ARKEMA
The world is our inspiration

Press release
Communiqué de presse

Paris, November 10th 2009

ARKEMA: 3RD QUARTER 2009 RESULTS

EBITDA +44% UP ON PREVIOUS QUARTER
STRONG POSITIVE FREE CASH FLOW [1]

- **9.2% EBITDA margin at same level as 3rd quarter 2008 margin**
- **Excellent performance of Industrial Chemicals: EBITDA margin above 15%**
- **Significant improvement of Performance Products: EBITDA margin above 10%**
- **Positive adjusted net income**
- **+€206 million Free Cash Flow[1] at the end of September 2009**
- **Net debt down to €359 million and gearing at 20%**

(In millions of euros)	3rd Quarter 2008	3rd Quarter 2009	Variation
Sales	**1,450**	**1,103**	**(23.9)%**
EBITDA	**134**	**101**	**(24.6)%**
EBITDA margin	***9.2%***	***9.2%***	
Vinyl Products	*1.9%*	*(3.2)%*	
Industrial Chemicals	*13.0%*	*15.3%*	
Performance Products	*10.7%*	*10.2%*	
Recurring operating income	**72**	**36**	**(50)%**
Non-recurring items	(8)	(8)	-
Adjusted net income	47	8	(83)%
Net income – Group share	**40**	**(3)**	**n/a**
Net debt	**580** *(09/30/08)*	**359** *(09/30/09)*	**(38)%**

[1] Cash flow from operating and investment activities excluding the impact of portfolio management.

At the close of the Board of Directors meeting on November 9th 2009 which reviewed Arkema's consolidated accounts for 3rd quarter 2009, Thierry Le Hénaff, Chairman and CEO of Arkema, stated:

« In a less challenging economic environment, marked by the end of de-stocking in most of our end-markets and by good demand in Asia, Arkema achieved a solid financial performance in the 3rd quarter, with EBITDA improving by over 40% on the previous quarter, and free cash flow generated in the quarter above €70 million.

The various fixed cost savings initiatives, the new developments on our markets, and the strict control of cash largely contributed to the good results of the quarter, over and above the gradual improvement in demand.»

3RD QUARTER 2009 PERFORMANCE

EBITDA margin at 9.2% in 3rd quarter 2009 at same level as last year

Sales stood at €**1,103** million, 23.9% down on 3rd quarter 2008. The volume effect (-13.4%) was lower than in previous quarters (-27% in 1Q'09 vs 1Q'08, and –18% in 2Q'09 vs 2Q'08). De-stocking in Europe and the United States was now essentially over, and volumes were showing encouraging trends in Asia. Arkema continues to increase its sales in that region which now represents around 18%[2] of its global sales against 13% in 2006. The price effect (-10.7%) reflected a drop in raw material costs in some product lines (PVC and Acrylics). Raw materials reached their highest level in 3rd quarter 2008. The effects of currency translation (+1.0%) and variation in scope of business (-0.8%) were limited.

Confirming its recovery which started in 2nd quarter 2009, **EBITDA** stood at €**101** million, 44% up over 2nd quarter 2009 (€70 million), and against €134 million in 3rd quarter 2008. During the quarter, Arkema successfully continued to adapt to a tough economic environment. Implementation of restructuring plans and reduction in overhead were in line with the objective to achieve savings of €170 million in fixed costs over the year. The increased presence in Asia in the Industrial Chemicals and Performance Products segments together with the progress made in the field of sustainable development and high performance polymers (photovoltaics, batteries, high temperature polyamides, etc.) also made a positive contribution to EBITDA.

Recurring operating income stood at €**36** million after €65 million depreciation and amortization.

Non-recurring items accounted for –€8 million as in last year's 3rd quarter.

Adjusted net income was positive again at €**8** million in 3rd quarter 2009 following the losses of the last three quarters.

Net income (Group share) stood at **–€3** million (against €40 million in 3rd quarter 2008), after deduction of a €27 million tax charge reflecting the sharp contrast between the results generated in France and in the rest of the world.

[2] On first 9 months of the year.

