



Arkema

Thierry Lemonnier, Directeur Financier

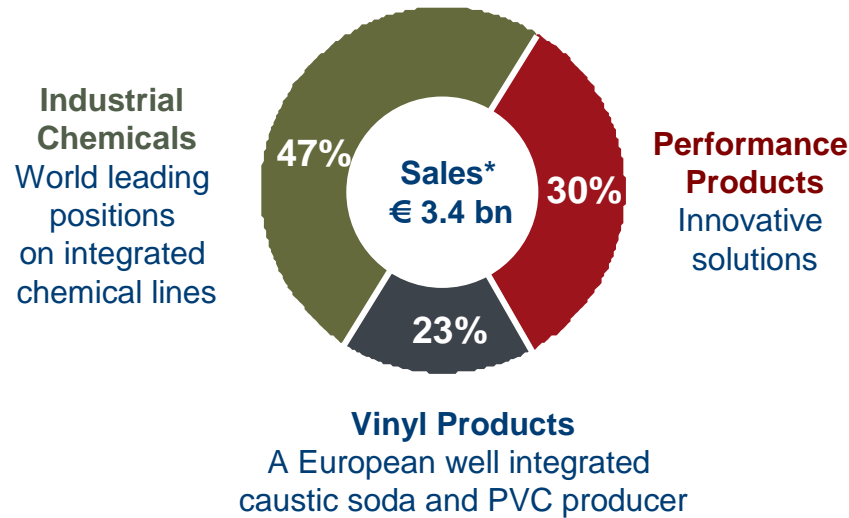
7 & 8 janvier, 2010

Oddo MidCap, Lyon

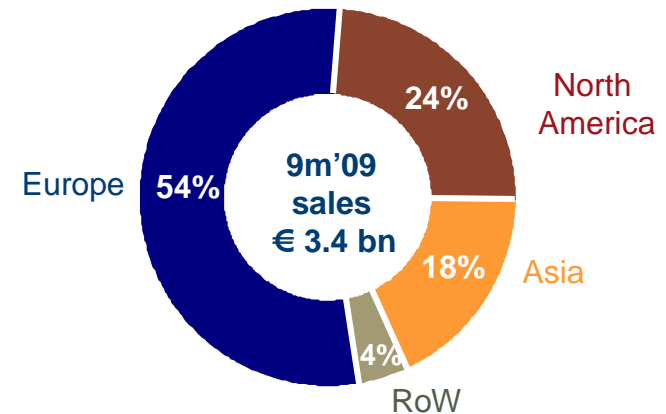
Arkema at a glance

- > Strong leading positions in most businesses
- > Diversified end markets
- > Growing exposure to Asian markets
- > Unique R&D know-how
- > Very solid balance sheet

