



March 2012

Corporate Press kit



L'Art de la Table
1825

Contents

From an industrial showcase to the world leader for tableware



1 • Arc International, the world leader in tableware

1. A world reference for tableware
2. A strategy:
reinforcing its position as a leader
3. Balanced expansion

p.4



2 • Arc International, a reference for tableware

1. Arc International's activities
2. A comprehensive portfolio of
tableware concepts
3. Placing our technological expertise
at the service of companies

p.6

3 • A dynamic process of continuous innovation and improvement

1. Innovation is a central aspect of
the group's identity
2. The four main research
programmes
3. Technological prowess

p.9



4 • Arc International's commitment to sustainable development

1. The Global Compact:
an international commitment
2. A socially responsible and
committed key player in the local
economy of France's audomarois
region
3. An ever-more environmentally
friendly industrial policy

p.12



Appendices

1. Key dates from the history
of the group
2. Data and key figures 2010
3. The biography of Guillaume
de Fougères – Chairman
of the Group

p.16

From an industrial showcase to the world leader in tableware

Introduction



Founded in 1825, the Verrerie Cristallerie d'Arques – originally a small family business – initially made a name for itself as one of northern France's industrial showcases before emerging over the years as an international group and a world leader in tableware. The rise of Arc International is closely linked to that of a visionary family who, over the years, has contributed its ambition, values and stability and who has made technological innovation the key factor behind the company's expansion.

From craftsmen-made glass products to the first tank furnace

After joining the glass manufactory in 1897, Georges Durand acquired it in 1916. The company's expansion really got underway after the First World War when Georges Durand's second son, Jacques, joined the firm.

In 1930, Jacques Durand visited the United States to study the American glass plants, which were already equipped with tank furnaces and automatic machines. With a natural visionary, he chose to develop new production techniques and gradually equipped the company with new machines enabling it to improve production while, at the same time, continuing to guarantee creativity in glassmaking. An initial tank furnace was built and the first presses were installed in 1934.

From an industrial showcase to the world leader in tableware

After the Second World War, the Verrerie Cristallerie d'Arques continued its industrial expansion. In 1950 it was producing 15,000 tonnes of glass per year with a workforce of 993 people.

At the same time, the company also continued its policy of innovation. It was the first company in France to propose decorative glassware and to automate the production of opal glass. In 1968, the Verrerie Cristallerie d'Arques revolutionised glass production at a global level when it succeeded in mechanizing the production of crystal stem glasses. The fall in prices made possible by this new innovation made crystal glassware affordable to all consumers.

Since the 1960s, the Verrerie Cristallerie d'Arques – which became Arc International in 2000 – has continued to adapt to the latest market trends while at the same time remaining a 100% family-owned company. Drawing upon its glassmaking know-how, the group has expanded internationally and today distributes its complete tableware concepts in more than 160 countries.

1 • Arc International, the world leader in tableware



1 • Arc International, the world leader in tableware

| | |
|--|------|
| A world reference for tableware | p.4 |
| A strategy: reinforcing its position as a leader | p.5 |
| Balanced expansion | p.5 |
| <hr/> | |
| Contents | p.2 |
| <hr/> | |
| 2 • Arc International, a reference for tableware | p.6 |
| <hr/> | |
| 3 • A dynamic process of continuous innovation and improvement | p.9 |
| <hr/> | |
| 4 • Arc International's commitment to sustainable development | p.12 |
| <hr/> | |
| APPENDICES | p.16 |

1. A world reference in tableware

With a turnover of 1,1 billion Euros in 2011 and 12,600 employees throughout the world, Arc International is the world leader in tableware. It has a market share of around 13 % worldwide.

Chiefly based in Europe, the group achieves around 51 % of its turnover here. It has also been present in North America since 1966, the year in which it set up a sales subsidiary in the United States. The Americas Division today accounts for 13 % of Arc International's turnover.

Since the beginning of the 2000s, the group has accelerated its internationalisation strategy in order to develop its presence in fast growing regions via its production sites (including Nanjing in China, Ras Al Khaimah in the United Arab Emirates and Gus-Khrustalny in Russia), its distribution subsidiaries and its sales offices. Among others, it has opened subsidiaries in China (2001), in the Middle East (2004), in Mexico, in Japan and in the Pacific region (2005). The International Division (excluding Europe and the Americas) today represents 36 % of Arc International's turnover and offers attractive growth prospects in dynamic markets.

Arc International, a French group

As an industrial showcase for the north of France, Arc International is heavily involved in this country, where the group employs almost 7,200 people on its three distribution sites (Wasquehal, Parthenay and Nîmes) and its two production sites:

- The group's historical Arques site which includes its head office, its R&D activities and specialised production lines such as those for Diamax®.
- The Châteauroux site where its Arc International Cookware (AIC) subsidiary is based, which manufactures products under the Pyrex® brand.

The Group is also present with offices in Lille & Paris and has a store dedicated to tableware in Arques and several outlets.

2. A strategy: reinforcing its position as a leader

Arc International has drawn up a long-term strategy to ensure that it remains a recognised leader in the tableware industry. This is based around three main axes:

- **Maximising investments in Research and Development**
into products and processes, in order to be able to propose innovative and competitive new product ranges.
- **Guaranteeing the growth of the group's brands** in markets offering a high potential for growth or added value.

