Press release

Communiqué de presse

Paris, November 15th 2007

ARKEMA: 3RD QUARTER 2007 RESULTS

VERY STRONG GROWTH OF RESULTS, NET INCOME 68% UP

- **EBITDA up 26% to €127 million**
- **EBITDA margin at 9.2% of sales (against 7.3% in the 3rd quarter 2006)**
- **€37 million net income up 68%**
- **€113 million cumulative cash flow[1] over nine months**

(in millions of euros)	3rd Quarter 2006	3rd Quarter 2007	Variation
Sales	**1,387**	**1,380**	**(0.5%)**
EBITDA	**101**	**127**	**+26%**
EBITDA margin	***7.3%***	***9.2%***	
Vinyl Products	*2.7%*	*5.4%*	
Industrial Chemicals	*10.2%*	*12.4%*	
Performance Products	*9.5%*	*10.0%*	
Recurring operating income	**50**	**75**	**+50%**
Non-recurring items	(14)	(9)	n/a
Adjusted net income	34	47	+38%
Net income – Group share	**22**	**37**	**+68%**

UPGRADED 2007 AND 2008 OUTLOOK

- **2007 EBITDA of the order of €510 million**
- **2008 EBITDA margin target at 10% of sales**

[1] Cash flow before non-recurring pre-spin off items and portfolio management operations.

ARKEMA
420 rue d'Estienne d'Orves
F-92705 Colombes Cedex

Société anonyme au capital de 604 538 230 euros
445 074 685 RCS Nanterre

The Board of Directors of Arkema, chaired by President and CEO Thierry Le Hénaff, met on November 14th 2007 to review Arkema's consolidated summary accounts for the third quarter of 2007. Thierry Le Hénaff stated, commenting on the results:

" The strategy set out and implemented by Arkema since its creation has tangible results, namely a significant improvement in its financial performance. Indeed, in 2007, for the third quarter running, EBITDA and recurring operating income have shown a very strong increase compared to last year, with a similar performance expected in the last quarter.
Additionally, with €411 million EBITDA by September 30th, we believe that we can achieve €510 million for the whole of 2007. On this basis, we have set ourselves the objective of a 10% EBITDA margin for 2008. "

THIRD QUARTER 2007 PERFORMANCE

Sales in the 3rd quarter 2007 were stable at €1,380 million, against €1,387 million in the 3rd quarter 2006. Excluding the impact of exchange rates (-2.2%) and of variations in the scope of business (-1.1%), sales rose by +2.7%, this growth being sustained by a major increase in volumes reflecting in particular commercial developments in PMMA, Thiochemicals and Specialty Chemicals.

In a globally satisfactory environment despite a weak US dollar and high raw materials and energy costs, **EBITDA** rose 26% to €127 million, against €101 million for the same period in 2006. This very significant improvement results from the impact of the productivity plans launched by Arkema since its creation, organic growth, and an ability to offset rises in raw material and energy costs. The negative impact on EBITDA of exchange rates and of variations in the scope of business is estimated at €-6 million. **EBITDA margin** stood at 9.2% of sales in the quarter (7.3% in the 3rd quarter 2006).

Recurring operating income stood at €75 million, up 50% over the same period in 2006.

Non-recurring items stood at € -9 million in the 3rd quarter 2007, against € -14 million in the 3rd quarter 2006. As expected, this amount essentially consists of €6 million relating to the incident in Lavéra (France) in May 2007.

Adjusted net income rose by 38%, while **net income** (Group share) stood at €37 million, up 68%.

SEGMENT PERFORMANCE

Vinyl Products sales, unaffected by exchange rate movements, remained steady at €335 million. EBITDA for this segment doubled to €18 million, i.e. an EBITDA margin of 5.4% of sales. In a market environment that continued to be favorable, unit margins remained high. The major five-year turnaround in Fos, France, has limited chlorine and VCM production, and therefore had a negative impact on the segment's EBITDA of some €10 million. During this major turnaround, VCM production capacities were debottlenecked in accordance with the Chlorochemicals consolidation plan. The Fos and Lavéra production plants were started up again on schedule at the end of September.

