Colombes, 1st August 2014

Arkema: quarterly information – 2nd quarter 2014 results

- **€1,520 million sales, 3.3% down on 2Q'13 at constant business scope and exchange rate**
- **€206 million EBITDA (2Q'13 at €273 million)**
    - Continuing challenging market conditions in fluorogases
    - Following a good 1st quarter, temporary unfavourable factors in polyamides and lower volumes than expected in acrylics
    - Solid performance in the other product lines
- **Good resilience of EBITDA margin at 13.6% in this temporary more challenging environment**
- **Further cost optimization plan of €50 million over next three years**
- **€1,106 million net debt, slightly down on end of June 2013**

The Board of Directors of Arkema met on 31st July 2014 to close the condensed consolidated accounts of Arkema for 1st half 2014. At the end of the meeting, Thierry Le Hénaff, Chairman and CEO of Arkema, stated:

"The performance of 2nd quarter is below our expectations due to lower volumes than expected in acrylics as well as a number of specific elements in polyamides. It reflects neither the quality of Arkema's business portfolio nor the projects currently underway, and masks the solid performance of the other product lines.

We remain fully convinced of the relevance of the Group's long term strategy and of our ability to benefit over the next three years of our various ongoing projects. After a sharp growth in Arkema's results in the six years following our stock market listing, 2013 and 2014 represent a transition phase marked by the launch of many growth projects and by more challenging market conditions notably in fluorogases. 2015 should already benefit from a significant pick-up in growth with the larger contribution of both organic projects and acquisitions, the first benefits of well-identified elements in fluorogases and Arkema's positive prospects in the oil and gas market.

Following a thorough review of each business unit, we confirm our mid-term targets (€8bn sales and 16% EBITDA margin). However, their achievement, initially planned for 2016, is now set for 2017 to take into account a more progressive return to normalized conditions."

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KEY FIGURES 2ND QUARTER 2014

(In millions of euros)	2Q 2013	2Q 2014	Variation
Sales	**1,629**	**1,520**	**-6.7%**
EBITDA	**273**	**206**	**-24.5%**
EBITDA margin	**16.8%**	**13.6%**	
High Performance Materials	*19.5%*	*14.9%*	
Industrial Specialties	*21.1%*	*15.7%*	
Coating Solutions	*14.0%*	*12.8%*	
Recurring operating income	195	126	-35.4%
Non-recurring items	(13)	(22)	n.a.
Adjusted net income	**124**	**68**	**-45.2%**
Net income – Group share	112	47	-58.0%
Adjusted net income per share (in euro)	1.98	1.07	-46.0%

2ND QUARTER 2014 PERFORMANCE

Sales stood at **€1,520 million** against €1,629 million in 2nd quarter 2013. Volumes are up 1.1% (2.5% excluding the impact of the shutdown of Chauny in France effective 1st quarter), mostly supported by Industrial Specialties. The -4.4% price effect essentially concerns fluorogases and, to a lesser extent, High Performance Materials (mainly polyamides). The currency effect (translation only), primarily related to the weakening of the US dollar versus the euro, stood at -2.5%, while the -0.9% business scope effect reflects the deconsolidation of the coating resins companies in South Africa currently being divested as well as the change in the consolidation method used for certain joint ventures.

EBITDA amounted to **€206 million** against €273 million in 2nd quarter 2013. This decrease reflects continuing challenging market conditions in fluorogases, specific temporary unfavourable factors in polyamide 12, and volumes below expectations in Coating Solutions. The other product lines reported a solid performance. Finally, the strength of the euro versus the US dollar continued to impact the Group's performance with a -€6 million translation effect in 2nd quarter 2014.

EBITDA margin held up well at **13.6%** despite market conditions in fluorogases and acrylics.

In line with the EBITDA trend, **recurring operating income** stood at **€126 million** against €195 million in 2nd quarter 2013, after deduction of €80 million depreciation and amortization, slightly up on last year.

