

Shareholders' letter



No. 8 NOVEMBER 2007



CEO'S MESSAGE

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- *Acquisition of Atchison Products by BIC Graphic USA.*

Ladies, Gentlemen, Dear Shareholders,

In order to improve the transparency of its financial communication, BIC Group published Quarterly Results for the first time on October 30th. Quarterly results will help to better assess the seasonality of our different businesses, although full-year trends remain the most relevant indicator for long-term prospects.

In an uncertain US economic context and facing strong competitive pressure in refillable shavers, we managed to grow our 9 months sales by 5.2% at constant currency and 3.7% on a comparative basis, slightly below our initial full year objectives. Our operational margin reached 17.6%.

In stationery, despite a good back-to-school season, sales were impacted by the slowdown of our promotional imprinted business, BIC Graphic, in the USA. In lighters, 9 months sales were in line with expected full year trends; in Europe, the transition to the child-resistant regulation continues to progress smoothly. In shavers, the 3rd Quarter was impacted by an acceleration of the decrease of our single-blade sales, not totally compensated by the sharp increase of our core disposal triple-blade sales. In a strong competitive environment, sales of BIC® Soleil® with cartridge refills did not meet our expectations in the 3rd Quarter. As we have always said, our entry into women's refillable shavers is a long-term investment and we are still confident it will be a success at the end.

In line with 9 months performance, we have revised our full year net sales guidance. We now expect 2007 net sales to grow between +3.5% and +4% (vs. 4% to +5% initially). Beyond the soft performance of the 3rd Quarter, we also see early signs of inventory reduction at the trade level in the USA in stationery.

Sales of BIC Graphic in the USA should remain weak during the 4th Quarter due to the slowdown of the writing instrument segment in the promotional products industry in this country. We are confident that the recent acquisition of Atchison Products Inc., a supplier of imprinted bags, will offset the decline of writing instruments and give our Graphic business additional opportunity for growth.

In lighters, full year net sales and operational margin should be close to 9 months figures. We expect close to 100% of our lighter sales to the trade in Europe to be child-resistant by the end of 2007. In shavers, we expect continued strong competitive pressure in the refillable shaver segment.

We maintain our income from operations target, with normalized IFO growth lower than sales growth. BIC continues to benefit from a strong financial situation and has no debt; at the end of September, our net cash situation was +145.6 million euros, +23% vs. last year.

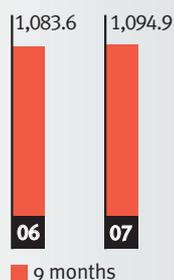
Since the beginning, BIC has offered innovative and quality products, assets which will continue to help grow our sales and profitability.

Thank you for your continuing support.

Mario Guevara
Chief Executive Officer



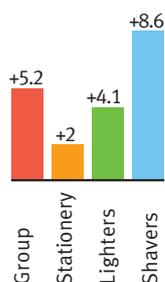
9 months 2007 figures



NET SALES

1,094.9 million euros

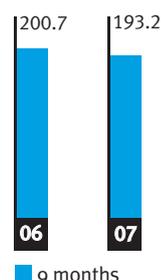
Net sales grew by 5.2% at constant currencies.



GROWTH OF NET SALES BY CATEGORY IN %⁽¹⁾

Sales were up in all three of our stationery, lighter and shaver categories.

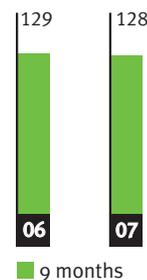
(1) At constant rates.



NORMALIZED INCOME FROM OPERATIONS

193.2 million euros

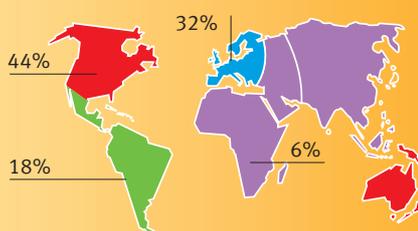
Normalized IFO decreased by 3.7%.



GROUP NET RESULT

128 million euros

Group Net Result decreased by 0.8% and EPS grew by 0.2%.



NET SALES BY GEOGRAPHIC AREA

352.1 million euros ■ Europe

487.9 million euros ■ North America and Oceania

193.2 million euros ■ Latin America

61.7 million euros ■ Middle East, Africa and Asia

SALES BY CATEGORIES

Stationery **50.5%**

Lighters **26%**

Shavers **18%**

Other products **5.5%**

OUR PERFORMANCE

Consumers choose to purchase:

24 million BIC® stationery products

5 million BIC® lighters

10 million BIC® shavers

every day*.

