“GIVING PRIORITY TO DEVELOPING INNOVATION”

ANNUAL
REPORT 2013

CHARGEURS

SUMMARY

Chargeurs is a global manufacturing and services group with leading positions in three niche markets: **temporary surface protection, technical textiles** and **combed wool.** It has **1,600 employees based in 31 countries** on five continents, who serve customers in more than 45 countries.

In 2013, consolidated revenue totaled €466.5 million, of which 93% was generated outside France. **Operating profit rose €17.8 million and net profit €3.6 million.**

MESSAGE FROM
EDUARDO MALONE

Chairman

"We are deploying a confident, yet watchful vision of the future, with a focus on developing innovation."

Innovation is critically important, and is going to play an increasingly decisive role. At a time when we exceeded our targets set for last year – in reducing our debt and doubling our operating profit – the priority focus on innovation is crucial, from a managerial as well as a manufacturing perspective. It is the key both to satisfied customers, who can count on our support for their market developments, and highly motivated employees, who are fulfilled in their work and assured of sustainable employment. Innovation also helps to drive steady, predicable, ever-improving performance, in line with the expectations of our shareholders.

Chargeurs compellingly demonstrated its ability to adapt and innovate in 2013, as we successfully met our challenges in a persistently flat global economy. Operating profit more than doubled over the year, primarily thanks to our commitment to reducing fixed costs, focusing on value-added products and optimizing our margins.

In addition, our priority objective, to sharply pay down debt, was also met, to the extent that Chargeurs reported a net cash position at year-end. Investors were quick to understand, helping to increase our share price by 54% in 2013, amply outpacing the average gain posted by shares in the CAC 40 index.

Last year's performance attests to the quality of our strategy, which will also benefit the Group over the medium term.

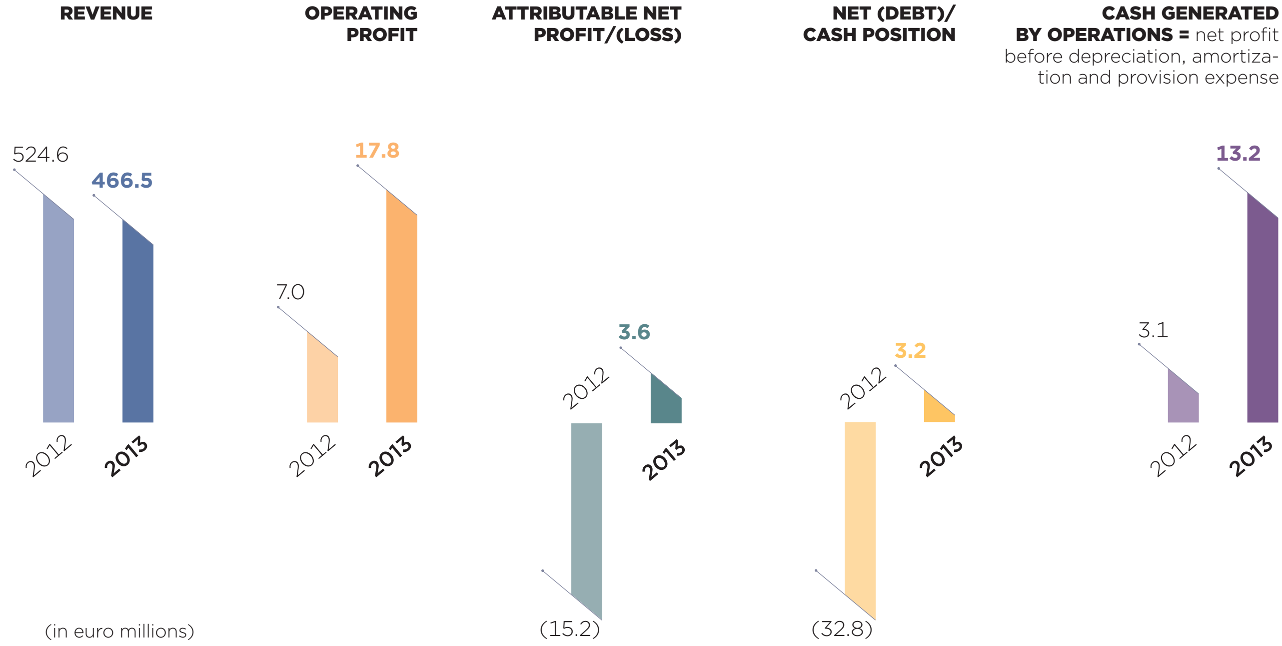
Chargeurs Protective Films will continue to deliver a very satisfactory performance, led by its targeted marketing strategy and the new products coming out of its dynamic research and development pipeline. Chargeurs Interlining is expected to increase its operating profit by further improving its margins, optimizing its global manufacturing and distribution organization and developing technical innovations. Lastly, Chargeurs Wool has completed its transformation into a services business with a minimum of industrial assets owned in partnership, while retaining full control over the value chain. The improvement in its operating profit has already confirmed the validity of this change in business model.

Chargeurs has to pursue its efforts and generate enough return on its three businesses, which are now well positioned to leverage their competitive strengths. This will be primarily driven by our priority focus on developing innovation, the only way that we can increase return in mature markets.

In all, Chargeurs is now healthy on a consolidated basis. The Group has set the target of reporting annual operating profit of at least €20 million on a recurring basis within two years.

As announced on March 7, 2014, the Board of Directors has decided to separate the functions of Chairman and Chief Executive Officer, in line with best governance practices. The position of Chief Executive Officer has been assigned to Martine Odillard, whom I am fully confident will further inspire, with our teams, an ambitious, far-reaching vision for Chargeurs.

I will remain Chairman of the Board of Directors and continue, with passion, to ensure that the strategy approved by the Board is properly implemented. ◆

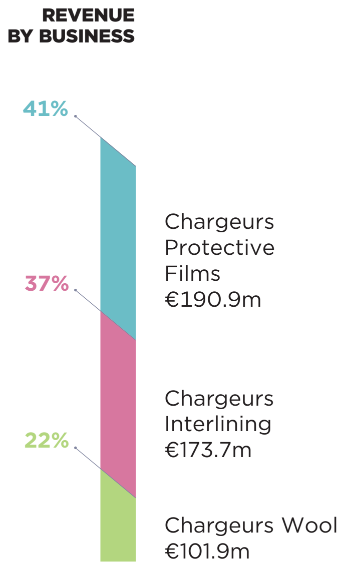


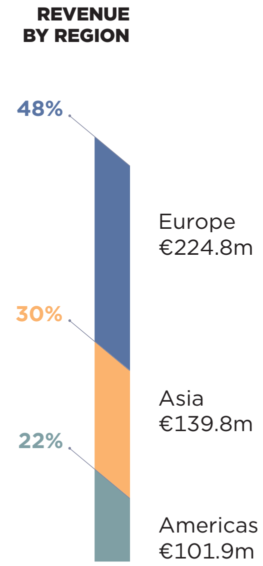
Revenue ended 2013 down 4.3% at constant scope of consolidation and 11.1% as reported.

Operating profit amounted to €17.8 million, above the Group's initial target of €14 million. The increase was mainly attributable to a reduction in fixed costs.

Net profit improved significantly. The 2013 figure takes into account the loss from discontinued operations in the amount of €4.6 million.

At December 31, 2013, Chargeurs had a **net cash position** of €3.2 million versus net debt of €32.8 million at end-2012, and net debt of €80.6 million at end-2011.





2012 reported. See page 39 for restated figures.

THREE QUESTIONS FOR MARTINE ODILLARD

CHIEF EXECUTIVE OFFICER

"Corporate's role is to provide expertise and drive."

What role did corporate play in reconfiguring Chargeurs over the past two years?

It played a very active, driving role. In addition to its core support responsibilities, corporate worked alongside the businesses in leading important initiatives to reduce debt, rationalize operations and optimize margins.

In fact, we shared a common vision with the businesses, based on the constant search for value added and marketing excellence, while getting deeply involved in fundamental projects, such as the transformation of the wool business, the financing programs and the disposal of non-strategic assets in our two textile businesses.

In this way, corporate is at once a source of diligent expertise, a whistleblower that focuses all our energies and a catalyst of change in our businesses.

Isn't corporate above all concerned with the Group's financial health?

In 2013, we demonstrated that corporate could generate solutions and take action in every aspect of the business. Obviously, this is true as well in the area of finance, and above all at a time of scarcer financing.

The results have followed, since Chargeurs ended 2013 with a net cash position.

In this assertive campaign, we acted as instigator and facilitator and our three businesses contributed through their actions to fully restore Chargeurs operating independence in 2014.

What are the main guidelines being followed by Chargeurs teams in leading all these projects at once?

The first imperative is to manage the here and now so as to get the best short-term performance and operational return, which will then make it possible to ensure the Group's future and sustainability.

Our ultimate objective is clearly to increase the value we create for our customers, employees and shareholders. Historically, we have always created that value with a decentralized organization supported by its indispensable corollary – diligent, transparent reporting. It is only with a clear, precise understanding of the realities of the businesses that we can meet our other imperatives – competitiveness, quality, service and innovation – and assess our performance.

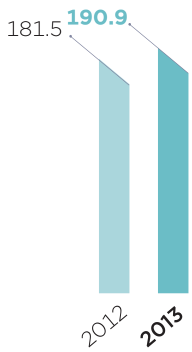
Lastly, one thing is sure. These operating procedures only work if respect for people and property, and the principles of foresight vigilance, action and honest business practices are deeply engrained in each of our employees. All of our executives, managers and employees are fully committed to demonstrating our shared principles. ◆

CHARGEURS
PROTECTIVE FILMS

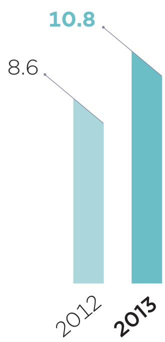
A global leader in its business, Chargeurs Protective Films supplies manufacturers – primarily of building materials but also of household appliances and automobiles – with self-adhesive films for the temporary protection of fragile surfaces. To maintain a finished product's surface integrity, the film acts as a protective barrier against outside aggression at every stage of the transformation process (folding, stamping, profiling, etc.), as well as during handling, transport and fitting.

In 2013, Chargeurs Protective Films' revenue rose by 5.2% despite the challenging environment in its three core markets – the construction, manufacturing and automotive industries. It successfully gained market share and increased its sales volumes thanks to innovative new products and a focus on value-added solutions. As part of this process, the business unhesitatingly withdrew from price-driven commodities or continued to supply them only as part of a comprehensive package including products with higher technical content. This strategy also helped to drive a 25% increase in operating profit. ◆

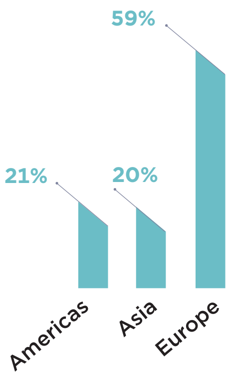
REVENUE
in euro millions



OPERATING PROFIT
in euro millions



REVENUE BY REGION



What is Chargeurs Protective Films' growth strategy?

Since raw material and labor costs are high in Europe, it's important to focus on more sophisticated products where these costs have less of an impact. That's why we're going to expand even more in niche markets in Europe. Chargeurs Protective Films' strong performance in Western Europe, as well as in the East of Europe, has validated this strategy, which is being supported with high quality standards, impeccable service and agile responsiveness.

Developing sophisticated products is not something you can improvise.

Of course, and that's why the search for high technical-content products that meet our customers' increasingly demanding needs gives innovation a key role. Nearly one-third of our revenue comes from recent product innovation. Other disruptive innovations are being developed by our Research & Development department, which cooperates with around twenty laboratories and three universities. Above all, our R&D works closely with sales and marketing teams to identify, analyze and respond quickly and proactively to emerging customer needs. This system will ramp up to full operational efficiency in the years ahead. What's more, an initial foray into Japan is allowing us to test our product and service offering in one of the world's toughest markets.

What's your outlook for the short term?

In 2013, Chargeurs Protective Films repaid in full, and ahead of schedule, its bank debt covered by the restructuring agreement. At a time of shrinking demand, it increased its market share by two points worldwide and by four points in Europe. Our fundamentals are sound.

As for the global market, the slowdown in 2013 will probably be made up in 2014 with a return to 2012 levels. Thanks to our restored financial independence and assertive innovation strategy, we can look forward to a further improvement in operating performance.

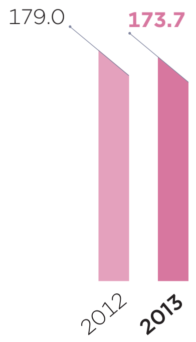
LAURENT DEROLEZ
Managing Director
Chargeurs Protective Films

CHARGEURS INTERLINING

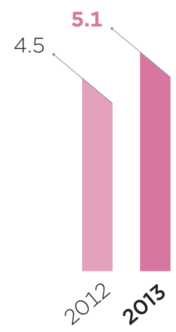
One of the world's top two garment interlining manufacturers, with a highly globalized organization, Chargeurs Interlining is proficient in every aspect of this technical product, which is inserted between the fabric and the lining to keep garments flexible and help them to retain their shape. Interlinings have to be constantly adapted to the features of the garments in which they are used as well as to changes in men and women's fashion.

2013 was generally flat for the apparel industry, without any significant market developments observed in either Europe or Asia. While raw material prices were relatively stable, payroll costs are trending upwards in Asia, especially in China and Bangladesh, which could soon lead to new transfers of operations within the global textile industry. In this lackluster environment, Chargeurs Interlining generally maintained its market share even if its revenue contracted, due to unfavorable exchange rates, mainly the decline in the Argentine peso and Brazilian real against the euro. Operating profit was supported by the reduction in fixed costs driven by the ongoing business rationalization program. ◆

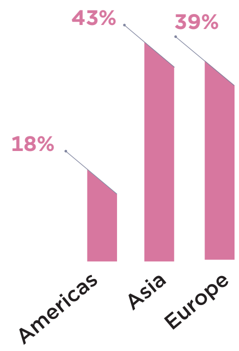
REVENUE
in euro millions



OPERATING PROFIT
in euro millions



REVENUE BY REGION



What was on Chargeurs Interlining's agenda in 2013?

During the year, Chargeurs Interlining continued to reorganize its sales subsidiaries, notably in Eastern Europe, while continuing to deliver the same high quality of service. In Asia, we streamlined our manufacturing base by consolidating certain production units. We also decided to withdraw from a non-profitable business line. Throughout the year, we continued to carefully track our margins. Lastly, our strategy of paying down debt was aggressively pursued with the reimbursement of the bank debt covered by the restructuring agreement. Thanks to our business plan, we expect to completely exit the agreement in 2014.

What are your main levers for improving margins?

In Europe, we're focusing on high-end products, especially for leading brands that expect impeccable quality, service and reliability. We're maintaining our disciplined marketing strategy based on increasingly selective sales contracts, even if we lose revenue in a market weakened by slower consumer spending on apparel. In Asia, we serve garment makers that work for well-known US and European brands, as well as customers in various local markets, where brands are gradually developing to meet mid-market needs.

Does that mean that anticipating the needs of the premium market is more decisive than ever?

Our customers want products that are increasingly flexible, light and thin. In response, Chargeurs Interlining's two French units have strengthened their research and development resources. What's more, out of concern for their image, the major brands prefer to work with companies that demonstrate the highest social and environmental standards. Chargeurs Interlining is capable of providing products that comply with the demanding Öko-Tex® Standard 100, which certifies that a textile is healthy. Aside from the apparel business, our DHJ International subsidiary is leading the way in diversification innovations, based on its proficiency in coating technologies.

In 2014, Chargeurs Interlining is expected to hold out well against pressure from a market shaped by overcapacity, thanks to its competitiveness and disciplined marketing strategy, as well as its enhanced innovation on technical products.

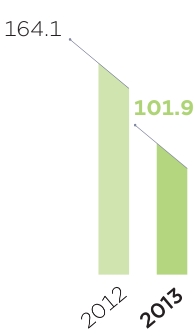
STÉPHANE RIGAUT
Managing Director
Chargeurs Interlining

CHARGEURS WOOL

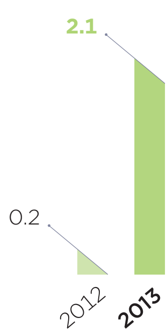
Chargeurs Wool specializes in topmaking, which consists of creating long, fine blended-wool fibers, known as tops, that successfully meet the needs of spinning mills. It is a major world leader in combed wool sales, with a powerful international network and the support of solid local industrial partners.

In November 2013, Chargeurs finalized an agreement whereby China's Jiangsu Longjin acquired its 25% interest in Zhangjiagang Yangtse Wool Combing Co. This reduced Chargeurs' stake in the mill to 50% and enabled Chargeurs Wool to complete its transformation into a services business, organized around a global sales network and backed by industrial assets owned in partnership. Having sharply reduced its invested capital and fixed costs in order to focus on customer relationships and its topmaking business, Chargeurs Wool now presents a different profile. The decline in 2013 revenue reflected the sharp 20.2% negative impact of changes in the scope of consolidation due to the disposals carried out since 2012, an 11.6% negative impact from the falloff in volumes and the 5.2% negative effect of lower raw wool prices. On the other hand, operating profit rose during the year. ◆

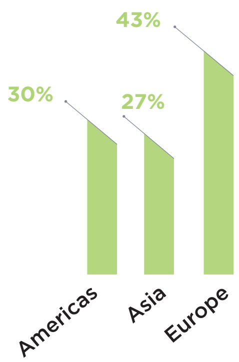
REVENUE
in euro millions



OPERATING PROFIT
in euro millions



REVENUE BY REGION



Doesn't Chargeurs Wool seem at once different and the same in 2014?

Following completion of its partial divestment strategy, Chargeurs Wool has retained full control of the value chain and with it, the ability to ensure finished product quality. The wool combing process has not changed, but now we're focused on marketing the product to nurture strong, trusting, responsive relationships with customers. As a result, Chargeurs Wool is widely considered to be a highly reliable operator in the high-end segment. In exchange, our customer portfolio has been selected based on the quality of the contracts and our frank, honest business relations. Obviously, that means that world's best-known, most solid brands work with us. We're not looking to compete with Asian suppliers of lower quality wool.

What does the new profile enable Chargeurs Wool to do?

The new profile lets Chargeurs Wool reduce its financing needs and more easily manage its "wool risk". In the new organization, where our partners are involved in the industry upstream, we now prefer to source our financing locally.

So the year has begun with a whole new outlook?

Above all, 2014 will be a year of stabilization, when everything Chargeurs Wool has undertaken over the past two years settles into cruising speed. While revenue will probably be on a par with 2013, operating profit is expected to increase slightly. Wool has become a niche business, accounting for just 1.6% of the worldwide textile fiber market. Over the long term, the increase in the Chinese middle class should create new opportunities. For now, the high-end apparel and sportswear markets are driving demand for fine, environmentally friendly wool. The premium brands in these segments insist on quality and traceability, with strong demand for social and environmental responsibility, which in particular means ensuring employee health and safety and caring about animal wellbeing. We can meet this demand thanks to the certification policy of our partners' combing mills, which allows them to deliver healthy, ecofriendly products. In fact, is there any fiber more renewable than wool.

FEDERICO PAULLIER
Managing Director
Chargeurs Wool

INVESTOR INFORMATION

CHANGES IN SHARE CAPITAL

	Number of convertible bonds	Number of shares	Share capital (in euros)[1]
January 1, 2013	**299,691**	**13,524,913**	**2,163,986.00**
New shares issued on bonds tendered for conversion in 2013	27,298	815,662	
January 1, 2014	**272,393**	**14,340,575**	**2,294,492.00**
New shares issued on bonds tendered for conversion in January and February 2014	20,161	623,741	
March 10, 2014	**252,232**	**14,964,316**	**2,394,290.56**

Number of shares held in treasury[2]	13,334	
Number of Chargeurs shares held by subsidiaries	0	
Number of Chargeurs shares held by employees[3]	0	

(1) Par value: €0.16 per share.
(2) Article L. 225-211 of the French Commercial Code.
Total cost: €230,851.35 representing an average price of €17.31 per share.
(3) Article L. 225-102 of the French Commercial Code.

Convertible bond issue

On March 12, 2010, Chargeurs carried out an issue of subordinated convertible bonds with pre-emptive subscription rights. This issue led to the creation of 415,083 convertible bonds with a face value of €55 each, maturing on January 1, 2016. The prospectus for the issue, which was approved by the AMF under visa number 10-044 on March 11, 2010, may be viewed on the websites of Chargeurs and the AMF.
http://www.chargeurs.fr/en/content/convertible-bond

CHANGES IN SHARE OWNERSHIP

Trading in Chargeurs shares by management or members of the Board

On November 20, 2013, Sofi Emy, a company controlled by Eduardo Malone, requested the conversion of 5,000 convertible bonds, giving rise to the creation of 149,400 new Chargeurs shares.

Shareholders owning more than 5% of the share capital

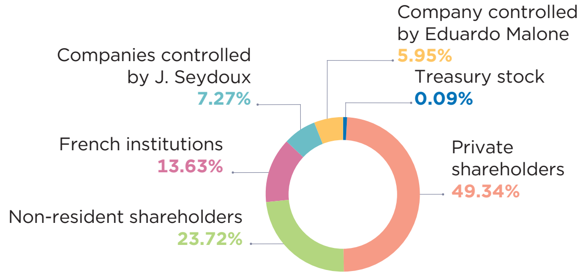
(as of December 31, 2013)	Number of shares	% of interest	% of voting rights
Pathé[1]	1,000,000	6.97	6.53
Ojej[1]	41,000	0.29	0.54
Jérôme Seydoux	1,341	0.01	0.02
Sofi Emy[2]	851,845	5.94	9.96
Eduardo Malone	1,163	0.01	0.02
Argos Investment Managers SA	1,226,800	8.55	8.01

(1) Company controlled by Jérôme Seydoux.
(2) Company controlled by Eduardo Malone.

Jérôme Seydoux, Eduardo Malone and the companies that they control together hold 13.22% of Chargeurs' capital and 17.05% of the voting rights, which are exercised in concert.

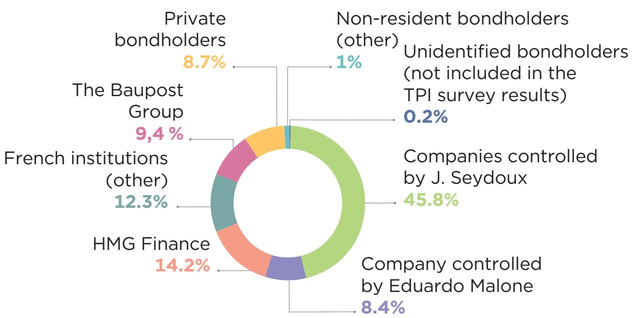
Ownership structure (% of total outstanding shares)

(based on the January 31, 2014 TPI securities ownership survey)



Holders of the 255,982 convertible bonds outstanding at January 31, 2014

(based on the January 31, 2014 TPI securities ownership survey)



DIVIDENDS

(article 47 of the act of July 12, 1965)

No dividend was paid in respect to 2011 and 2012. No dividend will be paid in respect to 2013.

STOCK MARKET DATA

Market listing

Chargeurs' shares and convertible bonds are traded on the NYSE Euronext Paris market under ISIN codes FR0000130692 – CRI and FR0010870931 – YCRI, respectively. The shares are eligible for the NYSE-Euronext-Paris Deferred Settlement Service, with long-only status, and for investment in PEA-PME equity savings accounts.

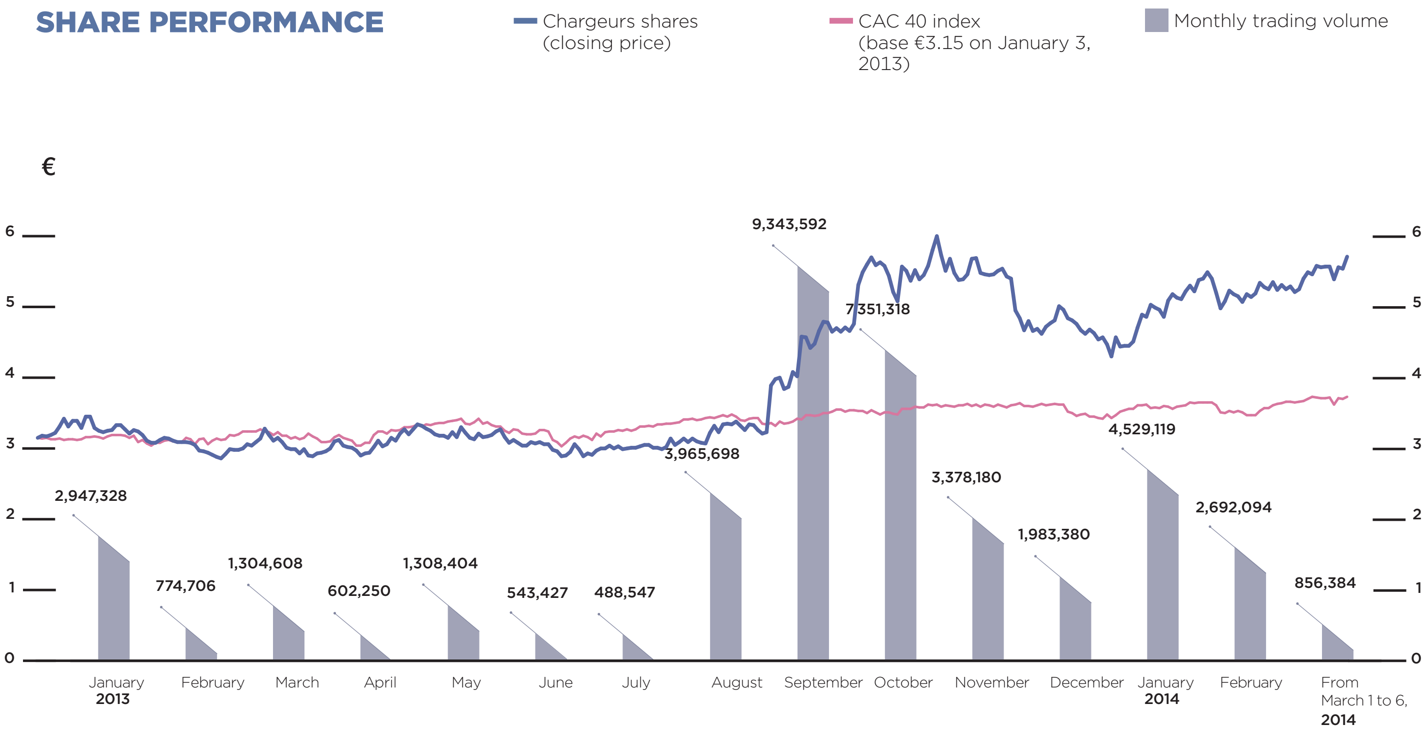
Listing of new shares

(see prospectus on convertible bonds, section 8.1.7)

Applications will be made periodically for admission to trading on NYSE Euronext Paris for the new shares issued on conversion of the bonds and payment of the stock-based coupon. Following these applications, said shares will be listed on a separate line from Chargeurs' existing shares.

The new shares will only rank pari passu with the Company's existing shares and be traded on the same line as the existing shares under the same ISIN Code – FR0000130692 – as from either (i) the start of trading on the day when the existing shares are traded ex the dividend to be paid for the fiscal year preceding that in which the exercise date occurs, or (ii) if no dividend is paid, the start of trading on the day following the Annual General Meeting held to approve the financial statements for that year.

SHARE PERFORMANCE



CORPORATE SOCIAL RESPONSIBILITY

In compliance with France's Grenelle II act, the following report describes how Chargeurs is addressing the impact of its operations on society and the environment, as well as its social responsibility commitments in favor of sustainable development.

For Chargeurs, corporate social responsibility primarily means the values demonstrated through the resources and action plans deployed to manage the present, so as to deliver superior short-term operating performance and returns, while securing its future and sustainability in businesses facing aggressive competition around the world.

