



Press Release

February 5, 2008

Review of the 2004-2008 plan for the Arques plant

In 2004, the economic context was already marked by an unfavourable euro dollar rate, stagnating demands on western European markets and excessive production costs. It was therefore necessary to rebalance the Group's global production capacities and to increase the competitiveness of the Arques plant by 26% so that it remains the main production site for the European area.

In order to reduce the consequences on the impacted staff, the Group has carried out the following as part of a social action plan over 2004-2008:

- Encourage professional mobility inside and outside the Group through assisted voluntary redundancy, spin-off, mutualisation,
- Make efforts on training courses leading to qualification for 4% of the payroll each year, which is far above legal requirements,
- Set up a specific early retirement scheme,
- Develop an action plan aimed at revitalising the labour in the St Omer region market which has already led to the creation of more than 500 jobs.

Over the same period of time, a total of 2939 people have left the Arques plant. The measures implemented have had positive effects on the management of departures linked to this plan. Thanks to the continuation and development of these efforts, 562 people are estimated to be leaving as part of the 2004-2008 plan and the Group has committed to managing this issue over the 2009-2010 period.

On February 12, meetings will be held with the trade unions to discuss the Group's strategy and the competitiveness conditions which the Arques plant needs to meet so as to remain the Group's centre of industrial and innovation expertise. Since 2004, the Group has already invested 124.7 million Euros on this site on line with its commitments.

Consequently, as part of broader prospects for 2009-2010 the Group will consider the measures to be implemented so as to accompany the ongoing adaptation of this plant and the reinforcement of the revitalising plan for the region around St Omer.

About Arc International, l'Art de la Table

Arc International employs 16,500 people worldwide, including some 9,500 in France. The Group, whose head office is located in Arques, in the French Pas-de-Calais region, achieved a turnover of 1.4 billion Euros in 2006. It markets tableware products in more than 160 countries, notably under the Luminarc®, Mikasa®, Cristal d'Arques® Paris, Arcoroc®, Pyrex®¹ and Studio Nova® brands.

Arc International is present in five continents with production sites (France, Spain, USA, China, and UAE), distribution subsidiaries (France, USA, UK, Spain, Australia, Mexico, Brazil, Japan) and sales offices.

¹ Pyrex ®, is a trademark of Corning, Inc. , licensed by Arc International Cookware SAS in Europe, the Middle East and Africa.

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