

MARCH 1, 2006



worlds
of evolution

BIC Group Full Year 2005 Results

Investor Relations Department: +33 (0)1 45 19 52 26 carole.imbert@bicworld.com sandra.cadiou@bicworld.com www.bicworld.com

- Net sales: **+ 6.5%** on a comparative basis*, driven by good performance in the 3 categories
 - **Stationery: BIC** classic and value-added products performed well, mainly in ball pen, mechanical pencil and correction segments
 - **Lighters:** the Americas continued to drive **BIC** sales growth. Quality, safety and reliability are the key factors
 - **Shavers: BIC's** 3-blade segment performance more than offset the decline of the 1-blades and the slight decline of the 2-blades

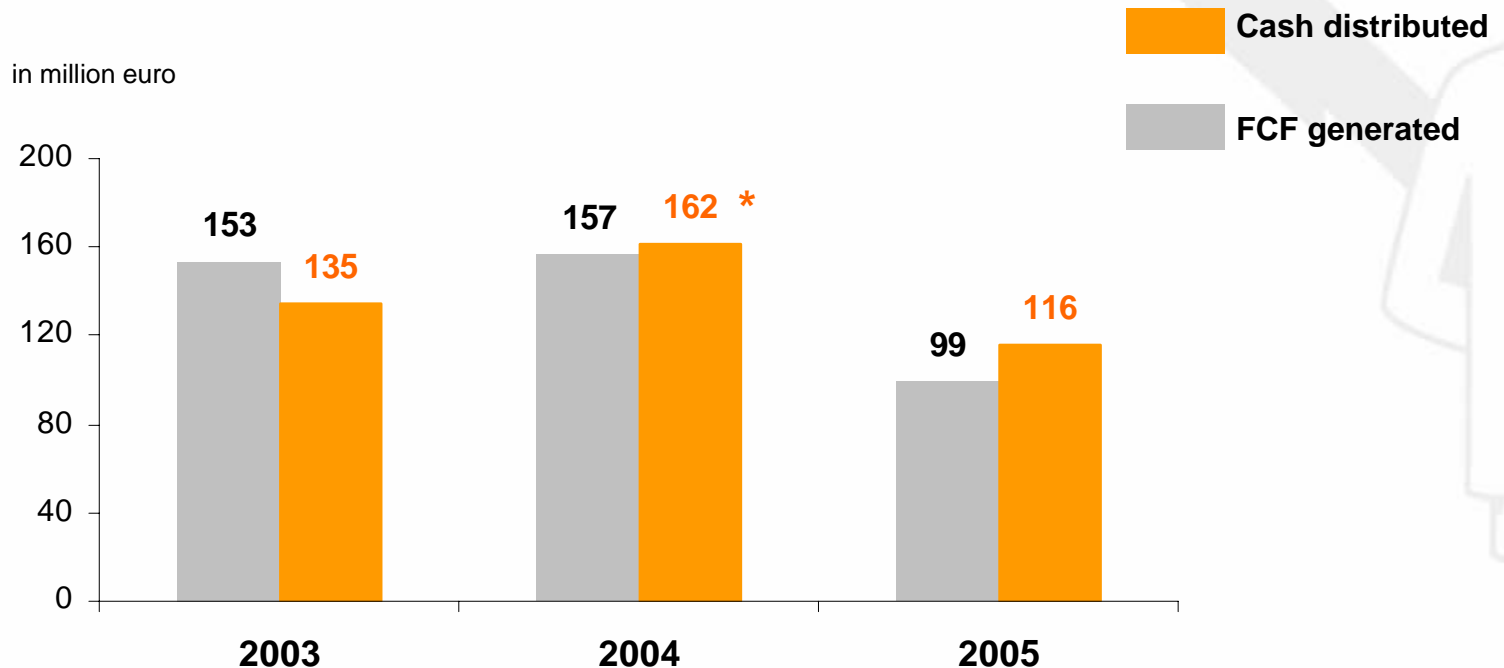
- Normalized* IFO margin increased vs 2004, reflecting sales increase and operational efficiencies

	As reported	Normalized*
Group	↗ to 17.3%	↗ to 17.5%
Stationery	↗ to 14.4%	↗ to 14.8%
Lighters	↗ to 32.3%	↗ to 31.9%
Shavers	↗ to 8.5%	↗ to 9.2%

