



CHARGEURS

FIRST HALF 2007

Strong Earnings Growth

The Board of Directors of Chargeurs met on August 29 under the chairmanship of Eduardo Malone to approve the consolidated financial statements for the six months ended June 30, 2007.

Revenue for the period rose by 3.5% to €410 million, reflecting sustained demand in the Chargeurs Protective Films business and the impact of higher raw wool prices on Chargeurs Wool's revenue.

First-half operating income reached €16 million, up by more than 20% over the year-earlier period.

Net income totaled €8 million, representing a period-on-period increase of 60%.

1 - CONSOLIDATED RESULTS

(in € millions)	First Half	
	2007	2006
Revenue	410	396
Operating income	16	13
Net income	8	5

2 – ANALYSIS BY BUSINESS SEGMENT

CHARGEURS WOOL

(in € millions)	First Half	
	2007	2006
Revenue	127	113
Operating income	3	1

Chargeurs Wool's revenue grew by 12%, mainly because of higher raw wool prices.

The increase in operating income stems from cost savings generated primarily by the restructuring measures in Europe.

As part of its industrial expansion plan, Chargeurs Wool opened the ownership of its combing mill in Argentina to local wool partner Ituzaingo, at a price consistent with capital employed. Under the terms of the agreement, Chargeurs Wool and Ituzaingo will hold equal equity interests in the Trelew plant in Patagonia.

CHARGEURS FASHION

(in € millions)	First Half	
	2007	2006
Revenue	46	50
Operating income	1	1

Chargeurs Fashion's revenue declined by 8% to €46 million in first-half 2007.

Operating result for the period was positive.

In July 2007, Chargeurs and Holfipar, the Morocco-based holding company of the Tazi family, signed an agreement giving them joint control of Chargeurs Fashion on a 50/50 basis. The alliance will give the combined entity the know-how, competitiveness and creative skills it needs to drive a strategy of accelerated growth. The value of €12 million used for the transaction is equal to Chargeurs Fashion's equity.

CHARGEURS INTERLINING

(in € millions)	First Half	
	2007	2006
Revenue	124	125
Operating income	6	4

Revenue for Chargeurs Interlining was stable at €124 million.

Operating income rose 50%, benefiting from the progressive relocation of production capacities.

CHARGEURS PROTECTIVE FILMS

(in € millions)	First Half	
	2007	2006
Revenue	113	108
Operating income	10	9

Revenue increased by 4.6%, in line with the Protective Films business's growth dynamic.

Operating income for the period grew at a similar rate, thanks to a more favorable product mix, despite the €2 million adverse impact of exchange rates and of higher polyethylene prices.

3 – OUTLOOK

Based on the following previously announced and recently revised assumptions:

- A euro/dollar exchange rate of \$1.30, revised to \$1.35
- A risk-free interest rate (10-year OAT rate) of 3.7%, revised to 4.4%, and a 5% equity premium
- Crude oil at \$60 a barrel, revised to \$65 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 €815 million over the full year, operating income of €33 million and net income of €18 million.

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