

01 February 2010

CONSOLIDATED RESULTS AS AT DECEMBER, 31, 2009 (9 months)

Strong growth in sales in France, Western Europe and Hong-Kong/China offset by a decrease in sales to agents & distributors.

Decrease in gross margin due to low activity

Overheads are steadily decreasing.

Key indicators as at December, 31, 2009 are as follows:

Euros millions	Quarter 3		CUMULATIVE	
	31/12/2009	Variation	31/12/2009	Variation
Consolidé				
Sales	17.3	1.6%	45.9	-3.7%
Gross Margin	8.4	-11.6%	21.9	-15.9%
	%	-7.2 pts	47.7%	-6.9 pts
EBIT	-0.3	3.1 m€	-3.1	-4.5 m€

Sales:

Sales for the 3rd quarter are increasing by +1.6%, especially in France (+23%). Sales for non controlled distribution are slightly increasing so as the Hong-Kong/China area in local currency.

On a cumulative basis, controlled distribution (subsidiaries) is strongly increasing (+7.5%) especially in France (+18%), Western Europe (+10%) and Hong-kong/China (+8% in local currency).

Non controlled distribution is down, mostly because of Russia that stopped all purchases since September 2008

Per sector of business, lighters and writing instruments show a very strong increase on a cumulative basis because of the success of the new lines of writing instruments « Defi » or lighters "Jet".

As for leather goods, accessories and ready to wear they suffer from the troubles of our Russian agent as Russia is one of the most important markets for this sector of business.

Income from licences is increasing (+23%) due to the overall performance of our licensees and the impact of the new eyewear licence.

Results

Rate of gross margin is decreasing because of the low level of sales and the decision to decrease our level of inventory. This drop has been partly compensated by the massive use of part time unemployment in our Faverges plant.

As a consequence, overheads have been cut to a large extent (-17% cumulative).

EBIT is not comparable from one year to another as last year EBIT included 12 months of indemnity for operating loss (January to December) amounting +4.4 m€.

Inventories and cash position

In order to secure the cash position, actions aiming at decreasing our inventories were launched as from April, 1, 2009 (stop of orders for purchased products, part time unemployment in the plant, sales promotions). Results are better than expected with an overall decrease in inventories amounting -9.5 m€ compared to last year. These actions will continue in the next quarters.

Aside from that, we implemented late October a factoring process that brings additional 2.3m€ cash.

Restructuring

In order to adapt our structure to the forecasted level of sales, we launched a restructuring based on volunteers during the 3rd quarter. This plan will have an impact on our 4th quarter results 2009-2010.

Contact Analystes : S.T.Dupont Michel Suhard 01 53 91 33 11 msuhard@st-dupont.com

Contact Presse : Euro RSCG Thierry Micheels 01 58 47 94 98 thierry.micheels@eurorscg.fr