

## 3Q'14 investor and analyst factsheet

	3Q'14 in €m	3Q'13 In €m	3Q'14/ 3Q'13	9m'14 In €m	9m'13 In €m	9m'14/ 9m'13
<b>Sales</b>	<b>1,478</b>	<b>1,495</b>	<b>-1.1%</b>	<b>4,521</b>	<b>4,687</b>	<b>-3.5%</b>
Prices	-1.7%					
Volumes	+1.6%					
FX	-					
Portfolio	-1.1%					
<b>EBITDA</b>	<b>203</b>	<b>233</b>	<b>-12.9%</b>	<b>622</b>	<b>740</b>	<b>-15.9%</b>
High Performance Materials	75	85	-11.8%	225	248	-9.3%
Industrial Specialties	76	74	+2.7%	228	292	-21.9%
Coating Solutions	62	79	-21.5%	206	240	-14.2%
Corporate	(10)	(5)		(37)	(40)	
<b>EBITDA margin</b>	<b>13.7%</b>	<b>15.6%</b>		<b>13.8%</b>	<b>15.8%</b>	
<b>Depreciation and amortization</b>	<b>(87)</b>	<b>(79)</b>		<b>(245)</b>	<b>(233)</b>	
<b>Recurring EBIT</b>	<b>116</b>	<b>154</b>	<b>-24.7%</b>	<b>377</b>	<b>507</b>	<b>-25.6%</b>
<b>NR items</b>	<b>(43)</b>	<b>(37)</b>		<b>(75)</b>	<b>(177)</b>	
Equity in income of affiliates	-	2		-	5	
Financial results	(15)	(13)		(44)	(40)	
Income taxes	(37)	(40)		(112)	(146)	
<b>Net income – Group share</b>	<b>20</b>	<b>65</b>	<b>-69.2%</b>	<b>144</b>	<b>147</b>	<b>-2.0%</b>
<b>Adjusted net income</b>	<b>63</b>	<b>101</b>	<b>-37.6%</b>	<b>219</b>	<b>322</b>	<b>-32.0%</b>
Adjusted EPS	0.99	1.61	-38.5%	3.46	5.14	-32.7%
<b>Capital Expenditures</b>	<b>107</b>	<b>97</b>	<b>+10.3%</b>	<b>310</b>	<b>271</b>	<b>+14.4%</b>
Working capital (vs. 12/31/13)				1,067	908	+17.5%
<b>WC as % of sales<sup>1</sup> (vs. 12/31/13)</b>				<b>18.0%</b>	<b>14.9%</b>	
<b>Net debt (12/31/13)</b>				<b>1,054</b>	<b>923</b>	<b>+14.2%</b>
<b>Gearing<sup>2</sup> (12/31/13)</b>				<b>41.6%</b>	<b>39.3%</b>	

### THIRD QUARTER 2014 GROUP PERFORMANCE

- **Sales** stable at constant scope of business and exchange rate
  - +3.0% organic volume growth<sup>3</sup>
    - Supported by Industrial Specialties and High Performance Materials
    - Benefits from strong position in North America (36% of Group sales)
  - -1.7% prices on lower prices in Acrylics
  - -1.1% scope of business with Daikin Arkema Refrigerants now accounted for under the equity method and coating resins in South Africa unconsolidated
- **€203m EBITDA**
  - Good resilience of **EBITDA margin** at **13.7%** in a rather challenging macro-economic environment
  - Significant improvement in **High Performance Materials** segment (16.4% EBITDA margin) compared to 2Q'14 which was impacted by temporarily unfavourable factors
  - Solid performance of **Industrial Specialties** segment with EBITDA slightly up compared to 3Q'13, confirming the stabilization of fluorogases
  - **Coating Solutions** performance down, with conditions close to low cycle in acrylic monomers

<sup>1</sup> At September 30<sup>th</sup> calculated as working capital end of period divided by 4 times quarterly sales  
At Dec. 31<sup>st</sup>, 2013: working capital divided by 2013 annual sales

<sup>2</sup> Calculated as net financial debt divided by shareholders' equity

<sup>3</sup> Excluding the impact of the shutdown of Chauny (Fr) site effective 1Q'14

## THIRD QUARTER 2014 PERFORMANCES BY SEGMENT

	<b>3Q'14</b> <i>in €m</i>	<b>3Q'13</b> <i>in €m</i>	<b>3Q'14/ 3Q'13</b>	<b>Prices</b>	<b>Volumes</b>	<b>FX</b>	<b>Portfolio</b>
<b>Sales</b>	<b>1,478</b>	<b>1,495</b>	<b>-1.1%</b>	<b>-1.7%</b>	<b>+1.6%</b>	<b>-</b>	<b>-1.1%</b>
<i>High Performance Materials</i>	457	451	+1.3%	-1.0%	+2.5%	-0.2%	-
<i>Industrial Specialities</i>	476	461	+3.3%	-0.5%	+4.5%	+0.2%	-0.9%
<i>Coating Solutions</i>	540	574	-5.9%	-3.2%	-0.7%	+0.2%	-2.2%
<b>EBITDA</b>	<b>203</b>	<b>233</b>	<b>-12.9%</b>				
<i>High Performance Materials</i>	75	85	-11.8%				
<i>Industrial Specialities</i>	76	74	+2.7%				
<i>Coating Solutions</i>	62	79	-21.5%				
<b>EBITDA margin</b>	<b>13.7%</b>	<b>15.6%</b>					
<i>High Performance Materials</i>	16.4%	18.8%					
<i>Industrial Specialities</i>	16.0%	16.1%					
<i>Coating Solutions</i>	11.5%	13.8%					
<b>Recurring EBIT</b>	<b>116</b>	<b>154</b>	<b>-24.7%</b>				
<i>High Performance Materials</i>	48	59	-18.6%				
<i>Industrial Specialities</i>	41	45	-8.9%				
<i>Coating Solutions</i>	37	55	-32.7%				

