



**BIC Group**

# Q3/9M 2008 Results

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## Q3/9M 2008 Results Presentation - Agenda

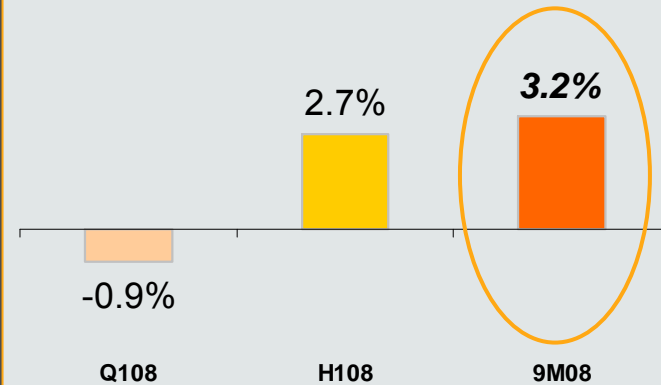
- **Key figures, highlights and key messages**      **Mario Guevara**
- Consolidated financial figures      Jim DiPietro
- Category highlights      Mario Guevara
- Full year 2008 outlook      Mario Guevara

Unaudited figures

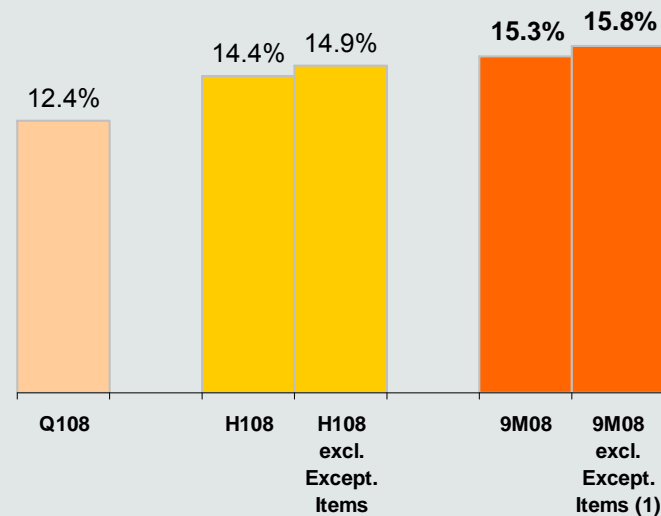


## Highlights and key messages

### Cumulative net sales growth at constant currencies\*



### IFO margin



- Good 3<sup>rd</sup> Quarter net sales (+4.2% at constant currencies) due to further improvement in North America, resilience in Europe and good performance in Latin America

- 9 months net sales: +3.2% at constant currencies

- Resilience of 3<sup>rd</sup> Quarter IFO margin

- 9 months IFO margin: 15.3%
  - Normalized 9 months IFO margin: 15.8%

\*: see glossary

(1): -5.3 million euros on a 9 months basis related to: closing of Stypen fountain pen factory in France (-5.0 million euros), closing of Fountain Inn factory in the US (-1.3 million euros) and real estate gains (+1.0 million euros) .



## Key figures

<i>BIC Group</i> <i>In million euros</i>	Q108	Q208	Q308	9M08
<b>Net Sales</b>	<b>308.1</b>	<b>392.4</b>	<b>363.9</b>	<b>1,064.4</b>
<i>YoY Change</i>	<i>-6.7%</i>	<i>-1.6%</i>	<i>-0.6%</i>	<i>-2.8%</i>
<i>YoY Change @CC</i>	<i>-0.9%</i>	<i>+5.8%</i>	<i>+4.2%</i>	<i>+3.2%</i>
<b>Income from Operations*</b>	<b>38.2</b>	<b>62.9</b>	<b>62.0</b>	<b>163.1</b>
<i>YoY Change</i>	<i>-34.3%</i>	<i>-6.9%</i>	<i>-8.1%</i>	<i>-15.6%</i>
<i>YoY Change @CC</i>	<i>-33.9%</i>	<i>+1.2%</i>	<i>-3.9%</i>	<i>-10.1%</i>
<b>Group net income</b>	<b>25.1</b>	<b>45.5</b>	<b>42.5</b>	<b>113.0</b>
<i>YoY Change</i>	<i>-39.0%</i>	<i>+0.0%</i>	<i>+2.5%</i>	<i>-11.7%</i>
<b>EPS</b>	<b>0.52</b>	<b>0.94</b>	<b>0.88</b>	<b>2.33</b>
<i>YoY Change</i>	<i>-37.3%</i>	<i>+2.2%</i>	<i>+4.8%</i>	<i>-10.4%</i>

\* without exceptional items, IFO would have been 66.6 million euros in Q2 and 63.5 in Q3



