

BIC

Group

Annual Shareholders' Meeting

May 23, 2007



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2006

Highlights





Strong Operational Results and Solid Balance Sheet



- Net Sales growth¹: **+4.6% at €1,448m**
 - Stationery¹ **+2.6%**
 - Lighters² **+5.6%**
 - Shavers² **+6.2%**
- IFO margin at **17.5%**, exceeding 15% for the 13th consecutive year
- Record Net Income: **€170m**, up 9.3% on a comparative basis
- Strong Balance Sheet → net cash position: **€167m**

¹ On a comparative basis. Comparative basis means at constant currencies and at constant perimeter. For the 4th Quarter and the full year 2006, comparative basis excludes the additional sales of the recently acquired Pimaco Company (consolidated from October 1, 2006). There was no change in perimeter in the lighter and shaver categories. Constant currency figures are calculated by translating the current year figures at prior year monthly average exchange rates.

² At constant currencies

Unique Strengths



● International workforce



8,512 people worldwide

● BIC® brand



Well-known throughout the world for **quality and reliability** and affordable prices for consumers

● Innovation



22% of Net Sales achieved with new products, **2%** invested in R&D

● Distribution



Large presence in various channels

● Productivity



24 factories at the end of 2006, with efficient manufacturing organization

Consistency of Successful Strategy



- Support **core products**
- Meet the consumers' needs and desires through **innovative products**
- Improve our **quality** and manufacturing efficiency
- Leverage the  **brand**
- Expand our **geographic presence**
- Capitalize on **external opportunities** and alliances



➔ **Deliver profitable growth, faster than the market**

Consistency of Successful Strategy 2006 main initiatives



- Meet the consumers' needs and desires
- Capitalize on **external opportunities** and alliances



- Board of Directors activity in 2006
 - 5 meetings, an average attendance rate of 82% (92% considering the participation via phone)
- 2 Specialized Committees
 - Audit Committee
 - 2 meetings in 2006
 - Main Tasks: Law of Financial Security, internal control and other financial reporting matters
 - Compensation Committee
 - 3 meetings in 2006
 - Main Tasks: details and level of remuneration for Chairman, CEO and Managing Directors, remuneration of BIC management team and long-term remuneration policy of executives, stock-options, free share attribution

