Half-year Financial Report

First half ended 30 June 2015

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II – HALF-YEAR FINANCIAL REPORT

1. FIRST HALF 2015 HIGHLIGHTS

1.1. Acquisitions and divestments

Acquisition of BOSTIK

On 2 February 2015, ARKEMA finalized the acquisition of BOSTIK, the world's number 3 in adhesives. This acquisition is fully in line with the Group's strategy to continue developing its High Performance Materials segment, of which BOSTIK constitutes a new business line [1]. The financing of this operation was successfully finalized on 13 January 2015 with a 700 million euros bond issue with a 10-year maturity and a 1.5% coupon, and complements the hybrid bond issue conducted in October 2014 and the share capital increase completed in December 2014. BOSTIK's first results within ARKEMA are promising (see paragraph 2.2. of this report).

Acquisition of acrylic assets in China

On 17 February 2015, ARKEMA and Jurong Chemical announced that they had concluded an agreement which extends until January 2016 the period for ARKEMA to exercise its call option to increase its share in Sunke, the manufacturing joint venture comprising the acrylic assets of the Taixing site in China, and so access a total 320,000 t/year acrylic acid production capacity. During this period, the joint venture is being operated jointly by both partners, and production is adjusted to market conditions. The financial terms of the initial agreement signed in January 2014 have been adjusted to reflect the extension of the option. All other conditions remain unchanged. Sunke's performance is impacted by current low cycle conditions in acrylics. However, this project has to be assessed over the long term.

Other operations

As part of its strategy to strengthen its High Performance Materials segment, ARKEMA finalized the acquisition on 2 March 2015 of Italian company Oxido, which specializes in the formulation of organic peroxides used in the crosslinking of synthetic rubber, generating sales of some 20 million euros. This acquisition offers significant synergies and will help strengthen ARKEMA's position as a leading player in organic peroxides.

ARKEMA announced in June 2015 a project to divest Sunclear, a business included in the PMMA business line, which generates sales of some 180 million euros and represents an enterprise value of 105 million euros. The information - consultation process of works council in France has been finalized. This project remains however subject to the approval of antitrust authorities.

1.2. Organic growth

Start-up of Thiochemicals platform in Malaysia

ARKEMA brought on stream its Thiochemicals plant in Malaysia at the beginning of 2015. This new world-scale site strengthens the Group's world leading position in the production of high added value sulfur derivatives, and will contribute to its development in a fast-growing region, in particular in the animal feed, petrochemicals and refining markets. In second quarter 2015, the Group benefited from the ramp-up, a touch faster than initially planned, of this new platform.

Expansion of PEKK production capacities in France and the United States

In order to meet growing demand in the carbon fiber composites and the 3D printing markets, ARKEMA announced on 9 March 2015 its project to double production capacities for its Kepstan® PEKK ultra high performance polymer in France in the first half of 2016. ARKEMA also intends to build a world-scale PEKK production plant on its Mobile site in the United States that could come on stream in the second half of 2018.

Doubling of specialty molecular sieves production capacities at Honfleur (France)

To support its customers' growth, in particular in the refining and petrochemicals sector in Asia and Middle East, ARKEMA, through its subsidiary CECA, an adsorption and filtration specialist, announced end of June 2015 a project to double its specialty molecular sieves production capacity. This capacity extension, representing capital expenditure of some 60 million euros, will take place in France at Honfleur site. It will produce adsorbents for aromatics separation in petrochemicals, in particular the latest generation of ultra-

[1] Business lines are Business Units or groups of Business Units

high performance CECA molecular sieves - Siliporite® SPX 5003. Production is scheduled to come on stream in two phases, the first in summer 2016 and the second in early 2017.

1.3. Competitiveness improvement

In first quarter 2015, ARKEMA announced a project to shut down coating resins production at its Villers-Saint-Paul site in France, which will entail the loss of 26 positions.

ARKEMA also presented, in second quarter, a project to close down operations at its Altuglas Bernouville site in France (PMMA extruded sheets). The project is subject to the information-consultation process involving the trade unions in France, and would result in the loss of 38 positions.

In first half 2015, discussions with social partners in Spain as part of the project to shut down fluorogas production at Zaramillo site in Spain have been finalized.

1.4. Other highlights

2014 dividend and option for payment in shares

The annual combined general meeting of Arkema's shareholders approved on 2 June 2015 the distribution of a 1.85 euro dividend per share for 2014 with an option for each shareholder to receive the payment of its entire dividend in new Arkema shares. The issue price of the new shares was set at 61.64 euros. At the close of the option period which was open from 12 June 2015 to 25 June 2015 inclusive, 65.2% of the rights were exercised in favor of the payment of the dividend in shares. 1,430,888 new shares were issued, representing 1.96% of the Company's share capital on the basis of the existing share capital at 31 May 2015. The settlement and delivery of the shares and their listing on Euronext Paris took effect on 8 July 2015. The dividend to be paid in cash to shareholders who did not elect to receive the dividend in shares amounts to 47 million euros, and will be paid from 8 July 2015.

2. ANALYSIS OF FIRST HALF 2015 FINANCIAL RESULTS

The figures in this section are provided on a consolidated basis and in accordance with ARKEMA's organization into 3 segments: High Performance Materials, Industrial Specialties, and Coating Solutions. The new composition of the three business segments, including 9 business lines[2], was presented at the Capital Markets Day organized by ARKEMA on 29 June 2015 as follows:

- the High Performance Materials segment comprises the following business lines: Specialty Adhesives (Bostik), Technical Polymers (specialty polyamides and PVDF), and Performance Additives (filtration and adsorption (Ceca), organic peroxides, and UV-curing resins (Sartomer));
- the Industrial specialties segment comprises the following business lines: Thiochemicals, Fluorochemicals, PMMA, and Hydrogen Peroxide;
- the Coating Solutions segment comprises the following business lines: Acrylics, and Coating Resins and Additives (coating resins and rheology additives (Coatex)).

The 1st half 2014 figures have been restated to reflect the new reporting structure and in accordance with the IFRIC 21 standard "Levies". Pursuant to this text, the Group now accounts in its 1st quarter financial statements the totality of an expense previously spread over the 4 quarters of the year. Accordingly, financial statements for the 1st half 2015 include a supplementary expense of approximately 8 million euros. However, this standard has no impact on the consolidated annual financial statements.

2.1. Analysis of ARKEMA's income statement

(In millions of euros)	1st half 2015	1st half 2014	Variation in %
Sales ………...	**3,977**	**3,043**	**+30.7%**
EBITDA...	**557**	**411**	**+35.5%**
EBITDA margin (%)………………………………..........	**14.0%**	**13.5%**	
Recurring operating income	**341**	**253**	**+34.8%**
Other income and expenses	(82)	(32)	
Operating income	**259**	**221**	**+17.2%**
Net income – Group share ……………….………………..	**175**	**116**	**+50.9%**
Adjusted net income ……….……………………….........	**177**	**148**	**+19.6%**
Capital expenditure ………………………………………..	**151**	**203**	**-25.6%**

Sales

In first half 2015, sales reached 3,977 million euros, 30.7% up on 1st half 2014 with a +24.7% business scope effect mainly related to the acquisition of BOSTIK finalized on 2 February 2015 and the purchase of a stake in Sunke in Acrylics in China. The currency effect was favorable at +9.4% mostly due to the strengthening of the US dollar versus euro. Volumes are stable (-0.3%) compared to last year, the marked increase of demand towards the end of the 2nd quarter 2015 offsetting a slow start to the year. Prices, down 3.1%, mainly reflect lower prices in Coating Solutions partially offset by the strength of MMA and higher prices in Fluorogases.

The breakdown of sales by business segment reflects the acceleration in the development of High Performance Materials mainly supported by BOSTIK acquisition. High Performance Materials accounted for 42% of Group's total sales (29% in 1st half 2014), Industrial Specialties 33% (38% in 1st half 2014), and Coating Solutions 25% (33% in 1st half 2014).

The breakdown of sales by geographic region was more balanced compared to 1st half 2014. Europe represented 38% of Group's total sales (42% in 1st half 2014), North America 34% (34% in 1st half 2014), Asia 23% (20% in 1st half 2014), and the rest of the world 5% (4% in 1st half 2014).

EBITDA and recurring operating income

At 557 million euros, EBITDA is significantly up (+36%) compared to 1st half 2014. All business lines were up over last year, except for acrylic monomers which are in low cycle conditions, as expected. This strong EBITDA increase reflects in particular the contribution of BOSTIK over five months, the gradual

[2] Business lines are Business Units or groups of Business Units

improvement of fluorogases compared to 1st half 2014 and the ramp-up, mainly in 2nd quarter 2015, of the new Thiochemicals platform in Malaysia. EBITDA also includes a positive currency exchange effect (translation) slightly above 50 million euros, mainly related to the strengthening of the US dollar versus euro.

EBITDA margin grew to 14.0% from 13.5% in 1st half 2014 despite the acrylics cycle and the mechanically dilutive effect of BOSTIK's integration.

In line with EBITDA improvement, recurring operating income grew to 341 million euros from 253 million euros in 1st half 2014. It includes 216 million euros depreciation and amortization, up on last year (158 million euros) as a result of BOSTIK acquisition, the purchase of a stake in Sunke, the impact of currencies, and the start-up of new production plants.

Operating income

After deduction of -82 million euros other income and expenses, operating income amounted to 259 million euros in 1st half 2015 compared to 221 million euros in 1st half 2014. In 1st half 2015, other income and expenses mainly correspond to the impact of BOSTIK purchase price allocation and, in particular, to the step-up of inventories at market price for 36 million euros and to 16 million euros additional depreciation and amortization booked as a result of the revaluation at fair value of tangible and intangible fixed assets. They also include restructuring expenses for a total amount of -20 million euros and charges related to divestment and acquisition operations.

In 1er half 2014, the -32 million euros other income and expenses mainly corresponded to various restructuring expenses and charges related to divestment and acquisition operations.

Equity in income of affiliates

Equity in income of affiliates reached 5 million euros, reflecting primarily the contribution of CJ Bio Malaysia Sdn. Bhd. in which ARKEMA owns a 14% stake.

Financial result

Financial result stood at -54 million euros against -29 million euros in 1st half 2014. This decrease mainly results from a higher cost of debt relating to the financing of BOSTIK acquisition as well as a 12 million euros unrealized currency loss, in accordance with accounting standards, on the financing in US dollars of the investments made in Thiochemicals in Malaysia.

Income taxes

Income taxes in 1st half 2015 amounted to 36 million euros (75 million euros in 1st half 2014). They include a 76 million euro tax profit booked as part of BOSTIK purchase price allocation and the valuation at fair market value of assets acquired and liabilities assumed. This profit corresponds to a 16 million euros reversal of provisions for deferred tax liabilities and to the recognition of deferred tax assets in France for a provisional amount of 60 million euros. Taxes also include a 1 million euro tax due on the 2014 dividend paid in cash. Excluding these items, the tax rate would stand at 32.6% of recurring operating income, reflecting the geographical split of results and in particular the relative weight of North America in the Group's results.

