

# BIC in touch

25

MARCH 2014

## BIC Group Shareholders' letter

### CONTENTS

01 / EDITORIAL

02 / NEWS

03 / 2014 NEW PRODUCTS

04 / 2013 PERFORMANCE

### KEY FIGURES

**+3.6%**

/ 2013 net sales growth  
on a comparative  
basis\*

**18.2%**

/ normalized\* IFO  
margin

**5.13 euros**

/ earning Group Share  
per share

**2.60 euros**

/ dividend per share\*\*

\* See page 4.

\*\* Payable on May 28, 2014 subject to  
approval at the AGM of May 14, 2014.

### YOUR LETTER ONLINE

The next three editions of the Shareholders' letter will be available only online. To be alerted of their publication, please send us your e-mail address at

[actionnaires@bicworld.com](mailto:actionnaires@bicworld.com)

We thank you for your confidence.

## EDITORIAL



### Ladies, Gentlemen, Dear Shareholders...

2013 was a good year for BIC. We gained market share in most geographies, and showed solid sales

growth for our consumer categories. This performance was accomplished thanks to BIC employees' day-to-day commitment to offer customers and consumers high-quality innovative products at the right price. We continued to invest in our brands, new products and innovation, and manufacturing capacities, in all regions. We maintained a high level of cash generation, thanks notably to effective working capital management. Finally, we successfully completed the acquisition of Cello, which positions us as the leader in one of the most dynamic stationery markets.

BIC Group net sales reached 1,887.8 million euros, a + 3.6% increase on a comparative basis and + 4.6% at constant currencies. The Consumer Business grew mid-single digit, up 5.2%. This was achieved through market share gains in all three categories and most geographies. The performance of developing markets was strong (+6.4%), notably in Africa and the Middle East and developed markets also performed well with a solid +4.5% growth. Advertising and Promotional Products net sales decreased -5.0%, which was in line with our expectations.

Income from operations decreased -7.1% to 339.2 million euros. Normalized IFO, which excludes non-recurring items, was 344.2 million euros, down -6.5%. Normalized IFO margin was 18.2% compared to 19.4% in 2012. The decrease is mainly due to less favorable fixed cost absorption. However, our business model remains solid.

EPS Group share was 5.13 euros, down 6.4%.

In line with our return to shareholders policy and confident in the Group financial situation sustainability, the Board of Directors has decided to propose, at the next Shareholders meeting on May 14, 2014, an ordinary dividend of 2.60 euros, representing a 1.6% increase and 51% pay-out ratio. This regular growth of the total shareholder remuneration remains to be one of the objectives of the Group's use of cash strategy.

We enter 2014 with confidence due to positive momentum driving our business forward. In our Consumer Business, sales growth will benefit from the launch of new products in all categories and from the integration of Cello Pens. At the same time, we will continue to invest in our brand, in research and development and in increasing our manufacturing capacity. In Advertising and Promotional Products, with customer service now restored and a new brand position as BIC Graphic, the team has started to build the right platform to recover sales growth.

**Mario Guevara**

Chief Executive Officer



## What's new? /////

### / BIC GRAPHIC: STARTING 2014 IN FULL COLOR



During 2014, BIC Graphic is celebrating its 45th year of operation in the USA. The brand takes the opportunity to strengthen its identity with a refreshed

logo. BIC Graphic represents the advertising and promotional product division of the BIC Group gathering iconic brands such as Norwood<sup>®</sup>, Atchison<sup>®</sup> and Koogie<sup>®</sup>. The 2014 catalogues offer clear organization allowing customers to discover new products such as the BIC<sup>®</sup> Super Clip, the full color britePix<sup>®</sup> innovation, or identifying products made in the USA such as the Koogie<sup>®</sup> collapsible can cooler.



[www.bicgraphic.com](http://www.bicgraphic.com)

### / EACH REGION IN FRANCE HAS ITS BIC<sup>®</sup> LIGHTER



BIC has signed a license with hihhi French group, who creates funny regional brands, to design series of limited edition lighters that showcase off-the-wall humor. Launched in December 2013, these eight series that offer five-to-six designs in each series, feature funny drawing offering a range of clichés specific to each region of France.