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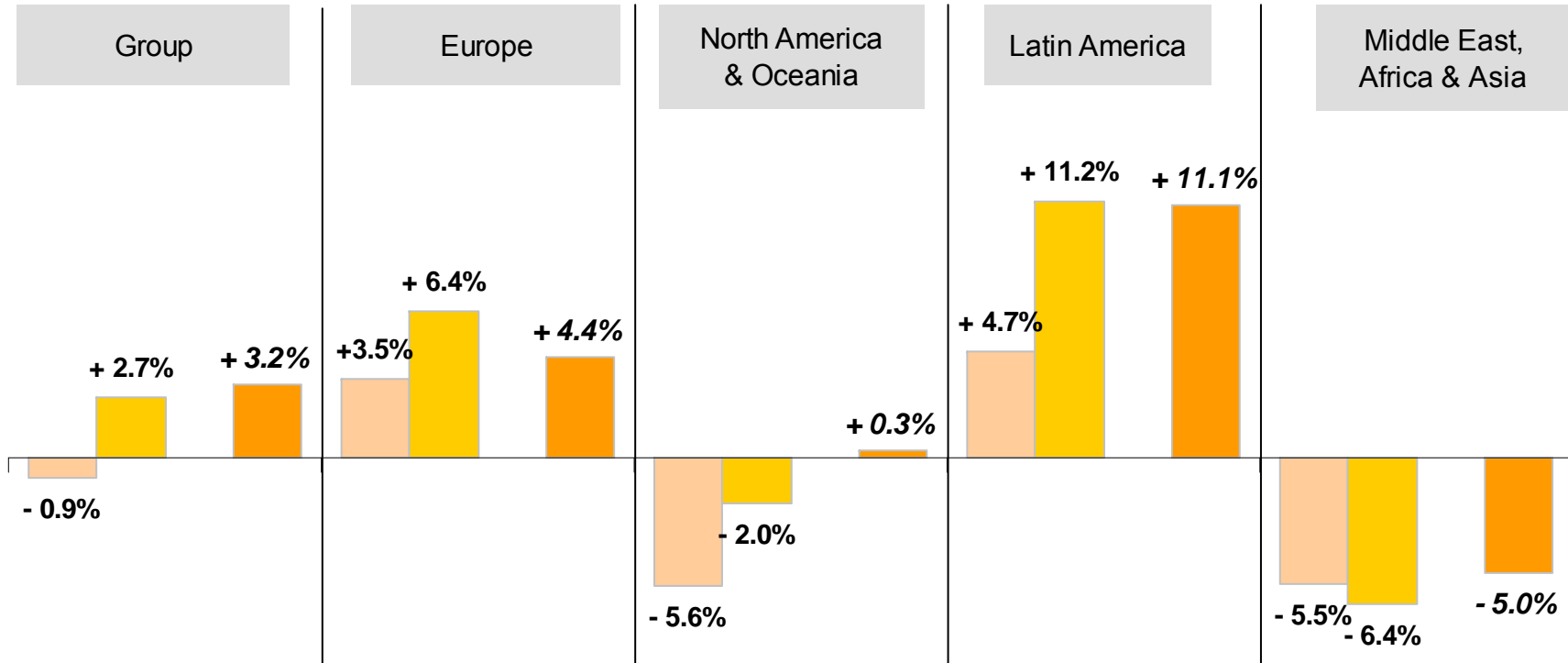
- Key figures, highlights and key messages Mario Guevara
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- Category highlights Mario Guevara
- Full year 2008 outlook Mario Guevara



# 9 months net sales evolution by geographies

Change at constant currencies

Q1 2008    H1 2008    9M 2008



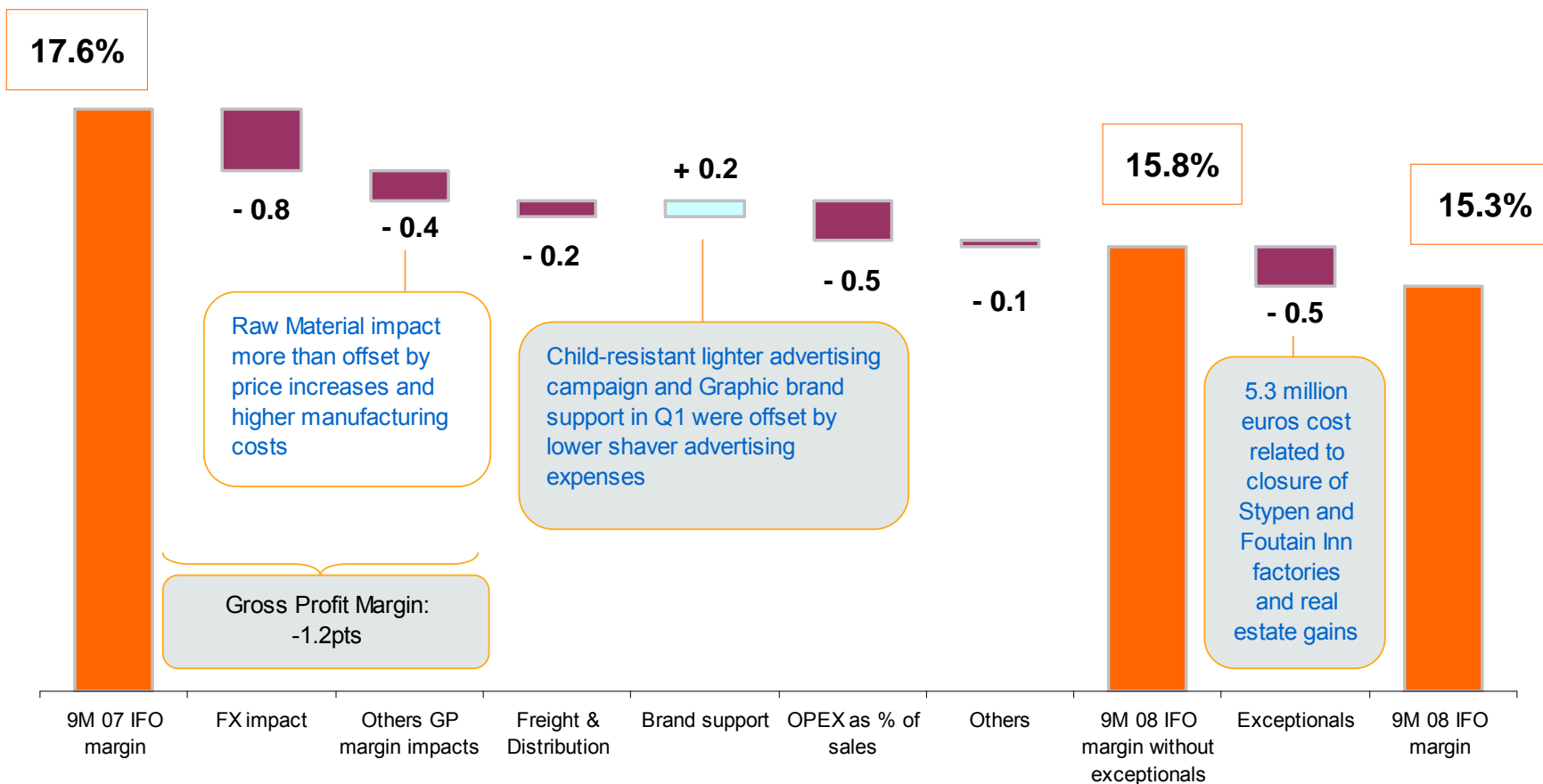
- Resilience in Europe and further improvement in North America, despite challenging environment
- Latin America good performance confirmed
- Middle-East, Africa and Asia still weak



