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## **BIC GROUP – FULL YEAR 2014 RESULTS**

**Net Sales: 1,979.1 million euros, up 4.9% on a comparative basis**

**Normalized<sup>1</sup> IFO: 370.0 million euros, up 7.5%**

**Net Income Group Share: 262.1 million euros, up 8.5%**

**Net Cash Position end of December 2014: 320.2 million euros**

**Proposed Shareholder Remuneration for 2014**

Dividend<sup>2</sup> of 2.85 euros per share (+9.6% increase)

### **Q4 and FY 2014 key operational figures**

<i>In million euros</i> <i>See glossary page 16</i>	Net Sales growth on a comparative basis		Normalized IFO margin	
	<b>Q4 2014</b>	<b>FY 2014</b>	<b>Q4 2014</b>	<b>FY 2014</b>
<b>Group</b>	<b>+4.8%</b>	<b>+4.9%</b>	<b>17.4%</b>	<b>18.7%</b>
<i>Consumer Business</i>	+4.6%	+5.3%	18.7%	21.1%
<i>Advertising &amp; Promotional Products (BIC graphic)</i>	+5.7%	+2.5%	11.5%	3.5%

**Commenting on BIC Group results, Mario Guevara, Chief Executive Officer, said:** *“The BIC 2014 results are solid and well balanced among geographies. In a volatile environment and with evolving consumption patterns, we achieved our full year objectives. We grew in all consumer categories and BIC graphic recovered positive momentum.*

*For more than 60 years, our business model has relied on unchanged values and strong assets: the ubiquitous BIC® brand; quality, reliable, affordable and innovative products; an extensive distribution network and the exemplary commitment of BIC teams around the world.*

*In 2015, we will once again leverage these strengths to generate another year of sound and profitable growth in all categories.”*

### **Full Year 2015 Outlook**

In 2015, we expect **Group Net Sales** to grow between 4% and 5% on a comparative basis and, excluding major currency fluctuations, **Consumer Business Normalized IFO margin** to be consistent with 2014's. **BIC graphic Normalized IFO margin** is expected to improve.

<sup>1</sup> See glossary page 16

<sup>2</sup> Payable from May 20, 2015 subject to approval at the AGM of May 6, 2015.

## Key figures

In million euros See glossary page 16	FOURTH QUARTER					FULL YEAR				
	2013	2014	Change as reported	Change as reported excluding Cello Pens & Sheaffer®	Change at comp. basis	2013	2014	Change as reported	Change as reported excluding Cello Pens & Sheaffer®	Change at comp. basis
<b>GROUP</b>										
<b>Net Sales</b>	<b>479.9</b>	<b>513.8</b>	<b>+7.1%</b>	<b>+7.7%</b>	<b>+4.8%</b>	<b>1,887.8</b>	<b>1,979.1</b>	<b>+4.8%</b>	<b>+1.9%</b>	<b>+4.9%</b>
Gross Profit	238.9	246.7	+3.3%			929.5	971.1	+4.5%		
<b>Normalized Income From Operations</b>	<b>78.4</b>	<b>89.5</b>	<b>+14.2%</b>			<b>344.2</b>	<b>370.0</b>	<b>+7.5%</b>		
Normalized IFO margin	16.3%	17.4%				18.2%	18.7%			
<b>Income From Operations</b>	<b>74.4</b>	<b>76.8</b>	<b>+3.2%</b>			<b>339.2</b>	<b>369.3</b>	<b>+8.9%</b>		
IFO margin	15.5%	14.9%				18.0%	18.7%			
Net Income Group Share	54.9	59.0	+7.4%			241.5	262.1	+8.5%		
<b>Earnings Per Share Group Share (in euros)</b>	<b>1.17</b>	<b>1.25</b>	<b>+6.8%</b>			<b>5.13</b>	<b>5.57</b>	<b>+8.6%</b>		
<b>BY CATEGORY</b>										
<b>Stationery</b>										
<b>Net Sales</b>	<b>148.0</b>	<b>151.7</b>	<b>+2.5%</b>	<b>+4.5%</b>	<b>+3.0%</b>	<b>616.4</b>	<b>676.9</b>	<b>+9.8%</b>	<b>+0.8%</b>	<b>+4.2%</b>
IFO	13.4	8.4	-37.7%			79.4	83.0	+4.5%		
IFO margin	9.1%	5.5%				12.9%	12.3%			
<b>Normalized IFO margin</b>	<b>8.4%</b>	<b>8.8%</b>				<b>12.7%</b>	<b>12.5%</b>			
<b>Lighters</b>										
<b>Net Sales</b>	<b>144.7</b>	<b>158.6</b>	<b>+9.6%</b>		<b>+7.0%</b>	<b>557.8</b>	<b>581.6</b>	<b>+4.3%</b>		<b>+8.3%</b>
IFO	52.7	55.4	+5.2%			207.2	226.4	+9.3%		
IFO margin	36.4%	35.0%				37.1%	38.9%			
<b>Normalized IFO margin</b>	<b>35.7%</b>	<b>35.1%</b>				<b>37.0%</b>	<b>37.7%</b>			
<b>Shavers</b>										
<b>Net Sales</b>	<b>88.9</b>	<b>95.1</b>	<b>+7.0%</b>		<b>+4.5%</b>	<b>377.5</b>	<b>380.0</b>	<b>+0.7%</b>		<b>+4.1%</b>
IFO	14.9	10.8	-27.2%			65.3	64.7	-0.9%		
IFO margin	16.8%	11.4%				17.3%	17.0%			
<b>Normalized IFO margin</b>	<b>15.8%</b>	<b>16.0%</b>				<b>17.0%</b>	<b>17.8%</b>			
<b>Other Products</b>										
<b>Net Sales</b>	<b>14.9</b>	<b>14.6</b>	<b>-1.9%</b>		<b>-2.2%</b>	<b>68.2</b>	<b>65.1</b>	<b>-4.5%</b>		<b>-2.8%</b>
<b>Total Consumer Business</b>										
<b>Net Sales</b>	<b>396.5</b>	<b>420.0</b>	<b>+5.9%</b>	<b>+6.7%</b>	<b>+4.6%</b>	<b>1,619.9</b>	<b>1,703.6</b>	<b>+5.2%</b>	<b>+1.7%</b>	<b>+5.3%</b>
IFO	69.3	66.0	-4.8%			333.8	359.7	+7.8%		
IFO Margin	17.5%	15.7%				20.6%	21.1%			
<b>Normalized IFO margin</b>	<b>17.5%</b>	<b>18.7%</b>				<b>20.5%</b>	<b>21.1%</b>			
<b>BIC graphic</b>										
<b>Net Sales</b>	<b>83.4</b>	<b>93.8</b>	<b>+12.5%</b>		<b>+5.7%</b>	<b>267.9</b>	<b>275.6</b>	<b>+2.9%</b>		<b>+2.5%</b>
IFO	5.1	10.8				5.4	9.6			
IFO margin	6.1%	11.5%				2.0%	3.5%			
<b>Normalized IFO margin</b>	<b>11.0%</b>	<b>11.5%</b>				<b>4.3%</b>	<b>3.5%</b>			

