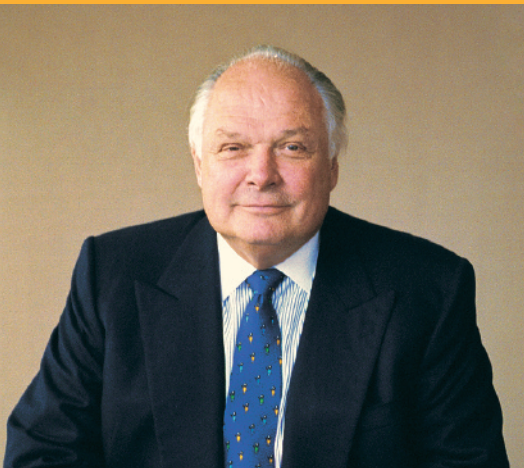


Shareholders' newsletter



No. 5 APRIL 2006



CHAIRMAN'S MESSAGE

CONTENTS

- P. 1 – CHAIRMAN'S MESSAGE
- P. 2/3 – 2005 KEY FIGURES
– 2005 KEY EVENTS
- P. 4 – INFORMATION ON THE SHARE

NEWS

- Dividend of €1.15 per share to be paid out on June 1, 2006.
- The Annual Shareholders' Meeting will be held on May 24, 2006, at 9:30 a.m at SOCIÉTÉ BIC: 14, rue Jeanne d'Asnières, Clichy (92), France.
- Shareholders' Meeting in Lille June 1, 2006.

Ladies, Gentlemen, Dear Shareholders,

2005 was a successful year in a highly challenging environment: fiercer competition, due to the continued growth of Hard Discounters and Private Labels, a sluggish European market and higher raw materials costs.

Thanks to our talented teams, our strong brand identity, and the quality of our products, we have continued to gain market share and grow our three core categories. We improved margins across our three core categories, thanks to a rigorous cost control program and improved productivity. Group net income reached a record level of nearly 157 million euro.

BIC continues to generate a high level of closing cash and cash equivalents: 103 million euro in 2005. The Board of Directors therefore proposes that at the next Annual Shareholders' Meeting, you vote a dividend of 1.15 euro per share, an increase of 27.8% over the ordinary dividend paid for the full year 2004.

On my recommendation, the Board of Directors unanimously approved the separation of the functions of Chairman and Chief Executive Officer, and named Mario Guevara to the latter position, effective March 1, 2006. I will remain as Chairman of the Board. Mario and I have worked closely together over the past several years. He has earned my complete confidence to lead our Group.

We have set ambitious targets for 2006. We want to increase net sales by approximately 4% on a comparative basis⁽¹⁾. Quality and innovation will remain at the center of our priorities. As I write this, I have the fullest confidence in the qualities of our teams, and I know that we have everything that we need to continue improving our performance. We will also continue to explore growth opportunities through acquisitions or alliances.

I want to thank you for your ongoing confidence, and look forward to seeing you at our Annual Shareholders' Meeting in May.

Bruno Bich
Chairman of the Board



⁽¹⁾ For a more accurate picture of our level of performance, we also report sales on a comparative basis (i.e. at constant perimeter and constant currencies).

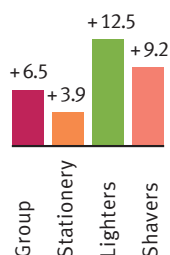
2005 key figures



NET SALES

1,381 million euro

Full Year sales were strong, up 6.5% on a comparative basis, reflecting market share gains.



GROWTH OF NET SALES BY CATEGORY⁽¹⁾ (IN %)

Sales were up in all three of our stationery, lighter and shaver categories in a highly competitive consumer marketplace.

(1) On a comparative basis.



NORMALIZED INCOME FROM OPERATIONS

241 million euro

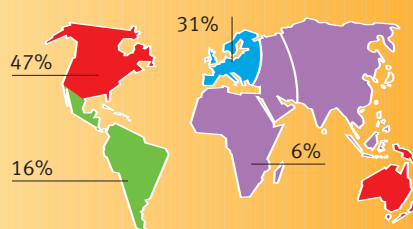
The Group recorded a growth of the normalized IFO higher than the growth of net sales, driven by sales performance and continued focus on controlling operational expenses.



GROUP NET INCOME

157 million euro

Group net income and earnings per share increased respectively by 37.4% and 44.4%.



NET SALES BY GEOGRAPHIC AREA :

425 million euro	Europe
644 million euro	North America and Oceania
220 million euro	Latin America
92 million euro	Middle-East, Africa and Asia

OUR PERFORMANCE

Consumers choose to purchase:

22 million BIC® stationery products
4 million BIC® lighters
11 million BIC® shavers

each day*.

*daily sales – base : 220 days.

OUR TARGETS

MID-TERM IFO MARGIN (IFRS RULES)

Stationery **17-18%**
 Lighters* **24-25%**
 Shavers **11-13%**

*minimum target

2005 Key events

These comments are based on a comparative basis.

