



CHARGEURS

- NINE-MONTH 2008 BUSINESS REVIEW
- FULL-YEAR 2008 RESULTS FORECAST
- FULL-YEAR 2009 FINANCIAL TARGETS

The economic and financial environment in which Chargeurs operates has deteriorated very significantly since September 2008, leading to a contraction in the markets served by the Group's main customers. This situation will severely affect the Group's fourth-quarter financial performance and negatively impact its full-year results.

Consequently, Chargeurs has taken even stronger corrective action to put the Group back on the path to profitability in 2009.

Consolidated revenue declined 13% over the first nine months to €476 million based on a comparable scope of consolidation.

Plummeting apparel sales in most Western countries caused a sudden slowdown in the garment making production chain and, further upstream, in the textile business. Faced with declining purchasing power and worried about their economic future, consumers are currently scaling back clothing purchases in an attempt to balance the family budget.

At the same time, weakening demand in the construction industry in the US and Western Europe reduced Chargeurs Protective Films' revenue.

The Group's operations were also hampered and hurt by higher and/or extremely volatile prices for oil, energy and several other raw materials, as well as for such currencies as the US dollar, Australian dollar, South African rand, British pound and South Korean won.

Given the persistence of these unfavorable factors in the fourth quarter, Chargeurs has decided to step-up the plan initiated at the end of the first half to align its business to its markets and eliminate loss-making areas. Together, these measures have resulted in exceptional restructuring costs of €31.1 million that will lead to an operating loss, estimated at €17.6 million for the full year. Excluding exceptional expenses, the Group would have posted operating income of €13.5 million for 2008.

A net loss of around €33 million is expected for the full year on annual revenue of €617 million.

ANALYSIS BY OPERATING SEGMENT

- **Chargeurs Protective Films**

<u>Full-year data</u> (in € millions)	2007	Forecast 2008	Pro forma 2008 (*)	Target 2009
Revenue	208.3	199	199	191
Operating income	16.4	12.8	12.8	13.4

(*) Excluding exceptional measures

Chargeurs Protective Film's revenue declined 6% in the first nine months of the year, demonstrating strong resilience at a time when new housing starts plummeted by 31% in the United States and 28% in the five largest countries of Europe.

The business anticipates full-year revenue of €199 million and operating income of €12.8 million despite the negative impact over the first three quarters of the euro's rise against the US dollar, British pound, South Korean won and Chinese renminbi.

Looking forward to 2009, Chargeurs Protective Film sees revenue declining 4% to €191 million. An improved euro/dollar exchange rate and lower oil prices should help reduce the constraints weighing on operating profitability.

As a result, an operating income target of €13.4 million has been set for 2009.

- **Chargeurs Interlining**

<u>Full-year data</u> (in € millions)	2007	Forecast 2008	Pro forma 2008 (*)	Target 2009
Revenue	251	225	225	217
Operating income	11	(10.6)	5.4	7

(*) Excluding exceptional measures

Chargeurs Interlining's nine-month revenue was down 9.5% from the year-earlier period due to lower volumes in France, Italy, Spain and Germany, changes in the scope of consolidation and an unfavorable exchange rate against the US dollar and linked currencies such as the South Korean won and the Hong Kong dollar.

The business anticipates full-year revenue of €225 million for 2008.

Drastic measures have been taken to reduce the business' fixed costs and align production resources to the sudden slowdown in the European and North American markets. Two manufacturing facilities out of three will be closed in the Czech Republic as the koruna's appreciation has made production costs prohibitive. The impact of the alignment plan will be fully reflected in 2010 operating income. The remaining unit in the Czech Republic will serve the high-end market, notably in Italy.

Restructuring is also being carried out in France.

Taken together, these measures represent a cost of €16 million and concern 217 people. As a result, the business expects to post an operating loss of around €10.6 million for full-year 2008.

Excluding restructuring costs, operating income would amount to €5.4 million for the year.