Chargeurs has clearly explained its values so that everyone across the organization, regardless of their country or culture, has a framework to guide his or her decisions and behaviors. These values are the shared baseline for assessing managerial performance. Each executive, manager and contributor has therefore pledged to apply the behavioral and procedural principles described on page 5.

In addition, to support our corporate social responsibility process, standards specifying our CSR commitments have been formally prepared and distributed to every subsidiary. These standards have been extended by a reporting guide structuring the CSR reporting procedures, based on French decree no. 2012-557 dated April 24, 2012.

These internal documents help to guide the independent third party in reviewing our performance in the various CSR indicators. Persons wishing to consult the documents should contact the Corporate Communications Department at Chargeurs headquarters. The reporting guide will be updated every year to reflect latest reporting requirements and CSR indicators.

Chargeurs has commissioned PricewaterhouseCoopers (PwC) to serve as the independent third party tasked with reviewing the CSR data in this report.

CSR REPORTING PROCESS

From among all of the indicators listed in the French decree, the CSR reporting guide covers the relevant ones and those deemed by Chargeurs to be the most important and applicable. It clearly defines each one and, if appropriate, its calculation method.

Employee relations indicators concern employee numbers, compensation, employee relations, health and safety, training and equal opportunity. Although **all of the consolidated subsidiaries** are required to report these data, the breakdown of the workforce by age, the numbers of new hires and terminations, absenteeism rates and the number of employees with disabilities are reported only for the subsidiaries in France since these indicators are not tracked worldwide.

Concerning environmental issues, all of the production units report data for their organization, particularly regarding certification processes and the sustainable use of resources. Waste management data is reported only by the largest production units.

For social responsibility commitments to support sustainable development, the data reported by the businesses concern the Group and, for some data, only France.

Some decree indicators are not tracked due to the limited impact of the Group's operations in the following areas: 1) noise pollution, 2) land use, 3) measures to adapt to climate change, 4) measures to safeguard biodiversity, 5) the regional impact of the Company's operations on neighboring communities, 6) philanthropic actions, 7) other actions undertaken to promote human rights and other ILO fundamental conventions.

As the aim of the CSR process is to drive continuous improvement, the relevance of each issue and exclusion will be reviewed each year.

LIMITATIONS OF SCOPE

As indicated above, certain employee relations indicators, notably concerning hirings, terminations and absenteeism, are limited to France because these data are not tracked at the corporate level. Given its decentralized organization, Chargeurs feels that their management is the sole responsibility of the local teams.

In the case of environmental data, greenhouse gas emissions from the burning of natural gas were reported only by the Protective Films business in 2013. In 2014, the reporting process will be extended to the Interlining business and will cover total emissions. Data reported in 2013 for volatile organic compound emissions and waste treatment sometimes revealed disparities in calculation methods or tracking procedures in certain countries, where standards are not as defined as in France. The Interlining business therefore decided to report such data only from its operations in France. In 2014, these reporting procedures have been included in the continuous improvement plan.

EMPLOYEE INFORMATION

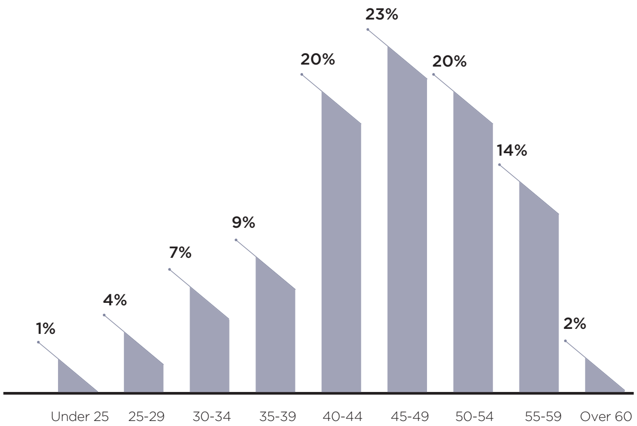
WORKFORCE

As of December 31, 2013, the Group employed 1,570 people, 13.3% fewer than at year-end 2012, primarily due to the 170-person decline in the Chargeurs Wool workforce after a combing unit in China was accounted for by the equity method. Reorganization measures undertaken by Chargeurs Interlining also led to the departure of 65 people.

For the entire Group, Asia now accounts for 34.3% of the total workforce, with the 357 employees in China representing 22.7% of the total versus 29.5% at end-2012. France is home to 32.5% of the total. The table of human resources indicators on page 18 analyzes the workforce by region and business.

Temporary staff represented 2.5% of employees on payroll, compared with 2.4% in 2012.

Age pyramid at units in France



The French units reported 34 hirings and 32 separations during the year, for a net increase of two people compared with a net decline of 38 in 2012.

ORGANIZATION OF WORK

Chargeurs complies with working hours legislation in every host country, while continuously seeking to align workforce management with its needs.

Absenteeism (excluding maternity leave, vacation and unpaid leave): total absenteeism in the French units stood at 11 days per person in 2013, based on moving average headcount at year-end. This indicator is not tracked outside of France.

EQUAL OPPORTUNITY

Women accounted for 27% of the consolidated workforce. In the businesses, the proportion was 41% at Chargeurs Wool, 31% at Chargeurs Interlining and 17% at Chargeurs Protective Films. Women also represented 22% of managers worldwide and 20% of the Executive Committee and Board of Directors. In the years ahead, measures will be pursued to promote women in positions of responsibility.

The worldwide management population currently counts 23 different nationalities. Because the Group prefers to hire local managers whenever possible, the number of expatriates is very low.

Disabled employees accounted for 6% of the workforce in the French subsidiaries.

HEALTH AND SAFETY

As part of our risk management strategy, the Managing Directors of the subsidiaries have signed the Chargeurs Safety Charter, which encourages proactive behavior and progress towards meeting multi-year objectives. In particular, the risk management strategy is deployed through careful vigilance at every stage in the operating process. The health and safety data concern all of the production units.

The lost-time frequency rate stood at 14.8 in 2013, compared with 13.1 in 2012 at comparable scope of reporting, while the severity rate came to 0.6, versus 0.7 the year before. The increase in the frequency rate primarily reflected a more accurate accounting for workplace accidents, which are now recorded as soon as they result in at least one day of lost-time.

At Chargeurs Protective Films, the frequency rate was 19.9 and the severity rate was 0.86, compared with chemical/rubber/plastic industry(1) averages of 19.3 and 1.1, respectively.

In the textile businesses, the average worldwide frequency rate stood at 12.9, compared with 30.8 for the textile industry in France(1), where safety regulations are often stricter than in other countries. The severity rate of 0.49 was well below the industry average of 1.7. In the French units, eight employees suffered from an occupational disease. This indicator is not tracked outside of France.

Safety training accounted for 25% of total Group-wide training hours in 2013.

In Bangladesh, our shirt interlining production unit is safety inspected once a year, and no accidents have been reported there since 2008.

(1) Source: www.RisquesProfessionnels.Ameli.fr.

Safety agreement signed. In China, a Chargeurs Interlining production unit has signed a special safety agreement.

TRAINING

Corporate management remains assertively committed to developing employee skills through training policies and programs deployed by unit chief executives, in line with our decentralized management structure. The percentage of employees attending a training course rose to 54% in 2013 from 40% in 2012, lifted by (i) the safety training courses, which were sometimes attended by all of a production facility's employees and (ii) comparison with a smaller scope of reporting in 2012. As a result, the average amount of training declined to 19 hours per person from 34 in 2012. This also reflected the fact that the increase in output left employees with less time for training. In all, 16,178 hours of training were conducted during the year.

The Chargeurs Interlining production units in France continued to offer the training curricula set up several years ago to broaden the capabilities of production operators and enhance their employability in a mature textile industry that is losing jobs in Europe.

In the same way, the two European Protective Films production units are encouraging operators to acquire new skills.

EMPLOYEE RELATIONS

While respecting its decentralized organization, Chargeurs remains committed to promoting social dialogue, especially with employee representatives. These are present in the three main Chargeurs Protective Films units and the Chargeurs Interlining units with more than 50 employees worldwide. In France, the proportion of union representatives has held steady for many years and stands at 5.39%. Moreover, in Europe the French Group Works Council and the European Committee for Social Dialogue are helping to promote the constructive exchange of views between the Executive Committee and the French and European employee representatives.

CORPORATE AGREEMENTS

Every year, the French units conduct negotiations on the annual pay round, the cross-generation contract and the three-year discretionary profit-sharing agreement (for Novacel). Subsidiaries outside France have signed agreements on the organization of working hours and/or compensation, depending on the country. In all, twenty agreements were signed in Group units in 2013.

COMPENSATION

Chargeurs' commitment to decentralization also applies to the management of human resources and compensation, in compliance with local legislation. In several subsidiaries, compensation levels are set by internal agreements.

A significant proportion of managers receive performance-related bonuses, in line with our value creation strategy.

Directors' and officers' compensation

The information below has been prepared based on the recommendations in the Corporate Governance Code for Small- and Mid-caps published by Middlenext in December 2009.

Eduardo Malone joined the Chargeurs Group on July 1, 1973 and held various positions before being appointed Chairman and Chief Executive Officer, when his employment contract was suspended. The gross base compensation paid to Mr. Malone in his capacity as Chairman and Chief Executive Officer totaled €452,894 in 2013 and €522,825 in 2012.

The total amount included €350,000 in salary, €91,469 in fees for directorships held with Group subsidiaries, unchanged in both cases from 2012. It also included the use of a company car valued at €11,425 (versus €11,356 in 2012). Because of the losses incurred in 2012, no bonus was paid to Mr. Malone in respect to that year.

Compensation paid to the Chairman and Chief Executive Officer by Group companies is set by the Board of Directors. His incentive bonus represents a percentage of his base salary, contingent on consolidated earnings performance. Given the net profit reported in 2013, an incentive bonus will be determined and paid to Mr. Malone in 2014.

Martine Odillard joined the Chargeurs Group on October 8, 1979 and held various positions before being appointed Chief Operating Officer, when her employment contract was suspended. The gross base compensation paid to Mrs. Odillard in her capacity as Chief Operating Officer totaled €591,186 in 2013, compared with €590,637 in 2012.

The total amount included €400,000 in salary and €65,000 in fees for directorships held with Group subsidiaries. It also included the use of a company car valued at €6,186 in 2013 (versus €5,637 in 2012) and an incentive bonus of €120,000 in respect of the performance of the corporate support services she leads as Chief Operating Officer. This bonus was lower than the previous year's due to the losses reported in 2012.

The compensation paid to the Chief Operating Officer by Group companies is set by the Board of Directors. Her incentive bonus is contingent on meeting the following objectives: (i) consolidated earnings performance and (ii) the performance of the corporate services she leads as Chief Operating Officer, as measured against the objectives set at the beginning of the year. In light of the consolidated earnings for the year and the performance of the corporate services she leads as Chief Operating Officer, Mrs. Odillard will be paid a bonus in respect of the year.

Neither Mr. Malone nor Mrs. Odillard has a supplementary pension plan or is entitled to a no-compete indemnity if they leave the Group. No commitment has been undertaken to pay them compensation for loss of office. In addition, neither one has been granted stock options or performance shares.

The total fees awarded to the members of the Board of Directors in 2013 amounted to €32,500, with each of the members receiving an equal share prorated on length of their term of office. The Chairman and Chief Operating Officer did not receive any fees in their capacity as directors of Chargeurs SA.

HUMAN RESOURCES INDICATORS

EMPLOYEES	Definition	Measurement unit	Scope	12/31/2012	12/31/2013
Total employees	Employees on the payroll at December 31	Employees under permanent and fixed-term contracts	World	1,811	**1,570**
Use of temporary staff	Temporary staff	% of total employees under permanent and fixed-term contracts	World	2.4%	**2.5%**
Employees by business	Group employees	– Headquarters	World	12	**12**
		– Chargeurs Protective Films	World	526	**520**
		– Chargeurs Interlining	World	1,081	**1,016**
		– Chargeurs Wool	World	192	**22**
Employees by region	Group employees		France	511	**510**
			Rest of Europe	271	**250**
			Asia	764	**539**
			Americas	265	**271**
	Chargeurs Protective Films		Europe	80%	**80%**
			Asia	5%	**5%**
			Americas	15%	**15%**
	Chargeurs Interlining		Europe	31%	**32%**
			Asia	52%	**50%**
			Americas	17%	**18%**
	Chargeurs Wool		Europe	0%	**41%**
			Asia	88%	**18%**
			Americas	5%	**41%**
Gender parity	Group employees	Number of men	World	1,287	**1,151**
		Number of women	World	524	**419**
		Percentage of women	World	28.9%	**26.7%**

TRAINING	Definition	Measurement unit	Scope	12/31/2012	12/31/2013
Numbers of persons trained	Employees who attended at least one training course	% of total employees	World	40%	**54%**
Training hours	Time spent in training by employees who attended at least one training course	Average training hours per person	World	34 h	**19 h**

SAFETY	Definition	Measurement unit	Scope	12/31/2012	12/31/2013
Accidents	Frequency rate: number of occupational accidents per million hours worked	Occupational accidents resulting in at least one day lost time	World	13.1	**14.8**
Absenteeism due to occupational accidents	Severity rate: number of days' absence per thousand hours worked	Days lost due to an occupational accident	World	0.7	**0.6**

The two safety ratios have been calculated on the basis of only workplace accidents, excluding commuting incidents.
The 2012 ratios have been restated pro forma based on the 2013 scope of reporting.

COMPENSATION	Definition		Scope	2012*	2013
Payroll costs	Annual payroll costs recorded in the accounts (in euro millions)	Employees of fully consolidated companies worldwide	World	76.5	**68.9**

* 2012 figures are stated as reported.

SOCIAL RESPONSIBILITY COMMITMENTS

Our regional, economic and employment impact is analyzed solely in terms of jobs created and local economic development due to the business operations of our units. The analysis of jobs created by business and region may be found on pages 15 and 18, above.

RELATIONS WITH LOCAL ORGANIZATIONS

In France and in the foreign subsidiaries, our relations with local organizations, sub-contractors and suppliers must comply with the Chargeurs values built into the objectives set for every manager. In particular, these include creating value for our customers, employees and shareholders, respecting people and property and supporting fair and honest business practices. In addition, a specific, detailed code of ethics has been compiled for the Interlining business.

Our management organization combines decentralization and empowerment, so that local management is responsible for relationships with schools and universities, trade federations and other local organizations.

In France, for example, Novacel, LP BC and DHJ International are deeply involved in the local, national and even international industrial environment through their support for general, business and trade schools (via the French apprenticeship tax), their partnerships with various universities, technical laboratories and innovation clusters, and their participation in national and international trade federations.

Chargeurs has long forged dedicated partnership agreements in its businesses. This is particularly the case for Chargeurs Interlining and Chargeurs Wool. In 2012 and 2013, the partial disposals of combing mills in Uruguay, Argentina and China reduced Chargeurs Wool's stake in these units, which are now accounted for by the equity method. Nevertheless, the trust, respect and open communication demonstrated in these relationships mean that we can guarantee the reliability and quality of the delivered products.

SUBCONTRACTORS AND SUPPLIERS

Relations with subcontractors and suppliers are guided by the values and procedural principles that every unit manager has pledged to uphold.

Subcontracting may be used by the businesses to enable them to focus on their core competencies. In the case of Chargeurs Wool, this has led to agreements with the partner combing mills to ensure the traceability of wool labeled Öko-Tex® Standard 100 and Global Organic Textile Standard (GOTS), thanks to their CSR commitments and OHS 18000 and/or ISO 14001 and ISO 9001 certifications.

The purchasing policies applied by the businesses are focused on meeting our customers' demanding standards of quality, reliability and competitiveness, so as to maintain the quality of our value-added product portfolio.

For Chargeurs Protective Films, nearly all of the raw materials sourced in 2013 by its French unit came from companies or corporations that either affirm a formal CSR commitment or have demonstrated the quality of their operations.

For Chargeurs Interlining, the main expectations of its garment-maker customers concern product quality and the assurance that the interlinings are harmless, and our units' are capable of providing Öko-Tex® Standard 100 certification, including the highly demanding class 1 certification for products that could come into contact with a baby's skin.

MEASURES TO PROMOTE CONSUMER HEALTH AND SAFETY

Chargeurs Protective Films is deeply involved in the CSR process. The two European units are certified ISO 14001 and can demonstrate to customers their compliance with European REACH legislation. Protective films are designed for the temporary protection of surfaces at every stage of the production process and are not intended for sale to consumers. As mentioned above, Chargeurs Interlining and Chargeurs Wool offer their garment-maker and spinning-mill customers products that carry the Öko-Tex® Standard 100 label and comply, in the case of Chargeurs Interlining, with the European REACH Directive.

FAIR AND HONEST BUSINESS PRACTICES

The bedrock of our ethical practices and operating procedures, fair and honest business practices are one of the principles inscribed in the commitments signed early in the year by every Group manager. This commitment is supported by the close relationships between the corporate business teams and their subsidiaries, as demonstrated by the regular visits to host countries by senior executives and by members of the corporate finance and human resources departments.

ENVIRONMENTAL REPORT

The Protective Films and Wool businesses have long been involved in managing environmental issues, as attested by the ISO 14001 and ISO 9001 certifications earned by their leading production facilities and partner combing mills, as well as the OHSAS 18001 occupational health and safety management certification awarded to the Italian Protective Films unit. These certification processes also cover employee awareness building and training.

In the Interlining business, several subsidiaries are deploying a certification process. In addition, the business supplies products that comply with the European REACH Directive and are certified according to the Öko-Tex® Standard 100, an eco-label that guarantees that textiles are harmless to human health (especially class 1 products that could come into contact with a baby's skin).

In 2013, environmental data were reported from 11 production facilities operated by the Group during the year, of which three Chargeurs Protective Films facilities and eight Chargeurs Interlining facilities. These raw data were then used to calculate indicator performance for the year. Most of the data reported below are expressed on a unit-of-production basis, corresponding to one million square kilometers of film for the Protective Films business and a square kilometer of interlining textile for the Interlining business.

For the reporting facilities, the same criteria have been applied as in 2012, allowing direct year-on-year comparisons. No subsidiary is required to report greenhouse gas emissions data. However, a more meaningful indicator is volatile organic compound (VOC) emissions, which have been reported since 2003. Nevertheless, since 2012, the Protective Films business has also reported its greenhouse gas emissions calculated on the basis of natural gas consumption. The reporting of greenhouse gas emissions data will be extended to all of the production sites next year. The two businesses report data concerning the waste disposal methods used on the largest production sites.

Every year, Chargeurs invests in research designed to reduce its use of energy, water and other resources. These programs will be pursued in 2014. Several units also already recycle their packaging waste.

AMOUNT OF PROVISIONS AND GUARANTEES FOR ENVIRONMENTAL RISKS

None.

CHARGEURS PROTECTIVE FILMS

Energy and water use

Energy used per unit of production declined by 8.4%, mainly due to the installation of a new incinerator in Italy. An additional unit installed on a production line in France will drive further energy savings in 2014.

The water use ratio rose by 15.5%, primarily in a steam production and cooling unit on a coating line in the United States, whose settings have since been corrected.

Energy use
in MWh/km²

Water use
in m³/km²

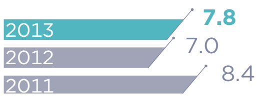
Raw materials use

The primary raw material is polyethylene, an oil derivative. In recent years, R&D programs have enabled the production of thinner films that use less raw material while delivering greater technical performance.

Waste production

The amount of non-hazardous waste rose slightly over the year due to the increase in slit volumes at the Déville-lès-Rouen plant and the scrapping of unused test rolls. The proportion of hazardous waste declined after reconfiguration of production parameters which enabled the increased use of certain by-products.

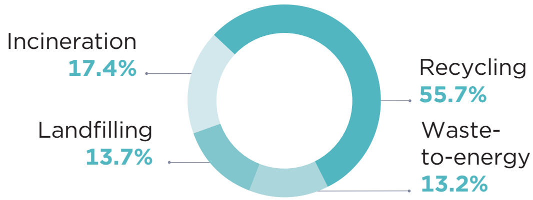
Non-hazardous waste
in t/km²



Hazardous waste
in t/km²

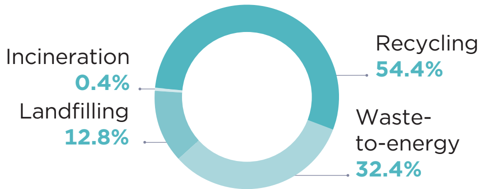
Waste disposal method

2013



Under new legislation the incineration of certain waste may no longer be classified as waste-to-energy disposal due to their low heating value.

2012



Volatile organic compound (VOC) emissions

The VOC emissions ratio rose by 7.9% due to the increase in film produced in the European plants using a technology that emits more VOCs.

NB: the 2013 ratio is an estimate because the Italian production facility will report its actual emissions data only in April 2014.

VOC emissions
in t of carbon/km²

Greenhouse gas emissions

At Chargeurs Protective Films, greenhouse gases are primarily generated by burning natural gas for heating and in the production process. In 2013, their ratio fell by a sharp 15.3% over the year, led by the replacement of a VOC incinerator in Italy.

GHG emissions
in t/km²

Environmental initiatives and management

There is a one full-time environmental, health and safety manager in France and one person employed part-time in Italy. During the year, the French plant maintained its ISO 14001 and ISO 9001 certifications, while the Italian plant maintained its ISO 14001, ISO 9001 and OHSAS 18001 certifications.

Compliance with REACH legislation

In 2013, the European units of the Protective Films businesses verified that none of their chemicals contained any substances of very high concern (SVHC) in concentrations exceeding 0.1% w/w. Compliance information may be provided to customers on request.

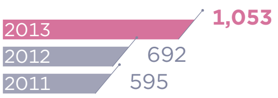
CHARGEURS INTERLINING

Energy and water use

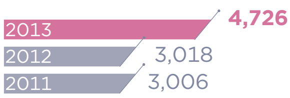
Energy and water used per square kilometer of textile rose in 2013, primarily due to the worldwide reporting of more comprehensive data. In the case of three units, for example, energy use data covered both power and gas, whereas only power consumption was reported in 2012.

In addition, specialization of production facilities in more premium market segments is leading to production runs that are shorter with lower output overall, but which require greater care, slower machine operation and the use of more dye water.

Energy use
in MWh/km²



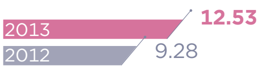
Water use
in m³/km²



Waste production

Due to national disparities in waste traceability, only French units were asked to report waste production and disposal method data in 2013. The production of non-hazardous waste rose during the year due to a change in the scope of reporting, whereby unused production assets were recovered and recycled as waste.

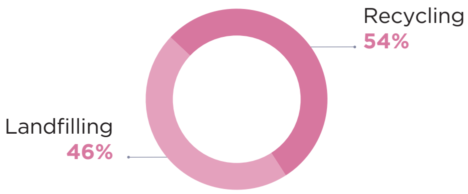
Non-hazardous waste
in t/km²



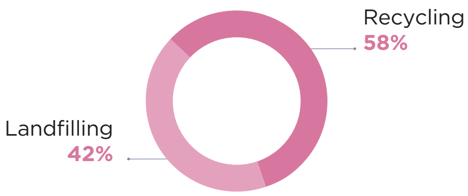
Hazardous waste
in t/km²

Waste disposal method

2013



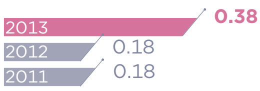
2012



Volatile organic compound (VOC) emissions

VOC emissions data are reported by four of the leading facilities, which together account for 57% of production[(1)]. A more comprehensive reporting procedure has been included in the continuous improvement plan.

VOC emissions
in kg of carbon/km²



(1) LP BC, DHJ International, LP Wujiang and Entretelas Americanas.
2012 and 2011 data are presented at comparable scope of reporting.

Environmental initiatives and management

In 2013, an average of more than one employee per site was assigned to environmental, health and safety management. The main French unit, LP BC, is certified ISO 9001.

Compliance with REACH legislation

In 2013, the European units of the Interlining businesses verified that their suppliers had pre-registered all of the chemicals they use and that none of these chemicals contained substances of very high concern (SVHC) in concentrations exceeding 0.1% w/w. All of the compliance information may be provided to customers on request.

INDEPENDENT VERIFIER'S REPORT ATTESTING TO THE CONSOLIDATED CORPORATE SOCIAL RESPONSIBILITY INFORMATION PRESENTED IN THE MANAGEMENT REPORT

For year ended December 31, 2013

This is a free translation into English of the Statutory Auditors' 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,

In our capacity as Statutory Auditor of Chargeurs, appointed as an independent third party whose certification request has been approved by Cofrac, we hereby report to you on the consolidated corporate social responsibility information for the year ended December 31, 2013, presented in the management report (hereinafter the "CSR Information"), in accordance with article L. 225-102-1 of the French Commercial Code (*Code de Commerce*).

RESPONSIBILITY OF THE COMPANY

The Board is responsible for preparing the Company's management report including CSR Information in accordance with the provisions of article R. 225-105-1 of the French Commercial Code and with the reporting guide used by the Company (hereinafter the "Guidelines"), summarised in the management report and available on request from the Company's head office.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory texts, the French code of ethics governing the audit profession and the provisions of article L. 822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the codes of ethics, professional auditing standards and applicable legal and regulatory texts.

RESPONSIBILITY OF THE STATUTORY AUDITORS

On the basis of our work, it is our responsibility to:

- Certify that the required CSR Information is presented in the management report or, in the event that any CSR Information is not presented, that an explanation is provided in accordance with the third paragraph of article R. 225-105 of the French Commercial Code (Statement of completeness of CSR Information);
- Express limited assurance that the CSR Information, taken as a whole, is, in all material respects, fairly presented in accordance with the Guidelines (Reasoned opinion on the fairness of the CSR Information).

Our work was carried out by a team of five people between February 2014 and March 2014 and took around eight weeks. We were assisted in our work by our specialists in corporate social responsibility.

We performed our work in accordance with the professional auditing standards applicable in France, with the decree of May 13, 2013 determining the conditions in which the independent third party performs its engagement and for the reasoned opinion on fairness, with ISAE 3000[(1)].

I – Statement of completeness of CSR Information

We conducted interviews with the relevant heads of department to familiarise ourselves with sustainable development policy, according to the impact of the Company's activity on employee relations and the environment, of its social commitments and any action or programmes related thereto.

We compared the CSR Information presented in the management report with the list provided for by article R. 225-105-1 of the French Commercial Code.

For any consolidated Information that was not disclosed, we verified that the explanations provided complied with the provisions of article R. 225-105, paragraph 3 of the French Commercial Code.

We ensured that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by article L. 233-1 and the entities it controls as defined by article L. 233-3 of the French Commercial Code within the limitations set out in the CSR reporting process presented in the corporate social responsibility section of the management report.

Based on this work and given the limitations mentioned above, we attest to the completeness of the required CSR Information in the management report.

II – Reasoned opinion on the fairness of the CSR Information

Nature and scope of our work

We conducted around ten interviews with six people responsible for preparing the CSR Information in the departments charged with collecting the information and, where appropriate, the people responsible for the internal control and risk management procedures, in order to:

- Assess the suitability of the Guidelines in the light of their relevance, completeness, reliability, impartiality and comprehensibility, and taking good market practice into account when necessary;
- Verify the implementation of a data-collection, compilation, processing and control procedure that is designed to produce CSR Information that is exhaustive and consistent, and familiarise ourselves with the internal control and risk management procedures involved in preparing the CRS Information.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information in the light of the nature of the Company, the social and environmental challenges of its activities, its sustainable development policy and good market practice.

With regard to the CSR Information that we considered to be the most important (precised in appendix):

- At parent entity level, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organization, policy, action), we followed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data and we verified their consistency and concordance with the other information in the management report;
- At the level of a representative sample of sites selected by us[2] by activity, contribution to the consolidated indicators, location and risk analysis, we conducted interviews to ensure that procedures are followed correctly and to identify any undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents. The selected sample represents 26% of headcount and between 44% and 68% of quantitative environmental data.

For the other consolidated CSR Information, we assessed consistency based on our understanding of the Company.

We also assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part in the light of good professional standards set out in the Global Reporting Initiative.

