



2010/2011 Annual Results

- **Earnings exceeded forecasts**
 - Profit from recurring operations: € 3.6 million
 - Record gross profit margin: 16.8% of sales
 - Group share of net profit: € 1.2 million
- **Growing contribution of La Galerie to Group growth and earnings**
- **Success of the overhaul of the Group initiated in 2007**
 - Pre-tax profit in excess of € 4 million forecast for the 2011/2012 financial year

Saint-Ouen, 9 June 2011 – 5.45pm

Commenting on these results, Gauthier Picquart declared: *“This financial year established the success of La Galerie, which is at the heart of RueDuCommerce’s model and strategy. We were the first in France to develop an online shopping centre. Even though this model has been copied by many French e-tailers, the technological, marketing and business advances we were able to develop enable us to look to the future with confidence.*

The Group’s responsiveness, which enabled it to downsize its organisation as early as the summer of 2010, contributed to an increase in profitability in the second half of the year and to the achievement of a record gross profit to sales ratio over the full year.

The overhaul of the Group initiated in 2007 has been successful and is now bearing fruit. The growth and profitability outlook for the coming years is strong and consistent with our expectations as shareholders, and as such we intend to achieve pre-tax profit in excess of € 4 million for the 2011/2012 financial year. The RueDuCommerce brand remains an absolute must in French e-commerce.”

On 7 June 2011, the Board of Directors of RueDuCommerce, chaired by Gauthier Picquart, Chairman and Chief Executive Officer, approved the financial statements for the 2010/2011 financial year (1 April 2010 to 31 March 2011).

Key consolidated performance indicators (condensed financial statements appended)*

(€ millions)	FY 2010/2011	FY 2009/2010	% change
Business volume*	380.3	394.7	(3.6%)
Sales	312.4	352.6	(11.4%)
Gross profit	52.6	54.6	(3.7%)
<i>Gross profit as % of sales</i>	16.8%	15.5%	
Profit from recurring operations	3.6	0.3	n/a
Other operating income and expenses	(2.4)	0.1	
Net profit	1.2	0.4	
Equity (end of year)	34.0	33.0	
Net cash position	18.0	17.7	

* Audited financial statements, Statutory Auditors' report pending

A detailed commentary on the sales data for the 2010/2011 financial year was included in our press release of 12 May 2011.

Increase in profitability in the second half of the year, as a result of strategic decisions initiated by the Group

With a profit from recurring operations of € 4.0 million in the second half of the year alone, (compared to a loss of € 0.4 million in the first half), the Group benefited from its strategic choices and orientations.

Gross profit was € 52.6 million, underlining a record gross profit margin for the past few years of 16.8% of sales, an increase of 1.3 percentage points (15.5%) compared to the 2009/2010 financial year. This increase resulted from the growing relative significance of La Galerie and the drive to achieve a favourable product mix for the High Tech segment. La Galerie's average commission rate also rose from 6.8% to 7.4% during the period

The restructuring of the Group, initiated during the summer of 2010, directly resulted in a significant reduction in personnel costs (down 11.4% to € 14.0 million) with an average total workforce of 296 during the financial year, compared to 339 in the previous year.

The average business volume generated by each employee was thus close to € 1.2 million, compared to €1.1 million in the previous year.

* See glossary at end of document

At the same time, Management also implemented a programme to reduce external expenses, which decreased by 11.2% to € 31.0 million (compared to € 34.9 million in the previous year).

Net financial income doubled during the period to € 0.2 million and the income tax charge rose from € 0.2 million to € 0.6 million.

As a result, net profit trebled during the financial year just ended to € 1.2 million (following a loss of € 2.4 million in the first half of the year, due in particular to restructuring costs of € 2 million before tax).

Based on 11,089,748 shares, net earnings per share was € 0.10.

At 31 March 2011, equity totalled € 34 million, compared to € 33 million twelve months earlier, and the net cash position was a surplus of € 18.0 million. Furthermore, the Group remains debt-free.

A pioneer in 2007, Rue du Commerce successfully launched the 1st online shopping centre in France.

