*FAIT(S) POUR DURER

MADE TO LAST*

2016 HALF-YEAR
FINANCIAL REPORT

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MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR THE 6 MONTHS PERIOD ENDED JUNE 30, 2016

1.1. Key figures

(in millions euros)			Q2 2016 vs. Q2 2015				H1 2016 vs. H1 2015	
	Q2 2015	**Q2 2016**	As reported	Constant currency basis	H1 2015	**H1 2016**	As reported	Constant currency basis
GROUP								
Net Sales	**623,1**	**616,0**	-1,1%	+4,2%	**1 134,0**	**1 133,3**	-0,1%	+5,4%
Gross Profit	307,4	308,3			569,8	558,8		
Normalized Income From Operations	**137,4**	**131,6**	-4,2%		**239,2**	**207,9**	-13,1%	
Normalized IFO margin	*22,0%*	*21,4%*			*21,1%*	*18,3%*		
Normalized IFO margin excluding the special employee bonus	*22,0%*	*21,4%*			*21,1%*	*19,4%*		
Income From Operations	143,9	127,3	-11,5%		241,5	203,7	-15,7%	
IFO margin	*23,1%*	*20,7%*			*21,3%*	*18,0%*		
Net Income Group Share	99,3	89,1	-10,3%		176,6	140,1	-20,6%	
Earnings Per Share Group Share *(in euros)*	**2,10**	**1,89**	**-10,0%**		**3,74**	**2,98**	**-20,3%**	
Stationery								
Net Sales	**233,2**	**230,7**	-1,1%	+4,0%	**390,3**	**386,7**	-0,9%	+5,6%
IFO	40,7	38,8			60,5	49,9		
IFO margin	*17,5%*	*16,8%*			*15,5%*	*12,9%*		
Normalized IFO margin	*17,1%*	*17,5%*			*15,7%*	*13,3%*		
Normalized IFO margin excluding the special employee bonus	*17,1%*	*17,5%*			*15,7%*	*14,1%*		
Lighters								
Net Sales	**178,4**	**177,2**	-0,7%	+5,4%	**341,9**	**340,8**	-0,3%	+5,4%
IFO	75,6	70,6			136,6	132,7		
IFO margin	*42,3%*	*39,8%*			*39,9%*	*38,9%*		
Normalized IFO margin	*41,6%*	*40,5%*			*39,7%*	*39,3%*		
Normalized IFO margin excluding the special employee bonus	*41,6%*	*40,5%*			*39,7%*	*40,0%*		
Shavers								
Net Sales	**117,8**	**120,1**	+2,0%	+9,0%	**230,2**	**237,9**	+3,3%	+9,9%
IFO	23,4	15,4			44,7	28,0		
IFO margin	*19,8%*	*12,8%*			*19,4%*	*11,8%*		
Normalized IFO margin	*19,1%*	*13,8%*			*20,2%*	*12,3%*		
Normalized IFO margin excluding the special employee bonus	*19,1%*	*13,8%*			*20,2%*	*13,4%*		
Other Products								
Net Sales	**22,3**	**18,6**	-16,6%	-15,3%	**39,1**	**34,3**	-12,2%	-10,9%
Total Consumer business								
Net Sales	**551,7**	**546,6**	-0,9%	+4,7%	**1 001,5**	**999,7**	-0,2%	+5,9%
IFO	144,5	125,9			246,2	211,3		
IFO margin	*26,2%*	*23,0%*			*24,6%*	*21,1%*		
Normalized IFO margin	*25,3%*	*23,8%*			*24,5%*	*21,5%*		
Normalized IFO margin excluding the special employee bonus	*25,3%*	*23,8%*			*24,5%*	*22,4%*		
BIC Graphic								
Net Sales	**71,4**	**69,5**	-2,7%	+0,3%	**132,5**	**133,6**	+0,8%	+2,3%
IFO	-0,6	1,4			-4,7	-7,6		
IFO margin	*-0,9%*	*2,0%*			*-3,6%*	*-5,7%*		
Normalized IFO margin	*-3,0%*	*2,5%*			*-4,7%*	*-5,4%*		
Normalized IFO margin excluding the special employee bonus	*-3,0%*	*2,5%*			*-4,7%*	*-3,2%*		

1.2. H1 2016 Highlights

NET SALES

- **Consumer business:** 999.7 million euros (+5.9% on a constant currency basis):
  - **Stationery:** 386.7 million euros (+5.6% on a constant currency basis)
  - **Lighters:** 340.8 million euros (+5.4% on a constant currency basis)
  - **Shavers:** 237.9 million euros (+9.9% on a constant currency basis)
- **BIC Graphic:** 133.6 million euros (+2.3% on a constant currency basis)

RESULTS

- **Normalized Income From Operations (IFO):** 207.9 million euros (-13.1% as reported)
  - **Normalized IFO margin:** 18.3% compared to 21.1% in H1 2015
  - **Normalized IFO margin excluding the special employee bonus**: 19.4%
- **Reported Income From Operations (IFO):** 203.7 million euros (-15.7% as reported)
- **Earning Per Share Group share:** 2.98 euros (-20.3% as reported)
- **Net cash position as of June 30, 2016:** 98.2 million euros

1.3. H1 2016 Group operational trends

NET SALES

H1 2016 Net Sales were 1,133.3 million euros, down 0.1% as reported and up 5.4% on a constant currency basis. The strong negative impact of currency fluctuations (-5.5%) was mainly due to the depreciation of Latin American currencies against the euro.

- **Consumer business** grew 5.9% on a constant currency basis with good performances across all regions (Europe +9.8%, North America +3.4%, Developing Markets +5.9%).
- **BIC Graphic** Net Sales increased by 2.3% on a constant currency basis.

INCOME FROM OPERATIONS AND NORMALIZED INCOME FROM OPERATIONS

H1 2016 Gross Profit margin was 49.3% compared to 50.2% in H1 2015. Excluding the impact of the special employee bonus, Gross Profit margin would have been 50.0%. Q2 2016 Gross Profit margin represented 50.0% of sales compared to 49.3% in Q2 2015.

H1 2016 Normalized IFO was 207.9 million euros (Normalized IFO margin of 18.3% or 19.4% excluding the impact of the special employee bonus). Q2 2016 Normalized IFO was 131.6 million euros.

- **Consumer business** Normalized IFO margin was 21.5% in H1 2016, a decline of 3.0 points (down 2.1 points excluding the impact of the special employee bonus) attributable to increased investment in brand support and research and development. Q2 2016 Normalized IFO margin was 23.8% compared to 25.3% in Q2 2015.
- **BIC Graphic** Normalized IFO margin fell by 0.7 points in H1 2016 to a negative 5.4% (if the impact of the special employee bonus is excluded, it increased 1.5 points to a negative 3.2%). Q2 2016 Normalized IFO margin was 2.5% compared to a negative 3.0% in Q2 2015.

KEY COMPONENTS OF THE CHANGE IN NORMALIZED IFO MARGIN

(in points)	H1 2015 vs. H1 2014	**Q1 2016 vs. Q1 2015**	Q2 206 vs. Q2 2015	**H1 2016 vs. H1 2015**
• Change in cost of production [(a)]	+1,5	-1,2	+0,6	-0,1
• Total Brand Support [(b)]	-0,2	-0,8	-0,8	-0,8
• *Of which, promotions and investments related to consumer and business development support accounted for in Gross Profit Margin*	*-0,5*	*-0,3*	*+0,1*	*-0,1*
• *Of which, advertising, consumer and trade support*	*+0,3*	*-0,5*	*-0,9*	*-0,7*
• OPEX and other expenses	+0,7	-0,9	-0,4	-0,8
Total change in Normalized IFO margin excluding the special employee bonus	**+2,0**	**-2,9**	**-0,6**	**-1,7**
Special employee bonus	**-**	**-2,2**	**-**	**-1,1**
• *Of which impact on Gross Profit*	-	-1,5	-	-0,7
• *Of which impact on OPEX*	-	-0,7	-	-0,4
Total change in Normalized IFO margin	**+2,0**	**-5,1**	**-0,6**	**-2,8**

(a) Gross Profit margin excluding promotions and investments related to consumer and business development support.
(b) Total Brand Support: consumer and business development support + advertising, consumer and trade support.

NON-RECURRING ITEMS

(in million euros)	Q1 2015	**Q1 2016**	Q2 2015	**Q2 2016**	H1 2015	**H1 2016**
Income From Operations	**97.6**	**76.4**	**143.9**	**127.3**	**241.5**	**203.7**
As % of Net Sales	*19.1%*	*14.8%*	*23.1%*	*20.7%*	*21.3%*	*18.0%*
Restructuring costs	4.5	-	-	4.2	4.5	4.2
Divestment of Fuel Cell business net of restructuring costs	-0.3	-	-1.9	-	-2.2	-
Impact of lump sum election for terminated vested pension participants in the U.S.	-	-	-4.6	-	-4.6	-
Normalized IFO	**101.8**	**76.4**	**137.4**	**131.6**	**239.2**	**207.9**
As % of Net Sales	*19.9%*	*14.8%*	*22.0%*	*21.4%*	*21.1%*	*18.3%*
Special employee bonus	-	11.4	-		-	11.4
Normalized IFO excluding the special employee bonus	**101.8**	**87.7**	**137.4**	**131.6**	**239.2**	**219.3**
As % of Net Sales	*19.9 %*	*17.0%*	*22.0%*	21.4%	*21.1%*	19.4%

NET INCOME AND EPS

Income before tax fell back to 200.3 million euros compared to 253.3 million euros in H1 2015. Net finance revenue was a negative 3.4 million euros (compared to 11.8 million euros in H1 2015) due to unfavorable H1 2016 fair value adjustments to U.S. dollar denominated financial assets in compared to December 2015 (fair value adjustments booked in H1 2015 were favorable).

