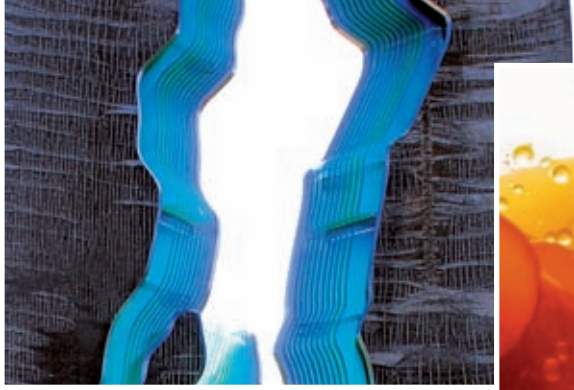


Inspirations

Arkema / 2010 Annual and Sustainable Development Report



06 TRENDS

Everywhere for You



10 EVENTS

Five Years of Successful Transformation



26 HORIZON

Setting Our Sights on Asia

06 FOCUS

coatings

Arkema Now Leads
the Coating Materials Market

CONTENTS

01 EDITORIAL

02 SPOTLIGHT

Arkema and the Future

04 ANNUAL HIGHLIGHTS

An Eventful Year for All Product Lines

06 TRENDS



10 EVENTS

12 OUTLOOK

A Winning Growth Strategy

14 OUR STRATEGY

Three Questions for Thierry Le Hénaff

16 PROFILES

A Motivated Team

18 FOCUS

New Opportunities in the Strategic Coatings Market

26 HORIZON

32 MANAGEMENT

Talent plus Inspiration

34 OUR ATTITUDE

Safety in Mind

36 BETWEEN THE LINES

Record Earnings

38 TOGETHER

The Chemical Industry Takes Center Stage in 2011



The magazine Inspirations is published by the External Communication Division of Arkema.

Consulting, design & production:  TERRE DE SIENNE Paris | www.terredesienne.com

Photo credits: Arkema, Christophe Charzat, Getty Images, Ursula Haupenthal, Bernard Lachaud, Vincent Leroy, Bruno Mazodier, Jacques Rostand. This document is printed on a 100% recyclable and biodegradable paper, manufactured at a European plant with ISO 9001 certification (for its quality management), ISO 14001 certification (for its environmental management), PEFC certification (for its use of paper from sustainably managed forests), and EMAS accreditation (for its environmental performance).



2015

Setting Our Sights on Growth



Thierry Le Hénaff,
Chairman and Chief Executive Officer,
Arkema

What a long way we've come since our spin-off! Five years of change have transformed us into a global chemical producer whose profitability compares favorably to that of our industry peers. This is an impressive feat for a still young company such as ours, and an enormous source of pride for our employees.

We did exactly what we said we would do. All the objectives set in 2005 were met, then exceeded. Now we are focused on growth. Witness 2010, a very good year, with revenue, volumes and income up markedly. At the same time, we managed to raise our selling prices to fully cover the increased cost of raw materials and energy.

The sharply improved results we posted in early 2011, with a 33% increase in sales and a quadrupling of net income, are a perfect way to usher in our next chapter, which is all about accelerating our growth. Our solid financial position will allow continued expansion of our portfolio of activities through targeted acquisitions that offer synergies with our current businesses. The acquisition of Total's photocure and coating resins will make Arkema a major supplier to the paint and coatings industry and help us quickly reach our external growth objectives for the next five years.

We will also step up our investments in organic growth, allocating more than half of the total to emerging economies. Four new production units will start operating in China by 2012 and we recently announced plans to build a thiochemical and bio-methionine production platform in Southeast Asia by 2013. Asia will undoubtedly generate a growing share of our revenue, reaching about a quarter of our global sales by 2015.

Accelerating growth will depend more than ever on innovation.

We are inventing high-value-added solutions and materials that meet the challenges of sustainable development, focusing on renewable energies, water treatment, lighter materials and bio-based chemistry. New applications such as solar photovoltaics, flat-screen LED TVs and bioplastics are already significant growth drivers for us.

In this International Year of Chemistry 2011, we approach the future with increasing confidence and the firm belief that we will quickly become a specialty chemicals leader, focused on growth and value creation.

Arkema at a Glance

CHEMICALS AND CHEMISTRY ARE THE ENGINE OF GLOBAL INDUSTRY AND CRUCIAL TO THE GLOBAL ECONOMY. HERE'S A CLOSER LOOK AT A MAJOR GLOBAL CHEMICAL PRODUCER, ARKEMA.

French leader Arkema has become a key global chemical producer. Created in 2004, our "young" company last year saw its revenue climb to €5.9 billion. Our workforce now totals 14,000 worldwide. Our production base comprises 80 facilities – 46 in Europe, 24 in the United States and 10 in Asia – enabling us to effectively meet customer demand. Our innovative company now has eight R&D centers, in France, the United States and Japan.

We are the planet's leading producer of thiochemicals, specialty polyamides and fluoropolymers (PVDF*) and rank first or second worldwide in acrylic polymers (PMMA**). Arkema is also a global leader in coating materials, acrylics, fluorocarbon gases, organic peroxides, molecular sieves and hydrogen peroxide.

We are organized into three business segments – Vinyl Products, Industrial Chemicals and Performance Products – that oversee 13 business units. Our strategy is based on three strong positions: targeted growth in Asia, an optimized portfolio of activities, and growth through innovation.

Arkema is a major presence in the global chemical industry, "a very forward-looking, modern, innovative industry that will unquestionably be a key player in the 21st century," according to Thierry Le Hénaff. We draw on our cutting-edge expertise to create innovative new products, provide technical support to our customers and further improve the performance of our processes.

Above all, Arkema is a responsible corporate citizen, committed to improving management of risk and environmental impact, product stewardship, and social dialogue. www.arkema.com/CSR

* Polyvinylidene fluoride
** Polymethyl methacrylate

"The chemical industry is now grappling with its destiny: finding a way to meet the daunting challenge of sustainable development."

Thierry Le Hénaff / Chairman and Chief Executive Officer, Arkema

No. 1 French chemical producer
A leading global chemical producer

€5.9bn
Sales

80 Production plants

8 R&D centers

14,000
Employees

Spotlight on Flagship Markets



Coatings and Paints Get Colorful

In few short years, Arkema has become a world leader in the manufacture of chemicals for paints and coatings (see Coatings feature report). We constantly introduce new products that support sustainable development while offering our customers a complete range of technologies. Arkema technicians have developed a line of 100% biosourced acrylic monomers (used in plastics and paints) and Coatex has introduced a new, environmentally responsible method for encapsulating hydrophobic substances. We have also replaced fluorosurfactants with other, more neutral, surfactants in the manufacture of all our Kynar® PVDF products.

Alternative Energies Shine

To meet growing energy demands, we will need more photovoltaic and other renewable energies in the coming years. Arkema makes a number of materials used in photovoltaic panels. Our Kynar® PVDF film is used to protect the back of photovoltaic modules, improving cell life and efficiency. Our PMMA, marketed under the brand names Altuglas® and Plexiglas®, reduces solar panel weight and concentrates light on silicon strips, saving on expensive silicon material.

Some of our PVDF copolymers are also used in lithium-ion batteries, a storage cell technology essential in portable electronic devices and in electric vehicles.

Optimized Oil and Gas

Desulfurization of oil and gas improves efficiency and reduces pollution. The process requires nickel, molybdenum and cobalt oxides activated by DMDS*, an agent that is delivered and handled by Arkema's Careflex® teams.

Other technologies for oil and gas include Rilsan®, the first high-performance polyamide to be approved in the United States for high-pressure natural gas pipelines. Rilsan® polyamide and Kynar® PVDF used in offshore flowlines can withstand temperatures of up to 130°C. Norsocryl® specialty acrylic monomers are used to produce additives for lubricating oils and fuels, and organic peroxides are used for enhanced oil recovery. The oil and gas sector is also a big user of specialty chemical additives produced by Arkema's Ceca subsidiary.

Lastly, to reduce the use of feedstocks derived from fossil fuels, Arkema is investing in ways to use bio-based glycerol, as a raw material for acrylic acid.

Automobiles Lighten Up

Composite materials and the latest generation of polymers and elastomers combine light weight with exceptional properties. One example is the high-temperature polyamide Rilsan® HT, one of the few polymers that can replace metal in under-the-hood engine applications. Hoses made using this polyamide cut costs by as much as 50% and are up to six times lighter than a metal part.

Watch "Arkema in 120s"
www.arkema.com/inspirations



And that's not all. Altuglas® PMMA, also known as Plexiglas®, modified with a nanostructuring technology developed by Arkema, is replacing glass in the panoramic roofs of cars.

However, our line of automotive products and services is much broader than that. We make multilayer polymer structures for fuel line systems, compounds and elastomers for dashboards and gaskets, hot-melt copolyamides for assembling interior textiles, and refrigerants for air-conditioning systems.

* Dimethyl disulfide



Newsbriefs



JANUARY 25, 2010

Arkema completes the acquisition of acrylic assets from Dow Chemical in North America. The Clear Lake, Texas acrylic monomer production site reports to the Acrylics Business Unit; the acrylic polymers produced in St. Charles, Louisiana; Alsip, Illinois and Torrance, California are combined in a new Emulsion Systems Business Unit and the Polyphobe™ rheology additives join Coatex. Arkema is now the world's third-largest producer of acrylic acid and North America's second-biggest manufacturer of acrylic latex.

APRIL 15, 2010

The second employee share issue is a success. Nearly 3,500 current and retired Arkema employees, in 17 countries, buy 824,424 shares. Employees now account for 5.1% of the shareholder base.



MAY 7, 2010

The unit producing Forane® 125 fluorocarbon gas, an essential component of next-generation refrigerant blends, comes on line.



MAY 25, 2010

China's Ginhai Salt Lake Industry Group Co. acquires three user licenses for Arkema PVC processes.

JULY 13, 2010

The U.S. Environmental Protection Agency (EPA) approves the soil fumigant Paladin®, an alternative to methyl bromide.

SEPTEMBER 1, 2010

Arkema wins France's Pierre Potier Prize for Innovation for Kynar Aquatec®, a resin used to formulate waterborne reflective roof coatings that save major amounts of energy.



SEPTEMBER 24, 2010

Arkema decides to build a new acrylic emulsion unit in Changshu, China, scheduled to begin operating in late 2012.



OCTOBER 5, 2010

Arkema adds a new line of very high performance materials to the portfolio with the acquisition of Piezotech, a start-up that designs and produces electroactive fluoropolymers for extraordinary applications in the robotics, aerospace, textile, automotive and electronics industries.

