2nd Quarter 2011
Results

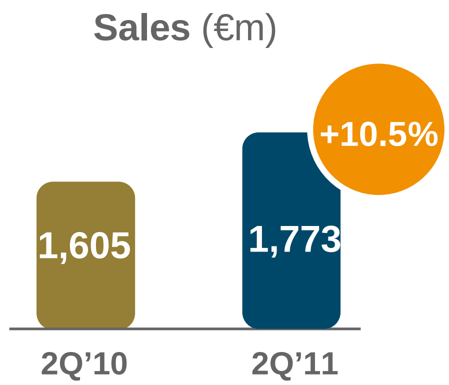
Thierry le Hénaff
Chairman and CEO

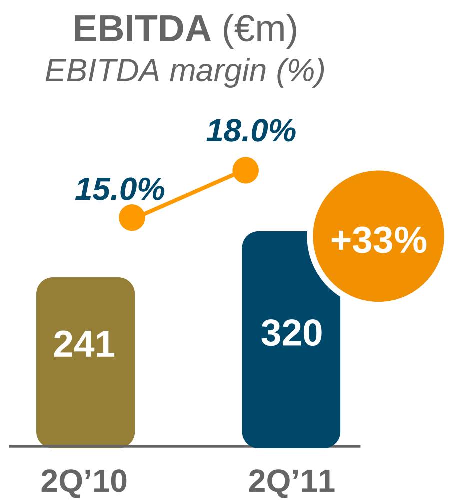
The world is our inspiration

2nd Quarter 2011 record performance

Best Quarter ever

- **+10.5% net sales**
  - Higher pricing across all segments
  - Strong focus on product mix
  - Negative currency impact (€/$)
- **+33% EBITDA at €320m**
  - Contribution from internal projects
  - Elevated industry utilization rate (except Vinyls)
  - 80% EBITDA improvement outside Acrylic Monomers and Vinyls
- **18% EBITDA margin**
  - Industrial Chemicals + Performance Products *(82% of Group sales)* at 22% EBITDA margin
  - Vinyls *(18% of Group sales)* break-even, still challenging
- **+55% net result (group share) at €184m**
  - First time above 10% of sales
  - 23% tax rate, significantly below guidance
- **Net debt maintained low**
  - Gearing at 11%





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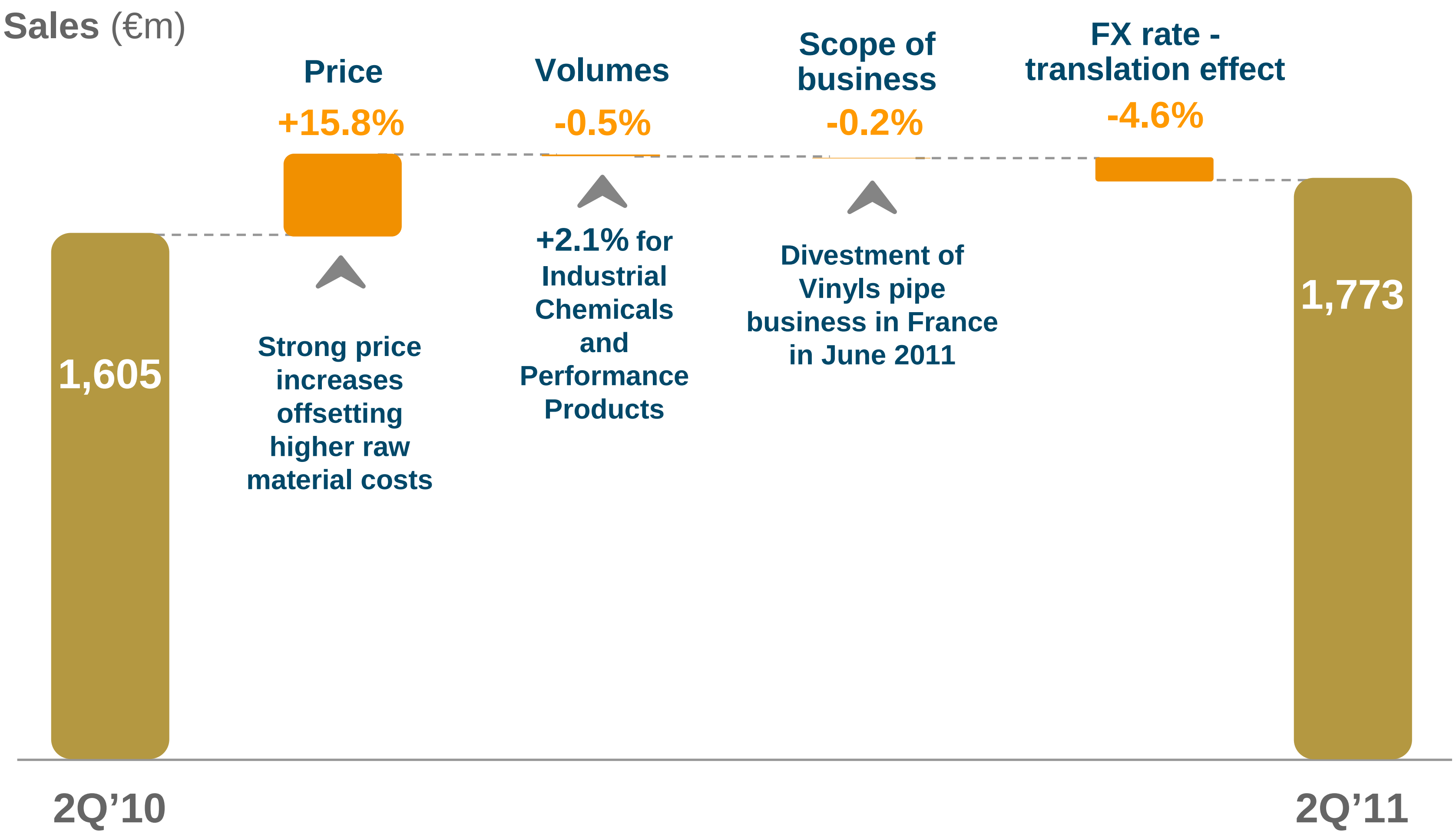
Key figures

