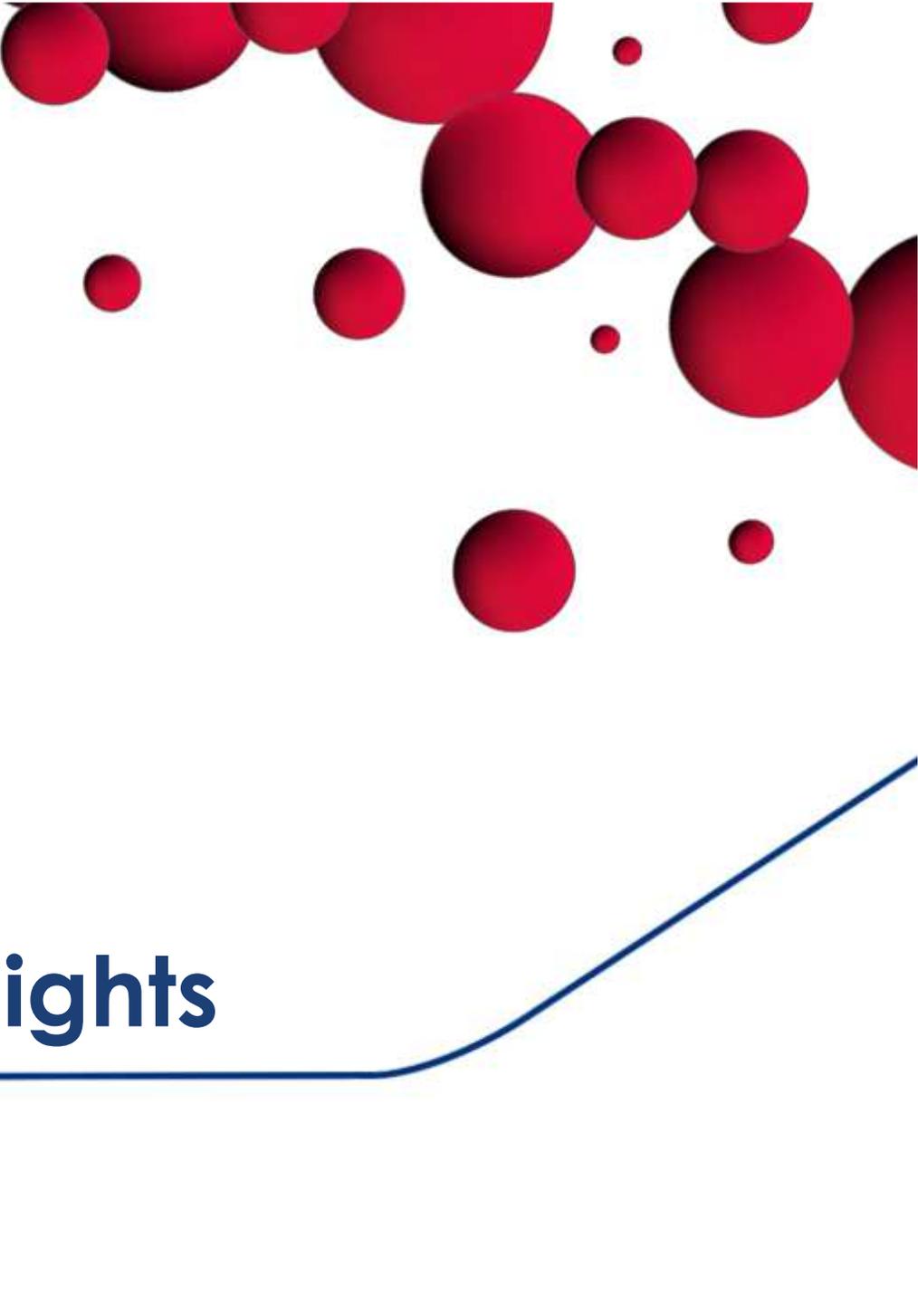




2014 ANNUAL GENERAL MEETING

May 15th, 2014

ARKEMA
INNOVATIVE CHEMISTRY



1

2013 highlights

Arkema in 2013



13,908
employees

1,200
researchers

90
production sites

10
R&D centers

€6.1 bn
sales

€902 m
EBITDA

€481 m
capex

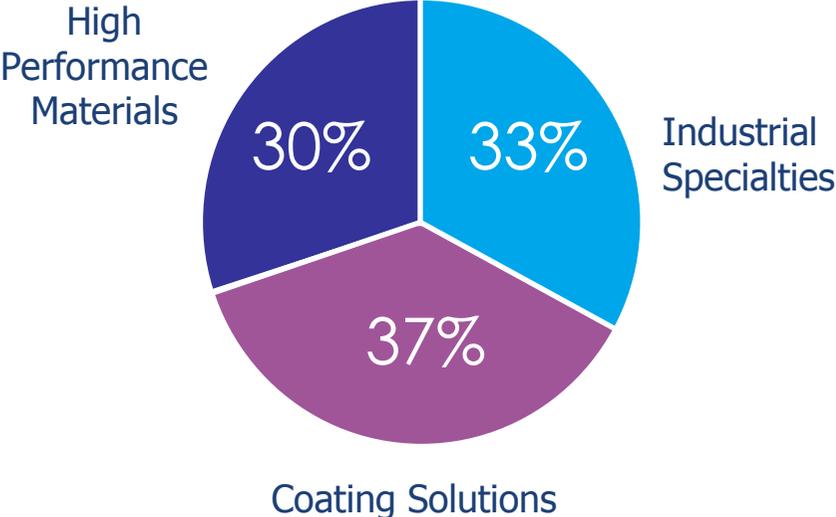
14.8%
EBITDA margin



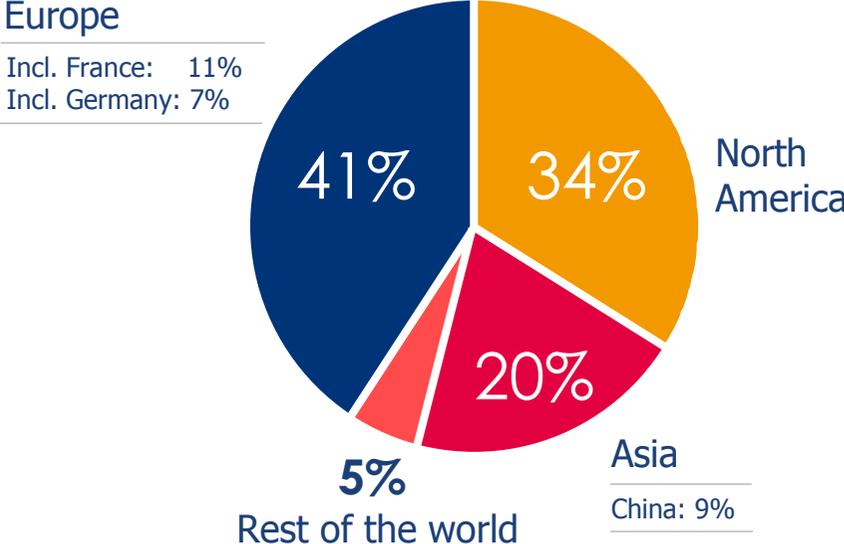
Balanced businesses and geographical presence



