

**RESULTS FOR THE FIRST HALF OF 2010**

<i>€m</i>	30.06.10	30.06.09	Variation
<b>Net sales</b>	<b>545.5</b>	<b>499.6</b>	<b>+9.2%</b>
<i>Like-for-like and at constant exchange rates</i>			<i>+1.7%</i>
Gross profit	320.9	287.9	<i>+11.5%</i>
<b>Gross margin</b>	<b>58.8%</b>	<b>57.6%</b>	<b>+1.2 pts</b>
EBITDA*	47.0	29.0	<i>+62.1%</i>
Operating income	19.5	7.1	<i>+175.8%</i>
<b>EBIT</b>	<b>18.1</b>	<b>6.6</b>	<b>+175.7%</b>
<b>As % of sales</b>	<b>3.3%</b>	<b>1.3%</b>	<b>+2.0 pts</b>
<b>Net income, Group share</b>	<b>7.2</b>	<b>2.2</b>	<b>+235.6%</b>
<b>Net debt</b>	179.9	113.1	+66.8
Gearing	63.0%	31.1%	<i>+31.9 pts</i>

\* Earnings before interest, taxes, depreciation and amortisation

### SALES & GROSS MARGIN

In the first half of 2010, the Etam Group posted net sales of €545.5 million, including a negative currency impact of €-1.8 million related mainly to the depreciation of the yuan against the euro. Net sales rose by 9.2% compared with the first half of 2009. Like-for-like and at constant exchange rates, net sales grew by 1.7%.

The Group's gross margin rose to 58.8% of sales in the first half of 2010, up 1.2 points compared with 57.6% in the first half of 2009, mainly due to a reduction of markdowns in Europe.

### RESULTS

In the first half of 2010, the Group posted an operating income of €19.5 million, up €12.4 million compared to the first half of 2009.

The Group's EBIT totalled €18.1 million or 3.3% as a percentage of sales, an increase of €11.5 million compared with €6.6 million and 1.3% as a percentage of sales to 30 June 2009. In the first half of 2010, this EBIT included a €-1.4 million charge with respect to the Group plan to reduce costs and improve productivity initiated in 2009, compared with a charge of €-0.5 million for the first half of 2009.

In Europe, EBIT rose by €1.5 million to €3.5 million or 1.0% as a percentage of sales, compared with €2.0 million and 0.6% as a percentage of sales for the first half of 2009. In China, EBIT increased by €10.0 million to €14.6 million or 7.9% as a percentage of sales, compared with €4.6 million and 3.6% as a percentage of sales to 30 June 2009.

Consolidated net income came to €10.2 million compared with €4.3 million in the first half of 2009. Including minority interests of €3.0 million compared with €2.2 million in 2009, net income, Group share, was €7.2 million compared with €2.2 million to 30 June 2009.

## **FINANCIAL STRUCTURE**

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At 30 June 2010, the Group's net debt stood at €179.9 million versus €113.1 million at 30 June 2009. Thanks to significant free cash flow generation after capital expenditure in the 12 months period ended 30 June 2010, this €66.8 million increase was limited despite the share purchase tender offer made in June 2010 representing a cost of €99.2 million. Gearing remained satisfactory at 63.0% at 30 June 2010 after taking the share purchase tender offer into account, compared with 31.1% at 30 June 2009.

## **POST-CLOSING EVENTS**

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Etam Développement cancelled 2,835,916 shares representing 26.34% of share capital purchased through the share purchase tender offer. The Group's share capital now stands at €12,169,313, divided into 7,982,547 shares subscribed and paid in full.

## **OUTLOOK**

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In July 2010, the Group benefited from the favourable impact in France of the end-of-season sales, which started on 24 June 2009.

International retailer of women's ready-to-wear clothing, lingerie and accessories  
3,940 sales outlets at 30 June 2010

*Next event:*

*2010 third-quarter sales on 14 October 2010 after Paris stock exchange closing time*

**Information for analysts and investors**

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