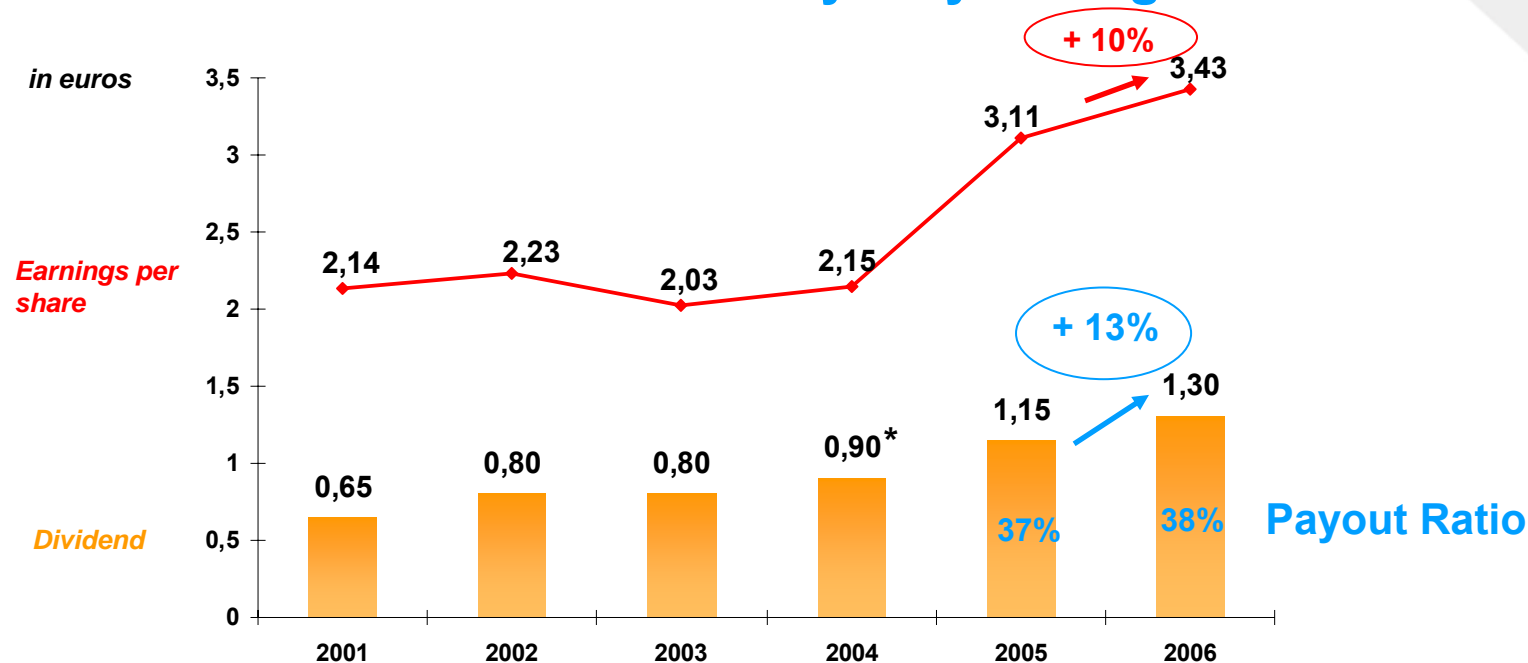
Sustainable Distribution Policy



- Dividend proposed at Annual Shareholders' Meeting:
€ 1.30 per share
- Payment as of June 1, 2007