- **Improving the value chain by:**
 - Boosting the competitiveness of the group's industrial sites by developing production capacity as close as possible to demand.
 - Improving stock management and reducing the time to market.

Arc International's strategy is underpinned by its commitment to sustainable development, combining economic requirements, corporate social responsibility and respect for the environment.

3. Balanced expansion

In an increasingly competitive economic environment, from 2007 onwards Arc International set about transforming and refocusing its activities as part of the group's overall strategy. In 2009, faced with a major worldwide economic crisis, Arc International accelerated the deployment of this economic adaptation programme, including:

- The disposal or stoppage of unprofitable or non-strategic activities
- The restructuring of additional markets in the United States, France and Spain
- Acceleration in Research and Development with the launch of innovative new materials (Diamax® and Zenix®)

- Boosting Arc International's presence in high-growth countries
- Continuing the transformation programme efficiency drive aimed at guaranteeing the necessary performance levels for the Arques site in order to be competitive over the long-term in the European market.

The strategic plan for transforming Arc International has already started to bear fruit. North America is performing well while the group's subsidiaries in China and the Middle East have enjoyed an increase in sales. Finally, the reduction in stock levels and tight control over investments have enabled the company to better manage its debt levels.



1 • Arc International, the world leader in tableware

| | |
|--|------|
| A world reference for tableware | p.4 |
| A strategy: reinforcing its position as a leader | p.5 |
| B alanced expansion | p.5 |
| <hr/> | |
| Contents | p.2 |
| <hr/> | |
| 2 • Arc International, a reference for tableware | p.6 |
| <hr/> | |
| 3 • A dynamic process of continuous innovation and improvement | p.9 |
| <hr/> | |
| 4 • Arc International's commitment to sustainable development | p.12 |
| <hr/> | |
| APPENDICES | p.16 |

2 • Arc International, a reference for tableware



2 • Arc International, a reference for tableware

p.6

Arc International's activities p.6

A comprehensive portfolio of tableware concepts p.7

Placing our technological expertise at the service of companies p.8

Contents p.2

1 • Arc International, the world leader for tableware p.4

3 • A dynamic process of continuous innovation and improvement p.9

4 • Arc International's commitment to sustainable development p.12

APPENDICES p.16

1. Arc International's activities

Arc International is able to draw upon its extensive know-how in the tableware field and its mastery of all aspects of the manufacturing cycle for its glass products, from design to distribution including production.

Product design and creation

Developing new products is a vital activity for a group such as Arc International. The R&D, marketing and design teams work together on new product ranges, designing new tableware concepts and manufacturing the moulds required for mass production. Each year, several hundred new products are designed at Arques and elsewhere to meet the constantly changing demands expressed by the market.

Production

Arc International develops complete tableware concepts, chiefly produced from glass. Benefiting from its major production capacity, the group can produce up to 5 million glass items per day.

It today has six production sites based in France (Arques and Châteauroux), in the United States (Millville), in the United Arab Emirates (Ras el Khaimah), in China (Nanjing) and in Russia (Gus-Khrustalny). This geographical spread within international consumption zones enables Arc International to supply Europe, the Americas, the Near and Middle East and the Asia Pacific region while at the same time adapting products to the usages and expectations of local consumers and reducing transport costs.

Glassmaking

Produced from earth and fire, glass is generally made of 70 % sand, 20 % soda and 10 % lime. As a 100 % recyclable material, it offers numerous advantages: it is an insulator in addition to being non-flammable, transparent, hard, delicate and pure. As a specialist in this material, Arc International manufactures clear, opal, borosilicate and Vitro Ceramic glass in addition to Kwarx®, Zenix® and Diamax®.

Distribution

Arc International chiefly markets its products via its network of distribution subsidiaries, partner distributors and selective distribution channels.

In order to ever more precisely meet its customers' requirements, Arc International has developed a local distribution strategy. This strategy has involved the acquisition of local wholesalers and distributors, the creation of joint ventures or distribution subsidiaries in addition to the establishment of preferred partnerships with distributors boasting a major local presence. With this in mind, in 2004, the group acquired the wholesaler Cardinal in the United States and the Fliba distribution group in France. In 2006, it entered into a business alliance in the United States with the Turkish glassmaker Pasabahçe in order to serve the world's largest hotel and restaurant market.

Arc International's products are also available in its store at Arques, Arc Décoration, from its online store: www.latabledarc.com, and in its outlet stores.

2. A comprehensive portfolio of tableware concepts

With almost 20,000 references marketed, Arc International offers a comprehensive portfolio of concepts for cooking, tableware and decoration, combining glass, sandstone, wood, porcelain, stainless steel and earthenware aimed at both the general public and professionals in the hotel and restaurant sectors.

The group also produces tailored products for companies.

Brands for the general public

Arc International markets three brands to the general public:



Luminarc® is the world's leading tableware brand. It includes stylish and

innovative products for wine and creative cuisine, intended for daily use. Various ranges are designed according to the habits, uses and tastes of local consumers.



