

Antalis – MAP Merchant Group

Creating the leading paper merchant in Europe

July 6th 2007

SEQUANA
CAPITAL

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The expected synergies have been calculated on the basis of the existing cost and operating structures of the current M-Real group or Sequana group. These statements of estimated synergies relate to future actions and circumstances which, by their nature involve risks, uncertainties, contingencies and other factors. As a result, the synergies referred to may not be achieved, or those achieved may be materially different from those estimated.

Transaction Summary

€382m, all-cash acquisition of MAP by Antalis

Transaction Structure and Value

- ◆ Acquisition of 100% of MAP's share capital
- ◆ All-cash transaction valuing MAP at €382 million
 - ▶ €382 m cash and debt-free consideration
 - ▶ Implied 2007E multiples of 0,26x EV/Sales and 9,8x EV/apparent EBITDA
 - ▶ 8,3x EV/EBITDA including supply agreement impact

Timing / Main Conditions

- ◆ Transaction subject to regulatory approvals / clearance
 - ▶ European Commission (antitrust)
 - ▶ UK pensions regulator
- ◆ Closing expected in Q4 2007

Financing

- ◆ Antalis share capital increase by Sequana for ~€150 m
- ◆ Remaining €230 m currently being discussed by Sequana-Antalis through a global refinancing (including ~€200 m needed at closing)

Governance

- ◆ New entity led by Pierre Darrot, heading an enlarged Directoire, including some key people of MAP
- ◆ MAP management highly motivated to join the new entity

MAP : A Leading European Paper Merchant

#4 paper merchant in Europe

- ◆ **Scale and global reach**
 - ▶ €1.4bn revenue, #4 European paper merchant with 12% merchanting market share
 - ▶ 2,414 employees, of which 1,150 salesmen
 - ▶ 1,432 million tonnes of paper in the coated woodfree, uncoated woodfree, other printing paper, cut-sizes, specialty papers, and board, as well as added services

- ◆ **Proven pan-European distribution platform**
 - ▶ 25 main operating companies
 - ▶ Presence in 23 countries
 - ▶ 74 warehouses

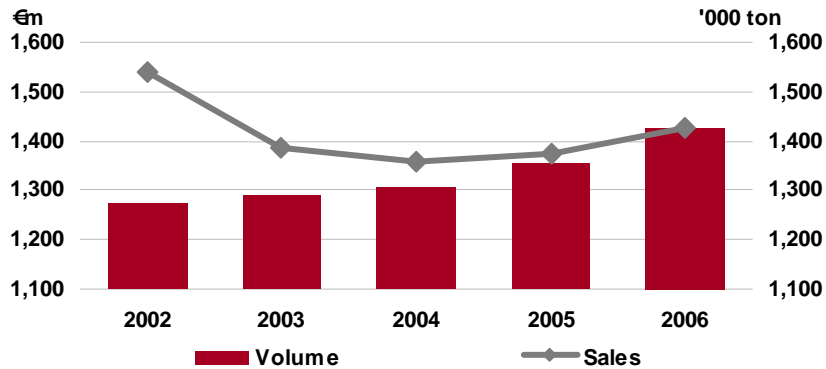
- ◆ **Strong and diversified customer base**
 - ▶ 50,000 primary customers
 - ▶ Serving commercial printers, magazine and book publishers / printers, sub-distributors, offices, converters, brand owners

- ◆ **Efficient supply structure**
 - ▶ > 100 mills
 - ▶ 10 key suppliers, of which M-real (35%)

