



First-Half 2014 Results

Martine Odillard, Chief Executive Officer
Rémy Husson, Chief Financial Officer

Friday, August 29, 2014

Overview

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2. Chargeurs Protective Films
3. Chargeurs Interlining
4. Chargeurs Wool
5. Financial Results
6. Outlook



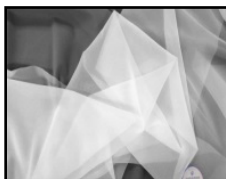
1. Chargeurs

Chargeurs, A Global Diversified Group

- ▶ A global manufacturing and services group
 - ▶ More than 90% of sales outside France
 - ▶ 1,600 people in 31 countries on 5 continents
 - ▶ 11 industrial sites in 6 countries on 4 continents
- ▶ A global leader in three niche markets



Chargeurs Protective Films
Temporary protection of surfaces



Chargeurs Interlining
Interlining and technical textiles



Chargeurs Wool
Top making and combed wool sales

First-Half 2014 Highlights

► Consolidated accounts: key figures

In € millions	First-half 2014	First-half 2013 restated IFRS 5 ^[1]	First-half 2013 reported
Revenue	243.9	239.4	240.0
Recurring operating profit ^[2]	12.0	7.7	7.2
Operating profit	11.8	9.5	9.0
Attributable net profit	6.4	3.2	3.2

[1] IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations

[2] Operating profit before non-recurring items

- Growth in revenue
- Sharply higher operating profit
- End of the debt restructuring agreement signed in January 2010
- A stronger financial position

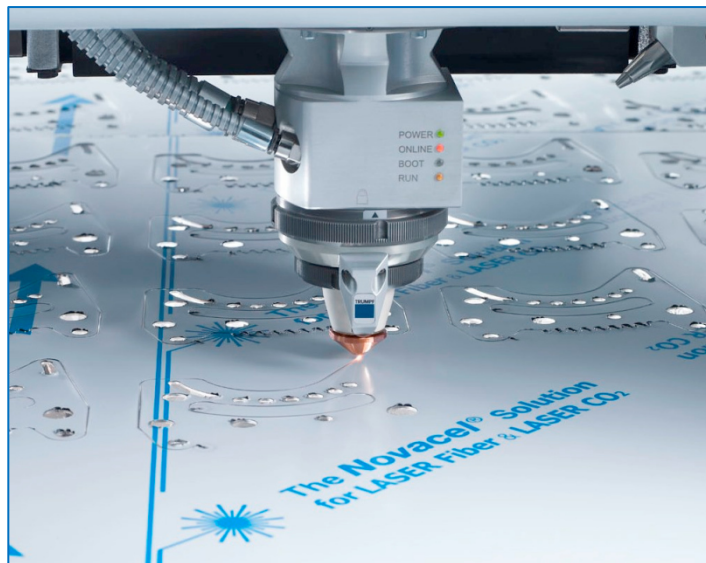
First-Half 2014 Highlights

- ▶ Change in corporate governance structure
 - ▶ Separation of the roles of Chairman (Eduardo Malone) and Chief Executive Officer (Martine Odillard)

- ▶ Financial markets
 - ▶ The Chargeurs share became eligible for inclusion in French “PEA-PME” share savings plans
 - ▶ Included in the CAC PME index
 - ▶ Chargeurs won the Business Transformation Management Award (*organized by Option Finance magazine*)



2. Chargeurs Protective Films



- ▶ Niche: temporary protection of industrial surfaces

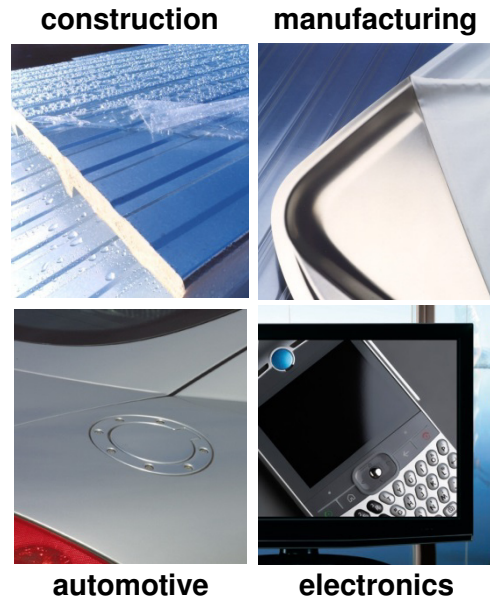
- ▶ Global leader

- ▶ 93% of sales outside France
- ▶ 520 people in 16 countries on 3 continents
- ▶ 3 production units in 3 countries on 2 continents
- ▶ Sales network in more than 60 countries