Affordable for all, the Cristal d'Arques® Paris collections of glasses, vases and

decorative accessories enjoy high levels of brand awareness thank to their elegant and refined styling.



Pyrex®⁽¹⁾ is specialised in cooking products. It is today the leading «oven cooking»

brand for Europe, the Middle East and Africa (produced from glass and other materials). It is marketed in more than 70 countries, particularly in France and Great Britain where 34% of its sales are generated.



⁽¹⁾ Pyrex®, which is the property of Corning, INC is exploited by Arc International Cookware SAS under exclusive licence for Europe, the Middle-East and Africa.



2 • Arc International, a reference for tableware

p.6

Arc International's activities

p.6

A comprehensive portfolio of table art concepts

p.7

Placing our technological expertise at the service of companies

p.8

Contents

p.2

1 • Arc International, the world leader for tableware

p.4

3 • A dynamic process of continuous innovation and improvement

p.9

4 • Arc International's commitment to sustainable development

p.12

APPENDICES

p.16

Professional brands

Arc International markets two brands aimed at professionals:



Created in 2007 the Chef & Sommelier brand includes complete and innovative collections of crockery, glassware and cutlery. This brand is aimed at professionals in the hotel and restaurant sectors, but also at retailers and wine enthusiasts. It has successfully developed products with characteristic styles all their own such as Open Up. This brand achieves 65% of its turnover internationally.



Arcoroc® is a brand exclusively intended for professionals. It offers a comprehensive range of tableware products (multi-segment, multi-concept and multi-material). This has resulted in the creation of a range of strong and functional designer products meeting the needs of professionals in the hotel and restaurant sectors, institutional and catering. Arcoroc® is today the second-leading tableware brand for the professional sector. It is extremely present in Scandinavia (where it has a 70% market share), in France (60%) and in Spain (50%).

Creative customised solutions

The Business to Business (BtoB) Division produces tailored solutions for its professional clients (including manufacturers, retailers, manufacturers of semi-finished and finished products, distributors and service providers, etc), who are looking to customise their artistic tableware. Its four main activities are industry, advertising, the promotions-gifts and loyalty program. Today, its main clients are major brands in the fast food or drink sectors.

3. Placing our technological expertise at the service of companies

Operating on the group's historical site, the Technology Centre proposes a full range of expertise and state-of-the-art know-how. Robotics specialists, fusion technicians, machine and moulding specialists or packaging engineers provide their skills to serve other industrial companies. In 2010, almost 120 people from the Technology Centre out of a total workforce of 560 carried out work for outside companies.

This Division is comprised of five companies offering a range of services:

- AGMS: a provider of tailored solutions ranging from the composition to the pouring of the glass
- Athena Engineering & Construction: specialising in the design and construction of industrial machines
- Axe3D Robotics: a designer and integrator of robotics and industrial vision solutions
- MMV: a specialist in precision machining
- C&P: the production of fibreboard and plastic packaging.



2 • Arc International, a reference for tableware

p.6

Arc International's activities

p.6

A comprehensive portfolio of table art concepts

p.7

Placing our technological expertise at the service of companies

p.8

Contents

p.2

1 • Arc International, the world leader for tableware

p.4

3 • A dynamic process of continuous innovation and improvement

p.9

4 • Arc International's commitment to sustainable development

p.12

APPENDICES

p.16

3 • A dynamic process of continuous innovation and improvement

Innovation lies at the heart of Arc International’s expansion. Since its creation, the early identification of trends, meeting the needs of consumers and professionals in the hotel-restaurant sector, demonstrating creativity and ability to look ahead have all been fundamental aspects of Arc International’s corporate culture.

This innovation policy showed its worth from the 1930s onwards with the mechanical production of glass or the development of automated crystal production in 1968. More recently, it has enabled the group to reaffirm its leadership in the tableware industry, with the company always remaining ahead of its markets, both in terms of design and industrial processes. Based on cutting-edge innovations, Arc International has succeeded in designing high value added products which offer ever greater performance and quality for our consumers.



3 • A dynamic process of continuous innovation and improvement p.9

| | |
|---|------|
| Innovation is a central aspect of the group’s identity | p.9 |
| The four main research programmes | p.10 |
| Technological prowess | p.10 |
| <hr/> | |
| Contents | p.2 |
| <hr/> | |
| 1 • Arc International, the world leader for tableware | p.4 |
| <hr/> | |
| 2 • Arc International, a reference for tableware | p.6 |
| <hr/> | |
| 4 • Arc International’s commitment to sustainable development | p.12 |
| <hr/> | |
| APPENDICES | p.16 |

1. Innovation is a central aspect of the group’s identity

Each year, Arc International devotes 3% of its turnover to Research and Development.

The Expertise Centre based in Arques brings together all of the group’s leading lights in the field of R&D. It boasts a concentration of know-how and industrial capacity unique of its kind in the tableware industry. It has several furnaces devoted to tests, in addition to special equipment, and, since September 2010 a new state-of-the-art laboratory offering unique skills in the fields of glass chemistry. More than 260 people including 70 engineers work simultaneously on some 40 projects each year, these being divided between fundamental research, the preparation of innovative products and the development of new processes. The marketing teams play an active part in defining the

new products or research fields. They listen carefully to demands from our clients and track consumption trends, working closely with the R&D teams to ensure that the ideas and products of tomorrow can successfully emerge. In all, more than 700 people are involved at one moment or another in our Research and Development activities.