Non-recurring items stood at **-€22 million.** They mostly correspond to various restructuring charges, including those related to the shutdown of production of coating resins on the Stallingborough site (United Kingdom) announced in 2nd quarter and to various expenses related to acquisition and divestment operations.

Financial result stood at **-€16 million** against -€13 million in 2nd quarter 2013. It includes a €3 million charge relating to actuarial losses on provisions for long-service awards due to employees in France booked to take into account lower discount rates.

Income taxes amounted to **€41 million**, i.e. 32.5% of recurring operating income. They included a €4 million contribution due on the dividend paid out in May 2014. Excluding this contribution, the tax rate would stand at 29.4% of recurring operating income, reflecting the share of the Group's results achieved in the United States.

Net income Group share stood at **€47 million** against a €112 million in 2nd quarter 2013.

SEGMENT PERFORMANCE IN 2ND QUARTER 2014

HIGH PERFORMANCE MATERIALS

Following a good start of the year, the performance in **High Performance Materials** is down compared to last year due to temporarily unfavourable factors in polyamide 12.

Sales reached **€451 million**, 3.2% down on the previous year at constant scope of business and exchange rate. Volumes improved slightly (+0.9%) compared to 2nd quarter 2013 which had benefited from a stronger-than-expected seasonality in polyamides. Fluoropolymers and Organic Peroxides notably continued to benefit from good growth momentum. The -4.1% price effect reflects higher competitive pressure in polyamide 12 as well as a globally less favourable product mix. The -2.3% translation effect primarily corresponds to the strengthening of the euro versus the US dollar.

EBITDA stood at **€67 million** against €93 million in 2nd quarter 2013. This decrease reflects the impact of the large maintenance turnaround in Mont, France (-€7 million EBITDA), competitive pressure in polyamide 12, and a higher negative transactional effect than in the Group's other segments. 2nd quarter 2013 also benefited from more favourable market conditions due to the consequences of an incident at a competitor's site. **EBITDA margin** remained close to **15%** thanks to the ongoing very solid performance of fluoropolymers, Filtration and Adsorption, and Organic Peroxides. Compared to 1st quarter 2014, lower results reflect the impact of the Mont maintenance turnaround and a different pattern of seasonality in the oil and gas activity of the Filtration and Adsorption BU at the beginning of the year.

INDUSTRIAL SPECIALTIES

As expected, the performance of the **Industrial Specialties** segment reflects the ongoing challenging market conditions in fluorogases. Nevertheless, these conditions remained stable compared to 1st quarter 2014.

Sales reached **€509 million**, 2.7% down on 2nd quarter 2013 at constant scope of business and exchange rate. Volumes grew (+5.5%), in particular in fluorogases, where weather conditions were more favourable than in the previous year, but only partly offset the -8.2% price effect due essentially to lower prices and to an unfavourable product mix in this activity. The translation effect accounted for -2.3%, while the -0.7% business scope effect corresponds to a change in the consolidation method used for certain joint ventures.

With **€80 million EBITDA** and a **15.7% EBITDA margin**, the segment's performance improved over 1st quarter (€72 million EBITDA and 14.5% EBITDA margin) thanks to a more favourable seasonality and despite the impact of the maintenance turnaround in Thiochemicals in Beaumont (United States) estimated at -€5 million. However, it remains significantly below that of 2nd quarter 2013 (€114 million EBITDA), which represented a high basis of comparison in fluorogases. Thiochemicals and PMMA continued to report a robust performance overall over the quarter.

COATING SOLUTIONS

In the **Coating Solutions** segment, volumes were below expectations and, unlike 1st quarter and the Group's assumption for full year, were unable to fully offset the anticipated lower unit margins in acrylic monomers.