## GROUP OPERATIONAL TRENDS

### Net Sales

#### Full Year 2014

**BIC Group 2014 net sales** reached 1,979.1 million euros, compared to 1,887.8 million euros in 2013, up 4.8% as reported and +4.9% on a comparative basis.

- Our **Consumer business** increased 5.3% on a comparative basis in 2014 with a good balance between the different geographies. Developed markets showed solid performance, with net sales up +5.0% in Europe and +4.4% in North America. In developing markets, total Net Sales grew +6.6%, with Latin America and the Middle-East and Africa up high-single digit.
- **BIC graphic** Net Sales increased 2.5% on a comparative basis.

#### Fourth Quarter 2014

For the 4<sup>th</sup> Quarter 2014, net sales were 513.8 million euros, up 7.1% as reported and +4.8% on a comparative basis.

- **Consumer business** grew 4.6% on a comparative basis with good performance in all categories and solid growth in Europe and developing markets.
- **BIC graphic** net sales increased 5.7% on a comparative basis, with all regions showing growth.

### Gross Profit

#### Full Year 2014

**2014 gross profit margin** was 49.1% of net sales, versus 49.2% in 2013. At constant perimeter and excluding the negative impact of the Venezuelan VEF<sup>3</sup>, change in gross profit margin including FX impact was +0.5 points, benefiting notably from lower cost of production compared to last year (better fixed cost absorption).

#### Fourth Quarter 2014

**Q4 2014 gross profit margin** decreased 1.8 points including FX impact to 48.0% of net sales, versus 49.8% in 2013. At constant perimeter and excluding the negative impact of the Venezuelan VEF<sup>3</sup>, Q4 2014 gross profit margin including FX impact would have been 49.4%.

### Income From Operations (IFO) and Normalized Income From Operations

#### Full Year 2014

**Full Year 2014 Normalized IFO** was 370.0 million euros (18.7% normalized IFO margin). **Full Year Consumer Business** normalized IFO margin was 21.1%, an increase of 0.6 points notably driven by higher gross profit.

#### Fourth Quarter 2014

**Q4 2014 normalized IFO** was 89.5 million euros (17.4% normalized IFO margin). Q4 Consumer Business normalized IFO margin was 18.7%, an increase of 1.2 points. BIC graphic normalized IFO margin increased 0.5 points to 11.5%.