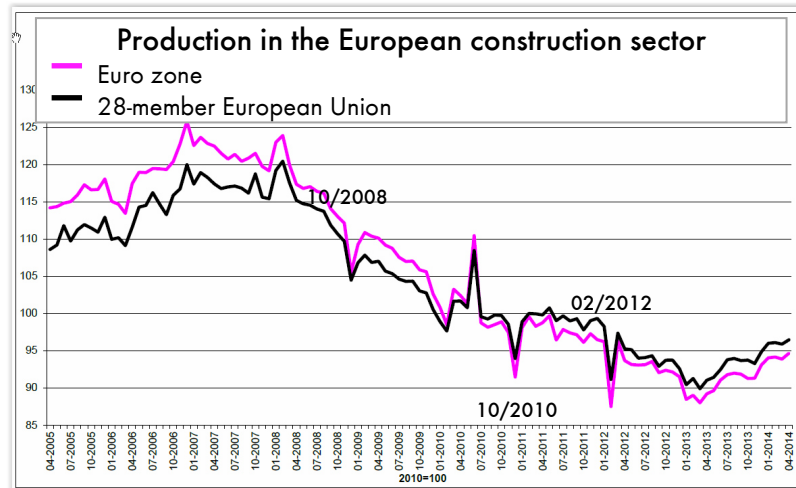
- ▶ High entry barriers, mainly technological

- ▶ Our strengths:

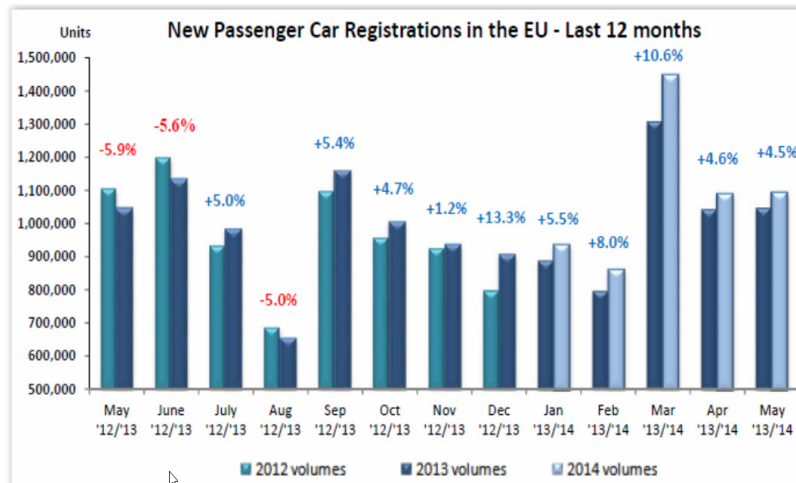
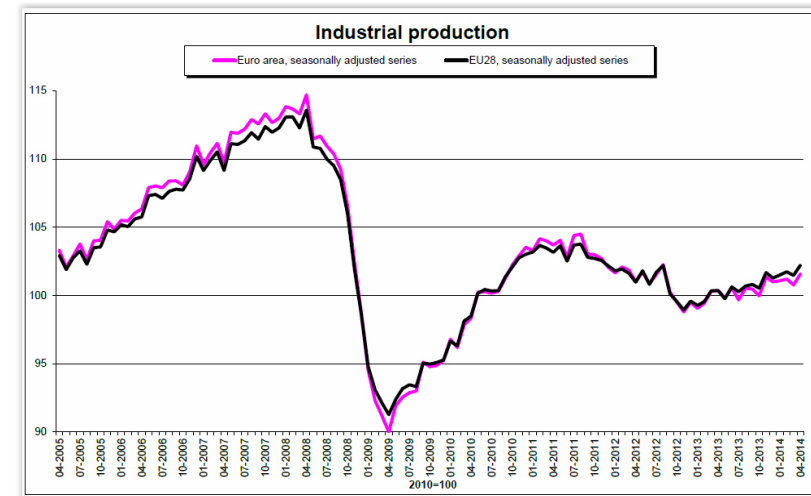
- ▶ Expertise in technical specifications thanks to unrivalled knowledge of surfaces
- ▶ Technological proficiency and a proactive, structured R&D process
- ▶ An increasingly sophisticated, constantly renewed product offering
- ▶ Globally recognized brand, Novacel, and quality of service



