Arkema, a company under transformation

Bernard Boyer, Executive Vice President Strategy

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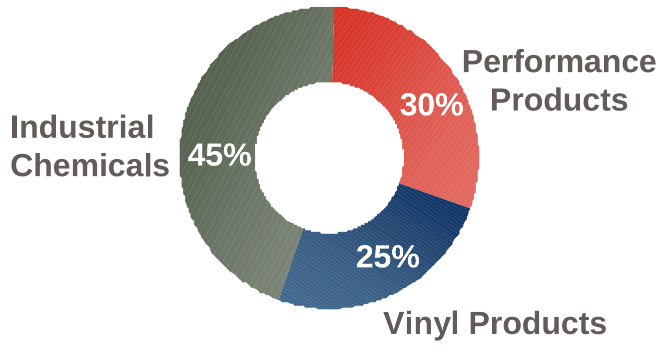
Arkema overview

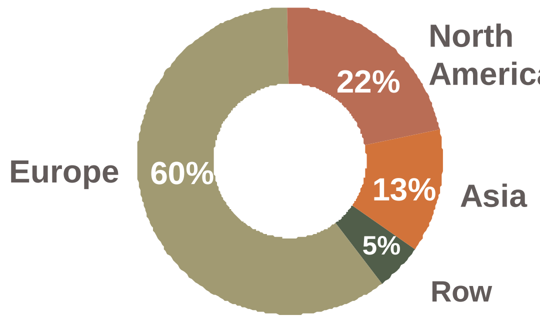
- Sales*: **€5,675 m**
- EBITDA*: **€518 m**

  EBITDA margin*: **9.1%**
- Net income (group share)*: **€122 m**
- Net debt*: **€459 m**
- Capital employed*: **€3,263 m**
- R&D expenses: **around 3% of sales**
- Recurring capex: **around €300m**
- **15,194** employees*

2007 Sales by segment**



2007 Sales by geographic region



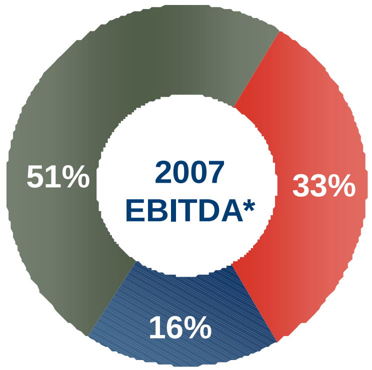
** 2007 figures* *** Excluding corporate*

Three business segments

Industrial Chemicals

• Intermediates for a large number of industrial sectors
• World leading positions

6 BUs incl. “Acrylic Specialty Polymers” (Coatex)



Performance Products

• Innovative chemical solutions
• Among world leaders in niche markets

3 business units

Vinyl Products

• A well integrated PVC producer
• # 3 in Europe in PVC

4 business units

** Excluding Corporate*

Well diversified end-markets

15-20%* chemical industry**, construction

5-10%* coating & adhesives, electronics, automotive, packaging, general industry

<5%* energy, paper, environment, health - hygiene & beauty, animal nutrition & agrochemicals, sport & leisure, infrastructure & sign posting

** % of sales each*   *** Including sales to chemical distributors*

2005-2010

A rapid and radical transformation

Implementing a winning long term strategy

- **Large cost reduction**
- **Market-driven innovation**
- **Accelerating business development in Asia**

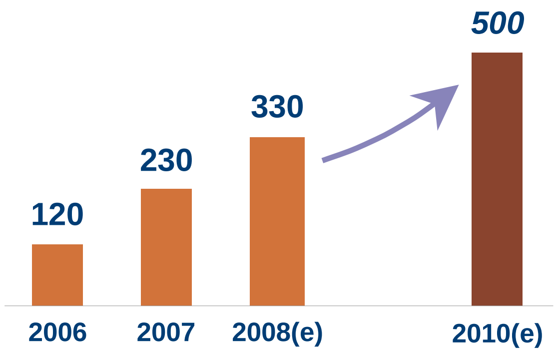
- ***Portfolio management to speed up transformation***

Large cost reduction

- **€500m cost savings target by 2010**
  - Net EBITDA impact of +€200m
- **Cumulative cost savings of €230m over two years**
- **Headcount evolution:**
  - 19,167 employees end 2004 to 15,194 employees end of 2007
- **Decrease of G&A expenses**
  - New headquarters
  - Streamlined support functions