Industrial Chemicals sales reached €603 million. Excluding the impact of negative exchange rate of the decline of the US dollar vs the euro and of variations in the scope of business (divestment of Riverview amines), sales rose by 4.3%. The segment's EBITDA stood at €75 million, up 21% over the 3rd quarter 2006. EBITDA margin stood at 12.4%. This sound improvement is the result of productivity efforts across the five business units, as well as commercial developments in higher added value products, in particular in PMMA and Thiochemicals. Acrylic margins remained in line with their low levels of previous months.

During the quarter, a new production plant producing new generation HFC refrigerant fluids came on stream in Calvert City, United States. A strategic partnership with the Japanese company Daikin was also announced for the production and marketing of fluorinated gases in Asia. Finally, Arkema announced the acquisition of the Coatex group, specializing in acrylic polymers, thereby reinforcing its portfolio.

Performance Products sales stood at €441 million, up 2.2% excluding exchange rate impact. This improvement is the result of sound demand in Specialty Chemicals and of an increase in unit sales prices in Functional Additives to offset rising tin prices. EBITDA rose to €44 million from €42 million in the 3rd quarter 2006, while EBITDA margin stood at 10%. These results include the first benefits from the productivity plans launched in the second half of 2006, as well as the negative impact of a weak US dollar.

Alongside the actions initiated to improve its competitiveness, Arkema continued its medium-term strategy to develop its Performance Products segment with the announcement of the construction of a PVDF plant in Changshu, China, and the doubling of tin stabilizer production capacity in Beijing, China.

MAIN RESULTS FOR THE FIRST NINE MONTHS OF 2007

(in millions of euros)	9 mths 2006	9 mths 2007	Variation
Sales	**4,341**	**4,357**	**+0.4%**
EBITDA	**335**	**411**	**+23%**
EBITDA margin	***7.7%***	***9.4%***	
Vinyl Products	*3.3%*	*7.3%*	
Industrial Chemicals	*11.6%*	*11.6%*	
Performance Products	*9.2%*	*10.9%*	
Recurring operating income	**174**	**252**	**+45%**
Non-recurring items	(54)	(88)	n/a
Adjusted net income	101	166	+64%
Net income – Group share	**59**	**104**	**+76%**

Balance sheet and cash flow as at end of September 2007

Cash flow related to operations and investments in the first nine months of the year stood at € +191 million, against € -265 million in the first nine months of 2006. It includes the impact of divestment and acquisition operations finalized in the first nine months of the year (€ +136 million), as well as cash flow from non-recurring pre-spin off items[2] (€ -58 million), including €22 million investments relating to the Chlorochemicals consolidation plan. Following adjustments for these items, cash flow remained significantly positive at €113 million, despite an increase in working capital requirement since December 31st 2006 resulting from seasonal factors (€ -27 million), as well as expenditure incurred by restructuring plans launched since spin off (€ -31 million).

Net debt at the end of September stood at €156 million, and the balance of non-recurring pre-spin off items[2] at €153 million. The ratio between the sum of both these items and the shareholders' equity stood at 16% at the end of September compared to 28% at the end of December 2006. This ratio includes neither the acquisition of Coatex nor the divestment of the Leuna, Germany, urea formaldehyde resins business, which will be booked in the 4th quarter.

[2] Non-recurring pre-spin off items correspond to items taken into account for the computation of the theoretical financial debt at the time of the spin off.

POST BALANCE SHEET EVENTS

As part of its strategy to refocus its portfolio on its strongest product lines, Arkema announced the finalization on October 1st of the acquisition of the Coatex Group which specializes in acrylic polymers, and, on November 1st, the divestment of its urea formaldehyde resins production activity based in Leuna, Germany, which should generate net capital gain of some €18 million, and of its water treatment business in Europe. The impact of these operations on the debt will be of the order of €250 million.

Meanwhile, in order to boost the competitiveness of its production plant for the Rilsan®11 polyamide monomer based in Marseille, France, Arkema announced in October the loss of 48.5 positions and a 10% increase in its production capacities[3].

OUTLOOK

On the strength of the results of the first nine months of the year, and taking into account the usual seasonality of the 4th quarter, Arkema should post EBITDA of the order of €510 million for 2007. Sustained demand should continue to prevail in Europe, in particular for PVC, as well as in Asia, although margins in acrylics should remain under pressure, and the US dollar weakness versus euro. Arkema will also continue to watch closely any changes in raw material and energy costs.

