PERFORMANCE INNOVATION

Annual
Report
2014

CHARGEURS

CHARGEURS IS A GLOBAL MANUFACTURING AND SERVICES GROUP WITH LEADING POSITIONS IN THE NICHE MARKETS FOR TEMPORARY SURFACE PROTECTION, TECHNICAL TEXTILES AND COMBED WOOL. IT HAS NEARLY 1,600 EMPLOYEES BASED IN 32 COUNTRIES ON FIVE CONTINENTS, WHO SERVE CUSTOMERS IN MORE THAN 45 COUNTRIES.

IN 2014, CONSOLIDATED REVENUE TOTALED €478.3 MILLION, OF WHICH 93% WAS GENERATED OUTSIDE FRANCE. RECURRING OPERATING PROFIT ROSE TO €22.9 MILLION AND ATTRIBUTABLE NET PROFIT TO €10.8 MILLION FOR THE YEAR.

EDUARDO MALONE

Chairman

In 2014, the strategic focus on developing innovation enabled us to deliver nearly €23 million in recurring operating profit for the year. This excellent performance amply exceeds the target of €20 million set for end-2015.

The second major event of the year was the change in the Group's management, with the decision to separate the positions of Chairman and Chief Executive Officer, in line with best governance practices. While I remained Chairman of the Board of Directors, Martine Odillard was put in charge of leading our operations.

The third highlight was the correlation between our earnings and balance sheet performance. We generated strong cash flow while increasing our strategic capital expenditure.

As a result, we are well positioned to enter 2015. Europe, which represents nearly half of our total business, is benefiting from **four parameters** that will have a positive impact on our profitability performance. **The US economy** has returned to its pre-recession growth path. **The euro** is once more highly competitive against the dollar. **Interest rates** are extremely low and will likely stay that way given the new European Central Bank policies. Lastly, **energy** is also cheap, with Brent oil prices falling by half over the second half of 2014 to reach around $50 a barrel in early 2015.

These factors, combined with the benefits delivered by our innovation strategy, should enable us to further improve Chargeurs' operating performance in 2015.

THREE QUESTIONS FOR MARTINE ODILLARD

Chief Executive Officer

Could you tell us about the highlights of Chargeurs' performance in 2014?

We had a very good year in 2014. Chargeurs ended it with consolidated revenue up 2.5% on 2013 and recurring operating profit of €22.9 million, exceeding the announced €20 million set for end-2015. In addition, we strengthened our balance sheet and ended the year with a higher positive net cash position.
Lastly, our performance supported the renewed capital spending committed to develop innovative products.
Our fundamentals are therefore solid as we enter 2015.

And yet, output still varies by business…

That's true. Chargeurs Protective Films delivered a remarkable performance, supported by its innovation strategy and the quality of its business model based on very granular market intelligence.

Chargeurs Interlining maintained its output in a market shaped by overcapacity and decreasing apparel purchases, while pursuing its efforts to strengthen its marketing strategy and improve profitability.
Diversifying into technical textiles is offering the business a number of promising new markets.

Lastly, Chargeurs Wool is backed by a solid business model, based on the strength of its global sales network, the disciplined management of wool-related risks and the alliance with local industrial partners.

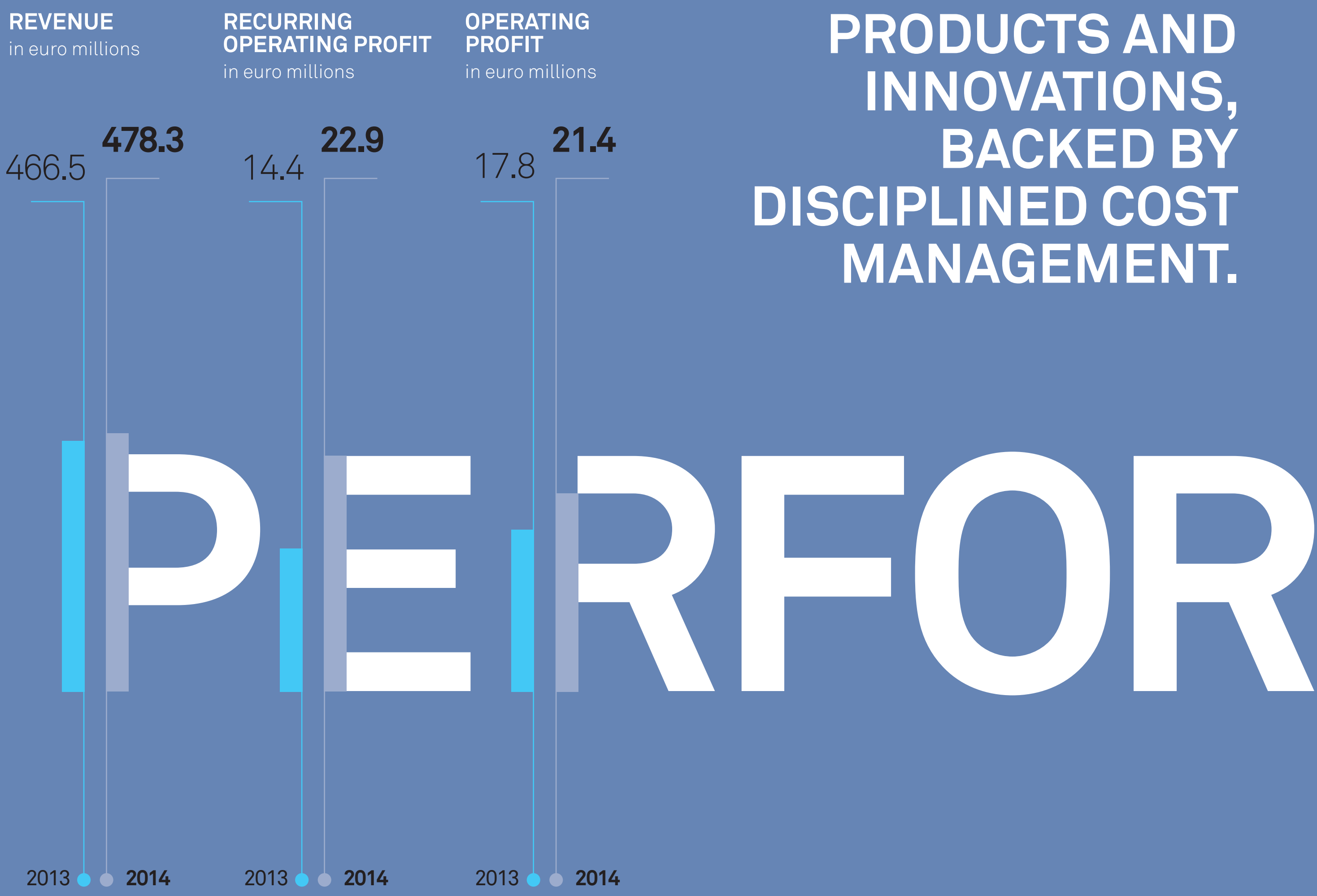
Its sustainable performance has fully validated its strategic vision.

What role did the innovation strategy play in the good performance you just described?

A critical role. In fact, strengthening our innovation strategy turned out to be the major driver of our very solid performance. With nearly half of our operations based in Europe, where labor costs are high, innovation is a key factor in maintaining our lead over the competition and pursuing our growth trajectory.

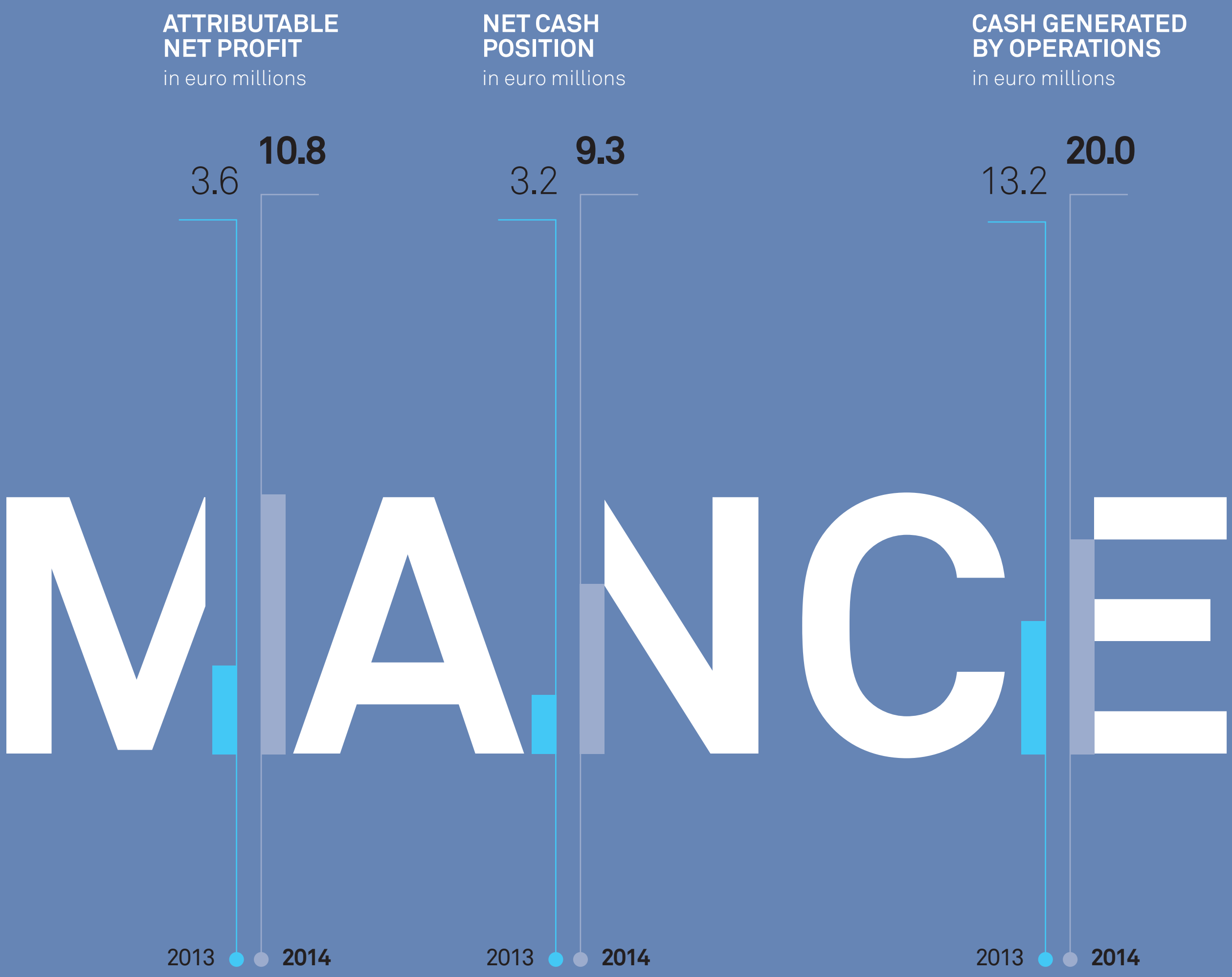
In our businesses, innovation is especially reflected in the design of high value-added products that help to maintain margin integrity and generate new sales volumes.
But it also shows up in new processes at Chargeurs Protective Films, the diversification into technical textiles at Chargeurs Interlining and innovative operating procedures at Chargeurs Wool to guarantee traceability in a high-quality supply chain. Lastly, the businesses are continuously realigning themselves with their ever-changing environments, so as to deliver sustainable performance to support growth.

OUR PERFORMANCE ILLUSTRATES THE VALIDITY OF OUR FOCUS ON HIGH VALUE-ADDED PRODUCTS AND INNOVATIONS, BACKED BY DISCIPLINED COST MANAGEMENT.



Revenue rose by 2.5% in 2014, lifted by the significant growth in business volumes at Chargeurs Protective Films, which offset the unfavorable currency effect, mainly from the South American currencies.

Recurring operating profit was sharply higher, attesting to the priority focus on innovation combined with the development of high value-added products that enabled us to meet our end-2015 targets a year ahead of schedule.



A robust operating dynamic helped to drive strong growth in attributable **net profit**, to €10.8 million.

Backed by a stronger balance sheet, the Group had a positive **net cash position** of €9.3 million at December 31, 2014, compared with €3.2 million a year earlier.

Cash generated by operations rose significantly, to €20.0 million from €13.2 million in 2013.

INNOV

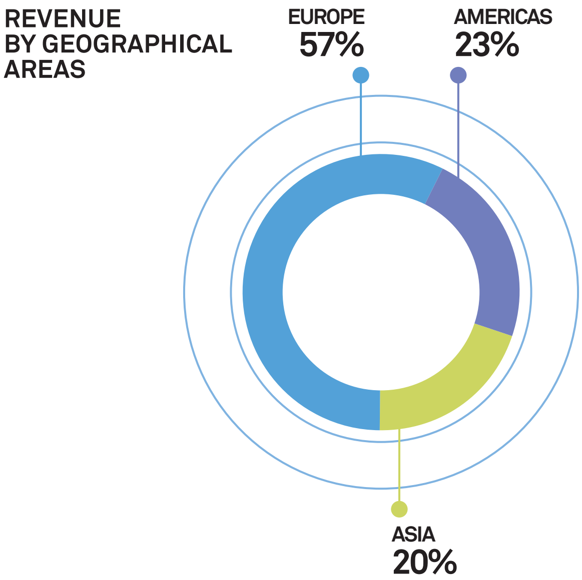

Chargeurs
Interlining
€167.5 m
35%
Chargeurs
Protective Films
€206.6 m
43%
REVENUE
BY BUSINESS
Chargeurs
Wool
€104.2 m
22%

ATION

INNOVATION IS A KEY GROWTH DRIVER. A PROOF IS THE GROWING PROPORTION OF NEW CHARGEURS PROTECTIVE FILMS' SOLUTIONS IN THE PRODUCT MIX.

CHARGEURS PROTECTIVE FILMS

A global sales presence
3 production units in France, Italy and the United States
93% of sales outside France
530 employees
16 countries



LAURENT DEROLEZ
Managing Director
Chargeurs Protective Films

"To supply the most effective surface protection solutions, Chargeurs Protective Films' constant challenges are without a doubt innovation, quality-driven management, a dedication to sustainable development and the commitment to offering a broader range of services."

A global industry leader, 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 the 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.

THREE GLOBAL NICHE BUSINESSES HOLDING LEADERSHIP POSITIONS, FOCUSED ON HIGH VALUE-ADDED PRODUCTS AND SUPERIOR QUALITY OF SERVICE.

CHARGEURS INTERLINING

A highly globalized organization
8 production units in
Europe, Asia and the Americas
87% of sales outside France
1,000 employees
24 countries

MARTINE ODILLARD
Managing Director
Chargeurs Interlining

"One of the world's top two garment interlining manufacturers, Chargeurs Interlining is actively diversifying into innovative technical textiles that enjoy promising demand in such markets as advertising, home furnishings and safety."

Backed by its 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. It has 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.

CHARGEURS WOOL

A powerful sales network in
Europe, Asia and the Americas
Solid industrial partners
100% of sales outside France

FEDERICO PAULLIER
Managing Director
Chargeurs Wool

"Chargeurs Wool is a major world leader in combed wool sales, in partnership with high-quality local industrial partners. Its customer base primarily includes world-renowned brands."

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. Quality criteria are expressed mainly in terms of micron (thinness), density, fiber strength and fiber length.

CHARGEURS PROTECTIVE FILMS

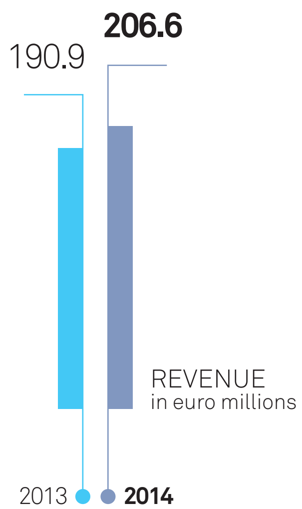
Chargeurs Protective Films turned in an excellent performance in 2014, with an 8.2% increase in revenue and €16.8 million in recurring operating profit.

The building materials market, which accounts for two-thirds of the business' sales, is experiencing persistently slow growth since the 2008 recession. At a time of aggressive competition, the business successfully maintained its prices by delivering high quality of service. The 2014 performance was driven by a sharp focus on high value-added products and the success of new solutions, in particular those introduced in 2013. Innovation, which enabled Chargeurs Protective Films' revenue growth to outperform the market, may be measured by the fact that products less than five years old account for nearly a third of the revenue stream.

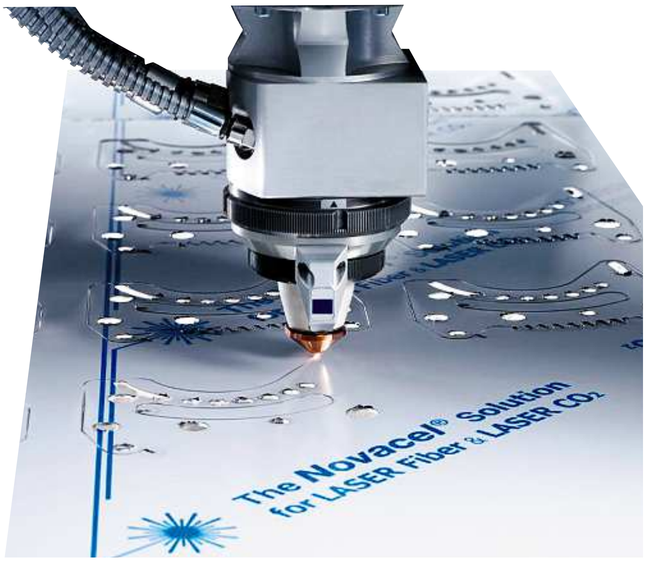
In 2014, half of these new products concerned innovative flagship products and the rest ongoing enhancements and improvements in performance and processes. In this way, around twenty new articles were brought to market during the year. In 2015, the capital expenditure budget will be doubled, with half of the outlays allocated to innovation.

The innovation strategy is being deployed by all of the Chargeurs Protective Films teams, in collaboration with research laboratories and universities. This is an open innovation system that brings together all of the business' internal and external stakeholders as part of the design and development process.

In 2015, the value-added strategy, combined with a more favorable euro/dollar exchange rate and a decline in the price of certain raw materials, should drive further improvement in the business' operating performance.



Innovating, means anticipating market trends and structuring business intelligence in all of its highly motivated teams.



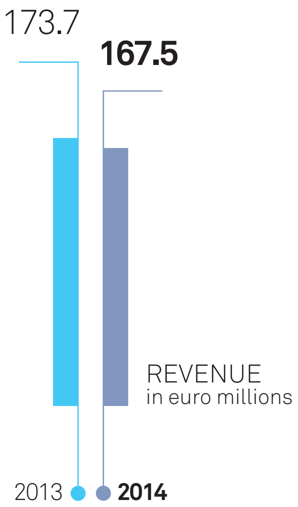
PIONEERING FIBER LASER FILMS

Leveraging its chemical formulation expertise, Chargeurs Protective Films was the first to develop a film specifically designed to meet the strict technical standards of the new LASER sheet metal cutting machines. The film improves the new technology's productivity and preserves surface quality throughout the mechanical production cycle.

CHARGEURS INTERLINING

In 2014, Chargeurs Interlining improved its recurring operating profit while maintaining revenue excluding the impact of unfavorable exchange rates, mainly in South America.

With the early repayment in first-half 2014 of the debt covered by the restructuring agreement, Chargeurs Interlining now has the resources needed to drive growth and continue adjusting to a market being shaped by industry concentration.
To meet the high standards of its European premium customers, the business is continuing to expand its portfolio of reliable, superior quality products and services that meet environmental and social responsibility standards. In addition, it is developing a line of green products.
In 2015, Chargeurs Interlining will continue to optimize its organization and deploy a system designed to improve the efficiency and synergy of the sales teams. The business remains confident in its ability to strengthen its market share in Europe despite the prolonged slowdown in apparel purchases.
Lastly, thanks to the business' coating technology expertise, the diversification into technical textiles is fostering the development of innovations that are opening new fields of application and new niche markets. In 2014, this diversification consolidated the business' sales and margins. This strategic pathway is being supported by a significant capital project that will come on stream in the second half of 2015.



