



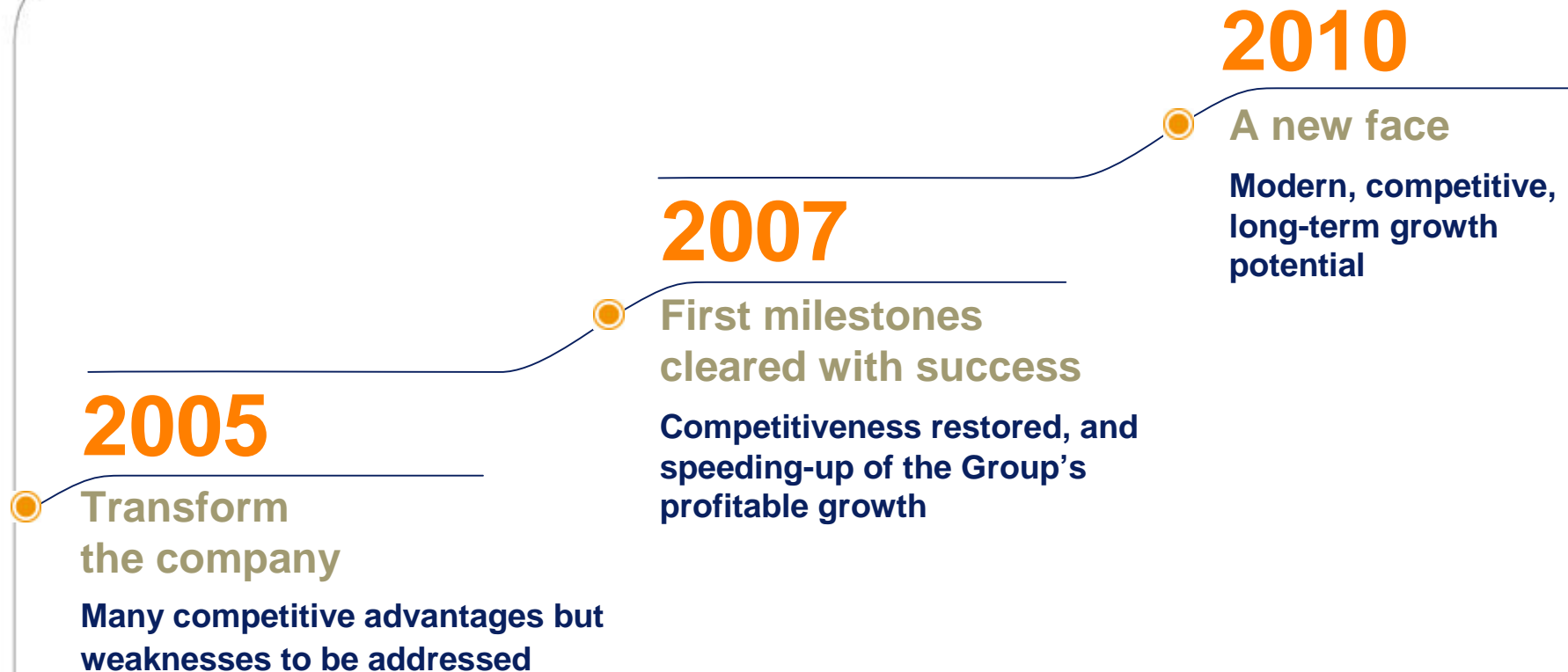
Annual General Meeting 2008

May 20th 2008 - Palais des Congrès, Paris

Results and Outlook

2007 Highlights

Already a very different Group



An ambitious industrial project set for the long term

2007 economic environment

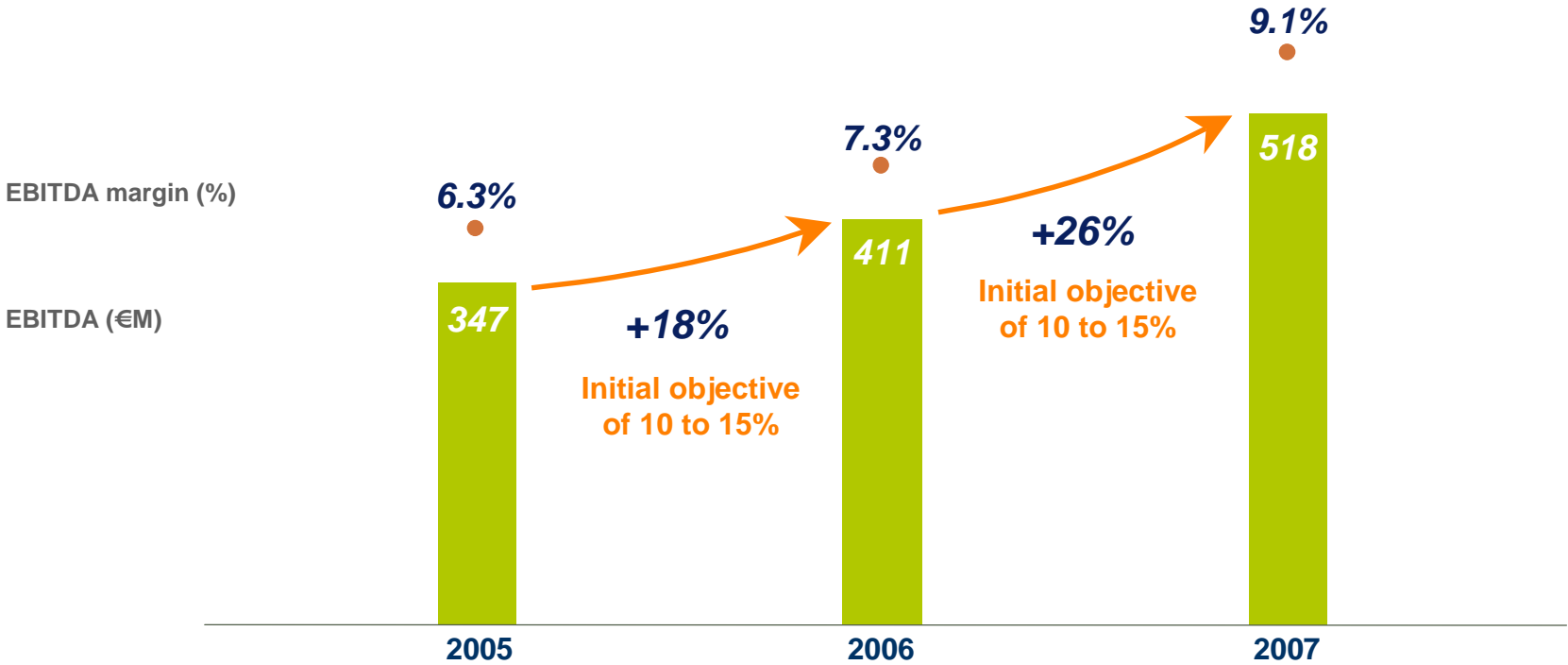
- Satisfactory demand in Europe
 - Strong growth in Asia
 - Balanced supply & demand in Vinyl Products
-
- Weak US dollar
 - Cost of energy and raw materials
 - Economic slowdown in the United States