We believe that the sampling methods and sample sizes used, based on our professional judgement, allow us to express limited assurance; a higher level of assurance would have required us to carry out more extensive work. Because of the use of sampling techniques and other limitations intrinsic to the operation of any information and internal control system, we cannot completely rule out the possibility that a material irregularity has not been detected.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly, in all material respects, in accordance with the Guidelines.

French original signed by:

Neuilly-sur-Seine, April 2, 2014

One of the Statutory Auditors	
PricewaterhouseCoopers Audit	Partner Corporate Social Responsibility Department
Gérard Morin	Thierry Raes

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.
(2) Novacel and Lainière de Picardie (LP BC).

APPENDIX: CSR INFORMATION THAT WE CONSIDERED TO BE THE MOST IMPORTANT

Employee information

- Total workforce and distribution of employees by sex, age and geographic area.
- Hires and dismissals.
- Health and safety conditions.
- Work accidents, in particular frequency and gravity as well as work disease.
- Training policy.
- Total number of training hours.
- Equality of opportunity and treatment.

Environmental information

- Company organization to take into account environmental issues and eventually, assessment and certification actions in terms of environment.
- Training and informing actions towards employees in terms of environment protection.
- Means dedicated to environmental risks and pollution prevention.
- Measures to prevent, reduce or put right discharges in the air, water and soil causing important damage to the environment.
- Measures to prevent, recycle and eliminate waste.
- Water consumption and supply according to local constraints.
- Raw materials consumption and measures taken to improve the efficiency of their use.
- Greenhouse effect gas emissions.

Social responsibility commitments information

- Relationships with the people and organizations interested by the Company activity, particularly integration associations, education institutions, environment protection associations, consumers associations and local people: conditions of relationship with people and organizations.
- Inclusion of social and environment issues in the purchase policy.
- Importance of subcontracting and inclusion in the relationships with suppliers and subcontractors of their social and environmental responsibility.
- Measures taken in favour of consumer's health and safety.

CHAIRMAN'S REPORT ON CORPORATE GOVERNANCE AND INTERNAL CONTROL

This report is presented to the Annual General Meeting of Chargeurs on April 30, 2014, pursuant to article L. 225-37 of the French Commercial Code. It was submitted to the Audit Committee for review on March 6, 2014 and was approved by the Board of Directors on the same date.

REFERENCES

The Board of Directors has decided to use the Corporate Governance Code for Small- and Mid-cap companies published by Middlenext in December 2009 as Chargeurs' reference for corporate governance practices and procedures, and particularly for the preparation of this report. This Code can be downloaded from the Middlenext website (in French only).

Chargeurs' risk management and internal control practices and procedures are based on the general principles defined by the French securities regulator (*Autorité des Marchés Financiers*) in its July 22, 2010 document entitled *"Cadre de référence sur les dispositifs de gestion des risques et de contrôle interne : guide de mise en œuvre pour les valeurs moyennes et petites"*, which provides risk management and internal control reference guidelines for small- and mid-cap companies.

Chargeurs has been gradually implementing the recommendations contained in the Middlenext Code and intends to continue this process. In line with this, the members of the Board of Directors have been informed of the items included in the *"Points de vigilance"* ("Points to be watched") sections of the Code, which set out the main issues to be addressed in order to ensure that the Company's governance system operates smoothly. In addition, in accordance with AMF recommendation 2013-20 issued on November 18, 2013, the Chargeurs annual report contains a summary table setting out the recommendations in the Code that are not relevant to the Company or which the Company has elected not to apply.

CORPORATE GOVERNANCE

GOVERNANCE STRUCTURE

Chairman and Chief Executive Officer

At its meeting of April 30, 2013, the Board of Directors renewed Eduardo Malone's term as Chairman and Chief Executive Officer.

Limitations of power

Internally, the Chairman and Chief Executive Officer must ensure that he has the approval of the Board of Directors to grant guarantees before making commitments on behalf of the Company, except in the event that the Board of Directors has expressly delegated power within the limits defined in articles L. 225-35 and R. 225-28 of the French Commercial Code.

Chief Operating Officer

At its meeting of April 30, 2013, the Board of Directors renewed Martine Odillard's term as Chief Operating Officer.

Limitations of power

Internally, the Chief Operating Officer must ensure she follows the Chairman and Chief Executive Officer's instructions and must seek his approval or validation for transactions outside the scope of routine management before making commitments on behalf of the Company.

Change in governance structure

At its meeting on March 6, 2014, the Board of Directors decided to opt for a new organization by separating the functions of Chairman of the Board of Directors and Chief Executive Officer, in line with the Company's bylaws. Following this, Martine Odillard was appointed Chief Executive Officer of the Company effective March 7, 2014 and Eduardo Malone was reconfirmed as Chairman of the Board of Directors.

BOARD OF DIRECTORS

Members

The membership of the Board of Directors is presented in the "Corporate governance" section of the annual report.

At December 31, 2013, the Board comprised five Directors, including the Chairman and the Chief Operating Officer. On May 5, 2011, the Annual General Meeting had approved a resolution put forward by the Board of Directors to appoint a woman to the Board (Martine Odillard).

Based on the independence criteria set out in the Middlenext Code and adopted by Chargeurs, the Board includes two independent Directors: Giuseppe Pirola and Georges Ralli. The Board of Directors has an international profile, with three non-French members (an Argentine, a Belgian and an Italian).

In accordance with AMF recommendation 2013-20 issued on November 18, 2013, the annual report includes a summary table setting out changes in the Board of Directors' membership during 2013, as well as the independent status of each Director as assessed using the independence criteria contained in the Middlenext Code.

The Board does not have any members representing either employee shareholders or employees in general, as the Company's headcount is below the thresholds specified in articles L. 225-23 and L. 225-27-1 of the French Commercial Code that trigger the requirement for such Board members.

Organization of the work of the Board of Directors

The Board of Directors meets at least four times a year: twice to examine the interim and annual financial statements, once to review Group strategy in relation to the budget and business plan and once after the Annual General Meeting to implement the decisions voted by shareholders. At each meeting, the Directors also discuss the Group's business performance, major projects and the matters submitted to the Board for a decision.

As the Board of Directors' roles and responsibilities and main operating procedures are set out in the Company's bylaws, the Board considers that it does not require specific rules of procedure. The Directors receive in a timely manner the information required for them to make an informed contribution to the Board's discussions. They may also ask the Chairman and Chief Executive Officer and/or the Chief Operating Officer to give them any additional information they may consider useful for performing their duties. The Chief Executive Officer or the Chief Operating Officer regularly provides the Board with competitor analyses and updates on market trends. In addition, at the Board meeting on the provisional accounts and the budget, the heads of Chargeurs' businesses review their operations and present the outlook for each unit concerned.

Compensation paid to the Chairman and Chief Executive Officer by Group companies is set by the Board of Directors and comprises a fixed and variable component. The variable portion represents a percentage of the base amount and is contingent on meeting performance conditions concerning the Group's financial results.

Compensation paid to the Chief Operating Officer by Group companies is also set by the Board of Directors and likewise comprises a fixed and variable component. The variable portion is contingent on meeting performance conditions based on both the Group's financial results and on targets set at the beginning of each year for the Chief Operating Officer's areas of responsibility.

The total amount of Directors' fees allocated in 2013 amounted to €32,500, with each of the members receiving an equal share but determined on a proportionate basis to their length of time in office, except for the Chairman and the Chief Operating Officer who do not receive any fees in their capacity as Directors of Chargeurs.

The Board met four times in 2013 with an average attendance rate of 86%. Each meeting lasted two hours on average.

The Board did not carry out a formal self-assessment of its work and procedures in 2013. However, the Directors discussed these issues at various times during the year, therefore complying with the overall objectives of the Middlenext Code's recommendations.

AUDIT COMMITTEE

At its meeting on December 3, 2009, the Board set up an Audit Committee in application of article L. 823-19 of the French Commercial Code. In 2013, the Audit Committee comprised two Directors – Guiseppe Pirola, Chairman, and Salim Meir Ibrahim until April 30, 2013 then Georges Ralli thereafter. The Group considered this membership structure appropriate in view of the skills and experience of each of the Committee's members. The Audit Committee has its own rules of procedure that set out its roles and responsibilities and its operating processes.

The Audit Committee meets at least twice a year, before the Board meetings held to approve the publication of the annual and interim financial statements. It is tasked with assisting the Board in its role of approving the annual and interim financial statements of the parent company and the Group and preparing information to be disclosed to shareholders and the markets. It monitors the procedures used for Chargeurs' financial reporting process and ensures that the Group's internal control and risk management systems are effective. The Audit Committee also oversees the Statutory Auditors' audit of the financial statements of the parent company and the Group, and verifies the Auditors' independence.

The Audit Committee Chairman reports to the Board on the Committee's work on a regular basis.

The Audit Committee met twice in 2013. During these meetings it examined (i) the process for preparing the financial statements for first-half 2013, (ii) the Statutory Auditors' assignments and fee proposal, (iii) the Company's corporate social responsibility (CSR) guidelines and action plans, to which it paid particular attention in view of the increasing importance of CSR and the numerous recent developments in the area, and (iv) Chargeurs' internal control and risk management systems.

When determining the roles and responsibilities of the Audit Committee, the Company referred to the report of the AMF Working Group on Audit Committees, which was issued in 2010 and can be viewed on the AMF's website at http://www.amf-france.org.

INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

Definition and objectives of internal control

Internal control is a system that a company defines and implements under its own responsibility to provide reasonable assurance concerning:

– Compliance with laws and regulations.
– Implementation of the instructions and guidelines set by senior management or the Board of Directors.
– Efficient operation of the Company's internal processes, particularly those contributing to the protection of its assets.
– Reliability of financial reporting.

More generally, it contributes to the control of the Company's businesses, the effectiveness of its operations and the efficient use of its resources.

By helping to anticipate and control risks that could prevent the Company from meeting its objectives, internal control plays a key role in managing and overseeing its various business operations.

Scope of internal control

The Group is organized around a lean holding company (Chargeurs) and three core businesses (Chargeurs Protective Films, Chargeurs Interlining and Chargeurs Wool), each with its own holding company and operating subsidiaries.

Components of internal control

An efficient organization

Empowering the operating companies is a fundamental principle at Chargeurs. At the same time, efficient information systems have been deployed to provide the holding company with (i) high quality financial information; (ii) detailed understanding of how the businesses work and how they generate earnings and cash; and (iii) the ability to swiftly identify risks.

In recent years, this third issue has become increasingly critical with the development of the Chargeurs management model, which uses such asset financing techniques as factoring and lease financing. The model is based on obtaining accurate information about risks so that they can be actively managed. For the implemented financial structures to operate effectively, it is essential to analyze and eliminate a large number of risks. At the same time, such transactions, designed with risk management professionals like insurers, banks and investors, automatically bring with them the controls that are a standard feature of asset financing.

Chargeurs is engaged in several very different businesses and has operations around the world. To take into account this diversity and the specificities of the management model, organizational measures have been put into place to manage the risks that could have a material adverse effect on earnings, assets and commitments. The cornerstones of the system are:

– Empowerment and accountability: the Chairmen and Managing Directors of the subsidiaries have full responsibility for managing their units.
– Short lines of communication.
– Regular reporting on strategic issues.
– Group insurance programs covering all insurable risks.
– An Insurance Manager for each core business.
– Shared operating procedures and rules.
– Corporate Social Responsibility (CSR) teams at both Group line and in each business (set up during 2013).

An information system focused on accountability

Chargeurs' information system is based on the monthly income statements and key balance sheet indicators reported by each of our 64 consolidated companies.

Reflecting our deep-rooted culture of producing high-quality financial information, we were one of the first companies in France to set up a monthly management reporting system fully aligned with the accounting standards used to produce the statutory and consolidated financial statements.

Over the years, this process has been improved and, for several years now, management and statutory reporting data have been managed by the same information system. With the generation of the consolidated accounts now simply the last phase in the process, this ensures constant control over the production of financial information.

In addition, since 2010, our financial controllers have used a highly efficient reporting and consolidation software application perfectly suited to Chargeurs' current business and structure.

Each subsidiary's Managing Director and Finance Director sends me comments on their monthly results, presented in a standard format.

I review these results, together with the updated annual forecasts reflecting the impact of any significant new developments, during monthly meetings with the Managing Directors of the core businesses.

A system to map, analyze and deal with the main identifiable risks

The Executive Committee pinpoints mission-critical issues and designates the most appropriate manager for each one, regardless of his/her position relative to other managers. A specific reporting system is in place so that I am informed directly, at regular intervals, of the status of these managers' work. The quality of their status reports is one of the areas covered during their annual performance review.

The issues dealt with generally concern events that could have a material adverse effect on our financial results and our Group's various risk exposures.

An outside consulting firm, specialized in economic forecasting, is used to help evaluate macro-economic risks specific to each of our host countries. The consultants periodically present their findings to the Executive Committee and model certain specific risks when requested by one of our businesses.

From time to time, Chargeurs retains the services of specialized firms to either perform key analyses or temporarily support its operational teams when critical projects are being implemented. In 2012, for example, an insurance broker was commissioned to perform an international audit of the Group's insurance policies, which in particular provided a comprehensive, holistic vision of its risk coverage, and in 2013, a consulting firm was used to help prepare the CSR action plans.

The Executive Committee therefore plays a central role in the risk management process.

The main risks identified by the Company in 2013 are the same as the ones set out in section 1.2 "Risk factors" in the Registration Document filed with the AMF on December 30, 2009.

During 2013, the Company introduced a set of CSR reporting guidelines for its consolidated subsidiaries. These guidelines provide details on Chargeurs' CSR commitment, define the CSR indicators used in the Group's businesses, and describe the CSR reporting procedures applicable Group-wide.

Control procedures sized to address the challenges of each process

Since 2003, the main management processes have been analyzed in order to document and map financial statement risks, the related potential financial impact and the internal controls in place to contain them.

As part of this exercise, each core business has identified the three or four most sensitive processes and reviewed the highest risk transactions within each one. The procedures in place to manage and control these transactions have also been duly identified.

These analyses serve to prioritize future measures, representing the starting point for the Group's drive to strengthen control over its processes.

Constant oversight of internal control procedures

Supervising internal control

The subsidiaries' Finance Directors are responsible for controlling the accounting and reporting processes. Second-tier controls are performed by the Finance Directors of the core businesses as part of their oversight role with regard to the subsidiaries.

Internal audit

Chargeurs does not have an integrated internal audit department and therefore generally relies on local specialized firms in each region.

Internal audit processes are overseen by Group Financial Control, which reports to senior management. Supervision of internal audit matters is shared between the different members of the Audit Committee.

During 2013, Chargeurs continued to apply the new version of its administrative and finance manual, updated in 2010.

External audit

Two audit firms share the task of auditing our consolidated financial statements. All of the local Auditors' observations arising from their audits of our subsidiaries' accounts are reported to the subsidiaries' senior management. The Group Auditors produce a summary of these observations, which is presented to me during twice-yearly meetings.

The Group Finance Department is responsible for ensuring that the Auditors' recommendations involving organizational changes or changes to procedures are implemented without delay.

The representation letters issued by the subsidiaries' Managing Directors to the Auditors are centralized by Chargeurs, to emphasize each Managing Director's accountability for information related to his or her subsidiary included in the Group financial statements.

Chargeurs' risk-management and internal control situation at end-2013

I believe that the risk management and internal control procedures related to the processing and preparation of accounting and financial information at the end of 2013 were appropriate considering the Group's characteristics. As these characteristics make in-depth testing of our processes very costly, few such tests are currently performed. Further investments will be committed in coming years in this area.

The 2014 action plan is based on the following strategic priorities:
- Continuing to monitor the internal control system and effective application of procedures, notably those described in the updated 2010 administrative and finance manual.
- Systematically updating the internal control risk maps and continuing to raise awareness of internal control and risk management issues within the Group's operating entities.
- Continuing to deploy the CSR reporting and compliance action plans.
- Regularly documenting delegations of authority and updating them in line with any changes in the roles and responsibilities of the authorized parties.

Shareholder participation in General Meetings

Article 19 of the Chargeurs bylaws, relative to attendance and representation at General Meetings, provides for the following:

Shareholders may give proxy to their spouse or another shareholder in accordance with the applicable laws and regulations.

Minors and incapacitated persons may be represented by their legal guardian or conservator, and companies and other legal entities may be represented by a person with power of attorney or other authority, in accordance with the applicable laws and regulations.

Spouses, guardians, conservators and other representatives are not required to be shareholders of Chargeurs.

Only shareholders whose shares are registered or recorded in a securities account on the basis prescribed by law are entitled to participate in General Meetings.

The Board may decide to issue admission cards to eligible persons in their name and for their use only.

Shareholders can vote by filling out and returning to the Company a postal voting form or proxy form, in accordance with the applicable regulations.

Prior to each meeting, the Board may decide that shareholders who take part in the meeting via videoconference (or any other telecommunication means that allows them to be identified and whose nature and conditions of use are determined by a decree of the *Conseil d'État*) will be deemed present and included for quorum and majority purposes.

Items that could have an impact in the event of a public tender offer

None of the items mentioned in article L. 225-100-3 of the French Commercial Code would have an impact in the event of a public tender offer, except for the following:
– The Company's capital structure, as described in the report of the Board of Directors presented at the Annual General Meeting and published on Chargeurs' website.
– Direct or indirect investments in the Company's shares of which Chargeurs is notified pursuant to articles L. 233-7 and L. 233-12 of the French Commercial Code, and which are discussed in the report of the Board of Directors presented at the Annual General Meeting and published on Chargeurs' website.
– The rules governing the election or replacement of Board members and changes to the Company's bylaws, referred to in articles 9, 10 and 22 of the bylaws.
– The powers of the members of the Board of Directors, defined in article 14 of the bylaws.

Eduardo Malone
Chairman of the Board of Directors
March 2014

SUMMARY TABLE OF THE RECOMMENDATIONS IN THE MIDDLENEXT CORPORATE GOVERNANCE CODE THAT ARE NOT RELEVANT TO CHARGEURS OR THAT CHARGEURS ELECTED NOT TO APPLY

at December 31, 2013

Disclosed in accordance with AMF Recommendation 2013-20 issued on November 18, 2013

SUBJECT	Content of the recommendation	Chargeurs' position
R1: Employment contracts held by corporate officers	Subject to compliance with the applicable regulations, the Board of Directors should assess whether or not to authorize managers to hold an employment contract while exercising a corporate officer's term as Chairman, Chairman and Chief Executive Officer, Chief Executive Officer, Chairman of the Managing Board or Legal Manager. The report to the Annual General Meeting should set out the reasons for the decision taken by the Company.	This issue is dealt with in the section of the 2013 annual report entitled "Directors' and officers' compensation". Eduardo Malone's employment contract has been suspended since he took up office as Chairman and Chief Executive Officer. Martine Odillard's employment contract has been suspended since she took up office as Chief Operating Officer. The Board of Directors discussed this matter at the time Eduardo Malone and Martine Odillard took up their respective offices.
R3: Termination benefits	If provision has been made for the payment of termination benefits subject to conditions that comply with the law, the maximum amount payable, after including any severance pay due under the terms of any employment contract, should not exceed two years of the beneficiary's compensation (base and variable), except in cases where said compensation is clearly out of touch with the market (as is the case with start-ups, for example). Termination benefits should not be paid to executive officers who leave the Company at their own initiative to take up a new position or who change positions within a group. In addition, leavers' compensation should not be artificially inflated in the period prior to their departure.	This recommendation is not relevant to Chargeurs.
R4: Supplementary retirement plans	The Company should indicate in its report to shareholders any defined-benefit supplementary retirement plans it has set up for its executive officers and should provide justification for them, in the interests of transparency.	This recommendation is not relevant to Chargeurs.
R5: Stock options and free shares	The allocation of stock options and/or free shares should not be excessively concentrated on executives. In addition, stock options and/or free shares should not be allocated to executive officers on their departure. Some or all of the stock options and/or free shares allocated to executives should only vest if a number of relevant performance conditions are met, set in line with the company's medium- and long-term interests.	This recommendation is not relevant to Chargeurs.
R6: Board rules of procedure	The Board of Directors should have specific rules of procedure that should cover at least the five points detailed in the MiddleNext Code. The rules of procedure, or substantial extracts thereof, should be made available to the public.	Chargeurs applies the "comply or explain" rule. See the Chairman's report on corporate governance and internal control: "As the Board of Directors' roles and responsibilities and main operating procedures are set out in the Company's bylaws, the Board considers that it does not need to draw up specific rules of procedure."

R11: Information provided to Directors	The Board's rules of procedure should state the practical terms and conditions applicable for information given to Directors, and should provide for reasonable timescales.	Chargeurs applies the "comply or explain" rule. See the Chairman's report on corporate governance and internal control: "The Directors receive sufficiently ahead of time the information required for them to make an informed contribution to the Board's discussions. They may also ask the Chairman and Chief Executive Officer and/or the Chief Operating Officer to give them any additional information they may consider useful for performing their duties. The Chief Executive Officer or the Chief Operating Officer regularly provides the Board with competitor analyses and updates on market trends. In addition, at the Board meeting on the provisional accounts and the budget, the heads of Chargeurs' businesses give the Directors a review of their operations and a presentation on the outlook for each unit concerned."
R15: Formal self-assessments of the Board's work	Once a year, the Chairman of the Board should ask for Board members' views on the Board's practices and the preparation of its work. This discussion should be recorded in the minutes of the meeting concerned.	Chargeurs applies the "comply or explain" rule. See the Chairman's report on corporate governance and internal control: "The Board did not carry out a formal self-assessment of its work and procedures in 2013. However, the Directors discussed these issues at various times during the year."

I hereby declare that, to the best of my knowledge, (i) the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of Chargeurs and the consolidated companies, and (ii) the management report included in the annual financial report presents a true and fair view of the business development, results and financial position of Chargeurs and the consolidated companies, together with a description of the main risks and uncertainties they face.

Eduardo Malone,
Chairman
March 2014

FINANCIAL REPORT

2013 FINANCIAL REVIEW

RESULTS

Consolidated revenue

Consolidated revenue totaled €466.5 million in 2013, a year-on-year decline of 4.3% at constant scope of consolidation and of 11.1% as reported, primarily due to the disposals of wool business assets since 2012.

Revenue by business

Revenue from Chargeurs Protective Films rose by 5.2%, led by a significant increase in volumes sold throughout the year.

Revenue from Chargeurs Interlining contracted by 3.0% due to the decline in the Argentine peso and Brazilian real against the euro. At constant exchange rates, revenue was unchanged for the year.

Chargeurs Wool's revenue fell 37.9%, reflecting the 20.2% negative impact of changes in the scope of consolidation, the 11.6% impact of lower volumes and the 5.2% effect of lower raw wool prices.

Revenue generated outside France represented 93.1% of the consolidated total. The weighting of the main geographic markets shifted slightly over the year, in particular due to the changes in the scope of consolidation:

1. Italy	15.3%
2. United States	14.3%
3. China	12.5%
4. Germany	10.3%
5. France	6.9%

Together, these five markets accounted for 59.2% of consolidated revenue.

Operating profit

Consolidated operating profit amounted to €17.8 million, representing 3.8% of total revenue.

Chargeurs Protective Films reported operating profit of €10.8 million, which was lifted over the year by the growth in volumes, with a targeted marketing strategy and an innovative product offer.

Chargeurs Interlining's operating profit came to €5.1 million. It reflected the full impact of the cost-reduction program implemented since 2012, which has involved combining production entities and optimizing marketing structures. At the end of 2013, Chargeurs Interlining also decided to withdraw from a non-profitable business.

Chargeurs Wool reported operating profit of €2.1 million, attesting to the completion of its transformation into a services business with a global sales network and leveraging industrial assets now owned in partnership.

Finance costs and other financial income and expense, net

Finance costs and other financial income and expense represented a net expense of €6.5 million, versus €10.7 million in 2012 (restated for IAS 19R). It comprised the cost of net debt, receivables factoring costs, €1.0 million in convertible bond interest costs and the finance cost on employee benefits. The sharp decline was due to the reduction in consolidated debt.

Share of profits/(losses) of associates

The Group's share of profits and losses of associates amounted to a net profit of €0.3 million, versus a net loss of €1.2 million in 2012.

Income tax expense

The Group ended the year with an income tax expense of €3.7 million, compared with a €9.2-million expense in 2012. The difference primarily reflected the €5.6-million writedown of the tax asset arising from group relief in France in 2012.

Net profit

Net profit for the year stood at €3.6 million, compared with a €14.9-million net loss in 2012 (restated for IAS 19R). The 2013 figure includes a €4.6-million loss from discontinued operations.

BALANCE SHEET AND FINANCIAL MANAGEMENT

At December 31, 2013, consolidated equity stood at €157.9 million, after taking into account the €4 million negative impact of applying IAS 19R.

Chargeurs had a net cash position, excluding convertible bonds, of €3.2 million at December 31, 2013 versus net debt of €32.8 million at end-2012.

Together, the various Chargeurs companies had cash and cash equivalents of €48.0 million at end-2013 compared with €50.6 million at December 31, 2012.

PARENT COMPANY FINANCIAL STATEMENTS

The parent company reported an operating loss of €2.1 million in 2013, the same as in 2012.

Finance costs and other financial income and expense represented a net expense of €3.6 million, primarily reflecting provisions to re-align the carrying amount of shares in subsidiaries and affiliates with their fair value at the year-end.

Non-recurring items represented a net expense of €0.4 million.

The pre-tax loss stood at €6.2 million.

A tax benefit of €1.6 million was recorded, corresponding to group relief in France.

The Company ended the year with a net loss of €4.5 million.

Non-deductible expenses that are disclosable to shareholders pursuant to articles 223 quarter and 39-4 of the *Code Général des Impôts* and the related tax impact amounted to €27,300 in 2013.

As in 2012, the total amount of trade payables (€323,000 at year-end versus €106,000 the year before) is due within 60 days.

