

2012 Financial Information

In 2012, Chargeurs continued to implement its strategic plan and to strengthen its balance sheet. In a severely recessionary environment, particularly in Europe, Chargeurs' businesses made the necessary adjustments. Focused on high value-added products, the Group is confident of its ability to improve its earnings performance with the return to growth.

Revenue

<i>(in €m)</i>	Fourth quarter		Full year	
	2012	2011	2012	2011
Chargeurs Protective Films	43.7	40.8	181.4	179.7
Chargeurs Interlining	43.8	42.8	179.0	187.4
Chargeurs Wool	29.2	44.9	164.3	185.0
TOTAL	116.7	128.5	524.7	552.3

- **Fourth quarter revenue** was down by 9.2%. With volumes stable overall compared with the year earlier period, the decline reflected the 7.4% negative impact of reductions in the scope of consolidation at Chargeurs Wool, a 3.5% negative price effect and a 1.9% positive currency effect.
 - Chargeurs Protective Films' volumes rose 7%, confirming the recovery that began in the summer.
 - Chargeurs Interlining reported volumes up 10%, marking a reversal of the trend observed in prior quarters.
 - Chargeurs Wool experienced a 16.5% fall in volumes and was also penalized by the €9.5 million negative effect of applying the equity method to account for previously fully consolidated businesses in Uruguay, from October 1, and in Argentina, from December.

- **Consolidated revenue for the year** was down 5%, in line with forecasts. The 9.2% negative volume effect and the 1.7% negative impact of changes in the scope of consolidation were partly offset by a 3.6% positive currency effect and a 2.4% positive price effect.
 - Chargeurs Protective Films' volumes held up well over the year, supported by strong sales in the second half.
 - Chargeurs Interlining reported annual sales volume down 5.8%. In response, various measures were deployed in 2012 including streamlining sales organizations in Europe, North Africa and Asia, and rationalizing production facilities in France and China.
 - Chargeurs Wool's volumes were cut by 20%. Responding to the sharp contraction in the wool market and scarcer bank financing, combing capacity in China was reduced by over a third, the fixed cost structure in Australia was radically slimmed down and

Chargeurs sold half of its wool businesses in Uruguay and Argentina, in the latter case by setting up a partnership with an Argentine entrepreneur.

Chargeurs' latest estimates of its 2012 consolidated results are as follows, based on the preliminary, unaudited financial statements:

➤ Consolidated Income Statement

The Group will report a net loss for the year, estimated at approximately €16 million.

The €26 million unfavorable swing compared with 2011 reflects a €17 million decline in operating profit - breaking down as €9 million due to lower volumes, €5 million due to the negative price effect and €3 million corresponding to non-recurring items -, a €4 million loss from discontinued operations and the previously announced roughly €5 million reduction in deferred tax assets.

➤ Financial position

Throughout 2012, Chargeurs gave priority to rapidly paying down debt. As a result, net debt at December 31, 2012 should amount to just €32.6 million versus €80.6 million at end-2011, representing an improvement of more than 60%. Of the total €48 million decrease, €4 million concerned Chargeurs Protective Films, €12 million Chargeurs Interlining and €32 million Chargeurs Wool. This will lead to a sharp improvement in gearing, to an estimated 18% at December 31, 2012 from 42% at the previous year-end.

January 21, 2013

Next announcement:

2012 Annual Results: March 15, 2013