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Press release

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First 9 months 2008 sales stable at constant exchange rates

- Sales of €3.83 billion, down 0.2% at constant exchange rates (-3.9% at current rate)
Antalis: -2.0% at constant exchange rates; Arjowiggins: +3.7% at constant exchange rates
- EBITDA margin: 3.5% of sales (down 0.5 point)
- Recurring net income: €0.47 per share

From this summer on, Sequana has launched its new strategy focusing its development on the distribution business and initiating a cost-cutting plan. In response to the crisis acceleration this autumn, the group will soon launch new productivity plans

- Confirmation of €35 million in savings as of 2009 (cross-functional restructuring of Arjowiggins)
- The disposal of the Arjowiggins' Security business is on-going
- Industrial optimisation plan of ailing activities to be launched by year end (on-going discussions with official labour organisations)

Sequana reports today its non-audited results for the third-quarter of 2008 and its cumulative results for the period January to September 2008.

Consolidated income statement (€ millions, except for EPS)	Third quarter 2008	Third quarter 2007 pro-forma*	First 9 months Jan - Sept 2008	First 9 months Jan - Sept 2007 pro-forma*
Sales	1,201	1,252	3,829	3,986
EBITDA**	37	42	135	161
<i>EBITDA margin</i>	3.1%	3.4%	3.5%	4.0%
Recurring operating income	13	20	71	88
<i>Operating margin</i>	1.1%	1.6%	1.9%	2.2%
Recurring net income (loss)***	(17)	(2)	23	29
Recurring diluted EPS (loss) (€)	(0.35)	(0.04)	0.47	0.59
Other income and expenses ****	(8)	1	(27)	71
Net income (loss) - Group share	(25)	(1)	(4)	100
Diluted EPS (loss) (Group share) (€)	(0.51)	0.00	(0.08)	2.03
Number of shares after dilution (thousands)	48,813,018	49,323,655	48,813,018	49,323,655

(*) These results include the activities of Dalum Papir A/S and the Map Merchant Group since 1 January 2007. Greenfield, acquired in 2008, is not included in the pro-forma 2007 results.

(**) EBITDA: recurring operating income before depreciation

(***) Recurring net income: recurring operating income after net finance income and recurring income taxes

(****) Other income and expenses: other operating income and expenses (incl. restructuring) net of taxes and net income of discontinued activities

COMMENTS ON SUBSIDIARIES

Breakdown of sales by subsidiary (€ millions)	Third quarter 2008	Third quarter 2007 pro-forma*	% change	First 9 months Jan - Sept 2008	First 9 months Jan - Sept 2007 pro-forma*	% change
Antalis	806	846	(4.7) %	2,519	2,654	(5.1) %
Arjowiggins	477	484	(1.4) %	1,520	1,530	(0.7) %
Other activities	5	4	Ns.	14	14	Ns
Eliminations	(87)	(82)		(224)	(212)	
Total	1,201	1,252	(4.1)%	3,829	3,986	(3.9)%

(*) These results include the activities of Dalum Papir A/S and the Map Merchant Group since 1 January 2007. Greenfield, acquired in 2008, is not included in the pro-forma 2007 results.

Antalis: slight decline in sales, down 2.0% at constant exchange rates

Sales slightly declined by 2.0% to €2.52 billion at constant exchange rates in the first 9 months of 2008. The negative currency effect amounted to €81 million over the period, mainly due to Sterling and the Rand.

As anticipated, the integration of Map activities in 13 countries slightly strained growth, although the revenue melt was below initial estimates. Although there was a significant slowdown in volumes in France, Great Britain and Spain, Antalis benefited from its strong geographic presence in strong markets in Germany, Switzerland, the European eastern countries and Latin America. Recent price increases in numerous market segments have been sustained and should have a positive impact in the last quarter of the year.

Arjowiggins: sustained growth, up 3.7% at constant exchange rates

In the first 9 months of 2008, sales were €1.52 billion, up 3.7% at constant exchange rates. The negative currency effect reached €67 million over the period, mainly due to the dollar and Sterling.

The sales growth can be attributed to price increases introduced in numerous segments since early June and the consolidation of Greenfield since January 1st, a business which reported strong performances as a result of a significant increase in recycled pulp selling prices. Price increases, facilitated by current market consolidation and capacity reduction, partly offset the adverse impact of rising external costs and the negative currency effect over the period. Activity in the carbonless paper and industrial solutions activities was particularly difficult in the first 9 months.

ACTION PLAN

Confirmation of €35 million in savings for Arjowiggins as of 2009

As a clear demonstration of responsible social dialogue, the group signed an "agreement on methodology" with official labour organisations as soon as September. The group confirms its target of pretax savings of about €35 million as of 2009, with staff reduction close to 300 positions, mainly in France and the UK. The cash impact of restructuring is estimated at about €40 million, most of which will be paid out in 2009. Provisions for the corresponding charges will be accounted for in 2008.

Assets disposal

Arjowiggins continues to pursue the disposal of its Security business, which reported another very solid performance in the beginning of the year. Several companies have expressed strong interest in this business despite the current turmoil, and management is confident that it will be able to sell it under acceptable terms.

The plan to streamline industrial facilities will be launched before the end of the year

To turn around ailing segments, mainly carbonless and thin papers, a plan will be soon launched after duly respecting our obligations to first provide complete information to official labour organisations.

This action plan will pay off in the medium term. Moreover, the favourable upturn in certain macroeconomic factors that have hurt the production activities in recent years are also expected to provide support. External costs (energy, chemicals, paper pulp) have risen continuously over the past four years, but this trend seems to be winding down and the recent easing movement should have a positive impact from the fourth-quarter 2008 on, but mainly in 2009.

BALANCE SHEET

At September 30, 2008, Antalis and Arjowiggins had a significant cash reserve dedicated to the financing of gross debt. Antalis has a total drawing capacity of €685 million, including a €650 million syndicated credit line, and Arjowiggins has a total drawing capacity of €485 million, including a €400 million syndicated credit line. These two syndicated credit lines were taken out in 2007 for an initial period of 5 years with no significant repayments before 2012.

The group confirms its goal of meeting bank covenants on these two syndicated credit lines at December 31, 2008, excluding any assets disposal.

Moreover, during the course of third-quarter 2008, Arjowiggins set up a factoring plan for account receivables without recourse.

OUTLOOK

For the year 2008, Antalis expects recurring operating income to improve, taking into account the implementation of synergies related to the acquisition of Map activities, even though the impact of the current crisis will weight on the fourth-quarter 2008 business.

In the second half of 2008, Arjowiggins expects recurring operating income to be slightly positive given the persistent troubles in the carbonless paper and industrial solutions divisions, despite the constant improvement in all other activities relative to H1 2008.

With an expected tough economic environment in 2009, the group maintains its target to improve productivity at Arjowiggins while launching a cost reduction plan at Antalis to withstand the impact of the crisis on volumes. The combination of these efforts should generate substantial savings for the group.

About Sequana

Sequana (NYSE Euronext Paris: VOR) is a diversified paper group active in paper manufacturing and distribution, with two 100%-owned subsidiaries:

- **Antalis:** the European leader in the distribution of paper and industrial packaging products, with more than 7,900 employees operating in 44 countries,
- **Arjowiggins:** world leader in creative and technical papers, with 7,700 employees operating in 82 countries.

With 16,000 employees worldwide, Sequana reported pro-forma sales of €5.4 billion in 2007.

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