



## BIC GROUP – 1<sup>ST</sup> QUARTER 2010 RESULTS

**NET SALES AT 378.3 MILLION EUROS, UP 8.8% ON A COMPARATIVE BASIS**

**NORMALIZED<sup>1</sup> IFO MARGIN: 14.2%**

**GROUP NET INCOME UP 32.3% AT 35.4 MILLION EUROS**

**NET CASH POSITION: 347.6 MILLION EUROS**

### 1<sup>st</sup> Quarter 2010 Highlights

#### Net Sales

**Consumer Business:** 308.6 million euros (+10.3% at constant currencies)

- **Stationery: 112.6 million euros (+10.7% at constant currencies)**
  - Slight improvement in Europe and good performance in North America
  - Strong growth in Latin America
- **Lighters: 107.0 million euros (+10.4% at constant currencies)**
  - Volume increased in all key geographies
  - Good performance in North America and developing markets (mainly Latin America)
- **Shavers: 66.4 million euros (+10.9% at constant currencies)**
  - Strong performance in developing markets led the growth
  - Developed markets also contributed to Q1 growth, but at a slower pace.

**Advertising and Promotional Products (BIC APP): 69.7 million euros (-3.6% on a comparative basis)**

- Slight improvement of the Advertising and Promotional Products market trends although performance remains negative compared to last year
- Market share gains for BIC Graphic
- Norwood in line with industry trends.

#### Results

- **Normalized Income From Operations (IFO): 53.7 million euros (+46.9% as reported)**
- **Normalized IFO margin: 14.2% compared to 11.8% in Q1 2009**
  - The improvement of the normalized IFO margin of the consumer business more than offset Antalis Promotional Products and Norwood Promotional Products consolidation impact
- **Reported Income From Operations (IFO): 47.8 million euros (+31.7% as reported)**
  - -5.9 million euros exceptional expenses, mainly related to Norwood integration plan
- **EPS: 0.73 euros (+30.4% as reported)**
- **Net cash position as of March 31, 2010: 347.6 million euros**
  - Improvement in profitability combined with stable CAPEX and control of working capital

### 2010 Outlook

#### Consumer Business

For the full year 2010, we expect a moderate net sales growth on a comparative basis in this part of our business and a slight improvement of normalized IFO margin compared to full year 2009.

#### Advertising and Promotional Products

2010 is a transition year for us in this activity. In a volatile business environment, the integration plan is well on track and BIC APP's normalized IFO margin should be close to last year's reported level.

**Mario Guevara, Chief Executive Officer, said:** "Our first Quarter results were good, with the Group better positioned and stronger than a year ago to leverage opportunities and meet marketplace challenges. We will continue our aggressive focus on sales and profitability growth, while maintaining financial discipline. We are also committed to investing for the long term in research and development, brand support and sustainable development"

