UBS
Global Basic Materials Conference

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CFO

ARKEMA
The world is our inspiration

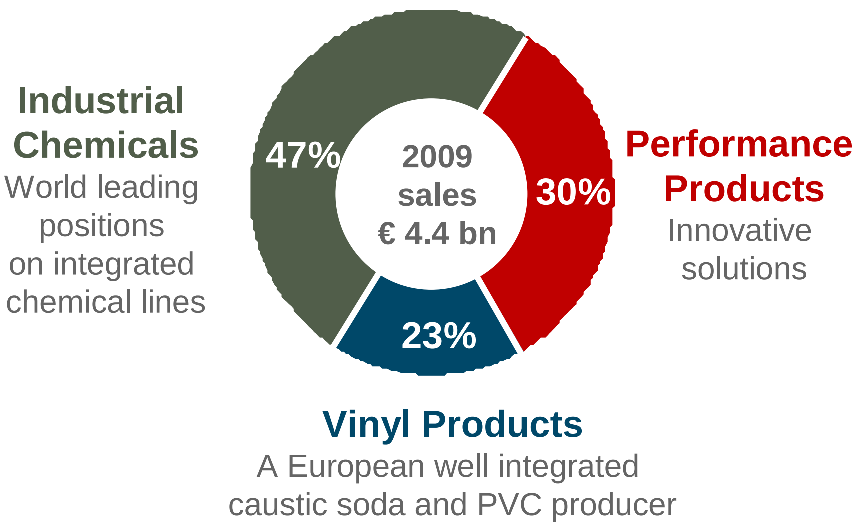
London, June 9th, 2010

2005-2009
A reshaped Arkema

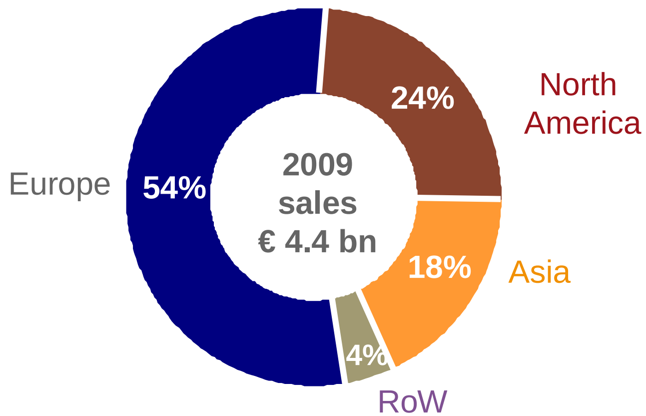
Arkema at a glance

- **Diversified end markets**
- **Growing exposure to Asian markets**
- **Strong R&D know-how**
- **Very solid balance sheet**

3 Business segments

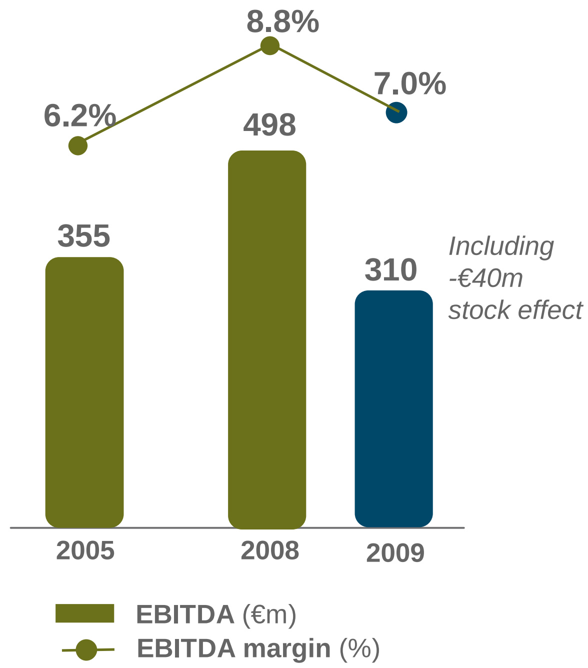


Diversified geographic base



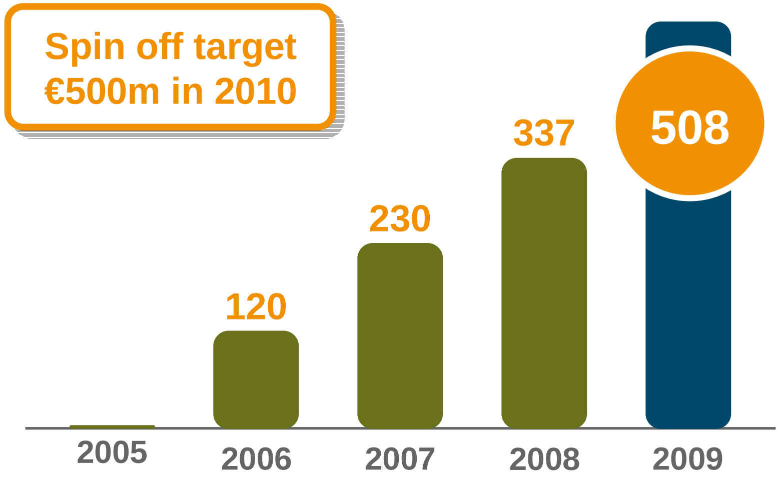
A transformation strategy based on four axes