Target of cumulative fixed cost savings by 2010 vs 2005 in €m

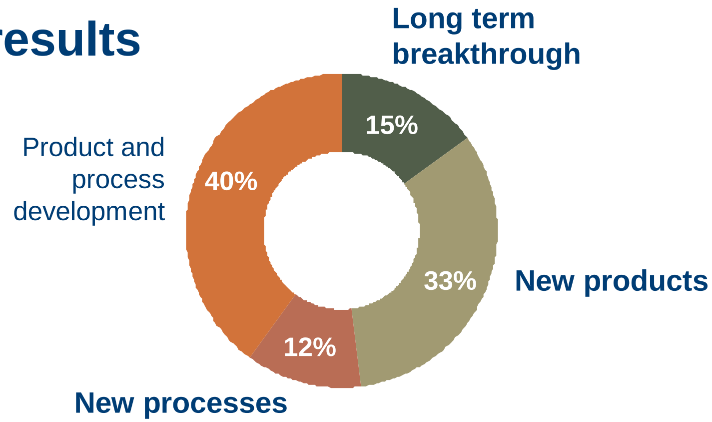
Fixed cost savings	€500m
Inflation on fixed costs	€(200)m
Volume loss from restructuring	€(100)m
Net EBITDA impact	**+€200m**



Market-driven innovation

2007: R&D projects are already bearing results

- R&D expenses around 3% of sales
- Several success stories
  - PMMA Capstock
  - Transparent technical polymers
  - High temperature polyamides
  - Specialty molecular sieves (medical and petrochemical)
  - Sulfur derivatives (refinery and animal nutrition)
  - New generation of fluorogases



19% of 2007 Performance Products sales generated by products < 5 years old

Committed to sustainable development

Developing innovative materials for the future

- Materials for renewable energy technology
- Nanostructured materials
- Raw materials from renewable resources

Process intensification

- Producing more with less energy

Polyamides from renewable resources

Mini channels reactor

Bioresourced bitumen additive

Photovoltaic panels

Flat-glass coating

Lighter sunroof

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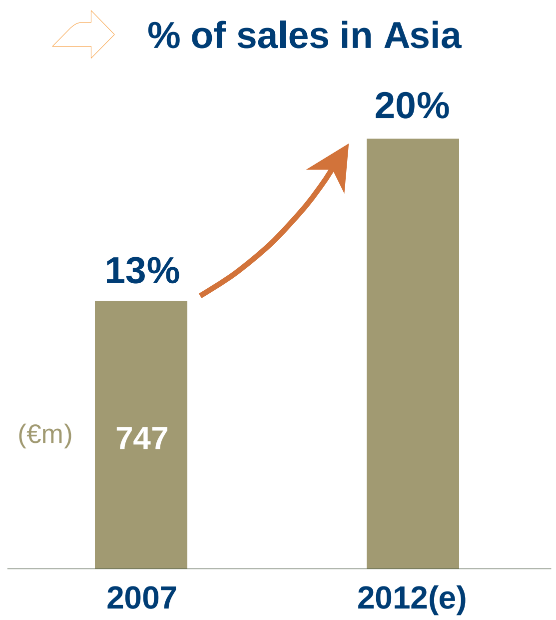
Accelerating business development in Asia

- **World-class sites**
- **Over €50m capex per year**
- **Building on Changshu platform (China)**



2007 | **2008** | **2009** | **2010**

- **Polyamides (Changshu)**
- **Debottleneck tin stabilizers (Beijing)**
- **80kt H_2O_2 (Shanghai)**
- **F125 and blends with Daikin (Changshu)**
- **Kynar® (Changshu)**

Other projects:
Acrylic Acid in India (MOU)
Technical Polymers,
Thiochemicals,
Hydrogen Peroxyde
under review

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Portfolio management to speed up transformation

