

Third-quarter financial information

Revenue <i>(in € millions)</i>	Third quarter		Nine months	
	2012	2011	2012	2011
Chargeurs Protective Films	45.9	44.1	137.7	138.9
Chargeurs Interlining	43.9	45.5	135.2	144.6
Chargeurs Wool	35.1	43.3	135.1	140.1
TOTAL	124.9	132.9	408.0	423.6

- Consolidated revenue declined 6% year-on-year in third quarter 2012, reflecting a negative 8.5% volume effect and a negative 2.6% price effect, partially offset by a positive 5.1% currency effect.
 - Chargeurs Protective Films enjoyed sustained business levels led by an increase in volumes from the prior-year period.
 - Chargeurs Interlining saw a smaller decline in volumes and benefited from positive price and currency effects.
 - Chargeurs Wool third-quarter revenue reflected a noticeable contraction in volumes. In addition, the downturn in raw wool prices fed through to a negative price effect.

- Consolidated revenue for the first nine months was down 3.7%, with a negative 12% volume effect offset to a great extent by a positive 4.2% price effect and a positive 4.2% currency effect.
 - So far in 2012, the surface protection market is down in Europe, up in America and stable in Asia. In this environment, Chargeurs Protective Film's good third-quarter performance almost lifted nine-month revenue to the same level as in the first nine months of 2011. However, the extreme price volatility of polyethylene—the business's main raw material—in the third quarter has not yet made it possible to fully pass on the impact through to selling prices.
 - Chargeurs Interlining has seen a decline in its main markets, with volumes down 10.6%. In response, the business has stepped up the realignment measures initiated in first-half 2012. These include rationalizing the sales forces in several European regions, North Africa and Asia and consolidating production units in France and China.
 - Chargeurs Wool has streamlined its organization in response to contracting wool demand and scarcer bank financing. Faced with a 22.3% decline in volumes and the non-renewal of a credit line for wool purchases, the business has cut its wool-combing capacity in China by more than a third and reduced its fixed costs in Australia and Argentina.

- In light of the current business forecast for full-year 2012, Chargeurs will record a non-recurring expense of around €6 million in 2012 in connection with the measures taken during the year to realign the businesses and reduce fixed costs. The savings generated by these measures, representing more than €4 million a year, will be felt as from 2013.
In addition, application of the recently announced tax measures in France to the revised earnings projections contained in the French subsidiaries' 5-year business plans will lead to a reduction in deferred tax assets of approximately €5 million.

The Group is steadfastly pursuing its careful management of working capital requirement, along with measures designed to substantially pay down debt.

Next announcement:

Full-year 2012 revenue: January 21, 2013

November 15, 2012

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