



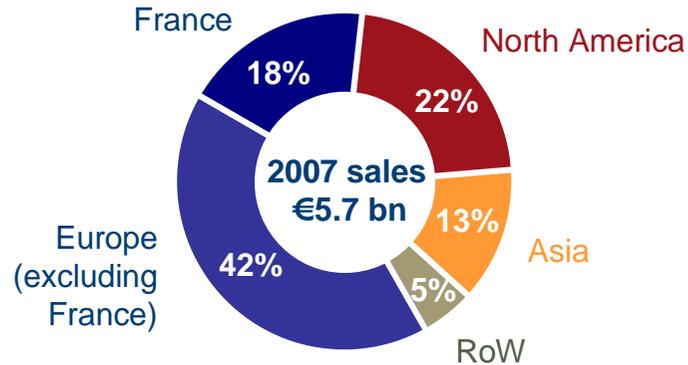
European Chemicals Conference

Thierry Le Hénaff, Chairman and CEO

➔ November 19th 2008

Arkema at a glance

Diversified geographic base



Diversified end markets

% of Arkema sales

15 to 20%
for each

- Chemical industry
- Construction

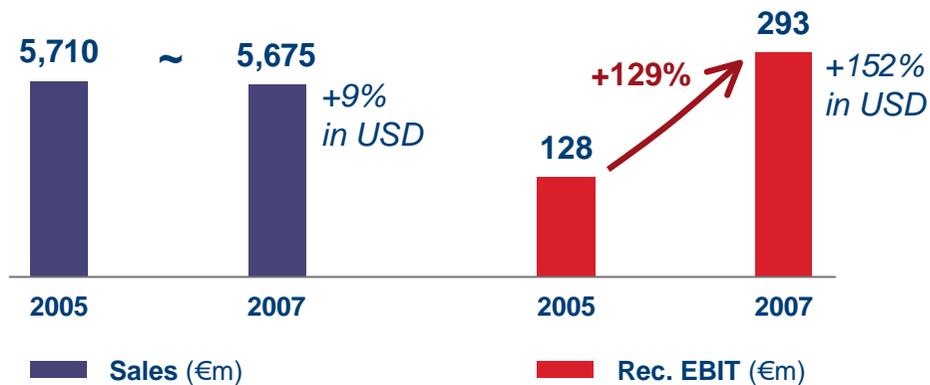
5 to 10%
for each

- Electronics
- Coating & adhesives
- Automotive
- Packaging
- General industry

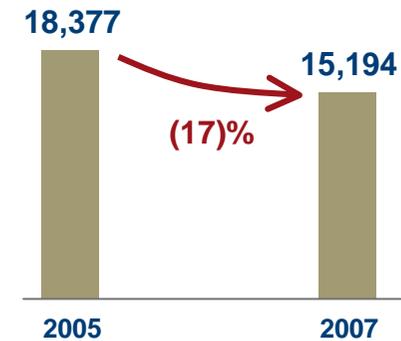
<5%
for each

- Oil & Gas
- Energy
- Paper
- Environment sector
- Animal nutrition
- Health & hygiene
- Sport & leisure
- Infrastructure

Performance turnaround



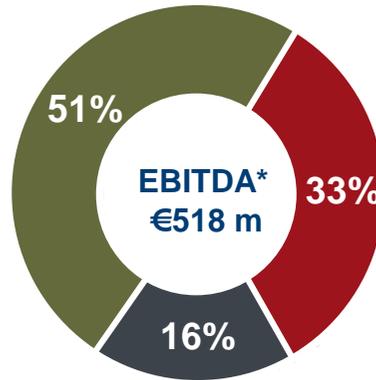
Headcount



Business segments

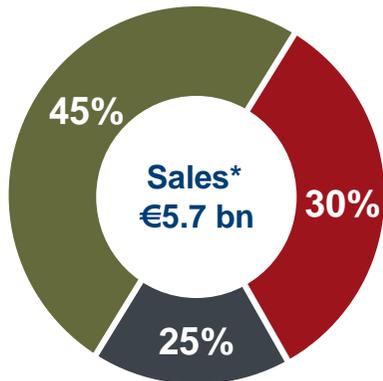
Industrial Chemicals

- World leading positions on integrated chemical lines
- Growing end markets



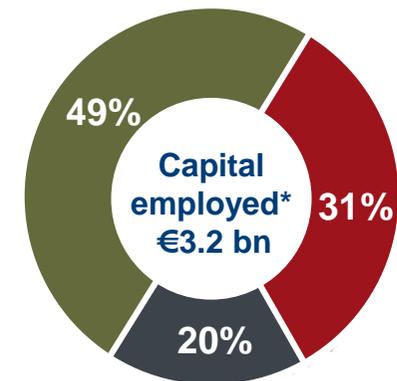
Performance Products

- Innovative solutions
- World leadership in niche segments



Vinyl Products

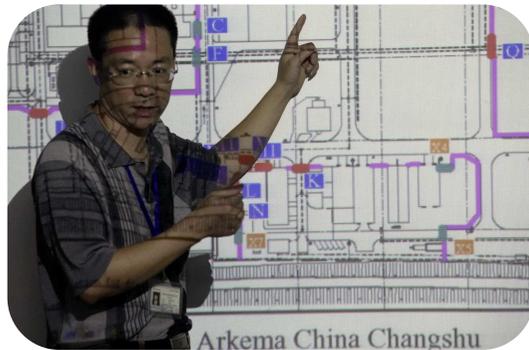
- Well integrated caustic soda and PVC producer
- # 3 in Europe in PVC