Net income, Group share and adjusted net income

Net income Group share reached 175 million euros (116 million euros in 1st half 2014). Excluding the after-tax impact of non-recurring items, adjusted net income stood at 177 million euros compared to 148 million euros in 1st half 2014, i.e. 2.43 euros per share.

2.2. Analysis of results by segment

HIGH PERFORMANCE MATERIALS

(In millions of euros)	1st half 2015	1st half 2014	Variation in %
Sales	**1,649**	**878**	**+87.8%**
EBITDA	**260**	**163**	**+59.5%**
EBITDA margin (%)	**15.8%**	**18.6%**	
Recurring operating income	**187**	**115**	**+62.6%**

High Performance Materials sales reached 1,649 million euros, up by +88% on 1st half 2014, supported by BOSTIK's contribution (690 million euros sales over five months) and a +8.4% currency effect mainly relating to the increase of the US dollar versus euro. Volumes are overall stable (+0.2%) compared to 1st half 2014; the good demand in automotive, especially in Europe in 2nd quarter 2015, and new developments offset a slower than expected demand in China and lower demand for some applications in the oil and gas market. Price effect was almost nil (-0.4%) on the first half.

EBITDA increased by 60% to 260 million euros compared to 163 million euros in 1st half 2014. This very significant improvement was mainly due to the contribution of BOSTIK over five months, a good performance of specialty molecular sieves for petrochemicals, up year-over-year, and the improvement in the polyamide 12 performance which was affected in the 2nd quarter 2014 by a large maintenance turnaround on a site in France.

Over the first six months of the year (including five months inside ARKEMA), BOSTIK achieved 89 million euros EBITDA, up 15% on 1st half 2014 and an EBITDA margin close to 11%. This good performance results from the successful implementation of the development strategy and from a positive currency effect. The teams continue to actively implement synergies, although their benefit remained limited at this stage.

EBITDA margin reached 15.8%. Excluding the mechanically dilutive effect of the integration of BOSTIK, it would be close to last year level.

Recurring operating income amounts to 187 million euros and includes 73 million euros depreciation and amortization, up versus last year (48 million euros) mainly as a result of BOSTIK acquisition and the impact of currencies.

INDUSTRIAL SPECIALTIES

(In millions of euros)	1st half 2015	1st half 2014	Variation in %
Sales	**1,310**	**1,154**	**+13.5%**
EBITDA	**221**	**155**	**+42.6%**
EBITDA margin (%)	**16.9%**	**13.4%**	
Recurring operating income	**136**	**89**	**+52.8%**

Industrial Specialties sales grew by +13.5% compared to 1st half 2014 at 1,310 million euros. The currency effect was favorable at +10.1%. At constant foreign exchange rate and scope of business, sales are up 2.6% supported by a +2.2% price effect resulting mainly from the improvement in the price of certain fluorogases as well as a continuing favorable environment in MMA. Volumes are overall stable (+0.4%), the benefit from the ramp-up of the new Thiochemicals plant in Malaysia being offset by slightly lower volumes, in particular in PMMA.

At 221 million euros, EBITDA improved by 42.6% compared to 1st half 2014 and EBITDA margin increased strongly at 16.9%. The segment's four main product lines reported a good performance. Results of Fluorogases improved gradually compared to last year supported by higher prices of some gases and the benefit from productivity initiatives. Thiochemicals achieved an excellent performance with a significant contribution on the 2nd quarter 2015 of the new Kerteh platform (Malaysia) which benefited, in particular, from sustained demand in Asia in the animal feed market. This ramp up, a touch faster than initially planned, should continue for the remainder of 2015. PMMA results remained at very good levels.

Recurring operating income amounts to 136 million euros and includes 85 million euros depreciation and amortization, up on last year (66 million euros) as a result of the start-up of new production plants and the impact of currencies.

COATING SOLUTIONS

(In millions of euros)	1st half 2015	1st half 2014	Variation in %
Sales …………..	**1,005**	**1,000**	**+0.5%**
EBITDA..	**114**	**120**	**-5.0%**
EBITDA margin (%)………………………………..........	**11.3%**	**12.0%**	
Recurring operating income	**57**	**77**	**-26.0%**

Coating Solutions sales were slightly up on last year (+0.5%) at 1,005 million euros. The currency effect was favorable at +9.6%, and the acquisition of a stake in Sunke in China resulted in a +4.4% business scope effect. These effects offset slightly lower volumes (-0.7%[3]) which reflect a soft demand in decorative paints in Europe. The -11.8% price effect reflects the acrylics cycle and lower raw materials.

EBITDA stood at 114 million euros compared to 120 million euros in 1st half 2014. This variation reflects lower unit margins in acrylic monomers. In this business line, margins are at low-cycle levels and should remain so over 2015. The contribution from Sunke in the first half was quite limited given current market conditions in Asia. This market situation should persist for the remainder of the year. However, the results of acrylic monomers were almost totally offset by the good performance of downstream businesses, up compared to 1st half 2014 supported by new developments at Coatex and further actions to improve profitability in coating resins.

EBITDA margin at 11.3% reflects the acrylics cycle.

Recurring operating income amounts to 57 million euros and includes 57 million euros depreciation and amortization, up on last year (43 million euros) mainly as a result of the purchase of a stake in Sunke and the impact of currencies.

[3] Excluding impact of the shutdown of Chauny activities in France effective in 1st quarter 2014

2.3. <u>Group's cash flow analysis</u>

(In millions of euros)	**1st half 2015**	**1st half 2014**
Cash flow from operating activities	**254**	**174**
Cash flow from investing activities	**(1,531)**	**(271)**
Net cash flow	**(1,277)**	**(97)**
Of which:		
Non-recurring items including non-recurring capital expenditure	*(21)*	*(102)*
Net cash flow from portfolio management	*(1,328)*	*3*
Recurring cash flow (1)	**72**	**2**
Free cash flow (2)	**51**	**(100)**
Cash flow from financing activities	**484**	**(107)**
Variation in cash and cash equivalents	**(793)**	**(204)**

(1) Net cash flow excluding impact of portfolio management and non-recurring items.
(2) Net cash flow excluding impact of portfolio management.

Cash flow from operating activities

On 1st half 2015, ARKEMA generated 254 million euros operating cash flow. It includes a -112 million euros[4] variation in working capital which reflects the usual working capital seasonality relating to sales increase versus year-end. It also includes (i) current income taxes of -110 million euros, (ii) cash items in the financial result of -42 million euros, and (iii) non-recurring items of -21 million euros mostly corresponding to restructuring expenses.

Compared to 1st half 2014, operating cash flow improved by 80 million euros supported by a strong EBITDA increase which was partially offset by changes in current income taxes reflecting the geographical split of results and by a higher cost of debt as part of the financing of BOSTIK acquisition.

Cash flow from investing activities

Cash flow from investing activities amounted to -1,531 million euros in 1st half 2015. It includes primarily:

- 147 million euros capital expenditure in tangible and intangible assets (excluding capital expenditure related to portfolio management operations);
- a 1,328 million euros net cash outflow recorded in relation to acquisitions made over the period, primarily the BOSTIK acquisition. This outflow corresponds to the share price of purchased companies net of acquired cash, and to the expenses and investments relating to these acquisitions. The gross amount paid for BOSTIK acquisition on closing day was 1,629 million euros from which will be deducted an 18 million euros provisional price adjustment.

As regards the Group's capital expenditure (including BOSTIK), the 450 million euros guidance for 2015 was made on the basis of a 1.25 euro / US dollar exchange rate for budget purposes. It will require adjusting depending on the variation in exchange rate. A 10-cent variation in this rate would result in a variation of close to 15 million euros in total capital expenditure.

Recurring cash flow and free cash flow

Excluding non-recurring items and portfolio management operations, recurring cash flow stood at 72 million euros in 1st half 2015 against 2 million euros in 1st half 2014.

Free cash flow, which corresponds to net cash flow excluding the impact of portfolio management, stood at 51 million euros in 1st half 2015 against -100 million euros in 1st half 2014.

This good cash generation over the 1st half 2015 is consistent with the Group's ambition presented at its Capital Markets Day held on 29 June 2015 to increase cash conversion of EBITDA.

[4] Excluding +44 million euros non-recurring items which primarily include a 36 million euros non-cash flow related to the inventory step-up carried out as part of BOSTIK purchase price allocation

Group's net cash flow

After taking account of the impact of portfolio management, the Group's net cash flow stood at -1,277 million euros in 1st half 2015.

Cash flow from financing activities

Cash flow from financing activities amounted to 484 million euros in 1st half 2015. This includes a bond issue completed in January 2015 for a net amount of 691 million euros as part of BOSTIK acquisition. It also includes the payment of a 1.85 euro dividend per share in respect of the 2014 financial year, totalling 135 million euros. This amount was partially paid in new shares, which resulted in an 88 million euros share capital increase accounted for in 2nd quarter 2015. The 47 million euros cash dividend payable to shareholders who did not elect to receive the dividend in shares will be cashed out in 3rd quarter 2015 and was thus not included in the net debt at 30 June 2015.

2.4. Group's balance sheet analysis

(In millions of euros)	**30/06/2015**	**31/12/2014**	**Variation**
Non-current assets (1)	5,389	3,607	+49.4%
Working capital	1,428	958	+49.1%
Capital employed	**6,817**	**4,565**	**+49.3%**
Deferred tax assets	196	76	-
Provisions for pensions and employee benefits	613	456	+34.4%
Other provisions	392	361	+8.6%
Total provisions	**1,005**	**817**	**+23.0%**
Long-term assets covering some provisions	68	66	+3.0%
Total provisions net of non-current assets	**937**	**751**	**+24.8%**
Deferred tax liabilities	327	57	-
Net debt	**1,773**	**154**	**-**
Shareholders' equity	**3,861**	**3,573**	**+8.1%**

(1) Excluding deferred tax and including pension assets.

Between 31 December 2014 and 30 June 2015, non-current assets increased by 1,782 million euros. This variation was primarily due to:

- the integration of BOSTIK's assets for 1,710 million euros (amount on the day of their integration within ARKEMA on 2 February 2015). It includes a provisional goodwill of 617 million euros,
- 151 million euros capital expenditure,
- net depreciation and amortization amounting to 237 million euros, including 16 million euros depreciation and amortization resulting from the revaluation at fair value of tangible and intangible fixed assets as part of BOSTIK purchase price allocation, and
- 123 million euros positive currency translation effect related to the strengthening of the US dollar versus euro at the close of the period.

