Colombes, 9 November 2017

Arkema – Third-quarter 2017 results

- **Sales** for third-quarter 2017 up **10%** year on year to **€2,019 million**
- Volumes for the **High Performance Materials** division up **8%**, driven by developments in adhesives, lighter materials and new energies
- **EBITDA** up **17%** on Q3 2016 at **€355 million**, supported by strong rises for all three of the Group's divisions
- **EBITDA margin** up to **17.6%** (from 16.5% in Q3 2016)
- **Adjusted net income** up **44%** to **€158 million**, representing **€2.08** per share
- **Free cash flow** of +**€274 million**, enabling the Group to significantly reduce its **net debt** to **€1,194 million** (from €1,471 million at 30 June 2017)
- **Proposed acquisition of XL Brands** in the United States supporting the strategy to expand in adhesives

Arkema's Board of Directors met on 8 November 2017 to review the Group's consolidated financial statements for the third quarter of 2017. At the close of the meeting, Chairman and CEO Thierry Le Hénaff stated:

"Just a few months after our Capital Markets Days – when we confirmed the Group's growth strategy for adhesives and advanced materials and announced our financial targets for 2023 – we have released excellent results for the third quarter of 2017. Two factors sum up this strong quarterly performance: a 44% increase in adjusted net income and record-high cash generation.

These results once again demonstrate the rationale of the Group's strategy and its successful implementation by our teams. The drivers of our strong growth figures for this quarter include our recent industrial investments in Asia and France and our best-in-class, cutting-edge R&D projects for batteries, solar power, water treatment, adhesives, and lightweight and bio-based materials.

Following our successive acquisitions of Den Braven and CMP, as part of our strategy to continue to expand Bostik's business, we recently announced that we intend to acquire XL Brands, which specializes in flooring adhesives in the United States.

All of the above factors confirm the Group's strong positioning in specialty activities, which are at the heart of its development strategy."

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THIRD-QUARTER 2017 KEY FIGURES

(In millions of euros)	**Q3 2016**	**Q3 2017**	Year-on-year change
Sales	**1,838**	**2,019**	**+9.8%**
EBITDA	**303**	**355**	**+17.2%**
EBITDA margin	**16.5%**	**17.6%**	
High Performance Materials	*16.7%*	*16.9%*	
Industrial Specialties	*22.2%*	*25.1%*	
Coating Solutions	*12.2%*	*13.4%*	
Recurring operating income (REBIT)	190	247	+30.0%
Non-recurring items	(19)	(24)	N/A
Adjusted net income	**110**	**158**	**+43.6%**
Net income – Group share	96	142	+47.9%
Adjusted net income per share (in €)	1.45	2.08	+43.4%
Weighted average number of ordinary shares	75,056,676	75,664,785	

THIRD-QUARTER 2017 FINANCIAL REVIEW

Sales amounted to **€2,019 million** in the third quarter of 2017, up 9.8% on the same period of 2016. At constant exchange rates and business scope, year-on-year sales growth came to 10.5%. Price effect amounted to +7.2% with all three divisions reporting positive price effects. It reflects the actions taken by the Group to increase selling prices in order to offset rises in the cost of certain raw materials used in specialty activities (which accounted for 72% of Group's sales for the period) and positive trends in more cyclical activities (which contributed 28% of Group's sales). Volumes were 3.3% higher than in third-quarter 2016, thanks to a significant increase in demand for High Performance Materials, especially in Asia. The scope effect was a positive 3.2% during the period and included the contribution of Den Braven as well as the impact of the divestment of the activated carbon and filter aid business and the oxo alcohols business. The currency effect was - 3.9%, primarily due to the appreciation of the euro against the US dollar.

At **€355 million**, **EBITDA** was 17.2% higher than in third-quarter 2016. All of the three divisions reported strong EBITDA growth despite high raw materials costs, temporarily amplified in the context of hurricane Harvey, and the stronger euro, notably against the US dollar. This performance was driven by the expansion of Bostik, the large number of new developments in advanced materials and an excellent performance from the Industrial Specialties division.

EBITDA margin increased to **17.6%** from 16.5% in the third quarter of 2016.