A clear path forward



Reduce
fixed costs



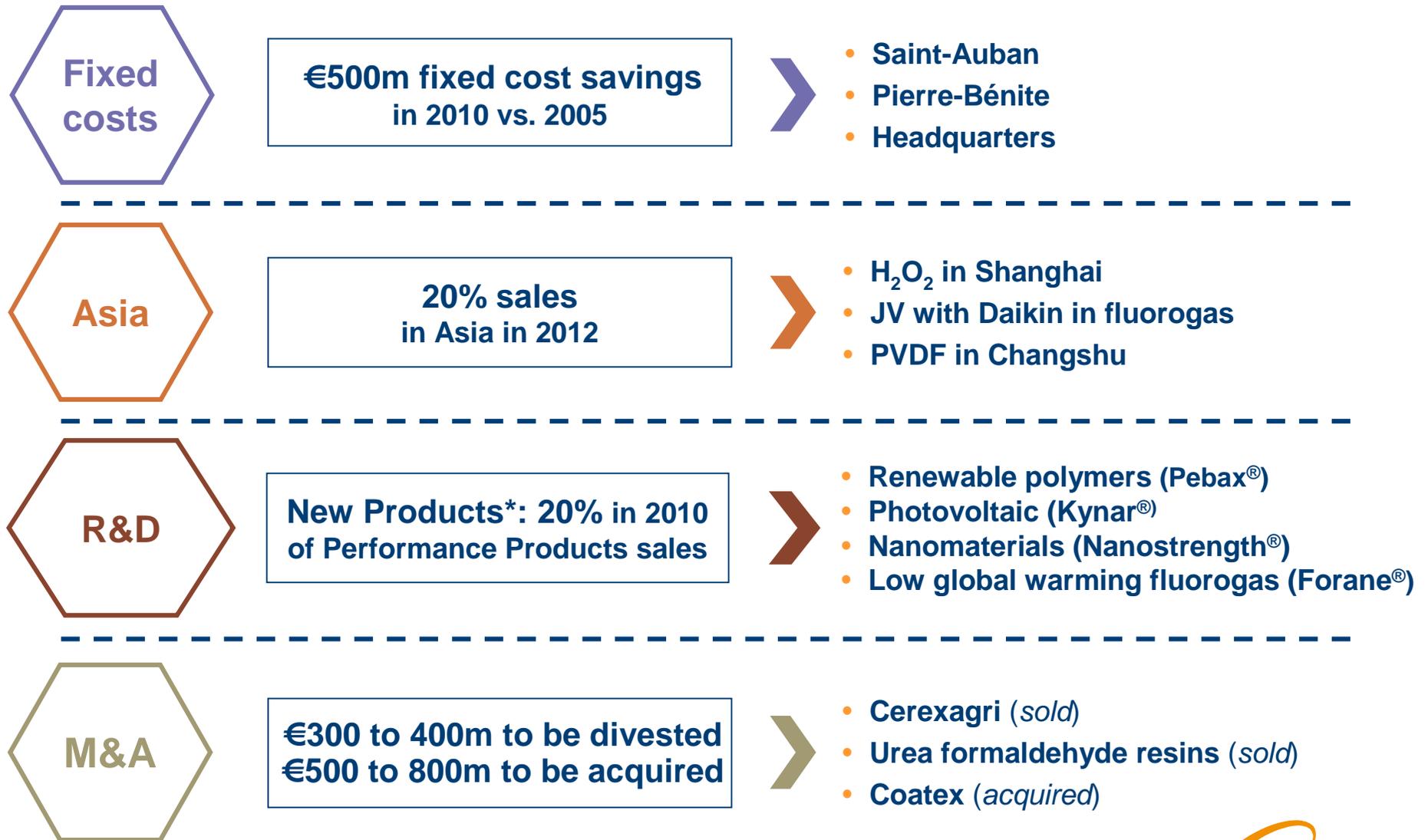
Accelerate
business
development
in Asia



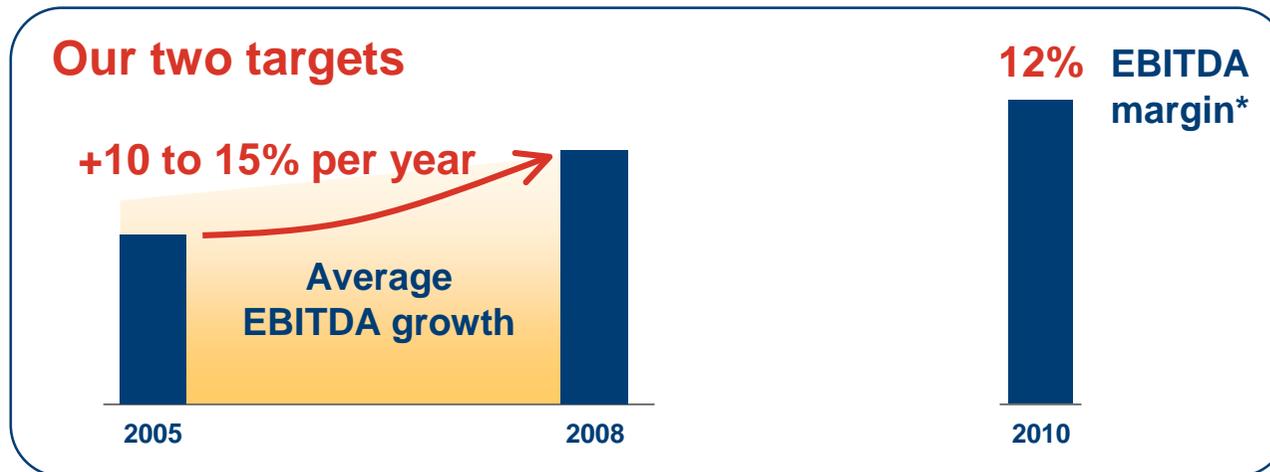
R&D
focused
on new
markets

*Portfolio
management
to speed up
transformation*

Clear targets, quick implementation



Step by step transformation



Ability to deliver

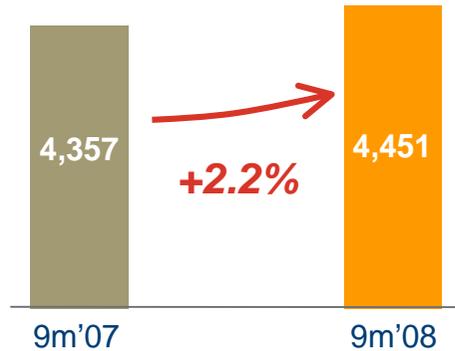


9 months 2008

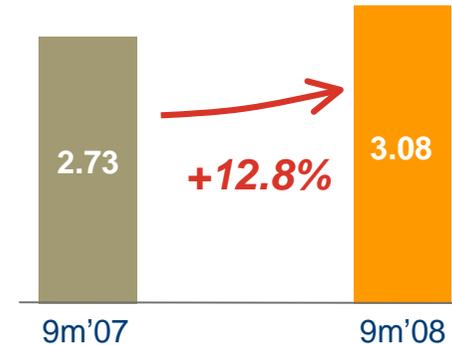
 ***Solid results***

Strong set of results

Sales (€m)



Adjusted EPS (diluted in €)



EBITDA (€m) & EBITDA margin



- **Solid EBITDA growth: +10% vs. 9m'07**
- **+7.8% price increases in a context of high raw materials**
- **Good resilience of results in a challenging environment**
- **Benefits from structural improvements in line with +€100m EBITDA gain announced for 2008**

