

# Inspirations

Arkema / 2009 Annual and Sustainable Development Report



SHAPING  
THE CHEMISTRY  
OF THE FUTURE

FOR FURTHER  
INFORMATION

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EXPERTISE  
Conversation



**ARKEMA**

The world is our inspiration



## WE'RE DEVELOPING CHEMISTRY THAT MAKES THE SUN EVEN MORE POWERFUL.

To draw from the clean and abundant supply of solar energy, Arkema developed Evatane® and Kynar®, two innovative polymers that boost the power output and prolong the life of photovoltaic panels. Arkema, a global chemical company and France's leading chemicals producer.

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Like the rest of the global chemical industry, in 2009 Arkema dealt with an unprecedented economic crisis, characterized by a steep plunge in volumes. We demonstrated our ability to stay afloat in an extremely tough business environment. I am grateful to all our teams, who proved more than capable of rising to the challenge. This unfavorable environment adversely affected the Arkema's results for the year, but by sharply curtailing fixed costs and working capital, we maintained a very solid financial position, generating a positive cash flow and one of the lowest net debt-to-equity ratios in the industry. I firmly believe we will come through this period stronger than ever. We did not focus solely on crisis management. We also continued our company's sweeping transformation and stayed the course set at the time of Arkema's spin-off in 2006, strengthening our positions in Asia, speeding up product innovation, and moving our portfolio toward a more coherent, better integrated and more competitive mix of businesses.

We markedly improved our position in Asia, maintaining a high rate of investment in China. Asia's share of our sales has climbed from 13% to 18% in four years and is expected to reach 22% by 2014.

We also didn't let up on our research, which focuses on developing emerging technologies, specifically eco-technologies and high-performance polymers. As a result, we made promising strides in alternative energies, like solar photovoltaics and lithium ion batteries, and in water treatment and composite materials.

The acquisition in 2009 of a portion of Dow Chemical's acrylic monomer and acrylic emulsions operations in the United States was a major milestone in Arkema's transformation.

This transaction – \$450-million of sales – continues the acrylics expansion that began with the acquisition of Coatex in 2007, and makes us the third-largest global and second-largest U.S. acrylics manufacturer.

Although we remain cautious about the economic environment, we are very confident in our ability to sharply improve our financial performance from 2009. We will benefit from both higher volumes and the effects of our cost-cutting push. New products developed through R&D and the integration of our acrylics acquisition will also drive improved performance. In 2010 Arkema will close the first chapter a history that began with our spin-off in 2006. We have surpassed all our financial targets and changed the shape of the company. Today we are embarking on a new phase, with the aim of quickly becoming an industry leader. By continuing to adjust our regional positions and strengthen our product lines and by speeding growth in emerging technologies, we aim to achieve an EBITDA margin of 13.5% in 2014.

**Thierry Le Hénaff, Chairman  
and Chief Executive Officer, Arkema**



flashcode



web





# Corporate **PROFILE**

What's essential to everyday life, inseparable from sustainable development and vital to industrial progress? The answer is chemicals, of course. Let's discover Arkema, France's leading chemicals producer.

**4,444**

Sales (€ millions)

**310**

EBITDA (€ millions)

**13,800**

Employees

**80**

Production plants

## Arkema chemicals are at the heart of sustainable solutions

Not only is Arkema the top chemicals producer in France, we are a major player globally. Present in a wide range of industrial sectors, we are organized into three business segments — Vinyl Products, Industrial Chemicals and Performance Products — with a view to expanding our portfolio of businesses internationally. In 2009, we posted sales of €4.4 billion and employed a workforce of 13,800. Our secret: the world is our inspiration. Environmental stewardship and sustainable development are the keys to the future in this ever-changing world. And the chemical industry will make the difference by bringing practical solutions to the planet's challenges. That is why we emphasize R&D so heavily. Arkema has seventh research centers worldwide — four in France, two in the United States and one in Japan — where more than 1,100 researchers are dedicated to inventing tomorrow's world. The importance of their contribution is mirrored in the R&D budget: nearly €150 million annually, half invested in "green-chemistry" projects. Our efforts are concentrate in two areas of innovation: ultra-

high-performance polymers and sustainable development solutions. To achieve reliable results quickly, we work through a dedicated organization that we call "the incubator." We are definitely focused on the long term. Our strategy is based on three strongly held beliefs: growth through innovation, targeted expansion in Asia, and active management of our portfolio of businesses. However, Arkema is also and most importantly a responsible corporate citizen that recognizes and represents our stakeholders' expectations.

**"Every day, our employees meet the challenge of providing innovative solutions that support sustainable development."**

Environmental risk and impact management, product stewardship and employee dialogue are directed toward supporting the company's transformation and reaching out to all society's stakeholders.



## 3 business segments and 14 business units

Arkema is a leading European supplier of chlorochemicals and PVC. Our Vinyl Products business segment is integrated across the value chain, from brine electrolysis to PVC processing. Vinyl Products comprises four business units: Chlorine/Caustic Soda, PVC, Vinyl Compounds, and Pipes and Profiles (Alphacan). Arkema is also a world-class producer of industrial chemicals. Seven business units make seven product lines: Acrylics, Specialty Acrylic Polymers (Coatex), Emulsions, PMMA (Altuglas International), Thiochemicals, Fluorochemicals and Hydrogen Peroxide. The secret of our success: global and high potential production hubs.

2009 in motion.

Discover the interactive version of our annual report on

[www.arkema.com/inspirations](http://www.arkema.com/inspirations)



Lastly, our Performance Products business segment consists of three business units: Technical Polymers, Specialty Chemicals (Ceca) and Functional Additives. Performance Products features breakthrough technologies and product brands that are recognized around the world.

Countless growth markets!

Although you don't see Arkema products, they are there, usually anonymous, tucked into every corner of your daily life.

The list of applications is long and includes construction and public works, automotive and transportation, energy, electronics, packaging, coatings and adhesives, paper, sports and leisure, health and personal care, environmental protection and animal feed. Arkema is everywhere.

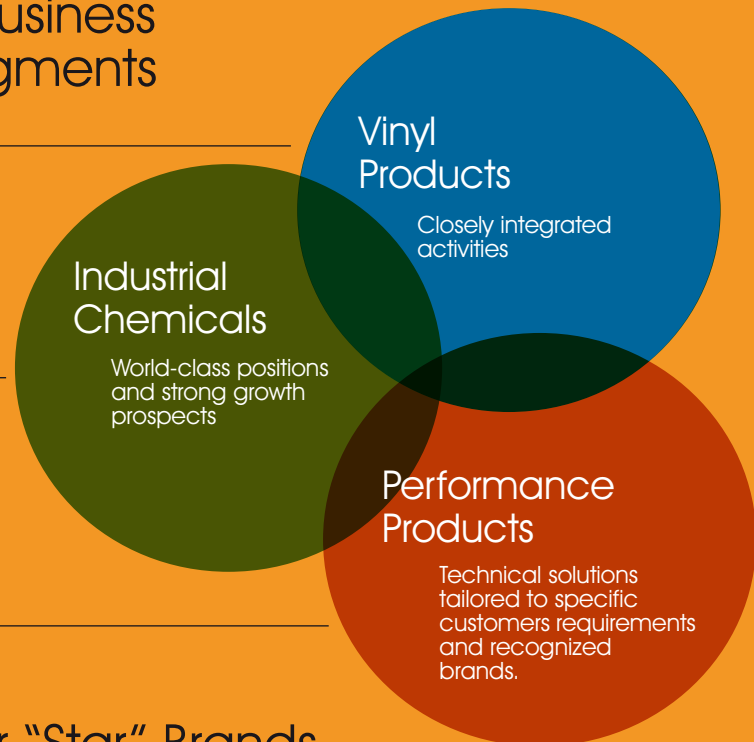
Our two biggest markets are the chemical and construction industries, each accounting for 15 to 20% of our sales.

Automobile manufacturing, electronics, packaging, coatings and adhesives, and industrial equipment are also strong markets, accounting for 5 to 10% of our sales each. Other markets generating less than 5% of our sales but are growing steadily, including energy, paper, the environment, health and personal care, and sports and leisure.



## COMPANY SNAPSHOT

### 3 Business Segments



### Our "Star" Brands

#### Vinyl Products

JARYLEC / JARYTHERM / LACOVYL / LUCALOR / NAKAN / NAKANPRENE / THERMOGOAL

#### Industrial Chemicals

ALBONE / ALPAMINE / ALPURE / ALTUGLAS / AZOBUL / CARELFLEX / E-PURE MSA / EVOCAR / FORANE / NEOCAR / NORSOCRYL / PEROXAL / PLEXIGLAS / POLYPHOBE / RHEOTECH / SCALEVA / SOLARCOTE / SPOTLEAK / UCAR / VALSTERANE / VULTAC

#### Performance Products

BIOMET / BIOSTRENGTH / CECABASE / CERTINCOAT / CLEARSTRENGTH / DURASTRENGTH / EVATANE / FASCAT / KYNAR / LOTADER / LOTRYL / LUPEROX / OREVAC / ORGASOL / PEBAX / PLASTISTRENGTH / PLATAMID / RILSAN / SILIPORITE / THERMOLITE

#### R&D Incubator

APOLHYA, BLOCBUILDER, GRAPHISTRENGTH, NANOSTRENGTH, OXPEKK, REVERLINK





# BEST of 2009



## January 12

Mizuno chooses Pebax® Rnew resin for its new collection of running shoes. Its patented Wave Technology takes a leap forward with Arkema's biosourced thermoplastic elastomer, offering runners impact resistance, shape memory and vibration absorption.

## February 6

Arkema acquires Oxford Performance Materials, adding polyether ketone ketones (PEKK) to our slate of ultra-high-performance materials. PEKKs open up the way for major innovations in medical applications, in aerospace applications and in oil and gas exploration.

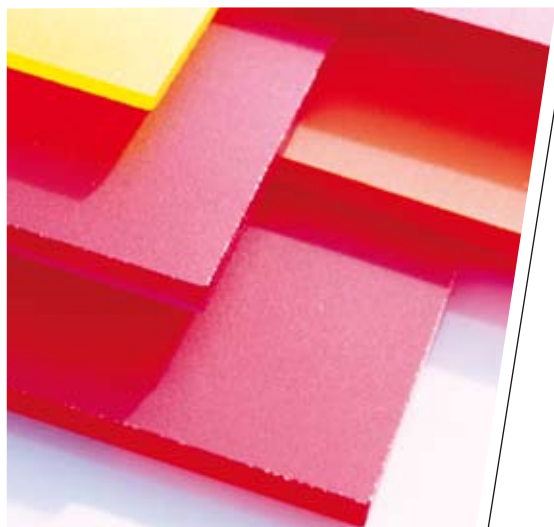


## April 18

Arkema lays the cornerstone of a new production plant in Changshu, China, chosen as the site of a world-class facility dedicated to the manufacture of polyvinylidene fluoride (PVDF). Starting up is scheduled for the first half of 2011.

## May 27

Reverlink® self-healing rubber is now produced on a semi-commercial scale in Feuchy, in northern France. The production unit has an annual capacity of 100 metric tons — an impressive feat for our supramolecular chemical operations.