Dividend payment

2001 – 2006: + 15% yearly average



* Excluding special dividend of 1.00 euro per share

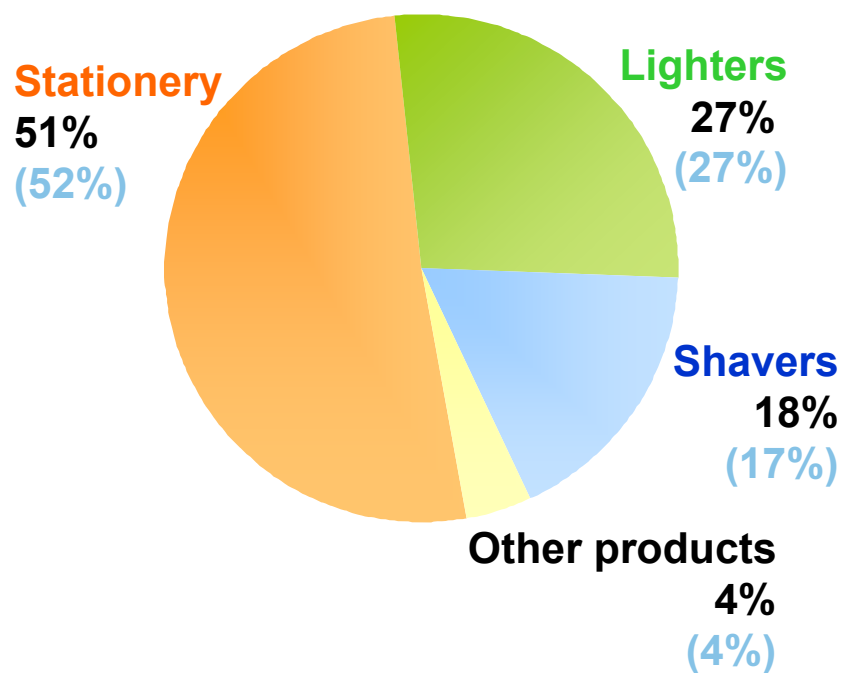
Presentation of Categories



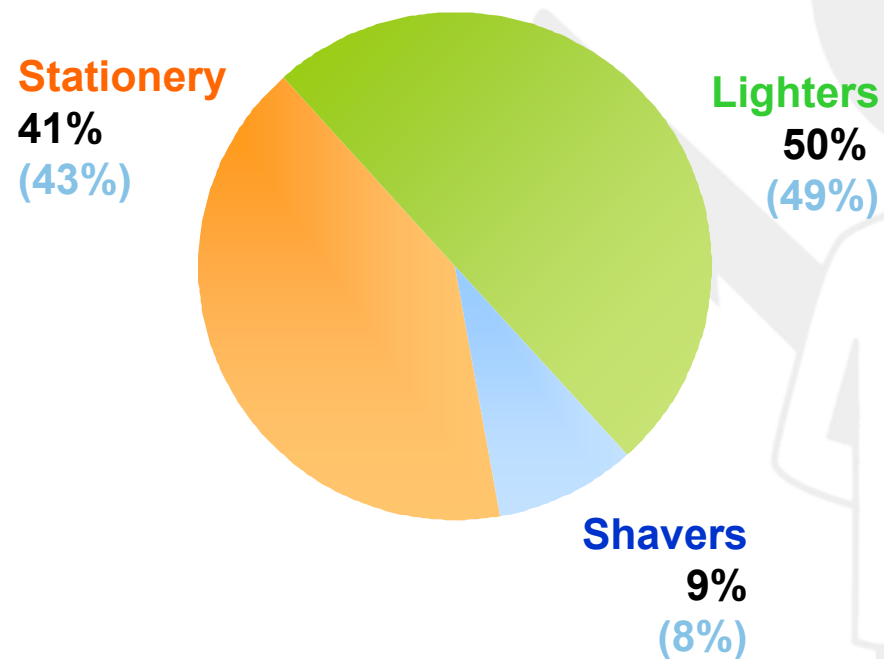
2006 Category Breakdown



Net Sales



IFO



(Full Year 2005 category breakdown)



Stationery



Stationery: Vision and Strategy



- **Our vision:** Keep best-in-class quality as a founding principle of our strategy. Continue to develop our leading position in value for money.

- **Our strategy:**

➤ **Strengthen our leadership in our historical segments**

➤ **Enter new market segments**

➤ **Improve our margins**

Innovate

Improve our existing products

Offer consumers products that meet their **needs** and their **desires**, leading to value-added products

Leverage our **brand name**

Develop the **research** for new technologies and new designs

Study acquisition opportunities to **expand** either our **portfolio** or our **geographic presence**

Control costs

Sell more **value-added products**

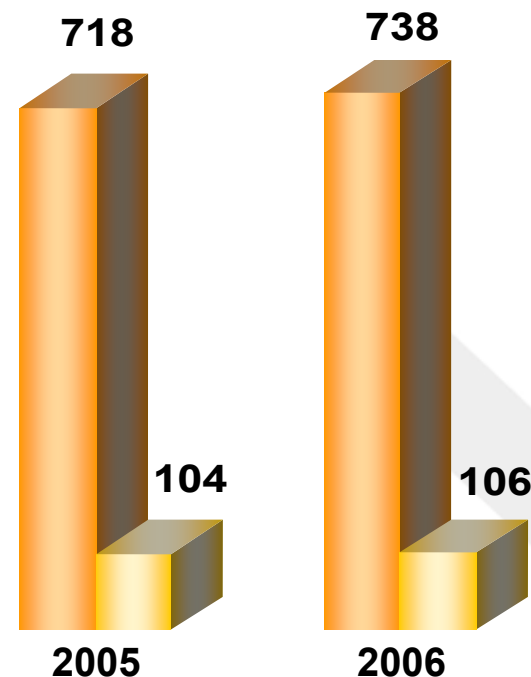
Key Figures



In million euros

Net Sales

IFO



Change in sales	+ 6.5%	+ 2.7%
Change on a comparative basis	+ 3.9%	+ 2.6%
IFO margin	14.4%	14.4%
Normalized IFO margin	14.8%	14.9%

Mid-term IFO margin target: 16-17 % (vs. 17-18% previously)

2006 Highlights

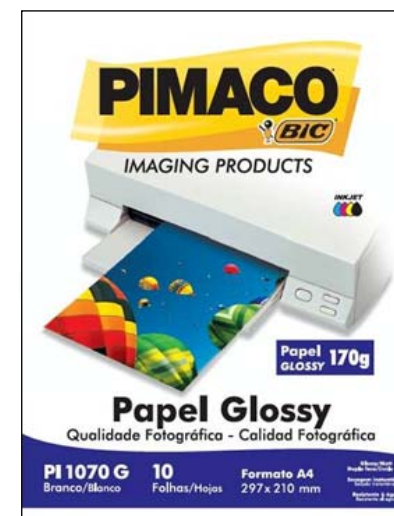


- Challenge of competitive category pressures combined with private label growth
- **BIC** answers:
 - Consistency of quality
 - The  brand
 - Innovation
 - Excellent customer service
- **BIC** continued to gain market share in a flat to slightly declining market