### / BIC<sup>®</sup> EDUCATION IS COMING TO QUÉBEC



The digital educational solution BIC<sup>®</sup> Education continues its expansion in the French schools of Québec and Ontario, after its launch in France mid 2013. This innovative turnkey solution focuses on an educational integration of technology in elementary schools. BIC<sup>®</sup> Education combines a strong handwriting component with 21st century tools, to differentiate learning, support teachers' pedagogical needs and act as a source of motivation for students.

# News

## Sheaffer<sup>®</sup> launches new television ad campaign for its 100



In November, Sheaffer took advantage of the celebration of its Centennial to launch television advertising with the theme, "Treasured Moments, Timeless Memories."

The spot aired on Euronews channel.

[www.sheaffer.com](http://www.sheaffer.com)

### / CONTEST

## 3rd edition of Design on Fire, an online contest to create a lighter decor

BIC<sup>®</sup> Design on Fire contest is back for its third edition and invites internet users to create their own BIC<sup>®</sup> lighter decor. The winner, selected by a jury and also elected by votes on social networks, will have their decor printed within a future European BIC<sup>®</sup> lighter collection.

More information on [www.mybiclighter.com](http://www.mybiclighter.com) and [www.facebook.com/designonfire](http://www.facebook.com/designonfire)

### / AWARD

## BIC Sustainable Development program awarded

On 29 November 2013, during a ceremony hosted by NYSE Euronext, the Carbon Disclosure Project (CDP) international organization recognized BIC for its actions to reduce and manage carbon emissions. The Group has been included in the CDP France 250 Carbon Disclosure Leadership Index (CDLI) since 2009. BIC was also listed on the CDP Climate Performance French Leadership Index (CPLI) for the first time and to the Climate Supplier Performance Leadership Index (SCPLI). This distinction comes in recognition of BIC's actions to reduce greenhouse gas emissions in its factories, with its shipping carriers and in partnership with its customers, and the Group's transparency in reporting on GHG emissions.

### / ART

## BIC<sup>®</sup> pen caps for a haute-couture hat

Laura Apsit Livens, a British hat designer has used BIC<sup>®</sup> Cristal<sup>®</sup> pen caps to make headpieces for her "SS14 Blue Epoch" hat collection.

BIC provided her with caps that were produced in France to add a bit of a "French touch" to her collection.

Discover the artist's artwork on

[www.lauraapsitlivens.co.uk](http://www.lauraapsitlivens.co.uk)



### / SPONSORSHIP

## BIC Graphic\* customizes a BIC<sup>®</sup> 4 Colours<sup>™</sup> pen for the Galeries Lafayette Fondation (France)

For its establishment in October 2013, the new Galeries Lafayette (Parisian department store) corporate foundation, in association with French artist Saâdane Afif, has ordered a limited edition of the BIC<sup>®</sup> 4 Colours<sup>™</sup> pen on the theme "Black is black": 4 black cartridges and buttons, and black imprint on the black body.

The 5,000 printed pens were packaged in individual boxes and distributed to promote this institution, dedicated to contemporary art in all its forms.

\* Advertising and Promotional Product division of BIC



### / NEWS

## BIC Sport distributed in Greece

In 2013, the BIC Violex subsidiary in Greece began distributing BIC Sport products on its market. To promote this national launching, BIC sponsored several water sport events in the Stand Up Paddle (SUP) segment. SUP is a popular activity throughout the world.

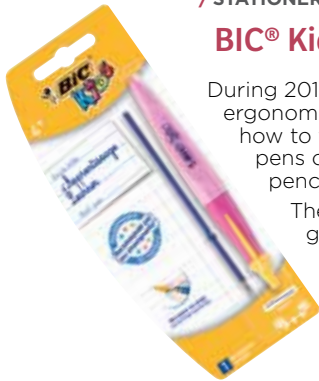




# 2014 new products

## / STATIONERY

### BIC<sup>®</sup> Kids, the new learning range



During 2014, BIC is launching BIC<sup>®</sup> Kids, a new range of innovating ergonomic writing instruments, designed to help children to learn how to write. BIC<sup>®</sup> Kids range includes two retractable ballpoint pens of which one features a twist opening system, a mechanical pencil and a graphite pencil.

The instruments within the BIC<sup>®</sup> Kids range feature a visual guiding line for correct finger positioning. The range, developed with experts, is suitable for children from four years old, left and right handed.

It will be distributed for back-to-school.

