



BIC Group

**Annual General
Shareholders meeting**

May 21, 2008





Agenda

Bruno Bich

Introduction

Jim DiPietro

Full year 2007 and 1st Quarter 2008 results

Mario Guevara

Strategy and business model

Bruno Bich

Conclusion



Introduction

2008: a transition year for the Group

**BIC: a sustainable business model benefiting from
strong worldwide positions**

**A clear use of cash policy, with increasing shareholder
remuneration**



Agenda

Bruno Bich

Introduction

Jim DiPietro

Full year 2007 and 1st Quarter 2008 results

Mario Guevara

Strategy and business model

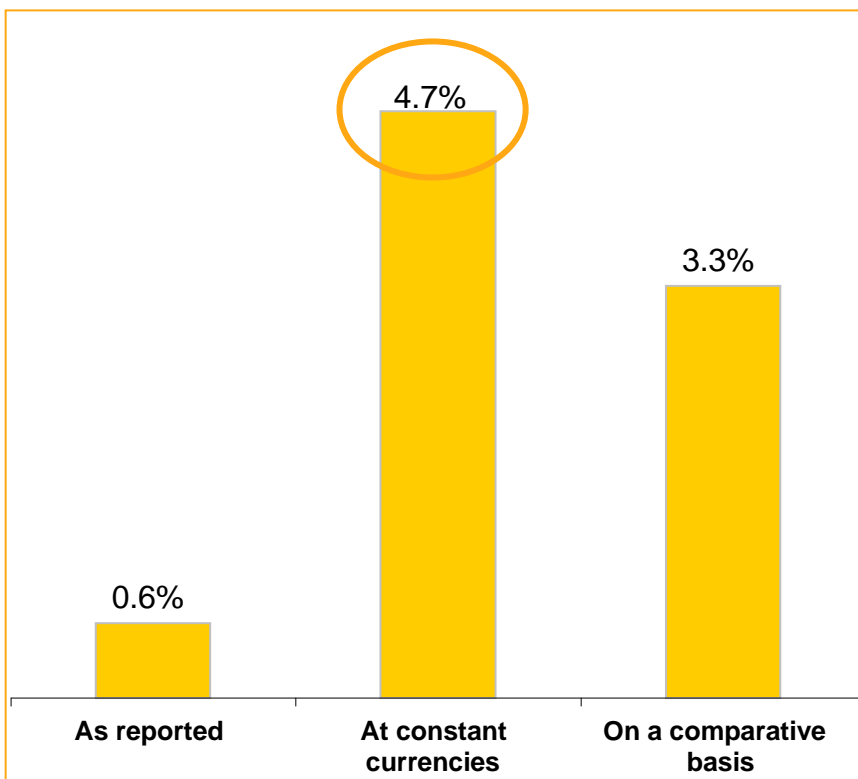
Bruno Bich

Conclusion



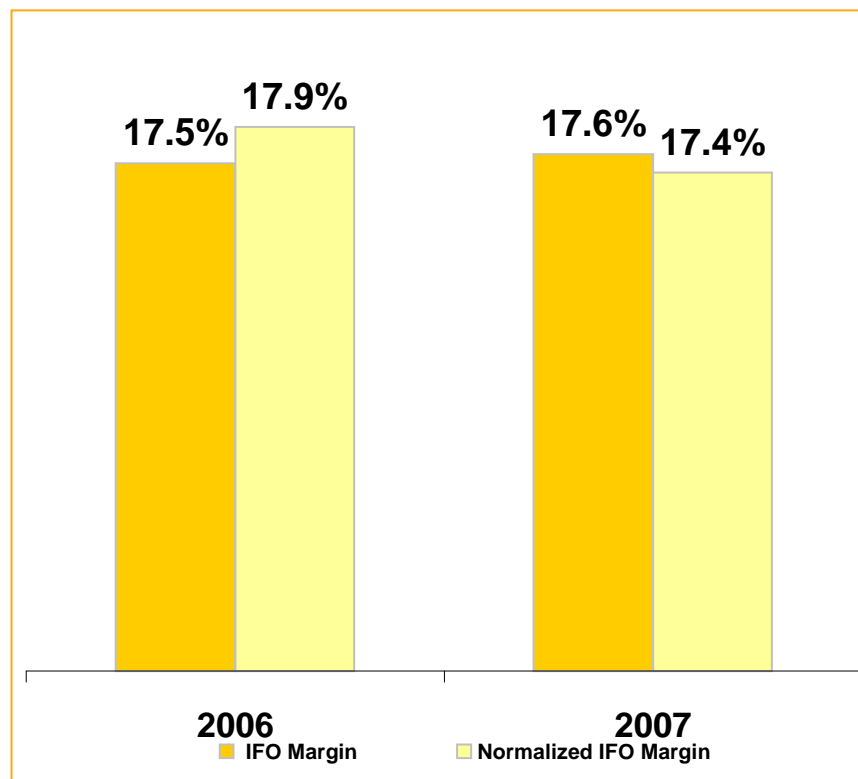
Full Year 2007 key figures

Net Sales: 1,456.1 million euros



Net Sales growth
on a comparative basis
below guidance

Income from Operations: 255.8 million euros



Slight decrease of IFO margin
as a result of increased brand
support, as announced in
March 2007



Full Year 2007 key figures by categories

	Net Sales growth ¹	Normalized IFO margin		
Stationery	- 0.6%	15.1%	<ul style="list-style-type: none">• Customer inventory reductions in North America• Market share gain in Europe• Continuous slowdown of writing instrument promotional activity in the USA (BIC Graphic)• IFO: USA restructuring, done according to the plan announced in 2004, more than offset other cost pressure	
Lighters	+ 3.7%	32.1%	<ul style="list-style-type: none">• Growth in Europe, North America, Latin America• 94% of BIC® lighters sold to the trade in Europe were child-resistant in December 2007• IFO margin decreased primarily driven by less favorable absorption	
Shavers	+ 9.2%	8.2%	<ul style="list-style-type: none">• Continued outstanding performance of our one-piece triple-blade portfolio with BIC® Soleil®• BIC® Soleil® System/ Clic contribution to the overall strong growth of the category• IFO impacted by the 15 million euro incremental advertising and marketing investment linked to the launch of BIC® Soleil® System	

1: on a comparative basis



From Net Sales to Normalized IFO

<i>BIC Group</i> In million euros	2006	2007	Change on a comparative basis	
Net Sales	1,448.1	1,456.1	+ 3.3%	<ul style="list-style-type: none">• Material Price increase offset by price increase, as in 2006• Favorable impact of the US restructuring plan
Gross Profit	709.6	715.0	+ 3.5%	
Income from Operations	253.9	255.8	+ 3.9%	<ul style="list-style-type: none">• Impact of marketing investment for the launch of the BIC® Soleil® System
Normalized IFO	258.7	253.5	+ 1.1%	