Sales breakdown by segment



Sales breakdown by region



Among the first 3 leaders in our businesses

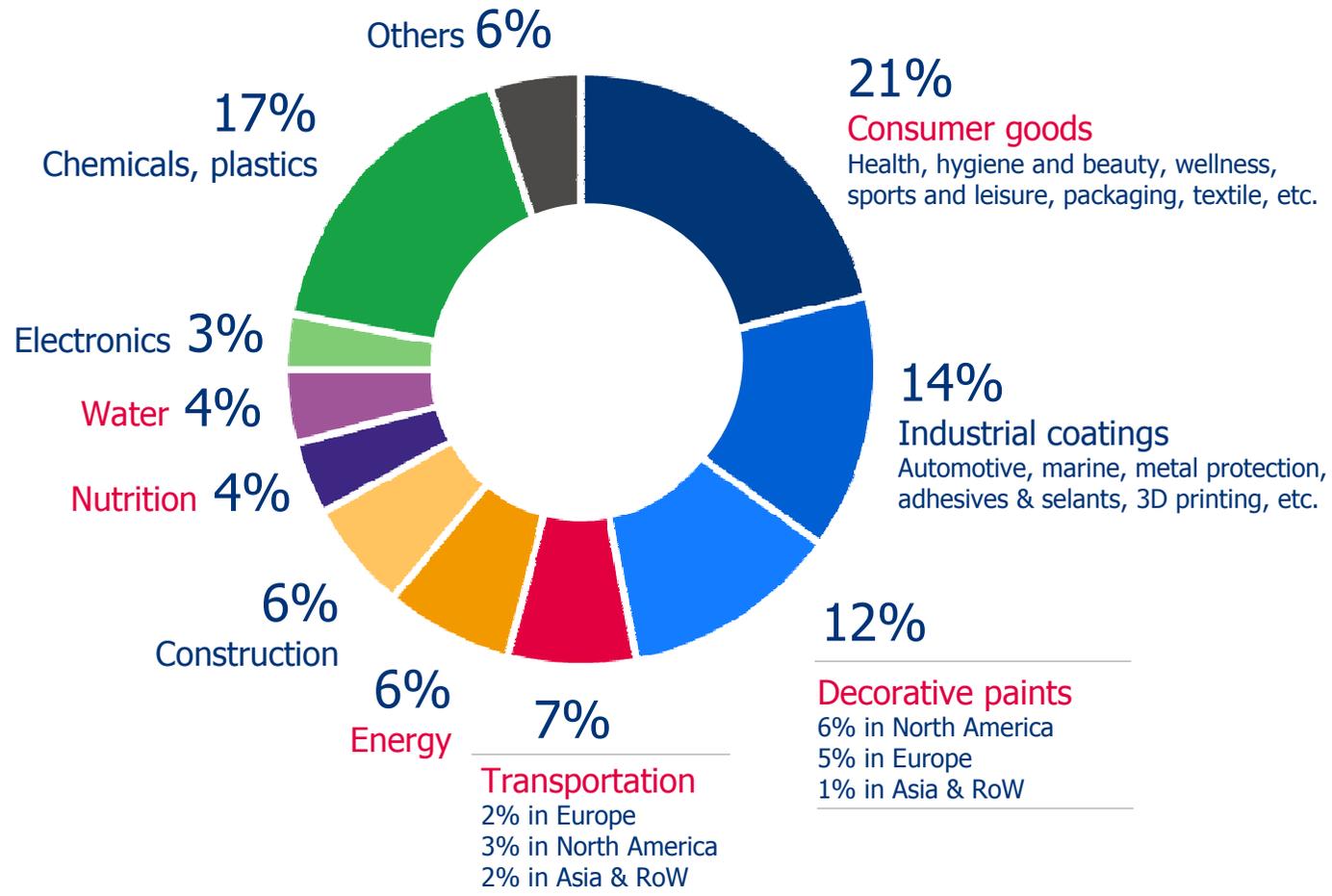


POSITION		MAIN PLAYERS	% GROUP SALES	
#1	Specialty polyamides	<ul style="list-style-type: none"> Evonik Ems 	13%	} ~ 90% of Group sales
#1	PVDF	<ul style="list-style-type: none"> Solvay 		
#1	Thiochemicals	<ul style="list-style-type: none"> Chevron Phillips 	9%	
#2	Organic peroxides	<ul style="list-style-type: none"> Akzo Nobel United Initiators 	4%	
#2	Fluorogases	<ul style="list-style-type: none"> Dupont Honeywell 	9%	
#2	PMMA	<ul style="list-style-type: none"> Evonik Mitsubishi Chemical 	11%	
#3	Hydrogen peroxide	<ul style="list-style-type: none"> Solvay Evonik 	4%	
#3 *	Acrylics	<ul style="list-style-type: none"> BASF Dow Nippon Shokubai 	15%	
#3	Coatings	<ul style="list-style-type: none"> BASF Dow 	22%	

■ High Performance Materials
 ■ Industrial Specialties
 ■ Coating Solutions

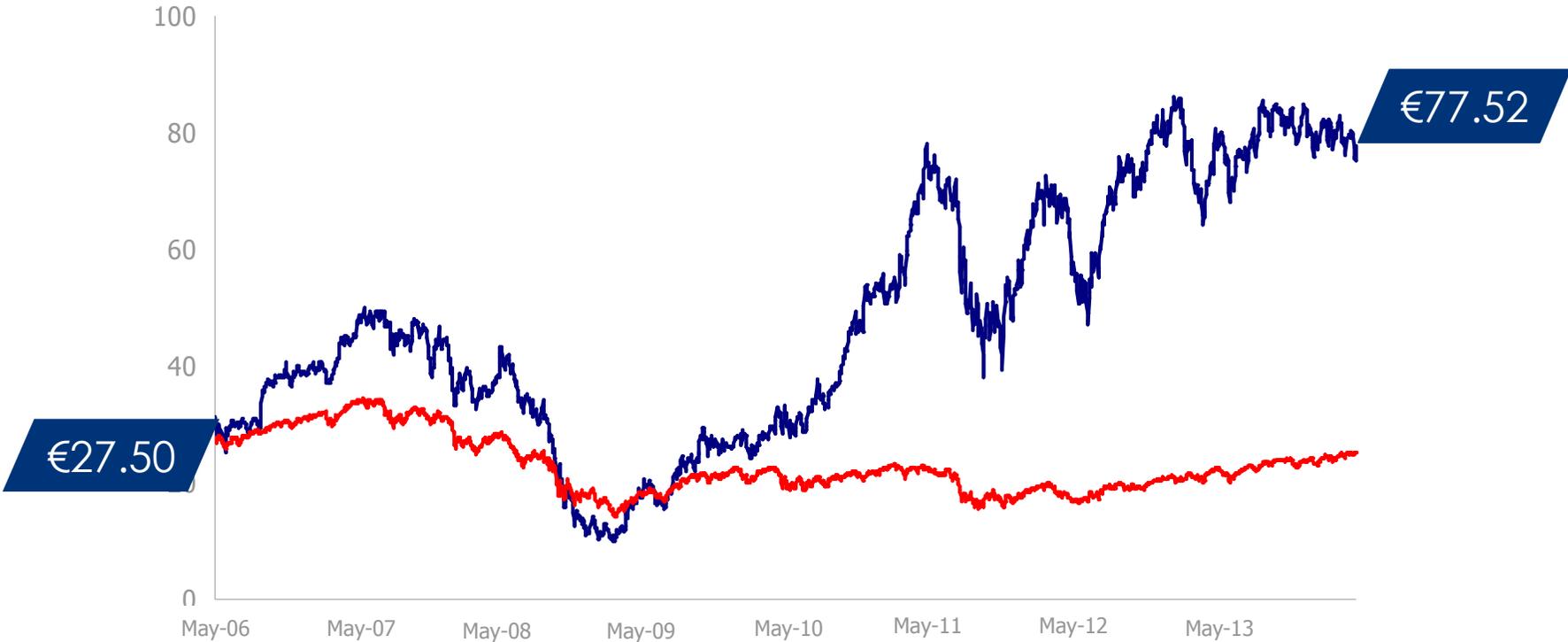
* After acquisition of 1st line of 160 kt/year from Jurong in China.

Diversified end-markets



High-growth markets supported by megatrends

Arkema share



Performance since spinoff (May 18th 2006)

— **ARKEMA** **+182%**
— **CAC 40** **- 8%**

Current market capitalization

€4.9 bn

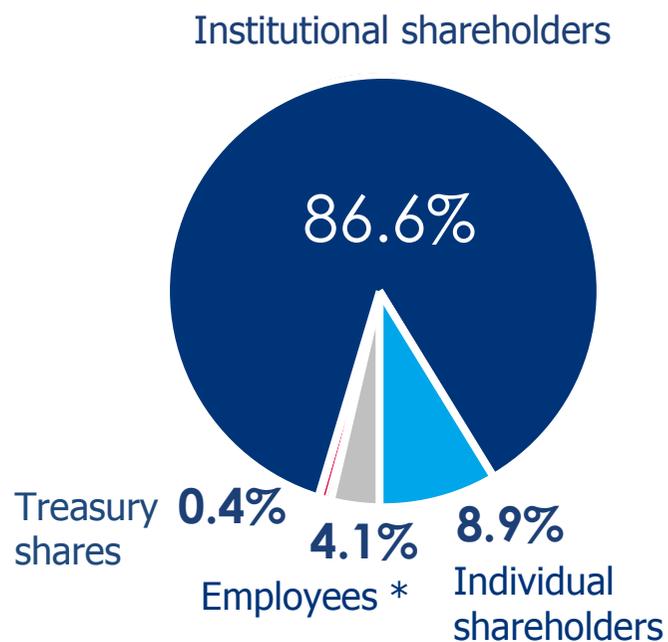
Evolution since spinoff

x3

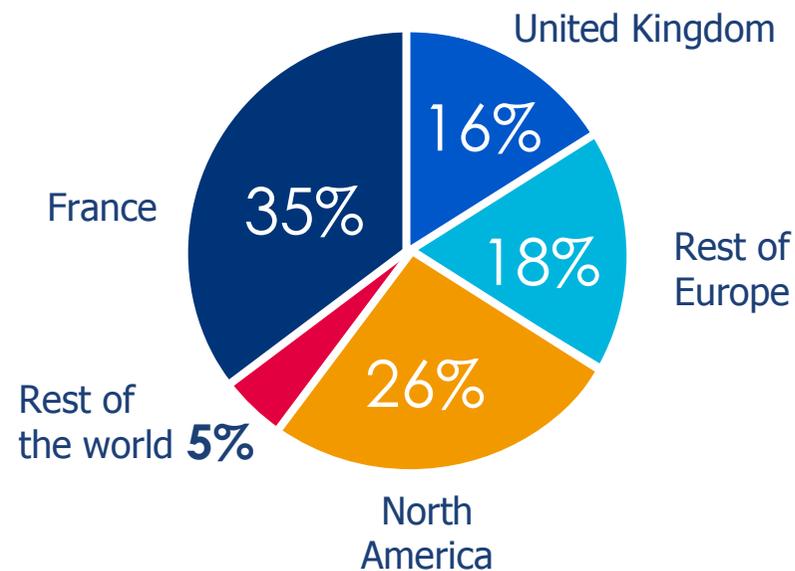
Share ownership



By type of shareholder
(December 31st, 2013)



By geographical region
(December 31st, 2013)



Acrylics in the United States



- **Capex: US\$110 m**
 - 2-EHA in Bayport: new unit started in 2012
 - Acrylic acid in Clear Lake (+60 kt): capacity expansion started in Q2 2013
 - Methyl acrylate in Clear Lake (+45 kt): start-up of new unit expected in Q2 2014
- **Improved yields and stronger competitiveness**



Coating resins in China



- **New unit in Changshu started end 2013**
 - Emulsion polymers for adhesives and coatings markets
 - Capex: \$US 30 m
- **Close proximity to the new R&D center of Changshu**
- **Upstream integration with the site of Taixing***



* After completion of the acquisition project of acrylic assets of Jurong Chemical subject to authorization by the relevant authorities in China and to several administrative formalities.