# 9M 2008 Income From Operations margin

**BIC Group**  
In million euros

	9M07	9M08	Change	Change at constant currencies*
Net Sales	1,094.9	1,064.4	-2.8%	+3.2%
Gross Profit	539.3	511.6	-5.1%	0.0%
Income from Operations	193.2	163.1	-15.6%	-10.1%



\*: see glossary



# From IFO to Group Net Income

<b>BIC Group</b> <i>In million euros</i>	<b>Q3 07</b>	<b>Q3 08</b>	<b>9M 07</b>	<b>9M 08</b>	
<b>IFO</b>	<b>67.5</b>	<b>62.0</b>	<b>193.2</b>	<b>163.1</b>	<b>1</b> Closing of Styphen and Fountain Inn factories Real estate gains
<i>Exceptional costs</i>	-	-1.5		-5.3	
<b>IFO excluding exceptional charges</b>	<b>67.5</b>	<b>63.5</b>	<b>193.2</b>	<b>168.4</b>	<b>2</b> Higher interest income and lower interest expenses compared to 9M 2007 9M 2007 was impacted by unfavorable hedge settlements
<i>Finance revenues / (costs)</i>	-5.1	1.9	0.4	7.1	
<b>Income before Tax</b>	<b>62.4</b>	<b>63.9</b>	<b>193.6</b>	<b>170.2</b>	
<i>Income tax</i>	21.0	21.4	65.1	57.2	
<i>Tax rate</i>	33.6%	33.6%	33.6%	33.6%	
<b>Group Net Income</b>	<b>41.4</b>	<b>42.5</b>	<b>128.0</b>	<b>113.0</b>	
<i>Net of shares outstanding net of treasury shares</i>	49,300,858	48,429,501	49,300,858	48,429,501	<b>3</b> 1,072,772 shares repurchased since September 2007
<b>EPS</b>	<b>0.84</b>	<b>0.88</b>	<b>2.60</b>	<b>2.33</b>	



## Balance Sheet - Focus on Current Assets

<b>BIC Group</b> <i>In million euros</i>	<b>Sept. 30 2007</b>	<b>Dec. 31 2007</b>	<b>Sept. 30 2008</b>	<b>Change vs Sept. 07</b>	<b>Change vs Dec. 07</b>
<b>Current assets</b>	<b>929.9</b>	<b>927.1</b>	<b>932.4</b>	<b>+2.5</b>	<b>+ 5.3</b>
<i>Of which Cash &amp; cash equivalent</i>	<b>163.1</b>	<b>200.5</b>	<b>140.7</b>	<b>-22.4</b>	<b>-59.8</b>

- Flat inventories vs. September 2007
- Increase in trade receivables mainly due to timing impact of payments shifting to October and November



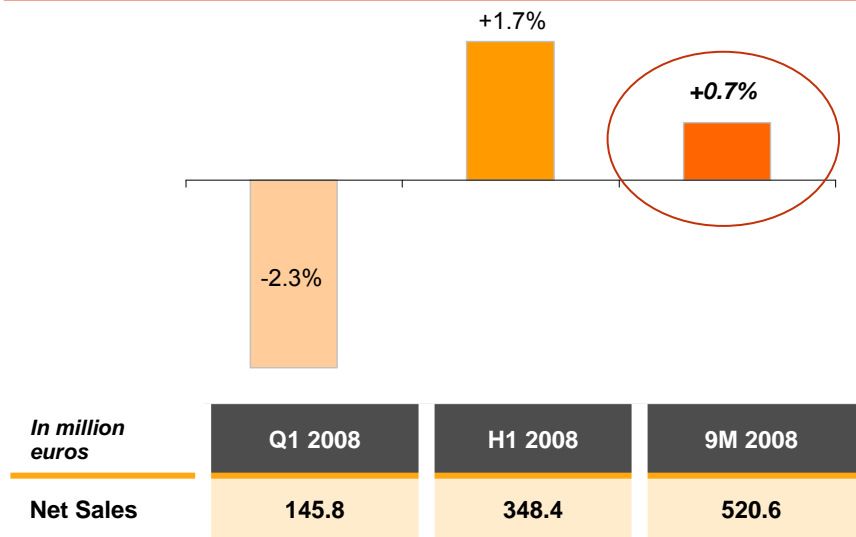
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- **Category highlights Mario Guevara**
- Full year 2008 outlook Mario Guevara

