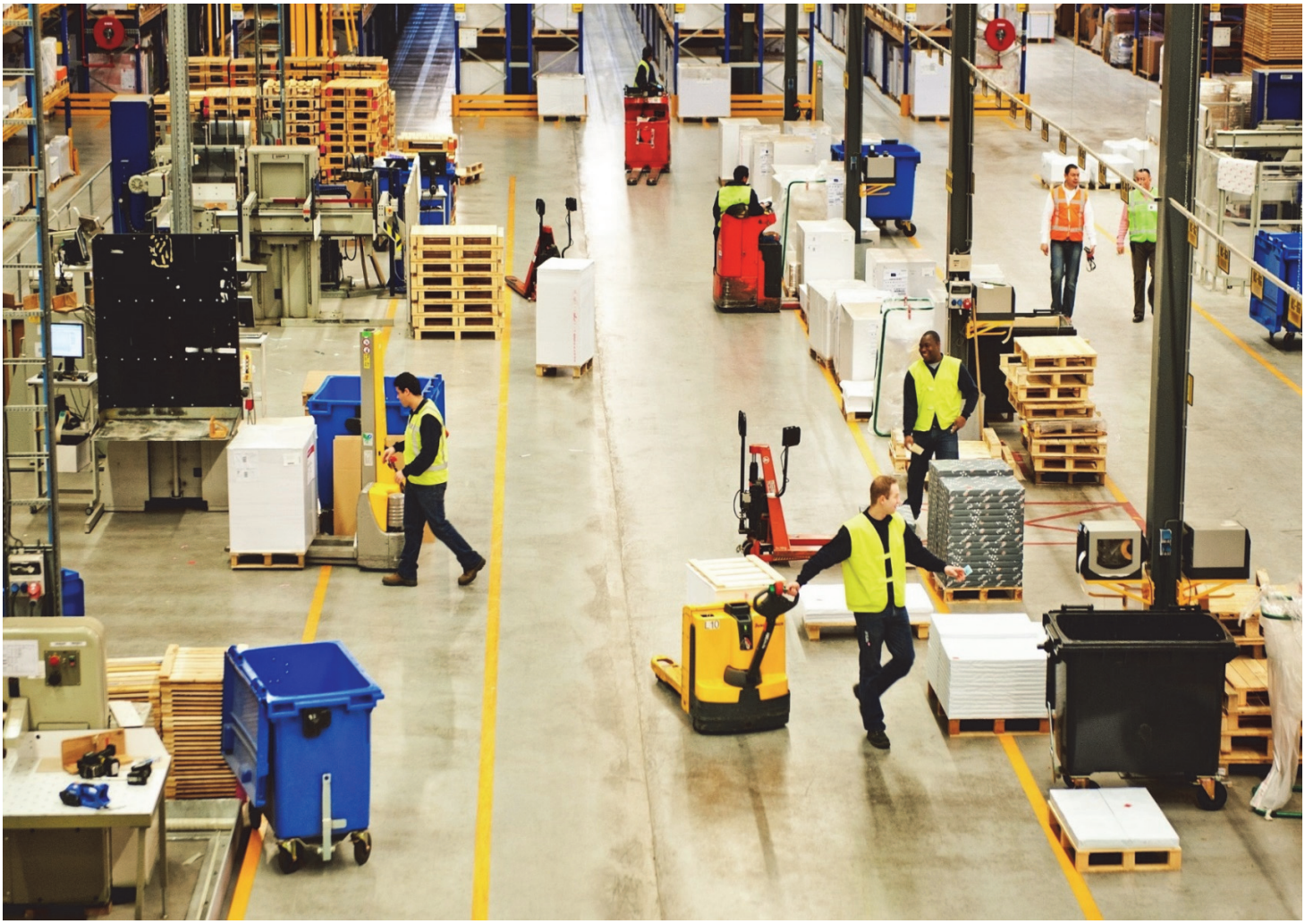
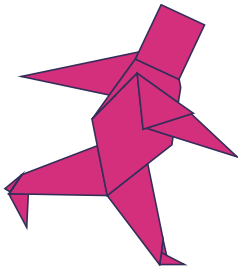
Half-yearly Report
2017





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The English language version of this report is a free translation of the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate presentation of the original. However, in all matters of interpretation, views or opinions expressed in the original language version of the document in French take precedence over the translation.

Half-yearly business report

Foreword

On 15 February 2017, Sequana, which was previously the sole shareholder of Antalis International, announced its intention of conducting an IPO by distributing a minority stake in the Company's share capital to its own shareholders. Following this distribution, Antalis International shares were admitted to trading on the regulated Euronext Paris stock market ("Euronext Paris"), thus providing the Company with enhanced visibility and greater autonomy to deploy its own development strategy, as well as direct access to the capital markets.

On 19 May 2017, following completion of its application procedure, the French Financial markets authority (*AMF – Autorité des marchés financiers*) affixed its visa on Antalis International's prospectus as part of the distribution of approximately 18% of the Company's capital on the basis of one Antalis International share for five Sequana shares. This distribution was ratified by Sequana's Annual General Meeting held on 6 June 2017.

The opening technical share price for the first trading session was set at 3 euros per share and Antalis International's shares were listed on Euronext Paris on 12 June 2017 (Segment B, ISIN code FR0013258589). The delivery-settlement date was 14 June 2017.

Readers are referred to the IPO prospectus which may be accessed on the Company's website at (www.antalis.com), under 'Publications'.

Group activity in first-half 2017

Antalis recorded solid operational performances and improved its profitability over the first six months of the year, thanks notably to an enhanced gross margin rate in the Packaging and Visual Communication sectors and lower costs.

Antalis initiated the process of refinancing its credit facilities which are secured through 31 December 2018. An issue of high-yield notes planned for mid-July was withdrawn due to market conditions. The Group is actively looking at various different refinancing solutions.

Consolidated financial statements at 30 June 2017

Consolidated income statement

(in € millions)	First-half 2017	First-half 2016	Change
Sales	1,205.2	1,256.4	-4.1%
Gross margin	294.9	304.5	-3.2%
EBITDA *EBITDA margin (as % of sales)*	42.8 *3.6%*	41.9 3.3%	+2.1% *+0.3 points*
Current operating income *Operating margin (as % of sales)*	34.4[1] *2.9%*	29.7 2.4%	+15.8% *+0.5 points*
Net income (loss) attributable to owners	7.1	8.9	-
Diluted earnings (loss) per share (€)	0.10	0.13	-
Average number of shares after dilution	70,962,900	71,000,000	-

In the context of a more positive economic environment – with the exception of the UK – sales came in at €1,205 million, down 4.1% on H1 2016 (and down 2.1% at constant exchange rates). This reflects the slight decline in Paper volumes and an unfavourable forex impact amounting to €25 million (mainly attributable to sterling).

[1] Including a €2.3 million gain arising on a change to a Swiss pension plan.

The Packaging and Visual Communication sectors recorded good growth in their gross margin and these businesses continued to increase their contribution to Antalis' consolidated gross margin; this now stands at 34%, up 2 points year on year. The acquisitions completed in late 2016 in each of the Group's three business sectors added €13 million to first-half 2017 sales.