The key components of the change in **Normalized IFO margin** were:

<i>In points</i>	<b>Q4 2014 vs. 2013</b>	<b>Full Year 2014 vs. 2013</b>
<b>At constant perimeter</b>	<b>+1.1</b>	<b>+0.5</b>
• Change in gross profit margin and FX impact	-0.4	+0.5
• Brand support	+0.2	-
• OPEX and other expenses	+1.3	-
Cello Pens consolidation impact on Normalized IFO	-	-
<b>Total impact</b>	<b>+1.1</b>	<b>+0.5</b>

<sup>3</sup> See non-recurring items page 4

## Non-recurring items

In million euros	9M 2013	9M 2014	Q4 2013	Q4 2014	2013	2014
<b>Income From Operations</b>	264.8	<b>292.5</b>	74.4	<b>76.8</b>	339.2	<b>369.3</b>
<b>As % of net sales</b>	18.8%	<b>20.0%</b>	15.5%	<b>14.9%</b>	18.0%	<b>18.7%</b>
<b>Non-recurring items</b>	<b>1.0</b>	<b>-12.0</b>	<b>4.0</b>	<b>12.7</b>	<b>5.0</b>	<b>0.7</b>
<ul style="list-style-type: none"> <li>• Impairments and related restructuring</li> <li>• Impact related to Retiree medical adjustment in the U.S.</li> <li>• Gains on disposals and real estate</li> <li>• Cello inventory fair value adjustment (IFRS 3R)</li> <li>• Profit and restructuring expenses related to Sheaffer® sale</li> <li>• Fuel cell restructuring expenses</li> <li>• Impact of the revaluation of intercompany accounts payable in Venezuela in dollars at SICAD II rate (IAS 21)</li> <li>• Other non-recurring items</li> </ul>			6.1		6.1	
	-	-12.2	-4.3	-1.5	-4.3	-13.7
	-1.3	-	-		-1.3	
			1.2		1.2	
				2.4		2.4
				1.9		1.9
				7.2		7.2
	2.3	0.2	1.0	2.7	3.3	2.9
<b>Normalized Income From Operations</b>	265.8	<b>280.5</b>	78.4	<b>89.5</b>	344.2	<b>370.0</b>
<b>As % of net sales</b>	18.9%	<b>19.1%</b>	16.3%	<b>17.4%</b>	18.2%	<b>18.7%</b>

## Full Year Net Income and EPS

**Income before tax** increased 9.2% as reported to 380.4 million euros.

Net finance revenue was 11.1 million euros compared to 6.6 million euros in 2013, mainly due to the consolidation of Cello Pens on a full year basis in 2014 (compared to one quarter in 2013). In addition, the increase of the USD against most currencies during the year generated a favorable impact on the valuation of financial assets denominated in that currency.

2014 Group Net income was 266.2 million euros. **Net income Group Share** was 262.1 million euros, an 8.5% increase as reported. Full Year tax rate was 30.0%.

**EPS Group Share** amounted to 5.57 euros, compared to 5.13 euros in 2013, up 8.6%. Normalized EPS Group Share was up 7.1% to 5.58 euros, compared to 5.21 euros in 2013.

## Net cash position

At the end of 2014, the net cash position was 320.2 million euros, compared to 196.7 million euros as of December 31, 2013, including 77.1 million euros from Cello Pens put option valuation.

Evolution of net cash position (in million euros)	2013	2014
<b>Net Cash position (beginning of the period)</b>	<b>334.5</b>	<b>196.7</b>
<ul style="list-style-type: none"> <li>• Net cash from operating activities</li> <li> <ul style="list-style-type: none"> <li>▪ Of which operating cash flow</li> <li>▪ Of which change in working capital and others</li> </ul> </li> <li>• CAPEX</li> <li>• Dividend payment</li> <li>• Share buy-back program</li> <li>• Cash received from the exercise of stock options and liquidity contract</li> <li>• Sheaffer® assets sale</li> <li>• Others (including Cello acquisition-related impacts)</li> </ul>		
	+328.5	+349.0
	+349.8	+354.5
	-21.3	-5.5
	-106.9	-112.3
	-120.8	-122.4
	-80.2	-10.2
	+13.0	+15.3
	-	+8.4
	-171.4	-4.3
<b>Net Cash position (end of the period)</b>	<b>196.7</b>	<b>320.2</b>

2014 Net Cash from operating activities totaled 349.0 million euros. Working capital as % of sales was 30.0%, compared to 30.9% in 2013. CAPEX investments were 112.3 million euros.

### Shareholders' remuneration

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In 2014, Shareholders' Remuneration totaled 132.6 million euros:

- 122.4 million euros related to the payment of dividend (2013 fiscal year),
- 10.2 million euros related to the share buy-back program (100,000 shares bought at an average of 102.0 euros per share).

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### Operational trends by category

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#### Consumer Categories

##### Stationery

###### Full Year 2014

**Full Year 2014 Stationery Net Sales increased 9.8% as reported (+0.8% as reported excluding Cello Pens and Sheaffer®) and were up 4.2% on a comparative basis. Full Year 2014 volumes (excluding Cello Pens) grew 4%.**

In all geographies, we increased our brand support investments to grow our Champion brands and develop our presence in key countries.

