ARKEMA

The world is our inspiration

Annual General Meeting

June 1st, 2010

2009 highlights

Emerging stronger

Arkema in 2009

Sales
€4.4 bn

EBITDA
€310 m

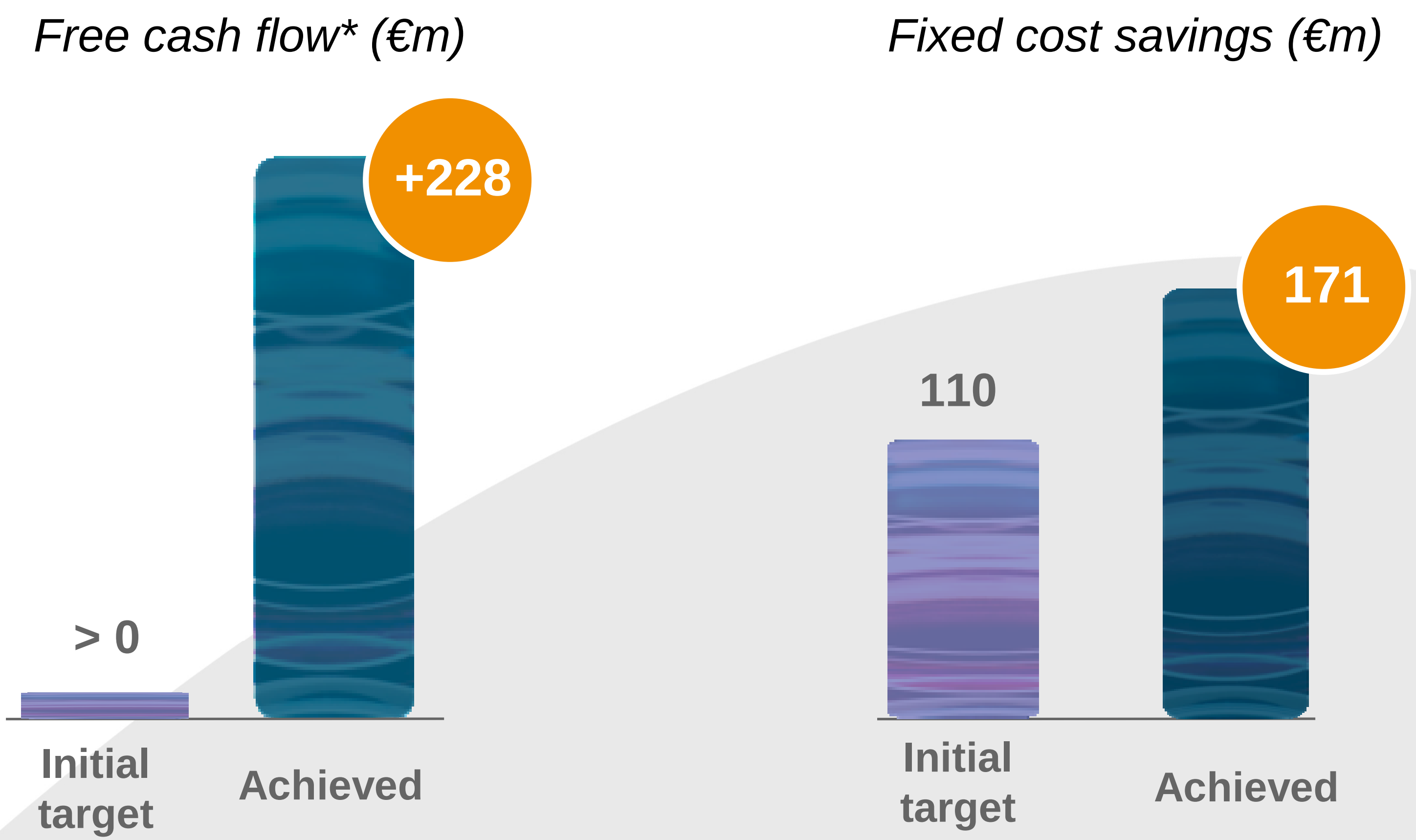
Gearing
below 20%

Capital expenditure
6% of sales

R&D expenses
3% of sales

Employees
13,800

Quickly adapt with two priorities



Largely exceeded targets

* Free cash flow = cash flow including non-recurring items and excluding impact from M&A

