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Misprints and repetitions have been corrected.

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Operator: Ladies and gentlemen, welcome to the Third Quarter 2016 Results BIC Conference Call. I now hand over to Madame Sophie Palliez. Madame, please go ahead.

Sophie Palliez: Thank you. Good afternoon and welcome to the Third Quarter Nine Months Results Presentation. The call will be, as usual, hosted by Bruno Bich, Chairman and Chief Executive Officer; and Jim DiPetro, Chief Financial Officer. We will start by a short presentation and then go through the usual Q&A session. I will now leave the floor to Bruno.

Bruno Bich: Thank you, Sophie. So let me start with the first nine months figures. Sales reached €1.693 billion. 4.9% increase on a constant currency basis. Our consumer business grew 5%, with a good performance in Europe and developing market as you saw. So sales of BIC Graphic increased 4.1%. Our normalised IFO, which exclude non-recurring item, reached €313 million, down 8.8%, and the normalised IFO margin was 18.5% compared to 20.4% for the nine months of 2015.

As we had announced at the beginning of the year, we have decided to pay a special bonus as we have done in previous years when we gave special dividends, to all the employees that do – that have not been granted with performance share plan in 2015. So cost of this special bonus has been accounted during the first quarter and the amount was €11.4 million. If we exclude the special employee bonus, our nine months normalised IFO margin would have been 19.2%, down 120 basis points compared to the nine months of 2015 due to the increased investment in research and development and brand supports that we had announced.

Our earning per share was €4.55, down 15.1%. Our net cash position at the end of September was €208.1 million.

Jim will now take you through the operational performance by category and consolidated results.

Jim DiPietro: Thank you, Bruno.

As you can see on slide 5, our consumer business increased 5% on a constant currency basis. Sales were up 7.7% in Europe, showing solid growth in all categories. North America increased 1.8%, while developing markets net sales grew 7%. Latin America performance was very good with a high single-digit growth. And Middle East and Africa grew at double-digit rates.

Stationery net sales grew by 4.6% on a constant currency basis during the first nine months of 2016. In Europe, the year-to-date increase in net sales was high single digits. The back-to-school sell-out was good, especially in France and the UK.

In North America, we delivered low single-digit growth in year-to-date 2016, slightly better than the market growth during back-to-school, thanks notably to the performance of our champion brands, Cristal, Atlantis, Gelocity and Xtra Fun graphite pencils.

In Latin America, nine months – nine months net sales registered low single-digit growth while having a strong third quarter. In Brazil, we continued to gain market share in all segments thanks to higher investments in brand support and improved store – in-store visibility. In Mexico, a strong third quarter reflected both the timing of the back-to-school sell-in as shipments were moved and switched from the second quarter to the third quarter, as well as good back-to-school sell-out.

BIC's market share increased at the end of August, driven by coloring and correction segments. In Middle East and Africa, we delivered strong growth, along with continued market share gains. In a competitive environment, nine months 2016 domestic sales for sell-out were stable, as we continue to rationalise our product portfolio and focus on more value-added items.

The nine-month 2016 normalised IFO margin for stationery was 10.3%, compared to 14% in nine months of 2015. Excluding the impact of the special employee bonus, normalised IFO margin for stationery would have been 10.8%.

In the third quarter, normalised IFO margin was 3.9% compared to 10.4% in third quarter of 2015. Year-on-year and third-quarter margin reduction were both attributable to the impact of continued investments and brand support in Europe, North America and increased operational expenses.

Nine-month 2016 net sales for lighters grew 5.7% on a constant currency basis. Europe delivered growth of nearly 10%, with good performance in both Western Europe and Eastern European countries. North America had low single-digit growth in the first nine months of this year, while continuing to build on the success of our added-value sleeved lighters.

In Latin America, growth was in a high single-digit range driven by distribution gains in Mexico. In Middle East and Africa, we experienced double-digit growth in our nine-month results.

The nine-month normalised IFO margin for lighter was 40.1% compared to 39.7% in 2015. Excluding the impact of the special employee bonus, normalised IFO margin for lighters would have been 40.6% thanks notably to a higher gross margin.