March 2014

FINANCIAL STATEMENTS
2013

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31 (in euro millions)

ASSETS

	Notes	12/31/2013	12/31/2012 (restated)
Non-current assets			
Property, plant and equipment	5	37.5	47.5
Intangible assets	6	66.3	69.9
Investments in associates and joint ventures	8	25.7	24.6
Deferred tax assets	9	11.9	12.2
Financial assets			
– Investments in non-consolidated companies	10	0.9	1.3
– Long-term loans and receivables	11	1.6	6.3
Other non-current assets		0.6	0.8
		144.5	**162.6**
Current assets			
Inventories and work-in-progress	13	97.6	113.7
Trade receivables	14	44.2	44.0
Factored receivables(1)		49.3	52.5
Derivative financial instruments	12	0.3	0.8
Other receivables	15	30.2	28.5
Cash and cash equivalents	16	48.0	50.6
		269.6	**290.1**
Assets held for sale	17	**0.2**	1.8
Total assets		**414.3**	**454.5**

EQUITY AND LIABILITIES

	Notes	12/31/2013	12/31/2012 (restated)
Equity			
Attributable to owners of the parent			
Share capital	18	2.3	2.2
Share premium account	18	39.5	38.1
Other reserves and retained earnings	18	115.7	130.4
Profit/(loss) for the period		3.6	(14.9)
Treasury stock		(0.2)	(1.2)
Translation reserve		(3.0)	8.0
		157.9	**162.6**
Non-controlling interests		**3.3**	6.6
Total equity		**161.2**	**169.2**
Non-current liabilities			
Convertible bonds	19	13.2	13.6
Long-term borrowings	20	13.0	18.9
Deferred tax liabilities	9	–	0.3
Pension and other long-term employee benefit obligations	21	12.7	14.6
Provisions	22	0.4	0.4
Other non-current liabilities		10.1	10.3
		49.4	**58.1**
Current liabilities			
Trade payables		88.9	75.5
Other payables		32.6	32.6
Factored receivables(1)		49.3	52.5
Current income tax liability		0.6	0.3
Derivative financial instruments	12	0.5	0.7
Short-term portion of long-term borrowings	20	11.5	39.5
Short-term bank loans and overdrafts	20	20.3	25.0
		203.7	**226.1**
Liabilities related to assets held for sale	17	–	1.1
Total equity and liabilities		**414.3**	**454.5**

(1) Receivables for which title has been transferred (see note 3.2).
Notes 1 to 36 are an integral part of the 2013 consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

Years ended December 31 (in euro millions)

	Notes	2013	2012 (restated)
Revenue		**466.5**	**523.8**
Cost of sales		(367.9)	(421.9)
Gross profit		**98.6**	**101.9**
Distribution costs		(48.4)	(54.3)
Administrative expenses		(32.2)	(34.7)
Research and development costs		(2.8)	(3.5)
Other operating income	25	4.2	3.5
Other operating expense	25	(1.6)	(4.1)
Operating profit		**17.8**	**8.8**
Finance costs, net		(3.9)	(6.4)
Other financial expense		(2.9)	(7.5)
Other financial income		0.3	3.2
Finance costs and other financial income and expense, net	27	**(6.5)**	**(10.7)**
Share of profit/(loss) of associates		**0.3**	**(1.2)**
Pre-tax profit/(loss) for the period		**11.6**	**(3.1)**
Income tax expense	28	(3.7)	(9.2)
Profit/(loss) from continuing operations		7.9	(12.3)
Profit/(loss) from discontinued operations	17	(4.6)	(3.2)
Profit/(loss) for the period		**3.3**	**(15.5)**
Attributable to:			
Owners of the parent		3.6	(14.9)
Non-controlling interests		(0.3)	(0.6)
Earnings per share from continuing and discontinued operations (in euros)	30		
Basic earnings per share			
– From continuing operations		0.60	(0.88)
– From discontinued operations		(0.34)	(0.24)
From continuing and discontinued operations		**0.26**	**(1.12)**
Diluted earnings per share			
– From continuing operations		0.42	(0.48)
– From discontinued operations		(0.21)	(0.15)
From continuing and discontinued operations		**0.21**	**(0.63)**
Weighted average number of shares outstanding		13,661,574	13,286,618

Notes 1 to 36 are an integral part of the 2013 consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Years ended December 31 (in euro millions)

	2013	2012 (restated)
Profit/(loss) for the period	**3.3**	**(15.5)**
Exchange differences on translating foreign operations	(11.6)	(1.9)
Available-for-sale financial assets		
– Fair value adjustments for the period recognized in equity	–	–
– Cumulative fair value adjustments reclassified to profit or loss	–	–
Cash flow hedges		
– Fair value adjustments for the period recognized in equity	–	0.1
– Cumulative fair value adjustments reclassified to profit or loss	–	–
Income tax relating to items that may be reclassified	–	–
Total items that may be reclassified subsequently to profit or loss	**(11.6)**	**(1.8)**
Other items of other comprehensive income/(expense)	(0.3)	(0.2)
Actuarial gains and losses on post-employment benefit obligations	1.2	(1.4)
Income tax relating to items that will not be reclassified	–	–
Total items that will not be reclassified to profit or loss	**0.9**	**(1.6)**
Other comprehensive income/(expense) for the period, net of tax	**(10.7)**	**(3.4)**
Total comprehensive income/(expense) for the period	**(7.4)**	**(18.9)**
Attributable to:		
Owners of the parent	(6.5)	(18.3)
Non-controlling interests	(0.9)	(0.6)

Notes 1 to 36 are an integral part of the 2013 consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Years ended December 31 (in euro millions)

	2013		2012 (restated)	
Cash flows from operating activities				
Pre-tax profit/(loss) of consolidated companies		11.3		(1.9)
Adjustments to reconcile pre-tax profit/(loss) to cash generated from operations		5.9		10.6
– *Depreciation and amortization expense*	*8.6*		*10.4*	
– *Provisions and pension and other long-term employee benefit obligations*	*(1.7)*		*(4.5)*	
– *Impairment of non-current assets*	*–*		*(2.7)*	
– *Fair value adjustments*	*0.3*		*(0.7)*	
– *Impact of discounting*	*1.6*		*1.7*	
– *Unrealized gains on cash flow hedges reallocated or used during the period*	*–*		*0.2*	
– *Gains/(losses) on disposal of investments in non-consolidated companies and other non-current assets*	*(2.8)*		*6.2*	
– *Other adjustments*	*–*		*–*	
Income tax paid		(4.0)		(3.7)
Cash generated by operations		**13.2**		**5.0**
Dividends from equity-accounted companies		0.3		0.9
Change in operating working capital		4.6		21.9
Net cash from operating activities		**18.1**		**27.8**
Cash flows from investing activities				
Purchases of intangible assets		(0.3)		(0.4)
Proceeds from sales of intangible assets		0.1		–
Purchases of property, plant and equipment		(6.7)		(5.0)
Proceeds from sales of property, plant and equipment		6.6		1.6
Purchases of non-current financial assets		–		–
Proceeds from sales of non-current financial assets		–		–
Impact of changes in Group structure		3.7		(2.4)
Other movements		(0.3)		(0.9)
Net cash from/(used in) investing activities		**3.2**		**(7.1)**
Cash flows from financing activities				
Proceeds from issues of shares on conversion of bonds		1.5		0.8
(Purchases)/sales of treasury stock		0.3		–
Proceeds from new borrowings		9.2		9.2
Conversion of bonds		(1.5)		(0.8)
Repayment of bank borrowings and overdrafts		(36.0)		(48.9)
Other movements(1)		3.4		–
Net cash used in financing activities		**(23.1)**		**(39.7)**
(Decrease)/increase in cash and cash equivalents		**(1.9)**		**(19.0)**
Cash and cash equivalents at beginning of period		50.6		69.5
Cash and cash equivalents reclassified as "Assets held for sale"		(0.2)		0.1
Effect of foreign exchange rate change on cash and cash equivalent		(0.5)		–
Cash and cash equivalents at period-end		**48.0**		**50.6**

(1) See note 11.
Notes 1 to 36 are an integral part of the 2013 consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Years ended December 31 (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 attri-butable to owners of the parent	Non-controlling interests	Total equity
At December 31, 2011 (restated)	**2.1**	**37.4**	**134.9**	**9.9**	**(0.1)**	**(2.9)**	**(1.2)**	180.1	**7.2**	187.3
Issue of share capital	0.1	0.7	–	–	–	–	–	0.8	–	0.8
Profit/(loss) for the period	–	–	(15.2)	–	–	0.3	–	(14.9)	(0.6)	(15.5)
Other comprehensive income/(expense) for the period	–	–	(0.2)	(1.9)	0.1	(1.4)	–	(3.4)	–	(3.4)
At December 31, 2012 (restated)	**2.2**	**38.1**	**119.5**	**8.0**	**–**	**(4.0)**	**(1.2)**	**162.6**	**6.6**	**169.2**
Issue of share capital	0.1	1.4	–	–	–	–	–	1.5	–	1.5
Changes in treasury stock	–	–	(0.7)	–	–	–	1.0	0.3	–	0.3
Profit/(loss) for the period	–	–	3.6	–	–	–	–	3.6	(0.3)	3.3
Impact of changes in Group structure	–	–	–	–	–	–	–	–	(2.4)	(2.4)
Other comprehensive income/(expense) for the period	–	–	(0.3)	(11.0)	–	1.2	–	(10.1)	(0.6)	(10.7)
At December 31, 2013	**2.3**	**39.5**	**122.1**	**(3.0)**	**–**	**(2.8)**	**(0.2)**	**157.9**	**3.3**	**161.2**

Notes 1 to 36 are an integral part of the 2013 consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 _ General information

In 2013, 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);
- Chargeurs Wool (top making and combed wool sales).

Chargeurs is a *société anonyme* governed by the laws of France. Its headquarters are located at 112, avenue Kléber, 75116 Paris, France. Chargeurs shares are listed on NYSE Euronext Paris.

The consolidated financial statements for the year ended December 31, 2013 were approved by the Board of Directors on March 6, 2014 and will be submitted to shareholders for approval on April 30, 2014. All amounts are expressed in million of euros, unless otherwise specified.

The Board has decided that at the Annual General Meeting scheduled for April 30, 2014 it will recommend to shareholders that no dividend be paid for 2013.

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 2013 consolidated financial statements of the Chargeurs Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. These standards can be downloaded from the European Commission's website (http://ec.europa.eu/internal_market/accounting/ias_en.htm#adopted-commission).

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.

The 2012 financial statements have been restated to reflect the impacts of (i) applying IAS 19R (see note 21) and (ii) discontinued operations (see note 17).

2.2 List 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 year ended December 31, 2013:

Adopted by the European Union

Affecting the Group
- Amendments to IAS 1 – Presentation of Items of Other Comprehensive Income;
- IAS 19 revised – Employee Benefits;
- Annual Improvements to IFRSs – 2009-2011 Cycle, issued on May 17, 2012;
- IFRS 13 – Fair Value Measurement;
- Amendments to IAS 12 – Deferred Tax: Recovery of Underlying Assets;
- Amendment to IFRS 7 – Disclosures – Offsetting Financial Assets and Financial Liabilities.

Apart from the revised version of IAS 19 (IAS 19R), none of these new standards and amendments to existing standards had a material impact on the financial statements (see notes 2.18 and 21).

Not affecting the Group
- Amendments to IFRS 1 – Government Loans;
- Amendments to IFRS 1 – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters;
- IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine.

(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

Affecting the Group
- IFRS 10 – Consolidated Financial Statements;
- IFRS 11 – Joint Arrangements;
- IFRS 12 – Disclosure of Interests in Other Entities;
- Transition Guidance – amendments to IFRS 10, IFRS 11 and IFRS 12;
- IAS 27 revised – Separate Financial Statements;
- IAS 28 – Investments in Associates and Joint Ventures;
- Amendments to IAS 32 – Offsetting Financial Assets and Financial Liabilities;
- Investment Entities (amendments to IFRS 10, IFRS 12 and IAS 27).

Not yet adopted by the European Union

Affecting the Group
- IFRS 9 – Financial Instruments;
- IFRIC 21 – Levies;
- Amendments to IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets.

At this stage, the Group does not expect that the new standards IFRS 10, 11 and 12 and the revised versions of IAS 27 and 28 (whose application is mandatory in 2014) will result in any changes to its current consolidation methods.

2.3 Consolidation methods

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding representing more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.
Investments that meet the above criteria but which are not material are measured at cost less any impairment.
Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.
Acquisitions of subsidiaries are accounted for by the acquisition method. The cost of acquisition is measured as the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange. Acquisition-related costs are expensed as incurred.
Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their acquisition-date fair values. Goodwill arising on a business combination is measured as the excess of (a) over (b) below: (a) the aggregate of: (i) the acquisition-date fair value of the consideration transferred; (ii) the amount of any non-controlling interest in the acquiree (which can be measured either as the fair value of the Group's underlying equity interests or based on the Group's proportionate share of the fair value of the acquire's identifiable net assets); (iii) the fair value of any previously held equity interest in the acquiree (as remeasured at the acquisition date with any resulting gain or loss recognized in profit); (b) the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.
If the cost of the acquisition is less than the fair value of the Group's share of the net assets of the acquired subsidiary, the difference is recognized directly in the income statement.
Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated in consolidation.
Accounting policies of subsidiaries have been aligned with the policies adopted by the Group to ensure consistency.

(b) Transactions with non-controlling interests

Disposals to non-controlling interests resulting in a loss of control of the subsidiary give rise to gains and losses for the Group that are recorded in the income statement.
Disposals to non-controlling interests that do not result in a loss of control are treated as an equity transaction with owners and recognized in the statement of changes in equity.
Acquisitions of additional shares in a subsidiary (above 50%) are recognized in the statement of changes in equity.

(c) Associates and joint ventures

Associates and joint ventures are all entities over which the Group exercises significant influence or joint control, generally accompanying a shareholding representing between 20% and 50% of the voting rights. Investments in associates and joint ventures are accounted for by the equity method and are initially recognized at cost. The carrying amount of investments in associates and joint ventures includes goodwill (net of any accumulated impairment losses) identified on acquisition (see note 2.7).
The Group's share of post-acquisition profits or losses of associates and joint ventures is recognized in the income statement, and its share of post-acquisition movements in equity – which have no impact on profit or loss – is recognized directly in equity. Cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture, including any unsecured receivables, the Group does not recognize further losses unless it has incurred obligations or made payments on behalf of the associate or joint venture.
Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associate or joint venture concerned. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Accounting policies of associates and joint ventures have been aligned with the policies adopted by the Group to ensure consistency.

(d) Non-consolidated companies

Distribution companies that have been recently created and/or individually generate less than €3 million in annual revenue are not consolidated.
The effect on equity of including these companies in the consolidation scope at December 31, 2013 would have been less than €0.6 million.

2.4 Operating segments

An operating segment is a group of assets and operations corresponding to a management unit. Chargeurs' senior management team – which is the Group's chief operating decision maker – has identified three operating segments for the Chargeurs Group:

- "Protective Films", which encompasses activities relating to the temporary protection of surfaces;
- "Interlining", which includes technical textile operations;
- "Wool", which comprises top making and sales of combed wool.

The segment information reported also includes a "non-operating" segment that primarily comprises the Group's holding companies.

The Group's segment information is based on the sectors identified above, which are the segments used in the Group's internal reporting system and reported to Chargeurs' senior management team for the purposes of making decisions about allocating resources and assessing performance.

A geographical area is a distinguishable component of the Group that is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments. Chargeurs has three geographical areas: Europe (including the Group's home market, France), the Americas, and Asia (including the Pacific region and Africa).

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entities operate (the "functional currency").

The consolidated financial statements are presented in euros, which is Chargeurs' functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into each entity's functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the income statement. When qualified as a cashflow hedge, gains and losses on the cash flow hedge accumulated in equity are reclassified to the income statement when the exchange gain or loss on the hedged item is recognized.

Exchange gains and losses arising from translation of foreign currency receivables and payables are recognized in the income statement.

(c) Group companies

The results and financial position of all Group entities that have a functional currency other than the euro are translated as follows: (i) items in the statement of financial position are translated at closing exchange rates, (ii) income statement items are translated at average exchange rates for the period, and (iii) all resulting exchange differences are recognized as a separate component of equity under "Translation reserve" and "Non-controlling interests".

Exchange differences arising from the translation of the net investment in subsidiaries with a functional currency other than the euro, and of instruments designated as hedges of such investments, are recorded under "Translation reserve" in equity.

When a foreign operation is sold, such exchange differences are recognized in the income statement as part of the gain or loss on sale.

2.6 Property, plant and equipment

Property, plant and equipment are stated at cost, less subsequent depreciation and impairment, except for land, which is not depreciated and is stated net of any accumulated impairment losses. Cost comprises the purchase price, capitalized interest and initial fair value adjustments. Capitalized interest corresponds to interest costs, whether on designated borrowings or on other designated sources of finance arising during the period preceding the date the asset is put into service.

On first-time adoption of IFRS, land and buildings were measured at fair value at January 1, 2004 (the IFRS transition date) based on independent valuations, and these fair values were used as the assets' deemed cost at that date.

The cost of dismantling and removing old assets or restoring the site on which new assets are located is included in the cost of the new assets.

Each significant part of an item of property, plant or equipment whose useful life is different from that of the asset as a whole is recognized and depreciated separately.

Depreciation is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life as follows:

- Buildings: 15 to 40 years;
- Plant and equipment: 4, 8, 12 or 20 years;
- Fixtures and fittings: 5 to 10 years.

(a) Leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Lease payments under operating leases are recognized as an expense on a straight-line basis over the lease term.
Leases that transfer substantially all the risks and rewards incidental to ownership of an asset are classified as finance leases and recognized as assets and liabilities. The capitalized amount corresponds to the lower of the fair value of the leased property at the inception of the lease and the present value of the minimum lease payments.

(b) Impairment of property, plant and equipment

Property, plant and equipment are tested for impairment whenever there is any internal or external indication that they may be impaired, and they are also included in the annual impairment tests performed by the Group on its individual businesses. If these tests show that the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in addition to accumulated depreciation. For the purposes of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).
In the absence of an observable market price, the recoverable amount of a cash-generating unit is considered to be equal to the higher of its value in use, corresponding to the discounted future cash flows expected to be generated by the unit, and its fair value less costs to sell. In practice, most calculations are based on value in use.
Gains and losses on the sale of property, plant and equipment are calculated by comparing the sale proceeds with the carrying amount of the sold asset and are recognized in the income statement.

2.7 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the acquisition-date fair value of the Group's share of the net identifiable assets of the acquired subsidiary. Goodwill arising on acquisitions of subsidiaries is included in "Intangible assets".
Each goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Any impairment losses recognized as a result of these tests are irreversible.
Gains and losses on the disposal of an entity include the carrying amount of any goodwill relating to that entity.
Goodwill arising on acquisitions of associates and joint ventures is recorded under "Investments in associates and joint ventures" and is included in the impairment tests carried out on equity-accounted companies.

(b) Trademarks and licenses

Trademarks and licenses are initially recognized at historical cost. They have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives (between fifteen and twenty years).

(c) Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the software concerned. These costs are amortized over the estimated useful lives of the software (between three and five years).
Costs associated with developing or maintaining computer software are expensed as incurred.

(d) Development costs

Development costs are capitalized when the Group can demonstrate all of the following:
- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete the intangible asset and use or sell it.
- Its ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits.
- The availability of adequate technical and financial resources to complete the development.
- Its ability to reliably measure the expenditure attributable to the intangible asset during its development.

Capitalized development costs are amortized over the estimated useful life of the asset concerned.

(e) Impairment of intangible assets

Goodwill and other intangible assets with indefinite useful lives are tested for impairment every year to determine if their recoverable amount is at least equal to their carrying amount, irrespective of whether there is any indication that they may be impaired (see note 6).
Any impairment losses recognized on goodwill as a result of these tests are irreversible.
The carrying amount of goodwill in the consolidated statement of financial position corresponds to the gross amount less any accumulated impairment losses.

2.8 Financial assets and liabilities

DEFINITIONS

The Group classifies its financial assets into the following categories in accordance with IAS 39: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets.

(a) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and financial assets designated upon initial recognition as at fair value through profit or loss. Derivative instruments are categorized as held for trading, unless they are designated as part of a hedging relationship. Assets in this category are classified as current assets if they are either held for trading or are expected to be realized within twelve months of the reporting date.
In the consolidated statement of financial position, these items are recorded under "Derivative instruments" (note 12).

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in "Other receivables" under current assets, except when they are due more than twelve months after the reporting date, in which case they are recorded as non-current assets under "Long-term loans and receivables" (note 11) or "Other non-current assets".

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or are not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of them within twelve months of the reporting date.
Available-for-sale financial assets correspond to "Investments in non-consolidated companies" (note 10) in the consolidated statement of financial position.

(d) Financial liabilities

Financial liabilities as defined by IAS 39 include borrowings measured at amortized cost and financial liabilities measured using the fair value option. They correspond to borrowings (note 20) as well as to other non-current liabilities, trade payables and other payables (note 23) in the consolidated statement of financial position.

RECOGNITION AND MEASUREMENT OF FINANCIAL ASSETS

(a) Investments in non-consolidated companies

Investments in non-consolidated companies represent Group interests in entities that are not controlled by the Group. They are stated at cost, which the Group considers to represent fair value, as no active market exists which would enable the fair value to be measured reliably. Impairment losses are recorded for a prolonged decline in value in use, which is determined based on the most appropriate financial criteria, including the Group's equity in the underlying net assets and the earnings outlook of the company concerned.

(b) Loans and receivables

Loans and receivables are measured at amortized cost using the effective interest method. If there is objective evidence that they are impaired, an impairment loss is recorded to write these assets down to their fair value. They are tested for impairment at each reporting date, or whenever there is an indication that they may be impaired, by comparing their recoverable amount with their carrying amount. Any impairment losses are recorded in the income statement.
Trade receivables have short maturities and are therefore stated at nominal value.

(c) Marketable securities

Gains and losses arising on changes in the fair value of marketable securities are recognized in the income statement during the period in which they arise.

RECOGNITION AND MEASUREMENT OF FINANCIAL LIABILITIES

Borrowings and other financial liabilities are generally measured at amortized cost using the effective interest method. Operating liabilities have original maturities of less than one year and are therefore stated at nominal value.

FAIR VALUE DISCLOSURES

IFRS 7 requires companies to disclose the technique used to measure financial instruments at fair value, based on the three levels of inputs introduced in the fair value hierarchy. These are quoted prices on an active market (level 1), valuation based on observable market data (level 2) and inputs based on not observable market data (level 3).
The table below shows the fair value hierarchy classification for the Group's financial assets measured at fair value. No financial liabilities are measured at fair value other than derivative instruments.

	Level 1	Level 2	Level 3
Marketable securities	■		
Derivative Instruments		■	
Investments in non-consolidated companies			■

2.9 Derivative instruments and hedges

The Group uses derivatives to hedge its exposure to currency risks. All derivative instruments are recognized in the statement of financial position at fair value, irrespective of whether that fair value is positive or negative.
The Group hedges forecast transactions in foreign currencies, such as sales of products in dollars. Changes in the fair value of derivative instruments that qualify as hedges of forecast transactions are recognized directly in equity and subsequently reclassified to profit or loss in the same period or periods when the transaction is settled and impacts profit or loss.
Changes in the fair value of hedged firm commitments and of currency derivatives that qualify as fair value hedges are recorded in the income statement.
Changes in the fair value of financial instruments used to hedge currency risks on the Group's net investment in foreign operations that result from changes in exchange rates, are recognized in equity under "Translation reserve", offsetting all or part of the opposite change in the fair value of the underlying net investment caused by changes in exchange rates.
Depending on the circumstances, interest rate swaps are used to convert variable rate debt into fixed rate debt and vice versa. In the first case, gains and losses arising from remeasurement of the swaps at fair value are accumulated in other comprehensive income and reclassified into profit or loss when the variable rate interest is recognized. In the second case, the gains and losses are recognized directly in profit or loss and the carrying amount of the hedged portion of the underlying debt is adjusted to reflect the rate change.
Fair value adjustments to interest rate and currency derivatives held for trading are recognized immediately in the income statement.

2.10 Deferred taxes

Deferred taxes are recognized for temporary differences between the carrying amount of assets and liabilities and their tax base, as follows:
- All deferred tax liabilities are recognized.
- Deferred tax assets arising from temporary differences or from tax loss carryforwards are recognized only when it is probable that the differences will reverse or the assets will be recovered in the foreseeable future.

Deferred tax assets and liabilities are adjusted at the year-end for enacted changes in tax rates and tax laws.
A deferred tax liability is recognized for withholding taxes only in respect of dividends for the year to be received in the following year.
Deferred tax assets and liabilities are offset within each company or taxable entity.

2.11 Inventories

Inventories are carried at the lower of cost and net realizable value. Cost is determined by the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. The cost of finished products and work-in-progress includes raw materials, direct production costs and production overheads based on normal capacity utilization rates.
Turnover and obsolescence of inventories are analyzed by business and category of inventory in order to determine the appropriate level of impairment.

2.12 Trade and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost, less any provisions for impairment. Amortized cost is measured by the effective interest method. A provision for impairment of trade receivables is recognized when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the transaction. Indications that a receivable may be impaired include significant financial difficulties encountered by the debtor, the probability of the debtor filing for bankruptcy or a financial restructuring, a risk of default or a missed payment. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the initial effective interest rate. It is recorded in the income statement under "Distribution costs".

2.13 Cash and cash equivalents

Cash and cash equivalents analyzed in the statement of cash flows correspond to cash in hand, marketable securities and short-term deposits. Cash equivalents are highly liquid instruments with short maturities (less than three months) that are not exposed to any material risk of changes in value.
Marketable securities are accounted for as financial assets at fair value through profit or loss. Short-term bank deposits and cash in hand are classified as loans and receivables and are measured at amortized cost.

Bank overdrafts are recorded under "Short-term bank loans and overdrafts" in current liabilities.

2.14 Assets held for sale and discontinued operations

(a) Assets held for sale

Non-current assets are classified as held for sale and presented on a separate line of the statement of financial position when (i) the Group has made a decision to sell the asset(s) concerned, (ii) the sale is considered to be highly probable, and (iii) the sale is expected to be completed within twelve months. These assets are measured at the lower of their carrying amount and fair value, which corresponds to the estimated selling price less costs to sell.
Income statement and cash flow statement items relating to assets held for sale are not presented on a separate line if the assets do not meet the IFRS 5 definition of a discontinued operation.

(b) Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:
- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

The results and cash flows of discontinued operations are presented on a separate line in the consolidated income statement and statement of cash flows for each period. The Group decides whether a discontinued operation represents a major line of business or geographical area of operations based on both qualitative criteria (technology, market, products, geographic region) and quantitative criteria (revenue, earnings, cash flows, assets).
If the assets held by a discontinued operation are classified as held for sale they are measured at the lower of their carrying amount and fair value less costs to sell.

2.15 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are recorded in equity as a deduction from the issue proceeds, net of tax.
Where any Group company purchases Chargeurs shares (treasury stock), the consideration paid, including directly attributable incremental costs (net of income taxes), is deducted from equity attributable to owners of the parent until the shares are cancelled, reissued or disposed of.
Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to owners of the parent.

2.16 Bond debt

Convertible bonds are compound financial instruments comprising two components – a financial liability and an equity instrument – which are measured and accounted for separately. In accordance with IAS 32 – Financial Instruments: Presentation, the carrying amount of the equity instrument corresponds to the difference between the fair value of the compound instrument as a whole and the fair value of the financial liability, calculated as the fair value of a similar liability that does not have an associated equity component. The carrying amount of the equity component represented by the option to convert the instrument into ordinary shares is not adjusted during the life of the instrument. The liability component is measured at amortized cost over the instrument's expected life.

2.17 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs. They are subsequently measured at amortized cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.
Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the reporting date, in which case they are classified as non-current.

2.18 Employee benefits

Obligations for the payment of post-employment benefits and other long-term employee benefits are measured by the projected unit credit method and recognized in accordance with IAS 19R. The recognized obligation takes into account the fair value of plan assets – for example under insured plans – at the reporting date.
Actuarial gains and losses on post-employment benefit obligations are recognized in other comprehensive income and may not be subsequently reclassified to profit.
Actuarial gains and losses on other long-term employee benefits and length-of-service awards payable to employees on retirement are recognized in the income statement in the period in which they arise.

Gains and losses arising from plan amendments are recognized in the income statement under “Other operating income” or “Other operating expense”.
Employee benefit expense is divided into two categories as follows:

- The increase in the provision due to the passage of time, net of the return on plan assets, is recognized as a financial expense. The expected return on plan assets is measured using an interest rate that is the same as the discount rate used for calculating the provision;
- The expense corresponding to service cost is allocated to the relevant operating expense line items by function.

2.19 Provisions

Provisions for site remediation, restructuring costs and legal claims are recognized when (i) the Group has a present legal or constructive obligation as a result of past events, (ii) it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) the amount of the provision can be reliably estimated. Restructuring provisions include lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.
The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used reflects current market assessments of the time value of money and the risks specific to the liability concerned. The increase in the carrying amount of provisions to reflect the passage of time is recognized as interest expense.

2.20 Revenue recognition

Revenue from sales of goods and services is recognized, net of value-added tax, rebates and discounts, when the risks and rewards incidental to ownership of the goods are transferred to the customer or when the service is rendered.

2.21 Other operating income and expense

These items primarily consist of foreign exchange gains and losses, restructuring costs and impairment losses.

2.22 Earnings per share

Basic earnings per share are computed by dividing profit attributable to owners of the parent by the weighted average number of shares outstanding, representing the number of shares issued less the average number of Chargeurs shares held by the Company or its subsidiaries.

Depending on the circumstances at the year-end, the dilutive effect taken into account for the calculation of diluted earnings per share may result from employee stock options, stock warrants and/or convertible bonds. The dilutive instruments concerned are taken into account as from their grant or issue date, except in cases where their exercise price exceeds the market price of Chargeurs shares.

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 are tested for impairment on an annual basis as described in note 2.7. The recoverable amounts of cash-generating units are determined based on calculations of value in use, which require the use of estimates (see note 6).
Impairment tests performed in 2013 did not reveal any impairment in the carrying amount of goodwill.

