CHARGEURS

Interim Financial Report 2012

CONTENT

CHARGEURS

2012 Interim Activity Report

Chargeurs Resists the Economic Slowdown

The Board of Directors of Chargeurs met on August 29, 2012 under the chairmanship of Eduardo Malone to approve the consolidated financial statements for the six months ended June 30, 2012.

CONSOLIDATED RESULTS

	First Half	
(in € millions)	**2012**	**2011**
Revenue	283.1	290.7
Operating profit	8.1	14.6
Attributable net profit	1.2	7.2

The Group's business was impacted in the first half by the slowdown in its markets, particularly in the second quarter when delivered volumes declined more quickly.

Despite the 13.6% falloff in volumes, consolidated revenue eased back just 2.6% year-on-year, thanks to the 7.3% average increase in prices and the positive 3.7% currency effect.

The lower volumes caused operating profit to decline to €8.1 million and attributable net profit to €1.2 million for the period.

ANALYSIS BY BUSINESS UNIT

CHARGEURS PROTECTIVE FILMS

(in € millions)	First Half	
	2012	2011
Revenue	91.8	94.8
Operating profit	4.6	6.4

The 3.2% year-on-year decline in Chargeurs Protective Films' first-half revenue reflected the impact of lower volumes in Europe, which was partially offset by sustained demand in the United States and China, the favorable currency effect and higher selling prices.

The decline in operating profit, to €4.6 million, was primarily led by the decrease in delivered volumes in Europe.

CHARGEURS INTERLINING

(in € millions)	First Half	
	2012	2011
Revenue	91.3	99.1
Operating profit	3.4	5.8

The 7.9% decline in Chargeurs Interlining's revenue resulted mainly from lower volumes in Italy and China, partially offset by the favorable currency effect and the increase in prices.

The decline in operating profit, to €3.4 million, was primarily led by the decrease in delivered volumes.

Chargeurs Interlining has deployed a cost-reduction program that involves optimizing production facilities in France, consolidating the production units in China and rationalizing the sales organizations in Spain and Portugal. It is being financed by the disposal of property assets in France and Asia.

CHARGEURS WOOL

(in € millions)	First Half	
	2012	2011
Revenue	100.0	96.8
Operating profit	3.1	3.7

The 3.3% increase in Chargeurs Wool's revenue was driven by higher prices and the favorable currency effect, which offset the volume declines in Italy and China.

Operating profit stood at €3.1 million for the period.

FINANCIAL POSITION

Equity excluding minority interests amounted to €189.5 million at June 30, 2012.

Cash flow from operations, in an amount of €12.7 million, helped to reduce consolidated net debt by €11.8 million, to €68.8 million at June 30, 2012 from €80.6 million at December 31, 2011.

Of the 415,083 Chargeurs convertible bonds issued for €22.8 million in April 2010, 301,317 were outstanding as of June 30, 2012.

SUBSEQUENT EVENT

Chargeurs has signed a partnership agreement with the OTEGUI family in Uruguay, whereby they will acquire a 50% interest in the Chargeurs Wool companies in Uruguay. The transaction is scheduled to close on September 14, 2012.

OUTLOOK FOR 2012

On the basis of currently available information, Chargeurs expects to report full-year consolidated revenue of €527 million and operating profit of €15 million.

Financial Calendar	
Financial Information - Third Quarter 2012	November 15, 2012

August 30, 2012

Corporate Communications
Phone: +33 (0)1 71 72 31 65
www.chargeurs.fr

CHARGEURS

—

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

—

First-half 2012

—

Consolidated Statement of Financial Position *(in euro millions)*

Assets	June 30, 2012	December 31, 2011
Non-current assets		
Property, plant and equipment (note 5)	53.5	56.9
Intangible assets (note 6)	72.4	71.6
Investments in associates	19.0	19.6
Deferred tax assets (note 8)	19.0	18.7
Non-current financial assets		
Investments in non-consolidated companies	1.4	1.7
Long-term loans and receivables (note 9)	6.6	7.6
Derivative instruments (note 10)		
Other non-current assets	3.5	3.4
	175.4	**179.5**
Current assets		
Inventories and work-in-progress (note 11)	151.9	166.2
Trade receivables (note 12)	64.6	52.9
Factored receivables (*)	*61.4*	*62.6*
Derivative instruments (note 10)	1.3	2.2
Other receivables and prepaid expenses (note 13)	45.2	42.7
Cash and cash equivalents (note 14)	67.4	69.5
	391.8	**396.1**
Assets held for sale	2.8	2.6
Total assets	**570.0**	**578.2**

Equity and liabilities	June 30, 2012	December 31, 2011
Equity		
Attributable to owners of the parent		
Share capital (note 15)	2.2	2.1
Share premium account (note 15)	38.0	37.4
Other reserves and retained earnings (note 15)	134.8	124.3
Profit for the period	1.2	10.5
Treasury stock	(1.2)	(1.2)
Translation reserve	14.5	9.9
	189.5	**183.0**
Non-controlling interests	7.4	7.2
Total equity	**196.9**	**190.2**
Non-current liabilities		
Convertible bonds (note 16)	13.2	13.3
Long-term borrowings (note 17)	43.1	57.1
Deferred tax liabilities (note 8)	0.7	0.9
Pension and other long-term employee benefit obligations (note 18)	10.8	10.7
Provisions (note 19)	2.2	2.5
Other non-current liabilities (note 20)	10.2	10.2
	80.2	**94.7**
Current liabilities		
Trade payables	93.9	94.4
Other payables (note 20)	42.8	41.3
Factoring liabilities (*)	*61.4*	*62.6*
Current income tax liability	0.4	1.1
Derivative instruments (note 10)	0.4	0.2
Short-term portion of long-term borrowings (note 17)	26.5	22.9
Short-term bank loans and overdrafts (note 17)	66.7	70.1
	292.1	**292.6**
Liabilities related to assets held for sale	**0.8**	**0.7**
Total equity and liabilities	**570.0**	**578.2**

Notes 1 to 33 are an integral part of the interim consolidated financial statements.

