



BIC GROUP

Redon Lighter Factory Site Visit December 17, 2010

Investor Relations Department
+33 (0)1 45 19 52 26
sophie.palliez@bicworld.com
katy.montecatine@bicworld.com
www.bicworld.com



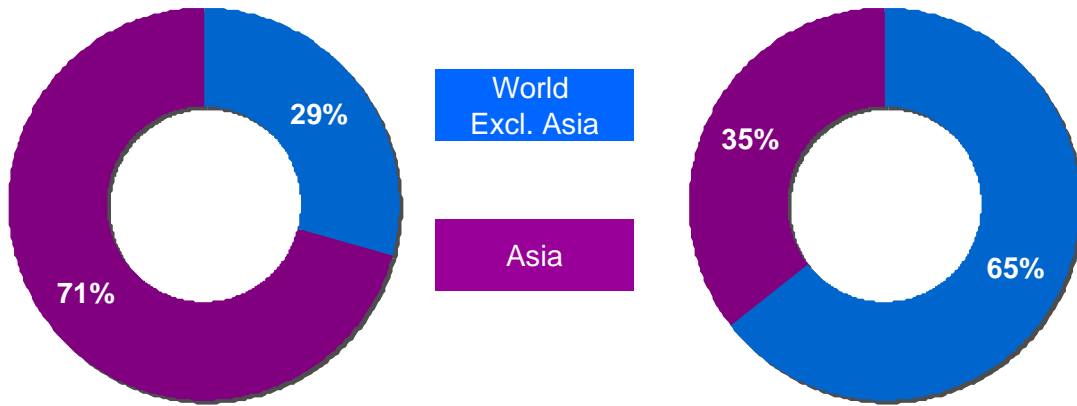
PRESENTATION

The pocket lighter market Volumes vs. value



Volumes: 10.6 billion units

Value: 3.1 billion euros



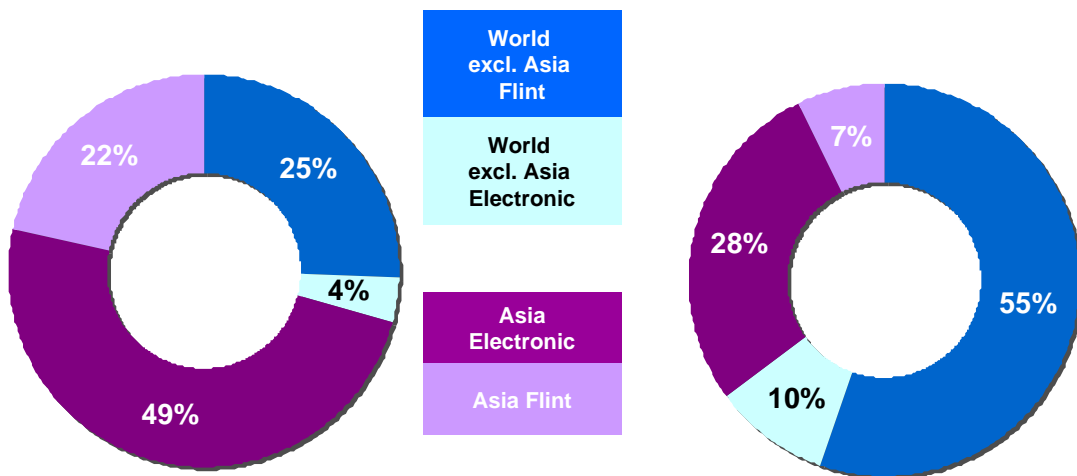
