BIC GROUP – H1 2010 RESULTS

NET SALES AT 865.6 MILLION EUROS, UP 5.8% ON A COMPARATIVE BASIS

NORMALIZED[1] IFO MARGIN: 16.5%

GROUP NET INCOME UP 41.3% AT 99.8 MILLION EUROS

NET CASH POSITION: 254.3 MILLION EUROS

H1 2010 Highlights

Net Sales

Consumer Business: 706.7 million euros (+7.1% at constant currencies)

- **Stationery: 286.0 million euros (+5.3% at constant currencies)**
  - Good performance in Europe and North America, where BIC® products outperformed the market
  - Continued strong growth in developing markets, notably in Latin America
- **Lighters: 226.3 million euros (+10.7% at constant currencies)**
  - Volume increase in all key geographies
- **Shavers: 145.6 million euros (+6.8% at constant currencies)**
  - Good initial response to our new products in Europe and the U.S.
  - Continued strong performance in developing markets

Advertising and Promotional Products (BIC APP): 158.9 million euros (-3.9% on a comparative basis)

- Slight recovery of the Advertising and Promotional Products market trends in the U.S.; Europe remained weak
- Good performance of BIC APP writing instrument promotional products

Results

- **Normalized Income From Operations (IFO): 142.4 million euros (+30.5% as reported)**
- **Normalized IFO margin: 16.5% compared to 15.3% in H1 2009**
  - Significant improvement of the consumer business Gross Profit, with all categories contributing, more than offset Antalis Promotional Products and Norwood Promotional Products consolidation impact
- **Reported Income From Operations (IFO): 142.8 million euros (+41.7% as reported)**
- **EPS: 2.06 euros (+40.1% as reported)**
- **Net cash position as of 30 June, 2010: 254.3 million euros**
  - Improvement in profitability combined with stable CAPEX and control of working capital
  - Ordinary and special dividend payment

***Mario Guevara, Chief Executive Officer**, said**:** "During the first Half of 2010, our sales performance continued to be strong in developing markets. In mature countries, despite early positive signs, the economic environment remained unstable. In this context, BIC's business model appears to be well tailored to the evolution of consumer demand as we offer both "value for money" classic products and useful innovative new products with real added value. Our continuous focus on profitability and cash generation allowed us to post a further improvement in the net cash position at the end of June 2010."*

2010 Outlook

Consumer Business

In the second Half, compared to the very good first Half performance, lighter and shaver net sales should grow at a lower pace than in the first Half. In Stationery, net sales performance will be subject, as in every year, to back-to-school consumer spending. For the full year 2010, we expect a moderate low to mid-single digit net sales growth on a comparative basis.
For the balance of the year, volume absorption will be less favorable and brand support will be increased versus the first 6 months. For the full year, we expect an improvement in Normalized IFO margin compared to last year.

Advertising and Promotional Products

Second Half reported figures will be impacted by the sale of the funeral products business. Full year 2010 net sales growth will be influenced by the overall economic recovery. In this still volatile business environment, we expect to reach a high single digit Normalized IFO margin.

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[1] See glossary page 10.