EBITDA grew by 2.1% to €43 million. Antalis benefited from an enhanced product mix and the positive impact of lower overheads driven by greater flexibility in the supply chain, which helped to absorb the impact of lower volumes in Papers. The negative forex impact on H1 EBITDA amounted to €1 million.

Current operating income rose 15.8% to €34 million and included a €2 million gain arising on a change to a Swiss pension plan.

Antalis recognised €10 million in non-recurring expenses during the first-half of the year, mainly for costs related to the IPO and refinancing. After deducting net finance costs and taxes, net income was €7 million for the period, compared with net income of €9 million for the six months to 30 June 2016.

Thanks to efficient working capital management, Antalis reduced its debt by €34 million: from €303 million at 30 June 2016 to €269 million at 30 June 2017. Antalis' net debt/EBITDA ratio came out at 3.00 (3.26 at 30 June 2016).

Key figures by geography

(in € millions)	First-half 2017	First-half 2016	Change
Sales			
Main European Geographies[2]	611.1	653.3	-6.5%
Rest of Europe	481.6	498.9	-3.5%
Rest of the world	112.5	104.2	8.0%
TOTAL	**1,205.2**	**1,256.4**	**-4.1%**
EBITDA			
Main European Geographies	21.7	22.8	-4.8%
Rest of Europe	17.3	15.8	+9.5%
Rest of the world	3.8	3.3	+15.2%
TOTAL	**42.8**	**41.9**	**+2.1%**

The Main European Geographies generated sales of €611 million, down 6.5% year-on year (down 1.2% at constant exchange rates), principally due to an unfavourable forex impact (mainly on sterling). UK & Ireland reported sales of €314 million (down 10.0%), Germany & Austria €158 million (down 0.3%) and France €139 million (down 4.7%). EBITDA for the Main European Geographies dropped 4.8% to €22 million, mainly attributable to the depreciation in sterling over the period. EBITDA margin improved by 0.1 point year on year to 3.6%.

Sales for the Rest of Europe declined by 3.5% year-on-year to €482 million (down 3.7% at constant exchange rates). EBITDA grew by 9.5% to €17 million and EBITDA margin grew by 0.4 points to 3.6%. Sales for the Rest of the World grew by 8.0% in H1 2017 to €113 million (down 0.2% at constant exchange rates) due to a highly favourable forex impact (on the rand, peso, and real). EBITDA improved by 15.2% year-on-year to €4 million, and EBITDA margin rose by 0.2 points to 3.4%.

[2] UK & Ireland, France, Germany & Austria

- Key figures by business sector

	Sales			Gross margin			Gross margin/sales		
(in € millions)	First-half 2017	First-half 2016	Change	First-half 2017	First-half 2016	Change	First-half 2017	First-half 2016	Change
Paper	848.0	901.6	-5.9%	194.0	207.0	-6.3%	22.9%	23.0%	-0.1 points
Packaging	245.6	243.5	+0.9%	69.1	66.6	+3.8%	28.1%	27.4%	+0.7 points
Visual Communication	111.6	111.3	+0.3%	31.8	30.9	+2.9%	28.5%	27.8%	+0.7 points
TOTAL	1,205.2	1,256.4	-4.1%	294.9	304.5	-3.2%	24.5%	24.2%	+0.3 points

The Papers sector reported sales of €848 million, down 5.9% on first-half 2016. Antalis recorded an increase in business during second quarter, particularly in countries that were holding elections, as well as higher selling prices in the copier and uncoated paper segments.

Sales in the Packaging sector rose by 0.9% to €246 million; gross margin increased by 3.8% and now accounts for 23% of Antalis' consolidated gross margin (+ 1 point).

Sales in the Visual Communication business sector rose by 0.3% to €111 million; gross margin increased by 2.9% and now accounts for 11% of Antalis' consolidated gross margin (+ 1 point).

Corporate governance

On 11 May 2017, Sequana, the sole shareholder of Antalis International – which was previously a French simplified joint stock company (*société par actions simplifiée*), decided to transform the Company into a French joint stock corporation with a board of directors (*société anonyme à conseil d'administration*), subject to ratification by Sequana's shareholders of the distribution of Antalis International shares.

On the same date, the shareholders of the Company appointed the members of the Board of Directors (a list of these members appears below) subject to the transformation of the Company into a joint stock corporation.

On 6 June 2017, Sequana's Annual General Meeting ratified the distribution of Antalis International shares, thus satisfying the conditions precedent, and the Company duly became a joint stock corporation with a board of directors, effective from this date. The Board of Directors of Antalis then met on 7 June 2017 in order to set up its governance bodies.

The Company has opted to adhere to all of the guidelines set out in the AFEP-MEDEF corporate governance code.

- Composition of the Board of Directors

The Company is governed by a Board of Directors, comprising eight members with different profiles and complementary experience in the distribution and accounting and finance sectors as well as in the areas of development strategy and CSR. Their terms of office will expire between 2019 and 2021.

In order to strike a balance between oversight and definition of strategic focuses and the requirements of executive management, at its meeting of 7 June 2017, the Board of Directors of Antalis decided to separate the positions of Chairman of the Board and Chief Executive Officer: Pascal Lebard and Hervé Poncin were appointed Chairman of the Board of Directors and Chief Executive Officer, respectively. This decision will enable the Company to benefit from the operational expertise of Hervé Poncin and Pascal Lebard's experience in heading up and running board meetings and their complementary profiles should ensure that best governance practices are applied to the letter.

The composition of the Board of Directors is as follows:

		Term of office expires in
Pascal Lebard	Chairman of the Board of Directors	2019
Hervé Poncin	Director Chief Executive Officer	2021
Franck Bruel	Independent director	2020
Clare Chatfield	Independent director	2021
Delphine Drouets	Independent director	2019
Cécile Helme-Guizon	Director	2020
Christine Mondollot	Independent director	2020
Bpifrance Participations Represented by Amélie Finaz de Villaine	Director	2019

Four out of the eight board members comply with the independence criteria set out in the AFEP-MEDEF code and its requirement whereby at least one-third of the members of the boards of companies with controlling shareholders should be independent.

The composition of the Board also meets legal requirements on gender equality as it comprises five women and three men.

The annual amount of directors' attendance fees to be allocated between the different board members has been set at €450,000 and disclosures concerning the compensation and benefits payable to executive corporate officers have been published on the Company's website (Governance / Remuneration) in accordance with the provisions of the AFEP-MEDEF corporate governance code.

- **Composition of Board committees**

The Board of Directors meeting of 7 June 2017 voted to set up an Audit Committee and a Nominations and Compensation Committee.

Both committees have three members, including two independent members (one of whom is committee chairman) and no members are executive corporate officers of the Company.

Audit Committee

Delphine Drouets	Chairman
Franck Bruel	
Cécile Helme-Guizon	

Nominations and Compensation Committee

Christine Mondollot	Chairman
Clare Chatfield	
Cécile Helme-Guizon	

Statutory Auditors

On 11 May 2017, the Company's shareholder appointed a second Statutory Auditor in accordance with Article L. 823-9 of the French Commercial Code (*Code de commerce*).

