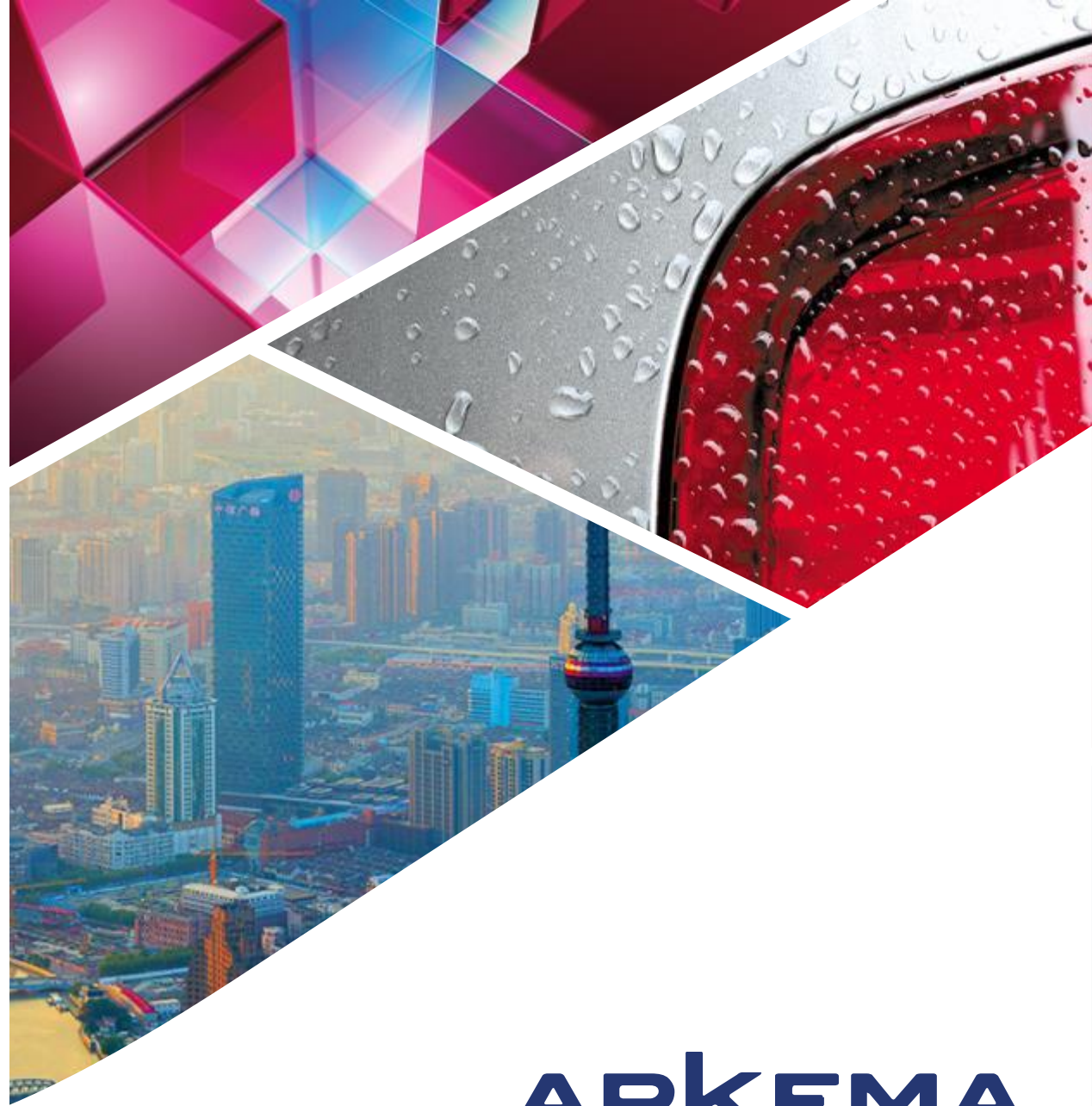


FULL YEAR 2016 RESULTS AND OUTLOOK

THIERRY LE HENAFF
CHAIRMAN AND CEO



ARKEMA
INNOVATIVE CHEMISTRY



A STRONG GROUP'S PROFILE

ARKEMA
INNOVATIVE CHEMISTRY

ARKEMA'S INVESTMENT HIGHLIGHTS

1



ATTRACTIVE PORTFOLIO
OF SPECIALTY BUSINESSES

2



WELL BALANCED
GEOGRAPHIC
PRESENCE

3



SUPERIOR
CASH GENERATION

4



STRONG TRACK RECORD
OF THE MANAGEMENT

5



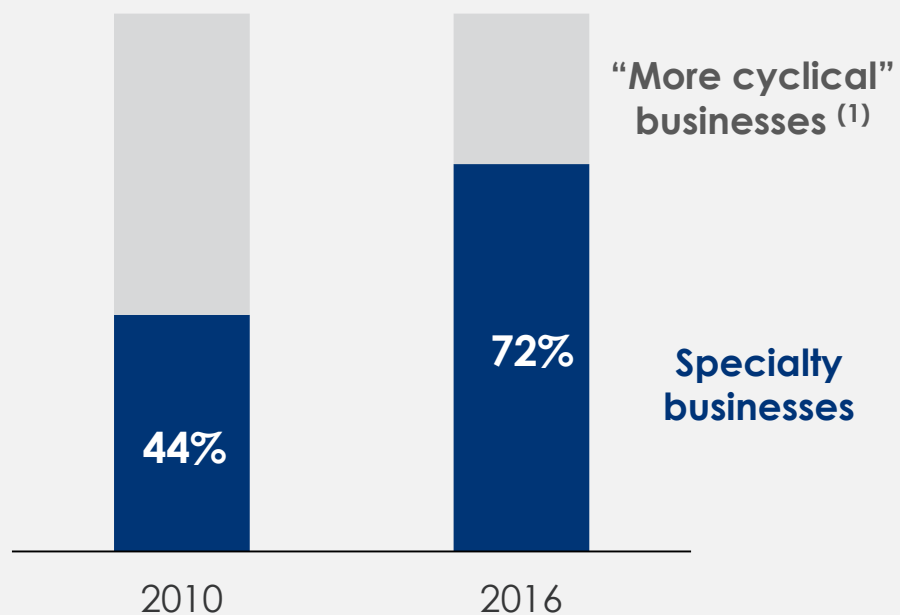
OPERATIONAL FOUNDATIONS
AND LONG TERM CATALYSTS
WELL IN PLACE

 Perfectly positioned to further create value in the future

SIGNIFICANT STEP-UP IN GROUP'S PROFILE

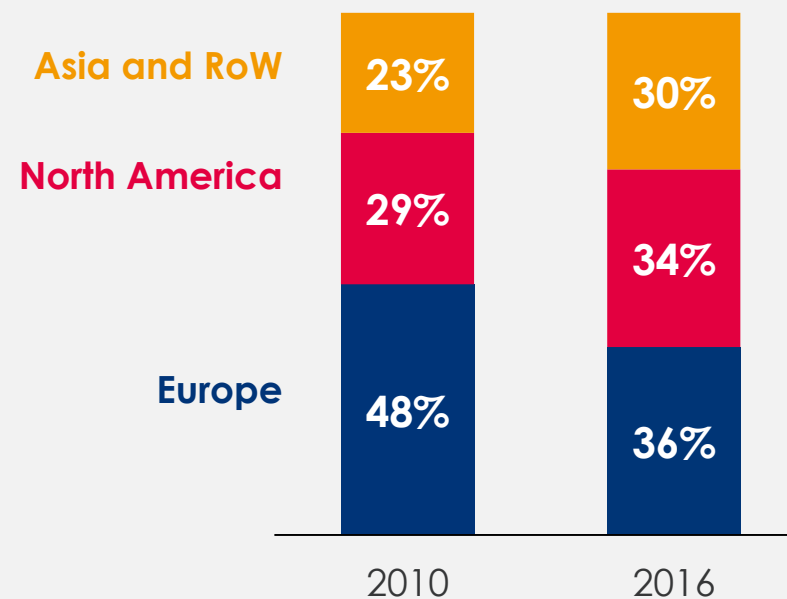
SIGNIFICANT SHARE OF SPECIALTIES

% of sales



GEOGRAPHICALLY REBALANCED

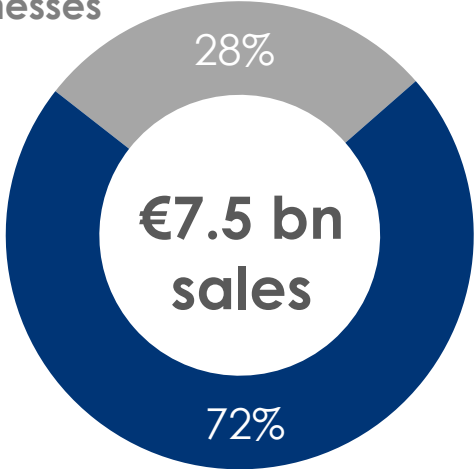
% of sales



(1) Fluorogases, Acrylics, PMMA