In the third quarter, normalised IFO margin was 41.7% compared to 39.8% in the third quarter of 2015, benefiting from favourable absorption and lower expenses.

In shavers, the market declined in Western Europe 1% for total wet shave at the end of 2016, and 3.3% for disposable shavers. In the US, total wet shave market was down 4.6% at the end of September 2016. The one-piece segment declined 5.8% in value, due to less promotional activity and good performance by private labels.

The refillable segment was down 3.7% excluding the online sales performance.

In the first nine months of 2016, our net sales increased 7.1% on a constant currency basis. In Europe, net sales growth was in the high single digits, driven by good performance in Eastern Europe.

In North America, net sales were stable during the first nine months. Within this disruptive environment, BIC continued to outperform the category, and grew market share by 1.9 points to 28.6% in value. This was supported by new product launches and our strong high quality, high performance at a great value position.

In developing markets, we registered double-digit sales growth. In Latin America, we delivered double-digit growth due to the contribution of all countries and all product ranges.

The nine-month normalised IFO margin for shaver was 14.7%, compared to 19.1% last year. Excluding the impact of the special employee bonus, normalised IFO margin for shavers would have been 15.4%. As planned, this year-on-year decrease was due to the increased investments in research and development and in brand support.

The third-quarter 2016 normalised IFO margin was 19.8% compared to 17% last year, due to a positive FX impact and gross margin, partially offset by the continued investment in R&D and brand support.

Nine-month BIC Graphic net sales increased 4.1% on a constant currency basis. While sales of writing instruments and hard goods continue to benefit by our Good Value line and new products, the third quarter net sales were helped by a favourable timing impact in the calendar segment as we benefitted from early shipments compared to last year.

Nine-month normalised IFO margin for BIC Graphic was a negative 0.2 point – negative 0.2 percentage points compared to a negative 0.9 percentage points in 2015. Excluding the impact of the special employee bonus, the normalised IFO margin would have been a positive 1.2 points, thanks to lower operating expenses versus a year ago.

The third quarter normalised IFO margin for BIC Graphic was 8.2% compared to 5.6% in third quarter 2015, benefitting from lower cost of production, operating expenses, as well as the calendar timing.

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

Focusing on the key elements of the summarised P&L on slide 13, we can see net sales grew 4.9% on a constant currency basis. When we look at normalised IFO, again, it's important to highlight the impact of the special premium, which was booked in the first quarter. Excluding this impact, normalised IFO would have decreased 5.5%. The €5.4 million difference in the first nine months of this year between normalised IFO and IFO is comprised of restructuring cost, mainly related to the distribution reorganisation in Middle East and Africa.

Now, I'll review the change of normalised IFO margin for the third quarter of 2016 compared to 2015 third quarter. We can see a favourable variance of 1.9 points in cost of production as planned total brand support, which includes consumer and business development support, accounted for above net sales. Advertising, consumer and trade support increased 1.4 points. OPEX and other expenses grew 0.7 points, which includes the planned increase in R&D.

In summary, normalised IFO margin shows a 0.2 point decrease versus a year ago, as a result of our planned investments in brand support, R&D, and operating structures to support these planned investments.

Now, reviewing the normalised IFO margin for the nine months of 2016 compared to last year, we can see a margin improvement of 0.5 points related to cost of production. Again, as planned, the total brand support, which includes consumer and business development support, increased 1 point. OpEx and other operating expenses grew 0.7 points, which again includes the planned increase in research and development.

Without the impact of the special bonus, normalised IFO margin shows a 1.2 decrease versus last year. Most of this decrease is related to the higher planned investments, again, brand support, R&D, and the operating structure to support some of these planned investments.

On slide 16, we can see net finance revenue decreased negative €2.2 million compared to a positive €17.9 million last year. This is due to unfavourable nine-month 2016 fair-value adjustments to the US dollar-denominated financial assets. Nine months this year, the effective tax rate was 30%, consistent with last year's level. Finally, EPS group share for nine months was €4.55 compared to €5.36 in the nine months of 2015.

