

Full-year 2008 results

March 11, 2009



SEQUANA

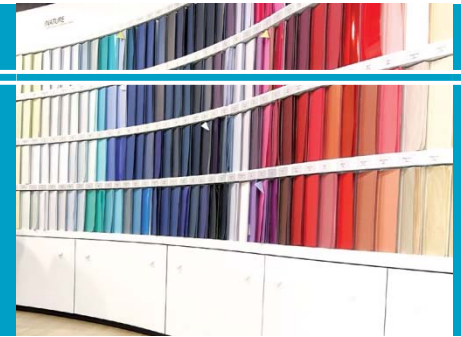
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Appendix: Financial highlights by subsidiary

1. Introduction

Pascal Lebard - Chief Executive Officer



Full-year 2008 highlights

In a **tough market** environment with a new volume decline in H2, Sequana demonstrated its true resilience capacity:

- *Antalis **improved** its operating performance and successfully integrated Map (€ 14m synergies in 2008)*
- *Arjowiggins showed **resilience** thanks to cost savings plans (€ 33m) and price increases in several segments*
- *Nevertheless, the strategic plan implementation as of June 2008 (restructuring, asset disposals) and the current market downturn have resulted in non-recurring expenses of € 496m:*
 - *€ 346m in assets impairment (non cash)*
 - *€116m in restructuring*
- *Bank covenants were **met** at December 31, 2008 with a well controlled financial structure*

Strategic plan launched in June 2008

2008 2009

€14m synergies in 2008, €28m in 2009 (vs. €25m announced for 2010)

Map Integration into Antalis

€60m achieved savings (of which €20m in Carbonless) + €50m disposals in process

Autonomy of Arjowiggins divisions
Carbonless: focus on Belgium
APP disposal
Bernard Dumas disposal

Project done ; 2009 impact

Plans launched in 2008 in preparation for 2009

Arjowiggins' Security division disposal

Dartford & Bor closure (-220 p)
Production - 30 %
Finalization in H1 2009

Antalis improved its operating performance

Mixed market conditions

- *H1: volumes slightly down in some European countries*
- *H2: volumes sharply down, mainly in Europe*
- *FY 2008: the market declined by 4.4% in value and 2.2% in volume*

Operating performance improvement

- *EBITDA improvement (+5%) and operating margin grew to 2.7% of sales*
- *Synergies from Map integration (€14m) in line with initial plans and costs savings (€20m)*
- *Low revenue melt (merger of Map and Antalis)*

Good contribution by new sources of growth and profitability

- *Healthy profitability in Asia, South Africa and South America*
- *Development of packaging products*

Promotional Products business disposal

Arjowiggins showed good resilience

Volatile market conditions

- *H1: external costs surge (raw materials, energy), flat volumes*
- *H2: external costs decline, volumes down, especially in Q4*
- *External costs & currency effect had a €85m negative impact in 2008*

Strategic repositioning

- *Greater autonomy of divisions (head office expenses reduced by €35m)*
- *Streamlining of industrial facilities*
- *Disposal of the Bernard Dumas business (€10m)*

Earnings decline but good **operating cash-flow** generation

- *Price policy helped limit the impact of higher external costs*
- *EBITDA declines in 2008: -18%*
- *But good operating cash flow generation of €130m (vs. €87m in 2007)*

Some markets were a big **success**

- *Stronger positions in environmentally-friendly "green" papers*
- *Strong results improvement in Security*

Acceleration of cost-cutting measures

2008 2009

€14m synergies in 2008, €28m in 2009 (vs. €25m announced for 2010)

Map integration into Antalis

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Autonomy of Arjowiggins divisions
Carbonless: focus on Belgium
APP disposal
Bernard Dumas disposal

Plans launched in 2008 in preparation for 2009

Disposal of Arjowiggins Security division
Carbonless Buy-Out project
Disposal of decor paper mill in China
Project disposal of AWA Ltd (Fox River)

In discussion with one Arjowiggins manager; this project aims to associate a team of local managers with the support of local financial partners

Non accounted for
in 2008

Additional actions to face volume downturn early 2009

Adaptation of production capacities (up to -20 %)
Closure of a tracing paper mill - Faya
Closure of a coater machine - Wizernes
... + studies in process at Antalis and Arjowiggins

Consolidated 2008 results (before non-recurring expenses)

(€m)	2008	2007 pro forma	
Sales	4,951	5,158	(4.0)%
EBITDA**	221	232	<i>nil</i>
<i>EBITDA margin (%)</i>	<i>4.5%</i>	<i>4.5%</i>	
Recurring operating income	136	156	<i>(0.4)pt</i>
<i>Operating margin (%)</i>	<i>2.7%</i>	<i>3.1%</i>	
Recurring net income***	68	99	
<i>Diluted EPS</i>	<i>€1.38</i>	<i>€2.01</i>	

-0.5% at constant exchange rate
 Antalis -2.7%
 Arjowiggins +1.5%

Margins preserved in a challenging environment

* Pro-forma 2007 results include the business of Dalum Papir A/S and the Map Merchant Group as from 1 January 2007, and the reclassification of Arjowiggins' carbonless paper and decor paper activities in Asia as "Net income from discontinued operations".
 ** EBITDA: Recurring operating income before depreciation and amortisation and net (additions to) reversals of provisions.
 *** Recurring net income: Recurring operating income after net financial income (expense) and income tax on continuing operations.

A well-controlled financial structure

Net debt of €791m

- *Antalis: €382m (tight management of WCR)*
- *Arjowiggins: €342m (factoring program)*

Bank covenants met at December 31, 2008

- *Antalis: Net debt/EBITDA = 3.16 (criteria \leq 4.25)*
- *Arjowiggins: Net debt/EBITDA = 3.0 (criteria \leq 3.5)*

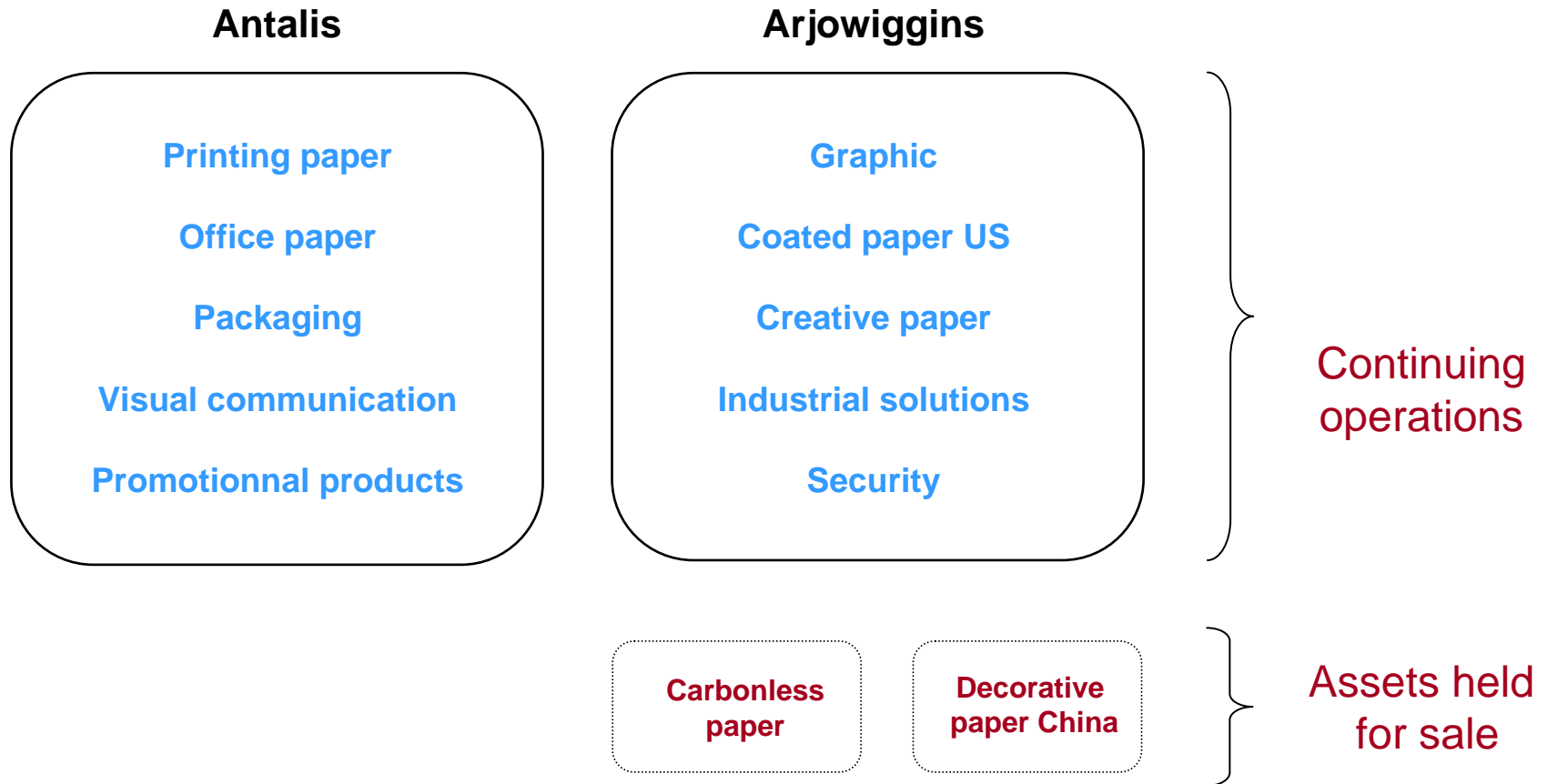
Group financing is secured in the medium term

