



February 17, 2020

ORCHESTRA-PREMAMAN PRESENTS THE REORGANIZATION PLAN TO ENSURE ITS SUSTAINABLE RECOVERY

The Orchestra-Prémaman Group presents today a project for the reorganisation of its activities to its employee representative organizations, as well as to its employees.

This reorganization project would thus support and accelerate the necessary, solid and sustainable Group's recovery, already initiated since the opening of safeguard proceedings on September 24, 2019.

This reorganization is illustrated by the Group's focus on its five main markets (France, Belgium, Switzerland, Morocco and Greece), which implies the closure of 81 stores (by way of liquidation) abroad and also includes the transfer of activity from the warehouses of Saint-Aunès and Saint Jean de Vedas to Arras warehouse, and the net loss of 25 jobs at the company's headquarters.

In total, this reorganization should lead to the abolition of 149 positions in French stores, 115 logistics posts, 38 posts at headquarters to which are added approximately the loss of 300 staff positions abroad and lead to the creation of 13 posts at headquarters as well as an additional 130 jobs through the transfer of activity from the warehouses of Saint-Aunès and Saint Jean de Vedas to Arras warehouse in the joint venture Orlog (proposed as post reclassification), it being specified that the Group currently employs 2,920 employees.

An essential reorganization plan for a necessary and sustainable recovery

The reorganization plan provides for six main measures:

- **Refocusing on strategic markets** (France, Belgium, Switzerland, Morocco and Greece). This represents the greatest effort of this plan with the closure of 81 stores abroad, including 73 in Germany, in Spain and in Luxembourg and also in Belgium (66% of the Belgian store fleet), representing approximately 300 job losses.
- **Restructuring of the French network, to the benefit of large format stores and digital** with the closure of 44 stores (including 36 branches representing a total of 149 employees) out of the 304 today.
- **Refocusing the commercial offer on fewer products**, with in particular the decrease in the number of textile items.

- **Development of digital activity and new multichannel services**
- **Consolidation of all logistics activity in the Arras warehouse**, involving the transfer of activity from the warehouses of Saint-Aunès and Saint Jean de Vedas (115 employees) to that of Arras (creation of 130 jobs, in the joint venture Orlog, which are proposed as reclassification of posts to the employees of Orchestra-Prémaman).
- **Improving operational performance with organizational simplification measures**: redefining the purchasing strategy with notably the halving of the number of suppliers and the closure of the purchasing office in Shanghai relocated in Hong Kong, optimizing functions of the headquarters, leading to a headcount reduction at Group headquarters (net loss of 25 positions – i.e. 38 losses and 13 creations).

The Group estimates that its turnover will be negatively impacted by €71m on a full-year basis, including € 23.5 million in France (estimates based on the sales for the current financial year). Compared to the accounts as at the February 28, 2019, the group estimates assets would decline by €11m corresponding to the intangible and tangible fixed assets scrapped. The other impacts on the balance sheet are estimated as non-significant.

The first estimate of the cost of the Employment Protection Plan in France is €6m. This amount constitutes the best possible current estimate of the cost of the EPP in France and as such includes all costs. This will be financed by the Group, in particular through the accelerated transformation of inventories into cash via the liquidation of stores which will be closed.

In addition, it should be noted that the safeguard proceedings opened on September 24, 2019 in favor of Orchestra-Prémaman SA takes a normal course. The reorganization plan presented in this press release will be included in the reorganization plan which will be presented to the Montpellier specialized Commercial Court (Tribunal de Commerce spécialisé de Montpellier), the date of presentation of the plan still to be defined.

It should also be noted that a Hearing with the Montpellier specialized Commercial Court (Tribunal de Commerce spécialisé de Montpellier) is set for March 17, 2020, Hearing at which the opening of a second observation period of 6 months should be requested.

The priority of Orchestra-Prémaman is today to work on maintaining the employment of staff concerned and continuing its recovery. This project is currently submitted for the consultative opinion of the employee representative organizations.

The trading of shares on Euronext Paris, suspended since February 17, 2020, will resume on February 18, 2020.

Next appointment

2019/2020 fourth quarter Revenue: April 14th, 2020 after SE closing

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ORCHESTRA-PREMAMAN

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