



(a société anonyme incorporated in France)

**Euro 250,000,000 3.85 per cent. Bonds due 30 April 2020  
to be assimilated (*assimilables*) with the existing  
Euro 230,000,000 3.85 per cent. bonds due 30 April 2020 issued on 30 April 2012**

**Issue Price: 105.768 per cent. of the principal amount of the Bonds plus an amount corresponding to accrued interest at a rate of 1.70877 per cent. of the principal amount of the Bonds for the period from, and including, 30 April 2012 to, but excluding, 9 October 2012**

This prospectus (including the documents incorporated by reference) constitutes a prospectus (the “**Prospectus**”) for the purposes of article 5.3 of Directive 2003/71/EC of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading of 4 November 2003 as amended by Directive 2010/73/EU dated 24 November 2010 (the “**Prospectus Directive**”).

This Prospectus contains information relating to the issue by Arkema (the “**Issuer**”) of its Euro 250,000,000 3.85 per cent. bonds due 30 April 2020 (the “**Bonds**”). The Bonds will be assimilated (*assimilables*) and form a single series with the existing Euro 230,000,000 3.85 per cent. bonds due 30 April 2020 previously issued by the Issuer on 30 April 2012 (the “**Original Bonds**”) as from the date of assimilation which is expected to be on or around 40 days after the Issue Date (*i.e.* 19 November 2012) (the “**Assimilation Date**”). Application has been made to the *Autorité des marchés financiers* (the “**AMF**”) in France for the approval of this Prospectus, in its capacity as competent authority pursuant to article 212-2 of its *Règlement Général* which implements the Prospectus Directive.

The Bonds will be issued on 9 October 2012 (the “**Issue Date**”) and will bear interest at a rate of 3.85 per cent. per annum from, and including, 9 October 2012 to, but excluding, 30 April 2020, payable annually in arrear on 30 April in each year, commencing on 30 April 2013, all as more fully described in “Terms and Conditions of the Bonds – Interest” herein. Payments of principal and interest on the Bonds will be made without deduction for or on account of French taxes, as more fully described in “Terms and Conditions of the Bonds – Taxation” herein.

Unless previously redeemed or purchased and cancelled, in accordance with the Terms and Conditions of the Bonds – Redemption and Purchase, the Bonds will be redeemed in full at their principal amount on 30 April 2020. The Bonds may, in certain circumstances, be redeemed, in whole but not in part, at their principal amount together with any accrued interest notably in the event that certain French taxes are imposed (see Conditions V(c) of the “Terms and Conditions of the Bonds” herein) or if any event of default occurs (as described under Conditions V(d) of the “Terms and Conditions of the Bonds” herein). In addition Bondholders will be entitled, in the event of a Change of Control of the Issuer, to request the Issuer to redeem, or to procure the purchase of, their Bonds at their principal amount together with any accrued interest (all as defined in accordance with Condition V(e) of the “Terms and Conditions of the Bonds” herein).

Holders of the Bonds (the “**Bondholders**”) will be entitled under certain circumstances, to request the Issuer to redeem or procure the purchase of their Bonds at their principal amount together with any accrued interest, as more fully described under “Terms and Conditions of the Bonds - Early redemption of the Bonds at the option of Bondholders” herein.

Application has been made to list and admit the Bonds to trading on Euronext Paris. References in this Prospectus to the Bonds being “listed” (and all related references) shall mean that the Bonds have been listed and admitted to trading on Euronext Paris with effect from the Issue Date. Euronext Paris is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments, as amended.

The Bonds have been accepted for clearance through Euroclear France, Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”) and Euroclear Bank SA/N.V. (“**Euroclear**”). The Bonds will on the Issue Date be inscribed (*inscription en compte*) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in “Terms and Conditions of the Bonds - Form, Denomination and Title” herein) including Euroclear and the depositary bank for Clearstream, Luxembourg.

The Bonds will be issued in dematerialised bearer form in the denomination of Euro 100,000 each. The Bonds will at all times be represented in book entry form (*dématerialisé*) in the books of the Account Holders in compliance with articles L.211-3 and R.211-1 of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Bonds.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to U.S. persons. Accordingly, the Bonds are being offered and sold only outside the United States in reliance on Regulation S under the Securities Act and are not being offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act).

The Bonds have been assigned ratings of BBB by Standard & Poor's Credit Market Services France SAS, and Baa3 by Moody's Investors Service Limited. The rating of the long term debt of the Issuer has been raised on 23 May 2012 to BBB by Standard & Poor's Credit Market Services France SAS and Baa3 by Moody's Investors Service Limited. Standard & Poor's Credit Market Services France SAS and Moody's Investors Service Limited are both established in the European Union and registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended and are both included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority ([www.esma.europa.eu](http://www.esma.europa.eu)). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the assigning rating agency.

**See the "Risk Factors" section of this Prospectus for a description of certain factors which should be considered by potential investors in connection with any investment in the Bonds.**

**Copies of this Prospectus and the documents incorporated by reference are available for inspection free of charge, at the office of the Fiscal Agent and are available on the websites of the Issuer ([www.finance.arkema.com](http://www.finance.arkema.com)) and the AMF ([www.amf-france.org](http://www.amf-france.org)) with the exception of the 2012 Half-Year Financial Report which is only available on the website of the Issuer ([www.finance.arkema.com](http://www.finance.arkema.com)).**

#### **JOINT LEAD MANAGERS**

**Crédit Agricole CIB**

**Lloyds Bank**

**Société Générale Corporate &  
Investment Banking**

**5 October 2012**

This Prospectus has been prepared for the purpose of giving information with regard to the Issuer and the Issuer, its subsidiaries, affiliates and shareholdings taken as a whole and held directly or indirectly by the Issuer (the “**Group**”) and the Bonds which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer.

This Prospectus is to be read and construed in conjunction with all the documents which are incorporated herein by reference (see “Documents incorporated by reference” herein).

Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer and the Joint Lead Managers (as defined in “Subscription and Sale” herein) that any recipient of this Prospectus or any other financial statements should purchase the Bonds. Each potential purchaser of Bonds should determine for itself the relevance of the information contained in this Prospectus and its purchase of Bonds should be based upon such investigation as it deems necessary. None of the Joint Lead Managers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Bonds of any information coming to the attention of any of the Joint Lead Managers.

Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial or trading position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Joint Lead Managers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers or any of their affiliates as to the content, accuracy or completeness of the information contained or incorporated in this Prospectus, or any other information provided by the Issuer in connection with the issue and sale of the Bonds or any other statement in connection with the Issuer.

In connection with the issue and sale of the Bonds, no person is authorised to give any information or to make any representation not contained (or incorporated by reference) in this Prospectus, and neither the Issuer nor any of the Joint Lead Managers accepts responsibility for any information or representation so given that is not contained (or incorporated by reference) in this Prospectus. This Prospectus does not constitute an offer of Bonds, nor may it be used for the purposes of an offer or solicitation by anyone, in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offer of the Bonds or the distribution of this Prospectus in any jurisdiction where any such action is required except as specified herein.

The distribution of this Prospectus and the offer of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about, and to observe, such restrictions.

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)), except in transactions exempt from, or not subject to, the registration requirements of the Securities Act.

A further description of certain restrictions on offers and sales of the Bonds in the United States and in certain other jurisdictions is set forth below under “Subscription and Sale” herein.

In this Prospectus, unless otherwise specified, references to a “**Member State**” are references to a Member State of the European Economic Area and references to “**euro**”, “**EURO**”, “**Euro**” and “**€**” are to the single currency introduced on 1 January 1999, at the start of the third stage of European economic and monetary union pursuant to the treaty establishing the European Community, as amended.

## **FORWARD-LOOKING STATEMENTS**

This Prospectus contains or incorporates by reference certain statements that are forward-looking including statements with respect to the Group's business strategies, expansion and growth of operations, trends in its business, competitive advantage, technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof.

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## PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

To the best knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Arkema  
420 rue d'Estienne d'Orves  
92705 Colombes Cedex  
France

Duly represented by Christiane Chapuis, *Directeur Financement et Trésorerie*

Dated 5 October 2012



In accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and with the General Regulation (*Règlement général*) of the AMF, in particular articles 211-1 to 216-1, the AMF has granted to this Prospectus the *visa* no. 12-478 on 5 October 2012. This Prospectus has been prepared by the Issuer and its signatories assume responsibility for it. In accordance with article L.621-8-1-I of the French *Code monétaire et financier*, the *visa* has been granted following an examination by the AMF of “whether the document is complete and comprehensible, and whether the information in it is coherent”. It does not imply that the AMF has verified the accounting and financial data set out in it and the appropriateness of the issue of the Bonds.

## **RISK FACTORS**

*The following are certain risk factors of the offering of the Bonds of which prospective investors should be aware. They do not describe all the risks of an investment in the Bonds. Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this Prospectus, including in particular the risk factors detailed below and the further risk factors relating to the Issuer and its activities contained in the 2011 Reference Document (as defined in “Documents Incorporated by Reference” herein) and in the 2012 Half-Year Financial Report (as defined in “Documents Incorporated by Reference” herein). Prospective investors should make their own independent evaluations of all investment considerations.*

*Terms defined in “Terms and Conditions of the Bonds” below shall have the same meaning where used below and references below to “**Conditions**” are, unless the context otherwise requires, to the numbered paragraphs contained in the “Terms and Conditions of the Bonds” set forth in this Prospectus.*

*The order in which the following risks factors are presented is not an indication of the likelihood of their occurrence.*

### **I. Risks related to the Issuer**

The Group carries out its business activities in a rapidly changing environment, which creates risks for the Group, many of which are beyond its control. The risks and uncertainties described herein are not the only ones which the Group faces or will face in the future. Other risks and uncertainties of which the Group is currently unaware or that it deems not to be significant as of the date of this Prospectus could also adversely affect its business activities, financial situation, results, or future prospects.

The risk factors relating to the Issuer and its activities are set out in (i) Chapter 6 of the 2011 Reference Document in French language and (ii) the notes to the Issuer’s condensed consolidated interim financial statements as at 30 June 2012 in the 2012 Half-Year Financial Report, and incorporated by reference in this Prospectus (see “Documents Incorporated by Reference” herein). The Issuer expressly advises the prospective investors to carefully consider in full the risk factors set out in the 2011 Reference Document (pages 32 to 44, and 76) and in the 2012 Half-Year Financial Report (pages 7, 43 to 50 and 53 to 55).

The Issuer believes that the risk factors set out in the 2011 Reference Document (pages 32 to 44, and 76), the 2012 Half-Year Financial Report (pages 7, 43 to 50 and 53 to 55) and below may affect its ability to fulfil its obligations under the Bonds. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The risk factors may relate to the Issuer or to any of its subsidiaries.

In addition, factors which are material for the purpose of assessing the market risks associated with the Bonds are also described below.



The Issuer believes that the factors (although not exhaustive) described below represent the principal risks inherent in investing in the Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Bonds may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Bonds are exhaustive. The risks described below are not the only risks the Issuer faces. Additional risks and uncertainties not currently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision. In particular, investors should make their own assessment and seek such professional advice as they deem appropriate under the circumstances as to the risks associated with the Bonds prior to investing in such Bonds.

## **II. Risks related to the Bonds**

### **A. General risks relating to the Bonds**

#### **The Bonds may not be a suitable investment for all investors**

Each prospective investor of Bonds must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Bonds is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Bonds.

