Colombes 10 November, 2016

Arkema: quarterly information 3rd quarter 2016 results

- **+6% EBITDA** increase to **€303 million** (€286 million in 3Q'15), reflecting the excellent results of the High Performance Materials and Industrial Specialties divisions
- Strong increase in **EBITDA margin** to **16.5%** (14.7% in 3Q'15)
- **€110 million adjusted net income**, **+16%** up on 3Q'15 and **1.45 euro** per share
- Excellent cash generation with **+€245 million free cash flow**[1] and **net debt** significantly down compared to 30 June 2016 at **€1,201 million**
- Arkema now aims to achieve a significant EBITDA growth of some 9% to 10% over the year compared to 2015

The Board of Directors of Arkema met on 9 November 2016 to review the Group's consolidated accounts for 3rd quarter 2016. At the close of the meeting, Chairman and CEO Thierry Le Hénaff stated:

"Arkema has achieved, in a volatile environment with moderate growth, a very good financial performance with EBITDA and EBITDA margin progressing well compared to last year's already high levels, as well as excellent cash generation.

These achievements reward the change in the Group's profile and the strong development of resilient and high added value niches in our business portfolio. We are fully benefiting from our growth strategy, in particular in new materials, adhesives, and in Asia with our recent investments.

These elements will continue to sustain the Group's momentum over the next few years, while, in the shorter term, reinforcing our confidence in our ability to achieve a very good year in 2016."

[1] Cash flow from operations and investments excluding the impact of portfolio management.

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3RD QUARTER 2016 KEY FIGURES

(In millions of euros)	3Q 2015	3Q 2016	Variation
Sales	**1,946**	**1,838**	**-5.5%**
EBITDA	**286**	**303**	**+5.9%**
EBITDA margin	**14.7%**	**16.5%**	
High Performance Materials	*15.1%*	*16.7%*	
Industrial Specialties	*18.8%*	*22.2%*	
Coating Solutions	*11.4%*	*12.2%*	
Recurring operating income	176	190	+8.0%
Non-recurring items	(15)	(19)	n.a.
Adjusted net income	**95**	**110**	**+15.8%**
Net income – Group share	61	96	+57.4%
Adjusted net income per share *(in €)*	1.27	1.45	+14.2%
Weighted average number of ordinary shares	73,440,526	75,056,676	

THIRD QUARTER 2016 ACTIVITY

Sales reached **€1,838 million**, down 5.5% on 3rd quarter 2015 (€1,946 million). Volumes, **+2.0%** up, improved across all three divisions. The -4.5% price effect reflects the impact on sales prices of raw material variations. The -2.0% business scope effect results from the Sunclear divestment in 4th quarter 2015. The translation effect was negative at -1.0%.

At **€303 million, EBITDA** reached an all-time high for a 3rd quarter. It rose by +5.9% compared to 3rd quarter 2015 (€286 million), driven by growth in the High Performance Materials and Industrial Specialties divisions. The good control of both fixed and variable costs also contributed to this performance, in particular thanks to operational excellence actions. Bostik continued to improve in line with its ambition.

EBITDA margin rose to **16.5%** from 14.7% in 3rd quarter 2015, supported by the growing share of higher added value activities and an improvement in Bostik's margin compared to last year.

In line with EBITDA increase, **recurring operating income** grew to **€190 million** from €176 million in 3rd quarter 2015. It includes €113 million depreciation and amortization, slightly up on last year.

Non-recurring items amounted to **-€19 million**. They primarily include depreciation and amortization related to the revaluation of tangible and intangible fixed assets carried out as part of the allocation of Bostik purchase price and the restructuring charges accounted for as part of the proposed shutdown of a R134a fluorogas production plant in France.

Financial result stood at **-€25 million** against -€53 million in 3rd quarter 2015. In 3rd quarter 2015, the financial result included a €28 million unrealized foreign exchange loss on the financing in US dollar of the investments made in Thiochemicals in Malaysia, the subsidiary still keeping its accounts in Malaysian ringgit at the time.

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Income taxes amounted to **-€51 million**, stable compared to 3rd quarter 2015. They include a +€3 million reversal of provisions for deferred tax liabilities recognized as part of Bostik purchase price allocation. Excluding this item, the tax rate amounted to 28.4% of the recurring operating income.