Rapid growth in sales

Group net sales were especially strong, with an increase over last year of 6.5% on a comparative basis, reflecting improved market share in our three core categories. Sales growth in North America and Latin America was double digit, while sales in Europe declined slightly.

Stationery sales – 52% of our sales – went up by 3.9% compared with 2004. BIC gained market share in 2005, even as the market itself was flat to slightly declining, and was increasingly price-sensitive, particularly under pressure from Private Labels.

Lighter sales – 27% of our sales – surged by 12.5%, particularly in the Americas, where growth was double digit.

Shaver sales – 17% of our sales – were up by 9.2% in a highly competitive market. Rapid sales growth in triple-blade shavers – now representing 28% of our total shaver sales, compared with 20% in 2004 – more than offset a slight decline in single- and twin-blade segments.

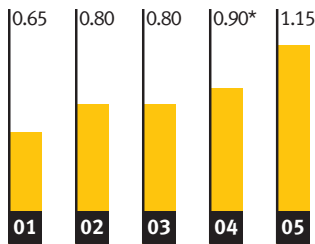
Strong growth of income

Despite increased raw materials costs, IFO margin grew by 3.7 points to reach 17.5% of sales. This can be explained in part by sales growth, but also by our focus on controlling operational expenses and by the 2004 non-recurring USA restructuring costs. Normalized income from operations increased by 17.6% in 2005, reaching 241.1 million euro, more rapidly than the increase in sales (6.5%).

Group net income was 156.5 million euro, an increase of 37.4%.

The dividend up by 27.8%

At its meeting of February 28, 2006, the Board of Directors decided to propose that at their Annual Shareholders' Meeting of May 24, 2006, the shareholders agree to a dividend distribution of €1.15 per share, an increase of 27.8% over the ordinary dividend voted for the fiscal year 2004. The total amount distributed to shareholders for the fiscal year 2005 will be 116 million euro, including dividends and share repurchases, which represents 117% of net free cash flow for the year.

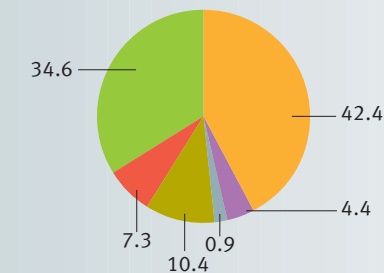


NET DIVIDEND

1,15 euro

The Group will propose that at the next Annual Shareholders' Meeting, a dividend of 1.15 euro per share be voted, an increase of 27.8% compared with 2004.

*The Group paid out a special dividend of 1.00 euro for fiscal year 2004.



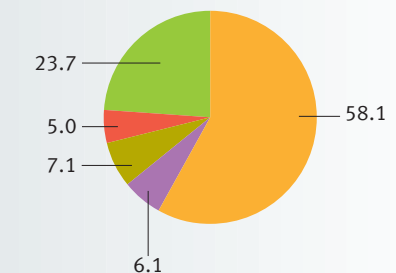
CAPITAL OWNERSHIP

In % as of December 2005

■ Bich Family, including MBD
■ Mrs Edouard Buffard

■ Treasury shares

■ Silchester International Investors



VOTING RIGHTS

In % as of December 2005

■ Franklin Templeton Investment
■ Free float

HIGHLIGHTS

Mario Guevara, Chief Executive Officer of the Group since March 1, 2006,

joined the BIC Group in 1992. He has been a member of the Board since 2001, and served as Executive Vice President and Chief Operating Officer since March 10, 2004. He is 46 years of age. After starting with the Group as Finance Director for Mexico, he became General Manager of BIC Mexico in 1993, BIC South America in 1998 and BIC North and South America in 2001.



BIC is included in two major sustainable development indexes

In 2005, BIC was included in the ASPI Eurozone and FTSE4Good Europe indexes, after having been evaluated by VIGEO, the independent European Corporate Social Responsibility agency and by Britain's EIRIS (Ethical Investment Research Service), respectively. BIC's inclusion in these indexes is recognition of the progress the Group has made in the areas of corporate governance, ethics, and environmental and social responsibility.



BIC sponsors two rugby personalities

One year away from the Rugby World Cup to be held in France, BIC has linked its image with two leading French personalities: Bernard Laporte, selector of the French rugby team and Dimitri Szarzewski, hooker of the Stade Français team. Their personalities fit the brand and they will continue BIC's major advertising tradition in France. These partnerships, in effect in 2006 and 2007, cover all three of our categories.

The 25 Member States of the European Union vote for "Child-Resistant" lighters

In the present state of the case, the key dates should be:

- From February 15, 2007, manufacturers and importers must no longer put on the EU market lighters that are not "Child-Resistant."
- From February 15, 2008, European consumers must no longer be able to purchase a lighter that is not "Child-Resistant."

