



23 November 2011

THE KLESCH GROUP

Agreement to acquire Arkema's Vinyl Products division

The Klesch Group ("Klesch"), one of Europe's leading operators of industrial and commodity-related businesses, has today agreed to acquire the Vinyl Products division of Arkema, a global chemical company and France's leading chemicals producer.

Through this acquisition, Klesch will create a major player in the European PVC industry, built around a portfolio of investments balanced between upstream activities (chlorine, caustic soda and PVC) and downstream activities (profiles and compounds).

Through its existing investment platforms, Klesch has significant expertise in the power and ethylene industries, the knowledge of which will be critical to efficiently producing vinyl products and which will be of benefit as the business is assimilated into the Klesch Group.

The acquisition will not entail any restructuring of the manufacturing plants for the businesses being acquired. The employees concerned by the industrial plan, as well as those required to operate the business, will be transferred and their compensation packages, together with their seniority, qualifications and the specific terms of their employment contracts would be safeguarded.

Upon completion, 1,780 employees in France and 850 employees outside France will be transferred to the Klesch Group, and the Vinyl Products business will be headquartered in Lyon (France).

Commenting, A. Gary Klesch, founder and Chairman of The Klesch Group, said:

"We are delighted to announce this agreement with Arkema to acquire its Vinyl Products division. This acquisition provides the Klesch Group with a new growth platform and one which complements its existing operations. One of the key attractions of Arkema's Vinyl Products business is the expertise of its management and the dedication of its staff. We look forward to working with them in the future."

The agreement remains subject to the legal information and consultation process involving the trade unions in the various entities and countries concerned, and to the approval of antitrust authorities.

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About the Vinyl Products business

The Vinyl Products business manufactures and markets products for a broad range of applications and comprises three units: Chlorine/Caustic Soda and PVC; Vinyl Compounds; and Pipes and Profiles. The main brands belonging to the Vinyl Products business are Lacovyl®, which produces general purpose PVC resins; Nakan®, which produces instrument panel coating and medical equipment; and Lucobay®, which produces windows and shutters.

About Arkema

Arkema is a global chemical company and France's leading chemicals producer. Deploying a responsible, innovation-based approach, it produces 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.

About The Klesch Group

The Klesch Group is one of Europe's leading operators of industrial and commodity-related business. Founded in 1990 and headquartered in Geneva, the family-owned Klesch Group is one of Europe's leading operators of industrial and commodity-related business. The Klesch Group employs more than 3,000 people across four principal business units with locations in Germany, The Netherlands, Russia, Switzerland and the United Kingdom and has combined revenue in excess of \$6 billion.