Press release

Communiqué de presse

Paris, August 9th 2007

ARKEMA: 2ND QUARTER 2007 RESULTS

EBITDA GROWTH EXCEEDING TARGETS AND RECURRING OPERATING INCOME SIGNIFICANTLY UP BY +43%

- **EBITDA up 23% at €150 million**
- **EBITDA margin at 10.1% of sales**
- **Recurring operating income up 43% at €97 million**
- **Adjusted net income up 74%**

(In millions of euros)	2nd Quarter 2006	2nd Quarter 2007	Variation
Sales	**1,467**	**1,489**	**+1.5%**
EBITDA	**122**	**150**	**+23%**
EBITDA margin	***8.3%***	***10.1%***	
Vinyl Products	*4.0%*	*8.8%*	
Industrial Chemicals	*12.3%*	*12.3%*	
Performance Products	*9.3%*	*11.0%*	
Recurring operating income	**68**	**97**	**+43%**
Non-recurring items	(18)	(53)	n/a
Net income – Group share	28	23	(18)%
Adjusted net income	***39***	***68***	***+74%***

The Board of Directors of Arkema met on August 8th 2007 to review Arkema's condensed consolidated financial accounts for the first half of 2007. Chairman and CEO Thierry Le Hénaff stated, commenting on the results:

"The second quarter of 2007 confirms the significant progress made by Arkema, with a 23% increase in EBITDA and an EBITDA margin above 10% of sales for the first time over a quarter. The adjusted net income is significantly up by +74%.
This very strong performance results mainly from cost reduction initiatives launched since the creation of Arkema and from a good organic growth.
Arkema is also actively pursuing its transformation and the implementation of its strategy. In this regard Arkema announced during the second quarter new projects to enhance its competitiveness, in particular in Fluorochemicals and in Performance Products, while also speeding up the evolution of its portfolio with the divestment of Riverview's amines, the project to divest of Leuna's Urea Formaldehyde Resins activity, and the proposed acquisition of Coatex presented early July. These various initiatives confirm our commitment and determination to continue implementing our industrial project."

SECOND QUARTER 2007 PERFORMANCE

Sales in the 2nd quarter 2007 rose 1.5% to € 1,489 million, against € 1,467 million in the 2nd quarter 2006. Excluding the impact of exchange rates (-2.2%) and variations in the scope of business (-0.8%), the growth in sales reached +4.5%, bolstered by an increase in average sales prices in all three business segments (+2.2%), as well as in volumes (+2.3%).

EBITDA was up 23% to €150 million against €122 million for the same period in 2006. This significant improvement results from an organic growth in volumes and a reduction in fixed costs under favorable market conditions overall despite ongoing low unit margins in Acrylics, Fluorochemicals for refrigeration, and tin-based Additives. **EBITDA** margin stood at 10.1% of sales in the quarter (against 8.3% in the second quarter 2006), reflecting the progress achieved.

Recurring operating income stood at €97 million, up 43% over the same period in 2006.

Non-recurring items stood at €(-53) million in the second quarter 2007 against €(-18) million in the second quarter 2006. This amount essentially consists of €(-56) million costs related to the restructuring plans announced in the second quarter for the Performance Products segment (Bonn site in Germany, Vlissingen site in the Netherlands, and Feuchy site in France)[1] and for Fluorochemicals (Pierre-Bénite site (France) where the information and consultation process with the works council was completed in June).
These items also include €16 million capital gain from the disposal of the Tacoma land (United States), and €(-13) million corresponding to the financial impact in the second quarter of the fire that broke out in the night of May 23rd in one of the three furnaces of the vinyl chloride (VCM) manufacturing plant at Lavéra (France) and resulting in the shutdown of the production units. The units were gradually brought back into service in July. The damaged furnace is scheduled to be restarted in late September. Based on our present estimates and on the deductibles under the terms of our insurance policies, the impact of this accident should represent beyond the second quarter an additional amount inferior to €(-10) million in operating income.

Adjusted net income rose by +74%, while **net income** (group share) stood at €23 million.

