EXACOMPTA CLAIREFONTAINE

ORDINARY SHAREHOLDERS' MEETING

EXTRAORDINARY SHAREHOLDERS'

MEETING

OF 27 MAY 2010

FISCAL YEAR
2009

REPORT OF THE BOARD OF DIRECTORS
PARENT COMPANY AND CONSOLIDATED
FINANCIAL STATEMENTS
REPORTS OF THE STATUTORY AUDITORS
PROPOSED RESOLUTIONS

REGISTERED OFFICE: 88480 ETIVAL CLAIREFONTAINE (VOSGES), FRANCE
SHARE CAPITAL €4,525,920
Telephone: +33(0)3 29 42 42 42 Fax +33 (0)3 29 42 42 00 Website: http:www.exacomptaclairefontaine.fr
TRADE AND COMPANIES REGISTRY No. B 505 780 296 FRENCH BUSINESS REGISTRATION No. (SIRET): 505 780 296
FRENCH INDUSTRY CLASSIFICATION (NAF): 7010Z

Board of Directors

François Nusse, Chairman and Chief Executive Officer
Chairman of the Ets Charles Nusse
Executive Board Chairman, Exacompta

Dominique Daridan

Henri de Verthamon

Charles Nusse
Chairman, Tollit & Harvey (GB)
Manager, Ernst Stadelmann – Multiform (A)
Co-Manager of Brause (D)

Frédéric Nusse
Chairman, Papeteries de Clairefontaine
Chairman, Papeterie de Mandeure
Chairman, Everbal

Guillaume Nusse
Chairman, Clairefontaine Rhodia
Chairman, Décopatch
Co-Manager, Châtelles Transformation

Jean-Claude Gilles Nusse, Executive Vice President
Member of the Ets Charles Nusse
Executive Board Manager, AFA

Jean-Marie Nusse, Executive Vice President
Member of the Ets Charles Nusse Executive Board

Jérôme Nusse
Chairman of Editions Quo Vadis

Monique Prissard, permanent representative of Ets Charles Nusse
Member of the Ets Charles Nusse Executive Board

Statutory Auditors

BATT AUDIT, 54500 Vandœuvre–lès–Nancy, France.

SEREC AUDIT, 75015 Paris, France.

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ORDINARY SHAREHOLDERS' MEETING

Agenda:

Report of the Board of Directors on operations and the parent company financial statements for 2009;

Report of the Board of Directors on operations and the consolidated financial statements for 2009;

Reports of the statutory auditors on the financial statements for this fiscal year and on the operations governed by Articles L.225-38 and L.225-235 of the French Commercial Code;

Approval of the parent company financial statements for the year ended 31 December 2009 consisting of the balance sheet, the income statement and notes thereto;

Approval of the consolidated financial statements for the year ended 31 December 2009 consisting of the balance sheet, the income statement and notes thereto;

Allocation of earnings;

Agreements governed by Article L.225-38 of the French Commercial Code;

Discharge of the Directors. Approval of the directors' fees allocated to the members of the Board of Directors;

Director appointments.

THE BOARD OF DIRECTORS

Certification of the Annual Report:

I hereby certify that to the best of my knowledge the financial statements have been prepared in accordance with applicable accounting standards and present a true and fair view of the assets, financial position and results of the company and all the companies included in the consolidation and that the management report enclosed herein presents a true and fair view of the operations, results and financial positions of the company and all the companies included in the consolidation, as well as a description of the main risks and uncertainties facing them.

Jean-Olivier Roussat
Executive Vice President

REPORT OF THE BOARD OF DIRECTORS TO

THE ORDINARY SHAREHOLDERS' MEETING

OF 27 MAY 2010

To the Shareholders,

1. REVIEW AND APPROVAL OF THE PARENT COMPANY FINANCIAL STATEMENTS

(€000)	**2009**
Operating revenue	10,046
Operating profit	580
Financial income	13,027
Net income	15,835

EXACOMPTA CLAIREFONTAINE, a holding company, serves the companies of the Group, for which it manages the sales force and certain property assets.

It is also responsible for the Group’s financial management, consolidation, legal and tax services, communications and relations with shareholders. It coordinates actions taken relating to environmental certification.

It posted operating profit of €580,000 compared to €300,000 in 2008.

The net income of the parent company EXACOMPTA CLAIREFONTAINE was €15,835,000 in 2009 compared to €6,885,000 in 2008. This change came about through Papeteries de Clairefontaine paying an extraordinary dividend of €10,000,000, which was recognised in financial income, and through the impact on tax arising from the tax consolidation of the French companies.

The amount of non-tax deductible expenses was €8,645.

Since January 2003, the subsidiaries have paid EXACOMPTA CLAIREFONTAINE a fee equal to 0.2% of their added value for the previous year.

The companies which head sub-groups (Exacompta, Papeteries de Clairefontaine, Clairefontaine Rhodia, AFA) guarantee all repayments of their subsidiaries which borrow from the parent company.

INCOME FOR THE LAST FIVE YEARS IN EUROS

Closing date **Duration of the year (in months)**	**31/12/2009** **12**	**31/12/2008** **12**	**31/12/2007** **12**	**31/12/2006** **12**	**31/12/2005** **12**
CAPITAL AT YEAR END					
Share capital	4,525,920	4,525,920	4,525,920	4,525,920	4,525,920
Number of shares of common stock	1,131,480	1,131,480	1,131,480	1,131,480	1,131,480
OPERATIONS AND RESULTS					
Revenue before tax	2,075,703	2,020,024	1,155,501	395,671	253,886
Income before taxes, profit-sharing, depreciation, amortisation and provisions	14,346,176	3,119,125	(948,950)	2,660,784	4,233,376
Income taxes	(2,406,456)	(4,016,659)	(2,273,317)	(4,454,216)	(5,072,034)
Net depreciation, amortisation and provisions	917,296	250,814	226,912	104,338	236,321
Net income	15,835,336	6,884,970	1,097,455	7,010,661	9,069,090
Distributed income	2,036,664	2,036,664	2,262,960	2,262,960	2,262,960
EARNINGS PER SHARE					
Income after taxes and profit-sharing and before depreciation, amortisation and provisions	15	6	1	6	8
Income after taxes, profit-sharing, depreciation, amortisation and provisions	14	6	1	6	8
Dividend paid	*1.80	1.80	2	2	2
PERSONNEL					
Average number of employees	57	60	61	53	62
Payroll	4,237,840	4,629,187	4,469,507	4,275,718	4,177,294
Sums paid in employee benefits (social security and charitable organisations, etc.)	1,620,311	1,730,248	1,647,595	1,758,007	1,656,715

* Dividend proposed

SCHEDULE OF SUPPLIER PAYABLES

Schedule in days					
€000	**Payables due**	**Payables not yet due**			**Total at 31/12/2009**
		1 to 30 days	31 to 60 days	+ 60 days	
Trade payables	23	948	34	–	1,005
Fixed asset suppliers	–	–	–	–	–
Total	**23**	**948**	**34**	**–**	**1,005**

SHARE AND SHAREHOLDER INFORMATION

The share listed at €75.16 on 6 January 2009 and closed the year at €97 (+29%). During the same period, the SBF 250 gained 22.97% and the CAC 40 rose 21.46%. The number of shares traded during the year was 4,244.

The parent company does not have a share buyback programme and there are no employee shareholders.

The capital of the parent company is composed of 1,131,480 shares, and did not change during the year. A double voting right is granted to each fully paid-up share which has been registered for at least two years in the name of the same shareholder.

Our principal shareholder, Ets Charles Nusse, holds 910,395 shares with double voting rights, representing 80.46% of the capital at 31 December 2009.

"Financière de l'Echiquier", a minority shareholder, crossed the 5% ownership threshold in 2005.

2. REVIEW AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2009

2.1 RESULTS

(€000)	**2009**
Income from continuing activities (Revenue)	530,693
Operating profit	13,496
Net income before income tax	10,040
Net income after income tax	4,453
Minority interests	< 5 >
Group share	4,458

In 2009, the Exacompta Clairefontaine Group’s consolidated cash flow was €34,649,000 and EBITDA (*Earnings Before Interest, Taxes, Depreciation and Amortization*) was €39,827,000, compared to €24,747,000 and €37,507,000, respectively, in 2008.

The Group had 3,299 employees in 2009, compared to 3,396 in 2008.

2.2 PRINTING AND WRITING PAPERS

In 2009, the knock-on effect of the economic crisis in France was a sharp 16.3% fall in purchases of Printing and Writing Papers.

This collapse of the markets brought about a 16.7% decline in Printing and Writing Paper production compared to 2008.

Finally, the heightened competition stemming from the weakness of the markets led to average prices for Printing and Writing Papers falling by 5.9% in 2009 compared to the same period in 2008.

Net production held up at our four sites, thanks to the quality of our papers, falling by only 4.3% to 207,620 tonnes. That said, some factory downtime was necessary given lower orders.

Our margins also held up well in the first half due to the cost of pulp. However, we were unable to offset the rapid and constant rise in pulp prices as of the summer (+40% between May and December) by increasing our retail prices.

2.3 PAPER ARTICLES

At the start of the year, the paper articles' market was directly affected by the economic decline.

Various measures taken to stimulate sales, including the back-to-school benefit (*prime de rentrée*), brought about a recovery in demand from households. Office supplies, however, saw sustained decline.

Year-on-year sales were reportedly down by about 2% (source: I + C - *Institut européen d'informations et de conjonctures professionnelles*).[1]

Market pressure to obtain more favourable terms also weighed heavily on profits made from our different products. We continued to reorganise our production structures in order to adapt the company to market demands.

Finally, 2009 also saw the acquisition of "Ets Fernand Hess et Fils l'Agenda Moderne", a company which produces luxury diaries. This takeover enabled the Group to expand its diary brand portfolio.

2.4 FINANCIAL POSITION

2.4.1 Debt

At 31 December 2009, with revenue of €530,693,000, the Group's financial debt (excluding parent company loans) was €7,898,000, and shareholders' equity totalled €362,141,000.

In order to provide for its growth, the Group has negotiated a €145,000 . line of credit with its bank partners. As at 31 December 2009, this line was unused.

With cash of €46,336,000, allowing it to finance, among other things, a portion of its investments, at 31 December 2009 the Group had a positive net financial position of €38,438,000.

2.4.2 Financial instruments

The Group uses financial derivatives instruments to hedge its exposure to the interest rate risks resulting from its operating, financial and investing activities. Under its cash management policy, the Group does not hold or issue financial derivatives for transaction purposes.

[1] Translator note: French market research firm.

2.4.3 Management of financial risk

Generally, the Exacompta Clairefontaine Group does not engage in any complex financial transactions. Financial risk management is provided by the operating units in accordance with the policy defined by Senior Management.

Credit risk

Credit risks represent the risk of financial loss for the Group if a third party fails to meet its contractual obligations.

- Trade and other receivables

The credit risk is not significant. It is distributed over a large number of customers. The Group has set up tools to monitor outstanding amounts and, in addition, the risk is limited by credit insurance policies.

- Investments

The Group limits its exposure to the credit risk on investments, short-term deposits and other cash instruments by investing only in liquid securities; the counterparties are leading banks.

Liquidity risk

The Group's approach to managing this risk is to ensure that it always has sufficient liquid assets to meet its liabilities when due without incurring unacceptable losses or damaging its reputation. For this purpose, short-term financing arrangements are in place along with a line of credit that covers medium and long-term payments.

Foreign exchange risk

The Group operates internationally, but has little exposure to foreign exchange risks because of the local presence of its main subsidiaries. The risks related to commercial transactions are primarily those related to purchases of raw materials, which are 50% covered by option contracts.

2.5 RELATED PARTIES

The consolidated financial statements include transactions performed by the Group with Ets Charles Nusse.

The Group's companies benefit from the leadership provided by Ets Charles Nusse and pay a fee equal to 0.6% of the added value for the previous year.

2.6 CORPORATE OFFICERS

List of the principal offices held by the members of the Board

François Nusse, Chairman and Chief Executive Officer
Chairman of the Ets Charles Nusse
Executive Board Chairman of Exacompta

Charles Nusse
Chairman of Tollit & Harvey (GB)
Manager, Ernst Stadelmann – Multiform (A)
Co-Manager, Brause (D)

Frédéric Nusse
Chairman, Papeteries de Clairefontaine
Chairman, Papeterie de Mandeure
Chairman, Everbal

Guillaume Nusse
Chairman, Clairefontaine Rhodia
Chairman, Décopatch
Co-Manager, Châtelles Transformation

Jean-Claude Gilles Nusse, Executive Vice President
Member of the Ets Charles Nusse
Executive Board Manager, AFA

Jean-Marie Nusse, Executive Vice President
Member of the Ets Charles Nusse Executive Board

Jérôme Nusse
Chairman, Editions Quo Vadis

Ms Monique Prissard, permanent representative of Ets Charles Nusse
Member of the Ets Charles Nusse Executive Board

3. PROPOSED RESOLUTIONS

3.1 3.1 ALLOCATION OF INCOME

Income to be allocated (in euros) of:
Income for 2009 €15,835,335.52

We propose the following allocation:
* First dividend €226,296.00
* Second dividend €1,810,368.00
Total dividends €2,036,664.00

* Allocation to retained earnings €798,671.52
* Allocation to other reserves €13,000,000.00
TOTAL ALLOCATED €15,835,335.52

As the share capital is divided into 1,131,480 shares, each share would receive a total dividend of €1.80

The following table shows the dividends paid for the last three years:

Year	**Dividend**	**Number of shares**
2006	2.00	1,131,480
2007	2.00	1,131,480
2008	1.80	1,131,480

3.2 DIRECTORS' FEES

Your Board proposes that you approve directors' fees in the amount of €60,000 to be paid to the directors of the company in 2010.

3.3 DIRECTORS

The term of Etablissements Charles Nusse is expiring. We propose that you renew its term of office for 6 years. Its appointment will end at the conclusion of the Shareholders' Meeting to which the financial statements for fiscal year 2015 are submitted.

The term of Mr Guillaume Nusse is expiring. We propose that you renew his term of office for 6 years. His appointment will end at the conclusion of the Shareholders' Meeting to which the financial statements for fiscal year 2015 are submitted.

The term of Mr Jérôme Nusse is expiring. We propose that you renew his term of office for 6 years. His appointment will end at the conclusion of the Shareholders' Meeting to which the financial statements for fiscal year 2015 are submitted.

The term of Mr Frédéric Nusse is expiring. We propose that you renew his term of office for 6 years. His appointment will end at the conclusion of the Shareholders' Meeting to which the financial statements for fiscal year 2015 are submitted.

The Board takes due note of the resignation of Mr Henri de Verthamon and thanks him for his contribution to and involvement in the Board's work over many years. We propose that measures to replace him be postponed.

4. POST-CLOSING EVENTS

No significant events occurred between 1 January and 12 April 2010.

5. RESEARCH AND DEVELOPMENT

The Group's companies, including Papeteries de Clairefontaine, participate in various research programmes in conjunction with the Grenoble Paper Technical Centre and various University laboratories.

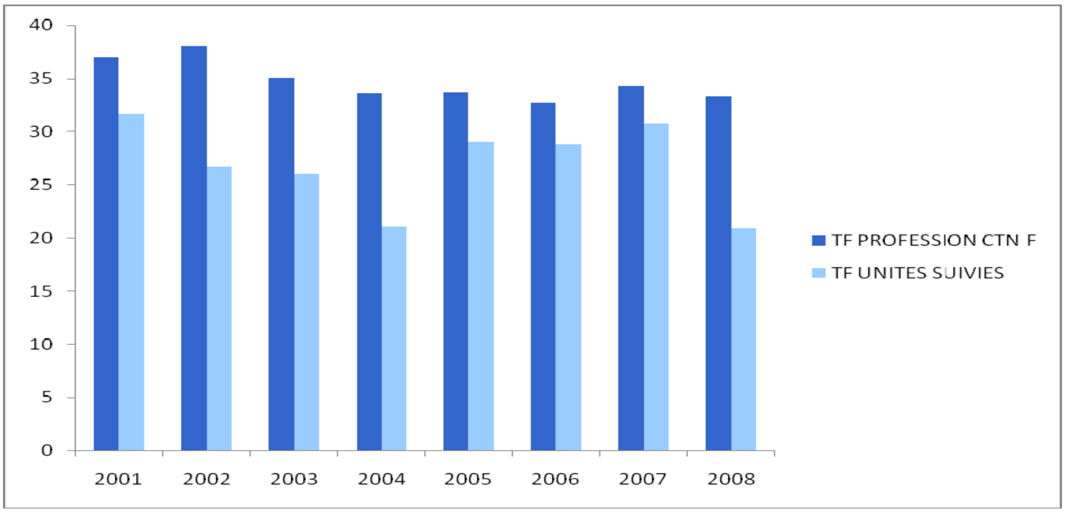
6. PRODUCTION AND OPERATING SAFETY

The industrial units of the EXACOMPTA CLAIREFONTAINE Group receive advice and support to help make their production and operating conditions safe. Furthermore, several units now have in-house resources to supervise safety based on their specific operations.
To help these units improve their safety results, information on trend indicators is regularly distributed through periodic notices:

- Frequency rate of industrial accidents resulting in stoppages;
- Severity rate of industrial accidents;
- Occupational illnesses;
- Rate reported by the *Caisse régionale d'assurance maladie* (*CRAM* – Regional Office for Health Insurance).