Working capital increased by 470 million euros between 31 December 2014 and 30 June 2015, including +40 million euros translation effect given the significant strengthening of the US dollar versus euro at 30 June 2015 compared to 31 December 2014. This increase mainly results from (i) the integration of the working capital of BOSTIK acquired beginning February 2015 and representing, on the day of its integration, a total amount of 320 million euros and (ii) a 112 million euros[5] increase in working capital reflecting the usual seasonality relating to sales increase versus year-end. Finally, it includes a 47 million euros payable at 30 June 2015 corresponding to the balance due in cash for the dividend to the shareholders who did not elect for the payment in shares. Excluding this amount which will be cashed-out in 3rd quarter 2015, the

[5] Excluding +44 million euros non-recurring items which primarily include a 36 million euros non-cash flow related to the inventory step-up carried out as part of BOSTIK purchase price allocation

working capital to sales ratio[6] stood at 17.5%, overall stable versus 30 June 2014 (17.3%). This result reflects the continued efforts to control working capital and maintain a strict operational discipline.

Consequently, between 31 December 2014 and 30 June 2015, the Group's capital employed increased by 2,252 million euros at 6,817 million euros at 30 June 2015.

At 30 June 2015, deferred tax assets amounted to 196 million euros, up by 120 million euros versus 31 December 2014, including a +60 million euros provisional amount related to the recognition of deferred tax assets in France, in view of the Group's tax position in this country, booked as part of the BOSTIK purchase price allocation. The rest of the increase mainly resulted from BOSTIK integration.

At 30 June 2015, gross provisions amounted to 1,005 million euros. Some of these provisions, accounting for a total of 68 million euros at 30 June 2015, are mostly covered by the guarantee facility granted by Total and described in note 30.2 of the notes to the consolidated financial statements at 31 December 2014 (paragraph 4.3.3 of the 2014 Reference Document) and therefore by long term assets recognized in the balance sheet. These consist mainly of provisions related to former industrial sites in the United States. Accordingly, at 30 June 2015, provisions net of these non-current assets amounted to 937 million euros.

The breakdown of net provisions by type was as follows: pension liabilities of 424 million euros, other employee benefit obligations of 188 million euros, environmental contingencies of 130 million euros, restructuring provisions of 57 million euros and other provisions of 138 million euros.

Between 31 December 2014 and 30 June 2015, net provisions for pension liabilities and other employee benefit obligations (mainly healthcare costs, welfare costs, long-service awards) increased by 157 million euros. This variation results essentially from the integration of BOSTIK for a total provisional amount on the day of its integration of 181 million euros, from higher discount rates and the revaluation of financial assets over the period thus resulting in a 42 million euros decrease of the amount of provisions, and finally from a positive currency impact of 14 million euros. The other net provisions increased by 29 million euros over the same period due primarily to BOSTIK integration.

Long term deferred tax liabilities amounted at 30 June 2015 to 327 million euros up by 270 million euros compared to 31 December 2014. This increase corresponds to 272 million euros deferred tax liabilities accounted for as part of the BOSTIK purchase price allocation and the valuation at fair market value of assets acquired and liabilities assumed.

Net debt amounted to 1,773 million euros at 30 June 2015 (against 154 million euros at 31 December 2014), *i.e.* 45.9% of shareholders' equity. This variation in net debt is explained by cash flows, as detailed in paragraph 2.3 of this report. It does not include the payment of the balance due in cash for the dividend to the shareholders who did not elect for the payment in shares. This amount of 47 million euros will be cashed-out in 3rd quarter 2015.

Shareholders' equity amounted to 3,861 million euros against 3,573 million euros at end 2014. The 288 million euros increase primarily includes (i) the payment of a dividend of 1.85 euros per share totalling 135 million euros, (ii) 88 million euros share capital increase achieved as part of the option for the payment of dividend in shares, (iii) 175 million euros net income over the period, (iv) 115 million euros net positive currency translation adjustments, and (v) 42 million euros variation in actuarial differences for pension provisions recognised through equity.

3. TRANSACTIONS WITH RELATED PARTIES

Transactions between consolidated companies have been eliminated in the consolidation process. In addition, in the normal course of business, the Group has business relationships with certain non-consolidated companies or companies which are accounted for under the equity method. The values involved are not significant.

[6] Calculated as working capital at 30 June / (2nd quarter sales *4)

4. HIGHLIGHTS SINCE 30 JUNE 2015

Expansion of BOSTIK production capacities in India

In line with its strategy to expand in high growth regions, BOSTIK announced in July 2015 an expansion of its production capacities in Bangalore (India) with the start-up of a new hot melt pressure sensitive adhesives (HMPSA) production unit. This expansion will in particular enhance BOSTIK's ability to serve its global customers in the Disposable Hygiene market.

Securitization programme

The contract concerning the securitization programme for sales receivables valid for a maximum amount of 120 million euros, which was used to the extent of 2 million euros at 31 December 2014, expired on 15 July 2015 and has not been renewed.

5. OUTLOOK

ARKEMA enters the second half of the year with confidence, while remaining cautious on the future development of the global economic environment. Market conditions should remain volatile and contrasted with different dynamics depending on geographic regions and end-markets. Trends in foreign exchange rates, primarily US dollar versus euro, should remain favorable compared to last year, albeit with a more limited benefit in second half of the year than in the first half. In acrylic monomers, unit margins should remain at low-cycle levels until year-end.

Over 2015, the Group will benefit from the contribution of BOSTIK over eleven months as well as the ramp-up of its Thiochemicals platform in Malaysia. The contribution from Sunke should remain well below expectations given current market conditions in acrylics in Asia. The Group should continue to benefit from its plan to gradually improve its fluorogas business and from its operational excellence initiatives to offset part of the inflation on fixed costs.

Based on these drivers, assuming a continuity in current market conditions, and given the usual seasonality of the second half of the year, ARKEMA expects an EBITDA slightly above 1 billion euros (including BOSTIK contribution) in 2015.

For 2017, assuming normalized market conditions, the Group aims to generate 1.3 billion euros EBITDA versus 784 million euros in 2014. This target is based on:

(i) expected contribution from a number of major projects for a total amount of 180 million euros additional EBITDA in 2017 compared to 2014. These projects primarily entail the ramp-up of the Thiochemicals platform in Malaysia, the organic growth of BOSTIK amounting to some 50 million euros, the benefits of internal measures taken to improve the profitability of Fluorochemicals representing around 40 million euros, the development of applications for petrochemicals in the filtration and adsorption business, and the benefits of the investment plan finalized in Acrylics in North America in 2014. Additionally, organic growth in other product lines and benefits of the operational excellence programme, which should generate overall 100 million euros fixed and variable costs savings over the period 2015 to 2017, should help offset inflation on fixed costs;

(ii) impact of portfolio management which should represent an EBITDA net contribution of some 190 million euros. This amount includes the initial contribution of BOSTIK, acquired in early February 2015, of 158 million euros (corresponding to the EBITDA generated by BOSTIK in 2014) and the full-year contribution in mid-cycle conditions of two acrylic acid lines representing a 320,000 tonnes overall production capacity in China. It also takes account of the expected impact of the divestment programme which should entail the divestment of non-core businesses accounting for overall sales of some 700 million euros by end 2017. The project to divest Sunclear, representing sales of some 180 million euros, was announced, as part of this programme, on 18 June 2015;

(iii) certain assumptions reflecting a normalized economic environment and representing a net EBITDA contribution of some 150 million euros. Hence ARKEMA has assumed (1) return to mid-cycle market conditions in Acrylics, (2) gradual improvement in Fluorochemicals prices that could represent some 40 million euros EBITDA, (3) return to normalized market conditions in PMMA, (4) a 1.15 euro versus US dollar exchange rate, and (5) a Brent oil price at US$ 70 / bbl.

Furthermore, in order to maintain a solid balance sheet, the Group has set itself a target to return to gearing of some 40% by end 2017.

Over the longer term, still in the normalized conditions defined in (iii) above, the Group aims to achieve, by 2020, 10 billion euros sales and an EBITDA margin close to 17%, while maintaining a net debt to EBITDA ratio of around 1.5. To achieve these ambitious targets, the Group is implementing a targeted growth strategy focused on the strengthening of its presence in higher growth countries, customer intimacy, technological innovation, and bolt-on acquisitions mostly after 2017 representing total additional sales of between 1 and 1.5 billion euros. Development investments will be focused first and foremost on businesses that offer the best growth prospects. Thus ARKEMA has set out a number of priorities for the next few years, including:

(i) accelerating the development of its High Performance Materials through innovation in composite materials, new energies and water treatment, and through bolt-on acquisitions;

(ii) significantly developing BOSTIK (Specialty Adhesives) with a strong ambition to almost double EBITDA compared to 2014 at 300 million euros;

(iii) capitalizing on several other well-identified growth drivers: new thiochemicals platform in Malaysia, introduction of new generation fluorogases, reinforcement of acrylics downstream, and applications for oil and gas markets in particular in the filtration and adsorption business;

(iv) continuing operational excellence initiatives.

The Group has detailed its long-term objectives by business segment. Over the longer-term, High Performance Materials should thus represent around 50% of Group's sales (compared to 44% of 2014 proforma Group sales), Industrial Specialties 25% (30% of 2014 proforma) and Coating Solutions 25% (26% of 2014 proforma). The potential EBITDA margin range between low cycle and peak cycle would stand at between 17 and 18% for High Performance Materials, between 17 and 19% for Industrial Specialties, and between 12 and 18% for Coating Solutions.

From a geographic standpoint, the Group aims to have in the longer term a perfectly balanced breakdown between Europe, North America, and Asia/rest of the world, with one third of its sales in each of these three regions.

The Group indicates that the achievement of its objectives is based on assumptions deemed reasonable by the Group, as of the date of this document and within this time frame (in particular regarding future development of global demand, conditions relating to raw material and energy costs, balance between supply and demand for products marketed by ARKEMA and their price levels, and currency exchange rates). However, it takes no account of the occurrence, as the case may be, of certain risks described more precisely in the 2014 Reference Document, in particular in the paragraph 1.7.2, or any unknown factors related to the economic, financial, competitive or regulatory environment in which the Group operates, liable to affect the achievement of its objectives.

6. MAIN RISKS AND UNCERTAINTIES

The main risks and uncertainties which the Group could face over the next six months are those described in the 2014 Reference Document filed with the *Autorité des marchés financiers* ("AMF") on 30 March 2015 under number D.15-0231. This document is available on ARKEMA's website under the heading "Investor Relations" (www.finance.arkema.com) and on the AMF website (www.amf-france.org). Additionally, an update of contingent liabilities is given in the notes to the half-year financial statements.

