BIC'tween us

GROUP PRESENTATION | CORPORATE GOVERNANCE | COMMENTS ON THE YEAR | CONSOLIDATED ACCOUNTS | STATUTORY ACCOUNTS | INFORMATION ABOUT THE ISSUER | SHAREHOLDERS MEETING | ADDITIONAL INFORMATION

2010 Registration document

Content

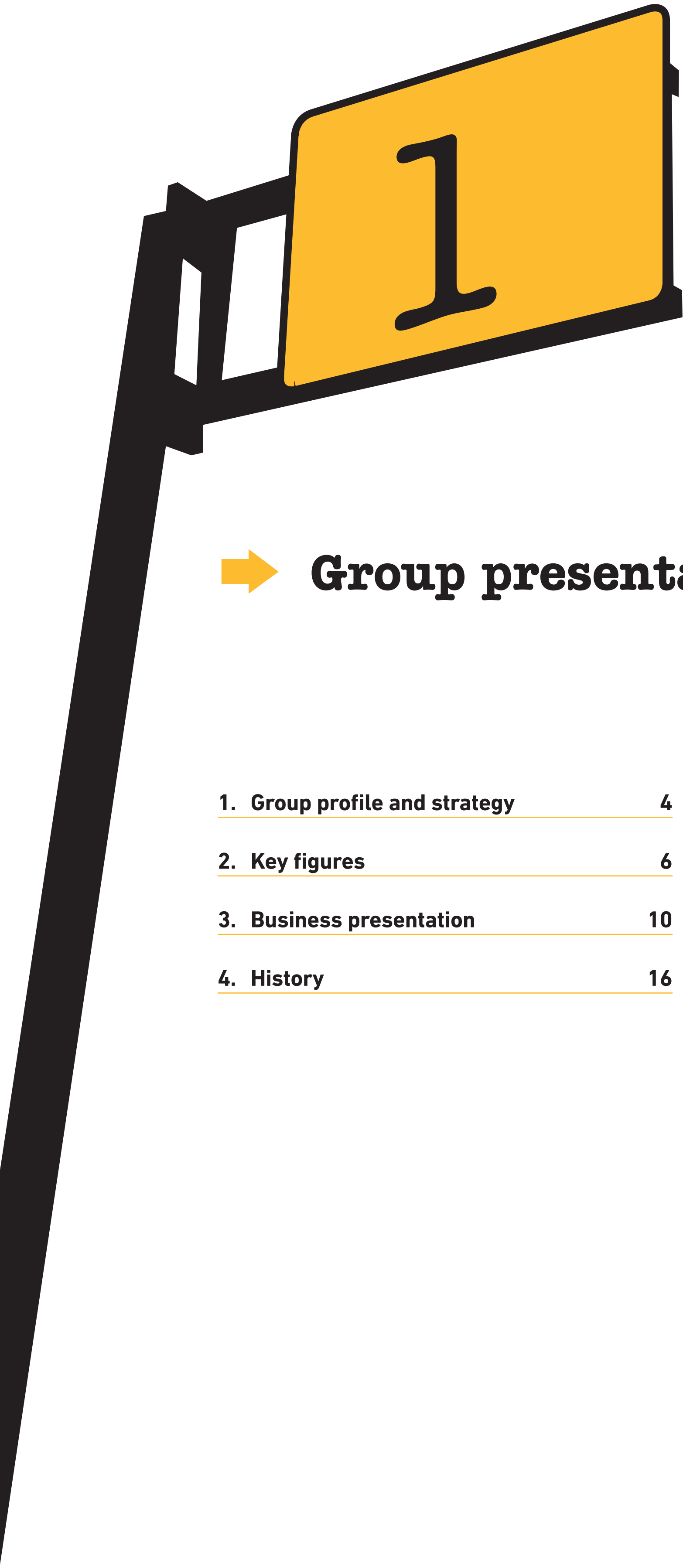
Elements of the Annual Financial Report are identified in the content using the symbol AFR

Elements linked to the Corporate Social Responsibility are identified in the content using the symbol CSR

2010 Registration document

This is a free translation of the registration document. The French version of the registration document was filed with the Autorité des Marchés Financiers (AMF - Paris Stock Exchange Authority) on March 31, 2011, pursuant to Article 212-13 of its General Regulations. It may be used in support of financial transactions only if accompanied by a prospectus approved by the AMF. This document was prepared by the issuer and is binding on its signatories.

The registration document (in French) may be obtained as follows on the web site for the AMF (**www.amf-France.org**) and on the BIC corporate site (**www.bicworld.com**). A copy of this document can also be obtained, without charge, by calling Investor Relations for SOCIÉTÉ BIC, in France +33 1/45.19.52.26 or by sending a letter to SOCIÉTÉ BIC, 14 rue Jeanne d'Asnières, 92611 Clichy cedex.



Group presentation

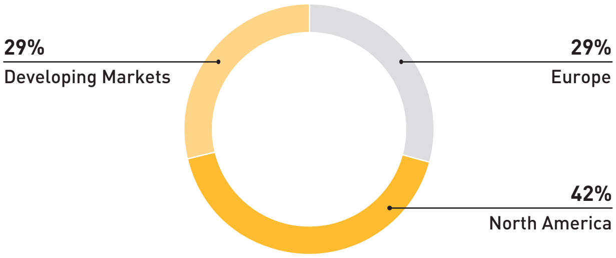
1. Group profile and strategy

WORLD LEADER IN ITS ACTIVITIES

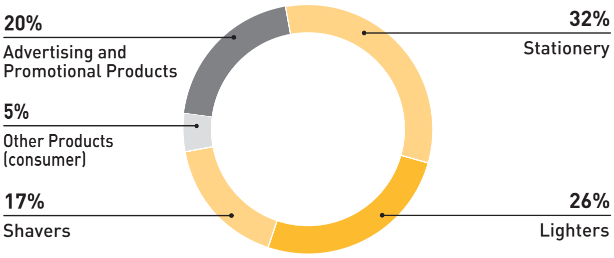
BIC is a world leader in the consumer goods markets (stationery, lighters and shavers) and in the Advertising and Promotional Products industries. For more than 60 years, BIC has provided safe, high-quality and affordable products to consumers in more than 160 countries and has become one of the most recognized brands in the world.

In 2010, BIC realized 1,831.5 million euros net sales and reached 314.9 million euros normalized IFO [1] (17.2% of net sales). Net income was 207.5 million euros and Earnings Per Share 4.29 euros.

2010 NET SALES BREAKDOWN BY GEOGRAPHICAL AREA



2010 NET SALES BREAKDOWN BY CATEGORY



BIC STRATEGY

Since the creation of the company in 1945, BIC operational and financial performance has relied on several fundamental strategic pillars:

- Quality and Value product positioning;
- A large and diversified product portfolio aimed at answering consumers' needs:
  - Our classic products are functional, reliable and affordable. They are designed to serve a very precise function and they offer the best value for money,
  - Our value-added products are aimed at answering the growing demand for more sophisticated goods;
- Innovation: in 2010, BIC realized 21% of its net sales through new products [2];
- Recognized brands:
  - In the Consumer business: BIC®, Tipp-Ex®, Wite-Out®, Sheaffer®, BIC® Kids, BIC® Matic,
  - In Advertising and Promotional Products: BIC Graphic and Norwood PP,
- Historical international footprint in both developed and developing markets. BIC is present in more than 160 countries and developing markets accounted for 29% of 2010 net sales;
- An international, complete and solid distribution network (stationery stores, office product companies, mass-merchandisers, convenience stores, distributors, wholesalers and cash-and-carry outlets...);
- On-going and sustained productivity improvement policy. The modernization and continuous rationalization of its production plants allow BIC to maintain its worldwide competitiveness at the highest level;
- A solid balance sheet and a clear use of cash strategy, including:
  - Internal development, through focused capital expenditures,
  - External growth, through strategic acquisitions in order to:
    - Acquire a technology not yet held by the Group,
    - Enter a new market segment,
    - Enter a new geographic area;
  - A regular shareholder remuneration.

(1) Normalized IFO: excluding restructuring, Antalis Promotional Products negative goodwill, the gain on sale of BIC APP funeral products business and real estate gains.
(2) New products : year of launch plus 3 years.

COMMITMENT TO SUSTAINABLE DEVELOPMENT

Lightweight, long-lasting products

BIC's priority is to design products with a low-impact on the environment, i.e. products manufactured with a minimum of resources while lasting a maximum amount of time. The Group has initiated an eco-design approach and started to integrate alternative solutions such as the use of recycled materials or bioplastic in the manufacturing of certain products like the BIC® Ecolutions™ pen range.

Clean and safe factories

The Group has 23 main factories of which 20 are located in developed countries (according to the HDI indicator), where are implanted environmental management systems (achieved to a rate of 93%) and health and safety management systems (achieved to a rate of 92%) have been put in place.

Willingness to reduce carbon footprint

BIC carries out increasing assessments of the carbon footprint of its sites and transportation. The Group has participated in the Carbon Disclosure Project since 2007 and is part of the French index CDP Leadership (2010).

Historical Social Responsibility

Since the beginning, BIC supports the individual development of its employees. The Group has a complete program for the training and development of its employees' skills and employability. Our business is founded on a clear vision, a lasting philosophy and fundamental common values: Ethics, Responsibility, Teamwork, Simplicity and Ingenuity.

STRONG CORPORATE GOVERNANCE

As a family controlled company, BIC Group attached importance to good practice in Corporate Governance rules. Since 2006, the offices of Chairman of the Board and the CEO are separated. In conformity with recommendations of the *AFEP – MEDEF*, more than one-third of Board members are Independent Directors (in fact, four out of ten). The Board is assisted by the Audit Committee and the Compensation and Nomination Committee. In 2010, the Board of Directors met seven times and the average rate of attendance was 98.6%.

PARTNERSHIP WITH CELLO

On January 21, 2009, BIC signed a definitive agreement with Indian Cello Pens Group whereby BIC Group acquired 40% of the Cello writing instrument business for 7.9 billion Indian rupees. As part of the agreement, BIC benefits from a call option in 2013 to increase its stake to 55% at a price based on a formula tied to earnings.

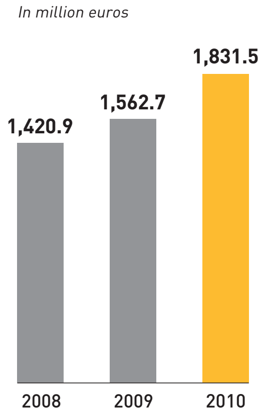
Founded in 1995 by the Rathod family, Cello Pens is India's largest manufacturer and distributor of writing instruments, with an approximately 37% domestic market share and a presence in Africa, Middle-East and Asia. Cello Pens is a vertically integrated manufacturer with modern facilities, strong in-house research, product development and marketing capabilities. With its broad portfolio of products and countrywide distribution network, the Cello brand is one of the most recognized in India. With mid to high-single digit annual growth, India is one of the world's largest stationery markets.

On January 4, 2010, Cello management proposed to the BIC Group to unwind and terminate the definitive agreements signed on January 21, 2009 "on terms and conditions to be mutually agreed between the parties". BIC Group confirmed its intention to ensure their implementation. On August 4, 2010, BIC announced that it is iniating arbitration proceedings in order to enforce the full completion of these agreements, meaning the completion of the acquisition of 40% of one remaining entity. The arbitration proceedings are pending.

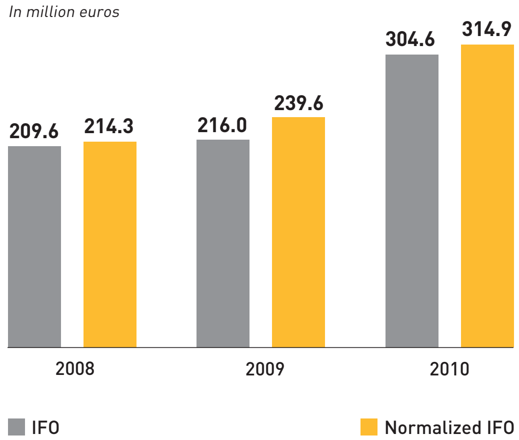
2. Key figures

GROUP KEY FIGURES

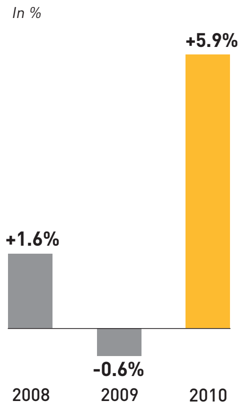
NET SALES



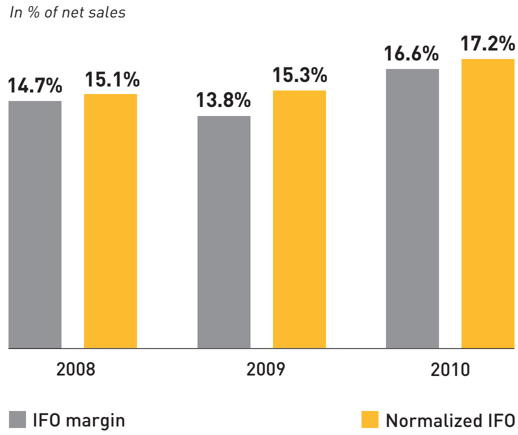
INCOME FROM OPERATIONS AND NORMALIZED [(2)] INCOME FROM OPERATIONS



NET SALES GROWTH ON A COMPARATIVE BASIS [(1)]



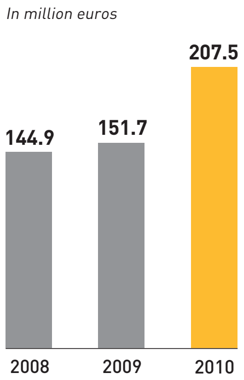
INCOME FROM OPERATIONS AND NORMALIZED INCOME [(2)] FROM OPERATIONS MARGINS



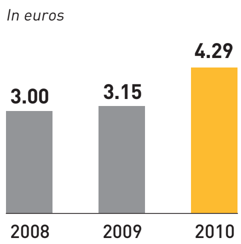
(1) Comparative basis: at constant currencies and constant perimeter. Figures at constant perimeter exclude the impacts of acquisitions and/or disposals that occurred during the current year and/or during the previous year, and this until their anniversary date. As of December 31, 2010, 2010 Group net sales exclude 2010 first quarter of Norwood Europe's (ex Antalis) net sales and 2010 first half-year of Norwood USA's net sales. The 2009 data exclude 2009 second half-year net sales from Norwood USA funeral products business as it has been sold end of June 2010.

(2) Normalized IFO: excluding restructuring, Antalis Promotional Products negative goodwill, the gain on sale of BIC APP funeral products business and real estate gains

Group net income



Earnings per share



Production volumes trends

(in billion units)	2008	2009	2010
Stationery (consumer products)	4.398	4.236	4.547
Lighters	1.087	1.115	1.224
Shavers	2.215	2.118	2.270

Key figures by category

(in million euros)	2009	2010	CHANGE 2009/2010 AS REPORTED	AT CONSTANT CURRENCIES [a]	ON A COMPARATIVE BASIS [b]
TOTAL CONSUMER BUSINESS					
Net Sales	1,274.3	1,469.0	+15.3%	+7.9%	+7.9%
Normalized IFO [c]	209.5	281.5	+34.4%		
IFO	192.1	277.2	+44.3%		
Stationery					
Net Sales	509.6	580.7	+14.0%	+6.7%	+6.7%
Normalized IFO	48.9	70.3	+43.8%		
IFO	43.3	69.3	+59.9%		
Lighters					
Net Sales	398.9	480.8	+20.5%	+11.6%	+11.6%
Normalized IFO	135.7	174.0	+28.2%		
IFO	127.9	173.6	+35.8%		
Shavers					
Net Sales	268.8	307.8	+14.5%	+7.6%	+7.6%
Normalized IFO	33.5	43.6	+30.1%		
IFO	30.3	41.9	+38.4%		
Other products [d]					
Net Sales	97.0	99.7	+2.7%	+0.1%	+0.1%
Normalized IFO	(8.5)	(6.4)	NA		
IFO	(9.4)	(7.6)	NA		
BIC APP					
Net Sales	288.4	362.6	+25.7%	+19.8%	-3.3%
Normalized IFO	30.1	33.4	+10.6%		
IFO	23.9	27.4	+14.6%		

(a) Constant currencies figures are calculated by translating the current year figures at prior year monthly average exchange rates.

(b) 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, and this until their anniversary date.

(c) Normalized IFO: excluding restructuring, Antalis Promotional Products negative goodwill, the gain on sale of BIC APP funeral products business and real estate gains.

(d) Net sales include other products net sales; Income from operations includes other products Income from operations as well as Group expenses not allocated to the categories.

Net Sales by geographical area

(in million euros)	2009	2010	CHANGE 2009/2010 AS REPORTED	AT CONSTANT CURRENCIES [a]	ON A COMPARATIVE BASIS [b]
Europe	503.6	524.9	+4.2%	+3.1%	+0.5%
North America	641.0	773.8	+20.7%	+13.2%	+5.0%
Developing Markets	418.1	532.8	+27.4%	+13.8%	+13.8%

(a) Constant currencies figures are calculated by translating the current year figures at prior year monthly average exchange rates.

(b) 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, and this until their anniversary date.

MAIN INCOME STATEMENT INFORMATION

(in million euros)	2008	2009	2010	CHANGE 2009/2010 AS REPORTED	AT CONSTANT CURRENCIES [a]	ON A COMPARATIVE BASIS [b]
Net Sales	1,420.9	1,562.7	1,831.5	+17.2%	+10.1%	+5.9%
Gross Profit	**669.9**	**719.7**	**870.6**	**+21.0%**		
Normalized Income From Operations [c]	**214.3**	**239.6**	**314.9**	**+31.4%**		
Income From Operations	**209.6**	**216.0**	**304.6**	**+41.0%**		
Financial income/(costs)	6.7	2.7	(1.8)	NA		
Income Before Tax and minority interests	216.3	218.7	302.8	+38.4%		
Income tax expense	(71.4)	(70.8)	(100.3)			
Income From Associates	-	3.8	5.0	+30.9%		
Group Net Income	**144.9**	**151.7**	**207.5**	**+36.7%**		
Earnings Per Share *(in euros)*	3.00	3.15	4.29	+36.2%		
Number of shares [d]	**48,357,724**	**48,151,691**	**48,341,785**			

(a) Constant currencies figures are calculated by translating the current year figures at prior year monthly average exchange rates.

(b) 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, and this until their anniversary date.

(c) Normalized IFO: excluding restructuring, Antalis Promotional Products negative goodwill, the gain on sale of BIC APP funeral products business and real estate gains.

(d) Average number of shares outstanding net of treasury shares.

MAIN BALANCE SHEET ITEMS

(in million euros)	2008	2009	2010
Shareholders' equity	**1,172.1**	**1,304.3**	**1,444.6**
Current borrowings and bank overdraft	21.8	53.7	11.4
Non-current borrowings	11.1	161.5	2.8
Cash and Cash Equivalents - Assets	225.0	480.3	371.2
Other current financial assets	18.5	40.1	40.7
Net Cash position	**210.6**	**305.3**	**397.1**
Goodwill	195.3	215.0	219.9
Intangible assets	36.8	40.2	38.2
Total Assets	**1,632.4**	**2,029.1**	**2,024.2**

NB: SOCIÉTÉ BIC did not request any rating from any credit ratings agency nor, to the best of its knowledge, has it been the object of any unsolicited rating by any credit ratings agency.

Condensed cash flow statement

(in million euros)	2008	2009	2010
Cash Flow from Operations	251.2	247.7	302.7
Increase/(Decrease) in net working capital	41.8	92.0	(1.3)
Other operating cash flows	(67.9)	3.4	(41.2)
Net Cash from Operating activities	225.1	343.1	260.2
Net Cash From Investing activities	(81.6)	(216.9)	(37.8)
Net Cash From Financing activities	(101.6)	110.0	(362.1)
Net increase/(decrease) in Cash and Cash Equivalents	41.9	236.2	(139.6)
Closing Cash and Cash Equivalents	222.5	478.9	368.0

3. Business presentation

In 2010, BIC realized 80% of its sales in Consumer Goods (through its Stationery, Lighter, Shaver and Other Consumer Products categories) and 20% in the Advertising and Promotional industry.

CONSUMER BUSINESS

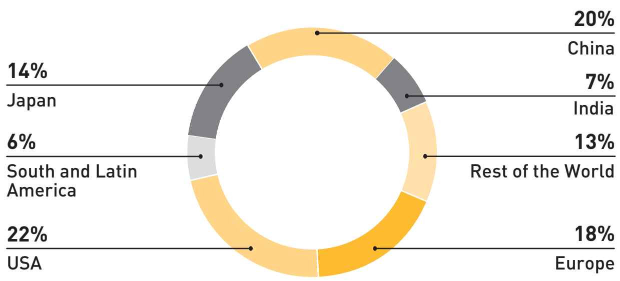
Stationery

The Stationery worldwide market is estimated at 6.7 billion euros (total supplier sales in 2009). This market is fragmented, typified by a large number of players who are often local. Only three players (BIC, Newell Rubbermaid and Pilot) hold more than 5% of the market each on a worldwide basis.

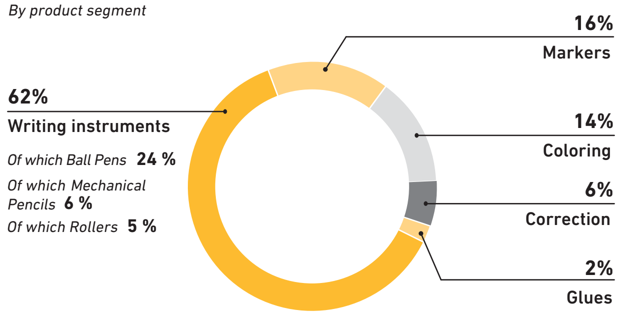
Stationery worldwide market breakdown

(Estimates suppliers' net sales in 2009)

By geographical area



By product segment



BIC is No. 2 worldwide with approximately 10% market share [1], No. 1 in Europe (approximately 17% market share), No. 1 in Latin America (approximately 22% market share), No. 2 in the U.S. (approximately 14% market share) and benefit from a strong historical presence in Africa and Middle East.

Since the launch of the BIC® Cristal® in 1950, BIC has continuously diversified its product range. Our global stationery portfolio, which includes writing, marking, correction, coloring, drawing accessories, is divided into more than 15 products sub-segments (ball pens, rollers, fountain pens, mechanical pencils, markers, correction products, etc.).

Writing instruments and marking (ballpoint pens, gel pens, fountain pens, felt pens, pencils, and mechanical pencils, permanent markers, highlighters, and dry-erase markers)

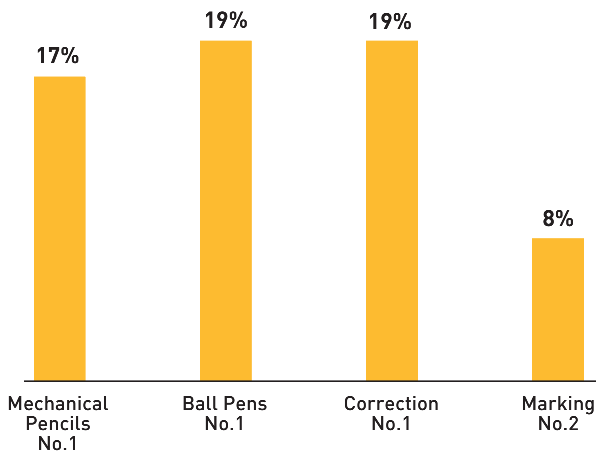
Coloring and drawing (felt pens, coloring pencils, crayons, arts and crafts kits)

Correction products (correction fluid, correction pens, correction tapes, and erasers) under the trademarks BIC® Wite-Out®

Adhesive labels in Latin America

BIC benefits from strong positions on major product segments:

BIC STATIONERY WORLDWIDE POSITIONS AND MARKET SHARES
(BIC estimates)



BIC stationery products are sold through different channels including Office Products (contract stationers or Office Super Stores) and Retail mass market distributors in developed countries as well as traditional stores in Developing Markets. Our objective in the stationery category is to generate profitable growth through:

- increasing distribution and visibility;
- supporting classic products by constantly improving their quality;
- fostering innovation by launching new products with higher value added;
- further developing our presence in fast growing countries;
- permanently listening to consumers, so as to bring them new and improved products.

(1) All market shares are based on 2009 estimated suppliers net sales figures.

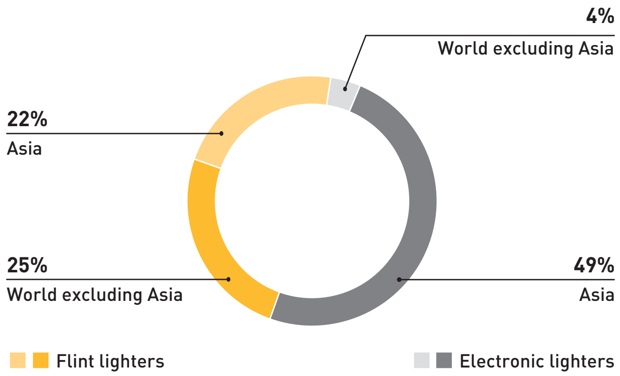
Lighters

The worldwide lighter market is estimated at 10.6 billion units (3.1 billion euros in value)[1] and broken down as follows:

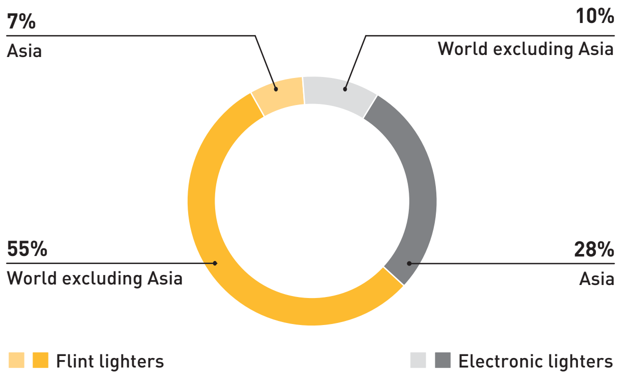
LIGHTER WORLDWIDE MARKET BREAKDOWN IN 2009

(BIC estimates)

Units

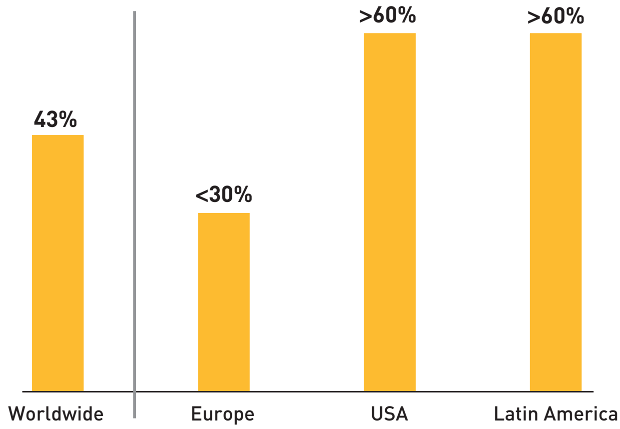


Value in euros (retail price)



The lighter market is a very competitive market in which BIC benefits from the No. 1 worldwide position among branded lighters. BIC worldwide value market share (excluding Asia) in 2009 was approximately 43%. BIC is No. 1 in the U.S. and in Latin America with more than 60% market share.

BIC LIGHTERS MARKET SHARES IN VALUE (IN BIC'S MARKETS EXCLUDING ASIA)



A lighter is pressurized gas put into a plastic reservoir, in order to produce a flame. Lighters must be designed and manufactured in compliance with very strict safety, quality and performance requirements. International Safety Standards have been established in order to protect consumers from unsafe lighters.

There are two key standards for pocket lighters:

- The international lighter safety standard ISO 9994, which describes clearly the basic safety requirements for a lighter. ISO 9994 Safety Standard is the subject of legislation in major countries such Canada (1989), Russia (2000), Argentina (2003), Mexico (2004), South Korea (2005), South Africa (2006) and the 27 countries of the European Union (2006);
- Child-resistant requirements, a child-resistant lighter is a lighter purposely modified in order to make it more difficult to operate. A child-resistant lighter is a lighter that at least 85% of children under 51 months of age cannot operate. Child-Resistant legislation is the subject of legislation in major countries such as USA (1994), Canada (1995), Australia (1997), New Zealand (1999) and the 27 countries of the European Union (2006).

Since the late 80's, low-price products that too often fail to comply with Safety Standards and imported from Asian countries have been gaining market shares and today hold more than half of the global market (in units).

In this competitive landscape, BIC defends its brand and keep lighter safety and quality as a cornerstone. All BIC® lighters meet the fundamental need of producing a safe flame. BIC® lighters are designed and manufactured in compliance with very strict safety, quality and performance requirements. As an example, the gas reservoirs of BIC® lighters are made of Delrin®, a high technical grade resin which ensures a high resistance to impact in case of drop, and allows for a larger amount of gas than in many other lighters thanks to the thinness of its wall. Also, BIC® lighters are filled with pure isobutane which guarantees the stability of the flame.

BIC® lighters are sold either through traditional distribution channels (such as convenience stores and tobacconists) and retail mass market distribution.

(1) BIC 2009 estimates.

BIC objectives in the lighter business is to strengthen its position as the only lighter brand with worldwide strengths :

- by promoting the extension and the enforcement of international safety standards;
- by accelerating the development of value-added products (sleeves, cases and utility lighters).

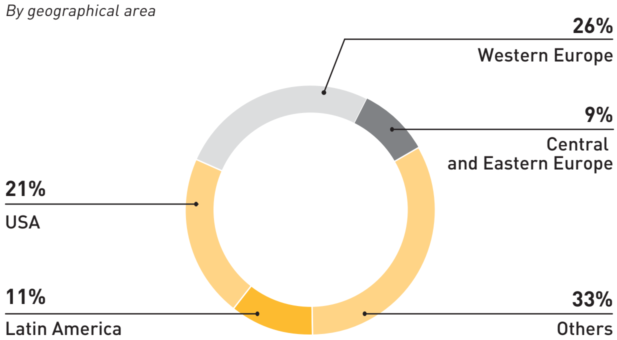
Shavers

The wet shave market generates annual sales revenue of nearly 10 billion euros, and accounts for the majority (60%) of the total hair removal category.

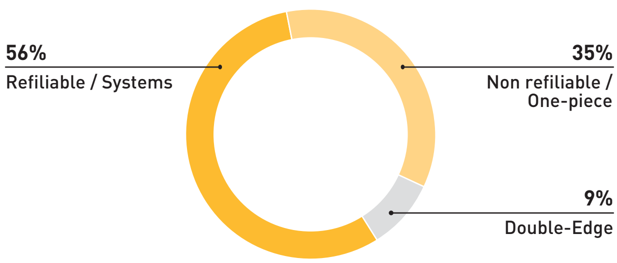
Wet shaver worldwide market in 2009

(IRI, AC Nielsen figures and BIC estimates/in value)

By geographical area



By product segment



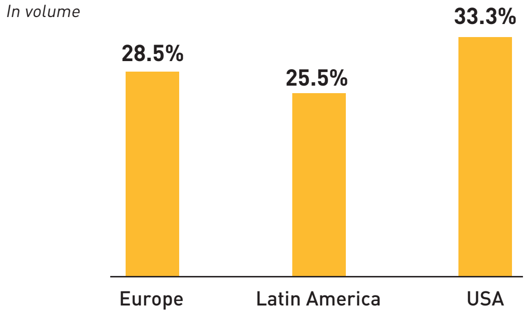
This market can be separated into three product segments as seen above, with systems and one-piece driving the growth. Inside these two segments, new products drive most of the growth by offering ever-increasing improvements in performance; and by offering products with added features. The pace of new product activity rarely slows, so a productive new product development program is a requirement for ongoing success.

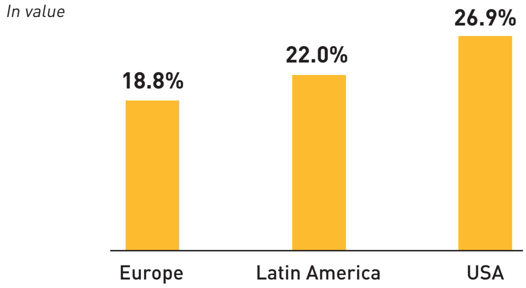
BIC's new product program has been a key driver of success, evidenced by its number two global market position in the one-piece segment with an approximately 20% value market share. Most of BIC's focus in 2010 has been on the fast growing three-blade and four-blade sub-segments, where market shares are even stronger than their overall 20% share.

The category is divided among three brands (Gillette, the leader, BIC and Schick/Wilkinson/Energizer Holding), with a private label presence as well.

BIC market shares of the three and four blades wet shave segment

(Based on IRI, AC Nielsen figures and BIC estimates Dec. 2010)





In the 70's, BIC revolutionized wet shaving when it launched its first one-piece shave: the single blade "classic", which still generates sales of nearly 1 billion shavers per year. In recent years BIC has focused its new products, sales and marketing efforts on the higher performing three-blade and four-blade sub-segments, launching products such as:

- For Men: BIC® Comfort 3®, BIC® Easy/Hybrid 3-blade, BIC® Flex 4;
- For Ladies: BIC® Soleil® 3-blade, BIC® Soleil® Bella™ 4-blade.

The business results show evidence of BIC's ability to meet the expectations of increasingly demanding consumers.

Other Consumer Products

Other Consumer Product category includes various strategic and tactical activities:

- **BIC Sport**: Today, BIC Sport is one of the world leaders in surfboards and among the world leaders in wind surfboards. It has also expanded into new markets including kayaks. BIC Sport products are designed and mainly produced in Vannes (France). Sales are mainly through specialized stores and sporting goods superstores;

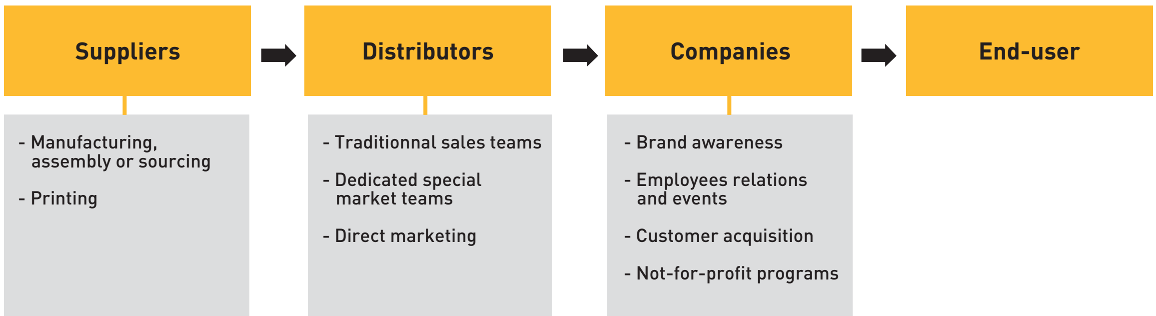
- **PIMACO business to business divisions:** BIC Label Technologies (adhesive labels for consumer products packaging) and Gumtac [1] (paper adhesive raw materials for industrial consumers);
- **DAPE 74 Distribution:** sales to tobacco shops in France (including phone cards);
- **A range of both BIC® and non BIC®-branded products:** such as pantyhose sales in Greece, Austria and Ireland, batteries, a line of shaving preps; all of which are designed to tactically grow the presence of the BIC® brand in key markets;
- Other Consumer Products also includes the licensing revenues derived from the **BIC® Phone**, the simple cell phone 100% ready to go and refillable, launched in partnership with different telecom operators in Europe (France, Spain, Belgium). More than 500 000 BIC® Phone have been sold since the launch of the product.

ADVERTISING AND PROMOTIONAL PRODUCTS

Advertising and Promotional Products are items such as stationery products, clothing, bags, awards, and drinkware that are imprinted with a logo or advertising message to support a company's marketing and media strategy. It is cyclical and related to Companies' advertising, promotions and discretionary expenses. It has been strongly impacted by the recent economical crisis, with overall industry sales down approximately 20% in 2009.

Total worldwide market size is estimated at around 14 billion U.S. dollars (suppliers' level). The U.S and Canadian markets represent around 55% of the total, Europe approximately 30% and the rest of the world (mainly Latin America) 15%.

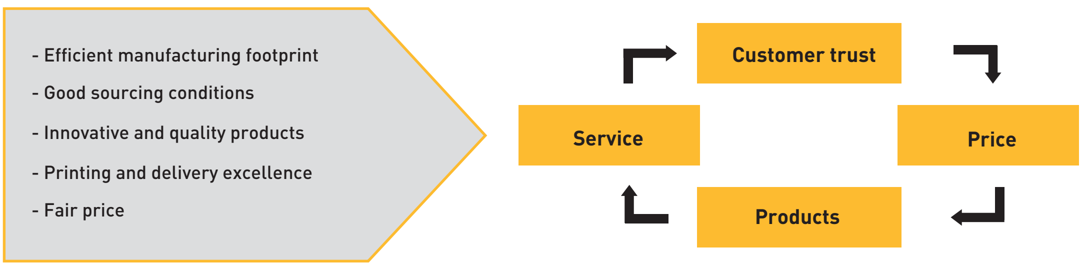
The promotional products business is a diverse product category and a very fragmented industry at all levels, with a large number of suppliers and distributors. Advertising and Promotional industry suppliers sold their products to numerous large, mid-size and small distributors.



2009 FIGURES (PPAI[a] AND BIC ESTIMATES)	SUPPLIERS NET SALES *(in billion euros)*	NUMBER OF SUPPLIERS	NUMBER OF DISTRIBUTORS
U.S.A.	7.6	3,500	21,000
Europe	4	2,000	10,000
Latin America	1.8	400	1,600
Canada and Oceania	0.5	1,250	8,100

(a) Promotional Products Association International.

Key factors of success in the Advertising and Promotional industry can be summarized as follows:



(1) Through a press release on February 22, 2011, the Group has announced the signature of an agreement to sell its unit Gumtac to UPM Raflatac.

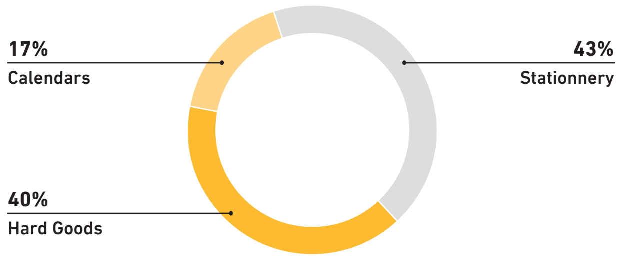
Through its BIC Graphic business, BIC has been involved in Advertising and Promotional Products since the late 60's, mainly in writing instruments, and has always been recognized for its excellence in customer service, printing quality and delivery. BIC Graphic has a history of proven best-sellers in the industry. Three of these products are celebrating anniversaries in 2011: the 30th Anniversary of the BIC® Round Stic® in the US; the 15th Anniversary of the BIC® Diamante in Mexico; the 10th Anniversary of the BIC® Media Clic in Europe.

Several strategic acquisitions have been made in recent years, beginning in 2007 with Atchison® bag brand in the U.S.. The acquisitions of Antalis Promotional Products and Norwood Promotional Products in 2009 have significantly strengthened BIC position as a worldwide leading Advertising and Promotional Products supplier [(1)]. BIC APP is the No. 1 supplier in the U.S., No. 2 in Europe and benefits from a significant presence in Latin America, Australia, Africa and Asia (through its sourcing activities).

BIC APP offers a large and diversified range of product to its 34,000 distributor clients, from stationery products to hard goods such as drinkware and small electronics.

BIC APP realizes around 17% of its net sales in the calendar business and, with approximately 13% market share, is the leader of promotional calendars in the U.S. The calendar market is a highly seasonal activity, with 90% of the sales shipped in the second half of the year.

2010 BIC APP NET SALES BREAKDOWN (EXCLUDING THE FUNERAL PRODUCT BUSINESS)



BIC Advertising and Promotional Products (BIC APP) objectives is to become the No. 1 global supplier of Advertising and Promotional Products in terms of customer focus, operational efficiency and return on capital employed.

RESEARCH AND INNOVATION

Since the creation of the company in the early 50's, BIC has formulated a clear vision: "Offer simple, inventive and reliable products, for everyone, everywhere, every time". Since then, BIC has been dedicated to making available and affordable everyday products for everyone and, as a consequence, research and innovation are part of the BIC DNA.

In 2010, there were approximately 150 employees located in Europe and North America in the research, development and innovation functions. In 2010, BIC invested approximately 1.1% of sales in research and development of new products; new products and line extensions accounted for 21% of BIC Group sales.

Research, development and innovation functions are organized by category. Each business manages its own factories, its own R&D and its own marketing teams, which are also responsible for innovation.

- In Stationery, BIC continuously innovates to bring state-of the art writing technology to its consumers and offers an average of 20 new products to consumers every year. The Stationery R&D department is organized around two sections: design which focuses on the mechanical properties of products and Ink Systems whose focus is inks' improvements. Very specific in the stationery industry, all the components of our products are developed and produced internally, up to the moulds and machines that will be used for production. This allows us to have the full control of the quality and reliability of the products we produce to offer consumers maximum satisfaction.
- In Lighters, conception of new products as well as product and process innovation in the gas lighters field are under strict constraints linked to the dangerous nature and widespread of the product. For BIC, every development step must fulfill the imperative requirement of safety as a BIC® lighter must be – and remain – safe during its full life time for a normal use or even a reasonably foreseeable misuse. Product developments are supported by several patent and model applications.
- In Shavers, research is organized around multi-disciplined project/product development teams that are composed of members from blade, design, engineering, packaging, quality and industrialization. Fifteen to twenty new products are developed each year, from line extension to new product launches. BIC is using internal and external panels of experts in order to evaluate and validate product performances in live conditions. BIC also benefits from fundamental research partnerships with large universities and research laboratories around shaving efficiency and manufacturing process.
- In Advertising and Promotional Products, BIC APP has a global approach to new product development and service innovation based on BIC's long history of developing simple and long-lasting products. BIC APP relies on a dedicated global marketing team committed to research efforts into both customers/distributors and end-users. Improving or developing new printing technology is also a part of BIC APP quest to differentiate ourselves from the competition. With regard to product research and development, significant market research is conducted to identify products based on distributor and end-user demand insights. BIC APP's supply chain and sourcing organization are centralized for maximized efficiency, price and quality controls.

(1) Non apparel

4. History

1950

- In 1945, Marcel Bich bought a factory in Clichy, France, and set up business with his partner, Édouard Buffard, as a maker of writing instruments parts. In 1950, after improving the ballpoint pen originally invented by Hungarian Laslo Biro, he decided to launch this revolutionary new product on the French market. He named the pen *pointe* "BIC®" in a shortened and easily memorable version of his own name.

1953

- Marcel Bich and Édouard Buffard created SOCIÉTÉ BIC to manufacture and distribute BIC® ballpoint pens.

1954

- Expansion in Italy.

1956

- First step in Brazil.

1957

- Development in United Kingdom and the Sterling zone.

1958

- The Company purchases the Waterman Pen Company in the U.S. and enters the North American market, developing this market in parallel with the Africa and Middle East regions.

1969

- Entry in Advertising and Promotional Products through the writing instrument segment.

November 15, 1972

- SOCIÉTÉ BIC is listed on Paris Stock Exchange.

1973

- BIC diversified its product portfolio and launched the BIC® lighter with adjustable flame. Its reliability and quality made it an immediate success.

1975

- BIC is the first to launch a one-piece shaver.

1981

- The Group diversifies in the leisure industry with its subsidiary company, BIC Sport, specializing in windsurf boards.

1992

- To broaden its range of stationery products, BIC purchases Wite-Out®, the American brand of correction products.

1997

- Purchase of the Tipp-Ex® brand, the leading European brand of correction products and Sheaffer®, a high-end brand of writing instruments.

2004

- Acquisition of BIC's Japanese distributor, Kosaido Shoji, an important step in BIC Group's development in Japan, the world's second largest stationery market.
- Penetration of a new market segment in stationery, the refillable school fountain pen, with the acquisition of Stypen® in France.

End 2005

- BIC opens its own stationery production facility in China. This direct presence in China allows the Group to better understand how to manufacture products locally and develop products specifically for Asia.

2006

- The purchase of PIMACO Company, Brazil's leading manufacturer and distributor of adhesive labels broadened BIC's range of stationery products in Latin America.

2007

- Acquisition of Atchison Products Inc., a supplier of imprinted promotional bags in the USA, a strong addition to our promotional products business.

2008

- In July, partnership brand agreement with Orange to launch the BIC® Phone in France, the simple cell phone that is 100% ready to use.
- In November, BIC Group opens a new shaver packaging facility in Mexico. In addition to improving customer service levels in North America, this facility helps us to progressively reduce inventory and enhance cost savings through reduced freight volume and transportation costs.
- In December, BIC Group announces the acquisition of Antalis Promotional Products entities (Sequana Group). Antalis Promotional Products is European based and distributes a wide range of promotional products (pens, watches, T-shirts, diaries, gadgets and original business gifts). This activity is consolidated in the Group accounts since April 1, 2009.

2009

- In January, the BIC Group and the Cello Group announces that they have signed a definitive agreement whereby BIC Group acquired 40% of the Cello Writing Instrument business for 7.9 billion Indian rupees. As part of the agreement, BIC has a call option in 2013 to increase its stake to 55% at a price based on a formula tied to earnings. This agreement was partially completed on March 5, 2009 for 3.8 billion Indian rupees. Proportionate share of Cello Pens net income is accounted through the equity method in BIC accounts since April 1, 2009.
- In April, given the unprecedented economic environment, BIC Group announced in April 2009 it had launched a worldwide cost reduction plan to adjust to the slowdown of its key markets. This initiative negatively impacted full year 2009 IFO by 34.4 million euros. The impact on profit was partially offset by the negative goodwill related to the Antalis Promotional Products acquisition.
- In June, BIC Group announced the acquisition of Norwood Promotional Products leader in calendars, bags, awards, drinkware and other promotional goods in the USA. Total consideration for the acquisition was 125 million U.S. dollars plus 31 million U.S. dollars in assumed liabilities. Norwood Promotional Products is consolidated in BIC accounts since July 1, 2009 and its integration plan is underway.

2010

- On January 4, 2010, Cello management proposed to the BIC Group to unwind and terminate the definitive agreements signed on January 21, 2009 “on terms and conditions to be mutually agreed between the parties”. BIC Group confirmed its intention to ensure their implementation. On August 4, 2010, BIC announced that it is iniating arbitration proceedings in order to enforce the full completion of these agreements, meaning the completion of the acquisition of 40% of one remaining entity. The arbitration proceedings are pending.
- In February, the Company announced the consolidation of BIC APP San Antonio, Texas facility into other existing BIC APP U.S. locations, as well as the relocation of its Indianapolis, Indiana headquarters to Clearwater, Florida.
- In June, BIC announced the divestiture of BIC APP funeral product business for a total amount of 17.3 million euros.

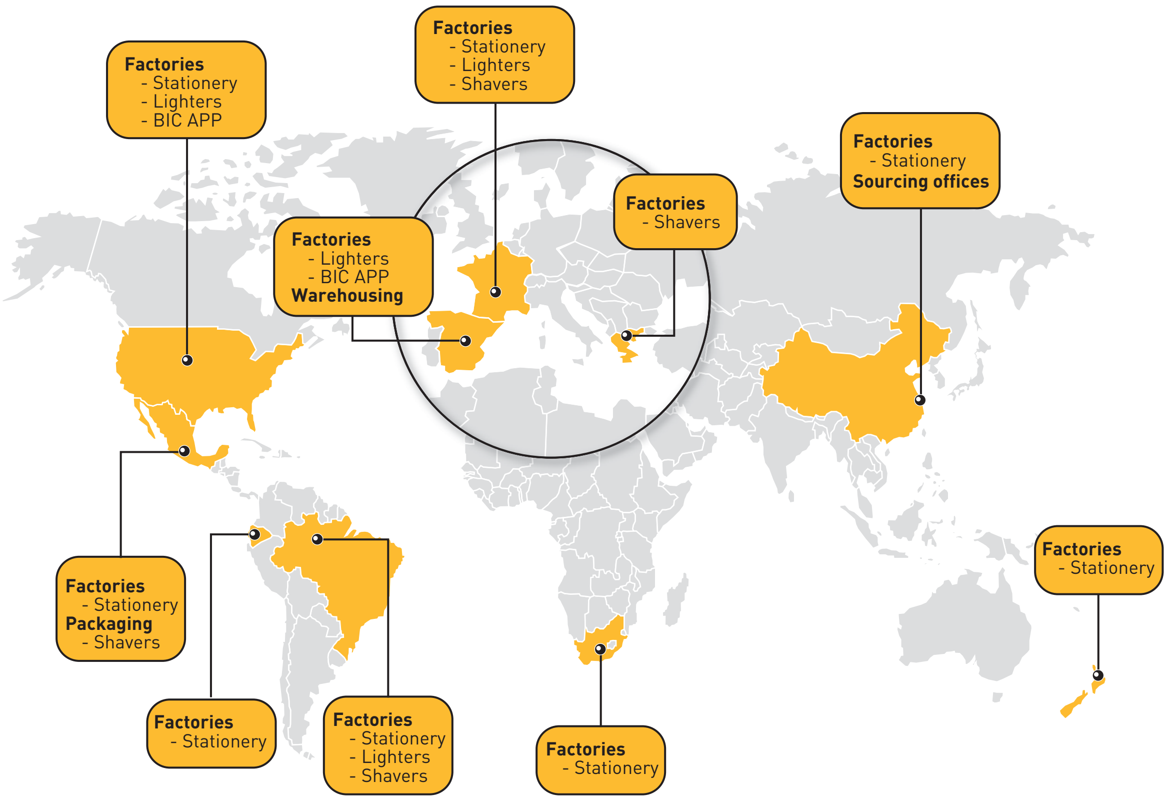
5. Property, plant and equipment

80.5% of the BIC® products (86.5% in the consumer product business; 54.2% in the Advertising and Promotional Product business, BIC APP) are produced in BIC owned factories or by local manufacturers (notably in Africa). The rest of BIC® products, *i.e.* 19.5%, are made by contract manufacturers.

BIC has 23 main own factories around the world:

- Twelve factories are dedicated to manufacturing stationery products;
- Four plants are dedicated to manufacturing lighters;
- Three plants are dedicated to manufacturing shavers;
- Four plants are dedicated to Advertising and Promotional Products.

Main industrial sites



Existing material tangible fixed assets, including leased properties, and any major encumbrances thereon

COUNTRY	USE	LOCATION	OWN/LEASE	MAIN MANUFACTURED PRODUCTS
BRAZIL	Offices	Cajamar	*Lease*	-
	Offices and factory	Rio de Janeiro	*Own*	Stationery, stickers
	Factory and warehouse	Manaus	*Own*	Stationery (ball pens, graphic pencils, coloring pencils), Lighters, Shavers
	Warehouses	Barueri	*Lease*	-
		Resende	*Lease*	-
SPAIN	Factories and offices	Tarragona	*Own*	Stationery (ball pens, mechanical pencils, sticky notes), Lighters, Printing
	Warehouse	Barcelona	*Lease*	-
USA	Offices	Bentonville, AR	*Lease*	-
		Danbury, CT	*Lease*	-
		Mission Viejo, CA	*Lease*	-
		Shelton, CT	*Own*	-
	Factories	St. Petersburg, FL	*Own*	Printing
		Milford, CT	*Own*	Lighters
		Gaffney, SC	*Own*	Stationery (markers)
		Charlotte, NC	*Lease*	Packaging
		Sleepy Eye, MN	*Own*	Promotional calendars
		Red Wing, MN	*Own*	Printing and engraving
	Offices and Factory	Clearwater, FL	*Own*	Stationery (printing, sticky notes)
	Warehouses	Charlotte, NC	*Own*	-
		Arlington, TX	*Own*	-
	Warehouse and Factory	Janesville (to be closed in 2011)	*Own*	Awards and plaques
FRANCE	Offices	Clichy	*Own*	-
	Factories	Boulogne-sur-Mer	*Own*	Stationery (writing and coloring felt pens, mechanical pencils, markers, white boards)
		Cernay	*Own*	Stationery (inks, dyes)
		Longueil Sainte-Marie	*Own*	Shavers
		Montévrain	*Own*	Stationery (ball pens)
		Redon	*Own*	Lighters
		Samer	*Own*	Stationery (graphic and coloring pencils, leads)
		Vannes	*Own*	Stationery (ball pens), Other products (windsurfing, surfboards, boats)
GREECE	Factory	Anixi	*Own*	Shavers
MEXICO	Factories	Mexico City	*Own*	Stationery (ball pens, mechanical pencils, correction tapes)
		Saltillo	*Lease*	Packaging
	Warehouse	Tlalneplantla	*Lease*	-
NETHERLANDS	Offices and warehouse	Dordrecht	*Lease*	-
SLOVAKIA	Factory and warehouse	Sered'	*Lease*	Packaging

Major related encumbrances correspond to depreciation and rents.

6. Workforce information

TOTAL WORKFORCE

For the year ending December 31, 2010, the BIC workforce totaled 9,313 permanent and 1,192 temporary employees located in 48 countries around the world. Changes in staff numbers by region are shown below:

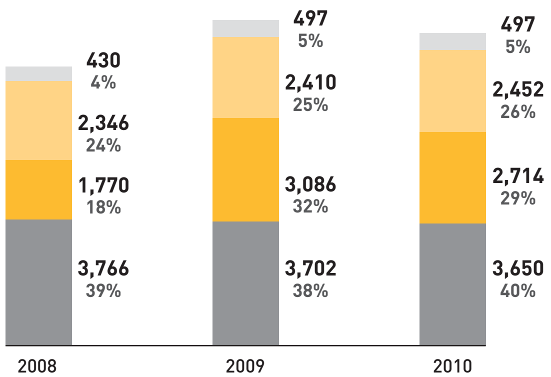
Workforce from 2008 to 2010 by region

WORKFORCE BY REGION BIC GROUP	DECEMBER 2008	DECEMBER 2009	DECEMBER 2010	CHANGE 2010/2009
Europe	3,766	3,702	3,650	(52)
North America and Oceania	1,770	3,086	2,714	(372)
Latin America	2,346	2,410	2,452	+42
Middle East, Africa and Asia	430	497	497	-
TOTAL PERMANENT STAFF ON EQUIVALENT FULL TIME	**8,312**	**9,695**	**9,313**	**(382)**
Temporary	662	754	1,192	+438
TOTAL ON EQUIVALENT FULL TIME	**8,974**	**10,449**	**10,505**	**+56**

In 2010, permanent employees decreased by -382.

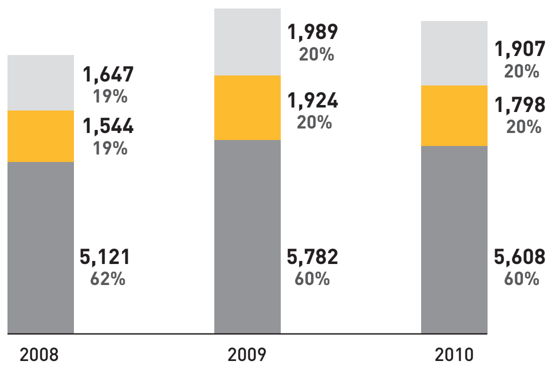
This essentially reflects the headcount reduction in the Promotional Products sector (-369) and more specifically in the Norwood USA division (-317).

Permanent employees by continent



Europe
North America and Oceania
Latin America
Middle-East, Africa, Asia

Permanent employees by activity



Manufacturing and R&D
Sales Force and Customer Service
Distribution, Marketing and G&A

Permanent employees (with a permanent employment contract) account for 89% of the total workforce. Temporary workers account for 11% of the workforce, split across temporary staff, fixed-period contracts and school and university interns. On December 31, 2010, the number of temporary workers is higher than on December 31, 2009: +438 (1,192 versus 754). This increase happened in manufacturing units for stationery products (+232 of which +148 in Mexico and Boulogne-Sur-Mer in France) and for shavers (+91 of which 87 in Athens, in Greece) Temporary workers are employed in production (80% of temporary staff), sales support (6%) and distribution/administration (14%), essentially due to the highly seasonal characteristics of BIC's activities.

The workforce across each activity has remained proportionally constant for the last three years, reflecting the stability of BIC's system of organization.

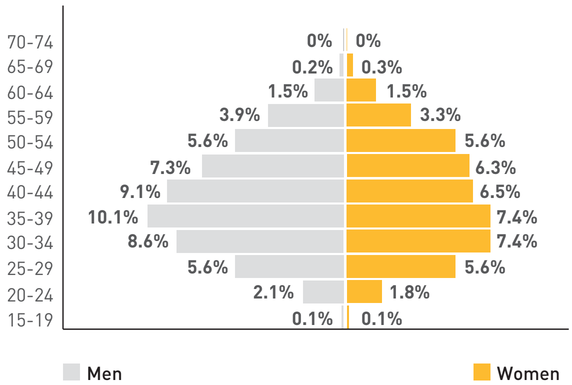
The BIC Group values its differences and does not tolerate any discrimination relating to race, religion, sex or age.

69 nationalities are represented in the permanent headcount of the Group.

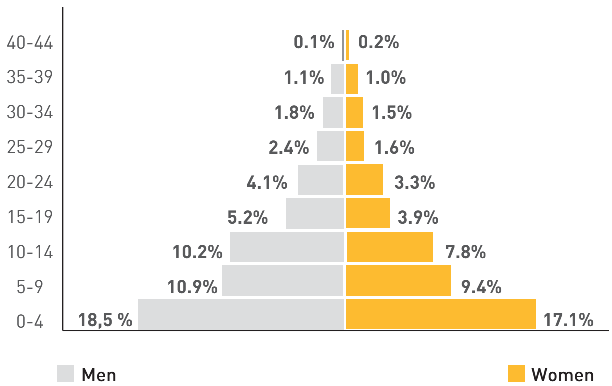
In 2010, the median age of BIC **employees is 40 years** and median seniority is **8 years.**

The analysis of the age pyramid shows that all ages are represented in the Group. The seniority pyramid shows loyalty of BIC employees (26.2% of BIC employees have more than 15 years of seniority).