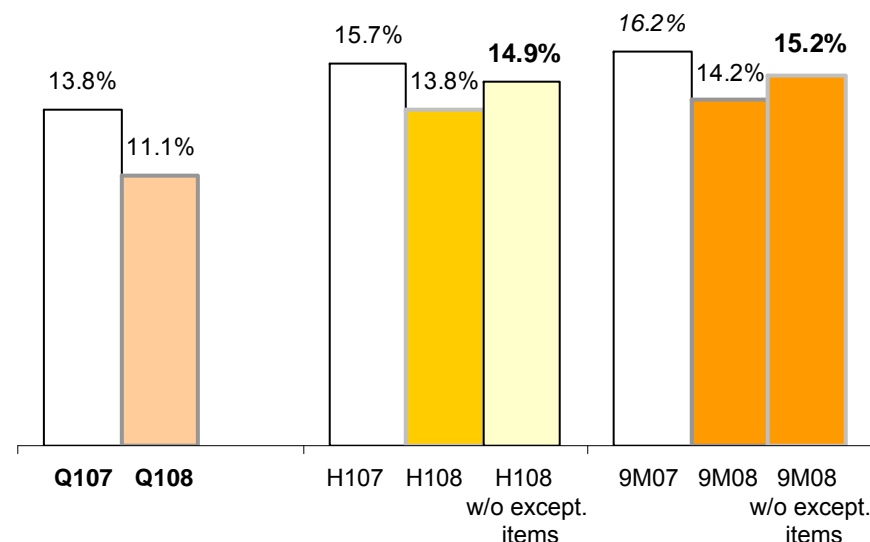


# Stationery

## Net Sales at constant currencies



## IFO margin



## 9 MONTHS 2008 NET SALES

### → Slight decline of the consumer business in the 3<sup>rd</sup> Quarter. For the 9 months, sales grew low-single digit

- Europe 3<sup>rd</sup> Quarter net sales were soft, due to a negative base impact (very strong 3<sup>rd</sup> Quarter 2007 due to late shipments of Back-to-School 2007) and the overall slowdown of the consumption in key countries (notably France)
- Total category sales driven below last year's level by economic downturn in North America. In this tough environment, BIC 9 months net sales have been maintained
- In Latin America, positive 1<sup>st</sup> Half trend continued into 3<sup>rd</sup> Quarter

### → Despite a slight improvement during the 3<sup>rd</sup> Quarter 2008, our promotional imprinted business (BIC Graphic) remained negatively impacted by the depressed economical environment and the decline of writing instrument promotional business in the US

## 9 MONTHS 2008 INCOME FROM OPERATIONS MARGIN

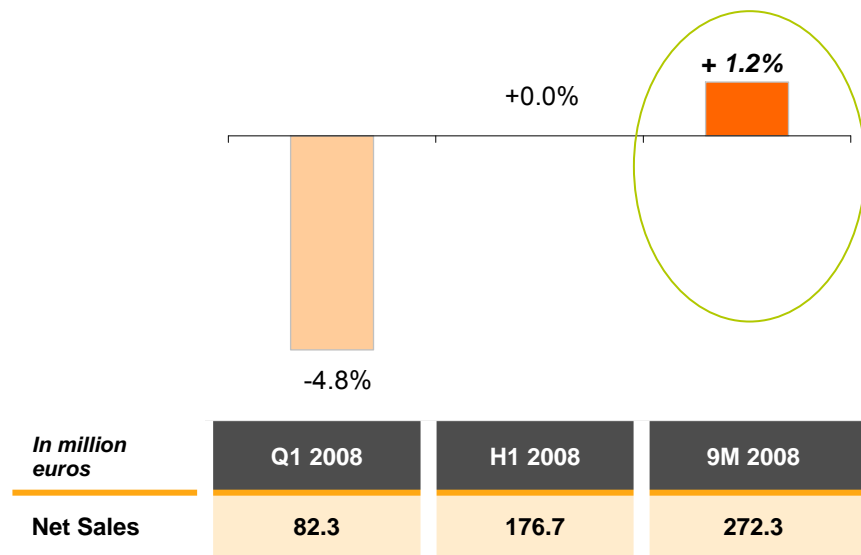
### → Decrease of BIC Graphic IFO margin

### → Continued good performance of Consumer business excluding exceptional items (Stypen and Fountain Inn closing, real estate gains)

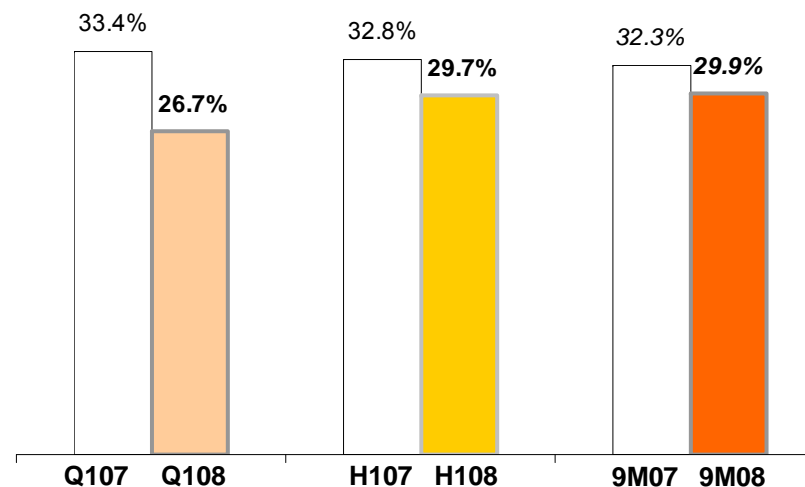


# Lighters

## Net Sales at constant currencies



## IFO margin



## 9 MONTHS 2008 NET SALES

→ 2<sup>nd</sup> Quarter improvement confirmed with 3<sup>rd</sup> Quarter sales up 3.5%