Hipro Polymers development in China



- **Development of Hipro PA10 acquired in 2012**
 - Biosourced specialty polyamides from castor oil
- **x3 capacity at Zhangjiagang: start-up in 2013**
- **Ramp-up from 2014**



Acquisition of a stake in Ihsedu Agrochem



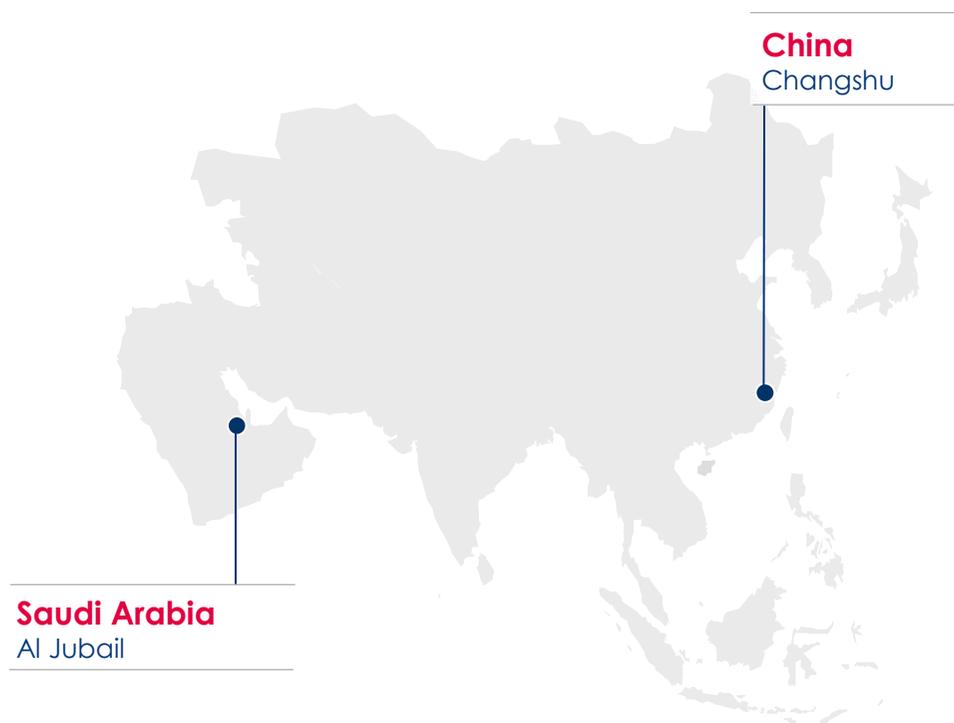
- **Subsidiary of Jayant Agro in India**
 - Producer of castor oil, a strategic raw material for polyamides 10 and 11
- **Acquisition of a 24.9% stake**
- **Long-term secured and competitive access to this raw material**



Accelerate organic peroxides development



- **Construction project of the very first plant in Middle-East**
 - Capex: US\$ 30 m, start-up expected in 2015
 - Secure and supply service for local big petrochemical players
- **x2 of production capacity at Changshu, start-up expected in 2016**
- **15% debottlenecking of bis-peroxide worldwide capacities**
 - Used in the crosslinking of rubber (wired and cable, automotive, footwear)



Lacq Cluster Chimie 2030



- **Reconversion project of Lacq gas Basin with Total and SOBEGI**
- **Inauguration of the new gas treatment unit (end 2013)**
 - Extraction of the remaining gas in the Lacq field at low flow for another 30 years
- **Total capex*: €154 m**



Electrolysis conversion at Jarrie (Fr)

- **New membrane electrolysis for chlorine-caustic soda production**
 - Inaugurated on April 30th, 2014
 - Capex: €60 m net of subsidies
- **Site modernization and energy efficiency improvement**
- **Implementation of Technological Risks Prevention Plan ('PPRT')**
 - Securization and reduction of the risk exposure area for the local population



Innovation highlights

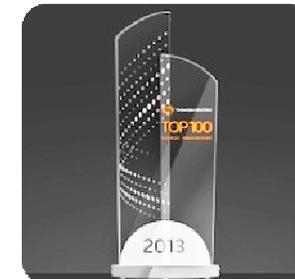
- **Inauguration of Changshu R&D center**
- **Acquisition of a majority stake in AEC Polymers (methacrylate adhesives)**
- **Research in composite materials reinforced**
 - PEKK, high temperature polyamides, nanostructured PMMA, etc.
- **Launch of "3D printing" platform**
- **199 patent applications**



Successful year for innovation

- **Composite industry: JEC Award**
 - Thermoplastic resins for composite parts
- **Rilsan® HT: 2013 Pierre Potier Prize**
 - High-temperature resistance and flexibility
 - Replacement of metal in high-temperature under-the-hood applications, lightweight materials
- **Top 100 Global Innovators**
 - Thomson Reuters ranking
 - 3rd consecutive year
- **American Coatings Award awarded by American Coatings Association**
 - Collaboration between Arkema and University of Minnesota researchers

