



Results for the first half-year 2010

August 27, 2010



- 1. H1-2010 highlights**
(Laurent Milchior, Managing Partner)
- 2. H1-2010 consolidated results**
(Frédéric de Castro, CFO)
- 3. 2010 challenges & outlook**
(Laurent Milchior, Managing Partner)
- 4. Questions/Answers**



1. H1-2010 highlights

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4. Questions/Answers

H1-2010 key indicators

M€	H1-2010	H1-2009	Variation
Net sales	545.5	499.6	9.2%
<i>like-for-like</i>			<i>1.7%</i>
<i>of wich Europe</i>	359.5	374.4	<i>-4.0%</i>
<i>like-for-like</i>			<i>-5.3%</i>
<i>of wich China</i>	186.0	125.2	<i>48.5%</i>
<i>like-for-like</i>			<i>31.6%</i>
EBIT	18.1	6.6	175.7%
<i>as % of sales</i>	<i>3.3%</i>	<i>1.3%</i>	<i>2.0 pts</i>
<i>of wich Europe</i>	3.5	2.0	<i>74.3%</i>
<i>as % of sales</i>	<i>1.0%</i>	<i>0.5%</i>	<i>0.5 pt</i>
<i>of wich China</i>	14.6	4.6	<i>220.8%</i>
<i>as % of sales</i>	<i>7.9%</i>	<i>3.6%</i>	<i>4.2 pts</i>
EBITDA	47.0	29.0	62.1%
<i>as % of sales</i>	<i>8.6%</i>	<i>5.8%</i>	<i>2.8 pts</i>
Net operating investments	24.5	12.2	12.3

Market – Business activity

- Europe
 - Further decline in the women's clothing market¹, in both ready-to-wear and lingerie
 - Commercial performance of the Group's brands in line with or slightly weaker than the market
 - Slowdown in deterioration in the Group's ready-to-wear operations
- China
 - Strong growth in consumer spending²
 - Etam outperformed the market
 - Continuing expansion of the department store concessions network

Management

- Significant improvement in operating profitability (+175.7%), relating primarily to the Group's performance in China
- Continuing control of operating expenses and roll-out of marketing plans
- Debt and WCR under control, allowing for a selective return to investment
- Successful share repurchase offer in June 2010: aim to buy back 99.3% of share capital³

¹ -3.0% for specialist chains in France. Source: IFM

² +18,2% for retail sales to end-May YTD. Source: Li & Fung Research Centre

³ Equal to 2,835,916 shares cancelled on 8 July 2010

Brands

➤ ETAM

- Promotional activity cut back (mark-down rate reduced by 7.0 pts in H1-10 vs. H1-09)
- Start of store renovation programme (17 stores)
- Continuing investment in the brand (marketing and media overhaul: +€4.2m in H1-10 vs. H1-09)
- Mission on the *Quick Response* model completed

➤ 1.2.3

- Promotional activity cut back (mark-down rate reduced by 9.4 pts in H1-10 vs. H1-09)
- Development of brand image with Eva Herzigova
- Development of international franchises (4 new partners in H1-10 vs. H1-09)
- Strong performance in Germany (sales up +5.5% at constant exchange rates via 65 stores)

