



Euro 230,000,000 3.85 per cent. Bonds due 30 April 2020

Issue Price: 100 per cent. of the principal amount of the Bonds

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 (which includes the amendment made 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 230,000,000 3.85 per cent. bonds due 30 April 2020 (the “**Bonds**”). 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 30 April 2012 (the “**Issue Date**”) and will bear interest at a rate of 3.85 per cent. per annum from, and including, 30 April 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 of NYSE Euronext. 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 depository 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 (*dématerialisés*) 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. 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. The long term debt of the Issuer has been assigned a similar rating. 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) and the AMF (www.amf-france.org).

SOLE LEAD MANAGER
Crédit Agricole Corporate and Investment Bank
26 April 2012

This Prospectus has been prepared for the purpose of giving information with regard to the Issuer and its subsidiaries, affiliates and shareholdings taken as a whole and held directly or indirectly by the Issuer 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 Sole Lead Manager (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. The Sole Lead Manager does not undertake 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 the Sole Lead Manager.

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 Sole Lead Manager has 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 Sole Lead Manager or any of its 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 the Sole Lead Manager 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 (as defined here under) 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 Ms. Christiane Chapuis, *Directeur Financement et Trésorerie*

Dated 26 April 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. 12-185 on 26 April 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). 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.

For the purpose of this Prospectus, the “Group” is defined as the Issuer and its subsidiaries.

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 Chapter 6 of the 2011 Reference Document in French language, 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).

The Issuer believes that the risk factors set out in the 2011 Reference Document (pages 32 to 44) 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, the Sole Lead Manager, 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 sections referred to in the table below 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 December 31, 2011 prepared in accordance with IFRS as adopted by the European Union, except for the third paragraph of the section "Declaration by the person responsible for the reference document" on page 5 of the 2011 Reference Document; and
- (b) the sections referred to in the table below 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 December 31, 2010 prepared in accordance with IFRS as adopted by the European Union, except for the third paragraph of the section "Declaration by the person responsible for the reference document" on page 5 of the 2010 Reference Document.

The English translation of the 2011 Reference Document and 2010 Reference Document are available on the website of the Issuer (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 2011 Reference Document and 2010 Reference Document may be relied upon.

The documents listed in (a) and (b) 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) and the AMF (www.amf-france.org). 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.

Rule	Annex IX of Regulation EC 809/2004 of 29 April 2004	Document incorporated by reference	Page(s)
3.	RISK FACTORS		
3.1.	Risk factors that may affect the Issuer's ability to fulfil its obligations.	2011 Reference Document	32 to 44, and 76

Rule	Annex IX of Regulation EC 809/2004 of 29 April 2004	Document incorporated by reference	Page(s)
4.	INFORMATION ABOUT THE ISSUER		
4.1.	<u>History and development of the Issuer:</u>		
4.1.1.	the legal and commercial name of the Issuer;	2011 Reference Document	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;		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
5.	BUSINESS OVERVIEW		
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
6.	ORGANISATIONAL STRUCTURE		
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
9.	ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES		
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
10.	MAJOR SHAREHOLDERS		
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

Rule	Annex IX of Regulation EC 809/2004 of 29 April 2004	Document incorporated by reference	Page(s)
11.	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES		
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>2011 Reference Document 2010 Reference Document</p> <p>2011 Reference Document 2010 Reference Document</p> <p>2011 Reference Document 2010 Reference Document</p>	<p>142 138</p> <p>140 136</p> <p>146 to 196 142 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>2011 Reference Document 2010 Reference Document</p>	<p>140 to 144 136 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>2011 Reference Document 2010 Reference Document</p>	<p>138 to 139 134 to 135</p>
11.5.	<p><u>Legal and arbitration proceedings</u></p> <p>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.</p>	<p>2011 Reference Document</p>	<p>173 to 176</p>
12.	MATERIAL CONTRACTS		
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.	<p>2011 Reference Document</p>	<p>226 to 228</p>

RECENT DEVELOPMENTS

23 April 2012

Arkema and CEA set up two new joint laboratories dedicated to micro-electronics and organic electronics

Arkema and CEA are to extend their existing collaboration in photovoltaics to the field of micro-electronics and organic electronics by setting up two joint research laboratories. These public-private mixed laboratories will enable the development of new ultra high performance materials and their integration within manufacturing processes in growth areas of the electronics sector in France.

Both laboratories will pool Arkema's expertise in the design and production of high performance polymers with the competences of CEA researchers in the design and processes involved in the development of electronic components.

The CEA-Leti (*Laboratoire d'Electronique et de Technologie de l'Information*) and CEA-Liten (*Laboratoire d'Innovation pour les Technologies des Energies Nouvelles et les nanomatériaux*) laboratories constitute world-class applied research centers, in microelectronics and information technologies for the former, and in new energy technologies for the latter.

As part of its collaboration with Leti, Arkema will draw on its expertise in polymer nanostructuring to produce new materials designed to optimize the performances of silicon components and significantly reduce their manufacturing costs in next generation integrated circuits.

