

Net sales of € 633.8 million at 30 June 2016

€m	2016-Q2	change	change lfl ¹	2016-H1	change	change lfl ¹
Group sales	284.6	-4.9%	-4.2%	633.8	-1.8%	-1.8%
Europe	216.9	1.7%	-1.4%	443.8	3.6%	-0.1%
China	67.7	-21.1%	-14.8%	190.0	-12.5%	-6.9%
<u>Europe by country</u>						
France ²	191.0	1.5%	-2.0%	394.2	3.9%	-0.1%
Other	25.9	3.0%	2.6%	49.6	1.5%	0.6%
<u>Europe by brands</u>						
ETAM ³	173.6	1.0%	-2.0%	360.1	3.7%	-0.2%
1.2.3	43.3	4.3%	0.9%	83.7	3.5%	0.5%

¹ like-for-like and at constant exchange rates including internet sales

² including export sales

³ including Undiz

I. BUSINESS TRENDS

In the second quarter of 2016, the Group net sales amounted to €284.6 million, including a negative currency effect of €6.0 million mainly due to the depreciation of the yuan against euro. Net sales decreased by 4.9% compared to the second quarter of 2015. Like-for-like and at constant exchange rates, net sales decreased by 4.2 %.

Over the first half of 2016, the Group net sales amounted to €633.8 million, including a negative currency effect of €9.4 million mainly due to the depreciation of the yuan against euro. This represents a decrease of 1.8% on a real basis or 1.8% % like-for-like and at constant exchange rates compared to the first half of 2015.

1. IN EUROPE

In the second quarter of 2016, net sales totalled €216.9 million, up 1.7% and down 1.4% like-for-like and at constant exchange rates.

Over the first half of 2016, sales came to €443.8 million, up 3.6%, almost stable like-for-like and at constant exchange rates.

Over the first half of the year, same-store sales growth of the underwear activities Etam and Undiz, as well as of 1.2.3, outperformed the markets where the Group operates in Europe. Etam's ready-to-wear business - on the contrary - suffered a severe decline due notably to an overly marked reduction in its offering. The action plan currently being implemented should bring results by the end of this year.

2. IN CHINA

In the second quarter of 2016, net sales totalled €67.7 million, down 21.1%, including a negative currency effect of €5.8 million relating to the depreciation of the yuan against the euro. Like-for-like and

at constant exchange rates, net sales fell by 14.8%.

During the first half of 2016, net sales totalled €190.0 million, down 12.5%, including a negative currency effect of €9.0 million relating to the depreciation of the yuan against the euro. Like-for-like and at constant exchange rates, net sales decreased by 6.9%.

The retail period following Chinese New Year (as of mid-February) was very difficult, with a sharp drop in sales in department stores, partly due to a traffic slowdown. The performance of stores in shopping centres and the e-commerce channel is continuing to improve.

II. NETWORK DEVELOPMENT

At 30 June 2016, the Etam Group had 4,047 points of sales, including 960 in Europe, 2,208 in China and 279 international franchises.

Over the first half of 2016, the Group continued to expand its international network for its lingerie activities with successful openings in South Korea under the Etam brand, and in Russia under the brand Undiz. It also opened ten 1.2.3 stores in and outside France. In China, the network was reduced by 69 units.

The Etam Group is an international retailer of women's lingerie, beauty, ready-to-wear clothing and accessories with 4,047 points of sales at 30 June 2016

Next releases:

2016 Interim results on 25 August 2016 after the market close in Paris

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