



Financial Report

Year ended December 2015

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Paris – March 10, 2016

Net profit up 42% to €15.3 million
Recommended dividend up 50% at €0.30 per share
Successful implementation of profitable growth strategy

Once again exceeding its performance targets, Chargeurs has confirmed the strength of its fundamentals:

- Excellent operating momentum, driving a robust 34% increase in recurring operating profit
- A balanced geographic footprint and positive earnings contributions by all of the Group's businesses
- A stronger financial position, representing a solid base for significant future growth.

In 2015, Chargeurs successfully transitioned to new ownership and governance structures. The Group intends to hold firm to its profitable growth strategy in 2016 in order to consolidate its global leadership positions.

The Board of Directors of Chargeurs met on March 9, 2016 under the chairmanship of Michaël Fribourg to approve the 2015 consolidated financial statements.

"2015 was a year of consolidation and successful transition for Chargeurs. The Group gained new stature, thanks to sharply improved manufacturing and financial performance and the long-term engagement of its new reference shareholder. **Driven by a three-pronged commitment to performance, discipline and ambition**, Chargeurs is now in good shape to deploy its strategy of operational excellence, succeed in what promises to be a challenging year and, in this way, consolidate its global leadership positions over the longer term," said Michaël Fribourg, Chairman and Chief Executive Officer.

2015 CONSOLIDATED RESULTS

(in euro millions)	2015	2014	% change
Revenue	498.7	478.3	+4.3%
EBITDA	40.3	31.8	+26.7%
As a % of revenue	8.1%	6.6%	1.4 pt
Recurring operating profit	30.6	22.9	+33.6%
As a % of revenue	6.1%	4.8%	1.3 pt
Attributable net profit	15.3	10.8	+41.7%
	Dec. 31, 2015	Dec. 31, 2014	
Attributable equity	219.3	182.6	
Attributable net cash	23.3	9.3	

Strong business growth momentum

In 2015, Chargeurs' revenue grew by 4.3%, helped by an improved product mix and the competitive exchange rate of the euro. Excluding wool trading, revenue was up 1.7% at constant scope and exchange rates, reflecting the positive effects of a more selective marketing strategy focused on the most profitable customers, particularly at Chargeurs Fashion Technologies. The Chargeurs Protective Films and Chargeurs Technical Substrates segments enjoyed strong growth, with revenues up 3.6% and 22.3% respectively at constant exchange rates.

Sharply improved operating performance and net profit

At €30.6 million, recurring operating profit was up by a strong 33.6% compared with 2014, led by product mix improvements across all business segments. The Group improved its competitiveness over the year, thanks to its innovation-led strategy and strict application of its selective marketing policy.

This was reflected in the 42% increase in net profit to €15.3 million, and the sharp rise in free cash flow¹ to €19.5 million.

¹ Free Cash Flow: Cash Generated by Operations + Dividends from equity-accounted companies + Variation in working capital – Net Capex

A PERFORMANCE DRIVEN BY ALL SEGMENTS

Chargeurs Protective Films: a record high performance

<i>(in euro millions)</i>	2015	2014	% change
Revenue <i>At constant scope and exchange rates</i>	227.2	206.6	+10% +3.6%
EBITDA <i>As a % of revenue</i>	26.8 11.8%	21.4 10.4%	+25.2%
Recurring operating profit <i>As a % of revenue</i>	21.8 9.6%	16.8 8.1%	+29.8%

Chargeurs Protective Films' innovation-led strategy, underpinned by its technological differentiation and service-minded expertise, helped to drive a 10% increase in revenue to €227.2 million in 2015. This represented a record high performance for the segment, sustained by effective management of the product mix and a global footprint that enabled the segment to benefit from favorable exchange rates.

Revenue growth contributed to an even faster increase in recurring operating profit, which rose by 30% to €21.8 million in 2015 from €16.8 million the previous year.

Chargeurs Fashion Technologies: a promising strategic focus on selective marketing

Chargeurs Interlining has been renamed Chargeurs Fashion Technologies to underscore the Group's experience and technical expertise in global manufacturing of high value-added interlinings

<i>(in euro millions)</i>	2015	2014 *	% change
Revenue <i>At constant scope and exchange rates</i>	157.5	150.9	4.4% (3,5)%
EBITDA <i>As a % of revenue</i>	9.6 6.1%	7.7 5.1%	24.7%
Recurring operating profit <i>As a % of revenue</i>	5.5 3.5%	4.0 2.7%	37.5%

* Restated to reflect separation out of Chargeurs Technical Substrates

In 2015, Chargeurs Fashion Technologies reported revenue up 4% at €157.5 million. The increase was attributable to an assertive marketing focus on the most profitable business, which drove an improvement in the product mix, and to the favorable overall currency effect resulting from its global presence.

