



2007

# Interim Results

28 September 2007



1. Summary to 30 June 2007

2. 2007 first half results



1. Summary to 30 June 2007

2. 2007 first half results

- ❖ 10.4% growth of net sales (+7.6% like-for-like),
- ❖ Gross margin has held up (+0.2 point),
- ❖ Debt trimming continues,
- ❖ In Europe, the Etam and 1.2.3 brands both had good sales performance and were financially stable, although the profitability improvement plan continues,
- ❖ In China, the transition period is marked by a noticeable downturn in financial performance.



1. Summary to 30 June 2007

2. 2007 first half results

<i>€ m</i>	H1 2007	H1 2006	% change
▪ Net sales	510.7	462.7	+10.4%
▪ Gross profit	305.7	276.3	+10.6%
▪ <i>Gross margin (%)</i>	<i>59.9%</i>	<i>59.7%</i>	<i>+0.2pt</i>
▪ EBITDA*	50.0	54.2	-7.7%
➤ <i>as % of sales</i>	<i>9.8%</i>	<i>11.7%</i>	<i>-1.9pt</i>
▪ Profit from ordinary activities	30.1	32.5	-7.4%
➤ <i>as % of sales</i>	<i>5.9%</i>	<i>7.0%</i>	<i>-1.1pt</i>

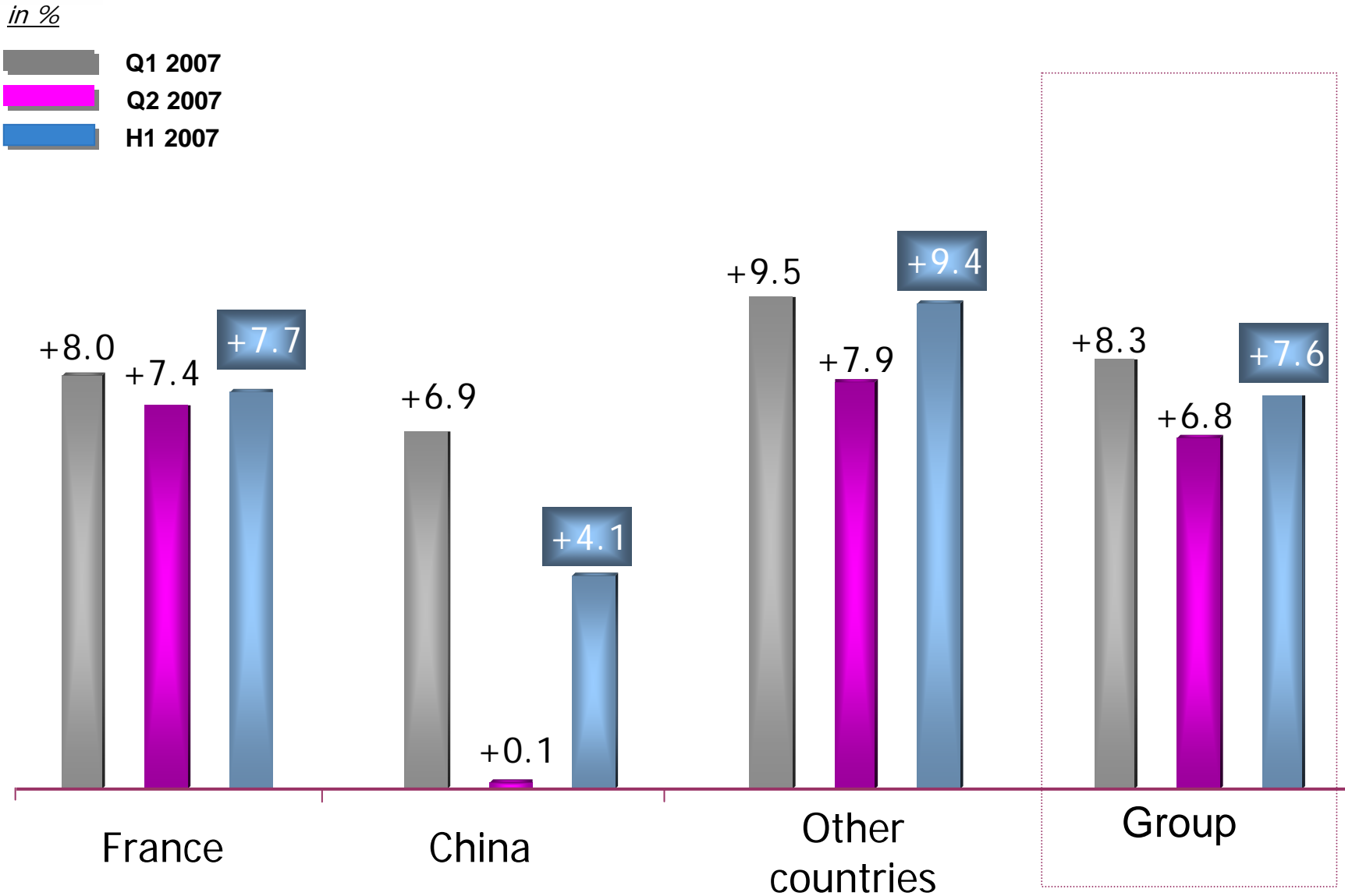
\* Profit from ordinary activities before depreciation and amortisation. provisions and gains on asset sales