For example, the weighted average and consolidated frequency rate of industrial accidents resulting in stoppages at the units monitored improved from 32 to 21 between 2001 and 2008 (⇩34%), whilst this key reference indicator for the industry at large fluctuated between 37 and 33 (⇩ 11%) – source: *Centre Technique National section F* (CTN F - National Technical Committee section F).

The change forecast for 2009 & 2010 is in line with this trend: the frequency rate for these units is improving rapidly and is better than the rate for the industry at large.



Graph comparing the change between the Group/Industry frequency rate of industrial accidents resulting in stoppages recognised by the CRAM

Furthermore, to help managers improve technical, organisation and workforce-related aspects relevant to risk prevention, personalised communications dealing with specific topics are published. In 2009, the emphasis was placed on formal introduction and training courses for new recruits.
In addition, to build on the measures taken to date and in order to make on-going improvements, an audit of existing organisational procedures was carried out, the scope of which was subsequently extended in order to support the units with the development of their own Safety Management Systems (SMS). Units holding ISO certification for their Quality and/or Environmental procedures are gradually integrating different safety aspects into their systems in order to rationalise the existing resources and in the long run achieve an Integrated Management System (SMI).

7. EMPLOYMENT INFORMATION

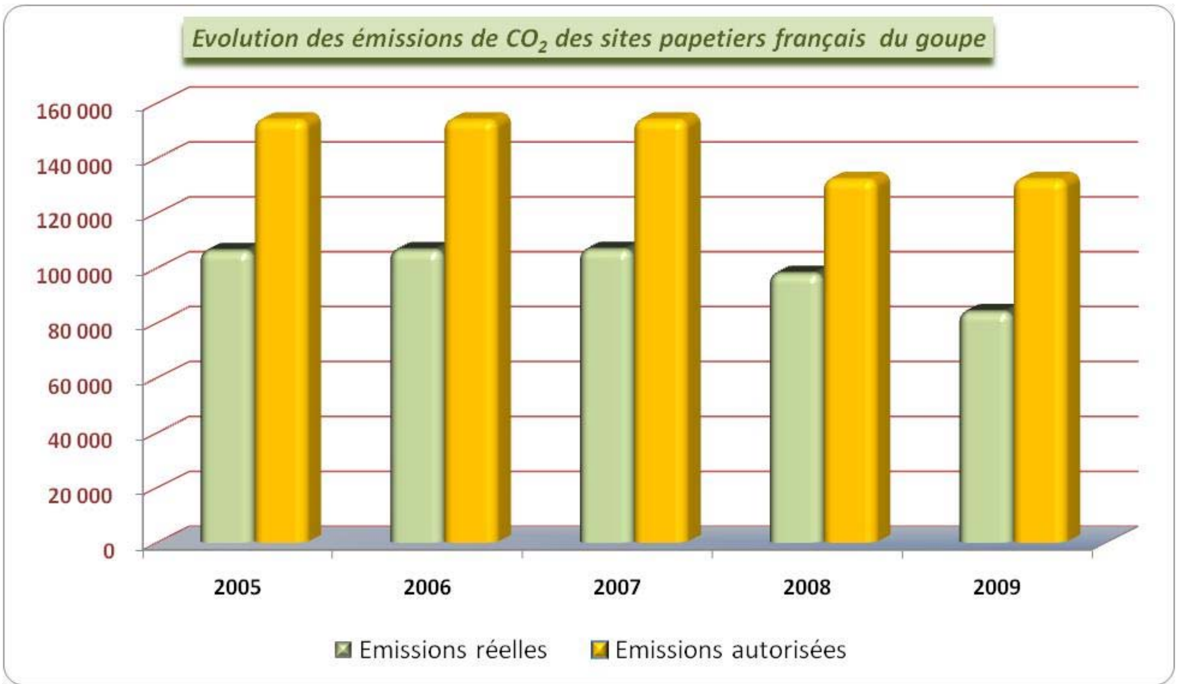
The Exacompta Clairefontaine Group had 3,299 employees at 31 December 2009, compared to 3,396 employees in 2008.
The companies apply the collective agreement for the production of papers, cardboard and cellulose, or the collective agreement for paper articles.

The Group Committee, which met on 23 June 2009, commented on operations and the economic and employment outlook for the year.

8. ENVIRONMENTAL INFORMATION

Carbon dioxide (CO_2) emissions at French paper sites

Site	Emissions in tonnes of CO_2		Change
	2007	2008	
CLAIREFONTAINE	72,119	65,248	⇩ 9.53%
MANDEURE	9,608	9,622	⇧ 0.15%
EVERBAL	16,502	9,433	⇩ 42.84%
Total	**98,229**	**84,303**	**⇩14.18%**



The biomass boiler at the Everbal site has been in service since April 2009. **Fossil-based CO_2 emissions at the site have fallen by nearly 43%.**

The Board of Directors chose the biomass boiler project for Papeteries de Clairefontaine, namely the bid submitted for the third call for tenders issued by the *Commission de Régulation de l'Energie* (CRE3 - French Energy Regulation Commission). The boiler is due to be in service by the end of 2012.

Environmental certifications

A number of Group sites are ISO 14001 certified:

- ***Papeteries de Clairefontaine*** (2001) - Etival-Clairefontaine (88)[2]
- ***Papeterie de Mandeure*** (2003) - Mandeure (25)
- ***Everbal*** (2006) - Evergnicourt (02)
- ***Quo-Vadis*** (2007) - Carquefou (44)
- ***Ernst Stadelmann - Multiform*** (2008) - Eferding (Austria)
- ***Papeteries Sill* (2009)** - Wizernes (62)
- ***Imprimerie Raynard* (2009) -** La Guerche de Bretagne (35)
- ***Tollit & Harvey* (2009) -** King's Lynn (Great Britain)

Forestry certifications: The production sites and a large number of the processing sites are PEFC- (Programme for the Endorsement of Forest Certification and/or FSC- (Forest Stewardship Council) certified: an engineer supervises and monitors these certifications.

Environmental logos and labels:

A number of production and processing sites are also entitled to use environmental logos:

APUR

A new building for storing finished products for Clairefontaine

In 2009, Papeteries de Clairefontaine invested in a new fully-automated storage building measuring 6000 m^2 in size. The building should be operational in July 2010. Environmental aspects were factored in beginning with the design stage.

Operating without human intervention means, among other things, that the temperature of the building in winter can be kept to 5°C and that there is no need to use lighting which consumes high volumes of energy. The related CO_2 emissions will therefore also be limited.

[2] Translator note: Number in brackets indicates French *départements*.

An infiltration basin for rain water collected from the roof has been created in order to prevent further flooding occurring during heavy rainfall.
In order to prevent all risks of pollution from fires, a container to hold water to extinguish fires will be included right inside the building.

9. OUTLOOK

In the Paper sector, the outlook is even more uncertain than usual.

The price of pulp has been increasing steadily. This upward trend is continuing due to a variety of factors: factory closures, growth in China and strikes. The earthquake in Chile has sadly and somewhat brutally reinforced this trend. The situation has put supplies and prices under pressure.

At the same time, paper prices remained stable throughout the first quarter of 2010. In the second quarter, largely inadequate price increases were introduced. Prices should therefore increase based on the level of demand.

In these extraordinary circumstances, Papeteries de Clairefontaine and its subsidiaries, supported by their suppliers, have continued to sell specialised papers and have retained their market shares in France and Europe.

Our Paper Articles sector received extremely high praise at the "Première" show in Frankfurt - an international exhibition for the processing industry.

The new products developed by all the Group's companies have enabled the Group to penetrate new markets and hold up well in the face of the general decline in demand, despite the increasing costs of raw materials.

The aim for 2010 is to keep the level of activity stable.

The environment at the beginning of 2010 makes it difficult to forecast 2010 net income in the Paper and Paper Articles sectors.

GROUP ORGANISATIONAL CHART

EXACOMPTA CLAIREFONTAINE

EXACOMPTA
Paris (75)
Manufacture of registers, snap-out sets Bristol paper and bundles of paper.

- **ROLFAX** – *Breteuil (60)* – *Reels*
- **MANUCLASS** – *Ségré (49)* – *Filing articles*
- **COGIR** – *Château Renault (37)* – *Notepads, bundles of paper and snap-out sets*
- **IMPRIMERIE GIRAULT MORIN** – *Paris (75)* – *Administrative forms*
- **FACIMPRIM** – *Paris (75)* – *Registers and administrative forms*
- **CARTOREL** – *Niort (79)* – *Filing articles*
- **CLAIRCELL** – *Brou (28)* – *Office and filing articles*
- **PELISSIER MI** – *Brou (28)* – *Engineering*
- **REGISTRES LE DAUPHIN** – *Voiron (38)* – *Manufacturing, registers and snap-out sets and prints*
  - **ERNST STADELMANN** – *Eferding (Austria)* – *Filing articles*
- **BRAUSE PRODUKTION** – *Iserlohn (Germany)* – *Filing articles*
- **PAPIERWARENFABRIK R. KÖHLER** – *Altendorf (Germany) Stamp and photo albums*
- **TOLLIT & HARVEY** – *King's Lynn - Norfolk (UK) Office and filing articles*

CLAIREFONTAINE RHODIA
Ottmarsheim (68)
Distribution of exercise books notepads and pocket drawing pads

- **CFR Ile Napoléon** – *Ottmarsheim (68)* – *Exercise books, note pads and pocket drawing pads.*
- **MAILDOR PRODUCTION** – *Gênas (69)* – *Manufacture of tissue and wrapping paper.*
- **PAPETERIE VERILHAC FRERES** – *Vizille (38)* – *Lease management*
- **DECOPATCH** – *Gênas (69)* – *Creative arts and decoration*
- **KERLUDE** – *Genas (69)* – *Games for learning, creative arts and arts for leisure.*
- **MAKANE BOUSKOURA** – *Casablanca (Morocco)* – *Holding company*
  - **PUBLIDAY MULTIDIA** – *Casablanca (Morocco)* – *Printing and manufacturing*

PAPETERIES DE CLAIREFONTAINE
Etival-Clairefontaine (88)
Production of papers, reams, different formats reels, exercise books, prints and envelopes

- **PAPETERIE DE MANDEURE** – *Mandeure (25)* – *Production of strong papers*
- **EVERBAL** – *Evergnicourt (02)* – *Production of recycled paper*
- **CHATELLES TRANSFORMATION** – *Raon L'Etape (88)* – *Production of exercise books*
- **PAPIERFABRIEK SCHUT BV** – *Heelsum (Netherlands)* – *Production of papers for artists*
- **PAPETERIES SILL** – *Voiron (62)* – *Manufacture of exercise books and sales to supermarkets*

A.F.A.
Paris (75)
Diaries and calendars

- **G. LALO** – *Paris (75)* – *Luxury writing paper r*
- **A.B.L** – *Paris (75)* – *Notepads, diaries and calendars*
- **EDITIONS QUO VADIS** – *Carquefou (44)* – *Diaries and calendars*
  - **IMPRIMERIE RAYNARD** – *La Guerche de Bretagne (35)* – *Calendars*
- **L'AGENDA MODERNE** – *Paris (75)* – *Diaries*
- **SOFAC** – *Issy-les-Moulineaux (92)* – *Manufacturing*
  - **CALENDRIERS LAVIGNE** – *Issy-les-Moulineaux (92)* – *Calendars*
  - **EDITIONS GRAFOCARTE** – *Issy-les-Moulineaux (92)* – *Town maps and nautical charts*
    - **INTERVAL EDITIONS** – *Marseille (13)* – *Specialised maritime publishing*

EXACOMPTA CLAIREFONTAINE GROUP international sales companies:

- BRAUSE et RODECO (D)
- EXACLAIR BARCELONA
- EXACLAIR BRUSSELS
- EXACLAIR NEW-YORK
- EXACLAIR IRELAND
- EXACLAIR POLSKA
- CLAIREFONTAINE RHODIA Ltd (GB)
- CLAIR MOROCCO
- QUO VADIS Canada - Italy - Japan - Poland - USA

REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS ON THE OPERATIONS OF THE BOARD AND INTERNAL CONTROL

Year ended 31 December 2009

Dear Shareholders,

The Financial Security Act of 1 August 2003 requires that the Chairman of the Board provide a report on the conditions for the preparation and organisation of the work of the Board of Directors, the scope of the powers of the executive officers, and the internal control and risk management procedures established by the company.

I hereby notify you of the following information, pursuant to the provisions of Article L.225-37 of the French Commercial Code:

1. Preparation and organisation of the work of the Board of Directors

As I remind you, the Board has ten members:

Messrs François Nusse, whose term expires in 2013

Jean-Claude Gilles Nusse, whose term expires in 2014

Jean-Marie Nusse, whose term expires in 2011

Guillaume Nusse, whose term expires in 2010

Jérôme Nusse, whose term expires in 2010

Frédéric Nusse, whose term expires in 2010

Charles Nusse, whose term expires in 2012

Dominique Daridan, whose term expires in 2011

Henri de Verthamon, whose term expires in 2013

Ets Charles Nusse, represented by Ms. Monique Prissard, whose term expires in 2010

The Chairman and Chief Executive Officer, who is the Chairman of the holding company Ets Charles Nusse which manages the Group and of SAS Exacompta and its subsidiaries, is backed by two Executive Vice Presidents and directors and a non-director Executive Vice President.

The Board has placed no limitations on the powers of the Chairman and Chief Executive Officer and the Executive Vice Presidents.

The Statutory Auditors are called to the meetings of the Board of Directors that draw up the annual and interim financial statements and to all meetings that review the financial statements.

Notices are given in writing at least eight days in advance. Meetings are held at the registered office or at the offices of a subsidiary in Paris.

The Board has met five times since 1 January 2009. The April meeting of the Board drew up the financial statements for the previous year and prepared the Shareholders' General Meeting. The meeting of 1 September reviewed the interim position, particularly the economic environment at the beginning of the year and the interim operating statements and other specific items.
One or more Board meetings are held if circumstances require, particularly in the event of possibilities for significant acquisitions. Indeed, decisions are made by consensus under these circumstances, even if this approach is not expressly stipulated in the Memorandum and Articles of Association; this is also the case for the main industrial investments.
The April and September Board meetings were followed by an announcement to all shareholders.

Board members must be physically present at Board meetings, as there is no provision for video conferencing.
The members of the Board had a very high attendance rate, with no absenteeism.
No meetings were called at the initiative of the directors or the Executive Vice Presidents.

To allow Board members to make the necessary preparations for meetings, the Chairman provides them with all the necessary information or documents prior to the meeting.

At the Board meeting following the half-year and annual closing of the financial statements, each company of the Group is required to submit a management report, which in addition to its balance sheet, must contain an analysis of the following items:

- raw materials (pulp in particular);
- sales results;
- finishing and logistics;
- technical services;
- industrial results;
- accounting and financial management;
- investments;
- outlook and risks.

At the April and September Board meetings, the directors review the consolidated financial statements of the Group and the consolidated statements of the sub-groups. These consolidated statements contain a number of analyses:

- changes in shareholders’ equity;
- contribution to the consolidated results by company;
- contribution to consolidated reserves by company;
- contribution to shareholders' equity by company;
- consolidated interim management statements.

The draft of the annual financial statements is submitted to Board members at least eight days before the Board meeting called to prepare the final financial statements.

Whenever a member of the Board so requests, the Chairman shall immediately or promptly submit any additional information or documents to said party.