- *Antalis: €635m credit line with a 5-year maturity (October 2012)*
- *Arjowiggins: €400m credit line with a 5-year maturity (July 2012)*

2. 2008 financial statements



Scope of consolidation 2008



Consolidated income statement

(€m, at 31 December)	2008	2007 pro forma	Change
Sales	4,951	5,158	(4.0)%
<i>% change</i>			
EBITDA	221	232	(4.7)%
<i>EBITDA margin (%)</i>	4.5%	4.5%	
Recurring operating income	136	158	(13.9)%
<i>Operating margin (%)</i>	2.7%	3.1%	
Net financial expense	(56)	(28)	
Tax on continuing business	(16)	(32)	
Associates and minority interests	3	1	
Recurring net income	68	99	(31)%
<i>Net margin (%)</i>	1.4%	1.9%	
Non-recurring income (expenses)	(496)	56	
Net income (loss) – Group share	(428)	155	

* Pro-forma 2007 results include the business of Dalum Papir A/S and the Map Merchant Group as from 1 January 2007, and the reclassification of Arjowiggins' carbonless paper and decor paper activities in Asia as "Net income from discontinued operations".

** EBITDA: Recurring operating income before depreciation and amortisation and net (additions to) reversals of provisions.

*** Recurring net income: Recurring operating income after net financial income (expense) and income tax on continuing operations.

Details by subsidiary

In €m	2008	2007 pro-forma	Change
Arjowiggins Sales	1 808	1 840	(1.7%)
Antalis Sales	3 357	3 574	(6.1%)
Eliminations & others	(214)	(256)	
Net Consolidated Sales	4 951	5 158	(4.0%)
Arjowiggins EBITDA	112	137	(18.2%)
Antalis EBITDA	121	115	5.2 %
Holdings & others EBITDA	(12)	(20)	
Consolidated EBITDA	221	232	(4.7%)
Arjowiggins ROC	56	86	(34.9%)
Antalis ROC	92	92	-
Holdings & others ROC	(12)	(21)	
Consolidated Recurring Op. Income	136	158	(13.9%)

Non-recurring items

(€m, at 31 December)

2008

Permal / Legg Mason	(9)	
Disposal of shares	3	
Fox River insurance payments and expenses	5	
Restructuring	(116)	Of which €35m for carbonless paper
Tax on discontinued operations	11	
Depreciation	(176)	Of which €(130)m for carbonless paper and decor paper China
AWA goodwill impairment	(170)	
Other income & expenses and deconsolidation effect	(44)	
Non-recurring income (expenses)	(496)	

Consolidated Balance Sheet

<i>(€m, at 31 December)</i>	2008	2007 published	
Goodwill	630	857	Decline of 226 M€ = depreciation impact (186 M€) & Map final goodwill (40 M€)
Property, plant & equipment and intangibles	572	729	
Investments	154	110	
Inventories	594	646	Decline of 142 M€ of OWC (VS; 2007 pro forma) thanks to both 2 subsidiaries
Trade receivables	778	1,025	
Trade payables	(738)	(785)	
Non-operating WCR	(107)	(212)	
Assets held for sale	(38)	4	
Total Assets	1,846	2,372	
Shareholders' equity	714	1,287	Decline mainly due to the net loss for the year €(428)m, the dividend €35m and the foreign exchange rates €93m
Provisions	341	314	
Net debt	791	771	
Total Liabilities	1,846	2,372	

Breakdown of provisions

Net increase of US\$50m without P&L impact due recognition of all Maris Policy assets

<i>(€m, at 31 December)</i>	2008	2007
Fox River provision	143	101
Pension fund provision	118	114
Restructuring provision	52	48
Other provisions for risks and contingencies	27	50
Total	341	314

Decline especially due to the payment of the FCO Decor fine

Change in net debt

(€m, at 31 December)	2008	
Net cash position at Dec. 31, 2007	(771)	
EBITDA	223] Very high operating cash flow thanks to WCR monitoring (of which €78 m of factoring for Arjowiggins)
Change in WCR and factoring	(131)	
Capex	(75)	
Net financing costs	(62)] Map important payments for Map but in deduction of acquisition price
Taxes	(10)	
UK pensions	(30)] Greenfield €(28)m, China €(10)m, Bernard Dumas €8m, Canson Inc. €8m, warehouses €16m...
Acquisitions and disposals	(1)	
Restructuring / non-recurring expenses	(81)] 50% Antalis 50% Arjowiggins
Forex	(27)	
Dividends paid	(35)	
Other changes (Pechel, etc.)	(53)	
Net cash position at Dec. 31, 2008	(791)	

3. Results by subsidiary



Results by subsidiary

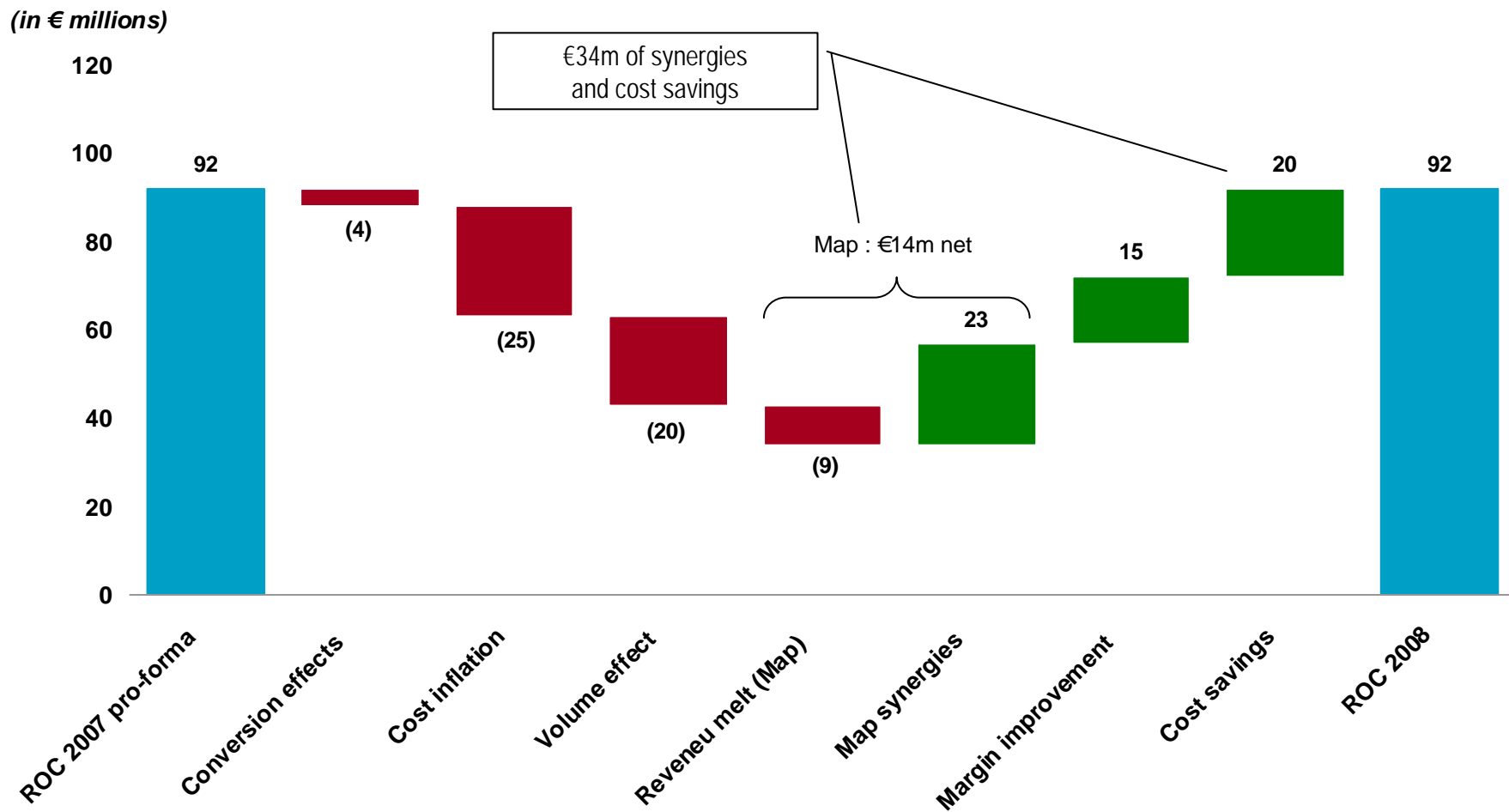
antalis^{EM}

Key figures from the financial statements

(€m, at 31 December)	2008	2007 pro forma	
Sales	3,357	3,574	-2.7% at constant exchange rates
% change	-6.1%		
EBITDA	121	115	5,2% yoy (+9 % at constant exchange rates)
EBITDA margin (%)	3.6%	3.2%	
Recurring operating income	92	93	
Operating margin (%)	2.7%	2.6%	
Capital employed	738	907	
ROCE	12.5%	10.2%	+2.3 points