On slide 17, we review the key components of working capital. On a year-to-year basis, September 2016 versus September 2015, working capital increased to €672 million, impacted mainly by the increase in inventories.

On slide 18, we summarise the evolution of our net cash position between December 2015 and September 2016.

Net cash from operating activities was €218.3 million with €297.4 million in operating cash flow. Compared to December 2015, the negative €79.1 million comes from a change in working capital.

We invested almost €121 million in CapEx for nine months of this year, as a result of increased investments in development CapEx. For 2016, CapEx is still estimated to be €180 million. Pending on the finalisation of some land purchase projects, that number could be a bit higher.

The dividend payment, including the special dividend, was €277 million. The share buyback net of exercise of stock options and a liquidity contract was almost €61 million.

This ends the review of our nine-month 2016 consolidated results and I'll give the floor back to Bruno.

Bruno Bich: Thank you, Jim.

Our full-year outlook remains the same, and we are confident to achieve all these targets. The mid-single-digit net sales on a comparative basis as we will continue to increase market share gains in most of the geographies, to a 100 and basis – to a 150 basis decline of our normalised IFO margin excluding the special employee bonus due to the increased R&D and brand support investment which I explained earlier. And we expect to maintain a strong cash flow from operation.

Thank you and we are now ready for questions.

Operator: Ladies and gentlemen, if you wish to ask a question, please press 01 on your telephone keypad.

We have a question from Nicolas Langlet from UBS. Sir, please go ahead.

Nicolas Langlet: Hi. Good afternoon, everyone. I've got three questions, please. The first one is on the change in cost of production benefits in Q3 2016. I mean, the 1.9% improvement. Can you give us a bit more details on the different component included here?

Second question, on the higher E&P spending, are you able today to measure what was the impact on your sales growth and are you happy with the sales response? And also, if we look at 2017, do you think you invested enough in 2016 or actually you could spend a bit more as percentage of sales next year as well?

And the last question is on shavers in the US. If my calculations are right, the sales like-for-like was down high to double-digit in Q3 2016. Can you confirm that and maybe explain why we had such a decline, and what's your outlook for the rest of the year? Thank you.

Jim DiPietro: Okay. Nicolas, this is Jim. Let me start with the cost of production question and then I'm just going to ask you quickly to briefly go back towards the other questions. It was difficult to hear the beginning of it, but let me start cost of production first.

The third quarter, the 1.9 point benefit of margin is really coming from three big, I would say, sections within cost of production. First, FX, and that's coming from shaver. Remember, a year ago, we had some – a year ago, third quarter was the beginning of the weakness in the Latin American currencies and that's where we had seen – again, impacting shaver mostly – a big impact of negative FX, so the year-to-year comparison turns out to be a bit more favourable this year in the third quarter. So the first component is FX.

Second is absorption, which, again, continues from some of the benefits we've talked about during this year. Also, raw materials, again, a continued theme of favourability versus a year ago, the full year as well as third quarter. So again, most of that 1.9, there are some other items in there that are less significant, but FX, absorption and raw materials are the big three, I would say, components of cost of production in third quarter that leads to that 1.9 benefit.

Nicolas Langlet: Okay. And on that FX positive impact, is it something we will have again in the coming quarters or actually it was only a one-off in Q3 and then we should have normalisation in the coming quarters?

Jim DiPietro: Yeah. The biggest impact in the last year was in the third quarter. We could still maybe anticipate a bit in the fourth, but remembering the weakness, especially in Brazil, was in the third quarter a year ago.

Nicolas Langlet: Okay. And at this stage, is it reasonable to keep 1.9% for Q4, for the cost of production?

Jim DiPietro: No. I think if you go back to the full-year basis – I mean, it's probably closer to that – I think the third quarter was again heavily influenced by the FX impact year-to-year.

Nicolas Langlet: Okay. So something like 0.5 in Q4 is more reasonable?

