

**S.T. DUPONT refines Issue of bonds convertible and/or exchangeable into new or existing shares**

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(Visa AMF n°09-059 from 17 March 2009)

Paris (18 March 2009) - S.T. Dupont, the French luxury goods company, is launching today an issue of 100,000 bonds convertible and / or exchangeable into new or existing shares of S.T. Dupont (the 'Bonds') for a total nominal amount of EUR 15,000,000.

The issue is primarily intended to refinance the convertible bonds issued in 2004 and arriving at maturity 1<sup>st</sup> April 2009. It will allow the Company to keep its available cash to finance its investments, the launch of its new products and part of its working capital.

The Bonds will have a maturity of 5 years and 1 day and will bear interest at a rate of 10%

per annum. Each bondholder will be entitled to exercise its conversion/exchange right at a Conversion/Exchange ratio of 1,000 S.T. Dupont shares for One Bond.

The subscription of 90,000 Bonds (90 % of the issue) shall be reserved from 18 March 2009 to 24 March 2009 inclusive, to the shareholders recorded as such, as at 17 March 2009. This priority right shall not be negotiable or assignable.

The subscription of 10,000 Bonds (10 % of the issue) shall be immediately offered to the public in France.

The controlling shareholder, D and D International B.V., has undertaken to subscribe the Bonds such that the whole amount of the issue is ensured to be subscribed.

This issue is coordinated by Ariana Advisors. The issue is centralized by Société Générale Securities Services (SGSS) for the bonds offered to shareholders via a priority right. ARKEON Finance will centralize the demand for the bonds offered to the public.

This press release, which was prepared in accordance with applicable regulations, sets out the principal terms and conditions of the issuance.

This offering does not constitute a public offering in any country other than France under the conditions set forth below.

The Bonds, which are offered as part of a global offering, will be offered: in France, to legal entities and individuals; outside France, by way of a private placement, in accordance with the rules applicable to each jurisdiction in which the Bonds are offered with the exception of the United States of America, Italy, Canada, Australia and Japan where no offerings may take place.

Availability of the offering circular - The offering circular (prospectus) is comprised of the reference document (document de référence) of S.T.Dupont which was filed with the Autorité des Marchés Financiers on 09 July 2008 under number D.08-0545, the update of the reference document of S.T.Dupont which was filed with the Autorité des Marchés Financiers on 17 March 2009 under number D.08-0545-A01 and the information document (note d'opération) which received the visa of the Autorité des Marchés Financiers under number 09-059 on 17 March, 2009.

Copies of this offering circular (prospectus) are available free of charge at the office of SGSS et ARKEON Finance, the financial institutions responsible for the centralization of subscriptions, as well as at the registered office of S.T.Dupont, 92, boulevard du Montparnasse, 75014 Paris, France and on the website of the Autorité des marchés

financiers ([www.amf-france.org](http://www.amf-france.org)).

Description, History and positioning of the Company  
The S.T.Dupont share trades on the Second Marché in the Paris Euronext market  
(Euroclear: FR0000054199 ; Reuters: DPTP.PA ; Bloomberg: DPT FP).

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## PRINCIPAL TERMS AND CONDITIONS OF THE ISSUANCE BY S.T.DUPONT OF BONDS CONVERTIBLE AND/OR EXCHANGEABLE INTO NEW OR EXISTING SHARES

### NUMBER OF BONDS ISSUED AND PRINCIPAL AMOUNT OF THE ISSUE

The bond issue amounts to EUR 15,000,000 represented by 100,000 bonds convertible and/or exchangeable into new or existing shares (the 'Bonds'), with a nominal value of EUR 150 each.

### USE OF PROCEEDS

The issue is primarily intended to refinance the convertible bonds issued in 2004 and arriving at maturity 1<sup>st</sup> April 2009. It will allow the Company to keep its available cash to finance its investments, the launch of its new products and part of its working capital.