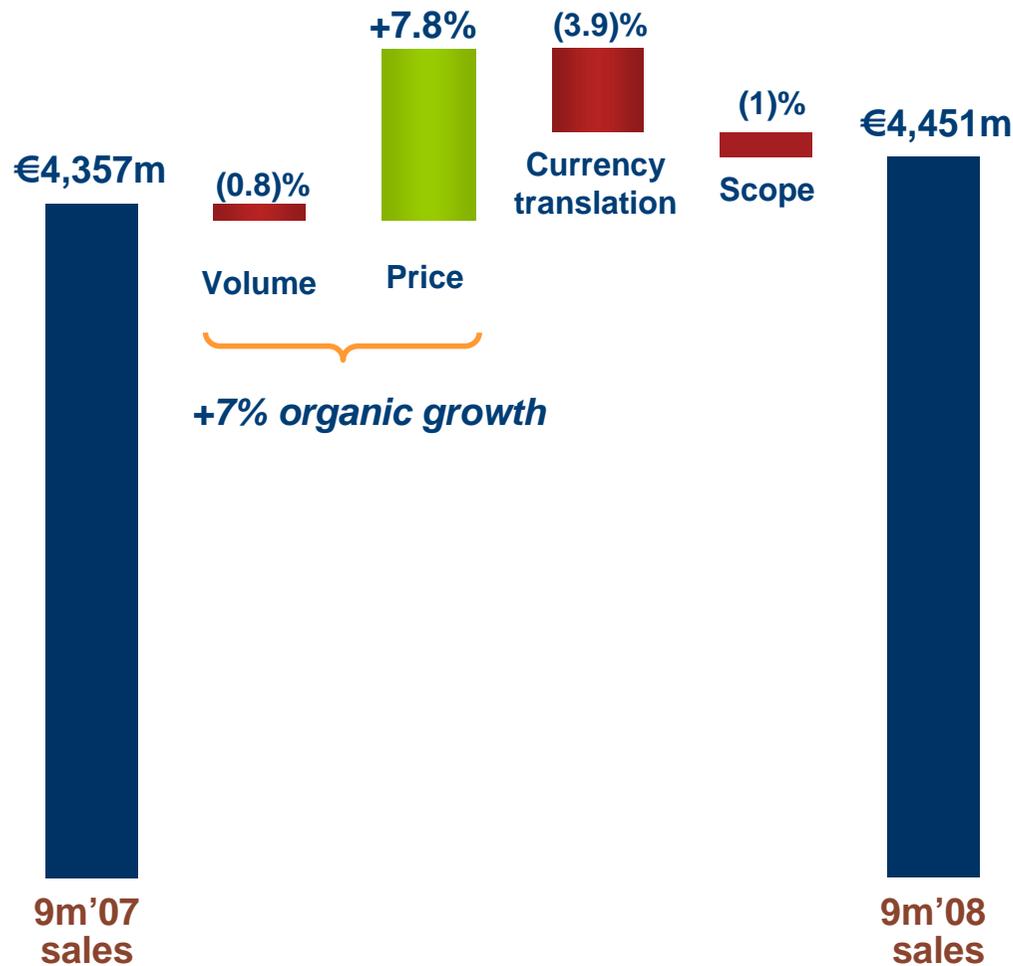


Solid set of results

	3Q'07	3Q'08	Variation	9m'07	9m'08	Variation
Sales	1,380	1,450	+5.1%	4,357	4,451	+2.2%
EBITDA	127	134	+5.5%	411	451	+9.7%
EBITDA margin	9.2%	9.2%		9.4%	10.1%	
Operating income (rec.)	75	72	(4.0)%	252	269	+6.7%
Non recurring items	(9)	(8)		(88)	(18)	
Adjusted net income	47	47	-	166	187	+12.7%
Net income (group share)	37	40	+8.1%	104	172	+65.4%
Net debt (09/30/2008 vs. 12/31/2007)	459	580				



Strong price increases in each business unit



Sales by segment

	Vinyl Products	Industrial Chemicals	Performance Products
Volume	++	-	--
Price	++	+++	+++
Currency translation	-	---	--
Scope	=	++	---

Legend:

+: [0.5-2.5]%

++: [2.5-5]%

+++ : >+5%

= : +/- 0.5%

-- : [(0.5)- (2.5)]%