(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 receivables are covered by credit insurance, with the Chargeurs Group entities only retaining risks relating to foreign exchange, dilution and payment delays.

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

4.1 Transactions in 2013

The main changes in the scope of consolidation in 2013 were as follows:

ZHANGJIAGANG YANGTSE WOOL COMBING CO. LTD

On November 8, 2013, Chargeurs finalized a joint venture agreement with the Jiangsu Longjin group under which it sold 26.4% of its China-based company Zhangjiagang Yangtse Wool Combing Co. Ltd. This transaction reduced Chargeurs' interest in the company (and its subsidiary Yangtse (Australia) Pty Ltd) to 50%.

Terms and conditions of control

The shareholders' agreement between Chargeurs and the Jiangsu Longjin group sets out the terms and conditions applicable to the joint control held over the entity and states that neither joint venturer may unilaterally control the business.

Consolidation method

In accordance with the option available under paragraph 38 of IAS 31, the Group has elected to use the equity method to account for its remaining interest in Zhangjiagang Yangtse Wool Combing Co. Ltd and Yangtse (Australia) Pty Ltd, which is the method it uses to account for its other partnerships.

This is consistent with the Group's policy of only recognizing in its statement of financial position the assets and liabilities over which it exercises exclusive control.

It is also in line with the upcoming accounting changes introduced by IFRS 10, 11 and 12, which will be applicable as from 2014.

NINGBO YAK BERTERO TEXTILE CO. LTD

Chargeurs Interlining sold its 49% stake in Ningbo Yak Bertero Textile Co. Ltd to its Chinese partner Ningbo Yak Technology Industrial.

4.2 Comparative information about Chargeurs Wool Argentina and Chargeurs Wool Uruguay

During the second half of 2012, the Group sold 50% interests in Chargeurs Wool Argentina and Chargeurs Wool Uruguay. Following these transactions, the two companies are now accounted for by the equity method (see note 4 to the 2012 consolidated financial statements in the 2012 Annual Report).

To permit meaningful comparisons between 2013 and 2012, the main effects of applying the equity method to Chargeurs Wool Argentina (CWA) and Chargeurs Wool Uruguay (CWU) are presented below.

(in euro millions)	2012 restated	2012 CWA and CWU	2012 pro forma	2013
Revenue	523.8	32.4	491.4	466.5
Gross profit	101.9	6.6	95.3	98.6
Operating profit	8.8	–	8.8	17.8

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
January 1, 2012	**4.7**	**17.8**	**24.8**	**6.7**	**2.9**	**56.9**
Additions[1]	–	0.1	3.1	0.6	1.9	5.7
Disposals	–	(0.7)	(0.4)	(0.1)	(0.3)	(1.5)
Changes in scope of consolidation	–	–	(2.4)	–	(0.3)	(2.7)
Depreciation	–	(2.1)	(6.0)	(1.7)	–	(9.8)
Impairment	–	–	–	(0.1)	–	(0.1)
Other[2]	(0.5)	0.1	1.4	0.4	(2.0)	(0.6)
Translation adjustment	–	(0.1)	(0.1)	–	(0.2)	(0.4)
December 31, 2012	**4.2**	**15.1**	**20.4**	**5.8**	**2.0**	**47.5**

(1) Of which €0.7 million corresponding to assets acquired under finance leases.
(2) The negative €0.6 million total recorded under this item corresponds to the Intissel building sold to Chargetex 35 and reclassified to "Assets held for sale" (see note 18 of 2012 Annual Report).

(in euro millions)	Land	Buildings	Plant and equipment	Fixtures and fittings	Assets under construction	Total
January 1, 2013	**4.2**	**15.1**	**20.4**	**5.8**	**2.0**	**47.5**
Additions	–	0.5	4.9	0.3	1.0	6.7
Disposals	(1.6)	(0.5)	(1.7)	–	–	(3.8)
Changes in scope of consolidation	–	(1.1)	(0.7)	(1.6)	–	(3.4)
Depreciation	–	(2.1)	(4.9)	(1.1)	–	(8.1)
Impairment	–	–	(0.1)	–	–	(0.1)
Other	–	(0.1)	0.7	0.5	(1.6)	(0.5)
Translation adjustment	–	(0.2)	(0.4)	–	(0.2)	(0.8)
December 31, 2013	**2.6**	**11.6**	**18.2**	**3.9**	**1.2**	**37.5**

MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT

(i) Land and buildings were valued in 2004 by independent international valuers in order to determine the fair values of these assets to be used as their deemed cost in the opening IFRS balance sheet at January 1, 2004 (the IFRS transition date).

(ii) Plant and equipment are tested for impairment when there is an indication that their carrying amounts may be impaired. Impairment indicators include industrial reorganizations, site closures and business divestments.

(iii) The value of assets held by each business is also reviewed when goodwill is tested for impairment.
The assets of Chargeurs Protective Films, Chargeurs Interlining and Chargeurs Wool were tested for impairment in 2013 in accordance with paragraphs (ii) and (iii) above.

6 _ GOODWILL AND OTHER INTANGIBLE ASSETS

(a) Goodwill

Movements in goodwill related to fully consolidated companies can be analyzed as follows:

(in euro millions)	Gross value	Accumulated impairment losses	Net value
January 1, 2012	**82.5**	**(15.7)**	**66.8**
– Goodwill recognized on companies acquired during the year	–	–	–
– Goodwill written off on companies disposed of during the year	–	–	–
– Goodwill written off on companies removed from the scope of consolidation	–	–	–
Translation adjustment	(0.9)	–	(0.9)
Changes in scope of consolidation	–	–	–
Impairment losses recognized during the year	–	–	–
December 31, 2012	**81.6**	**(15.7)**	**65.9**
January 1, 2013	**81.6**	**(15.7)**	**65.9**
– Goodwill recognized on companies acquired during the year	–	–	–
– Goodwill written off on companies disposed of during the year	–	–	–
– Goodwill written off on companies removed from the scope of consolidation	–	–	–
Translation adjustment	(2.1)	–	(2.1)
Changes in scope of consolidation	–	–	–
Impairment losses recognized during the year	–	–	–
December 31, 2013	**79.5**	**(15.7)**	**63.8**

Chargeurs has three core businesses: Protective Films, Interlining and Wool. Both the Protective Films and Wool businesses are operated based on a worldwide structure that serves a global customer base. Consequently, each one is considered as one cash-generating unit (CGU).
The Interlining business also has a worldwide organizational structure, but it serves customers on a local basis. However, the Chargeurs Interlining CGU does not include the Group's two most recently-acquired Interlining companies, which are treated as two separate CGUs: Etacol in Bangladesh, which was acquired in 2008, and Yak in China, acquired in 2006 and accounted for by the equity method.
The table below provides a breakdown of goodwill by CGU.

Goodwill by CGU

(in euro millions)	12/31/2013	12/31/2012
Chargeurs Protective Films	46.9	49.0
Chargeurs Interlining (excluding Yak and Etacol)	13.6	13.6
Etacol	3.3	3.3
Total	**63.8**	**65.9**

Chargeurs Protective Films goodwill is measured in US dollars and the €2.1 million decrease in its carrying amount between December 31, 2012 and 2013 was due to the dollar's depreciation against the euro over the year.

(b) Goodwill impairment tests

Impairment tests were carried out on the two businesses to which goodwill has been allocated.
Recoverable amount was determined using the five-year cash flow projections contained in the business plans approved by management, as adjusted to comply with IAS 36. Cash flows beyond this five-year period were extrapolated by using the estimated growth rates shown in the table below.
The uncertain economic environment has been taken into account in the CGUs' business plans, with a prudent approach adopted for revenue and earnings growth forecasts. Projections assume gradual, reasonable growth in the Group's profitability indicators over the duration of the plans. Having repaid a large portion of its net bank debt, Chargeurs is pursuing its objective of returning to similar profitability levels as in 2010 and 2011, when it emerged from the 2008 global financial crisis.
The risks specific to certain countries are factored into the risk-free rate by calculating an average of the risk-free rates, plus any required country risk premium weighted by the revenue generated in that country.
The following method was used for the Chargeurs Protective Films and Chargeurs Interlining businesses:

- A cash flow simulation model was developed based on various market parameters; and
- The cash flow simulations were broken down into various scenarios based on different assumptions for WACC, growth rates and/or EBIT, taking into account the probability each situation occurring.

The final value allocated to these businesses' goodwill corresponds to the average value of all of the different simulated scenarios.

The main value-in-use assumptions applied in 2013 were as follows:

	Chargeurs Protective Films	Chargeurs Interlining (excluding Etacol & Yak)	Etacol
Average operating margin over the business plan period[1]	7.20%	4.30%	8.80%
Perpetuity growth rate[2]	1.00%	1.00%	2.00%
Discount rate	8.26%	8.21%	8.21%

(1) Operating profit/revenue, where operating profit is stated before restructuring costs and other non-recurring items.
(2) Equal to or less than the medium- to long-term growth rate for the industry as a whole. This perpetuity growth rate is only used for inflation.

The main parameters used to determine the discount rate were as follows:

	Chargeurs Protective Films	Chargeurs Interlining
Risk-free interest rate	3.22%	3.22%
Market risk premium	6.00%	5.30%
Unlevered beta	0.87	0.66
Net debt/capital employed	22.00%	40.00%
Levered beta	1.03	1.00
Specific risk premium	0.0%	2.00%
Cost of equity	**9.42%**	**10.53%**
Pre-tax cost of debt	6.22%	6.22%
Tax rate	33.33%	24.00%
Post-tax cost of debt	**4.15%**	**4.73%**
WACC for 2013	**8.26%**	**8.21%**
WACC for 2012	**8.34%**	**8.28%**

A 100 basis-point increase in the discount rate used to calculate the recoverable amount of goodwill, combined with a 100 basis-point reduction in operating margin (corresponding to changes in the key assumptions that management considers "reasonably possible"), would not give rise to any impairment losses for the goodwill held by any of the Group's CGUs.
Similarly, the goodwill held by the Group's CGUs would not be affected if the objectives contained in the five-year business plans were achieved a year after forecast.

(c) Other intangible assets

In 2013, no development projects satisfied the asset recognition criteria in IAS 38.

(in euro millions)	Trademarks and patents	Development costs	Licenses	Other	Total
January 1, 2012	**0.3**	**1.7**	**2.1**	**0.7**	**4.8**
Additions	0.3	–	–	0.1	0.4
Disposals	–	–	(0.4)	–	(0.4)
Amortization	(0.1)	(0.3)	(0.1)	(0.3)	(0.8)
Other	–	(0.2)	–	0.2	–
December 31, 2012	**0.5**	**1.2**	**1.6**	**0.7**	**4.0**

(in euro millions)	Trademarks and patents	Development costs	Licenses	Other	Total
January 1, 2013	**0.5**	**1.2**	**1.6**	**0.7**	**4.0**
Additions	–	–	0.1	0.2	0.3
Disposals	–	–	–	(0.1)	(0.1)
Changes in scope of consolidation	–	–	(1.3)	-	(1.3)
Amortization	(0.1)	(0.3)	(0.1)	(0.4)	(0.9)
Other	–	–	–	0.5	0.5
December 31, 2013	**0.4**	**0.9**	**0.3**	**0.9**	**2.5**

7 _ FINANCE LEASES

The carrying amount of property, plant and equipment acquired under finance leases is as follows:

(in euro millions)	12/31/2013	12/31/2012
Land	1.2	2.2
Buildings	18.7	25.5
Plant and equipment	7.3	19.3
Fixtures, fittings and other	6.4	6.6
Gross value	**33.6**	**53.6**
Accumulated amortization	**(26.1)**	**(29.9)**
Accumulated impairment	**–**	**(9.6)**
Net value	**7.5**	**14.1**

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

(in euro millions)	12/31/2013	12/31/2012
Future minimum lease payments under finance leases	8.1	18.0
Finance lease liabilities	7.7	16.9
Future finance cost	**0.4**	**1.1**

Future lease payments can be analyzed by maturity as follows:

(in euro millions)	Future minimum lease payments	Finance lease liabilities
Due in less than one year	1.4	1.2
Due in one to five years	3.8	3.5
Due in more than five years	2.9	3.0
Total at December 31, 2013	**8.1**	**7.7**
Due in less than one year	8.3	8.1
Due in one to five years	5.6	5.0
Due in more than five years	4.1	3.8
Total at December 31, 2012	**18.0**	**16.9**

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 _ INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

(a) Movements

Investments in associates and joint ventures rose to €25.7 million at December 31, 2013 from €24.6 million at the previous year-end, reflecting Chargeurs' sale of a 26.4% stake in Zhangjiagang Yangtse Wool Combing Co. Ltd and its subsidiary Yangtse (Australia) Pty Ltd. The remaining 50% interest held by the Group is accounted for by the equity method.

(in euro millions)	Yak entities	CW Uruguay	CW Argentina	Zhangjiagang Yangtse Wool Combing Co. Ltd	Other	Total
January 1, 2012	**16.3**	**–**	**1.7**	**–**	**1.6**	**19.6**
Changes in scope of consolidation	–	6.5	(0.6)	–	–	5.9
Share of profit/(loss) for the period	0.1	(0.3)	(0.9)	–	(0.1)	(1.2)
Dividends received	(0.9)	–	–	–	–	(0.9)
Other(1)	–	–	2.2	–	–	2.2
Translation adjustment	(0.2)	(0.2)	(0.6)	–	–	(1.0)
December 31, 2012	**15.3**	**6.0**	**1.8**	**–**	**1.5**	**24.6**

(1) Following the sale of Chargeurs' 50% interest in CWA and its subsidiary PRC, the unused provision recognized in prior years for impairment in value of this interest was reversed and recorded in financial income in 2012.

(in euro millions)	Yak entities	CW Uruguay	CW Argentina	Zhangjiagang Yangtse Wool Combing Co. Ltd	Other	Total
January 1, 2013	**15.3**	**6.0**	**1.8**	**–**	**1.5**	**24.6**
Capital reduction	–	–	–	–	(1.2)	(1.2)
Changes in scope of consolidation	(2.2)	–	–	5.8	–	3.6
Share of profit/(loss) for the period	–	0.1	0.3	(0.1)	–	0.3
Dividends received	(0.3)	–	–	–	–	(0.3)
Translation adjustment	(0.2)	(0.3)	(0.5)	(0.4)	0.1	(1.3)
December 31, 2013	**12.6**	**5.8**	**1.6**	**5.3**	**0.4**	**25.7**

(b) Key figures for equity-accounted companies

The key figures for equity-accounted companies, carried in the statement of financial position in the amount of €25.7 million at December 31, 2013, are as follows (shown on a 100% basis):

(in euro millions)	12/31/2013						12/31/2012				
	Yak	CW Uruguay	CW Argentina	Zhangjiagang Yangtse Wool Combing Co. Ltd	Other	Total	Yak	CW Uruguay	CW Argentina	Other	Total
Assets	15.4	48.9	22.7	32.1	0.9	**120.0**	17.1	46.8	28.7	4.5	**97.1**
Liabilities	3.9	36.9	13.6	8.6	0.4	**63.4**	4.8	34.5	18.6	1.3	**59.1**
Revenue	1.9	31.4	17.9	2.8	5.0	**59.0**	2.3	12.3	7.7	5.5	**27.8**
Profit/(loss) for the period	–	0.2	1.3	(0.3)	0.2	**1.4**	0.2	(0.7)	(1.8)	(0.0)	**(2.3)**
Group share of profit/(loss)	–	0.1	0.3	(0.1)	–	**0.3**	0.1	(0.3)	(0.9)	(0.0)	**(1.1)**

The carrying amount of the Group's investments in associates and joint ventures includes goodwill of €8.7 million corresponding to Yak.

9 _ DEFERRED TAXES

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

(in euro millions)	12/31/2013	12/31/2012
Deferred tax assets		
– Recoverable beyond 12 months	8.9	8.7
– Recoverable within 12 months	9.9	10.5
Deferred tax liabilities, net		
– To be settled beyond 12 months	(5.4)	(6.2)
– To be settled beyond 12 months	(1.5)	(1.1)
Total	**11.9**	**11.9**

(b) Analysis by source (before netting asset and liability positions)

(in euro millions)	12/31/2013	12/31/2012
Deferred tax assets		
– Deductible temporary differences	11.0	11.6
– Tax loss carryforwards and tax credits	7.8	7.6
Deferred tax liabilities		
– Taxable temporary differences	(6.9)	(7.3)
Total	**11.9**	**11.9**

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 €5.7 million at both December 31, 2013 and 2012.

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

Tax loss carryforwards were as follows at December 31, 2013:

(in euro millions)	Total	Unrecognized
Available until		
2014	0.5	0.5
2015	–	–
2016	–	–
2017	–	–
2018	8.3	8.3
Evergreen losses	377.7	348.6
Total tax loss carryforwards	**386.5**	**357.4**

10 _ INVESTMENTS IN NON-CONSOLIDATED COMPANIES

The carrying amount of investments in non-consolidated companies can be analyzed as follows:

(in euro millions)	12/31/2013	12/31/2012
Interests of over 50%:		
– Aggregate	0.8	1.2
Interests of between 20% and 50%:		
– Aggregate	0.0	0.0
Interests of less than 20%:		
– Aggregate	0.1	0.1
Total	**0.9**	**1.3**

As these investments are not listed they cannot be valued using observable market inputs and are therefore classified at level 3 in the fair value hierarchy, in accordance with IFRS 7R. The fair value of these assets is close to their carrying amount. An impairment loss is recorded when necessary.

11 _ LONG-TERM LOANS AND RECEIVABLES

The €1.6 million total for this item at December 31, 2013 corresponds to long-term loans and deposits. The year-on-year decrease compared with the 2012 year-end was primarily due to the reimbursement of €2.9 million worth of deposits following the exercise of the option to purchase equipment previously held under a finance lease.

12 _ DERIVATIVE FINANCIAL INSTRUMENTS

The carrying amount of derivatives can be analyzed as follows:

(in euro millions)	12/31/2013	12/31/2012
Assets	0.3	0.8
Liabilities	(0.5)	(0.7)
Net	**(0.2)**	**0.1**

(in euro millions) Assets net of liabilities	12/31/2013 Fair value	12/31/2013 Notional	12/31/2012 Fair value	12/31/2012 Notional
Fair value hedges				
– Currency hedges(1)	(0.2)	15.8	0.1	9.8
Cash flow hedges				
– Currency hedges(1)	–	1.5	–	4.6
– Interest rate hedges	–		–	–
– Commodity hedges	–	2.6	–	–
Hedges of net investments in foreign operations	–	–	–	–
Currency hedges(1)	–	–	–	–
Derivatives not qualifying for hedge accounting				
– Currency derivatives(1)	–	–	–	–
– Interest rate derivatives	–	–	–	–
Derivative instruments – net asset/(liability)	**(0.2)**		**0.1**	

(1) Notional amounts shown in parentheses correspond to net borrower positions for interest rate derivatives and net seller positions for all other derivatives.

Currency hedges classified as fair value hedges – which represented a notional amount of €15.8 million at December 31, 2013 – correspond to hedges of assets and liabilities and firm commitments by subsidiaries.

Currency hedges qualifying as cash flow hedges – representing a notional amount of €1.5 million at December 31, 2013 – correspond to hedges of net sales and purchases denominated in British pounds.

The €2.6 million notional amount recorded under "Commodity hedges" corresponds to the purchase of a derivative indexed to the value of polyethylene.

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

(in euro millions)	12/31/2013	12/31/2012
Australian dollar	–	–
US dollar	18.1	16.6
Euro	(0.9)	(3.9)
Chinese yuan	–	1.3
British pound	0.1	(0.1)
Korean won	–	0.6
Total	**17.3**	**14.4**

Maturities of derivatives at fair value

(in euro millions)	12/31/2013	12/31/2012
Less than 6 months	(0.2)	(0.4)
More than 6 months	–	0.5

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

(in euro millions)	12/31/2013	12/31/2012
Euro	2.6	–

13 _ INVENTORIES AND WORK-IN-PROGRESS

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

(in euro millions)	12/31/2013	12/31/2012
Gross value		
Raw materials and supplies	41.9	45.4
Finished and semi-finished goods and work-in-progress	60.5	73.1
Other	0.2	1.6
Total – gross value	**102.6**	**120.1**
Provisions for impairment	(5.0)	(6.4)
Net value	**97.6**	**113.7**

(in euro millions)	2013	2012
Provisions for impairment at January 1	(6.4)	(6.5)
Increase in provisions for impairment of inventory	(1.2)	(2.2)
Reversals of provisions used	0.9	0.7
Reversals of surplus provisions	1.2	1.6
Changes in scope of consolidation	0.5	–
Provisions for impairment at December 31	(5.0)	(6.4)

No inventories have been pledged as collateral.

14 _ TRADE RECEIVABLES

(in euro millions)	12/31/2013	12/31/2012
Trade receivables		
Gross value	50.7	51.6
Provisions for impairment	(6.5)	(7.6)
Net	**44.2**	**44.0**

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.
Customer credit risks are managed on a local, decentralized basis. Provisions for past-due receivables are determined on a case-by-case basis, taking into account the amount recoverable under credit insurance, local practices, the customer's payment history and the total balance due (see note 24).

Factored receivables

At December 31, 2013, certain receivables had been sold under no-recourse agreements with factoring companies in France and abroad. These receivables are still shown in Chargeurs' consolidated 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).
The amounts paid by the factoring companies for receivables totaled €49.3 million at December 31, 2013 (€52.5 million at December 31, 2012).

15 _ OTHER RECEIVABLES

(in euro millions)	12/31/2013	12/31/2012
Short-term tax receivables	0.8	0.5
Other receivables	29.3	27.7
Accruals	2.1	1.3
Provisions for impairment	(2.0)	(1.0)
Net	**30.2**	**28.5**

"Other receivables" primarily include tax credits, the unfunded portion of no-recourse sales of receivables and supplier advances.
The fair value of these assets approximates their carrying amount.

16 _ CASH AND CASH EQUIVALENTS

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

(in euro millions)	12/31/2013	12/31/2012
Marketable securities	20.8	20.6
Term deposits	0.9	1.6
Sub-total	**21.7**	**22.2**
Cash at bank	26.3	28.4
Total	**48.0**	**50.6**

At December 31, 2013, Chargeurs did not have any cash or cash equivalents unavailable for the Group.

17 _ ASSETS HELD FOR SALE AND RESULT FROM DISCONTINUED OPERATIONS

(in euro millions)	12/31/2013	12/31/2012
Assets held for sale	0.2	1.8
Liabilities related to assets held for sale	–	1.1

In 2013, the Group sold for €1.6 million an item of property, plant and equipment that had a carrying amount of €0.4 million. The €0.2 million recorded under "Assets held for sale" at December 31, 2013 corresponds to residual assets for which a disposal plan is underway.
Also during the year Chargeurs finalized its plan to divest its remaining Fabrics operations in Asia. The €0.1 million negative income statement impact of this transaction was recorded in "Profit/(loss) from discontinued operations".
Chargeurs has decided to discontinue a non-profitable line of business that forms part of Chargeurs Interlining. In application of IFRS 5, this business's net losses of €4.5 million in 2013 and €1.0 million in 2012 have been presented in "Profit/(loss) from discontinued operations" (see note 2.14).
The tables below analyze the cash flows and results from discontinued operations.

Cash flows

(in euro millions)	12/31/2013	12/31/2012
Cash flows used in operating activities	(0.9)	(0.7)
Cash flows from investing activities	0.7	1.5
Cash flows used in financing activities	–	(0.7)
Total cash flows	**(0.2)**	**0.1**

Profit/(loss) from discontinued operations

(in euro millions)	12/31/2013	12/31/2012
Discontinuation of a Chargeurs Interlining business line		
Revenue	0.9	0.9
Gross profit/(loss)	(1.0)	(0.8)
Operating profit/(loss)	(4.5)	(1.0)
Finance costs and other financial income and expenses, net	–	–
Pre-tax profit/(loss) from discontinued operations	(4.5)	(1.0)
Income tax expense	–	–
Post-tax profit/(loss) from discontinued operations	**(4.5)**	**(1.0)**
Pre-tax gains and losses from asset remeasurements	–	–
Income tax on gains and losses from asset remeasurements	–	–
Post-tax net gains and losses from asset remeasurements	–	–
Profit/(loss) for the period	**(4.5)**	**(1.0)**
Discontinuation of the remaining Fabrics operations in Asia	**(0.1)**	**(2.2)**
Profit/(loss) from discontinued operations	**(4.6)**	**(3.2)**

18 _ EQUITY

All Chargeurs shares have been called and are fully paid-up. Changes in the number of shares outstanding since January 1, 2012 are as follows:

Shares outstanding at December 31, 2011	**13,123,225**
Issuance of shares on conversion of bonds by bondholders	401,688
Shares outstanding at December 31, 2012	**13,524,913**
Issuance of shares on conversion of bonds by bondholders	815,662
Shares outstanding at December 31, 2013	**14,340,575**

Based on a par value of €0.16 per share, shares outstanding at December 31, 2013 represented issued capital of €2,294,492 (December 31, 2012: €2,163,986).
All of the shares are of the same class, with the same rights to dividends and returns of capital.

Conversion of bonds into shares

During 2013, 27,298 bonds were converted into shares. The aggregate par value of the shares issued on conversion was €0.1 million and the aggregate premium was €1.4 million, representing a total increase in equity of €1.5 million.

	12/31/2013	12/31/2012
Number of convertible bonds		
At beginning of period	299,691	313,629
Number of bonds converted during the period	27,298	13,938
At end of period	272,393	299,691
Number of shares issued on conversion of bonds		
At beginning of period	3,147,816	2,746,128
Shares issued on conversions for the period	737,046	376,326
Shares issued in payment of interest	78,616	25,362
At end of period	3,963,478	3,147,816
Number of shares potentially issuable between December 31, 2013 and January 1, 2016		
Minimum number of shares	1,650,702	1,816,127
Maximum number of shares	8,716,576	9,590,112
Aggregate face value of the bonds (in euros)	**22,829,565**	**22,829,565**
Maximum amount redeemable at maturity (bonds outstanding at January 1, 2016) (in euros)	**14,981,615**	**16,483,005**

19 _ CONVERTIBLE BONDS

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 offer ran from March 15 to 29, 2010 and was subscribed 1.78 times.
The prospectus for the issue, which was approved by the AMF under visa number 10-044 on March 11, 2010, may be viewed on the websites of Chargeurs and the AMF. http://www.chargeurs.fr/fr/content.lobligation-convertible.

Principal terms of the bond issue:

(a) Conversion of bonds into shares

The bonds are convertible into Chargeurs shares at any time between the issue date and the seventh business day preceding the normal or early redemption date, based on a ratio of 27 new shares for 1 bond.

(b) Coupon

Holders of bonds redeemed at maturity on January 1, 2016 will receive a stock-based remuneration equal to 6.06 Chargeurs shares per bond.
In the case of early redemption, or conversion, the stock-based remuneration will be calculated ratably based on the

period that has elapsed since the issue date as shown below:

Year of conversion	Coupon
2011	0.76 share
2012	1.82 share
2013	2.88 shares
2014	3.94 shares
2015	5.00 shares

The stock-based coupon paid on conversion is recognized directly in equity as a deduction from the premium on the shares in accordance with the "fixed for fixed" rule, and has no impact on profit. The finance cost recorded in the income statement corresponds to the effect of unwinding the discount on the liability component of the bonds, determined using the effective interest method.

(c) Life of the bonds

5 years and 261 days.

(d) Redemption at maturity

The bonds are redeemable at maturity on January 1, 2016 (or the next business day if January 1, 2016 is not a business day) at their nominal value.

(e) Buyback and retirement of the bonds by the Company

The Company may, at any time, buy back and retire all or some of the bonds, subject to the unanimous agreement of the banks that are parties to the February 7, 2010 debt restructuring agreement. The bonds may be purchased by means of on or off-market transactions or through public purchase or exchange offers, without any limits as to the buyback price or the number of bonds purchased and retired.