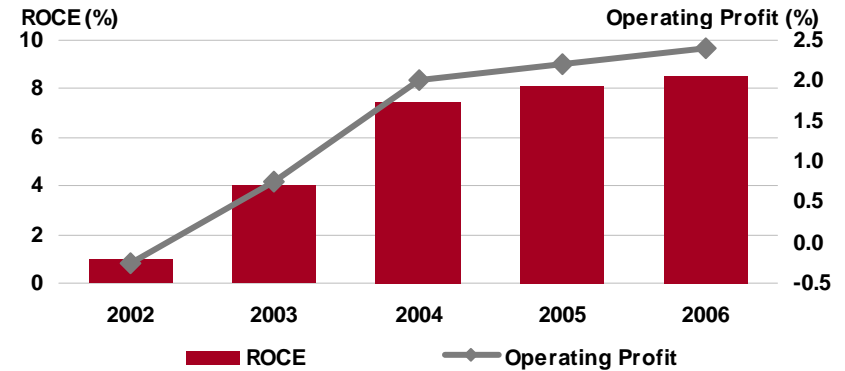
MAP: Key Financials

Rising profitability and cash flow generation

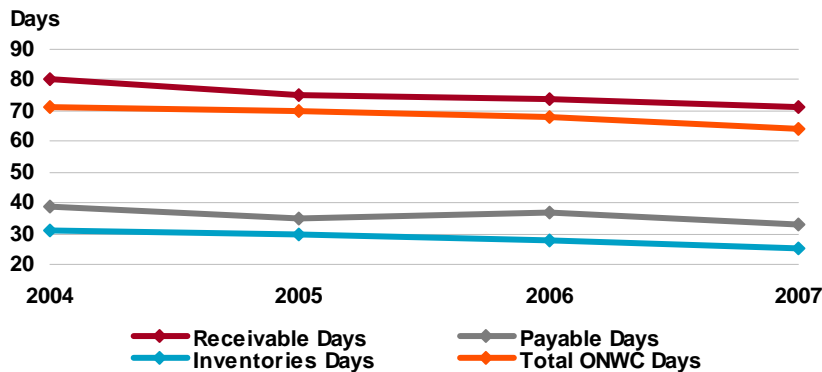
Volume and Revenues



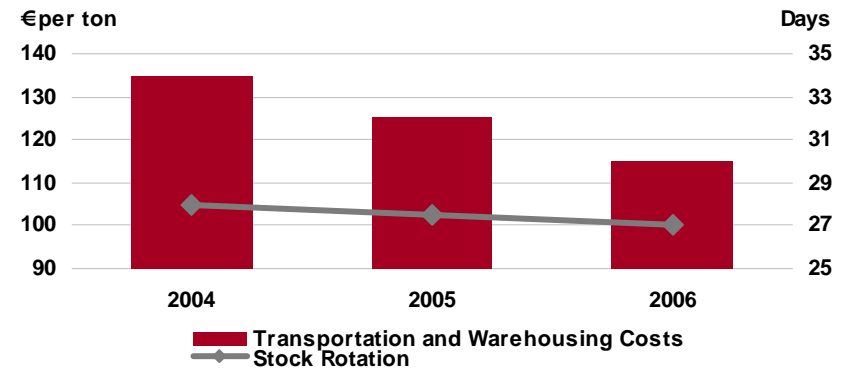
Operating Margin and ROCE



Operating Net Working Capital



Lean Operating Structure



Transaction Rationale

Key facts

Leading European Merchant

- ◆ Transaction creates the #1 player in Europe
 - ▶ ~23% paper merchanting market share in Europe, vs. 12% and 11%, respectively 3rd and 4th (in volume)
 - ▶ Worldwide presence including North America through xpedx alliance

Complementary Footprints

- ◆ Highly complementary geographic footprints between Antalis and MAP
 - ▶ Leading positions in most European countries
 - ▶ Creation of local leaders in overlapping geographies
 - ▶ Opportunity to optimize logistics and distribution

Diversified Business Mix

- ◆ Transaction rebalances and diversifies revenue mix
 - ▶ Diversify product mix
 - ▶ Expand customer base

A New Dimension to Sequana

- ◆ Rebalancing of Sequana's operations towards higher-ROCE merchanting operations amongst improving market environment

