

Annual General Meeting

May 23, 2012



2011

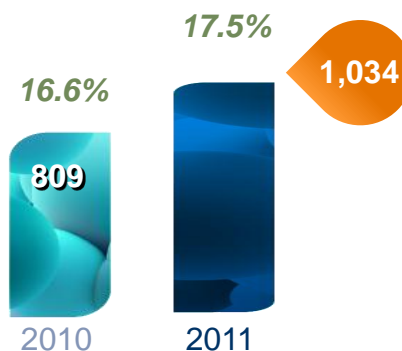
Accelerating Group's transformation



Sales (€m)



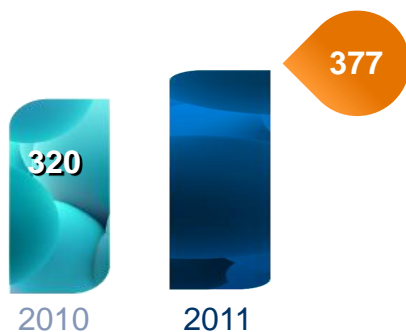
EBITDA (€m) & EBITDA margin (%)



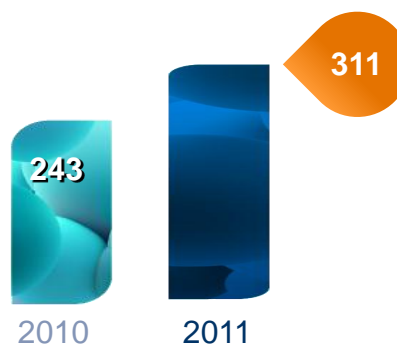
Adjusted net income (€m)



Free cash flow (€m)



Recurring Capex (€m)

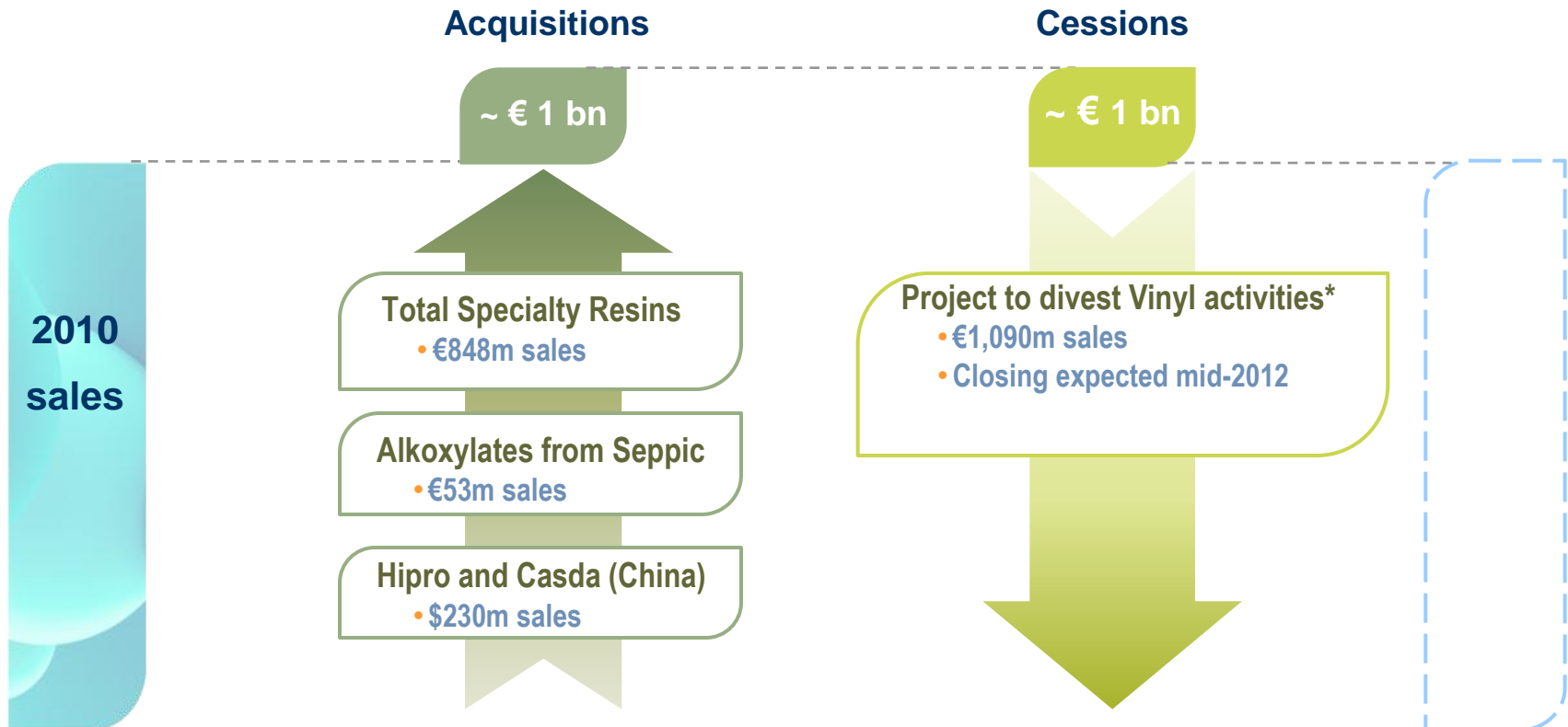


Vinyl activities

Sales (€m) :	1,090
Employees :	2,630

In application of IFRS 5 rules, figures do not include contribution of Vinyl activities subject to a divestment project ongoing at the close of the year. This project remains in particular subject to the approval from antitrust authorities.

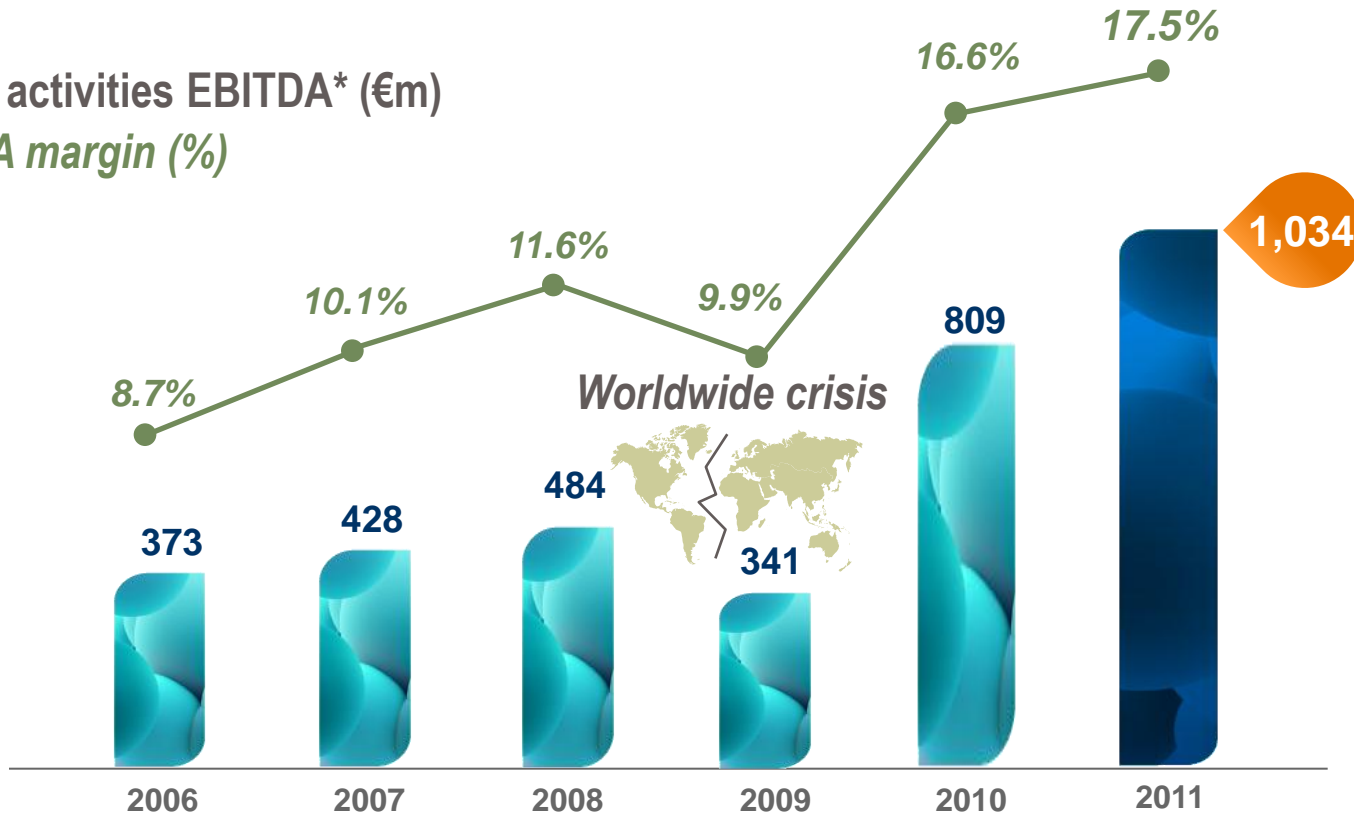
A year of major portfolio change



* Project remains in particular subject to the approval from antitrust authorities