## June 25

We decide to strengthen our methyl methacrylate (MAM) business by concentrating production in Rho, Italy, by shutting down the production of MAM in Carling and by reorganizing the production of polymethyl methacrylate (PMMA) sheet in Bernouville, France.

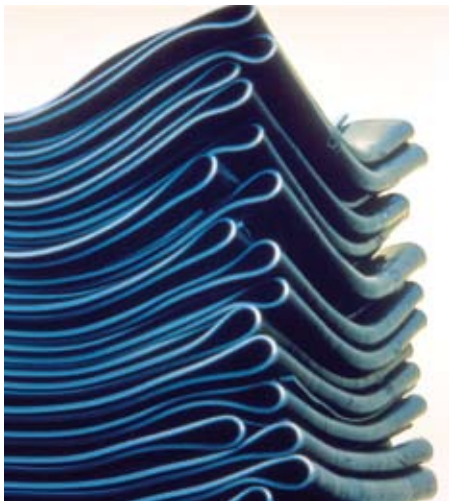
## July 28

Arkema subsidiary Coatex invests in a specialty acrylic polymers production unit in Changshu, China. It is expected to operate at full capacity to serve Asia's fast-growing paint, mineral processing, construction and paper markets.



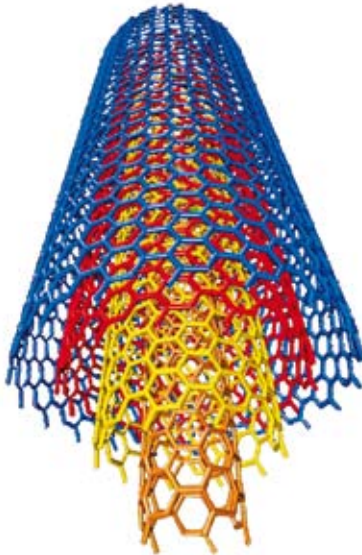
## August 24

Arkema launches Kynar® Aquatec FMA, an eco-friendly, cost-effective cool-roof coating. This water-based emulsion coating reflects the sun's rays and withstands both UV radiation and inclement weather, keeping you comfortable inside.



## September 4

Arkema innovates with Apolhya®, a new family of nanostructured thermoplastics combining flexibility, thermo-mechanical stability, chemical resistance and adhesiveness.



## September 18

We announce the construction in Mont, France, of a new, cutting-edge carbon nanotube pilot facility, which will have a capacity of 400 metric tons a year.

## October 19

Our Cecabase® RT additive for green road coating wins glory and the top prize. It snagged not one, but two, 2009 ICIS Innovation Awards, for Best Product Innovation and Best Overall Innovation.

### EVENT



## August 3

Arkema makes the grade as the world's third-largest acrylics producer. We owe our top-tier position to the acquisition of certain acrylates and latex assets from Dow Chemical in the United States. Acrylics will soon account for 20% of our sales.



## December 14

Arkema partners with the *Palais de la découverte* science museum in Paris, which is adding a new 1,500 square-meter gallery. Starting in 2012, children and adults will be able to embark on an "exploration of the world of matter and energy."

## December 17

Anhui Hwasu Co., Ltd, a subsidiary of China's Huabei Mining, acquires license to use an Arkema PVC production process. Its goal is to produce one million metric tons each year, which will make it the world's biggest PVC plant.





# Spotted **FOR** you

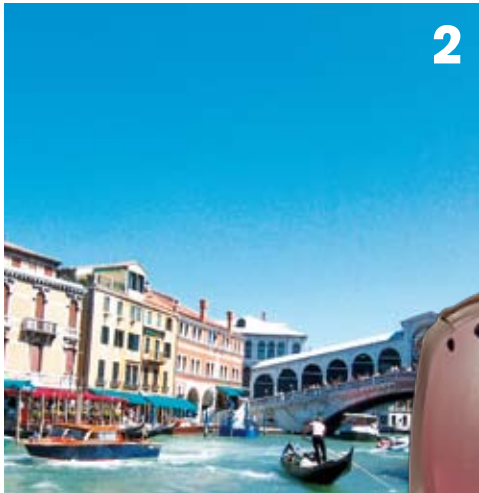
All of the objects in our daily lives have secrets hidden at their core. And often one of these secrets happens to be the innovativeness of Arkema, which invents the materials of the future. For you, we point out lies beneath the surface.



## 1. **FLASH**, from Scarpa

is the first ski boot made of Pebax® Rnew biosourced thermoplastic elastomer.





- 2. ACTICARBONE®** Milan and Venice treat their drinking water using the eco-responsible Acticarbhone® treatment.
- 3. SMITH OPTICS'** new Evolve collection of ski and outdoor glass frame models are made entirely of Rilsan® Clear Rnew polyamide resin.
- 4. ALTUGLAS®** Mexico's Papalote Children's Museum is clad entirely in fluorescent orange, green and blue Altuglas® resin.
- 5. KYNAR® HSV 900** Lithium ion batteries owe their performance to a brand new binder, Kynar® HSV 900 resin, which supports perfect electrode adhesion.
- 6. STEGEMAN** The imposing dome-shaped roof of the University of Georgia's Stegeman Coliseum has a coating based on Kynar® Aquatec resin that can withstand any weather.
- 7. ORGASOL®** Make-up becomes active when its formula contains ultra-fine Orgasol® Hydra+ or Orgasol® Restore powders.

## 8. SUNSCREENS

The Orgasol® Caresse water-based formula lightens the texture of your sunscreens and makes them easier for skin to absorb.

## 9. SILMO D'OR

Tango eyeglasses for children, marketed under the Julbo brand, won the 2009 Silmo d'Or technology and fashion award for their frames, made of Rilsan® Clear and Pebax® resins.

## 10. EVATANE® AND KYNAR®

A roof on the Arkema Serquigny plant in Normandy, France, comprises 1,350 square meters of photovoltaic solar panels partly made of Evatane® and Kynar® technical polymers.

These solar panels will deliver 162 MWh of power each year.

## 11. RILSAN® HT

In many engine parts under the hood, the metal has been replaced by biosourced Rilsan® HT polyamide 11 resin, which can withstand temperatures of up to 170°C.

## 12. ALTUGLAS® CS

This Poolspa bathtub model, seen at the international ISH Bathroom Experience trade show in Frankfurt, is made of Altuglas® CS resin.





## 13. GLYCEROL

This acne-free complexion and dandruff-free scalp owe their perfection to Cereese, an innovative antimicrobial made from glycerol.

## 14. PEBAX® RNEW

Mizuno's new Wave Technology collection of running shoes is based on the Pebax® Rnew biosourced thermoplastic elastomer.

## 15. KYNAR® AQUATEC

The roof of the North Shore Congregation Israel synagogue in Chicago will stay as good as new for 15 to 20 years thanks to a Kynar® Aquatec resin-based coating.

## 16. KERCOAT® AND OPTICOAT®

treatments make glass bottles shatterproof and scratch resistant and are increasing the life and recycling rate of returnable bottles.





**Ex***pertise*



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# CONVERSATION

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The very nature of the chemical industry requires a variety of expertise.

From development through marketing, our businesses draw on a host of different, but complementary, chemical specialties during each phase in the life cycle of products. Everything starts with research, which labors to get the best out of matter. Processes then define the industrial configuration of plants, before they are built to the highest standards. Production is responsible for product quality and facility safety. And application engineers provide a vital link with customers, factoring in their needs and optimizing applications.

But the work of chemists would come to naught without the contribution of other, vital experts. Process Safety keeps a constant watch on production unit reliability and risk reduction. Prevention ensures the safety and protects the health of people working at industrial facilities. Toxicology and Ecotoxicology assess the potential impact of chemicals on public health and the environment. Maintenance keeps the facilities in good working order, while Logistics optimizes packaging and distribution channels.

## Combining expertise

Diversity of expertise is a cornerstone of our identity. Like the people we will soon meet, all Arkema experts are working toward the same goal – to conduct our operations safely and efficiently, adapt to change, and meet society's legitimate expectations.

- Francis Humblot, Sébastien Nicolas, Ramy Bscheer and Alan Koo are part of the Careflex® team – experts in the maintenance of petroleum product sulfur recovery units used by the refining industry the world over.
- For several years now, Leendert Marijs and Carel Braackman have successfully combined their skills and expertise to improve safety at Arkema's Vlissingen production site in the Netherlands.
- Nathalie Julien, hired in 2007 to beef up the teams in charge of product safety, helps register the 430 Arkema chemicals subject to the European Union REACH regulation.

## FOCUS

Anticipating regulatory changes and emerging markets, continually upgrading the performance of materials, and developing sustainable solutions drives us to continually add new, complementary skills and capabilities that strengthen our position as France's leading chemical producer, with global reach.

# The CARELFLEX know how

The Careflex® brand is known across the global refining industry as a package of highly technical catalyst disulfiding services using dimethyl disulfide (DMDS) in fuel purification units.

## FOCUS

### IN BRIEF

Fuel desulfurization, the final step in refining, employs a process called hydrotreating. Hydrotreating uses catalysts — specifically nickel, molybdenum and cobalt oxides — that have to be activated by an agent, DMDS, which is handled by Careflex® teams.

#### **Francis Humblot**, Research Engineer

*Francis has been global manager for DMDS technical assistance since 2006, after working as a development engineer between 1997 and 2006.*

“Careflex® is a technical assistance service for refiners, delivered at their fuel purification plants. I’m responsible for the classroom instruction and training for new technicians. Because regulations classify DMDS as flammable and harmful, the technicians must know everything about DMDS and safety procedures in order to handle it properly. It’s a fundamental aspect of the service we offer. They must also be proficient in operating procedures, especially flow and temperature parameters and how these change as the chemical is injected.

New technicians then receive hands-on training in the field, supervised by experienced technicians, to acquire the expertise they need to assume responsibility for jobs. I don’t use the word expertise lightly here, because the Careflex® service team must be able to act as full-fledged consultants to the refinery engineers.

Our teams are certified ISO 9001 and my job is to ensure the quality and proficiency of the Careflex® service.”

#### **Sébastien Nicolas**,

Careflex® Sales Manager, Europe

*Sébastien has coordinated European sales and marketing for the Careflex® service since 2008, after holding various other marketing positions at Arkema.*

“The success of the Careflex® service has been building for 15 years, spurred by regulatory changes that require lower and lower fuel sulfur contents. Sulfur content was slashed in the European Union on January 1, 2009 from several hundred parts per million to 10 ppm and has been set at 15 ppm in the United States since 2006. Since the implementation of fuel sulfur content specifications, the amount of acid rain has decreased sharply in Europe and the United States. Similar regulations are gradually being

introduced in India, Brazil and Russia. The increasing size of purification units and shorter catalyst replacement cycles have created strong demand for DMDS. In 2009, the Careflex® Europe team was called several times to the world’s biggest refinery, operated by India’s Reliance in Jamnagar. More than 600 metric tons of DMDS were used there. Worldwide the number of jobs completed has soared from ten in the ‘90s to more than 300 today.”





**Ramy Bsheer**, Careflex® Mission Leader,  
Middle East team

*Foreign climates and cultures, Careflex®  
can adapt to anything.*

"Flexibility and adaptability are the hallmarks of the Careflex® service. We're available 24/7, and have to be flexible to deal with last-minute scheduling changes by plant operations. In the Middle East region, you have to understand the subtleties of local culture, while being able to work in temperatures of nearly 45°C."