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CONSOLIDATED INCOME STATEMENT

(In millions of euros)	Notes	**1st half 2015**	**1st half 2014 *(after IFRIC 21 restatements)***
Sales	(C1&C2)	**3,977**	**3,043**
Operating expenses		(3,209)	(2,502)
Research and development expenses		(103)	(77)
Selling and administrative expenses		(324)	(211)
Recurring operating income *	(C1)	**341**	**253**
Other income and expenses *	(C3)	(82)	(32)
Operating income *	(C1)	**259**	**221**
Equity in income of affiliates		5	-
Financial result		(54)	(29)
Income taxes	(C5)	(36)	(75)
Net income		**174**	**117**
Of which: non-controlling interests		(1)	1
Net income - Group share	(C4)	**175**	**116**
*Earnings per share (amount in euros) ***	(C7)	*2.40*	*1.77*
*Diluted earnings per share (amount in euros) ***	(C7)	*2.39*	*1.76*
Depreciation and amortization	(C1)	(216)	(158)
EBITDA *	(C1)	557	411
Adjusted net income	(C4)	177	148
*Adjusted earnings per share (amount in euros) ***	(C7)	*2.43*	*2.26*
*Diluted adjusted earnings per share (amount in euros) ***	(C7)	*2.42*	*2.24*

* see note B17 to the consolidated financial statements at 31 December 2014 – Accounting policies / Main accounting and financial indicators.

** Elements for the calculation of earnings per share and adjusted earnings per share for first-half 2014 have been restated:

- in application of IFRIC 21 “Levies”;

- and to reflect the dilution factor resulting from the capital increase of 15 December 2014 and the dividend distribution approved at the shareholders’ general meeting of 2 June 2015.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In millions of euros)	**1st half 2015**	**1st half 2014 *(after IFRIC 21 restatements*)**
Net income	**174**	**117**
Hedging adjustments	5	(3)
Other items	1	-
Deferred taxes on hedging adjustments and other items	1	-
Change in translation adjustments	117	12
Other recyclable comprehensive income	**124**	**9**
Actuarial gains and losses	41	(41)
Deferred taxes on actuarial gains and losses	(10)	7
Other non-recyclable comprehensive income	**31**	**(34)**
Total income and expenses recognized directly through equity	**155**	**(25)**
Comprehensive income	**329**	**92**
Of which: non-controlling interests	1	1
Comprehensive income – Group share	**328**	**91**

CONSOLIDATED BALANCE SHEET

(In millions of euros)	Notes	30 June 2015	31 December 2014
ASSETS			
Intangible assets, net	(C8)	2,485	1,094
Property, plant and equipment, net	(C9)	2,640	2,272
Equity affiliates: investments and loans		23	18
Other investments		31	33
Deferred tax assets		196	76
Other non-current assets		210	190
TOTAL NON-CURRENT ASSETS		***5,585***	***3,683***
Inventories		1,193	977
Accounts receivable		1,356	839
Other receivables and prepaid expenses		178	137
Income taxes recoverable		32	27
Other current financial assets		12	2
Cash and cash equivalents		350	1,149
TOTAL CURRENT ASSETS		***3,121***	***3,131***
TOTAL ASSETS		**8,706**	**6,814**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital		743	728
Paid-in surplus and retained earnings		2,779	2,626
Treasury shares		-	(3)
Translation adjustments		293	178
SHAREHOLDERS' EQUITY - GROUP SHARE	(C10)	***3,815***	***3,529***
Non-controlling interests		46	44
TOTAL SHAREHOLDERS' EQUITY		***3,861***	***3,573***
Deferred tax liabilities		327	57
Provisions for pensions and other employee benefits	(C11)	613	456
Other provisions and non-current liabilities	(C12)	439	401
Non-current debt	(C14)	1,889	1,196
TOTAL NON-CURRENT LIABILITIES		***3,268***	***2,110***
Accounts payable		858	704
Other creditors and accrued liabilities		406	274
Income taxes payable		62	33
Other current financial liabilities		17	13
Current debt	(C14)	234	107
TOTAL CURRENT LIABILITIES		***1,577***	***1,131***
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**8,706**	**6,814**

CONSOLIDATED CASH FLOW STATEMENT

(In millions of euros)	1st half 2015	1st half 2014 *(after IFRIC 21 restatements)*
Net income	174	117
Depreciation, amortization and impairment of assets	237	164
Provisions, valuation allowances and deferred taxes	(85)	(38)
(Gains)/losses on sales of assets	(5)	5
Undistributed affiliate equity earnings	(4)	5
Change in working capital	(67)	(84)
Other changes	4	5
Cash flow from operating activities	**254**	**174**
Intangible assets and property, plant, and equipment additions	(151)	(203)
Change in fixed asset payables	(76)	(52)
Acquisitions of operations, net of cash acquired	(1,298)	(1)
Increase in long-term loans	(22)	(30)
Total expenditures	(1,547)	(286)
Proceeds from sale of intangible assets and property, plant, and equipment	6	4
Change in fixed asset receivables	-	-
Proceeds from sale of operations, net of cash sold	-	-
Proceeds from sale of unconsolidated investments	-	5
Repayment of long-term loans	10	6
Total divestitures	16	15
Cash flow from investing activities	**(1,531)**	**(271)**
Issuance (repayment) of shares and other equity	92	38
Issuance of hybrid bonds	-	-
Purchase of treasury shares	(4)	-
Dividends paid to parent company shareholders	(135)	(117)
Dividends paid to minority shareholders	(2)	(3)
Changes in dividends payable	47	-
Increase / decrease in long-term debt	450	(5)
Increase / decrease in short-term borrowings and bank overdrafts	36	(20)
Cash flow from financing activities	**484**	**(107)**
Net increase/(decrease) in cash and cash equivalents	(793)	(204)
Effect of exchange rates and changes in scope	(6)	(4)
Cash and cash equivalents at beginning of period	1,149	377
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**350**	**169**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(In millions of euros)	Share capital	Paid-in surplus	Hybrid bonds	Retained earnings	Translation adjustments	Treasury shares	Shareholders' equity – Group share	Non-controlling interests	Shareholders' equity
At 1 January 2015	**728**	**1,093**	**689**	**844**	**178**	**(3)**	**3,529**	**44**	**3,573**
Cash dividend*	-		-	(135)	-	-	(135)	(2)	(137)
Issuance of share capital	15	77	-	-	-	-	92	-	92
Purchase of treasury shares	-	-	-	-	-	(4)	(4)	-	(4)
Grants of treasury shares to employees	-	-	-	(7)	-	7	-	-	-
Share-based payments	-	-	-	3	-	-	3	-	3
Other	-	-	-	2	-	-	2	3	5
Transactions with shareholders	**15**	**77**	**-**	**(137)**	**-**	**3**	**(42)**	**1**	**(41)**
Net income	-	-	-	175	-	-	175	(1)	174
Total income and expense recognized directly through equity	-	-	-	38	115	-	153	2	155
Comprehensive income	**-**	**-**	**-**	**213**	**115**	**-**	**328**	**1**	**329**
At 30 June 2015	**743**	**1,170**	**689**	**920**	**293**	**-**	**3,815**	**46**	**3,861**

* See note C.10 Shareholders' equity

(In millions of euros)	Share capital	Paid-in surplus	Hybrid bonds	Retained earnings	Translation adjustments	Treasury shares	Shareholders' equity – Group share	Non-controlling interests	Shareholders' equity
Au 1er janvier 2014	**630**	**868**	**-**	**819**	**7**	**(12)**	**2,312**	**37**	**2,349**
Cash dividend	-	(55)	-	(62)	-	-	(117)	(3)	(120)
Issuance of share capital	7	31	-	-	-	-	38	-	38
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Grants of treasury shares to employees	-	14	-	(25)	-	11	-	-	-
Share-based payments	-	(14)	-	19	-	-	5	-	5
Other	-	-	-	-	-	-	-	-	-
Transactions with shareholders	**7**	**(24)**	**-**	**(68)**	**-**	**11**	**(74)**	**(3)**	**(77)**
Net income *	-	-	-	116	-	-	116	1	117
Total income and expense recognized directly through equity	-	-	-	(37)	12	-	(25)	-	(25)
Comprehensive income *	**-**	**-**		**79**	**12**	**-**	**91**	**1**	**92**
At 30 June 2014	**637**	**844**	**-**	**830**	**19**	**(1)**	**2,329**	**35**	**2,364**

* After IFRIC 21 restatements

A. HIGHLIGHTS

A.1 Portfolio management

Acquisition of BOSTIK

On 2 February 2015 ARKEMA completed the acquisition of BOSTIK which is a new Business Line* in the High Performance Materials segment. The final stage of financing for this operation took place on 13 January 2015 through issuance of a €700 million bond with a 10-year maturity and a fixed 1.50% annual coupon.

Acquisition of acrylic assets in China

On 17 February 2015, ARKEMA and Jurong Chemical announced that they had reached an agreement extending until January 2016 the exercise period for ARKEMA's option to increase its share in Sunke, the production joint venture that holds the acrylic assets at the Taixing site in China, and thus access a total acrylic acid production capacity of 320,000 tonnes per year. In the meantime, the joint venture is operated jointly by the two partners.

Other operations

In the High Performance Materials segment, on 2 March 2015 ARKEMA finalized the acquisition of the Italian company Oxido, which specializes in the formulation of organic peroxides used in crosslinking of synthetic rubbers, and generates sales of some €20 million.
In June 2015 ARKEMA announced its intention to sell the three Sunclear companies, which report sales of some €180 million, for an enterprise value of €105 million. This sale project concerns the PMMA Business Line*, and is subject to approval by the competition authorities in France.

A.2 Organic growth

Early in 2015 ARKEMA started up its Thiochemicals plant in Malaysia. This new world-scale unit, which represented an investment of some €200 million, strengthens ARKEMA's position as world leader in high value-added sulphur intermediates, and will contribute to its development in a fast growing region, particularly on the animal feed, petrochemicals and refining markets. In the second quarter of 2015 the Group benefited from the gradual ramp-up of this new production platform.

A.3 Competitiveness

During the first half of 2015, ARKEMA announced that it was planning to shut down coating resins production at its Villers-Saint-Paul site in France and also, subject to the information and consultation procedure with personnel representative bodies in France, to discontinue extruded PMMA sheet manufacturing at the Altuglas site at Bernouville in France.

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* See note C1

A.4 Other highlights

On 2 June 2015 the general meeting of Arkema's shareholders approved the distribution of a €1.85 dividend per share in respect of the 2014 financial year. Each shareholder can elect to receive payment of the entire dividend either in cash or in new Arkema shares.

The issue price for the new shares was set at €61.64. By the end of the option period 65.2% of rights to payment of the dividend in shares had been exercised, and consequently 1,430,888 new shares were issued. Settlement and delivery of the shares and their listing on Euronext Paris took place on 8 July 2015. The cash dividend payable to shareholders who did not elect to receive the dividend in shares amounts to €47 million, and was paid out from 8 July 2015.

B. ACCOUNTING POLICIES

Arkema is a French limited liability company (*société anonyme*) with a Board of Directors, subject to the provisions of book II of the French Commercial Code and all other legal provisions applicable to French commercial companies.
The Company's head office is at 420 rue d'Estienne d'Orves, 92700 Colombes (France). It was incorporated on 31 January 2003 and the shares of Arkema have been listed on the Paris stock exchange (Euronext) since 18 May 2006.

