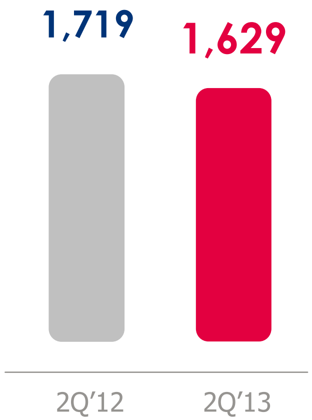
2nd quarter 2013 financial results and main facts

Thierry Le Hénaff, Chairman and CEO
August 1st, 2013

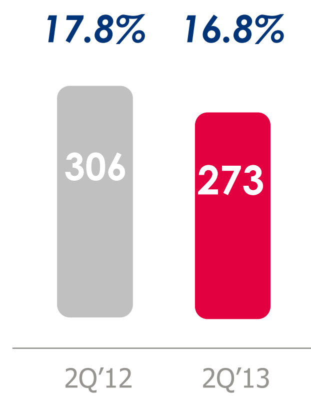
2Q'13 highlights

Sales (€m)



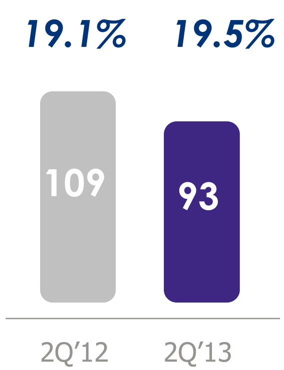
- -1.7% sales at constant scope of business and FX
- Volumes +3.5% YoY

EBITDA (€m) **and EBITDA margin** (%)



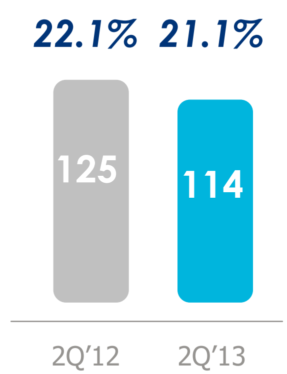
- Solid level versus high comparison base of 2Q'12
- Strong EBITDA margin at 16.8%
- Significant improvement vs 1Q'13 (+17%)

EBITDA (€m) **and EBITDA margin** (%) **by segment**



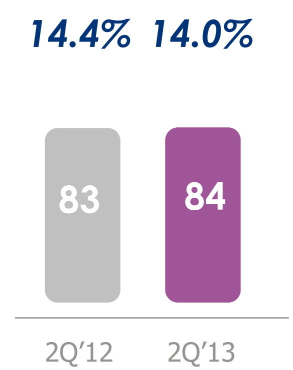
- Significant improvement versus 1Q'13
- Weakness of photovoltaic and oil & gas (temporary)

