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100 YEARS OF FRENCH LIBERTÉ

LEGACY LACE
We developed an extraordinary “100-year lace” with our long-time partner Noyon, a Calais lacemaker since 1919. Making the lace, from sketch to hand-finishing, is an 18-step process.

COLLECTIBLE
The story continues in the stores, with new display-window aesthetics, eye-catching signage, labels, paper bags and collector gift cards. 100 years is something to share.

WOMEN’S INDEPENDENCE
Thirteen artists were invited to create works on the theme of women’s independence, to celebrate a century of furthering their emancipation. These masterpieces, displayed in Shanghai, then in Paris, were sold at auction with proceeds going to the Naked Heart Foundation founded by Natalia Vodianova.

LIMITED EDITION
Stripes, blue-white-red and a touch of pink for a capsule collection of fifteen undergarments and tops. Sexy, cool and representative French garments to celebrate 100 years of French Liberté.

BOX SET
All year long, we give each employee a gift box on his or her birthday. Along with the words, “Because it’s our birthday, we’re celebrating yours.”

CENTENARY
Twelve hundred employees gathered in the Beaubourg quarter of Paris on 17 May. An in-house celebration as a preview of the Live Show, thanking the staff for their commitment and leaping into the new century together.

Publication management: ETAM Group
Editorial content management: Financial Communications Department
Photo credits: ETAM Group / GettyImages
Design and layout: Chameleon Expression
The Show was opened by French supermodel Constance Jablonski and closed by French singer-songwriter Jacques Dutronc himself, to the beat of “J'aime les filles”. Who better to symbolise French Liberté?

The Divine bodysuit, a super-sexy, one-of-a-kind creation, was marketed in a very limited edition for the Christmas holidays. This superb design in the “100-year” Leavers lace is the perfect expression of the Group’s savoir-faire. One of the undisputed stars of the Show.

In communications, beyond the display campaigns, ETAM relied on its website to generate buzz and broadcast the fashion show live. Also new this year: online visitors were able to immediately buy the articles displayed on the catwalk on the “Show Shop Now” website.

Nearly 80% of the articles presented on the catwalk were purchasable online during the Show, including six limited-supply swimsuits sold exclusively on etam.com.
BEHIND THE SCENES

Maximum coverage

Magazine ads, display ads, countdowns on the social networks, posts from powerful influencers: the Live Show was supported by a vast promotional campaign both online and off.

Effervescence

For three months, ETAM videotaped the preparation of the Live Show's four flagship products through the eyes of those who make them. The results were released in a short film showing the inner workings of a century-old lingerie specialist, viewable on etam.com and the social networks.

Manufacturing secrets

Eighty models presented the Live Show designs. Backstage, between the dressing, make-up and touch-ups, the excitement was at its peak.

Jackpot

To attend the Live Show and the After-Party, the ETAM staff was invited to post their best photos symbolising French Liberté on Instagram. Fans also could win tickets to attend, along with dressing gowns just like the ones the models wore backstage.

Changing mood

Chic, sexy, divine, joyful or cool – what's your mood today? To invite fans to join in the celebration of 100 years of independence, the brand introduced a photo booth: take a selfie, choose a filter, and post the photo on the social networks using the new ETAM app.
Out of concern for the critical issues of human rights and environmental protection, we help our suppliers ensure a responsible production process. The audits carried out with our suppliers have had positive results, showing a continuous increase in the overall quality of processes.

Created in 2016 by UNDIZ under the name of the “ambitious interview”, the new and improved annual employee evaluation will be practiced throughout the Group early 2017. Since renamed the “audacious interview”, it is a chance for employees to suggest and set their own objectives with their managers.

At the close of 2016, the Group had 89 more points of sale than in 2015, excluding China. With four new bolt countries: Italy, Iran, Taiwan and Thailand.

Five new agreements were signed this year to promote human rights and well-being, supporting sick children, the disabled, gender equality, work quality-of-life and telework.

The Group was twice honoured in 2016: first with a Mapic Award celebrating its 100 years of success and innovation, then with the BFM Award de la Saga Familialle, honouring the company’s family history.

With the new Intramag, in-store teams can keep in touch. This intranet portal developed with Google, easily accessible by tablet, provides staff with all the information they need: business, human resources with a special employee space, and training via a link to the e-campus. An essential element to strengthen the sense of belonging to the Group.

Five new agreements were signed this year to promote human rights and well-being, supporting sick children, the disabled, gender equality, work quality-of-life and telework.
Ready, Set, Go

In Paris, ETAM tested the three-hour delivery programme in partnership with the Deliver.ee courier service. The articles are prepared by the stores on rue de Rennes and Hôtel de Ville. Simple, fast and very convenient.

HONOURS

Voted Lingerie Brand of the Year for the fifth consecutive year, ETAM was also awarded in 2016 as a Service Leader Prize presented by France’s Capital magazine.

Precious App

See current special offers, check your loyalty programme status; find a store, visit the etam.com website; the new ETAM app has boosted digital traffic. Thanks to its 6 September launch, it was also the source for all Live Show info.