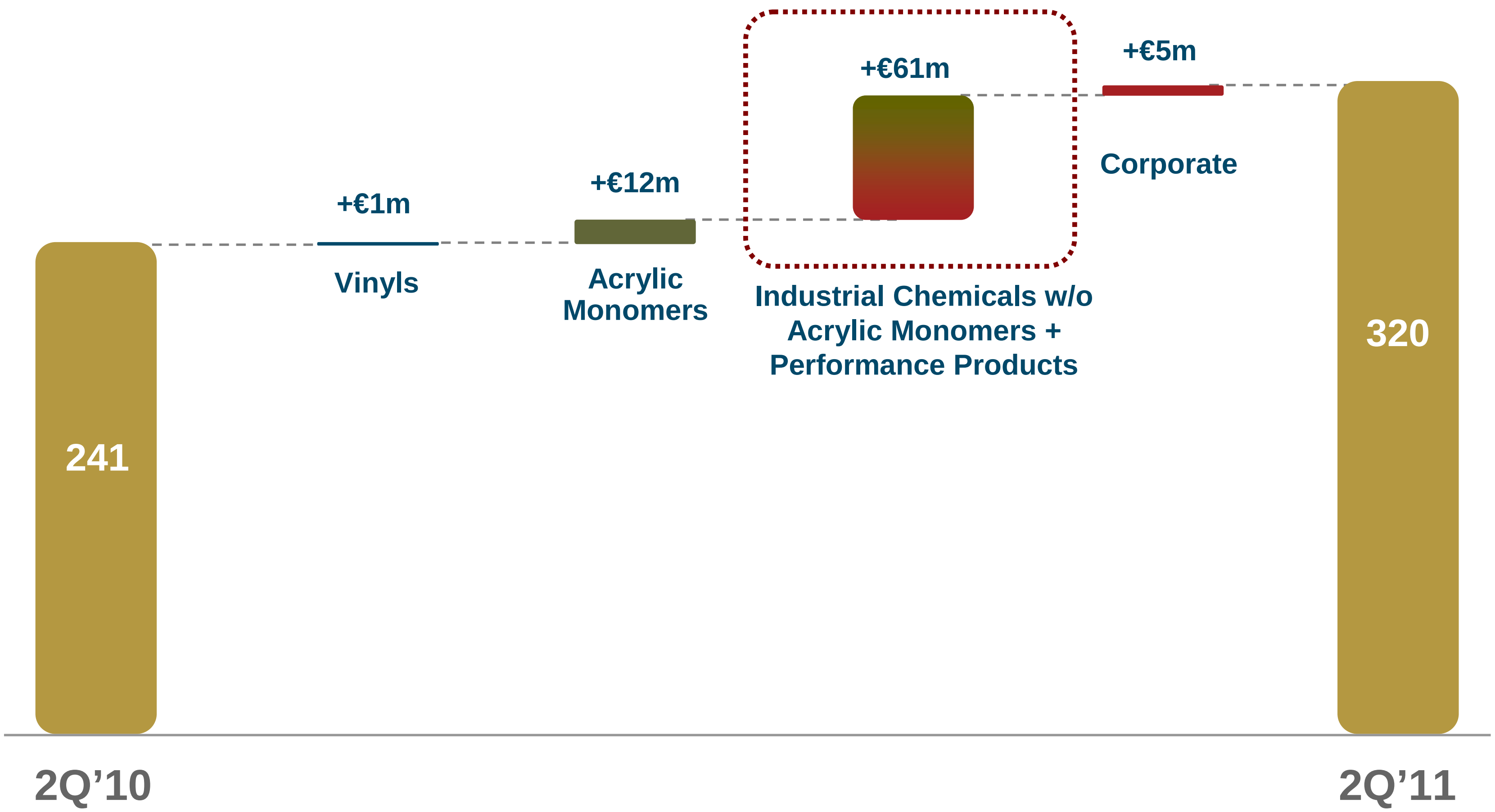
in €m (except EPS)	2Q'10	2Q'11	Variation
Sales	**1,605**	**1,773**	***+10.5%***
EBITDA	**241**	**320**	***+33%***
EBITDA margin	***15.0%***	***18.0%***	
Recurring operating income	**169**	**248**	***+47%***
Net income (group share)	**119**	**184**	***+55%***
Adjusted EPS (diluted)	**1.92**	**3.01**	***+57%***

Sales bridge



80% of 2Q'11 EBITDA growth outside Acrylic Monomers or Vinyls

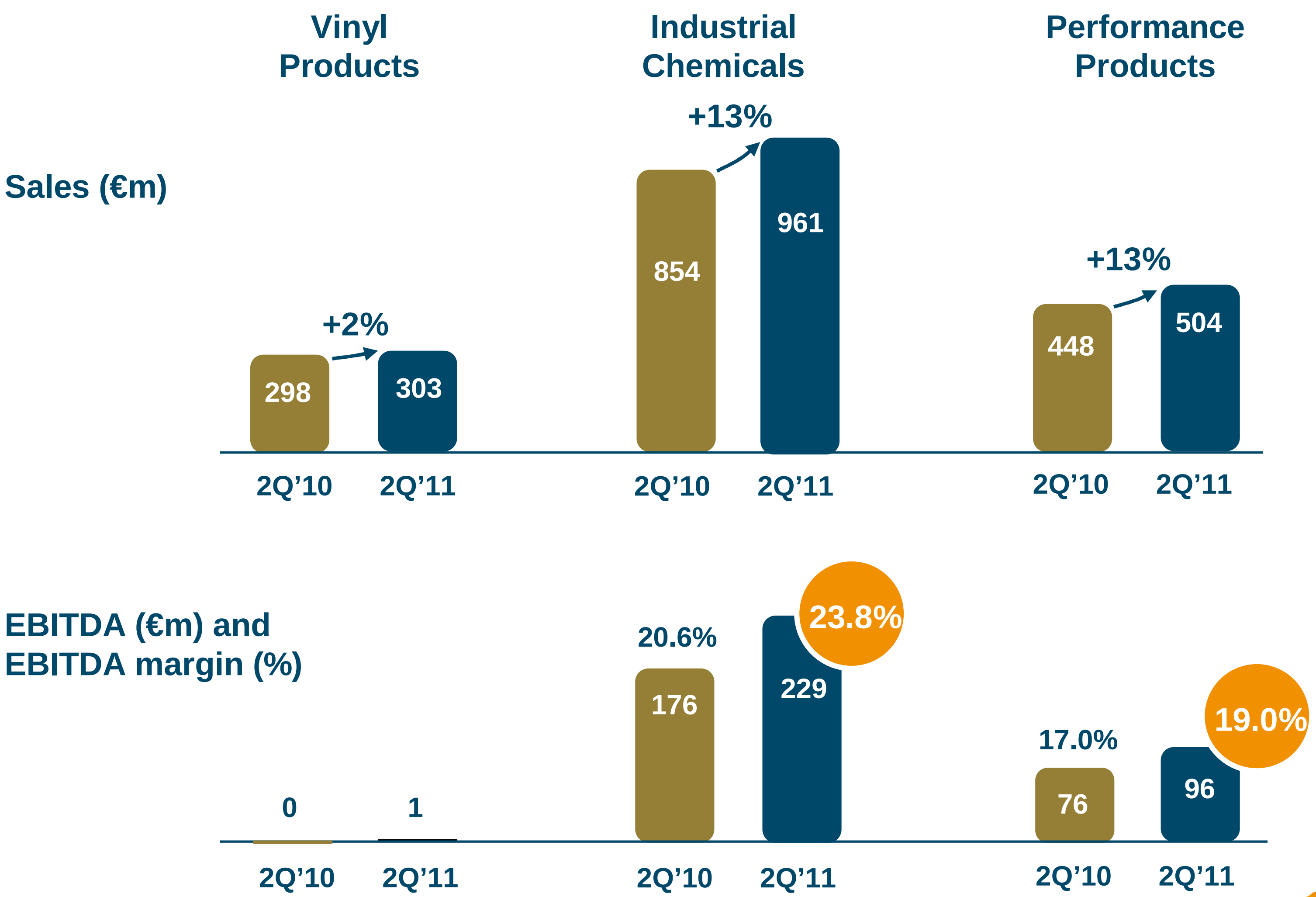
EBITDA (€m)