SEGMENT PERFORMANCE

Vinyl Products: NEGATIVE BUT STABLE EBITDA COMPARED TO 2Q'09 DESPITE WEAK SEASONALITY AND FULL IMPACT OF CAUSTIC SODA PRICES COLLAPSE

Vinyl Products sales stood at €248 million against €378 million in 3rd quarter 2008. Sales volumes remained much lower than before the crisis. The price effect was highly negative, PVC sales prices reflecting a drop in ethylene prices compared to their highest level in 3rd quarter 2008. The effect of variation in the scope of business (-€15 million) was also negative in the light of divestments completed in the first six months of 2009.

Compared to the previous quarter, EBITDA remained stable at –€8 million (–€7 million in 2nd quarter 2009) despite the traditional August seasonality in Europe and the further decline in caustic soda prices which reached a low point in August. PVC prices were raised during the quarter to offset the increase in ethylene costs. PVC unit margins remained very low.

The beginning of the 4th quarter is marked by some increases of caustic soda prices and imports from American PVC reflecting low US natural gas price.

Industrial Chemicals: EXCELLENT PERFORMANCE WITH A 15.3% EBITDA MARGIN, ITS HIGHEST HISTORICAL LEVEL SINCE ARKEMA'S SPIN-OFF

Industrial Chemicals sales stood at €528 million against €661 million in 3rd quarter 2008. EBITDA stood at €81 million against €86 million in 3rd quarter 2008 and €75 million in 2nd quarter 2009. Fluorochemicals, Thiochemicals and Coatex still confirmed their good resilience. Growth in Asia in the segment was sustained by developments in Hydrogen Peroxide and Fluorochemicals. Performance in Methacrylates began to benefit from improved productivity in North America and Europe. In Acrylics, unit margins remained very low.

Performance Products: SIGNIFICANT IMPROVEMENT OF RESULTS, BENEFITING FROM BETTER VOLUMES AND LOWER COSTS

Performance Products sales stood at €324 million in 3rd quarter 2009 against €410 million in 3rd quarter 2008. EBITDA stood at €33 million against €44 million in 3rd quarter of the previous year, and €23 million in 2nd quarter 2009. Volumes remained very much below those of the previous year but benefited from the end of de-stocking in the automotive and construction markets in Europe. The productivity initiatives launched in Technical Polymers and Functional Additives continued to bear fruit. Finally, various successful developments were achieved in the field of renewable energy and high performance polymers (photovoltaics, batteries, high temperature polyamides, etc.).

EBITDA margin stood at 10.2% against 10.7% in 3rd quarter 2008 and 6.5% in 2nd quarter 2009, reflecting a significant improvement in the segment's results compared to previous quarters.

CASH FLOW AND NET DEBT AT SEPTEMBER 30TH 2009

Strong cash generation in 3rd quarter

In 3rd quarter 2009, Arkema generated strong positive free cash flow[3] of +€71 million. Over the first nine months of 2009, Arkema generated very strong free cash flow of +€206 million, against +€7 million over the first nine months of 2008. Over this period, by mobilizing all its operational entities, Arkema reduced its stock value by €244 million. Capital expenditure stood at €182 million, which included capital expenditure related to fluorochemicals and fluoropolymers growth projects in China.

Net debt on September 30th 2009 stood at €359 million, €136 million down on December 31st 2008, with gearing thereby decreasing to 20%.

HIGHLIGHTS SINCE BEGINNING OF 3RD QUARTER 2009

Continuing the in-depth transformation of its portfolio of businesses, Arkema announced a number of major projects in 3rd quarter:

- The proposed acquisition of the Clear Lake (Texas) acrylic monomer site and some acrylic latex activities from Dow in North America. This transaction is subject to the approval by the US antitrust authorities (FTC), and is expected to close in the 4th quarter.
- The construction of a Coatex production plant on the Changshu site in China. This project will allow Coatex to take advantage of the growth in the specialty acrylic polymers market in Asia, with a production plant in this region from mid-2011.
- The construction of a 400 ton/year carbon nanotube pilot production plant in Mont (France), due to come on stream beginning of 2011.
- An increase of over 15% in the production capacity of the fluoropolymers production plant in Calvert City (United States), now nearing completion, to respond to growth opportunities in the energy markets, in particular in the photovoltaics and lithium-ion battery sectors.

