



BIC GROUP – FIRST HALF 2011 RESULTS

NET SALES AT 886.1 MILLION EUROS, UP 5.5% ON A COMPARATIVE BASIS*

NORMALIZED* IFO AT 185.2 MILLION EUROS, UP 30.1 % - NORMALIZED* IFO MARGIN: 20.9%

EPS UP 19.9% AT 2.47 EUROS

- **Consumer Business: continued strong performance across all categories**
 - **758.8 million euros net sales (+8.8% on a comparative basis), with double-digit growth in developing markets and mid-single digit increase in Europe and North America.**

Stationery	297.9 M€	+ 5.7% (comparative basis)	Growth driven by developing markets
Lighters	248.0 M€	+ 11.2% (comparative basis)	Continued strong performance in developing markets and North America
Shavers	162.0 M€	+12.8% (comparative basis)	Strong success of new products across all regions

- **Advertising and Promotional Products: 127.3 million euros net sales (-10.2% on a comparative basis)**
 - **First Half top-line performance negatively impacted by customer service issues.**

2011 Outlook

Consumer Business

For the balance of the year, net sales growth should continue, although at a slower pace than the strong performance of the first Half. For the full year, we now expect net sales to exceed mid-single digit growth on a comparative basis. Normalized IFO margin should improve compared to 2010 level, as a result of manufacturing efficiencies and targeted price adjustments offsetting both raw material price increases and higher investment in brand support.

Advertising and Promotional Products

Following weak performance in the First Half, we expect full year 2011 net sales to decrease high single digit on a comparative basis. Normalized IFO margin should trend close to the full year 2010 level due to cost reduction benefits of the integration plan offsetting negative volume impact.

Mario Guevara, Chief Executive Officer, said: “Confirming first Quarter 2011 momentum, our first Half 2011 results remained strong, particularly in the consumer business with developing markets leading the growth with solid double-digit net sales performance compared to the same period last year. Developed markets grew mid-single digit. BIC APP top-line performance remains weak. However, we are confident that we will successfully complete the integration plan and resume sales growth in 2012.”

For the balance of the year, BIC’s “More for your money” proposition will continue to drive net sales performance and help us maintain the Group’s profitability level above the historical average.”

* See glossary page 10

Key figures

<i>In million euros</i> See glossary page 10	SECOND QUARTER					FIRST HALF				
	2010	2011	Change as reported	Change at constant currencies	Change at comp. basis	2010	2011	Change as reported	Change at constant currencies	Change at comp. basis
GROUP										
Net sales	487.3	476.2	-2.3%	+3.5%	+4.7%	865.6	886.1	+2.4%	+4.2%	+5.5%
Gross Profit	228.7	232.3	+1.6%			408.2	443.5	+8.7%		
Normalized Income From Operations	88.7	102.1	+15.2%			142.4	185.2	+30.1%		
Normalized IFO Margin	18.2%	21.5%				16.5%	20.9%			
Income From Operations	95.0	92.9	-2.2%			142.8	174.9	+22.4%		
IFO Margin	19.5%	19.5%				16.5%	19.7%			
Group Net Income	64.3	64.6	+0.4%			99.8	118.5	+18.8%		
Earnings per share (in euros)	1.33	1.35	+1.5%			2.06	2.47	+19.9%		
BY CATEGORY										
Stationery										
Net Sales	173.4	170.2	-1.8%	+3.4%	+3.4%	286.0	297.9	+4.2%	+5.7%	+5.7%
IFO	28.8	30.7	+6.4%			36.6	52.8	+44.6%		
IFO margin	16.6%	18.0%				12.8%	17.7%			
Normalized IFO margin	16.8%	18.0%				13.1%	17.7%			
Lighters										
Net Sales	119.3	125.1	+4.9%	+12.0%	+12.0%	226.3	248.0	+9.6%	+11.2%	+11.2%
IFO	45.4	52.1	+14.8%			86.3	102.3	+18.5%		
IFO margin	38.1%	41.7%				38.1%	41.2%			
Normalized IFO margin	38.1%	41.7%				38.0%	41.2%			
Shavers										
Net Sales	79.2	85.2	+7.6%	+13.5%	+13.5%	145.6	162.0	+11.2%	+12.8%	+12.8%
IFO	12.3	16.7	+35.9%			22.8	32.3	+41.8%		
IFO margin	15.5%	19.6%				15.6%	19.9%			
Normalized IFO margin	15.6%	19.6%				15.6%	19.9%			
Other Products										
Net Sales	26.3	27.2	+3.5%	+4.3%	+4.3%	48.9	50.9	+4.1%	+3.8%	+3.8%
Total Consumer business										
Net Sales	398.2	407.7	+2.4%	+8.0%	+8.0%	706.7	758.8	+7.4%	+8.8%	+8.8%
IFO	84.8	92.4	+9.0%			141.2	178.4	+26.3%		
IFO Margin	21.3%	22.7%				20.0%	23.5%			
Normalized IFO margin	21.4%	24.7%				20.1%	24.6%			
BIC APP										
Net Sales	89.1	68.4	-23.3%	-16.5%	-11.3%	158.9	127.3	-19.9%	-16.6%	-10.2%
IFO	10.2	0.4	-95.7%			1.6	-3.5	NA		
IFO margin	11.4%	0.6%				1.0%	-2.7%			
Normalized IFO margin	3.8%	1.8%				0.3%	-1.3%			