EBITDA improved by 5% (9% at constant exchange rate) and operating margin grew to 2.7%

Recurring EBIT: 2008/07 bridge



H2 impacted by the market downturn

Volumes decline is partially compensated by price increases

En M€	H2 2008	H2 2007	Change
Volumes	1 300	1 375	(5.4)%
Sales	1 649	1 716	(3.9)%
ROC	40	51	(22.0)%
Op. Margin %	2.4 %	3.0 %	

Of which €7m of exchange losses

€49 m (-18% at constant exchange rates)

Recurring Operating Income H2 2008 to €40 m

- Decline of €9m (-18%) at constant exchange rates compared to H2 2007 (€49m)
- Of which €(7)m of operating exchange losses during the semester following the sudden currencies devaluation in Eastern Europe and South America

Key figures from the cash flow statement

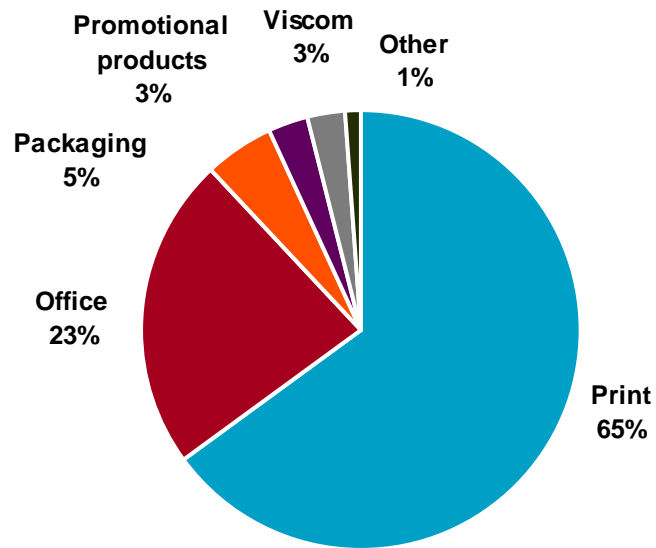
Strong OWC improvement

(€m, at 31 December)

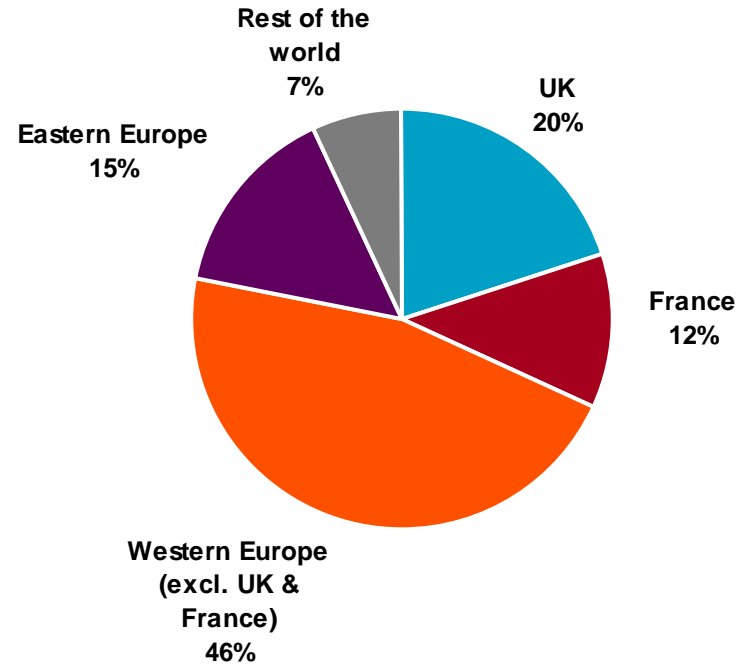
	2008	2007 pro-forma
EBITDA	121	115
OWC variation	83	(68)
Capex	(26)	(32)
Operating cash-flow	178	15
Net debt	382	455

Breakdown of sales

2008 sales by market



2008 sales by region



The **integration** process is proceeding according to the initial plan

- *Process completed in 7 out of 13 countries at the end of 2008*
- *Optimisation of coverage in Print, Office, Viscom markets*
- *Product portfolio overhauled and development of Packaging and Viscom products in Map companies*

Synergies have been **higher** and **in advance** compared to initial plan

- *Optimisation of sales, supply chains and IT systems and purchasing*
- *€28m on an annual basis, of which €14m achieved in 2008*

Integration **succeeded**

- *Allowing Antalis to strengthen its leading European position*
- *And to improve its resilience capacity in a unfavourable environment*

A rigorous process, a successful integration

Joint projects **launched** with Arjowiggins

- *Optimization of supply chain and IT systems*
- *Product and sales strategy*
- *Optimization of envelopes production*

Optimization of a prestigious, high-profile **brand portfolio**

- *Corporate communication (Conqueror, Opale, Curious...)*
- *Graphic arts (Arches..)*
- *Luxury packaging (Priplak...)*
- *Promotion & Advertising (Skin...)*
- *Tracing paper (Curious Translucent...)*

More potential for **synergies**

- *Supply chain, inventory management, marketing and sales strategy*

*Position the Creation paper business
to **benefit** from the scope of Antalis' distribution network*



ARJOWIGGINS

Key figures from the financial statements

(€m, at 31 December)	2008	2007 pro forma
Sales	1,808	1,840
% change	-1.7%	
EBITDA	112	137
<i>Ebitda margin (%)</i>	6.2%	7.4%
Recurring operating income	56	86
Operating margin (%)	3.1%	4.7%
Capital employed	561	658
ROCE	10.0%	13.1%