- Positive impact of replenishment orders in some **European countries**
- Slight increase of **North America** sales due to price increases and market share gains and despite the challenging US pocket lighter market
  - Traffic slowdown and inventory reduction at Convenience stores
  - Initial decline of pocket lighters at Grocery chain stores
  - Accelerated decline of cigarette retail sales
- Continued growth in **Latin America**, driven by distribution gains and price increases

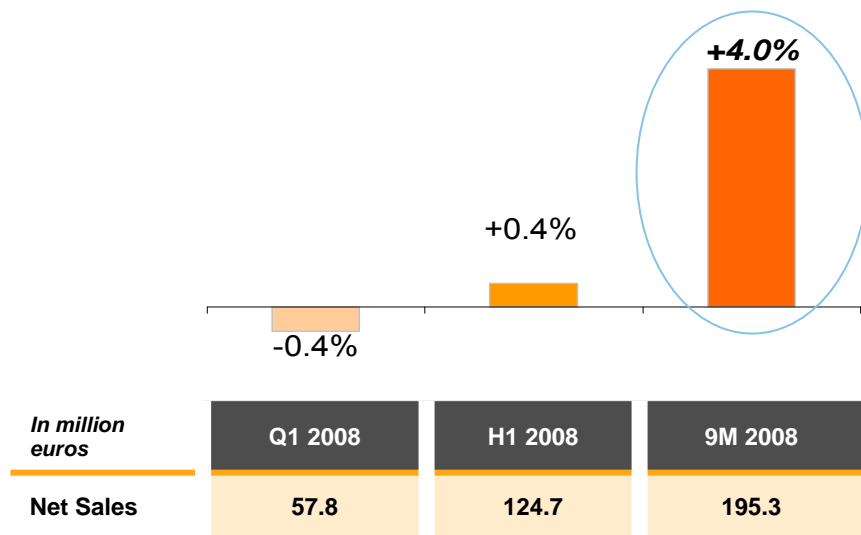
## 9 MONTHS 2008 INCOME FROM OPERATIONS MARGIN

→ -2.4 points to 29.9% as a result of increased brand support linked to the implementation of the child-resistant regulation in Europe (advertising campaign in the 1<sup>st</sup> Quarter) and higher manufacturing costs

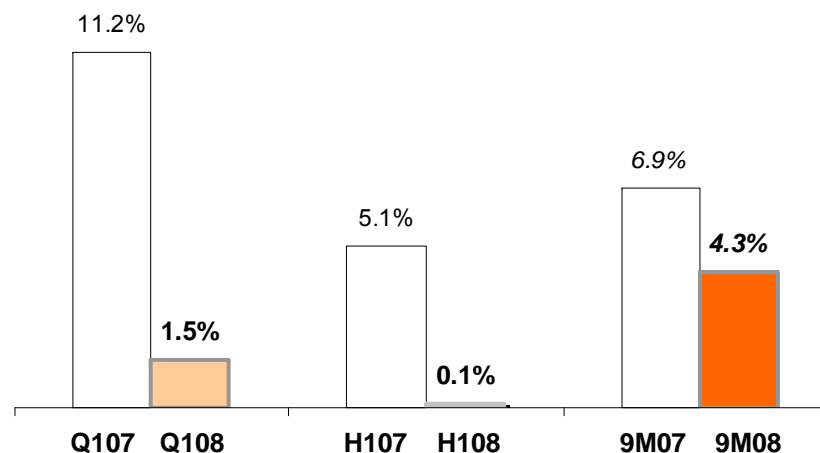


# Shavers

## Net Sales at constant currencies



## IFO margin



## 9 MONTHS 2008 NET SALES AT CONSTANT CURRENCIES

### → Overall market conditions unchanged

- Wet Shaving market trending flat in the US and key European countries and acceleration of new product launches

### → Net Sales up +4.0%

- Positive base impact in Q308 (+11.2%) vs. low Q307 (-1.5%)
- Success of triple-blade one-piece shaver (43% of total one-piece sales in 9M08 vs. 42% in 9M07)
- As a result of continued high level of competition in refills, BIC® Soleil® System market share in the US continues to be in the lower range of our market share expectations

## 9 MONTHS INCOME FROM OPERATIONS MARGIN

→ Improved IFO margin in Q308 (11.7%): net sales increase and lower brand support in USA

→ 9 months IFO margin of 4.3%. Contributing factors included ongoing negative impact of USD/EURO exchange rate



## Q3/9M 2008 Results Presentation - Agenda

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- **Full year 2008 outlook Mario Guevara**



# Full year 2008 operational trends and Group outlook

## Full year 2008 operational trends by categories

### Stationery

**Consumer business:** consistent good performance in Latin America. Despite anticipated slowdown in consumption, good resistance expected in Europe and North America due to market share gains  
**Graphic business:** continuous slowdown of the writing instrument segment and decrease of the US promotional industry

### Lighters

Net sales growth in Europe expected to slow down slightly in the 4<sup>th</sup> Quarter of 2008. We remain cautious in North America. Good Latin America performance should continue.  
Cigarette consumption will continue to decline in developed countries

### Shavers

Full year 2008 net sales growth at constant currencies in the low single digits. Income from operations margin consistent with 9 months level, as a result of the challenging competitive environment and continuous foreign exchange pressure.