Reshaping portfolio

More focused

- Shut-down loss-making units (€120m impact on revenue)
- €380m of revenue sold

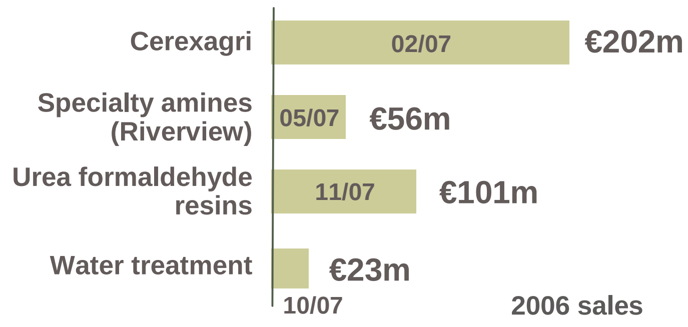
Higher share of specialties

- New products from R&D
- Bolt-on acquisitions

Reinforced integration

- Securing key raw materials
- Strategic partnerships
- Downstream acquisitions

€380m of revenue divested



€180m of revenue acquired

Acquisitions of €400 to 500m of revenue in the next 3 years

Strong balance sheet: a real competitive advantage

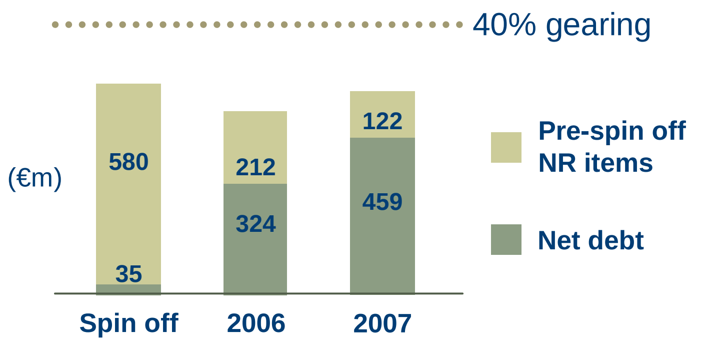
- **€1.1 bn credit line at 32.5 bp until 2012**

- **Strong conversion of EBITDA into cash**

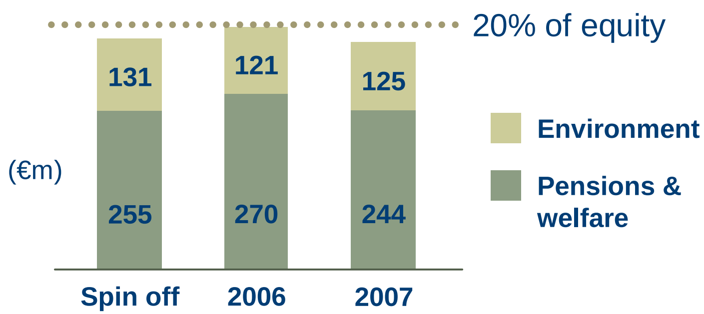
- **Liabilities well covered by provisions and warranties from Total**

- **Further potential from balance sheet**
  - non recognized deferred tax assets: ~€350m end 2007
  - reduction of working capital