➤ Undiz

- 35 stores opened at end of S1-10
- Continuing strong commercial performance

➤ China

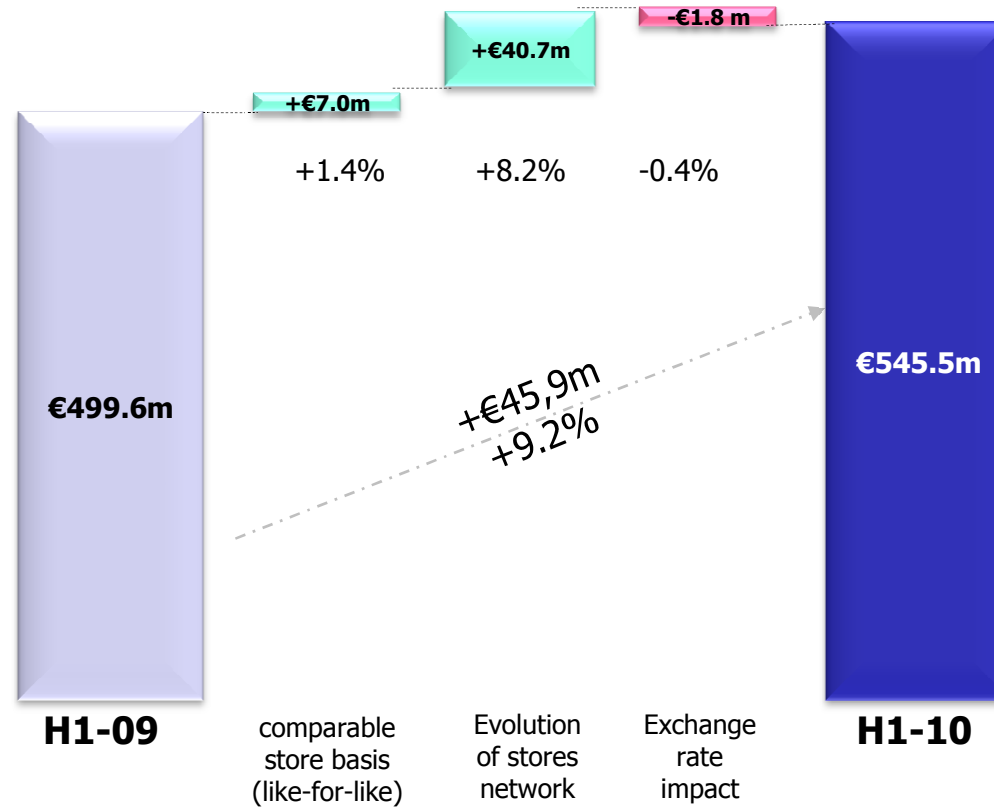
- Strong sales growth on a like-for-like basis despite a high comparison base
- Overhaul of brand image through marketing and media campaigns
- Launch of new E&Joy brand focused on denim
- Continuation of shop-in-shop opening programme



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<i>M€</i>	H1-2010	H1-2009	<i>Variation (%/pts)</i>
Net sales	545.5	499.6	9.2%
<i>like-for-like</i>			<i>1.7%</i>
Gross profit	320.9	287.9	11.5%
Gross margin	58.8%	57.6%	1.2 pts
Operating income	19.5	7.1	175.8%
<i>in % of sales</i>	<i>3.6%</i>	<i>1.4%</i>	<i>2.2 pts</i>
Others operating revenues (expenses)	(1.4)	(0.5)	<i>ns</i>
<i>in % of sales</i>	<i>-0.3%</i>	<i>-0,1%</i>	<i>-0.2 pt</i>
EBIT	18.1	6.6	175.7%
<i>in % of sales</i>	<i>3.3%</i>	<i>1.3%</i>	<i>2.0 pts</i>
EBITDA	47.0	29.0	62.1%
<i>in % of sales</i>	<i>8.6%</i>	<i>5.8%</i>	<i>2.8 pts</i>
Net debt	179.9	113.1	66.8
Gearing	63.0%	31.1%	31.9 pts

