

FIRST HALF 2008

Operating Income Down
and
Debt Sharply Reduced

The Board of Directors of Chargeurs met on August 28 under the chairmanship of Eduardo Malone to approve the consolidated financial statements for the six months ended June 30, 2008.

Revenue for the period totaled €335.4 million, down 9% on the same period last year based on a comparable scope of consolidation. The global economic and financial environment continued to deteriorate in the first half of 2008, with falling demand in the markets served by the Group's main customers, persistent depreciation of many currencies against the euro and a surge in the prices of oil, energy and a number of raw materials.

As a result, operating income fell by half to €7.4 million.

Net income amounted to €9.1 million, including non-recurring income from the sale of a tax receivable.

1 - CONSOLIDATED RESULTS

(in € millions)	First Half	
	2008	Pro forma 2007*
Revenue	335.4	368.7
Operating income	7.4	15.4
Net income	9.1	8.4

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

2 - ANALYSIS BY OPERATING SEGMENT

CHARGEURS PROTECTIVE FILMS

(in € millions)	First Half	
	2008	2007
Revenue	103.8	113
Operating income	7.3	9.5

Chargeurs Protective Films' revenue declined by 8.1%.

Operating income fell by 23.2%, mainly due to the euro's constant appreciation against other currencies.

Sales price increases have been launched to offset skyrocketing raw materials prices. These pricing measures will deliver their full effects in the fourth quarter of 2008.

CHARGEURS INTERLINING

(in € millions)	First Half	
	2008	2007
Revenue	113.4	123.6
Operating income	4.7	6.5

Chargeurs Interlining's revenue contracted by 8.2% due to the combined impact of the US dollar's decline against the euro and lower sales volumes.

Operating income was down 27.7% as a result of weaker-than-expected demand and the impact of restructuring measures launched in Europe in the first half of 2008 to reduce the business's fixed costs.

CHARGEURS WOOL

(in € millions)	First Half	
	2008	2007
Revenue	114.2	127.6
Operating income	0.5	2.7

The 10.5% decrease in Chargeurs Wool's revenue was mainly attributable to reduced sales volumes.

Operating income fell sharply due to the decline in sales as well as to the losses generated by wool combing operations in Australia and the impact of the related restructuring program undertaken during the period.

In addition, Chargeurs Wool withdrew from wool combing operations in South Africa.

3 – FINANCIAL POSITION AND OUTLOOK

Despite a difficult global environment, Chargeurs' financial position improved during the period, mainly thanks to cash provided by operating activities.

Net debt was reduced by 27% to €39.9 million at June 30, 2008 from €54.6 million at December 31, 2007.

Chargeurs does not expect any significant improvement in its markets during the second half of 2008.

The Group will continue to implement measures whose full benefits should be felt in 2009 and, as a result, enable it to restore operating margins to normal levels.

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Corporate Communication

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