(f) Retirement of the bond issue at the option of the Company

Subject to the unanimous agreement of the banks that are parties to the February 7, 2010 debt restructuring agreement, the Company may, at any time between January 1, 2012 and the bonds' maturity date, provided it gives at least thirty days' notice, redeem all outstanding bonds at their nominal value if the arithmetical average of the opening prices quoted for the Company's shares on NYSE Euronext Paris over ten consecutive trading days within the twenty-day period preceding the publication of the retirement notice exceeds €6.

(g) Listing

The convertible bonds are listed on the NYSE Euronext Paris stock market (ISIN: FR0010870931).

(h) Conversion ratio adjustments

The usual adjustments that may be necessary as a result of any corporate actions are described in the prospectus published on the AMF website.

ACCOUNTING TREATMENT

The accounting treatment of the convertible bonds in accordance with IAS 32 led to a €4.6-million increase in equity on initial recognition.
The market interest rate used to calculate the fair value of the debt and the initial breakdown between the bonds' equity and liability components are presented below:
- Market interest rate used to calculate fair value: 5.35%.
- Effective interest rate: 7.6%.
- Fair value of the liability component on the issue date: €16.8 million.

The related finance cost for 2013 was €1.1 million.
A total of 27,298 bonds were converted in 2013, leading to a €1.5 million decrease in the outstanding debt.

(in euro millions)	12/31/2012	Finance cost for the period	Conversions for the period	12/31/2013
Share capital	0.4	–	–	**0.4**
Share premium account (conversion premium)	6.0	–	1.5	**7.5**
Equity component of convertible bonds	4.6	–	–	**4.6**
Convertible bonds	13.6	1.1	(1.5)	**13.2**

20 _ BORROWINGS

The Chargeurs Group's borrowings fall within the definition of "Other financial liabilities". Borrowings are measured using the amortized cost method.

(in euro millions)	12/31/2013	12/31/2012
Bank borrowings	16.8	41.5
Finance lease liabilities	7.7	16.9
Total	**24.5**	**58.4**

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

(in euro millions)	12/31/2013	12/31/2012
Due in less than one year	11.5	39.5
Due in one to two years	3.5	11.3
Due in two to three years	2.7	2.0
Due in three to four years	1.1	1.0
Due in four to five years	1.1	0.8
Due in more than five years	4.6	3.8
Total	**24.5**	**58.4**

Borrowings by type

(in euro millions)	Notional amount 12/31/2013	Notional amount 12/31/2012	Effective interest rate 12/31/2013
Bank borrowings	24.5	58.4	4.29%
Bank overdrafts	20.3	25.0	
Total borrowings	**44.8**	**83.4**	
Cash and cash equivalents	(48.0)	(50.6)	
Net debt/(cash)	**(3.2)**	**32.8**	

At December 31, 2013 the Group's companies, taken as a whole, had €55 million in available credit facilities.

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

(in euro millions)	2014	2015	2016	2017	2018	2019 and beyond
Fixed-rate borrowings	1.6	1.5	1.2	-	-	-
Variable-rate borrowings	9.9	2.0	1.5	1.1	1.1	4.6
Total	**11.5**	**3.5**	**2.7**	**1.1**	**1.1**	**4.6**

The carrying amount of variable-rate borrowings approximates their fair value in view of the interest rates applied.
At December 31, 2013, the carrying amount of borrowings originally contracted at fixed rates was €4.3 million.
The average interest rate on long-term debt was 4.29% at December 31, 2013 and 4.06% at December 31, 2012. The fixed-rate portion of these borrowings represented an average of 12.1% in 2013 (12.9% in 2012).

Long-term debt was denominated in the following repayment currencies at December 31, 2013 and December 31, 2012:

(in euro millions)	12/31/2013	12/31/2012
Euro	22.2	56.4
US dollar	0.7	1.5
Other	1.6	0.5
Total	**24.5**	**58.4**

The debt restructuring agreement signed by the Group on January 7, 2010 and amended by way of addenda dated February 4, 2010 and January 6, 2012 was extended on June 26, 2013, with the overall credit facilities covered by the agreement reduced from €57 million to €19 million.
In November 2013, Chargeurs Protective Films repaid the outstanding amount under its medium-term credit facility in advance of maturity, thereby settling all of its obligations under the debt restructuring agreement.
At December 31, 2013, the remaining amount owed by Chargeurs Interlining under the agreement was €7.1 million.
The credit facilities concerned are subject to the standard clauses contained in this type of loan agreement, notably financial covenants.
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. None of these covenants had been breached at December 31, 2013.

	Chargeurs Interlining
Net debt/EBITDA	< 4.4
Interest cover (EBITDA/finance costs)	> 2.8

21 _ PENSION AND OTHER LONG-TERM EMPLOYEE BENEFIT OBLIGATIONS

(a) Impacts of the first-time application of IAS 19R

The tables below set out the main impacts of the first-time application of IAS 19R on the consolidated financial statements at December 31, 2012.

Impact on financial statement at December 31, 2012

Consolidated statement on financial position

Assets

(in euro millions)	2012 (reported)	Impact of IAS 19R	2012 (restated)
Non-current assets	**162.6**	**–**	**162.6**
Current assets	**290.1**	**–**	**290.1**
Assets held for sale	1.8	–	1.8
Total assets	**454.5**	**–**	**454.5**

Equity and liabilities

(in euro millions)	2012 (reported)	Impact of IAS 19R	2012 (restated)
Equity			
Attributable to owners of the parent			
Share capital	2.2	–	2.2
Share premium account	38.1	–	38.1
Other reserves and retained earnings	134.7	(4.3)	130.4
Profit/(loss) for the period	(15.2)	0.3	(14.9)
Treasury stock	(1.2)	–	(1.2)
Translation reserve	8.0	–	8.0
	166.6	**(4.0)**	**162.6**
Non-controlling interests	**6.6**		**6.6**
Total equity	**173.2**	**(4.0)**	**169.2**
Non-current liabilities			
Convertible bonds	13.6	–	13.6
Long-term borrowings	18.9	–	18.9
Deferred tax liabilities	0.3	–	0.3
Pension and other long-term employee benefit obligations	10.6	4.0	14.6
Provisions	0.4	–	0.4
Other non-current liabilities	10.3	–	10.3
	54.1	**4.0**	**58.1**
Current liabilities	**226.1**	**–**	**226.1**
Liabilities related to assets held for sale	1.1	–	1.1
Total equity and liabilities	**454.5**	–	**454.5**

Consolidated income statement

(in euro millions)	2012 (reported)	Impact of IAS 19R	2012 (restated)
Revenue	**524.6**	–	**524.6**
Gross profit	**100.3**	**0.8**	**101.1**
Operating profit	**7.0**	**0.8**	**7.8**
Finance costs and other financial income and expenses, net	**(10.2)**	**(0.5)**	**(10.7)**
Pre-tax profit/(loss) for the period	**(4.4)**	**0.3**	**(4.1)**
Profit/(loss) from continuing operations	(13.6)	0.3	(13.3)
Profit/(loss) from discontinued operations	(2.2)	–	(2.2)
Profit/(loss) for the period	**(15.8)**	**0.3**	**(15.5)**

Consolidated statement of comprehensive income

(in euro millions)	2012 (reported)	Impact of IAS 19R	2012 (restated)
Profit/(loss) for the period	**(15.8)**	**0.3**	**(15.5)**
Total items that may be reclassified subsequently to profit or loss	**(1.8)**	**0.0**	**(1.8)**
Other items of other comprehensive income/(expense)	(0.2)	–	(0.2)
Actuarial gains and losses on post-employment benefit obligations	–	(1.4)	(1.4)
Total items that will not be reclassified to profit or loss	**(0.2)**	**(1.4)**	**(1.6)**
Other comprehensive income/(expense) for the period, net of tax	**(2.0)**	**(1.4)**	**(3.4)**
Total comprehensive income/(expense) for the period	**(17.8)**	**(1.1)**	**(18.9)**
Attributable to:			
Owners of the parent	(17.2)	(1.1)	(18.3)
Non-controlling interests	(0.6)	–	(0.6)

Consolidated statement of changes in equity

(in euro millions)	Share capital	Share premium account	Other reserves and retained earnings	Translation reserve	Cash flow hedge reserve	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, 2011 (reported)	**2.1**	**37.4**	**134.9**	**9.9**	**(0.1)**	–	**(1.2)**	**183.0**	**7.2**	**190.2**
Effect of change of accounting method	–	–	–	–	–	(2.9)	–	–	–	–
At December 31, 2011 (restated)	**2.1**	**37.4**	**134.9**	**9.9**	**(0.1)**	**(2.9)**	**(1.2)**	**180.1**	**7.2**	**187.3**
Issue of share capital	0.1	0.7	–	–	–	–	–	0.8	–	0.8
Profit/(loss) for the period	–	–	(15.2)	–	–	0.3	–	(14.9)	(0.6)	(15.5)
Other comprehensive income/(expenses) for the period	–	–	(0.2)	(1.9)	0.1	(1.4)	–	(3.4)	–	(3.4)
At December 31, 2012 (restated)	**2.2**	**38.1**	**119.5**	**8.0**	**0.0**	**(4.0)**	**(1.2)**	**162.6**	**6.6**	**169.2**
At December 31, 2012 (reported)	**2.2**	**38.1**	**119.5**	**8.0**	**0.0**	**0.0**	**(1.2)**	**166.6**	**6.6**	**173.2**

(b) Movements in the Group's projected benefit obligation in 2013

Pension and other long-term employee benefit obligations can be analyzed as follows:

(in euro millions)	12/31/2013	12/31/2012 (restated)
Post-employment benefit obligations	10.4	12.0
Post-employment healthcare plans	0.5	0.7
Other long-term employee benefit obligations	1.8	1.9
	12.7	**14.6**

Post-employment benefits under defined benefit plans correspond to statutory length-of-service awards payable to employees on retirement in France and other plans giving rise to less significant obligations. Other long-term employee benefits consist mainly of long-service awards.

The amounts recognized in the statement of financial position for these plans can be analyzed as follows:

(in euro millions)	12/31/2013	12/31/2012 (restated)
Present value of obligations – funded plans	19.2	21.0
Fair value of plan assets	(15.7)	(15.1)
Net present value of obligations – funded plans	**3.5**	**5.9**
Present value of obligations – unfunded plans	9.2	8.7
Net liability in the statement of financial position	**12.7**	**14.6**

Movements in the projected benefit obligation under funded plans were as follows:

(in euro millions)	2013	2012 (restated)
Projected benefit obligation at January 1	**21.0**	**19.8**
Service cost	0.1	0.1
Interest cost	0.7	0.9
Curtailments and settlements	–	(0.1)
Benefits paid out of plan assets	(1.3)	(1.3)
Benefits paid out of company reserves	–	–
Transfer of obligations to external parties (employee transfers)	–	–
Actuarial gains/(losses) for the period	(0.5)	2.0
Translation adjustment	(0.7)	(0.4)
Change from a funded to an unfunded obligation	–	–
Changes in scope of consolidation	–	–
Other	(0.1)	–
Projected benefit obligation at December 31	**19.2**	**21.0**

Movements in the fair value of plan assets for funded plans were as follows:

(in euro millions)	2013	2012 (restated)
Fair value of plan assets at January 1	**15.1**	**14.1**
Actuarial gains/(losses) for the period	1.1	1.4
Expected return on plan assets	0.5	–
Employer contributions	0.9	1.1
Benefits paid out of plan assets	(1.3)	(1.3)
Curtailments and settlements	–	–
Translation adjustment	(0.6)	(0.2)
Reimbursement of plan surpluses	–	–
Fair value of plan assets at December 31	**15.7**	**15.1**

The breakdown of plan assets was as follows at December 31, 2013 and 2012:

	2013	2012
Money market funds	4%	3%
Equities	53%	47%
Bonds	37%	40%
Real estate	4%	5%
Commodities	2%	5%
Total	**100%**	**100%**

Movements in the projected benefit obligation under unfunded plans can be analyzed as follows:

(in euro millions)	2013	2012 (restated)
Projected benefit obligation at January 1	**8.7**	**7.9**
Service cost	0.5	0.4
Interest cost	0.2	0.2
Curtailments and settlements	–	–
Benefits paid out of plan assets	–	–
Benefits paid out of company reserves	(0.5)	(0.2)
Transfer of obligations to external parties (employee transfers)	–	–
Actuarial (gains)/losses for the period	0.4	0.4
Translation adjustment	(0.1)	–
Change from a funded to an unfunded obligation	–	–
Changes in scope of consolidation	–	–
Other	–	–
Projected benefit obligation at December 31	**9.2**	**8.7**

The amounts recognized in the income statement for defined benefit plans and other long-term employee benefits can be analyzed as follows:

(in euro millions)	12/31/2013	12/31/2012 (restated)
Service cost	0.6	0.8
Interest cost	0.9	1.1
Expected return on plan assets	(0.5)	(0.5)
Reversal of surplus provisions	0.1	–
Net expense recognized in the income statement	**1.1**	**1.4**

The net expense is accounted for by function in cost of sales, distribution and administrative expenses, and research and development costs.

Changes in the net liability recognized in the statement of financial position can be analyzed as follows:

(in euro millions)	2013	2012 (restated)
Net liability at January 1	14.6	13.6
Net expense recognized in the income statement	1.1	1.4
Benefits paid during the year	(1.4)	(1.5)
Actuarial (gains)/losses for the period	(1.2)	1.4
Reimbursement of plan surpluses	–	–
Exchange differences on foreign plans	(0.2)	(0.1)
Other	(0.2)	(0.2)
Net liability at December 31	**12.7**	**14.6**

The main actuarial assumptions at December 31, 2013 and 2012 were as follows:

	12/31/2013	12/31/2012 (restated)
Europe		
Expected rate of return on plan assets(1)	3.0%	2.75%
Discount rate applied to projected benefit obligation(2)	3.0%	2.75%
Estimated future salary increases:		
– Managers	2.5%	2.5%
– Other employees	2.0%	2.0%
Long-term (underlying) inflation rate	2.0%	2.0%

(1) Representing the average of the expected rates of return calculated for each asset class.
(2) Corresponding to the yield on bonds issued by AA-rated companies in the eurozone.

	12/31/2013	12/31/2012 (restated)
North America		
Expected rate of return on plan assets(2)	3.75%	4.50%
Discount rate applied to projected benefit obligation(1)(2)	3.75%	4.50%

(1) Based on the Citigroup bond index.
(2) The two rates include an underlying inflation assumption.

	12/31/2013	12/31/2012
Probable retirement age	60 to 65 years	60 to 65 years

A 1-point increase or decrease in the estimated growth rate for healthcare costs would not have a material impact on the related projected benefit obligation, service cost or interest cost.

At December 31, 2013, the average duration of the Group's employee benefit obligations was between eight and eighteen years.

The Group pays contributions into funded plans and also pays benefits directly under unfunded plans. The total estimated amount of benefits that will be paid under defined benefit plans during the year ended December 31, 2014 is €1.5 million.

22 _ PROVISIONS

The amount reported under "Provisions" in the statement of financial position does not include short-term provisions, which are included in "Other payables".

(in euro millions)	12/31/2013	12/31/2012
Long-term provisions	0.4	0.4
Short-term provisions	2.0	1.7
Total	**2.4**	**2.1**

Movements in provisions:

(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	–	(1.0)	(1.0)
Reversals of surplus provisions	(2.1)	(0.8)	(2.9)
Other	–	(0.2)	(0.2)
Translation adjustment	–	–	–
December 31, 2012	**0.4**	**1.7**	**2.1**
January 1, 2013	**0.4**	**1.7**	**2.1**
Additions	0.1	1.8	1.9
Reversals of provisions used	–	(0.3)	(0.3)
Reversals of surplus provisions	–	(1.0)	(1.0)
Other	–	–	–
Translation adjustment	(0.1)	(0.2)	(0.3)
December 31, 2013	**0.4**	**2.0**	**2.4**

(in euro millions)	12/31/2013	12/31/2012
Provisions for industrial restructuring costs	1.7	1.2
Provisions for other contingencies	0.7	0.9
Total	**2.4**	**2.1**

Cash outflows covered by provisions for other contingencies will amount to €0.3 million in 2014 and €0.4 million in subsequent years.

23 _ OTHER NON-CURRENT LIABILITIES, OTHER PAYABLES AND FACTORING LIABILITIES

Receivables sold under no-recourse agreements are shown in the statement of financial position in an amount of €49.3 million, with the corresponding liability recorded under "Factoring liabilities".

24 _ FINANCIAL RISK MANAGEMENT

In the normal course of business, the Chargeurs Group is exposed to financial risks including market risks (foreign exchange risk, interest rate risk and price risk on certain commodities), as well as credit and liquidity risks. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. Derivative instruments are used to hedge certain risk exposures.

(a) Market risks

Market risks are monitored internally using reporting schedules that compare the entities' exposure to identified risks with market value indicators. These indicators are obtained from various external databases containing information on foreign currencies and commodity prices that directly or indirectly affect the Group's operations and the value of its assets.

(i) Foreign exchange risk

The Group operates internationally, with 93.1% of revenue generated outside France and 51.8% of revenue is generated outside Europe where exposure to foreign exchange risk primarily concerns the US dollar and the Chinese yuan. Foreign exchange risk relates to future commercial transactions, recognized assets and liabilities denominated in foreign currencies and net investments in foreign operations.

In order to manage exposures to changes in exchange rates for the US dollar and various Asian currencies on a long-term basis, Chargeurs has relocated production facilities to Asia and the dollar zone. A total of 52% of assets are now located outside Europe.

Group entities use forward contracts to manage foreign exchange risk arising from (i) future commercial transactions and (ii) recognized assets and liabilities denominated in foreign currencies.

External foreign exchange contracts are designated by each business line as fair value hedges, cash flow hedges or hedges of a net investment in a foreign operation, as appropriate.

The risk management policy for Chargeurs Protective Films and Chargeurs Interlining involves hedging a portion of forecast transactions (mainly export sales) in each major currency for the subsequent twelve months (calculated as part of the budget process). The percentage applied is determined in line with the IFRS definition of "highly probable forecast transactions" for hedge accounting purposes.

Chargeurs Wool's main foreign exchange exposures relating to transactions and borrowings in foreign currencies concern the Australian dollar and US dollar, and are hedged using forward contracts.

The following table presents the sensitivity of consolidated equity to foreign exchange risk, based on data at December 31, 2013.

(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	(0.3)	0.0	(0.0)
Argentine peso	(5.8)	0.6	(0.6)
Bangladesh taka	(0.3)	0.0	(0.0)
Brazilian real	(0.1)	0.0	(0.0)
Canadian dollar	0.0	0.0	0.0
Swiss franc	0.1	0.0	(0.0)
Chilean peso	0.0	0.0	0.0
British pound	(0.1)	0.0	(0.0)
Hong Kong dollar	(0.3)	0.0	(0.0)
Czech koruna	1.4	0.1	(0.1)
Sri Lankan rupee	(0.4)	0.0	(0.0)
Mexican peso	0.0	0.0	0.0
Malaysian ringgit	0.6	0.1	(0.1)
New Zealand dollar	0.9	0.1	(0.1)
Chinese yuan	8.0	0.8	(0.8)
Singapore dollar	0.8	0.1	(0.1)
Turkish lira	(1.3)	0.1	(0.1)
US dollar	(5.4)	0.5	(0.5)
South Korean won	(0.2)	0.0	(0.0)
South African rand	(0.6)	0.1	(0.1)
Total	**(3.0)**	**2.7**	**(2.7)**

(ii) Interest rate risk

A 1-point increase in interest rates would have a €0.7 million impact on net debt (including amounts received for no recourse receivables sales) that is not hedged against interest rate risks.

(iii) Price risk

The Group is exposed to price risk on certain materials that are essential for its production operations. The Protective Films business is exposed to risks relating to certain oil byproducts, which it manages via its supplier contracts and sales pricing strategy. The Interlining business is exposed to fluctuations in the prices of fibers used in its products, a risk it manages by placing suppliers in competition with one another and through its sales pricing strategy. The Wool business systematically matches its fixed-price sale commitments with fixed-price purchase commitments.

(b) Credit risk

(i) Trade receivables

The Group has no significant concentrations of credit risk as no one customer represents more than 10% of revenue. In addition, it obtains protection against receivables risk through credit insurance and letters of credit wherever possible.

An internal ratings system has been developed for businesses that are exposed to counterparty risks of over six months, whereby exposure limits are set in line with the risk profile of the counterparty concerned.

The risk of non-recovery of trade receivables is reviewed at each monthly close and provisions for impairment are recognized for the following:

- Doubtful receivables: these correspond to receivables for which legal proceedings have been launched. Such receivables are written down in an amount representing their full value net of tax less any credit insurance settlements received.
- Past due receivables: these correspond to past due receivables that are not disputed by customers but for which the Group has not yet obtained the related settlement despite several reminders. The impairment recognized on these receivables depends on the amount of payments already received, or which are expected, and any changes in the customer's legal and financial situation.

(in euro millions)	12/31/2013	12/31/2012
Receivables not past due		
Gross value	37.6	35.5
Impairment	(0.8)	(0.4)
Net value	**36.8**	**35.1**
Past due receivables		
Gross value	13.1	16.1
Impairment	(5.6)	(7.2)
Net value	7.5	**8.9**
Carrying amount	**44.3**	**44.0**

Maturity of receivables past due but not written down

Less than one month past due	5.4	5.1
More than one month past due	2.1	3.8
Net value	**7.5**	**8.9**

(ii) Country risk

The Group's geographical diversity means that it is not significantly exposed to political risk.

At December 31, 2013, four of the five main countries in which the Group's customers are located were rated at least "A" by Standard & Poor's.

2013 Country	% of total revenue	Credit rating(1)
Italy	15.3%	BBB
United States	14.3%	AA+
China and Hong Kong	12.5%	AA-
Germany	10.3%	AAA
France	6.9%	AA

(1) Standard & Poor's rating.

(iii) Banking counterparty risk

The Group deals only with leading financial institutions for derivative instruments, cash-settled transactions and cash deposits.

(iv) Insurance counterparty risks

Chargeurs has set up insurance policies covering customer default, freight, property and casualty, business interruption, liability and other risks. These policies are taken out with a number of different insurance companies, which were all rated at least "A–" by Standard & Poor's at December 31, 2013.

Insurers

Insured risks	Credit rating(1)
Customer default	A
Freight	A+
Property and casualty	A+
Liability	A+

(1) Standard & Poor's rating.

(c) Liquidity risk

An analysis of the Group's borrowings is provided in note 20. The Group manages its liquidity risk via the following three main strategies:

(i) Ensuring that short-term assets exceed short-term liabilities

(in euro millions)	December 31, 2013 Total	December 31, 2013 Due in less than one year	December 31, 2013 Due in one to five years	December 31, 2013 Due beyond five years	December 31, 2012 Total	December 31, 2012 Due in less than one year	December 31, 2012 Due in one to five years	December 31, 2012 Due beyond five years
Financial assets and liabilities								
Cash and cash equivalents	48.0	48.0	–	–	50.6	50.6	–	–
Long-term borrowings	(13.0)	–	(8.4)	(4.5)	(18.9)	–	(18.9)	–
Short-term portion of long-term borrowings	(11.5)	(11.5)	–	–	(39.5)	(39.5)	–	–
Short-term bank loans and overdrafts	(20.4)	(20.4)	–	–	(25.0)	(25.0)	–	–
Net debt	**3.2**	**16.2**	**(8.4)**	**(4.5)**	**(32.8)**	**(13.9)**	**(18.9)**	**–**
Derivative instruments – assets	0.3	0.3	–	–	0.7	0.7	–	–
Deposits	1.5	–	1.5	–	6.3	4.9	1.4	–
Derivative instruments – liabilities	(0.5)	(0.5)	–	–	(0.7)	(0.7)	–	–
Other financial assets and liabilities	1.4	(0.2)	1.5	–	6.4	4.9	1.4	–
Sub-total – financial assets and liabilities	**4.6**	**16.0**	**(6.9)**	**(4.5)**	**(26.4)**	**(9.0)**	**(17.5)**	**–**
Working capital								
Trade receivables	44.2	44.2	–	–	44.0	44.0	–	–
Inventories	97.6	97.6	–	–	113.7	113.7	–	–
Trade payables	(88.9)	(88.9)	–	–	(75.5)	(75.5)	–	–
Sub-total – operating assets and liabilities	**52.9**	**52.9**	**–**	**–**	**82.3**	**82.3**	**–**	**–**
Total financial and operating assets and liabilities	**57.5**	**69.0**	**(6.9)**	**(4.5)**	**55.8**	**73.3**	**(17.5)**	**–**

NB: receivables sold by the Group under no-recourse agreements are not included in the above table as the sales involve the transfer of title (see note 3). However, for reasons of prudence the Group has kept these receivables in the consolidated statement of financial position with a liability recognized for the amount of the cash proceeds received.

(ii) Forging partnerships with banks while maintaining a diversified lender base

The Group works with over 25 banks and financial institutions, of which the five largest represent 45% of its available credit facilities. At December 31, 2013, all of the five main banking partners had at least a B short-term rating, a BB–long-term rating and negative to stable outlooks.

(iii) Applying strict rules for financing arrangements

When negotiating financing arrangements, the Group is particularly careful to ensure that the related documentation minimizes liquidity risk. To this end, specific negotiation standards have been issued and documentation for material financing arrangements has to be validated at several different levels.

NOTES TO THE INCOME STATEMENT

25 _ OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses can be analyzed as follows:

(in euro millions)	2013	2012 (restated)
Exchange gains and losses	(0.8)	(0.5)
Gains and losses on disposal of non-current assets	3.0	(0.1)
Goodwill impairment	–	–
Restructuring costs	(0.1)	(2.5)
Impairment of non-current assets	–	–
Reversal of surplus provisions	0.5	–
Other	–	2.5
Total	**2.6**	**(0.6)**

26 _ EMPLOYEE INFORMATION

(a) Number of employees

The average number of employees of fully consolidated subsidiaries was as follows in 2013 and 2012:

	2013	2012 (restated)
Employees in France	506	515
Employees outside France	1,216	1,392
Total employees	**1,722**	**1,907**

(b) Payroll costs

(in euro millions)	2013	2012 (restated)
Wages and salaries	49.3	54.3
Payroll taxes	18.7	20.2
Discretionary profit sharing	0.9	0.8
Total	**68.9**	**75.3**

27 _ FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES

(in euro millions)	2013	2012 (restated)
Cost of net debt	(3.9)	(6.4)
– *Finance cost*	*(4.5)*	*(8.2)*
– *Interest income on loans and investments*	*0.6*	*1.8*
Factoring cost	(1.0)	(1.3)
Other financial income and expenses:	(1.6)	(3.0)
– *Convertible bond interest cost*	*(1.0)*	*(1.1)*
– *Interest expense on employee benefits*	*(0.5)*	*(0.5)*
– *Fair value adjustments to investments in non-consolidated companies*	*–*	*–*
– *Fair value adjustments to financial instruments*	*(0.1)*	*–*
– *Other*[(1)]	*–*	*(1.4)*
Finance costs and other financial income and expenses, net	**(6.5)**	**(10.7)**

(1) In 2012, this line included the €1.3-million capital loss that arose on the sale of 50% of Chargeurs Wool Argentina and Chargeurs Wool Uruguay.

28 _ INCOME TAX

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

(in euro millions)	2013	2012
Current taxes	(4.1)	(3.0)
Deferred taxes	0.4	(6.2)
Total	**(3.7)**	**(9.2)**

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

(in euro millions)	2013	2012
Income tax expense for the period	(3.7)	(9.2)
Standard French income tax rate	33.33%	33.33%
Tax at the standard rate	(3.8)	1.1
Difference between income tax expense for the period and tax at the standard rate	**0.1**	**(10.3)**
Effect of differences in foreign tax rates	-	0.3
Effect of permanent differences between book profit and taxable profit	0.1	(2.3)
Change in tax assets recognized for tax losses:	1.1	(7.5)
– *Reversals of valuation allowances on tax loss carryforwards recognized in prior periods*	*–*	*–*
– *Utilizations of tax loss carryforwards recognized in prior periods*	*2.1*	*1.8*
– *Effect of unrelieved tax losses*	*(1.0)*	*(3.7)*
– *Valuation allowance on deferred tax assets (tax loss carryforwards arising in prior periods)*	*–*	*(5.6)*
Other	(1.1)	(0.8)

29 _ STOCK OPTIONS

There were no stock options outstanding at December 31, 2013.