# Breakdown of sales growth

<i>in %</i>	H1 2007	H1 2006
<ul style="list-style-type: none"> <li>■ Currency effect</li> <li>■ Like for like</li> <li>■ Store openings/closures</li> </ul>	<p>-1.0%</p> <p>+7.6%</p> <p>+3.8%</p>	<p>+1.9%</p> <p>+3.6%</p> <p>+4.8%</p>
Sales	+10.4%	+10.3%

- France: stability in terms of net openings, reallocation of retail outlets in favor of the UNDIZ brand
- Continued growth of 1.2.3 in Germany and of lingerie in Spain
- China: drop in number of outlets as the network is streamlined and sales area is increased (+6% for the period)
- International franchises, continued growth as store opening programs are boosted and choices are made concerning partners
- India: +15 lingerie outlets

	30/6/2007	31/12/2006	30/6/2006	Change over 6 months	Change over 1 year
▪ China	2 317	2 367	2 177	-50	+140
▪ France	665	665	659	-	+6
▪ Belgium	96	93	95	+3	+1
▪ Spain/Portugal	88	82	78	+6	+10
▪ Germany	64	56	50	+8	+14
▪ Italy	24	24	23	-	+1
▪ India	21	6	-	+15	+21
▪ Int. franchises	142	140	130	+2	+12
<b>Total</b>	<b>3 417</b>	<b>3 433</b>	<b>3 212</b>	<b>-16</b>	<b>+205</b>



€ m	H1 2007	H1 2006	Change (€ m)
▪ Goods sold	510.6	462.1	+48.5
▪ Net provisions for loyalty cards	0.1	0.6	-0.5
▪ Sales	510.7	462.7	+48.0
▪ Purchases	(207.8)	(185.5)	-22.3
➤ <i>as % of sales</i>	-40.7%	-40.1%	-0.6pt
▪ Discount	2.2	2.4	-0.2
▪ Net provisions for impairment of inventories	0.7	(3.3)	+4.0
➤ <i>as % of sales</i>	0.1%	0.7%	+0.8pt
Gross margin	305.7	276.3	+29.4
➤ <i>as % of sales</i>	59.9%	59.7%	+0.2pt