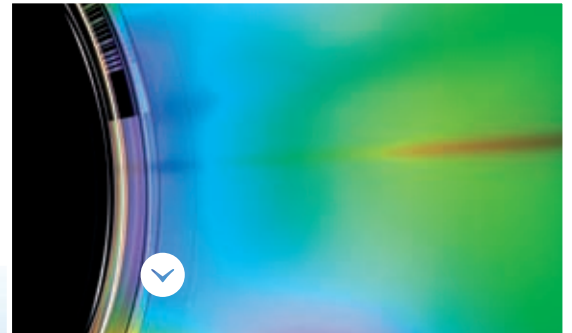


NOVEMBER 5, 2010

A decision is made to build a new production line in Carling, France for Adame, an acrylic acid derivative used to make water treatment flocculants.

NOVEMBER 17, 2010

Plan to invest a total of €110 million over three years in acrylics in the United States, at the Clear Lake and Bayport facilities in Texas.



NOVEMBER 22, 2010

A decision is made to build a new polyamide 11 and 12 unit in Changshu, China, with a production capacity of 6,000 metric tons a year.



DECEMBER 7, 2010

Arkema announces plans to acquire Total's photocure and coating resins. The transaction will strengthen the downstream integration of our acrylics activities and make us a global leader in the market for coating materials.



DECEMBER 21, 2010

Arkema, Total and Sobegi announced a €210 million capital spending program to maintain sulfur chemical operations after 2013, when Total halts production from France's Lacq natural gas field.



Everywhere for You

OUR R&D TEAMS DEVELOP NEW MATERIALS TO MAKE LIFE EASIER AND MORE COMFORTABLE AND TO ENHANCE WELL-BEING. YOU CAN FIND THEM IN YOUR HOME, YOUR CLOTHING AND THE WORLD AROUND YOU.

04



05



06



07



01 CHILDREN IN AFRICA PLAY WITH NEARLY INDESTRUCTIBLE FOOTBALLS

made of Pebax® Rnew. They received them from Sony, official sponsor of the 2010 Football World Cup.

02 SOFT-TO-THE-TOUCH, LIGHTWEIGHT, AND BACTERIOSTATIC

Monnet Green Vert ski socks are woven* from biosourced Rilsan® polyamide fiber.

03 JULBO CONTINUES TO PUT ITS TRUST IN RILSAN® CLEAR AND PEBAX®

for eyewear for children.

04 UNITIKA HAS DESIGNED A NEW LINE OF LIGHT AND RUGGED LUGGAGE

made from biosourced Rilsan® polyamide fibers.

05 CONTESSA ERGONOMIC OFFICE CHAIR, with back and seat made from biosourced Pebax® Rnew fiber and frame made from biosourced Rilsan® polyamide.

06 THE LATEST WORK BY GERMAN ARTIST URSULA HAUPENTHAL

offers a gateway to Lake Constance. This sculpture, over five meters high, combines metal and sheets of Altuglas® SoftFluo acrylic. The Altuglas® sheets bring the sculpture to life and reproduce the undulating movements of the water.

07 ULTRA-FLAT LCD-LED TV SET.

The light from the LED lamps is diffused evenly by a sheet of Altuglas® PMMA.

* Developed with the aid of Sofila, a French specialist in spinning nylon.

TRENDS

08 TANNING BED MADE OF ALTUGLAS® PMMA, a cool, soft, more comfortable material.

09 ADIDAS' ADIZERO SOCCER SHOES PUT RILSAN® cleats on the field in stadiums around the world.

10 A CURIOUS LAWN SPRANG UP IN FRONT OF THE OPERA HOUSE IN LILLE, FRANCE, LAST JANUARY.

The blades of grass in Vincent Leroy's *Champ mécanique* were made from Altuglas® acrylic glass. His work was one of four displayed as part of *L'Art en la matière*, an exhibition organized by *Union des Industries Chimiques (UIC)**, to launch the International Year of Chemistry in 2011.

11 KYNAR® PVDF, ALTUGLAS® HT 21 AND APOLHYA® SOLAR are a winning combination, making photovoltaic cells more efficient.

12 ULTRAFILTRATION MEMBRANES prepared from nanostructured Kynar® fluoropolymer will help improve everyone's access to clean drinking water.

13 QUICKSILVER'S SUNGLASS FRAME MODELS owe their design performance to Rilsan® Clear polyamide resin.

* French trade association for chemical companies.





12



09

Five Years of Successful Transformation

THE PATH TAKEN BY ARKEMA SINCE THE COMPANY WAS PUBLICLY LISTED IN MID-2006 IS CERTAINLY NO ACCIDENT. IT IS THE RESULT OF DETERMINED EFFORTS BY OUR EMPLOYEES THAT CAME TO FULL FRUITION IN 2010.



2006

Listed on the stock exchange and spin off

2007

Acquisition of Coatex (specialty acrylic polymers)

2008

Capital spending in France on two new production plants, DMDS* in Lacq and acrylic ester in Carling.

* Dimethyl disulfide

2009

Acquisition of certain acrylic and acrylic emulsion assets in North America from Dow Chemical and the creation of the Emulsion Systems Business Unit.

2010

Successful start-up in Changshu, China, of a new plant to produce Forane® 125 refrigerant gas using an Arkema process.

In 2005, we set very specific medium-term goals that we have since more than exceeded. Our success deserves to be recognized, especially given the impact of the global economic crisis in 2008-2009.

Between 2005 and 2010, we sharply boosted our profitability and generated an additional €435 million in EBITDA*, reflecting real growth in all of our product lines. We can pat ourselves on the back for practically doubling our adjusted net income since 2007, not a shabby year for the chemical industry as a whole.

Over these five years, we have pursued an ambitious industrial strategy comprised of smart innovation choices, major capital expenditures and developments in Asia, and a policy of well-timed portfolio management.

Our employees can be proud of the results. Our remarkable transformation has been driven by a full slate of projects and by aggressive growth in Asia. Today, 80% of our revenue is derived from global positions ranging from leader to third-biggest producer.

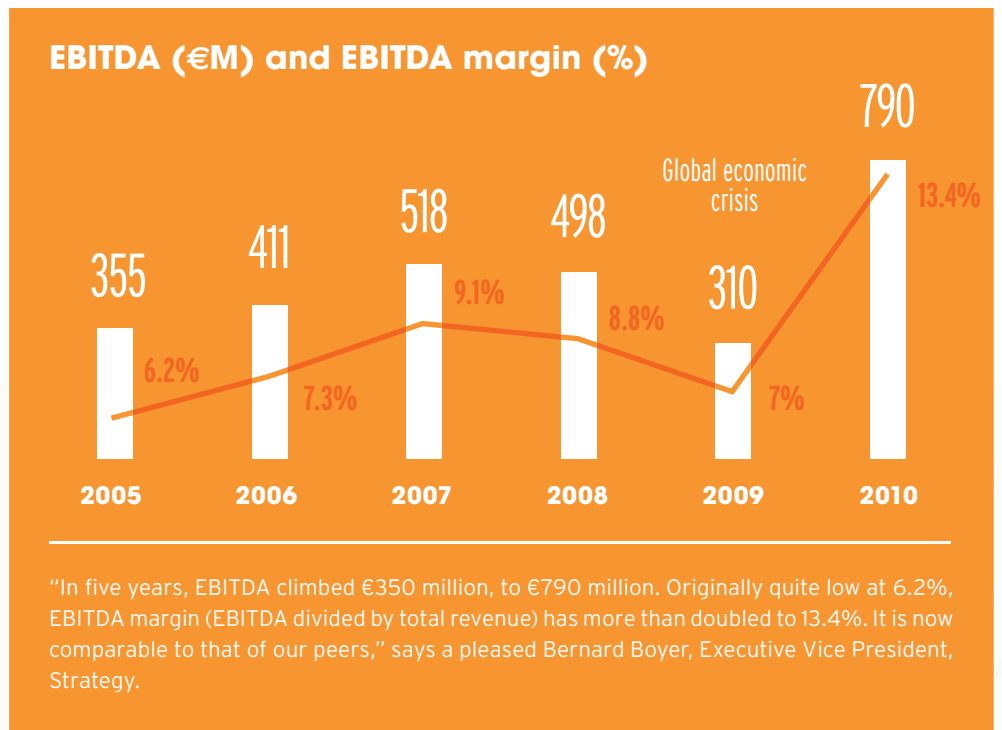
Another major challenge met was radically shrinking our debt, from €600 million in 2005 to less than €100 million at end-2010. We managed this despite the need to finance restructurings, acquisitions and growth plans, especially in China.

Through capital expenditure and acquisitions over the years, we have steered the company toward high-growth markets like coatings and paints, photovoltaic solar energy, lithium-ion batteries, consumer goods, new automotive materials, and biosourced plastics. These advances shape the Arkema of the future, a producer of high-value-added specialty chemicals vital to sustainable development solutions.

x2.2

EBITDA has more than doubled since the spin off

* EBITDA: Earnings before interest, tax, depreciation and amortization.



Watch "5 years/Todays & Tomorrow"
www.arkema.com/inspirations





Clear Skies

THE FORECAST FOR 2011 IS VERY BRIGHT, LIKE THE EXCELLENT YEAR 2010.

“Last year’s performance reflects our sweeping transformation of the company since its creation. We look to 2011 and the following business years with confidence.”

Thierry Lemonnier /
Chief Financial Officer

It will go down in our history as a very good year for Arkema. Steady growth, solid profits, a stronger, healthier balance sheet and successful capital expenditures: all of the ingredients were in place for a vintage 2010.

Thoroughly revamped over the last five years, Arkema is now well equipped to maintain the positive momentum. Buoyed by a very rewarding 2010, we have no intention of resting on our laurels. Our revenue was already up 33% last year and we are poised to reap the full benefits of this year’s hoped-for economic growth. Our EBITDA* for the first quarter 2011 is already well past the amount posted this time last year.

We will profit all year long from our efforts in 2010. The new Forane® 125 refrigerant gas plant in China will come up to speed and the acrylic assets acquired in North America will boost our revenue. Alternative energies and plastics made from renewable resources are expected to grow sharply. “We will continue to step up our efforts in sustainable development, especially photovoltaics, high-performance polyamides, bioplastics, and water treatment,” says Thierry Lemonnier, Chief Financial Officer.

A Major Acquisition

Total’s photocure and coating resin assets are scheduled to join us in mid-2011 and will do their part to boost our 2011 performance.

Market conditions in Industrial Chemicals and Performance Products are favorable in the first half. “As a result, we believe that 2011 could be a very good year for Arkema. But we will, of course, have to keep a weather eye on the economic and political environment,” comments the Chief Financial Officer.

In the Vinyl Products business segment, slightly better market conditions should offset higher energy costs.

Asian Markets Take Top Priority

We will again give priority to Asia in 2011, especially China (see Asia feature), with added production capacity and other expected developments. More generally, we will increase our capital spending from €290 million in 2010 to €360 million this year.

We intend to continue our strict financial discipline and further optimize our cash management to keep our debt-to-equity ratio low. We will also raise our selling prices when necessary to offset increases in the cost of raw materials, especially oil. Naturally, we will continue to pay close attention to changes in the business environment. Such tight management will be necessary to ensure growth in the years to come.

* EBITDA: Earnings before interest, tax, depreciation and amortization.