Sales by segment in 9m'09

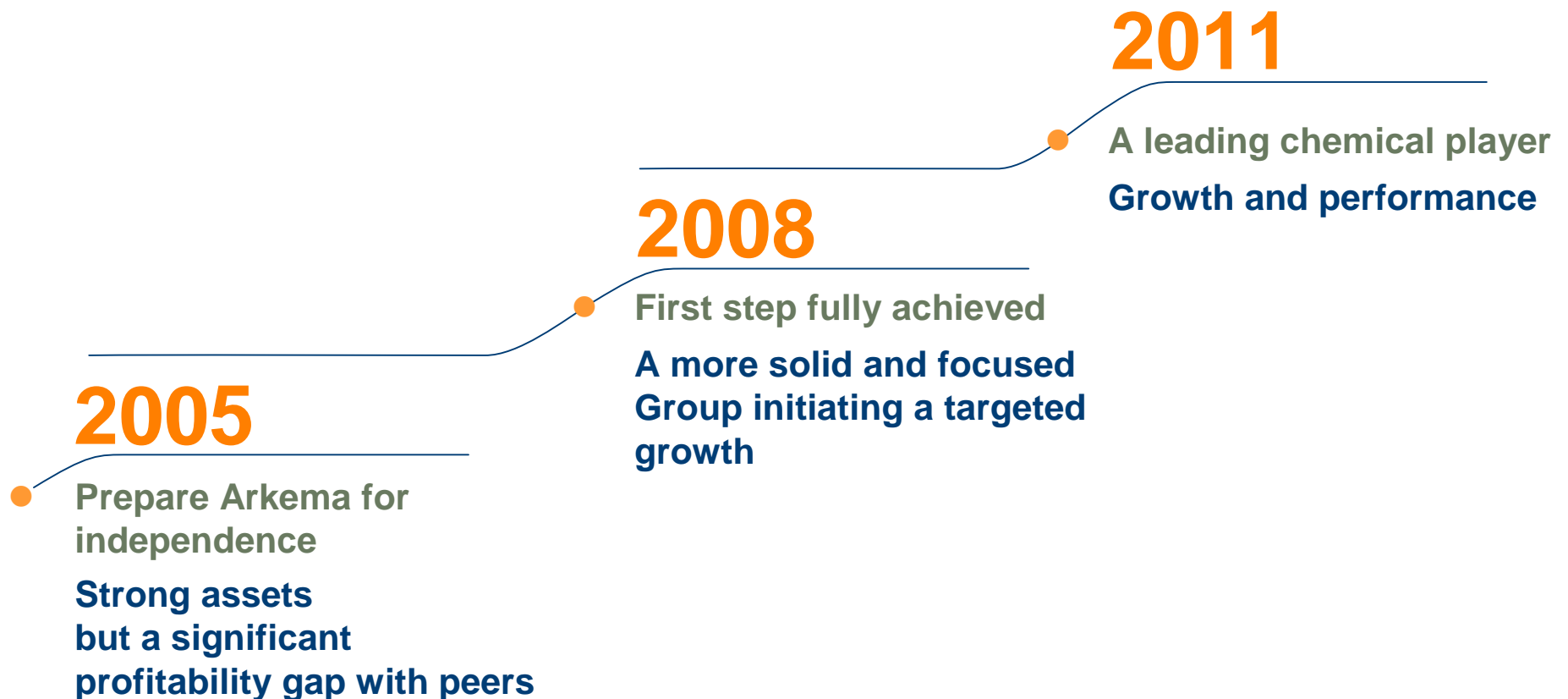


Diversified geographic base



* % by segment computed excluding corporate

A step by step transformation



A transformation strategy based on four axes

> Reduce fixed costs

- € 600m fixed cost savings in 2010 vs 2005
- Target increased twice in past 12 months

> Reinforce presence in Asia

- 20% sales in Asia in 2012

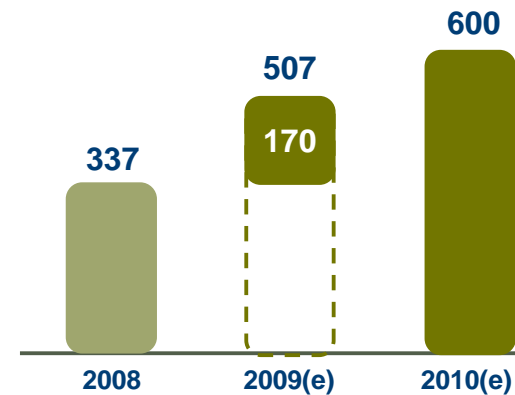
> Focus R&D on two main long term orientations

- Sustainable development & high performance polymers
- Over € 400m of new sales in next 5 years

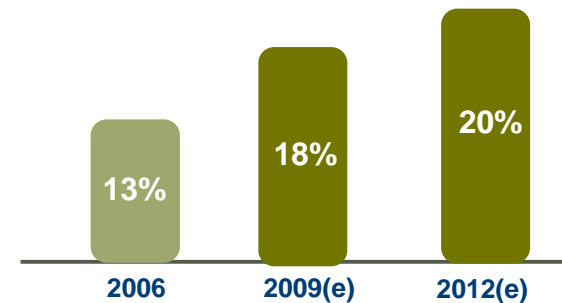
> Manage portfolio to speed up transformation

- € 480m sales divested
- € 230m sales acquired and ~€ 300m announced*

Cumulated fixed cost savings (€ m)



% of total sales in Asia



* Project to acquire a part of US acrylic assets from Dow subject to the approval by FTC.

