Arkema, another step further

Thierry Le Hénaff, Chairman and CEO

2007 full year results and mid-term prospects

March 5th 2008

2007: already a very different company

2005

Transforming the company

Low starting point but strong potential

2007

First milestones cleared with success

Ahead of targets and high density of projects launched

2010

A new face

Forward looking, competitive with significant further growth potential

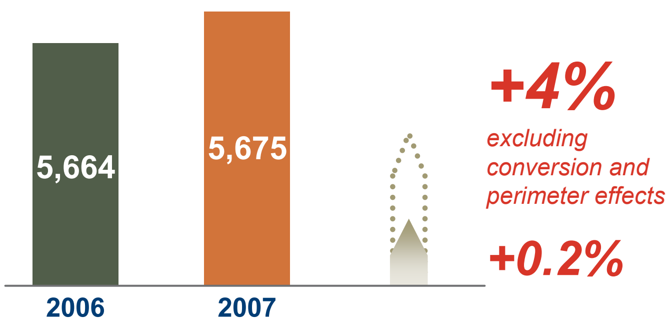
Rethinking the company for long term value

2007

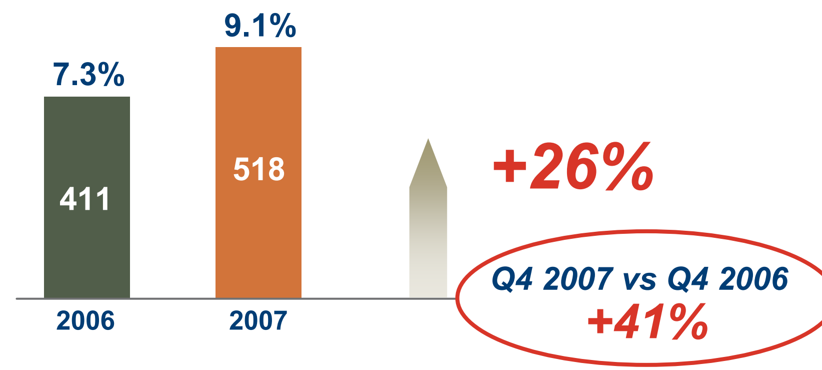
In brief

Results significantly above guidance

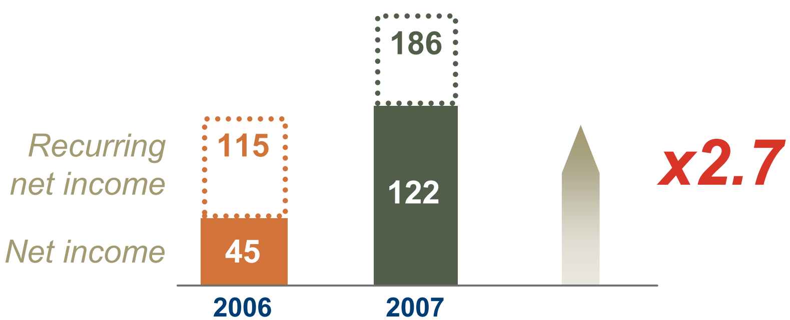
Sales (€m)



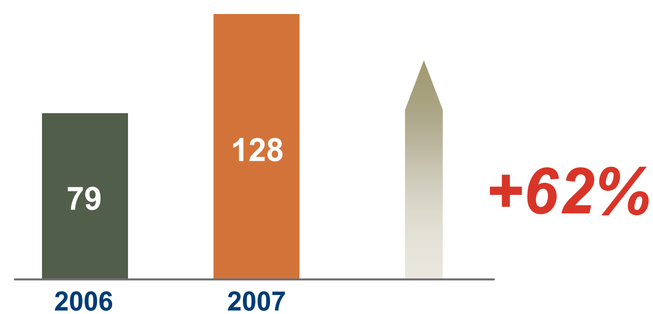
EBITDA (€m) & EBITDA margin



Net income
group share (€m)



Free cash flow* (€m)



* Calculated as total cash flow excluding M&A and NR pre-spin off items

Four master projects

- JV with Daikin in Asia for the new generation of fluorogases
- First acquisition: Coatex (specialty acrylic polymers)
- Restructuring of European fluorochemical business
- New headquarters and streamlined support functions

