

ARKEMA Holdings Ltd.

**Directors' report and financial
statements**

Registered number 1470171

31 December 2008



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

Principal activities

The principal activity of the company is to act as a holding company.

The company did not trade in the current or previous year.

Results and dividends

The audited financial statements for the year ended 31 December 2008 are set out on pages 6 to 10. The directors do not recommend the payment of a final dividend (2007: *£nil*).

Future developments

The dormant subsidiary Arkema Pension Trustee Company Limited was struck off on the 10th March 2009. It is the intention of management that Arkema Holdings Ltd. will be put into members' voluntary liquidation. As a result these accounts have not been prepared on a going concern basis.

Directors and directors' interests

The directors who served during the year were as follows:

G A Howard Appointed 26th August 2008
P F Jukes
T Lemonnier

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or to their immediate families, or exercised by them, during the financial year.

The management of the administration of the company is delegated to a management board, which in 2008 comprised:

P F Jukes Managing Director
G A Howard Chief Financial Officer

Insurance has been taken out by the ultimate parent undertaking to indemnify directors and officers of the company against any liabilities that may arise from carrying out their duties.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, as far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' report *(continued)*

Auditors

In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board

24TH DECEMBER 2009

Standard House
Weyside Park
Catteshall Lane
Godalming
Surrey
GU7 1XE



P F Jukes
Director

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and these financial statements have not been prepared on that basis.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

ABCD

KPMG LLP

St James' Square
Manchester
M2 6DS
United Kingdom

Independent auditors' report to the members of Arkema Holdings Ltd.

We have audited the financial statements of Arkema Holdings Ltd. for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of ARKEMA Holdings Ltd.
(continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

LLPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

28 December 2009

Profit and loss account
for the year ended 31 December 2008

	<i>Note</i>	2008 £000	2007 £000
Dividend received		-	2,800
Profit on disposal of investment in subsidiary		2,630	-
		<hr/>	<hr/>
Profit on ordinary activities		2,630	2,800
		<hr/>	<hr/>
Profit for the financial year	8	2,630	2,800
		<hr/> <hr/>	<hr/> <hr/>

The company does not trade and consequently there are no gains or losses during the current and previous year other than that presented above.

The notes on pages 8 to 10 form part of these financial statements.

Balance sheet
at 31 December 2008

	Note	2008 £000	2007 £000
Current assets			
Investments	4	-	-
Debtors	5	21,333	18,703
Net current assets			18,703
Creditors: amounts falling due within one year	6	(2,395)	(2,395)
Net assets		18,938	16,308
Capital and reserves			
Called up share capital	7	13,500	13,500
Share premium account	8	8	8
Profit and loss account	8	5,430	2,800
Shareholders' funds	9	18,938	16,308

These financial statements were approved by the board of directors on
and were signed on its behalf by:

24th December 2009



P F Jukes
Director

The notes on pages 8 to 10 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As 100% of the company's voting rights are controlled within the group headed by ARKEMA S.A., the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of ARKEMA S.A., within which this company is included, can be obtained from the address given in note 10.

Going concern

As explained in the Directors' report, the directors believe the company cannot be considered a going concern as it is the Directors' intention that the company will be put into members' voluntary liquidation. Accordingly, these financial statements have not been prepared on the going concern basis.

Investments

Investments in subsidiary undertakings are included in the company's balance sheet at cost less any provision for impairment.

2 Dividends

	2008 £000	2007 £000
Dividend receivable	-	2,800
Dividend payable	-	-

3 Taxation

There is no tax charge in the current or prior year. The profit on disposal of investment in subsidiary is exempt from tax.

Notes (continued)

4 Investments

Cost and net book value

	2008 £000
At 31 December 2007	-
At 31 December 2008	-

The company sold its investment in Arkema Ltd. to Arkema Europe SAS, a holding company incorporated in France within the Arkema S.A. group, on 29 September 2008.

The company's remaining investment at the year end is as follows:

	Country of Incorporation	Principal activity	Class and percentage of shares held
ARKEMA Pension Fund Trustee Company Ltd.	England	Dormant – dissolved 10 th March 2009	Ordinary - 100%

5 Debtors

	2008 £000	2007 £000
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	-	18,703
Amounts owed by group undertakings	21,333	-
	<u>21,333</u>	<u>18,703</u>

6 Creditors: amounts falling due within one year

	2008 £000	2007 £000
Amounts owed to subsidiary undertakings	-	2,395
Amounts owed to group undertakings	2,395	-
	<u>2,395</u>	<u>2,395</u>

Notes (continued)

7 Called up share capital

	2008 £000	2007 £000
<i>Authorised</i>		
25,000,000 ordinary shares of £1 each	25,000	25,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
13,500,000 ordinary shares of £1 each	13,500	13,500
	<hr/>	<hr/>

8 Reserves

	Profit and loss account £000	Share premium £000
At beginning of year	2,800	8
Profit for the year	2,630	-
	<hr/>	<hr/>
At end of year	5,430	8
	<hr/>	<hr/>

9 Reconciliation of movement in shareholders' funds

	£000
At beginning of year	16,308
Profit for the year	2,630
	<hr/>
At end of year	18,938
	<hr/>

10 Ultimate controlling party

The directors regard Arkema S.A., a company incorporated in France, as the ultimate parent company and the ultimate controlling party.

Arkema S.A. is the parent company of the largest and smallest group of which the company is a member and for which the group financial statements are drawn up. Copies of the financial statements are available from 420 rue d'Estienne d'Orves, 92705, Colombes Cedex, France.

11 Post Balance Sheet Events

It is the Directors' intention that Arkema Holdings Ltd. will be put into members' voluntary liquidation in the forthcoming year. As a result these accounts have not been prepared on a going concern basis.