Innovating, means leveraging the ability of coatings to improve interlining performance and diversifying into innovative technical textiles.

BEST TEXTILE SUBSTRATE AWARD

Spearheading an ambitious offensive in the digital print market, the flagship product in DHJ International's Decoprint® line, won the EDP Award for the best textile substrate for digital printing. The award was presented by the European Digital Press Association in April 2014 at the international wide-format digital print trade fair, Fespa Digital.

CHARGEURS WOOL

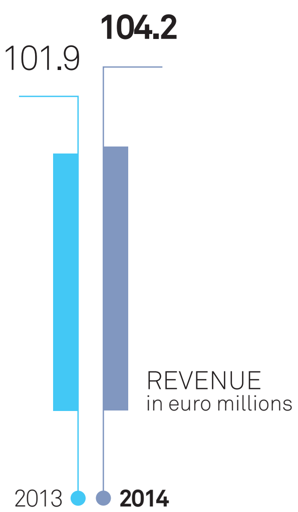
In 2014, Chargeurs Wool's solid results confirmed the validity of its new model that was successfully introduced in 2013. Supported by local industrial partners, Chargeurs Wool sells combed wool around the world and demonstrated its ability to reduce the risks arising from the volatility of this highly competitive market.

In the textile fiber market, raw wool prices tend to be high, unlike competing fibers like cotton or synthetic fibers like polyester, whose prices have fallen along with oil prices. With its small environmental footprint and undeniable technical properties, wool meets the needs of a variety of niche markets.

Recognized for its unique expertise, Chargeurs Wool supplies wool yarn especially designed for (i) the technical textiles used in certain leading edge industries; (ii) the premium casualwear and sportswear industries; and (iii) its clientele of world-renowned garment manufacturers.

The business' revenue rose by 2.3% in 2014, as the increase in delivered volumes amply offset the decline in raw wool prices. Recurring operating profit also improved, to end the year at €3.4 million.

Chargeurs Wool's recurring performance is being driven by the deployment of an integrated value chain that attenuates the risks inherent in the price volatility of its raw material and ensures the seamless traceability that guarantees the quality of its products and customer services. This careful attention is also enabling the business to address customer concerns about social responsibility and environmental issues by certifying the compliance of its partner combing mills with employee health and safety legislation and animal welfare standards.



Innovating, means building a sustainable, high-quality alliance with our industrial partners to serve our global sales network.

QUALITY AND TRACEABILITY ACROSS THE SUPPLY CHAIN

Chargeurs Wool is part of a value chain built on the close relationships forged with sheep farmers, partner combing mills and garment makers. In this way the business offers optimal quality wool at prices that respect these value chain stakeholders, who supply the premium, casualwear and sportswear markets or produce technical textiles.

INVESTOR INFORMATION

CHANGES IN SHARE CAPITAL

	Number of convertible bonds	Number of shares	Share capital (in euros)(1)
January 1, 2014	**272,393**	**14,340,575**	**2,294,492.00**
Conversion of bonds tendered in 2014	54,324	1,680,736	
January 1, 2015	**218,069**	**16,021,311**	**2,563,409.76**
Conversion of bonds tendered in January and February 2015	4,158	133,056	
March 10, 2015	**213,911**	**16,154,367**	**2,584,698.72**

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

The subordinated convertible bonds issued by Chargeurs on March 12, 2010, with pre-emptive subscription rights for existing shareholders, will mature on January 1, 2016. The issue led to the creation of 415,083 convertible bonds, each with a face value of €55. 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

• Conversion ahead of term: the bonds are convertible into shares at any time until 5:00 p.m. on December 22, 2015 (the seventh business day preceding the normal or early redemption date). In the event of conversion, in 2015 bondholders will be entitled to 27 shares per bond (conversion ratio) + 5 shares (coupon), i.e. a total of 32 shares per bond.

• Redemption at maturity: bonds that are not converted in 2015 will be redeemed at face value (€55) plus a stock-based remuneration equal to 6.06 shares per bond, payable on January 4, 2016.

CHANGES IN SHARE OWNERSHIP

Trading in Chargeurs shares by management or members of the Board

None.

Shareholders owning more than 5% of the share capital

(as of December 31, 2014)	Number of shares	% of interest	% of voting rights
Pathé(1)	1,000,000	6.24	5.90
Ojej(1)	41,000	0.26	0.48
Jérôme Seydoux	1,341	0.01	0.02
Sofi Emy(2)	851,845	5.32	9.17
Eduardo Malone	1,163	0.01	0.01
Argos Investment Managers SA	1,219,000	7.61	7.20

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

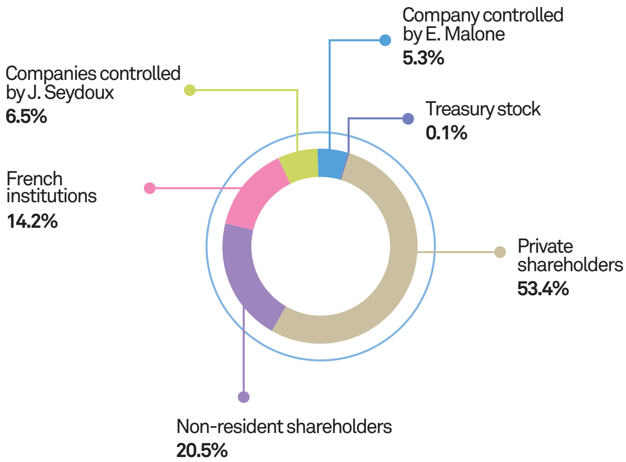
Jérôme Seydoux, Eduardo Malone and the companies that they control together hold 11.83% of Chargeurs' capital and 15.58% of the voting rights, which are exercised in concert.

Number of shares with double voting rights

The total number of shares carrying double voting rights, including those rights exercised in concert, amounted to 1,039,415 at December 31, 2014, bringing the total number of voting rights to 16,941,827.

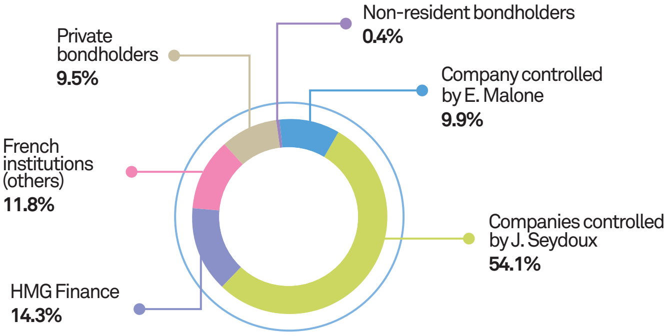
Ownership structure as of January 31, 2015 (% of total outstanding shares)

(based on the January 31, 2015 TPI securities ownership survey)



Holders of the 216,757 convertible bonds outstanding at January 31, 2015

(based on the January 31, 2015 TPI securities ownership survey)



DIVIDENDS

(article 243bis of the French General Tax Code)

At the Annual General Meeting of May 5, 2015, the Board of Directors will ask shareholders to approve the payment of a dividend of €0.20 per share for 2014. No dividends were paid in respect of 2012 or 2013.

SHAREHOLDERS CLUB

In late 2014, Chargeurs created a Shareholders Club open to private shareholders who own at least 300 Chargeurs shares. The Club's purpose is to promote a better understanding of the Group's businesses and foster closer relations with private shareholders by organizing meetings and site visits, and participating in cultural events.

STOCK MARKET DATA

Market listing

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

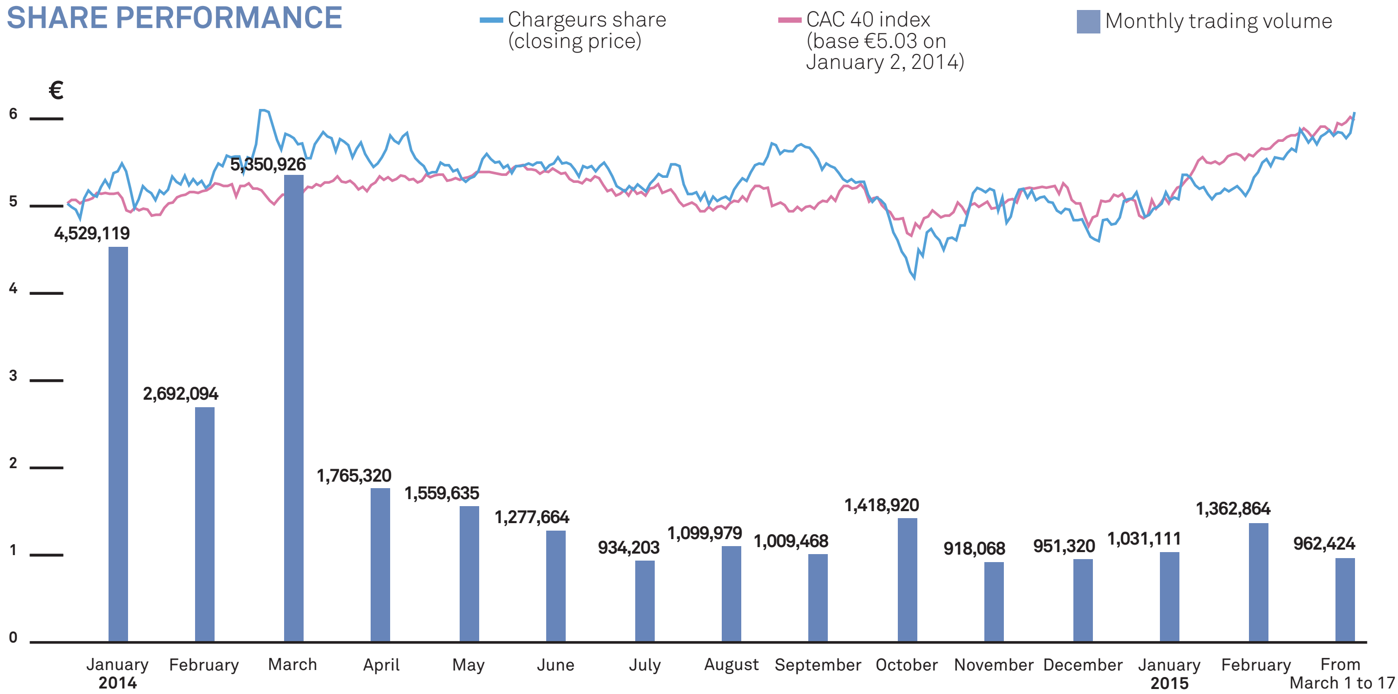
Listing of new shares

(see prospectus on convertible bonds, section 8.1.7)

Applications will be made periodically for admission to trading on 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 (ISIN FR0012405843 – CRINV).

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 dividend to be paid for the fiscal year preceding that in which the exercise date occurs (i.e. May 28, 2015) 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 the 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 our 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. Every executive, manager and contributor has therefore pledged to apply the related behavioral and procedural principles.

In addition, to support our corporate social responsibility process, standards specifying our CSR commitments have been formally prepared and distributed to every subsidiary. They 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 is updated every year to reflect the 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 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 consolidated production units** report data for their organization, particularly regarding certification processes and the sustainable use of resources. To guarantee their reliability, waste management, volatile organic compound (VOC) emissions and greenhouse gas emissions data are 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, economic and employment 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 absenteeism, hirings and terminations, 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, figures reported in 2014 for VOC emissions, greenhouse gas emissions and waste treatment sometimes revealed disparities in calculation methods or tracking procedures in certain countries, where standards are not as strict and treatment channels are not as organized as in France. In response, the Interlining business chose to report data only from the main production units so as to guarantee their reliability. Broadening the scope of reporting is part of the continuous improvement plan.

EMPLOYEE INFORMATION

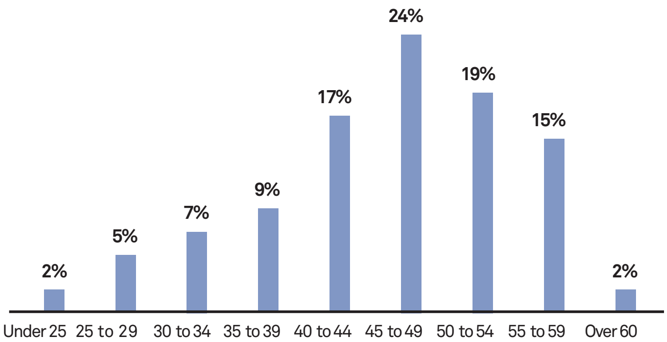
WORKFORCE

As of December 31, 2014, the Group had **1,566 employees,** stable from the year before.

For the entire Group, Asia accounted for 33.7% of the total workforce at year-end, with the 343 employees in China representing 21.9% of the total, versus 22.7% at end-2013. A total of 33.4% of employees work in France. The table of employee relations indicators on page 22 analyzes the workforce by region and business.

Temporary staff represented 1.8% of employees on payroll, compared with 2.5% in 2013.

Age pyramid at units in France



In 2014, the French units reported 53 hirings and 40 exits, of which five dismissals (all on personal grounds), for a net increase of 13 people (of which one person hired under a fixed-term contract that was changed to a permanent contract). This compared with a net increase of 2 people in 2013.

ORGANIZATION OF WORK

Chargeurs complies with working hours legislation in every host country, while continuously seeking to align workforce management with its needs, in the context of legal provisions in force for working hours.

Absenteeism (excluding maternity leave, vacation and unpaid leave)

Total absenteeism in the French units stood at 11 days per person in 2014, based on moving average headcount at year-end. This indicator is not tracked outside of France.

EQUAL OPPORTUNITY

Of the total 2014 workforce, 28.4% were women, up from 26.7% the year before. In the businesses, the proportion was 42.9% at Chargeurs Wool, 33.5% at Chargeurs Interlining and 17.1% at Chargeurs Protective Films. Women also accounted for 69.2% of holding company employees, as well as for 24.7% of managers worldwide, 33% of the Executive Committee and 40% of the 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, unchanged from 2013.

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 15.6, compared with 14.8 in 2013, while the severity rate came to 0.6, unchanged from 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. The severity rate was also changed to bring it in line with French practices, based on calendar days of lost-time instead of business days.

At Chargeurs Protective Films, the frequency rate was 15.9 and the severity rate was 0.28, both less than the chemical/rubber/plastic industry[1] averages of 17.9 and 1.0, respectively.

In the textile businesses, the average worldwide frequency rate stood at 15.9, compared with 29.6 for the textile industry in France[1], where safety regulations are often stricter than in other countries. The severity rate of 0.69 was well below the industry average of 1.7.

Occupational illnesses. The leading French units have deployed initiatives to prevent occupational illnesses, which were diagnosed in only one person in 2014. This indicator is not tracked outside of France.

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

Quality, safety and environmental training accounted for 39% of total Group-wide training hours in 2014.

In Bangladesh, our shirt interlining production unit is planning further investments in 2015 in order to continue improving its safety performance. No work accident have been reported there since 2008.

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. A large percentage of employees attended a training course in both 2014 (55%) and 2013 (54%), in part due to quality, safety and environmental courses that were sometimes attended by a production facility's entire staff. As a result, the average amount of training declined to 12 hours per person from 19 in 2013. This also reflected the fact that the increase in output left employees with less time for training. In all, 10,063 hours of training were conducted during the year.

In addition, apprentices and interns received 2,320 hours of training in the French units.

The Chargeurs Interlining production units in France continued to offer the training curricula set up several years ago to enhance the versatility and employability of production operators 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. Representative bodies have been elected in 13 subsidiaries, including 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, at 5.12% versus 5.39% in 2013. Moreover, in Europe the Group Committee in France and the European Social Committee Dialogue are helping to promote the constructive exchange of views between the Executive Committee and the French and European employee representatives.

CORPORATE AGREEMENTS

In 2014, the French units conducted negotiations on the annual pay round and the cross-generation contract, while in other countries, subsidiaries signed agreements on the organization of working hours and/or compensation. In all, 17 agreements were signed in Group units during the year.

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.

Executive Directors' 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.

First of all, it should be noted that in 2014, the Board of Directors opted for a new organization by separating the functions of Chairman of the Board of Directors and Chief Executive Officer, in line with best governance practices. As a result, effective March 7, 2014, Martine Odillard was appointed Chief Executive Officer of the Group and Eduardo Malone was reconfirmed as Chairman of the Board of Directors.

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. Following his resignation as Chief Executive Officer, his employment contract with Chargeurs Boissy, a subsidiary of Chargeurs SA, was reinstated on March 7, 2014 and remained in effect until his retirement on October 31, 2014, at which time he left the payroll. After that date, Mr. Malone continued to advise Chargeurs senior management through a one-year services agreement, expiring October 31, 2015, between Chargeurs Boissy and Sofi Emy, a company of which he is the primary manager.

The total gross compensation paid to Mr. Malone in his capacity as Chairman and Chief Executive Officer amounted to €557,272 in 2014, compared with €452,894 in 2013.

This total amount included €63,718 in salary for his time in office in 2014, versus €350,000 for the full year in 2013. It also included €91,469 in fees for directorships held with Group subsidiaries, unchanged from 2013, and a benefit in kind for the use of a company car valued at €2,085, compared with €11,425 for the full year in 2013.

Total compensation further included an incentive bonus representing a percentage of his base salary, contingent on consolidated earnings performance. In light of the consolidated earnings reported in 2013, Mr. Malone was paid an incentive bonus of €50,000 in 2014, whereas no bonus was paid in 2013 given the losses reported in 2012.

Lastly, compensation included an exceptional bonus of €350,000, granted by the Board of Directors upon his resignation as Chief Executive Officer on March 6, 2014 in recognition of his contributions during more than thirty years spent in senior management of Chargeurs.

Effective March 7, 2014, Mr. Malone served as Chairman of the Chargeurs Board of Directors without compensation.

Effective that same date, in his capacity as an employee under his reactivated contract with Chargeurs Boissy, he was paid total gross compensation in an amount of €647,748, of which a retirement benefit of €383,408.

In respect to the services provided to the Chargeurs Group, Sofi Emy was paid a fee of €25,000 net of VAT in 2014.

Martine Odillard joined the Chargeurs Group on October 8, 1979 and held various positions before being appointed Chief Operating Officer in September 2010, when her employment contract with Chargeurs SA was suspended. Since March 7, 2014, she has served as Chief Executive Officer of the Group.

The total gross compensation paid to Mrs. Odillard in her capacity as Chief Operating Officer totaled €279,343 in 2014, compared with €591,186 in 2013.

This total amount included €73,016 in salary for her time in office in 2014, versus €400,000 for the full year in 2013. It also included €11,575 in fees for directorships held with Group subsidiaries, versus €65,000 in 2013, and a benefit in kind for the use of a company car valued at €1,200, compared with €6,186 for the full year in 2013.

It further includes an incentive bonus whose amount was contingent on meeting the following objectives: (i) consolidated earnings performance and (ii) the performance of the corporate services she led as Chief Operating Officer, as measured against the objectives set at the beginning of the year. In light of the consolidated earnings reported in 2013, Mrs. Odillard was paid an incentive bonus of €193,552 in 2014, compared with €120,000 in 2013.

In her capacity as Chief Executive Officer since March 7, 2014, Mrs. Odillard was also paid total gross compensation of €454,980, of which €449,603 in salary and a benefit in kind of €5,377 for the use of a company car.

As part of its executive compensation policy, the Board of Directors defined the terms and conditions for an incentive bonus representing a percentage of Mrs. Odillard's base salary, contingent on (i) consolidated earnings performance, with annual performance targets set on the basis of three-year periods of improvement; and (ii) qualitative objectives set at the beginning of the year. Given the net profit reported in 2014 and the fact that her qualitative objectives were met, an incentive bonus will be paid to Mrs. Odillard in 2015.

Neither Mr. Malone nor Mrs. Odillard has a supplementary pension plan nor 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 Chairman and Chief Executive Officer did not receive any fees in their capacity as Directors of Chargeurs SA.