The list of the Company's Statutory Auditors is as follows:

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex, France
represented by Stéphane Basset

Deputy statutory auditors:
Anik Chaumartin
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex, France

(term of office expires in 2019)

Constantin Associés
(member of Deloitte Touche Tohmatsu Limited)
185, avenue Charles de Gaulle
92200 Neuilly-sur-Seine, France
represented by Thierry Quéron

(term of office expires in 2023)

Share capital

At 31 December 2016, Antalis' share capital stood at €639,000,000, divided into 71,000,000 shares, each with a par value of €9 and held in their entirety by Sequana.

On 21 April 2017, the Company's shareholder decided to reduce by €426,000,000 the Company's share capital as a result of losses, by reducing the par value of one share from €9 to €3. Therefore, at 21 April 2017, Antalis' share capital stood at €213,000,000, divided into 71,000,000 shares, each with a par value of €3.

On 12 June 2017, Sequana distributed 12,995,373 of the Company's shares – i.e.,18.30% of its share capital – to its shareholders, leaving Sequana with an 81.7% stake in the Company's capital, and all of Antalis' shares were listed on the regulated Euronext Paris stock market.

Ownership structure

The following table provides a breakdown of the Company's ownership structure and voting rights at 30 June 2017:

	30.06.2017			
	Number of shares	% capital	Theoretical number of voting rights	% of theoretical rights
Sequana	58,004,627	81.70%	58,004,627	81.70%
Bpifrance Participations	2,009,966	2.83%	2,009,966	2.83%
Free float [3]	10,985,407	15.47%	10,985,407	15.47%
Total	71,000,000	100.00%	71,000,000	100.00%

To the Company's knowledge, no other shareholder owns directly or indirectly, alone or in concert, more than 5% of the Company's capital or voting rights and no shareholders' agreements exist between any of its shareholders.

No shareholders hold any special voting rights and each Antalis share carries one voting right. The Company's Articles of Association which came into force on 6 June 2017, provide for double voting rights for all fully paid-up shares registered in the name of the same holder for at least two years as from Antalis listing.

[3] Including 68,392 treasury shares at 30 June 2017.

On 25 September 2017, Antalis International was informed by its main shareholder, Sequana, of the transfer of 4,609,479 Antalis International shares, i.e., 6.49% of its share capital, to reimburse part of loans granted to Sequana on 6 November 2016 by Bpifrance Participations and Impala Security Solutions BV. Including these transfers, Antalis International's ownership structure was as follows on 25 September 2017:

	25.09.2017			
	Number of shares	% capital	Theoretical number of voting rights	% of theoretical rights
Sequana	53,395,148	75.21%	53,395,148	75.21%
Bpifrance Participations	6,064,946	8.54%	6,064,946	8.54%
Free float [4]	11,539,906	16.25%	11,539,906	16.25%
Total	71,000,000	100.00%	71,000,000	100.00%

Sequana has also informed the Company that pursuant to loan agreements entered into between Bpifrance Participations and Sequana, Bpifrance Participations has the option of requiring repayment in Antalis International shares. Consequently, Bpifrance Participations could, at its sole initiative, immediately or at some point in the future, increase its shareholding in Antalis International share capital. However, it is agreed that such shareholding shall not represent more than 29% of the share capital or voting rights of Antalis International.

Share buyback programme - Liquidity agreement

On 7 June 2017, the Board of Directors voted to set up a share buyback programme. Detailed disclosures of this programme are provided on the Company's website (*Regulated disclosures / Shares and voting rights*).

On 19 June 2017, Antalis International set up a liquidity agreement for the purpose of optimising the liquidity of its shares and the regularity of its quotations on Euronext Paris. This contract complies with the code of ethics published by the French financial markets association (*Association française des marchés financiers – AMAFI*) and is managed by Oddo Corporate Finance. An amount of €400,000 has been allocated to the contract.

As of 30 June 2017, Antalis International held 68,392 shares in treasury, i.e., 0.10% of its share capital, all of which were held within the scope of the liquidity agreement.

[4] Including treasury shares.

Financial authorisations in force

To date, Antalis International has the following authorisations and delegations of authority:

Purpose of the authorisation	Maximum nominal amount authorised	Duration of the authorisation
Delegation of authority granted to the Board of Directors to issue shares and/or securities carrying rights to shares and/or to debt securities, with pre-emptive subscription rights for existing shareholders	*Shares:* €100 million *Debt securities:* €600 million	26 months (July 2019)
Delegation of authority granted to the Board of Directors to issue shares and/or securities carrying rights to shares, without pre-emptive subscription rights for existing shareholders but with the possibility of granting a priority subscription period	*Shares:* €80 million *Debt securities:* €600 million	26 months (July 2019)
Authorisation granted to the Board of Directors to increase the number of securities issued in the event of a capital increase with or without pre-emptive subscription rights for existing shareholders pursuant to the two aforementioned authorisations	15% of the issue	26 months (July 2019)
Delegation of authority granted to the Board of Directors to issue shares and/or securities carrying rights to shares, without pre-emptive subscription rights, in the event of an offer referred to in II of article L. 411-2 of the French monetary and financial code	*Shares:* 15% of capital *Debt securities:* €600 million	26 months (July 2019)
Delegation of authority granted to the Board of Directors to issue shares and/or securities carrying rights to shares, without pre-emptive subscription rights, as a result of the issuance by a related company of securities carrying rights to shares of the Company	*Shares:* €80 million *Debt securities:* €600 million	26 months (July 2019)
Delegation of authority granted to the Board of Directors to issue shares and/or securities carrying rights to shares as payment for shares tendered to a public exchange offer or similar operation	*Shares:* €80 million *Debt securities:* €600 million	26 months (July 2019)
Authorisation granted to the Board of Directors to set the share issue price in the event of a capital increase without pre-emptive subscription rights	10% of capital	26 months (July 2019)
Delegation of authority granted to the Board of Directors to issue shares and/or securities carrying rights to shares as consideration for contributions in kind granted to the Company	10% of capital	26 months (July 2019)
Delegation of authority granted to the Board to increase the Company's capital by capitalising premiums, reserves, profit or other eligible items	Total amounts available for capitalisation	26 months (July 2019)
Issue of shares and/or securities carrying rights to shares, reserved for employees who are members of an employee savings plan	5% of capital(1)	26 months (July 2019)
Issue of shares and/or securities carrying rights to shares, reserved for employees of foreign subsidiaries of the Antalis Group	5% of capital(2)	18 months (November 2018)
Authorisation to grant stock options	5% of capital(3)	38 months (July 2020)
Authorisation to award free shares	5% of capital(4)	38 months (July 2020)
Authorisation to implement a share buyback programme	10% of capital	18 months (November 2018)
Authorisation to reduce the Company's capital	10% of capital	18 months (November 2018)

(1) The total number of shares and securities issued to employees of foreign subsidiaries is included in this ceiling.
(2) The total number of shares and securities issued to employees who are members of an employee savings plan is included in this ceiling.
(3) The total number of share awards is included in this ceiling.
(4) The total number of stock subscription or purchase options granted by the Board is included in this ceiling.
(5) Authorisation expiring on the date of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2017.

