

2003 Consolidated Results
(for the financial year 1 January – 31 December 2003)

**Sales and operating profits stable overall
despite mixed situations in various countries.
Financial debt continues to reduce.**

| | in millions of € | |
|---|------------------|-------------|
| | 2003 | 2002 |
| Net sales (ex taxes) | 1,073 | 1,132 |
| Operating profit | 47.4 | 50.6 |
| Net finance result | 2.0 | -2.0 |
| Profit before tax and exceptional items | 49.4 | 48.6 |
| Net exceptional items | 0.1 | -4.1 |
| Income taxes | -23.1 | -12.3 |
| Goodwill amortisation | -2.7 | -2.2 |
| Consolidated net profit | 23.7 | 30.0 |
| Minority interests | 4.3 | 3.5 |
| Net profit attributable to Group | 19.4 | 26.5 |
| Net financial debt | 59.7 | 71.1 |
| Equity gearing | 29% | 36% |

Activity

Stable overall, Etam's sales were satisfactory in France and China, but difficult in the United Kingdom. Consolidated turnover for the 2003 financial year dipped 5.3% to €1,072.5 million before tax. On the basis of constant exchange rates and group operating structure, sales would have been stable. Turnover declined 3.1% like-for-like, i.e. once the effects of store openings and closings are discounted.

Gross profit was €594 million as compared with €638 million the year before, resulting in a gross margin of 55.4% of turnover as against 56.3% in 2002.

Results

Operating profit was €47.4 million as operating expenses decreased (-4% excluding currency effect). This reflects the group's higher earnings in France and its continued expansion in China, but also includes the operating problems encountered in the United Kingdom, a country which again contributed a loss to the Group's 2003 consolidated accounts.

Profit before tax and exceptional items was up slightly at €49.4 million.

After considerably higher tax charges due to increased profits in France, consolidated net profit came to €23.7 million. Net profit attributable to the Group amounted to €19.4 million, against €26.5 million in 2002.

There was no significant currency effect on the consolidated results.

At the Annual General Meeting of Shareholders to be held on 27 May, Etam Développement's General Partners in charge of management will propose a dividend of €0.50 per share (excluding tax credit), the same as the previous financial year.

Net debt

Despite a decline in operating cash flow, the Group recorded a decrease in its financial debt for the third consecutive year, and an improvement in its equity gearing to 29% at the end of 2003 (from 36% at the previous year end). This is largely due to the prudent management of its working capital requirements and capital expenditure.

Future prospects

In 2004, Etam Développement will focus its efforts on the turnaround of its English subsidiary. The Group will also strive to boost its market share in Europe, where it plans to open about fifty stores. Lastly, it will step up the development of its outlet in China, and will open new franchises abroad.

Trends over the first months of the year

Although Etam recorded a small increase in like-for-like sales at the end of February, following the winter sales in France, the new season has seen a slightly difficult start.

Etam Développement will release its first-quarter 2004 trading update on Thursday 22 April 2004 (after the close of the Paris stock exchange).

Information for analysts and investors

www.etamdeveloppement.fr

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