ARKEMA
INNOVATIVE CHEMISTRY

Investor and analyst factsheet

	2Q'13 in €m	2Q'12 in €m	2Q'13/ 2Q'12	1H'13 in €m	1H'12 in €m	1H'13/ 1H'12
Sales	***1,629***	***1,719***	**-5.2%**	***3,192***	***3,342***	**-4.5%**
High Performance Materials	*477*	*572*	-16.6%	*925*	*1,106*	-16.4%
Industrial Specialties	*540*	*566*	-4.6%	*1,079*	*1,098*	-1.7%
Coating Solutions	*602*	*575*	4.7%	*1,164*	*1,126*	3.4%
Corporate	*10*	*6*				
EBITDA	***273***	***306***	**-10.8%**	***507***	***559***	-9.3%
High Performance Materials	*93*	*109*	-14.7%	*163*	*211*	-22.7%
Industrial Specialties	*114*	*125*	-8.8%	*218*	*222*	-1.8%
Coating Solutions	*84*	*83*	1.2 %	*161*	*156*	3.2%
Corporate	*(18)*	*(11)*				
EBITDA margin	***16.8%***	***17.8%***		***15.9%***	***16.7%***	
High Performance Materials	*19.5%*	*19.1%*		*17.6%*	*19.1%*	
Industrial Specialties	*21.1%*	*22.1%*		*20.2%*	*20.2%*	
Coating Solutions	*14.0%*	*14.4%*		*13.8%*	*13.9%*	
Depreciation and amortization	***(78)***	***(77)***		***(154)***	***(150)***	
Recurring EBIT	***195***	***229***	**-14.8%**	***353***	***409***	-13.7%
High Performance Materials	*68*	*82*	-17.1%	*112*	*158*	-29.1%
Industrial Specialties	*85*	*96*	-11.5%	*161*	*166*	-3.0%
Coating Solutions	*61*	*63*	-3.2%	*116*	*116*	0%
Corporate	*(19)*	*(12)*				
NR items	***(13)***	***(25)***		***(140)***	***(25)***	
Equity in income of affiliates	*1*	*3*		*3*	*6*	
Financial results	*(13)*	*(14)*		*(27)*	*(25)*	
Income taxes	*(57)*	*(63)*		*(106)*	*(112)*	
Net income – Group share	***112***	***(12)***		***82***	***88***	**-6.8%**
Adjusted net income[1]	***124***	***151***	**-17.9%**	***221***	***274***	**-19.3%**
Adjusted EPS (diluted)[1]	*1.96*	*2.40*	-18.3%	*3.49*	*4.37*	-20.1%
Capital expenditures	***99***	***109***	**-9.2%**	***174***	***180***	**-3.3%**
High Performance Materials	*18*	*33*		*31*	*49*	
Industrial Specialties	*49*	*40*		*85*	*63*	
Coating Solutions	*25*	*32*		*45*	*60*	
Corporate	*7*	*4*		*13*	*8*	
Free cash flow[2]				***(16)***	***(23)***	
Working capital (vs. 12/31/12)				***1,127***	***971***	**16.1%**
WC as % of sales[3] *(vs. 12/31/12)*				***17.3%***	***15.2%***	
Net debt *(12/31/12)*				***1,150***	***900***	**27.8%**
Gearing[4] *(12/31/12)*				***49.6%***	***39.0%***	

[1] For 2Q'12 and 1H'12, adjusted net income of continuing operations (excluding impact of the vinyl activities divested beginning of July 2012)
[2] Cash flow including non-recurring items and excluding impact from M&A
[3] At Dec. 31st, 2012: Working Capital divided by 2012 annual sales.
[4] Calculated as net financial debt divided by shareholders' equity

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SECOND QUARTER 2013 PERFORMANCE

Solid performance in a contrasted economic environment

-5.2% SALES AT €1,629M VERSUS €1,719 IN 2Q'12

- +3.5% volume
  - volume up YoY mainly in Coating Solutions
- -5.2% price / product mix
  - Lower raw materials
  - Different product mix in High Performance Materials
- -2.3% scope of business
  - Tin stabilizer divestment
- -1.2% FX rate – translation effect
  - Not including transaction effect of US$ and ¥

€273M EBITDA

- Solid level in-between high comparison base of 2Q'12 (€306m) and 1Q'13 (€234m)
- Strong EBITDA margin at 16.8%, among the highest in the industry
- Significant improvement vs 1Q'13 (+17%)