2006 Highlights



- Acquisition of **Pimaco Company**, Brazil's leading manufacturer and distributor of adhesive labels for office, school and home use
 - 3 divisions:
 - **Pimaco:**
Self adhesive labels and special digital photo papers
 - **Gumtac:**
Paper adhesive raw materials for industrial customers
 - **Rotus (now BIC Label Technologies):**
Adhesive labels for consumer products packaging
 - Sales of approximately 20 million euros with an IFO margin consistent with BIC's stationery margin
 - Synergies in terms of marketing and distribution
 - New branding strategy effective April 2007
 - Introduction of the Pimaco product line in most Latin America countries



Leverage our brand

Consumer support programs



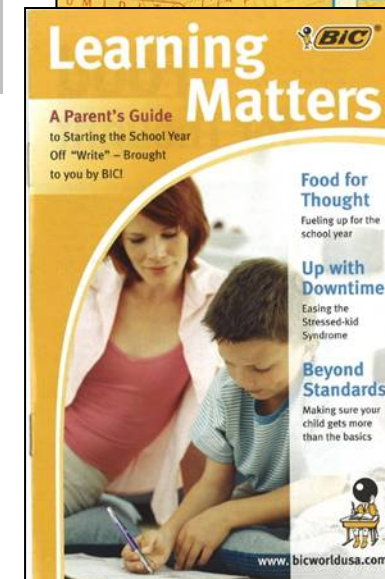
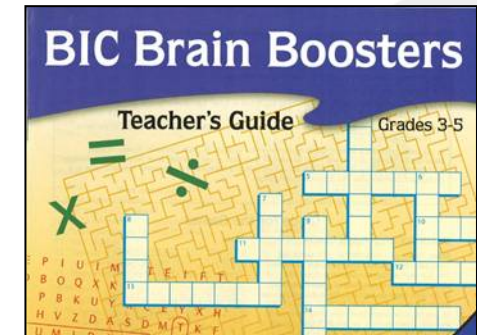
New merchandising organization Europe



France Elementary School Teacher program



Partnership with Nestlé during Brazil BTS



USA Student/Parent/Teacher program

Leverage our brand

Consumer support programs



Leverage our brand Advertising



“Les Perles du Bac” viral marketing campaign to the “Baccalauréat”: 4 awards won



Back-to-school advertising for Easy Clic™

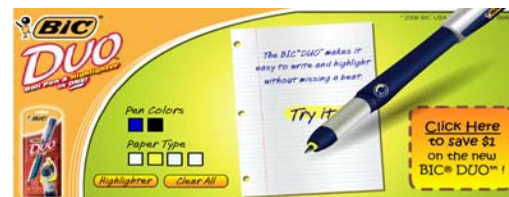
Europe



Print ad



Internet campaigns for the back-to-school



USA

TV ads in Mexico and Brazil



Latin America

New innovative value-added products



Spring system for comfortable writing

BIC Reaction™



Retractable version of the n°1 Ball pen in the World

Cristal® Clic



Mini BIC Matic



Clic Liner



Refillable



Briteliner Refresh

Modern design

New innovative value-added products



**BIC Mark•It®
Retractable**



36 colors !



**Mark•it®
Color Collection**



Lighters





Lighters: Vision and Strategy



- **Our vision:** strengthen our position as **the only branded lighter** with worldwide strengths
- **Our strategy:**

➤ **To be present everywhere**

Leverage **communications** on the product quality and reinforce the brand **visibility** (3-color logo on every lighter)

