



**1st quarter 2010
results**



Paris, May 11, 2010

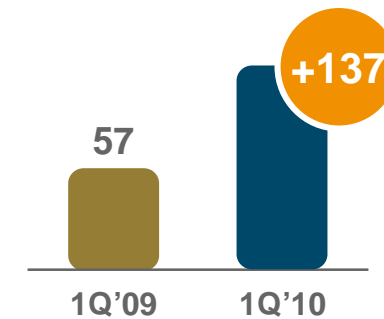


Strong recovery of volumes and profitability

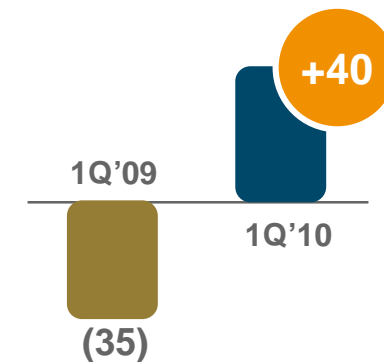
- **+20% volumes* versus 1Q'09**
 - Excellent growth in Asia
 - Signs of recovery in North America
- **€137m EBITDA x2.4 versus 1Q'09 and above 4Q'09**
- **10.5% EBITDA margin versus 5.2% in 1Q'09**
 - Strong performance of Industrial Chemicals at 14.5% EBITDA margin
 - Sharp recovery in Performance Products at 14.5% EBITDA margin
- **Positive net result : +€40m**
- **Fixed cost savings in line with FY'10 reduction target**
- **Gearing maintained below 20%**

1Q'10 achievements

EBITDA (€m)



Net result (Group share) (€m)





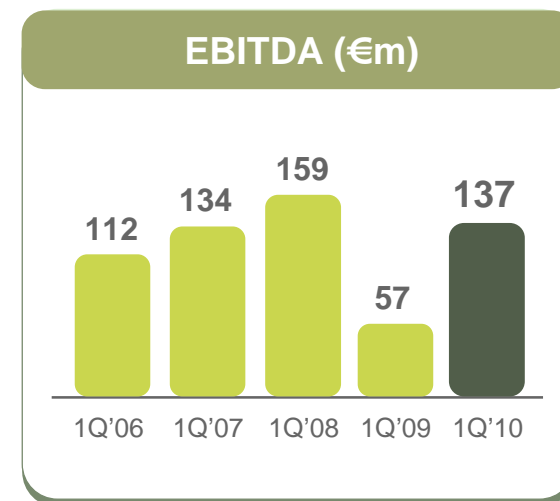
1Q'10 highlights

- **Successful integration at the end of January of the acrylic assets acquired from The Dow Chemical Company**
 - Emulsion Systems Business Unit created
 - Comprehensive product offering for the Coating market (Emulsion Systems – Coatex - Kynar®)
 - Positive net income already in 1Q'10*
- **Gradual improvement of acrylic unit margins**
 - Increase from the low point reached in 4Q'09
 - Improved demand in Coatings
 - Tightness of acrylic acid supply in 1Q'10 to continue in 2Q'10
- **Successful start-up of fluorogas (HFC-125) production unit in Changshu (China) in partnership with Daikin**
- **+35% sales in Asia versus 1Q'09 (in local currency)**
- **Acceleration of revenues in the photovoltaic market**