BIC Group first Half 2011 net sales were 886.1 million euros, compared to 865.6 million euros in the first Half 2010, up 2.4% as reported, up 4.2% at constant currencies and up 5.5% on a comparative basis. For the second Quarter, net sales were 476.2 million euros, down 2.3% as reported, up 3.5% at constant currencies and up 4.7% on a comparative basis.

During the first Half, foreign currency fluctuations had a negative impact of -1.8% on net sales, of which +0.4% was due to Latin American currencies (+0.6% for the Brazilian Real) and -2.5% to the decrease of the U.S. dollar.

The consumer business increased +8.8% at constant currencies during the first Half (+8.0% in the second Quarter) while the Advertising and Promotional Products business decreased -16.6% at constant currencies (including the Funeral Products business) and -10.2% on a comparative basis (-16.5% and -11.3% respectively in the second Quarter).

First Half gross profit margin increased 2.9 points to 50.1% of sales versus 47.2% for the same period last year. Gross profit margin improvement was driven by strong sales increases in the consumer business, better fixed cost absorption due to volume growth and manufacturing productivity, including the benefits of restructuring and integration plans.

First Half 2011 Income From Operations increased 22.4% as reported to 174.9 million euros. The reported IFO margin was 19.7% compared to 16.5% in 2010.

First Half 2011 IFO included a total of -10.3 million euros of non-recurring items related to:

- the reorganization of the BIC APP business (-1.9 million euros)
- the impairment of goodwill and trademarks related to the disposals of the PIMACO business to business divisions in Brazil (-9.1 million euros) and related restructuring expenses (-0.3 million euros)
- the gain related to the disposal of the REVA peg business in Australia (+1.0 million euros)

Excluding these impacts, first Half normalized IFO was 185.2 million euros compared to 142.4 million euros in 2010 and normalized IFO margin was 20.9% compared to 16.5% for the same period last year. Key components of Normalized IFO evolution were:

- the increase in gross profit margin (+2.9 points)
- controlled OPEX and cost savings related to the 2009 restructuring program and BIC APP integration plan (+1.8 points)
- an increase in brand support compared to H1 2010, mainly in lighters and shavers (-0.3 points).

First Half 2011 Consumer business normalized IFO margin was 24.6%, up 4.5 points compared to the same period last year. BIC APP normalized IFO margin decreased 1.6 points to -1.3%.

Income before tax increased 20.1% as reported to 172.9 million euros. First Half 2011 finance revenue was -1.9 million euros, primarily due to a -4.9 million euros of unfavourable impact of monetary assets revaluation (mainly USD vs. EUR). The tax rate was 33.1%, consistent with the full year 2010 level (vs. 32.4% in H1 2010).

First Half 2011 Group net income was 118.5 million euros, a 18.8% increase as reported. Group net income included 2.9 million euros from income from associates (Cello Pens). First Half earnings per share (EPS) reached 2.47 euros, compared to 2.06 euros in 2010, up 19.9%. Normalized EPS grew 27.2% at 2.62 euros compared to 2.06 euros in 2010.



At the end of June 2011, the net cash position was 271.8 million euros, compared to 397.1 million euros as of December 31, 2010 and 254.3 million euros at the end of June 2010. Compared to the end of December 2010, first Half 2011 cash generation benefited from the improvement of profitability more than offset by increase in working capital mostly due to Stationery inventory increase, CAPEX investment (-37.8 million euros), dividend payment (-90.7 million euros) and share buy-back program, net of stock options exercised (-37.5 million euros).