[1] These plans are subject to the legal information and consultation process with the works council.

SEGMENT PERFORMANCE

Vinyl Products sales reached €376 million. In a context of sustained demand in Europe, sales grew by 7.7%. EBITDA for this segment doubled at €33 million, i.e. 8.8% of sales. The improvement in the results reflects the increase in margins and the positive impact of the implementation of the Chlorochemicals consolidation plan initiated in 2005. The closure of the Lavéra production plant (France) deeply affected VCM manufacture, but actually had little impact on PVC sales. *Force majeure* was not declared.

Industrial Chemicals sales reached €658 million. Following adjustments for the negative exchange rate impact from the decline of the US dollar versus the euro, sales grew by 3.3%. EBITDA for the segment rose in the second quarter to €81 million. EBITDA margin amounted to 12.3%, reflecting better balanced results between the segment's business units. The improvement in the Thiochemicals and PMMA results indeed helped offset the more difficult market conditions in Fluorochemicals and in Acrylics. Our European sites steadily improved their competitiveness through restructuring plans in Acrylics, Thiochemicals and Fluorochemicals (Pierre-Bénite, France). The Industrial Chemicals segment also pursued its development with the decision to increase Hydrogen Peroxide production capacity by 10% at its Jarrie site (France). Finally, the Thiochemicals business unit sold its specialty amines business based at its Riverview site (United States), which accounted for sales of US$72 million in 2006. The sale has no impact on the group's financial statements.

Performance Products sales reached €453 million, up 1.2% given a constant exchange rate. This improvement is the result of sound demand overall and an increase in unit sales prices in every business unit, offsetting the impact of the closure of the Urea Formaldehyde Resins activity at Villers-Saint-Paul (France) in late June 2006. EBITDA stood at €50 million against €43 million in the second quarter 2006, while EBITDA margin reached 11.0% against 9.3% in the second quarter 2006. These sound results confirm the progress achieved thanks to the many development and competitiveness projects launched since 2006. They have helped compensate the impact on the Additives business of the slowdown in the US construction market and of the rise in raw materials, tin in particular. Competitiveness continued to improve with the launch of new restructuring plans in the segment's three business units. Finally, Arkema announced a plan to sell to Hexion Specialty Chemicals its Urea Formaldehyde Resins business from its Leuna site (Germany), which generated sales of €101 million in 2006. This sale should have a positive impact on the 2007 financial statements.

HALF-YEAR FINANCIAL INFORMATION

Main results of the first half of 2007

(In millions of euros)	1st half 2006	1st half 2007	Variation
Sales	**2,954**	**2,977**	**+0.8%**
EBITDA	**234**	**284**	**+21%**
EBITDA margin	***7.9%***	***9.5%***	
Recurring operating income	**124**	**177**	**+43%**
Non-recurring items	(40)	(79)	n/a
Net income – Group share	37	67	+81%
Adjusted net income	***67***	***119***	***+78%***

Balance Sheet and Cash Flow as at June 30 2007

Cash flow related to operations and investments in the first half of the year was positive at €+132 million against €(-149) million in the first half of 2006. It includes the proceeds from the disposals finalized in the first half of the year (€+137 million), as well as cash flow from non-recurring pre-spin off items[2] (€-36 million), including €14 million investments relating to the Chlorochemicals consolidation plan. Following adjustments for these items, cash flow for the first half of the year remained positive at €+31 million, despite an increase in working capital (€ -78 million) resulting from the seasonal increase in activity, with capital expenditures (excluding the Chlorochemicals consolidation plan) totalling €94 million.

Net debt at the end of June stood at €198 million, and the balance of non-recurring pre-spin off items[2] at €172 million. The ratio between the sum of both these items and the shareholders' equity stood at 19% at the end of June compared to 28% at the end of December 2006.

Half-year activity report

A half-year activity report and the report from the statutory auditors on half-year financial information are included in the half-year financial report available on the Company's website (www.finance.arkema.com).