BIC estimates for 2009 – Retail prices

The pocket lighter market Flint vs. electronic



Volumes: 10.6 billion units

Value: 3.1 billion euros



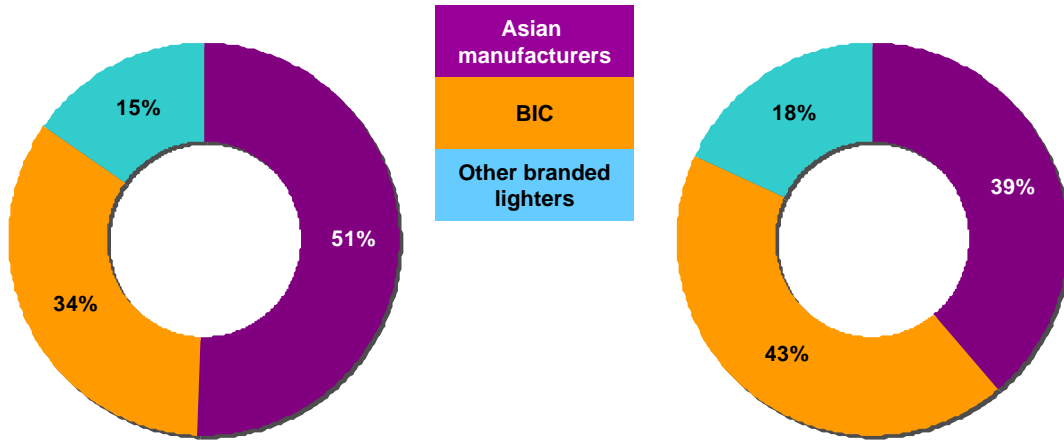
BIC estimates for 2009 – Retail prices

The pocket lighter market Key players outside Asia



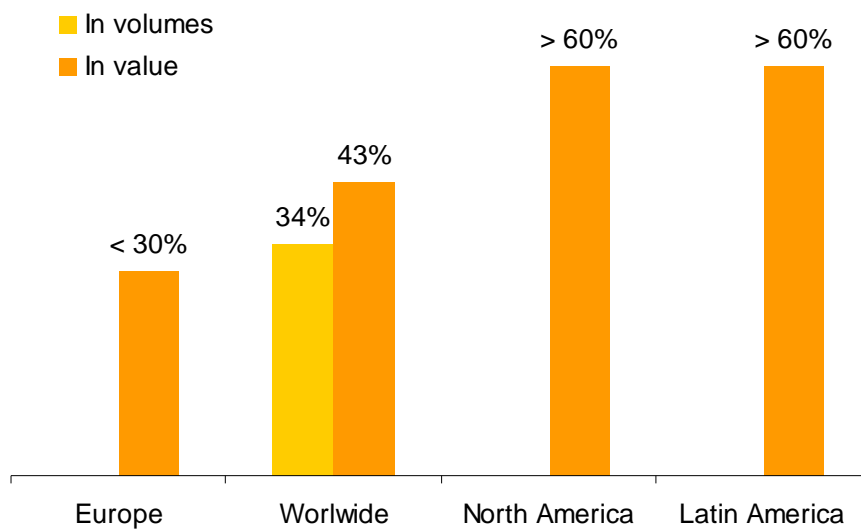
Market shares in volumes outside Asia

Market shares in value outside Asia