Net income Group share, up by +57.4%, stood at **€96 million** against €61 million in 3rd quarter 2015. Excluding the impact after tax of non-recurring items, **adjusted net income** stood at **€110 million** (€95 million in 3rd quarter 2015), *i.e.* **€1.45** per share.

DIVISION PERFORMANCE IN THIRD QUARTER 2016

HIGH PERFORMANCE MATERIALS

High Performance Materials **sales** stood at **€836 million**, 3.5%[2] down on 3rd quarter 2015 (€866 million). Volumes grew by +1.2% driven by innovation in Technical Polymers and by geographic expansion at Bostik. Demand varied by geography and application with new energies on the positive side and oil and gas on the negative. The -2.5% price effect primarily reflects a slightly different product mix from last year as well as changes in certain raw material costs. The translation effect was -1.4%.

EBITDA stood at **€140 million**, +6.9% up on 3rd quarter 2015 (€131 million), supported in particular by the development of Technical Polymers in new energies and lighter materials. Bostik reported a very solid performance with a 4% EBITDA increase compared to last year, the benefits of its developments and synergies with Arkema largely offsetting a negative currency effect related to variations of certain currencies against the euro.

At **16.7%** against 15.1% in 3rd quarter 2015, the improvement in the **EBITDA margin** continued to reflect Bostik's progress and the very good performance of the division's other activities.

INDUSTRIAL SPECIALTIES

Industrial Specialties again achieved a very good performance, with **EBITDA +7.9%** up on 3rd quarter 2015, and an **EBITDA margin** which stayed at an excellent level at **22.2%**.

Sales amounted to **€553 million**, 9%[2] down on 3rd quarter 2015 (€608 million), given in particular a -6.4% business scope effect related to the divestment of Sunclear in 4th quarter 2015. Volumes rose by +1.1%, driven by a good demand in fluorogases and PMMA which more than offset the impact of the Kerteh maintenance turnaround in Malaysia in Thiochemicals. The -4.1% price effect reflected changes in the cost of some raw materials as well as the product mix in certain activities. The translation effect was limited to -0.7%.

EBITDA rose to **€123 million** against €114 million in 3rd quarter 2015, thanks to a good performance in fluorogases, ongoing favorable market conditions in PMMA, and despite a slightly lower performance in Thiochemicals given the regulatory maintenance turnaround in Malaysia.

COATING SOLUTIONS

At **€442 million**, **sales** were down 4.9% compared to 3rd quarter 2015 (€465 million). The +4.6% year-on-year increase in volumes, driven by acrylic monomers, partly offset the -8.9% price effect which continued to reflect the level of raw materials and which softened compared to the previous quarters. The translation effect was limited to -0.7%.

With **€54 million EBITDA**, slightly up on last year (€53 million in 3rd quarter 2015) and a **12.2% EBITDA margin** (11.4% in 3rd quarter 2015), the division's performance resisted well with market conditions in acrylic monomers stabilized at a low point. These results also confirm the benefits of innovation in downstream acrylics in a moderate growth environment.

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[2] At 1st January 2016, a small activity within the Performance Additives business line was reassigned to the Industrial Specialties division. The reported variation in sales includes the €7 million impact of this reporting change.

CASH FLOW AND NET DEBT AT 30 SEPTEMBER 2016

In 3rd quarter 2016, Arkema generated very high **free cash flow**[3] at **+€245 million** (+€172 million in 3rd quarter 2015), its best-ever performance. This strong improvement reflects the EBITDA increase compared to last year, the €107 million decrease in working capital[4], and the strict control of capital expenditure[5] amounting to €94 million. This flow also includes the repayment of a +€21 million tax credit which, in 2015, was paid in 4th quarter, as well as -€10 million non-recurring items mostly corresponding to restructuring costs. The annualized working capital to sales ratio stood at 16.8%[6], down on 30 September 2015 (17.6%) reflecting the good management of working capital.

After taking account of portfolio management operations, corresponding essentially to the implementation of the agreements concluded with Jurong in acrylics in China, net cash flow amounted to **+€201 million** in 3rd quarter 2016 against +€167 million in 3rd quarter 2015.

Net debt stood at **€1,201 million**, significantly down on 30 June 2016 (€1,406 million). At end of September, gearing stood at 29%. The €33 million interest with respect to the hybrid bond will be cashed out in 4th quarter. Meanwhile, capital expenditure over the whole year should be slightly below €450 million.