coAtex
Additives Designers

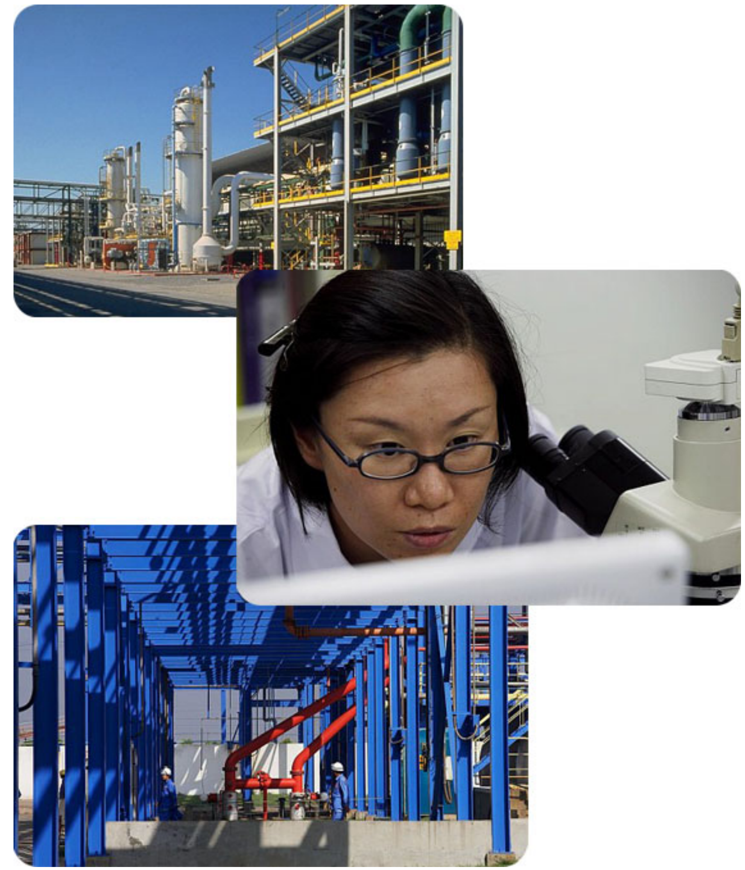
DAIKIN ARKEMA
REFRIGERANTS ASIA LIMITED

2005-2007

A rapid and radical transformation

Implementing a winning long term strategy

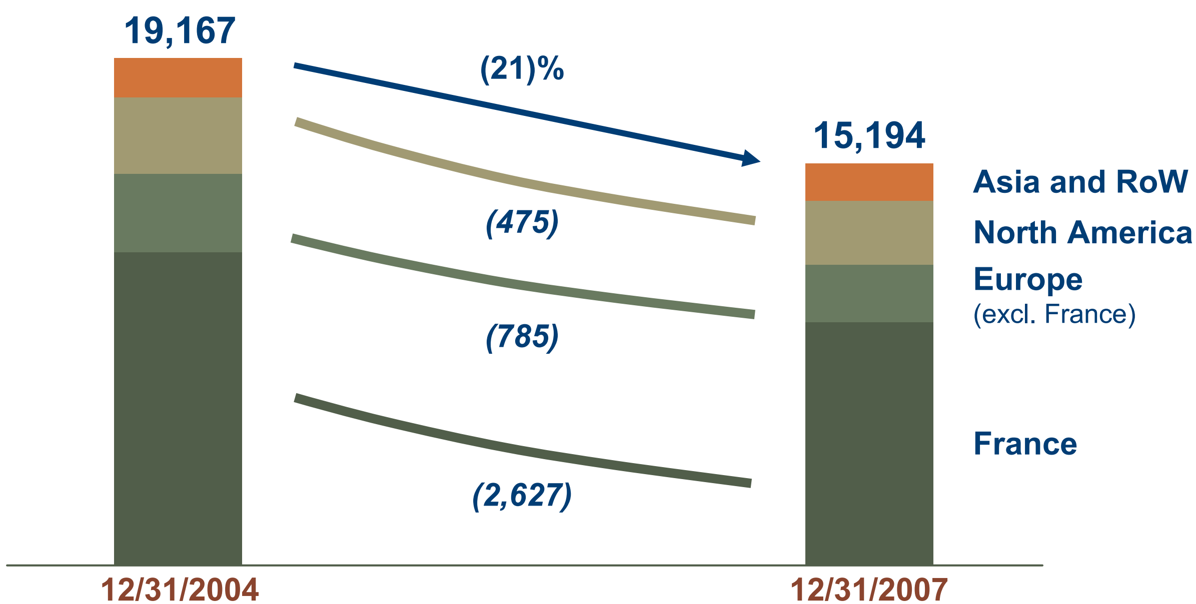
- **Large cost reduction**
- **Market-driven innovation**
- **Accelerating business development in Asia**



- ***Portfolio management to speed up transformation***

Large cost reduction

- **Cumulative cost savings of €230m over two years**
- **Headcount (2004 to 2007)**



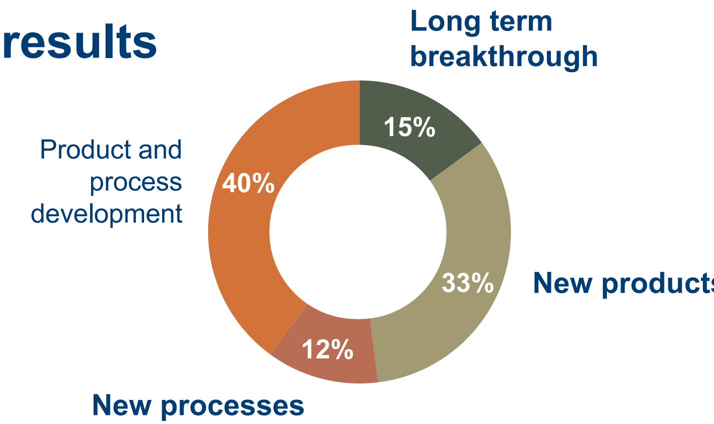
- **Decrease of G&A expenses**

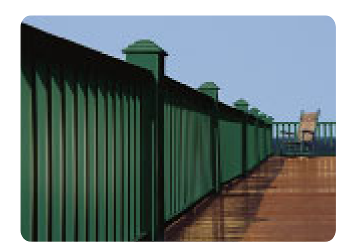
Market-driven innovation

2007: R&D projects are already bearing results

- R&D expenses around 3% of sales

- Several success stories
  - PMMA Capstock
  - Transparent technical polymers
  - High temperature polyamides
  - Specialty molecular sieves (medical and petrochemical)
  - Sulfur derivatives (refinery and animal nutrition)
  - New generation of fluorogases

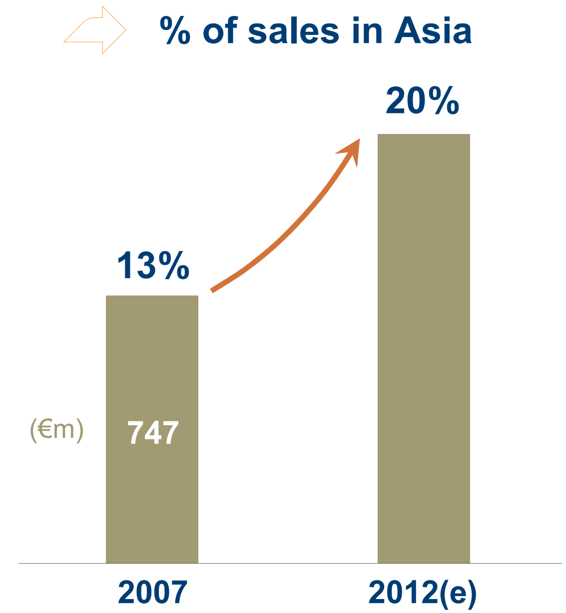




19% of 2007 Performance Products sales generated by products < 5 years old

Accelerating business development in Asia

- World-class sites
- Over €50m capex per year
- Building on Changshu platform (China)