ELIUM[®]
BY ARKEMA



 **American Coatings**
ASSOCIATION

Innovations in high-potential markets



Elium® resin
carbon fiber filled
Prototype hood



PVDF Kynar®
Separators for batteries



Paladin®
Soil fumigation



Pebax® Rnew
High-range sport equipment



Piezotech
electroactive polymers
Electronics



Rilsan® HT
Under-the-hood parts



Trimaran "Arkema-Région Aquitaine" sponsorship, an illustration of our know-how



ALTUGLAS SHIELDUP®
NANOSTRUCTURED ACRYLIC SHEET

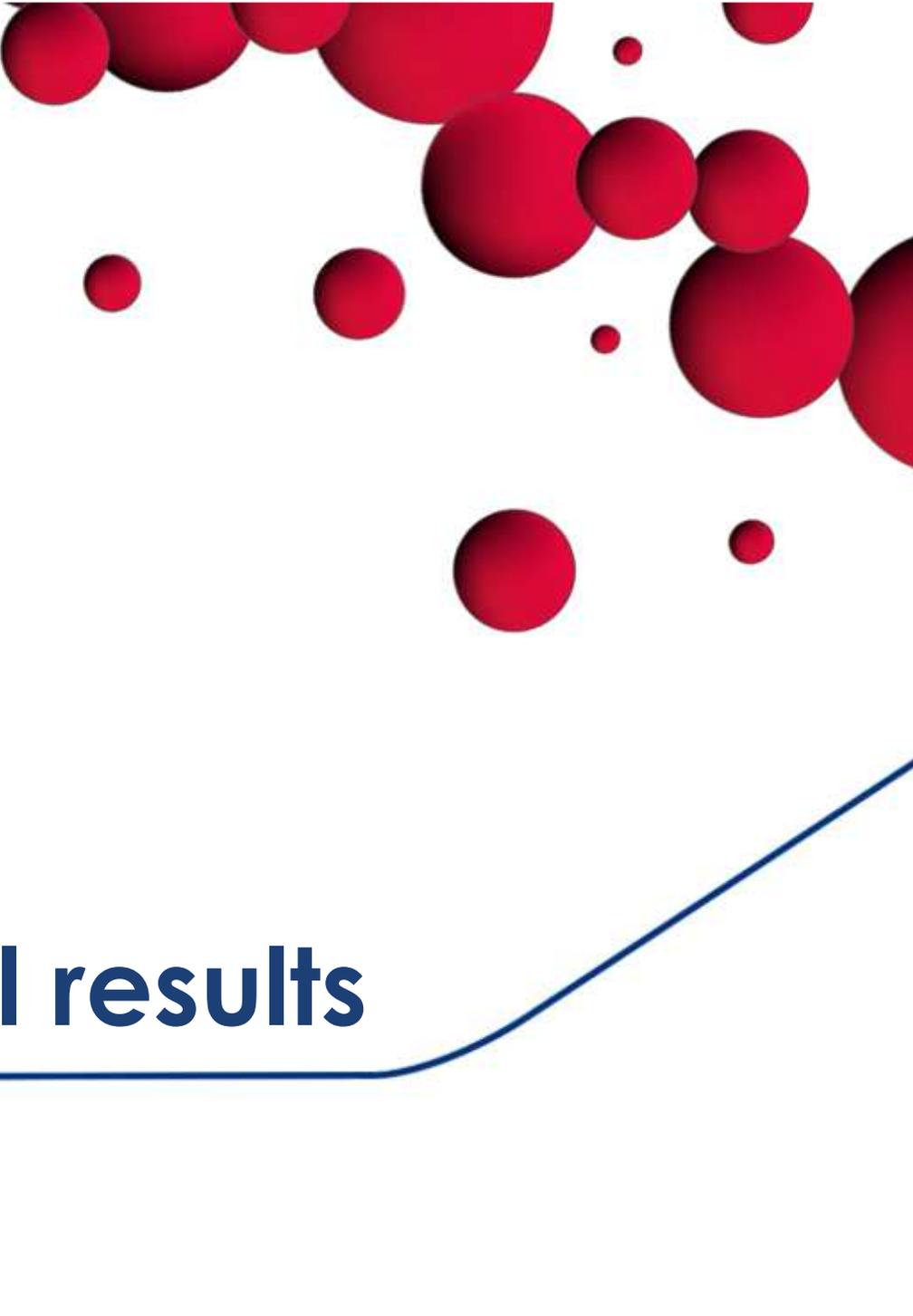
BLACK MAMBA®
ADHESIVE SEALANTS

SAF®
STRUCTURAL ADHESIVES

WITHSTAND
THE ELEMENTS

IMPROVE
WATERTIGHTNESS

OPTIMIZE
CONSTRUCTION
TIME



2

Financial results

2013 key figures



<i>In €m</i>	2012	2013	variation
Sales	6,395	6,098	-4.6 %
EBITDA	996	902	-9.4 %
EBITDA margin	15.6%	14.8%	
Recurring operating income	678	588	-13.3 %
Adjusted net income*	441	368	-16.6 %
Net income (Group share)	220	168	-23.6 %
Adjusted EPS* (in euros)	7.09	5.87	-17.2 %

* For 2012, adjusted net income of continuing operations.

Sales bridge



Sales (€m)

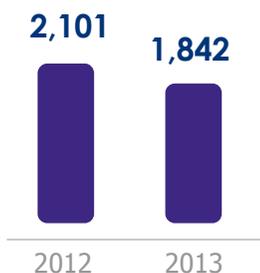


Performance by segment



Sales (€m)

High Performance Materials



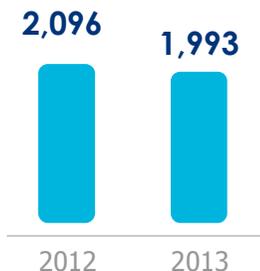
EBITDA (€m)

EBITDA margin (%)



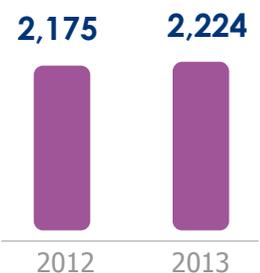
- EBITDA margin maintained at 17.2%
- High basis of comparison in 2012
- Market conditions temporary less favorable in oil & gas and photovoltaic
- Benefit from new developments and positive momentum in Asia

Industrial Specialties



- EBITDA margin at 17.1%, in line with 2016 target
- Stable performance in Thiochemicals and Hydrogen Peroxide despite impact from large turnarounds in Lacq and Jarrie in France
- Challenging market conditions in Fluorogases and PMMA in Europe

Coating Solutions

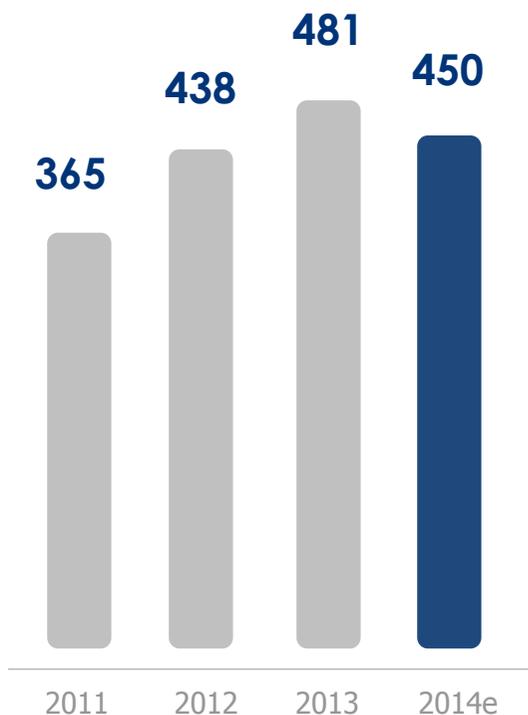


- Continuing improvement of results
- Benefit from organic growth capex, strong presence in North America and innovation in downstream activities
- Reinforce operational excellence of the segment

Targeted growth capex



Capex (€m)



- **2013 recurring capex: €329 m**
 - Growth projects:
 - Acrylic acid at Clear Lake (United States)
 - Coating resins unit in China
 - "Ambition" program to optimize the supply chain
 - Maintenance, safety and environment capex
- **2013 non-recurring capex: €152 m**
 - Thiochemicals platform in Malaysia: Group's largest industrial project
 - Lacq 2014 and electrolysis conversion at Jarrie (Fr): remove risks detailed at spinoff

Financing structure





€923 m

Net debt
(December 31st, 2013)



39%

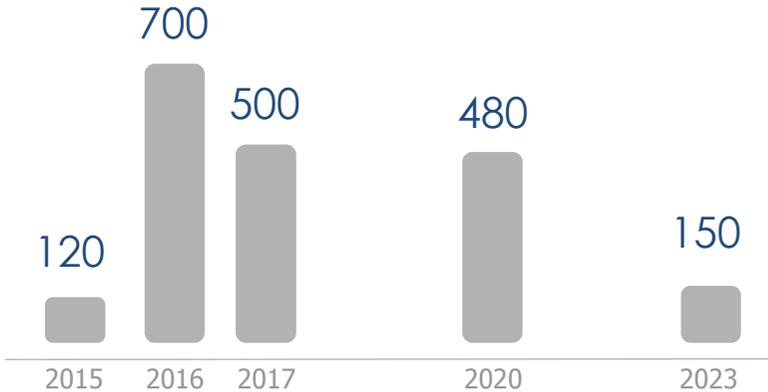
Gearing
(net debt / shareholders'equity)



1.0 x

Net debt / EBITDA

Average maturity > 4 years (€m)



Rating

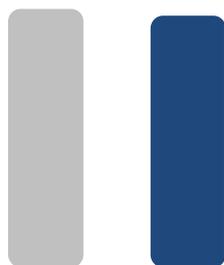
Standard & Poor's	BBB	stable outlook
Moody's	Baa2	stable outlook

First quarter 2014 results



Sales (€m)

1,563 1,523

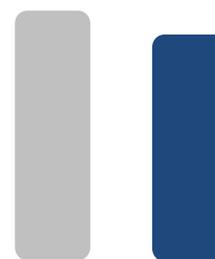


- **+0.7%** at constant scope and FX
- **+3.3% volumes**
- **-2.6% prix** mainly in Fluorogases

1Q'13 1Q'14

EBITDA (€m)

234 213

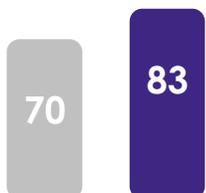


- High basis of comparison in Fluorogases in 1Q'13 (+7% EBITDA excluding Fluorogases)
- **14.0%** EBITDA margin