As part of its collaboration with Liten, Arkema, which markets a group of leading technical polymers (fluorinated, piezoelectric, nanostructured thermoplastic polymers), will be able to meet the technological challenges of the large-area printed electronics sector (flexible screens, intelligent packaging and textiles, photovoltaic panels), such as lifetime of the systems, cost of manufacture, and integration of several functions onto a single support. In fact, the use of organic materials, rather than silicon, opens up a new field of printable, transparent and flexible components that can be integrated into large-area printed electronic products.

« These partnerships between Arkema and CEA are ideally suited to the development of new materials used in lithography and in organic electronics. These collaborations also illustrate a new focus of research for our Group, namely micro-electronics, and are a tangible demonstration of our ability to innovate in high added value application areas », states Christian Collette, Vice President Research & Development at Arkema.

« The creation of both these joint laboratories is ample illustration of CEA's mission in supporting the development of French ouiindustrial sectors », explains Jean Therme, Director Technological Research at CEA. « The combination of CEA's technological resources in micro-electronics and renewable energies, with Arkema, a world leader in specialty chemicals, will spawn innovations, and ultimately will boost competitiveness ».

Both these research structures will help expand the technological offering of the French electronics sector and its competitiveness on the world scene.

About Arkema

*A global chemical company and France's leading chemicals producer, **Arkema** is building the future of the chemical industry every day. Deploying a responsible, innovation-based approach, we produce state-of-the-art specialty chemicals that provide customers with practical solutions to such challenges as climate change, access to drinking water, the future of energy, fossil fuel preservation and the need for lighter materials. With operations in more than 40 countries, some 13,200 employees and 9 research centers, Arkema generates annual revenue of €5.9 billion*, and holds leadership positions in all its markets with a portfolio of internationally recognized brands. **The world is our inspiration.***

**Sales and headcount for continuing activities at end 2011, excluding vinyl products activities, which are part of a divestment plan.*

About CEA

The Commissariat à l'énergie atomique et aux énergies alternatives (CEA) is a public research body that is active in four main areas: low-carbon energies, information technologies and health technologies, very large research infrastructures (Très Grandes Infrastructures de Recherche - TGIR), defense and global security. Drawing on first-rate fundamental research and renowned expert capabilities, CEA is involved in the creation of collaboration projects with many academic and industrial partners. With its 16,000 researchers and employees, CEA is a major player in European research, with a growing presence around the world. www.cea.fr

20 April 2012

Successful third share capital increase operation reserved for Arkema employees

With 6,150 employees and former employees subscribing for 535,013 shares totalling 29.2 million euros, the third capital increase operation reserved for Arkema employees has set a record in terms of amount invested and number of participants. This operation is a reflection of the employees' confidence in the development of their Group. The share of Arkema's capital held by its employees now stands at 5.5%.

Four years after the initial operation, and with a desire to keep on involving its employees and former employees closely in the growth of the Group, Arkema successfully conducted a third capital increase on April 18th 2012. This involved 6,150 subscribers from 21 countries, *i.e.* a 50% increase compared to the 2010 operation, and a total investment of 29.2 million euros, 80% up. Almost 20% of these subscriptions came from employees outside France.

The subscription period spanned March 12th to 25th 2012. The subscription price was set at €54.51 per share by the Board of Directors meeting on March 7th 2012; this corresponds to the average opening price of the Arkema share quoted on the Paris stock exchange in the last 20 trading days prior to the date of this Board of Directors meeting minus a 20% discount.

Arkema's share capital has increased to 623,995,900 euros, divided into 62,399,590 shares, with employee share ownership rising from 4.7% to almost 5.5%.

*A global chemical company and France's leading chemicals producer, **Arkema** is building the future of the chemical industry every day. Deploying a responsible, innovation-based approach, we produce state-of-the-art specialty chemicals that provide customers with practical solutions to such challenges as climate change, access to drinking water, the future of energy, fossil fuel preservation and the need for lighter materials. With operations in more than 40 countries, some 13,200 employees and 9 research centers, Arkema generates annual revenue of €5.9 billion*, and holds leadership positions in all its markets with a portfolio of internationally recognized brands. **The world is our inspiration.***

**Sales and headcount for continuing activities at end 2011, excluding vinyl products activities, which are part of a divestment plan.*

TERMS AND CONDITIONS OF THE BONDS

The following are the terms and conditions of the Bonds:

The issue of the Euro 230,000,000 3.85 per cent. Bonds due 30 April 2020 of the Issuer has been authorised pursuant to a decision of Thierry LE HENAFF, *Président-Directeur Général* of the Issuer dated 20 April 2012 acting pursuant to a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 6 April 2012.

The Issuer has entered into an agency agreement (the “**Agency Agreement**”) dated 26 April 2012 with Société Générale, as fiscal agent and paying agent. 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 30 April 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 (5th) 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 the French tax authorities ruling no. 2010/11 (FP and FE) dated 22 February 2010. As a result, such payments do not give rise to any tax 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 (3rd) 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 229,355,000 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 is not to enable their payment in a non-cooperative State or territory.