2. Shareholder attendance at Shareholders' General Meetings

Excerpt from the Memorandum and Articles of Association (Article 8.2):
“The shares are indivisible vis-à-vis the company. Joint shareholders must be represented at Shareholders’ General Meetings by one of those shareholders or a single representative of their choosing. If the shareholders are unable to agree on a representative, the latter shall be appointed pursuant to an order of the Presiding Judge of the Commercial Court ruling in summary proceedings upon the request of the first joint shareholder to seek legal intervention.

The voting rights attached to shares are exercised by the owner of the pledged shares. If the ownership of a share is divided, said share belongs to the beneficial owner at Shareholders’ Ordinary General Meetings and to the legal owner at Shareholders’ Extraordinary General Meetings.”

Excerpt from the Memorandum and Articles of Association (Article 8.3.2):
“Registered, fully paid-up shares in the name of the same shareholder for at least two (2) years shall have double voting rights in proportion to the fraction of share capital represented”.

Excerpt from the Memorandum and Articles of Association (Article 15.2):
“Shareholders’ Meetings are held at the registered office or any other location indicated in the notification, pursuant to the procedures and deadlines set forth in the regulatory provisions”.

Excerpt from the Memorandum and Articles of Association (Article 16.2):
“Shareholders may arrange to be represented by another shareholder or their spouse. Representatives are appointed for one Shareholders’ General Meeting only: said appointment shall be valid for two meetings, an ordinary and extraordinary meeting, provided said meetings are held on the same day or within fifteen days of each other. Said appointment shall also be valid for successive meetings called with the same agenda.
Shareholders may vote by post using a form compliant with the regulatory requirements. Said form shall only be valid when received by the company no later than three days prior to the meeting. Where applicable, this form may be incorporated with the power-of-attorney form".

3. Corporate Governance

Audit Committee:
The Audit Committee is represented by the Board of Directors which comprises the senior executives from the Group’s four departments.

Remuneration of the corporate officers:
The recommendation of the *Autorité des marchés financiers* (*AMF* – French Financial Markets Authority) regarding remuneration of the corporate officers is not applied within the Exacompta Clairefontaine Group. Neither does the Group offer any stock options, performance-based shares or supplementary pension schemes.

The remuneration and benefits of all kinds granted to the corporate officers are set on the basis of the following principles:

- salaries: based on the experience and the responsibilities of the position held;
- directors' fees: distributed equally among the members of the Board.

Directors' fees:
The remuneration granted to the members of the Board of Directors by way of director’s fees totalled €60,000 in 2009. This was approved by a decision of the Shareholders’ Meeting of 27 May 2009.

4. Internal control procedures established by the company

4.1 Definition of internal control

Internal control is defined as a process implemented simultaneously by the Board of Directors, General Management and the employees of a group, which is designed to provide reasonable assurance that objectives are reached in the following areas:

- effectiveness and efficiency of operations;
- reliability of the financial reporting;
- compliance with the laws and regulations in force.

Internal control consists of all methods which the Management have implemented to provide reasonable assurance that objectives are reached and to prevent the occurrence of damaging events.

4.2 Purposes and limits

Internal control ensures control of the company's operations and protects it from various types of risks, including:

- irregularities and fraud;
- a significant omission or inaccuracy in the treatment of information and, therefore, in the financial statements;
- failure to comply with the company's legal and contractual obligations;
- destruction, damage or disappearance of assets, or incorrect valuation of assets.

An internal control system, as good as it may be, can provide only reasonable assurance and not an absolute guarantee as to the achievement of the company's objectives, both because of the limits inherent in any process implemented by human beings and because of the limits on resources which all companies must take into account.

The Group relies on four types of information to guide its operations:

- the parent company financial statements (four times/year);
- the consolidated financial statements (three times/year);
- the quarterly financial statements (not published);
- the forecast financial statements (not published).

4.3 Procedures

Systematic identification of risks is the first step in internal control. Mapping the Group's risks presents no specific problems, and the principal challenges are as follows:

- control of raw materials' purchases;
- control of manufacturing processes;
- environmental risks;
- protection of industrial assets and sites;
- control of the use of financial instruments and hedging currency risk.

The procedures that are applied in the various companies of the Group may be summarised as follows:

- accounting and financial;
  - establishment of the forecast financial statements;
  - budget monitoring;
  - monitoring of intra-Group revenue;
  - intra-Group accounting reconciliations;
  - monitoring of monthly and year-to-date interim management balances;
  - monthly and year-to-date cash position;
  - composition and performance of the investment portfolio;
  - monthly monitoring of the short- and medium-term commitments of the subsidiaries, with transmission and control of working capital requirements.

The internal control of financial instruments is specifically monitored by the General Management, both with regard to the types of instruments used and the maximum risk levels incurred, which are measured daily.

These financial instruments (contracts or options) are of two types:
- they are either a hedging transaction to reduce the risk of a change in the value of an asset or liability or a commitment or future transaction not yet realised with which they are correlated,
- or they are purely financial in nature in the case of an additional amount outstanding.

- in other areas, a number of regular reports are published;
  - production reports;
  - monitoring of monthly and year-to-date industrial results;
  - ISO 9000 and ISO 14000 certification;
  - safety;
  - PEFC and FSC audits.

The Group has no department dedicated to internal control that is responsible for conducting verifications on its behalf (either in the parent company or in the companies it controls).

The transactions contributing to the corporate activities of the Group and their presentation in the financial statements are verified, though not necessarily through the application of formalised procedures, by General Management or its delegates or agents, with the general goal of complying or ensuring compliance with the laws, regulations and standards in force, and of making every effort to prevent the occurrence of losses that could affect the group's ability to continue operations.

- The Group uses the following accounting software or applications:

  - ETAFI (tax management)
  - REFLEX (consolidation);
  - IWS (intra-Group reconciliations);
  - SAP, MOVEX, NAVISION (accounting & finance);
  - ZADIG HYPERVISION (personnel management);
  - EXCALIBUR (intranet).

- The companies of the Group have taken out the following insurance policies:

- comprehensive industrial;
- insurance for machine breakdowns, costs and financial losses on co-generation;
- comprehensive real estate;
- general civil liability;
- environmental damage liability;
- car fleet and truck insurance.

The Chairman of the Board of Directors

Exacompta Clairefontaine S.A.

Parent Company
Financial
Statements as at
31 December
2009.

BALANCE SHEET AND INCOME STATEMENT

ASSETS (€000)	31/12/2009	31/12/2008
Intangible assets		
Concessions, patents, licenses, trademarks	40	56
Intangible assets in progress	79	14
Property, plant and equipment		
Land	3,602	3,651
Buildings	12,788	13,554
Other tangible assets	4	17
Property, plant and equipment in progress		
Non-current financial assets		
Equity interests	299,240	289,218
Other non-current securities		
Loans	36,295	40,870
Other financial assets	4	4
TOTAL NON-CURRENT ASSETS	**352,052**	**347,384**
Inventories	198	15
Advances and progress payments made on orders	41	149
Receivables		
Trade and intercompany receivables	2,767	2,672
Other receivables	77,671	90,752
Prepaid expenses	207	235
Cash and cash equivalents	1	242
TOTAL CURRENT ASSETS	**80,885**	**94,065**
Currency translation adjustment	249	219
TOTAL ASSETS	**433,186**	**441,668**

LIABILITIES (€000)	31/12/2009	31/12/2008
Share capital	4,526	4,526
Share, merger and contribution premiums	162,566	162,566
Revaluation discrepancy	485	485
Reserves		
Statutory	453	453
reserve	141,920	137,072
Other reserves		
Retained earnings		
Profit or (loss) for the year	**15,835**	**6,885**
Regulated provisions	2,108	1,953
SHAREHOLDERS' EQUITY	**327,893**	**313,940**
Provisions		
For contingent liabilities	45	6
For charges	321	247
TOTAL PROVISIONS	**366**	**253**
Financial debt		
Loans and debt with financial institutions	862	33,787
Operating payables		
Supplier and similar payables	1,023	1,058
Taxes and social security contributions payable	5,321	1,289
Other liabilities	97,481	90,992
Deferred income	36	136
TOTAL DEBT	**104,723**	**127,262**
Currency translation adjustment	204	213
TOTAL LIABILITIES	**433,186**	**441,668**

INCOME STATEMENT (€000)	31/12/2009	31/12/2008
Revenues	2,076	2,020
Operating subsidies	14	
Reversals of depreciation, amortisation and provisions, transfer of charges	7,516	8,002
Other income	440	453
REVENUE FROM OPERATIONS	**10,046**	**10,475**
Purchases and other supplies Other	8	12
purchases and external charges	2,338	2,565
Taxes, duties and similar payments	329	333
Salaries and wages	4,238	4,629
Social security contributions	1,620	1,730
Increases in depreciation/amortisation of non-current assets	832	830
Provision charges	34	8
Other expenses	67	68
OPERATING EXPENSES	**9,466**	**10,175**
OPERATING PROFIT/(LOSS)	**580**	**300**
Financial income from equity investments	12,601	1,900
Income from other securities and receivables from non-current assets	1,472	1,987
Other interest and similar income	1,413	4,804
Reversals of provisions, expense transfers	5	820
Positive currency translation adjustments	121	275
Net profit on sales of marketable securities		
FINANCIAL INCOME	**15,612**	**9,786**
Increases in depreciation, amortisation and provisions	45	6
Interest expense and similar expenses	2,340	6,867
Negative currency translation adjustments	200	198
Net expenses on sales of marketable securities		
FINANCIAL EXPENSES	**2,585**	**7,071**
FINANCIAL INCOME/(EXPENSE)	**13,027**	**2,715**
INCOME BEFORE TAXES	**13,607**	**3,015**
Extraordinary income		
On operating transactions	60	114
On capital transactions	53	142
Reversals of provisions, expense transfers	58	44
EXTRAORDINARY INCOME	**171**	**300**
Extraordinary expenses		
On operating transactions		
On capital transactions	49	138
Increases in depreciation, amortisation and provisions	300	309
EXTRAORDINARY EXPENSES	**349**	**447**
EXTRAORDINARY INCOME/(EXPENSE)	**-178**	**-147**
Income taxes	-2,406	-4,017
NET INCOME FOR THE YEAR	**15,835**	**6,885**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

KEY EVENTS OF THE YEAR

Introduction

Note to the balance sheet prior to breakdown for the year ended 31/12/2009, for which:

Total assets were:	€433,185,813
Net income was:	€15,835,336

Principal events of the year

There are no significant events warranting disclosure of specific information.

Accounting principles, rules and methods

The annual financial statements were prepared and are presented in accordance with the applicable French regulations, as set forth in the decrees of the *Comité de la Réglementation Comptable* (CRC - Accounting Regulatory Committee).

Comparability of the financial statements

The fiscal year is a period of 12 months that runs from 01/01/2009 to 31/12/2009.

The notes provided below form an integral part of these annual financial statements.

ACCOUNTING RULES AND METHODS

General accounting conventions have been applied, in compliance with the principle of prudence, according to the following basic assumptions:

- continuity of operations;
- constant accounting methods from one year to the next;
- independence of years;

and in accordance with the general rules regarding the preparation and presentation of annual financial statements.

The basic method used to value the items recorded is the historical cost method.

The principal methods used are as follows:

Intangible assets

Amortisation was calculated using the straight line method, based on the estimated useful life:

- Software 1 to 3 years

Property, plant and equipment

Valuation:

Property, plant and equipment were valued at their acquisition cost (purchase price excluding ancillary expenses) or production cost.

Amortisation:

Amortisation is calculated using the straight line method based on the estimated useful life of each component of property, plant and equipment on the following bases:

- Buildings 25 to 50 years
- Fixtures and building furnishings 10 to 20 years
- Office supplies and computers 3 to 10 years

Depreciation:

At the end of each year, the company assesses the value of its property, plant and equipment to determine whether there are indications of a loss in value. If so, the recoverable value of the asset is estimated. If the recoverable value is less than the book value, a write-down is taken for the amount of the difference.

Non-current financial assets

The gross value consists of the purchase cost, excluding ancillary expenses.

If the asset value is less than the gross value, a write-down is taken for the amount of the difference.
The asset value is assessed on the basis of the net position, which may be consolidated in the case of a group of subsidiaries, and on the prospects of each subsidiary or group of subsidiaries.

Inventories

The purchase made in 1997 of resinous wood is held in stock.
The write-down taken due to the storm on 26 December 1999 was reversed in full in 2009.

Receivables and payables

Valuation and impairment:

Receivables and payables are valued at their nominal amount. A write-down is taken against receivables when their inventory value is less than their book value.

Receivables and payables denominated in foreign currencies:

These items are valued using the last exchange rate as at the close of the fiscal year. Differences resulting from this valuation are recorded as currency translation adjustments, in assets or liabilities. Provisions for foreign exchange losses are recognised for positive currency translation adjustments.

Cash

Short-term cash:

Short-term needs are financed by commercial paper issued in the market and spot loans.
The authorised outstanding paper totalled €125 million at year-end. This paper remained unused given the absence of a market for commercial paper.

Line of credit:

A line of credit is in place with several banks for a maximum amount of €145,000, with maturities falling between 1 and 4 years from the end of the fiscal year.

Accelerated depreciation/amortisation

Accelerated depreciation consisted of the difference between the depreciation calculated according to tax practices and that calculated according to the straight line method based on the estimated useful life.

Accelerated depreciation totalled €2,108,000 at year-end.

Provisions for contingent liabilities and charges

Provision for pensions:

The method used to calculate this provision is the projected credit units method. The calculation is based on the following main assumptions:

- payments received pursuant to the collective agreement “Production of papers, cardboard and cellulose”;
- discount rate: 3.90%
- social security contributions rate: 40%

The amount of the retirement commitment – including social security contributions –has been provisioned in full as at year end and totalled €181,000.

Other information

Identity of the parent company consolidating the company's financial statements:

Ets Charles NUSSE SA, a French limited company (*Société anonyme*) with an Executive Board and a share capital of €1,632,000
15, rue des Ecluses Saint Martin 75010 PARIS, France

Percentage held: 80.46%

Tax consolidation:

All the subsidiaries consolidated by full consolidation are consolidated for tax purposes, except the foreign companies and Etablissements Fernand Hess and Fils l'Agenda Moderne.

The parent company of the tax group is Exacompta Clairefontaine.

The tax savings realised by the parent company are returned to the subsidiaries when they become profitable and can charge their own losses.
The tax savings realised in 2009 totalled €2,406,000.

Individual training rights:

At year end, employees had acquired 4,506 unused hours.

Staff:

The staff of the parent company totalled 57 persons at 31 December 2009 (2 administrative managers and 55 sales managers), compared to 60 persons at 31 December 2008.

Remuneration of administrative bodies and Management:

The members of the Board of Directors receive no remuneration from the company.

The remuneration granted to the members of the Board of Directors as directors' fees totalled €60,000 in 2009, and was awarded by a decision of the Shareholders' General Meeting of 27 May 2009.