* BIC daily sales – base: 220 days.

9 months 2007 key events

Net sales grew by 3.7% on a comparative basis

BIC Group 9 months 2007 net sales reached 1,094.9 million euros, compared to 1,083.6 million euros in the first 9 months of 2006, an increase of +1.0% as reported, +5.2% at constant currencies and +3.7% on a comparative basis.

9 months 2007 stationery net sales were flat on a comparative basis. As expected, the 3rd Quarter performance in the Consumer business was positive thanks to growth in Europe and North America, where we gained market share compared to last year's back-to-school season. Growth was driven by new value-added products such as BIC Reaction™ writing instruments, coloring, fountain pens (EasyClic™) and correction tapes. The integration of Pimaco has been successful.

In the lighter category, 9 months net sales increased by +4.1%. Sales continued to grow in Europe where we registered strong growth in added-value products (new local sleeve series such as the rugby license in France) and a very good acceptance of our new multipurpose lighter, BIC® Megalighter™, which was launched recently. The transition to the child-resistant regulation is still progressing without major disruption of the market to date.

For the first 9 months of 2007, shaver net sales increased by 8.6% at constant currencies. The soft quarterly performance was due to the accelerated decrease of our one-piece single-blade business. This decline was partially offset by the growth of our triple-blade business. BIC® Soleil® with cartridge refills faced aggressive competition, both in the United States and United Kingdom, and did not meet expectations in the 3rd Quarter.

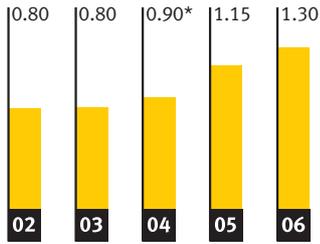
More brand support

The gross margin increased 0.1 points to 49.3% of sales versus 49.2% in the first 9 months of 2006. Gross margin continued to be positively impacted by the USA restructuring plan. Positive volume impact was offset by the expenses related to the launch of BIC® Soleil® with cartridge refills and by the lower gross margin of other products¹. Material price increases were again offset by price adjustments.

The normalized IFO decreased by 3.7% at 193.2 million euros, compared to 200.7 million euros in the first 9 months of 2006. Normalized IFO margin decreased 0.9 points to 17.6%, primarily because of increased brand support related to the launch of BIC® Soleil® with cartridge refills.

Group net income was almost stable as reported, to 128.0 million euros. Earnings per share (EPS) were 2.60 euros in the first 9 months of 2007, compared with 2.59 euros in the first 9 months of 2006, up 0.2% as reported.

¹ Outside the three core categories.

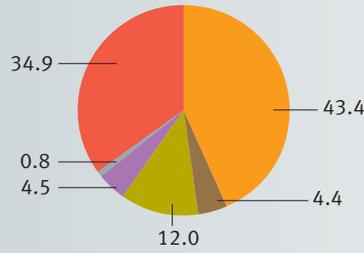


→ NET DIVIDEND

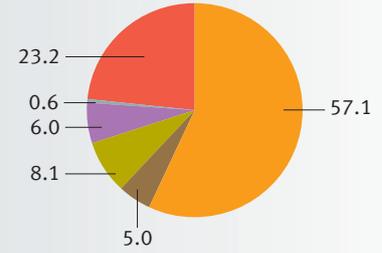
1.30 euro

The Group paid 1.30 euro dividend per share for the fiscal 2006, a 13.0% increase compared to 2005.

* The Group paid a special dividend of €1 for the fiscal year 2004.



→ CAPITAL OWNERSHIP
In % as of June 30, 2007



→ VOTING RIGHTS
In % as of June 30, 2007

- Bich Family, including MBD
- Arnhold & S. Bleichroeder
- Treasury shares
- Mrs. Edouard Buffard
- Silchester International Investors
- Free float

→ HIGHLIGHTS

BIC Graphic USA acquired Atchison Products

At the end of August, BIC Graphic USA, a subsidiary of BIC, acquired Atchison Products, Inc., a supplier of promotional bags in the USA. These custom-imprinted products are sold through non-exclusive distributors to small businesses and large corporations for promotions, advertising and giveaways.



Multipurpose BIC® Megalighter™

Number one worldwide among branded pocket lighter manufacturers, BIC launched BIC® Megalighter™, a new generation of multipurpose lighter suitable for day-to-day usage. From birthday cakes to gas stoves, from barbecues to fireplaces, household lighting needs are numerous and BIC® Megalighter™ answers all of them.

2007 back-to-school

For the 2007 back-to-school season, BIC launched a range of totally new products: trendy fountain pens, a retractable version of BIC® Cristal®, highly comfortable gel pens, mini formats, specific scenes, licenses... everything for a good start to the new school season.