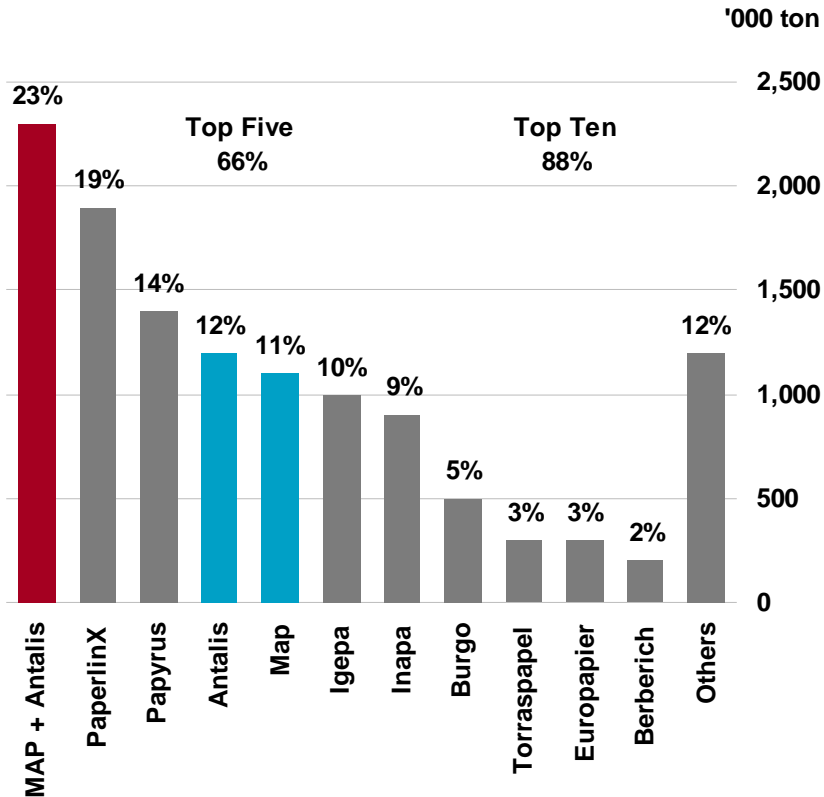
Significant Synergies

- ◆ Significant synergy potential, mainly coming from economies of scale in purchasing and logistics (run-rate synergies of c. 0,6% of combined sales)
- ◆ Scope for further operating improvement at both businesses (sharing of best practices, procurement consolidation, etc.)

Antalis – MAP: The Leading European Paper Merchant

Antalis - MAP: #1 in Europe Merchenting market

Europe : merchenting market volumes



Comments

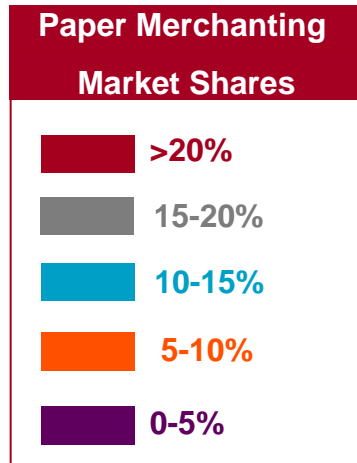
Antalis position is today #2 in value market share and #3 in volume

In terms of customers, the leading players in each countries usually get the “best” clients

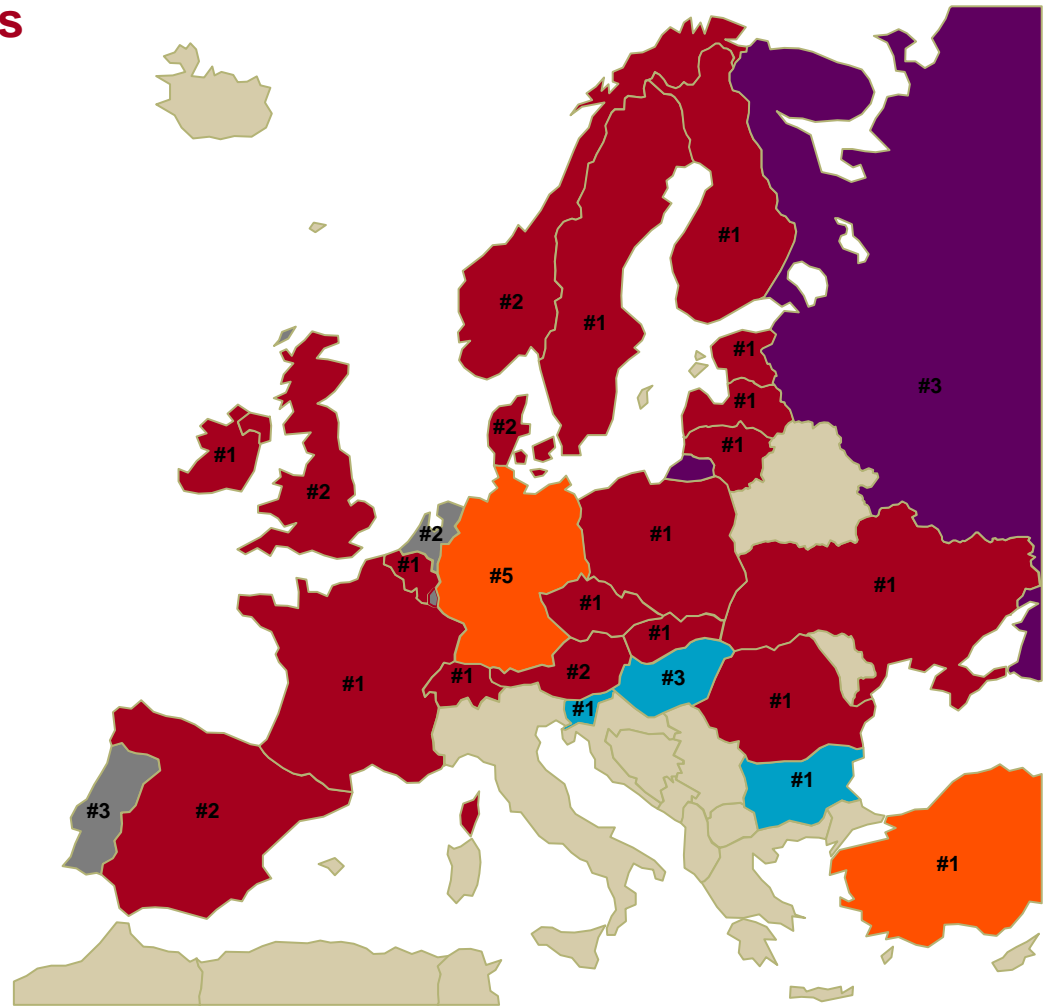
In a business where purchasing and logistics are the main drivers, creating the #1 European player is highly valuable over the medium and long term

