CHARGEURS

Chargeurs
Incorporated in France with issued capital of €166,033,552
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REPORT OF THE BOARD OF DIRECTORS
on the ordinary and special resolutions presented at the General Meeting of Shareholders on February 8, 2010

Dear Shareholder,

We have called you to a Combined Ordinary and Special General Meeting in order for you to vote on the following proposed resolutions:

Ordinary Resolutions

- Authorization for the Board of Directors to carry out a share buyback program
- Powers to carry out formalities

Special Resolutions

- Amendment to Article 6 of the bylaws (Form of the Company's shares)
- Amendment to Article 19 of the bylaws (Attendance and Representation at General Meetings)
- Capital reduction to be carried out by reducing the par value of the Company's shares (not for the purpose of absorbing losses)
- Authorization for the Board of Directors to issue shares and/or securities carrying immediate and/or deferred rights to the Company's shares or to debt securities, with pre-emptive rights for existing shareholders
- Authorization for the Board of Directors to carry out an employee rights issue for members of an Employee Stock Ownership Plan in accordance with the French Commercial Code and Articles L. 3332-18 *et seq.* of the French Labor Code
- Authorization for the Board of Directors to reduce the Company's capital by canceling treasury shares
- Powers to carry out formalities

The global economic and industrial crisis and the exceptional restructuring costs incurred by the Group in response to the situation caused Chargeurs to end 2008 with a consolidated loss of €59.8 million and the Group expects to report a loss of €48 million for 2009.

In August 2009, the Group began negotiations with its partner banks to consolidate its financing resources by restructuring part of its debt. On December 29, 2009 the banks agreed on the principle to restructure over €80 million worth of short and medium-term credit facilities granted to the Interlining and Protective Films businesses, based on the following key elements:

- The unconfirmed facilities would be combined into a single facility for a firm period of two years, effective from January 2010.
- Also effective from January 2010, a two-year payment holidays would be granted on the medium-term facilities, with payment due from the third to the fifth year.

These credit facilities would be subject to the usual clauses, including an acceleration clause that would apply if Chargeurs were to pay a dividend in the two years following the signature of the debt restructuring agreement.

The master agreement was signed on January 7, 2010 and the detailed restructuring agreements will be finalized by January 30, 2010.

This debt restructuring accompanies a slow but steady recovery in the business. After experiencing a 32.5% drop in revenue in first-half 2009 compared with the same period of 2008, the Group began to reverse the trend, reporting declines of 21% in the third quarter and just 4% in the fourth, with the Protective Films business posting 6% year-on-year growth for the last three months of 2009.

The banks have agreed to the restructuring on condition that Chargeurs SA raises at least €22 million through a convertible bond issue with pre-emptive subscription rights for existing shareholders (the "**Rights Issue**") to be completed no later than April 30, 2010. The main purpose of this meeting is therefore for shareholders to authorize the Board of Directors to carry out the Rights Issue.

In addition, restructuring of the Chargeurs Interlining debt is subject to a €15 million guarantee being obtained from Oséo (*) no later than April 30, 2010.

If the fifth and sixth resolutions authorizing the proposed Rights Issue were not adopted by shareholders or the Group were to be prevented from carrying out the debt restructuring for other reasons, the master agreement would become null and void. Such a situation could jeopardize Chargeurs' ability to continue as a going concern.

The purposes of the resolutions tabled at the February 8, 2010 meeting are described below.

* (a French government agency set up to support French businesses)

Ordinary Resolutions

First resolution *– Authorization for the Board of Directors to carry out a share buyback program*

The purpose of the first resolution is to grant the Board of Directors an eighteen-month authorization to buy back Chargeurs shares representing up to 1% of the total shares outstanding at the time of the buyback (which at the date of this report would represent 103,770 shares). The price at which shares could be purchased under this authorization would be capped at €12.50 per share and the total amount invested in the buyback program could not exceed €1.25 million.

The shares could be bought back (i) in order to maintain a liquid market in the Company's shares, (ii) for allocation on the exercise of rights attached to securities redeemable, convertible, exchangeable or otherwise exercisable for shares of the Company, and/or (iii) for cancellation.

The new authorization would replace the authorization given in the sixth resolution of the Annual General Meeting of May 6, 2008, which has expired.

Second resolution *– Powers to carry out formalities*

In the second resolution, the Board of Directors is asking shareholders to give it full powers to carry out all of the necessary formalities relating to the above authorization.

Special Resolutions

Third resolution *– Amendment to Article 6 of the bylaws (Form of the Company's shares)*

In the third resolution shareholders are asked to amend Article 6 of the Company's bylaws relating to disclosure thresholds.

This Article currently stipulates that shareholders are only required to notify the Company when they acquire over 10% of the Company's capital and/or voting rights and subsequently whenever any threshold representing a multiple of 5% is crossed.

In order to enable both the Company and its shareholders to have a better understanding of its ownership structure, we propose that (i) the minimum disclosure threshold be set at 2% of the Company's capital and/or voting rights, and (ii) the Company should be notified within five days whenever a shareholder's interest is either raised above or reduced below this threshold or any multiple thereof.

***Fourth resolution** – Amendment to Article 19 of the bylaws (Attendance and Representation at General Meetings)*

The purpose of the fourth resolution is to align the rules governing participation at General Meetings with the most recent legislation.

Shareholders are asked to amend Article 19 of the Company's bylaws which currently states that only shareholders whose shares are recorded in their securities account at least five days prior to the date of the General Meeting are allowed to participate in the Meeting. The amended Article 19 would simply state that the right to attend General Meetings is subject to the shareholder's shares being recorded in accordance with the applicable legal conditions. Article R.225-85-I of the French Commercial Code currently provides that shareholders wishing to attend a General Meeting must ensure that their shares are recorded at least three calendar days before the date of the Meeting.