Net income Group Share was 140.1 million euros in H1 2016, a 20.6% drop as reported. Q2 2016 net income Group Share was 89.1 million euros, down by 10.3% on a reported basis. The effective tax rate in H1 2016 was 30.0%.

EPS Group Share were 2.98 euros compared to 3.74 euros in H1 2015, down by 20.3%. Normalized EPS Group Share decreased by 18.1% to 3.04 euros compared to 3.71 euros in H1 2015. EPS Group Share in Q2 2016 was 1.89 euros compared to 2.10 euros in Q2 2015, down by 10.0%.

NET CASH POSITION

At the end of June 2016, the Group's net cash position stood at 98.2 million euros.

CHANGE IN NET CASH POSITION

(in million euros)	2015	2016
NET CASH POSITION (BEGINNING OF THE PERIOD - DECEMBER)	**320.2**	**448.0**
• Net cash from operating activities	+93.1	+61.6
• *Of which operating cash flow*	*+239.4*	*+196.1*
• *Of which change in working capital and others*	*-146.3*	*-134.5*
• CAPEX	-50.7	-74.4
• Dividend payment	-134.8	-277.0
• Share buyback program	-26.3	-60.7
• Net cash from the exercise of stock options and the liquidity contract	+8.0	+0.8
• Proceeds from sale of Fuel Cell assets	+14.0	-
• Other items	+0.2	-0.1
NET CASH POSITION (END OF THE PERIOD - JUNE)	**223.7**	**98.2**

Net cash from operating activities was +61.6 million euros with +196.1 million euros in operating cash flow. The negative change in working capital and others of 134.5 million euros was mainly related to the seasonality of trade receivables. Net cash was also impacted by increased investments in CAPEX as well as dividend payment (including the special dividend) and share buybacks.

SHAREHOLDERS' REMUNERATION

- Ordinary dividend of 3.40 euros per share and special dividend of 2.50 euros per share paid in June 2016.
- 60.7 million euros in share buy-backs at the end of June 2016 (487,025 shares purchased at an average price of 124.60 euros).

1.4. H1 2016 operational trends by category

CONSUMER BUSINESS

Stationery

Stationery H1 2016 Net Sales decreased by 0.9% as reported but grew by 5.6% on a constant currency basis. Second quarter 2016 Net Sales were down 1.1% as reported but increased 4.0% on a constant currency basis.

Developed markets

- In Europe, the increase in H1 Net Sales was in the high single-digits thanks to a strong back-to-school sell-in in all countries, notably in France and Eastern Europe.
- In North America, we delivered mid-single digit growth in H1 on the back of a good back-to-school sell-in and the continued success of our "Champion brand" strategy, especially in the BIC® Atlantis range.

Developing Markets

H1 2016 Net Sales were stable.

- In Latin America, H1 Net Sales declined slightly. In Brazil, we continued to increase our market share. In Mexico, we experienced delayed Q2 back-to-school shipments which should be realized in Q3 (sell-in).
- In the Middle-East and Africa, we delivered high single-digit growth along with market share gains in South Africa.
- H1 Domestic Sales of Cello Pens increased mid-single digit thanks to new product launches, notably in the Butterflow™ range.

H1 2016 Normalized IFO margin for Stationery was 13.3% compared to 15.7% in 2015. Excluding the impact of the special employee bonus, **Normalized IFO margin for Stationery would have been 14.1%.** The year-on-year decline is attributable to investments in brand support in Europe and North America to boost growth, and an increase in operating expenses, as well as currency devaluations in Latin America. **Q2 2016 Normalized IFO margin** was 17.5% compared to 17.1% in Q2 2015.

Lighters

H1 2016 Net Sales of Lighters decreased by 0.3% as reported but grew by 5.4% on a constant currency basis. Second quarter 2016 Net Sales were down 0.7% as reported but increased 5.4% on a constant currency basis.

Developed markets

- Europe delivered high single-digit growth in H1 Net Sales driven by promotions and sleeved lighters in Western Europe as well as strong growth in Eastern Europe (distribution gains).
- North America achieved low single-digit growth in H1 when compared to a good H1 2015, which had benefited from customers buying ahead of price adjustments implemented in Q2 2015.

Developing Markets

In H1 2016, growth in Net Sales was in the high single-digits.

- In Latin America, growth in H1 Net Sales was in the high single-digits with a strong performance in Mexico (distribution gains).
- In the Middle-East and Africa, we enjoyed double-digit growth in H1.

H1 2016 Normalized IFO for Lighters was 39.3% compared to 39.7% in 2015. Excluding the impact of the special employee bonus, **Normalized IFO margin for Lighters would have been 40.0%,** thanks notably to a higher Gross Profit margin. **Q2 2016 Normalized IFO margin** was 40.5% compared to 41.6% in Q2 2015 due notably to higher operating expenses.

Shavers

H1 2016 Net Sales of Shavers increased by 3.3% as reported and by 9.9% on a constant currency basis. Second quarter 2016 Net Sales were up 2.0% as reported and by 9.0% on a constant currency basis.

Developed markets

- In Europe, H1 Net Sales growth was in the high single-digits, driven by a good performance in Eastern Europe. We benefited from the success of products such as the BIC® 3, BIC® Miss Soleil® and BIC® Flex and Easy shavers.
- In North America, we delivered mid-single digit growth in H1. We increased our market share by 2.2 points to 29%[(1)] thanks to our added-value products including the Flex range (BIC® Flex 3, BIC® Flex 4 and BIC® Flex 5 shavers), our Hybrid offers (BIC® Hybrid 3 and BIC® Hybrid 4 Flex shavers) as well as the BIC® Soleil Shine shaver.

(1) Source: IRI total market YTD through 26-JUNE-2016 (one-piece shavers) – in value terms.

Developing Markets

We registered double digit growth in H1 sales.

- In Latin America, all product ranges contributed to this growth, especially BIC® Comfort 3 shaver.
- In the Middle-East and Africa, we achieved mid-single digit growth in H1 driven by our triple-blade products and BIC® Flex 3 shaver.

H1 2016 Normalized IFO margin for Shavers was 12.3% compared to 20.2% in 2015. Excluding the impact of the special employee bonus, **Normalized IFO margin for Shavers would have been 13.4%**. This year-on-year decrease was due to increased investment in research and development and in brand support, notably in the U.S. (launch of the new BIC® Soleil Shine shaver and continued investment in the BIC® Flex 5 shaver). **Q2 2016 Normalized IFO margin** was 13.8%, compared to 19.1% in Q2 2015, due to a negative FX impact on Gross Profit margin and continued investment in research and development and in brand support, notably in Brazil (TV campaigns to promote the BIC® Soleil and BIC® Comfort 3 shavers).

Other Consumer Products

H1 2016 Net Sales of Other Consumer Products decreased by 12.2% as reported and fell by 10.9% on a constant currency basis. Second quarter 2016 Net Sales were down 16.6% as reported and by 15.3% on a constant currency basis.

BIC Sport registered a double-digit decline in its H1 Net Sales on a constant currency basis.

H1 2016 Normalized IFO for Other Consumer Products was 0.8 million euros (1.0 million euros excluding the impact of the special employee bonus), compared to 2.2 million euros in H1 2015. **Q2 2016 Normalized IFO for Other Consumer Products** was 1.2 million euros compared to 2.9 million euros in Q2 2015.

BIC GRAPHIC

BIC Graphic Net Sales for H1 2016 increased by 0.8% as reported and by 2.3% on a constant currency basis. Second quarter 2016 Net Sales were down 2.7% as reported but increased by 0.3% on a constant currency basis.

In **Europe,** BIC delivered good performances in key countries such as France and Germany. In **North America**, our "Good Value" line and new products continued to perform well, driving growth in both Hard Goods and Writing Instruments.

H1 2016 Normalized IFO margin for BIC Graphic was a negative 5.4% compared to a negative 4.7% in 2015. Excluding the impact of the special employee bonus, its **Normalized IFO margin would have been a negative 3.2%**, thanks to lower operating expenses compared to H1 2015. **Q2 2016 Normalized IFO margin for BIC Graphic** was a positive 2.5% compared to a negative 3.0% in Q2 2015, benefiting from lower cost of production and operating expenses.

The review of the strategic alternatives for BIC Graphic is proceeding as planned.