### PREFERENTIAL SUBSCRIPTION RIGHTS AND PRIORITY RESERVATION PERIOD

The shareholders have waived their preferential subscription rights. However, the Management Board, has granted a priority reservation period for 90,000 Bonds, i.e. EUR 13,500,000, representing ninety per cent (90%) of the Bond issue, on a non-reducible and on a reducible basis for the benefit of shareholders of record on 17 March 2009. The exercise of this priority is conditioned upon the shares entered in the book in the name of the subscriber being blocked by a bank or a financial intermediary, until 24 March 2009 inclusive. This right of priority is neither tradable nor assignable. The balance of ten per cent (10%) of the Bond issue, i.e. 10,000 Bonds, representing EUR 1,500,000, shall be immediately offered to the public for subscription.

- Subscription on a non-reducible basis

The subscription of the Bonds being issued is reserved in priority for the benefit of shareholders from 18 March 2009 to 24 March 2009 inclusive, who may subscribe the Bonds on a non-reducible basis at a ratio of 1 Bond for 4.692 existing shares held.

Shareholders will be entitled to subscribe on a non-reducible basis a maximum number of Bonds, rounded down to the next whole number, corresponding to the product of the number of shares entered in the share register in their name on 17 March 2009, by the ratio (number of shares entered in the share register in their name on 17 March 2009 / 4.692).

- Subscription on a reducible basis

At the same time as they exercise their priority right to subscribe during the reservation period, shareholders will also be entitled to subscribe a further number of Bonds on a reducible basis.

Bonds which have not been subscribed on a non-reducible basis will be allocated to the subscription orders on a reducible basis, up to the limit of the number of Bonds offered with respect to the reservation period. Shareholders subscribing on a reducible basis will receive a number of Bonds not exceeding their subscription order and in any event in proportion to the number of existing shares in respect of which orders have been submitted on a non-reducible basis, without resulting in any attribution of fractional Bonds.

## INTENTIONS OF THE PRINCIPAL SHAREHOLDERS

90% of the offer (90,000 Bonds) benefits from a priority reservation period. D and D International B.V. (holding 68.8% of the share capital and 69,5% of the voting rights as of 17 March 2009), controlling shareholder, has made known its intention to subscribe its full entitlement in the priority reservation period.

Accordingly, it has committed to subscribe 62,300 Bonds (out of the 90,000 Bonds which benefit from a priority reservation) on a non-reducible basis corresponding to a subscription amount of EUR 6,345,000, (representing 69.22%<sup>1</sup> of the number of Bonds offered with respect to the reservation period).

It has also committed to subscribe on a reducible basis the balance of the number of Bonds available, 27,700 Bonds corresponding to a subscription amount of EUR 4,155,000, representing 30.78 % of the number of Bonds offered during the reservation period.

Finally, D and D International B.V. has committed to subscribe the balance of 10,000 Bonds offered to the public but which have not been subscribed.

According to these commitments, the whole amount of the issue, i.e. EUR 15,000,000, represented by 100,000 Bonds is ensured to be subscribed.

D and D International BV will not release the amount of new Bonds it has undertaken to subscribe by offsetting it with the resulting product to receive from the repayment of old bonds maturing on 1 April 2009 but in cash.

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<sup>1</sup> This percentage differs from the capital ownership as the subscription ratio has been worked out by taking into account the shares held by ST Dupont as treasury stock.

Following centralization, the number of Bonds actually subscribed by D and D International B.V. will be published.

## SUBSCRIPTION OF THE PUBLIC

Ten per cent (10%) of the Bond issue, corresponding to 10,000 Bonds representing an amount of EUR 1,500,000 is immediately offered to the public.

Subscription will be open to the public from 18 March 2004 to 24 March 2009 inclusive. The subscription period may be closed at any time without any prior notice, except as regards individuals who will benefit from the whole subscription period.