- **Reduce fixed costs**
  - ➔ Spin off target : € 500m gross fixed cost savings in 2010 vs 2005
  - ➔ Target increased in 2009 to €600m
- **Reinforce presence in Asia**
  - ➔ 22% sales in Asia in 2014
- **Keep a strong momentum in R&D on**
  - ➔ Sustainable development
  - ➔ high performance polymers
- **Manage portfolio to speed up transformation**
  - ➔ Spin off target :
    - Acquisitions : € 500m to € 800m sales
    - Divestments : € 300m to € 400m sales

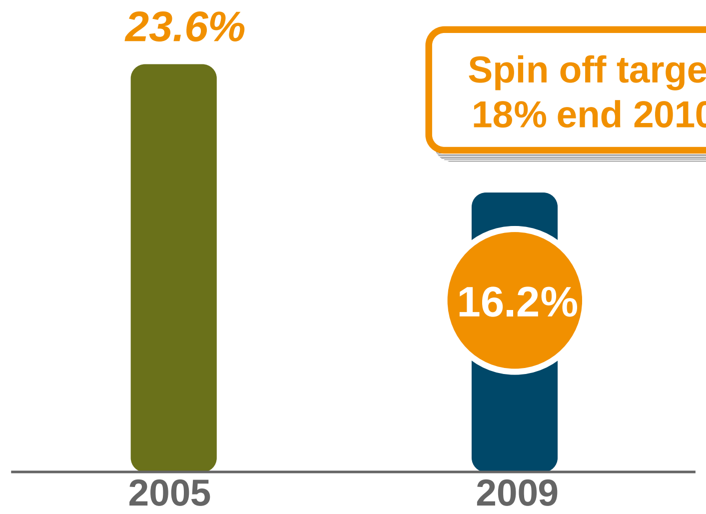


2005-2009 : years of in-depth transformation

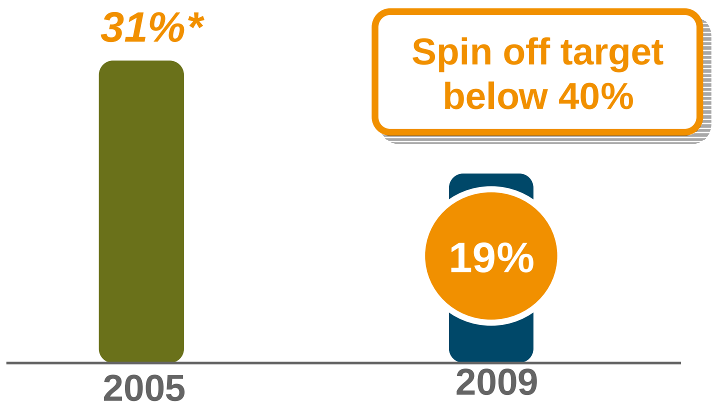
Cumulated gross fixed cost savings since 2005
(in €m)



Working capital as % of sales



Net debt as % of shareholders' equity



Portfolio management (€m of Sales)

	Spin off target	Achieved
Acquisitions:	€m 500 to 800	€ 550m
Divestments:	€m 300 to 400	€ 480m

** Net debt computed as 12/31/2005 proforma net debt after €532m capital increase + €580m NR pre spin-off items*

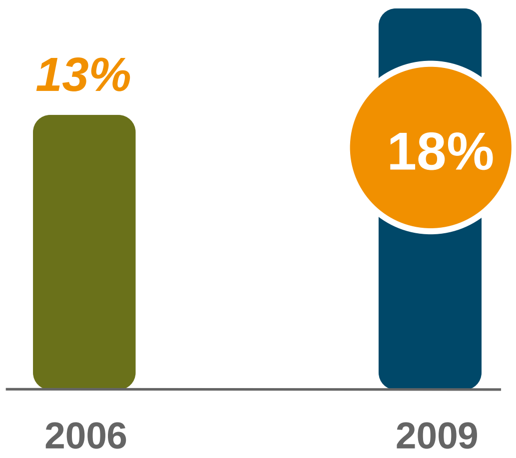
Better positioned on growing regions & products