30 _ EARNINGS PER SHARE

Basic earnings per share are calculated by dividing profit from continuing operations attributable to owners of the parent by the weighted average number of shares outstanding during the period.

The Company reported basic earnings per share of €0.60 for 2013.

As a result of the convertible bond issue, diluted earnings per share were determined by taking into account 8,139,103 potential ordinary shares at December 31, 2013 and by adjusting profit to exclude the interest paid on the bonds. On this basis, diluted earnings per share for the period came to €0.42.

(in euro millions)	Basic	Diluted
Profit from continuing operations attributable to owners of the parent	8.2	9.2
Weighted average number of shares	13,661,574	21,800,677
Earnings per share for 2013	**0.60**	**0.42**

NOTES TO ADDITIONAL INFORMATION

31 _ COMMITMENTS AND CONTINGENCIES

31.1 Commercial commitments

At December 31, 2013, Chargeurs and its subsidiaries had given firm commitments to purchase manufacturing assets representing an aggregate amount of €0.3 million.

31.2 Guarantees

At December 31, 2013, Chargeurs and its subsidiaries had given guarantees for a total of €0.2 million.

31.3 Collateral

At December 31, 2013 the Group had granted collateral representing a total of €12.6 million.

31.4 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)	12/31/2013	12/31/2012
Due in less than one year	4.2	4.4
Due in one to five years	0.7	4.5
Due in more than five years	-	-
Total	**4.9**	**8.9**

31.5 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 the first half of 2011, new Employment Tribunal claims were lodged against the Company on the same grounds for an additional amount of about €0.8 million.

On February 20, 2014, all of the above claims filed by former employees were rejected by the judge to whom the cases had been referred by the Employment Tribunal.
The Company continues to consider that these claims are totally without merit.

31.6 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 subsidiary received a €0.84 million tax reassessment, corresponding to excise duty on energy products for the years 2007 to 2010. The company formally contested this reassessment on April 11, 2011. No changes in the situation occurred in 2013 and a final decision on the case is expected in May 2014.

31.7 Special purpose entities

Over the last few years, Chargeurs has taken steps to refocus all its resources on its core businesses. To achieve this refocusing, the Group outsourced certain operations previously performed internally to external companies that are legally and financially independent from Chargeurs. This strategy is aligned with the restrictions arising from local laws in the Group's host countries.
At December 31, 2012, only Chargeurs Interlining still had an operating lease with IMLA, a special purpose entity, under which the amounts outstanding stood at €0.5 million. Chargeurs had repaid this amount in full at December 31, 2013.

32 _ INFORMATION BY BUSINESS SEGMENTS

Profits and losses by business segment were as follows:

2013 (in euro millions)	Chargeurs Protective Films	Chargeurs Interlining	Chargeurs Wool	Non-operating	Inter-segment eliminations	Consolidated
Revenue	**190.9**	**173.7**	**101.9**	**–**	**–**	**466.5**
Operating profit/(loss)	10.8	5.1	2.1	(0.2)	–	17.8
Finance costs and other financial income and expense, net	–	–	–	–	–	(6.5)
Share of profit/(loss) of associates	–	–	–	–	–	0.3
Pre-tax profit/(loss) for the period	**–**	**–**	**–**	**–**	**–**	**11.6**
Income tax expense	–	–	–	–	–	(3.7)
Profit/(loss) from continuing operations	**–**	**–**	**–**	**–**	**–**	**7.9**
Profit/(loss) from discontinued operations	**–**	**–**	**–**	**–**	**–**	**(4.6)**
Profit/(loss) for the period	**–**	**–**	**–**	**–**	**–**	**3.3**

2012 (in euro millions)	Chargeurs Protective Films	Chargeurs Interlining	Chargeurs Wool	Non-operating(1)	Inter-segment eliminations(2)	Consolidated (restated)
Revenue	**181.5**	**178.2**	**164.1**	**–**	**–**	**523.8**
Operating profit/(loss)	9.5	5.3	0.2	(4.3)	(1.9)	8.8
Finance costs and other financial income and expense, net	–	–	–	–	–	(10.7)
Share of profit/(loss) of associates	–	–	–	–	–	(1.2)
Pre-tax profit/(loss) for the period	**–**	**–**	**–**	**–**	**–**	**(3.1)**
Income tax expense	–	–	–	–	–	(9.2)
Profit/(loss) from continuing operations	**–**	**–**	**–**	**–**	**–**	**(12.3)**
Profit/(loss) from discontinued operations	**–**	**–**	**–**	**–**	**–**	**(3.2)**
Profit/(loss) for the period	**–**	**–**	**–**	**–**	**–**	**(15.5)**

(1) The operating profit of Chargeurs Interlining includes a €2.6-million subsidy granted by Chargeurs SA.
(2) Impact of the acquisition by Chargetex 35 of land and buildings from Intissel (Chargeurs Interlining).

Additional information:

2013 (in euro millions)	Chargeurs Protective Films	Chargeurs Interlining	Chargeurs Wool	Non-operating	Consolidated
Amortization of property, plant and equipment	(2.4)	(4.4)	(1.2)	(0.1)	(8.1)
Impairment losses:					
– Goodwill	–	–	–	–	–
– Property, plant and equipment	–	(0.1)	–	–	(0.1)
Impairment losses:					
– Inventories	(0.8)	(0.3)	(0.1)	–	(1.2)
– Trade receivables	(0.1)	1.0	–	–	0.9
Restructuring costs (note 25)	–	(0.1)	–	–	(0.1)

2012 (in euro millions)	Chargeurs Protective Films	Chargeurs Interlining	Chargeurs Wool	Non-operating	Consolidated (restated)
Amortization of property, plant and equipment	(2.6)	(5.3)	(1.9)	–	(9.8)
Impairment losses:					
– Goodwill	–	–	–	–	–
– Property, plant and equipment	–	(0.1)	–	–	(0.1)
Impairment losses:					
– Inventories	(0.7)	(0.8)	(0.7)	–	(2.2)
– Trade receivables	0.1	2.2	–	0.1	2.4
Restructuring costs (note 25)	(0.2)	(1.2)	(1.1)	–	(2.5)

Segment profit includes gains and losses on cash flow hedges of currency risks accumulated in equity that are recycled into the income statement in the period when the hedged purchase or sale transactions affect profit or loss.
Finance costs include gains and losses corresponding to the effective portion of cash flow hedges used to hedge future interest payments.

Unallocated costs represent Group-level costs and include gains and losses on derivatives held for trading.

Inter-segment transfers and transactions are carried out on an arm's length basis.

Segment assets and liabilities

At December 31, 2013 (en millions d'euros)	Chargeurs Protective Films	Chargeurs Interlining	Chargeurs Wool	Non-operating	Total
Assets(1)	118.4	122.4	64.6	11.5	316.9
Liabilities(2)	67.0	45.9	31.5	4.8	149.2
Capital employed	**51.4**	**76.5**	**33.1**	**6.7**	**167.7**
Purchases of assets	3.0	3.1	0.3	0.3	6.7

At December 31, 2012 (in euro millions)	Chargeurs Protective Films	Chargeurs Interlining	Chargeurs Wool	Non-operating	Total
Assets(1)	126.7	139.7	75.3	10.0	351.7
Liabilities(2)	57.7	44.2	32.9	3.5	138.3
Capital employed	**69.0**	**95.5**	**42.4**	**6.5**	**213.4**
Purchases of assets	2.2	2.0	1.4	0.1	5.7

(1) Excluding cash and cash equivalents.
(2) Excluding equity and bank borrowings net of cash and cash equivalents.

33 _ INFORMATION BY GEOGRAPHICAL AREAS

(a) Revenue

Revenue is analyzed by geographical areas based on the location of the customer.
The Group's operations are carried out on a global scale as shown in the tables below.

(in euro millions)	2013	2012 (restated)
Europe	224.8	242.4
Asia-Pacific and Africa	139.8	166.6
Americas	101.9	114.8
Total	**466.5**	**523.8**

The main countries in which the Group operates are the following:

(in euro millions)	2013	2012 (restated)
Italy	71.1	84.1
USA	66.6	69.3
China and Hong Kong	58.2	75.2
Germany	48.2	46.1
France	32.1	32.0

(b) Segment assets

Segment assets and purchases of assets are analyzed based on the geographical area in which the assets are located.

Assets

(in euro millions)	2013	2012
Europe	203.5	218.3
Asia-Pacific and Africa	108.7	128.0
Americas	102.1	108.2
Total	**414.3**	**454.5**

Purchases of assets

(in euro millions)	2013	2012
Europe	7.4	4.1
Asia-Pacific and Africa	0.7	0.7
Americas	0.5	1.4

34 _ MAIN CONSOLIDATED COMPANIES

At December 31, 2013, 64 companies were fully consolidated (compared with 69 in 2012), and 10 were accounted for by the equity method (9 in 2012).

Chargeurs	**Parent company**
A – Main fully consolidated companies	
Chargeurs Deutschland GmbH	
Chargeurs Textiles SAS	
Leipziger Wollkämmerei AG	
Protective Films business	
Chargeurs Films de Protection SA	**Holding company for the business**
France	Novacel SA
Italy	Boston Tapes SpA – Boston Tapes Commercial Srl – Novacel Italia Srl
Germany	Novacel GmbH
United Kingdom	Novacel UK
Spain	Novacel Spain
Belgium	Novacel Belgium
North America	Chargeurs Protective Films Inc. – Novacel Inc. – Troy Laminated & Coating Inc.
Interlining business	
Chargeurs Entoilage SA	**Holding company for the business**
France	Lainière de Picardie BC SAS – DHJ International SAS
Italy	Chargeurs Interfodere Italia
Germany	Lainière de Picardie Deutschland GmbH
United Kingdom	Lainière de Picardie (UK) Limited
Portugal	Chargeurs Entretelas (Iberica) Ltd
North America	Lainière de Picardie Inc.
South America	Lainière de Picardie Golaplast Brazil Textil Ltda – Entretelas Americanas SA – Lainière de Picardie – DHJ Chile SA
South Africa	Stroud Riley (Proprietary) Limited
Asia	Chargeurs Interlining (HK) Limited – LP (Wujiang) Textiles Co. Ltd – Lainière de Picardie Korea Co. Ltd – Chargeurs Interlining Guangzhou – DHJ Interlining Limited – Ningbo Chargeurs Yak Textile Trading Co. Ltd – Etacol Bangladesh Ltd
Wool business	
Chargeurs Wool Holding GmbH	**Holding company for the business**
France	Chargeurs Wool (Eurasia) SAS
Italy	Chargeurs Wool Sales (Europe) Srl
South Africa	Chargeurs Wool (South Africa) (Pty) Ltd
New Zealand	Chargeurs Wool (NZ) Limited
United States	Chargeurs Wool (USA) Inc.
B – Main companies accounted for by the equity method	
Ningbo Lailong Bertero interlining Co. Ltd (49%)	
USA Wool (35%)	
Lanera Santa Maria (50%) and its subsidiary Hart Newco	
Lanas Trinidad SA (50%)	
Chargeurs Wool (Argentina) SA (50%)	
Peinaduría Río Chubut SA (25%), a subsidiary of Chargeurs Wool Argentina	
Zhangjiagang Yangtse Wool Combing Co. Ltd (50%)	
Yangtse (Australia) Pty Ltd (50%), a subsidiary of Zhangjiagang Yangtse Wool Combing Co. Ltd	

Percentages indicate Chargeurs' percentage of control at December 31, 2013 for companies that are not almost or entirely wholly owned by the Group.

35 _ RELATED PARTY TRANSACTIONS

Transactions with equity-accounted companies

In 2013, the main transactions with companies accounted for by the equity method concerned:

- Purchases from the Chinese companies Ningbo Yak Bertero Textiles Co. Ltd and Ningbo Lailong Bertero Interlining Co. Ltd. These transactions were recognized by Chargeurs Interlining under cost of sales in an amount of €13.5 million.
- Purchases from Lanas Trinidad, Chargeurs Wool Argentina and Zhangjiagang Yangtse Wool Combing Co. Ltd. These transactions were recognized by Chargeurs Wool under cost of sales in an amount of €28.7 million.

Compensation paid to directors and officers

(in euros)	2013	2012
Compensation paid to directors	**32,500**	**40,000**
Compensation paid to officers	**1,044,080**	**1,113,462**
Total compensation and short-term benefits	1,076,580	1,153,462
Post-employment benefits	–	–
Other long-term benefits	–	–
Termination benefits	–	–
Share-based payments	–	–
Total	**1,076,580**	**1,153,462**

36 _ SUBSEQUENT EVENTS

No significant events occurred between December 31, 2013 and the date on which these financial statements were issued.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Year ended December 31, 2013)

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the financial statements. This information includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements. This report, together with the Statutory Auditors' report addressing financial and accounting information in the Chairman's report on internal control, should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.

To the shareholders,

In compliance with the assignment entrusted to us by the Annual Meeting, we hereby report to you, for the year ended December 31, 2013, on:
- The audit of the accompanying consolidated financial statements of Chargeurs.
- The justification of our assessments.
- The specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I – Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves examining, using sample testing techniques or other selection methods, the evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used, the significant estimates made by the management and the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements present fairly the results of operations for the year ended December 31, 2013 and the financial position and assets of the consolidated entities at that date, in accordance with the IASs and IFRSs adopted by the European Union.

Without qualifying the opinion expressed above, we draw shareholders' attention to notes 2.1 "Basis of preparation" and 21.a "Impacts of the first-time application of IAS 19R" to the consolidated financial statements, which explain the impact of retrospectively applying IAS 19R concerning employee benefits.

II – Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the following matters:

Note 3 to the consolidated financial statements describes the critical accounting estimates and judgments applied by management, particularly those related to impairment of goodwill and income tax. We assessed the data and assumptions on which these estimates and judgments were based, and examined, on a test basis, the calculations performed by the company. We compared accounting estimates of prior periods with the actual results and reviewed procedures for the approval of these estimates by management. We also obtained assurance that the notes to the consolidated financial statements disclose appropriate information on the assumptions and options applied by the Company.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole and therefore contributed to the formation of the opinion expressed in the first part of this report.

III – Specific verification

We have also verified the information given in the Group management report, in accordance with professional standards applicable in France.

We have no observations to make concerning the fairness of this information and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris, April 2, 2014

The Statutory Auditors

PricewaterhouseCoopers Audit
Gérard Morin

S & W Associés
Maryse Le Goff

STATUTORY AUDITORS' REPORT PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF CHARGEURS

(Year ended December 31, 2013)

This is a free translation into English of the Statutory Auditors' report issued in the French language 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,

In our capacity as Statutory Auditors of Chargeurs, and in accordance with article L. 225-235 of the French Commercial Code (*Code de Commerce*), we report to you on the report prepared by the Chairman of your Company in accordance with article L. 225-37 of the French Commercial Code for the year ended December 31, 2013.

It is the Chairman's responsibility to prepare and submit for the approval of the Board of Directors a report reviewing the internal control and risk management procedures in place within the Company and providing the other information specified in article L. 225-37 of the French Commercial Code, notably as concerns the corporate governance system.

It is our responsibility to:

- Report to you our observations on the information set out in the Chairman's report on the internal control and risk management procedures relating to the preparation and processing of financial and accounting information.
- Attest that the report contains the other information specified in article L. 225-37 of the French Commercial Code. However, our responsibility does not include verifying the fairness of this other information.

We performed our procedures in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

Professional standards require us to perform procedures to assess the fairness of the information set out in the Chairman's report on the internal control and risk management procedures relating to the preparation and processing of financial and accounting information. These procedures notably consisted of:

- Examining the internal control and risk management procedures related to preparation and processing of accounting and financial data underlying the information presented in the Chairman's report, as well as existing documentation.
- Acquiring an understanding of the work performed in order to prepare this information and existing documentation.
- Determining whether the major internal control weaknesses concerning the preparation and processing of accounting and financial information that we may have identified as part of our audit are appropriately disclosed in the Chairman's report.

On the basis of these procedures, we have no matters to report in connection with the information given on the internal control and risk management procedures relating to the preparation and processing of financial and accounting information contained in the Chairman of the Board's report prepared in accordance with the final paragraph of article L. 225-37 of the French Commercial Code.

Other disclosures

We certify that the report of the Chairman of the Board of Directors includes the other required disclosures specified in article L. 225-37 of the French Commercial Code.

Neuilly-sur-Seine and Paris, April 2, 2014

The Statutory Auditors

PricewaterhouseCoopers Audit	S & W Associés
Gérard Morin	Maryse Le Goff

PARENT COMPANY FINANCIAL STATEMENTS

FINANCIAL STATEMENT

At December 31 (in euro thousands)

ASSETS

	2013			2012
	Gross value	Accumulated depreciation, amortization and provisions	Net value	Net value
Fixed assets				
Intangible assets				
Patents, licenses, trademarks, processes	5	3	2	2
Property, plant and equipment				
Land	–	–	–	–
Buildings	–	–	–	–
Other	402	83	319	102
Assets under construction	–	–	–	–
Advances and prepayments	–	–	–	–
Investments and other financial assets(1)				
Shares in subsidiaries and affiliates	476,256	194,202	282,054	287,730
Loans to subsidiaries and affiliates	1,526	1,525	1	1
Other long-term investments	341	243	98	387
Other long-term loans	6	6	–	–
Other	94	–	94	520
Total I	**478,630**	**196,062**	**282,568**	**288,742**
Current assets				
Prepayments to suppliers	17	–	17	5
Trade receivables(2)	187	–	187	131
Other receivables(2)	1,718	–	1,718	3,970
Marketable securities	8,235	–	8,235	7,591
Cash at bank and in hand	523	–	523	201
Accruals and other assets	–	–	–	–
Prepaid expenses(2)	198	–	198	84
Total II	**10,878**	**–**	**10,878**	**11,982**
Deferred charges	–	–	–	–
Total III	**–**	**–**	**–**	**–**
Unrealized translation losses	–	–	–	–
Total IV	**–**	**–**	**–**	**–**
Total assets (I + II + III + IV)	**489,508**	**196,062**	**293,446**	**300,724**
(1) Due within one year (gross value)	1,736	–	–	3,359
(2) Due beyond one year (gross value)	–	–	–	–

EQUITY AND LIABILITIES

(in euro thousands)	2013	2012
Equity		
Share capital	2,294	2,164
Share premium account	39,484	38,114
Revaluation reserve	–	–
Reserves:		
– Legal reserve	400	400
– Untaxed reserves	–	–
– Other reserves	235,603	240,052
Retained earnings	–	–
Profit/(loss) for the year	(4,552)	(4,449)
Untaxed provisions		
Total I	**273,229**	**276,281**
Provisions for contingencies and charges		
Provisions for contingencies	40	396
Provisions for charges	–	–
Total II	**40**	**396**
Liabilities(1)		
Convertible bonds	14,982	16,483
Other bonds	15	15
Bank borrowings(2)	–	–
Other borrowings	2,270	5,189
Trade payables	323	106
Accrued taxes and payroll costs	574	482
Due to suppliers of fixed assets	–	–
Other payables	1,998	1,757
Accruals and other liabilities(1)		
Deferred income	15	15
Total III	**20,177**	**24,047**
Unrealized translation gains		
Total IV		
Total equity and liabilities (I + II + III + IV)	**293,446**	**300,724**
(1) Due beyond one year	14,982	16,483
Due within one year	5,195	7,564
(2) Including short-term bank loans and overdrafts	–	–

INCOME STATEMENT

At December 31 (in euro thousands)

	2013	2012
Operating revenues[1]	**1,225**	**815**
Operating expenses[3]		
Purchases of goods and external charges	(1,872)	(1,433)
Taxes other than on income	(183)	(157)
Salaries and wages	(930)	(951)
Payroll taxes	(273)	(302)
Amortization, depreciation and provisions:		
– Amortization and depreciation of fixed assets	(58)	(1)
– Provisions for contingencies and charges	–	–
Other	(34)	(40)
Operating profit/(loss)	**(2,125)**	**(2,069)**
Financial income[1]		
From investments[2]:		
– Shares in subsidiaries and affiliates	5,165	2,166
– Loans to subsidiaries and affiliates	–	–
From other marketable securities and investments[2]	–	–
Other interest income[2]	490	1,269
Provision reversals and expense transfers	66	137
Foreign exchange gains	–	–
Income from disposals of marketable securities	–	5
	5,721	**3,577**
Financial expense[3]		
Amortization and provisions	(9,297)	(4,985)
Interest expense[4]	(10)	(16)
Other financial expenses	–	(650)
Foreign exchange losses	(1)	–
Losses on disposals of marketable securities	–	–
	(9,308)	**(5,651)**
Net financial income/(expense)	**(3,587)**	**(2,074)**
Profit/(loss) before tax and non-recurring items	**(5,712)**	**(4,143)**
Non-recurring income[1]		
From revenue transactions	2	6
From capital transactions:		
– Proceeds from sales of property, plant and equipment	–	–
– Other	–	–
Provision reversals and expense transfers	1,068	849
	1,070	**855**
Non-recurring expense		
On revenue transactions	(2)	(2,672)
On capital transactions:		
– Carrying amount of assets sold	(650)	–
– Other	(863)	–
Amortization and provisions		
– Untaxed provisions	–	–
– Other provisions	–	–
	(1,515)	**(2,672)**
Net non-recurring income/(expense)	**(445)**	**(1,817)**
Profit/(loss) before tax	**(6,157)**	**(5,960)**
Income tax benefit	**1,605**	**1,511**
Profit/(loss) for the year	**(4,552)**	**(4,449)**
(1) Of which income related to prior years	–	–
(2) Of which income from related companies	5,616	3,336
(3) Of which expenses related to prior years	–	–
(4) Of which interest expense paid to related companies	10	14

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

(in euro millions)

Chargeurs SA is the parent company of the consolidated Chargeurs Group.

1 _ ACCOUNTING PRINCIPLES AND POLICIES

Chargeurs' parent company financial statements have been prepared in accordance with French generally accepted accounting principles, as set out in articles L. 123-12 to L. 123-28 of the French Commercial Code (*Code de Commerce*) and the standards issued by the *Comité de la Réglementation comptable* (CRC), including the principles of prudence and segregation of accounting periods. They are presented on a going concern basis and accounting methods have been applied consistently from one year to the next except for the changes in methods described below.

1.1 Property, plant and equipment

Property, plant and equipment are stated at cost excluding capitalized interest, or at their transfer value.

For property, plant and equipment that cannot be broken down into separate component parts, depreciation is calculated by the straight-line method based on the estimated useful life of each category of asset, as follows:

- Furniture: 10 years.
- Computer equipment: 3 years.

1.2 Investments and other non-current financial assets

Shares in subsidiaries and affiliates are stated at cost. In 2005, Chargeurs elected to recognize the incidental expenses on acquisitions of these shares directly as an expense. Since 2007, these costs have been added back for tax purposes and deferred over five years.

Other long-term investments are stated at cost excluding incidental expenses, or at their transfer value.

Where appropriate, these investments are written down to their fair value determined by reference to the company's equity in the net assets of the acquired companies, adjusted for unrealized capital gains or losses and profitability criteria.

This item also includes Chargeurs shares acquired through share buyback programs.

1.3 Marketable securities

Marketable securities are stated at the lower of cost and market value on the basis of the average price for the last month of the year.

1.4 Foreign currency translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the transaction date. Assets and liabilities in foreign currencies are converted at the year-end rates. Gains or losses arising on translation are carried under "Unrealized translation gains" or "Unrealized translation losses". Provision is made for unrealized losses by way of a charge to the income statement, except when they can be set off against unrealized gains in linked transactions.

1.5 Forward currency transactions

Losses or gains arising from forward currency contracts not used as hedges are taken to the income statement in cases where they are settled by taking a reverse position in the same year, whatever the final maturity.

2 _ FIXED ASSETS

	12/31/2012	Internal transfers	Acquisitions	Disposals/ decreases	12/31/2013
Intangible assets	**NA**	–	–	–	**NA**
Property, plant and equipment(1)	**0.1**	–	0.3	–	**0.4**
Investments and other non-current financial assets					
Shares in subsidiaries and affiliates(2)	472.7	–	3.6	–	**476.3**
Loans to subsidiaries and affiliates	1.5	–	–	–	1.5
Other long-term loans	–	–	–	–	–
Other long-term investments(3)	1.3	–	–	(1.0)	0.3
Other(4)	0.5	–	–	(0.4)	0.1
Total	**476.1**	**–**	**3.9**	**(1.4)**	**479**

(1) The year-on-year increase in the total amount of property, plant and equipment reflects the fitting out of the Company's new headquarters building.

(2) The €3.6 million increase in "Shares in subsidiaries and affiliates" corresponds to shares purchased by the Company as part of a capital increase carried out by Chargeurs Interlining.

(3) Other long-term investments mainly consist of Chargeurs shares. In 2013, Chargeurs sold for €0.7 million the 103,000 shares it held under the liquidity contract. At the year-end the Company still held 13,334 shares for subsequent cancellation, representing €0.2 million, unchanged from December 31, 2012.

(4) This item mainly includes the guarantee deposit for the new headquarters building. The €0.4 million decrease was due to the end of the liquidity contract and repayment of the deposits held by CA Cheuvreux.

3 _ PROVISIONS

3.1 Provisions for contingencies and charges

In accordance with CRC standard 2000-06, the Company records a provision to cover clearly identified contingencies and charges of uncertain timing or amount arising from past or present events, the settlement of which is expected to result in an outflow of resources embodying economic benefits.

	12/31/2012	Charges for the year	Reversals for the year (used)	Reversals for the year (unused)	12/31/2013
Provisions for contingencies	0.4	–	–	(0.4)	–
Provisions for charges	–	–	–	–	–
Total	**0.4**	**–**	**–**	**(0.4)**	**–**
Of which movements included in operating income and expense	–	–	–	–	–
Of which movements included in financial income and expense	–	–	–	–	–
Of which movements included in non-recurring income and expense	–	–	–	(0.4)	–

3.2 Impairment

	12/31/2012	Charges for the year	Reversals for the year	12/31/2013
Impairment of investments	187.4	9.3	(0.6)	196.1
Impairment of other receivables				
Total	**187.4**	**9.3**	**(0.6)**	**196.1**
Of which movements included in operating income and expense	–	–	–	–
Of which movements included in financial income and expense	–	9.3	–	–
Of which movements included in non-recurring income and expense	–	–	(0.6)	–

Chargeurs' policy is to classify impairment losses and reversals relating to investments under financial income and expense. However, in accordance with the recommendations issued by the *Ordre des Experts-Comptables*, this general rule is not applied to reversals of impairment losses relating to divested shares, which are recorded under non-recurring income. In 2013, €0.6 million in provisions were reversed following the sale of Chargeurs shares.
Receivables are measured at their nominal value and written down based on the recovery risk as assessed at the year-end.

4 _ MATURITIES OF RECEIVABLES AND PAYABLES

Total loans and receivables, before impairment, amounted to €3.4 million at December 31, 2013, breaking down as follows:

- Loans to subsidiaries and affiliates (€1.5 million).
- Trade receivables (€0.2 million).
- Other receivables (€1.7 million).

Maturities of loans and receivables are as follows:

Due within one year	1.9
Due beyond one year	1.5
Total	**3.4**

Maturities of debt and other payables are as follows:

Due within one year	5.2
Due in one to five years	15.0
Total	**20.2**

The total includes a €15.0 million convertible bond issue, €2.3 million in other debt and €2.9 million in other payables.
Debt due beyond one year consists of the convertible bond issue.