From IFO to Group Net Income

BIC Group
In million euros

	2006	2007	
IFO	253.9	255.8	Higher average cash investment position
<i>Interest income</i>	6.7	11.2	
<i>Finance costs</i>	-3.6	- 5.8	Higher interest expenses due to PIMACO acquisition partly offset by favorable impact of hedging portfolio revaluation
Income before Tax	257.0	261.2	
<i>Income tax</i>	- 86.4	- 87.7	
<i>Tax rate</i>	33.6%	33.6%	Consistent tax rate
Group Net Income	170.2	172.9	
<i>Net of shares outstanding net of treasury shares</i>	49,661,931	49,244,579	
EPS	3.43	3.51	Favorable impact of share buyback



Cash Flow

BIC Group
In million euros

	2006	2007	Change
Net Cash From Operating Activities	245	198	- 47
Net CAPEX	- 67	- 69	- 2
Free Cash Flow before acquisitions	178	129	- 49
Acquisitions	- 31	- 13	+ 18
Free Cash Flow after acquisitions	147	116	- 31

Increase of inventories

- Build-up of child-resistant lighter inventories
- Build-up BIC® Soleil® System inventories
- Impact of lower Q4 sales in Stationery in North America

2006: PIMACO
2007: Atchison Products



Q1 08 Highlights

**Net Sales
growth at
constant
currencies**

- 0.9%

Significant impact of US economy slowdown on consumer sales

Good performance in Europe and Latin America

Acceleration of BIC Graphic slowdown

IFO margin

12.4%

Decrease of Gross Profit

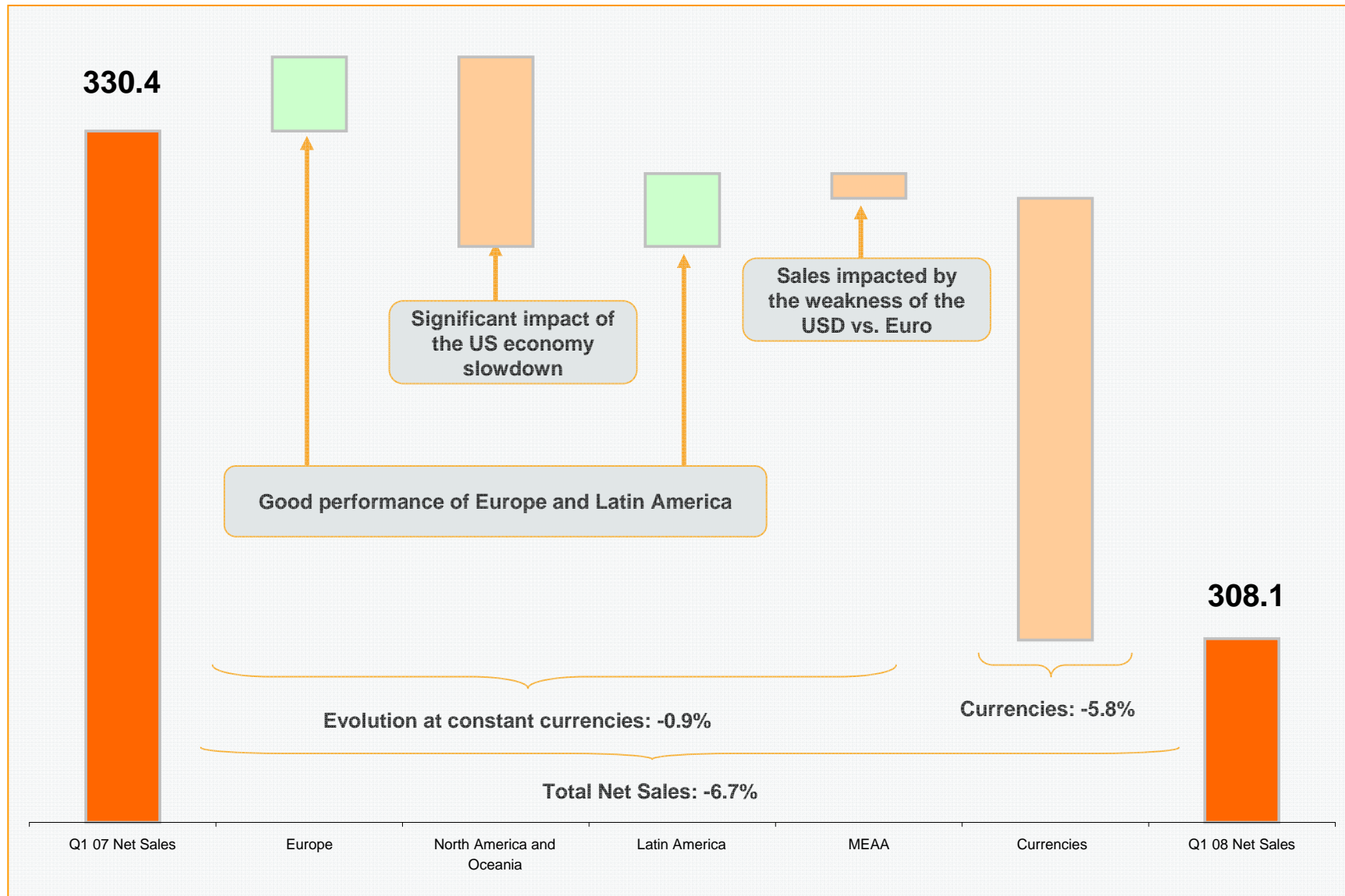
Increased brand support, notably in shavers