Asia

€130m capex spent since spin off

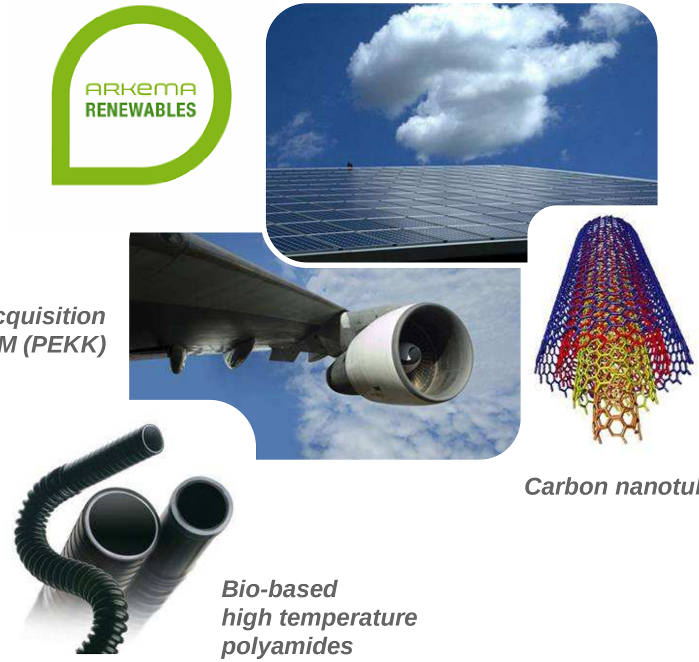
Spin off target
20% of sales in 2012

% of total sales achieved in Asia



Innovation

Focus on sustainable development and high performance polymers

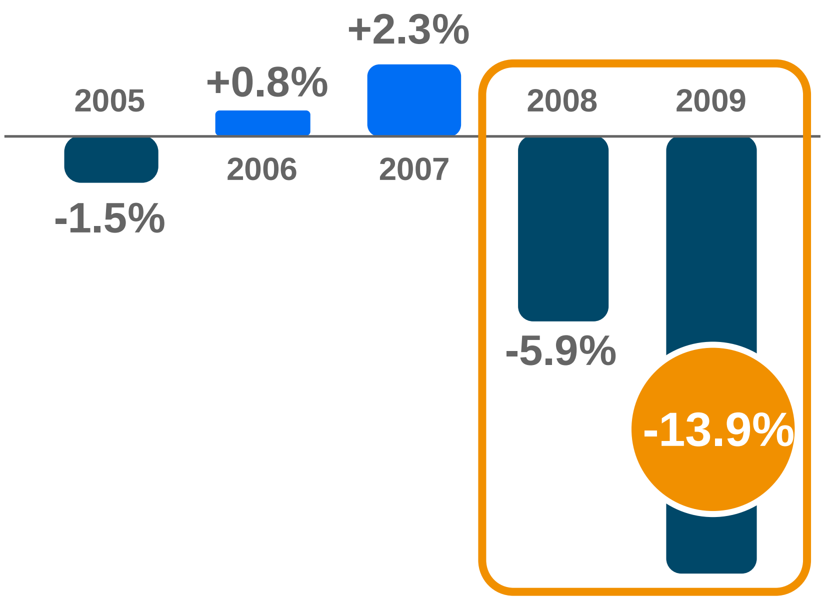


2010

Well prepared and positioned

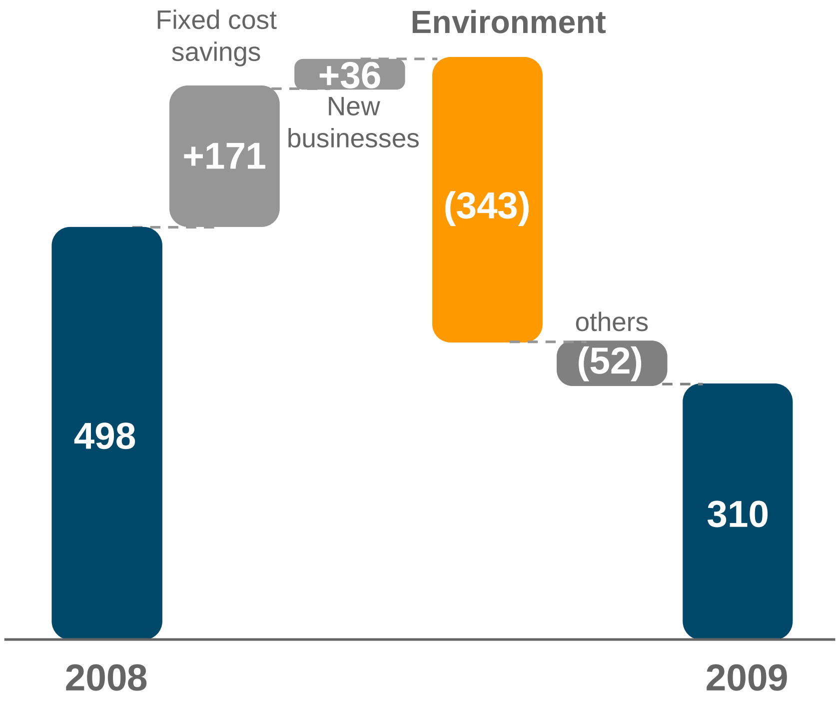
Unprecedented downturn in 2009

-20% volume in 2008-2009



YoY volume development

-€343m impact on EBITDA from environment



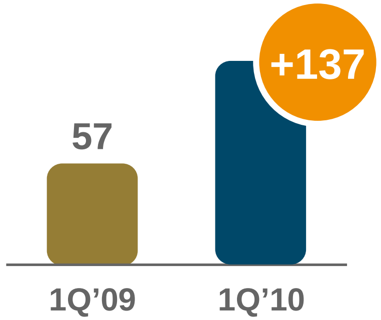
EBITDA (in €m)

1Q'10 : Strong rebound in volumes and profitability

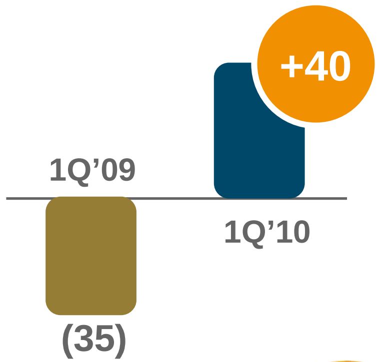
- **+20% volumes* versus 1Q'09**
  - Excellent growth in Asia
  - Signs of recovery in North America
- **10.5% EBITDA margin versus 5.2% in 1Q'09**
  - Strong performance of Industrial Chemicals at 14.5% EBITDA margin
  - Sharp recovery in Performance Products at 14.5% EBITDA margin
- **Fixed cost savings in line with FY'10 reduction target**
- **Gearing maintained below 20%**
- **Highlights**
  - Successful integration at the end of January of the acrylic assets acquired from Dow
  - Gradual improvement of acrylic unit margins
  - Successful start-up of fluorogas (HFC-125) production unit in Changshu (China) in partnership with Daikin

1Q'10 achievements

EBITDA (€m)



Net result (Group share) (€m)

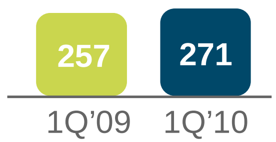


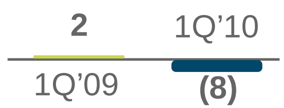