The aggregate maximum amount of any capital increases that may be carried out in accordance with theses autorisations, excluding shares issued to members of an employee savings plan and employees of foreign subsidiaries, is capped at €100 million, and the aggregate ceiling for the issue of debt securities is of €600 million. The ceiling on capital increases does not apply to the authorization granted to the Board of Directors to increase the Company's capital by capitalizing premiums, reserves, profits or other eligible items.

Related-party transactions

Disclosures of key related-party transactions and their impact on the Company's financial position or results are provided in Note 13 to the 2017 interim consolidated financial statements.

In order to continue to benefit from the existing synergies between Antalis Group and its parent company, Sequana, and to pave the way for increasing autonomy for Antalis, the two companies have entered into a transitional service agreement with effect from 12 June 2017. Under the terms of this contract, Sequana has undertaken to provide Antalis with certain services on a transitional basis. The duration of the agreement varies according to the service in question (i.e., IT and telecommunications services, human resources, finance, treasury management, insurance, property, legal & tax services).

As a result of the IPO of Antalis International and changes to its ownership structure, neither the Company nor its subsidiary, Antalis France, have been part of the Sequana tax group since 1 January 2017. An exit agreement is currently being prepared to specify the consequences for Antalis of leaving the Sequana tax group. An advance ruling request was also submitted to the French tax authorities on 8 June 2017 for confirmation that the conditions for reallocating losses to subsidiaries exiting the Sequana tax Group and for setting up a new tax group have been complied with.

Risk management

The main risks to which the Antalis Group is exposed are set out in the IPO prospectus which was approved by the French Financial markets authority (*AMF*) on 19 May 2017.

The Company considers that these risks have not and should not change materially between now and the end of 2017.

However, in light of the expiration of Antalis' syndicated credit facility and main factoring agreements on 31 December 2018, Antalis is actively seeking out a new long-term financing structure to strengthen liquidity and fund its future development. It decided to withdraw an issue of €325 million worth of high-yield notes in July 2017 due to unfavourable market conditions. The Company is continuing to seek out financing arrangements to replace those scheduled to expire and it is not excluded that the new refinancing conditions may be at higher rates of interest than those currently charged.

Outlook for full-year 2017

In light of first-half 2017 operating performances and the full-year outlook, Antalis confirms the operating targets set out prior to the IPO.

At constant exchange rate and reporting structure, consolidated full-year sales should register a low single-digit decrease year on year, in line with the forecast organic decline in Paper sales, partially offset by higher sales in the dynamic Packaging and Visual Communication sectors, and EBITDA margin should come in at between 3.4% and 3.8%.

Interim consolidated financial statements

Consolidated statement of financial position

Assets

€ millions	*Notes*	30.06.2017	31.12.2016
Non-current assets			
Goodwill		146.9	149.8
Other intangible assets		40.4	42.7
Property, plant and equipment		40.9	48.8
Non-current financial assets		3.4	2.9
Deferred tax assets		5.7	8.0
Other non-current assets	*4*	18.7	19.0
Total non-current assets		256.0	271.2
Current assets			
Inventories		208.6	207.8
Trade receivables	*4*	402.6	411.4
Other receivables	*4*	98.2	88.1
Current financial assets		4.4	1.3
Cash and cash equivalents		88.8	134.2
Total current assets		802.6	842.8
TOTAL ASSETS		1,058.6	1,114.0

Equity and liabilities

€ millions	*Notes*	30.06.2017	31.12.2016
Equity			
Share capital		213.0	639.0
Additional paid-in capital		50.9	50.9
Cumulative translation adjustment		(62.4)	(52.1)
Retained earnings and other consolidated reserves		(69.2)	(496.5)
Shareholders' equity		132.3	141.3
Non-controlling interests		0.5	0.6
TOTAL EQUITY		132.8	141.9
Non-current liabilities			
Provisions	*5*	59.1	70.5
Long-term debt	*7*	195.6	235.0
Deferred tax liabilities		0.3	0.6
Total non-current liabilities		255.0	306.1
Current liabilities			
Provisions	*5*	8.3	11.3
Short-term debt	*7*	161.8	153.5
Trade payables	*8*	376.0	378.4
Other payables	*8*	124.7	122.8
Total current liabilities		670.8	666.0
TOTAL EQUITY AND LIABILITIES		1,058.6	1,114.0

The notes are an integral part of the financial statements.

Consolidated income statement

		For the six months ended 30 June	
€ millions	*Notes*	2017	2016
Sales		1,205.2	1,256.4
Gross margin		294.9	304.5
Personnel expenses		(139.5)	(147.8)
Other selling, general and administrative expenses		(121.0)	(127.0)
Current operating income		34.4	29.7
Other operating income		6.6	0.1
Other operating expenses		(16.7)	(8.5)
Other operating income and expenses, net	*9*	(10.1)	(8.4)
Operating income		24.3	21.3
Cost of net debt		(12.2)	(11.6)
Other financial income and expenses, net		(1.2)	(1.4)
Net financial income (expense)		(13.4)	(13.0)
Income tax benefit (expense)	*10*	(3.8)	0.6
NET INCOME		7.1	8.9
Attributable to:			
- Antalis shareholders		7.0	8.9
- Non-controlling interests		0.1	-
Earnings per share			
- Weighted average number of shares outstanding		70,692,900	71,000,000
- Diluted number of shares		70,692,900	71,000,000
Basic earnings (loss) per share (in €)			
- Consolidated earnings (loss) per share		0.10	0.13
Diluted earnings (loss) per share (in €)			
- Consolidated diluted earnings (loss) per share		0.10	0.13

The notes are an integral part of the financial statements.

Consolidated statement of comprehensive income

€ millions	For the six months ended 30 June 2017	2016
Net income	7.1	8.9
Items that may be recycled to profit or loss	(10.3)	(9.2)
Translation adjustments	(10.3)	(9.2)
Items that may not be recycled to profit or loss	2.3	(15.6)
Actuarial gains and losses related to pension and other post-employment benefit obligations	3.2	(18.0)
Tax impact of gains and losses related to pension and other post-employment benefit obligations	(0.9)	2.4
Total other comprehensive income (loss)	(8.0)	(24.8)
TOTAL COMPREHENSIVE INCOME (LOSS)	(0.9)	(15.9)
Of which:		
- Attributable to Antalis shareholders	(0.8)	(15.9)
- Attributable to non-controlling interests	(0.1)	-

Interim statement of changes in consolidated equity

€ millions	Numbers of shares issued	Share capital	Additional paid-in capital	Cumulative translation adjustment	Retained earnings and other consolidated reserves	Shareholders' equity	Non-controlling interests	Total equity
Equity at 1 January 2016	71,000,000	639.0	50.9	(44.6)	(489.4)	155.9	0.2	156.1
Net income (loss)	-	-	-	-	8.9	8.9	-	8.9
Distribution of dividends	-	-	-	-	(4.0)	(4.0)	-	(4.0)
Other comprehensive income (loss)	-	-	-	(9.2)	(15.6)	(24.8)	-	(24.8)
Equity at 30 June 2016	71,000,000	639.0	50.9	(53.8)	(500.1)	136.0	0.2	136.2
Net income (loss)	-	-	-	-	(3.8)	(3.8)	-	(3.8)
Distribution of dividends	-	-	-	-	(4.0)	(4.0)	-	(4.0)
Other comprehensive income (loss)	-	-	-	1.7	11.4	13.1	-	13.1
Changes in scope of consolidation	-	-	-	-	-	-	0.4	0.4
Equity at 31 December 2016	71,000,000	639.0	50.9	(52.1)	(496.5)	141.3	0.6	141.9
Net income (loss)	-	-	-	-	7.0	7.0	0.1	7.1
Reduction in share capital (1)	-	(426.0)	-	-	426.0	-	-	-
Distribution of dividends	-	-	-	-	(8.0)	(8.0)	-	(8.0)
Other comprehensive income (loss)	-	-	-	(10.3)	2.3	(8.0)	(0.2)	(8.2)
Equity at 30 June 2017	71,000,000	213.0	50.9	(62.4)	(69.2)	132.3	0.5	132.8

(1) See Note 1

The notes are an integral part of the financial statements.

