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PRESS RELEASE

RESTRUCTURING OF THE GASCOGNE GROUP - SIGNING OF A CONCILIATION PROTOCOL

Following its announcement on 14 January 2014, Gascogne announces the entry into a restructuring agreement (conciliation protocol) on 9 April 2014. The conciliation protocol is between Gascogne and certain of its French subsidiaries and the group's bank, tax and social security creditors, EEM (the principal shareholder of Gascogne) and a company called Attis 2 formed by a consortium of investors comprising the Landes region companies Biolandes Technologies and Les Dérivés Résiniques et Terpéniques (DRT), Bpifrance Participations and Crédit Agricole group.

This protocol concludes discussions which have been ongoing since August 2013 under the auspices of the French Inter-ministerial Committee on Industrial Restructuring (CIRI).

The transactions contemplated by the protocol are intended to enable Gascogne to maintain the continuity of its operations.

The main provisions of the protocol comprise an industrial plan, a strengthening of Gascogne's equity and a restructuring of its debt.

I. Industrial plan

The industrial plan contemplates strategic and operational changes at the group's four divisions (wood, paper, sacks and laminates):

- Wood

This division includes the companies Forestière de Gascogne and Gascogne Wood Products both located in France and Gascogne All Wood located in Belgium. The objective is to provide this division with the solid financial foundations necessary to align its long-term positioning with growing and value-added sectors. Investment in a pellets production line is planned to optimize the use of by-products. Investment in a cutting-jointing line will help streamline existing equipment and enable development of higher value-added products. A reduction in the number of industrial sites in the wood division is also envisaged, which will be implemented through site closures and disposals.

- Paper

This division includes the French companies Gascogne Paper (Mimizan plant) and Depland (plant in Haute Vienne, near Limoges). The objective is to reduce dependency on fossil fuels, notably through investment in a biomass boiler and increased operational efficiency through targeted investments in automation technology.

- **Sacks**

This division includes the Mimizan and Nantes plants in France as well as plants in Germany, Greece and Tunisia. The objective is to strengthen this division reputation as a specialist. This will involve investment in a third plastics line in Mimizan and the renewal or modernisation of two lines at the Nantes site.

- **Laminates**

This division includes the Dax plant in France and the Linnich plant in Germany. Following the investment already carried out in a new machine in Dax, Gascogne will seek to deepen its penetration and accelerate its growth in existing markets.

The financing scheme of the industrial plan is based on the strengthening of the equity, essentially through the subscription by Attis 2 to capital increases, as well as by new financing, as outlined below.

II. Strengthening of equity

The following series of capital increases and decrease is contemplated to strengthen Gascogne's equity :

1. A proposed reserved capital increase to be released by offsetting bank receivables acquired by Attis 2 and EEM from the group's bank creditors. Such capital increase would be carried out by means of a total subscription price of 34.1 million euros, corresponding to the nominal value of the acquired receivables, in exchange for the issuance of 1.9 million shares at a price per share of approximately 17.88 euros (representing a premium of approximately 12.88 euros per share). The subscription price has been determined to ensure that the acquisition price of such bank receivables, which is less than their nominal value, does not result in holders of the receivables receiving more shares than would have been received through a subscription at the acquisition value of such receivables.
2. A proposed capital decrease through a reduction in the nominal value of Gascogne shares from 5 euros to 2.5 euros which is intended to deal with accumulated losses on Gascogne's balance sheet.
3. A proposed cash capital increase with preferential subscription rights allowing existing shareholders to subscribe on a *pro rata* basis to the issuance of new shares. The capital increase will seek to raise approximately 10.2 million euros and will be carried out through the issuance of approximately 4 million shares at a share price of 2.5 euros (without issue premium). Attis 2 and EEM have committed to underwrite this capital increase for at least 75% of the total amount.
4. A proposed cash capital increase reserved for Attis 2 and EEM. This capital increase will amount to approximately 33.6 million euros and will be carried out through the issuance of a maximum of approximately 13.4 million shares for a share price of 2.5 euros (without issue premium).
5. A proposed issuance of 12.05 million euros principal amount of mandatorily convertible bonds (*ORAN*) to certain bank creditors of the group in satisfaction of a portion of their debt against Gascogne. The maturity date for the *ORAN* would be 31 December 2023. The *ORAN* would be issued as two separate classes of security, one class unsecured and another class secured through the security interests that are currently attached to the existing debt of the bank creditors who will receive *ORAN*. *ORAN* holders would benefit from a put option on

Biolandes Technologies in 2018 and 2019, and would grant a call option in favour of Biolandes Technologies from 1 December 2019 until the maturity date of the ORAN.