Age structure



Seniority structure

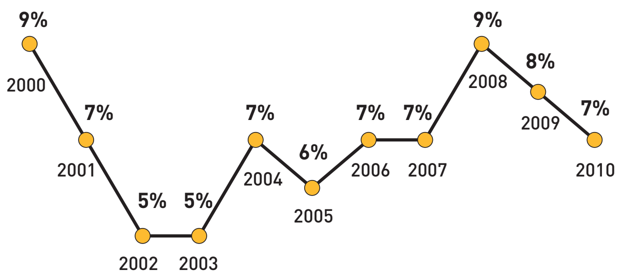


Women accounted for 46% of permanent employees of the Group excluding acquisitions. They accounted for 40% of the workforce in Europe, 56% in North America, 43% in Latin America and 53% in Asia.

Managers account for around 24% of permanent Group employees in 2010. For the BIC Group, the main characteristic of a manager is that he/she coordinates a range of resources for which he/she is responsible, with a degree of autonomy and responsibility necessary for achievement of objectives on at least an annual basis. Management might concern a team, a project, a process, a technique, or a client or supplier portfolio.

In 2010, 38% of these managers, 25% of directors or senior executives and 9% of the Leadership Team were women.

Voluntary turnover in the Group workforce reached 7% in 2010, compared with 8% in 2009. This decrease in 2010 mainly took place in the Americas while the number of voluntary terminations significantly increased in Oceania (17%) and Eastern Europe. The voluntary turnover in Asia (34%) remains the highest in the Group.



For **recruitment purposes**, the Group has, over recent years, developed a mobility policy and an active internal promotion policy that is backed by efficiently used career management tools (Individual Development Plan, Succession Plan, talent accelerators, etc.).

In 2010 and in 2009, **70%** of the four top manager levels **were promoted internally**. The preceding three years the rate was superior to 80%. 45% of all the managers were promoted internally.

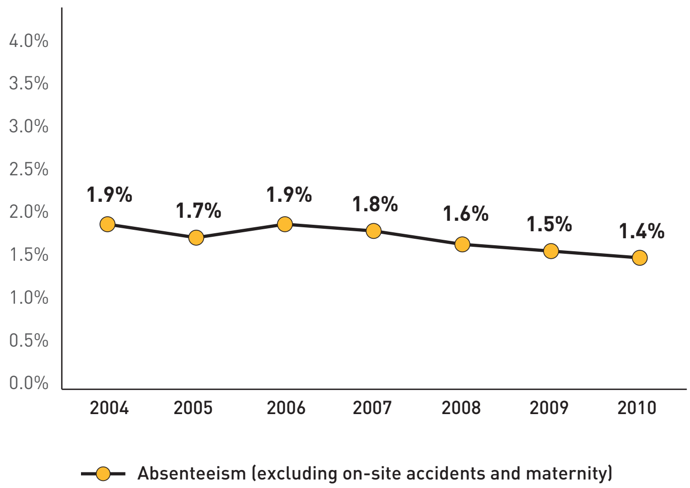
In addition, the Group recruited some 200 external candidates for entry-level or middle management positions, and some 1,000 for factory and staff positions.

No external recruitment difficulties have been encountered thanks to the introduction of innovative, qualitative tools (email: humanresources@bicworld.com) that enhance awareness of the Company in the international employment market, and thanks to collaboration with internationally-reputed specialized recruitment companies. Over recent years, the Group has reinforced in-house the managers' expertise in recruitment techniques and has developed a more efficient selection and tracking procedure.

WORK ORGANIZATION

Work organization methods and working hour adjustments are determined on the basis of each site's forecasts for production requirements and customer service needs. BIC Group constantly strives to improve work organization methods. Overtime is strictly measured and managed in the locations where it is needed.

Absenteeism (excluding on-site accidents and maternity) remained low and again decreased slightly in 2010, for a Group average of 1.4%, compared with 1.5% in 2009, 1.6% in 2008, 1.8% in 2007, 1.9% in 2006, 1.7% in 2005 and 1.9% in 2004. The absenteeism rate (including on-site accidents and maternity) is also low and stable, at 2.2%.



For several years now, the Human Resources Department has enhanced awareness of the issue among the Company management by releasing figures at the Group level that provide a comparative analysis of detailed results from each company, and by implementing specific action plans.

REMUNERATION

Within the Group, the average annual cost (including payroll taxes) of each employee totalled 49,434 euros in 2010, or a +6.2% increase at actual exchange rates from 2009.

Analysis using constant exchange rates shows a +1.4% increase compared with 2009. Overall, this slight rise reflects:

- a 1.9% decrease in average fixed remuneration;
- a 35.6% increase in variable remuneration due to good results in 2010 and due to the payment of an exceptional premium to all employees non-eligible for stock options or shares;
- a 0.4% increase in payroll taxes and other perquisites.

BIC Group's remuneration policy is determined every year by the Human Resources Director in agreement with the Leadership Team. It is based on 3 principles:

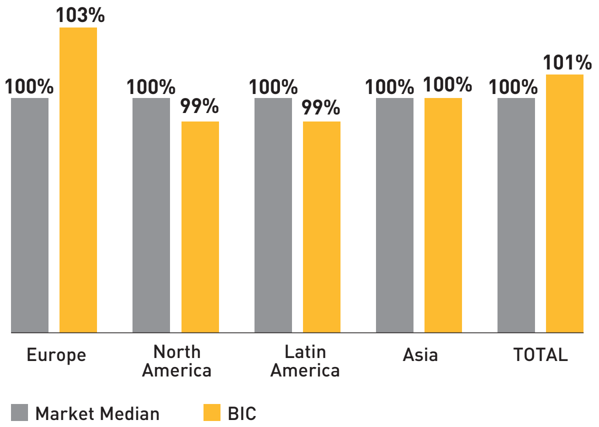
- Pay for performance;
- Internal equity;
- External competitiveness.

An essential element in the BIC Group's remuneration policy is acknowledgement of the performance of individuals and work teams. Thus, for managers, salary increases reflect individual merit (except in certain countries with legal obligations regarding general increases). In 2010, variable remuneration relating to performance represents an average of 15.5% of fixed remuneration salaries, compared to 12% in previous years.

Differing remuneration levels between employees are justifiable. They reflect responsibilities, experience, performance, and potential, and take the specificities of local markets into account.

In 2010, a complete analysis of the external competitiveness of managers' base salaries was commissioned. For the 48 countries in which BIC operates, Hay Group supplied market median data for each BIC level. Results showed that, on average, BIC managers are positioned at their local market median.

Results of 2010 analysis



For non-managers, BIC guarantees an appropriate remuneration and respects minimum salaries determined by local laws.

Human Resources Teams are responsible for implementing BIC Group's remuneration policy and for ensuring that it is adhered to.

PROFESSIONAL RELATIONS

In France, the year 2009 was marked by the negotiation and conclusion of several agreements with employee representatives. The aim of these agreements is to ensure the professional development of all employees, in particular for those who are seniors, underqualified or have a disability.

As of 2010, different measures were successfully implemented to facilitate functional and geographical mobility. Several employees have been transferred to other locations of the Group, which has increased the sharing of knowledge between employees. Other measures facilitate the sharing of knowledge between generations, in order to better prepare succession and retirement.

A program to help disabled employees has been put in place in each site. In addition, BIC is preparing a program to facilitate cultural diversity. The charter has just been signed.

Finally, when the Group was obliged to restructure its organization, it was done following negotiations with the employee representatives and research into solutions that were adapted to local needs and regulations.

TRAINING

The values of responsibility and ethical behaviour emphasized by BIC go hand in hand with its perennial concern for the professional development of the Group's workforce. This is reflected in the implementation of training and development programs aimed at strengthening employees' skills and employability.

Identify and prepare future managers

In job markets where excellent human resources are increasingly sought-after and sometimes scarce, it is fundamental to focus our efforts on identifying and developing these key resources.

These talents, whose role is crucial for the Company's development, are the subject of special attention and of tailored development plans. In 2010, as in every year, a succession plan, based on a detailed analysis of our organization and resources, was approved by the Chairman and the Chief Executive Officer.

In addition, a new performance review process was implemented in 2010, with the objective of sharing information within the Group Management teams. This process will facilitate and develop internal promotions in all management levels. In 2010, 70% of the four top manager levels, 37% of the middle management positions and 21% of non-managers were promoted internally.

Training – a key priority for the Group

Established in 1998, BIC University is a company training center whose purpose is to develop strong management skills within the Group in order to facilitate teamwork and the sharing of team culture across many job functions and countries. In 2010, more than 20,000 training days were logged.

The innovative programs created at BIC University from 2008 included the following: Mini MBA, BIC University Master and Executive Management Program.

- The Mini-MBA is an actual certification program created in collaboration with the MIP (Management Institute of Paris) whose objective is to provide the most up to date level of knowledge across different key business functions (strategy, finance, sales, marketing, HR, supply chain, production) to young managers. More than 130 managers have already participated in this program.
- The Masters at BIC University (MBU) is a three-year program for developing leadership capacity. It is conducted by several coach-consultants who personally supervise the participants in numerous simulation exercises.
- In 2010, BIC University launched a new program: the Executive Management Program. The objective is to prepare the future top managers of BIC subs. The participants – all with high potential – will be trained three days per quarter during two years on technical and management skills which are necessary for a leader. BIC University has innovated by introducing co-development groups and by proposing individual coaching to participants.

DISABLED EMPLOYEES

In 2010, disabled workers at the Group's largest sites totalled 79 (excluding indirect jobs associated with outsourcing). They numbered 39 in Europe, 28 in South America and 12 in North America/ Oceania.

CHARITIES

In 2010, BIC donated 1.380 million euros to its French subsidiaries' charities, as defined in Article R. 432-2 of the French Labor Code.

SUBCONTRACTING AND THE MANNER IN WHICH THE COMPANY ENSURES ITS SUBCONTRACTORS AND ITS SUBSIDIARIES RESPECT THE FUNDAMENTAL INTERNATIONAL LABOR ORGANIZATION CONVENTIONS

BIC generates 80.5% of its sales from products manufactured in its own factories (86.5% in the consumer products business; 54.2% in the Advertising and Promotional Product business, BIC APP).

As a leading global consumer products company, BIC is committed to conducting its range of business activities from manufacturing to marketing and sales in a socially responsible manner. The BIC Group Code of Conduct is a set of business and social principles describing our commitment to work with contract manufacturers who share a commitment to these principles.

The major BIC plants are located in Brazil, France, Greece, Mexico, South Africa, Spain and the USA All BIC factories conduct their operations in a manner which is consistent with the business and social principles that are formalized in our BIC Group Code of Conduct. This commitment is being monitored by a self-assessment process in our factories.

BIC expects its contract manufacturers to commit to the same Code of Conduct. Although BIC generates only, 19.5% of its sales from outsourced products, BIC has implemented a special program to monitor that the Code of Conduct is actually implemented by contract manufacturers.

Since 2000, BIC has established a Corporate Social Responsibility (CSR) Program that is an integral part of the qualification process for our new products manufactured by contract manufacturers. Participation in BIC's Social Responsibility Program – which includes compliance with BIC Group Code of Conduct for Contract Manufacturers and factory assessments by an independent external monitoring agency – is mandatory for all BIC contract manufacturers. In 2005, the BIC Group CSR Program has been expanded to local and regional contract manufacturers which manufacture BIC® products for local markets only. In 2010, BIC began the process of integrating the contract manufacturers of BIC APP into the BIC Group CSR Program. Due to the large number of contract manufacturers from which products are sourced by BIC APP, the audit process for monitoring implementation of the BIC Group Code of Conduct by these contract manufacturers involves a combination of both external audits by a third party monitor and BIC audits by BIC APP employees who have been professionally trained to conduct such audits.

BIC views Corporate Social Responsibility as a partnership with its contract manufacturers to further shared values. We develop this partnership by motivating improvement, setting goals and seeking commitment to improvement rather than termination. BIC seeks to work with those contract manufacturers who show a commitment by responding promptly and providing a detailed and honest plan for improvement.

Principles of BIC Group Code of Conduct

- Safe and Healthy Work Environment;
- Fair Wages and Reasonable Working Hours;
- No Child Labor;
- No Forced Labor;
- No Discrimination;
- Freedom of Association;
- Legal Compliance;
- No Animal Testing;
- Environmental Responsibility;
- Publication.

FOREIGN SUBSIDIARIES AWARENESS OF THE IMPACT OF THEIR BUSINESSES ON REGIONAL DEVELOPMENT AND LOCAL POPULATIONS

Our Communities

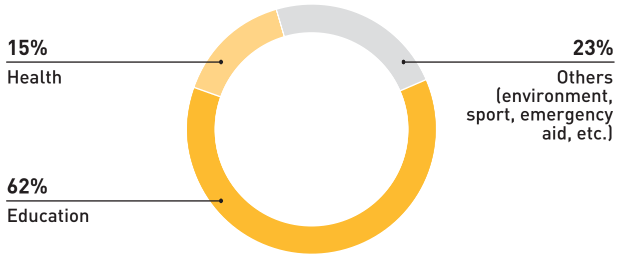
The BIC Group helps meet the challenges of society by supporting its communities. These activities, managed by the Group's local subsidiaries, might be at the initiative of a subsidiary, employees or different stakeholders in the community who become aware of a need. In 2010, 181 activities were conducted worldwide, which represented estimated spending in excess of 0.5% of Group pre-tax profits. These activities included product donations, financial aid and employee volunteer work, all efforts to meet local as well as global needs.

In addition, the BIC Citizen program makes it possible to associate all the Group's employees with a joint solidarity action, the sums collected in this context being matched by the Group.

Because of its historic core products, BIC's community activities are mainly focused on the fields of education and health. These two sectors account for 77% of BIC's community activities and 74% of the total estimated financial value of these activities. For example there is the BIC USA Inc. program which supports the Susan G. Komen for the Cure foundation which fight against breast cancer, with a donation of 116,000 euros in 2010; Or also, thanks to a long term partnership, with AFEV. This association fights against school failure in France, by offering educational support to children and young people with learning or social difficulties.

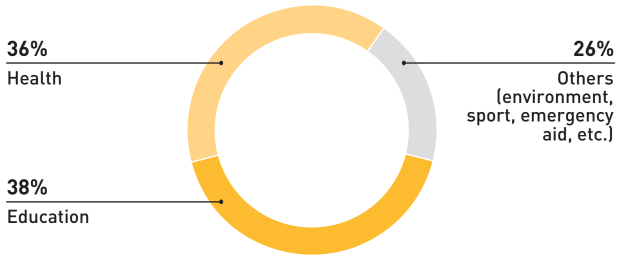
BIC also commits, when there is a clear and present need, to providing for the environment, emergency humanitarian aid, and sports. For example mobilization of the employees of BIC Chile, which made it possible to send and accompany a convoy to assist the victims of the earthquake of February 2010; among other things this assistance has permitted to rebuild schools and provide families with educational materials. Another example which might be taken is the Group's worldwide program "BIC Citizens in action", which in 2010 based its campaign on the project entitled "Haiti: a home, a future" in partnership with the French NGO "Planète Urgence"; in all 72,000 euros were collected, which after this sum had been matched by the Group, meant that 144,000 euros were donated in order to contribute towards the redevelopment of Haiti's rural economy.

NUMBER OF ACTIVITIES



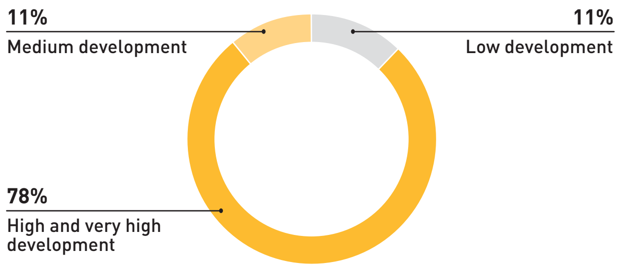
FINANCIAL REPARTITION OF ACTIVITIES

(Internal estimation)



BIC is present and made 95.1% of its sales in developed countries, ranked as "High" or "Very High" by the Human Development Index (HDI). In addition, 78% of its activities (often to help local communities) were in those countries. While less present in countries with "Low and Medium Human Development," BIC's activities in these countries still amounted to 22% of the total.

DISTRIBUTION OF ACTIVITIES BY COUNTRY LEVEL OF DEVELOPMENT ACCORDING TO THE UNITED NATION HUMAN DEVELOPMENT INDEX (HDI)



Examples of activities in BIC Group subsidiaries

PROGRAM TYPE	NUMBER OF ACTIONS	EXAMPLES OF ACTIVITIES AMONG BIC GROUP SUBSIDIARIES
Product donations	139	**France**: donation of shavers and writing instruments to the association, *Les Restos du Cœur*, which helps the needy.
		Romania: Donation of writing instruments to the NGO, *Diaconia Ajutor International*, the benefit of for children from poor families to enable them to pursue their studies.
		Singapore: Financial contribution and donation of shavers on the occasion of the annual event in support of children with cancer, *"Hair for hope"*.
		Spain: 59 donations of writing instruments to different associations worldwide.
		France: Regular product donations to the association, *Dons Solidaire*, an innovative non-food charity in France.
Financial aid	58	**France**: Donation to *AFEV*, an association to help prevent student failure in schools.
		USA: Donation to an educational program to prevent young people from becoming addicted to drugs.
		Ecuador: Donation to the association, *Nino Con Futuro Fundation*, by allocating 0.5% of ballpoint pen sales to help more than 300 children.
		France: Donation to the association, *Dessine l'espoir*, which offers support to people who are HIV-positive and have AIDS.
		France: Donation to several associations, including *l'enfant@l'hopital*, which organizes writing workshops for children and teenagers who have been hospitalized.
		USA: Several long-term partnerships with associations, including *Boys&Girls Village*, which provides various services for children and their families.
Employee volunteer work	81	**Brazil**: Collection of food and hygiene products from employees for the association *shelter "Monte Salem"*, for children who are mistreated, and the *AAPNE*, an association that takes care of children with special needs.
		USA: Organization of fundraising events that will enable employees to purchase, package and deliver dinner packages for local residents in need.
		USA: Participation of employees in Florida in a fundraising walk or running race organized by the *Komen Race for the Cure foundation* which fights against breast cancer.
		Canada: Teams raised funds for the *Canadian Red Cross Society* to provide aid for victims of the Haiti earthquake (Canadian government matched all contributions).
		Mexico: Collection of 3 tons of goods, food, clothes and other products, for the affected communities after Hurricane Alex in June 2010.

7. Environmental data

BIC AND THE ENVIRONMENT

Ethical conduct toward our employees, consumers, customers, suppliers and Shareholders is a fundamental and a priority operating principle within the BIC Group. Accordingly, the BIC Group has maintained a long-standing commitment to protecting the environment, as well as safeguarding the health and welfare of our employees, neighbors and consumers.

We recognize that nearly every aspect of a manufacturing business, including the production, distribution, and end disposal of a product and its packaging, has the potential to impact human health, safety or the environment.

It is our responsibility to minimize those impacts. Our approach is to collaborate with our employees, suppliers, customers and consumers to identify, assess and minimize the human health, safety or environmental impacts which come from our manufacturing operations, our products, and our packaging.

This is the seventh year BIC has published a Sustainable Development Report.

SCOPE AND CHOICE OF INDICATORS

SOCIÉTÉ BIC has chosen to broaden the scope of this report beyond that outlined in Article 116 of the Law on New Economic Regulations, which prescribes the environmental data required only from publicly traded companies.

In order to supply pertinent information in conformity with the law, BIC supplies worldwide consolidated data whenever it is available and relevant.

Indicators were chosen to provide greater clarity for all data provided. Indicators selected are those which reflect the Group's activities and the impact of those activities on the environment. The information presented here represents consolidated data from all subsidiary factories, French and foreign. This report includes all factories of the BIC Group that manufacture finished or semi-finished products, our engineering companies, and the packaging operations. The scope excludes several very small facilities. Starting in 2010, this report includes the Advertising and Promotional Products (APP) factories acquired in 2009, with the exception of the Janesville (USA) facility for which the operations, as part of ongoing operational consolidation, are currently being transferred to the Red Wing (USA) facility.

To ensure a better reliability to the published data, information of previous years has been honed.

COMPANY INTERNAL ENVIRONMENTAL MANAGEMENT. CAPACITIES FOR REDUCING ENVIRONMENTAL RISKS

BIC Group's overall approach to environmental protection is outlined in a document entitled "Environmental, Health and Safety Policy for the BIC Group" signed by BIC's Chairman and Chief Executive Officer in April 2005.

Among other commitments, this policy obligates all BIC factories to implement Environmental Management Systems (EMS). The BIC Group has prepared a detailed set of requirements for Management System implementation that meets the unique needs of our factories, and is purposely designed to achieve continuous improvement of environmental performance. The Group has also developed a formal guidance program to assist the implementation of Management Systems by recently acquired sites. Recently acquired factories must develop and execute a plan to establish Management Systems and integrate into the BIC environmental approach.

The implementation of Management Systems is 93% complete for the Environment and 92% complete for Health and Safety.

As part of their EMS commitment, BIC factories plan, execute and document the results of numerous planned projects intended to improve environment performance.

ENVIRONMENTAL EVALUATION OR CERTIFICATION

The BIC Group has directed all its factories to establish an Environmental Management System compliant with the internal Group standard. Individual factories are free to exceed this Group standard. This objective is to have continuous improvement of environmental performance.

ISO 14001 certification is not implemented in the whole Group but only for the factories that have chosen this way of making progress. At the end of 2010 65.8% of manufacturing employees were working in finished-products factories certified ISO 14001.

MEASURES TAKEN, WHERE APPLICABLE, TO ENSURE THAT OPERATIONS ARE IN CONFORMITY WITH APPLICABLE LAWS AND REGULATIONS CONCERNING THE ENVIRONMENT

The plants maintain routine and periodic controls intended to ensure compliance with local regulatory requirements. These controls are carried out internally, or with the assistance of an independent external company. An action plan is established to correct any identified compliance issues.

The implementation of the Group Environmental Management system helps plants to improve the organization of controls.

The European regulation, REACH (Registration, Evaluation, Authorization and restriction of CHemicals) establishes a new regulatory framework for chemical substances and places responsibility on manufacturers to demonstrate the safety of the chemicals they use. To address these requirements, BIC created a dedicated organization to allow the integration of the REACH topics. At a Group level, an expert administrator was appointed who, with the support of specialist firms, monitors the regulation, evaluates the impacts for the company, and creates the administrative files. This person is the contact person for all entities on this topic. Since 2008, in response to REACH, BIC has, in particular, pre-registered 70 substances for 5 legal entities. Registration of those substances, with the European Chemicals Agency (ECHA), will take place in 2013 and 2018.

CONTINGENCY PLANS SET UP TO DEAL WITH POLLUTION ACCIDENTS WITH CONSEQUENCES OUTSIDE OF THE PLANTS

Emergency prevention and response plans have been established in locations where there is an identified risk of an accident with consequences outside plant boundaries.

In particular, our two SEVESO plants have an emergency procedure protocol ("*Plan d'opération Interne*"). Outside of France, some plants have equivalent emergency plans that address risks with potential off-site consequences. For example, all plants in the USA and our factory of New Zealand maintain an "Emergency Response Plan" that includes planning and prevention for off-site scenarios.

For our two high-threshold SEVESO plants, we have a major hazard prevention policy and have implemented a safety management system to prevent major accidents, in conformity with the ministerial decree of May 10, 2000, transposition in French law of the European Council directive 96/82/EC.

TRAINING AND INFORMATION ON THE ENVIRONMENT AND SAFETY

In 2005, BIC launched a campaign to raise Group employee awareness of sustainable development. This included presentations to site management and the distribution of brochures printed in national languages. Since 2007, BIC University and members of the Sustainable Development Team co-developed an e-Learning course which highlighted sustainable development and BIC's Sustainable Development Program.

The BIC Group Environment, Health & Safety (EH&S) policy is communicated to all factories.

The BIC Group does not maintain an independent measure of training-days devoted to EH&S at our plants. EH&S training was integrated into the 121,347 hours of technical training completed in 2010.

EXPENSES FOR PREVENTING CONSEQUENCES ON THE ENVIRONMENT

Investment budgets related to the environment are an integral part of the budgets of factories.

Annually, BIC factories plan and implement both short and long-term improvement programs targeted at preventing or minimizing consequences to the environment. In 2010, 1.8 million euros were invested in environmental improvement programs.

PROVISIONS AND GUARANTEES FOR ENVIRONMENTAL RISKS

The Company maintains insurance to cover its installations for potential civil liability. The Company maintains environmental liability and civil liability insurance in the event of injury or damage to third-parties. In addition, the Company carries mandatory insurance for its employees, as well as property damage and business interruption insurance for its buildings and business personal property.

COMPENSATION PAID DURING THE FISCAL YEAR UNDER COURT ORDER

None.

ACTIONS TAKEN TO REPAIR DAMAGE TO THE ENVIRONMENT

No significant activities were necessary in 2010.

CONSUMPTION OF WATER RESOURCES

Water consumption per tonne of product decreased by more than 27% between 2009 and 2010. This significant variation is, in large part, a result of the addition of 2 new sites of BIC APP, Sleepy Eye (USA) and Red Wing (USA), 2 factories with relatively low water consumption ratios. To allow a more appropriate comparison with prior year's data, the graphic presents firstly a 2010 result for water consumption reported per tonne of production excluding the 2 APP sites (-3% reduction) and secondly the result for the BIC Group.

The result continues a multi-year record of improvement in water-use efficiency for the BIC Group. However, some improvements is due to a strong overall increase in production volumes which tends to lower the water consumption ratio because some water uses are less directly related to production such as water used for employees needs. N.B.: in a year with significant production decrease the Group can experience the opposite effect, an increase in consumption ratio.

Globally, 8 sites reduced their gross water consumption in 2010. This is the case of PIMACO (Brazil) which reduced its water consumption by 10% while increasing production by 4% through a program of leak detection and quick repairs. Replacement of sanitary fixtures

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with water saving equipment also contributed to this improvement. Similarly, BIC Ecuador (Ecuador) achieved an 8% reduction of its consumption while increasing its production by 3% through the production process reorganization and among others a program dedicated to optimizing water use.

In total, 13 sites improved their ratio of water consumption reported per tonne of production. Thus, BIC Rasoirs (France), which represents 46% of the Group's water consumption, recorded a 10% decrease in its water consumption ratio largely due to a late 2009 implementation of a closed loop rinse water system for blade manufacturing as well as the replacement of a water based cooling system with one that uses air.

BIC plants reported 7 projects targeted specifically at water savings.

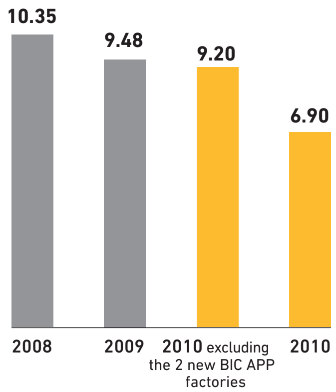
4% yet reduced energy consumption by 9% thanks to re-scheduling work which allowed using primarily high efficiency machines. BIC CORPORATION Milford (USA) also reduced the energy consumption by 6% while increasing its production by 5%. This improvement is due to energy-efficient lighting and more efficient use of gas in new boilers.

Significant improvements of energy efficiency per tonne of production were achieved by BIC CORPORATION Gaffney (USA), BIC Rasoirs (France) and BIC Iberia (Spain), with respective decreases of 4%, 5% and 12%. BIC Iberia (Spain), for improving its performance, conducted an audit of its equipment to replace the less efficient.

As a result of factory Environmental Management Systems, at least 34 energy-saving projects were either completed or in-progress during 2010.

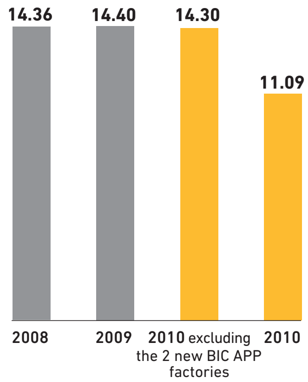
Annual water consumption normalized to BIC Group production

In m^3 per tonne



Annual energy consumption normalized to BIC Group production

In gigajoules per tonne



CONSUMPTION OF ENERGY RESOURCES

Energy consumption per tonne of production decreased by 23%. This significant variation is, in large part, a result of the addition of two new sites of BIC APP, Sleepy Eye (USA) and Red Wing (USA), two factories with relatively low energy consumption ratios. To allow a more appropriate comparison with prior year's data, the graphic presents firstly a 2010 result for energy consumption reported per tonne of production excluding the two APP sites (-0.7% reduction) and secondly the result for the BIC Group.

Energy efficiency continues to improve thanks to continuing efforts of our factories. However, some improvements are due to a strong overall increase in production volumes which tends to lower the energy consumption ratio because some energy uses are less directly related to production such as gas for building heat. N.B.: in a year with significant production decrease the Group can experience the opposite effect, an increase in consumption ratio.

Two sites reduced their absolute energy consumption despites a production increase. Thus, PIMACO (Brazil) increased production by

CONSUMPTION OF RAW MATERIALS

BIC is committed to optimizing the quantity of raw materials necessary to manufacture our products.

We have initiated an ecodesign method for stationery and shaver products. This is a preventive approach that enables us to integrate environmental concerns, beginning at the product design stage. In 2009, BIC began using SimaPro, an ecodesign expert software, to help our designers quantify and, when possible, minimize the environmental impact of a product, even before it is manufactured.

Recycled materials are used in the BIC® Ecolutions™ stationery range launched in 2008 and widened each year. In 2009, BIC also launched the first BIC® shaver made in bioplastic: the BIC® Ecolutions™ shaver. The use of this agriculturally-based material allows BIC to reduce the consumption of non-renewable raw materials.

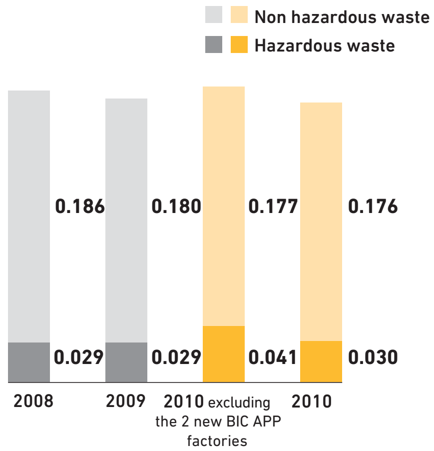
In 2010, BIC factories implemented four programs targeting raw material reduction, and another four aimed at packaging.

WASTE

The BIC Group registered a decrease in the amount of waste generated per tonne of production compared with 2009. This 1.4% reduction is the net result of an increase in hazardous waste production normalized to production and a decrease in non-hazardous waste production normalized to production. As with water and energy, BIC is also providing 2010 results excluding the two new APP sites, so that a more appropriate comparison can be made to past year's data.

ANNUAL PRODUCTION OF WASTE NORMALIZED TO BIC GROUP PRODUCTION

In tonne/tonne



HAZARDOUS WASTE

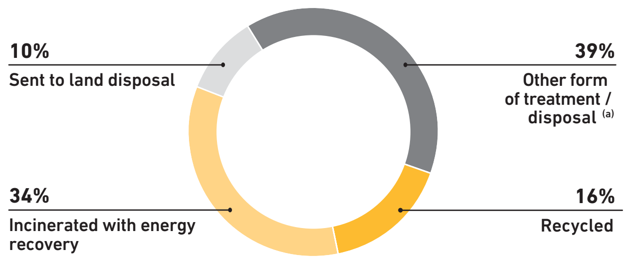
The BIC Group registered an increase of the amount of hazardous waste generated per tonne of production compared with 2009. This increase of 4% is mainly related to several one-time and exceptional events in 2010. Examples of such events are non-routine tank cleanings and disposal of obsolete materials. One notable example is the closure of the BIC CORPORATION Fountain Inn (USA) factory which generated significant wastes due decommissioning and cleaning of equipment and building, as well as disposal of excess inventories.

Despite these exceptional events, it is important to highlight the efforts of factories like BIC Ecuador (Ecuador), which reduced hazardous waste generation by 38% while increasing production. BIC Ecuador (Ecuador) achieved its result thanks to a more accurate waste weighing system and an actions plan that reduced cross-contamination of non-hazardous wastes with hazardous substances. BIC Shanghai (China) also improved its performance in hazardous waste generation thanks to better adjustments of cartridges assembly machines. Thus, the amount of waste was reduced by 39% while production increased by 65%.

In 2010, BIC Group factories worked on over 24 programs to reduce generation of waste.

2010 BIC GROUP HAZARDOUS WASTE TREATMENT

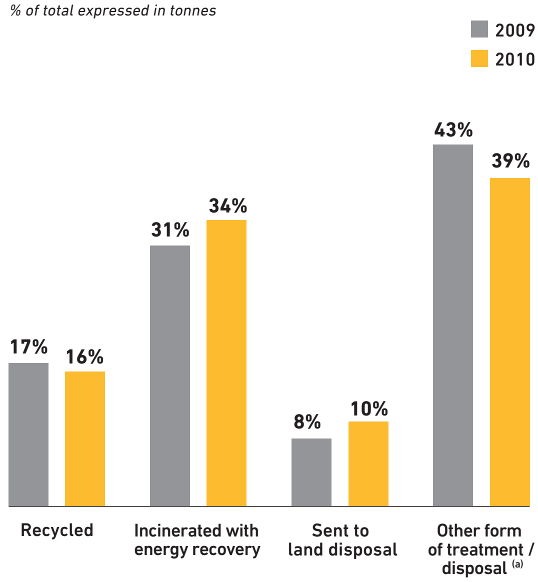
% of total expressed in tonnes



(a) "Other treatments/disposal" represents all other forms of waste treatment, including incineration without energy recovery.

HAZARDOUS WASTE CATEGORIZATION IN 2009 AND 2010

% of total expressed in tonnes



(a) "Other treatments/disposal" represents all other forms of waste treatment, including incineration without energy recovery.

NON-HAZARDOUS WASTE

In 2010, the Group achieved a 2% decrease in the amount of non-hazardous waste produced per tonne of production.

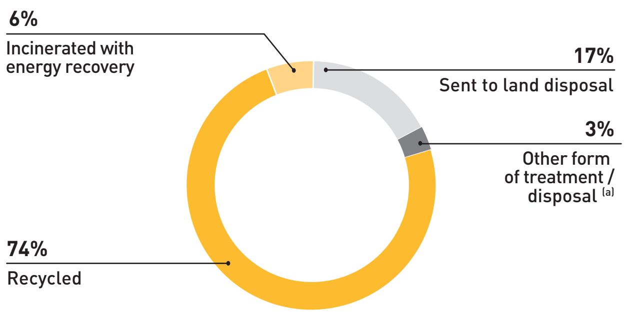
Seven plants significantly reduced their waste-to-production ratio. Thus, BIC Violex (Greece) and BIC Shanghai (China) respectively decreased their ratio by 22% and 53% thanks to the reuse in the factory of "waste materials" like for example wooden pallets.

For BIC Rasoirs (France) the 8% improvement is the result of a comprehensive action plan for raising employees' awareness of the importance of proper sorting, recycling plastic in production, and quickly detecting machine malfunctions to limit the production of defective products that have to be eliminated.

Across the BIC Group, factories executed over 24 programs intended to reduce generation of waste.

2010 BIC Group non hazardous waste treatment

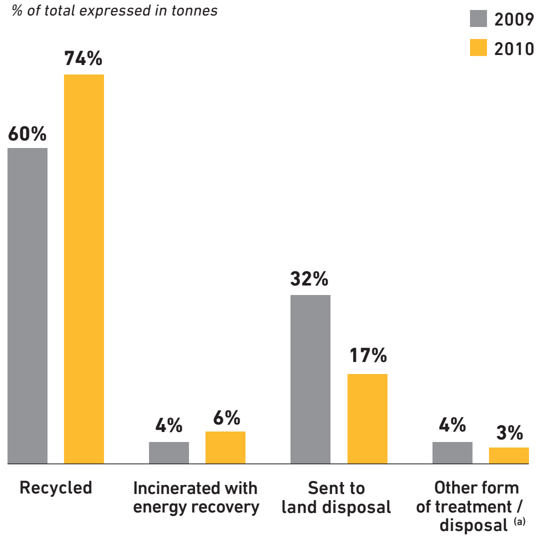
% of total expressed in tonnes



(a) *"Other treatments/disposal" represents all other forms of waste treatment, including incineration without energy recovery.*

Non hazardous waste categorization in 2009 and 2010

% of total expressed in tonnes



(a) *"Other treatments/disposal" represents all other forms of waste treatment, including incineration without energy recovery.*

CONDITIONS FOR USE OF SOILS

In Europe and the USA, as part of an industrial restructuring resulting in the closure of factories, BIC has ensured that plant decommissioning was performed in accordance with local law and best environmental practices. When appropriate or when required by law, BIC carries out studies of the soil and subsoil, although most sites are not subject to compulsory examination. Such studies of European plants used over a long period of time demonstrate that our business does not have a significant impact on soil and subsoil.

For French plants subject to specific regulatory requirements, the policy for preventing the risk of soil pollution is an integral part of the operating plan.

AIR, WATER AND SOIL RELEASE THAT SERIOUSLY AFFECT THE ENVIRONMENT. MEASURES TAKEN TO LIMIT THE EFFECTS ON BIOLOGICAL BALANCE, NATURAL HABITATS, AND PROTECTED ANIMAL AND PLANT SPECIES

The nature of our manufacturing operations, primarily molding and the assembly of plastic products and printing of products, should result in a relatively low local environmental impact as compared with other manufacturing sectors. Nevertheless, our Sustainable Development Program requires all BIC plants to measure, assess and reduce any potentially significant environmental impacts.

For 2010, the BIC Group quantified the direct emissions of greenhouse gases from its manufacturing plants. These emissions are Carbon Dioxide (CO_2) resulting from the combustion of fossil fuels, primarily natural gas and fuel oil, mainly used to heat buildings. The total amount of direct greenhouse gas emissions was estimated at 11,897 tonnes of CO_2 equivalent, representing an increase of 1,460 tonnes of CO_2 equivalent compared with 2009 emissions, due in part to the addition of the two new sites of BIC APP, Sleepy Eye (USA) and Red Wing (USA).

NOISE AND ODOR IMPACT

Odor is considered an insignificant aspect for our activities.

As far as noise impact is concerned, measures are taken within the property limits in the context of local regulations. In the event that noise pollution is identified in the future, we will assess the situation and implement any appropriate corrective actions.

8. Risk factors

INTRODUCTION

BIC pursues an active and dynamic approach of risk management. The purpose of this approach is to enhance the Group's capacity in identifying, managing and monitoring major risks that could affect its personnel, assets, environment or reputation, as well as the Group's ability to reach its objectives and abide by its values, ethics or laws and regulations.

The approach is based on identification and analysis of the main risks to which the Group is exposed, particularly those related to the following areas: financial markets, legal, industry and environment, strategy and operations.

A description of the risk management system is disclosed in the Chairman's report on the Board of Directors function and on the risk management and internal control procedures implemented by the Company - *cf. Corporate Governance § 3.2.2.3 -Risk management*.

The risk factors set out below are not the only ones faced by the Group. Other risks and uncertainties of which the Group is currently unaware or that are deemed as not significant could also have an adverse impact on its business, financial situation or results.

MARKET RISKS

Foreign Exchange risk

The Group main currency exposure is the EUR-USD rate. In 2010, the yearly exposure for commercial flows (260 million U.S. dollars) has been hedged at the average rate of 1 EUR = 1.3575USD. The strong high volatility of the financial markets all year long, with around 27 cents as spread between the highest rate (1.4582 U.S. dollars) and the lowest (1.1875 U.S. dollars) has made the hedging activity particularly challenging. Regarding the 2011 exposure, as of December 31, 2010, 90% of this exposure was hedged. The average hedged rate for 2010 is 1.2770 U.S. dollars. As of January 7th 2011, 100% of the exposure has been hedged at an average of 1.2792 U.S. dollars.

See also Note 23 to the consolidated financial statements.

Interest rate exposure

Exposure to interest rate fluctuations is very limited. All local funding needs are directly indexed on a short-term variable rate. Borrowers' positions are insignificant at Group level, and are of a too limited timescale to require any relevant hedging.

See also Note 23 to the consolidated financial statements.

Counterpart risk

All financial instruments are set up with top-ranking banking institutions, making counterpart risk very low. The minimum Long Term Standard & Poor's rating of main banking counterparts is A+, average rating being AA-.

Counterpart risk (both depositary and conservators) of cash investment decisions is strictly studied. The main part of the portfolio as of December 31, 2010 is on investment grade rated supports. Counterpart risk is estimated not significant as of December 31, 2010.

Liquidity risk

BIC Group manages its equity in order to keep a cash position positive and available, in order to be able to achieve its development and/or external growth strategy. The excess cash and the funding needs of the Group are managed by the Group Treasury Department, following a secure policy guideline that aims for capital security and liquidity. The excess cash is mainly invested in monetary mutual funds, deposit and cash equivalents whose volatility is below 0.5 with a recommended holding period less than three months. The more structural portion of the cash can be invested in monetary funds qualified as "dynamics", with a recommended holding period that can be above six months. All the investments are valuated mark-to-market twice a month by the Group Treasury Department and the target is to reach an average yearly performance above the Eonia capitalized rate.

No fund held on December 31, 2010 is based on a mono-strategy on credit risk. The most important mutual fund line in the portfolio at year end represents less than 20% of the total assets under management. As of December 31, 2010, the portfolio structure turned into an asset made up of 77% of "pure monetary" products with daily liquidity.

LEGAL RISKS

To the knowledge of the Company, there is no information (rule, authorizations, confidentiality, dependence links, tax measures, dispute and arbitrage) or exceptional fact susceptible to have or having had in the recent past a significant impact on the financial situation, the result, the activity and the assets of the Company and the Group.

Moreover, to the knowledge of the Company, there are no governmental, judicial or arbitration procedure, which is pending or threatening the Company and which may or might have had during the last 12 months significant effects on the financial or the profitability of the Company and/or the Group.

INDUSTRIAL AND ENVIRONMENTAL – RELATED RISKS

Risk typology

The main industrial and environmental risks are related to the storage and use of dangerous, flammable and non-flammable products and substances. Among those are:

- gas for lighters in France, Spain, USA and Brazil;
- solvents for permanent markers and dry-wipe markers in France and the USA;
- solvents for industrial cleaning processes;
- storage of products containing gas and solvents.

Regulatory context

The European regulation, REACH (Registration, Evaluation, Authorization and restriction of CHemicals) establishes a new regulatory framework for chemical substances and places responsibility on manufacturers to demonstrate the safety of the chemicals they use.

The European SEVESO identifies industrial plants presenting major accident risks.

Operational management of risks

BIC maintains Environmental and Health and Safety Management Systems at each of its facilities to ensure that pollution prevention and risk prevention are fully integrated into daily operations:

- diligent attention is paid to the implementation and maintenance of release prevention measures and safety systems for gas and solvent storage areas. Suitable control devices and equipment are in place to minimize physical and chemical risks posed by hazardous substances. Priority is given to the use of fire prevention systems and appropriate fire detection and control equipment;
- hazard and risk assessments are conducted in the Group factories; procedures are established to identify, evaluate, and prevent incidents and accidents;
- the workforce is trained to recognize potential hazards, as well as to take preventive and corrective actions;
- compliance with local regulatory requirements is an integral part of the daily management of the sites;
- BIC is committed to the continuous improvement of facilities, equipment, and procedures intended to control risks associated with its activities. This is structured according to the Environmental and Health and Safety Management Systems implemented in all factories;
- our SEVESO plants have an emergency procedure protocol ("*Plan d'opération Interne*" or POI). Outside of France, many plants have equivalent emergency plans that address risks with potential off-site consequences. For our high-threshold SEVESO plants, we have a major hazard prevention policy and have implemented a safety management system to prevent major accidents, in conformity with the ministerial decree of May 10, 2000, transposition in French law of the European Council directive 96/82/EC;
- to address the REACH requirements, BIC created a dedicated organization to allow the integration of the REACH topics. At a Group level, an expert administrator was appointed who, with the support of specialist firms, monitors the regulations, evaluates the impacts for the company and creates the administrative files. This person is the contact person for all entities on this topic. Since 2008, in response to REACH, BIC has in particular pre-registered 70 substances for 5 legal entities. Registration of those substances, with the European Chemicals Agency (ECHA), will take place in 2013 and 2018.

BIC does not foresee any significant provisions for environmental risks. In any eventuality, BIC considers the costs related to reparations of this type should not have any material impact on the Group's results.

STRATEGIC AND OPERATIONAL RISKS

Risks related to Group's acquisitions

A part of the Group's strategy is to grow with acquisitions. Acquisition could allow for geographical expansion or reinforcing existing categories. Business integration of an acquired company is one of the key elements of success.

Following acquisition, the Group employs a highly qualified management team. Companies' teams monitor progress of integration on a regular basis. Additionally, a cross functional task force supervises closely the integration plans in particular the alignment of systems and procedures.

Risks related to competition

While the end customers of the Group are mostly individual consumers, the Group sells a significant part of its products to major retail chains. As matters of facts, the distribution market is subject to an intensifying concentration process, competitors follow a rationalization movement and major retailers develop their private labels. This continued trend of consolidation/rationalization processes could translate in a further reduction in the number of retail chains and in their corresponding assortments. It could increase consequently reliance of the Group on fewer retailers and further intensify competition.

However, the Group's international presence, its powerful brand and the diversity of its distribution channels help to mitigate the exposure to market concentration and competitors' rationalization. BIC is closely monitoring sales and demands of distributors and pursues its efforts to differentiate its products from its competitors emphasizing innovative and economic solutions to satisfy consumer needs.

Risks related to concentration on developed markets

BIC Group strategy is focused in particular on generating sales growth. BIC is present for long years on developed markets where Group perspectives depend mainly on ability to increase market share and profitability. As North-American and European economies are expected to grow slowly for years to come, succeeding in growing areas has become a Group strategic objective. Consequently the Group aims to continue its development in emerging markets.

To achieve this objective sales and marketing plans have been developed to gain market share in most of the countries coupled with additional measures to reduce cost and increase productivity. Additionally the strong development in Latin America has reduced Group dependency on mature markets. Otherwise, the Group is broadening and deepening its presence in Asia.

Risks related to experienced employees and competencies

The Group possesses specific competencies through experienced resources especially in manufacturing processes and business practices. The loss of experienced employees could lead in slowing down the implementation of Group development plans. It could also result in the inability to implement the Group's strategy.

The Group therefore focuses on identifying, developing and managing experienced resources. Succession plans based on a detailed analysis of Group's resources have been prepared and implemented. Additionally employees' training is subject to a specific attention with related programs *(cf. Group Presentation - § 6. Workforce Information)*.

Risks related to anti-smoking measures

Lighters are an important part of the Group net sales (26% in 2010). The Group's lighter business is closely related to the worldwide sales of tobacco products. However, the tobacco industry is subject to increasingly stringent regulations around the world, mainly in developed countries. Anti-smoking campaigns and further restrictions in public places could lead to lower sales and a decrease in the Group's profitability.

Consequently, the Group monitors the effect of tobacco control activities on lighter sales. However, the quality of BIC lighters remains the decisive driver for continuous growth in a shrinking market.

Risks related to industrial plants

As a result of its industrial activities, the Group could be potentially exposed to events of various origins (such as natural disasters, accidents or economic/social/political turmoil) that could disrupt or interrupt a site's activity. Since the Group is dependent on its production facilities to maintain and develop its sales, the breakdown of a production site could have a negative impact on the Group's business.

The Group has therefore put in place an approach of active industrial risk prevention through regular audits of protection mechanisms, investments in equipments of buildings and production tools. Each category pursues a policy of diversification in terms of geography and production capacity.

Moreover, a strong social climate and careful management of physical supplies, as well as continuity plans ensuring the presence or restoration of critical functions, mitigate the potential impact and minimize the occurrence of such events. The Group has also taken out insurance policies *(refer below, Insurance - Coverage of any risks to which the issuer may be exposed)*.

INSURANCE – COVERAGE OF ANY RISKS TO WHICH THE ISSUER MAY BE EXPOSED

BIC is covered by:

- insurance for "Civil Responsibility" including environmental risk related to gradual pollution and accidental pollution;
- insurance for operational damages and loss that covers all the sites.

Management believes that coverage and limits of these policies are appropriate.

The objective of the Company's property and liability program is to develop a uniformly high level of risk management and insurance protection for all of the BIC operating entities. This, in turn, will protect the corporate assets and earnings against insurable perils and controllable risks.

BIC believes in the risk management process as a means of protecting its assets from the adverse effects of accidental loss. That is, the practice of identification, analysis and management of all risks in relation to its operations. This discipline of risk management is expected to be practiced at all levels of the organization.

In those areas where it is able to exercise effective loss prevention and loss control, BIC retains a portion of the risk. While BIC relies on its proactive philosophy of managing risk for the protection of its assets, it nonetheless purchases insurance to protect against catastrophic loss, or in some cases, the probable exposure to loss, when taking into account its risk control programs.

The global cost estimate of the BIC Group policy insurance amounts to approximately 5 million euros. The total amount covered by the property damage/business interruption insurance amounts to approximately 3 billion euros.

It is BIC's intent to control risk through effective management techniques, as well as insurance, in order to meet its long-range objectives of continuous operation, growth and profit.

By meeting the above criteria, BIC's assets and profitability should be protected to the greatest extent possible.

Litigation related to product liability is primarily in the USA. Provisions to cover the risk related to those liabilities are limited to 1 million U.S. dollars, which is the amount of the deductible for each individual case.

The sole captive insurance company held by the Group is Xenia Insurance Company Limited, which is wholly owned by BIC CORPORATION. Xenia was created as a means to provide coverage for certain risks which are not covered by traditional insurance.

BIC is insured by Xenia Insurance Company Limited via three contracts. The first issues product liability certificates of insurance for BIC CORPORATION customers. The second one is a structured risk policy that covers excess employment practices liability, environmental liability, patent infringement, punitive damages, product recall, Florida windstorm, Greece earthquake and unforeseen events. The third contract is a "DIC/DIL" policy that provides coverage for property and/or casualty events that are not covered or payable under any existing BIC policies.

1 2 3 4 5 6 7 8

OTHER SPECIAL RISKS

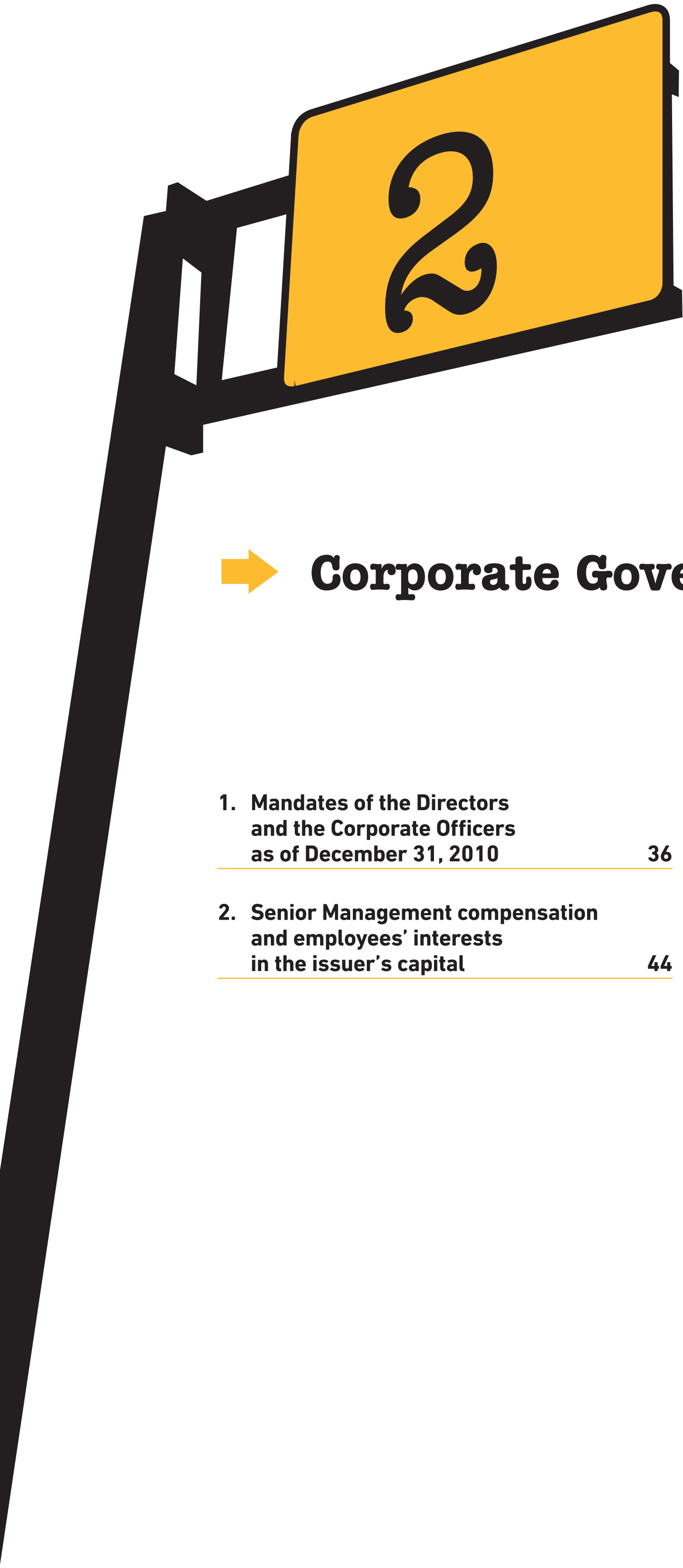
Counterfeits

Counterfeits, often of low quality, of most well-known BIC Group products circulate principally throughout Africa, the Middle East, Eastern Europe and South America. They are produced mostly in Asia. These counterfeits are mainly focused on the shape of our products and on BIC® trademark.

In order to protect our brand image and our economic interests, the Group, through its counterfeiting department, fights successfully against these counterfeits by working in close cooperation with local enforcement authorities.

Lighters – Non compliance with safety standards

The BIC Group is confronted with competition from low cost lighters that do not comply with child-resistant regulations (in force in Europe, USA and Australia) and with the ISO 9994 international safety standard. The Group fights against such lighters through communications activities informing the different stakeholders (customers, market surveillance authorities...).



Corporate Governance

1. Mandates of the Directors and the Corporate Officers as of December 31, 2010

CHAIRMAN OF THE BOARD OF DIRECTORS

BRUNO BICH	
Age	64
Nationality	French/American
Independent Director	No
Date of 1st appointment	Annual Shareholders' Meeting on June 2, 1986
Expiration date	Annual Shareholders' Meeting in 2013, for fiscal year 2012
Member of a Committee	No
Number of BIC shares held	Holds BIC shares directly and indirectly through the familial holding, SOCIÉTÉ M.B.D. On December 31, 2010, SOCIÉTÉ M.B.D. held 25.55% of SOCIÉTÉ BIC share capital and 34.52% of the voting rights.
Professional address	SOCIÉTÉ BIC 14 rue Jeanne d'Asnières 92110 Clichy - France

Main position:

- Bruno Bich was Chairman and Chief Executive Officer of SOCIÉTÉ BIC from May 27, 1993 to February 28, 2006.
- He has been Chairman of the Board of Directors of SOCIÉTÉ BIC since March 1, 2006.

Other current mandate or function:

COMPANY	COUNTRY	MANDATE/FUNCTION
EDHEC Group	France	Member of International Advisory Board

Expired mandates or functions in the previous five years (non BIC Group companies):

COMPANY	COUNTRY	MANDATE/FUNCTION
Management Institute of Paris – M.I.P. – (merged with EDHEC Group)	France	Co-founder and member of the Supervisory Board
American hospital of Paris' foundation	France	Director of the Board
Alliance Française	France	Director of the Board
Altadis	Spain	Director of the Board
Imperial Tobacco [(a)]	United Kingdom	Director of the Board

(a) Listed company.

CHIEF EXECUTIVE OFFICER AND DIRECTOR

MARIO GUEVARA	
Age	51
Nationality	Mexican
Independent Director	No
Date of 1st appointment	Director of the Board: Annual Shareholders' Meeting on May 22, 2001 Chief Executive Officer: March 1, 2006
Expiration date	Annual Shareholders' Meeting in 2013, for fiscal year 2012
Member of a Committee	No
Number of BIC shares held	7,700
Professional address	BIC INTERNATIONAL 1 BIC Way, Suite 1 Shelton, CT - 06484 - 6299 - USA

Chief Executive Officer of SOCIÉTÉ BIC since March 1, 2006, Mario Guevara was General Manager for North, Central and South America from 2001 to March 10, 2004 and then Executive Vice-President until February 28, 2006.

Main position:

- Chief Executive Officer of SOCIÉTÉ BIC since March 1, 2006.

Other current mandates or functions:

COMPANY	COUNTRY	MANDATE/FUNCTION
BIC Chile SA [a]	Chile	Chairman of the Board
BIC CORPORATION [a]	USA	Chairman of the Board Chief Executive Officer Director of the Board
BIC INTERNATIONAL Co.[a]	USA	Chief Executive Officer Director of the Board
BIC Japan KK [a]	Japan	Director of the Board

(a) BIC Group.

Expired mandates or functions in the previous five years (non BIC Group companies):

- Not applicable.

EXECUTIVE VICE-PRESIDENT AND DIRECTOR

FRANÇOIS BICH	
Age	61
Nationality	French
Independent Director	No
Date of 1st appointment	Board of September 30, 1977 ratified by the Annual Shareholders' Meeting on May 29, 1978
Expiration date	Annual Shareholders' Meeting in 2011, for fiscal year 2010
Member of a Committee	No
Number of BIC shares held	Holds BIC shares directly and indirectly through the familial holding, SOCIÉTÉ M.B.D. On December 31, 2010, SOCIÉTÉ M.B.D. held 25.55% of SOCIÉTÉ BIC share capital and 34.52% of the voting rights.
Professional address	SOCIÉTÉ BIC 14 rue Jeanne d'Asnières 92110 Clichy - France

Main positions:

- Executive Vice-President of SOCIÉTÉ BIC since December 15, 1988;
- General Manager Lighters of BIC Group.

Other current mandates or functions:

COMPANY	COUNTRY	MANDATE/FUNCTION
Société du Briquet Jetable 75 ("BJ 75") [(a)]	France	President
SOCIÉTÉ M.B.D.	France	Chairman of Supervisory Board

(a) BIC Group.