Pursuant to the French tax authorities ruling no. 2010/11 (FP and FE) dated 22 February 2010, the purpose and effect of certain debt instruments is 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.

A holder of Bonds who is not a resident of France for tax purposes will not be subject to any income or withholding taxes in France in respect of the gains realised on the sale, disposal or redemption of the Bonds.

Transfers of Bonds outside France will not be subject to any stamp duty or other transfer taxes imposed in France.

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

SUBSCRIPTION AND SALE

Subscription Agreement

Pursuant to a subscription agreement dated 26 April 2012 (the “**Subscription Agreement**”), Crédit Agricole Corporate and Investment Bank, as sole lead manager (the “**Sole Lead Manager**”) has 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 one hundred per cent. (100%) of the aggregate principal amount of the Bonds. In consideration of this undertaking, the Issuer will pay the Sole Lead Manager a combined, management and underwriting and placement commission equal to zero point thirty per cent. (0.30%) of Euro 200,000,000, plus zero point fifteen per cent. (0.15%) of Euro 30,000,000. The Subscription Agreement entitles the Sole Lead Manager 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 Sole Lead Manager 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, regulations and directives 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.

The Sole 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, regulations and directives in such country or jurisdiction.

United States

The Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and may not be 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) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Sole Lead Manager has agreed that:

- it has not offered or sold and will not offer or sell the Bonds in the United States or to, or for the benefit or account of, a U.S. person (other than a distributor), in each case, as defined in Rule 902 of Regulation S (i) as part of its distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering of the Bonds pursuant hereto and the closing date, other than in accordance with Regulation S or another exemption from the registration requirements of the Securities Act. Such manager agrees that, during such 40 day restricted period, it will not cause any advertisement with respect to the Bonds (including any “tombstone” advertisement) to be published in any newspaper or periodical or posted in any public place and will not issue any circular relating to the Bonds, except such advertisements as are permitted by and include the statements required by Regulation S;
- at or prior to confirmation of a sale of Bonds by it 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, it will send to such distributor, dealer or person receiving a selling concession, fee or other remuneration a confirmation or notice to substantially the following effect:

“The Bonds covered hereby have not been registered under the United States Securities Act of 1933, as amended (the “Securities Act”), and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of your distribution at any time or (ii) otherwise until 40 days after the later of the date the Bonds were first offered to persons other than distributors in reliance upon Regulation S and the closing date, except in either case in accordance with Regulation S under the Securities Act, and in connection with any subsequent sale by you of the Bonds covered hereby in reliance on Regulation S under the Securities Act during the period referred to above to any distributor, dealer or person receiving a selling concession, fee or other remuneration, you must deliver a notice to substantially the foregoing effect. Terms used above have the meanings assigned to them in Regulation S under the Securities Act.”

- upon original issuance, and until such time as the same is no longer required under the applicable requirements of the Securities Act, the Bonds shall bear the following legend:

“THIS SECURITY HAS 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 OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, UNITED STATES PERSONS EXCEPT IN CERTAIN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE BONDS.”

Republic of France

The Sole 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

The Sole 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. 12-185 dated 26 April 2012.

The estimated costs for the admission to trading are Euro 11,500 (including AMF fees).

Clearing of the Bonds

The Bonds have been accepted for clearance through Clearstream, Luxembourg and Euroclear with the Common Code number 077074449 and Euroclear France with the International Securities Identification Number (ISIN) 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 3.85 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 of the Issuer dated 20 April 2012 acting pursuant to a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 6 April 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 10 May 2006, are KPMG Audit (represented by Mr. Bertrand Desbarrières) and Ernst & Young Audit (represented by Mr. François Carrega and Ms. Valérie Quint). 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.

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 31 December 2011.

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 2011 Reference Document (which may also be consulted on the websites of the Issuer (www.finance.arkema.com) and the AMF (www.amf-france.org)); and
- (iv) the 2010 Reference Document (which may also be consulted on the websites of the Issuer (www.finance.arkema.com) and the AMF (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):

- (i) the *statuts* of the Issuer; and
- (ii) the audited consolidated financial statements of the Issuer for the two 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) and the AMF (www.amf-france.org).

REGISTERED OFFICE OF THE ISSUER

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

SOLE LEAD MANAGER

Crédit Agricole Corporate and Investment Bank
9, quai du Président Paul Doumer
92920 Paris – La Défense Cedex
France

FISCAL AGENT AND PAYING AGENT

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

AUDITORS OF THE ISSUER

KPMG Audit
1, cours Valmy
92293 Paris – La Défense Cedex
France

Ernst & Young Audit
1-2, place des Saisons
92400 Courbevoie – Paris – La Défense 1
France

LEGAL ADVISER

To the Issuer
(as to French law)
Willkie Farr & Gallagher LLP
21-23, rue de la Ville l'Evêque
75008 Paris
France