2007	2008	2009	2010		

- Polyamides (Changshu)
- Debottleneck tin stabilizers (Beijing)
- 80kt H_2O_2 (Shanghai)
- F125 and blends with Daikin (Changshu)
- Kynar® (Changshu)
- *Other projects:*
  Acrylic Acid in India (MOU)
  Technical Polymers,
  Thiochemicals,
  Hydrogen Peroxyde
  under review

Portfolio management to speed up transformation

More focused

- Shut-down loss-making units (€120m impact on revenue)
- €380m of revenue sold

Higher share of specialties

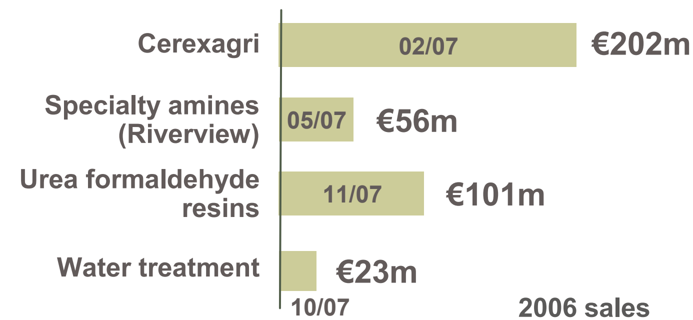
- New products from R&D
- Bolt-on acquisitions