# Other operating expenses

<u>€ m</u>	H1 2007	H1 2006	Change (€ m)
➤ <i>Staff costs</i>	(101.4)	(89.6)	-11.8
▪ <i>as % of sales</i>	-19.9%	-19.4%	-0.5pts
➤ <i>Rental charges</i>	(67.5)	(62.8)	-4.7
▪ <i>as % of sales</i>	-13.2%	-13.6%	+0.4pt
➤ <i>Other external charges</i>	(78.0)	(67.5)	-10.5
▪ <i>as % of sales</i>	-15.3%	-14.6%	-0.7pt
➤ <i>Taxes and duties</i>	(8.4)	(6.9)	-1.5
▪ <i>as % of sales</i>	-1.6%	-1.5%	-0.1pt
➤ <i>Other net income (expenses)</i>	(0.7)	2.2	-2.9
▪ <i>as % of sales</i>	-0.1%	0.5%	-0.6pt
<b>Other operating expenses</b>	<b>(256.0)</b>	<b>(224.6)</b>	<b>-31.4</b>
▪ <i>as % of sales</i>	-50.1%	-48.6%	-1.5pt

	H1 2007	H1 2006	Change (€ m)
▪ Rental revenues	1.0	1.1	-0.1
▪ Capital gains (losses) on sales of non-current assets	(1.9)	(0.3)	-1.6
▪ Net profit (loss) on customer receivables and other receivables	(1.6)	1.0	-2.6
▪ Commercial disputes	0.6	-	+0.6
▪ Miscellaneous net income (expenses)	1.2	0.4	+0.8
<b>Other Net incomes and expenses</b>	<b>(0.7)</b>	<b>2.2</b>	<b>-2.9</b>

# Depreciation and amortisation

<i>€ m</i>	H1 2007	H1 2006	Change (€ m)
<ul style="list-style-type: none"> <li>▪ Charges and amortisation               <ul style="list-style-type: none"> <li>➤ <i>as % of sales</i></li> </ul> </li> </ul>	(19.7) -3.9%	(18.6) -4.0%	-1.1 +0.1pt
<ul style="list-style-type: none"> <li>▪ Charges to prov. for impairment losses               <ul style="list-style-type: none"> <li>➤ <i>as % of sales</i></li> </ul> </li> </ul>	(0.4) -0.1%	(1.3) -0.3%	+0.9 +0.2pt
<ul style="list-style-type: none"> <li>▪ Reversals of prov. for impairment losses               <ul style="list-style-type: none"> <li>➤ <i>in % of sales</i></li> </ul> </li> </ul>	0.5 0.1%	0.7 0.3%	-0.2 -0.2pt
<ul style="list-style-type: none"> <li>▪ Net depreciation and amortisation               <ul style="list-style-type: none"> <li>➤ <i>in % of sales</i></li> </ul> </li> </ul>	(19.6) 3.9%	(19.2) 3.9%	-0.4 -

<u>€ m</u>	H1 2007	H1 2006
Profit from ordinary activities ➤ <i>as % of sales</i>	30.1 5.9%	32.5 7.0%
▪ (Increase) / decrease in provisions	(0.7)	1.3
▪ (Charges) / Income	(0.2)	(2.8)
Operating profit ➤ <i>as % of sales</i>	29.2 5.7%	31.1 6.7%

