

## 2015 FIRST HALF RESULTS

The Etam Group's financial statements to 30 June 2015 were approved by the Managing Partners on 26 August 2015 and were subject to a limited review by the statutory auditors on 27 August 2015

€m		30.06.15	30.06.14*	Variation
<b>Net sales</b>		<b>645.4</b>	<b>598.4</b>	<b>7.9%</b>
	<i>Like-for-like</i>			<i>2.3%</i>
Gross profit		369.5	351.5	5.1%
<b>Gross margin</b>		<b>57.2%</b>	<b>58.7%</b>	<b>-1.5 pt</b>
<b>EBITDA**</b>		<b>27.0</b>	<b>27.4</b>	<b>-1.5%</b>
<b>Operating income</b>		<b>16.5</b>	<b>21.3</b>	<b>-22.7%</b>
<b>Net income (Group share)</b>		<b>8.4</b>	<b>10.2</b>	<b>-1.8 M€</b>
Net debt		159.7	154.0	5.7 M€
<b>Gearing</b>		<b>45.6%</b>	<b>48.4%</b>	

\* Consolidated income statement published in the June 30, 2014 was restated to reflect the application of IFRIC 21- Taxes

\*\* Operating Income before depreciation, provisions and result from asset sales and disposal

### SALES AND GROSS MARGIN

The Etam Group generated net sales of €645.4 million during the first half of 2015, including a positive currency effect of €38.8 million mainly due to the appreciation of the yuan against the euro. This represents an increase of 7.9% compared to the first half of 2014 or 2.3% like-for-like and at constant exchange rates.

The Group gross margin of 57.2% decreased by 1.5 point. In Europe, markdowns increased significantly, due to the poor performance of 1.2.3 collections, the consequences of a drop in activity in Russia and a more promotional competitive context. In China, off season sales had a negative impact on the gross margin. Furthermore, the costs of import of goods were affected by negative currency effects related to the rise of the US dollar against the euro.

### RESULTS

In the first half of 2015, the Group generated a nearly stable EBITDA, at € 27.0 million compared to €27.4 million in the first half of 2014. The operating income, affected by changes in depreciation, decreased by €4.8 million to €16.5 million.

- In Europe, in a declining market, Etam and Undiz brands confirmed their strong sales performance while 1.2.3 brand suffered from the lack of attractiveness of its spring / summer 2015 collections. The operating income came to €21.1 million against €22.2 million at 30 June 2014.
- In China, despite the improvements realized over the second quarter, the operating income of the first half of 2015 amounted to -€4.6 million against -€0.9 million at 30 June 2014. This result at 30 June 2014 benefitted from a significant reversal on stock provisions. Excluding the impact of off-season sales, the result has improved compared to the first half of 2014.



Net financial charges for the first half of 2015 totalled €3.9 million compared to €4.6 million in the first half of 2014. In particular, the cost of debt decreased by €1.1 million due to the reduction in interest rates.

Consolidated net income Group share was €8.4 million against €10.2 million at June 30, 2014, after taking into account minority interests of -€0.6 million against -€0.2 million in the first half of 2014.

## FINANCIAL STRUCTURE

---

After favourable changes in working capital requirements for 6.8 M€ compared to the same period of 2014, the operating cash flow represented a cash inflow of €1.6 million, against a cash consumption of €1.7 million in the first half of 2014.

Net investments were €43.2 million in the first half of 2015 against €33.5 million in the first half of 2014.

After interests and taxes paid, the Group's free cash flow was negative at €47.7 million at 30 June 2015, against a negative amount of €49.2 million at 30 June 2014.

The net financial debt amounted to €159.7 million at June 30, 2015 against €154.0 million at 30 June 2014.

International retailer of lingerie, cosmetics, women's ready-to-wear clothing and accessories  
4,023 stores at 30.06.2015

*Etam Développement will report its third-quarter sales on 22 October 2015 (after market close)*

**2015 Half-Year Results presentation is available on the website [www.etamdeveloppement.com](http://www.etamdeveloppement.com)**

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