



2006

Interim results

September 2006

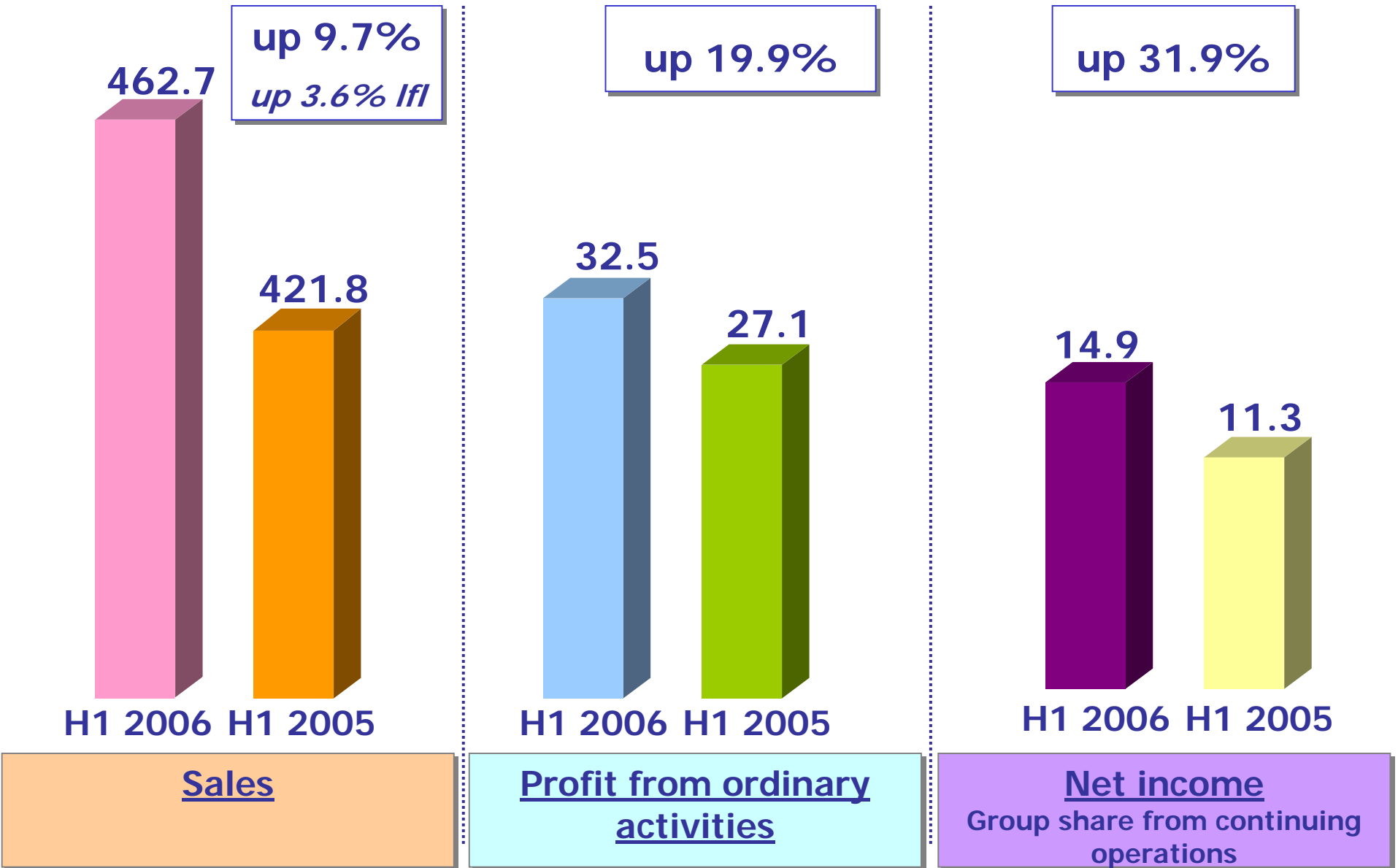
1. Summary at 30 June 2006 (Richard Simonin)