Reinforced integration

- Securing key raw materials
- Strategic partnerships
- Downstream acquisitions

Reshaping portfolio

€380m of revenue divested

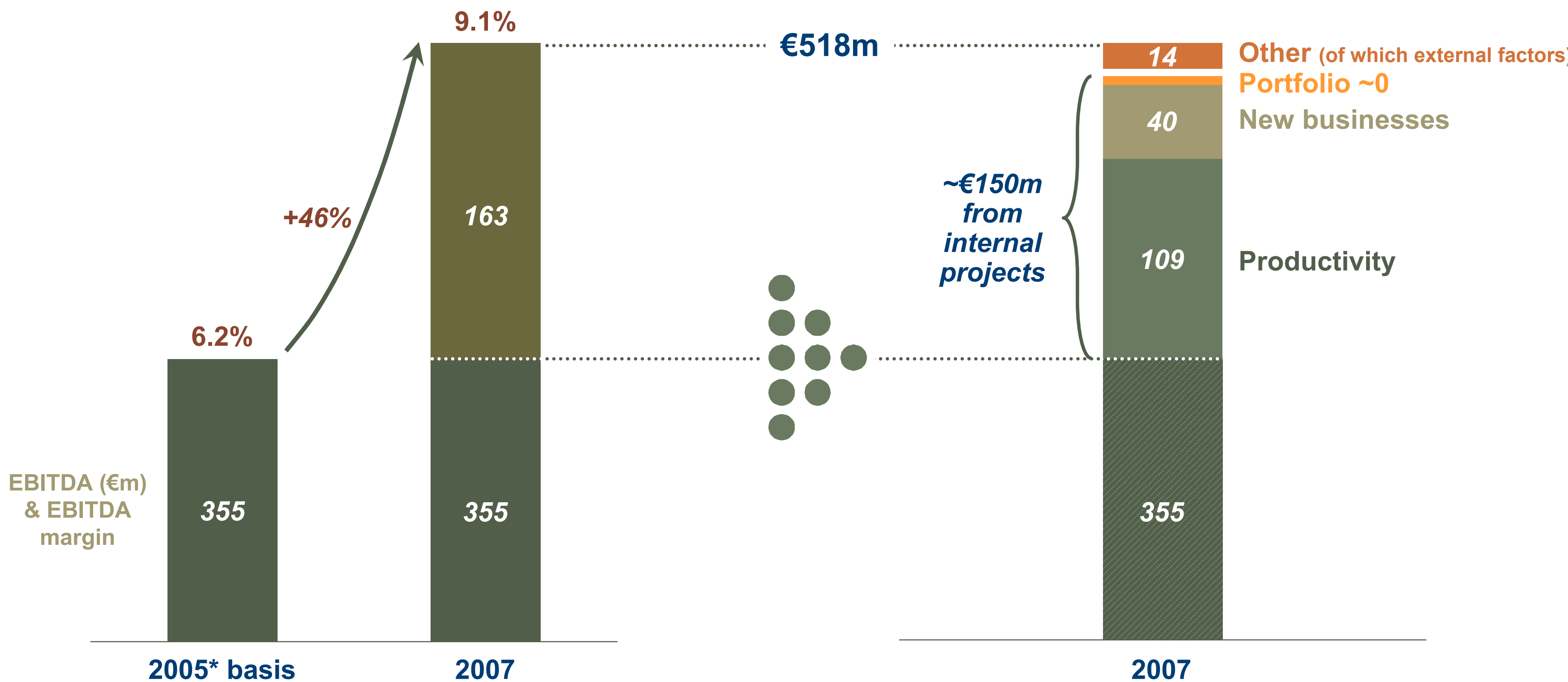


€180m of revenue acquired

A more coherent and integrated portfolio

A very different company has emerged

EBITDA growth coming exclusively from internal projects



Structural improvement of financial performance

* Proforma financial statements including Cerexagri

2007

Full year results

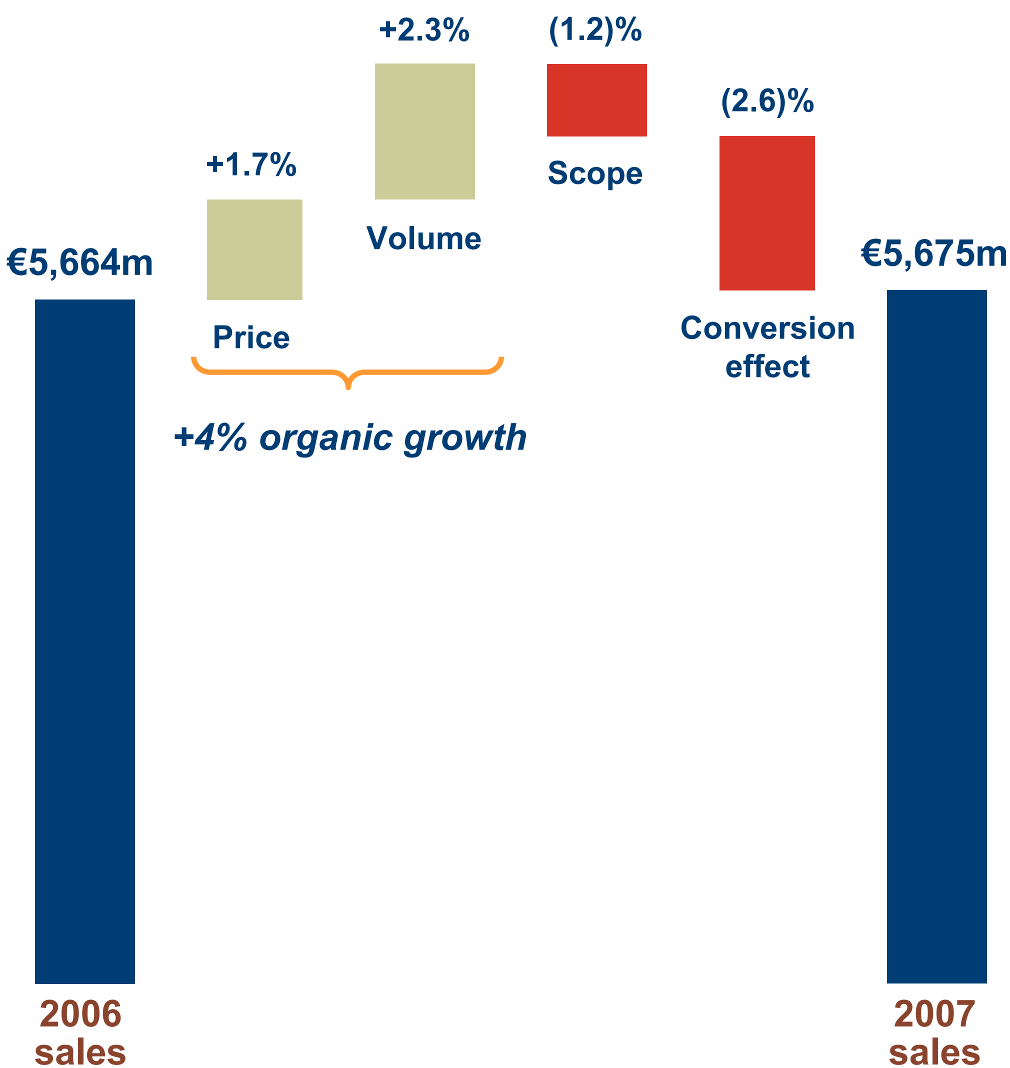
2007 main figures

	2005*	2006	2007	2006-2007 variation
Sales	5,710	5,664	**5,675**	*+0.2%*
EBITDA ***EBITDA margin***	**355** ***6.2%***	**411** ***7.3%***	**518** ***9.1%***	*+26%*
Operating income (recurring)	128	200	**293**	*+47%*
Non recurring items	(514)	(92)	**(72)**	
EPS	**(7.05)**	**0.75**	**2.02**	***x2.7***
Net debt (end of year)	567	324	**459**	
Capital employed (end of year)	3,068	3,024	**3,263**	
ROCE**	4.2%	6.6%	**9.3%**	
Headcount (end of year)	18,377	17,044	**15,194**	

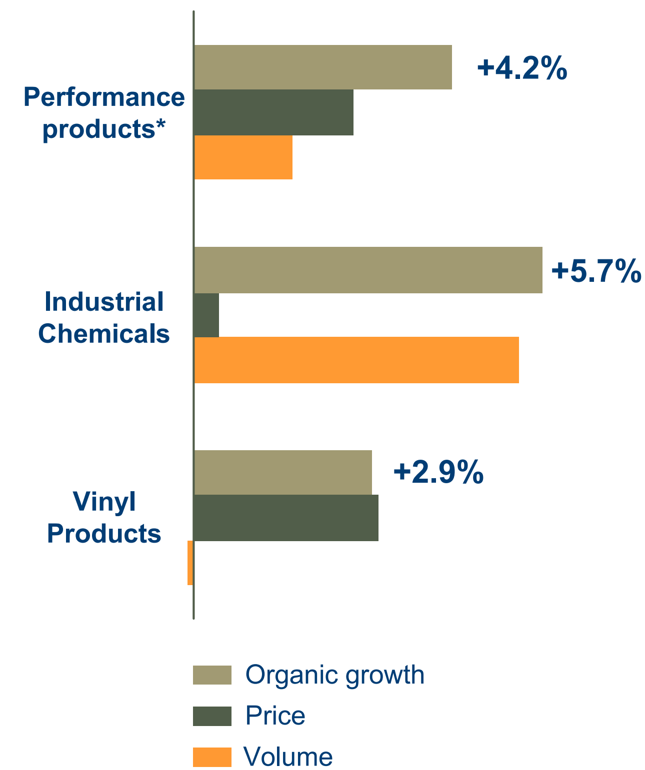
** Proforma financial statements including Cerexagri*

*** Calculated as recurring operating income divided by average capital employed*

+4% organic growth



Growth by segment



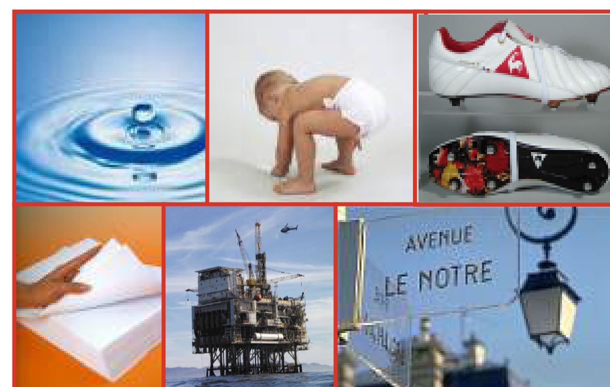
 * Excluding negative impact on volumes from the closure of the urea-resin site in Villers-Saint-Paul (France) in 2006

