

shareholder **NEWSLETTER**



Thierry Le Hénaff
Chairman and Chief Executive Officer

KEY FIGURES

(2007 data)

€5.7 bn sales

Almost 15,200 employees

Present in 40 countries

80 production sites

6 R&D centers

Almost 3% of revenue allocated to R&D

€300 M/year capital expenditure on average

3 business segments:

- Vinyl Products
- Industrial Chemicals
- Performance Products

DEAR SHAREHOLDERS,

The 'Fils d'Or 2008' Top Prize for best shareholder department, which we have just received, rewards the work we have achieved since our spin-off in our communication with individual shareholders. We intend to build on this prize by further developing this open dialogue approach with you.

We have continued to roll out our growth projects, with the inauguration of the doubling of capacity at our hydrogen peroxide plant in China in late October. This successful startup confirms our commitment to developing our product lines with a strong potential and to pursuing the in-depth transformation of our Company.

The good results of the 3rd quarter demonstrate the further structural improvements ongoing throughout the Group and its ability to resist a tougher economic environment. This new EBITDA growth is supported by high price increases and also the productivity and focused growth projects. These projects should generate €100 million EBITDA gain expected for 2008. Over the first nine months, the EBITDA increased strongly by 10% compared to the previous year.

Since mid-October, we observe a sudden ongoing slowdown in demand in some markets, especially in the automotive and construction, amplified by destocking which strongly limits the visibility on the economic environment in the 4th quarter of 2008. Fortunately, due to the ongoing action plan, 2008 EBITDA margin should be close to our 10% target.

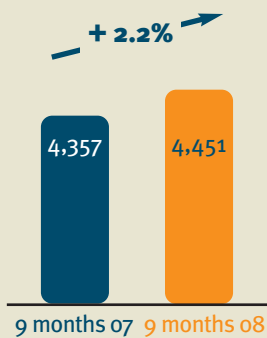
In an uncertain and difficult environment, Arkema will accelerate the implementation of its strategy to increase its resistance. The quality of our balance sheet, our capacity to accelerate the transformation of the company and to improve its cost structure as well as new projects being considered are strong assets to face the year ahead.

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

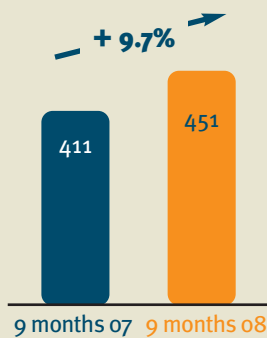
Thierry Le Hénaff
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Results for the first 9 months of 2008

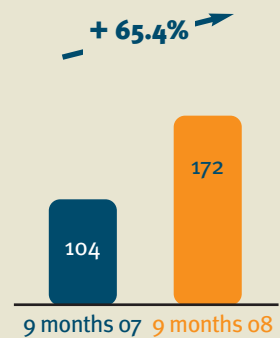
Sales
(in millions of euros)



EBITDA*
(in millions of euros)



Net income
(in millions of euros)



- Major price increase of **7.8%**
- Further strong increase of EBITDA*
- Net income up by **+ 65.4%**
- Speeding-up efforts to adapt to a tough economic environment

Growth driven by sales price increases

Sales rose by +2.2%. Average sales prices increased significantly to help offset the major hikes in raw material and energy costs. Sales suffered from the negative impact of the euro/dollar parity as well as variations in the scope of business.

Ongoing improvement in net income

Net income - Group share rose by over 65% to €172 M. The result over these first nine months therefore far exceeds the result for the whole of 2007, which stood at €122 M.

Major improvement in profitability

EBITDA* rose to €451 M, a major increase of 9.7%. This improvement is the result of the various internal projects, in particular the contribution of new products, productivity measures, and the startup of new plants. This performance was achieved in a more challenging economic environment characterized by very sharp increases in raw material costs, a weak dollar, and a downturn in demand, in particular in construction and automotive markets.

A very strong financial structure

As at September 30 2008, the net debt stood at €580 M, after the dividend payment totalling €46 M. The ratio of net debt over shareholders' equity stood at 28%, confirming the quality of the balance sheet.

* EBITDA corresponds to the recurring operating income increased by depreciation and amortization.

The Life of the Group

On October 21 this year, Thierry Le Hénaff inaugurated the extension of the Shanghai hydrogen peroxide plant. By doubling this plant's capacity, Arkema bolsters its position in China, and meets the growing demand from its customers in Asia.

A product with an olympic prowess

Hydrogen peroxide - chemical formula H_2O_2 - was discovered in 1818. Arkema is the world's 3rd largest hydrogen peroxide producer. This product is now widely used in paper manufacture and in many everyday applications. Hydrogen peroxide retains a strong growth potential thanks to its countless uses. The market is sustained by demand growing at a rate of around 4% per year.