Sales stood at **€555 million** against €602 million in 2nd quarter 2013, 3.2% down at constant scope of business and exchange rate. Excluding the impact of the shutdown of the Chauny site in France, effective in 1st quarter 2014, volumes were up 1.9% (against 4.6% in 1st quarter 2014). Demand in construction and decorative paints was lower than expected in the United States, where no catch-up occurred after a harsh winter, and improved very gradually in Europe. In this context, the contribution of organic growth projects remained limited in 2nd quarter, but should improve in 2nd half of the year in particular with the start-up of the methyl acrylate plant end of June. Prices were slightly below those of 2nd quarter 2013 (-1.2%). The translation effect stood at -2.7%, while the -1.9% business scope effect was due to the coating resins companies being divested in South Africa exiting the scope of consolidation.

EBITDA stood at **€71 million** (€84 million in 2nd quarter 2013). Volumes together with productivity efforts partly offset the impact of unfavourable foreign exchange rates and unit margins below those of 2nd quarter 2013 in acrylic monomers (acid and esters). In this activity, which represents 14% of the Group's total sales, unit margins currently stand between the middle and the lower end of the cycle. This situation, which should continue until the end of the year, is consistent with the assumption adopted by the Group for the full year.

EBITDA margin at **12.8%** confirms the resistance of the segment in less favourable market conditions.

KEY FIGURES 1ST HALF 2014

(In millions of euros)	H1 2013	H1 2014	Variation
Sales	**3,192**	**3,043**	**-4.7%**
EBITDA	**507**	**419**	**-17.4%**
EBITDA margin	**15.9%**	**13.8%**	
High Performance Materials	*17.6%*	*16.2%*	
Industrial Specialties	*20.2%*	*15.1%*	
Coating Solutions	*13.8%*	*13.1%*	
Recurring operating income	353	261	-26.1%
Non-recurring items	(140)	(32)	
Adjusted net income	**221**	**156**	**-29.4%**
Net income – Group share	82	124	+51.2%
Adjusted net income per share (in euro)	3.53	2.47	-30.0%

CASH FLOW AND NET DEBT AT 30TH JUNE 2014

In 2nd quarter 2014, Arkema generated **-€17 million free cash flow**[1] against +€44 million in 2nd quarter 2013. This flow included a -€26 million variation in working capital, -€17 million non-recurring items mostly corresponding to restructuring charges, and €113 million capital expenditures. The working capital to sales ratio stood at 17.3%[2], stable compared to end of June 2013. Capital expenditures include €33 million non-recurring capital expenditures mainly relating to the construction of the thiochemicals platform in Malaysia. Capital expenditures should amount to around €450 million for full year 2014.

In 1st half 2014, free cash flow stood at -€100 million against -€16 million in 1st half 2013.

Net debt stood at €1,106 million at 30th June 2014 against €923 million at 31st December 2013. It includes the payment in May of a €1.85 dividend per share, totalling €117 million, as well as the share capital increase reserved for employees totalling €32 million. Net debt was slightly below that of end of June 2013 (€1,150 million at 30 June 2013) despite the evolution in EBITDA and the higher capital expenditures. Gearing stood at 46.6%, down on last year (49.6%).

HIGHLIGHTS SINCE 1ST APRIL 2014

In line with its medium term target to generate a 15% EBITDA margin in the Coating Solutions segment, Arkema has continued to optimise its Coating Resins business with the announcement of a project to

[1] Cash flow from operations and investments excluding the impact of portfolio management (for 2013, excluding flows related to Kem One).
[2] Working capital at 30 June divided by 4 times the 2nd quarter sales

discontinue production of coating resins on its Stallingborough site (UK), which will result in the loss of 58 jobs. The production plants were shut down in July 2014.

Arkema announced the creation of a joint venture between CECA, its Filtration and Adsorption subsidiary, and Saudi company Watan Industrial Investment. The joint venture will operate an oilfield production chemicals blending plant and storage facility in Saudi Arabia which will enable CECA to meet the high demand for oilfield production chemicals in the Gulf region, and will consolidate the Group's presence in fast-growing countries. The new site is due to come on stream in 2nd half 2014.