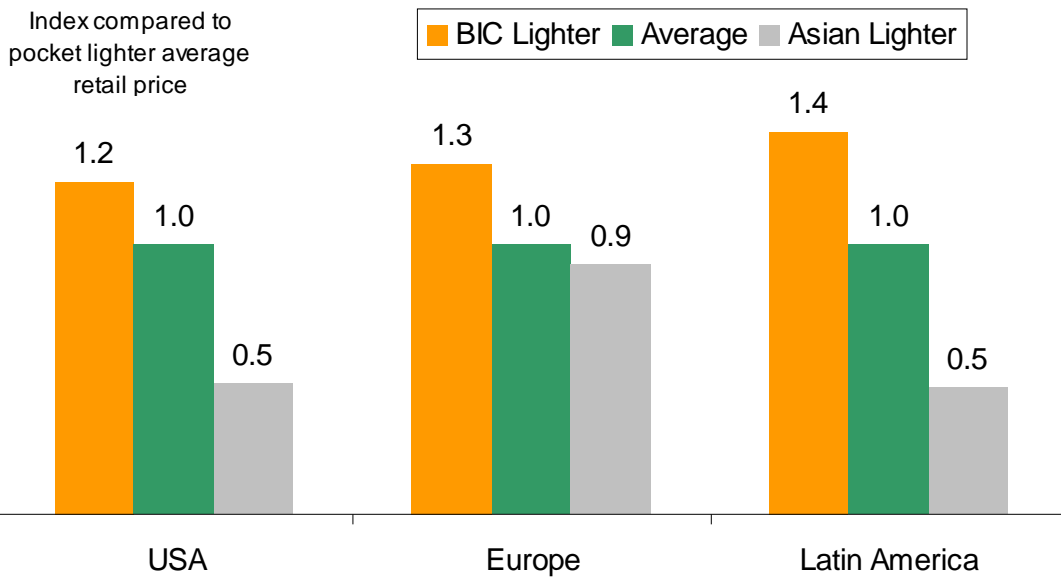
BIC estimates for 2009 – Retail prices

The pocket lighter market BIC market shares on its markets



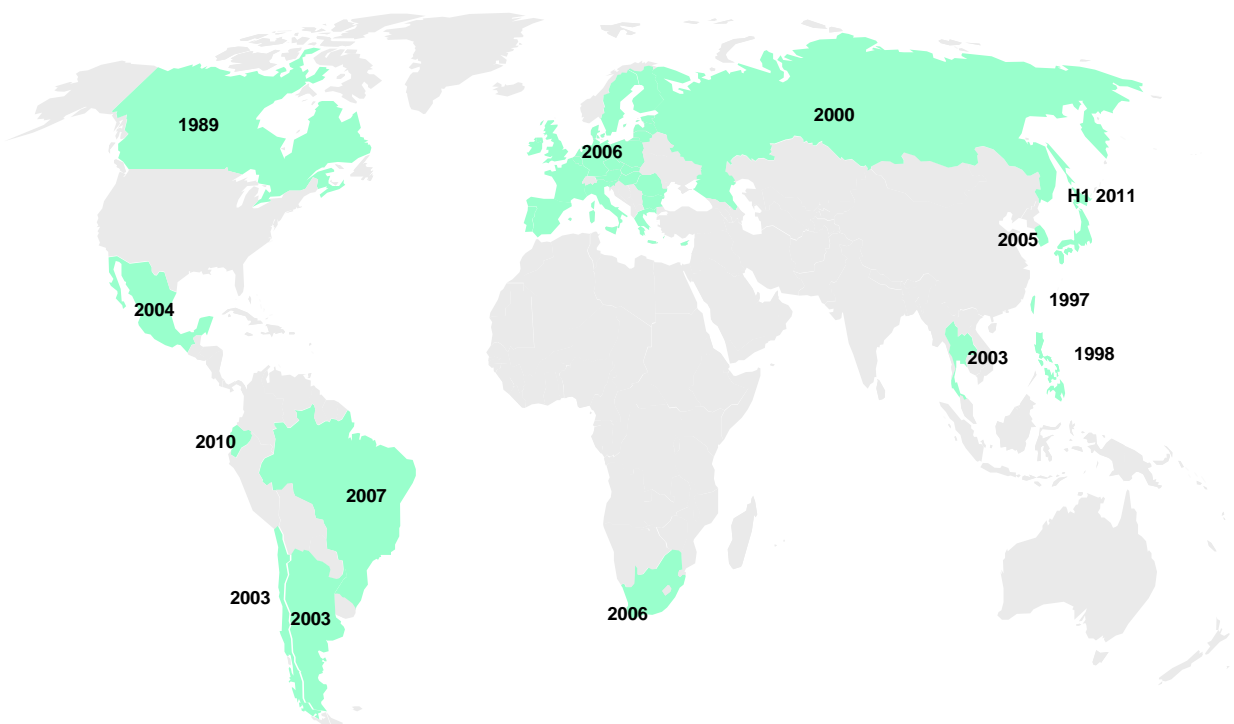
BIC estimates for 2009 – Retail prices – excluding Asia

The pocket lighter market Retail Price positioning



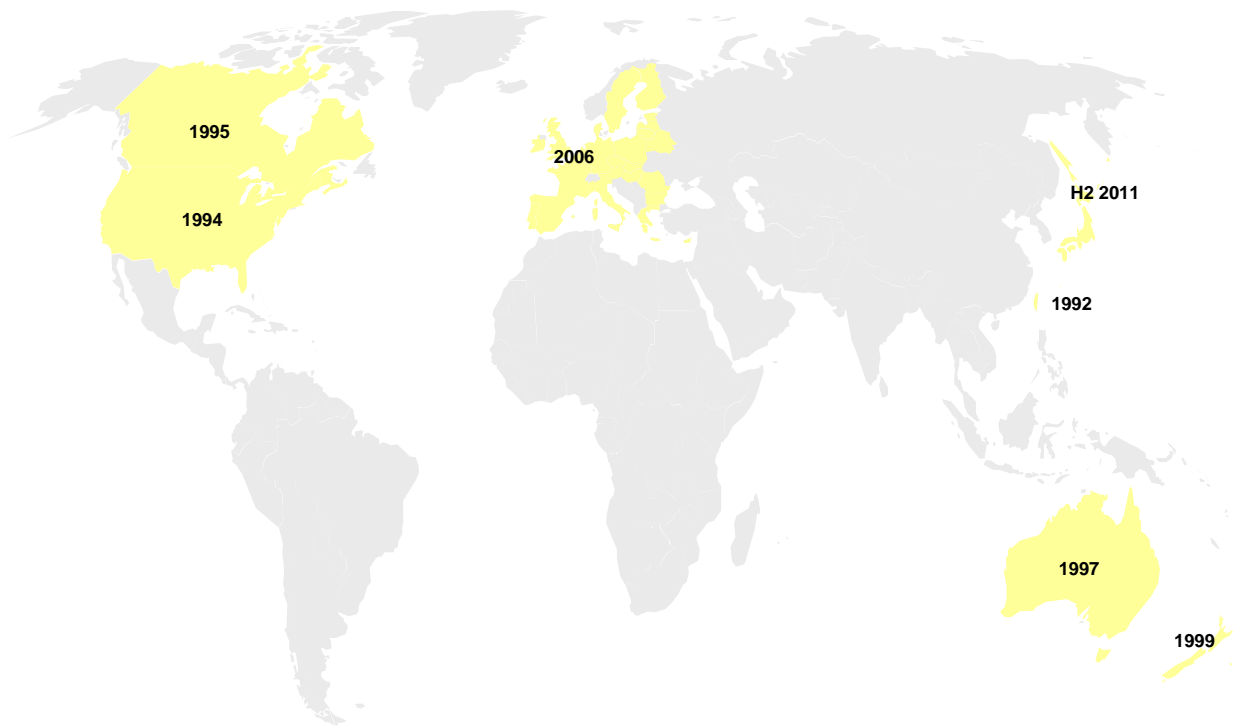
BIC estimates for 2009 – Base = Average Retail Selling Prices

