

# BIC Group SHAREHOLDERS' LETTER



N° 033  
MARCH 2016

## EDITORIAL

**“ Ladies, gentlemen, dear shareholders ...**  
We are proud to deliver another strong set of results in 2015, with robust sales growth and a further improvement in Normalized Income From Operations.

**Net Sales reached 2,241.7 million euros** up 6.2% on a comparative basis. Our Consumer business increased 6.9%, turning in solid performances in all of the geographical markets. Developed markets showed solid performance, with Net Sales up +5.7% in Europe and +7.3% in North America. In developing markets, total Net Sales grew 7.5%, with Latin America up low-double digit. BIC Graphic Net Sales increased 1.6%.

**Normalized Income From Operations (excluding non-recurring items) was 432 million euros.** Normalized Income From Operations margin was 19.3%, compared to 18.7% in 2014. EPS Group Share amounted to 6.89 euros, compared to 5.57 euros in 2014, up 23.7%. At the end of December 2015, our net cash position was 448 million euros.

In light of BIC's 2015 solid performance and BIC's strong balance sheet, our Board of Directors has decided to

recommend **a 2.50 euros exceptional dividend in addition to the 3.40 euros ordinary dividend per share.**

In order to recognize and reward their commitment and performance, we have also decided to pay a special premium to employees. ”

**Mario Guevara**  
BIC Chief Executive Officer

### 2016 Outlook

In 2016, we will focus on paving the way for profitable long-term growth. This will lead to an increase in brand support in all regions either to strengthen our existing positions or to support new product launches. We will also invest more in research & development. Despite a significant increase in development CAPEX, we aim to maintain net cash from operating activities to protect total Shareholders' remuneration.

## KEY FIGURES

**+6.2%**  
**2015**  
**net sales growth**  
on a comparative basis\*

**19.3%**  
**NORMALIZED\***  
**IFO margin**

**€6.89**  
**EARNINGS**  
per share Group Share

**€5.90**  
**DIVIDEND**  
per share\*\* of which €2.50  
of exceptional dividend

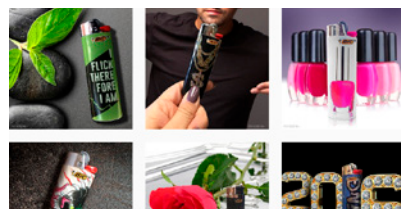
\*\* Payable on June 1, 2016 subject to approval at the AGM of May 18, 2016.

\* See page 4.



### CAMPAIGN: #JUSTWRITE IN GREAT BRITAIN

BIC UK and Ireland's #JustWrite campaign began in October...



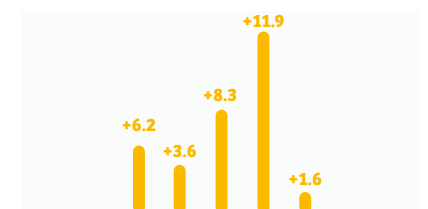
### DIGITAL: BIC® LIGHTERS PICTURED ON INSTAGRAM

BIC in North America has launched a new BIC® Lighter Instagram account...



### SHAVERS: BIC® MISS SOLEIL® COLOUR COLLECTION IN EUROPE

BIC has launched in Europe the BIC® Miss Soleil® Colour Collection shavers...



### 2015 PERFORMANCE: NET SALES, MARGIN, SHARE PRICE...

NEWS



- GOVERNANCE -  
Change in governance

After more than 24 years at BIC, including his 10 years as CEO, Mario Guevara has decided to retire. Under Mario’s guidance, BIC reinforced its leadership positions throughout the world and significantly improved Net Sales and Profitability.

The Board of Directors of SOCIETE BIC has decided to propose an evolution of Group governance:

- During the next Annual Shareholders Meeting (to be held on 18 May 2016) a change in company’s by-laws will be submitted so that the Chairman, the Chief Executive Officer and the Executive Vice-Presidents to exercise their functions until 72 years old.
- The Board of Directors that will follow this Annual Shareholders Meeting will then combine the Chairmanship and Chief Executive Officer functions and will nominate Bruno Bich as Chairman and Chief Executive Officer.