2. First-half 2006 results (Th. Gosselin)

- Performances of the Etam brand (driven by lingerie)
- Progress towards recovery at 123
- Further expansion in China
- Results
 - in line with expectations
 - showing the initial benefits of the recovery plan

Key figures at 30 June 2006

(€ m)



1. Summary at 30 June 2006 (Richard Simonin)

2. First-half 2006 results (Th. Gosselin)

3,212 sales outlets at 30 June 2006

- In all, the store network grew by **357** sales outlets over 12 months,
- **298** were in China,
- with the opening of **24** international franchises,
- and expansion in the lingerie store network.

	H1 2006	H1 2005	Change H1 2006/ H1 2005	2005	Change H1 2006/ H1 2005
▪ Total sales outlets	3,212	2,855	+357	3,070	+142
▪ France	659	647	+12	656	+3
▪ China	2,177	1,879	+298	2,067	+110
▪ Belgium	95	96	-1	95	-
▪ Spain/Portugal	78	71	+7	72	+6
▪ Germany	50	34	+16	46	+4
▪ Italy	23	22	+1	23	-
▪ Int'l franchises	130	106	+24	111	+19

(€ m)

	H1 2006	H1 2005	Change
▪ Sales, net <i>like-for-like</i>	462.7	421.8	+9.7% +3.6%

- Positive currency effect (+€7.8m)
- Price-mix effect*:
 - Increase in sales volumes: +3.6%

*Like-for-like change between 2005 and 2006 excl. China

France

China

RoW

Group total

+1.6%

+19.9%

+2.4%

+3.6%

+4.6%

+23.5%

+14.2%

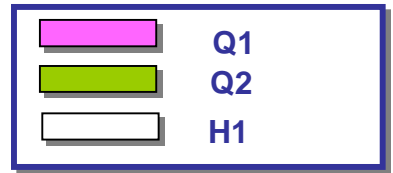
+5.6%

+7.2%

-1.3%

-0.8%

0%



Group profit from ordinary activities

- Business growth (new openings and on a like-for-like basis)
- Slight contraction in the gross margin
- Tight control on operating expenses - improved operating margin

(€ m)	H1 2006	H1 2005	Change
■ Sales, net ➤ <i>Like-for-like</i>	462.7	421.8	+9.7% +3.6%
■ Gross profit	276.3	256.4	+7.8%
■ <i>Gross margin</i>	59.7%	60.8%	-1.1pts
■ Profit from ord. activities ➤ <i>as a % of sales</i>	32.5 7.0%	27.1 6.4%	+19.9% +0.6pts
■ EBITDA* ➤ <i>as a % of sales</i>	54.2 11.7%	40.2 9.5%	+34.8% +2.2pts

*PFOA before depreciation and amortisation, charges to provisions, and gains on the disposal of non-current assets

(€ m)	H1 2006	H1 2005	Change (€ m)
▪ Goods sold	462.1	421.2	40.9
▪ Net provisions for loyalty cards	0.6	0.6	-
▪ Sales	462.7	421.8	+40.9
▪ Purchases ➤ as a % of sales	(185.5) 40.1%	(174.6) 41.4%	-10.9 -1.3pts
▪ Discounts and rebates	2.4	2.1	+0.3
▪ Net prov. for imp. of inventories	(3.3)	7.1	-10.4
▪ Gross profit ➤ as a % of sales	276.3 59.7%	256.4 60.8%	7.8% -1.1pts

