

BIC in touch

27

SEPTEMBER 2014

BIC Group Shareholders' letter

EDITORIAL

**“Ladies, gentlemen,
dear shareholders...**

In the BIC Group number 27 Shareholders' Letter, we review the major events that impacted our Group this summer, in particular our participation in the cycling race, Tour de France. In this letter, you will also find useful information about new products for back to school.

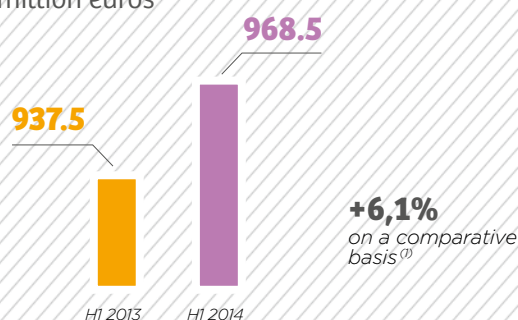
BIC first half 2014 results, published on 31 July, once again illustrated the ability of our teams to achieve solid performance in both developed and developing markets. Stationery back-to-school sell-in was good in Northern Hemisphere regions and we expect positive sell-through due to several innovative new product launches. In lighters, net sales benefited from strong execution in all regions. Shaver performance continued to benefit from the success of our value-added products, driving market share gains, particularly in the highly competitive U.S. market. In light of these encouraging results, we remain confident to achieve our full year 2014 targets.

Mario Guevara
BIC Chief Executive Officer

2014 first Half performances

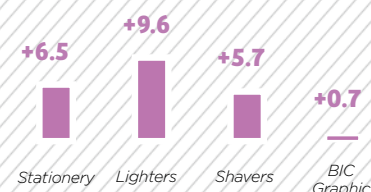
NET SALES AS REPORTED

in million euros



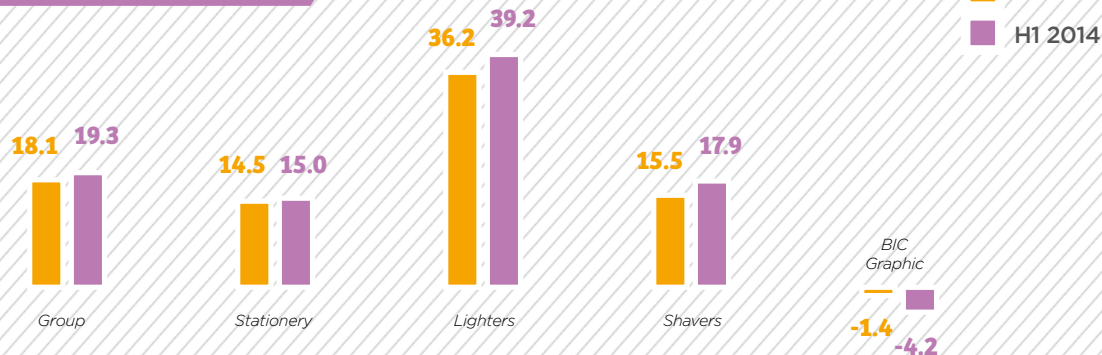
CHANGE IN NET SALES

On a comparative basis⁽¹⁾ by category in %



NORMALIZED IFO MARGIN⁽²⁾

in %



⁽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 restructuring for BIC Graphic, divestiture and real estate gains and the impact of retiree medical adjustments in the U.S.

2014 Back-To-School with BIC®



BIC® Kids range of learning products

To help kids in the writing learning, BIC associated with psychomotor specialists, ergonomists and teachers to create a new learning

products range BIC® Kids dedicated to kids from 4 years old. It is composed with two ball pens, a graphite pencil and a mechanical pencil

BIC® and Hello Kitty associate this year again for an unique collection of writing instruments and add a new product for the 2014 back-to-school: the BIC® 4 Colours™ Fashion Hello Kitty ball pen which will make the fashionistas happy.

On the side of historical products. BIC® innovated by proposing the iconic ball pen in a more smoothy ink: BIC® Cristal® Soft and BIC® Atlantis® Fluid. The BIC® 4 Colours™ Mini is now available in bright colors with funny inks and the BIC® Cristal® Stylus pen, Tablets and smartphones compatible, will appear inside students cases.

The BIC® Ecolutions™ range gets bigger with two new products: the Glue Stick™ in stick, manufactured without solvents and with a 100% recycled tube in plastic, and the Tipp-Ex® Pure Mini correction tape, 6 meters long, in a compact format perfect for the case and manufactured from 74%* of alternative plastics.

* 56% of recycled plastic + 18% of plant-based plastic (% of total product weight excluding the tape).