STRONG AND RESILIENT PROFITABILITY OF SPECIALTY BUSINESSES

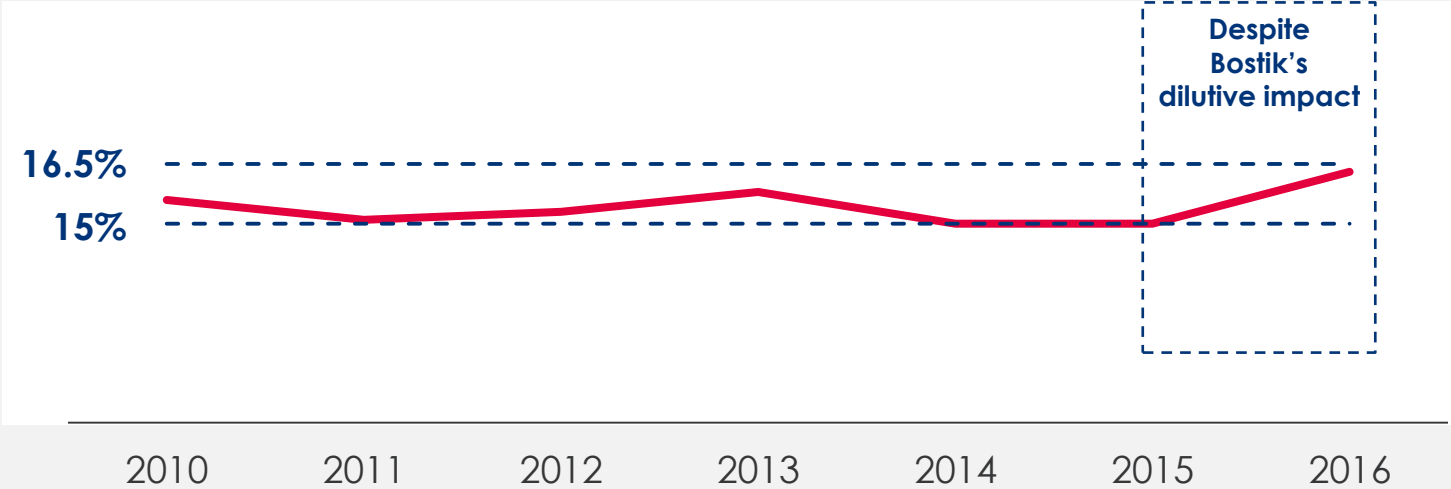
“More cyclical”
businesses



Specialty businesses

SPECIALTY BUSINESSES 2010 TO 2016

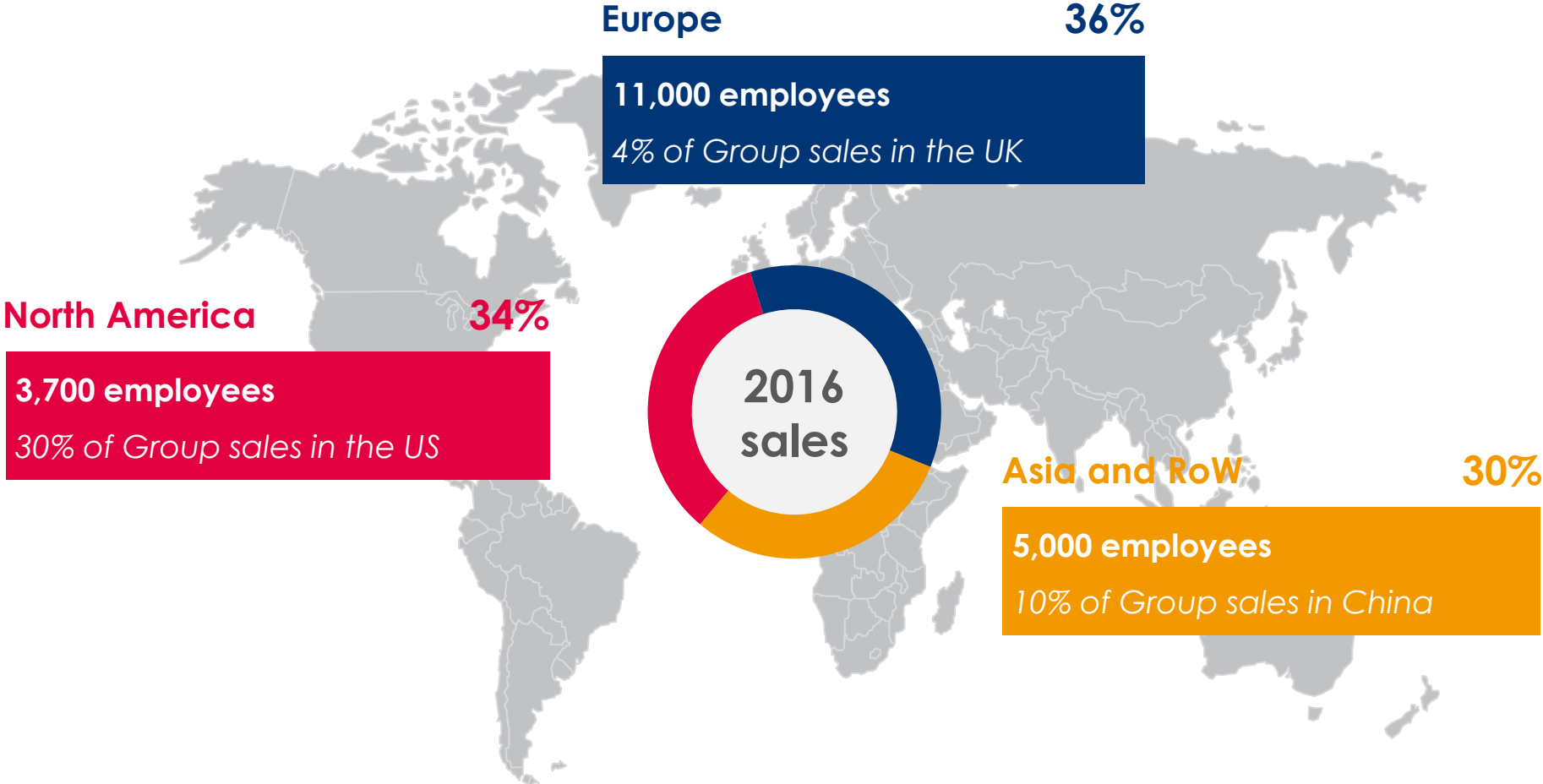
EBITDA margin



EBITDA margin

15% up to 16.5%

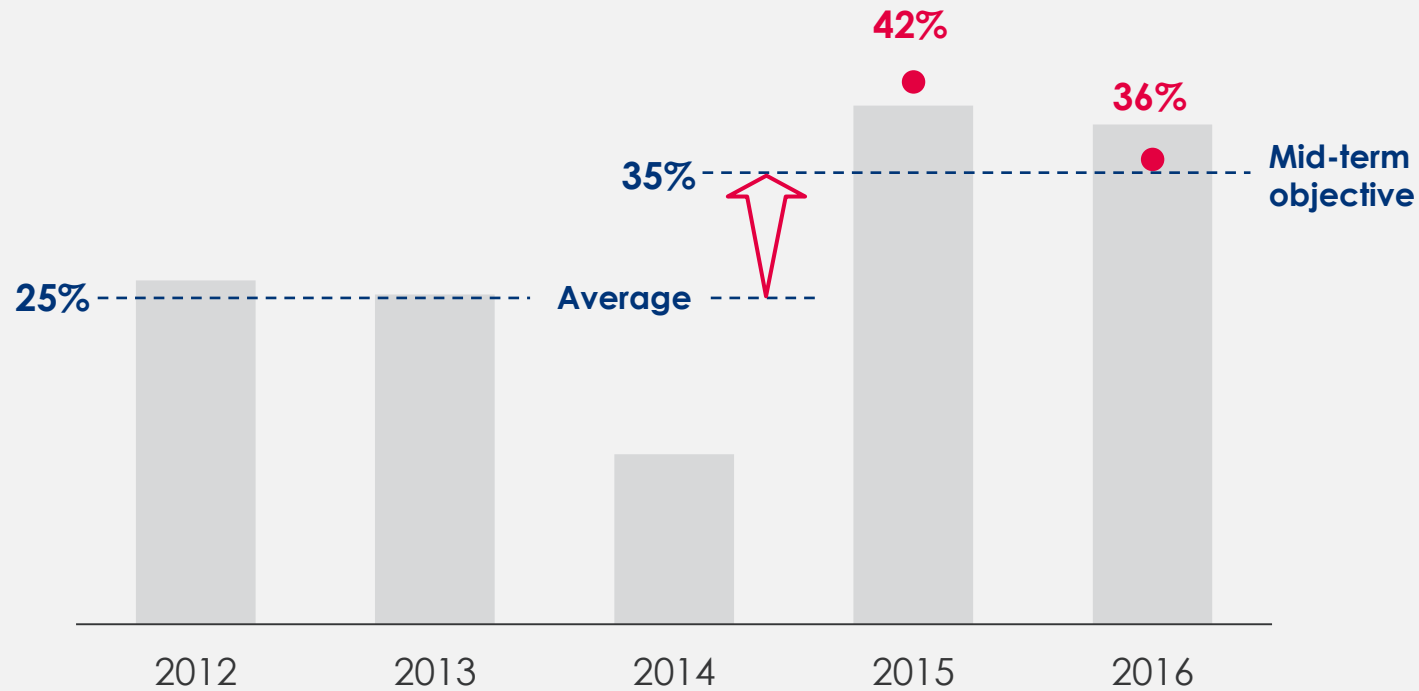
WELL-BALANCED GEOGRAPHIC FOOTPRINT



EXCELLENT FREE CASH GENERATION

HIGHER CASH GENERATION

Free cash flow ⁽¹⁾ / EBITDA



❖ Objective to deliver constantly an EBITDA to cash conversion of 35% over the mid-term

❖ Significantly reduced capital intensity at ~5.5% of Group sales

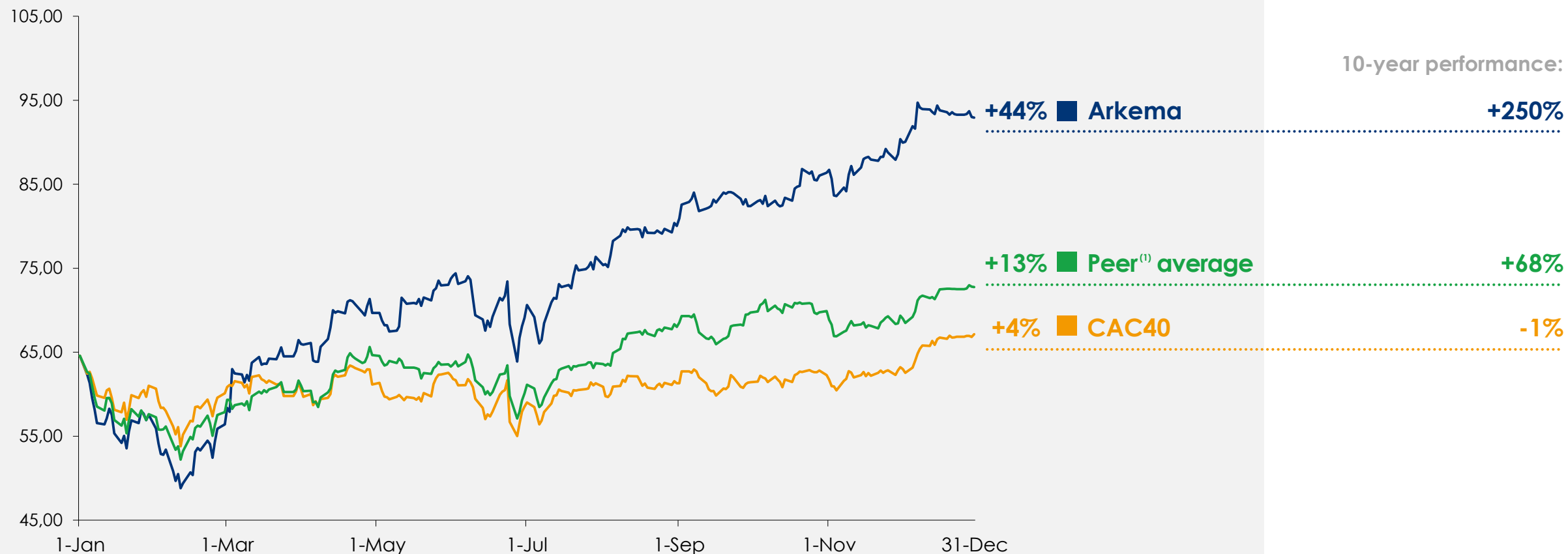
- 5.6% average in 2015-2016
- 7.5% average in 2012-2014

❖ 14% to 15% working capital to sales

(1) Free cash flow excluding M&A, exceptional capex, dividend and cost of hybrid

SHARE PRICE EVOLUTION REFLECTS SUCCESSFUL COMPANY TRANSFORMATION

2016 SHARE PRICE EVOLUTION



(1) AkzoNobel, BASF, Clariant, DSM, Evonik, Lanxess, Solvay

FIVE MAJOR PILLARS FOR FUTURE GROWTH



SPECIALTY ADHESIVES

Integration of Den Braven

Further expansion of Bostik

- ❖ Product innovation
- ❖ New plants in emerging countries

Bolt-on acquisitions under consideration



INNOVATIVE MATERIALS

Innovation

- ❖ 3D printing
- ❖ Lighter materials
- ❖ New energies

Capacity expansions

- ❖ PVDF in China (+25% capacity)
- ❖ Specialty polyamides in China in 2017e
- ❖ PEKK in the US in 2018e



MOLECULAR SIEVES

Ramp up new capacities at Honfleur (France)

- ❖ x2 production capacities
- ❖ 2nd phase to start in 2017

Support strong growth in Asia and Middle East for synthetic textiles and PET bottles