Performance exceeding targets

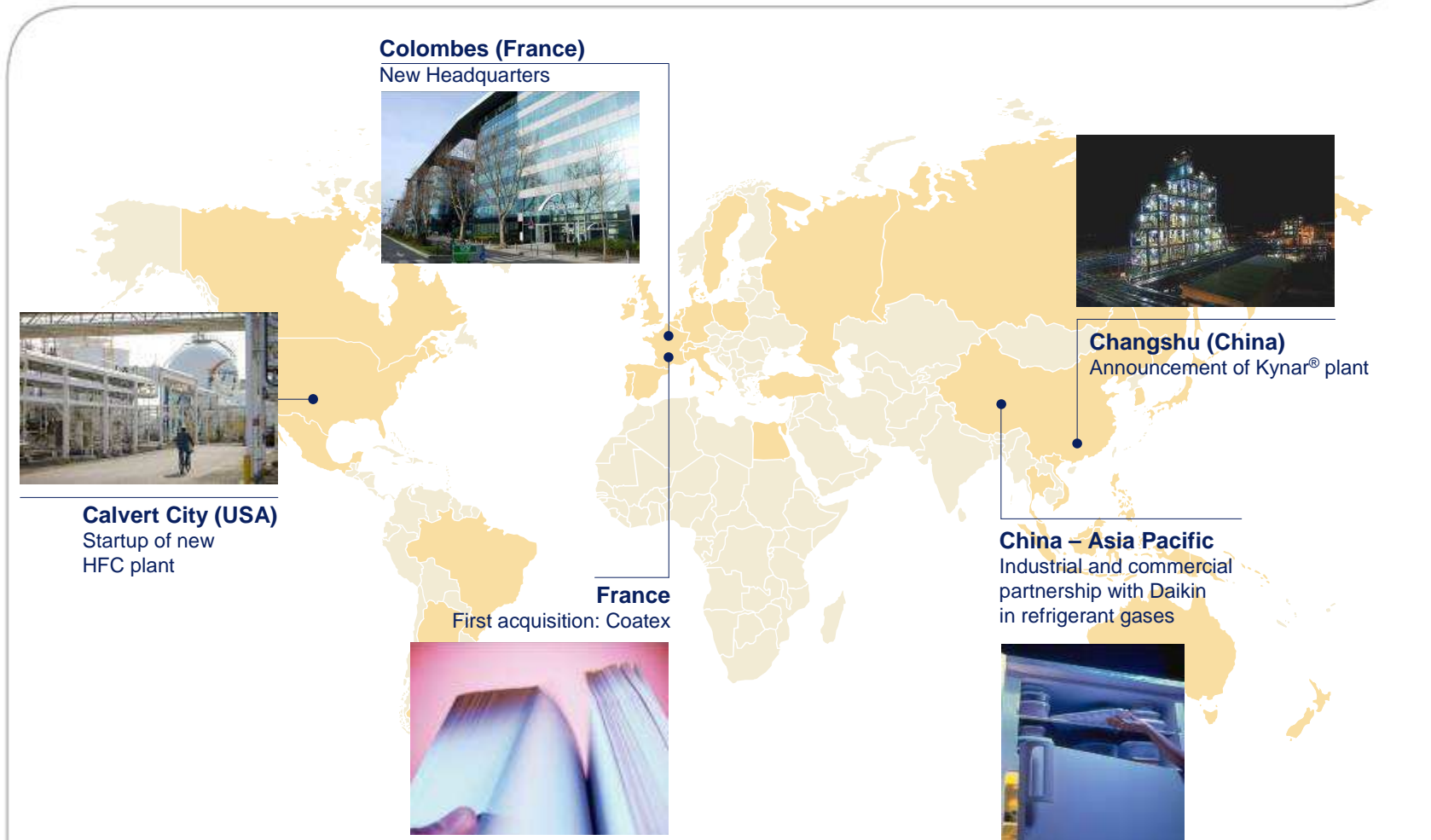
	Results 2007	Targets 2007
EBITDA	+26% € 518 M	+10 to 15%
Net income	€ 122 M x 2.7 vs 2006	> 0
Cash flow*	€ 128 M + 62% vs 2006	> 0

**adjusted for non-recurring pre-spin off items and impact of portfolio management*

Significant growth of EBITDA

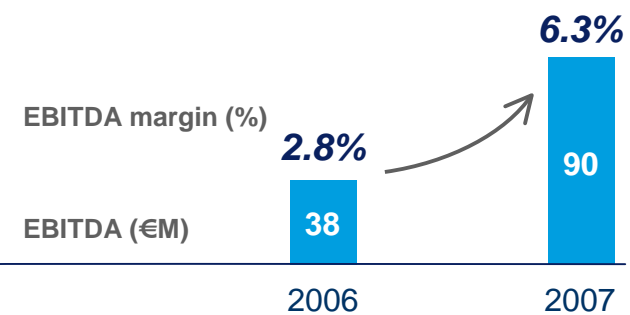
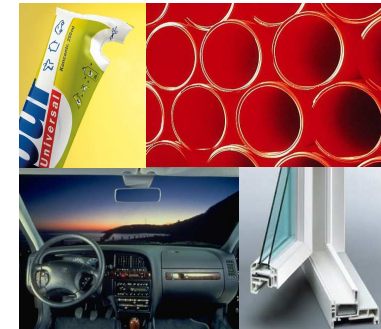


Major projects for the future



Vinyl Products

- Well integrated sector from chlorine to PVC converting
- N°3 in Europe
- 2007: sustained demand and fixed costs reduction
 - Ongoing implementation of Chlorochemicals plan
 - Reorganizations in downstream PVC
 - Development of higher added value products
 - Focus on industrial reliability

