



2007, June 14th

Press Release

Arc International refocuses on its core business: MIKASA and SALVIATI are up for sale

Arc International is a worldwide manufacturer and distributor of tabletop products in 160 countries through three main channels: mass, BtoB and Food Service. It has experienced over the last few years an increasingly competitive global business context due to competition coming from the low cost countries, a strong euro and a very difficult retail environment.

This has led the Group to restructure its core business which requires significant levels of investment and the need to divest our non-core businesses.

As a result, Arc International announces important decisions about its Mikasa and Salviati operations which do not fit into its overall strategy.

With regard to MIKASA

Mikasa's consumer business is largely centred on the middle/ upper range of products and on managing retail stores, none of them being at the heart of Arc International's expertise.

In an increasingly difficult market environment, growing those activities would have meant significant investments which would have conflicted with our restructuring needs.

Based on this assessment, ARC International is announcing today that Mikasa is being marketed for sale and it is starting the process with potential buyers immediately. This sale will cover the consumer goods activities of Mikasa worldwide but will have no impact on our Food Service business (incl, Cardinal in the USA) or our Oenology activity around the globe. In addition, the Group is also announcing today that it will be closing Mikasa's 86 retail factory outlets in North America by the end of the year. This will allow the company to focus on building its successful wholesale business with premium department and specialty stores.

ARC International is confident that the next shareholder will bring the resources to invest and create a successful company.



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With regard to SALVIATI

Salviati is one of the most prestigious Murano glass brands since 1859 and has two main activities:

- Home decor: production in Murano (Italy) and distribution of decorative accessories in handmade glass; distribution of crystal glasses and table accessories
- Jewellery: creation, distribution and retail of jewellery range

It is a luxury brand with a great unexploited potential, which operates in a highly selective distribution channel with no synergies with our other product lines.

Growing it would have required a strong sales and marketing investment which, there again, would have been made at the expense of our core businesses.

Based on this assessment ARC International is announcing today Salviati is being marketed for sale. The sale covers jewellery, home decor and the Murano workshop.

ARC International is confident that the new shareholder will be able to invest and continue to grow Salviati into an even more successful company.

A special attention will be given to all employees who will or might be impacted by these decisions. The Group will help them through any transition according to its social practices and each country's respective legal environment.

These difficult measures clearly illustrate our commitment to refocusing on our core business lines and therefore reaching our profit targets. They should also allow the activities which will leave the Group to build their own future in a more favourable environment.

About ARC International

ARC INTERNATIONAL employs 16,500 people worldwide. 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, selling tableware products in more than 160 countries.

ARC INTERNATIONAL is present in five continents with production sites (France, UK, Spain, USA, Italy, China, UAE) distribution subsidiaries (France, USA, UK, Spain, Australia, Mexico, Brazil, Japan, Italy), liaison offices and a network of fully owned retail outlets, Mikasa stores (USA and Canada), outlet stores, Salviati jewel stores, Arc Decoration and Arc International retail stores.

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