➤ **Accelerate development of value-added lighters**

Pocket lighters: rejuvenate colors, sleeve themes, and cases

Multipurpose lighters: strengthen our presence in the trade

➤ **Fight against the Asian imports**

Enhance communications about **quality** and **safety** of the **BIC®** lighter

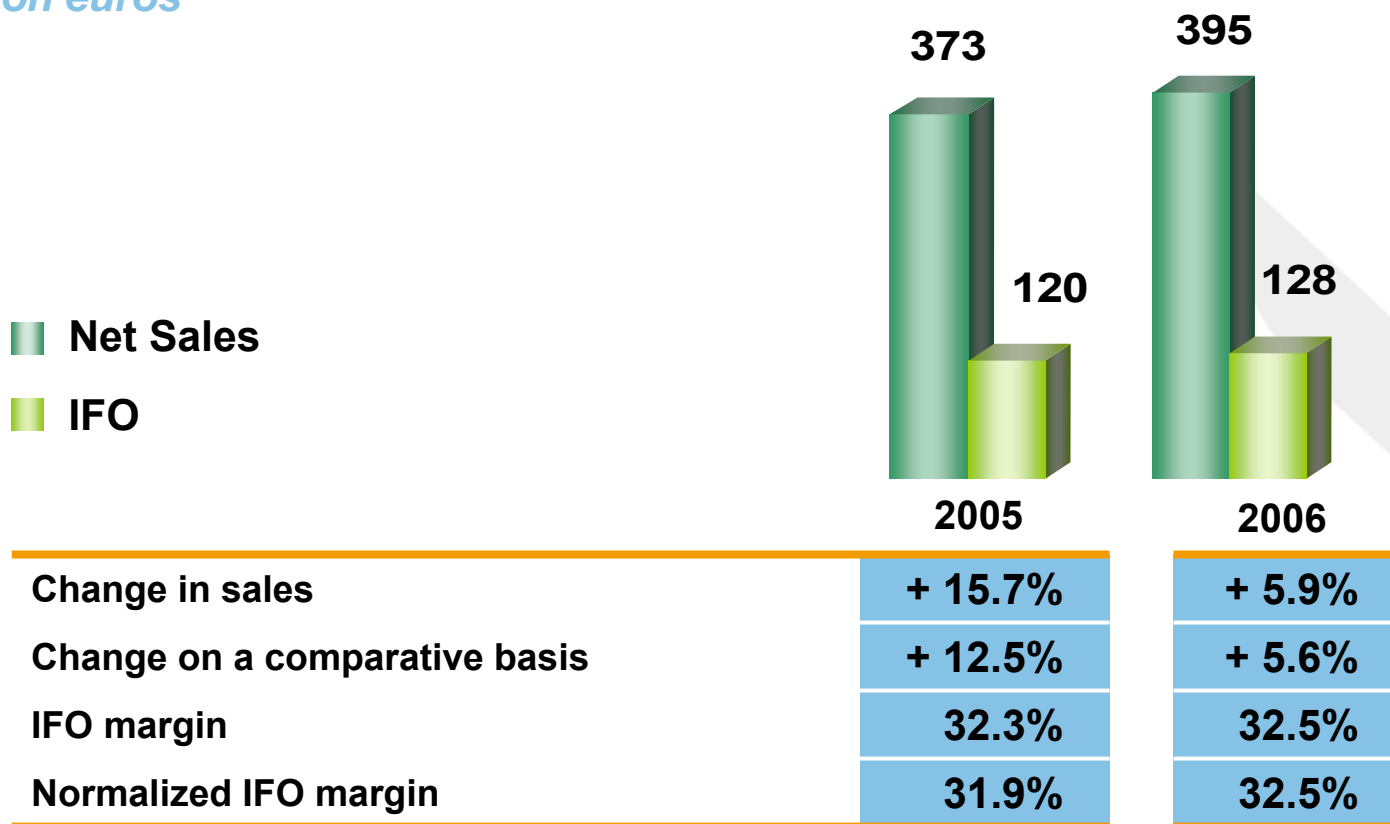
Reinforce **anti-counterfeiting actions**

Work with governments to make **safety rules enforced**

Key Figures



In million euros



Minimum mid-term IFO margin target: 26-27%



2006 Highlights



- Strong performance in North America and Latin America
- More than **1 billion** BIC® lighters sold in 2006
- Record IFO margin: **32.5%** of Net Sales

Lighter new legislation in Europe



Conform ISO 9994



- **ISO 9994 compliance now mandatory**

- ➔ All BIC® lighters meet or exceed ISO 9994 safety specifications

- **“Child-Resistant”**- It will be forbidden to import or produce non “Child-Resistant” lighters intended for sale as of March 11, 2007 and to sell non “Child-Resistant” lighters to consumers as of March 11, 2008

- ➔ BIC is prepared to place “Child-Resistant” lighters in the marketplace

- ➔ BIC reminds consumers that a “Child-Resistant” lighter is not a child-proof lighter as nothing can replace proper adult supervision

- **Ban of novelty lighters** - Within the same deadlines as “Child-Resistant” requirements