Diversified end-markets

15-20%* chemical industry**, construction

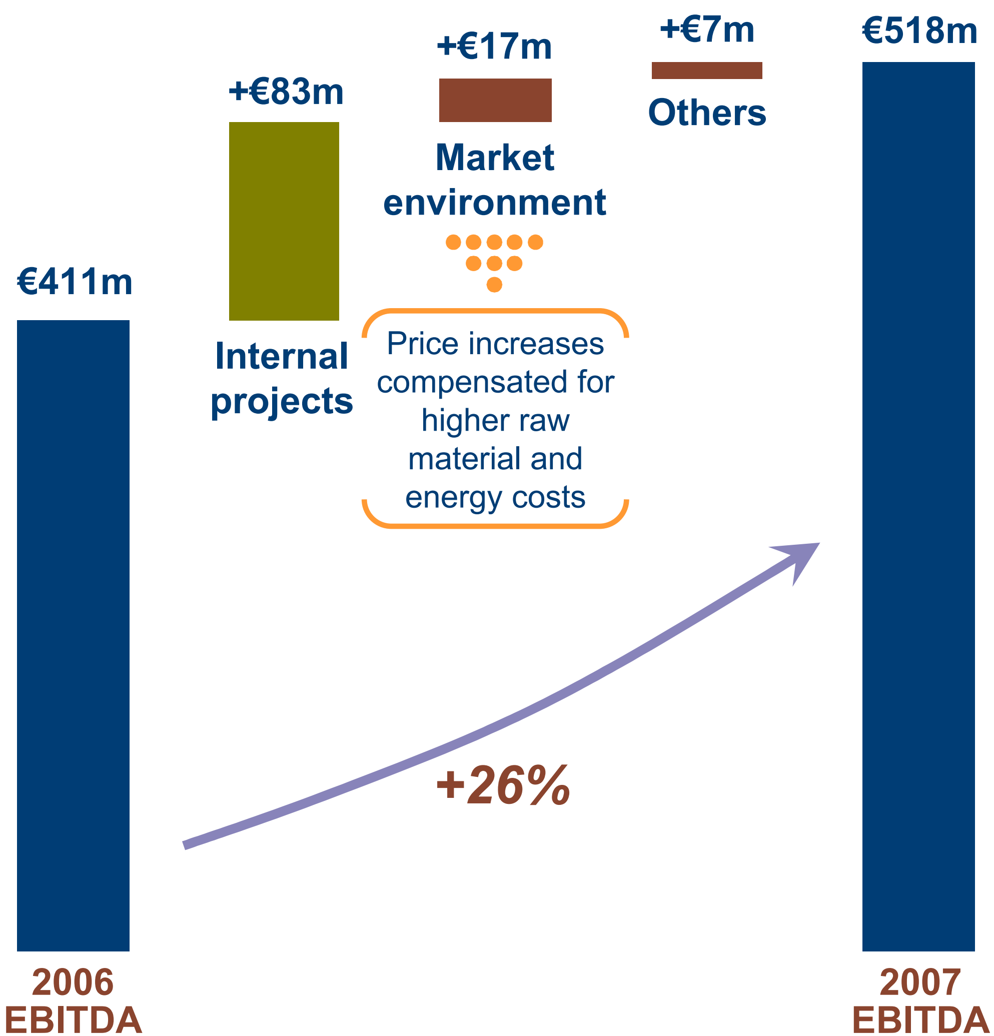
5-10%* coating & adhesives, electronics, automotive, packaging, general industry

<5%* energy, paper, environment, health - hygiene & beauty, animal nutrition & agrochemicals, sport & leisure, infrastructure & sign posting

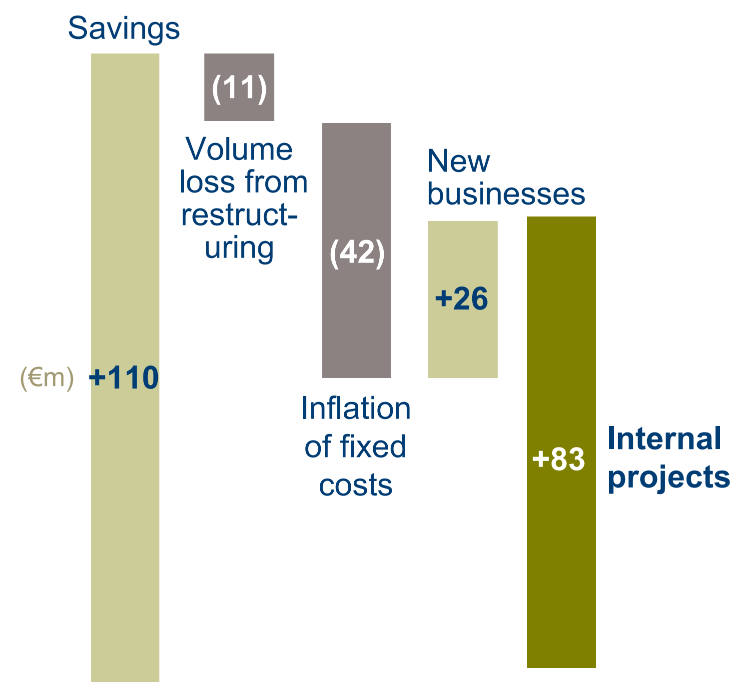


** % of sales each*   *** Including sales to chemical distributors*

Major contribution from internal projects



+ €83m coming from internal projects



Vinyl Products: good demand & cost savings

2007 performance

(€m)	2005	2006	2007	Δ*
Sales	1,387	1,379	1,418	*+2.8%*
EBITDA	**20**	**38**	**90**	***x2.4***
EBITDA margin	***1.4%***	***2.8%***	***6.3%***	**-**
Recurring operating income	8	21	65	***x3.1***

- Good demand for PVC in Europe
  - Price increases compensated for higher energy and raw material costs
- Benefits from restructuring initiatives
- Large maintenance turnaround in Fos (Fr)
- Strong performance of QVC**

