FINANCE

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INNOVATIVE CHEMISTRY

ARKEMA'S FINANCIAL FRAMEWORK

4 PRINCIPLES

Maintain investment grade rating

- Gearing at ~40% in 2017
- Net debt / EBITDA ~1.5x in 2020

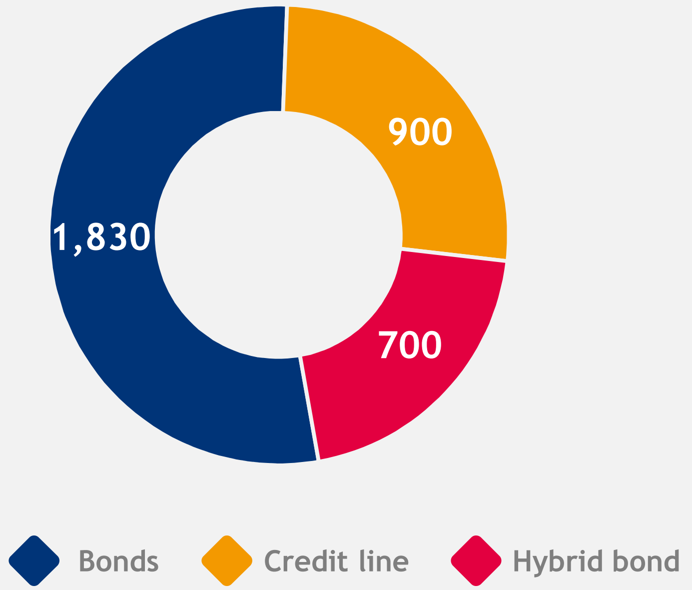
Debt maturity ≥ 3 years

Liquidity reserves ≥ €0.5 bn

Optimize cost of debt

STRONG AND BALANCED FINANCIAL STRUCTURE

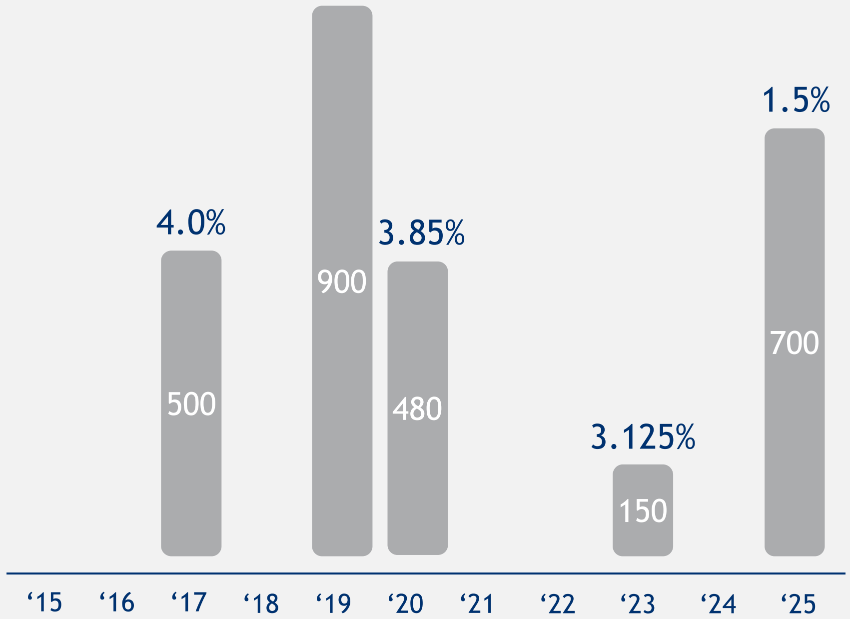
€3.4 BN LONG-TERM FINANCING RESOURCES
IN €M



CURRENT RATING

- Standard & Poor’s: BBB (negative outlook)
- Moody’s: Baa2 (negative outlook)

DEBT MATURITY PROFILE
IN €M

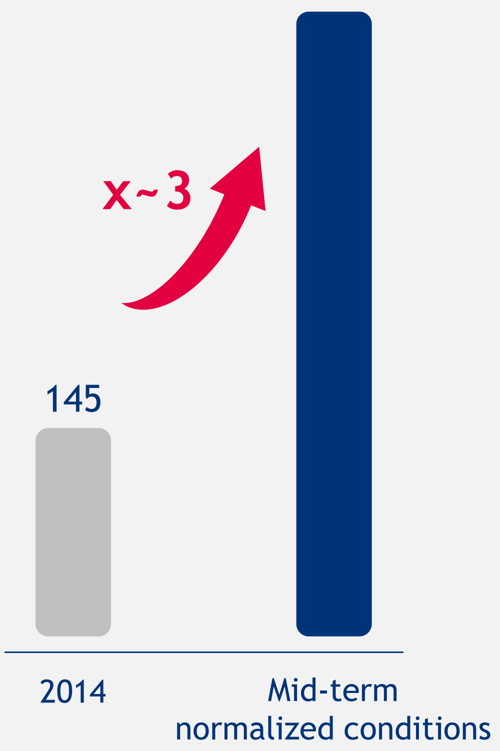


- Debt duration*: 6 years
- Average interest rate on bonds*: ~3% / year
- Cash cost of debt: ~€55 m / year
- Cash cost of hybrid (4.75% / year): ~€33 m / year