Key figures

In million euros	SECOND QUARTER					FIRST HALF				
	2009	**2010**	Change as reported	Change at constant currencies[1]	Change at comp. basis[1]	2009	**2010**	Change as reported	Change at constant currencies[1]	Change at comp. basis[1]
GROUP										
Net sales	**404.7**	**487.3**	+20.4%	**+12.0%**	**+3.5%**	**713.1**	**865.6**	+21.4%	**+16.2%**	**+5.8%**
Gross Profit	188.5	228.7	+21.4%			336.4	408.2	+21.3%		
Income From Operations	**64.4**	**95.0**	+47.4%			**100.8**	**142.8**	+41.7%		
IFO Margin	*15.9%*	*19.5%*				*14.1%*	*16.5%*			
Normalized Income From Operations[2]	**72.6**	**88.7**	+22.2%			**109.1**	**142.4**	+30.5%		
Normalized IFO Margin	***17.9%***	***18.2%***				***15.3%***	***16.5%***			
Group Net Income	43.8	64.3	+46.8%			70.6	99.8	+41.3%		
Earnings per share (in euros)	**0.91**	**1.33**	+46.2%			**1.47**	**2.06**	+40.1%		
BY CATEGORY										
Stationery										
Net Sales	**158.8**	**173.4**	**+9.2%**	**+1.9%**	**+1.9%**	**258.9**	**286.0**	**+10.5%**	**+5.3%**	**+5.3%**
IFO	20.7	28.8				24.4	36.6			
IFO margin	13.0%	16.6%				9.4%	12.8%			
Normalized IFO margin	**14.8%**	**16.8%**				**10.6%**	**13.1%**			
Lighters										
Net Sales	**97.6**	**119.3**	**+22.3%**	**+11.0%**	**+11.0%**	**192.4**	**226.3**	**+17.6%**	**+10.7%**	**+10.7%**
IFO	28.2	45.4				57.3	86.3			
IFO margin	28.9%	38.1%				29.8%	38.1%			
Normalized IFO margin	**36.2%**	**38.1%**				**33.5%**	**38.0%**			
Shavers										
Net Sales	**70.9**	**79.2**	**+11.6%**	**+3.3%**	**+3.3%**	**129.8**	**145.6**	**+12.2%**	**+6.8%**	**+6.8%**
IFO	6.7	12.3				8.3	22.8			
IFO margin	9.4%	15.5%				6.4%	15.6%			
Normalized IFO margin	**12.3%**	**15.6%**				**8.0%**	**15.6%**			
Other Products										
Net Sales	**25.5**	**26.3**	**+3.3%**	**0.0%**	**0.0%**	**46.4**	**48.9**	**+5.3%**	**+2.4%**	**+2.4%**
Total Consumer business										
Net Sales	**352.8**	**398.2**	**+12.9%**	**+4.6%**	**+4.6%**	**627.5**	**706.7**	**+12.6%**	**+7.1%**	**+7.1%**
IFO	54.1	84.8				87.0	141.2			
IFO Margin	15.3%	21.3%				13.9%	20.0%			
Normalized IFO margin	**18.9%**	**21.4%**				**15.9%**	**20.1%**			
BIC APP										
Net Sales	**51.9**	**89.1**	**+71.8%**	**+62.8%**	**-4.1%**	**85.6**	**158.9**	**+85.7%**	**+83.0%**	**-3.9%**
IFO	10.3	10.2				13.7	1.6			
IFO margin	19.9%	11.4%				16.0%	1.0%			
Normalized IFO margin	**11.6%**	**3.8%**				**11.0%**	**0.3%**			

[1] See glossary page 10.

[2] In 2010, normalized IFO excludes expenses related to the Norwood PP integration plan, the roll-over of the 2009 cost reduction plan, the net gain on the sale of BIC APP funeral products business and Australia real estate gain. In 2009, normalized IFO excludes expenses related to the 2009 cost reduction plan plus Antalis Promotional Products negative goodwill.

Group

BIC Group H1 2010 net sales were 865.6 million euros, compared to 713.1 million euros in H1 2009, up 21.4% as reported, up 16.2% at constant currencies and up 5.8% on a comparative basis. For the second Quarter, net sales were 487.3 million euros, up 20.4% as reported, +12.0% at constant currencies and +3.5% on a comparative basis.

Total consumer business operations increased +7.1% at constant currencies during the H1 2010 (+4.6% in Q2) while the Advertising and Promotional Products business increased +83.0% at constant currencies (including Antalis Promotional Products and Norwood Promotional Products) and decreased -3.9% on a comparative basis (+62.8% and -4.1% respectively in Q2).

H1 2010 foreign currency fluctuations had a positive impact of +5.2% on net sales, of which +2.8% was due to Latin American currencies (+2.3% for the Brazilian Real) and +0.6% to the increase of the U.S. dollar.

The H1 2010 gross profit margin remained stable at 47.2% of net sales. Favorable impacts (mainly sales increase and volume absorption) in the consumer business were offset by the impact of the consolidation of Norwood Promotional Products and Antalis Promotional Products (lower gross profit margin).

H1 2010 Income From Operations increased +41.7% as reported to 142.8 million euros. The H1 2010 reported IFO margin was 16.5% compared to 14.1% in H1 2009.
H1 2010 IFO included the following exceptional items:

- -7.6 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;
- +7.3 million euros related to the net gain recorded on the sale of BIC APP funeral products business in June 2010.

Excluding these impacts, H1 2010 normalized IFO is 142.4 million euros compared to 109.1 million euros in H1 2009. H1 2010 normalized IFO margin is 16.5% compared to 15.3% for the same period last year.