Group profit from ordinary activities: summary of H1 2005/H1 2006 changes

(€ m)	H1 2006	H1 2005	Change (€ m)
▪ Gross profit	276.3	256.4	+19.9
▪ Other operating expenses <i>as a % of sales</i>	(224.6) 48.5%	(210.9) 50.0%	-13.7 - 1.5pts
➤ external purchases ▪ <i>as a % of sales</i>	(130.3) 28.2%	(121.0) 28.7%	-9.3 -0.5pts
➤ staff costs ▪ <i>as a % of sales</i>	(89.6) 19.4%	(84.2) 20.0%	-5.4 -0.6pts
➤ taxes and duties ▪ <i>as a % of sales</i>	(6.9) 1.5%	(6.2) 1.5%	-0.7 -
➤ other income and (expenses), net ▪ <i>as a % of sales</i>	2.2 0.5%	0.5 0.1%	+1.7 +0.4pts
▪ Depreciation charges and impairment losses <i>as a % of sales</i>	(19.2)* 4.1%	(18.5) 4.4%	-0.7 -0.3pts
▪ Profit from ordinary activities <i>as a % of sales</i>	32.5 7.0%	27.1 6.4%	+5.4 +0.6pts

*incl. impact of the closure of 123 Rivoli (-€1.3m)

■ Stable operating performance.

(€ m)	H1 06	H1 05	Change
■ Sales, net <i>Like-for-like</i>	304.8	297.2	+2.6% +1.6%
■ Gross profit	189.5	187.8	+0.9%
■ Gross margin	62.2%	63.2%	-1.0pts
■ Profit from ord. activities ➤ <i>as a % of sales</i>	22.3* 7.3%	22.1 7.4%	+0.9% -0.1pts
■ EBITDA ➤ <i>as a % of sales</i>	36.2 11.9%	28.6 9.6%	+26.6% +2.3pts

*incl. impact of the closure of 123 Rivoli (-€1.3m)

- Positive currency effect,
- Stable operating margin.

(€ m)	H1 06	H1 05	Change
<ul style="list-style-type: none"> ■ Sales, net <ul style="list-style-type: none"> ➢ At constant ex. rates ➢ Like-for-like 	96.6	69.0	+40% +28.7% +19.9%
<ul style="list-style-type: none"> ■ Gross profit 	50.0	36.0	+38.9%
<ul style="list-style-type: none"> ■ Gross margin 	51.8%	52.2%	-0.4pts
<ul style="list-style-type: none"> ■ Profit from ord. activities <ul style="list-style-type: none"> Excluding currency effects ➢ as a % of sales 	9.9 9.1 10.2%	7.4 10.7%	+33.8% +23.0% -0.5pts
<ul style="list-style-type: none"> ■ EBITDA <ul style="list-style-type: none"> ➢ as a % of sales 	13.6 14.1%	9.2 13.3%	+47.8% +0.8pts

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

- Further profitable growth Spain and Germany,
- Significant reduction in losses in Belgium.

(€ m)	H1 06	H1 05	Change
■ Sales, net ➤ <i>Like-for-like</i>	61.3	55.6	+10.3% +2.4%
■ Gross profit	36.9	32.6	+13.2%
■ <i>Gross margin</i>	60.2%	58.6%	+1.6pts
■ Profit from ord. activities ➤ <i>as a % of sales</i>	0.4 0.7%	(2.5) -4.5%	+116.0% +5.1pts
■ EBITDA ➤ <i>as a % of sales</i>	4.4 7.2%	2.3 4.1%	+91.3% +3.1pts

Breakdown of other countries

(€ m)	H1 06 € m	Change	Like- for-like	PFOA H1 06 € m	PFOA H1 05 € m	EBITDA H1 06 € m	EBITDA H1 05 € m
<ul style="list-style-type: none"> ■ Belgium/Lux. ➤ <i>as a % of sales</i> ■ Spain/Portugal ➤ <i>as a % of sales</i> ■ Italy ➤ <i>as a % of sales</i> ■ Germany ➤ <i>as a % of sales</i> 	26.2	-3.0%	-0.5%	(1.0) -3.8%	(2.6) -9.6%	0.2 0.8%	(0.6) -2.2%
	20.5	+27.3%	21.2%	2.8 13.7%	1.7 10.6%	3.6 17.6%	2.7 16.8%
	7.6	+8.6%	3.8%	(2.3) -30.3%	(2.1) -30.0%	(0.5) -6.6%	(0.5) -7.1%
	7.0	+26.8%	3.1%	0.8 11.3%	0.5 8.9%	0.9 12.7%	0.7 12.5%