BALANCE SHEET AND INCOME STATEMENT DATA

Share capital

	Number of shares	Par value
At 1 January	1,131,480	€4
At 31 December	1,131,480	€4

Change in shareholders' equity (€000)

Shareholders' equity at 31/12/2008	**313,940**
Dividends distributed	-2,037
Change in regulated provisions	155
Income for fiscal year 2009	15,835
Shareholders' equity at 31/12/2009	**327,893**

Change in gross non-current assets

€000	Gross value at opening	Purchases	Sales	Other activity	Gross value at closing
Concessions, patents, licences	168	4		14	186
Intangible assets in progress	14	79		-14	79
Intangible assets	**182**	**83**			**265**
Land	3,651		49		3,602
Buildings and fixtures	19,889	19			19,908
Other tangible assets	49				49
Property, plant and equipment in progress					
Property, plant and equipment	**23,589**	**19**	**49**		**23,559**
Equity interests	289,218	10,022			299,240
Other non-current securities					
Loans	40,870	4,190	8,765		36,295
Other financial assets	4				4
Non-current financial assets	**330,092**	**14,212**	**8,765**		**335,539**

Inventory of securities held in the portfolio

Company name	Number of shares	% stake	Net inventory value
Papeteries de Clairefontaine	5,700,000	100%	103,001,491
Exacompta	135,000	100%	115,692,905
Ateliers de Fabrication d'Agendas	90,000	100%	49,633,433
Clairefontaine Rhodia	256,000	100 %	30,912,423
Coopérative Forestière Lorraine	1	insignificant	178

Change in depreciation/amortisation of non-current assets

€000	Provisions at year opening	Additions	Reversals	Other activity	Amounts at year end
Concessions, patents, licences	112	34			146
Intangible assets	**112**	**34**			**146**
Land					
Buildings and fixtures	6,335	785			7,120
Other tangible assets	32	13			45
Property, plant and equipment	**6,367**	**798**			**7,165**

Change in provisions and write-downs

€000	Provisions at year opening	Additions	Reversals (used)	Reversals (not used)	Amounts at year end
Accelerated depreciation/amortisation	1,953	213	58		2,108
Regulated provisions	**1,953**	**213**	**58**		**2,108**
Foreign exchange losses	6	45	6		45
Pensions and similar obligations	195	34	47		182
For taxes	52	87			139
Provisions for contingent liabilities and charges	**253**	**166**	**53**		**366**
Other non-current securities					
Writedown of stocks	183			183	0
Write-downs	**183**			**183**	**0**

Increases and reversals		
o operating	34	230
o financial	45	6
o extraordinary	300	58
Total	**379**	**294**

Receivables schedule

Receivables due (€000)	**Gross amounts**	**Less than 1 year**	**More than 1 year**
Receivables from non-current assets			
Loans	36,295	8,398	27,897
Other financial assets ***Receivables***	4		4
from current assets Trade			
receivables	2,767	2,767	
Personnel and related	12	12	
Social security	61	61	
organisations Income			
taxes Value added tax	316	316	
Group and associates	77,282	77,282	
Other receivables			
Prepaid expenses	207	207	
Total	**116,944**	**89,043**	**27,901**

Payables Schedule

Payables due – (€000)	**Gross amounts**	**Less than 1 year**	**From 1 to 5 years**
Loans and debts – Financial	862	738	124
institutions Suppliers and related	1,023	1,023	
Social security organisations	650	650	
Income taxes	395	395	
Value added tax	3,940	3,940	
Other taxes, duties and similar	298	298	
items Liabilities on non-current	38	38	
assets Group and associates			
Deferred income	97,481	97,481	
	36	36	
Total	**104,723**	**104,599**	**124**

Breakdown of prepaid expenses and deferred income

€000	**Prepaid expenses**	**Deferred income**
External expenses	172	
Financial transactions	35	36
Total	**207**	**36**

Breakdown of accrued liabilities and accrued income

€000	Accrued liabilities	Accrued income
Invoices not received/to be established	18	115
Tax and social security payables /receivables	716	51
Financial transactions		
Total	**734**	**166**

Breakdown of transfer of charges

€000	Transfer of charges
Transfer of external charges	1,646
Transfer of personnel charges	5,487
Transfer of taxes & duties	153
Total	**7,286**

Extraordinary income and expenses

€000	31/12/2009	31/12/2008
Sale of property, plant and equipment	53	142
Sale of non-current financial assets		
Reversal of accelerated depreciation	58	23
Other extraordinary reversals		21
Other income	60	114
Total extraordinary income	**171**	**300**
Sale of property, plant and equipment	49	138
Sale of non-current financial assets		
Increase in accelerated depreciation Other	213	257
extraordinary additions	87	52
Other expenses		
Total extraordinary expenses	**349**	**447**

Breakdown of income taxes

Breakdown – €000	**Income before tax**	**Taxes owed**	**Net income after tax**
Current income	13,607		13,607
Extraordinary income	-178		-178
Taxes receivable – tax consolidation		-2,406	2,406
Total	**13,429**	**-2,406**	**15,835**

Deferred and contingent tax position

€000	**Amount**
Tax on:	
Accelerated depreciation/amortisation	703
Total increases	703
Prepaid tax on:	
Paid holidays	113
Other	66
Total reductions	179
Net deferred tax position	**524**

Net contingent tax position	**0**

Financial instruments

Valuation:

The company uses derivatives products mainly to hedge against rate risks. Transactions performed to hedge exchange rate risks are insignificant.
The valuation of the financial instruments was -€1,366,000 as at 31/12/2009.

Interest rate risks:

In order to protect itself against changes in interest rates, the Group executed hedges in the form of interest rate swaps, cap and floor contracts.
The types of instruments that may be used, as well as the maximum risk levels incurred, are determined by the General Management. The risk is checked daily.

Portfolio of financial instruments at 31/12/2009:

Residual maturity (€000)	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Rate swaps	6,639	21,211	1,501	29,351
Caps purchased	250	187		437
Floors sold	125	94		219
Total	**7,014**	**21,492**	**1,501**	**30,007**

Off-balance sheet commitments

The companies which head sub-groups (Exacompta, Papeteries de Clairefontaine, Clairefontaine Rhodia, AFA) guarantee all repayments of their subsidiaries which borrow from the parent company.

There are no commitments to related companies.

Amounts concerning related companies

€000	**Related companies**
Non-current	**335,492**
assets Equity	299,240
interests Loans	36,252
Current Assets	**80,049**
Trade and intercompany receivables	2,767
Other receivables	77,282
Payables	**97,532**
Supplier and similar payables	51
Other liabilities	97,481
Financial income	**15,462**
o/w Dividends	12,601
Financial expenses	**1,293**
Operating revenue	**9,689**
Finance leasesOther	2,046
income	398
Transfer of charges	7,245

List of subsidiaries and equity interests – in euros

Direct subsidiaries in which more than 50% is held	% held Dividends received	Share capital Shareholders' equity	Shares Gross Amount Net Amount	Loans Advances
Papeteries de Clairefontaine 88480 ETIVAL CLAIREFONTAINE	100% 11,539,000	91,200,000 157,074,965	103,001,491 103,001,491	
Exacompta 138, Quai de Jemmapes 75010 PARIS	100% 303,750	2,160,000 79,233,512	115,692,905 115,692,905	6,982,143
Atelier de Fabrication d'Agendas 132, Quai de Jemmapes 75010 PARIS	100% 757,800	1,440,000 44,279,363	49,633,433 49,633,433	4,000,000
Clairefontaine Rhodia RD 52 68490 OTTMARSHEIM	100%	27,264,000 15,319,071	30,912,423 30,912,423	3,150,000

Some accounting information concerning the subsidiaries has not been provided as its disclosure could cause serious harm.

Exacompta Clairefontaine S.A.

Statutory Auditors' Reports

- **General report**
- **Special report on the regulated agreements and commitments**
- **Report on the Chairman's report on the operations of the Board of Directors and internal control**

SEREC AUDIT
Statutory Auditor

Member of the Paris Institute of Statutory Auditors

21 rue Leriche
75015 PARIS

BATT AUDIT
Statutory Auditor

Member of the Nancy Institute of Statutory Auditors

25 rue du Bois de la Champelle
54500 VANDOEUVRE LES NANCY

Report of the Statutory Auditors on the annual financial statements

Year ended 31 December 2009

EXACOMPTA CLAIREFONTAINE S.A.
A French limited company (*société anonyme*)

88480 ETIVAL CLAIREFONTAINE

REPORT OF THE STATUTORY AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS

Year ended 31 December 2009

EXACOMPTA CLAIREFONTAINE S.A.

88480 ETIVAL CLAIREFONTAINE

To the Shareholders:

In accordance with the assignment entrusted to us by your Shareholders' General Meeting, we present to you our report on the year ended 31 December 2009, concerning:

- the audit of the annual financial statements of EXACOMPTA CLAIREFONTAINE S.A., which are appended to this report;
- the bases for our assessments;
- the specific verifications and information required by law.

The annual financial statements were prepared by the Board of Directors. It is our responsibility, based on our audit, to express an opinion on those statements.

1 - Opinion on the annual financial statements

We performed our audit in accordance with the professional standards applicable in France. These standards require the performance of an audit to obtain reasonable assurance that the annual financial statements do not contain material errors.An audit involves the review, by way of sample tests or other means of selection, of the documents underlying the amounts and information set forth in the annual financial statements. It also consists of an assessment of the accounting principles followed, the significant estimates made and the presentation of the statements as a whole. We believe that the evidence we have gathered provides a reasonable basis for our opinion.

We certify that the annual financial statements are, with regard to French accounting rules and principles, in order and accurate and fairly present the results of operations for the past year and the financial position and assets of the company at the end of that year.

2 - Bases of assessments

Pursuant to the provisions of Article L.823-9 of the French Commercial Code regarding the justification of our assessments, in the midst of a financial crisis wherein it is difficult to comprehend the economic outlook, we hereby provide you with the following information:

The notes set forth the accounting rules and methods concerning equity interests.

As part of our assessment of the accounting rules and principles followed by your company, we verified the appropriateness of the accounting methods described above and the information provided in the notes to the statements, and we assured ourselves that they were applied correctly.

The assessments carried out are part of our audit of the annual financial statements, taken as a whole, and thus contributed to the formation of our opinion, which is expressed in the first part of this report.

3 - Specific checks and information

We carried out our work in accordance with the professional standards applicable in France and the specific checks required by law.

We have no comments to make about the accuracy and consistency with the annual financial statements of the information provided in the report of the Board of Directors and in the documents addressed to the shareholders concerning the financial situation and the annual financial statements.

As required by law, we herby inform you that, contrary to the provisions of Article L.225-102-1 of the French Commercial Code, your company did not provide in its management report the information concerning the remuneration and benefits paid to corporate officers as well as the commitments of any kind made to them.

Pursuant to the law, we assured ourselves that the other information regarding the identity of the holders of the capital (and voting rights) was communicated to you in the management report.

Executed in Paris and Vandœuvre-lès-Nancy, 30 April 2010

The Statutory Auditors

SEREC AUDIT	**BATT AUDIT**
Benoit Grenier	Pascal François

SEREC AUDIT
Statutory Auditor

Member of the Paris Institute of Statutory Auditors

21 rue Leriche
75015 PARIS

BATT AUDIT
Statutory Auditor

Member of the Nancy Institute of Statutory Auditors

25 rue du Bois de la Champelle
54500 VANDOEUVRE LES NANCY

Special report of the Statutory Auditors on the regulated agreements and commitments

Year ended 31 December 2009

EXACOMPTA CLAIREFONTAINE S.A.
A French limited company (*société anonyme*)

88480 ETIVAL CLAIREFONTAINE

SPECIAL REPORT OF THE STATUTORY AUDITORS ON THE REGULATED AGREEMENTS AND COMMITMENTS

Year ended 31 December 2009

EXACOMPTA CLAIREFONTAINE S.A.

88480 ETIVAL CLAIREFONTAINE

To the Shareholders:

In our role as the statutory auditors of your company, we present to you our report on the regulated agreements and commitments.

It is not our responsibility to seek out the possible existence of agreements and commitments, but to inform you, on the basis of the information provided to us, of the essential characteristics and conditions of those of which we have been informed, without having to express an opinion on their usefulness or appropriateness. It is your responsibility, pursuant to Article R.225-31 of the French Commercial Code, to assess the interest attached to entering into these agreements and commitments with a view to their approval.

No notification of agreements or commitments

We have not been informed of any agreement or commitment entered into during the year that is governed by Article L.225-38 of the French Commercial Code.

Agreements and commitments approved during prior years, the performance of which continued during the past year

In addition, pursuant to the French Commercial Code, we were informed that the performance of the following agreements and commitments, which were approved during prior years, continued during this past year.

Agreement with companies of the Exacompta Clairefontaine Group

- Nature and purpose: Exacompta Clairefontaine S.A. provides companies of the Group with administrative, legal and marketing assistance.

- Conditions: Since 1 January 2003, Exacompta Clairefontaine S.A. has received a fee from each of the companies of the Group equal to 0.2% of its value added for the previous year. For fiscal year 2009, the income recorded in the financial statements of Exacompta Clairefontaine was €397,802.

Agreement with Clairefontaine Rhodia

- Nature and purpose: Exacompta Clairefontaine S.A. leases to Clairefontaine Rhodia a residential complex located in Mulhouse.

- Conditions: Pursuant to this agreement your company recorded income of €23,000 for the year.

We have conducted the audit which we judged necessary pursuant to the professional policies of the *Compagnie Nationale des Commissaires aux Comptes* (National Institute of Statutory Auditors) relative to this assignment. This audit consisted of verifying that the information given to us was consistent with the source documents from which it was taken.

Executed in Paris and Vandœuvre-lès-Nancy, 30 April 2010

The Statutory Auditors

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Report of the Statutory Auditors on the report of the Chairman of the Board of Directors, drawn up pursuant to Article L.225-235 of the French Commercial Code

Year ended 31 December 2009

EXACOMPTA CLAIREFONTAINE S.A.
A French limited company (*société anonyme*)

88480 ETIVAL CLAIREFONTAINE

Report of the Statutory Auditors on the report of the Chairman of the Board of Directors, drawn up pursuant to Article L.225-235 of the French Commercial Code

Year ended 31 December 2009

EXACOMPTA CLAIREFONTAINE S.A.

88480 ETIVAL CLAIREFONTAINE

To the Shareholders:

In our role as statutory auditors of EXACOMPTA CLAIREFONTAINE S.A. and pursuant to the provisions of Article L. 225-235 of the French Commercial Code, we hereby present to you our report on the report prepared by the Chairman of your company in accordance with the provisions of Article L. 225-37 of the French Commercial Code with regard to the year ended 31 December 2009.

The Chairman is required to draw up and submit a report to the Board of Directors for approval detailing the internal control and risk management procedures established by the company, in addition to other information required by Articles L.225-37 of the French Commercial Code relating in particular to corporate governance.

It is our responsibility to:

- provide you with our comments on the information contained in the Chairman's report, concerning the internal control procedures for preparing and treating accounting and financial information; and

- certify that the report comprises all the other information required by Article L.225-37 of the French Commercial Code, it being specified that it is not our responsibility to verify the accuracy of said other information.

We carried out our work in accordance with the professional standards applicable in France.

Information concerning the internal control and risk management procedures for preparing and treating accounting and financial information

The professional standards require the performance of an audit that to assess the accuracy of the information concerning the internal control procedures related to the preparation and treatment of accounting and financial information contained in the Chairman's report. This audit *inter alia* involves:

- acquainting ourselves with the internal control and risk management procedures for the preparation and treatment of the accounting and financial information that underlies the information presented in the Chairman's report, and also the existing documentation;
- acquainting ourselves with the work that enabled the preparation of this information, and with the existing documentation;
- determining whether the main deficiencies in the internal controls for the preparation and treatment of the accounting and financial information which we found during the course of our assignment are appropriately discussed in the Chairman's report.

Based on the work performed, we have no comments to make with regard to the information concerning the internal control and risk management procedures of the company for the preparation and treatment of the accounting and financial information in the report of the Chairman of the Board of Directors, which was prepared in accordance with the provisions of Article 225-37 of the French Commercial Code.

Other information

We hereby certify that the report of the Chairman of the Board of Directors comprises the other information required by Article L.225-37 of the French Commercial Code.

Executed in Paris and Vandœuvre-lès-Nancy, 30 April 2010

The Statutory Auditors

SEREC AUDIT	**BATT AUDIT**
Benoit Grenier	Pascal François

Exacompta Clairefontaine S.A.

Consolidated Financial
Statements as at
31 December 2009.