In addition to product research, the centre also works on reducing production costs, improving the flexibility of our production processes, optimising our investments and developing products and processes which are more environmentally friendly.

2. The four main research programmes

These priority research themes take the form of various programmes covering:

- **Materials:** The R&D teams work on innovative materials and new colours.
- **Products:** The main areas covered by Arc International's product research are the creation of new shapes, new designs and decorations or new forms of packaging.
- **Industrial processes:** One of the key aspects of Arc International is that it controls all aspects of the production process. The work underway is

focused on producing manufacturing processes which are even more environmentally friendly, achieving even greater efficiency in terms of energy consumption or greater flexibility for our equipment.

- **Respect for the environment:** Arc International is today highly committed to environmental research. The goal is to develop sustainable materials and processes. As an example, our new products are increasingly lighter, are designed without the use of heavy metals and are decorated using organic-based ink varieties.

3. Technological prowess

Over recent years, Arc International's R&D work has seen the development of a number of major innovations which represent considerable technical progress in the tableware field. More particularly, the year 2010 was marked by the launch of two new materials: Zenix® and Diamax®.

Kwarx®

Two years' intensive research and development work were needed to finalise Kwarx® in 2006. As a ground-breaking innovation in the glass world, Kwarx® offers an improved glass quality without the use of heavy metals.

Numerous tests have demonstrated its excellent mechanical resistance thanks to its structure and composition but also to the unique production process used to manufacture it. The intimate and invisible join between the stem and the wall of the glass for example guarantees a perfectly smooth surface with no weak points.

Finally, Kwarx® retains its original sparkle even after more than 2,000 industrial washes. Its dishwasher resistance has been multiplied 4 or 5 times. No so-called "wig" effects (the appearance of white strands on the glass) have been noted.

The transparency of glass

Transparency is measured scientifically by means of a W transparency rating and discolouration by a T hue factor. Kwarx® has a W rating exceeding 90 out of 100 and a T rating of near zero. For comparison, that of traditional glass exceeds 86/W.



3 • A dynamic process of continuous innovation and improvement p.9

Innovation is a central aspect of the group's identity p.9

The four main research programmes p.10

Technological prowess p.10

Contents p.2

1 • Arc International, the world leader for tableware p.4

2 • Arc International, a reference for tableware p.6

4 • Arc International's commitment to sustainable development p.12

APPENDICES p.16



3 • A dynamic process of continuous innovation and improvement p.9

| | |
|---|------|
| Innovation is a central aspect of the group's identity | p.9 |
| The four main research programmes | p.10 |
| Technological prowess | p.10 |
| <hr/> | |
| Contents | p.2 |
| <hr/> | |
| 1 • Arc International, the world leader for tableware | p.4 |
| <hr/> | |
| 2 • Arc International, a reference for tableware | p.6 |
| <hr/> | |
| 4 • Arc International's commitment to sustainable development | p.12 |
| <hr/> | |
| APPENDICES | p.16 |

Diamax®

Diamax® offers an outstanding level of purity with an extremely high transparency index, exceptional solidity in all circumstances and a shine capable of resisting daily washing in a dishwasher. A major innovation, this new material is intended exclusively for the Cristal d'Arques® Paris brand. Allowing for the creation of functional, affordable and attractive items, among other things Diamax® facilitates access to the emerging markets of Russia, the Middle East and China.

Zenix®

Derived from the ultra-high temperature fusion of mineral raw materials, Zenix® is a smooth and non-porous material with an appearance similar to that of porcelain. Plates produced from Zenix® are extremely scratch resistant. They will not chip and feature an impact resistance on average three times higher than that of porcelain. The use of alumina in its composition makes this one of the toughest materials in the crockery market. Highly flexible in production, Zenix® offers greater freedom to create superbly original shapes while at the same time offering a delicate shade inspired by porcelain. Zenix® is a group innovation devoted to the Luminarc® and Arcoroc® brands.



4 • Arc International's commitment to sustainable development



4 • Arc International's commitment to sustainable development p.12

The Global Compact: an international commitment p.12

A socially responsible and committed key player in the local economy of France's audomarois region p.13

An ever-more environmentally friendly industrial policy p.14

Contents p.2

1 • Arc International, the world leader for tableware p.4

2 • Arc International, a reference for tableware p.6

3 • A dynamic process of continuous innovation and improvement p.9

APPENDICES p.16

Arc International carries out its activities while respecting the principles of sustainable development, which are designed to strike the right balance between economic requirements, corporate social responsibility and respect for the environment. Accordingly, the group adopts a genuine long-term entrepreneurial and ethical approach. This is a firm commitment on the part of the shareholders and the group's senior management, and among other things has resulted in the signature of the Global Compact in 2003, the creation of a sustainable development post in 2004 and the drafting of the sustainable development charter in 2008 for Arc International Cookware (AIC).