€600m fixed cost savings in 2006-2010

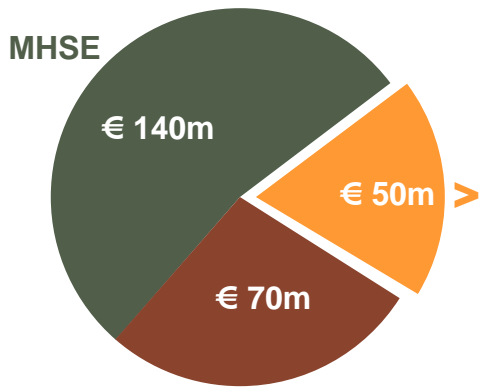
Cumulated fixed cost savings (in € m)



* Subject to the legal information/consultation process of Central Works Councils

Maintain capex efforts in China

€ 260m CAPEX in 2009 (€ 330m in 2008)

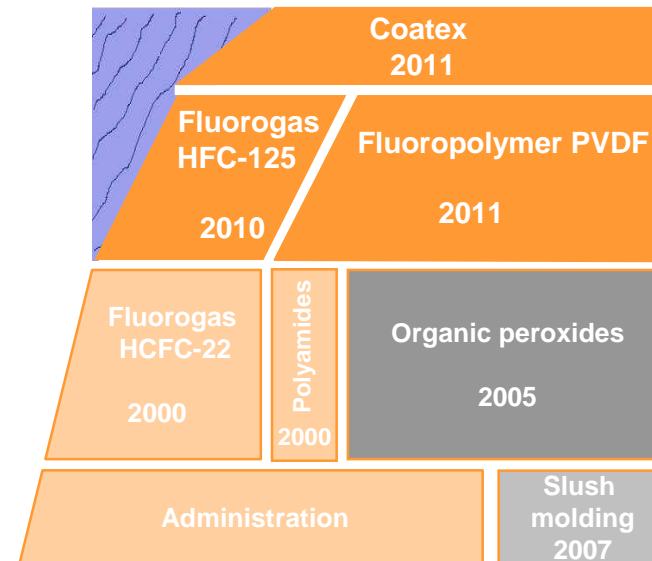


Small productivity & growth projects

3 major projects in Changshu (China)

- 3rd generation of fluorogases (HFC125): partnership with Daikin starting 1H2010
- Fluoropolymers starting 1H2011
- Coatex starting mid-2011

Changshu: Arkema's future 3rd worldwide industrial site



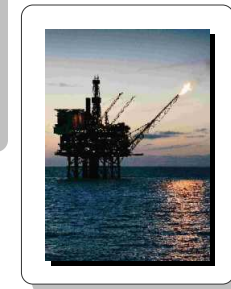
18% of total sales in Asia in 2009_(e) and 20 % in 2012_(e)

Continue to leverage R&D unique opportunities

- > **Over 2.5% of sales invested in R&D**
 - >40% in Performance Products
 - 10% in corporate R&D for breakthrough projects
- > **Two main R&D long term orientations**
 - Sustainable development
 - Very High Performance Polymers
- > **Selectivity in R&D projects**
- > **High quality partnerships**

Acquisition of Oxford Performance Materials

- Founded in 2000
- Based in Enfield (USA)
- Development and marketing of high end of the range performance polymers (PEKK)

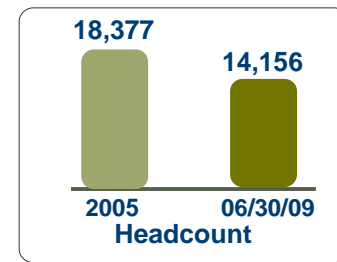


Over €400m of new sales in next 5 years

Key initiatives since spin-off

> Fixed costs

- Fluorochemicals at Pierre-Bénite (Fr)
- MMA/PMMA in Europe
- Vinyls at Saint-Auban (Fr)
- North American reorganization
- Functional Additives restructuring



> Asia

- H₂O₂ in Shanghai (China)
- Fluorochemicals JVs with Daikin
- Fluoropolymers in Changshu (China)
- Coatex in Changshu (China)



> R&D

- New energy (photovoltaic, lithium-ion battery)
- Carbon nanotube pilot plant in Mont (Fr) by 2011
- Acquisition of OPM (PEKK)
- Bio-sourced polyamide (PA11)



> M&A

- Acquisition of Coatex
- Dow's acrylics deal*
- Divestments of Cerexagri & UF resins