Consolidated balance sheet

€000	31/12/2009	31/12/2008	Notes
NON-CURRENT ASSETS	**234,750**	**237,957**	
Intangible assets Intangible assets -	12,852	14,044	(2.1.4)
Goodwill Property, plant and equipment	12,378	14,110	(2.1.4)
Financial assets	206,714	206,499	(2.1.5)
Deferred taxes	2,437	2,554	(2.1.6)
	369	750	(2.4)
CURRENT ASSETS	**306,506**	**342,786**	
Inventories	138,497	157,936	(2.2.1)
Trade and other receivables	120,151	154,535	(2.2.2)
Advances	1,288	1,681	
Taxes receivable	234	3,483	
Cash and cash equivalents	46,336	25,151	(2.2.3)
TOTAL ASSETS	**541,256**	**580,743**	

SHAREHOLDERS' EQUITY	**362,141**	**359,423**	
Capital	4,526	4 526	
Reserves related to	235,604	230,755	
capital Consolidated	119,105	121,063	
reserves Currency	-1,603	-2,072	
translation reserve	4,458	5,237	
Profit/(Loss) – Group share			
Shareholders' equity – Group share	**362,090**	**359,509**	
Minority interests	51	-86	
NON-CURRENT LIABILITIES	**72,432**	**100,964**	
Interest bearing debt	31,161	62,259	(2.6)
Deferred taxes	28,146	28,119	(2.4)
Provisions	13,125	10,586	(2.5)
CURRENT LIABILITIES	**106,683**	**120,356**	
Trade payables	44,388	57,018	
Short-term portion of interest-bearing debt	7,972	11,980	(2.6)
Provisions	2,525	1,952	(2.5)
Tax liabilities	3,940	0	
Other liabilities	47,858	49,406	(2.8)
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**541,256**	**580,743**	

Consolidated Income Statement

€000	31/12/2009	31/12/2008	Notes
Income from ordinary activities	530,693	546,605	
- Sales of products- Sales of services	522,670 8,023	539,792 6,813	
Other operating income	12,714	11,807	
- Reversal of depreciation/amortisation - Subsidies - Other income	885 44 11,785	1,925 33 9,849	(2.1.4, 2.1.5)
Change in inventories of finished products and work-in-process	-14,523	3,351	(2.2.1)
Capitalised production costs	537	478	
Goods and materials used	-231,137	-266,206	(2.2.1)
External expenses	-85,155	-89,296	
Personnel expenses	-149,662	-143,248	(2.11)
Taxes and duties	-13,493	-12,654	
Depreciation/amortisation	-25,241	-25,325	(2.1.4, 2.1.5)
Other operating expenses	-11,237	-13,271	
OPERATING PROFIT – before amortisation of goodwill	**13,496**	**12,241**	
Amortisation of goodwill	-2,006	0	(2.1.4, 2.1.1)
OPERATING PROFIT – after amortisation of goodwill	**11,490**	**12,241**	
Financial income Financial expenses	3,155 -4,605	4,697 -9,695	
Financial income	-1,450	-4,998	(2.12)
Income taxes	-5,587	-2,151	(2.4, 2.10)
Income after tax	**4,453**	**5,092**	

Net income – minority share	**-5**	**-145**
Net income – Group share	**4,458**	**5,237**

Income for the period	4,458	5,237	
Number of shares	1,131 480	1,131 480	(2.3)
EARNINGS PER SHARE (basic and diluted)	**3.94**	**4.63**	

Combined income statement

€000	31/12/2009	31/12/2008
Net income for the period	**4,453**	**5,092**
Currency translation differences resulting from the conversion of foreign entities' financial statements	471	-1,374
Losses from the buyback of minority interests	-169	-3
Total combined income	**4,755**	**3,715**
Attributable to: - minority interests - the Groupe	 147 4,608	 -140 3,855

Statement of changes in consolidated shareholders' equity

€000	Shareholders' equity – Group share	Shareholders' equity – minority share	Total shareholders' equity
Balance at 31/12/2007	**357,917**	**54**	**357,971**
Currency translation difference	-1,374		-1,374
Sale of shares to Group – reclassification of minority interests	-8	5	-3
Share of minority interests in acquisitions			
Other changes			
Total from operations that did not affect earnings	-1,382	5	-1,377
Profit/(Loss) for the year	5,237	-145	5,092
Dividends	-2,263		-2,263
Balance at 31/12/2008	**359,509**	**-86**	**359,423**
Currency translation difference	469	2	471
Sale of shares to Group – reclassification of minority interests	-319	150	-169
Other changes			
Total from operations that did not affect earnings	150	152	302
Profit/(Loss) for the year	4,458	-5	4,453
Dividends*	-2,027	-10	-2,037
Balance at 31/12/2009	**362,090**	**51**	**362,141**

* €1.80 per share.

Statement of consolidated cash flows

The opening and closing cash in the cash flow statement is determined as follows:

€000	31/12/2009	31/12/2008	Notes
Cash and cash equivalents in assets	46,336	25,151	(assets)
Bank overdrafts payable on demand	-7,354	-10,564	(2.6)
Accrued interest on financial debt		-49	(2.6)
Cash in statement of changes in cash flow	**38,982**	**14,538**	

The reconciliation with the "Short-term portion of interest bearing debt" recorded in liabilities is presented in note 2.6.

Change in cash flows

€000	31/12/2009	31/12/2008	Notes
Total consolidated net income	**4,453**	**5,092**	
Elimination of operating expenses and income that do not affect cash or which are not related to operations:			
• Depreciation, amortisation and provisions	29,817	19,692	
• Change in deferred taxes	27	969	
• Gains on sales, net of taxes	50	383	(2.1.4 to 2.1.6, 2.5)
• Currency translation adjustments	471	-1,374	(2.4)
• Other	-169	-15	
Cash flow of consolidated companies	*34,649*	*24,747*	
• Change in working capital requirements for operations	40,420	986	Balance sheet
• Change related to income taxes	9,757	-5 420	
• Income taxes paid	-2,568	465	
(1) Net cash flow from operating activities	**82,258**	**20,778**	
• Purchases of fixed assets	-29 033	-28,822	
• Sales of fixed assets	5 094	3,233	
• Effect of changes in consolidation– purchases	-607	-5,288	(2.1.4 to 2.1.6)
• Effect of changes in consolidation– sales	617	0	
(2) Cash flow from investing activities	**-23,929**	**-30,877**	
• Dividends paid	-20,812	-8,541	
• Dividends received	18,775	6,278	
• Capital increase			(Change in shareholders' equity)
• Borrowings	3,955	9,640	
• Loans repaid	-35,041	-8,034	
• Interest paid	-955	-4,640	
• Interest received	193	548	
(3) Cash flow from financing activities	**-33,885**	**-4,749**	
(1+2+3) Total cash flow	**24,444**	**-14,848**	

Opening cash	14,538	29,386
Closing cash	38,982	14,538
Change in cash	**24,444**	**-14,848**

Presentation of the consolidated financial statements

1- General principles – statement of conformity

The consolidated financial statements of the EXACOMPTA CLAIREFONTAINE Group were prepared in accordance with the IFRS (International Financial Reporting Standards), as adopted within the European Union.
The consolidated financial statements of the Exacompta Clairefontaine Group were prepared by the Board of Directors on 12 April 2010. They will not be final until they have been approved by the Shareholders' General Meeting.

2- Adoption of international standards

New mandatory standards in 2009:

- IAS 1 *Presentation of financial statements* revised
- IFRS 8 *Operating sectors* (which replaces IAS 14 *Segment information*)
- IAS 23 *Borrowing Costs* revised

The application of these standards to the consolidated financial statements issued on 31 December 2009 did not have a significant impact on the Group's financial statements.

Standards adopted by the European Union in 2009 for which application is not mandatory:

At 31 December 2009, the Group did not expect the application of any standard or interpretation. The impacts of the new standards, namely IFRS 3 – *Business combinations* revised and IAS 27 – *Consolidated and separate financial statements* revised are currently being studied.
However, the new standards taking effect as of 1 January 2010 are not expected to have any significant impact on the financial statements.

At its meetings on 23 and 24 June 2005, the IASB withdrew the IFRIC 3 interpretation regarding the accounting treatment of greenhouse gas emission rights. As a result, the accounting treatment applied is described in note 8. This treatment is being used provisionally while waiting for a definitive IASB position.

3- Bases of preparation of the financial statements

The financial statements are presented in euros, rounded to the nearest one thousand euros. They are prepared on the basis of historical cost, with the exception of financial instruments, which are shown at their fair value.

The preparation of the financial statements according to IFRS requires the exercise of judgement by Management in making estimates and assumptions that have an impact on the application of the accounting methods and on the amounts of the assets and liabilities, and revenues and expenses. The underlying estimates and assumptions are made based on past experience and other factors deemed reasonable in view of the circumstances.

They are also the basis for the exercise of judgment necessary for the determination of the book values of assets and liabilities that cannot be obtained directly from other sources. The real values may differ from the estimated values.
The underlying estimates and assumptions are re-examined on an ongoing basis. The impact of changes in accounting estimates is recorded during the period in which the change occurs and all the other periods affected.

The accounting methods described below have been applied on an ongoing basis to all the periods presented in the consolidated financial statements. Furthermore, said methods have been applied uniformly to all the entities of the Exacompta Clairefontaine Group.

4- Consolidation of subsidiaries

The consolidated financial statements include the financial statements of the parent company, Exacompta Clairefontaine, and those of the entities controlled by the parent company (the "subsidiaries"). Control means the power to direct, directly or indirectly, the financial and operating policies of the entity in order to obtain benefits from its activities.
The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control was obtained, and until the date on which control is no longer held.

The balances shown in the balance sheet, contingent losses and gains, and the revenues and expenses resulting from transactions within the Group are eliminated in the consolidation.
Contingent gains arising from transactions with affiliates are eliminated in the proportion of the Group's ownership percentage. Contingent losses are eliminated in the same way, but only if they do not represent a loss in value.

5 – Foreign currencies

The individual financial statements of each of the Group's entities are presented in the currency of the economic environment in which that entity operates. For the purposes of the consolidated financial statements, the profit or loss and the financial position of each entity are stated in euros, which is the functional currency of Exacompta Clairefontaine S.A. and the currency in which the consolidated financial statements are presented.

Transactions in foreign currency are recorded at the exchange rate in effect on the date of the transaction.
Monetary assets and liabilities denominated in a foreign currency as of the year-end date are converted to euros at the exchange rate in effect on that date. The currency translation differences resulting from this conversion are recorded in the income statement as income or expense, as applicable.

The assets and liabilities of each individual entity that engages in its activity abroad are converted to euros at the exchange rates in effect as of the year-end date. Income and expenses are converted at the average exchange rates for the period, which is a sufficient approximation of the rates on the transaction dates, in the absence of significant fluctuations.
The currency translation differences resulting from the conversion are recorded in the currency translation adjustment as a separate component of shareholders' equity.

6- Business combinations

Acquisitions of subsidiaries are recorded using the acquisition method set forth in IFRS 3. The acquisition cost is deemed to be the total of the fair values of the assets obtained and the liabilities incurred as of the date on which control of the entity is taken.

The goodwill acquired as part of a business combination is recorded as an asset, and is initially valued at its cost, meaning the excess of the cost of the business combination over the purchaser's share in the net fair value of the assets, liabilities and identifiable potential liabilities. If the purchaser's share exceeds the cost of the business combination, the excess is recorded immediately in the income statement.

A business combination involving a number of entities under common control is a grouping in which all of the entities or the activities that are grouped are controlled by the same party, both before and after the combination, and this control is not temporary.
In the absence of specific provisions in the standards, the Group has elected to apply the book value method to all operations involving the entities under common control.

7- Property, plant and equipment

The land and buildings held by the Group are intended for use in the production or supply of goods and services, or for administrative purposes. The Group does not hold any significant real estate that falls within the category of investment property.
The industrial facilities and other equipment are assets held in respect of activities related to the production or supply of goods and services.

All of the property, plant and equipment owned by the Group are recorded at the initial purchase cost, less accumulated depreciation and impairment.
Property, plant and equipment under construction are assets intended for use in production and are recorded at cost, less any impairment identified.
When the components of fixed assets have different useful lives, they are recorded as a separate asset. All current service and maintenance costs are recorded as expenses at the time they are incurred.

Lease agreements that involve the transfer to the Group of nearly all of the risks and benefits inherent in owning an asset are classified as financial lease agreements. The respective assets are booked as fixed assets at their fair value or, if lower, at the discounted value of the minimum lease payments less accumulated depreciation and impairment, as the offset to a financial debt.
The minimum payments under these agreements are divided between financial expenses and amortisation of the debt. The financial expense is charged to each period covered by the financial lease agreement so as to obtain a constant periodic interest rate on the balance of the remaining financial payable shown in liabilities.
These assets are depreciated over their expected useful life on the same basis as owned assets.

Depreciation is recognised as expenses using the straight line method, without any residual value. The depreciation is calculated based on the estimated useful life of each component of property, plant and equipment on the following bases and by year:

- Land	not depreciated
- Buildings	25 to 40 years
- Fixtures and furnishings	10 to 20 years
- Technical installations and equipment	10 to 20 years
- Other office supplies and computers	3 to 10 years

The useful life of the main assets is reviewed when the accounts are closed. If necessary, the change in the useful life is recorded on a prospective basis as a change in an accounting estimate.

8- Intangible assets

Research and development costs

Research costs are recorded as expenses in the year in which they are incurred.
Development expenses are recorded as a non-current asset if the costs can be reliably measured and if the Group can demonstrate the technical and commercial feasibility of the product or procedure, the existence of probable future economic benefits and its intention, as well as the availability of sufficient resources, to complete the development and use or sell the asset.
When the requirements for recording development expenses in assets are not met, they are recognised as expenses for the year in which they are incurred.
A review of the costs incurred led the Group not to book development expenses.

Greenhouse gas emission rights

The paper subsidiaries of the Group engage in an activity that is regulated by Order no. 2004-330 of 15 April 2004, with the adaptation to French law, in the environmental code, of directive 2003/87/EC of the European Parliament and the Council, establishing a quota trading system for greenhouse gases, adopted on 13 October 2003.
A quota is a unit of account that represents the emission of one tonne of carbon dioxide that is covered by a certificate issued by the State, which is valid for a specific period of time.
The State allocates a certain number of quotas to operators for each authorised facility. The total volume of carbon dioxide emitted by each facility during one calendar year is measured or calculated, and stated in tonnes of carbon dioxide.
The operator is required to compensate the State each year for the number of quotas equal to the total of its emissions during the past calendar year.
The State allocates quotas free of charge under a national quota allocation plan. The first three-year period ended on 31 December 2007. The second five-year period commenced on 1 January 2008 and runs from 2008 to 2012.

The quotas are movable property that are documented only by an entry in the owner's account in the French national register. They are negotiable and may be transferred from one account to another, and give their holders identical rights.
Although they do not directly increase the future economic benefits of an existing asset, the emission quotas are necessary for the subsidiaries to achieve future economic benefits from their other assets.
Therefore, they are recorded as assets as an intangible asset.
The obligation to compensate the State for gas emissions that occur during the period generates the recognition of a liability for that expense.

The greenhouse gas emission quotas are recorded at the value determined in the exchange market on the date they are received plus, if applicable, the value of the quotas purchased in the market.
The liability corresponding to the emission quotas to be compensated is valued based on the initial value of the quotas allocated plus, if applicable, the value of the quotas purchased in the market.

With regard to quotas acquired and in surplus, an impairment test is performed, which consists of comparing the book value to the exchange market value as of the end of the period in question.
Quotas issued by the State free of charge are not subject to impairment.

Goodwill

Goodwill arises from the acquisition of subsidiaries.
In the case of acquisitions of companies that have occurred after 1 January 2003, goodwill represents the difference between the acquisition cost and the fair value of the net assets, less any identifiable liabilities.
In the case of acquisitions prior to this date, goodwill is maintained at its presumed cost, which represents the amount recorded under the earlier accounting standard.

Goodwill is valued at cost, less accumulated impairment.

For the purposes of impairment tests, goodwill is allocated to cash generating units that are subject to an annual impairment test, so that at each account statement date there is an indication of whether the unit may be written down.
The cash generating units were determined at the level of the entities carrying goodwill. Most of these cash generating units are outside the consolidated Group, and they are smaller in size than the operating segments defined by IFRS 8 *Operating segments*.
Each year value tests are performed on all goodwill, using the discounted future cash flows method. The future cash flows are calculated for an average period of 5 years, are discounted at a rate of 8%, and include a terminal value.
If the recoverable value of the cash generating unit is less than that unit's book value, the loss in value is first allocated to reducing the book value of any goodwill allocated to that cash generating unit, and then to other assets of the unit, pro rata to the book value of each asset in the unit.

Impairment of goodwill recorded in the income statement is not reversed in a subsequent period.

Trademarks

Trademarks are recorded as intangible assets at their fair value, which is determined on the purchase date. In the absence of a foreseeable limit on their capacity to generate net cash flows, the useful life of the trademarks used by the Group is considered to be indefinite.
They are not amortised, but do undergo an annual write-down test so that at each account statement date there is an indication of any loss in value. The recoverable value is determined based on expected cash flows discounted at the rate of 8%.

The internally generated expenses related to trademarks are recorded in expenses when they are incurred.

- *Other intangible assets*

Other intangible assets that have been acquired by the Group are recorded at their cost, less amortisation and accumulated losses in value.

Amortisation is recorded as expenses using the straight line method over the estimated useful life, on the following bases and by year:

- Patents, licences and software	3 to 8 years
- Other intangible assets	5 to 10 years

9- Depreciation/amortisation of tangible and intangible assets (excluding goodwill and trademarks)

At the end of each period, the Group reviews the book values of the tangible and intangible assets in order to determine whether there is any indication that an asset has lost value. If it has, the recoverable value of the asset is estimated in order to determine the potential impairment.