###### Developed markets

- **In Europe, Net Sales grew high-single digit**, as we continued to gain market share. Eastern Europe posted double-digit growth thanks to strong performances in key countries such as Russia and Turkey.
- **In North America Net Sales increased low-single digit**, resulting in market share gains. Our good performance was driven by sales gains at numerous key customers, especially in Office Products, a stronger back-to-school execution, implementation of our Champion Brand strategy, and the launch of our Fight For Your Write – initiative, which builds awareness among consumers regarding the benefits of handwriting.

###### Developing markets

**Full Year Net Sales increased low-single digit on a comparative basis** (excluding Cello Pens and Sheaffer®) as the proximity strategy implemented in the region continues to deliver strong results.

- Net Sales grew mid-single digit in **Latin America**, as we continued our successful expansion in key countries such as Brazil and Argentina.
- **In the Middle-East and Africa**, Net Sales increased high-single digit as a result of significant distribution and market share gains.

**Full Year 2014 Stationery normalized IFO margin was 12.5% compared to 12.7% in 2013**, benefiting from increased Gross Profit, the consolidation of Cello Pens, offset by increased investment in brand support across all geographies.

###### Cello Pens:

**Full Year 2014 Cello Pens** results as consolidated in the BIC Group accounts were:

- Net Sales: 77.6 million euros,
- Income From Operations: 12.7 million euros (16.3% Normalized IFO margin).

Full Year 2014 Cello Pens Net Sales decreased slightly, impaired by an adverse competitive environment. Normalized IFO was impacted by adverse sales mix, increased cost of production (mainly raw material price increase and unfavorable fixed cost absorption), operating expenses and an increase in brand support. Since the increase of ownership to 75% in July 2014, we have strengthened the management team.

### **Fourth Quarter 2014**

**Q4 2014 Stationery net sales grew 3.0% on a comparative basis**, driven by the solid performance in Europe, where Net Sales grew high-single digit. North America Net Sales were up low-single digit. Developing markets Net Sales grew low-single digit. The beginning of back-to-school sell-in in the Southern hemisphere (notably in Brazil) showed good results.

**Q4 2014 Normalized IFO margin** was 8.8% compared to 8.4% in 2013.

#### **Cello Pens:**

**Q4 2014 Cello Pens** results as consolidated in the BIC Group accounts were:

- Net sales: 19.0 million euros,
- Normalized income from operations: 1.9 million euros (Normalized IFO margin: 10.0%).

Q4 Net Sales at constant currency decreased high-single digit as sales continued to be impacted by aggressive competition.

Normalized IFO margin was impacted by an increase in OPEX (strengthened management structure and reinforced sales force).

### **Lighters**

#### **Full Year 2014**

**Full Year 2014 Lighter Net Sales increased 4.3% as reported and +8.3% on a comparative basis. Full year volumes were up 4%.**

#### **Developed markets**

- **In Europe, Net Sales grew mid-single digit.** Although we faced a challenging economic situation in Southern countries, Western countries grew low-single digit. The Eastern Europe region showed solid momentum, posting double digit growth thanks to distribution gains. In all these countries, we benefited from the success of our Classic products.
- **In North America, Net Sales grew mid-single digit**, reflecting continued distribution and market share gains in both the U.S. and Canada, where our sleeve business proved to be a real success.

#### **Developing markets**

**Net Sales grew double digit.**

- **In Latin America**, Net Sales growth was the result of distribution gains across most of the region, especially in Mexico and Brazil.
- **In the Middle-East and Africa**, we benefited from our proximity strategy to improve distribution and gain visibility.
- **In Oceania**, the sales increase was driven by focusing on local needs and the success of new product lines such as Miss BIC®.

**Full Year 2014 Lighter normalized IFO margin was 37.7%, compared to 37.0% in 2013**, thanks notably to a favorable geographical mix (strong sales growth in North America and Latin America) and positive raw material impact.

### **Fourth Quarter 2014**

**Q4 2014 Lighter Net Sales grew 7.0% on a comparative basis.** In Europe, net sales grew high-single digit. In North America, net sales were flat. In Developing Markets, net sales were up double digit, with a strong performance in Latin America.

**Q4 normalized IFO margin was 35.1%**, compared to 35.7% in 2013, due to unfavorable production variances.

### **Shavers**

#### **Full Year 2014**

**Shaver Net Sales increased 0.7% as reported and +4.1% on a comparative basis. Full year volumes were up 5%.**

Growth was broad-based, coming from all geographic regions and all price segments. Our value proposition of "quality shaving performance at a fair price" continues to drive success.