**Alan Koo**, Sales Manager, Asia

*Careflex® is gaining ground in Asia,  
where it is enjoying its strongest growth.*

"The growing industrialization of the Asia-Pacific region and ever tougher environmental requirements are spurring the growth of the Careflex® service in this part of the world. Every year, we carry out an average of 40 operations, compared with just two when we started in 1998. In Asia, as elsewhere, the Careflex® service is widely recognized and appreciated by the refining industry and is recommended by catalyst suppliers and engineering consultants."

## Arkema's offer

The world's leading DMDS producer, Arkema offers a complete delivery system — tank truck, mobile pump, mass flowmeter, dry disconnect hoses, hydrogen sulfide detector — and proven handling and injection procedures.

## DMDS Evolution

Like most sulfur derivatives, DMDS has a strong, unpleasant odor, which on the plus side makes leak detection easy. Arkema is now offering a specific type of DMDS, called DMDS Evolution, with an improved odor that can be detected immediately in the event of a leak, but is less unpleasant for those living and working near refineries.

## 11 teams

based at Houston, São Paulo, Buenos Aires, Rotterdam, Lacq, Mumbai, Singapore, Kobe/ Yokohama, Cairo, Durban and Samara.

# A commitment to **SAFETY**

In January 2010, Arkema's Vlissingen facility in the Netherlands won the 2009 Arkema Safety Award. The credit goes to a highly trained, motivated workforce, constantly focused on risk prevention.



## INTERVIEW

### IN BRIEF

Some **5%** of what workers do at Vlissingen is categorized as risky. Although that is a fairly small percentage of the huge number of tasks performed daily, it leaves ample room for improvement.

**Leendert Marijs**, HSEQ Manager

*How do you explain the Vlissingen facility's excellent safety record?*

First and foremost, the site has a deep-seated safety culture. Our safety action plan is continually enhanced to ensure a good safety performance. In 2003, Vlissingen was the first Arkema facility in Europe to adopt peer observation, a novel accident prevention method. Employees "observe one another" during different work phases to identify best practices, shortcuts and risky behaviors. All personnel, including top management, were very involved in deploying the method, after completing a perception survey used to adapt peer observation methods to the specific requirements of our site.

*Is peer observation still in use?*

Of course, even though it hasn't been easy to keep up the pace over the last few years, with all the reorganizations at the site. Between 2006 and 2008, we went through several shutdowns, workforce reductions and experienced unusually high turnover affecting half of our personnel. New arrivals were given intensive safety training so that peer observation would remain a cornerstone of our safety processes and a key factor in our good performance.

**Carel Braakman**, General Manager,  
Vlissingen plant

In 2010, Vlissingen and six other Arkema plants will test the new Arkema Integrated Management System (AIMS) designed to improve our management systems. The AIMS audit is an integrated assessment of plant environmental, safety and quality performance conducted three to four days based on a questionnaire containing more than 600 questions. The audit will be conducted jointly by Arkema's specialists and auditors accredited to issue ISO 9001, ISO 14001 and OHSAS 18001 certifications. During this same period, Vlissingen will participate in a new process safety initiative originating with our Functional Additives business unit.



"Not a single incident in two years and no lost time injuries in five years at Vlissingen. To accomplish that despite the reorganizations at the plant is remarkable."

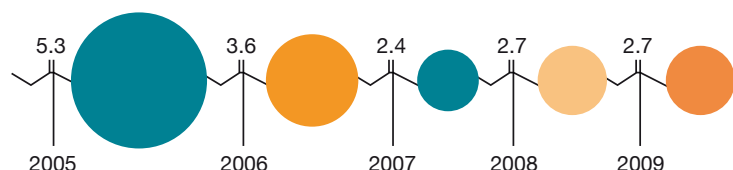
**Alain Devic**,  
Executive Vice President, Industry

## Safety, an ongoing battle

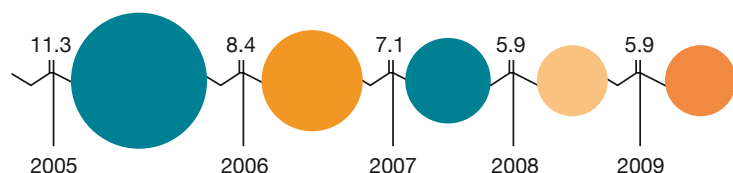
With a total recordable injury rate (TRIR) of 5.9 accidents per million hours worked and a lost time injury rate (LTIR) of 2.7 per million hours worked in 2009, we did not improve on our 2008 performance. "After several years of steady improvement, these results reflect strikingly different situations at Arkema," says Jean Morch, Arkema's Vice President, Safety, Environment and Quality. While Arkema sites in China report very good indicators, certain

industrial sites, especially in France, have more worrisome records. This shows that when it comes to safety, the battle is never definitively won. Our goal for 2010 is to bring our TRIR down to 5.3 and our LTIR to 2. The first prerequisite for success is to be demanding of our teams, our coworkers and ourselves. The safety of everyone depends on it.

### Lost time injury rate



### Total recordable injury rate



## Reducing GHG emissions

For many years now, Arkema has striven to minimize greenhouse gas (GHG) emissions at its combustion and production plants. These emissions have been divided by 10 since 1990, the baseline year for the Kyoto Protocol which sets progress objectives for industrialized countries.





# REACH Challenge

## INTERVIEW



**Nathalie Julien,**  
Reach Regulatory Manager

*Nathalie, can you remind us what Reach is?*

Reach is a European regulation that took effect on June 1, 2007 and introduces sweeping changes in the way chemicals manufactured in or imported into Europe are evaluated. Its ultimate goal is to better protect public health and the environment.

*So it's a good initiative?*

Absolutely. It's a real opportunity for the chemical industry and its users to improve. Chemical manufacturers have been voluntarily working for years to be responsible product stewards, individually and through international programs. REACH will solidify this drive to continuously improve what we know about substances and how they can be used safely. It will also hold users more accountable. Ultimately, the chemical industry will be better equipped to meet society's legitimate expectations, creating more public trust in us.

*What made you decide to join Arkema in 2007 to take this job focused entirely on Reach?*

I started my career working for a global agrichemical company. For ten years, I was in charge of European Union approval and registration, then worked as a product stewardship manager in its French subsidiary. The experience gave me a bird's-eye view of the strategic issues surrounding product regulation. When I came to work for Arkema, I knew that I was joining a company that was proactive about REACH. Arkema understands the challenges and stakes involved and has set aside the resources needed to handle the significant workload created by the regulation.

*Is REACH an onerous burden for chemical manufacturers?*

Yes, because it takes a lot of resources and expertise to prepare registration dossiers for the European Chemicals Agency (ECHA). ECHA dossiers contain comprehensive descriptions of the physicochemical, toxicological, environmental and ecotoxicological properties of the substances and pinpoint their inherent hazards. The specifications are very detailed

and sometimes prompt us to run additional tests. The risk of potential human and environmental exposure to the substance throughout its life cycle, from production through end use, is also assessed for all applications.

#### *And your role at Arkema?*

I coordinate the tasks required to prepare registration dossiers for the 70 substances for which I'm responsible. I also provide more specialized technical expertise, including skills like risk assessment. Internally, I work with my fellow experts in toxicology and ecotoxicology, the HSE managers in Arkema's business units, the HSE managers at production sites and others as needed. I also maintain contact with HSE professionals outside Arkema, since REACH requires chemical manufacturers to share a certain amount of information.

#### *Aren't there several others at Arkema who work as REACH regulatory managers?*

Five of us split the 430 substances covered by REACH. I handle acrylics, PMMA, hydrogen peroxides, thiochemicals excluding amines and solvents, and functional additives excluding organic peroxides.

#### *You mentioned opportunity and strategic stakes?*

Yes, and Arkema understands this very well. Substance registration is vital for staying in the market. A parallel can be drawn with the agrichemicals sector, which has been required to comply with European Union regulations since 1991. These regulations caused major upheaval in the agrichemicals market. Of approximately 1,400 substances listed when the process began, just 400 still exist today and these belong to the companies that were able to meet the regulatory challenge.



## During the first 11 years

after REACH takes effect, more than 30,000 substances, accounting for most of the volume produced and marketed in the E.U., will have to be registered with ECHA.

## Arkema's 2009-2018 steps

The 430 substances Arkema has to register include:

- 160 substances produced in annual quantities of 1,000 metric tons or more and those designated as substances of very high concern (SVHC) must be registered by end-November 2010.
- 140 substances produced in annual quantities of 100 to 1,000 metric tons must be registered by May 2013.
- 130 substances produced in small quantities of one to 100 metric tons per year must be registered by May 2018.

In addition, 30 hazardous substances are expected to be subject to the authorization procedure. The business units affected are incorporating this requirement into their strategy and substitution programs are underway.



# Our Strategy

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Steadily improving results between 2005 and 2008 and Arkema's ability to weather the sharp economic downturn in 2009 confirm the soundness of the strategy adopted at the time of the company's creation.

Bernard **BOYER**, Executive Vice President, Strategy, explains us

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"We're still interested in selective small or medium-sized, high-value-added acquisitions."



## Has the economic crisis caused you to question any of your strategy choices?

On the contrary. In a strong or a weak economy, we remain focused on implementing our strategy. Improving our competitiveness remains vital, but we must also secure the future by nurturing tomorrow's growth areas in our best product lines. We continued to invest in Asia in 2009, for example, despite the worsening economy.

## Is your strategy for emerging economies still focused on Asia?

We opted very early on to step up our marketing and industrial projects in Asia, especially China. In 2007, we announced that we would raise our annual average capital expenditure in Asia to more than €50 million in the next three years. Today, Arkema's sales in Asia account for 18% of our total sales, compared to 13% in 2005, and we will reach our goal of 22% by 2014.

## Do you think you've made up ground in terms of profitability?

Yes, very much so. In less than five years, we've considerably narrowed the gap with our peers in terms of profitability. Despite tough market conditions, our 2009 EBITDA margin was much higher than in 2005, when the environment was much more favorable. There are a number of reasons for optimism looking ahead. Our acrylics business will be boosted by the integration of the assets acquired from Dow Chemical and by a gradual improving market. Industrial Chemicals, which is already a high performer, can make even more headway. Performance Products will be able to capitalize on our R&D innovations. And lastly, we are continuing to optimize Vinyl Products, whose relative contribution to our sales will shrink. We're targeting an EBITDA margin of 13.5% in 2014, which will rank us with the best in our industry.

## What is your portfolio management strategy?

Since 2005, we have divested non-strategic assets accounting for 10% of our sales. Over the same period, we have made some impressive acquisitions — including Coatex, GEO and some of Dow Chemical's acrylics assets — that add up to 10% of new sales. And our financial flexibility is as good as ever. We're still interested in selective small or medium-sized, high-value-added acquisitions in our best product lines of our Industrial Chemicals and Performance Products business segments.

## What will your future growth drivers be?

There are many, some related to geography and others to innovation or our acquisition policy. To secure the future, we maintained our capital expenditure on expansion projects in Asia and the push for innovation, despite the economic downturn. In 2009, for example, we built a new fluorochemicals unit in Changshu, China, and launched new projects involving Kynar® fluoropolymers and Coatex acrylic polymers at the same site. We also announced a number of initiatives to promote innovation. Examples include the acquisition in February 2009 of U.S.-based Oxford Performance Chemicals, which makes and markets polyether ketone ketones (PEKK) - ultra-high-performance technical polymers - and the construction of a carbon nanotube production plant with an annual capacity of 400 metric tons, the only one in the world to use an entirely biosourced feedstock. We also have every intention of using our recent acrylics acquisition in North America to drive our growth.