HUMAN RESOURCES INDICATORS

EMPLOYEES	Definition	Measurement unit	Scope	12/31/2013	12/31/2014
Total employees	Employees on payroll at December 31	Employees under permanent and fixed-term contracts	World	1,570	1,566
Use of temporary staff	Temporary staff	% of total employees under permanent and fixed-term contracts	World	2.5%	1.8%
Employees by business	Group employees	– Headquarters	World	12	13
		– Chargeurs Protective Films	World	520	532
		– Chargeurs Interlining	World	1,016	1,000
		– Chargeurs Wool	World	22	21
Employees by region	Group employees		France Rest of Europe Asia Americas	510 250 539 271	523 243 528 272
	Chargeurs Protective Films		Europe Asia Americas	80% 5% 15%	79% 6% 15%
	Chargeurs Interlining		Europe Asia Americas	32% 50% 18%	32% 50% 18%
	Chargeurs Wool		Europe Asia Americas	41% 18% 41%	38% 19% 43%
Gender parity	Group employees	Number of men	World	1,151	1,122
		Number of women	World	419	444
		Percentage of women	World	26.7%	28.4%

TRAINING	Definition	Measurement unit	Scope	12/31/2013	12/31/2014
Number of persons trained	Employees who attended at least one training course	% of total employees	World	54%	55%
Training hours	Time spent in training by employees who attended at least one training course	Average training hours per person	World	19 h	12 h

SAFETY	Definition	Measurement unit	Scope	12/31/2013	12/31/2014
Accidents(1)	Frequency rate: number of occupational accidents per million hours worked	Occupational accidents resulting in at least one day lost time	World	14.8	15.6
Absenteeism due to occupational accidents(1)	Severity rate: number of days' absence per thousand hours worked	Days lost due to an occupational accident	World	0.6	0.6

(1) The two safety ratios have been calculated on the basis of only workplace accidents, excluding commuting accidents.

COMPENSATION	Definition	Measurement unit	Scope	12/31/2013	12/31/2014
Payroll costs	Annual payroll costs recorded in the accounts	In euro millions	Employees of fully consolidated companies worldwide	68.9	70.5

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 page 22.

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, Lainière de Picardie BC and DHJ International are deeply involved in the local, national and even international industrial fabric 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 continue to 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 Oeko-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 2014 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, as attested by our units' ability to provide Oeko-Tex Standard 100 certification, including the highly demanding class 1 certification for products that could come into contact with a baby's skin. In 2014, among various other research projects, Chargeurs Interlining designed an innovative range of eco-sourced interlinings. In partnership with a producer of yarn made from recycled plastic bottles, the company successfully assisted in developing the thinnest yarns to guarantee the quality of its interlinings marketed to high-end customers. The project was aligned with our commitment to responsible supply chain management.

MEASURES TO PROMOTE CONSUMER HEALTH AND SAFETY

Chargeurs Protective Films is deeply involved in the CSR process. In addition to their ISO 9001 quality certification, the two European production units have been certified ISO 14001 and can demonstrate to customers their compliance with European REACH legislation. The Italian production unit has also earned OHSAS 18001 certification. 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 Oeko-Tex Standard 100 label and comply, in the case of Chargeurs Interlining, with the European REACH Directive, which guarantees that these products do not contain any perfluorinated products or phthalates.

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 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 Oeko-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 2014, the main French production unit led an initiative to build CSR awareness among all of its employees.

Committed since 2010 to promoting eco-design, French subsidiary DHJ International has integrated an eco-design management system into its organization and applies standards that aim to continually improve the design process that leads to the manufacture of eco-designed products.

The 2014 environmental data were reported from 11 production facilities operated by the Group during the year, of which three Chargeurs Protective Films units and eight Chargeurs Interlining units. 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 meters of film for the Protective Films business and one million linear meters (lm) of textile for the Interlining business(1).

For the reporting facilities, the same criteria have been applied as in 2013, allowing for direct year-on-year comparisons. 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 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 2015. Several production units also already recycle their packaging waste.

AMOUNT OF PROVISIONS AND GUARANTEES FOR ENVIRONMENTAL RISKS

None.

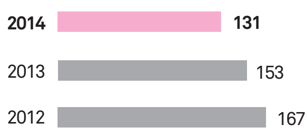
Chargeurs Protective Films

Energy and water use

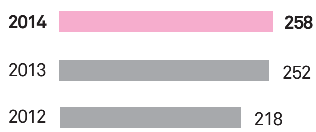
Energy use declined by 14% in 2014, mainly due to the operation over the full year of the new incinerator installed in Italy in August 2013. During the year, the Italian plant also installed a new refrigeration unit with a better coefficient of performance than its predecessor, thereby reducing its power use. Milder weather and fitting a production line in France with additional equipment helped to drive a further reduction in gas use in 2014. A more energy efficient production line was also preferred whenever possible.

Water use rose by 2.2% overall, as reductions at the French and US plants were offset by increases at the Italian facility after water from the solvent recovery unit was no longer recycled.

Energy use
in MWh/Mm^2



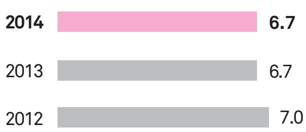
Water use
in m^3/Mm^2



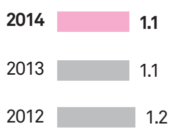
Waste production

The same amount of hazardous and non-hazardous waste was produced in 2014 as in 2013.

Non-hazardous waste(2)
in t/Mm^2



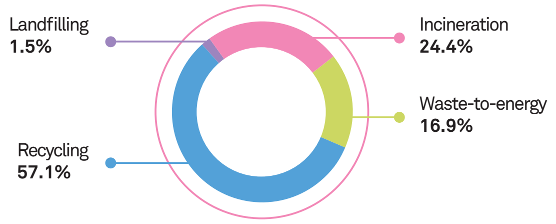
Hazardous waste
in t/Mm^2



(1) In 2013 and 2012, this unit was mistakenly indicated as square kilometers instead of linear meters.

(2) Non-hazardous waste data for 2013 have been corrected for the US facility.

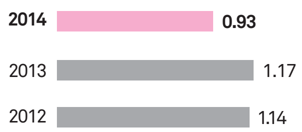
Waste disposal methods



Volatile organic compound (VOC) emissions

VOC emissions per Mm^2 produced declined by 20.9%, led by the operation over the full year of the new, more efficient, incinerator installed in Italy in 2013 and by the improved performance of the solvent recovery unit in France. At Déville-lès-Rouen, the ramp-up of celloglazing printing technology has considerably reduced VOC emissions from the use of a certain type of coating.

VOC emissions
in kg of carbon/Mm^2

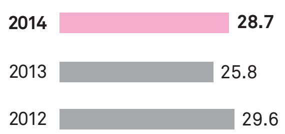


NB: VOC and greenhouse gas emissions are not yet fully available for the Italian subsidiary and have been estimated[(1)].

Greenhouse gas emissions

Despite the decline in energy use, greenhouse gas emissions rose during the year because CO_2 emissions from the generation of electricity used by the plants were reported in addition to the emissions from the burning of gas in production processes and for heating and from the treatment of VOC releases[(1)].

Greenhouse gas emissions
in t/Mm^2



(1) In 2013, these figures were over-estimated by 13% compared with actual VOC releases and under-estimated by 6% compared with actual greenhouse gas emissions.

Environmental management and certification

There is 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. In addition, the distribution units in Italy and the United States are certified ISO 9001, and the Italian one is certified OHSAS 18001 as well.

Compliance with REACH legislation

In 2014, 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

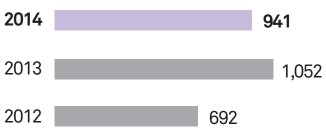
Energy and water use

In 2014, the decline in the energy and water use indicators per millions of linear meters (Mlm) primarily reflected the fact that the global scope of reporting included more units without any dyeing operations, which use more water.

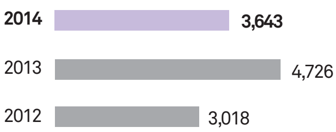
Indeed, every year the scope of reporting is broadened to cover more units, with, for example, six units now including power and gas use in their energy use data.

Optimizing water and energy use will be part of the continuous improvement plan.

Energy use
in MWh/Mlm



Water use
in m³/Mlm

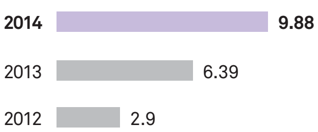


Waste production

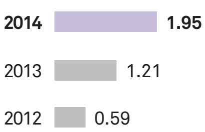
In 2014, the scope of reporting for waste production and recycling included the Chinese as well as the French units.

The increase in production of hazardous and non-hazardous waste was attributable to the less experienced Chinese units, whose treatment processes are less efficient.

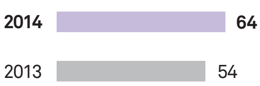
Non-hazardous waste
in t/Mlm



Hazardous waste
in t/Mlm



% of waste recycled

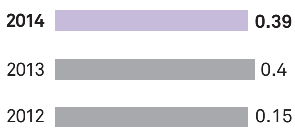


The recycling rate rose to 64% during the year, thanks to improved waste sorting and outsourcing to a variety of waste treatment providers. Improving the sorted waste systems at the French and Chinese plants will be part of the continuous improvement plan.

Volatile organic compound (VOC) emissions

VOC data are reported by three of the leading production units, which together accounted for 49% of emissions. Total VOC emissions were unchanged in 2014 at comparable scope of reporting.

VOC emissions
in kg of carbon/Mlm



Environmental management and certification

In 2014, more than one employee per site was assigned to environmental, health and safety management. The main French unit has been certified ISO 9001 and is planning to seek ISO 14001 certification by year-end 2015 in a commitment to improving its environmental management process.

Compliance with REACH legislation

Since 2013, the European units of the Interlining businesses have verified that their suppliers have preregistered all of the chemicals they use and that none of these chemicals contain 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.

REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED ENVIRONMENTAL, LABOUR AND SOCIAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT

(For the year ended December 31, 2014)

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 and certified by Cofrac under number 3-1060, we hereby present to you our report on the consolidated environmental, labour and social information for the year ended on December 31, 2014 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 of Directors 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 CSR 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 AUDITOR

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

- Attest 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 (Attestation of completeness of CSR Information);
- Express limited assurance that CSR Information, taken as a whole, is, in all material respects, fairly presented in accordance with the Guidelines (Reasoned opinion on the fairness of CSR Information).

Our work was carried out by a team of five persons between December 8, 2014 and February 27, 2015 and took around ten 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 related to labour and environmental information, falling within the scope of procedures directly related to the French statutory audit engagement (NEP 9090) and with the decree of May 13, 2013 determining the conditions in which the independent third party performs its engagement and with ISAE 3000[1] concerning our formed conclusion on the fairness of CSR Information.

Statement of completeness of CSR Information

On the basis of interviews with the relevant heads of departments, we reviewed the Company's sustainable development strategy with respect to the labor and environmental impact of its activities and its social commitments and, where applicable, any initiatives or programmes it has implemented as a result.

We compared 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 verified that 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 and environmental 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.

(1) Assurance engagements other than audits or reviews of historical financial information.

Reasoned opinion on the fairness of CSR Information

Nature and scope of our work

We conducted around ten interviews with the persons responsible for preparing 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 terms of their relevance, completeness, reliability, impartiality and comprehensibility, and taking into account best practices where appropriate;
– Verify that a data-collection, compilation, processing and control procedure has been implemented to ensure the completeness and consistency of CSR Information and reviewed the internal control and risk management procedures used to prepare CSR Information.

We determined the nature and scope of our tests and controls according to the nature and importance of CSR Information with respect to the characteristics of the Company, the labour and environmental challenges of its activities, its sustainable development policy and best practices.

With regard to CSR Information that we considered to be the most important(2):

- At parent entity and at Lainière de Picardie in Buire-Courcelles and Novacel, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organization, policy, action), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in concordance with the other information in the management report;
- At the level of a representative sample of entities (Lainière de Picardie in Buire-Courcelles and Novacel) selected by us on the basis of their activity, their contribution to the consolidated indicators, their location and risk analysis, we conducted interviews to ensure that procedures are followed correctly and to identify any undisclosed data, 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 on average 27% of the headcount and between 56% and 67% 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.

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. Due to the use of sampling techniques and other limitations intrinsic to the operation of information and internal control systems, we cannot provide absolute assurance that CSR information disclosed is free of material misstatements.

Conclusion

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

Neuilly-sur-Seine, March 17, 2015

One of the Statutory Auditors

PricewaterhouseCoopers Audit

Éric Bertier	Sylvain Lambert
Partner	Partner in charge of the Sustainable Development Department

(2) The most important information are explained in the appendix page 29.

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

Labour information

- Total workforce and distribution of employees by gender, age and geographic area.
- Recruitment and dismissals.
- Health and safety conditions.
- Work accidents, in particular frequency and gravity as well as occupational diseases.
- Training policy.
- Total number of training hours.
- Policy against segregation.

Environmental information

- Company organization to take into account environmental issues and eventually, assessment and certification actions in terms of environment.
- Training and awareness actions towards employees with regards to environmental protection.
- Means dedicated to environmental risks and pollution prevention.
- Measures to prevent, reduce or offset air, water and soil discharges 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 their usage efficiency.
- Energy consumption, measures taken to improve their energetical usage efficiency and the use of renewable energy.
- Greenhouse gas emissions.

Social information

- Relationships with stakeholders represented by people and organizations, notably with integration associations, educational institutions, environmental protection associations, consumers associations and people in the neighborhood: conditions of dialogue with these people and organizations.
- Inclusion of social and environment issues in the purchase policy.
- Importance of subcontracting and inclusion of their social and environmental responsibility in the relationships with suppliers and subcontractors.
- Measures taken in favor of consumers' health and safety.

CHAIRMAN'S REPORT ON CORPORATE GOVERNANCE AND INTERNAL CONTROL

This report has been prepared by the Chairman for presentation to the Annual General Meeting of Chargeurs shareholders of May 5, 2015, as required by article L. 225-37 of the French Commercial Code (*Code de Commerce*). The preparation process included making inquiries of the departments involved in overseeing internal control and risk management processes. The report was submitted to the Audit Committee for review on March 17, 2015 and was approved by the Board of Directors on the same date.

REFERENCE

The Board of Directors has decided to use the Corporate Governance Code for Small- and Mid-caps 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 (AMF: *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 ("comply or explain" recommendation), 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, with explanations provided in each case.

CORPORATE GOVERNANCE

GOVERNANCE STRUCTURE

In 2014, the Board of Directors decided to change the Company's governance structure by separating the functions of Chairman of the Board of Directors and Chief Executive Officer, as allowed for in the Company's bylaws. In application of this decision, 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.

Chairman

During the meeting held immediately after the Annual General Meeting of April 30, 2014, the Board of Directors renewed Eduardo Malone's term as Chairman of the Board.

The Chairman organizes and leads the work of the Board and reports thereon to the shareholders at General Meetings. He oversees the effectiveness of the Company's governance structures and monitors compliance with generally accepted governance principles and best practices.

Chief Executive Officer

During the meeting held immediately after the Annual General Meeting of April 30, 2014, the Board of Directors renewed Martine Odillard's term as Chief Executive Officer.

The Chief Executive Officer is responsible for implementing the strategy decided by the Board of Directors and for the day-to-day management of the Company. She has the broadest powers to act in all circumstances in the Company's name, within the limits of the corporate purpose and except for those powers that the law attributes to the shareholders in General Meeting and to the Board of Directors.

Restrictions on the Chief Executive Officer's powers

Internal restrictions on the Chief Executive Officer's powers concern the requirement to obtain the Board of Directors' prior approval before issuing any guarantees that are binding on the Company, except in cases where the Board of Directors has expressly delegated its authority within the limits defined in articles L. 225-35 and R. 225-28 of the French Commercial Code.

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, 2014, the Board comprised five directors, including the Chairman and the Chief Executive Officer. Martine Odillard was elected to the Board at the Annual General Meeting of May 5, 2011. At the Annual General Meeting of April 30, 2014, a new Director – Catherine Sabouret – was elected, raising the number of women on the Board to two.

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

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 2014, 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 as reflected in 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 need to draw up 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/or the Chief Executive Officer to give them any additional information they may consider useful for performing their duties. The Chief Executive Officer regularly provides the Board with competitor analyses and updates on market trends. In addition, at the Board meeting held to review accounting projections and the budget, the heads of Chargeurs' businesses present their operations and the outlook for each unit concerned.

Compensation paid to the Chairman and Chief Executive Officer, acting in this capacity until March 6, 2014, was set by the Board of Directors. His incentive bonus, representing a percentage of his base salary, was contingent on consolidated earnings performance.

Compensation paid to the Chief Operating Officer, acting in this capacity until March 6, 2014, was set by the Board of Directors. Her incentive bonus was contingent on meeting the following objectives: (i) consolidated earnings performance and (ii) the performance of the corporate services she led as Chief Operating Officer, as measured against the objectives set at the beginning of the year.

As of March 7, 2014, the Chairman of the Board of Directors is not paid any compensation by Chargeurs.

Also as of March 7, 2014, the compensation paid to the Chief Executive Officer is set by the Board of Directors. The variable portion is determined based on the Group's earnings performance – with actual performance in relation to annual targets assessed over a three-year period – and on qualitative targets set at the beginning of each year.

Total Directors' fees allocated in 2014 amounted to €27,500, with each Director receiving an equal share but determined on a proportionate basis to their length of time in office, except for the Chairman and the Chief Executive Officer who do not receive any fees in their capacity as Directors of Chargeurs.

The Board met five times in 2014 with an average attendance rate of 88%. Each meeting lasted two hours on average.

The Board of Directors did not carry out a formal self-assessment of its work and procedures in 2014. 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 decided to set up an Audit Committee in application of article L. 823-19 of the French Commercial Code. In 2014, the Audit Committee comprised two Directors – Giuseppe Pirola, Committee Chairman until April 30, then Catherine Sabouret as from that date, and Georges Ralli. 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 three times in 2014. During these meetings it examined: (i) the process for preparing the financial statements for first-half 2014; (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' governance rules and 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 level and in each business.

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 61 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 produce written comments on their monthly results, presented in a standard format.

These results, together with the updated annual forecasts reflecting the impact of any significant new developments, are reviewed during monthly meetings between the Group Chief Executive Officer and 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 the Chief Executive Officer is 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 2013, for example, a consulting firm was used to help prepare the CSR action plans. The same firm was called back in 2014 to assist in the process to improve these plans.

In 2013, CSR reporting guidelines were prepared for the consolidated subsidiaries describing Chargeurs' CSR commitments, the indicators used to report the CSR performance of each business and the CSR reporting process.

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

The main risks identified by the Company in 2014 are substantively 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.

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 relies on local specialized firms in each region.

Their activities are overseen by the Group Finance Department, which reports to the Chief Executive Officer, and are also discussed by the Audit Committee.

During 2014, 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 the Chief Executive Officer 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-2014

The risk management and internal control procedures related to the processing and preparation of accounting and financial information at the end of 2014 were considered to be appropriate given the Group's characteristics. As these characteristics make in-depth testing of our processes very costly, few such tests are currently performed.