Expired mandates or functions in the previous five years (non BIC Group companies):

- Not applicable.

DIRECTORS

MARIE-PAULINE CHANDON-MOËT (MAIDEN NAME: BICH)	
Age	43
Nationality	French
Independent Director	No
Date of 1st appointment	Annual Shareholders' Meeting on May 28, 2003
Expiration date	Annual Shareholders' Meeting in 2011, for fiscal year 2010
Member of a Committee	No
Number of BIC shares held	Holds BIC shares directly and indirectly through the familial holding, SOCIÉTÉ M.B.D. On December 31, 2010, SOCIÉTÉ M.B.D. held 25.55% of SOCIÉTÉ BIC share capital and 34.52% of the voting rights.
Professional address	SOCIÉTÉ BIC 14 rue Jeanne d'Asnières 92110 Clichy - France

Main positions:

- General Manager of European real estate projects for BIC Group until December 31, 2010;
- President of Ferrand SAS (previously Ferrand SASU) (France - non listed company).

Other current mandate or function:

COMPANY	COUNTRY	MANDATE/FUNCTION
SOCIÉTÉ M.B.D.	France	Director of Supervisory Board

Expired mandates or functions in the previous five years (non BIC Group companies):

- Not applicable.

JOHN GLEN	
Age	51
Nationality	British
Independent Director	Yes
Date of 1st appointment	Board of December 10, 2008 ratified by the Annual Shareholders' Meeting on May 14, 2009
Expiration date	Annual Shareholders' Meeting in 2012 for fiscal year 2011
Member of a Committee	Chairman of the Audit Committee
Number of BIC shares held	500
Professional address	THE BUCCLEUCH GROUP 27 Silvermills Court - Henderson Place Lane Edinburgh EH3 5DG United Kingdom

Main position:

- Chief Executive Officer of Buccleuch Group (United Kingdom - non listed company).

Other current mandates or functions:

- Not applicable.

Expired mandates or functions in the previous five years (non BIC Group companies):

COMPANY	COUNTRY	MANDATE/FUNCTION
Air Liquide Group [(a)]	France	Vice-President Finance and Administration Member of the Executive Committee
European Financial Reporting Group (EFRAG)	Belgium	Vice Chairman of the Supervisory Board

(a) Listed company.

GILLES PÉLISSON	
Age	53
Nationality	French
Independent Director	Yes
Date of 1st appointment	Annual Shareholders' Meeting on May 22, 2001
Expiration date	Annual Shareholders' Meeting in 2013, for fiscal year 2012
Member of a Committee	Chairman of the Compensation and Nomination Committee
Number of BIC shares held	500 + 500 jointly held shares

Main position:

- Director of companies' Boards.

Other current mandates or functions:

COMPANY	COUNTRY	MANDATE/FUNCTION
TF1 [(a)]	France	Director of the Board
Groupe Lucien Barrière SAS	France	Vice-President and Director of the Board
Lenôtre	France	Chairman of the Supervisory Board
Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria, Inc.	USA	Director of the Board

(a) Listed company.

Expired mandates or functions in the previous five years (non BIC Group companies):

COMPANY	COUNTRY	MANDATE/FUNCTION
Accor [(a)]	France	Chairman of the Board Director of the Board Chief Executive Officer
Fondation Accor	France	President
ASM	France	Permanent representative of ACCOR, Director of the Board
ESSEC	France	Chairman of Supervisory Board
Bouygues Telecom	France	Chairman of the Board Chief Executive Officer Director of the Board
TPS	France	Director of the Board
RCBT (Réseau Club Bouygues Telecom)	France	Director of the Board
Club Méditerranée [(a)]	France	Director of the Board
Accor Services Italia S.r.l.	Italy	Director of the Board
Sofitel Italia S.r.l. (ex Sagar S.r.l.)	Italy	Director of the Board
Accor Partecipazioni Italia S.r.l. (ex Accor Hospitality Italia)	Italy	Director of the Board
Scapa Italia S.r.l.	Italy	Director of the Board

(a) Listed companies.

MARIE-HENRIETTE POINSOT (MAIDEN NAME: BICH)	
Age	49
Nationality	French
Independent Director	No
Date of 1st appointment	Annual Shareholders' Meeting on May 21, 1997
Expiration date	Annual Shareholders' Meeting in 2012 for fiscal year 2011
Member of a Committee	Compensation and Nomination Committee
Number of BIC shares held	Holds BIC shares directly and indirectly through the familial holding, SOCIÉTÉ M.B.D. On December 31, 2010, SOCIÉTÉ M.B.D. held 25.55% of SOCIÉTÉ BIC share capital and 34.52% of the voting rights.
Professional address	OPTIONS 1 chemin du Bois des Remises 78130 Les Mureaux - France

Main position:

- Director of strategic planning of the Options Group (France – non listed company).

Other current mandate or function:

COMPANY	COUNTRY	MANDATE/FUNCTION
Options SAS	France	Member of Strategic Planning Committee

Expired mandates or functions in the previous five years (non BIC Group companies):

COMPANY	COUNTRY	MANDATE/FUNCTION
Tosniop SA	France	Director of the Board
Options SA (now Options SAS)	France	Director of the Supervisory Board
Ferrand SA (now Ferrand SAS)	France	Director of the Board

FRÉDÉRIC ROSTAND	
Age	48
Nationality	French
Independent Director	Yes
Date of 1st appointment	Annual Shareholders' Meeting on May 28, 2003
Expiration date	Annual Shareholders' Meeting in 2011 for fiscal year 2010
Member of a Committee	Compensation and Nomination Committee
Number of BIC shares held	1,000

Main position:

- Director of companies' Boards.

Other current mandate or function:

COMPANY	COUNTRY	MANDATE/FUNCTION
Louis Delhaize SA	Belgium	Director of the Board

Expired mandates or functions in the previous five years (non BIC Group companies):

COMPANY	COUNTRY	MANDATE/FUNCTION
Générale de Santé SA [(a)]	France	Chairman of the Directory Board
Compagnie Générale de Santé SAS	France	President
Générale de Santé Cliniques	France	Chairman Chief Executive Officer
GIE Générale de Santé	France	Director of the Board
GIE Générale de Santé Hospitalisation	France	Director of the Board
Conectis Santé	France	Permanent representative of Compagnie Générale de Santé, Director of the Board
Hôpital Privé Beauregard (ex Provence Santé)	France	Permanent representative of Compagnie Générale de Santé, Director of the Board
Sam Bio	France	Permanent representative of Compagnie Générale de Santé, Director of the Board
École Européenne de Chirurgie	France	Permanent representative of Compagnie Générale de Santé, Director of the Board
Cofindex	France	Permanent representative of Sogur, Director of the Board
Fondation d'entreprise Générale de Santé	France	Director of the Board
Financière la Providence	France	Permanent representative of Compagnie Générale de Santé, Director of the Board
Générale de Santé Domicile	France	Permanent representative of Générale de Santé Cliniques, Director of the Board
Immobilière de Santé	France	Permanent representative of Générale de Santé Cliniques, Director of the Board
Pass	France	Permanent representative of Générale de Santé Cliniques, Director of the Board
Saint Louis Sucre SA	France	Chairman of the Directory Board
SFOP	France	Representative of Saint Louis Sucre SA, President
Saint Louis Sucre International	France	Representative of Saint Louis Sucre SA, President
COFA	France	Chairman of the Supervisory Board
Sucreries de Bourgogne	France	Permanent representative of Saint Louis Sucre SA Director of the Board
1829 Victor Fauconnier (previously Distilleries Ryssen)	France	Director of the Board
Südzucker AG [(a)]	Germany	Director of the Directory Board
Raffinerie Tirlemontoise	Belgium	Director of the Board
Ebro Puleva [(a)]	Spain	Director of the Board
Eastern Sugar BV	Netherlands	Director of the Board
Slaska Spolka Cukrowa SA	Poland	Vice-President of the Supervisory Board

(a) Listed companies.

SOCIÉTÉ M.B.D.	
Type of legal entity	Société en commandite par actions
Registration	389 818 832 – Register of Trade and Companies of Nanterre (France)
Independent Director	No
Date of 1st appointment	Annual Shareholders' Meeting on May 24, 2006
Expiration date	Annual Shareholders' Meeting in 2012, for fiscal year 2011
Member of a Committee	Audit Committee
Number of BIC shares held	25.55% of SOCIÉTÉ BIC share capital and 34.52% of the voting rights (as of December 31, 2010)
Address	1 place Paul Verlaine 92100 Boulogne-Billancourt - France
Permanent representative	Édouard Bich 46 years old Nationality: French Main position: Managing Director of SOCIÉTÉ M.B.D. Édouard Bich has and had (during the five previous years) no other mandate. Professional address: 7 route du Village – 1195 Dully - Switzerland. Holds BIC shares directly and indirectly (through SOCIÉTÉ M.B.D.).

SOCIÉTÉ M.B.D. does not exercise any other mandate.

PIERRE VAREILLE	
Age	53
Nationality	French
Independent Director	Yes
Date of 1st appointment	Annual Shareholders' Meeting on May 14, 2009
Expiration date	Annual Shareholders' Meeting in 2012, for fiscal year 2011
Member of a Committee	Audit Committee
Number of BIC shares held	500
Professional address	FCI Immeuble Le Calypso – 18 Parc Ariane III 5 rue Alfred Kastler 78280 Guyancourt - France

Main position:

- Chairman of the Board and CEO of FCI (France – non listed company).

Other current mandates or functions:

COMPANY	COUNTRY	MANDATE/FUNCTION
FCI Holding	France	President
FCI EXPANSION 1	France	Permanent representative of FCI President
Fidji Luxembourg (BC) S.a.r.l.	Luxemburg	Managing Director
FCI Asia Pte. Ltd.	Singapore	Director of the Board
FCI USA, Inc.	USA	Chairman of the Board and Chief Executive Officer

Expired mandate or function in the previous five years (non BIC Group companies):

COMPANY	COUNTRY	MANDATE/FUNCTION
Wagon PLC [(a)]	United Kingdom	Chief Executive Officer

(a) Listed company.

EXECUTIVE VICE-PRESIDENT

MARIE-AIMÉE BICH-DUFOUR	
Age	52
Nationality	French
Date of 1st appointment	Board of March 22, 1995
Number of BIC shares held	Holds BIC shares directly and indirectly through the familial holding, SOCIÉTÉ M.B.D. On December 31, 2010, SOCIÉTÉ M.B.D. held 25.55% of SOCIÉTÉ BIC share capital and 34.52% of the voting rights
Professional address	SOCIÉTÉ BIC 14 rue Jeanne d'Asnières 92110 Clichy - France

Main positions:

- Executive Vice-President of SOCIÉTÉ BIC;
- General Counsel of BIC Group.

Other current mandates or functions:

COMPANY	COUNTRY	MANDATE/FUNCTION
Association Nationale des Sociétés par Actions (ANSA)	France	Representative of SOCIÉTÉ BIC, Director of the Board
ASMEP-ETI (Syndicat des Entreprises de Taille Intermédiaire)	France	Representative of SOCIÉTÉ BIC, Director of the Board
BIC Holdings Southern Africa (Pty.) Ltd. [(a)]	South Africa	Director of the Board
BIC GmbH [(a)]	Germany	Managing Director
BIC Australia Pty. Ltd. [(a)]	Australia	Director of the Board
BIC Iberia SA [(a)]	Spain	Director of the Board
BIC Violex SA [(a)]	Greece	Director of the Board
Sheaffer (Hong Kong) Co. Ltd. [(a)]	Hong Kong	Director of the Board
BIC India Pvt. Ltd. [(a)]	India	Chairman and Director of the Board
BIC Products Pte. Ltd. [(a)]	India	Chairman and Director of the Board
BWI Manufacturing India Pvt. Ltd. [(a)]	India	Chairman and Director of the Board
BIC Malaysia Sdn. Bhd. [(a)]	Malaysia	Director of the Board
Mondial Sdn. Bhd. [(a)]	Malaysia	Director of the Board
BIC (NZ) Ltd. [(a)]	New-Zealand	Director of the Board
BIC Portugal SA [(a)]	Portugal	Director of the Board

(a) BIC Group.

Expired mandates or functions in the previous five years (non BIC Group companies):

- Not applicable.

ABSENCE OF CONVICTION OF THE DIRECTORS AND THE CORPORATE OFFICERS

To the Company's knowledge and during the five previous years, no Directors or Corporate officers has been convicted in relation to fraudulent offences, associated with a bankruptcy, receivership or liquidation or the subject of any official public incrimination or sanction by statutory or regulatory authorities (including designated professional bodies) or a decision by a court disqualifying them from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

ABSENCE OF A CONFLICT OF INTERESTS AMONG THE DIRECTORS AND THE CORPORATE OFFICERS

There is no conflict of interest between any duties to the issuer, of the persons referred to above, and their private interests and/or other duties.

2. Senior Management compensation and employees' interests in the issuer's capital

2.1. SENIOR MANAGEMENT COMPENSATION

2.1.1. Compensation policy

2.1.1.1. General policy

Remuneration is fixed by the Board of Directors upon the recommendation of the Compensation and Nomination Committee. This Committee:

- analyzes and compares trends in remuneration for comparable individuals and positions in the marketplace;
- analyzes the performance of individuals and of the Company as a whole;
- ensures that the Group's policies and priorities are reflected in variable remuneration programs, both short and long-term.

2.1.1.2. Rules governing the granting of the variable annual part (Bonus) in 2010

a) The Chairman, Mr. Bruno Bich, received no variable remuneration for 2010.

b) The bonus paid to the Chief Executive Officer, Mr. Mario Guevara, was calculated on the basis of five criteria proposed by the Compensation and Nomination Committee and authorized by the Board of Directors at the beginning of the fiscal year:

CRITERIA	2010 BONUS TARGET AS A % OF BASE SALARY	ACTUAL 2010 BONUS PAID, AS A % OF BASE SALARY
Group net sales	25%	27%
Net income	25%	41%
Net cash from operating activities	15%	22%
Inventory	10%	10%
Personal objectives	35%	35%
TOTAL	**110%**	**135%**

The bonus paid for 2010 represents 122.7% of the bonus target = 945,000 U.S. dollars.

c) The bonus paid to the Executive Vice-Presidents, Mr. François Bich and Mrs. Marie-Aimée Bich-Dufour, was calculated on the basis of four criteria:

Bonus – François Bich

CRITERIA	2010 BONUS TARGET AS A % OF BASE SALARY	ACTUAL 2010 BONUS PAID, AS A % OF BASE SALARY
Net sales	12%	16.00%
Income from operations	18%	27.00%
Inventory	12%	14.64%
Personal objectives and general appraisal	18%	20.70%
TOTAL	**60%**	**78.54%**

The 2010 bonus paid to Mr. François Bich has been rounded to 350,000 euros, which represents 132% of the bonus target.

Bonus - Marie-Aimée Bich-Dufour

CRITERIA	2010 BONUS TARGET AS A % OF BASE SALARY	ACTUAL 2010 BONUS PAID, AS A % OF BASE SALARY
Net sales	9.00%	9.99%
Income from operations	13.50%	19.58%
Inventory	9.00%	10.98%
Personal objectives and general appraisal	13.50%	15.60%
TOTAL	**45.00%**	**56.15%**

The 2010 bonus paid to Mrs. Marie-Aimée Bich-Dufour represents 125% of the bonus target = 150,285 euros.

2.1.2. Individual remuneration

The total amount of remuneration awarded to the four Corporate Officers for the fiscal year 2010 is equal to 1,403,618 euros as fixed remuneration (base) and 1,213,224 euros as variable remuneration (bonus). For the fiscal year 2009, those amounts were 1,344,212 euros as fixed remuneration (base) and 1,065,977 euros as variable remuneration (bonus). [1]

The total amount of remuneration awarded to the members of the Management team ("Leadership" team of eleven members, including the Chief Executive Officer and the two Executive Vice-Presidents) was equal to 3,466,920 euros as fixed remuneration (base) and 2,678,529 as variable remuneration (bonus). For the fiscal year 2009, the team was made up of eleven members and those amounts were 3,308,296 euros as fixed remuneration (base) and 2,337,135 as variable remuneration (bonus) [1].

Total compensation and fringe benefits awarded for fiscal years 2009 and 2010 by SOCIÉTÉ BIC and by the companies it controls, according to Article L. 233-16 of the French Commercial Code, to members of the Management bodies and to Senior Management of SOCIÉTÉ BIC in accordance with their functions within the Group, were as follows:

Tables 1 - Summary of compensation, options and shares awarded to each Corporate Officer

BRUNO BICH CHAIRMAN	FINANCIAL YEAR 2009 *(in euros)*	FINANCIAL YEAR 2010 *(in euros)*
Compensation due in respect of the financial year (detailed in table 2)	150,000	165,000
Valuation of stock options awarded during the financial year (detailed in table 4)	-	-
Valuation of performance shares awarded during the financial year (detailed in table 6)	-	-
TOTAL	**150,000**	**165,000**

Mr. Bruno Bich has been the Non-Executive Chairman since March 2006 and receives a fixed remuneration (with no variable element) through SOCIÉTÉ BIC, in relation to his position as Non-Executive Chairman.

MARIO GUEVARA CHIEF EXECUTIVE OFFICER	FINANCIAL YEAR 2009 *(in U.S. dollars)* [a]	FINANCIAL YEAR 2010 *(in U.S. dollars)* [b]
Compensation due in respect of the financial year (detailed in table 2)	1,638,000 (1,176,133 euros)	1,726,267 (1,302,352 euros)
Valuation of stock options awarded during the financial year (detailed in table 4)	-	-
Valuation of performance shares awarded during the financial year (detailed in table 6)	863,350 (619,911 euros)	1,275,486 (962,268 euros)
TOTAL	**2,501,350 (1,796,044 euros)**	**3,001,753 (2,264,620 euros)**

(a) Amounts in U.S. dollars were converted into euros using the average exchange rate for 2009 (1 euro = 1.3927 U.S. dollars).

(b) Amounts in U.S. dollars were converted into euros using the average exchange rate for 2010 (1 euro = 1.3255 U.S. dollars). (See Note 1.10 to the consolidated financial statements).

(1) Amounts in U.S. dollars were converted into euros using the average exchange rate for 2010 (1 euro = 1.3255 U.S. dollars) and for 2009 (1 euro = 1.3927 U.S. dollars).

FRANÇOIS BICH EXECUTIVE VICE-PRESIDENT	FINANCIAL YEAR 2009 *(in euros)*	FINANCIAL YEAR 2010 *(in euros)*
Compensation due in respect of the financial year (detailed in table 2)	748,331	793,299
Valuation of stock options awarded during the financial year (detailed in table 4)	-	-
Valuation of performance shares awarded during the financial year (detailed in table 6)	-	471,700
TOTAL	**748,331**	**1,264,999**

MARIE-AIMÉE BICH-DUFOUR EXECUTIVE VICE-PRESIDENT	FINANCIAL YEAR 2009 *(in euros)*	FINANCIAL YEAR 2010 *(in euros)*
Compensation due in respect of the financial year (detailed in table 2)	406,384	420,167
Valuation of stock options awarded during the financial year (detailed in table 4)	-	-
Valuation of performance shares awarded during the financial year (detailed in table 6)	126,350	165,095
TOTAL	**532,734**	**585,262**

Tables 2 - Summary of the compensation of each Corporate Officer

BRUNO BICH CHAIRMAN	AMOUNTS FOR FINANCIAL YEAR 2009 *(in euros)*		AMOUNTS FOR FINANCIAL YEAR 2010 *(in euros)*	
	Due	Paid	Due	Paid
Fixed compensation	150,000	150,000	165,000	165,000
Variable compensation	-	-	-	-
Extraordinary compensation	-	-	-	-
Directors' fees	-	-	-	-
Fringe benefits	-	-	-	-
TOTAL	**150,000**	**150,000**	**165,000**	**165,000**

MARIO GUEVARA CHIEF EXECUTIVE OFFICER	AMOUNTS FOR FINANCIAL YEAR 2009 *(in U.S. dollars)* (a)		AMOUNTS FOR FINANCIAL YEAR 2010 *(in U.S. dollars)* (b)	
	Due	Paid	Due	Paid
Fixed compensation	682,760 (490,242 euros)	682,760 (490,242 euros)	700,000 (528,103 euros)	700,000 (528,103 euros)
Variable compensation	860,000 (617,506 euros)	653,440 (469,189 euros)	945,000 (712,939 euros)	860,000 (648,812 euros)
Extraordinary compensation	-	-	-	-
Directors' fees	-	-	-	-
Fringe benefits	1) Vehicle benefit: 19,200 (13,786 euros)	1) Vehicle benefit: 19,200 (13,786 euros)	1) Vehicle benefit: 19,200 (14,485 euros)	1) Vehicle benefit: 19,200 (14,485 euros)
	2) Company contributions to Company U.S. savings plan: a) 401 K: 7,350 (5,278 euros) b) "Exec Comp Plan": 27,310 (19,609 euros) 3) Other: 41,380 (29,712 euros)	2) Company contributions to Company U.S. savings plan: a) 401 K: 7,350 (5,278 euros) b) "Exec Comp Plan": 27,310 (19,609 euros) 3) Other: 41,380 (29,712 euros)	2) Company contributions to Company U.S. savings plan: a) 401 K: 7,350 (5,545 euros) b) "Exec Comp Plan": 28,000 (21,124 euros) 3) Other: 26,717 (20,156 euros)	2) Company contributions to Company U.S. savings plan: a) 401 K: 7,350 (5,545 euros) b) "Exec Comp Plan": 28,000 (21,124 euros) 3) Other: 26,717 (20,156 euros)
TOTAL	**1,638,000 (1,176,133 euros)**	**1,431,440 (1,027,816 euros)**	**1,726,267 (1,302,352 euros)**	**1,641,267 (1,238,225 euros)**

(a) Amounts in U.S. dollars were converted into euros using the average exchange rate for FY 2009 (1 euro = 1.3927 U.S. dollars).

(b) Amounts in U.S. dollars were converted into euros using the average exchange rate for FY 2010 (1 euro = 1.3255 U.S. dollars). (See Note 1.10 of the consolidated financial statements).

FRANÇOIS BICH EXECUTIVE VICE-PRESIDENT	AMOUNTS FOR FINANCIAL YEAR 2009 *(in euros)*		AMOUNTS FOR FINANCIAL YEAR 2010 *(in euros)*	
	Due	Paid	Due	Paid
Fixed compensation	436,320	436,320	442,865	442,865
Variable compensation	311,969	196,906	350,000	311,969
Extraordinary compensation	-	-	-	-
Directors' fees	-	-	-	-
Fringe benefits	42	42	Vehicle (Value of benefit): 434	Vehicle (Value of benefit): 434
TOTAL	**748,331**	**633,268**	**793,299**	**755,268**

MARIE-AIMÉE BICH-DUFOUR EXECUTIVE VICE-PRESIDENT	AMOUNTS FOR FINANCIAL YEAR 2009 *(in euros)*		AMOUNTS FOR FINANCIAL YEAR 2010 *(in euros)*	
	Due	Paid	Due	Paid
Fixed compensation	267,650	267,650	267,650	267,650
Variable compensation	136,502	90,709	150,285	136,502
Extraordinary compensation	-	-	-	-
Directors' fees	-	-	-	-
Fringe benefits	Vehicle (Value of benefit): 2,232	Vehicle (Value of benefit): 2,232	Vehicle (Value of benefit): 2,232	Vehicle (Value of benefit): 2,232
TOTAL	**406,384**	**360,591**	**420,167**	**406,384**

2.1.3. Directors' fees

Mr. Bruno Bich, Mr. Mario Guevara, Mr. François Bich and Mrs. Marie-Aimée Bich-Dufour receive no Directors' fees in connection with the functions they perform in Group companies.

Also, none of the Leadership Team members receive Directors' fees in connection with the functions they perform in Group companies.

Total Directors' fees paid to Mrs. Chandon-Moët, Mrs. Poinsot, Mr. Glen, Mr. Pélisson, Mr. Poupart-Lafarge, Mr. Rostand, Mr. Treuille, Mr. Vareille and SOCIÉTÉ M.B.D. are determined on the basis of their participation in the Audit Committee and the Compensation and Nomination Committee of the Board of Directors.

These Board members do not receive any other compensation from BIC.

TABLE 3 - NON-CORPORATE OFFICERS' FEES

BOARD MEMBERS	DIRECTORS' FEES PAID RELATING TO 2009 *(in euros)*	DIRECTORS' FEES PAID RELATING TO 2010 *(in euros)*
Marie-Pauline Chandon-Moët	27,000	30,000
John Glen	36,000	40,000
Gilles Pélisson	36,000	40,000
Marie-Henriette Poinsot	36,000	40,000
Frédéric Rostand	45,000	40,000
SOCIÉTÉ M.B.D.	36,000	40,000
Pierre Vareille	27,000	40,000
TOTAL	**243,000**	**270,000**

2.1.4. Allocation of stock options

Exercising the authorization granted to them by the Annual Shareholders' Meetings held on May 12, 1998, May 28, 2003, May 24, 2006 and May 21, 2008, the Board of Directors resolved to grant stock options in the framework of a policy recommended and approved by the Compensation and Nomination Committee:

- the allocation occurs on a yearly basis. Since 2000, plans are subscription plans;
- no discount on the exercise price has been approved (since 1998);
- the number of recipients represents more than 7% of the Group's employees. Each year, some 500 senior managers and executives are declared eligible on the basis of their position in the Company and their performance. At the same time, all staff, whether at executive or non-executive levels, may be awarded stock options if they are selected by Management;
- individual allocations are determined on the basis of performance through the year by the person concerned. Exceptionally good performances over the year are rewarded by equally exceptional allocations. Thus, in 2010, 53 key contributors were rewarded by a supplementary exceptional grant;
- in 2010 none of the Corporate Officer were granted stock options.

The dilutive impact of the stock option grants is reported in Note 8 to the consolidated financial statements.

A template that summarizes all stock option plans is included in Note 18 to the consolidated financial statements.

Tables 4 - Stock options awarded during the financial year 2010 to each Corporate Officer

OPTIONS AWARDED TO EACH CORPORATE OFFICER BY THE ISSUER AND BY ANY COMPANY OF THE GROUP (NOMINATIVE LIST)	NUMBER AND DATE OF THE PLAN	NATURE OF THE OPTIONS (PURCHASE OR SUBSCRIPTION)	VALUATION OF THE OPTIONS ACCORDING TO THE METHOD USED FOR THE CONSOLIDATED FINANCIAL STATEMENTS *(in euros)*	NUMBER OF OPTIONS AWARDED DURING THE FINANCIAL YEAR 2010	EXERCISE PRICE *(in euros)*	EXERCISE PERIOD
N/A	-	-	-	-	-	-

Stock options awarded during the financial year 2009 to each Corporate Officer

OPTIONS AWARDED TO EACH CORPORATE OFFICER BY THE ISSUER AND BY ANY COMPANY OF THE GROUP (NOMINATIVE LIST)	NUMBER AND DATE OF THE PLAN	NATURE OF THE OPTIONS (PURCHASE OR SUBSCRIPTION)	VALUATION OF THE OPTIONS ACCORDING TO THE METHOD USED FOR THE CONSOLIDATED FINANCIAL STATEMENTS *(in euros)*	NUMBER OF OPTIONS AWARDED DURING THE FINANCIAL YEAR 2009	EXERCISE PRICE *(in euros)*	EXERCISE PERIOD
N/A	-	-	-	-	-	-

Tables 5 - Stock options exercised during the financial year 2010 by each Corporate Officer

OPTIONS EXERCISED BY CORPORATE OFFICERS (NOMINATIVE LIST)	NUMBER AND DATE OF THE PLAN	NUMBER OF OPTIONS EXERCISED DURING THE FINANCIAL YEAR 2010	EXERCISE PRICE *(in euros)*	AWARD YEAR
	7 (Dec. 15, 2004)	12,000	36.76	2004
Mario Guevara	8 (Dec. 14, 2005)	15,000	50.01	2005
Marie-Aimée Bich-Dufour	3 (Dec. 18, 2000)	6,500	41.03	2000

Stock options exercised during the financial year 2009 by each Corporate Officer

OPTIONS EXERCISED BY CORPORATE OFFICERS (NOMINATIVE LIST)	NUMBER AND DATE OF THE PLAN	NUMBER OF OPTIONS EXERCISED DURING THE FINANCIAL YEAR 2009	EXERCISE PRICE *(in euros)*	AWARD YEAR
Marie-Aimée Bich-Dufour	2 (Dec. 16, 1999)	6,500	40.83	1999

2.1.5. Free, performance-based share allocations

From 2005, exercising the power placed at its disposal by the May 19, 2005 Annual Shareholders' Meeting, by the May 23, 2007 Annual Shareholders' Meeting, and by the May 12, 2010 Annual Shareholders' Meeting the Board of Directors resolved, upon the recommendation of the Compensation and Nomination Committee, to put in place a policy of three-year performance-based free share grants.

Regarding the first six plans, performance is assessed according to the achievement of two objectives:

- net sales growth;
- net cash from operating activities, excluding capital outlays, as a percentage of net sales.

At the conclusion of this three-year period in which the required level of performance must be achieved, the shares, which are permanently transferred, will be non-transferable for a further period of three years. In addition, according to Law n°2006-1770 of December 30, 2006, BIC Corporate Officers will have to keep 20% of free shares acquired, until their mandate expires. The 20% will be reduced to 10% when the Chief Executive Officer owns five years of base salary in BIC shares and when the Executive Vice-Presidents own three years of base salary in BIC shares.

In 2010, 83,475 shares were granted to 27 beneficiaries.

In 2009, 60,150 shares were granted to 17 beneficiaries.

The total number of granted shares is reported in Note 18 to the consolidated financial statements.

Tables 6 - Performance shares awarded during the financial year 2010 to each Corporate Officer

PERFORMANCE SHARES AWARDED DURING THE FINANCIAL YEAR 2010 TO EACH CORPORATE OFFICER BY THE ISSUER AND BY ANY COMPANY OF THE GROUP	NUMBER AND DATE OF THE PLAN	NUMBER OF SHARES AWARDED DURING THE FINANCIAL YEAR 2010	VALUATION OF THE SHARES ACCORDING TO THE METHOD USED FOR THE CONSOLIDATED FINANCIAL STATEMENTS *(in euros)*	ACQUISITION DATE	AVAILABILITY DATE	PERFORMANCE CONDITIONS
Mario Guevara	6 (Feb. 16, 2010)	20,400	962,268	Mar. 16, 2013	Mar. 16, 2016	1. Increase Net Sales 2. Net cash from operating activities, excluding capital outlays, as a percentage of net sales
François Bich	6 (Feb. 16, 2010)	10,000	471,700	Mar. 16, 2013	Mar. 16, 2016	
Marie-Aimée Bich-Dufour	6 (Feb. 16, 2010)	3,500	165,095	Mar. 16, 2013	Mar. 16, 2016	

Performance shares awarded during the financial year 2009 to each Corporate Officer

PERFORMANCE SHARES AWARDED DURING THE FINANCIAL YEAR 2009 TO EACH CORPORATE OFFICER BY THE ISSUER AND BY ANY COMPANY OF THE GROUP	NUMBER AND DATE OF THE PLAN	NUMBER OF SHARES AWARDED DURING THE FINANCIAL YEAR 2009	VALUATION OF THE SHARES ACCORDING TO THE METHOD USED FOR THE CONSOLIDATED FINANCIAL STATEMENTS *(in euros)*	ACQUISITION DATE	AVAILABILITY DATE	PERFORMANCE CONDITIONS
	5 (Feb. 10, 2009)	16,450	593,845	Mar. 10, 2012	Mar. 10, 2015	1. Increase Net Sales 2. Net cash from operating activities, excluding capital outlays, as a percentage of net sales
Mario Guevara	5 (Feb. 10, 2009)	806	26,066	Mar. 10, 2016	Mar. 10, 2018	
Marie-Aimée Bich-Dufour	5 (Feb. 10, 2009)	3,500	126,350	Mar. 10, 2012	Mar. 10, 2015	

Tables 7 - Performance shares that have become available during the financial year 2010

PERFORMANCE SHARES THAT HAVE BECOME AVAILABLE FOR EACH CORPORATE OFFICER (NOMINATIVE LIST)	NUMBER AND DATE OF THE PLAN	NUMBER OF SHARES THAT HAVE BECOME AVAILABLE DURING THE FINANCIAL YEAR 2010	ACQUISITION TERMS	AWARD YEAR
N/A	-	-	-	-

Performance shares that have become available during the financial year 2009

PERFORMANCE SHARES THAT HAVE BECOME AVAILABLE FOR EACH CORPORATE OFFICER (NOMINATIVE LIST)	NUMBER AND DATE OF THE PLAN	NUMBER OF SHARES THAT HAVE BECOME AVAILABLE DURING THE FINANCIAL YEAR 2009	ACQUISITION TERMS	AWARD YEAR
N/A	-	-	-	-

2.1.6. Pension plans

a) Since April 2006, the Chairman, Mr. Bruno Bich, has been receiving a pension paid by the BIC CORPORATION Supplementary Executive Retirement Plan, to which he has been contributing for more than 30 years. In 2010 Mr. Bruno Bich received 555,360 U.S. dollars,

b) Mr. Mario Guevara contributes to the BIC CORPORATION Supplementary Executive Retirement Plan. This plan provides a pension equal to 2.5% of the average remuneration of the last three years of service, by year of seniority, with a maximum of 50% (*i.e.* 20 years). The commitments arising from this plan are recorded in BIC CORPORATION's accounts in accordance with IAS 19. The amount of pension liability included in BIC's IAS 19 obligation as of December 31, 2010 for Mario Guevara is 5,703,908 U.S. dollars (5,220,117 U.S. dollars for the Supplementary Executive Retirement Plan and 483,791 U.S. dollars for the U.S. Qualified Pension Plan). As of December 31, 2010, Mario Guevara has accrued a pension benefit equivalent to 2.5% x 18 years of service = 45% of the average of the last three years of service,

c) Mr. François Bich and Mrs. Marie-Aimée Bich-Dufour contribute to the Supplementary Executive Retirement Plan for BIC executives in France. This plan, which is an additional pension plan, provides a supplementary pension to the compulsory plans equal to 1.25% of the average remuneration of the last three years of service, based on years of membership of the plan, with a maximum of 25% (*i.e.* 20 years). In addition, the consolidation of all their pension rights cannot exceed a replacement rate of 50%. SOCIÉTÉ BIC has made provision for the commitments arising from this plan in accordance with IAS 19. The amount of pension liability included in BIC's IAS 19 obligation as of December 31, 2010 is 3,473,205 euros for Francois Bich and 659,945 euros for Marie-Aimée Bich-Dufour. As of December 31, 2010, François Bich has accrued a pension benefit equivalent to 1.25% x 20 years of service = 25% of the average remuneration of the last three years of service and Marie-Aimée Bich-Dufour has accrued a pension benefit equivalent to 1.25% x 15 years of service = 18.75% of the average remuneration of the last three years of service,

2.1.7. Exceptional remuneration (paid upon assuming or relinquishing an appointment)

No commitment was entered into with Corporate Officers regarding exceptional remuneration to be paid at the conclusion of their term of appointment.

TABLE 8

CORPORATE OFFICERS	WORKING CONTRACT		SUPPLEMENTARY PENSION PLAN		MANDATE TERMINATION INDEMNITIES OR BENEFITS		NON-COMPETITION INDEMNITIES	
	Yes	No	Yes	No	Yes	No	Yes	No
Bruno Bich **Chairman** 1st nomination: June 2, 1986 End of mandate: Annual Shareholders' Meeting in 2010, for the fiscal year 2009		X	X			X		X
Mario Guevara **Chief Executive Officer** Beginning of mandate: March 1, 2006		X (a)	X (See §2.1.6.)			X		X
François Bich **Executive Vice-President** Beginning of mandate: December 15, 1988		X	X (See §2.1.6.)			X		X
Marie-Aimée Bich-Dufour **Executive Vice-President** Beginning of mandate: March 22, 1995		X	X (See §2.1.6.)			X		X

(a) No working contract was concluded between SOCIÉTÉ BIC and Mario Guevara. Mario Guevara is also Chief Executive Officer of BIC CORPORATION and BIC INTERNATIONAL, American companies. No termination payments are provided for these two functions, which can be terminated at any time.

2.2. TRANSACTIONS IN COMPANY SHARES BY CORPORATE OFFICERS IN 2010 (ARTICLE L. 621-18-2 OF THE MONETARY AND FINANCIAL CODE)

Summary of notifications established pursuant to Article L. 621-18-2 of the Monetary and financial code (details available on www.amf-france.org):

DECLARING	TYPES AND NUMBER OF TRANSACTIONS			NUMBER OF SHARES
	PURCHASES	SALES	OTHERS	
	5 (a)			27,000
Mario Guevara		5		25,100
			1 (b)	1,792,422
Bruno Bich		24		330,000
SOCIÉTÉ M.B.D.	7			26,000
Edouard Bich		4		39,108
	3 (a)			6,500
Marie-Aimée Bich-Dufour		3		6,500

(a) Exercise of stock options.

(b) Off-exchange. Operations between Bruno Bich and American trusts whose beneficiaries are Bruno Bich himself and individuals related to him.

2.3. EMPLOYEES' INTERESTS IN THE ISSUER'S CAPITAL

2.2.1. Agreements for profit sharing

No plan in conformance with the issuer (SOCIÉTÉ BIC has no salaried employees) but every subsidiary can have its own agreement according to the applicable law.

2.2.2. Stock options granted to the ten highest paid employees who are not Corporate Officers, and options exercised

STOCK OPTIONS GRANTED TO THE TEN HIGHEST PAID EMPLOYEES WHO ARE NOT CORPORATE OFFICERS, AND OPTIONS EXERCISED	TOTAL NUMBER OF ATTRIBUTED OPTIONS/OF SUBSCRIBED SHARES	WEIGHTED AVERAGE PRICE *(in euros)*	DATE OF MATURITY	NUMBER OF PLAN
Options **granted during the** exercise by the issuer and by any company included in the perimeter of allocation of the options, to ten employees of the issuer and any company included in this perimeter, receiving the highest number of options so granted	33,350	63.71	Dec. 15, 2018	13
Options held on the issuer and the companies concerned previously, **raised, during the year,** by the ten employees of the issuer and these companies, receiving the highest number of so subscribed options	10,000	41.03	Dec. 17, 2010	3
	5,000	36.57	Dec. 12, 2011	4
	6,000	30.93	Dec. 9, 2012	5
	12,000	36.96	Dec. 16, 2013	6
	31,000	36.76	Dec. 14, 2014	7
	36,000	50.01	Dec. 13, 2015	8
	21,000	52.35	Dec. 12, 2014	9
	7,500	49.62	Dec. 10, 2015	10
TOTAL	**128,500**			

The characteristics of these plans are described in Note 18 to the consolidated financial statements as well as the use made by the employees.

3. Chairman's report on the Board of Directors function and on the risk management and internal control procedures implemented by the Company

Dear Shareholders,

You will find hereafter the requested information in compliance with the Article L. 225-37 of the French Commercial Code.

3.1. COMPOSITION AND FUNCTION OF ADMINISTRATIVE AND MANAGEMENT BODIES

3.1.1. Composition of administrative and management bodies

See §1. Mandates of the Directors and of the Corporate Officers as of December 31, 2010.

3.1.2. Function of the Board of Directors

Rules of Procedures formalizing the mission, organization and ethical principles that guide the actions of the Board of Directors were developed in 2003. SOCIÉTÉ BIC abides by the AFEP and MEDEF's corporate governance Code of listed corporations (available on the website www.medef.fr). The Company complies with this Code except when indicated in the present report.

a) Mission

The Board of Directors determines the broad lines of the Company's business activities and ensures their implementation. It deals with all matters relating to the conduct of the Company's business and decides all pertinent issues.

The Board of Directors has to give its opinion on matters that can have a significant impact on the development, strategy or operation of the Group.

In order to successfully achieve its mission, the Board of Directors of SOCIÉTÉ BIC has complete, sincere and fast information, in particular regarding the activity of each category, as well as the financial and treasury situation of the Company.

The Rules of Procedures provide how the Board of Directors is kept informed about the financial situation of the Company. It also provides that each Director has the duty to keep up-to-date and to ensure that he receives in due time sufficient and relevant information.

Directors and other people concerned are informed in writing of rules concerning restrictions and/or prohibitions regarding share purchase or sale activity when they have information not yet made public.

b) Formation

According to the articles of incorporation, the Board of Directors must comprise between three and twelve members. The Rules of Procedures state that "the Board endeavors to be composed of at least one third Independent Directors (…)". (Title I, Section 1).

Among the ten members of the Board of Directors of SOCIÉTÉ BIC are:

- four Independent Directors within the definition of the AFEP and MEDEF's corporate governance Code of listed corporations: John Glen, Gilles Pélisson, Frédéric Rostand and Pierre Vareille. These Directors do not have any relation of any kind with the Company, its Group or its management that is such as to color their judgment. Characterization as an Independent Director has been reviewed by the Board of Directors prior to publication of the annual report;
- two women, in accordance with Article 5 of Law n° 2011-103 of January 27, 2011: Marie-Pauline Chandon-Moët and Marie-Henriette Poinsot;
- four nationalities, helping the BIC Group to benefit from an international vision.

The Directors are elected by the Annual Shareholders' Meeting. The term of their mandate is three years except shorter term in order to favor a smooth replacement of Directors. The Rules of Procedures also provide that any Director must be a Shareholder and should hold, beyond the only statutory requirement (one share), 500 shares.

The separation of the functions of Chairman of the Board and Chief Executive Officer was decided at the Board of Directors Meeting of February 28, 2006, effective as of March 1, 2006.

c) Function

The Board of Directors is assisted by two Committees of experts, the Audit Committee and the Compensation and Nomination Committee. These Committees meet several days prior to the Board Meeting which allows the Management team to take any necessary additional corrective measures to be reviewed at the Board Meeting.

Invitation and notification to Board members for upcoming meetings are always confirmed in writing.

In principle, the Board of Directors meets at least six times a year in ordinary session, as follows:

- in February/March, to review the previous year's financial statements and approve the upcoming annual budget;
- in April, to examine the accounts of the 1st Quarter of the year;
- in May, after the Ordinary Annual Shareholders' Meeting;
- in August, for the half-year results;
- in October, to examine accounts of the 3rd Quarter of the year;
- in December, to analyze the activity and the initial estimates of full-year results.

Other meetings of the Board of Directors are organized as required by the Group's business activities throughout the year. The meetings serve to provide the Board with regular and relevant information and promote an environment for strong corporate governance.

The Chief Executive Officer, the Executive Vice-Presidents and the Leadership Team members, the Statutory Auditors (when their convening is not mandatory), or any other person having a particular expertise as to the matters included in the agenda, are authorized, at the request of the Chairman, to attend the whole or part of the Board Meeting.

In 2010, the Board of Directors met seven times for meetings of an average of three hours and nineteen minutes. The average rate of attendance was 98.6%. The Board of Directors ruled in particular on the following points:

- Accounts and budget
  - settlement of the statutory accounts and of the consolidated financial statements for the year ended December 31, 2009 and for the first half of the year 2010,
  - review of the quarterly results,
  - revision of the 2010 budget and 2011 preliminary budget.
- Corporate governance
  - setting compensation for Corporate Officers and Directors,
  - allocation of stock options and of free performance shares,
  - drawing-up of the various documents submitted to the Shareholders' Meeting.
- Strategy
  - analysis of the strategy for the Group's Shaver category,
  - analysis of the industrial strategy,
  - litigation regarding the company CELLO (arbitration procedure pending).
- Miscellaneous
  - progress of the project for fuel cell,
  - share repurchase program - cancellation of shares,
  - Sustainable Development program.

d) Assessment

The Rules of Procedures prescribe that, once per annum, the Board of Directors must devote a point of its agenda to a discussion on its operation. This assessment makes it possible to give a progress report on the procedures of the Board of Directors in order to increase its efficiency and to ensure that the important questions are suitably prepared and discussed. (Title I, Section 3, Article 3.3).

At the beginning of 2011, an assessment of the performance of the Board of Directors during the previous year was conducted through a questionnaire that was sent to each Director. This questionnaire was mainly related to the composition of the Board of Directors, to the access to information by the Directors, to the quality and efficiency of the discussions held within the Board of Directors, as well as to the role and performance of the Committees of experts. This evaluation made it possible to acknowledge that it was neither necessary to modify the Rules of Procedure, nor to further formalize the rules of operation of the Board of Directors.

e) Principles and rules defined by the Board of Directors in order to determine the remuneration and benefits of the Corporate Officers

See §2 – Senior Management compensation.

The Company abides by the AFEP and MEDEF's recommendations on the compensation of Corporate Officers (see AFEP and MEDEF's corporate governance Code). Three recommendations cannot be applied for the following reasons:

1. Mr. Mario Guevara, CEO of BIC CORPORATION and of BIC INTERNATIONAL, American companies, could be entitled to a pension established by BIC CORPORATION, without being an Corporate Officer of SOCIÉTÉ BIC, BIC CORPORATION or BIC INTERNATIONAL.

   The American senior managers benefit from this pension plan, established by BIC CORPORATION for more than 30 years. Mr. Mario Guevara, in the Group for 18 years, has been eligible for this pension for ten years, significantly in advance of his appointment as Executive Vice-President and then CEO. Eighteen individuals benefit from this pension plan, which has not been modified since the appointment of Mr. Mario Guevara.

2. According to the recommendations, performance shares granted to Corporate Officers must be conditional on the acquisition of a defined quantity of shares at the time when the beneficiary has the disposal of the awarded shares.

   Since December 11, 2007's plan, Corporate Officers must keep 20% of performance shares definitely acquired, until their mandate expires (the 20% will be reduced to 10% when the CEO owns five years of base salary in BIC shares and when Executive Vice-Presidents own three years of base salary in BIC shares). This obligation to keep shares, added to the performance conditions, appears sufficient.

3. It is also recommended that the acquisition of performance shares is linked to the internal performance requirements of the Company and external performance requirements (*e.g.* linked to the performance of other companies of the same sector).

   To date, two internal performance requirements are in force, but the external references were not deemed sufficiently relevant to justify their adoption.

3.1.3. Committees set up by the Board of Directors

Two Committees of experts, the Audit Committee and the Compensation and Nomination Committee assist the Board of Directors.

Audit Committee

John Glen – Chairman (Independent Director).

Édouard Bich (permanent representative of SOCIÉTÉ M.B.D.).

Pierre Vareille (Independent Director).

The Audit Committee was created in 1997. Its primary mission is to ensure that the accounting principles applied to the Company's consolidated and statutory accounts comply with current standards and are consistently applied, and to ensure that the internal consolidation procedures and controls yield financial statements that fairly represent business results.

The Audit Committee is responsible for providing its opinion on nomination of External Auditors, as well as attesting to the quality of the Auditors' work and their independence. This includes verifying there is no potential conflict between the Auditors and the Company.

On April 20, 2010, Frédéric Rostand left the Audit Committee and has been replaced by Pierre Vareille.

The career of the Audit Committee members allows them to benefit from financial and accountant skills necessary to fulfil their mission. John Glen, President of the Committee, has eight years experience as Group Finance Director of Air Liquide SA between 2000 and 2008. He was Vice Chairman of EFRAG (European Financial Reporting Group) Supervisory Board for four years. He is a fellow of the Chartered Institute of Certified Accountants and holds a Masters degree in Economics. Edouard Bich spent eight years in the Finance Department of Procter & Gamble in France. He holds a MBA in Finance from Wharton University - USA. Pierre Vareille was an Industrial and then Strategic Financial Controller at Vallourec (1984-1987). Since 1990, he was CEO and Chairman of various industrial international companies, including a listed company in London. Pierre Vareille has a Financial Management degree and he is a graduate of the Institute of Political Studies – Economic and Financial Section (Paris). He is also a graduate of the Institute of Financial Control (Paris).

During 2010, the Audit Committee met 5 times in the presence of its President and of all other members. Representatives from both audit firms attended the meetings. Some of the meeting discussions were conducted with members of the Management team, and others in the absence of Management.

Among other tasks, the Committee continues to monitor new communications and requirements related to the Law of Financial Security (LSF) and the Company's implementation plan to meet these requirements. The Audit Committee also reviews any new International Financial Reporting Standards, Internal Control Structure and other financial reporting matters including the registration document.

In 2010, the Audit Committee also worked on the renewal of Auditors' mandates which will occur during the Annual Shareholders' Meeting to be held in 2011. Based on the opinion of the Audit Committee, the Board of Directors concluded there is no need to conduct a tender for this renewal, considering that the recent appointment of the audit firm Grant Thornton (during 2007), the rotation of the partners in charge of the mission within their audit firm and a better distribution of geographic areas between the two audit firms were likely to insure their independence.

Compensation and Nomination Committee

Gilles Pélisson – Chairman (Independent Director).

Marie-Henriette Poinsot.

Frédéric Rostand (Independent Director).

The Compensation Committee was created in 2001 and is responsible for examining the remuneration of Corporate Officers and of the members of the General Management and making proposals to the Board of Directors. This responsibility includes Group salary policy, benefits, stock-option plans and free share awards.

From 2007, the Board of Directors decided to allocate to this Committee, now called the Compensation and Nomination Committee, the following additional tasks:

- proposal to the Board of Directors of nomination of new Directors, taking into account the rules regarding the nomination of Independent Directors;
- examination and proposal to the Board of Directors of the succession plan for Corporate Officers, in case of unforeseeable vacancy.

During 2010, the Compensation and Nomination Committee met three times. The average rate of attendance was 100%. The Committee's activity focused specifically on:

- details and level of remuneration for the Chairman;
- details and level of base remuneration, plus annual variables and long-term incentives for the CEO and the two Executive Vice-Presidents;
- determination of the annual targets used to calculate their variable remuneration;
- details of their supplementary pension plans and other benefits;
- review of the non-recurring compensation of the Corporate Officers and of the management;
- principles and amounts of stock-option awards;
- principles and amounts of free share awards based on performance, in addition to determination of three-year targets that govern these awards;
- analysis of the compliance with AFEP/MEDEF recommendations;
- preparation of the Directors Succession Plan (for which the contribution of the Chairman has been requested);
- preparation of a recruitment policy for Directors.

The Committee also gave its opinion on the remuneration of the BIC Management team and long-term remuneration policy of executives.

3.1.4. Limitation of the powers of the Chief Executive Officer

The Rules of Procedures specify the type of operations that must in any case be first authorized by the Board of Directors [Title I, Section 2, Article 2.2.]:

- transactions not in line with SOCIÉTÉ BIC's announced strategy;
- decisions to set up French or foreign operations by creating an establishment, direct or indirect subsidiary, or by acquiring a participation in a foreign operation, as well as any decisions to discontinue such operations, if the amount of such operations exceeds 50 million euros;
- internal reorganization if the cost of such operation exceeds 50 million euros.

3.2. RISK MANAGEMENT AND INTERNAL CONTROL PROCEDURES IMPLEMENTED BY THE COMPANY

3.2.1. Risk management and internal control definitions and objectives

3.2.1.1. Adoption of the principles of the AMF's Risk Management and Internal Control Systems – Reference Framework

For the issuance of this report, the Group complies with the principles outlined in Part II of the *Risk Management and Internal Control Systems - Reference Framework* updated in July 2010 by the Working Group chaired by Olivier Poupart – Lafarge and set up by the AMF (*Autorité des marchés financiers* – Paris Stock Exchange Authority). This corresponds to a partial adoption of the full text that also provides an *Application Guide for Internal Control Procedures related to the Accounting and Financial Information Published by the Issuer*.

The related specific control activities are the responsibility of the local subsidiaries which constantly adapt them to their current situation, with guidance from the Group Accounting and Controllers' Manual. The application guide has not been formally compared to the existing procedures and processes but the Company does not expect material differences considering the similarity of the application guide with the above mentioned manuals.

a) Risk management

The adoption process takes into account the definition of risk management as a company's dynamic system, defined and implemented under its responsibility. This system is comprehensive and covers all of the company's activities, processes and assets.

Risk management encompasses a set of resources, behaviors, procedures and actions that is adapted to the characteristics of the Company and that enables managers to keep risks at an acceptable level for the Group.

Risk represents the possibility of an event occurring that could affect:

- the Company's ability to reach its objectives;

- the Company's ability to abide by its values, ethics, laws and regulations;
- the Company's personnel, assets, environment or reputation.

Risk management is also a lever for managing the Company that helps:

- create and preserve the Company's value, assets and reputation;
- secure decision-making and the Company's processes to attain its objectives;
- promote the consistency of the Company's actions with its values;
- bring the Company behind a shared vision of the main risks.

b) Internal control

The adoption process also includes the endorsement of the definition for internal control as a company's system, defined and implemented under its responsibility, which aims to ensure that:

- laws and regulations are complied with;
- the instructions and directional guidelines fixed by Executive Management are applied;
- the Company's internal processes are functioning correctly, particularly those implicating the protection of its assets;
- financial information is reliable.

In general, the internal control contributes to the control over a company's activities, to the efficiency of its operations and to the efficient utilization of its resources.

The first objective refers to all laws and regulations in force to which the Company is subject and incorporates in its daily activities to achieve its compliance objectives.

The second addresses the guidelines given to the staff to understand what is expected of them and to be aware of the scope of freedom of action. This communication process is based on the Company's objectives cascaded to the employees.

The third covers all operational, industrial, commercial and financial processes. Assets are understood to be both tangible and intangible assets (know-how, image or reputation) and are used throughout the existing processes of the company.

The last objective deals with the preparation of reliable financial statements, including full, interim and condensed financial statements and selected financial data derived from such statements, such as earnings releases, reported publicly. The reliability of this information depends on the quality of the associated internal control procedures and system that ensure:

- the segregation of duties principle, enabling a clear distinction between recording, operational and retention duties;
- that function descriptions provide guidelines to identify the source of the information and of produced materials;
- the validity of means to check that operations have been performed in accordance with general and specific instructions, and have been accounted for to produce financial information that complies with the relevant accounting standards of the Company.

3.2.1.2. Scope of risk management and internal control

Risk management and internal control as defined in this report concern SOCIÉTÉ BIC as the parent company of the Group and all the entities consolidated within the Group.

The internal control in place has been designed for all entities to suit the existing organization, the objectives determined by the Board of Directors and the Leadership Team, and compliance with law and regulations.

Supporting principles and system have been set up in all relevant areas and subsidiaries, taking into account local specificities and regulations. These principles are also known and followed by different centralized Group departments.

3.2.1.3. Limitations of risk management and internal control systems

Even with the most efficient organization, limitations inherent in risk management and internal control exist. Indeed, risk management and internal control systems cannot provide an absolute guarantee that the Company's objectives will be met.

The major limitations that may exist are the uncertainties in the outside world, the judgmental nature of people's decisions and the result of potential human failure or of a simple error.

Moreover, any time a control activity is to be implemented, the comparative cost/benefit is taken into account ensuring reasonable control coverage.

3.2.2. Components of risk management and internal control of the Company and its subsidiaries

The efficiency of the risk management and internal control systems of a Company relies on its components built to serve the objectives as defined previously.

3.2.2.1. Control environment

Organization

The Group implemented a structured internal control system giving the appropriate guidelines and responsibilities to achieve the objectives set by the Board of Directors and the Leadership Team.

This organization is based on the definition of responsibilities and objectives set by the Management and then shared individually with the employees.

Main tools

To support this structure and measure its accuracy and efficiency, different tools have been implemented. Below are listed the main tools shared by all entities of the Group:

- Code of Ethics and Vision and Values (see §*3.2.3.5 – Employees*);
- Group Accounting and Controllers' Manual.

  These manuals distributed in all entities and available on the Group intranet provide the guidelines respectively for bookkeeping and financial reporting activities under IFRS standards, and for the procedures to respect the internal control system in all sectors of the Company (*i.e.* Purchasing, Treasury, Tax, Sales, etc.);
- Human Resources Management Policy;

Detailed in the *Group Presentation – §6. Workforce Information*, Human Resources Management fully participates in internal control efficiency.

In particular, it ensures that the recruitment process is in line with the knowledge and skills required by the Group. In addition, it promotes Management's objectives to each individual in accordance with his/her role and responsibilities.

As illustration, the Performance, Evaluation and Development (PED) tool was created to efficiently meet the following goals:

- cascading of the Company's objectives to the employees throughout the year,
- training and people development: see *Group Presentation – §6. Workforce Information*.

- Information systems;

Different information systems are used depending on the business processes they support. They are organized primarily by continent. However, consolidation procedures are in place to have access to a consolidated result which allows Group Management to monitor performance and manage the operations.

Most of the Group's entities use fully integrated systems (ERP) to assist in the management of the business and report financial data using a consolidation and management software (see *§3.2.2.4 – Internal Control procedures*).

3.2.2.2. Dissemination of relevant and reliable information

The Company has implemented efficient information dissemination processes and systems that allow accurate communication to the relevant level of responsibility and authority.

The formats of these tools are diverse. They range from IT (Information Technology) solutions (including the Group Intranet, the financial consolidation software, the integrated system implemented per continent, etc.) to existing procedures that include information management.

These information tools aim to support the whole internal control system of the Company and to help the decision process and follow-up for the achievement of Management's objectives.

3.2.2.3. Risk management

Risk management, among its objectives, aims to address the existing risks that could potentially impact the Company. All risks cannot be addressed. When covered, the employed means include internal mitigation processes or external insurance protection.

This specific process leads to a three-step approach based on the following activities:

- risk identification and analysis;
- risk management;
- risk monitoring.

a) Risk identification and analysis

The identification process highlights the main risks arising from both external and internal sources. The driver for identification is the potential impact on the Company's objectives, personnel, assets, environment or reputation.

The risk identification and analysis process consists of two components: a bottom-up approach and a top-down approach:

BOTTOM-UP APPROACH

This annual practice, based on a self-declaration principle, aims to identify and measure from a subsidiary level the risks considered as significant for the Group.

Questionnaires are addressed to the representatives of the targeted level (General Manager/Chief Financial Officer). Their feedback covers more than five years of history regarding the main risks with respect to materiality and probability of occurrence.

The IC&A Department, as the process coordinator, challenges when required the answers received and the action plans mentioned in response to the identified risks. It also consolidates the documents and weights the impacts to deliver a Group Risk Matrix. This matrix provides for all risk categories the average impact for the Group and a summary is shared with the Audit Committee and the Statutory Auditors. It is also shared with the Chairman of the Board.