DOWNSTREAM ACRYLICS

Organic growth

- ❖ New polyester powder resin facility to start up in 2018 in India

Innovation

- ❖ 3D printing
- ❖ Low-VOC resins
- ❖ Weathering performance



THIOCHEMICALS

Build on strong partnerships in animal nutrition

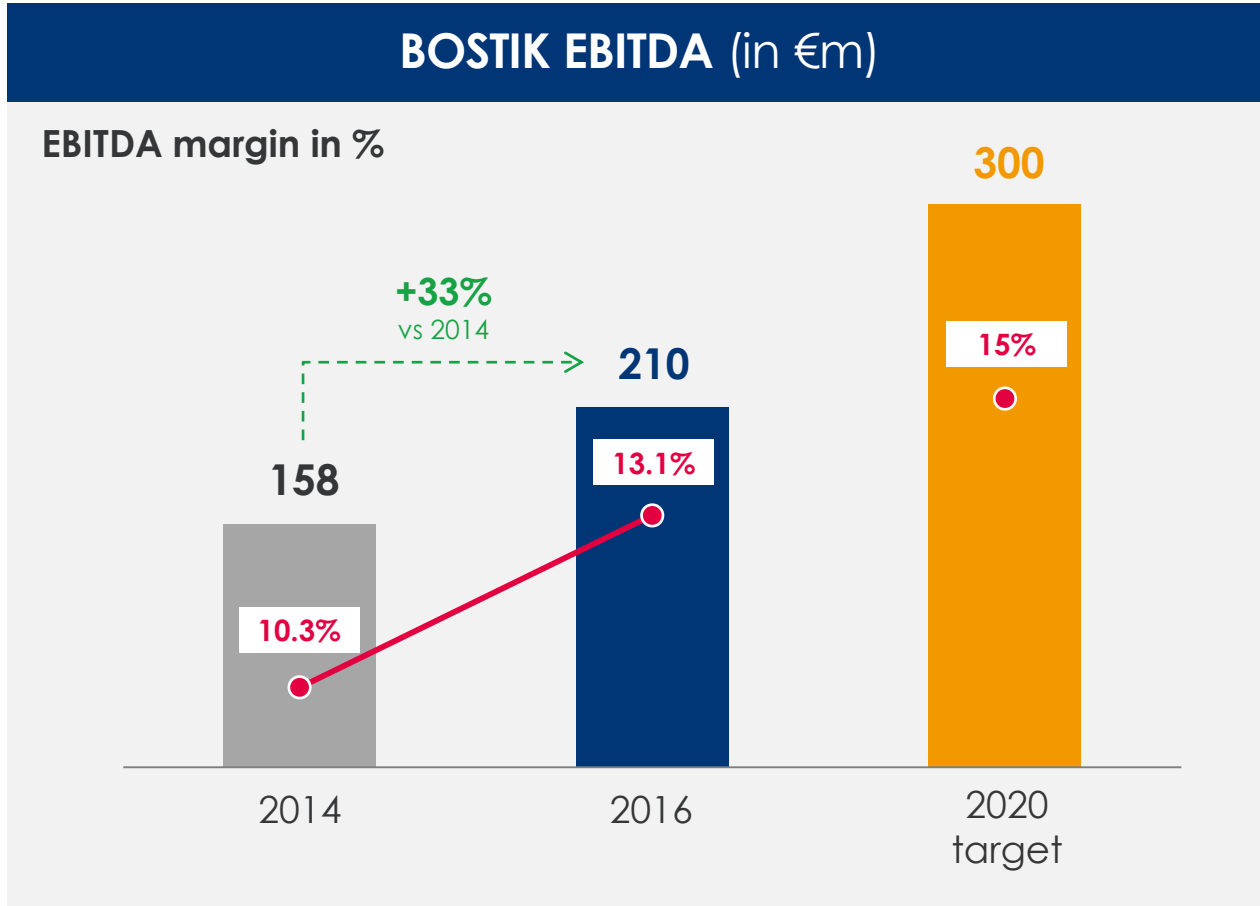
- ❖ Above average market growth

Innovation in specialty markets

- ❖ Soil fumigation
- ❖ Gas odorant
- ❖ Sulfiding agents

Superior tailor-made and high value added services to customers

A STRONG AMBITION FOR BOSTIK



Initial target of +30% EBITDA growth over 3 years achieved in two years

- Swift and smooth integration
- 6 new plant openings since acquisition
- Short term synergies already achieved
- EV/EBITDA down to ~8x after only two years

Long term synergies now developing

- Cross-selling and technology exchange
- 2nd wave of raw material optimization

R&D developments

- R&D spending up +15% in last two years

Acquisition of Den Braven on 1st December 2016: a new step in Adhesives development

- €30 m synergies planned over 5 years

Bolt-on acquisitions under consideration

Confirmation of strong potential of our Adhesives platform

ARKEMA'S CORPORATE SOCIAL RESPONSIBILITY



ARKEMA'S 5 CSR PILLARS



- ❖ Be a top quartile **safety** performer in the chemical industry
- ❖ Reduce the **environmental** footprint of activities
- ❖ Place sustainable development solutions at the heart of **innovation** and product range
- ❖ Promote the **individual and collective development** of all employees and teams
- ❖ Encourage **open dialogue** with all stakeholders

2025 targets

GHG emissions*	-50% vs 2012
VOC emissions*	-33% vs 2012
COD emissions*	-20% vs 2012
Net energy purchases	-15% vs 2012
Occupational safety	TRIR below 1.2 (3.4 in 2012 and 1.5 in 2016)
% women executives	Between 23% and 25% (18% in 2016)
% non-French executives	Between 42% and 45% (39% in 2016)