Continue to prepare for the future

Increased manufacturing presence in Asia

Expansion:
H_2O_2, Shanghai, China

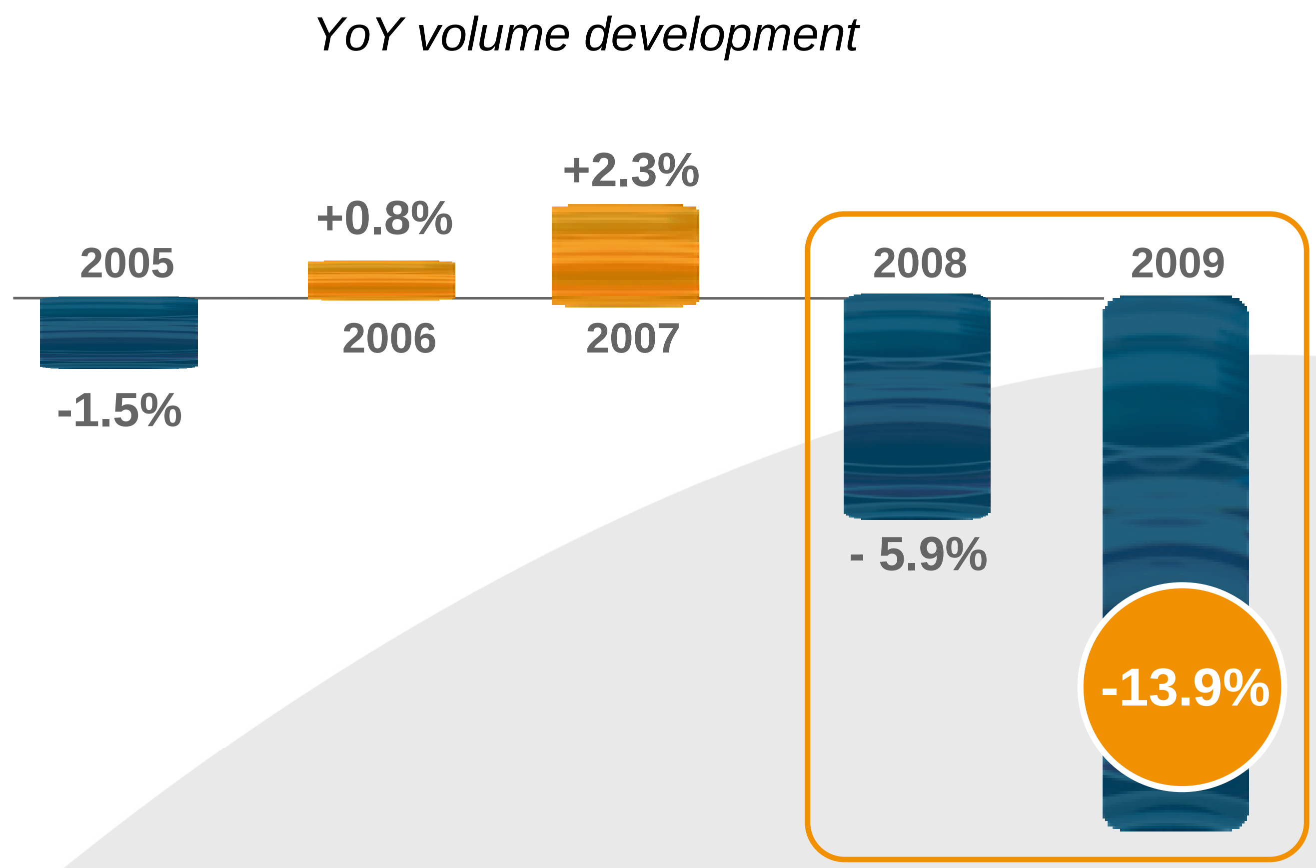
A strengthened acrylic value chain

Acquisition:
Acrylic acid, Clear Lake, USA

Accelerated green innovation


Innovation:
Green bitumen Photovoltaic

2009: an unprecedented downturn



2H’09 substantially better than 1H’09

Uneven regional situations

North America

24% of total sales
20 sites

Excellent financial performance despite low volumes

Asia

18% of total sales
10 sites

Strong demand recovery

Europe / France

54% of total sales
50 sites

Contrasted financial performances

** 2009 figures*

2009 results

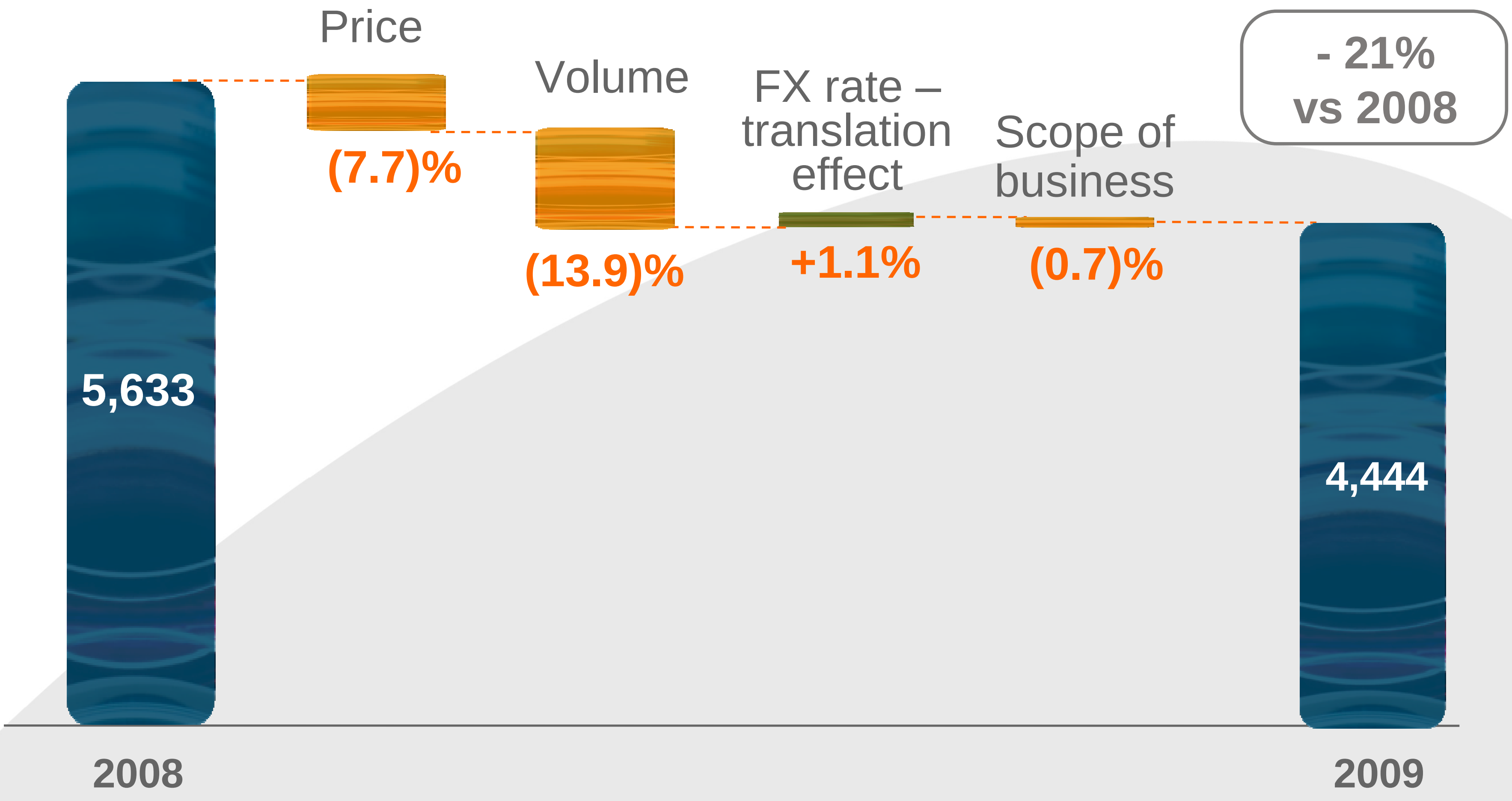
A quick adaptation to an unprecedented crisis

Summarized P&L

In €m	2008	2009	Variation
Sales	**5,633**	**4,444**	(21.1)%
EBITDA	**498**	**310**	(37.8)%
EBITDA margin	***8.8%***	***7.0%***	
Recurring operating income	**250**	**40**	(84.0)%
Non-recurring items	(53)	(109)	-
Net income (group share)	***100***	**(172)**	-

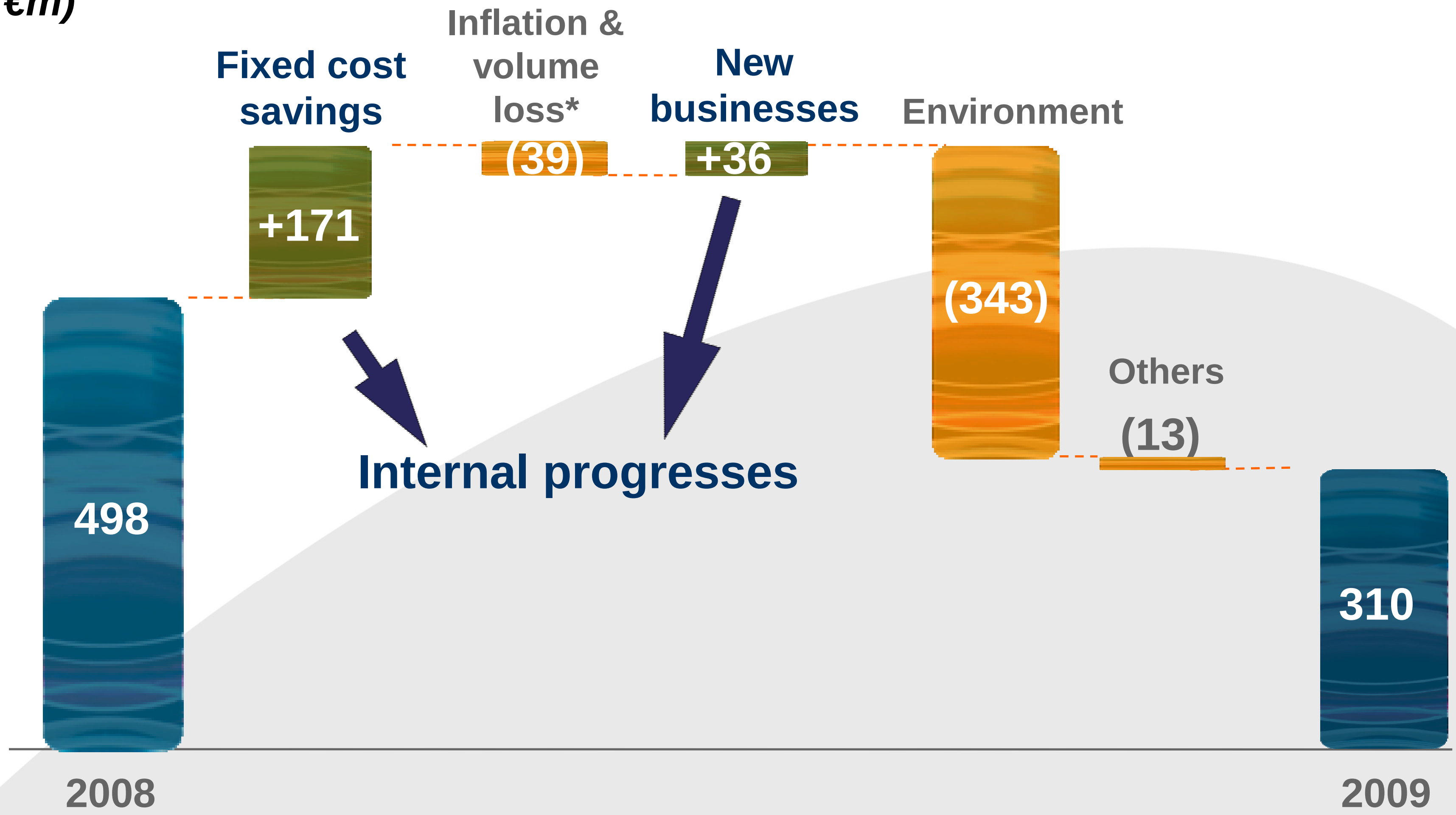
Sales analysis

Sales (€m)



Fixed cost savings partly offset volume drop from challenging markets

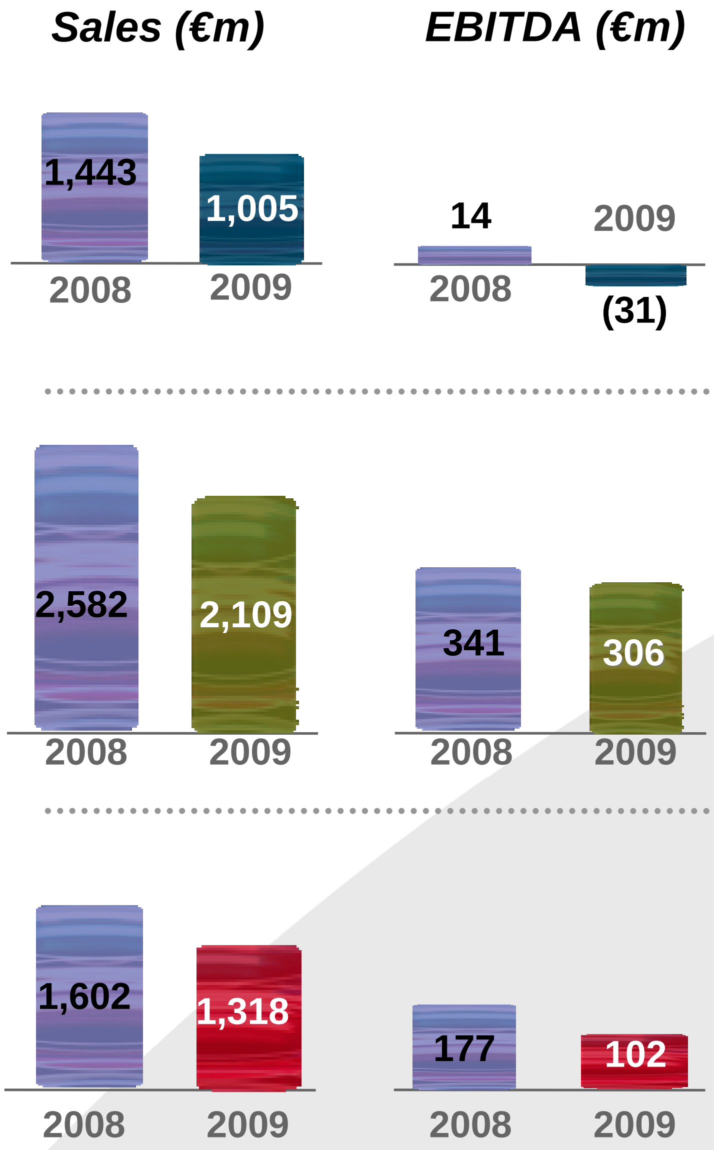
EBITDA (€m)



+€207m from internal progresses

** Inflation on fixed costs and volume losses from restructuring initiatives*

Results by business segments



Vinyl Products

- Trough market conditions
- Benefits from restructuring plans in downstream PVC

Industrial Chemicals

- Record EBITDA margin since spin-off at 14.5%
- Benefits from expansion in Asia

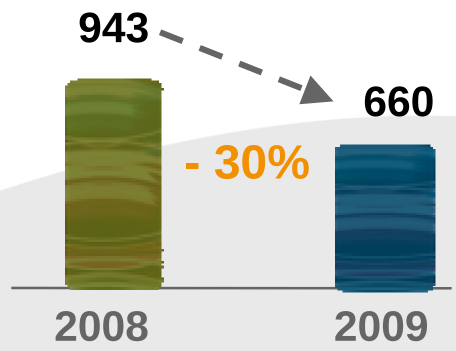
Performance Products

- Significant improvement in 2H'09
- Strong business developments in renewable energies and high performance polymers