High Performance Materials



- Performance close to record high
- Negative impact of weather on Fluorogases

Industrial Specialties



- Resilient with mixed performance by region

Coating Solutions

Key drivers of Arkema 2Q'13 performance

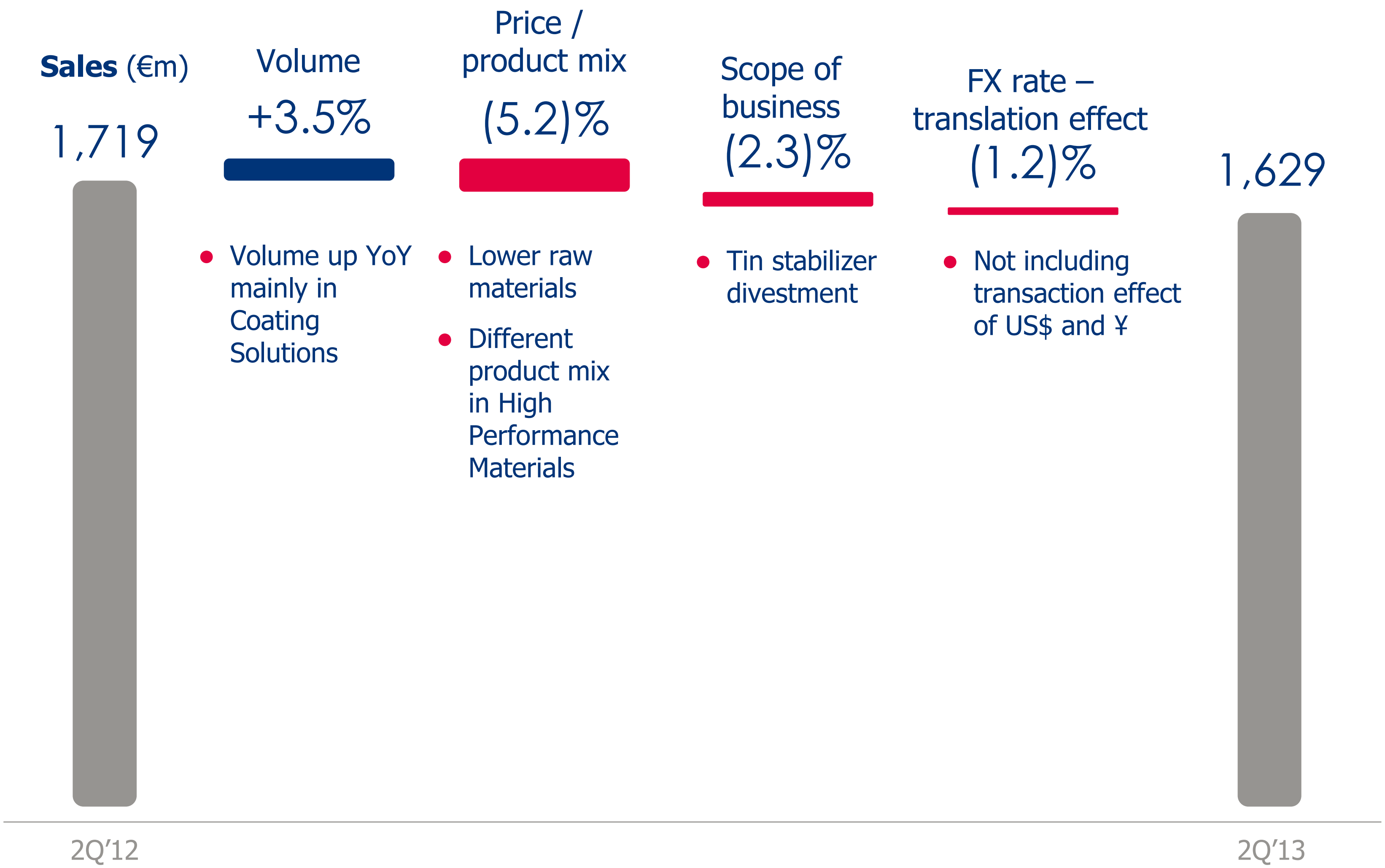
- **Market conditions overall stable versus 1Q'13 but less favorable than in 2Q'12**
  - North America remained solid with gradual improvement in housing market
  - Challenging market conditions in Europe but stable versus 1Q'13
  - More moderate growth in Asia
  - Coating Solutions and fluorogases impacted by unfavorable weather conditions in Europe
  - Weak demand in photovoltaic market and delays in some oil and gas projects still impacting High Performance Materials segment
- **Benefit from strong presence in North America developed over years**
  - 35% of sales in 2Q'13
  - Successful start-up of acrylic capacity expansion in Clear Lake (TX) in 2Q'13
- **Overall good resilience of unit margins despite competitive pressure on some Fluorogases in China and Europe and lower YoY acrylic unit margins** (above mid cycle last year due to a sharp drop of propylene price on 2 months)
- **Strict control of fixed costs and working capital**

ARKEMA INNOVATIVE CHEMISTRY

Highlights since April 1st, 2013

- **Successful start-up of acrylic capacity expansion in Clear Lake (TX)**
  - +60kT acrylic acid
    → 30 kT for merchant market
    → 30 kT for Methyl Acrylate production
- **+15% debottlenecking of bis-peroxide capacity in Spinetta (Italy) and Franklin (Virginia) factories**
- **Two acquisitions in line with High Performance Materials strategy**
  - Securing access to strategic raw materials: project to acquire a stake of 25% in Ihsedu Agrochem, a subsidiary of Jayant Agro, specialized in castor oil production
  - Speeding up development through innovation: acquisition of a majority stake in AEC polymers, a French manufacturer of structural methacrylate adhesives
- **6% stake in Arkema's share capital taken by *Fonds Stratégique de Participation***
  - Mutual fund created by four major French insurance companies (BNP Paribas Cardif, CNP Assurances, Crédit Agricole Assurances – Predica - and Sogecap - Groupe Société Générale)
  - Positive decision showing FSP confidence in Arkema's long term strategy

