

BIC Group SHAREHOLDERS' LETTER


N° 39
AUGUST 2017

EDITORIAL



Dear shareholders...

In this edition of our Shareholders' Letter, we will review, among other events this summer, the disposal of BIC Graphic North America and Asia sourcing operations and our participation in the publicity caravan of the cycling race, "Tour de France".

On 3 August 2017, we published our first half 2017 results. Net Sales were flat, with a good second quarter performance. Supported by new product launches in BIC's Stationery portfolio, early back-to-school sell-in was strong. Lighters continued to perform well in Europe and sell-in rebounded in the U.S. In Shavers, Net Sales were driven by a solid performance in Europe and Developing Markets but down in North America, reflecting the continued highly competitive environment and disruption of the category in the U.S.

As markets remain volatile for the balance of the year, coupled with recent signs of lower consumption in Brazil, we now expect to trend between 3% to 4% Full Year Organic Net Sales growth.

While we continue to invest for the long term, we are adjusting our 2017 brand support due to market dynamics. Therefore, we expect the decrease in 2017 Normalized Income from Operations margin to be less than the – 100 basis points initially expected. ”

Bruno Bich
Chairman and CEO

2017 FIRST HALF PERFORMANCE

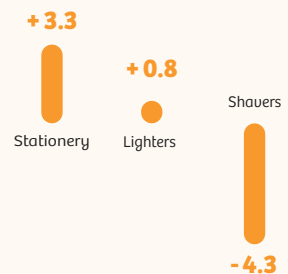
GROUP NET SALES 1st Half 2017

M€1,062.9

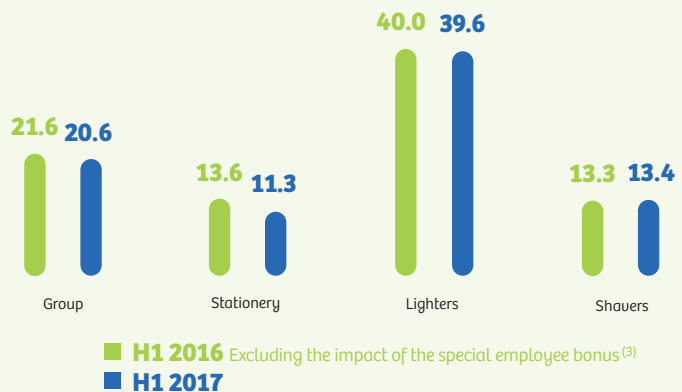
-0.3%
on a comparative basis ⁽¹⁾

CHANGE IN NET SALES BY CATEGORY

1st Half 2017
on a comparative basis ⁽¹⁾ (in %)



NORMALIZED ⁽²⁾ IFO MARGIN in % of Net Sales



⁽¹⁾ **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.

⁽²⁾ **Normalized:** means excluding non-recurring items (for more information, please refer to the First Half 2017 Results press release.)

⁽³⁾ **Excluding the special bonus awarded in 2016 to employees** who were not granted shares under BIC performance share plan.

[Find the full press release here.](#)

NEWS



- BRAND SUPPORT -

BIC, official supplier of the 2017 "Tour de France" cycling race

A historical partner of the world 3rd largest sporting event, the BIC® Publicity Caravan followed the *Tour de France* on the roads of France, Germany, Belgium and Luxembourg from 1 July to 23 July 2017. Traveling across 3,521 km (2,187 miles), the BIC® Publicity Caravan distributed 400,000 "Made in France" products with packs containing a BIC® Cristal® ball pen, a BIC® Cristal® Soft ball pen and a BIC® Matic® mechanical pencil.

At each stage-city, BIC hosted activities for attendees and cyclists:

- The BIC® Boy escorted the cyclists for signing in before starting the race - using a BIC® 4 Colors™ Stylus pen,

- A prize wheel to win special gifts such as BIC Shave Club® boxes, the first online subscription service with a BIC® refillable shaver for men,

- The School Bus welcomed children and adults who enjoyed games and contests, and discovered BIC's newest products,

- The BIC® Barbershop offered an express haircut or close shave to cyclists at starting villages.

Find the BIC® caravan on Facebook



The essentials in infographics



- AWARD -

Trophées des usines*: BIC wins the prize for the quality

For 23 years, *L'Usine Nouvelle* - a French economic magazine - has presented its **Factory Trophies**. From the factory of the year to a prize for transformation, seven trophies are awarded by *L'Usine Nouvelle* to a wide range of companies.

This year, the BIC Montévrain factory, which specializes in writing products, has won the **prize for quality**, recognized for its control of the entire manufacturing process enabling the facility to achieve of low scrap rates.