EBITDA growth: 40% internal projects, 60% external factors

2007 initiatives

- Implementation of chlorochemical consolidation plan
  - **€44m capex in 2007**
  - **+€30m EBITDA impact since 2005**
- 3 new restructuring plans downstream
  - **-104 positions**
  - **full impact in 2009**
- Transfer of teams based in Paris near production sites
- Focus on higher added-value products

Main projects

ARKEMA

 *2007 vs. 2006 ** Included in "equity in income of affiliates"

Industrial Chemicals: strong resistance of results

2007 performance

(€m)	2005	2006	2007	Δ*
Sales	2,406	2,494	2,529	*+1.4%*
EBITDA	**316**	**267**	**289**	***+8%***
EBITDA margin	***13.1%***	***10.7%***	***11.4%***	**-**
Recurring operating income	204	160	178	***+11%***

- Contrasted environment
  - Good demand in MMA, H_2O_2
  - Low acrylic margins & pressure on HFC-134a prices
  - Impact of €/$ exchange rate
- Savings from European plans
  - PMMA, Thiochemicals, Fluorochemicals
- Benefits from growth projects
  - Successful start-ups (Calvert-City, Carling, Becancour…)

Robust set of results

2007 initiatives

- Key partnerships in Asia
  - **fluorochemicals with Daikin**
- 3 new restructuring plans
  - **-302 positions**
- Downstream acquisitions
  - **acrylic polymers, PMMA**

Successful transformation of fluorochemicals

Restructuring of **Pierre-Bénite**

New generation of products (HFC-32) **Calvert-City**

DAIKIN ARKEMA REFRIGERANTS ASIA LIMITED

Asia: JV with Daikin on new generation of fluorochemical gases

* 2007 vs. 2006

Performance Products: double-digit EBITDA margin

2007 performance

(€m)	2005*	2006	2007	Δ**
Sales	1,907	1,784	1,723	*(3.4)%*
EBITDA	**109**	**156**	**184**	***+18%***
EBITDA margin	***5.7%***	***8.7%***	***10.7%***	**-**
Recurring operating income	19	71	97	***+37%***

- Significant contribution from restructuring in Functional Additives and Technical Polymers
- 19% of sales from new products (< 5 years)
- Negative impact of €/$ exchange rate
- Price increase in Functional Additives to offset increase in the price of tin
- Impact from divestments on revenue

Strong recovery

2007 initiatives

- 5 new restructuring plans launched in Functional Additives and Polyamides
  - **-263 positions**
- R&D emphasis on renewable materials
- Sale of non-core businesses (Cerexagri, urea formaldehyde resins)
  - **€300m of revenue**

ARKEMA RENEWABLES

Strengthening the polyamide business

1Q'07 2Q'07 3Q'07 4Q'07

Serquigny (Fr)* – 49p.**
€13m capex

Marseille St Menet (Fr) – 48p.
+10% monomer capacity

Changshu (China) –
Rilsan® polyamide capacity x2

Bonn (Germany) – closure : 83p.

Mont (France) – +40% Orgasol® capacity

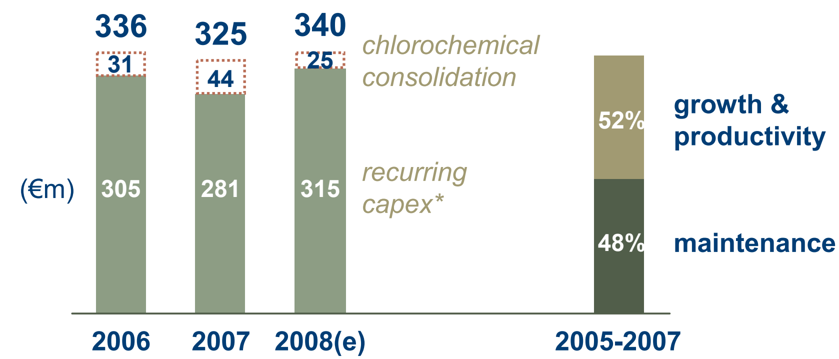
ARKEMA

** Proforma financial statements including Cerexagri* *** 2007 vs. 2006* **** Subject to information/consultation of the work councils*

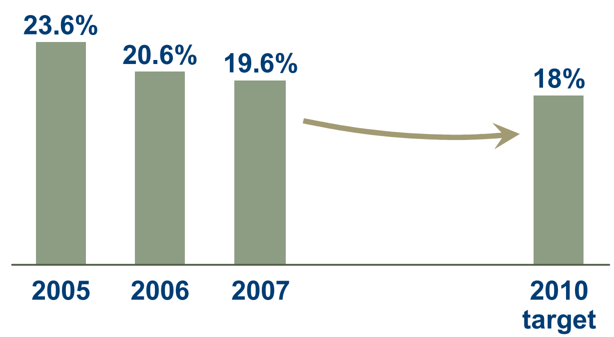
Strong and structural improvement of cashflow

In €m	2006	2007
EBITDA	**411**	**518**
CAPEX (recurring*)	(305)	(281)
Tax & financial result	(31)	(93)
∆ WC	16	47
Others	4	10
Recurring cash flow	**95**	**201**
Non recurring items	(16)	(73)
Cash flow	**79**	**128**
Non recurring pre-spin off items	(359)	(87)
Impact from M&A	-	(135)
Net cash flow	**(280)**	**(94)**

CAPEX



Working capital as % of sales



Dividend proposed at 0.75€ per share

* Recurring CAPEX exclude those related to chlorochemical plan which are included in non recurring pre-spin off items

2008

Target confirmed

Keeping a strong focus on internal improvement

- **Conservative assessment of the external factors**

- **Moderate revenue growth expected (1 to 2%)**
  (impact of €-$ conversion)

- **Target built with a strong level of internal projects**

	EBITDA	Projects with an impact in 2008
Productivity	+€42m	Chlorochemicals, Loison, Chantonnay, Dorlyl, Vlissingen, Feuchy, Pierre-Bénite, Lacq, Carling, Marseille, Serquigny
Growth	+€23m	Molecular Sieves (Inowroclaw), HFC-32 (Calvert-City), H_2O_2 (Shanghai)
Portfolio	+€15m	Divestments: UF resins, water treatment, amines Acquisition: Coatex, Repsol PMMA business