## IN BRIEF

### Arkema's competitive strengths

Arkema holds top-tier marketing and manufacturing positions. In a large number of businesses, Arkema is a leading global operator: PMMA, fluorocarbon gases, hydrogen peroxide, thiochemicals, specialty polyamides, fluoropolymers, hydrazine hydrate, PVC stabilizers, impact modifiers and process aids, glass coating additives and organic peroxides.





# SHAPING the chemistry of the **FUTURE**

As we continue into the 21<sup>st</sup> century, the major challenges we face — climate change, inadequate access to drinking water, natural resource depletion and a growing demand for energy, to name a few — are daunting. Industrial innovation, of the kind Arkema practices in our development of eco-technologies, is one way forward.

Dedicated largely to sustainable development, our R&D is focused on two very specific points. One is high-performance materials — biosourced or nanostructured — that save energy and help conserve natural resources. The other is specialties applied to alternative energies, such as solar photovoltaic power, lithium ion batteries and heat pumps.

We allocate more than **50%** of our R&D spending directly to “green” innovation to develop eco-technologies.

## Extreme resistance

If you haven't heard about polyether ketone ketones, or PEKKs, you should know that these polymers have exceptional properties and can withstand continuous high temperatures of up to 260°C. PEKKs also possess excellent chemical resistance, flame retardancy, and unmatched abrasion resistance. They can be found in aerospace applications, in cabin fasteners, insulation fittings, and finishings; in oil and gas exploration, to protect deep-well probes loaded with electronics; and in medical applications, like cranial and intervertebral implants, joint reinforcing devices, and hip prostheses. Arkema acquired U.S.-based Oxford Performance Materials (OPM) in early 2009 and is now marketing these polymers under the Oxpekk® brand.

## Designer light

What's as transparent as crystal, lightweight, easy to work with and naturally resistant to aging? The answer is Altuglas®, an acrylic polymer, often called acrylic glass, offering outstanding optical properties and balanced physical and mechanical properties. Its main uses include decorative items, signage, illuminated signs, street furniture, LCD flat screens and automobile taillights. In addition to transparency, the latest Altuglas® generations such as the Altuglas® LED System and Altuglas® Hi-Def bring new solutions to today's technological challenges.

## LEDs and their implications

How do we make the most of the increasingly widespread use of LEDs, today's new energy-efficiency light sources? One answer is the Altuglas® LED System, specifically developed to boost by 20% the luminous efficacy of LEDs while using 70% less power than a conventional lighting system. Another is Altuglas® Hi-Def rear-projection screens, with top-of-the-line performance, featuring a 180° field of vision, extremely high contrast and unmatched resolution and image clarity, even in broad daylight. Able to resist the aging effects of weather, Altuglas® Hi-Def screens can be used on building facades and blend seamlessly into the architecture.

## Castor oil, a long-running story

Bio-based chemistry is an R&D priority for Arkema, which now markets five families of polymers derived from castor oil. The eldest, Rilsan®, a polyamide composed of 11 carbon atoms, was synthesized by French chemists at the end of World War II. Initially used to make synthetic thread to compete with nylon, its applications soon grew to include molded parts and pipes. Today, Rilsan® polyamide-11 resin is employed in high-value-added applications requiring stamina and strength, such as vehicle fuel lines and the flexible pipes used in offshore oil extraction.

## SUSTAINABLE FARMING

To increase the production of castor oil, formerly most used in medical and pharmaceutical applications, we had to expand the acreage devoted to castor bean crops. As it happens, the castor bean grows well in arid zones in Brazil, China and India, and cultivation can be increased without deforestation or impact on food crops. Any way you look at it, Rilsan® is a sustainable product.



“7.5% of Arkema's sales are generated by our various product lines derived from bio-based feedstock. 2012 target: 10%.”



In the last several years, our expertise has enabled us to market four new families of castor-oil-based technical polymers. These include Platamid® Rnew, a hot-melt adhesive made from totally renewable raw materials, Rilsan® Clear Rnew resin, the first fully transparent biosourced high-performance polyamide, Rilsan® HT resin for engineered parts subject to temperatures of up to 170°C, especially under automobile engine hoods, and Pebax® Rnew resin. The conventional fossil-fuel-based Pebax® is a thermoplastic elastomer used in a wide array of applications, from athletic shoes to dental floss to catheters. It offers a number of exceptional properties, such as flexibility, cold resistance and impact absorption, and is easy to process.

## Pebax® Rnew grade made entirely from plant feedstock.

### A higher performing natural polymer

In 2007, Arkema successfully transitioned from the conventional Pebax® resin to a Pebax® resin derived up to 90% from castor oil, dubbed Pebax® Rnew. Just as light, but more heat resistant and elastic at low temperatures, this biosourced Pebax® resin proved an even better performer than its conventional cousin. In 2009, we succeeded in developing a Pebax® Rnew grade made entirely from plant feedstock.



### Warm-mix asphalts for green roads

Reducing the energy needed to make an asphalt mix by 35%, sharply curtailing dust and gas emissions and creating more comfortable working conditions for road crews – all this is the feat pulled off by an Arkema-developed additive based on surfactants made principally of renewable raw materials. Marketed under the brand name Cecabase® RT, it is produced by CECA, Arkema's specialty chemicals subsidiary. Once mixed with asphalt, Cecabase® RT can reduce the application temperature of the road paving by 50°C. In the last two years, Cecabase® RT has been used at more than 200 road works in France, Spain, Italy, Germany, Poland, Russia, the United States, Australia and Japan. This innovation has netted three

prestigious awards: France's Pierre Potier Prize for innovation in 2007, an International Road Federation Global Road Achievement Award in 2008 and the Most Innovative Product award of the ICIS Chemical Business magazine in 2009.

#### How is made a road paving?

A classical road paving is composed of 95% granules and 5% asphalt extracted from petroleum. The mixture has to be heated to 160-180°C to obtain the fluidity required for spreading on the road surface. By incorporating a tiny amount of Cecabase® RT to the asphalt, 2 to 4 kg per metric ton of asphalt, or 150 grams per metric ton of the mixture, the application temperature can be reduced to 120°C while the paving retains the same properties as a classical paving produced at 160-180°C.



## SAVINGS BY THE TON

In Europe, 350,000 kilometers of road — the distance from the earth to the moon — are repaved each year. Widespread use of the warm mix process would avoid 1.8 million metric tons of carbon emissions and save 600,000 metric tons of fuel oil each year, or the annual heating oil needs of a city the size of Marseille.

## Filtering water and trapping viruses

Membrane filtration processes are used to produce drinking water and treat wastewater. The biggest challenge is quickly filtering large amounts of water while efficiently removing viruses and other submicronic particles. Arkema has met this challenge by designing nanostructured membranes made of Kynar® resin, a high-performance, technical fluoropolymer. Membrane filtration processes have seen strong growth worldwide over the last 15 years; the volume of water treated now exceeds 12 billion liters a day.

## Increasing filtration efficiency with nanomaterials

Combining Kynar® PVDF resin with functional block copolymers makes two things happen: the hollow fibers become more porous and pore size is reduced to just a few nanometers. The greater fiber porosity increases the flow of treated water and decreases the energy needed to pump water through the filtration modules. And the nanometric size of the pores efficiently filters out viruses and other nanoparticles.

## The powers of Kynar® resin

Water to be treated is pumped under pressure into modules containing thousands of semipermeable hollow fibers — long, slender tubes, 1 to 2 millimeters in diameter, with a porous wall. These highly porous hollow fibers must allow the water to pass through, must remain functional for several years (that is, have good mechanical strength and chemical resistance) and must be highly selective, able to filter out the micro-particles. One membrane material has it all: Kynar® PVDF resin.



## Energizing solar radiation

Standard photovoltaic solar panel modules exploit the best qualities of two Arkema polymers. Kynar® PVDF resin is made into a film and applied to the back of modules. The insulating Kynar film is reflective, which boosts the output of the photovoltaic cells, and UV resistant, which prolongs the service life of the module. Evatane® 33-45 PV, an ethylene vinyl acetate copolymer resin, was designed by Arkema specifically for encapsulating films used in silicon photovoltaic cells. It acts as an adhesive between the different module layers, ensuring that the glass, silicon and electrical circuits operate as a solid unit. To ensure long-term durability, Evatane® resin is cross-linked using a fast-acting organic peroxide, Luperox® Solar.

L'Altuglas® is a high-performance substitute for glass.

### How to save on silicon ?

Silicon suitable for the active layer in photovoltaic cells is a scarce and expensive commodity. A simple way to use less of it while improving module power output is to employ lenses that concentrate the light onto thin strips of silicon. Altuglas® HT 121, a grade of acrylic polymer, is especially well suited to photovoltaic concentrators because of its heat resistance and outstanding dimensional stability. Altuglas® acrylic resin has excellent optical properties and is light, easy to work with and durable (both UV and weather resistant), making it a high-performance substitute for glass.

### What to do with end-of-life panels

A major hurdle to solar panel recycling is the irreversible thermoset bond between the encapsulation layers of photovoltaic cells and the module's other layers. To address this problem, Arkema has developed Apolhya™ Solar resin, a nanostructured thermoplastic encapsulant that provides long-term transparency and heat resistance without the cross-linking step. Apolhya™ Solar resin saves time during production and allows separation of the different module layers at end of life, improving waste recycling.



## A natural heating method

To work properly, heat pumps need a liquefied gas with specific physical properties that facilitate a hot-cold cycle. Called refrigerants, such fluids have been used for many years for the same hot cold cycle in refrigeration and air conditioning systems. But traditional fluids have been linked to global warming. To help limit the greenhouse effect of our refrigerants, we recently developed a next-generation fluid called R-1234yf, which has a global warming potential (GWP) of 4. Its main feature is that it optimizes the environmental performance of systems that use it, such as heat pumps.

### What you need to know about heat pumps

Efficient and enviro-friendly, heat pump heating systems use totally natural, renewable energy source: heat found in the air, in the ground or in water. The refrigerant fluid captures and transports the heat obtained from the source. Compression releases captured heat, which is then distributed throughout the house. Calculating a heat pump's energy performance, called a coefficient of performance, is easy. Just compare the amount of heat produced by the heat pump with the amount of energy used by the pump. For example, an average coefficient of performance of three means that the heat pump delivers three times more energy than it uses.

## GOOD TO KNOW

### Carbon emissions (grams) per kWh produced (heat)

Joule heating (convectors, radiant heaters)	600
Fuel-efficient boiler	350
Air to air heat pump	276
Air to water heat pump	248
Natural gas condensing boiler	246
Geothermal heat pump	203

Heat pumps are one of the systems that emit the least carbon per equivalent unit of heat produced.

Source: French natural gas distributor GrDF. Emissions calculated for an annual average output across the life cycle of the heating system.





## 09 Financial performance

The extremely tough economy was bound to impact Arkema's financial performance in 2009. Our two priorities were working on fixed costs and strict cash management.