The analysis and measurement of the identified risks are maintained internally.

TOP-DOWN APPROACH

In addition, following a recommendation of the Audit Committee and a request by the Leadership Team, the Company initiated in 2010 a project to improve formalization of risk management.

This project, conducted by the IC&A Department with the support of an independent advisory firm, is monitored by the Leadership Team. The purpose was to obtain a synthetic overview of major risks that the Group is or could be exposed to.

The approach that consisted in updating the Group risk mapping, could be summarized as follow:

- Risk identification through a questionnaire completed by each member of the Leadership Team and an individual interview led by the project team;
- Synthesis of main risk areas;
- Ranking of risks according to criteria in terms of potential impact and management effectiveness.

Risks listed by this approach have been considered in the *Group Presentation – §8. Risk factors* and will be taken into account for the 2011 audit schedule.

The project also consisted in applying this approach to the process of preparing financial statements and consolidation.

b) Risk management

The major risks identified in the Group risk mapping are managed by the Leadership Team: actions in place for the management of certain identified risks will be reinforced, presented to the Audit Committee and put in place gradually. The other risks will continue to be monitored closely.

In addition, different procedures exist (see *§3.2.2.4. Internal Control procedures*). The Leadership Team, Categories, Continents and

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centralized departments such as Legal, Sustainable Development or Treasury, monitor risks on an ongoing basis. They are involved in the management of risks disclosed in the *Group Presentation – §8. Risk factors*:

- the Treasury Department manages and monitors interest rate exposure and foreign exchange exposure on a daily basis;
- the Legal Department regularly follows changes of laws/regulations and litigations in progress;
- the main industrial and environmental risks are taken into account by the Category or Country Management and the Sustainable Development Department;
- the significant strategic and operational risks are managed by the Leadership Team.

A yearly review of Insurance coverage process is also performed: see *Group Presentation – §8. Risk Factors – Insurance – Coverage of any risks to which the issuer may be exposed*.

c) Risk monitoring

The Leadership Team performs regular reviews of risk exposure.

Each site/department creates its own scorecards and key indicators to detect, follow and measure the effectiveness of risk mitigation.

The risk mappings are updated on a regularly basis.

3.2.2.4. Internal Control procedures

Internal Control procedures related to the preparation of accounting and financial information published by the Company

The accounting and financial information used internally for management, or for external reporting, is prepared in compliance with the IFRS standards adopted by the European Union.

The information follows a bottom-up reporting process from the local statutory accounts data to the consolidated/management set of financial statements. This reporting is performed in a consolidation software under a monthly closing frequency.

The finance teams of the subsidiary companies, under the control of their own Finance and Operations Directors, report information to the continent finance teams who then report to the Group. This reported package is audited by the local External Auditors for the significant entities. Statutory Auditors prepare memorandums and a synthesis of significant comments for the Group.

Cost controllers work closely with operations and report to local Management and functionally to the Category/Continent Financial Director.

The Group developed a Controllers' Manual of policies and procedures in 2000 that was presented and communicated to the Finance Directors of the subsidiaries. This review is ongoing, with key policies and procedures updated and validated by functional managers as needed. When a new policy is created or an update or enhancement is made to an existing policy, the information is communicated via an "Internal Control bulletin" posted on the employee intranet and is also cascaded by the Leadership Team to all subsidiaries.

The reporting procedures within the Group are the following:

- the Group finance information system allows preparation of statutory consolidations and management consolidations within the same reference frame;
- the Group also uses a detailed sales reporting system. A monthly reconciliation is prepared between the sales reporting and financial information systems. Any meaningful variance is explained;
- the Group financial information system is used in all the subsidiary companies, which allows an analysis at each level of reporting (subsidiaries, continents, Group or by category of products) starting from the same source data and according to the same reporting format;
- the Group internal financial information is analyzed monthly and compared with the budget at the subsidiary level and the Leadership Team also reviews on a monthly basis the consolidated data and the related analysis;
- an analysis is performed between the budget, the forecasts and the strategic plan and is reviewed by the Leadership Team;
- the consolidated financial information is validated by the Group Chief Financial Officer. Significant issues are reviewed with the Chairman of the Board and the Chief Executive Officer;
- the Audit Committee validates this information and provides the Board of Directors with a report if necessary;
- the External Auditors are involved in the validation performed on a yearly basis of the production process of financial information.

The accounts closing process includes in particular the following:

- the fixing and circulation of accounting rules by the Group finance headquarters through the Group Accounting Manual;
- the preparation and sending of a calendar and instructions to the affiliates by the consolidation department at each monthly closing;
- the existence of a checklist with the corresponding tasks to be performed by the affiliate for the accounts closing.

Other internal control procedures

As already mentioned, internal control within BIC Group is decentralized. It is then the responsibility of each organization (subsidiary, department, Category, Continent, etc.) to establish the relevant procedures in all concerned sectors to support the objectives and definition of internal control.

However, as a global framework, the Group Controllers' Manual provides the general guidelines to be adapted for an accurate endorsement at the respective level of internal control.

The Group's main procedures are described below:

PURCHASING AND CAPITAL INVESTMENT PROCEDURES

The constant emphasis in these procedures is upon the engagement authorization. Indeed this initial step is the main driver for the rest of the process, from the acknowledgement of receipt of the purchased goods or service, to the payment of vendors.

Therefore, the Group has implemented an authorization matrix that provides the accurate level of responsibilities required in accordance with the amount to be engaged. All authorizations are expected to be formalized on the appropriate form or through the IT systems.

This approval process is then the foundation of the three-way-match procedure followed within the Group. Starting with an approved purchase order, it requires that matching is performed at the following stages:

- at the delivery/service rendering with the proof of delivery or completion;
- when receiving the supplier's invoice for generation of payment.

The three-way match process assures the segregation of duties principle and allows clear tracking of the validity of transactions throughout the purchasing process.

In terms of capital expenditure, an additional step is required for the purchase initiator. Prior to any investment, specific documentation is prepared to gather all necessary data such as description and return on investment features, approvals in accordance with the level of engagement and a post-acquisition audit schedule.

In terms of organization, attention is drawn to the segregation of the procurement function from that of purchasing. The goal is to mitigate any risk of overlapping responsibilities. This process also centralizes at Group level the procurement flows on strategic materials, to better control the needs and level of financial engagement.

Finally, vendor management, including the suppliers' database, also follows specific control procedures and rules throughout any relationship these third parties could have with the Group.

SELLING PROCEDURES

The selling procedures follow common rules and principles, but they are customized for local markets and customers, based on the existing nature of transactions.

These common principles deal in particular with:

- the validity of selling prices and selling conditions (price list set-up process, special pricing authorization schemes, etc.);
- the completeness and accuracy of the selling orders received through different media;
- the respect of recognition timing with emphasis on cut-off processes and adjustment procedures;
- the receivables fair value guarantee with procedures for bad debt reserve computation and credit notes issuance.

Similarly to the relationships with vendors, procedures deal with customers' master file management including the creation of new accounts, the cash allocation process for the payment receipts and credit management.

INVENTORY MANAGEMENT PROCEDURES

The management of inventory covers both physical custody of the goods, valuation of these items and monitoring of the related flows. Thus the procedures in place address both topics.

Regarding physical safeguarding, Group policies are provided in addition to local regulations. They deal with:

- the safety objectives for the employees involved in the inventory management; and
- the assets' security with clear guidelines in terms of storage conditions, stock take process or segregation of duties.

In terms of valuation, a BIC costing procedure is established to help local controllers follow the Group rules as well as comply with local accounting and financial standards. The Group rules are disclosed in the *Notes to the consolidated financial statements – Note 1.1 Accounting principles*.

CASH MANAGEMENT PROCEDURES

Mostly centralized within the Group Treasury Department, some aspects of cash management are maintained at the local level. For both levels, procedures are in place to cover:

- cash balance and payment management including physical safeguards, the performance of bank reconciliations and supervision of segregation of tasks performed;
- bank mandates and management of authorization signatures;
- debt financing activities, whether short or long term.

Centrally, the Group Treasury Department follows specific procedures regarding its investment portfolio and foreign exchange exposure management, as described in the *Comments on the year - §3. Management of currency and interest rate risks.*

FIXED ASSETS MANAGEMENT PROCEDURES

As defined in the objectives for internal control, asset security is identified as a matter of focus. To achieve this goal, procedures have been implemented within the Group. Some of them are described above.

The existence and the validity of assets being essential, instruction is given to local sites to perform physical inventories on a regular basis for comparison with the financial systems.

In addition to the investment authorization process mentioned earlier, all fixed assets movements, *i.e.* transfers, disposal and sales, are regulated with respective procedures.

Finally, specific rules are required for the management of the Fixed Asset Registers to support compliance with both local and Group accounting standards and to permit efficient monitoring activities.

3.2.2.5. Control activities

Each level of the Group is involved in control activities in order to ensure that Group rules, guidelines and procedures are correctly applied.

Moreover, the Internal Control and Audit (IC&A) Department ensures through its annual review that no material differences exist in the Group.

This control addresses both operational and financial environments and focuses on:

- validity of the operations and transactions, including the authorization processes for expenditure and investment;
- completeness of transaction reporting;
- correct evaluation and recognition of operations for accurate information availability and disclosure;
- the guarantee of the Company's future.

3.2.3. Risk management and internal control participants, specific structure(s) in charge/ respective roles and interactions

Risk management and internal control implemented by the Group are fully integrated functions within the organization.

3.2.3.1. The Board of Directors

The Board of Directors of SOCIÉTÉ BIC, which represents the Shareholders, acts in all circumstances in the interest of the Company. It must also review and approve the Company's strategic objectives.

3.2.3.2. The Leadership Team

The Leadership Team, under the direction of Mario Guevara, Chief Executive Officer of SOCIÉTÉ BIC, is comprised of eleven executives whose principal goal is to implement the strategy of the Company as defined by the Board. It is also responsible for defining the implementation and the supervision of the means to achieve the objectives.

In addition to Mario Guevara, to François Bich, Executive Vice-President and General Manager Lighters and to Marie-Aimée Bich-Dufour, Executive Vice-President and General Counsel, the Leadership Team members include:

- operational representatives responsible for continents:
  - Billy Salha, Europe,
  - Chris Mills, North America,
  - Edgar Hernandez, Middle East, Africa, Oceania, Latin America, Asia;
- representatives of product categories:
  - Ed Dougherty, Category President for Stationery and Shavers,
  - Benoît Marotte, General Manager for Stationery,
  - Nicolas Paillot, Chief Executive Officer for Advertising and Promotional Products;
- representatives of transverse functions:
  - François Eyssette, Director of Human Resources,
  - Jim DiPietro, Chief Financial Officer.

Category General Managers are directly responsible for Manufacturing, New Product Development, Research and Quality Assurance. In addition, Category Managers are responsible for developing and proposing each Category's long-term strategy.

The Leadership Team monitors the quality of the internal control process and the implementation of risk coverage. It also ensures, with the Group Chief Financial Officer's support, that indicators are consolidated in order to measure the operational performance against the budget and, if necessary, focus on the variances and corrective measures that may need to be implemented.

In addition to the budget, forecasts are prepared and revised three times during the year to monitor the budget achievement and understand any current marketplace dynamics. A strategic planning process is in place to help identify future growth opportunities.

3.2.3.3. The Audit Committee

The Audit Committee, described earlier in this report (*see §3.1.3. Committees set up by the Board of Directors*), among other assignments, monitors closely the risk management and internal control systems on a regular basis. The Committee can interview the Internal Audit Manager to be updated on the work performed during the year and can give its opinion on the department's organization. A summary of internal audit findings is shared with the Committee on a yearly basis.

3.2.3.4. The Internal Control & Audit Department

In January 2004, the Group established the Internal Control and Audit Department, reporting operationally to the Financial Direction and on demand to the Leadership Team.

This department reviews both financial and operational activities and expresses an independent assessment on the degree of compliance with the policies, rules and procedures of the Group. The IC&A Department focuses on:

- business cycle and process reviews (such as sales and collection, purchasing and disbursements, fixed assets, inventories, payroll, cash management and accounting entry processing) at both the BIC subsidiary and Corporate level;
- testing of the controls in place to ensure their effectiveness and efficiency;
- coordination with functional managers for the continuous updating of the Controller's Manual;
- issuance of guidance and recommendations for improvement to existing processes, including the sharing of Group best practices.

This department also provides assistance on timely and specific engagements, such as during operations of external acquisition or internal restructuring.

In addition, the approach of the IC&A Department includes Group information systems through reviews of IT (Information Technology) accesses and business continuity procedures.

Each year, the IC&A Department presents the review schedule to the External Auditors, provides updates and shares the resulting reports from site reviews. In addition, the IC&A Department coordinates site reviews with Group Finance and the External Auditors to ensure coverage of any specific areas.

IC&A Department's activities in 2010

Since the beginning of 2006, a long-term rotation schedule has been put in place to ensure that all sites and key processes are reviewed approximately every three years.

The 2010 schedule led the IC&A Department to perform the audits of:

- 23 entities, in manufacturing and distribution, combining initial visits and follow-up visits;
- 5 audits of stock takes.

These audits were carried out in accordance with a methodology and procedures set by the department, including in particular:

- performance of tests (walkthroughs and detailed testing) and interviews with the contributors of the cycles reviewed in accordance with an approach based on the identified risks;
- the issuance of a report after the audit, which lists recommendations for improvements to be considered by the site/department, in accordance with a precise action plan and deadlines. The IC&A report is an excellent communication tool and plays an important role in the continuous improvement of controls within the Group.

No significant issues were identified as a result of the reviews. The issued recommendations in the audit reports highlighted improvements to certain controls for better efficiency. Local Management has shared their response to these recommendations and proposed action plans with the related implementation dates and responsibilities for execution. These implementations have been checked during follow-up visits performed by the IC&A Department. Finally, the best practices in terms of internal control noted while performing these reviews have been communicated and shared within the Group with a constant view for improvement.

In addition, each subsidiary of the Group completed a risk assessment in the format of a self-evaluation coordinated by the IC&A Department. The objective is to measure regularly the exposure to the potential major risks for these entities and, consequently, to provide a risk matrix at Group level. This annual requirement is in place since December 2003.

In addition to these self-assessments, all General Managers and Finance Directors of the subsidiaries signed a letter attesting that the internal controls in place are comprehensive and operate adequately to manage the operations. In the letter, they also attest to the reliability of the financial information reported and compliance with relevant laws and regulations.

If necessary, the General Manager of the subsidiary provides details of non-significant weaknesses for which corrective actions will be implemented in 2011. This process allows for a reasonable confidence being placed on the achievement of operational goals, on the reliability of financial information reported and on the compliance with relevant laws and regulations. All of these letters have been collected for 2010 and no major issues have been identified.

A summary of the work performed during 2010 is presented to the Leadership Team, Audit Committee and Board of Directors. The analysis includes a summary of the internal control attestation letters signed by each country General Manager and lists a timeline for improvements to be made, as well as a summary of the risk analysis and controls, and action plans for 2011.

As explained in the *§3.2.2.3 – Risk Management*, in 2010 the IC&A Department conducted a project to improve the formalization of risks assessment through a risk mapping approach.

Perspectives and Action Plan for 2011

The IC&A Department will continue to focus on process and efficiency improvements, testing of operational effectiveness of key controls and enhancing the overall review process.

The 2011 audit schedule, prepared by the IC&A Department and validated by the Audit Committee and the Leadership Team, meets the long-term rotation principle for the site and processes reviews. It maintains the same level of commitment as in 2010, in terms of number of audits and of audited sites and processes.

Finally, the IC&A Department will maintain its coordination role for the continuous improvement of the Controller's Manual, and it will continue to be involved in the risk management project initiated in 2010.

3.2.3.5. Employees

Each employee is involved in internal control in accordance with his/her respective knowledge and access to information to design, operate and monitor the internal control system.

To reinforce the commitment of all employees to the importance of internal control, the Values of the Group have been posted since 1998 at all Group locations so that employees can share them. In 2005, the Group Vision and Values were updated and presented to all employees. Since 2005, a survey is performed every two years with employees regarding the compliance with Group Values (80% positive opinions in 2009). These values were continuously shared in 2010 within the Group.

A Group Code of Ethics exists and is available for all employees. The Board of Directors has taken note of it and reasserted, as necessary, the importance of action and behavior principles mentionned in this Code. The Leadership Team validated the Group Code of Ethics, the procedures and policies, and cascades it throughout the Group.

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4. Statutory Auditors' report on the report prepared by the Chairman of the Board of Directors

Prepared pursuant to Article L. 225-235 of the French Commercial Code (*Code de commerce*) on the report prepared by the Chairman of the Board of Directors.

FOR THE YEAR ENDED DECEMBER 31, 2010

This is a free translation into English of the Statutory Auditors' report issued in French prepared in accordance with Article L. 225-235 of the French Commercial Code on the report prepared by the Chairman of the Board of Directors on the internal control procedures relating to the preparation and processing of accounting and financial information issued in French and is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and the relevant professional standards applicable in France.

To the Shareholders,

In our capacity as Auditors of SOCIÉTÉ BIC, and pursuant to Article L. 225-235 of the French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairman of your company in accordance with Article L. 225-37 of the French Commercial Code for the year ended December 31, 2010.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the Company and containing the other disclosures required by Article L. 225-37 of the French Commercial Code, particularly in terms of corporate governance.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information; and
- to attest that this report contains the other disclosures required by Article L. 225-37 of the French Commercial Code, it being specified that we are not responsible for verifying the fairness of these disclosures.

We performed our procedures in accordance with professional standards applicable in France.

Information in respect of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information. These procedures mainly consisted in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information on which the information presented in the Chairman's report is based and the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and the existing documentation;
- determining whether any significant weaknesses in the internal control procedures relating to the preparation and processing of accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of these procedures, we have no matters to report on the information given in respect of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set forth in the report of the Chairman of the Board of Directors, prepared in accordance with the provisions of Article L. 225-37 of the French Commercial Code.

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L. 225-37 of the French Commercial Code.

Paris and Neuilly-sur-Seine, March 1, 2011

The Statutory Auditors

Grant Thornton French Member of Grant Thornton International	Deloitte & Associés
Gilles HENGOAT	Jean-François VIAT

Comments on the year

1. Operations and consolidated results

INTRODUCTION

In 2010, BIC realized net sales of 1,831.5 million euros (+5.9% on a comparative basis [1]) and reached 314.9 million euros normalized IFO [2] (17.2% of net sales). Net income was 207.5 million euros and Earnings Per Share (EPS) 4.29 euros.

In 2010, BIC realized 80% of its sales in Consumer Goods (through its stationery, lighter, shaver and other products categories) and 20% in the Advertising and Promotional industry.

Consumer business

- In Stationery products, net sales increased 6.7% at constant currencies. Europe and North America regions continued to be affected by the economic slowdown, notably the continuation of high unemployment rates. In these two regions, BIC's growth in both sales and market share was due to the success of innovative new products and "Classic" products, as they answer consumers' needs for "best value" and consistent reliable quality. In developing markets, full year 2010 net sales increased significantly, with all developing regions showing improvement vs. last year, particularly in Latin America.
- In the Lighter category, net sales grew 11.6% at constant currencies. The European market continued to be affected by Asian low quality imports. In North America, BIC® lighters continued to strengthen their market leadership thanks to efficient safety and quality programs, the strong success of special edition and licensed sleeves and an improving distribution depth in both pocket and utility lighters. In developing markets, full year 2010 net sales grew strongly. In Latin America, we continued to reinforce our point to point distribution and benefited from the expansion of new colors and wrap sleeve designs.
- In the Shaver category, BIC sales increased 7.6% at constant currencies. Full year performance was good in developed markets thanks to our "value" positioning and the success of new products. In developing markets, the strong performance registered in Latin America and Middle-East and Africa was due to the "More for your money" positioning of each of our one-piece products, from single to triple blades.

Advertising and Promotional Products

- BIC APP net sales decreased 3.3% on a comparative basis. The plan launched in late 2009 to integrate Antalis PP and Norwood PP acquisitions is on track. It will consolidate the manufacturing and logistics footprint, reduce costs and increase the efficiency of our operations worldwide. As part of the strategy to focus on Advertising and Promotional Products, we disposed from the Funeral Product business mid-2010.

In 2010, BIC continued to invest in brand name development, making the most of this precious asset to strengthen its recognition and reputation among customers and consumers in both developed and emerging markets. Our goal is to consistently produce quality products at a lower cost, either in-house with our own technologies or, to a lesser extent, by outsourcing to increase flexibility or to take advantage of new technologies.

(1) On a comparative basis: at constant currencies and constant perimeter; Constant currency figures are calculated by translating the current year figures at prior year monthly average exchange rates - 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.

(2) Normalized IFO: excluding restructuring, Antalis Promotional Products negative goodwill, the gain on sale of BIC APP funeral products business and real estate gains.

Comparison of key figures 2008-2010

(in million euros)				CHANGE 2009/2010		
	2008	2009	2010	AS REPORTED	AT CONSTANT CURRENCIES [(a)]	ON A COMPARATIVE BASIS [(b)]
Net Sales	1,420.9	1,562.7	1,831.5	+17.2%	+10.1%	+5.9%
Gross Profit	**669.9**	**719.7**	**870.6**	**+21.0%**		
Normalized Income From Operations [(c)]	**214.3**	**239.6**	**314.9**	**+31.4%**		
Income From Operations	**209.6**	**216.0**	**304.6**	**+41.0%**		
Financial income/(costs)	6.7	2.7	(1.8)	NA		
Income Before Tax and non-controlling interests	**216.3**	**218.7**	**302.8**	**+38.4%**		
Income tax expense	(71.4)	(70.8)	(100.3)			
Income From Associates	-	3.8	5.0	+30.9%		
Group Net Income	**144.9**	**151.7**	**207.5**	**+36.7%**		
Earnings Per Share *(in euros)*	3.00	3.15	4.29	+36.2%		
Number of shares [(d)]	**48,357,724**	**48,151,691**	**48,341,785**			

(a) Constant currencies figures are calculated by translating the current year figures at prior year monthly average exchange rates.

(b) 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, and this until their anniversary date.

(c) Normalized IFO: excluding restructuring, Antalis Promotional Products negative goodwill, the gain on the sale of BIC APP funeral products business and real estate gains

(d) Average number of shares outstanding net of treasury shares.

BIC Group 2010 net sales reached 1,831.5 million euros, compared to 1,562.7 million euros in 2009, up 17.2% as reported, up 10.1% at constant currencies and up 5.9% on a comparative basis.

Total Consumer business operations increased 7.9% at constant currencies in 2010 while the Advertising and Promotional Products business decreased 3.3% on a comparative basis and increased 19.8% at constant currencies (including Antalis Promotional Products and Norwood Promotional Products).

2010 foreign currency fluctuations had a positive impact of 7.1% of which +2.6% was due to Latin American currencies (+2.0% for the Brazilian Real) and +2.5% to the increase of the U.S. dollar.

The 2010 gross profit margin increased 1.4 point to 47.5% of sales versus 46.1% in 2009. Favorable impacts in the Consumer business (mainly sales increase, volume absorption and a slight positive raw material impact) were partly offset by the impact of the consolidation of Norwood Promotional Products and Antalis Promotional Products (lower gross profit margin). Both Consumer and APP businesses have shown improvement in the second Half 2010 vs. 2009.

2010 Income From Operations increased 41.0% as reported to 304.6 million euros. The 2010 reported IFO margin was 16.6% compared to 13.8% in 2009.

2010 IFO includes a total of -10.3 million euros in non-recurring items:

- -13.3 million euros related to the BIC APP integration plan;
- -5.6 million euros related to restructuring expenses (mainly in Europe), including the roll-over of the 2009 cost reduction plan;
- +1.3 million euros related to real estate gains in France, the USA and Australia and other non-recurring items;
- +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, 2010 normalized IFO would have been 314.9 million euros compared to 239.6 million euros in 2009. The normalized IFO margin was 17.2% in 2010 compared to 15.3% for the same period last year thanks to the on-going control of operational expenses.

Income before tax increased 38.4% as reported to 302.8 million euros. Finance revenue decreased 4.5 million euros compared to 2009 as a result of a decrease in interest income (mainly due to lower interest rates) combined with higher interest expenses (costs of early repayment of Cello and Norwood loans) and less favorable hedge instruments revaluation impacts. The tax rate was 33.1% compared to 32.4% in 2009. The increase in tax rate is due to the reclassification of the Research and Development tax credit in France to operating expenses.

2010 Group net income was 207.5 million euros, a 36.7% increase as reported. 2010 Group net income included 5.0 million euros from income from associates (Cello Pens). Earnings per share (EPS) were 4.29 euros in 2010, compared to 3.15 euros in 2009, up 36.2%. Normalized EPS grew 27.6% at 4.44 euros compared to 3.48 euros in 2009.

2010 GROUP PERFORMANCE BY CATEGORY

BIC Group net sales and income from operations (IFO) by product category 2009-2010

(in million euros)	STATIONERY		LIGHTERS		SHAVERS		OTHER PRODUCTS CONSUMER [(a)]		BIC APP	
	Net sales	IFO	Net sales	IFO	Net sales	IFO	Net sales	IFO	Net sales	IFO
2009	509.6	43.3	398.9	127.9	268.8	30.3	97.0	(9.4)	288.4	23.9
2010	580.7	69.3	480.8	173.6	307.8	41.9	99.7	(7.6)	362.6	27.4

(a) Net sales include other products net sales; Income from operations includes Other Products Income from operations as well as Group expenses not allocated to the categories.

BIC Group IFO and Normalized [(a)] IFO by product category 2009-2010

(in million euros)	STATIONERY		LIGHTERS		SHAVERS		OTHER PRODUCTS CONSUMER [(b)]		BIC APP	
	Norm. IFO	IFO	Norm. IFO	IFO	Norm. IFO	IFO	Norm. IFO	IFO	Norm. IFO	IFO
2009	48.9	43.3	135.7	127.9	33.5	30.3	(8.5)	(9.4)	30.1	23.9
2010	70.3	69.3	174.0	173.6	43.6	41.9	(6.4)	(7.6)	33.4	27.4

(a) Excluding restructuring, negative goodwill and real estate gains.

(b) Net sales include Other Products net sales; Income from operations includes Other Products Income from operations as well as Group expenses not allocated to the categories.

Consumer business

Stationery

2010 Stationery net sales increased 14.0% as reported to 580.7 million euros and 6.7% at constant currencies. FY 2010 volumes grew 7%.

In a market still impacted by the global economic crisis, BIC has been able to gain market shares in all the regions. This has been notably achieved thanks to the strong relationship that we have been able to build with consumers for 60 years now, based on confidence and on offering the best value for money (an undisputed mix of quality at the right price). Our strong performance was also driven by the success of our new products.

Developing countries, where we enjoy strong leadership positions, grew strongly. This performance has been achieved thanks to the right product mix that meets consumers' expectations, successful new products launches introduction and efficient sales execution.

Developed countries continued to be affected by the economic slow-down, maintaining historically high unemployment rates and, as a matter of consequence, affecting office supply demand. In that challenging context, BIC has been able to gain market share in all regions.

This has been achieved through the success of our new products and the continued strong demand for our "classic" products, answering consumers' needs for better value for money with the strong "More for your money" commitment from the brand.

Several successful new products contributed to the performance of the category around the word:

- The BIC® 4 Colours™ Fashion (launched in 2009) and the BIC® 4 Colours™ Grip;
- The BIC® Cristal® Large and the BIC® Velocity® Large, offering a smoother and bolder writing experience;
- The BIC® Triumph® free-ink rollers (launched in 2009 in the U.S.) and the BIC® Triumph® retractable gels;
- The BIC® Matic 0.9, ideal for kids with reduced lead breakage;
- The BIC® Ultra-Fine Permanent marker pocket, building on the success of the Fine version;
- The BIC® Briteliner® retractable and BIC® Briteliner® XL;
- The BIC® Ecolutions™ line of products. BIC has been the first stationery company to receive the French Ecolabel for a broad range of products.

During the year, BIC® stationery products benefited from inventive and ingenious advertising and marketing campaigns, including the Tipp-Ex® on-line "hunter and bear" advertising in Europe and the "More for your money" campaign in the USA. In December 2010, the Group has celebrated the 60th birthday of the BIC® Cristal® ballpoint pen.

The 2010 Stationery normalized IFO margin was 12.1%, compared to 9.6% in 2009. This improvement was due to a strong sales performance, an increase in production volumes, improved efficiency in our factories, which drove our costs down, and maintained discipline in OPEX management.

Lighters

In 2010, BIC® lighter net sales increased by 20.5% to 480.8 million euros. At constant currencies, sales grew by 11.6%. Volumes increased by 10% compared to 2009.

In 2010, BIC once again confirmed its leadership among branded lighters worldwide and maintained or even grew market share in most geographies.

- In Europe, where the market was flat, the key issue of the lack of implementation of the rules concerning lighters remained. Prosafe, an NGO financed by the European Commission tested lighters on the European Union (EU) market and found that around 75% of tested lighter models sold in the European Union are still non-compliant to ISO 9994. In September 2010, BIC filed a complaint with the European Commission on grounds of the non-implementation of the European safety rules by the Netherlands. In this context, BIC continued to communicate to wholesalers and retailers through its BICareful magazine.
- In North America, while cigarette stick consumption continued to decline in the absolute, we saw a relative growth in single pack cigarette purchases (vs. carton purchases). BIC® lighters gained shares as a result of efficient communication programs on safety and quality, innovative sleeve designs and improvement of distribution depth in both pocket and multi-purpose lighters.
- In developing countries, despite competition from low-cost Asian products, net sales increased thanks to a strong focus on distribution and improved communication on BIC's commitment to quality and safety. In Japan, we have started to leverage the future implementation of the child resistant (CR) regulation (First Half 2011) as distributors have started to build CR compliant inventories.

The BIC® lighter category also benefited from the strong increase of utility lighter sales, which grew double digit in 2010.

The Lighter normalized 2010 IFO margin increased by 2.2 points to 36.2%, benefiting from the increase in sales and higher production volumes.

Shavers

2010 Shaver net sales increased 14.5% as reported to 307.8 million euros and 7.6% at constant currencies. FY 2010 shaver volumes were up 7%.

Despite a continued depressed economic environment in developed countries, BIC® Shavers delivered strong financial results and market share gains as well. The "great value" proposition, which is the core equity of the BIC® brand, was instrumental in driving these results.

- Developing markets lead the growth (especially Latin America and the Middle-East Africa). A key driver of this strong performance was the "More for your money" positioning. Each of the product segments (one, two or three blades) have contributed to the growth, with a special mention for our triple-blade in South America, growing twice as fast as the two other segments.
- We also experienced solid performance in developed markets. Almost all regions contributed to the growth, with very few exceptions in countries severely affected by the economic crisis, such as Greece where our teams addressed the situation by focusing on our "More for your money" products.

In 2010 we launched a range of new premium one-piece four-blade for men ("Flex 4" in North America/"Comfort 4" in Europe) featuring our new moveable blade technology. The results are in line with our expectation and "Flex 4" is already the number 1 one-piece four-blade for men on the U.S. market. We have also introduced "BIC® Hybrid Advance®" (our new "all in one shaver": a handle and six refill cartridges) in North America and Oceania and we have received a very good product acceptance from both retailers and consumers. In addition to the good performances of our new products launched in 2010, the products introduced in 2009 (one-piece four-blade BIC® Soleil® Bella™ and the BIC® Easy triple-blade shaver in Europe) have continued to deliver strong growth this year.

Targeted advertising campaigns have been supporting our products and our brand across the world during the year: the "More for your money" campaign for BIC® Bella™ in USA, the "BIC recycle" campaign in France and the "BIC® 3" campaign in Russia.

The 2010 Shaver normalized IFO margin was 14.2% in 2010 compared to 12.5% in 2009. The improvement was due to an increase in sales and lower production costs (thanks to higher production volumes following the sales and efficiency improvements) and more than offset the increase in advertising we have initiated to support our new products and our brand.

Other Products

The Other Products consumer category includes various strategic and tactical activities. In 2010, the Other Products net sales increased 2.7% as reported to 99.7 million euros and +0.1% at constant currencies.

- **BIC Sport**: In 2010, BIC Sport sales (surfboards, windsurf, kayaks and sailboats) were 17 million euros, up 9.4% as reported and +8.3% at constant currencies, compared to 2009. Despite the challenging economy the BIC Sport position on the market is more moderately impacted, due to our innovation and value benefits of the products. Within the Surf category, the quickly emerging new sport of "Stand Up Paddling" (SUP) has contributed largely to the overall growth. Our unique BIC Sport technologies will reinforce our position in this new category and creates a real opportunity for the company in the coming years;
- **DAPE 74 Distribution** (sales to tobacco shops in France) performance was driven by the success of phone cards;
- The Other Products Consumer Category also includes the licensing revenues derived from **the BIC® Phone** developed in partnership with several different European Telecom operators. In 2010, more than 260 000 BIC® Phones have been sold.

Advertising and Promotional Products

Reported as a fourth category as of 2010, BIC Advertising and Promotional Products business (BIC APP) represented 20% of BIC Group sales in 2010. In 2010, BIC APP sales reached 362.6 million euros, up 25.7% as reported, +19.8% at constant currencies and down 3.3% on a comparative basis.

The Advertising and Promotional Product industry is directly related to Companies' advertising, promotions and discretionary expenses. It has been strongly impacted by the recent economic crisis, with overall industry sales down approximately 20% in 2009, while remaining volatile in 2010.

BIC APP launched an integration plan late-2009, in Europe and early-2010 in the U.S. in order to deploy synergies between Antalis Promotional Products, Norwood Promotional Products and BIC Graphic and to enhance the category operating profile. At the end of 2010, the plan was on track with the original estimates:

- in Europe, the consolidation of operations in Spain with a single logistic platform in Tarragona has been completed;
- in the U.S., our centers of manufacturing expertise are now effective:
  - writing instrument printing has been moved to Tampa (Florida),
  - bags and drinkware have been transferred to the Red Wing (Minnesota) facility (which aimed at concentrating all our hard goods operations),
  - all paper operations are now consolidated in Sleepy Eye (Minnesota);
- in Asia, BIC, Norwood PP and Antalis PP teams have been merged in Hong-Kong. The number of active suppliers has been consolidated and reduced by half;
- headquarters have been centralized in Europe and in the U.S.

During the fourth quarter, we announced the consolidation of Janesville awards product line in Wisconsin into the Red Wing facility (this move is expected to be completed by the end of April 2011 and will improve operational efficiency).

As a result, the expenses related to the integration reached 13.3 million euros in 2010. The annualized savings are now expected to reach approximately 15 million euros.

In June 2010, the BIC APP announced the sale of its Funeral products business to Prairie Capital, an investment firm based in Chicago (USA) for a total amount of 21.1 million U.S. dollars (17.3 million euros). This disposal was consistent with BIC APP's strategy to focus on its core businesses.

In 2010, BIC APP reported IFO margin was 7.6% compared to 8.3% in 2009. This includes the cost of 13.3 million euros related to the integration plan and +7.3 million euros net gain related to the disposal of the funeral products business. Full year 2010 normalized IFO margin reached 9.2%.

Starting from 2011 and following the finalization of the integration plan, BIC APP will move from a restructuring phase to building for the future with, notably, a new global trade mark strategy with streamlined and restructured catalogue collections for BIC Graphic and Norwood PP. The implementation of a new ERP will help enhance global efficiency.

2010 GROUP PERFORMANCE BY GEOGRAPHICAL AREA

Net sales breakdwon by geographical area

(in million euros)			CHANGE 2009/2010		
	2009	2010	AS REPORTED	AT CONSTANT CURRENCIES (a)	ON A COMPARATIVE BASIS (b)
Europe	503.6	524.9	+4.2%	+3.1%	+0.5%
North America	641.0	773.8	+20.7%	+13.2%	+5.0%
Developing markets	418.1	532.8	+27.4%	+13.8%	+13.8%

(a) Constant currencies figures are calculated by translating the current year figures at prior year monthly average exchange rates.

(b) 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, and this until their anniversary date.

Impact of change in perimeter and currency fluctuations on net sales

	2009	2010
Perimeter	+10.7 %	+4.2 %
Currencies	-0.1 %	+7.1 %
• *Of which U.S. dollar*	*+4.4 %*	*+2.5 %*
• *Of which Brazilian real*	*-1.9 %*	*+2.0 %*

Sensitivity to key currency changes on net sales

	2009	2010
+/-5% changes of *U.S. dollar*	+/-1.9%	+/-1.9%
+/-5% changes of *Brazilian real*	+/-0.5%	+/-0.6%
+/-5% changes of Mexican peso	+/-0.2%	+/-0.2%

Europe

The Europe region includes Western and Eastern Europe. In 2010, net sales in Europe reached 524.9 million euros, up 4.2% as reported, +3.1% at constant currencies and +0.5% on a comparative basis compared to 2009.

CONSUMER BUSINESS

We had a good performance in most countries, double digit growth in Russia and Ukraine while our business was severely affected by the economic crisis in Greece and Romania. Strong growth in Eastern Europe was fuelled by listing gains and increased brand support in all three categories.

- The Stationery market (sell-out) was slightly up across Europe. In this difficult environment, BIC gained market share in both modern mass market and in the office products channels. These good results, particularly in the ball pen and coloring segments, were achieved despite strong pressure from private labels and increased promotions from the competition. Our 2010 performance was driven by good back-to-school shipments, thanks to our successful Econobic loyalty programs, with massive displays and in-store animations. Our expertise in core stationery segments (ball pens, mechanical pencils, correction and coloring) as well as the enhancement of our core products, such as the limited edition BIC® 4 Colours™ Fashion pen, contributed to our performance. This performance was also helped by efficient advertising investments, notably on Tipp-Ex® (digital "hunter and bear" campaign).
- In Lighters, the market was essentially flat. BIC continued to fully embrace the European Commission regulation on child-resistant lighters with a comprehensive safety and quality communication program. We also communicated to wholesalers and retailers through our *BICareful* biannual magazine, which showcases the safety and quality of BIC® lighters. This communication program continued to have a positive impact on customer orders. Finally, BIC kept leading the game on Digital with its iPhone application that was downloaded more than 1.3 million times.
- In Shavers, the market has been growing thanks to the dynamism of the disposable segment. The three-blade segment continued to drive market growth. The successful launch of the BIC® Easy shaver and the strong growth of BIC® 3 had a positive impact on our results. In the women's category, sales of the BIC® Pure 3™ Lady shaver grew significantly.

ADVERTISING AND PROMOTIONAL PRODUCTS

Advertising and Promotional Products sales were soft as a consequence of the limited visibility companies continue to have on overall economic trends, leading to a low level of discretionary spending. The year 2010 was focused on the integration of Antalis Promotional Products with the centralization of our operations within a single logistics platform in Tarragona (Spain).

North America

The North America region includes the USA and Canada. In 2010, net sales in North America reached 773.8 million euros, up 20.7% as reported, +13.2% at constant currencies and +5.0% on a comparative basis compared to 2009.

CONSUMER BUSINESS

In an ongoing challenging economic environment, changing consumer shopping habits continued to impact retail performance across all consumer categories. Additionally, retailers remained both cautious and sensitive to inventory levels. In response, by leveraging its powerful "More for your money" brand promise, BIC North America grew sales faster than the market in all three core consumer categories.

- In Stationery, while the U.S. continued its slow emergence from the recession, the Stationery market grew a modest 2.2% in 2010. BIC outperformed the category, with strong growth in the Mass Market, Office Super Store and Office Products channels. BIC continued to grow and solidify relationships by communicating a targeted "More for your money" message to consumers through various traditional and social media initiatives. Sales also benefited from the successful launch of new products such as the BIC® Triumph® and Easy Glide® lines of stationery products.
- In Lighters, the environment continued to be impacted by increased tobacco regulation. However, while cigarette consumption continued to decline in absolute terms, there was relative growth in single pack cigarette purchases (one pack purchase per shopping trip) and a steeper decline in carton purchases (ten pack purchase per shopping trip), resulting in increased convenience store trips to purchase cigarettes. In addition, in this ongoing challenging economic climate, retailer trust in BIC to deliver robust impulse sales ahead of other lighter brands continued, resulting in strengthened market leadership for BIC. BIC® continues to be the leading brand of lighters based on our unflagging commitment to safety and quality, continued innovation in sleeve designs and our emphasis on increasing distribution depth in both pocket and multi-purpose lighters – where sales were boosted with the launch of the BIC® Flex Wand™ multi-purpose lighter.
- In Shavers, the total wet shave market showed dollar sales growth in both systems and disposables in 2010, notably driven by new product innovation. BIC established itself as the clear number two disposable brand in the region growing at twice the rate of the disposable category as a whole. This strong performance was driven by the introduction of the men's Flex 4 and Hybrid shavers. In the women's segment, BIC remained a strong number two in the category, driven by the strength of the Soleil® line, where the Soleil® Twilight® three-blade shaver is the number one ranked item in the women's disposable category. The Soleil franchise was further supported by the successful launch of Soleil® Bella™ four-blade women's shaver.

In 2010, the USA continued its successful cross-category advertising campaign, "BIC, More for Your Money." This campaign focuses on BIC's best value for money positioning and is consistently communicated in all consumer vehicles, including print, digital, social, FSI's, and even a jumbo electronic billboard in Times Square, New York City. Additionally, a foundational social media strategy was developed, resulting in the launch of social media programs for men's and women's shavers and BIC® Mark-It®.

ADVERTISING AND PROMOTIONAL PRODUCTS

As in Europe, Advertising and Promotional Products sales were soft as a consequence of the limited visibility companies continue to have on overall economic trends. Consistent with the integration plan, U.S. centers of manufacturing expertise are now effective. Writing instruments printing has been moved to Tampa (Florida), bags and drinkware have been transferred to the Red Wing (Minnesota) facility (which is aimed at concentrating all our hard goods operations) and all paper operations are now consolidated in Sleepy Eye (Minnesota).

Developing markets

Developing markets include Latin America (Mexico, Central America, the Caribbean and South America), the Middle-East, Africa, Oceania and Asia. In 2010, net sales increased by 27.4% as reported to 532.8 million euros and +13.8% at constant currencies.

CONSUMER BUSINESS

During the year, focus was given to:

- Proximity, which means being close to both our customers and consumers to be able to understand and then attend their needs;
- Product Portfolio, as having in place a correct product portfolio will help us in developing the markets where we want to compete;
- Distribution, to close gaps and find alternative channels to bring BIC® Products to everyone, everywhere;
- Social responsibility, to play a key role in helping education progress in the countries we work in.

In Latin America, net sales registered a strong performance throughout all of the categories and countries, where we maintained or expanded our distribution network and consolidated our relationships with both customers and consumers.

- In Stationery, our performance was driven by the launch of new products. We completed the Cristal® family line, expanded our successful graphite business with the launch of the Mentor™ Graphite Pencil line and put an emphasis on markers;
- In Lighters, the key success has been the expansion of new sleeves. We also reinforced our point to point distribution with key partners;
- In Shavers, growth came both from the accelerated sales of our triple-blade line of product and the performance of our classic one and two-blade business.

We gained market share in all three categories throughout the region.

In the Middle-East and Africa, all three consumer businesses showed a strong performance in 2010. Stationery and Shaver categories improved their presence and we managed to position Lighters as a premium brand for the area.

- In Stationery, increased distribution of our Cristal® family line, the introduction of line extension in graphite, coupled with strong promotional activity in our core lines like M-10, have helped increase sales;
- In Shavers, we have consolidated our standing with a strong distribution of our single classic line, while leveraging this benefit to twin and triple lines.

In all categories, working with our strategy of proximity to our distributors and consumers, has reinforced our presence in the region.

Business **in Asia** performed well in 2010, with a solid growth achieved across countries and categories thanks notably to the introduction of new Asian Stationery products, increasing distribution for Lighters, the future implementation of the CR lighters regulation in Japan (2011) and the launch of the BIC® Easy Clic hybrid shaver.

All countries performed well. Countries like South Korea, Malaysia, Thailand and China achieved growth, based on an enlarged costumer base and the successful implementation of new products launched during the year.

- In Stationery, we focused on repositioning the BIC® brand with new product offers for entry level source while our core product range was refreshed with Easy Glide ink and new body colors to attract mid- to high-level younger consumers;
- In Lighters, we benefited from the introduction of the CR lighters regulation in Japan (H1 2011).

In Oceania, we continued to strengthen our position and grow market share, despite increased competition and consolidated retail environment.

- In Stationery, thanks to product range extension and increased distribution, we experienced strong growth in ball pen Classic, correction and markers;
- In Lighters, where BIC® remained the No. 1 brand, we introduced new added value ranges and extended our visibility;
- In one-piece shavers, we managed to increase and consolidate market share in all three-blade products (BIC® Comfort 3® Advance, BIC® Soleil® and BIC® Hybrid).

ADVERTISING AND PROMOTIONAL PRODUCTS

BIC APP registered a solid sales performance in developing markets (mid-single digit growth).

In Asia, the BIC, Norwood PP and Antalis PP teams have been merged in Hong-Kong. The number of active suppliers has been consolidated and reduced by half.

2. Financial Situation

At the end of 2010, the net cash position was 397.1 million euros, compared to 305.3 million euros as at December 31, 2009.

2010 cash generation is impacted by the dividend payment for -116.4 million euros, the cash received on APP Funeral business divestiture for 17.3 million euros and -18.0 million euros of cash paid on share buy-back net of cash received from stock-options exercised. 2010 cash generation continued to benefit from the increase of profitability combined with control of CAPEX and a continued focus on working capital.

Main balance sheet items

(in million euros)	2008	2009	2010
Shareholders' equity	**1,172.1**	**1,304.3**	**1,444.6**
Current borrowings and bank overdraft	21.8	53.7	11.4
Non-current borrowings	11.1	161.5	2.8
Cash and Cash Equivalents - Assets	225.0	480.3	371.2
Other current financial assets	18.5	40.1	40.7
Net Cash position	**210.6**	**305.3**	**397.1**
Goodwill	195.3	215.0	219.9
Intangible assets	36.8	40.2	38.2
Total Assets	**1,632.4**	**2,029.1**	**2,024.2**

NB: SOCIÉTÉ BIC did not request any rating from any credit ratings agency nor, to the best of its knowledge, has it been the object of any unsolicited rating.

Condensed cash flow statement

(in million euros)	2008	2009	2010
Cash Flow from Operations	251.2	247.7	302.7
Increase/(Decrease) in net working capital	41.8	92.0	(1.3)
Other operating cash flows	(67.9)	3.4	(41.2)
Net Cash from Operating activities	225.1	343.1	260.2
Net Cash From Investing activities	(81.6)	(216.9)	(37.8)
Net Cash From Financing activities	(101.6)	110.0	(362.1)
Net increase/(decrease) in Cash and Cash Equivalents	41.9	236.2	(139.6)
Closing Cash and Cash Equivalents	222.5	478.9	368.0

3. Management of currency and interest rate risks

HEDGING FOREIGN EXCHANGE RISKS ON INTERNATIONAL MARKETS

As BIC has a presence in over 160 countries, business is subject to fluctuations in financial markets. Our foreign exchange (FOREX) risk management policy is to hedge transactions in foreign currencies through forward contracts and options. The Group does not hedge against FOREX conversion variations arising in the consolidation of foreign affiliates, except for intragroup dividends. Direct and equity investments are also usually carried out in local currencies.

BIC manages foreign exchange risks only in order to protect profitability, enhance liquidity and security and does not engage in any speculative transactions. Corporate Treasury is not a profit centre and reports the status of its FOREX hedges to Senior Management on a monthly basis, splitting the transactions matured and non-matured, and the related FOREX results.

Since 2000, the Group has annualized FOREX hedging, permitting subsidiaries to bring their exposure close to zero while all risks are centralized at the parent company level, except for non convertible currencies.

A regular reporting process common for all subsidiaries allows the identification of FOREX positions for each currency and their forward-looking evolution within the year. SOCIÉTÉ BIC consolidates subsidiaries' FOREX risks and hedges the residual risk on financial markets.

The Group main currency exposure is the EUR-USD rate.

In 2010, the yearly exposure for commercial flows was hedged at the average rate of 1 euro = 1.3575 U.S. dollars. The strong high volatility of the financial markets all year long, with around 27 cents as spread between the highest rate (1.4582) and the lowest rate (1.1875) has made the hedging activity particularly challenging. Regarding the 2011 exposure, as of December 31, 2010, 90% of the exposure has been hedged at an average rate of 1.2770 U.S. dollars. As of January 7, 2011, 100% of the exposure has been hedged at an average of 1.2792 U.S. dollars.

The main other currencies exposures in order of volume are the Canadian dollar, the British pound and the Australian dollar. These exposures are hedged at least at 95% for the all year 2011.

As soon as a transaction is traded on the financial markets, Group Treasury categorises the hedge in relation to its year of maturity and the nature of flows hedged, commercial or financial. All the hedging products used comply with Cash Flow Hedge qualification as defined by IAS 39. Thus, Group Treasury does not use any product with leveraging or deactivating effect that could create a position opposed to the intended direction of the Group exposure. This strict discipline in such levels of market volatility is fundamental for the financial security of the Group.

The portfolio of financial instruments benefits from a specific real time survey by Group Treasury, which also provides a monthly mark-to-market valuation of each position, in compliance with IAS 39 requirements.

All hedging contracts are set up with top-level banking institutions, making counterpart risk very low. Within a context of a worldwide financial crisis, the ratings of our counterparts may have been negatively impacted, nevertheless almost all our transactions are negotiated with the historical banks of BIC Group, which all have adopted a business model of "universal bank" with a good protective balance between their different activities that makes them less sensitive to market risks. To date, the minimum Long Term Standard & Poor's rating of our main banking counterparts is A+, the average rating being AA-.

In countries where it is not possible to centralize the risk as described above, foreign exchange exposure is coordinated by Group Treasury and local management. Such exposure is mainly concentrated in Brazil and South Africa. These subsidiaries locally produce most of the products sold on their national market, but also import some components manufactured inside the Group. Local hedging is set up, after Group Treasury approval.

HEDGING INTEREST RATE RISK

Exposure to interest rate fluctuations is very limited. All local funding needs are directly indexed on a short-term variable rate. Borrowers' positions are insignificant at Group level, and are of a too limited timescale to require any relevant hedging.

4. Dividends

The Board of Directors of SOCIÉTÉ BIC proposes the distribution of dividends primarily as a function of the Company's earnings, its investment policy and balance sheet strength, as well as comparisons with peer companies in the same sector. BIC does not foresee a material change in this distribution policy of dividends.

Considering the Group's strong full-year 2010 performance, and confident in BIC Group's prospects and sustainability of its strong financial situation, the Board of Directors will propose 1.90 euros as a dividend per share, at the Annual Shareholders' Meeting on May 11, 2011. The pay-out ratio (calculated with the ordinary dividend) would be 44% in 2010, compared to 44% in 2009.

The dividends paid for the last three fiscal years were as follows:

Year	NET ORDINARY DIVIDEND *(in euros)*	NET ORDINARY DIVIDEND DIVIDED BY EARNINGS PER SHARE
2009 [(a)]	1.40	44%
2008	1.35	45%
2007	1.35	38%

(a) For the fiscal year 2009, the company paid a special dividend of 1.00 euros.

The Company continues to maintain a strong balance sheet.

During the full year 2010, the Board of Directors approved the cancellation of 545,926 shares.

As of December 31, 2010, the common stock was up 0.4 million euros compared to December 31, 2009.

5. Investments

PRINCIPAL INVESTMENT OVER THE PAST FEW YEARS

Regarding industrial investments, the BIC Group has organized its manufacturing activities in two areas for several years:

- first, in continued quality improvement for each production line, including continuous investments in manufacturing processes and new technologies;
- second, in the specialization of focused production sites by product category.

In 2004, we acquired our distributor in Japan (today BIC Japan KK) and Stypen® in France.

In November 2005, BIC opened its own stationery production facility in China.

In 2006, we opened a distribution subsidiary in Turkey. Moreover, we acquired PIMACO Company, Brazil's leading manufacturer and distributor of adhesive labels for office, school and home use, in order to help BIC grow in the office segment.

In 2007, BIC acquired Atchison Products Inc., supplier of imprinted promotional bags in the U.S., a strong addition to our promotional products business.

In December 2008, BIC Group announced its intent to acquire Antalis' Promotional Products entities (Sequana Group). The acquisition was completed on March 11, 2009, after the signing of an agreement on the basis of a total enterprise value of 33.5 million euros. After the purchase of Antalis Promotional Products, BIC Group announced in June 2009 the acquisition of Norwood Promotional Products. Norwood PP is a U.S. supplier of promotional product with leadership positions in calendars, bags, awards, drinkware and other promotional goods. The acquisition was completed on July 6, 2009 and total consideration for the acquisition was 125 million U.S. dollars plus 31 million U.S. dollars in assumed liabilities.

On January 22, 2009, the BIC Group and the Cello Group announced that they had signed a definitive agreement whereby BIC Group acquired 40% of the Cello Writing Instrument business for 7.9 billion Indian rupees. As part of the agreement, BIC has a call option in 2013 to increase its stake to 55% at a price based on a formula tied to earnings. This agreement was partially completed on March 5, 2009 for 3.8 billion Indian rupees. Proportionate share of Cello Pens net income has been accounted through the equity method in BIC accounts since April 1, 2009.

BIC launched in April 2009 a worldwide cost reduction plan to adjust to the slowdown of its key markets. This initiative negatively impacted full year 2009 IFO by 34.4 million euros. The impact on profit was partially offset by the negative goodwill related to the Antalis Promotional Products acquisition. The net impact was 24.1 million euros. Approximately 30 million euros in savings are expected on an annual basis. Full year benefits should be realized in 2011.

PRINCIPAL INVESTMENT IN 2010

On January 4, 2010, Cello management proposed to the BIC Group to unwind and terminate the definitive agreements signed on January 21, 2009 "on terms and conditions to be mutually agreed between the parties". BIC Group confirmed its intention to ensure their implementation. On August 4, 2010, BIC announced that it is iniating arbitration proceedings in order to enforce the full completion of these agreements, meaning the completion of the acquisition of 40% of one remaining entity. The arbitration proceedings are pending.

PRINCIPAL INVESTMENT IN PROGRESS: GEOGRAPHIC DISTRIBUTION AND FINANCING METHODS

Not applicable.

PRINCIPAL FUTURE INVESTMENTS

Not applicable.

6. Prospects for 2011 and strategy

In 2011, thanks to enhanced competitive positions, we will continue to focus on operational efficiency and to invest in innovation and brand support.

CONSUMER BUSINESS

Stationery

- In developed markets, we do not anticipate stationery markets to recover significantly. In particular, the Office Products channel will continue to be affected by the high level on unemployment rates. In this context, we expect BIC® products to continue to outperform their markets thanks to our "More for your money" positioning. We should also benefit from additional listings from some of major customers;
- In emerging markets, we anticipate to continue our strong growth thanks to the markets' positive trend, the strong positions we have built and reinforced plans to further grow market share.

Lighters

- Relying on our comprehensive range of safety and best quality added-value lighters, we will continue to seek for distribution and market share gains in order to outperform our markets, particularly in Europe;
- We expect developing markets to continue to show sustained growth, although at a slower pace than in 2010.

Shavers

- Developed markets should grow low-single digit. We anticipate continued strong brand support activity, notably in refillable (roll-out on products launched in 2010); and continued promotional pressure on one-piece products that could be strengthened by the recent evolution of the competitive landscape;
- Developing countries, particularly in Latin America, should grow strongly, with increased consumer demand for high-end three-blade products;
- In all geographies, BIC will continue to leverage its "More for your money" proposition to strengthen its market shares.

ADVERTISING AND PROMOTIONAL PRODUCTS

As it was the case in 2010, the sales performance of our Advertising and Promotional Products category will notably be impacted by the level of visibility companies will have on global economic trends. In this context, leveraging the successful integration of Norwood PP and Antalis PP, BIC APP expect to:

- Start to implement its new global trade mark strategy with streamlined and restructured catalogue collections for BIC Graphic and Norwood;
- Finalize the successful integration of Norwood PP and Antalis PP;
- Begin the implementation of a new ERP;
- Deliver an improved normalized IFO margin despite low sales growth.

RISKS AND OPPORTUNITIES

In summary, we foresee the major challenges for 2011 to be:

- the weakness of the economic environment, mainly in Europe where unemployment rates are very high;
- foreign currency fluctuations;
- raw material prices volatility;
- global geopolitical environment.

While many of these issues are outside of our control, we will make every effort to minimize these risks in all aspects of our operations.

We believe that our greatest opportunity for growth remains the strength of the BIC® brand, combined with the diverse talents of our multinational workforce in more than 160 countries around the world. Our teams are delivering products and programs, including advertising and promotional support, that speak directly to today's consumers in their local marketplaces, meeting their specific needs.

PERFORMANCE GOALS

Sales growth, market share gains, margins, cash flow and a strong balance sheet are the principal indicators of the Group's performance.

In 2011, our objectives are to continue to rely on our solid and international organization, our strong management team and all BIC employees around the world, to effectively manage our business, achieve market share increases and protect cash generation.

Consolidated financial statements

1. Consolidated income statement for the year ended December 31, 2010

(in thousand euros)	NOTES	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Net sales	3	1,420,909	1,562,696	1,831,514
Cost of goods	4	(750,973)	(842,952)	(960,875)
Gross profit		**669,936**	**719,744**	**870,639**
Distribution costs	4	(237,679)	(258,436)	(295,698)
Administrative expenses	4	(143,102)	(159,457)	(182,804)
Other operating expenses	4	(84,992)	(76,857)	(98,133)
Other income	5	11,551	26,721	33,029
Other expenses	5	(6,155)	(35,708)	(22,435)
Income from operations		**209,559**	**216,007**	**304,598**
Income from cash and cash equivalents	6	10,011	11,271	9,482
Finance costs	6	(3,248)	(8,531)	(11,260)
Income before tax		**216,322**	**218,747**	**302,820**
Income tax expense	7	(71,386)	(70,843)	(100,363)
Net income from consolidated entities		**144,936**	**147,904**	**202,457**
Income from associates	13	-	3,820	5,000
Net income from continued operations		144,936	151,724	207,457
Net income from discontinued operations		-	-	-
Income before non-controlling interest		**144,936**	**151,724**	**207,457**
Non-controlling interest		-	-	-
GROUP NET INCOME		**144,936**	**151,724**	**207,457**
Earnings per share *(in euros)*	8	3.00	3.15	4.29
Diluted earnings per share *(in euros)* [(a)]	8	3.00	3.14	4.26
Weighted average number of shares outstanding net of treasury shares	8	48,357,724	48,151,691	48,341,785

(a) Diluted items are options for subscribing for new shares and free shares.