Watch “Earnings/A great Performance”

www.arkema.com/inspirations

2010 FULL YEAR RESULTS

Best historical performance, the result of 5 years of transformation

>	Sales standing at €5,909 million	+33%
>	Highest historical EBITDA at €790 million	x2.5
>	Net Income	€347m
>	Net Debt	€94m
>	Dividend per share*	€1

Read the press release on
www.finance.arkema.com

Financial calendar

May 24th 2011

Shareholders Annual General
Meetings

August 2nd 2011

2nd quarter results

For further information,
please contact:
Investor Relations
+33 1 49 00 74 63

www.finance.arkema.com

- **Excellent cash generation, historically low net debt**
- **12 months full of structuring events:**
 - Successful integration of acrylic assets acquired in North America
 - Successful start-up of HFC-125 in China
 - First bond issue of €500 million
 - Project to acquire photocure and coatings resins from Total
- **Confidence for 2011**

A global chemical company and France's leading chemical producer,

Arkema is building the future of the chemical industry every day. Deploying a responsible, innovation-based approach, we produce state-of-the-art specialty chemicals that provide customers with practical solutions to such challenges as climate change, access to drinking water, the future of energy, fossil fuel preservation and the need for lighter materials. With operations in more than 40 countries, 14,000 employees and 8 research centers, Arkema generates annual revenue of around €5.9 billion.

* Proposed at the shareholders annual general meeting of May 24th 2011

Best in 2015

HAVING COME SO FAR SINCE 2005, ARKEMA IS CONFIDENT ABOUT THE NEXT HALF-DECADE. OUR GOAL IS TO RANK WITH THE BEST CHEMICAL PRODUCERS IN THE WORLD.

THREE QUESTIONS FOR THIERRY LE HÉNAFF,
Chairman and Chief Executive Officer, Arkema

€7.5bn

sales in 2015



**Watch the video interview
of Thierry Le Hénaff**
www.arkema.com/inspirations

You eclipsed your goals in 2010. What is your strategy for the coming years?

During the first five years of Arkema's existence, we concentrated on building a solid, competitive company. We shifted the focus of our portfolio of activities back to high-growth sectors, stepped up our presence in emerging economies and slashed our cost structure. Now we want to speed up Arkema's growth so that we can rank as a global major in the chemical industry by 2015. We're very confident in our ability to achieve that and we have an ambitious long-term strategy. Our growth and future profitability will be driven by innovation, the rapid expansion of emerging economies and selective acquisitions.

Innovation is a key to our future. We will remain focused on growth sectors in sustainable development, such as alternative energies and bioplastics. We expect to add €400 million

in revenue between now and 2015 from new products and high value-added solutions. We're also going to keep expanding and strengthening our product lines through organic growth and targeted acquisitions. The takeover of Total's coating and photocure resin assets announced in December 2010 is already a major step forward for us. Once we have fully integrated the new assets at end-2011, we will have €850 million in new revenue, with a strong potential for growth and synergies, as well as new business drivers in Asia. We will also be one of the top three operators in the coating materials market. Lastly, we have set a target of increasing our sales by 60% in emerging economies by 2015. To achieve that, more than half of our growth capital expenditure will be made in those countries.

Will Asia, a rising star in terms of revenue in the last few years, continue to be the center of attention between now and 2015?

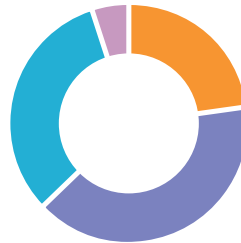
We want to keep strengthening our positions in Asia, which now account for more than 18% of our revenue and are expected to generate nearly 25% by 2015. China in particular remains a top priority. We have, in fact, outlined exactly what we plan to do in that very high-potential country over the next four years, leveraging our existing industrial base in Changshu. We are already implementing several large-scale capital spending projects there, including new fluoropolymer (PVDF*) and specialty acrylic polymer (Coatex) units, which are beginning production this year, and new polyamide and emulsion units that will come on line in 2012. We're also interested in other Asian regions. In April of last year, we announced the construction of a bio-methionine and thiochemicals production platform in Southeast Asia, in Thailand or Malaysia, expected to be up and running in late 2013. In addition, we're always studying potential acquisitions to support our expansion in other fast-growing countries, such as India or Brazil.

As a show of confidence in the future, will you increase dividends steadily between now and 2015?

In 2010, Arkema's Board of Directors decided to recommend a tidy 67% dividend hike, in recognition of our improved financial performance and the company's outlook. It sends a strong signal of confidence in our future. It is, in fact, the first time that we've implemented a dividend policy. We want dividend payouts to be an integral part of shareholder return. So we plan to pay a dividend that is either stable or involves a reasonable increase each year, depending on our performance.



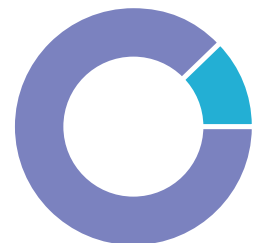
Sales by region in 2015**



Europe **40%** — North America **32%** — Asia **23%** — RoW **5%**

By 2015, fast-growing Asia will generate nearly a quarter of our revenue, while the United States will account for almost a third. Conversely, Europe's share will fall from 48 to 40%.

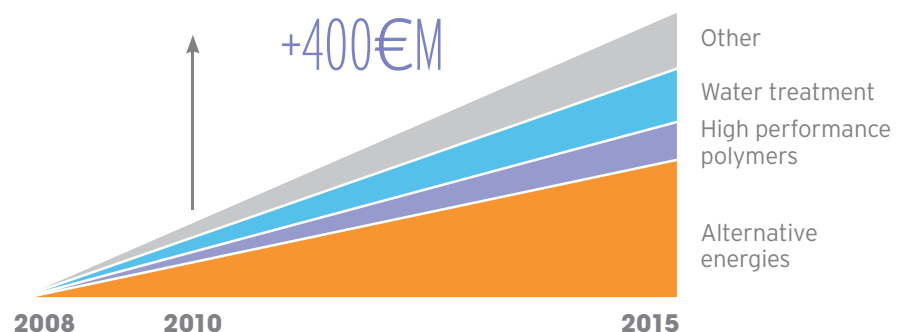
Sales by business segment in 2015**



Industrial Chemicals and Performance Products **88%**
Vinyl Products **12%**

The share of Industrial Chemicals and Performance Products, which are projected to have EBITDA margins of around 16% in 2015, will climb in the next five years.

Additional Revenue Earned from New Products in 2015



New innovative products will remain a core focus of our strategy and are expected to contribute significantly to our growth and improved profitability.

* Polyvinylidene fluoride.
** Estimate.

The Executive Committee at The Helm

OUR EIGHT-MEMBER EXECUTIVE COMMITTEE OVERSEES THE COMPANY'S MANAGEMENT. A DECISION-MAKING BODY THAT FOCUSES ON STRATEGIC PLANNING AND PERFORMANCE MONITORING, IT ALSO EXAMINES IMPORTANT ISSUES RELATED TO ORGANIZATION AND MAJOR PROJECTS.

Arkema's activities are divided into three segments overseen by three executive vice presidents. The business segments are themselves divided into a total of 13 business units. Four corporate departments headed by executive vice presidents provide the segments with ongoing support. Executive Committee members meet twice a month, but regularly share views day-to-day to assure the company runs smoothly.

- 1** **Thierry Le Hénaff**, Chairman and Chief Executive Officer
- 2** **Pierre Chanoine**, Executive Vice President, Performance Products
- 3** **Marc Schuller**, Executive Vice President, Industrial Chemicals
- 4** **Otto Takken**, Executive Vice President, Vinyl Products
- 5** **Bernard Boyer**, Executive Vice President, Strategy
- 6** **Michel Delaborde**, Executive Vice President, Human Resources & Communication
- 7** **Alain Devic**, Executive Vice President, Industry
- 8** **Thierry Lemonnier**, Chief Financial Officer



A stronger Board of Directors

ELECTED BY SHAREHOLDERS AT THE ANNUAL MEETING, THE BOARD SETS ARKEMA'S STRATEGY AND OVERSEES ITS IMPLEMENTATION. LEVERAGING THE COMPLEMENTARY SKILLS AND EXPERTISE OF ITS 11 MEMBERS AND SPECIALIZED COMMITTEES, IT PLAYS A PIVOTAL ROLE IN KEEPING ARKEMA ON TRACK.

Eleven members, nine of them independent

- **Patrick Bréant**, Director representing shareholder employees
- **François Enaud**, Chairman and Chief Executive Officer, Steria
- **Bernard Kasriel**, Partner of LBO France
- **Isabelle Kocher**, Chief Executive Officer, Lyonnaise des Eaux
- **Thierry Le Hénaff**, Chairman and Chief Executive Officer, Arkema
- **Laurent Mignon**, Chief Executive Officer, Natixis S.A.
- **Thierry Morin**, Chairman of the Board of Directors, INPI
- **Marc Pandraud**, Chairman of Deutsche Bank's activities in France
- **Claire Pédini**, Senior Vice President, Compagnie Saint-Gobain
- **Jean-Pierre Seeuws**, retired from the chemical industry
- **Philippe Vassor**, Chairman, Baignas S.A.S.

Two Newcomers

Diversity is a hallmark of Arkema's Board of Directors. After Isabelle Kocher, Chief Executive Officer, Lyonnaise des Eaux joined the Board in 2009, Claire Pédini, Senior Vice President for Human Resources, Compagnie Saint-Gobain followed in 2010. Ms. Pédini's background in financial and human resources rounds out the Board's already diverse skills and expertise. She was elected director at the Annual Shareholders's Meeting on June 1, 2010, and immediately joined the Audit & Accounts Committee. Knowledgeable about the chemical industry, Ms. Pédini lauded the energy and drive of Arkema, in which she owns 300 shares.

At the same time, with employee share ownership over 3% at end-2010, a member joined the board to represent employees. Patrick Bréant, Expert Engineer in experimental methods and in statistical process control at Arkema, was elected a director in 2010. Chosen by employee shareholders, Mr. Bréant is a member of the Supervisory Board of FCP actionnariat France, the largest mutual fund in Arkema's Employee Savings Plan.

A First-Rate Governance System

Special Board committees were created last year to examine areas requiring additional attention and knowledge. A new Strategy Committee made up exclusively of independent directors was formed. Its mission is to review Arkema's strategy, major acquisition plans and financial and stock exchange transactions, and submit recommendations to the Board before any final decision. At the same time, the Appointments & Compensation Committee's responsibilities were broadened to include corporate governance.



Claire Pédini and Patrice Bréant

91.5%

was the average attendance rate for directors at Board of Directors meetings last year. The diligent Appointments, Compensation & Governance Committee managed a perfect attendance record in 2010!

FOCUS

Special coatings

A Complete Portfolio of Paint Chemicals

IN JUST FIVE YEARS, ARKEMA HAS EMERGED AS A LEADING SUPPLIER OF CHEMICALS FOR PAINTS AND COATINGS. NOW THAT WE ARE ACQUIRING TOTAL'S COATING RESINS BUSINESS, WE WILL BROADEN OUR SCOPE EVEN MORE.

