



2005

Interim results

❖ 2004 accounts

- French standards
- UK business consolidated
- China: turnover net of commission

❖ 29 September presentation

- IFRS standards for Interim 04 and Interim 05 except for IAS 14
- UK: business deconsolidated according to IFRS 5 (1 dedicated line)
- China: summary of turnover before tax and booking of rental expenses
- Year 2004 IFRS in course of being audited

Changeover from FG to IFRS (UK still part of Group)

	30.06.04 IFRS		30.06.04 FG	
▪ Turnover	513.2		502.2	Turnover ▪
▪ Gross profit	290.0		278.5	Gross profit ▪
▪ Margin rate	56.5%		55.5%	Margin rate ▪
▪ Current operating profit	(8.7)		(7.8)	Operating profit ▪
▪ Operating profit	(9.6)			
▪ Financial profit	(2.1)		2.1	Financial profit ▪
			(6.7)	Extraordinary items ▪
▪ Pre-tax profit	(11.7)		(12.5)	Pre-tax profit ▪
▪ Tax	(6.3)		(4.8)	Tax ▪
▪ Businesses sold	(0)		2.5	Depreciation of goodwill ▪
▪ Net consolidated profit	(18.1)		(18.6)	Net consolidated profit ▪
▪ Minority interests	3.3		2.5	Minority interests ▪
▪ Net result Group share	(21.4)		(21.1)	Net result Group share ▪

Changeover from FG to IFRS (UK still part of Group)

	30.06.04 IFRS	30.06.04 FG	
Turnover		502.2	Turnover
Gross profit		278.5	Gross profit
Margin rate	56.5%	55.5%	Net provisions
Current operating profit		(7.8)	Operating profit
Operating profit	(9.6)		
Financial profit	(2.1)	2.1	Financial profit
			Extraordinary items
Pre-tax profit			Pre-tax profit
Tax	(6.3)	(4.8)	Tax
Businesses sold	(0)	2.5	Depreciation of goodwill
Net consolidated profit	(18.1)	(18.6)	Net consolidated profit
Minority interests	3.3	2.5	Minority interests
Net result Group share	(21.4)	(21.1)	Net result Group share

Principle of attribution by type

Changeover from FG to IFRS (UK still part of Group)

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Turnover	513.2	502.2	Turnover
Gross profit	290.0	278.5	Gross profit
Margin rate	56.5%	55.5%	Margin rate
Current operating profit	(8.7)	(7.8)	Operating profit
Operating profit	(9.6)		
Financial profit	(2.1)	Discount	Financial profit
		(6.7)	Extraordinary items
Pre-tax profit	(11.7)	(12.5)	Pre-tax profit
Tax	(6.3)	(4.8)	Tax
Businesses sold	(0)	2.5	Depreciation of goodwill
Net consolidated profit	(18.1)	(18.6)	Net consolidated profit
Minority interests	3.3	2.5	Minority interests
Net result Group share	(21.4)	(21.1)	Net result Group share

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Current operating profit	(8.7)	(7.8)	Operating profit
Operating profit	(9.6)		
Financial profit	(2.1)		Financial profit
			Extraordinary items
Pre-tax profit	(11.7)		Pre-tax profit
Tax	(6.3)	(4.8)	Tax
Businesses sold	(0)	2.5	Depreciation of goodwill
Net consolidated profit	(18.1)	(18.6)	Net consolidated profit
Minority interests	3.3	2.5	Minority interests
Net result Group share	(21.4)	(21.1)	Net result Group share

Extraordinary income H1 04 (no non-recurring items)

Adjustments associated with China

	30.06.04 IFRS	30.06.04 FG	
Turnover	513.2		Adjustment of sales commission
Gross profit	290.0		
Margin rate	56.5%	55.5%	Margin rate
Current operating profit	(8.7)		Operating profit
Operating profit	(9.6)		
Financial profit	(2.1)	2.1	Financial profit
		(6.7)	Extraordinary items
Pre-tax profit	(11.7)	(12.5)	Pre-tax profit
Tax	(6.3)	(4.8)	Tax
Businesses sold	(0)	2.5	Depreciation of goodwill
Net consolidated profit	(18.1)	(18.6)	Net consolidated profit
Minority interests	3.3	2.5	Minority interests
Net result Group share	(21.4)	(21.1)	Net result Group share

IFRS accounts as at 30 June 2004 compared to pro forma (=UK business deconsolidated)

	<u>30.06.04</u> Pro forma		30.06.04
▪ Turnover	400.0	←	513.2
▪ Gross profit	231.4	←	290.0
▪ Current operating profit	16.4	←	(8.7)
▪ Operating profit	15.4		(9.6)
▪ Financial profit	(2.2)		(2.1)
▪ Pre-tax profit	13.2		(11.7)
▪ Businesses sold	(26.9)	←	0
▪ Net consolidated profit	(18.1)		(18.1)

