

# ARTHUR

## 2006 Annual Results

### GROWTH AND DEBT REDUCTION

	As at 31 <sup>st</sup> December 2006	As at 31 <sup>st</sup> December 2005	Variation in %
<b>Consolidated revenue</b>	<b>17,390</b>	<b>16,968</b>	<b>+ 2.5 %</b>
<i>Of which</i>			
<b>Branch Network (2)</b>	8,598	8,413	+ 2.2 %
<b>Export</b>	2,530	2,624	- 3.6 %
<b>France (stores, retailers   Multi-brands)</b>	6,262	5,931	+ 5.6 %
<b>Operating profit</b>	803	991	- 19.1 %
<b>EBITDA</b>	1,864	1,651	+ 12.9 %
<b>Financial profit/loss</b>	-459	-437	- 5 %
<b>Pre-tax profit</b>	344	554	- 37.9 %
<b>Tax (carry back)</b>	33	-222	N S
<b>Group share of consolidated profit after tax (1)</b>	311	332	- 6.3 %
<b>Group share of net profit before tax</b>	344	554	- 37.9 %
<b>Number of shares</b>	1,341,304	1,341,304	
<b>Group share of net earnings per share</b>	0.220	0.248	N S

*The Auditors have confirmed that the auditing work which is essentially completed has not revealed any significant correction to be made to the accounting information contained in the press release.*

- (1) the Group share of consolidated profit is the consolidated profit of the company in the absence of third parties
- (2) all our owned ARTHUR shops, our affiliated commission agents and our Factory Stocks.

2006 saw a 2.5% return to growth in Group earnings, with a 2.2% increase in revenue from our shops network and a sharp rise of 5.6% from our stores and multi-brand network. Only export earnings fell slightly by -100 K€ due to the continued stabilisation of the Portuguese market.

Our operating profit fell by 19% due to substantial provisions of 411 K€ while our EBITDA improved significantly from 1.65 M€ to 1.86 M€, a rise of 12.9%, an indication of the improvement in our operating profitability.

From a financial point of view, our short and medium term debt fell by 614 K€ and our WCR improved by 449 K€, now largely positive, which explains the 177 K€ improvement in our short term cash flow.

2007 will be a year of consolidation both in terms of earnings and profitability, with continuing debt reduction and an overall improvement in all financial ratios.