**08/09**

**8.8% / 7%**

EBITDA margin

**100 / -172**

Net income  
Group share

**3,370 / 2,977**

Capital employed

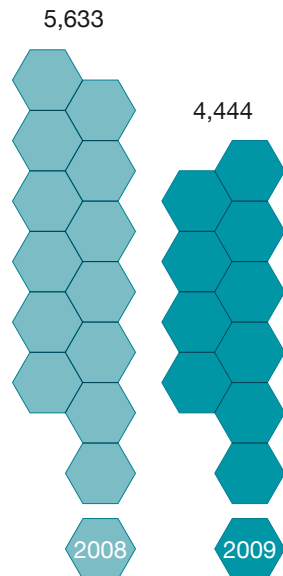
**495 / 341**

Net debt  
(€ millions)

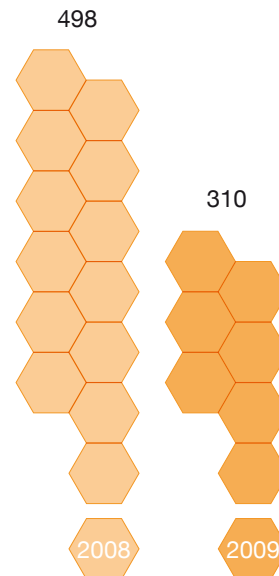
**€0.60 / €0.60**

Dividend per share

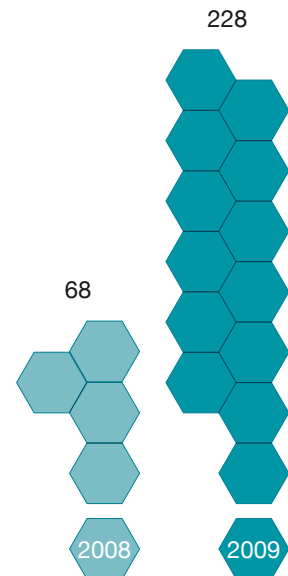
**Sales**  
(€ millions)



**EBITDA**  
(€ millions)

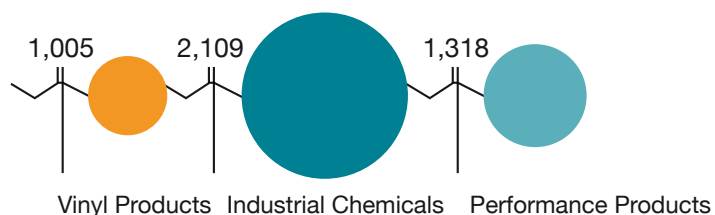


**Free cash flow\***  
(€ millions)



### Sales

by business segment (€ millions)



\* Cash flow from operating and investment activities excluding the impact of portfolio management.



“In light of Arkema’s very healthy financial position, the Board of Directors has decided to recommend paying the same dividend\* as last year, or €0.60 per share, at the next Annual Shareholders’ Meeting.”

## CHIEF FINANCIAL OFFICER’S INTERVIEW

### What are the main things to keep in mind about the 2009 results?

In 2009, we had to deal with a tough economy characterized by a sharp drop-off in demand and massive destocking by our customers in the first half. In this environment, all Arkema’s teams got behind two priorities: generating cash and reducing fixed costs. In both areas, we far surpassed the targets we had set for ourselves. Free cash flow was strongly positive, at €228 million, and fixed costs were cut by €170 million. Our net debt fell by more than 30%, to €341 million, bringing our debt-to-equity ratio to a very low 19% at end-2009. Finally, we posted EBITDA of €310 million and an EBITDA margin of 7%, which is better than what it was in 2005 when Arkema was spun off in a much more favorable environment.

### What is the outlook for 2010?

We came out of the recession stronger and are starting 2010 with optimism, while remaining cautious in our economic assumptions. We’re continuing to work on improving our cost base and managing our cash strictly. We’re confident that we will be able to significantly increase our 2010 EBITDA compared with 2009.

### What is your road map for the next five years?

We have just completed our first five-year cycle following Arkema’s spin-off. All of the goals we had set in 2006 have been met, in some cases a year early. In the next five years, we plan to keep solidifying our portfolio of businesses and expanding in fast-growing regions, especially China. Product innovation will also be accelerated and focus on two priorities: sustainable development solutions and high-performance polymers. This strategy should enable us to post a mid-cycle EBITDA margin above 13.5% in 2014, putting us on a par with the leaders in the chemical industry.



# Overview of the **BUSINESS** Segments

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The majority of the industrial activities making up Arkema's three business segments boast leading rankings in the world or in Europe, with internationally recognized brands.



## VINYL PRODUCTS

The Vinyl Products segment accounts for 21% of Arkema sales and includes the manufacture of chlorine and caustic soda, vinyl chloride monomer (VCM), chloromethanes, chlorinated derivatives, polyvinyl chloride (PVC), vinyl compounds, as well as the manufacture of pipes and profiles.

The vinyl products and chlorochemicals sector must contend with fluctuating market conditions and intense competition in a mature Western European market that is notorious for its economic cycles. The Company's efforts to improve competitiveness, initiated in 2005, continued throughout 2009, as evidenced by the closure of the aluminium chloride production plant at Jarrie (France), the divestment of this business to Gulbrandsen Chemicals, and the announcement of a project to shut down the vinyl chloride / vinyl acetate copolymer production plant at Saint-Auban (France).

At its Balan site (France), Arkema announced a project to close the facility's oldest PVC production line and move production to other, more modern and more efficient, lines.

## FOCUS

### Arkema exports its PVC suspension process

Renowned as one of the world's most efficient processes, Arkema's PVC suspension process was chosen in 2009 by the Moroccan company SNEP for a 150,000 ton/year plant and by the Chinese company Anhui Hwasu Co., Ltd. for a 1,000,000 ton/year plant, which would be one of the largest PVC production plants in the world.



## INDUSTRIAL CHEMICALS

The Industrial Chemicals business segment relies on complex manufacturing processes and is focused on worldwide markets. It accounts for 51% of Arkema's sales. Driven by innovation and strong demand in Asia, its outlook is for sustained growth.

flashcode



web

A European competitor in upstream acrylic activities, Arkema is pursuing a development strategy that will transform it into an integrated global player. The acquisition in early 2010 of certain assets from Dow Chemical in North America, specifically Dow's Clear Lake (Texas) monomer site and its acrylic latex activities, boosts Arkema to No. 3 among the world's acrylic acid producers. In 2009, Arkema also started up a new plant at the Carling-Saint-Avoid site (France) to produce 2-ethyl hexyl acrylate used in the manufacture of removable stickers.

Coatex announced in July 2009 the construction of a specialty acrylic polymer production plant at our Changshu site in China and, in January 2010, the integration of the acrylic thickener business acquired from Dow Chemical in North America.

In June 2009, Altuglas International announced a reorganization of its PMMA sheet activity in Europe to focus on higher added value products.

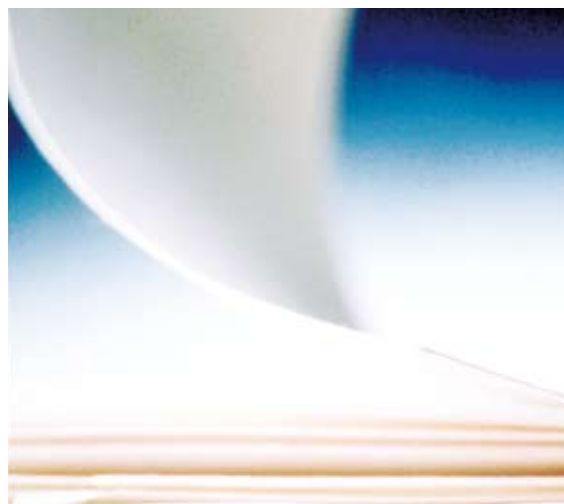
The world's leader in thiochemicals, Arkema has continued to consolidate its main product lines and refocus its portfolio, in particular with the shutdown of methyl ethyl ketone production at the La Chambre (France) industrial site.

In fluorogases, Arkema signed a long-term agreement in February 2009 with the Dyneon company for the supply in Europe of HCFC-22 intended for the production of polytetrafluoroethylene (PTFE) and various fluorinated elastomers.

## FOCUS

### Arkema, a leading player in hydrogen peroxide in China

The successful expansion of its hydrogen peroxide production capacity to 80,000 ton/year at its Shanghai site has helped consolidate Arkema's position as an essential partner in Asian markets, including pulp and paper bleaching, chemical synthesis, detergents, the agro-food industry, and electronics.





## PERFORMANCE PRODUCTS

Providing customers with suitable technical solutions is the mission of the three Performance Products business units. They share similar expertise, enjoy a strong presence in their respective markets, and represent 28% of Arkema's sales.

For the Performance Products business segment, 2009 was a particularly fertile year for production, acquisitions and innovation! Several new high performance technical polymers aptly demonstrate this: Rilsan® HT, a high-temperature thermoplastic with properties that make it a good substitute for metal components, Rilsan® Clear G830 Rnew, the first fully transparent high performance biosourced polyamide, and Apolhya™ Solar, a nanostructured thermoplastic polymer for the encapsulation of new generation photovoltaic modules. CECA, the "Specialty Chemicals" business unit, also stood out for its innovations. It continued to develop its high added value products for surfactants / interface agents and adsorption / filtration. In February 2009, CECA announced the acquisition of Winkelmann Mineraria, an Italian company specialising in the production of expanded perlite for the agro-food industry. Arkema produces functional additives, organic peroxides, PVC additives, coating additives, and catalysts in Europe, North America and Asia. To accommodate the buoyant growth of construction and packaging markets in Asia,

Arkema has doubled production capacity at its PVC heat stabilizer production plant in Peking, China, making it the largest of its kind on the Asian continent. In 2009, Arkema sold its Guangzhou operations specializing in ceramic opacifiers and polyester resin catalysts to Singapore's Hoe Seng Co. Pty. Ltd. Arkema also completed the acquisition of organic peroxide activity from American company GEO Specialty Chemicals.

## FOCUS

### Virtuous additives!

CECA's Cecabase® RT range has won an ICIS Innovation Award. Added in small quantities to the bitumen, these surfactant additives reduce energy requirements by up to 50% by lowering production

temperatures 40 to 50°C. Ultimately they improve working conditions, while helping reduce emissions of carbon dioxide and volatile organic compounds.





## OUR RESEARCHERS INVENTED REVOLUTIONARY CHEMISTRY THAT ENABLES MATERIAL TO REPAIR ITSELF.

To prolong the life of everyday products, Arkema developed Reverlink™, an innovative technology based on the supra-molecular chemistry that produces self-healing materials. Arkema, a global chemical company and France's leading chemicals producer.

[www.arkema.com](http://www.arkema.com)



# Shareholder **NOTEBOOK**

Arkema is committed to providing individual and institutional shareholders with reliable information in a context of close contact and transparent dialogue.