Antalis – MAP : A Complementary Network

Present in 30 European countries
and #1 in 17 countries

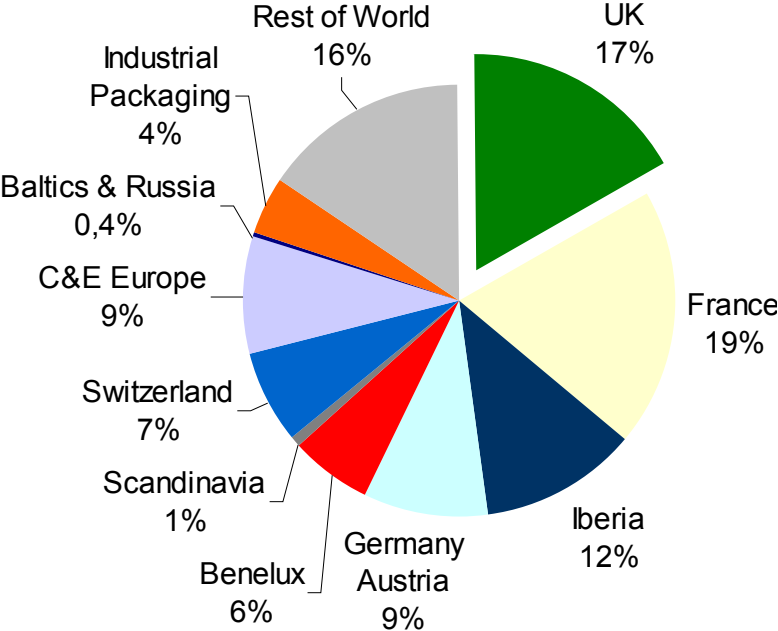


Antalis is also present in Asia,
South America, South Africa
and in North America, through
its commercial alliance with
xpedx

