

shareholder **NEWSLETTER**



Thierry Le Hénaff
Chairman-Chief Executive Officer

DEAR SHAREHOLDERS,

In a market environment that has much improved compared to last year, Arkema achieved, in the first 9 months of the year, its best performance since its spin off. The 2nd and 3rd quarters showed record performances, clearly reflecting the extent of the work achieved and the success of the strategy initiated over four years ago.

Particularly strong growth in sales, at +33%, among the highest in the chemical sector, is a source of great satisfaction for all Arkema employees. It reflects Arkema's successful repositioning in emerging countries and in tomorrow's technologies, in particular renewable energies and high performance polymers, as well as the contribution of the acrylics business acquired from Dow at the beginning of the year.

Two examples illustrate the transformation work undertaken by the Group: in China, the start-up in the 2nd quarter of a new Fluorochemicals plant and the fast ramp-up of its output rate, which contributes to increase our presence in the region, and, in terms of innovation, the Pierre Potier Prize awarded to Arkema for its Kynar Aquatec[®], a fluorinated resin used to manufacture paint that reflects the sunlights. This prize, which rewards innovative companies in the field of sustainable development, bears testimony to the excellence of our researchers.

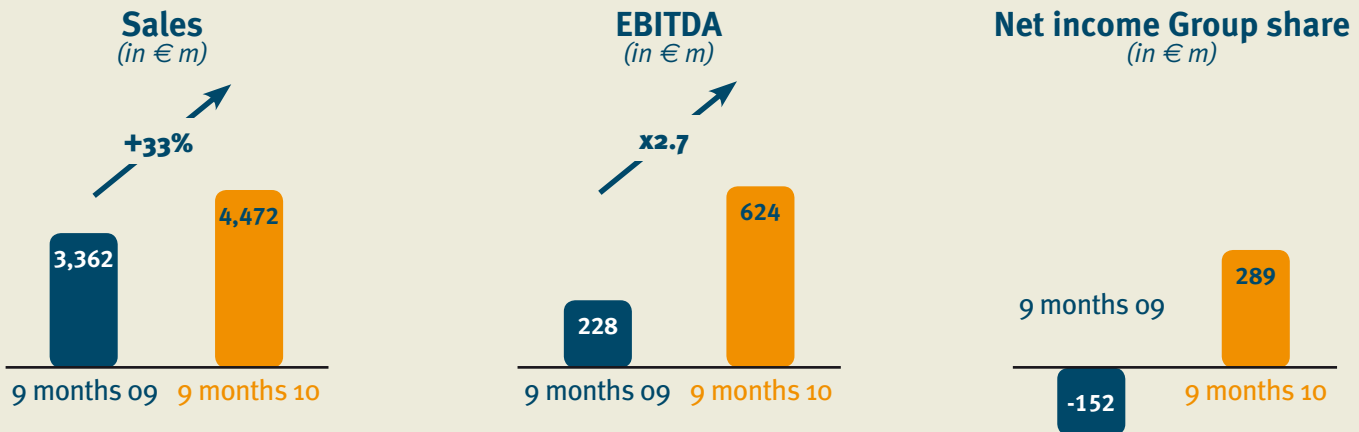
As a result, the Group's EBITDA margin reached 14% of sales over the first 9 months of the year. The Industrial Chemicals and Performance Products segments achieved a remarkable performance. By contrast, the Vinyl Products segment continued to lag behind in a challenging environment. Finally, net income for the first 9 months reached 289 million euros, well above the best annual income generated in 2007, namely 122 million euros.

On the strength of the excellent results of the first 9 months, market conditions which remain favorable, and a traditionally strong seasonality factor at year-end, Arkema has revised its EBITDA target for 2010 full year significantly upward, to some 740 million euros. This performance would allow us to achieve a 12.5% EBITDA margin for 2010, largely above the previous highest figure of 9.1% for 2007, and above the 12% EBITDA margin target that had been set for 2010 at the time of the spin off, 5 years ago.

Thank you for your loyalty and for your confidence in our Group.

