



EXACOMPTA CLAIREFONTAINE

Dear Shareholders,

At its 30 August 2013 meeting in Paris, the EXACOMPTA CLAIREFONTAINE Board of Directors, chaired by Mr François Nusse, reviewed and approved the Group financial statements for the 6 months ended 30 June 2013.

↳ Consolidated results

(€000)	H1 2013	H2 2012
Revenues	254,128	258,427
Operating profit/ (loss)	(1,414)	(2,792)
Profit/(loss) before tax	(1,665)	(2,533)
Profit/(loss) after tax	(1,851)	(2,796)
of which minority interests	(1)	0
Group share	(1,850)	(2,796)

↳ Sector information

(€000)	Paper	Processing	Inter-sector transactions	Total
Revenues	134,232	185,719	(65,823)	254,128
Operating profit/ (loss) (excl. goodwill)	3,389	(4,631)	(172)	(1,414)

(€000)	France	Europe	Outside Europe	Total
Revenues	163,333	76,675	14,120	254,128

Exacompta Clairefontaine's business covers two sectors: paper and processing.

Paper: 1st half revenues increased by 1.8% while operating profit (excluding goodwill) was down 17.8%.

Processing: 1st half revenues fell 1% while the operating loss (excluding goodwill) reduced by 32.4%.

These results reflect a depressed economy that had impacted consumption as well as sales prices for paper and stationery.

Paper

In a market where consumption of printing and writing paper is falling, the paper industry, which covers a diversified mix of products (including fine paper - heavy paper, recycled paper and security paper) managed to boost volumes but was hard hit by the pressure on sales prices and rising purchase prices of fibre raw materials and energy.

In this environment, all companies have attempted to minimise costs while maintaining productivity levels.



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Given that fibre raw material prices have somewhat eased in the second half, Group management expects that full year earnings will be similar to the previous year.

Processing

Based on data from UFIPA France, demand for the entire paper market will decline by 4% in the second half compared to the first half. Naturally, this general slowdown is dampening the Group's sales both in France and abroad.

While Processing first half revenues are always much lower than second half revenues due to major seasonal factors, earnings improved even though the sector still posted a loss. The Group maintains and develops commercial opportunities for the Processing sector based on a broad product offering, including office and filing articles, school stationery, calendars, diaries and craft products. The Group constantly launches new paper products and is on the lookout for opportunities for growth.

↳ **Group financial results**

As at 30 June 2013, with revenues of €254,128,000, Group borrowings amounted to €106,736,000 and shareholders' equity totalled €361,927,000.

The Group has negotiated lines of credit with its banks totalling €127 million. The outstanding balance on these lines was €35 million as at 30 June 2013. The Group had issued €65 million of commercial paper at the first half balance sheet date, out of a total programme amounting to €125 million.

At 30 June 2013 the Group held cash of €58,084,000- sufficient to fund capital expenditure and other costs. Group net debt amounted to €48,652,000.

The first half 2013 financial statements have undergone a limited review.

↳ **Outlook**

The outlook for the Group's markets is still uncertain. While raw material and energy prices for some products are rising, sales prices remain under pressure. We will continue to focus on supplying high quality products. 2013 full year Group earnings are expected to be similar to 2012 earnings, which came in close to break even.

The next communication on November 15, 2013 will cover third quarter revenues.

THE BOARD OF DIRECTORS

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