



THE MARKET

BIC Australia Pty Ltd, a subsidiary of global giant Societe BIC, is the leading manufacturer and supplier of writing instruments, stationery products, lighters and one-piece shavers servicing the Australian market. The BIC brand name is one of the most recognised worldwide and is synonymous with high quality, everyday products that are sold at the minimum fair price.

The market serviced by BIC nationally is across a broad consumer base and covers all categories of the company's extensive and diverse product range. BIC has chosen to maintain a diversified distribution network running down the eastern Australian seaboard and in Western Australia, allowing greater efficiencies and outstanding turnaround times.

Government Departments, hospitals, stationery wholesalers, retail and office supply categories are major segments, as are schools and traditional and modern retail outlets which service the mass consumer market. BIC products can be found in virtually any retail outlet.

BIC sells more than 20 million stationery products, 4 million lighters and 8 million shavers on five continents every single day.

Easily identified by the famous BIC Boy logo, more than 2.5 million BIC products are sold in Australia every week.

ACHIEVEMENTS

Over the past 54 years BIC has grown to become one of the world's most successful mass consumer product companies. The company's founder, Marcel Bich, once wrote in a letter to shareholders that his success (and that of BIC) was... "not the result of a formal education received in a business school, American or French. It is the result of the tough school of business which I entered at 18 years of age by the smallest door".

From its inception, BIC has held fast to a corporate philosophy which regarded the people who work for the company as its greatest asset. BIC has followed a single business ethic, to quote the founder "that the consumer must always be able to purchase the highest quality products at a fair minimum price".

BIC places great emphasis on ensuring that its people are fully trained and are encouraged to maintain their personal



and professional development so as to attract, in the words of the company's current chairman Bruno Bich "outstanding people at every level from the porter to the Chairman".

These inalienable beliefs and core philosophies have paid great dividend to the success of BIC as it has expanded worldwide. BIC's achievements have paralleled a careful strategy of global acquisition and mergers, matched with innovation and strong, consumer based marketing strategies resulting in BIC's leading presence across five Continents.

BIC has invested many millions of dollars in building the finest manufacturing facilities around the world and has also invested heavily through advertising and promotion in building the BIC brand.

A key to success has been to recognise market trends and to act quickly to respond to consumer and market needs. This is reflected in the range of well-known BIC products, which enable customers to buy a broad selection of products from a single source.

HISTORY

BIC was created from the vision and determination of one man, Marcel Bich who, in 1945 with partner Edouard Buffard, established a factory near Paris manufacturing fountain pen parts and mechanical lead pencils.

Bich quickly recognised the enormous potential of the ball pen, which he established as a non-refillable product. The BIC brand was an immediate success in Europe and quickly moved to other countries around the world including Australia in 1957.

Through acquisition, BIC has gained these famous brand names: Biro, Sheaffer, Tipp-Ex, Wite Out, Ballograf and Conte.

THE PRODUCT

BIC Australia's core business covers four main product categories, namely writing instruments, correction fluids, lighters and shavers.

BIC Australia also manufactures Australia's leading clothes peg, which is sold under the very familiar REVA brand name.

From the day that Bich founded the company, quality has been a constant focus from which there has been no deviation. The quality standards of the BIC manufacturing process and the products sold ensure that consumers are guaranteed reliability.





This constant focus provides BIC with the winning edge and ensures that the company remains market leader in the highly competitive writing instrument, lighter and one piece shaver categories.

Innovation has also been a major focus for BIC as can be seen by the development and market success of the now famous BIC lighter, which was first introduced in 1972. The use of precision parts and stringent quality assurance means that BIC Lighters meet the rigorous ISO lighter safety standards.

Consumers have purchased billions of lighters since 1972 and BIC is the worldwide market leader in sales for this product category.

RECENT DEVELOPMENTS

In 1997 Societe BIC acquired the global operations of the Sheaffer Corporation and has now finalised the integration of this brand in Australia.

BIC has acknowledged the realities of the industry for some time and deliberately built a stable of well known brand names. These give customers a single source of supply across a broad range of products and provide more efficient ordering and distribution.

The acquisition of the prestigious Sheaffer brand writing products will add strength to BIC's well-established product range and particularly, in the high quality fountain pen and pencil category.