CSR TARGETS



RECOGNITION



AMBITION

Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

* Relative indicators

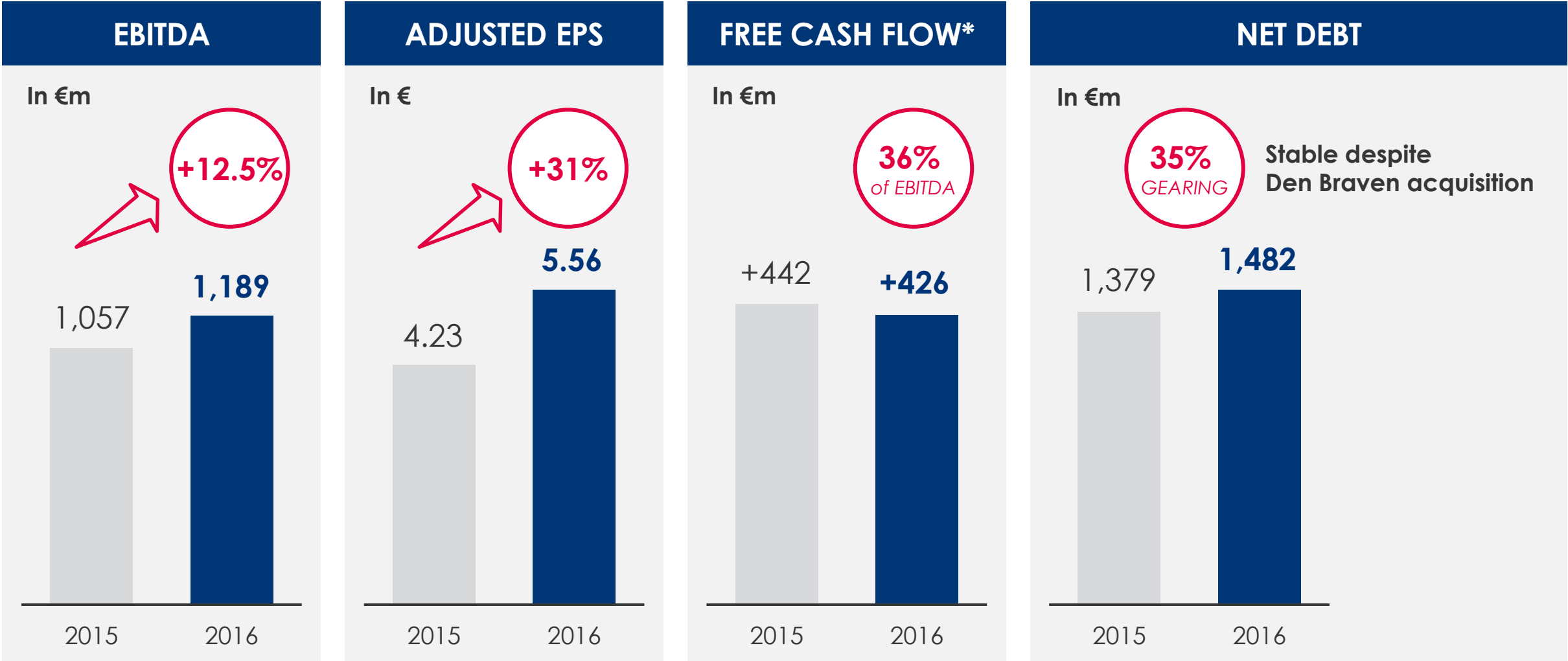


FULL YEAR 2016

RESULTS

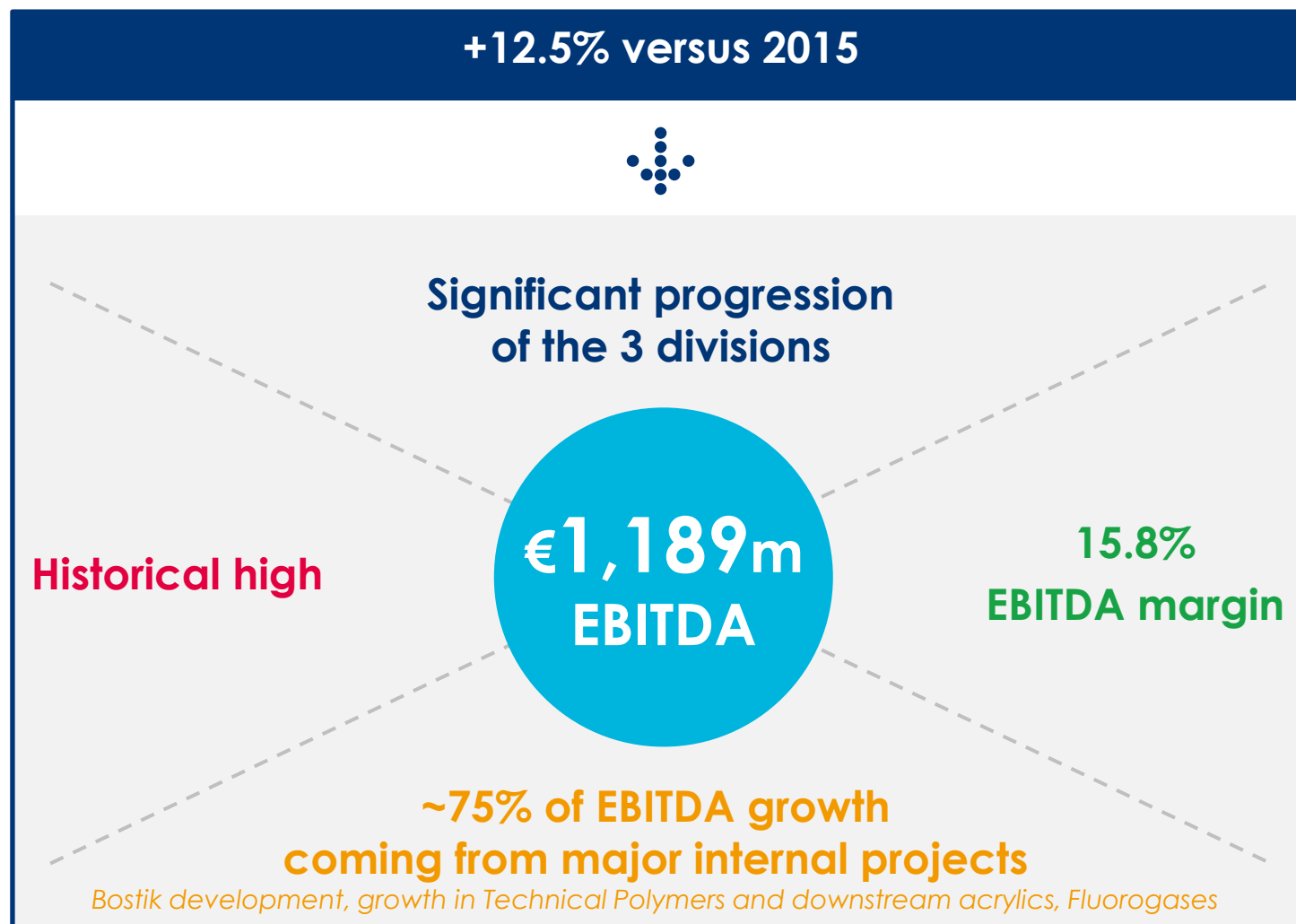
ARKEMA
INNOVATIVE CHEMISTRY

AN EXCELLENT 2016 FINANCIAL PERFORMANCE



* Cash flow from operations and investments excluding the impact of portfolio management

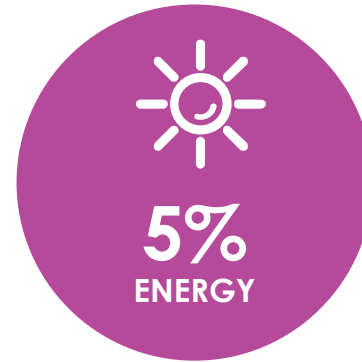
A STRONG EBITDA PERFORMANCE



2016 KEY FIGURES

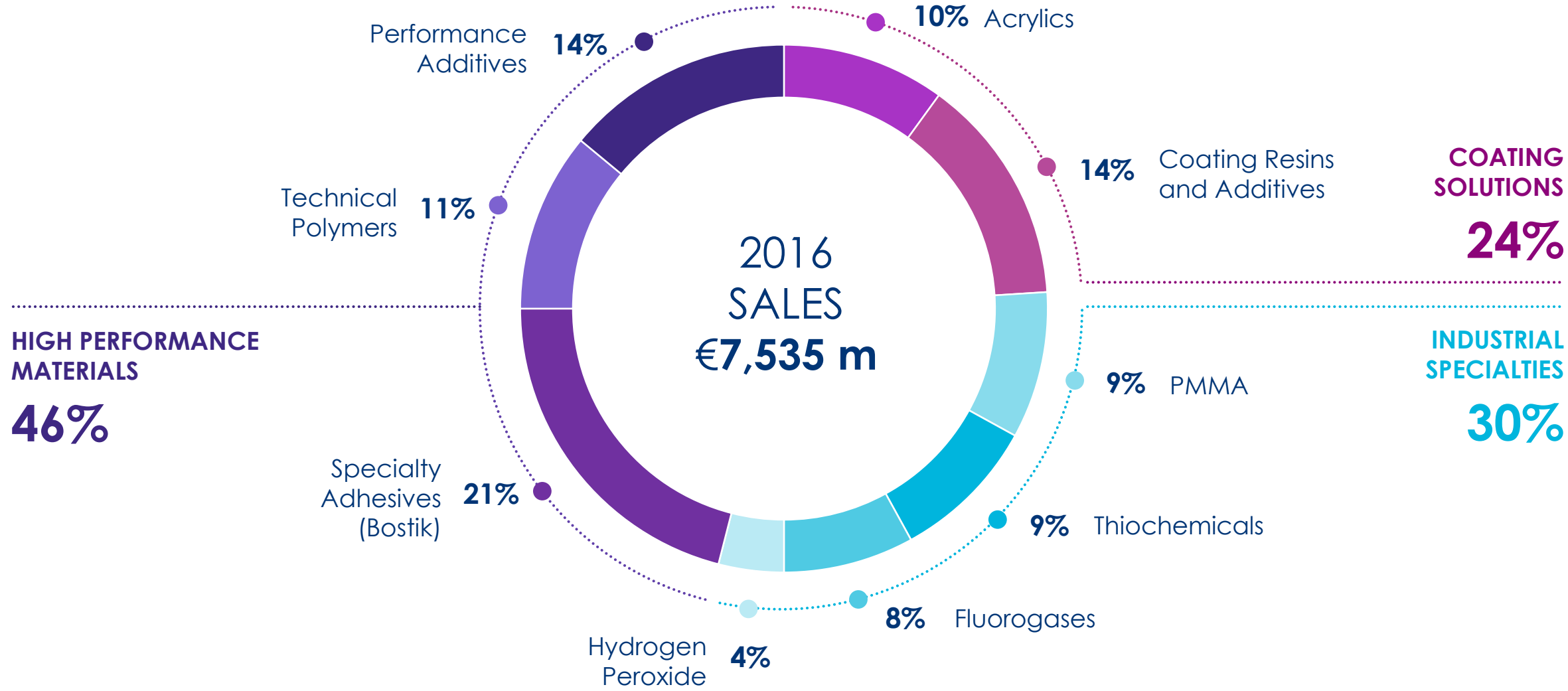
In €m (except EPS)	2015	2016	VARIATION
Sales	7,683	7,535	-1.9%
EBITDA	1,057	1,189	+12.5%
EBITDA margin	13.8%	15.8%	
Recurring operating income (REBIT)	604	734	+21.5%
REBIT margin	7.9%	9.7%	
Adjusted net income	312	418	+34.0%
Net income – Group share	285	427	+49.8%
Adjusted EPS (in euros)	4.23	5.56	+31.4%