The 2015 action plan represents a continuation of the previous plan and 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 action plans in line with the commitments given in the CSR report;
– 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 voting 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 2015

MIDDLENEXT CORPORATE GOVERNANCE CODE RECOMMENDATIONS THAT WERE NOT APPLICABLE OR WERE NOT APPLIED

At December 31, 2014

AMF recommendation 2013-20 of November 18, 2013

PURPOSE	Description	CHARGEURS' POSITION
R1: Combining corporate office with an employment contract	The Board of Directors should assess, in compliance with the relevant regulations, whether or not to authorize the Chairman, the Chairman and Chief Executive Officer, the Chief Executive Officer or the Chairman of the Management Board to continue to have an employment contract with the Company following their appointment as a corporate officer. The reasons for the decision should be presented in detail in the Board's report to the Annual General Meeting.	This issue is discussed in the "Executive Directors' compensation" section of the 2014 annual report. Eduardo Malone's employment contract with Chargeurs Boissy, a subsidiary of Chargeurs SA, was suspended upon his appointment as Chairman and Chief Executive Officer. When he stepped down as Chief Executive Officer on March 6, 2014, the contract came back into effect until he retired from the Group on October 31, 2014. Martine Odillard's employment contract was suspended following her appointment as Chief Operating Officer on September 14, 2010. She currently holds the position of Chief Executive Officer. In both cases, the Board of Directors discussed the matter of their employment contracts when they were appointed as corporate officers.
R3: Termination benefits	Where payment of a termination benefit is provided for in accordance with the law, the total benefit – including any amount due under the employment contract, if applicable – should not exceed the equivalent of two years' fixed and variable compensation, except where the officer's compensation is considerably less than the market rate (this may be the case, for example, for business start-ups). In addition, no termination benefit should be paid to a corporate officer who steps down in order to take up a new position or moves to a new position within the group. Care should also be taken to avoid artificially inflating an officer's compensation for the period before he or she steps down.	This recommendation does not apply to Chargeurs.
R4: Supplementary pension plans	In the interests of transparency, the Board of Directors' report to the Annual General Meeting should include details of any defined benefit pension plans set up for corporate officers, and the reasons for such benefits.	This recommendation does not apply to Chargeurs.
R5: Stock options and stock grants	Stock option grants and stock grants should not disproportionately benefit the corporate officers. In addition, corporate officers should not receive any stock options or stock grants when they step down from their position. Furthermore, corporate officers' stock options and stock grants should be subject to performance conditions that align the officer's interests with the company's medium- to long-term interests.	This recommendation does not apply to Chargeurs.
R6: Board of Directors' internal rules	Internal rules should be drawn up for the Board of Directors comprising at least the five sections described in the MiddleNext Code. These rules or substantial extracts thereof should be published.	Chargeurs applies the "comply or explain" principle. Refer to 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 given to Directors	The internal rules should include practical procedures to ensure that Directors are kept fully informed on a timely basis.	Chargeurs applies the "comply or explain" principle. See above comment concerning R6. The Directors receive the information needed to exercise their judgment sufficiently well in advance to enable them to efficiently prepare for Board meetings. Directors may ask the Chairman and/or the Chief Executive Officer for any other information they may consider necessary to exercise their judgment. The Board of Directors is kept regularly informed of developments affecting the business segments and the competitive environment by the Chairman and/or the Chief Executive Officer. During the Board meeting held to review financial projections and the budget, the heads of the business units present their respective businesses and the outlook for each one.
R15: Self-assessment of the Board of Directors' work and procedures	Once a year, the Chairman of the Board should ask the Directors to comment on the Board's work and procedures. The discussion should be recorded in the minutes of the meeting concerned.	Chargeurs applies the "comply or explain" principle. Refer to the Chairman's report on corporate governance and internal control: "The Board of Directors did not carry out a formal self-assessment of its work and procedures in 2014 but 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 2015

FINANCIAL REPORT

2014 FINANCIAL REVIEW

RESULTS

Consolidated revenue

Revenue for 2014 totaled €478.3 million, an increase of 2.5% as reported and 4.6% like-for-like (based on a comparable scope of consolidation and at constant exchange rates).

Revenue by business

Chargeurs Protective Films enjoyed strong growth in volumes and gained new momentum, with an 8.2% increase in revenue over the year.

Chargeurs Interlining's underlying revenue held firm, excluding the negative currency effect that mainly concerned the Argentine peso.

Chargeurs Wool reported a 2.3% increase in revenue, as the growth in delivered volumes amply offset the decline in raw wool prices.

Revenue generated outside France represented 92.6% of the consolidated total. The weighting of the main geographical markets shifted over the year, with the United States becoming the largest contributor to consolidated revenue due to the dollar effect and our businesses' good performances.

Our top five markets are:

1. United States	15.4%
2. Italy	12.9%
3. China	11.6%
4. Germany	10.8%
5. France	7.4%

Together, these five markets accounted for 58.1% of consolidated revenue in 2014.

Recurring operating profit

Consolidated recurring operating profit amounted to €22.9 million, representing 4.8% of revenue. The contributions by business were as follows:

Chargeurs Protective Films: €16.8 million. The steep increase compared with 2013 was attributable to the sharp rise in volumes and to the active strategy of developing high value-added products.

Chargeurs Interlining: €6.2 million. Chargeurs Interlining demonstrated its resilience by maintaining interlining business volumes in a global market suffering from over-capacity, and reaped the benefits of diversifying into technical textiles.

Chargeurs Wool: €3.4 million. The increase in recurring operating profit compared with 2013 reflected the transformation of Chargeurs Wool into a service business backed by a strong global sales network.

Operating profit

Consolidated operating profit amounted to €21.4 million, representing 4.5% of revenue. The contributions by business were as follows:

Chargeurs Protective Films: €16.5 million.

Chargeurs Interlining: €5.1 million.

Chargeurs Wool: €3.3 million.

Finance costs and other financial income and expense, net

Finance costs and other financial income and expense represented a net expense of €6.3 million, versus a €6.5 million net expense in 2013. The total included €3.7 million in net finance costs, €0.9 million in receivables factoring costs, €1.0 million in convertible bond interest costs and the €0.4 million interest cost on employee benefits. Average net debt was reduced by €14.7 million over the year, to €5.2 million from €19.9 million in 2013.

Refinancing operations carried out in late 2014 enabled the Group to reduce the average cost of debt and should have a positive impact on finance costs in 2015.

Share of profits/(losses) of associates

The Group's share of loss of associates represented €0.3 million in 2014, versus a net profit of €0.3 million in 2013.

Income tax expense

Income tax expense for the year amounted to €4.1 million, compared with a €3.7-million expense in 2013. The year-on-year increase was in line with the growth in pre-tax profit.

Attributable net profit

The Group ended the year with attributable net profit of €10.8 million. The sharp rise compared with the €3.6 million reported in 2013 reflected the strong business dynamic.

STATEMENT OF FINANCIAL POSITION AND FINANCIAL MANAGEMENT

Consolidated equity at December 31, 2014 amounted to €182.6 million (excluding non-controlling interests), an increase of €24.7 million over the year-earlier figure.

Excluding the convertible bond issue, the Group had net cash position of €9.3 million at end-2014, versus net cash position of €3.2 million at end-2013.

Together, the various Chargeurs companies had cash and cash equivalents of €72.7 million at December 31, 2014, compared with €48.0 million at December 31, 2013.

PARENT COMPANY FINANCIAL STATEMENTS

The Company reported an operating loss of €3.7-million in 2014, compared with a €2.1-million loss in 2013.

Finance costs and other financial income and expense represented net income of €18.3 million, primarily reflecting reversals of provisions for impairment of shares in subsidiaries and affiliates and dividends received during the year.

Non-recurring items represented net income of €0.7 million in 2014, versus a net expense of €0.4 million the year before.

The Company ended the year with pre-tax profit of €15.2 million, compared with a pre-tax loss of €6.2 million in 2013.

A tax benefit of €2.1 million was recorded, corresponding to French group relief.

The Company reported profit for the year of €17.4 million, versus a €4.6-million loss in 2013.

Non-deductible expenses that are disclosable to shareholders pursuant to articles 223 quater and 39-4 of the French Tax Code and the related tax impact amounted to €0.02 million in 2014.

As in 2013, the total amount of trade payables (€1.3 million at year-end 2014, versus €0.3 million the year before) is due within sixty days.

March 2015

FINANCIAL STATEMENTS

2014

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31 (in euro millions)

ASSETS

	Note	12/31/2014	12/31/2013
Non-current assets			
Intangible assets	5	72.6	66.3
Property, plant and equipment	6	50.3	37.5
Investments in associates and joint ventures	8	27.1	25.7
Deferred tax assets	9	13.5	11.9
Non-current financial assets			
– Investments in non-consolidated companies	10	0.8	0.9
– Long-term loans and receivables		2.2	1.6
Other non-current assets		0.6	0.6
		167.1	**144.5**
Current assets			
Inventories and work-in-progress	12	98.2	97.6
Trade receivables	13	44.2	44.2
Factored receivables(1)	13 and 22	43.9	49.3
Derivative financial instruments	11	0.6	0.3
Other receivables	14	24.7	30.2
Cash and cash equivalents	15	72.7	48.0
		284.3	**269.6**
Assets held for sale	16	**0.2**	**0.2**
Total assets		**451.6**	**414.3**

EQUITY AND LIABILITIES

	Note	12/31/2014	12/31/2013
Equity			
Attributable to owners of the parent			
Share capital	17	2.6	2.3
Share premium account	17	42.2	39.5
Other reserves and retained earnings	17	115.8	115.7
Profit for the period		10.8	3.6
Treasury stock	17	(0.2)	(0.2)
Translation reserve	23	11.4	(3.0)
		182.6	**157.9**
Non-controlling interests		**3.8**	**3.3**
Total equity		**186.4**	**161.2**
Non-current liabilities			
Convertible bond	18	11.2	13.2
Long-term borrowings	19	42.0	13.0
Deferred tax liabilities	9	–	–
Pension and other post-employment benefit obligations	20	15.5	12.7
Provisions	21	0.4	0.4
Other non-current liabilities	22	10.3	10.1
		79.4	**49.4**
Current liabilities			
Trade payables		88.6	88.9
Other payables	22	30.6	32.6
Factored receivables(1)	13 and 22	43.9	49.3
Current income tax liability		0.6	0.6
Derivative financial instruments	11	0.7	0.5
Short-term portion of long-term borrowings	19	6.7	11.5
Short-term bank loans and overdrafts	19	14.7	20.3
		185.8	**203.7**
Liabilities related to assets held for sale	16	**–**	**–**
Total equity and liabilities		**451.6**	**414.3**

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

Notes 1 to 34 are an integral part of the 2014 consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

Years ended December 31 (in euro millions)

	Note	2014	2013(1)
Revenue		**478.3**	**466.5**
Cost of sales		(370.9)	(368.7)
Gross profit		**107.4**	**97.8**
Distribution costs		(49.7)	(48.4)
Administrative expenses		(30.9)	(32.2)
Research and development costs		(3.9)	(2.8)
Recurring operating profit		**22.9**	**14.4**
Other operating income	24	0.2	4.2
Other operating expense	24	(1.7)	(0.8)
Operating profit		**21.4**	**17.8**
Finance costs, net		(3.7)	(3.9)
Other financial expense		(2.9)	(2.9)
Other financial income		0.3	0.3
Net financial expense	26	**(6.3)**	**(6.5)**
Share of profit/(loss) of associates		**(0.3)**	**0.3**
Pre-tax profit for the period		**14.8**	**11.6**
Income tax expense	27	(4.1)	(3.7)
Profit from continuing operations		10.7	7.9
Profit/(loss) from discontinued operations	16	0.2	(4.6)
Profit for the period		**10.9**	**3.3**
Attributable to:			
Owners of the parent		10.8	3.6
Non-controlling interests		0.1	(0.3)
Earnings per share (in euros)			
Basic earnings per share			
– From continuing operations		0.67	0.60
– From discontinued operations		0.01	(0.34)
From continuing and discontinued operations	28	**0.68**	**0.26**
Diluted earnings per share			
– From continuing operations		0.51	0.42
– From discontinued operations		0.01	(0.21)
From continuing and discontinued operations		**0.52**	**0.21**
Weighted average number of shares outstanding		15,659,563	13,661,574

(1) In the 2013 income statement, an expense of €(0.8) million has been reclassified from other operating income and expense to gross profit (see note 24).
Notes 1 to 34 are an integral part of the 2014 consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Years ended December 31 (in euro millions)

	2014	2013
Profit for the period	**10.9**	**3.3**
Exchange differences on translating foreign operations	14.8	(11.6)
Available-for-sale financial assets	–	–
Cash flow hedges	(0.4)	–
Income tax on items that may be reclassified in equity	–	–
Total items that may be reclassified subsequently to profit or loss	**14.4**	**(11.6)**
Other items of other comprehensive income/(expense)	(0.1)	(0.3)
Actuarial gains and losses on post-employment benefit obligations	(3.0)	1.2
Income tax on items that will not be reclassified to profit or loss	–	–
Total items that will not be reclassified to profit or loss	**(3.1)**	**0.9**
Total comprehensive income/(expense) recognized in equity	**11.3**	**(10.7)**
Total comprehensive income/(expense)	**22.2**	**(7.4)**
Attributable to:		
Owners of the parent	21.7	(6.5)
Non-controlling interests	0.5	(0.9)

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 attributable to owners of the parent**	Non-controlling interests	**Total equity**
At December 31, 2012	**2.2**	**38.1**	**119.5**	**8.0**	**0.0**	**(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 for the period	–	–	3.6	–	–	–	–	3.6	(0.3)	3.3
Impact of changes in Group structure	–	–	–	–	–	–	–	0.0	(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)**	**0.0**	**(2.8)**	**(0.2)**	**157.9**	**3.3**	**161.2**
Issue of share capital	0.3	2.7	–	–	–	–	–	3.0	–	3.0
Profit for the period	–	–	10.8	–	–	–	–	10.8	0.1	10.9
Other comprehensive income/(expense)	–	–	(0.1)	14.4	(0.4)	(3.0)	–	10.9	0.4	11.3
At December 31, 2014	**2.6**	**42.2**	**132.8**	**11.4**	**(0.4)**	**(5.8)**	**(0.2)**	**182.6**	**3.8**	**186.4**

CONSOLIDATED STATEMENT OF CASH FLOWS

Years ended December 31 (in euro millions)

	Note	2014	2013
Cash flows from operating activities			
Pre-tax profit of consolidated companies		15.1	11.3
Adjustments to reconcile pre-tax profit to cash generated from operations		9.5	5.9
– *Depreciation and amortization expense*	*5 and 6*	*8.9*	*8.6*
– *Provisions and pension and other post-employment benefit obligations*		*(1.3)*	*(1.7)*
– *Impairment of non-current assets*		*0.4*	*–*
– *Fair value adjustments*		*0.3*	*0.3*
– *Impact of discounting*		*1.4*	*1.6*
– *Gains/(losses) on disposal of investments in non-consolidated companies and other non-current assets*		*0.1*	*(2.8)*
– *Exchange gains/(losses) on foreign currency receivables and payables*		*(0.3)*	*–*
Income tax paid		(4.6)	(4.0)
Cash generated by operations		**20.0**	**13.2**
Dividends from equity-accounted companies		0.7	0.3
Change in operating working capital		8.6	4.6
Net cash from operating activities		**29.3**	**18.1**
Cash flows from investing activities			
Purchases of intangible assets	5	(0.3)	(0.3)
Proceeds from sales of intangible assets		0.1	0.1
Purchases of property, plant and equipment	6	(9.7)	(6.7)
Proceeds from sales of property, plant and equipment		0.8	6.6
Impact of changes in Group structure		–	3.7
Other movements		(0.8)	(0.3)
Net cash from/(used in) investing activities		**(9.9)**	**3.2**
Cash flows from financing activities			
Proceeds from issues of shares on conversion of bonds	18	3.0	1.5
(Purchases)/sales of treasury stock		–	0.3
Proceeds from new borrowings	19	28.3	9.2
Conversion of bonds	18	(3.0)	(1.5)
Repayment of bank borrowings and overdrafts	19	(22.5)	(36.0)
Other movements		(1.1)	3.4
Net cash from/(used in) financing activities		**4.7**	**(23.1)**
(Decrease)/increase in cash and cash equivalents		**24.1**	**(1.9)**
Cash and cash equivalents at beginning of period	15	48.0	50.6
Cash and cash equivalents reclassified as assets held for sale		(0.3)	(0.2)
Effect of changes in foreign exchange rates on cash and cash equivalents		0.9	(0.5)
Cash and cash equivalents at period-end	**15**	**72.7**	**48.0**

Notes 1 to 34 are an integral part of the 2014 consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Notes – to the statement of financial position

Notes – to the income statement

Notes – on additional information

1 _ GENERAL INFORMATION

In 2014, 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 Euronext Paris.

The consolidated financial statements for the year ended December 31, 2014 were approved by the Board of Directors on March 17, 2015 and will be submitted to shareholders for approval on May 5, 2015. All amounts are expressed in millions of euros, unless otherwise specified.

The Board of Directors has decided to ask shareholders at the Annual General Meeting on May 5, 2015 to approve the payment of a dividend of €0.20 per share for 2014.

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 2014 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/finance/accounting/ias/index_en.htm).

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

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

2.2 List of new, revised and amended standards and interpretations

(a) New standards, amendments to existing standards and interpretations whose application was mandatory for the first time in the year ended December 31, 2014:

Adopted by the European Union
- 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 27R – Separate Financial Statements;
- IAS 28R – Investments in Associates and Joint Ventures;
- Amendments to IFRS 10, IFRS 12 and IAS 27R – Investment Entities;
- Amendment to IAS 32 – Offsetting Financial Assets and Financial Liabilities;
- Amendment to IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets;
- Amendment to IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting.

None of these new standards or amendments to existing standards had a material impact on the consolidated financial statements.

The level of control exercised by the Group over its joint arrangements was analyzed for the purpose of applying IFRS 10, 11 and 12, to determine whether they qualified as "joint ventures" (i.e. entities in which control is shared by the parties under a contractual agreement) or "associates" (i.e. entities over which Chargeurs exercises significant influence). As these entities were previously accounted for by the equity method, application of the new standards had no impact on the presentation of the consolidated financial statements.

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

Adopted by the European Union
- IFRIC 21 – Levies.

Not yet adopted by the European Union
- IFRS 9 – Financial Instruments;
- IFRS 14 – Regulatory Deferral Accounts;
- IFRS 15 – Revenue from Contracts with Customers;
- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;

– Amendments to IAS 27 – Equity Method in Separate Financial Statements;
– Amendments to IAS 16 and IAS 41 – Agriculture: Bearer Plants;
– Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortization;
– Amendment to IAS 19 – Defined Benefit Plans: Employee Contributions;
– Amendment to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations;
– Annual Improvements, 2010-2012 cycle, published on December 12, 2013;
– Annual Improvements, 2011-2013 cycle, published on December 12, 2013;
– Annual Improvements, 2012-2014 cycle, published on September 25, 2014.

2.3 Consolidation methods

(a) Subsidiaries

Subsidiaries are all entities that are controlled by the Group directly or indirectly. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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 deconsolidated 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. The directly attributable costs of the business combination are recognized as an expense for the period in which they are 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 acquiree'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

Joint arrangements are arrangements of which Chargeurs and one or more other parties have joint control.

The Group has joint control of an arrangement when decisions about the relevant activities require the unanimous consent of Chargeurs and the other parties sharing control.

The Group has significant influence over an entity when it has the power to participate in the financial and operating policy decisions of the entity but does not have control or joint control of those policies, generally accompanying a shareholding representing between 20% and 50% of the voting rights.

Investments in joint ventures (entities of which the Group has joint control) and associates (entities over which the Group has significant influence) 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 2.6).

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.

This threshold may be raised in certain very specific cases, particularly for entities that operate in hyper-inflationary economies.

The effect on equity of including these companies in the scope of consolidation at December 31, 2014 would have been an increase of less than €4 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 cash flow 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 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”.

Goodwill on each acquisition 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 recognized as an expense 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 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 5).

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.

2.7 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 financing that arise 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 said 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

Impairment tests are performed whenever there is any internal or external indication that the carrying amount of any items of property, plant or equipment 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.

2.8 Financial assets and liabilities

(a) 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.

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 financial instruments” (note 11).

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” or “Other non-current assets”.

They correspond to loans, receivables, deposits and other non-current assets in the consolidated statement of financial position.

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.

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 19) as well as to “Other non-current liabilities, other payables and factoring liabilities” (note 22) in the consolidated statement of financial position.

(b) Recognition and measurement of financial assets

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.

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.

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.

(c) 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.

(d) 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 they 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 coordinated 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. 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 presented.

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 instrument 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 Recurring operating profit

Recurring operating profit is used by the Group as an indicator of long-term sustainable performance. It is stated before other operating income and expenses, corresponding to items of income and expense that represent material amounts, are unusual in nature and occur infrequently, and which distort assessments of the Group's underlying performance.