**Despite an uncertain overall economic environment, we confirm full year 2008 outlook for net sales (slight increase at constant currencies)  
Full year IFO margin should trend close to 2008 9 months level.**



*Appendix*





## Consolidated P&L

<i>BIC Group</i> <i>In million euros</i>	Q107	Q207	Q307	Q407	FY07	Q108	Q208	Q308
<b>Net Sales</b>	330.4	398.6	365.9	361.2	1,456.1	308.1	392.4	363.9
<b>Gross Profit</b>	169.5	190.0	179.9	175.7	715.0	154.7	188.3	168.7
<b>Income from Operations</b>	58.2	67.5	67.5	62.6	255.8	38.2	62.9	62.0
<b>Normalized IFO</b>	58.2	67.5	67.5	60.3	253.5	38.2	62.9	63.5
<b>Income before Tax</b>	62.9	68.4	62.4	67.6	261.2	37.8	68.4	63.9
<b>Group net income</b>	41.2	45.4	41.4	44.9	172.9	25.1	45.5	42.5
<b>EPS</b>	0.83	0.92	0.84	0.91	3.51	0.52	0.94	0.88
<i>Number of shares</i> <sup>(1)</sup>	49,302,989	49,323,127	49,300,858	49,244,579	49,244,579	48,620,706	48,531,424	48,429,501

\* see glossary

(1) Weighted average number of shares net of treasury shares



## Stationery Quarterly figures

<b>BIC Group</b> <i>In million euros</i>	<b>Q107</b>	<b>Q207</b>	<b>Q307</b>	<b>Q407</b>	<b>Q108</b>	<b>Q208</b>	<b>Q308</b>
<b>Net Sales</b>	<b>159.5</b>	<b>208.6</b>	<b>183.7</b>	<b>163.0</b>	<b>145.8</b>	<b>202.6</b>	<b>172.2</b>
<i>YoY actual changes</i>	<b>- 8.3%</b>	<b>- 0.3%</b>	<b>+ 1.9%</b>	<b>- 6.4%</b>	<b>- 8.6%</b>	<b>- 2.9%</b>	<b>-6.3%</b>
<i>YoY changes at constant currencies*</i>	<b>- 2.4%</b>	<b>+ 3.0%</b>	<b>+ 5.2%</b>	<b>- 2.5%</b>	<b>- 2.3%</b>	<b>+ 4.7%</b>	<b>-1.3%</b>
<i>YoY changes on a comparative basis*</i>	<b>- 4.6%</b>	<b>+ 1.3%</b>	<b>+ 3.0%</b>	<b>- 2.5%</b>	<b>- 2.3%</b>	<b>+4.7%</b>	<b>-1.3%</b>
<b>IFO</b>	<b>22.0</b>	<b>36.0</b>	<b>31.5</b>	<b>18.5</b>	<b>16.2</b>	<b>32.1</b>	<b>25.5</b>
<b>IFO margin</b>	<b>13.8%</b>	<b>17.2%</b>	<b>17.2%</b>	<b>11.3%</b>	<b>11.1%</b>	<b>15.8%</b>	<b>14.8%</b>

\* see glossary



## Lighters Quarterly figures

<b>BIC Group</b> <i>In million euros</i>	<b>Q107</b>	<b>Q207</b>	<b>Q307</b>	<b>Q407</b>	<b>Q108</b>	<b>Q208</b>	<b>Q308</b>
<b>Net Sales</b>	<b>91.6</b>	<b>97.2</b>	<b>96.6</b>	<b>104.8</b>	<b>82.3</b>	<b>94.4</b>	<b>95.6</b>
<i>YoY actual changes</i>	<b>- 6.4%</b>	<b>+ 7.6%</b>	<b>- 2.5%</b>	<b>- 2.3%</b>	<b>- 10.2%</b>	<b>- 2.9%</b>	<b>-1.0%</b>
<i>YoY changes at constant currencies*</i>	<b>+ 0.4%</b>	<b>+ 11.8%</b>	<b>+ 0.9%</b>	<b>+ 2.6%</b>	<b>- 4.8%</b>	<b>+ 4.6%</b>	<b>+3.5%</b>
<i>YoY changes on a comparative basis*</i>	<b>+ 0.4%</b>	<b>+ 11.8%</b>	<b>+ 0.9%</b>	<b>+ 2.6%</b>	<b>- 4.8%</b>	<b>+ 4.6%</b>	<b>+3.5%</b>
<b>IFO</b>	<b>30.6</b>	<b>31.3</b>	<b>30.4</b>	<b>33.1</b>	<b>22.0</b>	<b>30.4</b>	<b>29.0</b>
<b>IFO margin</b>	<b>33.4%</b>	<b>32.2%</b>	<b>31.4%</b>	<b>31.6%</b>	<b>26.7%</b>	<b>32.3%</b>	<b>30.4%</b>

\* see glossary



## Shavers Quarterly figures

<b>BIC Group</b> <i>In million euros</i>	<b>Q107</b>	<b>Q207</b>	<b>Q307</b>	<b>Q407</b>	<b>Q108</b>	<b>Q208</b>	<b>Q308</b>
<b>Net Sales</b>	61.7	71.2	66.4	67.5	57.8	66.9	70.6
<i>YoY actual changes</i>	+ 9.2%	+ 10.2%	- 4.2%	+ 6.3%	- 6.3%	- 6.0%	+6.3%
<i>YoY changes at constant currencies*</i>	+ 15.7%	+ 13.2%	- 1.5%	+ 11.1%	- 0.4%	+ 1.0%	+11.2%
<i>YoY changes on a comparative basis*</i>	+ 15.7%	+ 13.2%	- 1.5%	+ 11.1%	- 0.4%	+ 1.0%	+11.2%
<b>IFO</b>	6.9	-0.1	6.9	8.2	0.9	-0.8	8.3
<b>IFO margin</b>	11.2%	-0.2%	10.5%	12.2%	1.5%	-1.1%	11.7%