** Excluding impact from the acrylic assets acquired from The Dow Chemical Company*

1Q'10 results by segment

Sales (€m)

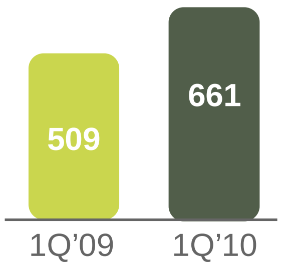
EBITDA (€m) **&**
EBITDA margin

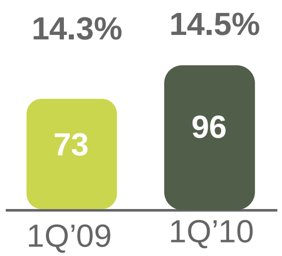




Vinyl Products: some improvements in overall adverse market conditions

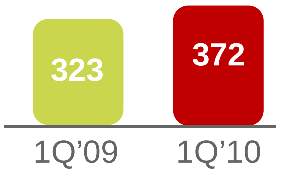
- Traditional seasonality of the first quarter
- Unit margins at low levels
- Positive contribution from fixed cost savings
- Strong performance of QVC supported by Asian demand

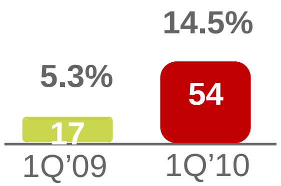




Industrial Chemicals: 14.5% EBITDA margin

- +17.5% volumes vs 1Q'09
- Positive integration of Dow's acrylic assets
- Acrylic unit margins improving from a low point in 4Q'09
- Strong benefit from Methacrylates restructuring in Europe





Performance Products: back to pre-crisis EBITDA level

- Record EBITDA margin since spin off at 14.5% despite volumes still below pre-crisis level
- Strong rebound in volumes supported by demand in automotive and in Asia
- Increased contribution from innovation
- Good resistance of unit margins

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2010 outlook

- **2Q'10 outlook**
  - 1Q'10 market conditions expected to continue in 2Q'10
  - Stronger seasonality in Coatings, Fluorochemicals and Specialty Chemicals
  - Tightness in acrylic monomers expected to continue in 2Q'10
  - 2Q'10 EBITDA will be above 1Q'10 level