Gearing maintained below 40% with Coatex acquisition



Small level of recurring liabilities

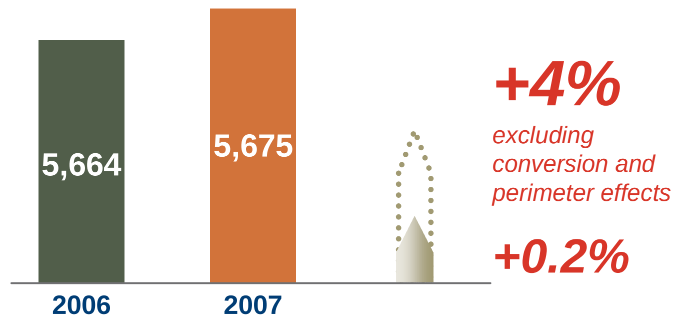


2007

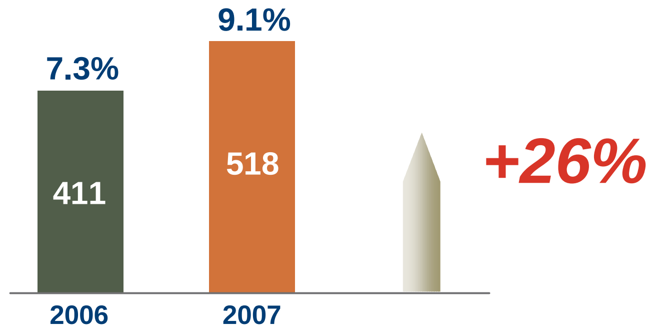
Full year results

Results significantly above guidance

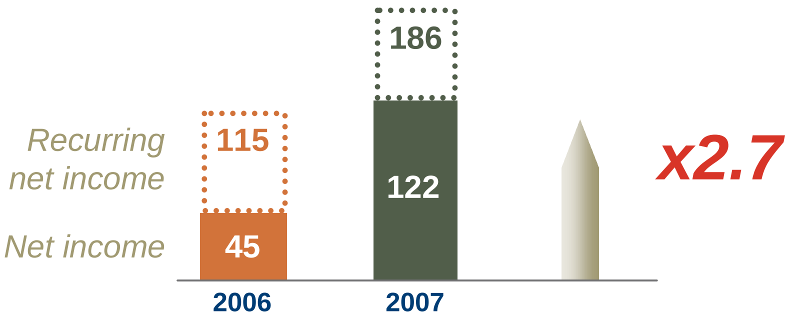
Sales (€m)



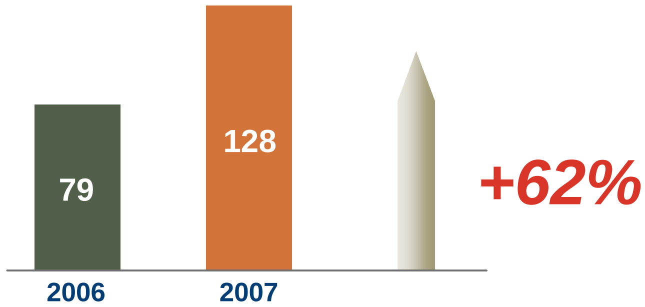
EBITDA (€m) & EBITDA margin



Net income
group share (€m)