NEW FACE

After an eight-year collaboration with Natalia Vodianova, the Etam model team will be headed by Constance Jablonski this year. This internationally renowned French model perfectly embodies the brand’s French image, cool attitude and consummate chic.

TRUCK HUNT

It’s red, it’s stylish, and it’s impossible to miss: on the run up to Christmas, the Etam Combi Truck was cruising the French capital. For three days, fans were invited to seek it out and post a sighting photo with the #jaivulecombitruck hashtag on Instagram. Romper pyjamas were given as prizes.

CHINA CHANGES

The Group’s second lingerie store in China opened in early March 2017 in downtown Shanghai. There will be many more openings in the near future, with a goal of a hundred stores in three years.
Don’t have the time or desire to try something on in the store? UNDIZ introduces eazy retour (“eazy return”), the service that makes it easy to return items purchased in stores using the UNDIZ application. And without having to go back to the store: just drop them in your home mailbox.

The service was tested in Strasbourg and Toulouse in partnership with La Poste.

In the summer of 2016, Strasbourg went mad at the unveiling of the third Undiz Machine in a new, more exciting version: 65m² of access to the 700 UNDIZ products that come zooming to customers through order terminals, pipes and capsules, delivering the articles from the stock.

Pokémon, Harry Potter and Les Confidentielles: the new capsule collections born of collaborations with prestigious artists or licenses are always a great success.

To dynamise its #undizfamily community, the brand presented the “Cap ou pas cap?” (“I dare you”) challenge. The objective: take a picture of yourself in romper pyjamas in an improbable place and post it on the social networks, all to win a trip to Bangkok. Result: 350 photos on Instagram.

The brand introduced the Undiz Academy, a contest in partnership with Facebook in Dublin and Paris, to find seven young, talented individuals and uncover the future countries where UNDIZ will expand abroad. To win a job at UNDIZ, what count the most are desire, daring, and personality!
When Swarovski crystal meets the elegance of the 1.2.3 attire, a contemporary and refined limited-edition collection is born. Jumpsuit, chiffon top, crystal-trimmed bracelet: the must-haves of the 2016 holiday season.

The 1.2.3 brand, the quintessence of the Parisian chic that has been dressing elegant, contemporary and urban women for more than 30 years, has joined forces with Armor Lux, a symbol of authenticity, quality and savoir-faire, to create a new, seven-article capsule collection.

The “Women” of Izak, that talented fashion illustrator, exude the spirit of an urban, feminising, #REALGirls. For Mother’s Day, Izak celebrates the 1.2.3 woman through a capsule collection composed of three t-shirts and a limited-edition tote bag.

To keep pace with changes in customer behaviour, now transformed by the digitalisation of retail outlets and new services, 1.2.3 is providing new training for the sales teams: 1.2.3 Just for you. A programme based on e-learning videos to help staff better understand the customer relations and attitudes needed in the world of luxury retail.

Size advice and clothing choices suited to their morphology, products suggestions based on the customers’ tastes and needs: the new 1-2-3.fr website has become a virtual personal assistant, helping customers enjoy error-free online shopping.

The brand continued its selective openings, bringing the number of its international franchise stores to 25. Two of these were in Beirut, responding to clear demand from Lebanese clients.

Modern, welcoming and connected: On avenue des Ternes in Paris or in Cannes, the 1.2.3 store concept offers a palette of exclusive services connected to the 1-2-3.fr website.

When Swarovski crystal meets the elegance of the 1.2.3 attire, a contemporary and refined limited-edition collection is born. Jumpsuit, chiffon top, crystal-trimmed bracelet: the must-haves of the 2016 holiday season.
2016
OUR GROUP
Our Group is officially one hundred years old, a length of life that few companies can claim. One hundred years of innovation, audacity and freedom. One hundred years of fostering women’s independence. From our grandfather, Martin, to our father, to us, independent women have been our raison d’être – they inspire us, motivate us, uplift us. Since its founding, ETAM has understood that their story is also written through their lingerie, supporting their emancipation by releasing them from the corset, then bringing underclothes out of the closet. Through featuring bras in store display windows, using new materials, the advent of the thong, producing new collections every month, and UNDIZ cool lingerie, we love the idea that we have helped change the world of lingerie and turned it into fashion attire.

“A FAMILY AFFAIR”

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“OUR INDEPENDENCE MEANS WE REMAIN FREE TO CHOOSE.”

One hundred years of Group independence, as well. A status that means we remain free to choose and to think things out over the long term. From doing business in China to diversifying our brands and product lines, from reshaping our stores to going phygital, the fact that we remain a family Group means we can invest in and for tomorrow. Our responsibility as managers is to look keenly toward the future to guide the company along an enduring trajectory. Today, our challenge is clearly international expansion.

“We love the idea that we have helped change the world of lingerie.”

