

SEQUANA

Press release

Paris, 2 May 2012

First-quarter 2012 results

Operating performance proves resilient in line with Q1 2011, despite the persistently difficult market environment

Signature of banking documentation and finalisation of the Group's financing agreement

- Sales down 3.2% to €984 million
- EBITDA margin stable at 4,0%: EBITDA at €40 million versus €41 million for Q1 2011
- Net income of €3 million

Sequana publishes today its unaudited results for the first quarter of 2012.

Condensed analytical income statement

€ millions, except for per share data	Q1 2012	Q2 2011 reported	% year-on-year change*
Sales	984	1,016	3.2%
EBITDA**	40	41	-4.3%
<i>EBITDA margin (as % of sales)*</i>	<i>4.0%</i>	<i>4.1%</i>	<i>-0.1 point</i>
Recurring operating income	23	25	-8.9%
<i>Operating margin (as % of sales)*</i>	<i>2.3%</i>	<i>2.4%</i>	<i>-0.1 point</i>
Recurring net income***	9	11	-15.2%
Recurring diluted earnings per share (€)	0.18	0.21	-
Net income attributable to owners	3	24	N/A
Diluted earnings per share (€)	0.05	0.48	-
Average number of shares after dilution	49,738,718	50,783,819	-

(*) Percentage changes are based on figures rounded out to one decimal place.

(**) EBITDA: recurring operating income before depreciation and amortisation and excluding movements in provisions.

(***) Recurring net income: recurring operating income after net financial income (expense) and income tax on recurring operating income.

Consolidated sales for the first quarter of 2012 came in at €984 million, versus €1,016 million in the first quarter of 2011. The 3.2% drop in sales (down 3.8% at constant exchange rates) reflects the fall in demand for printing and writing papers (down 5% and 6%, respectively, in distribution and production) amid pressure on selling prices.

EBITDA for the quarter came in at €40 million, down 4.3% on first-quarter 2011 (€41 million) and the Group benefited from the positive impact of lower raw material costs and ongoing overhead reduction efforts. EBITDA margin was stable, at 4% of sales. Recurring operating income was €23 million, compared with €25 million for the same period in 2011.

Recurring net income for the quarter was €9 million versus €11 million in the first quarter of 2011. Including non-recurring items (mainly restructuring costs incurred by Antalis and Arjowiggins), net income attributable to owners totalled €3 million, compared to €24 million in the same year-ago period, which included the capital gain of €17 million on the sale of Antalis Office Supplies.

- **Finalisation of agreement to renew the Group's credit lines**

On 30 April 2012, the Group finalised an agreement with its banks setting out the terms and conditions for the renewal of its financing lines through to 30 June 2014. The Company filed its registration document (*document de reference*) with the French financial regulator (AMF) on 30 April 2012.

OUTLOOK

Demand for printing and writing papers, which continued to decline in the first quarter of the year, is set to remain weak over the coming months.

However, Antalis should continue to benefit from strong momentum in its non-paper businesses (Packaging and Visual Communication) and from planned selling price increases for printing and writing papers. Arjowiggins should continue to reap the benefits of lower raw material costs and upbeat momentum in its specialty businesses, particularly the Security division and in recycled papers and Medical and Hospital sectors.

The Group will press on with its cost reduction programmes in order to bring supply into line with demand for printing and writing papers.

Consequently, Sequana stands by its forecast of delivering an improved operating performance (EBITDA) in 2012 ahead of 2011.

2012 UPCOMING EVENTS

Annual General Meeting	26 June
First-half 2012 results	26 July
Third-quarter 2012 sales	25 October

About Sequana

Sequana (NYSE Euronext Paris: SEQ), is a major player in the paper industry, boasting leading positions in each of its two businesses:

- **Antalis:** European leader in the distribution of paper and packaging products. Present in 44 countries, Antalis has more than 6,000 employees.
- **Arjowiggins:** World leader in creative and technical papers, with more than 5,200 employees.

Sequana reported sales of €3.9 billion in 2011 and employed some 11,000 people worldwide.

Sequana

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APPENDIX: ANALYSIS BY BUSINESS

BREAKDOWN OF SALES BY BUSINESS

<i>€ millions</i>	Q1 2012	Q1 2011	% year-on-year change
Antalis	691	718	-3.7%
Arjowiggins	363	375	-3.2%
Eliminations and other	(70)	(76)	-8.5%
Total	984	1,016	-3.2%

(*) Percentage changes are based on figures rounded out to one decimal place.

ANTALIS

Demand for printing and writing papers in the first quarter of the year continued to decline in Europe, and particularly in the Benelux, Iberian and Nordic countries and in Switzerland. Business held up better in France, Eastern Europe and Germany, while markets outside Europe (South America and Asia) and non-paper businesses (Packaging and Visual Communication) performed strongly. Good growth in the Packaging business was buoyed by the acquisition of UK-based Ambassador and the German firm, Pack 2000, in early 2012.

Antalis' sales were €691 million, down 3.7% year-on-year, or 3.9% at constant exchange rates.

ARJOWIGGINS

Arjowiggins' sales were €363 million, down 3.2% year-on-year, or 4.4% at constant exchange rates.

This decrease was due primarily to lower demand for printing and writing papers in Europe and the United States and a deterioration in the premium creative papers product mix. Demand held up well in the specialty businesses, in eco-friendly papers in Europe and in recycled pulp, and the Security Solutions and Medical/Hospital activities performed particularly strongly.