1st quarter 2015 results
1Q’15 highlights

**€1,871m sales**
- Up +23% YoY
- Including Bostik’s contribution: €272m sales

**€237m EBITDA**
Up +18% versus 1Q’14
- EBITDA up YoY excluding the effect of Bostik acquisition
- Benefits from favorable currencies
- Bostik’s performance up YoY, in line with announced targets
- Low cycle conditions in Acrylics as expected

**12.7% EBITDA margin**
Good resilience despite the acrylics cycle and the mechanical dilutive impact of Bostik

**€1,888m net debt**
Mainly reflecting Bostik acquisition
Promising integration of Bostik

- Acquisition finalized on 2 February 2015
- 2-month contribution
  - € 272m sales
  - Performance up YoY in line with announced targets and Group’s expectations
- Integration well on track supported by strong alignment of teams and disciplined organization of synergy groups

Main accounting impacts of the acquisition
- Acquisition will be accounted for using the Purchase Accounting in accordance with IFRS 3 (revised) standard (Purchase Price Allocation – PPA)
  - Recognition of assets acquired and liabilities assumed at fair value
  - Maximum 12 months to finalize the purchase price allocation and determine the goodwill
- At 31 March 2015, Bostik’s assets and liabilities booked at historical value
- PPA for assets and liabilities underway and will be accounted for retroactively
  - Depreciation and amortization resulting from PPA will be accounted for from 2Q’15 retroactively from acquisition date
- Inventory step-up to be booked as non-recurring items in 2Q’15
Other highlights since 1 January 2015

M&A

- **Sunke**: extension until January 2016 of the period to exercise the option to increase stake in Sunke and access a total of 320 kt/year acrylic acid
  - JV operated jointly by the partners and production adjusted to market conditions
  - Financial terms of initial agreement adjusted accordingly
  - All other conditions unchanged
- **Organic peroxides**: acquisition on 2 March of Oxido
  - Italian company specialized in organic peroxide formulation with ~ €20m sales

Organic growth

- **New world-scale Thiochemicals platform** in Malaysia
  - Successful start-up early January
  - EBITDA contribution from 2Q’15
  - Progressive ramp-up as from 2Q’15 in line with Group’s expectations
- **Innovation**: project to double production capacity of PEKK in France
  - Start-up expected in 1H’16
  - Intent to build a world-scale unit in the US in 2H’18

Competitiveness

- **Coating Resins**: project* to shutdown the production at Villers-Saint-Paul (France)
  - In line with objective to further improve the profitability of Coating Resins
  - Loss of 26 positions

* Project subject to the legal information and consultation process of Arkema’s work councils
### 1Q’15 Key Figures

<table>
<thead>
<tr>
<th></th>
<th>1Q’14*</th>
<th>1Q’15</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,523</td>
<td>1,871</td>
<td>+22.8%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>201</td>
<td>237</td>
<td>+17.9%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>13.2%</td>
<td>12.7%</td>
<td></td>
</tr>
<tr>
<td>Recurring operating income</td>
<td>123</td>
<td>133</td>
<td>+8.1%</td>
</tr>
<tr>
<td>Adjusted net income</td>
<td>76</td>
<td>57</td>
<td>(25.0)%</td>
</tr>
<tr>
<td>Net income (Group share)</td>
<td>65</td>
<td>42</td>
<td>(35.4)%</td>
</tr>
<tr>
<td>Adjusted EPS** (euro)</td>
<td>1.17</td>
<td>0.78</td>
<td>(33.3)%</td>
</tr>
</tbody>
</table>

* 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.
**Sales bridge**

<table>
<thead>
<tr>
<th>Sales (€m)</th>
<th>Volumes</th>
<th>Price</th>
<th>Scope of business</th>
<th>Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,523</td>
<td>(2.5)%</td>
<td>(3.1)%</td>
<td>+19.9%</td>
<td>+8.6%</td>
</tr>
<tr>
<td>1Q'14</td>
<td></td>
<td></td>
<td></td>
<td>1,871</td>
</tr>
</tbody>
</table>

-2.0% excluding the impact of the shutdown of Chauny (Fr) activity
- Slow start of most regions

Mainly in Acrylics

- Bostik acquisition
- Acquisition of a stake in Sunke in Acrylics in China
- Favorable euro / US dollar FX rate
High Performance Materials

<table>
<thead>
<tr>
<th>In €m</th>
<th>1Q’14*</th>
<th>1Q’15</th>
<th>variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>474</td>
<td>763</td>
<td>+61.0%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>79</td>
<td>111</td>
<td>+40.5%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>16.7%</td>
<td>14.5%</td>
<td></td>
</tr>
<tr>
<td>Recurring operating income</td>
<td>53</td>
<td>74</td>
<td>+39.6%</td>
</tr>
</tbody>
</table>

Volumes: (2.2)%
Prices: (0.7)%
Currency: +6.7%
Scope: +57.2%

% of segment 1Q’15 sales

<table>
<thead>
<tr>
<th>Bostik</th>
<th>Technical Polymers</th>
<th>Filtration &amp; Adsorption</th>
<th>Organic Peroxides</th>
</tr>
</thead>
<tbody>
<tr>
<td>36%</td>
<td>27%</td>
<td>21%</td>
<td>16%</td>
</tr>
</tbody>
</table>

- €272m sales over 2 months
- Performance up YoY in line with announced targets
- Excellent spirit and smooth implementation of synergies
- Lower demand in some oil and gas applications and slow start to the year in China
- Continued good development of new applications (batteries, electronics)
- Strong performance supported by molecular sieves
- Good performance overall
- Small bolt-on acquisition of Oxido