THIRD QUARTER 2016 HIGHLIGHTS

Proposed acquisition of Den Braven

In July 2016, Arkema announced a project to acquire Den Braven, a leader in high performance sealants in Europe with sales of some €350 million (2016 estimate), 12.5% EBITDA margin (2016 estimate), and around 1,000 employees. This project is part of the Group's strategy to actively develop its High Performance Materials division and, in particular, its Specialty Adhesives business. This acquisition, based on an enterprise value of €485 million, *i.e.* 11 times the 2016 EBITDA estimate, offers significant synergies, assessed at least at €30 million per year in total and fully achieved within 5 years. The EBITDA multiple should therefore be reduced to around 6.5 times including synergies. This high-value-creating operation should also be accretive on earnings per share and cash flow from the first year. With this new step in the implementation of the long-term ambition for Bostik, Bostik's EBITDA margin target has been upgraded to 15% by 2020. The project should be finalized before year-end.

Organic growth projects

As part of its geographic expansion strategy, Bostik has opened a new production plant for cementitious products in Sweden. This plant will help serve growing market demand in Northern Europe and the Baltic region.

To support its customers' growth, in particular in the sports, consumer electronics and automotive markets, Arkema has announced the expansion of its specialty polyamides production capacities in China and the United States. Two production lines should in particular come on stream in 2017 in China.

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

Given the anticipated decline in demand for R134a in Europe from 1st January 2017 following regulatory changes affecting fluorinated gases for automotive air conditioning, Arkema has announced a project for the closure of the R134a fluorogas plant and the reorganization of its Pierre-Bénite site in France. In accordance with this project subject to the legal information and consultation process involving employee representative bodies, the closure of this plant should take place at the end of the 1st quarter 2017.

Financing

Following an initial extension of 12 months in 2015, the multi-currency credit agreement for a maximum amount of €900 million, signed in 2014 for an initial 5-year term, has been extended for a further 12 months, henceforth with an October 2021 maturity date.

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[3] Cash flow from operations and investments excluding impact of portfolio management.

[4] Variation in operating working capital and fixed asset payables excluding non-recurring items and impact of portfolio management.

[5] Excluding capital expenditure related to portfolio management and restructuring operations.

[6] Computed as working capital at 30 September / (sales for 3rd quarter * 4). At 30 September 2015, working capital excluded fixed assets payables relating to the transfer of an acrylic acid production line to Taixing Sunke Chemicals.

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POST BALANCE SHEET EVENTS

Organic growth projects

On 5 October 2016, Arkema announced plans to build a new polyester powder resin manufacturing facility in India. The project, amounting to approximately US$15 million and due to come on stream in 2018, will support customer growth in the fast growing powder coating market.

On 24 October 2016, Arkema announced a project for a 25% increase in its Kynar® PVDF capacities on its Changshu platform in China. This investment, which supports the Group's ambition in Technical Polymers and the development of its High Performance Materials division, will help meet customer growth in Asia, in particular in the new energies and water treatment markets.

Divestment of the Activated Carbon and Filter Aid business

On 2 November 2016, Arkema announced that it completed the divestment, to the American group Calgon Carbon, of its Activated Carbon and Filter Aid business which generated around €93 million sales.

2016 OUTLOOK

Over the end of the year, the macro-economic environment should remain characterized by moderate world growth, different dynamics by region, and volatility in energy prices, raw materials and currencies.

In this environment, Arkema will continue to focus on its internal drivers and will benefit in particular from the further development of Bostik and new materials and from its operational excellence initiatives aimed at offsetting part of the inflation on fixed costs. The improvement in fluorogases should be limited over the last quarter given the traditional seasonality of this activity at year-end.

Taking into account these elements and the very good results achieved over the first nine months of the year, Arkema adjusts its target upwards. Assuming an energy, raw material and currency environment in the continuity of the 3rd 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.

The 3Q 2016 results are detailed in the presentation "3rd quarter 2016 results" available on the website: www.finance.arkema.com

FINANCIAL CALENDAR

28 February 2017	Publication of full year 2016 results

A designer of materials and innovative solutions, ***Arkema*** *shapes materials and creates new uses that accelerate customer performance. Our balanced business portfolio spans high-performance materials, industrial specialties and coating solutions. Our globally recognized brands are ranked among the leaders in the markets we serve. Reporting annual sales of €7.7 billion in 2015, we employ approximately 19,000 people worldwide and operate in close to 50 countries. We are committed to active engagement with all our stakeholders. Our research centers in North America, France and Asia concentrate on advances in bio-based products, new energies, water management, electronic solutions, lightweight materials and design, home efficiency and insulation. www.arkema.com*

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DISCLAIMER

The information disclosed in this press release may contain forward-looking statements with respect to the financial conditions, 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 materials 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.