Breakdown of sales growth



Average exchange rate




H1-2009 : 1€ = 9.064 yuans

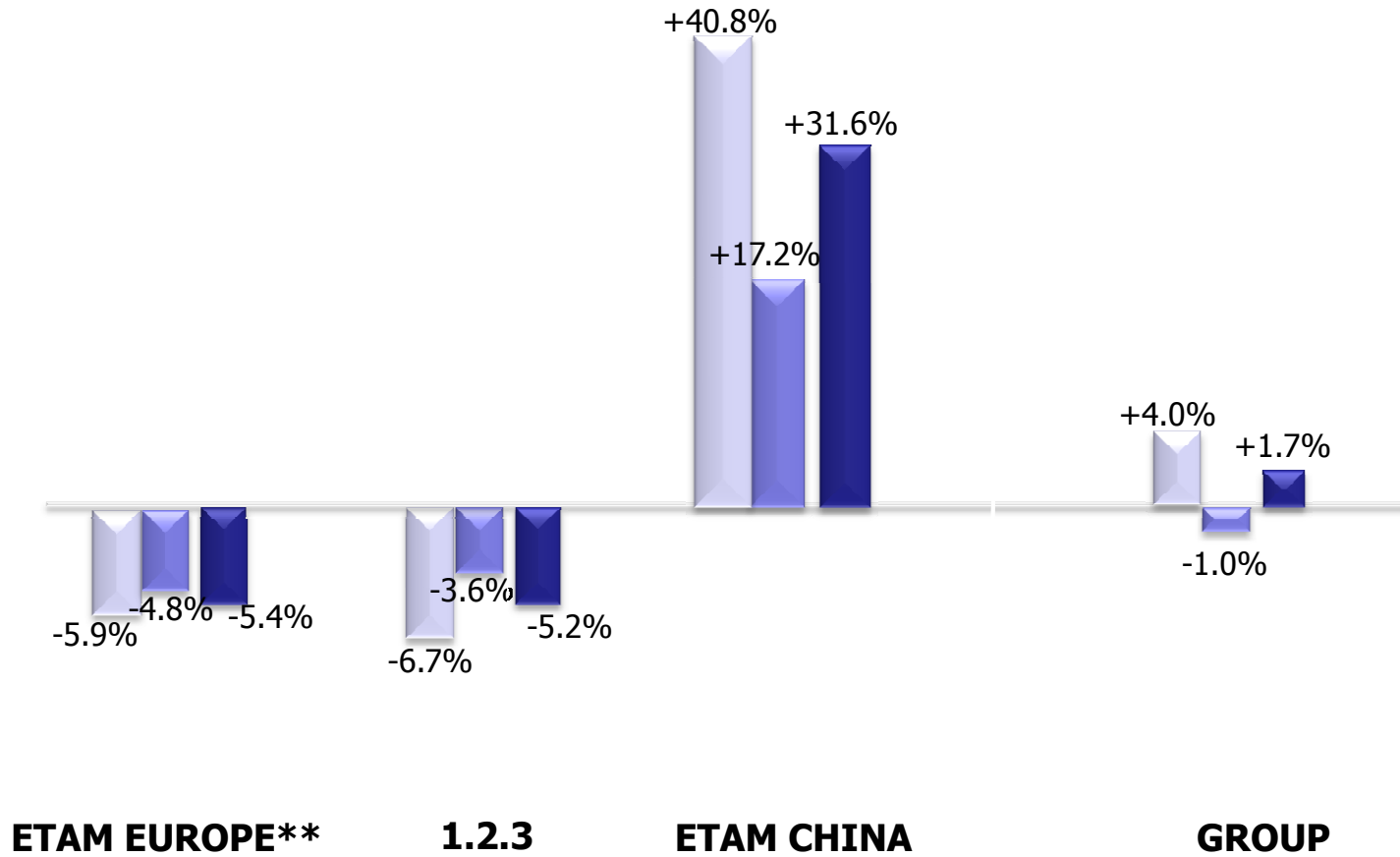
H1-2010 : 1€ = 9.160 yuans

Like-for-like sales growth*

* On a comparable basis and at constant exchange rates

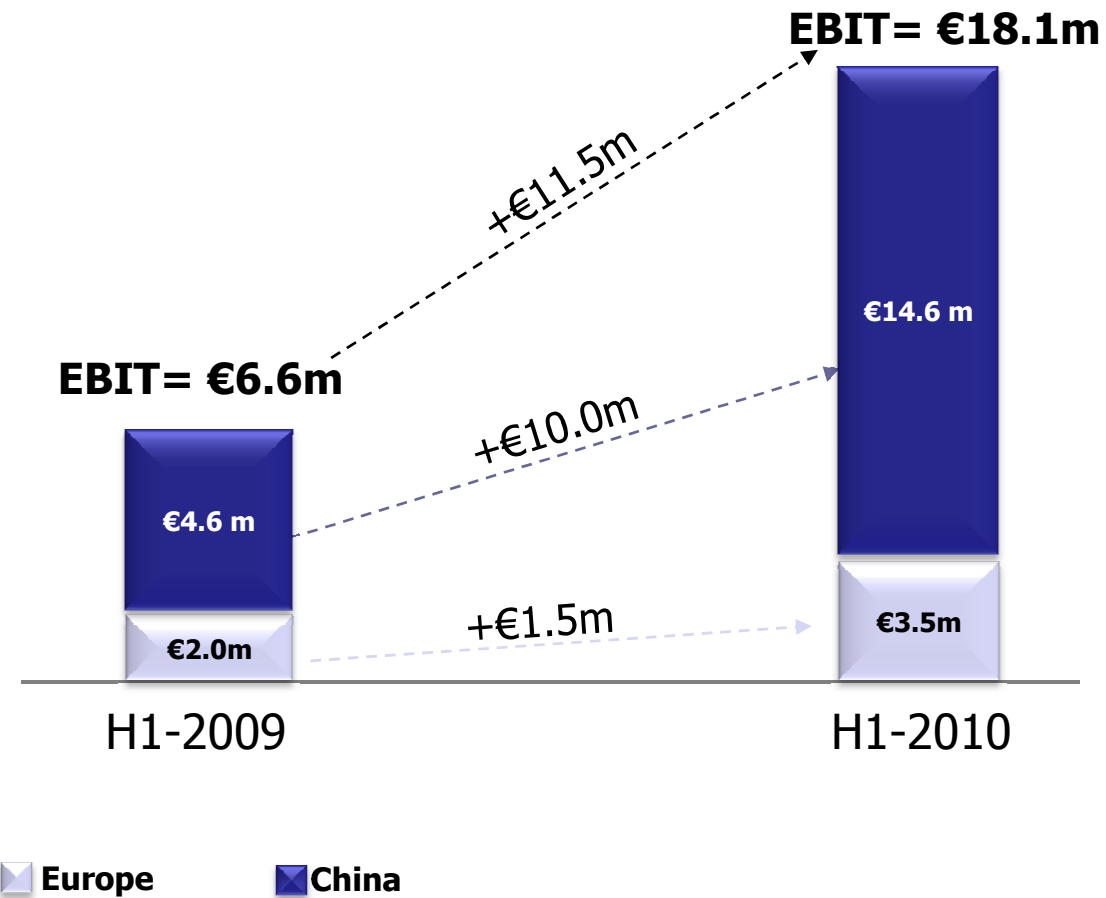
** Incl. UNDIZ

 Q1-10 vs Q1-09
 Q2-10 vs Q2-09
 H1-10 vs H1-09



Change in stores network

	30.06.2010	31.12.2009	<i>Change</i>	30.06.2009	<i>Change</i>
Europe (excl int. Franchises)	983	976	+7	981	+2
- <i>Etam</i>	<i>716</i>	<i>708</i>	<i>+8</i>	<i>707</i>	<i>+9</i>
of which <i>Undiz</i>	<i>35</i>	<i>26</i>	<i>+9</i>	<i>13</i>	<i>+22</i>
- <i>1.2.3</i>	<i>267</i>	<i>268</i>	<i>-1</i>	<i>274</i>	<i>-7</i>
International franchises	161	187	-26	174	-13
China	2,796	2,671	+125	2,402	+394
Total Group	3,940	3,834	+106	3,557	+383



Operating income in Europe