(*) Receivables for which title has been transferred (see note 3.2)

Consolidated Income Statement *(in euro millions)*

	First-half 2012	First-half 2011
Revenue	**283.1**	**290.7**
Cost of sales	(226.8)	(228.3)
Gross profit	56.3	62.4
Distribution costs	(28.8)	(28.1)
Administrative expenses	(17.7)	(18.1)
Research and development costs	(1.9)	(1.9)
Other operating income (note 22)	2.1	2.3
Other operating expense (note 22)	(1.9)	(2.0)
Operating profit	**8.1**	**14.6**
Finance costs and other financial expense	(6.0)	(6.0)
Financial income	1.1	1.2
Finance costs and other financial income and expense, net (note 24)	**(4.9)**	**(4.8)**
Share of profit of associates	0.1	0.7
Pre-tax profit for the period	**3.3**	**10.5**
Income tax expense (note 25)	(1.6)	(3.0)
Profit from continuing operations	**1.7**	**7.5**
Profit/(loss) from discontinued operations	(0.5)	(0.2)
Profit for the period	**1.2**	**7.3**
Attributable to:		
Owners of the parent	1.2	7.2
Non-controlling interests	-	0.1
Earnings per share (in euros)		
Basic earnings per share	0.09	0.6
Diluted earnings per share	0.08	0.4
Weighted average number of shares outstanding	13,139,377	12,810,453

Notes 1 to 33 are an integral part of the interim consolidated financial statements.

Consolidated Statement of Comprehensive Income *(in euro millions)*

	First-half 2012	First-half 2011
Profit for the period	**1.2**	**7.3**
Other components of other comprehensive income	(0.1)	0.1
Exchange differences on translating foreign operations	4.8	(12.4)
Available-for-sale financial assets		
- Fair value adjustments for the period recognized in equity	-	-
- Cumulative fair value adjustments reclassified to profit	-	-
Cash flow hedges		
- Fair value adjustments for the period recognized in equity	0.1	0.5
- Cumulative fair value adjustments reclassified to profit	-	-
Share of other comprehensive income of associates	-	-
Income tax relating to components of other comprehensive income	-	-
Other comprehensive income/(expense) for the period, net of tax	**4.8**	**(11.8)**
Total comprehensive income/(expense) for the period	**6.0**	**(4.5)**
Attributable to:		
Owners of the parent	5.8	(4.2)
Non-controlling interests	0.2	(0.3)

Notes 1 to 33 are an integral part of the interim consolidated financial statements.

Consolidated Statement of Cash Flows *(in euro millions)*

	First-half 2012	First-half 2011
Cash flows from operating activities		
Pre-tax profit of consolidated companies	3.1	9.8
Adjustments (note 27)	4.8	4.1
Income tax paid	(2.1)	(2.7)
Cash generated by operations	5.8	11.2
Dividends from associates	0.9	0.7
Change in operating working capital	6.0	(17.5)
Net cash from/(used by) operating activities	**12.7**	**(5.6)**
Cash flows from investing activities		
Purchases of property, plant and equipment	(3.1)	(2.2)
Proceeds from sales of property, plant and equipment	3.1	1.0
Purchases of intangible assets	(0.1)	
Purchases of non-current financial assets		
Proceeds from sales of non-current financial assets		
Other movements		0.4
Net cash used by investing activities	**(0.1)**	**(0.8)**
Cash flows from financing activities		
Proceeds from issues of shares on conversion of bonds	0.7	0.5
(Purchases)/sales of treasury stock		
Proceeds from bond issues		
Proceeds from new borrowings	0.8	3.3
Conversion of bonds	(0.7)	(0.5)
Repayment of borrowings	(16.2)	
Other movements		
Net cash from/(used by) financing activities	**(15.4)**	**3.3**
(Decrease)/increase in cash and cash equivalents	**(2.8)**	**(3.1)**
Cash and cash equivalents at beginning of period	69.5	83.2
Cash and cash equivalents reclassified as "Assets held for sale"		
Effect of changes in foreign exchange rates	0.7	(2.3)
Cash and cash equivalents at period-end	**67.4**	**77.8**

Notes 1 to 33 are an integral part of the interim consolidated financial statements.

Consolidated Statement of Changes in Equity *(in euro millions)*

	Share capital	Share premium account	Other reserves and retained earnings	Translation reserve	Cash flow hedges	Treasury stock	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
At December 31, 2010	2.1	36.9	124.6	5.3	(0.2)	(1.2)	167.5	6.7	174.2
Issue of share capital		0.5					0.5		0.5
Capital reduction							0.0		0.0
Changes in treasury stock							0.0		0.0
Dividends paid							0.0		0.0
Profit for the period			7.2				7.2	0.1	7.3
Other comprehensive income/ (expense) for the period			0.1	(12.0)	0.5		(11.4)	(0.4)	(11.8)
At June 30, 2011	2.1	37.4	131.9	(6.7)	0.3	(1.2)	163.8	6.4	170.2
At December 31, 2011	2.1	37.4	134.9	9.9	(0.1)	(1.2)	183.0	7.2	190.2
Issue of share capital	0.1	0.6					0.7		0.7
Capital reduction							0.0		0.0
Change in treasury stock							0.0		0.0
Dividends paid							0.0		0.0
Profit for the period			1.2				1.2		1.2
Other comprehensive income/ (expense) for the period			(0.1)	4.6	0.1		4.6	0.2	4.8
At June 30, 2012	2.2	38.0	136.0	14.5	0.0	(1.2)	189.5	7.4	196.9

Notes 1 to 33 are an integral part of the interim consolidated financial statements.

Notes to the Interim Consolidated Financial Statements

1. General information

In first-half 2012, Chargeurs and its subsidiaries (the Chargeurs Group) were organized around three business lines: Chargeurs Protective Films (development and marketing of technical solutions to protect steel, aluminum, plastic and other surfaces during the production process), Chargeurs Interlining (interlining and technical fabrics production and marketing) and Chargeurs Wool (wool processing). Chargeurs is a *société anonyme* governed by the laws of France. Its headquarters are located at 29-31, rue Washington, 75008 Paris, France.

Chargeurs shares are listed on NYSE Euronext Paris.

The interim consolidated financial statements for the six months ended June 30, 2012 were approved by the Board of Directors on August 29, 2012. All amounts are expressed in millions of euros, unless otherwise specified.

