

Etam Développement's share repurchase tender offer (From June 2 to June 22, 2010)

The transaction

▪ **What is the rationale for the offer?**

On April 15, Etam Développement launched a share repurchase tender offer, at 35€ per share, to repurchase up to 26.53% of the company's equity. We have taken note of the small volumes of shares exchanged daily on the stock market and of the resulting limited liquidity offered to you as shareholders of the Company. This transaction gives Etam Développement's shareholders an option of immediate liquidity by offering them the opportunity to monetize their Etam shares following a strong increase of +144%¹, over the past twelve months.

On May 11, 2010, the AMF ruled on the conformity of the proposed share repurchase tender offer, in accordance with Article L. 621-8 of the monetary and financial Code and Article 231-23 of its General Regulation. The AMF has granted the offer document its visa n°10-125 dated May 11, 2010.

▪ **Who is acquiring my shares?**

The acquirer is the company itself. Etam Développement is the only initiator of the offer.

▪ **What is the price offered by Etam Développement?**

Etam Développement is offering to pay 35 euros per share tendered to the offer, for 26.53% of the equity. The Offer price, which has been deemed fair by an independent expert, includes a significant short- and medium-term premium:

- + 52% compared to the average share price (weighted by volume) of the 3 months preceding the filing of the Offer
- + 72% compared to the average price of the last 6 months prior to this filing
- + 102% compared to the average price of the last 12 months prior to this filing

(reference price: closing price of April 13, 2010).

The independent expert's report can be found in the Note d'information (offer document).

▪ **Why isn't the offer for all outstanding shares in Etam Développement? Why 26.53% of the equity?**

The company wishes to offer a liquidity option to its minority shareholders, without prejudice to the company's long term growth, and whilst maintaining a solid financial structure. We consider that the Company can increase its debt level by 100M€ in order to carry out this transaction, whilst maintaining a sound financial structure and financial flexibility, notably to fund its investments. With this 100M€ envelope, we can acquire up to 2.9 million shares.

▪ **What will be the free-float after the offer?**

Following the offer and after the cancellation of the shares tendered to the offer, the free-float will stand at 31.5% (if the full 26.53% of the equity are tendered to the offer)

¹ From April 17, 2009, first day following the publication of 2008 results, to April 13, 2010.

Technical details of the offer

- **What is the timetable of the offer and what are the main stages until the close of the transaction?**

The indicative timetable for the operation is as follows:

May 31, 2010	<ul style="list-style-type: none">▪ Extraordinary General Meeting approving the share capital reduction of up to 2,857,142 shares. After acquisition by the Company, the shares will be cancelled.
June 1, 2010	<ul style="list-style-type: none">▪ Distribution of a press release announcing the approval by the Extraordinary General Meeting of the capital reduction and providing further details on the offer and the means to obtain the offer document related to the offer, including the Company's legal, accounting and financial characteristics, in accordance with article 231-28 of the AMF's general rules.
June 2, 2010	<ul style="list-style-type: none">▪ Opening of the offer
22 juin 2010	<ul style="list-style-type: none">▪ Closing of the offer
July 6, 2010, at the latest	<ul style="list-style-type: none">▪ Publication by NYSE Euronext Paris of the results of the offer and settlement conditions.▪ Publication by the AMF of the results of the offer
July 7, 2010	<ul style="list-style-type: none">▪ Partners' decision to reduce the capital
July 8, 2010	<ul style="list-style-type: none">▪ Settlement of shares

- **How do I tender my shares to the offer?**

Etam Développement shareholders wishing to tender their shares to the Offer under the conditions proposed in the information note should give their financial intermediaries an order to sell using the appropriate form, no later than June 22, the last day of the Offer. It should be done within sufficient time to allow for the processing of their order. The financial intermediary will then transfer the Etam Développement shares in his account at Euronext Paris. Bearing in mind the necessary time for processing, it is highly recommended that you rapidly pass on your instructions to your financial intermediary.

In order to tender their shares, registered shareholders of Etam Développement stock should ask that their shares be registered by the agreed intermediary as "*nominatif administré*" ("nominative administered" shares.)

NB - Securities tendered to the Offer shall be freely transferable and free of any liens, mortgages, pledges or other security or restriction of any kind and restricting the free transfer of their property. The Offeror reserves the right to reject any shares tendered that do not meet this requirement.

- **How and when will the settlement of Etam Développement shares be made on this offer?**

Settlement will occur on July 8, 2010. Euronext Paris will pay your financial intermediary for the shares tendered to the offer, who will then credit your bank account. If the share repurchase tender offer has been oversubscribed, Euronext Paris will return to your financial intermediary those shares that were not acquired.

- ***What will happen if the number of shares tendered to the offer exceeds 26.53% of the equity?***

If more than 2,857,142 shares are tendered to the offer, each shareholder who has tendered his shares to the offer will be subject to a reduction proportionate to his shareholding. Shares that will not be accepted within the offer because of this proportionate reduction mechanism will be returned to the shareholder.

The concert formed by the controlling family shareholders of Etam Développement have committed not to tender any of their shares to the Offer, thus providing minority shareholders with the opportunity to tender more of their shares to the Offer.

- ***What will happen to the shares tendered to the offer?***

Repurchased shares will be cancelled. Consequently, following the offer, Etam Développement's capital will be reduced accordingly to the number of shares acquired within the framework of the offer.

- ***When will the shares be cancelled?***

The Partners' decision to cancel the shares should occur on July 7th at the latest, after the publication by the AMF of the results of the offer.

- ***Will the brokerage tax be refunded?***

There are no brokerage fees in a share repurchase tender offer.

- ***Does the tender offer have tax consequences for shareholders?***

As a general principle, the net gain achieved will be taxed as a dividend rather than as a capital gain. Shareholders should consult their tax advisor in order to determine what tax applies in individual cases.

- ***Can I change my mind between the 2nd and 22nd June?***

The order to tender securities to the Offer may be revoked at any time up to and including the day of the closing of the offer. After June 22, 2010, it will be irrevocable.

- ***What will happen if I do not tender my shares to the offer?***

You will remain a shareholder of the Company. As for market activity, trading in the shares is likely to be reduced if a significant proportion of shares are tendered to the offer, thereby reducing the free-float.

- ***Is there an obligation to tender my shares?***

Any shareholder who wishes to retain his shares can do so. However, following the closing of the offer, on June 22, market activity will resume and the 35€ offer price will not be guaranteed.

- ***How will I know if some of my shares have not been acquired by Etam Développement and when will they be returned to me?***

The shares tendered to the offer should be blocked in your financial intermediary's account until the notification of the results of the offer provided by NYSE-Euronext to your intermediary on July 7, 2010 at the latest. In the case of a reduction due to oversubscription, you will be informed by your financial intermediary of the number of shares not acquired by Etam Développement and when they will be returned to you.

The shares you hold but that you don't intend to tender to the offer should be blocked in your intermediary's account until the end of the offer period in order to determine the total number of shares that you own in the case of a proportional reduction.

- ***What if I have not received documents relating to the share repurchase tender offer. How do I get them?***

On May 11, 2010 the AMF published on its website a "statement of compliance" on the offer, giving ist visa to the information memorandum. (Décision & Information n°210C0405).

The information memorandum having received the AMF visa is available free of charge at Rothschild & Cie Banque (23 bis, avenue de Messine, 75008 Paris). It is also available on the website of the AMF (www.amf-france.org) and on the Etam Développement website (www.etamdeveloppement.com). A press release detailing the availability release of these documents was published in the French newspaper "La Tribune" on May 14, 2010.