In April 2014, Arkema successfully conducted its fourth share capital increase operation reserved for employees. 491,502 shares were subscribed at a price of €64.19 per share, totalling €32 million. The share of Arkema's capital held by its employees now stands at some 4.7%.

End of July, Arkema announced the start-up of its new 45,000 tonne plant for the production of methyl acrylate, an acrylic acid derivative used in the manufacture of polymers for water treatment, elastomers and engineering polymers. This investment, on its Clear Lake site in Texas, represents the last phase of a US$110 million investment plan intended to strengthen the Group's position in the US acrylics market.

OUTLOOK

The economic environment in 2nd half should remain in continuity with 2nd quarter 2014, in particular in fluorogases and acrylics. In these conditions, including the expected contribution from structural growth projects, 2014 EBITDA should be close to €800 million.

Beyond this, the Group maintains its targeted growth strategy and should benefit from 2015 onwards from major organic growth projects like the Thiochemicals platform in Malaysia, the contribution of acrylic assets currently being acquired in China and improvements in the oil and gas market.

However, in order to take account of current performance, Arkema is strengthening the control of its fixed and variable costs, over and above its operational excellence programme, with a further optimisation target of some €50 million over the next three years, and will continue to work to reduce the cyclicality of its business profile.

Following a thorough review of each business unit, the Group confirms its mid-term targets (€8bn sales and 16% EBITDA margin). However, their achievement, initially planned for 2016, is now set for 2017 to take into account a more progressive return to normalized conditions. The Group confirms its 2020 targets.

The 2Q 2014 results are detailed in the presentation "Second quarter 2014 results" available on the website: www.finance.arkema.com.

FINANCIAL CALENDAR

14 November 2014   3Q 2014 results

*A global chemical company and France's leading chemicals producer, **Arkema** is building the future of the chemical industry every day. Deploying a responsible, innovation-based approach, we produce state-of-the-art specialty chemicals that provide customers with practical solutions to such challenges as climate change, access to drinking water, the future of energy, fossil fuel preservation and the need for lighter materials. With operations in more than 40 countries, some 14,000 employees and 10 research centers, Arkema generates annual revenue of €6.1 billion, and holds leadership positions in all its markets with a portfolio of internationally recognized brands.*

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Balance sheet, income statement, cash flow statement, statement of changes in shareholders' equity and information by business segment included in this press release are extracted from the consolidated financial statements at 30 June 2014 closed by the Board of Directors of Arkema SA on 31 July 2014.

Quarterly financial information is not audited.

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 of continuing operations other than financial result, equity in income of affiliates and income taxes;*
- ***Other income and expenses**: 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 operational performance. These items of income and expense notably include:*
    - *Impairment losses in respect of property, plant and equipment and intangible assets,*
    - *Gains or losses on sale of assets, acquisition expenses, badwills and stock valuation adjustments between the fair value on the acquisition date and the replacement value*
    - *Certain large restructuring and environmental expenses which would hamper the interpretation of recurring operating income (including substantial modifications to employee benefit plans and the effect of onerous contracts),*
    - *Certain expenses related to litigation and claims or major damages, whose nature is not directly related to ordinary operations;*
- ***Recurring operating income**: this is calculated as the difference between operating income and other income and expenses as previously defined;*
- ***Adjusted net income**: this corresponds to "Net income – Group share" adjusted for the "Group share" of the following items:*
    - *Other income and expenses, after taking account of the tax impact of these items,*
    - *Income and expenses from taxation of an exceptional nature, the amount of which is deemed significant,*
    - *Net income of discontinued operations;*
- ***EBITDA**: this corresponds to recurring operating income increased by depreciation and amortization;*
- ***Working capital**: this corresponds to the difference between inventories, accounts receivable, other receivables and prepaid expenses, income tax receivables and other current financial assets on the one hand and accounts payable, other creditors and accrued liabilities, income tax liabilities and other current financial liabilities on the other hand. These items are classified in current assets and liabilities in the consolidated balance sheet;*
- ***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;*
- ***Recurring investments:** these correspond to tangible and intangible investments which exclude a small number of investments of an exceptional nature that the Group presents separately in order to facilitate the analysis of cash generation in its financial communication. These investments characterized by their size or their nature are presented either as non-recurring investments or in acquisitions and divestments;*
- ***Net debt**: this is the difference between current and non-current debt and cash and cash equivalents.*