€112M NET INCOME GROUP SHARE

- 6.9% of sales

HIGH PERFORMANCE MATERIALS

- Sales at €477m versus €572m in 2Q'12
  - Divestment of tin stabilizers representing nearly half of the sales decrease
  - Negative price effect reflecting lower raw materials and different product mix than in 2012
  - Volumes slightly down YoY
- €93m EBITDA versus €109m in 2Q'12 and €70m in 1Q'13
  - Stronger seasonality traditionally in 2Q
  - Specialty Polyamides: excellent performance supported by innovation momentum in lightweight materials and stronger seasonality than expected
  - Fluoropolymers: gradually improving versus 1Q'13 but still impacted by weak demand in photovoltaic and delays in oil and gas projects
  - Filtration and Adsorption: different timing of oil and gas projects versus strong 2Q'12
  - Organic Peroxides: EBITDA margin benefiting from reshaped portfolio of businesses following tin stabilizer divestment

INDUSTRIAL SPECIALTIES

- Sales at €540m versus €566m in 2Q'12
  - Volumes up YoY (notably Thiochemicals)
  - Prices down YoY (mainly fluorogases)
- €114m EBITDA and 21% EBITDA margin
  - Continuing positive momentum in North America where the Group developed over years a strong industrial presence
  - Thiochemicals: solid results supported by refining and petrochemical markets in the US
  - Fluorogases: competitive pressure on some fluorogases in China an Europe and impact from unfavorable weather conditions
  - PMMA: mixed performance by region reflecting different momentum by region in the automotive and construction markets
  - H_2O_2: stable performance

COATING SOLUTIONS

- +4.7% sales at €602m
  - Strong volume growth in North America supported by gradually improving housing market and start-up of capacity expansion in Clear Lake (TX)
- €84m EBITDA and 14.0% EBITDA margin
  - Acrylic monomers: volumes up YoY but lower unit margins versus high level of 2Q'12 which were supported by sharply decreasing propylene prices
  - Coating resins: contrasted market conditions with positive developments in North America and weaknesses in Europe amplified by bad weather conditions
  - Sartomer and Coatex: resilient performance supported by new product developments

CASH FLOW AND NET DEBT AT END OF JUNE 2013

- +€44m free cash flow[5] in 2Q'13 versus €(28)m in 2Q'12
- €(16)m free cash flow in 1H'13 versus €(23)m in 1H'12
- Strict control of working capital
  - €1,127m working capital end of June 2013
  - Usual seasonality of working capital
- €174m capex in 1H'13
  - Supporting growth ambition
  - In line with expected capex for 2013e of €500m
- Net debt at €1,150m (€900m end of December 2012)
  - 49.6% gearing end of June 2013 (48.7% end of June 2012)
  - Net debt end of June 2013 includes:
    - Payment of dividend of €1.80 per share representing a total of €113m
    - €75m cash outflow related to Kem One in 2Q'13 (fully taken into account in the P&L end of the 1Q'13)
- Gearing target at year-end confirmed at ~40%

OUTLOOK

- Market conditions expected to be in the continuity of the 1st half of the year with marked contrast by regions and a limited visibility
  - Solid market conditions in North America
  - Challenging but stable economic environment in Europe
  - Slower growth than expected in China
  - High Performance Materials should continue to be impacted in 3Q'13 by weak demand in photovoltaic and delays in some oil and gas projects. These markets should improve by year end.
- 2H'13 assumptions
  - High basis of comparison in 3Q'12
  - Easier comparison base in 4Q'12 with similar YoY market conditions expected in Europe and some improvements in specific end-markets of High Performance Materials
- In this less favorable economic environment than 2012, Arkema confirms its confidence in achieving another strong year and should achieve in 2H'13 an EBITDA similar to the record of 2H'12
- The Group will continue to carefully monitor macro-economic developments and will implement the necessary adjustment initiatives it if was to be necessary
- Arkema confirms its ambition for 2016 to achieve € 8 billion sales and 16% EBITDA margin while maintaining its gearing below 40%

[5] Free Cash Flow : cash flow including non-recurring items and excluding impact from M&A and before the impact of cash outs related to Kem One insolvency.

HIGHLIGHTS SINCE APRIL 1ST, 2013

- Successful start-up of acrylic capacity expansion in Clear Lake (TX)
  - +60kT acrylic acid
    - 30 kT for merchant market
    - 30 kT for Methyl Acrylate production
- +15% debottlenecking of bis-peroxide capacity in Spinetta (Italy) and Franklin (Virginia) factories
- Two acquisitions in line with High Performance Materials strategy
  - Securing access to strategic raw materials: project to acquire a stake of 25% in Ihsedu Agrochem, a subsidiary of Jayant Agro, specialized in castor oil production
  - Speeding up development through innovation: acquisition of a majority stake in AEC polymers, a French manufacturer of structural methacrylate adhesives
- 6% stake in Arkema's share capital taken by Fonds Stratégique de Participation
  - Mutual fund created by four major French insurance companies (BNP Paribas Cardif, CNP Assurances, Crédit Agricole Assurances – Predica - and Sogecap - Groupe Société Générale)
  - Positive decision showing FSP confidence in Arkema's long term strategy