

Shareholders' Newsletter



N°7 MAY 2007



CHAIRMAN'S MESSAGE

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NEWS

- Dividend of €1.30 per share to be paid out on June 1, 2007
- The Annual Shareholders' Meeting will be held on: May 23, 2007, at 9:30 a.m. at SOCIÉTÉ BIC, 14 rue Jeanne d'Asnières, Clichy (92), France
- Shareholders' Meeting in Lyon May 29, 2007

Ladies, Gentlemen, Dear Shareholders,

Throughout 2006, we confronted a number of significant challenges posed by the global economy, including raw material price increases and currency fluctuations.

As a result, I am all the more proud to announce that our teams tackled all of these challenges successfully while launching new products and gaining market share.

For the stationery category, competition became fierce with the growth of private labels and other branded companies' aggressive price policies. The European lighter market continued to struggle against the threat of Asian imports. The shaver category, meanwhile, faced severe competition related to new product launches.

In this difficult context, BIC strengthened its position in all three of these markets and achieved growth of 4.6% in net sales on a comparative basis. The Group posted a record 170 million euros in net income, up 9.3% from 2005 and generated 167 million euros in cash and cash equivalents for 2006.

The Board will propose to the Annual Shareholder's Meeting a dividend of 1.30 euros per share, up 13% compared to 2005.

2006 was also a crucial year for the Group's growth, with the acquisition of Pimaco, a Brazilian stationery company, as well as planning for the launch of our very first system shaver with cartridge refills.

In terms of operations, our goals for 2007 are ambitious: successfully launch the BIC® Soleil® system shaver, guide the transition to child-resistant lighters in Europe, and integrate Pimaco's business activities in Latin America.

We expect sales to increase by 4 to 5% on a comparative basis and our income from operations to grow more slowly than sales, as we invest in new products like the BIC® Soleil® with cartridge refills, our first system shaver, and increased brand building. However, we believe that this year of transition will strategically position the Group to achieve significant gains in the future.

Thank you for your continued support, and I look forward to seeing you at the Annual Shareholders' Meeting on May 23, 2007.

Mario Guevara
Chief Executive Officer



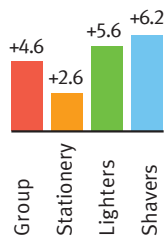
2006 key figures



NET SALES

1,448 million euros

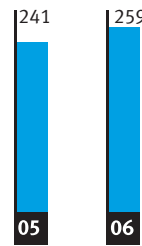
Sales were up 4.6% on a comparative basis, reflecting market share gains in all three categories.



GROWTH OF NET SALES BY CATEGORY IN %⁽¹⁾

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

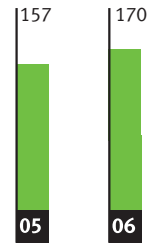
(1) On a comparative basis



NORMALIZED INCOME FROM OPERATIONS

259 million euros

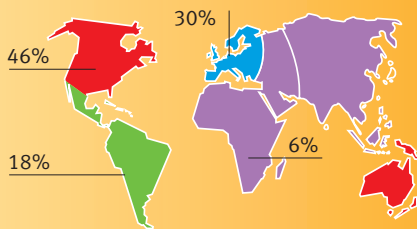
The Group achieved its objective of growing normalized IFO faster than sales.



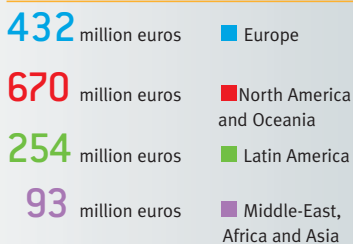
GROUP NET INCOME

170 million euros

Group net income increased 8.8% as reported, to 170 million euros, and earnings per share was 3.43 euros, an increase of 10.3%.



NET SALES BY GEOGRAPHIC AREA



OUR PERFORMANCE

Consumers choose to purchase:

24 million BIC® stationery products

5 million BIC® lighters

10 million BIC® shavers

each day*.

* BIC daily sales – base: 220 days.

OUR TARGETS

MID-TERM IFO MARGIN

Stationery	16-17%
Lighter*	26-27%
Shaver	11-13%

* minimum target.

2006 Key events

These comments are based at constant currencies

Achievement of our goals to grow sales by approximately 4% on a comparative basis...

The Group's net sales reached 1,448.1 million euros in 2006, up 4.6% on a comparative basis, reflecting market share gains in our three categories.

In the stationery category, BIC continued to gain market share with a 2.6% increase in sales despite price pressure from private labels and other brands. The integration of the Pimaco⁽¹⁾ consumer label business in Brazil had a positive impact on this region's sales.