Higher profitability and greater resilience

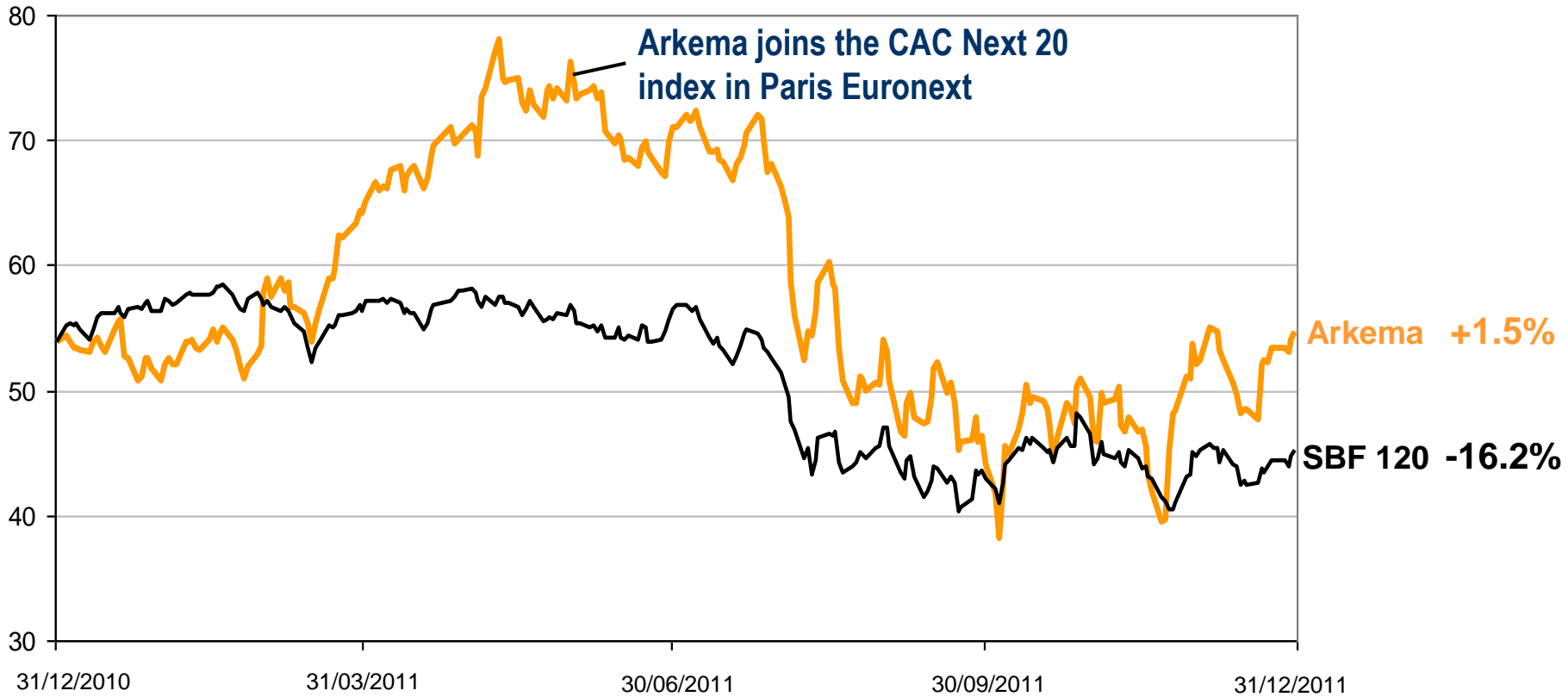
Continuing activities EBITDA* (€m)
and EBITDA margin (%)



Net debt unchanged at ~ 600 m€

* From 2006 to 2009, figures exclude results of the whole Vinyl Products segment.
For 2010 and 2011, results exclude Vinyls business subject to a divestment project.
This project remains in particular subject to approval from antitrust authorities.

Share price in 2011



In 5 years, Arkema +41 %

SBF 120 -41%

Peers* -13%

* AkzoNobel, BASF, Clariant, DSM, Lanxess, Solvay

Start-up of a fluoropolymer unit in China

- PVDF Kynar® unit started in March 2011 in Changshu
- Announcement of a 50% capacity increase due to start mid-2012
- Applications : coatings, new energies, high performance materials, etc.



Development of Changshu industrial platform in China

- 1st industrial site of the Group in the world
- Start-up of Coatex unit (dispersants / thickeners) in August 2011
- Opening of first R&D center in China scheduled at the end of 2012
- On-going projects in fluorogases, fluoropolymers and in emulsions



Thiochemicals platform project in Malaysia

- Production unit for sulfur specialties (oil and gas applications) and for bio-methionine (used for animal nutrition)
- World-scale unit with innovative bio process
- Partnership with South Korean company CJ CheilJedang
- Investment of about US\$200m (Arkema's share)



Construction work on Kerteh site

Participation in a fluorspar mine in Canada

- Strategic integration in the raw material for the fluorochemical chain
- Partnership with Canadian company Canada Fluorspar Inc. (CFI)
- Based in St Lawrence (Newfoundland)



St Lawrence
(Canada)

Acquisition of specialty resins of Total

- Closing on July 1st 2011 and successful integration
- Full-year Sales of €850m
- Strategic strengthening of the acrylic downstream
- Arkema becomes one of the worldwide leaders in paint and coating materials



Acquisition of specialty alkoxyates from Seppic

- World-scale site in Antwerpen (Belgium), €53m sales with 50 employees
- Complement surfactant product range of CECA
- Niche markets: warm mix asphalt for roads and industrial detergents



Acquisitions in bio-sourced polyamides in China

- Two Chinese companies: Casda Biomaterials and Hipro Polymers (total sales: US\$230m and 750 employees)
- Casda, worldwide leader for sebacic acid derived from castor oil
- Hipro, polyamides 10 producer, will strengthen Arkema's unique position in specialty polyamides, besides its PA 11 and 12
- Main end-markets: transport, renewable energies, electronics, etc.



Project to divest Vinyl activities *

- **Focusing the Group on specialty chemicals**
- **Vinyl activities: €1bn sales, 2,630 employees**
- **Creation of a European leader of the PVC industry, with strong balance sheet and a coherent industrial project**
- **Project to sell to Klesch group, specialized in commodity-related industrial businesses**
- **Finalization of the information / consultation process of workers councils on 3rd May 2012**
- **Closing of project expected mid-2012**

* Project remains in particular subject to the approval from antitrust authorities

Examples of innovations in 2011

- Ultra flexible Rilsan® HT: specialty polyamides
- Replacement of metal in automotive parts



- Celocor™ : coating resins
- Partial replacement of titanium dioxide in waterborne paints

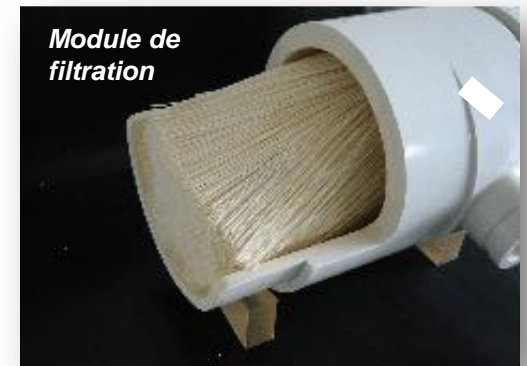


Examples of innovations in 2011

- Altuglas Shield-up®: PMMA
- Replacement of glass in vehicle sun-roof



- Membranes for nano filtration: fluoropolymers
- Drinking water treatment



Arkema, 1st French chemical player

- **3 main on-going investments:**
 - Modernization of **Carling** site (2010-2012): €40m
 - Maintain sulfur supply for Thiochemicals activities in **Lacq** (2012-2014): €33m
 - Conversion of mercury electrolysis at **Jarrie**(2011-2013): €60m

- **2/3 of R&D efforts made in France**

- **5 R&D centers in France working on 5 innovation areas:**
 - Renewable energies
 - Green chemistry
 - Access to drinking water
 - Lightweight materials
 - Organic electronic

- **Partnerships in research with Aquitaine region, CNRS, CEA, competitiveness clusters (Axelera, INDEED), etc.**