BIC continues to be at the forefront of product development, responding to the ever-changing demands of the market and satisfying the needs of consumers.

Recent developments include the introduction of a range of child resistant non-refillable lighters. These lighters are designed



to help prevent use by young children and thus enhance even further the safety of non-refillable lighters.

BIC is now looking to grow its market share through innovative new products, such as the new Atlantis smooth ink ball pen and soft touch rollers, through customer focus and through the company's considerable distribution strengths.

PROMOTION

BIC has invested many millions of dollars in research and development, manufacturing efficiency, marketing and sales support, to build the BIC quality name. The continued success of the BIC product rests on the maintenance of the high quality and reputation of the trademark that consumers have grown to respect and trust.

Advertising and promotional support is designed to stimulate the consumer into looking for and purchasing a wide range of BIC products. The famous BIC Boy logo is known and recognised throughout the world and in many cases has become synonymous with specific product categories.



For example, when BIC decided to enter the vast American market in 1958 and was met by very sceptical consumers who had become tired of buying inferior products, BIC created an innovative and exciting national television campaign based around the memorable theme "Writes First Time Every Time®!"

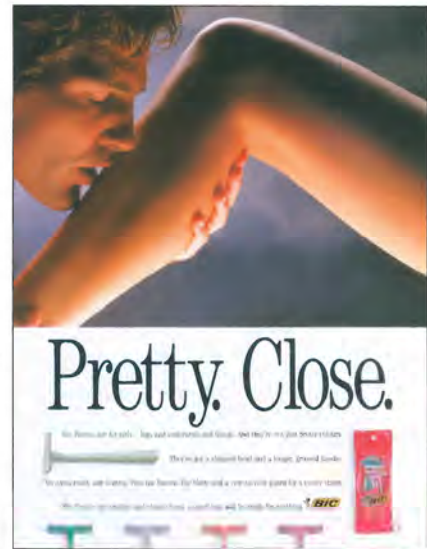
This theme, stated as a guarantee, proved an enormous success and with the added component of minimum fair price - the pens sold for 29 cents US - BIC soon became the market leader. The theme has become a universal catch cry that remains equally relevant today, more than 40 years later.

BIC continues to use extensive advertising and promotions to reinforce the brand and to instil the fundamental BIC philosophy of quality and value. More recently BIC has moved to globalise marketing and advertising and build the BIC brand as a single global identity whilst capitalising on the efficiency of local tactical implementation.

At the consumer interface the "silent salesperson" is a critical component. The "silent salesperson" includes striking and interesting product packaging, in store displays and promotions. All are built around the highly recognisable BIC logo, which is used to prominent advantage and linked to current advertising themes and campaigns.

BRAND VALUES

The strength of the BIC brand is built on the promise of high quality at the minimum fair price. It is the cornerstone



philosophy of all that BIC does and is the fundamental ingredient, which defines the basic characteristics, nature and value of all BIC products. It is the driving force behind every product sold.

The BIC brand reflects the standards of manufacturing excellence that is the benchmark measure for the industry worldwide. It is also the measure of the quality of BIC people and quality assurance processes, which allow BIC to guarantee the flawless performance of every product made.

The consumer of today demands choice and selection, matched with maximum service and fair price. The BIC brand must reflect these needs to remain market leader and to continue to grow its market share.

THINGS YOU DIDN'T KNOW ABOUT BIC

- The hole in the top of the BIC ball pen is known as a vented cap. It's designed to minimise the risk of choking should the cap be swallowed.
- The BIC Boy was originally drawn as a schoolboy with his head in the shape of the ball from the point of a pen.
- The standard full size BIC lighter can provide up to 3000 lights.
- The hole in the barrel of the BIC ball pen is there to equalise the pressure outside the pen. This helps to prevent ink leakage.
- BIC operates on five continents and employs more than 8950 people worldwide.
- BIC sells over 15 million ballpoint pens each day worldwide.
- Nicholas Jacques Conte was the first inventor to mix graphite with clay to produce pencil lead in 1795. This process of manufacturing is still used today.
- BIC owns and distributes a number of brand names including Ballograf, Sheaffer, Tipp-Ex, Conte and Wite Out.