ARKEMA Financial Statements

Consolidated financial statements - At the end of June 2014

CONSOLIDATED INCOME STATEMENT

(In millions of euros)	2nd quarter 2014 (non audited)	End of June 2014 (audited)	2nd quarter 2013 (non audited)	End of June 2013 (audited)
Sales	**1 520**	**3 043**	**1 629**	**3 192**
Operating expenses	(1 250)	(2 495)	(1 293)	(2 549)
Research and development expenses	(39)	(77)	(37)	(76)
Selling and administrative expenses	(105)	(210)	(104)	(214)
Recurring operating income	**126**	**261**	**195**	**353**
Other income and expenses	(22)	(32)	(13)	(140)
Operating income	**104**	**229**	**182**	**213**
Equity in income of affiliates	-	-	1	3
Financial result	(16)	(29)	(13)	(27)
Income taxes	(41)	(75)	(57)	(106)
Net income	**47**	**125**	**113**	**83**
Of which non-controlling interests	-	1	1	1
Net income - Group share	**47**	**124**	**112**	**82**
Earnings per share (amount in euros)	*0,73*	*1,96*	*1,79*	*1,31*
Diluted earnings per share (amount in euros)	*0,74*	*1,95*	*1,77*	*1,29*
Depreciation and amortization	(80)	(158)	(78)	(154)
EBITDA	**206**	**419**	**273**	**507**
Adjusted net income	**68**	**156**	**124**	**221**
Adjusted net income per share (amount in euros)	*1,07*	*2,47*	*1,98*	*3,53*
Diluted adjusted net income per share (amount in euros)	*1,06*	*2,45*	*1,96*	*3,49*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In millions of euros)	2nd quarter 2014 *(non audited)*	End of June 2014 *(audited)*	2nd quarter 2013 *(non audited)*	End of June 2013 *(audited)*
Net income	**47**	**125**	**113**	**83**
Hedging adjustments	4	(3)	1	(2)
Other items	-	-	-	-
Deffered taxes on hedging adjustments and other items	-	-	-	-
Change in translation adjustments	20	12	(37)	1
Other recyclable comprehensive income	**24**	**9**	**(36)**	**(1)**
Actuarial gains and losses	(41)	(41)	41	41
Deffered taxes on actuarial gains and losses	7	7	(16)	(16)
Other non-recyclable comprehensive income	**(34)**	**(34)**	**25**	**25**
Other comprehensive income	**(10)**	**(25)**	**(11)**	**24**
Total income and expenses recognized directly in equity	**(10)**	**(25)**	**(11)**	**24**
Comprehensive income	**37**	**100**	**102**	**107**
Of which: non-controlling interest	1	1	-	1
Comprehensive income - Group share	**36**	**99**	**102**	**106**