1.5. BIC Group Net Sales by geography

(in millions euros)			Q2 2016 vs. Q2 2015				H1 2016 vs. H1 2015	
	Q2 2015	**Q2 2016**	As reported	Constant currency basis	H1 2015	**H1 2016**	As reported	Constant currency basis
Group								
Net Sales	623.1	616.0	-1.1%	+4.2%	1,134.0	1,133.3	-0.1%	+5.4%
Europe								
Net Sales	160.0	170.1	+6.3%	+8.7%	277.6	296.6	+6.8%	+8.8%
North America								
Net Sales	290.5	290.3	-0.1%	+2.3%	511.5	526.1	+2.9%	+3.5%
Developing Markets								
Net Sales	172.6	155.6	-9.8%	+3.3%	344.9	310.6	-10.0%	+5.5%

1.6. Impact of change in perimeter and currency fluctuations on net sales

(in %)	Q2 2015	**Q2 2016**	H1 2015	**H1 2016**
Perimeter	**-0.6%**	-	**-0.7%**	-
Currencies	**+11.5%**	-5.3%	**+11.5%**	-5.5%
Of which USD	*+10.5%*	*-1.0%*	*+9.9%*	*-0.1%*
Of which BRL	*-0.9%*	*-1.0%*	*-0.4%*	*-1.7%*
Of which ARS	*+0.2%*	*-0.6%*	*+0.2%*	*-1.1%*
Of which INR	*+0.6%*	*-0.2%*	*+0.7%*	*-0.2%*
Of which MXN	*+0.4%*	*-1.1%*	*+0.4%*	*-1.0%*
Of which RUB and UHA	*-0.3%*	-0.3%	*-0.4%*	-0.3%

1.7. IFO and Normalized IFO by category

(in millions euros)	Q2 2015	**Q2 2016**	H1 2015	**H1 2016**
Group				
Income From Operations	143.9	127.3	241.5	203.7
Normalized Income From operations	137.4	131.6	239.2	207.9
Stationery				
Income From Operations	40.7	38.8	60.5	49.9
Normalized Income From operations	39.9	40.3	61.2	51.4
Lighters				
Income From Operations	75.6	70.6	136.6	132.7
Normalized Income From operations	74.2	71.7	135.6	133.9
Shavers				
Income From Operations	23.4	15.4	44.7	28.0
Normalized Income From operations	22.5	16.6	46.4	29.2
Other Products				
Income From Operations	4.9	1.1	4.4	0.6
Normalized Income From operations	2.9	1.2	2.2	0.8
Total Consumer business				
Income From Operations	144.5	125.9	246.2	211.3
Normalized Income From operations	139.5	129.8	245.4	215.2
BIC Graphic				
Income From Operations	-0.6	1.4	-4.7	-7.6
Normalized Income From operations	-2.1	1.8	-6.2	-7.3

1.8. Share repurchase program – cancelled shares

SOCIÉTÉ BIC obtained at the Annual Shareholders' Meeting on May 18, 2016 to renew its shares repurchase program.

During the first half of 2016:

- SOCIÉTÉ BIC repurchased 487,025 shares under the share repurchase programs authorized by the Annual Shareholders' Meeting held on May 18, 2016, excluding shares acquired under the liquidity agreement;
- SOCIÉTÉ BIC repurchased, under the liquidity agreement with Natixis, 183,485 shares for a total value of 23.79 million euros and sold 182,158 shares for a total value of 23.65 million euros;
- 12,714 options were exercised in the period for 0.63 million euros, of which 0.06 million euros have not been received at the end of June 2016;
- SOCIÉTÉ BIC received early 2016, 0.39 million euros related to stock options exercised at the end of 2015.

SHARE REPURCAHSE PROGRAM	Number of shares acquired	Weighted average price *(in €)*	Amount *(in M€)*
February 2016	117,908	126.78	14.9
March 2016	115,379	130.22	15.0
April 2016	8,400	122.42	1.0
May 2016	91,678	124.14	11.4
June 2016	153,660	119.11	18.3
TOTAL	**487,025**	**124.60**	**60.7**

The number of free, performance-based shares transferred to beneficiaries is 113,588 during the first half 2016, of which 112,436 shares transferred by SOCIÉTÉ BIC and 1,152 shares transferred by BIC CORPORATION. Moreover, SOCIÉTÉ BIC proceeded to 159,680 free, performance-based share grants and 20,750 free, non-performance-based share grants.

1.9. Related-party transactions

This paragraph is aimed at ensuring transparency in the relationship between the Group and its Shareholders (and their representatives), as well as in the links between the Group and related companies that the Group does not exclusively control (i.e. joint ventures or investments in associates).

Significant related-party transactions are described in the Note 24 – Related parties on page 210 of the Group BIC 2015 registration document filed with the *Autorité des Marchés Financiers* (AMF) on March 23, 2016. During the First Half of 2015, no other significant related-party transactions have been identified.

1.10. Capital evolution

N/A

1.11. Material events that occurred in H1 2016

In Early 2016, the decision was taken to close BIC's Stationery facility in Shanghai (China) and transfer its production to other BIC Stationery sites with higher production volumes.

The Promotional Product Industry has changed throughout 2015 with a consolidation happening in all regions and new entrants arising. In light of this evolution, in early 2016, the Board has decided to initiate a review of strategic alternatives for BIC Graphic. The strategic review is expected to be concluded by the end of 2016.

Acknowledging Chief Executive Officer Mario Guevara's decision to retire in May 2016, the Board of Directors of SOCIETE BIC has decided to propose an evolution of Group governance:

- It has been voted, during the Annual Shareholders Meeting held on 18 May 2016, a change in company's by-laws in order for the Chairman, the Chief Executive Officer and the Executive Vice-Presidents to exercise their functions until 72 years old.
- The Board of Directors that followed this Annual Shareholders Meeting has combined the Chairmanship and Chief Executive Officer functions and has nominated Bruno Bich as Chairman and Chief Executive Officer.

1.12. Material events that occurred after June 30, 2016

N/A

1.13. Description of the principal risks and uncertainties for H2 2016

BIC pursues an active and dynamic approach to 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;
- 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 main risks identified by the BIC Group is available in the section entitled "Risks factors" of the 2015 registration document (page 25) filed with the *Autorité des Marchés Financiers* (AMF) on March 23, 2016 and which is available online, following this link: http://www.bicworld.com/en/finance/publications/.

No additional significant risk or uncertainties have been identified for the second half of 2016.

1.14. Full-Year 2016 Outlook

In 2016, we expect to deliver mid-single digit growth in **Net Sales** on a comparative basis. Excluding major macro-economic disruptions or currency fluctuations, **Normalized IFO margin**(1) should decline by between 100 and 150 basis points as a result of accelerated Brand Support and R&D investments aimed at fueling profitable medium- and long-term growth. We also expect to maintain **Net Cash from operating activities** at current levels despite an increase in development CAPEX.

1.15. Glossary

- **Constant currency basis:** Constant currency figures are calculated by translating the current year figures at prior year monthly average exchange rates.
- **Comparative basis:** on a constant currency basis 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, up to their anniversary date. All comments related to Net Sales are made on a comparative basis.
- **Normalized IFO:** Normalized means excluding non-recurring items.
- **Free cash flow before acquisitions and disposals**: Net cash from operating activities - net capital expenditures +/- other investments
- **Free cash flow after acquisitions and disposals**: Net cash from operating activities - net capital expenditures +/- other investments - acquisitions/disposals of equity investments / subsidiaries / business lines.
- **Net cash from operating activities**: principal revenue-producing activities of the entity and other activities that are not investing or financing activities
- **Net cash position**: Cash and cash equivalents + Other current financial assets - Current borrowings - Non-current borrowings

(1) Excluding the special bonus awarded to employees who were not granted shares under our performance share plan.

CONDENSED CONSOLIDATED FIRST HALF FINANCIAL STATEMENTS

2.1. Consolidated income statement

(condensed financial statements)

(in thousand euros)	Notes	June 30, 2015	June 30, 2016
Net sales	2-2	1,133,995	1,133,297
Cost of goods	4	(564,218)	(574,449)
Gross profit		**569,777**	**558,848**
Distribution costs	4	(156,762)	(161,540)
Administrative expenses	4	(114,717)	(115,476)
Other operating expenses	4	(60,404)	(73,215)
Other income	5	10,117	1,906
Other expenses	5	(6,509)	(6,846)
Income from operations		**241,502**	**203,677**
Income from cash and cash equivalents	6	6,435	5,183
Net finance income/(Net finance costs)	6	5,334	(8,605)
Income before tax		**253,271**	**200,254**
Income tax expense	7	(76,061)	(60,145)
Net income from consolidated entities		**177,210**	**140,109**
Net income from continuing operations		177,210	140,109
Consolidated income of which:		**177,210**	**140,109**
Non-controlling interests		640	-
NET INCOME GROUP SHARE	**8**	**176,570**	**140,109**
Earnings per share Group share *(in euros)*	8	3.74	2.98
Diluted earnings per share Group share *(in euros)* [(a)]	8	3.70	2.95
Average number of shares outstanding net of treasury shares over the period	8	47,200,210	47,029,831

(a) The dilutive elements taken into account are stock options.