Recurring operating profit corresponds to gross profit less distribution costs, administrative expenses and research and development costs.

2.22 Other operating income and expense

Other operating income and expenses are material items of income and expense that are unusual in nature and occur infrequently, with the result that they are difficult to estimate reliably. The main items recorded under this caption are restructuring costs, impairment losses and gains and losses on disposal of property, plant and equipment and intangible assets.

2.23 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 is tested for impairment on an annual basis as described in note 2.6. The recoverable amounts of cash-generating units (CGUs) are determined based on calculations of value in use, which require the use of estimates (note 5).

Impairment tests performed in 2014 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

There were no acquisitions or disposals during the period.

NOTES – TO THE STATEMENT OF FINANCIAL POSITION

5 _ INTANGIBLE ASSETS

(a) Goodwill

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

(in euro millions)	Gross value	Accumulated impairment losses	Net value
January 1, 2013	**81.6**	**(15.7)**	**65.9**
Goodwill recognized on companies acquired during the period	–	–	–
Goodwill written off on companies disposed of during the period	–	–	–
Goodwill written off on companies removed from the scope of consolidation	–	–	–
Translation adjustment	(2.1)	–	(2.1)
Changes in scope of consolidation	–	–	–
Impairment losses recognized during the period	–	–	–
December 31, 2013	**79.5**	**(15.7)**	**63.8**
January 1, 2014	**79.5**	**(15.7)**	**63.8**
Goodwill recognized on companies acquired during the period	–	–	–
Goodwill written off on companies disposed of during the period	–	–	–
Goodwill written off on companies removed from the scope of consolidation	–	–	–
Translation adjustment	6.6	–	6.6
Changes in scope of consolidation	–	–	–
Impairment losses recognized during the period	–	–	–
December 31, 2014	**86.1**	**(15.7)**	**70.4**

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 – Etacol in Bangladesh, acquired in 2008, and Yak in China, acquired in 2006 and accounted for by the equity method – which are treated as two separate CGUs.

Goodwill by CGU

The table below provides a breakdown of goodwill by CGU:

(in euro millions)	12/31/2014	12/31/2013
Chargeurs Protective Films	53.1	46.9
Chargeurs Interlining (excluding Yak and Etacol)	13.6	13.6
Etacol	3.7	3.3
Total	**70.4**	**63.8**

Chargeurs Protective Films goodwill is measured in US dollars and the €6.2 million increase in its carrying amount between December 31, 2013 and December 31, 2014 was due to the dollar's appreciation against the euro over the period.

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.

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;
- 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 of 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 were as follows:

	2014			2013		
	Chargeurs Protective Films	Chargeurs Interlining (excluding Etacol and Yak)	Etacol	Chargeurs Protective Films	Chargeurs Interlining (excluding Etacol and Yak)	Etacol
Average operating margin over the business plan period[1]	8.52%	4.44%	8.70%	7.20%	4.30%	8.80%
Perpetuity growth rate[2]	1.00%	1.00%	1.00%	1.00%	1.00%	2.00%
Discount rate	8.53%	8.17%	8.17%	8.26%	8.21%	8.21%

(1) Recurring operating profit as a pourcentage of revenue.
(2) The perpetuity growth rate is equal to or less than the medium- to long-term growth rate for the industry as a whole. The rate is used only for inflation.

Tests were performed to determine the sensitivity of the values obtained to changes in all of the key assumptions presented above. A 100 basis-point increase in the discount rate used to calculate the recoverable amount of goodwill, or 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 later than forecast.

(b) Other intangible assets

In 2014, no development projects satisfied the asset recognition criteria in IAS 38.

(in euro millions)	Trademarks and patents	Development costs	Licenses	Other	Total
January 1, 2013	**0.5**	**1.2**	**1.6**	**0.7**	**4.0**
Capitalized development	–	–	–	–	–
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)
Impairment	–	–	–	–	–
Reclassifications as assets held for sale	–	–	–	–	–
Other	–	–	–	0.5	0.5
Translation adjustment	–	–	–	–	–
December 31, 2013	**0.4**	**0.9**	**0.3**	**0.9**	**2.5**

(in euro millions)	Trademarks and patents	Development costs	Licenses	Other	Total
January 1, 2014	**0.4**	**0.9**	**0.3**	**0.9**	**2.5**
Capitalized development	–	–	–	–	–
Additions[1]	0.1	–	–	0.5	0.6
Disposals	–	–	–	(0.1)	(0.1)
Changes in scope of consolidation	–	–	–	–	–
Amortization	(0.1)	(0.4)	–	(0.3)	(0.8)
Impairment	–	–	–	–	–
Reclassifications as assets held for sale	–	–	–	–	–
Other	0.2	–	–	(0.2)	–
Translation adjustment	–	–	–	–	–
December 31, 2014	**0.6**	**0.5**	**0.3**	**0.8**	**2.2**

(1) Including €0.3 million worth of assets acquired under finance leases.

6 _ 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, 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**

(in euro millions)	Land	Buildings	Plant and equipment	Fixtures and fittings	Assets under construction	Total
January 1, 2014	**2.6**	**11.6**	**18.2**	**3.9**	**1.2**	**37.5**
Additions(1)	–	0.1	19.5	0.3	1.6	21.5
Disposals	–	–	(0.3)	(0.9)	(0.3)	(1.5)
Changes in scope of consolidation	–	–	–	–	–	–
Depreciation	–	(1.5)	(5.9)	(0.7)	–	(8.1)
Impairment	–	–	(0.2)	–	–	(0.2)
Other	–	0.1	(0.4)	1.3	(1.0)	–
Translation adjustment	–	0.4	0.7	–	–	1.1
December 31, 2014	**2.6**	**10.7**	**31.6**	**3.9**	**1.5**	**50.3**

(1) Including €11.8 million worth of assets acquired under finance leases (see note 7).

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 statement of financial position 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 Chargeurs Protective Films and Chargeurs Interlining 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 2014 in accordance with paragraphs (ii) and (iii) above.

7_FINANCE LEASES

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

(in euro millions)	12/31/2014	12/31/2013
Land	1.2	1.2
Buildings	19.5	18.7
Plant and equipment	31.1	7.3
Fixtures, fittings and other	7.0	6.4
Gross value	**58.8**	**33.6**
Accumulated depreciation	**(39.3)**	**(26.1)**
Impairment	–	–
Net value	**19.5**	**7.5**

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

(in euro millions)	12/31/2014	12/31/2013
Future minimum lease payments under finance leases	25.9	8.1
Finance lease liabilities	23.2	7.7
Future finance cost	**2.7**	**0.4**

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	5.5	4.6
Due in one to five years	17.4	15.8
Due in more than five years	3.0	2.8
Total at December 31, 2014	**25.9**	**23.2**
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**

The main finance leases correspond to sale-and-lease-back 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.

During 2014, the Protective Films business terminated an operating lease and the corresponding assets were added back to the consolidated statement of financial position at their gross value of €10.8 million. At the end of the year, part of this amount was financed by a €9.5 million finance lease.

Also in 2014, the Interlining business carried out sale-and-leaseback transactions on assets with a gross value of €11.2 million.

8_INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

(a) Companies

Interlining

Ningbo Lailong Bertero Interlining Co. Ltd

Wool

CW Uruguay includes the following companies: Lanera Santa Maria SA and its subsidiary, Hart Newco, and Lanas Trinidad SA.

CW Argentina comprises Chargeurs Wool (Argentina) SA and its subsidiary, Peinaduría Río Chubut.

Zhangjiagang Yangtse Wool Combing Co. Ltd comprises Zhangjiagang Yangtse Wool Combing Co. Ltd and Yangtse (Australia) Pty Ltd.

Investments in associates and joint ventures can be analyzed as follows:

	Equity in net assets		Equity in profit/(loss)	
(in euro millions)	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Ningbo Lailong Bertero Interlining Co. Ltd	13.2	12.6	–	–
CW Uruguay	6.8	5.8	0.2	0.1
CW Argentina	1.8	1.6	0.3	0.3
Zhangjiagang Yangtse Wool Combing Co. Ltd	4.8	5.3	(0.9)	(0.2)
Other	0.1	0.1	–	–
Total joint ventures	**26.7**	**25.4**	**(0.4)**	**0.2**
USA Wool	0.4	0.3	0.1	0.1
Total associates	**0.4**	**0.3**	**0.1**	**0.1**
Total associates and joint ventures	**27.1**	**25.7**	**(0.3)**	**0.3**

Goodwill related to associates is added to the carrying amount of the investment in the company concerned. Goodwill related to Ningbo Lailong Bertero Interlining Co. Ltd. amounts to €9.6 million.

(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**
Participation in rights issues	–	–	–	–	–	–
Acquisitions	–	–	–	–	–	–
Capital reduction	–	–	–	–	(1.2)	(1.2)
Disposals	–	–	–	–	–	–
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**

(in euro millions)	Ningbo Lailong Bertero Interlining Co. Ltd	CW Uruguay	CW Argentina	Zhangjiagang Yangtse Wool Combing Co. Ltd	Other	Total
January 1, 2014	**12.6**	**5.8**	**1.6**	**5.3**	**0.4**	**25.7**
Participation in rights issues	–	–	–	–	–	–
Acquisitions	–	–	–	–	–	–
Capital reduction	–	–	–	–	–	–
Disposals	–	–	–	–	–	–
Changes in scope of consolidation	–	–	–	–	–	–
Share of profit/(loss) for the period	–	0.2	0.3	(0.9)	0.1	(0.3)
Dividends received	(0.7)	–	–	–	–	(0.7)
Translation adjustment	1.3	0.8	(0.1)	0.4	–	2.4
December 31, 2014	**13.2**	**6.8**	**1.8**	**4.8**	**0.5**	**27.1**

(b) Key figures for the main equity-accounted companies

Key figures for material joint ventures are presented below (on a 100% basis):

	12/31/2014				12/31/2013			
(in euro millions)	Ningbo Lailong Bertero Interlining Co. Ltd	CW Uruguay	CW Argentina	Zhangjiagang Yangtse Wool Combing Co. Ltd	Yak entities(1)	CW Uruguay	CW Argentina	Zhangjiagang Yangtse Wool Combing Co. Ltd
Non-current assets	3.2	3.7	1.7	5.4	3.2	2.4	2.8	4.7
Current assets	5.0	42.8	13.6	32.3	5.5	40.3	13.4	21.3
Cash and cash equivalents	0.7	0.9	0.5	2.1	2.1	5.9	0.2	0.4
Non-current financial liabilities	–	–	–	–	–	–	–	–
Other non-current liabilities	0.6	0.1	0.3	0.1	0.5	0.1	1.3	0.2
Current financial liabilities	–	–	–	–	–	–	–	–
Other non-current liabilities	1.0	33.7	11.9	29.3	2.3	36.8	11.9	15.7
Total net assets	**7.3**	**13.6**	**3.6**	**10.4**	**8.0**	**11.7**	**3.2**	**10.5**
Percentage of interest	49%	50%	50%	50%	49%	50%	50%	50%
Group share	3.6	6.8	1.8	5.2	3.9	5.8	1.6	5.3
Goodwill	9.6	–	–	(0.4)	8.7	–	–	–
Carrying amount	**13.2**	**6.8**	**1.8**	**4.8**	**12.6**	**5.8**	**1.6**	**5.3**

(1) In 2013, Yak included Ningbo Lailong Bertero Interlining Co. Ltd and Ningbo Yak Bertero Textiles Co. Ltd. Ningbo Yak Bertero Textiles Co. Ltd was divested during 2013.

(in euro millions)	12/31/2014				12/31/2013			
	Ningbo Lailong Bertero Interlining Co. Ltd	CW Uruguay	CW Argentina	Zhangjiagang Yangtse Wool Combing Co. Ltd	Yak entities	CW Uruguay	CW Argentina	Zhangjiagang Yangtse Wool Combing Co. Ltd
Revenue	7.5	52.8	15.9	36.2	16.8	51.6	17.7	10.1
Depreciation, amortization and impairment	(0.5)	(0.6)	–	(1.4)	(0.6)	(0.6)	–	(0.2)
Finance costs, net	–	(0.6)	(0.9)	(0.6)	–	(0.3)	(1.4)	(0.1)
Income tax expense	–	–	–	–	(0.2)	–	–	–
Profit/(loss) from continuing operations	**0.1**	**0.4**	**0.6**	**(1.8)**	**–**	**0.2**	**0.6**	**(0.2)**
Percentage of interest	49%	50%	50%	50%	49%	50%	50%	50%
Group share of profit/(loss)	**0.0**	**0.2**	**0.3**	**(0.9)**	**–**	**0.1**	**0.3**	**(0.1)**

9 _ DEFERRED TAXES

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

(in euro millions)	12/31/2014	12/31/2013
Deferred tax assets		
– Recoverable beyond 12 months	8.7	8.9
– Recoverable within 12 months	11.2	9.9
Deferred tax liabilities, net		
– To be settled beyond 12 months	(5.8)	(5.4)
– To be settled within 12 months	(0.6)	(1.5)
Total	**13.5**	**11.9**

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

(in euro millions)	12/31/2014	12/31/2013
Deferred tax assets		
– Deductible temporary differences	12.2	11.0
– Tax loss carryforwards and tax credits	7.7	7.8
Deferred tax liabilities		
– Taxable temporary differences	(6.4)	(6.9)
Total	**13.5**	**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 €6.9 million at December 31, 2014 and €5.7 million at December 31, 2013.

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, 2014:

(in euro millions)	Total	Unrecognized
Available until		
2015	0.9	0.9
2016	–	–
2017	–	–
2018	–	–
2019	2.4	2.4
Evergreen losses	373.4	339.6
Total tax loss carryforwards	**376.7**	**342.9**

10 _ INVESTMENTS IN NON-CONSOLIDATED COMPANIES

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

(in euro millions)	12/31/2014	12/31/2013
Interests of over 50%:		
– Aggregate	0.7	0.8
Interests of between 20% and 50%:		
– Aggregate	–	–
Interests of less than 20%:		
– Aggregate	0.1	0.1
Total	**0.8**	**0.9**

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 where necessary.

11 _ DERIVATIVE FINANCIAL INSTRUMENTS

The carrying amount of derivatives can be analyzed as follows:

(in euro millions)	12/31/2014	12/31/2013
Assets	0.6	0.3
Liabilities	(0.7)	(0.5)
Net	**(0.1)**	**(0.2)**

(in euro millions) Assets net of liabilities	12/31/2014 Fair value	12/31/2014 Notional	12/31/2013 Fair value	12/31/2013 Notional
Fair value hedges				
– Currency hedges(1)	0.2	20.7	(0.2)	15.8
– Commodity hedges	–	0.4	–	–
Cash flow hedges				
– Currency hedges(1)	(0.2)	13.2	–	1.5
– Interest rate hedges	–	–	–	–
– Commodity hedges	(0.1)	6.6	–	2.6
Hedges of net investments in foreign operations				
– Currency hedges(1)	–	–	–	–
Derivatives not qualifying for hedge accounting				
– Currency hedges(1)	–	–	–	–
– Interest rate derivatives	–	–	–	–
Derivative instruments – net asset/(liability)	**(0.1)**	**40.9**	**(0.2)**	**19.9**

(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 – which represented a notional amount of €33.9 million at December 31, 2014 – correspond to hedges of assets and liabilities and firm commitments by subsidiaries, but also to hedges of net sales and net purchases denominated mainly in US dollars.

The €7.0 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)	12/31/2014	12/31/2013
US dollar	27.9	18.1
Euro	0.5	(0.9)
Chinese yuan	5.1	–
British pound	0.4	0.1
Total	**33.9**	**17.3**

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

(in euro millions)	12/31/2014	12/31/2013
Euro	7.0	2.6

Maturities of derivatives at fair value

(in euro millions)	12/31/2014	12/31/2013
Less than six months	(0.2)	(0.2)
More than six months	0.1	–

12 _ INVENTORIES AND WORK-IN-PROGRESS

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

(in euro millions)	12/31/2014	12/31/2013
Gross value		
Raw materials and supplies	37.5	41.9
Finished and semi-finished goods and work-in-progress	65.5	60.5
Other	0.5	0.2
Total – gross value	**103.5**	**102.6**
Provisions for impairment	(5.3)	(5.0)
Net value	**98.2**	**97.6**

(in euro millions)	12/31/2014	12/31/2013
Provisions for impairment at January 1	**(5.0)**	**(6.4)**
Increase in provisions for impairment of inventory	(1.6)	(1.2)
Reversals of provisions used	1.0	0.9
Reversals of surplus provisions	0.5	1.2
Changes in scope of consolidation	–	0.5
Translation adjustment	(0.2)	–
Provisions for impairment at December 31	**(5.3)**	**(5.0)**

No inventories have been pledged as collateral.

13 _ TRADE RECEIVABLES

(in euro millions)	12/31/2014	Not yet due	Past-due
Trade receivables			
Gross value	50.6	37.5	13.1
Provisions for impairment	(6.4)	(0.3)	(6.1)
Net value	**44.2**	**37.2**	**7.0**

(in euro millions)	12/31/2013	Not yet due	Past-due
Trade receivables			
Gross value	50.7	37.6	13.1
Provisions for impairment	(6.5)	(0.8)	(5.7)
Net value	**44.2**	**36.8**	**7.4**

Trade receivables by due date

(in euro millions)	12/31/2014	12/31/2013
Less than one month	3.6	5.3
One to three months	2.0	1.5
Three to six months	0.7	0.4
More than six months	0.7	0.2
Net value	**7.0**	**7.4**

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 23).

Factored receivables (IAS 39)

At December 31, 2014, 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 the receivables totaled €43.9 million at December 31, 2014 (€49.3 million at December 31, 2013).

14 _ OTHER RECEIVABLES

(in euro millions)	12/31/2014	12/31/2013
Short-term tax receivables	0.5	0.8
Other receivables	24.2	29.3
Accruals	1.6	2.1
Provisions for impairment	(1.6)	(2.0)
Net value	**24.7**	**30.2**

"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.

15 _ CASH AND CASH EQUIVALENTS

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

(in euro millions)	12/31/2014	12/31/2013
Marketable securities	16.1	20.8
Term deposits	1.1	0.9
Sub-total	**17.2**	**21.7**
Cash at bank	55.5	26.3
Total	**72.7**	**48.0**

At December 31, 2014, Chargeurs did not have any cash or cash equivalents unavailable for the Group.

16 _ ASSETS HELD FOR SALE AND PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

(a) Assets held for sale

(in euro millions)	12/31/2014	12/31/2013
Assets held for sale	0.2	0.2
Liabilities related to assets held for sale	–	–

At December 31, 2014, a disposal plan is underway for €0.2 million in assets held for sale.

(b) Discontinued operations

In 2013, Chargeurs discontinued an unprofitable line of business that formed part of Chargeurs Interlining.

The business discontinuation had a €0.2 million positive impact on consolidated net profit for 2014.

The business's main operating entity was removed from the scope of consolidation in 2014.

(in euro millions)	12/31/2014	12/31/2013
Discontinuation of a Chargeurs Interlining business line		
Revenue	–	0.9
Gross loss	(0.9)	(1.0)
Operating loss	(0.7)	(4.5)
Net financial expense	0.9	–
Pre-tax profit/(loss) for the period	0.2	(4.5)
Income tax expense	–	–
Post-tax profit/(loss) from discontinued operations before asset remeasurements	**0.2**	**(4.5)**
Pre-tax gains and losses from asset remeasurements	–	–
Income tax on gains and losses from asset remeasurements	–	–
Post-tax gains and losses from asset remeasurements	–	–
Profit/(loss) from discontinued Interlining business line	**0.2**	**(4.5)**
Discontinuation of the remaining Fabrics operations in Asia	**–**	**(0.1)**
Profit/(loss) from discontinued operations	**0.2**	**(4.6)**

Cash flows for the discontinued operation are presented below.

