

A close-up photograph of numerous fiber optic cables, with light reflecting off their surfaces, creating a bokeh effect of bright blue and green spots. The cables are arranged in a dense, overlapping pattern, filling the upper portion of the slide.

Autumn Conference KeplerCheuvreux Paris, 16th September 2015

Thierry Lemonnier, CFO

ARKEMA
INNOVATIVE CHEMISTRY

ARKEMA TODAY



€**7.5** bn*
sales



19,200
employees
worldwide



A presence in
50 countries



137
production sites

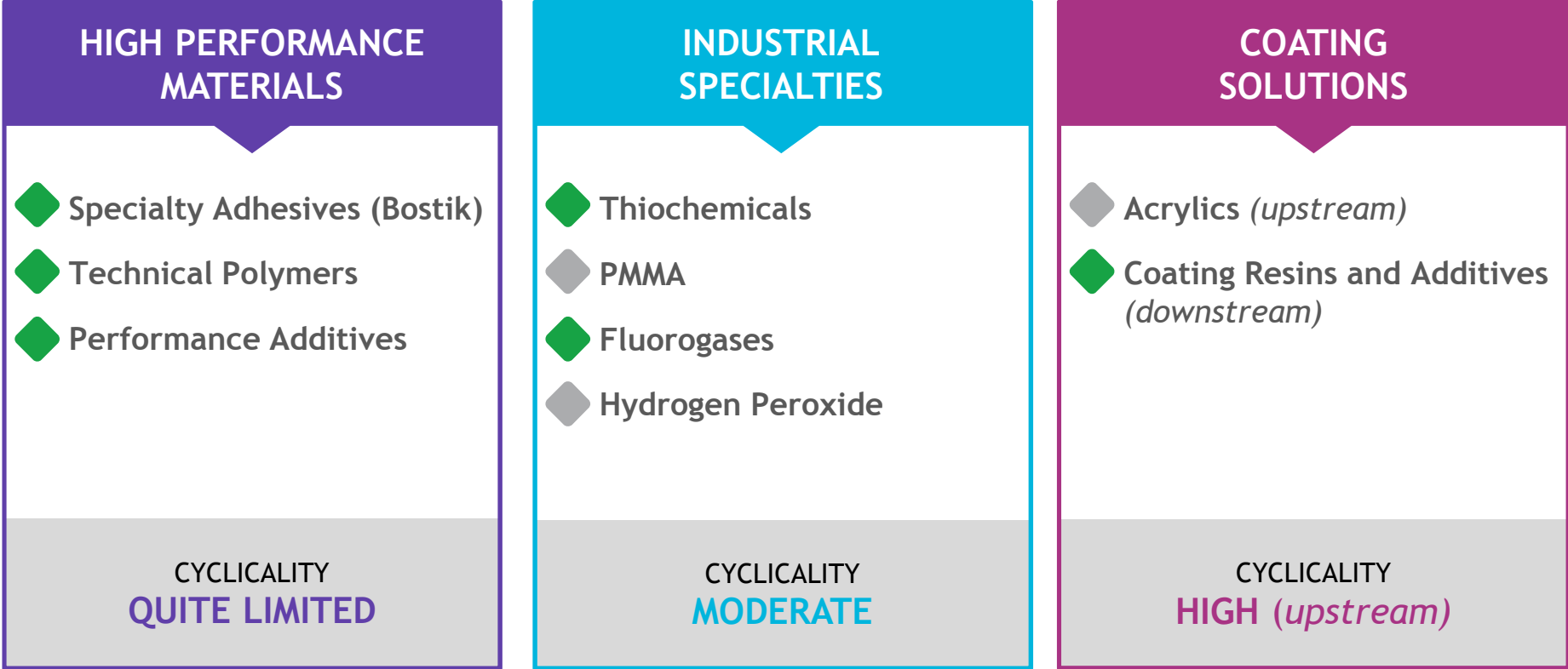


3 R&D
and innovation
geographical
hubs

- ▶ Entrepreneurial culture
- ▶ Strong focus on partnerships and relations with customers
- ▶ Balanced global footprint
- ▶ Competitive world-scale units on 3 continents
- ▶ Technology leaderships
- ▶ Highly skilled and committed management team
- ▶ Strong innovation pipeline
- ▶ Leading positions by segment (#1 to #3 WW)

* 2014 proforma sales including Bostik

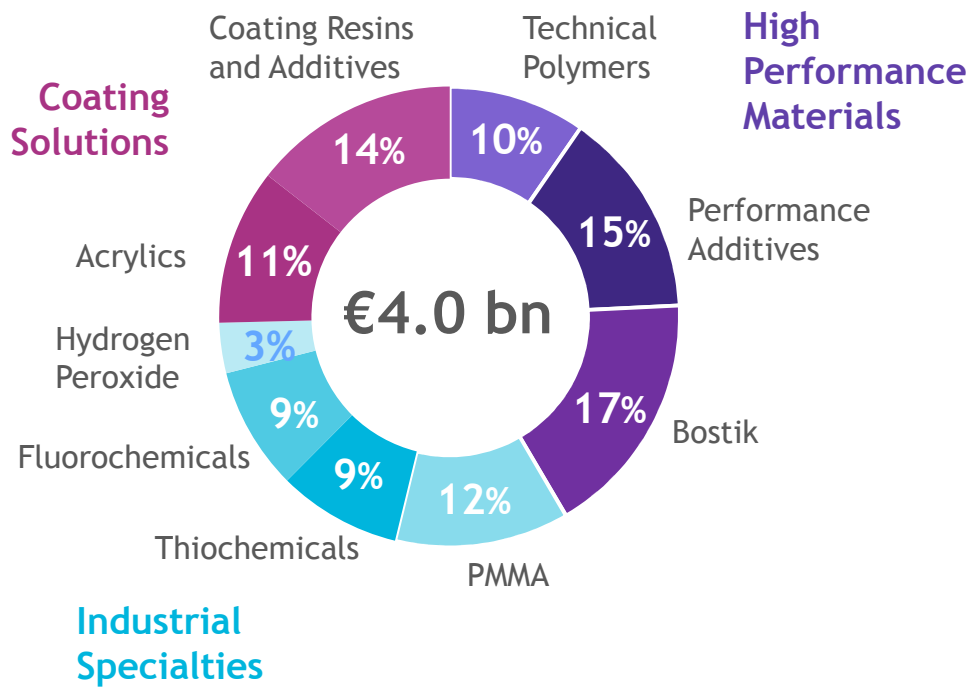
OUR PORTFOLIO



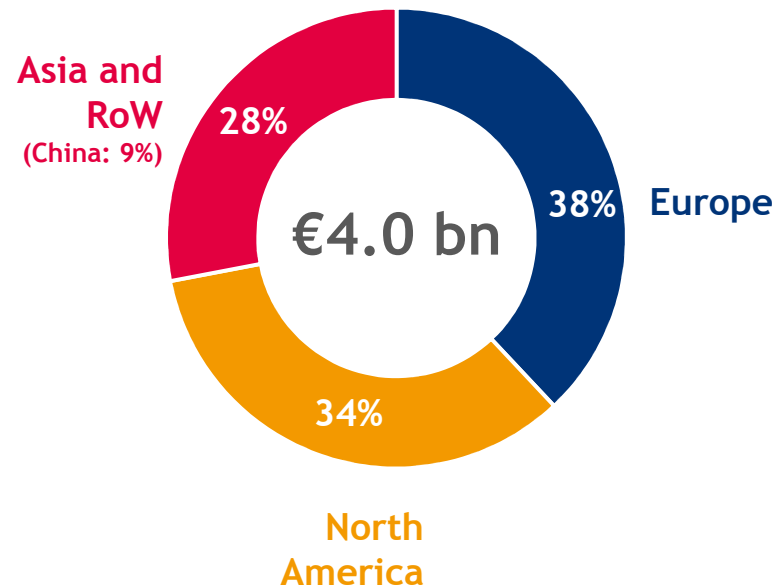
- ◆ Business with growth above GDP attracting more investments
- ◇ Business primarily focused on cash generation

