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## PRESS RELEASE

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### STAEDTLER is becoming a life-long brand!

With the integration of the Eberhard Faber product brands under the STAEDTLER umbrella brand, the world famous brand will be strengthened still further. It will make STAEDTLER a brand that will accompany consumers their entire life from an early age on with creative, innovative and high-quality products, thereby enabling a visualisation of inspirations and ideas over generations. The rights to the Eberhard Faber brand held by the STAEDTLER Group have been sold with effect from 1<sup>st</sup> January 2010 to Faber-Castell. The product brands will remain in the possession of STAEDTLER. STAEDTLER's managing director Axel Marx speaks about the past, present and future.



***In February 2009, it was announced that there was to be a focus on the brand STAEDTLER – with the consequence that the brand Eberhard Faber is to be removed from the market from 2010 on. The trademark rights have since been sold to Faber-Castell. Did you not see any future for Eberhard Faber?***



A concentration on the STAEDTLER umbrella brand was very much at the forefront of our deliberations. Although we had been in possession of the trademark rights for Eberhard Faber from 1978 until the end of 2009, these had, in fact, been limited. Pursuant to the terms of the purchasing contract, we were only able to use the full trademark rights in the writing, drawing, colouring and modelling segments in the geographically restricted Central European market. In all other markets, our use of Eberhard Faber was limited to the hobby sector alone – so, metaphorically speaking, we had to drive with one foot on the brake. World-wide, the STAEDTLER brand is much better known and has a stronger distribution than the Eberhard Faber brand. Pooling our marketing forces puts us in a position to use all available resources much more

efficiently. In the future, all products and all marketing activities will be benefiting the STAEDTLER umbrella brand, thereby reinforcing our position still further. We had to ask ourselves what contribution the brand Eberhard Faber was making to the success of the company. In the end, we came to the conclusion that, essentially, it was only really being successful in the modelling materials sector and not really making any substantial contribution to the company's success in any of the other segments. With stronger brand clarity and external focus on the STAEDTLER umbrella brand as our aim, the decision to go for a one-brand strategy was a conscious one. As you may recall, STAEDTLER presented itself at the Paperworld 2008 with a new brand appearance. 'STAEDTLER – your inspiration' has been the motto of our new umbrella brand campaign ever since. What's more, since then, the STAEDTLER brand has become significantly more emotional and now includes a comprehensive creative range.

***Eberhard Faber and FIMO are terms that customers are familiar with. How will you explain the changeover to the STAEDTLER umbrella brand to end users?***



Actually, FIMO is a good example for illustrating just how smooth the transition is going to be: Consumer surveys have shown that FIMO is perceived as a brand in its own right and is not identified with an umbrella brand. This is why we have placed strong emphasis on brand recognition when it comes

to the packaging design of the entire FIMO range. This will ensure that our customers won't have any trouble at all identifying their preferred FIMO products under the STAEDTLER brand. FIMO is the true original and the best known brand in the world when it comes to oven-hardening modelling clays. FIMO was distinguished with the 'Creative Impulse Lifetime Award' in 2007 for its more than 40 year long success story. In the future too, STAEDTLER will continue to take advantage of its many decades of experience and particular advances in research and development of innovative products of highest brand quality.

***What's new in the FIMO range?***

As from 2010, FIMO will also stand for a new range of air-drying modelling materials. The name given to this product line, 'FIMO air',



clearly communicates the products' key characteristic feature. The addition of the word 'air' clearly differentiates between the air-drying and oven-drying modelling clays. To-date, these air-drying modelling clays were known under the name efa plast and, in future, will be called: FIMOair basic (previously efa plast classic), FIMO air light (previously efa plast light), FIMO air microwave (previously efa plast microwave) and FIMO air natural (previously efa plast holzy).



***In addition to FIMO, other brands are changing over to the STAEDTLER umbrella brand. What kind of support can dealers expect to get?***

From 2010 on, popular top-quality Eberhard Faber product brands will be available in STAEDTLER's typical blue

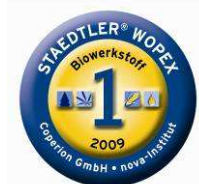


packaging design and the Noris Club assortment will be extended with products for pre-school and kindergarten. For example top-quality finger paints which play an important role in the world of education or aquasoft modelling clay which is over 60% lighter than the same volume of traditional dough. Additionally there will be STAEDTLER A-B-S coloured pencils with a new star design. Thanks to A-B-S, the white protective coating that surrounds the colour-intensive high-quality lead core like a second skin, the break-resistance is increased by up to 50%, making the pencil up to 30% stronger – just as is the case already with the well-known, highly valued Noris Club coloured pencils.

The high-quality watercolour pencils, oil pastels and soft pastel chalks – so far known under the brand Van Dyke – will, in future, be integrated into the 'karat' product line. Overall, dealers will benefit from the availability in the creative range of additional products for kindergarten, pre-school and hobby use, making STAEDTLER a brand that will accompany users their entire life, from an early age on.

***What are the strengths of the STAEDTLER brand?***

Our strength is innovative products with direct user benefit. STAEDTLER has always distinguished itself by such innovations. Documentary evidence of the first 'lead-pencil maker Friedrich Staedtler', for example, can be traced back to STAEDTLER and, in 1834, Johann Sebastian Staedtler, founder of today's company group, invented the coloured oil pastel pencil that 'can be sharpened to a point just like a pencil'. Today, such innovations include Dry Safe ink technology which enables pens to be left uncapped for days without drying up and, more recently, the development of the first coloured pencil with A•B•S. In 2009, STAEDTLER also succeeded in developing a revolutionary new product with which the tradition of pencil-writing will be continued. WOPEX is a state-of-the-art pencil from the company STAEDTLER. Its innovative WOPEX material is a standard-setting natural fibre material with 70% wood. WOPEX was distinguished with the 'bio composite award' and the 'WPC innovation award' in the year 2009.



Another one of our strengths is our production site loyalty. The roots of our company lie in the Nuremberg metropolitan region. Both our company headquarters and competence centres are to be found there. We are proud of our century-spanning tradition in Germany – indeed, over 80% of all STAEDTLER products produced worldwide are still manufactured in Germany today.

***What are the opportunities and risks involved in integrating the Eberhard Faber product brands?***

The uniform brand appearance means that, in future, all products and all marketing activities will be benefiting the STAEDTLER umbrella brand, thereby reinforcing our position still further. This is more of an opportunity than a risk. Our high quality standards and our claim 'STAEDTLER – your inspiration' ensure ideal conditions for a continuation of the success story of FIMO & Co.