## Developed markets

- **Europe: Full year net sales increased low-single digit**, led by our best value triple-blade products - *BIC® 3* and *BIC® Miss Soleil®*.
- **North America: Market share gains in both the men's and women's segments translated to full year net sales growth in the mid-single digits.** Growth drivers included our best value single and twin offers, as well as our best performance premium lines led by *BIC® Flex 3*, *BIC® Flex 4* and *BIC® Soleil Glow®*.

## Developing markets

### Net Sales grew mid-single digit.

- **Latin America:** Growth was led by the strong performance of our triple-blade products, as the region slowly evolves toward more premium product ranges.
- **Middle-East & Africa:** Best value single and twin offers continue to dominate these regions and drive our growth. The triple blade segment contributes to overall growth but from a smaller base than other regions.

**Full Year 2014 Shaver normalized IFO margin was 17.8% compared to 17.0% in 2013** as a result of lower cost of production (better fixed cost absorption and raw material).

### *Fourth Quarter 2014*

**Q4 2014 Shaver net sales grew 4.5% on a comparative basis.** Solid performance was realized in most geographic regions. Europe grew low-single digit, while Developing Markets contributed double digit growth led by the African continent. North America experienced a low single digit decline explained by promotional phasing variations.

**Q4 normalized IFO margin was 16.0%**, compared to 15.8% in 2013.

## *Other consumer products*

### *Full Year 2014*

**Other consumer products Net Sales decreased 4.5% as reported and fell -2.8% on a comparative basis.**

**Other consumer products 2014 Normalized IFO was -11.3 million euros**, including -9.6 million euros of expenses related to the portable Fuel Cell project (compared to 11.8 million euros in 2013).

BIC Sport net sales (41.3% of other consumer products category) reached 26.9 million euros, up 2.7% as reported and +3.9% on a comparative basis, driven by the success of our Stand-Up-Paddle boards.

### *Fourth Quarter 2014*

**Q4 2014 other consumer products Net Sales were down 2.2% on a comparative basis.**

**Normalized IFO was -5.6 million euros**, of which -2.3 million euros related to the portable Fuel Cell project compared to -4.2 million euros in 2013.

## **BIC graphic**

### *Full Year 2014*

**BIC graphic Net Sales increased 2.9% as reported and 2.5% on a comparative basis.**

- **In Europe**, Northern countries started to show signs of recovery, while conditions in Southern countries continued to be challenging.
- **In North America**, Net Sales grew low-single digit, with a solid performance in Hard Goods.
- **In developing markets**, Net Sales increased double digit, benefiting from a strong performance in Latin America as we focused on the development of new products.

**In 2014, BIC Graphic Normalized IFO margin was 3.5%, compared to 4.3% in 2013,** impacted by product mix and continued investments in marketing and trade support.

***Fourth Quarter 2014***

**BIC graphic Q4 2014 Net Sales were up 5.7% on a comparative basis.** Net Sales grew low-single digit in Europe. In North America, Net Sales were up mid-single digit, with strong growth in Hard Goods and a flattish Calendar business. In developing markets, Net Sales grew double-digit.

**Normalized IFO margin was 11.5%,** compared to 11.0% in 2013.



### 2015 OPERATIONAL OUTLOOK

Our 2014 solid results have reinforced our confidence and optimism about the short and long-term prospects for our Group.

#### Consumer Categories

In 2015, our goal is to continue to gain market share on all continents and in all categories. In developed markets, in order to better address consumer expectations, the focus will be on value-added products at a fair price. In developing markets, we will continue to leverage increasing consumer purchasing power to broaden our footprint.

#### Stationery

Markets should continue to grow low to mid-single digit and our objective remains to gain market share thanks to:

- Innovations and accelerated R&D programs,
- Strong execution in developed countries, with a focus on our Champion brands (BIC® Atlantis, BIC® 4-Color, etc.) through new product offerings,
- Increased investments to accelerate geographical expansion in developing countries.

#### Lighters

Relying on our safety and best quality classic and added-value products, we will drive sales through new added-value sleeve designs, in developed markets, while strengthening our footprint and enhancing brand awareness in developing markets.

#### Shavers

We will continue with the formula that has driven our recent success: improve product performance and sell at a fair price. The launch of new products including the BIC® Flex 5 in North America and the BIC® Soleil® in Latin America will support the growth in sales.

#### BIC graphic

The priority for BIC graphic will be to deliver profitable growth. In North America, Net Sales will grow at a higher pace as we continue to focus on our brands, new products and good value® line. In Europe, the slight increase in Northern countries should be offset by the weakness of Southern countries.

### GROUP LONG TERM STRATEGIC PRIORITIES

→ Continue to create long-term value by outperforming our markets and growing sales organically low to mid-single digit thanks to:

- Expanded distribution networks in all geographies
- Increased focus on value-added segments in Developed markets
- Enlarged consumer base in Developing markets,

→ Grow Normalized Income From Operations through increased productivity as we invest in our people and in Research and Development with a focus on quality and innovative new products,

→ Maintain strong cash generation to:

- Finance strategic bolt-on acquisitions
- Sustain total Shareholders' remuneration.