Laurent and Pierre Milchior
HEADING INTO A NEW CENTURY

OUR SPEARHEAD IS LINGERIE

To become a global entity and a Group of international brands, we will rely on what we know best, the realm in which our performance is strongest: lingerie. With a 35% market share in specialised retail, ETAM is already the favourite lingerie brand of French women. In the future, it must become the world’s gold standard in French lingerie. This “lingerie power” is visible in retail outlets where corsetry commands an increasingly important place.

For the ETAM brand, we are now opening bigger stores dedicated to lingerie of every form: daywear, nightwear, swimwear and sportswear. At the same time, 2016 was also a great year for UNDIZ, which is reaping the fruits of its focus on ceaseless innovation.

A SECOND WIND FOR ETAM IN CHINA

In this country, one in which we have had ready-to-wear presence for 22 years, the Group is experiencing difficulties tied to slowing consumption and falling store traffic. We have begun substantive work with a new leadership team and a remodelled strategy. The challenge is to reduce the footprint of our business in department stores by developing points of sale in shopping centres with the E&Joy brand and Lingerie, and to significantly increase the e-commerce share. We plan to roll out the markedly successful E&Joy brand and build on the desirability of lingerie in Europe to make it the Group’s second largest market. Still, while the time is right to establish ourselves in lingerie, we must continue to tailor our efforts to the particular preferences of Chinese women.

“ETAM IS ALREADY THE FAVOURITE LINGERIE BRAND OF FRENCH WOMEN. IT MUST BECOME THE WORLD’S GOLD STANDARD IN FRENCH LINGERIE.”

TOMORROW, THE WORLD

Given the market share of our lingerie business in France (52% in 2016), the Group’s priority is now to develop internationally, to establish clear leadership in this sector and seize all opportunities for growth. As of late 2015, an international development centre was established, with a team very closely tuned to the markets, to open stores for the three brands. In 2016, there were 65 net openings in 24 countries. One hundred are planned for 2017. In Asia, South America, the Middle East and Europe, we are creating the structures needed for significant development. In Russia, ETAM has established a new subsidiary to gradually resume control of its own network of 38 stores and continue to expand. The UNDIZ brand, which opened two stores in Moscow this year, is planning additional openings in 2017. Internationally, the Group’s brands are also investing in online commerce, dovetailing traditional sales channels.

The migration of the three brands’ websites to a new, common platform, a task completed between late 2015 and 2016, gives them greater flexibility and responsiveness in their operations in new territories.
**THE IMPORTANCE OF DIGITAL**

- Digital is a strategic must for the Group – not only for online sales, but because it influences demand across all distribution channels. The symbiosis between the world of digital and that of brick-and-mortar commerce is a major new tool in creating a new shopping experience. The Undiz Machine caused a minor upheaval in the retail world last year, an award-winning concept that expects to spread across Europe in the second half of 2017. All told, a dozen data-related projects were carried out this year to offer better, more flexible services, with improved stock management and distribution, collection adaptation, etc.

Furthermore, the ETAM Group has been developing the brands to experiment with new solutions, such as the Undiz Academy, a competition that made it possible to recruit seven young entrepreneurs from around the world. These bright young minds that consist of a digital strategy across all distribution channels, preserving a special relationship with them, essential in maintaining customer satisfaction and loyalty. The e-commerce teams are developing cross-channel service strategies tailored to the characteristics of each brand, the option of checking in-store availability online, in-store pickup of online purchases, mobile payment, easy returns, super-speedy delivery, etc. RFID (radio frequency identification), tested by the Undiz brand in 2016, will be implemented in all that brand's stores starting in the second half of 2017. All told, a dozen data-related projects were carried out this year to offer better, more flexible services, with improved stock management and distribution, collection adaptation, etc.

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**GLOBAL SOURCING & SUSTAINABILITY**

- In 2016, a Global Sourcing & Sustainability Management unit, common to all the Group brands, was established to develop synergies between them, pinpoint new supply areas and potential suppliers, and negotiate improved margins, all while preserving the identity and strategy of each. For the ETAM Group, the global-sourcing strategy must be both pragmatic and efficient, both committed and accountable.

**BRINGING THE TEAMS ON BOARD**

Nothing would be possible without a solid, collective commitment, an open mind and a generous dose of creativity. The Group is now busily laying the groundwork for the change to come. One new tool to improve manager-executive communication: “Talent Soft”, which facilitates career management and mobility. Too, introduction of an HR Lab to foster cross-disciplinary projects, as well as the Hub, a virtual coach of sorts for managers, language classes, introduction of an HR Lab to foster cross-disciplinary projects, as well as the Hub, a virtual coach of sorts for managers, language classes, and feature tools for measuring performance and customer satisfaction. The Group’s brand websites are now optimised for mobiles and tablets and of brick-and-mortar commerce is a major new tool in creating a new shopping experience. The Undiz Machine caused a minor upheaval in the retail world last year, an award-winning concept that expects to spread across Europe in the second half of 2017. All told, a dozen data-related projects were carried out this year to offer better, more flexible services, with improved stock management and distribution, collection adaptation, etc.