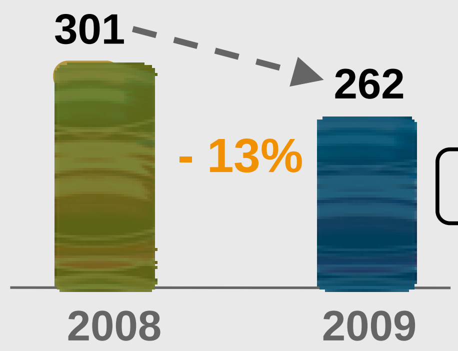
Strong cash generation, largely above the initial target

In €m	
EBITDA	**310**
Working capital reduction	**+384**
Recurring capex	**(262)**
Tax & cost of debt	(82)
Restructuring outflows	**(78)**
Others	(44)
Free cash flow*	**+228**
Initial target	**0+**

Raw materials and finished goods inventories (€m)



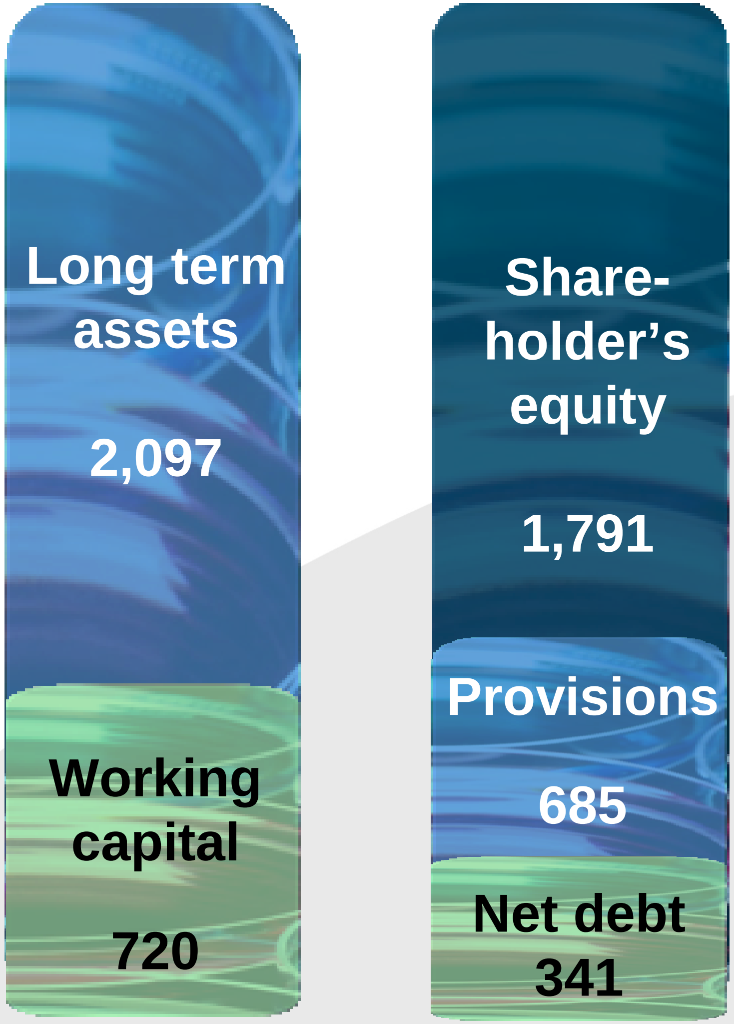
Recurring capex (€m)



In Asia : +24%

** Free cash flow = cash flow including non-recurring items and excluding impact from M&A*

A very strong balance sheet



16.2% working capital / sales vs 18.7% end 2008

- **30% net debt reduction vs end 2008**
- **Gearing <20%**
- **Secured financing until March 2013**
  - €1.1bn syndicated credit line

Simplified balance sheet at 31 December 2009 (in €m)

2009 dividend

- Dividend of €0.60 per share
- Maintained at the same level as previous year
- Reflecting confidence in the Group’s outlook and strong balance sheet

Continue to enable our shareholders to take part in the Group’s transformation

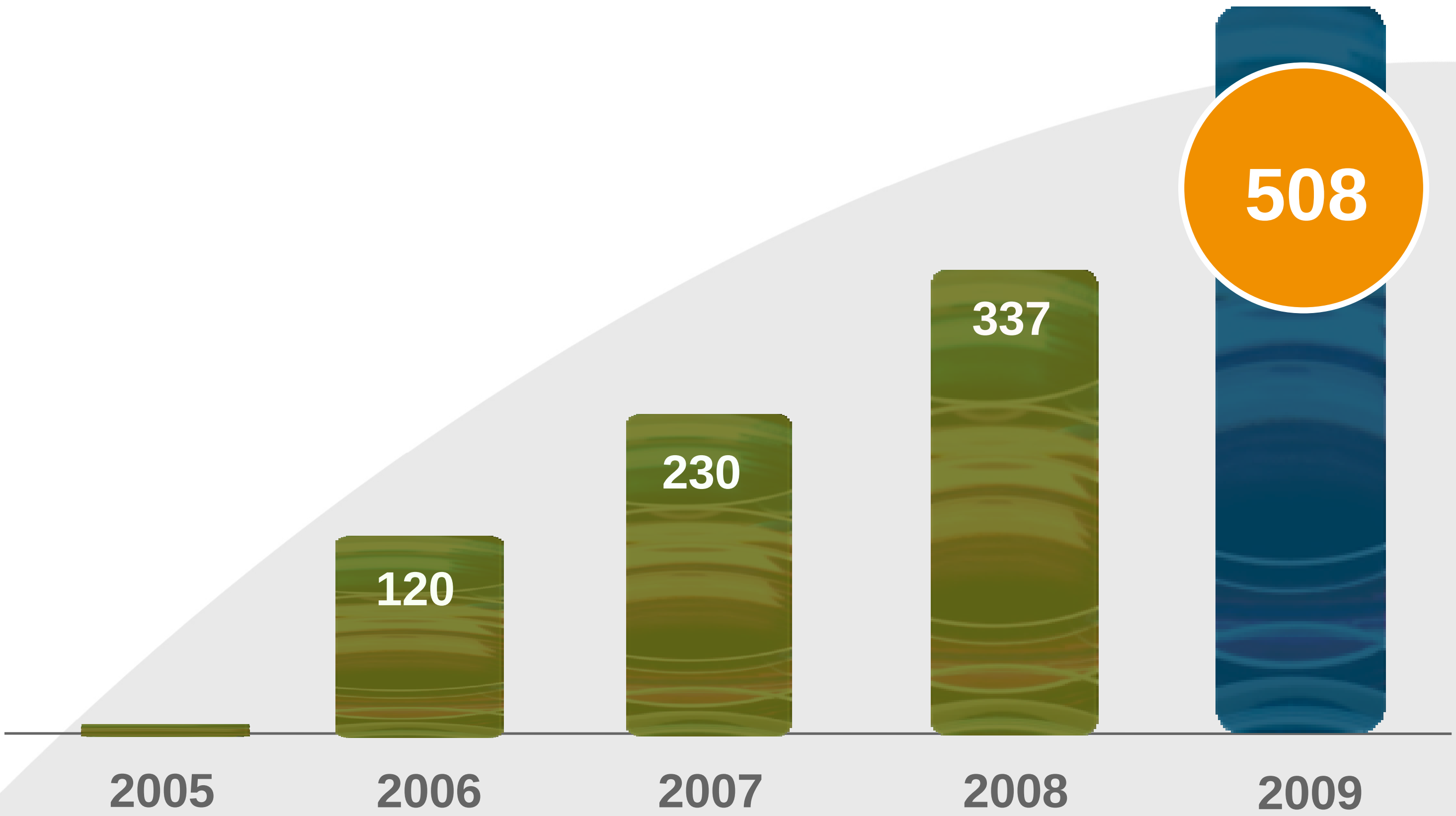
2005-2009

A reshaped Arkema

Improve competitiveness

Cumulated fixed cost savings since 2005 (€m)