Income before tax increased 39.0% as reported to 144.0 million euros. Finance revenues decreased 1.7 million euros compared to H1 2009. This includes higher interest expenses related to Cello Pens and Norwood PP loans and lower interest income (due to lower interest rates). This was partly offset by favourable revaluation impact of monetary assets (USD vs. EUR). Tax rate was 32.4% in H1 2010 compared to 33.0% in H1 2009.

H1 2010 Group net income was 99.8 million euros, a 41.3% increase as reported. H1 2010 Group net income included 2.4 million euros from income from our associate, Cello Pens. Earnings per share (EPS) were 2.06 euros in H1 2010, compared to 1.47 euros in H1 2009, up 40.1%. H1 2010 Normalized EPS grew 30.4% at 2.06 euros compared to 1.58 euros in H1 2009.

At the end of June 2010, the net cash position was 254.3 million euros, compared to 149.2 million euros as of 30 June, 2009 and 305.3 million euros as of 31 December, 2009 and is impacted by the dividend payment for 116.4 million euros. H1 2010 cash generation continued to benefit from the increase of profitability combined with stable CAPEX (25 million euros in H1 2010, same as in H1 2009) and tight control of working capital.

Stationery Consumer

H1 2010 Stationery net sales increased 10.5% as reported and +5.3% at constant currencies. Q2 2010 net sales were up 9.2% as reported and +1.9% at constant currencies.

In Europe, the market remained weak (-1.1% at the end of May 2010). In this context, BIC® products continued to outperform competition in Western Europe and recorded good results in Eastern Europe.

In the U.S., the overall stationery market was up 3.5% at the end of May 2010, with both Office Suppliers and Retail Mass Market channels showing improvement vs. last year. In this context, BIC® products continued to gain market share. The second Quarter performance was affected by a timing impact with some orders being shipped in July vs. June.

We expect back-to-school sell-in to be better this year vs. last year in both regions as retailers have started to rebuild their inventories. However, full year 2010 performance in the retail channel will be a function of consumer spending patterns, which are still difficult to predict to date.

Developing markets net sales grew double digit. In Latin America, trends remained strong in all countries. In the Middle East and Africa, net sales benefited from the revaluation of the U.S. Dollar and from a slight improvement of the overall economic situation in some African countries.

The Stationery normalized H1 2010 IFO margin was 13.1%, compared to 10.6% in H1 2009, benefiting from sales growth, better fixed cost absorption (increased production volumes) and manufacturing productivity.

Lighters

H1 2010 Lighter net sales increased 17.6% as reported and +10.7% at constant currencies. Q2 2010 net sales were up 22.3% as reported and +11.0% at constant currencies.

Lighter volumes increased in all key geographies.

In Europe and North America, net sales grew mid to high single digit driven by:

- The success of new sleeves;
- The positive impact of safety legislation in the U.S. (novelty lighter bans and fire-safe cigarette legislation).

Net sales performance in developing markets continued to be strong, with double digit growth. In Latin America, we benefited from further distribution gains, notably in northern Brazil and we successfully launched the BIC® multi-purpose lighter in Argentina and Brazil.

The Lighter H1 2010 normalized IFO margin increased by 4.5 points to 38.0% benefiting from the increase in sales and higher production volumes.

Shavers

H1 2010 Shaver net sales increased 12.2% as reported and +6.8% at constant currencies. Q2 2010 net sales were up 11.6% as reported and +3.3% at constant currencies.

Developed Markets: Europe and North America net sales grew mid-single digit. In Europe, our value-priced lines (single and twin-blade) performed well as consumers continue to exercise cautious spending behavior. In the U.S., BIC continued to gain market share in one-piece in H1 at the expense of the two branded competitors.

In both geographies, acceptance of our unique hybrid shaver BIC® Easy / Hybrid Advance™ was strong, while our 4 movable blade one-piece shavers (BIC® Soleil® Bella™ for women and BIC® Comfort 4 / BIC® Flex4™ for men) were well received by the trade.

Developing Markets: net sales grew double digits. Latin America led the growth in H1, with all BIC® products contributing to the positive performance (single, twin-blade and triple-blade).

The Shaver normalized H1 2010 IFO margin was 15.6% compared to 8.0% in H1 2009. A variety of factors contributed to this strong performance including sales growth, better fixed cost absorption from increased production, and improved manufacturing productivity.