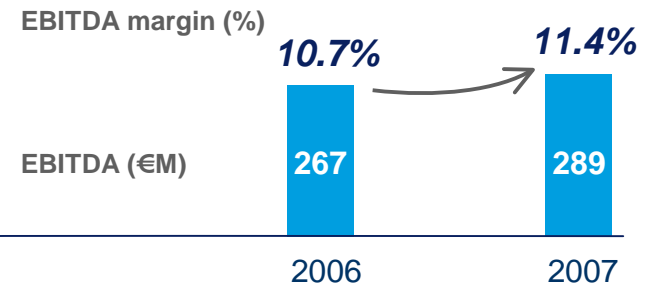


Toward an integrated and competitive European player



Industrial Chemicals

- 5 major chemical intermediates
- Leading world rankings
- 2007: results held up well
 - Partnerships with Daikin
 - European reorganization of Fluorochemicals
 - Targeted acquisitions in downstream activities: Coatex, PMMA from Repsol
 - Extension of existing plants

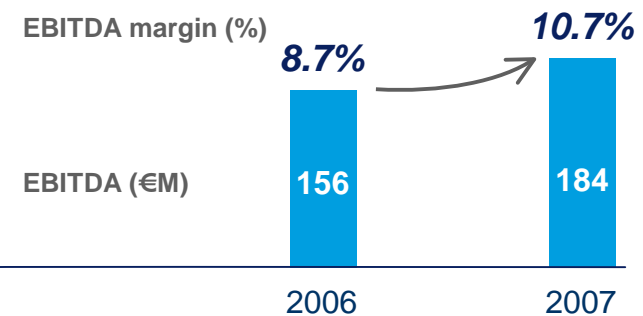


Consolidate our world rankings



Performance Products

- Application-driven high-tech specialties
- Internationally recognized brands
- 2007: EBITDA margin > 10%
 - Renewable raw materials at the heart of R&D drive
 - Improving competitiveness
 - Launch of new high added value products
 - Divestment of non core businesses