Established less than four years ago, La Galerie based its success on the Group's position as a leader for High Tech products. Sales of La Galerie's partners grew from nil to more than € 73 million, following the recruitment at the same time of major French e-tailers. These include for instance Delamaison, La Maison de Valérie, Discounteo, Sarenza, Daniel Jouvance, Micromania, Bricorama, Auto-ies, GrosBill, Visley, etc.

By multiplying these initiatives, RueDuCommerce has made its product offering a must in the following sectors: IT, High Tech, electrical goods, furniture, gardening, decorating, DIY, car spare parts and accessories, cultural goods, toys, sport, fashion, music, etc.

With 2 million products, RueDuCommerce is one of the best stocked "shopping centres" in France for home goods and leisure equipment.

Rue du Commerce intends to preserve its leadership in France

La Galerie is entering phase 3 of its development by introducing high tech products that are complementary to those sold directly by RueDuCommerce. In this area, the group intends to preserve its leadership in France, in terms of market share, in many product types. High Tech remains RueDuCommerce's benchmark segment.

During the year, the distribution of High Tech sales by product family was as follows: IT & Telecoms: 61% (vs. 59% in the previous financial year); TV & DVD players: 16% (17%); Digital Photo & Video: 10% (vs. 11%) and Other Products: 13% (vs. 13%).

** See glossary at end of document*

RueDuCommerce, a major internet player in France

The Group ranks 5th in France for overall audience (source: Médiamétrie Nielsen NetRatings, December 2010).

This feeds into the in-house advertising agency, which generates additional profits for the Company, in particular from non-captive advertisers (Orange, Canal +, Citroën, EDF, Disneyland Paris, etc.).

2011/2012 outlook

The Company is now supported by a more experienced Executive Committee, with more members following the arrival of a Marketing Manager, the appointment of a High Tech Purchasing Manager and the creation of positions of Operations Manager and Manager of La Galerie.

The Group's future is based on the following four solid and complementary mainstays:

- La Galerie, which is expanding rapidly and will continue to gather momentum while generating profits at the same time.
- High Tech, as a mixed model, with profitability a priority, and growth if market conditions allow.
- Advertising, as a source of additional profits, which still harbours significant potential.
- A new experienced and committed team, which paves the way for the 3rd phase of the Group's life.

Under these conditions, the Group intends to achieve a pre-tax profit in excess of € 4 million in the 2011/2012 financial year.

Shareholders' agenda (after close of trading)

28 July 2011: 1st quarter sales

Glossary

Business volume: includes consolidated sales of products and services distributed by the Company, plus sales of La Galerie's partners.

Overall Group Traffic: the number of visits, i.e. the number of individual sessions initiated by all visitors to Group websites over the past 12 months.

Group Transactions: the number of orders taken by the BtoC business.

Group Average Buying Behaviour: total orders of the BtoC business divided by the number of orders.

About RueDuCommerce

Established 10 years ago, RueDuCommerce is the leading independent e-commerce Group quoted on the Paris Stock Exchange.

The RueDuCommerce Group:

- Includes 4 flagship brands: RueDuCommerce.com, TopAchat.com, Clust.com and Alapage.com
- Was visited more than 170 million times over the past 12 months
- Has a customer base of more than 8 million
- Markets almost 2 million products from a product offering extending to High Tech, Beauty, Fashion, Electrical Goods, Toys and Games, Sport, DIY and Cultural Goods.

As the only ISO 9001-certified after-sales-service French e-commerce website, RueDuCommerce was voted best high tech product website by web users in 2009.

The Group is listed on Compartment C of the NYSE Euronext Paris Stock Exchange
(ISIN: FR0004053338 – Ticker: RDC)

Please visit our website for more information: www.rueducommerce.com/corporate

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RueDuCommerce Group
Consolidated income statement (€ thousands)
Approved by the Board of Directors