2. Statement of comprehensive income for the year ended December 31, 2010

(in thousand euros)	NOTES	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Group net income		144,936	151,724	207,457
Other comprehensive income				
Gain/(Loss) on cash flow hedge	23	17,736	60	(6,595)
Exchange differences arising on translation of overseas operations [(a)]		(30,829)	38,156	66,838
Actuarial differences on post employement benefits	21-4	(70,221)	(139)	(11,237)
Available for sale investments		(8)	1	(2)
Other comprehensive income from associates		-	-	-
Deferred tax and current tax recognized on other comprehensive income	7-2	21,154	(1,772)	5,272
Other comprehensive income – Net of tax		**(62,168)**	**36,306**	**54,276**
TOTAL COMPREHENSIVE INCOME		**82,768**	**188,030**	**261,733**
Attributable to:				
• BIC Group		82,768	188,030	261,733
• non-controlling interest		-	-	-
TOTAL		**82,768**	**188,030**	**261,733**

(a) The main items impacting the translation reserve variance for the period are as follows: U.S. dollar +20 million euros, Brazilian real +14 million euros, Mexican peso +6 million euros, Australian dollar +4 million euros.

3. Consolidated balance sheet for the year ended December 31, 2010

ASSETS

(in thousand euros)	NOTES	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Property, plant and equipment	10-1, 10-2	348,029	372,511	358,188
Investment properties	10-3	7,693	2,547	2,339
Net goodwill	11	195,264	215,047	219,869
Intangible assets	12	36,763	40,155	38,162
Investments in associates	13	27	67,101	72,103
Other non-current assets	14	20,057	12,567	16,555
Deferred tax assets	22	108,762	110,664	136,140
Derivative financial instruments	23	2,064	1	-
Non-current assets		**718,659**	**820,593**	**843,356**
Inventories	15	304,322	300,973	344,001
Income tax advance payments		21,712	8,373	10,520
Trade and other receivables	15, 16-5	315,108	361,172	389,314
Other current assets		11,343	8,863	14,291
Current derivative financial instruments	16-6, 23	16,472	5,906	5,192
Other derivative instruments	23	-	1,896	-
Other current financial assets		18,476	40,113	40,672
Cash and cash equivalents		224,992	480,343	371,191
Assets held for sale	10-4	1,322	890	5,671
Current assets		**913,747**	**1,208,529**	**1,180,852**
TOTAL ASSETS		**1,632,406**	**2,029,122**	**2,024,208**

EQUITY AND LIABILITIES

(in thousand euros)	NOTES	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Share capital	17	183,858	184,231	184,128
Accumulated profits		1,021,385	1,113,245	1,191,112
Translation reserve		(43,236)	(5,080)	61,758
Cash flow hedge derivatives		9,887	11,669	7,650
Group Shareholders' equity		**1,171,894**	**1,304,065**	**1,444,648**
Non-controlling interest		219	219	-
Shareholders' equity	**SHEQ**	**1,172,113**	**1,304,284**	**1,444,648**
Non-current borrowings	19	11,078	161,466	2,781
Other non-current liabilities		125	118	106
Employee benefits obligation	21	150,562	153,649	166,880
Provisions	20	28,741	36,676	50,479
Deferred tax liabilities	22	23,957	19,390	22,367
Non-current hedging contracts	16-6, 23	147	672	29
Non-current liabilities		**214,610**	**371,971**	**242,642**
Trade and other payables	15	92,134	120,430	130,255
Current borrowings	19	21,806	53,695	11,709
Current tax due		7,528	20,735	12,226
Other current liabilities		119,273	149,777	177,930
Other derivative intruments	16-6, 23	2,134	-	1,481
Current hedging contracts	16-6, 23	2,808	8,230	3,317
Current liabilities		**245,683**	**352,867**	**336,918**
TOTAL EQUITY AND LIABILITIES		**1,632,406**	**2,029,122**	**2,024,208**

SHEQ : See consolidated statement of changes in equity.

4. Consolidated cash flow statement for the year ended December 31, 2010

(in thousand euros)	NOTES	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Operating activities				
Net income	IS	144,936	151,724	207,457
Adjustments to reconcile net income to net cash:				
Non-controlling interest	IS	-	-	-
Amortization of intangible, tangible assets and investment properties	4, 10, 12	74,522	75,024	77,318
Impairment loss	10, 12	397	5,095	6,014
Antalis Promotional Products negative goodwill and goodwill impairment	11	-	(10,250)	3,410
Provision for employee benefits	21-3	13,166	26,832	16,740
Other provisions (excluding provisions on current assets)		2,363	3,964	9,139
Hedging and derivative instruments		2,845	250	2,265
Option premium expense		517	305	658
Recognition of share-based payments	18, SHEQ	5,365	5,705	7,368
Deferred tax variation	22	8,737	(6,611)	(11,598)
Income from associates	13	-	(3,820)	(5,000)
(Gain)/Loss from disposal of fixed assets	5,10,12, (a)	(1,603)	(555)	(11,067)
Cash flow		**251,245**	**247,663**	**302,704**
(Increase)/Decrease in net working capital	15	41,756	92,005	(1,319)
Payments related to employee benefits	21-1	(34,073)	(25,264)	(25,081)
Financial expense/(income)	6	(3,276)	(2,227)	297
Interests (paid)/received	6	1,931	4,298	(5,123)
Income tax expense	7	59,497	77,464	104,865
Income tax paid		(91,976)	(50,799)	(116,117)
NET CASH FROM OPERATING ACTIVITIES	**(j)**	**225,104**	**343,140**	**260,226**
Investing activities				
Disposal of fixed assets	5, (a)	4,045	7,115	7,335
Purchases of property, plant and equipment	10	(75,528)	(47,639)	(56,647)
Purchases of intangible assets	12	(7,876)	(5,429)	(6,343)
Acquisition of equity investment	13, (b)	-	(63,271)	-
(Increase)/Decrease in other investments	(h)	(746)	11,161	487
Acquisition of subsidiaries	11, (c)	(1,487)	(118,848)	-
Business divestiture	11, (a)	-		17,376
NET CASH FROM INVESTING ACTIVITIES		**(81,592)**	**(216,911)**	**(37,792)**

(in thousand euros)	NOTES	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Financing activities				
Dividends paid	SHEQ, 9, (d)	(65,428)	(65,001)	(116,432)
Non-controlling interest buy-back		-	-	(200)
Borrowings/(Repayments)	19, (i)	(14,180)	190,347	(226,931)
Repayments of obligations under finance leases		(172)	1,033	462
Purchase of financial instruments	(e)	(587)	(127)	(690)
(Purchase)/Sale of other current financial assets	(f)	3,971	(19,416)	(309)
Increase in treasury shares and exercise of stock options	17, (g)	(25,245)	3,175	(17,955)
NET CASH FROM FINANCING ACTIVITIES		**(101,641)**	**110,011**	**(362,055)**
Net increase/(decrease) in cash and cash equivalents		41,871	236,240	(139,621)
Opening cash and cash equivalents	BS	198,513	222,471	478,885
Exchange difference		(17,913)	20,174	28,708
CLOSING CASH AND CASH EQUIVALENTS	**BS**	**222,471**	**478,885**	**367,972**

IS: See consolidated income statement.

SHEQ: See consolidated statement of changes in equity.

BS: See consolidated balance sheet.

Closing cash and cash equivalents include cash, cash equivalents of 371,191 thousand euros and bank overdrafts of 3,219 thousand euros.

(a) Main disposals on year 2010 are the following:

- disvestiture of BIC APP funeral products business activity, as well as Artwork, for 17.4 million euros, generating a gain of 7.3 million euros;
- disposal of lands and buildings in France, Australia and USA, generating a gain of 3.4 million euros.

Proceeds from disposal received in 2009 mainly corresponded to the disposal of the Liederbach building in Germany for 5.5 million euros (see Note 10–3).

(b) In 2009, BIC Group paid 63.3 million euros to acquire 40% of six entities of the Cello Group. This is the first step of the acquisition of 40% of Cello Pens' Writing Instruments business (see Note 13).

(c) In 2009, BIC purchased:

- Norwood Promotional Products, net cash impact -86 million euros;
- The Antalis Promotional Products activity, net cash impact -32.7 million euros;
- BIC Hungaria, net cash impact -0.1 million euros.

(d) The dividends paid represent the dividends paid by SOCIÉTÉ BIC to its Shareholders (see Note 9).

(e) During 2010, SOCIÉTÉ BIC purchased option premiums for 0.7 million euros (0.1 million euros during full year 2009).

(f) During 2009, cash generated by BIC Group was allocated to several natures of funds. A portion of this cash has been invested on structural funds. Due to the evolution of financial markets, the allocation was made to monetary mutual funds with a sensitivity above 0.5 and monetary funds (> 3 months). As of December 31, 2009, the balance of 40.1 million euros was split into seven lines of mutual funds, between 2.5 and 9.2 million euros each. 85% of the portfolio was liquid within one week and 100% within six months.

(g) During 2010, 694,780 shares were repurchased by SOCIÉTÉ BIC for 42 million euros. Also, 382,544 shares were bought according to the liquidity agreement for 22.0 million euros and 384,029 shares were sold for 22.4 million euros. In addition, 658,821 options were exercised in the period for 29.9 million euros, of which 6.3 million euros have not been cashed in end of December 2010. Moreover, SOCIÉTÉ BIC received early 2010, 0.5 million euros related to stock options exercised at the end of 2009.

In 2009, 514,262 shares were repurchased by SOCIÉTÉ BIC for 21.5 million euros and 469,591 shares were sold for 19.9 million euros. In addition, 136,546 options were exercised in 2009 for 5.1 million euros.

(h) In 2009, some long-term investments have been changed to short-term investments in cash and cash equivalents.

(i) In 2009, new borrowings had been contracted in France for Cello Pens (156 million U.S. dollars) and Norwood Promotional Products LLC (125 million U.S. dollars) acquisitions, (see Note 19). Those loans have been fully repaid in 2010 for a counterpart of 118.6 million euros and 98.8 million euros respectively.

(j) Net cash from operating activities include 10 million euros cashed out for the BIC APP integration plan and the roll-over of the 2009 cost reduction plan.

5. Consolidated statement of changes in equity for the year ended December 31, 2010

(in thousand euros)	NOTES	SHARE CAPITAL	ACCUMULATED PROFITS	TRANSLATION RESERVE	CASH FLOW HEDGE DERIVATIVE	GROUP SHARE-HOLDERS' EQUITY	NON-CONTROLLING INTEREST	SHARE-HOLDERS' EQUITY
At January 1, 2009		**183,858**	**1,021,385**	**(43,236)**	**9,887**	**1,171,894**	**219**	**1,172,113**
Dividends paid	9	-	(65,001)	-	-	(65,001)	-	(65,001)
Decrease in share capital		(382)	(2,766)	-	-	(3,148)	-	(3,148)
Increase in share capital		457	3,931	-	-	4,388	-	4,388
Treasury shares		298	1,899	-	-	2,197	-	2,197
Recognition of share-based payments	18	-	5,705	-	-	5,705	-	5,705
Total comprehensive income		-	*148,092*	*38,156*	*1,782*	*188,030*	-	*188,030*
At January 1, 2010		**184,231**	**1,113,245**	**(5,080)**	**11,669**	**1,304,065**	**219**	**1,304,284**
Dividends paid	9	-	(116,432)	-	-	(116,432)	-	(116,432)
Decrease in share capital [a]		(2,086)	(25,899)	-	-	(27,985)	-	(27,985)
Increase in share capital [b]		2,517	27,356	-	-	29,873	-	29,873
Treasury shares		(534)	(13,441)	-	-	(13,975)	-	(13,975)
Recognition of share-based payments	18	-	7,368	-	-	7,368	-	7,368
Non-controlling interest buy-back		-	-	-	-	-	(219)	(219)
Other		-	1	-	-	1	-	1
Total comprehensive income		-	*198,914*	*66,838*	*(4,019)*	*261,733*	-	*261,733*
At December 31, 2010		**184,128**	**1,191,112**	**61,758**	**7,650**	**1,444,648**	**-**	**1,444,648**

(a) On February 16, 2010, the Board of Directors, authorized by the Annual Shareholders' Meeting on May 14, 2009, decided to cancel 48,821 shares. On October 19, 2010, the Board of Directors, authorized by the Annual Shareholders' Meeting on May 12, 2010, decided to cancel 497,105 shares (see Note 17).

(b) In addition, following the exercise of stock options (subscription plan), the share capital was increased by 658,821 shares.

6. Notes to the consolidated financial statements for the year ended December 31, 2010

NOTE 1 PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Approval of the financial statements

The BIC Group's consolidated financial statements for 2010 have been approved by the Board of Directors' Meeting of February 15, 2011 and are submitted for approval to the Annual Shareholders' Meeting held on May 11, 2011.

The 2010 financial year was impacted by the ongoing economic and financial crisis, the scope and length of which cannot be precisely anticipated beyond December 31, 2010. The 2010 consolidated financial statements were prepared in recognition of this environment, especially regarding financial asset valuation, assessment of inventory turnover and collection of trade receivables. Assets with values linked to long-term projections, especially intangible assets, were valued according to assumptions taking into account the economic and financial crisis. Particular attention was paid to the potential impact on the discounting of operating cash flows, as the financial parameters used are the market ones at the end of 2010.

1- Accounting policies

1-1 General

According to the European regulation n°1606/2002 of July 19, 2002, the consolidated financial statements of BIC Group have been prepared in accordance with accounting principles as defined by the International Accounting Standards Board (IASB) as adopted by the European Union. The international standards include the IFRS (International Financial Reporting Standards) and the IAS (International Accounting Standards), as well as their interpretations.

The full-year 2010 consolidated financial statements have been prepared using the measurement and recognition rules defined in all IAS/IFRS standards existing at that date.

The financial statements have been prepared on the historical cost basis, except for the valuation of certain financial instruments. The principal accounting policies remain unchanged compared to last year except for the following policies, effective since January 1, 2010.

1-2 Adoption of new and revised International Financial Reporting Standards, interpretations and amendments

Standards, interpretations and amendments effective in the current period

The following standards are effective since January 1, 2010 and have been applied to the consolidated financial statement as of December 31, 2010:

- Revised IFRS 3 – Business combinations applicable to entity acquired since January 1, 2010, and controlled (in accordance with IAS 27 revised);
- Improvements to IFRS 2009;
- Amendment to IAS 39 – Eligible hedged items;
- Amendment to IFRS 2 – Group cash-settled share-based payment transactions;
- Amendment to IFRS 5 (Annual Improvements of IFRS 2008) – Non-current assets held for sale and discontinued operations;
- IFRIC 16 – Hedges of a net investment in a foreign operation;
- IFRIC 17 – Distributions of non-cash assets to owners.

The implementation of these new regulations had no significant impact on the consolidated financial statements as of December 31, 2010.

Optional standards, interpretations and amendments issued and adopted by the European Union in 2010

In 2010, the Group did not elect to early apply any standards, interpretations or amendments approved by the European Union, particularly regarding the following standards, interpretations and amendments :

- Revised IAS 24 – Related parties;
- IFRIC 19 – Extinguishing financial liabilities with equity instruments;
- Amendment to IFRIC 14 – Prepayments of a minimum funding requirement;
- IAS 32 Amended – Classification of rights issues.

The Group is currently conducting analysis on the practical consequences of these new regulations and the effects of their implementation on the financial statements. So far, as of today, no significant impact on the financial statements is anticipated.

Standards, interpretations and amendments issued and not yet adopted by the European Union

- IFRS 9 – Financial instruments;
- Amendment to IFRS 7 – Improving disclosures about financial instruments;
- Improvements to IFRS 2010.

1-3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of SOCIÉTÉ BIC and entities controlled by SOCIÉTÉ BIC ("its subsidiaries"). Control is achieved where SOCIÉTÉ BIC has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interest (formerly "minority interest") in the net assets of consolidated subsidiaries is identified separately from the Group's equity therein. It consists of the amount of those non-controlling interests at the date of the original business combination (see below) and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the non-controlling interest in the subsidiary's equity are allocated against the interest of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

1-4 Business combinations

Business combinations completed before January 1, 2010, have been accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any cost directly attributable to the business combinations. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognized at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations," which are recognized and measured at fair value less cost to sell. The interest of minority Shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

According to the revised IFRS 3, applicable from January 1, 2010, the business combinations realized prior to this date have not been restated. According to this new standard, the acquired assets and assumed identifiable liabilities are booked at fair value at the date of takeover, as well as any non-controlling interest (formerly minority interest) in the acquiree.

The revised IFRS 3 and revised IAS 27 modify the Group accounting principles applicable to business combinations completed after January 1, 2010. In the absence of business combinations in 2010, these changes did not impact the 2010 Group's financial statements.

Goodwill arising from an acquisition is recognized as an asset and initially measured at cost, which is defined as the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss.

1-5 Investments in associates

An associate is an entity over which the Group has significant influence or joint control and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over the policies. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations." Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associates, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate) are not recognized.

Any excess of the cost of acquisition over the Group's shares of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

Where a Group entity transacts with an associate of the Group, profit and losses are eliminated to the extent of the Group's interest in the relevant associate.

1-6 Goodwill

Goodwill arising from the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognized at the date of acquisition. Goodwill is calculated in the currency of the acquired subsidiary. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to cash generating units ("CGU") or groups of CGU, which are generally composed of subsidiaries or business units that benefit from synergies and cost savings generated through the acquisition. These CGU or groups of CGU represent the finest level at which the goodwill is monitored at group level. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, impairment loss is first allocated to the reduction of carrying amount of any goodwill allocated to the cash generating unit and then to the other assets of the unit prorated on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or jointly controlled entity, the attributable amount of goodwill is included in the determination of the gain or loss disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described under "Investments in associates" above.

1-7 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets previous carrying amount and fair value less costs to sell.

1-8 Revenue recognition

Revenue is measured at the fair value of the counterpart received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes. Revenue is recorded as follows:

- sales of goods are recognized when goods are delivered and title has passed;
- interest income is accrued on time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount;
- dividend income from investments is recognized when Shareholders' rights to receive payment have been established.

Considering the nature of BIC Group's activities, interest and dividends received are disclosed as financial income in the income statement.

1-9 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The Group is only involved as lessor in operating leases on land and buildings disclosed in the balance sheet as investment properties.

The Group as lessee

Assets held under finance leases are recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are appointed between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to income statement.

Rentals payable under operating leases are charged to income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

1-10 Foreign currencies

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates, namely its functional currency. For the purpose of the consolidated financial statements, the result and financial position of each entity are expressed in a common currency. Euro is the functional currency of SOCIÉTÉ BIC as well as the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded at the rates of exchange prevailing on the dates of the transactions. At each closing date, monetary items denominated in foreign currencies are retranslated at the rate prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the transaction date. Non-monetary items that are measured at fair value are translated using the exchange rates prevailing at the date of the measurement.

Exchange differences arising from the settlements of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period.

In order to hedge its exposure to certain foreign exchange risk, the Group enters into forward contracts and options (see Note 1–21 for details of the Group's accounting policies regarding derivative financial instruments).

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in euro using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognized in profit or loss in the period in which the foreign operation is disposed of.

The following exchange rates were used to translate the financial statements of the main foreign subsidiaries, excluding euro countries.

The following schedule shows euro equivalents of one unit of foreign currency (for instance: average 2010 is 0.75 euros = 1 U.S. dollar).

FOREIGN CURRENCIES	AVERAGE 2009	AVERAGE 2010	DEC. 31, 2009	DEC. 31, 2010
	Euro	Euro	Euro	Euro
U.S. dollar - USD	0.72	0.75	0.69	0.75
Australian dollar - AUD	0.56	0.69	0.62	0.76
Canadian dollar - CAD	0.63	0.73	0.66	0.75
Swiss franc - CHF	0.66	0.72	0.67	0.80
Chinese renminbi - CNY	0.11	0.11	0.10	0.11
British pound - GBP	1.12	1.17	1.13	1.16
Hong Kong dollar - HKD	0.09	0.10	0.09	0.10
Indian rupee - INR	0.01	0.02	0.01	0.02
Japanese yen - JPY	0.01	0.01	0.01	0.01
Korean won - KRW	0.00	0.00	0.00	0.00
Malaysian ringgit - MYR	0.20	0.23	0.20	0.24
New Zealand dollar - NZD	0.45	0.54	0.50	0.58
Philippine peso - PHP	0.02	0.02	0.02	0.02
Polish zloty - PLN	0.23	0.25	0.24	0.25
Swedish krona - SEK	0.09	0.10	0.10	0.11
Singapore dollar - SGD	0.49	0.55	0.50	0.58
South African rand - ZAR	0.09	0.10	0.09	0.11
Argentinian peso - ARS	0.19	0.19	0.18	0.19
Brazilian real - BRL	0.36	0.43	0.40	0.45
Mexican peso - MXN	0.05	0.06	0.05	0.06

Goodwill and fair value adjustment arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

1-11 Borrowing costs

All borrowing costs are recognized in profit or loss in the period in which they are incurred.

1-12 Government grants

Government grants are recognized in profit or loss over the periods necessary to match them with related costs and deducted in reporting the related expense.

1-13 Research and development tax credit

The research and development tax credit is deducted from operating expenses.

1-14 Retirement benefit costs and other employee benefits

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit plans are dealt with as payments to defined contribution plans where the Group's obligation under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

For defined benefit retirement plans, the cost of providing is determined using the Projected Units Credit Method, with actuarial valuations being carried out for each balance sheet date. Starting January 1, 2006, BIC has applied the SoRIE Amendment to the IAS 19 Standard. Consequently, all actuarial differences are now recognized in equity in the period in which they occur. Past services cost is recognized immediately to the extent that the benefit is already vested, and otherwise is amortized on a straight-line basis over the average period until the benefit becomes vested.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation adjusted for unrecognized past service costs, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

1-15 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax included in the determination of the net income of the period.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method and tax rate enacted or nearly at the balance sheet date. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that the profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising from investments in subsidiaries and associates, and interest in joint ventures, except when the Group is able to control the reversals of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred taxes is reviewed at each balance sheet date.

Deferred tax is calculated at the tax rates that are expected to apply in the periods when the liability is settled or the asset realized. Deferred tax is charged or credited to profit or loss, except when it relates to a transaction or an event directly credited or charged to equity, in which case the deferred tax is also dealt with equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

BIC Sport, BIMA 83, BIC Écriture 2000, BIC Services, Conté, Société Immobilière BIC Clichy, Société Immobilière Valiton Gesnouin, BIC Rasoirs, Société du Briquet Jetable 75, BIC Graphic France, BIC Assemblage, BIC Technologies, Compagnie de Moulages, DAPE 74 Distribution, Stypen and BIC Clichy are part of the SOCIÉTÉ BIC tax Group.

1-16 Property, plant and equipment

Land and building held for use in the production or supply of goods or services, or for administrative purposes, are in the balance sheet at their historical cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Certain property, plant and equipment has been revalued according to the first adoption of IFRS (IFRS 1).

Depreciation is charged to profit or loss. Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any identified impairment losses. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixture and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful life, using the straight-line method.

Assets held under finance leases (leases transferring risks and rewards linked to ownership) are booked in assets with a financial debt as a counterpart. They are depreciated over their expected useful life on the same basis as owned assets or, where shorter, on the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

The depreciation method is the straight-line method, on the following basis:

Buildings	25 years
Fixtures, machinery and equipment	5 to 8 years
Vehicles	3 to 5 years

1-17 Investment property

Investment property (lands or buildings), which is held to earn rentals and/or for capital appreciation, is stated at its cost at the balance sheet date, less depreciation and impairment losses if any. Investment property is depreciated according to the same method as property, plant and equipment.

1-18 Intangible assets

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from Group development or development step is recognized only if all of the following conditions are met:

- an asset is created that can be identified;
- it is probable that the asset created will generate future economic benefits for the Group; and
- the development cost attributable to the asset can be measured reliably.

Internally-generated intangible assets are amortized on a straight-line basis over their estimated useful life.

Where no internally generated intangible asset can be recognized, development expenditure is charged to profit or loss in the period in which it is incurred.

Patents, trademarks, licenses and softwares

Patents, trademarks, licenses and softwares are measured initially at purchase cost less accumulated amortization and impairment loss, if any, and are amortized on a straight-line basis over their estimated useful lives.

1-19 Impairment of tangible and intangible assets (excluding goodwill)

At each balance sheet date, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years.

A reversal of an impairment loss is recognized immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1-20 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct material and, where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realizable value represents the estimated selling price less all estimated costs of completion and cost to be incurred in marketing, selling and distribution.

1-21 Financial instruments

Financial assets and financial liabilities are recognized on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

a/ Trade receivables

Trade receivables are measured at initial recognition at fair value. Appropriate allowances for estimated unrecoverable amounts are recognized in profit or loss when there is objective evidence that the asset is impaired. The allowance is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, actualized at the effective interest rate calculated at initial recognition of the receivables.

b/ Investments

Investments are recognized and derecognized on a trade basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable cost.

After initial recognition, investments the Group has the positive intention and ability to hold to maturity (Held-to-maturity investments) are measured at amortized cost using the effective interest method, less any impairment loss booked to reflect unrecoverable amounts. An impairment loss is recognized in profit or loss when there is objective evidence that the financial asset is impaired and the amount of the loss is measured at the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

The previously recognized impairment loss is reversed in a subsequent period if the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognized in profit or loss.

Investments other than those held to maturity are classified as either investments held for trading (temporary cash investment) or as available-for-sale (equity investment), and are measured at subsequent reporting dates at fair value. Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in profit or loss for the period.

For available-for-sale investments, gains and losses arising from changes in fair value are recognized directly in equity, until the security is disposed of or is determined to be impaired at which time the cumulative gain or loss previously recognized in equity is included in the profit or loss for the period. Impairment losses recognized in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognized in profit or loss for debt instruments classified as available-for-sale, are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

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c/ Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The implementation of IAS 7 has resulted in monetary mutual funds with a historical volatility over the last twelve months of above 0.5% being considered non eligible as "cash equivalent." These items are now classified as "Other current financial assets."

d/ Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deduction of all its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

e/ Bank borrowing

Interesting-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement of redemption of borrowing is recognized in profit or loss over the term of the borrowing in accordance with the Group's accounting policy for borrowing costs.

f/ Trade payables

Trade payables are initially measured at fair value, and subsequently measured at amortized cost, using the effective interest rate method.

g/ Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

h/ Derivative financial instruments and hedge accounting

The Group's activities expose it primarily to the financial risk of changes in foreign exchange and interest rates.

The Group uses derivative financial instruments (primarily foreign currency forward contracts and currency options) to hedge its risk associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Group designates these as cash flow hedges of foreign currency.

The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives consistent with the Group's risk management strategy. The Group does not use derivative financial instruments for speculative purposes.

MEASUREMENT AND PRESENTATION

Derivatives are initially recognized at fair value of received counterpart on the contract date and are remeasured to fair value at subsequent reporting dates. They are disclosed in the balance sheet in current assets for the part within one year and in non-current assets for the part beyond one year.

The fair value of forward exchange contracts and currency swaps is determined by discounting future cash flows, using closing-date market rates (exchange and interest rates).

The fair value of foreign exchange options is determined in the same way, using interest rate curves, exchange rates, as well as the volatility of each related currency.

HEDGE ACCOUNTING

The treatment of derivatives designated as hedging instruments depends on the type of hedging relationship:

- cash flow hedge;
- hedge of a net investment in a foreign operation.

The Group clearly identifies the hedging instrument and the hedged item as soon as the hedge is set up, and formally documents the hedging relationship stating the hedging strategy, the risk hedged and the method used to determine the effectiveness of the hedge. This documentation is subsequently updated, such that the effectiveness of the designated hedge can be demonstrated.

Hedge accounting uses specific measurement and recognition methods for each category of hedge:

- **cash flow hedges**: no adjustment is made to the value of the hedged item; only the hedging instrument is adjusted to fair value. Following this adjustment, the effective portion of the change in fair value attributable to the hedged risk is recorded, net of taxes, in equity, while the ineffective portion is included in the income statement. The cumulative amount included in equity is transferred to the income statement when the hedged item has an impact on net income.

  If cash flow hedge of a commitment or forecasted transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognized, the associated gains or losses on the derivative that had previously been recognized in equity are included in the initial measurement of the asset or liability.

  For hedges that do not result in the recognition of an assets or a liability, amounts deferred in equity are recognized in the income statement in the same period in which the hedged item affects the net income.

  Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognized in equity is retained in equity until the forecasted transaction occurs.

  If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognized in equity is transferred to profit or loss for the period;

- **hedge of net investment in a foreign operation**: the hedging instrument is adjusted to fair value. Following this adjustment, the change in fair value attributable to the hedged exchange risk is recorded, net of taxes, in equity. The cumulative amount included in equity is transferred to the income statement at the date of liquidation or sale of the net investment.

  Derivatives embedded in other financial instruments or other non financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealized gains or losses reported in profit or loss. None were contracted within BIC Group in 2008, 2009 and 2010.

i/ Fair value hierarchy

Financial instruments measured at fair value are classified within three fair value levels (IFRS 7 amendment):

- level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (*i.e.*, as prices) or indirectly (*i.e.*, derived from prices);
- level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

1-22 Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

1-23 Share-based payments

The Group issues equity-settled share-based payment to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. This fair value is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the share that will eventually be vested and adjusted for the effect of non-market-based vesting conditions.

Fair value is measured using the method given in Note 18. The expected life used in the model has been adjusted, based on management's best estimates, for the effect of non-transferability, exercise restrictions and behavioral considerations.

1-24 Estimates and judgments

In preparing the consolidated financial statements, BIC Group has to make estimates and assumptions that impact the consolidated financial statements and amounts reported in some financial notes. BIC Group regularly reviews these estimates and assumptions in order to take into account past experience as well as changes in the economic environment. The results of this review could lead to publishing in future consolidated financial statements different amounts than those previously disclosed.

2- Change in Group structure

No change occured in Group structure in 2010.

NOTE 2 OPERATING SEGMENTS

2-1 General information

BIC operating segments have been determined based on the reports regularly reviewed by the management and used to make strategic decisions.

The management considers the business from a product category perspective, knowing that each category can be reviewed for a specific geographic area if needed.

Starting 2010 and following 2009 significant acquisitions in Advertising and Promotional businesses, the categories are now the following: Stationery consumer, Lighters, Shavers, Other consumer and BIC APP (Advertising and Promotional Products). The 2009 comparative information has been restated to take into account these changes.

The reportable operating segments derive their revenue primarily from the manufacture and sale of each kind of product.

The segments also derive minor revenue from freight recharged to customers, royalties and financial income.

These revenues are not presented in the note below as they are not significant compared to the net sales and are not followed by category by the chief operating decision makers.

2-2 Information on income statement and assets by activity

All indicators are determined according to IFRS, except for:

- normalized income from operations which is the income from operations restated from exceptional items (real estate gains, gain on sale of BIC APP funeral products business, Antalis Promotional Products negative goodwill and restructuring costs);
- capital additions which are the purchases and internal generation of tangible and intangible fixed assets for the period.

	Stationery consumer	Lighters	Shavers	Other consumer	BIC APP	Total
						DEC. 31, 2009
INCOME STATEMENT *(in million euros)*						
• Net sales	510	399	269	97	288	**1,563**
• Amortization	(19)	(9)	(18)	(19)	(10)	**(75)**
• Impairment loss	-	(1)	(2)	-	-	**(3)**
• Income from operations	43	128	30	(9)	24	**216**
• Normalized income from operations	49	136	34	(9)	30	**240**
• Income from associates	4	-	-	-	-	**4**

As of December 31, 2009 and 2010, the BIC Group has not identified any major customer with which it realized more than 10% of its net sales.

	Stationery consumer	Lighters	Shavers	Other consumer	BIC APP	Total
						DEC. 31, 2009
CAPITAL ADDITIONS *(in thousand euros)*	16,017	12,202	10,083	12,280	2,435	**53,017**
NET INVENTORIES *(in thousand euros)*	128,016	52,258	50,356	14,633	55,710	**300,973**

2-3 Information by geographies

Since 2010, the geographies followed by the management are: Europe, North America and Developing Markets. The comparative information has been restated to take into account these changes.

	Europe	North America	Developing Markets	Total
				DEC. 31, 2009
NET SALES *(in million euros)*	504	641	418	**1,563**

						DEC. 31, 2010
	Stationery consumer	Lighters	Shavers	Other consumer	BIC APP	Total
	581	481	308	100	362	**1,832**
	(20)	(12)	(16)	(17)	(12)	**(77)**
	(1)	-	(1)	-	-	**(2)**
	69	174	42	(7)	27	**305**
	70	174	44	(6)	33	**315**
	5	-	-	-	-	**5**

						DEC. 31, 2010
	Stationery consumer	Lighters	Shavers	Other consumer	BIC APP	Total
	12,769	13,312	13,545	13,488	9,876	**62,990**
	154,593	62,520	55,009	16,091	55,788	**344,001**

				DEC. 31, 2010
	Europe	North America	Developing Markets	Total
	525	774	533	**1,832**

NOTE 3 REVENUE

(in thousand euros)	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Continued operations:			
Net sales	1,420,909	1,562,696	1,831,514
Other income from operations:			
• Freight recharged to customers	8,574	15,842	21,875
• Rent on the investment properties	1,024	933	698
• Royalties income	145	74	87
Finance items:			
• Interest income	10,011	11,271	9,482
TOTAL	**1,440,663**	**1,590,816**	**1,863,656**

NOTE 4 OPERATING EXPENSES

(in thousand euros)	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Raw materials, consumables used and change in inventory	401,316	486,063	548,842
Staff costs	388,296	417,242	480,163
Amortization expenses	74,519	75,024	77,318
Impairment loss	-	2,794	2,182
Other operating expenses	353,901	358,739	427,602
(Gain)/Loss on operational foreign currency translation	(1,286)	(2,160)	1,403
TOTAL	**1,216,746**	**1,337,702**	**1,537,510**

Research and development costs expensed for 2010 amount to 20.3 million euros versus 21.8 million euros for 2009. In 2010, they include the French research and development tax credit for 2.1 million euros, booked in previous years in income tax expense.

NOTE 5 OTHER INCOME AND EXPENSE

(in thousand euros)	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Royalties income	145	74	87
Freight recharged to customers	8,574	15,842	21,875
Gain on sale of BIC APP funeral products business and other disposal of fixed assets	1,603	555	11,067
Negative Antalis Promotional Products goodwill	-	10,250	-
Other	1,229	-	-
Other income	**11,551**	**26,721**	**33,029**
Royalties expense	(77)	(12)	(2)
Impairment expenses	(397)	(685)	(268)
Cost reduction plan and APP's integration plan	-	(34,411)	(21,048)
Stypen factory closure in Joigny (France)	(4,394)	(28)	-
Fountain Inn factory closure (U.S.)	(1,287)	-	-
Other	-	(572)	(1,117)
Other expenses	**(6,155)**	**(35,708)**	**(22,435)**
TOTAL	**5,396**	**(8,987)**	**10,594**

Other income/expense related to 2010 mainly includes:

- 7.3 million euros relating to the sale of BIC Advertising and Promotional Products (BIC APP) funeral products business in the U.S.;
- 3.4 million euros relating to real estate gains in France, Australia and the U.S.;
- 13.3 million euros relating to the Norwood Promotionnal Products integration plan;
- restructuring expenses mainly in Europe which include the roll-over of the 2009 cost reduction plan for 5.6 million euros and expenses related to our Hungarian business restructuring for 2.1 million euros.

Other income/expense related to 2009 mainly included:

- the impact of the 2009 cost reduction plan;
- the negative goodwill related to the Antalis Promotional Products acquisition;
- 0.6 million euros relating to real estate gains in Germany.

NOTE 6 FINANCE COSTS/REVENUE

(in thousand euros)	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Interest income from cash and cash equivalents	4,428	6,189	3,705
Interest on bank deposits	5,583	5,082	5,777
Income from cash and cash equivalents	**10,011**	**11,271**	**9,482**
Interest expenses	(6,735)	(9,043)	(9,779)
Hedging instruments revaluation	(712)	493	(1,644)
Net financial foreign exchange difference	4,199	19	163
Finance costs	**(3,248)**	**(8,531)**	**(11,260)**
FINANCE (COSTS)/REVENUE	**6,763**	**2,740**	**(1,778)**

During 2010, income from cash and cash equivalent is impacted by lower interest rates, although volume of investment is higher.

As of December 31, 2010, interest expenses include interests from the Norwood loan contracted early July 2009, as well as interests on the Cello loan. They also include 3.3 million euros of financial expense linked to the early unwind of the interest rate swaps on the Cello and Norwood loans that were early repaid (see Note 19).

During the year 2009, finance revenue excluding the net foreign exchange difference was impacted by the decrease in interest rates but benefits from a higher volume in investment. It also included interest expenses related to the loans linked to the Cello Pens and Norwood Promotional Products acquisitions.

As far as net financial foreign exchange was concerned, the positive impact of the evolution of the U.S. and Canadian dollars and the British pound was offset by the negative impact of the evolution of the Mexican peso and the Brazilian real.

NOTE 7 INCOME TAX

7-1 Income tax expense

(in thousand euros)	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Current tax:			
• Domestic	13,978	24,155	25,406
• Foreign	45,519	53,309	79,459
	59,497	**77,464**	**104,865**
Deferred tax	11,889	(6,621)	(4,502)
INCOME TAX EXPENSE	**71,386**	**70,843**	**100,363**

The normal domestic income tax rate is 34.43% (including social contribution of 3.3%) for the fiscal year 2010, which is the same as in 2009.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Reconciliation between theoretical tax charge and effective income tax expense:

(in thousand euros)	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Income before tax	216,322	218,747	302,820
Tax rate	34.43%	34.43%	34.43%
Theoretical tax charge	**74,480**	**75,315**	**104,261**
Effects of:			
• differences of tax rates	(2,561)	(2,092)	(3,782)
• income taxed at reduced rate	(3,059)	(3,552)	(2,252)
• permanent differences	8,365	652	12,712
• intercompany accruals eliminations	(1,034)	2,577	(1,989)
• tax assets not activated on tax losses	2,014	7,814	4,727
• tax assets activated on prior year losses	(847)	(200)	(3,094)
• tax credits	(5,100)	(9,737)	(10,597)
• foreign exchange differences	(872)	66	377
INCOME TAX EXPENSE	**71,386**	**70,843**	**100,363**
EFFECTIVE TAX RATE	**33.00%**	**32.39%**	**33.14%**

In addition, BIC Group has, as of December 31, 2010, 19.2 million euros of deferred tax assets not booked related to unused tax losses, compared to 14.3 million euros as of December 31, 2009.

In 2009, the permanent differences included the positive impact for 3.5 million euros of the negative goodwill on Norwood Europe (formerly Antalis Promotional Products).

7-2 Nature of deferred & current tax recognized on other comprehensive income

Deferred & current tax recognized on other comprehensive income results from the following items:

(in thousand euros)	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Cash flow hedge	(6,091)	1,722	2,576
Actuarial differences on post employment benefits	27,020	(1,045)	1,950
Share-based payments	(54)	-	690
Foreign exchange impact on dividend hedges	(61)	(2,371)	193
Treasury shares transactions	355	(79)	(137)
Other	(15)	1	-
TOTAL	**21,154**	**(1,772)**	**5,272**

NOTE 8 EARNINGS PER SHARE

Earnings per share and the diluted earnings per share correspond to Group net income divided by the relevant number of shares.

The number of shares used to calculate the earnings per share is the weighted average number of shares outstanding during the year less the number of shares held in treasury stock by SOCIÉTÉ BIC, deducted from Shareholders' equity, and the 50,060 shares held by BIC CORPORATION.

The number of shares used to calculate the diluted earnings per share is the weighted average number of ordinary shares potentially in circulation during the period, i.e., the number of shares used for the basic earnings per share, adjusted with the dilutive effect of stock options and performance shares.

As of December 31, 2010, 382,950 shares have a relutive impact.

As of December 31, 2010, the maximum dilutive effect from stock options not exercised is around 3% of the share capital.

(in thousand euros)	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Earnings			
Group net income	144,936	151,724	207,457
Number of shares used for the calculation of the earnings per share and dilutive earnings per share			
Weighted average number of ordinary shares for the purposes of basic earnings per share	48,357,724	48,151,691	48,341,785
Dilutive effect of stock options and free shares	19,806	161,782	383,838
Weighted average number of ordinary shares for the purposes of the diluted earnings per share	48,377,530	48,313,473	48,725,623

NOTE 9 DIVIDENDS

For the year 2009, an ordinary dividend of 1.40 euros per share and a special dividend of 1.00 euros per share have been distributed to the Shareholders as of May 25, 2010.

For the year 2008, the Shareholders received an ordinary dividend of 1.35 euros per share on May 25, 2009.

NOTE 10 FIXED ASSETS

10-1 Property, plant & equipment - Gross value

(in thousand euros)	LAND & BUILDINGS	MACHINERY & EQUIPMENT	CONSTRUCTION IN PROGRESS	OTHER FIXED ASSETS	TOTAL
At January 1, 2009	**285,542**	**867,073**	**52,705**	**21,900**	**1,227,220**
Additions	1,775	7,566	34,655	3,592	**47,588**
Acquisition through business combination	14,399	22,957	835	8,191	**46,382**
Disposals/Write-offs	(890)	(15,748)	-	(1,768)	**(18,406)**
Transfers to non-current assets held for sale (see Note 10-4)	(419)	-	-	-	**(419)**
Other transfers	16,477	29,086	(46,495)	813	**(119)**
Exchange differences	4,205	19,104	955	(31)	**24,233**
At January 1, 2010	**321,089**	**930,038**	**42,655**	**32,697**	**1,326,479**
Additions	4,633	9,236	39,517	3,261	**56,647**
Disposals/Write-offs	(8,103)	(48,400)	(855)	(3,477)	**(60,835)**
Transfers to non-current assets held for sale (see Note 10-4)	(8,519)	(465)	-	(52)	**(9,036)**
Other transfers	9,592	35,885	(46,119)	642	**-**
Exchange differences	11,317	38,829	1,526	1,151	**52,823**
At December 31, 2010	**330,009**	**965,123**	**36,724**	**34,222**	**1,366,078**

The gross value of property, plant and equipment includes 3.7 million euros of finance lease assets as of December 31, 2010 (2.6 million euros as of December 31, 2009).

10-2 Property, plant & equipement - Depreciation and impairment loss

(in thousand euros)	LAND & BUILDINGS	MACHINERY & EQUIPMENT	CONSTRUCTION IN PROGRESS	OTHER FIXED ASSETS	TOTAL
At January 1, 2009	**160,285**	**698,670**	**3,754**	**16,482**	**879,191**
Acquisition through business combination	135	5,081	-	1,271	**6,487**
Amortization for the period	10,024	50,841	-	3,819	**64,684**
Impairment loss	528	3,404	1,163	-	**5,095**
Disposals/Write-offs	(760)	(15,342)	-	(1,370)	**(17,472)**
Transfers to non-current assets held for sale (see Note 10–4)	(153)	-	-	-	**(153)**
Other transfers	(1)	54	-	-	**53**
Exchange differences	1,921	14,078	-	84	**16,083**
At January 1, 2010	**171,979**	**756,786**	**4,917**	**20,286**	**953,968**
Amortization for the period	11,711	51,445	-	5,390	**68,546**
Impairment loss	344	2,823	41	689	**3,897**
Disposals/Write-offs	(5,664)	(46,504)	(58)	(2,010)	**(54,236)**
Transfers to non-current assets held for sale (see Note 10–4)	(722)	(486)	-	(52)	**(1,260)**
Other transfers	216	(90)	(126)	-	**-**
Exchange differences	3,920	32,590	(11)	476	**36,975**
At December 31, 2010	**181,784**	**796,564**	**4,763**	**24,779**	**1,007,890**
NET VALUE					
At December 31, 2010	**148,225**	**168,559**	**31,961**	**9,443**	**358,188**
At December 31, 2009	**149,110**	**173,252**	**37,738**	**12,411**	**372,511**

The net value of the property, plant and equipment includes 2.6 million euros of finance lease assets as of December 31, 2010 (2.0 million euros as of December 31, 2009).

10-3 Investment property

(in thousand euros)	LAND & BUILDINGS
GROSS VALUE	
At January 1, 2009	**17,032**
Disposals	(13,343)
Transfers from assets held for sale (see Note 10–4)	36
Exchange differences	(103)
At January 1, 2010	**3,622**
Disposals	(1,033)
Exchange differences	239
At December 31, 2010	**2,828**
DEPRECIATION AND IMPAIRMENT LOSS	
At January 1, 2009	**9,339**
Amortization for the period	212
Disposals	(8,438)
Exchange differences	(38)
At January 1, 2010	**1,075**
Amortization for the period	99
Impairment loss	(21)
Disposals	(756)
Exchange differences	92
At December 31, 2010	**489**
NET VALUE	
At December 31, 2010	**2,339**
At December 31, 2009	**2,547**

After the Liederbach buildings disposal (Germany) in August 2009 (4.9 million euros), main investment properties as of December 31, 2010 are located in the U.S. (1.8 million euros).

The fair value of the Group's investment property is based on an internal valuation of land and buildings based on transaction price for similar properties or of the market price. For each investment property, fair value exceeds net booked value. Global fair value amounts to 2.8 million euros.

None of the Group investment property has been pledged.

The property rental income earned by the Group from its investment properties for the year 2010 amounts to 0.7 million euros (0.9 million euros for the year 2009). Rental payments to be received for the coming years are as follows:

- 0.7 million euros within one year;
- 2.5 million euros between two and five years;
- 0.5 million euros beyond five years.

Main direct operating expenses arising on the investment properties in the period, except depreciation, correspond to insurance, maintenance and security costs and amount to 0.3 million euros (0.7 million euros for the year 2009).

10-4- Assets held for sale and discontinued activities

(in thousand euros)	
GROSS VALUE	
At January 1, 2009	**3,975**
Transfers from property, plant and equipment (see Note 10–1)	419
Transfers to investment property (see Note 10–3)	(36)
Disposals	(1,250)
Exchange differences	22
At January 1, 2010	**3,130**
Transfer from property, plant and equipment and intangible assets (see Notes 10–1 and 12)	9,041
Disposals	(3,658)
Exchange differences	(73)
At December 31, 2010	**8,440**
DEPRECIATION AND IMPAIRMENT	
At January 1, 2009	**2,653**
Transfer from property, plant and equipment (see Note 10–2)	153
Disposals	(576)
Exchange differences	10
At January 1, 2010	**2,240**
Transfer from property, plant and equipment and intangible assets (see Notes 10–2 and 12)	1,264
Disposals	(2,788)
Exchange differences	(23)
Impairment loss	2,076
At December 31, 2010	**2,769**
NET VALUE	
At December 31, 2010	**5,671**
At December 31, 2009	**890**

As of December 31, 2010 the assets held for sale correspond to Janesville and San Antonio sites due to the BIC APP's integration plan in the U.S.

The land and buildings of Stypen in Joigny (France), as well as those in Australia, were disposed in February 2010.

NOTE 11 GOODWILL

(in thousand euros)	
GROSS VALUE	
At January 1, 2009	**199,686**
Acquisition through business combination	19,435
Exchange differences	471
At January 1, 2010	**219,592**
Divestiture of BIC APP funeral products business	(2,714)
Exchange differences	11,081
At December 31, 2010	**227,959**
IMPAIRMENT LOSS	
At January 1, 2009	**4,422**
Exchange differences	123
At January 1, 2010	**4,545**
Exchange differences	135
Impairment loss	3,410
At December 31, 2010	**8,090**
NET VALUE	
At December 31, 2010	**219,869**
At December 31, 2009	**215,047**

As of December 31, 2009, the changes in goodwill corresponded to the new goodwill generated following the acquisition of BIC Hungaria for 3.5 million euros and the acquisition of Norwood Promotional Products for 15.7 million euros.

BIC APP funeral products business was sold in June 2010, thus decreasing the goodwill by the related amount.

BIC Hungaria's goodwill has been fully impaired during the year further to the decision of business restructuring in Hungary.

The balance as of December 31, 2010 includes the main following net goodwill:

	BIC CORPORATION		BIC VIOLEX	
	DEC. 31, 2009	DEC. 31, 2010	DEC. 31, 2009	DEC. 31, 2010
Goodwill *(in thousand euros)*	95,005	100,893	57,852	57,852
Weighted average cost of capital (WACC) before tax	11.3%	11.0%	12.3%	15.4%
Infinite growth rate		1.3%		3%

Each goodwill has been applied to a cash generating unit depending on the activity of the related subsidiary. These cash generating units are largely independent of the consolidated Group and represent the finest level at which those goodwill are monitored by the Group.

The goodwill generated on BIC CORPORATION is then mainly allocated to cash generating units linked to the distribution by BIC CORPORATION of stationery products and lighters.

The goodwill generated on BIC Violex is mainly limited to the cash generating unit linked to shavers developed and/or produced by BIC Violex and sold all over the world. This cash generating unit also includes the portion of BIC CORPORATION goodwill allocated to shavers.

The impairment test methodology is based on a comparison between the recoverable amount of each of the Group's cash generating units with the cash generating unit's net asset carrying value (including goodwill).

Such recoverable amounts are determined using discounted cash flows over three years with an infinite rate and a discounted residual value using the constantly growing perpetuity method. The discount rate before taxes used is the Group's weighted average cost of capital. The infinite growth rates were determined based on external (inflation rate) and internal (business growth) sources.

In particular, impairment tests include the following:

- assumptions used to determine cash flows of main cash generating units take into account the potential impacts of the financial crisis, notably in Greece. The assumptions used concerning sales growth and terminal values are reasonable and in line with market data available for each cash generating unit;
- particular attention has been paid to the analysis of main market items used for the calculation of the discount rate. A country risk has then been added for the most sensitive countries;
- the Group conducted sensitivity analysis to changes in discount rate and infinite growth rate. This analysis did not reveal any particular risk, rates leading to no margin being unreasonnable compared to the ones used in the tests. An increase of the discount rate or a decrease of the infinite growth rate by one point would not lead to an impairment.

Further impairment tests are carried out in case of triggering events indicating a potential impairment.

NOTE 12 INTANGIBLE ASSETS

(in thousand euros)	SOFTWARE DEVELOPMENT COSTS	TRADEMARKS & PATENTS	RESEARCH & DEVELOPMENT	INTANGIBLE IN PROGRESS	OTHER	TOTAL
GROSS VALUE						
At January 1, 2009	**56,754**	**41,830**	**3,812**	**7,353**	**964**	**110,713**
Additions	510	915	11	1,585	-	**3,021**
Acquisition through business combination	1,851	-	-	159	5,518	**7,528**
Internally generated	-	-	-	2,408	-	**2,408**
Disposals/Write-offs	(510)	(2)	(19)	(127)	(138)	**(796)**
Transfers	8,941	205	(207)	(8,709)	(16)	**214**
Exchange differences	(371)	1,801	(68)	180	(124)	**1,418**
At January 1, 2010	**67,175**	**44,749**	**3,529**	**2,849**	**6,204**	**124,506**
Additions	234	930	-	3,491	52	**4,707**
Internally generated	-	-	-	1,636	-	**1,636**
Disposals/Write-offs	(5,881)	(68)	-	(11)	(3,108)	**(9,068)**
Transfer	3,142	-	-	(3,142)	-	**-**
Transfers to non-current assets held for sale (see Note 10–4)	-	(1)	-	-	(4)	**(5)**
Exchange differences	1,177	4,002	152	(120)	583	**5,794**
At December 31, 2010	**65,847**	**49,612**	**3,681**	**4,703**	**3,727**	**127,570**
AMORTIZATION AND IMPAIRMENT LOSS						
At January 1, 2009	**41,240**	**28,937**	**3,299**	**-**	**474**	**73,950**
Acquisition through business combination	1,694	-	-	-	132	**1,826**
Charge for the period	7,658	1,195	215	-	1,060	**10,128**
Disposals/Write-offs	(507)	-	(19)	-	(10)	**(536)**
Transfers	41	-	-	-	-	**41**
Exchange differences	(149)	(860)	(68)	-	19	**(1,058)**
At January 1, 2010	**49,977**	**29,272**	**3,427**	**-**	**1,675**	**84,351**
Charge for the period	7,185	1,195	94	-	199	**8,673**
Impairment loss	62	-	-	-	-	**62**
Disposals/Write-offs	(5,876)	(21)	-	-	(1,130)	**(7,027)**
Transfers to non-current assets held for sale (see Note 10–4)	-	-	-	-	(4)	**(4)**
Exchange differences	934	2,194	152	-	73	**3,353**
At December 31, 2010	**52,282**	**32,640**	**3,673**	**-**	**813**	**89,408**
NET VALUE						
At December 31, 2010	**13,565**	**16,972**	**8**	**4,703**	**2,914**	**38,162**
At December 31, 2009	**17,198**	**15,477**	**102**	**2,849**	**4,529**	**40,155**

Software:

Internally generated software is principally related to investments linked to the upgrade of information systems.

Trademarks and patents:

The main trademark booked in the balance sheet is the Pimaco® trademark for 13.8 million euros, acquired in 2006. This trademark has an infinite lifetime. For impairment test purposes, it is linked to the PIMACO subsidiary cash generating unit.

NOTE 13 INVESTMENTS IN EQUITY AFFILIATES

13-1 Changes in value of equity affiliates

(in thousand euros)	VALUE OF EQUITY AFFILIATES AS OF DEC. 31, 2009	INCOME FROM EQUITY AFFILIATES	DIVIDENDS RECEIVED	FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	VALUE OF EQUITY AFFILIATES AS OF DEC. 31, 2010
Cello Pens[a]	67,092	5,000	-	-	72,092
Other	9	-	-	2	11
TOTAL	**67,101**	**5,000**	**-**	**2**	**72,103**

(a) Value of equity affiliates includes the Cello® trademark for 12 million euros and the goodwill for 34.3 million euro recognized by the BIC Group at the acquisition date of the six entities.

On January 21, 2009, BIC signed a definitive agreement with the Indian Cello Group whereby BIC Group acquires 40% of the Cello Writing Instrument business for 7.9 billion Indian rupees. As part of the agreement, BIC benefits from a call option in 2013 to increase its stake to 55% at a price based on a formula tied to earnings.

On March 5, 2009, BIC Group acquired 40% of first six entities for 3.8 billion Indian rupees. Proportionate share of net income was accounted through the equity method in BIC accounts from April 1, 2009.

The completion for the balance of the transaction (40% of one entity) did not occur in 2009.

On January 4, 2010, Cello management proposed to the BIC Group to unwind and terminate the definitive agreements signed on January 21, 2009 "on terms and conditions to be mutually agreed between the parties". Bic Group confirmed its intention to ensure their implementation.

On August 4, 2010, BIC announced 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.

The arbitration proceedings are pending.

2010 accounting impacts of the hedging instruments put in place for the acquisition of the 40% of the remaining entity are detailed in Note 23.

13-2 Financial information relating to equity affiliates

As BIC Group undertakes a joint control over the first six entities, it opted for their consolidation through equity method.

The table below shows the sumarised financial information relating to investments in equity affiliates determined on the basis of the latest available financial statements. This information is the consolidation of 100% of the six entities as of March 31, 2010, year end closing date of the Cello group.

(In million of Indian rupees)	NET SALES	INCOME FROM OPERATIONS	NET INCOME	TOTAL ASSETS	SHAREHOLDER EQUITY	OTHER LIABILITIES
Cello Pens	3,539	1,122	797	3,557	2,871	686

NOTE 14 OTHER NON-CURRENT ASSETS

(in thousand euros)	NOTES	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Other investments		79	78	70
Guarantee deposits		12,329	2,613	2,218
Deferred pensions	21-2	753	1,870	4,126
Other non-current assets		6,896	8,006	10,141
TOTAL		**20,057**	**12,567**	**16,555**

As of December 31, 2008, guarantee deposits mainly corresponded to long-term investments that were changed to short-term ones in cash and cash equivalents in 2009.

NOTE 15 CHANGE IN NET WORKING CAPITAL

(in thousand euros)		DEC. 31, 2009	CASH FLOWS IMPACT	FUNERAL BUSINESS DIVESTITURE	FOREIGN EXCHANGE AND OTHERS	DEC. 31, 2010
Net inventory		300,973	25,244	(1,991)	19,775	344,001
• *Inventory - Gross value*		*325,616*	*23,273*	*(1,991)*	*20,839*	*367,737*
• *Inventory - Depreciation*		*(24,643)*	*1,971*	*-*	*(1,064)*	*(23,736)*
Trade and other receivables		361,172	12,466	(2,121)	17,797	389,314
Trade and other payables		(120,430)	(5,842)	248	(4,231)	(130,255)
Other assets and liabilities		(128,162)	(30,549)	948	4,434	(153,329)
NET WORKING CAPITAL	**CF**	**413,553**	**1,319**	**(2,916)**	**37,775**	**449,731**

CF: See consolidated cash flow statement.

NOTE 16 EXPOSURE TO MARKET RISKS

16-1 Counterpart risk

All financial instruments are set up with top-ranking banking institutions, making counterpart risk very low. The minimum Long Term Standard & Poor's rating of main banking counterparts is A+, average rating being AA-.

Counterpart risk (both depositary and conservators) of cash investment decisions is strictly studied. The main part of the portfolio as of December 31, 2010 is on investment grade rated supports. Counterpart risk is estimated not significant as of December 31, 2010.

16-2 Foreign exchange risk

See Note 23.

16-3 Interest rates

See Note 23.