Key factors of 2Q'11 performance

- **Benefit from excellent positions on fast growing markets**
  - Photovoltaics, animal nutrition, electronics, oil & gas recovery, water treatment, etc
- **Significant contribution from internal achievements**
  - New production units started in China (Fluorochemicals)
  - Asia: 20% of Arkema sales
  - Pipeline of technical solutions for sustainable development
- **Favorable market conditions in most business lines**
  - Robust demand in traditional end-markets (refrigeration, automotive, oil & gas, etc)
  - Continued growth momentum in Asia
  - Tight industrial utilization rates
  - However, construction market still challenging in Europe and USA
- **Strong pricing in all business lines offsetting higher raw material costs**

Contribution by segment



Highlights of the Quarter

- Rapid ramp up of the fluoropolymer Kynar® production unit started in March in China giving Arkema a strong production base in Asia
- Participation in Canada Fluorspar Inc to secure long term competitive access to fluorspar, key raw material for Fluorochemicals
- Announcement of a major Thiochemicals project in Asia in partnership with CJ CheilJedang for the production of bio-methionine
- Closing of Total specialty resins acquisition on July 1st, making Arkema a global leader in the coating materials market
- Vinyls: divestment of pipe business in France (€45m), another milestone in the focus on higher value added PVC derivates

New Kynar® production unit in China

- **Started as scheduled in March 2011**
- **Providing industrial presence in Asia**
  - +50% capacity scheduled by mid-2012
- **Arkema sole PVDF producer with 3 world-scale production units in North America, Europe and Asia**
- **Strong growth supported by new applications in new energies**

- **Kynar® fluoropolymer production with fluorogas upstream integration**

VF2 → PVDF

- **Recognized state-of-the-art process**
- **Same capacity as in Europe**

Investment in Canada Fluorspar Inc

- **Secure long term access to strategic raw material**
- **Diversification of fluorspar sources**
- **Covering needs for North American operations**

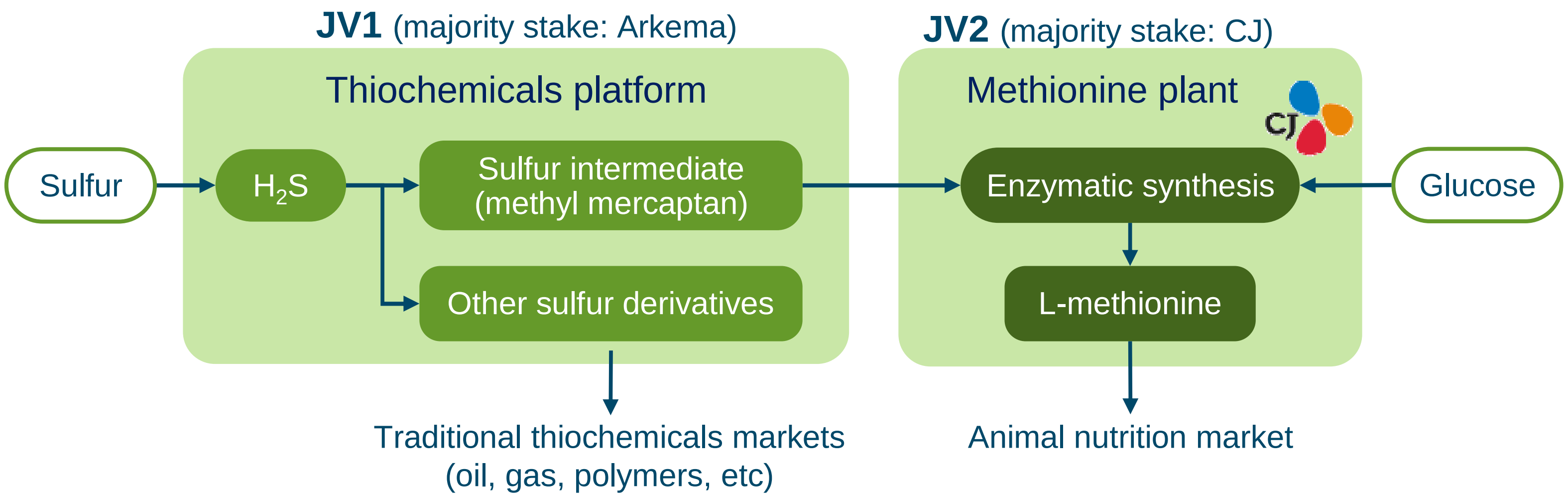
Joint operation of fluorspar mine in Canada

Arkema, CFI → Fluorspar → HF → Fluorogases

- **CFI: Canada Fluorspar Inc**
  (publicly traded in Calgary)
- **Total capex ~ CDN$100m (~ €75m)**
- **Giving access to 50% fluorspar production**

World-class Thiochemicals platform in Asia

- **First industrial thiochemicals platform in Asia for Arkema**
- **Methionine production for the fast growing animal nutrition market**
- **Partnership with CJ on a unique bio-technology process**



- **Location: Thailand or Malaysia**
- **Total capex: $400m (50/50 – Arkema/CJ)**
- **Start up: 2013**

Industrial Chemicals: outstanding profitability sustained by robust end markets

in €m	2Q'10	2Q'11	Variation
Sales	854	961	*+12.5%*
EBITDA	176	229	*+30%*
EBITDA margin	*20.6%*	*23.8%*	
Recurring operating income	140	195	*+39%*

- **Second quarter in a row at 24% EBITDA margin**
- **Fluorochemicals driven by strong positions in new generation of gases (HFCs, blends, etc) and increased presence in Asia**
- **Acrylics: high margins supported by tight supply/demand balance**
- **Methacrylates: benefits from new development in LED TV applications**
- **Thiochemicals: buoyant performance supported by strong demand in animal nutrition and new developments in oil & gas**

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Performance Products: volumes and prices support record EBITDA

in €m	2Q'10	2Q'11	Variation
Sales	448	504	*+12.5%*
EBITDA	76	96	*+26%*
EBITDA margin	*17.0%*	*19.0%*	
Recurring operating income	53	73	*+38%*