Market Conditions



Source Eurostat



► A gradual recovery in our markets

Key Figures

In € millions	First-half 2014	First-half 2013
Revenue	103.5	96.0
Recurring operating profit	8.9	5.0
Operating profit	8.8	5.1

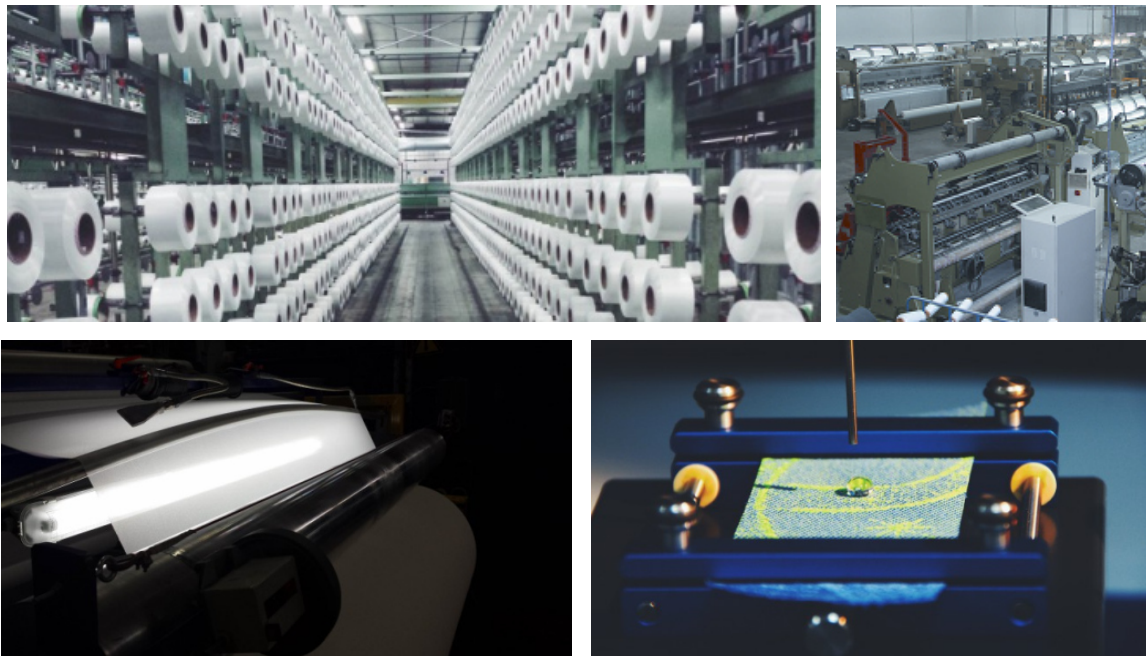
Change in Revenue

Revenue (in €m) - First-half 2013	96.0
Volume impact	9.2
Price & mix impact	(0.6)
Currency impact	(1.1)
Change	7.5
Revenue (in €m) - First-half 2014	103.5

Change in Operating Profit

Recurring operating profit (in €m) - First-half 2013	5.0
Volume impact	3.7
Price & mix impact	0.7
Currency impact	(0.5)
Change	3.9
Recurring operating profit (in €m) - First-half 2014	8.9
Non-recurring items	(0.1)
Operating Profit (in €m) - First-half 2014	8.8