* Excluding hybrid bond

IMPROVE CASH FLOW GENERATION

NET CASH FLOW*
IN €M



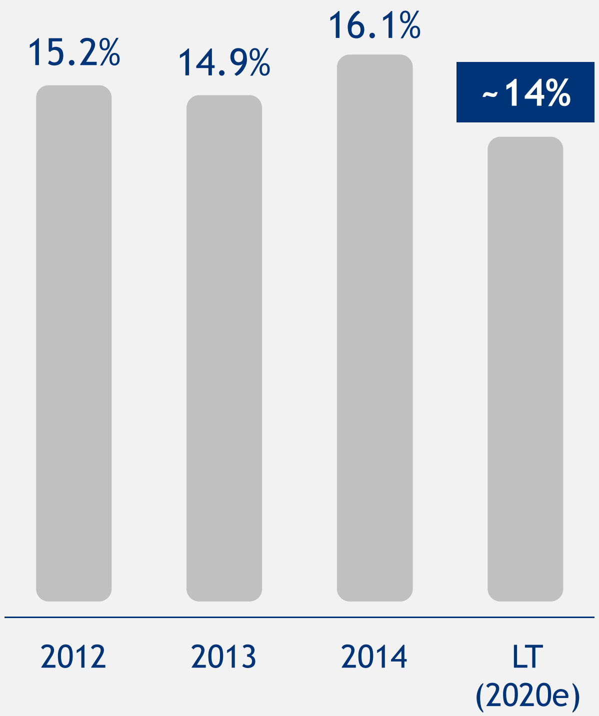
Increase cash conversion of EBITDA for the medium term from ~25% on average to 35%**

- Based on EBITDA progression according to Group's ambition
- Cost of debt .... ~3% / year
- Tax .... ~30% of REBIT
- Other elements .... ~€(35) m/ year
- Working capital .... ~15% of sales
- Capex .... ~5.5% of sales

* Net cash flow excluding M&A, exceptional capex (such as Kerteh), dividend and cost of hybrid
** Net cash flow / EBITDA

CONTINUED FOCUS ON WORKING CAPITAL IMPROVEMENT

WORKING CAPITAL ON SALES
IN %

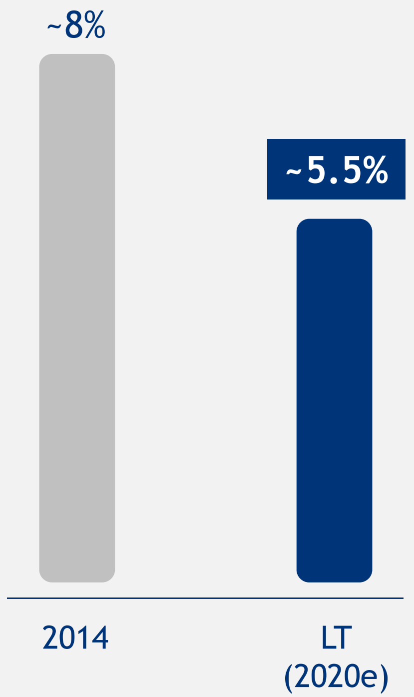


30 to 40 €m expected gains on working capital from new IT roll-out

- Worldwide integrated SAP system to optimize supply chain
- More integrated and comprehensive business data
- Roll-out completed by end 2017
- €40 m capex over 3 years (2015-2017)

REDUCE CAPEX INTENSITY

CAPEX INTENSITY (CAPEX/SALES)
IN %



Reduce capex intensity

- Bostik capex between 2.5 and 3% of sales
- Current exceptional investments now completed

Maintenance capex at ~3% of sales

Development capex at~2.5% of sales with an IRR hurdle rate equal to or above 15% after tax

- Main growth projects underway:
  - Fluorogases: new 1234yf production unit (China)
  - Filtration and adsorption: x2 production capacities of molecular sieves (France) announced today
  - Organic peroxides: x2 production capacities (China)

DISCIPLINED CASH ALLOCATION

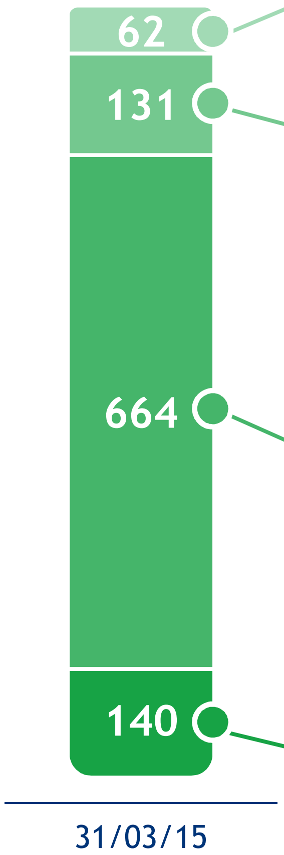
HIGH RETURN ON DEVELOPMENT CAPEX	At least 15% after tax IRR
SELECTIVE PROFITABLE BOLT-ON ACQUISITIONS	IRR similar to organic growth
DIVESTMENT OF UNDERPERFORMING NON CORE ASSETS	~€500 m sales remaining*
▶ DELIVER HIGH PREMIUM ON WACC	
DIVIDEND GROWTH CONSISTENT WITH PROFIT DEVELOPMENT	x2.5 since 2007
▶ CREATE VALUE FOR SHAREHOLDERS ON THE LONG-TERM	