- ➔ BIC neither manufactures nor sells novelty lighters



BIC's communication on new legislation in Europe



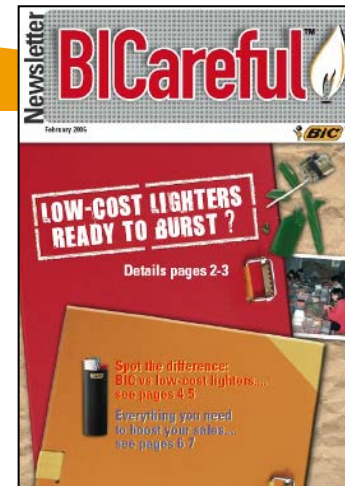
« BICareful » magazines

- February 2006: first newsletter on the quality and the safety of BIC® lighters sent to the Trade
- December 2006: second newsletter and press release on new legislation
- July 2007: third newsletter dedicated to "Child Resistant"

New Legislation leaflet

- 60,000 leaflets available for customers

N°1



N°2



New Products



Women's touch sleeves



Scottish sleeves



Sport sleeves



**Mini metal
series case**



**Metal Series
case**



BIC Gripper case



U 140 Utility lighter



Shavers





Shavers: Vision and Strategy



- **Our vision:** offer our consumers quality products at reasonable prices in all segments of the Shaver Category

“BIC® ... A quality shave at a reasonable price!”

- **Our strategy:**

- Position our products to offer a better value than the high-priced competitors
- Develop and invest in new products that meet consumers' rising expectations
- Focus on the growing triple-blade segment for both Women and Men
- **Gain market share in the large women's system segment**

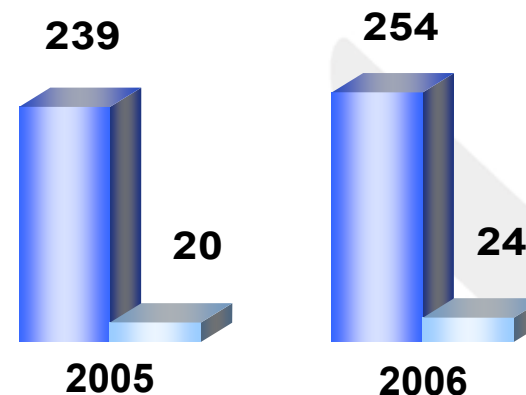
Key Figures



In million euros

■ Net Sales

■ IFO



Change in sales	+ 11.7%	+ 6.3%
Change on a comparative basis	+ 9.2%	+ 6.2%
IFO margin	8.5%	9.5%
Normalized IFO margin	9.2%	9.9%

Mid-term IFO margin target: 11-13%



2006 Highlights



- Sales growth still driven by North America
- Increasing success of our triple-blade one-piece shavers:
35% of the BIC category sales versus 28% in 2005
 - Now **#1** in volume both in the US and in Europe, ahead of Gillette
 - **#2 / #3** in value within close distance from our 2 main competitors

Comfort 3[®] Advance[™]



- Launch in Europe end 2006/beginning 2007



Soleil® one-piece range of products



2004

BIC®
Soleil™



2005

BIC®
Soleil™
Scent™ / Twilight™



2007 Launch

BIC®Soleil®
Citron®
with pivot head



Non-refillable

BIC's First Entry into System Shavers



- Launch in the US and in the UK in March 2007



Soleil® System



Soleil® Range of Products



2004

BIC®
Soleil™



2005

BIC®
Soleil™
Scent™ / Twilight™



2007 Launch

BIC®Soleil®
Citron®
with pivot head



BIC®Soleil®
with cartridge refills



Non-refillable

System

2006

Group Results



Key Figures



BIC Group
In million euros

	2005 ⁽¹⁾	2006	Change	Change on a comparative basis ⁽²⁾
Net Sales	1,380.8	1,448.1	+ 4.9%	+ 4.6%
Income from Operations	238.2	253.9	+ 6.6%	+ 6.8%
Normalized IFO ⁽³⁾	240.9	258.7	+ 7.4%	+ 7.6%
Group net income	156.4	170.2	+ 8.8%	+ 9.3%
EPS	3.11	3.43	+ 10.3%	+ 10.8%
Dividend	1.15	1.30	+ 13.0%	
Pay out ratio	37%	38%		
Number of shares ⁽⁴⁾	50,330,582	49,661,931		

⁽¹⁾ Restated of the impact of the retroactive application of SoRIE IAS 19 amendment. The cancellation of the amortization of actuarial gain/loss had a negative impact of 0.1 million euros on 2005 IFO.

