

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.

In 2007, we experienced strong consumer takeaway in all three categories and our "bolt-on" acquisition strategy proved successful. As planned, Normalized IFO grew slower than sales on a comparative basis, as a result of increased brand support linked to the launch of our first system shaver, the BIC® Soleil® System/Clic.

2008 is a challenging year: in an uncertain environment, we have chosen to continue to invest in our brand in all categories. We remain committed to managing our business on a long-term basis and to creating value for our shareholders.

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

Products *What's new?*

As in previous years, we extended our different ranges thanks to new products such as the BIC® Marking™ Clic, our retractable permanent marker pen, the BIC® Reaction™ writing instruments and the BIC® Megalighter™, our newest multipurpose lighter. In 2007, new products accounted for approximately a quarter of BIC sales.

- ▶ The BIC® Reaction™ range offers a ball pen, a gel ink pen and a mechanical pencil.

- ▶ Following its launch in 2007 in the US and the UK, the BIC® Soleil® System/Clic shaver made its entry into Continental Europe and Canada in March 2008.

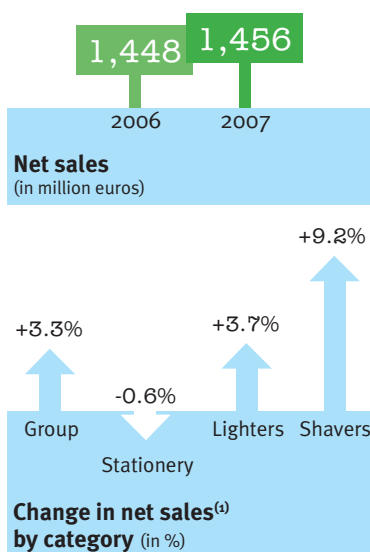
- ▶ For any consumer who wants to protect the environment, a new offering is BIC® Sticky Notes made with recycled paper.

- ▶ More practical and stronger, this new packaging protects BIC® Kids Evolution™ colored pencils and BIC® Kids Couleur felt-tip pens in school bags and is useful on desktops as a pencil holder.



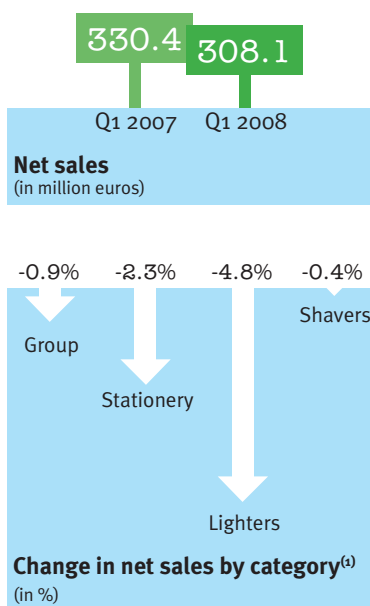


► 2007 Key figures



(i) On a comparative basis.
Group net sales grew by 3.3% on a comparative basis and 4.7% at constant currencies.

► First Quarter 2008 results



(i) At constant currencies.

Highlights of 2007 performance

- **Net sales:** 1,456 million euros
- **Normalized IFO margin*:** 17.4%
(*Excluding real estate gains and USA restructuring)
- **EPS:** €3.51

In 2007, we experienced strong consumer takeaway in all three categories. Despite a challenging environment during the 2nd half of the year, Group sales grew 4.7% at constant currencies (+0.6% as reported) for the full year. Our “bolt-on” strategy proved successful with incremental growth from PIMACO in Brazil and Atchison Products, Inc. in the US. As planned, Normalized IFO grew slower than sales on a comparative basis, as a result of increased brand support linked to the launch of our first women’s system shaver.

First Quarter 2008 results

1st Quarter 2008 Net Sales reached 308.1 million euros, a -0.9% decrease at constant currencies (-6.7% as reported), negatively impacted by the slowdown in the US economy. Europe and Latin America performed well.

- In Stationery, the trend remains positive in our consumer business. Customer inventory reductions in the US continued. In addition, we experienced an accelerated decline of the Graphic business.
- Lighter net sales were flat in Europe and increased in Latin America. We faced inventory reductions at key customers and slower consumer takeaway in the US.
- Shaver net sales were driven by the continuous expansion of our one-piece triple-blade business. Our portfolio of triple-blade one-piece shavers accounted for 43% of our total one-piece shaver sales in the 1st Quarter 2008, compared with 39% in the 1st Quarter 2007.

IFO margin was 12.4% compared to 17.6% in the 1st Quarter 2007 due to:

- The decrease of BIC Graphic margin, linked to heavily weighted brand support in this business during the 1st Quarter 2008;
- The one-time impact of the advertising campaign aimed at supporting the implementation of child-resistant regulation in Europe;
- The continued support of the BIC® Soleil® brand (shavers), mainly in North America, and the launch of BIC® Comfort 3® Action in Latin America.

2008 is a transition year, marked by many challenges for the Group. We expect our sales to grow slightly at constant currencies and our IFO margin to improve compared to the 1st Quarter 2008 level.

► Shareholders' questions

1. What is the impact of the US economic slowdown on your performance in this region?

BIC Group realizes more than 40% of its sales in North America & Oceania (43% in 2007, 40% in the 1st Quarter 2008).

During the 1st Quarter 2008, our sales have been significantly impacted by the US economic slowdown, with sales down -5.6% at constant currencies in comparison with the same period the year before.

2. Will the weak performance of the 1st Quarter 2008 have consequences on BIC's return to Shareholders policy?

BIC's business model rests upon a solid basis that allows it to deliver regular and profitable growth.

Since 2000, the dividend has regularly increased and, in 2004, we distributed an exceptional dividend.

