Clichy, August 30 2011

RESULTS FOR THE FIRST HALF OF 2011

€m	30.06.11	30.06.10	*Change*
Net sales	**593.4**	**545.5**	***+8.8%***
Like-for-like and at constant exchange rates			***+2.5%***
Gross profit	336.9	320,9	*+5.0%*
Gross margin	***56.8%***	***58.8%***	***-2.0 pts***
EBITDA*	35.6	47.0	*-24.3%*
Operating income	13.2	18.8	*-29.9%*
EBIT	**13.5**	**17.4**	***-22.4%***
as % of sales	***2.3%***	***3.2%***	***-0.9 pts***
Net income, Group share	**1.2**	**6.8**	***-82.6%***

Net debt	203.1	179.9
Gearing	68.1%	62.8%

*** *Earnings before interest, taxes, depreciation and amortisation***

SALES & GROSS MARGIN

The Etam Group generated sales of €593.4 million during the first half of 2011, an increase of +8.8% compared to the first half of 2010, including a positive currency impact of +€1.2 million relating primarily to the rise of the yuan against the euro. Like-for-like and at constant exchange rates, sales rose by +2.5%, benefiting from the first week of the end-of-season sales in France being brought forward to 22 to 28 June this year, as opposed 30 June to 6 July in 2010.

Gross margin deteriorated by 2.0 points to 56.8% compared with 58.8% in the first half of 2010. This was due to Europe (-3.2 points) as a result of higher purchasing prices in euros and an increase in mark-downs. However, gross margin improved by 0.1 points in China.

RESULTS

The Etam Group generated EBIT of €13.5 million in the first half of 2011, down €3.9 million relative to the first half of 2010, penalised mainly by its performance in Europe, where it sustained a loss of -€1.3 million compared with a profit of €2.8m in the first half of 2010. In China, EBIT increased slightly relative to the first half of 2010 from €14.6 million to €14.8 million.

Consolidated net income came to €4.3 million compared with €9.8 million in the first half of 2010. After minority interests of €3.1 million compared with €3.0 million in the first half of 2010, net income, Group share, totalled €1.2 million compared with €6.8 million in the first half of 2010.

FINANCIAL STRUCTURE

Net debt stood at €203.1 million at 30 June 2011 compared with €179.9 million at 30 June 2010, which included the effects of the Share Buyback Transaction, representing a cost of €99.2 million. Gearing was 68.1% at 30 June 2011 compared with 62.8% at 30 June 2010.

The Group's working capital requirement was €30.4 million as at 30 June 2011 – the balance between negative WCR of €26.6 million in Europe and positive WCR of €57.0 million in China – compared with €4.0 million at 30 June 2010. Specific plans for the disposal of surplus inventories have been introduced in Europe and China.

RECENT TRENDS & OUTLOOK

In Europe, measures have been taken to reinforce the Management team, in terms of both brand management and purchasing and collections. Sales in June and July – which were not influenced by the end-of-season sales in France falling on different dates –were down like-for-like relative to the same period in 2010.

In China, recruitments have been carried to strengthen the Management committee and measures have been taken to cut costs.

For the second half of the year, the Group is preparing to face a slowdown in growth both in Europe and China.

International retailer of women's ready-to-wear clothing, lingerie and accessories
4,347 sales outlets at 30 June 2011

Next event:
2011 third-quarter sales on 20 October 2011 after Paris stock exchange closing time

Information for analysts and investors
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Etam Développement - ISIN code: FR0000035743 / Reuters: TAM.PA / Bloomberg: TAM FP