Consolidated statement of cash flows

€ millions	Notes	For the six months ended, 30 June 2017	2016
Cash flows from operating activities			
Operating income (loss)		24.3	21.3
Elimination of non-cash and non-operating income and expenses:			
Depreciation, amortisation and provisions (except on current assets), net	*11*	3.3	6.7
Disposal gains and losses	*11*	(6.6)	-
Gross operating cash flow		**21.0**	**28.0**
Income taxes paid		(2.2)	(2.7)
Change in operating working capital	*11*	(10.4)	(67.9)
Change in loans and guarantee deposits		(3.7)	(0.3)
Net cash from (used in) operating activities (i)		**4.7**	**(42.9)**
Cash flows from investing activities			
Expenditure on acquisitions of property, plant and equipment and intangible assets		(6.5)	(8.3)
Proceeds from disposals of property, plant and equipment and intangible assets	*1*	11.3	0.5
Proceeds from disposals of financial assets		0.5	0.6
Impact of changes in scope of consolidation	*11*	(3.5)	-
Net cash from (used in) investing activities (ii)		**1.8**	**(7.2)**
Cash flows from financing activities			
Net change in borrowings and debt		(30.9)	27.2
Net financial costs		(11.1)	(11.8)
Dividends paid	*13*	(8.0)	(4.0)
Net cash from (used in) financing activities (iii)		**(50.0)**	**11.4**
Effects of fluctuations in foreign exchange rates (iv)		(2.1)	(3.0)
CHANGE IN CASH AND CASH EQUIVALENTS (i+ii+iii+iv)		**(45.6)**	**(41.7)**
Net cash and cash equivalents at start of period		131.5	136.4
Net cash and cash equivalents at end of period		85.9	94.7
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(45.6)**	**(41.7)**
Analysis of net cash and cash equivalents at end of period			
Cash and cash equivalents		88.8	97.7
Short-term bank borrowings and overdrafts		(2.9)	(3.0)
Net cash and cash equivalents at end of period		**85.9**	**94.7**

The notes are an integral part of the financial statements.

Notes to the condensed interim consolidated financial statements

Note 1 - Significant events of the period and subsequent events

IPO of Antalis International

In February 2017, Sequana Group announced its intention to distribute a minority stake in Antalis International to its own shareholders in the form of a dividend in kind, resulting in the listing of all of the shares of the Company on the regulated Euronext Paris stock market. The IPO prospectus was approved by the French Financial markets authority (*AMF*) on 19 May 2017 under No. 17-212.

This operation – which covered 18.3% of Antalis' shares – was approved by Sequana's Annual General Meeting and completed on 12 June 2017. At the same time, Antalis International became a French *société anonyme* (joint stock corporation) and its shares have been traded on Segment B of Euronext Paris since this date.

The direct and indirect expenses incurred by Antalis in relation to this operation totalled €7 million and were recorded in other operating expenses for the period.

Refinancing strategy

In light of the expiry of its main financing lines and its wish to build on the IPO, in the first-half of the year, the Group initiated an operation designed to refinance its syndicated credit facility, strengthen liquidity in the long-term and fund its future development.

This project initially took the form of an issue of €325 million worth of high-yield notes to be offered on the market in late June, however, the issue was withdrawn in early July due to unfavourable market conditions.

The costs arising from this attempted issue and expensed in the period amounted to €2.5 million recorded in other operating expenses.

The Group continues to study various solutions in order to finalise its refinancing arrangements over the coming months.

Divestments

During the first six months of the year, two of the Group's warehouses – one in the UK and one in Latvia – were subject to sale & leaseback operations for a total amount of €11 million, generating net disposal gains of €6 million, recognised in other operating income.

Reduction of the Company's share capital

In April 2017, Antalis decided to reduce its share capital from €639 million to €213 million by reducing the par value of the Company's shares from €9 to €3.

There have been no material changes in the Group's financial or commercial position since 30 June 2017, excluding those mentioned above.

Note 2 - Summary of significant accounting policies

a) Standards applied

The condensed interim consolidated financial statements for the six months ended 30 June 2017 were prepared in accordance with IAS 34 - Interim Financial Reporting. As these are condensed financial statements, they do not contain all of the information required by IFRS for annual financial statements and must be read in conjunction with the consolidated financial statements for the year ended 31 December 2016, included in the IPO prospectus filed with the French Financial markets authority (AMF) on 19 May 2017 under No. 17-212.

b) Basis of preparation

The condensed interim consolidated financial statements for the six months ended 30 June 2017 were prepared using the same accounting principles as those used to prepare the consolidated financial statements for the year ended 31 December 2016.

The other standards, interpretations and amendments adopted by the European Union at 30 June 2017 and mandatory for reporting periods beginning on or after 1 January 2017 do not have a material impact on the condensed interim consolidated financial statements for the six-month periods ended 30 June 2017 or 30 June 2016.

It should also be noted that:

- the tax expense is calculated using an estimated tax rate for 2017 based on the tax rates that will be effective for the period and the forecast pre-tax earnings of the Group's tax entities. This rate is then applied to the pre-tax earnings of each tax entity for the interim period.
- pension plans and other defined benefit obligations are prorated based on projected costs for the year, taken from actuarial calculations performed by independent experts at the end of the previous reporting period. For most plans, the net benefit obligations are measured based on the revised fair value of plan assets at 30 June 2017 and on any changes in actuarial assumptions during the period, in particular as a result of changes in market conditions. Only those events significantly impacting plan participants or the terms and conditions of the plans are taken into account in the calculations.

The Group considers that other standards, interpretations and amendments already adopted by the European Union but not yet effective at the reporting date will not impact its consolidated financial statements.

The Group has not chosen to early adopt any of the standards or interpretations published in the Official Journal of the European Union as of 30 June 2017, for which early adoption is permitted for accounting periods beginning on or after 1 January 2017. The Group continues to assess the impacts of IFRS 15, mandatory for accounting periods beginning on or after 1 January 2018, which will replace all other standards and interpretations dealing with revenue recognition. At this stage, based on its current practices, the Group has not identified any material contradictions in its approach. However, the application of the principal versus agent distinction to the distribution business will require the use of judgement and the Group cannot say with certainty that there will not be any impact on its own revenue recognition policy.

c) Estimates

The preparation of financial statements involves the use of estimates and assumptions that affect the reported amounts of certain assets and liabilities and recognised income and expenses. These estimates and assumptions take into account the specific risks associated with the Group's businesses as well as more general risks to which companies operating in an international environment are exposed.