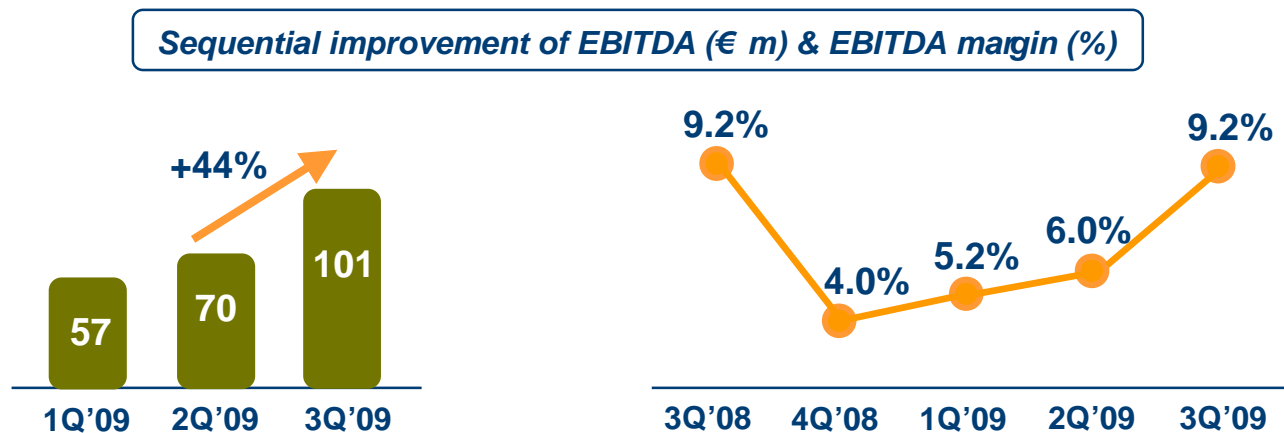
* Project to acquire a part of US acrylic assets from Dow subject to the approval by FTC.

Q3'09 results

- > *Solid results in challenging market conditions*

Solid results delivered in 3Q'09

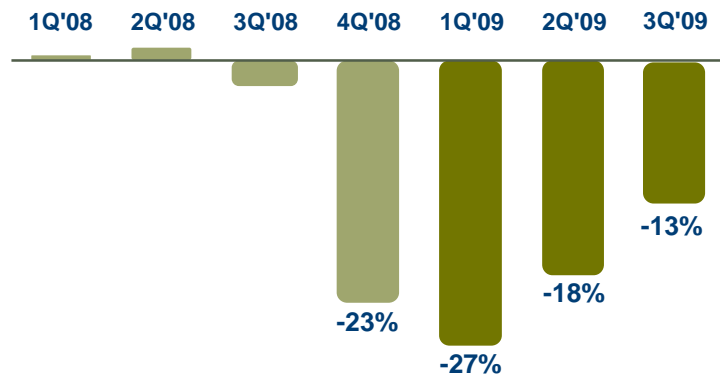
- > **+44% EBITDA versus 2Q'09**
- > **EBITDA margin increased at 9.2%, at the level of 3Q'08**
 - Excellent performance in Industrial Chemicals: EBITDA margin >15%
 - Significant improvement in Performance Products: EBITDA margin >10%
- > **Positive adjusted net income**
- > **+€ 71m Free Cash Flow* generated in 3Q'09**
- > **Net debt reduced at € 359m end of September and gearing at 20%**



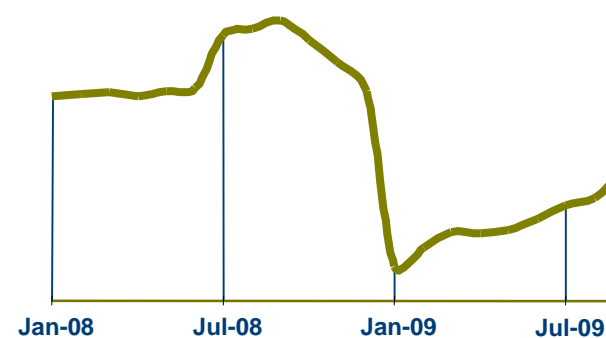
* Cash flow from operating and investment activities excluding M&A and before dividends