<sup>1</sup> See glossary page 8



## Key figures

<i>In million euros</i>	Q1 2009	Q1 2010	Change as reported	Change at constant currencies <sup>2</sup>	Change on a comparative basis <sup>2</sup>
<b>GROUP</b>					
<b>Net Sales</b>	<b>308.4</b>	<b>378.3</b>	<b>+22.7%</b>	<b>+21.6%</b>	<b>+8.8%</b>
Gross profit	147.9	179.4	+21.3%		
<b>Income From Operations</b>	<b>36.3</b>	<b>47.8</b>	<b>+31.7%</b>		
<i>IFO Margin</i>	11.8%	12.6%			
<b>Normalized Income From Operations</b>	<b>36.3</b>	<b>53.7</b>	<b>+47.9%</b>		
<b>Normalized IFO margin</b>	<b>11.8%</b>	<b>14.2%</b>			
Group Net Income	26.8	35.4	+32.3%		
<b>Earnings Per Share (in euros)</b>	<b>0.56</b>	<b>0.73</b>	<b>+30.4%</b>		
<b>CATEGORY</b>					
<b>Stationery</b>					
<b>Net Sales</b>	<b>100.1</b>	<b>112.6</b>	<b>+12.5%</b>	<b>+10.7%</b>	<b>+10.7%</b>
IFO	3.7	7.7			
<i>IFO margin</i>	3.7%	<b>6.9%</b>			
<b>Normalized IFO margin</b>	3.7%	<b>7.4%</b>			
<b>Lighters</b>					
<b>Net Sales</b>	<b>94.8</b>	<b>107.0</b>	<b>+12.8%</b>	<b>+10.4%</b>	<b>+10.4%</b>
IFO	29.1	40.9			
<i>IFO margin</i>	30.7%	<b>38.2%</b>			
<b>Normalized IFO margin</b>	30.7%	<b>38.0%</b>			
<b>Shavers</b>					
<b>Net Sales</b>	<b>58.9</b>	<b>66.4</b>	<b>+12.8%</b>	<b>+10.9%</b>	<b>+10.9%</b>
IFO	1.7	10.5			
<i>IFO margin</i>	2.8%	<b>15.8%</b>			
<b>Normalized IFO margin</b>	2.8%	<b>15.7%</b>			
<b>Other Products</b>					
<b>Net Sales</b>	<b>20.9</b>	<b>22.6</b>	<b>+7.8%</b>	<b>+5.4%</b>	<b>+5.4%</b>
<b>Total Consumer business</b>					
<b>Net Sales</b>	<b>274.7</b>	<b>308.6</b>	<b>+12.3%</b>	<b>+10.3%</b>	<b>+10.3%</b>
IFO	32.9	56.4			
<i>IFO Margin</i>	12.0%	18.3%			
<b>Normalized IFO margin</b>	<b>12.0%</b>	<b>18.4%</b>			
<b>BIC APP</b>					
<b>Net Sales</b>	<b>33.7</b>	<b>69.7</b>	<b>+107.0%</b>	<b>+114.1%</b>	<b>-3.6%</b>
IFO	3.4	-8.6			
<i>IFO margin</i>	10.1%	-12.3%			
<b>Normalized IFO margin</b>	10.1%	<b>-4.2%</b>			

<sup>2</sup> See glossary

## Group

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BIC Group Q1 2010 net sales were 378.3 million euros, compared to 308.4 million euros in Q1 2009, up +22.7% as reported, up +21.6% at constant currencies and up +8.8% on a comparative basis.

Total consumer business operations increased +10.3% at constant currencies during the Q1 2010 while the Advertising and Promotional Products business increased +114.1% at constant currencies (including Antalis Promotional Products and Norwood Promotional Products) and decreased -3.6% on a comparative basis.

Q1 2010 foreign currency fluctuations had a positive impact of +1.1%, of which -2.8% was due to the decrease of the U.S. dollar offset by the increase of Latin America currencies, and some Oceania currencies.

The Q1 2010 gross profit margin decreased 0.6 points to 47.4% of sales versus 48.0% in Q1 2009. Favorable impacts, and notably higher sales volume in the consumer business, were more than offset by the impact of the consolidation of Norwood Promotional Products and Antalis Promotional Products (lower gross profit margin).

Q1 2010 Income From Operations increased 31.7% as reported to 47.8 million euros. The Q1 2010 reported IFO margin was 12.6% compared to 11.8% in Q1 2009.

Q1 2010 IFO included -5.9 million euros in exceptional items:

- -6.6 million euros expenses related to the Norwood Promotional Products integration plan and the roll-over of the 2009 cost reduction plan
- +0.7 million euros related to a real estate gain in Australia.

Excluding these impacts, Q1 2010 normalized IFO would have been 53.7 million euros compared to 36.3 million euros in Q1 2009. Q1 2010 normalized IFO margin is 14.2% compared to 11.8% for the same period last year.

Income before tax increased 27.0% as reported to 50.7 million euros. Finance revenues decreased 0.8 million euros compared to Q1 2009. Global favorable revaluation impact of USD vs. EUR was offset by net interest expenses (more cash invested but lower interest rates and increase in interest expenses due to Cello and Norwood loans). Tax rate was 32.4% compared to 33.0% in Q1 2009.

Q1 2010 Group net income was 35.4 million euros, a 32.3% increase as reported. Q1 2010 Group net income included 1.1 million euros from income from our associates (Cello Pens). Earnings per share (EPS) were 0.73 euros in Q1 2010, compared to 0.56 euros in Q1 2009, up 30.4%. Normalized EPS grew 46.4% at 0.82 euros compared to 0.56 euros in Q1 2009.

At the end of March 2010, the net cash position was 347.6 million euros, compared to 209.8 million euros as of March 31, 2009 and 305.3 million euros as of December 31, 2009. Q1 2010 cash generation continued to benefit from the increase of profitability combined with stable CAPEX (9 million euros in Q1 2010 vs. 10 million euros in Q1 2009) and tight control of working capital.

