EXACOMPTA CLAIREFONTAINE

Dear Shareholders,

At its 26 March 2013 meeting in Paris, the EXACOMPTA CLAIREFONTAINE Board of Directors, chaired by Mr François Nusse, reviewed and approved the financial statements for the year ended 31 December 2012.

Consolidated results

(€000)	**2012**	**2011**
Revenues	525,742	545,447
Operating profit	482	5,152
Profit/(loss) before tax	(267)	4,114
Profit/(loss) after tax	(593)	3,341
of which minority interests	(1)	(5)
Group share	(594)	3,346

Sector information

(€000)	**Paper**	**Processing**	**Inter-sector transactions**	**Total**
Revenues	246,261	392,772	(113,291)	525,742
Operating profit/(loss) (excl. goodwill)	3,172	(2,635)	(55)	482
Goodwill impairment		421		421

(€000)	**France**	**Europe**	**Outside Europe**	**Total**
Revenues	342,041	154,865	28,836	525,742

Exacompta Clairefontaine's business covers two sectors: paper and processing.

Paper

Over the past four years, the slowdown in the economy has had an impact on companies' use of paper. Consumption of printing and office paper has fallen dramatically due to the increased use of documents in electronic form. In France, consumption has dropped by an average of 6% per year since 2008.
The price index for uncoated paper for graphic use has remained relatively stable, whereas paper pulp prices fell until mid-2012, when they began to rise again.
The decline in our own sales and our decision not to increase our stocks have engendered machine stoppages. In total, our production has fallen by 9% to 201,484 tonnes.

Processing

For the same reasons, sales of office stationery have been declining over the past few years. The sector is also affected by a destabilisation of sales prices caused by importation from countries outside the European Union. More recently, new generation mobiles and tablets have started to compete with personal stationery products.

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Market indices (source: the I + C Institute) show that the paper market remained relatively stable at the beginning of the year but then declined, resulting in an annual decrease of over 3% in manufacturer sales.

The resulting excess capacity has impacted our processing business and has driven our margins down. Nevertheless, we have managed to maintain our global sales volumes thanks to the reputation of our product ranges, our quality and our logistics tools.

Group financial results

As at 31 December 2012, with revenues of €525,742,000, Group borrowings amounted to €62,304,000 and shareholders' equity totalled €364,754,000.

To support its growth, the Group negotiated lines of credit with its banking partners. The outstanding amount on these lines was €20 million as at 31 December 2012. The Group also issued commercial paper, which amounted to €35 million at year-end out of a global programme of €125,000,000.

The Group has €57,008,000 in cash funds. 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 €5,296,000 at 31 December 2012.

The accounts have been audited and the certification reports are under preparation.

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- The Board announces an Ordinary General Meeting to be held on 29 May 2013, at which it will recommend a dividend of €0.50 per share.
- The next communication will be issued after the Board meeting called to approve the half-year financial statements, which will be held on 30 August 2013.

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At the beginning of 2013, the economic climate remains uncertain, while raw material and energy prices continue to edge up. Our efforts are focused on renewing our products to retain our market leading position.

THE BOARD OF DIRECTORS

Head of Financial Reporting
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