Several improvements in challenging market conditions overall

Lower YoY volume decline



Sharp YoY decrease of raw material index



- + Overall strong volumes in September
- + Good volumes in Asia
- + End of de-stocking in Europe and North America in most end markets
- Volumes far lower than before the crisis
- Usual weak seasonality in August in Europe

- + Price increase in PVC and Acrylics vs 2Q'09
- + Resilient prices in most other businesses vs 2Q'09
- + Lower energy costs
- Higher raw material costs versus 2Q'09
- Sharp decrease of caustic soda prices

Strong sequential improvement of EBITDA

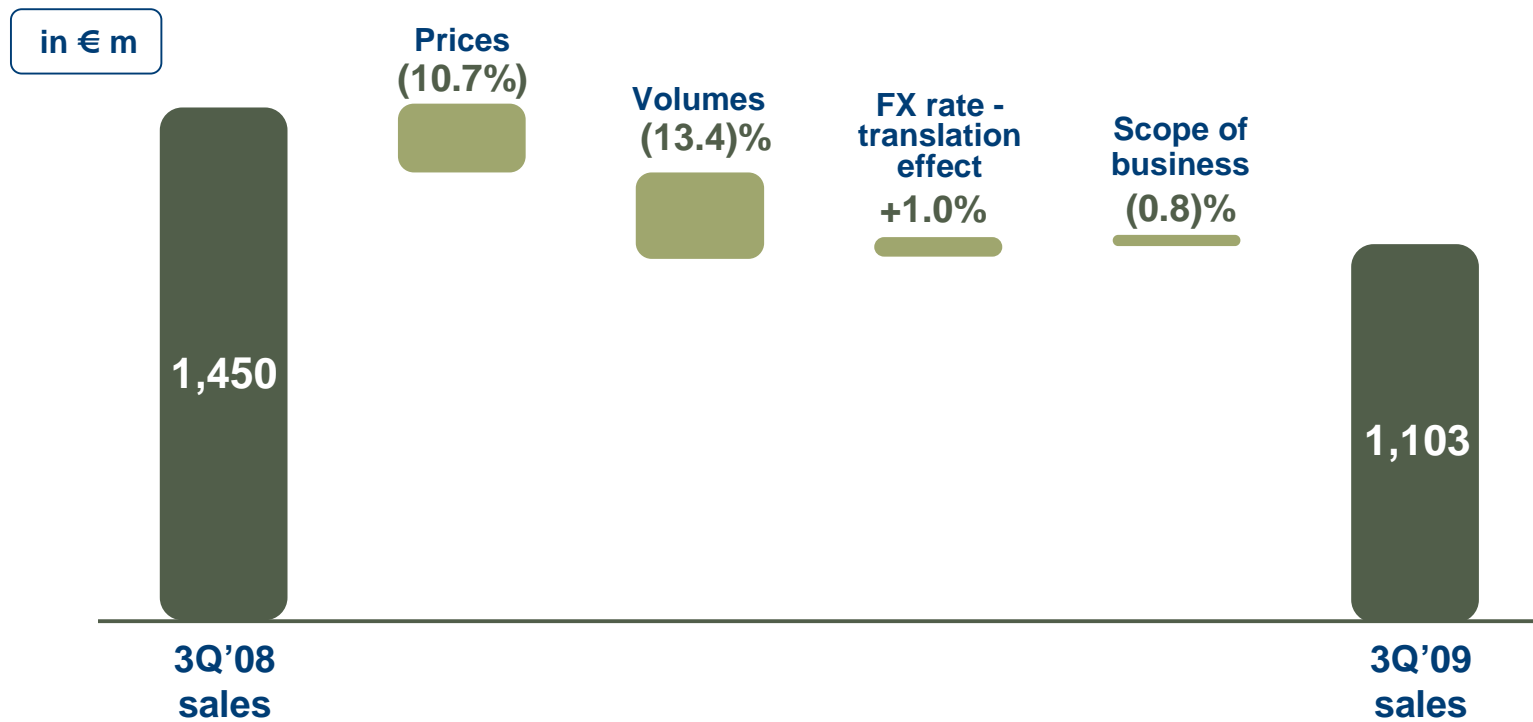
in € m (except EPS)