Furthermore, Arkema confirmed a plan to reorganize its Saint-Auban site (France) entailing the shutdown of vinyl chloride/vinyl acetate copolymer production which should result in the loss of 88 positions[4]. Arkema is also continuing negotiations regarding its Methacrylates restructuring plan[4] and announced a productivity project in the Mont (France) polyamide plant[4].

[3] Cash flow from operating and investment activities excluding the impact of portfolio management.
[4] The implementation of the project is subject to the legal information and consultation process involving the trade unions.

OUTLOOK

The 4th quarter will reflect the traditional weaker seasonality of volumes at the end of the year, in particular in December. Asia maintains its good momentum, whereas visibility remains more uncertain in Europe and North America where volumes have stabilized at a lower level than before the crisis and customers should continue to carefully manage their inventories at the end of the year.

The group's priorities set for 2009 remain unchanged, and Arkema confirms its fixed costs savings target of €170 million over the year, and, once more raises its free cash flow[5] generation target to around +€140 million. Capital expenditure should remain limited to €260 million for the year.

Beyond these objectives, Arkema actively continues its in-depth transformation with the lowering of its breakeven point, the forthcoming closing of the acquisition of some of Dow's acrylic assets, the strengthening of its presence in Asia and promising developments in new energy and high temperature polyamides. Thanks to this strategy implemented since the 2006 spin-off and its ability to quickly adapt as demonstrated this year, Arkema will be well prepared and positioned for 2010.

FINANCIAL CALENDAR

March 4th 2010	2009 Full Year Results

INVESTOR RELATIONS:

Sophie Fouillat	Tel. : +33 1 49 00 86 37	E-mail : sophie.fouillat@arkema.com
Jérôme Raphanaud	Tel. : +33 1 49 00 72 07	E-mail : jerome.raphanaud@arkema.com

PRESS RELATIONS:

Gilles Galinier	Tel. : +33 1 49 00 70 07	E-mail : gilles.galinier@arkema.com
Sybille Chaix	Tel. : +33 1 49 00 70 30	E-mail : sybille.chaix@arkema.com

A global chemical company, Arkema consists of three businesses: Vinyl Products, Industrial Chemicals, and Performance Products. Arkema reported sales of 5.6 billion euros in 2008. Arkema has 15,000 employees in over 40 countries and six research centers located in France, the United States and Japan. With internationally recognized brands, Arkema holds leadership positions in its principal markets.

5 Cash flow from operating and investment activities excluding the impact of portfolio management.

Disclaimer

The information disclosed in this press release may contain forward-looking statements with respect to the financial conditions, results of operations, business and strategy of Arkema. Such statements are based on management's current views and assumptions that could ultimately prove inaccurate and are subject to risk factors such as, among others, changes in raw materials prices, currency fluctuations, implementation pace of cost-reduction projects and changes in general economic and business conditions. Arkema does not assume any liability to update such forward-looking statements whether as a result of any new information or any unexpected event or otherwise. Further information on factors which could affect Arkema's financial results is provided in the documents filed with the French Autorité des marchés financiers.

Balance sheet, income statement, cash flow statement, statement of changes in shareholders' equity and information by business segment included in this press release are extracted from the consolidated financial statements at September 30th 2009 reviewed by the Board of Directors of Arkema S.A. on November 9th 2009.

Quarterly financial information is not audited.

The business segment information is presented in accordance with Arkema's internal reporting system used by the management.