In 2009, Chargeurs Interlining will continue to focus on its Asian units, primarily in China and Bangladesh, while stepping up technological diversification efforts that offer attractive growth prospects.

It has set targets of €217 million for revenue and €7 million for operating income for 2009.

- **Chargeurs Wool**

<u>Full-year data</u> (in € millions)	2007	Forecast 2008	Pro forma 2008 (*)	Target 2009
Revenue	254.2	193	193	143
Operating income	5.5	(6.6)	(2.3)	1.5

(*) Excluding exceptional measures

Chargeurs Wool's revenue contracted by 22% in the first nine months due to a sharp decline in business volume and, to a lesser extent, lower raw wool prices.

Full-year revenue is forecast at €193 million for 2008.

The business has accelerated its withdrawal from manufacturing operations, pulling out of combing in Australia, New Zealand and South Africa. It is now focused industrially on competitive combing operations in China and South America. The closures and divestments will represent an expense of €4.3 million in 2008 and affect 218 people.

Lower volumes and the resulting erosion in margins have made it difficult to absorb fixed costs, leading to an operating loss in 2008.

Excluding restructuring expenses, the operating loss would have come to €2.3 million.

Chargeurs Wool expects to generate operating income of €1.5 million in 2009 on revenue of €143 million.

INVESTMENTS IN ASSOCIATES

Due to the unprecedented deterioration of the apparel market since September 2008, Fashion Company, the Group's joint venture with Holfipar, will generate losses in 2008. This situation is reflected in Chargeurs' estimated 2008 results.

CONSOLIDATED TARGETS FOR FULL-YEAR 2009

<u>Full-year data</u> (in € millions)	Pro forma 2007 (1)	Forecast 2008	Pro forma 2008 (2)	Target 2009
Revenue	713.5	617	617	551
Operating income	27.7	(17.6)	13.5	19
Net income	15.6	(33)	1.8	9

(1) Restated as if Chargeurs Fashion had been excluded from the scope of consolidation from January 1, 2007.

(2) Excluding exceptional measures

The Group's targets for full-year 2009, based on business forecasts that continue to assume a recession in our markets, as projected by the OECD, call for revenue of €551 million, operating income of €19 million and net income of €9 million.

However, given the limited visibility for 2009, demand in the Group's markets may decline more than anticipated in the assumptions used to establish these targets. Chargeurs will therefore keep a close eye on the financial crisis' impact on the business environment, step up efforts to generate cash flow, reduce costs and pay down debt, and inform the financial markets of any corrections that may be required.

FINANCIAL POSITION

(in € millions)	Dec. 31, 2007	Forecast Dec. 31, 2008	Target Dec. 31, 2009
Net debt	55	66	49
Equity	243	203	212

Gearing (%)	23	33	23
Equity per share (in euros)	23.2	19.5	20.4

(see Appendix: Q3 analysis)

November 14, 2008

Corporate Communications

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APPENDIX

Third-quarter and nine-month revenue

(in € millions)	Third quarter		Nine months	
	2008	Pro forma 2007 (1)	2008	Pro forma 2007 (1)
Chargeurs Protective Films	49	50	153	163
Chargeurs Interlining	54	60	171	189
Chargeurs Wool	38	67	152	194
TOTAL	141	177	476	546

(1) Restated as if Chargeurs Fashion had been excluded from the scope of consolidation from January 1, 2007.

Analysis of third-quarter revenue

The 20% decrease from third-quarter 2007 is primarily attributable to the 43% decline in Chargeurs Wool's sales caused by lower raw wool prices and volumes. Reduced volumes also led to a 10% decrease in Chargeurs Interlining's revenue.

Sales at Chargeurs Protective Films were stable.

November 14, 2008

Financial Calendar

	2009
Full-year 2008 Revenue	January 16
Full-year 2008 Financial Results	March 6
Q1 2009 Financial Information	May 7
Annual Meeting of Shareholders	May 7