2,855 outlets at 30 June 2005

- ❖ Continued expansion in China (+391 outlets)
- ❖ Openings of corners in Galerie Lafayette in France
- ❖ Net openings of around 20 lingerie stores in Europe
- ❖ 41 additional international franchises and 6 new countries
- ❖ *Sale of business in England on 7 April 2005 (-213 stores)*

	30.06.05	30.06.04	Change
❖ Total number of outlets	2,855	2,365	+490
▪ France	647	621	+26
▪ China	1,879	1,488	+391
▪ Belgium	96	97	-1
▪ Spain/Portugal	71	62	+9
▪ Germany	34	19	+15
▪ Italy	22	13	+9
▪ International franchises	106	65	+41
▪ <i>UK (for information)</i>	<i>0</i>	<i>213</i>	

Group current operating profit

<i>in millions of euros</i>	H1 2005	H1 2004 Pro forma	Change
❖ Turnover excluding tax <i>On like-for-like basis</i>	421.8	400.0	+5.4% -0.6%
❖ Gross profit	256.4	231.4	+10.8%
❖ <i>Margin rate</i>	60.8%	57.8%	+3.0pts
❖ Current operating profit	27.1	16.4	+65.4%
➤ <i>expressed as % of turnover</i>	6.4%	4.1%	+2.3pts

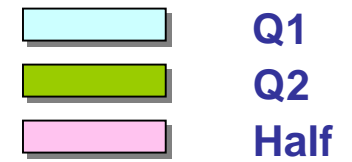
in millions of euros

	H1-2005	H1-2004 Pro forma	Change
❖ Turnover excluding tax <i>On like-for-like basis</i>	421.8	400.0	+5.4% -0.6%

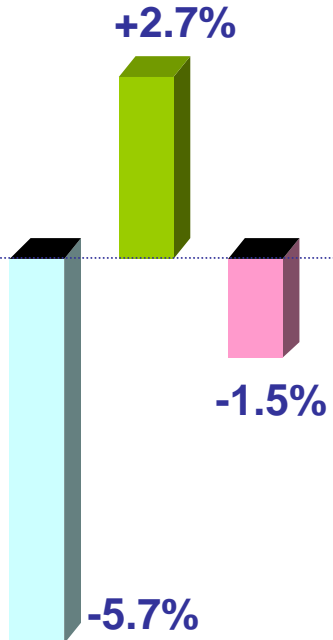
- ❖ Negative currency impact on turnover in China (down €3.3 million)
- ❖ Impact of net provisions for loyalty cards: +€1 million
(+€0.6 million 1st half 05 as against –€0.4 million 1st half 04)
- ❖ Price/mix impact not very significant overall

Turnover on like-for-like basis

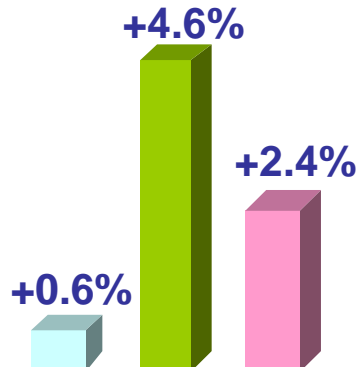
Changes expressed as % of turnover on like-for-like basis