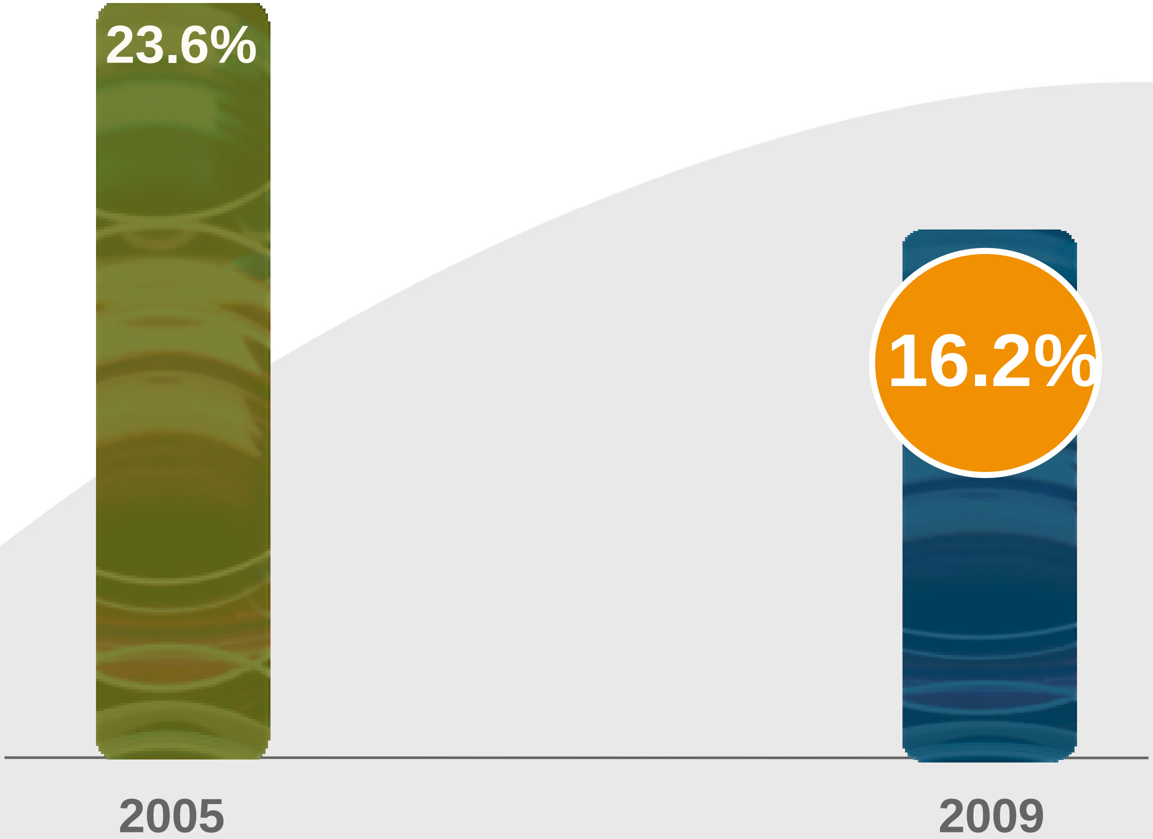
Spin off target
€500m in 2010



Optimize cash generation

Working capital as % of sales

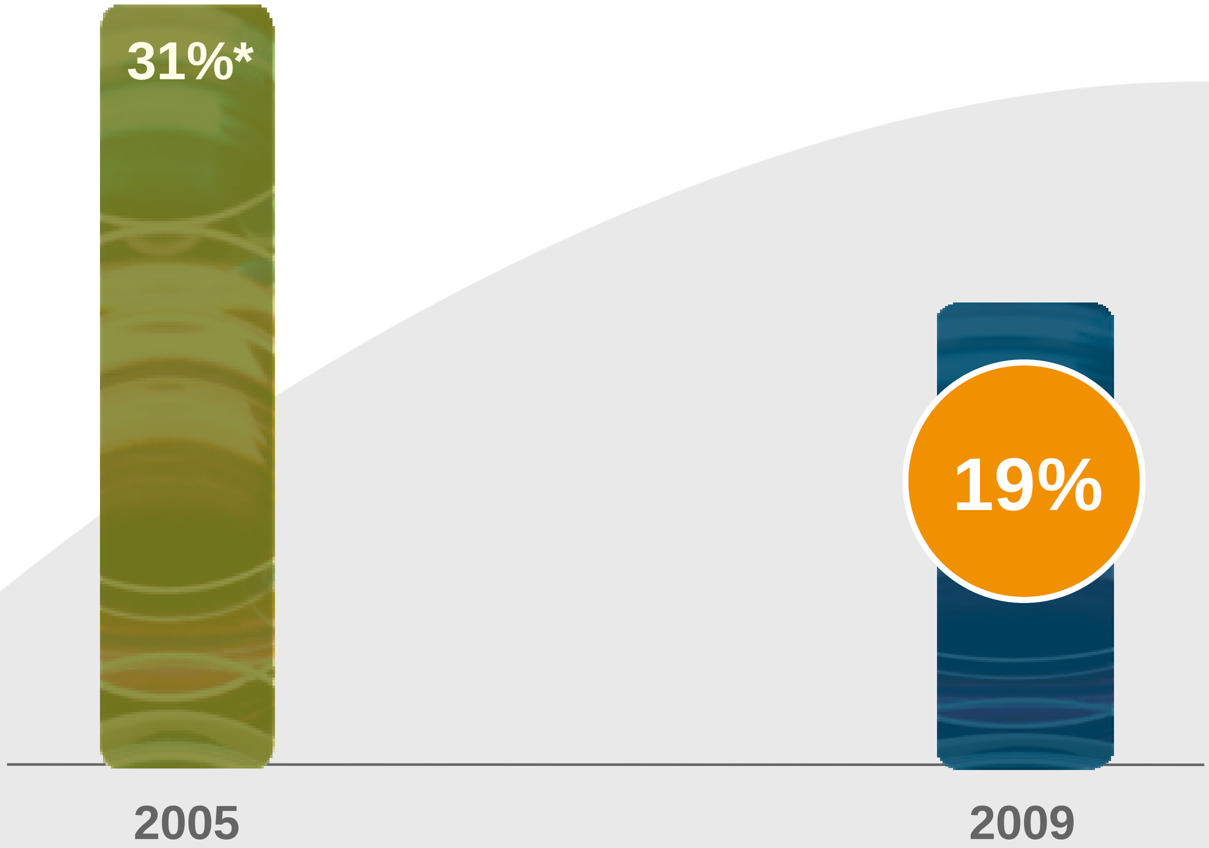
Spin off target
18% end 2010



Keep a very strong balance sheet

Net debt as % of shareholders' equity

Spin off target below 40%



** Net debt computed as 12/31/2005 proforma net debt after €532m capital increase + €580m NR pre spin off items*

Reinforce the business portfolio

Spin off targets
Acquisitions: €500m to €800m sales
Divestments: €300m to €400m sales

Acquisitions €550m

- *Coatex*
- *Ethacryl*
- *Winkelmann Mineraria*
- *Organic peroxides from Geo*
- *Oxford Performance Materials*
- *Acrylic assets from Dow*

Divestments €480m

- *Cerexagri*
- *Urea Formaldehyde Resins*
- *Specialty amines*
- *Sanitary & Heating pipes*

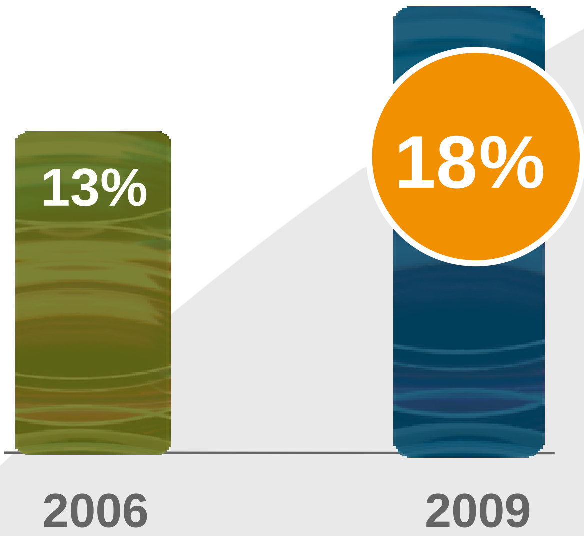
Better positioned on growing regions & products

Asia

€130m capex spent since spin off

Spin off target
20% of sales in 2012

% of total sales achieved in Asia



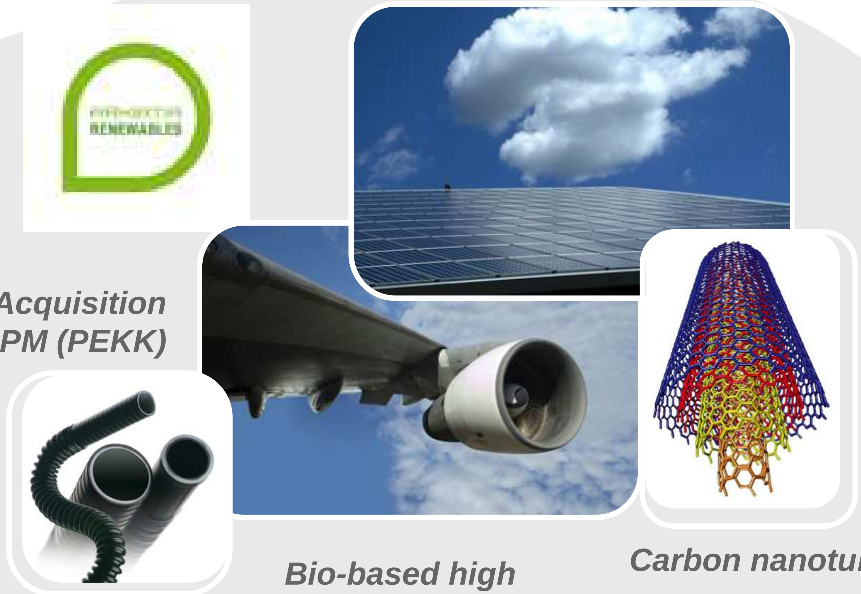
Innovation

Focus on sustainable development and high performance polymers

Bio-based polymers

Range for photovoltaic

Acquisition of OPM (PEKK)