- Maintain sulfur supply for Thiochemicals activities in Europe for an additional 30 years after depletion of Total gas field at Lacq
- Total investment of about €150m*, of which €33m for Arkema

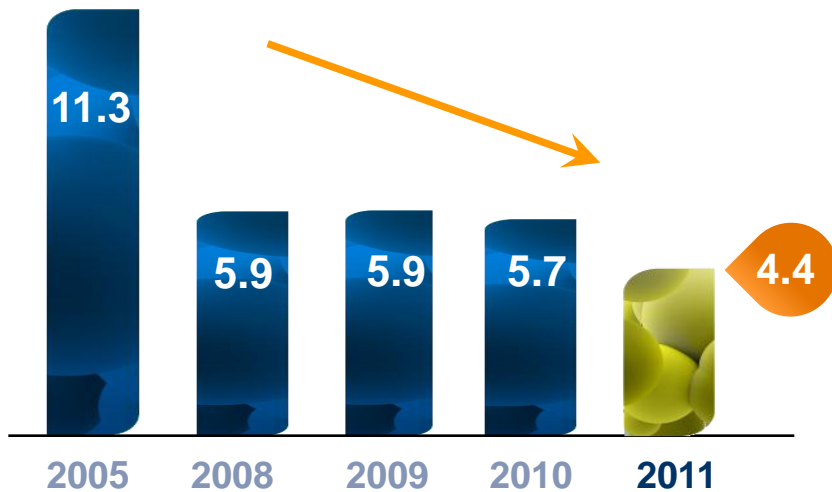


* This project is supported by a €5.6m subsidy from the Ministry of Industry (OSEO Grand Emprunt).

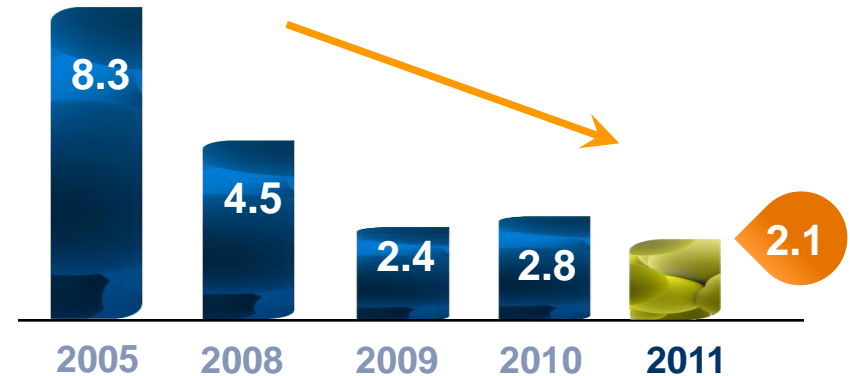
Environment and safety, the focus of our concern

Safety : 

Environment :



Total Recordable Injury Rate



Greenhouse gas emissions
(mt eq CO₂)



2011

Financial results

A record year



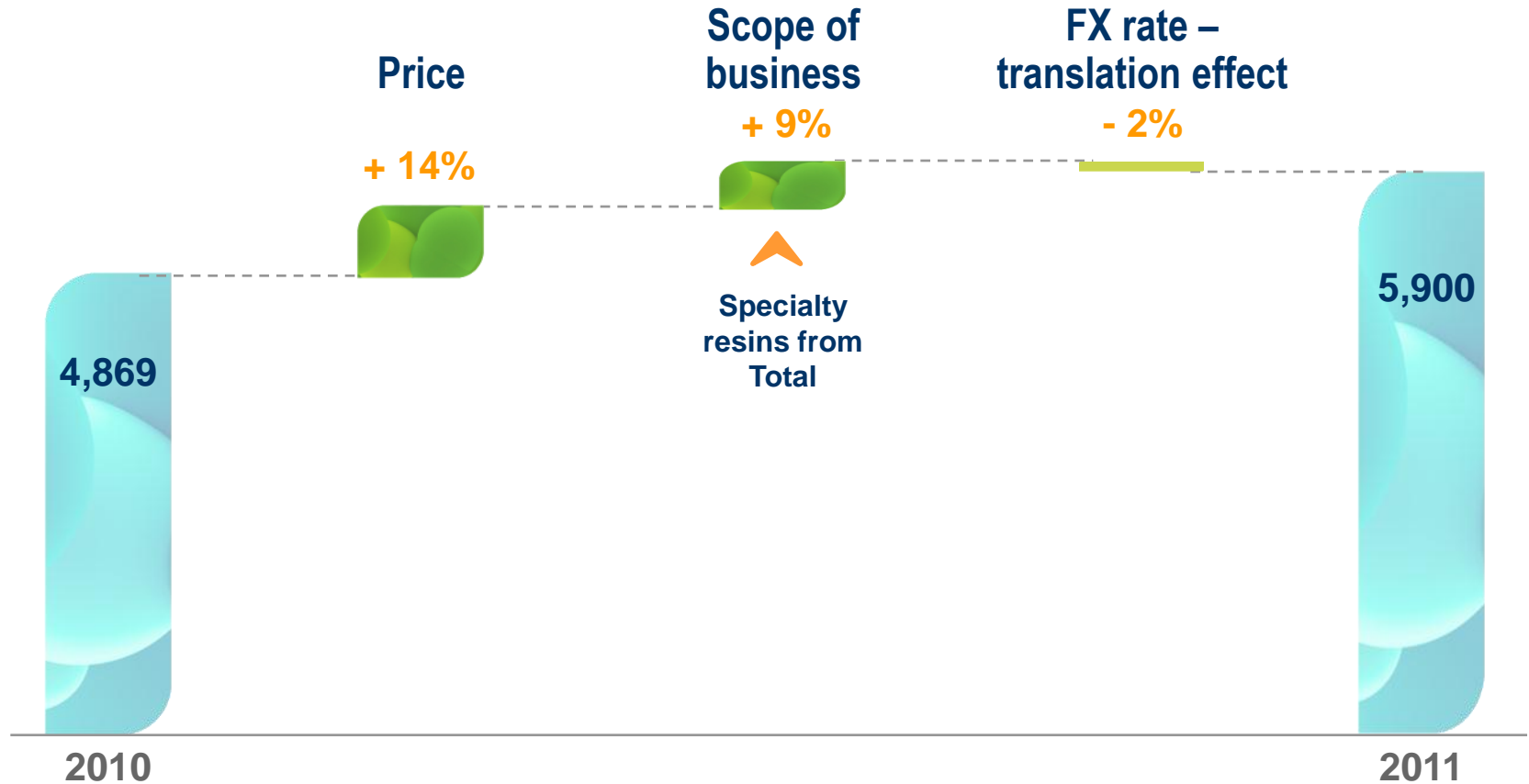
Summarized income statement

<i>In €m</i>	2010	2011	Variation
Sales	4,869	5,900	+21%
EBITDA	809	1,034	+28%
EBITDA margin	16.6%	17.5%	
Recurring operating income	562	762	+36%
Recurring net income (continuing operations)	431	574	+33%
Net income (discontinued operations)	(78)	(587)	<i>n.m.</i>
Net income (Group share)	347	(19)	<i>n.m.</i>

In accordance with standard IFRS 5, Vinyl activities subject to a divestment project are accounted for as discontinued operations. This project remains in particular subject to the approval by antitrust authorities.

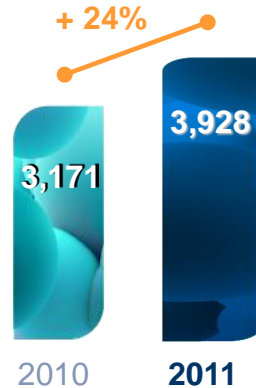
+ 21% sales year-on-year

Sales (€m)



Industrial Chemicals: strong growth and high profitability

Sales (€m)



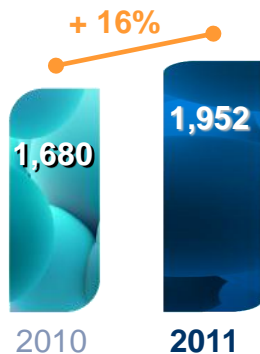
EBITDA (€m) & EBITDA margin (%)



- + 24% sales
- Integration of Total specialty resins (€408m sales in 2nd half 2011)
- High contribution of Fluorochemicals
- High unit margins in acrylic monomers on tight supply and demand balance overall
- Continued strong performance in Thiochemicals (animal nutrition, oil and gas) and in PMMA (industrial restructuring in Europe)

Performance Products : successful turnaround driven by innovation and Asia

Sales (€m)



EBITDA (m€) & EBITDA margin (%)



- Excellent performance now best-in-class
- + 4% volumes
- Excellent positions on fast-growing niche markets
- Very positive price effect and portfolio repositioning on higher added value products
- Innovations focused on sustainable development
- Strong contribution from Technical Polymers (polyamides and fluoropolymers)