	12 months 31/03/2010	12 months 31/03/2011
Net sales	352,635	312,445
of which Merchandise sales	331,047	290,783
of which Provision of services	21,588	21,662
Other revenue from recurring operations	49	86
Purchases consumed	(298,120)	(259,941)
Gross profit	54,564	52,590
Personnel costs	(15,773)	(13,970)
External costs	(34,851)	(31,046)
Taxes and duties	(1,447)	(1,287)
Amortisation and depreciation charges	(1,118)	(1,424)
Impairment and net provision charges	(1,026)	(1,107)
Other income from ordinary activities	89	99
Other expenses from ordinary activities	(115)	(297)
Profit from recurring operations	323	3,558
Other operating income	156	0
Other operating expenses	0	(1,992)
Operating profit	479	1,566
Income from cash and cash equivalents	164	175
Gross cost of financial debt	(2)	(2)
Net financial income	162	173
Other financial income	143	170
Other financial expenses	(164)	(187)
Pre-tax profit	620	1,723
Income tax	(217)	(566)
Net profit from continuing recurring activities	403	1,157
Profit from discontinued operations	0	0
Net profit for the year	403	1,157
Group share	403	1,157
Minority interests		
	31/03/2010	31/03/2011
Average number of shares outstanding	11,089,748	11,089,748
Earnings per share	€ 0.04	€ 0.10
Dilution: potential number of new shares	11,668,048	11,588,448
Diluted earnings per share	€ 0.03	€ 0.10

RueDuCommerce Group
Consolidated balance sheet (€ thousands)
Approved by the Board of Directors

ASSETS	31/03/2010	31/03/2011
Goodwill	91	91
Intangible assets	1,002	396
Property, facilities and equipment	1,247	1,124
Long-term investments	321	314
Deferred tax assets	117	105
Other non-current assets	0	0
NON-CURRENT ASSETS	2,778	2,030
Inventories	28,777	20,892
Trade receivables (net)	17,739	17,614
Other receivables and accruals	7,914	10,207
Cash and cash equivalents	17,748	18,035
CURRENT ASSETS	72,178	66,748
TOTAL ASSETS	74,956	68,777

EQUITY AND LIABILITIES	31/03/2010	31/03/2011
Share capital	2,772	2,772
Share premium	23,459	23,346
Consolidated reserves	6,326	6,750
Net profit for the year	403	1,156
EQUITY	32,961	34,024
Financial debt (non-current portion)	0	0
Deferred tax liabilities	171	42
Provision for liabilities and charges	224	543
Other non-current liabilities	0	0
NON-CURRENT LIABILITIES	395	585
Financial debt (current portion)	56	42
Trade payables (net)	31,498	22,160
Other payables and accruals	10,046	11,965
CURRENT LIABILITIES	41,600	34,167
TOTAL EQUITY AND LIABILITIES	74,956	68,777

RueDuCommerce Group
Consolidated cash flow statement (€ thousands)
Approved by the Board of Directors

	31/03/2010	31/03/2011
Consolidated net profit of companies included in Group structure	403	1,156
Attributable to minority interests	0	0
Consolidated net profit, including portion attributable to minority interests	403	1,156
+ / - amortisation, depreciation and provision charges/(reversals)	1,690	1,003
+ / - expense (income) relating to stock options	200	(82)
+ / - capital gain (loss) on disposals	22	21
+ / - other income and expenses	(268)	0
Free cash flow after net cost of financial debt and income tax charge	2,046	2,098
+ / - net cost of financial debt	(162)	173
+ / - income tax charge (including deferred taxation) (increase)/decrease	217	567
Free cash flow before net cost of financial debt and income tax charge	2,101	2,838
+ / - taxes paid/refunded	(2,350)	970
- Decrease in working capital requirements from operations	(1,100)	(2,628)
Net cash flows generated by (used in) operating activities	(1,349)	1,179
Purchase of PFE and intangible assets	(1,468)	(745)
Proceeds from disposal of PFE and intangible assets	0	50
Change in loans and advances granted	(93)	7
+ / - impact of changes in Group structure	0	0
Net cash flows used in investing activities	(1,560)	(688)
+ / - Proceeds from issuance of share capital	0	0
- Cash dividends paid to equity holders of the parent company	0	0
- Cash dividends paid to minority interests	0	0
+ / - buyback of treasury shares	(191)	(31)
Lease repayments	0	0
+ / - Translation adjustment	0	0
+ / - Movements in current accounts	0	0
+ / - Proceeds from new borrowings and repayment borrowings	0	0
Net financial income	162	(173)
Net cash flows generated by (used in) by financing activities	(29)	(205)
Total decrease in cash and cash equivalents	(2,938)	287
Opening balance	20,686	17,748
Closing balance	17,748	18,036
Total decrease in cash and cash equivalents	(2,938)	287