Recurring operating income (REBIT) rose in line with the strong increase in EBITDA, to **€247 million** from €190 million in the third quarter of 2016. The third-quarter 2017 figure includes €108 million depreciation and amortization, down from the €113 million recorded for the same period of 2016. **REBIT margin**, which corresponds to recurring operating income as a percentage of sales, rose to 12.2% in third-quarter 2017 from 10.3% in the corresponding prior-year period.

Non-recurring items represented a net expense of **€24 million** and primarily comprised depreciation and amortization recognized in connection with the revaluation of tangible and intangible fixed assets carried out as

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part of the Bostik and Den Braven purchase price allocation, and part of the insurance deductible retained following hurricane Harvey for €11 million.

Net financial expense came to **€27 million** (against €25 million in third-quarter 2016). This year-on-year increase primarily reflects the impact of the €900 million bond issue with an annual coupon of 1.5% carried out in the second quarter of 2017. In October 2017, the Group redeemed at maturity a €500 million bond with an annual coupon of 4%.

The Group's **net income tax expense** for third-quarter 2017 was **€54 million**, versus €51 million for the same period of 2016. Excluding a €3 million reversal of provisions for deferred tax liabilities recognized in connection with the purchase price allocation process for the Bostik and Den Braven acquisitions, the tax rate represented 23% of recurring operating income. This year-on-year decrease in the tax rate reflects a change in the geographic split of the Group's results during the period.

Net income – Group share rose significantly to **€142 million** from €96 million in third-quarter 2016. Excluding the post-tax impact of non-recurring items, **adjusted net income** came to **€158 million**, representing **€2.08** per share.

THIRD-QUARTER 2017 PERFORMANCE BY DIVISION

HIGH PERFORMANCE MATERIALS (47% OF TOTAL GROUP SALES)

Sales generated by the High Performance Materials division totaled **€955 million**, up 14.2% on the third quarter of 2016, led by a strong 8.2% increase in volumes, with rises seen across all of the division's activities. Volumes were particularly supported by very high demand in Asia for lighter materials, new energies (batteries and photovoltaics) and consumer goods (sports and consumer electronics) as well as by the ramp-up in production of specialty molecular sieves at the new Honfleur unit (France). The scope effect was a positive 7.9%, reflecting the integration of Den Braven's sealants and the CMP adhesives within Bostik and the divestment of the activated carbon and filter aid business. The price effect was a positive 2.2%, thanks to the Group's ongoing measures to pass on the increases in the cost of certain raw materials to its selling prices. The currency effect was -4.1%.

EBITDA came to **€161 million**, up 15% on third-quarter 2016, and **EBITDA margin** rose to **16.9%** from 16.7% in third-quarter 2016. This performance was driven by the very good momentum for volumes of advanced materials and the continued expansion of Bostik, notably with the integration of Den Braven.

INDUSTRIAL SPECIALTIES (30% OF TOTAL GROUP SALES)

Industrial Specialties **sales** rose 7.4% year on year to **€594 million**. At constant exchange rates and business scope, sales grew by 11.2% thanks to a positive 11.5% price effect reflecting good market conditions for Fluorogases and the MMA/PMMA chain in the continuity of previous quarters. Volumes were broadly stable (-0.3%), affected by the consequences of hurricane Harvey, particularly in Thiochemicals. The currency effect during the period was a negative 4.0%.

At **€149 million,** the division's **EBITDA** increased significantly by 21.1% compared with the third quarter of 2016. **EBITDA margin** was also up year on year, to **25.1%** from 22.2%**.** The Fluorogases business confirmed its return to a very good level of results, in line with the Group's expectations, while the MMA/PMMA business continued to benefit from tight market conditions, and the Thiochemicals business showed solid performance overall.

COATING SOLUTIONS (23% OF TOTAL GROUP SALES)

At **€463 million**, **sales** for the Coating Solutions division were 4.8% higher than in third-quarter 2016, driven by an 11.4% positive price effect which reflects a gradual improvement in the acrylic cycle as well as measures taken to raise selling prices across the entire chain. Volumes contracted by 1.3% due to the impact of hurricane Harvey on the division's sites based in Texas, which offset the robust volume growth for coating resins. The divestment of the oxo alcohols business resulted in a negative 1.8% scope effect and the currency effect was a negative 3.4%.