Basis for preparation

ARKEMA's condensed consolidated interim financial statements at 30 June 2015 were prepared under the responsibility of the Chairman and CEO of Arkema and were approved by the Board of Directors of Arkema on 30 July 2015.

The condensed consolidated interim financial statements at 30 June 2015 were prepared in compliance with IAS 34 "Interim financial reporting" and established in accordance with the IFRSs (International Financial Reporting Standards) issued by the IASB (International Accounting Standards Board) and IFRSs newly adopted by the European Union at 30 June 2015. As condensed interim financial statements, they do not incorporate all of the disclosures required in full financial statements and must thus be read in conjunction with the consolidated financial statements for the year ended 31 December 2014.
The accounting framework and standards adopted by the European Union can be consulted on the following website:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

Changes in IFRSs and interpretations

The accounting policies applied in preparing the condensed consolidated interim financial statements at 30 June 2015 are identical to those used in the consolidated financial statements at 31 December 2014, except for IFRS standards, amendments and interpretations, as adopted by the European Union and the IASB, that are obligatorily applicable for accounting periods commencing on or after 1 January 2015 (and which had not been applied early by the Group), namely:

IFRIC 21	Levies
	Annual improvements to IFRS cycle 2011-2013

IFRIC 21 has an impact on the Group's half-yearly financial statements: the financial statements for the first half-year of 2015 now contain a supplementary expense of approximately €8 million that was previously spread across the whole year.
The figures for 2014 have been restated accordingly.

The standards, amendments or interpretations published by the IASB and the IFRS IC (IFRS Interpretations Committee) which were not yet in force at 1 January 2015 and have not been applied early by the Group, are:

Amendments to IAS 1	Presentation of financial statements	Not adopted by the European Union at 30 June 2015
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortization	Not adopted by the European Union at 30 June 2015
Amendments to IAS 19	Defined benefit plans: employee contributions	Adopted by the European Union at 9 January 2015
Amendments to IAS 27	Equity method in separate financial statements	Not adopted by the European Union at 30 June 2015
Amendments to IFRS 9 and IFRS 7	Mandatory effective date and transition disclosures	Not adopted by the European Union at 30 June 2015
Amendments to IFRS 9	Hedge accounting and amendments to IFRS 9, IFRS 7 and IAS 39	Not adopted by the European Union at 30 June 2015
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate/joint venture	Not adopted by the European Union at 30 June 2015
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation exception	Not adopted by the European Union at 30 June 2015
Amendments to IFRS 11	Accounting for acquisitions of interests in joint operations	Not adopted by the European Union at 30 June 2015
IFRS 9	Financial instruments	Not adopted by the European Union at 30 June 2015
IFRS 14	Regulatory deferral accounts	Not adopted by the European Union at 30 June 2015
IFRS 15	Revenue from contracts with customers	Not adopted by the European Union at 30 June 2015
	Annual improvements to IFRS cycle 2010-2012	Adopted by the European Union on 9 January 2015
	Annual improvements to IFRS cycle 2012-2014	Not adopted by the European Union at 30 June 2015

Use of assumptions

Preparation of the condensed consolidated interim financial statements in accordance with IFRS requires Group management to make estimates and determine assumptions that can have an impact on the amounts recognized in assets and liabilities at the balance sheet date, and have a corresponding impact on the income statement. Management made its estimates and determined its assumptions on the basis of past experience and taking into account different factors considered to be reasonable for the valuation of assets and liabilities. Use of different assumptions could have a material effect on these valuations. The main assumptions made by management in preparing the condensed interim financial statements are those used for measuring the recoverable value of property, plant and equipment and intangible assets, pension benefit obligations, deferred taxes and provisions. The disclosures provided concerning contingent assets and liabilities and off balance sheet commitments at the date of preparation of the condensed consolidated interim financial statements also involve the use of estimates.

Impact of seasonality

ARKEMA's standard pattern of business exposes the Group to seasonality effects. Various characteristics contribute to these effects:

• demand for products manufactured by ARKEMA is generally weaker in the summer months (July-August) and in December, notably as a result of the slowdown in industrial activity observed primarily in France and the rest of Europe;

• in some of ARKEMA's businesses, particularly those serving the paints, coatings and refrigeration markets, the level of sales is generally higher in the first half of the year than in the second half;

• major maintenance turnarounds at ARKEMA's production plants have an influence on seasonality.

Seasonality effects observed in the past are not necessarily representative of future trends, but they could have a material influence on the changes in results and working capital between the different quarters of the financial year.

Main accounting and financial indicators

The "Other income and expenses" performance indicator has been modified to incorporate a new category specifically related to the impacts of asset revaluation as part of allocation of the acquisition price for BOSTIK.

Other income and expenses: these correspond to a limited number of well-identified non-recurring items of income and expense of a particularly material amount that the Group presents separately in its income statement in order to facilitate understanding of its recurring operational performance. These items of income and expense notably include:

• impairment losses in respect of property, plant and equipment and intangible assets;

• gains or losses on sale of assets, acquisition costs, negative goodwill on acquisitions on favourable terms and the valuation difference on inventories between their fair value at the acquisition date and their production cost;

• large restructuring and environmental expenses which would hamper the interpretation of recurring operating income (including substantial modifications to employee benefit plans and the effect of onerous contracts);

• expenses related to litigation and claims or major damages, whose nature is not directly related to ordinary operations;

• depreciation and amortization related to revaluation of identified intangible and tangible assets for the allocation of the acquisition price for BOSTIK.

C. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Information by business segment

As required by IFRS 8, "Operating Segments", segment information for the Group is presented in accordance with the business segments identified in the internal reports that are regularly reviewed by general management in order to allocate resources and assess financial performance.

ARKEMA has three business segments: High Performance Materials, Industrial Specialties and Coating Solutions. Two members of the Executive committee supervise these segments; they report directly to the Chairman and CEO, the Group's chief operating decision-maker as defined by IFRS 8, and are in regular contact with him for the purpose of discussing their segment's operating activity, financial results, forecasts and plans.

As announced in late June 2015, ARKEMA has reorganized its three business segments. The new reporting structure is applied retroactively from 1 January 2015, and the financial information by segment presented in these notes has been restated for the first half of 2014.

Details of the business segments are as follows:

• High Performance Materials includes the following Business Lines[†]:

- Specialty Adhesives (BOSTIK) since completion of the acquisition of BOSTIK on 2 February 2015,
- Technical Polymers, comprising specialty polyamides and PVDF,
- Performance Additives, comprising the filtration and adsorption (CECA), organic peroxides and photocure resins (Sartomer) Business Units.

High Performance Materials provide innovative solutions with high value added, used in varied sectors such as transport, oil extraction, renewable energies (photovoltaics, lithium-ion batteries), consumer goods (beauty products, sports equipment, packaging, etc), electronics, construction, coatings and water treatment.

• Industrial Specialties groups the following Business Lines: Thiochemicals, Fluorochemicals, PMMA and Hydrogen Peroxides. These integrated industrial niche markets on which ARKEMA is among the world leaders concern products used in several industrial sectors such as production of cold (refrigeration and air conditioning), petrochemicals, refining, paper pulp, animal nutrition, electronics and the automotive industry.

• Coating Solutions comprises the following Business Lines:

- Acrylics,
- Coatings Resins and Additives, comprising the coatings resins and Coatex rheological additives Business Units. This segment proposes solutions for decorative paints, industrial coatings, adhesives and high-growth acrylic applications (superabsorbers for disposable nappies, water treatment, oil and gas extraction).

Functional and financial activities which cannot be directly allocated to operational activities (notably certain research costs and central costs) are brought together in a Corporate segment.

Operating income and assets are allocated between business segments prior to inter-segment adjustments. Sales prices between segments approximate market prices.

[†] Business Lines are Business Units or groups of Business Units

1st half 2015 *(In millions of euros)*	High Performance Materials	Industrial Specialties	Coating Solutions	Corporate	**Total**
Non-Group sales	**1,649**	**1,310**	**1,005**	**13**	**3,977**
Inter-segment sales	7	64	35	-	
Total sales	**1,656**	**1,374**	**1,040**	**13**	
EBITDA	**260**	**221**	**114**	**(38)**	**557**
Depreciation and amortization	(73)	(85)	(57)	(1)	(216)
Recurring operating income	**187**	**136**	**57**	**(39)**	**341**
Other income and expenses	(61)	(8)	(12)	(1)	(82)
Operating income	**126**	**128**	**45**	**(40)**	**259**
Equity in income of affiliates	-	5	-	-	5
Intangible assets and property, plant, and equipment additions	50	82	16	3	151

1st half 2014 ***(after IFRIC 21 restatements, using the new reporting structure)*** *(In millions of euros)*	High Performance Materials	Industrial Specialties	Coating Solutions	Corporate	**Total**
Non-Group sales	**878**	**1,154**	**1,000**	**11**	**3,043**
Inter segment sales	7	61	41	-	
Total sales	**885**	**1,215**	**1,041**	**11**	
EBITDA	**163**	**155**	**120**	**(27)**	**411**
Depreciation and amortization	(48)	(66)	(43)	(1)	(158)
Recurring operating income	**115**	**89**	**77**	**(28)**	**253**
Other income and expenses	-	(11)	(14)	(7)	(32)
Operating income	**115**	**78**	**63**	**(35)**	**221**
Equity in income of affiliates	-	-	-	-	-
Intangible assets and property, plant, and equipment additions	41	130	31	1	203

2. Information by geographical area

Non-Group sales are presented on the basis of the geographical location of customers.

1st half 2015 *(In millions of euros)*	France	Rest of Europe	NAFTA(1)	Asia	Rest of the world	**Total**
Non-Group sales	408	1,113	1,357	911	188	**3,977**

1st half 2014 *(In millions of euros)*	France	Rest of Europe	NAFTA(1)	Asia	Rest of the world	**Total**
Non-Group sales	344	936	1,039	596	128	**3,043**

(1) NAFTA: USA, Canada, Mexico

3. Other income and expenses

	1st half 2015			1st half 2014		
(In millions of euros)	Expenses	Income	Net	Expenses	Income	Net
Restructuring and environment	(20)	-	(20)	(17)	-	(17)
Goodwill impairment	-	-	-	-	-	-
Asset impairment (other than goodwill)	-	-	-	-	-	-
Litigation and claims	-	-	-	(4)	-	(4)
Gains (losses) on sales and purchases of assets	(46)	-	(46)	(11)	-	(11)
Depreciation and amortization related to allocation of the acquisition price for BOSTIK	(16)	-	(16)			
Other	-	-	-	-	-	-
Total other income and expenses	**(82)**	**-**	**(82)**	**(32)**	**-**	**(32)**

Net restructuring and environment expenses amount to €20 million in the first half of 2015. They include asset impairment and provisions recorded in connection with discontinuation of coatings resin production at the Villers-Saint-Paul site amounting to a total of €6 million (including €2 million of asset impairment), and a provision of €6 million concerning the shutdown of the Bernouville site for the PMMA Business Line.
Gains and losses on sales and purchases of assets mainly comprise the revaluation difference on BOSTIK inventories (difference between production cost and the fair value at acquisition date), which amounts to €36 million. Depreciation and amortization related to revaluation of tangible and intangible assets of BOSTIK amount to €16 million.