1. The Global Compact: an international commitment

In 2003, to further boost its commitments, the group signed the United Nations Global Compact. In doing so, the group made a strong commitment in the fields of human rights, labour standards, respect for the environment and ethics.

In concrete terms, this means:

- Respecting fundamental labour rights and having these respected by its suppliers
- Introducing social audits
- Signing a male/female equality agreement with the social partners
- Introducing a programme for the employment and social integration of disabled persons
- Encouraging local employment
- Applying the most advanced social standards
- Reducing both energy consumption and waste emissions
- Reducing the environmental impacts of our production and distribution units
- Erecting buildings which conform to High Environmental Quality standards (HEQ)
- Encouraging awareness of environmental problems among all employees
- Optimising transport
- Refusing all forms of corruption

The Global Compact

The Global Compact was launched by the UN Secretary-General, Kofi Annan. The United Nations Global Compact provides a benchmark and encourages dialogue aimed at facilitating convergence between the practices of the private sector and the universal values defended by the UN. It describes decisive and essential measures to be taken right now, to ensure that companies' activities are compatible with human rights and sustainable development. For Arc International, this is a means of confirming the long-standing commitments undertaken in the social and environmental fields in all of the group's subsidiaries.

2. Arc International: a socially responsible and committed key player in the local economy of France's audomarois region

Sustainable development for a group such as Arc International firstly means guaranteeing the long-term future of its activities while at the same time ensuring fair rewards for its stakeholders such as shareholders, employees, clients, suppliers, distributors and local authorities. Corporate social responsibility comes naturally to Arc International, which has always been a trailblazer in this particular field. Employees at the Arques site benefited from social cover from 1944 onwards!

Proposing socially responsible solutions for the Arques site

Today, in a difficult economic situation and faced with low-cost countries, Arc International has had to adapt its Arques site in order to guarantee its long-term future. True to its social tradition, Arc International has worked closely with the social partners to implement a voluntary workforce reduction programme.

In order to avoid compulsory redundancies, the group has encouraged:

- **Internal and external mobility for its staff:** Arc International has set up an Employment & Mobility Centre to help those staff wishing to do so to benefit from tailored support with training, changing jobs, starting a new business or internal mobility.
- **Training:** Arc International's massive efforts in the training field have enabled us to guarantee the professional integration of our employees.
- **The revitalisation of the Arques employment area:** the group is heavily involved in maintaining the dynamism of the Saint-Omer employment area. Working with the public authorities, since 2005 Arc International has deployed major resources to attract new companies to the area. So far, around 20 of them have set up here, making it possible to create more than 1350 jobs. These successes have been achieved via two revitalisation agreements representing a commitment of approximately €8 million.

Developing the company's human capital

Arc International invests heavily in staff training on all of its sites. The number of hours of training per individual has continued to increase in both Europe and internationally. The goal is to respond to the main challenges facing the profession, namely the continuous development of skills, the adaptability of activities and the possibility to move easily from one job to another.

In France, the training budget is equivalent to 4% of the total wage bill, whereas the legal obligation is 1.6%. In particular, Arc International favours training courses leading to the issuing of a diploma. Every year, between 70 and 80 employees are offered a three-year training contract, fully paid for by the company.

In the United States, as part of the ongoing improvement of skills, the company has designed a training programme making it possible to improve the technical level of its production staff.



4 • Arc International's commitment to sustainable development p.12

The Global Compact: an international commitment p.12

A socially responsible and committed key player in the local economy of France's audomarois region p.13

An ever-more environmentally friendly industrial policy p.14

Contents p.2

1 • Arc International, the world leader for tableware p.4

2 • Arc International, a reference for tableware p.6

3 • A dynamic process of continuous innovation and improvement p.9

APPENDICES p.16

The professional integration of handicapped workers

In compliance with the commitments of the Global Compact, the group is continuing its efforts on behalf of disabled workers. A seventh company agreement has been signed to cover the years 2010 to 2012.

The group's aim is to contribute to the professional integration of handicapped persons and to help employees declared unfit for work by the occupational medicine to maintain their place in professional life. Among other things, this led to the creation in 1993 of the Lobel Workshop, an organisation created to help disabled people to reclaim their place in the ordinary working environment.

Promoting occupational health

As a socially responsible company, Arc International pays particular attention to the health of its employees, especially in those countries in which social protection for citizens is little developed.

This is the case in the United Arab Emirates where Arc International has built a free clinic for employees and developed 24-hour a day medical assistance in addition to a private health insurance system.

In the United States, the Millville production site has introduced a free Individual Health Program in partnership with private health organisations.

3. An ever-more environmentally friendly industrial policy

As a company which consumes a great deal of water and energy derived from fossil fuels, Arc International is acutely aware of its environmental responsibilities.

A group-wide commitment

All staff are involved in and made aware of the challenges related to saving energy on all of our sites. This measure is accompanied by tracking indicators enabling everyone to precisely and directly assess the impact of his or her efforts. Our suppliers are also involved: since 2008, the purchasing department has automatically included the criterion of energy consumption in our tenders.