In summary, as part of the equity strengthening, Attis 2 proposes to invest an amount of approximately 36 million euros (including 31.24 million euros through the cash capital increases described in steps 3 and 4 above and the balance through the capitalisation of a portion of the bank receivables described in step 1 above).

EEM will invest an amount between 8.17 million euros and 8.96 million euros, as follows:

- capitalisation of the EEM current account (granted within the context of the July 2012 conciliation and benefiting from a new money priority status) for an amount of 3.76 million euros (including interest), giving entitlement to shares with a nominal value of 2.5 euros;
- capitalisation of bank receivables amounting to 1.42 million euros, under the same conditions as those applicable to the capitalisation of the bank receivables acquired by Attis 2 (see step 1 above);
- cash investment of an amount between 4.21 million euros and 5.00 million euros, giving right to shares with a nominal value of 2.5 euros.

Following the capital restructuring of Gascogne, which remains subject to the prior approval by the shareholders of Gascogne, Attis 2 will hold at least two thirds of the share capital and voting rights of Gascogne, and the participation of EEM would be reduced from approximately 28.9% of the capital to approximately 20% of the capital of Gascogne.

As a purely illustrative example, assuming a full participation by existing shareholders to the capital increase with preferential subscription rights as referred to in step 3 above, the participation of a shareholder currently holding 1% of the share capital of Gascogne would be reduced to 0.19% if such shareholder decided to subscribe to the capital increase with the total amount of its preferential subscription rights, and to 0.09%, should such shareholder elect not to subscribe. In case of full repayment of the ORAN in new Gascogne shares, the participation of said shareholder would be reduced, in both cases above described, respectively to 0.17% and 0.08% of the share capital of Gascogne.

III. Debt restructuring

As part of the conciliation protocol, the existing debt of the Group will be partially reduced and partially extended. The restructuring transactions set out in the conciliation protocol would entail a reduction of the drawn gross debt plus overdrafts and factor obligations from approximately 162 million euros as of 31 December 2013, to approximately 118 million euros (excluding the nominal value of ORAN of 12.1 million euros) at the date of completion of all transactions.

New additional financings amounting to 30.5 million euros, subject to the restructuring being implemented, would be made available to the Gascogne group to fund the contemplated investment program and the implementation of the new Group strategy.

In the context of this restructuring, the structure of short-term financing has been renegotiated and a new factoring agreement covering all the activities of the French companies has been implemented as a substitute for the existing revolving credit and other existing financings. This agreement allows consolidation of short term financing and an increase of such financing by 5 to 6 million euros.

IV. Conditions precedent

The commitments to invest and the debt restructuring contemplated by the reconciliation protocol are subject to the satisfaction of certain conditions precedent, including:

- the obtaining of an opinion from an independent expert appointed by Gascogne's Board of Directors upon the fairness of the proposed transactions described in Section II above;
- the granting by the AMF in favour of Attis 2 and DRT of a derogation under Article 234-9 2° of its General Regulations to the obligation to make a public offer for Gascogne shares following the crossing of the thresholds that trigger the requirement to make such an offer;
- the obtaining of merger control authorisation from the competent authorities;
- the approval by the Gascogne general meeting of shareholders of the resolutions necessary for the issuing of securities and the reduction of capital referred to in the protocol;
- the granting by the Commercial Courts of Dax and Mont-de-Marsan to the lenders parties to the conciliation protocol of the conciliation's priority status provided for under the Article L. 611-11 of the French Commercial Code.

Under the provisions of the conciliation protocol, all of the conditions precedent must be fulfilled before 21 July 2014, at which date the protocol shall otherwise cease to be valid.

In addition, the conciliation protocol shall also become null and void in case of declaration of cessation of payments or safeguard procedure application by Gascogne and/or one of its subsidiaries, or the occurrence, until the date on which judgements will be free of any recourse, of an event that would be likely to adversely and significantly alter the industrial plan and its financing.

It is envisaged that the general meeting of the Company will be convened for mid-June 2014 and that the financial restructuring transactions be completed by September 2014.

Gascogne shall maintain the suspension of trading in its shares until the publication of its annual accounts.

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About the Gascogne Group:

The Gascogne Group is the leading player in the wood industry in France, operating at every stage of the processing of forest resources, and the only player in France that is totally integrated along the complete wood-paper-processing chain. With its four close-fitting activities, the Gascogne Group is the leading multi-specialised operator in the wood industry in France, the world's leading producer of machine-glazed natural Kraft paper, one of the European leaders in the industrial and consumer sacks market, and one of the world's leading producers of packaging and protection laminates.

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