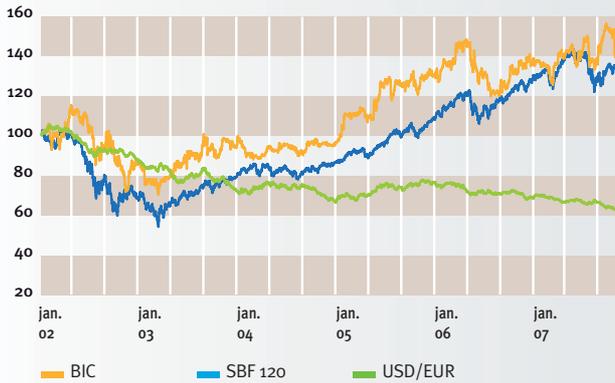


Christmas Crafting Products

Leveraging its expertise in coloring, BIC offers a large range of crafting products. For Christmas 2007, BIC launched kits for creating personalized Christmas decorations. Adults and kids each have their own kit: BIC® Kids Imagine and BIC® Marking™ Color.

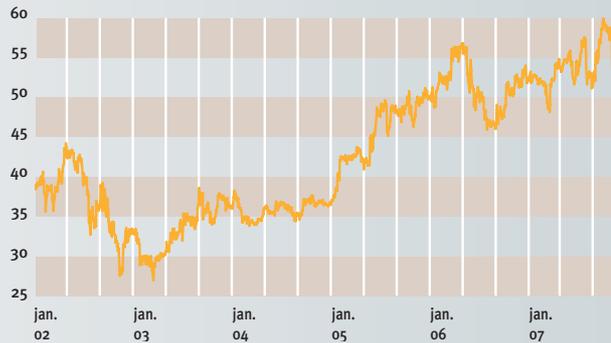
Information on the share

→ BIC SHARE PRICE VS. SBF120 AND USD/EUR REBASED 100 AT JANUARY 2002



Financial data as of October 31st, 2007.

→ BIC SHARE PRICE



→ BIC SHARE AS OF JUNE 30, 2007

- **Capital:** 190,227,848.12 euros
- **Number of common stocks:** 49,797,866 shares at 3.82 euros face value
- **Quoted on:** Euronext Paris
- **ISIN code:** FR0000120966
- **Average daily volume** (in 1st Half 2007): 83,275 shares
- **Indexes:** SBF 120, CAC Mid100, FTSE4Good Europe

→ KEY DATES FOR SHAREHOLDERS

January 16, 2008

- 2007 net sales

February 27, 2008

- 2007 results

→ CONTACT

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If you want to receive
BIC Shareholders’ letter,
please contact us.



→ OUR ANSWERS TO YOUR QUESTIONS

How does the acquisition of Atchison Products, Inc. fit into BIC’s strategy?

Atchison Products, Inc., is a supplier of promotional totes, bags, coolers and backpacks in the USA. These custom-imprinted products are sold through non-exclusive distributors to small businesses and large corporations for promotions, advertising and giveaways. This acquisition illustrates our “bolt-on” acquisition strategy to acquire businesses that fit strategically into our existing portfolio. Atchison Product’s talented management team and employees, their established supply chain and category expertise will be a strong addition to our promotional products business.



How is the implementation of the European “child-resistant” lighter regulation proceeding?



The transition is progressing without major disruption to the market to date. At the end of September, child-resistant lighter sales represented 61% of total European sales to the trade. Close to 100% of BIC® lighters sold to the trade in Europe should be child-resistant compliant by the end of 2007. We are continuing our information campaign for the trade through the “BICareful” magazine with issue N°3 dedicated to the “child-resistant” rules. For consumers, we also provide a special leaflet dedicated to the new regulation.

Some lighters could be dangerous for you, your family and your environment, when not complying with ISO 9994 Safety Standard.



Failure to comply with the ISO 9994 Flame Height Test.



Failure to comply with the ISO 9994 Flame Extension Test.



Failure to comply with the ISO 9994 Drop Test.



Failure to comply with the ISO 9994 Flame Height Test.

Tips to choose your lighter

- Do not buy unbranded lighters or lighters without any identification of the manufacturer or the distributor.
- Prefer reputable brands.
- Check on pack that lighters are ISO 9994 compliant.
- Do not buy novelty lighters.

Tips to use your lighter

- No lighter is child proof, there is no substitution to proper adult supervision.
- Keep lighters away from children

For further details

Be careful with lighters !

New European Decision to reinforce the safety requirements of the lighters sold in Europe

