

Shareholders' newsletter



No.1 JANUARY 2004



CHAIRMAN'S MESSAGE

CONTENTS

- P. 1 – CHAIRMAN'S MESSAGE
- P. 2/3 – KEY FIGURES
– DRIVERS OF ECONOMIC GROWTH
- P. 4 – INFORMATION ON THE SHARE

Ladies, Gentlemen, Dear Shareholders,

Welcome to the first issue of our BIC Group *Shareholders' newsletter*. These pages will enable us to build a better relationship with you, bringing you closer to the life of your company, by providing you with clear and pertinent information on company strategy, activities, operations, results, and new products on a regular basis.

BIC has made great strides in the past few years. It has done so by focusing on functionality, affordability, and universal appeal, as well as highest quality research and innovation. These are the fundamental values that have been of BIC's strengths for more than 50 years. Today, your company is present in more than 160 countries. We are proud of the fact that consumers all over the world have confidence in the BIC brand, and that they choose our products, making them benchmarks for the market. BIC teams work day in and day out to further develop the BIC brand, to grow in our various markets, and to anticipate the future needs of customers.

The year 2003 was marked by a difficult economic environment worldwide. The BIC Group faced increased competition and the negative effects of shifting currency parities. Despite this, we still managed to gain market share.

While continuing production of our classic lines of products, we are constantly developing higher value-added products in our three main areas of expertise, in order to better satisfy the needs of our clients. These innovations, coupled with increasing competitive pressure will impact the Group's 2003 operating margin, which is expected to be lower than for FY 2002. However, our fundamentals remain solid, and our active policy of share buyback and cancellation has enabled improved creation of value for all BIC shareholders.

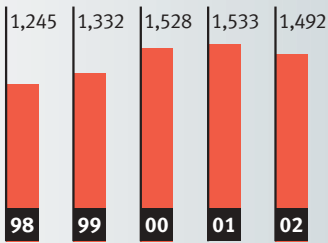
Therefore, I am confident for the future and remain convinced of the Group's potential for growth.

I thank you for your confidence, which some of you have now shown for many years, and I wish you all the best for 2004.

Bruno Bich
Chairman



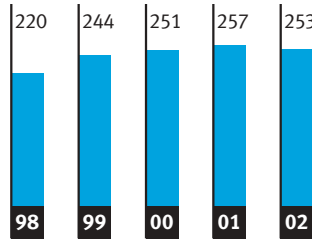
Key figures



NET SALES

1,492 million euro

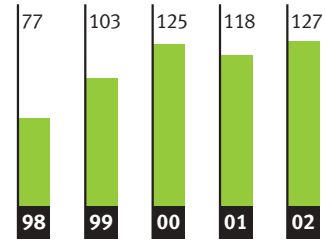
BIC Group net sales increased 4.6% on a comparable basis i.e. excluding Guy Laroche divested in December 2001 and at constant currencies (+3% in volume).



INCOME FROM OPERATIONS

253 million euro

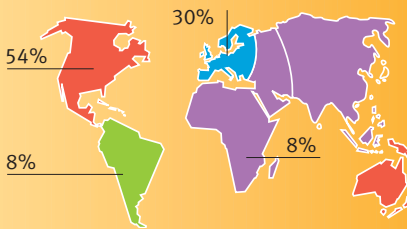
Income from operations decreased 1.7%. The Group operating margin reached 16.9%, showing a slight improvement of 0.1 point over 2001.



NET INCOME

127 million euro

Group net income increased 7.7% and earning per share grew 4.3%.



NET SALES BY GEOGRAPHIC AREA



Drivers of economic growth

Brief History

Created in 1953 by Marcel Bich and Édouard Buffard, SOCIÉTÉ BIC first positioned itself in the stationery market with the creation of the BIC® Cristal® ball pen, followed by the M10 retractable ball pen. The company then immediately began a process of international expansion, which started in Europe, and then extended to Brazil, the United States, Africa, and the Middle East.

In 1973, BIC decided to diversify its activities, and launched the BIC® adjustable flame lighter. Because of its reliability and quality, it was an instant success. However, the company did not stop at revolutionizing writing and lighting habits, two years later, it launched the BIC® single-blade disposable shaver. With this, BIC demonstrated its desire to simplify the life of consumers all over the world, by offering them products priced for good value.

Strategy

Always well positioned in the stationery, lighter, and shaver markets, BIC became a world leader. The company has recently stepped up its policy on the launch of new products, mostly outsourced. Each year, nearly 2% of total sales are spent on Research & Development. This team of nearly 160 people works to create new, higher value-added products designed to meet customers' needs in order to maintain growth and to increase profitability.

