



EXACOMPTA CLAIREFONTAINE

Dear Shareholders,

At its 7 September 2017 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 2017.

↵ Consolidated results

(€000)	H1 2017	H1 2016
Revenue	294,764	294,761
Operating income	9,652	7,363
Net income before tax	8,915	7,332
Net income after tax	6,354	6,020
Minority interests	0	(60)
Group share	6,354	6,080

- First half 2016 earnings were impacted by a €863,000 goodwill gain arising from the acquisition of a subsidiary.
- In early 2017, Exacompta Clairefontaine acquired exclusive control of its subsidiary Photoweb via the buyout of minority interests. There are therefore no longer any minority interests presented in the consolidated financial statements.

↵ Segment information

(€000)	France	Europe	Outside Europe	Total
Revenue	188,897	89,642	16,225	294,764

(€000)	Paper	Processing	Inter-segment transactions	Total
Revenue	143,577	224,479	(73,292)	294,764
Operating income	9,775	181	(304)	9,652

Paper

Demand for printing and writing papers in Western Europe was relatively strong during the first half. Group sales in this sector were spurred by the development of new specialised products, while revenues were more or less identical to first half 2016 revenues. Production fell 2.4% due to a small number of technical incidents.

After the downward trend observed in the second half of 2016, the price of paper pulp increased sharply.

First half operating income amounted to €9,775,000 in 2017 compared to €6,717,000 in 2016.

Processing

In terms of stationery, the I+C economic survey shows a level 12-month trend. The emergence of new forms of business and changing consumer habits have encouraged the Group to continuously update its product offering in this sector.

Successful adaptation of its marketing, production and logistics resources has enabled the Group to maintain strong business.

Revenue rose 0.8% compared to first half 2016. The division posted first half 2017 operating income of €181,000, compared to €65,000 in 2016.

↳ **Group financial results**

As at 30 June 2017, with revenue of €294,764,000, Group gross borrowings amounted to €139,650,000 and shareholders' equity totalled €388,368,000.

The Group has negotiated lines of credit with its banks totalling €135 million. At the balance sheet date, the Group had no outstanding commercial paper out of a global programme of €125 million.

With cash of €1,070,000 at 30 June 2017, Group net borrowings amounted to €48,580,000.

↳ **Outlook**

In the second half of 2017, commercial demand may decline, while the increase in paper pulp prices will have a substantial impact on margins.

Full-year operating income may sink below the €17,264,000 posted in 2016.

THE BOARD OF DIRECTORS

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