3. Chargeurs Interlining



Profile

- ▶ A major player in the garment industry and shirting; diversification in technical textiles
- ▶ Global leadership
 - ▶ 89% of sales outside France
 - ▶ 1,000 people in 24 countries on 4 continents
 - ▶ 8 production units in 8 countries on 3 continents
- ▶ A mature market and global competition
- ▶ **Our strengths:**
 - ▶ Positioned in the high-end market, with recognized brands
 - ▶ A global production and sales network, serving global groups and local customers
 - ▶ Growth opportunities in technical textiles: applications in promising markets (security, decoration, advertising)



Lainière de Picardie



DHJ



Intissel



Bertero

CHANGE IN GARMENT SALES (in % per year)

	2007/ 2006	2008/ 2007	2009/ 2008	2010/ 2009	2011/ 2010	2012/ 2011	2013/ 2012	4 mois 2014
France	+ 1,7%	- 3,0%	- 3,1%	- 0,3%	- 2,5%	- 2,1%	- 1,3%	Stable
Germany	+ 1,1%	+ 1,3%	- 1,0%	+ 3,0%	0%	- 2,0%	- 2,0%	
UK	+ 2,9%	+ 0,5%	+ 0,8%	+ 4,5%	+ 2,0%	+ 1,5%	+ 1,5%	
Italy	+ 2,2%	- 0,3%	- 1,8%	- 1,6%	- 3,4%	- 5,0%	- 7%	- 3%
Spain	+ 5,6%	- 5,7%	- 5,6%	- 2,3%	- 1,4%	- 5,8%	- 5%	
USA	+ 4,1%	- 1,7%	- 4,2%	+ 4,9%	+ 5,7%	+ 6,4%	+ 3,8%	
China	+ 23,3%	+ 26%	+ 21%	+ 24,8%	+ 24,2%	+ 17,8%	+ 15%	

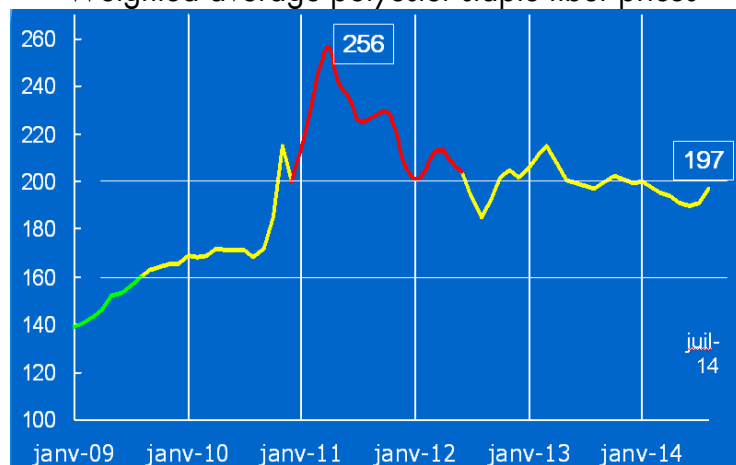
Source: IFM – April/May 2014

► Garments:

- An adjustable variable in the household budget
- Consumers are buying less, but buying better quality

POLYESTER PRICES

Weighted average polyester staple fiber prices



Source: PCI Fibres, Fibre Organon, Woolmark Market Intelligence, Poimena Analysis, CIRFS. Updated: July 31, 2014

- Change in raw materials prices: stable but high prices

Key Figures

In € millions	First-half 2014	First-half 2013 restated IFRS 5 ^(*)	First-Half 2013 reported
Revenue	84.1	88.9	89.5
Recurring operating profit	2.9	2.0	1.5
Operating profit	2.8	^(*) 3.7	^(*) 3.2

(*) including €1.7 million in non-recurring items, consisting mainly of the gain on the sale of real estate

Change in Revenue

	Restated IFRS 5	Reported
Revenue (in €m) - First-half 2013	88.9	89.5
Volume impact	(0.1)	(0.7)
Price & mix impact	1.0	1.0
Currency impact	(5.7)	(5.7)
Change	(4.8)	(5.4)
Revenue (in €m) - First-half 2014	84.1	84.1