EBITDA came to **€62 million,** up 14.8% year on year, and **EBITDA margin** rose to **13.4%** from 12.2% in third-quarter 2016. As expected, unit margins for acrylic monomers are gradually improving from last year's low points, and are more than offsetting the impact in downstream operations of higher raw materials costs.

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CASH FLOW AND NET DEBT AT 30 SEPTEMBER 2017

Arkema generated an excellent +**€274 million** in **free cash flow** in the third quarter of 2017 (versus €245 million in the same period of 2016). This year-on-year increase primarily stemmed from the strong rise in EBITDA and tight control of working capital against a backdrop of higher raw materials costs. The ratio of working capital to annualized sales was 15.5% at end-September 2017 compared with 16.8% one year earlier.

The third-quarter 2017 free cash flow figure also includes €95 million in recurring capital expenditure[1]. For the year as a whole, capex should be slightly lower than the initial €450 million guidance.

Finally, free cash flow includes €21 million in non-recurring expenses, primarily arising from the consequences of hurricane Harvey and restructuring costs.

For the first nine months of the year, free cash flow amounted to +€388 million.

Net debt stood at **€1,194 million**, down significantly on the €1,471 million figure at 30 June 2017. The Group's gearing was also significantly lower at 27%.

SIGNIFICANT EVENTS SINCE 30 JUNE 2017

Organic growth

In line with its strategy of stepping up the pace of growth in its specialty activities, since July 2017 Arkema has announced a number of major organic growth projects in the activities that represent the three key pillars of its future expansion – advanced materials, Thiochemicals and adhesives.

For advanced materials, the Group has announced:

- a capital expenditure plan representing around €300 million over five years in Asia for the bio-based polyamide 11 chain to support its customers' very strong growth, especially in the automotive and 3D printing markets as well as in consumer goods such as sports and electronics. The new plant – which will produce both the amino 11 monomer and its polymer, Rilsan® PA11 and is expected to start up in late 2021 – will allow Arkema to increase its global Rilsan® PA11 production capacity by 50%. The investment will also result in a 50% increase in global production capacity for Pebax®;
- a project to increase by over 30% the Group's photocure resins production capacity at its Nansha facility in China. This new production line for Sartomer – the world's leader in specialty photocure resins – is expected to start up in early 2019. It will notably help the Group meet strong customer demand in Asia in the cutting-edge electronics, 3D printing and inkjet printing markets; and
- a plan to extend by some 20% the Group's capacity to produce Kynar® PVDF at the US-based Calvert City plant. This new capacity – which is expected to start up in mid-2018 – will enable the Group to meet strong demand in the new energies and water management markets as well as for more traditional applications (chemical process industry and high performance cables).

In the Thiochemicals business, Arkema has announced a project to double its methyl mercaptan production capacity at its Kerteh site in Malaysia to support the strong growth of the animal feed, refining and petrochemicals markets in Asia and thereby strengthen its world-leading position in high value-added sulfur derivatives. This additional capacity is expected to begin production in 2020.

Lastly, in October 2017, the Group announced the start-up of a new adhesives production facility to serve industrial markets in India. Located in Gujarat, this new facility will support fast-growing demand in both India and export markets for adhesives in a number of industrial sectors, such as flexible lamination, transportation and footwear production.

POST BALANCE SHEET EVENTS

In line with its strategy to continue to expand in adhesives, Arkema announced, in November 2017, the proposed acquisition by Bostik of XL Brands assets, a leader in floor covering adhesives in the Unites States. This transaction, based on a US$205 million enterprise value, will enable Bostik to offer a full range of solutions for this growing high added-value market. The Group aims at reducing the 11 times EV/EBITDA multiple paid to 7 times within four to

[1] Excluding exceptional capex and capex relating to portfolio management.

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five years and after implementation of synergies. The proposed acquisition is expected to close end 2017 and is subject to regulatory approval by antitrust authorities.

ACCOUNTING STANDARDS

In accordance with IAS 33, the calculation of earnings per share and diluted earnings per share figures will now take into account the payments due to bearers of deeply subordinated perpetual notes (hybrid bonds). This interest expense will be deducted from net income (Group share) for the year.

Consequently, the figures for full year 2016 and the fourth quarter of 2016 have been restated to reflect this change, payments related to the hybrid bond issued in October 2014 being fully taken into account in the fourth quarter of the year. Accordingly, earnings per share for the fourth quarter of 2016 amounted to €0.70 and diluted earnings per share to €0.69. For full-year 2016, restated earnings per share totaled €5.24 and diluted earnings per share €5.22.

