

Colombes, September 30th 2013

Arkema announces the construction of an organic peroxide plant in the Middle East, in partnership with Watan Industrial Investment

Arkema, the world's second largest producer of organic peroxides, and Saudi investment company Watan Industrial Investment have signed an agreement for the construction of an organic peroxide production site on the Al Jubail platform, Saudi Arabia. The facility, requiring an investment of about US\$ 30 million, will be the very first organic peroxide plant in the Middle East region.

This investment will enable Arkema to bolster its leading position in organic peroxides, and illustrates its strategy to expand its High Performance Materials segment and strengthen its presence in fast-growing countries, where the Group aims to achieve 30% of its sales by 2016.

Organic peroxides are widely used as polymerization initiators in the thermoplastic industry. This new world-scale plant will be able to supply all petrochemical players in the Middle East and support their strong growth anticipated by 2020 by offering them a secure and flexible local supply service. Production will focus in particular on organic peroxides stored at low temperature, with safe and secure logistics services provided by a local player.

The Arkema – Watan Industrial Investment joint venture will be majority held by Arkema, with the latter overseeing the operational management and sales of the site. The plant's startup is scheduled in the first months of 2015.

« Building on our existing extensive commercial presence with our customers in this high growth region, we are pleased today to be the first to invest in an organic peroxide plant in the Middle East. With this future plant, we will be able to offer genuine service to local petrochemical companies. This local production will release them from complex logistics operations requiring very low temperature transportation of supplies currently from Europe. Hence we will bring them the proximity and responsiveness they need to develop their business » stated Pierre Chanoine, Arkema Vice President.

Arkema already operates a total of 11 organic peroxide plants spread over the three continents.

*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 14,000 employees and 10 research centers, Arkema generates annual revenue of €6.4 billion, and holds leadership positions in all its markets with a portfolio of internationally recognized brands.*

Watan Industrial Investment is a private Saudi company established in 2007 in the Kingdom of Saudi Arabia. Watan core business is investing in industrial projects which cover different sectors benefitting from the continuous growth of the Saudi economy specially in chemicals and petrochemicals. Watan is presently active in the field of industrial gases in venture with a large US producer and supplies the largest Saudi petrochemical companies.

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