- **2010 outlook**
  - In a still volatile economic environment, continue to focus on cost reductions and cash flow management
  - Maintain priority on growth in Asia, high performance polymers and bolt-on acquisitions
  - Confidence in Arkema's ability to generate in 2010 an EBITDA very significantly above 2009

Our priorities for 2010

- **Maintain focus on costs and cash**
  - €90m fixed cost savings versus 2009
  - Recurring capex below €300m
  - Working capital at ~16% of sales
- **Integrate newly acquired acrylic assets from Dow**
- **Grow in Asia and in “green” markets**
  - Leverage new manufacturing assets in China
  - Accelerate growth in Performance Polymers & renewable energies
    Polyamide Rilsan®, PVDF Kynar®, new generation of Fluorogases, molecular sieves
- **Closely monitor evolution of raw material costs**

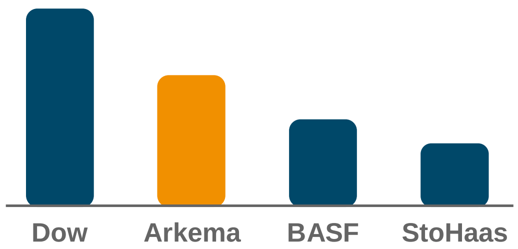
2010-2014

A new roadmap

Leverage on newly acquired acrylic assets

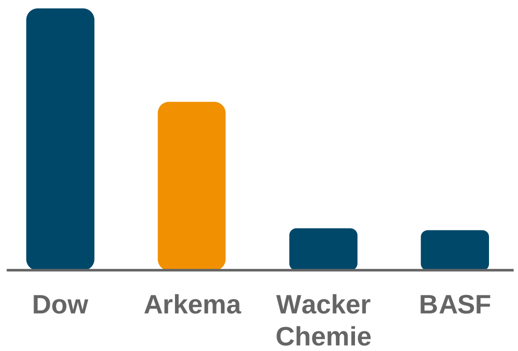
- **Attractive asset deal**
  - US$ 450m sales in 2009
  - US$ 50m enterprise value
  - Acquisition in low-cycle conditions
- **Perfect fit with Arkema's strategy in Acrylics**
  - Build a strong position in the US in monomers (Clear Lake)
  - Develop downstream positions (polymers)
- **Strong potential from a global coatings approach**
  - Product offer including UCAR™ (new "Emulsion Systems" BU), Coatex (acquired in 2007) & Kynar® (Arkema's Fluoropolymers)
  - Close relationship with customers
  - Strong brands combined with innovation
- **Positive EBITDA and net income in 2010 with mid-term upside potential on volume and margin recovery**

