

THIRD QUARTER 2016 RESULTS

10 NOVEMBER 2016













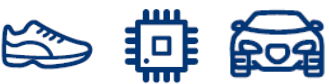




ARKEMA
INNOVATIVE CHEMISTRY

3Q'16 KEY TAKE-AWAYS

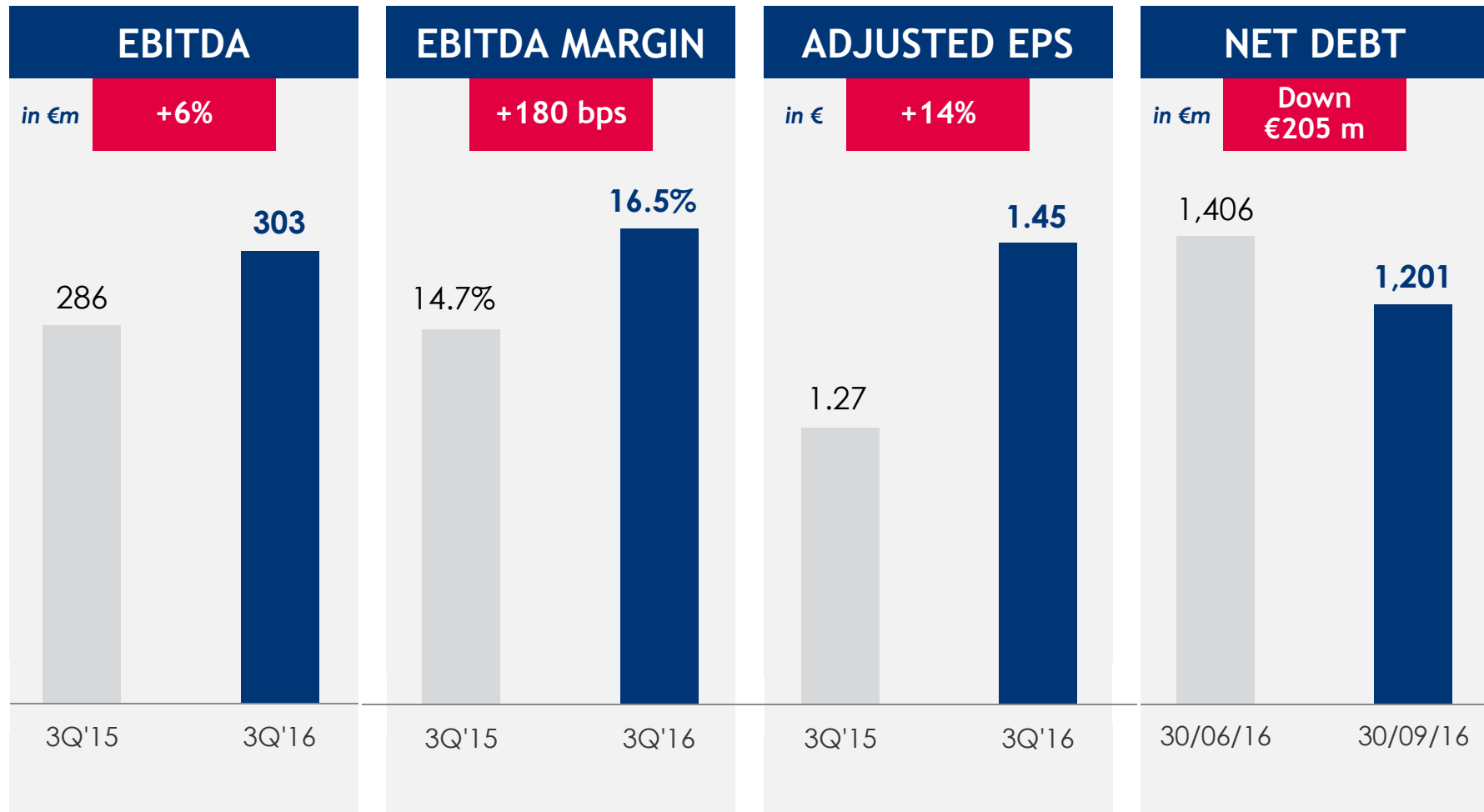
€303 m EBITDA	<ul style="list-style-type: none">✦ +6% above strong 3Q'15 (€286 m)✦ Excellent results in High Performance Materials and Industrial Specialties✦ All time high in a 3rd quarter
16.5% EBITDA margin	<ul style="list-style-type: none">✦ Significantly up YoY (14.7%)✦ Reflects growing share of higher value added businesses and Bostik's progress
€110 m adjusted net income	<ul style="list-style-type: none">✦ Up +16% YoY✦ €1.45 adjusted EPS
Excellent cash generation	<ul style="list-style-type: none">✦ +€245 m free cash flow*✦ Best-ever performance on a quarter✦ €1,201 m net debt significantly down versus 30 June 2016 (€1,406 m)