	1Q'09	2Q'09	3Q'09	3Q'08	Variation*
Sales	1,092	1,167	1,103	1,450	(23.9)%
EBITDA	57	70	101	134	(25)%
EBITDA margin	5.2%	6.0%	9.2%	9.2%	
Recurring operating income	(12)	2	36	72	(50)%
Net income (group share)	(35)	(114)	(3)	40	n.m
Adjusted EPS (diluted)	(0.50)	(0.41)	0.13	0.78	(83)%

* 3Q'09 versus 3Q'08

Stabilized volumes at lower level

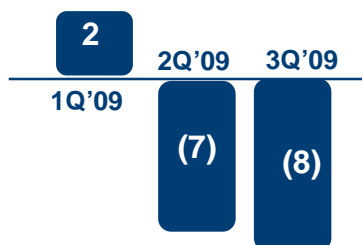
- > End of de-stocking in most end-markets in Europe and in the US
- > Volumes lower than before the crisis
- > Raw material costs at a peak in 3Q'08
- > Resilient prices in polymers in most businesses



Successful adaptation to tough market conditions

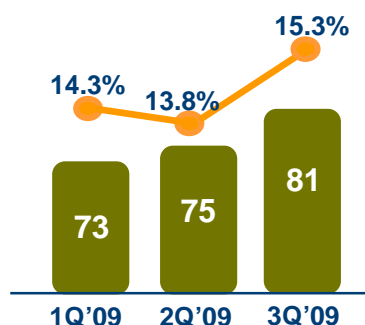
- > **+44% EBITDA in 3Q'09 vs 2Q'09 despite usual weak seasonality in Europe in August**
- > **9.2% EBITDA margin at the level of 3Q'08**
- > **Ongoing restructuring plans and G&A reductions in line with €170m fixed cost savings full year target**
- > **Benefits from increased presence in Asia in Industrial Chemicals and Performance Products**
- > **Successful development in renewable energy and high performance polymers (photovoltaic, lithium-ion batteries, high-temperature polyamides, etc)**

Results by segment



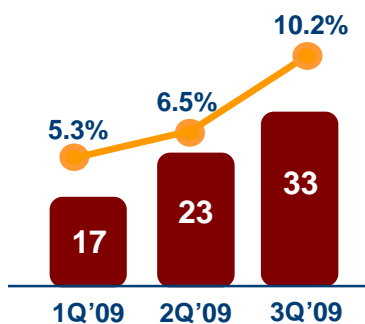
Vinyl Products: Weak results

- > Volumes lower than before the crisis
- > Low unit margins (higher ethylene costs and low caustic soda prices)
- > PVC price increased in 3Q'09 vs 2Q'09 in order to offset higher ethylene costs



Industrial Chemicals: EBITDA margin at its highest since spin-off

- > Excellent performance still confirmed
- > Good resilience of Thiochemicals, Fluorochemicals and Coatex
- > Benefits from growth projects in Asia (H₂O₂, fluorogases)
- > Very low unit margins in Acrylics
- > Productivity gains in Europe and the US in Methacrylates

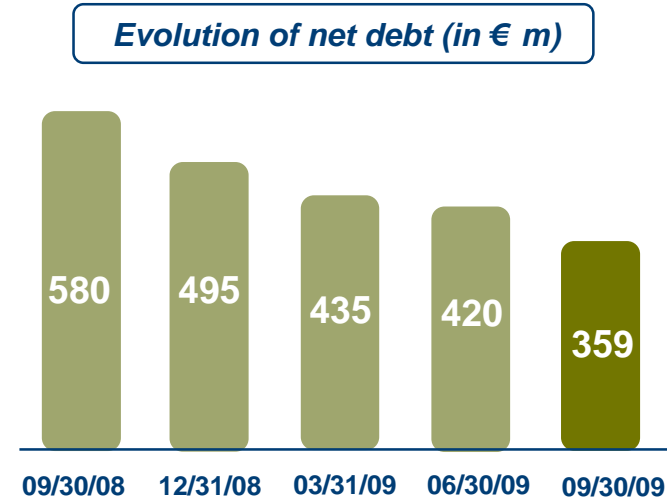
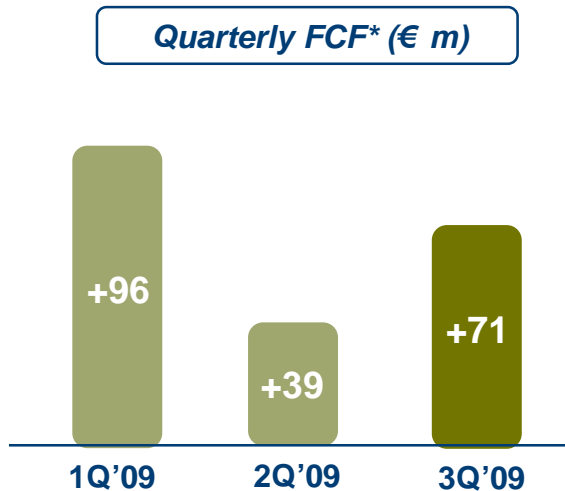