1H'15 SALES BREAKDOWN BY SEGMENT AND REGION

1H'15 sales by segment



1H'15 sales by region



Favorable balance in current market conditions


2Q'15 RESULTS

WHERE WE STAND IN 2Q'15 ON MAIN DRIVERS

| | |
|----------------------------------|--|
| Bostik | <ul style="list-style-type: none"> ▶ Strong performance ▶ Confirm its very promising start within Arkema |
| Thiochemicals in Malaysia | <ul style="list-style-type: none"> ▶ Excellent technical and commercial start-up of the unit ▶ Significant contribution with ramp-up a touch faster than initially planned |
| Acrylics | <ul style="list-style-type: none"> ▶ Continue to be in low-cycle conditions in the continuity of 1Q'15 ▶ Quite limited contribution from Sunke |
| Specialty polyamides | <ul style="list-style-type: none"> ▶ 1H'15 above 1H'14 with good margin % level |
| Fluorogases | <ul style="list-style-type: none"> ▶ Confirmation of gradual improvement of pricing of some gases ▶ Some benefits from productivity initiatives |
| Disposal program | <ul style="list-style-type: none"> ▶ Project to divest Sunclear (€180 m sales, €105 m EV). Information - consultation process of work councils in France finalized |
| Operational excellence | <ul style="list-style-type: none"> ▶ PMMA: project* to shutdown the production of extruded sheets at Bernouville (France) entailing a loss of 38 positions |

* Subject to the information - consultation process of works councils in France

BOSTIK'S HIGHLIGHTS

| | | |
|--|---|---|
| 1H'15 performance (of which 5 months inside Arkema) | <ul style="list-style-type: none">▶ Strong performance which supports decision to acquire Bostik▶ EBITDA of €89 m over 6m'15 (of which 5 months inside Arkema)<ul style="list-style-type: none">• Up +15% versus 6m'14▶ EBITDA margin close to 11% |  |
| Smooth integration | <ul style="list-style-type: none">▶ Highly committed teams▶ Implementation of synergies well on track with short-term focus on cost gains▶ Benefits from synergies to ramp up over next quarters according to plans | |
| Purchase Price Allocation (PPA) impact in 2Q'15* | <ul style="list-style-type: none">▶ €(52) m charges booked in “other income and expenses”<ul style="list-style-type: none">• €(36) m inventory step-up• €(16) m additional depreciation on tangible and intangible assets▶ +€76 m tax profit<ul style="list-style-type: none">• +€60 m deferred tax assets recognized in France• +€16 m reversal of deferred tax liabilities | |

* Provisional accounting

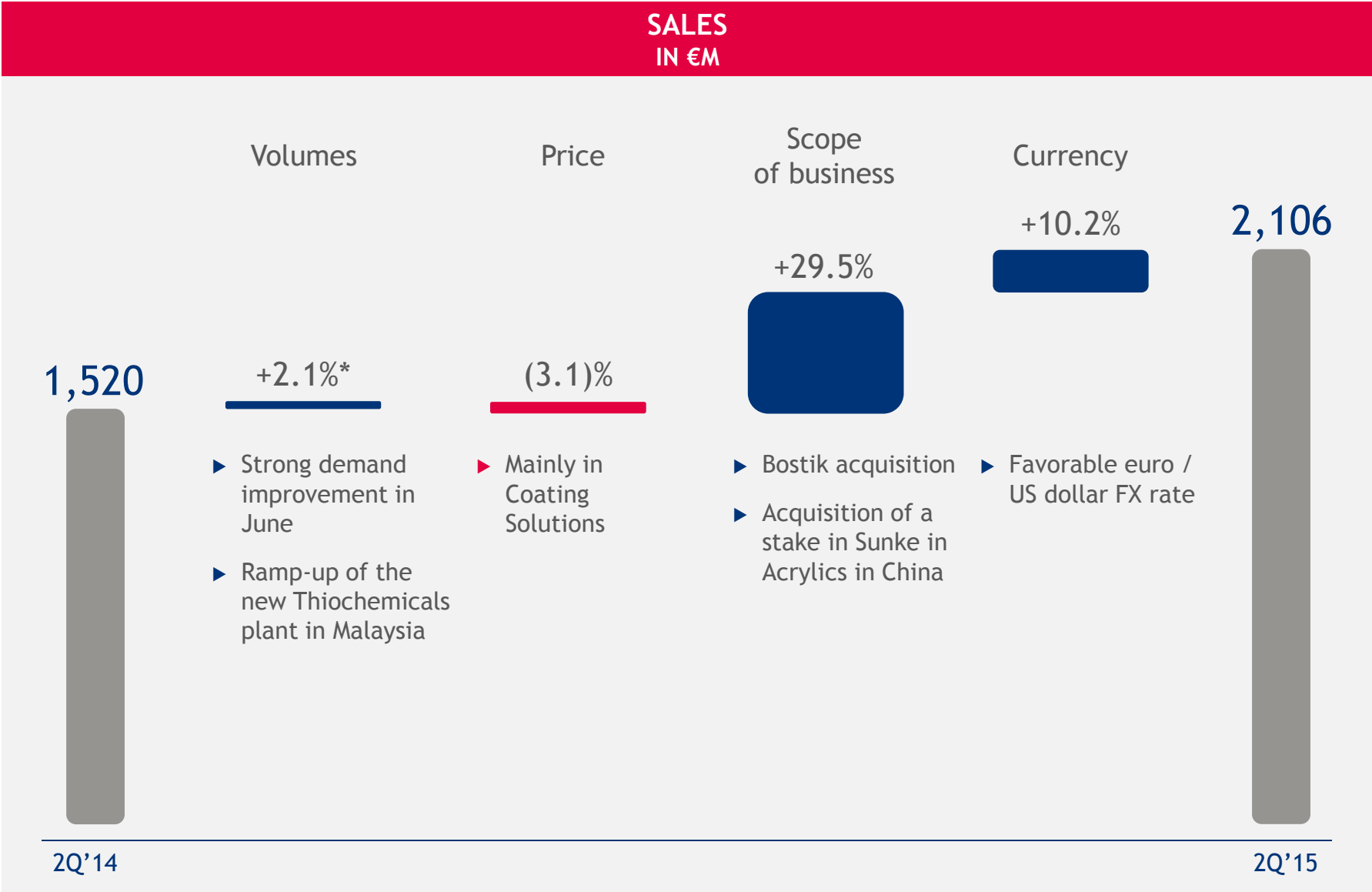
2Q'15 KEY FIGURES

| IN €M (EXCEPT EPS) | 2Q'14* | 2Q'15 | VARIATION |
|----------------------------|--------|-------|-----------|
| Sales | 1,520 | 2,106 | +38.6% |
| EBITDA | 210 | 320 | +52.4% |
| EBITDA margin | 13.8% | 15.2% | |
| Recurring operating income | 130 | 208 | +60.0% |
| Adjusted net income | 72 | 120 | +66.7% |
| Net income (Group share) | 50 | 133 | +166.0% |
| Adjusted EPS** (euro) | 1.09 | 1.65 | +51.4% |