In exercising its judgement, the Group refers to past experience and to available information it considers pertinent. Assumptions are revised on a regular basis and estimates adjusted as necessary. Due to the uncertainties inherent in assumptions used in any measurement process, the amounts shown in the Group's financial statements in future accounting periods may differ from those estimated and reported in the current period.

Significant assumptions used by the Group to prepare its financial statements for the six months ended 30 June 2017 chiefly concern estimates of provisions (see note 5).

d) Seasonal fluctuations

Although the Group's activities are not greatly exposed to fluctuations between the first and the second-halves of the year, working capital requirements in the distribution business do vary considerably from one quarter to another.

Note 3 - Changes in scope of consolidation

Acquisitions

2017

No material acquisitions affecting the Group's scope of consolidation were carried out during the reporting period. The acquisitions completed in 2016 (detailed below) added €13 million and €1 million to first-half 2017 sales and current operating income, respectively.

2016

In the fourth quarter of 2016, Antalis acquired a Peruvian packaging products distributor and a Norwegian entity specialised in visual communication consumables. The first of these operations comprised the acquisition of an initial 70% stake with an arrangement to acquire the remaining 30% subsequently (resulting in the recognition of a debt for a non-material amount at 31 December 2016). In late December, these transactions were rounded out by the acquisition of an Irish paper distributor.

The assets acquired by Antalis essentially comprise the working capital requirements and commercial business of these new subsidiaries, representing annual sales in the order of €24 million. Due to the short period for which they were controlled during 2016, they had a negligible impact on 2016 sales and results.

Based on the terms of these transactions, goodwill of €4 million was recognised for the period. Allocation of the purchase price to assets and liabilities will be finalised within 12 months of the acquisition date, in accordance with IFRS 3R.

The impact of these acquisitions on the Group's statement of financial position may be broken down as follows:

€ millions	Acquisitions in 2016
Purchase price of equity investment or business (i)	5.9
Fixed assets	1.1
Working capital requirements	3.6
Net debt	(1.6)
Other assets (liabilities), net	(0.8)
Net assets acquired (ii)	2.3
Calculation of net goodwill (i-ii)	3.6

Note 4 - Other assets

Breakdown by type

(€ millions)	30.06.2017	31.12.2016
OTHER NON-CURRENT ASSETS	18.7	19.0
Defined benefit pension plans with a net surplus	15.0	16.9
Tax credits and current tax receivables	3.7	2.1
TRADE RECEIVABLES	402.6	411.4
Gross amount	422.4	431.7
Provision for impairment in value	(19.8)	(20.3)
OTHER RECEIVABLES	98.2	88.1
Tax credits and current tax receivables	4.4	6.5
Indirect tax receivables	4.9	3.5
Receivables on disposals of non-current assets	0.3	0.3
Advances to suppliers	3.8	3.2
Other current receivables (1)	84.8	74.6

(1) Receivables in respect of rebates to be granted by the suppliers of the products distributed by the group under current commercial terms account for most of this caption.

Note 5 - Provisions

Analysis by type of provision

	Current portion		Non-current portion	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Restructuring costs	1.7	3.6	0.6	0.6
Claims and litigation	0.7	0.9	3.9	4.1
Pensions and other post-employment benefits (1)	1.3	1.3	48.0	58.5
Other provisions (2)	4.6	5.5	6.6	7.3
CLOSING BALANCE	8.3	11.3	59.1	70.5

(1) Detailed disclosures of these commitments are provided on the consolidated financial statements for the year ended 31 December 2016, included in the IPO prospectus filed with the French Financial markets authority (AMF) on 19 May 2017 under No. 17-212.

(2) This caption mainly includes accrued future rents for various partially or totally vacant warehouses or premises.

Movements in provisions over the six months to 30 June 2017

€ millions	Opening balance	Additions	Reversals (utilised provisions)	Reversals (surplus provisions)	Changes in scope of consolidation	Other	Closing balance
Restructuring costs	4.2	2.0	(3.9)	-	-	-	2.3
Litigation and environmental contingencies	5.0	-	(0.2)	-	-	(0.2)	4.6
Pensions and other post-employment benefits	59.8	2.4	(4.0)	(2.3)	(0.7)	(5.9)	49.3
Other provisions	12.8	0.9	(2.3)	-	-	(0.2)	11.2
TOTAL	81.8	5.3	(10.4)	(2.3)	(0.7)	(6.3)	67.4
Impact on income statement captions							
Personnel expenses	-	2.4	-	(2.3)	-	-	-
Other administration and marketing expenses	-	0.3	-	-	-	-	-
Other operating expenses	-	2.6	-	-	-	-	-

Claims and litigation

Tax dispute in Chile

The merger of three different companies into GMS Productos Graficos Ltda (now known as Antalis Chile Ltda) in June 2006 generated goodwill of €11 million. This goodwill was amortised between 2007 and 2012 and resulted in tax savings of approximately €2 million.

The Chilean tax authorities consider that this amount is unsubstantiated and have refused to allow it to be deducted for tax purposes. A court decision handed down on 10 May 2016 upheld the tax authorities' position: in addition to the amount of principal being reassessed, interest, late payment penalties and inflation could add another €3 million to the penalty.

Antalis Chile Ltda continues to maintain the legitimacy of the deductibility of these amounts and lodged an appeal against this decision on 31 May 2016. A provision of €2 million was set aside in the financial statements at 31 December 2016, corresponding to management's best estimate of the risks involved after consulting with the Company's legal advisers and based on local practices. There have not been any notable developments either in this dispute or in the assessments of the related amounts.

Note 6 - Employee benefits

Reconciliation of the net amount recognised with the consolidated statement of financial position

€ millions	30.06.2017	31.12.2016
Provisions for pension and other employee benefit obligations (see Note 5)	(49.3)	(59.8)
Defined benefit pension plans with a net surplus (see Note 4)	15.0	16.9
NET AMOUNT RECOGNISED	(34.3)	(42.9)

Main events of the period

In early 2017, an agreement was reached with the beneficiaries of the "Pensionskasse" scheme in Switzerland to modify the conditions for converting savings to annuities, resulting in a plan amendment within the meaning of IAS 19.

In accordance with paragraph 102 *et seq* of IAS 19 and the Group's policies for accounting for this type of gain, past service costs totalling €2 million were accounted for as a deduction from Personnel expenses of the period in current operating income.