1Q'13 1Q'14

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

15.6% 17.5%

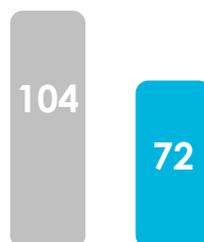


+19% EBITDA supported by strong volumes

1Q'13 1Q'14

High Performance Materials

19.3% 14.5%

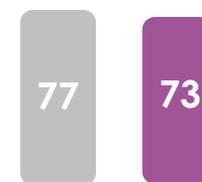


Reflect impact of Fluorogases

1Q'13 1Q'14

Industrial Specialties

13.7% 13.3%



Confirm resilience in a mixed environment

1Q'13 1Q'14

Coating Solutions



- **Assumptions**

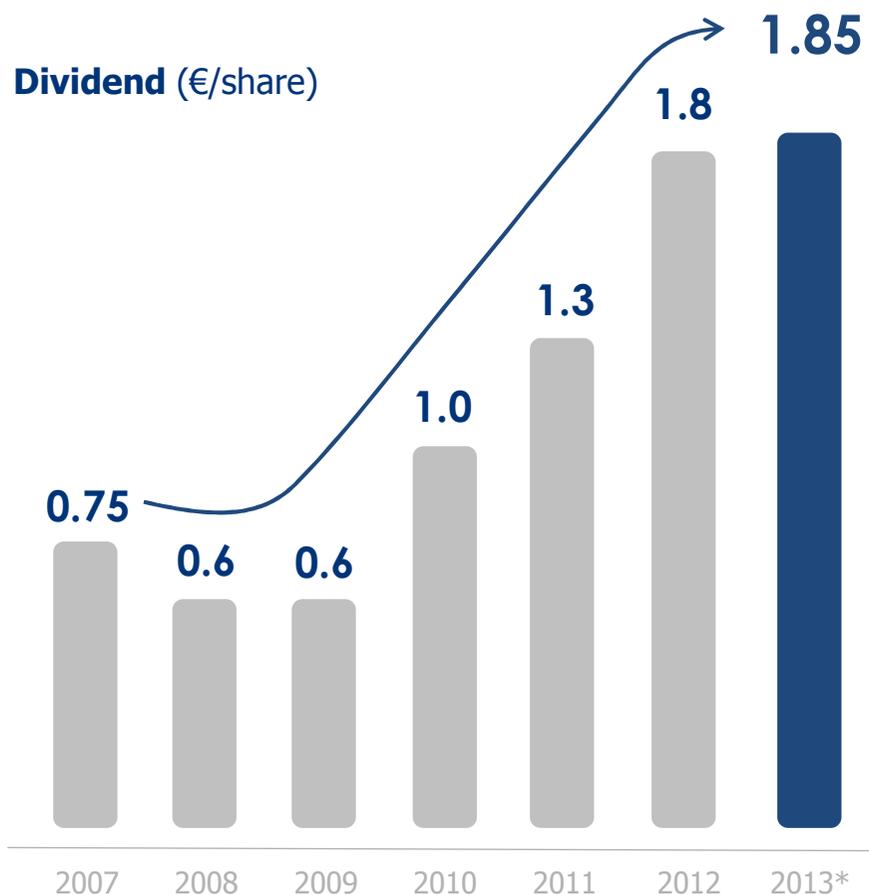
- Moderate worldwide growth with contrasted market conditions by regions
- Stable €/US\$ exchange rate versus 2013 (unchanged assumption despite unfavorable rate in 1Q'14)
- 2nd quarter 2014:
 - 2 very large maintenance turnarounds in Thiochemicals (Beaumont, US) and Technical Polymers (Mont, France)
 - For fluorogases, current market conditions expected to continue, with 2Q'13 being last quarter as high comparison base

- **Top priorities**

- Deliver €40 m structural EBITDA from organic developments
- Execute the €450 m capex plan to fuel future EBITDA growth
- Start up Thiochemicals platform in Malaysia
- Finalize acquisition of Jurong's acrylic assets in China
- Finalize current analyses intended to take, mid-term, profitability of fluorogases back to historical level
- Accelerate R&D programs on composites, bio-sourced polymers and batteries
- Continue to implement productivity initiatives (fixed and variable costs)

- **While cautious about macro, Arkema is confident in its ability to grow EBITDA in 2014. Beyond, Arkema confirms its mid-term targets.**

Dividend



- **32% payout on adjusted net income**
 - Versus 25% payout in 2012
 - In line with target to reach a 30% payout ratio on adjusted net income
- **Reflects confidence in mid-term outlook and solid balance sheet**
- **2.2% dividend yield**
(based on share price at year end)

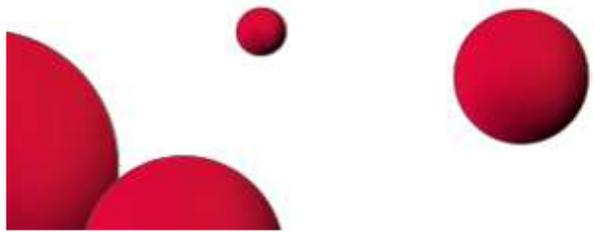
Financial authorizations proposed to Annual General Meeting



- **Share buy-back** (13th resolution)
- **Authorization to increase share capital with preferential subscription rights** (14th resolution)
- **Authorization to increase share capital by way of public offer without preferential subscription rights and with with a priority subscription period** (15th resolution)
- **Authorization to increase share capital by way of private placement without preferential subscription rights** (16th resolution)
- **Greenshoe** (17th resolution)
- **Overall limitation to share capital increases** (18th resolution)