One-time impact of child-resistant lighter advertising campaign in Europe

BIC Graphic brand support heavily weighted in Q1 08

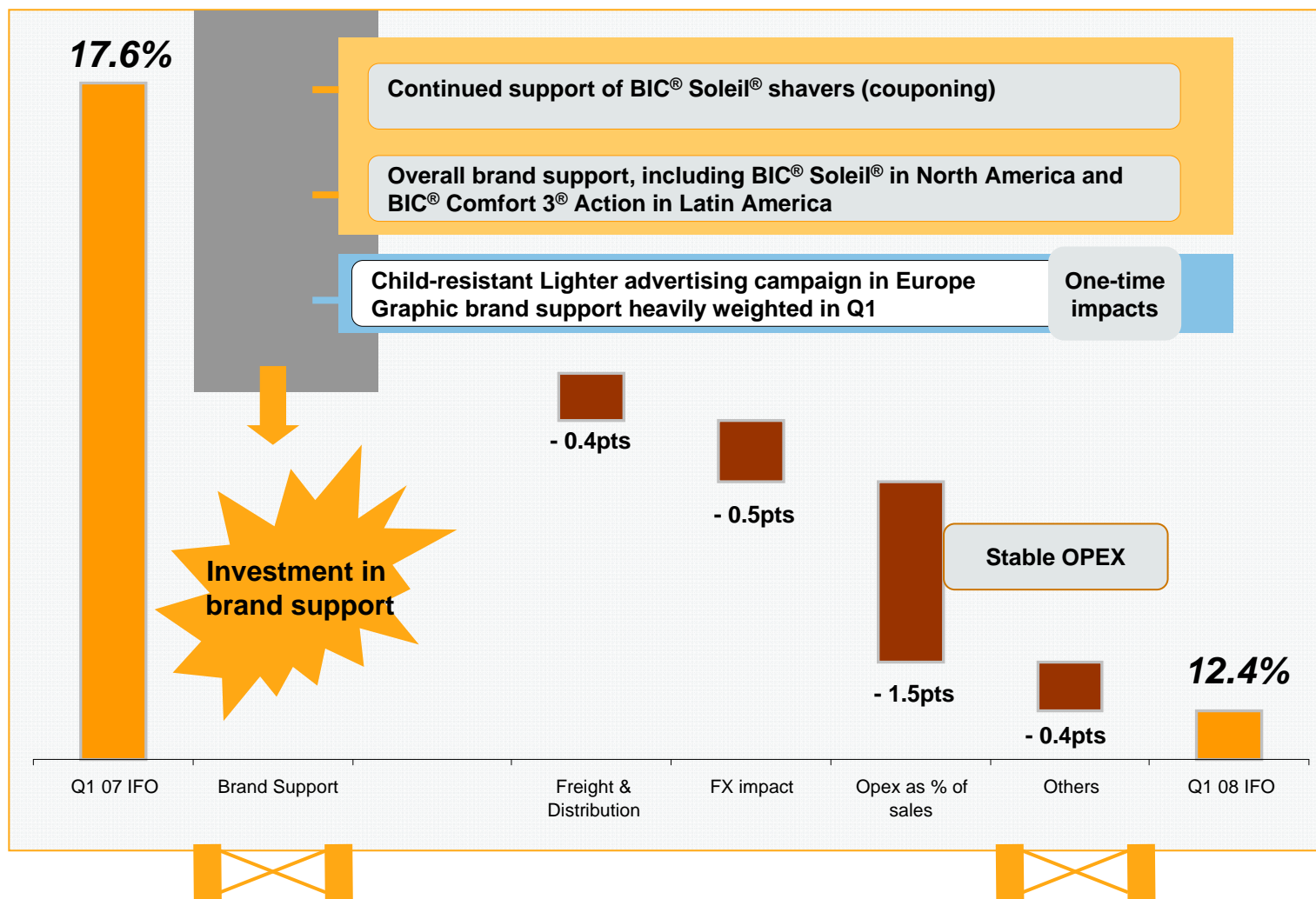


Net Sales evolution





Income From Operations





Q1 08 key figures by categories

	Net Sales growth ¹	IFO margin	
Stationery	- 2.3%	11.1%	Net Sales <ul style="list-style-type: none">• Slight increase of the consumer business• High single-digit decrease of the Graphic business IFO• Impact of Graphic decline (brand support investment heavily weighted in Q1)• Resilience of the Consumer business margin
Lighters	-4.8%	26.7%	Net Sales <ul style="list-style-type: none">• Stability In Europe and growth in Latin America• Decrease in North America IFO• One-time impact of child-resistant advertising campaign in Europe
Shavers	-0.4%	1.5%	Net Sales <ul style="list-style-type: none">• Less favorable “pipe-line” impact compared to Q1 2007• Continued success on one-piece triple-blade IFO• Increased support of the BIC® Soleil® Brand in North America and launch of the C3 Action in Latin America

1: at constant currencies



Agenda

Bruno Bich

Introduction

Jim DiPietro

Full year 2007 and 1st Quarter 2008
results

Mario Guevara

Strategy and business model

Bruno Bich

Conclusion



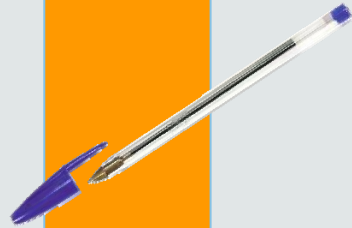
A clear and consistent strategy

- **Support core products**
- **Meet consumers' needs and desires through innovative products**
- **Improve our quality & manufacturing efficiency**
- **Leverage the  brand**
- **Expand our geographical presence**
- **Capitalize on external opportunities and alliances**
- **Integrate sustainable development as a key component**



Strong positions in our 3 core businesses

Stationery
10% market share*



N°2

Worldwide for consumer
stationery products

Lighters
35% market share*



N°1

Worldwide for branded
pocket lighters

Shavers
20% market share*
of one-piece
in USA and Europe



N°2

of one-piece shavers
in major markets
(US, Europe, Latin America)

*: all market shares are in value



A worldwide recognized brand to leverage - 1



A **brand** that simplifies people's lives

A well-known **brand** consumers feel close to

A **brand** that offers good value for money

A quality **brand**

"A brand
I grew with"



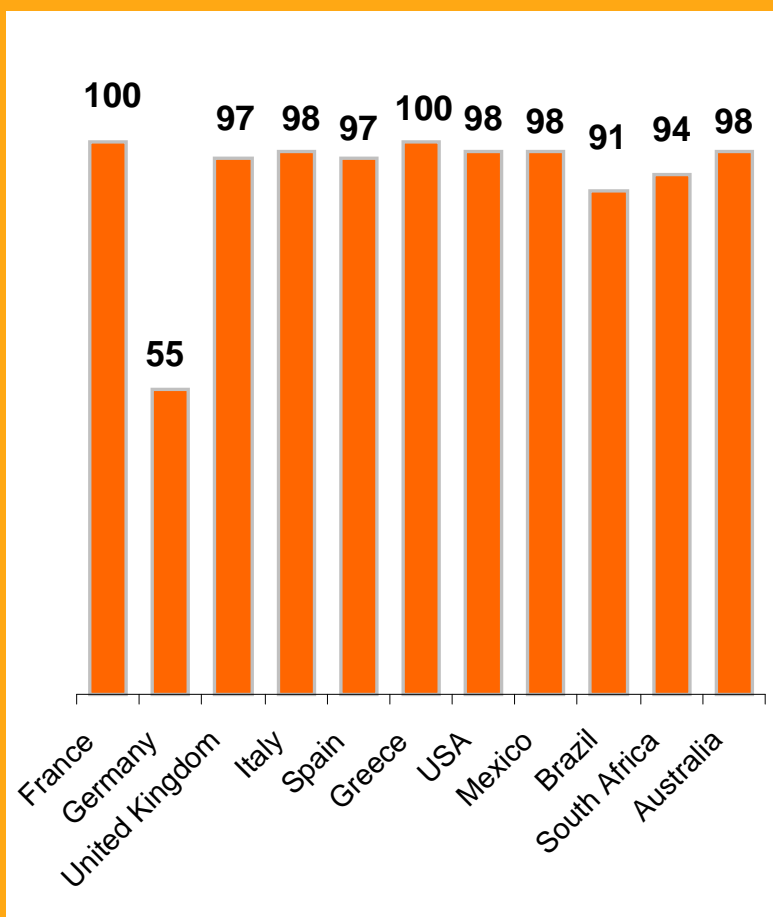
Ranked among the TOP 25 French brands*

*: Interbrand "Brand Valuation™" - 2007



A worldwide recognized brand to leverage - 2

A high level of awareness*



A brand people trust

TNS Megabrand 2005
Can you tell us the trust you have
in the following brands?