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

NEW DEVELOPMENTS SINCE 30 JUNE 2016

				
				
				
<p>TECHNICAL POLYMERS</p> <ul style="list-style-type: none"> Expansion of specialty polyamides production capacities in China and in the United States Two production lines to come on stream in 2017 in China 	<p>TECHNICAL POLYMERS</p> <ul style="list-style-type: none"> 25% Kynar® PVDF production capacity increase in Changshu (China) Start-up expected in 2017 	<p>BOSTIK</p> <ul style="list-style-type: none"> Proposed acquisition of Den Braven (~€350m sales for 2016e) To be finalized before year-end 	<p>BOSTIK</p> <ul style="list-style-type: none"> Opening of a new production plant for cementitious products in Sweden 	<p>COATING RESINS AND ADDITIVES</p> <ul style="list-style-type: none"> New polyester powder resin facility in India To come on stream in 2018

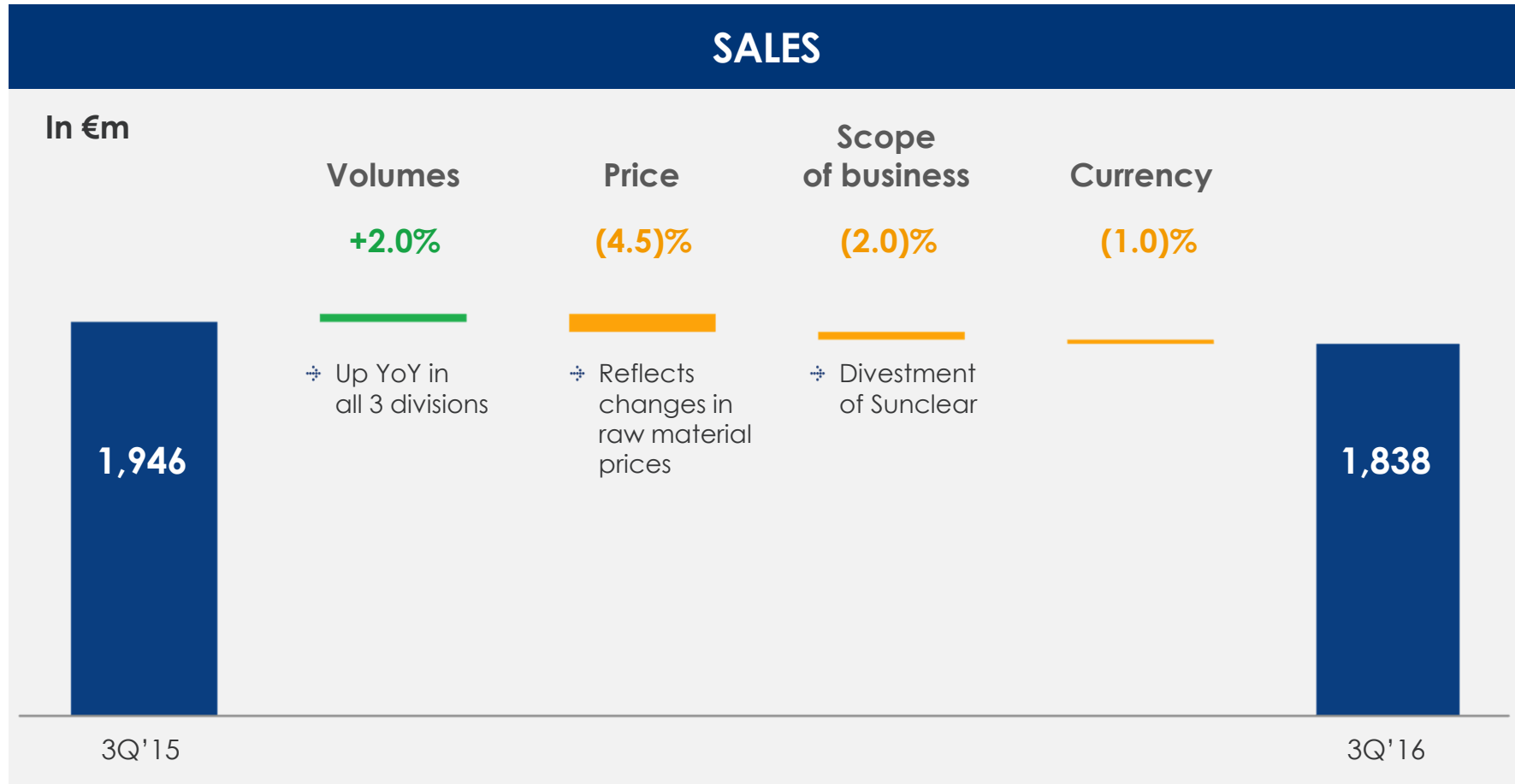
A STRONG THIRD QUARTER



3Q'16 KEY FIGURES

IN €M (EXCEPT EPS)	3Q'15	3Q'16	VARIATION