INVESTOR AND ANALYST FACTSHEET

	3Q'09 in €m	3Q'08 in €m	3Q'09/ 3Q'08	9m'09 in €m	9m'08 in €m	9m'09/ 9m'08
Sales	**1,103**	**1,450**	**(23.9)%**	**3,362**	**4,451**	**(24.5)%**
Vinyl Products	248	378	(34.4)%	771	1,162	(33.6)%
Industrial Chemicals	528	661	(20.1)%	1,580	2,018	(21.7)%
Performance Products	324	410	(21.0)%	1,002	1,267	(20.9)%
Corporate	3	1		9	4	
EBITDA	**101**	**134**	**(24.6)%**	**228**	**451**	**(49.4)%**
Vinyl Products	(8)	7	n.a.	(13)	38	n.a.
Industrial Chemicals	81	86	(5.8)%	229	276	(17.0)%
Performance Products	33	44	(25)%	73	163	(55.2)%
Corporate	(5)	(3)		(61)	(26)	
EBITDA margin	**9.2%**	**9.2%**		**6.8%**	**10.1%**	
Vinyl Products	(3.2)%	1.9%		(1.7)%	3.3%	
Industrial Chemicals	15.3%	13.0%		14.5%	13.7%	
Performance Products	10.2%	10.7%		7.3%	12.9%	
Depreciation and amortization	(65)	(62)	4.8%	(202)	(182)	11.0%
Recurring EBIT	**36**	**72**	**(50)%**	**26**	**269**	**(90.3)%**
Vinyl Products	(21)	(2)	n.a.	(50)	10	n.a.
Industrial Chemicals	50	54	(7.4)%	133	185	(28.1)%
Performance Products	12	23	(47.8)%	5	100	(95)%
Corporate	(5)	(3)		(62)	(26)	
NR items	**(8)**	**(8)**		**(106)**	**(18)**	
Equity in income of affiliates	2	3		7	6	
Financial results	(6)	(12)		(21)	(26)	
Income taxes	(27)	(15)		(57)	(58)	
Net income - continuing operations	(3)	40		(151)	173	
Net income - discontinued operations	-	-		-	-	
Net income – Group share	**(3)**	**40**	**n.a.**	**(152)**	**172**	**n.a.**
EPS (diluted)	**(0.05)**	**0.66**	**n.a.**	**(2.51)**	**2.83**	**n.a.**
Adjusted EPS (diluted)	0.13	0.78		(0.78)	3.09	
Adjusted net income	8	47	(83.0)%	(47)	187	n.a.
Capital expenditures	**57**	**74**	**(23.0)%**	**182**	**166**	**9.6%**
Vinyl Products	11	22		32	42	
Industrial Chemicals	30	33		82	77	
Performance Products	14	18		65	45	
Net cash flow[1]				**179**	**(54)**	**n.a.**
Working capital (vs 12/31/08)				803	1,055	(23.9)%
WC as % of sales (vs 12/31/08)				**18.2%**[2]	**18.7%**	
Net debt (vs 09/30/08)				**359**	**580**	**(38.1)%**
Gearing (vs 09/30/08)				**20%**	**28%**	

[1] Calculated as cash flow from operating activities plus cash flow from investing activities
[2] Calculated as working capital end of period divided by 4 times quarterly sales

THIRD QUARTER 2009 PERFORMANCE

EBITDA +44% UP ON PREVIOUS QUARTER
STRONG POSITIVE FREE CASH FLOW [3]

SALES AT €1,103M VS €1,450M IN 3Q'08

- Lower YoY volume decline : -13% in 3Q'09 vs 3Q'08, -18% in 2Q'09 vs 2Q'08 and –27% in 1Q'09 vs 1Q'08.
- Volumes far lower than before the crisis
- End of de-stocking in Europe and North America in most end markets
- Good volumes in Asia.
- Raw material costs at a peak in 3Q'08.

	Volume	Price	Scope	FX rate
Arkema	**(13.4)%**	**(10.7)%**	**(0.8)%**	**1.0%**
Vinyl Products	---	---	--	=
Industrial Chemicals	---	---	=	+
Performance Products	---	---	=	+

Legend : "=" : +/- 0.5% "+" : [+0.5% - +2.5%] "++" : [+2.5% - +5%] "+++" : >+5%
"-" : [(0.5)% - (2.5)%] "--" : [(2.5)% - (5)%] "---" : <(5)%

EBITDA MARGIN OF 9.2%, AT THE SAME LEVEL THAN 3Q'08.