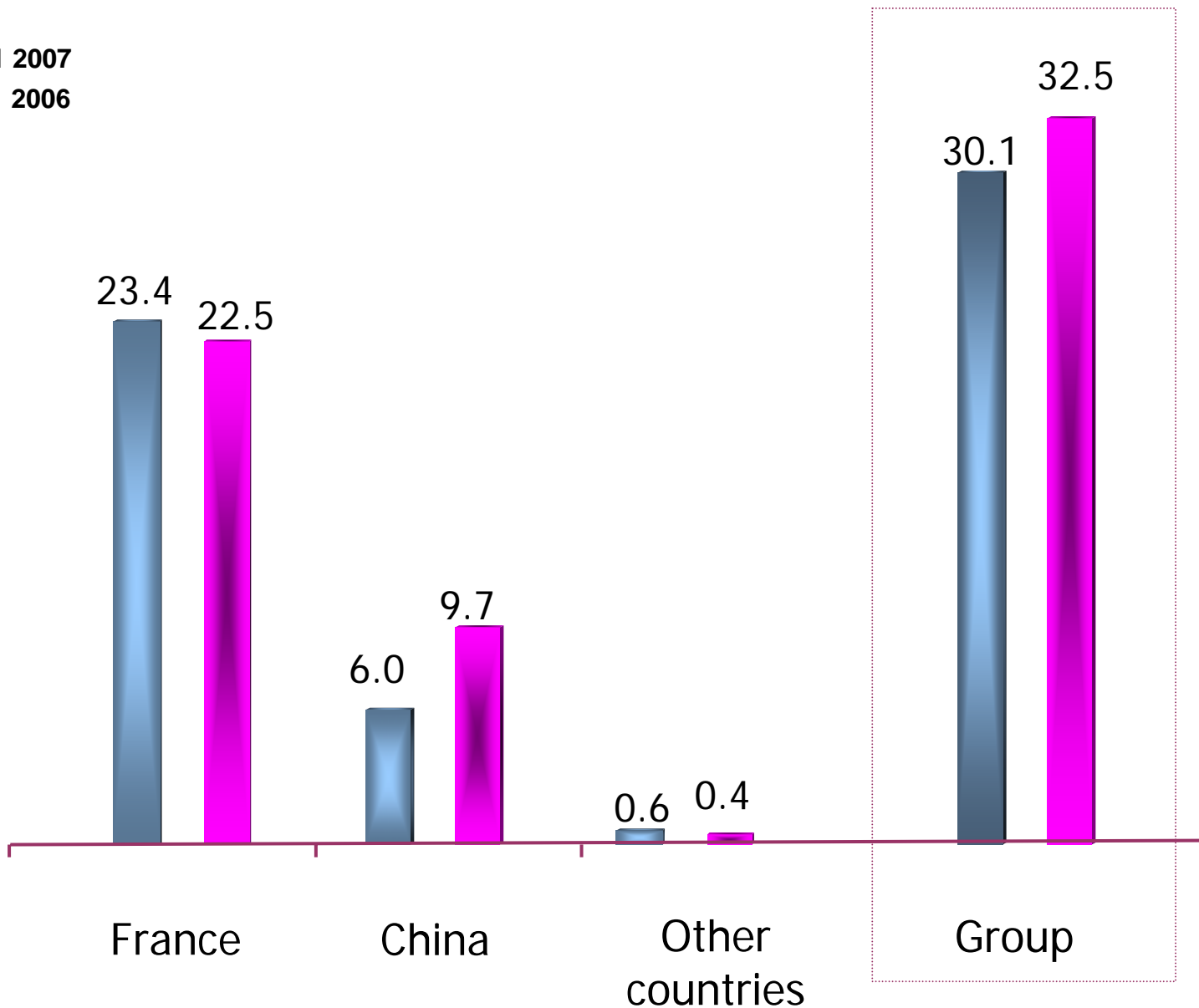
# Operating profit and net income

<u>€ m</u>	H1 2007	H1 2006
<ul style="list-style-type: none"> <li>▪ Operating profit               <ul style="list-style-type: none"> <li>▪ <i>as % of sales</i></li> </ul> </li> </ul>	29.2 <i>5.7%</i>	31.1 <i>6.7%</i>
<ul style="list-style-type: none"> <li>➤ Net financial income (charge)</li> </ul>	(3.3)	(3.4)
<ul style="list-style-type: none"> <li>➤ Taxes</li> </ul>	(8.4)	(8.7)
<hr/>		
<ul style="list-style-type: none"> <li>▪ Consolidated net income               <ul style="list-style-type: none"> <li>▪ <i>as % of sales</i></li> </ul> </li> </ul>	17.5 <i>3.4%</i>	18.9 <i>4.1%</i>
<ul style="list-style-type: none"> <li>➤ of which minority interests</li> </ul>	2.2	4.0
<hr/>		
<ul style="list-style-type: none"> <li>▪ Net income (Group share)               <ul style="list-style-type: none"> <li>▪ <i>as % of sales</i></li> </ul> </li> </ul>	15.3 <i>3.0%</i>	14.9 <i>3.2%</i>

