

**STABILITY OF OPERATING INCOME IN 2012 VS 2011  
AND 2013 FIRST QUARTER SALES VS 2012 FIRST QUARTER SALES**

*The financial statements of Etam Group at 31 December 2012 were approved by the Managing Partners on April 17, 2013 and received an unqualified report by the auditors on April 18, 2013.*

**I. 2012 ANNUAL RESULTS**

€m	2012	2011	Change (%/pt)
<b>Net sales</b>	<b>1 216.9</b>	<b>1 184.1</b>	<b>+2.8%</b>
<i>Like-for-like and at constant exchange rates</i>			-3.4%
<b>Gross margin</b>	<b>58.6%</b>	<b>57.8%</b>	<b>+0.8</b>
<b>EBITDA</b> <sup>1</sup>	100.4	89.3	+12.5%
<b>Operating income</b>	<b>41.9</b>	<b>41.5</b>	<b>+0.9%</b>
EBIT	33.5	34.5	-2.9%
<b>Net income (Group share)</b>	<b>12.9</b>	<b>6.0</b>	
Fully diluted earnings per share (€)	1.40	0.54	
Net debt/equity	32.1%	57.2%	

<sup>1</sup> Operating income before depreciation, amortisation and result from asset sales

**2012 sales**

The Etam Group generated sales of €1,216.9 million in 2012, including a positive currency impact of €40.3 million relating mainly to the appreciation of the yuan against the euro. This represents an increase of 2.8% versus 31 December 2011. Like-for-like and at constant exchange rates, net sales decreased by 3.4%.

**Gross margin**

Gross margin went up by 0.8 point year-on-year to 58.6%, mainly due to the favourable impact on mark-down rates of the good commercial performance of European collections, the reduction of purchasing costs in U.S. dollars and the better management of inventory levels.

**Operating income**

The Group generated an operating income of €41.9 million in 2012 versus €41.5 million in 2011. In Europe, profitability was significantly improved, with an operating income of € 40.4 million versus €16.1 million in 2011, of which the most noticeable element was the turnaround of 1.2.3 to a profitable situation. On the other hand in China, the Group suffered a 12.6% drop in activity like-for-like and at constant exchange rates. This drop was mainly due to the rapid evolution of distribution channels, the increased competition and the lack of attractiveness of its collections. As a consequence, the operating income dropped to €1.5 million in 2012 from €25.4 million in 2011.

**Net income**

Consolidated net income came to €13.4 million compared with €11.3 million in 2011. After China's minority interests of €0.6 million, net income (Group share) totalled €12.9 million in 2012. In order to preserve the Group's financial structure, it will be proposed at the next shareholders' meeting that no dividend be paid for 2012.

**Cash flow**

The Group recorded an EBITDA of €100.4 million in 2012 against € 89.3 million in 2011. After change in working capital requirement, investments, interests and taxes paid, the Group's free cash flow was

positive by € 80.6 million at December 31, 2012 compared to a negative figure of € 6.8 million at December 31, 2011.

After different adjustments for € 0.7 million, the net cash surplus is € 79.9 million for 2012. It was used to reduce the net debt, which stands at €100.6 million at 31 December 2012, from €180.5 million at 31 December 2011.

## II. 2013 FIRST QUARTER SALES

€m	2013-Q1	change	change lfl <sup>1</sup>
<b>Group sales</b>	<b>333.6</b>	<b>0.7%</b>	<b>1.8%</b>
Europe	<b>195.0</b>	3.4%	4.1%
China	<b>138.6</b>	-2.8%	-2.1%
<u>Europe by country</u>			
France <sup>2</sup>	<b>172.9</b>	3.9%	4.4%
Other	<b>22.1</b>	-0.3%	2.2%
<u>Europe by brands</u>			
ETAM <sup>3</sup>	<b>154.2</b>	2.6%	2.8%
1.2.3	<b>40.8</b>	6.4%	9.3%

<sup>1</sup> like-for-like and at constant exchange rates including e commerce sales

<sup>2</sup> including export sales

<sup>3</sup> including Undiz

The Etam Group generated net sales of €333.6 million in the first quarter of 2013, including a positive currency impact of €0.9 million relating to the rise of the yuan against the euro. This represents an increase of 0.7% compared to 31 March 2012 and of 1.8% like-for-like and at constant exchange rates.

In Europe, sales came to €195.0 million in the first quarter of 2013, up 3.4% or 4.1% like-for-like and at constant exchange rates. The positive performance of the brands continued in the first quarter of 2013.

In China, sales were €138.6 million in the first quarter of 2013, down 2.8% or 2.1% like-for-like and at constant exchange rates.

The Group financial position and results at March 31, 2013 do not require specific comments.

## III. NETWORK DEVELOPMENT

At 31 March 2013, the Etam Group had 4,452 sales outlets: 938 in Europe, 203 operated by international franchises and 3,311 in China.

**International retailer of women's ready-to-wear clothing, lingerie and accessories**  
**4,452 sales outlets at 31.03.13**

Etam Développement will hold its Shareholders' meeting on 30 May 2013  
and release its 2013 half-year net sales on 18 July after the market closes in Paris

Information for analysts and investors  
[www.etamdeveloppement.fr](http://www.etamdeveloppement.fr) - Tel.: 01 55 90 72 79  
Etam Développement - ISIN code: FR0000035743 / Reuters: TAM.PA / Bloomberg: TAM FP