In the lighter category, sales increased by 5.6% despite continued competition from low-priced and low-quality Asian lighters, too many of which do not respect the ISO 9994 safety standards. Sales performance was driven by the Americas, where we continued to grow our market share.

In the shaver category, sales increased by 6.2%, driven by the strong growth of our triple-blade shavers, which make up 35% of our shaver sales worldwide versus 28% in 2005.

...and faster growth in our normalized IFO margin than in our net sales

Gross profit improved 20 basis points to 49% of net sales, reflecting the favorable impact of restructuring initiatives in the United States, partially offset by lower production volumes due to inventory reduction. As planned, material price increases were fully offset by price adjustments.

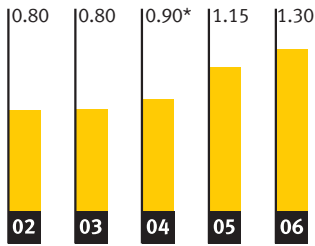
Normalized IFO (excluding non-recurring items) increased by 7.4% to reach 258.7 million euros, compared to 240.9 million euros in 2005.

Finally, Group net income increased by 8.8%, reaching 170.2 million euros as reported.

Proposed dividend up 13%

The Board will propose a net dividend of 1.30 euros per share to the Annual Shareholders' Meeting on May 23, 2007, up 13.0% compared to 2005.

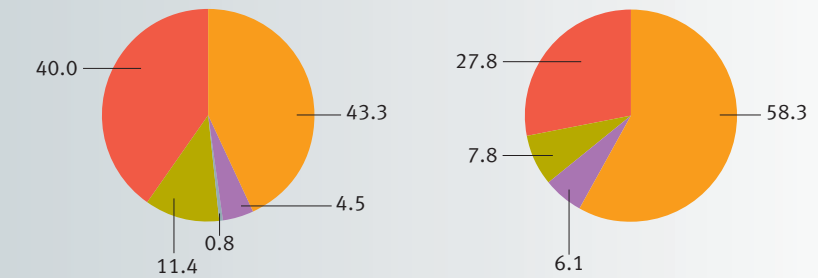
(1) Consolidated as of October 1, 2006



NET DIVIDEND

At the next Annual Shareholders' Meeting, the Group will propose a dividend of 1.30 euro per share, an increase of 13.0% compared with 2005.

* The Group paid out a special dividend of €1 for fiscal year 2004.



→ CAPITAL OWNERSHIP
In % as of December 31, 2006

→ VOTING RIGHTS
In % as of December 31, 2006

■ Bich Family, including MBD
 ■ Treasury shares
 ■ Free float
■ Mrs Edouard Buffard
 ■ Silchester International Investors

HIGHLIGHTS

Expansion of the Soleil® line

In March 2007, BIC expanded its Soleil® line with the launch of its first system shaver, BIC® Soleil® with cartridge refills. BIC is also launching a version with a pivoting head, the BIC® Soleil® Citron/Pivot™. Now available in both one-piece and refillable versions, Soleil® shavers meet the needs and wants of the women's shaving market. The Soleil line lends itself to brand loyalty with the high-quality shaving experience it offers, its soft handle, and both sunny and citrus-inspired colors.



BIC takes the Web by storm

In June 2006, BIC launched its first viral marketing campaign on the website www.assuralecrit.com. Its success led BIC to unveil a new viral marketing campaign in January 2007 for the launch of the triple-blade BIC® Comfort 3® Advance™ shaver: www.3fineslames.com. The site features eight short and funny films, a viral game contest, and a shared blog.

BIC and the art of pen spinning

An unprecedented phenomenon that is gaining popularity around the world, pen spinning involves the rapid twirling of a writing instrument between the fingers. Pen spinning aficionados are flocking to a number of websites and blogs to share tips and advice.

As the world's leading manufacturer of ballpoint pens, the BIC Group is reaching out to young people of all ages through a pen spinning site (www.penspinningacademy.com) with instructions on juggling BIC® pens. The goal is to publicize its BIC® Cristal® line, which now includes ten pens since the addition of the retractable BIC® Cristal®.