Advertising and Promotional Products

H1 2010 Advertising and Promotional Products net sales increased 85.7% as reported and +83.0% at constant currencies and decreased -3.9% on a comparative basis.

The Advertising and Promotional Products market has started to improve slightly compared to the 2009 low level in the U.S. but remains weak in Europe.
In this context, BIC APP writing instrument products outperformed the market thanks to market share gains.

BIC APP's H1 2010 reported IFO margin (1.0%) included:

- -6.2 million euros costs related to Norwood PP integration plan in the U.S.;
- +7.3 million euros net gain related to the disposal of the funeral products business.

BIC APP H1 2010 normalized IFO margin (0.3%) was impacted by the negative effect of Calendar business seasonality (inventory building). Q2 2010 normalized IFO margin was 3.8%.

BIC APP's integration plan is on track. 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 million euros in 2010.

Update on Cello

On 06 January 2010, BIC Group communicated Cello management's proposal to unwind, "on terms and conditions to be mutually agreed between the parties", the definitive agreements signed on 21 January 2009 whereby BIC Group acquired 40% of the Cello Pens writing instrument business, with a call option to increase its stake to 55% in 2013.

BIC Group immediately confirmed its intention to pursue the implementation of the signed agreements.

Today, BIC announces that it is initiating arbitration proceedings in order to enforce the full completion of these agreements, meaning the completion of the acquisition of 40% of one remaining entity[1].

[1] On March 5, 2009 the acquisition of 40% of 6 entities (out of 7) was completed for 3.8 billion INR (76.5 million USD). This proportionate share of Cello Pens net income has been accounted through the equity method in BIC Group accounts since April 1, 2009.

BIC Group net sales change by geography

In million euros	Q2 2009	**Q2 2010**	Change	H1 2009	**H1 2010**	Change
Total net sales	**404.7**	**487.3**		**713.1**	**865.6**	
As reported			*+20.4%*			*+21.4%*
At constant currencies			*+12.0%*			*+16.2%*
On a comparative basis			*+3.5%*			*+5.8%*
1 – Europe	149.7	**152.1**		241.4	**263.0**	
As reported			*+1.6%*			*+8.9%*
At constant currencies			*+0.6%*			*+7.9%*
On a comparative basis			*+0.6%*			*+2.5%*
2 – North America	157.6	**210.8**		279.5	**359.7**	
As reported			*+33.8%*			*+28.7%*
At constant currencies			*+23.4%*			*+25.5%*
On a comparative basis			*+1.4%*			*+3.6%*
3 – Developing Markets	97.4	**124.4**		192.1	**242.9**	
As reported			*+27.7%*			*+26.4%*
At constant currencies			*+11.2%*			*+13.0%*

Impact of change in perimeter and currencies fluctuations

in %	Q2 2009	**Q2 2010**	H1 2009	**H1 2010**
Perimeter	+4.1%	+8.5%	+2.4%	+10.4%
Currencies	+2.4%	+8.4%	+1.7%	+5.2%
Of which USD	*+4.5%*	*+3.3%*	*+4.6%*	*+0.6%*

IFO and Normalized IFO by category

In million euros	Income From Operations				Normalized Income From Operations			
	Q2 2009	Q2 2010	H1 2009	H1 2010	Q2 2009	Q2 2010	H1 2009	H1 2010
Group	**64.4**	**95.0**	**100.8**	**142.8**	**72.6**	**88.7**	**109.1**	**142.4**
Consumer	**54.1**	**84.8**	**87.0**	**141.2**	**66.6**	**85.3**	**99.5**	**142.0**
Stationery	20.7	28.8	24.4	36.6	23.6	29.1	27.3	37.4
Lighters	28.2	45.4	57.3	86.3	35.3	45.4	64.4	86.1
Shavers	6.7	12.3	8.3	22.8	8.7	12.4	10.4	22.8
Other	-1.4	-1.7	-3.0	-4.4	-1.1	-1.6	-2.7	-4.3
APP	**10.3**	**10.2**	**13.7**	**1.6**	**6.0**	**3.4**	**9.4**	**0.4**