- Currency fluctuation had a positive impact of 2.2 points on sales and 3.4 points on earnings for the full year 2005
- Group Net Income: **157 million euro**, up 17.3% on a normalized* basis, driven by operations and a lower tax rate

- Share buyback and cancellation:
In 2005, BIC bought 1,633,452 shares and cancelled 1,756,335 shares
- As of December 31, 2005, the authorized share capital of SOCIÉTÉ BIC is made up of 50,369,937 shares

- Dividend that will be proposed at the Annual Shareholders' Meeting on May 24, 2006: **€1.15** per share
- Free cash flow given back to shareholders through dividends* and share buyback



*including special dividend

**New organization of the BIC Group approved
by the Board of Directors on February 28, 2006**

Bruno Bich: Chairman of the Board

Mario Guevara: Chief Executive Officer

Key figures under IFRS



BIC Group <i>In million euro</i>	2004	2005	Change	Change on a comparative basis*
Net Sales	1,264.9	1,380.8	+ 9.2%	+ 6.5%
Gross Profit	624.9	674.1	+ 7.9%	+ 5.4%
Income from operations	172.6	238.4	+ 38.2%	+ 34.4%
Normalized IFO**	205.0	241.1	+ 17.6%	+ 14.6%
Income before tax	176.8	238.3	+ 34.7%	+ 31.6%
Group net income	113.9	156.5	+ 37.4%	+ 33.7%
Tax rate	35.5%	34.3%		

EPS	2.15	3.11	+ 44.4%	+ 40.4%
Normalized EPS	2.55	3.14	+ 23.2%	+ 20.0%
Number of shares***	52,882,591	50,330,582		

*Comparative basis means at constant currencies and at constant perimeter. Constant currency figures are calculated by translating the current year figures at prior year monthly average exchange rates

**excluding USA restructuring and real estate gains

*** Weighted average number of shares net of treasury shares

Normalized IFO



<i>BIC Group</i> <i>In million euro</i>	2004	2005	Change
As reported	172.6	238.4	+38.2%
Non recurring:			
- Gain on real estate	(7.8)⁽¹⁾	(4.5)⁽¹⁾	
- USA restructuring	40.2⁽¹⁾	7.2⁽²⁾	
Normalized	205.0	241.1	+17.6%

(1) included in other operating income / (expense)

(2) included in cost of goods

(under IFRS)

Gross margin maintained excluding restructuring

2004 Gross Margin

49.4%

Change vs. 2004

Volume and FX impact
on product cost

- 0.2 points

USA restructuring

- 0.4 points

Material price increase offset
by price adjustments

0 points

Total change

- 0.6 points

2005 Gross Margin

48.8%

Other operating income / (expense)



In million euro (under IFRS)

Under IFRS non-recurring items are included in IFO

		<i>Non-recurring impact</i>	
● 2004			
	USA restructuring	(40)	} Change 05/04
	Gain & loss on PP&E	8	
	Other restructuring & impairment	(7)	
	2004 impact	(39)	
● 2005			} €35m
	Gain & loss on PP&E	4	
	ther restructuring and impairment	(8)	
	2005 impact	(4)	

(under IFRS)

2004 IFO margin **13.6%**

Change vs. 2004

Gross margin decrease	- 0.6 point
Freight & distribution	- 0.2 point
Brand support	+ 0.5 point
Operating expenses	+ 1.2 point
Other operating income/(expense)	+ 2.8 points
Total change	+ 3.7 points

2005 IFO margin **17.3%**

(under IFRS)

Control of operational expenses

2004 Normalized IFO margin **16.2%**

Change vs. 2004

Gross margin decrease	- 0.1 points
Freight & distribution	- 0.2 points
Brand support	+ 0.5 points
Operating expenses	+ 1.2 points
Other operating income/(expense)	- 0.1 points
Total change	+ 1.3 points

2005 Normalized IFO margin **17.5%**

- 2004 Effective tax rate
- 2005 Target range
- 2005 Effective tax rate

35.5%

35 - 36%

34.3%

Condensed Balance Sheet



<i>In million euro (under IFRS)</i>	2004	2005	Change
Non-current assets	687*	738	51
Current assets	560*	710	150
Cash & cash equivalents	179	112	(67)
<i>Total Assets</i>	1,426	1,560	134
Shareholder's equity	993	1,066	73
Minority interests	2	1	(1)
Non-current liabilities	167	177	10
Current liabilities	264	316	52
<i>Total liabilities and shareholders' equity</i>	1,426	1,560	134