Stationery Consumer

First Half 2011 Stationery net sales increased 4.2% as reported and +5.7% at constant currencies. Second Quarter 2011 net sales were down 1.8% as reported and up 3.4% at constant currencies.

Developed markets

Total stationery markets remained weak (+1.6% in Europe and +1.1% in North-America).

In Europe, first Half net sales grew low single digit while North America was flat. In both regions, second Quarter performance was negatively affected by the timing impact of back-to-school order shipments. Retailers are delaying receipt of back-to-school merchandise until the last possible moment, and as a result our business is shifting from the second into the third Quarter.

The 2011 back-to-school season is expected to be better than 2010's for BIC® products, although the retail channel performance will be a function of consumer behavior as the overall economic environment remains volatile.

Developing Markets

Developing markets continued to show strong performance, with **Latin America experiencing double-digit growth** in the second Quarter and the first Half.

The Stationery normalized IFO margin was 17.7% in the first Half 2011 compared to 13.1% in the same period of 2010, benefiting from the net sales increase, better fixed cost absorption, improved productivity and controlled OPEX.

Lighters

First Half Lighter net sales increased 9.6% as reported and 11.2% at constant currencies. Second Quarter net sales were up 4.9% as reported and +12.0% at constant currencies.

Developed markets

Net sales were stable in Europe, with Southern European countries remaining under pressure, resulting in flat to declining sales.

The main challenge in the region remains Asian low-cost imports. The complaint filed by BIC against the Netherlands in September 2010 is still being reviewed by the European Commission.

In North America, first Half 2011 net sales increased low double digit.

After high-single digit growth in 2010 due to implementation of the fire-safe cigarette regulation, the U.S pocket lighter market grew low-single digit during the first months of 2011. In this context, benefiting from its strong brand awareness (83% unaided among smokers) and its unique safety, quality and value positioning, BIC® lighters continued to gain distribution and market shares.

Developing markets

First Half was characterized by strong net sales performance with **double-digit growth in Latin America** as a result of further distribution gains. Performance was strong in Asia notably in Japan, thanks to the aggressive and effective marketing plan promoting the impact of the implementation of the child resistant (CR) lighter regulation.



The Lighter normalized first Half IFO margin reached 41.2% compared to 38.0% last year. Increase in net sales, higher production volumes, enhanced productivity and controlled OPEX funded brand support investments.

Shavers

First Half Shaver net sales increased 11.2% as reported and +12.8% at constant currencies. Second Quarter net sales were up 7.6% as reported and +13.5% at constant currencies.

2010 positive trends continued to carry forward into the first Half of 2011. Sales growth was registered in most regions and across all product segments.

Developed Markets

Net sales increased high-single digit in both Europe and North America.

In Europe, our growth continues to be driven by both new value-added (BIC® Flex4 ; BIC® Soleil® Bella™), and legacy products (BIC® Comfort Twin) offering great value in markets still affected by the challenging economic environment.

In North America, the BIC® brand continued to gain market shares. Growth was driven by the success of value-added products.

- As a result of the strong success of the BIC® Hybrid Advance™ and the BIC® Flex4, BIC is now the N°2 brand in the men's one-piece segment.
- We have also reinforced our N°2 position in the women's one-piece segment in the U.S. as a result of the strength of BIC® Soleil® Twilight, BIC® Silky Touch and the BIC® Soleil® Bella™.

Developing Markets

Net sales grew double-digit. Strong growth continued to be registered in the Middle East and Africa. In Latin America the steady double-digit growth experienced in the first Quarter 2011 continued in the second Quarter with the BIC® 3-blade Comfort 3® Advance driving the performance.

The Shaver normalized IFO margin grew to 19.9% compared to 15.6% in the first Half 2010. This improvement was due to net sales growth, better fixed cost absorption, manufacturing productivity and controlled OPEX which funded higher advertising investments.

Advertising and Promotional Products

First Half Advertising and Promotional Products net sales decreased 19.9% as reported, -16.6% at constant currencies and -10.2% on a comparative basis. Second Quarter 2011 net sales were down 23.3% as reported, -16.5% at constant currencies and -11.3% on a comparative basis.

In the U.S, the Advertising and Promotional market has started to slowly recover but remains volatile in the current soft economic environment.

During the first Half, BIC APP net sales performance was negatively impacted by customer service issues (notably delayed shipments).