Condensed Profit and Loss Account

In million euros	Q2 2009	Q2 2010	Change as reported	Change at constant currencies[1]	Change on a comp. basis[1]	H1 2009	H1 2010	Change as reported	Change at constant currencies[1]	Change on a comp. basis[1]
NET SALES	**404.7**	**487.3**	**+20.4%**	**+12.0%**	**+3.5%**	**713.1**	**865.6**	**+21.4%**	**+16.2%**	**+5.8%**
Cost of Goods	-216.2	-258.6	+19.6%			-376.7	-457.4	+21.4%		
GROSS PROFIT	**188.5**	**228.7**	**+21.4%**			**336.4**	**408.2**	**+21.3%**		
Administrative & other operating expenses	-124.1	-133.7	+7.8%			-235.6	-265.4	+12.6%		
INCOME FROM OPERATIONS (IFO)	**64.4**	**95.0**	**+47.4%**			**100.8**	**142.8**	**+41.7%**		
Finance revenue	-0.8	-1.7				2.9	1.2			
INCOME BEFORE TAX	**63.7**	**93.3**	**+46.5%**			**103.6**	**144.0**	**+39.0%**		
Income tax expense	-21.0	-30.3	+43.8%			-34.2	-46.6	+36.4%		
Income from associates	1.2	1.3				1.2	2.4			
GROUP NET INCOME	**43.8**	**64.3**	**+46.8%**			**70.6**	**99.8**	**+41.3%**		
EARNINGS PER SHARE (EPS) (in euros)	**0.91**	**1.33**				**1.47**	**2.06**			
Total weighted number of shares outstanding adjusted for treasury shares	48,131,917	48,388,557				48,131,917	48,388,557			

[1] See glossary page 10.

Condensed Balance Sheet

In million euros	H1 2009	H1 2010
ASSETS		
Cash and cash equivalents	259	343
Trade and other receivables	393	460
Inventories	323	351
Other current assets	22	27
Other current financial assets	47	35
Current assets	**1,044**	**1,216**
Property, plant & equipment	350	381
Investment properties	8	3
Other non-current assets	181	230
Goodwill and intangible assets	236	274
Non-current assets	**775**	**888**
TOTAL ASSETS	**1,819**	**2,104**
LIABILITIES & SHAREHOLDERS' EQUITY		
Current borrowings	53	115
Trade and other payables	104	154
Other current liabilities	156	191
Current liabilities	**313**	**460**
Non-current borrowings	95	4
Other non-current liabilities	190	278
Non current liabilities	**285**	**282**
Shareholders' equity	**1,221**	**1,362**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**1,819**	**2,104**

Cash flow statement

In million euros (rounded figures)	H1 2009	H1 2010
Net income	71	100
Amortization and provision	35	39
Deferred tax variation	4	5
(Gain)/Loss from disposal of fixed assets	-	(9)
Others	9	8
CASH FLOW FROM OPERATIONS	**119**	**143**
(Increase) / decrease in net current working capital	(20)	(51)
Others	(1)	(37)
NET CASH FROM OPERATING ACTIVITIES	**98**	**55**
(Acquisition)/divestiture of equity investment/subsidiaries	(96)	17
Other Investing	(11)	(22)
NET CASH FROM INVESTING ACTIVITIES	**(107)**	**(5)**
Dividends paid	(65)	(116)
Borrowings/(Repayments)	118	(126)
Increase in treasury shares	(1)	12
(Purchase)/Sale of other current financial assets	(21)	6
Others	(1)	(1)
NET CASH FROM FINANCING ACTIVITIES	**30**	**(225)**
NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS	**21**	**(175)**
OPENING CASH AND CASH EQUIVALENTS	**222**	**479**
Exchange difference	9	35
CLOSING CASH AND CASH EQUIVALENTS	**252**	**339**

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, until their anniversary date.
- **Normalized IFO:** normalized means excluding restructuring, Antalis Promotional Products negative goodwill, the gain on sale of BIC APP funeral products business and real estate gains.

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SOCIÉTÉ BIC condensed financial statements as of June 30, 2010 were closed by the Board of Directors on August 3, 2010. The auditors have performed their limited review procedures on these financial statements and the limited review report on the condensed financial statements is being issued.

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 April 1, 2010.

The 2010 Half-year Financial report will be filed with the French financial markets authority (AMF) and available online on BIC's website (www.bicworld.com), headline Finance, beginning today, 04 August, 2010, after the market closes.

A presentation related to this announcement is available on BIC web site: www.bicworld.com, headline Finance.

2010 Agenda

3rd 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**

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