\* see glossary



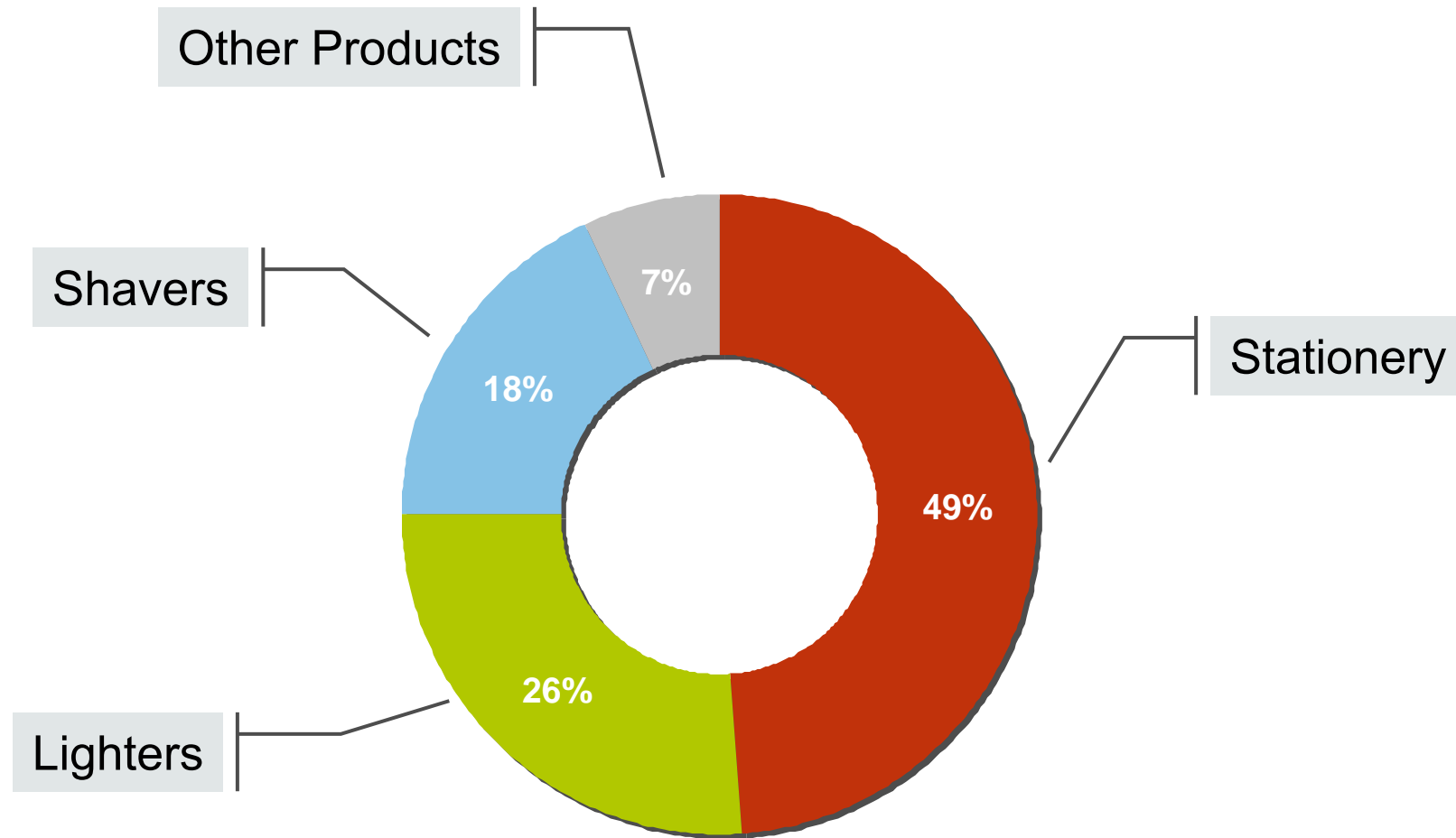
## Other Products Quarterly figures

<b>BIC Group</b> <i>In million euros</i>	<b>Q107</b>	<b>Q207</b>	<b>Q307</b>	<b>Q407</b>	<b>Q108</b>	<b>Q208</b>	<b>Q308</b>
<b>Net Sales</b>	<b>17.5</b>	<b>21.6</b>	<b>19.2</b>	<b>25.9</b>	<b>22.2</b>	<b>28.5</b>	<b>25.5</b>
<i>YoY actual changes</i>	<b>+ 37.5%</b>	<b>+ 49.7%</b>	<b>+ 24.4%</b>	<b>+ 32.5%</b>	<b>+ 27.1%</b>	<b>+ 31.5%</b>	<b>+33.1%</b>
<i>YoY changes at constant currencies*</i>	<b>+ 40.1%</b>	<b>+ 51.3%</b>	<b>+ 24.8%</b>	<b>+ 35.8%</b>	<b>+ 30.5%</b>	<b>+ 36.6%</b>	<b>+36.2%</b>
<i>YoY changes on a comparative basis*</i>	<b>+ 27.4%</b>	<b>+ 40.5%</b>	<b>+ 14.3%</b>	<b>+ 11.1%</b>	<b>+ 13.2%</b>	<b>+ 13.6%</b>	<b>+14.0%</b>