The change will not affect the calculation of adjusted net income per share.

OUTLOOK FOR FULL-YEAR 2017

The global macro-economic environment is expected to remain volatile in the fourth quarter of 2017, with contrasting trends across the Group's end-markets and geographic regions, higher raw materials prices than last year and a stronger euro against the US dollar.

Against this backdrop, Arkema's business will continue to benefit from the expansion of Bostik, with the integration of Den Braven and new high value-added applications in advanced materials, notably related to major sustainability trends. Improvement of Fluorogases should remain limited in the fourth quarter compared to the previous year given this activity's seasonality. The Group will also pursue its actions to ensure that the high costs of certain raw materials are reflected in its selling prices. Lastly, it will continue implementing its operational excellence initiatives to offset part of fixed costs inflation.

In view of the above factors and the traditional seasonality of the Group's business towards the end of the year, and based on the results achieved in the first nine months of 2017, the Group now targets for the full year an EBITDA in the upper end of the €1,310 million to €1,350 million range announced in August.

The third-quarter 2017 results and outlook are detailed in the "Third-quarter 2017 results" presentation available on the Group's website at www.finance.arkema.com

FINANCIAL CALENDAR

22 February 2018 Full-year 2017 results

*A designer of materials and innovative solutions, **Arkema** shapes materials and creates new uses that accelerate customer performance. Our balanced business portfolio spans High Performance Materials, Industrial Specialties and Coating Solutions. Our globally recognized brands are ranked among the leaders in the markets we serve. Reporting annual sales of €7.5 billion in 2016, we employ around 20,000 people worldwide and operate in some 50 countries. We are committed to active engagement with all our stakeholders. Our research centers in North America, France and Asia concentrate on advances in bio-based products, new energies, water management, electronic solutions, lightweight materials and design, home efficiency and insulation. www.arkema.com*

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DISCLAIMER

The information disclosed in this press release may contain forward-looking statements with respect to the financial position, 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 (but not limited to) changes in raw materials prices, currency fluctuations, the pace at which cost-reduction projects are implemented and changes in general economic and financial 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.

Balance sheet, income statement and cash flow statement data as well as data relating to the statement of changes in shareholders' equity and information by business division included in this press release are extracted from the consolidated financial statements at 30 September 2017 reviewed by Arkema's Board of Directors on 8 November 2017. Quarterly financial information is not audited.

Information by business division is presented in accordance with Arkema's internal reporting system used by management.

The main performance indicators used by the Group are defined in note B.17 of the notes to the consolidated financial statements at 31 December 2016 in section 4.3.3 of the 2016 Reference Document.

For the purpose of analyzing its results and defining its targets, the Group also uses the following indicators:

- ***REBIT margin:*** *recurring operating income (REBIT) as a percentage of sales.*
- ***Free cash flow:*** *cash flow from operating and investing activities excluding the impact of portfolio management.*

For the purpose of analyzing changes in its results, and particularly its sales figures, the Group analyzes the following effects (non-audited analyses):

- ***business scope effect:*** *the impact of changes in the Group's scope of consolidation, which arise from acquisitions and divestments of entire businesses or as a result of the first-time consolidation or deconsolidation of entities. Increases or reductions in capacity are not included in the scope effect;*
- ***currency effect:*** *the mechanical impact of consolidating accounts denominated in currencies other than the euro at different exchange rates from one period to another. The currency effect is calculated by applying the foreign exchange rates of the prior period to the figures for the period under analysis;*
- ***price effect:*** *the impact of changes in average selling prices is estimated by comparing the weighted average net unit selling price of a range of related products in the period under review with their weighted average net unit selling price in the prior period, multiplied, in both cases, by the volumes sold in the period under review; and*
- ***volume effect:*** *the impact of changes in volumes is estimated by comparing the quantities delivered in the period under review with the quantities delivered in the prior period, multiplied, in both cases, by the weighted average net unit selling price in the prior period.*

