

St Paul-Lès-Dax, 27 February 2013

2012 business and information on the Group's evolution

Review of changes in the Laminates division

As part of its strategic reorganisation and refocusing, the Gascogne Group had announced that it had initiated a process to sell its entire Laminates division. In August, Gascogne therefore finalised the sale of its Swiss subsidiary Gascogne Laminates Switzerland.

In the fourth quarter, a comprehensive strategic review was held on all the Group's business activities. Based on its conclusions, the Board decided to keep the main sites of the Laminates division, located in Dax (France) and Linnich (Germany), within the perimeter of the Group, given their short- and medium-term growth potential.

The Group did however continue the process of selling the division's other industrial sites. Gascogne announces that at the end of January it had finalised the sale of its loss-making subsidiary MUPA Emballages (€6.5m sales in 2012). Advanced discussions are also underway for sale of the Jarnac industrial site (€12.2m sales in 2012).

2012 business Sales virtually stable in 4th quarter

2012 sales are presented in accordance with standard IFRS 5. The contribution by the sites divested or held for sale is included in discontinued operations. To allow a comparison, the same presentation was used as for the 2011 accounts.

<i>Consolidated Sales (in €m)</i>	4th quarter			12 months		
	2011	2012	Variation	2011	2012	Variation
Wood	20.0	20.6	+3.2%	85.8	81.2	-5.4%
Paper	26.2	25.0	-4.6%	100.6	101.0	+0.4%
Sacks	29.2	30.5	+4.7%	122.0	121.3	-0.6%
Laminates (retained assets)	27.6	26.3	-4.7%	119.9	114.9	-4.2%
Other	0.0	0.4	ns	0.6	0.4	ns
Total Continuing Operations	103.0	102.9	-0.1%	428.9	418.9	-2.4%
Laminates (assets to be sold)	6.6(*)	4.9	-25.8%	51.6 (*)	45.8	-11.2%
Group total	109.6 (*)	107.8	-1.6%	480.6 (*)	464.7	-3.3%

(*) For comparison purposes, restated without the sales achieved between September and December in 2011 by Gascogne Laminates Switzerland (€9.1m in 4th quarter and €3.7m in September), sold on 31 August 2012

In an economic climate that is still difficult and following three consecutive quarters of downward trends, Gascogne achieved sales of €102.9m in the 4th quarter of 2012, a level that was virtually stable in relation to the same period in 2011.

This performance enabled the Group to achieve sales of €418.9m for the financial year as a whole, down -2.4%. This fall is primarily attributable to the Wood division, which is particularly affected by the economic situation this year, and the Laminates division, which is being affected by the uncertainties concerning its future. The Sacks and Paper divisions enjoyed a robust year, confirming their ability to maintain their respective market shares.

Analysis of business by division

Wood

In the 4th quarter, the division once again enjoyed growth (+3.2%), after four quarters of contraction. This trend reversal in the 4th quarter is based on market share won in the decoration segment, thanks to the dynamic commercial approach adopted in recent months.

Paper

The division saw a drop of -4.6% in the 4th quarter, mainly owing to an unfavourable calendar at the end of the year. The good results during the first 9 months however meant that annual sales reached €101.0m, slightly up by +0.4%, despite the scheduled plant shutdown for two weeks in April 2012.

Sacks

After a gloomy third quarter, the division enjoyed a good 4th quarter, with sales of €30.5m, up +4.7%. The Group in particular benefited from business still concentrated on pet food sacks. This quarterly performance was able to make up for some of the setbacks of the previous quarters, with the division ending the financial year with sales of €21.3m, virtually the same as in 2011.

Laminates (continuing operations)

The 4th quarter was comparable to the first 9 months of the financial year, with business down by -4%. Gascogne in particular noted that its customers had adopted a wait-and-see attitude, which should gradually change following the decision to actively pursue the development of this business within the Group.

The division thus aims to achieve a rapid return to growth, in particular through the successful February launch of its new production line for silicon paper and film on the Dax site, thanks to capital expenditure of €12m. This new equipment gives it the capacity and the technological edge it needs to achieve growth on the composites market for the aeronautical, medical, technical adhesive tape and graphic arts markets.

Information on the Group's 2012 results

In preparation for the closure of its consolidated accounts, the Gascogne Group ran tests to value the assets on its balance sheet. In accordance with IFRS accounting standards, the tests run by the Gascogne Group are based on a comparison between the posted asset value and the value in use. Calculation of the value in use is based on the discounting of the future cash flows.

The operating profit will therefore include a significant charge estimated at about €60m, linked to depreciation of the operating assets, with no impact on Group cash flow. The net profit will therefore show a considerable deficit.

Information on the Group's financial structure

The trend in the Group's net debt is as follows:

In €m	31-Dec-11	30-Jun-12	31-Dec-12
Gross debt	111.6	125.8	106.4
Cash surplus	-10.7	-5.6	-6.8
Net debt	100.9	120.1	99.5

On 31 December 2012, the Group had net debt of slightly less than €100m.

The authorised undrawn debt stood at €12.1m on 31 December 2012, the drawdown for €3.4m of which is subject to conditions.

The Gascogne Group has repaid €7.4m of the bank loans and shareholder advances made available to it in the 1st half of 2012. For 2013, the Group obtained an agreement from its banking partners and shareholders, for a freeze on the repayment of the monthly amount of €1.7m until 30 April.

The Gascogne Group is initiating further discussions about its debt with its creditors, in order to finalise a new agreement during the course of 2013.

Financial information manager

Patrick Bordessoule, CFO
Tel: +33(0)5 58 56 54 01
Fax : +33(0)5 58 74 55 48

Investors relations

Guillaume Le Floch, Actus
Tel: +33(0)1 72 74 82 25

Media 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