1Q'10 key figures

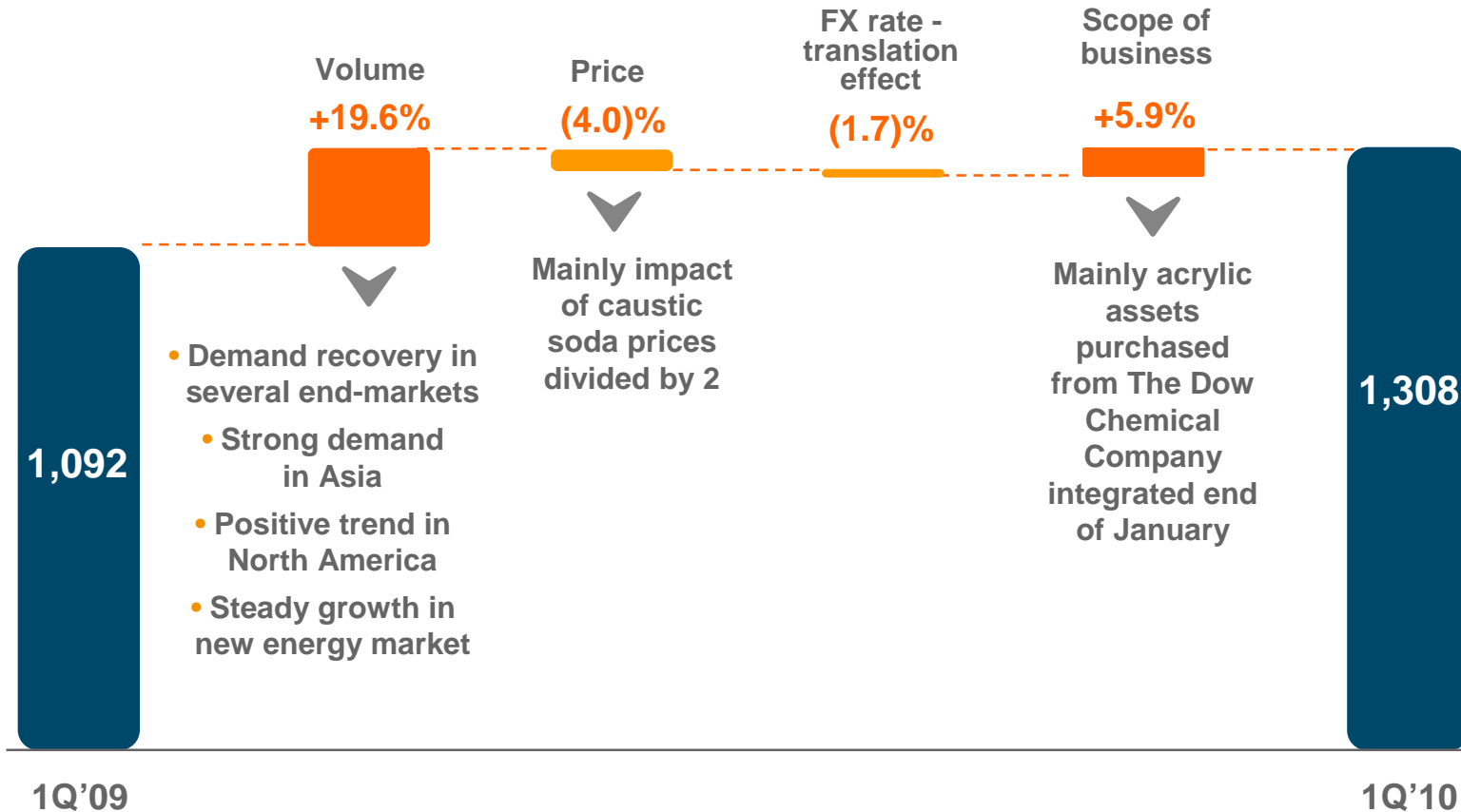
<i>in €m (except EPS)</i>	1Q'09	1Q'10	Variation
Sales	1,092	1,308	+19.8%
EBITDA	57	137	x2.4
EBITDA margin	5.2%	10.5%	
Recurring operating income	(12)	67	-
Net income (group share)	(35)	40	-
Adjusted EPS (diluted)	(0.50)	0.68	-





+20% sales versus 1Q'09

Sales in €m





Significant EBITDA growth

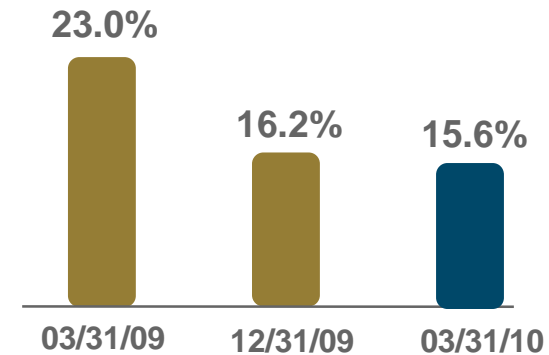
- **x2.4 versus 1Q'09**
- **Strong recovery in volumes**
 - Good demand in several end-markets notably automotive and electronics
 - Sharp increase in demand for high performance polymers especially in Asia
 - Volumes still lower than before the crisis (construction in Europe still weak)
- **Overall good resilience of unit margins in Industrial Chemicals and Performance Products**
- **Positive contribution from acrylic assets purchased from Dow both on monomers and polymers**
- **Successful developments of new higher-margin products notably in photovoltaic market**
- **Fixed cost savings in line with FY'10 target of €90m savings (+€40m EBITDA)**