16-4 Liquidity risks

BIC Group manages its equity in order to keep a cash position positive and available, in order to be able to achieve its development and/or external growth strategy. The excess cash and the funding needs of the Group are managed by the Treasury Department, following a secure policy guideline, that aims for capital security and liquidity. The excess cash is mainly invested in monetary mutual funds, deposit and cash equivalents whose volatility is below 0.5 with a recommended holding period of less than three months. The more structural portion of the cash can be invested in monetary funds qualified as "dynamics", with a recommended holding period that can be above six months. All the investments are valuated mark-to-market twice a month by the Treasury Department, and the target is to reach an average yearly performance above the Eonia capitalized rate.

No fund held on December 31, 2010 is based on a mono-strategy on credit risk. The most important mutual fund line in the portfolio at year end represents less than 20% of the total assets under management. As of December 31, 2010, the portfolio structure turned into an asset made up of 77% of "pure monetary" products with daily liquidity.

(in thousand euros)	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Cash equivalents: mutual funds	131,909	329,526	193,891
Cash	93,083	150,817	177,300
CASH AND CASH EQUIVALENTS, BANK OVERDRAFT EXCLUDED	**224,992**	**480,343**	**371,191**

16-5 Credit risk

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparts and customers.

Trade and other receivables comprise:

- gross amounts receivable for the sale of goods as well as other receivables, mainly related to VAT credit. These trade and other receivables are short-term assets, with maturity dates within 12 months;
- an allowance for estimated unrecoverable amounts from the sale of goods. This allowance has been determined by reference to past default experience and based on the current economic environment. It is booked in a separate account.

BIC Group considers that the carrying amount of trade and other receivables approximates to their fair value. Receivables past due but not impaired are not significant at Group level as of December 31, 2010.

Maximum exposure to credit risk corresponds to the net booked value of financial assets in the balance sheet, including derivatives with positive market value (see table below):

(in thousand euros)	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Gross receivables			
• Not yet due or past due for less than 60 days	282,914	338,331	370,521
• Past due for 60 to 90 days	6,415	5,167	5,322
• Past due for 90 to 120 days	3,690	4,564	3,559
• Past due for more than 120 days	10,634	7,420	5,968
Total gross receivables	**303,653**	**355,482**	**385,370**
Doubtful	**8,849**	**9,176**	**11,656**
TOTAL BEFORE ALLOWANCE	**312,502**	**364,658**	**397,026**
Allowance on receivables	**(17,334)**	**(20,318)**	**(22,224)**
Other receivables	**19,940**	**16,832**	**14,511**
TRADE AND OTHER RECEIVABLES - NET	**315,108**	**361,172**	**389,314**

16-6 Fair value of financial assets and liabilities

(in thousand euros)	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Financial assets			
At fair value through the income statement			
• Held for trading [(a)] - Level 1	150,385	369,639	234,563
• Designed as such upon initial recognition	-	-	-
Derivatives - Hedging accounting - Level 2	20,071	7,803	5,192
• *Including forward exchange contracts*	*17,978*	*7,765*	*5,122*
• *Including foreign exchange options*	*2,093*	*38*	*70*
Held-to-maturity investments	-	-	-
Loans and receivables (including cash)	406,656	511,989	566,743
Available for sale	79	78	70
Financial liabilities			
At fair value through the income statement	-	-	-
• Held for trading	-	-	-
• Designed as such upon initial recognition	-	-	-
Derivatives - Hedging accounting - Level 2	5,089	8,902	4,827
At amortized cost	125,018	335,591	144,745

(a) Monetary mutual funds and other financial current assets.

BIC Group considers that the carrying amount of financial assets and liabilities approximates to their fair value.

Above financial instruments valued at fair value are classified into levels as follows:

- level 1 (quoted prices (unadjusted) in active markets): Monetary mutual funds and other financial current assets;
- level 2 (inputs observable, either directly (*i.e.*, as prices) or indirectly (*i.e.*, derived from prices)): Derivatives - Hedging accounting;
- level 3 (inputs for the asset or liability that are not based on observable market data): no such instrument hold as of December 31, 2010.

16-7 Net income per category

Following net income related to financial assets and liabilities have been booked in the income statement during the year 2010:

(in thousand euros)	INTERESTS	REVALUATION			NET INCOME		
Financial assets and liabilities		**Fair value [(a)]**	**Translation**	**Depreciation**	**DEC. 31, 2010**	**DEC. 31, 2009**	**DEC. 31, 2008**
At fair value through the income statement	3,705	-	-	-	3,705	6,189	4,428
Derivatives - Hedging accounting	-	(1,930)	-	-	(1,930)	194	331
Loans and receivables (including cash)	5,777	-	11,849	(1,906)	15,720	8,281	4,767
At amortized cost	(9,779)	-	1,074	-	(8,705)	(7,262)	(4,317)
TOTAL	**(298)**	**(1,930)**	**12,923**	**(1,906)**	**8,789**	**7,402**	**5,209**

(a) Including 746 thousand euros transferred from equity to operating income.

NOTE 17 SHARE CAPITAL

17-1 Share capital

(in thousand euros)	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Authorized, issued and fully paid	185,484	185,559	185,991
Repurchase of shares of the Company	(1,626)	(1,328)	(1,863)
SHARE CAPITAL	**183,858**	**184,231**	**184,128**

As of December 31, 2010, the share capital of SOCIÉTÉ BIC is 185,990,536.04 euros divided into 48,688,622 shares of 3.82 euros each, the par value. The registered shares held for more than two years carry double voting rights.

In addition, SOCIÉTÉ BIC held 437,771 of these shares, acquired at the average price of 48.72 euros in accordance with the Articles L. 225-208 and L. 225-209 of the French Commercial Code, which represent 0.90% of the share capital.

17-2 SOCIÉTÉ BIC owned shares and repurchase of shares of the Company as of December 31, 2010

PURPOSE OF THE REPURCHASE	NUMBER OF SHARES	AVERAGE ACQUISITION PRICE *(in euros)*	% CAPITAL
Liquidity agreement - Art L. 225-209 C. com [a]	5,979	65.13	0.01%
Cancellation - Art L. 225-209 C. com [a]	197,675	63.85	0.41%
Stock option plans or free share grants [b] - Art L. 225-208 and L. 225-209 C. com [a]	234,117	35.52	0.48%
TOTAL [c]	**437,771**	**48.72**	**0.90%**

(a) C. com: French Commercial Code (Code de commerce).

(b) Of which 54,734 shares related to options that cannot be exercised anymore (allocated during the 1998 and 1999 plans or due to employees leaving the Group).

(c) As of December 31, 2010, BIC CORPORATION holds in addition 50,060 SOCIÉTÉ BIC shares representing 0.10% of the share capital.

SOCIÉTÉ BIC obtained authorization at the Annual Shareholders' Meeting on May 12, 2010 to renew its share repurchase program.

NUMBER OF SHARES PURCHASED IN 2010 [a]	
• share repurchase program authorized by the Annual Shareholders' Meeting held on May 14, 2009	-
• share repurchase program authorized by the Annual Shareholders' Meeting held on May 12, 2010	694,780
Average share repurchase price for the purchases during 2010 (in euros)	60.52

(a) Excluding the liquidity contract.

NUMBER OF SHARES CANCELLED IN 2010	TOTAL	BOARD OF DIRECTORS FEBRUARY 16, 2010	BOARD OF DIRECTORS OCTOBER 19, 2010
• share repurchase program authorized by the Annual Shareholders' Meeting held on May 14, 2009	48,821	48,821	-
• share repurchase program authorized by the Annual Shareholders' Meeting held on May 12, 2010	497,105	-	497,105
TOTAL	**545,926**	**48,821**	**497,105**

During the last 24 months, SOCIÉTÉ BIC cancelled 645,926 shares, 1.33% of the share capital as of December 31, 2010.

To the best of the Company's knowledge as of December 31, 2010, the Shareholders who hold more than 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 66.66%, 90% or 95% of the share capital and/or of the voting rights of the Company were as follows:

		DEC. 31, 2010
	% of shares (approx.)	% of voting rights (approx.)
Société M.B.D.	25.55%	34.52%
Bich family	17.18%	21.21%
Silchester International Investors LLP	5.77%	7.52%

NOTE 18 SHARE-BASED PAYMENTS

18-1 Grant of share option plans

All granted plans are equity settled plans.

Group stock option plans:

As authorized at the Annual Shareholders' Meeting of May 12, 2010, on December 16, 2010, the Board of Directors granted subscription options to 643 Senior Managers and employees of BIC and its subsidiaries entitling them to subscribe for 382,950 shares at a price of 63.71 euros. These options may not be exercised before the end of three years following the date of the award.

BREAKDOWN BY PLAN	PLAN N°4	PLAN N°5	PLAN N°6	PLAN N°7	PLAN N°8	PLAN N°9	PLAN N°10	PLAN N°11	PLAN N°12	PLAN N°13
Annual Shareholders' Meeting date	May 12, 1998	May 12, 1998	May 28, 2003	May 28, 2003	May 28, 2003	May 24, 2006	May 24, 2006	May 21, 2008	May 21, 2008	May 12, 2010
Board of Directors' Meeting date	Dec. 13, 2001	Dec. 10, 2002	Dec. 17, 2003	Dec. 15, 2004	Dec. 14, 2005	Dec. 13, 2006	Dec. 11, 2007	Dec. 10, 2008	Dec. 15, 2009	Dec. 16, 2010
Number of beneficiaries	551	564	555	563	575	567	633	613	602	643
Number of shares available for subscription	367,700	375,000	377,550	370,450	427,850	398,500	440,500	371,400	360,000	382,950
Among which, number of shares granted to:										
• the current members of the leadership Management team as of December 31, 2010 *(see Corporate Governance-§3.2.3)*	39,050	44,000	56,500	46,650	48,650	40,650	43,500	-	-	-
• the Corporate Officers	13,200	12,000	20,500	17,000	20,000	5,000	5,000	-	-	-
• Mario Guevara	13,200	12,000	14,000	12,000	15,000	-	-	-	-	-
• Marie-Aimée Bich-Dufour	-	-	6,500	5,000	5,000	5,000	5,000	-	-	-
• the ten highest paid employees who are not Corporate Officers	53,800	61,100	61,500	48,500	47,500	49,500	51,500	34,050	33,800	33,350
Date from which options may be exercised	Dec. 14, 2004	Dec. 11, 2005	Dec. 18, 2006	Dec. 16, 2007	Dec. 15, 2008	Dec. 14, 2009	Dec. 12, 2010	Dec. 11, 2011	Dec. 16, 2012	Dec. 17, 2013
Option expiration date	Dec. 12, 2011	Dec. 9, 2012	Dec. 16, 2013	Dec. 14, 2014	Dec. 13, 2015	Dec. 12, 2014	Dec. 10, 2015	Dec. 9, 2016	Dec. 14, 2017	Dec. 15, 2018
Exercise price (in euros) [(a)]	36.57	30.93	36.96	36.76	50.01	52.35	49.62	40.18	47.99	63.71
Number of options exercised as of December 31, 2010	264,880	280,870	256,972	227,517	195,957	144,139	58,125	-	-	-
Number of void options as of December 31, 2010	84,200	66,810	66,750	73,000	73,600	49,900	28,000	14,950	7,450	-
Number of remaining options as of December 31, 2010	18,620	27,320	53,828	69,933	158,293	204,461	354,375	356,450	352,550	382,950

(a) No discount on the exercise price.

The plans n°1 and n°2 (purchase plans) expired on December 16, 2008 and December 16, 2009 respectively.

The plan n°3 (subscription plan) expired on December 17, 2010. From a total of 376,150 granted stock options, 253,690 options have been exercised at 41.03 euros and the remaining are void options due to employees leaving the Group (120,280 options) and to the expiration of the plan (2,180 options).

Estimated fair value of options granted and impact on the income statement as of December 31, 2010:

PLAN - AWARD DATE	PLANS' UNIT FAIR VALUE - BINOMIAL MODEL *(in euros)*		EXPENSE BOOKED IN INCOME STATEMENT *(in thousand euros)*		
	French beneficiaries	Other beneficiaries	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Plan n° 8 - 2005	14.28	13.59	1,716	-	-
Plan n° 9 - 2006	13.19	12.67	1,476	1,575	-
Plan n° 10 - 2007	11.67	11.27	1,515	1,571	1,526
Plan n° 11 - 2008	11.76	11.38	73	1,285	1,342
Plan n° 12 - 2009	11.32	11.07	-	52	1,210
Plan n° 13 - 2010	15.71	15.36	-	-	72
TOTAL			**4,780**	**4,483**	**4,150**

Assumptions for fair value calculation of share options plans according to binomial model:

	PLAN N°8	PLAN N°9	PLAN N°10	PLAN N°11	PLAN N°12	PLAN N°13
Expected volatility	36.00%	30.00%	25.00%	29.00%	26.00%	26.00%
Free risk rate	3.14%	3.78%	4.16%	3.56%	2,95%	3.31%
Expected dividend yield	1.60%	2.00%	2.50%	2.50%	2,75%	2.90%
Expected life in years [(a)]	5.81 & 5.37	5.18 & 4.79	6.29 & 5.89	6.18 & 5.70	6.36 & 5.94	6.32 & 5.87

(a) First figure is for French tax residents, second figure for foreign tax resident.

18-2 Free share grants

As authorized at the Annual Shareholders' Meeting of May 23, 2007, the Board of Directors granted 83,475 free shares as of February 16, 2010, subject to performance objectives.

	PLAN N°1		PLAN N°2		PLAN N°3		PLAN N°4		PLAN N°5		PLAN N°6
Annual Shareholders' Meeting date	May 19, 2005		May 19, 2005		May 19, 2005		May 23, 2007		May 23, 2007		May 23, 2007
Board of Directors' Meeting date	May 19, 2005		Dec. 14, 2005		Dec. 13, 2006		Dec. 11, 2007		Feb. 10, 2009		Feb. 16, 2010
Grant	Main	Secondary	Main	Secondary	Main	Secondary	Main	Secondary	Main	Secondary	Main
Number of beneficiaries	12	11	12	11	9	8	11	10	17	16	27
Number of free shares granted	31,800	2,618	31,800	2,618	33,450	2,352	37,550	2,644	57,500	2,643	83,475
Date of transfer	May 19, 2008	May 19, 2012	Mar. 14, 2009	Mar. 14, 2013	Mar. 13, 2010	Mar. 13, 2014	Mar. 11, 2011	Mar. 11, 2015	Mar. 10, 2012	Mar. 10, 2016	Mar.15, 2013
Number of free shares definitively acquired at December 31, 2010 [(a)]	20,405	-	15,741	-	31,443	-	-	-	-	-	-
Total number of void free share grants as of December 31, 2010 due to miss performance or termination [(b)]	11,395	1,290	16,059	1,594	2,007	696	-	604	-	-	-
Total number of remaining shares as of December 31, 2010	-	1,328	-	1,024	-	1,656	37,550	2,040	57,500	2,643	83,475

(a) Shares granted by SOCIÉTÉ BIC have been physically transferred to the beneficiaries in May 2008 (7,420 shares), March 2009 (5,724 shares) and March 2010 (7,473 shares). For U.S. tax reasons, the shares granted by BIC CORPORATION will only be transferred in 2011 (12,985 shares), 2012 (10,017 shares) and 2013 (23,970 shares). As a compensation for dividends not received between the end of vesting time and real transfer date, 1,645, 805 and 1,063 shares will then also be respectively transferred at that time.

(b) Those free share grants are void due to employee leaving the Company or to all performance conditions not achieved.

Estimated fair value of shares granted and impact on the income statement as of December 31, 2010:

FREE SHARES PLAN	PLANS' UNIT FAIR VALUE - BINOMIAL MODEL *(in euros)*		EXPENSE/(INCOME) BOOKED IN INCOME STATEMENT *(in thousand euros)*		
	Main grant	Secondary grant	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
May. 19, 2005	40.51	38.00	(207)	8	3
Dec. 14, 2005	48.09	45.10	31	10	(5)
Dec. 13, 2006	50.67	46.77	221	427	356
Dec. 11, 2007	44.99	40.71	540	308	846
Feb. 10, 2009	36.10	32.34	-	459	865
Feb. 16, 2010	47.17	N/A	-	-	1,138
Dividend equivalents [(a)]			-	12	15
TOTAL			**585**	**1,224**	**3,218**

(a) Dividend equivalents correspond to additional shares that will be transferred by BIC CORPORATION in 2011, 2012 and 2013.

NOTE 19 BORROWINGS

(in thousand euros)	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Bank overdrafts	2,521	1,458	3,219
Bank borrowings (see detail below)	29,934	211,708	8,559
Obligations under financial leases	429	1,995	2,712
BANK BORROWINGS AND OVERDRAFTS	**32,884**	**215,161**	**14,490**

Bank overdrafts are due within one year. Long-term part of obligations under financial lease is not significant.

Bank borrowings have the following maturities:

THE BORROWINGS ARE PAYABLE AS FOLLOWS *(in thousand euros)*	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
On demand or within one year	19,076	51,449	7,880
In the second year	8,057	43,225	679
In the 3rd year	2,801	39,012	-
In the 4th year	-	39,011	-
In the 5th year	-	39,011	-
After five years	-	-	-
TOTAL	**29,934**	**211,708**	**8,559**

Main bank borrowings/credit lines are the following:

		DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Borrowing country	**Currency**	**Euro equivalents**		
• France	USD	-	195,089	-
• Brazil	BRL	19,274	8,894	5,162
• Malaysia	MYR	2,591	2,154	806
• Russia	USD	2,335	1,735	-
• Romania	EUR	1,753	1,566	-
• Chile	USD	1,145	-	-
• Others	Misc.	2,836	2,270	2,590
TOTAL		**29,934**	**211,708**	**8,559**

Loans had been contracted in France for respective acquisitions of:

- Cello Pens - February 2009: two loans for a total of 156 million U.S. dollars;
- Norwood Promotional Products - July 2009: two loans for a total of 125 million U.S. dollars.

These loans had been contracted on a reference of variable interest rate LIBOR USD 3 months, plus margin, and had been hedged through an interest rate swap versus fixed rate:

- at 3.1950%, margin included, for the Cello loans;
- at an average of 3.7350%, margins included, for the Norwood loans.
- with a maturity of five years and repayment on a straight line basis.

Whole Cello loans have been early repaid during 2010 first Half:

- February 2010: repayment of the first contractual term of 31.2 million U.S. dollars;
- February 2010: early repayment of 79 million U.S. dollars;
- May 2010: early repayment of the remaining 45.8 million U.S. dollars.

As those loans were qualified as BIC CORPORATION net investment hedge, foreign exchange discrepancies generated on those repayments have been booked in Shareholders' equity (see Note 23). The early termination of the interest rate swaps on these loans generated a financial expense of 1.2 million euros (see Note 6).

Whole loans related to Norwood Promotional Products acquisition have been early repaid at the date of the first contractual term, in the beginning of July 2010. The related interest rate swap has been early terminated generating a financial expense of 2.1 million euros (see Note 6).

In Brazil the loan contracted for the acquisition of PIMACO was fully repaid in 2009. The remaining part relates to asset purchases.

Information on interest rates

Excluding Cello and Norwood loans, the other loans and very short term credit lines were contracted with a floating rate ranging between 3.6% and 14.0% as of December 31, 2010. Relative exposure, estimated not to be significant, has not been hedged (see Note 23).

Information on covenants

None of the loans contain any covenant that could advance the exigibility date of the debt.

NOTE 20 PROVISIONS

(in thousand euros)	LITIGATION	OTHER RISKS AND CHARGES	TOTAL
At January 1, 2009	**7,813**	**20,928**	**28,741**
Acquisition of subsidiary	-	1,341	1,341
Additional provisions	1,755	7,692	9,447
Utilized during the period	(273)	(3,125)	(3,398)
Unused amounts reversed	(87)	(2,025)	(2,112)
Exchange differences	2,095	1,357	3,452
Transfers and reclassification to current liabilities	(4,945)	4,150	(795)
At January 1, 2010	**6,358**	**30,318**	**36,676**
Additional provisions	1,889	13,936	15,825
Utilized during the period	(263)	(1,767)	(2,030)
Unused amounts reversed	(657)	(2,642)	(3,299)
Exchange differences	523	2,406	2,929
Transfers and reclassification from current liabilities	(522)	900	378
At December 31, 2010	**7,328**	**43,151**	**50,479**

The litigation provision mainly represents distributor and commercial agent risks for 4.0 million euros as of December 31, 2010 (3.3 million euros as of December 31, 2009).

The other risks are mainly tax risks and workers' compensation in the U.S, as well as BIC CORPORATION product liability provision for 2.9 million euros.

NOTE 21 PENSION AND OTHER EMPLOYEE BENEFITS

21-1 Change in the net obligation of defined benefits plans

(in thousand euros)		PENSION	OTHER BENEFITS	TOTAL EMPLOYEE BENEFITS
PRESENT VALUE OF OBLIGATION				
At January 1, 2010		**323,772**	**64,001**	**387,773**
Reclassification		(283)	1,051	768
Period costs:		27,944	6,504	34,448
• *Service costs*		*7,365*	*2,389*	*9,754*
• *Interest costs*		*20,203*	*4,115*	*24,318*
• *Curtailment and settlement*		*376*	-	*376*
• *Past service costs*		-	-	-
Benefits paid		(20,935)	(3,358)	(24,293)
Actuarial difference on obligation		20,956	3,577	24,533
Past service cost not vested		1,570	-	1,570
Exchange differences		18,536	4,460	22,996
At December 31, 2010	**A**	**371,560**	**76,235**	**447,795**
FAIR VALUE OF PLAN ASSETS				
At January 1, 2010		**233,729**	**-**	**233,729**
Period costs:		18,110	-	18,110
• *Return on assets*		*18,110*	-	*18,110*
• *Curtailment and settlement*		-	-	-
Benefits paid		(17,075)	-	(17,075)
Contributions paid		17,863	-	17,863
Actuarial difference on assets		13,297	-	13,297
Exchange differences		15,727	-	15,727
At December 31, 2010	**B**	**281,651**	**-**	**281,651**
PAST SERVICE COST NOT RECOGNIZED				
At January 1, 2010		**3,465**	**(1,200)**	**2,265**
Period costs:		(618)	216	(402)
• *Curtailment and settlement*		-	-	-
• *Past service costs*		*(618)*	*216*	*(402)*
Past service cost not recognized		1,570	-	1,570
Exchange differences		62	(105)	(43)
At December 31, 2010	**C**	**4,479**	**(1,089)**	**3,390**
NET LIABILITY IN THE BALANCE SHEET AS OF DECEMBER 31, 2010	**D = A-B-C**	**85,430**	**77,324**	**162,754**
NET LIABILITY IN THE BALANCE SHEET AS OF DECEMBER 31, 2009		**86,578**	**65,201**	**151,779**

21-2 Funded/unfunded obligations

(in thousand euros)	PENSION	OTHER BENEFITS	TOTAL
At December 31, 2010			
Fair value of funded obligations	332,869	-	332,869
Fair value of plan assets	281,651	-	281,651
Excess of obligation over assets	***51,218***	**-**	***51,218***
Fair value of unfunded obligations	38,691	76,235	114,926
Past service cost not recognized	(4,479)	1,089	(3,390)
Net Value in the balance sheet	**85,430**	**77,324**	**162,754**
- Asset			**4,126**
- Liability			**166,880**

(in thousand euros)	PENSION	OTHER BENEFITS	TOTAL
At December 31, 2009			
Fair value of funded obligations	291,508	-	291,508
Fair value of plan assets	233,729	-	233,729
Excess of obligation over assets	***57,779***	**-**	***57,779***
Fair value of unfunded obligations	32,264	64,001	96,265
Past service cost not recognized	(3,465)	1,200	(2,265)
Net Value in the balance sheet	**86,578**	**65,201**	**151,779**
- Asset			**1,870**
- Liability			**153,649**

Evolution over five years:

(in thousand euros)	2006	2007	2008	2009	2010
Fair value of funded obligations	297,045	262,847	249,587	291,508	332,869
Fair value of plan assets	218,105	210,523	181,951	233,729	281,651
Excess of obligation over assets	***78,940***	***52,324***	***67,636***	***57,779***	***51,218***
Fair value of unfunded obligations	56,940	51,380	83,891	96,265	114,926
Past service cost not recognized	(1,423)	(1,471)	(1,718)	(2,265)	(3,390)
Net Value in the balance sheet	**134,457**	**102,233**	**149,809**	**151,779**	**162,754**
- Asset	**1,108**	**1,866**	**753**	**1,870**	**4,126**
- Liability	**135,565**	**104,099**	**150,562**	**153,649**	**166,880**

Change in the net debt over five years

(in thousand euros)	NOTES	2006	2007	2008	2009	2010
Net value of employee benefits in the balance sheet at January 1st		**151,444**	**134,457**	**102,233**	**149,809**	**151,779**
Period costs booked to income statement	21-3	17,599	12,690	13,166	26,832	16,740
Actuarial differences booked to equity	21-4/OCI	(6,270)	(17,699)	70,220	139	11,237
Payments related to employee benefits	21-1/CF	(16,528)	(16,939)	(34,073)	(25,264)	(25,081)
Acquisition of subsidiary					1,819	-
Transfer from short term liability	21-1					768
Exchange difference		(11,788)	(10,276)	(1,737)	(1,556)	7,311
Net value of employee benefits in the balance sheet at December 31st		**134,457**	**102,233**	**149,809**	**151,779**	**162,754**
CHANGE IN THE BALANCE SHEET NET VALUE		**(16,987)**	**(32,224)**	**47,576**	**1,970**	**10,975**

OCI : See statement of comprehensive income.
CF : See consolidated cash flow statement.

21-3 Period costs

(in thousand euros)	OBLIGATION		ASSETS		PAST SERVICE COST		TOTAL		TOTAL EMPLOYEE BENEFITS	
	Pension	Other benefits	Pension	Other benefits	Pension	Other benefits	Pension	Other benefits	DEC. 31, 2010	DEC. 31, 2009
Service costs	7,365	2,389	-	-	-	-	7,365	2,389	**9,754**	**8,766**
Interest costs	20,203	4,115	-	-	-	-	20,203	4,115	**24,318**	**20,303**
Return on assets	-	-	(18,110)	-	-	-	(18,110)	-	**(18,110)**	**(12,536)**
Curtailment and settlement	376	-	-	-	-	-	376	-	**376**	**9,536**
Past service costs	-	-	-	-	(618)	216	618	(216)	**402**	**764**
TOTAL PERIOD COSTS	**27,944**	**6,504**	**(18,110)**	**-**	**(618)**	**216**	**10,452**	**6,288**	**16,740**	**26,832**

In 2009, the additional expense shown in line "curtailment and settlement" was mainly resulting from the Voluntary Retirement Program proposed to the employees of BIC CORPORATION and BIC Graphic in the U.S. This program was part of the 2009 cost reduction plan and was offered to salaried employees older than 55 years, providing them with enhanced retirement benefits if they voluntarily retired. The related cost was booked in "other expense."

21-4 Additionnal information

1/ Follow up by nature of actuarial gain and loss recognized to equity:

(in thousand euros)	ACTUARIAL DIFFERENCE RESULTING FROM DBO [(a)] - PENSION	ACTUARIAL DIFFERENCE RESULTING FROM DBO [(a)] - OTHER BENEFITS	ACTUARIAL DIFFERENCE RESULTING FROM ASSET-PENSION	TOTAL
At January 1, 2010				
Discount rate	1,151	(1,179)	1	(27)
Experience	(7,667)	1,744	(26,589)	(32,512)
Other assumptions	(27,843)	(4,879)	596	(32,126)
TOTAL	**(34,359)**	**(4,314)**	**(25,992)**	**(64,665)**
Change during the period (excluding foreign exchange impact)				
Discount rate	(22,171)	(5,634)	22	(27,783)
Experience	(1,939)	2,053	13,239	13,353
Other assumptions	3,153	4	36	3,193
TOTAL	**(20,957)**	**(3,577)**	**13,297**	**(11,237)**
Exchange impact				
Discount rate	1,511	392	-	1,903
Experience	(987)	74	(1,203)	(2,115)
Other assumptions	(1,228)	(383)	82	(1,530)
TOTAL	**(704)**	**83**	**(1,121)**	**(1,742)**
At December 31, 2010				
Discount rate	(19,510)	(6,421)	23	(25,908)
Experience	(10,591)	3,871	(14,553)	(21,273)
Other assumptions	(25,918)	(5,259)	713	(30,464)
TOTAL	**(56,019)**	**(7,809)**	**(13,817)**	**(77,645)**

(a) Defined Benefit Obligation.

2/ Nature of plan assets:

(in thousand euros)	AT DECEMBER 31, 2010		AT DECEMBER 31, 2009	
Equity	176,831	63%	144,356	62%
Bond and other fixed income	99,244	35%	82,915	35%
Monetary	1,945	1%	3,431	2%
Other	3,631	1%	3,027	1%
TOTAL	**281,651**	**100%**	**233,729**	**100%**

21-5 Actuarial hypothesis for main countries

Actuarial assumptions used to calculate the benefit obligations vary according to the economic conditions of the country in which the plan is located. They were adjusted according to the actual interest rate and the mortality table. Below are assumptions for plans representing our main obligations.

AT DECEMBER 31, 2010	UNITED STATES	UNITED KINGDOM	FRANCE
Discount rate	5.52%	5.60%	4.75%
Expected return on plan assets	8.00%	6.42%	3.75%
Expected rate of salary increases	4.00%	4.20%	3.00%

AT DECEMBER 31, 2009	UNITED STATES	UNITED KINGDOM	FRANCE
Discount rate	6.03%	5.50%	5.25%
Expected return on plan assets	8.00%	5.94%	3.75%
Expected rate of salary increases	4.00%	4.10%	3.00%

The discount rates for our U.S. and UK retirement programs were developed using the Mercer Pension Discount Yield Curve which is built from the yields of high quality (AA) corporate bonds. For our other international plans, the discount rates are set by benchmarking against investment grade corporate bonds rated AA or better.

The rate shown for the U.S is for the main plan, each U.S. plan being valuated with a specific discount rate (from 3.80% to 5.73%)

Sensitivity of the obligation to a change in discount rate

According to the Group's estimates, a +/-1% change in the discount rate for these three countries would result in a change of respectively -11.7% and +14.6% in the obligations. This change would not fully impact the Group net liability on employee benefits as a change in plan assets fair value may partly offset the impact.

21-6 Information by geographies

AT DECEMBER 31, 2010 *(in thousand euros)*	OBLIGATION		PLAN ASSET		NET LIABILITY	
Europe	84,208	18.8%	45,841	16.3%	34,599	21.3%
North America	355,202	79.3%	234,175	83.1%	121,418	74.6%
Other countries	8,385	1.9%	1,635	0.6%	6,737	4.1%
TOTAL	**447,795**	**100%**	**281,651**	**100%**	**162,754**	**100%**

AT DECEMBER 31, 2009 *(in thousand euros)*	OBLIGATION		PLAN ASSET		NET LIABILITY	
Europe	82,764	21.3%	43,631	18.7%	36,280	23.9%
North America	299,571	77.3%	188,597	80.7%	111,576	73.5%
Other countries	5,437	1.4%	1,501	0.6%	3,923	2.6%
TOTAL	**387,772**	**100%**	**233,729**	**100%**	**151,779**	**100%**

For plans located in North America and Europe (mainly United Kingdom), plan asset levels as of December 31, 2010, are in agreement with minimum funding obligations, legally or contractually defined.

NOTE 22 DEFERRED TAX

(in thousand euros)	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Deferred tax assets	108,762	110,664	136,140
Deferred tax liabilities	(23,957)	(19,390)	(22,367)
NET POSITION	**84,805**	**91,274**	**113,773**

The movement for the year in the Group's deferred tax position was as follows:

(in thousand euros)	DEC. 31, 2010
At the beginning of the year	**91,274**
Deferred tax income/(expense) for the period [(a)]	11,598
Booked in Shareholders' equity	5,272
Exchange differences	5,629
At the end of the year	**113,773**

(a) Excluding amounts booked to provision for risks and charges.

Origin of deferred tax assets:

(in thousand euros)	DEC. 31, 2010
Deferred tax assets calculated on temporary differences	134,581
Deferred tax assets activated on tax losses	1,559
Deferred tax assets	**136,140**

NOTE 23 FINANCIAL INSTRUMENTS

Derivatives and hedge accounting

The financial risk management is mainly concentrated at the SOCIÉTÉ BIC level, and managed and/or coordinated by the Group Treasury Department.

This department is not a profit center.

Group Treasury has ongoing contact with subsidiaries and collects information throughout the year to identify, follow and lead risk management.

Based on this information, the identification of foreign exchange exposure is centralized, and the hedging policy is to hedge the net position currency by currency on a yearly basis. Lending and borrowing positions are aggregated and the determined net nominal is hedged on the market.

According to the fluctuation of the foreign exchange market, Group Treasury can speed up the hedging pace in order to benefit from favourable trends or slow down so as not to fix too early a rate and remain flexible. All the positions are constantly monitored in real-time by the Group Treasury Department, which has the necessary information and analytical tools. An update of all the positions is transmitted to management each month and detailed by currency, product (forward, option, etc.), and purpose (commercial flows or net investments).

In case of local constraints that would not permit the centralization at optimum conditions, the hedges are performed locally under the strict control of Group Treasury.

Foreign exchange risk

To manage its exchange rate exposure, the Group uses forward foreign currency contracts, currency swaps and currency options. Forward foreign currency contracts are recognized as hedges insofar as they are designated as such. These hedges may cover the net investment of the Group in certain foreign entities, foreign currency receivables or debts, or firm foreign currency commitments.

Following the centralization of Group Treasury in 2002, SOCIÉTÉ BIC has current accounts with its main subsidiaries. Credit balances in foreign currencies are swapped against the euro for a very short term and the euro is invested in monetary mutual funds and other short-term investments.

Every day, Group Treasury adjusts the liquidity situation of the current accounts as a result of currency swaps realized on the market. This strategy, even though it uses exchange instruments, cannot be considered a full foreign exchange risk management hedging program, as there is no definitive translation of bank accounts. It only relates to optimization of funding by SOCIÉTÉ BIC through foreign liquidity management.

Interest rate risk

As of December 31, 2010 BIC Group has no significant debt neither related hedging instrument. 2009 long-term debt mainly related to borrowings in U.S. dollars contracted in France to finance the acquisitions of Cello Pens and Norwood Promotional Products LLC (see Note 19). Floating rates of those borrowings were swapped against fixed rates along the borrowings' lifetime.

The exposure to interest rate fluctuations on the other borrowings is very limited. All the local funding needs are directly indexed on a short-term variable rate. Borrowers' positions are insignificant at Group level and are of too limited a time scale to require any relevant hedging.

Impact of interest rate and foreign exchange risks' hedging on consolidated financial statements as of December 31, 2010

The following amounts have been booked as the fair value of derivatives at the end of December 2010 (in thousand euros):

DERIVATIVE ITEMS AND REVALUATION	HEDGE QUALIFICATION/ HEDGED RISK	FINANCIAL NET INCOME/ (EXPENSE) BEFORE TAX NOTE 6 [(a)]	OTHER COMPREHENSIVE INCOME BEFORE TAX [(a)]	CURRENT ASSETS	NON-CURRENT ASSETS	CURRENT LIABILITIES	NON-CURRENT LIABILITIES
Hedging revaluation impact - excluding Cello and Norwood acquisition financing							
Commercial flows	Cash flow hedge/ Foreign exchange risk	(1,644)	(792)	5,073	-	(2,346)	(29)
Dividends	Net investment/Foreign exchange risk	-	(8)	48	-	(57)	
Subtotal (1)		**(1,644)**	**(800)**	**5,122**	**-**	**(2,403)**	**(29)**
Revaluation of cross-currency swaps related to cash positions in foreign currencies - **Subtotal (2)**	At fair value through P&L/Foreign exchange risk	**(3,377)**	**-**	**-**	**-**	**(1,481)**	**-**
Impact of Cello acquisition financing							
Cello - Reversal of December 2009 revaluation of NDF USD/INR and swap EUR/USD	Cash flow hedge/ Foreign exchange risk	-	7,529	-	-	-	-
Cello - Net gain realized on matured NDF [(b)]	Cash flow hedge/ Foreign exchange risk	-	845	-	-	-	-
Cello - Net loss realized on matured swap EUR/USD [(c)]	Cash flow hedge/ Foreign exchange risk	-	(4,502)	-	-	-	-
Cello - Reversal of December 2009 revaluation of interest rate swaps [(d)]	Cash flow hedge/ Interest rate risk	-	186	-	-	-	-
Cello - 2010 impact of foreign exchange result realized on the loan [(e)]	Net investment/ Foreign exchange risk	-	(10,293)	-	-	-	-
Subtotal (3)		**-**	**(6,235)**	**-**	**-**	**-**	**-**

DERIVATIVE ITEMS AND REVALUATION	HEDGE QUALIFICATION/ HEDGED RISK	FINANCIAL NET INCOME/ (EXPENSE) BEFORE TAX NOTE 6 [(a)]	OTHER COMPREHENSIVE INCOME BEFORE TAX [(a)]	CURRENT ASSETS	NON-CURRENT ASSETS	CURRENT LIABILITIES	NON-CURRENT LIABILITIES
Impact of Norwood acquisition financing							
Norwood - Reversal of December 2009 revaluation of interest rate swaps [(f)]	Cash flow hedge/ Interest rate risk	-	440	-	-	-	-
Norwood - Revaluation of current swap hedging exposure of the intercompany loan in USD [(g)]	At fair value through P&L/Foreign exchange risk	(914)				(914)	,
Subtotal (4)		**(914)**	**440**	**-**	**-**	**(914)**	**-**
TOTAL 1+2+3+4		**(5,935)**	**(6,595)**	**5,122**	**-**	**(4,798)**	**(29)**

(a) It corresponds to mark-to-market of hedging instruments in the portfolio as of December 31, 2010, restated with the reverse of the mark-to-market of the portfolio of hedging instruments as of December 31, 2009.

Commercial flows in U.S. dollars for 2011 have been revised upwards. In order to take this into consideration, BIC management decided in September 2010, to reclassify all hedges initially qualified as net investment hedge to commercial flows hedge with immediate effect. This reclassification does not have a significant impact on 2010 income statement.

In addition, BIC subsidiaries with hedge rates have revaluated their account receivables and payables at hedge rate as of December 31, 2010, impacting the income from operations for 746 thousand euros.

(b) As the second step of Cello acquisition was delayed, the Non Deliverable Forward (NDF) initialy contracted to hedge the translation of USD to INR has matured and new NDF have been successively put in place, last one having expired in February 2010. The net gains realized on those matured NDF (5,071 thousand euros in 2009 and 845 thousand euros in 2010) are booked through Shareholders' equity and will decrease the acquisition price of the second step. Status on the second step of the Cello acquisition is presented in Note 13.

(c) As the second step of Cello acquisition was delayed, the swap initialy contracted to hedge the translation of EUR to USD has been successively rolled over to finally mature in February 2010. The loss realized on this swap is booked through Shareholders' equity and will increase the acquisition price of the second step. Status on the second step of the Cello acquisition is presented in Note 13.

(d) As BIC has early repaid the whole loans linked to Cello acquisition in February and May 2010, the interest rate swaps on those loans have then been early unwinded, leading to a cost in interest expenses of 1.2 million euros (see Note 6).

(e) According to IAS 32/39, the Cello loans were qualified as BIC CORPORATION net investment hedging. The impact of the revaluation in euros of those loans is then booked in equity. As of December 31, 2009, the impact in equity was 13.9 million euros. After total repayment of the loan in 2010, equity is definitively impacted by 3.6 million euros.

(f) BIC has decided to early repay the whole loan linked to Norwood acquisition at the first annual payment date, early July 2010. The interest rate swap on this loan has been early unwinded in June 2010, being then disqualified from cash flow hedge and leading to a cost in interest expenses of 2.1 million euros (see Note 6).

(g) SOCIÉTÉ BIC has internally replicated the loan it had with the banks. This intercompany loan in U.S. dollars is not yet repaid and a swap has been implemented to cover this FX exposure.

Interest rate risk

In 2009, the Group negociated interest rate hedging where SOCIÉTÉ BIC exchanged floating rates against fixed rates (see Note 19).

Those hedges related to the borrowings made for the two following acquisitions:

- Cello Pens acquisition: 156 million U.S. dollars - debt based on a floating rate (LIBOR USD 3 months + margin) swapped against fixed rate 3.1950% (margin included) for a five years tenor with linear amortization;
- Norwood Promotional Products acquisition: 125 million U.S. dollars - debt based on a floating rate (LIBOR USD 3 months + margin) swapped against average fixed rate 3.7350% (margin included) for a five years tenor with linear amortization.

As Cello loans have been early repaid (see Note 19), the related interest rate swap has been first re-scheduled (in February 2010) and then early unwinded (May 2010), generating the payment of an expense booked in income statement (see Note 6).

As Norwood loans have been early repaid (see Note 19), the related interest rate swap has been early unwinded in June 2010, generating the payment of an expense booked in income statement (see Note 6).

Impact of interest rate and foreign exchange risks' hedging on consolidated financial statements as of December 31, 2009

The following amounts have been booked as the fair value of derivatives at the end of December 2009 (in thousand euros):

DERIVATIVE ITEMS AND REVALUATION	HEDGE QUALIFICATION/ HEDGED RISK	FINANCIAL NET INCOME/ (EXPENSE) BEFORE TAX NOTE 6 (a)	OTHER COMPREHENSIVE INCOME BEFORE TAX (a)	CURRENT ASSETS	NON-CURRENT ASSETS	CURRENT LIABILITIES	NON-CURRENT LIABILITIES
Hedging revaluation impact - excluding Cello acquisition financing							
Commercial flows	Cash flow hedge/ Foreign exchange risk	493	(10,723)	5,906	1	(701)	(46)
Norwood - interest rate swap	Cash flow hedge/ Interest rate risk	-	(440)	-	-	-	(440)
Subtotal (1)		**493**	**(11,163)**	**5,906**	**1**	**(701)**	**(486)**
Impact of Cello acquisition financing							
Cello - Revaluation of NDF USD/INR and swap EUR/USD	Cash flow hedge/ Foreign exchange risk	-	(7,529)	-	-	(7,529)	-
Cello - Revaluation of interest rate swaps	Cash flow hedge/ Interest rate risk	-	(186)	-	-	-	(186)
Cello - Net gain realized on matured NDF (a)	Cash flow hedge/ Foreign exchange risk	-	5,071	-	-	-	-
Net investment (b)	Net investment/ Foreign exchange risk	-	13,867	-	-	-	-
Subtotal (2)		**-**	**11,223**	**-**	**-**	**(7,529)**	**(186)**
Revaluation of cross-currency swaps related to cash positions in foreign currencies - **Subtotal (3)**	At fair value through P&L/Foreign exchange risk	**4,030**	**-**	**1,896**	-	-	-
TOTAL 1+2+3		**4,523**	**60**	**7,802**	**1**	**(8,230)**	**(672)**

(a) As the second step of Cello acquisition was delayed, the Non Deliverable Forward (NDF) initially contracted to hedge the translation of USD to INR has matured and new NDF have been successively put in place. The net gain realized on those matured NDF is booked through Shareholders' equity and will decrease the acquisition price of the second part. The update on the second step of the Cello Pens acquisition is detailed on Note 13.

(b) According to IAS 32/39, the Cello loans were qualified as BIC CORPORATION net investment hedging. The impact of the revaluation in euros of those loans is then booked in equity (13.9 million euros as of December 2009).

(c) It corresponds to mark-to-market of hedging instruments in the portfolio as of December 31, 2009, restated with the reverse of the mark-to-market of the portfolio of hedging instruments as of December 31, 2008.

In addition, BIC subsidiaries with hedge rates had revaluated their account receivables and payables at hedge rate as of December 31, 2009, impacting the income from operations for 1,021 thousand euros.

Portfolio of foreign exchange risks hedge as of December 31, 2010

In addition, in relation to its annual exposure, BIC had the following hedges as of December 31, 2010:

MATURITY	HEDGE	FORWARD		OPTIONS	
2011	EUR/USD	235,000,000	USD		
	USD/CAD	29,000,000	USD	4,000,000	USD
	USD/AUD	4,500,000	USD		
	EUR/GBP	16,000,000	GBP		
	EUR/AUD	24,000,000	AUD		
	EUR/CHF	6,500,000	CHF		
	EUR/JPY	1,300,000,000	JPY		
	EUR/CAD	11,000,000	CAD	3,000,000	CAD
	EUR/NZD	5,000,000	NZD		
	EUR/PLN	25,500,000	PLN		
	EUR/RON	16,000,000	RON		
	EUR/ZAR	2,850,000	EUR		
	USD/ARS	13,000,000	USD		
	USD/CLP	4,800,000	USD		
2012	EUR/AUD	1,000,000	AUD		
	EUR/CHF	1,000,000	CHF		

As of December 31, 2010, the main significant exchange exposure relates to EUR/USD for 260 million U.S. dollars. This exposure is 90% hedged as of December 31, 2010 and related cash flows will occur in 2011.

Net income and equity sensitivity to a variance of +/-1% EUR/USD on balance sheet items as of December 31, 2010, as defined in IFRS 7, is not considered as significant for the Group.

As of December 31, 2009, the main significant exchange exposure related to EUR/USD for 205 million U.S. dollars. This exposure was 100% hedged as of December 31, 2009 and related cash flows have occurred in 2010.

Main balance sheet items deriving from foreign currencies

Regarding the balance sheet items, the weight of the different currencies is as follows as of December 31, 2010, for the main non-current items:

(in thousand euros)	TOTAL	EUR	TRANSLATED FROM USD	TRANSLATED FROM BRL	TRANSLATED FROM MXN	OTHERS
Property, plant and equipment	358,188	209,786	77,131	41,409	17,309	12,553
Net goodwill	219,869	86,292	108,014	17,903	-	7,660
Cash and cash equivalent (excluding bank overdrafts)	371,191	232,561	30,141	62,462	10,289	35,738
Employee benefits obligation	(166,880)	(16,990)	(124,065)	-	(3,413)	(22,412)

NOTE 24 RELATED PARTIES

According to IAS 24 requirements, BIC Group has considered the following related parties:

- all consolidated subsidiaries and entities integrated through equity method (see Note 29);
- all members of the Board of Directors *(see Corporate Governance - §1. Mandates of the Directors and the Corporate officers as of December 31, 2010)* as well as their close relatives;
- all companies in which a member of the Board of Directors or of the Leadership Team has a significant voting right.

Consolidated subsidiaries and entities integrated through equity method

Transactions between the parent company and its subsidiaries as well as transactions between subsidiaries are eliminated through the consolidation process.

Transactions between the parent company and equity investments were not significant in 2010.

Members of the Board of Directors and of the Leadership Team

All transactions with members of the Board of Directors and members of the Leadership Team as of December 31, 2010 are as follows:

(in thousand euros)	DEC. 31, 2010	
	Expenses	Net amount in balance sheet
Short-term employee benefits	7,566	229
Post-employment benefits	1,970	22,367
Other long-term benefits	-	-
Termination benefits	-	-
Share based payments	1,917	-
TOTAL OF TRANSACTIONS	**11,453**	**22,596**

Directors' fees are not included in the table above and are disclosed in *Corporate Governance - §2.1.3. Directors' fees.*

Companies in which a member of the Board of Directors or of the Leadership Team has a significant voting right

As of December 31, 2010, we did not identify such related parties.

NOTE 25 OFF-BALANCE SHEET AVALS AND GUARANTEES

The following schedule summarizes the off-balance sheet avals and guarantees for the Group. All significant items are disclosed in this schedule.

No other security for assets or registered shares is to be reported.

Guarantee issued

Nothing to report.

Guarantee received

GUARANTOR	GUARANTEE	BENEFICIARY	ISSUING/ RENEWAL DATE	MATURITY DATE	PURPOSE OF THE GUARANTY	CURRENCY	DEC. 31, 2009	DEC. 31, 2010
Société Générale	SOCIÉTÉ BIC	Paris Ouest Customs			Caution for removal	EUR	45,735	45,735
Natexis Banques Populaires	BJ75	Ille et Vilaine prefecture	Aug. 29, 2006	Aug. 28, 2011	Environmental guarantee	EUR	160,000	160,000
Société Générale	Conté	Dunkerque customs	Jun. 1, 1997	Tacitly renewable	Deposit that allows Conté to buy Ethyl Alcohol	EUR	60,980	60,980
Banca Intesa	BIC Italia SPA	Ministries of Finance, Industry and Trade and Economic Development	From 2001 to 2010	Upon receipt of a declaration from Ministries of Finance, Industry and Trade and Economic Development	Trade guarantees	EUR	747,824	797,281
San Paulo IMI	BIC Italia SPA	BNL fondi Immobiliari SGR p.A.	Jul. 13, 2005	Renewed yearly, till the lease contract deadline	Lease guarantee	EUR	255,360	255,360
Société Générale	BIC CIS	Société Générale Vostok	Oct. 22, 2009	-	Security for a credit line	USD	5,000,000	5,000,000
BNP Paribas	BIC Pazarlama Ltd. Sti.	Turk Ekonomi Bankasi	Aug. 26, 2009	Aug. 31, 2011	Security for a credit line	TRY	2,000,000	2,000,000
Société Générale	BIMA 83	Community of Communes of Cernay and Surroundings	Feb. 23, 2009	May 1, 2013	Caution for investments and works on wastewater treatment plant and other structures of Cernay	EUR	210,828	210,828
Société Générale	SOCIÉTÉ BIC	Paris Ouest Customs	Jun. 22, 2009	-	Caution for removal and freight duties	EUR	29,000	29,000
BNP Paribas	BIC Product (Korea) PTE Ltd.	Shihan Korea Bank	Dec. 14, 2009	-	Security for a credit line	KRW	1,500,000,000	1,500,000,000
Banco Sabadell	All Promotional Products SL (Espagne)	Agencia Tributaria (Spanish Taxes authorities)	Oct. 19, 2000	-	To guarantee the payment of duties and VAT for imports	EUR	180,304	180,304
Banco Santander	All Promotional Products SL (Espagne)	Agencia Tributaria (Spanish Taxes authorities)	Nov. 10, 2000	-	To guarantee the payment of duties and VAT for imports	EUR	180,304	180,304

GUARANTOR	GUARANTEE	BENEFICIARY	ISSUING/ RENEWAL DATE	MATURITY DATE	PURPOSE OF THE GUARANTY	CURRENCY	DEC. 31, 2009	DEC. 31, 2010
Banco Santander	All Promotional Products SL (Espagne)	Agencia Tributaria (Spanish Taxes authorities)	Nov. 10, 2000	-	To guarantee the payment of duties and VAT for imports	EUR	120,202	120,202
Banco Sabadell	All Promotional Products SL (Espagne)	Agencia Tributaria (Spanish Taxes authorities)	May 3, 2004	-	To guarantee the payment of duties and VAT for imports	EUR	90,000	90,000
Banco Sabadell	All Promotional Products SL (Espagne)	Metropolis Inmobiliarias y Restauraciones SL	Oct. 7, 2008	Nov. 15, 2015	Lease guarantee	EUR	527,681	527,681
Nordea Bank AB	-	BIC Nordic AB	-	Tacitly renewable	Security for a credit line	SEK	3,000,000	3,000,000
PRI Pensionstjänst AB	BIC Nordic AB	Ansvarighet till Pensionsgaranti	-	-	Pension liabaility	SEK	359,857	357,126
Société Générale	DAPE 74	Prepaid Services Company	Feb. 23, 2010	-	Distribution agreement relating to electronic money	EUR	-	1,000,000
ABN AMRO Bank	Norwood Promotionnal Products BV	Altera Vastgoed BV	-	Renewed yearly, till the lease contract deadline	Lease guarantee	EUR	210,775	210,775

As of December 31, 2010, the total of guarantees received by BIC Group amounts to 10.0 million euros.

NOTE 26 OBLIGATIONS UNDER FINANCIAL LEASES

Finance leases represent a non significant portion of the Group's property, plant and equipment (less than 1%).

The fair value of the Group's lease obligations approximates to their carrying amount.

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets.

NOTE 27 CONTINGENT LIABILITIES

BIC CORPORATION USA

BIC CORPORATION has contingent liabilities with respect to pending litigation, claims and disputes which arise in the ordinary course of business.

While the ultimate liability above mentioned is not presently determinable, it is the opinion of management, after consultation with counsel to the Corporation, that any liabilities resulting therefrom will not have an adverse material effect on the Corporation's consolidated financial position or on its results of operations.

Other BIC Group companies

As of December 31, 2010, neither SOCIÉTÉ BIC nor its other subsidiaries had any significant pending litigation, claims or disputes which, in the opinion of management, after consultation with their advisors, would have a material adverse impact on the consolidated financial statements.

NOTE 28 OPERATING LEASE ARRANGEMENTS

The BIC Group as lessee

(in thousand euros)	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Rentals under operating leases recognized as an expense in the year	4,993	7,249	7,272

At the balance sheet date, the BIC Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

(in thousand euros)	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Within one year	5,496	6,839	5,895
In the second to fifth year inclusive	7,049	8,750	12,284
After five years	636	1,976	929
TOTAL	**13,181**	**17,565**	**19,108**

Operating lease rentals are primarily linked to office properties.

The BIC Group as lessor

See Note 10–3 on investment property.