POST BALANCE SHEET EVENTS

Arkema announced on July 3rd 2007 a plan to acquire the Coatex group currently owned by the Omya group. Coatex reported in 2006 sales of €150 million. This acquisition is fully in line with the strategy to refocus Arkema on its strongest product lines. It will reinforce the integration of the acrylics business, thereby helping Arkema to become more resilient to economic cycles. The legal information and consultation process involving the works councils of the three groups involved - Arkema, Coatex and Omya – has been completed, and the deal is now awaiting approval from the antitrust authorities.

OUTLOOK

The market conditions of the first half of 2007 should overall continue to prevail in the second half of the year with sustained demand in Europe and in Asia and good conditions in caustic soda and PVC. Margins should nevertheless remain low in Acrylics and in some Fluorochemicals, and US dollar should remain weak versus the euro. Arkema will remain attentive to the evolution of raw material costs and to the US economy. In this context, Arkema is confident of reaching, over 2007, the higher range of the EBITDA growth objective of 10 to 15% per year. This outlook takes into account the seasonal nature of Arkema's results, with the first six months of the year traditionally stronger than the last six months and the impact of the turnarounds scheduled for this period, primarily in Fos for Vinyl Products and in Lacq for Thiochemicals.

In 2007, capital expenditures should be around €350 million including those related to the Chlorochemicals restructuring plan.

2007 FINANCIAL CALENDAR

November 15th 2007	3rd quarter 2007 results

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[2] Non-recurring pre-spin off items correspond to items taken into account for the computation of the theoretical financial debt at the time of the spin off.

P& L *(in millions of euros)*	Q2'06	Q2'07	Variation
Sales	**1,467**	**1,489**	**+1.5%**
Recurring EBITDA	**122**	**150**	**+23%**
Recurring EBITDA margin	**8.3%**	**10.1%**	**-**
Recurring operating income	**68**	**97**	**+43%**
Other income and expenses	**(18)**	**(53)**	**n/a**
Operating income	**50**	**44**	**(12)%**
Adjusted net result	**39**	**68**	**+74%**
Net result – Group share	**28**	**23**	**(18)%**
Capital expenditures	**80**	**61**	**-**
Working capital (vs. 12/31/06)	**1,166**	**1,237**	**+6%**
Net debt (vs. 12/31/06)	**324**	**198**	**(39)%**

Sales bridge +1.5% Price effect: + 2.2% Conversion effect: (2.2)%
Volume growth: +2.3% Change of scope: (0.8)%

- EBITDA up 23% at €150 million and EBITDA margin of 10.1%
  Positive effects:
  - Overall good market conditions
  - Strong market conditions in Vinyl Products in Europe
  - Volume increase
  - Reduction of fixed costs:
    - Impact of restructuring initiatives
    - Strict control of fixed costs

  Negative effects:
  - Tougher competitive environment in Fluorochemicals (Forane® 134a and blends)
  - Low acrylics unit margins
  - Higher costs of certain raw materials (Tin in particular)
  - Unfavorable euro/US dollar exchange rate
- Non-recurring expenses of €53 million mainly correspond to €56 million non-recurring expenses related to restructuring plans announced in Q2'07 in Performance Products (at Bonn in Germany, Vlissingen in Netherlands and Feuchy in France) and Industrial Chemicals (Pierre-Bénite, France) segments. Besides, in Vinyl Products, €16 million capital gain related to the disposal of a land in Tacoma (US) and €(-13) million related to the accident at Lavéra plant (France). A fire damaged one of the three furnaces of the VCM production unit, in the night of the 23rd to the 24th of May. Taking into account our last estimates and the deductibles of our insurance policies, this accident should have, beyond the second quarter, an additional amount inferior to €(-10) million in operating income.
- €61 million capex out of which €9 million relate to the Chlorochemicals restructuring plan.
- Positive cash flow on the first half of the year at €132 million including:
  - €137 million proceeds from the disposals finalized in the 1st half of the year
  - €36 million cash expenses related to non-recurring pre-spin off items
  - €78 million increase in working capital (seasonality)

  Excluding proceeds from disposals and non-recurring pre-spin off items, cash flow is positive at €31 million

- Net debt totalled €198 million at end of June 2007 (€324 million end of December 2006).
- Non-recurring pre spin-off items at €172 million end of June 2007.
- Net debt and non-recurring pre spin-off items to equity ratio amounts to 19% end of June 2007 (compared to 28% end of December 2006).