2.2. Consolidated statement of comprehensive income

(condensed financial statements)

(in thousand euros)		Notes	June 30, 2015	**June 30, 2016**
GROUP NET INCOME	**A**		**177,210**	**140,109**
OTHER COMPREHENSIVE INCOME		**7-2**		
Actuarial differences on post-employment benefits not recyclable to the income statement [(a)]			30,955	(49,690)
Deferred tax on actuarial differences on post-employment benefits		7-2	(11,273)	18,059
Total actuarial differences not recyclable to the income statement - Net of tax	**B**		**19,682**	**(31,631)**
Gain/(Loss) on cash flow hedge		18	(813)	5,397
Exchange differences arising on translation of overseas operations [(b)]			36,528	4,121
Available for sale investments			(1)	-
Deferred tax and current tax recognized on other comprehensive income		7-2	(1,690)	(311)
Other comprehensive income recyclable to the income statement - Net of tax	**C**		**34,024**	**9,206**
TOTAL COMPREHENSIVE INCOME	**D = A + B + C**		**230,916**	**117,685**
Attributable to:				
• BIC Group			225,854	117,685
• Non-controlling interests			5,062	-
TOTAL			**230,916**	**117,685**

(a) The impact of actuarial differences is mainly due to U.S. and French plans.

(b) The main items impacting the translation reserve variance for the period, by currency, are as follows: U.S. dollar -12.9 million euros, Indian rupee -10.0 million euros, Brazilian real 35.3 million euros and Mexican peso -6.9 million euros.

2.3. Consolidated statement of financial position

(condensed financial statements)

Assets

(in thousand euros)	Notes	December 31, 2015	June 30, 2016
Property, plant and equipment		508,533	537,159
Investment properties		2,150	2,057
Net goodwill	9	324,894	319,125
Intangible assets		96,777	96,258
Other non-current assets	10	28,636	27,761
Deferred tax assets		163,756	188,356
Derivative instruments	18, 20	549	4,116
Non-current assets		**1,125,295**	**1,174,832**
Inventories	11	478,413	519,451
Income tax advance payments		11,614	14,152
Trade and other receivables	11, 20	439,979	558,730
Other current assets		19,391	27,337
Derivative instruments	18, 20	3,296	4,791
Other current financial assets	20	73,048	29,050
Cash and cash equivalents	20	385,156	221,916
Current assets		**1,410,897**	**1,375,427**
TOTAL ASSETS		**2,536,192**	**2,550,259**

CF: see consolidated cash flow statement.

Equity and liabilities

(in thousand euros)	Notes	December 31, 2015	June 30, 2016
Share capital	12-1	180,169	178,782
Accumulated profits		1,652,982	1,439,436
Translation reserve		16,393	20,514
Shareholders' equity Group Share		**1,849,544**	**1,638,732**
Non-controlling interests		-	-
Shareholders' equity	**SHEQ**	**1,849,544**	**1,638,732**
Non-current borrowings	13	2,450	2,279
Other non-current liabilities		1,259	1,259
Employee benefits obligation		208,832	250,838
Provisions	14	41,526	40,406
Deferred tax liabilities		52,506	47,520
Derivative instruments	18, 20	134	1,789
Non-current liabilities		**306,707**	**344,091**
Trade and other payables	11, 20	124,867	145,175
Current borrowings	13, 20	7,780	150,538
Current tax due		15,183	22,765
Other current liabilities	15	228,406	247,512
Derivative instruments	18, 20	3,705	1,446
Current liabilities		**379,941**	**567,436**
TOTAL EQUITY AND LIABILITIES		**2,536,192**	**2,550,259**

SHEQ: see consolidated statement of changes in equity.

2.4. Consolidated statement of changes in equity

(condensed financial statements)

(in thousand euros)	Notes	Share capital	Accumulated profits	Translation reserve	Cash flow hedge derivatives	Share-holders' equity Group share	Non-controlling interests	Share-holders' equity
At December 31, 2015		**180,169**	**1,652,509**	**16,393**	**473**	**1,849,544**	**-**	**1,849,544**
Dividends paid	*CF, 16*	*-*	*(277,042)*	*-*	*-*	*(277,042)*	*-*	*(277,042)*
Decrease in share capital [(a)]		*-*	*-*	*-*	*-*	*-*	*-*	*-*
Increase in share capital [(b)]		*49*	*582*	*-*	*-*	*631*	*-*	*631*
Treasury shares		*(1,435)*	*(57,669)*	*-*	*-*	*(59,104)*	*-*	*(59,104)*
Recognition of share-based payments	*CF, 17*	*-*	*7,019*	*-*	*-*	*7,019*	*-*	*7,019*
Other		*-*	*(1)*	*-*	*-*	*(1)*	*-*	*(1)*
Total transactions with Shareholders		***(1,386)***	***(327,110)***	***-***	***-***	***(328,497)***	***-***	***(328,497)***
Net income for the period		-	140,109	-	-	140,109	-	140,109
Other comprehensive income			(30,109)	4,121	3,564	(22,425)	-	(22,425)
Total comprehensive income		***-***	***110,000***	***4,121***	***3,564***	***117,685***	***-***	***117,685***
At June 30, 2016		**178,782**	**1,435,399**	**20,514**	**4,037**	**1,638,732**	**-**	**1,638,732**

(a) No shares were cancelled during the first half of 2016.

(b) Following the exercise of stock options, the share capital was increased by 12,714 shares.

CF: see consolidated cash flow statement.

2.5. Consolidated cash flow statement

(condensed financial statements)

(in thousand euros)	Notes	December 31, 2015	June 30, 2016
Operating activities			
Net income Group share	IS	325,058	140,109
Income and expense without cash impact:			
Non-controlling interests	IS	1,443	-
Depreciation and amortization of intangible and tangible assets and investment properties	4	89,574	44,739
Impairment loss	4	1,650	-
Provision for employee benefits		20,525	11,454
Other provisions (excluding provisions on current assets)		(11,760)	3,537
Hedging and derivative instruments		2,076	(55)
Option premium expense		187	1,347
Recognition of share-based payments	17, SHEQ	15,126	7,019
Deferred tax variation	7-1	4,772	(11,979)
(Gain)/Loss from disposal of fixed assets	5, (a)	(13,039)	(83)
Cash flow from operations		**435,612**	**196,089**
(Increase)/Decrease in net working capital	11	(23,968)	(128,288)
Payments related to employee benefits		(39,975)	(11,962)
Financial expense/(income)	6	(11,742)	(3,504)
Interest (paid)/received		10,872	3,419
Income tax expense	7-1	139,675	72,124
Income tax paid		(143,328)	(66,268)
NET CASH FROM OPERATING ACTIVITIES	**(H)**	**367,147**	**61,610**
Investing activities			
Disposal of fixed assets	(b)	14,901	1,405
Change in payables to suppliers of fixed assets		2,316	-
Purchases of property, plant and equipment	2, (i)	(112,778)	(67,649)
Purchases of intangible assets	2	(7,945)	(6,741)
(Increase)/Decrease in other investments		(460)	(130)
(Purchase)/Sale of other current financial assets	(f)	(23,840)	46,296
Business and asset (acquisitions)/divestitures	(c)	13,977	-
NET CASH FROM INVESTING ACTIVITIES		**(113,829)**	**(26,819)**
Financing activities			
Dividends paid	SHEQ, 16, (d)	(134,829)	(277,042)
Non-controlling interest buy-back		(73,977)	-
Borrowings/(Repayments)	13, (j)	(78)	131,139
Payments of obligations under finance leases		(1,104)	(369)
Purchase of financial instruments	(e)	(1,031)	(1,563)
Increase in treasury shares and exercise of stock options	(g)	(16,733)	(59,862)
NET CASH FROM FINANCING ACTIVITIES		**(227,752)**	**(207,697)**
Net cash and cash equivalents net of bank overdrafts		25,566	(172,905)
Opening cash and cash equivalents net of bank overdrafts	BS, 13	348,503	380,612
Exchange difference		6,543	(2,125)
CLOSING CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS	**BS, 13**	**380,612**	**205,582**

IS: See consolidated income statement.

SHEQ: See consolidated statement of changes in equity.

BS: See consolidated balance sheet.

As of June 30, 2016 cash and cash equivalents amount to 221.9 million euros and bank overdrafts to 16.3 million euros.

Net cash from operating activities

First half of 2016 net cash flows from operating activities amounts to 61.6 million euros and include 2.5 million euros in payments related to restructuring (5.9 million euros during 2015).

During the first half of 2016, There was no disposal of individually significant fixed assets [a].

The main gains on disposal in 2015 were related to the disposal of [a]:

- Auckland Property in New Zealand for 7.8 million euros;

- Fuel Cell Technology assets for 2.8 million euros;

- San Antonio manufacturing site based in Texas, U.S. for 1.4 million euros.

During the first half of 2016, the working capital increase amounted to 128.3 million. The variance is mainly explained by a trade receivables increase [k].

Net cash from investing activities

Cash flows from investing activities amounts to -26.8 million euros in the first half of 2016 compared to -113.8 million euros in 2015.

During the first half of 2016, the Group BIC purchased 74.4 million euros of property, plant and equipement and intangible assets.

During the first half of 2016, there was no disposal of individually significant fixed assets [b].