- **All Business Units contributing to strong financial performance**
- **Benefit from growth momentum in Asia including rapid ramp up of the new PVDF Kynar® plant started in March in Changshu (China)**
- **Significant contribution from new businesses in sustainable development solutions (photovoltaics, glass coating, high performance polyamides for automotive, filtration, etc)**

Vinyl Products: EBITDA at break-even

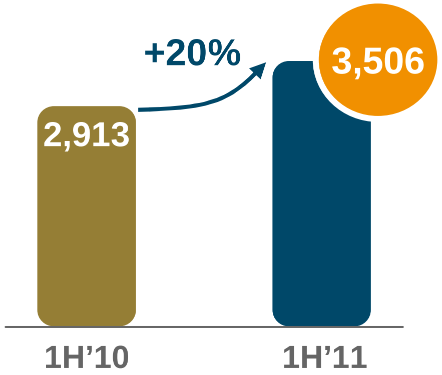
in €m	2Q'10	2Q'11	Variation
Sales	298	303	*+1.7%*
EBITDA	-	1	*na*
Recurring operating income	(13)	(14)	*na*

- **Challenging construction market in Europe**
- **+15% price increase vs 2Q'10 offsetting higher energy and raw material costs**
  - Higher caustic soda prices vs 2Q'10
  - Increased PVC prices but unit margins still low
- **PVC volumes limited by 5-year planned maintenance turnaround in Lavera and weak June attributed to ethylene cost decrease**
- **Excellent performance of Qatar Vinyl Company (€3m equity income)**
- **Divestment of pipe business in France completed (€45m sales)**

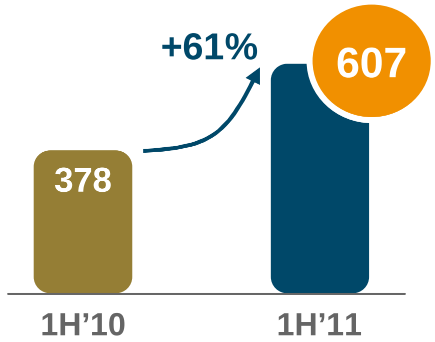
1st half 2011 key figures

Full set of record figures on strong growth

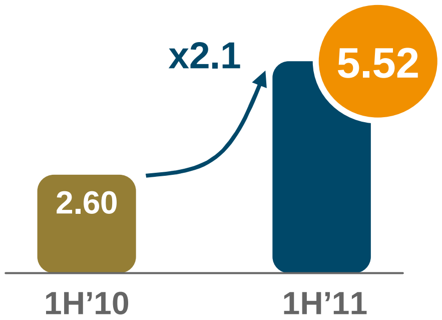
+20% sales (€m)



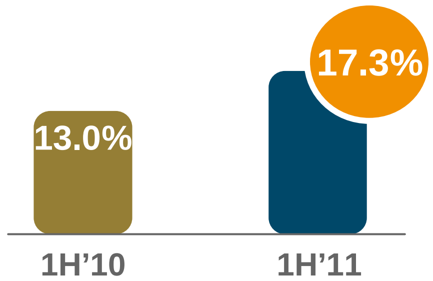
+61% EBITDA (€m)



Adjusted EPS (€)

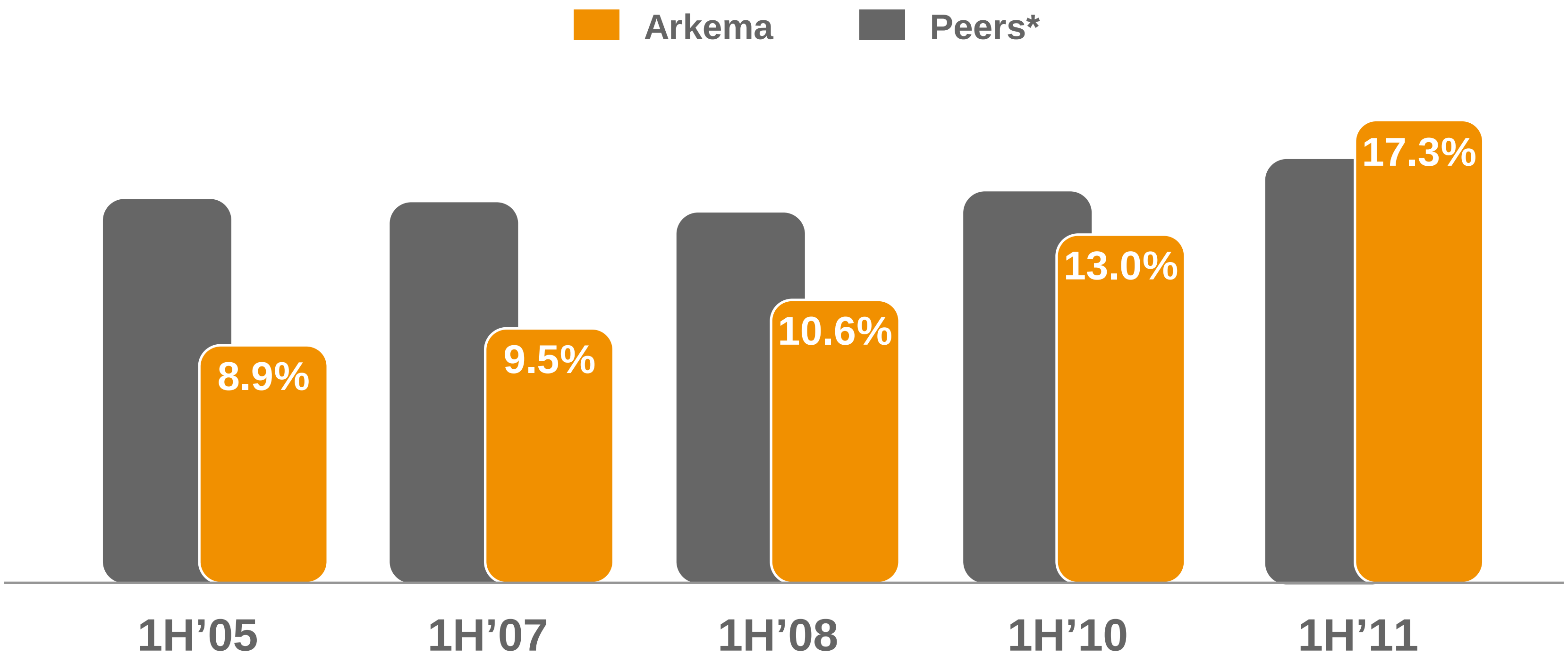


EBITDA margin (%)



Improvement of Arkema margin well above industry average

Evolution of EBITDA margin (%)