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**SUSTAINABLE DEVELOPMENT IN THE STRATEGY OF THE GROUP AND ITS BRANDS**

The Group’s success in France and abroad is also due to its assumption of true corporate responsibility.

Whether it is along the supply chain or among its customers and employees, the ETAM Group carefully monitors its businesses’ environmental and social impact. This holistic, practical and long-term approach is based on dialogue with stakeholders. In 2016, we brought our sustainable development and purchasing activities together under a new umbrella. Global Sourcing & Sustainability. We also reformulated our CSR policy with a twofold objective: to make our policy clearer both in-house and externally, and to more effectively implement it in our various businesses activities.

We have redefined five areas of commitment that will guide and shape all our future actions.

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**RESPONSIBLE SUPPLY CHAINS**

- This means taking into account human rights and environmental impact as we support our suppliers in a responsible and virtuous production process, one that ensures our customers enjoy the best quality, both in products and production methods. This CSR commitment is verified through social and environmental audits that we periodically carry out with our suppliers, the results of which show continuous improvement in overall process quality: more than 99% of audits performed showed results that comply with BSCI (Business Social Compliance Initiative) standards; the basis for the ETAM Group Code of Conduct.

**THE SHOPPING EXPERIENCE**

- This means offering our customers safe, high-quality products that fit their taste and that last, satisfying our clients under all circumstances and being proactive about more responsible consumption and communication. In 2016, we continued to broaden the evaluation of customer satisfaction and the improvement of the in-store experience. After 1, 2, 3, all ETAM customers are now invited to share their reviews following purchases made either in the store or on the e-commerce site.

**THE ENVIRONMENTAL FOOTPRINT**

- This means being consciously aware of our impact on the environment: that of our direct activities at our headquarters, in our stores and warehouses, that of our transportation, and the impact of our products throughout their life cycle. Every new store is therefore carefully assessed in terms of energy use and environmental factors. One example is ETAM’s objective of having 100% of its outlets LED-equipped by 2018. Upstream, brands are also encouraged to use the most environmentally friendly forms of transport whenever possible. As a result, the share of air freight dropped by 63% between 2015 and 2016. In 2016, we carried out an extensive assessment of our energy consumption and greenhouse-gas emissions in France. This led to a reduction in energy consumption of more than 20% at the head office and, in 2017, it will be expanded to include our activities in China. We plan to implement this energy and environmental efficiency programme in every store, corner and office of the Group.

**TALENTED EMPLOYEES**

- This means striving to attract and recruit qualified employees and give them the working conditions they need to develop professionally. It means providing the training they require, opportunities to move forward in their careers, and giving such chances to everyone. In 2016, we dispersed almost 28,000 hours of training in Europe. These sessions focused mainly on orientation and integration, management and sales techniques, supporting the Group’s strategic roadmap. In China, training covered the same general themes as in Europe and was provided mainly via eLearning, totalling nearly 860,000 hours in 2016.
**ETAM: An International Group**

**Operations in 52 Countries**

### Points of Sale Around the World, Including:

<table>
<thead>
<tr>
<th>Country</th>
<th>Points of Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>749</td>
</tr>
<tr>
<td>Europe (excluding France)</td>
<td>239</td>
</tr>
<tr>
<td>China</td>
<td>2,596</td>
</tr>
<tr>
<td>International Franchises</td>
<td>322</td>
</tr>
</tbody>
</table>

### Billion Euros in Sales:

<table>
<thead>
<tr>
<th>Region</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>58%</td>
</tr>
<tr>
<td>China</td>
<td>29%</td>
</tr>
<tr>
<td>Others</td>
<td>8%</td>
</tr>
<tr>
<td>International Franchises</td>
<td>5%</td>
</tr>
</tbody>
</table>

### Net Store Openings in 2016:

<table>
<thead>
<tr>
<th>Brand</th>
<th>Points of Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>ETAM</td>
<td>39</td>
</tr>
<tr>
<td>UNDIZ</td>
<td>26</td>
</tr>
<tr>
<td>1.3</td>
<td>24</td>
</tr>
</tbody>
</table>

### Key Figures

#### Group in Millions of €

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,292</td>
<td>1,296</td>
</tr>
</tbody>
</table>

#### Europe in Millions of €

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>926.2</td>
<td>879.2</td>
</tr>
</tbody>
</table>

#### China in Millions of €

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>365.9</td>
<td>417.3</td>
</tr>
</tbody>
</table>

#### Current Operating Income in Millions of €

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>49.0</td>
<td>52.4</td>
</tr>
</tbody>
</table>

#### EBITDA* in Millions of €

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>100.7</td>
<td>94.5</td>
</tr>
</tbody>
</table>

#### Net Capital Expenditure in Millions of €

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>46.5</td>
<td>74.7</td>
</tr>
</tbody>
</table>

### Net Financial Debt in Millions of €

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>137.5</td>
<td>133.5</td>
</tr>
</tbody>
</table>

### Consolidated Shareholders' Equity in Millions of €

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>381.1</td>
<td>366.1</td>
</tr>
</tbody>
</table>

