2nd quarter 2012 results

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Principles applied for 2Q'12 and 1H'12 consolidated accounts

Consolidated statements were prepared in accordance with IFRS 5 rules following the announcement on November 23rd, 2011 of Vinyls* divestment.

Income statement
<u>excludes</u> Vinyls
for both 2Q'12 & 11
and 1H'12 & 11

- Vinyls are accounted for as discontinued operations

Balance sheet
<u>excludes</u> Vinyls
both at 06/30/2012
and 12/31/2011

- Vinyls are accounted for as assets or liabilities held for sale

Cash flow statement
<u>includes</u> Vinyls
for both 1H'12 and
1H'11

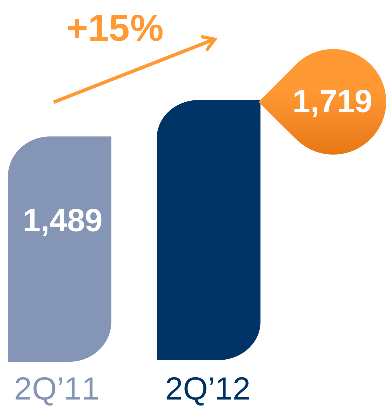
- Cash flow from Vinyls are mentioned as cash flow from discontinued operations for both 1H'12 and 1H'11

* Divestment was finalized on July 3rd, 2012

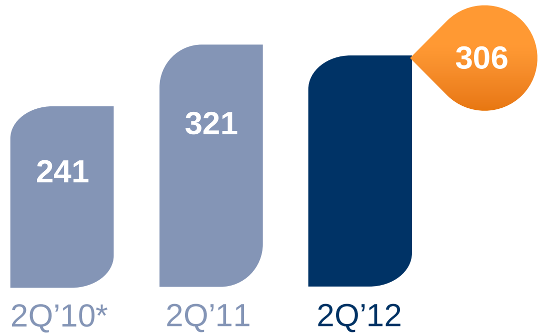
Strong performance despite challenging macro

- **+15% sales at €1,719m**
- **€ 306m EBITDA**
  - Close to the record level of 2Q'11
  - EBITDA above €300m for the 2nd time in Arkema's history
- **17.8% EBITDA margin**
  - **18.2%** in Industrial Chemicals which continues to deliver a strong set of results
  - **19.1%** in Performance Products supported by strong positions in niche markets (high performance polymers)
- **€ 151m adjusted net income of continuing operations**
  - 8.8% of sales
- **€ 1,093m net debt**

Sales (€m)



EBITDA (€m)



* 2Q'10 EBITDA excludes the EBITDA of the whole Vinyl Products segment

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Key drivers of Arkema 2Q'12 performance

- **Challenging market conditions**
  - Strongest season of the year for coatings and fluorogases
  - High basis of comparison of 2Q'11
  - Volatility of raw material costs at a high level
  - Positive impact of foreign exchange rate
  - Challenges in Europe and slower Asian recovery than expected
- **Full benefits from the strong positions developed in niche markets**
  - Bio-based high performance polymers
  - Oil & gas (PVDF Kynar®, polyamides, Specialty Chemicals, Thiochemicals, Acrylics)
  - Animal nutrition
  - UV curing (Sartomer)
- **Well balanced geographical presence**
  - Above 35% of sales in North America
  - Above 20% of sales in Asia
- **Positive contribution from recent acquisitions (specialty resins, alkoxylates, bio-based PA 10.10)**
- **Strict control of fixed costs and working capital**

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Highlights since April 1st, 2012

- **Share capital increase reserved to employees for a total € 29 m in April 2012**
- **€ 230 m bond issue in April 2012 maturing April 2020 at 3.85% per year**
- **Payment of a dividend of 1.30€ / share in June 2012 for a total amount of € 81 m**
- **Closing of the divestment of Vinyls on July 3rd, 2012**
- **Announced expansion of Kynar® PVDF in Pierre Bénite (France)**
  - + 50% capacity expected to start end 2014
  - € 70m total capex including capacity expansion and process optimization
- **Project to divest tin stabilizer business (Functional Additives BU)**
  - ~ €180m sales
  - Closing expected in fall 2012
- **Announced acquisition of additives and emulsions production site in Brazil**
  - US$20m combined sales from business to be acquired and Coatex current sales in Brazil
  - Closing expected in 2H'12