BIC APP Income From Operations included -1.9 million euros of non-recurring items mainly related to the reorganization of our business in Italy, following the disposal of the Antalis Promotional Products direct-sales business.

BIC APP first Half 2011 normalized IFO margin was -1.3% compared to 0.3% in the first Half 2010. The sharp decrease in net sales was partially offset by the savings related to the integration plan. Second Quarter 2011 normalized IFO margin was 1.8% compared to 3.8% in 2010.



BIC Group net sales change by geography

<i>In million euros</i> <i>See glossary page 10</i>	Q2 2010	Q2 2011	Change	H1 2010	H1 2011	Change
Total net sales	487.3	476.2		865.6	886.1	
<i>As reported</i>			-2.3%			+2.4%
<i>At constant currencies</i>			+3.5%			+4.2%
<i>On a comparative basis</i>			+4.7%			+5.5%
1 – Europe	152.1	152.3		263.0	264.6	
<i>As reported</i>			+0.1%			+0.6%
<i>At constant currencies</i>			+0.2%			+0.4%
<i>On a comparative basis</i>			+0.9%			+1.4%
2 – North America	210.8	186.6		359.7	336.4	
<i>As reported</i>			-11.5%			-6.5%
<i>At constant currencies</i>			-0.3%			-0.6%
<i>On a comparative basis</i>			+1.7%			+1.8%
3 – Developing Markets	124.4	137.3		242.9	285.1	
<i>As reported</i>			+10.4%			+17.4%
<i>At constant currencies</i>			+14.0%			+15.3%

Impact of change in perimeter and currency fluctuations

<i>in %</i>	Q2 2010	Q2 2011	H1 2010	H1 2011
Perimeter	+8.5%	-1.2%	+10.4%	-1.3%
Currencies	+8.4%	-5.8%	+5.2%	-1.8%
Of which USD	+3.3%	-4.8%	+0.6%	-2.5%

IFO and Normalized IFO by category

<i>In million euros</i> <i>See glossary page 10</i>	Income From Operations				Normalized Income From Operations			
	Q2 2010	Q2 2011	H1 2010	H1 2011	Q2 2010	Q2 2011	H1 2010	H1 2011
Group	95.0	92.9	142.8	174.9	88.7	102.1	142.4	185.2
Consumer	84.8	92.4	141.2	178.4	85.3	100.9	142.0	186.8
Stationery	28.8	30.7	36.6	52.8	29.1	30.7	37.4	52.8
Lighters	45.4	52.1	86.3	102.3	45.4	52.1	86.1	102.3
Shavers	12.3	16.7	22.8	32.3	12.4	16.7	22.8	32.3
Other	-1.7	-7.1	-4.4	-9.0	-1.6	1.4	-4.3	-0.5
APP	10.2	0.4	1.6	-3.5	3.4	1.2	0.4	-1.6



Condensed Profit and Loss Account

<i>In million euros</i> <i>See glossary</i> <i>page 10</i>	Q2 2010	Q2 2011	Change as reported	Change at constant currencies	Change on a comp. basis	H1 2010	H1 2011	Change as reported	Change at constant currencies	Change on a comp. basis
NET SALES	487.3	476.2	-2.3%	+3.5%	+4.7%	865.6	886.1	+2.4%	+4.2%	+5.5%
Cost of Goods	-258.6	-243.9				-457.4	-442.6			
GROSS PROFIT	228.7	232.3	+1.6%			408.2	443.5	+8.7%		
Administrative & other operating expenses	-133.7	-139.4				-265.4	-268.6			
INCOME FROM OPERATIONS (IFO)	95.0	92.9	-2.2%			142.8	174.9	+22.4%		
Finance revenue	-1.7	1.8	NA			1.2	-1.9	NA		
INCOME BEFORE TAX	93.3	94.7	+1.5%			144.0	172.9	+20.1%		
Income tax expense	-30.3	-31.4				-46.6	-57.3			
Income from associates	1.3	1.3				2.4	2.9			
GROUP NET INCOME	64.3	64.6	+0.4%			99.8	118.5	+18.8%		
EARNINGS PER SHARE (EPS) (in euros)	1.33	1.35	+1.5%			2.06	2.47	+19.9%		
Total weighted number of shares outstanding adjusted for treasury shares	48,388,557	47,952,714				48,388,557	47,952,714			



