

Investor and analyst factsheet

In accordance with IFRS 5 rule and terms, income statement items and balance sheet items (for balance sheet only for 2011) of the Vinyl business divested beginning of July 2012 have been presented on a separate line in the income statement and balance sheet. However, cash flow statement includes flows related to this Vinyl business.

	3Q'12 <i>in €m</i>	3Q'11 <i>in €m</i>	3Q'12/ 3Q'11	9m'12 <i>in €m</i>	9m'11 <i>in €m</i>	9m'12/ 9m'11
Sales	1,606	1,587	1.2%	4,948	4,500	10.0%
<i>Industrial Chemicals</i>	1,053	1,063	-0.9%	3,277	2,990	9.6%
<i>Performance Products</i>	548	519	5.6%	1,654	1,495	10.6%
<i>Corporate</i>	5	5		17	15	
EBITDA	266	266	=	825	876	-5.8%
<i>Industrial Chemicals</i>	176	175	0.6%	554	628	-11.8%
<i>Performance Products</i>	107	102	4.9%	318	275	15.6%
<i>Corporate</i>	(17)	(11)		(47)	(27)	
EBITDA margin	16.6%	16.8%		16.7%	19.5%	
<i>Industrial Chemicals</i>	16.7%	16.5%		16.9%	21.0%	
<i>Performance Products</i>	19.5%	19.7%		19.2%	18.4%	
Depreciation and amortization	(77)	(68)		(227)	(190)	
Recurring EBIT	189	198	-4.5%	598	686	-12.8%
<i>Industrial Chemicals</i>	127	132	-3.8%	409	510	-19.8%
<i>Performance Products</i>	80	78	2.6%	238	205	16.1%
<i>Corporate</i>	(18)	(12)		(49)	(29)	
NR items	-	(25)		(25)	(34)	
<i>Equity in income of affiliates</i>	2	5		8	15	
<i>Financial results</i>	(14)	(14)		(39)	(26)	
<i>Income taxes</i>	(54)	(36)		(166)	(145)	
<i>Net income of continuing operations</i>	123	128	-3.9%	376	496	-24.2%
<i>Net income of discontinued operations</i>	(7)	(18)		(171)	(48)	
Net income – Group share	116	109	6.4%	204	444	-54.1%
Adjusted net income	119	130	-8.5%	327	474	-31.0%
<i>Adjusted EPS (diluted)</i>	1.88	2.09	-10.0%	5.20	7.61	-31.7%
Capital expenditures (recurring)	76	80	-5.0%	224	180	24.4%
<i>Industrial Chemicals</i>	50	54		142	103	
<i>Performance Products</i>	18	21		67	64	
<i>Corporate</i>	8	5		15	13	
Free cash flow¹ of continuing operations				124	209	
<i>Working capital of continuing operations (vs. 12/31/11)</i>				1,139	960	18.6%
WC as % of sales² (vs. 12/31/11)				17.7%	15.0%	
Net debt (12/31/11)				1,002	603	
Gearing³ (12/31/11)				42.8%	27.2%	

¹ Cash flow including non-recurring items and excluding impact from M&A

² At September 30th calculated as working capital end of period divided by 4 times quarterly sales

At Dec. 31st, 2011: WC of continuing operations divided by (2011 annual sales of continuing operations + estimate of Total resins in 1H'11 + estimate of 2011 Seppic alkoxyates sales).