Vinyls activities subject to divestment project *

Impact on 2011 financial statements :

(€m)	2011 incl. vinyl activities	Transaction impact	2011 continuing operations
Sales	6,990	1,090	5,900
EBITDA	1,010	(24)	1,034
Net income – Group share	(19)	(587)	568



€(505)m non-recurring expenses

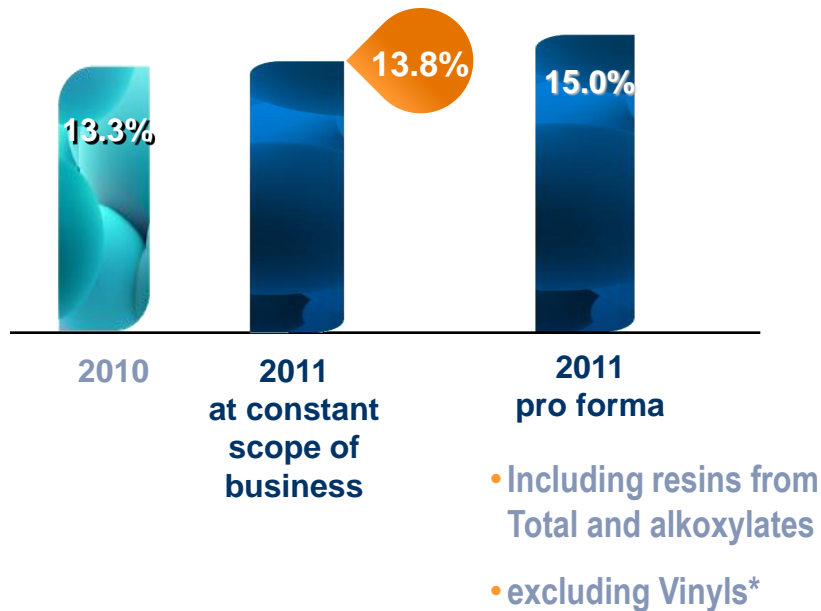
+ €(82)m net income of Vinyls

- Write-off of PPE
- Provisions on working capital
- €96.5m cash to be transferred
- Construction market in Europe remaining challenging
- Price increase in PVC to offset higher ethylene cost
- Good performance of Vinyl compounds
- Large maintenance turnaround in Lavera with modernization works on VCM

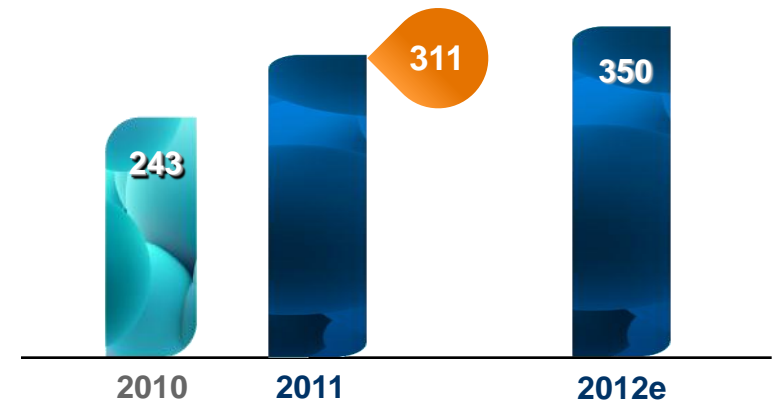
* Project remains in particular subject to the approval from antitrust authorities

Working capital and capex

Working capital / sales (%)



Recurring capex without Vinyls* (€m)



- Not including €50m non recurring capex in 2012e related to some breakthrough projects (Lacq 2014, Jarrie, Thiochemicals in Malaysia)

* Project to divest Vinyls remains in particular subject to the approval from antitrust authorities

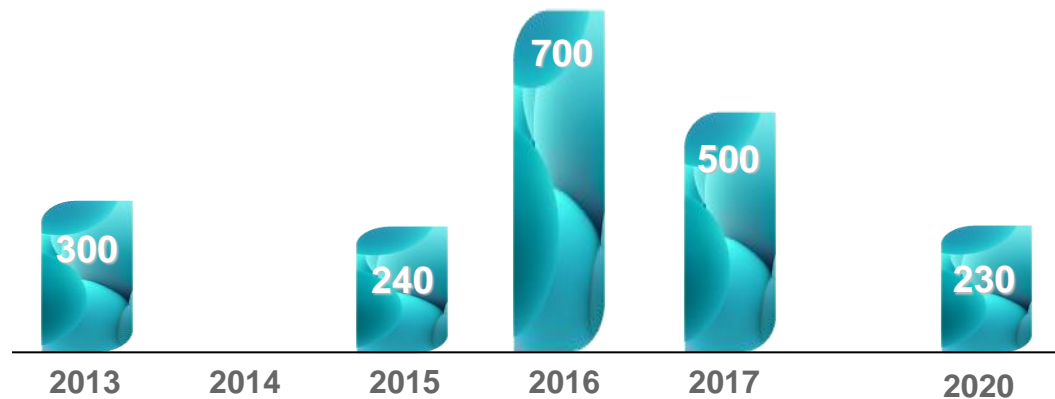
Strong balance sheet

Shareholders' equity	€2.2bn
Net debt	€603m
Gearing	27%

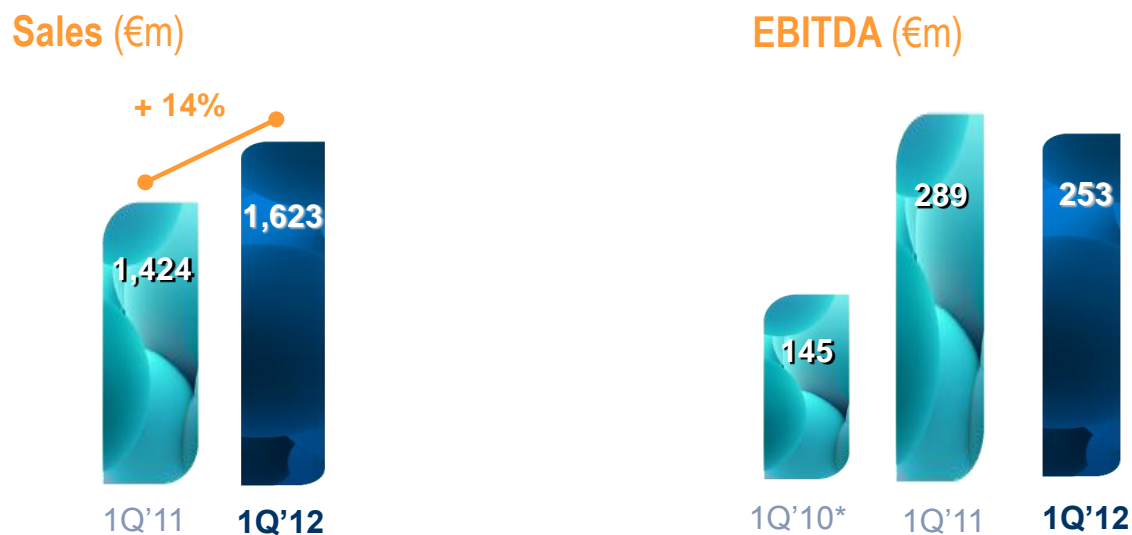
Available financing sources:

- New syndicated credit line of €700m signed in July 2011
- New bond of €230m issued in April 2012 (3.85% interest rate)
- More than €1.4bn financing source available after 4 years

Maturity of financial debt (€m):



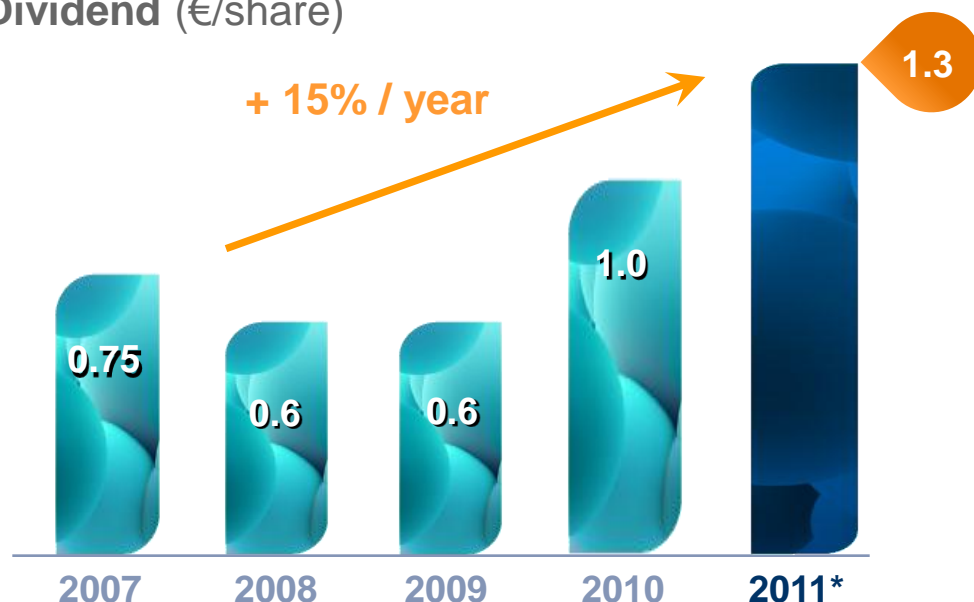
Good 1st quarter 2012, with a significant increase versus end 2011