*Assets held for sale reclassified from non-current assets to current assets

- Increase of the working capital by **31%** to **€409m** versus a sales increase of 9.2% as reported
- Inventory building due to both sales increase and the USA restructuring



- Estimated impacts: \$ 90m
- \$ 25m related to pension reflected as an adjustment to equity
- P&L impact: \$ 65m, with \$ 35m non-cash
 - Full Year 2004: \$ 51m (€ 40m)
 - Full Year 2005: \$ 9m (€ 7m)
 - Full Year 2006: \$ 5m
- Expected savings: \$ 25m on a full year basis (fully from 2007) with savings of **\$ 3m** in 2005
- Payback: approximately 3.5 years and a little less than 2 years on a cash basis

- **Our vision:** Keep best-in-class quality as a founding principle of our strategy. Continue to develop our leading position in value for money.

- **Our strategy**

↪ **Strengthen our leadership
in our historical segments**

↪ **Enter new market segments**

↪ **Improve our margins**

Innovate

Improve our existing products

Offer consumers products that meet their **needs** and their **desires**, leading to added-value products

Leverage our **brand name**

Develop the research for new technologies and new designs

Study acquisition opportunities to **expand** either our **portfolio** or our **geographic presence**

Control costs

Leverage added-value products

Duo/Briefing



Easy Clic



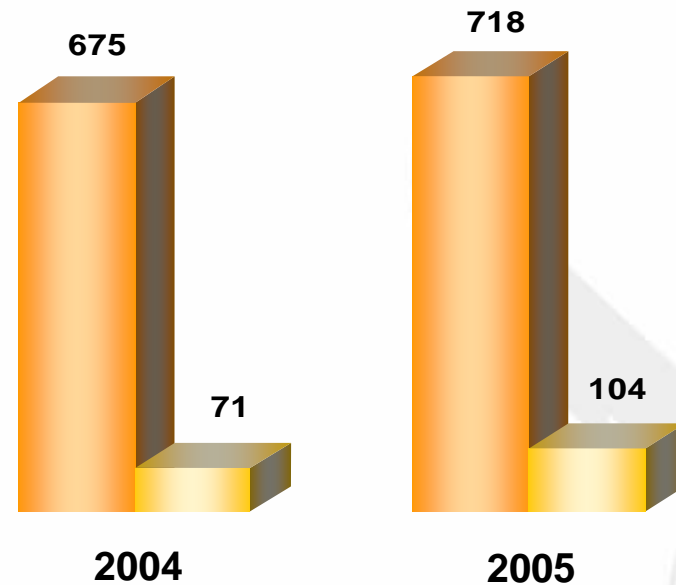
Innovative mechanism



In million euro (under IFRS)

Net Sales

IFO



Change in sales

ND

+ 6.5 %

Change on a comparative basis

ND

+ 3.9 %

IFO margin

10.5 %

14.4 %

Normalized IFO margin

14.2 %

14.8 %

NA = Not Applicable

➔ **Mid-term IFO margin target: 17-18%**

- Private label growth and price pressure from branded companies made the category increasingly more price sensitive

BIC answers:

- Continue to build the BIC[®] brand
 - Consistency of quality
 - New and more value-added products
 - Increased promotional activities
- **BIC** continued to gain market share in a flat to slightly declining market

Duo/Briefing Display



Mini Shake n'Squeeze correction pen



BigWheel 2 correction tape



Harry Potter fountain pen



Print advertising in the US

The **BIC** *Mark-it* Divas on adding color to the season...

Flowers gotta bloom, birds gotta sing...

And **BIC** *Mark-it* colors add zing to spring.

Colors of Spring Watering Pitcher
Easy instructions for this and other craft ideas at www.bicmarkit.com

Styled for today. Fun, springtime colors. Ultra-comfy grip. Writes on just about anything you can create.