François Bich, Executive Vice President and General Manager of the Lighter Category, has also decided to retire, effective 1-MAR-2016. Thanks to his over 40 years of Lighters category leadership, BIC has become the undisputed leader in lighters in the world.

Both Mario Guevara and François Bich will remain Board members



- LAUNCH -  
BIC® Flex 5™ shaver launched in South Africa

In October, key South African media, celebrities and influencers were treated to an exclusive launch of the new BIC® Flex 5™ shaver for men. The launch event took place at a trendy venue in Johannesburg. BIC South Africa hosted several media representatives.

The event was well received within the Blogger-sphere. Undoubtedly, a highlight was the custom-made, vintage barber shop that took center stage at the venue. Guests were invited to get into the barber’s chair to experience the great performance of the BIC® Flex 5™. Expert barbers provided an ultra smooth shave to more than 70 gentlemen.



- CAMPAIGN -  
#JustWrite Campaign to galvanize writing in Great Britain

BIC UK and Ireland’s #JustWrite campaign began in October and culminated with #JustWrite Day in December, an annual day to both reinvigorate Britain’s enthusiasm for writing and reintroduce the simple pleasure of putting pen to paper. The launch comes on the back of company research that has highlighted the declining of interest in writing amongst teenagers. To spark concerns for the future of handwriting across Great Britain,

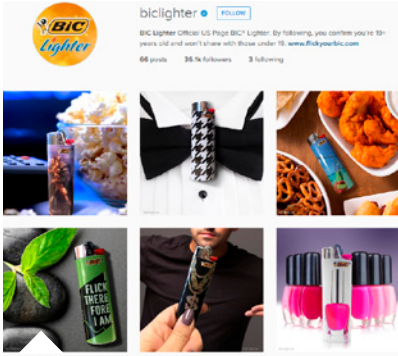
- ACQUISITION -  
BIC® increases its ownership in Cello Pens in India to 100%

On 9 December 2016, BIC Group announced that Cello Group has sold to BIC its remaining equity participation in Cello Pens, allowing BIC to increase its stake in Cello Pens to 100% for an amount of 5.4 bn INR (approximately 74 million euros <sup>(1)</sup>). Combining the N°2 stationery worldwide leader and the N°1 Indian Writing Instrument manufacturer, this acquisition will help to accelerate Cello Pens growth in India and support its integration within the BIC Stationery Category, with a focus on investing in local manufacturing, safety, and quality.

<sup>(1)</sup> 72,69 INR = 1 euro – 08-DEC-2015; ECB Reference rate

- BIC GRAPHIC -  
BIC Graphic strategic review

The Promotional Product Industry has changed throughout 2015 with a consolidation happening in all regions and new entrants arising (notably e-commerce players). In light of this evolution, the Board has decided to initiate a review of strategic alternatives for BIC Graphic. Conclusions are expected at the end of 2016.



- DIGITAL -  
USA: BIC® Lighters pictured on Instagram

As part of an ongoing effort to reach millennial consumers, BIC in North America has launched a new BIC® Lighter Instagram account. Since its October 2015 launch, the account has exceeded 36,000 followers. BIC® Lighter Instagram features a variety of quirky photos of BIC® Classic and Special Edition® pocket lighters “in their environment,” such as fashion designs paired with shoes, or food designs paired with meals. The posts also include playful captions and the hashtag #BICLighter. Instagram is the perfect place to engage millennial consumers and show them that the BIC® Lighter is a desirable accessory that helps them express their personality and interests.

Find the BIC Lighter Instagram account by searching @BICLighter in the Instagram App on your smartphone or [click on](#).



- COMMUNICATION -  
BIC, official partner of COP21 in Paris

Imprinted by BIC Graphic, official BIC® 4 Color® pens and BIC® Evolution™ graphite pencils, certified by French Ecolabel, NF Environment, were given to 30,000 State and Government Leaders, Ministers and diplomats at the COP21 international conference organized in December by the United Nations (UN).

BIC also participated in the Solutions COP21 exhibition, where 42,000 visitors – professionals and general public – came over seven days. It was a great opportunity to meet with BIC customers-distributors, and to show how BIC® products can help consumers to reduce their carbon footprint.