- +44% EBITDA vs 2Q'09 despite usual weak seasonality in Europe in August
- Successful adaptation to tough market conditions
- Cost savings from structural restructuring plans and G&A reductions in line with full year 2009 target of €170m fixed cost savings
- Benefits from growth projects in Asia in Industrial Chemicals and Performance Products
- Successful development in renewable energy and high performance polymers (photovoltaic, lithium-ion batteries, high temperature polyamides, etc)

VINYL PRODUCTS: WEAK RESULTS

- Sales at €248m vs €378m in 3Q'08
- Volumes lower than before the crisis
- PVC price evolution reflecting sharp YoY decrease of ethylene cost
- Stable EBITDA vs 2Q'09 despite usual weak seasonality in August in Europe and full impact of collapse of caustic soda prices
- Low unit margins (higher ethylene costs and low caustic soda prices)
- PVC price increased in 3Q'09 vs 2Q'09 in order to offset higher ethylene costs
- Imports from American PVC end of Q3 reflecting low US natural gas prices.

[3] Cash flow from operating and investing activities excluding M&A and before dividends

INDUSTRIAL CHEMICALS: EBITDA MARGIN AT 15.3% AT ITS HIGHEST SINCE SPIN-OFF

- EBITDA at €81m in 3Q'09 (€86m in 3Q'08) representing an EBITDA margin of 15.3%
- Excellent performance still confirmed.
- Good resilience of Thiochemicals, Fluorochemicals and Coatex
- Benefits from growth projects in Asia in Hydrogen Peroxide and Fluorochemicals
- Productivity gains in Methacrylates in Europe and North America
- Very low unit margins in Acrylics

PERFORMANCE PRODUCTS: BETTER PERFORMANCE ON HIGHER VOLUMES AND LOWER COST BASE

- EBITDA margin at 10.2% vs 6.5% in 2Q'09 and 10.7% in 3Q'08
- End of de-stocking in automotive and construction but volumes still lower than before the crisis
- Significant contribution from fixed cost savings in Technical Polymers and Functional Additives
- Successful development in renewable energy and high performance polymers (photovoltaic, lithium-ion batteries, high temperature polyamides, etc)

NON RECURRING ITEMS: AT €(8)M IN 3Q'09, AT THE SAME LEVEL THAN 3Q'08

CASH FLOWS, NET DEBT AND PROVISIONS

Items	*9m'09*	*9m'08*	*Comments on 9m'09*
Operating cash flow	395	196	
Investing cash flow	(216)	(250)	
Net cash flow	**179**	**(54)**	
Impact from M&A	(26)	(19)	Mainly acquisition of the organic peroxide business of the US company Geo Specialty Chemicals
NR pre spin off[4]	n.a.	(42)	
Free cash flow[5]	**206**	**7**	Excluding M&A and dividend
NR items	(56)	(44)	
Recurring capex	(182)	(166)	In line with FY09 target of €260m. Includes growth capex in China.
Variation in working capital	305	(91)	

- +€71m free cash flow in 3Q'09 (+€39m in 2Q'09 and +€96m in 1Q'09).
- Working Capital optimization supported by a (24)% reduction of inventory level
- Net debt at September 30th, 2009 reduced to €359m vs €420m at June 30th, 2009, €495m at December 31st, 2008 and €580m at September 30th, 2008.
- Net debt at 1.3xEBITDA[6]
- Gearing at 20%

4 NR pre spin off items are no longer subject to specific individual monitoring since 01/01/09.
5 Cash Flow from operating and investment activities excluding M&A and before dividends
6 EBITDA over 12 previous months

OUTLOOK:

- Cautious outlook for 4Q'09
  - Traditional weaker seasonality in December
  - Asia should maintain good momentum
  - Visibility still limited in Europe and North America:
    - Volumes stabilized at a lower level than before the crisis
    - Strict management of inventories by customers at the end of the year
- Full year 2009 targets
  - Increase Free Cash Flow[7] target to around +€140m
  - Confirm fixed cost saving target of €170m
  - Capex below €260m
- Continue in-depth transformation and long-term projects
  - Dow acrylic deal[8] expected to close in 4Q'09
  - Construction of fluorogas and fluoropolymers units in China
  - Promising projects in sustainable development and high performance polymers
- Well prepared and positioned for 2010

HIGHLIGHTS SINCE JULY 1ST:

