



EXACOMPTA CLAIREFONTAINE

Dear Shareholders,

At its 29 August 2014 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 2014.

↳ Consolidated results

(€000)	H1 2014	H1 2013
Revenue	265,549	254,128
Operating income/(loss)	1,734	(1,729)
Income/(loss) before tax	1,980	(1,980)
Income /(loss) after tax	751	(2,061)
Minority interests	(9)	(1)
Net income/(loss), Group share	760	(2,060)

The first half 2013 comparative figures have been adjusted in accordance with IAS 19R.

The consolidation scope has increased with the addition of Photoweb after the Group acquired 75% of the company's equity at the end of January. At constant consolidation, consolidated revenue was up 1.8%.

Consolidated net income is stated after €2 million goodwill impairment.

↳ Segment information

(€000)	Paper	Processing	Inter-sector transactions	Total
Revenue	135,750	194,180	(64,381)	265,549
Operating income/(loss) (before goodwill impairment)	7,092	(3,136)	(222)	3,734

(€000)	France	Europe	Outside Europe	Total
Revenue	171,840	80,346	13,363	265,549

The Group's business covers two segments:

Paper: first half revenue increased by 1.1% while operating income was up 118%.

Processing: first half revenue increased by 4.6% (0.8% excluding Photoweb) while the operating loss reduced by 34.8%.



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Paper

After a sharp fall over several years, demand for printing and writing paper in Europe has picked up (2% growth) since the first half of 2013 (source: Eurograph), which, coupled with our quality and marketing drives, enabled us to run our paper plants at full capacity.

The relative decrease in short-fibre pulp prices also contributed to the improvement in earnings.

Processing

After a sharp decline in May and June, the French stationery market fell again by more than 2% compared to the first half of 2013 (source: I+C). However, some product categories, such as filing articles, posted improved results on the back of demand being more in line with supply.

These factors have resulted in further improvements in productivity and diversification initiatives.

Note that first half Processing results are misleading given that the segment is affected by major seasonal fluctuations.

↪ **Group financial items**

As at 30 June 2014, with revenue of €265,549,000, Group borrowings amounted to €116,747,000 and shareholders' equity totalled €369,802,000.

The Group has negotiated lines of credit with its banks totalling €117 million. At 30 June 2014, the outstanding balance on these lines of credit was €15 million. The Group also issued commercial paper, which amounted to €80 million at 30 June 2014.

At 30 June 2014 the Group held cash of €55,870,000, while net debt amounted to €60,877,000.

↪ **Outlook**

Demand for paper is expected to slow in the coming months, which could decrease the workload of the paper plants. The average price of purchased pulp will probably continue to fall.

Initial third quarter results seem to indicate that our brands are well positioned for the start of the school year, even if volumes are slightly down.

For the full year we expect to post net income before goodwill impairment (€2 million in the first half) similar to 2013 net income of €4.3 million.

The next communication on November 15, 2014 will cover third quarter revenue.

THE BOARD OF DIRECTORS

Head of Financial Reporting

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