³ Calculated as net financial debt divided by shareholders' equity

THIRD QUARTER 2012 PERFORMANCE

A STRONG PERFORMANCE REFLECTING ARKEMA'S ROBUSTNESS

+1% SALES AT €1,606M VERSUS €1,587M IN 3Q'11

- +2.8% scope of business: Hipro/Casda and alkoxyates
- -2.4% volumes: slowdown in certain end markets in September
- -4.5% price effect: decrease, as expected, in acrylic acid and HFC-125 in China
- +5.3% translation effect (*FX rate*)

€266M EBITDA AND 16.6% EBITDA MARGIN

- Same level as 3Q'11 in a less favorable economic environment
- 19.5% in Performance Products with record EBITDA in a third quarter (€107m)
- 16.7% in Industrial Chemicals

€116M NET INCOME, GROUP SHARE

- +6% vs 3Q'11
- 7.2% of sales

PERFORMANCE PRODUCTS (HIGH PERFORMANCE MATERIALS)

- +6% sales at €548m
 - Benefits from acquisitions (bio-based polyamide 10 in China and alkoxyates)
 - Slowdown in demand in September in automotive in Europe and in photovoltaic
- EBITDA at record level for a 3rd quarter
 - 19.5% EBITDA margin
 - Reflects strong positions on high-value niches
- Further improvement of portfolio
 - Startup of 50% capacity expansion of PVDF Kynar® in China
 - Divestment of tin stabilizers business (within Functional Additives BU) closed early October

INDUSTRIAL CHEMICALS (INDUSTRIAL SPECIALTIES & COATING SOLUTIONS)

- Stable volumes despite weak automotive in Europe and low demand in deco paints
- Decrease, as expected, of acrylic acid and fluorogases prices vs 3Q'11 high level
- Excellent contribution from Industrial Specialties: €98m EBITDA, 20% EBITDA margin
 - Solid performance of all businesses in North America (PMMA for automotive, fluorogases for air-conditioning, thiochemicals for animal nutrition, hydrogen peroxide)
 - Strong decrease as expected of HFC-125 margins in China
- Good performance of Coating Solutions: €78m EBITDA, 14% EBITDA margin
 - In line with our assumptions, acrylic acid margins at mid cycle
 - Low demand in decorative paints especially in Europe in Coating Resins
 - Good results of industrial coatings (Coatex, Sartomer)

CASH FLOW AND NET DEBT AT END OF SEPTEMBER 2012

- +€ 144m free cash flow⁴ in 3Q'12 includes:
 - € 76m recurring capex
 - € 81m cash inflow from working capital
- € 59m cash outflow from M&A
 - Payment to Hipro-Casda minority shareholders
 - €35m cash out of part of the expenses related to Vinyls divestment booked end of June in P&L

⁴ Free Cash Flow : cash flow including non-recurring items and excluding impact from M&A

- +€ 85m net cash flow in 3Q'12
- € 1,002m net debt (versus € 1,093m end of June 2012)
 - 43% gearing versus 49% gearing end of June 2012
- Full year end targets
 - Working capital on sales: 16%
 - Total capex: € 400m including € 350m recurring capex
 - Gearing: 40%

OUTLOOK

- Contrasted macro-economic conditions
 - Soft demand observed in certain end markets should continue until year end
 - Challenges remain in several European countries
 - Volatility of raw material costs
 - Customers should cautiously manage their inventories at year-end
- Traditional year-end seasonality expected in 4th quarter
 - Low season for both Coating and Fluorogases
 - Specificity of December month
- Continued focus on internal momentum to reinforce positions in niche markets and faster growing product lines and regions
- Strict control of fixed costs, working capital and capex
- Arkema remains confident in its ability to deliver a very solid year and confirms its target to achieve in 2012 an EBITDA close to 1 billion euros

HIGHLIGHTS SINCE JULY 1ST, 2012

- Major achievements in portfolio transformation
 - Divestment of Vinyl business finalized early July (€1bn sales)
 - Divestment of tin stabilizers business finalized early October (€180m sales)
 - Acquisition by Coatex of an acrylic additives and emulsion production site in Brazil (finalized early October)
- Successful start-up in July of PVDF Kynar® 50% capacity expansion in Changshu (China)
- Beginning of construction of thiochemicals and bio-methionine complex in Malaysia
- Successful €250m bond issue
 - Additional tranche to original bond due April 30th, 2020
 - Annual yield slightly below 3%