When the recoverable value of a single asset cannot be estimated, the Group determines the recoverable value of the cash generating unit to which the asset belongs. The recoverable value of an asset is the higher of the fair value less sale costs and the useful value. The useful value is estimated using the discounted future cash flows method. If the recoverable value is estimated to be less than the book value, impairment is recognised immediately in expenses in the income statement.

A loss in value recorded for an asset during a prior period may be reversed if there has been a change in the estimates used to determine the recoverable value. However, this book value, increased because of a reversal of impairment, may not exceed the book value that would have been determined, net of depreciation or amortisation, if no impairment had been recorded. The reversal of impairment is recorded in the income statement.

10- Financial assets

Securities that are not consolidated are classified as assets available for sale, and are valued at their fair value; changes in that fair value are recorded in shareholders' equity.
If the fair value cannot be reliably estimated, the interests continue to be valued at the purchase cost. In the event of a writedown, the loss in value is recorded in the income statement.
Intercompany receivables and other non-current financial assets are valued at fair value when initially recorded and at the amortised cost at the time of subsequent valuations.

Trade and other receivables

Trade and other receivables are included in category IAS 39 of loans and receivables. They are valued at their fair value when initially recognised and at the amortised cost at the time of subsequent valuations. Any losses in value are recorded in the income statement when the recoverable value is less than the book value.

Inventories

Inventories are recorded at the lower of cost and net realisable value. The net realisable value is the estimated sales price in the normal course of activity, less the estimated costs for completion and the estimated costs to make the sale.
The cost includes direct raw materials' costs and direct labour costs, and directly attributable general expenses incurred to put the inventories in place in their existing condition. In general, the cost is calculated using the weighted average cost method.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank balances and short-term investments in money market instruments.
These investments can be converted into a known amount of cash within one month at most and are subject to a negligible risk of a change in value.
Marketable securities are classified in the category of assets available for sale.

Bank overdrafts repayable on demand and current borrowings, which are an integral part of the Group's cash management, are included in cash and cash equivalents for the purposes of the cash flow statement.

14- Derivative financial instruments

The Group uses financial derivatives instruments to hedge its exposure to the interest rate risks resulting from its operating, financial and investing activities. Under its cash management policy, the Group does not hold or issue financial derivatives instruments for transaction purposes.

The Group does not apply special hedge accounting (cash flow and fair value hedges). Derivative financial instruments are included in financial assets and liabilities, at their fair value through profit/loss. The profit or loss resulting from subsequent valuations of the fair value is recorded immediately as income.

The fair value of interest rate swaps, caps and floors is the estimated amount the Group would receive or pay to settle the instruments at the closing date.

15- Interest bearing debt

All financial instruments are initially valued at their fair value and at their amortised cost at the time of subsequent valuations.

Transaction costs are included in the initial valuation of the financial instruments that are not valued at fair value through profit or loss. The transaction costs are the marginal costs directly attributable to the purchase or issuance of a financial instrument and do not include internal administration costs.

All loan expenses are recorded as expenses for the period in which they are incurred.

16- Personnel benefits

Defined contribution plans

Payments to a defined contribution plan are recorded as expenses at the time they are incurred.

Provisions for pensions

The net obligation of the Group for defined benefit plans is estimated separately for each scheme by estimating the amount of the future benefits acquired by personnel in exchange for services rendered during the present and prior periods.

This amount is discounted to determine its present value, and is reduced by the fair value of the assets of the scheme. The discount rate is determined using the market rate of the OATs (French treasury bonds) on the closing date, based on the obligations of leading companies. The calculations are performed using the projected credit units method. All actuarial adjustments are recorded immediately in expenses for the period.

17- Provisions

A provision is recorded in the balance sheet when the Group has a current legal obligation or an implicit obligation resulting from a prior event, and it is probable that an outflow of resources representing economic benefits will be necessary to satisfy the obligation.

A restructuring provision is recorded when a transaction is approved by the Group and has been the subject of a communication.

The amount recorded in provisions is the best estimate of the expense that will be required to satisfy the obligation, and it is updated when the effect is significant.

18- Income

Income from ordinary activities

Sales of products and services are valued at the fair value of the consideration received or receivable, net of trade discounts and sales taxes.

Sales of goods are recorded in the income statement at the time of delivery of the goods and transfer of ownership to the buyer, who takes on their risks and benefits.
Income obtained from the provision of services is recorded in the income statement based on the degree of progress in the provision of the service as of the closing date, and is valued based on the work performed.

Public subsidies

The public subsidies that offset some expenses incurred by the Group are recorded systematically as income in the income statement, for the period in which the expenses are incurred.

The subsidies that cover all or part of the costs of an asset are deducted from this asset to determine its cost price.
The subsidy is recorded as income over the useful life of the asset and can be amortised through a decrease in the depreciation expense.

19- Expenses

Payments under simple lease agreements

Payments under simple lease agreements are recognised as expenses on a straight line basis over the term of the agreement.
The benefits received or receivable by the lessee are recorded as income according to the same rule, spread out over the term of the agreement.

Financial income

The net financial income/(expense) includes interest payable on loans and cash liabilities, interest receivable on investments, foreign exchange gains and losses, and gains and losses on financial instruments. All are recorded in the income statement.

20- Income tax

Income taxes include the tax expense or income due, and the deferred tax expense or income. The tax is recorded in income unless it is related to items that are recorded directly in shareholders' equity, in which case it is also recorded in shareholders' equity.

The tax payable is the estimated amount of the tax due on taxable income for a period, which is determined by using the tax rates that have been adopted or nearly adopted at the closing date, and any adjustment of the amount of tax payable for prior periods.

The deferred tax is determined using the accrual method for all timing differences between the book value of the assets and liabilities and their tax bases, by using the tax rates that were adopted or nearly adopted at the closing date.

The following items do not result in the recognition of deferred taxes:

- Goodwill not deductible for tax purposes;
- Initial accounting (except in the case of a business combination) of an asset or liability that affects neither accounting income, nor taxable income.

A deferred tax asset is not recorded unless it is probable that the Group will have future taxable income against which this asset can be charged. Deferred tax assets are reduced when it is no longer probable that sufficient taxable income will be available.
Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities due, and when they concern taxes on income deducted by the same tax authority and the Group intends to pay them based on their net amount.

21- Financial risk management

Generally, the Exacompta Clairefontaine Group does not engage in any complex financial transactions. However, it is exposed to certain risks related to the use of financial instruments in the context of its activities.
Risk management is performed by the operating units, in accordance with the policy established by Senior Management.

Market risks

Exposure to market risks consists mainly of exchange rate and interest rate risks.

- Foreign exchange risk

The Group operates internationally, but has little exposure to foreign exchange risks because of the local presence of its main subsidiaries. Risks related to commercial transactions that are denominated in a currency other than the respective functional currencies of Group entities are related mainly to purchases of raw materials.

In order to manage exchange rate risk, the Group hedges approximately 50% of its anticipated future transactions in each significant currency for the coming three months, using options contracts. Changes in exchange rates had no significant impact on the income statement or shareholders' equity at 31 December 2009.

- Interest rate risk

The risk to which the Group is exposed comes from borrowings. The borrowings initially undertaken at floating rates expose the Group to the risk of cash flow changes. The Group adapts its rate hedging decisions based on trends in interest rates and its outstanding debt. To this end, it enters into interest rate swaps.

Liquidity risk

The Group's approach to managing this risk is to ensure that it always has sufficient liquid assets to meet its liabilities when due without incurring unacceptable losses or damaging its reputation. To this effect, short-term financing (maturities of less than one year) is provided by commercial paper or spot loans on which a fixed rate is paid. The Group also has a line of credit to cover medium- and long-term maturities.

Credit risk

The credit risk represents the risk of financial loss for the Group if a client or counterparty to a financial instrument fails to perform its contractual obligations.

- Trade and other receivables

The concentration of credit risk is not significant. It is divided among a large number of clients. The risk of default by business sector and country in which the clients engage in their activities does not have a significant impact on credit risk.
The Group has implemented tools to monitor outstandings that enable it to ensure that its clients have an appropriate credit risk history. Clients that do not satisfy solvency requirements cannot carry out transactions with the Group without making advance payments. In addition, credit risk is limited by taking out credit insurance contracts.
The Group determines a level of write-downs that represent its estimate of losses that will be incurred in respect of trade and other receivables. Losses in value correspond to specific losses related to individual risks.
The amounts presented in the balance sheet are net of losses in value recorded.

- Investments

The Group limits its exposure to credit risk from investments, short-term deposits and other cash instruments, by investing only in liquid securities.
As the counterparties are leading banks, the Group does not expect that any of them will default.

22- Segment information

The application by the Group of the new standard IFRS 8 *Operating segments* did not affect the presentation of the financial statements, as the reporting carried out pursuant to the old standard IAS 14 *Segment information* was already based on data taken for the Group internal organisation.
As such, there is no requirement to adjust the segment information for previous comparative periods.

Based on the Group internal organisation, the operating segments concerned by financial reporting are defined by area of activity.

The main activities, by area of activity, are as follows:

- Paper: production, finishing and formatting of paper
- Processing: manufacture of paper, office and filing articles

Transactions among the different areas of activity are carried out on arm's length terms.

Segment information by geographic area is also presented and is divided for revenues, by sales-to-customer area and, for other information, by the area in which the consolidated companies are located.

Notes to the consolidated financial statements

1. CONSOLIDATED ENTITIES

All the companies have been consolidated at 31 December 2009 using the full consolidation method (FC).

Name	Address	% stake	% controlling interest	Consolidation method	FRENCH BUSINESS REGISTRATION No. (SIREN)
EXACOMPTA CLAIREFONTAINE	88480 ETIVAL CLAIREFONTAINE			Parent company	505 780 296
A.B.L.	132, Quai de Jemmapes 75010 PARIS	100	100	F.C.	622 033 124
A.F.A.	132, Quai de Jemmapes 75010 PARIS	100	100	F.C.	582 090 452
L’AGENDA MODERNE	42, rue de Sévigné 75003 PARIS	100	100	F.C.	552 097 347
BRAUSE GmbH	D – 51149 KÖLN	100	100	F.C.	
BRAUSE Produktion	D – 51149 KÖLN	100	100	F.C.	
CARTOREL	358, Avenue de Paris 79025 NIORT	100	100	F.C.	025 770 470
CFR Ile Napoléon	RD 52 68490 OTTMARSHEIM	100	100	F.C.	439 721 697
CHÂTELLES TRANSFORMATION	Route des Châtelles 88110 RAON L’ETAPE	100	100	F.C.	492 300 561
PAPETERIES DE CLAIREFONTAINE	88480 ETIVAL CLAIREFONTAINE	100	100	F.C.	402 965 297
CLAIREFONTAINE RHODIA	RD 52 68490 OTTMARSHEIM	100	100	F.C.	339 956 781
CLAIRCELL	ZI – rue de Chartres 28160 BROU	100	100	F.C.	432 357 358
CLAIR MOROCCO	Parc industriel de Bouskoura, lot n°4 20180 BOUSKOURA	100	100	F.C.	
EXACLAIR POLSKA	Ul lesnà 23 – Kotowice PL – 55–011 SIECHNICE	100	100	F.C.	
COGIR	10, rue Beauregard 37110 CHATEAU RENAULT	100	100	F.C.	885 783 159
REGISTRES LE DAUPHIN	27, rue Georges Sand 38500 VOIRON	100	100	F.C.	055 500 953
DECOPATCH	6, rue Henri Becquerel 69740 GENAS	100	100	F.C.	400 210 449

EVERBAL	2, Route d'Avaux 02190 EVERGNICOURT	100	100	F.C.	542 091 194
EXACLAIR BARCELONA	E - 08110 MONTCADA Y REIXAC	100	100	F.C.	
EXACLAIR BRUSSELS	249, Boulevard de l'Humanité B – 1620 DROGENBOS	100	100	F.C.	
EXACOMPTA	138, Quai de Jemmapes 75010 PARIS	100	100	F.C.	702 047 564
EXACLAIR IRELAND	9, Cedar Drive - Millfarm DUNBOYNE	100	100	F.C.	
EXACLAIR NEW YORK	143 west, 29th street USA – NEW YORK	100	100	F.C.	
FACIMPRIM	15, rue des Ecluses Saint Martin 75020 PARIS	100	100	F.C.	702 027 665
GRAFOCARTE	125, rue Jean Jacques Rousseau 92130 ISSY LES MOULINEAUX	100	100	F.C.	342 163 532
IMPRIMERIE GIRAULT MORIN	138, Quai de Jemmapes 75010 PARIS	100	100	F.C.	312 058 100
INTERVAL EDITIONS	3, rue Fortia 13001 MARSEILLE	100	100	F.C.	438 399 685
KERLUDE	Pen A Hoat 22780 LOGUIVY PLOUGRAS	100	100	F.C.	437 350 416
KOHLER	D – 51149 KÖLN	100	100	F.C.	
LALO	138, Quai de Jemmapes 75010 PARIS	100	100	F.C.	572 016 814
CALENDRIERS LAVIGNE	125, rue Jean Jacques Rousseau 92130 ISSY LES MOULINEAUX	100	100	F.C.	652 000 498
MAILDOR PRODUCTION	Zone Industrielle 76220 GOURNAY EN BRAY	100	100	F.C.	562 078 519
MAKANE BOUSKOURA	Parc industriel de Bouskoura, lot n°4 20180 BOUSKOURA	100	100	F.C.	
PAPETERIE DE MANDEURE	14, rue de la Papeterie 25350 MANDEURE	100	100	F.C.	339 310 807
MANUCLASS	ZI d'Etriché 49500 SEGRE	100	100	F.C.	318 110 665
ERNST STADELMANN	Bahnhofstrasse 8 A – 4070 EFERDING	99	99	F.C.	
PELISSIER MI	ZI - rue de Chartres 28160 BROU	100	100	F.C.	490 846 763
PUBLIDAY MULTIDIA	Parc industriel de Bouskoura, lot n°4 20180 BOUSKOURA	100	100	F.C.	
EDITIONS QUO VADIS	14, rue du Nouveau Bêle 44470 CARQUEFOU	100	100	F.C.	054 807 748
QUO VADIS International Ltd	1055, rue Begin - Ville Saint Laurent QUEBEC H4R 1V8	100	100	F.C.	
QUO VADIS Italy Srl	19 via Roberto Lepetit I – 20124 MILANO	100	100	F.C.	

QUO VADIS Japan Co Ltd	Sangenjaya Combox 4F 1–32–3 Kamjuma Setagaya-Ku, TOKYO	100	100	F.C.	
QUO VADIS Polonia Spzoo	Ul Oeniadeckich 18 60–773 POZNAN	100	100	F.C.	
QUO VADIS Editions Inc	120, Elmview Avenue HAMBURG, NY 14075–3770	100	100	F.C.	
IMPRIMERIE RAYNARD	6, rue de la Papeterie 35130 MANDEURE LA GUERCHE DE BRETAGNE	100	100	F.C.	659 200 786
CLAIREFONTAINE RHODIA Ltd	Crest House, 7 Highfield Road Edgbaston, BIRMINGHAM	100	100	F.C.	
RODECO	D - 51149 KOLN	100	100	F.C.	
ROLFAX	ZI route de Montdidier 60120 BRETEUIL	100	100	F.C.	432 030 088
SCHUT	Kabeljauw 2 NL – 6866 HEELSUM	100	100	F.C.	
SILL	Rue du Moulin 62570 WIZERNES	100	100	F.C.	085 650 141
SOFAC	125, rue Jean Jacques Rousseau 92130 ISSY LES MOULINEAUX	100	100	F.C.	332 346 444
PAPETERIE VERILHAC FRERES	Lieudit Noyer Chut SECHILIENNE 38220 VIZILLE	100	100	F.C.	054 504 410
TOLLIT & HARVEY Ltd	Oldmedows Road KING'S LYNN, Norfolk PE30 4LW	100	100	F.C.	

Changes affecting the scope of consolidation	
Companies newly consolidated - acquisitions	Companies no longer consolidated
• Acquisition of minority interests in CLAIR MOROCCO and PUBLIDAY MULTIDIA – 3 March 2009 • ETABLISSEMENTS FERNAND HESS ET FILS L'AGENDA MODERNE – 7 July 2009 – *Production of luxury diaries*	• NAUTICARD INTERNATIONAL - Liquidation 11 June 2009 • BRAUSE PRODUKTION I.L. – Liquidation 10 December 2009. • SCI DE PEN HOAT – Sold on 23 December 2009

The effects of the changes in the scope of consolidation are detailed in the information in the balance sheet and income statement below.

