

Colombes, November 10<sup>th</sup> 2011

## Arkema confirms its project to reorganize its Jarrie site

Arkema today presented to the Central Works Council a project for the new organization of the chlorochemicals and hydrogen peroxide activities at its Jarrie site. The project, which aims to minimize significantly the local community's exposure to risk as part of the Technological Risk Prevention Plan ("PPRT"), entails the conversion of mercury electrolysis in particular. It will also help consolidate the site's hydrogen peroxide manufacturing activity while improving the competitiveness of the chlorochemicals operations.

Arkema today presented to the Central Works Council a detailed project for the new organization of its Jarrie site in France.

The implementation of the PPRT, regulations on the use of mercury electrolysis for chlorine production, and the outlook for certain end-markets require an in-depth reorganization of the Jarrie site.

The project entails the shut-down of the 150kT/year chlorine production using the mercury electrolysis process and its replacement within the next two years or so with 70kT/year membrane electrolysis. This conversion is part of the PPRT's measures to minimize risk at source, which will help reduce the safety perimeter very significantly and hence the local residents' exposure to risk. It will also help anticipate the regulations which impose a ban on mercury electrolysis by January 1<sup>st</sup> 2020.

Additionally, in view of its lack of structural competitiveness and the prospects for its end-markets, the dichloroethane (DCE) plant would also be closed.

Finally, the project will consolidate the industrial world standing of this hydrogen peroxide site through investment in a steam methane reformer (SMR) to help meet demand for hydrogen in hydrogen peroxide manufacture.

The project represents a net investment of some €40M over the next two years for Arkema.

*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, 15,700 employees and 9 research centers, Arkema generates annual revenue of €5.9 billion, and holds leadership positions in all its markets with a portfolio of internationally recognized brands. **The world is our inspiration.***

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