

Shareholders' Letter



2008:
A challenging year during which we have chosen to continue to invest in our brand, in all categories, in order to continue to manage our business on a long-term basis.

Ladies, Gentlemen, Dear Shareholders,

2008 concludes in an uncertain environment with a slowdown in our economy.

In this context, BIC 3rd Quarter Results were good and we have been able to regain market share in key markets. For the full year 2008, net sales will grow slightly at constant currencies, as anticipated. Income From Operations margin should trend close to the 9 months level.

Relying on a strong balance sheet and a solid and efficient business model, BIC continues to produce and to sell reliable products at excellent value for money. These strategic assets should enable us to well resist the worldwide economic crisis and help us to continue to manage our business for the long term.

Mario Guevara
Chief Executive Officer

▶ **No.1** worldwide for ballpoint pens

▶ **No.2** worldwide for stationery products

▶ **No.1** worldwide for branded pocket lighters

▶ **3.2** million outlets in the world

▶ **8,576** employees

Sustainable development a new communication program

To promote its engagement in sustainable development with customers and employees, BIC created a leaflet presenting the main points of the Group's strategy in this area.

- ▶ Regarding its products, the Group is committed to "develop ecological common sense" by promoting the minimal use of material in its products and packaging and by progressively integrating innovative ecological materials (recycled or renewable).
- ▶ To fight against climate change, BIC Groups continues to measure the environmental impacts of its products, factories and transport activities. The Group implements, when possible, actions that reduce its environmental impact.
- ▶ In the social domain, BIC continues to implement the BIC Group Code of Conduct in its own factories and its subcontractors' and strengthens employee employability through training. BIC promotes local initiatives to support communities.

This leaflet is available on-line on our website www.bicworld.com.

You can also ask for a copy by email: actionnaires@bicworld.com.





9 Months 2008 Results

► Net Sales

9 Months 2008 net sales were 1,064.4 million euros, up +3.2% at constant currencies.

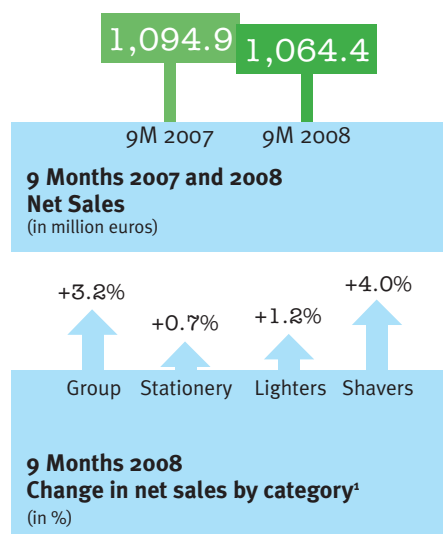
► Stationery

9 months 2008 net sales increased +0.7% at constant currencies.

- Consumer business: The consumer business experienced a slight decline during the 3rd Quarter. For the 9 months, sales grew low-single digit. Our fundamentals remain strong as we have been able to maintain or slightly grow market share in all key regions.

Back-to-school shopping was lower than last year in both Europe and the US. This mirrors the general economic climate in which consumers are increasingly cautious about spending. In Latin America, our positive 1st Half trend continued into the 3rd Quarter.

- Graphic business: Despite a slight improvement during the 3rd Quarter 2008, our promotional imprinted business remained negatively impacted by the depressed economic environment and the decline of the writing instrument promotional business in the US.



(1) At constant currencies.

► Lighters

9 months 2008 net sales increased +1.2% at constant currencies.

- In Europe, the 3rd Quarter of 2008 benefited from positive impact of replenishment orders in some countries. As expected, positive price adjustments were lower than in the 1st Half of 2008.

- The US pocket lighter market continued to be affected by the accelerated decline of cigarette retail sales and the uncertainty of the overall economic situation. In this context, BIC North America 3rd Quarter net sales registered a slight increase, as a result of price adjustments and market share gains.

- In Latin America, net sales growth continued to benefit, as planned, from distribution gains and price increases.

► Shavers

9 months 2008 net sales increased +4.0% at constant currencies.

- Overall shaver market conditions were unchanged compared to the first 6 months of 2008 with the market trending flat in the US and in key European countries and an acceleration of new product launches (one-piece and refillable).