SEGMENT REVIEW

Vinyl Products *in €m*	**Q2'06**	**Q2'07**	***Variation***
Sales	349	376	*+7.7%*
Rec. EBITDA	14	33	*x2.4*
Rec. EBITDA margin	**4.0%**	**8.8%**	*N/A*
Rec. Operating income	10	27	*x2.7*
Other income and expenses	(5)	6	*N/A*
Operating income	5	33	*x6.6*
Capital expenditures	26	19	*N/A*

- Good market conditions for Chlorine/Caustic soda and PVC in Europe with increasing prices and margins
- Positive impact of the chlorochemicals consolidation plan.
- Impact of the fire that damaged one of the three furnaces of the VCM production unit at Lavéra (France), in the night of the 23rd to the 24th of May.
    - No declaration of force majeure and little impact of the incident on PVC sales
    - Two furnaces were restarted mid-July and the damaged one will be restarted end of Q3.
    - €13 million expense on Q2'07 compensated by the €16 million capital gain generated by the disposal of a land in the United-States.

Industrial Chemicals *in €m*	**Q2'06**	**Q2'07**	***Variation***
Sales	657	658	*+0.2%*
Rec. EBITDA	81	81	-
Rec. EBITDA margin	**12.3%**	**12.3%**	*N/A*
Rec. Operating income	53	56	*+5.7%*
Other income and expenses	-	(35)	*N/A*
Operating income	53	21	*(60.4)%*
Capital expenditures	33	17	*N/A*

- Negative conversion effect on sales: -3.0%
- EBITDA margin at 12.3% same as in 2Q'06 and higher than 1Q'06 (10.2%)
- Low acrylic unit margins
- Tougher market conditions in Fluorochemicals, on Forane® 134a and blends
- Confirmation of recovery in PMMA resulting from good market conditions on MMA and benefits of restructuring plans of the European sheet business.
- In Thiochemicals, reduction of fixed costs from restructuring plans in France and the United States
- Satisfactory market conditions in Hydrogen Peroxide
- Improving balance of results within the segment's business units
- Non-recurring expenses related to restructuring in Fluorochemicals of Pierre-Bénite (France). The legal information and consultation process with the works council ended in June.
- Disposal of specialty amines business in Riverview (United States), which posted US$72 million sales in 2006.

***Performance Products** in €m*	**Q2'06**	**Q2'07**	***Variation***
Sales	460	453	*(1.5)%*
Rec. EBITDA	43	50	*+16.3%*
Rec. EBITDA margin	**9.3%**	**11.0%**	**-**
Rec. Operating income	21	28	*+33.3%*
Other income and expenses	-	(22)	*N/A*
Operating income	21	6	*(71.4)%*
Capital expenditures	20	23	*N/A*

- Negative conversion effect on sales: -2.7%
- Closure of the urea formaldehyde resins plant at Villers-Saint-Paul (France) end of June 2006 which resulted in:
    - a decrease in volumes
    - fixed cost savings
- EBITDA margin of 11.0% compared to 9.3% in 2Q'06 and 7.3% in 2Q'05
- Good activity in Specialty Chemicals particularly in oil and gas related markets
- Development of new applications in Technical Polymers and strict control of fixed costs.
- Functional Additives results still affected by the US construction market slowdown and increase of tin prices (+60% since last year).
- €22 million non-recurring expenses related to additional restructuring plans announced:
    - Technical polymers in Bonn (Germany): shutdown by end 2007 of co-polyamides powders activity followed by the closure of the entire site in 2009: 83 positions
    - Functional Additives: restructuring of Vlissingen (Netherlands): 57 positions
    - Specialty Chemicals:
        - Asset swap with Akzo Nobel (anticaking additives vs. commodity primary amine)
        - Reorganization of Feuchy site (France): 22 positions
- Announcement of the disposal of the Urea Formaldehyde Resins business to Hexion in Leuna (Germany). This activity generates sales of €101 million in 2006. This disposal should have a positive effect on the net result.