Overview of safety regulation around the world ISO 9994*



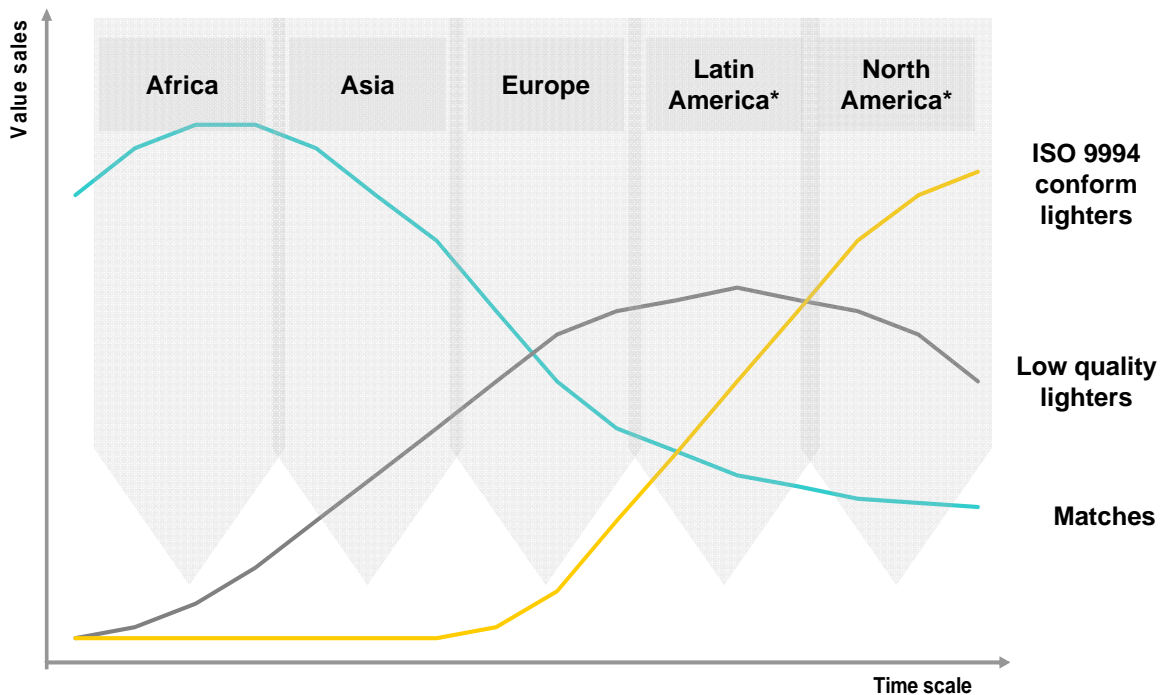
*: mandatory

Overview of safety regulation around the world Child Resistant*



*: mandatory

Long term view of safety regulation impact on lighter sales

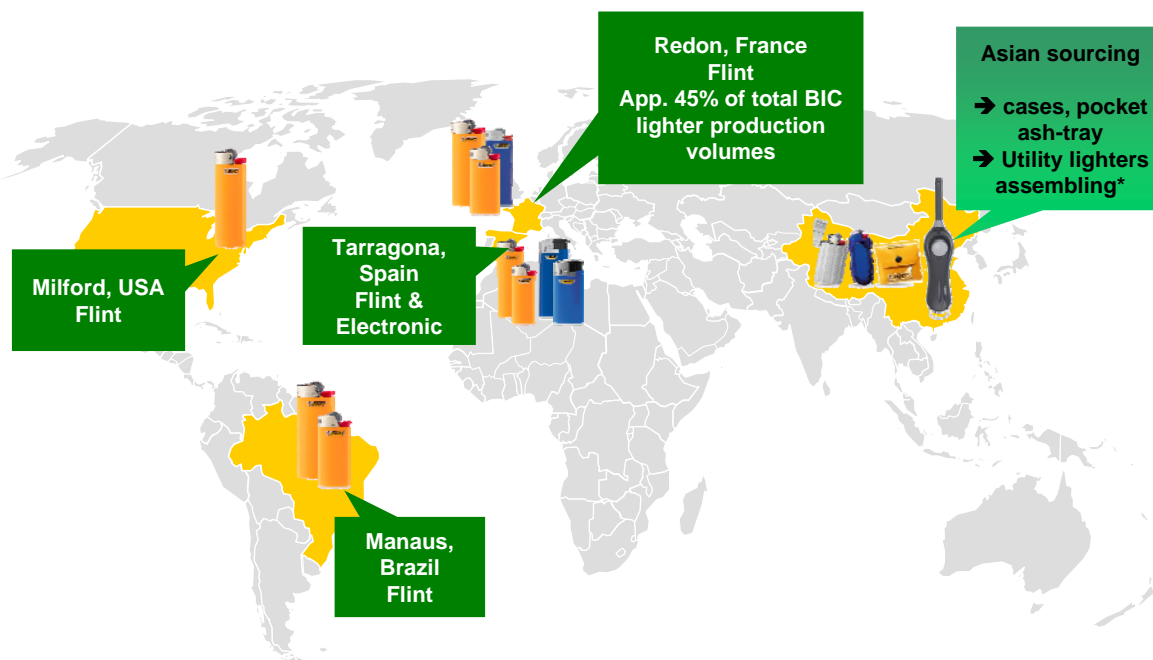


*: real enforcement of the regulation

BIC manufacturing sites



Full year 2009 Production Volumes: 1.1 billion units



*: Key safety components (gas reservoirs) are manufacture in BIC's Plants

Disclaimer



This document contains forward-looking statements. Although BIC believes its expectations are based on reasonable assumptions, these statements are subject to numerous risks and uncertainties.

A description of the risks borne by BIC appears in section "Risks and Opportunities" of BIC "Reference Document" filed with the French financial markets authority (AMF) on 01 APRIL 2010.



ADDITIONAL INFORMATION

Contents

BIC [®] lighter history	3
BIC [®] lighter design and production	4
BIC [®] Safety and Quality Requirements	6
Dangerous Lighters	7
BIC [®] lighter range	8
BIC [®] Advertising	9
Appendices	10
1: What is ISO 9994 Safety Standard?	11
2: BIC [®] Lighter Safety & Quality Commitments	12

The BIC® lighter

More than 30 years of expertise providing safe, reliable lighters to millions of consumers around the world

BIC has produced 20 billion lighters over the last 30 years.

With 2.2 million BIC® lighters manufactured each day, BJ75 in France is the main lighter factory of the BIC Group.



1. BIC® Lighter History



In 1962, CRICKET launched the first non-refillable lighters. In 1964, FEUDOR followed and launched its own model.