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ARKEMA Financial Statements

Consolidated financial statements - At the end of September 2017

CONSOLIDATED INCOME STATEMENT

(In millions of euros)	3rd quarter 2017 *(non audited)*	End of September 2017 *(non audited)*	3rd quarter 2016 *(non audited)*	End of September 2016 *(non audited)*
Sales	**2,019**	**6,369**	**1,838**	**5,683**
Operating expenses	(1,546)	(4,874)	(1,429)	(4,394)
Research and development expenses	(55)	(176)	(53)	(165)
Selling and administrative expenses	(171)	(542)	(166)	(514)
Recurring operating income	**247**	**777**	**190**	**610**
Other income and expenses	(24)	(54)	(19)	(20)
Operating income	**223**	**723**	**171**	**590**
Equity in income of affiliates	0	0	1	7
Financial result	(27)	(78)	(25)	(75)
Income taxes	(54)	(202)	(51)	(177)
Net income	**142**	**443**	**96**	**345**
Of which non-controlling interests	-	4	-	4
Net income - Group share	**142**	**439**	**96**	**341**
Earnings per share (amount in euros)	*1.88*	*5.8*	*1.26*	*4.54*
Diluted earnings per share (amount in euros)	*1.88*	*5.79*	*1.26*	*4.53*
Depreciation and amortization	(108)	(331)	(113)	(336)
EBITDA	**355**	**1,108**	**303**	**946**
Adjusted net income	**158**	**477**	**110**	**350**
Adjusted net income per share (amount in euros)	*2.08*	*6.30*	*1.45*	*4.66*
Diluted adjusted net income per share (amount in euros)	*2.08*	*6.28*	*1.45*	*4.65*
Weighted average number of shares		*75,664,785*		*75,056,676*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In millions of euros)	3rd quarter 2017 *(non audited)*	End of September 2017 *(non audited)*	3rd quarter 2016 *(non audited)*	End of September 2016 *(non audited)*
Net income	**142**	**443**	**96**	**345**
Hedging adjustments	1	25	3	14
Other items	-	-	(1)	(7)
Deferred taxes on hedging adjustments and other items	-	-	-	(1)
Change in translation adjustments	(48)	(183)	(19)	(61)
Other recyclable comprehensive income	**(47)**	**(158)**	**(17)**	**(55)**
Actuarial gains and losses	11	16	13	(3)
Deferred taxes on actuarial gains and losses	(5)	(5)	(4)	(2)
Other non-recyclable comprehensive income	**6**	**11**	**9**	**(5)**
Total income and expenses recognized directly in equity	**(41)**	**(147)**	**(8)**	**(60)**
Comprehensive income	**101**	**296**	**88**	**285**
Of which: non-controlling interest	-	1	1	1
Comprehensive income - Group share	**101**	**295**	**87**	**284**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(non audited)

(In millions of euros)	Shares issued - Number	Shares issued - Amount	Paid-in surplus	Hybrid bonds	Retained earnings	Translation adjustments	Treasury shares - Number	Treasury shares - Amount	Shareholders' equity - Group share	Non-controlling interests	Shareholders' equity
At January 1, 2017	**75,717,947**	**757**	**1,211**	**689**	**1,250**	**301**	**(65,823)**	**(4)**	**4,204**	**45**	**4,249**
Cash dividend	-	-	-	-	(155)	-	-	-	(155)	(2)	(157)
Issuance of share capital	55,918	1	1	-	-	-	-	-	2	-	2
Purchase of treasury shares	-	-	-	-	-	-	(180,000)	(16)	(16)	-	(16)
Grants of treasury shares to employees	-	-	-	-	(1)	-	20,246	1	-	-	-
Share-based payments	-	-	-	-	10	-	-	-	10	-	10
Other	-	-	-	-	-	-	-	-	-	-	-
Transactions with shareholders	**55,918**	**1**	**1**	**-**	**(146)**	**-**	**(159,754)**	**(15)**	**(159)**	**(2)**	**(161)**
Net income	-	-	-	-	439	-	-	-	439	4	443
Total income and expense recognized directly through equity	-	-	-	-	36	(180)	-	-	(144)	(3)	(147)
Comprehensive income	**-**	**-**	**-**		**475**	**(180)**	**-**	**-**	**295**	**1**	**296**
At September 30, 2017	**75,773,865**	**758**	**1,212**	**689**	**1,579**	**121**	**(225,577)**	**(19)**	**4,340**	**44**	**4,384**