⁽²⁾ Comparative basis means at constant currencies and at constant perimeter. For the 4th Quarter and the Full Year 2006, comparative basis excludes the additional sales of the recently acquired Pimaco Company (consolidated from October 1, 2006). There was no change in perimeter in the lighter and shaver categories. Constant currency figures are calculated by translating the current year figures at prior year monthly average exchange rates.

⁽³⁾ Normalized means excluding USA restructuring and real estate gains

⁽⁴⁾ Weighted average number of shares net of treasury shares

Condensed Balance Sheet



BIC Group
In million euros

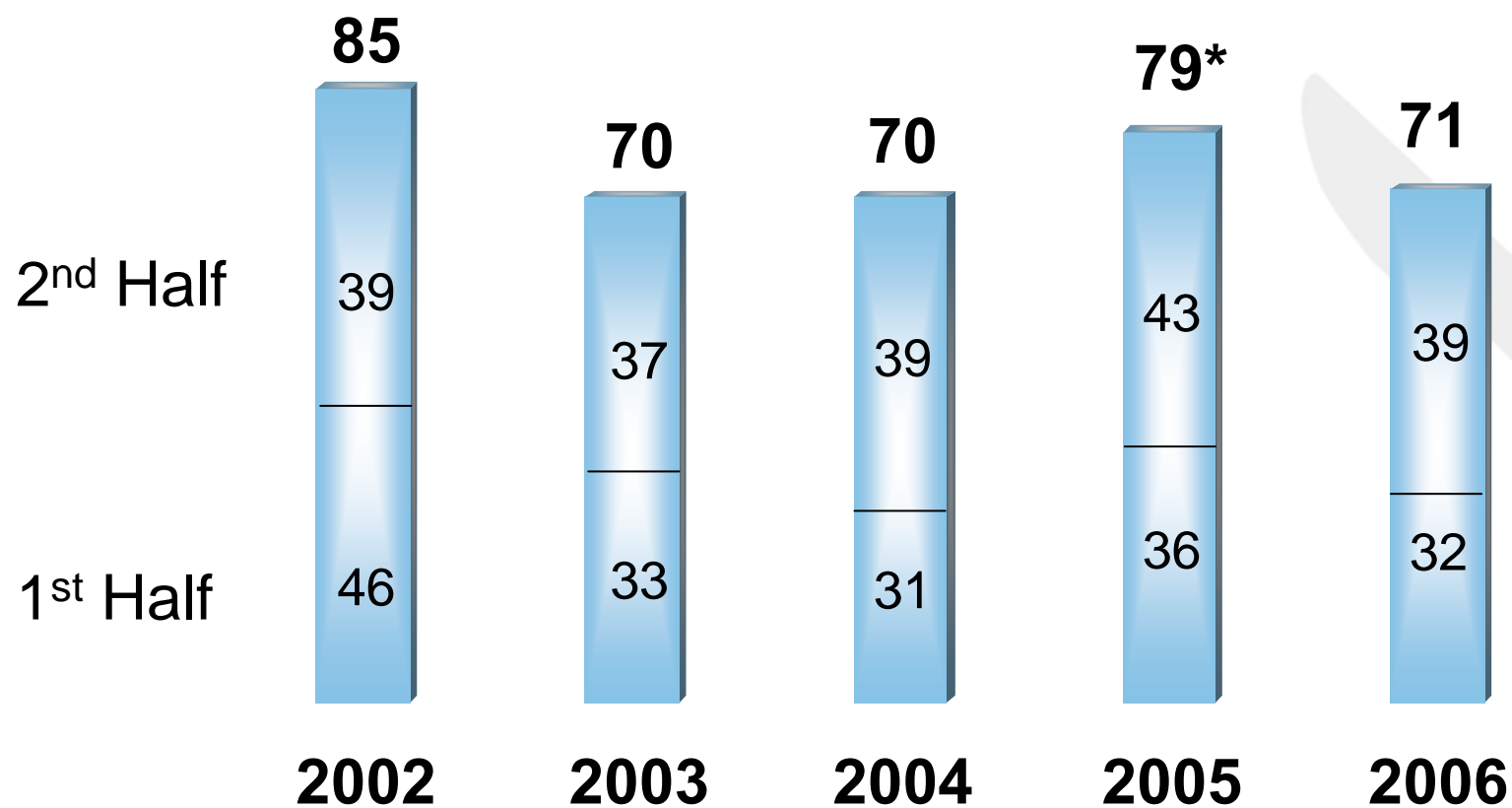
	2005 ⁽¹⁾	2006	Change
Non-current assets	746	731	(15)
Current assets	710	715	5
Cash & cash equivalents	112	177	65
Total Assets	1,568	1,623	55
Shareholder's equity	1,052	1,111	59
Minority interests	1	1	0
Non-current liabilities	199	219	20
Current liabilities	316	292	(24)
Total liabilities and shareholders' equity	1,568	1,623	55