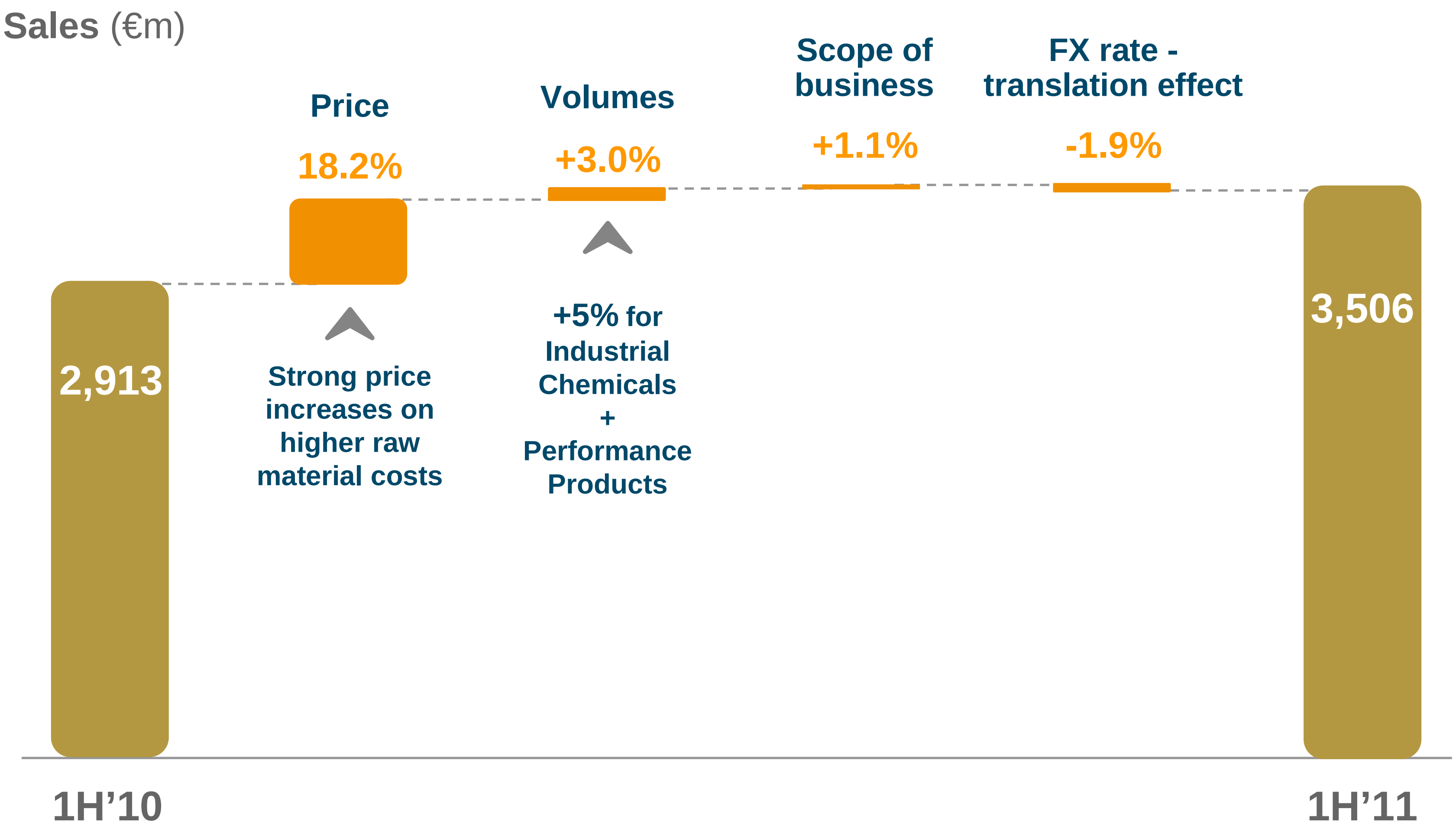


*** Peers** : Akzo Nobel (Specialty Chemicals), BASF (excl. Oil & Gas), Celanese, Clariant, Dow, Dupont, Lanxess (consensus), Rhodia, Solvay, Tessenderlo (consensus)

1H'11 key figures

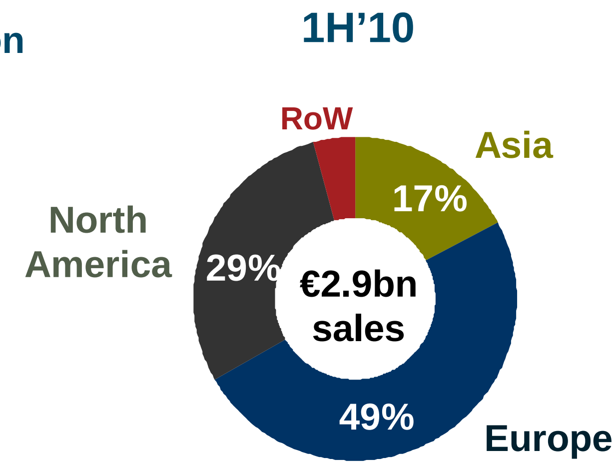
in €m (except EPS)	1H'10	1H'11	Variation
Sales	**2,913**	**3,506**	***+20.4%***
EBITDA	**378**	**607**	***+61%***
EBITDA margin	***13.0%***	***17.3%***	
Recurring operating income	**236**	**464**	***+97%***
Net income (group share)	**159**	**335**	***x 2.1***
Adjusted EPS (diluted)	**2.60**	**5.52**	***x 2.1***