Beyond the end of the year, on the basis of recent progress and the current economic environment, Arkema has set itself an objective to achieve in 2008 a 10% EBITDA margin, fully in line with its medium-term objective of a 12% EBITDA margin by 2010.

A presentation of results is also available on Arkema's website (www.finance.arkema.com).

FINANCIAL CALENDAR

February 15th 2008	2007 sales
March 5th 2008	2007 annual results

CONTACTS - INVESTOR RELATIONS:

Frédéric Gauvard Tel. : +33 1 49 00 82 53 E-mail : frederic.gauvard@arkema.com
Sophie Fouillat Tel. : +33 1 49 00 86 37 E-mail : sophie.fouillat@arkema.com

CONTACTS - PRESS RELATIONS:

Jacques Badaroux Tel. : +33 1 49 00 71 34 E-mail : jacques.badaroux@arkema.com
Sybille Chaix Tel. : +33 1 49 00 70 30 E-mail : sybille.chaix@arkema.com

[3] These plans are subject to the legal information and consultation process with the Works Council.

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 material 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.

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 main performance indicators used are as follows:

*• **Operating income**: this includes all income and expenses other than the cost of debt, equity in income of affiliates and income taxes.*

*• **Other income and expenses (non-recurring items)**: 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 operating performance. These items of income and expenses are:*

- *Impairment losses in respect of property, plant and equipment and intangible assets,*
- *Gains or losses on sale of assets,*
- *Certain large restructuring and environmental expenses which would hamper the interpretation of the recurring operating income,*
- *Certain expenses related to litigation and claims whose nature is not directly related to ordinary operations,*
- *Costs related to the spin off of Arkema's businesses.*

*• **Recurring operating income**: this is calculated as the difference between operating income and other income and expenses as previously defined.*

*• **EBITDA**: this corresponds to recurring operating income increased by depreciation and amortization (previously referred to as recurring EBITDA).*

*• **Adjusted net income**: this corresponds to the Group share net income adjusted for non-recurring items after taking account of the estimated tax impact of these items and the net income from discontinued activities (non-audited).*

*• **Working capital**: this corresponds to the difference between inventories, accounts receivable, prepaid expenses and other current assets and tax receivables on the one hand, and accounts payable, other creditors and accrued liabilities and income tax liabilities on the other.*

*• **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.*

*• **Net debt**: this is the difference between current and non-current debt, and cash and cash equivalents.*

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 17,000 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.

INVESTOR AND ANALYST FACTSHEET

	3Q'06 in €M	3Q'07 in €M	*3Q'07/ 3Q'06*	9m'06 in €M	9m'07 in €M	*9m'07/ 9m'06*
Sales	**1,387**	**1,380**	***(0.5)%***	**4,341**	**4,357**	***+0.4%***
Vinyl Products	334	335	*+0.3%*	1,044	1,085	*+3.9%*
Industrial Chemicals	608	603	*(0.8)%*	1,926	1,911	*(0.8)%*
Performance Products	443	441	*(0.5)%*	1,366	1,357	*(0.7)%*
Corporate	2	1		5	4	
EBITDA	**101**	**127**	***+26%***	**335**	**411**	***+23%***
Vinyl Products	9	18	*+100%*	34	79	*+132%*
Industrial Chemicals	62	75	*+21%*	223	222	-
Performance Products	42	44	*+5%*	125	148	*+18%*
Corporate	(12)	(10)	*+17%*	(47)	(38)	*+19%*
EBITDA margin	**7.3%**	**9.2%**		**7.7%**	**9.4%**	
Vinyl Products	2.7%	5.4%		3.3%	7.3%	
Industrial Chemicals	10.2%	12.4%		11.6%	11.6%	
Performance Products	9.5%	10.0%		9.2%	10.9%	
Depreciation and amortization	(51)	(52)	*(2)%*	(161)	(159)	*+1%*
Recurring EBIT	**50**	**75**	***+50%***	**174**	**252**	***+45%***
Vinyl Products	5	12	*+140%*	22	61	*+177%*
Industrial Chemicals	38	51	*+34%*	142	147	*+4%*
Performance Products	19	23	*+21%*	58	84	*+45%*
Corporate	(12)	(11)	*+8%*	(48)	(40)	*+17%*
NR items	**(14)**	**(9)**		**(54)**	**(88)**	
Equity in income of affiliates	-	2		-	**3**	
Cost of debt	(2)	(3)		(7)	**(12)**	
Income taxes	(11)	(26)		(60)	**(66)**	
Net income of continuing operations	23	39	*+70%*	53	**89**	*+68%*
Net income of discontinued operations	(1)	(1)		7	**17**	
Net income – Group share	**22**	**37**	***+68%***	**59**	**104**	***76%***
EPS (diluted)	**0.36**	**0.61**		**0.98**	**1.71**	
Adjusted net income	34	47	*+38%*	101	166	*+64%*
Adjusted EPS	**0.56**	**0.78**		**1.67**	**2.75**	
Capital expenditures	**78**	**74**	***(5)%***	**212**	**182**	***(14)%***
Vinyl Products	15	30	*+100%*	53	62	*+17%*
Industrial Chemicals	45	24	*(47)%*	102	60	*(41)%*
Performance Products	18	19	*+6%*	56	57	*+2%*
Cash flow[1]	**82**	**82**		**38**	**113**	
Net cash flow[2]	**(116)**	**59**		**(265)**	**191**	
Working capital (12/31/06)				1,066	1,171	
WC as % of sales[3]				**22%**	**21,2%**	
Net debt (12/31/06)				**324**	**156**	***(52)%***
NR pre-spin off items				212	153	
Gearing[4]				**28%**	**16%**	