## / PAPETERIE

### All-in-one to take anywhere: BIC<sup>®</sup> 4 Colours<sup>™</sup> Mini Fashion

In 2014, BIC<sup>®</sup> revisits its classics and expands the range of its 4 Colours<sup>™</sup> ballpoint pens. BIC<sup>®</sup> 4 Colours<sup>™</sup> Mini Fashion has a compact size and makes writing fun, and it is easy to carry and store as well. Apple-green barrel and fun inks: girly pink, deep violet, acid green and ocean blue, available in medium point size. Mainly sold in Europe.



## / LIGHTERS

### Close-up on two 2014 series: BIC<sup>®</sup> Pop Art and BIC<sup>®</sup> Pop Colours

It is art that you hold in your hands: the new Pop Art by Miss BIC<sup>®</sup> collection showcases comics characters, and feature embossed textured designs.

BIC<sup>®</sup> Pop Colors is the glittery accessory that you need this year. This limited edition lighter series features 11 Maxi lighters in plain or metallic glitter colors, and adds refinement to your look.

Both series are distributed in Europe.



## / SHAVERS

### BIC<sup>®</sup> 3 Action, a new shaver for Europe

BIC<sup>®</sup> 3 Action offers men a high-quality, quick shave. The black packaging appeals to male consumers, conveying masculinity and seriousness. That is not all: this triple-blade shaver has a lubricating strip with vitamin E and provides a smooth shave with less irritation.

Mainly distributed in Eastern Europe.



## / LIGHTERS

### BIC<sup>®</sup> Megalighter<sup>™</sup> Fluo multi-purpose lighter

BIC<sup>®</sup> Megalighter<sup>™</sup> multi-purpose lighter is perfect all year long, from birthday cake candles to gas cookers, from barbecues to chimneys. BIC<sup>®</sup> Megalighter<sup>™</sup> is elegant and decorative, and during 2014 is available in a range of bright colors: pink, green, orange and yellow. You will want to be sure that the BIC<sup>®</sup> Megalighter<sup>™</sup> is on your shopping list!



## / RASOIRS

### BIC<sup>®</sup> Soleil<sup>®</sup> Glow<sup>™</sup>, innovation for women



What are women looking for? A triple-blade shaver, that glides effortlessly with no irritation. Launched in the U.S., BIC<sup>®</sup> Soleil<sup>®</sup> Glow<sup>™</sup> is the newest shaver within the Soleil<sup>®</sup> range, providing women with a silky smooth shave.

This innovative new addition features a Comfort Shield<sup>™</sup> head that evenly distributes pressure, helping the shaver to glide over skin without irritation.

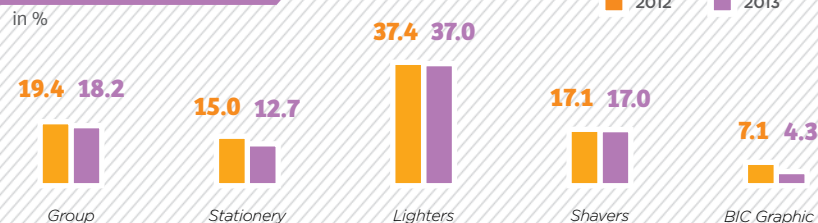
The Shaver's three flexible blades individually adjust to a woman's curves, while the lubricating strips with Vitamin E and Aloe pamper the skin.

BIC<sup>®</sup> Soleil<sup>®</sup> Glow<sup>™</sup> also features a pivoting head and rubber grip, which offer the ultimate in comfortable shaving.



# 2013 performance

## NORMALIZED IFO MARGIN <sup>(1)</sup>

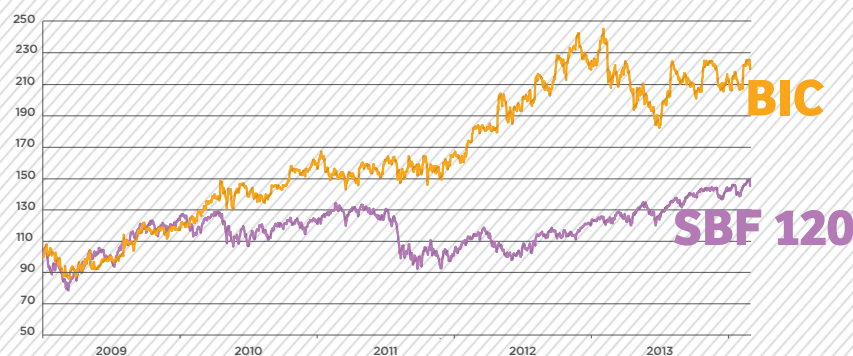


(1) Normalized IFO: normalized means excluding restructuring, BIC Graphic integration plan expenses, gain on the disposal of the phone cards distribution business in France (in 2012), impairments and related restructuring regarding Sologear discontinued operation and BIC Graphic San Antonio manufacturing site, retiree medical adjustment in the U.S., gains on disposals and real estate, and Cello Pens inventory fair value adjustment (IFRS 3R).