1	Michelin	75
1	Evian	75
3	FNAC	70
3	Peugeot	70
5	Decathlon	69
5	Danone	69
7	BIC	68



Stationery

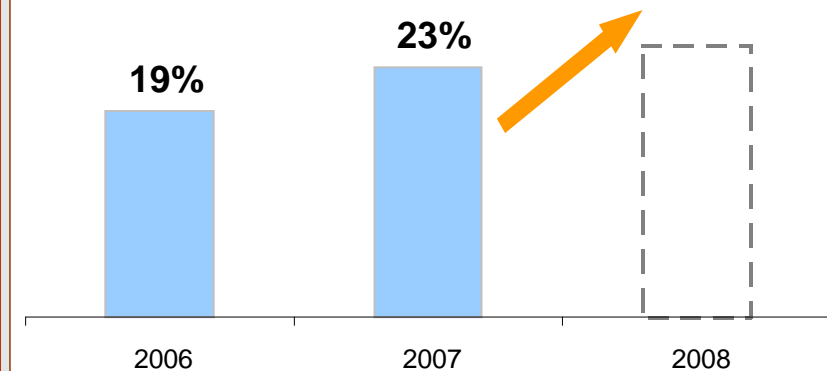
Leverage strength of BIC® brand to grow share in all segments to levels achieved in our Classic Ball Pen core segment



**Quality
Reliability
Innovation**



Increased contribution of new products
in total sales





Stationery – Key worldwide positions in major market segments



N°1 in Ball Pen Classic
(16% market share)



N° 2 in Ball Pen Value-added
(9% market share)



N°1 in Mechanical Pencils*
(13% market share)



N°2 in Markers
(7.0% market share)



N°1 in Correction
(16% market share)

**N° 2 worldwide
with 10% market share**

N°1 in Europe
(15% market share)



N°2 in North America
(13% market share)



N°1 in Latin America
(24% market share)





Stationery

Our challenges

1. **Grow in a market flat in mature countries**
2. **Answer to the increased competition from low-cost Asian manufacturers with inconsistent quality products**
3. **Build awareness of our innovations**
4. **Grow in value-added writing instruments**

Our strengths

1. **A brand that consumers trust**
2. **Clear positioning**
 - **Quality @ a BIC price**
 - **Great value for money**
3. **Strong positions in key segments**
4. **Superior technical know-how to drive quality control and innovation**



Stationery – BIC Graphic



Our challenges

1. Competition from non-branded, low-cost, low-quality writing instruments
2. Global economic slowdown resulting in a reduction of customer promotional marketing budgets

Our strengths

1. A leadership position in quality and safety
2. Established distributor partnership programs, backed by service excellence
3. BIC® brand to leverage in key segments: Sticky Notes®, Mouse Pads, Magnets, Drinkware
4. Diversification in other advertising support: Atchison Products (promotional bags)



Lighters

Strengthen our position as the only branded lighter with worldwide strengths

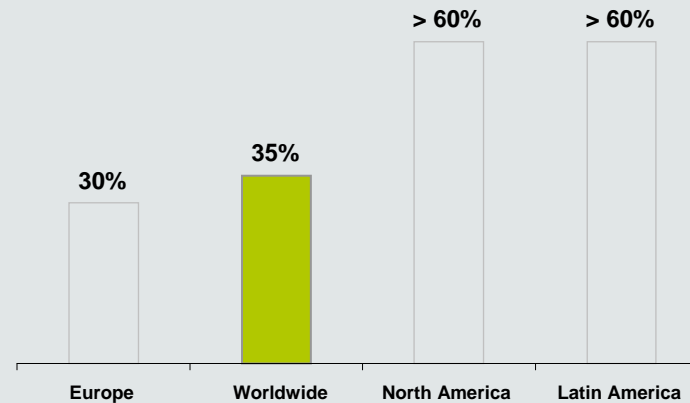
Accelerate development of value-added lighters



Safety
Quality
Reliability



Estimated market shares in pocket lighters
(in value)





Lighters: towards more value-added products



Sleeves



Cases



Megalighter™
New Generation

Utility lighters

- A fast growing market linked to leisure (candles, BBQ, ...)
- Almost 30% market share in the US
- Strong success in Europe



Lighters

Our challenges

- 1. Promote the extension and enforcement of mandatory ISO 9994 International safety standards**
- 2. Increase awareness of safety rules among distributors and consumers**