## FACT SHEET FOR THE ARKEMA SHARE

- IPO: May 18, 2006
- Market capitalization on Dec. 31, 2009: €1.6 billion
- Number of shares on Dec. 31, 2009: 60,454,973
- Free float: 100%
- Listed on: Euronext (Paris) stock exchange
- Indexes: SBF 120, CAC MID 100, 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  
GCT Emetteurs  
9, rue du Débarcadère – 93 500 Pantin – France  
Toll-free number: 0 800 115 153 (France only)  
E-mail: paris\_bp2s\_arkema\_actionnaires@bnpparibas.com

## Shareholders' Club

Individual shareholders with at least five registered or 25 bearer shares can join the Arkema Shareholders' Club free of charge. Its main purpose is to familiarize investors with Arkema and help them understand our organization and what we do, especially through site tours. We met nearly a hundred shareholders at events held every other month, including conferences, site tours and first aid classes.

The following Club events are scheduled for the first half of 2010:

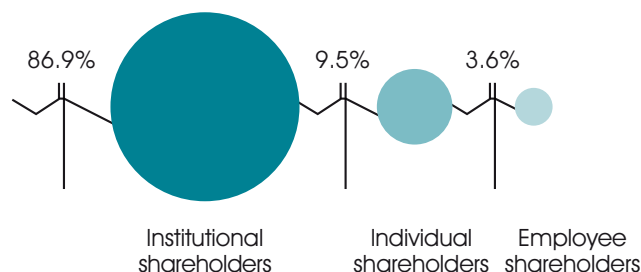
- March 31, 2010: First aid classes (French Red Cross).
- April 15, 2010: Tour of the dyeing shop at Manufacture des Gobelins in Paris.
- June 29, 2010: Tour of the research center in Pierre-Bénite, in France's Rhone-Alps region.



## SHAREHOLDER BASE

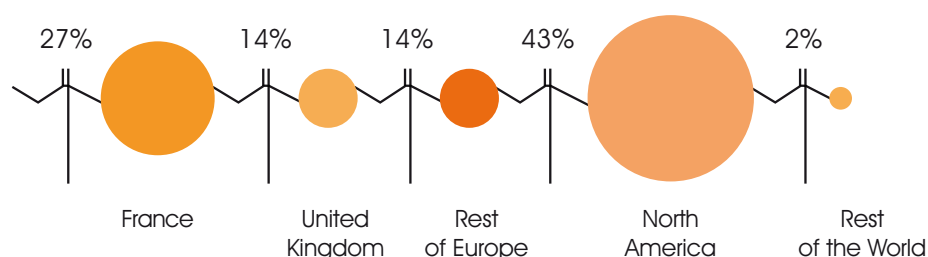
### Share capital by type of investor

(Situation at December 31, 2009)



### Shareholder base by region

(Situation at December 31, 2009)



## Contacts

### Mail:

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

### Telephone:

+33 (0)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

#### Toll-free number (France only)

0 800 01 00 01

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.

### Institutional shareholders

#### E-mail:

investor-relations@arkema.com

## CALENDAR

### May 11, 2010

Release of first-quarter  
2010 results

### June 1, 2010

Annual Shareholders'  
Meeting in Paris

### August 3, 2010

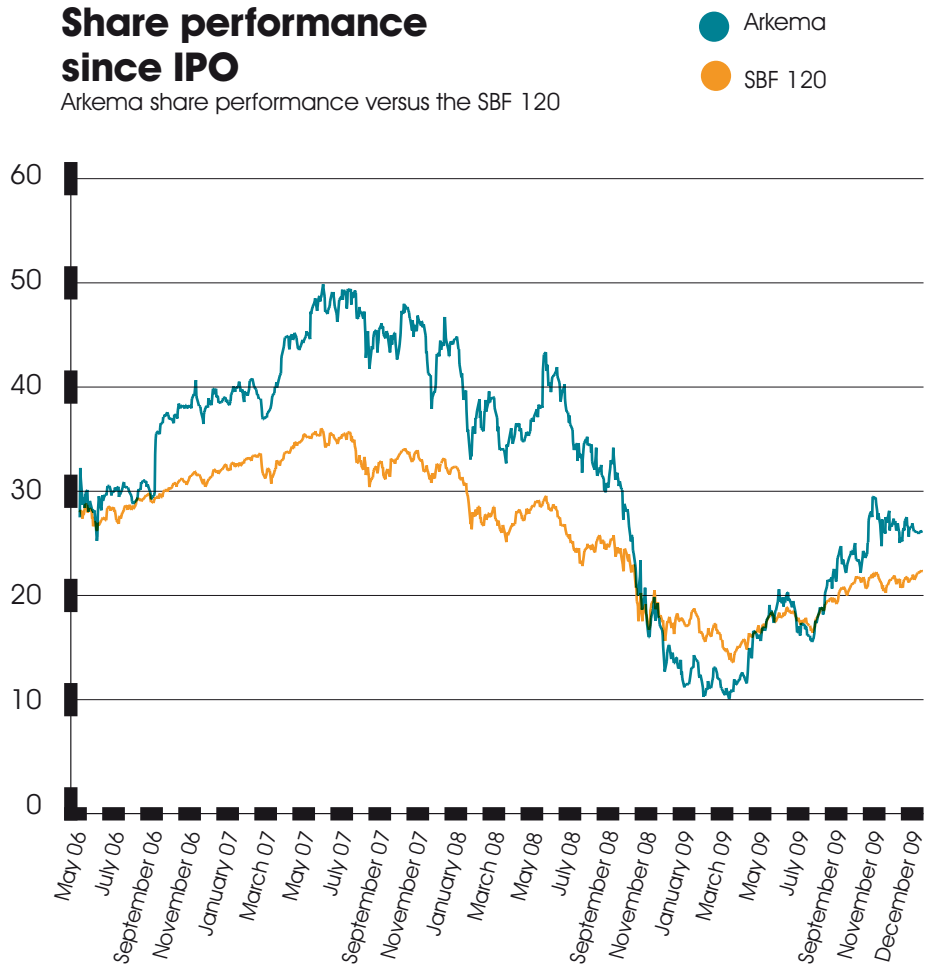
Release of interim  
2010 results

### November 9, 2010

Release of third-quarter  
2010 results

## Share performance since IPO

Arkema share performance versus the SBF 120



IPO price: €27.50 / Price on Dec. 31, 2009: €26.00 / High: €50.88 / Low: €9.71 /  
Performance since IPO on May 18, 2006: Arkema: down 5.45% at December 31, 2009 / SBF 120:  
down 19.84% / Average daily traded volume in 2009: €5 million.

## Share price (in €) and change (%)

Arkema share performance versus the SBF 120

	High	Low	Most recent price (closing)	Annual change	Annual change
<b>2008</b>	45.75	10.93	12.25	-72.74%	-43.08%
<b>2009</b>	29.94	9.71	26.00	+112.24%	+23.73%

### A DIVIDEND OF €0.60 PER SHARE

Reflecting our confidence in our prospects and our financial health, shareholders at the Annual Shareholders' meeting on June 1, 2010 will be asked to pay a dividend of €0.60 per share for fiscal year 2009, the same as last year's dividend. We want to continue paying a dividend, the amount dependent on Arkema's financial performance and the economic environment.

## Communication resources

Quarterly results are announced in a news release, a presentation and a telephone conference. All related publications and materials are available under "Investor Relations" at our Web site, www.finance.arkema.com. Shareholders can request the Registration Document, the Annual and Sustainable Development Report, and the Shareholder Newsletter at any time. We also keep our shareholders informed through the print media by publishing regular financial notices.



# Meet THE BOARD

On January 20, 2010, we walked through the doors of Arkema's Board of Directors.

A strong Board of Directors is made up of diverse, independent, experienced people with complementary backgrounds. Arkema aims to have an exemplary Board. In November 2009, we decided to strengthen and supplement our Board of Directors by nominating Isabelle Kocher, CEO of Lyonnaise des Eaux (GDF Suez), and Claire Pedini, Senior Vice President in charge of Human Resources at Saint-Gobain, to serve as Arkema directors. Their nominations will be submitted for the approval at the June 1, 2010 Annual Shareholders' Meeting.

Both women have impressive track records at major international industrial companies and both are top-tier performers with a lot to offer Arkema. Moreover, since nearly 5% of our capital is now held by Arkema employees, shareholders at the June 1 meeting will also elect a director to represent employee shareholders. If the shareholders approve these proposals, Arkema's Board of Directors will consist of 11 directors, nine of them deemed independent.



1

## 1. BERNARD KASRIEL

Partner and member of the Management Board, LBO France

## THIERRY LE HÉNAFF

Chairman and Chief Executive Officer, Arkema

## JEAN-PIERRE SEEUWS

retired from the chemical industry

## 2. MARC PANDRAUD

General Manager France, Deutsche Bank



2



### 3. FRANÇOIS ENAUD

Chairman and Chief Executive Officer, Steria

### 4. ISABELLE KOCHER

Chief Executive Officer, Lyonnaise des Eaux

### 5. THIERRY MORIN

Chairman of the Board of Directors, INPI

### LAURENT MIGNON

Chief Executive Officer, Natixis

### PHILIPPE VASSOR

Chairman, Baignas S.A.S



3



4

Also in 2009, Arkema's Board of Directors accepted the resignation of Tidjane Thiam, who is leaving as a result of his new responsibilities at Prudential plc.

Isabelle Kocher, tapped by the Board to replace Tidjane Thiam, attended her first Board of Directors' meeting on January 20, 2010.

5

## Honors and recognition

In 2009 and for the third consecutive year, Arkema won a Corporate Governance Award from Swiss daily Agefi. After winning in the "Governance Process" category in 2007 and taking second place in the "Investor Relations Quality and Transparency" category in 2008,

Arkema was back on the podium in 2009, this time in the "Strategy and Risk Assessment" category. The honor is a high-level accolade awarded by financial professionals. It recognizes our practices for assessing and managing the risks associated with strategic choices, as well as the involvement of our directors in overseeing strategy.





# At THE HELM

The Executive Committee meets twice a month on average to examine all major questions related to Arkema's transformation.

## The Executive Committee

The Executive Committee is Arkema's top decision-making body. It ensures the company's strategy is implemented, examines important issues concerning organization and major projects, and approves capital expenditure. It also tracks the performance of all Arkema businesses.

## A responsive organization

To implement the Executive Committee's decisions, Arkema is organized into three business segments comprising 14 business units, each overseen by an Executive Vice President. Corporate support functions managed by four other Executive Vice Presidents optimize the entire organization and make sure that all parts work together smoothly. Regional subsidiaries in host countries worldwide share their expert knowledge of the local situation with the business units.

## THIERRY LE HÉNAFF,

Chairman of the Board of Directors,  
also serves as Chief Executive  
of Arkema.

"Our highly-qualified people,  
our competencies and our  
solid positions in global markets  
put us on a par with the best  
in our industry."







“The Company’s transformation is supported by effective, available management, leveraging expertise, leadership and involvement.”

Michel **Delaborde**

“It is vital for Arkema that we continue to make safety a core priority, at every level and in every circumstance.”

Alain **Devic**

Executive Vice Presidents for the business segments

**1. OTTO TAKKEN** Vinyl Products

**2. MARC SCHULLER** Industrial Chemicals **3. PIERRE CHANOINE** Performance Products

Executive Vice Presidents for the Corporate support functions

**4. MICHEL DELABORDE** Human Resources

and Communication **5. ALAIN DEVIC** Industry **6. THIERRY LEMONNIER** Chief Financial Officer

**7. BERNARD BOYER** Strategy



# SPOTLIGHT on China

## Globalization of markets and a sharp influx of newcomers, especially from Asia...

The chemical industry and its global business environment have experienced far-reaching changes in the last few years. Asia alone now accounts for 18% of Arkema's sales, a figure expected to reach 22% by 2014. And China, where the company has had a strong foothold for more than 13 years, has become an irreplaceable partner.