Arkema will soon cover all the bases when it comes to coatings. Always a global supplier to the coatings and paint industry, over the last five years we have built up our product line significantly. Originally focused on acrylic monomers, we now make latex, also known as aqueous polymer emulsions, polymer binders such as Kynar® PVDF*, and through our subsidiary Coatex, specialty chemicals such as dispersing agents and thickeners. We now rank as the second-largest latex supplier in the United States after last year taking over selected Dow Chemical acrylic assets in North America. Integrated while the recession was in full swing, our new U.S. operations have already made a significant contribution to our bottom line.

And we intend to keep going. We have already invested heavily in new plants in China. Our next move will be to acquire Total's businesses in coating resins (Cray Valley and Cook Composite Polymers) and photocure resins (Sartomer), a major acquisition that will bolster our position as a global leader in the coatings market. These additions will give us the most comprehensive product portfolio in the market, unique in its kind, ranging from water-based and vinyl paints to solvent-based paints, all in wide use in the United States and emerging geographies such as China, India, and Brazil.

Arkema now rivals the sector's major players, such as the United States' Dow Chemical and Germany's BASF. In global competition, we have a wide array of products, an international reach, and a sales force devoted to paint and coatings. Each product line – emulsions, fluoropolymers, and rheological additives at Coatex – may have its own strategy, marketing and momentum. "But they all work together," says Marc Schuller, Executive Vice President, Industrial Chemicals, "to offer a single, coherent product range. They take a similar approach, so that they can speak with one voice." This is a key accelerator for growth with global blue-chip customers such as PPG, Valspar, Sherwin-Williams, and Akzo Nobel.

* Polyvinylidene fluoride.



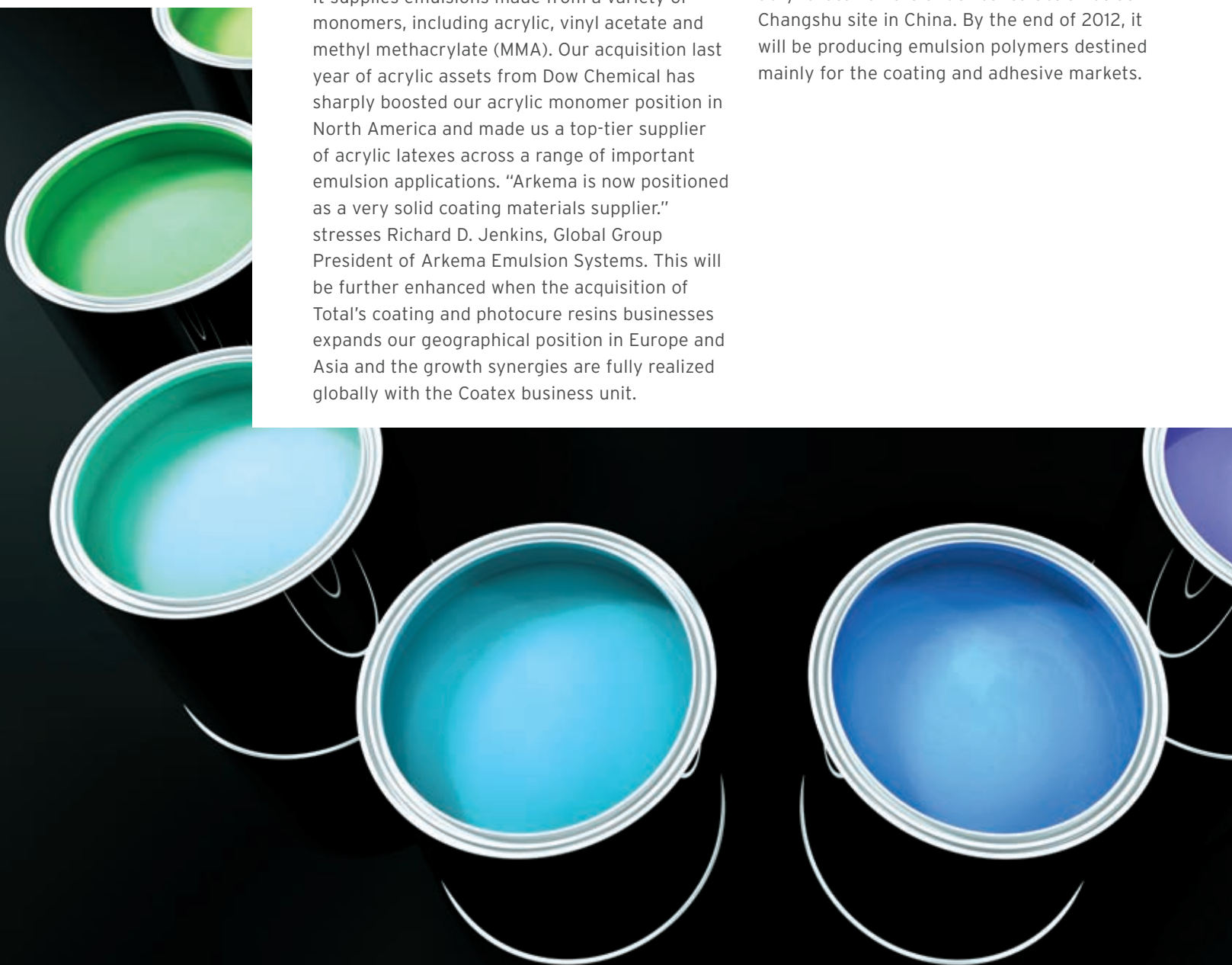
Alchemy That Works

THE OVERLAPPING EMULSIONS AND RHEOLOGICAL ADDITIVES PRODUCT LINES AND OUR KYNAR® FLUOROPOLYMER ALL WORK FOR THE PAINT AND COATINGS INDUSTRY.

Emulsions

North America's second-largest supplier of paint emulsions, our Emulsion Systems business unit produces materials for architectural and industrial coatings, construction applications, road paints, caulks, sealants and adhesives. It supplies emulsions made from a variety of monomers, including acrylic, vinyl acetate and methyl methacrylate (MMA). Our acquisition last year of acrylic assets from Dow Chemical has sharply boosted our acrylic monomer position in North America and made us a top-tier supplier of acrylic latexes across a range of important emulsion applications. "Arkema is now positioned as a very solid coating materials supplier," stresses Richard D. Jenkins, Global Group President of Arkema Emulsion Systems. This will be further enhanced when the acquisition of Total's coating and photocure resins businesses expands our geographical position in Europe and Asia and the growth synergies are fully realized globally with the Coatex business unit.

Arkema Emulsions Systems is headquartered in the United States and operates three North American production plants, in St. Charles, Louisiana; Alsip, Illinois; and Torrance, California. It also operates an R&D facility that tests finished product applications. A new acrylic latex unit is under construction at our Changshu site in China. By the end of 2012, it will be producing emulsion polymers destined mainly for the coating and adhesive markets.



Rheological Additives at Coatex

Our Coatex-slash-Specialty-Acrylic-Polymers ventures began in October 2007. "After we were acquired from the Swiss mineral filler producer Omya, Coatex was able to keep operating like any other small business, while tapping the resources and power of a major international company," explains its CEO, Alain Mari. "This enabled us to stay just as responsive and close to our customers as we'd always been. Arkema's international reach is now giving us a leg-up with global expansion, too. Dow Chemical's Polyphobe™ acrylic thickener operations in North America, acquired by Arkema in January 2010, were subsequently folded into Coatex." The new unit rounds out the Coatex line perfectly, sharply boosts its visibility in the U.S. market, gives it access to an American sales force to market its products, and leverages the industrial synergies of all sites, especially in China.

Coatex's headquarters and main production plant are located in Genay, France near Lyon, but the subsidiary also has plants and storage facilities in Europe, the United States and Asia. By mid-2011, Coatex will have a production plant at our Changshu site in China. "Coatex will be able to piggyback on Arkema's presence in China and lean on its already trained people, who know the region well. It's an amazing growth driver for us," states Alain Mari with pride. The synergies between Coatex and other business units are already in full force at Arkema. We supply 80% of its monomer and acrylic base feedstock.

A LARGE-SCALE ACQUISITION

Total's coating resins businesses, Cray Valley and Cook Composite Polymers, and its photocure resins business, Sartomer, will soon join Arkema. Together the new units employ 1,750 people and will bring some €850 million in additional revenue. The planned acquisition fits perfectly into Arkema's strategy, as it will increase downstream acrylic integration, unlock potential for growth and synergies, and create new growth opportunities in Asia.



No. 2

in acrylic latex
in the United States

Spotlight on Coatex Products

Rheological additives modify a material's viscosity. They are used in paint and coatings, as well as in paper manufacturing, water treatment, cosmetics, textiles and concrete. They range from dispersing agents that ensure a uniform distribution of mineral fillers in paint to thickeners that ensure the paint and the application method are a perfect fit. In addition, Coatex's additives are also smoothing the gradual transition of decorative and industrial paints from solvent-based – more commonly known as oil-based – to water-based formulations.

Kynar 500® and Kynar Aquatec® Fluoropolymers

Efficient and high value, fluoropolymers are used for demanding applications. In the coatings market, Kynar® delivers durable coatings with excellent weather and UV resistance lasting 25 to 30 years. Kynar® also possesses good insulating properties and provides effective protection against chemical damage from gases and fluids. It has applications in chemical and semiconductor manufacturing, electrical cables, offshore operations, solar panels and lithium-ion batteries.

Arkema offers formulations containing Kynar 500® to paint manufacturers. This technical polymer's reputation as a paint binder is based on more than 40 years of development and experience. "The concept earned its success over the years

because Kynar 500® boasts key performance features," stresses Erwoan Pezron, Manager of the Fluoropolymers business.

A hit with paint manufacturers, this top-of-the-line product is also extremely popular with architects, who appreciate the exceptional, unparalleled durability it gives their buildings. To meet the strong demand for Kynar 500® in Asia, a new Kynar® unit has recently begun production at our Changshu industrial site in China.

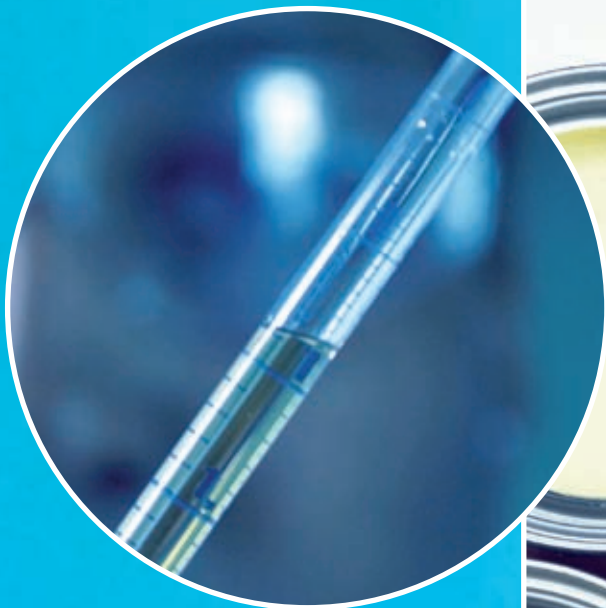
Lastly, we are taking steps to protect our technical polymer's reputation. To secure and promote our brand's value, we have signed licensing agreements with our customers requiring them to follow certain rules. Their paints must contain at least 70% Kynar®, for example, and must meet minimum performance standards.



