

PLANNED ACQUISITION OF DEN BRAVEN

A new step forward
for Bostik

20th JULY 2016



ARKEMA
INNOVATIVE CHEMISTRY

BOSTIK: 18 MONTHS AFTER

STRONG ACHIEVEMENT SINCE THE ACQUISITION



SUCCESSFUL INTEGRATION

- ❖ Synergies well on track
- ❖ Integration process now nearly completed
- ❖ 6 new plant openings since acquisition



RUNNING STRONGLY

- ❖ +16% EBITDA in 2015 vs 2014
- ❖ 13% EBITDA margin in 1Q'16 versus 10.3% in 2014

❖ Ready to start to complement organic growth with bolt-on acquisitions

TAKING PART IN THE CONSOLIDATION OF THE STILL FRAGMENTED ADHESIVES AND SEALANTS MARKETS



Acquiring
a strong leader
in high performance
sealants in Europe



Significant cost
and sales synergies



In line with
the Group's strategy
to strengthen its
"home efficiency
and insulation"
innovation platform

 A unique and highly accretive opportunity

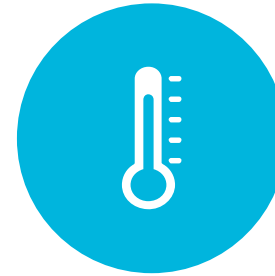
A STRONG STRATEGIC FIT



A new step forward
in our ambitious
roadmap for Bostik
after 18 months
of successful track
record within Arkema



EBITDA margin target
for Bostik upgraded
to 15% in 2020



Accelerate
the development
of High Performance
Materials

TRANSACTION HIGHLIGHTS

Transaction value	<ul style="list-style-type: none">✦ €485 m enterprise value representing 11x 2016e EBITDA✦ 6.5x 2016e EBITDA including synergies
Financial impact	<ul style="list-style-type: none">✦ EPS and cash accretive from 1st year✦ At least €30 m synergies per year, fully achieved within 5 years (8.5% of Den Braven's sales)✦ High EBITDA to cash conversion at around 50% after synergies
Financing	<ul style="list-style-type: none">✦ 100% cash✦ After acquisition, Arkema's net debt to pro forma EBITDA* below 1.5x✦ No change in financing strategy
Closing	<ul style="list-style-type: none">✦ Expected in 4Q'16✦ Subject to regulatory clearances by relevant antitrust authorities and information / consultation process at Arkema BV's works councils

* Pro forma EBITDA = consensus for Arkema's 2016e EBITDA + Den Braven's 2016e EBITDA

DEN BRAVEN OVERVIEW

KEY FACTS

- Leader in high performance sealants in Europe
- State-of-the-art proprietary technologies
- First class specialized production sites
- Resilient financial performance
- Entrepreneurial culture