#2 in US acrylic acid



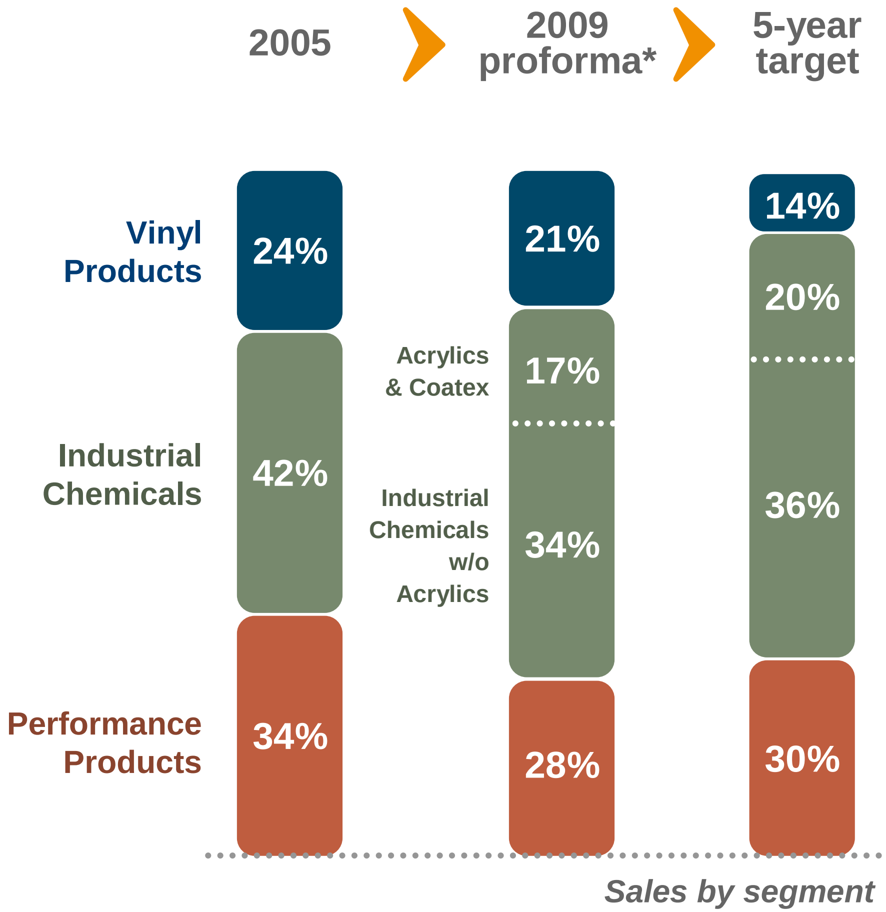
Source: CMAI, SRI and company data

#2 in US coating latex



12% EBITDA margin after 3 years and 14 to 15% after 5 years

Enhanced portfolio

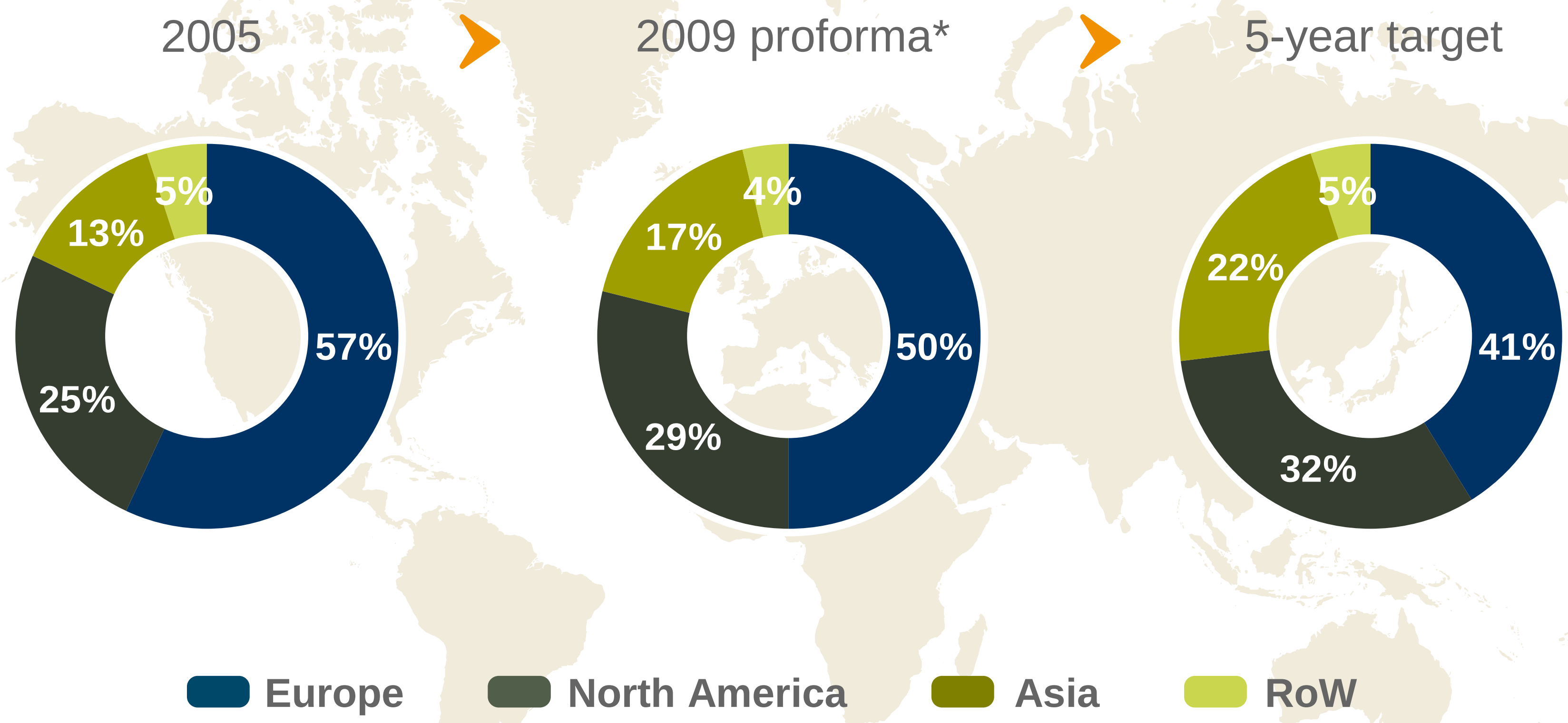


Strategy	Contributors
Cost and partnerships	Focus on competitive assets
Emergence of a global integrated player	New acrylic assets acquired from Dow
4 first-class growth platforms • Thiochemicals • Fluorochemicals • Methacrylates • Hydrogen Peroxide	Innovation and Asia
Building a true portfolio of specialties	Innovation and bolt-on M&A