*Factory trophies

*Read the article of June 2017 from *L'Usine Nouvelle* (in French)*



- LIGHTERS -

Oh Canada! BIC® lighters celebrate Canada's 150th anniversary

BIC has launched a new series of eight different Canadian themed lighters to celebrate the country's 150th anniversary.

The Canadiana series was inspired by the Canadian flag with red and white designs that feature maple leaves and Canadian national animals, such as the beaver and the moose.

Available in Canada



- SHAVERS -

BIC® Soleil® Sensitive launch in Mexico

BIC® Soleil® Sensitive is specially designed to offer a gentle shave thanks to its comfort head that distributes pressure evenly over the skin, meeting one of the main concerns women have when shaving.

As part of this launch, BIC developed the manual, "Shine with BIC Soleil Sensitive in 30 days," in collaboration with a health coach. The manual promotes feeling good about oneself from the inside out.

- BIC GRAPHIC -

Closing of BIC Graphic North America and Asian Sourcing Operations divestiture

On June 30, the Group announced the closing of the Asset and Share Purchase Agreement related to the disposal of BIC Graphic North America and Asian Sourcing operations signed with H.I.G. Capital (a global private equity firm based in the United States). On February 7, 2017, BIC announced that BIC Graphic Europe would report to European BIC Consumer Product management, and that In Developing Markets, BIC Graphic operations would report to their respective country's Consumer Product management. This divestiture concluded the strategic alternatives review initiated in February 2016 for BIC Graphic, BIC's Advertising and Promotional Products activity.

NEWS

- STATIONERY -

2017 Back-to-School

BIC offers a range of new products that combine technical innovation and a wide range of colors, extending the vivid and festive shades of summer. From primary to high school, the new products brighten up back-to-school.

In France

- BIC® 4 Colors® 3+1HB pen & pencil
- BIC® Cristal® Multicolour ball pen
- BIC® Highlighter Flex highlighter
- BIC® Intensity Fine felt pen
- BIC® Evolution® Fluo graphite pencil
- BIC® Marking metallic and pastel permanent markers
- BIC® Glue Stick coloured glue
- BIC® Star Wars line under license

In North America

- BIC® Gelocity Quick Dry gel pen
- BIC® 4 Colors® 3+1HB pen & pencil
- BIC® Atlantis® ball pen
- BIC® Velocity Max mechanical pencil
- BIC® Briteliner 3 in 1 highlighter
- Color Collection by Conté® pencil & felt pen
- BIC® Intensity Fine felt pen

[Read the press release \(in French\)](#)



FINANCIAL AGENDA

- **25 SEPTEMBER 2017**
Shareholders' Meeting in Strasbourg
- **25 OCTOBER 2017**
3rd Quarter 2017 Results
- **16 NOVEMBER 2017**
Shareholders' Meeting in Bordeaux
- **14 FEBRUARY 2018**
Full Year 2017 Results
- **25 APRIL 2018**
1st Quarter 2018 Results
- **16 MAY 2018**
2018 Shareholders' Meeting

COMPANY'S DETAILS

- Limited company Capital: de 181,542,184.24 euros
- Divided into 47,524,132 shares of common stock, par value 3.82 euros

LISTED ON: Euronext Paris

ISIN: FR0000120966

Mnemonic: BB

Continuous quotation 552.008.443 registered in Nanterre, France

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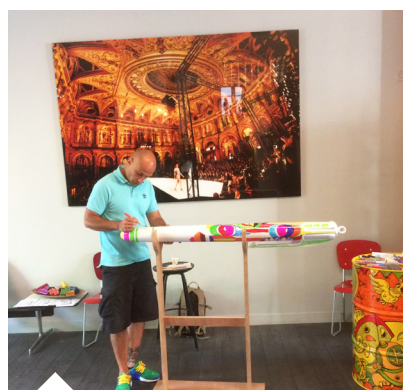
- CAMPAIGN -

BIC's "Perles du Bac" - new season

The "Perles du Bac" series are back with six new humorous mini-films. The videos showcase the most offbeat answers given by students during their French baccalaureate (high-school diploma / A levels) oral exam on the topics of English, History, Philosophy.

Six new videos were activated from 13 June to 12 July on the French My BIC Pen Facebook page. Watch them on the BIC Group YouTube channel.

[See the Perles du Bac on YouTube \(in French\)](#)



- EVENT -

The BIC Apartment, an ephemeral showroom

BIC organized a one-day event in the 17th arrondissement of Paris (France), to present its new products and flagship products for back-to-school. Eighty journalists and bloggers visited the "BIC Apartment" and discovered the brand's products in consumers' everyday life. Each room in the apartment featured BIC® stationery products, shavers or lighters around animations that showcased coloring, graffiti, barber, barbecue, etc.