

SEQUANA

Press Release

Boulogne-Billancourt, 7 January 2019

Arjowiggins plans to file petitions to open receivership proceedings for some of its subsidiaries in France

In a highly deteriorated market environment and further to the termination by Fineska BV of the planned acquisition of its Graphic and Creative Papers businesses (cf. press release on 27 December 2018), Arjowiggins and the French companies Arjowiggins Papers and Arjowiggins Creative Papers plan to petition the Commercial Court of Nanterre to open a preventive Safeguard procedure (*Sauvegarde*) in their favour to protect their interests. Some of Arjowiggins' French subsidiaries will file a petition to open Receivership proceedings (*Redressement judiciaire*). These petitions will be reviewed by the Commercial Court at a hearing on 8 January 2019. The Priplak and Arjobex subsidiaries are unaffected by these procedures.

The Arjowiggins subsidiaries affected by these procedures operate the mills of Bessé-sur-Braye, Le Bourray and Greenfield.

These projects are part of an information/consultation process with the various relevant Works Councils representing the personnel.

Regarding the subsidiaries outside France, the Group is reviewing its various strategic options jointly with the local managers, with the ultimate goal of minimizing the impact of the French procedures.

Under the aegis of Receivers appointed by the Commercial Court, the Safeguard or Receivership procedure would enable Arjowiggins to seek all potential solutions likely to secure the continuity of business of Arjowiggins' Graphic and Creative Papers divisions in the context of a sustainably viable takeover plan, while preserving the interests of its employees, customers, suppliers and stakeholders.

The French public authorities have been informed of the Group's situation and have already indicated that they would support the various processes undertaken to find buyers for the different Arjowiggins businesses and thus preserve jobs.

After conducting a major restructuring of its printing & writing paper businesses in 2014, Arjowiggins had refocused on technical and specialty papers, and demonstrated its ability to generate positive cash-flows, particularly in 2017. However, since July 2017, Arjowiggins has suffered an unprecedented and steady increase of its external costs, particularly for paper pulp that has reached a record historical high in the past few months, in an environment of structurally declining volumes of printing and writing papers. Despite selling price increases that were significant but insufficient in a market with excess capacity, the Group was unable to offset the rise of its variable costs.

Furthermore, the litigation involving Sequana versus British American Tobacco (BAT), pending since 2013, has caused major mistrust from the Group's business partners, in particular its credit insurers who have scaled down their exposure to Arjowiggins, leading to tensions on working capital requirements.

Under the circumstances, Arjowiggins has therefore been forced to initiate the required measures to continue operating its business under the best possible conditions.

The Group is confident in its ability to find buyers for these businesses that enjoy highly skilled staff whose expertise and professionalism are acknowledged across their markets, renowned brands in premium fine papers and recycled graphic papers, solid market positions in technical and speciality papers, and a unique industrial asset to produce 100% recycled paper pulp.

About Sequana

Sequana (Euronext Paris: SEQ) reported sales of €2.8 billion in 2017 through:

- **Antalis:** leader in B2B distribution of Papers and industrial Packaging and number two in the distribution of Visual Communication media in Europe with around 5,500 employees based in 41 countries.
- **Arjowiggins:** manufacturer of recycled and specialty papers, with around 2,300 employees.

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