[1] Calculated as net cash flow before pre-spin off items and portfolio management
[2] Calculated as cash flow from operating activities plus cash flow from investing activities
[3] Calculated as working capital end of period divided by last quaterly sales figure multiplied by 4
[4] Calculated as Net financial debt + NR pre-spin off items divided by shareholders' equity

3RD QUARTER 2007 PERFORMANCE

Sales bridge (0.5)%	Volume growth: +3.6%	Conversion effect: (2.2)%
	Price & product mix: (0.9)%	Change of scope: (1.1)%

- EBITDA up 26% at €127 million
  Positive effects:
    - Reduction of fixed costs resulting from restructuring initiatives
    - Volume increase especially in PMMA, Thiochemicals and Specialty Chemicals
    - Good demand in PVC in Europe
    - Strong growth in Asia

  Negative effects:
    - Unfavorable euro/US dollar exchange rate
    - High raw material and energy costs
    - Low acrylic unit margins
    - Major turnaround in Fos (France)
- Non-recurring expenses of €9 million mainly correspond to an expected additional €6 million non-recurring expenses related to the accident at Lavéra plant (France) in May 2007.
- €74 million capex out of which €8 million relate to the Chlorochemicals restructuring plan.
- Positive cash flow on the first nine months of the year at €191 million including:
    - +€136 million related to disposals or acquisitions
    - €58 million cash expenses related to non-recurring pre-spin off items
    - €27 million increase in working capital (seasonality)
    - €35 million of other expenses including €31 million of cash expenses related to restructuring plans launched since spin off
    - €161 million capital expenditures excluding capex related to Chlorochemicals restructuring plan.

  Excluding impact of portfolio management and non-recurring pre-spin off items, cash flow is positive at €113 million
- Net debt totalled €156 million at end of September 2007 (€324 million end of December 2006).
- Non-recurring pre spin-off items at €153 million end of September 2007.
- Net debt and non-recurring pre spin-off items to equity ratio amounts to 16% end of September 2007 (compared to 28% end of December 2006).