In 1971, Marcel Bich, founder of the company BIC®, who also believed in developing the non-refillable lighter, decided to enter the market.

At that time, CRICKET had been acquired by the Swedish company Swedish Match, and the Japanese company TOKAI had launched its own version of the non-refillable lighter. Meanwhile, BIC® took over FLAMINAIRE, a company operating in Redon (western France), acquiring its expertise in gas lighters and safety. **Safety became and remains BIC®'s main asset.**

FLAMINAIRE, with thirty years of expertise and a number of patents under its belt, used its knowledge to design and produce J1 model BIC® lighters.

At the end of 1972, BIC® launched **mass production** of lighters at the Redon factory.

BIC® lighters were an immediate success and have remained successful thanks to their **flame quality, lighting capacity and shape**, which fits particularly well in the hand.

Today BIC® manufactures and sells 5 million lighters every day worldwide. It produces lighters in four factories located in France, Spain, the United States and Brazil. BIC® is the world leader in pocket lighters, and ranks second worldwide in multi-purpose utility lighters.

Key Facts and Figures

BIC® is the N°1 branded pocket lighter manufacturer in the world.

BIC® has **more than 30 years of expertise** providing safe, reliable lighters to millions of consumers across the world.

BIC® manufactures **5 million lighters everyday** in its four factories located in France, Spain, the United States and Brazil.

BIC® has **produced more than 20 billion lighters** over the last 35 years.