## CENTRALIZATION AND ORDERS – RESPECTIVE FINANCIALS INTERMEDIARIES

Subscription orders of the shareholders in respect of the bonds offered with priority right is collected and centralized by Société Générale Security Services (SGSS) until 24 March 2009 inclusive (contact Eric Humbert tel +33 2 51 85 52 45).

Subscription orders from the public are collected and centralized by ARKEON Finance (contact Nassim Ledad - tel +33 1 53 70 50 35).

## UNDERWRITING

In consideration of the commitments by D and D International B.V., controlling shareholder of the Company (see 'Intentions of the principal shareholders' above) to subscribe its full entitlement on a non-reducible basis and to subscribe on a reducible basis the balance of the issuance in the context of the priority subscription period and to subscribe Bonds not subscribed by the public, which would lead it to subscribe the entire issuance of the Bonds if neither any other shareholder nor the public subscribed for the issuance, the offering of the issue will not be underwritten by an investment services provider.

## INDICATIVE TIMETABLE

17 March 2009 Visa of the Autorité des Marchés Financiers

18 March 2009 Publication of a press release announcing the launch of the offering (morning)

Opening of the shareholder reservation period (morning) (concerning 90% of the Bond issue)

Opening of the public subscription period (morning) (concerning 10% of the Bond issue)

24 March 2009

Closing of shareholder priority reservation period

Closing of the public subscription period (the subscription period may be subject to an early closing, except as regards individuals)

25 March 2009 Centralization of subscription orders of the shareholders in the context of the priority reservation period and the public subscription period

30 March 2009

Settlement and delivery of the Bonds

Start of trading of the Bonds on the Second Marché of Euronext Paris

## MAIN FEATURES OF THE BONDS

### PRINCIPAL AMOUNT OF EACH BOND

The principal amount of each Bond is EUR 150.

### ISSUE PRICE

The issue price will be equal to par, EUR 150 per Bond, and is payable in full on the settlement date.

### ISSUE DATE AND SETTLEMENT DATE

30 March 2009.

### ANNUAL INTEREST

The Bonds will bear interest at a rate of 10% per annum (EUR 15.00 per Bond) payable annually in arrear on April 1st of each year (an 'Interest Payment Date'). The issue will have a first long coupon of 1 year and 1 day, and a short last coupon of 1 year minus 1 day.

## REDEMPTION AT MATURITY

The Bonds will be redeemed in full on 31 March 2014 (or the following business day if such day is not a business day) at a par value of EUR 150 per Bond.

## EARLY REDEMPTION AT THE OPTION OF THE COMPANY

The Bonds may be redeemed:

- at any time, without any limitation as to price or quantity, by means of repurchases on or off-market or by public offer,
- from 1st April 2012 until 31 March 2014, the date of redemption of the Bonds at maturity (subject to one month prior notice), for all outstanding Bonds, at par plus accrued interest from the last Interest Payment Date, if the product of (i) the applicable Share Allotment Ratio and (ii) the average of the opening quoted prices of the Company's share on the Second Marché of Euronext Paris S.A., calculated on each of 20 consecutive trading days on which the shares are listed as selected by the Company from among the 40 consecutive trading days preceding the date of publication of the notice announcing this early redemption, exceeds 130% of the par value of the Bonds, and
- at any time, for all outstanding Bonds, at par plus accrued interest from the last Interest Payment Date, if less than 10% of the Bonds issued remain outstanding.

## EARLY REDEMPTION AT THE OPTION OF THE BONDS HOLDERS

Bond holders may ask for early redemption of their bonds in the event of a change of control

## MATURITY OF THE BONDS

5 years and 1 day from the settlement date of the Bonds (in the absence of conversion and/or exchange for shares or early redemption).

## GROSS YIELD TO MATURITY

The gross yield to maturity is 10% at the settlement date (in the absence of conversion and/or exchange into shares or early redemption).

## RATING OF THE BONDS



The Bonds have not been rated.