VINYL PRODUCTS PERFORMANCE

- Strong demand in PVC in Europe with increasing prices and margins at high level
- Positive impact from restructuring initiatives:
    - Chlorochemicals consolidation plan: debottlenecking of VCM production capacities in Fos (France)
    - plans launched in downstream activities (Pipes & Profiles; Vinyl Compounds)
- Negative impact on EBITDA of major turnaround in Fos (France): around €10 million
- Restart, as scheduled, of all production units in Lavéra and Fos (France) by the end of September

INDUSTRIAL CHEMICALS PERFORMANCE

- Increase in sales excluding impact of foreign exchange rate and changes in perimeter: +4.3%
- Overall good market conditions especially in PMMA and Thiochemicals (strong contribution of Beaumont production unit in US)
- Low acrylic unit margins and remaining tough market conditions in certain Fluorochemicals product line

* Impact of restructuring plans, in particular, in PMMA, Thiochemicals and Fluorochemicals (shutdown of some production units in Pierre-Bénite, France)
* Start-up of a new HFC-32 production in Calvert-City (US)
* Announcement of a partnership with Daikin:
    * Creation of 60/40 JV Arkema/Daikin to produce 125 with a start-up early 2010
    * Creation of 40/60 JV Arkema/Daikin to market HFC blends
* Acquisition of Coatex, finalized on October 1st, 2007
    * Specialized in acrylic based polymers
    * Impact of this acquisition on 4th quarter results should be limited (valuation of inventories at market prices in accordance with IFRS)

PERFORMANCE PRODUCTS PERFORMANCE

* Increase in sales excluding impact of foreign exchange rate and changes in perimeter: +2.4%
* Good demand in Specialty Chemicals
* Price increases in Additives mainly offset tin price increases
* Negative impact of US dollar exchange rate
* First benefits from restructuring plans launched in 2006: Serquigny (France), Pierrefitte-Nestalas (France), Mobile/Carrollton (US), Loison (France), merger of Organic Peroxides and Additives BUs.
* Announcement of:
    * a project to build a new PVDF production unit in Changshu (China) with a start-up in 1st quarter 2011
    * a doubling of tin stabilizers production capacity in Beijing (China) with a start-up in 1st quarter 2008
* Post balance sheet events:
    * Finalization of the divestiture of Urea Formaldehyde Resins in Leuna (Germany) on November, 1st
    * Launch of a new restructuring plan in Technical Polymers in Marseille (France) in October 2007:
        * Loss of 48.5 positions
        * Reliability and yields improvement
        * 10% production capacity increase

ARKEMA Financial Statements

Consolidated financial statements - At the end of September 2007

INCOME STATEMENT

(In millions of euros)	3rd Quarter 2006 Consolidated	End of September 2006 Consolidated (non audited)	3rd Quarter 2007 Consolidated	End of September 2007 Consolidated (non audited)
Sales	1 387	4 341	1 380	4 357
Operating expenses	(1 191)	(3 722)	(1 168)	(3 688)
Research and development expenses	(41)	(124)	(38)	(114)
Selling and administrative expenses	(105)	(321)	(99)	(303)
Recurring operating income	**50**	**174**	**75**	**252**
Other income and expenses	(14)	(54)	(9)	(88)
Operating income	**36**	**120**	**66**	**164**
Equity in income of affiliates	-	-	2	3
Cost of debt	(2)	(7)	(3)	(12)
Income taxes	(11)	(60)	(26)	(66)
Net income of continuing operations	**23**	**53**	**39**	**89**
Net income of discontinued operations	**(1)**	**7**	**(1)**	**17**
Net income	**22**	**60**	**38**	**106**
Of which minority interests	0	1	1	2
Net income - Group share	**22**	**59**	**37**	**104**
Earnings per share (amount in euros)	*0,36*	*0,98*	*0,61*	*1,72*
Diluted earnings per share (amount in euros)	*0,36*	*0,98*	*0,61*	*1,71*
Depreciation and amortization	(51)	(161)	(52)	(159)
Recurring EBITDA	101	335	127	411

The consolidated accounts at September 30, 2006 have been restated for the disposal of the Cerexagri business in application of IFRS5.

As from January 1, 2007, the interest expense and expected return on plan assets calculated in the valuation of pension benefits have been reclassified from operating income to cost of debt. At September 30, 2007, the amount reclassified is a net expense of €4,2 million.

For comparative purposes, the reclassification would have amounted to €5,25 million at September 30, 2006.

At September 30, 2007, the research tax credit of the French companies is recorded as a deduction from “operating expenses” for € 5,9 million.
At September 30, 2006, this credit was recorded under “Income taxes” for € 6,6 million.