Our strengths

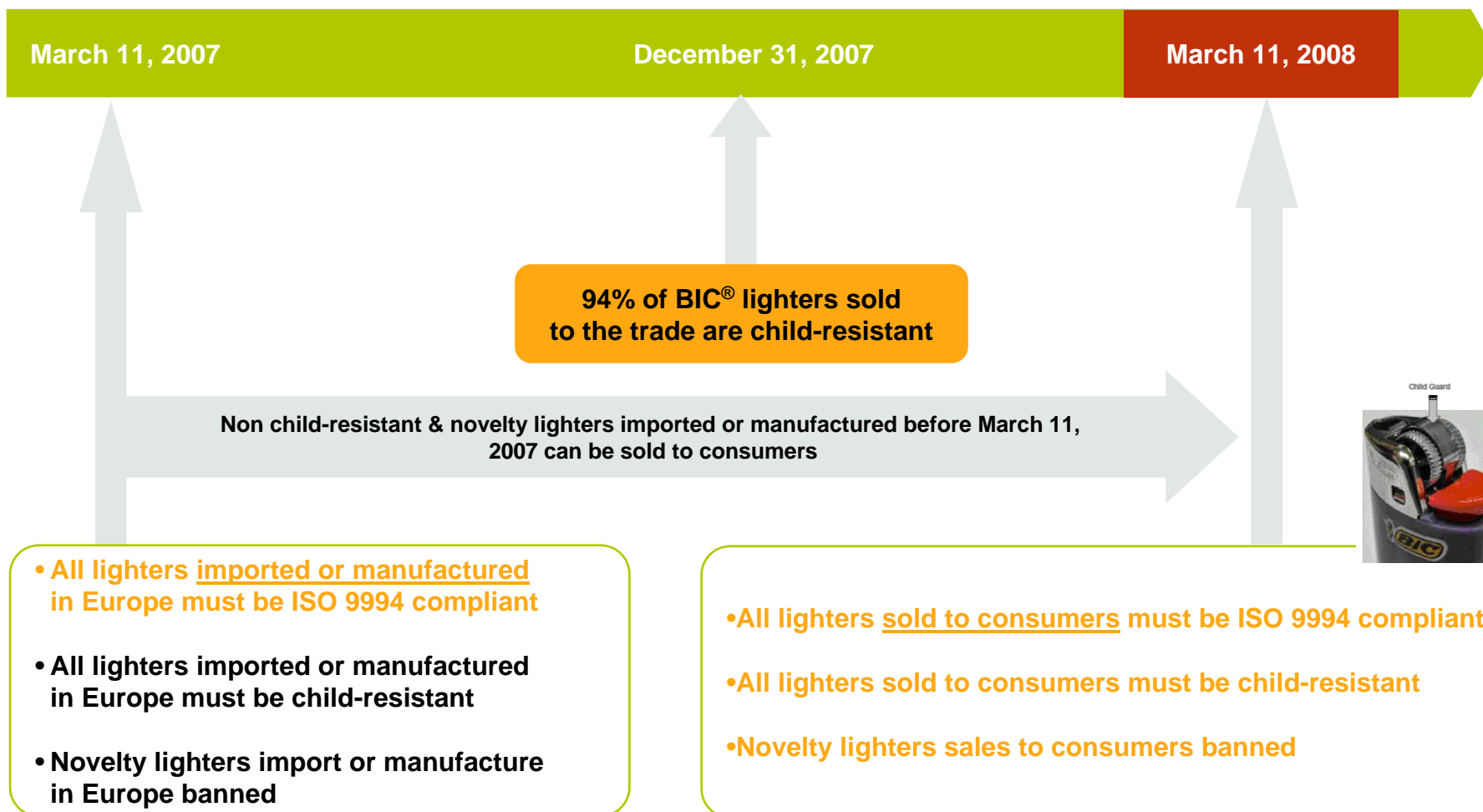
- 1. Our brand**
- 2. Quality**
- 3. Our safety programs**
- 4. Our distribution**
- 5. Our technical know-how**



Update on Child Resistant Regulation

May 11, 2006: European Decision (2006/502/EC)

April 12, 2007: European Decision (2007/231/EC)





Shavers

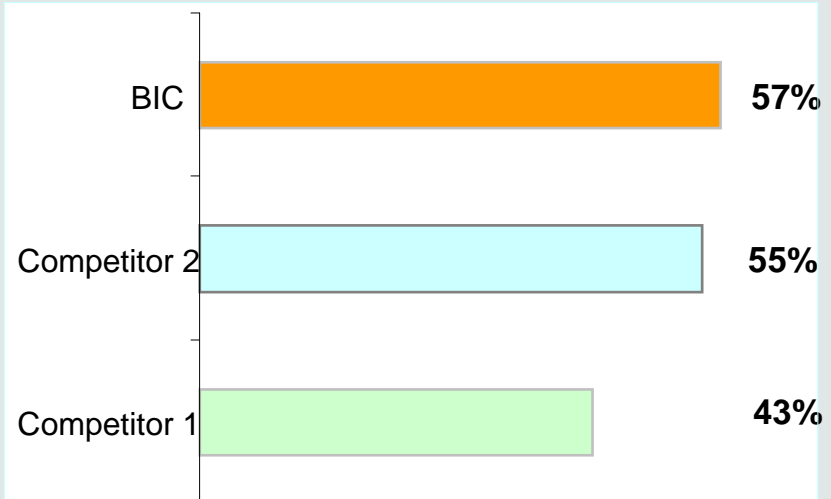
Strengthen our foundation in one-piece by leveraging the BIC® Soleil® brand

Gain a foothold and continue to build our position in the refillable market segment



**Close
Smooth
Comfortable**

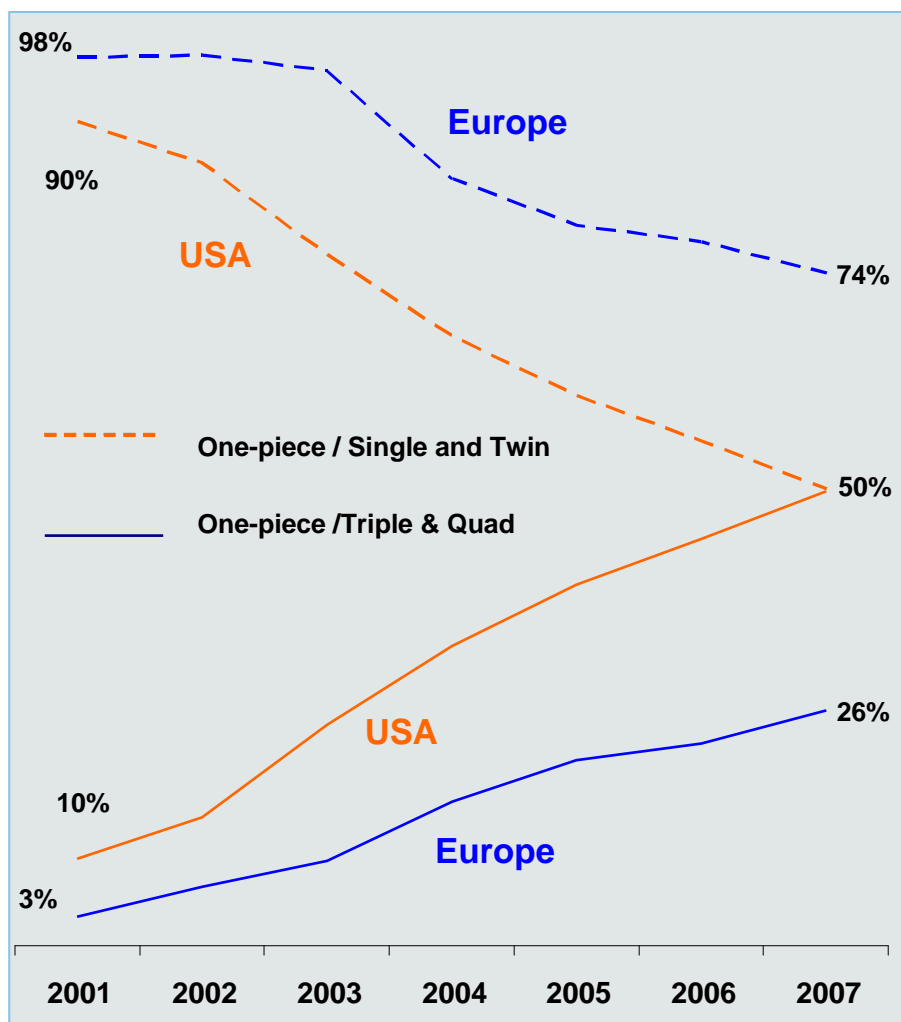
In the USA, 57% of sales are from products launched 3 years ago or less