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 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.

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 main performance indicators used are as follows:

• ***Operating income****: this includes all income and expenses other than the cost of debt, equity in income of affiliates and income taxes.*

• ***Other income and expenses (non-recurring items)****: these correspond to a limited number of well-identified non-recurring items of income and expense of a particularly material nature that the Group presents separately in its income statement in order to facilitate understanding of its recurring operating performance. These items of income and expenses are:*

- *Impairment losses in respect of property, plant and equipment and intangible assets,*
- *Gains or losses on sale of assets,*
- *Certain large restructuring and environmental expenses which would hamper the interpretation of the recurring operating income,*
- *Certain expenses related to litigation and claims or major damages, whose nature is not directly related to ordinary operations,*
- *Costs related to the spin-off of Arkema's businesses.*

• ***Recurring operating income****: this is calculated as the difference between operating income and other income and expenses as previously defined.*

• ***EBITDA****: this corresponds to recurring operating income increased by depreciation and amortization (previously referred to as recurring EBITDA).*

• ***Adjusted net income****: this corresponds to the Group share net income adjusted for non-recurring items after taking account of the estimated tax impact of these items and the net income from discontinued activities.*

• ***Working capital****: this corresponds to the difference between inventories, accounts receivable, prepaid expenses and other current assets and tax receivables on the one hand, and accounts payable, other creditors and accrued liabilities and income tax liabilities on the other.*

• ***Capital employed****: this is calculated by aggregating the net carrying amounts of intangible assets, property, plant and equipment, equity affiliate investments and loans, other investments, other non-current assets (excluding deferred tax assets) and working capital.*

• ***Net debt****: this is the difference between current and non-current debt, and cash and cash equivalents.*

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 17,000 employees, Arkema achieves sales of 5.7 billion euros in 2006. With its 6 research centers in France, the United States and Japan, and internationally recognized brands, Arkema holds leadership positions in its principal markets.

ARKEMA Financial Statements

Consolidated financial statements - 1st semester 2007

INCOME STATEMENT

(In millions of euros)	2nd Quarter 2006 Consolidated	1st Semester 2006 Consolidated *(audited)*	2nd Quarter 2007 Consolidated	1st Semester 2007 Consolidated *(audited)*
Sales	1 467	2 954	1 489	2 977
Operating expenses	(1 242)	(2 531)	(1 250)	(2 520)
Research and development expenses	(41)	(83)	(38)	(76)
Selling and administrative expenses	(116)	(216)	(104)	(204)
Recurring operating income	**68**	**124**	**97**	**177**
Other income and expenses	(18)	(40)	(53)	(79)
Operating income	**50**	**84**	**44**	**98**
Equity in income of affiliates	-	-	2	1
Cost of debt	(2)	(5)	(5)	(9)
Income taxes	(24)	(49)	(18)	(40)
Net income of continuing operations	**24**	**30**	**23**	**50**
Net income of discontinued operations	**5**	**8**	**0**	**18**
Net income	**29**	**38**	**23**	**68**
Of which minority interests	1	1	0	1
Net income - Group share	**28**	**37**	**23**	**67**
Earnings per share (amount in euros)	*0,46*	*0,61*	*0,38*	*1,11*
Diluted earnings per share (amount in euros)	*0,46*	*0,61*	*0,38*	*1,10*
Depreciation and amortization	(54)	(110)	(53)	(107)
Recurring EBITDA	122	234	150	284

