

IMPACT OF CHANGEOVER TO IFRS

Etam Développement Group hereby presents the impact of applying the new international financial reporting standards on the 2004 consolidated accounts. The external Auditors have checked these impacts. The main issues relate to taking into account certain asset and liability items that had not previously been consolidated, in accordance with CRC Regulation 99/02, and the revaluation of leaseholds rights and land and buildings.

Principal impacts of the changeover to IFRS (in millions of Euros):

31st December 2004	Consolidated shareholders equity	Financial debt	Consolidated net income
French GAAP	136.5	111.7	(56.4)
Revaluation of leaseholds rights	139.6	-	-1.4
Revaluation of land and buildings	60.3	-	-0.6
Finance leases	4.5	51.4	1.1
Stocks	4.1	-	4.1
Other adjustments	24.1	- 0.1	5.4
Deferred taxes	(84.4)	-	-1.5
IFRS	284.7	163.0	(49.3)

Adjustments to shareholders' equity

Consolidated shareholders' equity at 31st December 2004 increases by €148.2 million, rising to €284.7 million under IFRS, as against €136.5 million under former accounting standard.

These changes arising from the new standards mainly derive from:

- Revaluation of leaseholds rights of €139.6 million
- Revaluation of land and buildings of €60.3 million
- Deferred taxation on all adjustments of -€84.4 million

Consolidated shareholders' equity at 1st January 2004 come out at €342.2 million against €203.7 million at 31st December 2004 under former accounting standard.

Adjustments to net financial debt at 31st December 2004

Net financial debt of €111.7 million under the former standard come out at €163.0 million under IFRS as a result of changing the treatment of finance leases that previously were not consolidated, mainly involving the Group's head office in Clichy and its French warehouses.

Using IFRS, the net debt ratio is 57%.

Adjustments to 2004 net income

Consolidated net income under IFRS is -€49.3 million as against -€56.4 million under the former standard.

These changes arising from the new standards mainly derive from:

- The impact of amortizing revalued leasehold rights and land and buildings of -€2.0 million
- The impact resulting from valuation and write downs to stocks of €4.1 million.
- Adjustment to the provision booked in 2004 in respect of Etam plc following the new IFRS policy of €6.5 million.

A detailed presentation of the effects of the changeover on the Etam Group's accounts is available at www.etamdeveloppement.com. The Group will publish its turnover for the second quarter on 26th July 2005 after close of trading on the Paris Stock Exchange.

Information for analysts and investors: www.etamdeveloppement.fr / Frédéric PATUREAU - Tel.: 01 55 90 70 26
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