



Mimizan, 20 December 2017

## **Gascogne boosts and reinforces its financing capacity**

**Gascogne has announced the signing of a syndicated loan contract worth €110m, to refinance its current debt and to finance its Capital Expenditure programme for the 2018-2020 period.**

This loan, issued by a group of seven top-ranking banks, reflects the financial partners' confidence in the turnaround of Gascogne, implemented since late 2014. The Group consistently posted improved profitability (EBITDA<sup>1</sup> doubled between 2014 and 2016) and positive net profits in 2015, 2016 and the 1st half of 2017.

This €110m loan is to be paid back over 5 years and is broken down into 3 parts:

- A €50m loan earmarked for the refinancing of current bank debt, which in turn has allowed the arrival of new financial partners
- A €50m capital investment loan, to be channelled into investments planned for the 2018-2020 period
- A €10m revolving loan to provide working capital

This loan is subject to guarantees and customary clauses such as compliance with financial ratios from 30 June 2018 onwards.

This operation will enable Gascogne to pursue its investment programme designed to reinforce its industrial infrastructure: building on an initial investment of €100m over the 2014-2017 period, Gascogne is set to invest a further €100m over the 2018-2020 period (half of which will be financed by the new capital investment loan, and half through self-financing generated by the Group's companies), bringing the total amount of capital expenditure to €200m over 7 years.

This agreement was drawn up with Société Générale Corporate & Investment Banking and Crédit Agricole Corporate & Investment Banking acting as arrangers.

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<sup>1</sup> EBITDA: Underlying operating profit + net additions to depreciation + net operating provisions and impairments

In addition, to back this plan up, the Group will propose to the Annual Shareholder General Meeting in 2018 - convened to approve the annual and consolidated accounts for the 2017 tax year - a draft resolution for a capital increase of €10m, with preemptive subscription rights maintained, supported by the shareholder Attis 2, and to be concluded before the end of 2018.

***Financial information manager***

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**About the Gascogne Group:**

The Gascogne Group is the leading player in the French wood industry, operating at every stage of forest resource processing. It is the only French player that is totally integrated across the entire 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, the #3 European producer of industrial and consumer sacks, and one of the world's leading producers of packaging and protection laminates.

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