



Dear Shareholders,

As our signature “Innovative Chemistry” clearly states, innovation is at the heart of our development strategy and a key component of our targeted growth project over the coming years. It will contribute, over and above our geographic expansion projects and our acquisition program, to the achievement of the objectives we have set ourselves for 2016.

Given the importance of innovation within our Group, we decided to devote this issue of our Shareholders Newsletter to this topic to tell you more about it.

Hence we now invite you to find out over the next few pages about the recent successes of our research and development, the innovations we have developed to help enhance our customers’ performance, and those we are developing to address the major challenges of sustainable development, e.g. new energies, lightweight materials, and water treatment, with these various high potential markets in particular spurring on our R&D effort.

Another major area of our R&D concerns the continuous optimization of our industrial processes. This ensures that we keep on improving our existing sites, while also contributing to increasing their production capacity in a cost-effective manner.

Finally, 2013 is a particularly busy year in terms of industrial investments. We plan to spend some €500 million in the course of the year on highly significant projects such as the construction of the new Thiochemicals platform in Malaysia, the investments undertaken in Lacq to extend the site’s sulfur feedstock for the next 30 years, and our investment program in acrylic monomers in North America where we opened a new acrylic acid unit at the end of the 2<sup>nd</sup> quarter.

These various projects will contribute to sustaining the growth of our Group over the next few years.

I hope that this issue will give you a clearer understanding of innovation within our Group along with its development pace. Thank you for your loyalty and your support.

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

# FOCUS ON INNOVATION

## RILSAN® T, A BIOSOURCED POLYAMIDE

The world leader in specialty polyamides, Arkema has expanded its offering by launching Rilsan® T, a new range of biosourced polyamides manufactured at its Serquigny site in France. Over and above the well-known properties of long chain polyamides (10, 11 and 12), Rilsan® T polyamide 10.10 affords an excellent degree of rigidity, thermal stability, and permeability to petrol. The various Rilsan® T grades have applications particularly in the field of transport (brake lines for trucks and fuel lines for cars).

This product is helping boost Arkema's leading position in high performance polyamides 10, 11 and 12 used in high added value niche applications, and reinforces its unique positioning in biosourced polyamides processed from castor oil.

In this particular area, the Group has developed a global presence and bolstered its position with the acquisition in 2012 of Chinese companies Casda Biomaterials, the world leader in sebacic acid derived from castor oil, and Hipro Polymers, which produces polyamides 10 from sebacic acid, and in 2013 with the project to purchase a stake in a subsidiary of Jayant Agro in India which specializes in the production of castor oil. This joint venture with Jayant Agro is strengthening Arkema's integration in this sector, and provides long-term secure and competitive access to this strategic raw material.

Four R&D centers on three continents are dedicated to polyamides, at Serquigny (France), King of Prussia (United States), Kyoto (Japan), and Changshu (China).

## INNOVATION AT THE HEART OF THE STRATEGY

With its new signature "Innovative Chemistry", Arkema places innovation at the heart of its targeted growth strategy. The Group indeed offers innovative solutions that enhance the performance of its customers and addresses the world's major challenges such as energy saving, lightweight materials, biosourced materials, and growing urbanization.

In 2012, the Group allocated **2.3% of its sales** to its research effort, and Arkema's researchers filed **151 patents**. Corporate research programs devoted to breakthrough projects that pave the way for tomorrow's innovations account for 15% of R&D expenditure, and High Performance Materials account for 40% of this expenditure. Finally, for the second year in a row, the Group has ranked **among the world's top 100 innovative companies** (including 13 French companies) based on a Thomson Reuters Top 100 Global Innovator Award 2012 ranking.

Early 2013, a new research center was opened in Changshu, China, charged with developing products that fulfill the needs of local markets, while also boosting customer proximity around the world. Arkema employs **1,200 researchers** in **10 research centers** located in France, the United States, Japan and China.

## ALTUGLAS® SHIELDUP, LIGHTWEIGHT AND ULTRA TOUGH ACRYLIC GLASS

The Pierre Potier prize rewards chemistry innovations serving sustainable development. The 2012 top prize was awarded to Arkema for its Altuglas® ShieldUp, a new nanostructured acrylic glass (PMMA) sheet which offers an unprecedented number of properties: high impact resistance, unrivalled chemical stability, and perfect transparency regardless of temperature fluctuations.

This combination of properties significantly expands the range of traditional uses for acrylic glass, in particular in the automotive industry: by replacing glass, which is twice as heavy, this innovative material helps reduce the weight of vehicles and therefore fuel consumption and CO<sub>2</sub> emissions.



The best example of this material's use in this sector is Twizy, Renault's small electric vehicle whose panoramic roof and side windows are made of Altuglas® ShieldUp.

## SAILING SPONSORSHIP, ARKEMA TECHNOLOGIES STEP ABOARD

Arkema has undertaken to back Lalou Roucayrol, an experienced skipper who came second in the previous edition of the *Route du Rhum* race, as his main sponsor as well as a supplier of innovative technologies for his new boat, the *Arkema-Région Aquitaine*.

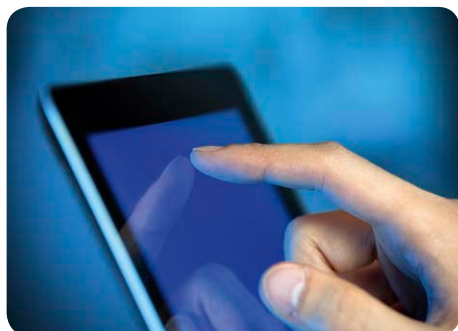
The cockpit windows and the glazing shielding the two helms were made of Altuglas® ShieldUp nanostructured acrylic sheet, which combines the outstanding optical properties of PMMA with exceptional impact resistance. The structures of the multihull were assembled with AEC Polymers SAF® structural glues, which owe their excellent mechanical strength to nanostructured block copolymers developed by Arkema.