Balance sheet, income statement, cash flow statement, statement of changes in shareholders' equity and information by business segment included in this press release are extracted from the consolidated financial statements at 30 September 2016 reviewed by the Board of Directors of Arkema on 9 November 2016. Quarterly financial information is not audited.

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

The main performance indicators used are described below:

- ***Operating income**: this includes all income and expenses of continuing operations other than financial result, equity in income of affiliates and income taxes;*
- ***Other income and expenses**: these correspond to a limited number of well-identified non-recurring items of income and expense of a particularly material nature that the Group presents separately in its income statement in order to facilitate understanding of its recurring operational performance. These items of income and expense notably include:*
  - *Impairment losses in respect of property, plant and equipment and intangible assets,*
  - *Gains or losses on sale of assets, acquisition expenses, badwills and stock valuation adjustments between the fair value on the acquisition date and the replacement value*
  - *Certain large restructuring and environmental expenses which would hamper the interpretation of recurring operating income (including substantial modifications to employee benefit plans and the effect of onerous contracts),*
  - *Certain expenses related to litigation and claims or major damages, whose nature is not directly related to ordinary operations;*
  - *Depreciation and amortization related to the revaluation of tangible and intangible assets identified as part of the allocation of the Bostik acquisition price.*
- ***Recurring operating income**: this is calculated as the difference between operating income and other income and expenses as previously defined;*
- ***Adjusted net income**: this corresponds to "Net income – Group share" adjusted for the "Group share" of the following items:*
  - *Other income and expenses, after taking account of the tax impact of these items,*
  - *Income and expenses from taxation of an exceptional nature, the amount of which is deemed significant,*
  - *Net income of discontinued operations,*
  - *Unrealized currency losses or gains on financing in non-recurring investment currencies.*
- ***EBITDA**: this corresponds to recurring operating income increased by depreciation and amortization;*
- ***Working capital**: this corresponds to the difference between inventories, accounts receivable, other receivables and prepaid expenses, income tax receivables and other current financial assets on the one hand and accounts payable, other creditors and accrued liabilities, income tax liabilities and other current financial liabilities on the other hand. These items are classified in current assets and liabilities in the consolidated balance sheet;*
- ***Capital employed**: this is calculated by aggregating the net carrying amounts of intangible assets, property, plant and equipment, equity affiliate investments and loans, other investments, other non-current assets (excluding deferred tax assets) and working capital;*
- ***Recurring investments:** these correspond to tangible and intangible investments which exclude a small number of investments of an exceptional nature that the Group presents separately in order to facilitate the analysis of cash generation in its financial communication. These investments characterized by their size or their nature are presented either as non-recurring investments or in acquisitions and divestments;*
- ***Net debt**: this is the difference between current and non-current debt and cash and cash equivalents.*

In analyzing changes in its results, particularly changes in sales, the Group identifies the influence of the following effects (such analysis is unaudited):

- ***effect of changes in scope of business**: effects of changes in scope of business arise on acquisition or disposal of an entire business or on first-time consolidation or deconsolidation of an entity. An increase or reduction in capacity is not analysed as creating a change in the scope of business;*
- ***effect of foreign currency movements**: the effect of foreign currency movements is the mechanical impact of consolidation of accounts denominated in currencies other than the euro at different exchange rates from one period to another. The*

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effect of foreign currency movements is calculated by applying the foreign exchange rates of the prior period to the figures of the current period;

- ***effect of changes in prices**: the impact of changes in average sales prices is estimated by comparing the average weighted unit net sales price of a range of related products in the current period with their average weighted unit net sales price in the prior period, multiplied, in both cases, by the volumes sold in the reference period;*
- ***effect of changes in volumes**: the impact of changes in volumes is estimated by comparing quantities delivered in the reference period with the quantities delivered in the prior period, multiplied, in both cases, by the average weighted unit net sales prices of the relevant prior period.*