10% EBITDA margin in 2008

10% EBITDA margin target confirmed for 2008

Committed to delivering guidance

* Proforma financial statements including Cerexagri

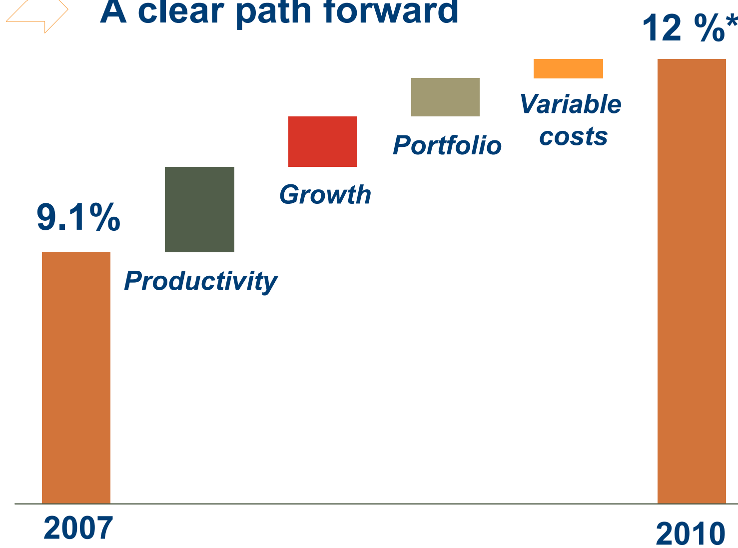
Towards 2010

Growth platforms implemented

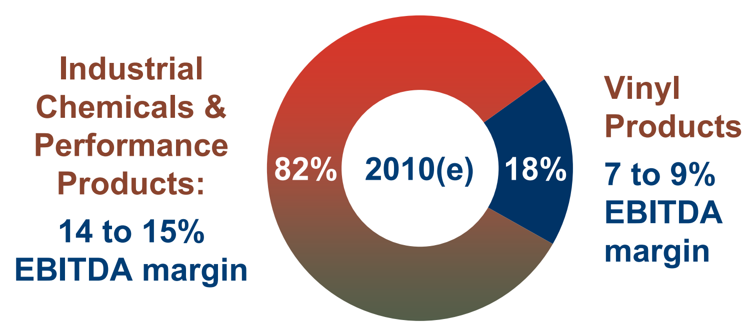
On track to reach 2010 targets

- **12% EBITDA margin**
- **Working capital at 18% of sales**
- **A portfolio with sound growth profile beyond 2010**
  - Vinyl Products at 18% of sales
  - 4 to 5% volume growth for Industrial Chemicals and Performance Products

A clear path forward



2010 portfolio and EBITDA margin

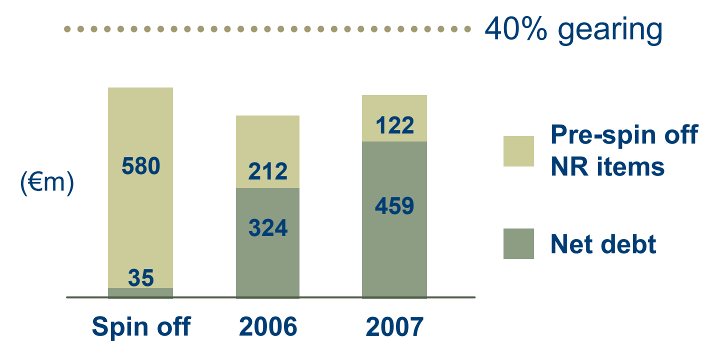


* EBITDA margin in mid-cycle conditions under a normalized environment

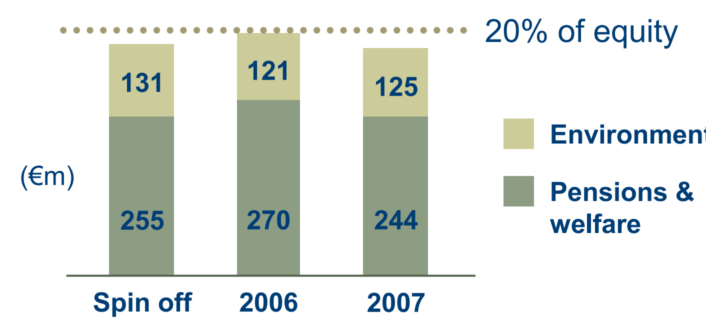
Strong balance sheet: a real competitive advantage

- **€1.1 bn credit line at 32.5 bp until 2012**
- **Strong conversion of EBITDA into cash**
- **Liabilities well covered by provisions and warranties from Total**
- **Further potential from balance sheet**
  - non recognized deferred tax assets: ~€350m end 2007
  - reduction of working capital

Gearing maintained below 40% with Coatex acquisition



Small level of recurring liabilities

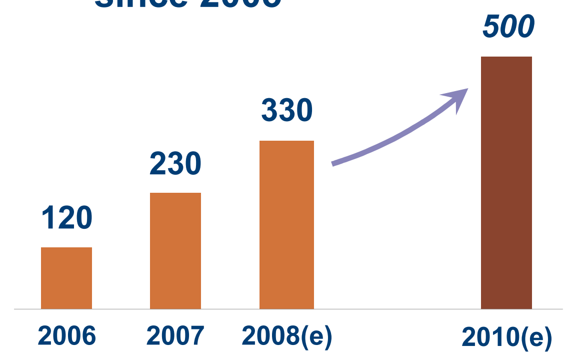


Continuing to implement effective strategy

Confirming our €500m cost savings target

€200m net EBITDA impact

Cumulative cost savings since 2005



Accelerating organic growth strategy

- Reaping the benefits of projects from 2005 to 2007
- New projects in Asia
- Committed to R&D innovation in sustainable development

Other selective acquisitions

- €400 to 500m of revenue in the next three years

Reaffirming emphasis on variable costs

- **Optimizing utility consumption and yields**
- **Diversifying sourcing of strategic raw materials**
- **Securing post 2010 electricity supply in France**

VCM production plants in Fos & Lavéra (France)