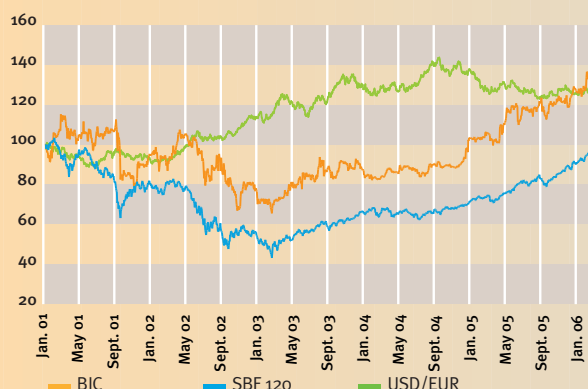
The 25 Member States of the EU will have the legal obligation to enforce the decision of the European Commission regarding "Child-Resistant" standards and to take out of the market any lighter that does not respect the "Child-Resistant" standard or the ISO 9994 safety standard.

In countries where adherence to the standard is respected and monitored, Asian imports are falling – giving way to lighters that respect all safety standards. Consumer safety has improved and BIC can find new opportunities for growth, both in volume and value terms, as in the Americas.



Information on the share

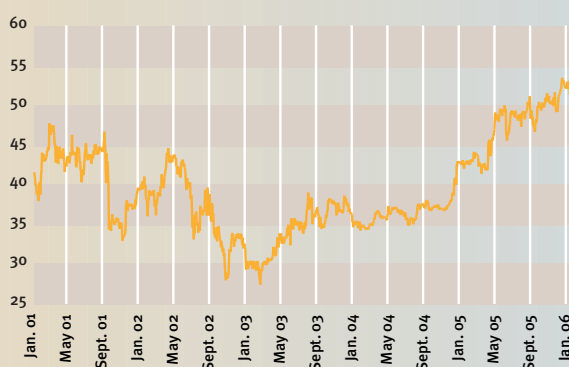
→ BIC SHARE PRICE VS. SBF120 AND USD/EUR
REBASED 100 AS OF JANUARY 2001



This graph, rebased 100 as of January 2001, shows the correlation between the BIC share price, the SBF 120 and the USD/EUR fluctuations.

Financial data as of late March 2006.

→ BIC SHARE PRICE



The market price of the BIC share rose in the beginning of 2006, when 2005 net sales were published. The release of full year results in early March confirmed this positive trend.

→ BIC SHARE AS OF DECEMBER 2005

- **Capital:** 192,413,159.34 euro
- **Number of common stocks:**
50,369,937 shares at 3.82 euro face value
- **Quoted on:** Euronext Paris
- **ISIN code:** FR 0000120966
- **Average daily volume**
(in 2005): 59,685 shares
- **Indexes:** SBF 120, CAC Mid100, FTSE4Good Europe and ASPI Eurozone

→ KEY DATES FOR SHAREHOLDERS

May 24, 2006

- Annual Shareholders' Meeting

June 1, 2006

- Dividend payment
- Shareholders' Meeting in Lille

July 20, 2006

- 1st Half Net Sales

September 6, 2006

- 1st Half Results

October 12, 2006

- 3rd Quarter Net Sales

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



→ OUR ANSWERS TO YOUR QUESTIONS

What do sustainable development indexes mean?

The aim of these indexes is to respond to investor needs. They permit institutional investors to choose companies that add sustainable development criteria to the usual financial criteria. In effect, the indexes are a base for Socially Responsible Investment portfolios (SRI).

Relatively few companies are included in these indexes. The FTSE4Good Europe includes 264, including 26 French companies, while the ASPI Eurozone includes 120 companies, of which 50 are French. The French companies included are mainly major companies included from the CAC 40 index. This makes BIC's inclusion all the more remarkable.

Why does BIC release net sales on a comparative basis?

BIC makes over 60% of its sales in US dollars or Brazilian reals. Hence, exchange rate trends in these currencies have an important impact on sales figures. This is why we release Group net sales at a constant perimeter and at constant currencies. Releasing net sales on a comparative basis makes it easier to ascertain the Group's real operating performance.

Why does BIC release a normalized income from operations?

The normalized income from operations excludes non-recurring or exceptional items such as restructuring costs and capital gains on real estate, and therefore provides a more accurate view of our performance.

There were in fact many exceptional items in our 2004 financial statements, in particular the USA restructuring, which had a pre-tax cost of 40 million euro. In 2005, we benefited from these nonrecurrent costs. As reported, our IFO was up 38.2%, while the normalized IFO (excluding exceptional items) was up 17.6%.

What is the impact of raw material prices on BIC?

Raw materials account for about 40% of the cost of our goods sold, and half of these come from plastics alone. Hence, BIC's results are sensitive to increases in the price of oil.

In 2005, increased raw material prices, including oil, paper and cardboard, had a negative impact of approximately 0.7 points on gross margin. However, this was fully offset by price adjustments on selected products, such as lighters, in the United States.