- **€253m EBITDA close to historical high of 1st quarter 2011**
 - 2nd best performance in a first quarter
 - Well above 4th quarter 2011 (€158m)
- **15.6% EBITDA margin**
- **Excellent results of Performance Products with 19.1% EBITDA margin**
- **Good performance of Industrial Chemicals with 15.7% EBITDA margin**
- **€123m adjusted net income, i.e. 7.6% of sales**

* 1st quarter 2010 figures exclude results of the whole Vinyl Products segment. For 1Q'11 and 1Q'12, figures exclude Vinyls activities subject to a divestment project. This project remains in particular subject to the approval from antitrust authorities.

Dividend (€/share)



- +30% dividend to reflect strong performance of continuing operations and balance sheet
- 2.4% dividend yield
(based on share price at end 2011)

Dividend policy: “Arkema intends to pay a stable to reasonably rising dividend each year.”

* Dividend proposed to this Shareholders’ Annual General Meeting of 23 May 2012

Benefits from acquisitions

- FY contribution of Specialty Resins
- Development of Seppic alkoxyates
- Integration of Hipro and Casda (China)



Close project to divest Vinyl activities*

Continue strong pace of development in Asia

- FY contribution of units started in 2011 (Kynar[®], Coatex)
- Start-ups of units expected to come onstream in 2012 in China
- Start construction of Thiochemicals platform in Malaysia



Accelerate growth from innovation

- Specialty polyamides in automotive, oil and gas, sport, etc.
- Fluoropolymers in sustainable development
- Celacor[™] opaque polymer in partial replacement of TiO₂



* Project remains in particular subject to the approval from antitrust authorities

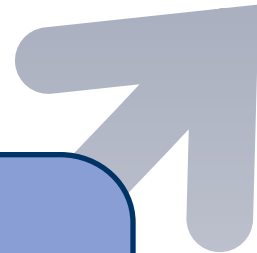


Strong growth platform for the future





Our ambition : a top world specialty chemical player



Accelerating growth

- Innovation
- Emerging countries
- Bolt-on acquisitions
- Operational excellence

Well established growth platform

Profitability restored

Spin off

2005

2010

2015

- Six main product lines of specialty chemicals
- Limited number of players on small to mid-size segments
- Proprietary technologies and know-how
- Attractive development opportunities in emerging countries
- Portfolio well positioned to benefit from mega-trends

Global leadership positions

Coatings

3

PMMA

2

Thiochemicals

1

Fluorochemicals

2

PVDF

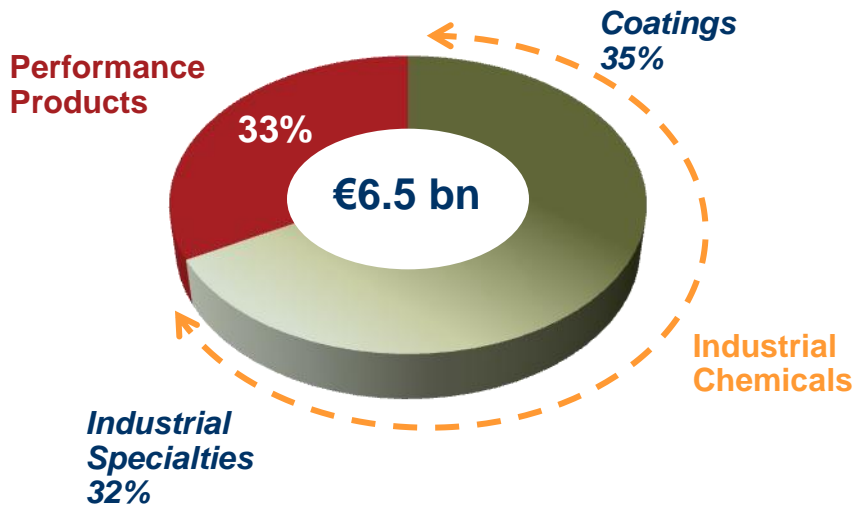
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Specialty
polyamides

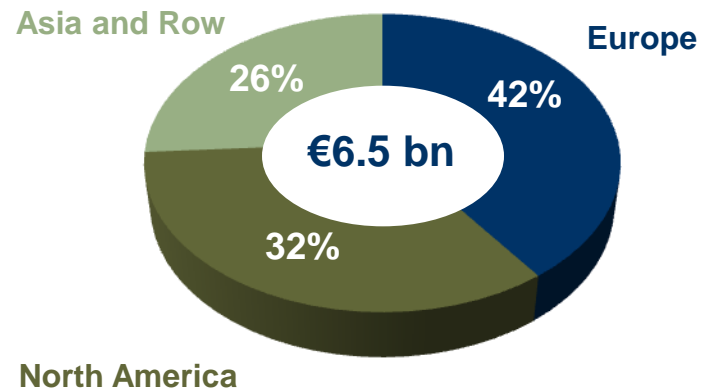
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Well balanced portfolio and geographical coverage

2011 sales by business line *

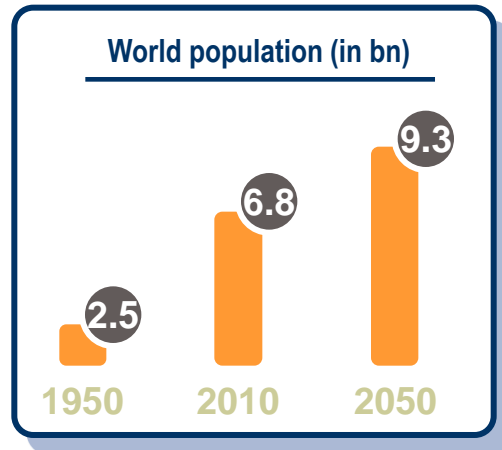


2011 sales by region *

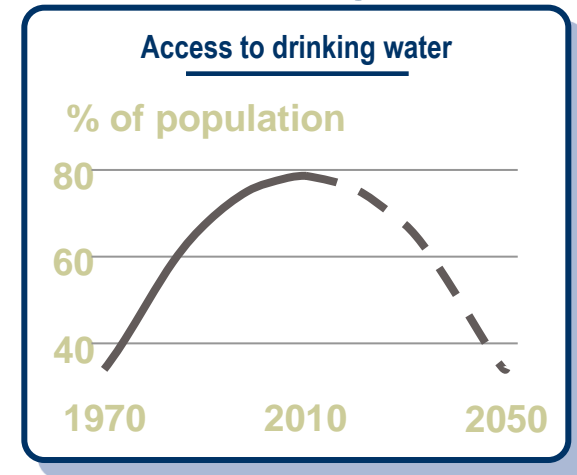


* Proforma sales including full year contribution of Total resins, Seppic, Hipro and Casda and excluding Vinyls.

World population will hit 9 billion in 2050



1 billion people do not have access to drinking water



The demand in energy will more than double by 2050



Energy savings :
light-weight vehicles,
greener houses, etc.



New energies :
photovoltaic, battery,
wind, biomass, etc.