**NEW FORANE®  
HFC-125 UNIT**  
at Changshu



## Changshu, a multi-process hub

The changes in Changshu over the last ten years are mind-boggling. Not much remains of the bare, unbuilt 40-hectare lot of the nineties, just a stone's throw from the port of Shanghai and the highway. In 2000 the site's official inaugural ceremony coincided with Arkema's startup of two units, one dedicated to fluorocarbon gases and the other to technical plastics (polyamides). Today, Changshu is the linchpin of Arkema's growth in China and, more broadly, across Asia. Its prime geographical location and especially its huge untapped physical space leave room for some well-timed expansions. Throughout the decade, a string of capital investments made it one of Arkema's biggest production hubs worldwide. Brought on stream in 2005, the production unit for organic peroxides, which are used to make plastics has an annual capacity of 3,000 metric tons and a super-efficient refrigerated logistics setup that gives Arkema the pole position in the organic peroxides market across China, Taiwan and Southeast Asia. In 2006, the fluorocarbon gas and polyamide units were expanded and a unit to produce compounds for automotive dashboards was started up in Phase 3 of the site's development.

In the last two years "Panda", "Tiger" and "Koala" have sprung up in Changshu. This trio of exotic animal names denotes Arkema industrial projects slated for commissioning in 2010-2011. Panda is the code name of

a unit to manufacture Forane® HFC-125, an essential component of next-generation refrigerant blends. Tiger is actually a unit that will make Kynar® resin, a high-performance technical polymer used in exterior building coatings. Finally, to see Koala, you have to travel a bit further north, without leaving the Changshu site. There, Arkema's subsidiary Coatex is building a unit to produce specialty acrylic polymers to supply growth markets such as paint, mineral processing, construction and paper. Koala is also meant to expand the worldwide manufacturing scope of Coatex, which is already present in France, the Netherlands and the United States. According to its CEO, Alain Mari, "The new facility positions Coatex as a global supply source for our major international customers."

## The Shanghai hydrogen peroxide plant

The hydrogen peroxide plant Arkema Shanghai Hydrogen Peroxide (ASHP) is a joint venture in which Arkema holds a 66.6% equity interest and China's Shanghai Coking 33.3%. The unit was a strategically important investment for Arkema, the world's third-ranked hydrogen peroxide producer, which further cemented Arkema in China when it was built. Brought on stream in 1998, the unit doubled its production capacity in 2008 to almost 80,000 metric tons a year. This strategic expansion targeted high-growth markets tied directly to booming Chinese demand for industrial goods and everyday consumer products. The only Western producer of hydrogen peroxide in China, Arkema has become the partner of choice for local customers. The company now offers recognized expertise and a wide range of services in markets including pulp and paper bleaching, chemical synthesis, detergents, the agrifood industry and electronics.

### IN BRIEF

*"Our success depends strongly on collaborating with the R&D teams in Europe, which have limitless potential for innovation. The strength of the Chinese, as is often the case in Asia, is their respect for method and ability to optimize processes. Instead of trying to be like one another, let's respect what makes us different and pool our knowledge and expertise,"* explains Dominique Namer, President of Arkema Greater China since 2004.



### ARKEMA-DAIKIN: A WIN-WIN PARTNERSHIP

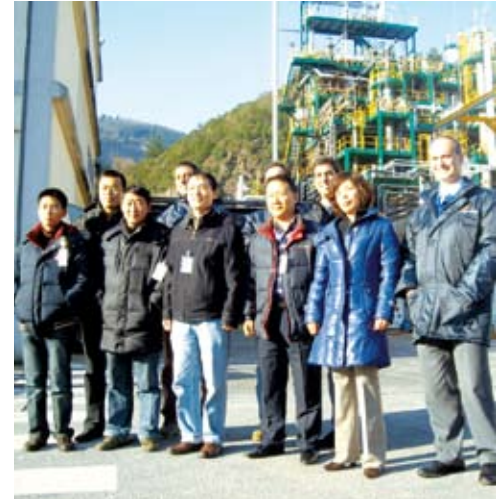
Arkema and Japan's Daikin have combined their respective expertise in the production and blending of refrigerants by creating two joint ventures. Their goal is to produce HFC-125 at the Changshu site and to market refrigerants across the Asia-Pacific region.

The decision to locate an HFC-125 production plant – started up in the first half of 2010 – in China is a major step in Arkema's overall strategy to market HFC blends on a global scale.



## Local availability

"We're investing in China to take advantage of the growth opportunities in local markets and to follow our customers. Being available locally is an essential part of the service we are responsible for providing," points out Dominique Namer, President of Arkema Greater China. The small Résichina unit based in Changshu is a perfect example. Specializing in compounds for vehicle dashboards and interiors, it kicked off production in 2006, in anticipation of the automotive industry's growth in China. It has since doubled its capacity.



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**1. SIX ENGINEERS** from the Changshu plant were guests at Arkema's Zaramillo, Spain, site, where they carefully observed Forane® 32 production and trained in the similar process of making Forane® 125, a next-generation, ozone-layer-safe fluorocarbon gas that is used in air conditioning and refrigeration systems. **2. AND 4. OPERATORS** at the Forane® 125 unit, Changshu. **3. AND 5. INAUGURATION** of the production capacity expansion of the Shanghai hydrogen peroxide plant in October 2008.

## Koala celebrated in Changshu

Koala was the "guest of honor" at a ceremony held by Coatex at the Changshu production hub on October 16. Jérôme Crayssac, Coatex's Managing Director Asia Pacific, spent a few moments going over the project's scope and challenges. Among the figures he cited were €15 million in capital expenditure and five hectares of land set aside for the new unit, which consists of two production lines, a filling station and a laboratory. Some 30 people will eventually work there; the so-called cross-functional positions – accounting, human resources, logistics – are being pooled with Arkema's other units on site.

*"It's a winning combination," stressed Alain Mari, Coatex's CEO. "Coatex benefits from Arkema's power, while continuing to operate as an independent subsidiary."* Attending alongside Coatex employees, Jianlin Hui, Changshu's mayor, reiterated the municipality's commitment to and support of the Koala project.



## THE DANCE OF THE LION

New plants in China are inaugurated by carrying out the traditional Kai Gong Da Ji ceremony. The ritual's first step is to have a recognized and respected figure "paint" the lion's eye, bringing the powerful animal to life. Once awakened, the lion symbolizes the new departure or startup. It begins to dance among

the audience. Celebrations of this kind, attended by customers, partners, local government officials and Arkema employees, were held at the Changshu and Shanghai sites in 2005 and 2008. The lion will be awakened at other inaugurations, to celebrate other expansions still to come.

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# Human RESOURCES

Arkema is strongly committed to protecting the health and safety of our employees. We conduct initiatives on a number of fronts, including workplace risks, addiction, wellness and psychosocial risks. A closer look at our proactive approach.



## A comprehensive analysis of workplace risks

As part of our continuous improvement process, we have in the last few years developed dedicated tools such as Daliha, a software application to track individual exposure to hazardous substances, and MRT, a risk and task management program that exhaustively analyzes workplace risks and manages improvement actions. In 2009, we gradually deployed this well-rounded safety program in every country hosting our industrial operations.

## No drugs, no alcohol

Arkema's answer to the dilemma of how to prevent workplace drug and alcohol use is called "No Drugs, No Alcohol," a prevention program deployed across the company for almost three years now. Led primarily by occupational physicians, it includes employee information and education, onsite prevention plans and regular testing.



## Promoting wellness

Our U.S. subsidiary Arkema Inc. has targeted five areas of wellness for all employees in the United States. Since 2007, it has held awareness classes and distributed literature on fighting obesity, smoking cessation, physical exercise, good eating habits and health information. In France too, our occupational health policy include educational initiatives.

## Stress prevention

Since work-related stress is a risk businesses must tackle, Arkema introduced a prevention program in 2008. Step one consists of personal and medical prevention initiatives. During their medical checkups, employees can rate their stress level on a dedicated scale, after which they can discuss the confidential results with their occupational physician.

Step two consists of collective prevention, through training, awareness and communication initiatives for everyone concerned: Health, Safety & Working Conditions Committees, health departments, managers, and HR and HSEQ officers. "Breeding grounds" are identified, followed by analysis of explanatory stress factors and the introduction of appropriate actions. Today, employee representatives are providing input as part of negotiations on an agreement on preventing stress at work from a collective standpoint.

## DISABILITY TASK FORCE

Our policy of actively promoting the hiring of disabled workers spurred us to create a Disability Task Force within Human Resources in February 2009, further proof of our strong commitment to mutual support, social responsibility and respect for diversity. Our industrial facilities stressed the hiring of people with disabilities despite the unfavorable economic situation. At the same time, measures such as workstation accommodations and schedule adjustments improved conditions for 12 disabled employees in their jobs. Lastly, a special effort to reach out to disabled youth has resulted in ten skills acquisition or apprenticeship contracts in several professional disciplines, including logistics, laboratories and health, safety and environment, at various educational levels.

We achieved the 2009 targets set in the agreement signed in 2008 with employee representatives to keep employees in their job and accommodate the disabled. We will pursue similar actions in 2010.



## Arkema Changshu trains disabled youth

On July 17, 2009, 15 disabled young people from the Changshu Special School took part in local Red Cross first-aid training course at Arkema's production hub in Changshu. The training was provided by the site's physician, Dr. Ma.





## Acrylic assets from Dow Chemical: from acquisition to integration

The acquisition of part of the acrylic monomer and acrylic latex polymer business (UCAR Emulsion Systems) from Dow Chemical, finalized on January 25 2010, represents a major step in Arkema's management of its activities portfolio by making it the world's number 3 in this major sector of the chemical industry. These activities

Bob Connelly, Arkema Inc. Human Resources Manager, along with his counterpart at Dow, designed and implemented a change management program, which included comprehensive efforts to keep employees informed, in particular through a dedicated website. Throughout the process, Richard Jenkins and his management team made themselves very visible with employees and customers alike. *"We visited customers frequently, and held unscripted 'town hall' forums with employees as often as we could,"* he says. *"We made a point of being open and straightforward with them with the information we had."*



## World's No.3 in acrylics

now make up the Emulsion Systems business unit, headed by Richard D. Jenkins, a former Dow Chemical employee. *"This was a very special situation",* says Richard Jenkins, who notes that the U.S. Government, through its Federal Trade Commission (FTC), needed to review the transaction before giving the go-ahead. *"We wanted to assume the acquisition would be successful, but we were legally required to remain Arkema's strong competitor until the transaction was approved. Then we had to switch our allegiance, with the need to listen to our employees' concerns."* Employees of both companies knew that change was coming, but there was lots of uncertainty about how the organizations would be joined together. *Arkema and Dow Chemical leaders were faced with the challenges of motivating the workforce without losing sight of the overall objective: ensuring that the business continued to serve its customers.*

*This climate of trust became critical as the expected deadline for completing the acquisition slipped from October to December to January. "We had to be ready to go at any moment, says Bob Connelly, and had to remain flexible at the same time."* An in-house survey of the new Arkema employees conducted shortly after the acquisition was completed in January confirmed that the HR and Communications processes had been worthwhile. *"The results showed that our people were ready for the integration,"* says Richard Jenkins. *"They had come through a period of tremendous uncertainty with the knowledge that they could trust the information they were given. Now we are all ready to move forward to create together a great and successful long-term business for Arkema."*





## Transferring knowledge and expertise across the world

For Arkema, a major player in a number of industrial sectors, it is often paramount to be able to produce locally, close to customers, while still assuring great product quality.