OPERATING LOCATIONS

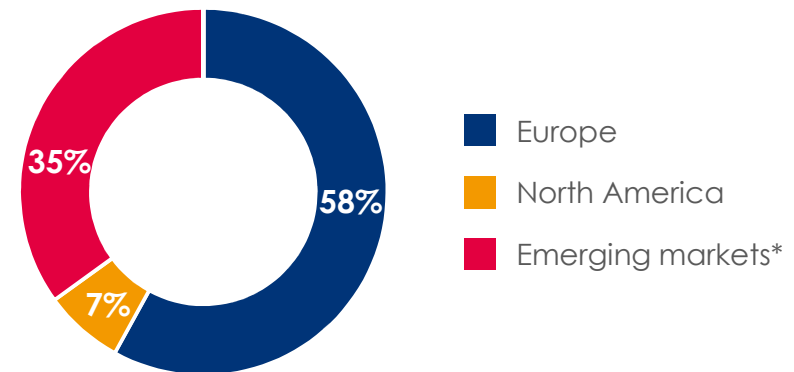


KEY FIGURES

2016e figures

Sales	~€350 m
EBITDA	~€44 m
EBITDA margin	~12.5%
Employees	1,035

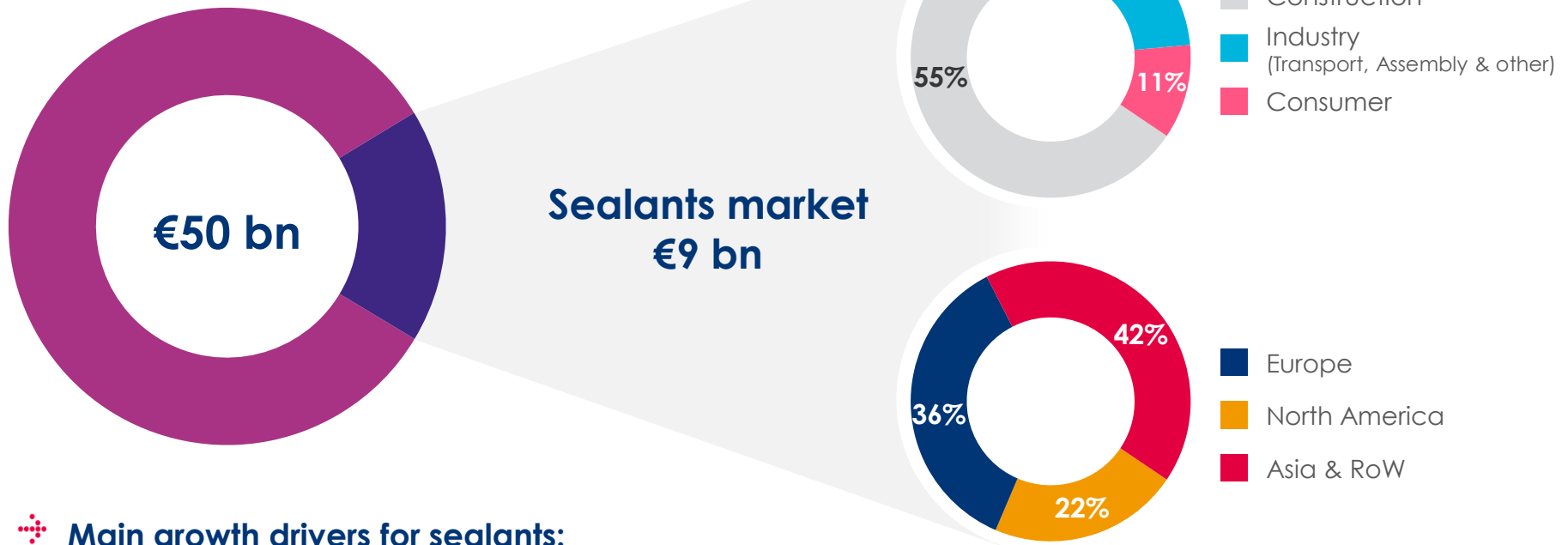
2015 SALES BY REGION



* Central and Eastern Europe, Middle East, Africa, Asia and rest of the world

SEALANTS MARKET OVERVIEW

GLOBAL ADHESIVES AND SEALANTS MARKET*



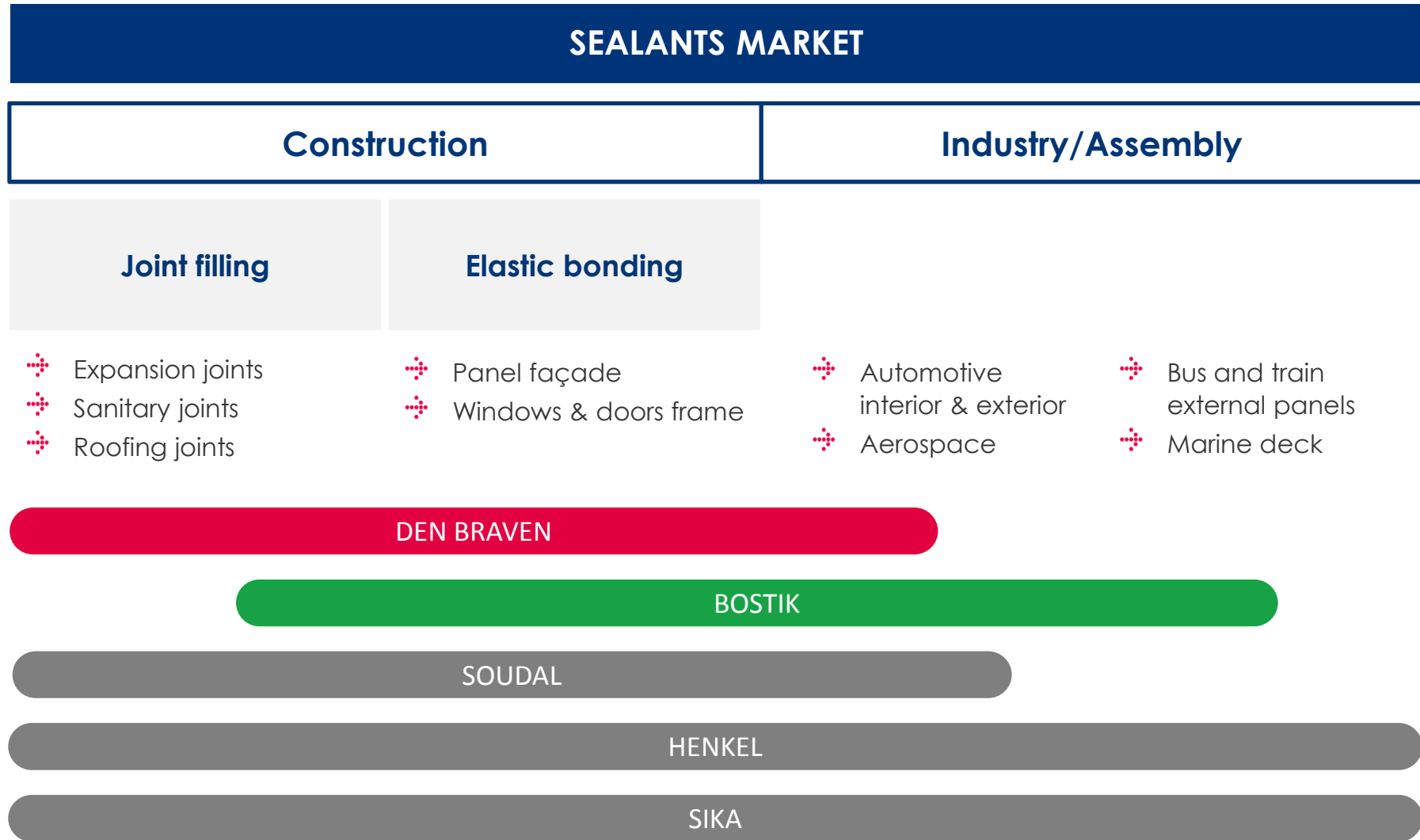
❖ Main growth drivers for sealants:

- New regulations to improve energy efficiency (both renovation and housing)
- Increasing needs for thermal and noise insulation
- High growth in emerging countries (urbanization trend)
- Lightweighting

❖ **Global growth estimated at +3% to 4% per year**

* Arkema internal estimates, IHS Adhesives and Sealants 2016 study

SEALANTS: ADDRESSING GROWING NEEDS FOR INSULATION AND ASSEMBLY



A UNIQUE COMBINATION IN SEALANTS

DEN BRAVEN



Den Braven

- ❖ Leadership position in Europe with 12% market share
- ❖ Best-in-class production base
- ❖ State-of-the-art technologies