Note 7 - Debt

Breakdown of debt by maturity

€ millions	Less than 1 year	1 to 5 years	More than 5 years	Total
Short-term bank borrowings and overdrafts	2.9	-	-	2.9
Other bank borrowings	0.1	194.4	-	194.5
Finance lease obligations	1.2	0.7	-	1.9
Factoring liabilities[(1)]	157.4	-	-	157.4
Other	0.2	0.5	-	0.7
AT 30 JUNE 2017	161.8	195.6	-	357.4
Short-term bank borrowings and overdrafts	2.7	-	-	2.7
Other bank borrowings	1.9	233.5	-	235.4
Finance lease obligations	1.5	0.9	-	2.4
Factoring liabilities[(1)]	143.3	-	-	143.3
Other	4.1	0.6	-	4.7
AT 31 DECEMBER 2016	153.5	235.0	-	388.5

(1) *Most of the factoring programmes have maturities equal to or greater than the payment milestones under Antalis' credit facility which expires on 31 December 2018. Despite the long-term nature of the lenders' commitment, the factored liabilities corresponding to the sale of receivables are recognised under current liabilities in accordance with the accounting policies applicable to this type of financing.*

Breakdown of debt by interest rate

€ millions	Below 3%	Between 3% and 4%	Between 4% and 5%	Over 5%	Total
Short-term bank borrowings and overdrafts	-	-	-	2.9	2.9
Other bank borrowings	-	-	194.4	0.1	194.5
Finance lease obligations	0.1	0.7	0.8	0.3	1.9
Factoring liabilities	157.4	-	-	-	157.4
Other	0.7	-	-	-	0.7
AT 30 JUNE 2017	158.2	0.7	195.2	3.3	357.4
Short-term bank borrowings and overdrafts	0.1	0.3	-	2.3	2.7
Other bank borrowings	-	-	233.5	1.9	235.4
Finance lease obligations	0.1	0.9	1.0	0.4	2.4
Factoring liabilities	143.3	-	-	-	143.3
Other	4.7	-	-	-	4.7
AT 31 DECEMBER 2016	148.2	1.2	234.5	4.6	388.5

Analysis of debt by main currencies

€ millions	EUR	GBP	USD	Other	Total
Short-term bank borrowings and overdrafts	-	-	2.9	-	2.9
Other bank borrowings	194.4	-	0.1	-	194.5
Finance lease obligations	0.9	-	-	1.0	1.9
Factoring liabilities	84.8	41.6	-	31.0	157.4
Other	0.1	-	0.5	0.1	0.7
AT 30 JUNE 2017	280.2	41.6	3.5	32.1	357.4
Short-term bank borrowings and overdrafts	0.1	-	2.6	-	2.7
Other bank borrowings	233.5	-	1.9	-	235.4
Finance lease obligations	1.0	-	-	1.4	2.4
Factoring liabilities	56.7	57.8	-	28.8	143.3
Other	1.9	-	0.7	2.1	4.7
AT 31 DECEMBER 2016	293.2	57.8	5.2	32.3	388.5

Contractual terms of use applicable to credit and liquidity lines

For information, the authorised borrowing limit for Antalis' syndicated credit facility, its main financing agreement, was reduced to €310 million following:

- the payment of €200 million out of the proceeds of the factoring programme set up in the first quarter of 2015; and
- the contractual repayment of €5 million made on 31 December 2015.

The factoring arrangements give Antalis access to two separate secure sources of medium-term funding as the maturity of the main factoring agreement has been aligned with the 31 December 2018 credit facility payment milestone. As most of its debt matures on this date, the Group took steps to initiate the refinancing of these two agreements during the period (see Note 1).
Both the factoring agreements and the credit facilities require Antalis to comply with a certain number of conditions and covenants, especially ratios that are tested on a regular basis.
Under the terms of the main factoring agreement, the two key ratios and the testing schedule have been aligned with those applicable to the credit facility.

Test date	Leverage ratio[1]	Interest coverage ratio[2]
▪ at 31 March 2017	▪ ≤ 4.30	▪ ≥ 2.30
▪ at 30 June 2017	▪ ≤ 3.30	▪ ≥ 2.35
▪ at 30 September 2017	▪ ≤ 4.55	▪ ≥ 2.35
▪ at 31 December 2017	▪ ≤ 3.20	▪ ≥ 2.35
▪ at 31 March 2018	▪ ≤ 3.95	▪ ≥ 2.40
▪ at 30 June 2018	▪ ≤ 3.05	▪ ≥ 2.40
▪ at 30 September 2018	▪ ≤ 4.10	▪ ≥ 2.45

(1) Consolidated net debt/consolidated EBITDA
(2) Consolidated current operating income/net interest expense

Based on tests carried out in first-half 2017, the Group complied with all of the covenants applicable to the different agreements.

Moreover, it should be noted that the syndicated credit facility has been restructured as follows:

- Tranches A, B and C will be repayable in the form of bullet payments (i.e., in amounts of €60 million, €120 million and €130 million, respectively),
- Terms and conditions for drawing down the Tranche C revolving facility: may be drawn down in successive monthly amounts for the first portion, then in drawdowns of one to seven days for the rest (adjustable portion or swing line),
- The number of financial covenants has been reduced to two. The revised ratios and testing schedules are shown in the previous table.

Reconciliation of net debt figure

€ millions	30.06.2017	31.12.2016
Debt	357.4	388.5
Cash and cash equivalents	(88.8)	(134.2)
NET DEBT	268.6	254.3

Note 8 - Trade and other payables

€ millions	30.06.2017	31.12.2016
TRADE PAYABLES	376.0	378.4
OTHER PAYABLES	124.7	122.8
Current tax payables	5.7	3.6
Indirect tax payables	33.4	34.1
Employee-related liabilities	39.5	40.6
Payables arising on acquisition of assets	2.4	2.2
Other payables[1]	43.7	42.3

(1) Especially amounts owed for trade rebates to be granted to Group customers as part of its distribution business.

Note 9 - Other operating income and expenses

(€ millions)	For the six months ended, 30 June 2017	2016
Other operating income		
Gains on disposal of property, plant and equipment and intangible assets[1]	6.1	0.1
Other revenues	0.5	-
Sub-total	6.6	0.1
Other operating expenses		
Impairment losses on intangible assets and property, plant and equipment[2]	(1.0)	(2.0)
Net restructuring expenses[3]	(6.4)	(5.6)
Costs related to IPO and to refinancing[4]	(9.3)	-
Other items, net	-	(0.9)
Sub-total	(16.7)	(8.5)
TOTAL	**(10.1)**	**(8.4)**

(1) Sale & leaseback operations in the UK and Latvia (see note 1).
(2) Based on impairment tests carried out in the first-half of 2016, the Group recognised impairment losses totalling €2 million for the Germany & Austria CGU. The residual value of this CGU fixed assets (i.e., €1 million) was written off in the first-half of 2017.
(3) These charges concerned reorganisation costs, mostly in the UK and in the Nordic and Benelux countries.
(4) Commissions, fees and consulting expenses incurred within the scope of the operations described in Note 1.