### Total Employees (Average Annual Workforce)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>13,580</td>
</tr>
</tbody>
</table>

* Earnings before interest, taxes, depreciation, amortisation and proceeds from disposal of fixed assets.
ETAM had a very special year in 2016, one marked by the celebration of its 100th anniversary, reaching a high point in late September with an exceptional Live Show. A new capsule collection was unveiled, as was special lace developed with Calais lacemaker Noyon, an artistic project on women’s independence, and an online and offline communications campaign: the event calendar buoyed the brand’s positive results, especially in the fourth quarter. With French Liberty as a theme, it was also the brand’s opportunity to reaffirm strategic choices: placing greater emphasis on lingerie and corsetry expertise and increasing its market share.

This positioning, first begun in 2015, was promoted all year and was also evident in the store’s window displays, with even more fashionable and creative lingerie. Through new shapes, new laces and new colours, the bodysuit is making a stronger-than-ever comeback in the corsetry collections. The swimwear collection still has great potential for progress, which will be mined with a less basic offer for the solid-coloured suits. More sophisticated designs, prints on the leading edge of fashion, and sport-influenced designs are all planned.

EMBRACING LINGERIE LEADERSHIP

IN READY-TO-WEAR, EMPHASISE ARTICLES THAT ARE MORE LEGITIMATE COMING FROM A LINGERIE COMPANY.

AND READY-TO-WEAR?

Ready-to-wear is poised to be up-scaled in style, material quality and detailing. A new Collection Director was appointed in 2016 to help boost the brand’s femininity. It will also be important to place greater emphasis on articles that are more legitimate coming from a lingerie company: blouses, t-shirts and knits, focusing on higher quality materials and details. Lastly, by virtue of new sourcing oversight that is more responsive and in touch with suppliers, the objective is to reduce markdowns.

FREE ETAM is the story of an unfettered, sexy femininity that has been inspiring the trademark for a century. The brand is now focusing on lingerie and French Liberté for greater impact in all its markets.
ETAM

BIGGER

ETAM is continuing to implement its strategy: introducing larger retail outlets that sell the brand’s entire offer for a better shopping experience. The brand has also renovated 34 points of sale and tested new concepts, such as the boutique opened on rue des Rosiers in Paris, dedicated entirely to daywear.

DRESSING THE PLANET

Everywhere else, ETAM is championing French Liberté and the French way to be sexy, with the objective of more firmly establishing its authority in corsetry and becoming the world’s gold standard in lingerie. And this is indeed taking place: in 2016, the brand had 41 net store openings worldwide, with strong growth in Mexico, Colombia, South Korea and Saudi Arabia. ETAM established operations in new countries, including Thailand and Iran and a return to Italy. The opening of a 200m² shop in downtown Madrid was an important step.

In 2017, ETAM heads for Russia, where the brand intends to continue its expansion beyond its existing 38 points of sale there. To better promote the brand, each opening or renovation is now embraced as an opportunity to hold a noteworthy event, inviting customers, bloggers and the media.

2016 TOP SELLERS

Youthful flannel rosettes with rabbit ears were a huge hit. Other big sellers were bralettes, those soft, unwired bras, and button-up pyjamas.

BETTER

ETAM is continuing to implement its strategy: introducing larger retail outlets that sell the brand’s entire offer for a better shopping experience. The brand has also renovated 34 points of sale and tested new concepts, such as the boutique opened on rue des Rosiers in Paris, dedicated entirely to daywear.

ESTABLISHING OUR AUTHORITY IN CORSETRY THROUGH OUR SAVOIR-FAIRE AND THE FRENCH WAY TO BE SEXY.

11 NEW RETAIL OUTLETS IN THAILAND

Everything is now done digitally, from dispatching merchandising missions to sending guidelines on display-window decoration. Once the guidelines have been applied, the staff sends photos of the result using a new Yoobic app.

SLEEK & CHIC

Store windows are getting a new look: no more kakemonos. Black racks, modular screens and light boxes create greater elegance and clearer product display.

IN-HOUSE COM

In Madrid, the new ETAM Lingerie store on Calle de Goya, the city’s chicest street, opened on 19 October. The store’s 200 m² present the entire lingerie offer in an elegant, distinctly French décor.

SLEEK & CHIC

Store windows are getting a new look: no more kakemonos. Black racks, modular screens and light boxes create greater elegance and clearer product display.

IN-HOUSE COM

Everything is now done digitally, from dispatching merchandising missions to sending guidelines on display-window decoration. Once the guidelines have been applied, the staff sends photos of the result using a new Yoobic app.

COMMITTED

On 11 February 2016, ETAM held its first “job dating” operation. The challenge was to recruit store managers and their assistants in Paris and the city’s major suburbs. Throughout the evening, 70 short-listed candidates ran through improvisational workshops with in-store and fitting-room scenarios, express interviews with store directors and face-to-face meetings with human resources managers. All in a relaxed but studious atmosphere.