2. INFORMATION ON THE CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT

2.1 Non-current assets

2.1.1 Intangible assets

Greenhouse gas emission rights

The greenhouse gas emission quotas are recorded at the value determined in the exchange market on the date they are received.
The net amount of greenhouse gas emission rights recorded in assets totalled €1,033,000 on 31 December 2009.

Trademarks

The item "concessions, patents, licences" includes trademarks totalling €9,005,000.

The impairment tests are carried out based on expected future cash flows discounted at the rate of 8%.
No loss in value was recorded in the financial statements for 2009.

Goodwill

The goodwill recorded applied mainly to 6 subsidiaries at 31 December 2009.

Goodwill recorded for 2009 arises from the acquisition of businesses for €195,000, and the acquisition of Ets Fernand Hess et fils L'Agenda Moderne for €152,000.

Future cash flows are calculated over an average period of 5 years. They are discounted at the rate of 8% and include a terminal value.
A writedown in goodwill of €2,006,000, resulting from a decrease in profitability, which in turn caused the ability to generate net cash flows in the Processing segment to be revised, is recorded in the income statement.

The segment information shows the distribution of goodwill by business and geographic segment.

2.1.2 Property, plant and equipment

The useful life of the principal assets has been reviewed by the Group. No changes in useful lives leading to a material change in the accounting estimates were identified during the year.

Financial lease agreements aggregated in the respective tables

€000	31/12/2009	31/12/2008
Property, plant and equipment	**16,816**	**18,182**
Land	53	76
Buildings	5,918	7,261
Plant, supplies and equipment	10,845	10,845
Depreciation and amortisation	**11,565**	**11,083**
Accumulated as at opening	11,083	10,155
Increase for the period	930	928
Sale of SCI de Pen Hoat	-448	
Loans	**127**	**932**

2.1.3 Financial assets

Unconsolidated equity interests and other non-current securities are valued at their purchase costs, in the absence of a reliable fair value. The valuation thereof takes into account their useful value and their net book value.
Intercompany receivables and other financial assets are valued at their amortised cost. The fair value is equal to the book value.

2.1.4 Intangible assets

At 31 December 2009 (€000)	Goodwill	Concessions, patents, licences and similar rights	Other	Total
Gross value at opening	16,767	22,338	1,762	40,867
Purchases	346	2,473	319	3,138
Sales		-587	-355	-942
Changes in scope of consolidation		-13	-15	-28
Currency translation adjustments		8	-10	-2
Transfers and other activity	-72	-2,554	-24	-2,650
Gross value at closing	**17,041**	**21,665**	**1,677**	**40,383**
Amortisation and write-downs at opening	2,657	8,903	1,153	12,713
Sales		-418	-303	-721
Changes in scope of consolidation		27	-3	24
Amortisation		925	254	1,179
Write-downs	2,006			2,006
Reversals		-32	-15	-47
Currency translation adjustments		7	-8	-1
Transfers and other activity				
Amortisation and write-downs at closing	**4,663**	**9,412**	**1,078**	**15,153**
Net book value at opening	**14,110**	**13,435**	**609**	**28,154**
Net book value at closing	**12,378**	**12,253**	**599**	**25,230**

At 31 December 2008 (€000)	Goodwill	Concessions, patents, licences and similar rights	Other	Total
Gross value at opening	18,168	20,058	1,499	39,725
Purchases	1,096	3,978	127	5,201
Sales		-624	-2	-626
Changes in scope of consolidation				
Currency translation adjustments		-12	15	3
Transfers and other activity	-2,497	-1,062	123	-3,436
Gross value at closing	**16,767**	**22,338**	**1,762**	**40,867**
Amortisation and write-downs at opening	5,154	8,848	935	14,937
Sales		-571	-2	-573
Changes in scope of consolidation				
Amortisation		949	260	1,209
Write-downs		250		250
Reversals		-597	-15	-612
Currency translation adjustments		-11	10	-1
Transfers and other activity	-2,497	35	-35	-2,497
Amortisation and write-downs at closing	**2,657**	**8,903**	**1,153**	**12,713**
Net book value at opening	**13,014**	**11,210**	**564**	**24,788**
Net book value at closing	**14,110**	**13,435**	**609**	**28,154**

2.1.5 Property, plant and equipment

At 31 December 2009 (€000)	Land and Buildings	Plant and equipment	Other fixed assets	Advances and fixed assets in progress	Total
Gross value at opening	125,119	336,854	27,479	6,251	495,703
Purchases	2,926	13,800	1,288	7,846	25,860
Sales	-1,576	-11,802	-1,006		-14,384
Changes in scope of consolidation	-1,186	926	73		-187
Currency translation adjustments	143	353	62		558
Transfers and other activity	856	5,151	-40	-6 137	-170
Gross value at closing	**126,282**	**345,282**	**27,856**	**7,960**	**507,380**
Depreciation and write-downs at opening	59,599	209,027	20,564	14	289,204
Sales	-1,299	-10,547	-868		-12,714
Changes in scope of consolidation	-272	745	70		543
Depreciation	4,661	17,364	2,037		24,062
Write-downs					
Reversals	-8	-746	-85		-839
Currency translation adjustments	35	323	52		410
Transfers and other activity					
Depreciation and write-downs at closing	**62,716**	**216,166**	**21,770**	**14**	**300,666**
Net book value at opening	**65,520**	**127,827**	**6,915**	**6,237**	**206,499**
Net book value at closing	**63,566**	**129,116**	**6,086**	**7,946**	**206,714**

At 31 December 2008 (€000)	Land and Buildings	Plant and equipment	Other fixed assets	Advances and fixed assets in progress	Total
Gross value at opening	120,897	319,688	26,002	6,096	472,683
Purchases	1,243	13,437	2,598	7,665	24,943
Sales	-586	-8,365	-2,261	-290	-11,502
Changes in scope of consolidation	4,238	7,972	798		13,008
Currency translation adjustments	-843	-1,711	-203	8	-2,749
Transfers and other activity	170	5,833	545	-7,228	-680
Gross value at closing	**125,119**	**336,854**	**27,479**	**6,251**	**495,703**
Depreciation and write-downs at opening	54,763	194,769	19,988	304	269,824
Sales	-299	-7,424	-2,107		-9,830
Changes in scope of consolidation	1,129	6,978	709		8,816
Depreciation	4,445	17,326	2,095		23,866
Write-downs				-290	-290
Reversals	-27	-761	-128		-916
Currency translation adjustments	-222	-1,521	-178		-1,921
Transfers and other activity	-190	-340	185		-345
Depreciation and write-downs at closing	**59,599**	**209,027**	**20,564**	**14**	**289,204**
Net book value at opening	**66,134**	**124,919**	**6,014**	**5,792**	**202,859**
Net book value at closing	**65,520**	**127,827**	**6,915**	**6,237**	**206,499**

2.1.6 Financial assets

At 31 December 2009 (€000)	Unconsolidated equity interests	Intercompany receivables	Loans	Other receivables	Total
Gross value at opening	1,398	417	950	1,606	4,371
Purchases			135	108	243
Sales	-145				-145
Changes in scope of consolidation	115		380	3	498
Currency translation adjustments				-8	-8
Transfers and other activity			-211	-150	-361
Gross value at closing	**1,368**	**417**	**1,254**	**1,559**	**4,598**
Write-downs at opening	1,388	417	8	4	1,817
Purchases/Sales					
Changes in scope of consolidation					
Write-downs	50		375	2	427
Reversals	-80			-3	-83
Currency translation adjustments					
Transfers and other activity					
Write-downs at closing	**1,358**	**417**	**383**	**3**	**2,161**
Net book value at opening	**10**	**0**	**942**	**1,602**	**2,554**
Net book value at closing	**10**	**0**	**871**	**1,556**	**2,437**

At 31 December 2008 (€000)	Unconsolidated stakes	Intercompany Receivables	Loans	Other receivables	Total
Gross value at opening	1,506	388	1,034	1,471	4,399
Purchases		100	186	268	554
Sales	-112			-153	-265
Changes in scope of consolidation				4	4
Currency translation adjustments				35	35
Transfers and other activity	4	-71	-270	-19	-356
Gross value at closing	**1,398**	**417**	**950**	**1,606**	**4,371**
Write-downs at opening	1,494	376	8	14	1,892
Purchases/Sales				-9	-9
Changes in scope of consolidation					
Write-downs	2	41			43
Reversals	-108			-1	-109
Currency translation adjustments					
Transfers and other activity					
Write-downs at closing	**1,388**	**417**	**8**	**4**	**1,817**
Net book value at opening	**12**	**12**	**1,026**	**1,457**	**2,507**
Net book value at closing	**10**	**0**	**942**	**1,602**	**2,554**

Other receivables consist mainly of deposits and guarantees totalling €1,239,000 at 31 December 2009 compared to €1,244,000 at 31 December 2008.

2.1.7 Table of maturities of other financial assets

At 31 December 2009 (€000)	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Intercompany receivables	417			417
Loans	532	198	524	1,254
Other financial assets	1,123	54	382	1,559
Financial assets and receivables	**2,072**	**252**	**906**	**3,230**

At 31 December 2008 (€000)	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Intercompany receivables	417			417
Loans	180	245	525	950
Other financial assets	1,205	21	380	1,606
Financial assets and receivables	**1,802**	**266**	**905**	**2,973**

2.2 Current Assets

2.2.1 Inventories by type

At 31 December 2009 (€000)	Raw materials	In progress	Intermediate and finished goods	Total
Gross value at opening	54,671	14,707	102,516	171,894
Change	-5,402	-1,685	-12,834	-19,921
Gross value at closing	**49,269**	**13,022**	**89,682**	**151,973**
Write-downs at opening	4,042	612	9,304	13,958
Additions	3,941	677	7,986	12,604
Reversals	-3,743	-597	-8,796	-13,136
Currency translation adjustments and other activity	-37		87	50
Write-downs at closing	**4,203**	**692**	**8,581**	**13,476**
Net book value at opening	**50,629**	**14,095**	**93,212**	**157,936**
Net book value at closing	**45,066**	**12,330**	**81,101**	**138,497**

The net book value of inventories included €704,000 related to L'Agenda Moderne which was first consolidated in 2009.

At 31 December 2008 (€000)	Raw materials	In progress	Intermediate and finished goods	Total
Gross value at opening	53,492	13,301	96,467	163,260
Change	1,179	1,406	6,049	8,634
Gross value at closing	**54,671**	**14,707**	**102,516**	**171,894**
Write-downs at opening	3,271	416	7,800	11,487
Additions	3,811	609	9,061	13,481
Reversals	-3,028	-412	-7,392	-10,832
Currency translation adjustments and other activity	-12	-1	-165	-178
Write-downs at closing	**4,042**	**612**	**9,304**	**13,958**
Net book value at opening	**50,221**	**12,885**	**88,667**	**151,773**
Net book value at closing	**50,629**	**14,095**	**93,212**	**157,936**

The net book value of inventories at 31 December 2008 included €1,947,000 related to Tollit & Harvey which was first consolidated in the second half of 2008.

2.2.2 Write-down of other current assets

€000	Write-downs at opening	Additions	Reversals	Other changes	Write-downs at closing
Trade receivables	5,335	1,713	-1,776		5,272
Other receivables	364	545	-99		810
Total	**5,699**	**2,258**	**-1,875**		**6,082**

Statement of maturities of trade and other receivables

€000	Less than 1 year	1 to 5 years	More than 5 years	Total
Trade and intercompany receivables	112,214	51		112,265
Taxes and social security contributions receivable	8,452			8,452
Intercompany loans	553	174		727
Other receivables	2,712			2,712
Prepaid expenses	2,077			2,077
Current Assets	**126,008**	**225**		**126,233**

Write-offs	6,082
Trade and other receivables presented in the balance sheet	**120,151**

Trade receivables include €532,000 related to L'Agenda Moderne which was first consolidated in 2009.

2.2.3 Marketable securities

The value of marketable securities presented in the balance sheet, that is €24,212,000, is their market value at 31 December 2009. The fair value is equal to the book value.

2.3 Shareholders' equity

The capital of the parent company consists of 1,131,480 shares with a par value of 4 euros, therefore equalling €4,525,920, and did not change during the year. A double voting right is granted to each fully paid-up share which has been registered for at least two years in the name of the same shareholder.

The Group has not implemented any specific capital management policy.

ETABLISSEMENTS CHARLES NUSSE holds 80.46% of the capital.

2.4 Deferred taxes

The principal sources of deferred taxes are the regulated provisions, finance leases, public subsidies, trademarks, internal profits on inventories and provisions.

The change in deferred taxes presented in the balance sheet totalled €408,000 (increase in net deferred tax liability). The change in deferred taxes recorded in the income statement was €550,000 (deferred tax expense).

The tax calculation is presented in paragraph 2.10.

Statement of changes in deferred tax

€000	At year-end.	At year opening	Change
Deferred taxes receivable	369	750	-381
Deferred taxes payable	28,146	28,119	27
Net deferred tax	**27,777**	**27,369**	**408**

2.5 Provisions

Provisions break down as follows:

€000	Provisions at opening	Additions	Reversals	Provisions not used	Other changes	Provisions at closing
Provisions for pensions and similar obligations	10,013	2,982	-539	-67	141	12,530
Other non-current provisions	573	435	-413			595
Non-current provisions	**10,586**	**3,417**	**-952**	**-67**	**141**	**13,125**
Provisions for contingent liabilities	1,123	970	-444	-191	-102	1,356
Other provisions for charges	829	673	-281		-52	1,169
Current provisions	**1,952**	**1,643**	**-725**	**-191**	**-154**	**2,525**

Other long-term provisions are related to the restructurings carried out at two subsidiaries.

Provisions for pensions and similar obligations consist mainly of provisions for retirement pay and are calculated at each closing date.

They are valued (including social security contributions) according to the following main parameters:

- probability of retirement from the company, turnover, death;
- changes in salaries;
- discounting the amount obtained at the rate of 3.90%.

The amounts paid to insurance entities are deducted from provisions.

Net change in the provision for pensions and similar obligations

€000	31/12/2009
Commitment at opening	**10,013**
Cost of services rendered	760
Financial expense	650
Actuarial gains and losses	1,107
→ *o/w actuarial changes*	*1,583*
→ *o/w new recruits*	*121*
→ *o/w departures during the year*	*-597*
Commitment at closing	**12,530**

The recorded commitment includes €9,915,000 of obligations under the plan applicable to French companies and €2,615,000 under plans applicable to foreign companies.

2.6 Borrowings and debt with financial institutions

Statement of liquidity risk

€000	Less than 1 year	1 to 5 years	More than 5 years	Total
Loans from Financial Institutions	63	125		188
Financial debts	428	763	273	1,464
Financial debts on financial leases	127			127
Bank loans and overdrafts	6,120			6,120
Subtotal	**6,738**	**888**	**273**	**7,899**
Current accounts with credit balances	1,234		30,000	31,234
Accrued interest				
Total	**7,972**	**888**	**30,273**	**39,133**
Estimated interest to maturity				*79*

- Of which, current debt €7,972,000
- Of which, non-current debt €31,161,000

As at 31 December 2009 the financial debt with financial institutions is all denominated in euros and bears interest at floating rates.
All medium- and long-term financing transactions are based on Euribor for the applicable financing term plus a spread ranging between 0.25% and 0.45%. The fair value of financial debts is equal to the book value.

2.7 Issuance & financial instruments' programmes

Commercial paper and spot loans

Short-term needs are financed by commercial paper issued by Exacompta Clairefontaine and by spot loans.
The authorised paper limit totalled €125 million. No paper was outstanding at year-end. No amount has been recorded to this effect in the item "Current portion of interest-bearing debt" given the absence of a market for commercial paper.

Line of credit

A line of credit is in place with several banks for a maximum amount of €145,000, and covers maturities not exceeding 4 years. At year end, the Group had not used this line of credit and no amounts were recorded in the item "Interest-bearing debt".

Long-term financing may be arranged through negotiated loans.

Financial instruments

The Group uses derivatives products mainly to hedge against interest rate risks. Transactions performed to hedge exchange rate risks are insignificant.
The fair value of the financial instruments is provided by the financial institutions from which they are obtained.
The change in the fair value recorded in expenses amounted to €272,000.