BALANCE SHEET

(In millions of euros)	31.12.2006 Consolidated (audited)	30.09.2007 Consolidated (non audited)
ASSETS		
Intangible assets, net	236	222
Property, plant and equipment, net	1 376	1 355
Equity affiliates: investments and loans	104	99
Other investments	21	20
Deferred income tax assets	36	32
Other non-current assets	121	100
TOTAL NON-CURRENT ASSETS	**1 894**	**1 829**
Inventories	1 036	948
Accounts receivable	1 011	1 069
Prepaid expenses and other current assets	202	143
Income taxes recoverable	36	32
Cash and cash equivalents	171	54
Total assets of discontinued operations	144	-
TOTAL CURRENT ASSETS	**2 600**	**2 246**
TOTAL ASSETS	**4 494**	**4 075**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	605	605
Paid-in surplus and retained earnings	1 313	1 427
Cumulative translation adjustment	(27)	(100)
Treasury shares	-	-
SHAREHOLDERS' EQUITY - GROUP SHARE	**1 891**	**1 931**
Minority interests	**15**	**21**
TOTAL SHAREHOLDERS' EQUITY	**1 906**	**1 952**
Deferred income tax liabilities	14	14
Provisions	891	878
Non-current debt	52	36
TOTAL NON-CURRENT LIABILITIES	**957**	**928**
Accounts payable	791	692
Other creditors and accrued liabilities	314	300
Income taxes payable	14	29
Current debt	443	174
Total liabilities of discountinued operations	69	-
TOTAL CURRENT LIABILITIES	**1 631**	**1 195**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**4 494**	**4 075**

CASH FLOW STATEMENT

(In millions of euros)	End of September 2006 Consolidated *(non audited)* **Including Cerexagri**	End of September 2007 Consolidated *(non audited)* **Without Cerexagri**
Cash flow - operating activities		
Net income	60	106
Depreciation, amortization and impairment of assets	165	179
Provisions, valuation allowances and deferred taxes	(229)	11
(Gains)/losses on sales of assets	(2)	(57)
Undistributed affiliate equity earnings		(3)
Change in working capital	(29)	(27)
Other changes	3	5
Cash flow from operating activities	**(33)**	**213**
Cash flow - investing activities		
Intangible assets and property, plant, and equipment, additions	(212)	(182)
Acquisitions of consolidated subsidiaries, net of cash acquired		-
Acquisitions of non-consolidated subsidiaries	--	(3)
Increase in long-term loans	(51)	(7)
Total expenditures	**(268)**	**(193)**
Proceeds from sale of intangible assets and property, plant and equipment	2	38
Proceeds from sale of subsidiaries, net of cash sold		105
Proceeds from sale of other investments	9	1
Repayment of long-term loans	24	26
Total divestitures	**35**	**171**
Cash flow from investing activities	**(232)**	**(22)**
Cash flow - financing activities		
Parent company shareholders	-	-
Issuance (repayment) of shares	532	5
Dividends paid to Parent company shareholders	-	-
Dividends paid to Minority shareholders	(1)	(0)
Increase/ Decrease in long-term debt	(5)	(16)
Increase/ Decrease in short-term borrowings and bank overdrafts	(254)	(276)
Cash flow from financing activities	**273**	**(288)**
Net increase/(decrease) in cash and cash equivalents	8	(96)
Effect of exchange rates and changes in scope	(14)	(21)
Cash and cash equivalents at beginning of period	67	171
Cash and cash equivalents at end of period	**61**	**54**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(non audited)

(In millions of euros)	Shares issued		Paid-in surplus	Retained earnings	Cumulative translation adjustment	Treasury shares		Shareholders' equity - Group share	Minority interests	Total shareholders' equity
	Number	Amount				Number	Amount			
As of January 1, 2007	**60 453 823**	**605**	**1 006**	**307**	**(27)**			**1 891**	**15**	**1 906**
Cash dividend										
Net income				104				104	2	106
Issuance of share capital									5	5
Purchase of treasury shares										
Cancellation of purchased treasury shares										
Sale of treasury shares										
Other										
Transactions with shareholders				**104**				**104**	**7**	**111**
Changes in items recognized directly through equity				5				5		5
Statement of recognized income and expenses				4				4		4
Change in translation adjustments					(73)			(73)	(1)	(74)
Other										
Items other than transactions with shareholders				**9**	**(73)**			**(64)**	**(1)**	**(65)**
As of September 30, 2007	**60 453 823**	**605**	**1 006**	**420**	**(100)**			**1 931**	**21**	**1 952**