### HIGH PERFORMANCE MATERIALS

- Significant improvement of results compared to 2Q'14 impacted by a number of specific and temporarily unfavourable elements such as the maintenance turnaround in Mont, France
- Technical Polymers:
  - Stable market conditions in polyamide 12 but high basis of comparison of 3Q'13
  - Strong performance of polyamide 11
  - Good growth of PVDF supported by innovation
- Filtration and Adsorption: temporary less favourable product mix
- Organic Peroxides: good volume growth in supported by strong position in the US

### INDUSTRIAL SPECIALITIES

- EBITDA increased over last year's figure for the first time since Q1'13
- Thiochemicals: strong performance with good growth momentum in oil & gas and animal nutrition
- Fluorogases:
  - As expected, stabilization of market conditions which are comparable to last year
  - Volumes up year-on-year offsetting slightly lower prices
- PMMA: positive market conditions in North America and Europe with prices up year-on-year
- Hydrogen Peroxide: mixed performance with low Europe and good Americas

### COATING SOLUTIONS

- Performance reflecting, as expected, lower unit margins in acrylic monomers following the start-up of new production capacities in China
- Acrylics:
  - Market conditions close to low cycle
  - Volumes up in Asia to prepare integration of the acrylic assets acquired in China end of October
  - Benefits from shutdown of Chauny, France
- Coating Resins: Moderate demand for paints in Europe and benefits from product mix and cost optimization
- Coatex: good performance from new markets
- Sartomer: good volumes overall

## CASH FLOW AND NET DEBT AT END OF SEPTEMBER 2014

### CASH FLOW

(in €m)	3Q'14	Comments
EBITDA	203	
Working capital variation*	44	Reflects usual seasonality of working capital
Taxes	(38)	
Cost of debt	(13)	
Recurring capex	(84)	
Others	(9)	
<b>Recurring cash flow</b>	<b>103</b>	
Non recurring items in operating and investing cash flow	(19)	
Non recurring capex	(23)	Thiochemicals in Malaysia: largest industrial project
<b>Free cash flow</b>	<b>61</b>	
Impact of portfolio management	(1)	
<b>Net cash flow</b>	<b>60</b>	

\* Variation in working capital and fixed asset payables excluding non-recurring items

### NET DEBT

- €1,054 m net debt at 30 September 2014 including:
  - €117m dividend paid in May
  - €32m share capital increase reserved for employees
  - Excludes impact of the closing in October of the acquisition of acrylic assets in China (payment of US\$240m + building of the business working capital)
  - Down versus end of June 2014 (€1,106m)
- 41.6% gearing

### PRIORITIES FOR 4Q'14

- Maintain focus on strict control of fixed and variable costs
- Finalize major growth projects
  - Integrate acrylic assets acquired in China
  - Start Thiochemicals platform in Malaysia
  - Implement step-by-step plan to restore profitability of fluorogases
  - Progress on the proposed acquisition of Bostik<sup>4</sup> and its financing

### OUTLOOK

- 4Q'14 assumptions:
  - Macro-economic environment expected to remain challenging with:
    - Contrasting trends by product line and region
    - Continuing volatility in foreign exchange rates and oil prices
  - Expect usual seasonality towards year-end
  - Market conditions in fluorogases and polyamide 12 expected to remain stable in-line with those observed in 3Q'14
  - Unit margins in acrylic monomers expected to remain close to low cycle
- While remaining cautious given the volatility of the macro-economic environment, Arkema confirms its 2014 target of an EBITDA close to €800m.
- Arkema confirms its 2017 EBITDA target of €1,310m<sup>5</sup> and its long-term targets

<sup>4</sup> Project subject to the authorization of the relevant antitrust authorities and information/consultation of work councils

<sup>5</sup> Adjusted in September 2014 to take account of the project to acquire Bostik

**PROJECTS ANNOUNCED SINCE 1<sup>ST</sup> JULY 2014**

- **M&A**
  - Proposed acquisition of Bostik, #3 worldwide<sup>6</sup> in the low cyclical and low capital intensive adhesive market
  - Announcement of the closing of the Jurong acquisition (China): 1<sup>st</sup> production line of 160,000 tonnes of acrylic acid
- **Organic growth**
  - Finalization of the US\$110m investment plant in acrylics in the US with the start-up of a 45kt methyl acrylate plant in Clear Lake
- **Project to shutdown fluorogas production in Zaramillo<sup>7</sup>, Spain**
- **Strategic raw materials**
  - Signature of an agreement in the US for the supply of propylene produced from PDH

---

<sup>6</sup> Arkema's internal estimate

<sup>7</sup> Project subject to the legal information and consultation process involving the personnel representative bodies of Arkema in Spain