\* see glossary

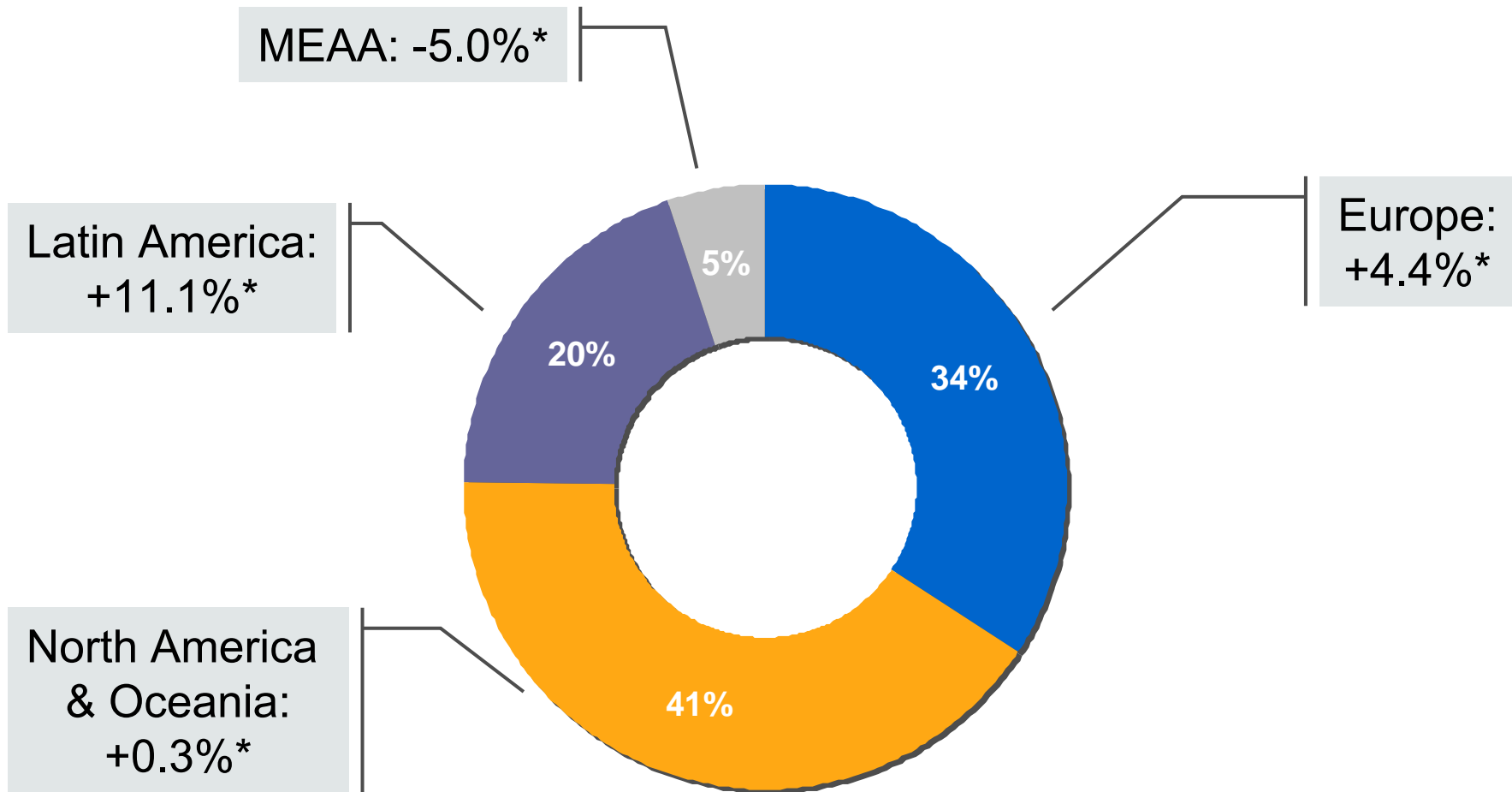


## 9M 08 Net Sales breakdown by category





## 9M 08 Net Sales breakdown by geography



\*: at constant currencies



## Miscellaneous

- 2008 Share buyback program:
  - End of June 2008
    - Number of shares bought: 458,381
    - Total amount in euros: 17.3 million euros
  - End of October 2008
    - Number of shares bought: 607,272
    - Total amount in euros: 22.0 million euros
  
- Capital evolution:
  - Authorized share capital on September 30, 2008: 48,545,056 shares



## Glossary

- **At constant currencies:** constant currency figures are calculated by translating the current year figures at prior year monthly average exchange rates
- **Comparative basis:** at constant currencies and constant perimeter
- **Normalized IFO:** normalized means excluding exceptional costs and real estate gains



## 2009 Agenda

<b>Full Year 2008 Results</b>	<b>February 11<sup>th</sup>, 2009</b>	<b>Meeting (BIC headquarters)</b>
<b>1<sup>st</sup> Quarter 2009 Results</b>	<b>April 22<sup>nd</sup>, 2009</b>	<b>Conference Call</b>
<b>2008 Shareholders' Meeting</b>	<b>May 14<sup>th</sup>, 2009</b>	<b>Meeting (BIC headquarters)</b>
<b>2<sup>nd</sup> Quarter 2009 Results</b>	<b>August 5<sup>th</sup>, 2009</b>	<b>Conference Call</b>
<b>3<sup>rd</sup> Quarter 2009 Results</b>	<b>October 21<sup>st</sup>, 2009</b>	<b>Conference Call</b>

*All dates to be confirmed*



## 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 April 3<sup>rd</sup>, 2008*