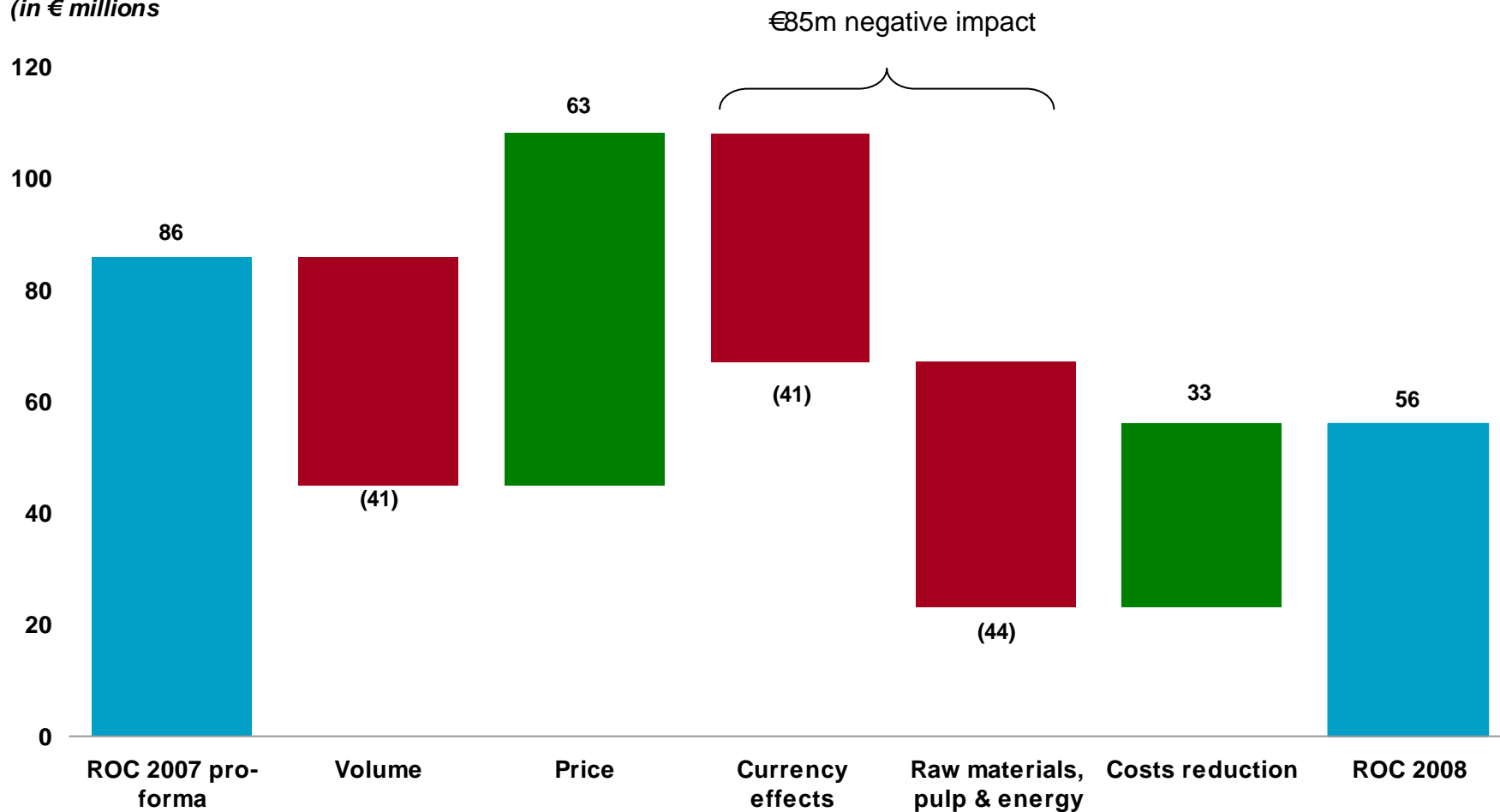
+1.5% at
constant
exchange rates

EBITDA was hit (-18%) by higher external costs (raw materials, pulp and energy)

Good resilience of Arjowiggins in a challenging environment

Recurring EBIT: 2008/07 bridge

(in € millions)



Results by segments

2008

<i>In € million</i>	Creation Papers	Graphic	US Coated	Industrial Solutions	Security
Sales	366	597	289	292	264
EBITDA	42	23	10	(3)	41
<i>Margin in %</i>	11.5%	3.9%	3.5%	(1.0)%	15.5%
Recurring operating income	32	2	3	(14)	33
<i>Margin in %</i>	8.7%	0.3%	1.0%	(4,8)%	12.5%
Operating cash flow	41	48	0,4	9	30
Capital employed	98	192	73	96	102
ROCE	32.6%	1.0%	4.6%	(14,4)%	32.4 %

**2007
pro-forma**

<i>in € million</i>	Creation Papers	Graphic	US Coated	Industrial Solutions	Security
Sales	395	581	294	331	240
EBITDA	51	39	9	5	34
<i>Margin in %</i>	12.9%	6.7%	3.1%	1.5%	14.2%
Recurring operating income	44	15	4	(4)	26
<i>Margin in %</i>	11.1%	2.2%	1.4%	(1,2)%	10.8%
Operating cash flow	49	20	12	(5)	27
Capital employed	135	222	65	127	110
ROCE	32.4%	6.8%	6.7%	(2.6)%	24.0%

Key figures from the cash flow statement

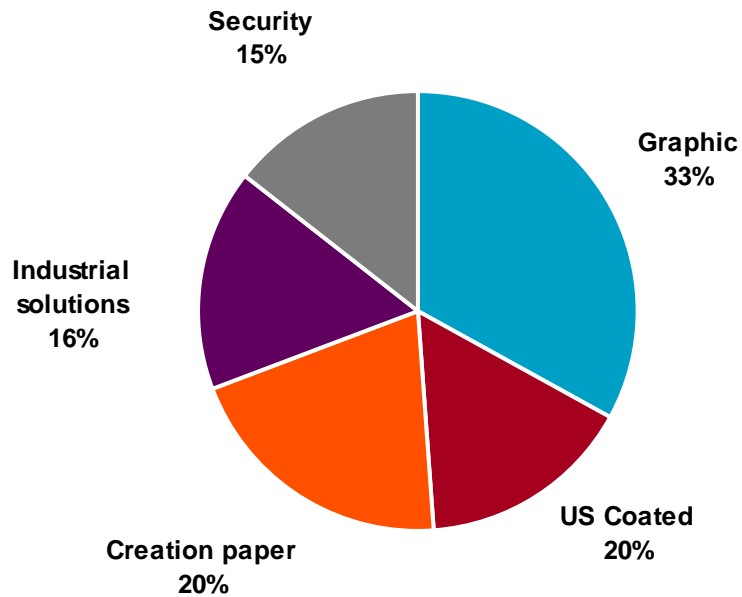
<i>(€m, at 31 December)</i>	2008	2007 pro forma
EBITDA	110	152
Change in WCR	(58)	10
Capex	(40)	(60)
Net debt	130	87
Net debt	342	306

WCR (of which €78m factoring) and capex management

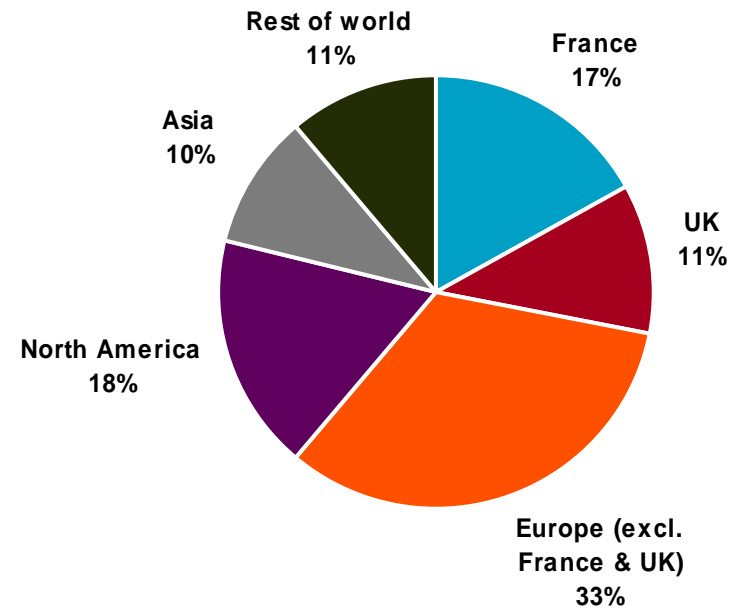
Increase of €36m of which negative exchange impact of €40m on GBP

Breakdown of sales

2008 sales by market



2008 sales by region



Graphic: stronger positions in green

Acquisition of **Greenfield**, the European leader in recycled pulp

- *Pillar of high-end green products*
- *Business (acquired for €25m early 2008) became profitable in 2008 (+€7m in profits 2008 vs. 2007) and to improve its profitability in 2009*

Acceleration of the synergies linked to **Dalum** acquisition

- *Strengthening of the offer with a leading brand in Europe (Cyclus)*
- *Synergies in terms of distribution network*

Expansion of **environmentally-friendly** products

- *Recycled & FSC-certified products: Satimat Green, Maine Gloss Green & Reprint*
- *100% recycled: Cyclus, Eural and Cocoon (new in 2009)*
- *FSC-certified: Maine, Chromomat and Satimat*

The business also benefits from capacity reductions in Europe

*A leading position in innovative **environmental** solutions*

Coated US

- *Our green product offer as well as our top quality service have allowed to maintain volumes in 2008 vs. 2007 in a 15% declining market*
- *Profitable business in H2 2008 despite the increase of raw materials in Q3 and the declining demand in Q4*
- *We continue to adapt our production capacity to market demand*
- *Our initiatives of continuous costs reduction allow us to maintain our objectives for 2009*

Industrial solutions

- *Abrasives / Decor papers*
 - *Markets impacted by the crisis (building & automotive industries)*
 - *Positions strengthened in technical products thanks to innovation*
 - *Adaptation of production capacity to demand*
- *Medical/Hospital: good resilience in this activity which is not linked to market demand*

4. Outlook



Market trends in 2009

The downturn in demand in Q4 2008 **continued** into the first months of 2009

- *Especially in the UK, Spain and the countries of Eastern Europe*
- *Except in Security and Graphic segments, where environmentally-friendly products performed well (FSC-certified or recycled)*
- *Strong current economic downturn in Asia and South America*

Lower costs for raw materials, pulp and energy

- *Benefiting to all Arjowiggins segments in various proportions*

The market is unlikely to accept significant **price increases**

- *Even if prices are stable thanks to production capacity reduction*

Low visibility over structural market trends

Acceleration of initiatives to develop business and reduce costs

Antalis

- *Antalis to record the full impact of Map synergies in 2009 (€28 m on an annual basis)*
- *Product mix to improve thanks to the integration of Arjowiggins' Creation paper business*
- *Antalis to pursue and intensify structural cost-cutting plans in all regions*