### CELLO PENS

- On **31 March 2014**, BIC Group announced that Cello Group had exercised its Put Option, allowing it to sell 20% of Cello Pens to BIC Group (allowing BIC Group to increase its stake from 55% to 75%).
- On **4 July 2014**, BIC Group announced that it had completed the purchase of shares to increase its stake from 55% to 75% in Cello Pens for 4.3 billion Indian rupees (app. 53 million euros<sup>4</sup>).  
The Shareholders' agreement of 21 January 2009 provides for further call and put options:
  - BIC has a call option on 15% of the share capital, allowing its stake to reach 90% in 2016,
  - Cello Group has two put options, allowing BIC to reach 100% in 2016:
    - on 25% of the share capital,
    - or on 10%, if BIC exercises its 15% call option.

### SHEAFFER®

On **21 August 2014**, BIC Group and A.T. Cross® Company, a portfolio company of Clarion Capital Partners, announced that they had signed an Asset Purchase Agreement for the sale of Sheaffer®, BIC's fine writing instrument business, to A.T. Cross® Company.

By leveraging the individual strengths of Cross® and Sheaffer®, two authentic, American fine writing instrument brands, the A.T. Cross® Company will create a business that is well-positioned to be a worldwide leader in the design, manufacture and sale of premium, high-quality writing instruments.

The closing was mostly completed in 2014. In order for A.T Cross to establish its own local operations, the closing for a few countries will occur in the first half of 2015.

### POLYFLAME

On 12 March 2013, following a complaint based on misleading advertising and unfair competition filed by BIC, Bobigny Commercial Court ordered the company Polyflame to cease claiming compliance with ISO 9994 international safety standard of two out of eight lighters models targeted in the procedure they market in France. Polyflame had filed an appeal against this judgment.

On **22 October 2014**, the Paris Court of Appeal has forbidden Polyflame Europe to claim ISO 9994 safety standard compliance for the eight lighter models targeted in this procedure, on the ground that such compliance claim constitutes false advertising and therefore unfair competition.

On 3 December 2014, Polyflame Europe filed a "cassation" procedure (the highest court in the French judiciary).

### PORTABLE FUEL CELL TECHNOLOGY

BIC started an R&D program on portable Fuel Cell cartridges in 2003, leveraging its expertise in lighter valve technology, before partnering with CEA-LITEN in 2004. In 2011, the BIC Group acquired the assets of Angstrom Power Incorporated, a Canadian company specialized in the development of portable Fuel Cell technology, to complement R&D on cartridges.

On **19 November 2014**, BIC announced its decision to significantly reduce its investment in portable Fuel Cell R&D resources and to actively explore alternatives to monetizing its fuel cell technology.

<sup>4</sup> 81.17 INR = 1 euro (04-JULY-2014 ; ECB Reference rate)

## BIC Group Net Sales change by geography

<i>In million euros See glossary page 16</i>	Q4 2013	Q4 2014	Change	FY 2013	FY 2014	Change
<b>Total Net Sales</b>	479.9	<b>513.8</b>		1,887.8	<b>1,979.1</b>	
<i>As reported</i>			+7.1%			+4.8%
<i>On a comparative basis</i>			+4.8%			+4.9%
<b>1 – Europe</b>	110.2	<b>113.9</b>		493.8	<b>509.1</b>	
<i>As reported</i>			+3.3%			+3.1%
<i>On a comparative basis</i>			+6.0%			+4.3%
<b>2 – North America</b>	195.6	<b>214.9</b>		802.6	<b>830.1</b>	
<i>As reported</i>			+9.8%			+3.4%
<i>On a comparative basis</i>			+1.4%			+4.0%
<b>3 – Developing Markets</b>	174.0	<b>185.1</b>		591.3	<b>639.8</b>	
<i>As reported</i>			+6.4%			+8.2%
<i>On a comparative basis</i>			+7.9%			+6.8%

## Volumes

<i>(in billion units per year.)</i>	2013	2014
Total Stationery	5.3	6.7
<i>Of which Cello Pens<sup>5</sup></i>	0.4	1.6
Lighters	1.4	1.5
Shavers	2.4	2.6

## Impact of change in perimeter and currency fluctuations

<i>In %</i>	Q4 2013	Q4 2014	FY 2013	FY 2014
<b>Perimeter</b>	+4.7	<b>-0.6</b>	+1.0	<b>+2.9</b>
<b>Currencies</b>	-8.0	<b>+2.9</b>	-5.2	<b>-3.0</b>
<i>Of which USD</i>	-2.1	<b>+3.7</b>	-1.5	<b>+0.0</b>
<i>Of which BRL</i>	-2.2	<b>-0.4</b>	-1.5	<b>-0.9</b>
<i>Of which ARS</i>	-0.5	<b>-0.6</b>	-0.5	<b>-1.0</b>