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ARKEMA Financial Statements

Consolidated financial statements - At the end of September 2016

CONSOLIDATED INCOME STATEMENT

(In millions of euros)	3rd quarter 2016 (non audited)	End of September 2016 (non audited)	3rd quarter 2015 (non audited)	End of September 2015 (non audited)
Sales	**1,838**	**5,683**	**1,946**	**5,923**
Operating expenses	(1,429)	(4,394)	(1,553)	(4,762)
Research and development expenses	(53)	(165)	(51)	(154)
Selling and administrative expenses	(166)	(514)	(166)	(490)
Recurring operating income	**190**	**610**	**176**	**517**
Other income and expenses	(19)	(20)	(15)	(97)
Operating income	**171**	**590**	**161**	**420**
Equity in income of affiliates	1	7	2	7
Financial result	(25)	(75)	(53)	(107)
Income taxes	(51)	(177)	(51)	(87)
Net income	**96**	**345**	**59**	**233**
Of which non-controlling interests	-	4	(2)	(3)
Net income - Group share	**96**	**341**	**61**	**236**
Earnings per share (amount in euros)	*1.26*	*4.54*	*0.81*	*3.21*
Diluted earnings per share (amount in euros)	*1.26*	*4.53*	*0.81*	*3.20*
Depreciation and amortization	(113)	(336)	(110)	(326)
EBITDA	**303**	**946**	**286**	**843**
Adjusted net income	**110**	**350**	**95**	**283**
Adjusted net income per share (amount in euros)	*1.45*	*4.66*	*1.27*	*3.85*
Diluted adjusted net income per share (amount in euros)	*1.45*	*4.65*	*1.27*	*3.84*
Weighted average number of shares		*75,056,676*		*73,440,526*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In millions of euros)	3rd quarter 2016 *(non audited)*	End of September 2016 *(non audited)*	3rd quarter 2015 *(non audited)*	End of September 2015 *(non audited)*
Net income	**96**	**345**	**59**	**233**
Hedging adjustments	3	14	(1)	4
Other items	(1)	(7)	-	1
Deferred taxes on hedging adjustments and other items	-	(1)	-	1
Change in translation adjustments	(19)	(61)	(44)	73
Other recyclable comprehensive income	**(17)**	**(55)**	**(45)**	**79**
Actuarial gains and losses	13	(3)	(2)	39
Deferred taxes on actuarial gains and losses	(4)	(2)	1	(9)
Other non-recyclable comprehensive income	**9**	**(5)**	**(1)**	**30**
Total income and expenses recognized directly in equity	**(8)**	**(60)**	**(46)**	**109**
Comprehensive income	**88**	**285**	**13**	**342**
Of which: non-controlling interest	1	1	(4)	(3)
Comprehensive income - Group share	**87**	**284**	**17**	**345**

CONSOLIDATED BALANCE SHEET

(In millions of euros)	30 September 2016 (non audited)	31 December 2015 (audited)
ASSETS		
Intangible assets, net	2,364	2,410
Property, plant and equipment, net	2,538	2,727
Equity affiliates : investments and loans	33	29
Other investments	30	29
Deferred tax assets	181	193
Other non-current assets	219	204
TOTAL NON-CURRENT ASSETS	**5,365**	**5,592**
Inventories	1,132	1,129
Accounts receivable	1,134	1,051
Other receivables and prepaid expenses	173	190
Income taxes recoverable	45	33
Other current financial assets	5	15
Cash and cash equivalents	907	711
TOTAL CURRENT ASSETS	**3,396**	**3,129**
TOTAL ASSETS	**8,761**	**8,721**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	756	745
Paid-in surplus and retained earnings	3,106	2,864
Treasury shares	(5)	(3)
Translation adjustments	234	294
SHAREHOLDERS' EQUITY - GROUP SHARE	**4,091**	**3,900**
Non-controlling interests	48	49
TOTAL SHAREHOLDERS' EQUITY	**4,139**	**3,949**
Deferred tax liabilities	287	307
Provisions for pensions and other employee benefits	538	571
Other provisions and non-current liabilities	437	453
Non-current debt	1,885	1,873
TOTAL NON-CURRENT LIABILITIES	**3,147**	**3,204**
Accounts payable	769	884
Other creditors and accrued liabilities	395	378
Income taxes payable	76	68
Other current financial liabilities	12	21
Current debt	223	217
TOTAL CURRENT LIABILITIES	**1,475**	**1,568**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**8,761**	**8,721**