A prospective investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its own financial situation, an investment in the Bonds and the impact that any such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear the risks of an investment in the Bonds, including any currency exchange risk due to the fact that the potential investor's currency is not Euro;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of the financial markets and any relevant indices;
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the risks of such investment; and
- (vi) consult its own advisers as to legal, tax and related aspects of an investment in the Bonds.

## **Legality of Purchase**

Neither the Issuer, any of the Joint Lead Managers, nor any of their respective affiliates has or assumes responsibility for the lawfulness of the subscription or acquisition of the Bonds by a prospective investor in the Bonds, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates, or for compliance by that prospective investor with any law, regulation, regulatory policy applicable to it.

## **Modification, waivers and substitution**

The terms and conditions of the Bonds contain provisions for calling general meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant general meeting and Bondholders who voted in a manner contrary to the majority.

## **Change of law**

The terms and conditions of the Bonds are based on French law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French law or administrative practice or the official application or interpretation of French law after the date of this Prospectus.

## **Insolvency or similar proceedings**

### **If the Issuer was to become insolvent, French insolvency laws could be unfavourable to Bondholders, and could impede Bondholders' ability to enforce their rights under the Bonds**

The Issuer is incorporated under the laws of France. Accordingly, any insolvency proceedings with respect to the Issuer or its French subsidiaries would likely be carried out under the laws of France, including article 1244-1 of the French *Code civil* and laws relating to conciliation procedure (*procédure de conciliation*) and safeguard procedure, accelerated financial safeguard procedure, judicial reorganization or liquidation proceedings (*procédure de sauvegarde, procédure de sauvegarde financière accélérée, redressement* or *liquidation judiciaire*). Certain provisions of insolvency laws in France are less favourable to creditors than are the bankruptcy laws of other countries. In general, French reorganization or liquidation legislation favours the continuation of a business and protection of employment over the payment of creditors.

Pursuant to article 1244-1 of the French *Code civil*, French courts may, in a civil proceeding involving a debtor, defer or otherwise reschedule over a maximum period of two years the payment dates of payment obligations. In addition, pursuant to article 1244-1 of the French *Code civil*, French courts may decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate which is lower than the contractual rate (but not lower than the legal rate) or that payments made shall first be allocated to repayment of the principal.

As a general rule, creditors whose debts arose prior to the commencement of bankruptcy proceedings must file a claim with the creditors' representative within certain periods (which may depend on the domicile of the creditor) of the publication of the court order commencing bankruptcy proceedings (safeguard procedure, accelerated financial safeguard procedure, judicial reorganization or liquidation proceeding). Creditors who have not submitted their claims during this period are barred from receiving distributions made in connection with the bankruptcy proceedings and their unasserted claims will be unenforceable against the debtor both during and following the implementation of the continuation plan, provided the debtor has complied with the plan's terms.

French courts may order that the date on which the company became unable to pay its debts as they came due be deemed to be an earlier date of up to eighteen (18) months prior to the order commencing bankruptcy proceedings (*report de la date de cessation des paiements*). This date marks the beginning of a “suspect period” (*période suspecte*) during which certain transactions that are entered into may be voided.

In addition, from the date of the court order commencing bankruptcy proceedings, the debtor is prohibited from paying debts outstanding prior to the court order, subject to limited exceptions. Contractual provisions that would accelerate the payment of the debtor’s obligations upon the occurrence of certain bankruptcy events, such as those contained in the terms and conditions of the Bonds, may be subject to an automatic stay of payment under French law applicable to debts outstanding at the time of commencement of bankruptcy proceedings.

Under French insolvency law as amended by ordinance no. 2008-1345 dated 18 December 2008 which came into force on 15 February 2009 and related order no. 2009-160 dated 12 February 2009 and law no. 2010-1249 dated 22 October 2010 which came into force on 1 March 2011 and related order no 2011-236 dated 3 March 2011, holders of debt securities are automatically grouped into a single assembly of holders (the “**Assembly**”) in order to defend their common interests if a safeguard procedure (*procédure de sauvegarde*), an accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer. The Assembly comprises holders of all debt securities issued by the Issuer (including the Bonds) regardless of their governing law. The Assembly deliberates on the proposed safeguard plan (*projet de plan de sauvegarde*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including Bondholders) by rescheduling due payments and/or partially or totally writing off receivables in form of debt securities;
- establish an unequal treatment between holders of debt securities (including Bondholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Bonds) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-third (2/3) majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required to hold the Assembly. For the avoidance of doubt, the provisions relating to the Masse described in this Prospectus will not be applicable to the extent they conflict with compulsory insolvency law provisions that apply in these circumstances.

The procedures, as described above or as they will or may be amended, could have an adverse impact on Bondholders seeking repayment in the event that the Issuer or one of its subsidiaries were to become insolvent.

### **Credit risk**

The price of the Bonds will also depend on the creditworthiness of the Issuer. If the creditworthiness of the Issuer deteriorates the value of the Bonds may decrease and investors may lose all or part of their investment.

## **B. Risks related to the market generally**

### **Market value of the Bonds**

The market value of the Bonds will be affected by the creditworthiness of the Issuer and a number of additional factors, including market interest and yield rates.

The value of the Bonds depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital market generally and the stock exchange on which the Bonds are traded. The price at which a Bondholder will be able to sell the Bonds may be at discount, which could be substantial, from the issue price or the purchase price paid by such Bondholder. If the creditworthiness of the Issuer deteriorates, the value of the Bonds may also decrease and investors selling their Bonds prior to maturity may lose all or part of their investment.

### **Exchange rate risks and exchange controls**

The Issuer will pay principal and interest on the Bonds in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than Euro. These include the risk that exchange rates may change significantly (including changes to the depreciation of Euro or appreciation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls that could adversely affect an applicable exchange rate. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency-equivalent yield on the Bonds, (ii) the Investor's Currency-equivalent value of the principal payable on the Bonds and (iii) the Investor's Currency-equivalent market value of the Bonds. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

### **Interest rate risks**

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. While the nominal interest rate of a fixed interest rate bond is determined during the term of such bond or within a given period of time, the market interest rate (the "**Market Interest Rate**") typically varies on a daily basis. As the Market Interest Rate changes, the price of the bond varies in the opposite direction. If the Market Interest Rate increases, the price of the bond typically decreases, until the yield of the bond equals approximately the Market Interest Rate. If the Market Interest Rate decreases, the price of a fixed-rate bond typically increases, until the yield of the bond equals approximately the Market Interest Rate.

Bondholders should be aware that movements of the Market Interest Rate can adversely affect the price of the Bonds and can lead to losses for Bondholders if they sell Bonds during the period in which the Market Interest Rate exceeds the fixed rate of the Bonds.

### **No prior market for the Bonds; No active secondary market for the Bonds; Resale restrictions**

An investment in the Bonds should be considered primarily with a view to holding them until their maturity (*i.e.*, 30 April 2020). There is no existing market for the Bonds, and there can be no assurance that any market will develop for the Bonds or that Bondholders will be able to sell their Bonds in the secondary market, in which case the market or trading price and liquidity of the Bonds may be adversely affected. Investors may be unable to sell their Bonds easily or within satisfactory price conditions, in particular in respect of the yield available in similar investments with a secondary market. The sale price of the Bonds prior to maturity will be equal to their market price, which may entail either a gain or a loss for the selling Bondholders.

The liquidity of any market for the Bonds will depend upon the number of Bondholders (which could be very limited), the market for similar securities, the interest of securities dealers in making a market, general economic conditions and the Issuer's financial condition, performance, prospects and other factors. Historically, the market for indebtedness with characteristics similar to the Bonds has not been consistently liquid and has been subject to disruptions that have caused substantial volatility in the prices of such securities. There can be no assurance that the market for the Bonds will not be subject to similar disruptions. Any such disruptions may have an adverse effect on Bondholders. In addition, market-making activity in the Bonds, if any, will be subject to limits imposed by applicable laws and regulations. As a result, the Issuer cannot assure Bondholders that an active trading market will develop for the Bonds.

### **C. Risks relating to the particular structure of the Bonds**

#### **Credit ratings may not reflect all risks**

The rating assigned by any of Standard & Poor's Credit Market Services France SAS and Moody's Investors Service Limited to the Bonds may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be suspended, revised or withdrawn by the assigning rating agency at any time. Any adverse change in an applicable credit rating could adversely affect the trading price of the Bonds.

#### **The Bonds may be redeemed prior to maturity**

In the event that the Issuer would be obliged to pay additional amounts in respect of any Bonds due to any withholding as provided in Condition V(c), the Issuer may and, in certain circumstances, shall redeem all of the Bonds then outstanding in accordance with such Condition. As a consequence, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Bonds.

#### **Exercise of put option following a Change of Control in respect of certain Bonds may affect the liquidity of the Bonds in respect of which such put option is not exercised**

Depending on the number of Bonds in respect of which the put option provided in Condition V(e) is exercised, any trading market in respect of those Bonds in respect of which such put option is not exercised may become illiquid.

**The Bonds are not protected by restrictive covenants, and do not prevent the Issuer from incurring additional indebtedness, including indebtedness that would come prior to or rank equally with the Bonds**

Apart from clauses relating to changes in control or the termination of all or substantially all of the Issuer's business, the terms and conditions governing the Bonds do not contain any financial or operating covenants or restrictions on the payment of dividends, the incurrence of unsecured indebtedness or the issuance or repurchase of securities by the Issuer or any of its subsidiaries. As a result, it is possible that the Issuer could enter into or be the subject of transactions that are disadvantageous to Bondholders.

The Terms and Conditions of the Bonds contain a negative pledge undertaking that prohibits the Issuer and its Principal Subsidiaries (as defined in Condition III) in certain circumstances from creating security over assets, but only to the extent that such is used to secure other bonds or similar listed or quoted debt instruments, and there are certain exceptions to negative pledge.

Subject to the pledge related and any other restrictions in the Issuer's other debt instruments, the Issuer and its subsidiaries may incur significant additional debt that could be considered before or rank equally with the Bonds. Although these restrictions are significant, they are subject to a number of important exceptions, and debt incurred in compliance with these restrictions could be substantial. If the Issuer incurs significant additional debt ranking equally with the Bonds, it will increase the number of claims that would be entitled to share rateably with Bondholders in any proceeds distributed in connection with an insolvency, bankruptcy or similar proceeding. If the Issuer or its subsidiaries incur significant additional debt that is structurally senior or that would otherwise come prior to the Bonds, it could intensify the risks of Bondholders as compared with the holders of such instruments.

