



L'Art de la Table
1825

Press Release

Arques, May 20 2010

Arc International meets the employee representatives of its Arques site

This morning Arc International met the works council of its Arques site (Pas-de-Calais) for an update on the on-going job protection plan. This site is essential for the Group's future, and two projects aimed at restoring its competitiveness were also presented. Dialogue with unions on the supporting measures included in these plans has started.

Today's meeting discussed Arc International's plans for the continued re-organisation, indispensable in the light of the 2009 recession. The crisis did considerable damage to the recovery plan started in 2004, which had enabled a significant improvement in the Group's results between 2005 and 2008.

Despite its best efforts, the site saw its turnover fall 25% between 2008 and 2009, and it is seriously over-staffed. The company maintained a yearly average overstaffing level of 400 positions.

In an initial phase, Arc International must finalise the plan for the period 2009-2010. This would translate into an overstaff of 319 employees by the end of the year, a figure which is lower than that initially planned. Arc International will thus keep its commitment to no forced departures in 2010.

At the same time, in order to allow the Arques site to be competitive in the face of low-cost imports, Arc International will continue its efforts. Two projects have been presented to the unions: "Ambition Arques" for the industrial part and "Profile" for the non-industrial part. These two projects would involve an overstaff of 643 employees by the end of 2011.

With a view to supporting these necessary transformations, Arc International will continue and intensify its efforts on three levels:

- By improving the voluntary redundancy plan already in place.
- By encouraging the internal and external mobility of employees, through a training programme with an annual budget exceeding 3% of the wage bill. This plan, which covers on average 155,000 training hours per year, has already helped with the successful implementation of 1,200 internal transfers and 900 external transfers to permanent jobs.
- By continuing its efforts to revitalise the surrounding job market. Since 2005, in collaboration with the local authorities, Arc International has invested significant resources in attracting new businesses to the region. So far, about 20 companies have set up in the region, enabling the creation of over 1,600 jobs. This has been processed through two revitalisation agreements totalling close to 8 M Euros.

"The Arques site is essential to the Group, both for its industrial capacity and its unique R&D know-how. Today we have started discussing, with the unions, the conditions relating to organisation and supporting measures, which will guarantee the site's long-term future. Our ambition is to achieve a sustainable and profitable balance between the site's workforce and the demands of European markets from the end of 2011 onwards. I am confident in our collective ability to successfully implement these demanding changes whilst respecting the Group's values" says Guillaume de Fougères, Chairman of the Board.

About Arc International, l'Art de la Table* 1825

Arc International employs 12, 200 people worldwide including 8000 in France. The Group, whose head office is located in Arques, in the French Pas-de-Calais region, achieved a turnover of 1 billion Euros in 2009. Armed with its know how in glassware, it developed globally and diversified its activities through the integration of materials other than glass. Today, it markets a full range of tableware products in more than 160 countries.

The Group covers the Consumer Goods and Food Service markets through a portfolio of brands, Luminarc®, Arcoroc®, Cristal d'Arques® Paris, Pyrex®**and Chef & Sommelier. For more than 40 years the Group has also been addressing professional customers – industrialists, traders, manufacturers of semi-finished and finished products, and service providers – by offering them tailored-made solutions to meet their specific requirements (for industry, advertising, premiums and customer loyalty programmes).

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

Finally, the Group has adopted a strategy of sustainable development in order to balance economic requirements, social responsibility and respect for the environment, and joined the U.N.'s Global Com pact in 2003.

* Tableware

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Contact

Arc International

Karine GITTMANN

Tel : +33 (0)3 21 12 79.74

Email : karine.gittmann@arc-intl.com

Press Officers

Edelmann

Adrien LABRO

Tel : +33 (0)6 22 09 27 02

Email : adrien.labro@edelmann.com