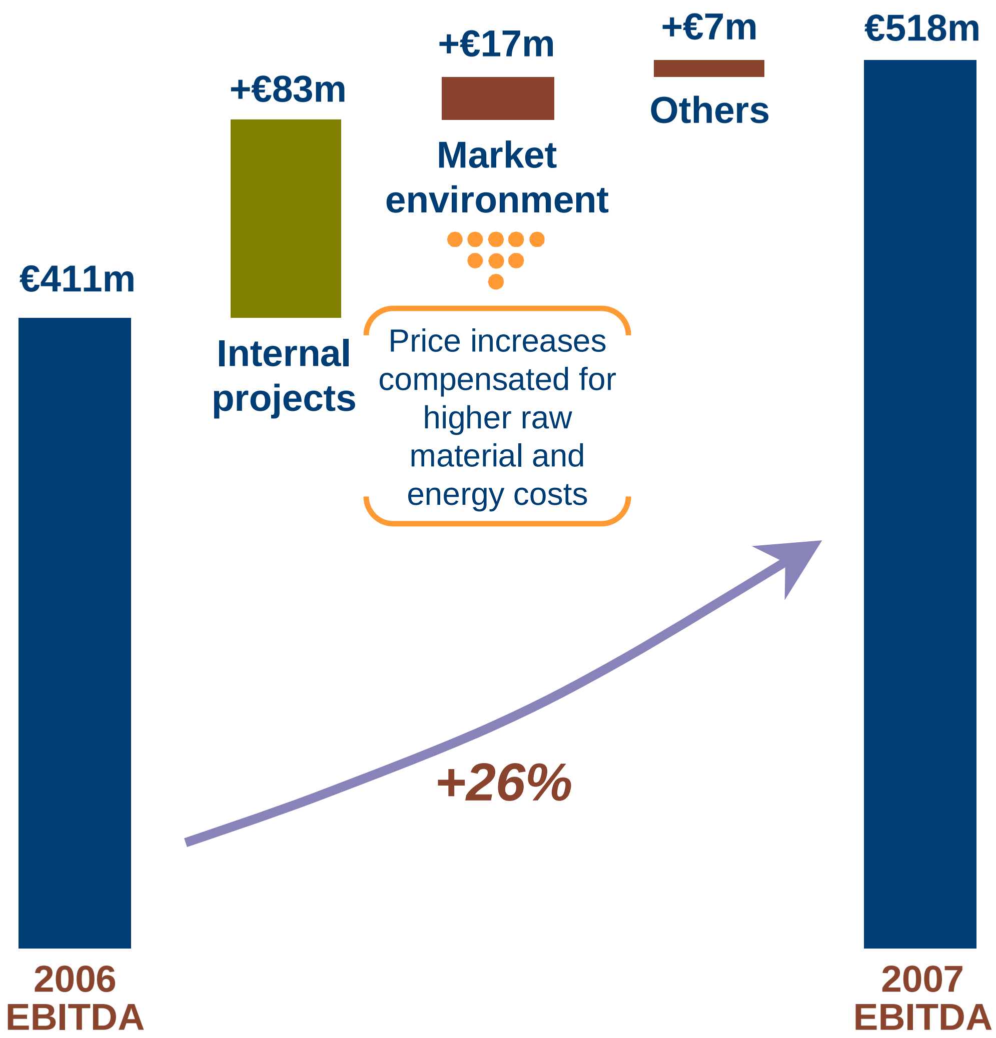


Free cash flow* (€m)

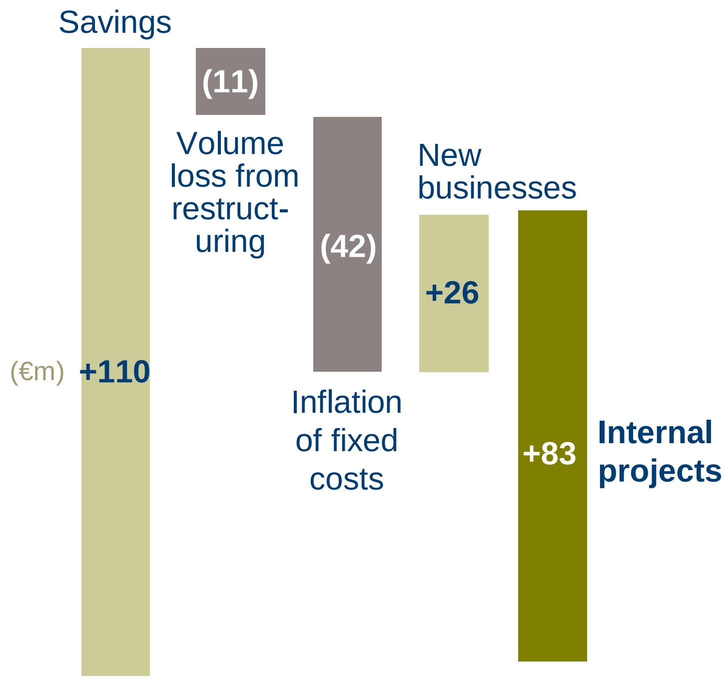


* Calculated as total cash flow excluding M&A and NR pre-spin off items

Major contribution from internal projects



+ €83m coming from internal projects



Vinyl Products: good demand & cost savings

2007 performance

(€m)	2005	2006	2007	Δ*
Sales	1,387	1,379	1,418	*+2.8%*
EBITDA	**20**	**38**	**90**	***x2.4***
EBITDA margin	***1.4%***	***2.8%***	***6.3%***	**-**
Recurring operating income	8	21	65	***x3.1***

- Good demand for PVC in Europe
  - Price increases compensated for higher energy and raw material costs
- Benefits from restructuring initiatives
- Large maintenance turnaround in Fos (Fr)
- Strong performance of QVC**

EBITDA growth:
40% internal projects, 60% external factors

2007 initiatives

- Implementation of chlorochemical consolidation plan
  - **€44m capex in 2007**
  - **+€30m EBITDA impact since 2005**
- 3 new restructuring plans downstream
  - **-104 positions**
  - **full impact in 2009**
- Transfer of teams based in Paris near production sites
- Focus on higher added-value products

Main projects

 2007 vs. 2006* * Included in "equity in income of affiliates"*

Industrial Chemicals: strong resistance of results

2007 performance

(€m)	2005	2006	2007	Δ*
Sales	2,406	2,494	2,529	*+1.4%*
EBITDA	**316**	**267**	**289**	***+8%***
EBITDA margin	***13.1%***	***10.7%***	***11.4%***	**-**
Recurring operating income	204	160	178	***+11%***

- Contrasted environment
  - Good demand in MMA, H_2O_2
  - Low acrylic margins & pressure on HFC-134a prices
  - Impact of €/$ exchange rate
- Savings from European plans
  - PMMA, Thiochemicals, Fluorochemicals
- Benefits from growth projects
  - Successful start-ups (Calvert-City, Carling, Becancour…)