* Restated figures in accordance with IFRIC 21 "Levies"

** For 2014, the adjusted EPS was adjusted to take account of the share capital increase with preferential subscription rights finalized in December 2014

2Q'15 SALES BRIDGE



9 | * Excluding the impact of the shutdown of Chauny (Fr) activity

HIGH PERFORMANCE MATERIALS

2Q'15 KEY FIGURES

| In €m | 2Q'14* | 2Q'15 | variation |
|-----------------------|--------|-------|-----------|
| Sales | 427 | 907 | +112.4% |
| EBITDA | 76 | 149 | +96.1% |
| EBITDA margin | 17.8% | 16.4% | |
| Rec. operating income | 52 | 111 | +113.5% |

2Q'15 SALES DEVELOPMENT

| | |
|----------|--------|
| Volumes | +2.7% |
| Prices | +0.6% |
| Currency | +9.1% |
| Scope | +99.7% |

2Q'15 HIGHLIGHTS

Bostik

- ▶ €418 m sales
- ▶ Performance significantly up YoY supported by successful implementation of strategy

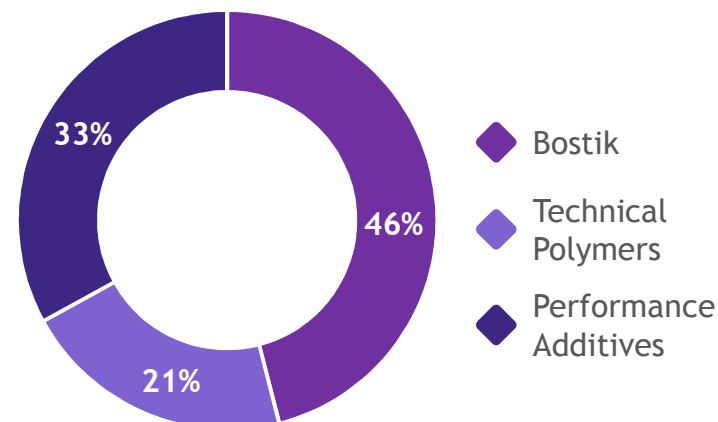
Technical Polymers

- ▶ Improved performance in polyamide 12 vs 2Q'14 which was impacted by a large maintenance turnaround in Mont (France)
- ▶ Benefit from growing applications (batteries, electronics) offsetting lower demand in some oil and gas applications

Performance Additives

- ▶ Good performance supported by specialty molecular sieves for petrochemicals

2Q'15 SALES BY BUSINESS LINE



INDUSTRIAL SPECIALTIES

2Q'15 KEY FIGURES

| In €m | 2Q'14* | 2Q'15 | variation |
|-----------------------|--------|-------|-----------|
| Sales | 583 | 684 | +17.3% |
| EBITDA | 85 | 128 | +50.6% |
| EBITDA margin | 14.6% | 18.7% | |
| Rec. operating income | 52 | 84 | +61.5% |

2Q'15 SALES DEVELOPMENT

| | |
|----------|--------|
| Volumes | +2.3% |
| Prices | +2.9% |
| Currency | +11.2% |
| Scope | +0.9% |

2Q'15 HIGHLIGHTS

Thiochemicals

- ▶ Excellent performance supported by significant contribution from the new platform in Malaysia
- ▶ Ramp-up of Malaysian plant a touch faster than initially planned with strong demand in Asia in the animal nutrition market

Fluorogases

- ▶ Gradual improvement reflecting higher prices of some fluorogases and productivity initiatives

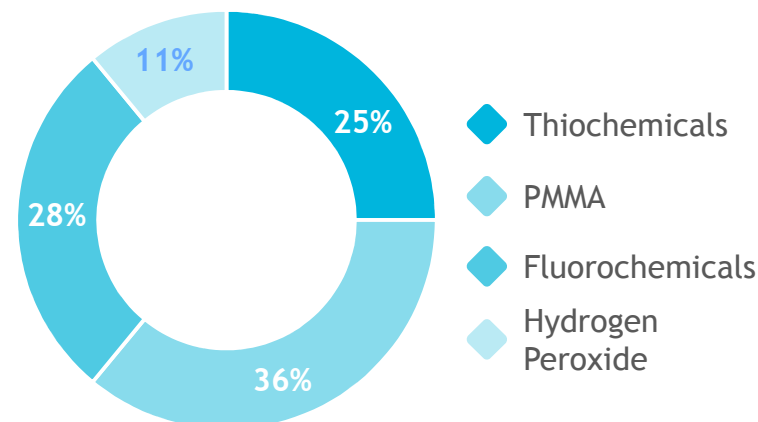
PMMA

- ▶ Very good level of results with continuing favorable environment in MMA

Hydrogen Peroxide

- ▶ Results up YoY with good developments in specialties

2Q'15 SALES BY BUSINESS LINE



COATING SOLUTIONS

2Q'15 KEY FIGURES

| In €m | 2Q'14* | 2Q'15 | variation |
|-----------------------|--------|-------|-----------|
| Sales | 505 | 509 | +0.8% |
| EBITDA | 61 | 61 | - |
| EBITDA margin | 12.1% | 12.0% | |
| Rec. operating income | 39 | 32 | (17.9)% |

2Q'15 SALES DEVELOPMENT

| | |
|----------|---------|
| Volumes | +0.6% |
| Prices | (13.3)% |
| Currency | +10.1% |
| Scope | +3.4% |

2Q'15 HIGHLIGHTS

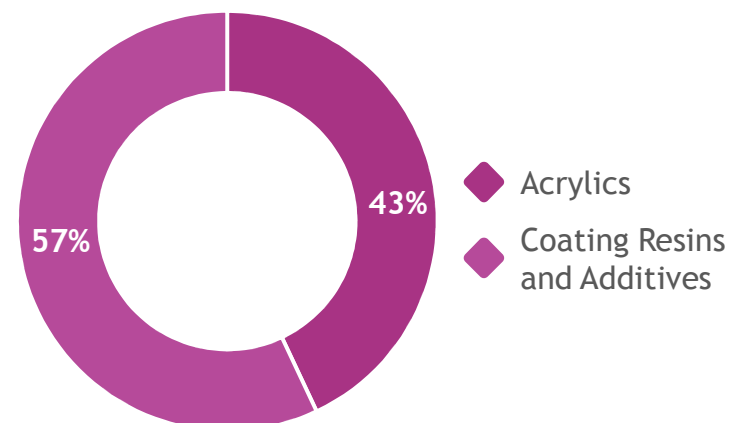
Acrylics (acid + esters)

- ▶ Unit margins at cyclical low
 - Significantly down YoY
 - In the continuity of 1Q'15
 - Expected to remain so throughout 2015
- ▶ Quite limited contribution from Sunke
 - Market situation expected to persist for the remainder of 2015

Coating Resins and Additives

- ▶ Solid performance supported by:
 - New developments at Coatex
 - Actions to improve profitability in coating resins
- ▶ Ongoing soft demand in decorative paints and construction in Europe