--- : [(2.5)- (5)]%

---- : <(5)%



Solid EBITDA growth in a challenging environment

EBITDA up 9.7% at €451m

- +7.8% price increases in each business unit
- Remaining PVC margin squeeze

Benefits from structural improvements

- Implementation of structural projects in line with the €100m EBITDA impact for 2008
- Contribution from growth projects:
 - Molecular Sieves in Inowroclav
 - HFC-32 & PVDF in Calvert-City (US)
 - Developments in methylmercaptan derivatives
- Successful integration of Coatex

In a tougher environment

- Unfavorable €/€ exchange rate
- Slowdown of automotive and construction markets in 3Q'08
- Strong volatility of raw material and energy prices

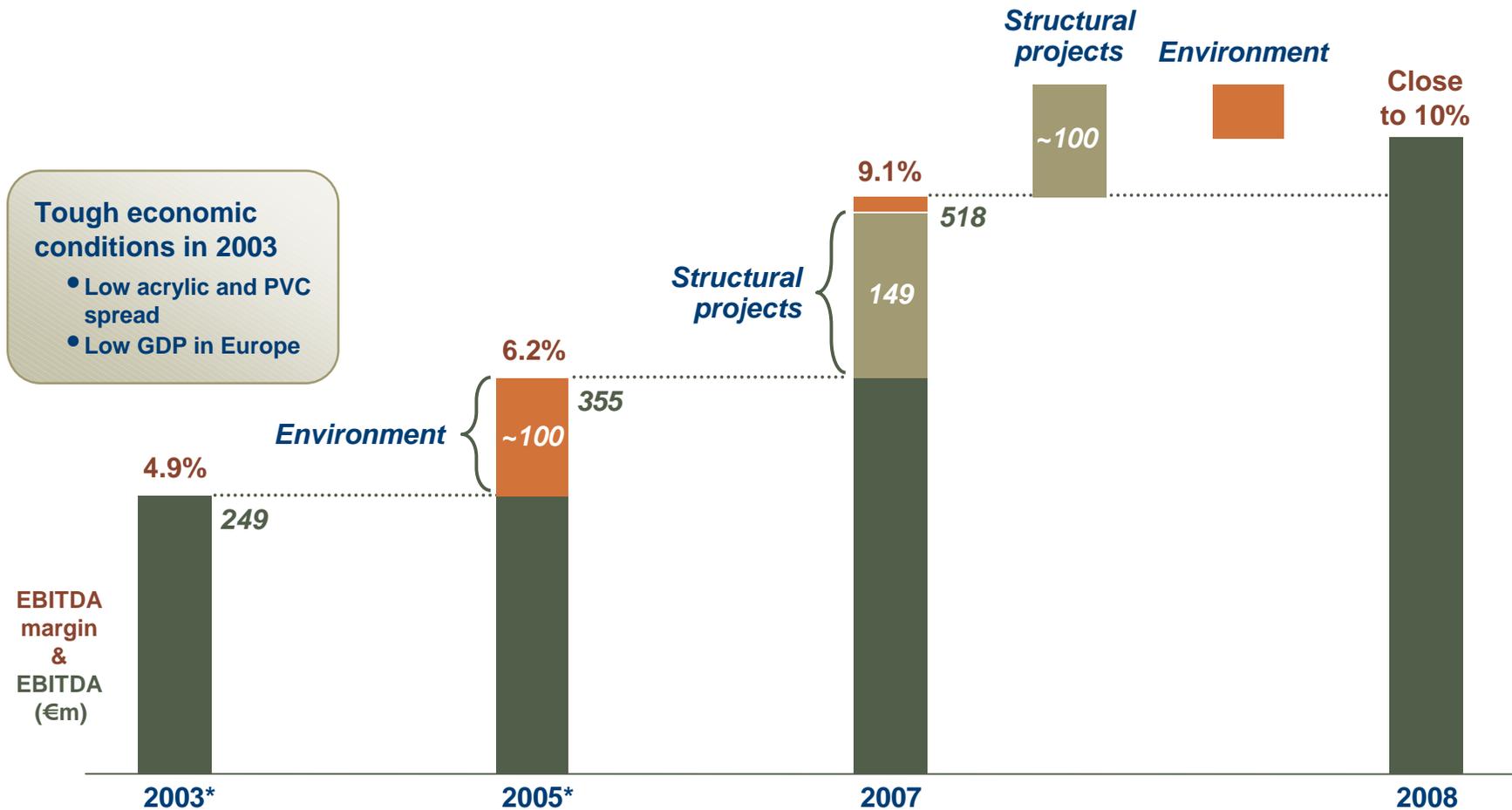
 **Good resilience of Arkema's results** 