**D. Risks relating to taxation**

**Taxation**

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial obligations such as the Bonds. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

**EU Savings Tax Directive**

On 3 June 2003, the European Council of Economics and Finance Ministers adopted a directive 2003/48/EC regarding the taxation of savings income in the form of interest payments, as amended (the "**Directive**"). The Directive requires Member States, subject to a number of conditions being met, to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State or an entity without legal personality that meets certain conditions and has not opted to be treated as UCITS for the purposes of the Directive that is established in that other Member State, except that, for a transitional period, Luxembourg and Austria will instead withhold an amount on interest payments unless the relevant beneficial owner of such payment elects otherwise and authorises the paying agent to disclose the above information (see "Taxation – EU Directive on the taxation of saving incomes" herein).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Bond as a result of the imposition of such withholding tax. If a withholding tax is imposed on a payment made by a paying agent, the Issuer will be required to maintain a paying agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

On 13 November 2008, the European Commission published a proposal for amendments to the Directive. The proposal included a number of suggested changes that, if implemented, would broaden the scope of the rules described above. The European Parliament approved an amended version of this proposal on 24 April 2009. In particular, it is proposed to extend under certain conditions the scope of the Directive to payment of Interest made to certain categories of entities and legal arrangements “based” outside the European Union (the “EU”) for the ultimate benefit of beneficial owners that are individuals. Investors who are in any doubt as to their position should consult their professional advisers.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents which have been previously published and have been delivered or filed with the AMF:

- (a) the pages referred to in the table below which are included in the Issuer's 2012 half-year financial report including the condensed consolidated interim financial statements as at 30 June 2012 in the French language (the "**2012 Half-Year Financial Report**");
- (b) the pages referred to in the table below which are included in the Issuer's 2011 *Document de Référence* in French language, filed with the AMF under no. D.12-0280 on 4 April 2012 (the "**2011 Reference Document**"), which includes the audited consolidated financial statements of the Issuer as at 31 December 2011 prepared in accordance with IFRS as adopted by the European Union; and
- (c) the pages referred to in the table below which are included in the Issuer's 2010 *Document de Référence* in French language, filed with the AMF under no. D.11-0203 on March 31, 2011 (the "**2010 Reference Document**"), which includes the audited consolidated financial statements of the Issuer as at 31 December 2010 prepared in accordance with IFRS as adopted by the European Union.

Any references in this Prospectus to the 2011 Reference Document or 2010 Reference Document shall be deemed to refer to the pages incorporated by reference in the table below and to those sections only.

The English translation of the 2012 Half-Year Financial Report, the 2011 Reference Document and 2010 Reference Document are available on the website of the Issuer ([www.finance.arkema.com](http://www.finance.arkema.com)). These English translations are available for information purposes only and are not incorporated by reference in this Prospectus. Only the French language versions of the 2012 Half-Year Financial Report, the 2011 Reference Document and 2010 Reference Document may be relied upon.

The documents listed in (a), (b) and (c) above shall be incorporated in and form part of this Prospectus, save that (i) any information contained in the documents incorporated by reference in this Prospectus but not listed in the cross-reference table herein shall be given for information purposes only and shall not be deemed to be incorporated, and to form part of, this Prospectus and (ii) any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise); any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

This Prospectus and the documents incorporated by reference are available on the websites of the Issuer ([www.finance.arkema.com](http://www.finance.arkema.com)) and the AMF ([www.amf-france.org](http://www.amf-france.org)) with the exception of the 2012 Half-Year Financial Report which is only available on the website of the Issuer ([www.finance.arkema.com](http://www.finance.arkema.com)). So long as any of the Bonds are outstanding, this Prospectus and the documents incorporated by reference in this Prospectus will also be available during usual business hours on any weekday (except Saturdays, Sundays and public holidays) for inspection and collection free of charge, at the specified office of the Fiscal Agent and the Paying Agent.



The information incorporated by reference in this Prospectus shall be read in connection with the cross-reference table below.

<b>Rule</b>	<b>Annex IX of Regulation EC 809/2004 of 29 April 2004, as amended</b>	<b>Source document</b>	<b>Page(s) incorporated by reference</b>
<b>3.</b>	<b>RISK FACTORS</b>		
3.1.	Risk factors that may affect the Issuer's ability to fulfil its obligations.	2012 Half-Year Financial Report	7, 43 to 50 and 53 to 55
		2011 Reference Document	32 to 44 and 76
<b>4.</b>	<b>INFORMATION ABOUT THE ISSUER</b>		
4.1.	<u>History and development of the Issuer:</u>		
4.1.1.	the legal and commercial name of the Issuer;		28
4.1.2.	the place of registration of the Issuer and its registration number;		28
4.1.3.	the date of incorporation and the length of life of the Issuer, except where indefinite;	2011 Reference Document	28
4.1.4.	the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);		28
<b>5.</b>	<b>BUSINESS OVERVIEW</b>		
5.1.	<u>Principal activities:</u>		
5.1.1.	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed;	2011 Reference Document	12 to 26
5.1.2.	The basis for any statements in the registration document made by the issuer regarding its competitive position.	2011 Reference Document	16 to 26
<b>6.</b>	<b>ORGANISATIONAL STRUCTURE</b>		
6.1.	If the issuer is part of a group, a brief description of the group and of the issuer's position within it.	2011 Reference Document	45
6.2.	If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	N/A	N/A
<b>9.</b>	<b>ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES</b>		
9.1.	Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital.	2011 Reference Document	80 to 86
9.2.	<u>Administrative, Management, and Supervisory bodies conflicts of interests</u>  Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect.	2011 Reference Document	87

<b>Rule</b>	<b>Annex IX of Regulation EC 809/2004 of 29 April 2004, as amended</b>	<b>Source document</b>	<b>Page(s) incorporated by reference</b>
<b>10.</b>	<b>MAJOR SHAREHOLDERS</b>		
10.1.	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.	2011 Reference Document	133
10.2.	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.	N/A	N/A
<b>11.</b>	<b>FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>		
11.1.	<p><u>Historical Financial Information</u></p> <p>Audited historical financial information covering the latest 2 financial years and the audit report in respect of each year.</p> <p>If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least the following:</p> <p>(a) the balance sheet;</p> <p>(b) the income statement;</p> <p>(c) the accounting policies and explanatory notes.</p>	<p><i>Statutory Consolidated Financial Statements</i></p> <p>2012 Half-Year Financial Report</p> <p>2011 Reference Document</p> <p>2010 Reference Document</p> <p>2012 Half-Year Financial Report</p> <p>2011 Reference Document</p> <p>2010 Reference Document</p> <p>2012 Half-Year Financial Report</p> <p>2011 Reference Document</p> <p>2010 Reference Document</p>	<p>12</p> <p>142</p> <p>138</p> <p>10</p> <p>140</p> <p>136</p> <p>15 to 62</p> <p>146 to 196</p> <p>142 to 192</p>
11.2.	<p><u>Financial statements</u></p> <p>If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.</p>	<p><i>Statutory Consolidated Financial Statements</i></p> <p>2012 Half-Year Financial Report</p> <p>2011 Reference Document</p> <p>2010 Reference Document</p>	<p>10 to 14</p> <p>140 to 144</p> <p>136 to 140</p>
11.3.	<u>Auditing of historical annual financial information</u>		
11.3.1.	A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers, must be reproduced in full and the reasons given.	<p><i>Statutory Consolidated Financial Statements</i></p> <p>2012 Half-Year Financial Report</p> <p>2011 Reference Document</p> <p>2010 Reference Document</p>	<p>67 to 69</p> <p>138 to 139</p> <p>134 to 135</p>

<b>Rule</b>	<b>Annex IX of Regulation EC 809/2004 of 29 April 2004, as amended</b>	<b>Source document</b>	<b>Page(s) incorporated by reference</b>
11.5.	<u>Legal and arbitration proceedings</u>  Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	2012 Half-Year Financial Report  2011 Reference Document	44 to 50  173 to 176
<b>12.</b>	<b>MATERIAL CONTRACTS</b>		
12.	A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligations to security holders in respect of the securities being issued.	2011 Reference Document	18 and 226 to 228

## DESCRIPTION OF THE ISSUER

The description of the Issuer and its Group is set out in the 2011 Reference Document and the 2012 Half-Year Financial Report which are incorporated by reference into this Prospectus, as provided in the section “Documents incorporated by reference” herein. Recent developments in relation to this description are described hereunder.

### *Board of Directors (Conseil d’administration) of the Issuer*

Isabelle Kocher resigned as director (*administrateur*) of the Issuer on 31 July 2012.

As a result of this resignation, the Issuer’s Board of Directors (*conseil d’administrtaion*) is composed as follows:

	<i>Year of birth</i>	<i>Date of first appointment</i>	<i>Date appointment most recently renewed</i>	<i>Date on which appointment ceases</i>
Thierry Le Henaff (Chairman)	1963	6 March 2006	23 May 2012	AGM held to approve accounts for 2015 financial year
Patrice Bréant	1954	1 June 2010	-	AGM held to approve accounts for 2013 financial year
François Enaud	1959	10 May 2006	24 May 2011	AGM held to approve accounts for 2014 financial year
Bernard Kasriel	1946	10 May 2006	15 June 2009	AGM held to approve accounts for 2012 financial year
Laurent Mignon	1963	10 May 2006	24 May 2011	AGM held to approve accounts for 2014 financial year
Thierry Morin	1952	10 May 2006	15 June 2009	AGM held to approve accounts for 2012 financial year
Marc Pandraud	1958	15 June 2009	-	AGM held to approve accounts for 2012 financial year

Claire Pédini	1965	1 June 2010	-	AGM held to approve accounts for 2013 financial year
Jean-Pierre Seeuws	1945	10 May 2006	23 May 2012	AGM held to approve accounts for 2015 financial year
Philippe Vassor	1953	10 May 2006	15 June 2009	AGM held to approve accounts for 2012 financial year

***Executive Committee (Comité exécutif) of the Issuer***

Otto Taken ceased to be a member of the Executive Committee (*Comité exécutif*) of the Issuer on 1 July 2012.

As a result of the same, the Issuer's Executive committee (*Comité exécutif*) is composed as follows:

- Thierry Le Hénaff, born in 1963, *Président-Directeur général*
- Luc Benoit-Cattin, born in 1963, *Directeur général Industrie*
- Bernard Boyer, born in 1960, *Directeur général Stratégie*
- Pierre Chanoine, born in 1949, *Directeur général Produits Performance*
- Michel Delaborde, born in 1956, *Directeur général Ressources Humaines et Communications*
- Thierry Lemonnier, born in 1953, *Directeur général Financier*
- Marc Schuller, born in 1960, *Directeur général Chimie Industrielle*

## RECENT DEVELOPMENTS

### Press Releases

#### 23 May 2012 – *Arkema Annual Shareholders' Meeting May 23rd 2012*

Arkema's Combined Ordinary and Extraordinary General Meeting, chaired by Thierry Le Hénaff, was attended by over 550 people.

The shareholders, representing 58.97% of the shares with voting rights, renewed the directors' mandate of Messrs Thierry Le Hénaff and Jean-Pierre Seeuws for a four-year term. They also approved the 2011 financial statements, the distribution of a €1.30 dividend per share, 30% up on the previous year, and granted various financial authorizations to the Board of Directors.

At this Annual General Meeting Thierry Le Hénaff, Chairman and Chief Executive Officer, and Thierry Lemonnier, Chief Financial Officer, reported on the speeding up of the Group's transformation, its 2011 performances, and its outlook. Last year and for the first time since the spinoff, Arkema's EBITDA exceeded the symbolic €1 billion threshold. Thierry Le Hénaff also reviewed the new long-term objectives announced in March 2012 to achieve €8 billion sales and €1,250 million EBITDA while maintaining gearing at around 40%.

At the close of the Annual General Meeting, the Board decided to reappoint Mr Thierry Le Hénaff as Chairman and Chief Executive Officer for the duration of his term as director, and Mr Jean-Pierre Seeuws as Chairman of the Strategy Committee and member of the Audit and Accounts Committee.

