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Arkema continues to expand in specialty polyamides with the acquisition of Chinese companies *Hipro Polymers* and *Casda Biomaterials*

Arkema announces a project to acquire Chinese companies *Hipro Polymers*, a fast-expanding producer of biosourced polyamide 10.10, and *Casda Biomaterials*, world leader in sebacic acid, derived from castor oil and used in particular to manufacture this polyamide 10.10.

« This acquisition is a great opportunity in many respects. It will help us boost our position in China, one of Arkema's geographic priorities for the last 5 years. With polyamide 10.10, it aptly complements our high added value polyamide 11 and 12 product range, and fits in well with our growth strategy in green chemistry », stated Thierry Le Hénaff, Arkema Chairman and Chief Executive Officer.

Both acquisitions are consistent with Arkema's strategy to develop performance products, as well as the program presented by the Group in November 2010 to acquire around 1 billion euros of sales.

Both companies report aggregate sales estimated at \$230 M for 2011, and employ 750 people on two sites in China.

The acquisition price is based on an enterprise value of \$365 M for 100% of the capital of both companies, which are predominantly owned by a joint venture between privately owned Chinese specialty chemical company Feixiang Chemicals and Bain Capital, a global alternative asset manager with over US\$60 billion under management.

« We are happy to see the two companies to join the family of Arkema, global leader of renewable source based high performance polyamide, and believe that the business and product development of the two companies will be brought to a new high level », added Ji Li, President of Feixiang Chemicals.

By adding *Hipro Polymers'* PA10.10 to its technical polymer portfolio, Arkema, the world's only producer of polyamide 11 also derived from castor oil, would strengthen its world leading position in specialty biosourced polyamides (15 to 20% expected annual growth rate), becoming the only chemical manufacturer to offer a full range of long chain polyamides 10, 11 and 12. Arkema's acknowledged reputation and application know-how in the end-markets of these various products should help speed up the development of *Hipro Polymers*, in particular in transportation (automotive, trucks), renewable energies, and electronics.

In anticipation of the rapid development expected over the next few years, *Hipro Polymers'* modern and competitive industrial site, based in Zhangjiagang, 110 km from Shanghai, recently benefited from new investments to triple its production capacity.

With the acquisition of *Casda Biomaterials*, the world's leading producer of sebacic acid, Arkema would benefit from sebacic acid integrated feedstock for the production of PA10.10, and, through this strategic raw material, would be able to supply diversified world markets such as lubricants, plasticizers and corrosion-inhibiting additives, as well as the fast-growing biosourced and biodegradable copolymer market.

The *Casda Biomaterials* facility is a competitive industrial base located in Hengshui, 250 km from Peking.

This project is subject to approval by the Chinese authorities, and the operation should be finalized in early 2012.

*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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