Outlook

- ❖ **9m'08 EBITDA up +10%**
- ❖ **Implementation of structural projects:**
 - In line with €100m EBITDA gain expected in 2008
 - End 2008, cumulative fixed cost savings should exceed €330m versus 2005
- ❖ **Limited visibility of macro economic environment in 4Q'08 with sudden ongoing slowdown in demand amplified by destocking**
- ❖ **Due to ongoing action plan, 2008 EBITDA margin should be close to our 10% target**
- ❖ **Priority to optimization of working capital and cash**
- ❖ **Acceleration of the transformation of the company with new projects being considered**
- ❖ **Maintain a strong balance sheet**

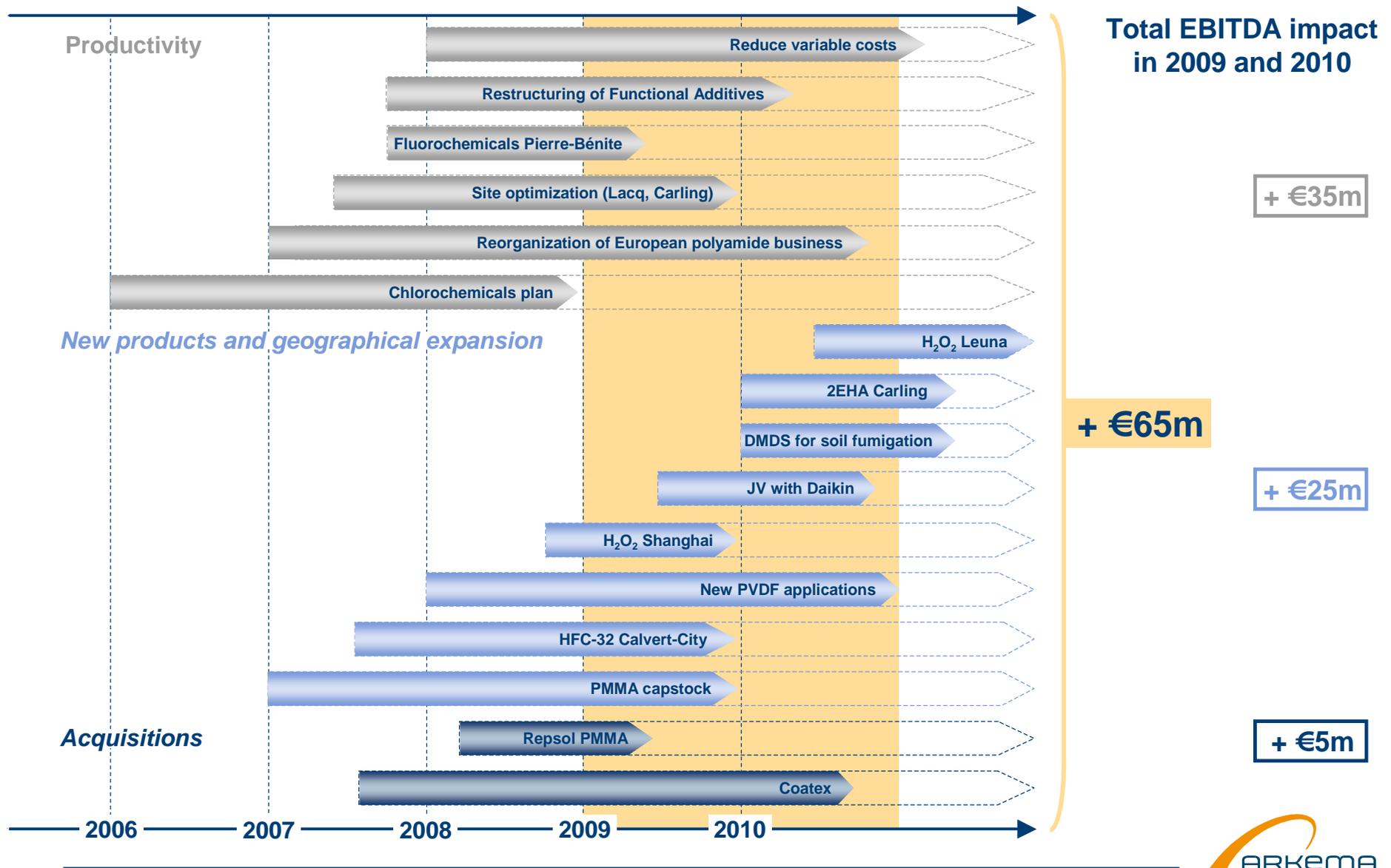
2003 to 2008: resilience significantly increased