Jim DiPietro: I think we would trend closer to the nine-month number than to the third-quarter number.

Nicolas Langlet: Okay. Okay, great. Do you want me to repeat the second question?

Jim DiPietro: Please. Please. If you could, that would be helpful.

Nicolas Langlet: Okay. It's on the brand support spending, and I'm just wondering if you're able to measure the impact of the higher spending on your top line, and are you satisfied with the sales response to the increase in brand support? And also, if we look at 2017, do you think you will have to invest more again in 2017 or the increase in 2016 will be sufficient?

Bruno Bich: When you increase your support, you know, and increase your investment in brand support and particularly into advertising, you are building for the long term. What I can tell you is that the substantial increase that we have made in Eastern Europe at the time when some other competitors are retrenching a little bit has been quite successful. That's showing in the numbers.

Our increase in advertising in Western Europe, particularly in UK, as the back-to-school has shown some good improvement in our sales growth in the UK. We don't have all the numbers for back-to-school yet in the UK.

In France, we had another increase in market share. So that has really paid off.

In Europe – in North America, it was more in the – let's say, the 360-degree marketing that was in advertising. And that, as a result – the result has been good in the market share gain at back-to-school as we indicated.

In Latin America, we are also making progress, both from the investment in brand support and to the point-of-sale presentation and distribution.

For next year, I would say that right now, we are putting our business plans together. We are going through the continent and we'll start to consolidate in a couple of weeks. So frankly, it's a bit too early to comment on that subject.

Nicolas Langlet: Okay. Okay. That's clear. And the third question was on shavers in the US, in North America. Based on my calculation, the like-for-like for shavers North America was down around 10% in Q3 2016. So can you first confirm that calculation? And secondly, can you comment a bit on the trend on that segment in the US and what's your outlook for the rest of the year?

Jim DiPietro: Yeah. I think your first calculation is reasonably accurate on the change like-for-like. I think what we see in shaver, and we talked a bit during the presentation on it, is some of the market dynamics in the US that impacted us, I guess, especially in the third quarter. From a market standpoint, we're seeing less promotional activity, higher in disposable. Private label was gaining a bit of traction as well as price becomes a bit more of a focus from the consumers. But with that, again, we gained market share.

And again, what the consumer is looking for is fitting our position where we have the high-quality, high-performance value positioning. So again, it seems while the price is becoming more of a dynamic within the category, our positioning seems to be well-placed for what the consumer is looking for.

Difficult to forecast exact numbers for the fourth quarter, and we're probably not going to do that. But as we look into 2017, again, we'll have the continued launches of products, to make sure we're focused on what the category and what the consumer is looking for.

Nicolas Langlet: Okay. And you expect to launch on the men disposable segments on next year?

Jim DiPietro: We will.

Bruno Bich: Yes. Yes. What we will introduce to the market is, you know, we have what we call a hybrid product. And we have started to present to – some key accounts, a five-blade hybrid product which is an improvement in shaving versus our four-blade hybrid, and is being well-received. And I think it's really, answering the question of the consumer in the US.

Nicolas Langlet: Okay. Okay. If I can just add a very quick one on your full-year like-for-like guidance. So you expect mid single-digit which is, globally, the level we had for the first nine months. So it implies around 5% like-for-like in Q4. Compared to the Q3, for which division do you expect acceleration?

Jim DiPietro: From – at the end, I think, what we can see is probably consistent growth from the categories. We know in the back-to-school and some of the Latin American countries, we'll see a little bit in – let's just say more South Africa or Australia, we'll see a little bit of back-to-school. Brazil, we'll see back-to-school balance for the year. So we'll see a bit of stationery in the fourth quarter. I think, again, we'll see continued growth in – consistent growth, I should say, in lighter. And then again, shavers should be consistent to what we're seeing in the full year, or nine months, I should say.

Nicolas Langlet: Okay, shavers in line with nine months. Okay. That's all for me. Thank you very much.

Operator: We have another question from Hermine de Bentzmann from Raymond James. Madame, please go ahead.