- Proposed acquisition of the Clear Lake (Texas) acrylic monomer site and some acrylic latex activities from Dow in North America. This transaction is subject to the approval by the US antitrust authorities (FTC), and is expected to close in the 4th quarter.
- Announced construction of a Coatex production plant on the Changshu site in China. This project will allow Coatex to take advantage of the growth in the specialty acrylic polymers market in Asia, with a production plant in this region from mid-2011.
- Announced construction of a 400 ton/year carbon nanotube pilot production plant in Mont (France), due to come on stream beginning of 2011.
- Increase of over 15% in the production capacity of the fluoropolymers production plant in Calvert City (United States), now nearing completion, to respond to growth opportunities in the energy markets, in particular in the photovoltaics and lithium-ion battery sectors.
- Confirmation of a plan to reorganize the Saint-Auban site (France) entailing the shutdown of vinyl chloride/vinyl acetate copolymer production which should result in the loss of 88 positions[9].
- Negotiations of the Methacrylates restructuring plan[9]
- Announced productivity project in the Mont (France) polyamide plant[9].

[7] Cash Flow from operating and investment activities excluding M&A and before dividend
[8] Acquisition of a part of US acrylic assets from Dow
[9] The implementation of the project is subject to the legal information and consultation process involving the trade unions.

ARKEMA Financial Statements

Consolidated financial statements - At the end of September 2009

INCOME STATEMENT

(In millions of euros)	3rd Quarter 2009 Consolidated (non audited)	End of September 2009 Consolidated (non audited)	3rd Quarter 2008 Consolidated (non audited)	End of September 2008 Consolidated (non audited)
Sales	1 103	3 362	1 450	4 451
Operating expenses	(950)	(2 964)	(1 247)	(3 772)
Research and development expenses	(34)	(102)	(39)	(118)
Selling and administrative expenses	(83)	(270)	(92)	(292)
Recurring operating income	**36**	**26**	**72**	**269**
Other income and expenses	(8)	(106)	(8)	(18)
Operating income	**28**	**(80)**	**64**	**251**
Equity in income of affiliates	2	7	3	6
Financial result	(6)	(21)	(12)	(26)
Income taxes	(27)	(57)	(15)	(58)
Net income of continuing operations	**(3)**	**(151)**	**40**	**173**
Net income of discontinued operations	**-**	**-**	**-**	**-**
Net income	**(3)**	**(151)**	**40**	**173**
Of which minority interests	-	1	-	1
Net income - Group share	**(3)**	**(152)**	**40**	**172**
Earnings per share (amount in euros)	*(0,05)*	*(2,52)*	*0,66*	*2,84*
Diluted earnings per share (amount in euros)	*(0,05)*	*(2,51)*	*0,66*	*2,83*
Depreciation and amortization	(65)	(202)	(62)	(182)
Recurring EBITDA	**101**	**228**	**134**	**451**
Adjusted net income	8	(47)	47	187
Adjusted net income per share (amount in euros)	*0,13*	*(0,78)*	*0,77*	*3,09*
Diluted adjusted net income per share (amount in euros)	*0,13*	*(0,78)*	*0,78*	*3,09*

BALANCE SHEET

(In millions of euros)

	30.09.2009	31.12.2008
	(non audited)	*(audited)*
ASSETS		
Intangible assets, net	478	466
Property, plant and equipment, net	1 581	1 638
Equity affiliates: investments and loans	53	53
Other investments	19	22
Deferred income tax assets	19	25
Other non-current assets	104	137
TOTAL NON-CURRENT ASSETS	**2 254**	**2 341**
Inventories	782	1 026
Accounts receivable	733	838
Other receivables and prepaid expenses	117	149
Income taxes recoverable	15	22
Other current assets	1	30
Cash and cash equivalents	59	67
Total assets of discontinued operations		
TOTAL CURRENT ASSETS	**1 707**	**2 132**
TOTAL ASSETS	**3 961**	**4 473**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	605	605
Paid-in surplus and retained earnings	1 267	1 476
Treasury shares	-	(1)
Cumulative translation adjustment	(96)	(84)
SHAREHOLDERS' EQUITY - GROUP SHARE	**1 776**	**1 996**
Minority interests	**22**	**22**
TOTAL SHAREHOLDERS' EQUITY	**1 798**	**2 018**
Deferred income tax liabilities	45	47
Provisions and other non current liabilities	855	835
Non-current debt	86	69
TOTAL NON-CURRENT LIABILITIES	**986**	**951**
Accounts payable	547	690
Other creditors and accrued liabilities	271	259
Income taxes payable	25	17
Other current liabilities	2	45
Current debt	332	493
Total liabilities of discountinued operations		
TOTAL CURRENT LIABILITIES	**1 177**	**1 504**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**3 961**	**4 473**