2. Summary of significant accounting policies

The significant accounting policies applied to prepare the consolidated financial statements are described below. Unless otherwise specified, these policies were applied consistently in all the periods presented.

2.1 Basis of preparation

The first-half 2012 consolidated financial statements of the Chargeurs Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

The consolidated financial statements have been prepared under the historical cost convention, except for land and buildings, revalued at January 1, 2004, available-for-sale financial assets, financial assets and liabilities measured at fair value through profit or loss (including derivative instruments), financial assets and liabilities measured at amortized cost and assets and liabilities underlying fair value hedges.

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise judgment in the process of applying the Company's accounting policies. The areas involving the highest degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

2.2 Summary description of new, revised and amended standards and interpretations

a) New standards, interpretations and amendments to existing standards whose application was mandatory for the first time in the period ended June 30, 2012:

Adopted by the European Union

- IFRS 7– Transfers of Financial Assets

Not yet adopted by the European Union

- None

b) New standards, interpretations and amendments to existing standards applicable in future periods and not early adopted by the Group:

Adopted by the European Union

- IAS 19 revised – Employee Benefits
- Amendments to IAS 1 – Presentation of Items of Other Comprehensive Income

Not yet adopted by the European Union

✓ Affecting the Group:

- Amendments to IFRS 7 – Disclosures – Offsetting Financial Assets and Financial Liabilities
- IFRS 9 – Financial Instruments
- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement
- Amendments to IAS 12 –Deferred Tax: Recovery of Underlying Assets
- IAS 27 – Separate Financial Statements
- IAS 28 – Investments in Associates and Joint Ventures
- Amendments to IAS 32 – Offsetting Financial Assets and Financial Liabilities
- Annual Improvements to IFRSs – 2009-2011 Cycle, issued on May 17, 2012

✓ Not affecting the Group

- Amendments to IFRS 1 – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- Amendments to IFRS 1 – Government Loans
- IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine

3. Use of accounting estimates and assumptions

The preparation of financial statements under IFRS requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses.

3.1 Critical accounting estimates and assumptions

The critical accounting estimates and assumptions that could result in a material adjustment to the carrying amount of assets and liabilities during subsequent periods are analyzed below.

(a) Impairment of goodwill

Goodwill is tested for impairment on an annual basis as described in note 2.7 to the 2011 consolidated financial statements. The recoverable amounts of cash-generating units (CGUs) were determined at December 31, 2011 based on calculations of value in use.

Given the consistency of first-half results with the business plans used to calculate the CGUs' value in use at December 31, 2011, it was not necessary to test the CGUs for impairment at June 30, 2012.

(b) Income tax

The tax assets arising from group relief in France, tax loss carryforwards and deductible temporary differences are assessed based on forecast taxable profit figures over a period of five years.

3.2 Critical judgments

For several years, the Group has sold receivables under no-recourse agreements involving the transfer of title. Accordingly, these receivables are no longer recognized in the financial statements of the relevant entities.

IAS 39 – Financial Instruments: Recognition and Measurement, which deals with the derecognition of financial assets, including trade receivables, requires entities to base their analysis on the following three criteria:

- Whether the entity has transferred the contractual rights to receive the cash flows of the financial asset.
- Whether the entity has transferred substantially all the risks and rewards of ownership of the financial asset.
- Whether the entity has retained control of the financial asset.

Based on Chargeurs' analysis of the sale contracts in relation to these three criteria, it was deemed prudent to keep these receivables in the consolidated statement of financial position and to record a liability for the amount of the cash proceeds received.

The presentation of these items in the consolidated financial statements is unchanged from 2005, but may change in the future based on amendments to contracts or changes in sale procedures.

4. Acquisitions – disposals

There were no significant changes in the scope of consolidation during first-half 2012.

NOTES TO THE STATEMENT OF FINANCIAL POSITION

5. Property, plant and equipment

Changes in the carrying amount of property, plant and equipment can be analyzed as follows:

(in euro millions)	Land	Buildings	Plant and equipment	Fixtures and fittings	Assets under construction	Total
December 31, 2010	**4.7**	**19.7**	**27.5**	**5.2**	**2.3**	**59.4**
Additions		0.1	0.6	0.1	1.5	2.3
Disposals		(0.2)	(0.2)			(0.4)
Changes in scope of consolidation						
Depreciation		(1.2)	(3.5)	(0.3)		(5.0)
Impairment						
Other						
Translation adjustment		(0.6)	(1.1)		(0.2)	(1.9)
June 30, 2011	**4.7**	**17.8**	**23.3**	**5.0**	**3.6**	**54.4**

(in euro millions)	Land	Buildings	Plant and equipment	Fixtures and fittings	Assets under construction	Total
December 31, 2011	**4.7**	**17.8**	**24.8**	**6.7**	**2.9**	**56.9**
Additions		0.2	0.8	0.5	1.6	3.1
Disposals		(0.7)	(0.4)		(0.2)	(1.3)
Changes in scope of consolidation						
Depreciation		(1.1)	(3.2)	(0.8)		(5.1)
Impairment						
Other	(0.4)	(0.1)	0.3	0.1	(0.5)	(0.6)
Translation adjustment		0.1	0.3	0.1		0.5
June 30, 2012	**4.3**	**16.2**	**22.6**	**6.6**	**3.8**	**53.5**

6. Goodwill and other intangible assets

a) Goodwill arising on the acquisition of subsidiaries can be analyzed as follows:

(in euro millions)	Gross	Accumulated impairment Losses	Net
December 31, 2010	**81.5**	**(15.7)**	**65.8**
Goodwill recognized on companies acquired during the period			
Goodwill written off on companies disposed of during the period			
Goodwill written off on companies removed from the scope of consolidation			
Translation adjustment	(4.1)		(4.1)
Changes in scope of consolidation			
Impairment losses recognized during the period			
June 30, 2011	**77.4**	**(15.7)**	**61.7**

(in euro millions)	Gross	Accumulated impairment Losses	Net
December 31, 2011	**82.5**	**(15.7)**	**66.8**
Goodwill recognized on companies acquired during the period			
Goodwill written off on companies disposed of during the period			
Goodwill written off on companies removed from the scope of consolidation			
Translation adjustment	1.4		1.4
Changes in scope of consolidation			
Impairment losses recognized during the period			
June 30, 2012	**83.9**	**(15.7)**	**68.2**