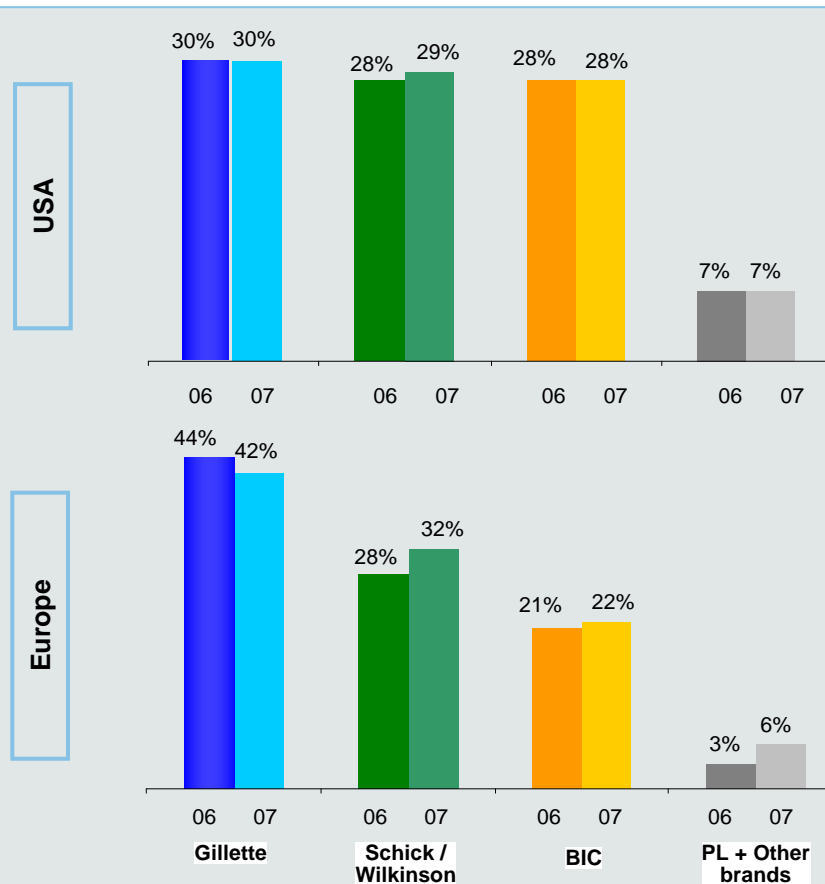
Source: IRI - total wet shave



Shavers - a market shifting towards 3-blades



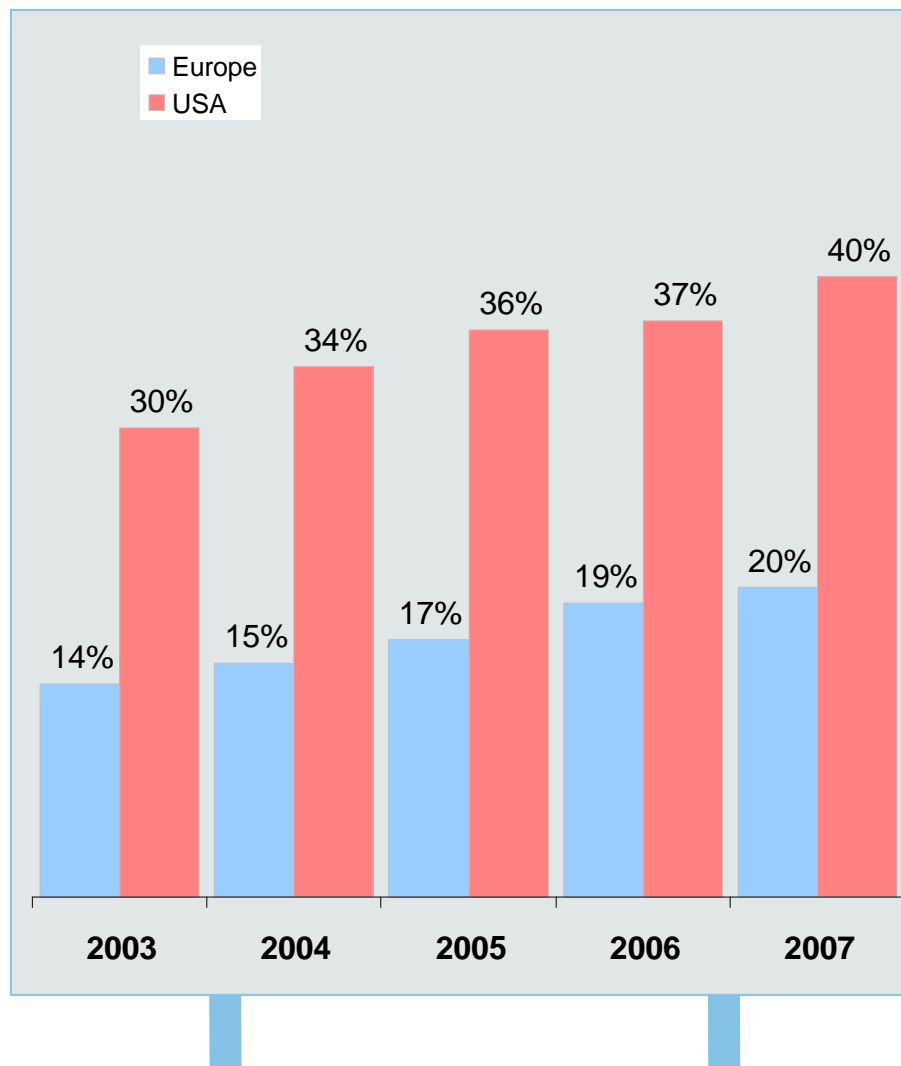
One-piece 3-blades
value market share (2006 – 2007)



43% of BIC one-piece
sales are 3-blades



Shavers - Strong potential for the women's segment





Shavers

Our challenges

1. A very competitive environment in both one-piece and refillable markets
2. More and more new product introductions in the market at accelerated pace with improved features & performance
3. Continue to balance top-line growth and profitability

Our strengths

1. A complete and successful range of one-piece triple-blade products for men (Comfort 3TM AdvanceTM, Comfort 3TM...)
2. A strong franchise in the women's segment with the BIC[®] Soleil[®] Brand
3. Products offering a better value



A worldwide presence since the beginning

50'

60'

70'

80'

90'