In 2015, the BIC Group disposed of its Fuel Cell Technology assets. This amount is net of disbursement related to restructuring costs [c].

The amount of financial assets classified under "Other current financial assets" refers to investments not eligible for classification as cash & cash equivalents under IAS 7. As of June 30, 2016, these investments consist of units of UCITS and negotiable debt securities, all of which are liquid within 5 days [f].

Purchases of property, plant and equipment do not include finance leases booked as a counterpart to a financial debt, as these transactions do not have any impact on cash [i].

Net cash from financing activities

Cash flow from financing activities amounts to -207.7 million euros on the first half 2016 compared to 227.8 million euros in 2015.

The dividends paid represent the dividends paid by SOCIÉTÉ BIC to its Shareholders (see Note 16) [d].

During the first half of 2016, 487,025 shares were repurchased by SOCIÉTÉ BIC for 60.7 million euros. Under the liquidity agreement, SOCIÉTÉ BIC bought 183,485 shares for 23.8 million euros and sold 182,158 shares for 23.7 million euros. In addition, 12,714 options were exercised in the period for 0.6 million euros, including 0.1 million euros which have not yet been received at end of June 2016. Moreover, in early 2016, SOCIÉTÉ BIC received 0.4 million euros related to stock options exercised at the end of 2015 [g].

During 2015, 180,213 shares were repurchased by SOCIÉTÉ BIC for 26.3 million euros. Under the liquidity agreement, SOCIÉTÉ BIC bought 158,419 shares for 22.5 million euros and sold 157,661 shares for 22.4 million euros. In addition, 160,628 options were exercised in the period for 8.7 million euros, including 0.4 million euros which had not been received at end of December 2015. Moreover, in early 2015, SOCIÉTÉ BIC received 1.4 million euros related to stock options exercised at the end of 2014 [g].

As of June 30, 2016, new borrowings amount to 131.1 million euros (mainly France) [j].

They are short-term financing to ensure the ponctual liquidity needs of SOCIÉTÉ BIC

2.6. Notes to the consolidated financial statements

NOTE 1 MAIN RULES AND ACCOUNTING POLICIES

1-1 Accounting policies

1-1-1 General

Pursuant to European regulation no 1606/2002 of July 19, 2002 concerning international accounting standards, the consolidated financial statements of the 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. International Financial Reporting Standards are available on the European Union website at http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

The international standards include the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards), as well as their SIC (Standing Interpretation Committee) and IFRIC (International Financial Reporting Interpretations Committee) interpretations.

The condensed consolidated financial statements as of June 30, 2015 and June 30, 2016 have been prepared in compliance with IAS 34 "Interim financial reporting". The financial statements have been prepared on the historical cost basis, except for the valuation of certain financial instruments.

IAS 34 allows presentation of a selection of notes to the condensed consolidated financial statements that should be read in conjunction with the consolidated financial statements of the fiscal year ended December 31, 2015.

The measurement procedures used for the interim condensed consolidated financial statements are as follows:

- Interim period income tax expense results from the estimated annual Group effective income tax rate applied to the pre-tax result of the interim period excluding unusual material items. The income tax charge related to any unusual item in the period is accrued using its actual tax expense;
- Regarding the main pension plans and other employee benefits (United States, Canada, France, United Kingdom), actuarial valuations are performed every six months. Provisions are based on estimates made at the end of the previous year and on the discount rates as of June 30.

Regarding share-based payments and other benefits plans, expenses are recognized in the period on a *pro rata* basis of the estimated costs for the year.

The principal accounting policies remain unchanged compared to last year except for adoption of the following standard, effective since January 1, 2016.

1-1-2 Adoption of new and revised IFRS, their interpretations and amendments

New standards, amendments and interpretations of mandatory application for financial years beginning on or after January 1, 2016

The following standards and amendments are effective since January 1, 2016 and have been applied to the consolidated financial statements as of June 30, 2016:

- Annual improvements to IFRSs 2010-2012 cycle;
- Annual improvements to IFRSs 2012-2014 cycle;
- Amendments to IAS 1 – Disclosure Initiative;
- Amendments to IAS 16 et IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortization;
- Amendments to IAS 19 – Defined Benefits Plans: Employee Benefits;
- Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint-Operations.

New standards, interpretations and amendments that may be applied early for financial years beginning on or after January 1, 2016

As of June 30, 2016, the Group did not elect to early apply any standard, interpretation or amendment, particularly regarding:

- Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealized Losses;
- Amendments to IAS 7 – Disclosures initiatives;
- Amendments to IFRS 2 – Share-based Payment.

The Group is currently conducting analysis on the practical consequences of these new regulations and the effects of their implementation on the financial statements.

New standards, interpretations and amendments that may not be applied early for financial years beginning on or after January 1, 2016

- IFRS 9 – Financial instruments;
- IFRS 10 – Consolidated Financial Statements;
- IFRS 15 – Revenue from Contracts with Customers;
- IFRS 16 – Leases.

Analysis on the practical consequences of these new regulations is in progress. However, it is too early to be able to estimate the impact.

1-2 Change in Group structure

No significant change occurred during the 1st half of 2016.

1-3 Subsequent events

No subsequent events occurred between July 1, 2016 and the reporting date.

NOTE 2 OPERATING SEGMENTS

2-1 General information

BIC operating segments have been determined based on the reports regularly provided to 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 necessary.

The categories are as follows: Stationery consumer, Lighters, Shavers, Other Consumer and BIC Graphic (Advertising and Promotional Products).

These operating segments receive their revenues from the production and distribution of each product category.

Freight billed to customers, royalty income and financial interest are also included in these category revenues but are insignificant compared to net sales. As they are not analyzed by the Operational Directors, according to category of products, they are not detailed in the note below.

2-2 Information on the 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 for non-recurring items (in particular real estate gains, the gain or loss on the sale of businesses and restructuring costs). It constitutes the key financial metrics used within the Group;
- normalized income from operations excluding the impact of the special employee bonus that has been awarded to employees who have not been granted shares under our performance share plan and after approval of the exceptional dividend ;
- capital additions, which are the purchases and internal generation of property, plant and equipment and intangible fixed assets for the period.

(in million euros)	June 30, 2015					
	Stationery consumer	Lighters	Shavers	Other Consumer	BIC Graphic	Total
Income Statement						
• Net sales	390	342	230	38	133	**1,134**
• Depreciation and amortization	(13)	(8)	(10)	(7)	(5)	**(43)**
• Income from operations	60	137	45	5	(5)	**242**
Restatements made to obtain the normalized income from operations						
• Impact of lump sum election for terminated vested pension participants						**(5)**
• Restructuring costs related to distribution reorganization in the Middle East and in the African regions						**4**
• Profit and restructuring costs related to Fuel Cell assets sale						**(2)**
• Restructuring costs related to U.S. sales force reorganization						**-**
• Other						**-**
• Normalized income from operations	61	136	46	2	(6)	**239**
• Special employee bonus	-	-	-	-	-	**-**
Normalized income from operations excluding the impact of the special employee bonus	61	136	46	2	(6)	**239**

(in million euros)	**June 30, 2016**					
	Stationery consumer	Lighters	Shavers	Other Consumer	BIC Graphic	Total
Income Statement						
• Net sales	387	341	238	34	133	**1,133**
• Depreciation and amortization	(13)	(9)	(11)	(7)	(5)	**(45)**
• Income from operations	50	133	28	1	(8)	**204**
Restatements made to obtain the normalized income from operations						
• Impact of lump sum election for terminated vested pension participants						**-**
• Restructuring costs related to distribution reorganization in the Middle East and in the African regions						**2**
• Profit and restructuring costs related to Fuel Cell assets sale						**-**
• Restructuring costs related to U.S. sales force reorganization						**2**
• Other						**1**
• Normalized income from operations	51	134	29	1	(7)	**208**
• Special employee bonus	3	2	3	-	3	**11**
Normalized income from operations excluding the impact of the special employee bonus	54	136	32	1	(4)	**219**

(in million euros)	June 30, 2015					
	Stationery consumer	Lighters	Shavers	Other Consumer	BIC Graphic	Total
Capital additions	10	15	13	9	4	**51**
Net inventories	204	94	95	18	70	**482**

(in million euros)	**June 30, 2016**					
	Stationery consumer	Lighters	Shavers	Other Consumer	BIC Graphic	Total
Capital additions	14	16	30	12	3	**74**
Net inventories	216	114	99	18	73	**519**

2-3 Information by geography

The geographies identified by the management are: France, Europe (excluding France), North America and Developing markets.

(in million euros)	June 30, 2015					June 30, 2016				
	France	Europe excluding France	North America	Developing markets	Total	France	Europe excluding France	North America	Developing markets	Total
Net sales	102	176	511	344	**1,134**	106	190	526	311	**1,133**
Non-current assets [(a)]	189	154	286	320	**949**	204	164	294	321	**982**

(a) Other than financial instruments (4.1 million euros in 2016 and 1.2 million euros in 2015), deferred tax assets (188.4 million euros in 2016 and 153.1 million euros in 2015).

NOTE 3 EXCHANGE RATES OF FOREIGN CURRENCIES

The following table shows foreign currency equivalents of one euro (for instance: average 2016 is 1 euro = 1.12 U.S. dollars).