Well positioned on tomorrow's challenges

New energies /
Energy efficiency



Renewable



Water
management



Lightweight
materials



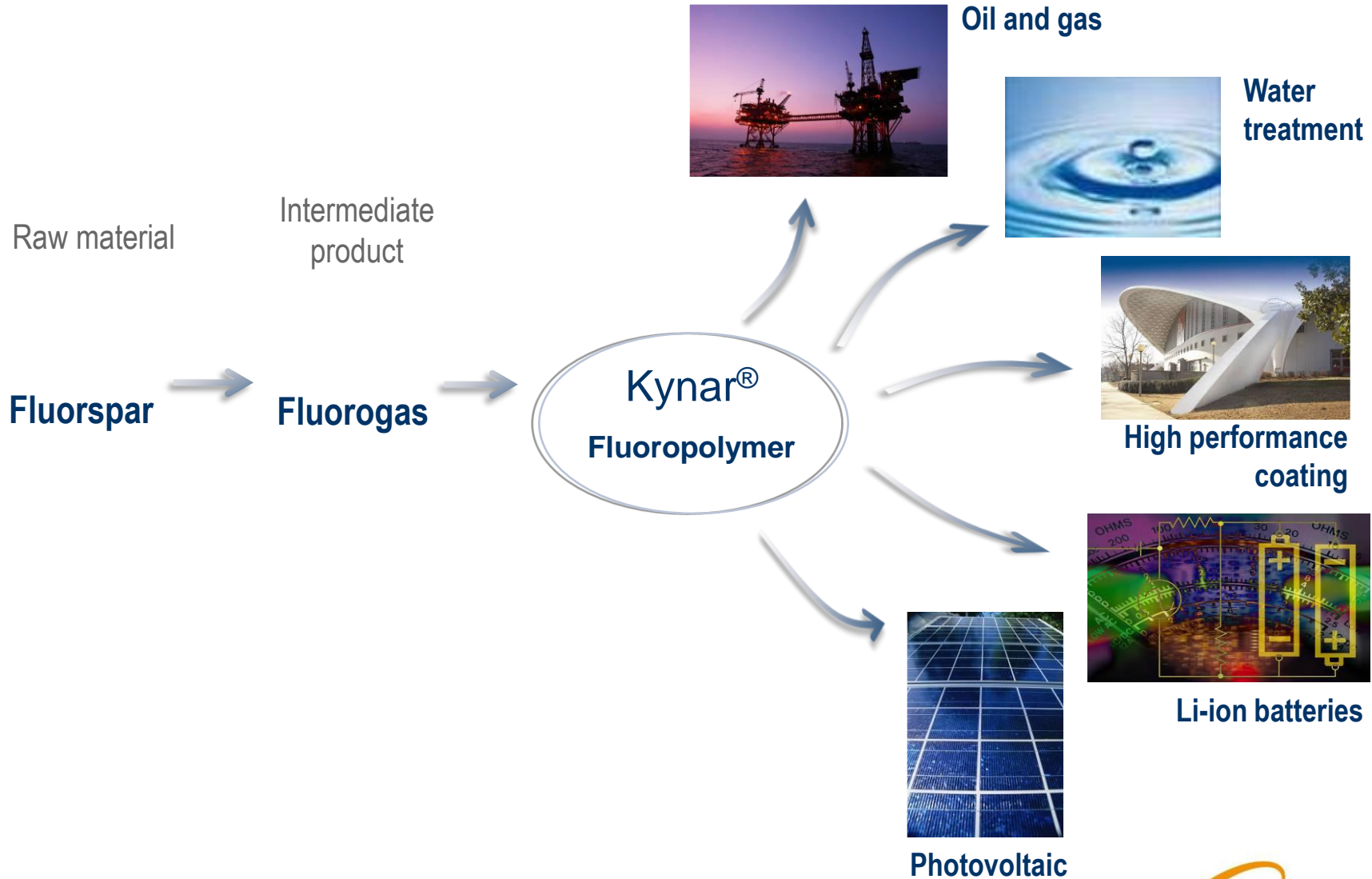
Estimated
growth*



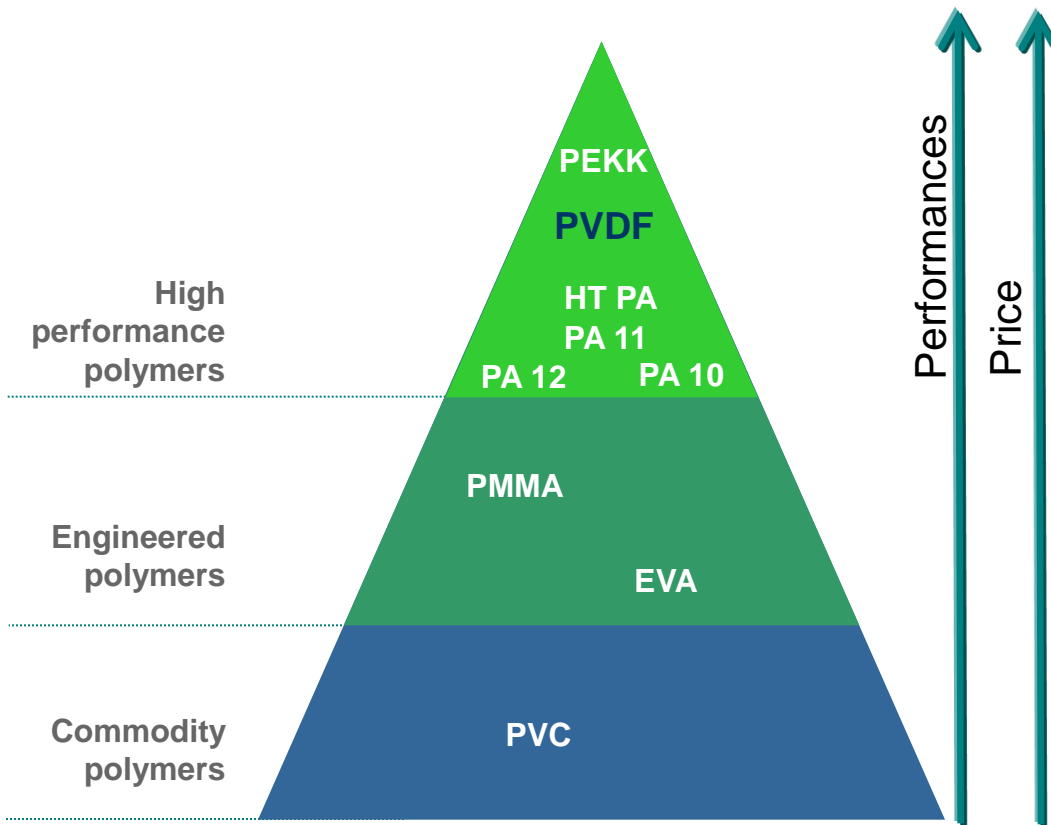
	New energies / Energy efficiency	Renewable	Water management	Lightweight materials	Estimated growth*
Coatings	●	●	●		+ 3.5%
PMMA				●	+ 3.5%
Thiochemicals	●	●			+ 4.5%
Fluoropolymers PVDF	●		●	●	+ 7%
Specialty Polyamides	●	●		●	+ 5%

* Average annual growth rate. Arkema internal estimates

Example of fluoropolymers : PVDF Kynar®



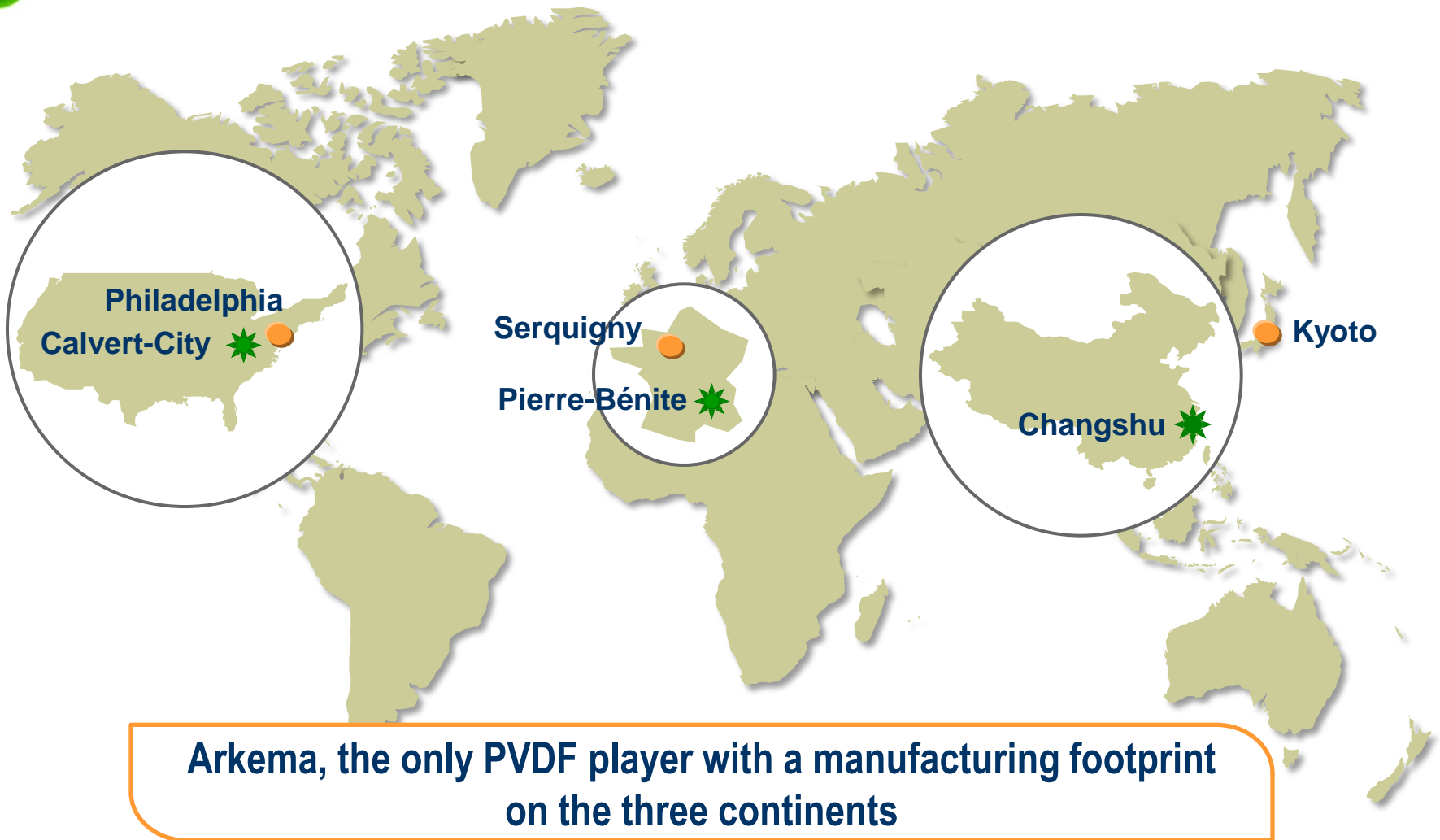
PVDF Kynar[®] : a high performance polymer