Change in Operating Profit

	Restated IFRS 5	Reported
Recurring operating profit (in €m) - First-half 2013	2.0	1.5
Volume impact	-	-
Price & mix impact	0.5	1.0
Currency impact	0.4	0.4
Change	0.9	1.4
Recurring operating profit (in €m) - First-half 2014	2.9	2.9
Non-recurring items	(0.1)	(0.1)
Operating profit (in €m) - First-half 2014	2.8	2.8



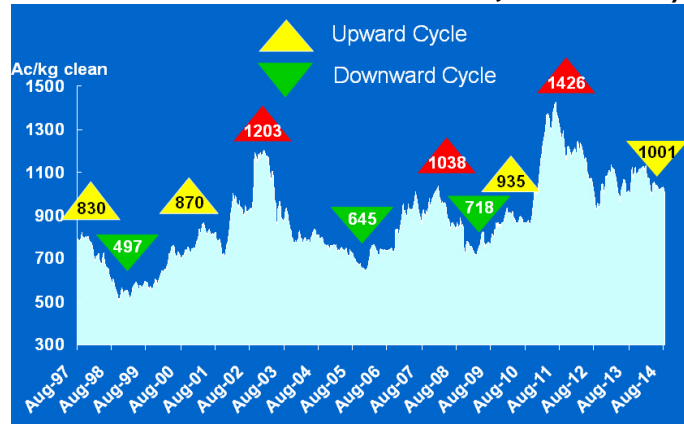
4. Chargeurs Wool



- ▶ A successfully completed transformation of the business model
 - ▶ Focused on combed wool sales
- ▶ Global leadership:
 - ▶ 100% of sales outside France
 - ▶ A lean structure with a global presence
 - ▶ 4 industrial partnerships in 4 countries on 2 continents
- ▶ Wool, a high-end, sustainable fiber
- ▶ Our strengths:
 - ▶ Expertise in a key step in the wool process
 - ▶ A global network
 - ▶ High-end positioning

Market Conditions

AUSTRALIAN WOOL PRICES (EMI - Weekly)

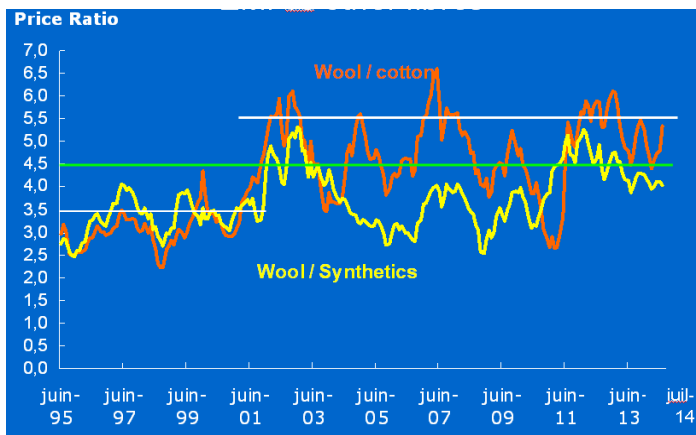


Source: AWEX. 2011/12 basis for EMI
Weekly data ending Aug 15, 2014

- Change in raw wool prices:
stable but high levels

RATIO WOOL / OTHER TEXTILE FIBERS EMI

vs. other fibers



Source: AWEX, Cotton Outlook, PCI Fibres, CIRFS, Poimena Analysis
Data to end June 2014

- Competitiveness of wool vs..
other fibers:
more favorably positioned in the
"competitiveness corridor" (less than
5.5)

Key Figures

In € millions	First-half 2014	First-half 2013
Revenue	56.3	54.5
Recurring operating profit	1.5	1.4
Operating profit	1.5	1.4

Change in Revenue

Revenue (in €m) - First-half 2013	54.5
Impact from scope of consolidation	(1.0)
Volume impact	5.0
Price & mix impact	(1.4)
Currency impact	(0.8)
Change	1.8
Revenue (in €m) - First-half 2014	56.3

Change in Operating Profit

Recurring operating profit (in €m) - First-half 2013	1.4
Volume impact	0.3
Price & mix impact	(0.1)
Currency impact	(0.1)
Change	0.1
Recurring operating profit (in €m) - First-half 2014	1.5
Non-recurring items	-
Operating profit (in €m) - First-half 2014	1.5