** Including the acrylic assets acquired from Dow*

Balanced geographic position

Sales by region



 ** Including the acrylic assets acquired from Dow*

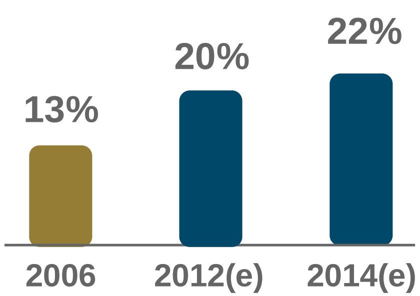
Capitalizing on Asia and innovation

Reinforce presence in Asia

Target 22% of sales in Asia in 2014

- **Successfully achieve current projects in China**
  - HFC-125 successful start up in 2Q'10
  - Kynar® / Coatex
- **Longer-term thoughts in Asia**
  - Acrylic monomers / Polyamides / Thiochemicals
- **1/3 to 50% of development capex in next 3 years**

Sales in Asia
(as % of total sales)



Fuelling the innovation pipe

€400m sales from new high-margin products by 2014

- **Keep strong momentum on**
  - Solutions for sustainable development
    - *Bio-resourced materials*
    - *New energies (photovoltaic, Li-ion batteries)*
    - *Solution to reduce CO_2 emissions of end-users*
  - High performance polymers
    - *High temperature polymers*
    - *Thermoplastic composites as light-weight materials & high mechanical resistance polymers*
- **15% of R&D efforts allocated to long-term breakthrough projects**

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5-year (2014) mid-cycle targets

EBITDA margin	**5 year (2014) mid-cycle target***
Performance Products	**15%**
Industrial Chemicals w/o Acrylics	**17%**
Acrylics	**14 to 15%**
Vinyls	**8 to 9%**
Corporate	**(1)%**
Arkema	**>13.5%**

** Normalized environment*

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Disclaimer

- The information disclosed in this document may contain forward-looking statements with respect to the financial condition, 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 material 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.

- Financial information for 2010, 2009, 2008, 2007, 2006 and 2005 is extracted from the consolidated financial statements of Arkema. Quarterly financial information is not audited.

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

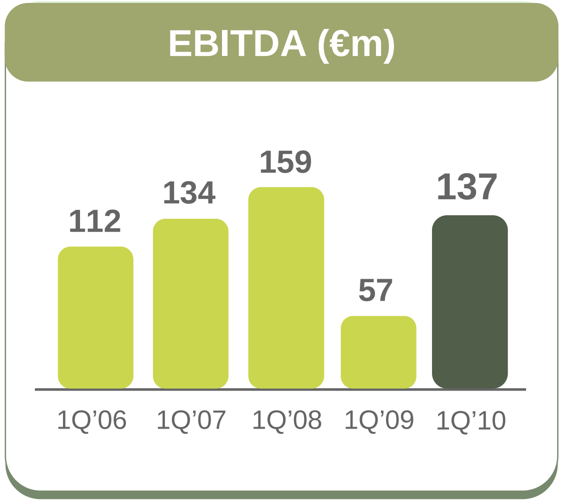
- The definition of the main performance indicators used can be found in the press release available on www.finance.arkema.com

- Arkema is a global chemical player consisting of three business segments: Vinyl Products, Industrial Chemicals, and Performance Products. Established in over 40 countries with 13,800 employees, Arkema achieved sales of 4.4 billion euros in 2009. With its 7 research centers in France, the United States and Japan, and internationally recognized brands, Arkema holds leadership positions in its principal markets.

