

INVESTOR DAYS

Drive profit by innovation and cost reduction

Performance Products

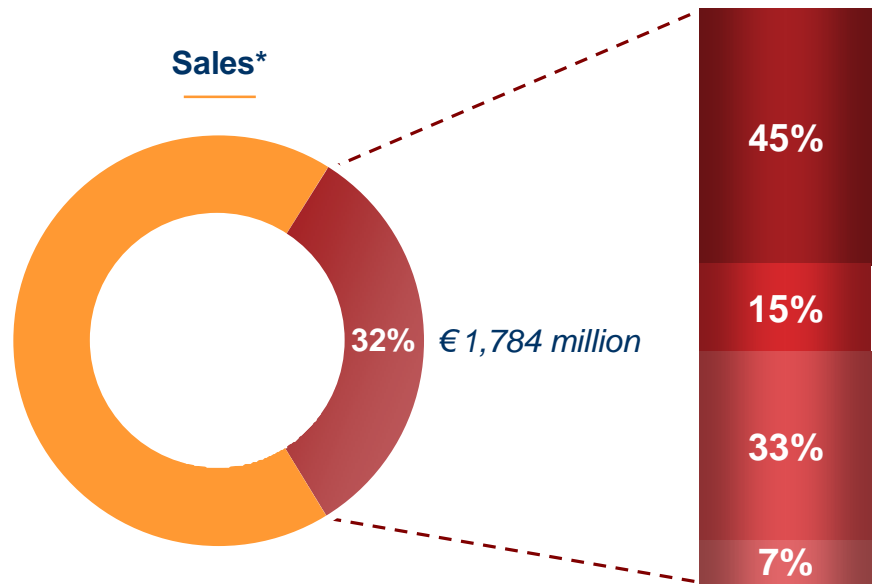
September 25th, 2007

Philippe Goebel
Executive Vice President



Segment overview

Key figures



Technical Polymers:

- Specialty polyamides (Rilsan[®]11 & 12, Pebax[®], Orgasol[®])
- Fluorinated polymers (Kynar[®])
- Functional polyolefins (Evatane[®], Orevac[®], Lotryl[®], Lotader[®])

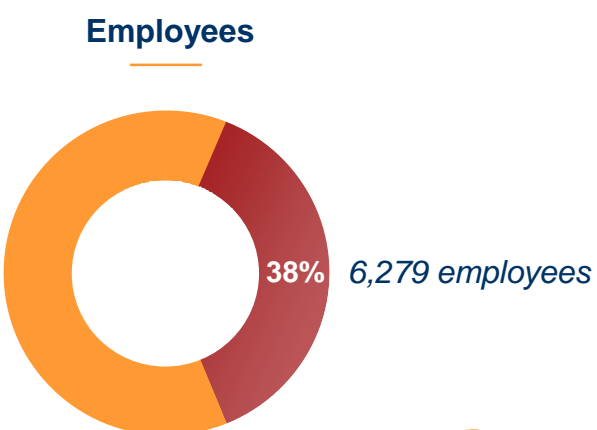
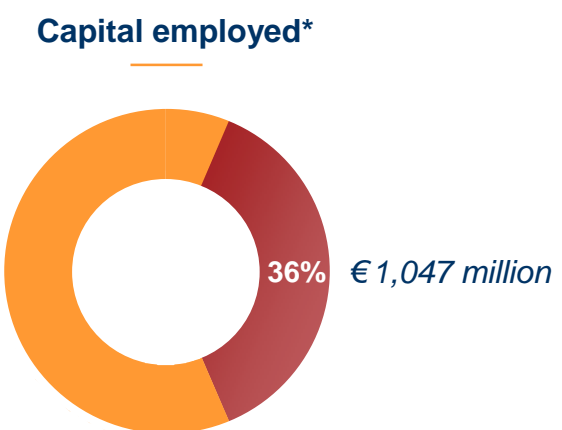
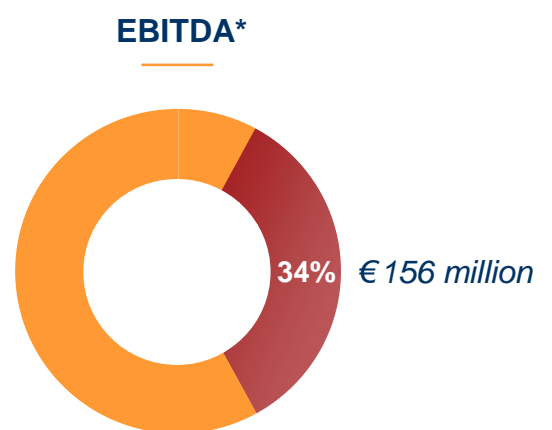
Specialty Chemicals:

- Adsorption and filtration aids (Siliporite[®], Eluxyl[®])
- Specialty surfactants & derivatives (Prochinor[®], Cecabase[®])

Functional Additives:

- Organic Peroxides (Luperox[®])
- Polymer additives (Thermolite[®], Durastrength[®])
- Catalysts (Fascat[®])
- Coatings (Certincoat[®])

Urea Formaldehyde Resins



2006 figures

* Excluding corporate



Strong assets to build a competitive performance segment

Market highlights

- 📦 **Numerous applications in a wide range of end markets**
- 📦 **Innovation as a key success factor**
- 📦 **Strong partnerships with customers**
- 📦 **Asian growth**

Our competitive advantages

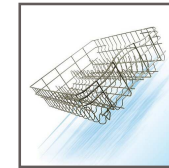
- 📦 **Solution provider in various niche end markets**
 - Leadership positions on niche markets
 - Strong brand recognition
 - High-performance technical solutions
- 📦 **Strong innovation skills**
 - Strong alignment between R&D and marketing teams
 - Green products: Rilsan® 11, Bitumen Additives
- 📦 **High level of integration**
- 📦 **Industrial production in three continents, close to customers**

Solution provider in various niche end markets

Rilsan®
Specialty polyamides - N°1



Oil & gas flexible pipe, air brake systems, automotive fuel lines, sport shoes, anti-corrosion coating application, laser sintering, cosmetic powders....



Kynar®
Fluoropolymers
N°1



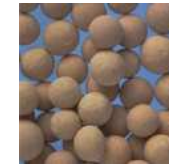
Coating of metallic exterior structures, tanks, fittings and valves for the chemical industry, jacketing material for cables, membranes for batteries and fuel cells...



CECA
ARKEMA GROUP
Molecular sieves
N°2



Medical oxygen, petrochemicals and refining applications (xylene and paraffin separation), double glazing, gas drying...



LUPEROX®
Organic Peroxides
N°2



Polymerization initiators for materials used in pipes and fittings, profiles, packaging industry, cable and wire...
Cross-linking agents for specialty rubbers used in automotive, construction and footwear industries



**Thermolite®, Durastrength®
Certincoat®**
Tin stabilizers - N°2
Impact modifiers - N°1 in US



PVC additivation: thermal stabilizers, impact modifiers and processing aids
Glass coatings: containers (scratch resistance), flat glass (insulation properties)



Strong innovation skills and recognized brands

Rilsan®, Pebax®, Orgasol®, Orevac®, Siliporite®, Nanostrength®, Blocbuilder®, Certincoat®...