Sales bridge



2Q'13 key figures

In €m *(except EPS)*	2Q'12	2Q'13	variation
Sales	1,719	1,629	-5.2%
EBITDA	306	273	-10.8%
EBITDA margin	17.8%	16.8%	
Recurring operating income	229	195	-14.8%
Adjusted net income*	151	124	-17.9%
Non recurring items	(25)	(13)	-
Net income (group share)	(12)	112	-
Adjusted EPS* (diluted)	2.40	1.96	-18.3%

* For 2Q'12, adjusted net income of continuing operations.

High Performance Materials

In €m	2Q'12	2Q'13	variation
Sales	572	477	-16.6%
EBITDA	109	93	-14.7%
EBITDA margin	19.1%	19.5%	
Recurring operating income	82	68	-17.1%

- **Sales at €477m versus €572m in 2Q'12**
  - Divestment of tin stabilizers representing nearly half of the sales decrease
  - Negative price effect reflecting lower raw materials and different product mix than in 2012
  - Volumes slightly down YoY
- **€93m EBITDA versus €109m in 2Q'12 and €70m in 1Q'13**
  - Stronger seasonality traditionally in 2Q
  - Specialty Polyamides: excellent performance supported by innovation momentum in lightweight materials and stronger seasonality than expected
  - Fluoropolymers: gradually improving versus 1Q'13 but still impacted by weak demand in photovoltaic and delays in oil and gas projects
  - Filtration and Adsorption: different timing of oil and gas projects versus strong 2Q'12
  - Organic Peroxides: EBITDA margin benefiting from reshaped portfolio of businesses following tin stabilizer divestment

ARKEMA INNOVATIVE CHEMISTRY

Industrial Specialties

In €m	2Q'12	2Q'13	variation
Sales	566	540	-4.6%
EBITDA	125	114	-8.8%
EBITDA margin	22.1%	21.1%	
Recurring operating income	96	85	-11.5%

- **Sales at €540m versus €566m in 2Q'12**
  - Volumes up YoY (notably Thiochemicals)
  - Prices down YoY (mainly fluorogases)
- **€114m EBITDA and 21% EBITDA margin**
  - Continuing positive momentum in North America where the Group developed over years a strong industrial presence
  - Thiochemicals: solid results supported by refining and petrochemical markets in the US
  - Fluorogases: competitive pressure on some fluorogases in China an Europe and impact from unfavorable weather conditions
  - PMMA: mixed performance by region reflecting different momentum by region in the automotive and construction markets
  - H_2O_2: stable performance

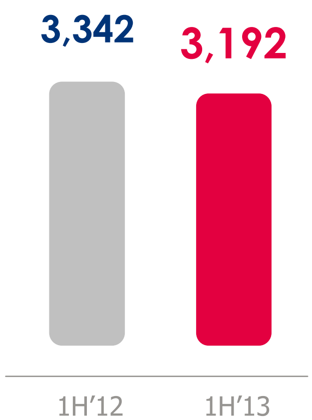
Coating Solutions

In €m	2Q'12	2Q'13	variation
Sales	575	602	+4.7%
EBITDA	83	84	+1.2%
EBITDA margin	14.4%	14.0%	
Recurring operating income	63	61	-3.2%

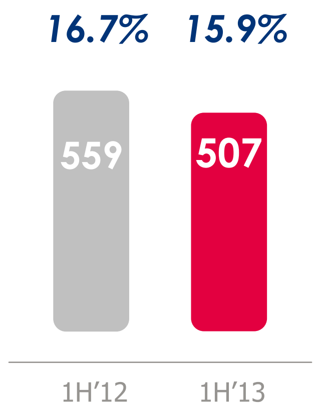
- **+4.7% sales at €602m**
  - Strong volume growth in North America supported by gradually improving housing market and start-up of capacity expansion in Clear Lake (TX)
- **€84m EBITDA and 14.0% EBITDA margin**
  - Acrylic monomers: volumes up YoY but lower unit margins versus high level of 2Q'12 which was supported by sharply decreasing propylene prices
  - Coating resins: contrasted market conditions with positive developments in North America and weaknesses in Europe amplified by bad weather conditions
  - Sartomer and Coatex: resilient performance supported by new product developments

