

Shareholders' Letter



Ladies, Gentlemen, Dear Shareholders,

For several months, the worldwide economy has been faced with unprecedented turmoil, the duration of which is still uncertain. While the BIC Group is not totally immune from the consequences of this downturn, the fundamentals of our philosophy help make us more resistant.

For more than 50 years, BIC has offered consumers reasonably priced products without compromising quality. This strong combination of “quality” and “price” has been one of the key success factors and remains today the best positioning with consumers who are cautious in their spending. Another essential asset is our strong brand which benefits from both worldwide awareness and a strong local image in each country where we are established. These fundamentals, as well as our financial solidity and strong worldwide positions in our three categories, allow us to maintain or improve market shares within our key markets.

In 2008, our sales were up +2.4% at constant currencies while the Normalized Income From Operations Margin, negatively impacted by foreign exchange volatility and higher production costs, was 15.1%, declining compared to 2007. Thanks to the commitment of our teams to reduce working capital and maintain rigorous financial discipline, we have been able to improve our free cash flow by 23% to €143 million and keep a strong balance sheet.

In 2009, our objective remains to gain market shares in all categories and to continue to focus on protecting cash generation. In April, we announced a worldwide cost reduction plan to adjust our structure to the slowdown of our markets. The net impact will be approximately €35 million and annual expected savings are approximately €30 million from 2011.

2009 will be the year of the beginning of our partnership with Cello® Pens, of which we recently acquired 40% with a call option in 2013 to increase our stake to 55%. Cello® Pens is India's largest manufacturer and distributor of writing instruments, with a 37% domestic market share.

In parallel, we will focus on successfully integrating Antalis Promotional Products, European distributor of a wide range of promotional products, which we acquired in March. This will reinforce our subsidiary BIC Graphic's already strong market position.

The Cello® Pens and Antalis Promotional Products acquisitions are in line with our objectives to enhance our long-term growth and profitability and will create value for all our stakeholders.

Mario Guevara
Chief Executive Officer

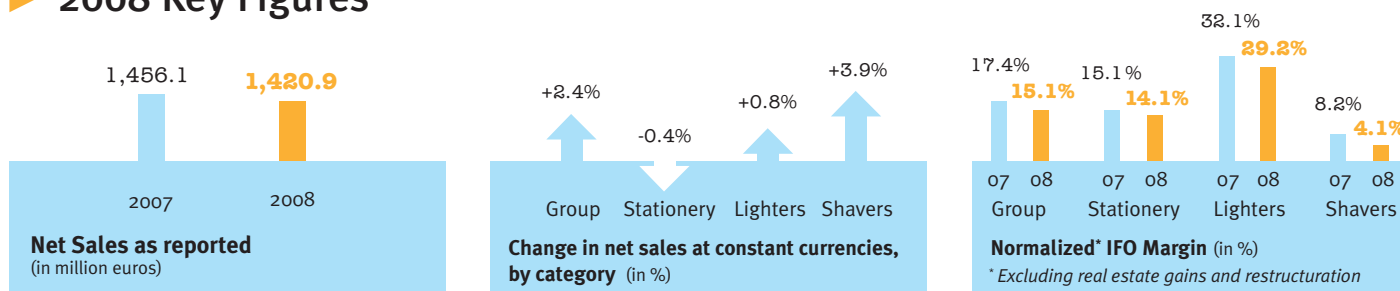




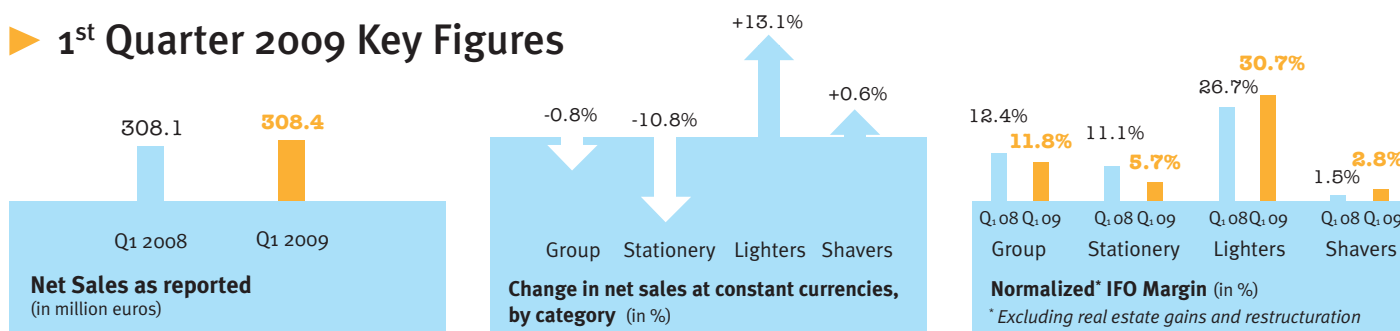
BIC today

Highlights of 2008 performance and 1st Quarter 2009 Results

► 2008 Key Figures



► 1st Quarter 2009 Key Figures



► Stationery

• **Consumer business** (office products suppliers and mass market): Consumer business net sales grew low-single digit in 2008 and declined in the 1st Quarter of 2009. In Europe and North America we managed to maintain or gain market shares despite the overall market slowdown. In the 1st Quarter 2009, net sales were affected by the decline of the Office Products suppliers' channel, while the retail mass market distribution channel performed better. Latin America performed well.