CONSOLIDATED BALANCE SHEET

(In millions of euros)	30 June 2014	31 December 2013
	(audited)	(audited)
ASSETS		
Intangible assets, net	978	973
Property, plant and equipment, net	1 982	1 943
Equity affiliates : investments and loans	18	17
Other investments	40	52
Deferred tax assets	67	66
Other non-current assets	199	177
TOTAL NON-CURRENT ASSETS	**3 284**	**3 228**
Inventories	921	896
Accounts receivable	936	824
Other receivables and prepaid expenses	147	125
Income taxes recoverable	23	24
Other current financial assets	1	2
Cash and cash equivalents	169	377
TOTAL CURRENT ASSETS	**2 197**	**2 248**
TOTAL ASSETS	**5 481**	**5 476**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	637	630
Paid-in surplus and retained earnings	1 682	1 687
Treasury shares	(1)	(12)
Translation adjustments	19	7
SHAREHOLDERS' EQUITY - GROUP SHARE	**2 337**	**2 312**
Non-controlling interests	35	37
TOTAL SHAREHOLDERS' EQUITY	**2 372**	**2 349**
Deferred tax liabilities	63	64
Provisions for pensions and other employee benefits	401	361
Other provisions and non-current liabilities	393	439
Non-current debt	1 202	1 207
TOTAL NON-CURRENT LIABILITIES	**2 059**	**2 071**
Accounts payable	673	687
Other creditors and accrued liabilities	267	256
Income taxes payable	33	19
Other current financial liabilities	4	1
Current debt	73	93
TOTAL CURRENT LIABILITIES	**1 050**	**1 056**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**5 481**	**5 476**

CONSOLIDATED CASH FLOW STATEMENT

(In millions of euros)	End of June 2014	End of June 2013
	(audited)	*(audited)*
Cash flow - operating activities		
Net income	125	83
Depreciation, amortization and impairment of assets	164	155
Provisions, valuation allowances and deferred taxes	(38)	(24)
(Gains)/losses on sales of assets	5	(4)
Undistributed affiliate equity earnings	5	6
Change in working capital	(92)	(156)
Other changes	5	4
Cash flow from operating activities	**174**	**64**
Cash flow - investing activities		
Intangible assets and property, plant, and equipment additions	(203)	(174)
Change in fixed asset payables	(52)	(25)
Acquisitions of operations, net of cash acquired	(1)	(10)
Increase in long-term loans	(30)	(16)
Total expenditures	**(286)**	**(225)**
Proceeds from sale of intangible assets and property, plant and equipment	4	5
Change in fixed asset receivables	-	-
Proceeds from sale of operations, net of cash sold	-	-
Proceeds from sale of unconsolidated investments	5	-
Repayment of long-term loans	6	14
Total divestitures	**15**	**19**
Cash flow from investing activities	**(271)**	**(206)**
Cash flow - financing activities		
Issuance (repayment) of shares and other equity	38	8
Purchase of treasury shares	-	-
Dividends paid to parent company shareholders	(117)	(113)
Dividends paid to minority shareholders	(3)	-
Increase/ decrease in long-term debt	(5)	(5)
Increase/ decrease in short-term borrowings and bank overdrafts	(20)	191
Cash flow from financing activities	**(107)**	**81**
Net increase/(decrease) in cash and cash equivalents	(204)	(62)
Effect of exchange rates and changes in scope	(4)	1
Cash and cash equivalents at beginning of period	377	360
Cash and cash equivalents at end of period	**169**	**299**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(audited)

(In millions of euros)	Shares issued					Treasury shares		Shareholders' equity - Group share	Non-controlling interests	Shareholders' equity
	Number	Amount	Paid-in surplus	Retained earnings	Translation adjustments	Number	Amount			
At January 1, 2014	**63 029 692**	**630**	**868**	**819**	**7**	**(226 974)**	**(12)**	**2 312**	**37**	**2 349**
Cash dividend	-	-	(55)	(62)	-	-	-	(117)	(3)	(120)
Issuance of share capital	667 170	7	31	-	-	-	-	38	-	38
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-
Cancellation of purchased treasury shares	-	-	-	-	-	-	-	-	-	-
Grants of treasury shares to employees	-	-	14	(25)	-	204 603	11	-	-	-
Sale of treasury shares	-	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	(14)	19	-	-	-	5	-	5
Other	-	-	-	-	-	-	-	-	-	-
Transactions with shareholders	**667 170**	**7**	**(24)**	**(68)**	**-**	**204 603**	**11**	**(74)**	**(3)**	**(77)**
Net income	-	-	-	124	-	-	-	124	1	125
Total income and expense recognized directly through equity	-	-	-	(37)	12	-	-	(25)	-	(25)
Comprehensive income	**-**	**-**	**-**	**87**	**12**	**-**	**-**	**99**	**1**	**100**
At June 30, 2014	**63 696 862**	**637**	**844**	**838**	**19**	**(22 371)**	**(1)**	**2 337**	**35**	**2 372**