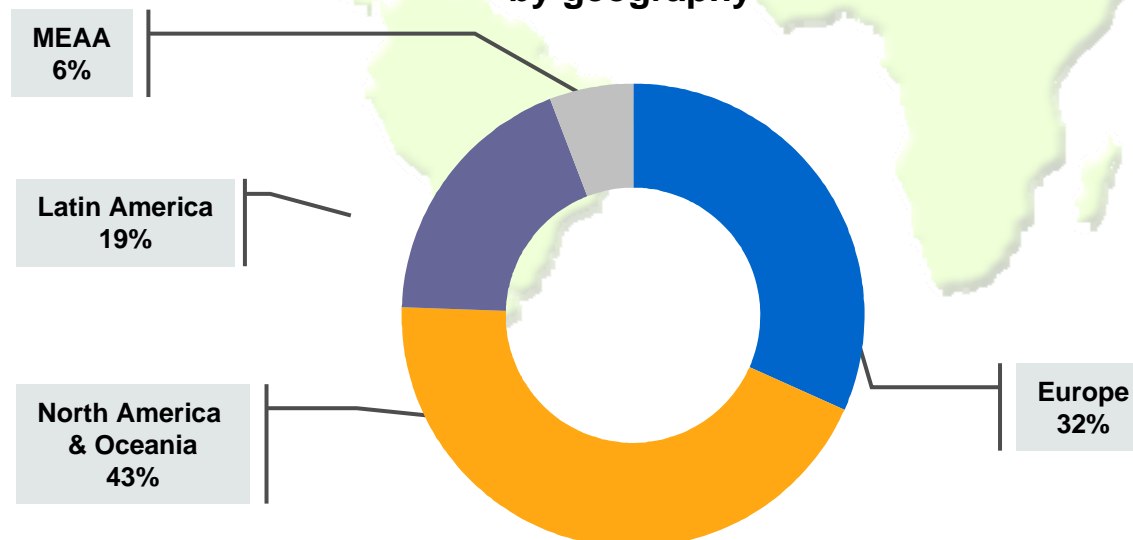
00'

Build and strengthen our presence in Western Europe

Enter and develop in North America and Latin America

Start to grow in fast emerging countries
(Eastern Europe, Asia)

Net Sales breakdown
by geography*



* 2007



Sustainable development integrated as a key component of Group strategy

- The environmental performance is progressing in factories
- BIC enters the Carbon Disclosure Project (CDP) Leadership index
- Major work is done on new materials and green products
- A 2007 integrated report : an annual and sustainable development report

A barometer with indicators and 3 years objectives

Sustainable development, a priority for 2008 :

« Transform our commitment to Sustainable Development into eco-solutions that will deliver a true competitive advantage for the Group »





Full year perspectives 2008

**For the full year, slight
increase in net sales
at constant currencies
expected**

**Sustained investment
in brand support**

**Full year margin to improve
compared to Q1 2008 level**



Agenda

Bruno Bich

Introduction

Jim DiPietro

Full year 2007 and 1st Quarter 2008
results

Mario Guevara

Strategy and business model

Bruno Bich

Conclusion



A strong business model for long-term profitable growth

2003 – 2007

**Net Sales growth average
at constant currencies:**

+5.3%

2003 – 2007

**Average Normalized
IFO margin:**

17%

**More than 15% normalized
IFO margin for the last
decade**

2003 – 2007

EPS* CAGR:

+15%

2003 – 2007

Average yearly free cash flow*

> €145m

*: Cash from operating activities – cash from investing activities (before acquisition)



Use of Cash

1
**Focus on
strategic
“bolt-on”
acquisitions**

2
**Dividend
increase**

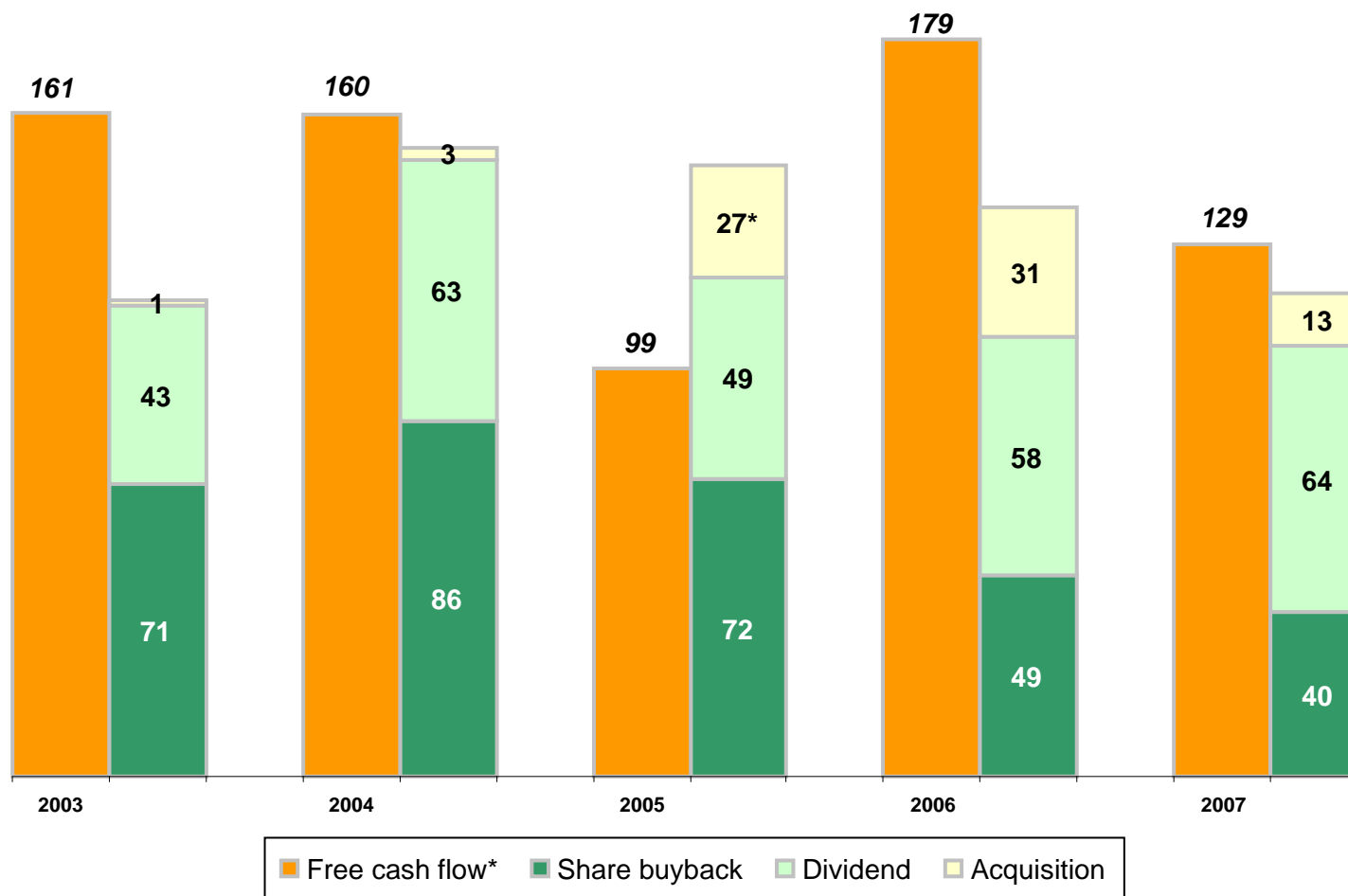
3
**Share
Buy-back**





Regular return to shareholders

In million euros



*: Cash from operating activities – cash from investing activities (before acquisition)