Goodwill has been allocated to the following cash-generating units, corresponding to Group businesses:

(in euro millions)	**June 30, 2012**	**December 31, 2011**
Chargeurs Protective Films	51.3	49.9
Chargeurs Interlining	16.9	16.9
Total	**68.2**	**66.8**

Goodwill impairment tests

As explained in note 3.1 (a), no impairment losses were recognized on goodwill at June 30, 2012. The change in the value of goodwill during the period was entirely due to the effect of changes in exchange rates.

b) Other intangible assets

(in euro millions)	Trademarks and patents	Development costs	Licenses	Other	Total
December 31, 2010	**0.3**	**1.8**	**2.0**	**1.0**	**5.1**
Capitalized development costs					
Additions			0.1		0.1
Disposals					
Changes in scope of consolidation					
Amortization		(0.1)	(0.1)	(0.1)	(0.3)
Impairment					
Other					
Translation adjustment			(0.1)		(0.1)
June 30, 2011	**0.3**	**1.7**	**1.9**	**0.9**	**4.8**

(in euro millions)	Trademarks and patents	Development costs	Licenses	Other	Total
December 31, 2011	**0.3**	**1.7**	**2.1**	**0.7**	**4.8**
Capitalized development costs					
Additions				0.1	0.1
Disposals			(0.4)		(0.4)
Changes in scope of consolidation					
Amortization		(0.2)		(0.2)	(0.4)
Impairment					
Other					
Translation adjustment			0.1		0.1
June 30, 2012	**0.3**	**1.5**	**1.8**	**0.6**	**4.2**

7. Finance leases

The carrying amount of finance leases included in property, plant and equipment is as follows:

(in euro millions)	**June 30, 2012**	**December 31, 2011**
Land	2.2	2.9
Buildings	24.7	30.4
Plant and equipment	17.4	17.5
Fixtures, fittings and other	7.1	9.0
Gross	**51.4**	**59.8**
Accumulated depreciation	(28.2)	(34.8)
Accumulated impairment	(9.6)	(9.6)
Net	**13.6**	**15.4**

Future minimum lease payments under finance leases and the carrying amount of the corresponding liabilities can be analyzed as follows:

(in euro millions)	**June 30, 2012**	**December 31, 2011**
Future minimum lease payments under finance leases	12.6	16.2
Finance lease liabilities	12.2	15.4
Future finance cost	**0.4**	**0.8**

Future lease payments can be analyzed by maturity as follows:

(in euro millions)	**Minimum lease Payments**	**Finance lease liabilities**
Due in less than one year	9.3	8.9
Due in one to five years	3.3	3.3
Due in more than five years	-	-
Total at June 30, 2012	**12.6**	**12.2**
Due in less than one year	10.9	10.3
Due in one to five years	5.3	5.1
Due in more than five years	-	-
Total at December 31, 2011	**16.2**	**15.4**

The main finance leases correspond to sale-and-leaseback transactions on real estate and equipment leases for machinery. Financing is generally obtained for periods ranging from six to fifteen years and corresponds to secured debt.

8. Deferred taxes

a) Analysis by probable recovery/settlement date (before netting asset and liability positions for the same taxable entity)

(in euro millions)	**June 30, 2012**	**December 31, 2011**
Deferred tax assets, net		
- recoverable beyond 12 months	14.9	14.4
- recoverable within 12 months	13.7	13.5
Deferred tax liabilities		
- settlement beyond 12 months	(8.5)	(7.7)
- settlement within 12 months	(1.8)	(2.4)
Total	**18.3**	**17.8**

b) Analysis by source (before netting asset and liability positions for the same taxable entity)

(in euro millions)	June 30, 2012	December 31, 2011
Deferred tax assets, net		
- deductible temporary differences	15.7	15.4
- tax loss carryforwards and tax credits	13.0	12.5
Deferred tax liabilities		
- taxable temporary differences	(10.4)	(10.1)
Total	**18.3**	**17.8**

Deferred tax assets are recognized for tax loss carryforwards only when their future recovery is considered probable based on projected taxable profits for the next five years.

The tax assets arising from group relief in France, tax loss carryforwards and deductible temporary differences amounted to €11.3 million at June 30, 2012.

No deferred tax assets have been recognized for a significant portion of the Group's evergreen losses.

9. Long-term loans and receivables

The €6.6 million total for this item breaks down as follows:

- Long-term loans in an amount of €1.5 million.
- Long-term deposits in an amount of €5.1 million.

The fair value of these assets approximates their carrying amount.

10. Derivative instruments

The carrying amount of derivatives can be analyzed as follows:

(in euro millions)	June 30, 2012		December 31, 2011	
Assets net of liabilities	Fair value	Notional	Fair value	Notional
Fair value hedges				
Currency hedges (a)	1.0	(15.1)	2.1	(19.0)
Cash flow hedges				
Currency hedges (a)	(0.1)	11.5	(0.1)	1.3
Interest rate hedges	-	-	-	-
Commodity hedges	-	-	-	-
Hedges of net investments in foreign operations				
Currency hedges (a)	-	-	-	-
Derivatives not qualifying for hedge accounting				
Currency derivatives (a)	-	-	-	-
Interest rate derivatives	-	-	-	-
Derivative instruments – net asset/(liability)	**0.9**	**(3.6)**	**2.0**	**(17.7)**

(a) Notional amounts shown in parentheses correspond to net seller positions.

Fair value hedges on a notional amount of €15.1 million (net seller position) correspond to hedges of assets and liabilities and firm commitments by subsidiaries.

Cash flow hedges on a notional amount of €11.5 million (net buyer position) correspond to hedges of net sales and purchases denominated in US dollars for €4.2 million, Chinese yuan for €3.9 million, British pounds for €2.5 million and Korean won for €0.8 million.

