



# EXACOMPTA CLAIREFONTAINE

Dear Shareholders,

At its 26 March 2015 meeting in Paris, the EXACOMPTA CLAIREFONTAINE Board of Directors, chaired by Mr François Nusse, reviewed and approved the Company and Group financial statements for the financial year ended 31 December 2014.

## ↳ Consolidated results

(€000)	2014	2013
Income from continuing activities (Revenue)	550,972	524,635
Operating income/(loss)	21,509	5,092
Net income before income tax	19,194	4,398
Net income after income tax	11,911	4,278
Minority interests	479	1
Group share	11,432	4,277

## ↳ Segment information

(€000)	Paper	Processing	Inter-segment transactions	Total
Revenue	249,535	418,677	(117,240)	550,972
Operating income/(loss) (before goodwill impairment)	10,937	10,591	(19)	21,509
Goodwill impairment		2,769		

(€000)	France	Europe	Outside Europe	Total
Revenue	379,770	146,056	25,146	550,972

Exacompta Clairefontaine has two business segments: Paper and Processing.

### Paper

After five years in decline, European consumption of uncoated printing and writing paper made from new fibres remained stable in 2014. This change can be explained by easing hardwood and eucalyptus pulp prices. The improvement may only prove to be temporary, however, as the euro price of these pulps rose sharply following the currency's fall against the US dollar towards the end of the year.

Busier than in previous years, our five paper machines produced 220,000 tonnes of paper reel. This 3% increase was due to the extensive development of our products for new types of printing and rigorous customer follow-up.



# EXACOMPTA CLAIREFONTAINE

## Processing

The French stationery and office supplies market was down a further 1.5% in 2014 (source: I+C). The impact of this decline seems to have been more significant for office products than for sales to general customers.

Under such circumstances, we employ a two-fold approach to ensuring the continued success of our business:

- Adjustment of existing structures in response to steady market decline and renewal of our product ranges to boost sales,
- Diversification into new markets in line with changing consumer interests and new means of communication associated with digital technology. As such, in 2014 we acquired a majority holding in Photoweb, one of the leading players in the photo development market.

## ✚ **Group financial results**

As at 31 December 2014, with revenue of €550,972,000, Group borrowings amounted to €76,931,000 and shareholders' equity totalled €373,176,000.

In order to provide for its growth, the Group has negotiated several lines of credit with its banks. At the balance sheet date, commercial paper issued by the Group amounted to €20 million out of a global programme of €125 million.

Group cash and cash equivalents amounted to €70,441,000. Its cash flow before change in working capital enabled it to fund its capital expenditure programme without resorting to borrowing. Group net borrowings amounted to €6,490,000 at 31 December 2014.

The 2014 financial statements have been audited and the certification reports are under preparation.

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- The Board is calling an Ordinary General Meeting to be held on 27 May 2015, at which it will recommend a dividend of €1.15 per share. The Board is also announcing an Extraordinary General Meeting to decide on changes to the Articles of Association.
- The next release will be made after the Board meeting called to approve the first half 2015 financial statements, scheduled for 10 September 2015.

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As the euro has continued to fall since the start of 2015, the resulting increase in the price of paper pulp will have an adverse impact on profitability. In addition, consumption of printing and writing papers and stationery seems to have resumed its downward trend. The structure of the paper industry will continue to evolve and Exacompta Clairefontaine is in a position to remain a major player.

THE BOARD OF DIRECTORS

Head of Financial Reporting

Jean-Marie Nusse - Executive Vice President

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