

**2013 ANNUAL RESULTS  
AND 2014 FIRST QUARTER SALES**

*The financial statements of Etam Group at 31 December 2013 were approved by the Managing Partners on April 16, 2014 and received an unqualified report by the auditors on April 17, 2014.*

**I. 2013 ANNUAL RESULTS**

€m	2013	2012 <sup>1</sup>	Change (%/pt)
<b>Net sales</b>	<b>1,215.2</b>	<b>1,217.0</b>	<b>-0.1%</b>
<i>Like-for-like and at constant exchange rates</i>			1.4%
<b>Gross margin</b>	<b>57.9%</b>	<b>58.6%</b>	<b>-0.6</b>
<b>EBITDA<sup>2</sup></b>	<b>100.9</b>	<b>100.4</b>	<b>0.5%</b>
<b>Operating income</b>	<b>49.0</b>	<b>41.0</b>	<b>19.4%</b>
<b>EBIT</b>	<b>45.0</b>	<b>32.6</b>	<b>38.0%</b>
<b>Net income (Group share)</b>	<b>21.2</b>	<b>12.3</b>	<b>72.4%</b>
Fully diluted earnings per share (€)	2.50	1.33	
Net debt/equity	33.1%	32.3%	

<sup>1</sup> The 2012 Profit & Loss statement was retrospectively adjusted to take into account the application of IAS 19 R

<sup>2</sup> Operating income before depreciation, amortisation and result from asset sales

**2013 sales**

The Etam Group generated sales of €1,215.2 million in 2013, including a negative currency impact of €3.3 million relating mainly to the depreciation of the yuan against the euro – almost stable compared to 2012. Like-for-like and at constant exchange rates, net sales increased by 1.4%.

**Gross margin**

Gross margin went down 0.6 point year-on-year to 57.9%, mainly due, in Europe, to less favourable purchasing costs in U.S. dollars, and in China, to a sales mix evolution favourable to franchise and e commerce.

**Operating income**

The contrast between the operating zones observed in 2012 continued in 2013. Europe has improved its profitability with an operating income of € 58.8 million versus € 39.6 million, i.e. an increase of 48.6%, mainly through Etam brand, which leveraged both the attractiveness of its collections and the rationalization of its costs. China has recorded a significant decline of its profitability, with a operating loss of € 9.8 million against a profit of € 1.5 million in 2012.

**Net income**

Consolidated net income came to €19.6 million compared with €12.8 million in 2012. After taking into account a loss of € 1.6 million allocated to non-controlling interests against a profit of € 0.6 million in 2012, net income (Group share) totalled €21.2 million in 2013 compared with €12.3 million in 2012.

The Group will propose at the next shareholders' meeting to pay a dividend of 0.30€ per share for 2013.

**Cash flow**

The Group recorded an EBITDA of €100.9 million in 2013 against € 100.4 million in 2012. Net investments have increased significantly, to € 44.8 million in 2013 versus € 29.3 million in 2012. Free cash flow was positive by € 17.1 million at December 31, 2013.

After funding of the Share Buyback Offer for € 18.8 million, and other negative changes in cash of € 1.9 million, the net cash flow is a consumption of € 3.5 million at 31 December 2013.

Group net debt therefore amounted € 104.2 million at 31 December 2013 against € 100.6 million at 31 December 2012.

## II. 2014 FIRST QUARTER SALES

€m	2014-Q1	change	change lfl <sup>1</sup>
<b>Group sales</b>	<b>326.7</b>	<b>-2.1%</b>	<b>0.6%</b>
<b>Europe</b>	<b>209.2</b>	<b>7.3%</b>	<b>6.2%</b>
<b>China</b>	<b>117.5</b>	<b>-15.2%</b>	<b>-9.4%</b>
<u>Europe by country</u>			
France <sup>2</sup>	186.1	7.6%	5.9%
Other	23.1	4.8%	8.1%
<u>Europe by brands</u>			
ETAM <sup>3</sup>	168.4	9.2%	7.3%
1.2.3	40.9	0.2%	2.1%

<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 €326.7 million in the first quarter of 2014, including a negative currency impact of €2.0 million relating to the depreciation of the yuan against the euro. This represents a decrease of 2.1%. Like-for-like and at constant exchange rates, sales grew 0.6% compared to 31 March 2013.

In Europe, sales came to €209.2 million in the first quarter of 2014, up 7.3% or 6.2% like-for-like and at constant exchange rates. The Group's brands continued to grow through a range of attractive and innovative collections.

In China, sales were €117.5 million in the first quarter of 2014, down 15.2% or 9.4% like-for-like and at constant exchange rates. The management team has been strengthened. A new management organization was set up in the first quarter of 2014 and a large-scale action plan is being deployed. In March, sales increased 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 4,296 sales points: 934 in Europe, 210 operated by international franchises and 3,152 in China.

**International retailer of women's ready-to-wear clothing, lingerie and accessories  
4,296 sales outlets at 31.03.14**

Etam Développement will hold its Shareholders' meeting on 28 May 2014  
and release its 2014 half-year net sales on 24 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