Sales	1,946	1,838	-5.5%
EBITDA	286	303	+5.9%
EBITDA margin	14.7%	16.5%	
Recurring operating income (REBIT)	176	190	+8.0%
REBIT margin	9.0%	10.3%	
Adjusted net income	95	110	+15.8%
Net income - Group share	61	96	+57.4%
Adjusted EPS (in euros)	1.27	1.45	+14.2%

3Q'16 SALES BRIDGE



HIGH PERFORMANCE MATERIALS

3Q'16 KEY FIGURES

IN €M	3Q'15	3Q'16	variation
Sales	866	836	(3.5)%*
EBITDA	131	140	+6.9%
EBITDA margin	15.1%	16.7%	
Rec. operating income	94	102	+8.5%

3Q'16 SALES DEVELOPMENT

Volumes	+1.2%
Prices	(2.5)%
Currency	(1.4)%
Scope	-

3Q'16 HIGHLIGHTS

Solid performance of Bostik

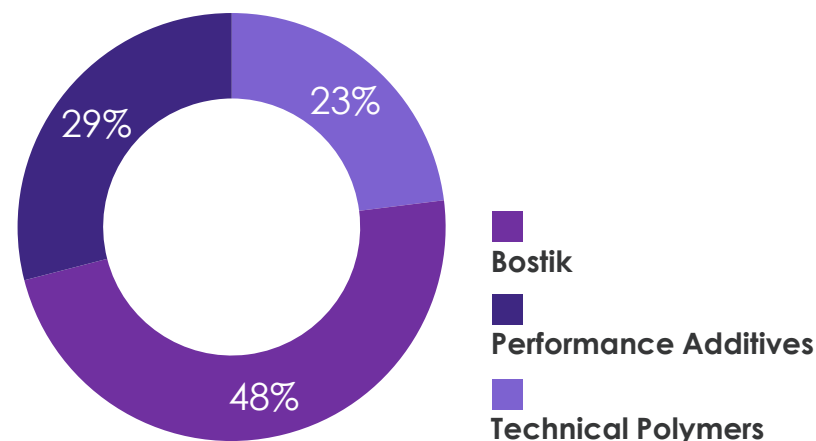
- ✦ EBITDA up 4% YoY supported by geographic expansion and synergies which largely offset adverse FX effect

On the rest of the division, EBITDA significantly up YoY

- ✦ Higher volumes driven by good development of Technical Polymers in lighter materials and new energies offsetting softer demand in applications such as oil & gas
- ✦ Very good EBITDA margin