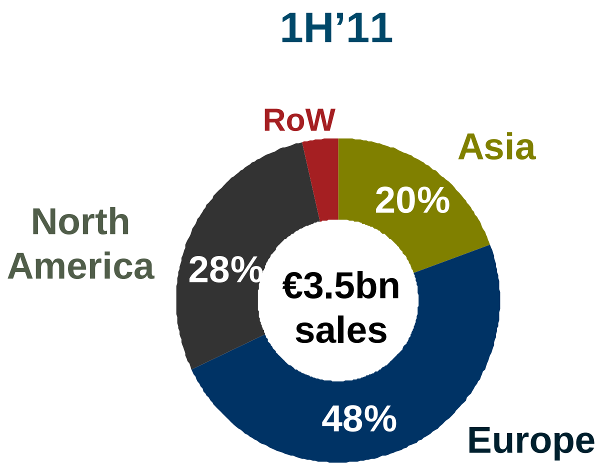
Sales bridge



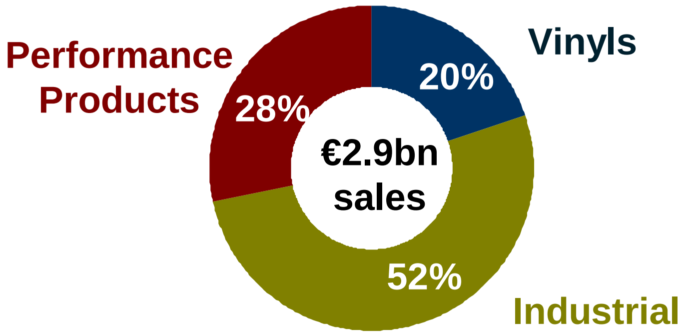
Pursuing Arkema positioning

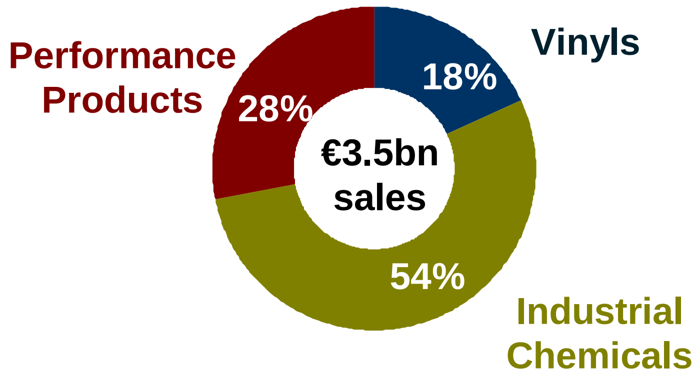
Sales by region





Sales by segment





Strong financial situation

- **Net debt maintained low despite negative impact on working capital of:**
  - seasonality (stronger sales in 2Q'11 vs end 2010)
  - increase of selling prices and raw material costs
- **Target for working capital at year end confirmed below 15%**
- **Net debt of June 2011 includes:**
  - Payment of a dividend of €1.0 per share
  - Participation in CFI for CDN$15m (~€11m)
  - Total resins transaction costs (€6m)
- **Gearing maintained low (11%)**
- **Refinancing of syndicated credit line for an amount of €700m**
  - Deadline: 26 July 2016
  - €300m reduction of current syndicated credit line established in 2006

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A new leader in coating materials

Acquisition of Total specialty resins: a major milestone for mid-term M&A objective

- **Closing of acquisition in line with planned timetable on July 1st**

- **Enterprise value: €550m**
  - Detail of Purchase Price Allocation to be provided in 3Q'11

- **1H'11: estimated sales at €490m**
  - +13% vs 1H'10 supported by strong price increase
  - Impact on Arkema sales: €440m*

- **Preliminary FY'11 EBITDA forecast: €82m of which €35m in 2H'11**

- **Priorities of next 6 months**
  - Focus on "coating business" integration: Cray Valley / CCP with Arkema Emulsion Systems business unit (ex Dow)
  - Initiate technology cross-fertilization between Sartomer and our other high performance polymers (polyamides, PVDF, Coatex, etc)
  - Align administrative processes

*after elimination of intra-group sales

Comprehensive range of products

Main Business Units

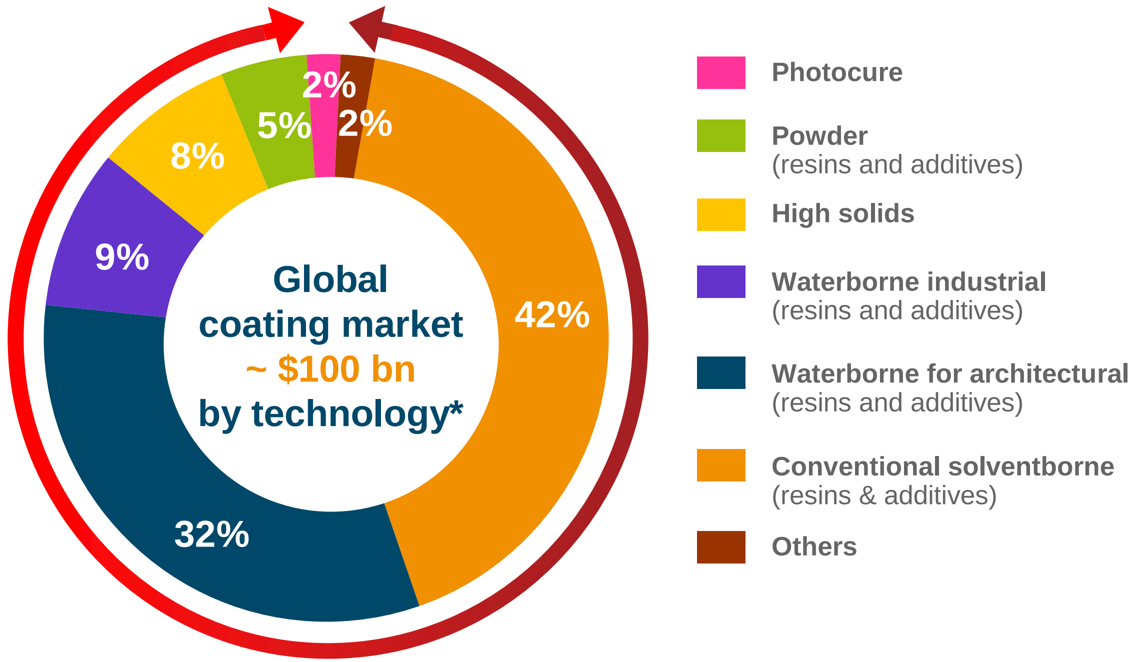
INDUSTRIAL CHEMICALS

- Acrylic Monomer
- Coating resins**
- Sartomer
- Coatex

PERFORMANCE PRODUCTS

- Technical Polymers
- Functional Additives

Technology owned by Arkema



18% sales for the coating industry in 2011 proforma vs 3% in 2006

* Source « Paint & coating industry overview » - 2009 by Chemical Economics Handbook - SRI Consulting

** “Coating Resins”: new Business Unit including Emulsion System and also Cray Valley and Cook Composite from Total

Strong basis for future growth

Commercial synergies

- An extensive range of resins & additives provided to global key accounts
- Cross-fertilization opportunities

Expected recovery of demand

- Europe and North America still below pre-crisis level
- Asia: +10% to +15% / year growth

Well positioned on green innovation

- Low VOC technologies (high solids and alkyd emulsions)
- Kynar® Aquatec for architectural coatings market

Acceleration of development in emerging economies

- Total resins provide strong Asian base (Malaysia, India, China)
- New Kynar® plant and Coatex and Emulsion projects in Changshu

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Building a world of specialties