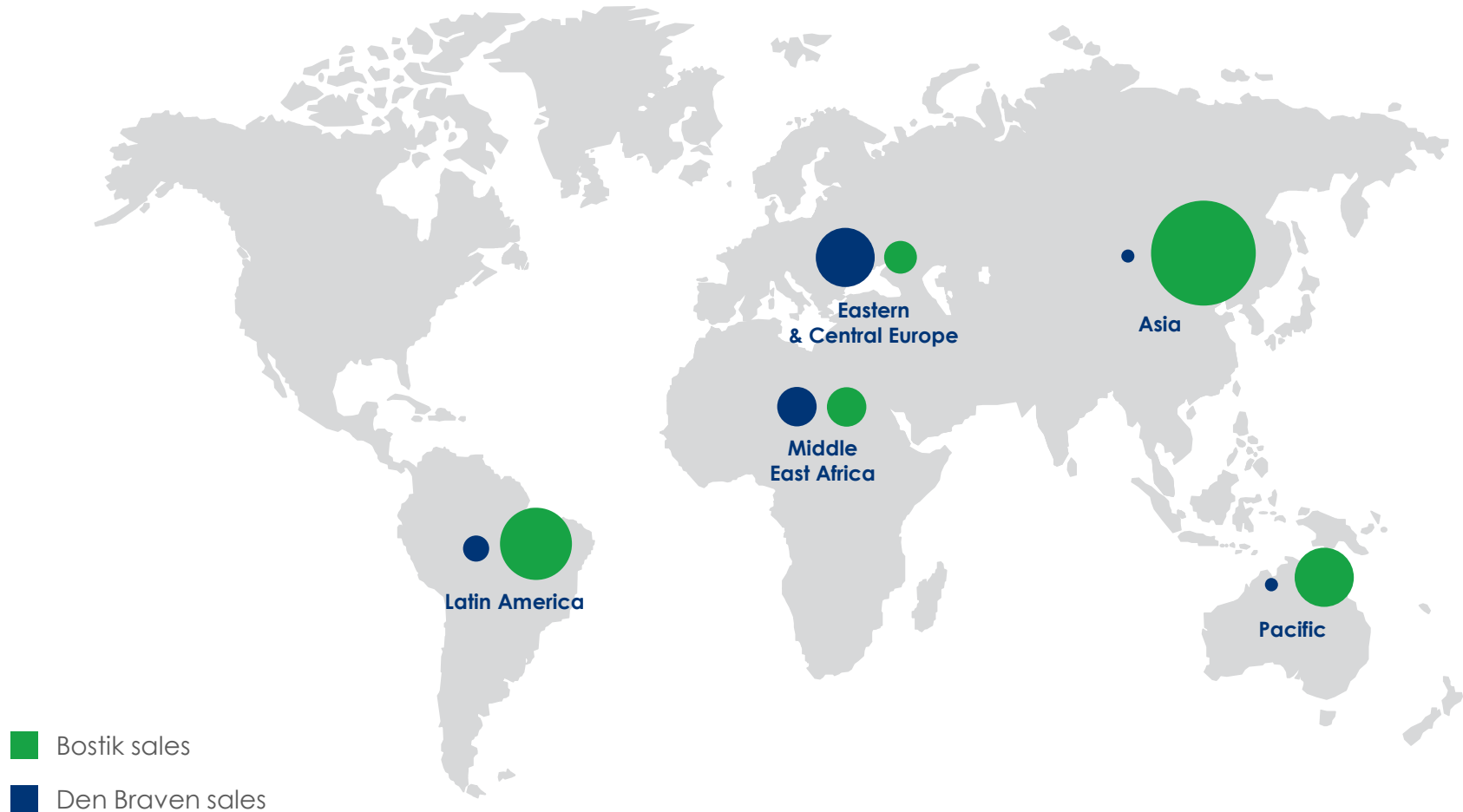
BOSTIK



- ❖ Strong brand awareness
- ❖ Global player with a more significant presence in emerging economies
- ❖ A well recognized but more focused know-how in high value added sealants

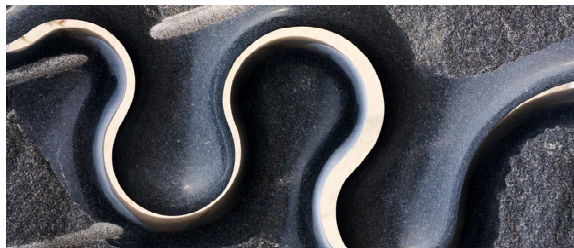
..... **CREATE A GLOBAL MARKET LEADER IN SEALANTS**