CONSOLIDATED BALANCE SHEET

(In millions of euros)	September, 30th 2017 *(non audited)*	December, 31st 2016 *(audited)*
ASSETS		
Intangible assets, net	2,714	2,777
Property, plant and equipment, net	2,412	2,652
Equity affiliates : investments and loans	31	35
Other investments	34	33
Deferred tax assets	157	171
Other non-current assets	209	227
TOTAL NON-CURRENT ASSETS	**5,557**	**5,895**
Inventories	1,137	1,111
Accounts receivable	1,206	1,150
Other receivables and prepaid expenses	177	197
Income taxes recoverable	61	64
Other current financial assets	10	10
Cash and cash equivalents	1,816	623
TOTAL CURRENT ASSETS	**4,407**	**3,155**
TOTAL ASSETS	**9,964**	**9,050**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	758	757
Paid-in surplus and retained earnings	3,480	3,150
Treasury shares	(19)	(4)
Translation adjustments	121	301
SHAREHOLDERS' EQUITY - GROUP SHARE	**4,340**	**4,204**
Non-controlling interests	44	45
TOTAL SHAREHOLDERS' EQUITY	**4,384**	**4,249**
Deferred tax liabilities	319	285
Provisions for pensions and other employee benefits	485	520
Other provisions and non-current liabilities	425	464
Non-current debt	2,263	1,377
TOTAL NON-CURRENT LIABILITIES	**3,492**	**2,646**
Accounts payable	850	932
Other creditors and accrued liabilities	400	402
Income taxes payable	87	62
Other current financial liabilities	4	31
Current debt	747	728
TOTAL CURRENT LIABILITIES	**2,088**	**2,155**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**9,964**	**9,050**

CONSOLIDATED CASH FLOW STATEMENT

(In millions of euros)	End of September 2017 *(non audited)*	End of September 2016 *(non audited)*
Cash flow - operating activities		
Net income	443	345
Depreciation, amortization and impairment of assets	364	368
Provisions, valuation allowances and deferred taxes	(16)	(55)
(Gains)/losses on sales of assets	(3)	(6)
Undistributed affiliate equity earnings	1	(5)
Change in working capital	(135)	(86)
Other changes	4	14
Cash flow from operating activities	**658**	**575**
Cash flow - investing activities		
Intangible assets and property, plant, and equipment additions	(252)	(263)
Change in fixed asset payables	(48)	(93)
Acquisitions of operations, net of cash acquired	(1)	(1)
Increase in long-term loans	(33)	(47)
Total expenditures	**(334)**	**(404)**
Proceeds from sale of intangible assets and property, plant and equipment	7	8
Change in fixed asset receivables	0	0
Proceeds from sale of operations, net of cash sold	11	20
Proceeds from sale of unconsolidated investments	0	5
Repayment of long-term loans	42	34
Total divestitures	**60**	**67**
Cash flow from investing activities	**(274)**	**(337)**
Cash flow - financing activities		
Issuance (repayment) of shares and other equity	2	46
Purchase of treasury shares	(17)	(6)
Dividends paid to parent company shareholders	(155)	(143)
Dividends paid to non-controlling interests	(2)	(2)
Increase/ decrease in long-term debt	893	23
Increase/ decrease in short-term borrowings and bank overdrafts	33	3
Cash flow from financing activities	**754**	**(79)**
Net increase/(decrease) in cash and cash equivalents	1,138	159
Effect of exchange rates and changes in scope	55	37
Cash and cash equivalents at beginning of period	623	711
Cash and cash equivalents at end of period	**1,816**	**907**

INFORMATION BY BUSINESS SEGMENT

(non audited)

(In millions of euros)	3rd quarter 2017				
	High Performance Materials	**Industrial Specialties**	**Coating Solutions**	**Corporate**	**Total**
Non-Group sales	955	594	463	7	**2,019**
Inter segment sales	2	33	18	-	
Total sales	**957**	**627**	**481**	**7**	
EBITDA	**161**	**149**	**62**	**(17)**	**355**
Depreciation and amortization	(38)	(43)	(26)	(1)	(108)
Recurring operating income	**123**	**106**	**36**	**(18)**	**247**
Other income and expenses	(17)	(4)	(1)	(2)	(24)
Operating income	**106**	**102**	**35**	**(20)**	**223**
Equity in income of affiliates	0	0	-	-	0
Intangible assets and property, plant and equipment additions	**40**	**38**	**18**	**4**	**100**
Of which Recurring capital expenditure	37	36	18	4	95