€m		H1-2010	H1-2009	Change (%/pts)
Net Sales		359.5	374.4	-4.0%
	<i>like-for-like</i>			<i>-5.3%</i>
Gross profit		216.3	216.6	-0.2%
Gross margin		60.2%	57.9%	2.3 pts
Selling expenses		(192.3)	(187.5)	2.6%
	<i>as % of sales</i>	<i>-53.5%</i>	<i>-50.1%</i>	<i>-3.4 pts</i>
General expenses		(20.4)	(25.3)	-19.4%
	<i>as % of sales</i>	<i>-5.7%</i>	<i>-6.8%</i>	<i>1.1 pt</i>
Others revenues (expenses)		1.4	(1.2)	<i>ns</i>
	<i>as % of sales</i>	<i>0.4%</i>	<i>-0.3%</i>	<i>0.7 pt</i>
Operating income		4.9	2.5	94.7%
	<i>as % of sales</i>	<i>1.4%</i>	<i>0.7%</i>	<i>0.7 pt</i>
Others operating revenues (expenses)		(1.4)	(0.5)	<i>ns</i>
	<i>as % of sales</i>	<i>-0.4%</i>	<i>-0.1%</i>	<i>-0.3 pt</i>
EBIT		3.5	2.0	74.3%
	<i>as % of sales</i>	<i>1.0%</i>	<i>0.5%</i>	<i>0.5 pt</i>
EBITDA		23.3	18.6	25.6%
	<i>as % of sales</i>	<i>6.5%</i>	<i>5.0%</i>	<i>1.5 pts</i>