Watch "Discover Coatex"
www.arkema.com/inspirations

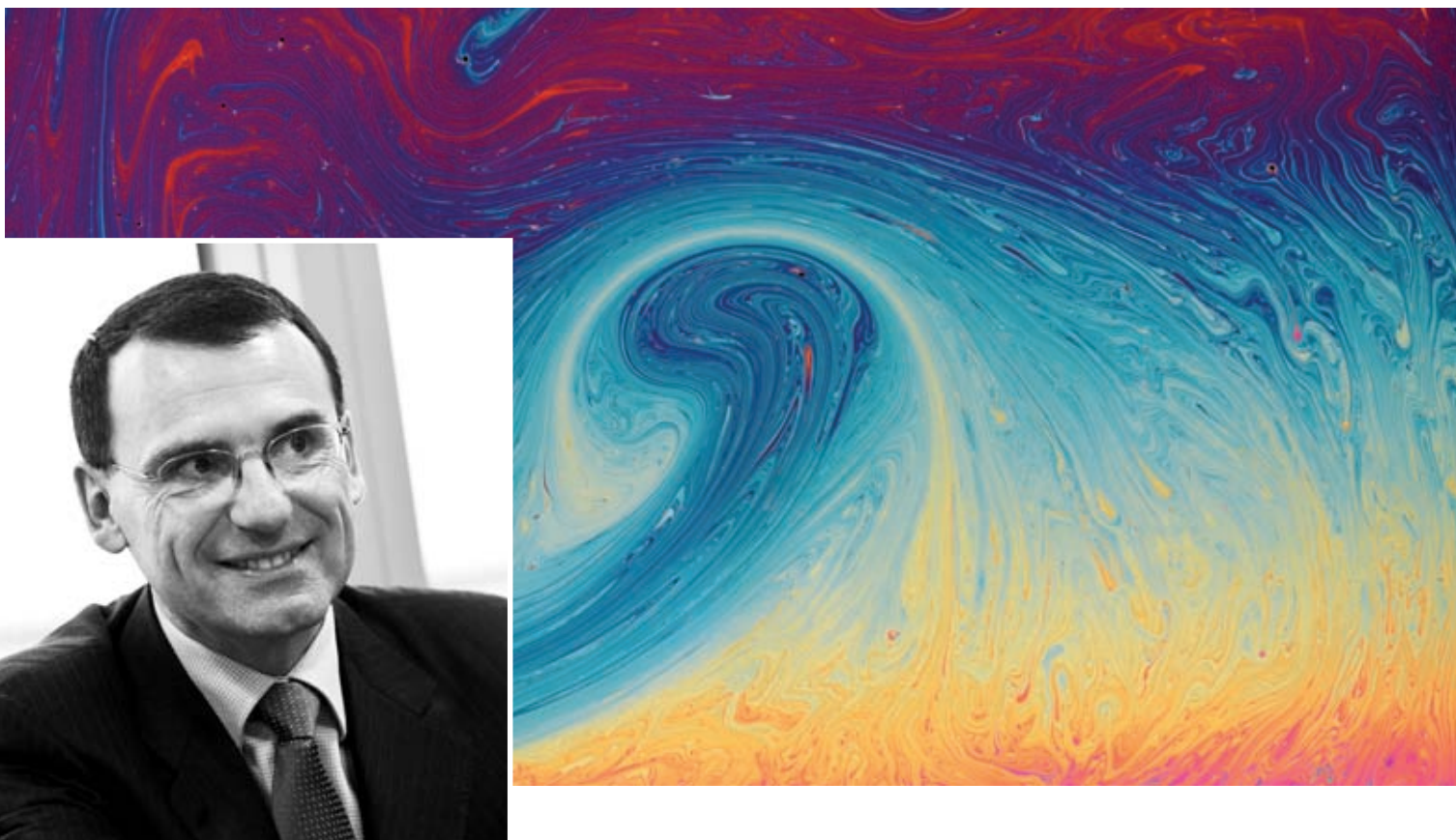
A Developer of Innovative Solutions

Arkema's innovativeness is what sets us apart from our competitors. As part of our voluntary product stewardship program, our researchers developed a next-generation Kynar 500[®] formulation that is fluorosurfactant-free (FSF). "We replaced the perfluorooctanoic acid-based surfactants, which have come under scrutiny by the U.S. Environmental Protection Agency (EPA), with other, more neutral surfactants in all our product ranges. It was a Herculean task," remembers Erwoan Pezron. Arkema is the only chemical producer in the world to do this, demonstrating our ability to develop innovative and enviro-friendly solutions. At the same time, we created a solvent-free aqueous PVDF/acrylic emulsion called Kynar Aquatec[®], a disruptive technology that won us the French Ministry of Industry's 2010 Pierre Potier Innovation Award. Kynar Aquatec[®] is used in solvent-free coatings for reflective walls and roofs. Reflective coatings containing Kynar Aquatec[®] can be applied to a variety of substrates and support more energy-efficient air conditioning during sunny periods.



A Market with a Future

THREE QUESTIONS FOR MARC SCHULLER, Executive Vice President, Industrial Chemicals



What do you want to achieve in the field of coating chemicals?

Arkema wants to make strides and demonstrate our long-term commitment to the coatings market. Just a few years ago, we had only fledgling positions. Today, our organic growth and acquisitions have enabled us to set up shop worldwide with a significantly enhanced range of coating materials and technologies. Our upcoming acquisition of Total's coating and photocure resin assets, which we expect to finalize mid-2011, strengthens our acrylic line and makes us a leader in the coating resins market.

What's next after the Total acquisition?

We will concentrate first on integrating the newly acquired product lines, which involve revenue of €850 million and a workforce of 1,750 people. After that, we can leverage the synergies among our different activities addressing the coating market, enabling us to support our customers in developing increasingly enviro-friendly solutions.

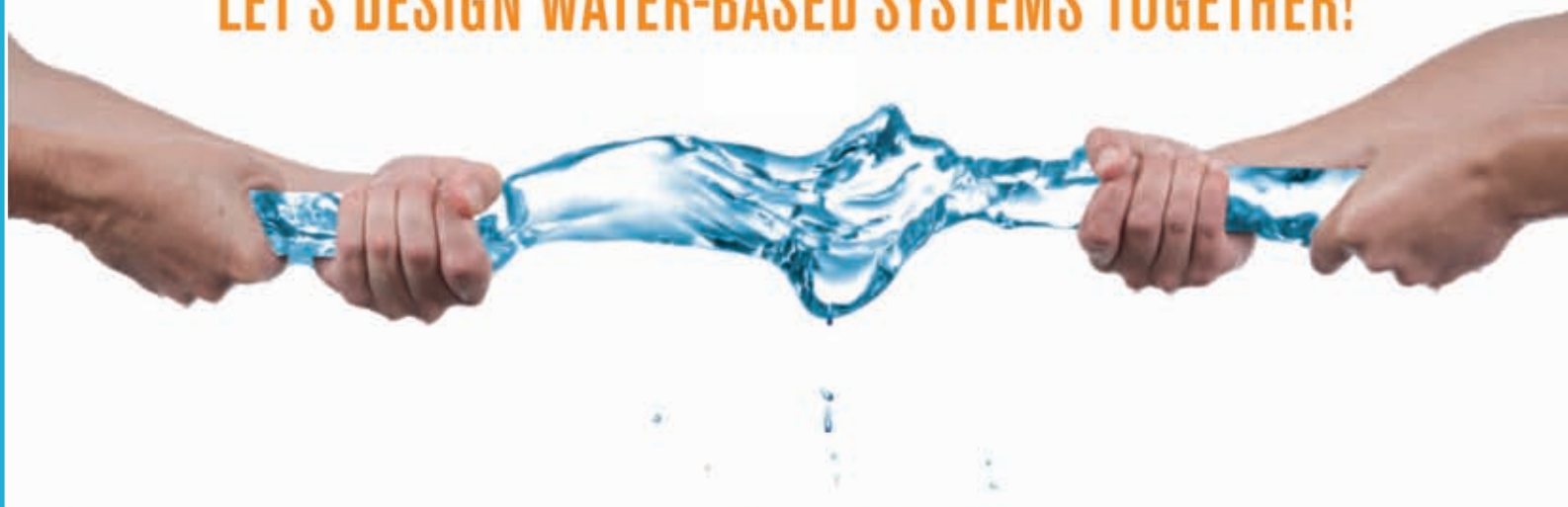
Do you plan to expand geographically?

We want to operate worldwide. We've already announced plans to build an emulsion plant in China scheduled to start operating by the end of 2012 and will continue to expand globally, especially in certain South American and Southeast Asian regions where we are not yet very active.

Watch the video interview of Marc Schuller
www.arkema.com/inspirations



LET'S DESIGN WATER-BASED SYSTEMS TOGETHER!



Rheology additives for water-based coatings

www.coatex.com

coAtex
Additive Designers
ARKEMA GROUP

contact@coatex.com

www.arkema.com

25%

the share of our revenue we expect
Asia to generate in 2015



Setting Our Sights on

Asia

A FAVORITE OF THE BUSINESS WORLD AND ECONOMISTS, ASIA IS A FOCAL POINT FOR ARKEMA'S HEADWAY IN THE INDUSTRY. WE HAVE A FULL SLATE OF PROJECTS, NOT JUST IN CHINA, BUT IN SOUTHEAST ASIA, INDIA AND JAPAN TOO.



Asia is a hub of chemical production and Arkema has laid solid foundations there. “Thus far we have given priority to China,” says Marc Schuller, Executive Vice President, Industrial Chemicals. “But our strategy is not focused solely on the Middle Kingdom. We want our positions to include India and Southeast Asia, even if we can’t do everything at once. Our ultimate goal is to have a foothold in three areas: China, Southeast Asia and India.”

Having already put down solid roots, Arkema plans to branch out in the region. Asia is the cradle for development of cutting-edge chemical technologies, sustainable development-related products such as photovoltaics, high-performance polyamides, lithium-ion batteries, water treatment membranes and bioplastics. All of these new applications fuel our global growth.

Arkema has rolled out a complete line of Altuglas® PMMA* for LCD-LED televisions. “All of the ever thinner television sets you see in the

market contain lots of PMMA. And this growth is skyrocketing.” says a happy Trevor Bridgman, President and Representative Director of Arkema in South Korea. This acrylic glass recently adopted for use in television sets is also found in construction, the automotive industry, billboards, décor items, and bathtubs and shower stalls. South Korea is one of Arkema’s major centers of Altuglas® production. “An export market, South Korea also provides entree into the Chinese market, where prospects remain excellent.” says Dominique Namer, President of Arkema Greater China.