"Our colors make Spring Ever more fun!" - The **BIC** *Mark-it* Divas

© 2005 BIC USA, Inc. 05044 01 0000 www.bicmarkit.com

April 2005

The **BIC** *Mark-it* Divas on finding Mr. Right...

I found love that's like **BIC** *Mark-it* markers - permanent!

Some Divas have all the luck!

"Color-ific Cake Centerpiece"
Easy instructions for this and other craft ideas at www.bicmarkit.com

Styled for today. Blissful, long-lasting colors. Ultra-comfy grip. Marks on just about anything you can create.

"It's easy to fall in love... with colors like these." - The **BIC** *Mark-it* Divas

© 2005 BIC USA, Inc. 05044 01 0000 www.bicmarkit.com

June 2005

The **BIC** *Mark-it* Divas

We've got a color for everything in your closet...

...and under your bed, and hanging on your exercise bike, and...

Hold colors to get you organized. Ultra-comfy grip. Marks on just about everything.

"It's easy to fall in love... with colors like these." - The **BIC** *Mark-it* Divas

© 2005 BIC USA, Inc. 05044 01 0000 www.bicmarkit.com

Back To School 2005

- **Our vision:** strengthen our position as **the only branded lighter** with worldwide strengths

- **Our strategy**

↪ **To be present everywhere**

Leverage **communications** on the product quality and reinforce the brand **visibility** (3-color logo on every lighter)

↪ **Accelerate development of added-value lighters**

Pocket lighters: rejuvenate sleeve themes, the colors and the cases

Multipurpose lighters: strengthen our presence in the trade

↪ **Fight against the Asian imports**

Enhance communications about **quality** and **safety** of the **BIC®** lighter

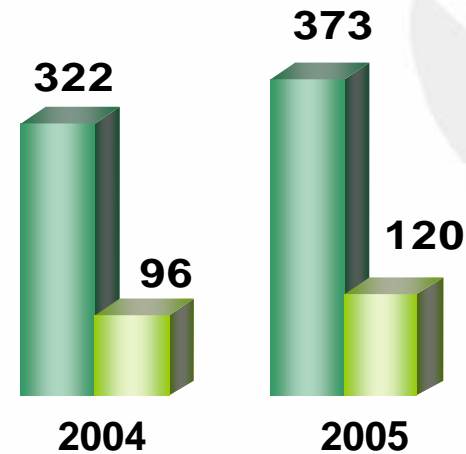
Reinforce **anti-counterfeiting actions**

Work with governments to make **safety rules enforced**

In million euro (under IFRS)

■ Net sales

■ IFO



Change in sales	ND	+ 15.7 %
Change on a comparative basis	ND	+ 12.5 %
IFO margin	29.7 %	32.3 %
Normalized IFO margin	29.5 %	31.9 %

NA = Not Applicable

➔ **Minimum mid-term IFO margin target: 24-25%**

- The European Commission, after pushing for a vote by the 25 Member States on February 9, 2006, is set to adopt a **Decision requiring all lighters placed on the market in the EU to be child-resistant**. The Decision is to be confirmed by the European Parliament.

The Commission will be launching shortly a joint project with Member States' customs and market surveillance authorities to ensure full implementation of this new rule.

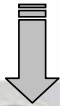
➔ **BIC** will be part of this joint project.

ISO 9994 rules have existed since 1989 and are still not respected by most of the importers. The risk is that child-resistant rules which are expected to take effect in 2007, will also not be respected.

Ensuring full enforcement is key for **Consumer safety**. Given the choice, consumers will prefer the imported lighter without the child-resistant feature, because it is more consumer friendly, but will not respect ISO 9994.

- **The European lighter industry**, which is fully respecting the ISO 9994 international safety standards and will respect child-resistant rules, **faces the risk to be negatively impacted, as will the consumer safety**, if these rules are not respected by all market players and if the European Commission and 25 State Members are not committed to withdraw lighters that do not respect these rules.