CASH FLOW STATEMENT

(In millions of euros)	End of Sept 2009 *(non audited)*	End of Sept 2008 *(non audited)*
Cash flow - operating activities		
Net income	(151)	173
Depreciation, amortization and impairment of assets	229	192
Provisions, valuation allowances and deferred taxes	22	(54)
(Gains)/losses on sales of assets	(6)	(26)
Undistributed affiliate equity earnings	(2)	(6)
Change in working capital	305	(91)
Other changes	(2)	8
Cash flow from operating activities	**395**	**196**
Cash flow - investing activities		
Intangible assets and property, plant, and equipment additions	(214)	(189)
Change in fixed asset payables	(62)	(37)
Acquisitions of subsidiaries, net of cash acquired	(3)	(13)
Increase in long-term loans	(21)	(38)
Total expenditures	**(300)**	**(277)**
Proceeds from sale of intangible assets and property, plant and equipment	11	28
Change in fixed asset receivables	14	(14)
Proceeds from sale of subsidiaries, net of cash sold	3	-
Proceeds from sale of other investments	4	-
Repayment of long-term loans	52	13
Total divestitures	**84**	**27**
Cash flow from investing activities	**(216)**	**(250)**
Cash flow - financing activities		
Issuance (repayment) of shares	-	18
Purchase of treasury shares	(1)	(22)
Dividends paid to parent company shareholders	(36)	(46)
Dividends paid to minority shareholders	-	-
Increase/ Decrease in long-term debt	23	96
Increase/ Decrease in short-term borrowings and bank overdrafts	(166)	33
Cash flow from financing activities	**(180)**	**79**
Net increase/(decrease) in cash and cash equivalents	(1)	25
Effect of exchange rates and changes in scope	(7)	(12)
Cash and cash equivalents at beginning of period	67	58
Cash and cash equivalents at end of period	**59**	**71**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(non audited)

(In millions of euros)	Shares issued					Treasury shares				
	Number	Amount	Paid-in surplus	Retained earnings	Cumulative translation adjustment	Number	Amount	Shareholders' equity - Group share	Minority interests	Total shareholders' equity
As of January 1, 2009	**60 454 973**	**605**	**999**	**477**	**(84)**	**(39 707)**	**(1)**	**1 996**	**22**	**2 018**
Cash dividend				(36)				(36)		(36)
Issuance of share capital										
Purchase of treasury shares						(48300)	(1)	(1)		(1)
Cancellation of purchased treasury shares										
Grants of treasury shares to employees				(2)		87 600	2			
Sale of treasury shares										
Share-based payments				3				3		3
Other										
Transactions with shareholders				**(35)**		**39 300**	**1**	**(34)**		**(34)**
Net income				(152)				(152)	1	(151)
Income and expenses recognized directly through equity				(22)	(12)			(34)	(1)	(35)
Total of recognized income and expenses				**(174)**	**(12)**			**(186)**		**(186)**
As of September 30, 2009	**60 454 973**	**605**	**999**	**268**	**(96)**	**(407)**		**1 776**	**22**	**1 798**

RECOGNIZED INCOME AND EXPENSES

(non audited)

As of September 30, 2009

En millions of euros	Shareholders' equity - Group share	Minority interests	Total shareholders' equity
Net income	**(152)**	**1**	**(151)**
Hedging adjustments	(9)		(9)
Actuarial gains and losses	(18)		(18)
Change in translation adjustments	(12)	(1)	(13)
Others items			
Taxes impact	5		5
Total of income and expenses recognized directly through equity	**(34)**	**(1)**	**(35)**
Total of income and expenses recognized	**(186)**		**(186)**

INFORMATION BY BUSINESS SEGMENT

(non audited)