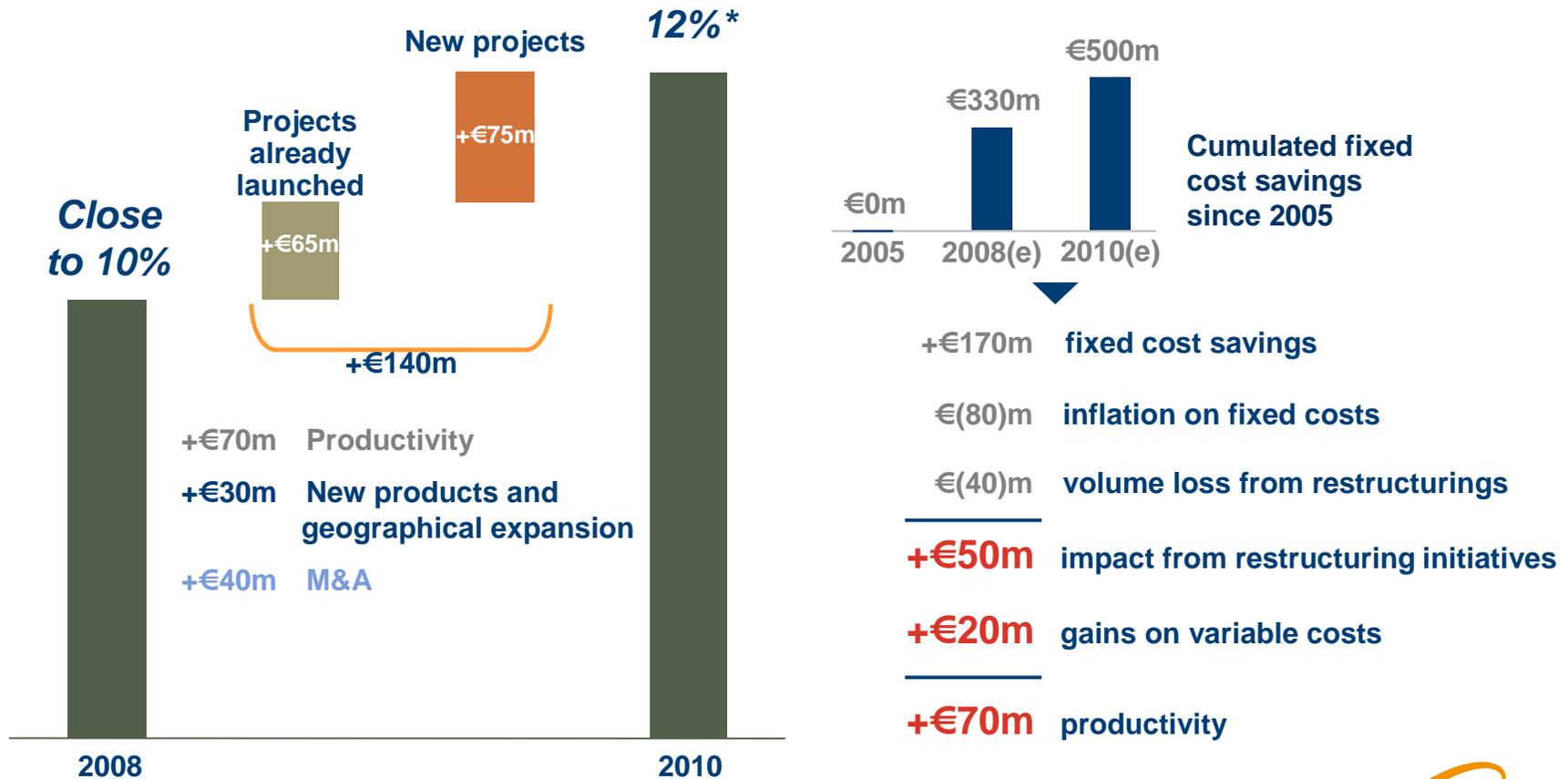
 ***2010 outlook***

Half EBITDA growth for next two years (2009/2010) supported by projects already launched