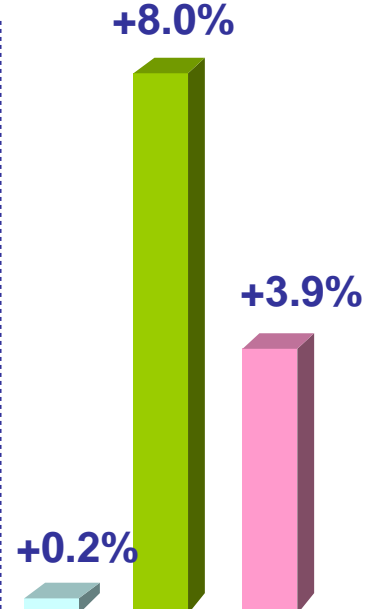
France



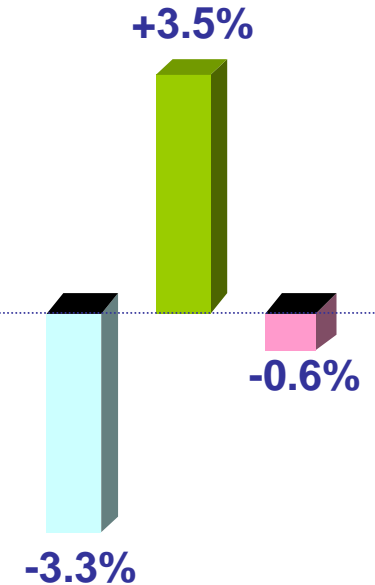
China



Others



Group total



Gross profit: impact of principle of attribution

<i>in millions of euros</i>	H1 2005	H1 2004 Pro forma	Change
❖ Sales	421.2	400.5	+20.7
❖ Net prov. for loyalty cards	0.6	(0.5)	+1.1
❖ Turnover	421.8	400.0	+21.8
❖ Goods purchased	(174.6)	(172.8)	-1.8
❖ Discount	2.1	3	-0.9
❖ Net prov. for deprec. of stock	7.1	1.1	+6.0
❖ Gross profit	256.4	231.4	+25.0

Margin rate : +3 pts

of which +1,8 pts before IFRS adjustments

Group current operating profit: summary of differences H1-2004/H1-2005

in millions of euros

	H1 2005	H1 2004 Pro forma	Change
❖ Gross profit	256.4	231.4	+25.0
❖ Other operating expenses	(210.8)	(197.8)	-13.0
▪ <i>External purchases & other expenses</i>	(120.5)	(115.4)	-5.1
▪ <i>Payroll costs</i>	(84.1)	(76.6)	-7.5
▪ <i>Duties and taxes</i>	(6.2)	(5.8)	-0.4
❖ Net depreciation and provisions	(18.5)	(17.2)	-1.3
❖ Current operating profit	27.1	16.4	+10.7

France: sharp increase in current operating profit

- ❖ Increase in margin (positive impact of change in net provs.)
- ❖ Increase in operating expenses

<i>in millions of euros</i>	H1 2005	H1 2004 Pro forma	Change
❖ Turnover excluding tax <i>On like-for-like basis</i>	297.2	294.8	+0.8% -1.5%
❖ Gross profit	187.8	172.2	+9.1%
❖ Margin rate	63.2%	58.4%	+4.8pts
❖ Current operating profit	22.1	13.3	+66.2%
➤ <i>expressed as % of turnover</i>	7.4%	4.5%	+2.9pts

France: summary of differences 2004/2005

	H1 2005	H1 2004 Pro forma	Change
<i>in millions of euros</i>			
❖ Gross profit	187.8	172.2	+15.6
❖ Other operating expenses	(153.1)	(147.6)	-5.5
❖ Net depreciation and prov.	(12.6)	(11.3)	-1.3
❖ Current operating profit	22.1	13.3	+8.8

China: continued growth

- ❖ Decline in Yuan against the Euro
- ❖ Margin rate: impact of change in billing of free standing stores (approximately 15% of turnover)
- ❖ Increased expenses (growth in number of stores and costs structure)
- ❖ Change of amortization periods

	H1 2005	H1 2004 Pro forma	Change
<i>in millions of euros</i>			
❖ Pre-tax turnover <i>On like-for-like basis</i> <i>At constant exchange rate</i>	69.0	56.3	+22.5% +2.4% +28.5%
❖ Gross profit	36.0	32.3	+11.4%
❖ Margin rate	52.2%	57.5%	-5.3pts
❖ Current operating profit <i>Excl. foreign exch. effect</i>	7.4 7.8	6.7	+9.6%
➤ <i>expressed as % of turnover</i>	10.7%	12.0%	-1.3pt

China: split of the margin

Management reports figures

	H1 2005	H1 2004 Pro forma	Change
❖ Corners	58%	57%	+1pt
❖ Free standing stores	30%	55%	-25pts

❖ Accounting of free standing stores : from a affiliation type system to a franchise type system

NB : the new accounting policy for sales in China (before commissions) does not impact the analysis of the change due to the adjustment in H105 as in H104.

China: summary of differences 2004/2005

<i>in millions of euros</i>	H1 2005	H1 2004 Pro forma	Change
❖ Gross profit	36.0	32.3	+3.7
❖ Other operating expenses	(27.3)	(23.8)	-3.5
❖ Net depreciation and prov.	(1.3)	(1.8)	+0.5
❖ Current operating profit	7.4	6.7	+0.7

Other countries (Belgium/Luxembourg, Spain/Portugal, Italy, Germany)

- ❖ Turnover and margin: effect of growth
- ❖ Increased operating expenses in development areas

in millions of euros

	H1 2005	H1 2004 Pro forma	Change
❖ Pre-tax turnover <i>On like-for-like basis</i>	55.6	48.9	+13.8% +3.9%
❖ Gross profit	32.6	26.7	+21.8%
❖ Margin rate	58.6%	54.6%	+4pts
❖ Current operating profit	(2.5)	(3.7)	NA