NOTE 29 CONSOLIDATED SUBSIDIARIES

The main operating companies at December 31, 2010, are as follows:

NAME OF SUBSIDIARY	PLACE OF INCORPORATION (OR REGISTRATION) AND OPERATION	MAIN SHAREHOLDERS	PROPORTION OF OWNERSHIP INTEREST (DIRECT OR INDIRECT)	PRINCIPAL ACTIVITY
FULLY CONSOLIDATED SUBSIDIARIES:				
FRANCE				
BIC Clichy SAS	Clichy	SOCIÉTÉ BIC SA	100.0%	Holding company
BIC Services SASU	Clichy	BIC Clichy SAS	100.0%	Services
BIMA 83 SASU	Clichy/Cernay	BIC Clichy SAS	100.0%	Manufacturing consumer products
Société du Briquet Jetable 75 SASU	Clichy/Redon	BIC Clichy SAS	100.0%	Manufacturing consumer products
DAPE 74 Distribution SASU	Clichy	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
Électro-Centre SAS	Velars-sur-Ouche	BIC Clichy SAS	99.9%	Manufacturing consumer products
BIC Technologies SA (EX SO.BI.TU)	Clichy	BIC Clichy SAS	99.9%	Manufacturing consumer products
BIC Rasoirs SASU	Verberie	BIC Clichy SAS	100.0%	Manufacturing consumer products
BIC Sport SASU	Vannes	BIC Clichy SAS	100.0%	Manufacturing and distribution of consumer products
Conté SASU	Boulogne-sur-Mer	BIC Clichy SAS	100.0%	Manufacturing consumer products
BIC Graphic France SASU	Clichy	BIC Clichy SAS	100.0%	Distribution of consumer products
BIC Écriture 2000 SASU	Clichy/Montévrain	BIC Clichy SAS	100.0%	Manufacturing consumer products
Voiles Gateff SAS	La Garde	BIC Clichy SAS	90.0%	Manufacturing and distribution of consumer products
SI Valiton Gesnouin SASU	Clichy	BIC Clichy SAS	100.0%	Real estate
SI BIC Clichy SASU	Clichy	BIC Clichy SAS	100.0%	Real estate
Stypen SASU	Clichy/Montévrain	BIC Clichy SAS	100.0%	Manufacturing and distribution of consumer products
Norwood Promotional Products France SASU	Clichy	BIC Graphic France SASU	100.0%	Distribution of consumer products
EUROPE				
BIC Deutschland GmbH & Co. OHG	Germany	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Erzeugnisse GmbH	Germany	SOCIÉTÉ BIC SA	100.0%	Holding company
BIC Verwaltungs GmbH	Germany	SOCIÉTÉ BIC SA	100.0%	Holding company
BIC GmbH	Germany	SOCIÉTÉ BIC SA	100.0%	Holding company
Norwood Promotional Products Deutschland GmbH	Germany	BIC Graphic Europe SA	100.0%	Distribution of consumer products
BIC (Austria) Vertriebsgesellschaft mbH	Austria	BIC Clichy SAS	100.0%	Distribution of consumer products

NAME OF SUBSIDIARY	PLACE OF INCORPORATION (OR REGISTRATION) AND OPERATION	MAIN SHAREHOLDERS	PROPORTION OF OWNERSHIP INTEREST (DIRECT OR INDIRECT)	PRINCIPAL ACTIVITY
BIC Belgium SPRL	Belgium	BIC Clichy SAS	100.0%	Distribution of consumer products
BIC Iberia SA	Spain	BIC Clichy SAS	100.0%	Manufacturing and distribution of consumer products
BIC Graphic Europe SA	Spain	BIC Iberia SA	100.0%	Manufacturing and distribution of consumer products
Norwood Promotional Products Europe S.L.U	Spain	BIC Graphic Europe SA	100.0%	Distribution of consumer products
BIC Violex SA	Greece	BIC Clichy SAS BIC CORPORATION Furtuna Holding Co. Ltd.	100.0%	Manufacturing and distribution of consumer products
BIC Hungaria Kft.	Hungary	BIC Clichy SAS	100.0%	Distribution of consumer products
BIC (Ireland) Ltd.	Ireland	BIC Clichy SAS	100.0%	Distribution of consumer products
BIC Italia Spa	Italy	SOCIÉTÉ BIC SA BIC Clichy SAS	100.0%	Distribution of consumer products
Norwood Promotional Products Italia S.P.A.	Italy	BIC Graphic Europe SA	100.0%	Distribution of consumer products
BIC Netherlands BV	Netherlands	BIC Clichy SAS	100.0%	Distribution of consumer products
Norwood Promotional Products Nederland B.V.	Netherlands	BIC Graphic Europe SA	100.0%	Distribution of consumer products
JOMO Holding B.V	Netherlands	BIC UK Ltd.	100.0%	Holding company
BIC Polska SP ZOO	Poland	BIC Clichy SAS	100.0%	Distribution of consumer products
BIC Portugal SA	Portugal	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC (Romania) Marketing & Distribution SRL	Romania	BIC Clichy SAS	100.0%	Distribution of consumer products
BIC UK Ltd.	United Kingdom	BIC Clichy SAS	100.0%	Distribution of consumer products
BIC Slovakia SRO	Slovakia	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
Sheaffer Slovakia SRO	Slovakia	BIC Clichy SAS	100.0%	Distribution of consumer products
BIC CIS	Russia	BIC Clichy SAS	100.0%	Distribution of consumer products
BIC Nordic AB	Sweden	BIC Clichy SAS	100.0%	Distribution of consumer products
Société BIC (Suisse) SA	Switzerland	BIC Clichy SAS	100.0%	Distribution of consumer products
BIC Pazarlama Ltd. Sti.	Turkey	SOCIÉTÉ BIC SA BIC Clichy SAS	100.0%	Distribution of consumer products
BIC Ukraine	Ukraine	BIC Clichy SAS	100.0%	Distribution of consumer products

NAME OF SUBSIDIARY	PLACE OF INCORPORATION (OR REGISTRATION) AND OPERATION	MAIN SHAREHOLDERS	PROPORTION OF OWNERSHIP INTEREST (DIRECT OR INDIRECT)	PRINCIPAL ACTIVITY
NORTH AMERICA				
BIC Inc.	Canada	BIC CORPORATION	100.0%	Distribution of consumer products
BIC CORPORATION	United States	BIC Clichy SAS	100.0%	Holding company
BIC USA Inc.	United States	BIC CORPORATION	100.0%	Distribution of consumer products
BIC Consumer Products Manufacturing Co. Inc.	United States	BIC USA Inc.	100.0%	Manufacturing consumer products
BIC Graphic USA Manufacturing Co. Inc.	United States	BIC USA Inc.	100.0%	Manufacturing consumer products
Norwood Promotional Products LLC	United States	BIC USA Inc.	100.0%	Distribution of consumer products
Sheaffer Manufacturing LLC	United States	BIC USA Inc.	100.0%	Manufacturing and distribution of consumer products
BIC Sport North America Inc.	United States	BIC Sport SASU	100.0%	Manufacturing and distribution of consumer products
Wite-Out Products Inc.	United States	BIC CORPORATION	100.0%	Manufacturing and distribution of consumer products
Furtuna Holding Co. Ltd.	British Virgin Islands	BIC CORPORATION	100.0%	Holding company
Xenia Insurance Co. Ltd.	Bermuda	BIC CORPORATION	100.0%	Insurance coverage
OCEANIA				
BIC Australia Pty. Ltd.	Australia	BIC Clichy SAS	100.0%	Distribution of consumer products
BIC (NZ) Ltd.	New Zealand	BIC Clichy SAS	100.0%	Manufacturing and distribution of consumer products
LATIN AMERICA				
BIC Argentina SA	Argentina	BIC Clichy SAS SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Brasil SA	Brazil	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Graphic Brasil Ltda.	Brazil	BIC Brasil SA BIC Amazonia SA	100.0%	Distribution of consumer products
BIC Amazonia SA	Brazil	BIC Brasil SA SOCIÉTÉ BIC SA	100.0%	Manufacturing and distribution of consumer products
PIMACO Autoadesivos Ltda.	Brazil	BIC Amazonia SA BIC Brasil SA	100.0%	Manufacturing and distribution of consumer products
BIC Chile SA	Chile	BIC Brasil SA	100.0%	Distribution of consumer products
BIC Colombia SA	Colombia	SA Nelgor BIC Brasil SA	100.0%	Distribution of consumer products
BIC de Costa Rica SA	Costa Rica	BIC de Guatemala SA	100.0%	Distribution of consumer products
BIC Ecuador SA	Ecuador	BIC Brasil SA	100.0%	Manufacturing and distribution of consumer products

NAME OF SUBSIDIARY	PLACE OF INCORPORATION (OR REGISTRATION) AND OPERATION	MAIN SHAREHOLDERS	PROPORTION OF OWNERSHIP INTEREST (DIRECT OR INDIRECT)	PRINCIPAL ACTIVITY
BIC de Guatemala SA	Guatemala	BIC CORPORATION	100.0%	Distribution of consumer products
No Sabe Fallar SA de CV	Mexico	BIC CORPORATION Industrial de Cuautitlan SA de CV	100.0%	Manufacturing and distribution of consumer products
Industrial de Cuautitlan SA de CV	Mexico	BIC CORPORATION No Sabe Fallar SA de CV	100.0%	Manufacturing and distribution of consumer products
BIC Uruguay SA	Uruguay	BIC Brasil SA	100.0%	Distribution of consumer products
SA Nelgor	Uruguay	BIC Brasil SA	100.0%	Holding company
BIC de Venezuela CA	Venezuela	BIC Brasil SA	100.0%	Distribution of consumer products
BIC Peru SA	Peru	BIC Clichy SAS	100.0%	Distribution of consumer products
ASIA				
BIC Stationery (Shanghai) Co. Ltd.	China	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC (Shanghai) Stationery Manufacturing Co. Ltd.	China	SOCIÉTÉ BIC SA	100.0%	Manufacturing and distribution of consumer products
BIC Product (Korea) Ltd.	South Korea	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Advertising and Promotional Products Asia Limited	Hong-Kong	BIC Graphic France SASU	100.0%	Distribution of consumer products
BIC India Pvt. Ltd.	India	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
PT Buana Inti Cakrawala ("BIC")	Indonesia	SOCIÉTÉBIC SA	100.0%	Distribution of consumer products
BIC Japan KK	Japan	BIC Clichy SAS	100.0%	Distribution of consumer products
BIC GBA Sdn. Bhd.	Malaysia	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Product (Singapore) Pte. Ltd.	Singapore	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Product (Asia) Pte. Ltd.	Singapore	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Product (Thailand) Ltd.	Thailand	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
AFRICA				
BIC (South Africa) Pty. Ltd.	South Africa	BIC Holdings Southern Africa (Pty.) Ltd.	100.0%	Manufacturing consumer products
BIC Holdings Southern Africa (Pty.) Ltd.	South Africa	SOCIÉTÉ BIC SA BIC UK Ltd. JOMO Holding B.V	100.0%	Holding company
BIC Malawi Pty. Ltd.	Malawi	BIC Holdings Southern Africa (Pty.) Ltd.	100.0%	Distribution of consumer products
BIC Mozambique Ltd.	Mozambique	BIC Holdings Southern Africa (Pty.) Ltd.	100.0%	Distribution of consumer products
BIC Zambia Ltd.	Zambia	BIC Holdings Southern Africa (Pty.) Ltd.	99.0%	Distribution of consumer products

NAME OF SUBSIDIARY	PLACE OF INCORPORATION (OR REGISTRATION) AND OPERATION	MAIN SHAREHOLDERS	PROPORTION OF OWNERSHIP INTEREST (DIRECT OR INDIRECT)	PRINCIPAL ACTIVITY
ENTITIES CONSOLIDATED USING EQUITY METHOD:				
INDIA				
Cello Writing Instruments and Containers private Limited	India	BIC Clichy SAS	40.0%	Manufacturing and distribution of consumer products
Cello Stationery Products private Limited	India	BIC Clichy SAS	40.0%	Manufacturing and distribution of consumer products
Pentek Pen and Stationery private Limited	India	BIC Clichy SAS	40.0%	Manufacturing and distribution of consumer products
Cello Plastic Products private Limited	India	BIC Clichy SAS	40.0%	Manufacturing of consumer products
Cello Tips and Pens private Limited	India	BIC Clichy SAS	40.0%	Manufacturing of consumer products
Cello Pens private Limited	India	BIC Clichy SAS	40.0%	Manufacturing and distribution of consumer products

NOTE 30 FEES FOR THE AUDITORS AND THE MEMBERS OF THEIR NETWORKS

Joint audit firms' yearly audit fees included in the Group income statement:

	DELOITTE & ASSOCIÉS				GRANT THORNTON			
(in thousand euros)	AMOUNT (EXCLUDING VAT)		%		AMOUNT (EXCLUDING VAT)		%	
	2009	2010	2009	2010	2009	2010	2009	2010
Audit								
Statutory audit, certification, review of statutory and consolidated accounts								
• Issuer	482	409	26%	27%	75	71	12%	12%
• Fully consolidated subsidiaries	997	925	53%	61%	530	497	88%	81%
Other inspections and services directly linked to the Statutory Auditor's mission								
• Issuer	135	15	7%	1%	-	6	-	1%
• Fully consolidated subsidiaries	120	17	6%	1%	-	36	-	6%
Subtotal	**1,734**	**1,366**	**92%**	**90%**	**605**	**610**	**100%**	**100%**
Other network services for the fully consolidated subsidiaries								
• Legal, tax, labor-related [(a)]	150	160	8%	10%	-	-	-	-
Subtotal	**150**	**160**	**8%**	**10%**	**-**	**-**	**-**	**-**
TOTAL	**1,884**	**1,526**	**100%**	**100%**	**605**	**610**	**100%**	**100%**

(a) All "Tax compliance" engagements have been carried out in foreign subsidiaries.

7. Statutory Auditors' report on the consolidated financial statements

FOR THE YEAR ENDED DECEMBER 31, 2010

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in the French language and is provided solely for the convenience of English speaking users. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes explanatory paragraphs discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In accordance with our appointment as Statutory Auditors at your Annual General Meeting, we hereby report to you for the year ended December 31, 2010 on:

- the audit of the accompanying consolidated financial statements of SOCIÉTÉ BIC;
- the justification of our assessments;
- the specific procedures and disclosures required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2010 and of the results of its operations for the year then ended in accordance with the IFRSs as adopted by the European Union.

II. Justification of our assessments

Pursuant to Article L. 823-9 of the French Commercial Code (*Code de commerce*) governing the justification of our assessments, we bring to your attention the following matters:

Notes 1-6 and 1-14 to the consolidated financial statements outline the accounting rules and methods relating to the goodwill carrying amount and retirement costs and other employee benefits. Our procedures consisted in verifying the appropriateness of the accounting methods applied, data and assumptions used, documentation provided and resulting valuations. We also satisfied ourselves that Notes 11 and 21 provide appropriate disclosure.

These assessments were performed as part of our audit approach for the consolidated financial statements taken as a whole and contributed to the expression of the opinion in the first part of this report.

III. Specific verification

In accordance with professional standards applicable in France and as required by law, we also verified the Group information presented in the management report.

We have no matters to report as to its fair presentation and consistency with the consolidated financial statements.

Paris and Neuilly-sur-Seine, March 1, 2011

The Statutory Auditors

Grant Thornton French Member of Grant Thornton International	Deloitte & Associés
Gilles HENGOAT	Jean-François VIAT

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Statutory accounts (French GAAP)

1. Income statement for the year ended December 31, 2010

(in thousand euros)	NOTES	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Net sales	11	492,374	485,078	531,469
Change in inventories of finished goods and work in progress		50	-	-
Reversal of depreciation and provision, transfer of charges		3,439	1,595	6,529
Other revenues	12	45,341	46,186	50,276
Operating revenues		**541,204**	**532,859**	**588,274**
Purchases of goods and changes in inventories		(309,712)	(307,361)	(324,439)
Purchases of raw materials, other consumables and changes in inventories		(14,162)	(15,929)	(20,303)
Other purchases and external charges		(154,388)	(135,962)	(148,494)
Taxes and similar payments		(2,144)	(2,345)	(2,751)
Payroll costs	13	(1,627)	(1,607)	(2,089)
Depreciations and provisions		(9,664)	(10,870)	(10,906)
Other expenses		(412)	(197)	(96)
Operating expenses		**(492,109)**	**(474,271)**	**(509,078)**
NET OPERATING INCOME		**49,095**	**58,588**	**79,196**
NET FINANCIAL INCOME	**14**	**24,273**	**27,951**	**113,346**
NON RECURRING INCOME/(EXPENSE)	**15**	**(179)**	**4,169**	**(2,817)**
Income tax	16 to 18	(11,995)	(24,379)	(21,716)
NET INCOME		**61,194**	**66,329**	**168,009**

2. Balance sheet for the year ended December 31, 2010

ASSETS

(in thousand euros)	NOTES	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010		
		Net	Net	Gross	Deprec., amort. and provisions	Net
Research and development expenses		303	91	3,823	(3,823)	-
Patents and similar rights		17,208	19,034	61,105	(44,183)	16,922
Intangible assets under construction		5,073	2,110	1,512	-	1,512
Intangible assets	**3-4**	**22,584**	**21,235**	**66,440**	**(48,006)**	**18,434**
Land		1,680	1,680	1,490	-	1,490
Buildings		1,128	922	13,891	(12,538)	1,353
Industrial and technical plants		2,456	1,838	10,170	(8,209)	1,961
Other tangible assets		3,240	3,031	10,451	(7,412)	3,039
Fixed assets under construction		1,017	1,169	3,765	(2,497)	1,268
Advances and prepayments		-	-	-	-	-
Tangible assets	**3-4**	**9,521**	**8,640**	**39,767**	**(30,656)**	**9,111**
Equity Investments	23	659,722	839,197	880,234	(42,380)	837,854
Loans to equity investments	5-6	831	87,598	94,469	-	94,469
Other long-term investments	3	11,509	10,154	25,032	-	25,032
Long-term investments		**672,062**	**936,949**	**999,735**	**(42,380)**	**957,355**
Non-current assets		**704,167**	**966,824**	**1,105,942**	**(121,042)**	**984,900**
Raw materials and supplies		695	655	739	-	739
Work-in-process - goods		50	150	654	(646)	8
Consumables		27,809	23,400	30,931	(1,138)	29,793
Inventories		**28,554**	**24,205**	**32,324**	**(1,784)**	**30,540**
Advances and prepayments paid		482	391	1,436	-	1,436
Trade receivables and related accounts	5-6	99,405	75,108	100,860	(1,845)	99,015
Other receivables	5-6	104,152	79,436	99,089	(11,203)	87,886
Short-term Financial investments	7	152,151	368,396	231,576	-	231,576
Cash and cash equivalents		3,682	2,086	7,819	-	7,819
Prepaid expenses	5	2,142	1,849	826	-	826
Unrealized losses from foreign exchange	8	1,780	3,589	1,097	-	1,097
Current assets		**392,348**	**555,060**	**475,027**	**(14,832)**	**460,195**
TOTAL ASSETS		**1,096,515**	**1,521,884**	**1,580,969**	**(135,874)**	**1,445,095**

LIABILITIES & SHAREHOLDERS' EQUITY

(in thousand euros)	NOTES	BEFORE APPROPRIATION OF EARNINGS		
		DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Share capital		185,484	185,559	185,991
Share premium, merger contribution		30,847	34,777	62,133
Legal reserve		22,410	22,410	22,410
General reserve		180,379	180,379	180,379
Retained earnings		346,854	340,214	264,091
Net income for the year		61,194	66,329	168,009
Shareholders' equity	**9**	**827,168**	**829,668**	**883,013**
Provisions for contingencies and losses	10	9,322	10,328	8,656
Provisions for contingencies and losses		**9,322**	**10,328**	**8,656**
Bank borrowings (Bank overdraft)	5	1,462	200,192	2,907
Other borrowings	5	160,473	370,748	436,720
Financial liabilities		**161,935**	**570,940**	**439,627**
Trade payables and related accounts	5-6	71,692	69,179	84,549
Tax and employee-related liabilities	5	10,365	15,483	7,440
Other liabilities	5	7,638	5,785	7,238
Deferred income	5	7,531	3,684	10,215
Operating liabilities		**97,226**	**94,131**	**109,442**
Unrealized gains from foreign exchange		864	16,817	4,357
Liabilities		**260,025**	**681,888**	**553,426**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		**1,096,515**	**1,521,884**	**1,445,095**

3. Cash flow statement for the year ended December 31, 2010

(in thousand euros)	NOTES	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Operating activities				
Net income		61,194	66,329	168,009
Dividends received		(26,389)	(23,453)	(115,938)
Depreciation and provisions on non-current assets		9,142	9,667	7,576
(Gain)/Loss on the disposal of fixed assets		(4,438)	(6,060)	(1,301)
Gross cash flow from operating activities		**39,509**	**46,483**	**58,346**
(Increase)/Decrease in net current working capital		18,829	64,274	(47,167)
NET CASH FLOW FROM OPERATING ACTIVITIES		**58,338**	**110,757**	**11,179**
Investing activities				
Dividends received from subsidiaries	14	26,389	23,453	115,938
Proceeds from disposals of intangible and tangible assets		819	977	1,553
Purchases of tangible assets		(1,546)	(919)	(2,130)
Purchases of intangible assets		(4,092)	(3,095)	(1,711)
(Increase)/Decrease in treasury shares		(25,216)	3,661	(11,853)
(Increase)/Decrease in other investments		(248)	(313)	164
Acquisitions of subsidiaries	23-2	(707)	(1,431)	(1,033)
NET CASH FLOW FROM INVESTING ACTIVITIES		**(4,601)**	**22,333**	**100,928**
Financing activities				
Dividends paid		(65,495)	(65,068)	(116,552)
Borrowings/(Repayments)		(54)	195,042	(195,073)
New intercompany loans		(75)	2	-
Movement in current accounts		36,174	(47,137)	67,428
NET CASH FLOW FROM FINANCING ACTIVITIES		**(29,450)**	**82,839**	**(244,197)**
Net increase/(decrease) in cash and cash equivalents		24,287	215,929	(132,090)
Opening cash and cash equivalents		127,217	151,504	367,433
CLOSING CASH AND CASH EQUIVALENTS		**151,504**	**367,433**	**235,343**

4. Notes to the Company's financial statements

1. MAIN EVENTS

None.

2. ACCOUNTING PRINCIPLES, RULES AND METHODS

The financial statements are prepared according to French accounting regulations applicable for the year ended December 31, 2010.

They have been drawn up according to the basic accounting principles of:

- going concern;
- consistency;
- appropriate cut-off.

The items presented in the accounts are valued on a historical cost basis, with the exception of items detailed in d) below.

The main accounting rules and methods adopted are the following:

a) Intangible assets

Research and development expenditures are capitalized when major applied research and development projects in progress (above 500,000 euros) can be clearly defined, costs separately identified and reliably measured, and the project has a significant chance of commercial profitability. Capitalized research and development expenditures are depreciated on a straight-line basis over a period of three to five years from the commencement of production. Research and development expenditures that do not meet these criteria are expensed in the fiscal year.

Patents and technical processes recorded in this heading are amortized over their period of protection or use.

Softwares are depreciated on a straight-line basis over a period of three to five years.

b) Property, plant and equipment

Property, plant and equipment are valued at their purchase price or production cost. Depreciation is calculated on a straight-line basis over periods depending on the asset type:

Buildings	25 years
Fixtures and fittings	8 to 10 years
Vehicles	3 years
Industrial plant, machinery and fittings	2 to 8 years
Office and IT equipment, furniture	3 to 8 years

c) Fixed assets valuation

At year end, SOCIÉTÉ BIC checks the existence of internal or external indicators that could lead to a change in the net realizable value of its assets.

When the carrying amount of fixed assets exceeds the net realizable value of the asset, an impairment charge is recorded.

d) Long-term investments

Long-term investments are recorded at the value they were brought into assets.

An impairment is booked when the current value of an investment is less than its purchase cost.

The current value is determined in reference to Shareholders' equity of the relevant investment, adjusted to take into consideration the importance of the Company to the Group and its development and profit perspectives.

In addition, BIC shares purchased following the Article L. 225-209 of the French Commercial Code (*Code de commerce*), not intended exclusively for stock option plans or in order to regulate the stock market price, are recorded within long-term investments. Treasury shares are valued at purchase cost and an impairment is booked at year-end when the probable trading value (based on the average shares market price during the last month of the fiscal year or the exercise price of the options for which they were purchased) is less than purchase cost. Loans in foreign currency are translated at the official closing exchange rate.

e) Inventory and work-in-process

Consumables are valued at purchase cost, including incidental expenses, in accordance with the weighted-average cost method.

Inventory provisions are booked, when necessary, to reduce inventory value to the market value.

f) Receivables and payables

Receivables and payables are recorded at nominal value.

Receivables are written down by way of provision, when appropriate, to take into consideration recovery risks.

Foreign currency denominated receivables and payables are translated at the official closing exchange rate.

Unrealized losses on foreign exchange are booked as assets with a related provision for foreign exchange risk. Unrealized profits on foreign exchange are booked as liabilities.

Profit and loss on foreign exchange for current account are directly impacting the profit and loss account without any effects on assets and liabilities.

g) Financial investments

Financial investments are composed of investments in transferable securities, and BIC shares bought back under stock-option plans or in order to regulate the stock market price according to Article L. 225-208 and L. 225-209 of the French Commercial Code (*Code de commerce*). Treasury shares are valued at purchase cost. An impairment provision is booked at year-end when the probable trading value (based on the average stock market price during the last month of the fiscal year or the exercise price of the options for which they were purchased) is less than purchase cost.

h) Provisions for contingencies and losses

Provisions for contingencies and losses are liabilities for which maturity or amounts are not valuated precisely. Provisions for contingencies and losses are calculated with the best estimation of needed funds to close the liability.

i) Borrowings

Borrowings in foreign currency are translated at the official closing exchange rate.

NOTES TO THE BALANCE SHEET

3. NON-CURRENT ASSETS

(in thousand euros)	GROSS VALUE AS OF DEC. 31, 2009	ADDITIONS	DISPOSALS	GROSS VALUE AS OF DEC. 31, 2010
Research and development expenses	3,823	-	-	3,823
Other intangible assets	60,905	4,052	(2,340)	62,617
INTANGIBLE ASSETS	**64,728**	**4,052**	**(2,340)**	**66,440**
Land	1,680	-	(190)	1,490
Buildings	13,184	707	-	13,891
Industrial and technical plants	9,136	1,034	-	10,170
Other tangible assets	10,120	336	(5)	10,451
Fixed assets under construction	3,723	2,194	(2,152)	3,765
TANGIBLE ASSETS	**37,843**	**4,271**	**(2,347)**	**39,767**
Equity Investments [(a)]	879,201	1,033	-	880,234
Loans to equity investments [(b)]	87,598	6,871	-	94,469
BIC Shares [(c)]	9,135	15,041	-	24,176
Loans and other long-term investments	1,019	222	(385)	856
TOTAL LONG-TERM INVESTMENTS	**976,953**	**23,167**	**(385)**	**999,735**

(a) Equity Investments are detailed in Note 23.

(b) Includes the loan to BIC CORPORATION USA, 125 million U.S. dollars for the acquisition of Norwood Promotional Products.

(c) These refers to 67,630 shares to hedge the free share grant plans and 344,607 shares related to the share buy-back programs authorized by the Annual Shareholders' Meetings.

4. DEPRECIATION AND AMORTIZATION

(in thousand euros)	DEPREC. AND AMORT. AS OF DEC. 31, 2009	CHARGE FOR THE YEAR	RELEASE DURING THE YEAR	DEPREC. AND AMORT. AS OF DEC. 31, 2010
Research and development expenses	3,732	91	-	3,823
Other intangible assets	37,216	4,421	-	41,637
TOTAL INTANGIBLE ASSETS	**40,948**	**4,512**	**-**	**45,460**
Buildings	12,262	276	-	12,538
Industrial and technical plants	7,298	911	-	8,209
Other tangible assets	7,089	328	(5)	7,412
TOTAL TANGIBLE ASSETS	**26,649**	**1,515**	**(5)**	**28,159**

5. MATURED ASSETS AND LIABILITIES ANALYSIS

ASSETS *(in thousand euros)*	GROSS	WITHIN ONE YEAR	MORE THAN ONE YEAR	NOTES RECEIVABLES	INCL. ASSOC. UNDERTAKINGS
Loans to equity investments	94,469	-	94,469	-	94,469
Other long-term investments	25,032	25,032	-	-	-
Trade receivables and related accounts	100,860	100,860	-	3,865	67,016
Other receivables	99,089	99,089	-	-	73,526
Prepayments	826	826	-	-	-
TOTAL	**320,276**	**225,807**	**94,469**	**3,865**	**235,011**

LIABILITIES *(in thousand euros)*	GROSS	WITHIN ONE YEAR	MORE THAN ONE YEAR	NOTES PAYABLES	INCL. ASSOC. UNDERTAKINGS
Bank borrowings	2,907	2,907	-	-	-
Other borrowings	436,720	436,720	-	-	436,705
Trade payables and related accounts	84,549	84,549	-	-	43,279
Tax and employee-related liabilities	7,440	7,440	-	-	-
Other liabilities	7,238	7,238	-	-	428
Deferred Income	10,215	10,215	-	-	10,215
TOTAL	**549,069**	**549,069**	**-**	**-**	**490,627**

In 2009, SOCIÉTÉ BIC applied the new Law on the Modernization of the Economy related to the suppliers' payment terms. The Company opted for the payment of invoices with a due date of 60 days.

(in thousand euros)	TOTAL	CURRENT	OVER DUE		
			30 days	60 days	+60 days
At December 31, 2010	49,618	46,927	934	838	919
At December 31, 2009	36,183	34,874	365	128	816

6. AFFILIATES' INFORMATION

(in thousand euros)	NET VALUE
ASSETS	
Equity investments	837,854
Other long term investments	94,469
Trade receivables and related accounts	67,016
Other receivables	73,526
LIABILITIES	
Other long-term loan and investments	436,705
Trade payables and related accounts	43,279
Other debts	428
Deferred income	10,215

7. SHORT TERM FINANCIAL INVESTMENTS

(in thousand euros)	GROSS VALUE
Treasury positions	
BIC shares	1,146
Short-term investment securities [a]	230,430
TOTAL	**231,576**

(a) These are low-risk short term securities.

8. TRANSLATION ADJUSTMENTS

Unrealized losses on foreign exchange are recorded as a provision for contingencies and losses (1,097 thousand euros).

9. SHAREHOLDERS' EQUITY

9.1 Share capital

The share capital is 185,990,536.04 euros divided into 48,688,622 shares of 3.82 euros each. The registered shares held for more than two years carry double voting rights.

To the knowledge of the Company, as of December 31, 2010, Shareholders known to hold more than 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 66.66%, 90% or 95% of the share capital and/or of the voting rights of the Company were as follows:

	% OF SHARES (approx.)	% OF VOTING RIGHTS (approx.)
SOCIÉTÉ M.B.D.	25.55%	34.52%
Bich family	17.18%	21.21%
Silchester International Investors LLP	5.77%	7.52%

As of December 31, 2010, SOCIÉTÉ BIC held 437,771 BIC shares classified as follows:

- Long-term investments: 67,630 shares to hedge the share grant plans and 344,507 shares related to the share buy-back programs authorized by the Annual Shareholders' Meetings;
- Short-term financial investments: 25,634 shares to cover stock-option plans.

9.2 Movements in Shareholders' equity

(in thousand euros)	
Shareholders' equity as of December 31, 2009 (before appropriation)	**829,668**
Dividend distribution with respect to fiscal year 2009	116,552
Shareholders' equity as of December 31, 2009 (after appropriation)	**713,116**
Increase in share capital [a]	2,517
Decrease in share capital [b]	(2,085)
Share premium [a]	27,355
Retained earnings [a] [b]	(25,899)
Net income for the year	168,009
Shareholders' equity as of December 31, 2010 (before appropriation)	**883,013**

(a) The increase in share capital relates to 658,821 subscription options exercised during 2010.
(b) During the year 2010, SOCIÉTÉ BIC cancelled 545,926 shares.

Following this operation, at December 31, 2010, the issued capital is 48,688,622 shares with a nominal value of 3.82 euros.

10. PROVISIONS

(in thousand euros)	DEC. 31, 2009	CHARGE FOR THE YEAR	RELEASE DURING THE YEAR (USED)	RELEASE DURING THE YEAR (NOT USED)	DEC. 31, 2010
Risk Iran	1,128	-	-	-	1,128
Risk Affiliates	294	1,200	-	(40)	1,454
FOREX losses	3,589	2,578	(3,589)	-	2,578
Sheaffer (Hong Kong) Co. Ltd.	828	92	-	-	920
Hedging of shares grants	705	1,396	(370)	(335)	1,396
Other provisions for contingencies	3,784	892	(22)	(3,473)	1,181
PROVISIONS FOR CONTINGENCIES AND LOSSES	**10,328**	**6,158**	**(3,981)**	**(3,848)**	**8,657**

(in thousand euros)	DEC. 31, 2009	CHARGE FOR THE YEAR	RELEASE DURING THE YEAR	DEC. 31, 2010
Tangible assets	5,100	-	(58)	5,042
Investments	40,004	3,286	(910)	42,380
Work-in-process - goods	646	-	-	646
Consumables	1,312	1,138	(1,312)	1,138
Trade receivables	2,729	1,845	(2,729)	1,845
Other trade receivables	11,370	3,662	(3,829)	11,203
PROVISIONS FOR DEPRECIATION	**61,161**	**9,931**	**(8,838)**	**62,254**

NOTES TO THE INCOME STATEMENT

11. SALES BREAKDOWN

The net sales can be analyzed as follows:

(in thousand euros)	DEC. 31, 2008			DEC. 31, 2009			DEC. 31, 2010		
	France	Export	Total	France	Export	Total	France	Export	Total
Stationery consumer	100,562	168,956	269,518	93,775	166,320	260,095	94,262	194,846	289,108
Lighters	18,056	105,131	123,187	16,427	120,884	137,311	17,098	134,777	151,875
Shavers	29,298	56,015	85,313	21,115	55,614	76,729	21,493	62,862	84,355
Other consumer	1,290	13,066	14,356	356	10,587	10,943	591	5,540	6,131
TOTAL	**149,206**	**343,168**	**492,374**	**131,673**	**353,405**	**485,078**	**133,444**	**398,025**	**531,469**

12. OTHER REVENUES

Other revenues are mainly composed of royalties (24,184 thousand euros) and management fees (25,398 thousand euros) invoiced to affiliates.

13. MANAGEMENT COMPENSATION

(in thousand euros)	DEC. 31, 2009	DEC. 31, 2010
Administrative bodies	230	243
Management bodies	1,144	1,327

SOCIÉTÉ BIC has no salaried employees as of December 31, 2010.

Two members of the Management bodies have the same additional retirement plan (defined benefits plan) as the BIC Group subsidiaries' managers in France.

14. FINANCIAL INCOME

Net financial income amounts to 113,346 thousand euros and is detailed as follows:

(in thousand euros)	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Dividends received	27,096	23,453	115,938
Interest income	3,918	2,682	4,326
Net reversal of provisions	(5,858)	2,247	(1,126)
Foreign exchange gain and loss	2,737	3,243	906
Other	(3,620)	(3,674)	(6,698)
FINANCIAL INCOME	**24,273**	**27,951**	**113,346**

15. NON-RECURRING INCOME AND EXPENSE

The non-recurring income and expense break down as follows:

(in thousand euros)	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010
Capital gains/(losses) on asset disposals	233	39	1,301
Capital gains/(losses) on investment disposals	4,205	6,056	-
Provision for contingencies (net of reversal)	244	2,272	(1,251)
Subsidy granted	(1,245)	(3,000)	-
Debt waiver	(1,049)	(552)	(3,700)
Other tax impact	(1,889)	776	211
Compensation for contract breaking net of provision	(341)	-	-
Other	(337)	(1,422)	623
NON RECURRING INCOME AND EXPENSE	**(179)**	**4,169**	**(2,816)**

16. INCOME TAX BREAKDOWN

(in thousand euros)	NET INCOME BEFORE TAX	TAX CHARGES	NET INCOME AFTER TAX
Income before tax and non recurring operations	192,541	(21,574)	170,967
Non recurring income and expense	(2,816)	(142)	(2,958)
TOTAL	**189,725**	**(21,716)**	**168,009**

17. TAX GROUPING

SOCIÉTÉ BIC is the parent company of the tax Group composed of the following companies as of December 31, 2010: BIC Sport, BIMA 83, BIC Écriture 2000, BIC Services, Conté, Société Immobilière BIC Clichy, Société Immobilière Valiton Gesnouin, BIC Rasoirs, Société du Briquet Jetable 75, BIC Graphic France, BIC Assemblage, BIC Technologies, Compagnie de Moulages, DAPE 74 Distribution, Stypen and BIC Clichy.

As parent company, SOCIÉTÉ BIC books in its accounts the gain or loss related to the effects of the tax consolidation. For this purpose, the loss recorded by SOCIÉTÉ BIC in 2010 amounts to 174,141 euros.

18. MAIN INCREASES/DECREASES IN THE DEFERRED TAX BASIS

(in thousand euros)	DEC. 31, 2010
Organic	988
Provision on current accounts	400
Provisions for contingencies	1,791
Provision on trade receivables	516
Provision on stocks	1,138
Foreign exchange losses	4,001
Financial investments	4,524
Other	700
TOTAL	**14,058**
Decrease in deferred tax liabilities	**(4,836)**

5. Notes to the off balance sheet commitments

19. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The following are SOCIÉTÉ BIC's main off-balance sheet financial instruments:

Currency derivatives

Hedge nominals different from euro are converted to euro as of December 31, 2010 closing rates.

The mark-to-market of the hedges is computed according to international banking standards in terms of inputs (spot, yield curve, volatility curve) and pricing models.

Forward portfolio detail

HEDGING SUPPORT	NOMINAL *(in euros)*	MARK-TO-MARKET *(in euros)*	MATURITY	INSTRUMENT
Commercial flows 2011	281,049,044	4,046,154	2011	Forward
Dividend flows 2011	3,667,116	(56,500)	2011	Forward
Commercial flows 2012	1,512,161	(28,770)	2012	Forward
Loans/Borrowing	239,774,056	(2,394,721)	2011	Foreign exchange Swaps
TOTAL	**526,002,376**	**1,566,163**		

Options portfolio detail

HEDGING SUPPORT	NOMINAL *(in euros)*	MARK-TO-MARKET *(in euros)*	MATURITY	INSTRUMENT
Commercial flows 2011	5,224,047	27,118	2011	Option
TOTAL	**5,224,047**	**27,118**		

As of December 31, 2010, Société BIC contracted:

- derivatives contracts (forward and options) maturing in 2011 and 2012 for an equivalent of 291.5 million euros. These contracts hedge, on a basis of forecasted cash flow, the Group foreign currency transaction risks. The foreign currency transactions are denominated in U.S. dollar, British pound, Canadian dollar, Australian dollar, New Zealand dollar, Japanese yen, Swiss franc, Polish zloty and Romania leu. The fair market value of these contracts is 4.0 million euros positive;
- foreign currency swaps for an equivalent of 239.8 million euros, in connection with the inter company debt and deposit. The fair market value of these contracts is negative for 2.4 million euros;

For the year 2011, the foreign currency exposure transaction is hedged with a ratio above 90%.

Interest rate derivatives

As of December 31,2010, SOCIÉTÉ BIC no longer has Interest Rate Derivatives in Portfolio.

All local funding needs are directly indexed on a short-term variable rate. Borrowers' positions are insignificant at Group level, and are of a too limited timescale to require any relevant hedging.

20. COMMITMENTS

20.1 Guarantees

Guarantees issued

GUARANTOR	GUARANTEE	BENEFICIARY	ISSUING DATE	MATURITY DATE	CURRENCY	DEC. 31, 2010	PURPOSE OF THE GUARANTY
SOCIÉTÉ BIC	BIC CORPORATION	BIC CORPORATION's employees	January 19, 2000	Advance notice of 2 months before cancellation of the guarantee	USD	300,000	Social security payment guarantee
SOCIÉTÉ BIC	BIC Nordic AB	FGP	March 7, 2006	Tacitly renewable	SEK	17,856,308	Payment of pensions
SOCIÉTÉ BIC	BIC UK Ltd	DalriadaTrustees Ltd et Don Hartridge	June 29, 2007	Extinguishment of the pension liability	GBP	9,570,000	Payment of pensions

Guarantees received

GUARANTOR	GUARANTEE	BENEFICIARY	ISSUING DATE	MATURITY DATE	CURRENCY	DEC. 31, 2010	PURPOSE OF THE GUARANTY
Société Générale	SOCIÉTÉ BIC	Paris Ouest Customs	-	-	EUR	45,735	Caution for removal
BNP Paribas Singapore	SOCIÉTÉ BIC	BIC Product Asia. Pte Ltd	-	August 31, 2011	USD	800,000	Security for a credit line
Société Générale	SOCIÉTÉ BIC	Paris Ouest Customs	-	-	EUR	29,000	Caution for removal and freight duties

In addition, no asset of SOCIÉTÉ BIC was pledged as of December 31, 2010.

20.2 Pensions obligations

(in euros)	DEC. 31, 2010
Present value of pension obligation	9,680,872
Fair value of plan assets	(5,707,141)
Unrecognized past services cost	(475,242)
NET PENSION LIABILITY	**3,498,489**

OTHER INFORMATION

21. SHARE MARKET PRICE

(in euros)	DEC. 31, 2009	DEC. 31, 2010
BIC shares	48.30	64.32

22. STOCK OPTION PLANS

As authorized at the Annual Shareholders' Meeting of May 12, 2010, on December 16, 2010, the Board of Directors granted subscription options to 643 Senior Managers and employees of BIC and its subsidiaries entitling them to subscribe for 382,950 shares at a price of 63.71 euros. These options may not be exercised before the end of three years following the date of the award.

	PLAN 4	PLAN 5	PLAN 6	PLAN 7	PLAN 8
Date of the Annual Shareholders' Meeting	May 12,1998	May 12,1998	May 28,2003	May 28,2003	May 28, 2003
Date of the Board Meeting	Dec. 13, 2001	Dec. 10, 2002	Dec. 17, 2003	Dec. 15, 2004	Dec. 14, 2005
Number of beneficiaries	551	564	555	563	575
Number of stock subscription options	367,700	375,000	377,550	370,450	427,850
- among which, number of shares granted to the current members of the leadership Management team as of December 31, 2010	*39,050*	*44,000*	*56,500*	*46,650*	*48,650*
Date from which options may be exercised	Dec. 14, 2004	Dec. 11, 2005	Dec. 18, 2006	Dec. 16, 2007	Dec. 15, 2008
Option expiration date	Dec. 12, 2011	Dec. 9, 2012	Dec. 16, 2013	Dec. 14, 2014	Dec. 13, 2015
Exercise price *(in euros)* [(a)]	36.57	30.93	36.96	36.76	50.01
Number of options exercised as of December 31, 2010	264,880	280,870	256,972	227,517	195,957
Number of void options as of December 31, 2010	84,200	66,810	66,750	73,000	73,600
Number of remaining options as of December 31, 2010	18,620	27,320	53,828	69,933	158,293

	PLAN 9	PLAN 10	PLAN 11	PLAN 12	PLAN 13
Date of the Annual Shareholders' Meeting	May 24, 2006	May 24, 2006	May 21, 2008	May 21, 2008	May 12, 2010
Date of the Board Meeting	Dec. 13, 2006	Dec. 11, 2007	Dec. 10, 2008	Dec. 15, 2009	Dec. 16, 2010
Number of beneficiaries	567	633	613	602	643
Number of stock subscription options	398,500	440,500	371,400	360,000	382,950
- among which, number of shares granted to the current members of the leadership Management team as of December 31, 2010	*40,650*	*43,500*	-	-	-
Date from which options may be exercised	Dec. 14, 2009	Dec. 12, 2010	Dec. 11, 2011	Dec. 16, 2012	Dec. 17, 2013
Option expiring date	Dec. 12, 2014	Dec. 10, 2015	Dec. 9, 2016	Dec. 14, 2017	Dec. 15, 2018
Exercise price *(in euros)* [(a)]	52.35	49.62	40.18	47.99	63.71
Number of options exercised at December 31, 2010	144,139	58,125	-	-	-
Number of void options as of December 31, 2010	49,900	28,000	14,950	7,450	-
Number of remaining options as of December 31, 2010	204,461	354,375	356,450	352,550	382,950

(a) No discount on the exercise price.

Mr. Bruno and François Bich were not issued any options under the above stock option plans.

23. EQUITY INVESTMENTS

23.1 Subsidiaries and equity interests

	NUMBER OF SHARES S: SHARES P: PARTS		% OF INTEREST	NET BOOK VALUE	NET LOANS	COMMON STOCK	CURRENCY
I - French Subsidiaries							
BIC Assemblage SARL	1,000	P	100 %	15,245	-	15,240	EUR
BIC Clichy SAS	52,059,469	S	99 %	795,468,690	-	795,469,068	EUR
DAPE 74 Distribution SASU	70,000	S	100 %	910,000	-	1,070,000	EUR
Sub-total I				**796,393,935**	**-**		
II - Foreign subsidiaries							
BIC Erzeugnisse GmbH - Germany	2	P	100 %	-	-	664,700	EUR
BIC Verwaltungs GmbH - Germany	2	P	100 %	4	-	50,000	EUR
BIC GmbH - Germany	1	P	100 %	35	-	25,600	EUR
BIC Portugal SA - Portugal	464,675	S	100 %	3,524,586	-	2,323,575	EUR
BIC Italia SPA - Italy	1,000,000	S	20 %	813,076	-	5,150,000	EUR
BIC Slovakia SRO - Slovakia	1	P	100 %	12,600,000	-	15,574,255	EUR
BIC INTERNATIONAL Co. - United States	100	S	100 %	1	-	1	USD
BIC Brasil SA - Brazil	300,661,465	S	100 %	13,617,043	-	183,403,495	BRL
Sheaffer (Hong-Kong) Co. Ltd. - China	7,800,000	P	100 %	-	920,101	7,800,000	HKD
BIC Stationery (Shanghai) Co. Ltd. - China	-	S	100 %	247,219	-	2,408,000	USD
BIC Stationery (Shanghai) Manufacturing Co. Ltd. - China	-	S	100 %	2,411,898		3,300,000	USD
BIC Product (Singapore) Pte. Ltd. - Singapore	297,000	S	99 %	-	-	300,000	SGD
BIC Product (Asia) Pte. Ltd. - Singapore	5,627,602	S	100 %	-	-	5,627,602	SGD
BIC India Pvt. Ltd. - India	8,087,395	S	100 %	-	-	80,873,960	RPS
Ball Point Manufacturing Co. - Iran	90	S	45 %	-	-	16,000,000	IRR
BIC Product (Korea) Ltd. - South Korea	345,320	S	100 %	42,247	-	1,726,600,000	KRW
BIC Product (Thailand) Ltd. - Thailand	1,713,993	S	100 %	941,435	-	171,400,000	BHT
PT Buana Inti Cakrawala - Indonesia	289,999	S	100 %	-	-	29,000,000,000	IDR
Mondial Sdn. Bhd. - Malaysia	1,140,000	S	30 %	339,901	-	3,800,000	MYR
BIC GBA Sdn. Bhd. - Malaysia	1,257,400	S	100 %	-	-	1,260,000	MYR
BMT 11 - Tunisia	2,000	S	-	100	-	200,000	EUR
Sub-total II				**34,537,545**	**920,101**		
III- Participating interests							
BIC Technologies SA - France	1	S	-	-	-	7,440,988	EUR
BIC Amazonia SA - Brazil	60,013,003	S	29 %	4,948,857	-	168,120,000	BRL
BIC Holdings Southern Africa Pty. Ltd. - South Africa	41,860	S	5 %	1,522,934	-	8,372	RAN
BIC Argentina - Argentina	750	P	5 %	450,500	-	15,000	ARS
BIC Pazarlama Ltd, Sti - Turkey	1	P	1 %	80	-	2,845,500	TRY
Sub-total III				**6,922,371**	**-**		
TOTAL				**837,853,851**	**920,101**		

Net sales, net income and Shareholder's equity other than common share of subsidiaries are not provided for commercial and industrial strategic reasons.

23.2 Analysis of movements in equity investments

(in thousand euros)	
Equity investments (net) as of December 31, 2009	**839,197**
Acquisitions, stock issues, creations and disposals in 2010	
Share capital increase of BIC Stationery (Shanghai) Co. Ltd. - China	1,033
Charges to/(releases of) provisions in 2010	
DAPE 74 Distribution SASU	(910)
BIC Portugal SA - Portugal	600
BIC Stationery (Shanghai) Co. Ltd. - China	1,300
BIC Product (Korea) Ltd. - South Korea	100
BIC GBA Sdn. Bhd. - Malaysia	138
BIC Product (Asia) Pte. Ltd - Singapore	898
BIC Product (Thailand) Ltd. - Thailand	250
Equity investments (net) as of December 31, 2010	**837,854**

6. Additional information on the Company financial statements

Five-year financial summary

(in euros)	2006	2007	2008	2009	2010
1 - Shareholders' equity at year end					
Share capital	189,633,544	188,621,664	185,484,038	185,559,277	185,990,536
Number of shares outstanding	49,642,289	49,377,399	48,556,031	48,575,727	48,688,622
Number of bonds convertible into shares	-	-	-	-	-
2 - Net results					
Net sales	481,130,694	545,317,809	492,374,171	485,077,986	531,469,006
Net income before tax, deprec., amort. and provisions	188,917,223	114,201,645	85,028,025	94,686,829	195,173,286
Income tax	16,842,866	32,483,128	11,994,711	24,378,992	21,716,406
Net income after tax, deprec., amort. and provisions	174,381,877	71,839,855	61,194,106	66,328,834	168,009,124
Dividend distribution [(a)]	64,238,667	65,495,232	65,068,457	116,552,261	91,676,617
3 - Per share data					
Net income after tax, but before deprec., amort. and provisions	3.47	1.65	1.50	1.45	3.56
Net income after tax, deprec., amort. and provisions	3.51	1.45	1.26	1.37	3.45
Dividend per share	1.30	1.35	1.35	2.40	1.90
4 - Payroll					
Non-salaried staff	3	3	3	3	3
Total payroll	1,087,521	1,169,394	1,210,153	1,148,533	1,454,544
Social welfare benefits (social security, social works)	632,080	816,061	416,566	458,407	634,945

(a) Applicable to the issued number of shares (treasury shares deducted) as of December 31, 2010. The final amount will depend on the number of shares entitled to dividend the day of payment.

7. Statutory Auditors' report on the financial statements

FOR THE YEAR ENDED DECEMBER 31, 2010

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking users. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the Company financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the Company financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the Company financial statements. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In accordance with our appointment as Statutory Auditors at your Annual General Meeting, we hereby report to you for the year ended December 31, 2010 on:

- the audit of the accompanying financial statements of SOCIÉTÉ BIC;
- the justification of our assessments;
- the specific procedures and disclosures required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position and the assets and liabilities of the Company as of December 31, 2010 and the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

II. Justification of our assessments

Pursuant to Article L. 823-9 of the French Commercial Code (*Code de commerce*) governing the justification of our assessments, we bring to your attention the following matters:

Note 2 d) to the financial statements presents the accounting rules and methods adopted with respect to the valuation of long-term investments. We verified the appropriateness of these accounting methods and, where necessary, the consistency of values in use attributed to equity investments with the values adopted for the preparation of the consolidated financial statements.

These assessments were performed as part of our audit approach for the financial statements taken as a whole and contributed to the expression of the opinion in the first part of this report.

III. Specific procedures and disclosures

We have also performed the other procedures required by law, in accordance with professional standards applicable in France.

We have no matters to report as to the fair presentation and consistency with the financial statements of the information given in the Board of Directors' report and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code relating to remunerations and benefits received by the Corporate Officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest that this information is accurate and fair.

Pursuant to the law, we have verified that the Board of Directors' report contains the appropriate disclosures as to the identity of and percentage interests and votes held by shareholders.

Paris and Neuilly-sur-Seine, March 1, 2011

The Statutory Auditors

Grant Thornton French Member of Grant Thornton International	Deloitte & Associés
Gilles HENGOAT	Jean-François VIAT

8. Statutory Auditors' special report on regulated agreements and commitments with third parties

FOR THE YEAR ENDED DECEMBER 31, 2010

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments with third parties that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements and commitments with related parties.

The terms of our engagement do not require us to identify such agreements and commitments, if any, but to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention, without expressing an opinion on their usefulness and appropriateness. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code, to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French commercial code (*Code de Commerce*) concerning the implementation, during the year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We conducted our procedures in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie nationale des Commissaires aux Comptes*) relating to this engagement. Those procedures consisted in verifying the information provided to us with the relevant source documents.

Agreements and commitments submitted to the shareholders' meeting

Agreements and commitments authorized during the year

We hereby inform you that no agreement or commitment entered into during the year to which Article L. 225-38 of the French Commercial Code would be applicable has been brought to our attention.

Agreements and commitments already approved by the shareholders' meeting

Agreements and commitments authorized during previous years and having continuing effect during the year

In addition, pursuant to the French Commercial Code, we have been advised that the following agreement authorized in previous years has had continuing effect during 2009.

"Top-up" retirement plans

On May 19, 2005, the Board of Directors authorized the adoption of a "top-up" retirement plan (to replace the plan set up in 1986). The beneficiaries are grade 6 Senior Executives and Corporate Officers of BIC in France, who are also members of the Group's Executive Committee and who will end their career with the Group.

The amount of their retirement will be equal to 1.25% of the final remuneration, the average remuneration of the last three years of service, per year of participation in the plan, subject to a maximum of 20 years, representing a maximum pension of 25% of the final remuneration.

Paris and Neuilly-sur-Seine, March 1, 2011

The Statutory Auditors

Grant Thornton	**Deloitte & Associés**
Membre français de Grant Thornton International	
Gilles HENGOAT	Jean-François VIAT

Information about the issuer

1. Information on the Company

HISTORY AND DEVELOPMENT OF THE ISSUER

Legal and commercial name of the issuer

Legal name: SOCIÉTÉ BIC

Commercial name: BIC

Place of registration of the issuer and registration number

Place of registration: Nanterre

Registration number: 552 008 443 Nanterre (1980 B 00863)

APE code:

7010Z – Registered offices activities

3299Z – Other manufacturing activities

Date of incorporation and length of life of the issuer

Date of incorporation: March 3, 1953

Date of expiration: March 2, 2052

Unless an Extraordinary Shareholders' Meeting decides to wind up the Company or to extend it.

Domicile and legal form of the issuer

Domicile: 14, rue Jeanne d'Asnières –
92110 Clichy – France

Phone number: 33 (0)1 45 19 52 00

Legal form: Limited Company (société anonyme)

Legislation governing the issuer

Société anonyme governed by French law and in particular by the French Commercial Code.

Important events in the development of the issuer business

No event to report apart from those mentioned below in *the Group Presentation - § 4. History*.

Significant change in the issuer's financial or trading position

No significant event has occured since the end of the last financial period.

MEMORANDUM AND ARTICLES OF INCORPORATION

The Memorandum and articles of incorporation can be consulted at the headquarters of the Company.

Issuer's object and purpose

Extract from the articles of incorporation (Article 3) – "Object"

"The Company's object, in all countries, is the purchase, sale, commissioning, brokerage, representation, importing and exporting of all products, and in particular of all which is used for writing.

And generally speaking all personal, real estate, financial, industrial or commercial operations pertaining directly or indirectly to the foregoing object or to all similar or related products or to products apt to further the extension or development thereof.

The Company may carry out all operations falling within its object, either alone and for its own account, or for the account of third parties, as representative, licensee or intermediary, for the commissioning, brokerage, subcontracting, as lessee, farmer, manager, or in a joint venture or partnership, in any form whatsoever."

Members of the administrative and management bodies

See – Corporate Governance - §1. Mandates of the Directors and the Corporate Officers as of December 31, 2010

Rights, preferences and restrictions attached to each class of the existing shares

Double voting rights

Extract from the articles of incorporation (Article 15) – "Shareholders' Meeting"

(This article was introduced in the articles of incorporation at the Extraordinary Shareholders' Meeting of June 26, 1972)

"A voting right which is double the right conferred on the other shares, in light of the portion of the share capital they represent, is attributed to all the fully paid-up shares for which proof is provided of a nominative registration for at least two years in the name of the same Shareholder.

Any share converted to a bearer share or the ownership of which is transferred loses the aforementioned double voting right. Nonetheless, a transfer following death, the liquidation of the community estate of two spouses or a donation among the living in favor of a spouse or a relative entitled to inherit does not cause the loss of the right acquired and does not interrupt the two-year period referred to above.

Furthermore, in the event of a capital increase, through the incorporation of reserves, profits or share premiums, the double voting right may be conferred, at the time of issue, upon the nominative shares allotted to a Shareholder at no charge due to former shares for which he enjoys this right."

Indivisibility of the shares

Extract from the articles of incorporating (Article 8 ter) – "Indivisibility of the shares"

(This article was introduced into the articles of incorporation at the Extraordinary Shareholders' Meeting of September 6, 2006)

1/ *"The shares are indivisible vis-à-vis the Company. Joint owners of shares are represented at Annual Shareholders' Meetings by one of them or by a joint representative of their choice. If they are unable to agree, a representative will be appointed by the Presiding Judge of the Commercial Court, ruling in chambers ("référé"), at the request of the most diligent co-owner.*

2/ *If the shares are burdened with a right of usufruct, the entry in the books recording their registration will mention this right of usufruct. Unless the Company is informed of an agreement to the contrary, the voting right will belong to the usufructuary at Ordinary Annual Shareholders' Meetings and to the bare owner at Extraordinary Annual Shareholders' Meetings. However, notwithstanding any agreement to the contrary, when the usufruct results from a donation of the bare ownership of shares performed under the provisions of Article 787 B of the General Tax Code, the usufructuary's voting right will be limited to decisions concerning the allocation of profits. For all other decisions that lie within the competence of an Ordinary or Extraordinary Annual Shareholders' Meeting, the voting right will belong to the bare owner. The usufructuary and the bare owner must notify the Company that they intend to take advantage of these provisions."*

Action necessary to change the rights of holders of the shares

Not applicable.

Condition governing the manner in which Extraordinary and Annual Shareholders' Meetings are called and conditions of admission

Extract from the articles of incorporation (Article 15) – "Shareholders' Meetings".

"Shareholders' Meetings are convened, and deliberate on the conditions stipulated by law and the enactments in force".

Provision that would have an effect of delaying, deferring or preventing a change in control of the issuer

See Capital.

Indication governing the ownership threshold above which Shareholder ownership must be disclosed

Extract from the articles of incorporation (Article 8 bis) – "Ownership Threshold".

(Article introduced into the articles of incorporation at the Ordinary and Extraordinary General Shareholders' Meeting on May 12, 1998).

"Any individual or company holding either a share of the capital or of the voting rights equal or superior to 2% and, from this threshold, any additional holding which is a multiple of 1%, shall notify to the Company the number of shares said individual or company has, by registered mail with return receipt requested. This notification shall be made within the two weeks a threshold is met. This requirement applies as well, in the same conditions and timing, when the holding in the share capital decreases and becomes inferior to a threshold percentage indicated above. Declaration upon attaining ownership threshold must take into consideration the sum total of shares owned by companies holding more than 50% directly or indirectly, of the declaring company. In case of non-compliance with this provision, and upon a request, duly registered in the minutes of the Shareholders' Meeting, from one or more Shareholders holding at least 2% of the share capital of the Company and/or of its voting rights, all the shares exceeding the threshold which should have been declared will be deprived of their voting rights at any Shareholders' Meeting until notification of compliance."

Conditions governing changes in the capital, where such conditions are more stringent than is required by law

Not applicable.

2. Share capital

As of December 31, 2010, the registered share capital amounts to 183,562,047.44 euros divided into 48,052,892 shares of 3.82 euros each, the par value. Issued shares are fully paid-up. Taking into account the share subscription options exercised in 2010 (and pending Board of Directors notification of the share capital increase), the share capital amounts to 185,990,536.04 euros divided into 48,688,622 shares (compared with 48,575,727 shares as of January 1, 2010).

AUTHORIZATIONS OF CAPITAL INCREASE AT THE CLOSING OF 2010 FINANCIAL YEAR

SOCIÉTÉ BIC has, at December 31, 2010, the following authorizations which were granted by the Annual Shareholders' Meeting:

I. AUTHORIZATION OF CAPITAL INCREASE WITH THE SHAREHOLDERS' PRE-EMPTIVE RIGHT OF SUBSCRIPTION [a] [b]	
Maximum amount *(in million euros)*	Ordinary shares: 50 Complex investment securities: 650
Date	May 12, 2010 (resolution 11)
Term	26 months
Limit date of validity	July 11, 2012
Use	No
Issuance price	The issuance price of ordinary shares and/or of complex investment securities (and the shares to which the latter shall give right), is set by the Board of Directors, with or without premium, in compliance with the rules and regulations in force.

(a) During the Annual Shareholders' Meeting held in 2010, the Board of Directors decided not to propose Shareholders any resolution authorizing the Board to increase the share capital without the pre-emptive right of subscription (except in particular cases specified in point III below).

(b) Articles L. 225-129, L. 228-91 and L. 228-92 of the French Commercial Code.

II. AUTHORIZATION OF CAPITAL INCREASE BY CAPITALIZATION OF RESERVES, INCOME, PREMIUMS OR OTHER [c]	
Maximum amount	Total amount of reserves, profits and/or premium or other sums that may likely be capitalized into the share capital and which will exist at the moment of the decision to increase the share capital, not taking into account the amount that may eventually be necessary to preserve, in compliance with the law, the rights of bearers of already issued securities giving right to the shares of the Company.
Date	May 12, 2010 (resolution 13)
Term	26 months
Limit date of validity	July 11, 2012
Use	No

(c) Articles L. 225-129 and L. 225-130 of the French Commercial Code.

III. AUTHORIZATIONS OF CAPITAL INCREASE IN FAVOR OF EMPLOYEES AND CORPORATE OFFICERS	ISSUE OF SHARES AS PART OF AN EMPLOYEE SAVINGS PLAN [(d)]	GRANTING OF PERFORMANCE SHARES TO BE ISSUED [(e)]	OPTIONS OF SUBSCRIPTION OF SHARES [(f)]
Maximum amount	3% of the share capital	4% of the share capital on 38 months and 10% of the share capital at any time (taking into account the stock options)	4% of the share capital on 38 months and 10% of the share capital at any time (taking into account the free grant of shares).
Date	May 12, 2010 (resolution 14)	May 12, 2010 (resolution 16)	May 12, 2010 (resolution 17)
Term	26 months	38 months	38 months
Validity end date	July 11, 2012	July 11, 2013	July 11, 2013
Use	No	No	382,950 options allocated Subscription price: 63.71 euros
Subscription price	Determined by the Board of Directors according to Article L. 3332-19 of the Labor Code.	-	Cannot be lower than the Paris Stock Exchange average share price, on the market with monthly payment, during the twenty sessions of the Paris Stock Exchange before the day the options of subscription are granted.

(d) Articles L. 225-138 and L. 225-138-1 of the French Commercial Code and L. 3332-1 and following of the Labor Code.

(e) Articles L. 225-197-1 and following of the French Commercial Code.

(f) Articles L. 225-177 and following of the French Commercial Code.