* Restated figures in accordance with IFRIC 21 “Levies”
## Industrial Specialties

<table>
<thead>
<tr>
<th>In €m</th>
<th>1Q’14*</th>
<th>1Q’15</th>
<th>variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>496</td>
<td>550</td>
<td>+10.9%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>67</td>
<td>84</td>
<td>+25.4%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>13.5%</td>
<td>15.3%</td>
<td></td>
</tr>
<tr>
<td>Recurring operating income</td>
<td>38</td>
<td>47</td>
<td>+23.7%</td>
</tr>
</tbody>
</table>

### Volumes
- (1.3)%

### Prices
- +1.8%

### Currency
- +9.5%

### Scope
- +0.8%

### % of segment 1Q’15 sales

<table>
<thead>
<tr>
<th>Thiochemicals</th>
<th>Fluorogases</th>
<th>PMMA</th>
<th>H₂O₂</th>
</tr>
</thead>
<tbody>
<tr>
<td>31%</td>
<td>24%</td>
<td>33%</td>
<td>12%</td>
</tr>
</tbody>
</table>

- Strong performance overall supported by good demand
- New platform in Malaysia
  - Successfully started in January
  - Promising ramp-up as planned
  - EBITDA contribution from 2Q’15
- Prices up YoY mainly in the US
- In line with Group assumption of a gradual improvement over several years
- Strong performance
  - Continuing favorable market conditions in MMA
  - Mixed market conditions in PMMA
- Solid results up YoY

* Restated figures in accordance with IFRIC 21 “Levies”
Coating Solutions

<table>
<thead>
<tr>
<th>In €m</th>
<th>1Q’14*</th>
<th>1Q’15</th>
<th>variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>547</td>
<td>551</td>
<td>+0.7%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>70</td>
<td>62</td>
<td>(11.4)%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>12.8%</td>
<td>11.3%</td>
<td></td>
</tr>
<tr>
<td>Recurring operating income</td>
<td>47</td>
<td>32</td>
<td>(31.9)%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Volumes</th>
<th>(4.0)%**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prices</td>
<td>(9.6)%</td>
</tr>
<tr>
<td>Currency</td>
<td>+9.6%</td>
</tr>
<tr>
<td>Scope</td>
<td>+4.9%</td>
</tr>
</tbody>
</table>

% of segment 1Q’15 sales

- **Acrylics (acid + esters)**: 39%
- **Coating Resins**: 36%
- **Coatex**: 9%
- **Sartomer**: 16%

- Unit margins from ~ mid-cycle in 1Q’14 down to low-cycle in 1Q’15
  - Expected to remain at cyclical low throughout 2015
  - Further adjustment of inventories by customers in superabsorbents
  - Very limited contribution of Sunke as expected (current prices in Asia and lower volumes during Chinese New Year)

- **Slow start to the year in decorative paints in Europe**
  - Benefits from ongoing cost optimization

- **Good performance supported by new developments**

- **Stable performance**

*Restated figures in accordance with IFRIC 21 “Levies” (2.6)% excluding the impact of the shutdown of Chauny activity (France)
1Q’15 cash flow

<table>
<thead>
<tr>
<th>In €m</th>
<th>Q1’15</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>237</td>
</tr>
<tr>
<td>Working capital variation*</td>
<td>(142)</td>
</tr>
<tr>
<td>Taxes</td>
<td>(47)</td>
</tr>
<tr>
<td>Cost of debt</td>
<td>(18)</td>
</tr>
<tr>
<td>Capex**</td>
<td>(61)</td>
</tr>
<tr>
<td>Others</td>
<td>(13)</td>
</tr>
<tr>
<td><strong>RECURRING CASH FLOW</strong></td>
<td>(44)</td>
</tr>
<tr>
<td>Non-recurring items in operating and investing cash flow</td>
<td>(10)</td>
</tr>
<tr>
<td><strong>FREE CASH FLOW</strong></td>
<td>(54)</td>
</tr>
<tr>
<td>Impact of portfolio management</td>
<td>(1,327)</td>
</tr>
<tr>
<td><strong>NET CASH FLOW</strong></td>
<td>(1,381)</td>
</tr>
</tbody>
</table>

- Usual seasonality of working capital
- 2015e capex: ~ €450m
  - Computed with the 1.25 €/US$ rate used for the budget
  - Will need to be adjusted depending on currency variations
  - 10-cent variation in €/US$ implies close to €15m change in capex
- Restructuring expenses + cash-out of provisions
- Mainly:
  - Acquisition of Bostik (€1,629 bn cashed out) net of cash acquired ***
  - Acquisition of Oxido in Organic Peroxides

* Variation in working capital and fixed asset payables excluding non-recurring items
** Excluding capital expenditure related to M&A
*** = Preliminary price of €1,629m – cash acquired + costs and capex related to the acquisition
2015 outlook

Macro-economic assumptions

- Market conditions expected to remain volatile and contrasted with different dynamics depending on geographic regions and product lines
- Trends in FX rates (mainly US$/€) expected to remain favorable offsetting, at least, low-cycle unit margins in acrylic monomers and normalizing market conditions in PMMA

Main drivers

- Consolidation of Bostik on 11 months
- Smooth ramp-up of the new Thiochemicals platform in Malaysia
- Stake in Sunke in Acrylics in China,
  - *Still limited contribution in 2Q’15 due to prevailing market conditions in acrylics in Asia*
- Gradual recovery plan of fluorogases underway

These drivers will support the Group’s growth in 2015

- Excluding the effect of Bostik acquisition, Arkema expects its EBITDA to grow in 2Q’15

Save-the-date – Capital Markets Day
29 June 2015 – Paris (France)
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.

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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