The full voting results for the resolutions will be available on the website [www.finance.arkema.com](http://www.finance.arkema.com) in the coming days.

#### 3 July 2012 – *Arkema finalized the divestment of its Vinyl Products segment*

**Arkema finalized today its project for the divestment\* of its Vinyl Products activities to the Klesch group announced in November 2011, and so continues to refocus its business on specialty chemicals.**

The activities concerned by the project have been grouped within a new company called KEM ONE. Headquartered in Lyon, France, this company has an excellent balance sheet structure, and reports sales of around one billion euros.

*"I would like to thank the personnel of the Vinyl Products segment for their involvement and commitment at Arkema over the years, and I wish them all every success in the future. This divestment is consistent with Arkema's strategy to refocus its business on specialty product lines"* said Thierry Le Hénaff, Arkema Chairman and Chief Executive Officer.

Commenting, A. Gary Klesch, founder and Chairman of the Klesch Group, said: *"This is a very exciting day for everyone involved with KEM ONE. As one of the largest vinyls businesses in Europe and with the strength in depth of its management team and the dedication of its staff, KEM ONE has a great future as it looks to capitalize on the growth opportunities which lie ahead."*

Thanks to a balanced distribution of sales across the world and a sustained innovation drive, Arkema is perfectly positioned to benefit fully from the growth related to sustainable development, and confirms its ambition to become one of the world's top chemicals manufacturers by 2016, generating sales of some 8 billion euros and EBITDA of 1,250 million euros.

\* Estimate of some of the specific charges related to the divestment operation recognized by Arkema in 2nd quarter: some 30 million euros as part of the establishment of social guarantees already announced early May, and some 30 million euros of technical costs related to the spinoff and divestment (IT, legal, accounting, etc., costs).

10 July 2012 – *Arkema announces a project for the divestment of its Tin Stabilizer business*

**Arkema has announced a project for the sale of its tin stabilizer business to PMC Group headquartered in Mount Laurel, NJ, a manufacturer of performance chemicals and plastics. With this proposed divestment of organometallic products, including Thermolite® tin stabilizers, Fascat® catalysts, and fine chemicals, Arkema continues to refocus its activities on fast growing core specialty businesses.**

Based on tin chemistry, Thermolite® heat stabilizers are used in PVC production, much of which is used in the construction sector, while Fascat® catalysts are used in automotive specialties and other applications. As part of Arkema's Functional Additives business unit, this organometallics activity reports sales of approximately 180M € on three continents.

The project will involve 234 people and 4 industrial sites around the world: the Carrollton KY, plant, certain assets at the Mobile (Axis) AL, plant in the US, and the Beijing plant in China will be transferred. Additionally, the part of the Vlissingen site (Netherlands) dedicated to tin stabilizer operations will be run by Arkema on behalf of PMC. It is anticipated that all involved employees in the sold business will be offered employment with the new entity.

Following this divestment, due to be completed in the Fall, Arkema's Functional Additives business unit (10% of the Group's sales in 2011) will be recentered on organic peroxides used as reaction initiators for commodity polymers, in which Arkema is number 2 in the world; acrylic impact modifiers and glass coating chemicals for the manufacture of flat glass and bottles.

This divestment project is subject to the works council information and consultation process in the Netherlands and to approval by the relevant antitrust authorities.

*Tin stabilizers or heat stabilizers are used to prevent heat-induced decomposition during the processing of PVC into finished products. They are used mostly in rigid and plasticized PVC.*

16 July 2012 – *Arkema gains foothold in Brazil in acrylic specialties*

**Arkema announces a project for the acquisition of an additives and emulsions production site from Brazilian Group Resicryl. The project illustrates the Group's commitment to speeding up its development in Latin America around high added value products. The Group should indeed benefit from the expected strong growth in the mineral industry, paper, construction, water treatment, and paint and adhesives markets.**

Under the terms of the agreement, Arkema would acquire, via its subsidiary Coatex, the Araçariçuama production site on the outskirts of São Paulo. The new entity, which will therefore comprise Coatex's existing sales in Brazil and those from the new site, will generate \$20M sales.

Coatex and Arkema would provide their know-how for the manufacture of resins and specialty emulsions, which are used in wide-ranging industries, including mineral processing, paint, adhesives, paper, construction, water treatment, and cosmetics.

The Araçariçuama facility was built in 2007. The production plants would gradually be developed to manufacture without delay Arkema's and Coatex's full range of rheology additives and waterborne emulsions, and would offer great development opportunities for the Araçariçuama site thanks to the Arkema Group's know-how and technologies. Resicryl would refocus its activity on the distribution and production of a limited range of coatings and latex.

*« The Araçariçuama site is ideally placed to fulfil the expectations of both our existing and our future customers. This is a first major step that will allow Arkema and its subsidiary Coatex to draw on the strong growth of Brazil and Latin America without delay »* stated Alain Mari, Chairman of Coatex.

The deal should be closed in the 2nd half of 2012.

24 July 2012 – *Successful startup of Arkema’s Kynar® fluoropolymer 50% capacity increase at its Changshu site, China*

**Arkema has brought on stream, several weeks ahead of schedule, the 50% increase in its fluorinated polymer production capacity at its Changshu site announced early 2011. This new capacity will enable the Group to consolidate its leading position in this high added value product line which offers significant growth prospects. Arkema now has major production capabilities for Kynar® PVDF on the three continents of Europe, North America and Asia, and so will be able to accommodate the growth of its customers around the world.**

Based in Changshu, the new line dedicated to the production of Kynar® and its VF2 (vinylidene fluoride) monomer will bolster the Group’s presence in emerging countries, while sustaining its development in fast growing specialty products. These new capacities will enable the Group to better meet global demand for PVDF, both in traditional markets such as coatings, chemical engineering and offshore oil extraction currently experiencing strong growth, and in emerging applications like water treatment, lithium-ion batteries, and photovoltaic panels.

Thus Arkema, the world leader in PVDF, is well placed to accommodate the growth of its customers ever more effectively by offering top quality and proximity service as well as a global offering in the United States with the Calvert City site, in Europe with the Pierre-Bénite site where a 50% capacity increase has also been announced, and now in China with the Changshu site.

18 September 2012 – *Firmly rooted in chemistry and innovation, performance and leadership: Arkema acquires a new visual identity*

**With a renewed focus on specialty chemicals and innovation, Arkema, a global chemical company and France’s leading chemicals producer, now enters into a new phase in its development. Accordingly, the Group is acquiring a new visual identity and a new signature “*Innovative Chemistry*” which reflects its new positioning in its high added value niches as well as the quality of its innovation.**

2012 marks a new phase in the history of Arkema. With a renewed focus on specialty chemicals and innovation, the Group is heading for growth and asserting its leadership: now is the time to translate this positioning into a new visual identity - new logo, new signature, and new brand architecture.

The name becomes the logo for greater impact thanks to a dense and asserted typography that outlines a contemporary chemistry, in tune with its time and its challenges. With its rising diagonals, the logo illustrates the daring spirit of a company that is rooted in innovation in order to speed up its customers’ development.

This innovative strength is also depicted in the choice of complementary and contrasted colours - an intense and deep blue hinting at purity and stability, and an intense red symbolizing creativity and energy.

The new signature, “*Innovative Chemistry*”, effective and attractive, asserts the leadership of an ambitious group, and clarifies the Group’s positioning.

Finally, the brand architecture has been streamlined to make the Arkema brand a genuine guarantee that introduces the business segments, endorses the subsidiaries, and signs the products.

A corporate campaign will carry this new image forward and thereby turn Arkema into a brand that is more engaging with decision-makers, opinion leaders and stakeholders, and more familiar to the public at large.



18 September 2012 – *Arkema confirms its 2016 ambition and presents its roadmap to 2020*

**At an Investor Day taking place today in Paris, Arkema presents its 2016 ambition to become a world leader in specialty chemicals and advanced materials.**

**With a selective and profitable growth strategy, the Group targets sales of 8 billion euros and an EBITDA margin of 16% in 2016 while maintaining gearing below 40%. Beyond, the Group intends to maintain its pace of development and aims to achieve sales of 10 billion euros with an EBITDA margin close to 17% in 2020. Confident in its long term prospects, Arkema announces that its dividend per share will already show a significant step-up in 2012 and targets beyond a 30% payout ratio on adjusted net income.**

The acquisition of Hipro Polymers and Casda Biomaterials in China beginning of this year and the divestment of its Vinyl business beginning of July, were the last steps of the highly successful turnaround of Arkema into a strong player in specialty chemicals.

The Group now enters a new phase of its development with the ambition to become a world leader in specialty chemicals and advanced materials. In this context, Arkema adopts a new corporate image and a new signature « *Innovative Chemistry* » to better reflect its strong positions in high value niches and its high quality innovation. The Group will now consist of three business segments: High Performance Materials, Industrial Specialties and Coating Solutions.

To achieve its 2016 targets, the Group will continue to implement its profitable growth strategy focusing on end-markets and countries offering a strong potential for development. Sales growth should be balanced between organic growth - supported by innovation in sustainability and geographical expansion in high growth countries with a more balanced approach between China, India, Brazil and Middle-East - and bolt-on acquisitions mainly in High Performance Materials and downstream of its acrylic monomers.

For 2012, the Group confirms its target to achieve an EBITDA close to 1 billion euros.

Presentations made at the Investor Days will be available on the website [www.finance.arkema.com](http://www.finance.arkema.com).

3 October 2012 – *Arkema finalizes the acquisition of an Acrylic Emulsions site in Brazil*

**Announced on July 16th this year, the project for the acquisition by the Arkema subsidiary Coatex of an acrylic additives and emulsions production site from Brazilian company Resicryl, was closed on October 1st 2012 as scheduled. This transaction fits perfectly with the Group's strategy to increase its presence in high-growth countries, particularly in Latin America, and strengthen its downstream integration of its acrylics activities.**

Arkema is very pleased with this acquisition which helps speed up its development in South America with high added value specialty products. The production site that has been acquired, located in Araçariçuama on the outskirts of São Paulo, will be part of Coatex which already runs commercial operations in Brazil. Current Coatex sales in Brazil and those from the new site will generate a turnover of around 20 million U.S. dollars.

The site's production plants will gradually be developed to manufacture without delay Arkema's full range of rheology additives and waterborne emulsions for the mineral industry, paper, construction, water treatment, paint and adhesives, and cosmetics markets.

The Group should therefore be able to draw on the strong growth expected in these markets in Brazil and in South America without delay.

3 October 2012 – *Arkema finalizes the divestment of its Tin Stabilizer business to PMC Group*

**On October 1st 2012 Arkema finalized the divestment of its tin stabilizer business announced in July 2012 to PMC Group, specialized in the manufacture of performance chemicals and plastics. This operation is fully in line with Arkema's ambition to be a world leader in specialty chemicals and advanced materials and with the target, announced at the Investor day mid-September, to divest around 400 million euros of sales between 2012 and 2016.**

The divested business accounts for sales of around €180 M on three continents, and includes four production sites in the United States, Europe and China(1).

The product range concerned by this divestment consists of tin derivatives, including Thermolite® stabilizers used in the production of PVC for construction, Fascat® catalysts used in the automotive industry, and a number of fine chemicals.