Operating income in Europe: Etam*

€m		H1-2010	H1-2009	Change (%/pts)
Net Sales		274.9	283.2	-2.9%
	<i>like-for-like</i>			<i>-5.4%</i>
Gross profit		164.0	163.4	0.4%
Gross margin		59.7%	57.7%	2.0 pts
Selling expenses		(148.7)	(140.4)	5.9%
	<i>as % of sales</i>	<i>-54.1%</i>	<i>-49.6%</i>	<i>-4.5 pts</i>
General expenses		(11.6)	(13.0)	-10.8%
	<i>as % of sales</i>	<i>-4.2%</i>	<i>-4.6%</i>	<i>0.4 pt</i>
Others revenues (expenses)		(1.0)	(1.5)	-34.8%
	<i>as % of sales</i>	<i>-0.4%</i>	<i>-0.5%</i>	<i>0.1pt</i>
Operating income		2.8	8.5	-67.0%
	<i>as % of sales</i>	<i>1.0%</i>	<i>3.0%</i>	<i>-2.0 pts</i>
Others operating revenues (expenses)		(0.9)	(0.5)	94.5%
	<i>as % of sales</i>	<i>0.0%</i>	<i>0.0%</i>	<i>-</i>
EBIT		1.9	8.1	-76.1%
	<i>as % of sales</i>	<i>0.7%</i>	<i>2.9%</i>	<i>-2.2 pts</i>
EBITDA		15.3	16.2	-5.4%
	<i>as % of sales</i>	<i>5.6%</i>	<i>5.7%</i>	<i>-0.1 pt</i>

* incl. Undiz

Operating income in Europe: 1.2.3

€m	H1-2010	H1-2009	Change (%/pts)
Net Sales	84.6	91.2	-7.2%
<i>like-for-like</i>			<i>-5.2%</i>
Gross profit	51.3	52.1	-1.6%
Gross margin	60.7%	57.2%	3.5 pts
Selling expenses	(47.9)	(49.3)	-2.8%
<i>as % of sales</i>	<i>-56.7%</i>	<i>-54.1%</i>	<i>-2.6 pts</i>
General expenses	(3.4)	(3.6)	-7.1%
<i>as % of sales</i>	<i>-4.0%</i>	<i>-4.0%</i>	<i>-</i>
Others revenues (expenses)	(0.2)	(0.6)	-73.4%
<i>as % of sales</i>	<i>-0.2%</i>	<i>-0.7%</i>	<i>0.5 pt</i>
Operating income	(0.1)	(1.4)	-90.0%
<i>as % of sales</i>	<i>-0.2%</i>	<i>-1.6%</i>	<i>1.4 pts</i>
Others operating revenues (expenses)	(0.1)	-	ns
<i>as % of sales</i>	<i>0.0%</i>	<i>-</i>	<i>-</i>
EBIT	(0.3)	(1.4)	-80.4%
<i>as % of sales</i>	<i>-0.3%</i>	<i>-1.6%</i>	<i>1.3 pt</i>
EBITDA	2.8	3.2	-12.2%
<i>as % of sales</i>	<i>3.3%</i>	<i>3.5%</i>	<i>-0.2pt</i>