5 _ ITEMS RECORDED UNDER SEVERAL BALANCE SHEET HEADINGS

	Gross amounts concerning	
	Related companies	Other investments
Shares in subsidiaries and affiliates and other long-term investments	470.0	6.3
Receivables	0.6	–
Debt and other payables	4.1	–

6 _ BREAKDOWN OF ACCRUED INCOME

At December 31, 2013, accrued income amounted to €0.8 million, corresponding mainly to a Group research tax credit.
Accrued income is recorded in current assets under "Other receivables".

7 _ ACCRUED EXPENSES

Accrued expenses totaled €0.7 million at December 31, 2013 and primarily consisted of professional fees, service costs and various payroll costs.

8 _ MARKETABLE SECURITIES

At December 31, 2013, marketable securities amounted to €8.2 million and mainly comprised money market mutual fund units and time deposits.

9 _ EQUITY

9.1 Changes in equity

At January 1, 2013 (before appropriation)	280.7
2012 loss appropriated by decision of the AGM on April 30, 2013	(4.4)
At January 1, 2013 (after appropriation)	**276.3**
Loss for the year	(4.6)
Issuance of shares on conversion of bonds by bondholders	1.5
At December 31, 2013 (before appropriation)	**273.2**

9.2 Changes in share capital

	Number of shares	Par value
Shares outstanding at January 1, 2013	13,524,913	0.16 euro
Issuance of shares on conversion of bonds by bondholders	815,662	0.16 euro
Shares outstanding at December 31, 2013	14,340,575	0.16 euro

9.3 Share premium account and reserves at December 31, 2013

These items break down as follows:

Issue and demerger premiums	39.5
Legal reserve	0.4
Other reserves	71.2
Restricted reserve (capital reduction)	164.4
Total	**275.5**

10 _ DOUBLE VOTING RIGHTS

Chargeurs' bylaws provide that registered shares held in the name of the same shareholder for more than two years carry double voting rights. Consequently, and in accordance with article 176 of the July 24, 1966 French Companies Act, holders of said shares are entitled to double voting rights at Chargeurs Shareholders' Meetings.
At December 31, 2013, 280,688 shares carried double voting rights.

11 _ CONVERTIBLE BONDS

11.1 Description of the issue

In April 2010, Chargeurs SA issued 415,083 convertible bonds with a nominal value of €55, with pre-emptive subscription rights for existing shareholders.
The offer ran from March 15 to 29, 2010 and was subscribed 1.78 times.
The prospectus for the issue, which was approved by the AMF under visa number 10-044 on March 11, 2010, may be viewed on the websites of Chargeurs and the AMF. http://www.chargeurs.fr/fr/content.lobligation-convertible.

Principal terms of the bond issue:

Conversion of bonds into shares

The bonds are convertible into Chargeurs shares at any time between the issue date and the seventh business day preceding the normal or early redemption date, based on a ratio of 27 new shares for 1 bond.

Coupon

Holders of bonds redeemed at maturity on January 1, 2016 will receive a stock-based remuneration equal to 6.06 Chargeurs shares per bond.
In the case of early redemption, or conversion, the stock-based remuneration will be calculated ratably based on the period that has elapsed since the issue date as shown below:

Year of conversion	Coupon
2011	0.76 share
2012	1.82 share
2013	2.88 shares
2014	3.94 shares
2015	5 shares

The stock-based coupon paid on conversion is recognized directly in equity as a deduction from the premium on the shares and has no impact on profit.

Life of the bonds

5 years and 261 days.

Redemption at maturity

The bonds are redeemable at maturity on January 1, 2016 (or the next business day if January 1, 2016 is not a business day) at their nominal value.

Buyback and retirement of the bonds by the Company

The Company may, at any time, buy back and retire all or some of the bonds, subject to the unanimous agreement of the banks that are parties to the February 7, 2010 debt restructuring agreement. The bonds may be purchased by means of on or off-market transactions or through public purchase or exchange offers, without any limits as to the buyback price or the number of bonds purchased and retired.

Retirement of the bond issue at the option of the Company

Subject to the unanimous agreement of the banks that are parties to the February 7, 2010 debt restructuring agreement, the Company may, at any time between January 1, 2012 and the bonds' maturity date, provided it gives at least thirty days' notice, redeem all outstanding bonds at their nominal value if the arithmetical average of the opening prices quoted for the Company's shares on NYSE Euronext Paris over ten consecutive trading days within the twenty-day period preceding the publication of the retirement notice exceeds €6.

Listing

The convertible bonds are listed on the NYSE Euronext Paris stock market (ISIN: FR0010870931).

Conversion ratio adjustments

The usual adjustments that may be necessary as a result of any corporate actions are described in the prospectus published on the AMF website.

11.2 Conversion of bonds into shares

During 2013, 27,298 bonds were converted into shares. The aggregate par value of the shares issued on conversion was €0.1 million and the aggregate premium was €1.4 million, representing a total increase in equity of €1.5 million.

	2013	2012
Number of convertible bonds		
– At beginning of period	299,691	313,629
– Conversions for the period	27,298	13,938
– At end of period	272,393	299,691
Number of shares issued on conversion of bonds		
– At beginning of period	3,147,816	2,746,128
– Shares issued on conversions for the period	737,046	376,326
– Shares issued in payment of interest	78,616	25,362
– At end of period	3,963,478	3,147,816
Number of shares potentially issuable between the year-end and Jan. 1, 2016		
– Minimum number of shares	1,650,702	1,816,127
– Maximum number of shares	8,716,576	9,590,112
Aggregate face value of the bonds (in euros)	**22,829,565**	**22,829,565**
Maximum amount redeemable at maturity (bonds outstanding at Jan. 1, 2016) (in euros)	**14,981,615**	**16,483,005**

12. OTHER BORROWINGS

Other borrowings, totaling €2.3 million, primarily correspond to borrowings from several Group subsidiaries whose sole purpose is to act as financial holding companies.
These borrowings will be repaid by way of capital reductions or by winding up the companies concerned.

13 _ FINANCIAL INCOME AND EXPENSE

13.1 Amortization and provisions

Additions	
– Provisions for Chargeurs Textiles shares	8.4
– Provisions for Chargetex 35 shares	0.8
– Provisions for Chargetex 34 shares	0.1
Total	**9.3**

Reversals	
–	–
Total	**-**

14 _ NON-RECURRING INCOME AND EXPENSES

	Non-recurring expenses	Non-recurring income
Debt waiver granted to Chargetex 34	0.9	–
Proceeds from sale of Chargeurs shares	0.6	–
Provision reversal following sale of Chargeurs shares	–	0.7
Addition to provision for repayment of tax benefits to subsidiaries in the event of a return to profit	–	0.4
Total	**1.5**	**1.1**

15 _ INCOME TAX

15.1 Analysis of income tax

	2013	2012
Tax on recurring profit	–	–
Tax on non-recurring items	–	–
Group relief	1.6	1.5
Other	–	–
Income tax benefit	**1.6**	**1.5**

15.2 As of January 1, 1996, Chargeurs and most of its French subsidiaries that are at least 95%-owned, directly or indirectly, elected to file a consolidated tax return. Under French group relief rules, the losses of certain subsidiaries in the tax group can be set off against the taxable profit of other companies in the Group. The profitable subsidiaries pay an amount corresponding to the tax that would be due on their profit to Chargeurs, which in turn pays the tax due by the tax group.

15.3 In 2013, the provision for repayment of tax benefits to subsidiaries was reversed by €0.4 million in line with the Company's forecasts for subsidiaries that are expected to return to profit in 2014.

15.4 The setting off of losses reported by certain subsidiaries against the taxable profits of other subsidiaries resulted in a tax saving of €1.6 million, representing a cash flow benefit.

16 _ COMMITMENTS GIVEN, GUARANTEES AND SURETIES

At December 31, 2013	
Guarantees and sureties concern:	
– Subsidiaries and related companies	50.5
– Other	0.2

17 _ UNRECOGNIZED DEFERRED TAXES

At December 31, 2013, under French group relief rules, Chargeurs had evergreen tax loss carryforwards of €226.2 million.

Timing differences between book income and expenses and income and expense for tax purposes were not material in 2013.

18 _ MANAGEMENT COMPENSATION

Compensation paid to Directors and Officers in 2013 amounted to €32,500 and €1,044,080 respectively.

19 _ EMPLOYEE BENEFIT OBLIGATIONS

(a) Retirement benefits

The Company's retirement benefit obligations were measured at December 31, 2013 based on years of service and the probability that employees would still be on the Company's payroll at their retirement date.
These benefit obligations have not been recorded in the financial statements, as the amounts involved are not material.

(b) Statutory training entitlement

There were no accrued statutory training hours at December 31, 2013.

20 _ FEES PAID TO THE STATUTORY AUDITORS

Chargeurs paid €300 thousand in fees to the Statutory Auditors in 2013 (disclosure made in application of French Decree 2008-1487 of December 30, 2008).

21 _ STOCK OPTIONS

There were no employee stock option plans at December 31, 2013.

22 _ 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 the first half of 2011, new Employment Tribunal claims were lodged against the Company on the same grounds for an additional amount of about €800,000.
On February 20, 2014, all of the above claims filed by former employees were rejected by the judge to whom the cases had been referred by the Employment Tribunal (*juge départiteur*).
The Company continues to consider that these claims are totally without merit.

INFORMATION CONCERNING SUBSIDIARIES AND AFFILIATES

Ar December 31, 2013 (in euro thousands)

COMPANIES	Currency	Share capital	Reserves	% of interest
A. Detailed information concerning equity investments with a carrying amount in excess of 1% of Chargeurs' capital				
1. Subsidiaries (at least 50%-owned by Chargeurs)				
Chargeurs Textiles	–	31,085	12,813	100.00
Chargeurs Protective Films	–	139,617	6,306	100.00
Chargeurs Interlining	–	8,540	41,816	99.99
Chargetex 34	–	1,820	(1,882)	100.00
Chargetex 35	–	1,337	(855)	100.00
2. Affiliates (10% to 50%-owned by Chargeurs)				
Other companies	–	NC	NC	37.50
B. Aggregate information concerning other subsidiaries and affiliates				
1. Subsidiaries not listed in A				
French companies	–	150	196	–
Foreign companies	–	100	634	–
2. Affiliates not listed in A				
French companies	–	–	–	–
Foreign companies	–	296	1,240	–

Cost of investment	Carrying amount of investment	Outstanding loans and advances granted by Chargeurs	Guarantees given by Chargeurs	2013 revenue[1]	2013 profit/(loss)	Gross dividends received by Chargeurs during 2013
69,480	44,439	–	–	–	(3,539)	5,160
286,266	143,900	–	–	–	(2)	–
106,049	92,540	–	7,214	–	(8,296)	–
6,077	–	–	–	–	(24)	–
1,337	482	–	–	–	(769)	–
6,296	0	1,524	–	–	–	–
76	18	–	–	–	171	5
2	2	–	–	–	58	–
–	–	–	–	–	–	–
671	671	–	2,281	45,390	127	–

(1) The majority of the companies owned by Chargeurs are purely financial holding companies and therefore do not generate any sales.

FIVE-YEAR FINANCIAL SUMMARY

(in euros unless otherwise specified)

	2013	2012	2011	2010	2009
I – Capital at December 31					
Share capital	2,294,492	2,163,986	2,099,716	2,059,486	166,033,552
Number of shares	14,340,575	13,524,913	13,123,225	12,871,789	10,377,097
Number of convertible bonds	272,393	299,691	313,629	322,687	–
II – Results of operations					
Operating revenues, investment income, interest income and other revenues, net of tax	6,879,530	4,256,044	2,210,555	1,731,778	3,867,432
Profit/(loss) before tax, amortization, depreciation and provisions	2,114,564	(1,947,980)	(8,859,541)	(5,640,458)	(18,560,749)
Income tax	1,605,204	1,511,100	646,607	235,599	299,535
Net profit/(loss)	(4,551,704)	(4,448,797)	8,753,732	19,400,096	(52,087,120)
Total dividends	–	–	–	–	–
III – Per share data					
Earnings/(loss) per share after tax, before amortization, depreciation and provisions	0.26	(0.03)	(0.63)	(0.42)	(1.76)
Earnings/(loss) per share	(0.32)	(0.33)	0.67	1.51	(5.02)
Dividend per share	–	–	–	–	–
IV – Employee data					
Number of employees	2	2	2	2	3
Total payroll (in euro thousands)	913	940	772	686	659
Total benefits (in euro thousands)	273	302	259	211	206

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

(Year ended December 31, 2013)

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the financial statements. This information includes an explanatory paragraph discussing the Statutory Auditors' assessments of certain significant accounting matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements. This report, together with the Statutory Auditors' report addressing financial and accounting information in the Chairman's report on internal control, should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.

To the shareholders,

In compliance with the assignment entrusted to us by the Annual Meeting, we hereby report to you, for the year ended December 31, 2013, on:

- The audit of the accompanying financial statements of Chargeurs SA.
- The justification of our assessments.
- The specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I – Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves examining, using sample testing techniques or other selection methods, the evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, the significant estimates made by the management and the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements present fairly the results of operations for the year ended December 31, 2013 and the financial position and assets of the Company at that date, in accordance with the accounting rules and principles applicable in France.

II – Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the following matters:

Note 1.2 to the financial statements describes the methods used to measure investments in subsidiaries and affiliates. We reviewed the methods applied by the Company and examined, on a test basis, the application of these methods.

These assessments were made in the context of our audit of the financial statements taken as a whole and therefore contributed to the formation of the opinion expressed in the first part of this report.

III – Specific verifications and information

We have also performed the specific verifications required by law in accordance with professional standards applicable in France.

We have no observations concerning the fair presentation and the conformity with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information about the compensation and benefits paid and the commitments given to executive directors disclosed in accordance with article L. 225-102-1 of the French Commercial Code, we have verified the conformity of these disclosures with the financial statements or the underlying data and with any information obtained from entities that control the Company or that the Company controls. Based on our procedures, we certify that these disclosures are accurate and fairly stated.

As required by law, we have also verified that details of shareholders or holders of voting rights are disclosed in the management report of the Board of Directors.

Neuilly-sur-Seine and Paris, April 2, 2014

The Statutory Auditors

PricewaterhouseCoopers Audit	S & W Associés
Gérard Morin	Maryse Le Goff

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

(Year ended December 31, 2013)

This is a free translation into English of the Statutory Auditors' report issued in the French language 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,

In our capacity as Statutory Auditors of your Company, we hereby present our report on regulated agreements and commitments.

Our responsibility does not include identifying any undisclosed agreements or commitments. We are required to report to shareholders, based on the information provided, about the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance. Under the provisions of article R. 225-31 of the French Commercial Code, it is the responsibility of shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Our responsibility also includes reporting to shareholders the information provided for in article R. 225-31 of the French Commercial Code on the execution during the reporting year of agreements and commitments approved by the shareholders at previous General Meetings.

We have performed our procedures in accordance with professional guidelines applicable in France. These procedures consisted in verifying that the information given to us agrees with the underlying documents.

Agreements submitted to the Annual General Meeting for approval

In application of article R. 225-38 of the French Commercial Code, we were informed of the following agreements or commitments authorized by the Board of Directors.

Grant from Chargeurs to Chargeurs Entoilage (a wholly-owned subsidiary)

Person concerned: Martine Odillard, Director of Chargeurs and permanent representative of Chargeurs on the Board of Directors of Chargeurs Entoilage.

On December 5, 2013, the Board of Directors authorized the Chief Operating Officer, Martine Odillard, to sign a waiver of a €334,992 receivable from Chargeurs Entoilage corresponding to guarantee fees.
The waiver was granted unconditionally

Grant from Chargeurs to Chargeurs Chargetex 34 SAS (a wholly-owned subsidiary)

Person concerned: Chargeurs, sole owner of Chargetex 34 SAS.

On December 5, 2013, the Board of Directors authorized the Chief Operating Officer, Martine Odillard, to sign a waiver of a €864,823 receivable to Chargetex 34 SAS, corresponding to a previously granted loan.
The waiver was granted unconditionally.

Agreements and commitments entered into in prior years that remained in force in 2013

In application of article R. 225-30 of the French Commercial Code, we were advised of the following agreements and commitments entered into in prior years that remained in force during the year.

Management services contract between Chargeurs and Chargeurs Boissy (an indirectly wholly-owned subsidiary)

Person concerned: Martine Odillard, Director of Chargeurs and legal manager of Chargeurs Boissy.

In accordance with the terms of the contract signed on January 2, 2002 and the addendum signed on January 5, 2005, Chargeurs undertakes to provide management, financial and human resources management services to Chargeurs Boissy. In 2013, Chargeurs Boissy paid Chargeurs the sum of €800,000 (excluding VAT) pursuant to the addendum.

Neuilly-sur-Seine and Paris, April 2, 2014

The Statutory Auditors

PricewaterhouseCoopers Audit	S & W Associés
Gérard Morin	Maryse Le Goff

ANNUAL GENERAL MEETING OF APRIL 30, 2014

REPORT OF THE BOARD OF DIRECTORS
on the resolutions presented at the Annual General Meeting of April 30, 2014

ORDINARY RESOLUTIONS

First and second resolutions

(Approval of the parent company and consolidated financial statements for the year ended December 31, 2013)

The purpose of these two resolutions is for shareholders to approve the parent company and consolidated financial statements for the year ended December 31, 2013 as presented.

Third resolution

(Approval of agreements governed by article L. 225-38 of the French Commercial Code)

The Board of Directors recommends that you approve the conclusions of the Statutory Auditors' special report on regulated agreements and commitments for the year ended December 31, 2013, as well as the agreements described therein.

Fourth resolution

(Appropriation of results)

The Board of Directors proposes that the loss for 2013 in the amount of €4,551,704 be allocated to "Other reserves", thus reducing the balance of this account from €71,229,770.12 to €66,678,066.12.

Fifth resolution

(Re-election of Martine Odillard as a Director)

Martine Odillard's term as a Director expires at the close of this Meeting and shareholders are therefore invited to re-elect her for a further three-year term.

Sixth resolution

(Acknowledgement that Giuseppe Pirola is standing down from the Board)

Giuseppe Pirola's term as a Director expires at the close of this Meeting. He is not standing for re-election due to personal reasons.

Seventh resolution

(Election of Catherine Sabouret as a Director)

Shareholders are invited to elect Catherine Sabouret as a new Director for a three-year term. If she is elected there would continue to be five Board members in total, with the number of women directors increased to two.

Eighth resolution

(Powers to carry out legal formalities)

Shareholders are asked to grant all of the necessary powers to carry out the legal formalities required in relation to the above-described resolutions.

We thank you in advance for demonstrating your confidence in Chargeurs by voting for these resolutions submitted by the Board.

The Board of Directors

ORDINARY RESOLUTIONS

First resolution

(Approval of the parent company financial statements for the year ended December 31, 2013)

The Annual General Meeting, having heard the report of the Board of Directors and the Statutory Auditors' report on the parent company financial statements, approves the parent company financial statements for the year ended December 31, 2013, as presented, showing a loss for the year of €4,551,704, together with all the transactions for the year reflected in the accounts or referred to in said reports.

The Annual General Meeting therefore gives discharge to the members of the Board of Directors for the fulfillment of their duties during the year ended December 31, 2013.

Second resolution

(Approval of the consolidated financial statements for the year ended December 31, 2013)

The Annual General Meeting, having heard the report of the Board of Directors and the Statutory Auditors' report on the consolidated financial statements, approves the consolidated financial statements for the year ended December 31, 2013, as presented, showing profit for the year of €3.6 million, together with all the transactions for the year reflected in the accounts or referred to in said reports.

Third resolution

(Approval of agreements governed by article L. 225-38 of the French Commercial Code)

The Annual General Meeting, having heard the Statutory Auditors' special report, approves this report as well as the agreements described therein.

Fourth resolution

(Appropriation of results)

The Annual General Meeting, having noted that the Company's loss for the year amounted to €4,551,704, resolves to appropriate the entire loss to "Other reserves", thus reducing the balance of this account from €71,229,770.12 to €66,678,066.12.

The Annual General Meeting resolves that no dividend will be paid in respect of 2013, and notes that no dividends were paid in the past three fiscal years.

Fifth resolution

(Re-election of Martine Odillard as a Director)

Having noted that Martine Odillard's term as a Director expires at the close of this Meeting, the Annual General Meeting resolves to re-elect Mrs Odillard as a Director for a three-year term expiring at the close of the Annual General Meeting to be held in 2017 to approve the 2016 financial statements.

Sixth resolution

(Acknowledgement that Giuseppe Pirola is standing down from the Board)

Having noted that Giuseppe Pirola's term as a Director expires at the close of this Meeting, the Annual General Meeting acknowledges that he has stood down from the Board.

Seventh resolution

(Election of Catherine Sabouret as a Director)

The Annual General Meeting resolves to elect Catherine Sabouret as a Director for a three-year term expiring at the close of the Annual General Meeting to be held in 2017 to approve the 2016 financial statements.

Eighth resolution

(Powers to carry out legal formalities)

The Annual General Meeting gives full powers to the bearer of an extract or copy of the minutes of the Meeting to carry out all publication, filing and other formalities.

EXECUTIVE COMMITTEE

Martine ODILLARD

Chief Executive Officer

Laurent DEROLEZ

Managing Director Chargeurs Protective Films

Federico PAULLIER

Managing Director Chargeurs Wool

Stéphane RIGAUT

Managing Director Chargeurs Interlining

March 2014

BOARD OF DIRECTORS

Eduardo MALONE

Chairman and Director
Current term started: 2012
Current term expires: 2015

Directorships and other positions held in other companies:

Chairman and Chief Executive Officer: Sofi Emy SAS
Co-Chairman: Pathé
Chief Executive Officer: Pathé SAS
Member of the Executive Board: Pathé SAS
Member of the Executive Committee: Les Cinémas Gaumont Pathé
Director: Lainière de Picardie (UK) Ltd,
Olympique Lyonnais Groupe and Chairman of its subsidiary La Foncière du Montout
Member: Diocesan Council of Paris
Directorship and other position held in 2013 that have expired:
Chief Executive Officer: Chargeurs SA

Martine ODILLARD

Chief Executive Officer
Current term started: 2011
Current term expires: 2014

Directorships and other positions held in other companies:

Chairman: Chargeurs Wool (Eurasia) SAS, Chargeurs Textiles SAS
Legal Manager: Chargeurs Boissy SARL
Director: Lanas Trinidad SA (Uruguay), Zhangjiagang Yangtse Wool Combing Co. Ltd (China)
Permanent representative: Chargeurs Textiles SAS on the Board of Directors of Chargeurs Protective Films SA, Chargeurs SA on the Board of Directors of Chargeurs Interlining SA, Chargeurs SA on the Executive Committee of Lainière de Picardie BC SAS
Directorship and other position held in 2013 that have expired:
Chief Operating Officer: Chargeurs SA
Director: CMI (Chargeurs Management International)

Giuseppe PIROLA

Director
Current term started: 2011
Current term expires: 2014

Directorships and other positions held in other companies:

Chairman of the Board of Directors: Studio Pirola Pennuto Zei & Associati
Vice-Chairman of the Board of Directors: Sisme SpA
Director: AM Holdings SpA, Compagnia Investimenti Brera Srl, Coop-Lease SpA, Gest Auto Srl, Riso Gallo SpA, Terme di Saturnia Srl
Lead Auditor: ABB SpA, Aliaxis Holding Italia SpA, A2A Ambiente SpA (former Ecodeco Srl), Bioase Srl, Fineurop SpA, Gruppo Cordenons SpA, OMR Holding SpA, Redi SpA, Rovagnati SpA
Auditor: Banca Santa Giulia SpA
Directorships and other positions held in 2013 that have expired:
Director: Banca Popolare Commercio e Industria
Lead Auditor: Dell'Orto SpA, Partenope Ambiante SpA

Georges RALLI

Director
Current term started: 2013
Current term expires: 2016

Directorships and other positions held in other companies:

Legal Manager: IPF Management 1 SARL (Luxembourg), IPF Partners SARL (Switzerland)
Director: Carrefour SA
Permanent representative: Groupama SA on the Board of Directors of Veolia Environnement SA
Directorship held in 2013 which has expired:
Director: SILIC SA

Jérôme SEYDOUX

Director
Current term started: 2013
Current term expires: 2016

Directorships and other positions held in other companies:

Co-Chairman: Pathé SAS
Chairman: Pathé SAS, Pathé Distribution SAS, Pathé Production SAS, Société du Golf du Médoc Pian SAS, Société Foncière du Golf SAS, Société Holding du Medoc Pian SAS
Chief Executive Officer: Pricel SAS
Director: Société du Golf du Médoc Pian SAS, Société Foncière du Golf SAS
Member of the Executive Board: Pathé SAS
Member of the Executive Committee: Les Cinémas Gaumont Pathé SAS, Pathé Production SAS, Pricel SAS
Vice-Chairman, Director and member of the Investment Committee: Olympique Lyonnais Groupe
Legal Manager: Ojej SC, Sojer SC
Chairman of the Supervisory Board: Pathé Holding BV
Member of the Executive Committee: Société des Grands Écrans du Genevois SAS
Permanent representative: Pathé SAS, as the Chairman of the Executive Committee of Les Cinémas Gaumont Pathé SAS, Les Cinémas Gaumont Pathé SAS on the Supervisory Board of Le Cézanne SAS, Les Cinémas Gaumont Pathé SAS on the Executive Committee of Les Cinémas de La Valentine SAS

SUMMARY TABLE OF CHANGES IN THE BOARD'S MEMBERSHIP IN 2013

Disclosed in accordance with AMF recommendation 2013-20 issued on November 18, 2013

Board members at December 31, 2013:

Five directors, including one woman and two independent directors:
- Eduardo Malone;
- Martine Odillard;
- Jérôme Seydoux;
- Georges Ralli (independent director);
- Giuseppe Pirola (independent director).

Changes in membership during 2013:

Re-elections:
- Jérôme Seydoux;
- Georges Ralli.

Expiration of term:
- Salim Meir Ibrahim.

CROSS-REFERENCE TABLE FOR THE MANAGEMENT REPORT

Business review	pages	notes
1 – Financial position and operations of the Company and the Group in the past year	2 to 12, 34-35	–
2 – Key financial performance indicators	1,4	–
3 – Review of the business, results of operations and financial position	34-35	–
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5 – Developments and outlook	2-3	–
6 – Research and development activities	2, 6, 8	–
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10 – Use of financial instruments	48, 57	2.9, 12
11 – Information on facilities classified as high-threshold Seveso sites	NA	–
12 – Material investments or controlling interests acquired during the year in companies with registered offices in France	NA	–

Corporate social responsibility	pages	notes
13 – Information on how the Company takes into account the social and environmental impact of its operations	14-22	–
14 – Key environmental and social indicators	18, 20-22	–

Governance	pages	notes
15 – Executive management body of the Company	26	–
16 – Directorships and positions held in companies by each corporate officer during the year	95-96	–
17 – Compensation and benefits in kind paid to each corporate officer during the year	16-17	–
18 – Fixed, variable and exceptional components of such compensation and benefits, and the calculation method	16-17	–
19 – Commitments of any kind made in favor of executives	16-17	–
20 – Terms and conditions for selling shares granted without consideration to executives during their term of office	NA	NA
21 – Transactions in Company securities carried out by executives and related persons	12	–

Ownership and share capital	pages	notes
23 – Ownership structure and changes during the year	12	–
24 – Proportion of outstanding shares held by employees	12	NA
25 – Treasury shares bought and sold by the Company	12, 81	2
26 – Name of companies controlled and equity interest held	73	34
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28 – Amount of dividends and other distributed income paid during the past three years	13	–
28 – Disclosures likely to be material in the event of a public tender offer	30	–

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30 – Five-year financial summary	88	–
31 – Injunctions or monetary penalties for anti-competitive practices	NA	NA
32 – Stock option plans granted to corporate officers and employees	69	29
33 – Shares granted without consideration to corporate officers and employees	69	
34 – Authorizations granted to the Board of Directors, in particular to issue or buy back shares		

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The Annual Report can be downloaded in English or French from the Company's website www.chargeurs.fr. This version of the Annual Report is a translation from the original, which was prepared in French. In all matters of interpretation of information, views or opinions expressed therein, the original language version of the report takes precedence over this translation.

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