Robust set of results

2007 initiatives

- Key partnerships in Asia
  - **fluorochemicals with Daikin**
- 3 new restructuring plans
  - **-302 positions**
- Downstream acquisitions
  - **acrylic polymers, PMMA**

Successful transformation of fluorochemicals

Restructuring of **Pierre-Bénite**

New generation of products (HFC-32) **Calvert-City**

DAIKIN ARKEMA REFRIGERANTS ASIA LIMITED

Asia: JV with Daikin on new generation of fluorochemical gases

** 2007 vs. 2006*

Performance Products: double-digit EBITDA margin

2007 performance

(€m)	2005*	2006	2007	Δ**
Sales	1,907	1,784	1,723	*(3.4)%*
EBITDA	**109**	**156**	**184**	***+18%***
EBITDA margin	***5.7%***	***8.7%***	***10.7%***	**-**
Recurring operating income	19	71	97	***+37%***

- Significant contribution from restructuring in Functional Additives and Technical Polymers
- 19% of sales from new products (< 5 years)
- Negative impact of €/$ exchange rate
- Price increase in Functional Additives to offset increase in the price of tin
- Impact from divestments on revenue

Strong recovery

2007 initiatives

- 5 new restructuring plans launched in Functional Additives and Polyamides
  - **-263 positions**
- R&D emphasis on renewable materials
- Sale of non-core businesses (Cerexagri, urea formaldehyde resins)
  - **€300m of revenue**

Strengthening the polyamide business

1Q'07 2Q'07 3Q'07 4Q'07

Serquigny (Fr)* – 49p.**
€13m capex

Marseille St Menet (Fr) – 48p.
+10% monomer capacity

Changshu (China) –
Rilsan® polyamide capacity x2

Bonn (Germany) – closure : 83p.

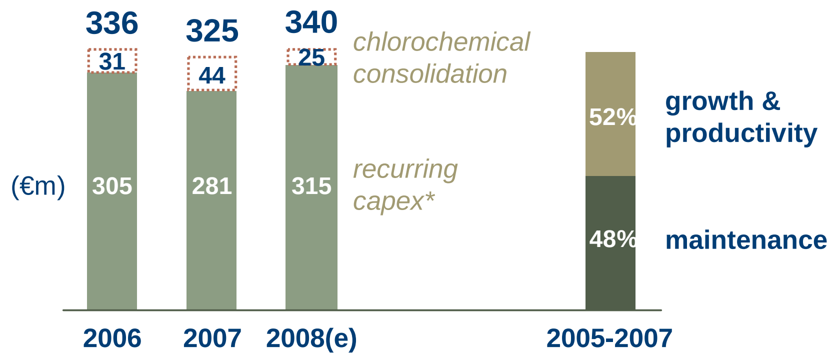
Mont (France) – +40% Orgasol® capacity

** Proforma financial statements including Cerexagri* *** 2007 vs. 2006* **** Subject to information/consultation of the work councils*

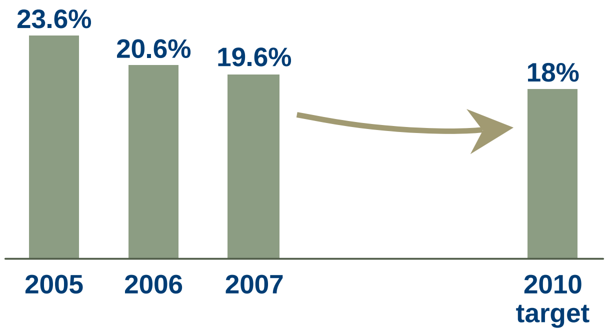
Strong and structural improvement of cashflow

In €m	2006	2007
EBITDA	**411**	**518**
CAPEX (recurring*)	(305)	(281)
Tax & financial result	(31)	(93)
∆ WC	16	47
Others	4	10
Recurring cash flow	**95**	**201**
Non recurring items	(16)	(73)
Cash flow	**79**	**128**
Non recurring pre-spin off items	(359)	(87)
Impact from M&A	-	(135)
Net cash flow	**(280)**	**(94)**

CAPEX



Working capital as % of sales



Dividend proposed at 0.75€ per share

* Recurring CAPEX exclude those related to chlorochemical plan which are included in non recurring pre-spin off items

2008

Target confirmed

Keeping a strong focus on internal improvement

- **A more challenging environment**
- **Target built with a strong level of internal projects**