Fortune is also smiling in neighboring countries. In Vietnam, for example, our PVC specialty chemicals are stellar performers. “In Southeast Asia, Arkema is involved in the booming sectors of petrochemicals, refining, automotive manufacturing and electronics.” points out Kenny Gan, Managing Director of Arkema Pte Ltd. in Singapore. “We will step up our presence in the near future with a world-class thiochemicals and bio-methionine platform for

animal feed applications, built in partnership with South Korea's CheilJedang and scheduled to open in 2013. And we are ready to seize other opportunities in the region as they arise." When Asian countries are ready to embrace more environmentally friendly products, Arkema will be there to provide them. For now, our solutions are geared to both developing countries and newly industrialized Asian economies.

This good fit with local markets is paying dividends. Asia's share of Arkema's revenue is steadily rising. In 2010, Asia accounted for more than 18% of all our income. In early 2011, the figure was 20% and is expected to climb to nearly 25% by 2015. We have a bright future in Asia. ● ● ●

* Polymethyl methacrylate



Strategic Positions on the Asian Chessboard

China has been the star over the last five years, as our Changshu facility in particular has expanded at full tilt. Southeast Asia, home to a number of our sites, is close behind. And Japan remains a hotbed of innovation and global alliances.

Commercial agencies ■ Industrial sites ● Research centers ▲

"Our 2011 priority is to continue investing heavily in Asia. Two projects are especially important to us: thiochemicals and acrylic monomers."

Thierry Le Hénaff /
Chairman and Chief Executive Officer, Arkema



>50%

of capital expenditures
will focus on Asia

A Global Production Facility

Asia produces for American and European consumers as well as for its own domestic markets, so Arkema will step up production on the continent. Half of our planned capital expenditure in 2011 will focus on Asia. Two new plants will start operating at the Changshu site near Shanghai in China: the first, in March, will make fluoropolymers (Kynar® PVDF*) and the second, a Coatex facility scheduled to open mid-year, will produce specialty acrylic polymers. In 2011, the Changshu site will become our third-largest hub. Though tripled in size over five years, Changshu is not done yet: expanded capacity for specialty polyamides and a new acrylic latex unit will be installed there in late 2012.

In addition, our upcoming acquisition of coating and photocure resin assets from Total will bring us new business, not just in China with Sartomer's Nansha plant, but in Southeast Asia and India too. "At the same time, we're eyeing other investment opportunities," adds Marc Schuller. In acrylics, we're mulling our acrylic monomer capacities in Asia with a view to having three large-scale facilities worldwide.

International Alliances

Asia, especially Japan, is also fertile ground for alliances. For instance, Arkema has created a joint venture in the United States with Japanese chemical producer Nippon Shokubai and two others with Daikin, the global leader in air conditioning systems. These partnerships

span the global market and are not limited to Japan alone. "We're looking at many other global projects of this kind. For instance, we're currently negotiating with a Japanese partner an investment in Carling, France, to produce super-absorbents used in disposable diapers. Japan is where we have signed the most alliances with local partners. Our vitality drives the growth of the entire company," says a pleased Didier Leblanc, President of Arkema K.K. in Japan.

Applied Japanese Research at the Crux of Innovation

The Kyoto Research & Development center, a Japanese treasure, has a value that extends far beyond the country itself. "We develop new applications in Japan, not new products," explains Didier Leblanc. "These range from the plastics used in lithium-ion batteries to ultrafiltration membranes for water, high-temperature plastics found under automobile hoods and photovoltaic panel components. We are also heavily engaged in Arkema's corporate nanotube project. The Japanese have proven expertise and in many cases international leadership in these fields. In addition, applications developed in Japan have international reach. Although the research is conducted in Japan, these developments will spark global sales. Our customers – major international companies – produce for the entire world. All the projects we're developing in our Japanese center are growth drivers and will certainly keep us busy for another five to ten years."

*Polyvinylidene fluoride





Unmatched Opportunity in China

A hub of investment and a turbocharged market, China is now the world's second-biggest economic power, taking the crown from Japan. Many leading South Korean and Japanese technology or automotive businesses outsource their production to China. All global operators have offshored their production there.

"A producer of intermediate goods, Arkema has expanded in China to support our customers, who have moved into the country," explains Dominique Namer. Hence the sharp upswing in our production capacities. Demand is unflagging. In the high-end automotive niche, China has become Arkema's top market. Spurred by smaller, lighter and thus more fuel-efficient cars, the automotive industry is poised to become a major market for Arkema. Our future will depend on ultra-high-performance plastics such as specialty polyamides. In both electronics and sporting goods, many Chinese contractors will continue to work for the sector's Japanese and South Korean heavyweights, who are Arkema customers. The textile industry will remain a key market, especially for hydrogen peroxide, used for bleaching.

The outlook remains excellent in China, for now and the foreseeable future. It is also bright in other Asian countries: even though not as strong as China's, their growth is two to four times higher than that of the United States or Europe.



Listen to the phone interviews of our managers in Asia

www.arkema.com/inspirations

Talent Plus Inspiration

ARKEMA IS GROWING FAST AND JUGGLING A SLEW OF PROJECTS. TO SUPPORT THIS CHANGE, NEW HIRES NEED TO HAVE IDEAS, GOOD TECHNICAL BACKGROUNDS, BE ABLE TO PUT THEIR IDEAS INTO PRACTICE, AND GET RESULTS.

“Arkema attracts talent in France and other countries, while remaining faithful to our founding values: simplicity, solidarity, performance and responsibility.”

Dominique Massoni /
Vice President,
Human Resources
Development and Internal
Communication

When we hire, we put a lot of stock in applicants' openness to other cultures and their ability to work in a team and problem-solve.

Every employee, whether working as a senior manager, engineer, researcher, maintenance technician or safety inspector, must be able to suggest ideas and solutions, fit into Arkema culture and believe in – and even shape and support – our purpose.

A High-Tech Company

It takes more than a solid technical background to work at Arkema. Certainly technical expertise is required, but our employees must also, and most importantly, be able to look at things objectively, understand industry issues and challenges, and see the big picture.

We are interested in all experience levels, beginners to veterans, and advancement at Arkema can sometimes be quite fast. “We’re not a behemoth and there isn’t a set of hoops to jump through to move ahead in your career.” explains Dominique Massoni, Vice President, Human Resources Development and Internal Communication.

To recruit the most experienced people, we use standard tools to spread the word about our openings, usually our Web site (www.arkema.com). “If we find the skills we’re looking for in a disabled applicant, we can adapt and make accommodations. But we will demand just as much of that employee as we would of any other.” says Catherine Mauron, head of Arkema’s Disability Task Force.

Globally, each local Human Resources Department does its own recruiting, using shared tools such as job offer postings on the Internet. The one exception is the most senior positions: a subsidiary CEO, for example, will be recruited by corporate headquarters.

Ties with Top Educational Institutions

Arkema pursues many avenues for cultivating close relations with different educational institutions. In France, the list includes general engineering schools such as *Mines de Paris*, *École Centrale* and *École Polytechnique* and chemical engineering schools such as *Chimie Paris*, *École Supérieure de Physique et Chimie Industrielles (ESPCI)*, *École Nationale Supérieure des Industries Chimiques (ENSIC)* and *École Européenne de Chimie Polymères et Matériaux (ECPM)* at the *Université de Strasbourg*. It also includes business schools and universities in France and other countries. “We participate in events and job fairs, deliver presentations and make extensive use of pre-recruitment resources such as final year or PhD internships and apprenticeship contracts. It’s a way to attract strong applicants, introduce them to Arkema and chemical occupations, and try them out in the field. In R&D, partnerships with university research laboratories allow us to cement our reputation and raise our profile.” stresses Perrine Grillard Millereux, head of Recruitment and University Relations.

At the same time, Arkema targets high schools, post-secondary technical schools (*BTS*, *IUT*, *DUT* certificates or diplomas) and universities. “We hold regular meetings and job fairs there, where we publicize our internship opportunities. That way we can bring on board young people who may make up the talent pool for our future hires.” Catherine Mauron says with satisfaction.



Watch "Their stories"

www.arkema.com/inspirations

GLOBAL REACH



Asia

It's not always easy to hold on to your new hires in China. Arkema uses training, attractive compensation and opportunities for career advancement as inducements. We have formed partnerships with Chinese universities and high schools and recruit recent graduates and more experienced candidates via the Internet. "However, to land certain high-level managers or engineers, we go through headhunters. And it doesn't make much difference whether new hires studied in China – which offers quality education – or abroad. Unless, perhaps, they speak excellent French!" comments Willie Ye, Vice President, Human Resources & Communication, Arkema (China).

United States

Hiring the right person can make all the difference. "It's important to match the personality of applicants to the culture of Arkema, a young, accessible, adaptable company," explains Chris Giangrasso, Vice President, Human Resources & Communications at Arkema Inc. Arkema enjoys a growing positive reputation at universities, which helps us find recent graduate applicants more easily, despite the fact that competition for engineers with real expertise is still fierce in the United States.



PERSONAL ACCOUNT

The Advantage of an International Background

At the tender age of 25, Denis Kato de Almeida already has an impressive résumé. The young process engineer at the Jarrie plant near Grenoble, France, began his studies in Brazil before moving on to the *Institut Supérieur de Technologie (IST)* engineering school and *École de Chimie de Paris* chemical engineering school. "I then applied to several companies for a work-study placement. Arkema was the most responsive and rapid and had the most efficient recruiting process. It included an interview with a specialized firm and the Human Resources Department, a plant tour and a chance to talk with an engineer. I was accepted before some other companies had even contacted me." explains Denis. Arkema sponsored him on a work-study placement during his studies.

The young chemical engineer's eight-month internship at the Lavera facility in southern France led to his hire as soon as he graduated. His dual technical expertise as an engineer and chemist, combined with his international background, were a good match for the talents desired. "I can adapt to different environments and different countries. That's an asset for a process engineer, a job that requires a lot of travel." he says.