Group R&D expenses



~ 50% of Group R&D expenses

~ 5% of segment sales

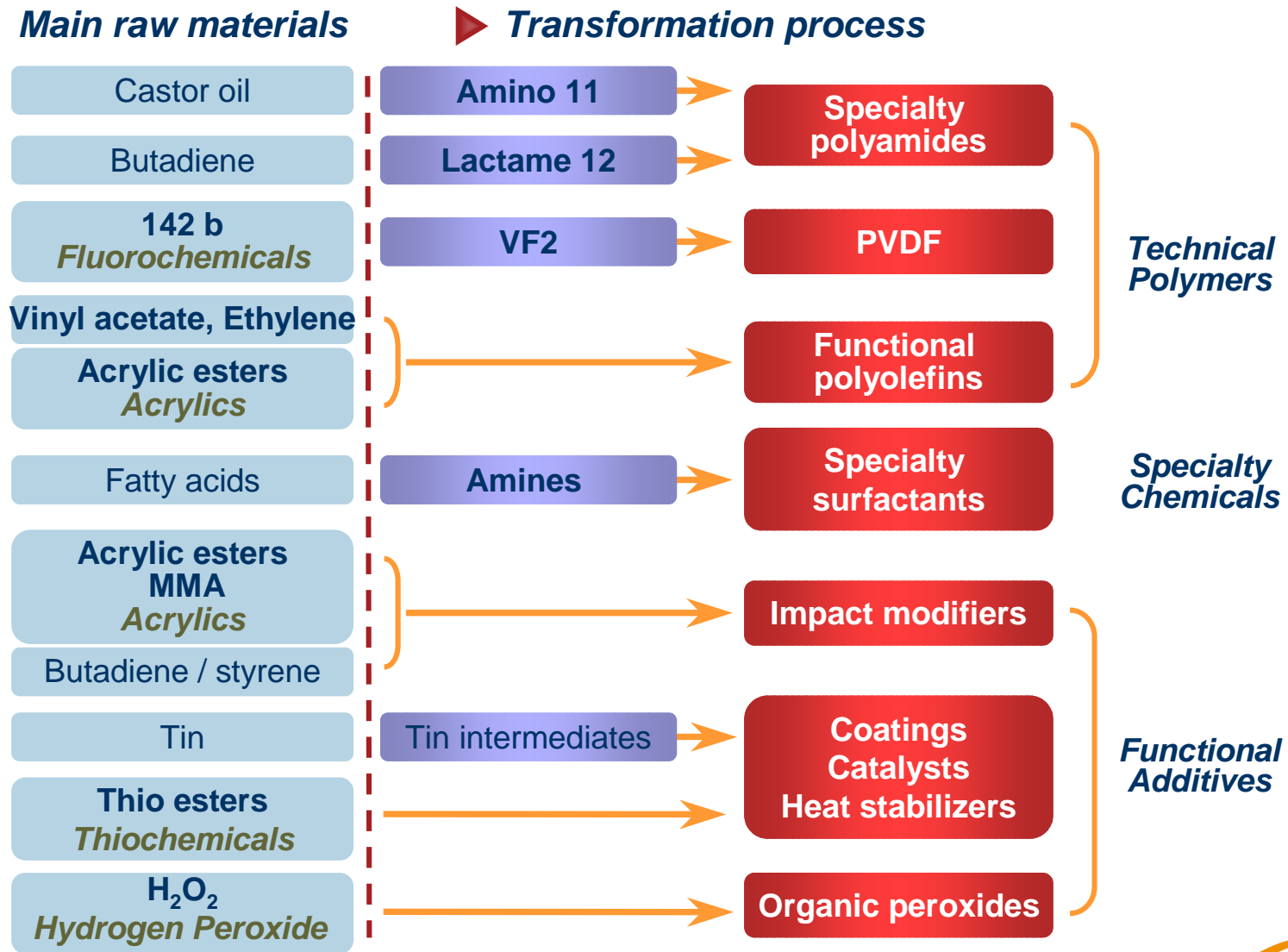
King of Prussia (US) Serquigny (France) Pierre-Bénite (France)

Lacq (France)