⁽¹⁾ Restated of the impact of the retroactive application of SoRIE IAS 19 amendment.
The impact on December 31, 2005 Shareholders' equity was -14.9 million euros.

Capex



In million euros



* Excluding Shelton real estate acquisition (€ 11m)

Sustainable Development





BIC's Sustainable Development program



● Our 8 priorities:

1. Minimize **product impact** on the environment
2. Safe and clean **factories**
3. Respect of the **International Labor Organization (ILO)** standards
4. Light and practical **packaging**
5. Commitment to **ethics**, a day-to-day reality
6. Development and training of our **employees**
7. Our **spirit of solidarity**
8. Trust-based relationship with our **customers** and **consumers**

Our Achievements in 2007



- Our products, our main responsibility
 - Measurement of environmental performance of our main new products
 - Presentation of our program to our customers and industry organizations with a special brochure





Our Achievements in 2007



- Implementation of management systems in BIC's factories
- Measurement of greenhouse gas emissions, which are responsible for global warming
- Employee awareness and training on BIC's Sustainable Development program

The BIC South-Africa program to fight against HIV and AIDS



2007 Q1 Net sales



1st Quarter 2007



- 1st Quarter 2007 Net Sales: €330.4m
 - +1.4% on a comparative basis
 - +3.0% at constant currencies

Change in sales	As reported	At constant currencies	On a comparative basis
Stationery	- 8.3%	- 2.4%	- 4.6%
Lighters	- 6.4%	+ 0.4%	N/A
Shavers	+ 9.2%	+ 15.7%	N/A



1st Quarter 2007



- Soft performance in Stationery explained by timing effects
- Relative good performance in Europe in Lighters as we continue to monitor child-resistant regulation in Europe
- Success with the trade of our system shaver for women, BIC® Soleil® and good performance of our total wet shave business

**We are confident 2007 full year objectives
will be achieved**

2007 Outlook





2007 Outlook



- 2007: an important transition year that will strategically position the Group to achieve significant gains for the future
 - **FY07 sales:** focus on sales growth, expecting to deliver a total sales growth of **4 to 5%** on a comparative basis.
 - **FY07 normalized IFO:** growth at a slower rate than sales growth as a result of our investment in new products and increased brand building
- 2007 highlights by category
 - **Stationery:** continued competitive category pressure remains an issue
 - **Lighters:** transition to the “child-resistant” lighter in Europe
 - **Shavers:** launch of the Soleil® System shaver and continued good performance of our total wet shave business

Summary of Resolutions





Summary of Resolutions



- Approval of the renewal of an agreement involving directors of the Company authorized in 2006
- Reappointment as Directors of the Board for a 3 year term:
 - **Mr. Bruno BICH**
 - **Mr. Mario GUEVARA**
 - **Mr. Gilles PELISSON**
- Appointment of new auditors
 - **Grant Thornton** (statutory)
 - **Institut de Gestion et d'Expertise Comptable** (substitute)



Summary of Resolutions



- Authorization by May 19th, 2005 and May 24th, 2006 Shareholders' Meetings to operate on BIC shares in 2006 resulted in the following:
 - Number of shares bought back: 1,009,629
 - Number of shares cancelled: 1,009,629
- Renewal of authorization given to the Board of Directors to operate on BIC shares
 - Maximum amount of shares: 10% of authorized capital for a maximum amount of €370m
 - Maximum purchase price: €75 per share
 - Duration of authorization: 18 months



Summary of Resolutions



- Renewal of authorization given to the Board of Directors to reduce share capital by canceling shares
- Authorization given to the Board of Directors to proceed to the free allotment of shares
 - Maximum amount of shares: 2% of share capital
 - Minimal acquisition period: 2 years from the allotment of the shares
 - Minimal holding period: 2 years as from the definitive allotment of the shares
 - However, if the minimal acquisition period is 4 years, the minimal holding period can be less than 2 years.

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