3

Long-term outlook



The right strategy to create significant value long-term



INNOVATION

Leverage a unique R&D and applicative know-how focused on megatrends



BOLT-ON ACQUISITIONS

Reinforce market positions and enhance profile

Customer intimacy

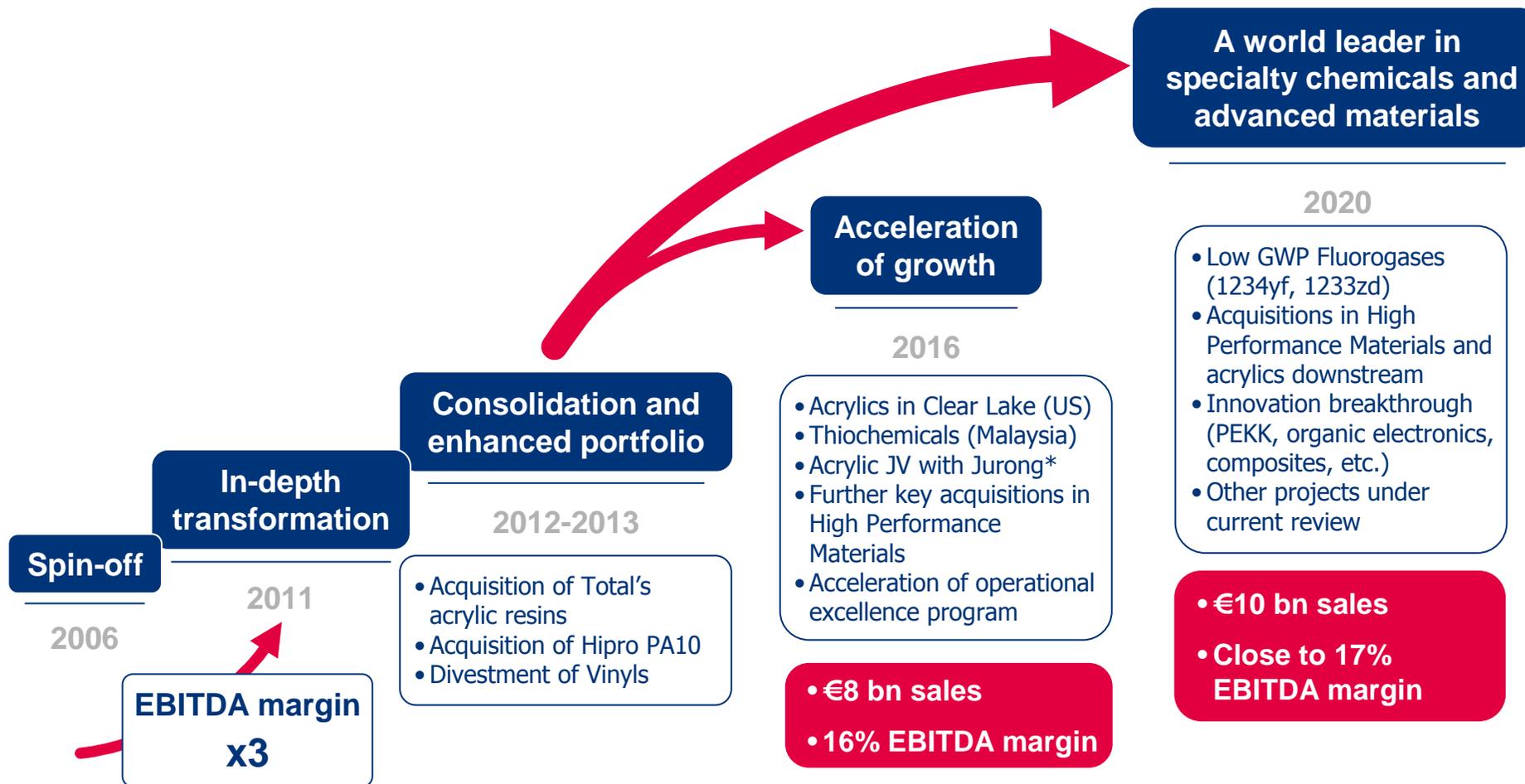
Entrepreneurial culture

Operational excellence

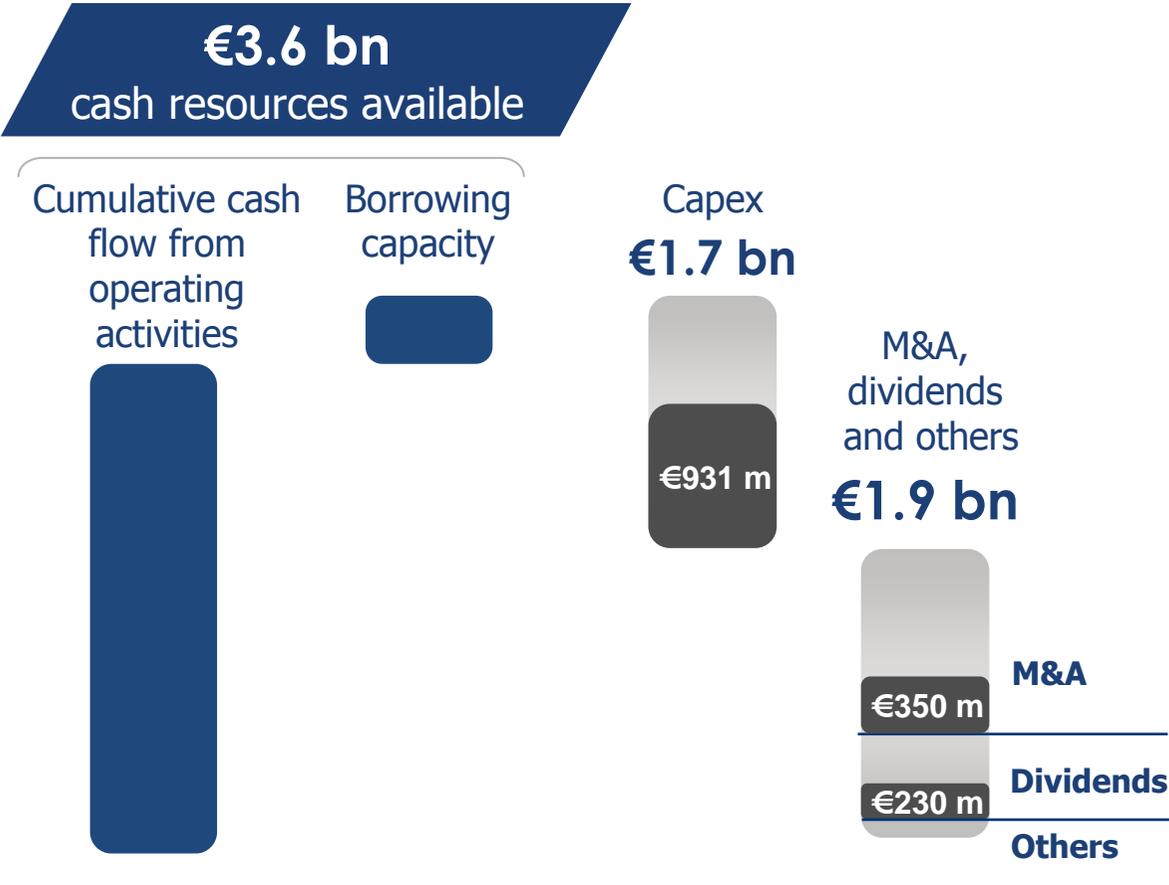
EMERGING COUNTRIES

Towards completely balanced presence

Step-by-step transformation



Cash allocation over 2013-2016



■ Cumulative cash out over 2013 and 2014e.

Unique quality of projects to sustain growth



High Performance Materials

2016 EBITDA
MARGIN TARGET

18%

- **Technical Polymers:**
x3 capacity of Hipro PA10 and PVDF developments
- **Organic Peroxides:**
New unit in Saudi Arabia and capacity doubled in China
- **Innovation pipeline:**
Platforms focused on megatrends
- **Acquisitions:**
Next priority of acquisition plan

Industrial Specialties

2016 EBITDA
MARGIN TARGET

17%

- **Thiochemicals:**
Construction of a platform in Malaysia
- **Fluorogases:**
Project to build production capacities of low-GWP 1234yf fluorinated gas
- **Lightweight materials:**
Altuglas® ShieldUp, thermoplastic resins Elium®

Coating Solutions

2016 EBITDA
MARGIN TARGET

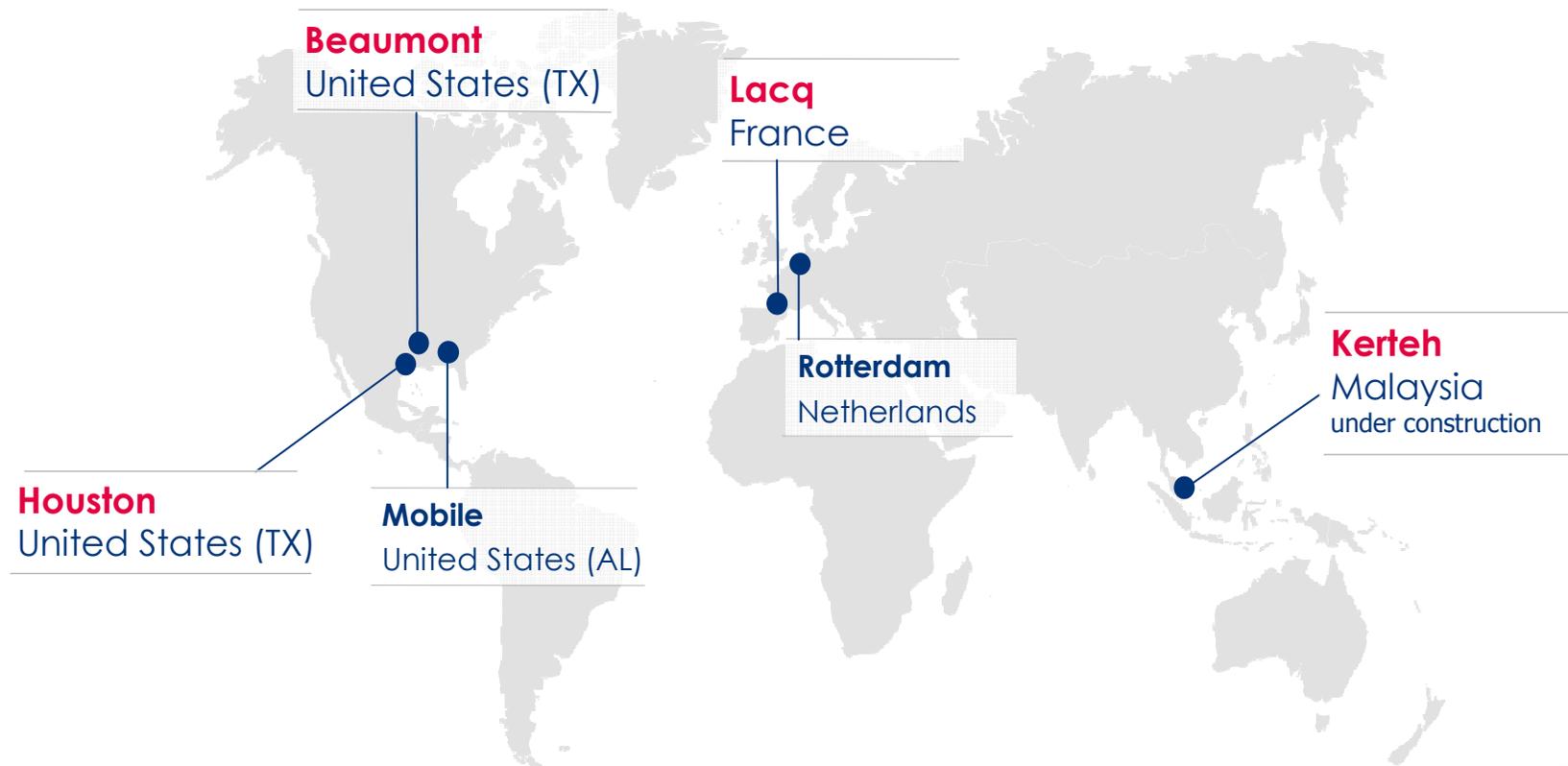
15%

- **Acrylics:**
US\$ 110 m expansion plan in the US
- **Acquisitions:**
Joint venture with Jurong in acrylics* (China)
- **Coating Resins:**
New unit in China
- **Innovation:**
Development of low-VOC coatings
- **Productivity:**
Shutdown of Chauny (Fr)
Coating Resins optimization