BALANCE SHEET

(In millions of euros)	31.12.2006 Consolidated *(audited)*	30.06.2007 Consolidated *(audited)*
ASSETS		
Intangible assets, net	236	228
Property, plant and equipment, net	1 376	1 353
Equity affiliates: investments and loans	104	102
Other investments	21	21
Deferred income tax assets	36	34
Other non-current assets	121	111
TOTAL NON-CURRENT ASSETS	**1 894**	**1 849**
Inventories	1 036	962
Accounts receivable	1 011	1 179
Prepaid expenses and other current assets	202	205
Income taxes recoverable	36	35
Cash and cash equivalents	171	68
Total assets of discontinued operations	144	-
TOTAL CURRENT ASSETS	**2 600**	**2 449**
TOTAL ASSETS	**4 494**	**4 298**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	605	605
Paid-in surplus and retained earnings	1 313	1 389
Cumulative translation adjustment	(27)	(48)
Treasury shares	-	-
SHAREHOLDERS' EQUITY - GROUP SHARE	**1 891**	**1 946**
Minority interests	**15**	**20**
TOTAL SHAREHOLDERS' EQUITY	**1 906**	**1 966**
Deferred income tax liabilities	14	14
Provisions	891	908
Non-current debt	52	48
TOTAL NON-CURRENT LIABILITIES	**957**	**970**
Accounts payable	791	743
Other creditors and accrued liabilities	314	371
Income taxes payable	14	30
Current debt	443	218
Total liabilities of discountinued operations	69	-
TOTAL CURRENT LIABILITIES	**1 631**	**1 362**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**4 494**	**4 298**

CASH FLOW STATEMENT

(In millions of euros)	End of June 2006 Consolidated *(audited)* **Including Cerexagri**	End of June 2007 Consolidated *(audited)* **Without Cerexagri**
Cash flow - operating activities		
Net income	38	68
Depreciation, amortization and impairment of assets	111	127
Provisions, valuation allowances and deferred taxes	(33)	29
(Gains)/losses on sales of assets	(3)	(56)
Undistributed affiliate equity earnings	-	(1)
Change in working capital	(128)	(78)
Other changes		4
Cash flow from operating activities	**(15)**	**93**
Cash flow - investing activities		
Intangible assets and property, plant, and equipment, additions	(134)	(108)
Acquisitions of consolidated subsidiaries, net of cash acquired	-	-
Acquisitions of non-consolidated subsidiaries	-	(5)
Increase in long-term loans	(30)	(4)
Total expenditures	**(164)**	**(117)**
Proceeds from sale of intangible assets and property, plant and equipment	1	35
Proceeds from sale of subsidiaries, net of cash sold	-	106
Proceeds from sale of other investments	9	
Repayment of long-term loans	20	15
Total divestitures	**30**	**156**
Cash flow from investing activities	**(134)**	**39**
Cash flow - financing activities		
Parent company shareholders	-	-
Issuance (repayment) of shares	532	5
Dividends paid to Parent company shareholders	-	-
Dividends paid to Minority shareholders	(1)	
Increase/ Decrease in long-term debt	(2)	(4)
Increase/ Decrease in short-term borrowings and bank overdrafts	(371)	(225)
Cash flow from financing activities	**158**	**(224)**
Net increase/(decrease) in cash and cash equivalents	9	(92)
Effect of exchange rates and changes in scope	(10)	(11)
Cash and cash equivalents at beginning of period	67	171
Cash and cash equivalents at end of period	**66**	**68**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(audited)

(In millions of euros)	Shares issued		Paid-in surplus	Retained earnings	Cumulative translation adjustment	Treasury shares		Shareholders' equity - Group share	Minority interests	Total shareholders' equity
	Number	Amount				Number	Amount			
As of January 1, 2007	**60 453 823**	**605**	**1 006**	**307**	**(27)**			**1 891**	**15**	**1 906**
Cash dividend										
Net income				67				67	1	68
Issuance of share capital									5	5
Purchase of treasury shares										
Cancellation of purchased treasury shares										
Sale of treasury shares										
Other										
Transactions with shareholders				**67**				**67**	**6**	**73**
Changes in items recognized directly through equity				3				3		3
Statement of recognized income and expenses				4				4		4
Change in translation adjustments					(21)			(21)	(1)	(22)
Other				2				2		2
Items other than transactions with shareholders				**9**	**(21)**			**(12)**	**(1)**	**(13)**
As of June 30, 2007	**60 453 823**	**605**	**1 006**	**383**	**(48)**			**1 946**	**20**	**1 966**