The text of these delegations is available on the website www.bicworld.com/en/finance/meetings/.

SHARE CAPITAL EVOLUTION OVER THE THREE PAST YEARS

DATE	OPERATION	AMOUNT *(in euros)*	IMPACT ON SHARE PREMIUM/ RETAINED EARNINGS *(in euros)*	TOTAL SHARE CAPITAL *(in euros)*	SHARES OUTSTANDING AT CONCLUSION OF THE OPERATION
2008 (Feb. 26 BM)	Issue of shares following shares' subscriptions, in accordance with stock options plans	888,069.78	7,495,016.23	188,652,602.36	49,385,498
2008 (Feb. 26 BM)	Cancellation of shares, as authorized by SM of May 23, 2007	(1,657,983.14)	(19,273,072.35)	186,994,619.22	48,951,471
2008 (May 21 BM)	Cancellation of shares, as authorized by SM of May 21, 2008	(626,422.70)	(5,828,682.44)	186,368,196.52	48,787,486
2008 (Sept. 9 BM)	Cancellation of shares as authorized by SM of May 21, 2008	(963,633.20)	(8,319,759.37)	185,404,563.32	48,535,226
2009 (Feb. 10 BM)	Issue of shares following shares' subscriptions, in accordance with stock options plans	97,734.70	823,916.20	185,502,298.02	48,560,811
2009 (Feb. 10 BM)	Cancellation of shares, as authorized by SM of May 21, 2008	(382,000)	(2,765,593.28)	185,120,298.02	48,460,811
2010 (Feb. 16 BM)	Issue of shares following shares' subscription, in accordance with stock options plans	527,186.74	4,559,519.74	185,647,484.76	48,598,818
2010 (Feb. 16 BM)	Cancellation of shares, as authorized by SM of May 14, 2009	(186,496.22)	(1,436,802.03)	185,460,988.54	48,549,997
2010 (Oct. 19 BM)	Cancellation of shares as authorized by SM of May 12, 2010	(1,898,941.10)	(24,462,537.05)	183,562,047.44	48,052,892
2010	Issue of shares following shares' subscriptions in 2010, in accordance with stock options plans. This issue has been established by the BM on Feb. 15, 2011	2,428,488.60	26,570,231.90	185,990,536.04	48,688,622

BM: Board Meeting.

SM: Shareholders' Meeting.

3. Shareholding

SHARE CAPITAL BREAKDOWN

To the Company's knowledge, as of December 31, 2010, the Shareholders holding more than 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 66.66%, 90% or 95% of the share capital and/or of the voting rights of the Company were as indicated in the table below. The Company is not aware of any other Shareholder holding more than 5% of the share capital or of the voting rights. This table also gives information regarding SOCIÉTÉ BIC shares owned by the Company.

NAME	DEC. 31, 2008			DEC. 31, 2009			DEC. 31, 2010		
	Number of shares	% of shares (f) (approx.)	% of voting rights (a) (f) (approx.)	Number of shares	% of shares (f) (approx.)	% of voting rights (b) (f) (approx.)	Number of shares	% of shares (f) (approx.)	% of voting rights (c) (f) (approx.)
Bich family's concert (d) :	21,455,316	44.19	54.27	21,158,982	43.56	55.23	20,807,865	42.73	55.73
SOCIÉTÉ M.B.D.	12,402,000	25.54	32.65	12,416,000	25.56	33.83	12,442,000	25.55	34.52
Bich family	9,053,316	18.65	21.62	8,742,982	18.00	21.40	8,365,865	17.18	21.21
Mrs. Édouard Buffard (g)	2,227,111	4.59	5.91	-	-	-	-	-	-
Silchester Partners Ltd (formerly Silchester International Investors Ltd) (h)	7,166,468	14.76	14.59	5,827,715	12.00	13.18	-	-	-
Silchester International Investors LLP (i)	-	-	-	-	-	-	2,810,562	5.77	7.52 (i)
First Eagle Investment Management, LLC (formerly Arnold and S. Bleichroeder Advisers, LLC)	3,290,595	6.78	6.32	3,250,927	6.69	6.49	< 5%	< 5	< 5
Treasury shares	375,778	0.77	0.50 (e)	297,875	0.61	0.41 (e)	437,771	0.90	0.61 (e)

(a) As of December 31, 2008 number of voting rights amounts to 75,403,044 (taking into account voting rights of treasury shares).

(b) As of December 31, 2009 the number of voting rights amounts to 73,309,349 (taking into account voting rights of treasury shares).

(c) As of December 31, 2010 the number of voting rights amounts to 71,962,868 (taking into account voting rights of treasury shares).

(d) Bich family's concert is composed of SOCIÉTÉ M.B.D. (a company – société en commandite par actions) and of Bich family members holding direct participations in SOCIÉTÉ BIC. Most of Bich family members hold direct participations in SOCIÉTÉ BIC as well as indirect participations through SOCIÉTÉ M.B.D.

(e) Treasury shares temporarily without voting right.

(f) The difference between the number of shares and the number of voting rights is linked to double voting rights (cf. Information on the Company).

(g) Mrs. Édouard Buffard died on August 18, 2009 and the shares that she held lost their double voting right.

(h) On November 1, 2010 Silchester International Investors Ltd changed its name to Silchester Partners Ltd.

(i) On November 1, 2010 Silchester International Investors Ltd transferred its regulated business and teams to Silchester International Investors LLP. As Silchester International Investors Ltd, the company Silchester International Investors LLP acts for the account of hedges that it manages under mandate. Therefore, the ownership of the shares has not been transferred and the double voting right remains granted to nominative shares owned for at least two years.

To the knowledge of the Company, there are no agreements between the Shareholders providing preferential transfer or purchase conditions of BIC shares or agreements whose implementation could result in a change of control.

Moreover, it is specified that SOCIÉTÉ M.B.D., the Bich family's holding, concluded various agreements of conservation concerning 12,000,000 shares. These agreements were concluded with various members of the Bich family in order to allow them, if the need arises, to take advantage of Articles 885 I bis and 787 B of the French General Tax Code.

Except for the granting of double voting rights to nominative shares owned for at least two years, no special voting rights are granted to the main Shareholders.

The Company is controlled as described in the table above. The risk of a potential abusive exercise of its power by a Shareholder is covered by regular meetings of the Board of Directors and by the presence of four Independent Directors who are in the majority in the Committees (Audit Committee and Compensation and Nomination Committee).

Crossing of legal thresolds

During fiscal year 2010, and up to the issuance of the registration document, the following crossings of legal thresholds were disclosed:

DECLARING	DATE	THRESHOLD *(%)*		TYPE	HOLDING AFTER CROSSING OF THRESHOLD *(%)*	
		Capital	Voting rights		Capital	Voting rights
SOCIÉTÉ M.B.D.	Jan. 8, 2010	-	33.33	Up, following a decrease of the total number of the voting rights of SOCIÉTÉ BIC	25.56	33.83
First Eagle Investment Management, LLC	March 3, 2010	5	-	Down, following a transfer of BIC shares on the market	4.95	5.34
Silchester International Investors Ltd	April 1, 2010	10	-	Down, following a transfer of BIC shares on the market	9.91	12.56
First Eagle Investment Management, LLC	April 12, 2010	-	5	Down, following a transfer of BIC shares on the market	4.45	4.98
BlackRock Inc.	June 18, 2010	5	-	Up, following a purchase of BIC shares on the market	5.79	3.84
SOCIÉTÉ M.B.D.	July 8, 2010	-	33.33	Down, following an increase of the total number of the voting rights of SOCIÉTÉ BIC	25.43	33.05
Silchester International Investors Ltd	July 30, 2010	-	10	Down, following a transfer of BIC shares on the market	8.22	8.81
SOCIÉTÉ M.B.D.	Aug. 23, 2010	-	33.33	Up, following a decrease of the total number of the voting rights of SOCIÉTÉ BIC	25.43	33.58
Silchester Partners Ltd (ex- Silchester International Investors Ltd)	Nov. 1, 2010	5	5	Down, the company Silchester Partners Ltd having transferred its activity and teams to the company Silchester International Investors LLP	0	0
Silchester International Investors LLP	Nov. 1, 2010	5	5	Up, the company Silchester Partners Ltd having transferred its activity and teams to the company Silchester International Investors LLP	6.44	7.77
BlackRock Inc.	Nov. 15, 2010	5	-	Down, following a transfer of BIC shares on the market	4.98	3.28
BlackRock Inc.	Feb. 1, 2011	5	-	Up, following a purchase of BIC shares on the market	5.01	3.43
BlackRock Inc.	Feb. 11, 2011	5	-	Down, following a transfer of BIC shares on the market	4.91	3.36

ELEMENTS THAT COULD HAVE INFLUENCE ON A TAKE-OVER BID OR HAVE AN EFFECT OF DELAYING OR PREVENTING A CHANGE OF CONTROL (ARTICLE L. 225-100-3 OF THE FRENCH COMMERCIAL CODE)

To the knowledge of the Company, no element other than those mentioned below may have an influence on a take-over bid, or have the effect of delaying or preventing a change of control:

- SOCIÉTÉ M.B.D., the Bich family's holding, is a *société en commandite par actions;*
- the articles of incorporation provide:
  - the granting of double voting right to nominative shares owned for at least two years *(see Information on the Company)*,
  - the obligation to inform the Company when the detention of share capital or of voting rights becomes equal or higher than 2% and, beyond this threshold of 2%, higher than a multiple of 1% *(see Information on the Company)*;
- Shareholders' Meeting authorizations to increase the share capital *(see Capital - Table relating to these authorizations)*.

4. Owned shares and share buy-back

SOCIÉTÉ BIC OWNED SHARES

As of December 31, 2010

PURPOSE OF THE BUY-BACK	NUMBER OF SHARES	AVERAGE PURCHASE PRICE *(in euros)*	% CAPITAL	NOMINAL VALUE *(in euros)*
Liquidity agreement - Art. L. 225-209 C. com [d]	5,979	65.13	0.01	22,839.78
Cancellation - Art. L. 225-209 C. com [d]	197,675	63.85	0.41	755,118.50
Stock option plans or free share grants [a] - Art. L. 225-208 and L. 225-209 C. com [d]	234,117	35.52	0.48	894,326.94
TOTAL [b] [c]	**437,771**	**48.72**	**0.90**	**1,672,285.22**

(a) Of which 54,734 shares related to options that cannot be exercised anymore due to expiration of 1998 and 1999 stock option plans or due to holders of options leaving the Group.

(b) As of December 31, 2010, BIC CORPORATION holds in addition 50,060 BIC shares representing 0.10% of the share capital.

(c) As of December 31, 2010, the booked value of BIC shares held by SOCIÉTÉ BIC and BIC CORPORATION, in accordance with Articles L. 225-208 and following C. com, amounts to 28,541,852.20 euros. The nominal value of these shares amounts to 1,863,514.42 euros. As of the same date, the market value of these shares is 31,377,289.92 euros (on the basis of the closing price at this date, that is to say 64.32 euros).

(d) C. com: French Commercial Code (Code de commerce).

SHARE BUY-BACK PROGRAM – CANCELLED SHARE

During the fiscal year 2010, SOCIÉTÉ BIC:

- bought back 694,780 shares at an average price of 60.52 euros, according to the share buy-back program authorized by the Annual Shareholders' Meeting on May 12, 2010;
- within the scope of the liquidity agreement with Natixis, bought back 382,544 shares at an average price of 57.63 euros and sold 384,029 shares at an average price of 57.63 euros;
- did not transfer shares to holders of purchase options, the last purchase options plan having expired in December 2009.

Brokerage fees related to all sale and buy-back transactions disclosed above amounted to 75,294.51 euros.

In addition, the Board of Directors cancelled:

- 48,821 shares on February 16, 2010 (as authorized by the Annual Shareholders' Meeting held on May 14, 2009);
- 497,105 shares on October 19, 2010 (as authorized by the Annual Shareholders' Meeting held on May 12, 2010);

During the last 24 months, SOCIÉTÉ BIC cancelled 645,926 shares, representing 1.33% of the share capital as of December 31, 2010.

Moreover, in 2010, SOCIÉTÉ BIC:

- granted 83,475 performance shares;
- transferred to beneficiaries 7,473 performance shares acquired following the achievement of performance conditions.

5. Investor relations

The Investor Relations Department is dedicated to answering all inquiries from individual and institutional investors alike. Shareholder and general financial and economic information regarding SOCIÉTÉ BIC is available via the Company's Internet website: http://www.bicworld.com/ or by addressing an email to investors.info@bicworld.com or actionnaires@bicworld.com or by sending a written letter by post to BIC Group – Investor Relations Department, 14, rue Jeanne d'Asnières, 92611 Clichy Cedex, France.

Throughout the year, BIC holds meetings with analysts and institutional investors through roadshows and brokers conferences in the major financial marketplaces. In 2010, meetings have been organized in Paris, London, New York, Boston, Frankfurt, Geneva and Luxemburg. We also have organized various meetings with dedicated SRI investors (Sustainable Responsible Investment).

At the individual investor level, BIC continued its proactive communication, issuing its Shareholders' newsletters twice a year. BIC organizes regular meetings in different French cities. In 2010, the Investor Relations Department met individual Shareholders in Rouen and Montpellier. Two meetings are already scheduled in Lille and Bordeaux in 2011.

A toll-free number is also available for individual investors: 0 800 10 12 14.

6. Share information

SOCIÉTÉ BIC is listed on Euronext Paris (continuous quotation) and is part of the SBF 120 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 2010 (CDLI). Its ISIN code is FR0000120966.

BIC share price in 2010

	CLOSING PRICE	AVERAGE PRICE (CLOSING)	HIGHEST	LOWEST	NUMBER OF SHARES TRADED	TRADING VOLUMES *(in thousand euros)*
December 2009	48.30	48.59	50.95	47.40	1,096,500	53,500
January 2010	51.42	49.92	51.86	48.40	1,703,746	85,170
February 2010	52.00	51.65	53.50	49.41	1,826,143	94,540
March 2010	56.69	55.05	60.68	52.00	1,851,604	102,450
April 2010	58.50	57.97	62.94	56.01	1,983,123	116,750
May 2010	58.14	56.80	59.40	53.30	5,099,003	292,010
June 2010	58.17	59.41	60.97	57.31	1,694,203	100,900
July 2010	57.10	57.49	59.70	55.63	1,515,423	87,240
August 2010	57.84	56.82	59.00	55.25	1,313,744	74,730
September 2010	58.89	59.52	60.79	57.32	1,785,307	106,300
October 2010	63.75	61.85	65.67	59.50	2,323,845	139,220
November 2010	62.32	63.52	64.76	62.28	1,674,229	106,610
December 2010	64.32	65.03	67.29	62.68	1,740,193	112,660
January 2011	62.72	65.90	69.00	62.58	1,805,898	119,130
February 2011	61.90	62.68	65.00	60.52	2,467,429	154,970

SHARE CUSTODIAL SERVICE

SOCIÉTÉ GÉNÉRALE

Département des Titres

32 rue du Champ de Tir

BP 81236

44312 NANTES Cedex 3 (France)

Board of Directors' report and proposed resolutions of the Shareholders' Meeting of May 11, 2011

1. Ordinary Shareholders' Meeting

PROPOSED RESOLUTIONS 1 TO 3 – APPROVAL OF THE FINANCIAL STATEMENTS APPROPRIATION OF EARNINGS – DIVIDENDS

Board of Directors' report:

By voting on the first and second resolutions, we ask you to approve the annual and consolidated financial statements of the fiscal year ending December 31, 2010.

The purpose of the third resolution is to allocate the net income of the fiscal year 2010 and to set the dividend.

We propose you the distribution of a total dividend of 91,676,616.90 euros corresponding to a dividend per share of 1.90 euro. This is a gross amount excluding social charges (currently 12.3% for individuals whose tax domicile is in France). It will be paid as from May 25, 2011. If the number of shares carrying rights to the dividend exceeds 48,250,851, the total amount of the aforementioned dividend will be adjusted consequently and the amount allocated to retained earnings will be determined on the basis of the amount of the dividends actually paid.

In accordance with Article 243 bis of the French Tax Code (CGI), it is hereby specified that the total dividend will be eligible for the 40% tax allowance granted, according to Article 158-3 of this Code, to the French tax resident individuals as far as they do not choose the final levy provided by Article 117 *quater* of this Code.

We remind you that the dividends paid during the last three years (income eligible for the tax allowance granted according to Article 158–3 of French Tax Code) amount to:

- 1.35 euro for fiscal years 2007 and 2008;
- 2.40 euros (including an exceptional dividend of 1 euro) for fiscal year 2009.

Proposed resolution 1 - Approval of the Statutory Accounts of the Fiscal Year 2010

The Shareholders, after having considered the reports of the Board of Directors, of the Chairman of the Board of Directors and of the Statutory Auditors and having heard the additional explanations given during the meeting, approve the annual financial statements of the fiscal year ending December 31, 2010. They also approve all the transactions presented in these accounts or summarized in these reports.

Proposed resolution 2 - Approval of the Consolidated Financial Statements of the Fiscal Year 2010

The Shareholders after having considered the reports of the Board of Directors, of the Chairman of the Board of Directors and of the Statutory Auditors and having heard the additional explanations given during the meeting, approve the consolidated financial statements of the fiscal year ending December 31, 2010. They also approve all the transactions presented in these accounts or summarized in these reports.

Proposed resolution 3 - Appropriation of Earnings – Dividends

The Shareholders set total net income after tax for the fiscal year ending December 31, 2010 at 168,009,123.76 euros and decide to allocate this amount in the following manner (in euros):

Net income for 2010	168,009,123.76
To add:	
• Retained earnings before appropriation of earnings	264,091,051.99
TOTAL OF DISTRIBUTABLE INCOME	**432,100,175.75**
Appropriation of earnings:	
• Dividends (except the shares held by the Company)	91,676,616.90
• Retained earnings after appropriation of earnings	340,423,558.85
TOTAL EQUAL TO DISTRIBUTABLE INCOME	**432,100,175.75**

The amount of the dividends for the fiscal year ending December 31, 2010 will be 91,676,616.90 euros corresponding to a dividend per share of 1.90 euro. This is a gross amount excluding social charges. It will be paid as from May 25, 2011. If the number of shares carrying rights to the dividend exceeds 48,250,851, the total amount of the aforementioned dividend will be adjusted consequently and the amount allocated to retained earnings will be adjusted on the basis of the amount of the dividends actually paid.

In accordance with Article 243 bis of the French Tax Code (CGI), it is hereby specified that the total dividend will be eligible for the 40% tax allowance granted, according to Article 158–3 of this Code, to the French tax resident individuals as far as they do not choose the final levy provided by Article 117 quater of this Code.

In accordance with the law, we remind you that the following dividends were distributed during the last three years:

FISCAL YEAR	NUMBER OF SHARES	DIVIDEND PER SHARE *(in euros)*	DIVIDEND ENTITLED TO THE TAX ALLOWANCE DEFINED IN ART. 158–3 OF THE CGI [(b)] *(in euros)*
2007	48,514,987	1.35	1.35
2008	48,198,857	1.35	1.35
2009	48,563,442	2.40 [(a)]	2.40

(a) Including 1 euro of exceptional dividend.

(b) French Tax Code (CGI).

PROPOSED RESOLUTION 4 – DIRECTORS' FEES

Board of Directors' report:

It is proposed to set the amount of the Directors' fees to be allocated to the Board of Directors for fiscal year 2011 to 297,000 euros, which represents an increase of 10% compared with the package voted by the Shareholders for fiscal year 2010 (270,000 euros).

Indeed, after an analysis of SBF 120 companies' practices, it appears that the BIC Group Directors' fees are below the average of the SBF 120 individual Director's fee.

Proposed resolution 4 – Directors' Fees

The Shareholders decide to set the annual amount of the Directors' fees to be allocated to the Board of Directors for the fiscal year 2011 at 297,000 euros.

PROPOSED RESOLUTION 5 – AUTHORIZATION GIVEN TO THE BOARD OF DIRECTORS TO UNDERTAKE OPERATIONS WITH REGARDS TO THE SHARES OF THE COMPANY

Board of Directors' report:

We propose you to authorize the Board of Directors to acquire by any means, once or several times, the shares of the Company in accordance with the legislation in force.

This authorization may not be used during public offers of the Company's shares, except with the prior and express authorization given by the Shareholders.

The Company would be authorized, during a period of 18 months, to acquire its own shares, and for a maximum price per share of 85 euros:

- **within the limit of 10% of the share capital** on the date of the Board of Directors' decision to acquire the shares and for a maximum amount of 410 million euros. This authorization would be used to fulfill the following objectives:
  - provide liquidity in the securities market pursuant to a liquidity agreement managed by an external service provider,
  - allow their subsequent remittance as payment, exchange or otherwise, within the scope of external growth operations (with the exception of mergers, demergers or contribution operation mentioned below),
  - remit the shares at the moment of the exercise of rights attached to the securities giving access to the Company's share capital,
  - allocate them to employees and/or managers (in the scope of an employees profit sharing scheme, a stock option program, free allocations of shares, etc.),
  - cancel the shares,
  - implement all market practices authorized by the AMF (Paris Stock Exchange Authority);
- **within the limit of 5% of the share capital** on the date of the Board of Directors' decision to acquire the shares and for a maximum global amount of 205 million euros. The shares would be acquired in order to be kept and subsequently remitted as payment or exchange within the scope of a merger, demerger or contribution operation.

Operations realized in 2010 within the framework of the previous authorizations:
During the fiscal year 2010, SOCIÉTÉ BIC:

- repurchased 694,780 shares at an average price of 60.52 euros, according to the share repurchase program authorized by the Annual Shareholders' Meeting on May 12, 2010;
- within the scope of the liquidity agreement with Natixis, repurchased 382,544 shares at an average price of 57.63 euros and sold 384,029 shares at an average price of 57.63 euros;
- did not transfer shares to holders of purchase options, the last purchase options plan having expired in December 2009.

Brokerage fees related to all sale and repurchase transactions disclosed above amounted to 75,294.51 euros.
In addition, the Board of Directors cancelled:

- 48,821 shares on February 16, 2010 (as authorized by the Annual Shareholders' Meeting held on May 14, 2009);
- 497,105 shares on October 19, 2010 (as authorized by the Annual Shareholders' Meeting held on May 12, 2010).

During the last 24 months, SOCIÉTÉ BIC cancelled 645,926 shares, representing 1.33% of the share capital as of December 31, 2010.
Moreover, in 2010, SOCIÉTÉ BIC:

- granted 83,475 performance shares;
- transferred to beneficiaries 7,473 performance shares acquired following the achievement of performance conditions.

Proposed resolution 5 – Authorization given to the Board of Directors to undertake operations with regards to the shares of the Company

The Shareholders, deliberating in compliance with the provisions of Article L. 225-209 of the French Commercial Code, of the General Regulation of the Paris Stock Exchange Authority (AMF), of European commission regulation N° 2273/2003 of December 22, 2003, and after considering the report of the Board of Directors, authorize the Board of Directors to acquire by any means, once or several times, the shares of the Company:

1. Within the limit of a number of shares representing a maximum of 10% of its share capital on the date of the Board of Directors' decision to acquire the shares,
   - for a maximum amount of 410 million euros, under the conditions and limits provided by the laws and regulations in force,
   - for a maximum purchase price of 85 euros, exclusive of costs.

   In accordance with the above-mentioned dispositions and with the market practices allowed by the Paris Stock Exchange Authority (AMF), this authorization can be used by the Board of Directors in order to:

- provide liquidity and stimulate the market of the securities of the Company through an investment service provider acting independently in the name and on behalf of the Company, pursuant to a liquidity agreement compliant with professional ethics standards recognized by the Paris Stock Exchange Authority;
- hold them in order to subsequently remit them as payment, as exchange or otherwise, within the scope of potential external growth operations (with the exception of mergers, demergers or contribution operations referred to in paragraph 2 below) in accordance with the market practices approved by the Paris Stock Exchange Authority;
- remit them at the moment of the use of rights attached to the securities giving access to the Company's share capital by reimbursement, conversion, exchange, presentation of a bond or by any other means;
- allocate them to employees and managers under the conditions and according to the methods prescribed by the law, notably within the scope of employees profit sharing scheme, the stock option program, the free allocation of shares plan or through an employees saving scheme;
- cancel them entirely or partly, according to the conditions provided by the regulations in force, by reducing accordingly the share capital, within the limit of 10% of the capital existing on the cancellation date, by periods of 24 months, subject to the adoption at the Extraordinary Shareholders' Meeting of resolution 13 hereunder;
- implement all market practices which may be authorized by the Paris Stock Exchange Authority;

2. Within the limit of a number of shares representing a maximum of 5% of its share capital on the date of the Board of Directors' decision to acquire the shares,
   - for a maximum amount of 205 million euros,
   - for a maximum purchase price fixed at 85 euros, exclusive of costs,

   and in order to hold them and to subsequently remit them as payment or exchange within the scope of a merger, demerger or contribution operation.

The limits provided in paragraphs 1 and 2 above are not cumulative and the Company cannot at any time, directly or through a third party, hold more than 10% of the total number of its own shares forming the share capital.

The acquisition, assignment, transfer or exchange of shares can be carried out by the Board of Directors by any means, once or several times, notably on the market, by mutual consent or in block and if necessary, having recourse to derivative financial instruments negotiated on a regulated market or by mutual consent such as purchase or sale options or any combination of these, or having recourse to bonds and this, according to the conditions authorized by the competent securities regulator, and at the time when the Board of Directors or its proxy shall deem appropriate, and possibly by a third party acting on behalf of the Company in compliance with the provisions of the last paragraph of Article L. 225-206 of the Commercial Code. It is specified that the part of the share repurchase program realized by acquisition or transfer of blocks of shares may represent the entire program.

The Shareholders decide that the maximum purchase price per share, excluding cost, should not exceed that of the last isolated transaction or, if it is higher, that of the highest current isolated offer on the market where the purchase is made.

In the case where the options provided in the fifth paragraph of Article L. 225-209 of the Commercial Code were used, the sale price (in case such a sale price would be necessary) shall thus be determined according to the legal provisions in force.

The acquisition of shares of the Company realized pursuant to this authorization shall also comply with the rules enacted by the Paris Stock Exchange Authority regarding the conditions and the periods of intervention on the market. The Company shall abstain from buying more than 25% of the daily average quantity of shares negotiated on the regulated market where the purchase is made.

This authorization replaces the previous authorization given at the Shareholders' Meeting on May 12, 2010 (resolution 6). This authorization is given to the Board of Directors for a period of 18 months starting from the date of this Shareholders' Meeting. This authorization may not be used during public offers of the Company's shares, except with the prior and express authorization given by the Shareholders.

In compliance with the provision of Article L. 225-210 of the Commercial Code, the shares of the Company acquired pursuant to this authorization must be registered and must be entirely paid up upon their acquisition. These acquisitions must not have the effect of reducing the net equity to an amount lower than that of the capital increased by non distributable reserves. Finally, the Company must have reserves (other than the legal reserve) amounting to at least the value of all the shares that the Company owns directly or through a third party.

Within the scope of its global financial management, the Company reserves itself the possibility of using part of its available financial resources to finance the purchase of the shares and to resort to debt to finance the additional needs that may exceed its internal financing.

The Board of Directors shall inform the Shareholders, in its annual management report, of the operations realized pursuant to this authorization.

The Shareholders confer all powers to the Board of Directors to implement this share repurchase program and notably to:

- appreciate the appropriateness and proceed with the share purchase authorized by this resolution;
- prepare and publish, before the realization of a share repurchase program, a description of the share repurchase program, according to the conditions and methods set by the general rules and regulations of the Paris Stock Exchange Authority;
- place all orders, conclude all agreements in particular regarding the up-keeping of the purchases and sales register;
- inform the market and the Paris Stock Exchange Authority of operations carried out, in compliance with the general rules and regulations of the Paris Stock Exchange Authority;
- delegate to the Chief Executive Officer or, in agreement with the latter, to one or several Executive Vice-Presidents, authority necessary for the realization of the share repurchase program;
- make all declarations and carry out any other formalities and, as a general rule, do all that is necessary to carry out the forgoing authorization.

PROPOSED RESOLUTIONS 6 TO 8 – REAPPOINTMENT OF MR. FRANÇOIS BICH, MRS. MARIE-PAULINE CHANDON-MOËT AND MR. FRÉDÉRIC ROSTAND AS DIRECTORS OF THE BOARD

Board of Directors' report:

It is proposed to the Shareholders to reappoint Mr. François Bich, Mrs. Marie-Pauline Chandon-Moët and Mr. Frédéric Rostand for a period of three fiscal years expiring at the end of the Shareholders' Meeting called to vote in 2014 upon the approval of the accounts of the fiscal year ending December 31, 2013.

- **Mr. François BICH**

  Age: 61

  Holds BIC shares directly and indirectly through the familial holding, SOCIÉTÉ M.B.D. On December 31, 2010 this holding held 25.55% of the share capital of SOCIÉTÉ BIC and 34.52% of the voting rights.

  In the BIC Group since March 1, 1969, Mr. François Bich has been a Director since September 30, 1977 and Executive Vice-President of SOCIÉTÉ BIC since December 15, 1988. He is also General Manager for the Lighters category of the BIC Group. He has been Chairman of the company Société du Briquet Jetable 75, since its creation in 1975.

  Other current mandate and function:

  - Chairman of the Supervisory Board of SOCIÉTÉ M.B.D. (non-listed company – France)

  Expired mandates and functions in the previous five years (non BIC Group companies): N/A

- **Mrs. Marie-Pauline CHANDON-MOËT (maiden name: BICH)**

  Age: 43

  Holds BIC shares directly and indirectly through the familial holding, SOCIÉTÉ M.B.D. On December 31, 2010 this holding held 25.55% of the share capital of SOCIÉTÉ BIC and 34.52% of the voting rights.

  Mrs. Marie-Pauline Chandon-Moët has been a Director since May 28, 2003.

  She is President of FERRAND SAS (non-listed company – France).

  Mrs. Marie-Pauline Chandon-Moët was Responsible for European real estate projects of BIC Group until December 31, 2010. Before this, Mrs. Marie-Pauline Chandon-Moët had been since 1991 Administration of Sales Assistant, General Administration of Sales Manager for France and then for Europe, as well as General Supply Chain Manager for Europe.

  Mrs. Marie-Pauline Chandon-Moët has a Bachelor of Science from Northeastern University in Boston (United - States).

  Other current mandate and function:

  - Member of the Supervisory Board of SOCIÉTÉ M.B.D. (non-listed company – France)

Expired mandates and functions in the previous five years (non BIC Group companies): N/A

- **Mr. Frédéric ROSTAND**

  Age: 48

  Holds 1,000 BIC shares.

  Director since May 28, 2003.

  Independent Director within the definition of the AFEP and MEDEF's corporate governance Code of listed corporations.

  Member of the Compensation and Nomination Committee.

  Mr Frédéric Rostand is a graduate from the Institute of Political Studies in Paris and the School of High Commercial Studies. He started his carrier in various bank establishments from 1987 to 1996. He was in particular General Manager of Worms & Cie Développement and Financial Officer of Worms & Cie.

  In Saint Louis Sucre Group between 1996 and 2007, Mr. Frédéric Rostand was first Financial Officer, and then Executive Vice-President and Chief Executive Officer. He was appointed President of the Directory Board of Saint Louis Sucre in 2001 and Member of the Directory Board of Südzucker AG in 2002.

  From 2007 to 2010, Mr Frédéric Rostand was President of the Directory Board of Groupe Générale de Santé.

  Other current mandate and function:

  - Director of the Board of Louis Delhaize SA (non-listed company – Belgium)

Expired mandates or functions in the previous five years (non BIC Group companies):

- Chairman of the Directory Board of Générale de Santé SA (listed company – France)
- President of Compagnie Générale de Santé SAS (non-listed company – France)
- Chairman and Chief Executive Officer of Générale de Santé Cliniques (non-listed company – France)
- Director of the Board of GIE Générale de Santé (non-listed company – France)
- Director of the Board of GIE Générale de Santé Hospitalisation (non-listed company – France)
- Permanent representative of Compagnie Générale de Santé, Director of the Board of Conectis Santé (non-listed company – France)
- Permanent representative of Compagnie Générale de Santé, Director of the Board of Hôpital Privé Beauregard (ex Provence Santé) (non-listed company – France)
- Permanent representative of Compagnie Générale de Santé, Director of the Board of Sam Bio (non-listed company – France)
- Permanent representative of Compagnie Générale de Santé, Director of the Board of École Européenne de Chirurgie (non-listed company – France)
- Permanent representative of Sogur, Director of the Board of Cofindex (non-listed company – France)
- Director of the Board of Fondation d'entreprise Générale de Santé (non-listed company – France)
- Permanent representative of Compagnie Générale de Santé, Director of the Board of Financière la Providence (non-listed company – France)
- Permanent representative of Générale de Santé Cliniques, Director of the Board of Générale de Santé Domicile (non-listed company – France)
- Permanent representative of Générale de Santé Cliniques, Director of the Board of Immobilière de Santé (non-listed company – France)
- Permanent representative of Générale de Santé Cliniques, Director of the Board of Pass (non-listed company – France)
- Chairman of the Directory Board of Saint Louis Sucre SA (non-listed company – France)
- Representative of Saint Louis Sucre SA, President of SFOP (non-listed company – France)
- Representative of Saint Louis Sucre SA, President of Saint Louis Sucre International (non-listed company – France)
- Chairman of the Supervisory Board of COFA (non-listed company – France)
- Permanent representative of Saint Louis Sucre SA, Director of the Board of Sucreries de Bourgogne (non-listed company – France)
- Director of the Board of 1829 Victor Fauconnier (previously Distilleries Ryssen) (non-listed company – France)
- Director of the Directory Board of Südzucker AG (listed company – Germany)
- Director of the Board of Raffinerie Tirlemontoise (non-listed company – Belgium)
- Director of the Board of Ebro Puleva (listed company – Spain)
- Director of the Board of Eastern Sugar BV (non-listed company – Netherlands)
- Vice-President of the Supervisory Board of Slaska Spolka Cukrowa SA (non-listed company – Poland)

Proposed resolution 6 – Reappointment of Mr. François BICH as Director of the Board

The Shareholders decide to renew, for a period of three fiscal years, the mandate of Mr. François BICH as Director of the Board. The term of the mandate of Mr. François BICH will thus expire at the end of the Shareholders' Meeting called to vote in 2014 upon the approval of the accounts for the fiscal year ending December 31, 2013.

Proposed resolution 7 – Reappointment of Mrs. Marie-Pauline CHANDON-MOËT as Director of the Board

The Shareholders decide to renew, for a period of three fiscal years, the mandate of Mrs. Marie-Pauline CHANDON-MOËT as Director of the Board.

The term of the mandate of Mrs. Marie-Pauline CHANDON-MOËT will thus expire at the end of the Shareholders' Meeting called to vote in 2014 upon the approval of the accounts for the fiscal year ending December 31, 2013.

Proposed resolution 8 - Reappointment of Mr. Frédéric ROSTAND as Director of the Board

The Shareholders decide to renew, for a period of three fiscal years, the mandate of Mr. Frédéric Rostand as Director of the Board.

The term of the mandate of Mr. Frédéric Rostand will thus expire at the end of the Shareholders' Meeting called to vote in 2014 upon the approval of the accounts for the fiscal year ending December 31, 2013.

PROPOSED RESOLUTIONS 9 TO 12 – RENEWAL OF THE MANDATES OF THE TWO STATUTORY AUDITORS AND OF THE TWO ALTERNATE AUDITORS

Board of Directors' report:

We propose to renew, for a period of six fiscal years, the expiring mandates of the Statutory and Alternate Auditors:

- the company DELOITTE & ASSOCIÉS and its alternate, the company BEAS;
- the company GRANT THORNTON and its alternate, the company INSTITUT DE GESTION ET D'EXPERTISE COMPTABLE – IGEC.

For these renewals, your Board of Directors, after having heard the Audit Committee, decided not to proceed to a call for tenders, considering that the recent appointment of the company Grant Thornton (in 2007), the rotation of the associates in charge of the mission in their Auditor Companies and a better geographical distribution between the two Statutory Auditors was liable to ensure their independence.

Proposed resolution 9 – Renewal of the mandate of the company DELOITTE & ASSOCIÉS as Statutory Auditor

The Shareholders decide to renew, for a period of six fiscal years, the mandate of the company DELOITTE & ASSOCIÉS as Statutory Auditor.

The mandate of the company DELOITTE & ASSOCIÉS will thus expire at the end of the Shareholders' Meeting called to vote in 2017 upon the approval of the accounts for the fiscal year ending December 31, 2016.

Proposed resolution 10 – Renewal of the mandate of the company BEAS as Alternate Auditor

The Shareholders decide to renew, for a period of six fiscal years, the mandate of the company BEAS as Alternate Auditor to the company DELOITTE & ASSOCIÉS.

The mandate of the company BEAS will thus expire at the end of the Shareholders' Meeting called to vote in 2017 upon the approval of the accounts for the fiscal year ending December 31, 2016.

Proposed resolution 11 – Renewal of the mandate of the company GRANT THORNTON as Statutory Auditor

The Shareholders decide to renew, for a period of six fiscal years, the mandate of the company GRANT THORNTON as Statutory Auditor.

The mandate of the company GRANT THORNTON will thus expire at the end of the Shareholders' Meeting called to vote in 2017 upon the approval of the accounts for the fiscal year ending December 31, 2016.

Proposed resolution 12 – Renewal of the mandate of the company IGEC as Alternate Auditor

The Shareholders decide to renew, for a period of six fiscal years, the mandate of the company INSTITUT DE GESTION ET D'EXPERTISE COMPTABLE – IGEC as Alternate Auditor to the company GRANT THORNTON.

The mandate of the company INSTITUT DE GESTION ET D'EXPERTISE COMPTABLE – IGEC will thus expire at the end of the Shareholders' Meeting called to vote in 2017 upon the approval of the accounts for the fiscal year ending December 31, 2016.

2. Extraordinary Shareholders' Meeting

PROPOSED RESOLUTION 13 – DELEGATION GIVEN TO THE BOARD OF DIRECTORS TO REDUCE THE SHARE CAPITAL BY CANCELLATION OF SHARES ACQUIRED IN COMPLIANCE WITH ARTICLE L. 225-209 OF THE COMMERCIAL CODE

Board of Directors' report:

We propose you to authorize the Board of Directors, for a period of 18 months, to:

- cancel, within the limit of 10% of the share capital by periods of 24 months, all or part of the shares held by the Company in the framework of the share repurchase program authorized by the fifth resolution and to decrease the share capital accordingly;
- to charge the difference between the purchase price of the cancelled shares and their nominal value on available premiums and reserves.

Proposed resolution 13 – Delegation given to the Board of Directors to reduce the share capital by cancellation of shares acquired in compliance with Article L. 225-209 of the Commercial Code

The Shareholders, after having considered the Board of Directors' report and the Statutory Auditor's report, deliberating in compliance with the provisions of Article L. 225-209 of the Commercial Code authorize the Board of Directors:

- on its sole deliberations, at the time it deems it necessary, to cancel once or in several times, by a reduction of said share capital accordingly, all or part of the shares of the Company that the Company holds or may hold within the scope of the repurchase of shares authorized by previous Shareholders' Meetings or by the fifth resolution above, within the limit of 10% of the share capital existing on the day of the cancellation, by periods of 24 months;
- to charge the difference between the purchase price of the cancelled shares and their nominal value on available premiums and reserves.

The Shareholders delegate to the Board of Directors the authority to proceed with the cancellation of these shares, to take note of the reduction(s) of share capital, to charge the difference between the book value of cancelled shares and their nominal value on all reserve accounts or others, to proceed with the modification of the by-laws accordingly, to carry out all formalities, make all declarations with all authorities or administrative bodies and in a general manner, take all other action that may be necessary to carry out the foregoing authorization.

This authorization is given to the Board of Directors for a period of 18 months starting from the date of this Shareholders' Meeting and replaces the one given at the Shareholders' Meeting held on May 12, 2010 (resolution 10).

PROPOSED RESOLUTION 14 – MODIFICATION OF ARTICLE 14 "CHAIRMAN, CHIEF EXECUTIVE OFFICER AND EXECUTIVE VICE-PRESIDENTS" OF THE ARTICLES OF INCORPORATION

Board of Directors' report:

In the absence of a rule provided in the articles of incorporation, the age limit of the Chairman, of the Chief Executive Officer and of the Executvive Vice-Presidents is 65 years old. Bruno Bich will be 65 years old during this mandate.

We therefore propose you to modify the articles of incorporation in order to allow the Chairman, the Chief Executive Officer and the Executive Vice-Presidents to exercise their functions until 70 years old.

Proposed resolution 14 – Modification of Article 14 "Chairman, Chief Executive Officer and Executive Vice-Presidents" of the Articles of Incorporation

The Shareholders decide to introduce, in the Articles of Incorporation, an article regarding the age limit of the Chairman, of the Chief Executive Officer and of the Executive Vice-Presidents, and to set this limit to 70 years old.

Article Fourteen – Chairman, Chief Executive Officer and Executive Vice-Presidents is modified as follows:

New paragraph *in fine*: "The age limit of the Chairman, of the Chief Executive Officer and of the Executive Vice-Presidents is set to 70 years old. When the Chairman, the Chief Executive Officer or an Executive Vice-President reaches the age limit, he will be automatically considered as having resigned."

The rest is unchanged.

3. Ordinary and Extraordinary Shareholders' Meeting

PROPOSED RESOLUTION 15 – AUTHORIZATION TO PERFORM FORMALITIES

Board of Directors' report:

This resolution allows the performance of the legal formalities following the present Meeting.

Proposed resolution 15 – Authorization to perform formalities

The Shareholders grant full power to the bearer of a copy or of an excerpt of the present document to carry out any and all required legal formalities.

4. Statutory Auditors' report on the reduction in capital by the cancellation of repurchased shares

Ordinary and extraordinary Shareholder's meeting of May 11, 2011 (13th resolution)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking users. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the Company financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the Company financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the Company financial statements. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of SOCIÉTÉ BIC and in compliance with Article L. 225-209, paragraph seven of the French Commercial Code (Code de commerce) in respect of the reduction in capital by the cancellation of repurchased shares, we hereby report on our assessment of the terms and conditions of the proposed reduction in capital.

Your Board of Directors requests that it be authorized for a period of 18 months from the Shareholder's meeting date, to proceed with one or several cancellation of shares the Company was authorized to repurchase pursuant to the provisions of the above-mentioned article, representing an amount not exceeding 10% of its total capital at the Shareholder's meeting date by periods of 24 months; this authorization to repurchase shares, representing an amount not exceeding 10% of its total capital at the acquisition date of the shares, is presented to your shareholders' meeting for approval (5th resolution) would be given for a period of 18 months.

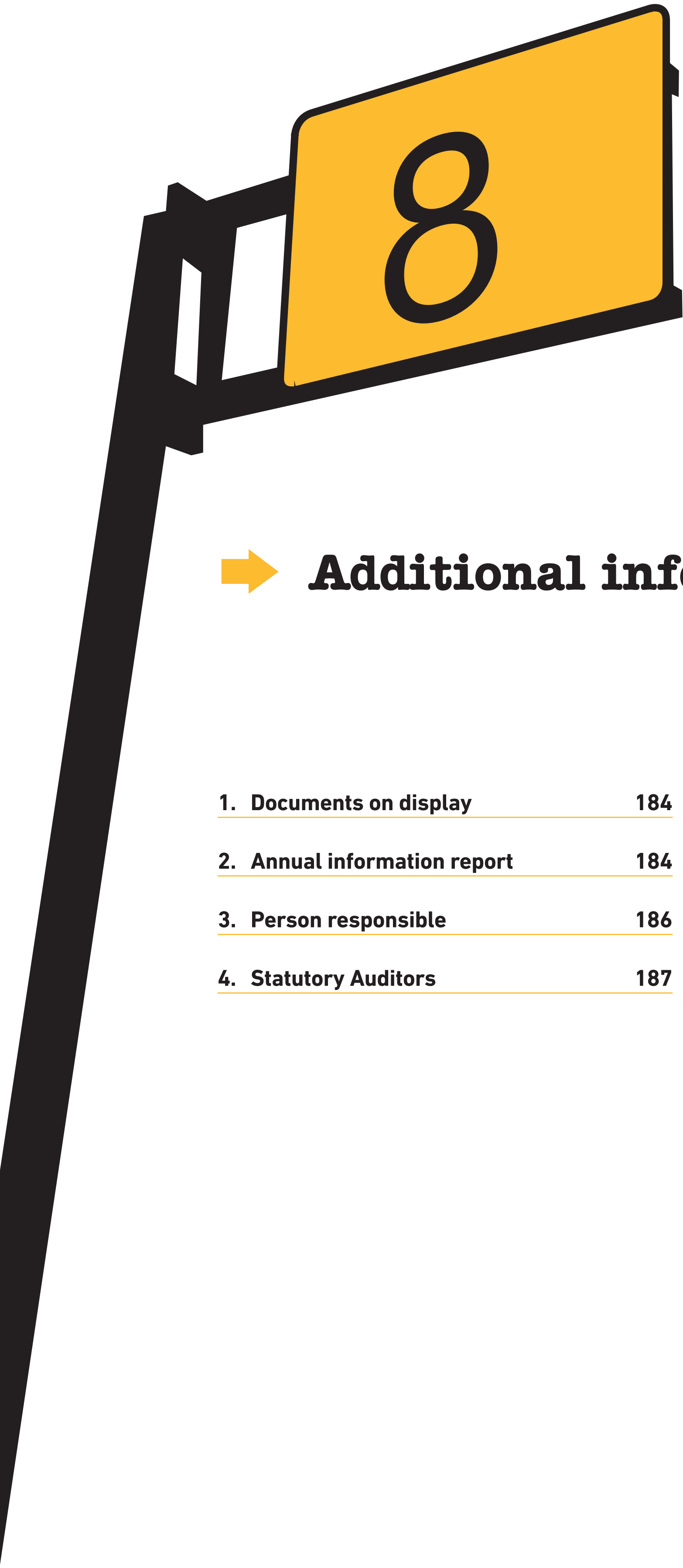
We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this type of engagement. These procedures consisted in verifying that the terms and conditions for the proposed reduction, which is not liable to infringe the Shareholder's equality are fair.

We have no matters to report on the terms and conditions of the proposed reduction in capital, which can be carried out only after your Shareholders' meeting has already approved the repurchase by your Company of its own shares.

Paris and Neuilly-sur-Seine, March 1, 2011

The Statutory Auditors

Grant Thornton	Deloitte & Associés
Membre français de Grant Thornton International	
Gilles HENGOAT	Jean-François VIAT



Additional information

1. Documents on display

MEMORANDUM AND ARTICLES OF INCORPORATION

See Information on the Company.

FINANCIAL HISTORIC INFORMATION

2008 and 2009 registration documents are available on SOCIÉTÉ BIC website (www.bicworld.com).

2010 ANNUAL INFORMATION REPORT

See Annual Information report.

2. Annual information report

(Article 221-1-1 of the Paris Stock Exchange Authority's General Regulations)

List of the information published or made public over the past twelve months related to the quotation of the shares on Euronext Paris.

PRESS RELEASES AVAILABLE ON WWW.INFO-FINANCIERE.FR AND ON THE COMPANY'S WEBSITE: WWW.BICWORLD.COM

DATE	HEADING
January 6, 2010	Information related to the closing of the acquisition by BIC of 40% of Cello Pens
February 17, 2010	Full Year 2009 Results
March 23, 2010	Full year and Quarterly figures based on 2010 new reporting structure
March 30, 2010	Presentation of BIC Advertising and Promotional Products (BIC APP)
April 21, 2010	1st Quarter 2010 Results
May 12, 2010	Report of the Joint Extraordinary and Ordinary Shareholder's Meeting held on May 12, 2010
June 21, 2010	Divestiture of BIC APP Funeral Products business
August 4, 2010	1st Half 2010 Results
October 20, 2010	9 months 2010 Results
February 16, 2011	Full Year 2010 Results
February 22, 2011	Divestiture of Gumtac

OTHER PERMANENT OR OCCASIONAL INFORMATION AVAILABLE ON WWW.INFO-FINANCIERE.FR AND/OR ON THE COMPANY'S WEBSITE: WWW.BICWORLD.COM

DATE	HEADING
January 8 , 2010	Disclosure of trading in own shares for December 2009
January 8, 2010	Disclosure of total number of voting rights and number of shares forming the capital as of December 31, 2009
January 11, 2010	Half year assessment of the BIC liquidity contract signed with Natixis Securities (only in French)
February 3, 2010	Disclosure of trading in own shares for January 2010
February 3, 2010	Disclosure of total number of voting rights and number of shares forming the capital as of January 31, 2010
March 04, 2010	Disclosure of trading in own shares for February 2010
March 04, 2010	Disclosure of total number of voting rights and number of shares forming the capital as of February 28, 2010
March 10, 2010	Remuneration of Corporate Officers
April 1, 2010	Release and availability of 2009 registration document
April 7, 2010	Disclosure of trading in own shares for March 2010
April 7, 2010	Disclosure of total number of voting rights and number of shares forming the capital as of March 31, 2010
April 26, 2010	Terms of availability of the Shareholders' Meeting (May 12, 2010) preparatory documents (only in French)
May 5, 2010	Disclosure of trading in own shares for April 2010
May 5, 20010	Disclosure of total number of voting rights and number of shares forming the capital as of April 30, 2010
May 26, 2010	Description of the Share Repurchase Program
June 2, 2010	Disclosure of total number of voting rights and number of shares forming the capital as of May 31, 2010
June 2, 2010	Disclosure of trading in own shares for May 2010
July 2, 2010	Half year assessment of the BIC liquidity contract signed with Natixis Securities (only in French)
July 7, 2010	Disclosure of trading in own shares for June 2010
July 7, 2010	Disclosure of total number of voting rights and number of shares forming the capital as of June 30, 2010
August 4, 2010	Release and availability of the 1st Half 2010 Financial Report
August 16, 2010	Disclosure of trading in own shares for July 2010
August 16, 2010	Disclosure of trading in own shares from August 9 to 13, 2010
August 17, 2010	Disclosure of total number of voting rights and number of shares forming the capital as of July 31, 2010
August 24, 2010	Disclosure of trading in own shares from August 16 to 20, 2010
August 30, 2010	Disclosure of trading in own shares from August 23 to 27, 2010
September 3, 2010	Disclosure of trading in own shares for August 2010
September 3, 2010	Disclosure of total number of voting rights and number of shares forming the capital as of August 31, 2010
September 7, 2010	Disclosure of trading in own shares from August 30 to September 3, 2010
September 13, 2010	Disclosure of trading in own shares from September 6 to 10, 2010
September 20, 2010	Disclosure of trading in own shares from September 13 to 17, 2010
October 5, 2010	Disclosure of trading in own shares for September 2010
October 5, 2010	Disclosure of total number of voting rights and number of shares forming the capital as of September 30, 2010
November 5, 2010	Disclosure of trading in own shares for October 2010
November 5, 2010	Disclosure of total number of voting rights and number of shares forming the capital as of October 31, 2010
November 16, 2010	Disclosure of trading in own shares from November 8 to 12, 2010
November 22, 2010	Disclosure of trading in own shares from November 15 to 19, 2010
December 9, 2010	Disclosure of trading in own shares from November 29 to December 3, 2010
December 9, 2010	Disclosure of trading in own shares for November 2010
December 9, 2010	Disclosure of total number of voting rights and number of shares forming the capital as of November 30, 2010
January 3, 2011	Disclosure of total number of voting rights and number of shares forming the capital as of December 31, 2010
February 3, 2011	Disclosure of trading in own shares for January 2011

DATE	HEADING
February 3, 2011	Disclosure of total number of voting rights and number of shares forming the capital as of January 31, 2011
February 21, 2011	Remuneration of Corporate Officers
February 28, 2011	Disclosure of trading in own shares from February 21 to 25, 2011
March 8, 2011	Disclosure of total number of voting rights and number of shares forming the capital as of February 28, 2011
March 8, 2011	Disclosure of trading in own shares for February 2011
March 8, 2011	Disclosure of trading in own shares from February 28 to March 4, 2011

INFORMATION PUBLISHED IN THE BULLETIN OF THE OBLIGATORY LEGAL ADVERTISEMENTS (BALO) AVAILABLE ON THE WEBSITE: WWW.JOURNAL-OFFICIEL.GOUV.FR

DATE	TYPE OF INFORMATION
March 29, 2010	Notification of the Annual Shareholders' Meeting of May 12, 2010
June 16, 2010	Approved 2009 Annual Statements and approved Appropriation of Earnings

INFORMATION DEPOSITED AT THE CLERK'S OFFICE OF THE COMMERCIAL COURT OF NANTERRE

DATE	TYPE OF INFORMATION
March 22, 2010	Share capital increase and decrease Release in *Le Quotidien Juridique* of March 8, 2010
June 3, 2010	Deposit of the full year 2009's statutory and consolidated financial statements
November 24, 2010	Share capital decrease Release in *Le Quotidien Juridique* of November 4, 2010

OTHER RELEASES

DATE	TYPE OF INFORMATION	MEDIUM
April 20, 2010	Notification of the Annual Shareholders' Meeting of May 12, 2010	*Le Quotidien Juridique*

3. Person responsible

NAME AND FUNCTION

Mario Guevara

Chief Executive Officer

DECLARATION BY RESPONSIBLE PERSON OF THE REGISTRATION DOCUMENT

"I certify that I have taken all reasonable care to ensure that the information contained in this registration document is, to the best of my knowledge, accurate and does not omit any material fact.

I certify that to the best of my knowledge, the accounts are prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings in the consolidation taken as a whole, and that the management report, referenced in the cross reference table, includes a fair review of the development and performance of the business, profit or loss and financial position of the Company and the undertakings in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

I have received a letter from the Statutory Auditors, confirming that they have completed, in accordance with the professional standards applicable in France, the work necessary to verify the information related to the financial statements included in this registration document. The Auditors also confirmed that they reviewed the document in its entirety."

On March 30, 2011, Mario Guevara

Chief Executive Officer

4. Statutory Auditors

NAMES AND ADDRESSES

Statutory Auditors

The Statutory Auditors issue reports on statutory and consolidated accounts of SOCIÉTÉ BIC:

Deloitte & Associés

Represented by Mr. Jean-François Viat

185, avenue Charles de Gaulle

92200 Neuilly-sur-Seine

Tel.: +33 1/40.88.28.00

Deloitte & Associés was appointed as Statutory Auditor for SOCIÉTÉ BIC for the first time at the Extraordinary General Shareholders' Meeting on May 4, 1999.

The mandate of Deloitte & Associés as Statutory Auditors is in place for a period of six fiscal years and was renewed at the Annual Shareholders' Meeting on May 19, 2005. It will expire in 2011 at the General Shareholders' Meeting confirming the accounts for fiscal year 2010, which close December 31, 2010.

Grant Thornton

Represented by Mr. Gilles Hengoat

100, rue de Courcelles

75017 Paris

Tel.: +33 1/56.21.03.03

The Company Grant Thornton was appointed as Statutory Auditor for SOCIÉTÉ BIC for the first time at the Ordinary General Shareholders' Meeting on May 23, 2007, in replacement of the Company BDO Marque & Gendrot, outgoing, for the remaining period of the mandate of the latter.

The mandate of Grant Thornton as Statutory Auditors will expire following the vote at the end of the Shareholders' Meeting in 2011 upon the approval of the accounts for the financial year ending December 31, 2010.

Substitute Auditors

Société BEAS was appointed as Substitute Auditor for the first time at the Annual Shareholders' Meeting on May 19, 2005. The mandate will continue for the same period as that of Deloitte & Associés.

The Company Institut de Gestion et d'Expertise Comptable – IGEC – was appointed as Substitute Auditor for the first time at the Annual Shareholders' Meeting on May 23, 2007, in replacement of Mr. Patrick Giffaux, outgoing. The mandate will continue for the same period as that of Grant Thornton.

CHANGE OF STATUTORY AUDITORS

At the Extraordinary Shareholders' Meeting on May 23, 2007, the Company Grant Thornton was appointed as Statutory Auditors in replacement of the Company BDO Marque & Gendrot, outgoing and The Company Institut de Gestion et d'Expertise Comptable – IGEC was appointed as Substitute Auditor in replacement of Mr. Patrick Giffaux, outgoing.

FEES OF THE AUDITORS AND THE MEMBERS OF THEIR NETWORKS

Joint audit firms' yearly audit fees included in the Group income statement are presented in Note 30 to the consolidated financial statements.

AUDITING OF HISTORICAL ANNUAL FINANCIAL INFORMATION

Audited historical annual financial information and related Auditors' report for financial years 2008 and 2009 have been presented in previous registration documents, which have been duly filed with the *Autorité des marchés financiers* (Paris Stock Exchange Authority) (respectively No. D.09-0171 and No. D.10-0202). They are also avalaible on the website of the Group.

INTERIM AND OTHER FINANCIAL INFORMATION

Quarterly financial information has not been audited.

Half Year and annual financial information have been audited.

5. Cross reference table required under European commission regulation n°809/2004

The table below provides cross references between the pages in the registration document and the key information required under European Commission Regulation (EC) No. 809/2004 implementing EC Directive 2003/71/EC of the European Parliament and of the Council.

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IN ACCORDANCE WITH THE COMMISSION REGULATION (CE) N° 809/2004		PAGES
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6. Cross reference table with the annual financial report

The 2010 registration document contains all of the information in the annual financial report governed by Article L. 451-1-2 of the French Monetary and Financial Code. To make this information easier to find, the following cross-reference table lists it by main topic.

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7. Cross reference table with the management report of the Board

This registration document includes all of the information in the management report of the Board of the BIC Group, as provided for in Articles L. 225-100 and L. 225-100-2 of the French Commercial Code.

The following table cross-refers each section of the management report of the Board to the corresponding pages of the registration document.

INVESTORS RELATIONS
14, RUE JEANNE D'ASNIÈRES
92611 CLICHY CEDEX – FRANCE
TEL : 33 (0) 1 45 19 52 26
EMAIL : investors.info@bicworld.com

LIMITED COMPANY CAPITAL EURO 185,494,856.66
DIVIDED INTO 48,558,863 SHARES OF EURO 3.82
QUOTED ON EUROLIST EURONEXT PARIS
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