PVDF exceptional properties

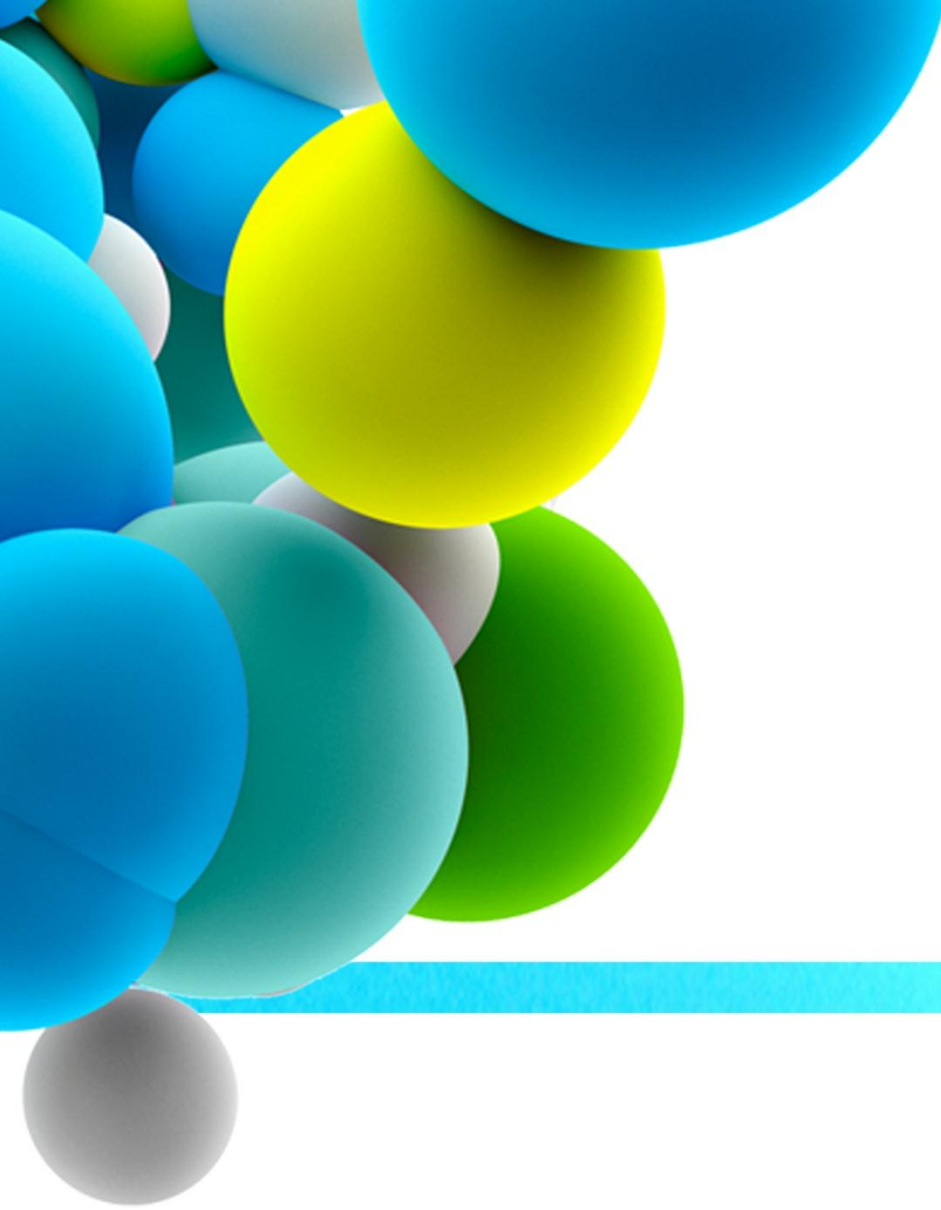
- Durability
- High temperature resistance
- Excellent chemical resistance
- Easy to process
- UV and moisture barrier

Fluoropolymers : a global footprint



★ Production sites

● R&D centers



Outlook



Upgrade long-term targets (2016)

Sales

€8 bn

EBITDA

€1,250m

**Previous target:
€1,050m in 2015**

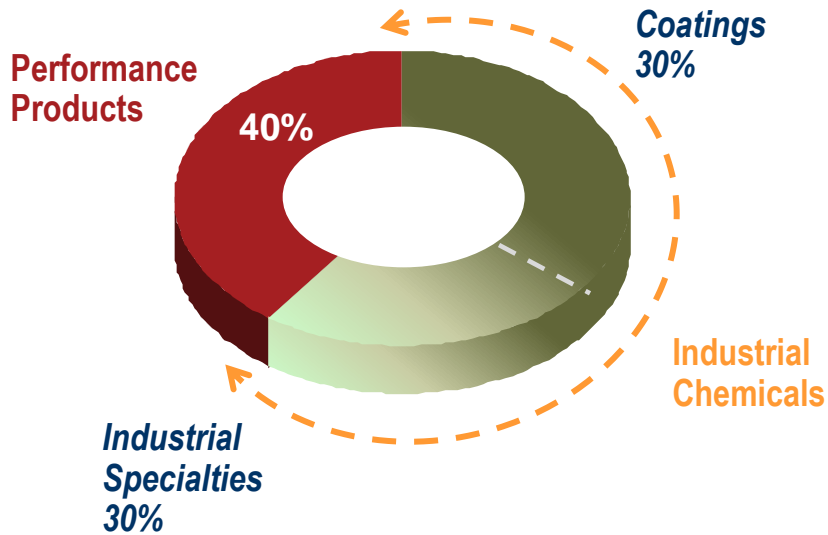
Gearing

~ 40%

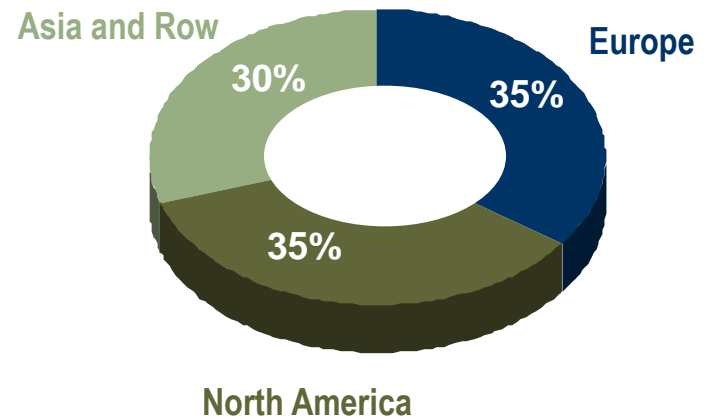
In a normalized environment

Very well balanced breakdown in 2016

2016e sales by business line



2016e sales by region



Arkema internal estimates



Governance

Activity of the Board of Directors and its Committees in 2011

6 meetings of the Board of Directors

- Attendance rate: **88%**
- Close of the 2010 accounts
- Assessment of the Board of Directors
- Review of various strategic projects

Audit and Accounts Committee

5 meetings

Attendance rate: **90%**

- Review of quarterly, half-yearly and annual accounts
- Review of the Group's risks

Nominating, Compensation and Corporate Governance Committee

4 meetings

Attendance rate: **100%**

- Review of the officers compensation
- Annual assessment of the Board
- Implementation of stock option and performance shares plans