• **BIC Graphic** (promotional products): the decrease in net sales is in line with industry trends, negatively impacted by the reduction of companies' discretionary spending and the decline of the writing instrument promotional business in Europe and in the United States.

► Lighters

• In Europe, sales benefited from positive price impact in 2008 and from a significant volume increase in the 1st Quarter of 2009.

• One year after the implementation of the child-resistant mandatory standard, the key objective in 2009 is to ensure that all lighters in the market really comply with the EU decision.

• In the United States, the pocket lighter market has been affected by the continuous decline of cigarette retail sales. In this environment, BIC North America managed to increase its market share in 2008.

• Latin America performed well in 2008, benefiting from price increases as well as distribution gains. This good performance continued in the 1st Quarter of 2009.

► Shavers

• In 2008, the overall shaver market was flat in the United States and in key European countries.

• BIC triple-blade one-piece shavers continued to be a key growth driver, representing 42.5% of BIC's total one-piece shaver sales in 2008.

• 1st Quarter 2009 results varied by region, with a decline in Europe due to some delays in promotional timing, partially offset by strong growth in Latin America. In North America, the total shaver market showed low single digit declines as consumer continue to exercise caution in their spending; in this environment, our sales proved good resistance.

► Group

• In 2008, the gross profit margin was negatively impacted by foreign exchange volatility, lower production volumes and a sales decline in the Graphic business. Earnings per share (EPS) were €3.00 in 2008 (vs. €3.51 in 2007).

• The 1st Quarter 2009 gross profit margin decrease is linked to higher production costs due to sales volume decrease and continued reduction of inventories. This decline was partially offset by the decrease of brand support relative to a higher spend last year and control of operating expenses. Earnings per share (EPS) were €0.56 in the 1st Quarter of 2009 (vs. €0.52 in the 1st Quarter of 2008).



Focus on the Group's selective acquisitions strategy

► Announced at the end of 2008, the acquisition of **Antalis Promotional Products entities (APP)** was completed in March 2009 on the basis of a total enterprise value of €33.5 million. APP is a European distributor offering a wide range of promotional products which is highly complementary to the BIC Graphic business model.

In 2008, APP generated €92 million in revenues. BIC Graphic is a historic leader in promotional stationery products and lighters in Europe, the United States and Latin America, relying on its excellence in customer service, manufacturing and imprinting.

Antalis Promotional Products entities benefits from an extensive network of suppliers and sells to more than 15,000 distributors in Europe and Middle-East Africa. Together, the two groups will offer a very wide range of imprinted and non-imprinted products.

antalisTM

► In addition, the BIC Group announced the acquisition of **40% of the Cello® Pens business**, India's writing instrument leader, for approximately €124 million. Furthermore, BIC has a call option in 2013 to increase its stake to 55%.



Founded in 1995, Cello® Pens is a family group that manufactures up to 1 billion pens a year in its two factories. With its broad portfolio of products and country-wide distribution network, the Cello® brand is one of the most recognized in India with a 37% domestic market share. Cello® Pens generated approximately €64.5 million in revenues in 2007-2008 and 30% EBIT margin. This strategic partnership provides

BIC with an immediate large footprint in India and is fully consistent with BIC's goal to strengthen its position in fast-growing emerging markets.



In 2009, the Stationery category celebrates two important anniversaries

► For its 40th anniversary, the 4-Color Pen is available in a limited edition!

To celebrate its 40th birthday, the BIC® 4-Color Pen has undergone a make-over in fresh, zingy colors. Be warned, though! The model is available in a limited edition only. Get yours now, while supplies last!



► Tipp-Ex® is 50 years old!

With its two brands BIC® Wite-Out® and Tipp-Ex®, the BIC Group is one of the worldwide leaders within the correction market. Visit the website www.50tipp-ex.com, and discover new correction products a racing game and the TV commercial.



Pole Position with BIC® lighters

In 2009, the BIC brand has joined forces with the famous Formula 1 team, ING Renault F1, to launch a limited series of BIC® lighters in its colours.

Performance, state-of-the-art technology and reliability are the characteristics shared by the Renault F1 Team and BIC® lighters, making a natural partnership.

To learn more about these products, please visit the website:

www.mybiclighter.com/f1/.



To each their own shaver

In Shavers, BIC innovates again this year, both in the one-piece and in the refillable markets. 2009 will be the year of the following launches:

- In the United States, the one-piece 4-blade BIC® Soleil Bella™ and the 4-blade BIC® Soleil® System with individually moveable blade technology;

- In Europe, the BIC® Easy triple-blade, the first "all in one" shaver including one handle and 6 cartridges and the new shaver Ecolutions™, with a bioplastic handle made from grains of corn.