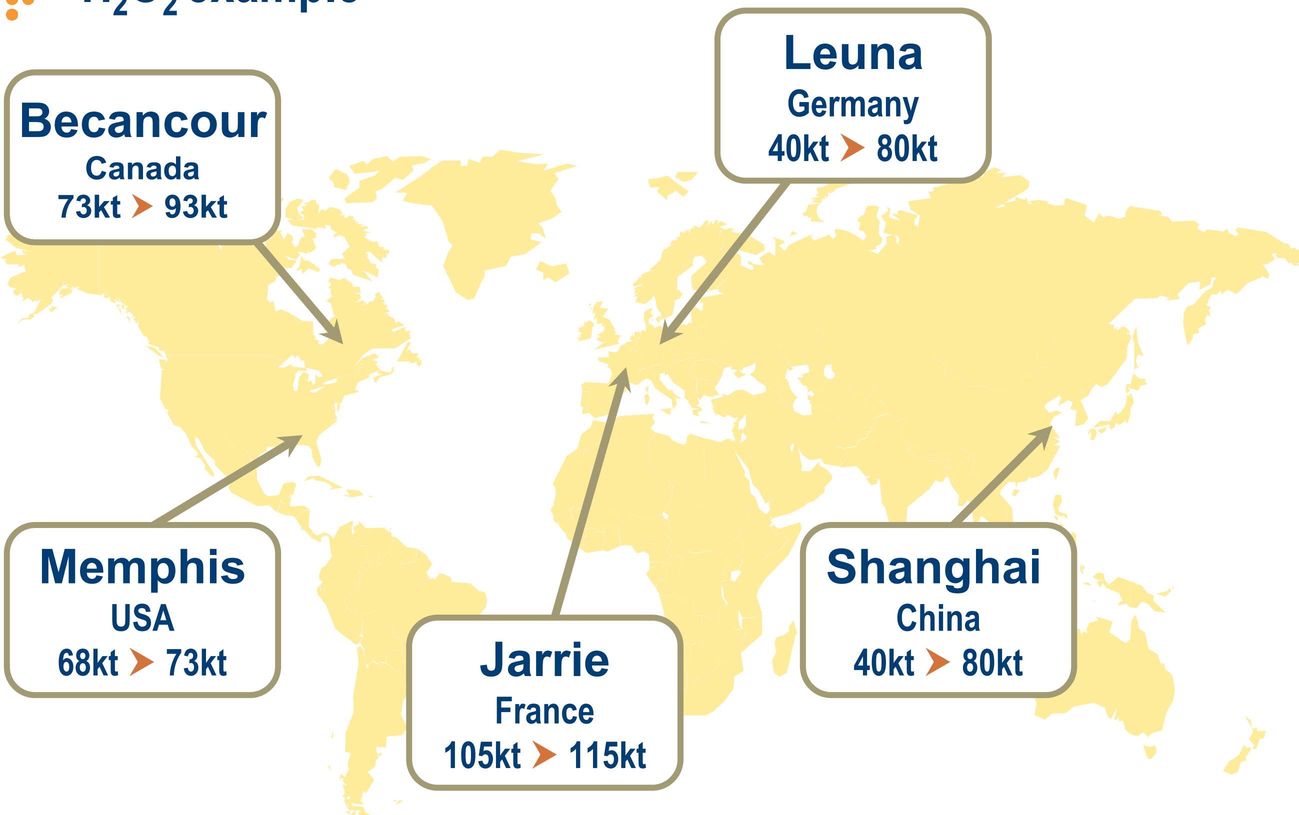
PA 11 monomer production units in Marseille (France)

H_2O_2 production units in Jarrie (France)

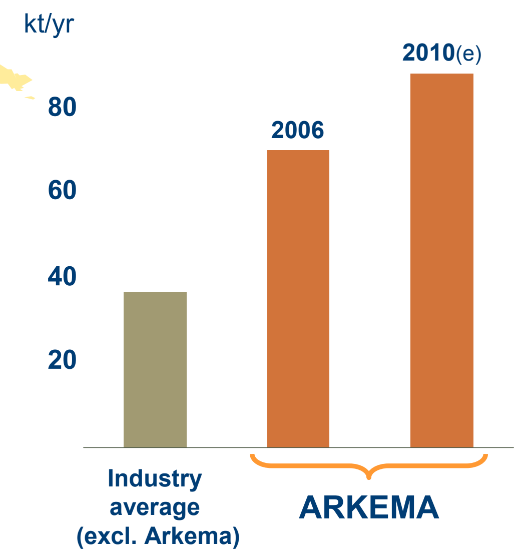
50 initiatives identified - Expected ~€20m to EBITDA

Growth and productivity working together

H_2O_2 example



Average capacity of H_2O_2 plants



H_2O_2 capacity from ~330kt to ~440kt in 2010

Committed to sustainable development

Polyamides from renewable resources

Developing innovative materials for the future

- Materials for renewable energy technology
- Nanostructured materials
- Raw materials from renewable resources

Process intensification

- Producing more with less energy


Mini channels reactor


Bioresourced bitumen additive


Photovoltaic panels


Flat-glass coating


Lighter sunroof

Building a major chemical player

2007: successful milestones delivered

- Excellent set of results
- 20 new projects launched to prepare the future
- First dividend proposed

Confirming sound and ambitious targets

- 10% EBITDA margin in 2008
- 12% EBITDA margin in 2010

Phase by phase consolidation for the long term

- Cost structure improvement
- Development in Asia
- Quality of R&D portfolio
- Change of culture
- Strong balance sheet maintained

Restoring the short term

Preparing the long term

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 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.

Financial information related to 2005 are extracted from pro forma financial statements presented in the 2006 prospectus for the listing of Arkema shares. Financial information for 2006 and 2007 are extracted from the consolidated financial statements of Arkema. Quarterly financial information are not audited.

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

A global chemical player, Arkema consists of 3 coherent and related business segments: Vinyl Products, Industrial Chemicals, and Performance Products. Present in over 40 countries with 15,200 employees, Arkema achieves sales of 5.7 billion euros. With its 6 research centers in France, the United States and Japan, and internationally recognized brands, Arkema holds leadership positions in its principal markets