Arjowiggins

- *Production capacity to be scaled back by as much as 20% in some segments (e.g. Creation papers)*
- *Closure of the French Faya tracing paper mill*
- *Closing of the MAC6 specialty paper coating machine in Wizernes - France*
- *Action plans are being explored for the Industrial Solutions segment*

Additional savings of about €35-50m on a full year basis

Snapshot of the strategic plan

2008 2009

€14m synergies in 2008, €28m in 2009 (vs. €25m announced for 2010)

Map integration into Antalis

€60m achieved savings (of which €20m in Carbonless) + €50m disposals in process

Autonomy of Arjowiggins divisions
Carbonless: focus on Belgium
APP disposal
Bernard Dumas disposal

Closure of a tracing mill
(-48p) and focus on
Chartham (UK)

Plans launched in 2008 in preparation for 2009

Disposal of Arjowiggins Security division
Carbonless Buy-Out project
Disposal of decorative paper mill in China
Project disposal of AWA Ltd (Fox River lawsuit)

Additional savings
of €35-50m

Additional actions to face volume downturn early 2009

Adaptation of production capacities (up to -20 %)
Closure of a tracing paper mill - Faya
Closure of a coater machine - Wizernes
... + studies in process at Antalis and Arjowiggins

Disposals and Fox River

Disposal of the **Security** business

- *Sale process in final stage - decision within one month*
- *Sale proceeds to deleverage the group and reinforce the balance sheet*

Disposal of the **Carbonless** activity

- *Under discussion with one of the Belgian manager*
- *Try to associate the team of managers along with local industrial partners*

Fox River environmental litigation

- *LOI signed to sell AWA Ltd (entity liable for the Fox River pollution claim)*
- *Target to outsource all liabilities without any Sequana guaranty*

Priorities in 2009

In a challenging environment, the group reacted promptly and swiftly
(more than €100m of costs savings over 2008-09)

In 2009, our goal is to **preserve** margins and **reduce** debt

Together with a tight and motivated team to turn around
our business with energy and determination

*The Board of directors decided to propose to the next Shareholders
annual meeting to suspend the payment of a **dividend** for 2008*

5. Questions & Answers



Pascal Lebard - CEO of Sequana, Chairman of Arjowiggins

Pierre Darrot - Chairman of Antalis

Hervé Poncin - EVP Antalis and Managing director Arjowiggins

**Thibaut Hyvernat - EVP investments
& EVP Transformation plan Arjowiggins**

Xavier Roy-Contancin - CFO Antalis

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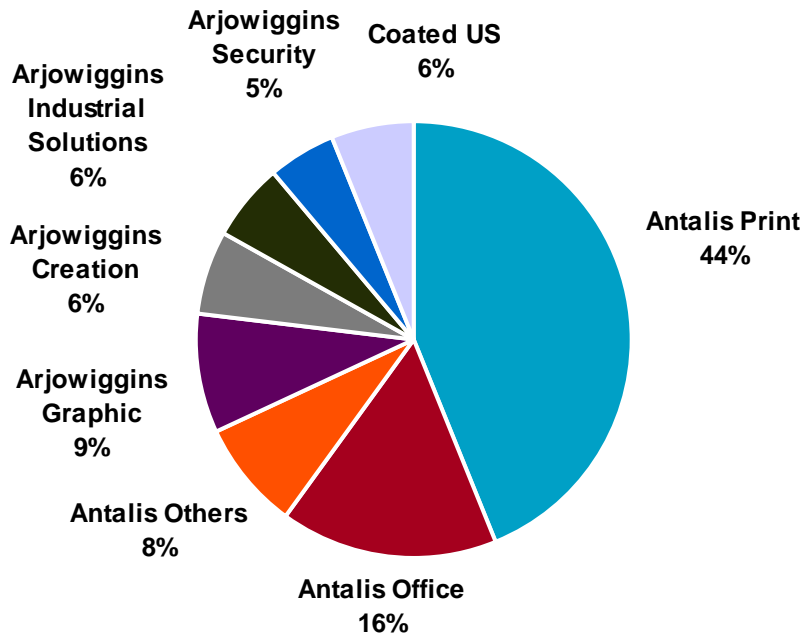
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Appendix - Financial Highlights by Subsidiary