Thierry Le Hénaff
Chairman and Chief Executive Officer

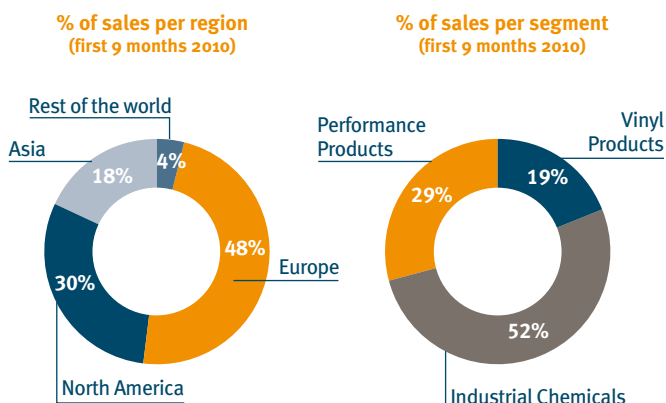
Results for the first 9 months of 2010



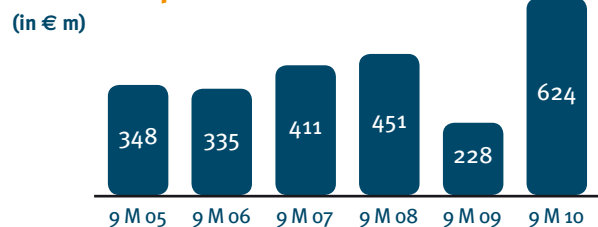
- Best historical performance
- **€624 m** EBITDA, multiplied by **2.7** compared to first 9 months of 2009
- **14%** EBITDA margin over first 9 months of 2010
- **€289 m** net income (Group share), representing **6.5%** of sales
- 2010 EBITDA target revised significantly upward to **€740 m** (previous target: EBITDA above **€600 m**)

Sales: +33 % compared to first 9 months of 2009

Market conditions prevailing in the first 9 months of the year showed a significant improvement compared to the first 9 months of 2009. Demand in Asia, where the Group now achieves 18% of its sales, remained very strong, while the emerging technologies sectors (new energies, high performance polymers, etc.) registered strong growth. Accordingly, sales reached €4,472 m, 33% up over the first 9 months of 2009. At constant scope of business, sales grew by 24%. Beyond favorable market conditions, the recent start-up of new production plants in Asia, in particular in fluorogases in China, and the latest developments yielded by R&D have helped significantly boost volumes by 14%.



€624 m EBITDA: a historic performance



In the first 9 months of 2010 Arkema achieved by far the best EBITDA in its history, at €624 m. In significantly improving market conditions, this performance reflects the benefits of the Group's transformation over the last four years.

Major rise in net income

Net income Group share for the first 9 months of the year surged to €289 m. The previous highest historical level was recorded in 2007, at €122 m.

Continuing strong financial structure

At September 30 2010, net debt stood at €250 m against €341 m at end December 2009. This includes the payment of a €0.60 dividend per share and the acquisition of certain acrylics assets from Dow in North America finalized in January. The quality of Arkema's balance sheet remains intact, and has even been reinforced by the successful launch of a first bond issue.

The life of the Group

Arkema's Kynar®: unmissable in green technologies.

An outstanding plastic for top-of-the-range applications

With Kynar®, Arkema offers one of the most efficient plastics available today. It has countless uses, in particular in fast-growing markets. Kynar® belongs to the "PVDF" fluoropolymers family, and consists of carbon and fluorine atoms from which it draws outstanding properties. Its excellent UV resistance makes it suitable for many applications in top-end paints. The color of the paint indeed remains stable for decades. In the United States and in Asia, the Kynar® brand

stands as a reference for every professional in the coatings sector. Its aging resistance makes it a material of choice for the manufacture of backsheets protective films in solar panels, thus protecting the cells of photovoltaic panels for many years. Finally, with its excellent chemical stability, unrivaled mechanical properties, and easy processability, a range of particularly effective membranes has been developed for use in water treatment.

Arkema, a world leader in PVDF

With its two existing world-scale production plants in Pierre Bénite, France, and Calvert City, United States, and, from 1st quarter 2011, a third production plant on the Changshu site in China, Arkema is a world leader in PVDF. Following the startup of the new plant in China, Arkema will also become the only producer in the world to operate a production base on every continent; this will ensure a decisive advantage to help meet demand from global customers, as well as benefit from growth in Asian markets.