2016 SALES BY END MARKETS

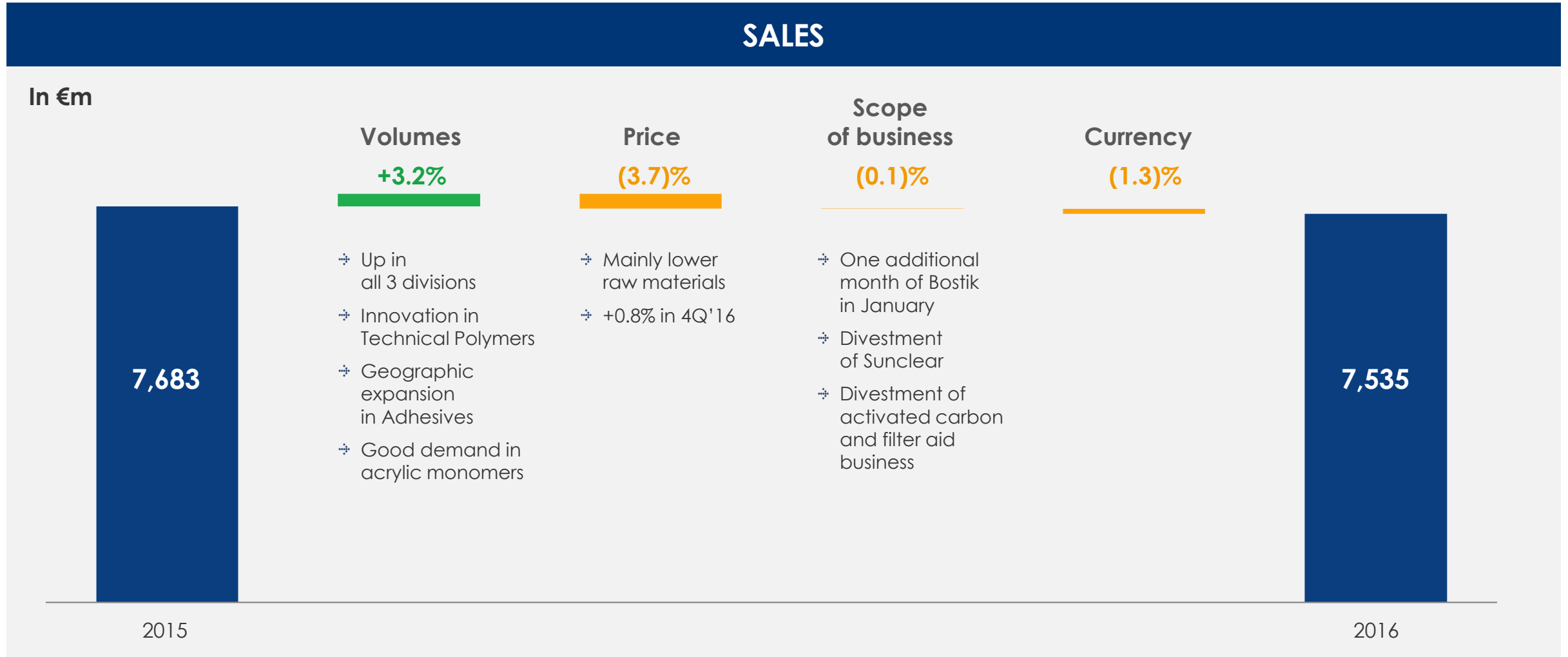


4% NUTRITION
3% WATER
2% ELECTRICS & ELECTRONICS
1% OTHERS

SIMPLIFIED PORTFOLIO WITH 9 BUSINESS LINES



2016 SALES BRIDGE



HIGH PERFORMANCE MATERIALS

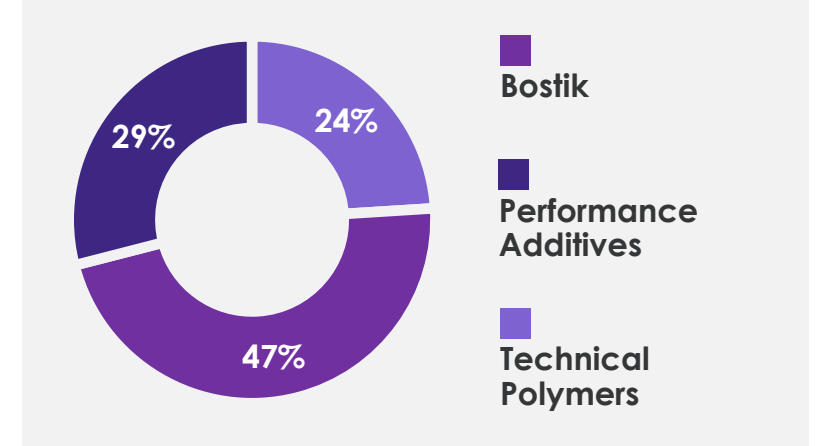
2016 KEY FIGURES

In €m	2015	2016	Variation
Sales	3,358	3,422	+1.9%*
EBITDA	506	570	+12.6%
EBITDA margin	15.1%	16.7%	
Rec. operating income	354	416	+17.5%

2016 SALES DEVELOPMENT

Volumes	+2.6%
Prices	(1.4)%
Currency	(1.8)%
Scope	+3.5%

2016 SALES BY BUSINESS LINE



2016 HIGHLIGHTS

✦ Strong contribution from Bostik on successful integration

- €210 m EBITDA, significantly up YoY supported by geographic expansion, synergies, lower costs and one additional month
- 13.1% EBITDA margin (11.2% in FY'15) progressively catching up with peers

✦ On the rest of the division, EBITDA significantly up YoY

- Successful innovation in Technical Polymers in lighter materials and new energies
- Divestment of activated carbon and filter aid business completed in November 2016
- Very good EBITDA margin close to 20%, at historical high

* At 1st January 2016, a business was transferred from Performance Additives to Industrial Specialties. YoY sales variation includes the impact of this transfer

INDUSTRIAL SPECIALTIES

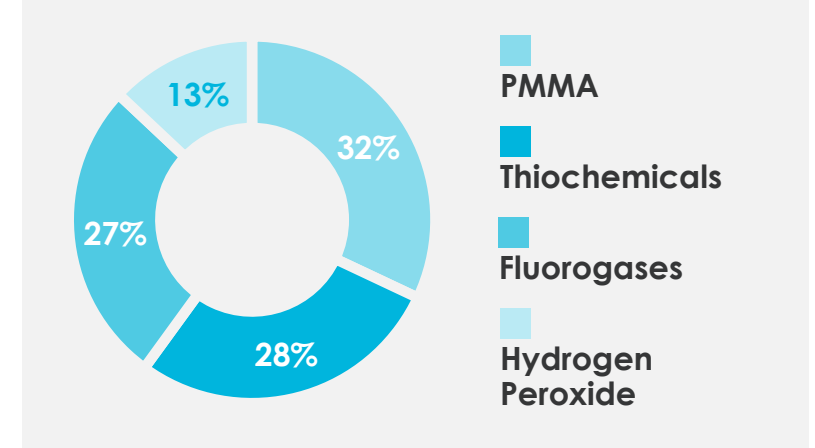
2016 KEY FIGURES

In €m	2015	2016	Variation
Sales	2,450	2,316	(5.5)%*
EBITDA	418	473	+13.2%
EBITDA margin	17.1%	20.4%	
Rec. operating income	237	300	+26.6%

2016 SALES DEVELOPMENT

Volumes	+2.2%
Prices	(3.2)%
Currency	(0.7)%
Scope	(5.0)%

2016 SALES BY BUSINESS LINE



2016 HIGHLIGHTS

✦ **Strong performance across all business lines with 20.4% EBITDA margin, close to historical high**