## LISTING OF THE BONDS

Application has been made to list the Bonds on the Second Marché of Euronext Paris S.A. The first listing is expected to be made on 30 March 2009 under ISIN code FR 0010736660

## CONVERSION OF THE BONDS AND/OR EXCHANGE OF THE BONDS INTO SHARES

At any time from 30 March 2009, the settlement date of the Bonds, and until the seventh business day preceding the date set for redemption or the early redemption date, the Bondholders may request (the 'Share Allotment Right') that the Bonds be converted and/or exchanged for shares of the Company at a ratio of 1000 shares for 1 Bond (the 'Share Allotment Ratio').

The shares granted by the Company by virtue of the exercise by a Bondholder of the Share Allotment Right shall, at the option of the Company, be new and/or existing shares of the Company.

The Share Allotment Ratio may be adjusted in accordance with paragraph 4.16.8. ('Maintenance of rights of Bondholders') of the Note d'opération in order to protect the rights of the Bondholders.

## ADJUSTMENT OF SHARE ALLOTMENT RATIO IN CASE OF PAYMENT OF DIVIDEND

See Note d'Opération (Chapter 4.16.8.3.)

## INVESTOR PUT AND AMORTIZATION OF CONVERSION PREMIUM IN CASE OF CHANGE OF CONTROL

See Note d'Opération (Chapters 4.9.5. and 4.16.8.4.)

## APPLICABLE LAW

French law.

## CLEARING

The Bonds will be accepted for clearance through Euroclear France, Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme.

#### MAIN FEATURES OF THE SHARES RECEIVED UPON CONVERSION OR EXCHANGE OF BONDS

#### DIVIDEND ENTITLEMENT OF NEW SHARES TO BE ISSUED UPON CONVERSION OF BONDS

Shares to be issued upon conversion of Bonds will carry financial rights as of the first day of the fiscal year in which the Exercise Date takes place and will accordingly entitle the holder thereof to all dividends paid out in respect of such fiscal year and each subsequent fiscal year.

#### DIVIDEND ENTITLEMENT OF THE EXISTING SHARES TO BE DELIVERED UPON EXCHANGE OF BONDS

Any existing shares delivered upon exchange of Bonds will carry financial rights on an ongoing basis and will entitle the holder thereof to all dividends to be paid out after the delivery of these shares.

#### LISTING OF SHARES RECEIVED UPON CONVERSION OR EXCHANGE OF BONDS

Existing shares of the Company delivered upon exchange of Bonds will be listed on the Second Marché of Euronext Paris S.A. (ISIN code: FR0000054199). Shares of the Company are eligible for the Deferred Settlement Service (Système de Règlement Différé) (SRD).

Periodic applications shall be made to list the new shares issued as a result of the conversion of Bonds on the Second Marché of Euronext Paris S.A.. Based on the date such shares carry financial rights, they shall be quoted on the same line as existing shares or, initially, quoted on a second line.

#### TRADING PRICE OF THE SHARE

Closing price on 17 March 2004: EUR 0.12.

Availability of the offering circular - The offering circular (prospectus) is comprised of the

reference document (document de référence) of S.T.Dupont which was filed with the l'Autorité des Marchés Financiers on 09 July 2008 under number D.08-0545, the update of the reference document of S.T.Dupont which was filed with the Autorité des Marchés Financiers on 17 March 2009 under number D.08-0545-A01 and the information document (note d'opération) which received the visa of the Autorité des Marchés Financiers under number 09-059 on 17 March, 2009.

Copies of this offering circular (prospectus) are available free of charge at the office of Arkéon Finance, 27, rue de Berri – 75008 Paris, et Société Générale Securities Services, 32, rue du Champ de Tir, B.P. 81236 – 44312 Nantes Cedex 3, the financial institution responsible for the centralization of subscriptions, as well as at the registered office of S.T.Dupont, 92, boulevard du Montparnasse, 75014 Paris, France and on the website of the Autorité des marchés financiers ([www.amf-france.org](http://www.amf-france.org)).

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