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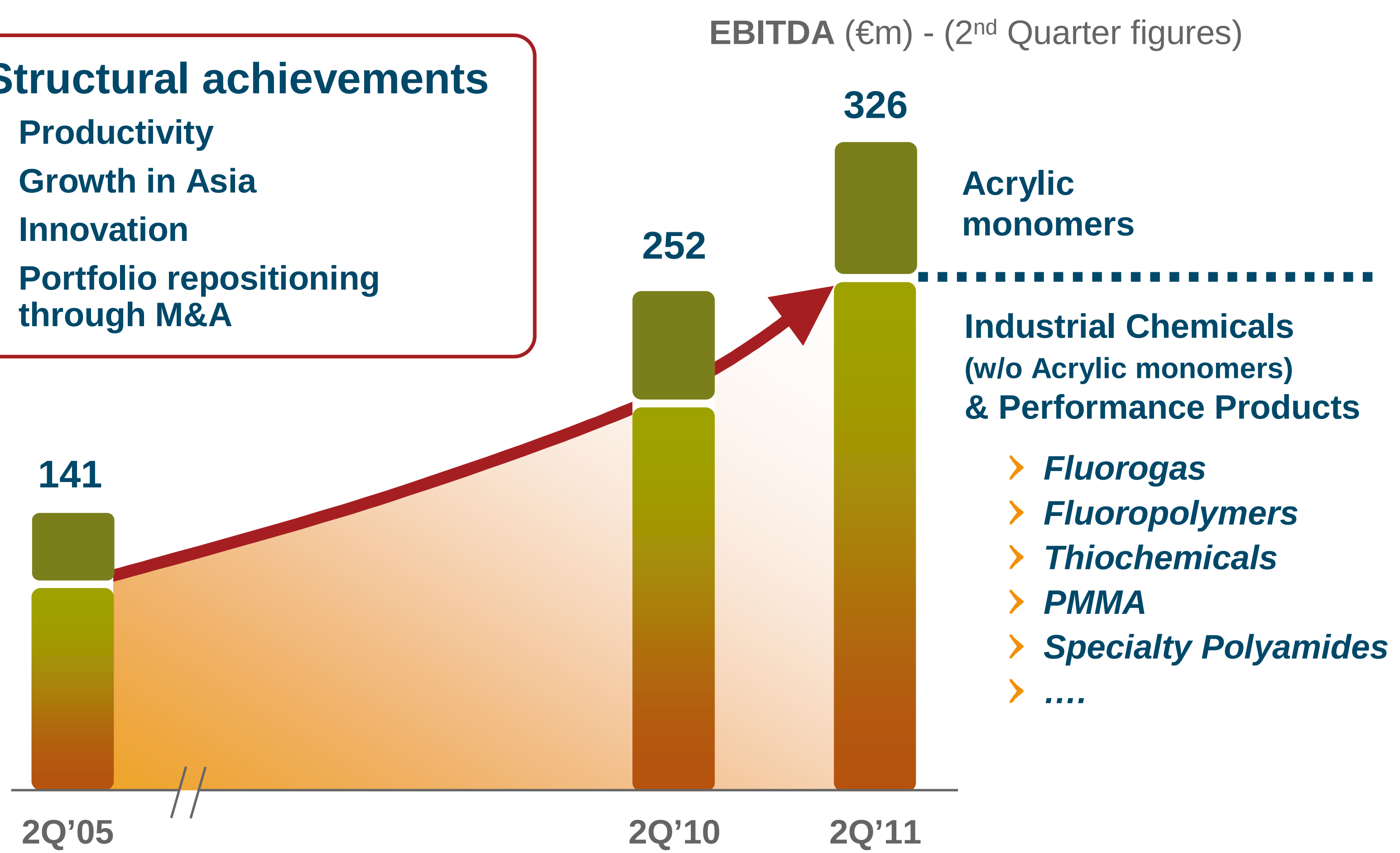
Emergence of a strong specialty portfolio

Structural achievements
- Productivity
- Growth in Asia
- Innovation
- Portfolio repositioning through M&A



In-depth structural transformation builds high value added portfolio and drives superior profitability

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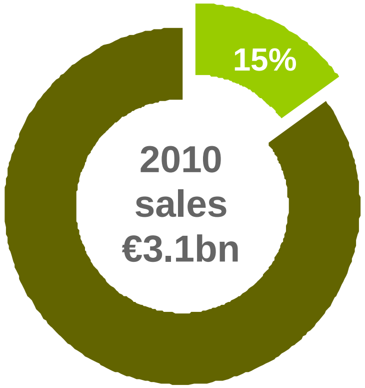
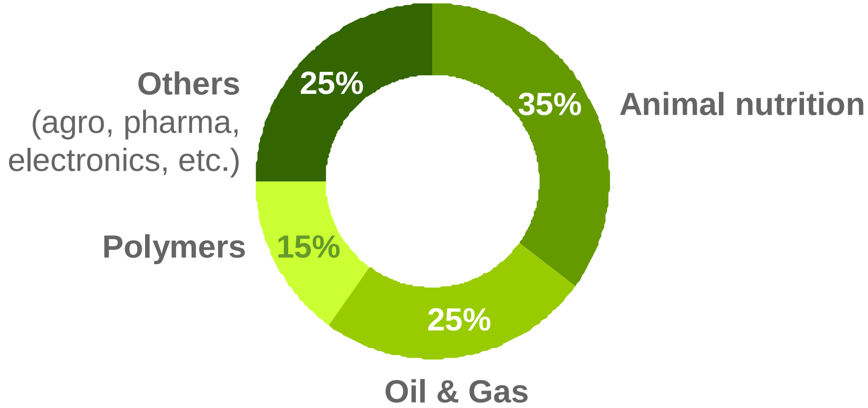
Thiochemicals: promising new developments

Thiochemicals in Industrial Chemicals



Demand by end markets in H2S derivatives



- **A niche market**
  - ~ 700 kT globally
  - Arkema : #1 worldwide

- Expected growth: ~5% / year
- Main competitor : Chevron Phillips

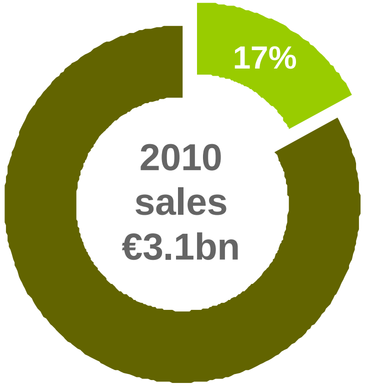
- **Key growth drivers**

Asian projects with CJ → Asia

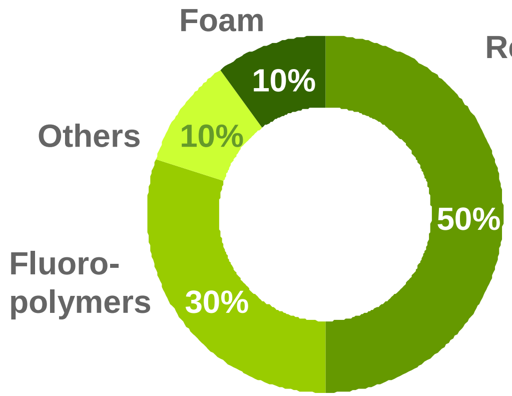
Paladin for soil fumigation → Innovation

