DEAR SHAREHOLDERS,

On March 5 Arkema published solid 2008 annual results.

In this tough environment marked by a collapse in demand in many markets in the fourth quarter 2008, Arkema resisted well, achieving an EBITDA margin close to that of 2007 at 9%, and generating a positive net income of €100 million. Our financial structure remains very healthy with a net debt representing one times the annual EBITDA.

In the face of the strong degradation of the environment, immediate measures were taken to adapt production to the decrease in demand, and cash management was further reinforced. In these circumstances, Arkema teams rallied round very quickly and took the necessary actions to adapt to the situation.

Market conditions have not showed any signs of improvement since the beginning of this year, and visibility remains low for the rest of 2009. In this context, Arkema’s first priority is to focus on cash generation and the preservation of its balance sheet by a very strict management of its working capital and capital expenditures.

With the Board of Directors, we have decided to propose to the Annual General Meeting to distribute a dividend of €0.60 per share for 2008, in line with the progress in our results. This second dividend reflects our desire to involve you in Arkema’s transformation, and confirms our belief in the long term.

Confident in having the assets to face the current economic crisis, Arkema is pursuing the transformation launched since its listing, by continuously reducing its breakeven point and by driving targeted growth in strong added-value product lines through innovation.

Thank you for your loyalty. I look forward to seeing you at our Annual General Meeting on June 15th.

Thierry Le Hénaff
Chairman and Chief Executive Officer
2008 full year results

- EBITDA margin at **8.8%**, close to that of 2007
- Unprecedented collapse in demand in the 4th quarter 2008
- Net income, group share totalled **€100 million**
- Low net debt at €495 million, at 1 x EBITDA*
- Proposed dividend of €0.60 per share in line with results

**Sales**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (in millions of euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>5,675</td>
</tr>
<tr>
<td>2008</td>
<td>5,633</td>
</tr>
</tbody>
</table>

-0.7% decrease

**EBITDA**

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA* (in millions of euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>518</td>
</tr>
<tr>
<td>2008</td>
<td>498</td>
</tr>
</tbody>
</table>

-3.9% decrease

**Net income**

<table>
<thead>
<tr>
<th>Year</th>
<th>Net income (in millions of euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>122</td>
</tr>
<tr>
<td>2008</td>
<td>100</td>
</tr>
</tbody>
</table>

-18% decrease

**Sales**

-0.7% decrease

Net income (group share) stood at €100 million in 2008 against €122 million in 2007.

**EBITDA**

- amounted to €498 million in 2008 in a highly deteriorated economic environment. An EBITDA gain of €111 million was generated by productivity initiatives, a very tight control of overheads, the launch of new products, and industrial growth developments in Fluorochemicals, Thiochemicals and Speciality Chemicals, which to a large extent compensated for the unfavourable impact of the decline in demand, the strong increase in energy and raw material costs, and low acrylics unit margins.

**Net debt**

stood at €495 million, representing a ratio of net debt to EBITDA equal to 1. In particular, it included the first dividend payment by Arkema for 2007 for a total amount of €46 million and the share buyback for €25 million. The net debt to equity ratio was low at 25%. Consequently, Arkema has shown its capacity to preserve the quality and the solidity of its balance sheet in spite of the deterioration of economic conditions.

**Net cash flow**

from operations and investments stood at -€11 million, against -€94 million in 2007. This included a net amount of -€25 million from portfolio management and -€54 million of non-recurring pre-spin off items**. Excluding these two items, free cash flow was positive and amounted to €68 million.

**EBITDA margin**

showed good resistance, standing at 8.8% of sales against 9.1% in 2007 and 7.3% in 2006.

* EBITDA corresponds to the recurring operating income increased by depreciation and amortization.
** The non-recurring pre-spin off items correspond to items taken into account for the calculation of the theoretical financial debt at the time of the spin off.
As part of its strategy to further expand in performance materials, Arkema recently announced the acquisition of the American company Oxford Performance Materials, which develops ultra-high-performance technical polymers, under the tradename OXPEKK®. This innovative product features outstanding characteristics: it remains solid at very high temperatures, up to 360°C, while maintaining excellent stability and metal-like hardness. With a very strong growth potential, OXPEKK® already has many applications, including in aerospace, long-term medical implants, and down-hole equipment for the oil and gas industries.
The 2009 Annual General Meeting will be held on Monday June 15 2009 at 16hrs at Palais des Congrès, Paris. If you own registered shares or more than 300 bearer shares, the Notice of Meeting will be sent automatically to your home address in early June. If you do not fulfil these conditions, your Notice of Meeting will be available from your financial intermediary. At your request, your financial intermediary will carry out the necessary formalities for you to receive an admission card or a postal vote form. The agenda, together with all practical information on the Annual General Meeting, will be available on the website www.finance.arkema.com.

**Payment of dividend**
Arkema’s Board of Directors will propose to the Annual General Meeting on June 15 2009 a dividend of €0.60 per share for 2008, payable on June 22 2009.

**Taxation**
For those shareholders subject to the French solidarity tax on wealth ("ISF"), you may take into account:
• either the closing price of the Arkema share on December 31 2008: €12.250
• or the arithmetic average of the last 30 closing prices: €13.367.

**Shareholders Club**
The Arkema Shareholders Club invites its members to visit plants (Fos, or Lannemezan on June 23 2009) and to take up first-aid training. Membership of the Club requires that you own at least 5 registered shares or 25 bearer shares.

**If you wish to automatically receive future Shareholder Newsletters, please contact us at the following address:** actionnaires-individuels@arkema.com or on +33 (0)1 49 00 74 63

**Share performance since spin-off**
**Share price as at March 23 2009**

<table>
<thead>
<tr>
<th>Date</th>
<th>High</th>
<th>Low</th>
<th>Arkema</th>
<th>SBF 120</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 31 2008</td>
<td>€14.58</td>
<td>€9.71</td>
<td>+2.53%</td>
<td>-10.55%</td>
</tr>
</tbody>
</table>

**Performance since December 31 2008**

- **Spin-off:** May 18 2006
- **ISIN:** FR0010313833
- **Market capitalization:** €759M
- **Number of shares:** 60,454,973
- **Indices:**
  - SBF 120
  - CAC MID 100
  - DJ Stoxx Chemicals

**Financial calendar**

- **April 27 2009**
  - Meeting with Individual Shareholders in Lyon
- **May 13 2009**
  - 1st quarter 2009 results
- **June 15 2009**
  - Annual General Meeting
- **June 18 2009**
  - Meeting with Individual Shareholders in Lille
- **August 3 2009**
  - 1st semester 2009 results

**Arkema – Financial Communications Department – 420 rue d’Estienne d’Orves – 92705 Colombes Cedex – France**