Because of the technology, innovation, and international renown of the BIC brand, we have continued to grow and to gain market share. This performance has been negatively impacted by currency fluctuations, in particular those of the US dollar versus the euro. However our net income remains highly positive, with an average increase of 11% annually over the last five years. This means large amounts of cash will be generated, which will benefit the shareholders in terms of dividends, and through share buy-backs and cancellations. **It might also be employed to carry out acquisitions. Indeed, BIC intends to analyze every opportunity according to two criteria: acquisition of new technologies, and/or geographical expansion.**

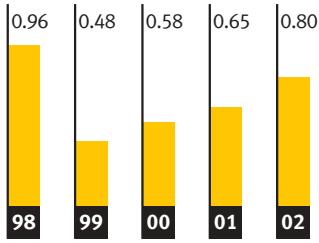
OUR PERFORMANCES

22 million stationery products
4 million lighters
11 million shavers
 sold each day by BIC

OUR TARGETS

MID-TERM MARGIN

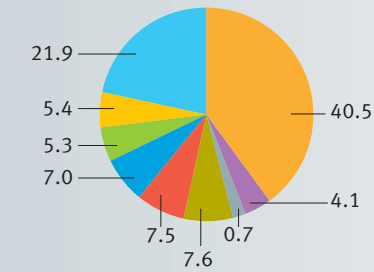
Stationery	16-17%
Lighter	23-24%
Shaver	15-16%



→ NET DIVIDEND

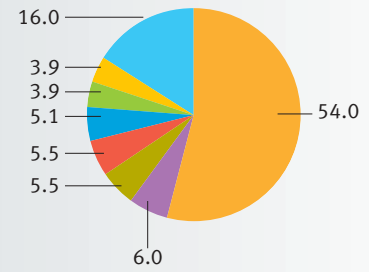
0.80 euro

2002 net dividend (before tax credit) increased 23% over 2001.



→ CAPITAL OWNERSHIP
in % at 31 October 2003

- Bich Family, including MBD
- Franklin Templeton Investment
- Mrs Édouard Buffard
- Silchester International Investors
- Autocontrôle
- AIM Funds Management (Trimark)
- Oppenheimer Funds (estimate)
- CDC
- Public



→ VOTING RIGHTS
in % at 31 October 2003

→ HIGHLIGHTS



Cristal® Pocket Scents™: fancy writing

Just like its older brother BIC® Cristal®, Cristal® Pocket Scents™ offers high quality writing. Its small size lets it fit easily into any handbag or appointment book. It is available in eight vibrant colors, with various fruit scented inks, including strawberry and banana. It has been a great success, both because young girls collect and trade them on school playgrounds, and because they brighten up their mothers' day-to-day routine. This is yet another example of BIC's ability to rejuvenate the position of its leading products.

Celebrating 30 years!

After acquiring Flammaire in 1971, BIC launched the J1, the first adjustable-flame lighter in 1973. Because of its high quality lighting and solid grip, its success was guaranteed.

Today, BIC offers pocketsize lighters that come in various shapes, sizes, and colors, and that are equipped with either classic stone or electronic ignition devices. BIC's line of products has also added multi-purpose utility lighters to its range. Innovation and safety are still BIC's priorities. To celebrate its thirty-year anniversary, the company created this limited edition silver lighter.



BIC Comfort 3™: the three-blade shaver available to all

Since launching BIC® Orange in 1975, BIC has continued to innovate and improve the value and the quality of its products.

BIC® Comfort 3™, which stems from a unique triple blade technology, ensures a very close shave on the first stroke. For optimal comfort, it is equipped with an easy-grip handle and two soothing lubricating strips containing aloe and vitamin E.

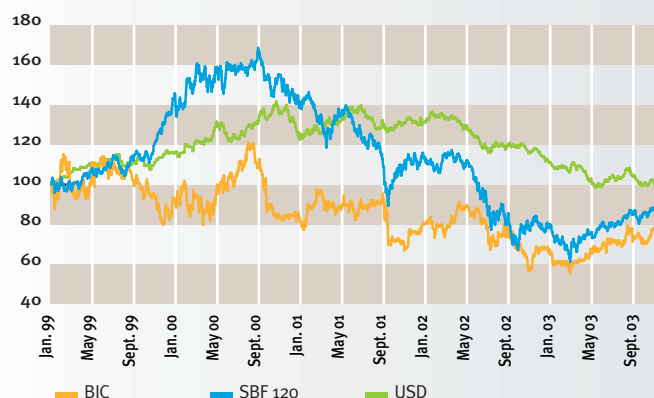
Soleil™: the first 3-blade one-piece shaver especially designed for women

The shape of its handle suits the many different ways women hold their shaver. The comfortable grip and the angle of the blades have both been carefully studied in order to fully satisfy female customers. With its bright and matching colors, Soleil™ has already been acclaimed by major retailers. Soleil™ will be in your stores in Spring of 2004.