- In this context, 3rd Quarter 2008 net sales performance benefited from a favorable base effect (3rd Quarter 2007 sales had declined by -1.5% at constant currencies).

- BIC triple-blade one-piece shavers continued to be a key growth driver and represented 43% of BIC's total one-piece shaver net sales at the end of September 2008 compared to 42% at the same period last year.

- BIC® Soleil® System performance continues in the lower range of our market share expectations due to heavy competitive pressure from new products in this segment.

► Other Products

9 months 2008 Other Products net sales increased +34.6% at constant currencies, benefiting from the integration of Atchison Products, Inc. and the ongoing success of phone card sales in France.

► IFO margin

The 9 months 2008 IFO margin was 15.3% compared to 17.6% in the 9 months of 2007, due to a decrease in Gross Profit margin. The negative impact from foreign exchange on Gross Profit Margin represents -0.8 points. Price increases more than offset the impact of raw materials.

Excluding this year's exceptional items⁽²⁾, the 9 months IFO margin would have reached 15.8%.

► Stationery

The Stationery IFO margin reached 14.2% in the 9 months of 2008, compared to 16.2% in the 9 months of 2007, due to the decrease of the BIC Graphic IFO margin. Excluding exceptional items⁽²⁾, the 9 months IFO margin would have reached 15.2%, as result of the improvement of the Consumer business IFO margin.

► Lighters

9 months 2008 IFO margin decreased by -2.4 points to 29.9% as a result of increased brand support linked to the implementation of the child-resistant regulation in Europe and higher manufacturing costs.

► Shavers

9 months 2008 IFO margin was 4.3%. Contributing factors included the ongoing negative impact of the USD/EUR exchange rate.

(2) Excluding Stylen and Fountain Inn factories closing costs and real estate gains.

Full year 2008 outlook

At Group level, for the full year 2008, we confirm the slight increase in net sales at constant currencies. The IFO margin should trend close to the 9 months level.

► **Stationery:** The Consumer business should be driven by the consistent good performance in Latin America and the market share gains in Europe and North America while the consumption is slowing down in these geographies.

► **Lighters:** Sales growth in Europe is expected to slow down slightly in the 4th Quarter of 2008 and we remain cautious in North America. The good performance in Latin America should continue.

► **Shavers:** Full year 2008 net sales growth at constant currencies should be in the low single digits and income from operations margin should be consistent with the 9 months level, as a result of the challenging competitive environment.



The BIC® brand, a strategic asset

Launched in 1950, the BIC® brand is a shortened version of the last name of Marcel BICH, co-founder of the Company.

Its pronunciation is easy worldwide and its low number of letters enables optimized visibility.

Since its creation, the Group has invested aggressively to promote the BIC® brand with ingenious advertising campaigns that became famous, stressing the simplicity and quality of its products, and the brand's sense of humour.

Today, BIC is one of the most recognized French brands around the world; its notoriety is close to 100% in countries where the Group operates. Synonymous with quality, fair price and reliability, the BIC® brand has become one of the pillars of the Group's success.

The Group decided to profit from this notoriety in a wide range of brands.

► In 2004, the Conté brand, little known outside France, has been replaced by BIC® Kids under which coloring products for children are commercialized, especially in Europe.



► In the very competitive women's shaver market, BIC® Soleil® shows the Group's capacity to use its brand to build a strong position.

► **BIC® Sport**, which sells surfboards, windsurf boards, kayaks and sailboats, is another example of the BIC brand use in various markets.



• From the Saxo BIC® to the BIC® Phone

1998: BIC and Citroën launch a customized series of the Citroën Saxo car: the Saxo BIC®. This limited edition had immediate success and was produced for five successive years.

August 2008: BIC and Orange launch the BIC® Phone, a cell phone that is "100% ready to go" for consumers who like easy-to-use and "pay as you go" products. This original partnership combines Orange's technical knowledge with simplicity and good value for money, which is always emphasized by the BIC® brand.



enPieza

Products that became design icons

As "everyday objects," some BIC products have become design icons. The BIC® Cristal® ball pen and the BIC® Maxi lighter are in permanent collections at the Museum of Modern Art of New York (Department of Architecture and Design) and the National Museum of modern art of Paris (*Centre Georges Pompidou*).