Kynar®, flagship among Performance Products

Part of Arkema's Performance Products, Kynar® perfectly illustrates the strategy conducted in this segment in which innovation is key. The laboratories at Serquigny, France, King of Prussia, United States, and Kyoto, Japan, develop the Kynar® grades of tomorrow earmarked for the renewable energies markets (solar photovoltaics, lithium-ion batteries) as well as the treatment and transportation of water.

Focus

New Forane® 125 production unit inauguration in China



Operational since the Spring of this year, the Forane® 125 plant in Changshu (China) was inaugurated on September 7. For the occasion, no fewer than

70 customers and 50 local authorities representatives visited the facilities that produce this key component of new generation refrigerant blends. This world-

scale plant was built in partnership with Daikin, a leading world player in air-conditioning systems.

Shareholders' Diary

2010 COMBINED GENERAL MEETING

Arkema's Combined Ordinary and Extraordinary General Meeting, chaired by Thierry Le Hénaff, Chairman and Chief Executive Officer, was attended by around 450 people on June 1st 2010 in Paris.

The shareholders, representing 69.8% of the voting rights, adopted all the resolutions proposed by the Board of Directors, in particular they approved:

- the distribution of a €0.60 dividend per share, unchanged from the previous year. Payment of the dividend took place on June 9;

- the appointment of Mrs Isabelle Kocher, Chief Executive Officer of Lyonnaise des Eaux (GDF-Suez Group), as a Director of the Company;
- the appointment of Mrs Claire Pedini, Deputy Managing Director in charge of Human Resources for the Saint-Gobain Group, as a Director of the Company;
- the appointment of Mr Patrice Bréant as a Director of the Company representing employee shareholders.

Arkema's Board of Directors now comprises 11 directors with a broad range of first-rate and highly complementary skills and experiences, 9 of whom are independent.

At this Annual General Meeting Thierry Le Hénaff also reviewed the Group's transformation four years after its stock market listing. He set out Arkema's ambition over the next five years, its target being to achieve a mid-cycle EBITDA margin above 13.5% in a normalized environment, thereby confirming the Company's growth potential, in particular through innovation as well as expansion in Asia.

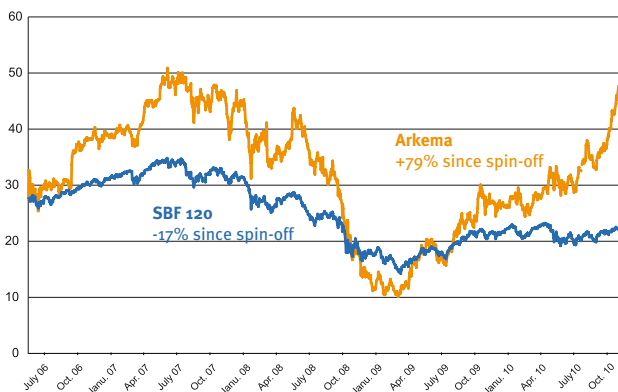


The Arkema Shareholders Club offers a number of activities to its members: site visits, first-aid courses in partnership with the French Red Cross, cultural visits, etc.

- On November 8 2010, the Shareholders Club organized a guided tour of the dyeing and tapestry workshops of *Manufacture des Gobelins*.
- The Shareholders Club's next scheduled event will take place on December 8 with a visit to the *Palais de la Découverte*.
- Membership of the Club requires that you own at least 5 registered shares or 25 bearer shares.

Share performance since spin-off

Share price as at November 10 2010



Performance since December 31 2009

High: €49.74

Low: €23.71

Variation: Arkema +79%

SBF 120 -17%

• Spin-off: May 18 2006

• ISIN: FR0010313833

• Market capitalization:

€3 bn

• Number of shares: 61,279,397

• Indices:

- SBF 120

- CAC MID 100

- DJ Stoxx Chemicals

Financial Calendar

March 2 2011
2010 Annual Results

May 24 2011
Annual General Meeting

Shareholders Relations

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