

CONSOLIDATED RESULTS AS AT JUNE, 30, 2010

Strong increase in sales of products (18.9%)

EBIT is positive (+0.4 M€) thanks to the increase in sales combined with the decrease in overheads.

EBIT shows a major improvement compared to last year (+1.9 M€)

Key indicators as at June, 30, 2010 (not audited) are as follows:

Euro millions	Quarter 1	
	2010-2011	Variation
Consolidated		
Sales Products	14.4	+18.9 %
Royalties	0.8	-23.4%
Gross Margin	7.5	+10.0 %
%	<i>49.1 %</i>	<i>-2.4 pts</i>
EBIT	+0.4	+1.9 M€

Sales:

Sales per geographical area show a strong increase in Asia (+27 %) and a drop in Western Europe (-31 %) due to major stock depletion sales in 2009-2010 that didn't happen this year. France is slightly increasing (+4.3%).

Sales to Agents and Distributors strongly increase (+68%). It concerns our major markets (Russia, Middle East, Korea) who are catching up after a poor performance in 2009/10.

All sector of business are strongly increasing. As for lighters and writing instruments, they're increasing by +17% despite the absence of launches of new products for this quarter.

As for leather goods, accessories and ready to wear, they're increasing by +21% due to the recovery in sales on our major markets (Russia, Middle-East) or the continuous growth for Hong-Kong/China.

Revenues from licences are down by -23% because of the stop of the cigarette licence that's has not been compensated by the good performance of other licences.

Impact of exchange rate due to the drop of Euro vs. other currencies is material (+5%).

Results

Rate of gross margin is slightly decreasing (-2.4 points) due to the mix of sales and the weight of purchase in US\$, not compensated by the decrease in fixed production costs implemented during the last year 4th quarter.

Overheads are down by -8.5% compared to last year.

EBIT is positive at 0.4 M€, and shows a major improvement compared to last year (+1.9 M€), due to the decrease in fixed production costs and overheads and the recovery in sales.

Contact Analysts : S.T.Dupont Michel Suhard (33) 1 53 91 33 11 msuhard@st-dupont.com

Contact Presse : Euro RSCG Thierry Micheels (33) 1 58 47 94 98 thierry.micheels@eurorscg.fr