SO SIMPLE

Following a customer study began in 2015 to better understand their profiles and lingerie needs, the resulting information was processed and applied. The Décolleté Parfait is now available with five cups and five numbers, creating five necklines, all exactly the same, regardless of the model selected.
A great deal of clarification work is being done on the brand platforms, particularly on ETAM Paris, in a tremendously competitive environment where customers are drawn to Western brands and a more upscale world. The policy of closing corners in department stores to open stores in shopping centres has continued. The E&Joy brand, introduced specifically for these stores five years ago, is the one seeing the best results for ETAM in China. This fashionable, affordable label appeals to a broad clientele and is better aligned with the desires of consumers who shop in these centres. In the immediate future, E&Joy will be afforded more space in these stores, retail outlets the Group wants to multiply. Staff support has been reinforced as well, with nearly 70 new eLearning modules for sales staff.

Lastly, to improve responsiveness and better track trends, the merchandise flow has been restructured: purchasing commitments are now only at 60% at season’s start. Preparations are being made for the massive lingerie roll-out through the construction of a stronger team and introduction of a three-year development plan. The plan for China is to make it the Group’s second-largest lingerie market, opening some thirty points of sale a year.

The experience gained from the first French lingerie store that opened in Shanghai in late 2015 is precious, as it has seen continuous growth since it opened. To better understand Chinese women’s practices and attitudes in the lingerie market, a study was begun in mid-November to improve the range of products and services, especially to optimise the in-store mix between the basic French product offers and Chinese fitting.

E-commerce is a constantly growing sales channel, especially the mobile version. This year, for ETAM China, it increased by 40% compared with 2015. ETAM’s internet and social-network presence has increased substantially. The Strawberry Music Festival in May, sales in June, Golden Week in October: the year was peppered with major digital operations aided by significant marketing support. Clearly successful, too, as sales turnover on the famous singles’ day on 11 November jumped 70% over the 2015 event. Product shipments from the warehouses and also directly from the stores reinforced responsiveness during these internet operations and helped generate these positive results.
COOL THERAPY

UNDIZ – as innovative and avant-garde as ever – is thriving and embracing its reputation as a rabble-rouser. With the new slogan unveiled last year, “I am what I am. So what?”, the brand redefined its mission: “UNDIZ values differences, let’s express them with style and humour.” In a market in which lingerie is most often associated with the notion of sexiness, UNDIZ took a stand as the rebel of cool lingerie. At UNDIZ, anything goes and lingerie has become a fashion accessory in its own right. And it has certainly won fans: in 2016, sales figures rose markedly, with digital seeing powerful acceleration. The partnership with vente-privee.com for managing the winter and summer sales periods proved a great success. Colourful, easily affordable and high-quality: the stars of UNDIZ are the products. The brand’s business growth is again driven by the success of licensed articles. From Stars Wars to SpongeBob SquarePants in 2015, then the Minions, Coca-Cola and Snoopy characters, three new capsule collections are causing quite a stir: the Harry Potter series, the Pokémon range, and the message t-shirts by “Les Confidentielles”. To ensure it has the time needed to better “sense” trends and save restocking time, the brand developed a short stock-management chain. For instance, the Harry Potter collection, first introduced in July, could be replenished in early October.

CRAZY RECRUITMENT

Wild or demure, stylish or offbeat, the UNDIZ girls are what they are and they’re absolutely not perfect. UNDIZ, the rabble-rouser of happy and joyful lingerie, unapologetically turns underwear upside-down. At the close of 2016, UNDIZ had 26 more stores than in 2015, including 13 outside France. To boost its growth abroad, the brand unveiled the Undiz Academy project in mid-November to identify the country where it had the greatest potential and to recruit that land’s leader through a talent competition. The seven winners, coached by the UNDIZ experts and given a substantial budget, have one year to develop and test an e-commerce site. A second phase will entail creation of brick-and-mortar stores. An original and innovative way to trial the countries that have the most in common with UNDIZ and fast-track development of the brand. UNDIZ shakes up everything: lingerie, convention, retail – and even recruitment.

INTERNATIONAL FIRST

With 13 new stores around the world, including new locations in Russia and Morocco, UNDIZ is continuing its international expansion. In fact, that is now the priority for everyone, in line with the new motto: International First. Investments, workforce development – the entire UNDIZ organisation is focused on a global strategy.
SERVICE AGILITY

In 2016, undiz pushed the omnichannel experience a bit further, launching the “eazy shopping” concept in France. The idea is to multiply gateways between the website and stores, making customers live as easy as possible by offering them pure-play accessibility and services coupled with a unique in-store experience. After eazy rdx, to reserve items in the store following an order placed online, new, agile services were created in 2016. They include eazy gift, the dematerialised gift card, eazy retour (return), to return items purchased in the store via Colissimo for free, and eazy express, where RFID (radio frequency identification) lets the brand prep the order placed online and deliver it in under ninety minutes in inner Paris using the Undiz Machine at the Rue de Rivié store.