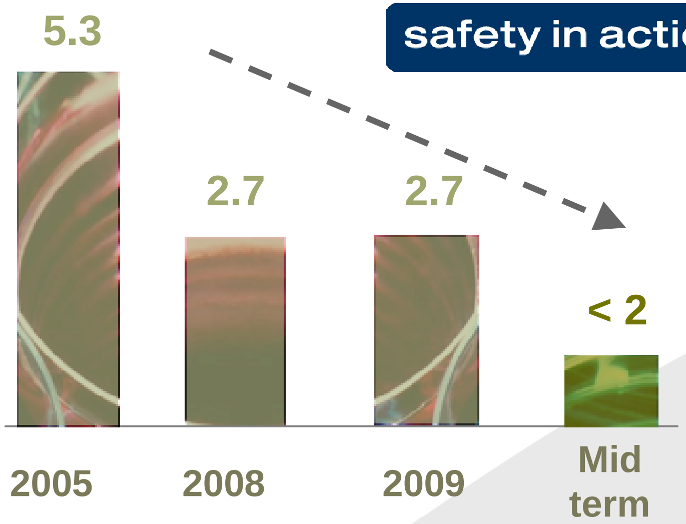
Bio-based high temperature polyamides

Carbon nanotubes

Our responsibility as a chemical player

Safety: a top priority

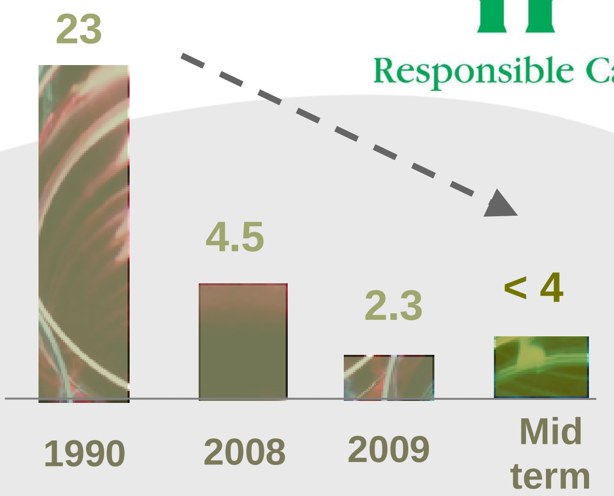
safety in action



Lost time injury rate

Improve our environmental footprint

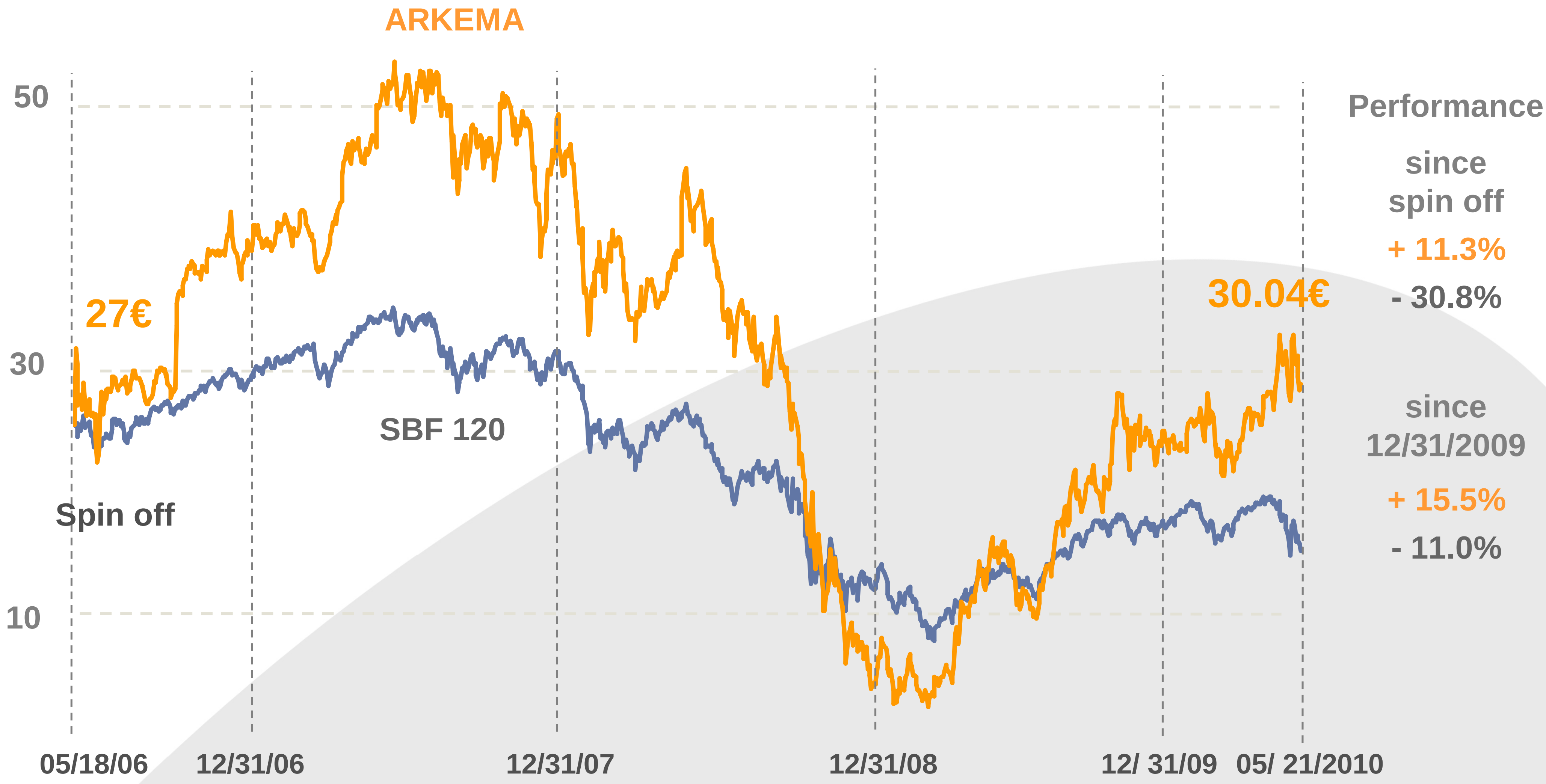
Responsible Care



Greenhouse gas emissions
Mt CO_2-eq

Be a responsible global chemical player

Share performance



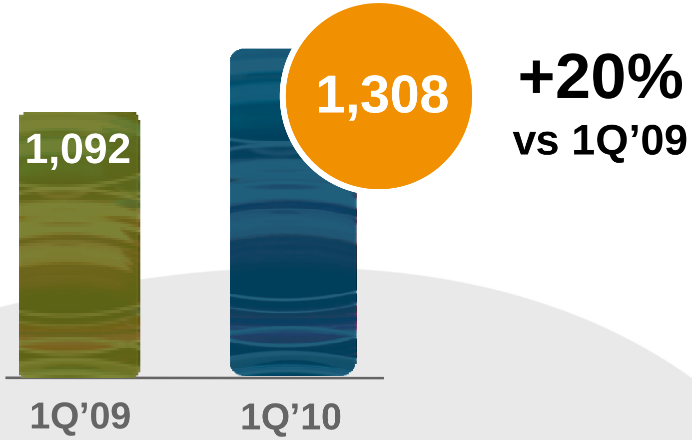
2010 outlook

Very significant increase of sales and profitability

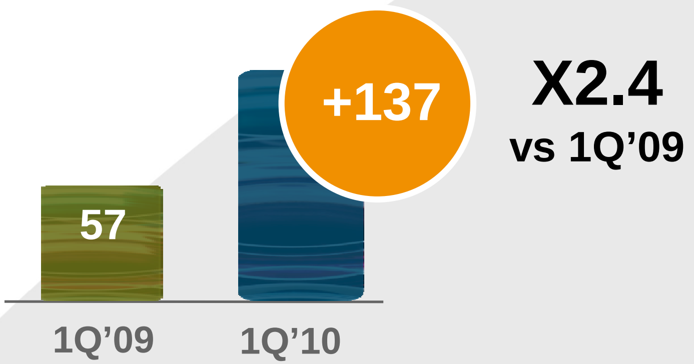
A strong improvement at the start of 2010

- Strong rebound in volumes and profitability in 1Q'10
- 10.5% EBITDA margin versus 5.2% in 1Q'09
- Gearing maintained below 20%

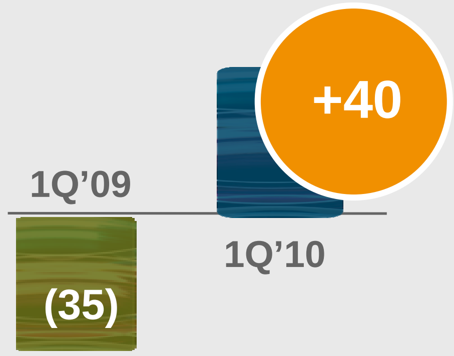
Sales (€m)



EBITDA (€m)



Net result, Group share (€m)



Other 1Q'10 highlights

- Closing of the acquisition and integration of certain acrylic assets purchased from Dow in North America
- Presentation of Arkema's comprehensive product offering for the Coatings market at the American Coatings Show (ACS) held in Charlotte (US)
- Successful start-up of fluorogas (HFC-125) production unit in Changshu (China)
- Acceleration of developments in the new energy markets (photovoltaic, batteries)
- Share capital increase reserved for employees

2010 outlook

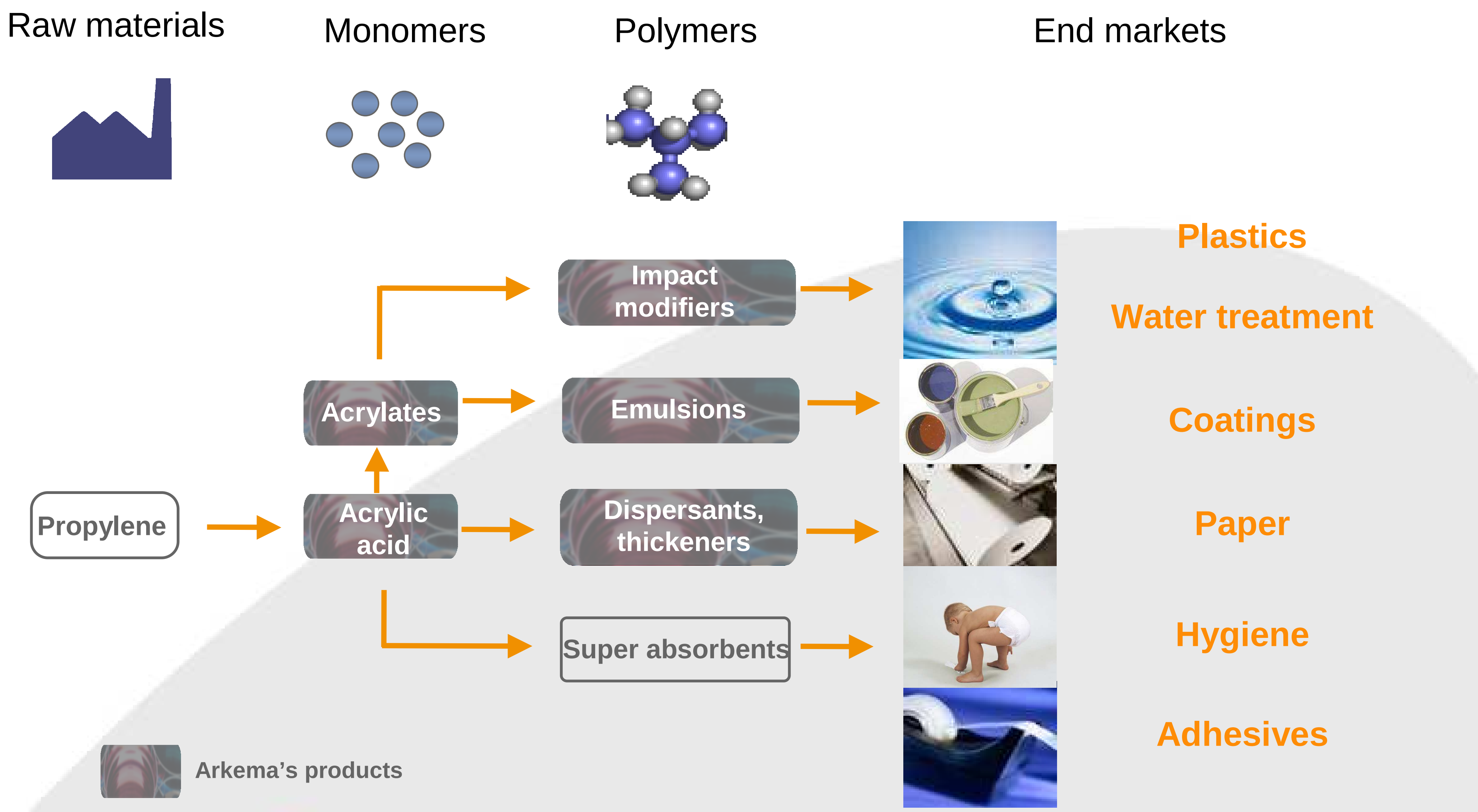
- **2Q'10 outlook**
  - 1Q'10 market conditions expected to continue in 2Q'10
  - **2Q'10 EBITDA will be above 1Q'10 level**