Profit from ordinary activities by country

(€ m)

H1 2006

H1 2005

France

China

Other
countries

Total

22.3

22.1

9.9

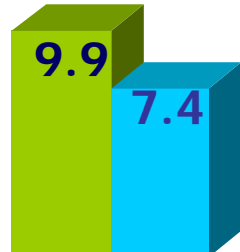
7.4

0.4

(2.5)

32.5

27.1



Ready-to-wear and lingerie sold under Etam brand in Europe, China and to franchises

- Healthy increase in sales and operating profit, driven by lingerie and China

(€ m)	H1 06	H1 05	Change
Sales, net	366.6	330.1	+11.1%
■ Gross profit	217.3	201.3	+7.9%
■ Gross margin	59.3%	61.0%	-1.7pts
■ Profit from ord. activities	27.8	21.9	+27.2%
➤ <i>as a % of sales</i>	<i>7.6%</i>	<i>6.6%</i>	<i>+1pt</i>
■ EBITDA	44.6	32.4	+37.7%
➤ <i>as a % of sales</i>	<i>12.2%</i>	<i>9.8%</i>	<i>+2.4pts</i>

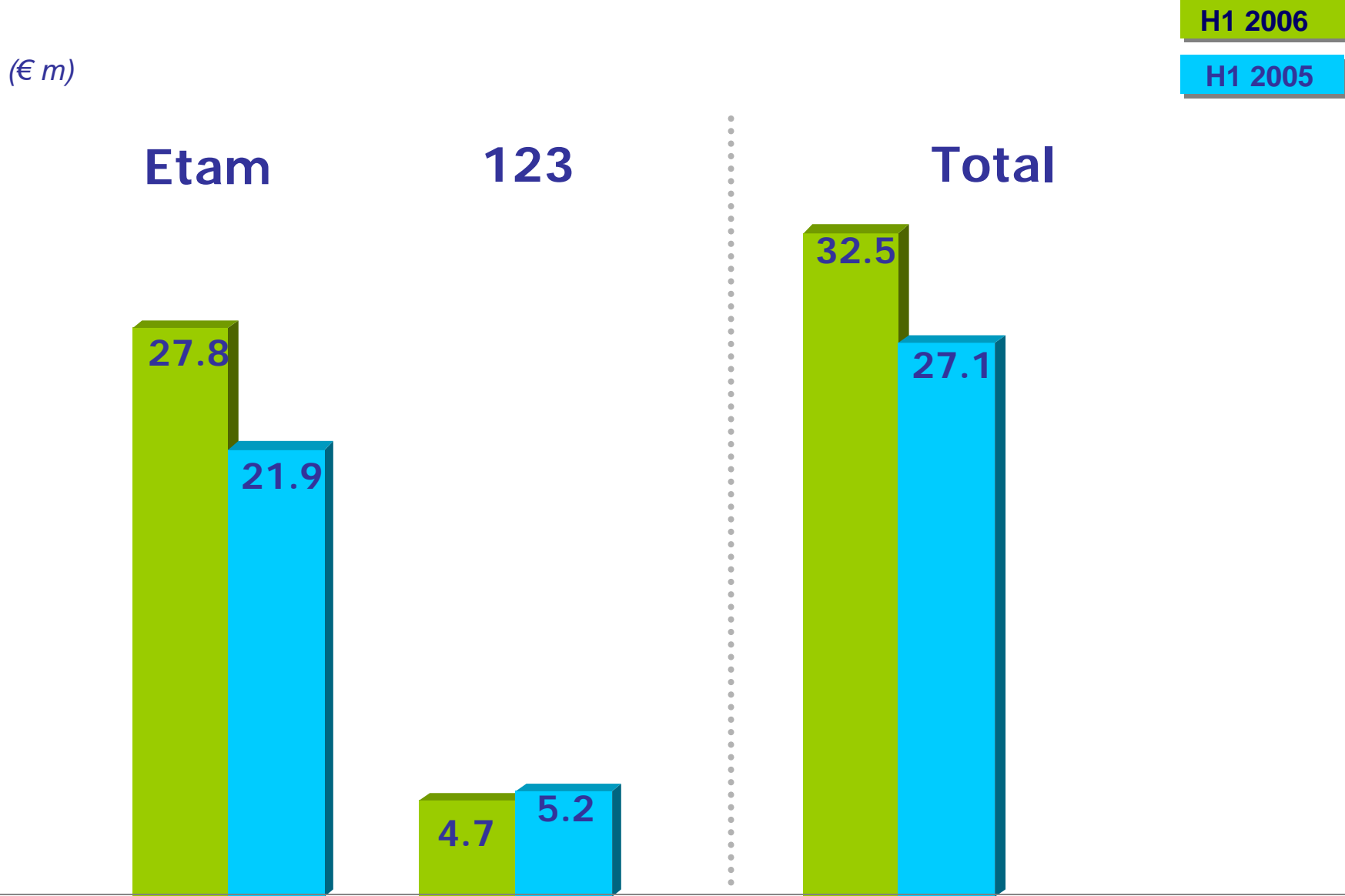
Ready-to-wear sold under 123 brand in Europe and to franchises

