



Shareholders' Newsletter

January 20, 2012



Dear Shareholder,

In 2011, the business environment swung widely from one half of the year to the next. While markets enjoyed robust growth over the first six months, the impact of the financial crisis caused economic activity to slow in the second half, with a corresponding decline in orders that steepened in the final quarter.

After having to deal with highly volatile commodity prices and exchange rates in 2010, our Company now had to focus even more sharply on margins rather than volumes.

In this way, Chargeurs met its margin targets, as seen in our estimated 2011 results, which validate the strategy prepared back in 2009, based on reducing fixed costs and constantly looking for the highest value added.

In today's particularly troubled financial and economic environment, which is weighing on business performance, it is critically important that we remain as vigilant and as responsive as ever. Thanks to our operations in 34 countries, we have a vast network capable of maintaining this close watch on our markets. It is this disciplined vigilance that will enable us to successfully weather the ups and downs of 2012, although no one can yet predict how the year will turn out.

Foresight, vigilance and the right response – these are the watchwords at the dawn of this new year.

As we enter it, I would like to express my sincere wish that it will be a happy and healthy one for you and your family.

Eduardo Malone
Chairman and Chief Executive Officer

2011 FINANCIAL INFORMATION

Revenue

<i>(in euro millions)</i>	Fourth quarter		Twelve months	
	2011	2010	2011	2010
Chargeurs Protective Films	40.8	43.2	179.7	177.0
Chargeurs Interlining	43.0	47.9	187.6	185.1
Chargeurs Wool	44.9	37.2	185.0	149.9
TOTAL	128.7	128.3	552.3	512.0

Consolidated revenue rose by 7.9% year-on-year to €552.3 million in 2011. The increase includes a 10.2% positive price effect reflecting the impact of passing on higher raw material prices, and a 2.3% negative volume effect.

Earnings outlook

Based on the unaudited consolidated results, the 2011 key figures have been updated as follows:

<i>(in euro millions)</i>	2011 (estimated)	2010
Revenue	552.3	512.0
Operating profit	23.9	21.3
Pre-tax profit	13.3	11.4
Attributable net profit	10	12.9

CONVERTIBLE BOND CONVERSIONS

In 2011, 2.2% of the 415,083 Chargeurs convertible bonds issued in April 2010 with a total value of €22.8 million were tendered for conversion into Chargeurs ordinary shares, raising the number of ordinary shares outstanding to 13,123,225 and the share capital to €2,099,716 at December 31, 2011. Following these conversions, 313,629 convertible bonds remained outstanding.

CHANGES IN OWNERSHIP STRUCTURE

- **Sofi Emy**

In late November 2011, Sofi Emy, a company controlled by Eduardo Malone, increased its equity interest in Chargeurs. Following these share purchases, Mr. Malone now owns 5.15% of the Company's capital, along with 26,493 convertible bonds.

CHARGEURS PROTECTIVE FILMS

- **Quality and Environmental Certifications**

Chargeurs Protective Films is assertively deploying a total quality and environmental management system.

In December 2011, for example, Novacel's French plant successfully renewed its ISO 14001 sustainable management certification, which Boston Tapes' Italian plant has held since 2004. Both of these European facilities, as well as Novacel Inc. in the United States, are also ISO 9001 quality-certified.

CHARGEURS INTERLINING

- **Exhibitor at the Shanghai Apparel Fabrics trade fair**

Held last October 22-25, Intertextile Shanghai Apparel Fabrics is the textile industry's largest trade fair in Asia, with more than 3,000 exhibitors from 23 countries and visitors from more than 100.

For the second year running, our four brands present in China – Lainière de Picardie, Intissel, DHJ and Yak – jointly exhibited under the Chargeurs Interlining banner. By exhibiting together, the brands showcased our supplier potential, with differentiated capabilities across the market's entire range of interlinings and covering all of our customer needs around the world. With 50 of our local and international competitors exhibiting at the event, our participation was especially important, and enabled our teams to strengthen their business ties with their Chinese and international customers.



- Wool, a noble fiber

For the past year, Australian Wool Innovation Ltd. has been pursuing its international campaign to promote wool's sustainable, eco-friendly properties and value as a natural, deservingly noble fiber. It is deploying an ever-wider array of initiatives involving garment-makers, designers and retailers in the apparel and home furnishing industries, as well as more consumer oriented programs. Its commitment to promoting wool is closely aligned with Chargeurs Wool's focus on maintaining a premium market positioning.

★ 2012 Investor Calendar

	2012
2011 Results	March 9
Annual Shareholders' Meeting	May 3
Financial Information - First Quarter 2012	May 4
2012 Interim Financial Results	August 30
Financial Information - Third Quarter 2012	November 15