- **2010 outlook**
  - **Confidence in Arkema's ability to generate in 2010 an EBITDA very significantly above 2009**
  - In a still volatile economic environment, continue to focus on strict cost and cash flow management
  - Maintain priority on growth in Asia, high performance polymers and bolt-on acquisitions

Acrylics

Become a worldwide integrated player

An integrated value chain



Our ambition in acrylics

Develop world-scale competitive monomer production sites

Carling site, France

Increase downstream integration

Coatex site in Genay, France

From a European acrylic upstream player to a worldwide integrated player

Key milestones in our development

2007 — 2008 — 2009 — 2010 — 2011 — 2012

Acquisition of Coatex (€150m of sales)

Acquisition of Ethacryl (€4m of sales)

Expansion of AE2H in Carling for pressure sensitive adhesives

Assets acquired from Dow early 2010 ($450m of sales in 2009)

- **Integration of the Clear Lake site, TX (USA)**
- **Acquisition of UCAR™ assets**

New Coatex unit in China

2007 2008 2009 2010 2011 2012

A major achievement: the acquisition of certain acrylic assets from Dow

- Acquisition and integration early 2010
  - $450m of sales in 2009
  - $50m enterprise value
- Perfect fit with Arkema's strategy in Acrylics
  - Build a strong position in the US in monomers (Clear Lake)
  - Develop downstream positions (polymers)
- Present a comprehensive product offering to the Coatings market
- A strong upside potential for volumes and margins

Clear Lake site, USA

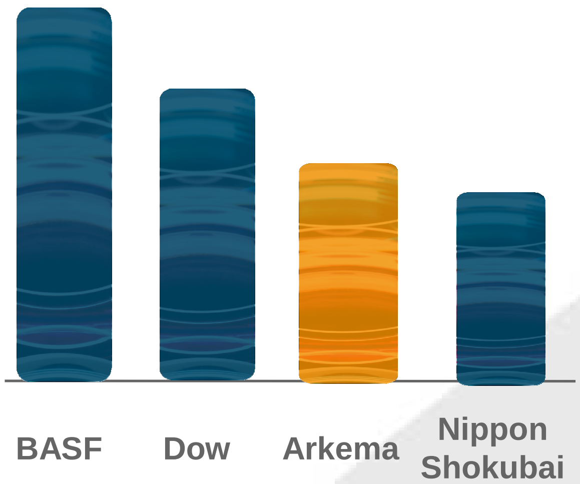
Saint-Charles site, USA

World-scale sites in Europe and North America

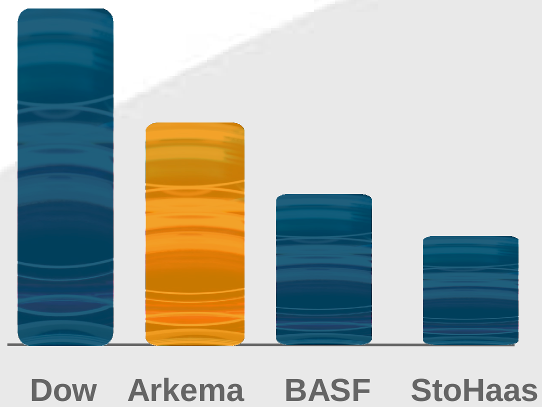
- Acrylic monomer sites
- Impact modifier sites
- Coatex sites
- Emulsion sites