A genuinely green product

A colorless product, hydrogen peroxide bleaches, disinfects, and features bactericidal properties. Biodegradable, it generates no pollution in the environment as it breaks down into water and oxygen.

Countless applications

Hydrogen peroxide is present in everyday life, with many benefits in terms of health and hygiene. Asepsitization of fruit juice and milk containers, manufacture of household detergents, bleaching products for clothes, dental bleaching products, hair bleaching products... not to mention its main

application: paper pulp bleaching, which accounts for over half of the hydrogen peroxide market.



Paper bleaching

Five hydrogen peroxide plants on three continents

In addition to Shanghai, Arkema operates a further four hydrogen peroxide production facilities, in Jarrie (France), Leuna (Germany), Bécancour (Canada) and Memphis (United States).

The doubling of the Shanghai plant's capacity raises Arkema's overall hydrogen peroxide production capacity to close to 400,000 tons per year.

Hydrogen peroxide, at the heart of Arkema's strategy

Arkema's objective is to bolster its worldwide positions and operate leading world-competitive sites in every region of the globe. Since its creation, Arkema has

successively announced the extension of production capacity in North America on the Bécancour site, the extension of its Jarrie facility, the doubling of capacity at its Shanghai production plant in China, and the doubling of capacity at the Leuna plant scheduled for 2010. In total, between 2004 and 2010, Arkema's hydrogen peroxide production capacity will have therefore increased by one third. Arkema will be ideally placed at the heart of the main markets with facilities averaging capacities in excess of 80,000 ton/year.



Hydrogen Peroxide plant - Shanghai (China)

Focus

Arkema, a player in the photovoltaic sector



The fruit of an innovative research drive, several Arkema products represent a major step forward in the manufacture of photovoltaic solar panels. Arkema aims to provide solutions which extend the lifetime, enhance the performance, and cut down the production time and cost of solar panels.

One such product is the fluorinated polymer Kynar® used for the manufacture of the film serving as the solar panel cells' backsheet as it offers highly effective protection against UVs and moisture. Tested in extreme conditions, this polymer has proved itself in terms of longevity and superior yield

for the photovoltaic cells. The photovoltaic market has seen some very major growth in recent years, virtually doubling every other year. This growth potential will remain significant as it is estimated that the market could triple over the next 5 years.

Shareholders' diary

Best shareholders service

Arkema was awarded the 'Fils d'Or' Top Prize for best individual shareholder department in the CAC Mid100 category at a financial communication event organized by La Vie Financière, Les Echos and Synerfil on October 14 2008. Just two years after our spin-off, this prize rewards the quality of service to shareholders provided by major French and euro-zone companies, on the basis of reactivity, reliability and conviviality criteria.



The benefits of Arkema pure registered shares

- No custodial fees.
- Lower broker's fees are

advantageous: 0.25% before tax of the gross amount traded, with no required minimum.

- Stock market orders are sent easily by your preferred method: telephone, post, fax, internet.
- You are personally invited to every Arkema General Shareholders Meeting.
- Your voting right is double once you have held the shares for 2 years without a break.
- You will automatically receive, at your home address, all information intended for Arkema shareholders.
- You can join the Arkema Shareholders Club if you own a minimum of 5 securities. To transfer your securities to pure registered shares, simply complete the subscription form which can be downloaded from www.finance.arkema.com and send it to your financial intermediary. For dedicated contacts for registered shares, call international phone number: +33.1.55.77.41.17

or email: arkema-actionnaires@bnpparibas.com

1st Anniversary of the Shareholders Club

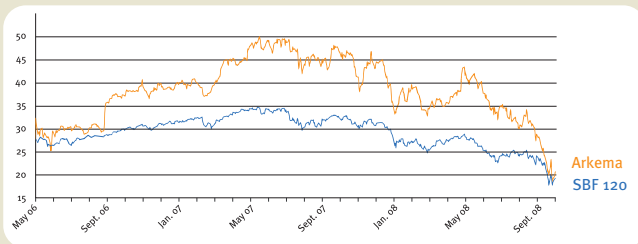
The Arkema Shareholders Club is now one year old. With one event organized every two months, we have met around one hundred shareholders through conferences, site visits, and first-aid training.



Visit of CERDATO Research Center
Shareholders Club - October 16 2008

Share performance

Share price as at October 21 2008



High: €50.88

Low: €18.00

Change: Arkema - 25%
SBF 120 - 30%

• Spin-off: May 18, 2006

• ISIN: FR0010313833

• Market capitalization: €1,3 bn

• Number of shares: 61,214,540

• Indices: - SBF 120

- CAC MID 100

- DJ Stoxx Chemicals

Financial calendar

November 21-22 2008
Actionaria show in Paris

December 4 2008
Meeting with Individual Shareholders in Marseille

March 5 2009
2008 full year results

May 13 2009
1st quarter 2009 results

June 15 2009
Annual General Meeting

Individual Shareholder Relations

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