



Saint-Paul-Lès-Dax, 5 December, 2011

P R E S S R E L E A S E

Under the direction of its new CEO Frédéric Doulcet, the Gascogne Group embarked on a programme in September 2011 to cut costs in order to improve profitability and rapidly increase financial resources.

The Group had previously confirmed its economic objectives for 2011 with annual sales up from 9 to 10% and a positive Underlying Operating Profit (excluding extraordinary charges related to cost cutting and the impact of the Euro/Swiss Franc exchange rate), i.e. developments in line with the trend observed on the half year results.

The main cost cutting measures that have now been adopted are as follows:

- Reduction in costs at head office, generating savings of €1.2m on a full-year basis for 2012. These measures namely include a reduction in the workforce by four positions, the closure of the Group's offices in Paris and decreasing communications costs.
- Pooling the business managerial resources for Paper and Sacks divisions to generate savings of €1.0m on a full-year basis on the main site at Mimizan. This restructuring resulted in the headcount being reduced by 13 positions.
- Regaining control of cost reduction for loss-making subsidiaries and implementing cost cutting measures, in particular in Germany, Greece and Switzerland. The aim is to significantly reduce operational losses at these sites in 2012, estimated to be around €4m over the 2011 financial year (excluding the exchange rate impact).

This first cost cutting programme should thus allow the Group to generate around €5m in gains as of the next financial year. At the same time, the Group is pursuing its work on various sources of optimisation in productivity over all its production sites.

In 2012, Gascogne also intends to reduce its Working Capital Requirement, which rose on occasion with the purchase over the last few years of significant amounts of wood (Operating working capital requirement related to storm wood storage estimated at €28m end 2011). On account of this, Forestière de Gascogne is set to deploy an accelerated wood stock clearance strategy over a three-year period instead of the initially-planned five years. This will considerably reduce the Group's short-term needs for financing in this area.

Finally, the priorities for the 2012 financial year will focus on improving Group profitability and increasing financial resources, which should further reduce debt whilst maintaining the €22m investment programme planned for 2012, ensuring the Gascogne Group's future competitiveness.

Financial information

Jérôme MONTROYA - CFO
Tel.: 33(0)5 58 56 54 01
Fax: 33(0)5 58 74 55 48

Investors relations

Clémence Fugain, Actus
Tel: 33(0)1 53 67 35 71

Press relations

Jean-Michel Marmillon, Actus
Tel.: 33(0)1 53 67 07 80

About Gascogne group: Major player in the French wood industry, the Gascogne group is present at every stage in optimising the forest resource; it is the only French player fully integrated throughout the entire chain of the wood-paper-conversion sector. It has four complementary divisions: Gascogne is France's leading multi-specialist producer of wood products, the world's leading producer of natural machine glazed kraft paper, one of the European leaders of industrial and consumer sacks and one of the world's leading producers of laminates for packaging and protection applications..

ISIN : FR0000124414 / Reuters : GASP.PA / Bloomberg : BI FP / FTSE : 460
www.groupe-gascogne.com