2Q'15 SALES BY BUSINESS LINE



2Q'15 CASH FLOW

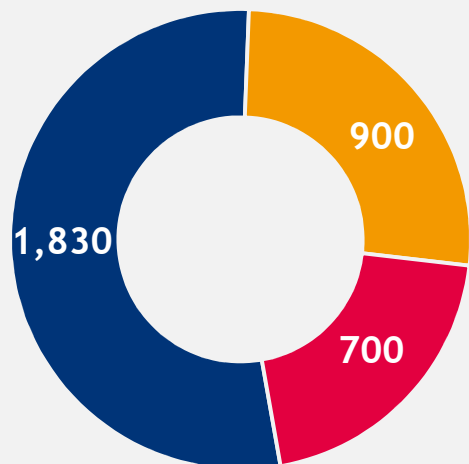
| IN €M | 2Q'15 | |
|--|------------|---|
| EBITDA | 320 | |
| Working capital variation* | (28) | ▶ Excluding €27 m non-recurring items primarily relating to Bostik acquisition |
| Taxes | (63) | ▶ Current taxes excluding impact of Bostik PPA |
| Cost of debt | (22) | |
| Capex** | (86) | ▶ 2015e capex: ~ €450m computed with the 1.25 €/US\$ rate used for the budget. Will need to be adjusted depending on currency variations. A 10-cent variation in €/US\$ implies close to €15m change in capex |
| Others | (5) | |
| RECURRING CASH FLOW | 116 | |
| Non-recurring items in operating and investing cash flow | (11) | ▶ Mainly restructuring expenses |
| FREE CASH FLOW | 105 | |
| Impact of portfolio management | (1) | |
| NET CASH FLOW | 104 | |

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

** Excluding capital expenditure related to M&A

STRONG AND BALANCED FINANCIAL STRUCTURE

€3.4 BN LONG-TERM FINANCING RESOURCES IN €M

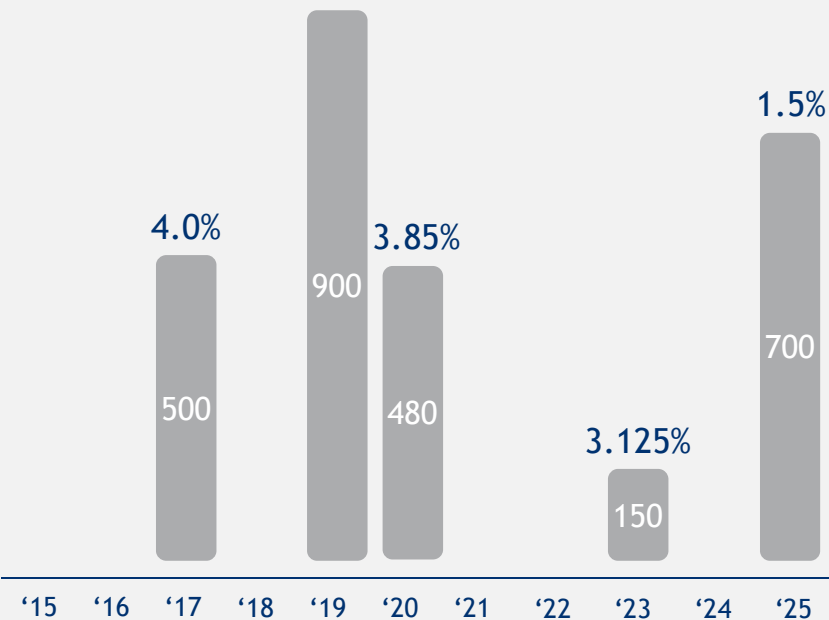


◆ Bonds
 ◆ Credit line
 ◆ Hybrid bond

CURRENT RATING

- ▶ Standard & Poor's: BBB (negative outlook)
- ▶ Moody's: Baa2 (negative outlook)

DEBT MATURITY PROFILE IN €M



- ▶ Debt duration*: 6 years
- ▶ Average interest rate on bonds*: ~3% / year
- ▶ Cash cost of debt: ~€55 m / year
- ▶ Cash cost of hybrid (4.75% / year): ~€33 m / year

* Excluding hybrid bond

2015 OUTLOOK

Macro-economic assumptions

- ▶ Arkema enters 2H'15 with confidence, while remaining cautious on the future development of the global economic environment
- ▶ Market conditions expected to remain volatile and contrasted with different dynamics depending on geographic regions and end-markets
- ▶ Trends in FX rates (mainly US\$/€) expected to remain favorable versus last year, albeit with a more limited benefit in 2H than in 1H
- ▶ Unit margins in acrylic monomers expected to remain at low-cycle levels

2015 main drivers

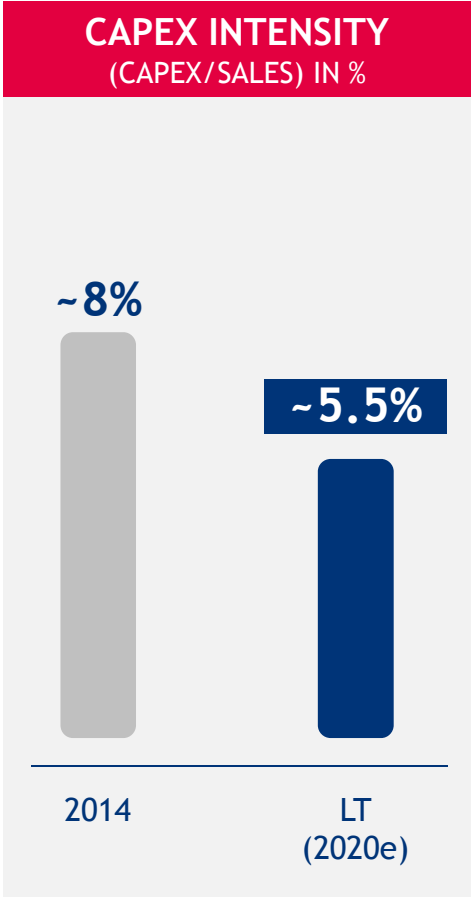
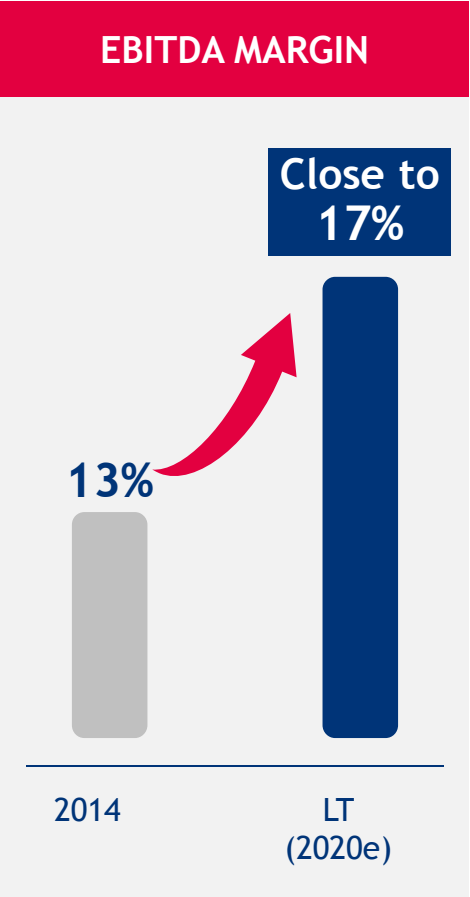
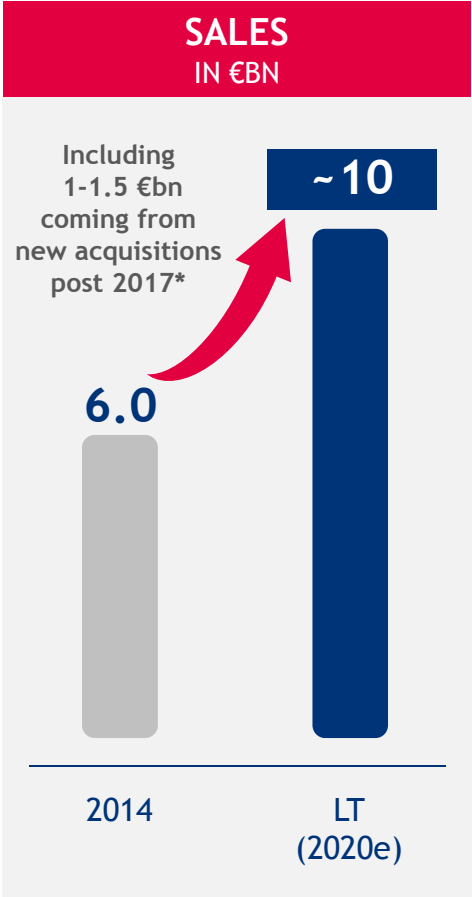
- ▶ Consolidation of Bostik on 11 months
- ▶ Ramp-up of the new Thiochemicals platform in Malaysia
- ▶ Gradual improvement of fluorogas business
- ▶ Operational excellence initiatives to offset part of the inflation on fixed costs
- ▶ Contribution from Sunke should remain well below expectations given current market conditions in acrylics in Asia