4 • Arc International's commitment to sustainable development p.12

The Global Compact: an international commitment p.12

A socially responsible and committed key player in the local economy of France's audomarois region p.13

An ever-more environmentally friendly industrial policy p.14

Contents p.2

1 • Arc International, the world leader for tableware p.4

2 • Arc International, a reference for tableware p.6

3 • A dynamic process of continuous innovation and improvement p.9

APPENDICES p.16

Environmentally friendlier industrial processes

Where its industrial processes are concerned, the group is committed to limiting the impact of its activities on the environment, with the introduction in 2004 of an overall structured plan designed to save energy, reduce CO2 emissions and optimise water consumption.

Thanks to the improvement in thermal performances, to the optimisation of heating and to the systematic identification of leaks, Arc International has succeeded in reducing its overall energy consumption by 20 %. For their part, the Arques and Châteauroux sites have gone even further, by signing up to an electricity supply contract including 25 % of energy from renewable sources.

Where water consumption is concerned, Arc International has continued its efforts to optimise this category. The initial results have been positive: for example, in the United States water consumption per tonne of glass melted was reduced by 25% in 2008.

Finally, CO2 emissions have been sharply reduced. The strategic decision to base the production units in the new markets of the Middle East and South East Asia have significantly reduced emissions related to transport. In France, our delivery rounds to our clients have been reorganised.

A green R&D policy

For several years now, the group has incorporated the environmental field within its R&D policy.

This policy first and foremost involves a quest for new and more ecological materials. Kwarx® and Diamax® are perfectly recyclable as they do not use heavy metals.

The group's green policy can also be seen in the preparation of new products such as the *Green Table* line from Luminarc®. The items are produced from glass as the production of crockery in this material consumes half the energy and generates half as much CO2 as that of ceramic crockery. Finally, the packaging for our *Green Table* products is produced from recycled fibreboard, a product which can be endlessly reused and recycled.

The example of Arc International Cookware (AIC)

AIC is particularly involved in the group's sustainable development policy. Consequently, the company has introduced a training module to make all of its staff aware of sustainable development values over the space of three years. Some 15% of the workforce received training in 2009 from 4 company managers.

Between 1999 and 2009, AIC achieved significant results:

- Energy consumption was cut by 75 %
- The energy consumed per tonne of glass melted was reduced by 50 %
- Nitric oxide emissions were reduced by 95 %
- Emissions of HCI (Highly Charged Ions) were reduced by 90 %
- The life expectancy of the furnaces was increased by 100 %

4 • Arc International's commitment to sustainable development

p.12

The Global Compact: an international commitment

p.12

A socially responsible and committed key player in the local economy of France's audomarois region

p.13

An ever-more environmentally friendly industrial policy

p.14

Contents

p.2

1 • Arc International, the world leader for tableware

p.4

2 • Arc International, a reference for tableware

p.6

3 • A dynamic process of continuous innovation and improvement

p.9

APPENDICES

p.16

APPENDICES

1. Key dates from the history of group



APPENDICES

p.16

| | |
|--|------|
| 1. Key dates from the history of the group | p.16 |
| 2. Data and key figures 2010 | p.17 |
| 3. The biography of Guillaume de Fougères Chairman of the Group | p.18 |
| <hr/> | |
| Contents | p.2 |
| <hr/> | |
| 1 • Arc International, the world leader for tableware | p.4 |
| <hr/> | |
| 2 • Arc International, a reference for tableware | p.6 |
| <hr/> | |
| 3 • A dynamic process of continuous innovation and improvement | p.9 |
| <hr/> | |
| 4 • Arc International's commitment to sustainable development | p.12 |