Fluorogases: new generation gases

Fluorogases in Industrial Chemicals

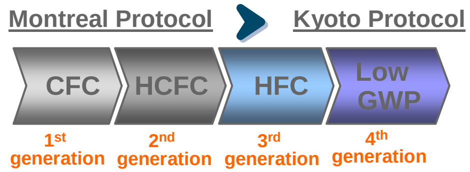


Demand by end-markets



Refrigeration / air conditioning

- A regulation driven market



→Increasing number of molecules required to meet regulation

A niche market

- ~ 1.4 MT globally
- Arkema : #2 worldwide

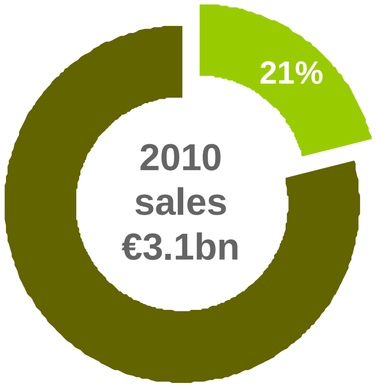
- Expected growth: ~3% / year
- Main competitors : Dupont, Honeywell, Solvay

Key growth drivers

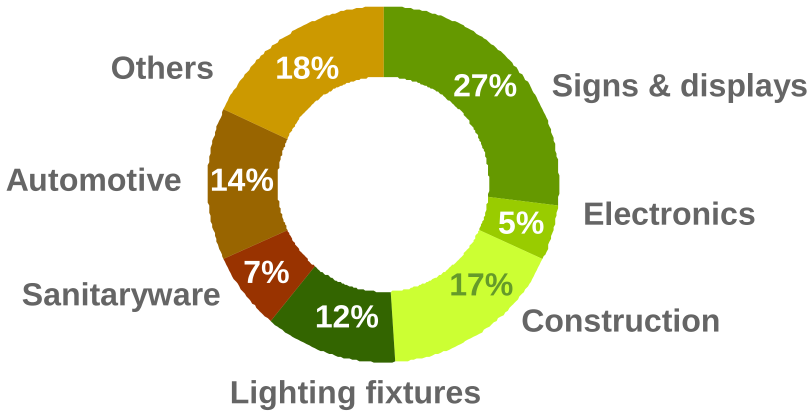
HFC125 production unit in Changshu	Asia
New generation blends	Innovation
Fluoropolymers (internal & external)	Strong partnerships

PMMA: benefits from new LED applications

PMMA in Industrial Chemicals



Demand by end-markets



- **A niche market**
  - ~ 1.6 MT globally
  - Arkema : co-leader worldwide

- Expected growth rate : ~4% / year
- Main competitors : Evonik, Mitsubishi Rayon

- **Key growth drivers**

Supply to LED TV market → New market development

PMMA for car sun-roof → Innovation

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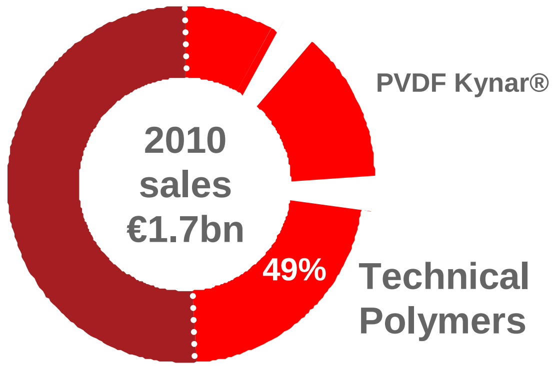
Fluoropolymers: outstanding growth driven by advanced technology

PVDF Kynar® in Performance Products



Main end-markets

Coatings	High end coatings
Industry	Chemical Processing Industry, Oil & gas, Wire & Cable
New energies & water management	Photovoltaics (protective films) Li-ion batteries (binder) Water filtration and transport

A micro-niche market

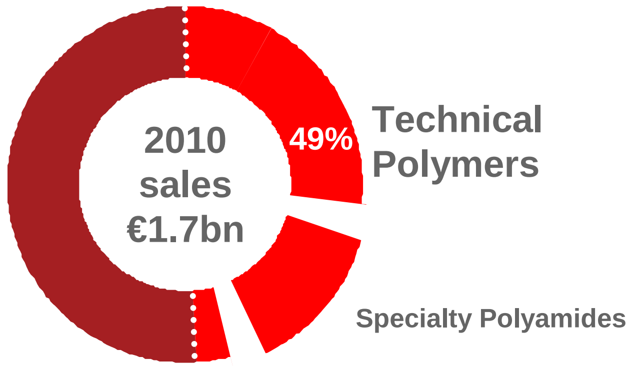
- ~ 35kT globally
- Arkema : #1 worldwide
- Market growth : >7% / year
- Main competitors : Solvay / Kureha

Key growth drivers

- PVDF Kynar® production unit in Changshu → Asia
- New applications in sustainable development → Innovation

Specialty Polyamides: improving product mix

Specialty Polyamides in Performance Products



petroleum - fossil resource -	castor plants - renewable resource -
Polyamide 12	Polyamide 11
Rilsamid™	Rilsan®

A micro-niche market

- ~ 100kT globally for the whole Specialty Polyamides market
- PA11 : Arkema: #1 worldwide
- PA12 : Arkema: #2 worldwide
- Main competitors : Evonik, EMS, Ube

Key growth drivers

- Capacity x3 in Changshu by 2013 → Asia
- New applications in sustainable development → Innovation

Outlook

Quite confident in an excellent 2011

- **In 2H'11, Arkema will continue to implement its internal projects:**
  - Further growth in Asia
    - PVDF Kynar® unit running at full capacity
    - Start up of Coatex unit in 3Q'11
  - Innovative solutions to sustainable development
  - Integration of Total specialty resins (€35m contribution to group EBITDA in 2H'11)
- **Arkema will remain attentive to the macro-economic and political environment around the globe**
- **Arkema will continue to adapt to raw material and energy cost variations**
- **After an atypical 2010, back to more traditional seasonality**
  - 1H>2H (60% / 40%) with usual seasonality of some businesses (fluorogases, coatings, PVC)
  - Large maintenance turnarounds in Acrylics (Carling and Clear Lake) and Fluorochemicals (Pierre Benite) in 2H
- **Arkema anticipates an annual EBITDA increase of around 30%, thereby exceeding for the first time in its history the symbolic €1 billion EBITDA milestone**

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 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.

- 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 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 press release available on www.finance.arkema.com

- 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, 14,000 employees and eight research centers, Arkema has generated revenues of €5.9 billion in 2010 and holds leadership positions in all its markets with a portfolio of internationally recognized brands. The world is our inspiration.

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