✦ **Very robust performance of Thiochemicals**

- Contribution of one additional quarter of Kerteh complex (Malaysia) partially offset by regulatory maintenance turnaround in 3Q'16

✦ **Further improvement of Fluorogases**

- Mainly supported by higher prices of certain gases
- Back to good level of results
- In line with improvement plan (+€80 m EBITDA in 2017 vs 2014)

✦ **Continuing favorable market conditions in PMMA**

- Divestment of Sunclear in November 2015

✦ **Benefits from developments in specialties in Hydrogen Peroxide**

* At 1st January 2016, a business was transferred from Performance Additives to Industrial Specialties. YoY sales variation includes the impact of this transfer

COATING SOLUTIONS

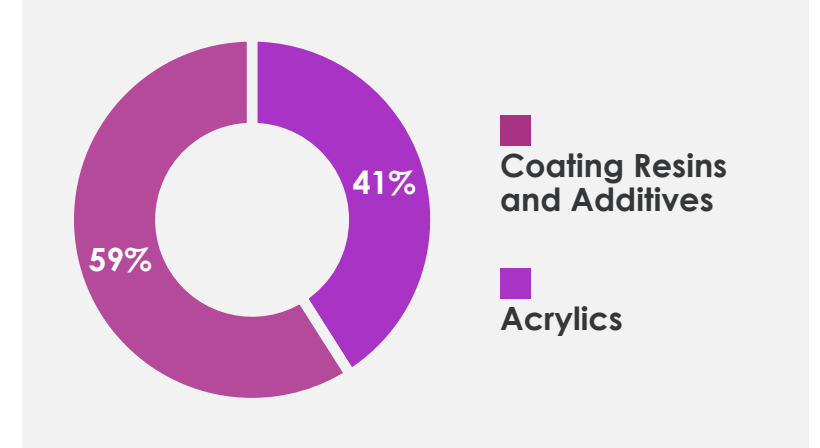
2016 KEY FIGURES

In €m	2015	2016	Variation
Sales	1,849	1,771	(4.2)%
EBITDA	190	208	+9.5%
EBITDA margin	10.3%	11.7%	
Rec. operating income	72	83	+15.3%

2016 SALES DEVELOPMENT

Volumes	+5.4%
Prices	(8.7)%
Currency	(0.9)%
Scope	-

2016 SALES BY BUSINESS LINE



2016 HIGHLIGHTS

- ✦ Overall solid results in a still challenging environment for acrylic monomers
- ✦ Good performance of downstream businesses supported by new developments and cost management
- ✦ Some improvements at year-end in acrylic monomers
 - Good volume growth particularly in 4Q'16
 - Unit margins stable at low points during most of the year with some improvements at year-end, mainly in Asia

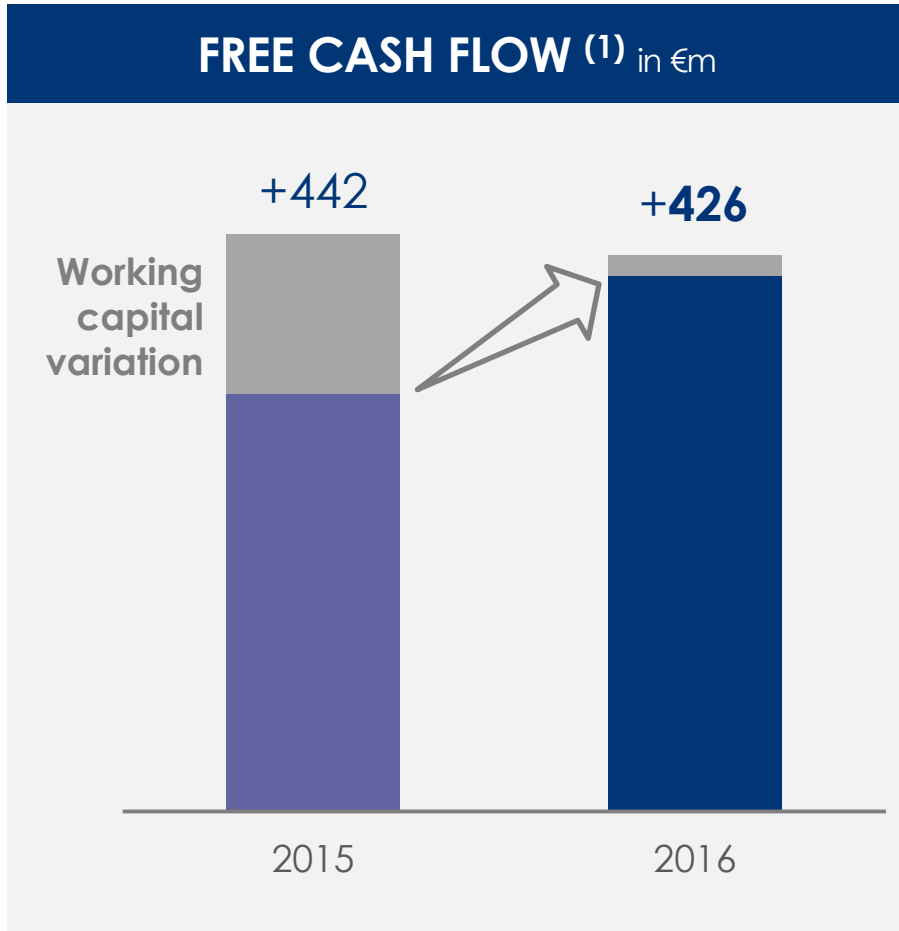
2016 CASH FLOW

In €m	2016	
EBITDA	1,189	
Working capital variation ⁽¹⁾	16	<ul style="list-style-type: none"> • Strict working capital management • Benefits from lower raw materials
Current taxes	(206)	
Cost of debt	(89)	
Capital expenditure ⁽²⁾	(423)	
Others	(10)	
RECURRING CASH FLOW	477	
Non-recurring items in operating and investing cash flow	(51)	<ul style="list-style-type: none"> • Mainly restructuring expenses and impact of the closure and / or transfer of some defined benefit pension schemes
FREE CASH FLOW	426	
Impact of portfolio management	(269)	<ul style="list-style-type: none"> • Acquisition of Den Braven net of cash acquired • Divestment of activated carbon and filter aid business • Implementation of the agreements concluded with Jurong in acrylics in China
NET CASH FLOW	157	

(1) Variation in working capital and fixed asset payables excluding non-recurring items and impact of portfolio management

(2) Excluding reallocation of assets without any impact on net debt

ANOTHER YEAR OF STRONG CASH GENERATION



→ Another strong performance in 2016

- +€132 m EBITDA versus 2015
- +€16 ⁽²⁾ m working capital variation (+€122 m in 2015) on stronger activity and lower benefits from raw materials at the end of the year
- €423 m capex ⁽³⁾ well below 2016 assumption