It is still too early to pledge on a precise amount for the 2008 dividend, but the Board

of Directors remains sensitive to the regulatory of the return to shareholders.

3. What is the impact of increases in raw materials?

In 2006 and 2007, the negative impact of raw material increases has been compensated by product price increases. This should be the same in 2008.

BIC and sustainable development: a key objective

Sustainable development is becoming more and more fundamental for the daily management of the BIC Group and its long-term perspectives. Among the five internal objectives set for BIC in 2008 by our CEO Mario Guevara, was the following: "Transform our commitment to sustainable development into eco-solutions that will deliver true competitive advantages for the Group."

• Use of a "barometer" to follow our performance

Since January 2008, the BIC sustainable development program has been monitored by a barometer that will be in place for three years. This tool will allow the Group to observe the program process, and to enable reporting based upon ten indicators relating to environmental performance of products and manufacturing activities, as well as to its corporate and social responsibilities. It will also help the sustainable development team decide on any corrective actions.

The use of this barometer is a landmark development, because for the first time, BIC is setting itself precise "quantitative" objectives in terms of social and environmental progress.

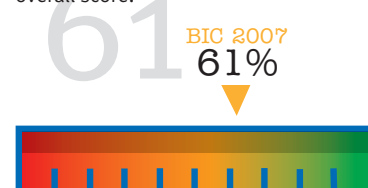
• Corporate Social Responsibility analysis

Specialized rating agencies evaluate listed companies according to social and environmental criteria with the purpose of compiling stock market indexes based on Corporate Social Responsibility (CSR).

BIC is included in the FTSE4Good Europe index and was listed in the French index Carbon Disclosure Leadership. The Carbon Disclosure Project (CDP) is an organization that aims to encourage recognition of the challenges of climate change in investment decisions.

In 2007, BIC responded for the first time to the CDP initiative and was listed in the French index, with 23 companies whose results are the most satisfactory in terms of quality and transparency of information provided regarding climate change.

► Each indicator accounts for 10% of the overall score.



► In 2007, BIC designed for the Japanese marketplace a version of its BIC® Orange™ ballpoint pen, containing



75.83% recycled materials.

Hence, the product was given the Japanese eco-label, Ecomark, which identifies environmentally-friendly products.

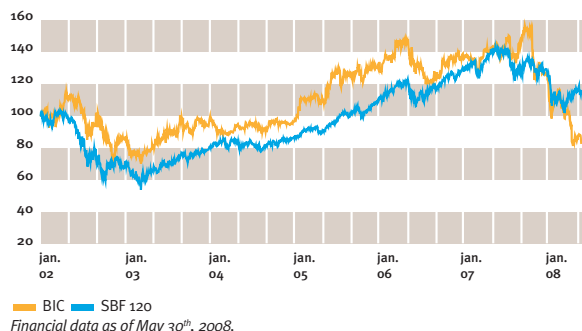




Bic and You

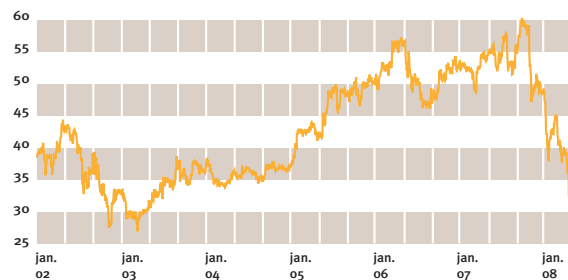
► BIC share price vs. SBF 120

Rebased 100 at January 2002



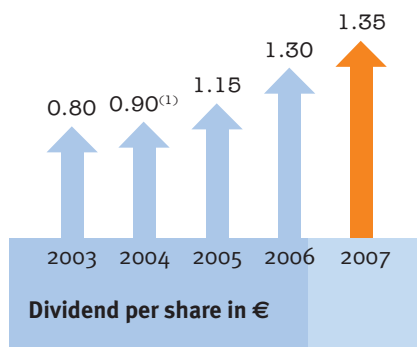
► BIC share price

In euros



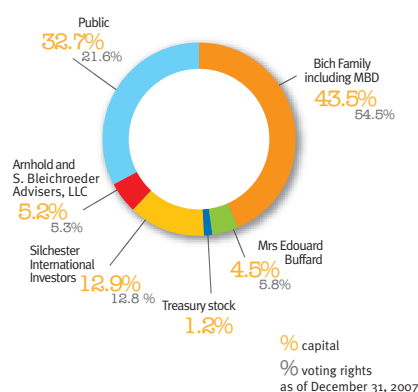
► **"ISF" Share Price** ► At December 31st, 2007: €49.00 ► Average of the 30 last 2007 market days: €49.35

Dividend evolution



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

Capital ownership and voting rights



► Financial agenda

- **August 6, 2008:**
1st Half 2008 Results
- **October 22, 2008:**
3rd Quarter 2008 Results

► Company's details

Limited company.
Capital: euro 186,368,196.52
Divided into 48,787,486 shares of common stock, par value euro 3.82
► **Listed on** Euronext Paris
► **Isin:** FR0000120966
► **Mnemonic:** BB
► **Continuous quotation**

Report of the Shareholders' Meeting

SOCIÉTÉ BIC Annual Shareholders' meeting was held Wednesday, May 21, 2008 in Clichy (92), and was chaired by 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 2007;
- A net dividend amount of 1.35 euro per share, up 3.8% compared to the previous fiscal year, that will be distributed beginning June 2, 2008;
- Authorizations given to the Board of Directors to increase the share capital with or without preservation of shareholders' preferential rights of subscription;
- Authorizations given to the Board of Directors to undertake operations with regards to shares of the Company (share buy backs and cancellations).

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