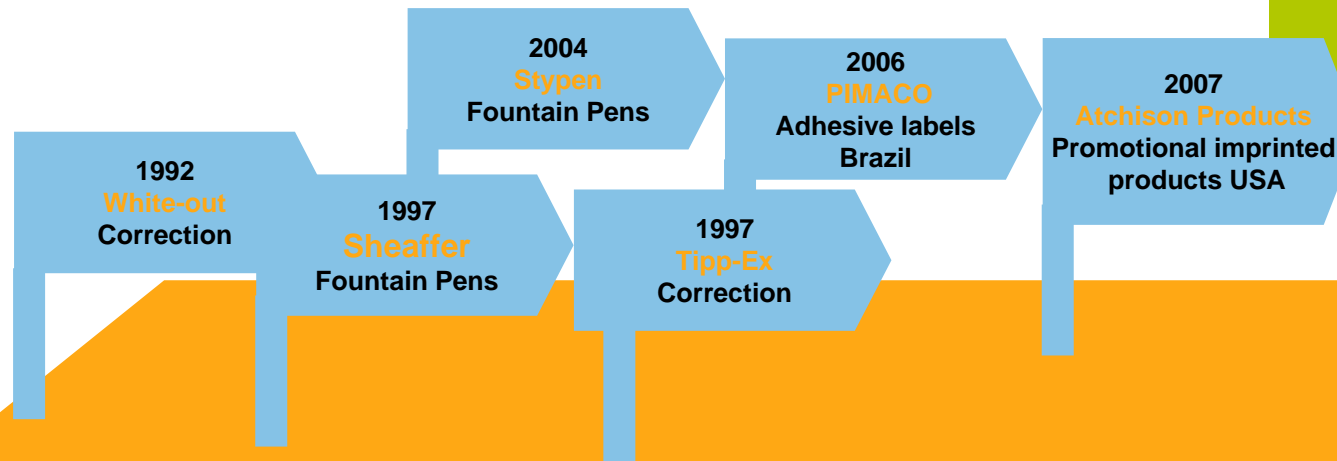
**: 2004 exceptional dividend



1 - Focus on strategic “bolt-on” acquisitions

10 to 50 M€

**Consistent with BIC strategy
and footprint**



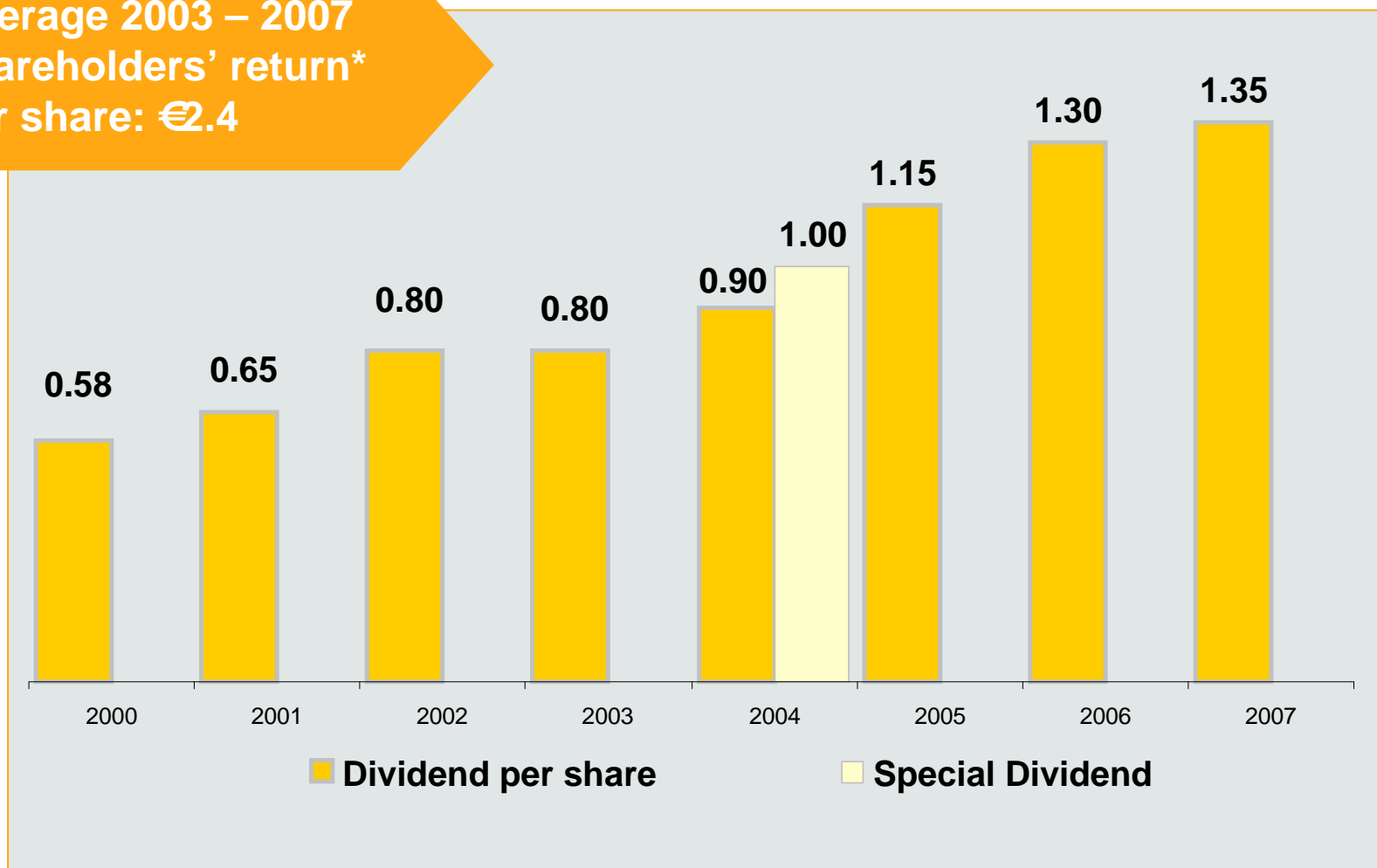
**Continue to actively look
for strategic acquisitions,
including
a bigger acquisition**

*: based on 1.35 euros dividend to be approved by the AGM on May 21, 2008



2 - Dividend increase

Average 2003 – 2007
shareholders' return*
per share: €2.4



*: dividend and share buyback



BIC Group

**Annual General
Shareholders meeting**

May 21, 2008