(In millions of euros)	3rd Quarter 2009				
	Vinyl Products	**Industrial Chemicals**	**Performance Products**	**Corporate**	**Group total**
Non-Group sales	248	528	324	3	**1 103**
Inter-segment sales	8	26	2	-	
Total sales	**256**	**554**	**326**	**3**	
Recurring operating income	**(21)**	**50**	**12**	**(5)**	**36**
Other income and expenses	**3**	**2**	**(2)**	**(11)**	**(8)**
Operating income	**(18)**	**52**	**10**	**(16)**	**28**
Equity in income of affiliates	2	-	-	-	2
Depreciation and amortization	(13)	(31)	(21)	-	(65)
Asset impairment	-	-	-	-	-
Changes in non-current provisions recognized through income	13	10	6	10	39
Recurring EBITDA	**(8)**	**81**	**33**	**(5)**	**101**
Intangible assets and property, plant and equipment, additions	**11**	**31**	**14**	**2**	**58**
Of which exceptional capital expenditures	-	1	-	-	1

(In millions of euros)	3rd Quarter 2008				
	Vinyl Products	**Industrial Chemicals**	**Performance Products**	**Corporate**	**Group total**
Non-Group sales	378	661	410	1	**1 450**
Inter-segment sales	17	47	3	-	
Total sales	**395**	**708**	**413**	**1**	
Recurring operating income	**(2)**	**54**	**23**	**(3)**	**72**
Other income and expenses	**(1)**	**(6)**	**(1)**	**-**	**(8)**
Operating income	**(3)**	**48**	**22**	**(3)**	**64**
Equity in income of affiliates	3	-	-	-	3
Depreciation and amortization	(9)	(32)	(21)	-	(62)
Asset impairment	-	-	-	-	-
Changes in non-current provisions recognized through income	10	12	8	10	40
Recurring EBITDA	**7**	**86**	**44**	**(3)**	**134**
Intangible assets and property, plant and equipment, additions	**27**	**40**	**18**	**1**	**86**
Of which exceptional capital expenditures	5	7	-	-	12

INFORMATION BY BUSINESS SEGMENT

(In millions of euros)	End of September 2009				
	Vinyl Products	**Industrial Chemicals**	**Performance Products**	**Corporate**	**Group total**
Non-Group sales	771	1 580	1 002	9	**3 362**
Inter-segment sales	30	72	9	-	
Total sales	**801**	**1 652**	**1 011**	**9**	
Recurring operating income	**(50)**	**133**	**5**	**(62)**	**26**
Other income and expenses	**(1)**	**(81)**	**(8)**	**(16)**	**(106)**
Operating income	**(51)**	**52**	**(3)**	**(78)**	**(80)**
Equity in income of affiliates	7	-	-	-	7
Depreciation and amortization	(37)	(96)	(68)	(1)	(202)
Asset impairment	-	(27)	(1)	-	(28)
Changes in non-current provisions recognized through income	25	(36)	6	26	21
Recurring EBITDA	**(13)**	**229**	**73**	**(61)**	**228**
Intangible assets and property, plant and equipment, additions	**33**	**86**	**92**	**3**	**214**
Of which exceptional capital expenditures	1	4	27	-	32

(In millions of euros)	End of September 2008				
	Vinyl Products	**Industrial Chemicals**	**Performance Products**	**Corporate**	**Group total**
Non-Group sales	1 162	2 018	1 267	4	**4 451**
Inter-segment sales	50	122	13	-	
Total sales	**1 212**	**2 140**	**1 280**	**4**	
Recurring operating income	**10**	**185**	**100**	**(26)**	**269**
Other income and expenses	**(3)**	**(13)**	**(5)**	**3**	**(18)**
Operating income	**7**	**172**	**95**	**(23)**	**251**
Equity in income of affiliates	6	-	-	-	6
Depreciation and amortization	(28)	(91)	(63)	-	(182)
Asset impairment	-	-	-	-	-
Changes in non-current provisions recognized through income	19	17	9	14	59
Recurring EBITDA	**38**	**276**	**163**	**(26)**	**451**
Intangible assets and property, plant and equipment, additions	**56**	**86**	**45**	**2**	**189**
Of which exceptional capital expenditures	14	9	-	-	23