They also inspire contemporary creators. For example, the design studio enPieza!, located in Madrid, creates and sells chandeliers, ceiling lamps and desk lamps made with BIC ballpoint pens.

One of their first productions, the Volivik lamp (made with BIC® Orange and BIC® Cristal®), has been acquired by the London Science Museum for its permanent collection.

To know more about the design studio, please visit: www.enpieza.com.

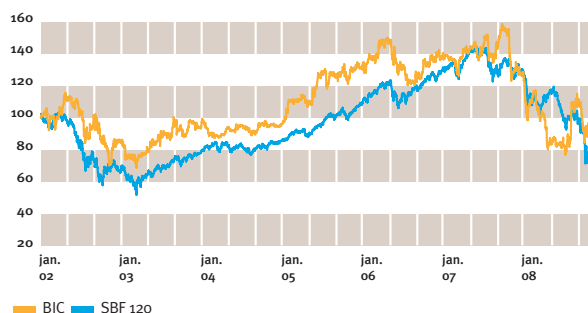




BIC and You

► BIC share price vs. SBF 120

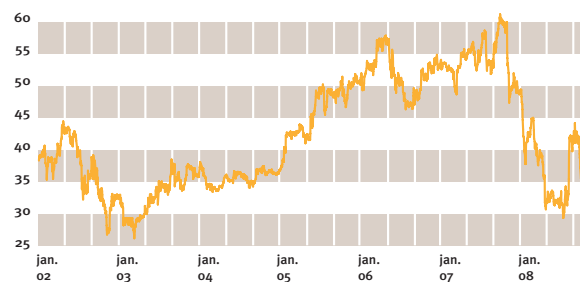
Rebased 100 at January 2002



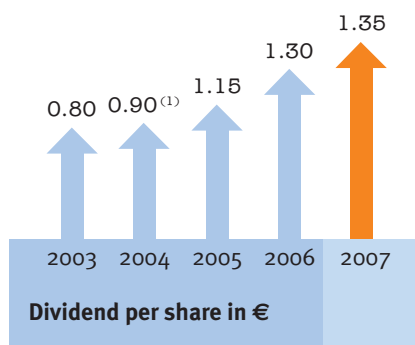
Financial data as of October 22nd, 2008.

► BIC share price

In euro



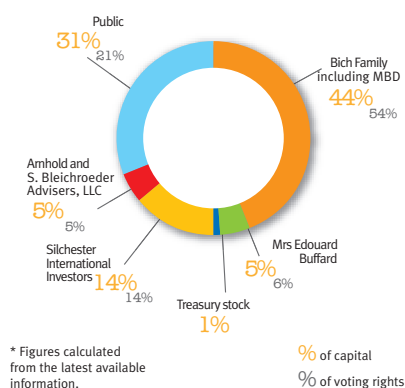
Dividend evolution



(1) A special dividend of €1.00 per share was paid for year 2004.

Capital ownership and voting rights

As of September 30, 2008 *



* Figures calculated from the latest available information.

► Financial Agenda

- **November 25, 2008:** Individual Shareholders' meeting in Strasbourg
- **February 11, 2009:** 2008 Annual Results
- **April 22, 2009:** 1st Quarter 2009 Results
- **May 14, 2009:** 2008 Annual Shareholders' meeting
- **August 5, 2009:** 2nd Quarter & 1st Half 2009 Results
- **October 21, 2009:** 3rd Quarter & 9 Months 2009 Results

► Company's details

- Limited company
- Capital: €185,404,563.32
- Divided into 48,535,226 shares of common stock, par value €3.82
- **Listed on** Euronext Paris
- **ISIN:** FR0000120966
- **Mnemonic:** BB
- **Continuous quotation**

Share cancellation

On the 9th of September 2008, SOCIÉTÉ BIC's Board of Directors decided, pursuant to the authorization granted by the Annual Shareholders' Meeting held on the 21st of May 2008, to cancel 252,260 shares.

- SOCIÉTÉ BIC – Investor Relations
14, rue Jeanne d'Asnières - 92611 Clichy Cedex
www.bicworld.com - E-mail : actionnaires@bicworld.com
To tell from France:

► N° Vert 0 800 10 12 14