INFORMATION BY BUSINESS SEGMENT

(non audited)

(In millions of euros)	2nd quarter 2014				
	High Performance Materials	**Industrial Specialties**	**Coating Solutions**	**Corporate**	**Total**
Non-Group sales	451	509	555	5	**1 520**
Inter segment sales	4	28	22	-	
Total sales	**455**	**537**	**577**	**5**	
EBITDA	**67**	**80**	**71**	**(12)**	**206**
Depreciation and amortization	(26)	(30)	(23)	(1)	(80)
Recurring operating income	**41**	**50**	**48**	**(13)**	**126**
Other income and expenses	(3)	(6)	(11)	(2)	(22)
Operating income	**38**	**44**	**37**	**(15)**	**104**
Equity in income of affiliates	-	-	-	-	-
Intangible assets and property, plant and equipment additions	**29**	**64**	**19**	**1**	**113**
Of which recurring capex	26	35	18	1	80

(In millions of euros)	2nd quarter 2013				
	High Performance Materials	**Industrial Specialties**	**Coating Solutions**	**Corporate**	**Total**
Non-Group sales	477	540	602	10	**1 629**
Inter segment sales	3	26	21	-	
Total sales	**480**	**566**	**623**	**10**	
EBITDA	**93**	**114**	**84**	**(18)**	**273**
Depreciation and amortization	(25)	(29)	(23)	(1)	(78)
Recurring operating income	**68**	**85**	**61**	**(19)**	**195**
Other income and expenses	(5)	-	(4)	(4)	(13)
Operating income	**63**	**85**	**57**	**(23)**	**182**
Equity in income of affiliates	-	-	-	1	1
Intangible assets and property, plant and equipment additions	**18**	**49**	**25**	**7**	**99**
Of which recurring capex	15	22	25	7	69

INFORMATION BY BUSINESS SEGMENT

(audited)

(In millions of euros)	End of June 2014				
	High Performance Materials	**Industrial Specialties**	**Coating Solutions**	**Corporate**	**Total**
Non-Group sales	925	1 005	1 102	11	**3 043**
Inter segment sales	7	58	40		
Total sales	**932**	**1 063**	**1 142**	**11**	
EBITDA	**150**	**152**	**144**	**(27)**	**419**
Depreciation and amortization	(52)	(59)	(46)	(1)	(158)
Recurring operating income	**98**	**93**	**98**	**(28)**	**261**
Other income and expenses	(4)	(7)	(14)	(7)	(32)
Operating income	**94**	**86**	**84**	**(35)**	**229**
Equity in income of affiliates	-	-	-	-	-
Intangible assets and property, plant and equipment additions	**43**	**124**	**34**	**2**	**203**
Of which recurring capex	40	52	31	2	125

(In millions of euros)	End of June 2013				
	High Performance Materials	**Industrial Specialties**	**Coating Solutions**	**Corporate**	**Total**
Non-Group sales	925	1 079	1 164	24	**3 192**
Inter segment sales	6	52	42	-	
Total sales	**931**	**1 131**	**1 206**	**24**	
EBITDA	**163**	**218**	**161**	**(35)**	**507**
Depreciation and amortization	(51)	(57)	(45)	(1)	(154)
Recurring operating income	**112**	**161**	**116**	**(36)**	**353**
Other income and expenses	(7)	-	(5)	(128)	(140)
Operating income	**105**	**161**	**111**	**(164)**	**213**
Equity in income of affiliates	-	-	-	3	3
Intangible assets and property, plant and equipment additions	**31**	**85**	**45**	**13**	**174**
Of which recurring capex	27	35	44	13	119