INFORMATION BY BUSINESS SEGMENT

(In millions of euros)	3rd Quarter 2006				
	Vinyl Products	**Industrial Chemicals**	**Performance Products**	**Corporate**	**Group total**
Non-Group sales	334	608	443	2	1 387
Inter-segment sales	18	47	4	-	
Total sales	**352**	**655**	**447**	**2**	
Recurring operating income	**5**	**38**	**19**	**(12)**	**50**
Other income and expenses	**(2)**	**-**	**(10)**	**(2)**	**(14)**
Operating income	**3**	**38**	**9**	**(14)**	**36**
Equity in income of affiliates	0	(0)	0	-	0
Depreciation and amortization	(4)	(24)	(23)	(0)	(51)
Asset impairment	-	-	-	-	-
Changes in non-current provisions recognized through income	13	14	8	179	214
Recurring EBITDA	**9**	**62**	**42**	**(12)**	**101**
Intangible assets and property, plant and equipment, additions	**15**	**45**	**18**	**(1)**	**78**

(In millions of euros)	3rd Quarter 2007				
	Vinyl Products	**Industrial Chemicals**	**Performance Products**	**Corporate**	**Group total**
Non-Group sales	335	603	441	1	1 380
Inter-segment sales	19	40	3	-	
Total sales	**354**	**643**	**444**	**1**	
Recurring operating income	**12**	**51**	**23**	**(11)**	**75**
Other income and expenses	**(2)**	**(0)**	**(1)**	**(6)**	**(9)**
Operating income	**10**	**51**	**22**	**(17)**	**66**
Equity in income of affiliates	2	0	0	-	2
Depreciation and amortization	(6)	(24)	(21)	(1)	(52)
Asset impairment	-	-	-	-	-
Changes in non-current provisions recognized through income	10	5	9	13	37
Recurring EBITDA	**18**	**75**	**44**	**(10)**	**127**
Intangible assets and property, plant and equipment, additions	**30**	**24**	**19**	**1**	**74**

INFORMATION BY BUSINESS SEGMENT

(In millions of euros)	End of September 2006				
	Vinyl Products	**Industrial Chemicals**	**Performance Products**	**Corporate**	**Group total**
Non-Group sales	1 044	1 926	1 366	5	4 341
Inter-segment sales	58	139	12	-	
Total sales	**1 102**	**2 065**	**1 378**	**5**	
Recurring operating income	**22**	**142**	**58**	**(48)**	**174**
Other income and expenses	**(7)**	**-**	**(33)**	**(14)**	**(54)**
Operating income	**15**	**142**	**25**	**(62)**	**120**
Equity in income of affiliates	(0)	0	0	-	-
Depreciation and amortization	(12)	(81)	(67)	(1)	(161)
Asset impairment	-	-	-	-	-
Changes in non-current provisions recognized through income	27	11	(24)	215	229
Recurring EBITDA	**34**	**223**	**125**	**(47)**	**335**
Intangible assets and property, plant and equipment, additions	**53**	**102**	**56**	**1**	**212**

(In millions of euros)	End of September 2007				
	Vinyl Products	**Industrial Chemicals**	**Performance Products**	**Corporate**	**Group total**
Non-Group sales	1 085	1 911	1 357	4	4 357
Inter-segment sales	50	120	13	-	
Total sales	**1 135**	**2 031**	**1 370**	**4**	
Recurring operating income	**61**	**147**	**84**	**(40)**	**252**
Other income and expenses	**(6)**	**(51)**	**(23)**	**(8)**	**(88)**
Operating income	**55**	**96**	**61**	**(48)**	**164**
Equity in income of affiliates	3	(0)	0	-	3
Depreciation and amortization	(18)	(75)	(64)	(2)	(159)
Asset impairment	-	-	-	-	-
Changes in non-current provisions recognized through income	7	(33)	(3)	37	8
Recurring EBITDA	**79**	**222**	**148**	**(38)**	**411**
Intangible assets and property, plant and equipment, additions	**62**	**60**	**57**	**3**	**182**