Child Guard



Child-Resistant BIC® Lighter



2005 is a record year with more than **1 billion** lighters sold

“Tango”



“Hypnotic”



C2 Select case



C2 Select
Pearl case

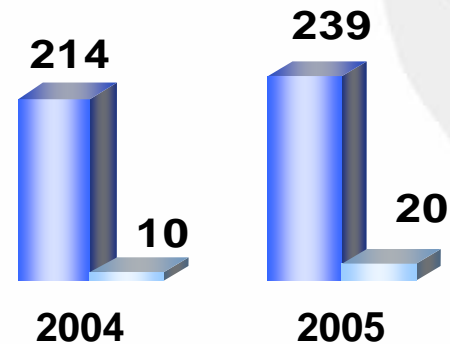




In million euro (under IFRS)

■ Net sales

■ IFO



Change in sales	ND	+ 11.7 %
Change on a comparative basis	ND	+ 9.2 %
IFO margin	4.5 %	8.5 %
Normalized IFO margin	8.6 %	9.2 %

NA = Not Applicable

➔ **Mid term IFO margin target: 11-13%**

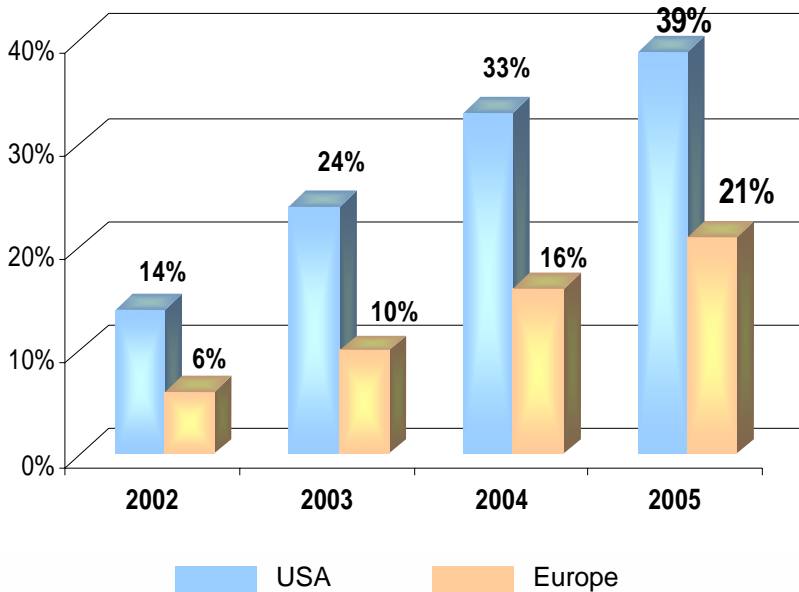
3-blades in the US



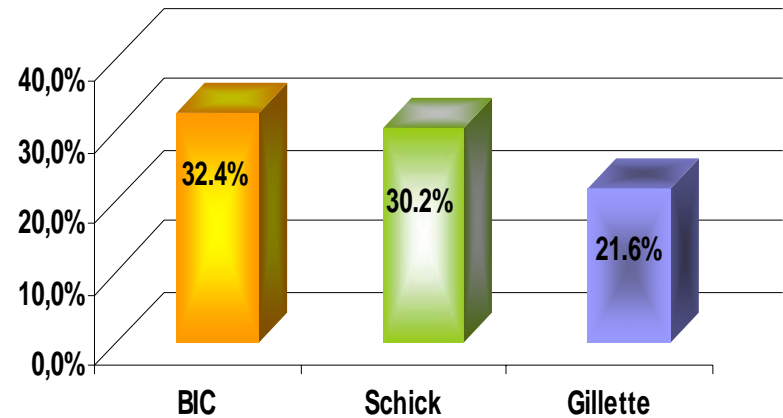
- In the USA, we achieved #1 volume share of 3-blades, ahead of both Gillette and Schick.
- Key drivers:
the launch of BIC® Soleil™ and BIC® Comfort 3™ Advance™

3-blades market share in the US

in value (versus Europe)



in volume in 2005



Source: IRI FMDX w/o Wall*Mart for USA – Full Year 2005
AC Nielsen for Europe – Full Year 2005

Source: IRI FMDX w/o Wall*Mart – Full Year 2005

3-blades in the US



Multi-shaver display



BIC® Soleil™ Print ad



Coupon





BIC® Pure 3™ Lady

Launch in Europe. Positioned as the best value for money 3-blade for women in this economically sensitive market



BIC® Comfort 3™ Pivot Head Green Pack

Launch Pivot in the USA as a compliment to the BIC® Comfort 3™ franchise to strengthen our leadership position in 3-blades