2Q'12 key figures

in €m (except EPS)	2Q'11	2Q'12	Variation
Sales	1,489	**1,719**	*+15.4%*
EBITDA	321	**306**	*-4.7%*
EBITDA margin	*21.6%*	***17.8%***	
Recurring operating income	260	**229**	*-11.9%*
Adjusted net income - continuing operations	203	**151**	*-25.6%*
Net income - continuing operations	198	**129**	*-34.8%*
Net income - discontinued operations	(14)	(141)	*n.m.*
Net income (group share)	184	(12)	*n.m.*
Diluted adjusted EPS (continuing operations)	3.25	**2.40**	*-26.2%*

In application of IFRS 5 rules, Vinyls activities subject to a divestment project are accounted for as discontinued operations

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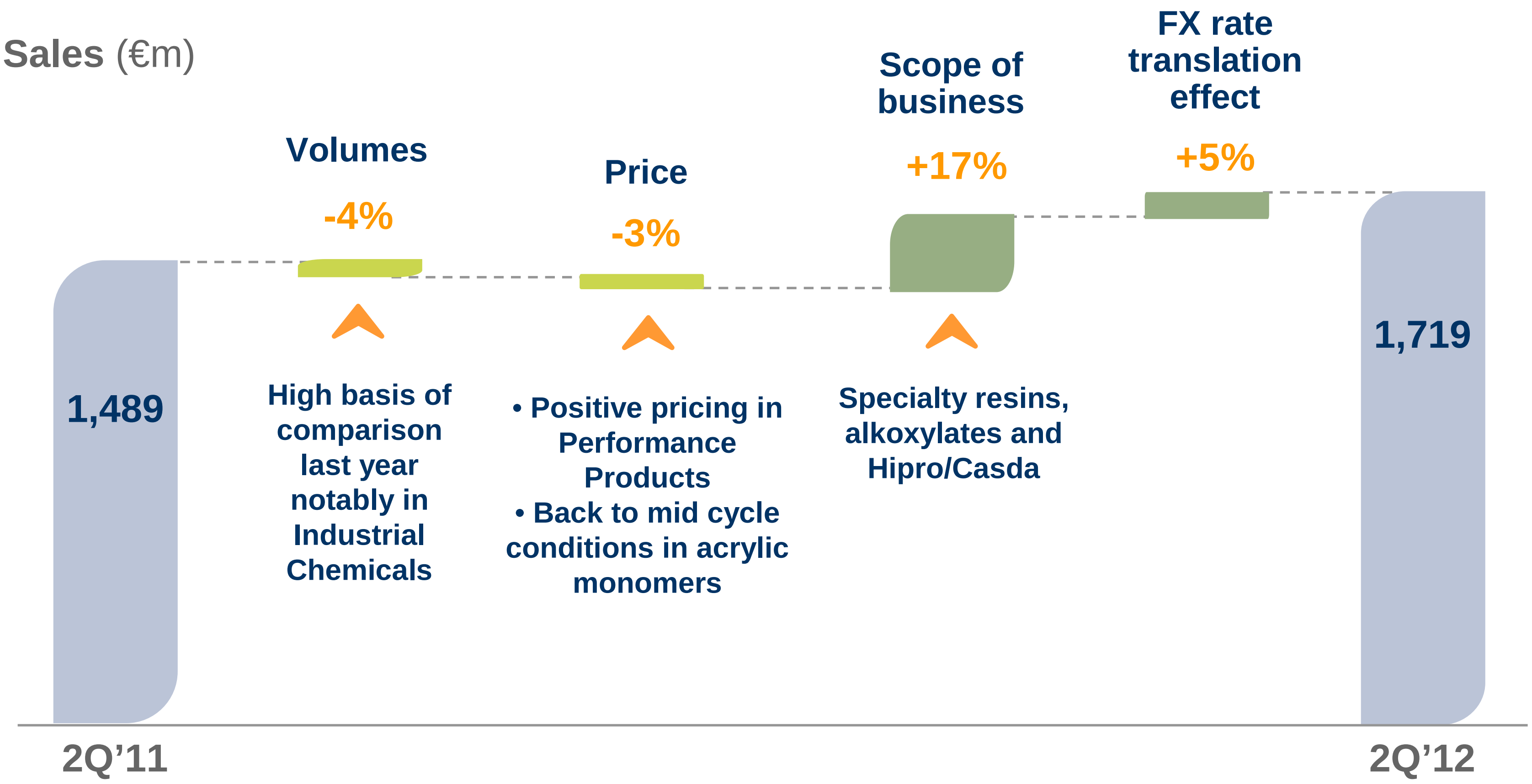
+15% sales versus 2Q'11