## BIC SHARE PRICE VS. SBF 120

(On Euronext Paris) in %

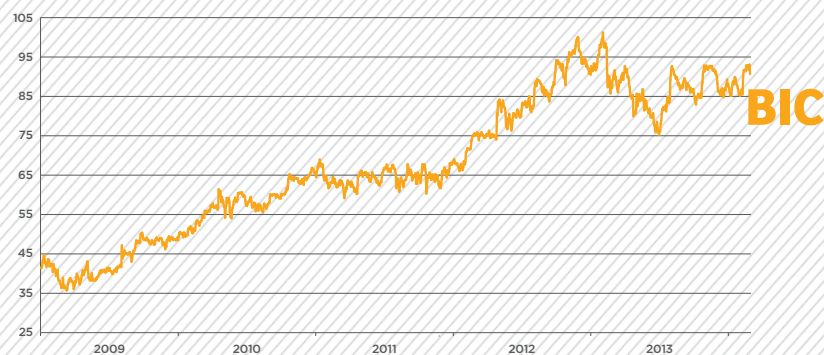
Base 100 as of December 31, 2008 - Financial data as of March 03, 2014



## BIC SHARE PRICE

(On Euronext Paris) in euros

Financial data as of March 03, 2014



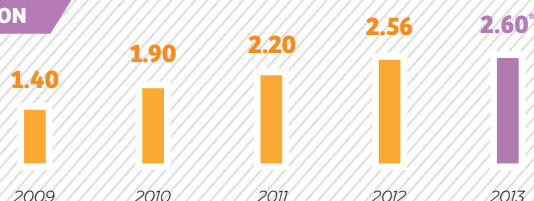
## ISF SHARE PRICE

At December 31, 2013: €89.06

Average of the 30 last 2013 market days: €88.19

## DIVIDEND EVOLUTION

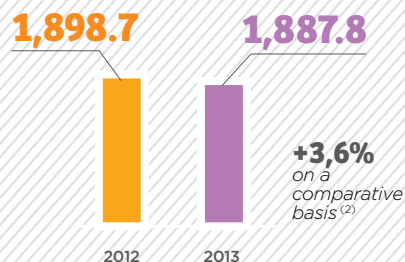
in euros



\* Ordinary dividend proposed at the Shareholders' Meeting of May 14, 2014.

## NET SALES AS REPORTED

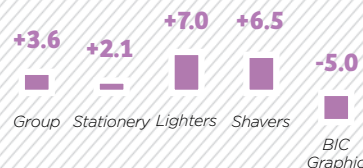
in million euros



(2) 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.

## CHANGE IN NET SALES

On a comparative basis <sup>(2)</sup> by category in %



## CAPITAL OWNERSHIP AND VOTING RIGHTS

(as of December 31, 2013)  
% of capital



43.9% Bich family of which MBD

1.6% Treasury shares <sup>(3)</sup>

54.5% Public

(3) Treasury shares temporarily without voting rights.

## COMPANY'S DETAILS

\_ Limited company Capital euros 181,833,103.98

\_ Divided into 47,600,289 shares of common stock, per value €3.82

Listed on: Euronext Paris

Isin: FR0000120966

Mnemonic: BB

Continuous quotation

552.008.443 registered

in Nanterre, France

## FINANCIAL AGENDA

\_ April 24, 2014  
1st Quarter 2014 results

\_ May 14, 2014  
Shareholders' meeting

\_ July 31, 2014  
1st Half 2014 Results

\_ October 22, 2014  
3rd Quarter 2014 Results

## SOCIÉTÉ BIC - SHAREHOLDER RELATION

14, rue Jeanne d'Asnières

92611 Clichy Cedex

www.bicworld.com

e-mail:

actionnaires@bicworld.com

Toll free from France:

N° Vert 0 800 10 12 14

APPEL GRATUIT DEPUIS UN POSTE FIXE