BIC® has developed and launched many lighter models since 1972. Following is a history of lighter models manufactured at "BJ 75" (the factory in Redon, France):

- 1973: J1 lighter (Maxi, adjustable flame, flint stone lighting)
- 1984: J5 lighter (Mini, fixed flame, flint stone lighting)
- 1987: J6 lighter (Maxi, fixed flame, flint stone lighting)
- 1990: J6 Sleeves lighter (Maxi, decorated, fixed flame, flint stone lighting)
- 1992: J3 lighter (Fine, fixed flame, flint stone lighting)
- 2000 : launch of BIC® MegaLighter™
- 2002 : launch of BIC® lighters' cases
- 2003 : launch of BIC® MegaLighter for Candles™
- 2007 : launch of the new BIC® MegaLighter™

2. BIC[®] lighter design and production

BIC[®]'s 3 original principles guiding lighter design are the same today:

1. **SAFETY & QUALITY:** The optimum level of quality is applied to each and every lighter to offer optimum safety to consumers.
2. **CONSUMER FRIENDLINESS:** Maximum comfort in holding the lighter and use, thanks to research carried out on its shape.
3. **VALUE FOR MONEY:** The best value gained through the ratio between the number of lights and the price and also between the number of lights compared to the size of the lighter.

BIC[®]'s manufacturing processes



BIC[®] manufactures lighters in four factories located in France, Spain, the United States and Brazil. BIC[®] lighter manufacturing is fully vertically integrated, from production on moulding machines developed by BIC[®] to packaging of the final product. Total mastery of the process with the latest technologies combined with BIC[®] precision ensures the highest quality of lighters.

BIC[®] plants carry out the following operations:

- manufacturing of primary parts
- sub-assembly
- automatic gas filling
- assembling, controlling, and packaging

BIC[®] plants utilise state-of-the-art lighter manufacturing technology, automatic machines development, zamak* injection and cold moulding technologies with **micrometric precision**.

It also has an equipment workshop that manufactures:

- plastic moulds
- zamak moulds
- cold stamping tools
- casting tools
- some manufacturing and packaging machines

BIC[®] lighters are made with high quality raw materials

BIC[®] lighters' gas reservoirs are made of **Delrin[®]**, a high technical grade resin which ensures high impact resistance in case the lighter is dropped. In addition, lighter walls are thinner, meaning BIC[®]'s lighters contain a higher amount of gas than other lighters of the same size, providing more value for money.

BIC[®] lighters are filled with **pure ISO butane** which guarantees flame stability.

* German acronym: Z for Zink (zinc), A for Aluminium, MA for Magnesium and K for Kupfer (copper)

BIC® lighters undergo stringent quality checks

To ensure that 100% of BIC® lighters work properly before they leave the plant and to maintain high safety standards, BIC® has established a stringent quality procedure for its products.

- **Each BIC® lighter undergoes more than fifty individual automatic quality checks** during its assembly. For example, checks done during the last phase of assembly include monitoring lighting, flame, and extinction. These quality checks are based on advanced technology using digital cameras, flow meters, proximity detectors, force sensors, gas detectors.
- Ongoing verification of checking stations
- Each employee in the lighter plant spends nearly 25% of his/her time in plant checking product conformity and proper operation of the control equipment.
- Additionally, BIC® conducts regular tests on its own products already on the market.

And even more...

To ensure ever greater safety for its users, people around them and their environment, in addition to the requirements of the ISO 9994 international safety standard, BIC has developed and perfected very strict internal quality & safety requirements.

The example of the hood:

The hood of a lighter mainly serves to protect the reservoir from heat and flame. Using a lighter without a hood may prove to be highly hazardous for users, people around them and their environment.

The hood on each BIC® lighter is made of very thick hardened steel and is fixed with an anti-removal system.



Anti-removal system
on BIC flint lighter

The design of some low-cost imported lighters results in an overly flexible hood due to the use of poor carbon quality steel, and it may be very insufficiently attached.

It can easily come off, without forcing. If one uses this lighter without a hood, the upper part of the lighter may burn and as the reservoir is no longer protected by the hood, it too can catch on fire, or even burst under certain conditions.

All BIC® Lighters meet or exceed ISO 9994 safety specifications

All BIC® child-resistant lighters comply with EN 13869 Standard
(lighters compliant with EN 13869 standard are presumed to be child-resistant)

3. BIC® Safety and Quality Requirements

BIC® Lighters: safety superiority & Quality specificity

All BIC® lighters meet the fundamental need of producing a safe flame. Therefore, the lighter must be designed and manufactured in compliance with very strict safety, quality and performance requirements.



For these reasons, the gas reservoirs of BIC® lighters are made of Delrin®, a high technical grade resin which ensures a high resistance to impact in case of drop, and allows a higher amount of gas than in other lighters thanks to the thinness of its wall.

Also, BIC® lighters are filled with pure ISO butane which guarantees the stability of the flame.