Divestment of the Activated Carbon and Filter Aid business completed on 2 November 2016 (EV €145 m)

3Q'16 SALES BY BUSINESS LINE



* 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

3Q'16 KEY FIGURES

IN €M	3Q'15	3Q'16	variation
Sales	608	553	(9.0)%*
EBITDA	114	123	+7.9%
EBITDA margin	18.8%	22.2%	
Rec. operating income	70	80	+14.3%

3Q'16 HIGHLIGHTS

Lower selling prices versus 3Q'15 partially offset by higher volumes

- ✦ Reflect lower raw materials and product mix in certain activities

EBITDA margin at an excellent level in 3Q at 22.2%

- ✦ Good performance of Fluorogases
- ✦ Ongoing favorable market conditions in PMMA
- ✦ Regulatory maintenance turnaround in Thiochemicals in Malaysia

Proposed shutdown of the R134a fluorogas plant in Pierre-Bénite in France**

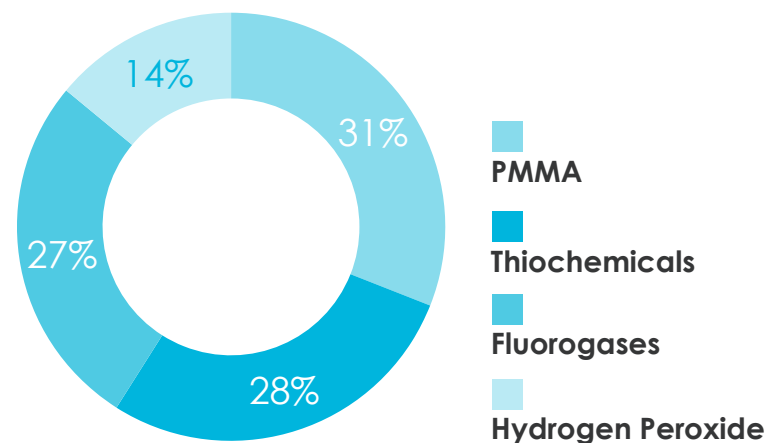
* At 1st January 2016, a business was transferred from Performance Additives to Industrial Specialties. YoY sales variation includes the impact of this transfer.

** Project subject to the legal information and consultation process involving employee representative bodies

3Q'16 SALES DEVELOPMENT

Volumes	+1.1%
Prices	(4.1)%
Currency	(0.7)%
Scope	(6.4)%

3Q'16 SALES BY BUSINESS LINE



COATING SOLUTIONS

3Q'16 KEY FIGURES

IN €M	3Q'15	3Q'16	variation
Sales	465	442	(4.9)%
EBITDA	53	54	+1.9%
EBITDA margin	11.4%	12.2%	
Rec. operating income	24	23	(4.2)%

3Q'16 HIGHLIGHTS

Overall good resilience of results

- EBITDA slightly up YoY
- EBITDA margin at 12.2%

Unit margins in monomers stabilized at low levels

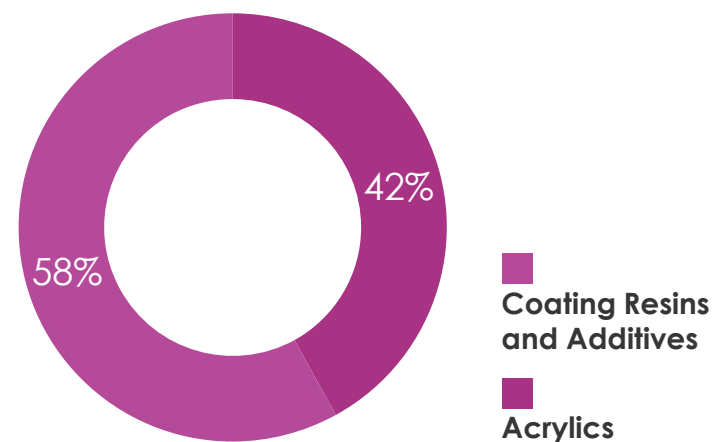
- In line with Group assumptions
- Volumes up versus 3Q'15