Net notional amounts of currency derivatives by currency (negative notional amount = net seller position)

(in euro millions)	June 30, 2012	December 31, 2011
Australian dollar	-	0.5
US dollar	(1.7)	0.3
Euro	(11.2)	(17.7)
Chinese yuan	6.1	
British pound	1.6	(1.1)
Korean won	1.6	0.3
Total	**(3.6)**	**(17.7)**

Maturities of derivatives at fair value

(in euro millions)	June 30, 2012	December 31, 2011
Less than 6 months	0.6	2.0
More than 6 months	0.3	-

11. Inventories and work-in-progress

Inventories and work-in-progress can be analyzed as follows:

(in euro millions)	**June 30, 2012**	**December 31, 2011**
Gross		
Raw materials and supplies	64.2	73.6
Finished and semi-finished goods and work-in-progress	92.9	97.3
Other	1.9	1.8
Total – gross	**159.0**	**172.7**
Provisions for impairment	(7.1)	(6.5)
Net	**151.9**	**166.2**
Increase in provisions for impairment of inventory	**(1.4)**	**(1.8)**
Reversals of provisions used	**0.4**	**1.3**
Reversals of surplus provisions	**0.5**	**0.7**

12. Trade receivables

(in euro millions)	**June 30, 2012**	**December 31, 2011**
Trade receivables		
Gross	74.8	62.8
Provisions for impairment	(10.2)	(9.9)
Net	**64.6**	**52.9**

As these receivables are all short term and are not interest bearing, changes in interest rates do not generate any material interest rate risk. Given their short maturities, their fair value may be considered to be close to their carrying amount.

Factored receivables

At June 30, 2012, certain receivables had been sold under no-recourse agreements with factoring companies.

The amounts paid by the factoring companies for receivables totaled €61.4 million at June 30, 2012 (€62.6 million at December 31, 2011).

These receivables are shown in Chargeurs' statement of financial position even though they have been sold and despite the fact that title has been transferred to the factoring company (see note 3.2).

13. Other receivables and prepaid expenses

(in euro millions)	**June 30, 2012**	**December 31, 2011**
Short-term tax receivables	0.4	1.0
Sundry receivables	44.2	41.4
Accruals	1.8	1.6
Provisions for impairment	(1.2)	(1.3)
Net	**45.2**	**42.7**

The fair value of these assets approximates their carrying amount.

14. Cash and cash equivalents

Cash and cash equivalents analyzed in the statement of cash flows break down as follows:

(in euro millions)	**June 30, 2012**	**December 31, 2011**
Marketable securities	15.6	23.2
Term deposits	10.7	10.5
Sub-total	**26.3**	**33.7**
Cash at bank	41.1	35.8
Total	**67.4**	**69.5**

15. Assets held for sale

(in euro millions)	**June 30, 2012**	**December 31, 2011**
Assets held for sale	2.8	2.6
Liabilities related to assets held for sale	0.8	0.7

At June 30, 2012, one item of property, plant and equipment was reclassified under “Assets held for sale” for €0.6 million. The Group is committed to a plan to sell the asset.

Concerning the business classified as a discontinued operation at December 31, 2011, discussions are currently in progress for the sale of the remaining operations.

16. Equity

All Chargeurs shares have been called and are fully paid-up. Changes in the number of shares outstanding since December 31, 2010 are as follows:

Shares outstanding at December 31, 2010	**12,871,789**
Issuance of shares on conversion of bonds by bondholders	251,436
Shares outstanding at December 31, 2011	**13,123,225**
Issuance of shares on conversion of bonds by bondholders	354,827
Shares outstanding at June 30, 2012	**13,478,052**

Based on a par value of €0.16 per share, shares outstanding at June 30, 2012 represented issued capital of €2,156,488 (December 31, 2011: €2,099,716).

All of the shares are of the same class, with the same rights to dividends and returns of capital.

a) Conversion of bonds into shares

During the period, 12,312 bonds were converted into shares. The aggregate par value of the shares issued on conversion was €0.056 million and the aggregate premium was €0.621 million, representing a total increase in equity of €0.7 million.

	First half 2012	**Full-year 2011**
Number of convertible bonds		
- At beginning of period	313,629	322,687
- Conversions for the period	12,312	9,058
- At end of period	301,317	313,629
Number of shares issued on conversion of bonds		
- At beginning of period	2,746,128	2,494,692
- Shares issued on conversions for the period	332,424	244,566
- Shares issued in payment of interest	22,403	6,870
- At end of period	3,100,955	2,746,128
Number of shares potentially issuable between June 30, 2012 and January 1, 2016		
- Minimum number of shares	1,825,981	1,900,592
- Maximum number of shares	9,642,144	10,036,128
Aggregate face value of the bonds (in euros)	22,829,565	22,829,565
Maximum amount redeemable at maturity (bonds outstanding at June 30, 2012) (in euros)	16,572,435	17,249,595

b) Treasury stock

Shares held in treasury can be analyzed as follows:

	June 30, 2012		December 31, 2011	
	Number of shares	Cost in euros	Number of shares	Cost in euros
Chargeurs shares held:				
- By Chargeurs	13,334	230,851	13,334	230,851
- For the liquidity contract	103,000	972,436	103,000	972,436
Total	**116,334**	**1,203,287**	**116,334**	**1,203,287**

c) Other reserves

"Other reserves" include cumulative net gains and losses on cash flow hedges, which amounted to zero at June 30, 2012, compared with cumulative net losses of €0.1 million at December 31, 2011.

17. Convertible bonds

a) Description of the operation

In April 2010, Chargeurs SA issued 415,083 subordinated convertible bonds with a nominal value of €55, with pre-emptive subscription rights for existing shareholders.

The characteristics of this bond issue are described in note 20 to the 2011 consolidated financial statements.

b) Accounting treatment

The initial recognition of the convertible bonds in accordance with IAS 32 led to a €4.6 million increase in equity at December 31, 2010.

The market interest rate used to calculate the fair value of the debt and the initial breakdown between the bonds' debt and equity components are presented below:

- Market interest rate used to calculate fair value: 5.35%
- Effective interest rate: 8.37%
- Fair value of the debt on the issue date: €16.8 million.

The related finance cost for the six months ended June 30, 2012 was €0.6 million.

During first-half 2012, 12,312 bonds were converted, leading to a €0.7 million decrease in the outstanding debt.