Another example is the hood: its function is to protect the gas reservoir from the flame and the heat. It is fixed with an anti-removal system on each BIC® lighter.

Every BIC® lighter undergoes more than 50 individual automatic quality checks during its assembly. For example, checks done during the last phase of assembly include checks that monitor lighting, flame, and extinction. Those quality checks are based on advanced technology using digital cameras, flow meters, proximity detectors, force sensors, and gas detectors.

They are all in place to ensure that **100% of BIC® lighters** work properly before they leave the plant and **ensure maximum safety**.

All BIC® lighters meet or exceed ISO 9994 safety specifications

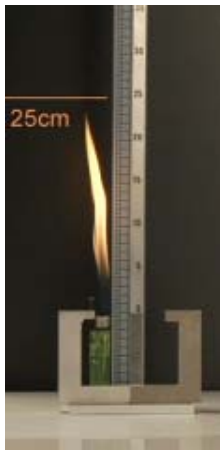
Since it initially started making gas lighters over thirty years ago, BIC has developed and perfected very strict internal quality and safety requirements. **BIC's internal quality requirements meet – and even exceed – norms established by the International Standard Organization (ISO).**



4. Dangerous lighters

Low-quality, low-cost lighters imported from Asia: danger is a reality

The most common hazards we can observe in low-cost, low-quality lighters imported from Asia are: the excessive flame height, the spitting and sputtering with risk of hair burning and the failure to extinguish with risk of fire. These hazards are the consequence of the low-quality raw materials and components that are assembled manually in some outdated factories.



Excessive flame of almost 25 cm



Flame with spitting, sputtering and flaring



Failure to extinguish

Low-quality, low-cost lighters imported from Asia: the reasons for the danger

Most low-cost lighters imported from Asia are made of **low-quality raw materials**. For example, the body is made of a low-grade resin, which has a low resistance to impacts, and which reduces the internal space and thus the amount of gas.

The gas they contain is a mix of various low-quality gases. The consequence is a very unstable flame, with excessive height.

Some components, such as the hood being assembled by hand on low-cost, low-quality lighters imported from Asia, can be removed very easily. Used without its hood, a lighter becomes really dangerous for its user.

Production of low-cost, low-quality lighters imported from Asia **lacks consistency** because manufacturers very often use **old technologies**. For example, they use bar turning for the production of key components in ignition, which is sometimes **imprecise**, creating dimensional variations due to wearing of tools, or the presence of small chips. Such chips can cause failure to extinguish, for example.

The assembly and the checking of these lighters are very often **manual**, which means they are imprecise and probably dangerous for the consumer.



Outdated Asian lighter factories



5. BIC[®] Lighter Range

Child Resistant Pocket Lighter Range

Classic products

BIC has developed a line of classic lighters in different category:

MAXI



MINI



SLIM



ELECTRONIC



MINITRONIC



Added-value products

For several years, BIC has developed added-value products (sleeves, cases, pocket ashtray...) and a line of multi-purpose lighters, to light up candles, fireplaces, barbecues, ect.

Cases for Mini Pocket Lighters



Pocket Lighter Sleeves



Pocket Lighter Case



Utility Lighter



Pocket ashtray



6. BIC® Advertising

In a competitive landscape dominated by low-price products that too often fail to comply with Safety Standards, BIC® defends its brand and continues to stress product safety for the consumer.

Relationship with retailers

Since many years, BIC developed strong relationship with retailers in order to support the brand.

The **BICareful magazine** is distributed to more than 120,000 European retailers/buyers and tobacco store owners on the theme of "Maximum safety for you and your clients". This reaffirmed BIC's efforts to ensure safety and quality.

Since September 2010, Bicareful is also inserted into local trade magazines, reaching additional 400,000 readers across Europe.



Advertising

BIC® strives to make its brand even more visible (the logo appears on the lighter in three colours) and enhance its **value-added product line**, in particular the decorated series and lighter cases.

To communicate directly to consumers, BIC advertised through TV campaigns, poster campaigns, etc.

TV advertising campaign in Brazil



"A BIC lighter lights your fire up to 3,000 times" poster rolled out across France



BIC also uses **new Medias**: An Iphone® Application representing the iconic BIC® lighter has been launched, this application has become the accessory concert-goers can't get away from whether they are fans of Rock, pop or folk. The application has been downloaded more than 1.2Million times, up today! In addition you can find BIC lighters on www.mybiclighter.com and on Facebook – My BIC Lighter.



www.mybiclighter.com



APPENDICES

Appendix 1: What is ISO 9994 Safety Standard?

Lighter safety standard ISO 9994 defines the safety specifications of a lighter such as the maximum flame height, the resistance to elevated temperature, the resistance to dropping, the resistance to continuous burning, the flame extinction, etc.