With this operation, Arkema refocuses its functional additives activities mostly on organic peroxides, used as reaction initiators for commodity polymers, in which Arkema is n° 2 in the world, acrylic impact modifiers, and glass coating additives for the production of flat glass and bottles.

*(1) For administrative reasons, in China the deal should be closed during the 1st half 2013.*

## **Recent Development in relation to Material Contracts**

A brief summary of material contracts that are not entered into in the ordinary course of the Issuer's business which could result in any Issuer's group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to security holders in respect of the securities being issued is set out in the 2011 Reference Document which is incorporated by reference into this Prospectus, as provided in the section "Documents incorporated by reference" herein.

In connection with the divestment of the Issuer's vinyl products activities to the Klesch group completed on 2 July 2012 pursuant to an agreement dated 23 May 2012 (the "**Divestment Agreement**") (please refer to page 18 of the 2011 Reference Document and to the press release dated 3 July 2012 referred to above), the following recent developments have occurred:

### ***Conditions of supply of electricity to chlorine-production sites***

The Lavéra and Fos-sur-Mer chlorine-production sites being now owned by Kem One, a portion of the volumes of electricity sold by Exeltium to the Issuer will be purchased on a "back-to-back" basis from the Issuer by Kem One for the supply of electricity to the Lavéra and Fos-sur-Mer chlorine-production sites.

### ***VCM contract for river transport by barge on the Rhône river***

The long-term contract which commenced on 1 January 2009 pursuant to which Arkema France agreed with Compagnie Fluviale de Transports de gaz (CFT gaz) on the terms governing the transport of VCM from Fos-sur-Mer and Lavéra to Saint-Fons by means of three motorized barges has been transferred to Kem One on 2 July 2012.

### ***Supply of ethylene (C<sub>2</sub>)***

The long-term supply agreement which became effective on 1 May 2006 has been amended on 28 June 2012 in order to pursue the supply of ethylene by Total Petrochemicals France (through Total Petrochemicals & Refining) to the Issuers sites of Balan and Carling in a post-divestment context.

### ***Post-closing claims***

The Issuer received a series of contractual claims and notifications in relation to the assets and agreements transferred under the Divestment Agreement, which could ultimately give rise to an indemnification to the benefit of the Klesch group and/or to payments to third parties benefiting from the Issuer's guarantees, without prejudice to any potential claims and/or counterclaims the Issuer may issue against the Klesch group under the Divestment Agreement. The total exposure of the Issuer under such claims and notifications cannot be assessed at this stage; however, the Issuer does not anticipate that such claims and notifications may have significant effects on the Issuer's financial position or profitability.

## TERMS AND CONDITIONS OF THE BONDS

*The following are the terms and conditions of the Bonds:*

The issue of the Euro 250,000,000 3.85 per cent. Bonds due 30 April 2020 (the “**Bonds**”) of the Issuer to be assimilated (*assimilables*) and form a single series with the existing Euro 230,000,000 3.85 per cent. bonds due 30 April 2020 issued by the Issuer on 30 April 2012 (the “**Original Bonds**”) has been authorised pursuant to a decision of Thierry LE HENAFF, *Président-Directeur général* of the Issuer dated 26 September 2012 acting pursuant to a resolution of the Board of Directors (*Conseil d’administration*) of the Issuer dated 9 May 2012.

The Issuer has entered into an agency agreement (the “**Principal Agency Agreement**”) dated 26 April 2012 with Société Générale, as fiscal agent and paying agent and will enter into a supplemental agency agreement to be dated 9 October 2012 (together with the Principal Agency Agreement, the “**Agency Agreement**”).

The Bonds will be assimilated (*assimilables*) and form a single series with the Original Bonds as from the date of assimilation which is expected to be on or around 40 days after 9 October 2012 (*i.e.* 19 November 2012).

The fiscal agent and paying agent for the time being are referred to in these Conditions as the “**Fiscal Agent**” and the “**Paying Agent**”, each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Agency Agreement, and are collectively referred to as the “**Agents**”.

For the purpose of this Prospectus, references below to “**Conditions**” are, unless the context otherwise requires, to the numbered paragraphs below.

### **I. Form, Denomination and Title**

The Bonds are issued on 9 October 2012 in dematerialised bearer form (*au porteur*) in the denomination of Euro 100,000 each. The Bonds will at all times be represented in book entry form (*dématérialisé*) in the books of the Account Holders (as defined hereunder) in compliance with articles L.211-3 and R.211-1 of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Bonds.

The Bonds will, upon issue, be inscribed in the books of Euroclear France (“**Euroclear France**”) which shall credit the accounts of the Account Holders. For the purpose of these Conditions, “**Account Holders**” shall mean any intermediary institution entitled to hold accounts, directly or indirectly with Euroclear France, and includes Euroclear Bank S.A./N.V. (“**Euroclear**”) and the depositary bank for Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”).

The address of Euroclear France is 155, rue Réaumur, 75081 Paris Cedex 02, France. The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream, Luxembourg is 42, avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

Title to the Bonds shall be evidenced in accordance with articles L.211-3 and R.211-1 of the French *Code monétaire et financier* by entries in the books of Account Holders and shall pass upon, and transfer of Bonds may only be effected through, registration of the transfer in such books.

## **II. Status of the Bonds**

The obligations of the Issuer in respect of the Bonds constitute direct, unconditional, unsubordinated and (subject as provided below) unsecured obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

## **III. Negative Pledge**

So long as any of the Bonds remain outstanding (as defined below), the Issuer will not, and will ensure that none of its Principal Subsidiaries (as defined below) will, create or permit to subsist any mortgage, lien, charge, pledge or other form of security interest (*sûreté réelle*) (“**Security**”) upon any of their respective assets or revenues, present or future, to secure (i) any Relevant Debt (as defined below) or (ii) any guarantee or indemnity in respect of any Relevant Debt unless, at the same time or prior thereto, the Issuer’s obligations under the Bonds are equally and rateably secured therewith.

For the purposes of this Condition:

- (i) “**outstanding**” means, in relation to the Bonds, all the Bonds issued other than: (a) those which have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption monies (including all interest accrued on such Bonds to the date for such redemption and any interest payable under Condition IV after such date) have been duly paid to the Fiscal Agent and (c) those which have been purchased and cancelled as provided in Condition V.
- (ii) “**Relevant Debt**” means any present or future indebtedness for borrowed money in the form of, or represented by, bonds or notes (*obligations*) or other debt securities (including *titres de créances négociables*) which are for the time being, or are capable of being, quoted, admitted to trading or ordinarily dealt in on any stock exchange, over-the-counter market or other securities market.
- (iii) “**Subsidiary**” means, in relation to any person or entity at any time, any other person or entity controlled directly or indirectly by such person or entity within the meaning of articles L.233-1 and L.233-3 of the French *Code de commerce*.
- (iv) “**Principal Subsidiary**” means, at any relevant time, a Subsidiary of the Issuer whose capital employed (as defined in the main accounting and financial indicators of the 2011 Reference Document (page 154) or in the Issuer's latest reference document at such time) represents more than five per cent. (5%) of the consolidated capital employed of the Group or whose turnover represents more than five per cent. (5%) of the consolidated turnover of the Group.

## **IV. Interest**

### **(a) Interest Payment Dates**

The Bonds bear interest at the rate of 3.85 per cent. per annum from and including 30 April 2012 (the “**Interest Commencement Date**”) payable annually in arrear on 30 April in each year (each a “**Interest Payment Date**”), commencing on 30 April 2013 (the “**First Interest Payment Date**”).

The period commencing on, and including, the Interest Commencement Date and ending on, but excluding, the First Interest Payment Date and each successive period commencing on, and including, an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date is called an “**Interest Period**”.

## **(b) Interest Payments**

Bonds will cease to bear interest from the date provided for their redemption pursuant to Condition V(a), unless the Issuer defaults in making due provision for their redemption on said date. In such event, the Bonds will continue to bear interest in accordance with this Condition (as well after as before judgment) on the principal amount of such Bonds until whichever is the earlier of (i) the day on which all sums due in respect of such Bonds up to that day are received by or on behalf of the relevant holder and (ii) the day after the Fiscal Agent has notified the Bondholders in accordance with Condition IX of receipt of all sums due in respect of all the Bonds up to that day.

Interest will be calculated on an Actual/Actual (ICMA) basis. If interest is required to be calculated for a period of less than one (1) year, it will be calculated on the basis of a day count fraction which will be calculated by taking the number of days in the relevant period, from and including the date from which interest begins to accrue to, but excluding, the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

## **(c) Adjustment of Rate of Interest**

The rate of interest payable on the Bonds is subject to adjustment following the occurrence of a Step Up Event or a Step Down Event (each such adjustment an “**Interest Rate Adjustment**” as defined below). Any Interest Rate Adjustment shall be effective from and including the Interest Payment Date immediately following the date of the Step Up Event or the Step Down Event (as applicable) (as these terms are defined below); it being understood that the Interest Rate Adjustment shall apply only to the period starting on the day immediately following the occurrence of the relevant Step Up Event or the Step Down Event (as applicable) and ending on, but excluding, the following Interest Payment Date.

For the avoidance of doubt, in relation to an Interest Period, a Step Up Event or Step Down Event will only result in an Interest Rate Adjustment on the immediately following Interest Payment Date to the extent that neither a Step Down Event, nor a Step Up Event, as relevant, subsequently occurs during such Interest Period.

For the avoidance of doubt, the concurrence or succession of two or more Step Up Events will result in one Upper Adjustment (as defined below) only.

The Issuer will cause each Step Up Event and each Step Down Event, and the related Interest Rate Adjustment, to be notified to the Fiscal Agent and notice thereof to be given to the Bondholders in accordance with Condition IX as soon as possible after the occurrence of the Step Up Event or the Step Down Event.

For so long as any of the Bonds are outstanding, the Issuer shall use all reasonable efforts to ensure the existence of a Rating (as defined below) from at least one Long-Term Debt Rating Agency (as defined below).

The announcement by at least one Long-Term Debt Rating Agency of a Rating Decrease (as defined below) shall constitute a Step Up Event (a “**Downgrade Step Up Event**”) triggering an Interest Rate Adjustment.

In the event that the Issuer deliberately renounces to maintain a Rating from at least one Long-Term Debt Rating Agency, a Step Up Event (a “**No Rating Step Up Event**”) shall be deemed to have occurred as from the date upon which such a Rating ceases or fails to be assigned.

For the purposes of this Condition:

- (i) **“Interest Rate Adjustment”** means that the rate of interest payable under the Bonds shall be equal to:
  - (a) the Initial Rate of Interest plus 1.25 per cent., in the case of a Step Up Event (an **“Upper Adjustment”**); and
  - (b) the Initial Rate of Interest, in the case of a Step Down Event.
- (ii) **“Initial Rate of Interest”** means 3.85 per cent. per annum.
- (iii) **“Investment Grade Rating”** means a rating of BBB-/Baa3, or their respective equivalents for the time being, or better.
- (iv) **“Long-Term Debt Rating Agency”** means Standard & Poor’s Credit Market Services France SAS or Moody’s Investors Service Limited or any other rating agency of equivalent international standing requested by the Issuer to grant a rating to the Issuer’s senior unsecured long-term debt and, in each case, their respective successors or affiliates.
- (v) **“Rating”** means the rating of the Issuer’s senior unsecured long-term debt.
- (vi) **“Rating Decrease”** means a decrease in the Rating, which results in the Issuer ceasing to have an Investment Grade Rating.
- (vii) **“Step Down Event”** means, where the rate of interest has previously been subject to an Interest Rate Adjustment following a Step Up Event, the first public announcement by a Long-Term Debt Rating Agency that it has assigned a Rating equal to Investment Grade Rating.
- (viii) **“Step Up Event”** means a No Rating Step Up Event or a Downgrade Step Up Event.