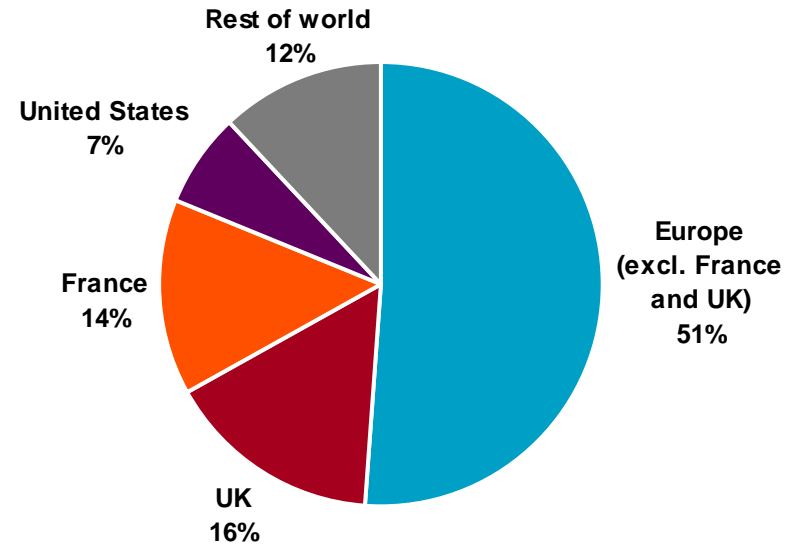


Breakdown of sales

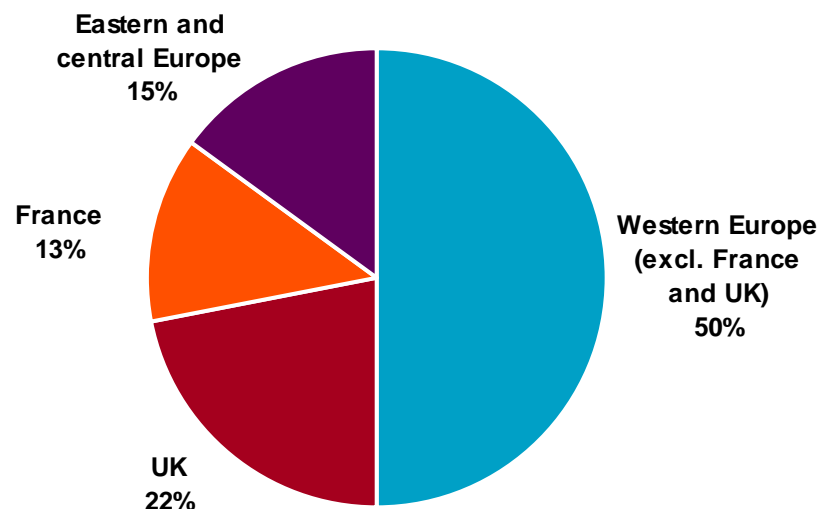
2008 sales by segment



2008 sales by region



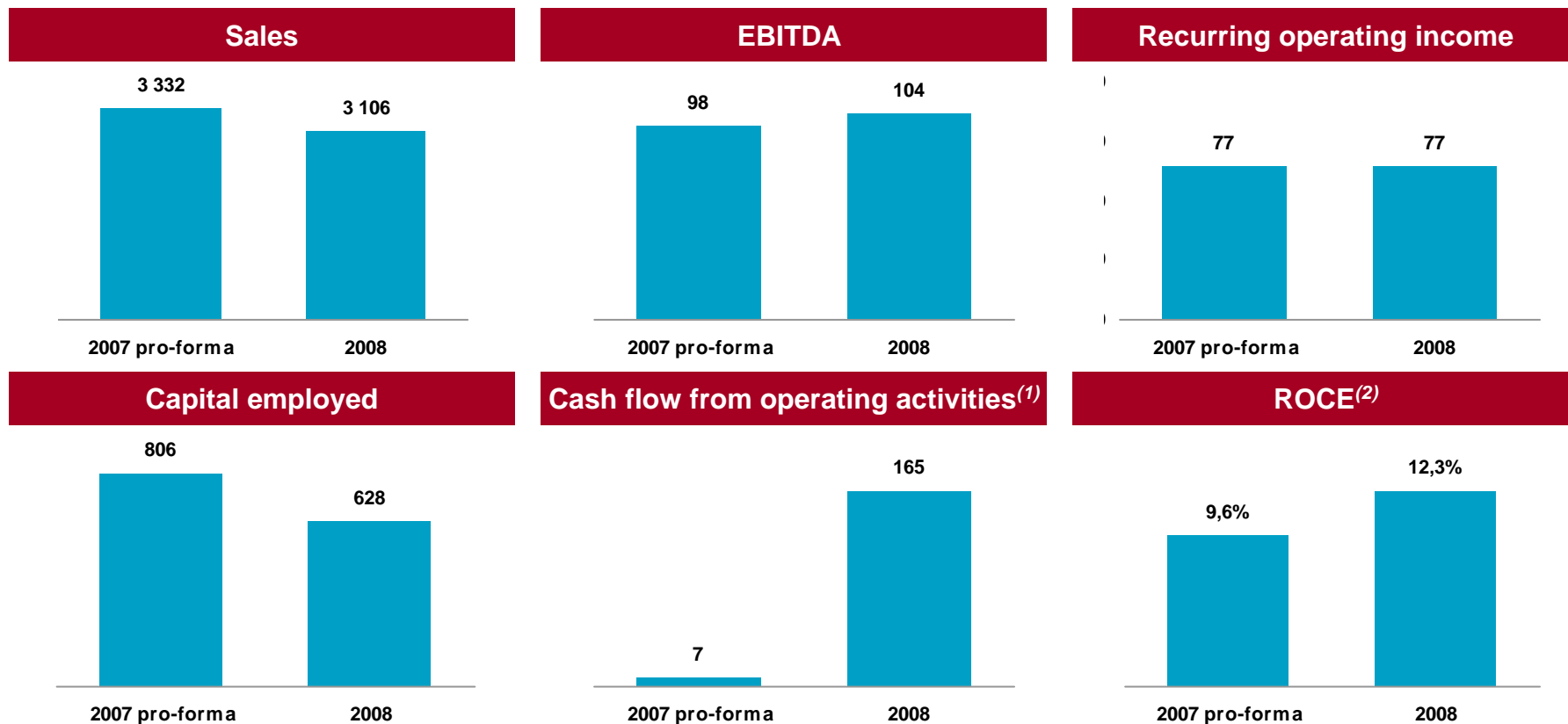
2008 sales by region



Comments

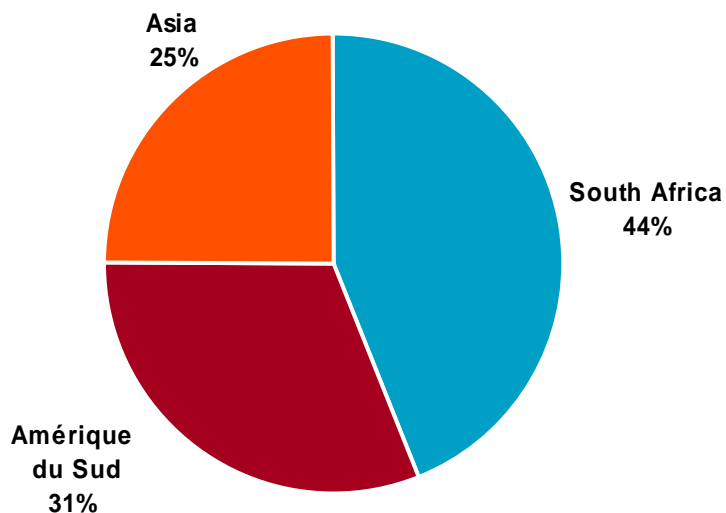
- *Stable markets in H1 2008, followed by a drop-off in demand in H2*
- *Decline in average sales prices, except for coated paper, which rose in H2*
- *Strong performances in Switzerland, Germany and Austria; tough markets in France, Spain and the UK*
- *Integration of Map has been completed in 7 out of 13 countries*

(€m, except ROCE)



1. Cash flow from operating activities: Current operating income + Depreciation - Investment - Change in WCR
 2. ROCE: current operating income/capital employed

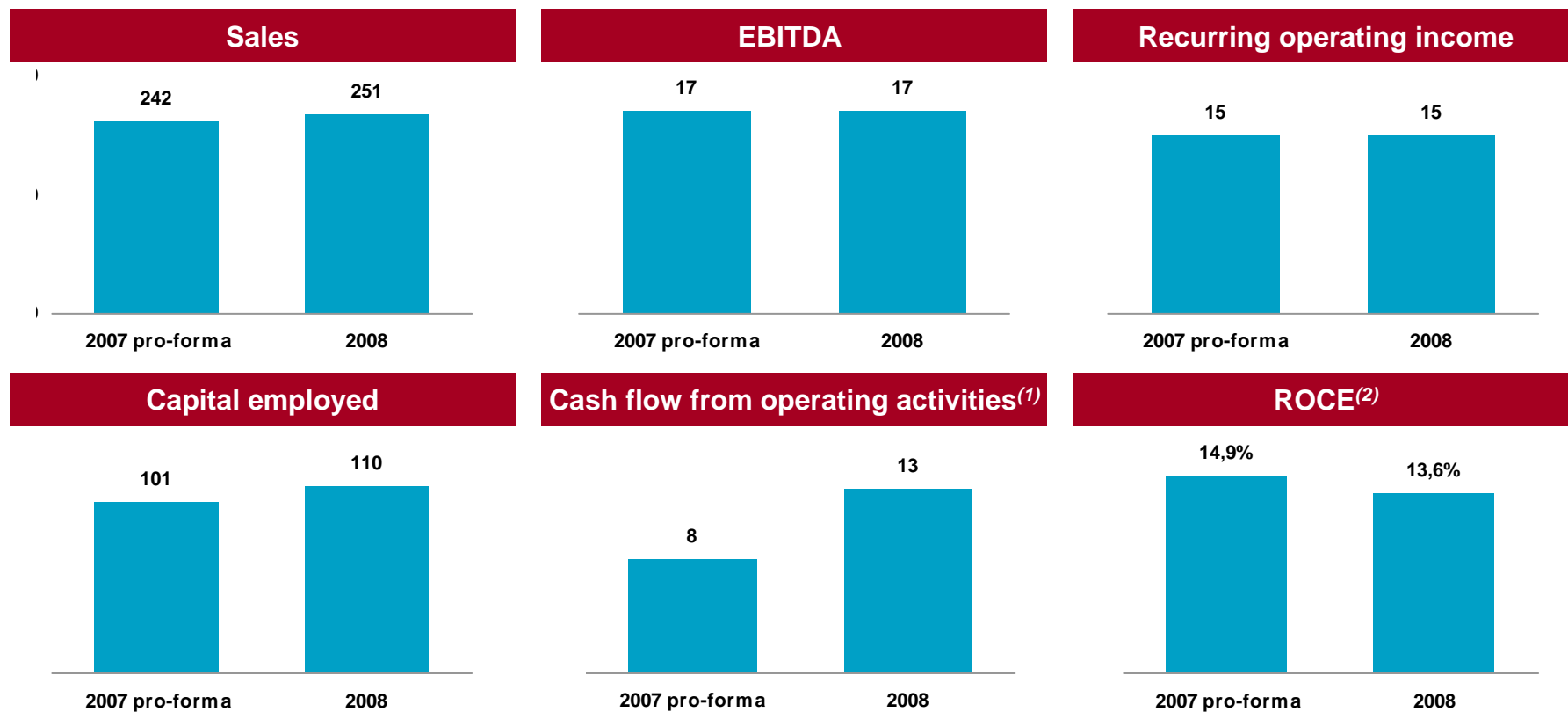
2008 sales by region



Comments

- *Buyout of Arjowiggins' stake in Image Paper Asia*
- *Strong overall performance of activities outside of Europe*