CONSOLIDATED CASH FLOW STATEMENT

(In millions of euros)	End of September 2016 (non audited)	End of September 2015 (non audited)
Cash flow - operating activities		
Net income	345	233
Depreciation, amortization and impairment of assets	368	358
Provisions, valuation allowances and deferred taxes	(55)	(88)
(Gains)/losses on sales of assets	(6)	(6)
Undistributed affiliate equity earnings	(5)	(6)
Change in working capital	(86)	(19)
Other changes	14	6
Cash flow from operating activities	**575**	**478**
Cash flow - investing activities		
Intangible assets and property, plant, and equipment additions	(263)	(312)
Change in fixed asset payables	(93)	3
Acquisitions of operations, net of cash acquired	(1)	(1,294)
Increase in long-term loans	(47)	(34)
Total expenditures	**(404)**	**(1,637)**
Proceeds from sale of intangible assets and property, plant and equipment	8	8
Change in fixed asset receivables	0	0
Proceeds from sale of operations, net of cash sold	20	0
Proceeds from sale of unconsolidated investments	5	-
Repayment of long-term loans	34	13
Total divestitures	**67**	**21**
Cash flow from investing activities	**(337)**	**(1,616)**
Cash flow - financing activities		
Issuance (repayment) of shares and other equity	46	92
Issuance of hybrid bonds	-	0
Purchase of treasury shares	(6)	(5)
Dividends paid to parent company shareholders	(143)	(135)
Dividends paid to minority shareholders	(2)	(2)
Change in dividends to be paid	-	-
Increase/ decrease in long-term debt	23	451
Increase/ decrease in short-term borrowings and bank overdrafts	3	27
Cash flow from financing activities	**(79)**	**428**
Net increase/(decrease) in cash and cash equivalents	159	(710)
Effect of exchange rates and changes in scope	37	37
Cash and cash equivalents at beginning of period	711	1,149
Cash and cash equivalents at end of period	**907**	**476**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(non audited)

	Shares issued						Treasury shares				
(In millions of euros)	Number	Amount	Paid-in surplus	Hybrid bonds	Retained earnings	Translation adjustments	Number	Amount	Shareholders' equity - Group share	Non-controlling interests	Shareholders' equity
At January 1, 2016	**74,472,101**	**745**	**1,172**	**689**	**1,003**	**294**	**(36,925)**	**(3)**	**3,900**	**49**	**3,949**
Cash dividend	-	-	-	-	(143)	-	-	-	(143)	(2)	(145)
Issuance of share capital	1,109,024	11	35	-	-	-	-	-	46	-	46
Purchase of treasury shares	-	-	-	-	-	-	(100,617)	(6)	(6)	-	(6)
Grants of treasury shares to employees	-	-	-	-	(4)	-	71,719	4	-	-	-
Share-based payments	-	-	-	-	10	-	-	-	10	-	10
Other	-	-	-	-	-	-	-	-	-	-	-
Transactions with shareholders	**1,109,024**	**11**	**35**	**-**	**(137)**	**-**	**(28,898)**	**(2)**	**(93)**	**(2)**	**(95)**
Net income	-	-	-	-	341	-	-	-	341	4	345
Total income and expense recognized directly through equity	-	-	-	-	3	(60)	-	-	(57)	(3)	(60)
Comprehensive income	**-**	**-**	**-**	**-**	**344**	**(60)**	**-**	**-**	**284**	**1**	**285**
At September 30, 2016	**75,581,125**	**756**	**1,207**	**689**	**1,210**	**234**	**(65,823)**	**(5)**	**4,091**	**48**	**4,139**

INFORMATION BY BUSINESS SEGMENT

(non audited)

(In millions of euros)	3rd quarter 2016				
	High Performance Materials	**Industrial Specialties**	**Coating Solutions**	**Corporate**	**Total**
Non-Group sales	836	553	442	7	**1,838**
Inter segment sales	3	24	13	-	
Total sales	**839**	**577**	**455**	**7**	
EBITDA	**140**	**123**	**54**	**(14)**	**303**
Depreciation and amortization	(38)	(43)	(31)	(1)	(113)
Recurring operating income	**102**	**80**	**23**	**(15)**	**190**
Other income and expenses	(12)	(11)	1	3	(19)
Operating income	**90**	**69**	**24**	**(12)**	**171**
Equity in income of affiliates	-	1	-	-	1
Intangible assets and property, plant and equipment additions	**34**	**39**	**19**	**3**	**95**