*For the avoidance of doubt, no Interest Rate Adjustment will apply in the case of an Early redemption of the Bonds at the option of Bondholders following a Change of Control as set forth in Condition V (e) “Early redemption of the Bonds at the option of the Bondholders following a Change of Control”.*

## **V. Redemption and Purchase**

The Bonds may not be redeemed otherwise than in accordance with this Condition V.

### **(a) Final Redemption**

Unless previously redeemed or purchased and cancelled as provided below, the Bonds will be redeemed in full at their principal amount (*i.e.*, Euro 100,000 per Bond) on 30 April 2020.

### **(b) Purchases**

The Issuer shall have the right at any time to purchase or exchange, all or a portion of the Bonds on the open market or otherwise, in accordance with applicable laws and regulations, at any price.

All Bonds so purchased by the Issuer may be cancelled, or held and resold for the purpose of enhancing the liquidity of the Bonds in accordance with articles L.213-1 A and D. 213-1-A of the French *Code monétaire et financier*.

### **(c) Redemption for Tax Reasons**

- (i) If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Bonds, not be able to make such payment without having to pay additional amounts as specified under Condition VII below, the Issuer may, at its option, on any Interest Payment Date or at any time, subject to having given not more than forty five (45) nor less than thirty (30) days' prior notice to the Bondholders (which notice shall be irrevocable) in accordance with Condition IX, redeem all, but not some only, of the Bonds at their principal amount together with any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.
- (ii) If the Issuer would on the next payment of principal or interest in respect of the Bonds be prevented by French law from making payment to Bondholders, notwithstanding the undertaking to pay additional amounts contained in Condition VII below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven (7) days' prior notice to the Bondholders in accordance with Condition IX, redeem all, but not some only, of the Bonds then outstanding at their principal amount together with any accrued interest to the date set for redemption on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Bonds without withholding for French taxes, or, if that date is passed, as soon as practicable thereafter.

### **(d) Early redemption of the Bonds upon an Event of Default**

If any of the following events (each an “**Event of Default**”) has occurred and is continuing:

- (i) default by the Issuer in the payment of principal of, and interest on, any of the Bonds, if such default has not been cured within fourteen (14) business days in Paris thereafter; or
- (ii) default by the Issuer in the due performance of any provision of the Bonds other than as referred in Condition V(d)(i) above, if such default has not been cured within thirty (30) business days in Paris after receipt by the Fiscal Agent of written notice of such default given by the Representative (as defined in Condition VIII); or
- (iii) as a result of the Issuer or any of its Principal Subsidiaries (as defined in Condition III) being in default in the due and punctual payment of the principal of, or premium or interest on, any present or future indebtedness for borrowed monies when and as the same becomes due and payable and giving effect to any applicable grace periods, there is an acceleration of any such indebtedness or steps are taken to enforce any security in respect of any such indebtedness, provided that the aggregate amount of the relevant indebtedness for borrowed money in respect of which any one or more of the events of default thereunder has or have occurred equals or exceeds Euro 70,000,000 (or its equivalent in any other currency); or



- (iv) the Issuer or any of its Principal Subsidiaries (as defined in Condition III), enters into an amicable settlement (*procédure de conciliation*) with its creditors or a judgement is issued for the judicial liquidation (*liquidation judiciaire*) or for a transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer; or any of its Principal Subsidiaries or, to the extent permitted by law, the Issuer or any of its Principal Subsidiaries is subject to any other insolvency or bankruptcy proceedings under any applicable laws or the Issuer or any of its Principal Subsidiaries makes any conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors; or
- (v) the Issuer and its Principal Subsidiaries (as defined in Condition III) taken as a whole cease to carry on all or a material part of their business or other operations, except for the purposes of, and following a merger or a reorganisation (*fusion, scission or apport partiel d'actifs*) (i) on terms approved by the General Meeting of the Bondholders to the extent that French law requires such merger or reorganisation to be submitted for the approval to the General Meeting of the Bondholders or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are vested in the Issuer, another of its Principal Subsidiaries or any other company which as a result of such merger or reorganisation becomes a Principal Subsidiary,

then the Representative upon written request of any Bondholder shall, by written notice to the Issuer and the Fiscal Agent given before all continuing Events of Default shall have been cured, cause all the Bonds (but not some only) held by such Bondholder to become immediately due and payable as of the date on which such notice for payment is received by the Fiscal Agent without further formality at the principal amount of the Bonds together with any accrued interest thereon.

**(e) Early redemption of the Bonds at the option of Bondholders following a Change of Control**

For the purpose of this Condition V(e):

A “**Change of Control**” shall be deemed to have occurred each time that any person or group of persons acting in concert or any person or persons acting on behalf of any such person(s) (a “**Relevant Persons**”) in each case come(s) to own or acquire(s) directly or indirectly such number of shares in the capital of the Issuer carrying (a) more than fifty per cent. (50%) of the voting rights exercisable at a general meeting of the Issuer or (b) otherwise the ability to determine in fact through voting rights held (directly or indirectly) by such Relevant Person(s) the decisions taken at ordinary or extraordinary shareholders’ general meetings of the Issuer.

“**Change of Control Period**” means the period commencing on the date that is the earlier of (a) the date of the first public announcement of the result (*avis de résultat*) by the AMF of the relevant Change of Control (the “**Relevant Announcement Date**”) and (b) the date of the earliest Potential Change of Control Announcement (as defined below) (if any) and ending on (i) the date which is one hundred and eighty days (180) days after, respectively, (a’) the Relevant Announcement Date or (b’) the date of the Potential Change of Control Announcement, or (ii) such longer period for which the Issuer, the Bonds or the senior unsecured long term debt of the Issuer are under consideration (such consideration having been announced publicly within the period ending one hundred and twenty (120) days after the occurrence of the relevant Change of Control or, as the case may be, the Potential Change of Control Announcement) for rating review or, as the case may be, rating by, a Rating Agency, such period not to exceed seventy (70) days after the public announcement of such consideration.

A “**Rating Downgrade**” shall be deemed to have occurred in respect of a Change of Control (a) if within the Change of Control Period the corporate credit rating previously assigned to the Issuer by any Rating Agency is (x) withdrawn or (y) changed from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to a non-investment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or (z) if the corporate rating previously assigned to the Issuer by any Rating Agency was below an investment grade rating (as described above), lowered by at least one full rating notch (for example, from BB+ to BB or their respective equivalents) or (b) if, on the Relevant Announcement Date or, as the case may be, the Potential Change of Control Announcement, no corporate credit rating is assigned to the Issuer and, within the Change of Control Period, no Rating Agency assigns an investment grade rating to the Issuer (the “**Non Investment Grade Rating**”), provided that in both cases, a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency withdrawing, making the change in rating or assigning the Non Investment Grade Rating does not publicly announce or confirm that the withdrawal, the reduction or the Non Investment Grade Rating was the result, in whole or part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control.

“**Rating Agency**” means Standard & Poor’s Credit Market Services France SAS or Moody’s Investors Service Limited or any other rating agency of equivalent international standing requested by the Issuer to grant a corporate credit rating to the Issuer and, in each case, their respective successors or affiliates.

“**Potential Change of Control Announcement**” means any public announcement or statement by the Issuer, any actual or potential bidder or any designated advisor thereto relating to any specific and near-term potential Change of Control (whereby “near-term” shall mean that such potential Change of Control is reasonably likely to occur, or is publicly stated by the Issuer, the actual or potential bidder or any such designated advisor to be intended to occur, within twelve (12) months of the date of such announcement or statement).

If, at any time while any Bond remains outstanding, there occurs a Change of Control and within the Change of Control Period, a Rating Downgrade occurs or has occurred as a result of such Change of Control (the “**Put Event**”), the holder of such Bond will have the option (the “**Put Option**”) (unless, prior to the giving of the Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem the Bonds under Condition V(c) (Redemption for Tax Reasons)) to require the Issuer to redeem or, at the Issuer’s option, to procure the purchase of that Bond, on the Optional Redemption Date at its principal amount together with (or where purchased, together with an amount equal to) interest accrued to, but excluding, the Optional Redemption Date.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a “**Put Event Notice**”) to the Bondholders in accordance with Condition IX specifying the nature of the Put Event, the circumstances giving rise to it and the procedure for exercising the Put Option contained in this Condition V(e).

To exercise the Put Option to require redemption or, as the case may be, purchase of the Bonds following a Put Event, a Bondholder must transfer or cause to be transferred its Bonds to be so redeemed or purchased to the account of the Fiscal Agent specified in the Put Option Notice (as defined below) for the account of the Issuer within the period of forty five (45) days after the Put Event Notice is given (the “**Put Period**”) together with a duly signed and completed notice of exercise (a “**Put Option Notice**”) and in which the holder shall specify a bank account to which payment is to be made under this Condition V(e).

A Put Option Notice once given shall be irrevocable. The Issuer shall redeem or, at the option of the Issuer, procure the purchase of the Bonds in respect of which the Put Option has been validly exercised as provided above and subject to the transfer of such Bonds to the account of the Fiscal Agent for the account of the Issuer, on the date which is the fifth (5<sup>th</sup>) business day following the end of the Put Period (the “**Optional Redemption Date**”). Payment in respect of such Bonds will be made on the Optional Redemption Date by transfer to the bank account specified in the Put Option Notice and otherwise subject to the provisions of Condition VI.

For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind (including breakage costs) which the Bondholder may incur as a result of or in connection with such Bondholder’s exercise or purported exercise of, or otherwise in connection with, any Put Option (whether as a result of any purchase or redemption arising there from or otherwise).

#### **(f) Cancellation**

Without prejudice to the second paragraph of Condition V(b), all Bonds which are redeemed or purchased by, or on behalf of, the Issuer pursuant to paragraphs (c), (d) or (e) of this Condition V will be cancelled (or may should French law do not require so) and accordingly may not be reissued or sold.

### **VI. Payments**

#### **(a) Method of Payment**

Payments of principal and interest in respect of the Bonds will be made in Euro by credit or transfer to a Euro-denominated account (or any other account to which Euro may be credited or transferred) specified by the payee with a bank in a city in which banks have access to the TARGET System. “**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 (known as TARGET 2) or any successor thereto.

Such payments shall be made for the benefit of Bondholders to the Account Holders, and all payments validly made to such Account Holders in favour of Bondholders will be an effective discharge of the Issuer and the Paying Agent, as the case may be, in respect of such payments.

Payments of principal and interest on the Bonds will, in all cases, be subject to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition VII.

#### **(b) Payments on Business Days**

If any due date for payment of principal or interest or any other amount in respect of any Bond is not a Business Day (as defined below), then the Bondholder thereof shall not be entitled to payment of the amount due until the next following day which is a Business Day and the Bondholder shall not be entitled to any interest or other sums in respect of such postponed payment.