## Stationery Consumer

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**Q1 2010 Stationery net sales increased 12.5% as reported and +10.7% at constant currencies.**

In developed markets, we have started to see a slight recovery of the consumer business (retail mass market distribution and super stores in the U.S.). In this context, we experienced slight growth in Europe and good performance in North America.

BIC's performance was strong in developing markets, with double digit growth in Latin America (positive Back-to-School in Brazil and Argentina) and sales increases in the Middle East and Africa.

**The Stationery normalized Q1 2010 IFO margin was 7.4% in Q1 2010**, compared to 3.7% in Q1 2009, benefiting from the positive impact of volume growth on cost absorption.



## Lighters

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**Q1 2010 Lighter net sales increased 12.8% as reported and +10.4% at constant currencies.**

Lighter volumes grew in all key geographies.

We experienced low single digit growth in Europe, compared with a strong Q1 2009.

The strong performance of North America was notably driven by the positive impact of safety legislation (novelty lighters banned in 11 states) and the increase in market share of pocket lighters compared to high-end products. We also gained shares in convenience stores.

Sales increased strongly in developing markets, in particular with double digit growth in Latin America, which continues to benefit from distribution gains in the southern hemisphere.

**The Lighter Q1 2010 normalized IFO margin increased by 7.3 points to 38.0%.** Gross Profit benefited from the increase in production volumes.

## Shavers

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**Q1 2010 Shaver net sales increased 12.8% as reported and +10.9% at constant currencies.**

Latin America, Middle East and Africa led the growth of Q1 shaver net sales, with both twin-blade and 3-blade products contributing to the positive performance in these regions.

Europe also showed strong growth, mostly explained by an unusually low base period in Q1 2009 due to the timing of promotional spending.

North America registered both net sales and market share increases in Q1 2010, although these were modest compared to the other regions. New products, including the BIC® Flex4™ 4-blade shaver and the BIC® Hybrid Advance™ 3-blade shaver, contributed to the growth.

**The Shaver normalized Q1 2010 IFO margin was 15.7%** in Q1 2010 compared to 2.8% in Q1 2009. This improvement is due to the sales increase and improved productivity.

## Advertising and Promotional Products

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**Q1 2010 Advertising and Promotional Products net sales increased +107.0% as reported and +114.1% at constant currencies and decreased -3.6% on a comparable basis.**

Although still negative compared to the same period last year (particularly in hard goods), the Advertising and Promotional Products market improved slightly in Q1 2010. BIC Graphic clearly outperformed the market thanks to market share gains, while Norwood's performance was in line with industry trends.

BIC APP's reported IFO margin (-12.3%) included the expected costs related to the announcement of the year-end closing of Norwood Promotional Product's headquarters and one factory, both in the U.S.

BIC APP normalized IFO margin (-4.2%) is impacted by the negative effect of Calendar business seasonality (inventory building).

BIC APP's integration plan is well on track with the centralization of warehousing activities in Europe and the implementation of our Center of Manufacturing Excellence plan in the U.S., with each factory specializing in its area of product expertise. This plan is expected to result in annualized gains of approximately 11 million euros, beginning in 2011. The expenses related to the integration should reach approximately 11 additional million euros in 2010.



## BIC Group net sales change by geography

<i>In million euros</i>	Q1 2009	Q1 2010	Change
<b>Total net sales</b>	308.4	<b>378.3</b>	
<i>As reported</i>			+22.7%
<i>At constant currencies</i>			+21.6%
<i>On a comparative basis</i>			+8.8%
<b>1 – Europe</b>	91.8	<b>110.9</b>	
<i>As reported</i>			+20.9%
<i>At constant currencies</i>			+19.9%
<i>On a comparative basis</i>			+5.6%
<b>2 – North America</b>	121.9	<b>148.8</b>	
<i>As reported</i>			+22.1%
<i>At constant currencies</i>			+28.2%
<i>On a comparative basis</i>			+6.4%
<b>3 – Developing Markets</b>	94.7	<b>118.5</b>	
<i>As reported</i>			+25.1%
<i>At constant currencies</i>			+14.8%

## Impact of change in perimeter and currencies fluctuations

<i>in %</i>	Q1 2009	Q1 2010
<b>Perimeter</b>	0	<b>12.8</b>
<b>Currencies</b>	+0.9	<b>+1.1</b>
<i>Of which USD</i>	+4.9	<b>-2.8</b>