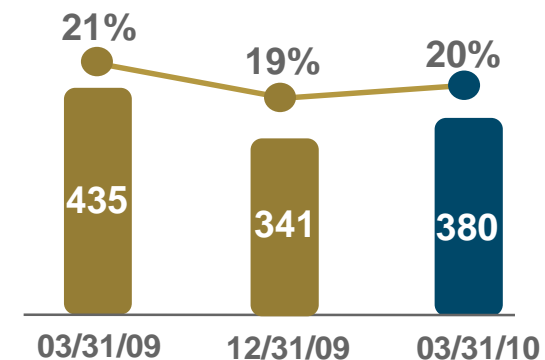
Cash Flow and net debt

- **+€22m cash flow from operating activities**
 - On higher EBITDA
 - And despite -€68m working capital outflow on stronger activity and usual seasonality
- **Continued focus on working capital optimization in line with FY target of working capital on sales ratio at around 16%**
- **€50m recurring capex versus €52m in 1Q'09 in line with FY target of capex below €300m**
- **- €18m restructuring outflows**
- **€380m net debt including first impact of the acquisition of acrylic assets from Dow**

Working capital / sales * (%)

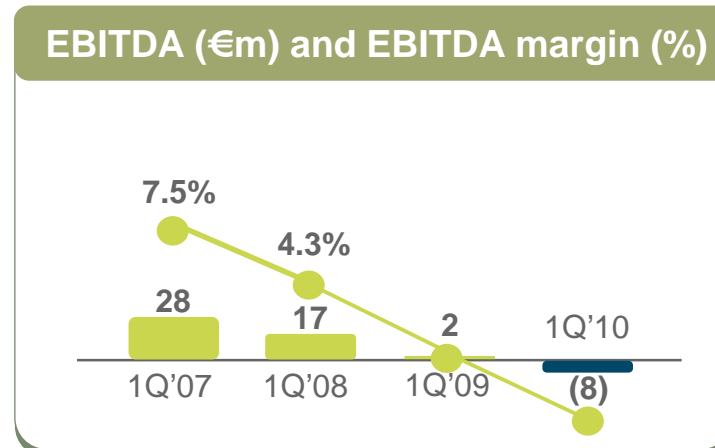
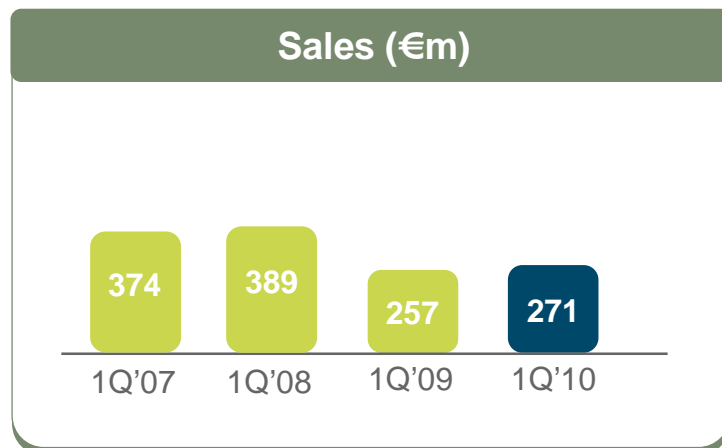


Net debt (€m) and gearing (%)





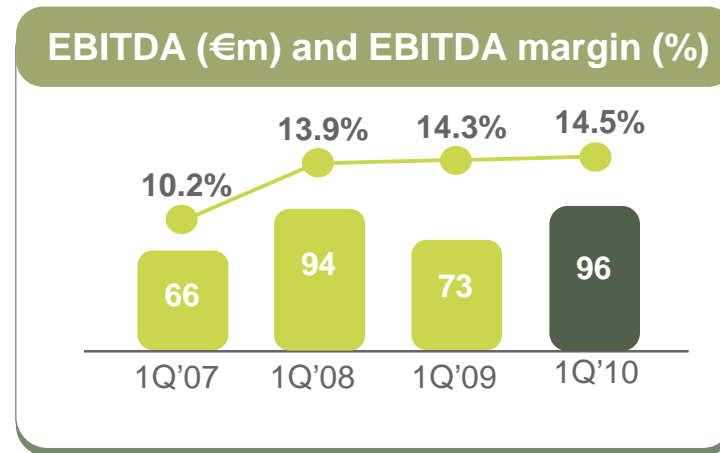
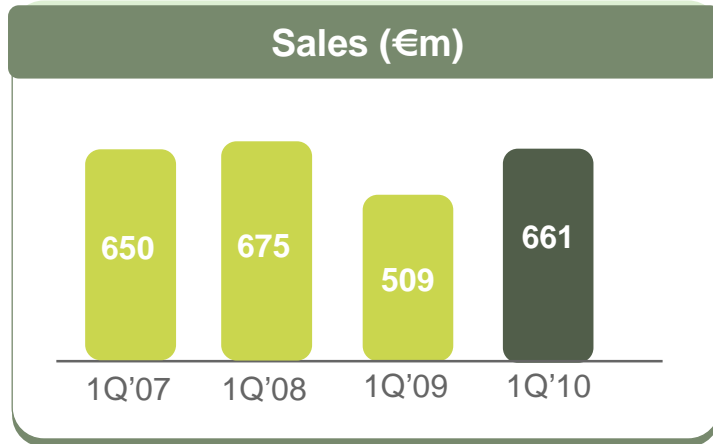
Vinyl Products : some improvements in overall adverse market conditions