Speed up growth through innovation

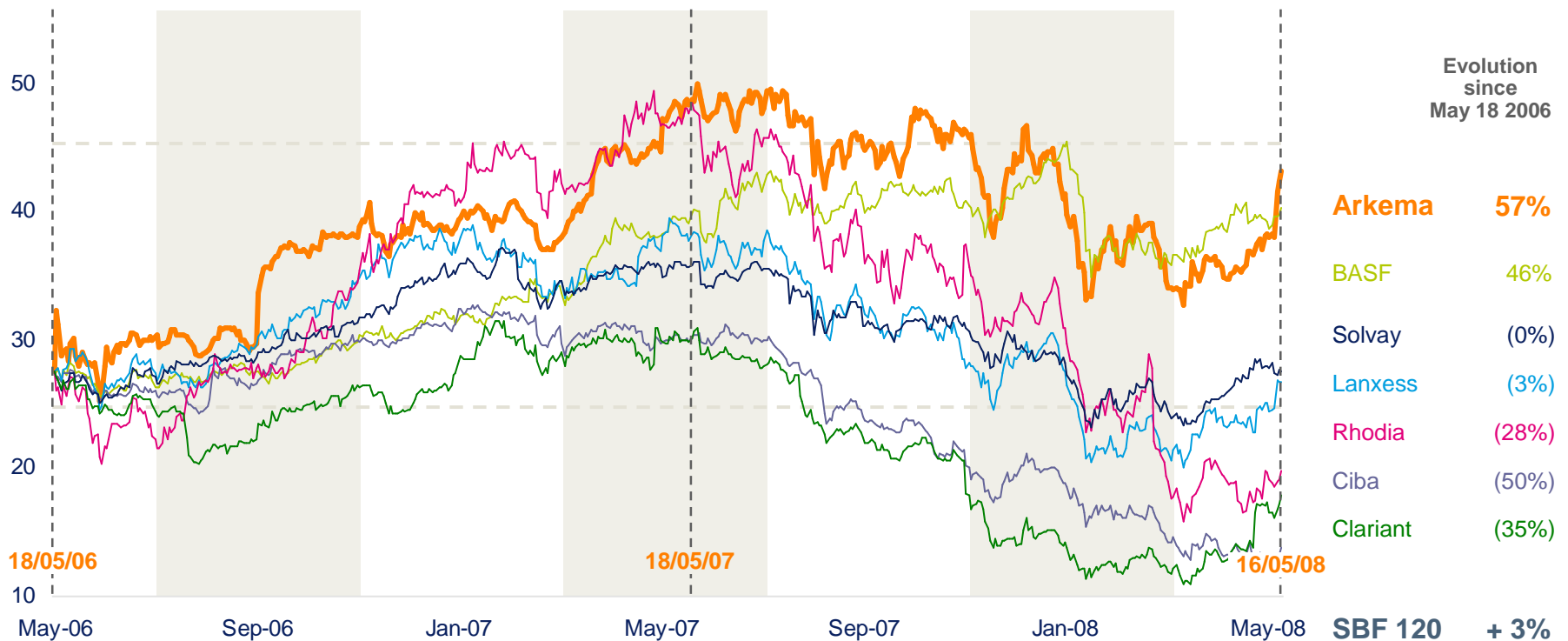
Stock market performance

Share price in €

€ 27.50

€ 47.78

€ 43.16



2007 Annual Results

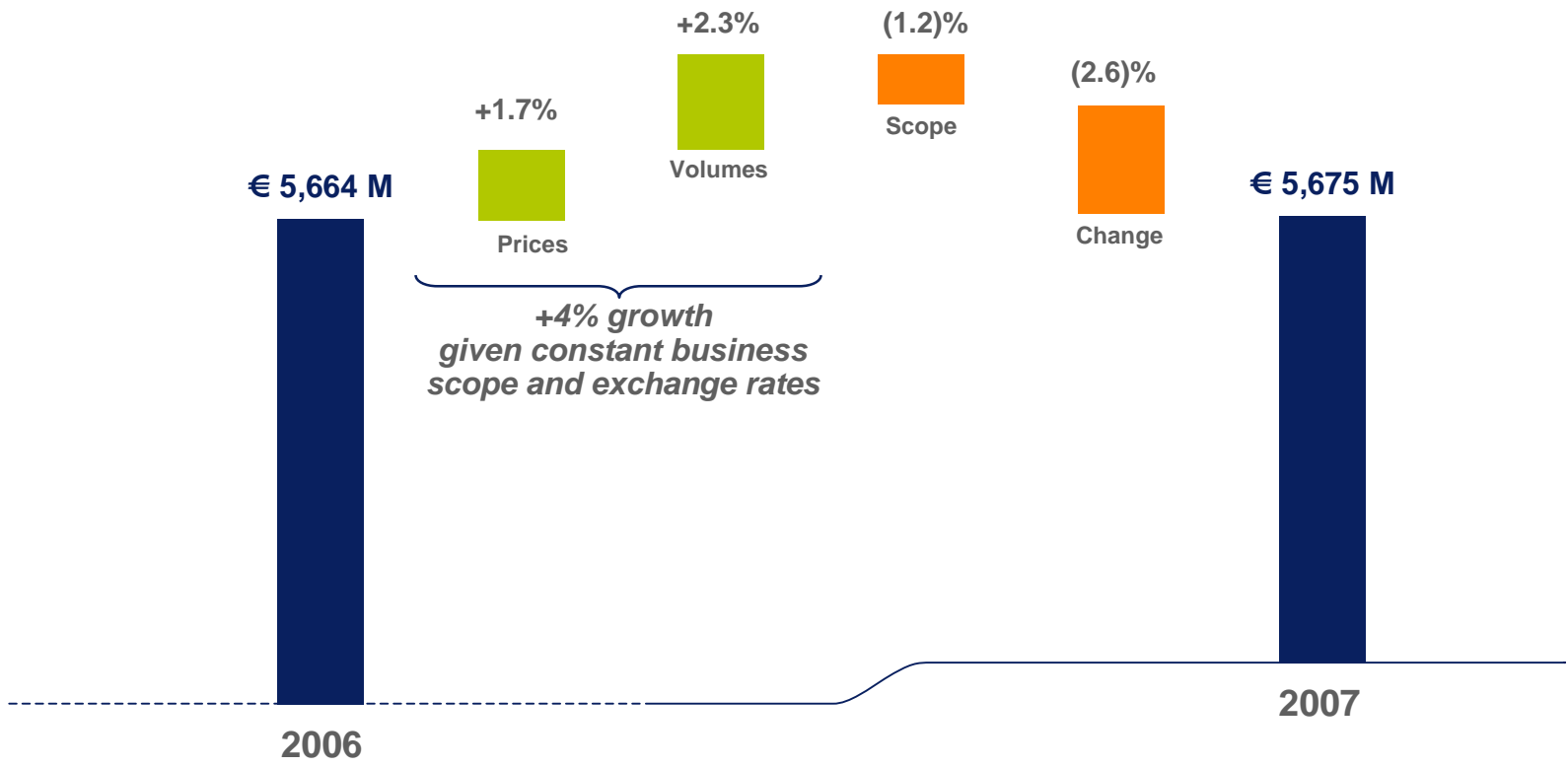
Above the objectives



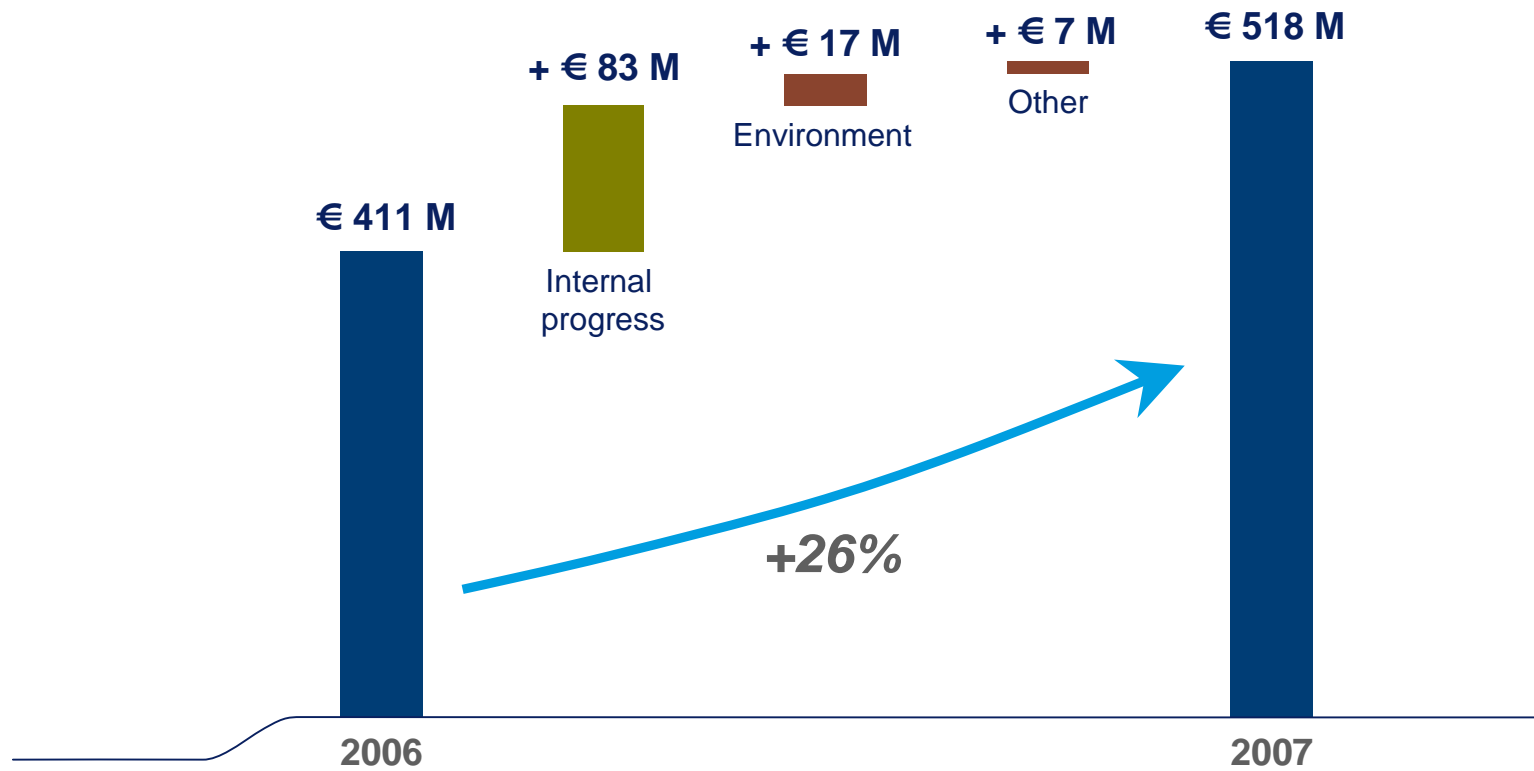
Major improvement in financial performance