Main Requirements

- **Excessive flame height may burn consumers when lighting a cigarette**
Flame height requirement:
Limited to **50 mm** for non adjustable lighters
Limited to **120 mm** for adjustable lighters
- **An unstable flame may burn consumers and disturb cigarette lighting**
Flame stability requirement:
No spitting, no sputtering, no flaring
- **A lighter that does not extinguish quickly may burn its user or cause a fire**
Flame extinction:
Within **2 seconds**
- **An excessively filled lighter may burst at high temperatures**
Volumetric displacement:
The liquid portion of the fuel shall not exceed **85%** of the volumetric capacity of the reservoir
- **A lighter that is not resistant enough could burst if it falls when lighting a cigarette**
Drop resistance:
Lighters shall be capable of withstanding 3 separate **1.5 m drops** without impairing their subsequent safe operation
- **A lighter that is not resistant enough may burst at high temperatures.**
High temperature resistance:
Lighters shall be capable of withstanding a temperature of **65°C for 4 hours** without fuel reservoir rupture and without impairing the subsequent safe operation of the lighter.
- **A lighter that is not resistant enough may burst at high temperatures.**
Resistance to internal pressure:
Lighters shall be capable of withstanding an internal pressure of twice the vapour pressure at 55°C (approximately **15 bars**) of the fuel used without evidence of a rapid drop in pressure (fracture).
- **A non-compliant lighter may burn when held at an angle of 45° below the horizontal, which happens when lighting a pipe or a chimney fire, for example**
Burning behaviour:
 - an adjustable gas lighter, with the flame height set at maximum, shall be capable of withstanding a burning time of 5 seconds when held in a position when the top of the wick, or burner valve orifice, is at an angle 45° below the horizontal, without evidence of any burning or distortion of components so as to cause a hazardous situation.
 - an adjustable gas lighter, with the flame height set at 50 mm, shall be capable of withstanding a burning time of 10 s when held in a position when the top of the wick, or burner valve orifice, is at an angle 45° below the horizontal, without evidence of any burning or distortion of components so as to cause a hazardous situation.
- **A lighter may burn / burst when lighted for longer than normal use**
Resistance to continuous burning:
Lighters shall be capable of withstanding a continuous burning time of **2 minutes** with the flame in a vertical upward position without causing a hazardous situation.

Appendix 2: BIC® Lighter Safety & Quality Commitments



BIC® LIGHTER QUALITY AND SAFETY COMMITMENTS

COMMITMENT 1

All BIC® lighter plants are ISO 9001 certified production plants.
BIC® lighter products meet or exceed the ISO 9994 international safety standard requirements.

COMMITMENT 2

BIC is an active member of various associations, such as the European Federation of Lighter Manufacturers, ISO, AFNOR, in order to provide the latest and most reliable information about quality and safety standards to its customers.

COMMITMENT 3

Each BIC® lighter undergoes more than 50 individual automatic quality checks. These tests rely on advanced technologies like camera control, flow meter detector, proximity detector, force sensor, gas detector...
Additionally, BIC conducts regular tests on its own products already on the market.

COMMITMENT 4

BIC continuously develops and improves its exclusive technology to ensure the quality and safety of all BIC® lighters, e.g., a very stable flame and a reservoir which can resist extreme drop tests and elevated temperatures tests.

COMMITMENT 5

From basic materials right down to the packaged products, BIC has an integrated production process. The company designs and develops by itself much of its own machinery and masters all the latest manufacturing technologies.

COMMITMENT 6

The BIC professionals are all guided by 3 principles : Method-Precision-Discipline.
Each employee in the lighter plants spends nearly 25% of his or her time checking product conformity and proper operation of the control equipment.

COMMITMENT 7

BIC has been committed to sustainable, long-term safety programs for over 30 years.



About BIC

BIC is a world leader in stationery, lighters, shavers and promotional products. 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 2009, BIC recorded net sales of 1,562.7 million euros. The Company is listed on "Euronext Paris" and is part of the SBF120 and CAC Mid 100 indexes. BIC is also part of the following SRI indexes: FTSE4Good Europe, ASPI Eurozone, Ethibel Excellence Europe and Carbon Disclosure French Leadership index 2009 (CDLI).

For more information, please consult the corporate web site: www.bicworld.com

Investor Relations contacts: +33 1 45 19 52 26	Press contacts: +33 1 53 70 74 48
Sophie Palliez-Capian - sophie.palliez@bicworld.com	Claire Doligez - cdoligez@image7.fr
Katy Montecatine - katy.montecatine@bicworld.com	Priscille Reneaume - preneaume@image7.fr