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 (including Bostik contribution) in 2015

LONG-TERM AMBITION

ARKEMA
INNOVATIVE CHEMISTRY

OUR LONG-TERM AMBITION



Defined in normalized market conditions (Acrylics in mid-cycle, €/US\$ at 1.15, brent at US\$70/b,...)

Net debt / EBITDA ~1.5x

* Beyond Bostik and Jurong acquisitions

MAIN STRATEGIC DIRECTIONS

1

ACCELERATE GROWTH
OF HIGH PERFORMANCE
MATERIALS

2

SELECTIVE GROWTH IN
INDUSTRIAL SPECIALTIES

3

REINFORCE ACRYLICS
DOWNSTREAM

4

FINALIZE THE FULL
GEOGRAPHICAL
BALANCING

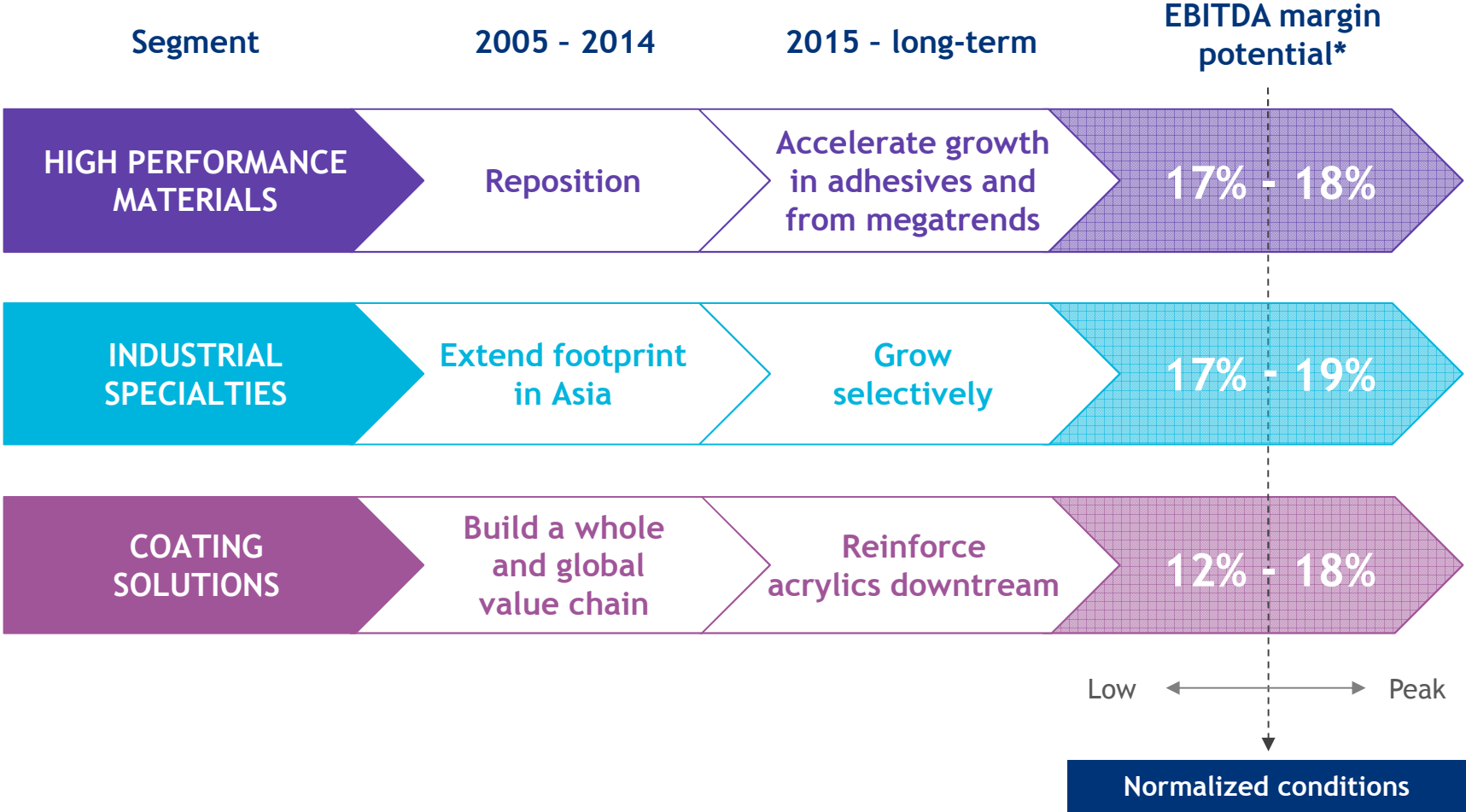
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DISPOSAL OF NON-CORE
ASSETS