1H'13 main figures

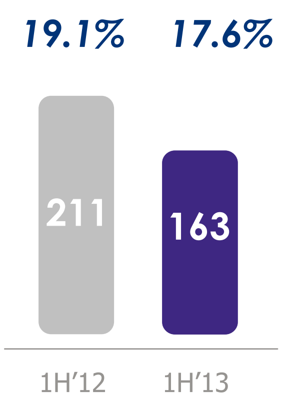
Sales (€m)



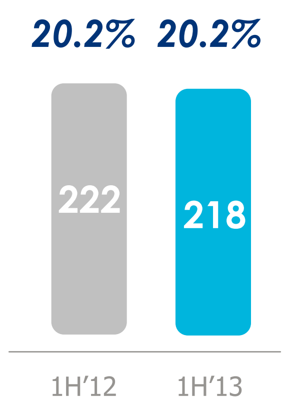
EBITDA (€m) **and EBITDA margin** (%)



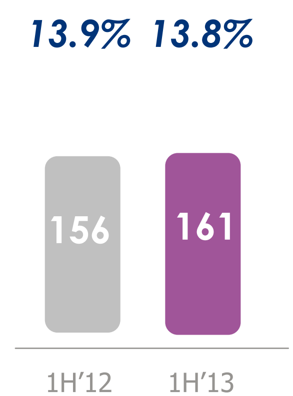
EBITDA (€m) **and EBITDA margin** (%) **by segment**



High Performance Materials



Industrial Specialties

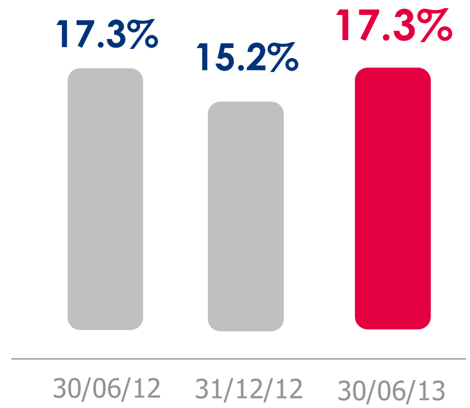


Coating Solutions

Cash flow and net debt

- **+€44m free cash flow* in 2Q'13 versus €(28)m in 2Q'12**
- **€(16)m free cash flow in 1H'13 versus €(23)m in 1H'12**
- **Strict control of working capital**
  - €1,127m working capital end of June 2013
  - Usual seasonality of working capital
- **€174m capex in 1H'13**
  - Supporting growth ambition
  - In line with expected capex for 2013e of €500m
- **Net debt at €1,150m (€900m end of December 2012)**
  - 49.6% gearing end of June 2013 (48.7% end of June 2012)
  - Net debt end of June 2013 includes:
    - Payment of dividend of €1.80 per share representing a total of €113m
    - €75m cash outflow related to Kem One in 2Q'13 (fully taken into account in the P&L end of the 1Q'13)
- **Gearing target at year-end confirmed at ~40%**

Working capital / sales (%)



Influence of mid year seasonality

* Cash flow from operations and investments excluding the impact of portfolio management and before the impact of cash outs related to Kem One situation.

Outlook

- **Market conditions expected to be in the continuity of the 1st half of the year with marked contrast by regions and a limited visibility**
  - Solid market conditions in North America
  - Challenging but stable economic environment in Europe
  - Slower growth than expected in China
  - High Performance Materials should continue to be impacted in 3Q'13 by weak demand in photovoltaic and delays in some oil and gas projects. These markets should improve by year end.
- **2H'13 assumptions**
  - High basis of comparison in 3Q'12
  - Easier comparison base in 4Q'12 with similar YoY market conditions expected in Europe and some improvements in specific end-markets of High Performance Materials
- **In this less favorable economic environment than 2012, Arkema confirms its confidence in achieving another strong year and should achieve in 2H'13 an EBITDA similar to the record level of 2H'12**
- **The Group will continue to carefully monitor macro-economic developments and will implement the necessary adjustment initiatives it if was to be necessary**
- **Arkema confirms its ambition for 2016 to achieve € 8 billion sales and 16% EBITDA margin while maintaining its gearing below 40%**

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Financial information for 2013, 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 reference document filed with the French Autorité des Marchés Financiers and available on www.finance.arkema.com