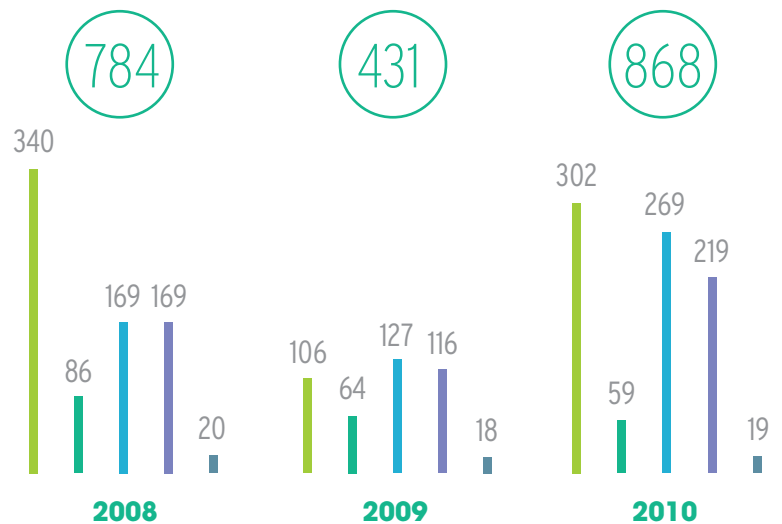
An American in Paris

Marketing specialist Matt Crans joined Arkema in 2007 in the United States. The 24-year-old first plied his skills at Altuglas International, an Arkema subsidiary specializing in the production of acrylic resins and sheets. He quickly stood out for the quality of his work and soon advanced to a manager position at the Company, in its construction finish coatings business. Today, after three-and-a-half years of experience in the United States, Matt is moving to the head office of Altuglas International, in the Paris region of France. "I will help develop new markets for resins in Europe, especially in the medical device and chemical-resistant packaging sectors." His next step: learning the language of Molière!



CONTINUED STRONG HIRING

Permanent hires by region



France / Rest of Europe / North America / Asia / Rest of the World

Vagaries of the business cycle notwithstanding, Arkema is always hiring. 2011 is shaping up to be especially productive for the company: plants are operating at full capacity, R&D is expanding and we have a bumper crop of industrial projects. The workforce is being built up to support this sharp growth.



Safety in Motion

4.8

Total recordable
injury rate 2011 target

THE REVITALIZED SAFETY IN ACTION PROGRAM IS GETTING OFF TO FRESH START, BASED ON 14 BASIC RULES.

Arkema's new slogan, "Safety Always in Mind," is especially apt for a topic that is a constant focus of attention and action. Of course, we were committed to safety long before 2010. As soon as the company was created in 2004, we set up a dedicated safety program. However, when our safety performance began to level off over the years, we needed to revamp our approach and program.

Shared Dedication and Awareness

Getting personally involved, changing behaviors and talking about safety often and freely is something anyone can do, anywhere. Our new, galvanized safety push deploys newly designed communication tools, including four-meter-high totem signs at plants where targets and results are prominently displayed, manuals handed out

by managers to all employees, and videos about specific safety topics. At the top, the Executive Committee is especially involved, each member in rotation discussing safety in videos or print interviews available on our Intranet site.

The program's linchpin is a list of 14 *Essentials*, or safety basics. "When it comes to safety, a number of guidelines, very simple but nonetheless critical rules, must be followed uncompromisingly. That's what we mean by having *safety always* in mind." drives home Jean Morch, Vice President, Safety and Environment.

Rules Applicable to All Plants

Practically speaking, three campaigns are conducted each year, focusing on a different *Essential* (or topic) in turn. However, strict application of each of the 14 rules assumes that



Watch "Safety always
in mind"»

www.arkema.com/inspirations

certain prerequisites are already in place. Our safety teams have therefore launched an action plan to bring us in line with these technical preconditions, which are identical across Arkema, in France and elsewhere. For example, obeying road traffic rules, the first *Essential*, requires that such rules be clearly defined, known and posted. All of our plants reassessed whether or not they had enough pedestrian crossings and whether their parking spaces were clearly marked. Training was offered on site.

Setting an Example and Pointing Out Potential Problems

Managers are strongly committed to and involved in Arkema's safety program and are its champions. To move safety culture forward, *High Points* videos telling stories about safety situations at plants are shown at department and management meetings. "We've used *High Points* to publicize our *Essentials* so that safety rules are not forgotten." explains Jean Morch.

Implementing safety rules also assumes that daily behavior is consistent with the building blocks of a safety culture: setting an example and taking responsibility for pointing out potential problems. "When I see a coworker ignore a rule, I must point it out to him in a non-critical way. I have to make sure that he doesn't jeopardize his own safety." Those sentences should be permanently engraved in the mind of every Arkema employee. A transformation of our culture is in motion, for the safety of all.

"We want to build a very solid safety culture, step by step, one *Essential* after another."

Jean Morch / Vice President,
Safety and Environment

THE 14 ESSENTIALS

"Safety Always in Mind" means making a personal and company-wide commitment to the uncompromising application of the *Essentials*. Some rules, such as cell phone use, are quite general, while others are more technical and specific to chemical plant operations.

- Road Traffic
- Restricted Areas
- Line Breaking Hazards
- Alcohol and Drugs
- Plant Operations
- Management of Change
- Maintenance Work Practices
- Wearing of Personal Protective Equipment (PPE)
- Electrical Risk
- Segregating Wastes
- Traffic and Movement in Warehouses and Storage Areas
- Plant Housekeeping
- Housekeeping in Buildings
- Cell Phones



Shareholder Notebook

2010

SINCE ARKEMA'S SPIN OFF IN MAY 2006, WE HAVE BEEN COMMITTED TO PROVIDING INDIVIDUAL AND INSTITUTIONAL SHAREHOLDERS WITH RELIABLE INFORMATION THROUGH CLOSE CONTACT AND TRANSPARENT DIALOGUE. IN 2010, OUR SHARE PRICE POSTED THE SHARPEST GAINS OF ANY STOCK IN THE SBF 120 INDEX OF MOST ACTIVELY TRADED STOCKS LISTED IN PARIS.

Giving Priority to Meeting with and Listening to Others

Besides the Web site www.finance.arkema.com, a 24/7 toll-free number in France, annual publications such as the Reference Document and Annual Report, and news releases and presentations concerning quarterly results, Arkema's senior management and Investor Relations team are stepping up contacts with the financial community each year. In addition to countless individual meetings with analysts and investors throughout 2010,

we took part in 18 days of roadshows in Europe and North America, an Investors Day in Paris on November 23, and seven industry conferences.

Our relations with individual shareholders have grown closer over the years, thanks in part to the Shareholders' Club created in November 2007. The club has about 500 members who are invited to tours, conferences and open houses. In addition, Shareholder Newsletters keep them posted on

our news, challenges and outlook, reporting not just on our financial performance and strategy, but also on our products and applications. Arkema also attends Actionaria, the European investor fair, each year to meet our shareholders and other individual investors.

2011 CALENDAR

- **May 24, 2011**
Annual Shareholders' Meeting
- **August 2, 2011**
Release of interim 2011 results
- **November 9, 2011**
Release of third-quarter 2011 results

CONTACTS

Mail: Arkema, Investor Relations,
420 rue d'Estienne d'Orves, 92705
Colombes Cedex, France

Telephone: +33 1 49 00 74 63

Fax: +33 1 49 00 50 24

Internet: www.finance.arkema.com

Individual shareholders

E-mail:
actionnaires-individuels@arkema.com

24/7: real-time share price, financial calendar, news and financial information

An individual shareholder advisor is available Monday to Friday, from 9:00 a.m. to 12:30 p.m. and 1:30 to 5:00 p.m. (GMT + 1).

Individual shareholders

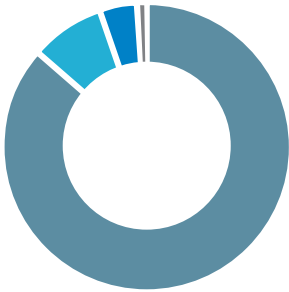
E-mail:
investor-relations@arkema.com

FACT SHEET FOR THE ARKEMA SHARE

- **Listing:** May 18, 2006
- **Market capitalization on Dec. 31, 2010:** €3.3 billion
- **Number of shares on Dec. 31, 2010:** 60,493,794
- **Free float:** 100%
- **Listed on:** Euronext (Paris) stock exchange
- **Indexes:** SBF 120, CAC MID 60, DJ Euro STOXX Chemicals
- **ISIN code:** FR0010313833
- **Ticker symbol:** AKE
- **Eligible for the Deferred Settlement Service (SRD) and French equity savings plans (PEA)**
- **Registrar:** BNP Paribas Securities Services
Les Grands Moulins de Pantin
CTS Emetteurs, 9, rue du Débarcadère
93500 Pantin, France
Telephone: +33 1 55 77 41 17
E-mail: paris_bp2s_arkema_actionnaires@bnpparibas.com

Share capital by type of investor

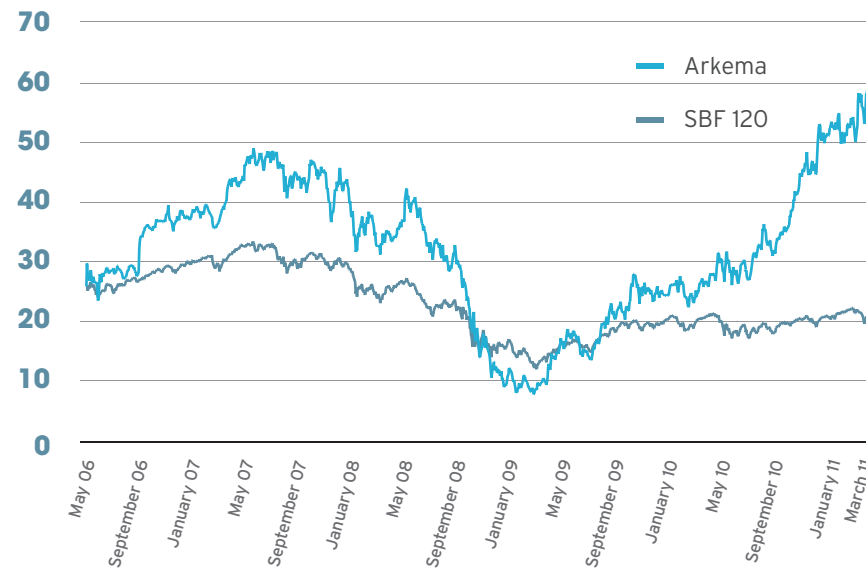
Situation at December 31, 2010



Institutional shareholders **86.5%**
Individual shareholders **8.4%**
Employee shareholders **4.9%**
Treasury stock **0.2%**

Share Performance since the spin off

Arkema share performances versus the SBF 120



Listing price: €27.50

Price on March 31, 2011: €64.09

High: €64.81

Low: €9.71

Performance since listing on May 18, 2006:

• Arkema: up 133% at end-March 2011

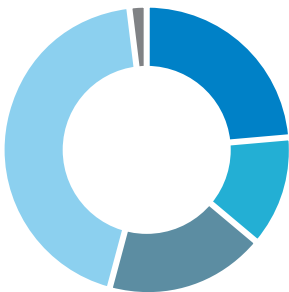
• SBF 120: down 16%

Average daily traded volume in 2010:

€9 million (versus €5 million in 2009)

Shareholder base by region

Situation at December 31, 2010



France **23.8%**
United Kingdom **12.3%**
Rest of Europe **18%**
North America **44.1%**
Rest of the World **1.7%**

Share Price (in €) and Change (%)

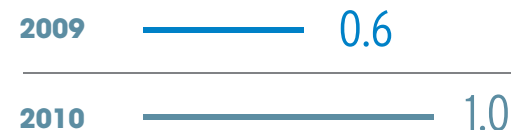
		2009	2010
Arkema	High	29.94	55.30
	Low	9.71	23.71
	Most recent price (closing)	26.00	53.87
	Annual change	+112.24%	+107.19%
SBF 120	Annual change	+23.73%	+0.06%

The rebound of the Arkema share that began in March 2009 continued in 2010. Our share outperformed the SBF 120 and posted the sharpest gain - up 107% - of any stock in the SBF 120 index of most actively traded stocks listed in Paris.