During the boat's first competition, Lalou Roucayrol and his crew won the *Route des Princes* race on 30 June 2013, a new stage race around Europe.

*Arkema-Région Aquitaine* is due to take part in the *Transat Jacques Vabre* in November and the 2014 *Route du Rhum*.



## ATTRACTIVE PROSPECTS IN ELECTRONICS



By drawing on the technologies it is an expert in, Arkema is developing new applications in electronics, a high added value sector, in two major areas: nanolithography and printed electronics.

Nanolithography aims to produce patterns on a nanometric scale. Working with Leti (CEA research institute) and LCPO (*Laboratoire de Chimie des Polymères Organiques* in Bordeaux), Arkema is capitalizing on its block copolymer technology to offer solutions that will help go down to extremely small resolutions, of the order of ten or so nanometers, to produce the patterns that make up future printed circuits.

Printed electronics is a breakthrough technology based on new organic conductor or semi-conductor materials and on the "printing" of these materials into thin layers over large areas. The use of organic materials, rather than silicon, promises a new field of printable, transparent and flexible electronic components.

The Arkema subsidiary Piezotech develops electroactive polymers for several types of applications such as sensors, memories and microactuators. Their highly specific properties allow them to be integrated as printed active materials into electronic systems. The objective is to develop conductor polymer inks that can be printed on flexible supports like labels. These intelligent labels, which comprise sensors, are then able to provide useful information on a product or its storage conditions.

Piezotech also develops electroactive polymers which are able to change shape when subjected to electrical current. These developments have applications in particular in *haptic* interfaces, which provide tactile feedback by emitting a tiny localized vibration whenever the user applies pressure on a specific spot of his tablet or his smartphone.

# SHAREHOLDERS DIARY

## 2013 ANNUAL GENERAL MEETING

The Combined Ordinary and Extraordinary General Meeting, chaired by Thierry Le Hénaff, Arkema's Chairman and Chief Executive Officer, was attended by around **540** people on June 4<sup>th</sup> at the *Palais des Congrès* in Paris.

The shareholders, representing **57.38%** of the shares bearing voting rights, adopted all the resolutions proposed by the Board of Directors, in particular they approved:

- the distribution of a **€1.80** dividend per share with payment on June 11<sup>th</sup> 2013;
- the renewal of the directors mandates of Messrs Bernard Kasriel, Thierry Morin, Marc Pandraud and Philippe Vassor for a four-year term, all of whom being independent directors;
- the ratification of the appointment of Mrs Victoire de Margerie, an independent director;
- the renewal of the authorization for share buyback programs and the authorization to grant performance share plans that help involve employees in the Group's development.

During his address, Thierry Le Hénaff presented the many projects implemented by the Group, including the investments in Lacq, Jarrie, Carling and in Acrylics



in the United States, not to mention the Thiochemicals platform in Malaysia. He also spoke about the reinforcement of Arkema's profile in specialty chemicals activities and its 2016 ambition and targets. Thierry Lemonnier, Chief Financial Officer, presented the Group's financial performance and its outlook. As in every year, Thierry Le Hénaff answered questions from shareholders at great length on a variety of issues, ranging from corporate governance and the dividend to some of the Group's operations like the divestment of the vinyl business, Arkema's end-markets, and the impact of climate change.

Both the presentation and the voting results may be found in the Annual General Meeting section of the website [www.finance.arkema.com](http://www.finance.arkema.com).

## MEETING WITH SHAREHOLDERS IN NANCY

This meeting took place on April 16 2013 at the *Centre des Congrès* in Nancy, with over 250 people in attendance. Sophie Fouillat, Vice President Investor Relations, presented the Group's profile, its results, prospects and roadmap for 2016 before answering questions and interacting with shareholders.

## BEST INVESTOR RELATIONS AWARDS

Thierry Le Hénaff has been awarded with the *Best Investor Relations by a CEO Award 2012* (*Forum Relations Investisseurs et Communication financière – France*), as well as the *Best Investor Relations by a CEO Award 2013 - small & mid cap* (*IR Magazine Awards - Europe*). Arkema was also nominated in 2013 in the *Best Investor Relations* category in France by IR Magazine. These various awards reward the commitment and investment by Arkema's management and Investor Relations teams to improve the knowledge and understanding of the company since its stock market listing in May 2006.

## SHARE PERFORMANCE

SINCE SPINOFF

Share price as at June 30<sup>th</sup> 2013



SHARE PERFORMANCE SINCE 1<sup>ST</sup> JANUARY 2013

**Arkema: -10.9%**  
**CAC 40: +2.7%**

High:  
**87.77€**

Low:  
**63.55€**

## FINANCIAL CALENDAR

**August 1<sup>st</sup> 2013**

Half-year results

**November 7<sup>th</sup> 2013**

3<sup>rd</sup> quarter 2013 results

**November 26<sup>th</sup> 2013**

Meeting with shareholders in Bordeaux

**December 12<sup>th</sup> 2013**

Meeting with shareholders in Lille

## SHARE PROFILE

• **ISIN**  
FR0010313833

• **Listing**  
May 18<sup>th</sup> 2006

• **Number of shares**  
62,948,173

• **Market capitalization**  
€4.4 bn

• **Indices**  
CAC Next 20, CAC Large 60,  
SBF 120, Euro Stoxx Chemicals,  
MSCI

Data as at June 30<sup>th</sup> 2013

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