# 2016 NEW PRODUCTS



- STATIONERY -

## BIC® 4 Color® Fluor for writing and highlighting

This is the first 4 Color® pen that offers a 1.6mm yellow fluorescent ink cartridge to circle, underline, or otherwise highlight text, making it easier to organize and follow written notes. The popular black, blue, and red ink cartridges remain for everyday writing needs. The bright, yellow fluorescent barrel further defines the product benefit, and offers a fun and colorful product appealing to students and adults alike.

Available in Europe



- STATIONERY -

## BIC® Atlantis® Metal: a premium look and smoother writing

BIC® Atlantis® Metal ball pen offers a high-end design in a metallic body that appeals to premium pen users as well as office professionals. The pen was developed using the design elements unique to the Atlantis® family, including the slim barrel, “S” curve design, simple plunger, metallic accents and a curved clip. The 1.2mm cartridge offers a smooth writing.

Available in North America



- STATIONERY -

## BIC® 4 Color® Décor: the fan’s choice

Between September and October 2015, Europe hosted a Facebook contest called Pick Your BIC, allowing consumers to vote for their favorite BIC® 4 Color® design among 24 designs. The winner, “Tattoo”, is now being produced and will ship to stores for back-to-school in Europe in 2016.

Available in Europe



- STATIONERY -

## BIC® Cristal® Cap Turns Colorful

Coming from a new and unique technology allowing for a great variety of color combinations, a new two-colored cap will ornament BIC® Cristal® pens in some continents, and offers a strong opportunity to connect with millennials and leverage impulse purchase. In Europe, Facebook fans were offered the opportunity to vote for their favorite pen design, which will go out for 2016 Back to School.

Available in Europe, USA, Latin America and Oceania



- STATIONERY -

## The fun never ends with BIC® Xtra-Fun Stripes!

BIC® Xtra-Fun Stripes is the new addition to the BIC® Evolution™ graphite pencil line, enlarging the offer of wood-free pencils in North America for 2016. Available in eight colored barrels with white stripes, it is dedicated to children and students looking for a modern and fun product! Moreover, it offers the unique features of BIC® Evolution™ technology: shock resistant lead, easy to sharpen and good erasability.

Available in North America



- LIGHTERS -

## BIC® Megalighter® Top Chef

BIC has developed a license on its multi-purpose lighters with Top Chef, the largest cooking competition featuring professional chefs: the Megalighter® Top Chef limited edition. The season seven in France of this famous reality television series premiered in January. Each year, the show gathers millions of viewers. The lighter will be available in March 2016 and the indispensable utensil to cooking lovers.

Available in Europe



- SHAVERS -

## BIC® Soleil® Shine™ in North America

BIC® Soleil® Shine™ offers BIC’s best technology, for an improved shaving experience to continue trading up women disposable users.

- Five flexible blades for a comfortable and close shave;
- Successful and very comfortable Soleil® handle;
- Soothing Moisture Strip™ enriched with Aloe and Cocoa Butter.

Available in North America



- LIGHTERS -

## BIC® decor lighters Smiley license

This year, BIC signed a license with Smiley for four lighter series, beginning 2016 with “Smiley World,” a series of seven lighters in mini electronic format.

Available in Europe

- FACTORIES -

## Certification for four BIC factories

Two BIC stationery factories, located in Vannes and Montéurain (France), received the ISO 9001:2015 certification as well as the ISO 14001:2015 certification for Montéurain. These international standards, respectively linked to quality and environment, are a reference in terms of good plant management. Samer (France, stationery) and Athens (Greece, shavers) plants achieved ISO 50001 certification. The purpose of this international standard is to improve energy performance, taking into account the energy consumption and efficiency.