(in millions of euros)	2006	2007	Variation 06-07
Sales	5,664	5,675	+0.2%
EBITDA <i>EBITDA margin</i>	411 7.3%	518 9.1%	+26%
Recurring operating income	200	293	+47%
Net income (Group share)	45	122	x2.7
EPS	0.75	2.02	x2.7

Organic growth of sales: +4%

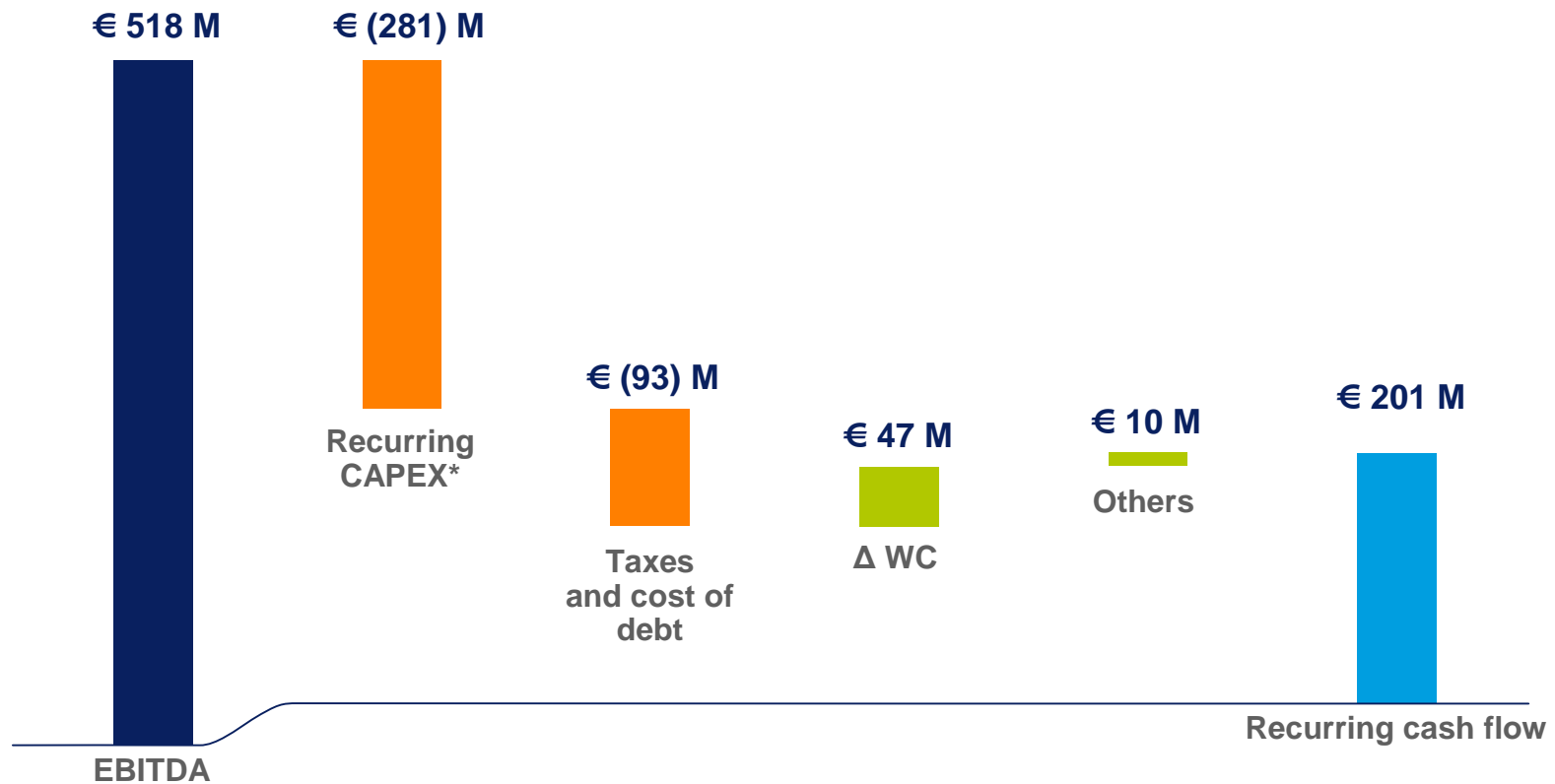


EBITDA growth: +26%



Major contribution of internal progress

Recurring cash flow of € 201 M



* Excluding capital expenditure relating to Chlorochemicals plan included in non-recurring pre-spin off items

Very sound financial structure

- **Net financial debt: € 459 M**
 - Gearing: 24%
- **Equity capital: € 1,914 M**
- **WC: 19.6% of sales**
- **Limited contingent liabilities**
- **Credit line of € 1 bn until 2013**



Strategy and outlook

A Group undergoing a deep transformation

The world is our inspiration

☉ Chemistry is changing...

- Increasing stature of Asia
- Rising cost of oil-based raw materials
- Challenges of sustainable development



☉ ... Arkema has the necessary assets to address these changes

- Very sound balance sheet structure
- Over 20 years' presence in Asia
- Strength of innovation of our R&D
- Well-established and reactive organization