Strategy Committee

1 meeting

Attendance rate: **89%**

- Analysis of the Group's strategy
- Review of the operational projects



Annual assessment of the Board of Directors

- **Board assessment done by an external consultant every 3 years**
 - Assessment done beginning 2012 by Spencer Stuart
 - Report presented to the Nominating, Compensation and Corporate Governance Committee
- **The performance of the Board has globally improved since the previous assessment.**
- **The compliance to the governance rules is deemed to be very satisfactory.**
- **Various improvements are proposed :**
 - Implementation of a HR review every year
 - Strengthen the environmental review
 - More detailed road show feedback

■ Compensation of the Chairman and Chief Executive Officer

- 2011 fixed compensation unchanged since 1 January 2008: €610,000
- Variable compensation due for the year: €915,000
- Achievement rate of financial targets (variable compensation): 100%
- No attendance fee
- Fixed compensation as from renewal of its term of office by this General Meeting: €750,000

■ Non-voluntary termination indemnity of the Chairman and CEO

- No employment contract, Company officer
- Renewal of the agreement authorised by the General Meeting on 15 June 2009
- 4 criteria unchanged and a 5th on Return on Capital Employed in substitution to a criterion on fixed costs that has now become less relevant
- May not exceed twice the total annual gross compensation

■ Compensation of the Directors of the Board

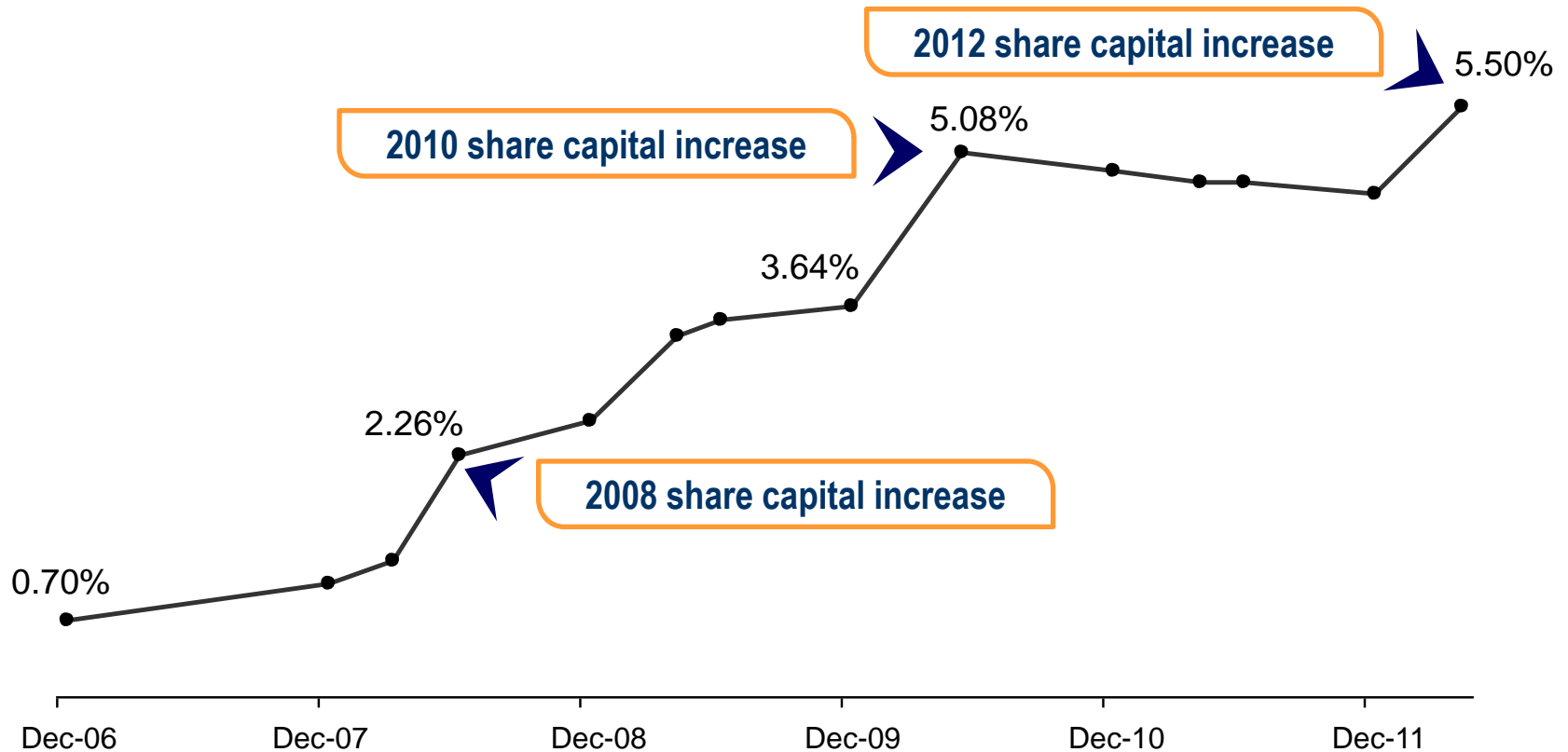
- Allocated amount unchanged since 2011 and reconducted in 2012: €470,000
- Principles for the allocation of attendance fees :
 - Annual fixed part: €15,000
 - Variable part taking account of the directors' attendance at Board and committee meetings
- Total amount allocated for the year 2011: €367,000 (9 directors)

Performance shares and stock options

PERFORMANCE SHARES	2010	2011	2012
Number of allocated shares	204,500	200,000	240,000
To Chairman and CEO	18,800	16,400	26 000
Number of beneficiaries	640	640	714
<i>Allocation authorised for 3 years by the General Meeting of 15 june 2009: 3% of share capital</i>			
<i>Effective allocation in 3 years:</i>			644,500 (1.1% of capital)
STOCK OPTIONS	2010	2011	2012
Exercice price	€30.47	€68.48	No stock
Number of allocated options	450,000	210,000	options
To Chairman and CEO	70,000	58,500	granted
<i>Allocation authorised for 3 years by the General Meeting of 15 june 2009: 5% of share capital</i>			
<i>Effective allocation in 3 years</i>			660,000 (1,1% of capital)

- **2012 performance criteria based on Arkema's performance compared to that of a representative group of competitors and EBITDA**
- **Requirement to retain shares for the Chairman and CEO and members of the executive committee**
- **Allocation rate of previous performance share plans :**
 - 100% of 2006 plan
 - 71% of 2007 plan
 - 0% of 2008 plan
 - 100% of 2009 plan and waiver by the Chairman and CEO and members of executive committee
 - 100% of 2010 plan

Employee share ownership



Successful 2012 share capital increase

- Subscription from 6,150 employees and former employees
- 535,013 shares subscribed
- Total amount of €29.2m



Presentation of resolutions

Ordinary General Meeting

1st and 2nd resolutions

Approval of the Company's financial statements and consolidated statements for year ended 31 December 2011

3rd resolution

Allocation of the net income for year ended 31 December 2011

4th resolution

Dividend – €1.30 per share

5th resolution

Agreements referred to in Articles L.225-38 *et seq.* of the French Commercial Code

Regulated agreements already approved in previous years

Syndicated credit facility of €700 m concluded on 26 July 2011

Ordinary General Meeting

6th resolution

Agreement referred to in Article L.225-42-1 of the French Commercial Code

Agreement concerning the contractual indemnity of Chairman and Chief Executive Officer, on the basis of performance criteria

7th and 8th resolutions

Renewal of the appointment of Mr Thierry Le Hénaff and Mr Jean-Pierre Seeuws as directors

9th and 10th resolutions

Renewal of a statutory auditor and an alternate auditor

11th resolution

Authorisation given to the Board of Directors to trade in the Company's shares

Duration: 18 months ; Maximum purchase price: €95 ; Maximum nominal amount: €100m

Extraordinary General Meeting

12th resolution

Authorisation to increase the share capital with shareholders' preferential subscription right

13th resolution

Authorisation to increase the share capital without shareholders' preferential subscription right

14th resolution

Authorisation to increase the number of shares to be issued pursuant to the 12th and 13th resolutions

15th resolution

Overall limitation of the authorisations to increase the share capital, immediately and/or in future

Maximum nominal amount: €300m

Extraordinary General Meeting

16th resolution

Authorisation to increase share capital reserved to employees

17th resolution

Authorisation to grant stock options

18th resolution

Authorisation to grant performance shares free of charge

19th resolution

Powers for formalities

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 2012, 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, 13,200 employees and 9 research centers, Arkema generates annual revenue of €5.9 billion*, and holds leadership positions in all its markets with a portfolio of internationally recognized brands. **The world is our inspiration.**

* Sales and headcount for continuing activities at end 2011, excluding vinyl products activities, which are part of a divestment plan.