Hermine de Bentzmann: Good afternoon. I have also a few questions, please. Just on the last question of Nicolas, you said at the beginning of the year that you were targeting a mid- to high single-digit growth in stationery in full-year. I was wondering if you think you can reach such target in full-year. You just said that stationery should improve in Q4. Except from the back-to-school in LatAm, what other drivers may help you to improve in Q4 in stationery if you still target to be at mid- to high single-digit in full-year?

My second question is on the shaving market. How do you explain the slowdown in the disposable shaving market in the US and in Europe?

And lastly, can you give a bit more precision on the decline in the margin in stationery in Q3 and what we can expect in Q4? I was wondering if you have felt this quarter a stronger competition from Newell and what you – what is your plan for Q4 concerning investment in stationery? Thank you.

Jim DiPietro: In stationery, again, it's, you know, especially in the US, it's a competitive landscape. So the fourth quarter will be, again, a competitive landscape. Usually in the fourth quarter, in the US, North America, it's a little lower of, I would say, sales growth coming off of back-to-school. So we're not going to be looking at high growth in, I would say, North America in the fourth quarter. A lot of what we would anticipate is, again, coming in at Latin America and some of the other regions that are going through back-to-school for the balance of the year.

Hermine de Bentzmann: Okay. And the question on the – on shavers?

Bruno Bich: Shaver market in the US is more turbulent; we are seeing many a year. Very often, we said, it's a very competitive market, and the form of competition today, I believe, changing substantially. What is the single most important, I believe, is that consumers really want value into shavers. And they have said for years that some of our competitor gave a very good shave but at a very, very high price.

So basically, we should not look at the top quality of Gillette, but you take a high end of system, we are approximately at $4 a blade, at the retail price. So growth of the Dollar Shave Club and Harry's has been based on giving a good shave at $2. What I think has happened in part is the people who were not willing to pay more the high price of Gillette started buying disposable over the last few years because the quality of disposable has vastly improved mainly due to our research and development.

But now, with the advent of the strong implementation of eCommerce to those two accounts, some people for, I guess, image reason, personal image reasons, said, 'Hey, you know, if I can buy a system for $2 versus $4 like I had before, and around $2 for a disposable,' then I think they have taken some market back with the disposable. But it's very hard to get all the documentation right now because there are so many things happening at the same time. So that, I think, is part of it.

The second part is that you have, as Jim said, the increase in the private label, and the activity of Walmart which has gone to EDLP, every day low price, and which, as you know, has switched from the Wilkinson brand to the private label, basically, Equate. And that also has – that has had an impact.

And then came the price decrease of our largest competitor in the spring of this year, which has resulted in lowering pricing into the shaver category. So you have those three things happening at the same time.

Hermine de Bentzmann: Okay. But you said that in Q3, you suffered from lower promotion. So do you expect to make more promotion in Q4 to improve your sales here?

Jim DiPietro: Yeah, the promotional comment is not just with us, but it's across the whole category. So it impacts us, but it's dynamic across the whole category with the promotional activities and opportunities were less this year than they were a year ago.

Hermine de Bentzmann: Okay. And my last question on the stationery margin?

Jim DiPietro: Yeah, can you repeat that, please?

Hermine de Bentzmann: Just to have a bit more colour and details about the strong decline you had in Q3 for stationery margin and what can we expect for Q4?

Jim DiPietro: Yeah. In the third quarter, stationery, we had, obviously, you know, a significant decline versus a year ago. Cost of production was favourable, but what we see here is, again, the investments – brand support investments primarily impacting us in the third quarter, which, again, makes sense because of the investments related to back-to-school in Europe and the US. And those investments would be the third quarter where some of the sales, again, remember, would be over the back-to-school period which crosses both the second and third quarter.

So again, in this third quarter, cost of production was favourable, but really being offset by the brand support investments that were planned coming into the year. But again, with the timing of back-to-school crossing over two quarters, second and third, it had a bigger margin impact, obviously, in the third quarter.

Hermine de Bentzmann: Okay. Thank you.