<sup>5</sup> :For 2013, Cello Pens was fully consolidated in Q4 only

## Sensitivity of net sales to key currency changes

In %	2013	2014
<b>+/- 5% change in USD</b>	+/-2.0	+/-2.0
<b>+/- 5% change in BRL</b>	+/-0.5	+/-0.5
<b>+/- 5% change in MXN</b>	+/-0.2	+/-0.2

## IFO and Normalized IFO by category

In million euros	Income From Operations				Normalized Income From Operations			
	Q4 2013	Q4 2014	FY 2013	FY 2014	Q4 2013	Q4 2014	FY 2013	FY 2014
<b>Group</b>	<b>74.4</b>	<b>76.8</b>	<b>339.2</b>	<b>369.3</b>	<b>78.4</b>	<b>89.5</b>	<b>344.2</b>	<b>370.0</b>
<b>Consumer</b>	<b>69.3</b>	<b>66.0</b>	<b>333.8</b>	<b>359.7</b>	<b>69.2</b>	<b>78.7</b>	<b>332.6</b>	<b>360.3</b>
Stationery	13.4	8.4	79.4	83.0	12.5	13.4	78.3	84.5
Lighters	52.7	55.4	207.2	226.4	51.7	55.7	206.2	219.3
Shavers	14.9	10.8	65.3	64.7	14.1	15.2	64.3	67.7
Other Products	-11.8	-8.7	-18.1	-14.3	-9.0	-5.6	-16.1	-11.3
<b>BIC Graphic</b>	<b>5.1</b>	<b>10.8</b>	<b>5.4</b>	<b>9.6</b>	<b>9.2</b>	<b>10.8</b>	<b>11.6</b>	<b>9.7</b>

## Condensed Profit and Loss Account

<i>In million euros</i>	Q4 2013	Q4 2014	Change as reported	Change on a comp. basis	FY 2013	FY 2014	Change as reported	Change on a comp. basis
<b>NET SALES</b>	<b>479.9</b>	<b>513.8</b>	<b>+7.1%</b>	<b>+4.8%</b>	<b>1,887.8</b>	<b>1,979.1</b>	<b>+4.8%</b>	<b>+4.9%</b>
Cost of Goods	241.0	267.1	+10.9%		958.3	1,008.0	+5.2%	
<b>GROSS PROFIT</b>	<b>238.9</b>	<b>246.7</b>	<b>+3.3%</b>		<b>929.5</b>	<b>971.1</b>	<b>+4.5%</b>	
Administrative & other operating expenses	164.5	169.9			590.3	601.8		
<b>INCOME FROM OPERATIONS (IFO)</b>	<b>74.4</b>	<b>76.8</b>	<b>+3.2%</b>		<b>339.2</b>	<b>369.3</b>	<b>+8.9%</b>	
Finance revenue/costs	2.7	8.2			6.6	11.1		
<b>INCOME BEFORE TAX</b>	<b>77.1</b>	<b>85.0</b>	<b>+10.2%</b>		<b>345.8</b>	<b>380.4</b>	<b>+10.0%</b>	
Income tax	21.3	25.6			105.9	114.2		
Income from associates	(0.1)				2.4			
<b>GROUP NET INCOME</b>	<b>55.7</b>	<b>59.4</b>			<b>242.3</b>	<b>266.2</b>		
Non-controlling interest	<b>(0.8)</b>	<b>(0.4)</b>			<b>(0.8)</b>	<b>(4.1)</b>		
<b>NET INCOME GROUP SHARE</b>	<b>54.9</b>	<b>59.0</b>			<b>241.5</b>	<b>262.1</b>		
<b>EPS GROUP SHARE (in euros)</b>	<b>1.17</b>	<b>1.25</b>	<b>+6.8%</b>		<b>5.13</b>	<b>5.57</b>	<b>+8.6%</b>	
Total weighted number of shares outstanding adjusted for treasury shares	47,047,710	47,063,465			47,047,710	47,063,465		

## Condensed Balance Sheet

In million euros (rounded figures)

	Dec. 2013*	Dec. 2014
<b>ASSETS</b>		
Cash and cash equivalents	243.2	352.2
Trade and other receivables	453.8	453.5
Inventories	414.2	441.1
Other current assets	30.9	41.7
Other current financial assets and derivative instruments	79.0	53.3
<b>Current assets</b>	<b>1,221.1</b>	<b>1,341.9</b>
Property, plant & equipment	438.3	482.5
Investment properties	2.0	2.1
Other non-current assets	260.8	200.2
Goodwill and intangible assets	285.6	402.2
<b>Non-current assets</b>	<b>986.7</b>	<b>1,087.0</b>
<b>TOTAL ASSETS</b>	<b>2,207.8</b>	<b>2,428.9</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>Dec. 2013*</b>	<b>Dec. 2014</b>
Current borrowings	52.0	6.2
Trade and other payables	115.4	119.1
Other current liabilities	222.9	238.2
<b>Current liabilities</b>	<b>390.2</b>	<b>363.5</b>
Non-current borrowings	62.2	78.9
Other non-current liabilities	285.4	340.6
<b>Non-current liabilities</b>	<b>347.7</b>	<b>419.5</b>
<b>Shareholders' equity</b>	<b>1,469.9</b>	<b>1,645.9</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>2,207.8</b>	<b>2,428.9</b>

\*Following the valuation of Cello Pens trademark, the 2013 financial statements have been adjusted.