* Project to divest Sunclear subject to information / consultation of works councils in France announced in June 2015

ARKEMA INNOVATIVE CHEMISTRY

PROVISIONS

Total net provisions*
€997 m
(€751 m at 31/12/14)



Restructuring provisions

- Expected cash out: 30 to 35 €m / year

Environmental provisions net of warranties

- Expected to be cashed out over 10 years

Provisions for pensions and other employee benefits

- Post-employment benefits: €608 m (€551 m pensions + €57 m healthcare)
- Other long-term benefits: €56 m
- Including Bostik: €184 m provisions

Other provisions including litigations

* Provisions net of non-current assets

BOSTIK PURCHASE PRICE ALLOCATION: BALANCE SHEET IMPACT

IFRS 3 (revised standard): acquisition subject to Purchase Accounting

- Recognition of assets acquired and liabilities assumed at fair value
  - Adjustment of book value
  - Recognition of corresponding deferred tax liabilities
- Determination of goodwill finalized within maximum 12 months after acquisition

		IN €BN
1	Net cash paid (€1,629 m) – book value (€470 m)	1.16*
2	Adjustments made to book value of assets	+ 0.81
3	Deferred tax liability (33.3% x 2)	- 0.27
	→ Preliminary goodwill (1 - 2 - 3)	= 0.62

* Temporary

ARKEMA INNOVATIVE CHEMISTRY

BOSTIK PURCHASE PRICE ALLOCATION: P&L IMPACTS

EBIT: CHARGES BOOKED IN "OTHER INCOME AND EXPENSES"

	IN €M	
Inventory step-up	**~35**	One-off in 1H'15
Additional depreciation on tangible assets	**~20 / yr**	Over 3 years
Additional depreciation on intangible assets	**~20 / yr**	Over 20 years

TAXES: PROFIT AFFECTING APPARENT TAX RATE

	IN €M	
Reversal of deferred tax liabilities	**20** **10**	1H'15 Afterwards / year
Recognition of deferred tax assets France	**> €50 m** **To be finalized**	1H'15

NEW SEGMENT REPORTING

HIGH PERFORMANCE MATERIALS	INDUSTRIAL SPECIALTIES	COATING SOLUTIONS
▶ **Specialty Adhesives** (Bostik) ▶ **Technical Polymers** • Specialty polyamides • PVDF ▶ **Performance Additives** • Filtration and adsorption • Organic peroxides • UV curing resins (Sartomer)	▶ **Thiochemicals** ▶ **PMMA** ▶ **Fluorogases** ▶ **Hydrogen Peroxide**	▶ **Acrylics** *(upstream)* ▶ **Coating Resins and Additives** *(downstream)* • Coating resins • Rheology additives (Coatex)

Implemented from 2Q'15

APPENDICES

REPORTING ADJUSTMENTS

- Bostik included in High Performance Materials since 1Q'15
- Sartomer, a pure specialty business placed under Bernard Pinatel's responsibility in High Performance Materials
- Some other minor adjustments

	HIGH PERFORMANCE MATERIALS	INDUSTRIAL SPECIALTIES	COATING SOLUTIONS
Additions	**Sartomer** (Performance Additives)	**Functional polyolefins** (PMMA) **Casda** (Fluorogases)	**Acrylic impact modifiers**
Exits	**Functional polyolefins** (Filtration & Adsorption) **Casda** (Technical Polymers) **Acrylic impact modifiers** (Organic Peroxides)		**Sartomer**
Sales impact	**(96)**	**+297**	**(201)**
EBITDA impact	**+30**	**+12**	**(42)**

PERFORMANCE BY SEGMENT (NEW REPORTING)

	HIGH PERFORMANCE MATERIALS			INDUSTRIAL SPECIALTIES			COATING SOLUTIONS		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
SALES* IN €M	2,016	1,728	1,730	2,445	2,311	2,269	1,911	2,020	1,930
EBITDA margin IN %	19.2	20.1	18.2	17.5	15.6	13.8	11.7	11.8	10.5
EBITDA* IN €M	387	348	314	428	361	312	224	239	203

* Unaudited figures

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 material 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. These risk factors are further developed in the reference document.

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 2015, 2014, 2013, 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 reference document filed with the French *Autorité des Marchés Financiers* and available on www.finance.arkema.com