

Colombes, March 20th, 2008

CAPITAL INCREASE RESERVED FOR THE CURRENT AND FORMER EMPLOYEES

Arkema S.A. is carrying out a capital increase reserved for the current and former employees of the Company and companies related to it under the conditions set forth in article L. 444-3 of the French Labor Code, in Article L. 225-180 of the French Code of Commerce, and that are members of a *plan d'épargne groupe* (or “group savings plan”) (the aforementioned Company and companies are hereinafter collectively referred to as the “Group”).

The subscription period will take place from March 25, 2008 to April 13, 2008 (inclusive).

The shares will be created prior to the date of the shareholders’ meeting called to deliberate on the allocation of earnings for the year 2007.

ISSUER

ARKEMA S.A. (hereinafter referred to as the “Company”)

Registered offices located at: 420, rue d’Estienne d’Orves – 92700 Colombes, France

Share capital: € 604,538,230 divided into 60,453,823 shares as of December 31, 2007

Nanterre Trade and Companies Registry number: 445 074 685

Compartment A of the Eurolist market – Euronext Paris (France)

Ordinary share with ISIN code #: FR0010313833 - AKE

Security admitted to the *Service de Règlement Différé* (or “Differed Payment Service”, hereinafter referred to as “SRD”)

FRAMEWORK OF THE TRANSACTION

The Shareholders’ Meeting dated May 10, 2006 delegated its powers to the Board of Directors for the purposes of carrying out, all at once or incrementally, and within a timeframe not to exceed 26 months, an issuance of shares reserved for the current and former employees of the Group, within the framework of Article L. 225-138-1 of the French Code of Commerce and of Article L. 443-1 *et seq.* of the French Labor Code.

In accordance with this delegation of powers and in order to reinforce the existing relationship between the Group and its employees by giving them the option of being more closely linked to the Group’s possible future developments and performances, the Board of Directors has decided to carry out a capital increase reserved for the current and former employees of the Arkema Group.

This capital increase is open to current and former employees of the Group who are located in France, Belgium, Brazil, Canada, China, Denmark, Germany, India, Italy, Japan, Mexico, the Netherlands, Poland, Singapore, South Korea, Spain, Switzerland, the United Kingdom and the United States. Some of these countries’ participation is, however, subject to the receipt of local authorizations in those countries.

The shares will be subscribed either via direct shareholding or via a French *fonds commun de placement d’entreprise* (employee shareholding vehicle, hereinafter referred to as “FCPE”), in accordance with the legislation applicable in the various countries included in the scope of the offering.

SECURITIES OFFERED

The Arkema shareholders, gathered on May 10, 2006 at the Combined Shareholders' Meeting, authorized the Board of Directors to increase the share capital by a par value amount not to exceed €20 million, and to do so via the issuance of new shares to be paid-up in cash and reserved for the current and former employees of the Group.

The Board meeting held on March 4th has set the subscription price at €30,42. This subscription price is equal to 80% of the average of the opening prices of the Arkema share on the Eurolist market of Euronext Paris S.A. during the twenty Paris stock market trading days preceding this day.

This subscription price is final and shall remain valid irrespective of the fluctuations, whether upward or downward, in the price of the Arkema share until the closing date for subscriptions.

The new Arkema shares that will be created shall bear benefit entitlement (*date de jouissance*) as of January 1, 2007.

The admission of the Arkema shares to trading on the Eurolist market of Euronext Paris S.A. (ISIN Code # FR0010313833 - AKE) shall be complete at the latest in May of 2008, on the same listing line at the existing shares.

SUBSCRIPTION CONDITIONS

Beneficiaries of the reserved issuance: the beneficiaries of the reserved issuance are the employees of the Group companies that have become members of the *Plan d'Épargne Groupe* (hereinafter referred to as the "PEG A") who meet a seniority requirement of at least three months at the time of subscription. Retired employees or employees on early retirement who became members of the PEG A before their employment activities ended shall remain beneficiaries and, in this capacity, can continue making payments into the PEG A provided they have kept assets in the PEG A and subject to applicable local law.

Type of issuance: this issuance is undertaken with the elimination of the preferential subscription right, for the benefit of current and former employees who have become members of the PEG A of the Arkema Group.

Terms and conditions of subscription: the shares will be subscribed either via direct shareholding (in Denmark, Italy, Japan, South Korea, and the United States) or via an FCPE (in France, Belgium, Brazil, Canada, China, Germany, India, Mexico, the Netherlands, Poland, Singapore, Spain, Switzerland, and the United Kingdom) as indicated below:

- "Arkema Actionnariat France Relais 2008" (approved by the *Autorité des Marchés Financiers* (French securities regulator, hereinafter referred to as "AMF" under #FCE20080052) for the shares subscribed by the employees of French companies. This "relais" (or temporary) FCPE was specifically created for the purposes of this capital increase. Once the capital increase is complete, it is intended to be merged with the "Arkema Actionnariat France" FCPE.
- "Arkema Actionnariat International Relais 2008" (approved by the AMF under #FCE20080053) for the employees of companies in Belgium, Brazil, Canada, China, Germany, India, Mexico, the Netherlands, Poland, Singapore, Spain, Switzerland, and the United Kingdom. This "relais" FCPE was also specifically created for the purposes of this capital increase. Once the capital increase is complete, it is intended to be merged with the "Arkema Actionnariat International" FCPE.