(In millions of euros)	3rd quarter 2016				
	High Performance Materials	**Industrial Specialties**	**Coating Solutions**	**Corporate**	**Total**
Non-Group sales	836	553	442	7	**1,838**
Inter segment sales	3	24	13	-	
Total sales	**839**	**577**	**455**	**7**	
EBITDA	**140**	**123**	**54**	**(14)**	**303**
Depreciation and amortization	(38)	(43)	(31)	(1)	(113)
Recurring operating income	**102**	**80**	**23**	**(15)**	**190**
Other income and expenses	(12)	(11)	1	3	(19)
Operating income	**90**	**69**	**24**	**(12)**	**171**
Equity in income of affiliates	-	1	-	-	1
Intangible assets and property, plant and equipment additions	**34**	**39**	**19**	**3**	**95**
Of which Recurring capital expenditure	34	38	19	3	94

INFORMATION BY BUSINESS SEGMENT

(non audited)

End of September 2017

(In millions of euros)	**High Performance Materials**	**Industrial Specialties**	**Coating Solutions**	**Corporate**	**Total**
Non-Group sales	2,921	1,939	1,487	22	**6,369**
Inter segment sales	5	107	55	-	
Total sales	**2,926**	**2,046**	**1,542**	**22**	
EBITDA	**501**	**465**	**200**	**(58)**	**1,108**
Depreciation and amortization	(116)	(132)	(81)	(2)	(331)
Recurring operating income	**385**	**333**	**119**	**(60)**	**777**
Other income and expenses	(48)	(2)	(1)	(3)	(54)
Operating income	**337**	**331**	**118**	**(63)**	**723**
Equity in income of affiliates	1	(1)	-	-	0
Intangible assets and property, plant and equipment additions	**112**	**86**	**45**	**9**	**252**
Of which Recurring capital expenditure	94	82	45	9	230

End of September 2016

(In millions of euros)	**High Performance Materials**	**Industrial Specialties**	**Coating Solutions**	**Corporate**	**Total**
Non-Group sales	2,583	1,748	1,331	21	**5,683**
Inter segment sales	12	84	42	-	
Total sales	**2,595**	**1,832**	**1,373**	**21**	
EBITDA	**454**	**386**	**167**	**(61)**	**946**
Depreciation and amortization	(115)	(129)	(90)	(2)	(336)
Recurring operating income	**339**	**257**	**77**	**(63)**	**610**
Other income and expenses	(33)	(13)	2	24	(20)
Operating income	**306**	**244**	**79**	**(39)**	**590**
Equity in income of affiliates	1	6	-	-	7
Intangible assets and property, plant and equipment additions	**100**	**111**	**44**	**8**	**263**
Of which Recurring capital expenditure	100	90	44	8	242

AJUSTED NET INCOME

Net income Group share may be reconciled to adjusted net income as follows:

(In millions of euros)	3rd quarter 2017 (non audited)	End of September 2017 (non audited)	3rd quarter 2016 (non audited)	End of September 2016 (non audited)
ADJUSTED NET INCOME	**158**	**477**	**110**	**350**
Other income and expenses	(24)	(54)	(19)	(20)
Taxes on other income and expenses	8	16	5	11
NET INCOME - GROUP SHARE	**142**	**439**	**96**	**341**

NET DEBT

(In millions of euros)	September, 30th 2017 *(non audited)*	December, 31st 2016 *(audited)*
Non-current debt	2,263	1,377
Current debt	747	728
Cash and cash equivalents	1,816	623
NET DEBT	**1,194**	**1,482**

FREE CASH FLOW

(In millions of euros)	3rd quarter 2017 *(non audited)*	End of September 2017 *(non audited)*	3rd quarter 2016 *(non audited)*	End of September 2016 *(non audited)*
Cash flow from operating activities	343	658	316	575
Cash flow from investing activities	(71)	(274)	(115)	(337)
NET CASH FLOW	272	384	201	238
Of which:				
Net cash flow from portfolio management	(2)	(4)	(44)	(49)
FREE CASH FLOW	**274**	**388**	**245**	**287**