In the first half of 2014, restructuring and environment expenses included a €9 million expense (of which €5 million corresponds to asset impairment) related to the discontinuation of coatings resin production at the Stallingborough site in the United Kingdom. Gains and losses on sales and purchases of assets mainly comprised the disposal of shares in Canada Fluorspar Inc.

4. Adjusted net income

Net income - Group share may be reconciled to adjusted net income as follows:

(In millions of euros)	Notes	**1st half 2015**	**1st half 2014**
Net income - Group share		**175**	**116 ***
Other income and expenses	(C3)	82	32
Taxes on other income and expenses		(20)	-
Non-current taxation	(C5)	(60)	-
Adjusted net income		**177**	**148 ***

* After IFRIC 21 restatements

5. Income taxes

The income tax expense is broken down as follows:

(In millions of euros)	**1st half 2015**	**1st half 2014**
Current income taxes	(110)	(70)
Deferred income taxes	74	(5)
Total income taxes	**(36)**	**(75)**

The income tax expense amounts to €36 million at 30 June 2015, including €7 million for the CVAE and €1 million relating to the additional income tax contribution due on distributed income (compared with €75 million at 30 June 2014, including €3 million for the CVAE and €4 million relating to the additional income tax contribution due on distributed income).
Deferred tax liabilities are recognized in the financial statements at 30 June 2015 in connection with the fair value measurement of identifiable assets and liabilities acquired from BOSTIK. As a result of this operation and in view of the Group's tax position in France, a deferred tax asset has been recognized in the provisional amount of €60 million.

6. Business combinations

On 2 February 2015 ARKEMA finalized the acquisition of BOSTIK for an enterprise value of €1.74 billion and a provisional price of €1.61 billion.
In compliance with IFRS 3 (revised), the Group has used the acquisition method for the accounting treatment of this operation.

The provisional fair value of the identifiable assets acquired and liabilities transferred at the acquisition date breaks down as follows:

(In millions of euros)	**Fair value acquired from BOSTIK**
Intangible assets	736
Property, plant and equipment	354
Deferred tax assets	63
Other non-current assets	3
TOTAL NON-CURRENT ASSETS	**1,156**
Inventories	233
Accounts receivable	279
Cash and cash equivalents	347
Other current assets	41
TOTAL CURRENT ASSETS	**900**
TOTAL ASSETS	**2,056**
Non-controlling interests	**2**
Deferred tax liabilities	264
Provisions and other non-current liabilities	221
Non-current debt	261
TOTAL NON-CURRENT LIABILITIES	**746**
Accounts payable	155
Other current liabilities	159
TOTAL CURRENT LIABILITIES	**314**
TOTAL LIABILITIES	**1,062**
Fair value of net assets	**994**
Provisional goodwill	**617**

The intangible assets measured at fair value mainly comprise the BOSTIK brand, and technologies which are amortized over an average period of 18 years. Revaluations of property, plant and equipment essentially concern buildings and equipment, and will be amortized over a residual useful life of 3 years. The revalued inventories were consumed during the first half-year of 2015. Other adjustments, mainly

concerning employee benefit obligations, are still being finalized. All the impacts of these revaluations are recorded in the Income Statement under Other income and expenses.
These adjustments can be reviewed, and amended where necessary, up to 12 months after the acquisition date.

The resulting goodwill of €617 million has been determined provisionally, and mainly comprises future business developments, expected synergies, and potential improvements in the profitability of BOSTIK.
The potential tax impact of the residual goodwill in various countries is currently being analyzed.

The expenses incurred for the whole of this operation have been recorded in Other income and expenses at the amount of €16 million (€7 million in 2014 and €9 million in 2015).

If the BOSTIK acquisition had been completed at 1 January 2015, additional sales of some €130 million and additional EBITDA of some €6 million would have been recognized; this EBITDA takes into account the BOSTIK IFRIC 21 impact.

7. Earnings per share

	1st half 2015	**1st half 2014**
Weighted average number of ordinary shares	72,946,518	65,465,752
Dilutive effect of stock options	277,536	426,411
Dilutive effect of free share grants	62,773	171,786
Weighted average number of potential ordinary shares	73,286,827	66,063,949

Earnings per share is determined below:

	1st half 2015	**1st half 2014***
Earnings per share (€)	2.40	1.77
Diluted earnings per share (€)	2.39	1.76

Adjusted earnings per share is determined below:

	1st half 2015	**1st half 2014***
Adjusted earnings per share (€)	2.43	2.26
Diluted adjusted earnings per share (€)	2.42	2.24

* Elements for the calculation of earnings per share and adjusted earnings per share for first-half 2014 have been restated:
- in application of IFRIC 21 "Levies";
- and to reflect the dilution factor resulting from the capital increase of 15 December 2014 and the dividend payment in shares, recorded on 8 July 2015.

8. Intangible assets

8.1 Goodwill

	30 June 2015			**31 December 2014**
(In millions of euros)	Gross book value	Accumulated amortization and impairment	Net book value	Net book value
Goodwill	1,891	(495)	1,396	747

The increase in goodwill results mainly from acquisition of BOSTIK (see note C6, "Business Combinations").

8.2 Other intangible assets

(In millions of euros)	Gross book value	**30 June 2015** Accumulated amortization and impairment	Net book value	**31 December 2014** Net book value
Patents and technologies	380	(126)	254	26
Trademarks	442	(2)	440	24
Software and IT licences	220	(140)	80	52
Capitalized REACH costs	35	(11)	24	24
Other capitalized research expenses	5	(1)	4	3
Capitalized contracts	281	(209)	72	77
Asset rights	70	(11)	59	43
Other intangible assets	82	(14)	68	10
Intangible assets in progress	88	-	88	88
Total	**1,603**	**(514)**	**1,089**	**347**

The increase in trademarks, patents, technologies and other intangible assets mainly results from the acquisition of BOSTIK (see note C6 “Business combinations”).

9. Property, plant and equipment

(In millions of euros)	Gross book value	**30 June 2015** Accumulated depreciation and impairment	Net book value	**31 December 2014** Net book value
Land and buildings	1,806	(1,090)	716	535
Complex industrial facilities	3,726	(2,840)	886	856
Other property, plant and equipment	2,308	(1,725)	583	462
Construction in progress	460	(5)	455	419
Total	**8,300**	**(5,660)**	**2,640**	**2,272**

The increase in land and buildings and other property, plant and equipment mainly results from the acquisition of BOSTIK (see note C6 “Business combinations”).

10. Shareholders’ equity

At 30 June 2015 Arkema’s share capital amounts to €743 million, divided into 74,360,723 shares with a nominal value of 10 euros.

	2015	**2014**
Number of shares at 1 January	**72,822,695**	**63,029,692**
Issuance of shares following the capital increase related to payment of dividends	1,430,888	
Issuance of shares following the capital increase reserved for employees		491,502
Issuance of shares following the exercise of subscription options	107,140	175,668
Issuance of shares following the capital increase with preferential subscription rights		
Number of shares at 30 June	**74,360,723**	**63,696,862**

Following the exercise of 107,140 share subscription options, 107,140 shares were issued, giving rise to a capital increase in the total nominal amount of €1 million.
The Company bought back 70,641 treasury shares during the first half of 2015.

In May 2015, ARKEMA definitively granted 121,635 free shares to Group employees in application of plans 2011-3 and 2012-2

The combined shareholders' general meeting of 2 June 2015 approved the distribution of a €1.85 dividend per share in respect of the 2014 financial year, or a total amount of €135 million. Each shareholder can elect to receive payment of the entire dividend either in cash or in new Arkema shares.

The issue price for the new shares was set at €61.64. By the end of the option period on 25 June 2015, 65.2% of rights to payment of the dividend in shares had been exercised, and consequently 1,430,888 new shares were issued with total value of €88 million. The cash dividend payable to shareholders who did not elect to receive the dividend in shares amounts to €47 million, and was paid out from 8 July 2015.

11. Provisions for pensions and other employee benefits

(In millions of euros)	**30 June 2015**	**31 December 2014**
Pension obligations	425	349
Healthcare and similar coverage	128	56
Post-employment benefits	**553**	**405**
Long service awards	54	47
Other long-term benefits	6	4
Other long-term benefits	**60**	**51**
Provisions for pensions and other employee benefits	**613**	**456**

The discount rates used by ARKEMA are as follows:

Pension obligations, healthcare and similar coverage	**Europe (excl UK)**	**UK**	**USA**
At 30 June 2015	2.00%	3.50%	4.50%
At 31 December 2014	1.50%	3.50%	4.00%

The present value of accumulated defined benefit obligations at the end of 2014 has been adjusted at 30 June 2015 on the basis of sensitivity analysis tables prepared by the Group's external actuaries in the context of the full year 2014 closing, to take account of the change in interest rates over the half-year.The fair value of plan assets has also been reassessed on the basis of new valuations at 30 June 2015. The change in discount rates and the revaluation of assets are included in actuarial gains and losses for the period.

The change in net provisions for post-employment benefits over the first half-year is as follows:

(In millions of euros)	Pension obligations	Healthcare and similar coverage	**Total post-employment benefits**
Net liability (asset) at 1 January	**348**	**56**	**404**
Provision recognized in liabilities	349	56	405
Amount recognized in assets	(1)	-	(1)
Operating expense for the period	12	2	14
Net interest expense	3	1	4
Net contributions and benefits paid by the employer	(13)	(1)	(14)
Changes in scope	101	71	172
Other	12	2	14
Actuarial gains and losses recognized in shareholders' equity	(39)	(3)	(42)
Net liability (asset) at 30 June	**424**	**128**	**552**
Provision recognized in liabilities	425	128	553
Amount recognized in assets	(1)	-	(1)

The value of BOSTIK's employee benefit obligations, which is still being finalized, accounts for most of the €172 million recorded under "Changes in scope" (see note C6, "Business combinations").

12. Other provisions and other non-current liabilities

12.1. Other non-current liabilities

Other non-current liabilities amount to €47 million at 30 June 2015 as against €40 million at 31 December 2014.