Note 10 - Income tax

(€ millions)	For the six months ended, 30 June 2017	2016
Current taxes	(3.1)	(2.4)
Deferred taxes	(0.7)	3.0
INCOME TAX BENEFIT (EXPENSE)	**(3.8)**	**0.6**

The tax proof breaks down as follows:

€ millions	For the six months ended, 30 June 2017	2016
Operating income (loss)	24.3	21.3
Net financial income (expense)	(13.4)	(13.0)
Pre-tax income (loss) from continuing operations	**10.9**	**8.3**
Standard tax rate in France	34.4%	34.4%
Effective tax rate for the Group	34.9%	-7.2%
Theoretical tax expense (i)	(3.8)	(2.9)
Actual tax expense (ii)	(3.8)	0.6
DIFFERENCE (ii-i)	**-**	**3.5**
This difference can be analysed as follows:		
Difference between the standard rate in France and the rates applicable in other tax jurisdictions	2.6	1.3
Other permanent differences	0.4	(1.1)
Recognition/(non-recognition) of deferred tax assets	(3.7)	0.4
Tax saving on unrecognised prior-year tax losses	1.0	2.7
Other items	(0.3)	0.2
DIFFERENCE	**-**	**3.5**

Note 11 - Analysis of consolidated cash flows

€ millions	For the six months ended, 30 June 2017	2016
Depreciation, amortisation and provisions		
Depreciation and amortisation of property, plant and equipment and intangible assets, net	10.7	12.6
Net additions to (reversals of) other provisions	(7.4)	(5.9)
NET ADDITIONS TO DEPRECIATION, AMORTISATION AND PROVISIONS	3.3	6.7
Disposal (gains) and losses		
Net impact of disposals of property, plant and equipment and intangible assets	(6.1)	-
Other disposals	(0.5)	-
DISPOSAL (GAINS) AND LOSSES	(6.6)	-
Change in operating working capital		
Inventories	(5.3)	(6.7)
Trade receivables	3.2	(0.1)
Trade payables	4.1	(49.9)
Other receivables	(14.9)	7.3
Other payables	2.5	(18.5)
CHANGE IN OPERATING WORKING CAPITAL	(10.4)	(67.9)
Net impact of changes in scope of consolidation[1]		
Acquisition in Ireland	(1.7)	-
Acquisition in Norway	(1.8)	-
NET IMPACT OF CHANGES IN SCOPE OF CONSOLIDATION	(3.5)	-

(1) Most of the cost of these two acquisitions, completed in late 2016 and described in Note 3, was disbursed in 2017.

Note 12 - Segment information

Business segment analysis of the income statement for the six months ended 30 June 2017

€ millions	Main European Geographies	Other European countries	Rest of the world	Total
Sales	611.1	481.6	112.5	1,205.2
Gross margin	139.3	124.5	31.1	294.9
EBITDA	21.7	17.3	3.8	42.8
Current operating income	17.7	15.0	1.7	34.4
Operating income (loss)	13.9	9.3	1.1	24.3

Reconciliation of H1 2017 EBITDA

€ millions	Main European Geographies	Other European countries	Rest of the world	Total
Current operating income	17.7	15.0	1.7	34.4
Less depreciation and amortisation	3.9	4.3	1.6	9.8
Less net additions to (releases of) provisions	0.1	(2.0)	0.5	(1.4)
EBITDA	21.7	17.3	3.8	42.8

Business segment analysis of the income statement for the six months ended 30 June 2016

€ millions	Main European Geographies	Other European countries	Rest of the world	Total
Sales	653.3	498.9	104.2	1,256.4
Gross margin	149.6	126.6	28.3	304.5
EBITDA	22.8	15.8	3.3	41.9
Current operating income	18.0	10.3	1.4	29.7
Operating income (loss)	12.9	6.4	2.0	21.3

Reconciliation of H1 2016 EBITDA

€ millions	Main European Geographies	Other European countries	Rest of the world	Total
Current operating income	18.0	10.3	1.4	29.7
Less depreciation and amortisation	4.7	4.4	1.3	10.4
Less net additions to (releases of) provisions	0.1	1.1	0.6	1.8
EBITDA	22.8	15.8	3.3	41.9

Breakdown of sales by business sector

€ millions	For the six months ended, 30 June 2017	2016
Paper	848.0	901.6
Packaging	245.6	243.5
Visual Communication	111.6	111.3
Total	1,205.2	1,256.4

Note 13 - Related-party transactions

The related parties that exercise control over Antalis are Sequana, its majority shareholder (and sole shareholder until 12 June 2017, when the distribution of shares described in Note 1 took place) and the shareholders who control Sequana, notably Bpifrance Participations.

Other related parties include joint ventures, and these mainly comprise subsidiaries of Arjowiggins Group, one of Antalis' strategic paper suppliers.

The Group does not have any material non-consolidated investees or associates. Transactions with related parties are based on arm's length terms.

The impact of related-party transactions on the main consolidated income statement and consolidated statement of cash flows captions are as follows:

€ millions	For the six months ended, 30 June 2017	2016
Sales	2.7	4.8
Purchases and other administration and marketing expenses[1]	(82.7)	(96.8)
Distribution of dividends	(8.0)	(4.0)

(1) This caption mainly includes the cost of paper purchases from subsidiaries of Arjowiggins Group as well as certain costs rebilled by Sequana, particularly for the Group's headquarters lease agreement and a service agreement under which Antalis benefits from legal and financial expertise. Amounts rebilled by Sequana represent an annual expense of around €4 million.

Statutory Auditors' Report on the consolidated financial statements for the six months ended 30 June 2017

PricewaterhouseCoopers Audit
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92200 Neuilly-sur-Seine, France

Constantin Associés
Member of Deloitte Touche Tohmatsu Ltd
185, avenue Charles de Gaulle
92524 Neuilly-sur-Seine Cedex, France

Antalis International
8 rue de Seine
92100 Boulogne-Billancourt, France

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with Article L. 451-1-2 paragraph III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the limited review of the accompanying condensed consolidated interim financial statements of Antalis International for the six months ended 30 June 2017; and
- the specific verifications of the disclosures contained in the half-yearly business report.

These consolidated interim financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our limited review.

1. Opinion on the consolidated financial statements

We conducted our work in accordance with professional standards applicable in France. A limited review consists primarily of making enquiries of senior managers in charge of accounting and finance and performing certain analyses. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with professional standards applicable in France. Consequently, the assurance, in the context of a review, that the financial statements taken as a whole are free of any material misstatements is a moderate assurance and less than that obtained by performing a full audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial information is not prepared in all material respects in accordance with IAS 34 – Interim Financial Reporting, as adopted by the European Union.

2. Specific verifications

We have also verified the disclosures contained in the half-yearly business report concerning the interim consolidated financial information which was reviewed by us. We have no matters to report as to its fair presentation and its consistency with the condensed consolidated interim financial statements.

Neuilly-sur-Seine, 27 September 2017
The Statutory Auditors

PricewaterhouseCoopers Audit

Stéphane Basset

Constantin Associés
Member of Deloitte Touche Tohmatsu
Thierry Quéron

Statement by the person responsible for the interim financial report

I hereby declare that, to the best of my knowledge, the consolidated financial statements at 30 June 2017 presented in this interim financial report have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings in the consolidation taken as a whole, and that the business report presented in this half-yearly report includes a fair review of the major developments that have taken place over the first six months of the year, their impact on the interim financial statements, the main related-party transactions, together with a description of the principal risks and uncertainties for the second-half of the year.

Boulogne-Billancourt, 27 September 2017

Hervé Poncin
Chief Executive Officer

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