



EXACOMPTA CLAIREFONTAINE

Dear Shareholders,

At its 26 March 2014 meeting in Paris, the EXACOMPTA CLAIREFONTAINE Board of Directors, chaired by Mr François Nusse, reviewed and approved the Company and Group financial statements for the financial year ended 31 December 2013.

↳ Consolidated results

(€000)	2013	2012
Income from continuing activities (Revenue)	524,635	525,742
Operating profit/(loss)	5,092	971
Net income before income tax	4,398	222
Net income after income tax	4,278	(267)
of which minority interests	1	(1)
Group share	4,277	(266)

The comparative results for 2012 have been adjusted in accordance with IAS 19R.

↳ Segment information

(€000)	Paper	Processing	Inter-segment transactions	Total
Revenues	250,863	393,080	-119,308	524,635
Operating profit/(loss) (excl. goodwill)	3,181	1,913	-2	5,092
Goodwill impairment		70		70

(€000)	France	Europe	Outside Europe	Total
Revenues	339,964	158,481	26,190	524,635

Exacompta Clairefontaine has two business segments: Paper and Processing.

Paper

In Europe, consumption of printing and writing papers continued to decline. Consumption of the types of paper intended primarily for office use has fallen by 14% over five years, which represents an average annual decline of 3% (source: Eurograph). The forced resumption of production at facilities that were compelled to suspend their operations is weighing on margins and weakening the industry.

Our marketing and research drives have enabled us to operate our machinery more profitably. Production rose by 6% and amounted to a combined total of 214,000 tonnes of paper reels from across our four production facilities.

We operate in the premium and specialised paper market, in which we have a significant market share. Prices are higher in this market but are nonetheless influenced by standard paper prices.

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Processing

Stationery consumption fell once again, down by around 3% compared to last year (source: I+C). Paper stationery was hit by competition from electronic substitutes.

A change in the competition and the renewal of our product ranges help us to keep revenues at a steady figure.

The quality of our workshop equipment guarantees the efficiency of our operations. The fact that we process card and paper that we have manufactured ourselves, coupled with the strength of our brands, is a sure guarantee of quality in the eyes of our customers.

↳ **Group financial results**

As at 31 December 2013, with revenues of €524,635,000, Group borrowings amounted to €60,889,000 and shareholders' equity totalled €367,270,000.

In order to provide for its growth, the Group has negotiated several lines of credit with its banks. At the balance sheet date, commercial paper issued by the Group amounted to €46,000,000 out of a global programme of €125 million.

Group cash and cash equivalents amounted to €58,310,000. Its cash flow before change in working capital enabled it to fund its capital expenditure programme without resorting to borrowing. Group net borrowings amounted to €2,579,000 at 31 December 2013.

The 2013 financial statements have been audited and the certification reports are being prepared..

- The Board announces an Ordinary General Meeting to be held on 27 May 2014, at which it will recommend a dividend of €0.50 per share.
- The next release will be made after the Board meeting called to approve the first half 2014 financial statements, due to be held on 29 August 2014.

The decline in the consumption of printing and writing papers and stationery is expected to continue in 2014. We remain concerned that production capacity will not adapt quickly enough and that imports will aggravate the situation. Our principal assets remain the quality of our products and the service provided by our five logistics centres.

THE BOARD OF DIRECTORS

Head of Financial Reporting
Jean-Marie Nusse
Executive Vice President

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