Among the worlwide leaders in acrylics

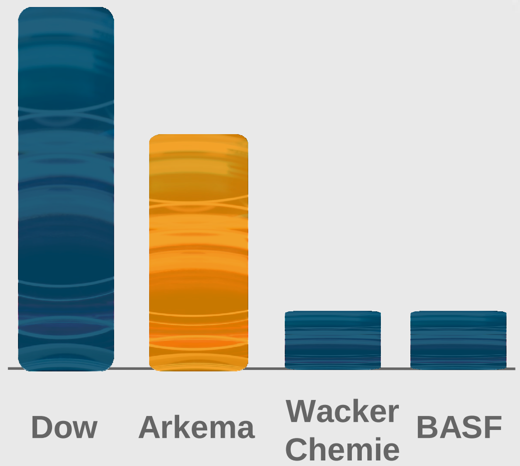
#3 worldwide in acrylic acid



#2 in the US in acrylic acid



#2 in the US in coating latex

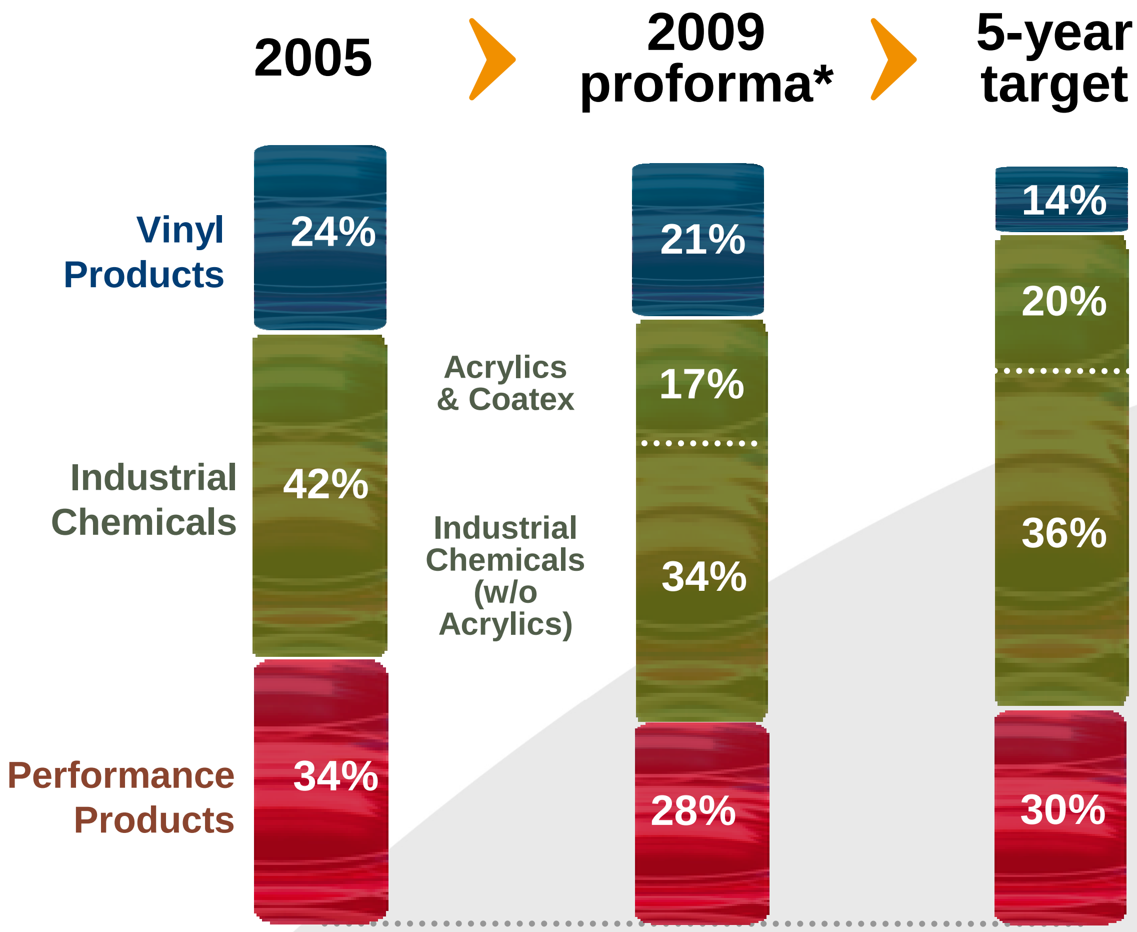


Source: CMAI, SRI et estimations Arkema

2010 - 2014

A new roadmap

A gradual portfolio enhancement



Sales by segment

Strategy

Cost and partnerships

Emergence of a global integrated player

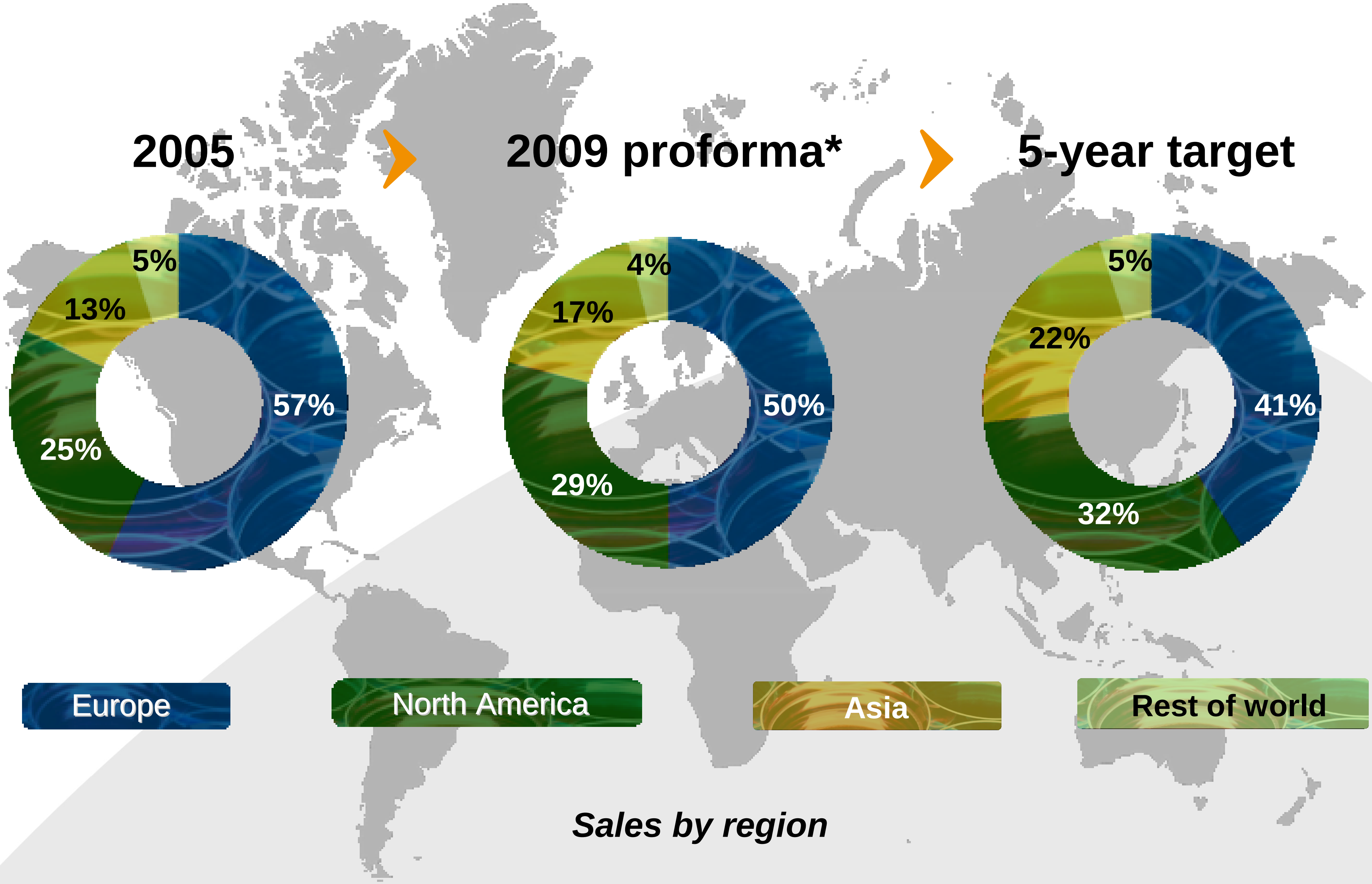
4 first-class growth platforms

- Thiochemicals
- Fluorochemicals
- Methacrylates
- Hydrogen Peroxide

Building a true portfolio of specialties

** Including the acrylic assets acquired from Dow*

Balanced geographic position



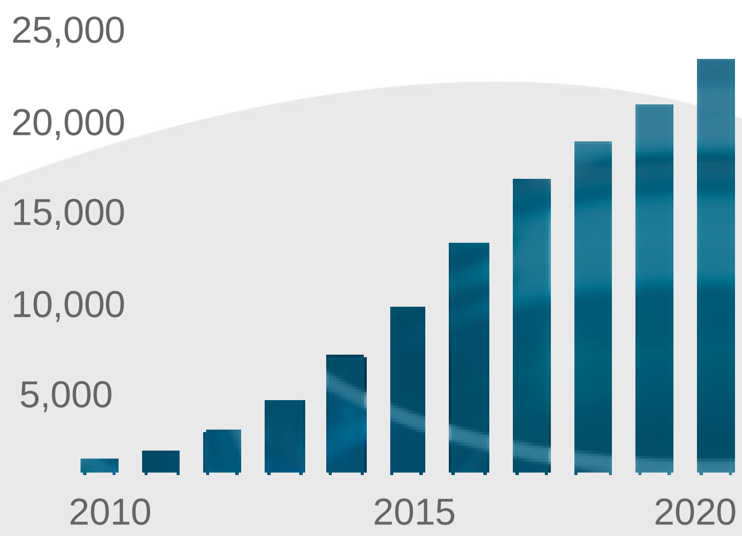
Sales by region

** Including the acrylic assets acquired from Dow*

Accelerate product innovation

- 3% of Group's sales dedicated to R&D
- 7 research centers
- 1,100 researchers
- 15% of R&D efforts allocated to long-term breakthrough projects

Outlook for rechargeable battery market worldwide in US$m



€400m sales from high-margin products by 2014

Source : Avicenne

4 R&D priorities

Composites

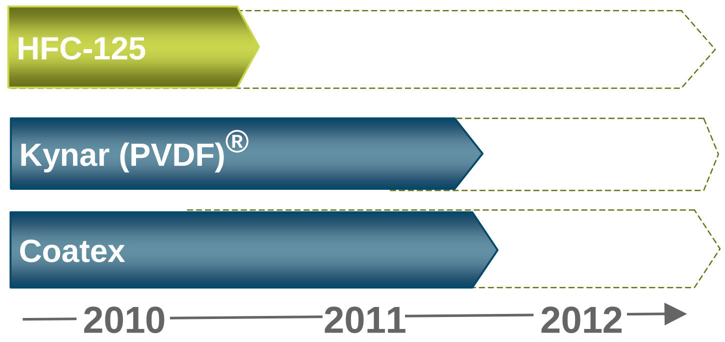
New energies

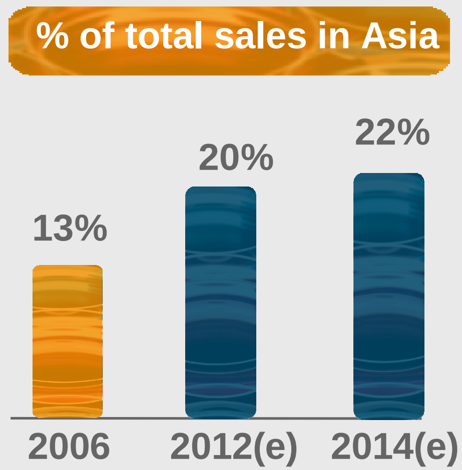
Water treatment

Bio-resourced polymers

Reinforce our presence in Asia

- Successfully achieve current projects in China
  - Partnership with Daikin in new fluorogas blends
  - On-going construction of 2 new production units: Kynar® PVDF and Coatex
- Longer-term thoughts in Asia
  - Acrylic monomers
  - Polyamides
  - Thiochemicals
  - Hydrogen peroxide
- A third to 50% of development capex dedicated to Asia in the coming years





Target 22% of sales in Asia in 2014

Our development in China

Hydrogen peroxide in Shanghai

HFC-125 fluorogas in Changshu

Two new units under construction in Changshu for fluoro-polymers (Kynar®) and acrylic polymers (Coatex®)

5-year (2014) mid-cycle targets

EBITDA margin	5-year (2014) mid-cycle target*
Performance Products	15%
Industrial Chemicals w/o Acrylics	17%
Acrylics	14 to 15%
Vinyls	8 to 9%
Corporate	(1)%
Arkema	**>13,5%**

** In a normalized environment*

Conclusion

- A Group that emerged stronger from 2009 crisis
- 2010 EBITDA should be very significantly above 2009
- High potential for growth and profitability improvement in the coming years
  - Continue the strategy to grow in Asia and through innovation on emerging technologies and bolt-on acquisitions
  - 5-year EBITDA margin target (2014) above 13.5% in mid-cycle environment*

