



CHARGEURS

PRESS RELEASE

2006 RESULTS

**Net Income Above Forecast
Debt Cut by Nearly Half**

The Board of Directors of Chargeurs met on March 7 under the chairmanship of Eduardo Malone to approve the 2006 consolidated financial statements.

Revenue was stable at €769 million.

Operating income totaled €25 million. This represented a considerable improvement over 2005, reflecting a strong recovery in the Group's operations driven by the benefits of the 2005 restructuring of its businesses.

Net income amounted to €13 million.

1 - CONSOLIDATED RESULTS

(in € millions)	2006	2005
Revenue	769	763
Operating income/(loss)	25	(37)
Net income/(loss)	13	(66)

2 - ANALYSIS BY BUSINESS SEGMENT

CHARGEURS WOOL

(in € millions)	2006	2005
Revenue	224	231
Operating income/(loss)	2	(27)

Chargeurs Wool's revenue contracted by 3%.

The business returned to profit in 2006, with operating income of €2 million, reflecting the combined effects of lower production costs following the previous year's reorganization measures and improved margins.

Having doubled capacity in China, Chargeurs Wool is well placed to reap the benefits of this fast-growing market.

CHARGEURS FASHION

(in € millions)	2006	2005
Revenue	90	101
Operating income/(loss)	1	(20)

The 11% decline in Chargeurs Fashion's revenue was due to lower volumes.

The return to profit was attributable to the elimination or turnaround of loss-making businesses, following the divestments and restructuring measures decided in 2005.

During the year, Chargeurs Fashion unveiled to the market its latest product innovation, Klimeo, which was well received by garment makers. Thanks to the microcapsules grafted to fashion fabrics, Klimeo considerably reduces the perception of sudden changes in temperature.

CHARGEURS INTERLINING

(in € millions)	2006	2005
Revenue	236	240
Operating income	9	9

Revenue contracted slightly in 2006, due to pricing pressures caused mainly by the weaker dollar.

Operating income was stable at €9 million.

Chargeurs Interlining has obtained a first rate strategic position in China through the late-2006 signature of an agreement with a local group, Ningbo Yak Technology Industrial Co. Ltd., for the creation of a leading manufacturing and sales partnership in the Chinese woven interlining market.

CHARGEURS PROTECTIVE FILMS

(in € millions)	2006	2005
Revenue	218	191
Operating income	18	5

Chargeurs Protective Films enjoyed a year of sustained business growth, leading to a 14% increase in revenue.

Operating income for 2006 was more than three times higher than in the previous year, with the recovery in profitability led by the effects of the reorganization and cost-cutting measures implemented in 2005 by the US entity.

3 - BALANCE SHEET

Equity amounted to €242 million at 31 December 2006.

Net debt was reduced to €47 million from €88 million at end-2005.

4 - DIVIDEND

At the Annual Shareholders' Meeting on May 15, 2007, the Board of Directors will recommend paying a dividend of €0.65 per share for 2006.

5. OUTLOOK

The Group should achieve further strong growth in earnings in 2007.

Based on the following assumptions:

- A euro/dollar exchange rate of \$1.30,
- A risk-free interest rate (10-year OAT rate) of 3.7% and a 5% equity premium
- Crude oil at \$60 a barrel,
- Achievement of 2007 sales forecasts,
- No restructuring costs and/or asset write-downs stemming from new market-driven competitiveness demands,

Chargeurs expects to achieve revenue of €789 million, operating income of €36 million and net income of €19 million for 2007.

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