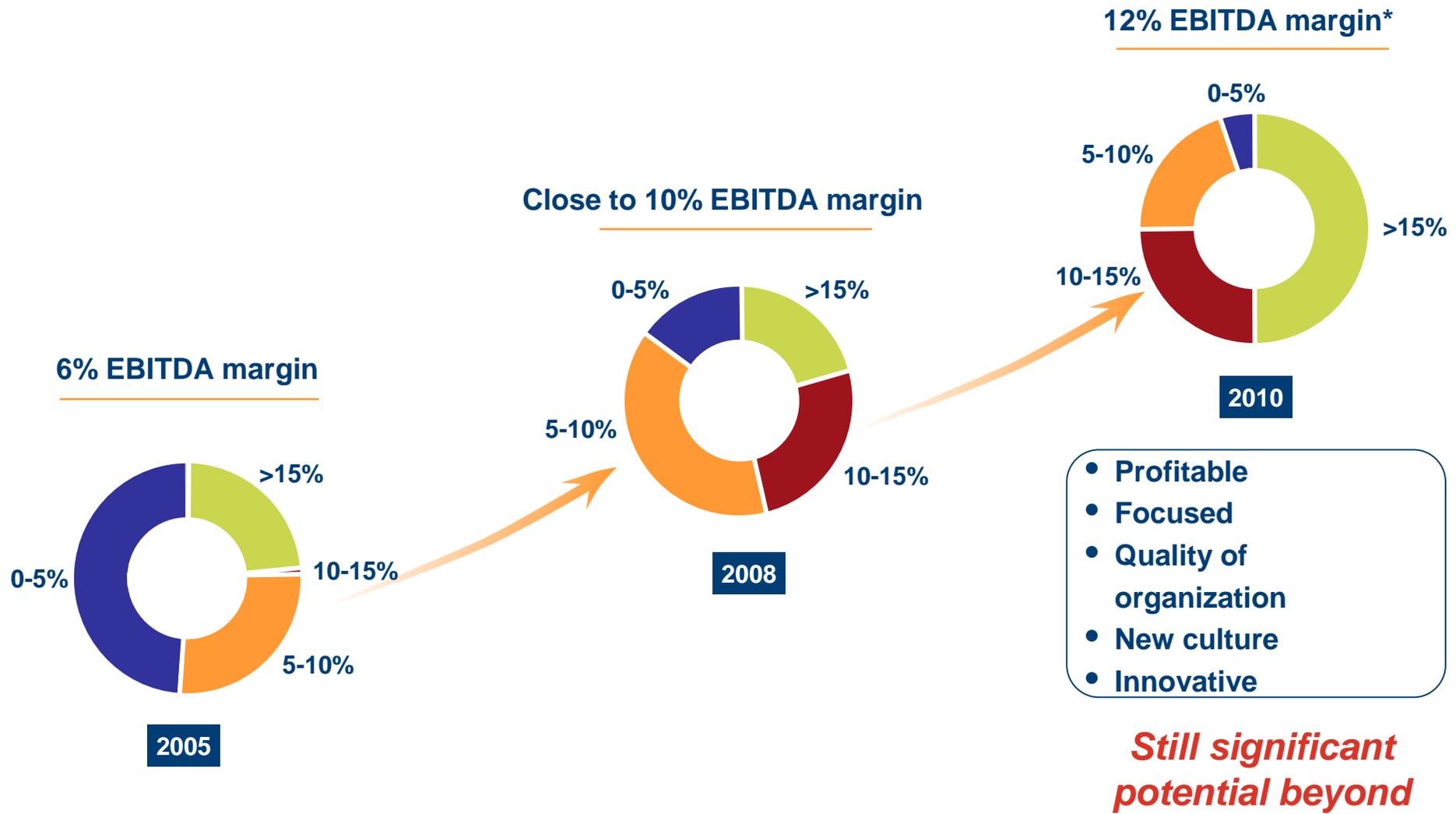


Clear path towards 2010

12% EBITDA margin target in 2010 in a normalized environment



A new profile is emerging



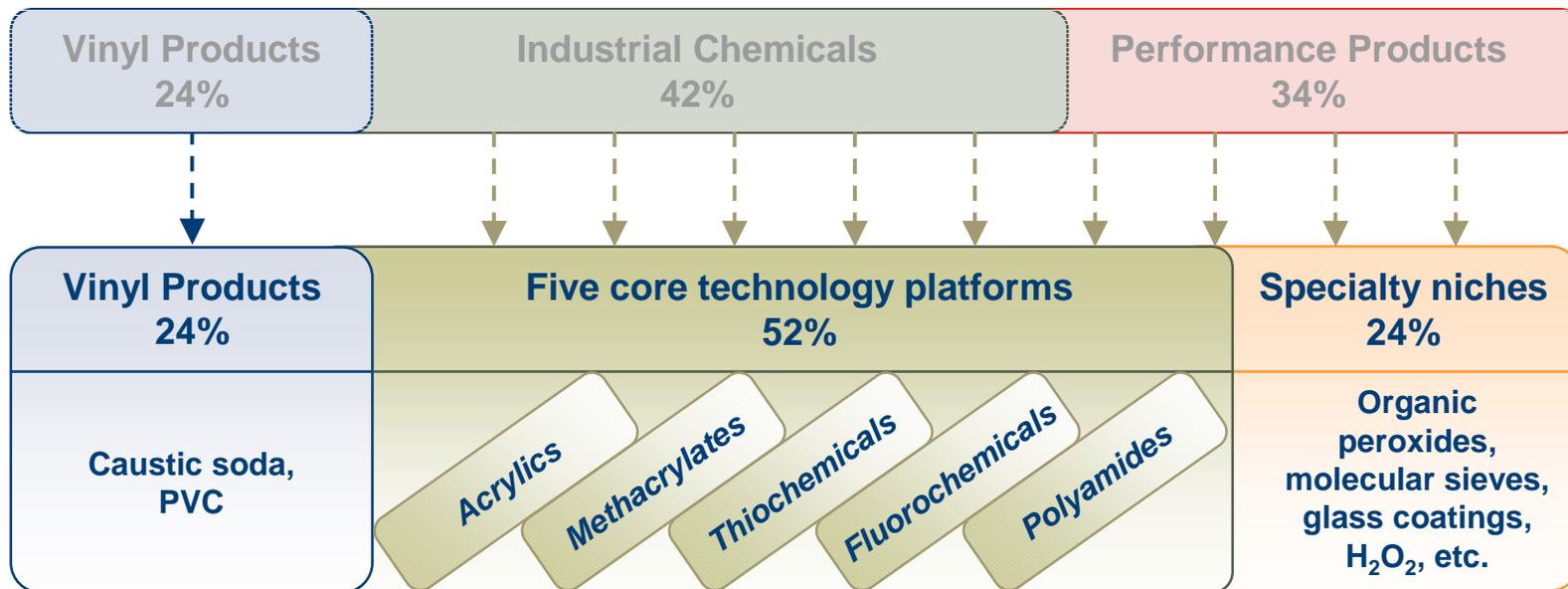
Profitability distribution (sales share)





