

2008 INTERIM RESULTS

(financial year from 1 January to 31 December 2008)

<i>in € millions</i>	30/06/08	30/06/07	<i>Change (€m)</i>
Net sales	482.7	510.7	-28.0
Gross profit	288.5	305.7	-17.2
<i>Gross margin (%)</i>	<i>59.8%</i>	<i>59.9%</i>	<i>-0.1pts</i>
EBITDA*	32.1	50.1	-18.0
Profit from ordinary activities	5.3	30.2	- 24.9
Net income, Group share	(3.2)	15.4	-18.6
Net debt	146.1	107.5	+38.6

* Earnings before interest, taxes, depreciation and amortisation

ACTIVITY AND MARGIN

Net sales for the first half of 2008 came to €482.7 million, down 5.5% compared with the first half of 2007. This includes a negative currency impact of €4.3 million. Like-for-like and at constant exchange rates, sales fell by 8.2%.

Gross margin remained stable at 59.8%.

RESULTS

Despite tight control of operating expenses on a like-for-like basis - particularly in Europe - profit from ordinary activities was impacted by announced increases in staff costs in China, as well as marketing and advertising expenditure in Europe as part of the brand development strategy. Operating expenses were also impacted by the expansion of the network, which increased in size by 7% in Europe to 30 June 2008 compared with 30 June 2007.

As regards other income statement items:

- the net financial charge was €5.0 million compared with €3.3 million in the first half of 2007;
- tax totalled €7.4 million compared with €8.4 million;

Including minority interests of -€4.1 million, net income attributable to the Group came to -€3.2 million compared with €15.4 million in the year-earlier period.

DEBT

Net debt stood at €146.1 million at 30 June 2008 compared with €116.4 million at 31 December 2007, representing a gearing of 42.1% of equity. This increase relates to heavier investment over the period, as well as the implementation of the share buyback programme in the first half of 2008. However, growth in debt has been stemmed by significant improvement in the Group's working capital requirement.

OUTLOOK

In China, the Group is actively working on launching collections resulting from the repositioning initiated in early 2008. In Europe, the Group is still subject to difficult economic conditions. Against this backdrop, it is continuing to focus on the attractiveness of its brands and controlling costs.

*The Group is due to report its third-quarter sales on **21 October 2008** after the close of the Paris stock exchange*

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