Other countries: summary of differences 2004/2005

	H1 2005	H1 2004 Pro forma	Change
<i>in millions of euros</i>			
❖ Gross profit	32.6	26.7	5.9
❖ Other operating expenses	(30.5)	(26.4)	-4.1
❖ Net depreciation and prov.	(4.6)	(4.0)	-0.6
❖ Current operating profit	(2.5)	(3.7)	+1.2

Details of other countries

<i>en millions d'€</i>	Change in sales	COP H105 €M	COP S104 €M
❖ Belgium/Luxembourg	+1.5%	(2.6)	(2.8)
❖ Spain/Portugal	+11.4%	1.7	1.0
❖ Italy	+31.3%	(2.1)	(2.1)
❖ Germany	+116.6%	0.5	0.2
❖ Total	+13.8%	(2.5)	(3.7)

Current operating profit by country

in millions of euros

H1 2005

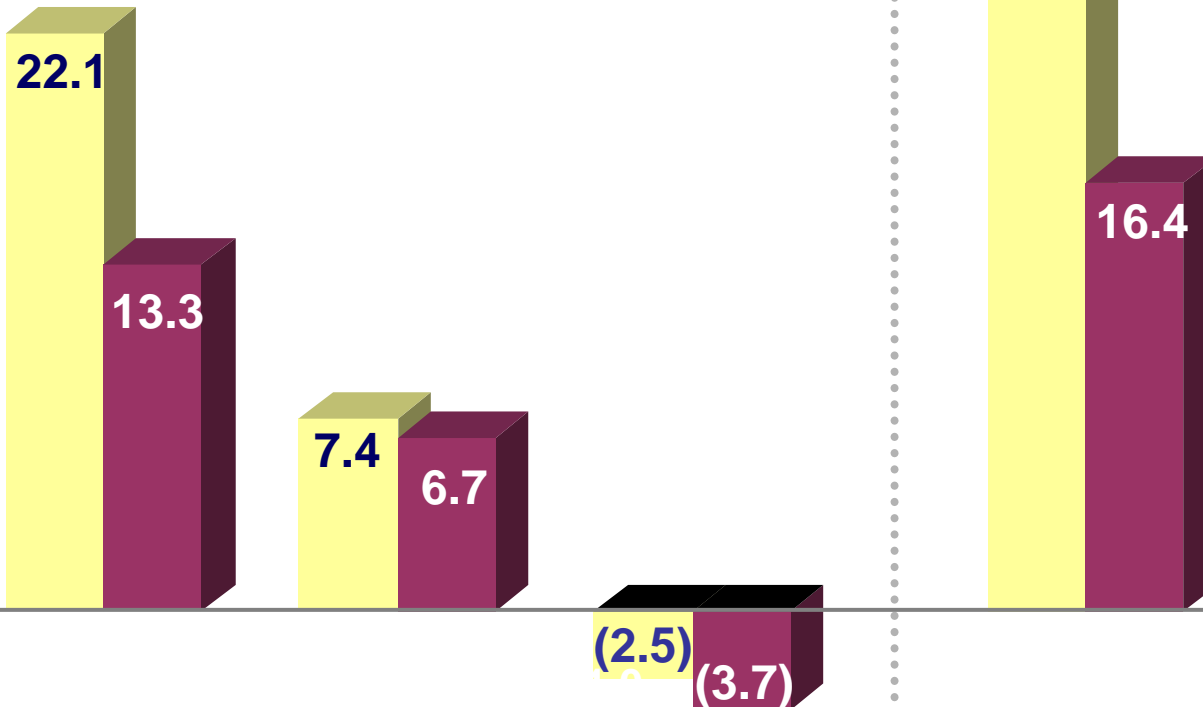
H1 2004
Pro forma

France

China

Other

Total



Non-recurring items

	30.06.05	30.06.04 Pro forma	Change
❖ Current operating profit	27.0	16.4	+65.4%
❖ Other income and operating expenses	(3.3)	(0.9)	N/A
❖ Operating profit	23.8	15.4	+56.3%

Other profit and loss account items

in millions of euros

	30.06.05	30.06.04 Pro forma
❖ Operating profit	23.8	15.4
▪ Financial profit	(2.6)	(2.2)
▪ Taxes	(6.7)	(4.4)
▪ Profit from sale of businesses	(19.9)	(26.9)
▪ Net consolidated profit	(5.4)	(18.1)
▪ Minority interests	3.2	3.3
❖ Net result, Group share	(8.6)	(21.4)

Decline in indebtedness

(H1 05 and H1 04 currently being audited)

in millions of euros

	30.06.05	30.06.04 Pro forma
❖ Net financial indebtedness	143.1	169.7
❖ Consolidated shareholders' equity	277.2	321.3
❖ Gearing	51.6%	52.8%