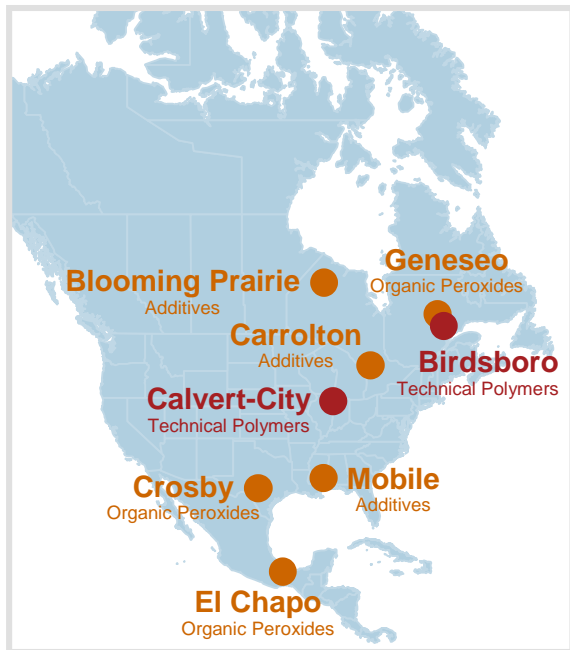
Kyoto (Japan)