- Recovery in top-line performance,
- Further expansion in Germany.

(€ m)	H1 06	H1 05	Change
Sales, net	96.1	91.7	+4.8%
■ Gross profit	59.1	55.1	+7.2%
■ <i>Gross margin</i>	61.4%	60.1%	+1.3pts
■ Profit from ord. activities	4.7*	5.2	-9.1%
➤ <i>as a % of sales</i>	4.9%	5.7%	-0.8pts
■ EBITDA	9.6	7.8	+22.5%
➤ <i>as a % of sales</i>	10.0%	8.5%	+1.5pts

*incl. impact of the closure of 123 Rivoli (-€1.3m)

Profit from ordinary activities by brand



(€ m)	H1 2006	H1 2005
▪ Profit from ordinary activities	32.5	27.1
▪ (Charges to) & reversals of prov. ▪ (Expenses)/income	1.3 (2.8)*	(3.3) -
▪ Operating profit	31.0	23.8

**incl. impact of the closure of 123 Rivoli (-€1.5m)*

Other income statement items

(€ m)	H1 2006	H1 2005
▪ Sales	462.7	421.8
▪ Operating profit ▪ as a % of sales	31.0 6.7%	23.8 5.6%
➤ Net financial income/(charge)	(3.4)	(2.6)
➤ Tax expense	(8.7)	(6.7)
➤ Inc. before disc. operations ▪ as a % of sales	18.9 4.1%	14.5 3.4%
➤ Income from disc. operations	-	(19.9)*
➤ Consolidated net income ▪ as a % of sales	18.9 4.1%	(5.4) -1.3%
➤ Minority interests	4.0	3.2
▪ Net income (Group share) ▪ as a % of sales	14.9 3.2%	(8.6) -2.0%

* Cost of divesting Etam plc

■ Further improvement in gearing

(€ m)	H1 2006	H1 2005	31/12/2005
■ Net debt	123.4	143.0	118.5
■ Consolidated equity	318.0	279.5	306.7
■ Gearing	38.8%	51.2%	38.6%

- All the Group's businesses posted growth during the summer promotional sales period.
- The Autumn/Winter collections started well in the first half of September but sales have slowed significantly since then.