News

/ TOUR DE FRANCE

BIC[®] Official Sponsor of the Tour de France



BIC is a historical partner of this cycling race - now the world's 3rd largest sporting event - and has become Official Sponsor of the 2014 race. Every morning before the race starts, the riders signed in with the BIC[®] 4 Colours[™] pen, the official pen of the Tour.

This year, the Tour de France kicked off from Leeds in Yorkshire (UK). Twelve million spectators saw the BIC[®] Caravan throughout the 3,664 kilometer-race, which highlighted the brand through:

- three cars and a flatbed truck with a sound system, customized with the colors of the brand, presented BIC[®] products and distributed 400,000 goodies all along the course,
- events with the BIC[®] mascot were carried out at the start and finish of each stage,
- hundreds of official pens were distributed daily to spectators in the Starting Village, especially around the Podium where riders sign in.

Find the BIC[®] Caravan on www.facebook.com/CaravaneBic



/ LIGHTERS

The summer series

The decors you could find this summer:

- a Brazilian color series celebrating the football World Cup,
- a series in association with the Smiley brand,
- collections on regions of France with the 64th series illustrating the south-west region and funny series on the Basque Country, the Mediterranean, Brittany and Normandy, in association with HiHiHi French group.

As an essential element for the summer barbecue, the BIC[®] Megalighter[™] multi-purpose lighter was available this summer in a range of bright colors.



/ BRAND SUPPORT

BIC[®] makes a solid statement throughout Australia

An eye-catching BIC[®] branded truck will travel on Australia's roads by fall to increase brand presence among consumers across the country.

The 2D inventive image which displays colorful BIC[®] pens and markers will be seen by thousands of people every day on Australian highways and in city traffic.



/ CELLO PENS

Closing of the put option: BIC stake increased to 75%

BIC Group announced on 4 July 2014 that it has completed the purchase of shares to increase its stake from 55% to 75% in Cello Pens 7 entities for 4.3 billion Indian rupees (app. 53 million euros⁽¹⁾).

The shareholders agreement of 21 January 2009 provides further call and put options:

- BIC has a call option on 15% of the share capital, allowing its stake to reach 90% by 2016,
- Cello Group has two put options allowing BIC to reach 100% by 2016: on 25% of the share capital, or on 10% if BIC exercises its 15% call option.

⁽¹⁾ 81.17 INR = 1 euro (04-JULY-2014; ECB Reference rate).



/ SOCIAL

BIC South Africa invite school girls during a day



BIC subsidiary in South Africa participated in June to the corporate social investment event held in South Africa since 2003, "Take a Girl Child to Work Day."

BIC welcomed twelve female pupils, to spend an entire day at BIC's offices discovering the working world, help them to make informed career decisions and dialogue around their role in the country's socio-economic development.

/ SHEAFFER

A.T. CROSS COMPANY TO ACQUIRE SHEAFFER

BIC Group and A.T. Cross Company, a portfolio company of Clarion Capital Partners, announced on 21 August 2014 that they have signed an Asset Purchase Agreement for the sale of Sheaffer, BIC's fine writing instrument business, to A.T. Cross Company for approximately 15 million dollars, subject to final working capital adjustments.

By leveraging the individual strengths of Cross[®] and Sheaffer[®], two authentic, American fine writing 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 is expected by the end of October, 2014.



What's new? //

/ BIC GRAPHIC 2014 CATALOGUES



BIC Graphic is launching a seasonal magazine focused on the Holiday season, for European and Latin American countries. Customers will find new products and new trend collections in Europe like the Urban Style Collection in bags and the Bamboo Collection for Housewares and Drinkwares – a sure way for a brand to be remembered. For the North-American continent, a Mid-Year iCatalog[®] has been published, unveiling 50 strong and focused new products that align with BIC Graphic distributor's needs. Exciting new partnerships have recently been announced, such as a line of Leatherman[®] multi-tools and myCharge[®] portable chargers. Discover the new iCatalogue[®] online for Europe and for North America.

/ BIC[®] EVOLUTION[™] MANUFACTURING IN VIDEO

By developing, 20 years ago, the BIC[®] Evolution[™] pencil made of synthetic resin, BIC created a universal communication tool. Its unique features and its high level of quality make it hold key positions in several continents today. The video that shows how the BIC[®] Evolution[™] pencil is made in a unique process in two leading-edge BIC factories. On YouTube and on www.bicworld.com



COMPANY'S DETAILS

- _ Limited company Capital: €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

- _ 22 October 2014
3rd Quarter and 9 months 2014 Results
- _ 11 February 2015
Full Year 2014 Results
- _ 22 April 2015
1st Quarter 2015 Results
- _ 6 May 2015
Shareholders' Meeting

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