Our target: position Arkema among the best global chemical players

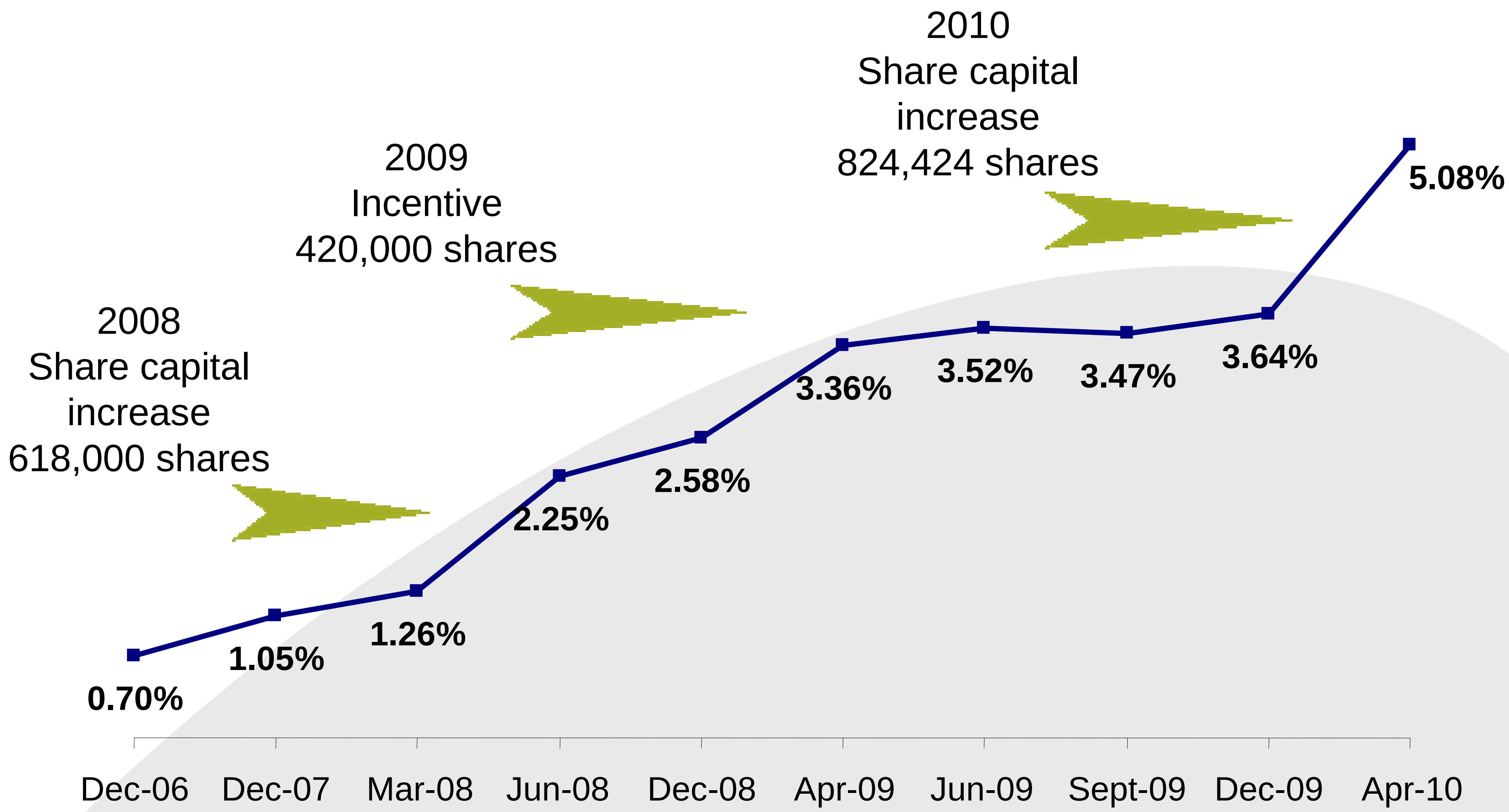
** In a normalized environment*

Governance

2009 highlights

- 2009 General Meeting : implementation of the staggered renewal of the terms of office of directors and appointment of Mr. Marc Pandraud as director.
- Implementation of the principles of the AFEP/MEDEF corporate governance code
- Co-option of Ms. Isabelle Kocher in place of Mr Tidjane Thiam
- Proposition to appoint Ms. Claire Pédini as director
- Proposition to appoint a director representing the employee shareholders

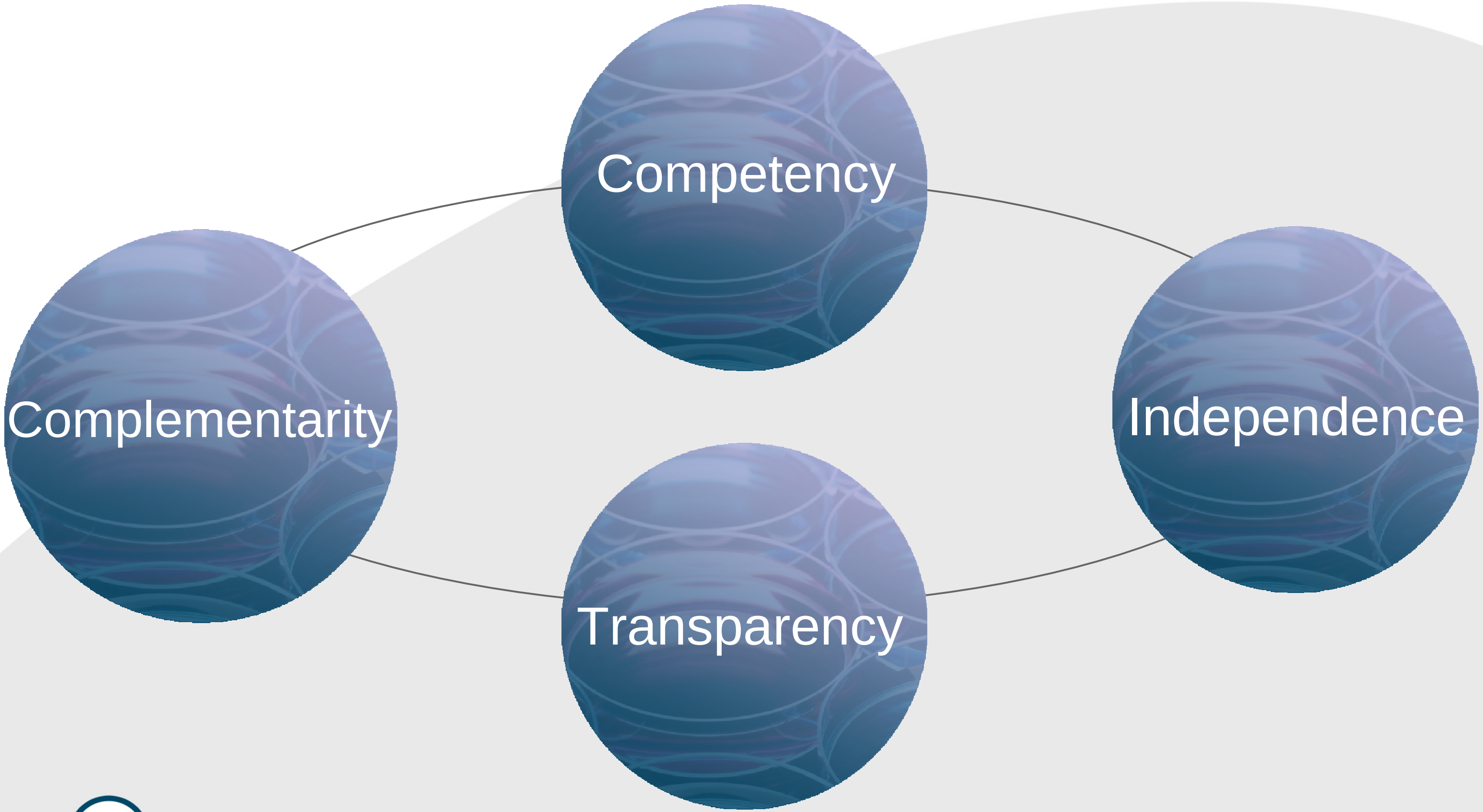
Development of the employee share ownership



A suitable governance

11 directors appointed by the General Meeting

9 independent directors
1 director representing the employee shareholders



3 specialized committees

The nominating and compensation committee

Thierry Morin, Chairman
François Enaud
Bernard Kasriel
All independent

The audit and accounts committee

Philippe Vassor, Chairman
Laurent Mignon
Jean-Pierre Seeuws
All independent

Board of directors

The strategic committee

Jean-Pierre Seeuws, Chairman
All independent directors

Board of Directors' compensation

- **Chairman and Chief Executive Officer**
  - 2010 fixed compensation unchanged at €610,000
  - Variable compensation for 2009 : €660,813 i.e. 72.2 % of maximum amount according to the performance criteria
  - No attendance fee
- **Directors**
  - Current maximum annual overall amount of attendance fees set at €360,000 by the 2006 General Meeting and not reevaluated since that time
  - Proposal to set the maximum annual overall amount of attendance fees at €470,000 to take into consideration the increased number of directors within the Board of Directors and its committees.
  - The split of the attendance fees is based on:
A fixed part and a variable part depending on attendance and participation to a specialized committee
  - The unitary attendance fees remain unchanged

Performance shares and stock options

Performance shares	2008	2009	2010
Number of beneficiaries	**Performance criteria have not been achieved**	646	1,009
Number of allocated shares		184,850	204,500
Including Chairman and CEO		**Allocation has been declined**	18,800

(the executive committee has also declined the share allocation)

Stock Options	2008	2009	2010
Number of beneficiaries	100	**No stock options distributed**	74
Exercise price	€36.21		€30.47
Number of allocated options	460,000		450,000
Including Chairman and CEO	52,500		70,000

- 2010 performance criteria : one external (Arkema’s performance compared to that of a representative group of companies of the sector); the other one internal (EBITDA level)
- Requirement to retain shares for the CEO and members of the executive committee

Resolution proposed to the ordinary General Meeting

1st and 2nd resolutions

Approval of the annual and consolidated financial statements for the financial year ended 31 December 2009

3rd resolution

Allocation of income for the financial year ended 31 December 2009 – Distribution of a dividend of €0.60 per share

4th resolution

Continuation of the agreements governed by articles L.225-38 and seq. of the French Commercial Code

5th resolution

Determination of the annual overall amount of directors’ fees at €470,000

Combined General Meeting of 1 June 2010
Proposed resolutions

6th resolution

Ratification of the co-option of Ms. Isabelle Kocher as director

7th resolution

Appointment of Ms. Claire Pedini as director

8th and 9th resolutions

Appointment of a director representing the employee shareholders

10th resolution

Authorization for the Board of Director to trade shares in the Company (article L 225-209 of French Commercial Code) except in case of takeover bid.

Maximum purchase price: €45

Maximum acquisition amount: €50 million

Resolutions proposed to the extraordinary General Meeting

11th resolution

Delegation of authority granted to the Board of Directors in order to issue securities with preferential subscription rights.

Duration of the authorization: 26 months

Maximum nominal amount: €300 million

12th resolution

Delegation of authority to the Board of Directors in order to issue securities without preferential subscription rights.

Duration of the authorization: 26 months

Maximum nominal amount: €120 million

13th resolution

Increase of the number of shares to be issued pursuant to the 11th or 12th resolution, by up to a maximum of 15% of the initial issuance, in the event that such issuances should be the subject of excess demand by the investors.

14th resolution

Overall limitation of authorizations to increase capital pursuant to the 11th, 12th and 13th resolutions

Duration of authorization: 26 months.

Maximum nominal amount of share capital increase: €420 million

Debt security: €500 million

Combined General Meeting of 1 June 2010
Proposed resolutions

15th resolution

Delegation of authority granted to the Board of Directors to conduct capital increases reserved for employees participating in a company savings plan

Duration of authorization: 26 months

Maximum nominal amount: €20 million

16th and 17th resolutions

Amendment to the articles of association.

Deletion of paragraph of article 10.1.2. of the articles of association which allowed for the implementation in 2009 of the staggered renewal of the terms of office of directors , which has become inapplicable.

Insertion of a cross-reference to article 10.2 in order to state that the term of office of the director representing the employee shareholders shall be as provided under article 10.1.2, in accordance with provisions laid down by law.

18th resolution

Powers for formalities.