Operating income in China

M€	H1-2010	H1-2009	Change (%/pts)
Net sales	186.0	125.2	48.5%
<i>like-for-like</i>			<i>31.6%</i>
Gross margin	104.7	71.3	46.8%
Gross profit	56.3%	56.9%	-0.6 pt
Selling expenses	(85.6)	(61.4)	39.6%
<i>as % of sales</i>	<i>-46.0%</i>	<i>-49.0%</i>	<i>2.9 pts</i>
General expenses	(4.7)	(4.9)	-4.1%
<i>as % of sales</i>	<i>-2.5%</i>	<i>-3.9%</i>	<i>1.4 pts</i>
Others revenues (expenses)	0.2	(0.5)	<i>ns</i>
<i>as % of sales</i>	<i>0.1%</i>	<i>-0.4%</i>	<i>0.5 pt</i>
Operating income	14.6	4.6	220.8%
<i>as % of sales</i>	<i>7.9%</i>	<i>3.6%</i>	<i>4.3 pts</i>
Others operating revenues (expenses)	-	-	-
<i>as % of sales</i>			
EBIT	14.6	4.6	220.8%
<i>as % of sales</i>	<i>7.9%</i>	<i>3.6%</i>	<i>4.3 pts</i>
EBITDA	23.7	10.4	127.1%
<i>as % of sales</i>	<i>12.7%</i>	<i>8.3%</i>	<i>4.4 pts</i>

From EBIT to net income

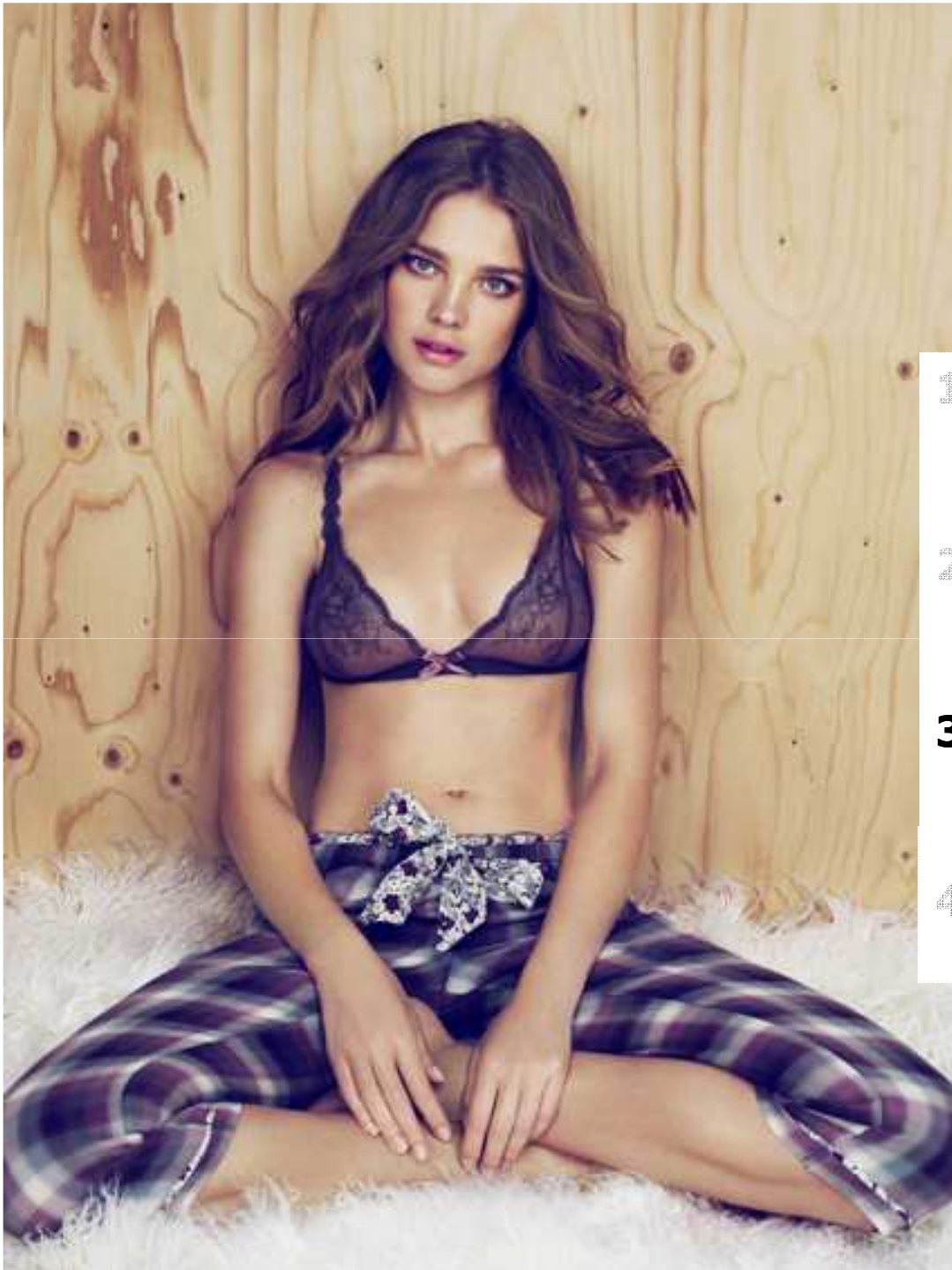
€m	H1-2010	H1-2009	Change (€m/pts)
EBIT	18,6	6.6	11.5
<i>as % of sales</i>	3.3%	1.3%	2.0 pts
Net interests expenses	(3.3)	(3.3)	-
Taxes	(2.9)	1.9	-4.8
Income/(loss) from invest. in associates	(1.7)	(0.3)	-1.4
Income from continuing operations	10.2	4.9	5.3
<i>as % of sales</i>	1.9%	1.0%	0.9 pt
Income/(loss) from discontinuing operations	-	(0.6)	0.6
Consolidated Net Income	10.2	4.3	5.9
<i>as % of sales</i>	1.9%	0.8%	1.1 pt
Of which minority interests	3.0	2.2	0.8
<i>as % of sales</i>	0.5%	0.4%	0.1 pt
Group share of net income	7.2	2.2	5.0
<i>as % of sales</i>	1.3%	0.4%	0.9 pt