In downstream, further benefits of innovation in a moderate growth environment

3Q'16 SALES DEVELOPMENT

Volumes	+4.6%
Prices	(8.9)%
Currency	(0.7)%
Scope	-

3Q'16 SALES BY BUSINESS LINE



3Q'16 CASH FLOW

IN €M	3Q'16	
EBITDA	303	
Working capital variation ⁽¹⁾	107	Usual seasonality of working capital 16.8% working capital over annualized sales ratio ⁽²⁾ (17.6% end of September 2015)
Taxes	(56)	Current taxes excluding non-cash items
Cost of debt	(22)	
Capital expenditure ⁽³⁾	(94)	2016e capex: slightly below €450 m
Others	17	Including +€21 m tax credit received, in 2015, in 4 th quarter
RECURRING CASH FLOW	255	
Non-recurring items in operating and investing cash flow	(10)	Mainly restructuring costs
FREE CASH FLOW	245	
Impact of portfolio management	(44)	Corresponding mainly to the implementation of the agreements concluded with Jurong in acrylics in China
NET CASH FLOW	201	

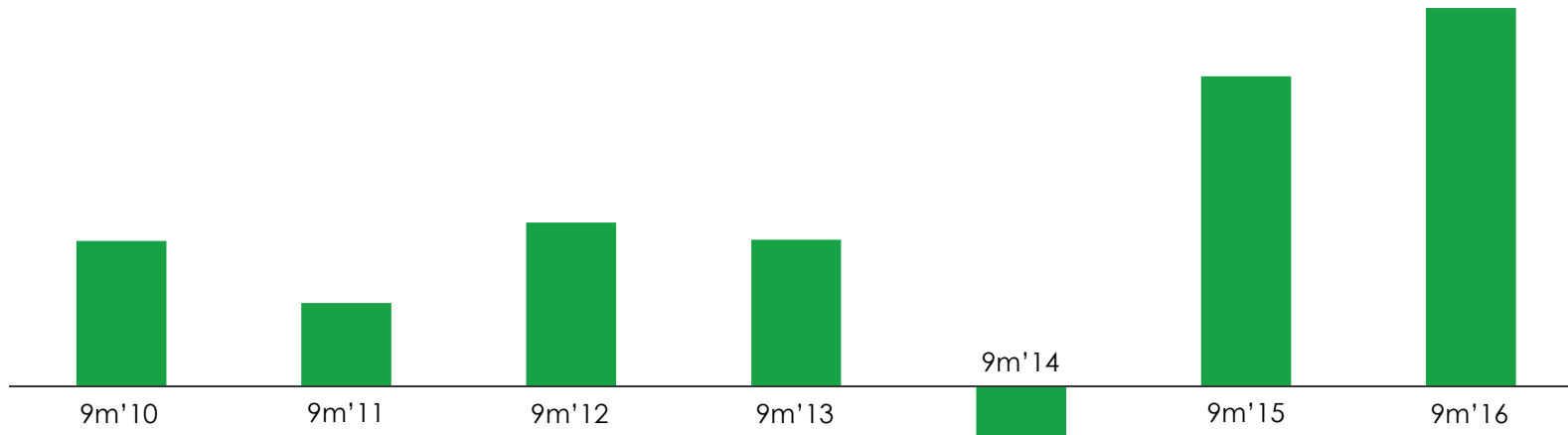
⁽¹⁾ Variation in working capital and fixed asset payables excluding non-recurring items and impact of portfolio management

⁽²⁾ Working capital at 30 September / (3Q sales * 4). At 30 September 2015, working capital excluding fixed asset payable related to the transfer of a 3rd acrylic acid production line to Taixing Sunke Chemicals

⁽³⁾ Excluding capex related to portfolio management and restructuring operations

THE NEW PROFILE TURNS INTO HIGHER CASH GENERATION

FREE CASH FLOW* IN €M



Driven by higher profitability, strict working capital management and reduced capital intensity

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

2016 OUTLOOK



Assuming an energy, raw material and currency environment in the continuity of the third quarter, and taking account of the traditional year-end seasonality,

Arkema now aims to achieve a significant EBITDA growth of some 9% to 10% over the year compared to 2015

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.