For the purpose of this Condition VI:

“**Business Day**” means any day, not being a Saturday or a Sunday, on which the TARGET System is operating and on which Euroclear France is open for general business.

No commissions or expenses shall be charged to the Bondholders in respect of such payments.

**(c) Agents**

The name and specified office of the initial Fiscal Agent and Paying Agent are as follows:

**Société Générale**  
32, rue du Champ de Tir  
44312 Nantes Cedex 3  
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, the Paying Agent and/or appoint another Fiscal Agent and additional or other Paying Agent or approve any change in the office through which the Fiscal Agent, or the Paying Agent acts, provided that it will at all times maintain a Fiscal Agent having a specified office in a city within a European state. Notice of any change of Fiscal Agent and/or Paying Agent or any change in its office will be published in accordance with Condition IX.

**VII. Taxation**

**(a) Tax Exemption**

The Bonds are admitted to trading on Euronext Paris. Accordingly, payments of interest and other revenues in respect of the Bonds are exempt from the withholding tax set out under article 125 A III of the French *Code général des impôts*, pursuant to Sections 990 and *seq.* of the French tax authorities official doctrine no. BOI-INT-DG-20-50-20120912 (formerly known as the French tax authorities ruling N°2010/11 (FP and FE) dated 22 February 2010). As a result, such payments do not give rise to any credit from any French source.

**(b) Additional Amounts**

If, by virtue of French legislation, payments of principal (including any premium payable in respect of the Bonds, or any other principal amount or additional amount) or interest (including additional amounts) in respect of any Bond become subject to a deduction or withholding, the Issuer undertakes, to the extent permitted by law, to increase payments under the Bonds so that Bondholders receive the amount that they would have been entitled to receive in the absence of such deduction or withholding, provided that the Issuer shall not be required to increase payments under the Bonds where:

- (i) the Bondholder (or a third party acting on its behalf) is liable in France for such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some present or future connection with the Republic of France for reasons other than the mere holding of such Bond; or
- (ii) the deduction or withholding is required to be made in accordance with the Directive or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive (including for the avoidance of doubt, the agreements concluded by each member of the European Union with several dependant or associated territories of the European Union, aiming to apply measures similar to the ones deriving from the Directive or any law implementing or complying with, or introduced in order to conform to, such agreements); or
- (iii) the deduction or withholding is required to be made in respect or on account of any inheritance, gift, sales, personal property or similar taxes or duties; or

- (iv) such deduction or withholding could have been avoided or reduced pursuant to provisions of French tax law (including tax treaties) had the Bondholder followed the procedures provided therein to benefit from such provisions, provided that the Issuer has delivered to the Bondholder a written notification informing such Bondholder of its intention to make such deduction or withholding, and describing the procedures to be followed, no later than ten trading days before the first payment date in respect of which it intends to make such deduction or withholding (or any later date on which the Issuer shall become aware of the necessity of making such a deduction or withholding).

### **(c) Supply of information**

Each Bondholder shall be responsible for supplying in a timely manner any information as may be required in order to comply with the identification and reporting obligations imposed on it by the Directive or any other European Directive implementing the conclusions of the ECOFIN Council meeting dated 26 and 27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

## **VIII. Representation of Bondholders**

In accordance with article L.228-46 of the French *Code de commerce*, Bondholders will be grouped into automatically for the defence of their respective common interests in a single *masse* (the “**Masse**”).

The Masse will be governed by the provisions of the French *Code de commerce* with the exception of articles L.228-48, L.228-59, L.228-71, R.228-67, R.228-69, R.228-72 and R.228-79, thereof, and by the conditions set out below, provided that notices calling a general meeting of the Bondholders (a “**General Meeting**”) and the resolutions passed at any General Meeting and any other decision to be published pursuant to French legal and regulatory provisions will be published only as provided under Condition IX below:

### *(a) Legal Personality*

The Masse will be a separate legal entity by virtue of article L.228-46 of the French *Code de commerce* acting in part through a representative (the “**Representative**”) and in part through a General Meeting.

The Masse alone, to the exclusion of all individual Bondholders, shall exercise the common rights, actions and benefits which now or in the future may accrue with respect to the Bonds.

### *(b) Representative*

The office of Representative may be conferred on a person of any nationality. However, in accordance with article L.228-49 of the French *Code de commerce*, the following persons may not be chosen as Representative:

- (i) the Issuer, the members of its Board of Directors (*conseil d'administration*), its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their ascendants, descendants and spouse; or

- (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors (*conseil d'administration*), Executive Board (*directoire*) or Supervisory Board (*conseil de surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouse; or
- (iii) companies holding 10 per cent. (10%) or more of the share capital of the Issuer or companies having 10 per cent. (10%) or more of their share capital held by the Issuer; or
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The following person is designated as Representative of the Masse:

Massquote S.A.S.U.  
33, rue Anna Jacquin  
92100 Boulogne Billancourt  
France  
RCS 529 065 880 Nanterre  
Represented by its Chairman

The following person is designated as “**Alternative Representative**”:

Gilbert Labachotte  
8, boulevard Jourdan  
75014 Paris  
France

The Representative will exercise its duty until its dissolution, resignation or revocation of its duty by a General Meeting of the Bondholders or until it becomes unable to act. Its appointment shall automatically cease on the Maturity Date, or total redemption prior to the Maturity Date.

In the event of dissolution, resignation or revocation of appointment of the Representative or if it becomes unable to act, such Representative will be replaced by the Alternative Representative and all references to the “Representative” will be deemed to be references to the “Alternative Representative”. The Alternative Representative shall have the same powers as the Representative.

In the event of death, incompatibility, retirement, resignation or revocation of the Alternative Representative, a replacement representative will be elected by a General Meeting of the Bondholders.

The Representative will be entitled to a remuneration of Euro 400 (VAT excluded) per year, payable on the first business day following each Interest Payment Date falling on, or nearest to 30 April of each year during the issue, with a first payment on the Issue Date. The Alternative Representative will not be remunerated until he effectively replaces the Representative, as the case may be.

*(c) Powers of the Representative*

The Representative shall, in the absence of any decision to the contrary of the General Meeting of Bondholders, have the power to take all acts of management to defend the common interests of the Bondholders.

All legal proceedings against the Bondholders or initiated by them must be brought against the Representative or by it, and any legal proceedings which shall not be brought in accordance with this provision shall not be legally valid.

The Representative may not interfere in the management of the affairs of the Issuer.

*(d) General Meetings*

General Meetings may be held at any time, on convocation either by the Issuer or the Representative. One or more Bondholders, holding together at least one-thirtieth (1/30) of outstanding Bonds may address to the Issuer and the Representative a demand for convocation of the General Meeting; if such General Meeting has not been convened within two (2) months from such demand, such Bondholders may commission one of themselves to petition the competent court in Paris to appoint an agent (*mandataire*) who will call the meeting.

Notice of the date, hour, place, agenda and quorum requirements of any General Meeting will be published as provided in Condition IX not less than fifteen (15) days prior to the date of the General Meeting on first convocation and not less than six (6) days prior to the date of the General Meeting on second convocation.

Each Bondholder has the right to participate in General Meetings in person, by proxy, correspondence, or, if the *statuts* of the Issuer so specify, videoconference or any other means of telecommunications allowing the identification of the participating Bondholders. Each Bond carries the right to one vote.

*(e) Powers of General Meetings*

A General Meeting is empowered to deliberate on the fixing of the remuneration of the Representative and the Alternative Representative and on their dismissal and replacement, and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Bonds, including authorising the Representative to act at law as plaintiff or defendant.

A General Meeting may further deliberate on any proposal relating to the modification of these Conditions, including:

- (i) any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions; and
- (ii) any proposal relating to the issue of securities carrying a right of preference compared to the rights of Bondholders,

it being specified, however, that a General Meeting may not increase the liabilities (*charges*) of the Bondholders, nor establish any unequal treatment between the Bondholders, nor decide to convert the Bonds into shares of the Issuer or any other entity.

General Meetings may deliberate validly on first convocation only if Bondholders present or represented hold at least a fifth (1/5) of the Bonds then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-thirds (2/3) majority of votes cast by the Bondholders attending such meeting or represented thereat.

In accordance with article R.228-71 of the French *Code de commerce*, the right of each Bondholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Bondholder as of 0:00 (midnight), Paris time, on the third (3<sup>rd</sup>) business day in Paris preceding the date set for the meeting of the relevant General Meeting.

(f) *Information to the Bondholders*

Each Bondholder or representative thereof will have the right, during the fifteen (15) day period preceding the holding of any General Meeting on first convocation and during the six (6) day period preceding the holding of any General Meeting on second convocation, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the meeting, which will be available for inspection at the registered office of the Issuer, at the offices of the Paying Agent and at any other place specified in the notice of meeting.

(g) *Expenses*

The Issuer will pay all reasonable expenses incurred in the operation of the Masse, including expenses relating to the calling and holding of meetings and the expenses which arise by virtue of the remuneration of the Representative, and more generally all administrative expenses resolved upon by a General Meeting of the Bondholders, it being expressly stipulated that no expenses may be imputed against interest payable on the Bonds.

(h) *Notice of Decisions*

Decisions of the General Meetings shall be published in accordance with the provisions set out in Condition IX not more than ninety (90) days from the date thereof.

## **IX. Notices**

Any notice to the Bondholders shall be validly given if it is transmitted to Euroclear France and, so long as the Bonds are listed and admitted to trading on Euronext Paris and the rules of that exchange so require, in a leading daily economic and financial newspaper having general circulation in France (which is expected to be *Les Echos*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

## **X. Prescription**

Claims against the Issuer for the payment of principal and interest in respect of the Bonds shall be prescribed ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the due date for payment thereof.

## **XI. Further Issues and Consolidation**

The Issuer may, from time to time without the consent of the Bondholders, create and issue further bonds that are assimilated (*assimilables*) with the Bonds, provided that such bonds and the Bonds carry rights that are identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further bonds provide for such assimilation. In the event of such assimilation, the Bondholders and the holders of any assimilated bonds may, for the defence of their common interests, be grouped in a single Masse having legal personality.

## **XII. Governing Law and Jurisdiction**

The Bonds shall be governed by and construed in accordance with French law.

Any action or proceedings brought against the Issuer in connection with the Bonds may be brought in a competent court within the jurisdiction of the *Cour d'Appel* of Paris.



## **USE OF PROCEEDS**

The net proceeds of the issue of Bonds amount to Euro 268,316,917 and will be used by the Issuer for the general corporate purposes of its Group.

## TAXATION

*The statements herein regarding taxation are based on the laws in force in the Republic of France and the European Union as of the date of this Prospectus and are subject to any change in law (potentially with retroactive effect). The following summary does not purport to be a comprehensive description of all the tax considerations (in or outside France) which may be relevant to a decision to purchase, own or dispose of, the Bonds. Each prospective holder or beneficial owner of Bonds should consult its own tax advisor as to the French and the EU tax consequences of any investment in, or ownership and disposition of, the Bonds.*

### **EU Directive on the Taxation of Savings Income**

On 3 June 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC on the taxation of savings income, as amended (the “**Directive**”). Pursuant to the Directive and subject to a number of conditions being met, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Directive (interest, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State or an entity without legal personality that meets certain conditions and has not opted to be treated as UCITS for the purposes of the Directive that is established in that other Member State (together, the “**Beneficial Owners**”) (the “**Disclosure of Information Method**”).