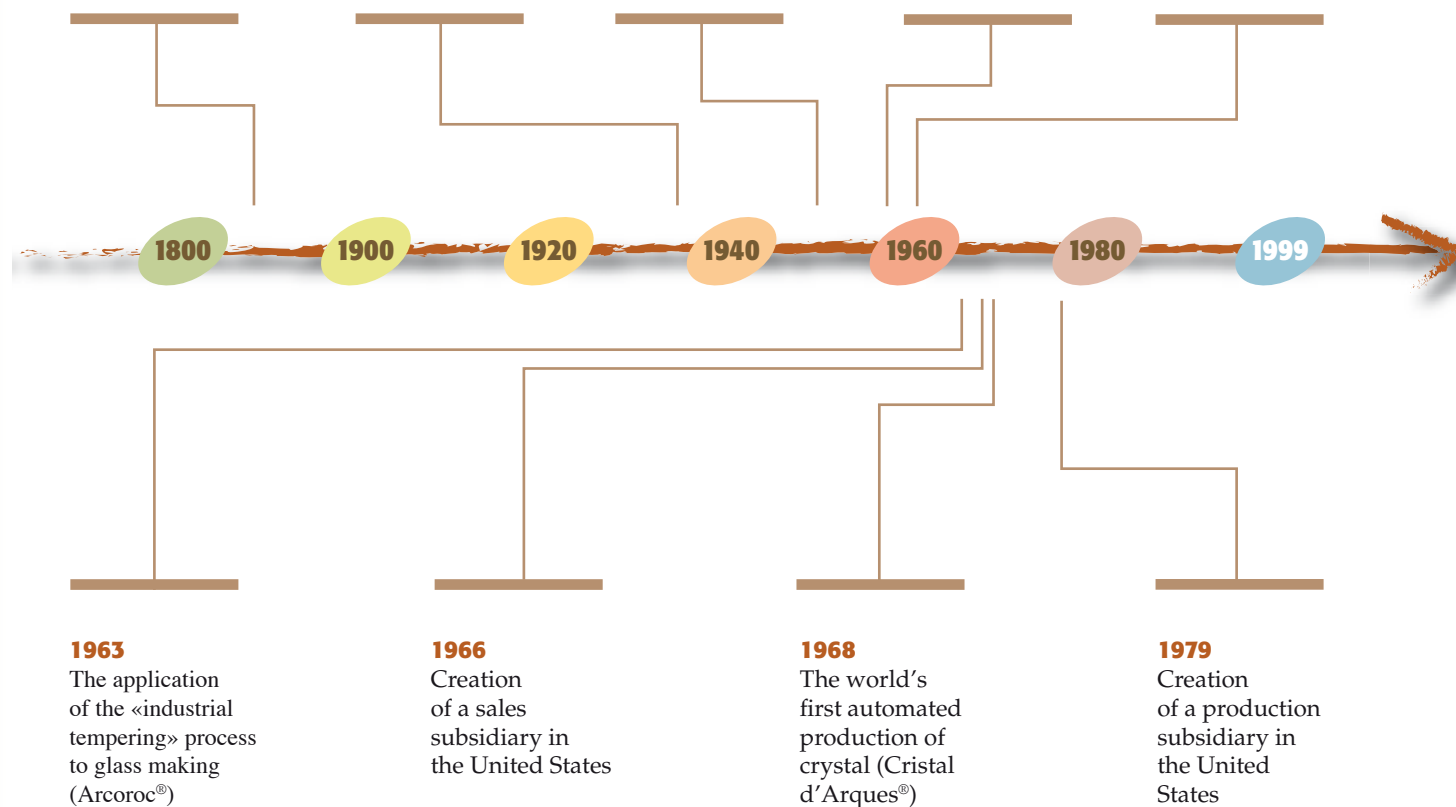
1825
Creation of
the glassworks
at Arques