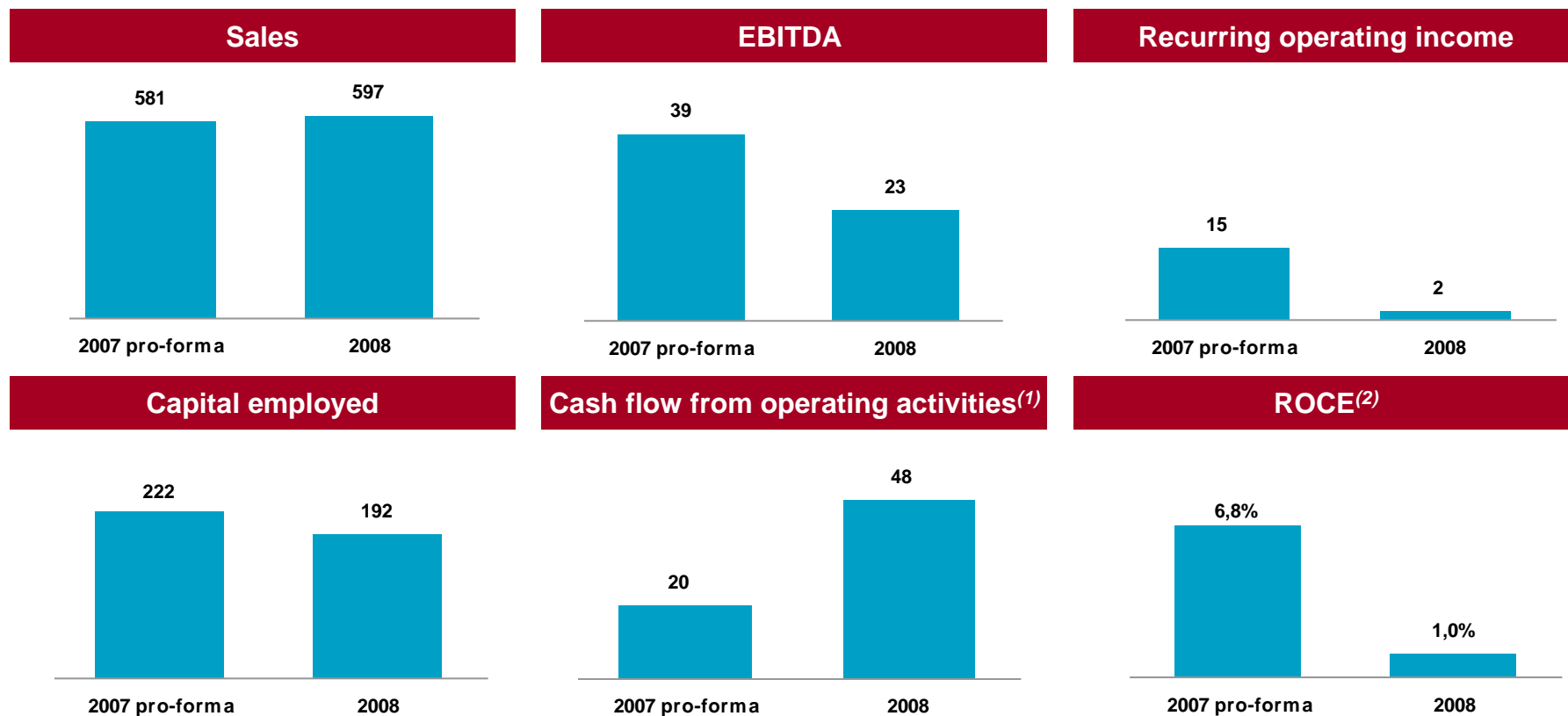
(€m, except ROCE)



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 2. ROCE: current operating income/capital employed

Arjowiggins: Graphic

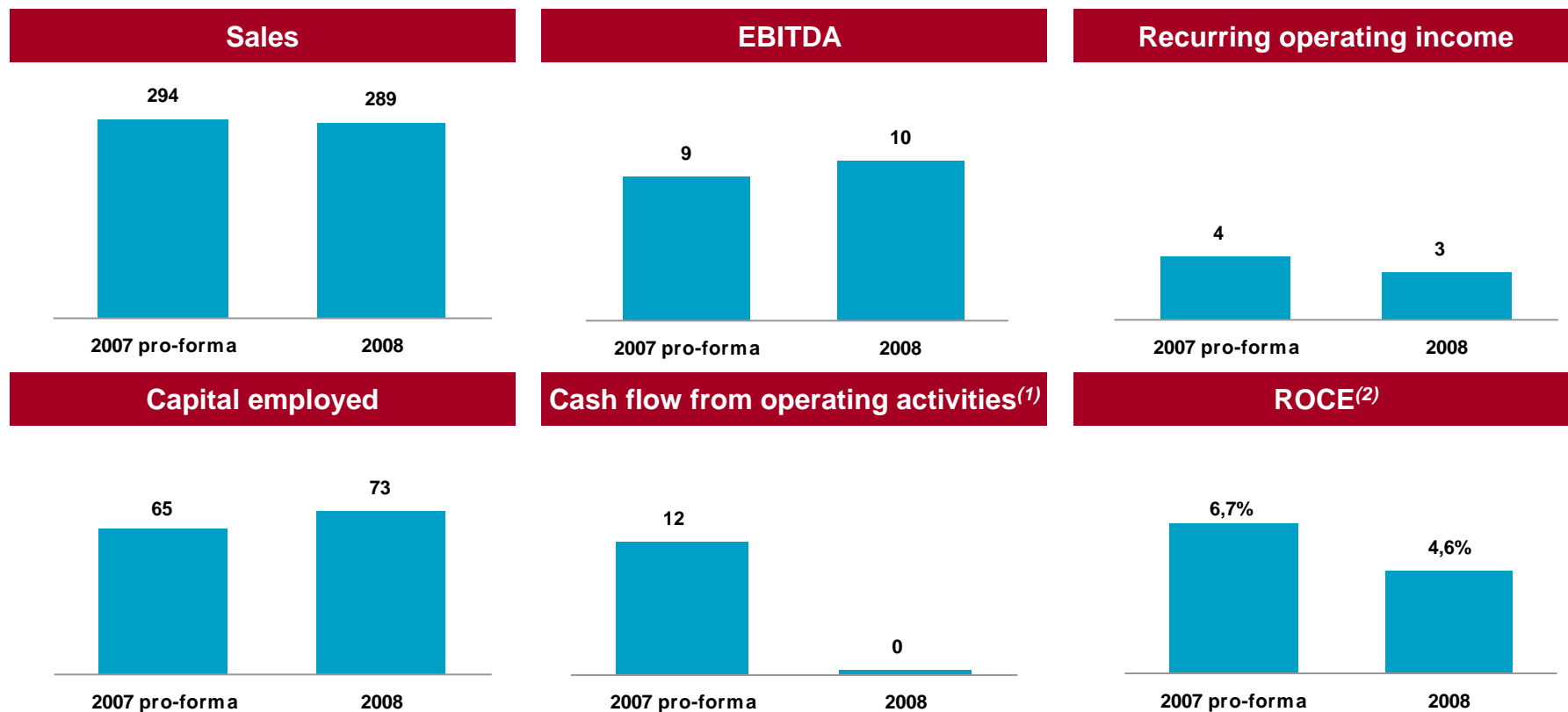
(€m, except ROCE)



1. Cash flow from operating activities: Current operating income + Depreciation - Investment - Change in WCR.
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Arjowiggins: Coated Paper US

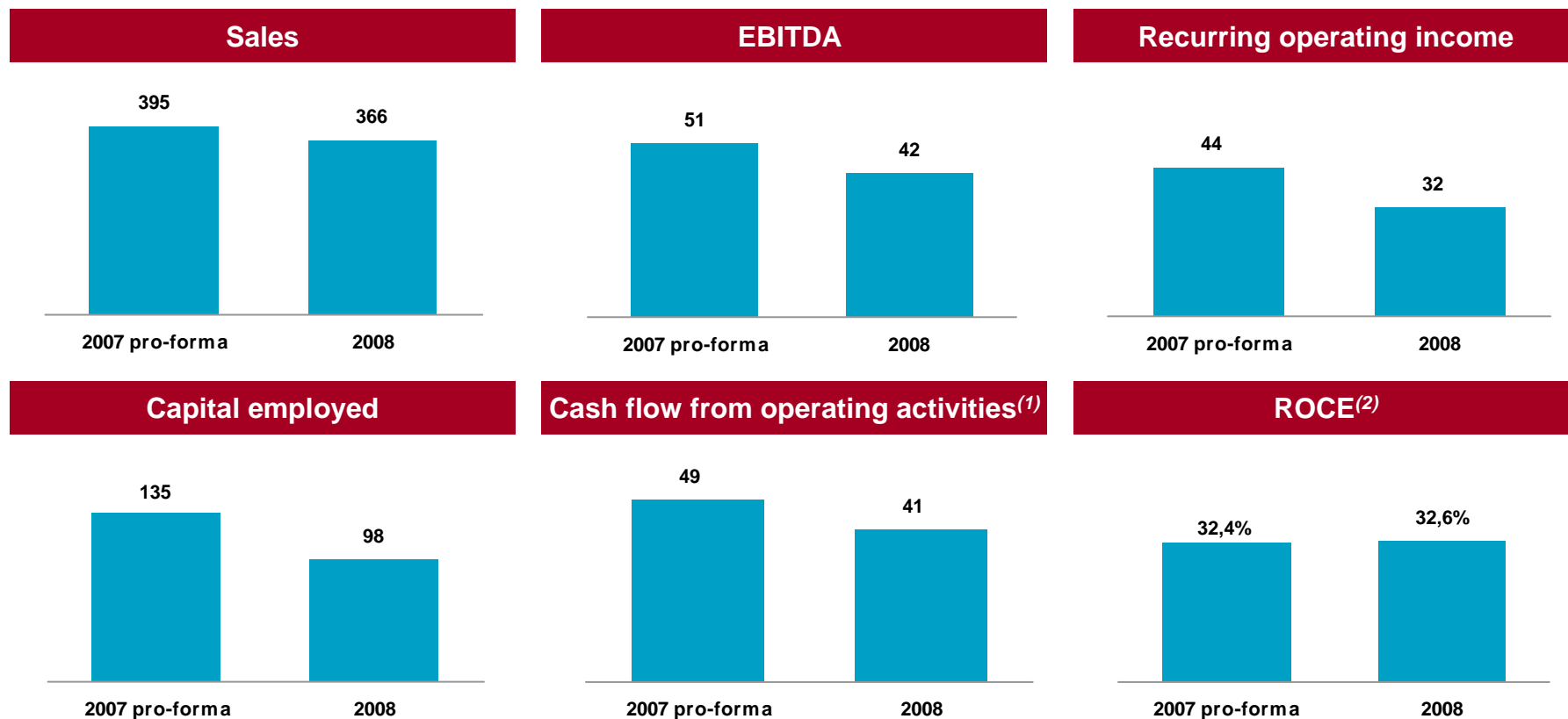
(€m, except ROCE)