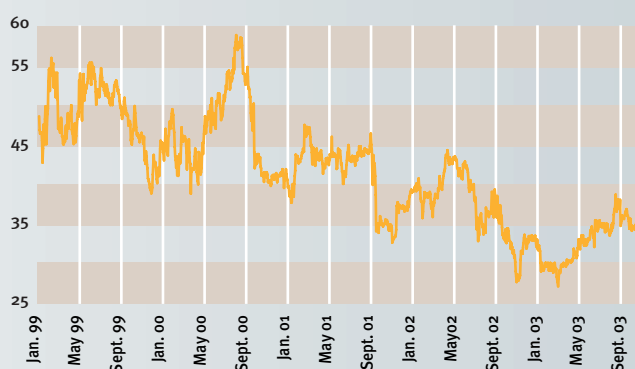
Information on the share

→ BIC SHARE PRICE VS. SBF 120 AND USD/EUR REBASED 100 AT 4 JANUARY 1999



This graph, rebased 100 at 4 January 1999, shows the correlation between the BIC share price, the SBF 120 and the USD/EUR fluctuations.
Financial data as at end of November 2003.

→ BIC SHARE PRICE



In the 1999-2003 period, the highest price was 58.9 Euro in August 2000. The end of the bullish market combined with an economic slowdown in the USA penalized the BIC share price.
Financial data as at end of November 2003.

→ BIC SHARE

At 31 December 2003

- **Capital:** 205,952,534.32 euro
- **Number of common stocks:** 53,914,276 Par value: 3.82 euro
- **Quoted in Paris**
- **ISIN Code:** FR 0000120966
- **Average daily volume** (in 2003): 55,000 shares
- **Index:** SBF 120

→ KEY DATES FOR SHAREHOLDERS

22 January 2004

- 4th Quarter and FY 2003 Net Sales

11 March 2004

- Full Year 2003 Results

22 April 2004

- 1st Quarter 2004 Net Sales

3 June 2004

- Annual General Meeting

10 June 2004

- Dividend payment

→ CONTACT

SOCIÉTÉ BIC – Investor Relations
14, rue Jeanne d'Asnières
92611 Clichy Cedex – France
www.bicworld.com
e-mail: investors.info@bicworld.com
tel: +33 1/45 19 52 26

If you want to receive
BIC Shareholders' newsletter,
please contact us.



→ OUR ANSWERS TO YOUR QUESTIONS

Why are you buying shares back?

The main goals of our program are the following:

- (April 25, 2003, cf. note COB, visa n° 03-318)
- optimizing the investment held by SOCIÉTÉ BIC,
- regulating share price,
- granting stock options,
- to use these shares for payment or for swaps in the event of an acquisition.

Moreover, the cancellation of shares that are bought back enables us to reduce the number of shares outstanding, and therefore to increase earnings per share and dividend payout per share.

What is your dividend payout policy?

We have made major capital expenditures over the few years following the rationalization of our stationery division. This forced us to lower shareholder compensation. Since 1999, we are doing everything in our power to offer a higher dividend.

What is the likelihood of a takeover bid on BIC?

With the Bich family holding over 40% of its capital, and more than 54% of the voting rights, BIC is a family company. The family does not intend to dispose all of its stake. This makes a takeover bid highly unlikely. BIC owns close to 100% of the company's subsidiaries, directly or indirectly. So there is no way a third-party could enter their capital to take them over.

Why has the share price declined so much?

Since our first listing in 1972, the BIC share price has followed market trends, only within a more narrow margin because BIC is not a speculative share. If we look over the last five years, we can see that we did not profit from the increase in share prices at year-end 1999 and through 2000 as much as other companies did. This was the period during which we carried out the rationalization of our stationery division. Investors held back as they awaited our results. Since the end of 2000, the decrease of our share price was less than that of the index (-50% as opposed to -65%). Yet, we are also experiencing the decline of the US dollar, which has a major impact on our income since 54% of our sales are made in North and Central America. Safe company management, coherent decisions, and overall consistency are all components that have contributed in reassuring investors. In the market recovery we have seen since January 2003, BIC's share price has risen by 14%.