The regulations of the above-mentioned "relais" FCPEs were approved by the AMF on February 26, 2008.

Voting Rights: the employees who subscribe via direct shareholding will exercise their voting rights individually at Arkema's shareholders' meetings. The voting rights attached to the shares subscribed via an FCPE will be exercised at Arkema's shareholders' meetings by the FCPE's supervisory board.

Subscription ceiling: The beneficiaries must respect an individual subscription ceiling equal to the counter-value of 1,000 discounted Arkema shares. In addition, pursuant to Article L. 443-2 of the French Labor Code, the annual payments made by the offering's beneficiaries cannot exceed one quarter of their gross annual remuneration. This legal ceiling takes into account all of the other payments that can be made by employees within the framework of their Company and/or the Group's *Plans d'Épargne* (Savings Plans).

Lock-up applicable to the Arkema shares: pursuant to Article L. 443-6 of the French Labor Code, the current and former employees who have subscribed to the issuance must conserve their units of the "Arkema Actionnariat France" or "Arkema Actionnariat International" FCPEs or the shares they hold via direct shareholding, unless one of the early exit events set forth in Articles L. 442-7, R. 442-17 and L. 443-6 of the French Labor Code was to occur to the employees residing in France. Those employees who do not reside in France for tax purposes will be subject to the provisions applicable in the countries in which they reside.

Terms and conditions of payment of the shares: Depending on the nature of the contractual relationship that exists between the employees and their company and the legislation in force in each of the countries, the payment of the subscription price of the shares will be entirely paid for:

- either in cash via the personal contribution;
- or with the financial aid of an advance repayable by a monthly withholding from salary that can be granted by the employer to employees who have subscribed. In France, this withholding cannot exceed 10 % of the employee's net monthly salary;
- or by a combination of the above two payment options.

Repayment of the advance shall begin in the month of May 2008 and is spread over the course of 24 even monthly payments withheld from salary. In France, interest on this advance will not be withheld, thereby representing a benefit in kind (please refer to the section entitled "Tax Treatments" below).

Reduction of subscription requests: In the event that the total number of ARKEMA shares subscribed within the framework of the issuance is higher than the number of ARKEMA shares offered, as this latter number is set by ARKEMA's Board of Directors, a reduction will be carried out in accordance with a method described in the information notice of the ARKEMA ACTIONNARIAT FRANCE Relais 2008 FCPE. If, after these provisions have been applied, certain requests were not met in full, the amount being withheld from the bank accounts in payment for the shares subscribed will be adjusted in accordance with the amount allocated.

In the event of a subscription financed both in cash and by way of a no interest loan, the possible reduction of individual requests will first be deducted from the portion of the subscription financed in cash, then from the portion financed by way of the no interest loan.

TAX TREATMENTS IN FORCE TODAY

- Employees who are French tax residents

The discount is exempt from income tax and social security charges. The dividends that could be distributed, as the case may be, are also exempt insofar as they are automatically reinvested in an FCPE. The redemptions of FCPE units that have become available following the expiration of the lock-up period as well as early redemptions are income tax exempt (capital gains on the sale of securities). However, these same capital gains will be subject to social security withholdings (11 %).

The interest on the advance payment granted for a 24-month period will not be withheld. It will be considered as a benefit, calculated on the basis of the legal interest rate in force on the date of subscription, and subject to social security contributions, social security withholdings, and to income tax.

- Employees who are not French tax residents

Employees who do not reside in France for tax purposes are subject to the tax provisions applicable in their respective countries of residence.

SPECIAL NOTE REGARDING THE INTERNATIONAL OFFERING

This release does not constitute an offer to sell or a solicitation to purchase Arkema shares. The offering of Arkema shares reserved for employees will be conducted only in countries where such an offering has been registered with the competent local authorities and/or following the approval of a prospectus by the competent local authorities or in consideration of an exemption of the requirement to prepare a prospectus or register the offering. More generally, the offering will only be conducted in countries where all required filing procedures and/or consultation or information obligations with respect to organizations representing employees and/or notifications have been completed and the authorizations have been obtained. This release is not destined for, and copies thereof should not be sent to, countries in which such a prospectus has not been approved or such an exemption is not available or where all of the required filing procedures and/or consultation or information obligations with respect to organizations representing employees and/or notifications have not been completed or where the authorizations have not been obtained.

This release constitutes the information document required pursuant to Articles 212-4 (paragraph 5) and 212-5 (paragraph 6) of the AMF's General Regulations and to Article 14 of circular n° 2005-11 of December 13, 2005, published in the form of a press release in accordance with Article 221-3 of the AMF's General Regulations.

A global chemical player, Arkema consists of 3 coherent and related business segments: Vinyl Products, Industrial Chemicals, and Performance Products. Present in over 40 countries with 17,000 employees, Arkema achieves sales of 5.7 billion euros. With its 6 research centers in France, the United States and Japan, and internationally recognized brands, Arkema holds leadership positions in its principal markets.

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