Shaver Ad



BIC

**“Je mets toujours
trois fines lames en 1^{ère} ligne.”**
Bernard Laporte, sélectionneur

**BIC
Comfort
3**

La performance 3 lames à prix BIC®

BIC

**“Aux lames
citoyens !”**
Bernard Laporte, sélectionneur

**BIC
Comfort
3**

La performance 3 lames à prix BIC®

« I always put 3 fine blades in the front row »

- FY06 sales: we expect a growth of around **4%** on a comparative basis
 - **Stationery** : very competitive and low price oriented, our answer is quality and value-added products
 - **Lighters**: increase value-added product sales, distribution and focus on Europe recovery
 - **Shavers**: continue to build on our success in the fast growing 3-blade segment in all regions



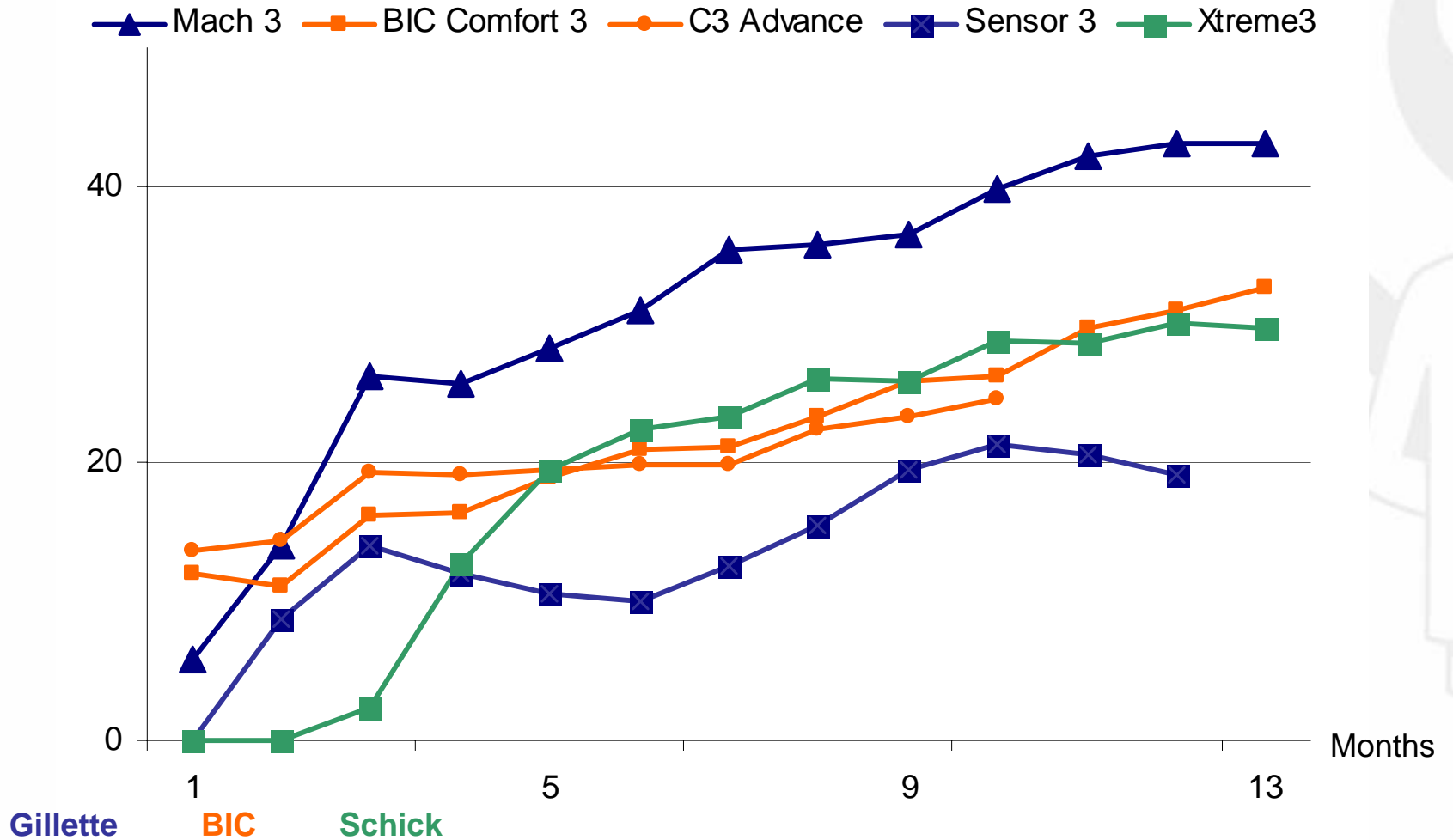


Repeat purchase rate



Repeat rate (%)