Performance Products: better performance on higher volumes and lower cost base

- > End of de-stocking in automotive and construction but volumes still lower than before the crisis
- > Significant contribution from productivity gains and restructuring plans in Technical Polymers and Functional Additives
- > Successful development in renewable energy & high performance polymers

EBITDA (€m) & EBITDA margin

+€206m free cash flow* in 9 months 2009



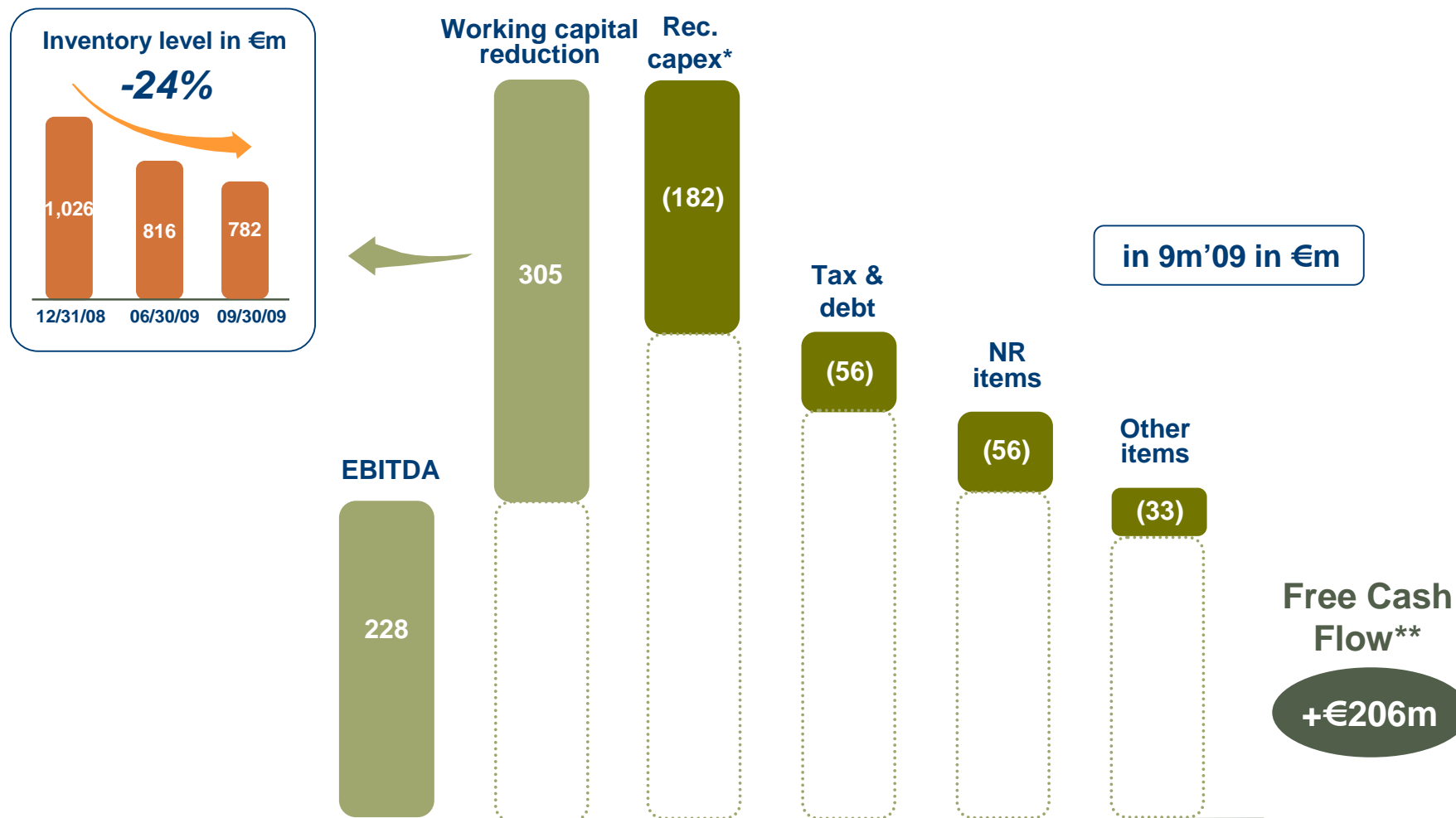
- > Continued focus on the optimization of working capital
- > Further reduction of quantities in stocks in 3Q'09
- > Capex in line with € 260m FY target including growth capex in China