12.2. Other provisions

(In millions of euros)	**Environmental contingencies**	**Restructuring**	**Other**	**Total**
At 1 January 2015	**181**	**55**	**125**	**361**
Increases in provisions	2	13	9	24
Reversals from provisions on use	(6)	(16)	(14)	(36)
Reversals of unused provisions	-	-	(1)	(1)
Changes in scope	4	5	25	34
Translation adjustments	7	-	3	10
Other	-	-	-	-
At 30 June 2015	**188**	**57**	**147**	**392**

In addition, certain provisions are covered by non-current assets (receivables, deposits):

(In millions of euros)	**Environmental contingencies**	**Restructuring**	**Other**	**Total**
Total provisions at 30 June 2015	**188**	**57**	**147**	**392**
Portion of provisions covered by receivables or deposits	**36**		**9**	**45**
Deferred tax asset related to amounts covered by the Total indemnity	22		0	22
Provisions at 30 June 2015 net of non-current assets	**130**	**57**	**138**	**325**
For information: Provisions at 1 January 2015 net of non-current assets	**125**	**55**	**116**	**296**

12.2.1 Provisions for environmental contingencies

Provisions for environmental contingencies are recognized to cover expenses related to soil and water table clean-up, mainly:

- in France for €84 million (€81 million at 31 December 2014),
- in the United States for €78 million (€75 million at 31 December 2014), of which €57 million in respect of former industrial sites covered 100% by the Total Group indemnity (receivable recognized in "other non-current assets" for an amount of €36 million and €22 million of deferred taxes) (see note C16.2 "Off-balance sheet commitments / Commitments received").

12.2.2 Restructuring provisions

Restructuring provisions are mainly in respect of restructuring measures in France for €34 million (€29 million at 31 December 2014), in Europe outside France for €19 million (€24 million at 31 December 2014) and in the United States for €3 million (€1 million at 31 December 2014).

12.2.3 Other provisions

Other provisions amount to €147 million and mainly comprise:

- provisions for labour litigation for €45 million (€39 million at 31 December 2014),
- provisions for commercial litigation and warranties for €40 million (€24 million at 31 December 2014),
- provisions for tax litigation for €22 million (€20 million at 31 December 2014),
- provisions for other risks for €40 million (€42 million at 31 December 2014).

13. Liabilities and contingent liabilities

Liabilities and contingent liabilities are described in note C21 to the consolidated financial statements at 31 December 2014. There was no development in liabilities and contingent liabilities during the first half of 2015 with an actual or potential significant effect on the Group's consolidated financial statements.

The arbitration proceedings initiated by Klesch against Arkema in connection with the sale of the vinyls activity are expected to end during the second half-year.

14. Debt

14.1 Analysis of net debt by category

Group net debt amounts to €1,773 million at 30 June 2015, taking account of cash and cash equivalents of €350 million.

(In millions of euros)	**30 June 2015**	**31 December 2014**
Bonds	1,828	1,137
Finance lease obligations	2	2
Bank loans	45	42
Other non-current debt	15	15
Non-current debt	**1,890**	**1,196**
Finance lease obligations	0	0
Commercial paper	20	-
Other bank loans	185	85
Other current debt	28	22
Current debt	**233**	**107**
Debt	**2,123**	**1,303**
Cash and cash equivalents	350	1,149
Net debt	**1,773**	**154**

Bonds

At 30 June 2015, the fair values of the bonds issued by the Group are as follows:

- €500 million bond: €540 million,
- €480 million bond: €545 million,
- €150 million bond (issued as Euro Medium Term Notes (EMTN)): €164 million,
- €700 million bond (issued as Euro Medium Term Notes (EMTN)): €667 million.

14.2 Analysis of debt by currency

ARKEMA's debt is mainly denominated in euros.

(In millions of euros)	**30 June 2015**	**31 December 2014**
Euros	1,892	1,178
Chinese Yuan	177	100
Other	54	25
Total	**2,123**	**1,303**

14.3 Analysis of debt by maturity

The breakdown of debt, including interest costs, by maturity is as follows:

(In millions of euros)	**30 June 2015**	**31 December 2014**
Less than 1 year	263	135
Between 1 and 2 years	93	65
Between 2 and 3 years	564	562
Between 3 and 4 years	35	32
Between 4 and 5 years	35	24
More than 5 years	1,431	679
Total	**2,421**	**1,497**

15. Share-based payments

15.1 Stock options

The Board of Directors has decided not to introduce any further stock option plans.

Movements in the stock option plans granted in previous years and still outstanding at 30 June 2015 are as follows:

	Plan 2007	Plan 2008	Plan 2010-1	Plan 2010-2	Plan 2011-1	Plan 2011-2
Number of options granted	**603,074**	**465,437**	**230,044**	**233,513**	**109,082**	**109,082**
- to corporate officers: Thierry Le Hénaff	70,389	52,676	36,361	36,361	30,386	30,386
- to the 10 largest beneficiaries *	218,128	172,130	105,505	107,851	78,696	78,696
Total number of options exercised	**563,643**	**329,837**	**99,832**	**5,037**	-	-
- by corporate officers	70,389	52,676	-	-	-	-
- by the 10 largest beneficiaries *	218,128	100,592	60,325	-	-	-
Total number of options cancelled	39,431	18,877	7,000	22,174	-	-
NUMBER OF OPTIONS						
In circulation at 1 January 2015	81,922	142,578	134,169	226,513	109,082	109,082
Granted	-	-	-	-	-	-
Cancelled	16,631	-	-	15,174	-	-
Exercised	65,291	25,855	10,957	5,037	-	-
In circulation at 30 June 2015	**-**	**116,723**	**123,212**	**206,302**	**109,082**	**109,082**

* *Employees who are not corporate officers of Arkema or any other Group company*

The amount of the IFRS 2 expense recognized in respect of stock options at 30 June 2015 is below €0.5 million (also below €0.5 million at 30 June 2014).

15.2 Free share grants

No new free share plan was adopted by the Board of Directors during the first half of 2015.

Movements in the free share grant plans awarded in previous years and still in force at 30 June 2015 are as follows:

	Plan 2011-3	Plan 2012-2	Plan 2012-3	Plan 2013	Plan 2014-1	Plan 2014-2
Total number of free shares granted	**52,315**	**74,805**	**65,335**	**250,000**	**750**	**275,000**
- to corporate officers: Thierry Le Hénaff	-	13,000	-	26,000	-	26,000
- to the 10 largest beneficiaries *	14,850	36,100	16,400	75,400	50	71,600
NUMBER OF FREE SHARES						
In circulation at 1 January 2015	49,080	73,450	62,905	246,870	415	275,000
Granted	-	-	-	-	-	-
Cancelled	895	-	40	360	-	455
Definitively granted	48,185	73,450	-	-	-	-
In circulation at 30 June 2015	**-**	**-**	**62,865**	**246,510**	**415**	**274,545**

* *Employees who are not corporate officers of Arkema or any other Group company.*

The amount of the IFRS 2 expense recognized in respect of free shares at 30 June 2015 is €3 million (€4 million at 30 June 2014).

16. Off-balance sheet commitments

16.1 Commitments given

16.1.1 Off-balance sheet commitments given in the Group's operating activities

The main commitments given are summarized in the table below:

(In millions of euros)	**30 June 2015**	**31 December 2014**
Guarantees granted	81	80
Comfort letters	-	-
Contractual guarantees	10	6
Customs and excise guarantees	14	12
Total	**105**	**98**

Guarantees granted are mainly bank guarantees in favour of local authorities and public bodies (state agencies, environmental agencies) in respect of environmental obligations or concerning classified sites.

16.1.2 Contractual commitments related to the Group's operating activities

- Irrevocable purchase commitments

In the normal course of business, ARKEMA signs multi-year purchase agreements for raw materials and energy for the operational requirements of its factories, in order to guarantee the security and continuity of supply. Signature of such contracts over periods initially of 1 to 30 years is a normal practice for companies in ARKEMA's business sector in order to cover their needs.
These purchase commitments are valued taking into account, on a case-by-case basis, ARKEMA's financial commitment to its suppliers, as certain of these contracts include clauses which oblige ARKEMA to take delivery of the minimum volumes as set out in the contract or, otherwise, to pay financial compensation to the supplier. Depending on the case, these commitments are reflected in the purchase agreements in the form of notice periods, indemnification to be paid to the supplier in case of early termination of the contract or "take or pay" type clauses.

The total amount of the Group's financial commitments amounts to €422 million at 30 June 2015 (see maturity schedule below).

(In millions of euros)	**30 June 2015**	**31 December 2014**
2015	141	176
2016	76	70
2017	59	53
2018	43	36
2019 until expiry of the contracts	103	92
Total	**422**	**427**

- Lease commitments

In the context of its business, ARKEMA has signed lease contracts, of which the majority are operating lease agreements. Lease agreements signed by ARKEMA are mainly in respect of property rental (head offices, land) and transportation equipment (rail cars, containers).

The amounts presented in the table below correspond to the future minimum payments that will need to be made in accordance with these contracts (only the irrevocable portion of future lease payments has been valued).

	30 June 2015		**31 December 2014**	
(In millions of euros)	Capitalized leases	Non-capitalized leases	Capitalized leases	Non-capitalized leases
2015	0	12	0	19
2016	0	18	0	17
2017	0	14	0	14
2018	0	12	0	11
2019 and beyond	1	43	1	40
Nominal value of future lease payments	**2**	**99**	**2**	**101**
Finance cost	0	NA	0	NA
Present value	**2**	**NA**	**2**	**NA**

NA: not applicable

16.1.3 Off-balance sheet commitments related to changes in the scope of consolidation

Warranties related to sales of businesses

Sales of businesses sometimes involve the provision of warranties in respect of unrecorded liabilities to the purchaser. ARKEMA sometimes grants such warranties on the sale of businesses. In most cases these warranties are capped and granted for a limited period of time. They are also limited in terms of their coverage to certain types of expenses or litigation. In the majority of cases, they cover risks of occurrence of environmentally related expenses or litigation.

The cumulative residual amount of capped warranties in respect of unrecorded liabilities granted by ARKEMA is €97 million at 30 June 2015 (€95 million at 31 December 2014). This amount is stated net of provisions recognized in the balance sheet in respect of such warranties.

16.1.4 Off-balance sheet commitments related to Group financing

These commitments are described in note C22 to the consolidated financial statements at 31 December 2014 “Debt”.

16.2 Commitments received

Commitments received from TOTAL in 2006

In connection with the Spin-Off of Arkema’s Businesses, Total S.A. and certain Total companies have extended certain indemnities, or have assumed certain obligations, for the benefit of ARKEMA, relating to (i) certain antitrust litigation, (ii) certain actual or potential environmental liabilities of the Group arising from certain sites in France, Belgium and the United States, the operations on which in the majority of cases have ceased, (iii) certain tax matters, and (iv) the Spin-Off of Arkema’s Businesses. These indemnities and obligations are described in the notes to the consolidated financial statements for the year ended 31 December 2014 (note C30.2 “Commitments received”).

17. Subsequent events

The contract concerning the securitization programme for sales receivables valid for a maximum amount of €120 million, which was used to the extent of €2 million at 31 December 2014, expired on 15 July 2015 and has not been renewed.