## Cash Flow Statement

<i>In million euros (rounded figures)</i>	2013	2014
Group Net Income	242.3	266.2
Amortization and provision	105.1	85.9
(Gain)/Loss from disposal of fixed assets	-1.8	-1.5
Others	4.2	3.9
<b>CASH FLOW FROM OPERATIONS</b>	<b>349.8</b>	<b>354.5</b>
(Increase)/Decrease in net current working capital	-19.0	10.0
Others	-2.3	-15.5
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>328.5</b>	<b>349.0</b>
Net Capital Expenditures	-102.8	-109.6
(Acquisition)/ disposal of equity investment / subsidiaries	-58.3	-
(Purchase)/Sale of other current financial assets	-7.4	13.0
Sheaffer® assets divestiture	-	8.4
Other investments	-0.4	-0.7
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b>-168.9</b>	<b>-88.9</b>
Dividends paid	-120.8	-122.4
Repurchase of Cello Pens minority interests	-	-53.5
Borrowings/(Repayments)	-2.9	-0.8
Share buyback net of stock options exercised	-67.2	5.1
Other	-1.0	-1.1
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<b>-191.9</b>	<b>-172.7</b>
<b>NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>-32.3</b>	<b>87.4</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>283.0</b>	<b>240.5</b>
Net Increase / Decrease in Cash and Cash equivalent (A+B+C)	-32.3	87.4
Exchange difference	-10.2	20.6
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>240.5</b>	<b>348.5</b>

## Share buy-back program

	Number of shares bought	Average weighted price in €	Amount in M€
November 2014	100,000	102.00	10.2

## Capital and voting rights at end of December 2014

As of 31 December, 2014, the total number of issued shares of SOCIÉTÉ BIC is 47,961,742, representing:

- 68,369,207 voting rights,
- 68,511,902 voting rights excluding shares without voting rights.

Total treasury shares at the end of December 2014 amounts to 857,305.

## Glossary

- **At constant currencies:** constant currency figures are calculated by translating the current year figures at prior year monthly average exchange rates. All Net Sales category comments are made on a comparative basis.
- **Comparative basis:** at constant currencies and constant perimeter. Figures at constant perimeter exclude the impacts of acquisitions and/or disposals that occurred during the current year and/or during the previous year, until their anniversary date.
- **Normalized IFO:** normalized means excluding non-recurring items as detailed page 4.

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SOCIETE BIC consolidated and statutory financial statements as of December 31, 2014 were closed by the Board of Directors on February 10, 2015. The auditors have performed their audit procedures on these financial statements and the audit reports relating on the certification of the consolidated and statutory financial statements are in the process of being issued. A presentation related to this announcement is also available on the BIC website ([www.bicworld.com](http://www.bicworld.com)).

This document contains forward-looking statements. Although BIC believes its expectations are based on reasonable assumptions, these statements are subject to numerous risks and uncertainties. A description of the risks borne by BIC appears in the section, "Risk factors" in BIC's 2013 Registration Document filed with the French financial markets authority (AMF) on 26 March 2014.

## Contacts

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For more information, please consult the corporate web site: [www.bicworld.com](http://www.bicworld.com)

## 2015 Agenda (all dates to be confirmed)

1 <sup>st</sup> Quarter 2015 Results	22 April 2015	Conference call
2015 AGM	06 May 2015	Meeting – BIC Headquarters
2 <sup>nd</sup> Quarter and 1st Half 2015 results	30 July 2015	Conference call
3 <sup>rd</sup> Quarter 2015 results	21 October 2015	Conference call

## About BIC

BIC is a world leader in stationery, lighters, shavers and promotional products. For more than 60 years, BIC has honored the tradition of providing high-quality, affordable products to consumers everywhere. Through this unwavering dedication, BIC has become one of the most recognized brands in the world. BIC products are sold in more than 160 countries around the world. In 2014, BIC recorded Net Sales of 1,979.1 million euros. The Company is listed on "Euronext Paris" and is part of the SBF120 and CAC Mid 60 indexes. BIC is also part of the following SRI indexes: FTSE4Good Europe, Euronext Vigeo Europe 120, Ethibel Excellence Investment Register, Gaia Index and Stoxx Global ESG Leaders Index.

