as general economic conditions, may materially affect the price of our Shares. The price of our Shares may also be materially affected by a number of factors, including factors relating to us and the risks described in this prospectus, our competitors and, in particular, our markets.

Our controlling shareholder may exert substantial influence over us and may not act in the best interest of our independent shareholders.

Following the completion of the Global Offering (assuming Over-allotment Option is not exercised), our chairman Mr. Geiger will be deemed to control, indirectly, 75% of our total issued share capital (assuming that the Over-allotment Option is not exercised). Mr. Geiger and his associates acting together, should they choose to do so, will be in a position to exert significant influence over the affairs of our Company, and will be able to influence the outcome of any shareholders' ordinary resolutions, irrespective of how other shareholders vote. The interest of these shareholders may not necessarily be aligned with those of independent shareholders, and this concentration of ownership may also have the effect of delaying, deferring or preventing a change in control of our Company or affect our ability to effect certain types of transactions that require approval by special resolution.

As the Offer Price of our Offer Shares is higher than our unaudited pro forma adjusted net tangible assets per Share, you will experience immediate dilution to your attributable unaudited pro forma adjusted net tangible assets per Share.

On the assumption that the Over-allotment Option is not exercised and without taking into account any changes in our net tangible assets after the Global Offering, other than to give effect to the sale of our Shares pursuant to the Global Offering, assuming an Offer Price of HK$12.88 to HK$15.08 per Share (being the indicative Offer Price range), and after deduction of estimated underwriting fees and expenses, the unaudited pro forma adjusted net tangible assets of our Group attributable to our equity holders as at 31 December 2009 would have been approximately €308.7 million (assuming an Offer Price of HK$12.88) or €345.9 million (assuming an Offer Price of HK$15.08) , or an unaudited pro forma adjusted net tangible assets value per Share of HK$2.23 (assuming an Offer Price of HK$12.88) or HK$2.50 (assuming an Offer Price of HK$15.08). Therefore, purchasers of our Shares in the Global Offering will experience an immediate dilution of HK$10.65 (assuming an Offer Price of HK$12.88) or HK$12.58 (assuming an Offer Price of HK$15.08) per Share, representing the difference between the Offer Price and the unaudited pro forma adjusted net tangible assets per Share. If we issue additional Shares in the future, purchasers of our Shares may experience further dilution.

Facts and statistics in this prospectus relating to the countries in which we operate, their economies and the global and local natural cosmetics industries derived from official government publications may not be reliable.

Certain facts and other statistics in this prospectus relating to the countries in which we operate, their economies and the global and local natural cosmetics industries have been derived from various official government publications we generally believe to be reliable. However, we cannot guarantee the quality or reliability of such source materials. They have not been prepared or independently verified by us, the Joint Sponsors, the Underwriters or any of our or their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside such countries.

We have, however, taken reasonable care in the reproduction or extraction of the official government publications for the purpose of disclosure in this prospectus. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, these facts and statistics in this prospectus may be inaccurate or may not be comparable to facts and statistics produced with respect to other economies. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions.

Any potential (i) sale of Shares by LOG, our existing shareholder, or (ii) sale of shares in LOG by LOG's existing shareholders could have an adverse effect on our share price.

Future sales of a substantial number of (i) our Shares by our existing shareholders or (ii) shares in LOG by LOG's existing shareholders, or market perception that such a sale is imminent, could negatively impact the market price of our Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate.

The Shares held by Mr. Reinold Geiger and LOG, our controlling shareholders, are subject to certain lock-up agreements beginning on the date on which trading in our Shares commences on the Hong Kong Stock Exchange. While we are not aware of any intentions of these shareholders to dispose of significant amounts of their shares after the completion of the lock-up periods, we are not in a position to give any assurances that they will not dispose of any Shares they may own. In the event that any of these shareholders disposes of Shares following the completion of the relevant lock-up periods, this would lead to an increase in the number of our Shares in public hands, and could negatively impact the market price of our Shares or lead to volatility in the market price or trading volume of our Shares, affecting the value of your investment.

Any default by LOG under the Acquisition Facility may result in a disposal of Shares held by LOG and pledged as security for the Acquisition Facility.

As of 31 March 2010, the amounts outstanding under each of the Acquisition Facility, the Capex Facility and the Revolving Facility were €174,250,000, €36,341,000 and €0, respectively. The maturity dates and repayment amounts payable by LOG under the Acquisition Facility are €20,500,000, €25,625,000, €25,625,000 and €30,750,000 on 20 April 2010, 2011, 2012 and 2013 respectively and €71,750,000 on 29 April 2014. That is, such amounts are repayable by LOG subsequent to our listing on the Hong Kong Stock Exchange. Our Shares held by LOG after listing will continue to be subject to a pledge granted by LOG to secure the Acquisition Facility. As at the Latest Practicable Date, LOG did not have any material assets other than its interest in our Company. Whilst LOG currently intends to use all or part of the proceeds it will receive under the Global Offering for the repayment, where sufficient and subject to other financing requirements of LOG, of at least 80% of the amounts owing under the Acquisition Facility, if for any reason LOG is unable to make due repayment of any amount under the Acquisition Facility, the amounts owed by us under the Capex Facility and the Revolving Facility will become immediately repayable. This would put a strain upon our cash flow and may have a material adverse effect on our operations and financial results. For the avoidance of doubt, neither our Company nor L'Occitane S.A. is under any obligation to repay any amounts owed by LOG, and LOG will not be under any obligation after listing to repay any amounts owed by us or L'Occitane S.A., to the Lending Syndicate under the 2007 Credit Facility, whether generally or upon an automatic default triggered by a default under any of the Acquisition Facility, Capex Facility or Revolving Facility.

Further, any default by LOG under the Acquisition Facility may result in the exercise by the lending banks of the pledge granted over Shares held by LOG, and the lending banks may in turn dispose of such Shares in the market. Any such disposal of our Shares could negatively impact the market price of our Shares or lead to volatility in the market price or trading volume of our Shares, affecting the value of your investment.

Due to a gap of up to five business days between pricing and trading of the Offer Shares, the initial trading price of the Offer Shares could be lower than the Offer Price.

The Offer Price will be determined on the Price Determination Date. However, our Shares will not commence trading on the Hong Kong Stock Exchange until the day they are delivered, which is expected to be five business days after the Price Determination Date. As a result, you may not be able to sell or otherwise deal in our Shares during such period, and thus are subject to the risk that the market price of our Shares could fall before trading begins as a result of adverse market conditions or other adverse developments occurring during such period.

We strongly caution you not to place any reliance on any information contained in press articles or other media regarding us and the Global Offering.

Prior to the publication of this prospectus, there has been press and media coverage regarding us and/or the Global Offering, including but not limited to coverage in the Hong Kong Economic Journal, Ming Pao and Apple Daily. Such press and media coverage may include references to certain events or information that do not appear in this prospectus, including certain financial information, financial projections, valuations and other information. We have not authorised disclosure of any such information in the press or other media and we make no representation as to the appropriateness, accuracy, completeness or reliability of any of such information. To the extent such statements are inconsistent with, or conflict with, the information contained in this prospectus, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this prospectus only and should not rely on any other information, reports or publications.