Men shavers

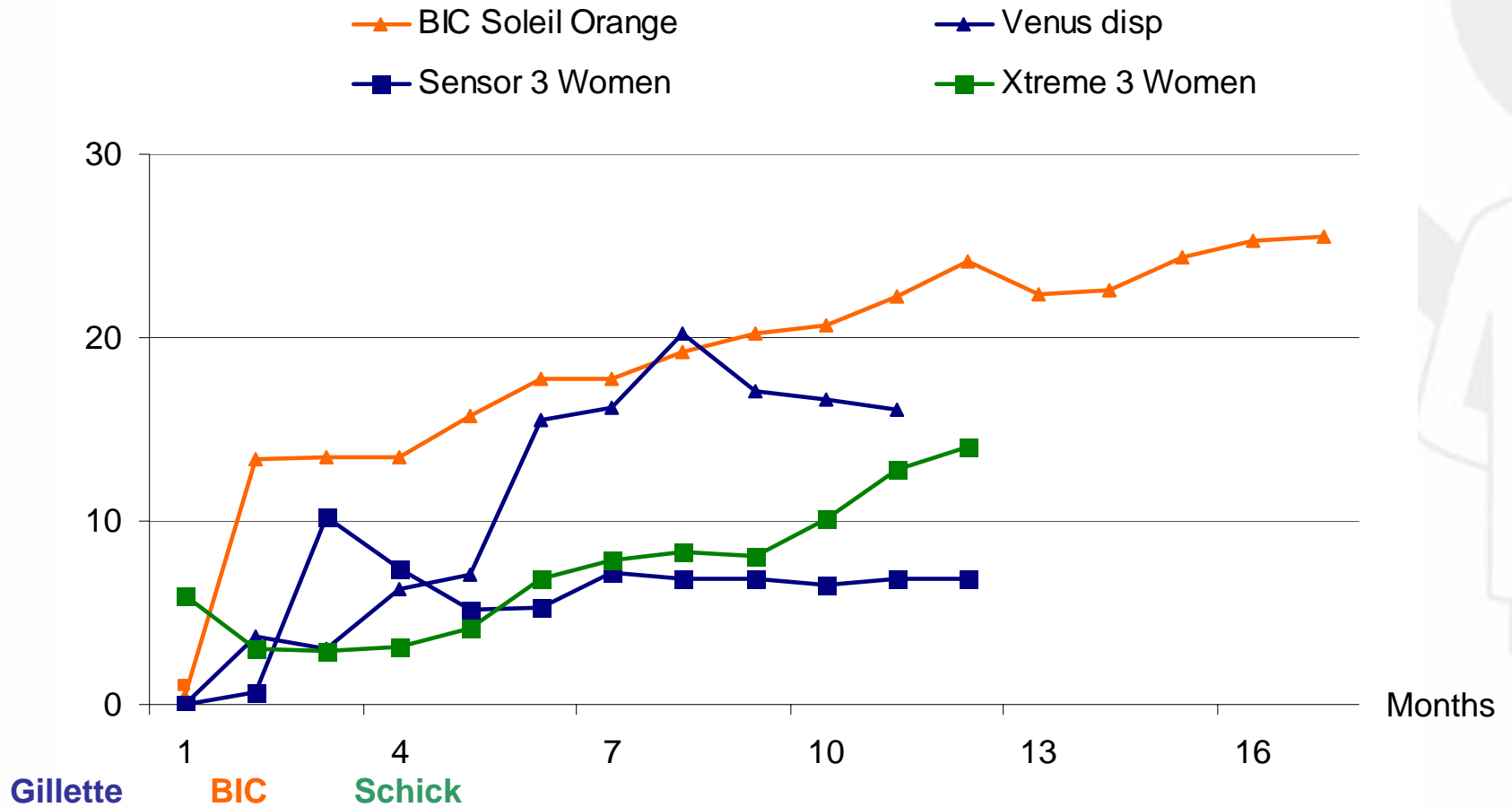


Repeat purchase rate

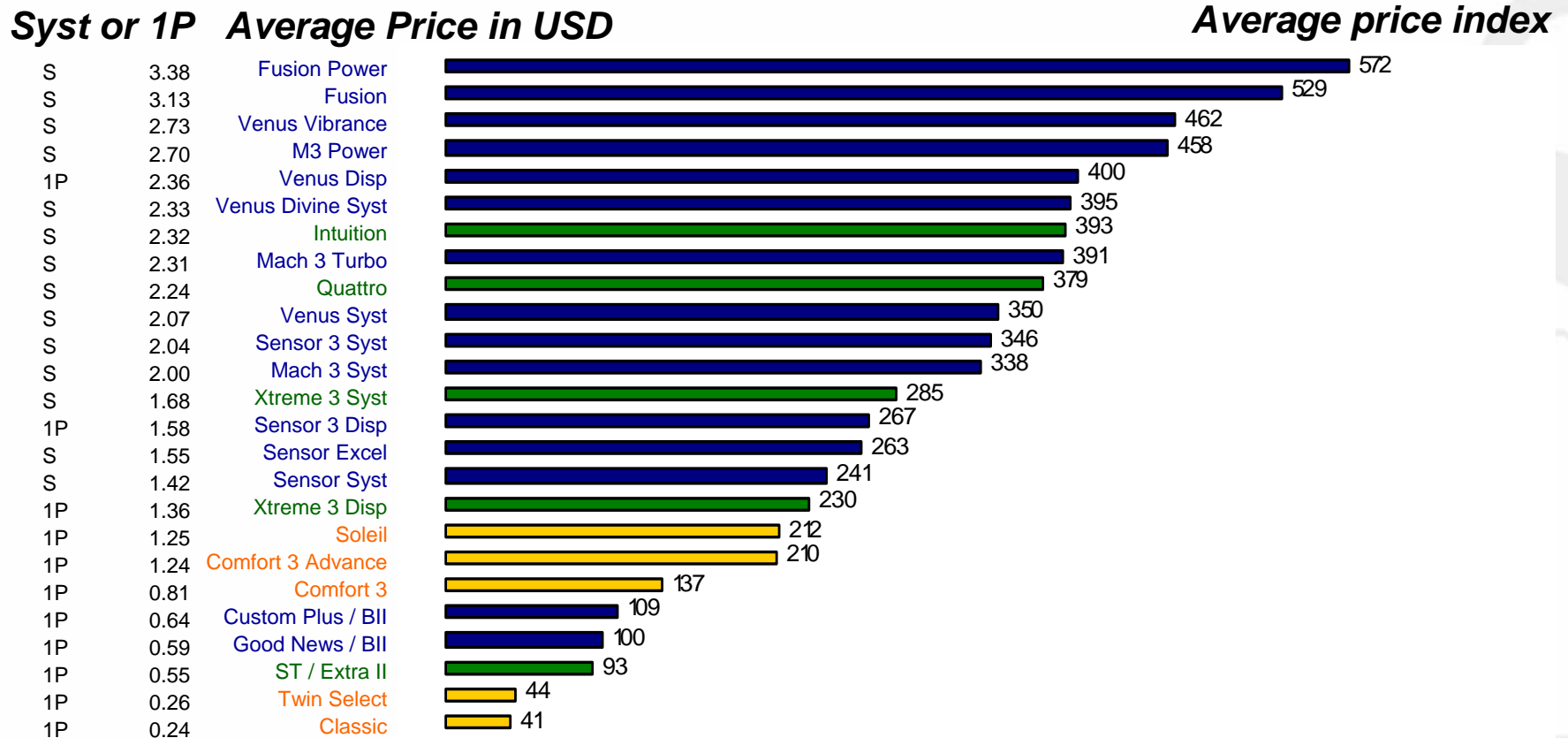


Repeat rate (%)

Women shavers



Shaver retail pricing umbrella



Gillette

BIC

Schick

Note: Price index similar in Europe

Source: IRI - U.S. FDMX - Period Ending 15-Jan-06
Price per shaver (1P) or per refill blade (System)