A great opportunity for growth for Arkema



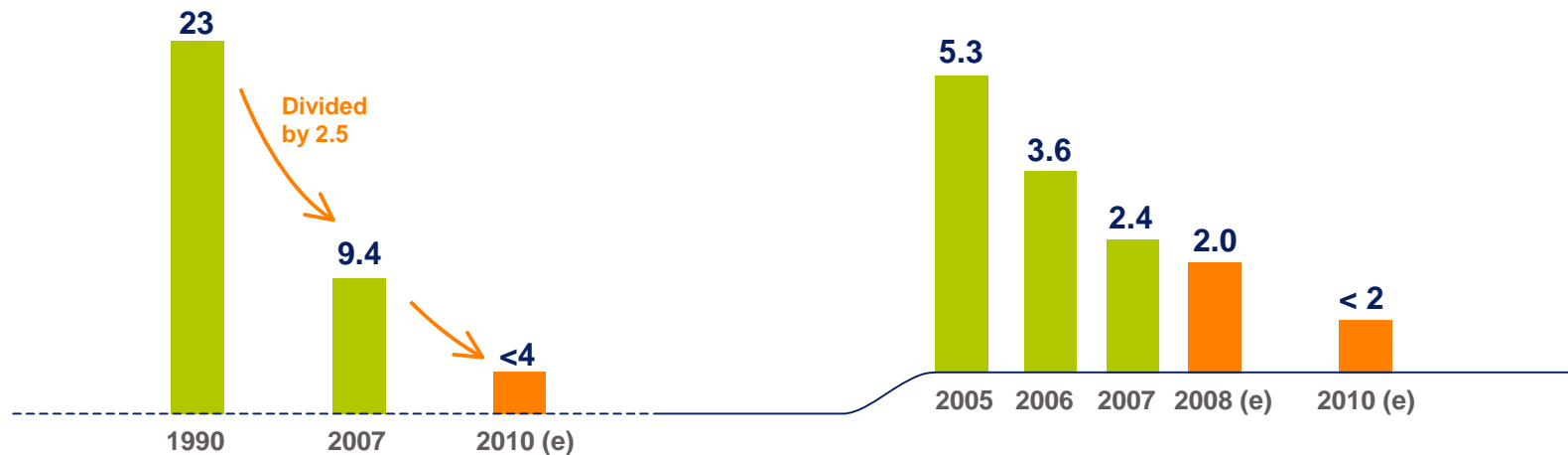
Our responsibility as a chemical player

- Successfully implement Reach
- Minimize our greenhouse gas emissions (Mt eq CO₂)

- Improve our safety records*



Responsible Care



- Keep on integrating our activities within their local context

- Common Ground®
- French Red Cross
- Survey local opinion

* Injury frequency rate: number of accidents per million man-hours

Implementing a winning strategy

3 strategic vectors:

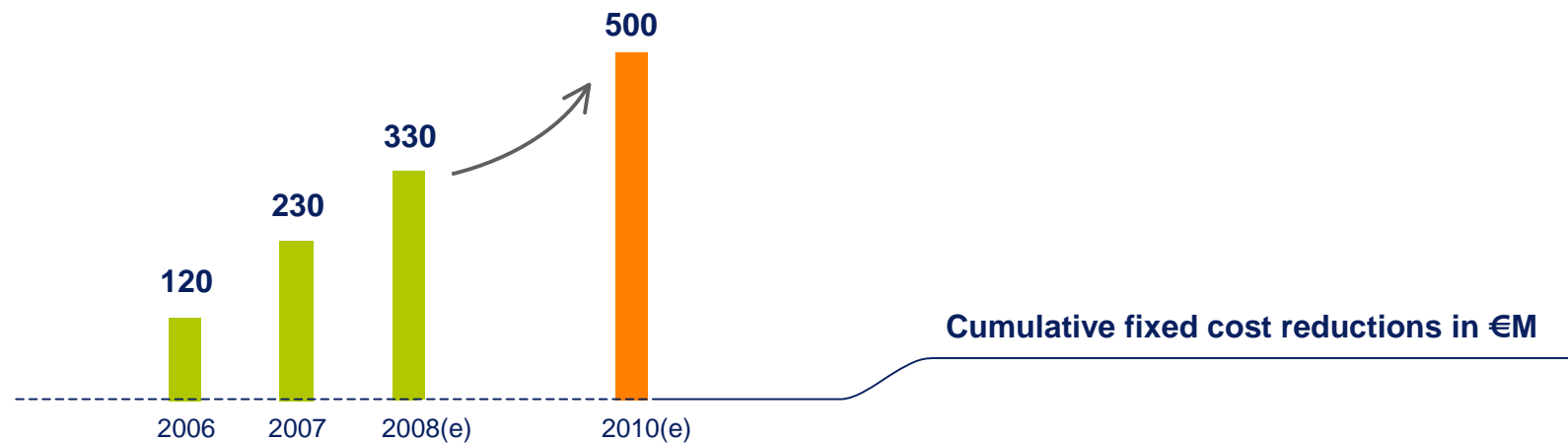
- Major cost reduction
- Growth in Asia
- Innovation



Accelerator:
dynamic portfolio management

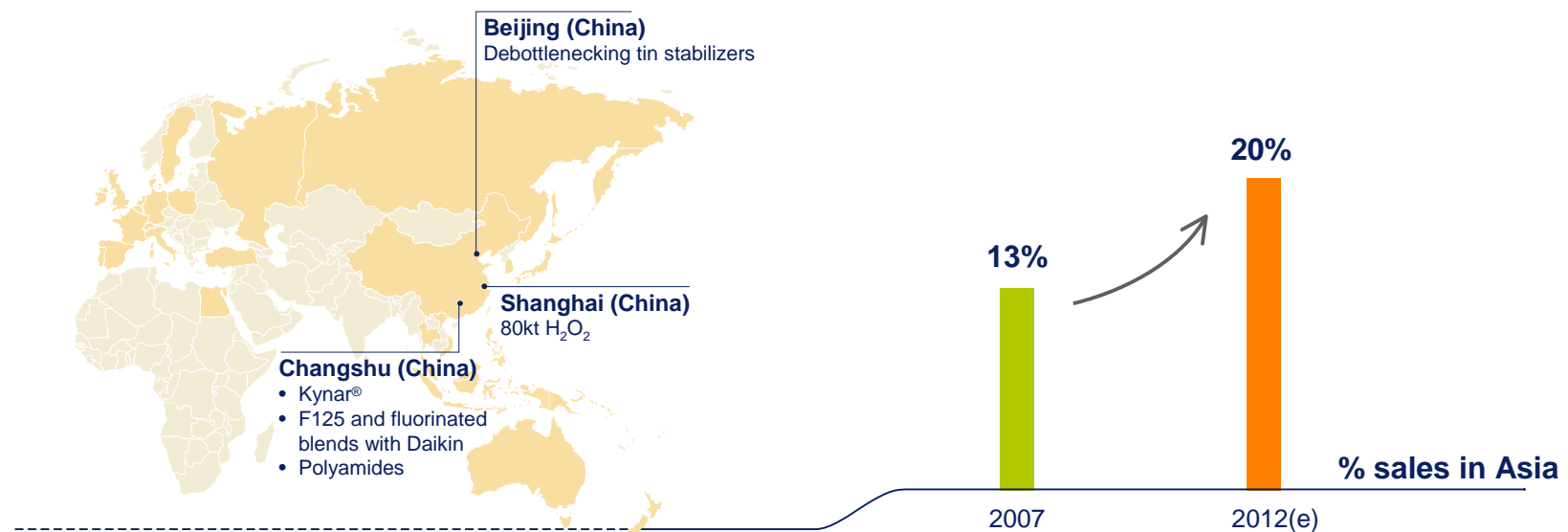
Improving the cost base

- € 230 M savings over 2 years
- Evolution of headcount
- Reduction in G&A costs
- Energy savings in processes