Foreign currencies	2015 Average	2016 Average	June 30, 2015	June 30, 2016
	Euro	Euro	Euro	Euro
U.S. dollar - USD	1.12	1.12	1.12	1.11
Australian dollar - AUD	1.43	1.52	1.46	1.49
Canadian dollar - CAD	1.38	1.48	1.39	1.44
Swiss franc - CHF	1.06	1.10	1.04	1.08
Chinese renminbi - CNY	6.94	7.30	6.96	7.41
British pound - GBP	0.73	0.78	0.71	0.84
Hong Kong dollar - HKD	8.65	8.67	8.68	8.64
Indian rupee - INR	70.13	75.03	71.25	74.97
Japanese yen - JPY	134.22	124.19	138.58	114.29
Korean won - KRW	1,227.33	1,3219.14	1,258.00	1,275.76
Malaysian ringgit - MYR	4.06	4.57	4.24	4.44
New Zealand dollar - NZD	1.51	1.65	1.63	1.55
Philippine peso - PHP	49.72	52.31	50.51	52.33
Polish zloty - PLN	4.14	4.37	4.18	4.40
Swedish krona - SEK	9.34	9.31	9.26	9.39
Singapore dollar - SGD	1.51	1.54	1.51	1.50
South African rand - ZAR	13.30	17.19	13.64	16.23
Argentinian peso - ARS	9.84	16.05	10.16	16.87
Brazilian real - BRL	3.31	4.12	3.52	3.58
Mexican peso - MXN	16.89	20.19	17.42	20.18
Venezuelan bolivar - VEF*	58.14	393.01	58.36	698.79
Ukrainian hryvnia - UAH	24.23	28.53	23.54	27.65
Russian ruble - RUB	64.72	78.10	61.81	71.31

* *The Venezuelan subsidiary financial statements as of June 30, 2016, are translated using the SICAMI rate representing the most conservative exchange rate.*

NOTE 4 OPERATING EXPENSES

(in thousand euros)	June 30, 2015	June 30, 2016
Raw materials, consumables used and change in inventory	298,383	295,214
Staff costs	303,132	328,193
Depreciation and amortization expenses	43,033	44,739
Other operating expenses	239,849	256,171
Loss on operational foreign currency translation	11,705	363
TOTAL	**896,102**	**924,680**

Other operating income and expenses are not included in the total amount and are disclosed in Note 5.

Staff costs include special premium for 11.4 million euros in 2016.

Research and development costs expensed for the first half of 2016 amount to 16.0 million euros, versus 12.4 million euros for the first half of 2015.

They include the French research tax credit for 1.1 million euros, versus 1.7 million euros for 2015.

The tax credit for competitiveness and employment (CICE) amounts to 0.8 million euros in 2016, versus 1.0 million euros in the first half of 2015.

NOTE 5 OTHER INCOME AND EXPENSES

(in thousand euros)	June 30, 2015	June 30, 2016
Royalties income	42	22
Gain on disposal of fixed assets	314	83
Fuel Cell asset divestiture and related costs reduction plan	2,205	-
Impact of lump sum election for terminated vested pension participants in the U.S.	4,552	-
Other	2,925	1,801
Other income	**10,038**	**1,906**
Restructuring costs	(4,480)	(4,267)
Other	(1,950)	(2,579)
Other expenses	**(6,430)**	**(6,846)**
TOTAL	**3,608**	**(4,940)**

Other income and expenses related to the first half of 2016 mainly include:

- restructuring costs for -1.9 million euros related to distribution reorganization in the Middle East and Africa regions ;
- restructuring costs for -1.7 million euros related to U.S. sales force reorganization ;

Other income and expenses related to the first half of 2015 mainly include:

- income of 2.2 million euros related to the sale of Portable Fuel Cell Technology assets, net of related restructuring expenses;
- restructuring costs for -4.5 million euros related primarily to distribution reorganization in the Middle East and Africa regions;
- 4.6 million euros related to lump sum election for terminated vested pension participants in the U.S.

NOTE 6 FINANCE INCOME

(in thousand euros)	June 30, 2015	June 30, 2016
Interest income from cash and cash equivalents	3,127	3,375
Interest on bank deposits	3,308	1,807
Income from cash and cash equivalents	**6,435**	**5,183**
Interest expense	(1,215)	(1,679)
Hedging instruments revaluation	(803)	(1,353)
Net financial foreign exchange difference	7,352	(5,573)
Net finance income/(Net finance costs)	**5,334**	**(8,605)**
FINANCE (COSTS)/REVENUE	**11,769**	**(3,422)**

The decrease in finance income during the first half of 2016 compared to the first half of 2015 comes from several factors:

- Income from cash and cash equivalents decreased compared to the previous period due to lower investment volumes and less favorable interest rates;
- In the first half of 2016, the appreciation of the euro and the Brazilian real against the U.S. dollar generated an unfavorable impact on the valuation of financial assets denominated in U.S. dollars, while in the same period of the previous year, these currencies depreciated against the U.S. dollar, generating a profit.

NOTE 7 INCOME TAX

7-1 Income tax expense

(in thousand euros)	June 30, 2015	June 30, 2016
Income before tax	253,272	200,254
Tax charge	76,061	60,145
TAX RATE	**30.03%**	**30.03%**

At the end of June 2016, the Group's effective tax rate is determined on an annual basis. The tax charge is calculated by applying the estimated average rate for the 2016 full year to income before tax (excluding unusual material items), taking into account any tax rate changes voted by June 30, 2016 and effective after June 30, 2016. The income tax charge related to any unusual items in the period is accrued using the related actual tax expense.

7-2 Deferred and current tax recognized on other comprehensive income

Deferred and current taxes recognized on other comprehensive income result from the following items:

At June 30, 2016

(in thousand euros)	**Other comprehensive income**	**Deferred taxes**
Actuarial differences on post-employment benefits (1)	(49,690)	18,059
Cash flow hedge	*5,397*	*(1,833)*
Foreign exchange impact	*4,121*	*1,522*
Total other comprehensive income (2)	9,517	(311)
TOTAL (1)+(2)	**(40,173)**	**17,748**

At June 30, 2015

(in thousand euros)	Other comprehensive income	Deferred taxes
Actuarial differences on post-employment benefits (1)	30,955	(11,273)
Cash flow hedge	*(813)*	*531*
Foreign exchange impact	*36,528*	*(2,222)*
Other	*(1)*	*1*
Total other comprehensive income (2)	35,713	(1,690)
TOTAL (1)+(2)	**66,668**	**(12,963)**

NOTE 8 EARNINGS PER SHARE GROUP SHARE

Earnings per share (Group share) and diluted earnings per share (Group share) correspond to the Group net income divided by the relevant number of shares.

The number of shares used to calculate the earnings per share (Group share) is the weighted average number of ordinary shares outstanding during the period less the weighted average number of shares held in treasury stock by SOCIÉTÉ BIC during the period and presented as a reduction to equity.

The number of shares used to calculate the diluted earnings per share (Group share) is the weighted average number of shares potentially in circulation during the period, which corresponds to the number of shares used for basic earnings per share Group share, adjusted for the dilutive effect of stock options.

As of June 30, 2016, there are no shares with relutive impact and the maximum dilutive effect from stock options not exercised is around 0.5% of the share capital.

	June 30, 2015	June 30, 2016
Numerator *(in thousand euros)*		
Net income Group share	176,570	140,109
Denominator *(in number of shares)*		
Weighted average number of ordinary shares in circulation	47,200,210	47,029,831
Dilutive effect of stock options	532,175	539,847
Diluted weighted average number of ordinary shares in circulation	47,732,385	47,569,678
Earnings per share Group share *(in euros)*		
Earnings per share Group share	3.74	2.98
Diluted earnings per share Group share	3.70	2.95

NOTE 9 GOODWILL

(in thousand euros)	Notes	Gross value	Impairment loss	Net value
At January 1, 2016		**341,818**	**(16,924)**	**324,894**
Exchange differences		(5,805)	36	(5,768)
At June 30, 2016		**336,013**	**(16,888)**	**319,125**

The balance, as of June 30, 2016, includes the following principal net goodwill:

(in thousand euros)	December 31, 2015	June 30, 2016
BIC CORPORATION [b]	119,361	117,141
Cello Pens	101,973	97,987
BIC Violex	49,174	49,174
Norwood North America [a] [b]	32,861	32,129
PIMACO [b]	5,606	6,745
Others [b]	15,919	15,950
TOTAL	**324,894**	**319,125**

(a) Following the reorganization of the BIC Graphic activity, the goodwill of Norwood North America includes the goodwill of Norwood Promotional Products and Atchison.

(b) These goodwill amounts are linked to cash-generating units represented by distribution subsidiaries.

To perform the impairment tests, the Group used the following discounted and perpetual growth rates:

	Weighted average cost of capital (wacc) before tax		Perpetual growth rate	
	2015	2016	2015	2016
BIC CORPORATION	10.6%	10.0%	1.5%	1.5%
Cello Pens	15.4%	14.7%	8.75%	8.5%
BIC Violex	11.8%	13.3%	3.0%	2.9%
Norwood North America	8.7%	8.7%	1.5%	1.5%
PIMACO	13.6%	19.7%	1.7%	1.7%

Each goodwill item has been allocated to a cash-generating units ("CGU") representing the lowest level at which goodwill is monitored by the Group.