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Industrial Chemicals: strong set of results

in €m	2Q'11	2Q'12	Variation	1Q'12
Sales	980	**1,141**	*+16.4%*	1,083
EBITDA	226	**208**	*-8.0%*	170
EBITDA margin	*23.1%*	***18.2%***		*15.7%*
Recurring operating income	189	**159**	*-15.9%*	123

- **+16% sales at € 1,141 m**
  - Benefits from specialty resins acquired on July 1st, 2011
  - Lower YoY volumes on high comparison base and maintenance turnarounds (Acrylics, Thiochemicals)
- **18.2% EBITDA margin**
  - High level in Fluorochemicals despite normalizing margins in HFC125 in China and moderate volumes
  - Thiochemicals profitability impacted by maintenance turnarounds but demand remains well oriented
  - Mid-cycle conditions in acrylic acid
  - Weak momentum in decorative coating resins in North America and Europe
  - Sustained performance in PMMA and acrylic specialties (Coatex, Sartomer)
- **Strict control of fixed costs**

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Performance Products: very high EBITDA level

in €m	2Q'11	2Q'12	Variation	1Q'12
Sales	504	**572**	*+13.5%*	534
EBITDA	99	**109**	*+10.1%*	102
EBITDA margin	*19.6%*	***19.1%***		*19.1%*
Recurring operating income	75	**82**	*+9.3%*	76

- **+14% sales at €572m**
  - Positive pricing with favorable product mix
  - Benefits from acquisitions (bio-based PA 10.10 and alkoxylates)
- **+10% EBITDA vs 2Q'11 and EBITDA margin above 19% for the 2nd quarter in a row**
- **Excellent performance of Technical Polymers**
  - In Fluoropolymers, strong demand in Oil & Gas and improving market conditions in photovoltaic
  - High performance of specialty polyamides
  - Positive contribution from Hipro and Casda acquisition
- **Strong performance of Specialty Chemicals on favorable product mix and contribution from acquired alkoxylates**

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Disposal of vinyl business closed

- **As expected, closing made on July 3rd, 2012 (project announced on November 23rd, 2011)**
- **The divested vinyl business generated around € 1 bn sales with 2,630 employees**
- **In 2nd quarter 2012, net income of discontinued operations amounted to € (141) m including:**
  - €(47)m net income from operations (challenging European construction market and complexity of managing in parallel a major divestment project and day-to-day operations)
  - €(33)m related to the social warranties put in place as part of the legal information / consultation process of the relevant workers councils
  - €(34)m related to the transaction and separation costs (IT, service agreements, legal and accounting fees, etc.)
  - €(27)m related to post closing adjustments (mainly an additional write-off taking into account the change in the working capital since end 2011)

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Cash flow and net debt at end of June 2012

- **+€201m operating cash flow from continuing operations in 1H’12 (+€95m in 1H’11)**
- **€ 180m capex including € 148m recurring capex and € 32m non recurring capex (Jarrie, Lacq 2014, Thiochemicals in Malaysia)**
- **€222m cash outflow related to M&A (mainly Hipro – Casda)**
- **Net debt at € 1,093m includes**
  - Payment of dividend of €1.30 per share representing € 81m
  - Share capital increase reserved to employees for a total amount of € 29m
  - Share buy back for € 13m
- **Gearing target confirmed at ~40%**

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Outlook

- **Arkema will continue to carefully monitor the macro-economic environment which remains challenging and uncertain**
  - Sovereign debt issue in Europe
  - Volatility of raw material costs and foreign exchange rates
  - Traditional summer and year-end seasonality

- **Arkema will continue to focus on internal growth momentum**
  - Reinforced position in niche markets
  - Capex in fast growing product lines and regions

- **Assuming market conditions in line with 1H'12 and remaining cautious on macro-economic developments, Arkema confirms its confidence in its ability to deliver a very solid year in 2012, and should achieve an EBITDA close to 1 billion euros**

- **Arkema confirms its 2016 targets of 8 billion euros sales and 1,250 millions euros.**

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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 2012, 2011, 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

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, 13,200 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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