# Profit from ordinary activities by region

€ m

H1 2007  
 H1 2006



# Performance by region: France

€ m	H1 2007	H1 2006	Change
▪ Net sales ➤ <i>Like-for-like</i>	335.9	304.8	+10.2% +7.7%
▪ Gross profit	207,1	189.5	+9.3%
▪ <i>Gross margin (%)</i>	61,6%	62.2%	-0.6pts
▪ Profit from ordinary activities ➤ <i>as % of sales</i>	23.4 7.0%	22.5 7.4%	+4.0% -0.4pt
EBITDA <sup>(1)</sup> ➤ <i>as % of sales</i>	34.7 10.3%	36.4 11.9%	-4.7% -1.6pt

(1) Profit from ordinary activities before depreciation and amortisation. provisions and gains on asset sales

# Performance by region: Other countries

	H1 07 sales	Change %	LFL	H1 2007 PFOA	H1 2006 PFOA	Ebitda H1 -07	Ebitda H1 -06
<ul style="list-style-type: none"> <li>■ Belgium/Lux.     ➤ <i>as % of sales</i></li> <li>■ Spain/Portugal     ➤ <i>as % of sales</i></li> <li>■ Italy     ➤ <i>as % of sales</i></li> <li>■ Germany     ➤ <i>as % of sales</i></li> <li>■ India     ➤ <i>as % of sales</i></li> <li>■ Rest of world</li> </ul>	28.5	+8.7%	+11.0%	(0.5) <i>-1.8%</i>	(1.0) <i>-3.9%</i>	1.,1 <i>3,8%</i>	0.2 <i>0.7%</i>
	23,5	+14.5%	+4.7%	2.4 <i>10.3%</i>	2.8 <i>13.8%</i>	40 <i>17,0%</i>	3.6 <i>17.6%</i>
	7.5	-0.2%	+12.1%	(1.5) <i>-19.5%</i>	(2.3) <i>-30.1%</i>	(0.6) <i>-7.8%</i>	(0.4) <i>-5.5%</i>
	9.3	+31.2%	+14.4%	1.0 <i>10.8%</i>	0.8 <i>11.7%</i>	1.2 <i>13.4%</i>	0.9 <i>13.3%</i>
	0.4	na	na	(0.8) <i>ns</i>	na	(0.8) <i>ns</i>	na
	-	-	-	-	0.1	0.1	0.1
<b>Total other countries</b>	<b>69.2</b>	<b>+12.9%</b>	<b>+9.4%</b>	<b>0.6</b>	<b>0.4</b>	<b>5.0</b>	<b>4.4</b>

# Performance by region: China

€ m	H1 2007	H1 2006	Change
<ul style="list-style-type: none"> <li>▪ Net sales               <ul style="list-style-type: none"> <li>➤ <i>at constant exchange rates</i></li> <li>➤ <i>like-for-like</i></li> </ul> </li> </ul>	105.5	96.6	+9.2% +13.9% +4.1%
▪ Gross profit	56.6	49.6	+14.1%
▪ Profit margin (%)	53.6%	51.3%	+2.3pts
<ul style="list-style-type: none"> <li>▪ Profit from ordinary activities               <ul style="list-style-type: none"> <li>➤ <i>Excl. exchange rates as % of sales</i></li> <li>➤ <i>as % of sales</i></li> </ul> </li> </ul>	6.0 5.9%	9.7 10.0%	-38.1% -4.3pts
EBITDA* <ul style="list-style-type: none"> <li>➤ <i>as % of sales</i></li> </ul>	10.3 9.8%	13.4 13.8%	-23.1% -4.0pts

(\* ) Profit from ordinary activities before depreciation and amortisation, provisions and gains on asset sales