	EBITDA	Projects with an impact in 2008
Productivity	**+€42m**	Chlorochemicals, Loison, Chantonnay, Dorlyl, Vlissingen, Feuchy, Pierre-Bénite, Lacq, Carling, Marseille, Serquigny
Growth	**+€23m**	Molecular Sieves (Inowroclaw), HFC-32 (Calvert-City), H_2O_2 (Shanghai)
Portfolio	**+€15m**	Divestments: UF resins, water treatment, amines Acquisition: Coatex, Repsol PMMA business

10% EBITDA margin in 2008

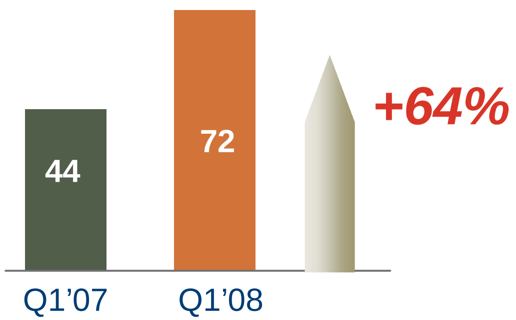
Excellent set of results in Q1'08

	Q1'07	Q1'08	Variation
Sales	1,488	**1,492**	*+0.3%*
EBITDA	**134**	**159**	*+19%*
EBITDA margin	***9.0%***	***10.7%***	
Operating income (recurring)	80	**100**	*+25%*
Non recurring items	(27)	**5**	
Adjusted net income	52	**67**	
Net income (group share)	**44**	**72**	***+64%***
Net debt (end of year)	459	**576**	

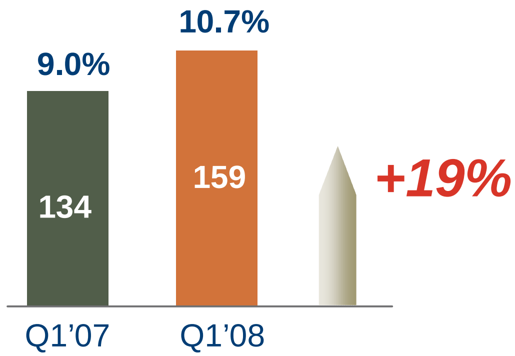
Q1'08 highlights

- An excellent set of results which demonstrates clearly our ability to resist in a more challenging environment
- EBITDA margin of Industrial Chemicals & Performance Products > 13.5%
- Benefits from a quick and in-depth transformation
- Confirm our 10% EBITDA margin target for 2008

- Net income – group share (€m)



- EBITDA (€m) & EBITDA margin



- New initiatives since January 1st 2008
  - Productivity improvement
    - 2 new shared services centers for HR & accounting
  - Growth projects
    - H_2O_2 capacity in Leuna x2
  - M&A
    - Acquisition: PMMA (ex Repsol)
    - Disposal: SAP business