Appendix

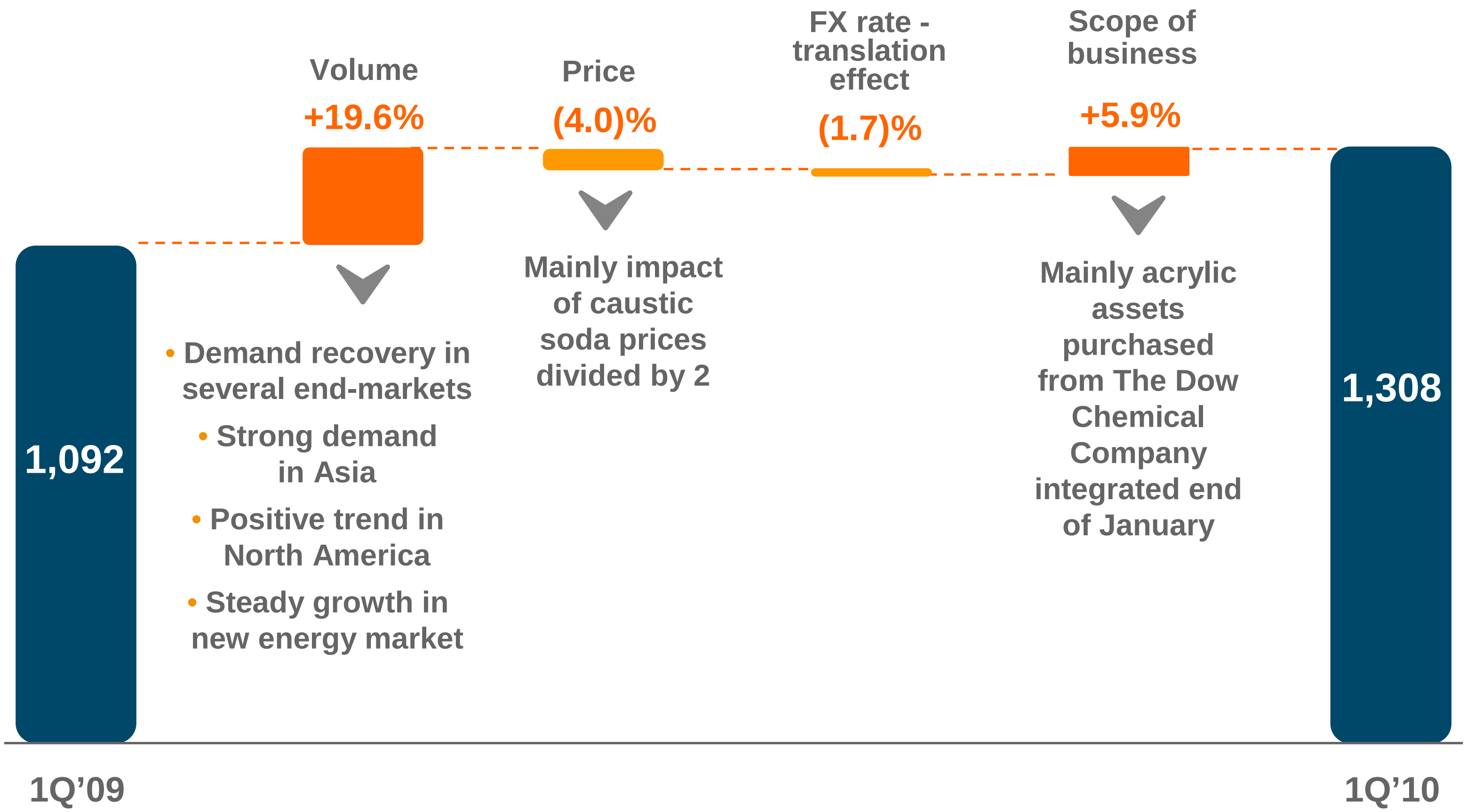
1Q'10 key figures

in €m (except EPS)	1Q'09	1Q'10	Variation
Sales	**1,092**	**1,308**	***+19.8%***
EBITDA	**57**	**137**	***x2.4***
EBITDA margin	***5.2%***	***10.5%***	
Recurring operating income	**(12)**	**67**	-
Net income (group share)	**(35)**	**40**	-
Adjusted EPS (diluted)	**(0.50)**	**0.68**	-



+20% sales versus 1Q'09

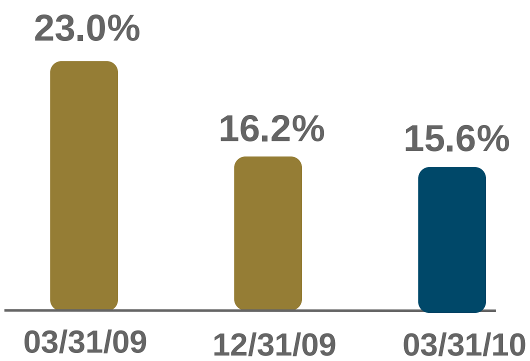
Sales in €m



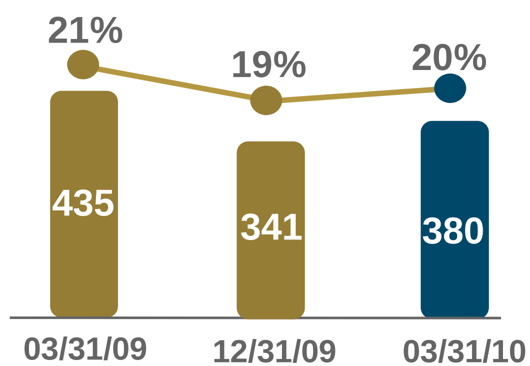
Cash Flow and net debt

- **+€22m cash flow from operating activities**
  - On higher EBITDA
  - And despite -€68m working capital outflow on stronger activity and usual seasonality
- **Continued focus on working capital optimization in line with FY target of working capital on sales ratio at around 16%**
- **€50m recurring capex versus €52m in 1Q'09 in line with FY target of capex below €300m**
- **- €18m restructuring outflows**
- **€380m net debt including first impact of the acquisition of acrylic assets from Dow**

Working capital / sales * (%)



Net debt (€m) and gearing (%)



** Calculated as working capital end of period divided by 4 times quarterly sales*