Consolidated cash flow statement

<i>€m</i>	H1-2010	H1-2009	<i>Change (€m)</i>
EBITDA	47.0	29.0	18.0
Net provisions on current assets & others	(5.8)	1.3	-7.1
Change in WCR	(4.3)	(5.8)	1.5
Net operating investments	(24.5)	(12.2)	-12.3
Cash flow before interests and taxes	12.4	12.3	-0.1
Paid interests	(4.3)	(3.3)	-1.0
Due taxes	(1.2)	10.4	-11.6
Cash flow after interests and taxes	6.9	19.4	-12.5
Net financial investissements	(99.2)	0.3	-99.5
Dividends paid	(1.6)	-	-1.6
Ifrs 5	-	3.9	-3.9
Exchange variation & others	3.7	(0.8)	4.5
Decrease (increase) in debt	(90.2)	22.8	-113.0
Net debt - beginning of the period	89.7	136.7	
Net debt - end of the period	179.9	113.1	

(€m)	WCR au 30.06.10			Change vs 30.06.09*		
	Group	Europe	China	Group	Europe	China
Accounts receivable	(52.8)	(19.1)	(33.7)	(9.8)	(1.0)	(8.8)
Inventories	(154.2)	(99.8)	(54.4)	(36.4)	(17.9)	(18.5)
Accounts payable	162.1	130.6	31.5	52.2	47.6	4.6
Other	40.6	18.7	21.9	13.6	(3.4)	17.0
WCR	(4.3)	30.4	(34.7)	19.6	25.3	(5.7)

¹ Positive sign = favorable, negative sign = unfavorable



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Implementation of challenges presented on 16 April 2010

➤ **Continuing brand development**

- Openings in H2 2010: 8 Etam stores in Europe and at least 13 Undiz stores in France
- Development of marketing campaigns around top models representing Etam and 1.2.3

➤ **Capitalising on recovery in China**

- Further like-for-like growth but particularly high comparison base in H2 2009¹
- Increase in net openings in H2 2010 vs. H1 2010

➤ **Control of WCR and cost structure**

- Further improvement in quality of inventories
- Ongoing efforts to cut administrative costs