LEVERAGE COMPLEMENTARITIES IN EMERGING COUNTRIES



A CLEAR PATH TO VALUE CREATION

AT LEAST €30 M SYNERGIES (EBITDA) PER YEAR, FULLY ACHIEVED WITHIN 5 YEARS



PURCHASING SYNERGIES

- ❖ Raw materials
- ❖ Good and services
- ❖ Logistics



OPERATIONAL EXCELLENCE

- ❖ Leverage best manufacturing practices



COMMERCIAL SYNERGIES

- ❖ Combine Den Braven's comprehensive offer with Bostik's strong presence and brand

❖ Transaction multiple reduced to 6.5x 2016e EBITDA including synergies

STRENGTHENING THE HOME EFFICIENCY AND INSULATION R&D PLATFORM



BOSTIK SMART HOUSE

&

DEN BRAVEN CENTRE OF EXCELLENCE



**ENERGY EFFICIENCY:
A CHALLENGE FOR TODAY
AND TOMORROW**

EUROPEAN COMMISSION STATEMENT

“By improving the energy efficiency of buildings, we could reduce total EU energy consumption by 5% to 6% and CO₂ emissions by about 5%.”

2010

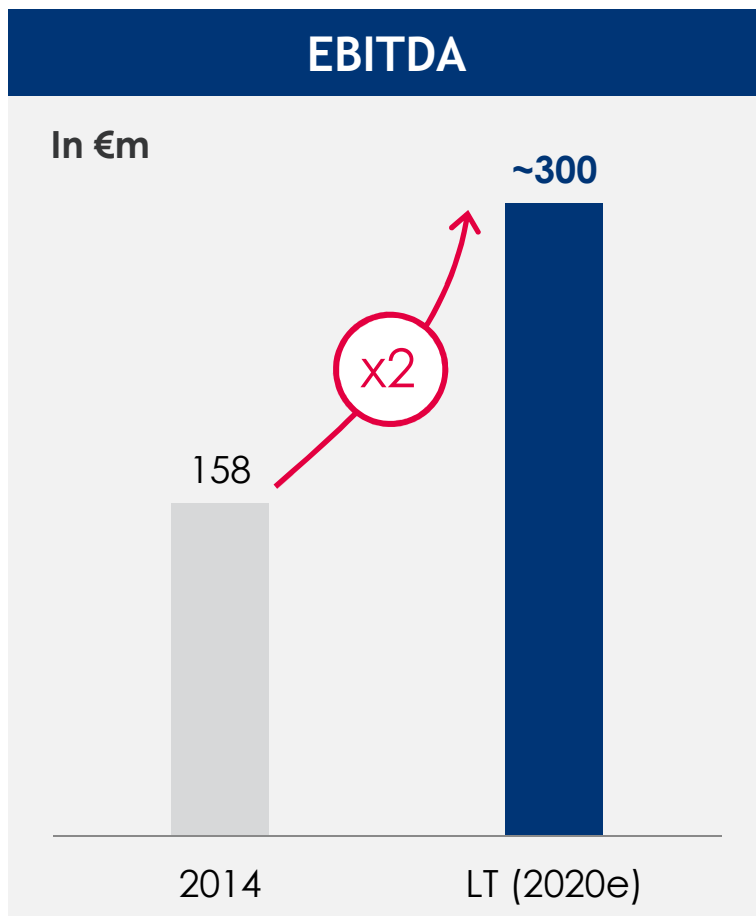
Energy Performance
of Buildings Directive

2012

Energy
Efficiency Directive

❖ A solution provider to address increasing needs for energy efficiency

A NEW STEP IN OUR AMBITIOUS PLAN FOR BOSTIK



Reminder of our 2017 target for Bostik

- +30% EBITDA versus 2014
- Target defined without acquisition

Significant EBITDA growth already achieved in 2015 and 1Q'16

Acquisition of Den Braven

- A new strong driver supporting the achievement of our 2020 EBITDA target
- Acquisition in line with the roadmap presented at our 2015 CMD
- 2020 EBITDA margin target upgraded to 15% for Bostik

Strong confidence in achieving our long term target for Bostik

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 material 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. These risk factors are further developed in the reference document.

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 since 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 on the quarterly results.