Arkema is a world leader in Kynar® polyvinylidene fluoride resins and films, which can be found in a wide range of products, including photovoltaic panels, lithium ion batteries, and weatherable paints.

Not surprisingly, Asia today is the most buoyant market, with some of the fastest-growing demand for these products. Arkema already has two production sites, one in Calvert City, Kentucky, USA, and the other in Pierre-Bénite, France, but is now building a new plant in Changshu, China. Most of Arkema's Kynar® expertise is in the US facility. Here the operators, engineers and managers are experts in these resins and films who understand every aspect of the production process.

Danny Wright, Fluorochemicals Global Manufacturing Director, asked three of his most experienced people to oversee the knowledge transfer to the Chinese teams.

*"Rich Sander is a supreme project manager, says Danny Wright, and Jeffrey Yen knows the Kynar® process as well as anyone. And Steve Erhardt,*

*former plant manager at Calvert City, has just taken over as manufacturing manager for the Changshu site."*

Rich Sander and Jeffrey Yen moved to Changshu before construction began, and created a network of experts from around the world. *"We have a truly global project team, says Rich Sander, and we have support from our sister plants and engineering departments in the U.S. and France."* The latest technology has been specified for the Changshu plant, and the best possible equipment has been brought into the site.

The building of the Changshu plant has involved direct transfer of knowledge. Operators and supervisors from Calvert City travelled to Changshu to help train their counterparts at the new site. Chinese employees then visited Kentucky to further their training.

Arkema's international standards for health, safety and environmental protection are being strictly applied in China too. And successfully so, as at Changshu, to date, this has translated into more than 500,000 work hours without any recordable injury.

Rich Sander notes that one of the most valuable practices in building the plant has been 'management by walking around': *"Anxious to motivate construction workers and operators, Steve, Jeff and I often take a hands-on interest in the work they do. I often claim this has been my reason for picking up a tool or help with a particular operation, but by now everyone knows I just like to tinker!"* The Changshu Kynar® plant is expected to be fully operational in 2011, the result of great teamwork among Arkema employees from around the world.

**"We have a truly global project team."**





# WIDER WORLD

## Promoting innovation through mutual support

The ENSIC Foundation was created with Arkema's support in 2008 by *École Nationale Supérieure des Industries Chimiques* (ENSIC), a chemical engineering school based in Nancy, France. It's a wonderful story and an outstanding initiative. It all began with two ENSIC research professors, *Éric Favre* and *Alain Durand*, who invented the *Extr'Aq* process with their students, so that high school classes could do liquid-liquid extractions without using hazardous chemicals. *Why stop there? The two researchers donated their rights to the invention to ENSIC and the idea for the Foundation was born. Its goal is to assist financially strapped engineering students.* With nearly 30 applications received, ten students helped in 2009 and aid for another ten planned in 2010, the Foundation is well on its way. There is much to be done to support education, research and the industrial valorization of research.



## Science is easy

In the United States, we have created the Arkema Inc. Foundation to promote social, cultural and educational initiatives near our industrial facilities. One of its main projects is the Science Teacher Program, which aims

to promote the study of science in primary schools. The program has something for students and teachers alike. The first have their curiosity stimulated and the second add to their store of knowledge. This successful outreach initiative has received multiple awards.

## Young but promising

Combine Arkema and France's Chemparc\* chemical cluster and you get the Chemstart'up Award, designed to support the growth of an innovative chemical industry serving sustainable development.

Each year this award, created in 2010, will recognize a chemical startup that shows promise in terms of industrial development and job creation. The innovative "green shoot" will receive €100,000, financed in equal measure by Chemparc and Arkema. The prize money will be doubled if the company chooses the Lacq industrial belt as its base. The award is supported by the French Federation for Chemical Sciences (FFC) and the French Union of Chemical Industries (UIC). Sponsored by the French Ministry of Industry, it is linked directly to the Pierre Potier Prize for environmentally friendly innovation in chemicals.

\* The Chemparc public interest group aims primarily to develop manufacture in the Lacq industrial basin.

## PALAIS DE LA DÉCOUVERTE

Arkema aims to make science accessible to everyone and to spread the word about how state-of-the-art, innovative chemistry improves everyday life. This ideal has now found concrete expression as an exhibition space. "We were proud to be the first manufacturer to sign on as a sponsor of the Palais de la Découverte science museum," explains our Executive Vice President, Corporate Communications. "The Palais is unique in France, a museum dedicated to science training, education and discovery for young people. We're involved in its renovation and in creating a new, permanent space devoted to exploring matter and energy."

Slated to open its doors in 2012, the new area will help visitors better understand the behavior of matter and the energy challenges of the future. Inquiring minds and budding chemists will find demonstrations, workshops, and self-directed exploration are the strengths of *Palais de la Découverte's* original approach to teaching.

"The opportunity to bring together young people, science and researchers in a unique way is what attracted us to the project," says the Executive Vice President, Corporate Communications. "Our current research will, of course, be presented through exhibits and demonstrations."



## In the midst of thriving communities

Arkema spares no effort to foster close relations with the people living and working near our industrial sites, through dialogue, explanations and information. To formally outline our corporate responsibility, a few years ago we introduced Common Ground®, a communication initiative to familiarize the public with our operations and products. If you live near an Arkema site, you know everything there is to know about the plant's operation and preventive health, safety and environmental protection measures. Through open houses, plant tours, public information meetings, exhibitions, safety days, participation in science fairs and other means, we aim to be open and to listen, in order to earn public trust. Started in France, the Common Ground® program has been gradually rolled out in several other host countries.

### First aid

We all know that timely action can save a life, but do we know first aid techniques? Arkema, which aims to be a role model in health, safety and the environment, has taken the question to heart. In follow-up to an agreement signed in 2006 with the Red Cross



in France, nearly 6,000 individuals, employees and neighbors at our 30 industrial sites, have received first aid training over the last three years. We adopted the same approach in Changshu, China. On April 14, 2009, the site organized a special training class with the Red Cross and the municipality of Changshu at the Fushan Central Primary School. More than 400 students and teachers took part. The Executive Director of the local Red Cross gave each of them a first aid guide to read and reread, a first foray that will be followed by many others.

## IN BRIEF

### Support for non-governmental organizations (NGOs)

It was dash time for Arkema Brazil employees, who on July 12, 2009 participated in the First Annual Race for Social Integration organized in Sao Paulo by the French-Brazilian Chamber of Commerce, to support local NGOs.

### Natural harmony

Working with Naturama, a French environmental education association, Arkema inventoried all the insect species living around the Arkema Saint-Fons site in the Rhone region. Just in time for the International Year of Biodiversity, the cohabitation of butterflies, dragonflies, crickets and various grasshoppers demonstrates that chemical manufacturers and insects can coexist quite happily.

## PEOPLE ON THE MOVE

Marc Pandraud, Deutsche Bank's Chief Country Officer for France, was appointed to the Board of Directors at the June 15, 2009 Annual Shareholders' Meeting.

Jean-François Chesneau was appointed Vice President, Raw Materials Purchasing and Packaging on July 1, 2009.

Philippe Chartres was appointed Managing Director of the Thiochemicals business unit on September 1, 2009.

Sophie Foullat took over as Vice President, Investor Relations on September 1, 2009.

Denis Bortzmeyer, Vice President, R&D Partnerships, was appointed to chair Axelera for two years, effective September 10, 2009.

Meeting on November 9, 2009, the Board of Directors decided to submit the appointment of Claire Pedini, Senior Vice President in charge of Human Resources at Saint-Gobain, to the June 1, 2010 Annual Shareholders' Meeting.

Florence Schlegel took over as General Counsel on January 4, 2010.

Richard Jenkins was appointed Managing Director of the new Emulsions business unit created January 25, 2010 following the acquisition of a part of Dow Chemical's acrylics business in the United States.

## Technip Supply Award

In February 2010, Technip presents Arkema with the 2010 Supply Star Award, for the exceptional quality of Kynar® and Rilsan® polymers used in flexible pipes. Arkema stood out from the crowd, through continuous process, quality and service improvements, new products, efficiency and shared savings.

## Mission in Carbone City

From March 2010 and over the next four years, middle-schoolers in France's Rhone-Alps region will think about chemical and environmental issues and learn how they apply to our current and future lives. "Mission in Carbon City" is an innovative educational game introduced by Axelera, the global competitiveness cluster for chemicals and environmental science. Arkema, a founding member of Axelera, led the working group that designed the game.

## Biorefinery

March 2, 2010, the European Union jumps into biomass. Bringing broad experience in converting plant-derived raw materials, Arkema joins the European Multilevel Integrated Biorefinery Design for Sustainable Biomass Processing (EuroBioRef) and Biocommodity Refinery (Biocore) projects as a partner.

## Biosourced acrylics

March 8, 2010, the Lorraine Regional Council, Arkema and two university laboratories pledge to support a research program on biosourced acrylics. The project aims to develop new "green" acrylic acid derivatives and create a biosourced chemical industry in the France's Lorraine region.

## Employees' holding

Two weeks, from March 10 to 24, 2010, to become an employee shareholder. The second share issue in Arkema's history is open to employees the world over. The purchase price is set at €20.67, a 20% discount from the reference price. The issue is a success, with employees purchasing 824,424 shares, bringing employee ownership near to 5%.

## American Coatings Show

From April 13 to 15, 2010, we exhibit at the American Coatings Show in Charlotte, North Carolina, presenting the specialty chemicals made by Arkema and our subsidiary Coatex for paints and coatings, especially polymers and acrylic emulsions, the Ucar® and Evocar® latex line and Kynar® fluoropolymers.

## K2010

October 27 to November 3, 2010, Arkema will exhibit at the eighteenth K 2010 International Trade Fair for Plastics and Rubber, in Düsseldorf, Germany, an event we never miss. We will present our polymer innovations and plastic additives at the exhibition, a superb showcase for positioning Arkema in four growth markets: energy, transportation, construction and sports & leisure.





## TO PRESERVE THE PLANET'S RESOURCES WE'RE DEVELOPING PLANT-BASED CHEMISTRIES.

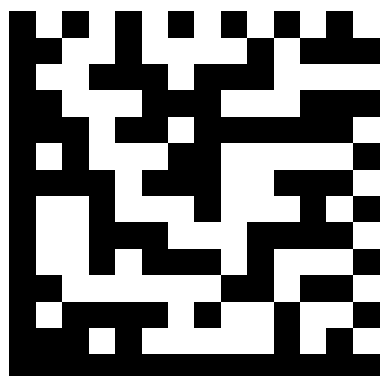
To combine sports performance and sustainable development, Arkema created Pebax® Rnew, an innovative thermoplastic elastomer made from a renewable raw material, which helps preserve fossil resources and the environment.

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

[www.arkema.com](http://www.arkema.com)



## flashcode



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