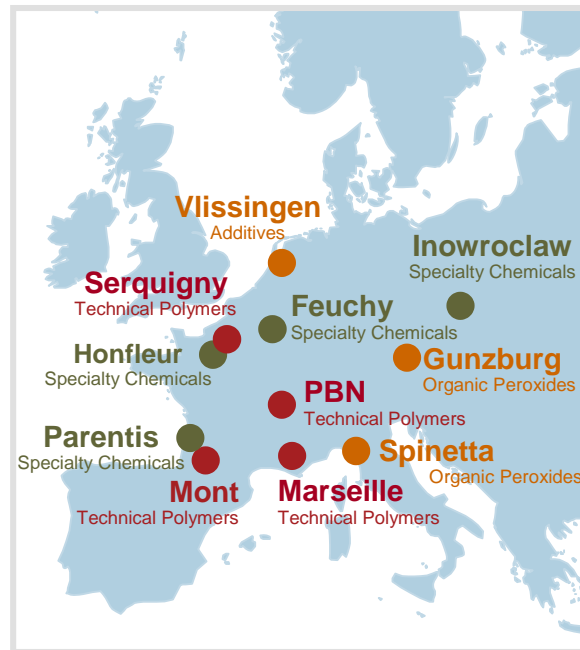
High level of integration



Industrial production in three continents, close to customers



28% of segment sales



48% of segment sales



17% of segment sales

Rest of the world: 7% of segment sales

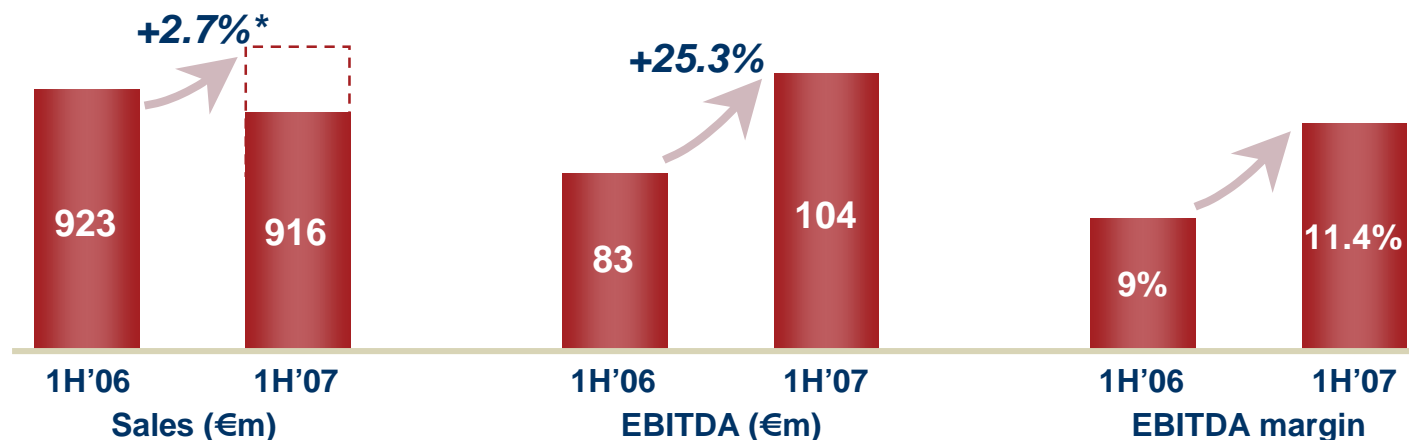


A faster rate of profit recovery

	2004	2005	2006
Sales	1,619	1,713	1,784
EBITDA	93	102	156
<i>EBITDA margin</i>	5.7%	6.0%	8.7%
Operating income (rec.)	(4)	15	71
<i>Operating income margin</i>	n/a	0.9%	4.0%
Capex*	100	117	87
Capital employed*	1,092	1,206	1,047
Employees*	7,106	6,794	6,279



EBITDA growth at +25% in 1H'07



🗄️ A good overall demand despite some external challenges:

- Foreign exchange rate
- US construction market
- Sharp increase of some raw materials (tin, soybean oil)

🗄️ Significant improvement of EBITDA primarily coming from internal initiatives:

- Impact of accelerated restructuring plans launched in 2006
- Ongoing effort on price increases to restore margins
- High contribution of new product developments

🗄️ Launch of additional restructuring plans: Bonn (Germany), Vlissingen (Netherlands), Feuchy (France)

🗄️ Portfolio management:





- Divestiture of Cerexagri, UF Resins and CECA commodity fatty amines
- Acquisition of Akzo anticaking business

🗄️ Market conditions in 2H'07 similar overall compared to 2H'06



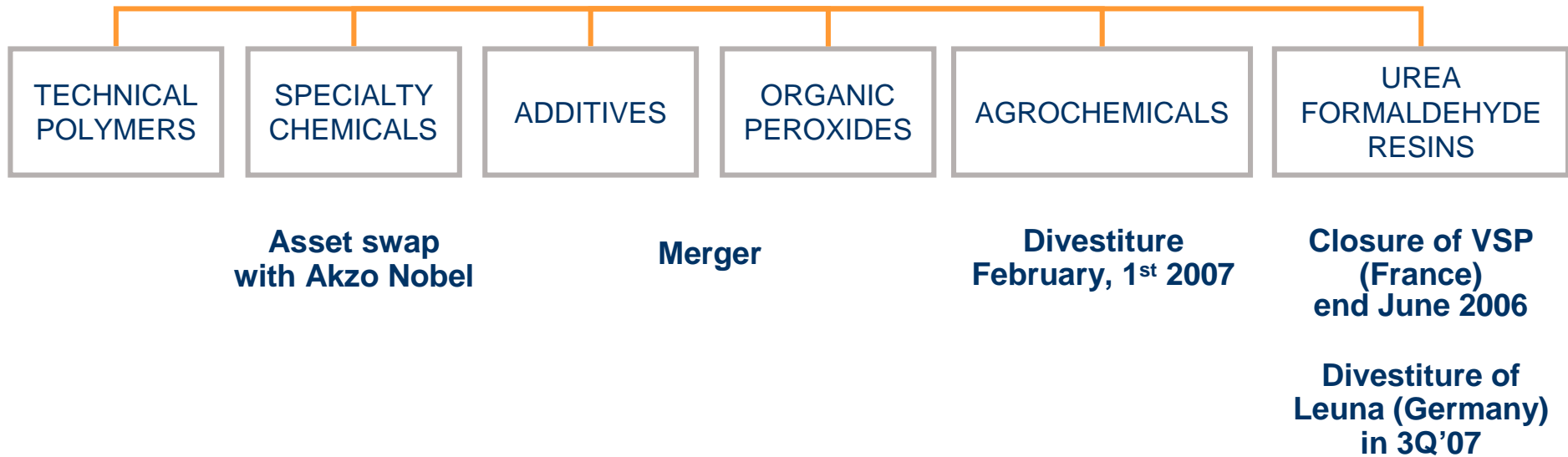
Strategic initiatives

Drive profit by innovation and cost reduction

-  **Concentrate portfolio on high added value products**
-  **Aggressively go on with cost reduction**
-  **Increase innovation pace**
-  **Increase manufacturing presence in Asia**

