

Half-year results 2005
(Financial year 1 January to 31 December 2005)

In millions of €

	30.06.05 IFRS	30.06.04 IFRS Pro forma*	30.06.04 IFRS
Sales before tax	421.8	400.0	513.2
Current operating profit	27.1	16.4	-8.7
Operating profit	23.8	15.4	-9.6
Results for business sold or discontinued	-19.9	-26.9	0
Net consolidated result	-5.4	-18.1	-18.1
Minority interests' share	3.2	3.3	3.3
Net result, Group share	-8.6	-21.4	-21.4
Net financial debt	143.0	169.7	169.7
Consolidated shareholders' equity	279.5	323.5	323.5

* For comparative reasons, the pro forma profit and loss account has a single line for the results for businesses sold or discontinued following the sale of Etam plc on 7 April 2005. The comments below show the evolution of results at 30 June 2005 (IFRS) compared with 30 June 2004 (IFRS pro forma). The IFRS accounts for the year 2004 are currently being audited.

ACTIVITY

Sales before taxes in the first half of 2005 were €421.8 million, up by 5.4% compared with the 1st half of 2004. This figure includes an exchange loss of €3.3 million following the change in the value of the Chinese currency against the euro.

On a like-for-like (same selling area) basis, the Group's activity decreased slightly (-0.6% of which -1.5% was in France and +2.4% in China).

MARGINS

The new structure of the profit and loss account using IFRS standards has an impact on the calculation of the margin. The reprocessing concerns provisions for operations (net of write-backs) which are broken down according to type (booking of net provisions on loyalty cards in sales and net provisions for depreciation of inventories in purchases consumed) as well as the discount formerly entered under financial results which is now deducted from purchases consumed.

The gross margin rose to €256.4 million against €231.4 million for the first half of 2004, an increase of 10.8%. This progress comes mainly from improvements in sourcing terms but also from the positive impact of the changes in appropriations and write-backs of provisions for inventory depreciation, taking account of an improvement in the latter at 30 June 2005. The gross margin rate is 60.8% against 57.8% for the first half of 2004.

RESULTS

After the effect of the rise in expenses linked mainly to the development of the Group's lingerie business and, in China, to marketing expenses for the first half of the year, the current operating result has risen to €27.1 million against €16.4 million at 30 June 2004, a rise of 65.4%.

Non-recurrent operational elements mainly represent provisions of €3.3 million for decisions taken by the Group to reduce its costs structure.

After taking these non-recurrent items into account, the operating result is €23.8 million against €15.4 million for the first half of 2004.

Regarding other items of the profit and loss account:

- the financial result (*see remarks above about the margin*) is negative to the extent of €2.6 million against -€2.2 million for the first half of 2004
- taxes amounted to €6.7 million against €4.4 million
- results for activities sold or discontinued following the sale of Etam plc on 7 April 2005 are negative by €19.9 million.

The Group's net consolidated result is -€5.4 million against -€18.1 at 30 June 2004 and the net share for the Group is -€9.0 million against -€21.7 million for the first half of 2004.

Before the impact of activities sold or discontinued, the net consolidated result shows a profit of €14.5 million against €8.9 million at 30 June 2004.

DEBT

At 30 June 2005, net financial debt was €143.0 million against €169.7 million at 30 June 2004 and represents 51.2% of shareholders' equity.

PROSPECTS

Disengaged from its United Kingdom business, the Group will concentrate its efforts on improving its performance in Europe and the pursuit of growth in operations both in China and its international franchise business.

In Europe it will implement action plans for each country so as to return to the profit levels allowing longer term international development based particularly on the lingerie business.

The Group also aims to rationalize its organization and reduce its costs structure.

TRENDS DURING JULY-AUGUST AND SEPTEMBER 2005

During this period, the Group's business in Europe has been in negative territory overall on a same space basis, but with an improvement in trading margins. Business is making progress in China.

*The Group will publish its sales figures for the third quarter on **26 October 2005**
after the close of the Paris Bourse*

Information for analysts and investors

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