Condensed Balance Sheet

<i>In million euros</i>	June 2010	June 2011
ASSETS		
Cash and cash equivalents	343	302
Trade and other receivables	460	465
Inventories	351	391
Other current assets	27	26
Other current financial assets and derivative instruments	35	28
Current assets	1,216	1,212
Property, plant & equipment	381	346
Investment properties	3	2
Other non-current assets	230	228
Goodwill and intangible assets	274	244
Non-current assets	888	820
TOTAL ASSETS	2,104	2,032
LIABILITIES & SHAREHOLDERS' EQUITY		
Current borrowings	115	48
Trade and other payables	154	146
Other current liabilities	191	209
Current liabilities	460	403
Non-current borrowings	4	2
Other non-current liabilities	278	221
Non current liabilities	282	223
Shareholders' equity	1,362	1,406
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	2,104	2,032



Cash flow statement

<i>In million euros (rounded figures)</i>	H1 2010	H1 2011
Net income	100	119
Amortization and provision	39	35
Deferred tax variation	5	(3)
(Gain)/Loss from disposal of fixed assets	(9)	8
Others	8	(3)
CASH FLOW FROM OPERATIONS	143	156
(Increase) / decrease in net current working capital	(51)	(120)
Others	(37)	3
NET CASH FROM OPERATING ACTIVITIES	55	39
(Acquisition)/divestiture of equity investment/subsidiaries	17	7
Other Investing	(22)	(37)
NET CASH FROM INVESTING ACTIVITIES	(5)	(30)
Dividends paid	(116)	(91)
Borrowings/(Repayments)	(126)	29
Increase in treasury shares	12	(37)
(Purchase)/Sale of other current financial assets	6	20
Others	(1)	0
NET CASH FROM FINANCING ACTIVITIES	(225)	(79)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(175)	(70)
OPENING CASH AND CASH EQUIVALENTS	479	368
Exchange difference	35	(6)
CLOSING CASH AND CASH EQUIVALENTS	339	292

Share buy-back program

	Number of shares bought	Average weighted price in €	Amount in M€
January 2011	-	-	-
February 2011	108,841	61.66	6.7
March 2011	341,038	62.41	21.3
April 2011	69,898	64.87	4.5
May 2011	189,537	65.29	12.4
June 2011	99,634	63.53	6.3
Total H1 2011	808,948	63.33	51.2



Glossary

- **At constant currencies:** Constant currency figures are calculated by translating the current year figures at prior year monthly average exchange rates. All net sales category comments are made at constant currencies or comparative basis.
- **Comparative basis:** at constant currencies and constant perimeter. Figures at constant perimeter exclude the impacts of acquisitions and/or disposals that occurred during the current year and/or during the previous year, until their anniversary date.
- **Normalized IFO:** normalized means excluding restructuring, BIC APP integration plan expenses, real estate gains and divestiture results of the REVA pegs business in Australia and PIMACO business-to-business divisions in Brazil.

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SOCIÉTÉ BIC condensed financial statements as of June 30, 2011 were closed by the Board of Directors on August 2, 2011. 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 the section, "Risk factors" in BIC's 2010 Registration Document filed with the French financial markets authority (AMF) on March 31, 2011.

The 2011 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, August 3, 2011, after the market closes. A presentation related to this announcement is available on BIC's web site: www.bicworld.com, headline Finance.

2011-2012 Agenda (all dates to be confirmed)

3 rd Quarter & 9 Months 2011 Results	October 19, 2011	Conference call
FY 2011 results	February 15, 2012	Meeting (BIC headquarters)
1 st Quarter 2011 results	April 25, 2012	Conference call
2011 AGM	May 10, 2012	BIC headquarters

About BIC

BIC is a world leader in stationery, lighters, shavers and promotional products. For more than 60 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 2010, BIC recorded net sales of 1,831.5 million euros. The Company is listed on "Euronext Paris" and is part of the SBF120 and CAC Mid 60 indexes. BIC is also part of the following SRI indexes: FTSE4Good Europe, ASPI Eurozone, Ethibel Excellence Europe and Carbon Disclosure French Leadership index 2010 (CDLI).



For more information, please consult the corporate web site: www.bicworld.com

Investor Relations contacts: +33 1 45 19 52 26	Press contacts: +33 1 53 70 74 48
Sophie Palliez-Capian - sophie.palliez@bicworld.com	Claire Doligez - cdoligez@image7.fr
Katy Montecatine - katy.montecatine@bicworld.com	Priscille Reneaume- preneaume@image7.fr