(in euro millions)	**December 31, 2011**	**Finance cost for the period**	**Conversions for the period**	**June 30, 2012**
Share capital	0.4		0.1	0.5
Share premium account (conversion premium)	5.2		0.6	5.8
Equity component of convertible bonds	4.6			4.6
Convertible bonds	**13.3**	**0.6**	**(0.7)**	**13.2**

18. Borrowings

The Chargeurs Group's financial liabilities correspond to "Other financial liabilities" as defined in IAS 39. Borrowings are measured using the amortized cost method.

(in euro millions)	**June 30, 2012**	**December 31, 2011**
Bank borrowings	57.4	64.6
Finance lease liabilities	12.2	15.4
Total	**69.6**	**80.0**

Long-term debt can be analyzed as follows by maturity:

(in euro millions)	**June 30, 2012**	**December 31, 2011**
Due in less than one year	26.5	22.9
Due in one to two years	36.0	43.5
Due in two to three years	6.9	10.5
Due in three to four years	0.2	3.0
Due in four to five years	-	0.1
Due in more than five years	-	-
Total	**69.6**	**80.0**

Borrowings by type:

(in euro millions)	Notional amount June 30, 2012	Notional amount Dec. 31, 2011	Effective interest rate June 30, 2012
Bank borrowings	69.6	80	4.19%
Bank overdrafts	66.7	70.1	-

Borrowings by interest reset date for variable-rate borrowings and repayment date for fixed-rate borrowings:

	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017 and beyond
Fixed-rate borrowings	7.0	0.6	0.3	-	-	-
Variable-rate borrowings	19.5	35.4	6.6	0.2	-	-

The carrying amount of variable-rate borrowings approximates their fair value in view of the interest rates applied. At June 30, 2012, the carrying amount of borrowings originally contracted at fixed rates was €7.9 million.

The average interest rate on long-term debt was 4.19% at June 30, 2012 and 4.53% at December 31, 2011.

The fixed-rate portion of these borrowings represented an average of 13.2% in first-half 2012 (14.5% in 2011).

Long-term debt was denominated in the following currencies at June 30, 2012 and December 31, 2011:

(in euro millions)	**June 30, 2012**	**December 31, 2011**
Euro	66.8	75.1
US dollar	2.0	2.3
Other	0.8	2.6
Total	**69.6**	**80.0**

The debt restructuring agreement signed by the Group on January 7, 2010 and amended by way of an addendum on February 4, 2010, was extended on January 6, 2012 by a second addendum, with the overall credit facilities covered by the agreement reduced from €80 million to €57 million.

The revised version of the agreement takes into account the fact that the short-term credit facility granted to Chargeurs Protective Films has been repaid in full and renews Chargeurs Interlining's short-term credit facility for an 18-month period.

The maturity schedule of the medium-term credit facilities for these two businesses provided for in the original debt restructuring agreement remains the same, and the first repayments were made in 2012.

The credit facilities concerned are subject to the standard clauses, including an acceleration clause that would apply if Chargeurs were to pay a dividend for any period until June 2013.

The standard financial covenants contained in the original debt restructuring agreement continue to apply, with the ratios (net debt/EBITDA and interest cover) calculated at six-monthly intervals over rolling twelve-month periods at the level of each business.

	Chargeurs Protective Films	Chargeurs Interlining
Net debt/EBITDA	< 5.9	< 6.5
Interest cover (EBITDA/finance costs)	> 3.9	> 2.3

19. Pension and other long-term employee benefit obligations

Provisions for pension and other long-term employee benefit obligations increased to €10.8 million at June 30, 2012 from €10.7 million at December 31, 2011, primarily due to the effect of changes in exchange rates.

There were no material changes in plan assets for partially funded plans at June 30, 2012 compared with the disclosures made at December 31, 2011.

20. Provisions

Provisions can be analyzed as follows:

(in euro millions)	**June 30, 2012**	**December 31, 2011**
Long-term provisions	2.2	2.5
Short-term provisions[a]	2.9	3.5
Total	**5.1**	**6.0**

(a) Classified in "Other payables".

Movements in provisions:

(in euro millions)	**Long-term provisions**	**Short-term provisions**	**Total**
January 1, 2011	1.9	6.5	8.4
Additions		0.9	0.9
Reversals of provisions used		(1.2)	(1.2)
Reversals of surplus provisions		(1.0)	(1.0)
Changes in scope of consolidation			
Other	0.5	(0.5)	
Translation adjustment			
June 30, 2011	**2.4**	**4.7**	**7.1**

(in euro millions)	**Long-term provisions**	**Short-term provisions**	**Total**
January 1, 2012	2.5	3.5	6.0
Additions		0.2	0.2
Reversals of provisions used		(0.6)	(0.6)
Reversals of surplus provisions	(0.3)	(0.2)	(0.5)
Changes in scope of consolidation			
Other			
Translation adjustment			
June 30, 2012	**2.2**	**2.9**	**5.1**

(in euro millions)	**June 30, 2012**	**December 31, 2011**
Provisions for industrial restructuring costs	2.3	2.9
Provisions for other contingencies	2.8	3.1
Total	**5.1**	**6.0**

21. Other non-current liabilities, other payables and factoring liabilities

"Other non-current liabilities" include a €9.8 million bond received in respect of a license.

"Other payables" include short-term provisions in an amount of €2.9 million (see note 19).

Receivables sold under no recourse agreements are shown in the statement of financial position for €61.4 million (see note 12), with the corresponding liability recorded under "Factoring liabilities".

22. Financial risk management

Financial risk policies in the first half of 2012 were based on the principles described in the 2011 Annual Report.

The following table presents the sensitivity of consolidated equity to currency risk, based on data at June 30, 2012.