A Dividend of €1 Per Share

Shareholders at the May 24, 2011 Annual Shareholders' Meeting were asked to approve the payment of a dividend of €1 per share, an increase of 67% over the prior year period. The increase reflects the company's sharply improved performance and excellent cash flow. In the coming years, Arkema plans to pay a dividend that is either stable or represents a reasonable increase.

Dividend: **+67%** over year 2009 (€ per share)



The Chemical Industry Takes Center Stage

CHEMISTRY WILL BE ENJOYING THE LIMELIGHT ACROSS THE WORLD IN 2011. THE INTERNATIONAL YEAR OF CHEMISTRY IS A CHANCE FOR US TO HIGHLIGHT INNOVATIVE SUSTAINABLE SOLUTIONS THAT MEET THE CHALLENGES OF THE 21ST CENTURY.



To give the International Year of Chemistry a proper send-off, Arkema took part in the opening ceremony on January 26 and 27, 2011 at UNESCO headquarters in Paris.

A partner of the event, we attended alongside other industry operators to tell our story and answer questions from the public. In his address at the opening ceremony, Arkema Chairman and CEO Thierry Le Hénaff stressed the challenges to be met by the chemical industry, in particular global warming, access to safe drinking water, the energies of the future, husbanding fossil resources and finding ways to lighten materials. A corporate patron of the French science museum *Palais de la découverte*, affiliated with the Universcience science and technology portal, we are exhibiting our latest innovations throughout 2011 in the high-tech laboratory we have set up there. Elsewhere in France, our Common Ground® initiatives continue to introduce our stakeholders to Arkema.

The Art of Materials: Four Installations in Four Cities

Coinciding with the UNESCO-sponsored year's official launch, French chemical producers kicked off *L'Art en la matière*, or The Art of Materials. Works of art were simultaneously exhibited in the city centers of four major French cities, Paris, Marseille, Lyon and Lille. Each had its own theme: recycling for Paris, renewable energies in Marseille, air quality in Lyon and plant-based chemistry in Lille. Although the installations were put up in one night so that they could be unveiled to the public on January 27, 2011, they required a lot of preparation. Besides the four artists who created the works, employees from



the chemical producers served as ambassadors, spelling one another over the three or four days the installations were on exhibit. It was a chance for them to chat with the public about the chemical industry's role in the world. Arkema participated in the event by sending 50 ambassadors to the four exhibition sites.

In Paris, thousands of plastic bags were fashioned into roses exhibited on the mall in La Défense. *Rosae Plasticae*, an art work by Marie-Hélène Richard, "symbolizes humankind's desire to recycle all the materials created by our activities that nature cannot assimilate." The plastic bags had been collected in the summer of 2010 by chemical industry employees. In Lille, the designer Vincent Leroy staged a field of grass made of Altuglas® acrylic glass: "*Champ mécanique* [Mechanical Field] contrasts nature and the material Altuglas®." It illustrates the principle of plant-based chemistry and the chemical industry's efforts to develop bio-based materials by replacing petroleum carbon with carbon from biomass. Marseille hosted Shigeko Hirakawa's art installation of photovoltaic panels generating a source of light. "*Héliophore* symbolizes the fusion of nature and the new technologies developed by humankind." These technologies use products and solutions such as Arkema's Kynar® fluoropolymer to improve the performance of a number of alternative energy sources. Lastly, Lyon was treated to the *Sph'Air* experience, conceived by Stéphan Bohu and Marie-Hélène Richard as a light, mobile world made up of spare white spheres that floated up from and alighted on the ground with the play of breezes or the movements of people walking by. "A poetic, playful experience for the senses, meant to spark awareness of something that surrounds us and yet is invisible: air, a vital element to be protected." The installations can be seen at www.l'artenlamatiere.fr.

Putting Chemistry into Words

In November 2010 in preparation for The Art of Materials and International Year of Chemistry, the some 178,000 people employed by the French chemical industry were invited to take part in a quotation contest. They were asked write something capturing the essence of chemistry. Between 500 and 600 entries were submitted, many of them from Arkema employees. One of the top three quotations selected by the judges' panel was written by Catherine Savary, an engineer at Arkema's R&D center in Serquigny: "Chemistry is a jigsaw puzzle that, put together correctly, creates the most beautiful of pictures."

Arkema, a Responsible Corporate Citizen

Common Ground® is a public outreach initiative of our production sites and R&D centers. Its purpose is to familiarize people with Arkema's activities, business lines and products. The initiative, which dates from 2002, was stepped up to celebrate this special year. Arkema hosted open houses, plant tours, public information meetings, exhibitions, safety days and meetings at schools, supported local associations and celebrated plant anniversaries. Common Ground® initiatives were sometimes even paired with other events, such as *Semaine de l'industrie* [Industry Week] or *Fête de la Science* [Science Festival] in France. It wouldn't do to let the International Year of Chemistry go by without the fanfare it deserves!





ARKEMA, A CORPORATE PATRON OF THE PALAIS DE LA DÉCOUVERTE SCIENCE MUSEUM

A *Palais de la découverte* partner since 2009, Arkema decided to celebrate the International Year of Chemistry in France's temple to science, which has left its mark on several generations of inquisitive visitors. We scheduled five highlight events there throughout 2011. Arkema set up a high-tech educational lab dubbed "Amazing Chemistry" at the museum, featuring demonstrations involving four themes inspired by recent innovations: "The Secret Bonds of Molecules," "Growing Plastic," "Solvent-Free Paint" and "Unsuspected Alternative Energy Resources." Visitors to the museum discover the mystery of self-repairing rubber and the capabilities of reversible bonds, among other revelations. The lab gives young people and school field trips a fun, interactive glimpse of chemistry and its contribution to everyday life. Next step: setting up a permanent exhibit dedicated to chemistry, which will open in late 2012.

MISSION IN CARBON CITY

The fifth high point of our involvement is the role-playing game "Mission in Carbon City," in which players become a reporter investigating the challenges of chemistry and the environment. It is an educational game designed by the Axelera competitiveness

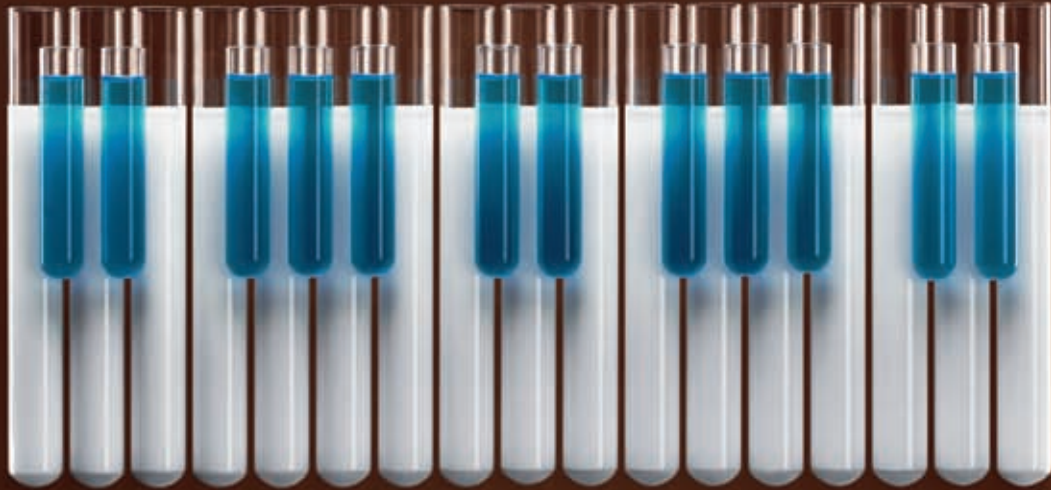
cluster, of which Arkema is a founding member. The game has been making the rounds in Rhone-Alps region middle schools since 2010, providing students with the scientific knowledge every educated citizen needs. It made perfect sense to celebrate the International Year of Chemistry through Mission in Carbon City's investigation of different venues open to the public, including the *Palais de la découverte* science museum. The first exhibition period ran from February 24 through March 15 and will be followed by two others in the spring and summer.

CHEMISTRY HITS THE ROAD WITH THE CHEMICAL WORLD TOUR

This may come as a surprise, but the International Year of Chemistry 2011 actually kicked off in 2010. That is when *Union des industries chimiques* (UIC), a French trade association for chemical companies, and *Fondation internationale de la Maison de la Chimie*, an umbrella group for French chemical engineering associations, partnered with the news agency CAPA Entreprises to launch the Chemical World Tour (CWT). Five students produced a series of news reports to publicize chemistry's role as an engine of the sustainable development. The tour also explored the various career paths and opportunities offered by the chemical

industry. "Arkema reporter" Jorge Ballester investigated smart materials. He set off for King of Prussia, near Philadelphia in the United States, to find out about fluoropolymers. Jorge visited our R&D center there, which works on green chemicals. His report focused on photovoltaic solar applications that use fluoropolymer films, which are more light permeable than ordinary films. "Tapping nature is the way of the future," said Jorge during his news clip.

After Philadelphia, the scene shifted to Alsace in France, specifically Piezotech, an Arkema subsidiary specializing in the development of electroactive fluoropolymers. These polymers undergo electrical polarization under mechanical stress, and conversely change size or shape when stimulated by an electric field. Because they can convert an acoustic wave to electricity and *vice versa*, they can be used in microphones, cell phone loudspeakers, sonar devices and automobile obstacle detectors. Medical applications include sonography requiring ultrasound wave emission and detection and certain ultrasound therapies.



TODAY OUR CHEMISTS COMPOSE TOMORROW'S MATERIALS.

To meet the challenges of the 21st century, more than 50% of Arkema's research budget is dedicated to developing sustainable solutions for renewable energy, water management, composite materials and biopolymers.

Arkema, a global chemical company and France's leading chemicals producer.

www.arkema.com



Arkema

more...

... Multimedia

See the dedicated
2010 Annual Report site



www.arkema.com/inspirations



... Accessible

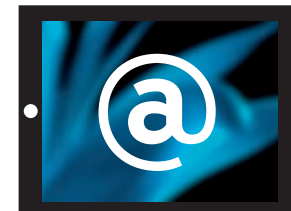
Use your smartphone to access
the mobile Web site

First, download the driver at <http://2tag.fr>
using your cell phone, then scan this QR Code



... Innovative

Use your tablet to read the
interactive version



www.arkema.com/inspirations


ARKEMA
The world is our inspiration