Cash flows

(in euro millions)	12/31/2014	12/31/2013
Net cash used in operating activities	(1.8)	(0.9)
Net cash from investing activities	0.6	0.7
Net cash from financing activities	0.8	–
Other cash flows	0.1	–
Net cash used in discontinued operations	**(0.3)**	**(0.2)**

17 _ EQUITY

All Chargeurs shares have been called and are fully paid-up. Changes in the number of shares outstanding for 2013 and 2014 are as follows:

Number of shares at December 31, 2012	**13,524,913**
Issuance of shares on conversion of bonds by bondholders	815,662
Number of shares at December 31, 2013	**14,340,575**
Issuance of shares on conversion of bonds by bondholders	1,680,736
Number of shares at December 31, 2014	**16,021,311**

Based on a par value of €0.16 per share, shares outstanding at December 31, 2014 represented issued capital of €2,563,410 (December 31, 2013: €2,294,492).

Double voting rights

Chargeurs' bylaws provide shares registered in the name of the same owner for more than two years to carry double voting rights. Consequently, in accordance with article L. 225-124 of the French Commercial Code, holders of said shares are entitled to double voting rights at Chargeurs Shareholders' Meetings. At December 31, 2014, 1,039,415 shares carried double voting rights.

Listing of new shares

(excerpted from the prospectus, section 8.1.7, concerning convertible bonds)

Applications will be made periodically for admission to trading on 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 – FR0000130692 – as from either (i) the start of trading on the day when the existing shares are traded ex 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.

18 _ CONVERTIBLE BOND

(a) Description of the operation

In April 2010, Chargeurs SA issued 415,083 subordinated convertible bonds with a nominal value of €55, with pre-emptive subscription rights for existing shareholders. The offer ran from March 15 to 29, 2010 and was subscribed 1.78 times.

The aggregate face value of the original issue amounted €22,829,565.

The maximum amount redeemable at maturity of convertible bond issue was €11,993,795 at December 31, 2014 (€14,981,615 at December 31, 2013).

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).

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.

During 2014, 54,324 bonds were converted into shares. The aggregate par value of the shares issued on conversion was €0.3 million and the aggregate premium was €2.7 million, representing a total increase in equity of €3.0 million.

	12/31/2014	12/31/2013
Number of convertible bonds		
At beginning of period	272,393	299,691
Conversion for the period	54,324	27,298
At end of period	218,069	272,393
Number of shares issued on conversion of bonds		
At beginning of period	3,963,478	3,147,816
Shares issued on conversions for the period	1,466,748	737,046
Shares issued in payment of interest	213,988	78,616
At end of period	5,644,214	3,963,478
Number of shares potentially issuable between December 31, 2014 and January 1, 2016		
Minimum number of shares	1,321,498	1,650,702
Maximum number of shares	6,978,208	8,716,576
Total of shares potentially issuable between December 31, 2014 and January 1, 2016		
Maximum number of shares issuable on conversion of bonds	6,978,208	8,716,576
Shares outstanding at December 31	16,021,311	14,340,575
Total	**22,999,519**	**23,057,151**

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.

A total of 54,324 bonds were converted in 2014, leading to the issue of 213,988 shares in respect of the stock-based coupon.

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 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 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.

(b) Accounting treatment

The market interest rate used on initial recognition of the bonds in 2010 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%.
– Equity component of the convertible bonds: €4.6 million.
– Fair value of the liability component on the issue date: €16.8 million.

A total of 54,324 bonds were converted in 2014, leading to a €3.0 million decrease in the outstanding debt and a corresponding increase in equity, including €0.3 million added to share capital and €2.7 million recorded in the share premium account.

At December 31, 2014 :

– The outstanding debt amounted to €11.2 million;
– The effective interest rate was 7.6% and the finance cost for the year was €1.0 million.

19 _ BORROWINGS

The credit facilities granted under the debt restructuring agreement signed by the Group on January 7, 2010 and amended by way of addenda dated February 4, 2010, January 6, 2012 and June 26, 2013, had been repaid in full as of June 30, 2014. As a result, all of the Group companies' obligations under the debt restructuring agreement have now been extinguished.

(a) Net cash position

(in euro millions)	12/31/2014	12/31/2013	Effective interest rate 12/31/2014
Bank borrowings	48.7	24.5	5,1%
Bank overdrafts	14.7	20.3	
Total bank borrowings and overdrafts	**63.4**	**44.8**	
Cash and cash equivalents	(72.7)	(48.0)	
Net cash position	**(9.3)**	**(3.2)**	

(b) Borrowings

Chargeurs' financial liabilities fulfill the criteria for classification as "Other financial liabilities". Borrowings are measured using the amortized cost method.

(in euro millions)	12/31/2014	12/31/2013
Bank borrowings	25.5	16.8
Finance lease liabilities	23.2	7.7
Total	**48.7**	**24.5**

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

(in euro millions)	12/31/2014	Fixed rate	Variable rate	12/31/2013	Fixed rate	Variable rate
Due in less than one year	6.7	4.0	2.7	11.5	1.6	9.9
Due in one to two years	5.9	4.0	1.9	3.5	1.5	2.0
Due in two to three years	5.7	4.3	1.4	2.7	1.2	1.5
Due in three to four years	20.7	3.9	16.8	1.1	–	1.1
Due in four to five years	3.8	1.9	1.9	1.1	–	1.1
Due in more than five years	5.9	1.8	4.1	4.6	–	4.6
Total	**48.7**	**19.9**	**28.8**	**24.5**	**4.3**	**20.2**

As of December 31, 2014, Group companies had access to lines of credit totaling €84 million.

The carrying amount of variable-rate borrowings approximates their fair value in view of the interest rates applied.

At December 31, 2014, the carrying amount of borrowings originally contracted at fixed rates was €19.9 million. Average fixed-rate borrowings represented 47.8% of total average borrowings in 2014 compared to 12.1% in 2013.

The average interest rate on long-term debt was 5.09% at December 31, 2014, versus 4.29% at December 31, 2013.

The increase in the cost of long-term debt in 2014 was partly due to the refinancing of fixed assets by the Interlining business (see note 7) and to new finance leases set up by the Protective Films business. These contracts were renegotiated at the end of 2014 to reduce the Group's borrowing costs.

In addition, in December 2014, Chargeurs SA obtained a €15 million four-year loan that was used to refinance existing facilities on more attractive terms and to finance development operations. The loan's hard covenants (net debt / equity <= 0.55 and net debt / EBITDA <= 3.5) were complied with at December 31, 2014.

Long-term borrowings at December 31, 2014 break down as follows by repayment currency:

(in euro millions)	12/31/2014	12/31/2013
Euro	47.8	22.2
US dollar	–	0.7
Other	0.9	1.6
Total	**48.7**	**24.5**

20 _ PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS

Pension and other post-employment benefit obligations can be analyzed as follows:

(in euro millions)	12/31/2014	12/31/2013
Post-employment benefit obligations	13.3	10.4
Post-employment healthcare plans	0.6	0.5
Other long-term employment benefit obligations	1.6	1.8
Net liability in the statement of financial position	**15.5**	**12.7**

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)	12/31/2014	12/31/2013
Present value of obligations – funded plans	20.6	19.2
Fair value of plan assets	(16.1)	(15.7)
Net present value of obligations – funded plans	**4.5**	**3.5**
Present value of obligations – unfunded plans	11.0	9.2
Net liability in the statement of financial position	**15.5**	**12.7**

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

(in euro millions)	2014	2013
Projected benefit obligation at January 1	**19.2**	**21.0**
Service cost	0.1	0.1
Interest cost	0.8	0.7
Curtailments and settlements	(1.4)	–
Benefits paid out of plan assets	(1.2)	(1.3)
Benefits paid out of company reserves	–	–
Transfer of obligations to external parties (employee transfers)	–	–
Actuarial (gains)/losses for the period	1.6	(0.5)
Translation adjustment	2.2	(0.7)
Change from a funded to an unfunded obligation	(0.6)	–
Changes in scope of consolidation	–	–
Other	(0.1)	(0.1)
Projected benefit obligation at December 31	**20.6**	**19.2**

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

(in euro millions)	2014	2013
Fair value of plan assets at January 1	**15.7**	**15.1**
Actuarial gains/(losses) for the period	0.1	1.1
Expected return on plan assets	0.7	0.5
Employer contributions	1.3	0.9
Benefits paid out of plan assets	(1.8)	(1.3)
Curtailments and settlements	(1.0)	–
Translation adjustment	1.7	(0.6)
Reimbursement of plan surpluses	(0.6)	–
Fair value of plan assets at December 31	**16.1**	**15.7**

The breakdown of plan assets was as follows:

	12/31/2014	12/31/2013
Money market funds	5%	4%
Equities	54%	53%
Bonds	37%	37%
Real estate	4%	4%
Commodities	–	2%
Total	**100%**	**100%**

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

(in euro millions)	2014	2013
Projected benefit obligation at January 1	**9.2**	**8.7**
Service cost	0.4	0.5
Interest cost	0.3	0.2
Curtailments and settlements	–	–
Benefits paid out of company reserves	(1.3)	(0.5)
Transfer of obligations to external parties (employee transfers)	–	–
Actuarial (gains)/losses for the period	1.5	0.4
Translation adjustment	0.2	(0.1)
Change from a funded to an unfunded obligation	0.6	–
Changes in scope of consolidation	–	–
Other	0.1	–
Projected benefit obligation at December 31	**11.0**	**9.2**

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)	12/31/2014	12/31/2013
Service cost	0.5	0.6
Interest cost	1.1	0.9
Expected return on plan assets	(0.7)	(0.5)
Settlements	(0.6)	0.1
Net expense recognized in the income statement	**0.3**	**1.1**

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

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

(in euro millions)	2014	2013
Net liability at January 1	12.7	14.6
Net expense recognized in the income statement	0.3	1.1
Benefits paid during the period	(2.0)	(1.4)
Actuarial (gains)/losses for the period	3.0	(1.2)
Reimbursement of plan surpluses	0.6	–
Exchange differences on foreign plans	0.7	(0.2)
Other	0.2	(0.2)
Net liability at December 31	**15.5**	**12.7**

The main actuarial assumptions were as follows:

	12/31/2014	12/31/2013
Europe		
Discount rate applied to projected benefit obligation(1)	1.50%	3.00%
Estimated future salary increases		
– Managers	2.50%	2.50%
– Other employees	2.00%	2.00%
Long-term (underlying) inflation rate	2.00%	2.00%
North America		
Discount rate applied to projected benefit obligation(1)	3.97%	4.50%

(1) Discount rates are based on market interest rates for prime corporate bonds.

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.

A 1-point increase in the discount rate and inflation rate would have a €1.4 million negative impact on the projected benefit obligation.

At December 31, 2014, the average duration of the Group's employee benefit obligations was between seven and seventeen 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 €2.0 million.

21 _ 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)	12/31/2014	12/31/2013
Long-term provisions	0.4	0.4
Short-term provisions	0.4	2.0
Total	**0.8**	**2.4**

Movements in provisions:

(in euro millions)	Long-term provisions	Short-term provisions	Total
December 31, 2012	**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**
Additions	–	–	–
Reversals of provisions used	–	(0.9)	(0.9)
Reversals of surplus provisions	–	(0.7)	(0.7)
Other	–	–	–
Translation adjustment	–	–	–
December 31, 2014	**0.4**	**0.4**	**0.8**

(in euro millions)	12/31/2014	12/31/2013
Provisions for industrial restructuring costs	–	1.7
Provisions for other contingencies	0.8	0.7
Total	**0.8**	**2.4**

Cash outflows covered by provisions for other contingencies will amount to €0.3 million in 2015 and €0.5 million in subsequent years.

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

"Other non-current liabilities" include a €10.0 million bond received in respect of a license.

Receivables sold under no recourse agreements are shown in the statement of financial position for €43.9 million, with the corresponding liability recorded under "Factoring liabilities".

23 _ 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 92.6% of revenue generated outside France, and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Chinese yuan (as 52.1% of revenue is generated outside Europe). 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 49.8% of assets are 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 the 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, 2014.

(in euro millions)	Translation reserves by currency	Effect of a 10% increase in the exchange rate against the euro	Effect of a 10% decrease in the exchange rate against the euro
AUD	(0.5)	0.1	(0.1)
ARS	(6.8)	0.7	(0.7)
BDT	0.5	0.1	(0.1)
CLP	(0.1)	0.0	(0.0)
HKD	0.9	0.1	(0.1)
KOR	1.4	0.1	(0.1)
LKR	(0.3)	0.0	(0.0)
NZD	1.6	0.2	(0.2)
RMB	11.3	1.1	(1.1)
SID	0.8	0.1	(0.1)
TRY	(1.3)	0.1	(0.1)
USD	4.4	0.4	(0.4)
WON	0.1	0.0	(0.0)
ZAR	(0.6)	0.1	(0.1)
Total	**11.4**	**3.1**	**(3.1)**

(ii) Interest rate risk

A 1-point increase in interest rates would have a €0.6 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 a counterparty risk 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 receivable.
- 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.

(ii) Country risk

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

At December 31, 2014, four of the five main countries in which the Group's customers are located were rated at least "A" by Standard & Poor's.

2014 Country	% of total revenue	Credit rating(1)
United States	15.4%	AA+
Italy	12.9%	BBB–
China and Hong Kong	11.6%	AAA
Germany	10.8%	AAA
France	7.4%	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, 2014.

Insured risks	Credit rating[1]
Customer default	A
Freight	A+
Property and casualty	A+
Liability	A+

(1) Standard & Poor's and Moody's ratings.

(c) Liquidity risk

An analysis of the Group's borrowings is provided in note 19. The Group manages its liquidity risk via the following three main strategies:

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

	12/31/2014				12/31/2013			
(in euro millions)	Total	Due in less than one year	Due in one to five years	Due beyond five years	Total	Due in less than one year	Due in one to five years	Due beyond five years
Financial assets and liabilities								
Cash and cash equivalents	72.7	72.7	–	–	48.0	48.0	–	–
Long-term borrowings	(42.0)	–	(36.1)	(5.9)	(13.0)	–	(8.4)	(4.5)
Short-term portion of long-term borrowings	(6.7)	(6.7)	–	–	(11.5)	(11.5)	–	–
Short-term bank loans and overdrafts	(14.7)	(14.7)	–	–	(20.3)	(20.3)	–	–
Net cash position	**9.3**	**51.3**	**(36.1)**	**(5.9)**	**3.2**	**16.2**	**(8.4)**	**(4.5)**
Derivative instruments – assets	0.6	0.6	–	–	0.3	0.3	–	–
Deposits	2.2	–	2.2	–	1.5	0.0	1.5	–
Derivative instruments – liabilities	(0.7)	(0.7)	–	–	(0.5)	(0.5)	–	–
Other financial assets and liabilities	**2.1**	**(0.1)**	**2.2**	**–**	**1.4**	**(0.2)**	**1.5**	**–**
Sub-total, financial assets and liabilities	**11.4**	**51.2**	**(33.9)**	**(5.9)**	**4.6**	**16.0**	**(6.9)**	**(4.5)**
Working capital								
Trade receivables	44.2	44.2	–	–	44.2	44.2	–	–
Inventories	98.2	98.2	–	–	97.6	97.6	–	–
Trade payables	(88.6)	(88.6)	–	–	(88.9)	(88.9)	–	–
Sub-total – operating assets and liabilities	**53.8**	**53.8**	**–**	**–**	**52.9**	**52.9**	**–**	**–**
Total financial and operating assets and liabilities	**65.2**	**105.0**	**(33.9)**	**(5.9)**	**57.5**	**69.0**	**(6.9)**	**(4.5)**

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 67% of its available credit facilities. At December 31, 2014, all of the five main banking partners had at least a B to A1 short-term rating, a B+ to Aa1 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

24_OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses can be analyzed as follows:

(in euro millions)	2014	2013
Gains and losses on disposal of non-current assets	–	3.0
Goodwill impairment	–	–
Restructuring costs	(0.9)	(0.1)
Impairment of non-current assets	(0.5)	–
Reversal of surplus provisions	–	0.5
Other	(0.1)	–
Net	**(1.5)**	**3.4**

Exchange gains and losses arising from the period-end conversion of foreign currency receivables and payables are now included in financial income and expenses, while gains and losses on currency hedges are classified with the loss or gain on the hedged item.

Consequently, in the comparative information for 2013, exchange gains and losses previously reported in "Other operating income and expenses" have been reclassified in gross profit for a negative €0.8 million.

25_EMPLOYEE INFORMATION

(a) Number of employees

The average number of employees of fully consolidated subsidiaries was as follows in 2014 and 2013:

	2014	2013
Employees in France	519	506
Employees outside France	1,062	1,216
Total employees	**1,581**	**1,722**

(b) Payroll costs

Payroll costs include wages and related taxes, without wages concerning post-employment benefit.

(in euro millions)	2014	2013
Wages and salaries	50.1	49.3
Payroll taxes	18.6	18.7
Discretionary profit sharing	1.8	0.9
Total	**70.5**	**68.9**

26_FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES, NET

(in euro millions)	2014	2013
Finance costs	*(4.2)*	*(4.5)*
Interest income on loans and investments	*0.5*	*0.6*
Cost of net debt	**(3.7)**	**(3.9)**
Factoring cost	**(0.9)**	**(1.0)**
Convertible bond interest cost	*(1.0)*	*(1.0)*
Interest expense on employee benefit obligations	*(0.4)*	*(0.5)*
Exchange gains and losses on foreign currency receivables and payables	*0.1*	*–*
Fair value of financial instruments	*–*	*(0.1)*
Other	*(0.4)*	*–*
Other financial income and expenses, net	**(1.7)**	**(1.6)**
Finance costs and other financial income and expenses, net	**(6.3)**	**(6.5)**

27_INCOME TAX

Income tax expense reported in the income statement is analyzed in the table below:

(in euro millions)	2014	2013
Current taxes	(5.2)	(4.1)
Deferred taxes	1.1	0.4
Total	**(4.1)**	**(3.7)**

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 French tax rate):

(in euro millions)	2014	2013
Income tax expense for the period	(4.1)	(3.7)
Standard French income tax rate	33.33%	33.33%
Tax at the standard rate	(5.0)	(3.8)
Difference between income tax expense for the period and tax at the standard rate	**0.9**	**0.1**
Effect of differences in foreign tax rates	0.1	–
Effect of permanent differences between book profit and taxable profit	(0.3)	0.1
Change in tax assets recognized for tax losses		
Reversals of valuation allowances on tax loss carryforwards recognized in prior periods	1.2	–
Utilizations of tax loss carryforwards recognized in prior periods and tax losses arising and recognized during the current period	2.2	2.1
Effect of unrelieved tax losses	(1.2)	(1.0)
Other	(1.1)	(1.1)
Difference between income tax expense for the period and tax at the standard rate	**0.9**	**0.1**

28 _ 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 €0.67 for 2014 (net profit divided by the average number of shares outstanding).

As a result of the convertible bond issue, diluted earnings per share were determined by taking into account 6,747,055 potential ordinary shares at December 31, 2014 and by adjusting profit to exclude the interest paid on the bonds.

On this basis, diluted earnings per share for the period came to €0.51.