***Fifth resolution** – Capital reduction to be carried out by reducing the par value of the Company’s shares (not for the purpose of absorbing losses)*

In the fifth resolution, shareholders are invited to authorize the Board to reduce the Company’s capital from its current level of €166,033,552 to €1,660,335.52, by reducing the par value of Chargeurs shares from €16 to €0.16. The Statutory Auditors have drawn up a report on this proposed capital reduction, as required by Article L. 225-204 of the French Commercial Code.

This capital reduction is essential in order to carry out the Rights Issue provided for in the above-described debt restructuring agreement signed on January 7, 2010 with the Group’s banks. Under current French law, companies are not permitted to issue shares below par. The par value of Chargeurs shares is currently €16, which – without prejudice to any future decisions – is incompatible with the shares' current market price and the discount that would need to be granted to raise funds on the market. It would be impossible to issue any shares or securities carrying rights to shares based on this current par value.

Therefore, in order for the planned Issue to take place, the par value of the Company’s shares first needs to be reduced. We consequently recommend simply dividing the current par value by 100, which would reduce it from €16 to €0.16 without any impact on the number of shares held by each shareholder.

The €164,373,216.48 generated from the capital reduction would be allocated to a reserve account that would not be available for distribution and would remain part of the Company's equity. Consequently, the capital reduction would not affect the amount of the Company’s equity and if shareholders adopt this resolution the Board would in no circumstances be entitled to distribute the related sums.

Provided no creditors exercise their right to oppose the operation, the capital reduction would take effect 20 days after the adopted resolution is filed with the Paris Commercial Court.

Sixth resolution – Authorization for the Board of Directors to issue shares and/or securities carrying immediate and/or deferred rights to the Company's shares and/or to debt securities, with pre-emptive rights for existing shareholders

The purpose of the sixth resolution is for shareholders to grant the Board of Directors a twenty-six month authorization to issue, on one or more occasions, shares and/or securities carrying rights to the Company's shares. The maximum aggregate par value of the shares issued under this authorization, directly and/or on conversion, exchange, redemption or exercise of other securities, would be €30 million and the maximum amount of the related capital increase(s) would be €30 million including any issue premiums.

In view of the reduction in the par value of Chargeurs shares submitted for approval in the fifth resolution, the maximum amount by which the Company's capital could be increased would represent approximately 18 times the current capital. For example, if an issue were to be carried out at a price of €5.30, the capital increase would represent 55% of the Company's capital (after the impact of the capital reduction proposed in the fifth resolution).

This authorization would enable the Board of Directors to issue at least €22 million worth of convertible bonds as provided for in the master debt restructuring agreement signed on January 7, 2010 with the Group's banks.

The proceeds from this issue would be allocated as follows (i) €6 million to increasing Chargeurs SA's capital, and (ii) €16 million to recapitalizing Chargeurs Entoilage, the holding company for the Group's Interlining business.

The convertible bonds would be issued with pre-emptive subscription rights for existing shareholders. Pathé – the Company's largest shareholder with a 26.35% interest at December 31, 2009 – has stated that it intends to take up at least its share of the issue.

The convertible bonds would represent subordinated debt and have a maturity of between 5 and 6 years. They would be listed on Euronext Paris.

The issue would have to take place by April 30, 2010.

Completion of this issue – and consequently the related shareholder authorization – is a condition precedent of the agreement on restructuring the Group's bank debt described above.

Seventh resolution – Authorization for the Board of Directors to carry out an employee rights issue for members of an Employee Stock Ownership Plan in accordance with the French Commercial Code and Articles L. 3332-18 et seq. *of the French Labor Code*

This resolution is submitted for approval in accordance with paragraph 1 of Article L. 225-129-6 of the French Commercial Code which states that whenever companies decide to carry out a share issue for cash they must also table a special resolution authorizing an employee rights issue for members of an Employee Stock Ownership Plan.

In the seventh resolution the Board of Directors is therefore seeking a twenty-six month authorization to issue shares to employees on one or more occasions in accordance with the terms and conditions set out in the proposed resolution. The maximum aggregate par value of the shares issued under this authorization would be €1 million.

However, the Board does not support this resolution – which is only being tabled to comply with the applicable legal provisions – and recommends that shareholders vote against it.

Eighth resolution – Authorization for the Board of Directors to reduce the Company's capital by canceling treasury shares

The purpose of the eighth resolution is to authorize the Board of Directors to cancel treasury shares and reduce the Company's capital accordingly. This authorization would be given for eighteen months and is linked to the authorization sought by the Board in the first resolution to carry out a share buyback program.

If this resolution is approved, as stipulated in the applicable law and regulations the number of shares cancelled in any twenty-four month period would not exceed 1% of the Company's total outstanding shares.

As required by Article L. 225-209 of the French Commercial Code, the Statutory Auditors have drawn up a special report on this authorization, which would replace the expired authorization granted for the same purposes in the eighth resolution of the Annual General Meeting of May 6, 2008.

Ninth resolution – Powers to carry out formalities

In the ninth resolution, the Board of Directors is asking shareholders to grant it full powers to carry out all the necessary formalities relating to the above authorizations.

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We thank you in advance for placing your trust in Chargeurs and its continuing restructuring measures by approving the resolutions recommended by the Board of Directors, particularly those concerning the debt restructuring agreement entered into with the Group's banks.

THE BOARD OF DIRECTORS