D. SCOPE OF CONSOLIDATION AT 30 JUNE 2015

(a) Companies consolidated for the first time in 2015

(b) Companies acquired in 2015

The percentage of control indicated below also corresponds to the Group's ownership interest.

Altuglas International Denmark A/S		Denmark	100.00	FC
Altuglas International Mexico Inc.		United States	100.00	FC
Architectural & structural adhesives Pty Ltd	(b)	Australia	100.00	FC
Altuglas International SAS		France	100.00	FC
American Acryl LP		United States	50.00	JO
American Acryl NA LLC		United States	50.00	JO
Arkema		South Korea	100.00	FC
Arkema		France	100.00	FC
Arkema Afrique SAS		France	100.00	FC
Arkema Amériques SAS		France	100.00	FC
Arkema Asie SAS		France	100.00	FC
Arkema BV		Netherlands	100.00	FC
Arkema Canada Inc.		Canada	100.00	FC
Arkema Changshu Chemicals Co. Ltd		China	100.00	FC
Arkema Changshu Fluorochemical Co. Ltd		China	100.00	FC
Arkema Chemicals India Private Ltd.		India	100.00	FC
Arkema China Investment Co. Ltd.		China	100.00	FC
Arkema Coating Resins Malaysia Sdn. Bhd.		Malaysia	100.00	FC
Arkema Coatings Resins UK		United Kingdom	100.00	FC
Arkema Co. Ltd		Hong Kong	100.00	FC
Arkema Daikin Advanced Fluorochemicals Co. Ltd		China	60.00	JO
Arkema Delaware Inc.		United States	100.00	FC
Arkema Europe		France	100.00	FC
Arkema France		France	100.00	FC
Arkema GmbH		Germany	100.00	FC
Arkema Hydrogen Peroxide Co. Ltd. Shanghai		China	66.67	FC
Arkema Inc.		United States	100.00	FC
Arkema Insurance Ltd		Ireland	100.00	FC
Arkema KK		Japan	100.00	FC
Arkema Kimya Sanayi ve Ticaret AS	(a)	Turkey	100.00	FC
Arkema Ltd.		United Kingdom	100.00	FC
Arkema Mexico SA de CV		Mexico	100.00	FC
Arkema Mexico Servicios SA de CV		Mexico	100.00	FC
Arkema PEKK Inc.		United States	100.00	FC
Arkema Peroxides India Private Limited		India	100.00	FC
Arkema Pte Ltd.		Singapore	100.00	FC
Arkema Pty Ltd.	(a)	Australia	100.00	FC
Arkema Quimica Ltda		Brazil	100.00	FC
Arkema Quimica SA		Spain	99.92	FC

Arkema Rotterdam BV		Netherlands	100.00	FC
Arkema (Shanghai) Distribution Co. Ltd		China	100.00	FC
Arkema Spar NL Limited Partnership		Canada	100.00	FC
Arkema sp Z.o.o		Poland	100.00	FC
Arkema Srl		Italy	100.00	FC
Arkema Taixing Chemicals		China	100.00	FC
Arkema Thiochemicals Sdn Bhd		Malaysia	86.00	FC
Arkema Yoshitomi Ltd.		Japan	49.00	SI
ATO Findley Deutschland Gmbh	(b)	Germany	100.00	FC
Bostik AB (Sweden)	(b)	Sweden	100.00	FC
Bostik AS	(b)	Estonia	100.00	FC
Bostik Argentina	(b)	Argentina	100.00	FC
Bostik AS (Denmark)	(b)	Denmark	100.00	FC
Bostik AS (Norway)	(b)	Norway	100.00	FC
Bostik Australia	(b)	Australia	100.00	FC
Bostik Belux NV SA	(b)	Belgium	100.00	FC
Bostik BV	(b)	Netherlands	100.00	FC
Bostik Canada	(b)	Canada	100.00	FC
Bostik Egypt For Production of Adhesives S.A.E	(b)	Egypt	100.00	FC
Bostik Findley (China) Co Ltd.	(b)	China	100.00	FC
Bostik Findley Malaysia Sdn.-Bhd.	(b)	Malaysia	100.00	FC
Bostik Gmbh	(b)	Germany	100.00	FC
Bostik Holding Australia Ltd	(b)	Australia	100.00	FC
Bostik Holding BV	(b)	Netherlands	100.00	FC
Bostik Holding Hong Kong Ltd.	(b)	Hong Kong	100.00	FC
Bostik Holding SA	(b)	France	100.00	FC
Bostik Inc.	(b)	United States	100.00	FC
Bostik India Private Ltd.	(b)	India	100.00	FC
Bostik Industries Ltd.	(b)	Ireland	100.00	FC
Bostik Korea Ltd.	(b)	South Korea	100.00	FC
Bostik Ltd.	(b)	United Kingdom	100.00	FC
Bostik Mexicana SA de CV	(b)	Mexico	100.00	FC
Bostik Nederland BV	(b)	Netherlands	100.00	FC
Bostik New Zealand	(b)	New Zealand	100.00	FC
Bostik-Nitta Co. Ltd.	(b)	Japan	66.00	FC
Bostik OOO	(b)	Russia	100.00	FC
Bostik OY	(b)	Finland	100.00	FC
Bostik Philippines Inc.	(b)	Philippines	100.00	FC
Bostik Polska SP Z.O.O	(b)	Poland	100.00	FC
Bostik SA	(b)	France	100.00	FC
Bostik SA (Spain)	(b)	Spain	100.00	FC
Bostik SIA	(b)	Latvia	100.00	FC
Bostik (Shanghai) Management Co. Ltd.	(b)	China	100.00	FC
Bostik (Thailand) Co. Ltd	(b)	Thailand	100.00	FC
Bostik UAB	(b)	Lithuania	100.00	FC

Bostik Unipessoal	(b)	Portugal	100.00	FC
Bostik Vietnam Company Ltd	(b)	Vietnam	100.00	FC
Ceca Belgium		Belgium	100.00	FC
Ceca Italiana Srl		Italy	100.00	FC
Ceca LC		France	100.00	FC
Ceca SA		France	100.00	FC
Ceca Watan Saudi Arabia	(a)	Saudi Arabia	51.00	FC
Cekomastik Kimya Sanayi Ve Ticaret A.S	(b)	Turkey	100.00	FC
Changshu Coatex Additives Co. Ltd.		China	100.00	FC
Changshu Haike Chemicals Co. Ltd.		China	49.00	FC
CJ Bio Malaysia Sdn. Bhd.		Malaysia	14.00	SI
Coatex Asia Pacific		South Korea	100.00	FC
Coatex Central Eastern Europe sro		Slovakia	100.00	FC
Coatex Inc.		United States	100.00	FC
Coatex Latin America Industria et Comercio Ltda		Brazil	100.00	FC
Coatex Netherlands BV		Netherlands	100.00	FC
Coatex SAS		France	100.00	FC
Daikin Arkema Refrigerants Asia Ltd.		Hong Kong	40.00	JV
Daikin Arkema Refrigerants Trading (Shanghai) Co. Ltd.		China	40.00	JV
Delaware Chemicals Corporation		United States	100.00	FC
Febex SA		Switzerland	96.77	FC
Hebei Casda Biomaterials Co. Ltd		China	100.00	FC
Ihsedu Agrochem Private Ltd		India	24.90	SI
Jiangsu Bostik Adhesive Co. Ltd	(b)	China	100.00	FC
Maquiladora General de Matamoros SA de CV		Mexico	100.00	FC
Meglas Srl		Italy	33.00	SI
MEM BAUCHEMIE Gmbh	(b)	Germany	100.00	FC
Michelet Finance, Inc.		United States	100.00	FC
MLPC International		France	100.00	FC
Newspar		Canada	50.00	JO
Mydrin Srl	(b)	Italy	100.00	FC
ODOR-TECH LLC		United States	100.00	FC
Oxido Srl	(b)	Italy	100.00	FC
Oxochimie		France	50.00	JO
Ozark Mahoning Company		United States	100.00	FC
PT Bostik Indonesia	(b)	Indonesia	100.00	FC
Sartomer Asia Limited		Hong Kong	100.00	FC
Sartomer Guangzhou Chemical Co. Ltd.		China	100.00	FC
Sartomer Shanghai Distribution Company Limited		China	100.00	FC
Seki Arkema		South Korea	51.00	FC
Shanghai Arkema Gaoyuan Chemicals Co. Ltd		China	100.00	FC
Société Marocaine des Colles	(b)	Morocco	97.01	FC
Sovereign Chemicals Ltd	(b)	United Kingdom	100.00	FC
Sunclear SA Espana		Spain	99.92	FC
Sunclear		France	100.00	FC

Sunclear Srl		Italy	100.00	FC
Suzhou Hipro Polymers Co. Ltd		China	100.00	FC
Taixing Sunke Chemicals		China	55.00	JO
Tamer Endustriyel Madencilik Anonim Sirketi		Turkey	50.00	FC
Tekbau Yapi Malzemeleri Madencilik Sanayi AS	(b)	Turkey	100.00	FC
Turkish Products, Inc.		United States	100.00	FC
Usina Fortaleza Industria E commercio de massa fina Ltda	(b)	Brazil	100.00	FC
Vetek		Argentina	60.00	FC
Viking chemical company		United States	100.00	FC
Zhuhai Bostik Adhesive Ltd	(b)	China	100.00	FC

NB: FC: full consolidation
JO: joint operation – consolidated based on shares of assets, liabilities, income and expenses
JV: joint venture - consolidation by the equity method
SI: significant influence - consolidation by the equity method

III - DECLARATION BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT AT 30 JUNE 2015

I certify that, to the best of my knowledge, the condensed consolidated financial statements have been prepared in accordance with the applicable accounting standards, and give a fair view of the assets, liabilities, financial position and profit or loss of the Company and all its consolidated companies, and that the half-year activity report includes a fair review of the main events of the first six months of the year, their impact on the condensed consolidated financial statements, the major transactions between related parties, and a description of the main risks and uncertainties for the remaining six months of the financial year.

Colombes, 3 August 2015

Thierry Le Hénaff
Chairman and CEO

KPMG Audit
Département de KPMG S.A.

ERNST & YOUNG Audit

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Arkema
Period from January 1 to June 30, 2015

Statutory auditors' review report on the half-yearly financial information

KPMG Audit
Département de KPMG S.A.
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Commissaire aux Comptes
Membre de la compagnie
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S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Arkema
Period from January 1 to June 30, 2015

Statutory auditors' review report on the half-yearly financial information

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Arkema, for the period from January 1 to June 30, 2015,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the board of directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense, July 30, 2015

The statutory auditors
French original signed by

KPMG Audit *Départment de KPMG S.A.*	ERNST & YOUNG Audit
Jacques-François Lethu François Quédiniac	Denis Thibon