1. Cash flow from operating activities: Current operating income + Depreciation - Investment - Change in WCR
 2. ROCE: current operating income/capital employed

Arjowiggins: Creation paper

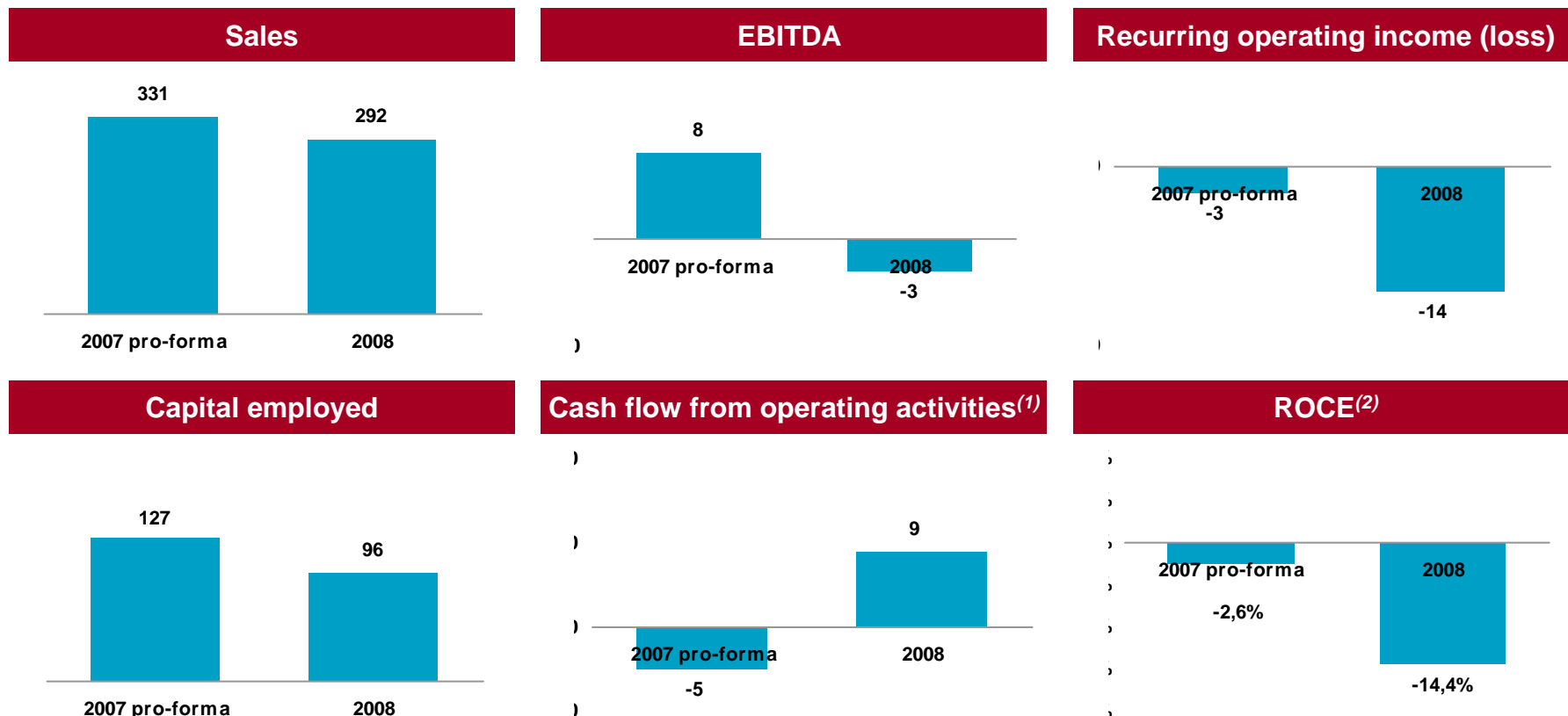
(€m, except ROCE)



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 2. ROCE: current operating income/capital employed

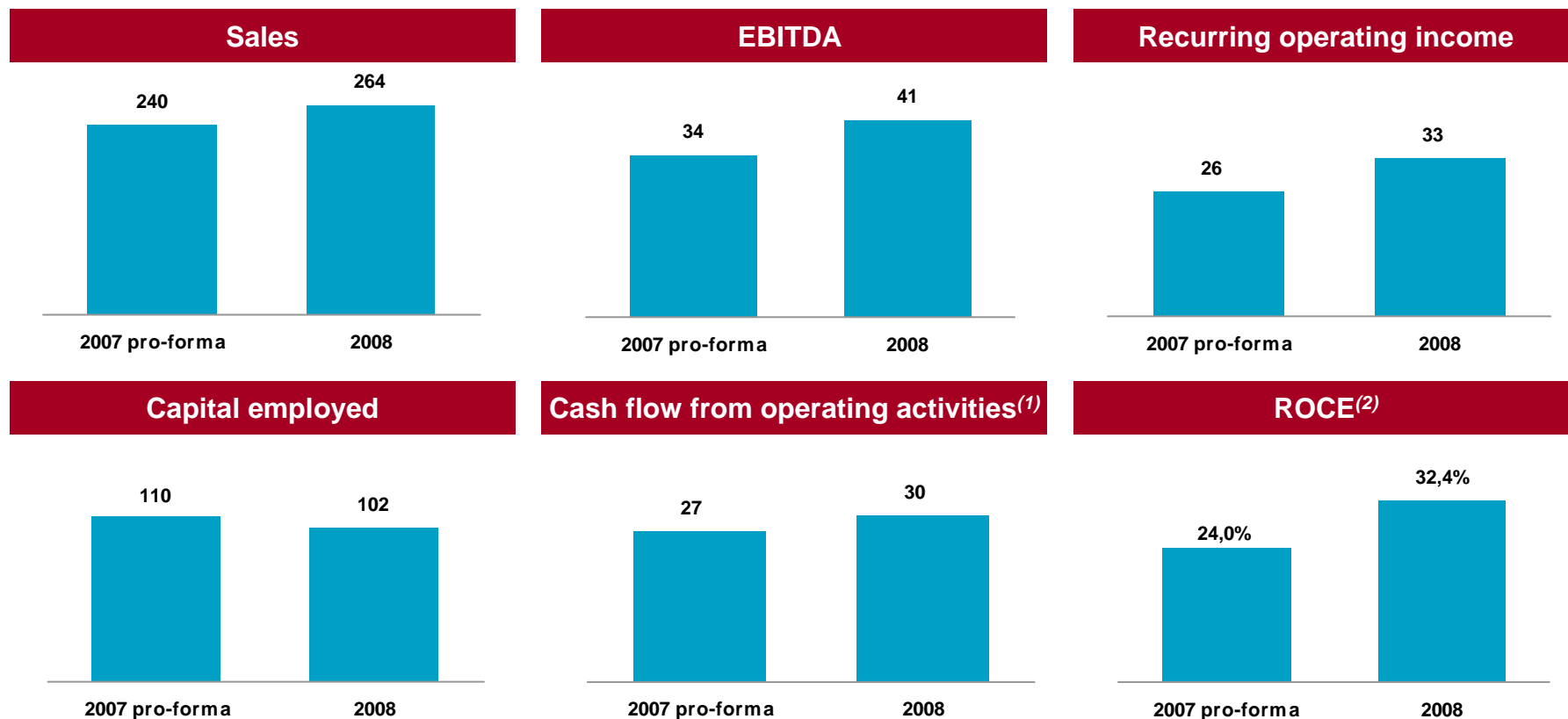
Arjowiggins: Industrial solutions

(€m, except ROCE)



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