## IFO and Normalized IFO by category

<i>In million euros</i>	Income From Operations		Normalized Income From Operations	
	Q1 2009	Q1 2010	Q1 2009	Q1 2010
<b>Group</b>	<b>36.3</b>	<b>47.8</b>	<b>36.3</b>	<b>53.7</b>
<b>Consumer</b>	<b>32.9</b>	<b>56.4</b>	<b>32.9</b>	<b>56.7</b>
Stationery	3.7	7.7	3.7	8.3
Lighters	29.1	40.9	29.1	40.7
Shavers	1.7	10.5	1.7	10.4
Other	-1.6	-2.6	-1.6	-2.7
<b>APP</b>	<b>3.4</b>	<b>-8.6</b>	<b>3.4</b>	<b>-2.9</b>

## Condensed Profit and Loss Account

<i>In million euros</i>	Q1 2009	Q1 2010	Change	Change at constant currencies
<b>NET SALES</b>	308.4	<b>378.3</b>	<b>+22.7%</b>	<b>+21.6%</b>
Cost of Goods	160.5	198.9	+23.9%	
<b>GROSS PROFIT</b>	147.9	<b>179.4</b>	<b>+21.3%</b>	
Administrative & other operating expenses	111.6	131.6		
<b>INCOME FROM OPERATIONS (IFO)</b>	36.3	<b>47.8</b>	<b>+31.7%</b>	
Finance revenue	3.7	2.9		
<b>INCOME BEFORE TAX AND MINORITY INTERESTS</b>	40.0	<b>50.7</b>		
Income tax expense	13.2	16.4		
Income from associates	-	1.1		
<b>GROUP NET INCOME</b>	26.8	<b>35.4</b>		
<b>EARNINGS PER SHARE (EPS) (in euros)</b>	0.56	<b>0.73</b>		
Total weighted number of shares outstanding adjusted for treasury shares	48,134,632	48,283,563		



## Condensed Balance Sheet

<i>In million euros</i>		
<b>ASSETS</b>	<b>Mar. 2009</b>	<b>Mar. 2010</b>
Non-current assets	802.1	839.0
Current assets	1,017.7	1,233.2
<i>Of which Cash &amp; Cash Equivalents</i>	333.2	461.5
<b>TOTAL ASSETS</b>	<b>1,819.8</b>	<b>2,072.2</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>Mar. 2009</b>	<b>Mar. 2010</b>
Shareholders' equity	1,222.7	1,377.8
Non-current liabilities	312.4	326.7
Current liabilities	284.7	367.7
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>1,819.8</b>	<b>2,072.2</b>



## Glossary

- **At constant currencies:** Constant currency figures are calculated by translating the current year figures at prior year monthly average exchange rates.
- **Comparative basis:** at constant currencies and constant perimeter. Figures at constant perimeter exclude the impacts of acquisitions and/or disposables that occurred during the current year and/or during the previous year, and this until their anniversary date.
- **Normalized IFO:** normalized means excluding restructuring and real estate gains.

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*This document contains forward-looking statements. Although BIC believes its expectations are based on reasonable assumptions, these statements are subject to numerous risks and uncertainties.*

*A description of the risks borne by BIC appears in section "Risks and Opportunities" of BIC "Reference Document" filed with the French financial markets authority (AMF) on 01 April 2010.*

*A presentation related to this announcement is available on BIC web site: [www.bicworld.com](http://www.bicworld.com), headline Finance.*

## 2010 Agenda

2009 Shareholders' Meeting	12 May 2010	Meeting (BIC headquarters)
2 <sup>nd</sup> Quarter 2010 Results	4 August 2010	Conference Call
3 <sup>rd</sup> Quarter 2010 Results	20 October 2010	Conference Call

## About BIC

*BIC is a world leader in stationery, lighters and shavers. For more than 50 years, BIC has honored the tradition of providing high-quality, affordable products to consumers everywhere. Through this unwavering dedication, BIC has become one of the most recognized brands in the world. BIC products are sold in more than 160 countries around the world. In 2009, BIC recorded net sales of 1,562.7 million euros. The Company is listed on "Euronext Paris" and is part of the SBF120 and CAC Mid 100 indexes. BIC is also part of the following SRI indexes: FTSE4Good Europe, ASPI Eurozone, Ethibel Excellence Europe and Carbon Disclosure French Leadership index 2009 (CDLI).*



For more information, please consult the corporate web site: [www.bicworld.com](http://www.bicworld.com)

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