Jim DiPietro: You're welcome.

Operator: Yes, we have one question from Steve Levy from Natixis. Sir, please go ahead.

Steve Levy: Yes, good afternoon, everyone. I just wanted to come back on the stationery division. And if you can give us a bit more colour, but what country disappointed in this performance the most, be it Europe, we have seen a good back-to-school in France and the UK, high single-digit growth and so on and so. I just wanted to see whether – what country has disappointed compared to your own business plan?

In lighters, can you give us a bit – a split between the volume and price for the – and at least an indication for the third quarter?

And just a question on the number of treasury share in the third quarter, did you sell some stock during the third quarter or not? Thank you.

Jim DiPietro: Okay. The – just going back Steve, your question on stationery was related specific to the third quarter?

Steve Levy: Yes, yes. The third quarter in terms of topline growth, basically.

Jim DiPietro: Yeah. And again, in the third quarter for sales in stationery, I think, you know, North America was the one that was the lowest growth. And part of that, if you go back to the second quarter, where in the second quarter, stationery, North America had more single-digit growth. So some of that, again, is back-to-school.

The thing in the US is, again, the timing of the shipments was a little bit more second quarter than it was third. Over the entire back-to-school in North America, we, in essence, were a little bit better than the market. So again, it's difficult, with back-to-school crossing, again, over second and third quarter. But over the back-to-school period, the US business grew in line with the US stationery market, actually a little bit better, as I said. So again, it's just trying to marry up some of the shipments, and then ultimately, on the margin discussion we just had some of the investments of that happening a little bit later as well.

Steve Levy: Okay.

Jim DiPietro: Okay. On lighter, most of what we're seeing is really volume. There's probably maybe a mix impact there as value-added, especially in the US, so there's probably some mix benefit. But at the end, there's little pure price increase outside of maybe in Latin America, where we've had some inflationary price increases to offset some of the devaluation issues.

Steve Levy: Okay. And on the – on the treasury share?

Jim DiPietro: The what? We didn't sell any shares.

Steve Levy: Okay.

Jim DiPietro: Yeah.

Steve Levy: Thank you.

Jim DiPietro: Okay.

Operator: We have another question from Nicolas Langlet from UBS. Sir, please go ahead.

Nicolas Langlet: Yes, hello again. I've got a few additional questions. The first one on the finance revenues in Q3. Can you give us the impact of edging instrument and evaluation and net FX difference in Q3 2016? I think in H1 it was – the cumulated was €7 million. If you show a figure for Q3, it would be nice.

Second question, for BIC Graphic, are you able to quantify the impact of the early Canada shipment in Q3 2016 on sales?

And the third question is on shavers. So we talk a lot about all the online subscription model with DSC, Harry's, Gillette Shave Club, etc., and I think at the beginning of the year, we spoke about it during the full-year presentation, and you said that you were working on something. Is it still the case? And could you – are you looking to launch your own subscription platform growth or what? Thank you.

Jim DiPietro: So let me start on the finance revenue. In the third quarter, it was obviously less significant than it has been year-to-date. So when the finance – again, it's mostly the FX revaluation in the third quarter. But in the third quarter of this year, it was closer to neutral where, again, in 2015 it was favourable. Again, remembering the timing of some of the strength of the US dollar. So this year, more neutral, and it was more of a comparison versus 2015 in the third quarter where it's favourable.

Nicolas Langlet: Okay. So meaning that for H2, you don't expect a significant impact from those two lines?

Jim DiPietro: It is extremely difficult to try to forecast with the volatility of FX rates. So if you want to give me the FX rates, I'll do the calculation for you.

Nicolas Langlet: Okay.

Jim DiPietro: The next question, I think, was on calendar?

Nicolas Langlet: Yeah. Yeah.

Jim DiPietro: So if we look at Graphic in the third quarter, where we can see that the sales growth was 8.2%, we adjust for the calendar business, basically assume that what we have realised in the early shipments this year would have been in the fourth quarter. That 8.2% growth would have been closer to 6.3%.