(in euro millions)	**Translation reserves by currency**	**Effect of a 10-point increase in the exchange rate against the euro**	**Effect of a 10-point decrease in the exchange rate against the euro**
Australian dollar	0.5	0.1	(0.1)
Argentine peso	(4.1)	0.4	(0.4)
Bangladesh taka	(0.4)	0.0	(0.0)
Brazilian real	0.7	0.1	(0.1)
Swiss franc	0.1	0.0	(0.0)
Chilean peso	0.5	0.1	(0.1)
British pound	(0.1)	0.0	(0.0)
Hong Kong dollar	0.6	0.1	(0.1)
Czech koruna	1.3	0.1	(0.1)
Sri Lankan rupee	(0.3)	0.0	(0.0)
Malaysian ringgit	1.1	0.1	(0.1)
New Zealand dollar	1.5	0.2	(0.2)
Chinese yuan	11.2	1.1	(1.1)
Singapore dollar	0.9	0.1	(0.1)
Turkish lira	(1.1)	0.1	(0.1)
US dollar	2.7	0.3	(0.3)
South Korean won	(0.2)	0.0	(0.0)
South African rand	(0.4)	0.0	(0.0)
Total	**14.5**	**2.8**	**(2.8)**

NOTES TO THE INCOME STATEMENT

23. Other operating income and expense

Other operating income and expense can be analyzed as follows:

(in euro millions)	First-half 2012	First-half 2011
Exchange gains and losses	(0.1)	(0.8)
Gains and losses on disposal of non-current assets	1.3	0.7
Restructuring costs	(0.9)	0.4
Other	(0.1)	-
	-	-
Total	**0.2**	**0.3**

24. Employee information

a) Number of employees

The average number of employees of fully consolidated subsidiaries was as follows in first-half 2012 and full-year 2011:

	First-half 2012	Full-year 2011 (adjusted)	Full-year 2011 (reported)
Employees in France	526	541	541
Employees outside France	1,498	1,511	1,462
	2,024	**2,052**	**2,003**

b) Payroll costs

Payroll costs and discretionary profit-shares are recorded in cost of sales, distribution costs, administrative expenses and research and development costs.

25. Finance costs and other financial income and expense

(in euro millions)	First-half 2012	First-half 2011
Cost of net debt		
- Finance cost	(4.7)	(4.5)
- Interest income on loans and investments	1.1	1.1
Factoring cost	(0.7)	(0.7)
Convertible bond interest cost	(0.6)	(0.5)
Fair value adjustments		
- Investments in non-consolidated companies	-	-
- Financial instruments	-	(0.2)
Exchange gains and losses on transactions in foreign currencies	-	-
Other	-	-
Finance costs and other financial income and expense, net	**(4.9)**	**(4.8)**

26. Income tax

The income tax expense reported in the income statement is analyzed in the table below.

(in euro millions)	**First-half 2012**	**First-half 2011**
Current taxes	(1.9)	(2.9)
Deferred taxes	0.3	(0.1)
Total	**(1.6)**	**(3.0)**

The table below reconciles the Group's actual tax expense to the theoretical tax expense that would apply based on the weighted average tax rate of the consolidated companies (which is similar to the standard French income tax rate):

(in euro millions)	**First-half 2012**	**First-half 2011**
Income tax expense for the period	(1.6)	(3.0)
Standard French income tax rate	33.33%	33.33%
Tax at the standard rate	(1.0)	(3.3)
Difference between income tax expense for the period and tax at the standard rate	(0.6)	0.3
Effect of differences in foreign tax rates	0.1	0.1
Effect of permanent differences between book profit and taxable profit	(0.7)	0.3
Change in tax assets recognized for tax losses:		
- Reversals of valuation allowances on tax loss carryforwards recognized in prior periods	-	-
- Utilizations of tax loss carryforwards recognized in prior periods and tax losses arising and recognized during the current period	1.5	1.3
- Effect of unrelieved tax losses	(1.0)	(0.7)
- Valuation allowance on deferred tax assets (tax loss carryforwards)	-	-
Other	(0.5)	(0.7)

27. Earnings per share

Basic earnings per share are calculated by dividing profit attributable to owners of the parent by the weighted average number of shares outstanding during the period. The Group reported basic earnings per share of €0.09 for first-half 2012 (profit for the period divided by the average number of shares outstanding).

As a result of the convertible bond issue, diluted earnings per share were determined by taking into account 8,683,956 potential ordinary shares at June 30, 2012 and the restatement of the interest cost on the bonds. On this basis, diluted earnings per share for the period came to €0.08.

NOTE TO THE STATEMENT OF CASH FLOWS

28. Cash flows from operating activities

(in euro millions)	First-half 2012	First-half 2011
Pre-tax profit of consolidated companies	**3.1**	**9.8**
Adjustments to reconcile pre-tax profit to cash generated from operations	**4.8**	**4.1**
- Depreciation and amortization expense	5.5	5.2
- Provisions and pension and other long-term employee benefit obligations	(0.9)	(1.2)
- Impairment of non-current assets		
- Fair value adjustments	(0.7)	0.2
- Impact of discounting	0.6	0.6
- Gains/(losses) on disposal of investments in non-consolidated companies and other non-current assets	(1.3)	(0.7)
- Exchange gains and losses on receivables and payables denominated in foreign currencies	1.6	-
- Other adjustments	-	-
Income tax paid	**(2.1)**	**(2.7)**
Cash generated by operations	**5.8**	**11.2**

ADDITIONAL INFORMATION

29. Commitments and contingencies

29.1 Commercial commitments

At June 30, 2012, Chargeurs and its subsidiaries had given firm commitments to purchase manufacturing assets representing an aggregate amount of €0.2 million (€0.3 million at December 31, 2011).

29.2 Guarantees

At June 30, 2012, Chargeurs and its subsidiaries had given guarantees for a total of €0.2 million.

29.3 Collateral

The Group had not granted any collateral at June 30, 2012.

29.4 Commitments under non-cancelable medium-term operating leases

Future minimum payments under non-cancelable medium-term operating leases break down as follows by maturity:

(in euro millions)	June 30, 2012	December 31, 2011
Due in less than one year	4.4	4.6
Due in one to five years	6.5	8.8
Due in more than five years	-	-
Total	10.9	13.4

29.5 Other risks

a) Legal risks

In February and March 2010, the Company was summoned on several occasions to appear before the French Employment Tribunal due to claims lodged by individuals previously employed and laid off by companies in which Chargeurs held an indirect interest.
The total amount of these claims represented around €5.5 million. They were initially dismissed by the Employment Tribunal but in November 2010 the former employees filed a new claim against the Company on the same grounds, but for double the amount.
In first-half 2011, new Employment Tribunal claims were lodged against the Company on the same grounds for an additional amount of about €0.8 million.
The Company continues to consider that these claims are totally without merit.

b) Tax and customs risks

In several host countries, tax returns for years not yet time-barred are open to a tax audit. In France, the statute of limitations is four years.
In early February 2011, a Group subsidiary received a €0.84 million reassessment, corresponding to excise duty on energy products for the years 2007 to 2010. The company formally contested this reassessment on April 11, 2011 but the customs and excise authorities rejected its arguments on October 3, 2011. Consequently, on November 30, 2011 the company referred the case to the Rouen District Court for a ruling.