Interest rate risks

In order to protect against changes in interest rates, the group has put hedges in place in the form of interest rate swap, cap and floor agreements.
The types of instruments that may be used, as well as the maximum risk levels incurred, are determined by Senior Management. The risk is checked daily.

A change of 1 percent (100 basis points) in interest rates would have a €222,000 effect on income as at 31 December 2009.

Portfolio of financial instruments

Residual maturity (€000)	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Rate swaps	6,639	21,211	1,501	29,351
Caps purchased	250	187		437
Floors sold	125	94		219
Total	**7,014**	**21,492**	**1,501**	**30,007**

2.8 Other current liabilities

€000	31/12/2009	31/12/2008
Advances and down payments received	418	446
Taxes and social security contributions payable	34,608	34,133
Suppliers - fixed assets	2,068	2,219
Other liabilities	9,326	11,358
Deferred income	72	156
Derivative financial instruments	1,366	1,094
Total	**47,858**	**49,406**

The fair value of the derivatives is equal to the book value.

2.9 Off-balance sheet commitments - greenhouse gas emission quotas

The amount for the commitments received is valued based on the exchange market value. The commitments for the remaining term of the allocation plan are equal to the total annual allocations yet to be obtained, valued at the year-end exchange market value. The Group does not expect an overall deficit for the entire plan.

The quotas to be compensated are valued pursuant to the principles set forth in note 8 of the presentation of the consolidated financial statements.

€000	31/12/2009	31/12/2008
Greenhouse gas emission rights		
• Commitments given – compensation	1,000	2,073
• Commitments received – total 2009 allocations	41	71
• Commitments received – annual allocations yet to be obtained	4,899	8,137

2.10 Income tax – Calculation of tax

€000	**31/12/2009**	**31/12/2008**
Consolidated net income excluding amortisation of goodwill	4,453	5,092
Amortisation of goodwill	2,006	–
Income taxes	5,037	1,153
Deferred taxes	550	998
Consolidated tax basis	12,046	7,243
Tax rate applicable to parent company	33.33%	33.33%
Theoretical tax expense	**4,015**	**2,414**
Losses of companies not consolidated for tax purposes	150	
Tax assets not withheld on foreign companies	781	877
Tax rate differences	446	341
Tax adjustments	154	-1,455
Other effects	41	-26
Actual tax expense	**5,587**	**2,151**

Income taxes	5,037	1,153
Deferred taxes	550	998
Tax expense in the consolidated financial statements at closing	**5,037**	**2,151**

2.11 Group staff and employee benefits

Average staff	**31/12/2009**	**31/12/2008**
Management	468	468
Employees	804	814
Labourers and other salaried workers	2,027	2,114
Total	**3,299**	**3,396**

Expenses recorded for defined contribution plans (€000)	40,779	40,668

Staff numbers at 31 December 2009 included the 39 employees of L'Agenda Moderne, first consolidated in 2009.

2.12 Financial income and expenses

€000	**31/12/2009**	**31/12/2008**
Equity interests and income from other financial assets	52	379
Income from other receivables and marketable securities	193	548
Other financial income	896	1,064
Financial instruments	–	0
Reversal of provisions and write-downs	91	83
Foreign exchange differences	1,841	2,136
Net gain on sale of marketable securities	82	487
Total financial income	**3,155**	**4,697**
Increase in provisions and write-downs	975	152
Interest and financial expenses	914	4 549
Financial expenses on financial leases	41	91
Foreign exchange differences	1,729	2,548
Other financial expenses	671	525
Financial instruments	272	1,784
Net expenses on sales of marketable securities	3	46
Total financial expenses	**4,605**	**9,695**

2.13 Related parties

The consolidated financial statements include transactions performed by the Group with Etablissements Charles Nusse.

€000	**31/12/2009**	**31/12/2008**
Balance sheet		
Interest-bearing debt: loans	30,000	27,000
Short-term portion of interest-bearing debt	1,200	3,300
Income statement		
Financial expenses	410	1,158
Fees	1,194	1,238

The Group companies benefit from the leadership provided by Etablissements Charles Nusse and pay a fee equal to 0.6% of their added value for the previous year.

- Remuneration of administrative and management bodies:

The total direct and indirect remuneration of all kinds received by all the managers of the Group amounted to €1,960,000.
No benefits are granted to managers of the Group aside from retirement commitments calculated pursuant to the rules applicable to the entire workforce.

The remuneration granted to the members of the Board of Directors by way of directors' fees totalled €60,000 in 2009. This was approved by a decision of the Shareholders' Meeting of 27 May 2009.

2.14 Statutory Auditors' fees

Information on the total amount of the Statutory Auditors' fees shown in the consolidated income statement for the fiscal year pursuant to Articles R123-198 and R233-14 of the French Commercial Code, with a distinction made for the fees invoiced for statutory audits of the consolidated financial statements and the fees invoiced for consultancy and other services provided as part of the checks directly linked to the statutory auditing of the consolidated financial statements.

€000	**31/12/2009**	**31/12/2008**
Fees invoiced for statutory auditing of the financial statements	805	804
Fees invoiced for related consultancy and other services	–	–

3. <u>SEGMENT INFORMATION</u>

Segment information by activity – 31/12/2009

€000	Paper	Processing:	Intersegment transactions	Total
Segment income statement				
Revenues	246,772	381,863	-97,942	530,693
Amortisation (net of reversals)	10,957	13,402	-3	24,356
Write-downs and provisions	2,115	320		2,435
Operating profit (excl. goodwill)	13,532	-387	351	13,496
Amortisation of goodwill		2,006		2,006
Segment assets				
Net intangible assets and fixed assets	110,466	109,100		219,566
o/w investments	*18,227*	*10,425*		*28,652*
Goodwill		12,378		12,378
Trade receivables	36,982	90,764	-20,753	106,993
Other assets allocated	47,040	107,953	-2,057	152,936
Unallocated assets				*611*
Total assets	194,488	320,195	-22,810	492,484
Segment liabilities				
Provisions	796	1,729		2,525
Other liabilities allocated	37,201	76,155	-21,110	92,246
Unallocated liabilities				*3,940*
Total liabilities	37,997	77,884	-21,110	98,711

➢ Segment information by geographic area – 31/12/2009

€000	France	Europe	Outside of Europe	Total
Revenues	349,821	157,824	23,048	530,693
Net intangible assets and fixed assets	206,197	9,400	3,969	219,566
o/w investments	*26,533*	*1,179*	*940*	*28,652*
Goodwill	12,078	300		12,378
Trade receivables	88,994	15,406	2,593	106,993
Other assets allocated	139,750	8,284	4,902	152,936
Unallocated assets				*611*
Total assets	447,019	33,390	11,464	492,484

➢ Segment information by activity – 31/12/2008

€000	Paper	Processing:	Intersegment transactions	Total
Segment income statement				
Revenues	259,686	393,889	-106,970	546,605
Amortisation (net of reversals)	10,262	13,214	-76	23,400
Write-downs and provisions	971	-759	-149	63
Operating profit (excl. goodwill)	6,153	6,095	-7	12,241
Amortisation of goodwill				
Segment assets				
Net intangible assets and fixed assets	106,835	113,708		220,543
o/w investments	*14,953*	*14,095*		*29,048*
Goodwill		14,110		14,110
Trade receivables	49,588	129,164	-40,230	138,522
Other assets allocated	55,762	122,250	-2,498	175,514
Unallocated assets				*4,350*
Total assets	212,185	379,232	-42,728	553,039
Segment liabilities				
Provisions	211	1,741		1,952
Other liabilities allocated	41,553	105,529	-40,657	106,425
Unallocated liabilities				*0*
Total liabilities	41,764	107,270	-40,657	108,377

Segment information by geographic area – 31/12/2008

€000	France	Europe	Outside of Europe	Total
Revenues	361,304	160,325	24,976	546,605
Net intangible assets and fixed assets	206,823	10,218	3,502	220,543
o/w investments	*26,896*	*1,716*	*436*	*29,048*
Goodwill	13,232	878		14,110
Trade receivables	119,445	16,663	2,414	138,522
Other assets allocated	161,928	8,947	4,639	175,514
Unallocated assets				*4,350*
Total assets	501,428	36,706	10,555	553,039

Exacompta Clairefontaine S.A.

Report of the Statutory Auditors on the consolidated financial statements

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Resolutions submitted to the Ordinary Shareholders' Meeting

SEREC AUDIT
Statutory Auditor

Member of the Paris Institute
of Statutory Auditors
21 rue Leriche
75015 PARIS

BATT AUDIT
Statutory Auditor

Member of the Nancy Institute
of Statutory Auditors
25 rue du Bois de la Champelle
54500 VANDOEUVRE LES NANCY

Report of the Statutory Auditors on the consolidated financial statements

Year ended 31 December 2009

EXACOMPTA CLAIREFONTAINE S.A.
A French corporation
(*société anonyme*)

88480 ETIVAL CLAIREFONTAINE

REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2009

EXACOMPTA CLAIREFONTAINE S.A.

88480 ETIVAL CLAIREFONTAINE

To the Shareholders:

In accordance with the assignment entrusted to us by your Shareholders' Meeting, we hereby present to you our report on the year ended 31 December 2009, concerning:

- the audit of the consolidated financial statements of EXACOMPTA CLAIREFONTAINE S.A., which are appended to this report;
- the bases of our assessments;
- the specific checks required by law.

The consolidated financial statements were prepared by the Board of Directors during an economic and financial crisis, which is described in the management report. It is our responsibility, based on our audit, to express an opinion on those statements.

I. Opinion on the consolidated financial statements

We performed our audit in accordance with the professional standards applicable in France. These standards require the performance of an audit to obtain reasonable assurance that the consolidated financial statements do not contain material errors. An audit involves the review, by way of sample tests or other means of selection, of the documents underlying the amounts and information set forth in the consolidated financial statements. It also consists of an assessment of the accounting principles followed, the significant estimates made and the presentation of the statements as a whole. We believe that the evidence we have gathered provides a reasonable basis for our opinion.

We hereby certify that the consolidated financial statements for the year are, with regard to the IFRS adopted within the European Union, in order and accurate and fairly present the assets, financial situation and results of the persons and entities included in the consolidation.

II. Bases of assessments

Pursuant to the provisions of Article L.823-9 of the French Commercial Code regarding the bases of our assessments, we hereby provide you with the following information:

Goodwill was monitored and, where applicable, written down, pursuant to the terms set forth in note 8 hereto. Using the information provided to us, we assessed the data and assumptions used regarding goodwill and checked to ensure that note 8 provides appropriate information.

The assessments carried out are part of our audit of the consolidated financial statements, taken as a whole, and thus contributed to the formation of our opinion, which is expressed in the first part of this report.

III. Specific checks

In accordance with the professional standards applicable in France, we also performed specific checks required by the law related to information on the Group contained in the management report.

We have no comments to make about the accuracy and conformity thereof with the consolidated financial statements.

Executed in Paris and Vandœuvre-lès-Nancy, 30 April 2010

The Statutory Auditors

SEREC AUDIT	BATT AUDIT
Benoit Grenier	Pascal François

RESOLUTIONS SUBMITTED

TO THE ORDINARY SHAREHOLDERS' MEETING OF 27 MAY 2010

FIRST RESOLUTION

Following a reading by the Board of Directors and the Statutory Auditors of their respective reports, the Meeting approved these reports in their entirety, as well as the operations described therein, and the parent company financial statements for the year ended 31 December 2009, which consisted of the balance sheet, income statement and notes.

SECOND RESOLUTION

Following a reading by the Board of Directors and the Statutory Auditors of their respective reports, the Meeting approved these reports in their entirety, as well as the operations described therein, and the consolidated financial statements for the year ended 31 December 2009, which consisted of the balance sheet, income statement and notes.

THIRD RESOLUTION

At the recommendation of the Board of Directors, the Shareholders' Meeting resolved to distribute and allocate the income for the year as follows:

Income for 2009..	€15,835,335.52
Allocated as follows:	
* First dividend	€226,296.00
* Second dividend	€1,810,368.00
Total dividends	€2,036,664.00
*Allocation to the statutory reserve.................	€798,671.52
*Allocation to other reserves...........................	€13,000,000.00
TOTAL ALLOCATED	€15,835,335.52

As the share capital is divided into 1,131,480 shares, each share would receive a total dividend of €1.80

The following table shows the dividends paid for the last three years:

Year	Dividend	Number of shares
2006	2.00	1,131,480
2007	2.00	1,131,480
2008	1.80	1,131,480

FOURTH RESOLUTION

Following a reading of the Statutory Auditors' special report, the Shareholders' Meeting formally noted the absence in 2009 of any operations related to Article L.225-38 of the French Commercial Code.

FIFTH RESOLUTION

The Shareholders' Meeting gave a full discharge to the Directors for their management during the past year and resolved in favour of the Board of Directors' recommendation to set the fees that will be paid to the company Directors in 2010 at €60,000.

SIXTH RESOLUTION

The Shareholders' Meeting resolved in favour of the Board of Directors' recommendation to renew the appointment of Etablissements Charles Nusses, 15-17 rue des Ecluses Saint Martin, Paris (10th district), represented by Ms. Monique Prissard, as a director of the company.

This appointment, which is valid for six years, will terminate at the conclusion of the Shareholders' Meeting to which the financial statements for fiscal year 2015 are submitted.

SEVENTH RESOLUTION

The Shareholders' Meeting resolved in favour of the Board of Directors' proposal to renew the appointment of Mr Gilles Nusse, residing at 7 rue du Jura, Mulhouse 68100, as a director of the company.

This appointment, which is valid for six years, will terminate at the conclusion of the Shareholders' Meeting to which the financial statements for fiscal year 2015 are submitted.

EIGHTH RESOLUTION

The Shareholders' Meeting resolved in favour of the Board of Directors' recommendation to renew the appointment of Mr Jérôme Nusse, residing at 105 rue de Lille, Paris (7th district), as a director of the company.

This appointment, which is valid for six years, will terminate at the conclusion of the Shareholders' Meeting to which the financial statements for fiscal year 2015 are submitted.

NINTH RESOLUTION

The Shareholders' Meeting resolved in favour of the Board of Directors' recommendation to renew the appointment of Mr Frédéric Nusse, residing at 31 rue du Vivier, Etival Clairefontaine 88480, as a director of the company.

This appointment, which is valid for six years, will terminate at the conclusion of the Shareholders' Meeting to which the financial statements for fiscal year 2015 are submitted.

TENTH RESOLUTION

The Shareholders' Meeting duly noted the resignation of Mr Henri de Verthamon tendered to the Board of Directors.

As Article 10.1 of the Memorandum and Articles of Association makes provision for a variable number of directors and given that the minimum quorum requirements had been met, the Meeting resolved to postpone the appointment of Mr Verthamon's replacement.

Exacompta Clairefontaine S.A.

EXTRAORDINARY SHAREHOLDERS' MEETING

Agenda

Extension of the duration of Exacompta Clairefontaine S.A.

Report of the Board of Directors

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Resolution submitted to the Extraordinary Shareholders'
Meeting

REPORT OF THE BOARD OF DIRECTORS

TO THE EXTRAORDINARY SHAREHOLDERS'

MEETING OF 27 MAY 2010

To the Shareholders,

We have convened this Extraordinary Shareholders' Meeting in accordance with the law and the terms of our Articles of Associations to request that you take a decision on the following matter:

EXTENSION OF THE DURATION OF EXACOMPTA CLAIREFONTAINE

Our company filed its deed of incorporation for a duration of 100 years with the court registry on 6 May 1910 (cf. the *La Gazette Vosgienne* (G.V.) regional journal published on 8 May 1910 – G.V. notice on 12/05/1910).

May we remind you that EXACOMPTA CLAIREFONTAINE was formerly the listed company PAPETERIES DE CLAIREFONTAINE.

Article 5 of the Articles of Association states that "Save in the event of extension or early dissolution, the duration of the company shall end on 30 June 2010". This end date also appears in the Trade and Companies Registry.

We hereby recommend that you extend the duration of the company by 99 years and amend the Articles of Association.

RESOLUTION SUBMITTED

TO THE EXTRAORDINARY SHAREHOLDERS' MEETING OF 27 MAY 2010

SOLE RESOLUTION

At the recommendation of the Board of Directors, the Meeting resolved to extend the duration of EXACOMPTA CLAIREFONTAINE S.A. by 99 years.

The Meeting also resolved to amend Article 5 of the Articles of Association to read:

"Save in the event of extension or early dissolution, the duration of the company shall end on 27 May 2109".

NOTES