	Basic	Diluted
Earnings from continuing operations (in euro millions)	10.5	11.5
Weighted average number of shares	15,659,563	22,406,618
Earnings per share for 2014 (in euro)	**0.67**	**0.51**

NOTES – ON ADDITIONAL INFORMATION

29 _ INFORMATION BY BUSINESS SEGMENTS

29.1 Profits and losses by business segments

Year ended December 31, 2014 (in euro millions)	Chargeurs Protective Films	Chargeurs Interlining	Chargeurs Wool	Non-operating	Inter-segment eliminations	Consolidated
Revenue	**206.6**	**167.5**	**104.2**	**–**	**–**	**478.3**
Recurring operating profit	16.8	6.2	3.4	(3.5)	–	22.9
Operating profit	16.5	5.1	3.3	(3.5)	–	21.4
Finance costs and other financial income and expense, net	–	–	–	–	–	(6.3)
Share of profit/(loss) of associates	–	–	–	–	–	(0.3)
Pre-tax profit for the period	**–**	**–**	**–**	**–**	**–**	**14.8**
Income tax expense	–	–	–	–	–	(4.1)
Profit from continuing operations	**–**	**–**	**–**	**–**	**–**	**10.7**
Profit/(loss) from discontinued operations	**–**	**–**	**–**	**–**	**–**	**0.2**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**10.9**

Year ended December 31, 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**
Recurring operating profit	10.7	3.2	2.2	(1.7)	–	14.4
Operating profit	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 for the period	**–**	**–**	**–**	**–**	**–**	**11.6**
Income tax expense	–	–	–	–	–	(3.7)
Profit from continuing operations	–	–	–	–	–	**7.9**
Profit/(loss) from discontinued operations	–	–	–	–	–	**(4.6)**
Profit for the period	–	–	–	–	–	**3.3**

29.2 Additional information by business segments

Year ended December 31, 2014 (in euro millions)	Chargeurs Protective Films	Chargeurs Interlining	Chargeurs Wool	Non-operating	Consolidated
Depreciation of property, plant and equipment	(4.2)	(3.8)	–	(0.1)	(8.1)
Impairment losses:					
– Goodwill	–	–	–	–	–
– Property, plant and equipment	–	–	–	–	–
Impairment losses:					
– Inventories	(1.0)	(0.6)	–	–	(1.6)
– Trade receivables	(0.2)	0.4	–	–	0.2
Restructuring costs (note 24)	(0.1)	(0.8)	–	–	(0.9)

Year ended December 31, 2013 (in euro millions)	Chargeurs Protective Films	Chargeurs Interlining	Chargeurs Wool	Non-operating	Consolidated
Depreciation 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 24)	–	(0.1)	–	–	(0.1)

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.

29.3 Segment assets and liabilities

At December 31, 2014 (in euro millions)	Chargeurs Protective Films	Chargeurs Interlining	Chargeurs Wool	Non-operating	Total
Assets(1)	138.1	127.7	56.3	12.9	335.0
Liabilities(2)	68.5	48.8	27.6	5.5	150.4
Capital employed	**69.6**	**78.9**	**28.7**	**7.4**	**184.6**
Purchases of assets	15.5	6.0	–	–	21.5

(1) Assets other than cash and cash equivalents and factored receivables.
(2) Liabilities other than equity excluding non-controlling interests, debt (convertible bonds, long-term borrowings, short-term portion of long-term borrowings, short-term bank loans and overdrafts) and factoring liabilities.

At December 31, 2013 (in euro millions)	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

(1) Assets other than cash and cash equivalents and factored receivables.
(2) Liabilities other than equity excluding non-controlling interests, debt (convertible bonds, long-term borrowings, short-term portion of long-term borrowings, short-term bank loans and overdrafts) and factoring liabilities.

30 _ 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)	2014	2013
Europe	229.0	224.8
Asia-Pacific and Africa	141.2	139.8
Americas	108.1	101.9
Total	**478.3**	**466.5**

The main countries where the Group's customers are located are the following:

(in euro millions)	2014	2013
Italy	61.6	71.1
United States	73.5	66.6
China and Hong Kong	55.7	58.2
Germany	51.6	48.2
France	35.5	32.1

(b) Segment assets

Assets and capital expenditure are analyzed based on the geographical area in which the assets are located.

Assets

(in euro millions)	2014	2013
Europe	226.7	203.5
Asia-Pacific and Africa	106.7	108.7
Americas	118.2	102.1
Total	**451.6**	**414.3**

Purchases of assets

(in euro millions)	2014	2013
Europe	18.0	7.4
Asia-Pacific and Africa	1.1	0.7
Americas	2.4	0.5
Total	**21.5**	**8.6**

31 _ RELATED PARTY TRANSACTIONS

(a) Transactions with equity-accounted companies (see note 8)

In 2014, the main transactions with companies accounted for by the equity method concerned:

- Purchases from the Chinese company Ningbo Lailong Bertero Interlining Co. Ltd. These transactions were recognized by Chargeurs Interlining under cost of sales in an amount of €6.9 million.
- Purchases from Lanas Trinidad SA, Chargeurs Wool (Argentina) SA, Zhangjiagang Yangtse Wool Combing Co. Ltd and its subsidiary Yangtse Pty Ltd. These transactions were recognized by Chargeurs Wool under cost of sales in an amount of €39.0 million.

In addition, Alvisey waived repayment of a €0.5 million debt due by Chargeurs Wool (Argentina) SA.

(b) Management compensation

(in euros)	2014	2013
Compensation paid to Directors	27,500	32,500
Compensation paid to Officers	1,555,936	1,044,080
Total compensation and short-term benefits(1)	1,583,436	1,076,580
Post-employment benefits	–	–
Other long-term benefits	–	–
Termination benefits(2)	383,408	–
Share-based payments	–	–
Total	**1,966,844**	**1,076,580**

(1) Including a €350,000 special bonus paid to Eduardo Malone when he stood down from the position of Chief Executive Officer on March 6, 2014, in recognition of his contribution during the thirty years spent at the helm of the Group.

(2) Gross length-of-service award paid to Eduardo Malone following the reinstatement on March 7, 2014 of his previously suspended employment contract, calculated according to the formula specified in the National Textile Industry Collective Bargaining Agreement.

32 _ COMMITMENTS AND CONTINGENCIES

32.1 Commercial commitments

At December 31, 2014, Chargeurs and its subsidiaries had given firm commitments to purchase manufacturing assets representing an aggregate amount of €6.6 million.

32.2 Guarantees

At December 31, 2014, Chargeurs and its subsidiaries had given guarantees for a total of €0.1 million.

32.3 Collateral

At December 31, 2014, the Group had granted collateral representing a total of €3.5 million.

32.4 Commitments under non-cancelable medium-term operating leases

The Group no longer has any material commitments under operating leases.

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

(in euro millions)	12/31/2014	12/31/2013
Due in less than one year	–	4.2
Due in one to five years	–	0.7
Due in more than five years	–	–
Total	–	**4.9**

32.5 Legal risks

In 2010, Chargeurs SA 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 late 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 *(juge départiteur)*. In December 2014, the Company was informed that the former employees had lodged an appeal. The appeal is scheduled to be heard in March 2016. The Company continues to believe that the claims are without merit.

32.6 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 €0.8 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. A decision in favor of Chargeurs' subsidiary was issued in June 2014. The tax authorities have appealed against this decision.

33 _ SUBSEQUENT EVENTS

No significant events occurred between December 31, 2014 and the date on which these financial statements were issued.

34 _ MAIN CONSOLIDATED COMPANIES

At December 31, 2014, 61 companies were fully consolidated (compared with 64 in 2013), and 10 were accounted for by the equity method (10 in 2013).

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 S.p.A. – Boston Tapes Commercial S.r.l. – Novacel Italia S.r.l.
Germany	Novacel GmbH
United Kingdom	Novacel UK
Spain	Novacel Spain
Belgium	Novacel Belgium
North America	Chargeurs Protective Films Inc. – Novacel Inc.
Interlining business	
Chargeurs Entoilage SA	**Holding company for the business**
France	Lainière de Picardie BC SAS – DHJ International SAS
Italy	Chargeurs Interfodere Italia S.p.A.
Germany	Lainière de Picardie Deutschland GmbH
United Kingdom	Chargeurs Interlining (UK) Ltd
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) S.r.l.
South Africa	Chargeurs Wool (South Africa) (Pty) Ltd
New Zealand	Chargeurs Wool (NZ) Limited
United States	Chargeurs Wool (USA) Inc.
B – Companies accounted for by the equity method	
Ningbo Lailong Bertero Interlining Co. Ltd (49%)	
USA Wool (35%)	
Lanera Santa Maria SA (50%) and its subsidiary Hart Newco	
Lanas Trinidad SA (50%)	
Chargeurs Wool (Argentina) SA (50%) and its subsidiary Peinaduría Río Chubut (25%)	
Zhangjiagang Yangtse Wool Combing Co. Ltd (50%) and its subsidiary Yangtse (Australia) Pty Ltd	

Percentages indicate Chargeurs' percentage of control at December 31, 2014 for companies that are not almost or entirely wholly owned by the Group.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Year ended December 31, 2014)

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. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. The opinion on the consolidated financial statements, presented below, 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 consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

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 compliance with the assignment entrusted to us by the Annual General Meeting, we hereby report to you, for the year ended December 31, 2014, 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 consolidated 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 performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2014 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

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 as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III – Specific verification

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris, April 1, 2015

The Statutory Auditors

PricewaterhouseCoopers Audit	S & W Associés
Éric Bertier	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, 2014)

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 Auditors of Chargeurs, and in accordance with article L. 225-235 of the French Commercial Code, we hereby 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, 2014.

It is the Chairman's responsibility to prepare and submit to the Board of Directors for approval a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by article L. 225-37 of the French Commercial Code, in particular relating to corporate governance.

It is our responsibility to:

– Report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information.
– Attest that the report sets out the other information required by article L. 225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

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

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

– Obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation.
– Obtaining an understanding of the work performed to support the information given in the report and of the existing documentation.
– Determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

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

Other information

We attest that the Chairman's report sets out the other information required by article L. 225-37 of the French Commercial Code.

Neuilly-sur-Seine and Paris, April 1, 2015

The Statutory Auditors

PricewaterhouseCoopers Audit	S & W Associés
Éric Bertier	Maryse Le Goff

PARENT COMPANY FINANCIAL STATEMENTS

FINANCIAL STATEMENT

At December 31 (in euro thousands)

ASSETS

	2014			2013
	Gross value	Accumulated depreciation, amortization and provisions	Net value	Net value
Fixed assets				
Intangible assets				
Patents, licenses, trademarks, processes and other rights	5	4	1	2
Property, plant and equipment				
Land	–	–	–	–
Buildings	–	–	–	–
Other	411	156	255	319
Assets under construction	–	–	–	–
Advances and prepayments	–	–	–	–
Investments and other financial assets(1)				
Shares in subsidiaries and affiliates	472,961	177,292	295,669	282,054
Loans to subsidiaries and affiliates	351	–	351	1
Other long-term investments	341	240	101	98
Other long-term loans	6	6	–	–
Other	97	–	97	94
Total I	**474,172**	**177,697**	**296,474**	**282,568**
Current assets				
Prepayments to suppliers	5	–	5	17
Trade receivables(2)	–	–	–	187
Other receivables(2)	2,174	–	2,174	1,718
Marketable securities	4,192	–	4,192	8,235
Cash at bank and in hand	24,621	–	24,621	523
Accruals and other assets	–	–	–	–
Prepaid expenses(2)	175	–	175	198
Total II	**31,167**	**–**	**31,167**	**10,878**
Deferred charges	–	–	–	–
Total III	**–**	**–**	**–**	**–**
Unrealized translation losses	–	–	–	–
Total IV	**–**	**–**	**–**	**–**
Total assets (I + II + III + IV)	**505,339**	**177,697**	**327,642**	**293,446**
(1) Due within one year (gross value)	564	80	484	132
(2) Due beyond one year (gross value)	–	–	–	–

EQUITY AND LIABILITIES

(in euro thousands)	2014	2013
Equity		
Share capital	2,563	2,294
Share premium account	42,203	39,484
Revaluation reserve	–	–
Reserves:		
– Legal reserve	400	400
– Untaxed reserves	–	–
– Other reserves	230,808	235,603
Retained earnings	–	–
Profit/(loss) for the period	17,372	(4,552)
Untaxed provisions	–	–
Total I	**293,347**	**273,229**
Provisions for contingencies and charges		
Provisions for contingencies	112	40
Provisions for charges	–	–
Total II	**112**	**40**
Liabilities(1)		
Convertible bonds	11,994	14,982
Other bonds	15	15
Bank borrowings(2)	15,009	–
Other borrowings	4,135	2,270
Trade payables	1,315	323
Accrued taxes and payroll costs	671	574
Customer prepayments	372	–
Other payables	670	1,998
Accruals and other liabilities(1)		
Deferred income	–	15
Total III	**34,183**	**20,177**
Unrealized translation gains	–	–
Total IV	**–**	**–**
Total equity and liabilities (I + II + III + IV)	**327,642**	**293,446**
(1) Due beyond one year	26,994	14,982
Due within one yearn	7,116	5,195
(2) Including short-term bank loans and overdrafts	–	–

INCOME STATEMENT

Years ended December 31 (in euro thousands)

	2014	2013
Operating revenues[1]	**1,146**	**1,225**
Operating expenses[3]		
Purchases of goods and external charges	(2,882)	(1,872)
Taxes other than on income	(199)	(183)
Salaries and wages	(1,331)	(930)
Payroll taxes	(334)	(273)
Amortization, depreciation and provisions:		
– Amortization and depreciation of fixed assets	(73)	(58)
– Provisions for contingencies and charges	–	–
Other	(30)	(34)
Operating profit/(loss)	**(3,703)**	**(2,125)**
Financial income[1]		
From investments[2]:		
– Shares in subsidiaries and affiliates	7,210	5,165
– Loans to subsidiaries and affiliates	67	–
From other marketable securities and investments[2]	–	–
Other interest income[2]	631	490
Provision reversals and expense transfers	12,823	66
Foreign exchange gains	–	–
Income from disposals of marketable securities	6	–
	20,737	**5,721**
Financial expense[3]		
Amortization and provisions	(2,278)	(9,297)
Interest expense[4]	(171)	(10)
Other financial expenses	–	–
Foreign exchange losses	–	(1)
Losses on disposals of marketable securities	–	–
	(2,449)	**(9,308)**
Net financial income/(expense)	**18,288**	**(3,587)**
Profit/(loss) before tax and non-recurring items	**14,585**	**(5,712)**
Non-recurring income[1]		
From revenue transactions	647	2
From capital transactions:		
– Proceeds from sales of fixed assets	–	–
– Other	–	–
Provision reversals and expense transfers	7,830	1,068
	8,477	**1,070**
Non-recurring expenses		
On revenue transactions	(1)	(2)
On capital transactions:		
– Carrying amount of assets sold	(7,821)	(650)
– Other	–	(863)
Amortization and provisions:		
– Untaxed provisions	–	–
– Other provisions	–	–
	(7,822)	**(1,515)**
Net non-recurring income/(expense)	**655**	**(445)**
Profit/(loss) before tax	**15,240**	**(6,157)**
Income tax benefit	**2,132**	**1,605**
Profit/(loss) for the period	**17,372**	**(4,552)**
(1) Of which income related to prior years	–	–
(2) Of which income from related companies	7,862	5,616
(3) Of which expenses related to prior years	–	–
(4) Of which interest received from related companies	4	10

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 in the 2014 accounting plan set out in regulation 2014-03 of the Autorité des normes comptables, 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 Chargeurs' 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 period, whatever the final maturity.

2 _ FIXED ASSETS

In euro millions	12/31/2013	Internal transfers	Acquisitions	Disposals decreases	12/31/2014
Intangible assets	**N.A.**	–	–	–	N.A.
Property, plant and equipment	**0.4**	–	–	–	0.4
Investments and other non-current financial assets					
Shares in subsidiaries and affiliates(1)	476.3	–	3.0	6.3	473.0
Loans to subsidiaries and affiliates(2)	1.5	–	0.4	1.5	0.4
Other long-term loans	–	–	–	–	–
Other long-term investments(3)	0.3	–	–	–	0.3
Other(4)	0.1	–	–	–	0.1
Total	**478.6**	–	3.4	7.8	474.2

(1) The significant increase in shares in subsidiaries and affiliates in 2014 corresponds to the €3.0 million capital increase of Chargeurs Entoilage, as well as the impact of the liquidation of Le Jouet Français companies for €4.5 million and of Teinturerie Belge for €1.8 million.

(2) The increase in loans to subsidiaries and affiliates in 2014 corresponds to a loan made to Chargeurs Entoilage. The decrease relates to the write-off of a participating loan, following the wind-up of Le Jouet Français.

(3) This item corresponds primarily to the 13,334 Chargeurs shares held for subsequent cancellation, representing €0.2 million, unchanged from December 31, 2013.

(4) This item consists for the most part of the security deposit paid to the owners of the Company's headquarters.

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.

In euro millions	12/31/2013	Charges for the year	Reversals for the year (used)	Reversals for the year (unused)	12/31/2014
Provisions for contingencies	–	0.1	–	–	0.1
Provisions for charges	–	–	–	–	–
Total	–	**0.1**	–	–	**0.1**
Of which movements included in operating income and expense	–	–	–	–	–
Of which movements included in financial income and expense	–	0.1	–	–	–
Of which movements included in non-recurring income and expense	–	–	–	–	–

3.2 Impairment

In euro millions	12/31/2013	Charges for the year	Reversals for the year	12/31/2014
Impairment of investments	196.1	2.2	20.6	177.7
Impairment of other receivables	–	–	–	–
Total	**196.1**	2.2	20.6	**177.7**
Of which movements included in operating income and expense	–	–	–	–
Of which movements included in financial income and expense	–	2.2	12.8	–
Of which movements included in non-recurring income and expense	–	–	7.8	–

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 2014, Chargeurs reversed the impairment losses relating to investments in companies that were wound up during the period: Teinturerie Belge for €1.8 million and Le Jouet Français for €4.5 million. In addition, Chargeurs reversed the impairment loss on a participating loan to Le Jouet Français for €1.5 million. All of these reversals have been recognized in non-recurring income.

Receivables are measured at their nominal value and written down based on the recovery risk as assessed at year-end.

4 _ MATURITIES OF RECEIVABLES AND PAYABLES

Total loans and receivables, before impairment, amounted to €2.6 million at December 31, 2014, breaking down as follows:

- Loans to subsidiaries and affiliates for €0.4 million.
- Other receivables for €2.2 million.

Maturities of loans and receivables are as follows:

Due within one year	2.6
Due beyond one year	–
Total	**2.6**

Maturities of debt and other payables are as follows:

Due within one year	7.2
Due in one to five years	27.0
Total	**34.2**

The total includes a €12.0 million convertible bond issue, a €15.0 million bank loan, €4.1 million in other debt and €3.1 million in other payables.

Debt due beyond one year includes the €15.0 million bank loan from Landesbank Saar and the €12.0 million convertible bond issue.

5 _ ITEMS RECORDED UNDER SEVERAL STATEMENT OF FINANCIAL POSITION HEADINGS

	Gross amounts concerning	
	Related companies	Other investments
Shares in subsidiaries and affiliates and other long-term investments	473.0	–
Receivables	1.1	–
Debt and other payables	6.0	–

6 _ BREAKDOWN OF ACCRUED INCOME

At December 31, 2014, accrued income amounted to €0.3 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 €0.9 million at December 31, 2014 and primarily consisted of professional fees, service costs and various payroll costs.

8 _ MARKETABLE SECURITIES

At December 31, 2014, marketable securities amounted to €4.2 million and mainly comprised money market mutual fund units and time deposits.

9 _ EQUITY

9.1 Changes in equity

At January 1, 2014 (before appropriation)	277.8
2013 loss appropriated by decision of the AGM on April 30, 2014	(4.6)
At January 1, 2014 (after appropriation)	273.2
Profit for the period	17.4
Issuance of shares on conversion of bonds by bondholders	3.0
Précompte dividend withholding tax	(0.2)
At December 31, 2014 (before appropriation)	**293.4**

9.2 Changes in share capital

	Number of shares	Par value
Shares outstanding at January 1, 2014	14,340,575	0.16 euro
Issuance of shares on conversion of bonds by bondholders	1,680,736	0.16 euro
Shares outstanding at December 31, 2014	16,021,311	0.16 euro

9.3 Share premium account and reserves at December 31, 2014

These items break down as follows:

Share premium account	42.2
Legal reserve	0.4
Other reserves	66.4
Restricted reserve (capital reduction)	164.4
Total	**273.4**

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 L. 225-124 of the French Commercial Code, holders of said shares are entitled to double voting rights at Chargeurs Shareholders' Meetings.

At December 31, 2014, 1,039,415 shares (including shares held in concert) carried double voting rights.

11 _ CONVERTIBLE BONDS

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 aggregate face value of the original issue amounted €22,829,565.

The maximum amount redeemable at maturity of convertible bond issue was €11,993,795 at December 31, 2014 (€14,981,615 at December 31, 2013).

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).

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.