INFORMATION BY BUSINESS SEGMENT

(In millions of euros)	2nd Quarter 2006				
	Vinyl Products	**Industrial Chemicals**	**Performance Products**	**Corporate**	**Group total**
Non-Group sales	349	657	460	1	1 467
Inter-segment sales	19	45	4	-	
Total sales	**368**	**701**	**464**	**1**	
Recurring operating income	**10**	**53**	**21**	**(16)**	**68**
Other income and expenses	**(5)**	**-**	**-**	**(13)**	**(18)**
Operating income	**5**	**53**	**21**	**(29)**	**50**
Equity in income of affiliates	(0)	0	0	-	0
Depreciation and amortization	(4)	(28)	(22)	-	(54)
Asset impairment	-	-	-	-	-
Changes in non-current provisions recognized through income	13	1	(3)	11	22
Recurring EBITDA	**14**	**81**	**43**	**(16)**	**122**
Intangible assets and property, plant and equipment, additions	**26**	**33**	**20**	**1**	**80**

(In millions of euros)	2nd Quarter 2007				
	Vinyl Products	**Industrial Chemicals**	**Performance Products**	**Corporate**	**Group total**
Non-Group sales	376	658	453	2	1 489
Inter-segment sales	12	40	5	-	
Total sales	**388**	**698**	**458**	**2**	
Recurring operating income	**27**	**56**	**28**	**(14)**	**97**
Other income and expenses	**6**	**(35)**	**(22)**	**(1)**	**(52)**
Operating income	**33**	**21**	**6**	**(15)**	**45**
Equity in income of affiliates	2	(0)	0	-	2
Depreciation and amortization	(6)	(25)	(22)	-	(53)
Asset impairment	-	-	-	-	
Changes in non-current provisions recognized through income	4	(20)	(5)	17	(4)
Recurring EBITDA	**33**	**81**	**50**	**(14)**	**150**
Intangible assets and property, plant and equipment, additions	**19**	**17**	**23**	**2**	**61**

INFORMATION BY BUSINESS SEGMENT

	1st Semester 2006				
(In millions of euros)	**Vinyl Products**	**Industrial Chemicals**	**Performance Products**	**Corporate**	**Group total**
Non-Group sales	710	1 318	923	3	2 954
Inter-segment sales	40	92	8	-	
Total sales	**750**	**1 410**	**931**	**3**	
Recurring operating income	**17**	**104**	**39**	**(36)**	**124**
Other income and expenses	**(5)**	**-**	**(23)**	**(12)**	**(40)**
Operating income	**12**	**104**	**16**	**(48)**	**84**
Equity in income of affiliates	(0)	0	0	-	(0)
Depreciation and amortization	(8)	(57)	(44)	(1)	(110)
Asset impairment	-	-	-	-	-
Changes in non-current provisions recognized through income	14	(3)	(32)	36	15
Recurring EBITDA	**25**	**161**	**83**	**(35)**	**234**
Intangible assets and property, plant and equipment, additions	**37**	**57**	**38**	**2**	**134**

	1st Semester 2007				
(In millions of euros)	**Vinyl Products**	**Industrial Chemicals**	**Performance Products**	**Corporate**	**Group total**
Non-Group sales	750	1 308	916	3	2 977
Inter-segment sales	31	80	10	-	
Total sales	**781**	**1 388**	**926**	**3**	
Recurring operating income	**49**	**96**	**61**	**(29)**	**177**
Other income and expenses	**(4)**	**(51)**	**(22)**	**(2)**	**(79)**
Operating income	**45**	**45**	**39**	**(31)**	**98**
Equity in income of affiliates	1	(0)	0	-	1
Depreciation and amortization	(12)	(51)	(43)	(1)	(107)
Asset impairment	-	-	-	-	-
Changes in non-current provisions recognized through income	(3)	(38)	(12)	24	(29)
Recurring EBITDA	**61**	**147**	**104**	**(28)**	**284**
Intangible assets and property, plant and equipment, additions	**32**	**36**	**38**	**2**	**108**