Confirm 2008 target

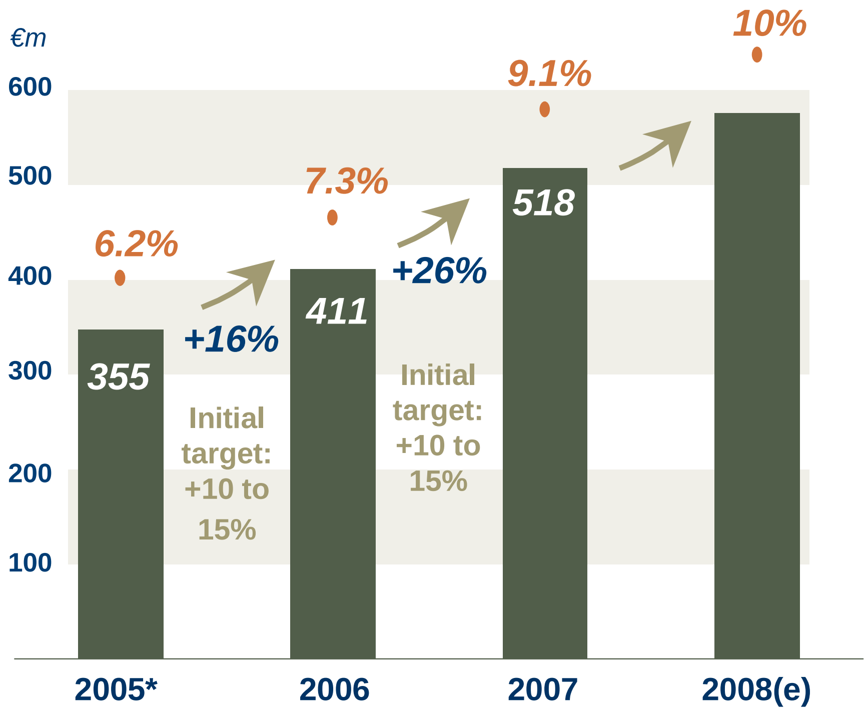
A more challenging environment

- High raw material and energy costs
- Unfavorable euro/US dollar exchange rate
- Remaining pressure on Vinyl Products margins as C_2 price continue to increase

In-depth transformation continues

- Implementation of self-help initiatives in line with expectations
- New initiatives to be taken to adapt to the evolution of environment
- Industrial Chemicals and Performance Products will support EBITDA growth

+€80m EBITDA in 2008 from self-help initiatives



Confidence for 2008 10% EBITDA margin target

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Towards 2010

Growth platforms implemented

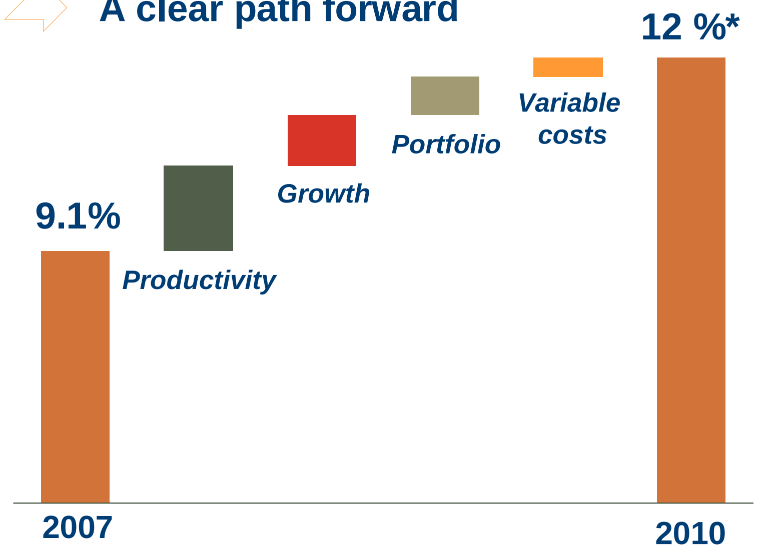
On track to reach 2010 targets

- **12% EBITDA margin**

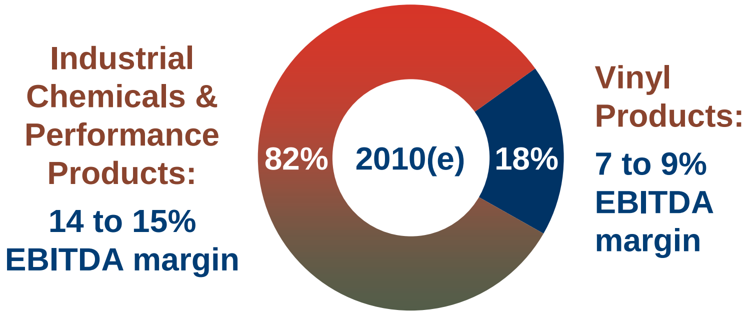
- **Working capital at 18% of sales**

- **A portfolio with sound growth profile beyond 2010**
  - Vinyl Products at 18% of sales
  - 4 to 5% volume growth for Industrial Chemicals and Performance Products

A clear path forward



2010 portfolio and EBITDA margin



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

Building a major chemical player

2007: successful milestones delivered

- Excellent set of results
- 20 new projects launched to prepare the future
- First dividend proposed

Confirming sound and ambitious targets

- 10% EBITDA margin in 2008
- 12% EBITDA margin in 2010

Phase by phase transformation for the long term

- Cost structure improvement
- Development in Asia
- Quality of R&D portfolio
- Change of culture
- Strong balance sheet maintained

Ability to deliver

Strong potential

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 are extracted from pro forma financial statements presented in the 2006 prospectus for the listing of Arkema shares. Financial information for 2006 and 2007 are extracted from the consolidated financial statements of Arkema. Quarterly financial information are not audited.

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