During the period, 54,324 bonds were converted into shares. The aggregate par value of the shares issued on conversion was €0.3 million and the aggregate premium was €2.7 million, representing a total increase in equity of €3.0 million.

	12/31/2014	12/31/2013
Number of convertible bonds		
At beginning of period	272,393	299,691
Conversions for the period	54,324	27,298
At end of period	218,069	272,393
Number of shares issued on conversion of bonds		
At beginning of period	3,963,478	3,147,816
Shares issued on conversions for the period	1,466,748	737,046
Shares issued in payment of interest	213,988	78,616
At end of period	5,644,214	3,963,478
Number of shares potentially issuable between December 31, 2014 and January 1, 2016		
Minimum number of shares	1,321,498	1,650,702
Maximum number of shares	6,978,208	8,716,576
Total number of shares potentially issuable between December 31, 2014 and January 1, 2016		
Maximum number of shares issuable on conversion of bonds	6,978,208	8,716,576
Shares outstanding at December 31	16,021,311	14,340,575
Total	**22,999,519**	**23,057,151**

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 and has no impact on profit.

During the year, 54,324 bonds were converted, leading to the issuance of 213,988 shares in stock-based remuneration.

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 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 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.

12 _ BANK BORROWINGS

On December 12, 2014, Chargeurs SA obtained a €15.0 million loan from Landesbank Saar. The loan pays interest at a variable rate and is repayable in full on September 28, 2018.

13 _ OTHER BORROWINGS

Other borrowings, totaling €4.1 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.

14 _ FINANCIAL INCOME AND EXPENSE

14.1 Amortization and provisions

Additions (in euro millions)	
– Provision for Chargeurs Textiles shares	2.2
Total	**2.2**

Reversals (in euro millions)	
– Provision for Chargeurs Protective Films shares	12.8
Total	**12.8**

15 _ NON-RECURRING INCOME AND EXPENSE

(in euro millions)	Non-recurring expenses	Non-recurring income
Reimbursement of employee benefit plan surplus	–	0.7
Reversal of impairment of Teinturerie Belge shares	–	1.8
Reversal of impairment of Le Jouet Français shares	–	4.5
Reversal of impairment of Le Jouet Français participating loan	–	1.5
Liquidation of Teinturerie Belge	1.8	–
Liquidation of Le Jouet Français	4.5	–
Write-off of Le Jouet Français participating loan	1.5	–
Total	**7.8**	**8.5**

16 _ INCOME TAX

16.1 Analysis of income tax

(in euro millions)	2014	2013
Tax on recurring profit	–	–
Tax on non-recurring items	–	–
Group relief	2.1	1.6
Other	–	–
Income tax benefit	**2.1**	**1.6**

16.2 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.

16.3 No amounts were reversed from the provision for repayment of tax benefits to subsidiaries in 2014, as there were no changes during the year in the Company's forecasts for subsidiaries that are expected to return to profit in 2015.

16.4 The setting off of losses reported by certain subsidiaries against the taxable profits of other subsidiaries resulted in a tax saving of €2.1 million, representing a cash flow benefit.

17 _ COMMITMENTS GIVEN, GUARANTEES AND SURETIES

(in euro millions)	12/31/2014
Guarantees and sureties concern:	
– Subsidiaries and related companies	42.8
– Other	0.2

18 _ UNRECOGNIZED DEFERRED TAXES

At December 31, 2014, under French group relief rules, Chargeurs had evergreen tax loss carryforwards of €221.6 million.

Timing differences between book income and expenses and income and expense for tax purposes were not material in 2014.

19 _ MANAGEMENT COMPENSATION

Compensation paid to Directors and Officers in 2014 amounted to €27,500 and €1,291,597, respectively.

20 _ EMPLOYEE BENEFIT OBLIGATIONS

(a) Retirement benefits

At December 31, 2014, Chargeurs SA no longer had any obligation for the payment of statutory length-of-service awards to employees on retirement. The Company therefore obtained a refund of the plan assets covering its former obligations. As the plan assets were not recorded in the statement of financial position in prior years, the refund was recorded in non-recurring income in 2014 for €0.6 million.

(b) Statutory training entitlement

There were no accrued statutory training hours at December 31, 2014.

21 _ FEES PAID TO THE STATUTORY AUDITORS

Chargeurs paid €300 thousand in fees to the Statutory Auditors in 2014 (disclosure made in application of French Decree 2008-1487 of December 30, 2008).

22 _ STOCK OPTIONS

There were no employee stock option plans at December 31, 2014.

23 _ LEGAL RISKS

In 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 the Company 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 late 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 (*juge départiteur*). In December 2014, the Company was informed that the former employees had lodged an appeal in April 2014. The appeal is scheduled to be heard in March 2016.

The Company continues to believe that the claims are without merit.

INFORMATION CONCERNING SUBSIDIARIES AND AFFILIATES

At December 31, 2014 (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	11,197	100.00
Chargeurs Protective Films	–	139,617	3,323	100.00
Chargeurs Interlining	–	11,540	39,735	99.99
Chargetex 34	–	1,820	(1,906)	100.00
Chargetex 35	–	1,337	(843)	100.00
2. Affiliates (10% to 50%-owned by Chargeurs)				
Other companies	–	–	–	–
B. Aggregate information concerning other subsidiaries and affiliates				
1. Subsidiaries not listed in A				
French companies	–	150	(16)	–
Foreign companies	–	100	26	–
Affiliates not listed in A				
French companies	–	–	–	–
Foreign companies	–	296	1,314	–

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

	Cost of investment	Carrying amount of investment	Outstanding loans and advances granted by Chargeurs	Guarantees given by Chargeurs	2014 revenue(1)	2014 net profit/(loss) included in equity	Gross dividends received by Chargeurs during 2014
–	69,480	42,253	–	–	–	1,265	2,881
–	286,266	156,700	–	–	–	862	3,846
–	109,049	95,540	–	–	–	(2,092)	–
–	6,077	–	–	–	–	(24)	–
–	1,337	482	–	–	–	12	–
–	–	–	–	–	–	–	–
–	76	18	–	–	–	(41)	8
–	2	2	–	–	–	(28)	476
–	–	–	–	–	–	–	–
–	671	671	–	85	50,114	74	–

FIVE-YEAR FINANCIAL SUMMARY

(in euros unless otherwise specified)

	2014	2013	2012	2011	2010
I – Capital at December 31					
Share capital	2,563,410	2,294,492	2,163,986	2,099,716	2,059,486
Number of shares	16,021,311	14,340,575	13,524,913	13,123,225	12,871,789
Number of convertible bonds	218,069	272,393	299,691	313,629	322,687
II – Results of operations					
Operating revenues, investment income, interest income and other revenues, net of tax	9,058,815	6,879,530	4,256,044	2,210,555	1,731,778
Profit/(loss) before tax, amortization, depreciation and provisions	(3,053,374)	2,114,564	(1,947,980)	(8,859,541)	(5,640,458)
Income tax	2,132,779	1,605,204	1,511,100	646,607	235,599
Net profit/(loss)	17,372,253	(4,551,704)	(4,448,797)	8,753,732	19,400,096
Total dividends	3,204,262	–	–	–	–
III – Per share data					
Earnings/(loss) per share after tax, before amortization, depreciation and provisions	(0.06)	0.26	(0.03)	(0.63)	(0.42)
Earnings/(loss) per share	1.08	(0.32)	(0.33)	0.67	1.51
Dividend per share	0.20	–	–	–	–
IV – Employee data					
Number of employees	1	2	2	2	2
Total payroll (in euro thousands)[1]	1,322	913	940	772	686
Total benefits (in euro thousands[1]	334	273	302	259	211

(1) Compensation paid exclusively in respect of duties carried out as a corporate officer.

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

(Year ended December 31, 2014)

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. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. The opinion on the financial statements, presented below, 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 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 General Meeting, we hereby report to you, for the year ended December 31, 2014, 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 performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2014 and of the results of its operations for the year then ended in accordance with French accounting principles.

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 as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III – Specific verifications and information

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency 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 given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of shareholders and holders of the voting rights has been properly disclosed in the management report of the Board of Directors.

Neuilly-sur-Seine and Paris, April 1, 2015

The Statutory Auditors

PricewaterhouseCoopers Audit	S et W Associés
Éric Bertier	Maryse Le Goff

STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

(Annual General Meeting held to approve the financial statements for the year ended December 31, 2014)

This is a free translation into English of the Statutory Auditors' special report on related party agreements and commitments 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 Auditors of your Company, we hereby report to you on related party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of article R. 225-31 of the French Commercial Code, it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable it is also our responsibility to provide shareholders with the information required by article R. 225-31 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements and commitments to be submitted for the approval of the Annual General Meeting

We were not informed of any agreement or commitment entered into during the year to be submitted for approval at the Annual General Meeting pursuant to the provisions of article L. 225-38 of the French Commercial Code.

Agreements and commitments approved in prior years that remained in force in 2014

In accordance with article R. 225-30 of the French Commercial Code, we were informed that the following agreement and commitment, approved by the Annual General Meeting in previous years, remained in force during the year ended December 31, 2014.

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

Person concerned: Martine Odillard, Chief Executive Officer of Chargeurs SA 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 30, 2014, Chargeurs undertakes to provide management, financial and human resources management services to Chargeurs Boissy. In 2014, Chargeurs Boissy paid Chargeurs the sum of €670,000 (excluding VAT) pursuant to the addendum.

Neuilly-sur-Seine and Paris, April 1, 2015

The Statutory Auditors

PricewaterhouseCoopers Audit	S & W Associés
Éric Bertier	Maryse Le Goff

ANNUAL GENERAL MEETING OF MAY 5, 2015

REPORT OF THE BOARD OF DIRECTORS
on the resolutions presented at the Annual General Meeting of May 5, 2015

ORDINARY RESOLUTIONS

First and second resolutions

(Approval of the parent company and consolidated financial statements for the year ended December 31, 2014)

The purpose of these two resolutions is for shareholders to approve the parent company and consolidated financial statements for the year ended December 31, 2014 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, 2014, as well as the agreement described therein.

Fourth resolution

(Appropriation of profit and approval of a dividend)

The Board of Directors recommends that shareholders:

– Note that income available for distribution amounts to €84,050,319.25, comprising profit for the year of €17,372,253.13 and "Other reserves" of €66,678,066.12;
– Deduct from income available for distribution the amount of €243,376 to pay the dividend withholding tax corresponding to a prior-year adjustment(1);
– Decide to pay a total of €3,204,262.20 to shareholders as a dividend and to credit the balance of income available for distribution to "Other reserves", which would therefore increase to €80,602,681.05.

Based on the 16,021,311 shares with a par value of €0.16 outstanding as of December 31, 2014, the dividend per share would amount to €0.20. The amounts corresponding to dividends not paid on shares held in treasury stock on May 29, 2015 would be credited to "Other reserves".

The ex-dividend date will be May 27, 2015 and the dividend will be paid on May 29, 2015.

The dividend would entitle individual shareholders domiciled in France to a 40% tax deduction (in accordance with article 158-3, 2° of the French General Tax Code – *Code Général des Impôts*).

In accordance with the provisions of article 243 bis of the French General Tax Code, shareholders are informed that no dividend was paid in any of the last three years.

Fifth resolution

(Re-election of Eduardo Malone as a Director)

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

Sixth resolution

(New total amount of Directors' fees)

The Board of Directors is asking shareholders to increase from €40,000 to €45,000 the total fees payable to directors for the current year and all subsequent years until a new amount is set by the Annual General Meeting. The increase is designed to take into account the new membership of the Board of Directors.

Seventh 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

(1) 2001 *précompte* dividend withholding tax adjustment resulting from the 100% tax relief granted on 1997 results.

ORDINARY RESOLUTIONS

First resolution

(Approval of the parent company financial statements for the year ended December 31, 2014)

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, 2014, as presented, showing profit for the year of €17,372,253.13, together with all the transactions for the year reflected in the financial statements or referred to in the aforementioned 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, 2014.

Second resolution

(Approval of the consolidated financial statements for the year ended December 31, 2014)

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, 2014, as presented, showing profit for the year of €10.8 million, together with all the transactions for the year reflected in the financial statements or referred to in the aforementioned reports.

Third resolution

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

Having heard the Statutory Auditors' special report, the Annual General Meeting approves this report and the agreement governed by article L. 225-38 of the French Commercial Code referred to therein.

Fourth resolution

(Appropriation of profit and approval of a dividend)

The Annual General Meeting, having noted that 2014 profit of €17,372,253.13 and "Other reserves" of €66,678,066.12 together represent income available for distribution of €84,050,319.25, approves the appropriations recommended by the Board of Directors.

The Annual General Meeting therefore resolves to appropriate income available for distribution as follows:

To the payment of dividend withholding tax (prior-year adjustment)(1)	€243,376
To the payment of a dividend	€3,204,262.20
To "Other reserves"	€80,602,681.05
Total	**€84,050,319.25**

(1) 2001 *précompte* dividend withholding tax adjustment resulting from the 100% tax relief granted on 1997 results.

Based on the 16,021,311 shares with a par value of €0.16 outstanding as of December 31, 2014, the dividend per share will amount to €0.20.

The amounts corresponding to dividends not paid on shares held in treasury stock on May 29, 2015 will be credited to "Other reserves".

The ex-dividend date will be May 27, 2015 and the dividend will be paid on May 29, 2015.

The total dividend is eligible for the 40% deduction provided for in article 158-3, 2° of the French General Tax Code for individual taxpayers domiciled in France.

In accordance with the provisions of article 243 bis of the French General Tax Code, the Annual General Meeting is hereby informed that no dividend was paid in any of the last three years.

Fifth resolution

(Re-election of Eduardo Malone as a director)

Having noted that Eduardo Malone's term of office expires at the close of this Meeting, the Annual General Meeting resolves to re-elect Mr Malone as a Director for a three-year term expiring at the close of the Annual General meeting to be held in 2018 to approve the 2017 financial statements.

Sixth resolution

(New total amount of directors' fees)

The Annual General Meeting resolves to set at €45,000 the total fees payable to directors for the current year and all subsequent years until a new amount is set by the Annual General Meeting.

Seventh 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.

CORPORATE GOVERNANCE STRUCTURES

EXECUTIVE COMMITTEE

Martine ODILLARD
Chief Executive Officer – Chargeurs
Managing Director – Chargeurs Interlining

Laurent DEROLEZ
Managing Director – Chargeurs Protective Films

Federico PAULLIER
Managing Director – Chargeurs Wool

March 2015

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: 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: Olympique Lyonnais Groupe, and Chairman of its subsidiary, Foncière du Montout

Member: Diocesan Council of Paris

Directorships and other positions held in 2014 that have expired:
Chief Executive Officer: Chargeurs SA

Director: Lainière de Picardie (UK) Ltd (United Kingdom)

Martine ODILLARD

Chief Executive Officer and Director
Current term started: 2014
Current term expires: 2017

Directorships and other positions held in other companies:

Chairman: Chargeurs Textiles SAS, Chargeurs Entoilage SA, Lainière de Picardie BC SAS

Legal Manager: Chargeurs Boissy SARL

Director: Union des Industries Textiles (UIT), Lanas Trinidad SA (Uruguay), Zhangjiagang Yangtse Wool Combing Co. Ltd (China)

Permanent representative of: Chargeurs Textiles SAS on the Board of Directors of Chargeurs Protective Films SA

Directorships and other positions held in 2014 that have expired:
Chief Operating Officer: Chargeurs SA
Chairman of Chargeurs Wool (Eurasia) SAS, permanent representative of Chargeurs SA on the Board of Directors of Chargeurs Interlining SA, permanent representative of Chargeurs SA on the Executive Committee of Lainière de Picardie BC SAS

Georges RALLI

Director
Current term started: 2013
Current term expires: 2016
Member of the Audit Committee

Directorships and other positions held in other companies:

Vice-Chairman: Carrefour SA
Legal Manager: IPF Management 1 SARL (Luxembourg), IPF Partners SARL (Switzerland)
Director: Carrefour SA
Member of the Audit Committee: Carrefour SA
Permanent representative: Groupama SA, on the Board of Directors of Veolia Environnement SA

Directorship and other position held in 2014 that have expired: None

Catherine SABOURET

Director
Current term started: 2014
Current term expires: 2017
Chairman of the Audit Committee

Directorships and other positions held in other companies:

Member, as a statutory auditor: The French Auditors' Oversight Body (H3C)

Directorship and other position held in 2014 that have expired: None

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, Société du Golf du Médoc Pian SAS, Société Foncière du Golf SAS, Société Holding du Médoc 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: 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 (Netherlands)
Member of the Executive Committee: Société des Grands Ecrans du Genevois SAS
Permanent representative: Pathé SAS, Chairman and Member 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

Directorships and other positions held in 2014 that have expired:
Chairman of Pathé Distribution SAS, Chairman of Pathé Production SAS, Member of the Executive Committee of Les Cinémas Gaumont Pathé SAS, Member of the Executive Committee of Pathé Production SAS, Chairman of the Supervisory Board of Pathé Theatres BV (Netherlands)

SUMMARY OF CHANGE IN THE MEMBERSHIP OF THE BOARD OF DIRECTORS DURING 2014

AMF recommendation 2013-20 of November 18, 2013

Board members as of December 31, 2014

Five directors, including two women and two independent directors:
– Eduardo Malone;
– Martine Odillard;
– Georges Ralli (independent Director);
– Catherine Sabouret (independent Director);
– Jérôme Seydoux.

Changes in Board membership in 2014

Directors re-elected to the Board:
– Eduardo Malone (re-elected as Chairman of the Board of Directors);
– Martine Odillard (re-elected as Chief Executive Officer and as a Director).

New director elected to the Board:
– Catherine Sabouret.

Director who stepped down at the end of his term:
– Giuseppe Pirola.

Audit Committee:
– Member who step down at the end of his term: Giuseppe Pirola;
– New member: Catherine Sabouret.

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, 8-15, 38-39	–
2 – Key financial performance indicators	1, 4-5	–
3 – Review of the business, results of operations and financial position	38-39	–
4 – Material events occurring between the balance sheet date and the date of preparation of the report	76	33
5 – Developments and outlook	2-3	–
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7 – Customer and supplier relationships	39, 48	23
8 – Changes in the presentation of the annual financial statements and methods of measurement	47	2.1, 2.2
9 – Description of major risks and uncertainties	32, 69, 76	23, 32
10 – Use of financial instruments	52, 62	2.9, 11
11 – Information on facilities classified as high-threshold Seveso sites	NA	NA
12 – Material investments or controlling interests acquired during the year in companies with registered offices in France	NA	NA
Corporate social responsibility		
13 – Information of how the Company takes into account the social and environmental impact of its operations	18-26	–
14 – Key environmental and social indicators	22, 25-26	–
Governance		
15 – Executive management body of the Company	30	–
16 – Directorships and positions held in companies by each corporate officer during the year	98-99	–
17 – Compensation and benefits in kind paid to each corporate officer during the year	20-21	–
18 – Fixed, variable and exceptional components of such compensation and benefits, and the calculation method	20-21	–
19 – Commitments of any kind made in favor of executives	20-21	–
20 – Terms and conditions for selling shares granted without consideration to executives during their term of office	21	NA
21 – Transactions in Company securities carried out by executives and related persons	16	–
Ownership and share capital		
22 – Ownership structure and changes during the year	16	–
23 – Proportion of outstanding shares held by employees	16	NA
24 – Treasury shares bought and sold by the Company	16	NA
25 – Name of companies controlled and equity interest held	77	34
26 – Stock disposals to adjust cross-shareholdings	NA	NA
27 – Amount of dividends and other distributed income paid during the past three years	17	–
28 – Disclosure likely to be material in the event of a public tender offer	34	–
Other disclosures		
29 – Sumptuary expenditure	39	–
30 – Five-year financial summary	92	–
31 – Injunctions or monetary penalties for anti-competitive practises	NA	NA
32 – Stock option plans granted to corporate officers and employees	21	NA
33 – Shares granted without consideration to corporate officers and employees	21	NA
34 – Authorizations granted to the Board of Directors, in particular to issue or buy back shares		–

CHARGEURS

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Yves Nicolas, Substitute Auditor
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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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