 ***An attractive portfolio:
sustainable long term prospects***

Quality of the portfolio



Vinyl Products

2005: Launch of Chlorochemicals consolidation plan

- 15% headcount reduction
- Significant increase in production reliability
- Additional savings in G&A (streamlined organization)

 **From 2008: break-even in low-cycle conditions**

2008-2010: Further improvement

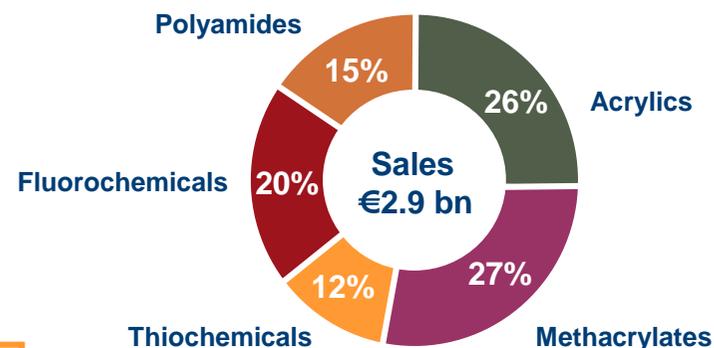
- High energy and raw material costs
- Additional improvement of fixed and variable costs
- Close attention to structural changes in the sector (consolidation, Eastern Europe growth, new energy context)

 **7 to 9% EBITDA margin in mid-cycle conditions in 2010**

Five core technology platforms

	Strategic raw materials	Integrated chain	
		Monomers / intermediates	Polymers / downstream
Acrylics	Propylene	Acrylic acid	Coatex / impact modifiers
Methacrylates	Propylene / methanol	MMA	PMMA (Altuglas®, Plexiglas®)
Thiochemicals	Sulfur	Methylmercaptan	DMDS
Fluorochemicals	Fluor spar	HCFC 140 / VF2	PVDF Kynar®
Polyamides	Castor oil / Butadiene	Amino 11 / Lactame 12	Rilsan® / Pebax®

- Leadership positions
- Small number of competitors
- Growth > GDP
- Proprietary technologies
- High value added downstream



EBITDA margin potential: 15 to 20%*



Specialty niches

Organic peroxides, surfactants, molecular sieves, glass coatings, oil additives, hydrogen peroxide, etc.

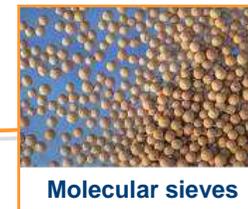
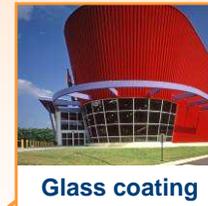
Diversified end markets

Paper, polymers, packaging, petrochemicals, oil & gas, construction, food and beverage, detergents, cosmetics, automotive, glass

Competitors

Evonik, Akzo Nobel, Chemtura, Rohm & Haas, Solvay, etc.

- Focused portfolio
- Growing niche end markets
- Unique R&D pipeline
- Leadership positions
- Customized grades
- Bolt-on acquisitions



EBITDA margin potential > 15%

Emergence of a new profile

❖ **Deliver our targets**

❖ **Top priorities:**

- **Maintain a strong balance sheet**
- **Transformation of the company**
- **Quick adaptation to change of macro economic environment**

❖ **Convinced of potential to reach best in class**

Quality of balance sheet and structural improvements will enable Arkema to efficiently adapt to the economic environment



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 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.

Financial information related to 2003, 2004 and 2005 is extracted from pro forma financial statements presented in the 2006 prospectus for the listing of Arkema shares. Financial information for 2006, 2007 and 2008 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.

A global chemical player, Arkema consists of 3 coherent and related business segments: Vinyl Products, Industrial Chemicals, and Performance Products. Present in over 40 countries with 15,200 employees, Arkema achieves sales of 5.7 billion euros. With its 6 research centers in France, the United States and Japan, and internationally recognized brands, Arkema holds leadership positions in its principal markets