6

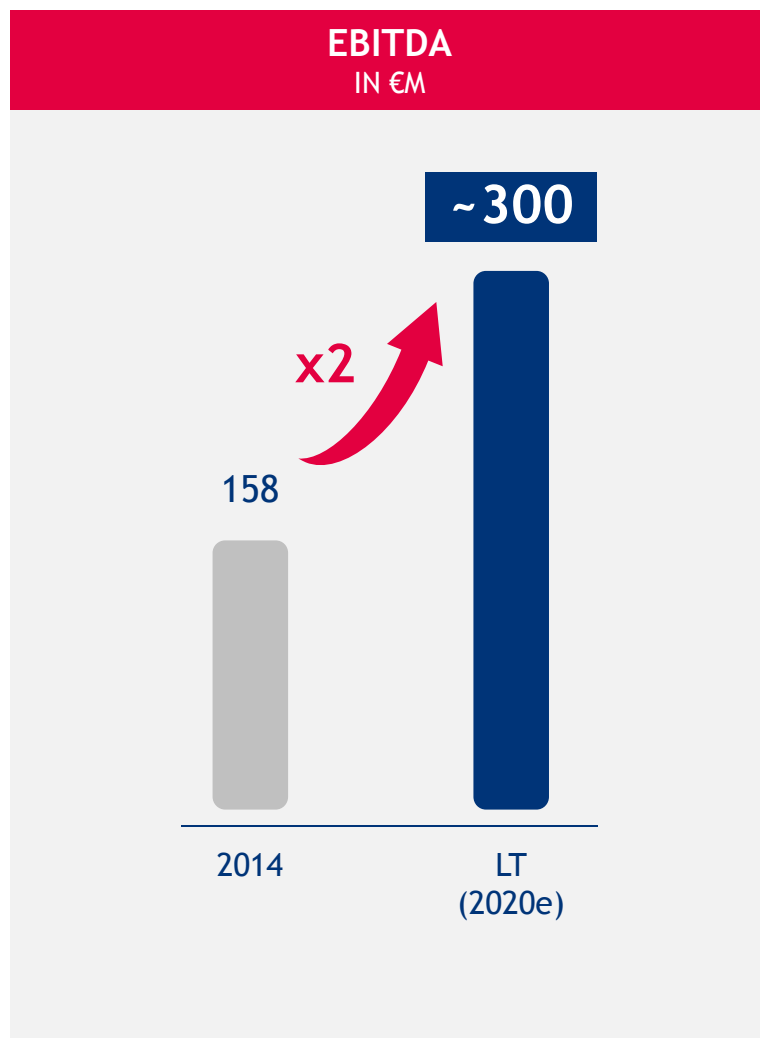
MAINTAIN EMPHASIS
ON OPERATIONAL
EXCELLENCE

A DIFFERENTIATED STRATEGY BY SEGMENT



* Corporate costs = 0.6% of sales to be deducted from sum of the part

A STRONG AMBITION FOR BOSTIK



Smooth integration

- ▶ In a very positive spirit
- ▶ Highly committed teams
- ▶ Synergies well on track with short-term focus on costs
- ▶ Promising start of the year
- ▶ Strict benchmarking of competition

2017 objective confirmed

- ▶ +30% EBITDA versus 2014 (excluding acquisitions)

Long-term ambition broadened

- ▶ 14 to 15% EBITDA margin ambition confirmed
- ▶ x2 EBITDA versus 2014

3 main levers

- ▶ Accelerate implementation of strategy focused on emerging countries, global branding, focused innovation, operational excellence
- ▶ Bolt-on acquisitions
- ▶ Synergies with Arkema in the longer run (acrylics value chain, structural bonding)

SOME MAJOR GROWTH DRIVERS 1/2



THIOCHEMICALS
Kerteh



ACRYLICS
Taixing

COMPOSITE MATERIALS

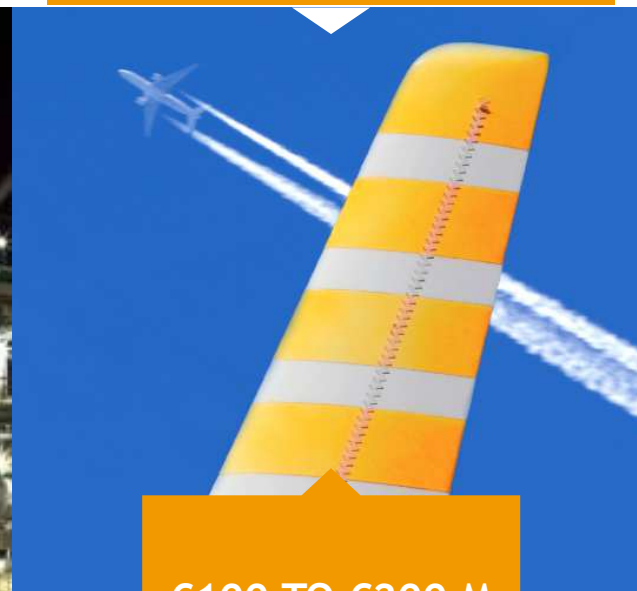


**US\$ 120 M SALES
MID-TERM**

**FURTHER
THOUGHTS
UNDERWAY**



**€70 M EBITDA*
MID-TERM
in mid-cycle
conditions**



**€100 TO €200 M
NEW SALES
LONG-TERM**

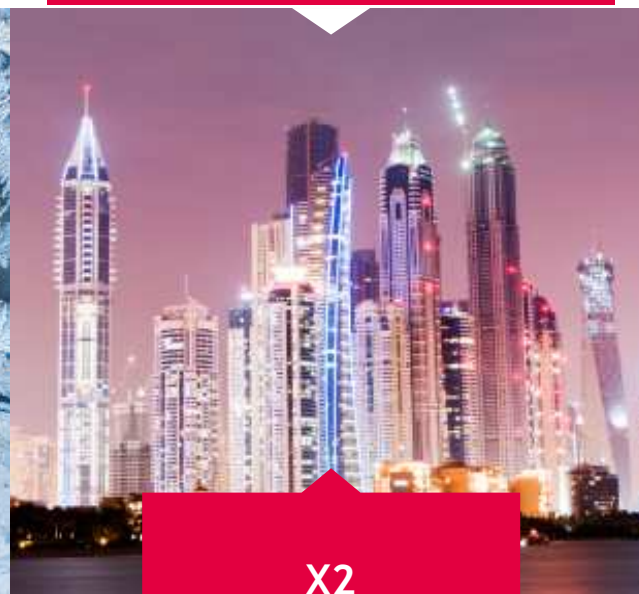
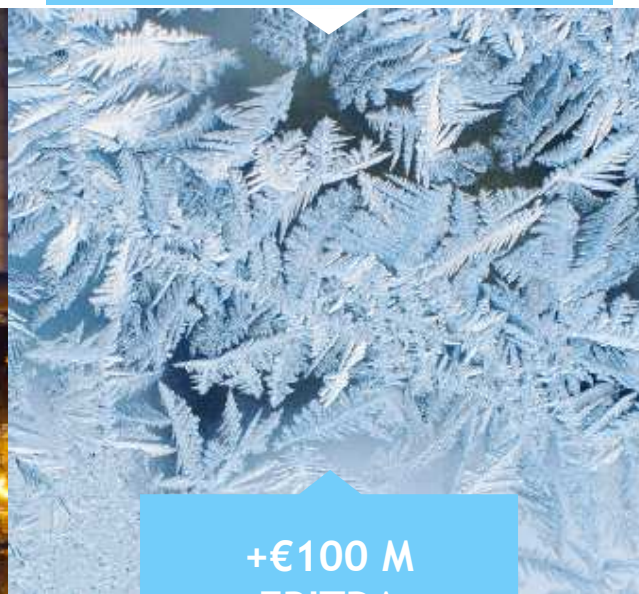
* Subject to the exercise of the option to increase our share in Sunke and access a total production capacity of 320kt of acrylic acid per year