- **Traditional seasonality of the first quarter**
 - Adverse weather conditions at the beginning of the year
 - Construction market remaining weak in Europe
- **Unit margins at low levels**
 - Caustic soda price divided by 2 vs 1Q'09 (slight sequential increase vs 4Q'09)
 - PVC price increases offsetting higher ethylene costs
- **Positive contribution from fixed cost savings**
- **Strong performance of Qatar Vinyl Company supported by Asian demand**



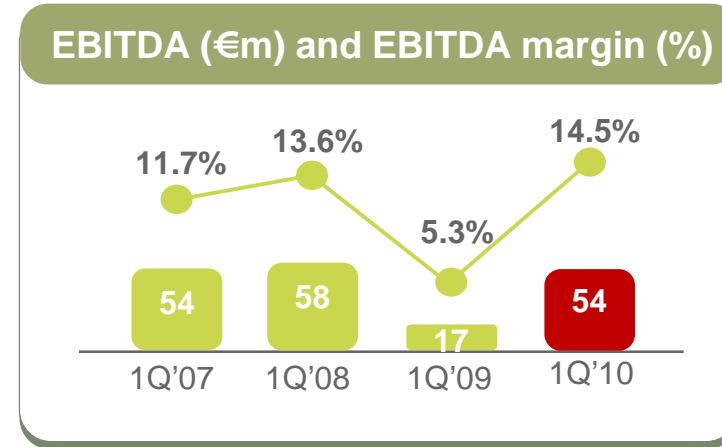
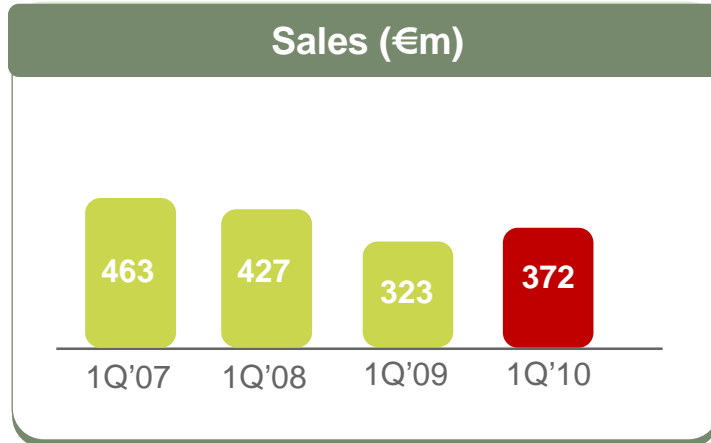
Industrial Chemicals: continue to grow stronger



- **14.5% EBITDA margin and +32% EBITDA versus 1Q'09**
- **+17.5% volumes vs 1Q'09**
 - Good momentum in Asia and benefits from growth developments in H₂O₂, fluorogases
 - Improvement in the US
- **Positive integration of Dow's acrylic assets**
- **Acrylic unit margins improving from a low point in 4Q'09**
- **Strong benefit from Methacrylates restructuring in Europe**
- **Successful start-up of HFC-125 production unit in Changshu (China) in partnership with Daikin**



Performance Products : back to pre-crisis EBITDA level



- Record EBITDA margin since spin off at 14.5% despite volumes still below pre-crisis level, and EBITDA x3.2 versus 1Q'09
- Strong rebound in volumes supported by demand in automotive and in Asia
- Increased contribution from innovation (high performance polymers, new energy markets)
- Good resistance of unit margins
- Strong benefit of Geo's organic peroxides acquired early 2009
- Positive impact from fixed cost savings in Technical Polymers and Functional Additives



2010 outlook

- **2Q'10 outlook**

- 1Q'10 market conditions expected to continue in 2Q'10
- Stronger seasonality in Coatings, Fluorochemicals and Specialty Chemicals
- Tightness in acrylic monomers expected to continue in 2Q'10
- 2Q'10 EBITDA will be above 1Q'10 level

- **2010 outlook**

- Confidence in Arkema's ability to generate in 2010 an EBITDA very significantly above 2009
- In a still volatile economic environment, continue to focus on cost reductions and cash flow management
- Maintain priority on growth in Asia, high performance polymers and bolt-on acquisitions



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- Financial information for 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 press release available on www.finance.arkema.com
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