THE POWER OF THE MACHINE

Because eazy shopping also means the Undiz Machine, this unprecedented buying experience for customers, a solution tailored to limited retail space, is enjoying skyrocketing success: the first Machine in Toulouse drew in twice the traffic as a traditional store. The brand’s objective is to have ten Machines in France by the close of 2017 and to introduce the concept abroad. Not only do they function as sales outlets, but they will also serve as logistics centres. A third Machine opened this year in Strasbourg. In the near future, the ramp-up of the eazy shopping concept will also be based on RFID, which will be fully implemented in fifteen stores in France, Spain and Belgium in 2017. The advantages of this system are guaranteed inventory and reduced delivery turnaround times by virtue of in-store preparation of online orders.

#UNDIZFAMILY A UNIQUE WAY TO CAPITALISE ON THE STRENGTH AND COMMITMENT OF THE UNDIZ COMMUNITY

WITH YOU, BY YOU, FOR YOU

Undiz could never rely on a boring, traditional customer loyalty programme. Undiz customers are young and very active on the social networks: the brand decided to reach them where they are and capitalise on the commitment of a virtual community, #undizfamily, composed of all those who post photos on #undizfamily. The members of the Undiz gang thereby become veritable spokespersons for the brand – invested, creative, committed individuals. Thanks to this intensive work to carve a niche on the social networks, Undiz has 800,000 Facebook fans, 200,000 Instagram followers and 25,000 Snapchat followers. Best of all, it has gained brand recognition and loyalty.

AWARD-WINNING

On 23 November, Undiz was awarded the Janus prize (an official design label from the French Institute of Design) in commerce for its Undiz Machine. A hallmark of excellence for a truly innovative concept.

PICKUP JOINT

A wall of lockboxes where customers can pick up articles ordered online, without having to wait for an available salesperson. Undiz has done four months of testing since early November on automated orders at the Saint-Lazare store.

HOLA ESPAÑA

In April 2016, the new undiz.es website went live in two versions: Spanish and Catalan. Overseen by the local country managers who handle its operation from A to Z, the site’s success has led to an increase in sales in Spanish stores. A dedicated Belgian site will go up in 2017.

VALENTINE’S DAY

Happily celibate, madly in love, or a serial roamer? Undiz thought of everyone for this celebration of lovers. Three profiles with three different offers were available on the website and in stores, plus a contest for everyone.

POKÉMON PULL

A tour de force for the Pokémon collection! It was unveiled the same week as the Pokémon Go game and was an instant smash hit.

A STEP AHEAD

The summer sales started one hour before the official opening of the stores for the most active members of the #undizfamily with #uneheurepourquifaitundiz.

THE AMBITIOUS INTERVIEW

Fourteen countries have been to a contest for everyone. Undiz Academy, a business acumen: a no-holds-barred recruitment campaign. By the closing date of 1 December, more than 200 applicant videos had been received for this Undiz Academy challenge.

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A STEP AHEAD

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After a difficult start, the year closed more favourably for 1.2.3, both in France and on its key European markets. The arrival of a new Marketing Manager in 2015 and the style team’s management change in 2016 made it possible for the brand to turn things around and define clearer choices.

The first initiatives are already in place, with the objective of helping the brand become increasingly premium, more markedly upscale. This means placing emphasis on the two ends of the range: everyday basics, reworked to become genuine essentials, and top-of-the-range, exceptional articles. The first hints at this change can be seen in the success of small articles and “noble” materials, like the cashmere collection for the fall/winter season. Substantial groundwork is also underway on the dressy-products segment, long a 1.2.3 sales driver. The plan is to completely rethink the way people “dress up” today.

The freshness of the Brittany’s Armor-Lux in the spring, the fun of designer Izak for Mother’s Day, the sparkle of Swarovski crystal for the holiday season: this year, to reinforce its strategy and render the brand more upmarket, 1.2.3 developed partnerships and licensed collections. The capsule collections, products teaming up with brands or artists that share 1.2.3’s values, have become very popular. For Valentine’s Day 2017, 1.2.3 collaborated with designer Éric Giriat on a new collection.

**THE “WOW” FACTOR**

- **+ 8%**
  **SALES INCREASE IN THE FOURTH QUARTER.**

- **700,000**
  **CUSTOMERS POSSESS A LOYALTY CARD.**

- **x5**
  **FOLD INCREASE IN CASHMERE SWEATER SALES IN ONE YEAR.**

**NEW FACES AND PLACES**

- **3**
  **PARTNERSHIPS WITH PRESTIGIOUS BRANDS.**

**JOIN FORCES WITH BRANDS THAT SHARE OUR VALUES TO HONOUR THE 1.2.3 WOMAN.**

- The freshness of the Brittany’s Armor-Lux in the spring, the fun of designer Izak for Mother’s Day, the sparkle of Swarovski crystal for the holiday season; this year, to reinforce its strategy and render the brand more upmarket, 1.2.3 developed partnerships and licensed collections. The capsule collections, products teaming up with brands or artists that share 1.2.3’s values, have become very popular. For Valentine’s Day 2017, 1.2.3 collaborated with designer Éric Giriat on a new collection.