Selective marketing combined with a strategy to reduce fixed costs led to a sharp 38% rise in the segment's recurring operating profit to €5.5 million.

Chargeurs Technical Substrates: excellent operating momentum

<i>(in euro millions)</i>	2015	2014	% change
Revenue <i>At constant scope and exchange rates</i>	20.3	16.6	+22.3% +22.3%
EBITDA <i>As a % of revenue</i>	4.1 20.2%	2.6 15.7%	+57.7%
Recurring operating profit <i>As a % of revenue</i>	3.6 17.7%	2.2 13,3%	+63.6%

In 2015, Chargeurs Technical Substrates stepped up the pace of business growth, reporting revenue up by more than 22% to €20.3 million. The new, extra-wide production line installed at the Sélestat plant in Alsace (France) in late November 2015 has expanded the segment's innovation capabilities while also creating opportunities to improve manufacturing productivity. This in turn will broaden its potential customer base and support the rapid pace of business growth.

Leveraging its strategic focus on high value-added products and buoyant markets, Chargeurs Technical Substrates ended the year with recurring operating profit of €3.6 million, representing an increase of more than 60% on 2014. In 2016, the segment will begin to reap the benefits of the 5-meter wide production line that came on stream at the end of last year.

Chargeurs Wool: in profit for a third consecutive year

<i>(in euro millions)</i>	2015	2014	% change
Revenue <i>At constant scope and exchange rates</i>	93.7	104.2	(10.1)% (13,1)%
EBITDA <i>As a % of revenue</i>	2.6 2.8%	3.5 3.4%	(25.7)%
Recurring operating profit <i>As a % of revenue</i>	2.5 2.7%	3.4 3.3%	(26.5)%

Chargeurs Wool demonstrated its resilience in 2015. At €94 million, reported revenues were down on 2014, which was a very good year; however, the decline was partly offset by an improvement in the product mix during the fourth quarter and by the favorable overall currency effect.

The segment ended the year with recurring operating profit of €2.5 million. This was its third consecutive year in the black, confirming the effectiveness of its strategic focus, since 2012, on marketing superior quality combed wool.

AN EVEN STRONGER FINANCIAL POSITION

Chargeurs' robust financial position was further strengthened during the year, with consolidated equity (excluding minority interests) rising by 20.1% to €219.3 million at December 31, 2015 from €182.6 million at the previous year-end. The convertible bonds issued in April 2010 matured on January 1, 2016. Of the 415,083 convertible bonds included in the original issue, 99.7% (413,798 bonds) were converted, leading to the issue of 12,589,047 Chargeurs shares and raising the total number of shares outstanding to 22,966,144 as of January 11, 2016.

DIVIDEND

In recognition of the Group's sharply improved operating performance and stronger fundamentals, the Board of Directors has decided to recommend paying a 2015 dividend of €0.30 per share to the Annual General Meeting on May 4, 2016. The substantial 50% increase compared to the 2014 dividend gives a +4.2% yield based on the 2015 average share price.

The dividend timeline will be as follows:

- Ex-dividend date: May 17, 2016
- Dividend payment date: May 19, 2016

OUTLOOK

The 74% gain in the Chargeurs share price during 2015 and the shares' transfer from compartment C to compartment B of Euronext Paris in January 2016 recognize the Group's solid performance in 2015.

With its robust business model, outstanding operating momentum and solid financial position at December 31, 2015, Chargeurs is well placed to remain during 2016 on a profitable growth trajectory despite the volatile macro-economic environment. Recurring operating profit is set to grow and free cash flow should remain high, allowing the Group to consolidate its leadership positions in specialty materials.

2016 Financial Calendar

Ordinary and Extraordinary General Meeting	Monday, March 14
First-quarter 2016 financial information	Wednesday, May 4
Annual General Meeting	Wednesday, May 4
2016 interim results	Friday, September 9
Third-quarter 2016 financial information	Thursday, November 10

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ABOUT CHARGEURS

Chargeurs is a global manufacturing and services group with leading positions in four segments: temporary surface protection, technical substrates, garment interlinings, and combed wool.