1934
The use of
the first tank
furnaces and
automatic
presses

1950
Thanks to the
Marshall Plan,
the glassworks
installs the first
glassblowing
machines

1958
The first
automated
production
of opal glass

1960
The automated
production of
stem glasses and
the marketing of
the Luminarc®
brand

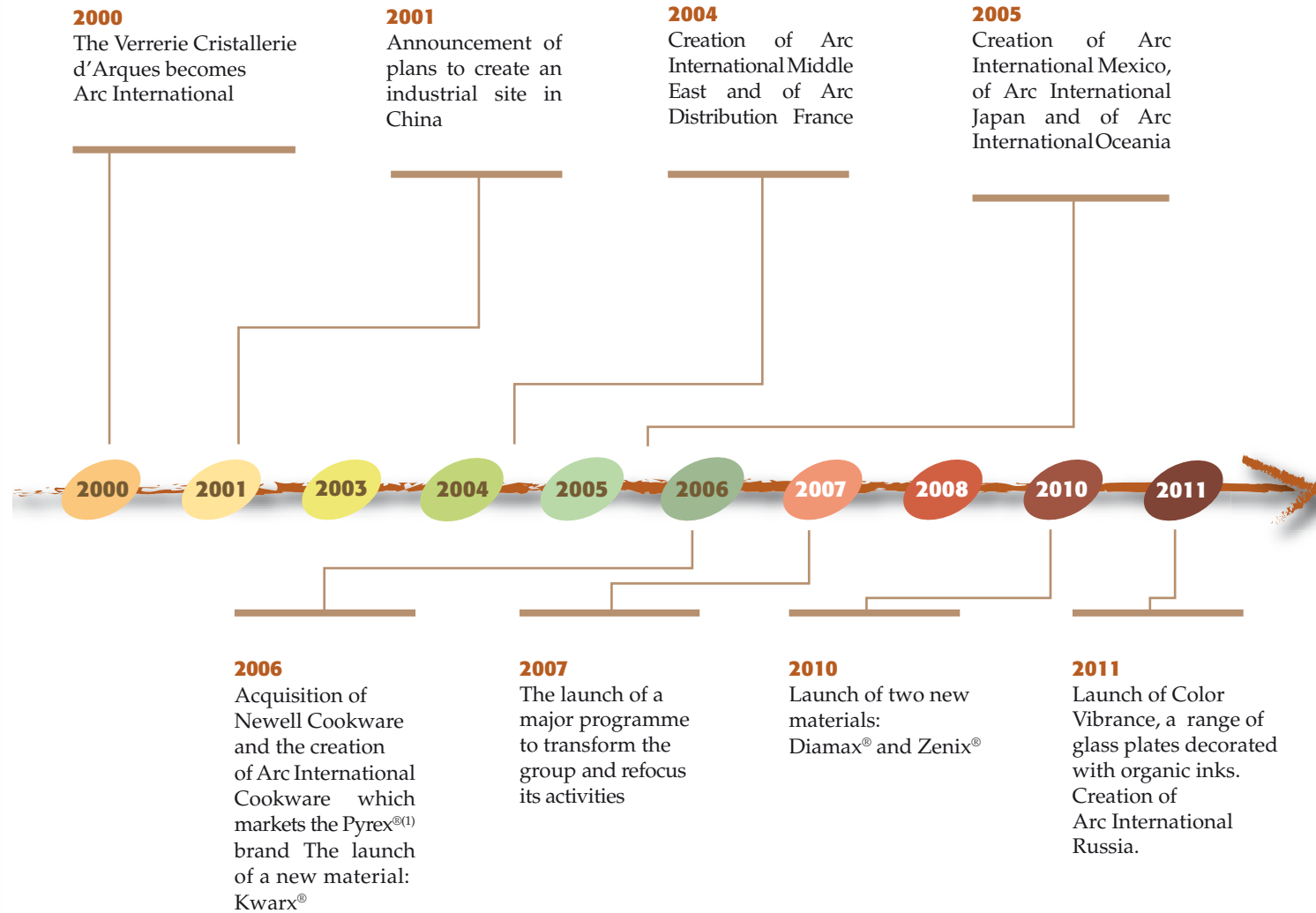


1. Key dates from the history of the group



APPENDICES p.16

| | |
|--|------|
| 1. Key dates from the history of the group | p.16 |
| 2. Data and key figures 2010 | p.17 |
| 3. The biography of Guillaume de Fougères Chairman of the Group | p.18 |
| <hr/> | |
| Contents | p.2 |
| <hr/> | |
| 1 • Arc International, the world leader for tableware | p.4 |
| <hr/> | |
| 2 • Arc International, a reference for tableware | p.6 |
| <hr/> | |
| 3 • A dynamic process of continuous innovation and improvement | p.9 |
| <hr/> | |
| 4 • Arc International's commitment to sustainable development | p.12 |



⁽¹⁾ Pyrex[®], which is the property of Corning, INC is exploited by Arc International Cookware SAS under exclusive licence for Europe, the Middle-East and Africa.

2. Data and key figures 2011

Group turnover

1,1 billion Euros in 2011

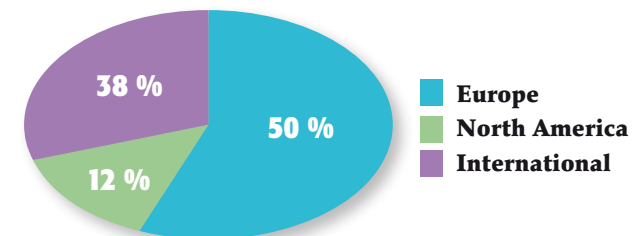
Number of employees throughout the world
12,600, including 6,800 in France

More than 260 people including 70 engineers
devoted to research and development

Approximately 5 million items produced each day

Head office Arques, France

Breakdown of turnover by region:



APPENDICES

p.16

1. Key dates from the history of the group p.16
2. Data and key figures 2010 p.17
3. The biography of Guillaume de Fougères
Chairman of the Group p.18

Contents p.2

1 • Arc International, the world leader
for tableware p.4

2 • Arc International, a reference
for tableware p.6

3 • A dynamic process of continuous
innovation and improvement p.9

4 • Arc International's commitment to
sustainable development p.12

A sales presence
in 160 countries

Production sites
and distribution
subsidiaries over
the 5 continents



3. The biography of Guillaume de Fougères - Chairman of the Group



APPENDICES

p.16

1. Key dates from the history of the group p.16
2. Data and key figures p.17
3. The biography of Guillaume de Fougères
Chairman of the Group p.18

Contents p.2

1 • Arc International, the world leader
for tableware p.4

2 • Arc International, a reference
for tableware p.6

3 • A dynamic process of continuous
innovation and improvement p.9

4 • Arc International's commitment to
sustainable development p.12



After joining Arc International in 2001 as Administrative and Financial Director, Guillaume de Fougères was appointed Director of the International Division (2004) and later of the Europe region (2007) before becoming head of the group's board on February 14, 2009. He has the responsibility for accelerating the group's turnaround and its operational profitability in a difficult global situation.

To succeed, this father of four born in Madagascar can draw upon more than 15 years' experience gained with major multinational companies. He began his career in 1989 as financial manager for a small business employing 120 people and specialising in the production of cosmetics. In 1992 he joined Unilever as management control officer for the «deserts» activity of this multinational specialising in the mass retail sector. Three years later, in 1995, he joined the Mars group in Orléans as market financial controller. From 1998 to 2001, Guillaume de Fougères held numerous posts at Valeo including that of financial director of the thermal engines division.

Guillaume de Fougères is a graduate of the Advanced Management Program from Harvard and of the IEP Paris (Economics & Finance, 1988) in addition to holding two masters degrees, in management and in econometrics.

Press contact

Karine Gittmann,
Corporate Communication
Tel. +33 (0)3 21 12 79 74
email : karine.gittmann@arc-intl.com

Press Service

Agence Edelman
Angéline Causse
Tel. +33 (0)1 56 69 72 94
e-mail: angelina.causse@edelman.com
Anna Adlewska
Tel. +33 (0)1 56 69 75 63
e-mail: anna.adlewska@edelman.com