Emboding Parisian chic and French elegance, 1.2.3 is contemporary yet timeless. Now the brand’s aiming to raise it higher and illuminate an upcoming adventure.
CHIC BOUTIQUE

290
SALES HOSTESSES, MANAGERS, AND ASSISTANT MANAGERS WENT THROUGH THE 1.2.3. JUST FOR YOU PROGRAMME IN 2016. ULTIMATELY, ALL STORE STAFF WILL RECEIVE THIS TRAINING.

300
LOYAL AMBASSADRESSSES

A contemporary breeze is blowing through the stores. Wooden shelves and gilded brass bars, cozy spaces, glamorous touches: the concept introduced last year at Parly 2 is spreading. This refined aesthetic was implemented in 17 points of sale in 2016. The idea is to render the store ambiance warmer and more welcoming, as well as to keep pace with the brand’s upward direction. Ex-reservation, in-store help tablet, mobile payment, and even a virtual reality headset: symbolising this concept, the emblematic store on avenue des Ternes in Paris has been revamped into an “omnichannel” store, offering a wide range of new digital services that satisfy demanding, connected customers. The same concept was implemented in the Cannes store, which has since seen significant growth. To further enhance the in-store experience and help staff adopt the “1.2.3 Posture”, a new training programme, 1.2.3 Just for you, was introduced in October in France and will be offered in Belgium, Germany and Switzerland in 2017.

This “rejuvenation” runs parallel to the network’s expansion. In France, new outlets opened in 2016: a store in Chambourcy and 12 corners in the Galeries Lafayette. Outside France, the brand opened two boutiques in Switzerland, one in Belgium and two in Lebanon. It continued development in Germany, with four corners, and landed in Taiwan, as well, before setting a course for Martinique, Tunisia and Algeria for next year.

A NEW, ENTIRELY REDESIGNED 1-2-3.FR WEBSITE WITH AN IMPROVED CUSTOMER JOURNEY AND NEW SERVICES.

MAJOR FACELIFT

25
OVERSEAS STORES BY THE END OF 2016.

In keeping with the new store concept, a new website went live in March 2016. With re-engineered graphics and greater efficiency by virtue of the Group’s new digital platform, it has been completely redesigned to provide an improved customer journey and offers a host of new services: videos for visuals on product profiles, customer reviews, a virtual assistant suggesting articles to the customer that were selected based on her tastes, budget and needs. After a tool is introduced online to help customers choose proper sizing and enjoy tips based on their morphology, there will be a roll-out on store tablets in the first half of 2017. This new technology to improve customer service will significantly reduce the number of returned articles. Major work is also underway to hone the brand’s presence on social networks. To build a closer relationship with customers, 1.2.3 has formed its first ambassadress community: 300 expert clients, the trust of the true, who spread the “1.2.3 spirit” among their entourage and actively and regularly participate in the brand’s development by giving their opinion on collections or testing new services.

1.2.3 & ARMOR LUX: THE PERFECT MATCH

The two brands share a taste for elegance and timelessness, but also exacting quality standards. United around these key values, the two companies have forged this collaboration to generate new ideas and designs.

MORPHOSTYLE

Age, weight, size, bra size: with just a few details, the “MorphoStyle” tool shows the right articles for the customer’s body type and suggests which size to choose. Quick and easy.

SAVINGS

Today, 95% of the store network uses leds lighting, compared with 10% in 2015. This translates to a savings of 28% in electricity.

INSIDER

In early 2017, 1.2.3 introduced its brand magazine, which is emailed to brand’s expert customers. Each video features a personality who shares a personality who shares a personality who shares the new online chat system at 1-2-3.fr, users can talk with one of the brand’s expert customers.

NUMBER ONE

For those loyal 1.2.3 customers wishing to be a part of the brand’s evolution, 1.2.3 has given them the chance to become ambassadressess. Interconnected via a virtual “discussion room” and provided with additional information about the brand, they can directly answer customer questions on the website and enjoy special brand perks. They were the first to get to use the site’s morphological guidance tool.

CHAT

Have a question about a product? Want to talk about fashion? With the new online chat system at 1-2-3.fr, users can talk with one of the brand’s expert customers.

EMOTION

It’s innovative, disruptive and fun; offered in partnership with Luxury Attitude, the 1.2.3. Just for you training programme takes the form of an eLearning video. Eleven captivating episodes of a web series that in-store employees watch in a corresponding web video. Each video features a personality who shares both expertise and personal experience. It’s a novel way to develop the brand’s fashion stature among employees and improve the customer-relations skills of the in-store teams by adopting a luxury attitude.

LUX: THE PERFECT MATCH

The elegant, dazzling media kit produced to promote the partnership between 1.2.3 and Swarovski is the perfect embodiment of the collection. A real gem.
THE FRENCH LIBERTÉ

CONSTANCE JABLONSKI porte Sentiment

ETAM.COM