Conform ISO 9994

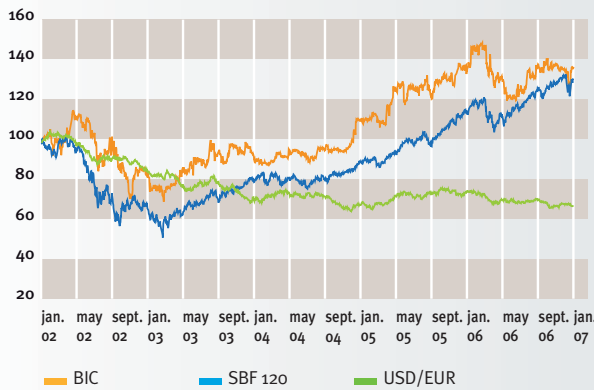


Safer lighters for Europe

On May 11, 2006, the European Commission published a Decision on Lighter Safety. It made the ISO 9994 safety standard mandatory and stated that all lighters sold to consumers have to be child-resistant as of March 11, 2008. Additionally, non child-resistant lighters cannot be imported or produced on the European market as of March 11, 2007. Moreover, so-called novelty lighters are banned from the market, even if they are child-resistant. BIC, which is in favor of consumer safety, supports this new Decision and collaborates with the European Commission to ensure it is respected by all the stakeholders.

Information on the share

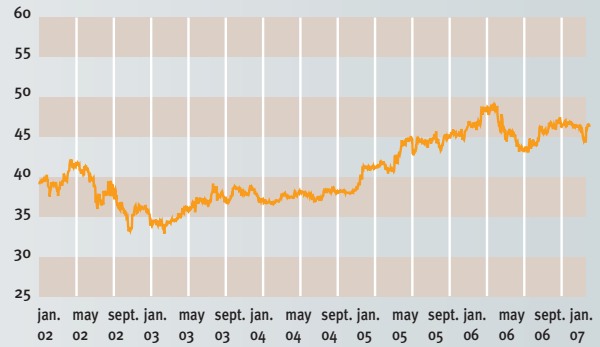
BIC SHARE PRICE VS. SBF120 AND USD/EUR REBASED 100 AS OF JANUARY 2002



This graph, rebased 100 as of January 2002, shows the correlation between the BIC share price, the SBF 120 and the USD/EUR fluctuations.

Financial data as of late March 2007.

BIC SHARE PRICE



After a strong growth over the 1st half of 2006, the trend was reversed from May 2006. The share price then appreciated following the release of the 3rd quarter 2006 net sales and the announcement of the launch of our first system shaver.

BIC SHARE AS OF DECEMBER 31, 2006

- **Capital:** 189,633,543.98 euros
- **Number of common stocks:** 49,642,289 shares at 3.82 euro face value
- **Quoted on Euronext Paris**
- **ISIN code:** FR0000120966
- **Average daily volume (in 2006):** 73,570 shares
- **Indexes:** SBF 120, CAC Mid100 and FTSE4Good Europe

KEY DATES FOR SHAREHOLDERS

- May 23, 2007**
 - Annual Shareholders' Meeting
- May 29, 2007**
 - Shareholders' Meeting in Lyon
- June 1, 2007**
 - Dividend payment
- July 19, 2007**
 - 1st Half Net sales
- August 30, 2007**
 - 1st Half Results

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



OUR ANSWERS TO YOUR QUESTIONS

How does the acquisition of Pimaco, a Brazilian adhesive label business, fit into BIC's strategy?

Pimaco is an example of a "bolt-on" acquisition that fits perfectly within our expertise and allows us to maximize profitability quickly and efficiently.

The Company's strategy and positioning, which entail offering high-quality products and first-class service to customers, mirror BIC's overall Vision. BIC and Pimaco both have strong market share in Brazil. This acquisition will boost BIC stationery sales in Latin America by approximately 20% and total sales in the region by over 10%. Moreover, integration with Pimaco will help us attain critical mass in the office supply distribution network and expand our presence beyond Brazil.



Why is BIC, the "disposable" specialist, launching a shaver with cartridge refills?



The launch of BIC® Soleil® with cartridge refills, our first system shaver, in the United States and the United Kingdom, is a huge milestone for the Group. Refillable shavers represent the largest share of the wet shave market and offer wider margins than one-piece shavers. The women's market is also growing at the fastest rate.

We believe we have the right product to enter this highly competitive, but rewarding, market segment, and that BIC will benefit from its women's shaving expertise and the success of its one-piece BIC® Soleil® shavers.

For 2007, BIC announced that its income from operations would grow more slowly than its net sales. What can this change in trend be attributed to?

We expect income from operations to increase at a slower rate than net sales because of our investment in launching new products like the BIC® Soleil® with cartridge refills, our first system shaver, and larger brand building initiatives. Still, we believe that this important transition year will strategically position the Group to achieve significant gains in the future.