A more focused portfolio: from 6 to 3 BUs

📊 Organization chart at the time of spin off



📊 Organization chart 4Q'07



Specialty Chemicals: an example of portfolio management

- 📦 **Selective portfolio management**
 - 20% of portfolio sold within 3 years
- 📦 **Asset swap with Akzo Nobel**
 - Acquisition of Akzo's anticaking additives
 - Divestiture of CECA's commodity fatty amines
- 📦 **Develop high added value product lines through investments and acquisitions**
 - Molecular sieves: debottleneck of production capacities in Inowroclaw (Poland) and Honfleur (France)
 - Oilfield chemicals
 - Filtering aids

*Focus on tailor-made
high value solutions*

Molecular sieves

New application for medical oxygen

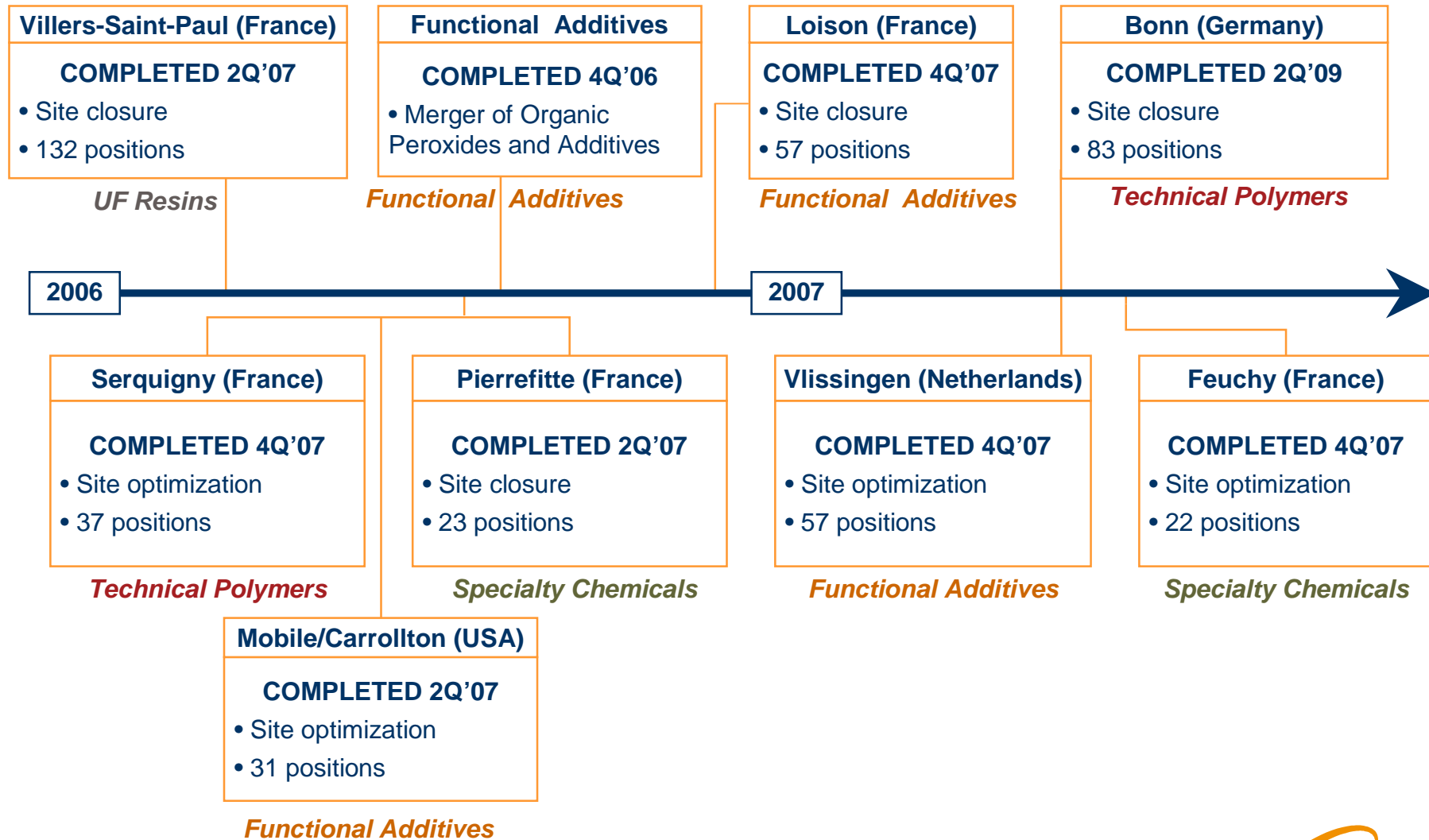


Expansion of capacity by 30%
in Poland and France
Started 1H'07



Oilfield chemicals

Aggressively go on with cost reduction



Increase innovation pace

Nanotechnologies

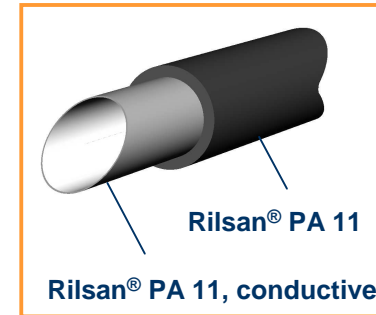
- Nanostrength®
- Blocbuilder®
- Graphistrength®

Products from renewable resources **Build on Rilsan 11**

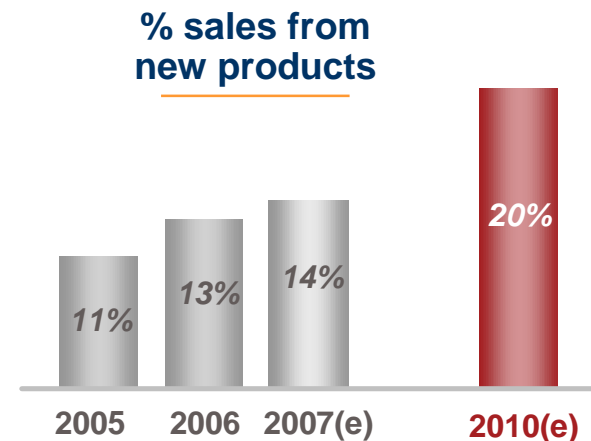
(unique 100% bio based performance polymer)

- Platagreen®
- Green Pebax®
- PA11 alloys

Materials for new energies



*Reduce time to market
of tomorrow's products*



Increase manufacturing presence in Asia

**Thermolite®
tin stabilizers**

**Capacity x2
Start-up 1Q 2008**

**High performance polyamides
Rilsan®**



**Capacity x2
Start-up September 2007**

Luperox® Organic Peroxides



**New unit of 3,000 tons
Started mid 2005**



**Local R&D support
Kyoto Technical Center**



**Fluoropolymers
Kynar®**

**New unit in Changshu
Start-up 1Q 2011**



Clear roadmap to further improve profitability

Technical Polymers

- Improve cost base
- Accelerate growth through R&D and Asia
- Strengthen portfolio through acquisitions

Specialty Chemicals

- Develop high added value product lines through investment and acquisitions

Functional Additives

- Refocus on profitable core businesses
 - Divest struggling assets
 - Develop strong product lines

*Well-defined path
forward to further
improve profitability*

2006 — 2007 — 2008 — 2009 — 2010 →

*Successful and timely
implementation of actions
decided since 2006*

**Achieve 14 to 15%
EBITDA margin
in 2010**

