



Press Release

February 12, 2008

2009-2010 action plan: ensure the future of the Group and the continuity of the Arques plant

As announced on February 5, a meeting with the trade unions of the Arques site was held today.

The objective was to present the Group's strategy and discuss the competitiveness conditions this site needs to meet so as to remain the master piece of the industrial network as confirmed by the investments of an extra 100 million Euros by 2010.

This strategy aims at restoring a profitability level which allows the Group to ensure its future. It covers all the activities worldwide and implies a series of programs covering cost reduction, process improvement and the growth of profitable turnover.

As for the Arques plant, the entire manufacturing facilities has been reviewed with regards to the market prospects, leading to the following conclusions:

- For the past few years, crystal activity has been declining (about 50% fall since 2004). It has been facing significant changes in consumers' taste and suffering more particularly from the negative impact of exchange rate as half of our sales are achieved in dollar zones mainly in the US and in the Near and Middle East.

Excessive production costs do no longer allow to ensure profitability. Therefore, the decision has been taken to stop the industrial manufacturing of crystal at the Blaringhem plant (near Arques) by the end of 2009.

However, this does not mean that the Cristal d'Arques® Paris brand will disappear. The Group has started to work on industrial and commercial solutions which will restore the economic equation for this brand that has powerful symbolic value and celebrates this year its 40th anniversary. It will then be able to pursue its development thanks to its brand awareness and sales potential.

- As part of the ongoing adaptation of the production capacity, it has been decided to stop the B furnace when it comes to the end of its lifecycle in 2010. The production will be transferred to other plants within the Group. This regionalisation of our activity will help compensating for the impact of the euro dollar rate.



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Both decisions and the continuation of competitiveness efforts for all departments within the company lead to manage about 560 departures by the end of 2010.

In addition to these, there are the departures relating to the 2004-2008 social action plan estimated to be 562 during last week's review.

The different social measures implemented since 2004 have demonstrated their efficiency and will be continued:

- Professional mobility inside and outside the group (assisted voluntary redundancy, spin-off)
- Training courses leading to qualification,
- Mutualisation, outsourcing, transfer to subsidiaries.

The last 511 admissions into the Specific Arc International Early Retirement Scheme will be also implemented.

Consequently, over the next three years, a total of 611 departures will need to be managed with the social partners for 2009 - 2010.

The action aimed at revitalising the labour market will be reinforced thanks, among others, to a fully dedicated team. It has already enabled the creation of more than 500 jobs in the St Omer region.

By reinforcing the attractiveness of this region and allowing the development of job opportunities, the Group wishes to create a favourable social and economic environment around its historical Arques site.

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.