30. Related party transactions

Transactions with associates

In first-half 2012, transactions with associates primarily concerned purchases from and sales to the Chinese company, Ningbo Lailong Bertero Interlining. These transactions were recognized by Chargeurs Interlining under cost of sales in an amount of €8.6 million.

31. Information by business segment

Profits and losses by business segment were as follows for the first half of 2012:

First-half 2012 *(in euro millions)*	**Chargeurs Protective Films**	**Chargeurs Interlining**	**Chargeurs Wool**	**Non-operating**	**Inter-segment eliminations***	**Consolidated**
Revenue	**91.8**	**91.3**	**100.0**			**283.1**
Operating profit/(loss)	4.6	3.4	3.1	(1.1)	(1.9)	8.1
Finance costs and other financial income and expense, net						(5.0)
Share of profit of associates						0.2
Pre-tax profit for the period						**3.3**
Income tax expense						(1.6)
Profit/(loss) from discontinued operations						(0.5)
Profit for the period						**1.2**

*Impact of Chargetex 35's acquisition of Intissel's land and buildings (Intissel is a company of Chargeurs Interlining).

Profits and losses by business segment were as follows for the first half of 2011:

First-half 2011 *(in euro millions)*	**Chargeurs Protective Films**	**Chargeurs Interlining**	**Chargeurs Wool**	**Non-operating**	**Inter-segment eliminations**	**Consolidated**
Revenue	**94.8**	**99.1**	**96.8**			**290.7**
Operating profit/(loss)	6.4	5.8	3.7	(1.3)		14.6
Finance costs and other financial income and expense, net						(4.8)
Share of profit of associates						0.7
Pre-tax profit for the period						**10.5**
Income tax expense						(3.0)
Profit/(loss) from discontinued operations						(0.2)
Profit for the period						**7.3**

Additional information concerning the first half of 2012:

First-half 2012 (in euro millions)	**Chargeurs Protective Films**	**Chargeurs Interlining**	**Chargeurs Wool**	**Non-operating**	**Consolidated**
Depreciation	(1.4)	(2.7)	(1.0)		(5.1)
Impairment losses:					
- goodwill					
- property, plant and equipment					
Impairment losses:					
- inventories	(0.3)	(0.8)	(0.3)		(1.4)
- trade receivables		0.3			0.3

Additional information concerning the first half of 2011:

First-half 2011 *(in euro millions)*	**Chargeurs Protective Films**	**Chargeurs Interlining**	**Chargeurs Wool**	**Non-operating**	**Consolidated**
Depreciation	(1.3)	(2.8)	(0.9)		(5.0)
Impairment losses:					
- goodwill					
- property, plant and equipment					
Impairment losses:					
- inventories	(0.6)	(0.8)			(1.4)
- trade receivables		2.9			2.9

Segment assets and liabilities at June 30, 2012

	Chargeurs Protective Films	Chargeurs Interlining	Chargeurs Wool	Non-operating	Total
Assets (a)	137.8	161.0	123.9	18.3	441.0
Liabilities (b)	66.4	55.1	42.8	5.2	169.5
Capital employed	71.4	105.9	81.1	13.1	271.5
Purchases of assets	1.3	1.2	0.6	0.0	3.1

(a) Excluding cash and cash equivalents
(b) Excluding equity and bank borrowings net of cash and cash equivalents

Segment assets and liabilities at December 31, 2011

	Chargeurs Protective Films	Chargeurs Interlining	Chargeurs Wool	Non-operating	Total
Assets (a)	131.3	163.2	144.7	6.8	446.0
Liabilities (b)	60.7	52.8	60.5	(5.0)	169.0
Capital employed	70.6	110.4	84.2	11.8	277.0
Purchases of assets	2.4	3.3	0.6		6.3

(a) Excluding cash and cash equivalents
(b) Excluding equity and bank borrowings net of cash and cash equivalents

32. Seasonal fluctuations in business

Seasonal fluctuations in business do not have a material impact on the Group's financial statements.

33. Subsequent events

Chargeurs has signed a partnership agreement with family-owned Otegui, whereby Otegui will acquire a 50% interest in the Chargeurs Wool companies in Uruguay. The transaction is scheduled to close on September 14.

CHARGEURS

RELATED PARTY TRANSACTIONS

A description of related party transactions is provided in Note 29 to the condensed interim consolidated financial statements for the first-half of 2012. Related parties are companies that are up to 50%-owned under cooperation agreements. Chargeurs having significant influence over their management, those companies are therefore accounted for by the equity method. Those companies are industrial and sales companies.

During the first-half 2012, there were no material changes in the nature and volume of related party transactions.

August 29, 2012

CHARGEURS

STATEMENT BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

I declare that, to the best of my knowledge, (i) the condensed financial statements for the six months ended June 30, 2012 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the consolidated companies, and (ii) the interim management report includes a fair review of significant events of the past six months, their impact on the interim financial statements and the main related party transactions for the period, as well as a description of the main risks and uncertainties in the second half of the year.

Paris, August 29, 2012

Eduardo Malone
Chairman and Chief Executive Officer

CHARGEURS

STATUTORY AUDITORS' REVIEW REPORT ON THE 2012 INTERIM FINANCIAL INFORMATION

PricewaterhouseCoopers Audit
63, rue de Villiers
92908 Neuilly-sur-Seine Cedex

S & W Associés
8, avenue du Président Wilson
75116 Paris

STATUTORY AUDITORS' REVIEW REPORT
ON THE 2012 INTERIM FINANCIAL INFORMATION

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,
CHARGEURS
29-31, rue Washington
75008 Paris

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of Chargeurs, for the six months ended June 30th, 2012;
- the verification of the information contained in the interim management report.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - the standard of IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information given in the interim management report on the condensed interim consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

Neuilly-sur-Seine and Paris, August 29th, 2012
The Statutory Auditors

PricewaterhouseCoopers Audit	S & W Associés
Gérard Morin	Maryse Le Goff