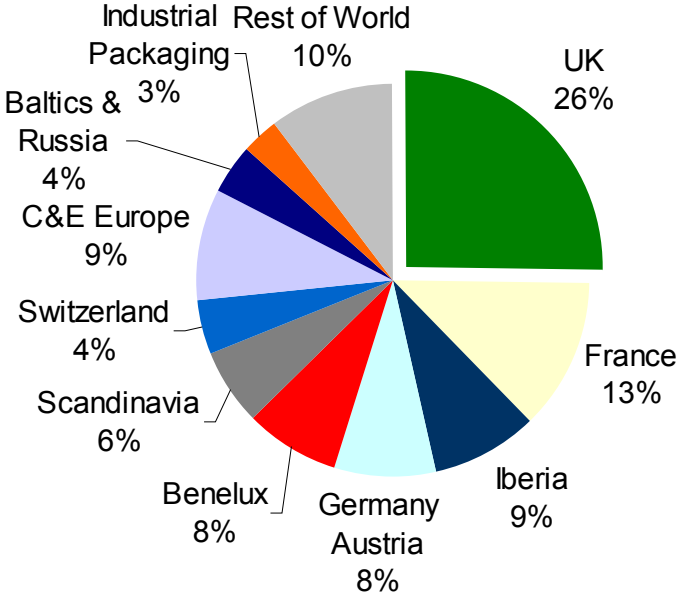


Sales by Geographic Area

2007 Antalis sales



2008 Combined sales



M-Real-Antalis supply agreement

- ◆ **M-Real and the new entity will enter a medium-term supply agreement and partnership**
 - ▶ **For M-Real**
 - This will allow M-Real to secure the volumes currently sold to MAP and Antalis
 - This will allow M-Real to increase its sales to the new entity over time

 - ▶ **For the new Antalis-MAP group**
 - It will generate additional profitability, given new and evolving purchasing conditions
 - It will give access to new, high value-added ranges of products, in the Coated Woodfree sector as well as in the Office paper sector

Significant Synergy Potential

Mainly purchasing and logistics savings :

- **Purchasing synergies**
 - Quick and certain synergies
 - No associated costs
- **Logistic footprint synergies**
 - Mainly in the UK, in Central and Eastern Europe, Benelux and Spain
- **Significant amount of global synergies**
 - **€20m+ of synergies have been identified, or ~0,6% of the new global turnover**
 - They will be achieved over the next three years

The new global profitability goal for the combined group is ~3,5% EBIT margin in 2010

Antalis – MAP : 2006 Key Pro Forma Financials

Building a growing and profitable leader

	Antalis		MAP		Combined
Revenue	2 309	+	1 446		3 755
EBITDA	69	+	36		105
<i>Margin (%)</i>	<i>3,0%</i>		<i>2,5%</i>		<i>2,8%</i>
EBIT	53	+	30		83
<i>Margin (%)</i>	<i>2,3%</i>		<i>2,1%</i>		<i>2,2%</i>

Antitrust Considerations

Transaction is subject to approvals from the relevant antitrust authorities

- **A pre-filing has been done in front of the European Commission (form CO)**
 - Discussions will go ahead in the coming days
 - Questions are likely to be about the UK, Finland, Poland and less likely for Belgium
 - We have developed an extensive argumentation in order to make the EC consider our market as including the OSDs, OEMs, mill direct supplies ...
- **The transaction also has to be filed in some non European countries where the company operates : Ukraine et Russia**

Anticipated Timetable

Closing expected by Q4 2007

Completed Steps

- ◆ Announcement
- ◆ Regulatory filings

Outstanding Reviews / Approvals

- ◆ Transaction subject to regulatory approvals / clearance
 - ▶ European Commission (antitrust)
 - ▶ UK pensions regulator
- ◆ Closing expected by Q4 2007

Closing

- ◆ Timing mainly depends on EC requesting of a phase 2 or not
- ◆ A comprehensive phase 2 could lead us until December

Conclusion

Sequana confirms its ambitions in the paper sector

- **This acquisition enables Antalis to become the real European leader in the paper merchanting business and will allow it to raise its growth objectives as well as its profitability in the medium term**
- **Thanks to MAP's strong presence in the Eastern European countries, as well as in Russia and Ukraine, Antalis will strengthen its leadership position in the whole European and Eurasian markets at large which will be a major asset in its future expansion and the better service of its customers**
- **Arjowiggins is also on its way to proceed with consolidation in some of its key markets and should be able to reveal new strong partnerships in the coming weeks**

Sequana Changes in Share Capital

- ◆ **Pascal Lebard's DLMD and IFIL Investments have reached an agreement**
 - ▶ DLMD will purchase from IFIL ~22% of Sequana Capital for ~€227m
 - ▶ The agreed purchase price is €21 per share
 - ▶ The two companies will act under a three years shareholder's agreement (« action de concert »).
 - ▶ Tiberto Ruy Brandolini d'Adda will remain Chairman of the company, and Pascal Lebard CEO
 - ▶ IFIL will have the right to appoint 4 board members and DLMD 3

Thank You!