It has over 1,500 employees based in 32 countries on five continents, who serve a diversified customer base spanning more than 45 countries.

In 2015, consolidated revenue totaled almost €500 million, of which nearly 93% was generated outside France.

Consolidated Statement of Financial Position

(in euro millions)

Assets	12/31/2015	12/31/2014
Non-current assets		
Intangible assets	78.5	72.6
Property, plant and equipment	55.9	50.3
Investments in associates and joint ventures	18.1	27.1
Deferred tax assets	27.1	13.5
Non-current financial assets		
- Investments in non-consolidated companies	0.4	0.8
- Long-term loans and receivables	1.7	2.2
Derivative financial instruments	-	-
Other non-current assets	0.5	0.6
	182.2	167.1
Current assets		
Inventories and work-in-progress	101.0	98.2
Trade receivables	44.6	44.2
<i>Factored receivables (*)</i>	48.9	43.9
Derivative financial instruments	1.1	0.6
Other receivables	24.9	24.7
Cash and cash equivalents	97.7	72.7
	318.2	284.3
Assets held for sale	-	0.2
Total assets	500.4	451.6
Equity and Liabilities	12/31/2015	12/31/2014
Equity		
<i>Attributable to owners of the parent</i>		
Share capital	3.7	2.6
Share premium account	53.0	42.2
Other reserves and retained earnings	126.1	115.8
Profit for the period	15.3	10.8
Treasury stock	(0.2)	(0.2)
Translation reserve	21.4	11.4
	219.3	182.6
<i>Non-controlling interests</i>	3.1	3.8
Total equity	222.4	186.4
Non-current liabilities		
Convertible bonds	-	11.2
Long-term borrowings	49.1	42.0
Deferred tax liabilities	-	-
Pension and other post-employment benefit obligations	14.6	15.5
Provisions	0.7	0.4
Other non-current liabilities	8.1	10.3
	72.5	79.4
Current liabilities		
Trade payables	90.6	88.6
Other payables	38.9	30.6
<i>Factoring liabilities (*)</i>	48.9	43.9
Current income tax liability	1.5	0.6
Derivative financial instruments	0.3	0.7
Short-term portion of long-term borrowings	8.6	6.7
Short-term bank loans and overdrafts	16.7	14.7
	205.5	185.8
Liabilities related to assets held for sale	-	-
Total equity and liabilities	500.4	451.6

* Related to receivables for which title has been transferred.

Consolidated Income Statement

(in euro millions)

	Year ended December 31	
	2015	2014
Revenue	498.7	478.3
Cost of sales	(378.2)	(370.9)
Gross profit	120.5	107.4
Distribution costs	(53.9)	(49.7)
Administrative expenses	(32.1)	(30.9)
Research and development costs	(3.9)	(3.9)
Recurring operating profit	30.6	22.9
Other operating income	0.2	0.2
Other operating expense	(6.8)	(1.7)
Operating profit	24.0	21.4
Finance costs, net	(3.5)	(3.7)
Other financial expense	(2.3)	(2.9)
Other financial income	0.5	0.3
Net financial expense	(5.3)	(6.3)
Share of profit/(loss) of associates	(10.7)	(0.3)
Pre-tax profit for the period	8.0	14.8
Income tax expense	7.5	(4.1)
Profit from continuing operations	15.5	10.7
Profit/(loss) from discontinued operations	-	0.2
Profit for the period	15.5	10.9
Attributable to:		
Owners of the parent	15.3	10.8
Non-controlling interests	0.2	0.1
Earnings per share (in euros)		
Basic earnings per share		
From continuing operations	0.78	0.67
From discontinued operations	-	0.01
From continuing and discontinued operations	0.78	0.68
Diluted earnings per share		
From continuing operations	0.78	0.51
From discontinued operations	-	0.01
From continuing and discontinued operations	0.78	0.52
Weighted average number of shares outstanding	19,615,969	15,659,563

Consolidated Statement of Comprehensive Income
(in euro millions)