The goodwill on BIC CORPORATION is thus mainly allocated to cash-generating units linked to the distribution by BIC CORPORATION of stationery products and lighters.

The goodwill on Cello Pens is allocated to the cash-generating units linked to the production and distribution by Cello of stationery products.

The remaining goodwill on BIC Violex is 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.

As every year, as of June 30, 2016, the Group performed impairment tests on these goodwill amounts (except for Norwood, for which a test was performed as of December 31, 2015).

The goodwill impairment test methodology is based on a comparison between the recoverable amount of each of the Group's cash-generating units and the corresponding assets' net book value (including goodwill).

Such recoverable amounts correspond to the value in use and are determined using discounted future cash flow projections over three years and a discounted residual value using the perpetual growth method, including notably the following:

- the discount rate before taxes used is the weighted average cost of capital. Particular attention has been paid to the analysis of the main market items used for the calculation of the discount rate;
- the perpetual growth rates were determined based on external (inflation rate) and internal (business growth) sources. Perpetual growth rates above 2% take into account market specifics.

For each CGU having significant goodwill, key assumptions used in terms of rates of sales growth and margins over the future 3-year period and in the terminal value are consistent with past performance.

Regarding the test performed on Norwood as of December 31, 2015, sensitivity to the assumptions used in the calculation indicates that to cover net assets, and for each factor taken independently:

- the discount rate before tax should not exceed 9.2%;
- the perpetual growth rate may not be less than 0.9%;
- net sales at constant income from operations margin over the future 3-year period should not be less than 17% compared to the level retained in the impairment test;
- the income from operations on the future 3-year period should not be less than 12% compared to the level retained in the impairment test.

Regarding the test performed on Cello Pens, sensitivity to the assumptions used in the calculation indicates that to cover assets, and for each factor taken independently:

- the discount rate before tax should not exceed 15.2%;
- the perpetual growth rate should not be less than 8%;
- net sales at constant income from operations margin over the future 3-year period should not be less than 8% compared to the level retained in the impairment test;
- the income from operations on the future 3-year period should not be less than 6% compared to the level retained in the impairment test.

The sensitivity of the other impairment tests to changes in the key assumptions indicates that no reasonably likely change would lead to an impairment, taking into account the observed margin on tests conducted.

NOTE 10 OTHER NON-CURRENT ASSETS

(in thousand euros)	Notes	December 31, 2015	June 30, 2016
Other investments		42	25
Guarantee deposits		4,786	5,322
Deferred pensions		1,849	12
Other non-current assets		21,958	22,402
TOTAL		**28,636**	**27,761**

NOTE 11 CHANGE IN NET WORKING CAPITAL

(in thousand euros)		December 31, 2015	Cash flows impact	Foreign exchange and others	June 30, 2016
Net inventory		478,413	40,948	90	519,451
• *Inventory - Gross value*		*495,590*	*41,789*	*(83)*	*537,296*
• *Inventory - Impairment*		*(17,177)*	*(841)*	*173*	*(17,845)*
Trade and other receivables		439,979	119,628	(877)	558,730
Trade and other payables		(124,867)	(20,070)	(238)	(145,175)
Other assets and liabilities		(188,337)	(12,217)	1,499	(199,055)
NET WORKING CAPITAL	**CF**	**605,188**	**128,288**	**474**	**733,950**

CF: see consolidated cash flow statement.

In 2015, a reverse factoring arrangement was established by one of our U.S. customers by which, through the intermediary of a Bank, the Group is able to obtain faster payment of its outstanding receivables.

NOTE 12 SHARE CAPITAL

12-1 Share capital

(in thousand euros)	December 31, 2015	June 30, 2016
Authorized, issued and fully paid share capital	183,139	183,188
Repurchase of shares of the Company	(2,970)	(4,406)
SHARE CAPITAL	**180,169**	**178,782**

As of June 30, 2016, the registered share capital of SOCIÉTÉ BIC is 183,187,607.22 euros divided into 47,954,871 shares of 3.82 euros each. Registered shares held for more than two years carry double voting rights.

In addition, SOCIÉTÉ BIC holds 1,153,414 treasury shares, acquired at an average price of 96,76 euros in accordance with Article L. 225-209 of the French Commercial Code, which represent 2.41% of the share capital.

12-2 SOCIÉTÉ BIC shares held in treasury stock and share repurchase program as of June 30, 2016

Purpose of the repurchase	Number of shares	Average acquisition price *(in euros)*	% of the share capital
Liquidity agreement [(a)]	4,323	124.23	0.01%
Free share grants [(a)]	1,149,091	92.65	2.40%
TOTAL	**1,153,414**	**92.76**	**2.41%**

(a) Article L. 225-209 of the French Commercial Code.

In accordance with the liquidity agreement with Natixis in respect of SOCIÉTÉ BIC shares, as of June 30, 2016, the liquidity account contained the following:

- 4,323 BIC shares;
- 3,132,408.16 euros.

SOCIÉTÉ BIC obtained authorization from the Annual Shareholders' Meeting on May 18, 2016, to renew its share repurchase program.

Number of shares purchased in 2016 [(b)]	
• Share repurchase program authorized by the Annual Shareholders' Meeting held on May 18, 2016	153,660
• Share repurchase program authorized by the Annual Shareholders' Meeting held on May 6, 2015	333,365
Average share repurchase price for the purchases during the first half of 2016 *(in euros)*	124.60

(b) Excluding shares repurchased under the liquidity contract.

During the first half 2016, SOCIÉTÉ BIC did not cancel any shares.

To the best of the Company's knowledge, as of June 30, 2016, 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 follows:

	At June 30, 2016	
	% of shares (approx.)	% of voting rights (approx.)
SOCIÉTÉ M.B.D.	26.46%	36.44%
Bich family	16.38%	22.42%

NOTE 13 BORROWINGS AND FINANCIAL LIABILITIES

(in thousand euros)	December 31, 2015	June 30, 2016
Bank overdrafts	4,544	16,335
Bank loans and non-current financial liabilities (see detail below)	1,984	133,193
Obligations under finance leases	3,702	3,289
BANK BORROWINGS AND OVERDRAFTS	**10,230**	**152,817**

Bank overdrafts are due within one year.

The long-term portion of obligations under finance leases is not significant.

Bank loans and financial liabilities have the following maturities:

(in thousand euros)	December 31, 2015	June 30, 2016
On demand or within one year	1,974	133,185
In the 2nd year	3	3
In the 3rd year	3	3
In the 4th year	3	1
TOTAL	**1,984**	**133,193**

Main bank loans/credit lines and financial liabilities are as follows:

Borrowing country	Currency	Euro equivalents	
(in thousand euros)		December 31, 2015	June 30, 2016
• France	EUR	-	130,000
• Malaysia	MYR	745	791
• Russia	RUB	-	701
• Turkey	TRY	-	460
• South Korea	KRW	1,171	1,176
• Other	Misc.	68	65
TOTAL		**1,984**	**133,193**

The borrowing in France for 130 million euros is a short-term financing to ensure the punctual liquidity needs of SOCIÉTÉ BIC.

Information on interest rates

As of June 30, 2016, outsanding loans and credit lines were contracted with floating rates ranging between 3.99% and 13.18%.

Relative exposure, deemed not significant, has not been hedged.

Information on covenants

None of the loans contain any covenants that could trigger early repayment of the debt.

NOTE 14 PROVISIONS

(in thousand euros)	Tax and social risks and litigation	Litigation	Product liability	Other risks and charges	Total
At January 1, 2016	**29,377**	**6,855**	**2,019**	**3,275**	**41,526**
Additional provisions	1,493	2,065	224	400	4,181
Reversals of provisions utilized	(1,310)	(950)	(204)	(766)	(3,230)
Reversals of provisions not utilized	(224)	(1 149)	(899)	(305)	(2,578)
Exchange differences	340	227	(48)	(13)	506
At June 30, 2016	**29,676**	**7,048**	**1,092**	**2,590**	**40,406**

As of June 30, 2016, it was not deemed necessary to book provisions for the risks described in the Part 1 "Half Year Management report - Description of the principal risks and uncertainties for the 2nd Half 2016" that could affect:

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

Tax and social risks and litigation

Provisions for tax and social risks and litigation relate mainly to:

- tax risks;
- U.S. workers' compensation.

Tax audits are carried out regularly by local tax authorities which may dispute positions taken by the individual local entities of the Group. In accordance with the Group's accounting policies, it may be decided to record provisions when tax-related risks are considered likely to generate a payment to local tax authorities.

The Group reviews the evaluation of all its tax positions on a regular basis, using external advisors and considers that its tax positions are adequately provided for. However, the Group cannot predict the final outcome of future audits.

Litigation

As of June 30, 2016, the litigation provision mainly represents distributor and commercial agent risks for 2.2 million euros (2.1 million euros at December 31, 2015).

Product liability

Product liability mainly relates to the U.S.