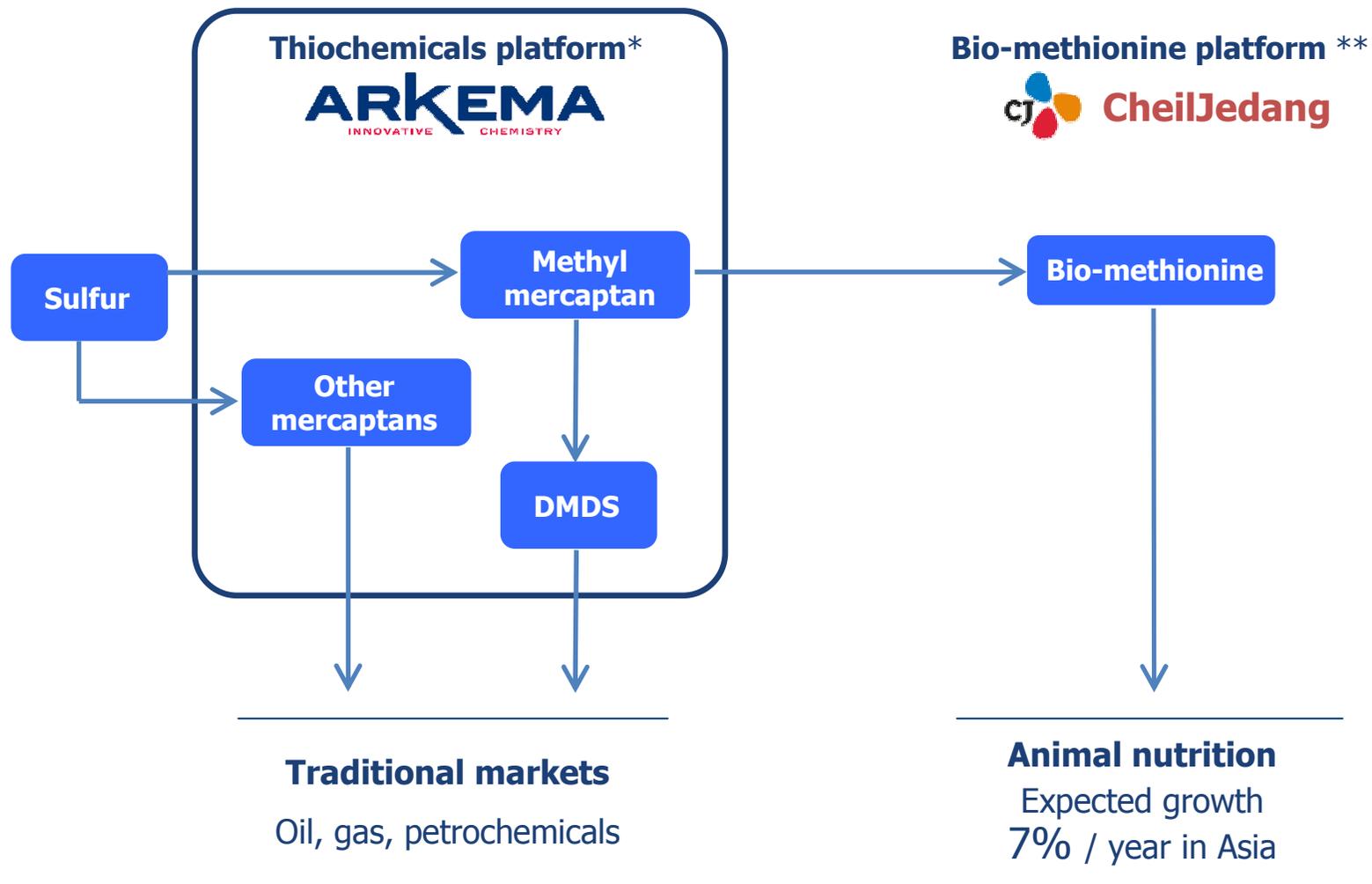
Thiochemicals: reinforce leadership



- **#1 worldwide**
- **9% of Group sales**
- **Strong-growth niche markets:**
 - Oil & gas, animal nutrition
 - Expected growth: +4.5% /year on average over the coming years



Kerteh (Malaysia): a growth platform for Asia



* Joint venture Arkema (86%) / CJ CheilJedang (14%).

** Joint venture CJ CheilJedang (86%) / Arkema (14%).

Progress of the Thiochemicals platform construction project in Malaysia



Launch of the platform project in partnership with CJ CheilJedang

Groundbreaking ceremony



Start-up expected in H2 2014



Strategy in Coating Solutions



- **Step-by-step construction of an integrated segment**
 - Acquisitions: Coatex (2007), assets from Dow (2010), Total resins (2011) and Resicryl (2012)
- **Upstream: securisation of a competitive production base in each region**
 - Capex program in United States (Clear Lake, Bayport), new line in Carling (Fr), etc.
- **Development of downstream integration and specialty acrylic polymers**
 - New units in China: Coating Resins and Coatex



Acquisition projet in acrylics in China



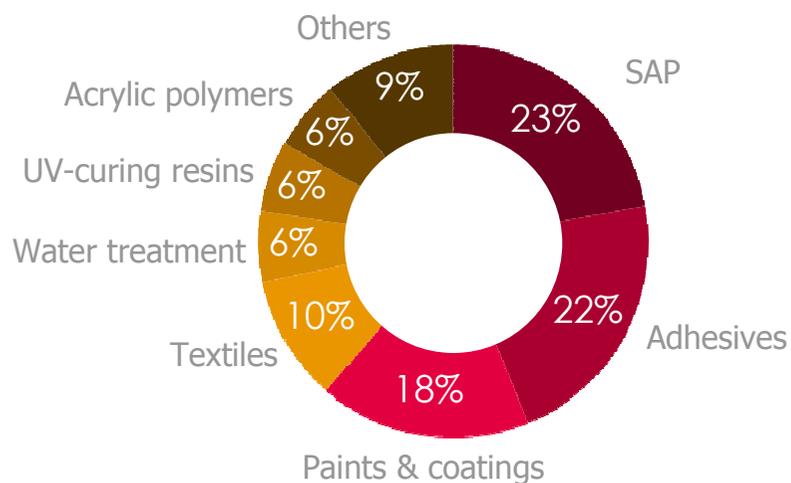
- **Creation of Sunke, JV with Jurong Chemical, the leader in acrylics in China**
 - Modern and competitive site of Taixing started in 2012
 - 2 acrylic acid production lines of 160 kt/year each
 - 3rd line of 160 kt/year under construction
- **Transaction highlights***
 - 1st step (summer 2014): 160 kt/year acrylic acid for US\$ 240 m
 - 1st option: further 160 kt/year after the start-up of the 3rd line for US\$ 235 m
 - Additional option: acquisition within 5 years of the 3rd line (160 kt/year) for US\$ 165 m
 - FY sales contribution of 2 first lines: US\$ 600 m



Asia: 50% of worldwide acrylic acid market



Chinese acrylic acid market: 1.2 mt
(2013e consumption)



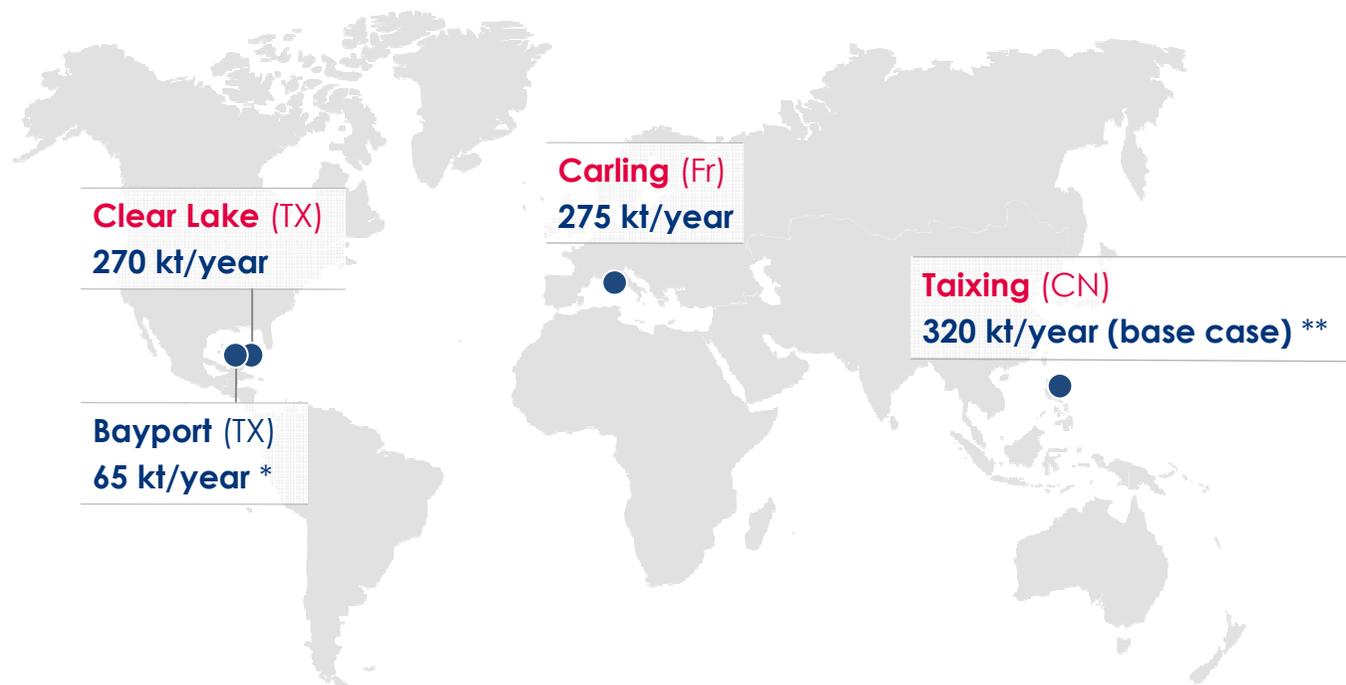
Expected growth
7 to 8 % / year



- **Excellent location of Taixing on the Yangtze**
- **Competitive access to raw materials**
- **Good logistics to supply local and regional customers**
- **Proximity with the Group's other sites**

A unique opportunity

- Accelerate the Group's growth in Asia
- Respond to the strong demand of local customers
- Become #3 worldwide with a balanced geographical footprint
- Accelerate the development of downstream units started in Asia



* Arkema's share of American Acryl NA, 50/50 JV with Nippon Shokubai.