For these purposes, the term “paying agent” is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Directive, for the immediate benefit of a Beneficial Owner.

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg and Austria), instead of using the Disclosure of Information Method used by other Member States, unless the relevant Beneficial Owner of such payment elects for the Disclosure of Information Method or provides the paying agent with a certificate issued by the tax authorities of the Member State of which he is a resident, withhold an amount on interest payments. The rate of such withholding tax is currently thirty five per cent. (35%).

Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the “**OECD Model Agreement**”) with respect to interest payments within the meaning of the Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate mentioned above and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Directive.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

On 13 November 2008 the European Commission published a detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive they may amend or broaden the scope of the requirements described above. In particular, it is proposed to extend under certain conditions the scope of the Directive to payment of Interest made to certain categories of entities and legal arrangements “based” outside the EU for the ultimate benefit of Beneficial Owners that are individuals.

## **French Taxation**

The following is a summary of certain French tax consequences to potential purchasers or holders of Bonds who are not otherwise shareholders of the Issuer and who are not affiliated with the Issuer within the meaning of article 39-12 of the French *Code général des impôts*, who are not residents of France for tax purposes and who do not maintain a permanent establishment or a fixed base in France to which the Bonds relate.

Pursuant to article 125 A III of the French *Code général des impôts*, interest and other similar revenues (such as reimbursement premiums) whose debtor is domiciled or established in France, which are paid outside of France in a non-cooperative State or territory within the meaning of article 238-0 A of the French *Code général des impôts*, are subject to a fifty per cent. (50%) withholding tax (subject to more favorable provisions applying under an applicable tax treaty), unless such debtor demonstrates that the main purpose and effect of the transactions to which such interest and other revenues correspond are not to enable their payment in a non-cooperative State or territory.

Pursuant to Sections 990 and *seq.* of the French tax authorities official doctrine no. BOI-INT-DG-20-50-20120912 (formerly known as the French tax authorities ruling N°2010/11 (FP and FE) dated 22 February 2010), the purpose and effect of certain debt instruments are deemed not to be the payment of interest and other revenues in a non-cooperative State or territory, and accordingly interest and other similar revenues paid on such debt instruments are not subject to the withholding taxes set out above. These debt instruments include instruments admitted for trading on a French or foreign regulated market or on a multilateral trading facility, provided that this market or this trading facility is not located in a non-cooperative State or territory, and that the operation of this market or trading facility is carried out by a market operator or an investment services provider or any similar foreign entity that is not located in a non-cooperative State or territory.

Payments of interest and other similar revenues in respect of the Bonds, which are admitted to trading on Euronext Paris, are therefore exempt from the withholding tax set out under article 125 A III of the French *Code général des impôts*. Accordingly, such payments do not give rise to any tax credit from any French source.

**All prospective Bondholders should seek independent advice as to their tax positions.**

## SUBSCRIPTION AND SALE

### **Subscription Agreement**

Pursuant to a subscription agreement dated 5 October 2012 (the “**Subscription Agreement**”), Crédit Agricole Corporate and Investment Bank, Lloyds TSB Bank plc, and Société Générale as joint lead managers (the “**Joint Lead Managers**”) have jointly and severally (*solidairement*) agreed with the Issuer, subject to the satisfaction of certain conditions contained therein, to subscribe and pay for all the Bonds at an issue price of 105.768 per cent of the principal amount of the Bonds plus an amount corresponding to accrued interest at a rate of 1.70877 per cent. of the principal amount of the Bonds for the period from, and including, 30 April 2012 to, but excluding, 9 October 2012. In consideration of this undertaking, the Issuer will pay the Joint Lead Managers a combined, management and underwriting and placement commission equal to 0.15 per cent. of such principal amount. The Subscription Agreement entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

### **General Selling Restrictions**

No action has been or will be taken by the Joint Lead Managers that would permit a public offering of the Bonds or possession or distribution of any offering material in relation to the Bonds in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of the Bonds, or distribution of any offering material relating to the Bonds, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer and all offers and sales of Bonds by it will be made on the same terms.

Each Joint Lead Manager has represented and agreed that, in making any offers or sales of Bonds or distributing any offering materials relating thereto in any country or jurisdiction, it has complied and will comply with all applicable laws and regulations in such country or jurisdiction.

### **United States**

The Bonds have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to the registration requirements of the Securities Act. The Bonds are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S under the Securities Act (“**Regulation S**”).

Each Manager has agreed that it will not offer or sell the Bonds (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and closing date, within the United States or to, or for the account or benefit of, U.S. persons (other than a distributor), other than in accordance with Regulation S or another exemption from the registration requirements of the Securities Act. At or prior to confirmation of a sale of Bonds by each Manager to any distributor, dealer or person receiving a selling concession, fee or other remuneration during the 40 day restricted period referred to in Rule 903 of Regulation S, each Manager will send to such distributor, dealer or person receiving a selling concession, fee or other remuneration a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until the expiration of 40 days after the commencement of the offering of the Bonds and the closing date, an offer or sale of Bonds within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to an exemption from the registration requirements of the Securities Act.

Terms used in the paragraphs above have the meanings given to them by Regulation S.

### **Republic of France**

Each Joint Lead Manager has represented and agreed that it has not offered or sold or caused to be offered or sold and will not offer or sell or cause to be offered or sold, directly or indirectly, any Bonds to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, directly or indirectly, this Prospectus or any other offering material relating to the Bonds and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

### **United Kingdom**

Each Joint Lead Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) received by it in connection with the issue or sale of the Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

## **GENERAL INFORMATION**

### **Listing and admission to trading of the Bonds**

For the sole purpose of the admission to trading of the Bonds on Euronext Paris and pursuant to articles L.412-1 and L.621-8 of the French *Code monétaire et financier*, this Prospectus has been submitted to the AMF and received a *visa* no. 12-478 dated 5 October 2012.

The estimated costs for the admission to trading are Euro 7,875 (including AMF fees).

The Original Bonds are already admitted to trading on Euronext Paris.

### **Clearing of the Bonds**

The Bonds have been accepted for clearance through Clearstream, Luxembourg and Euroclear with the temporary Common Code number 083656107 until the Assimilation Date and thereafter 077074449 and Euroclear France with the temporary International Securities Identification Number (ISIN) FR0011335678 until the Assimilation Date and thereafter FR0011232255.

The address of Euroclear France is 155, rue Réaumur, 75081 Paris Cedex 02, France. The address of Euroclear is 1, boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream, Luxembourg is 42, avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

### **Yield**

The yield of the Bonds is 2.984 per cent. per annum and is calculated at the Issue Date on the basis of the issue price of the Bonds. It is not an indication of future yield.

### **Corporate Authorizations**

The issue of the Bonds has been authorised pursuant to a decision of Thierry LE HENAFF, *Président-Directeur général* of the Issuer dated 26 September 2012 acting pursuant to a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 9 May 2012.

### **Auditors**

The Issuer publishes (i) audited annual consolidated accounts and (ii) interim unaudited consolidated accounts. The Issuer's statutory auditors carry out a limited review of such unaudited interim accounts.

In accordance with French law, the Issuer is required to have a minimum of two (2) statutory auditors (*commissaires aux comptes*) and two substitute statutory auditors. The statutory auditors appointed by the shareholders' meetings held on, respectively, 20 May 2008 and 23 May 2012, are KPMG Audit and Ernst & Young Audit. They are regulated by the *Haut Conseil du Commissariat aux Comptes* and are duly authorised as *Commissaires aux comptes*. The consolidated financial statements of the Issuer for the fiscal years ended 31 December 2011 and 31 December 2010 have been audited by those statutory auditors, who issued unqualified reports thereon.

The statutory auditors have also issued a limited review report on the [condensed consolidated](#) interim financial statements of the Issuer for the six-month period ended on 30 June 2012.

## **Material Adverse Change**

Except as disclosed in this Prospectus (including any information explicitly incorporated herein by reference), there has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2011.

## **Significant Change**

Except as disclosed in this Prospectus (including any information incorporated herein by reference), there has been no significant change in the financial or trading position of the Group since 30 June 2012.

## **Litigation**

Except as disclosed in this Prospectus (including any information incorporated herein by reference), the Issuer certifies that, during a period covering at least the previous twelve (12) months preceding the date of this Prospectus, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the recent past, significant effects on the Issuer and/or Group's financial position or profitability.

## **Conflicts of Interest**

At the date of this Prospectus, to the Issuer's knowledge, there are no conflicts of interest which are material to the issue of the Bonds between the duties of the members of the Board of Directors (*Conseil d'administration*) to the Issuer and their private interests and/or their other duties.

## **Documents available**

So long as any of the Bonds are outstanding, the following documents will be available during usual business hours on any weekday (except Saturdays, Sundays and public holidays) for inspection, at the specified office of the Fiscal Agent and the Paying Agent:

- (i) this Prospectus together with any supplement to this Prospectus;
- (ii) the Agency Agreement;
- (iii) the 2012 Half-Year Financial Report (which may also be consulted on the website of the Issuer ([www.finance.arkema.com](http://www.finance.arkema.com)));
- (iv) the 2011 Reference Document (which may also be consulted on the websites of the Issuer ([www.finance.arkema.com](http://www.finance.arkema.com)) and the AMF ([www.amf-france.org](http://www.amf-france.org))); and
- (v) the 2010 Reference Document (which may also be consulted on the websites of the Issuer ([www.finance.arkema.com](http://www.finance.arkema.com)) and the AMF ([www.amf-france.org](http://www.amf-france.org))).

So long as any of the Bonds are outstanding, the following documents will be available during usual business hours on any weekday (except Saturdays, Sundays and public holidays) for inspection at the head office of the Issuer at 420, rue d'Estienne d'Orves, 92705 Colombes, and may also be consulted online in the "Investor Relations" section of the Issuer's website ([www.finance.arkema.com](http://www.finance.arkema.com)):

- (i) the *statuts* of the Issuer; and
- (ii) the audited consolidated financial statements of the Issuer for the two (2) most recent financial years.

This Prospectus and all documents incorporated by reference in this Prospectus will be available on the websites of the Issuer ([www.finance.arkema.com](http://www.finance.arkema.com)) and the AMF ([www.amf-france.org](http://www.amf-france.org)), with the exception of the 2012 Half-Year Financial Report which is only available on the website of the Issuer ([www.finance.arkema.com](http://www.finance.arkema.com)).



## REGISTERED OFFICE OF THE ISSUER

**Arkema**  
420, rue d'Estienne d'Orves  
92705 Colombes Cedex  
France

## JOINT LEAD MANAGERS

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Investment Bank**  
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92920 Paris – La Défense Cedex  
France

**Lloyds TSB Bank plc**  
10 Gresham Street  
London EC2V 7AE  
United Kingdom

**Société Générale**  
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75009 Paris  
France

## FISCAL AGENT AND PAYING AGENT

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32, rue du Champ de Tir  
44312 Nantes Cedex 3  
France

## AUDITORS OF THE ISSUER

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1, cours Valmy  
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**Ernst & Young Audit**  
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## LEGAL ADVISERS

*To the Issuer*  
*(as to French law)*  
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*To the Joint Lead Managers*  
*(as to French law)*  
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