(In millions of euros)	3rd quarter 2015				
	High Performance Materials	**Industrial Specialties**	**Coating Solutions**	**Corporate**	**Total**
Non-Group sales	866	608	465	7	**1,946**
Inter segment sales	3	28	17	-	
Total sales	**869**	**636**	**482**	**7**	
EBITDA	**131**	**114**	**53**	**(12)**	**286**
Depreciation and amortization	(37)	(44)	(29)	-	(110)
Recurring operating income	**94**	**70**	**24**	**(12)**	**176**
Other income and expenses	(13)	-	(2)	-	(15)
Operating income	**81**	**70**	**22**	**(12)**	**161**
Equity in income of affiliates	-	2	-	-	2
Intangible assets and property, plant and equipment additions	**39**	**38**	**83**	**1**	**161**

INFORMATION BY BUSINESS SEGMENT

(non audited)

(In millions of euros)	End of September 2016				
	High Performance Materials	**Industrial Specialties**	**Coating Solutions**	**Corporate**	**Total**
Non-Group sales	2,583	1,748	1,331	21	**5,683**
Inter segment sales	12	84	42	-	
Total sales	**2,595**	**1,832**	**1,373**	**21**	
EBITDA	**454**	**386**	**167**	**(61)**	**946**
Depreciation and amortization	(115)	(129)	(90)	(2)	(336)
Recurring operating income	**339**	**257**	**77**	**(63)**	**610**
Other income and expenses	(33)	(13)	2	24	(20)
Operating income	**306**	**244**	**79**	**(39)**	**590**
Equity in income of affiliates	1	6	-	-	7
Intangible assets and property, plant and equipment additions	**100**	**111**	**44**	**8**	**263**

(In millions of euros)	End of September 2015				
	High Performance Materials	**Industrial Specialties**	**Coating Solutions**	**Corporate**	**Total**
Non-Group sales	2,515	1,918	1,470	20	**5,923**
Inter segment sales	10	92	52	-	
Total sales	**2,525**	**2,010**	**1,522**	**20**	
EBITDA	**391**	**335**	**167**	**(50)**	**843**
Depreciation and amortization	(110)	(129)	(86)	(1)	(326)
Recurring operating income	**281**	**206**	**81**	**(51)**	**517**
Other income and expenses	(74)	(8)	(14)	(1)	(97)
Operating income	**207**	**198**	**67**	**(52)**	**420**
Equity in income of affiliates	-	7	-	-	7
Intangible assets and property, plant and equipment additions	**89**	**120**	**99**	**4**	**312**

AJUSTED NET INCOME

Net income Group share may be reconcilied to adjusted net income as follows:

	3rd quarter 2016	End of September 2016	3rd quarter 2015	End of September 2015
(In millions of euros)	*(non audited)*	*(non audited)*	*(non audited)*	*(non audited)*
NET INCOME - GROUP SHARE	**96**	**341**	**61**	**236**
Other income and expenses	19	20	15	97
Exchange differences on foreign currency financing for investments of an exceptional nature	-	-	24	35
Taxes on other income and expenses	(5)	(11)	55	(25)
Non-current taxation	-	-	(60)	(60)
ADJUSTED NET INCOME	**110**	**350**	**95**	**283**

NET DEBT

(In millions of euros)	30 September 2016 *(non audited)*	31 December 2015 *(audited)*
Non-current debt	1,885	1,873
Current debt	223	217
Cash and cash equivalents	907	711
NET DEBT	**1,201**	**1,379**

FREE CASH FLOW

(In millions of euros)	End of September 2016 *(non audited)*	End of June 2016 *(audited)*	3rd quarter 2016 *(non audited)*	End of September 2015 *(non audited)*	3rd quarter 2015 *(non audited)*
Cash flow from operating activities	575	259	316	478	224
Cash flow from investing activities	(337)	(222)	(115)	(1,616)	(85)
NET CASH FLOW	238	37	201	(1,138)	139
Of which:					
Unrealized foreign exchange differences on the financing in US dollar of the investments made in Thiochemicals in Malaysia without any impact on net debt	-		-	(40)	(28)
Net cash flow from portfolio management	(49)	(5)	(44)	(1,333)	(5)
FREE CASH FLOW	**287**	**42**	**245**	**235**	**172**