** Option to acquire remaining Jurong Chemical share within 5 years (160 kt/year).

Sustainable growth



5 commitments

- Be a top quartile performer in **safety** in the chemical industry
- Reduce significantly the **environmental footprint** of the Group's activities
- Innovate for **sustainable development**
- Encourage dialogue with **stakeholders**
- Promote the development of Group's **employees**

Safety: 2020 targets

- **Total recordable injury rate** 2.0
- **Peer observation** (% of sites) 100%
- **AIMS*** audited sites (% of audited sites in the last 3 years) 100%

Environment: 2020 targets

(versus 2012)

- **Emissions of greenhouse gases**** - 30%
- **VOC emissions**** - 20%
- **Chemical Oxygen Demand**** - 20%
- **Net purchases of energy** - 1,5% per year on average

* Arkema Integrated Management System encompasses ISO 9001, ISO 14001 and OHSAS 18001 requirements.

** Referring to intensive indicators basis.

Reinforce operational excellence



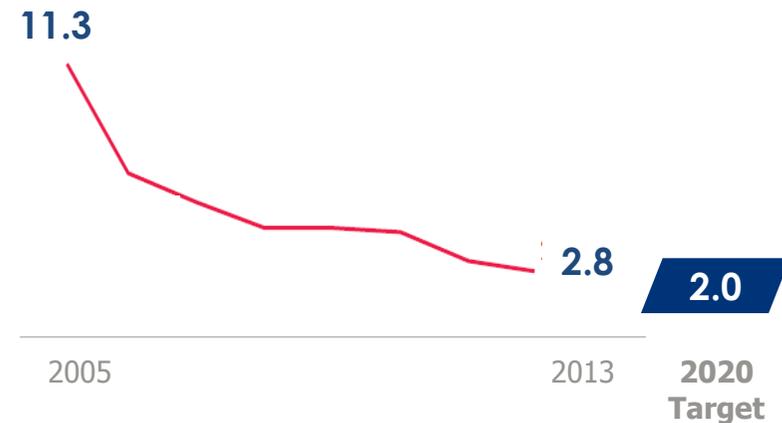
- **4 priority areas**

- Rank among the reference chemical manufacturers in terms of safety and environment
- Position the main production sites in the top quartile in terms of competitiveness
- Improve the quality of the service delivered to customers through an optimized supply chain
- Reinforce the globalization of the goods and services procurement

- **Target: €50 m annual savings by 2016**

- Improvement of energy efficiency
- Optimization of raw material yields
- Globalized procurement

Total recordable injury rate (TRIR)* (with and without lost-time)



Units optimization (Clear Lake)



4 Corporate Governance

The Board of Directors in 2013



- **Composition**

- **11** members
- **9** independent members, i.e. **90%** in accordance of AFEP-MEDEF Code revised in June 2013
- **2** women
- **1** director representing shareholder employees

- **Activity**

- **7** meetings
- Attendance rate: **92%**

- **Committees**



Renewal and appointment of directors



Claire Pedini
5th resolution



Fonds Stratégique de Participations
Represented by Isabelle Boccon-Gibod
6th resolution

*Director representing shareholder employees**



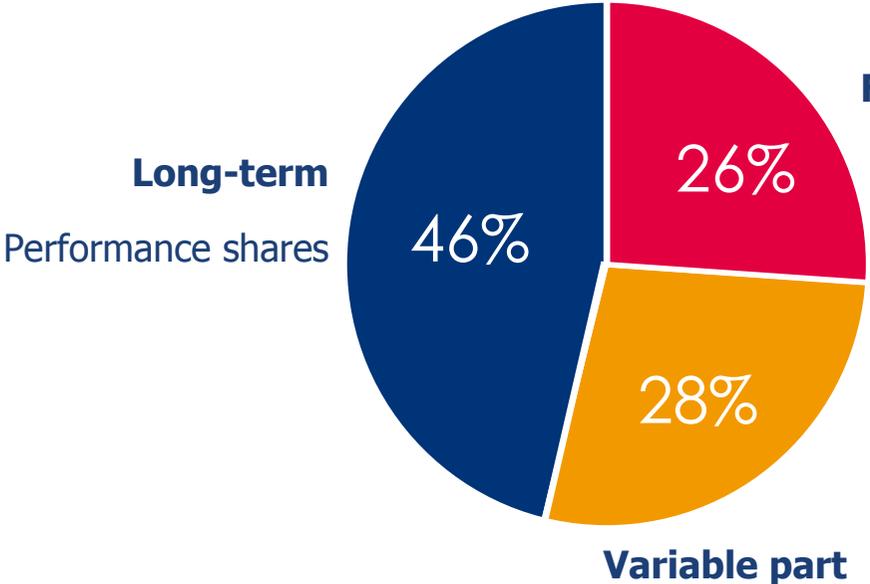
Patrice Bréant
Candidacy proposed by the company mutual fund ('FCPE') Arkema Actionnariat France
7th resolution



Hélène Vaudroz
Candidacy proposed by the company mutual fund ('FCPE') Arkema Actionnariat International
8th resolution

* Only one director can be appointed and only the candidate having received the higher number of votes will be appointed.

Structure of the Chairman and CEO's compensation for 2013



- **Quantitative criteria:** maximum weight of **110%** of the fixed compensation
 - EBITDA: 55%
 - Recurring cash flow: 27.5%
 - Margin on variable costs of new developments: 27.5%
- **Qualitative criteria:** maximum weight of 40% of the fixed compensation
 - Implementation of the Group's long-term strategy
 - Quantified operational criteria (safety, fixed costs, working capital, capex, balance sheet structure)
 - Implementation of major industrial projects

Elements of 2013 compensation submitted to advisory vote (10th resolution)



- **Fixed part**
 - €750,000
 - Unchanged since May 2012 (renewal of term of office as director)
- **Variable part**
 - €800,250 (23% less than in 2012)
 - 106.7% of the fixed compensation
 - Global achievement rate: 71%
 - 63% in respect of the quantitative criteria
 - 93% in respect of the qualitative criteria
- **Performance shares**
 - **26,000 shares** granted in November 2013
 - Allocation subject **in full** to **2 demanding performance criteria**
 - Performance criteria evaluated over a **4-year period**
- **No attendance fees from Arkema company**

Directors' attendance fees



Current attendance fees

- Annual amount of the fees that could be allocated: **€470,000**
- **9** directors
 - No attendance fees for the Chairman and CEO and the director representing shareholder employees
- **Global amount kept unchanged since 2010**
- **Allocation principles unchanged since 2006**
 - Fixed part: €15,000
 - Variable part taking account of the directors' attendance at Board and committee meetings



Proposition to AGM (9th resolution) after a benchmark*

- Annual amount of the fees that could be allocated: **€550,000**
- **10** directors
 - Appointment of the FSP
- Possibility for the Board of Directors to have "exceptional" meetings of a shorter duration
- **Allocation principles**
 - Fixed part: €20,000
 - Increase of variable part for the committees' chairmen

A dynamic employee shareholding policy



- **Purpose of the 19th resolution:
continue a dynamic employee shareholding policy**
 - Plans proposed every 2 years
 - To employees of some 20 countries (95% of Group's employees)
- **4 plans implemented since spin-off in 2006**
- **2014 share capital increase**
 - 6,000 subscribers
 - 491,502 shares subscribed
 - Total amount: €31.5 m



**of Arkema share capital
held by employees*
as of April 23rd, 2014**

Disclaimer



The information disclosed in this document may contain forward-looking statements with respect to the financial condition, results of operations, business and strategy of Arkema. Such statements are based on management's current views and assumptions that could ultimately prove inaccurate and are subject to risk factors such as among others, changes in raw material prices, currency fluctuations, implementation pace of cost-reduction projects and changes in general economic and business conditions.

Arkema does not assume any liability to update such forward-looking statements whether as a result of any new information or any unexpected event or otherwise. Further information on factors which could affect Arkema's financial results is provided in the documents filed with the French Autorité des Marchés Financiers.

Financial information for 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006 and 2005 is extracted from the consolidated financial statements of Arkema. Quarterly financial information is not audited.

The business segment information is presented in accordance with Arkema's internal reporting system used by the management.

The definition of the main performance indicators used can be found in the press release available on www.finance.arkema.com

A global chemical company and France's leading chemicals producer, Arkema is building the future of the chemical industry every day. Deploying a responsible, innovation-based approach, we produce state-of-the-art specialty chemicals that provide customers with practical solutions to such challenges as climate change, access to drinking water, the future of energy, fossil fuel preservation and the need for lighter materials. With operations in more than 40 countries, some 14,000 employees and 10 research centers, Arkema generates annual revenue of €6.1 billion, and holds leadership positions in all its markets with a portfolio of internationally recognized brands.