NOTE 15 OTHER CURRENT LIABILITIES

(in thousand euros)	December 31, 2015	June 30, 2016
Social liabilities	96,489	88,474
Other tax liabilities	11,585	20,163
Other current liabilities	120,332	138,875
OTHER CURRENT LIABILITIES	**228,406**	**247,512**

NOTE 16 DIVIDENDS

For the 2015 fiscal year, an ordinary dividend of 3.40 euros per share and a special dividend of 2.50 euros per share were distributed to Shareholders on June 1, 2016.

For the 2014 fiscal year, an ordinary dividend of 2.85 euros per share was distributed to Shareholders on May 21, 2015.

NOTE 17 SHARE-BASED PAYMENTS

As of June 30, 2016, the fair value of options and shares granted amounts to 7 million euros and is booked in staff costs.

The Board of Directors of May 18, 2016 decided to grant 159,680 free shares to 546 beneficiaries subject to performance conditions and 20,750 free shares to 258 beneficiaries without performance conditions.

NOTE 18 FINANCIAL INSTRUMENTS

18-1 Impact of hedging of interest rate and foreign exchange risks on the consolidated financial statements as of June 30, 2016

The following amounts have been booked as the fair value of derivatives at the end of June 30, 2016 (in thousand euros):

Derivative items and revaluation	Hedge income qualification/ hedged risk	Financial net Income/ (expense) before tax [(a)] - Note 6	Income from operations - Note 4	Other comprehensive income before tax [(a)]	Current assets [(b)]	Non-current assets	Current Liabilities	Non-current Liabilities
Hedging revaluation impact								
Commercial flows	Cash flow hedge/Foreign exchange risk	(1,353)	993	5,359	4,395	4,117	(1,446)	(1,789)
Dividends	Net investment/Foreign exchange risk			38	284			
Subtotal (1)		**(1,353)**	**993**	**5,397**	**4,679**	**4,117**	**(1,446)**	**(1,789)**
Revaluation of cross-currency swaps backed by cash positions in foreign currencies	At fair value through P&L/Foreign exchange risk							
Subtotal (2)		**630**	**-**	**-**	**112**	**-**	**-**	**-**
TOTAL 1+2		**(723)**	**993**	**5,397**	**4,791**	**4,117**	**(1,446)**	**(1,789)**

(a) This corresponds to mark-to-market of hedging instruments in the portfolio at June 30, 2016, restated for the reversal of the mark-to-market of the portfolio of hedging instruments as of December 31, 2015.

(b) Including options not yet exercised by SOCIÉTÉ BIC representing current assets of 1,153 thousand euros.

18-2 Impact of hedging of interest rate and foreign exchange risks on the consolidated financial statements as of December 31, 2015

The following amounts have been booked as the fair value of derivatives at the end of December 2015 (in thousand euros):

Derivative items and revaluation	Hedge income qualification/ hedged risk	Financial net Income/ (expense) before tax (a) – Note 6	Income from operations – Note 4	Other comprehensive income before tax (a)	Current assets (b)	Non-current assets	Current Liabilities	Non-current Liabilities
Hedging revaluation impact								
Commercial flows	Cash flow hedge/Foreign exchange risk	(674)	(785)	4,491	3,050	549	(3,187)	(134)
Dividends	Net investment/Foreign exchange risk	-	-	239	246	-	-	-
Subtotal (1)		**(674)**	**(785)**	**4,731**	**3,296**	**549**	**(3,187)**	**(134)**
Revaluation of cross-currency swaps backed by cash positions in foreign currencies	At fair value through P&L/Foreign exchange risk							
Subtotal (2)		**(618)**	**-**	**-**	**-**	**-**	**(518)**	**-**
TOTAL 1+2		**(1,292)**	**(785)**	**4,731**	**3,296**	**549**	**(3,705)**	**(134)**

(a) This corresponds to mark-to-market of hedging instruments in the portfolio at December 31, 2015, restated for the reversal of the mark-to-market of the portfolio of hedging instruments as of December 31, 2014.

(b) Including options not yet exercised held by SOCIÉTÉ BIC representing current assets of 937 thousand euros.

NOTE 19 CONTINGENT LIABILITIES

As of June 30, 2016, neither SOCIÉTÉ BIC nor its subsidiaries has any 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 20 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Accounting categories and fair value of financial instruments

Balance sheet items		June 30, 2016		Breakdown by category of instruments					
(in thousand euros)	Note	Balance sheet value	Fair value	At fair value through the income statement	Hedging derivatives	Held-to-maturity investments	Loans and receivables (including cash)	Available for sale assets	Liabilities at amortized cost
Financial assets		**818,628**	**818,628**	**114,589**	**8,907**	**-**	**695,107**	**25**	**-**
Non current									
• Derivatives	18	4,116	4,116	-	4,116	-	-	-	-
• Other investments		25	25	-	-	-	-	25	-
Current									
• Trade and other receivables	11	558,730	558,730	-	-	-	558,730	-	-
• Derivatives	18	4,791	4,791	-	4,791	-	-	-	-
• Other current financial assets		29,050	29,050	29,050	-	-	-	-	-
• Cash and cash equivalent		221,916	221,916	85,539	-	-	136,377	-	-
Financial liabilities		**301,226**	**301,226**	**-**	**3,235**	**-**	**-**	**-**	**297,992**
Non current									
• Non current borrowings	13	2,279	2,279	-	-	-	-	-	2,279
• Derivatives	18	1,789	1,789	-	1,789	-	-	-	-
Current									
• Current borrowings	13	150,538	150,538	-	-	-	-	-	150,538
• Derivatives	18	1,446	1,446	-	1,446	-	-	-	-
• Trade and other payables	11	145,175	145,175	-	-	-	-	-	145,175

Balance sheet items		December 31, 2015		Breakdown by category of instruments					
(in thousand euros)	Note	Balance sheet value	Fair value	At fair value through the income statement	Hedging Derivatives	Held-to-maturity investments	Loans and receivables (including cash)	Available for sale assets	Liabilities at amortized cost
Financial assets		**902,070**	**902,027**	**280,676**	**3,845**	**4,251**	**613,256**	**42**	**-**
Non current									
• Derivatives	18	549	549	-	549	-	-	-	-
• Other investments		42	42	-	-	-	-	42	-
Current									
• Trade and other receivables	11	439,979	439,979	-	-	-	439,979	-	-
• Derivatives	18	3,296	3,296	-	3,296	-	-	-	-
• Other current financial assets		73,048	73,005	68,797	-	4,251	-	-	-
• Cash and cash equivalent		385,156	385,156	211,879	-	-	173,277	-	-
Financial liabilities		**138,937**	**138,937**	**-**	**3,839**	**-**	**-**	**-**	**135,097**
Non current									
• Non current borrowings	13	2,450	2,450	-	-	-	-	-	2,450
• Derivatives	18	134	134	-	134	-	-	-	-
Current									
• Current borrowings	13	7,780	7,780	-	-	-	-	-	7,780
•	18	3,705	3,705	-	3,705	-	-	-	-
• Trade and other payables	11	124,867	124,867	-	-	-	-	-	124,867

The valuation methods adopted for financial instruments are as follows:

- Financial instruments other than derivatives recorded in the balance sheet:

  The book values used are reasonable estimates of their market value except for marketable securities whose carrying values used are determined based on the last known net asset values as of June 30, 2016.

- Derivative financial instruments:

  Market values have been calculated internally on the basis of last known closing prices as of June 30, 2016. They are consistent with valuation reports provided by financial institutions.

Fair value valuation method

The tables below set out the fair value method for valuing financial instruments, using the following three levels:

- level 1 (quoted prices in active markets): money market UCITS and other current financial assets;
- level 2 (observable inputs): derivatives - hedging accounting;
- level 3 (non observable inputs): no such instruments are held as of June 30, 2016.

Category of instruments	June 30, 2016			
(in thousand euros)	Total	Level 1	Level 2	Level 3
At fair value through the income statement - Assets	114,589	114,589	-	-
Derivative hedges - Assets	8,907	-	8,907	-
Derivative hedges - Liabilities	3,235	-	3,235	-

AUDITORS' REPORT

For the period from January 1 to June 30, 2016

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2-III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of SOCIETE BIC, for the period from January 1 to June 30, 2016;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris and Neuilly-sur-Seine, August 4, 2016

The Statutory Auditors

French original signed by

Grant Thornton	Deloitte & Associés
French Member of Grant Thornton International	François BUZY
Vincent PAPAZIAN	

STATEMENT ON THE HALF-YEARLY REPORT 2016

NAME AND FUNCTION

Bruno Bich

Chairman

DECLARATION BY RESPONSIBLE PERSON OF THE 2016 HALF-YEAR FINANCIAL REPORT

“I hereby declare that, to the best of my knowledge, the condensed consolidated financial statements for the half-year ended June 30, 2016 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and the profit of the Company and the entities included in the scope of consolidation of the Group and that the First Half Management Report includes a faithful representation of the major events which occurred during the first six months of the financial year, their impact on the financial statements, of the main related-party transactions, as well as a description of the major risks and uncertainties for the remaining six months of the year.”

On August 3, 2016

Bruno Bich

Chairman

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