SOME MAJOR GROWTH DRIVERS 2/2

MOLECULAR SIEVES
FOR OIL & GAS

FLUOROGASES
IMPROVEMENT

DEVELOPMENT
IN MIDDLE EAST

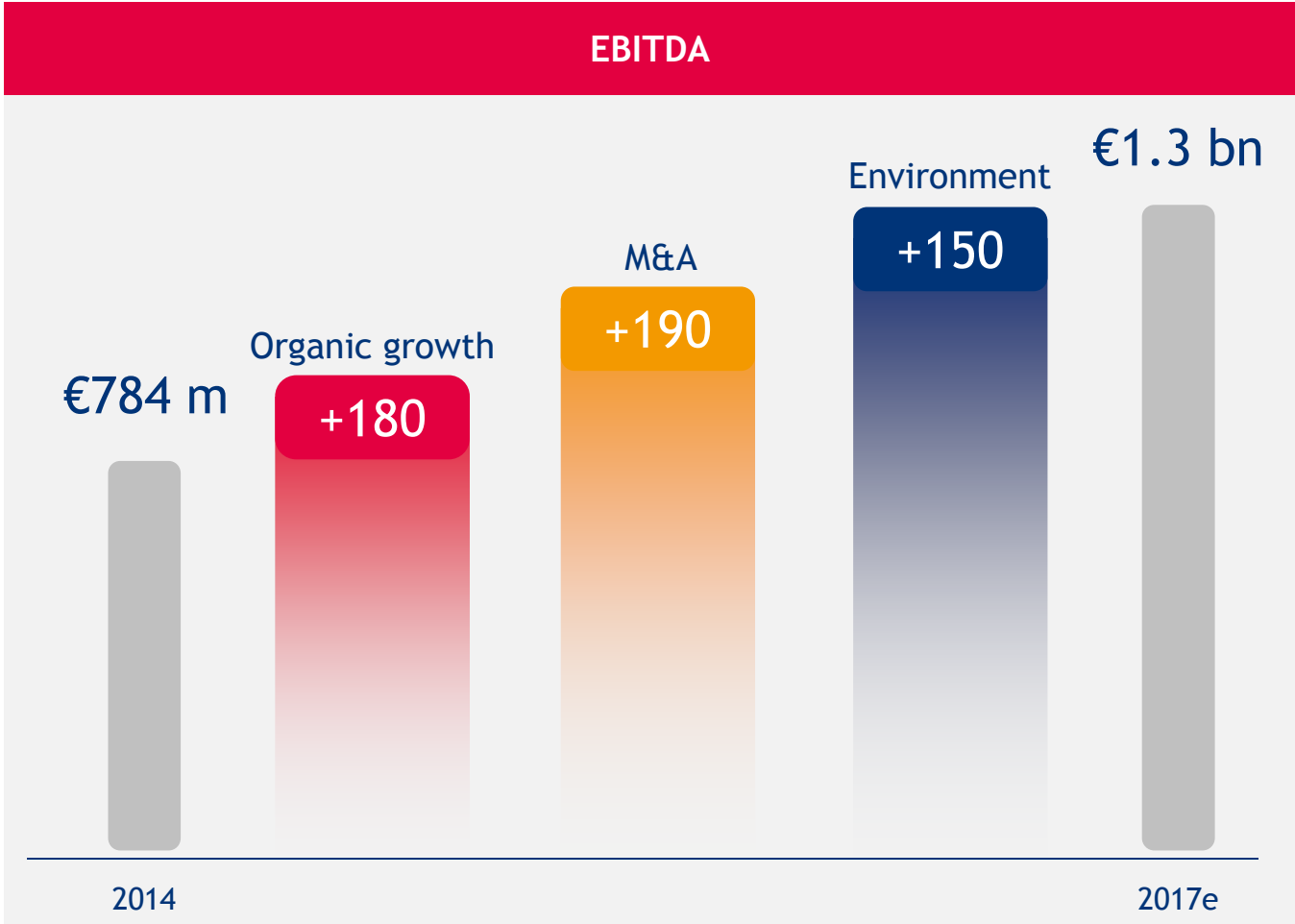


X2
VOLUMES SOLD
MID-TERM
(Honfleur expansion
~€60 m CAPEX)

+€100 M
EBITDA
MID-TERM
(Action plan)

X2
SALES
LONG-TERM

2017 EBITDA OBJECTIVE CONFIRMED



Defined in normalized market conditions (Acrylics in mid-cycle, €/US\$ at 1.15, brent at US\$70/b,...)

Gearing at ~40%

MAIN ELEMENTS SUPPORTING 2017 OBJECTIVE

ORGANIC GROWTH

MAIN DRIVERS

- ▶ Thiochemicals in Malaysia
- ▶ Bostik growth: +€50 m
- ▶ Internal measures in Fluorogases: +€40 m
- ▶ O&G in filtration and adsorption
- ▶ Acrylics in the US

OTHER DRIVERS

- ▶ Other organic
 - ▶ Operational excellence gains
 - ▶ Inflation on fixed costs
- ⇒ 3 elements offsetting each other

M&A

ACQUISITIONS

- ▶ Bostik (initial €158 m)
- ▶ 1st step of Sunke acquisition
- ▶ 2nd step of Sunke acquisition
with Sunke contribution defined in mid-cycle conditions

DIVESTMENTS

- ▶ €700 m sales to be divested
- ▶ Project to divest Sunclear in PMMA (€180 m sales)*

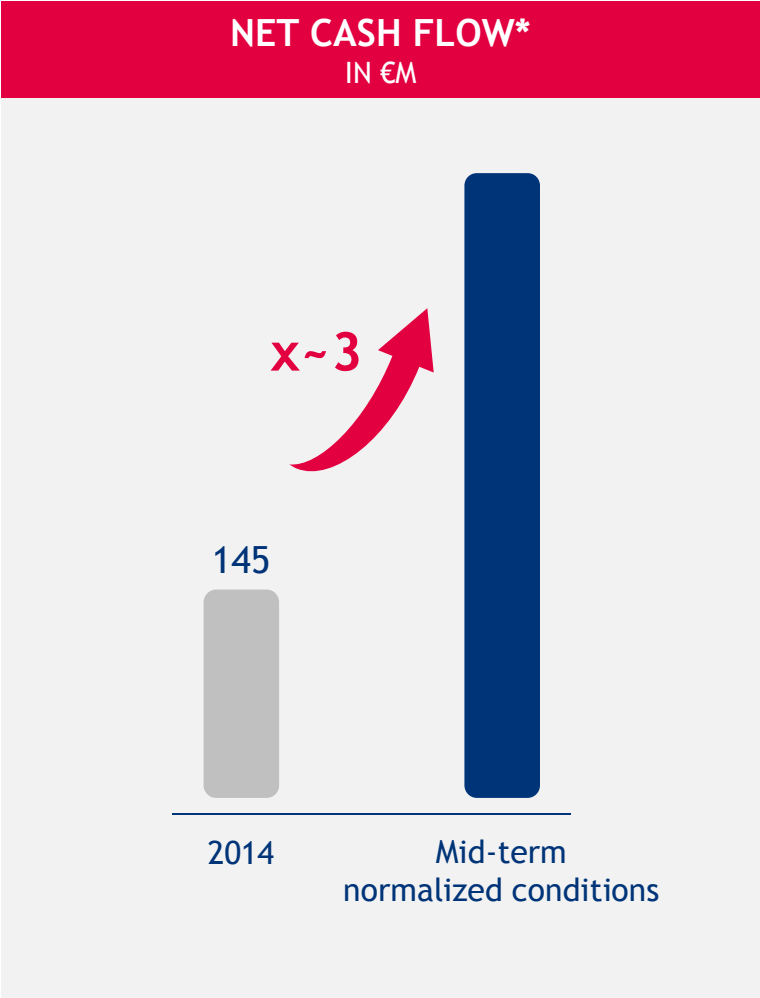
EXTERNAL ENVIRONMENT

NORMALIZED

- ▶ Acrylics in mid-cycle
(currently low-cycle)
- ▶ Fluorogases: +€40 m from better pricing environment
(currently gradually improving)
- ▶ FX rate: €/US\$ at 1.15
(currently ~1.12)
- ▶ PMMA: normalization of market conditions
(currently close to high-cycle)
- ▶ Brent: US\$70/b
(currently ~US\$64/b)