BIC and You

Shareholders' Meeting *held on May 14, 2009*

The SOCIÉTÉ BIC Joint Extraordinary and Ordinary Annual Shareholders' meeting was held on Thursday 14 May, 2009 in Clichy (92) and was chaired by Mr. Bruno Bich, Chairman of the Board.

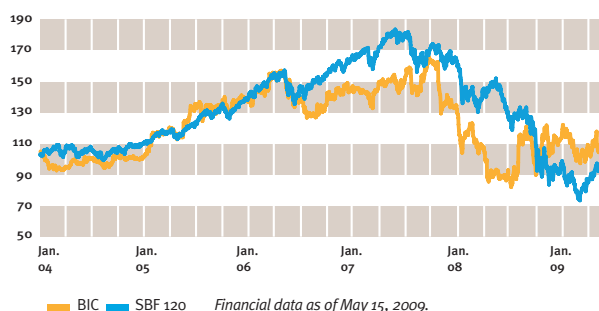
All of the resolutions tabled for the Annual Shareholders' Meeting were approved.

Among the resolutions approved were the following:

- The financial statements for the full year 2008;
- A dividend amount of €1.35 per share, equal to 2007, that will be distributed beginning May 25, 2009;
- Authorizations given to the Board of Directors to undertake operations with regards to shares of the Company (share buy backs and cancellations);
- Ratification of Mr. John GLEN's cooptation and his reappointment as Director of the Board;
- Reappointments of Mr. François BICH, Mrs. Marie-Pauline CHANDON-MOET, Mr. Frédéric ROSTAND, Mrs. Henriette POINSOT and SOCIÉTÉ M.B.D. as Directors of the Board;
- Appointment of Mr. Pierre VAREILLE as Director of the Board.

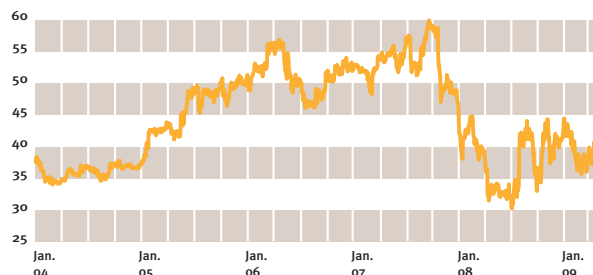
► BIC share price vs. SBF 120

Rebased 100 at January 2004



► BIC share price

In euros

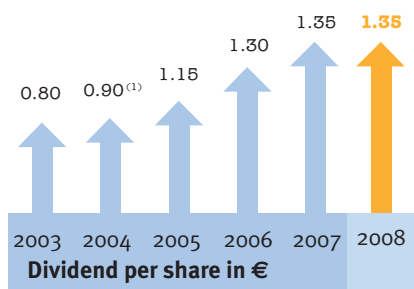


► « ISF » Share price:

► At December 31, 2008: €41.170

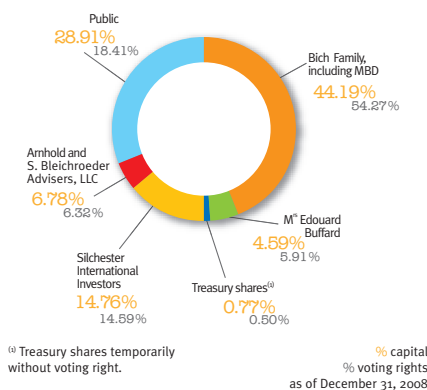
► Average of the 30 last 2008 market days: €40.114

Dividend *Evolution*



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

Capital ownership *and voting rights*



^(a) Treasury shares temporarily without voting right.

► Financial Agenda

► August 5, 2009:
2nd Quarter & 1st Half 2009 Results

► October 21, 2009
3rd Quarter & 9 Months 2009 Results

► Company's details

Limited company
Capital: €185,120,298.02
Divided into 48,460,811 shares of common stock, par value €3.82
► Listed on: Euronext Paris
► ISIN : FR0000120966
► Mnemonic : BB
► Continuous quotation

► SOCIÉTÉ BIC – Investor Relations

14, rue Jeanne d'Asnières - 92611 Clichy Cedex
www.bicworld.com - E-mail : actionnaires@bicworld.com

Tool free from France:

► N° Vert 0 800 10 12 14

APPEL GRATUIT DEPUIS UN POSTE FIXE



About BIC

BIC is a world leader in stationery, lighters and shavers. For more than 50 years, BIC has honored the tradition of providing high-quality, affordable products to consumers everywhere. Through this unwavering dedication, BIC has become one of the most recognized brands in the world. BIC products are sold in more than 160 countries around the world. In 2008, BIC recorded net sales of 1,420.9 million. The Company is listed on "Euronext Paris", the SBF120 and CAC Mid 100 indexes. BIC is also part of the following SRI indexes: FTSE4Good Europe, ASPI Eurozone and Ethibel Excellence Europe.