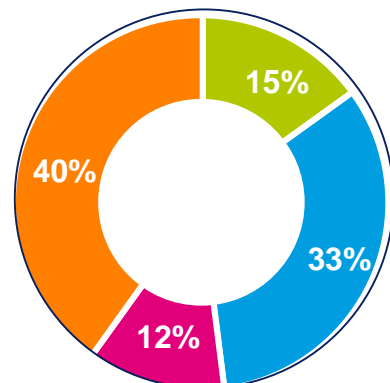
Speeding up development in Asia

- World-scale facilities
- Over € 50 M capital expenditure per year
- Development of Changshu industrial platform (China)



Already the first fruits from innovation

- R&D budget: close to 3% of sales
- 60% of budget allocated to development
- 19% of Performance Products sales generated by products developed in last 5 years (vs 13% in 2006)



- Long term breakthrough
- New products
- New processes
- Product and process development

Innovation at the service of strategy

● Innovative materials

- Growing use of renewable raw materials
- Energy savings and new forms of energy
- Nanostructured materials

● Process intensification

- Produce more with less energy



Energy savings and new forms of energy



PRODUCE

Photovoltaics:
clean and renewable
electricity



STORE

Batteries,
supercapacitors,
fuel cells



SAVE

Glass tailored to climatic
conditions

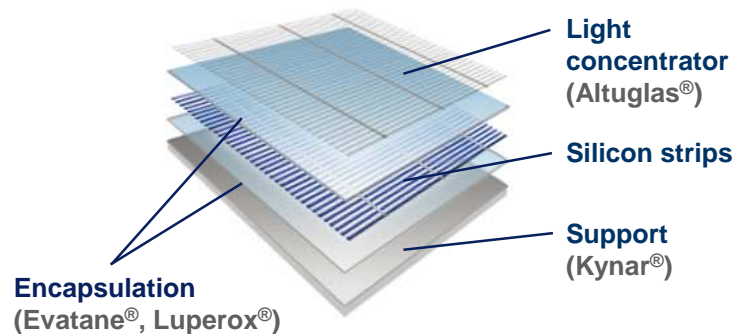
Arkema, a player in the photovoltaic sector

Today, Arkema materials:

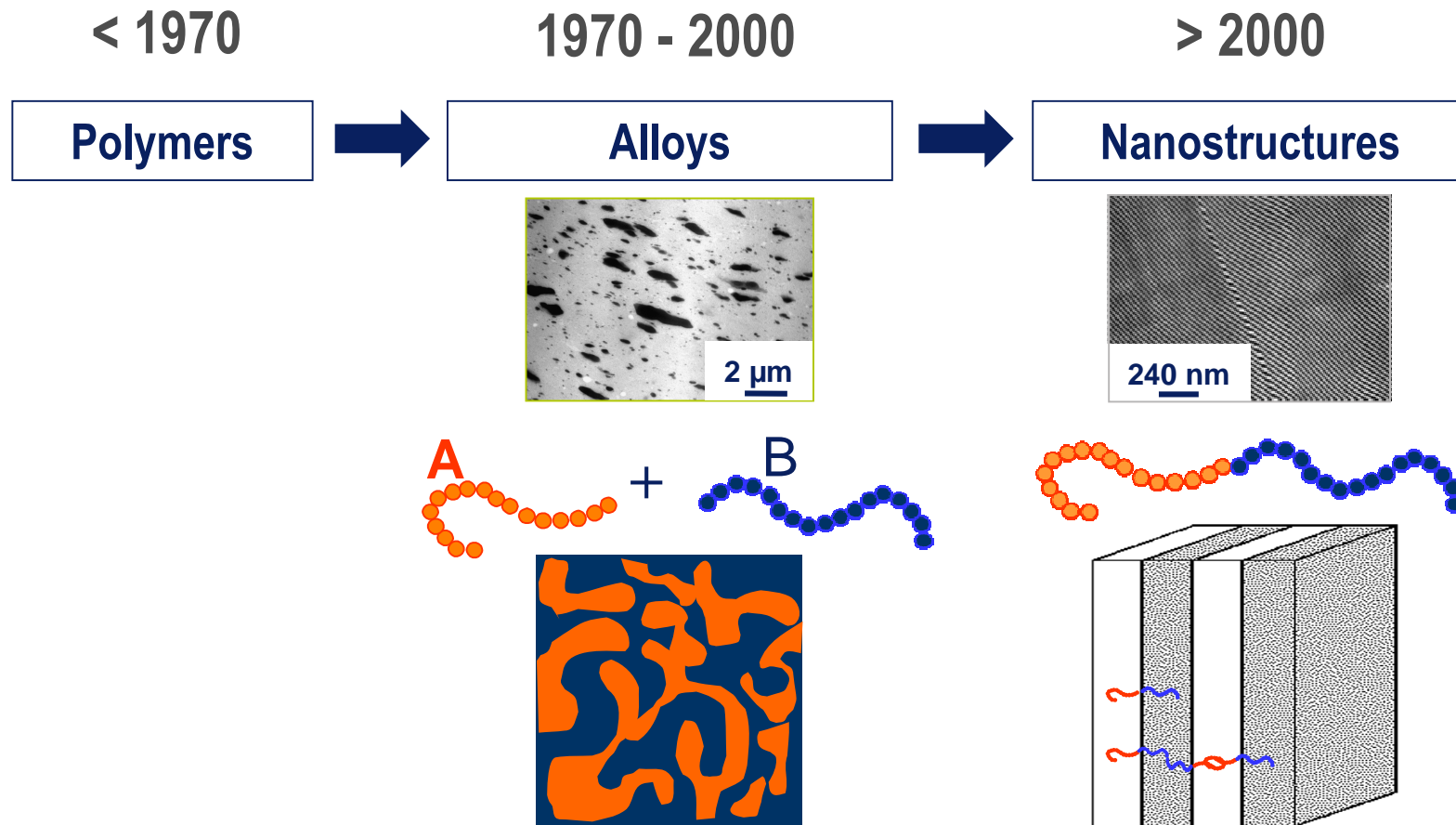
- Protect the silicon and electrical circuits

Arkema and future photovoltaic generations:

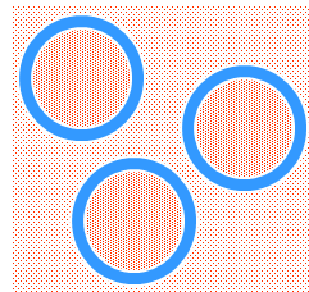
- Technologies concentrating light
- Toward thin amorphous silicon layers
- In the longer term, organic photovoltaic



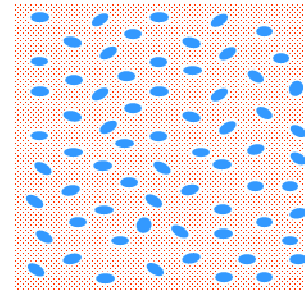
Nanostructured materials



Nanostructured PMMA (Altuglas®) in cars



300 nm



30 nm

Weight saving
=
Energy saving



Dynamic portfolio management

	Objectives	Achieved	Product lines
Divestments	€ 300 M to € 400 M of revenues	~ € 380 M	<ul style="list-style-type: none">● Cerexagri (Agrochemicals)● Urea formaldehyde resins● Specialty amines (Thiochemicals)
Acquisitions	€ 500 M to € 800 M of revenues	~ € 180 M	<ul style="list-style-type: none">● Coatex (Specialty acrylic polymers)● Repsol's PMMA

Refocused portfolio
Balance sheet still very strong

2008: Target sustained by internal progress

- Taking account of uneasy economic environment
- Moderate growth of sales
- Target built on internal progress

	Impact of internal projects on EBITDA in 2008
Productivity	+ € 42 M
Growth	+ € 23 M
Portfolio	+ € 15 M

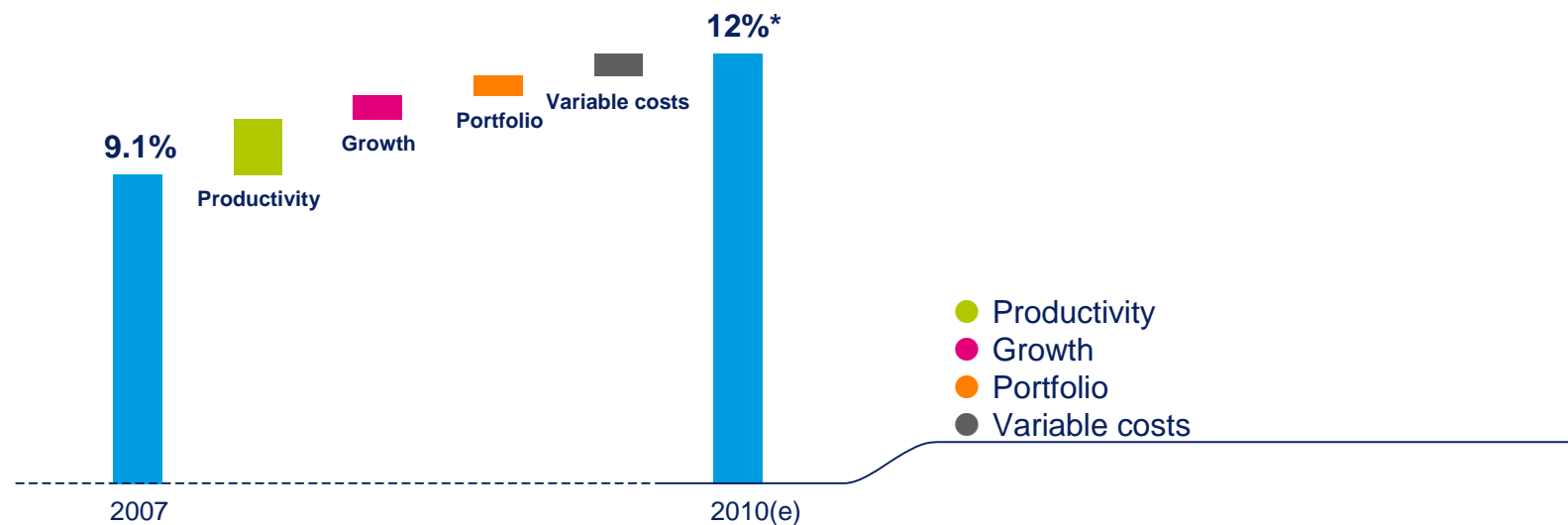


Confirmation of 10% EBITDA margin target

Ambitious 2010 targets

- EBITDA margin at 12%
- Gearing < 40%
- WC = 18% of sales

- Organic growth in Industrial Chemicals and Performance Products of 4 to 5% per year



* EBITDA margin in mid-cycle conditions under a normalized environment

A transformed, competitive and value-creating chemical player

- Confirmation of EBITDA margin targets of 10% in 2008 and 12% in 2010
- Very sound financial structure
- Increased presence in Asia
- Sustainable development at the heart of innovation
- Unique progress potential in the medium to long term

**First proposed dividend
of € 0.75 per share**

Governance

Nominating and compensation committee

- **3 members**
- **3 meetings in 2007**
- **89% attendance rate**
- **Activity in 2007:**
 - Remuneration of directors and executive committee members
 - Stock option and free share allocation plans



Stock options and free shares

	2006	2007
Stock options	540,000	600,000
Free shares	150,000	125,000

- **600 beneficiaries**
- **Obligation to keep the shares:**
Chairman-CEO and executive committee members

Attendance fees

	2006	2007
Attendance fees (€)	225,000	291,000
Number of directors	6	7
Number of Board meetings	9	7
Average attendance rate	94%	93%

Audit and Accounts Committee

- **3 members**
- **5 meetings in 2007**
- **87% attendance rate**
- **Systematic meetings with auditors, with no Senior Management present**
- **Activity in 2007:**
 - Quarterly, semester and full-year results
 - Internal control
 - Internal and external audit work schedules



Voting of resolutions

(see separate file available on the website)

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 materials 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 related to 2005 is extracted from pro forma financial statements presented in the 2006 reference document. Financial information for 2006 and 2007 is extracted from the consolidated financial statements of Arkema.

The business segment information is presented in accordance with Arkema's internal reporting system used by the management.

A global chemical player, Arkema consists of 3 coherent and related business segments: Vinyl Products, Industrial Chemicals, and Performance Products. Present in over 40 countries with 15,200 employees, Arkema achieves sales of 5.7 billion euros. With its 6 research centers in France, the United States and Japan, and internationally recognized brands, Arkema holds leadership positions in its principal markets.