→ 36% EBITDA to cash conversion

- Fully in line with mid-term target of 35% EBITDA to cash conversion

→ 2017 assumptions

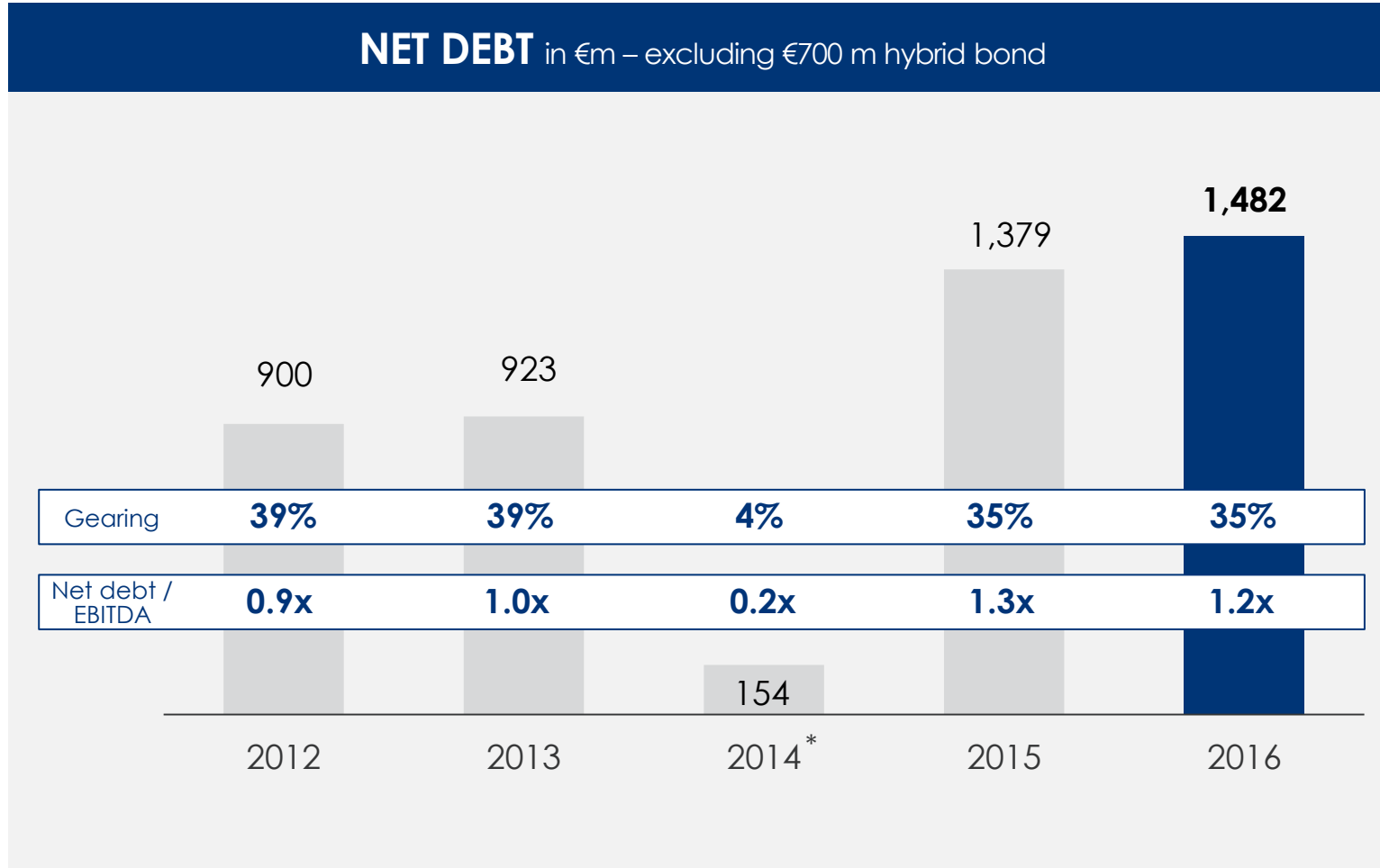
- €450 m capex
- Working capital / sales at around 15%

(1) Cash flow from operations and investments excluding the impact of portfolio management

(2) Variation in working capital and fixed asset payables excluding non-recurring items and impact of portfolio management

(3) Excluding capex related to M&A

NET DEBT



- ❖ **Credit ratings**
 - **Standard & Poor's: BBB (stable outlook)**
Outlook upgraded in November 2016
 - **Moody's: Baa2 (stable outlook)**
Outlook upgraded in November 2016

- ❖ **Including 50% of the €700m hybrid bond (same as rating agencies), net debt to EBITDA ratio at 1.5x**

* Net debt included at 31/12/2014 €350 m share capital increase and €700 m hybrid bond to finance Bostik acquisition

A STRONG BALANCE SHEET

IN €M	31 DEC 2015	31 DEC 2016	
Non-current assets ⁽¹⁾	5,399	5,724	Mainly integration of Den Braven
Working capital	1,067	1,105	14.5% working capital on sales ratio ⁽²⁾ (14.6% in 2015)
Capital employed	6,466	6,829	11% ROCE (REBIT / average capital employed)
Shareholder's equity	3,949	4,249	
Net provisions for pensions and other employee benefits ⁽³⁾	571	520	Moderate level of pension provisions at €366 m (€388 m end 2015)
Other net provisions ⁽³⁾	336	343	Including: ✦ €47 m restructuring (€51 m end 2015) ✦ €131 m environment (€134 m end 2015)
Total net provisions ⁽³⁾	907	863	
Net debt	1,379	1,482	

(1) Excluding deferred taxes and including pension assets

(2) Working capital on proforma sales. Excluding Den Braven in 2016


(3) Provisions net of non-current assets

DIVIDEND

- ❖ **Dividend proposed at €2.05 per share***
 - +8% versus 2015
 - Reflects the confidence of the Board in the Group's development prospects, solid cash generation and balance sheet
- ❖ **In line with dividend policy which aims at paying a stable to growing dividend each year**
- ❖ **2.2% dividend yield**
- ❖ **37% payout ratio**
- ❖ **Dividend to be paid in cash only from 29 May 2017**
 - Ex-dividend date: 25 May 2017

❖ **A key element of shareholder return**

* Dividend proposed to the shareholders' annual general meeting of 23 May 2017



4Q'16
RESULTS

ARKEMA
INNOVATIVE CHEMISTRY

A VERY STRONG QUARTER

€1,852 m sales

- ✦ **+5.2% YoY**
- ✦ Volumes firmly up **+5.8%** supported by all three divisions in an environment better than initially expected

€243 m EBITDA

- ✦ **+13.6% YoY** (€214 m in 4Q'15)
- ✦ A record high for a fourth quarter
- ✦ Continued good performance of High Performance Materials and Industrial Specialties at high levels
- ✦ Significant progress of Coating Solutions from improving acrylic monomers
- ✦ **13.1% EBITDA margin** (12.2% in 4Q'15) reflecting usual year-end seasonality

€68 m adjusted net income

- ✦ Up **+134.5% YoY**
- ✦ €0.90 adjusted net income per share

4Q'16 PERFORMANCE BY SEGMENT

HIGH PERFORMANCE MATERIALS

IN €M	4Q'15	4Q'16	Variation
Sales	843	839	(0.5)%
EBITDA	115	116	+0.9%
EBITDA margin	13.6%	13.8%	

EBITDA SLIGHTLY UP VERSUS HIGH 4Q'15

- ✦ Solid performance of Bostik despite FX
- ✦ No contribution booked for Den Braven
- ✦ Benefits from innovation in Technical Polymers
- ✦ Divestment of activated carbon and filter aid business in November 2016

INDUSTRIAL SPECIALTIES

IN €M	4Q'15	4Q'16	Variation
Sales	532	568	+6.8%
EBITDA	83	87	+4.8%
EBITDA margin	15.6%	15.3%	

ANOTHER STRONG QUARTER

- ✦ Robust performance in Thiochemicals
- ✦ Improvement of Fluorogases in line with recovery plan
- ✦ Continuing favorable market conditions in PMMA

COATING SOLUTIONS

IN €M	4Q'15	4Q'16	Variation
Sales	379	440	+16.1%
EBITDA	23	41	+78.3%
EBITDA margin	6.1%	9.3%	

FIRST SIGNS OF IMPROVEMENT

- ✦ Volumes significantly up YoY mainly in acrylics
- ✦ Improvement of acrylic unit margins, mainly in Asia
- ✦ Sales price increases in downstream acrylics on higher raw materials

2017 OUTLOOK

❖ Assumptions on environment

- Moderate global growth with mixed dynamics by region and volatility in energy prices, raw materials and currencies
- Expected gradual improvement in Acrylics
- Some normalization in PMMA expected from 2H'17

❖ Internal drivers

- Integration of Den Braven
- Innovation in Technical Polymers and downstream acrylics
- Further improvement in Fluorogases
- Arkema will increase its selling prices to reflect higher raw materials
- Operational excellence initiatives to offset part of the inflation on fixed costs

❖ **Arkema confirms its ambition announced in 2014 to achieve €1.3 bn EBITDA in 2017**

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 since 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 on the quarterly results.