# Performance by brand: Etam Europe

€ m	H1 2007	H1 2006	Change
<ul style="list-style-type: none"> <li>▪ Net sales               <ul style="list-style-type: none"> <li>➤ <i>like-for-like</i></li> </ul> </li> </ul>	304.7	269.7	+13.0% +9.1%
<ul style="list-style-type: none"> <li>▪ Gross profit</li> </ul>	184.8	167.4	+10.4%
<ul style="list-style-type: none"> <li>▪ <i>Profit margin (%)</i></li> </ul>	60.6%	62.5%	-1.9pt
<ul style="list-style-type: none"> <li>▪ Profit from ordinary activities               <ul style="list-style-type: none"> <li>➤ <i>as % of sales</i></li> </ul> </li> </ul>	14.4 4.7%	18.0 6.7%	-20.0% -2.0pts
<ul style="list-style-type: none"> <li>▪ EBITDA*               <ul style="list-style-type: none"> <li>➤ <i>as % of sales</i></li> </ul> </li> </ul>	25.6 8.4%	28.8 10.7%	-11.1% -2.3pts

(\* ) Profit from ordinary activities before depreciation and amortisation. provisions and gains on asset sales

€ m	H1 2007	H1 2006	Change
<ul style="list-style-type: none"> <li>▪ Net sales               <ul style="list-style-type: none"> <li>➤ <i>like-for-like</i></li> </ul> </li> </ul>	100.3	96.1	+4.4% +4.6%
<ul style="list-style-type: none"> <li>▪ Gross profit</li> </ul>	64.1	59.1	+8.5%
<ul style="list-style-type: none"> <li>▪ <i>Profit margin (%)</i></li> </ul>	63.9%	61.4%	+2.6pts
<ul style="list-style-type: none"> <li>▪ Profit from ordinary activities               <ul style="list-style-type: none"> <li>➤ <i>as % of sales</i></li> </ul> </li> </ul>	6.2 6.2%	3.0 3.1%	106.7% 3.1pts
<ul style="list-style-type: none"> <li>▪ EBITDA*               <ul style="list-style-type: none"> <li>➤ <i>as % of sales</i></li> </ul> </li> </ul>	8.0 8.0%	7.3 7.6%	9.6% +0.4pt

(\* ) Profit from ordinary activities before depreciation and amortisation. provisions and gains on asset sales

# Cash flow statement highlights

€ m	H1 2007	H1 2006
▪ EBITDA	50.0	54.2
▪ Net provisions for current assets	(0.4)	(4.0)
▪ Cash flow*	49.6	50.2
▪ VCR change	4.0	(13.6)
▪ Corporation tax	(14.1)	(11.4)
▪ Net Capex	(22.8)	(20.9)
▪ Dividends	(6.6)	(4.2)
▪ Interest (consolidation scope and other)	(4.4)	(5.1)
Change in net cash flow	5.7	(5.0)

\* before tax, dividends and interest

# Change in consolidated shareholders' equity

<i>€ m</i>	30/6/2007	30/6/2006
▪ Shareholders' equity at start of period	356.0	306.7
▪ Consolidated net income	17.5	18.9
▪ Fair value adjustment	(0.9)	-
▪ Dividends	(6.6)	(4.2)
▪ Conversion rate adjustment and other	(0.6)	(3.4)
▪ Shareholders' equity at end of period	366.6	318.0

<i>€ m</i>	30/6/07	31/12/06	30/6/06
▪ Net debt	107.5	113.2	123.4
▪ Consolidated shareholders' equity	366.6	356.0	318.0
Gearing	29.3%	31.8%	38.8%

- ❖ In Europe, on a high Q3 base, sales revenue in Q3 2007 should be positive (and also like-for-like).
- ❖ In China, the Etam Group anticipates a drop in sales revenue in Q3 2007 compared with Q3 2006, given the downturn in like-for-like sales revenue, changes in the network, and a negative currency exchange effect.