	Year ended December 31	
	2015	2014
Profit for the period	15.5	10.9
Exchange differences on translating foreign operations	10.2	14.8
Cash flow hedges	0.7	(0.4)
Total items that may be reclassified subsequently to profit or loss	10.9	14.4
Other components of other comprehensive income	0.8	(0.1)
Actuarial gains and losses on post-employment benefit obligations	0.8	(3.0)
Income tax on items that will not be reclassified to profit or loss	(0.1)	-
Total items that will not be reclassified to profit or loss	1.5	(3.1)
Other comprehensive income for the period, net of tax	12.4	11.3
Total comprehensive income for the period	27.9	22.2
Attributable to:		
Owners of the parent	27.5	21.7
Non-controlling interests	0.4	0.5

Consolidated Statement of Changes in Equity
(in euro millions)

	Share capital	Share premium account	Other reserves and retained earnings	Translation reserve	Cash flow hedges	Actuarial gains and losses on post-employment benefit obligations	Treasury stock	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
At December 31, 2013	2.3	39.5	122.1	(3.0)	0.0	(2.8)	(0.2)	157.9	3.3	161.2
Issue of share capital	0.3	2.7						3.0		3.0
Profit for the period			10.8					10.8	0.1	10.9
Other comprehensive income for the period			(0.1)	14.4	(0.4)	(3.0)		10.9	0.4	11.3
At December 31, 2014	2.6	42.2	132.8	11.4	(0.4)	(5.8)	(0.2)	182.6	3.8	186.4
Issue of share capital	1.1	10.8						11.9		11.9
Payment of dividends			(3.2)					(3.2)		(3.2)
Profit for the period			15.3					15.3	0.2	15.5
Effect of changes in scope of consolidation (*)			0.5					0.5	(1.1)	(0.6)
Other comprehensive income for the period			0.8	10.0	0.7	0.7		12.2	0.2	12.4
At December 31, 2015	3.7	53.0	146.2	21.4	0.3	(5.1)	(0.2)	219.3	3.1	222.4

* Corresponding to the first-time consolidation of LP Romania, which was previously included in "Investments in non-consolidated companies".

Consolidated Statement of Cash Flows

(in euro millions)

	Year ended December 31	
	2015	2014
Cash flows from operating activities		
Pre-tax profit of consolidated companies	18.7	15.1
Adjustments to reconcile pre-tax profit to cash generated from operations	11.3	9.5
- Depreciation and amortization expense	9.7	8.9
- Provisions and pension and other post-employment benefit obligations	(0.1)	(1.3)
- Impairment of non-current assets	0.3	0.4
- Fair value adjustments	(0.2)	0.3
- Impact of discounting	1.0	1.4
- (Gains)/ losses on sales of investments in non-consolidated companies and other non-current assets	(0.2)	0.1
- Exchange (gains)/ losses on foreign currency receivables and payables	0.8	(0.3)
Income tax paid	(5.9)	(4.6)
Cash generated by operations	24.1	20.0
Dividends from equity-accounted companies	0.3	0.7
Change in operating working capital	8.0	8.6
Net cash from operating activities	32.4	29.3
Cash flows from investing activities		
Acquisitions of subsidiaries, net of the cash acquired		
Proceeds from disposals of subsidiaries		
Purchases of intangible assets	(0.8)	(0.3)
Proceeds from sales of intangible assets	0.1	0.1
Purchases of property, plant and equipment	(13.3)	(9.7)
Proceeds from sales of property, plant and equipment	0.4	0.8
Purchases of non-current financial assets		-
Proceeds from sales of non-current financial assets		-
Impact of changes in scope of consolidation		
Other movements	0.7	(0.8)
Net cash from/(used in) investing activities	(12.9)	(9.9)
Cash flows from financing activities		
Proceeds from issues of shares on conversion of bonds	11.9	3.0
Bond conversions	(11.9)	(3.0)
Returns of capital to minority shareholders of subsidiaries	(1.1)	-
(Purchases)/sales of treasury stock		
Proceeds from new borrowings	17.7	28.3
Repayments of borrowings and overdrafts	(9.0)	(22.5)
Change in bank overdrafts	1.5	-
Other movements	(1.1)	(1.1)
Dividends paid to owners of the parent	(3.2)	-
Net cash from/(used in) financing activities	4.8	4.7
Increase/(decrease) in cash and cash equivalents	24.3	24.1
Cash and cash equivalents at beginning of period	72.7	48.0
Cash and cash equivalents reclassified as assets held for sale	-	(0.3)
Effect of changes in foreign exchange rates on cash and cash equivalents	0.7	0.9
Cash and cash equivalents at period-end	97.7	72.7