5. Financial Results

Change in Consolidated Revenue

	Restated IFRS 5	Reported
Revenue (in €m) - First-half 2013	239.4	240,0
Impact from scope of consolidation	(1.0)	(1.0)
Volume impact	14.1	13.5
Price & mix impact	(1.0)	(1.0)
Currency impact	(7.6)	(7.6)
Change	4.5	3.9
Revenue (in €m) - First-half 2014	243.9	243.9

Change in Operating Profit

	Restated IFRS 5	Reported
Recurring operating profit (in €m) - First-half 2013	7.7	7.2
Volume impact	4.0	4.0
Price & mix impact	0.5	1.0
Currency impact	(0.2)	(0.2)
Change	4.3	4.8
Recurring operating profit (in €m) - First-half 2014	12.0	12.0
Non-recurring items	(0.2)	(0.2)
Operating profit (in €m) - First-half 2014	11.8	11.8

Consolidated Income Statement

In € millions	First-half 2014	First-half 2013 restated IFRS 5 ^[1]	First-half 2013 reported
Revenue	243.9	239.4	240,0
Recurring operating profit ^[2]	12.0	7.7	7.2
Recurring operating margin	4.9%	3.2%	3.0%
Non-recurring items	(0.2)	1.8	1.8
Operating profit	11.8	9.5	9.0
Operating margin	4.8%	4.0%	3.8%
Finance costs & other financial income and expense, net	(2.9)	(4.2)	(4.2)
Income tax expense	(2.3)	(1.8)	(1.8)
Profit/(loss) of associates & non-controlling interests	(0.2)	0.4	0.4
Net loss from discontinued operations	-	(0.7)	(0.2)
Attributable net profit	6.4	3.2	3.2

[1] IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations

[2] Operating profit before non-recurring items

Analytical Consolidated Balance Sheet

In € millions	June 30, 2014	Dec 31, 2013
Intangible assets	66.7	66.3
Property, plant and equipment	47.3	37.5
Inv. in associates and joint ventures	24.6	25.7
Non-current assets and liabilities, net	(12.4)	(11.4)
Working capital	50.3	49.8
Total capital employed	176.5	167.9
Attributable equity (without non-controlling interest)	165.5	157.9
Convertible bonds	11.2	13.2
Net debt/(cash) position	(0.2)	(3.2)
Total financing	176.5	167.9

Cash Flow Statement

in € millions	First-half 2014	First-half 2013
Debt/(cash) at beginning of period	(3.2)	32.8
Debt/(cash) at end of period	(0.2)	16.7
Change in debt	3.0	(16.1)
<i>Cash flow from consolidated companies</i>	12.2	7.7
<i>Change in working capital</i>	0.5	5.7
Net cash from operating activities	12.7	13.4
Net cash used in investing activities	(15.4)	(0.3)
Net cash from financing activities	-	3.4
Currency effect	(0.3)	(0.4)
Cash flow	(3.0)	16.1

Statement of Changes in Equity

In € millions	First-half 2014	First-half 2013
Equity at beginning of period - Reported	157,9	166,6
Effect of IAS 19 revised	-	(4,0)
Equity at beginning of period - Restated	157,9	162,6
Attributable net profit	6,4	3,2
Translation reserve	0,2	(0,9)
Shares issued on bond conversions	2,5	-
Actuarial gains and losses on post-employment benefit obligations	(1,3)	0,8
Other	(0,2)	0,1
Change for the period	7,6	3,2
Equity at end of period	165,5	165,8



6. Outlook

Outlook

Chargeurs Protective Films

- ▶ Maintain and intensify the push for innovation

Chargeurs Interlining

- ▶ Strengthen margins in a mature market
- ▶ Develop innovation and diversification, leveraging proficiency in coating processes

Chargeurs Wool

- ▶ Ensure recurring profitability

Outlook

Targets for 2014:

<u>in € millions</u>	<u>2014 (estimated)</u>	<u>2013 (actual)</u>
Revenue	470	466.5
Recurring operating profit	19	14.4

Medium term objective:

Sustainably generate recurring operating profit of at least €20 million a year as from the end of 2015