

- Significant improvement in profitability
- Chargeurs Technical Substrates, a fast growing operating segment

The Board of Directors of Chargeurs met yesterday under the chairmanship of Eduardo Malone and approved the consolidated financial statements for the six months ended June 30, 2015.

CONSOLIDATED FINANCIAL STATEMENTS (in € millions)	FIRST-HALF 2015	FIRST-HALF 2014
Revenue	256.6	243.9
Recurring Operating Profit	15.6	12.0
Operating profit	14.4	11.8
Net Result	8.0	6.4

Revenue

Revenue rose by 5.2% year-on-year as reported in the first six months of 2015, led by a favorable currency effect.

Operating profit

Recurring operating profit surged 30% over the period, to €15.6 million, led by an improvement in the product mix that reflected a strategic focus on the most profitable business volumes. Every business segment helped to drive this solid performance.

Net profit

Attributable net profit ended the period at €8.0 million, up 25% from the €6.4 million reported in first-half 2014.

It reflected the write-down of €10.5 million in goodwill in the Chargeurs Interlining unit and the strong projections, which led to the recognition of €9.8 million in tax assets arising on tax loss carryforwards.

ANALYSIS BY BUSINESS SEGMENT

To provide a better view of its performance, as of January 1, 2015, Chargeurs has analyzed its business according to four operating segments, when a new segment, Chargeurs Technical Substrates, was created.

Chargeurs Protective Films: strong improvement in operating margin

<i>(in € millions)</i>	FIRST-HALF 2015	FIRST-HALF 2014
Revenue	113.6	103.5
Recurring Operating Profit	11.0	8.9
Operating profit	11.0	8.8

By leveraging its expertise in bespoke surface protection solutions, Chargeurs Protective Films reported €113.6 million in revenue in the first half of 2015, a 9.8% gain led by an improved product mix and a positive currency effect.

These two factors, combined with a strategy of hedging against raw materials price volatility, enabled the unit to deliver a solid 23.6% increase in recurring operating profit, rising to €11.0 million.

Chargeurs Technical Substrates: a promising growth dynamic

<i>(in € millions)</i>	FIRST-HALF 2015	FIRST-HALF 2014	2014 (Pro forma)
Revenue	9.8	7.7	16.6
Recurring Operating Profit	1.5	0.9	2.2
Operating profit	1.5	0.9	2.2

Chargeurs Technical Substrates, which was previously part of Chargeurs Interlining, functionalizes technical substrates used in the fast growing advertising, decoration and safety markets. At June 30, €11.0 million in goodwill was allocated to Chargeurs Technical Substrates.

Revenue rose by a very robust 27.3% in the first half, to €9.8 million, thanks to the new unit's sustained development of innovations delivering new technical functions. As a result, recurring operating profit climbed 66.7% to end the period at €1.5 million.

A new production line, coming on stream in early October 2015, will have a full impact in 2016.

Chargeurs Interlining: improved recurring operating profit

<i>(in € millions)</i>	FIRST-HALF 2015	FIRST-HALF 2014*	2014 *
Revenue	79.7	76.4	150.9
Recurring Operating Profit	2.8	2.0	4.0
Operating profit	2.0	1.9	2.9

* Restated to reflect Chargeurs Technical Substrates

At €79.7 million, Chargeurs Interlining's revenue was up 4.3% year-on-year, lifted by an improved product mix and a favorable currency effect, which offset the withdrawal from certain business lines whose margins were too low.

This selective strategy, combined with a reduction in fixed costs, enabled Chargeurs Interlining to increase recurring operating profit by 40% year-on-year.

In response to the slowdown in the Chinese economy, goodwill on the 49%-owned Yak production company was written down by €10.5 million.

Chargeurs now intends to seize all value creation opportunities that may arise if and when this industry begins its required consolidation.

Chargeurs Wool: stable performance

<i>(in € millions)</i>	FIRST-HALF 2015	FIRST-HALF 2014
Revenue	53.5	56.3
Recurring Operating Profit	1.5	1.5
Operating profit	1.5	1.5

Lower raw wool prices and an unfavorable currency effect caused Chargeurs Wool's revenue to ease back slightly year-on-year, to €53.5 million.

Recurring operating profit was stable, at €1.5 million for the period.

FINANCIAL POSITION AT JUNE 30, 2015

Chargeurs enjoyed a robust financial position with €205.6 million in equity, compared with €182.6 million at December 31, 2014.

After payment of €3.2 million in dividends, the net cash position stood at €9.8 million at period-end, compared with €9.3 million at December 31, 2014.

Of the 415,083 convertible bonds issued in April 2010 with a total face value of €22.8 million and a January 1, 2016 maturity date, 144,899 were outstanding at June 30, 2015.

OUTLOOK

Backed by its very good first-half performance, Chargeurs reasserts its commitment to reporting further growth in recurring operating profit in 2015, with a target of at least €26 million (compared with €22.9 million in 2014).

Next announcement: Financial Information – Third Quarter 2015 – November 10, 2015

Financial Communication • Tel: +33 (0)1 47 04 13 40 • Email: contact@chargeurs.fr • www.chargeurs.fr

Chargeurs is a global manufacturing and services group with leading positions in four segments: temporary surface protection, technical substrates, garment interlinings, and combed wool. It has nearly 1,600 employees based in 32 countries on five continents, who serve a diversified customer base spanning more than 45 countries. In 2014, consolidated revenue totaled €478 million, of which nearly 93% was generated outside France.