* Subject to the information - consultation process of works councils in France

IMPROVE CASH FLOW GENERATION



Increase cash conversion of EBITDA for the medium term from ~25% on average to 35%**

- ▶ Based on EBITDA progression according to Group’s ambition
- ▶ Cost of debt ~3% / year
- ▶ Tax ~30% of REBIT
- ▶ Other elements ~€(35) m/ year
- ▶ Working capital ~15% of sales
- ▶ Capex ~5.5% of sales

* Net cash flow excluding M&A, exceptional capex (such as Kerteh), dividend and cost of hybrid
 ** Net cash flow / EBITDA

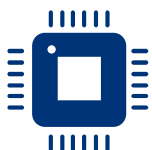
OPERATIONAL EXCELLENCE

TARGET: €100 M GAINS IN 2017 VERSUS 2014

PRIORITIES



SAFETY / ENVIRONMENT



TECHNOLOGY LEADERSHIP

- ▶ Process innovation
- ▶ New projects management



MANUFACTURING EXCELLENCE

- ▶ Competitiveness
- ▶ Reliability



NEW GLOBAL SUPPLY CHAIN INFORMATION SYSTEM

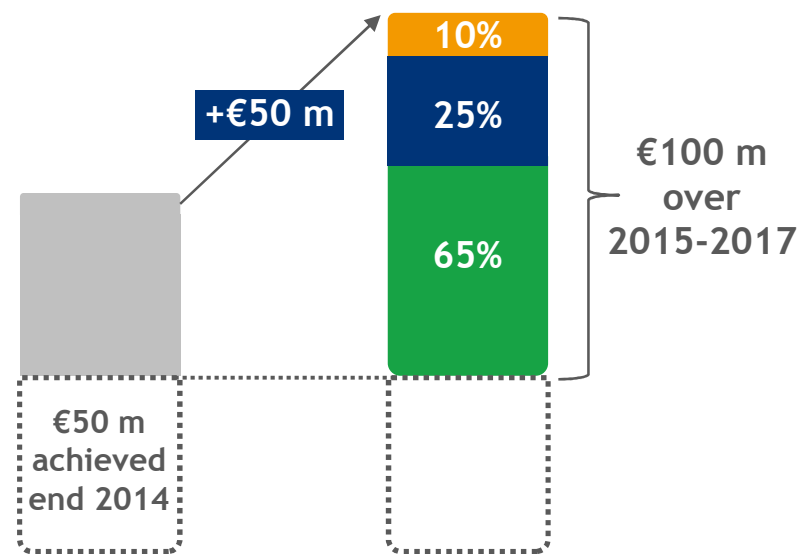


PEOPLE QUALITY AND ENGAGEMENT

NEW PLAN

Previous plan
2013-2017
€100 m

New plan
2013-2017
€150 m



◆ Competitiveness*

◆ Goods & Services procurement

◆ Variable costs: yield, energy savings, etc.

* Excluding competitiveness actions in Fluorogases

PORTFOLIO OPTIMIZATION

ACQUISITIONS

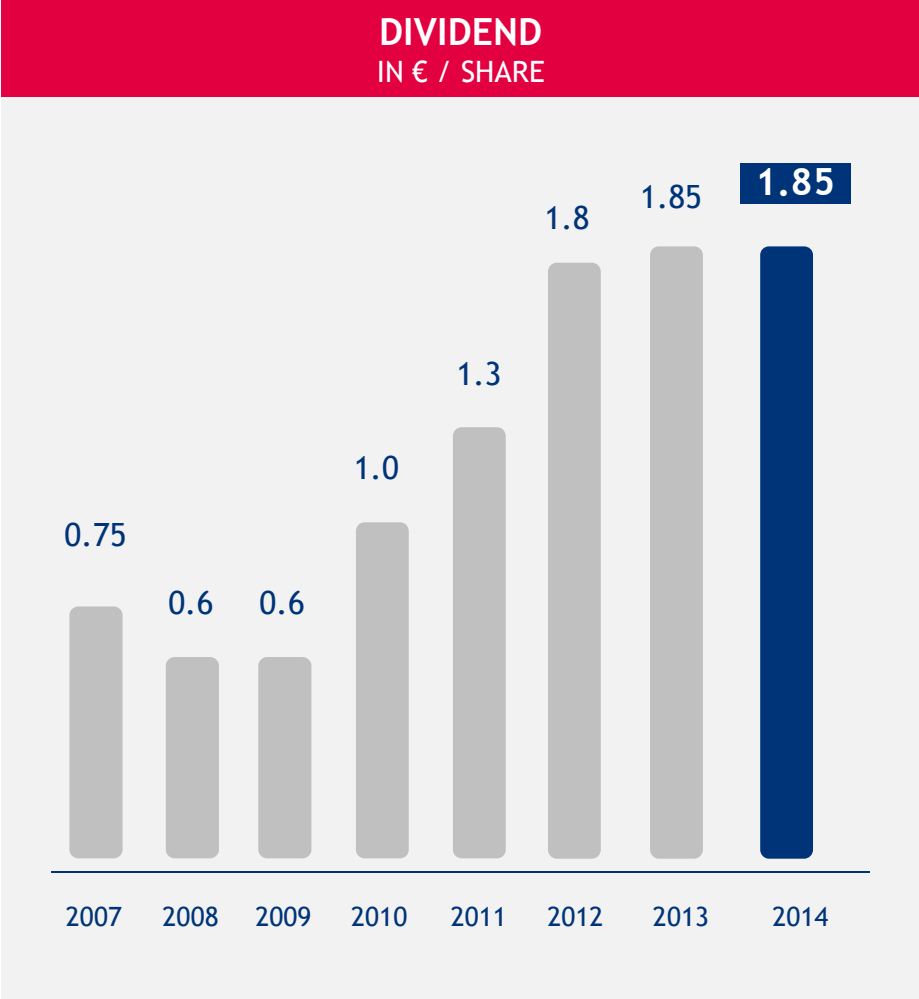
- ▶ 2015-2016
 - Integrate and ramp up Bostik and Sunke
 - Small bolt-on acquisitions such as Oxido
- ▶ January 2016: decision to exercise the option to increase share in Sunke (base case)
- ▶ 2020 target: bolt-on acquisitions representing a total of €1 bn to €1.5 bn sales post 2017
- ▶ 3 priorities to reinforce portfolio
 - Engineering plastics
 - Adhesives
 - Acrylics downstream
- ▶ Permanent benchmark with organic growth projects

DIVESTMENTS

- ▶ Target to divest €700 m sales of non-core activities between 2015 and 2017
- ▶ First step: project to divest Sunclear* (€180 m sales of PMMA distribution)
- ▶ ~€500 m sales remaining

* Subject to the information - consultation process of works councils in France

DIVIDEND GROWTH SUPPORTED BY PROFIT DEVELOPMENT



The dividend has grown at 14% per year on average since 2007

Arkema has delivered its objective of reaching a 30% payout ratio. The Group aims at maintaining this level on average for the coming years and at paying a stable to growing dividend each year.

A key element of shareholder return

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 material 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. These risk factors are further developed in the reference document.

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 2015, 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 reference document filed with the French *Autorité des Marchés Financiers* and available on www.finance.arkema.com