- > Net debt decreased by € 136m since beginning of year
- > Net debt at 1.3xEBITDA**
- > Gearing at 20%

*Cash flow from operating and investment activities excluding M&A and before dividends

** EBITDA over 12 previous months

Strong benefit from reduction in working capital



* Recurring capex excluding capex related to the acquisition of assets (included in M&A)
 ** Cash flow from operating and investment activities excluding M&A and before dividends

Outlook

> 4th quarter 2009

- Traditional weaker seasonality in December
- Asia should maintain good momentum
- Visibility still limited in Europe and North America

> Full year 2009 targets

- Increase Free Cash Flow* target to around +€ 140m
- Confirm fixed cost saving target of € 170m
- Capex below € 260m

> Continue in-depth transformation and long-term projects

- Dow acrylics deal**
- Construction of fluorogas and fluoropolymers units in China
- Promising opportunities in sustainable development and high performance polymers

> Well prepared and positioned for 2010

* Cash flow from operating and investment activities excluding M&A and before dividends

** Project to acquire a part of US acrylic assets from Dow subject to the approval by FTC.

A major milestone in Arkema's transformation*

> Arkema's long term strategy in acrylics

- Secure competitive world-scale monomer production base in each geographical area
- Strengthen downstream integration

> Highlights of the deal

- Asset deal: Monomer & polymer businesses
- 2009(e) sales: ~US\$ 450m
- Enterprise value = US\$ 50m

> Benefits from the deal

- Strengthening Arkema's worldwide position in acrylic monomers
- Increasing downstream integration
- A platform for future development

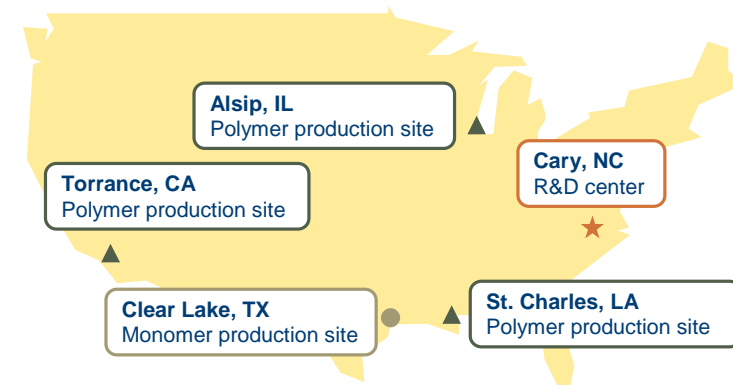
> Significant potential for EBITDA margin

- Positive contribution to net income in 2010
- 12% EBITDA margin after 3 years
- 14 to 15% EBITDA margin after 5 years

Arkema's current position in acrylics



Dow acrylic assets included in the deal



* Subject to the approval by FTC.

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 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 related to 2003, 2004 and 2005 are extracted from pro forma financial statements presented in the 2006 prospectus for the listing of Arkema shares. Financial information for 2006, 2007, 2008 and 2009 are 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.
- > Arkema is a global chemical player consisting of three business segments: Vinyl Products, Industrial Chemicals, and Performance Products. Established in over 40 countries and having 15,000 employees, Arkema achieved sales in 2008 of 5.6 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.