Nicolas Langlet: Okay. For Q3?

Jim DiPietro: Q3.

Nicolas Langlet: Okay. Okay. And the last question on the shaver subscription platform?

Bruno Bich: I don't remember making a comment on that subject at the full-year review meeting.

Nicolas Langlet: Well, I don't have the transcript, but I think we had some comment about it, yes. Oh, I mean, the question would be, do you consider developing a model like DSC, Harry's or Gillette Shave Club?

Bruno Bich: We are fighting with people who are much bigger than we are and we have been successful by, I think, understanding the consumer very well and handling the distribution and the 360 marketing correctly. But, you know, there are things that we think about and that we work on, but frankly, based on the competitive market, we would not announce things in advance, you know, of things that are major to give them an edge as to what is our next plans.

Nicolas Langlet: Of course. Okay. Okay, thank you. Yeah. So I've got just one additional. On Eastern Europe – you talk more and more about Eastern Europe. Can you tell us what – as a percentage of sales – it represents on a full-year basis now?

Sophie Palliez: Yeah. So on a nine-month basis total net sales from Eastern Europe is less than 5%.

Jim DiPietro: Nicolas, I'm sorry. Let me just go back. Nicolas, on your Graphic calendar question, let me just go back to be clear. The percentage reference we gave you was on normalised IFO. So if we go back to sales, the sales growth if we adjust for the calendars would be flat. Normalised IFO would go from 8.2% to 6.3%.

Operator: We have another question from Marie-Line Fort from Societe Generale. Madame, please go ahead.

Marie-Line Fort: I have two questions. The first one is on Cello. Could you abate the last nine months figures for Cello? And also, the outlook of 2017?

And the second question is for lighters. You mentioned in the press release that you reported very good performance in Germany and Australia, which are not a new market for you. So what is behind this strong performance, and is it extrapolable over the next months?

Jim DiPietro: Cello – let me address the Cello question. For nine months, Cello domestic sales were up roughly 1 percentage point. What we had seen, while we started out the year pretty good, the third quarter was soft. Again, with some of the competitive nature of that market, especially in the pricing segment, impacted not only us but the category in the beginning of the third quarter in July and August, with a little bit of a bounce-back in September. So the third quarter was soft, bringing the full year – nine-month year-to-date number down to about 1% growth, while we started off the year a bit stronger than that. So again, we would hope to see a bit of a rebound from the third quarter as we move into the balance of this year.

Marie-Line Fort: Okay. Thank you.

Operator: We have another question from Hermine de Bentzmann from Raymond James. Madame, please go ahead.

Hermine de Bentzmann: Thank you for taking another question. It's a very quick one. As you mentioned in your press release, a quick comment on PolyFlame. I wanted to know if you expect any impact on the decision of the conversation concerning PolyFlame issue on your lighters business?

Bruno Bich: Well, I think it's a very interesting decision because we have been, for years and even decades, saying that Asian lighters don't meet international safety standards, having come into Europe. And they have been selling these products that don't meet the requirement, claiming that they do. So I think it's important.

So I think it will have a positive impact. It's one of those things that takes time to build on, so we're – back to the question of Germany and Austria, you saw our overall sales in Europe are very strong versus what's happening in FMCG. And I think it's because we are good and – in selling. We have increased brand support in Europe and some of the competitors are slowing down.

I also think that over time, people will realise that the quality of our shaver and the safety our shaver is such that it is the lowest cost per flame. And good local management.

Hermine de Bentzmann: Thank you.

Bruno Bich: Okay.

Operator: We have no other questions. Sir, back to you for the conclusion.

Sophie Palliez: Okay. Thank you.

So just a few words and a quick reminder. Full-year results will be released on 15th February, and we hope to welcome you in our head offices for the presentation of these results. In the meantime, as usual, we are at your disposal to answer any follow-up question. Thank you.

Bruno Bich: Thank you.

Jim DiPietro: Thank you.

Operator: Ladies and gentlemen, this concludes the conference call. Thank you all for your participation. You may now disconnect.