- SHAVERS -

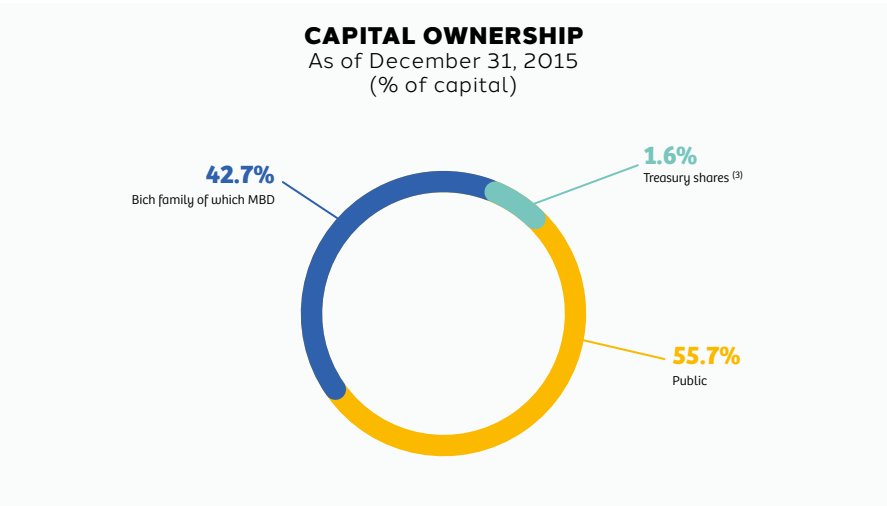
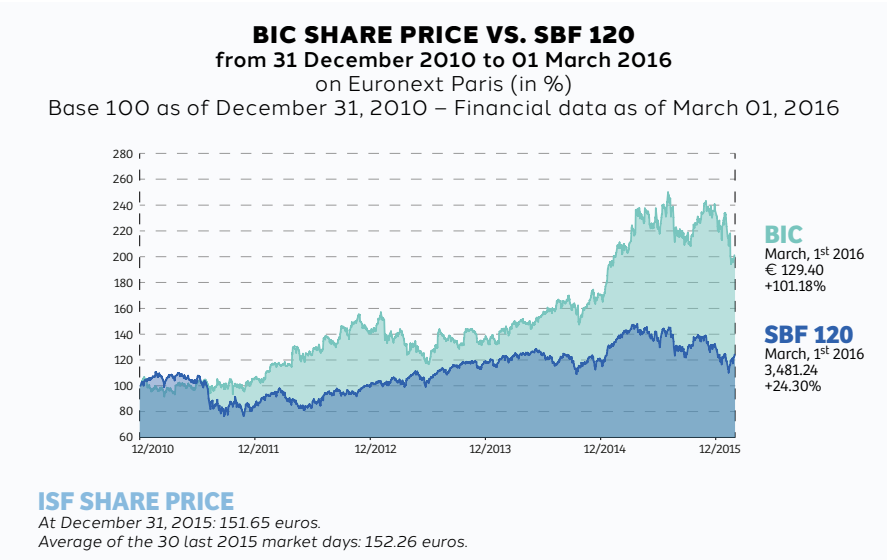
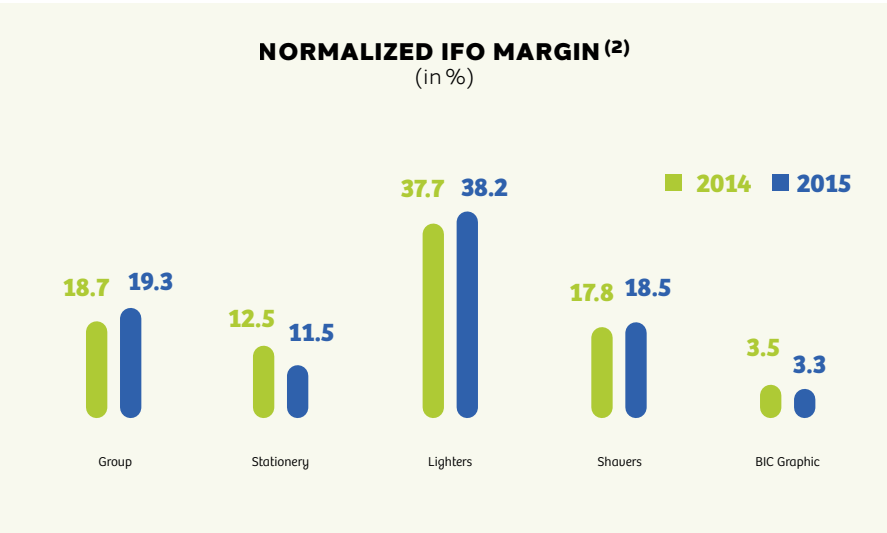
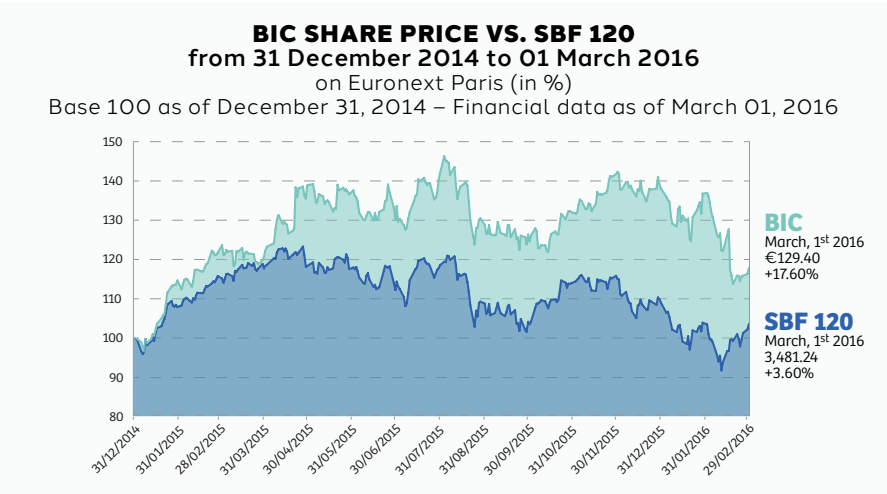
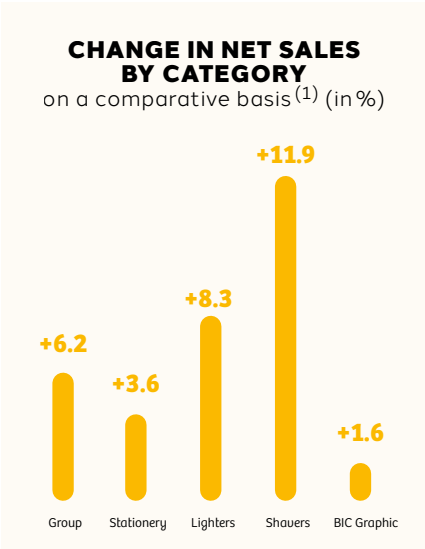
## BIC® Miss Soleil® Colour Collection in Europe