➤ **Renovation of store network**

- €14m committed to store renovations in Europe
- Confirmation of strong commercial performance of the Greenwich concept

➤ **Greater reactivity towards the supply chain**

- Reduce commitment rates at the start of the season
- Increase re-orders

¹ +32.2% vs. H2 2008

➤ **ETAM**

- Expand the range of low-price items in order to compete in lingerie
- Step up measures to win back market share in France in ready-to-wear activities
- Continue with the implementation of the store renovation programme
- Continue to cut back on promotional activity thanks to the attractiveness of our products

➤ **1.2.3**

- Win new customers thanks to a broader positioning
- Build up an offering going beyond tailoring and formal wear
- Optimise import vs manufacturing sourcing

➤ **Undiz**

- Implement a more effective logistics structure
- Continue development of a store network reflecting the brand's strategy
- Manage with discipline the growth of the organisation

➤ **China**

- Continue development of the 3 flagship brands in department stores
- Increase the number of store openings on high streets and in shopping centres
- Invest in media campaigns to promote brand image
- Resist pressure to raise prices (department store commissions)



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Appendix

Changes in consolidated shareholder's equity

<i>€m</i>	H1-2010	H1-2009	<i>Change (€m)</i>
Shareholders' equity - beging of period	362.6	366.3	-3.7
IFRIC 13 impact - loyalty programmes	-	(3.4)	3.4
IAS 38 mpact - advertising & marketing expenses	-	(0.9)	0.9
Adjusted opening shareholder's equity	362.6	362.0	0.6
Consolidated net income	10.2	4.4	5.8
Dividends	(1.6)	(1.4)	-0.2
Purchase of own shares	(100.3)	0.3	-100.0
Gains and losses recognises directly as equity	14.3	(2.3)	16.6
Others	0.4	-	0.4
Shareholder's equity - end of period	285.6	363.0	-77.4

Breakdown of store network in Europe

	<i>30/06/2010</i>	<i>31/12/2009</i>	<i>Change on H1</i>	<i>30/06/2009</i>	<i>Change 1 year</i>
France	718	709	+9	712	+6
Spain/Portugal	107	110	-3	109	-2
Belgium/Lux.	69	71	-2	70	-1
Germany	65	66	-1	73	-8
Italy	12	12	0	11	+1
Poland	11	7	+4	5	+6
Switzerland	1	1	0	1	0
Europe (excl. Franchises)	983	976	7	981	2
International franchises	161	187	-26	174	-13

Operating expenses in Europe

<i>€m</i>	H1-2010	H1-2009	<i>Change (€m/pts)</i>
Staff costs	(83.6)	(87.8)	4.2
<i>as % of sales</i>	-23.3%	-23.4%	0.1
Rent & related expenses	(48.2)	(47.5)	-0.7
<i>as % of sales</i>	-13.4%	-12.7%	-0.7
Affiliated commissions	(20.0)	(20.9)	0.9
<i>as % of sales</i>	-5.6%	-5.6%	-
Other net income/expenses	(52.7)	(47.1)	-5.6
<i>as % of sales</i>	-14.7%	-12.6%	-2.1
Taxes	(5.7)	(8.2)	2.5
<i>as % of sales</i>	-1.6%	-2.2%	0.6
Total operating expenses	(210.1)	(211.4)	1.3
<i>as % of sales</i>	-58.4%	-56.5%	-2.1

Operating expenses in China

<i>€m</i>	H1-2010	H1-2009	<i>Change (€m/pts)</i>
Staff costs	(23.4)	(19.0)	-4.5
<i>as % of sales</i>	-12.6%	-15.2%	2.6
Rent & related expenses	(47.2)	(33.5)	-13.7
<i>as % of sales</i>	-25.4%	-26.8%	1.4
Other net income/expenses	(13.5)	(9.0)	-4.5
<i>as % of sales</i>	-7.2%	-7.2%	-
Taxes	(0.3)	(0.1)	-0.2
<i>as % of sales</i>	-0.1%	-0.1%	-
Total operating expenses	(84.3)	(61.6)	-22.7
<i>as % of sales</i>	-45.4%	-49.2%	3.9