BIC has launched in Europe the BIC® Miss Soleil® Colour Collection shavers, offering four vibrant colors in a single pack and at a high performance at an affordable price.

- An ergonomic handle specially designed for women;
- Three blades and lubra strip with Vitamin E for a smooth shave;
- Handle design with engraved flowers in four vibrant colors.

Available in Europe

# 2015 PERFORMANCE



<sup>(1)</sup> **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

<sup>(2)</sup> **Normalized IFO:** means excluding non-recurring items / For 2014, restated from IFRIC 21

<sup>(3)</sup> Treasury shares temporarily without voting rights

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



**FINANCIAL AGENDA**

- **27 APRIL 2016**  
1<sup>st</sup> Quarter 2016 Results
- **18 MAY 2016**  
2016 Shareholders' Meeting
- **4 AUGUST 2016**  
1<sup>st</sup> Half 2016 Results
- **26 OCTOBER 2016**  
3<sup>rd</sup> Quarter and 9 months 2016 Results

**COMPANY’S DETAILS**

- Limited company Capital: 183,108,384.24 euros
  - Divided into 47,934,132 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

**SOCIÉTÉ BIC – SHAREHOLDER RELATIONS**

14, rue Jeanne d’Asnières,  
92611 CLICHY CEDEX  
[www.bicworld.com](http://www.bicworld.com)  
**E-mail : [actionnaires@bicworld.com](mailto:actionnaires@bicworld.com)**  
Toll free from France:  
**N° Vert 0 800 10 12 14**  
APPEL GRATUIT DEPUIS UN POSTE FIXE