



3rd quarter 2012 results

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ARKEMA
INNOVATIVE CHEMISTRY

A strong performance reflecting Arkema's robustness

➤ **€ 1,606m sales, +1% vs 3Q'11**

➤ **€ 266m EBITDA and 16.6% EBITDA margin**

- Same level as 3Q'11 in a less favorable economic environment
- 19.5% in Performance Products with record EBITDA in a third quarter (€107m)
- 16.7% in Industrial Chemicals

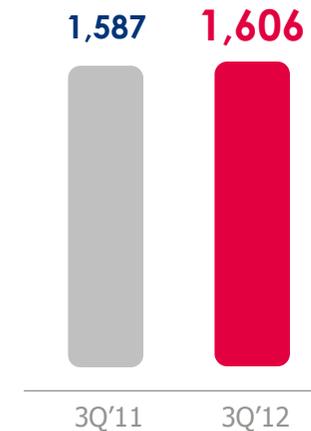
➤ **€ 116m net income, group share**

- +6% vs 3Q'11
- 7.2% of sales

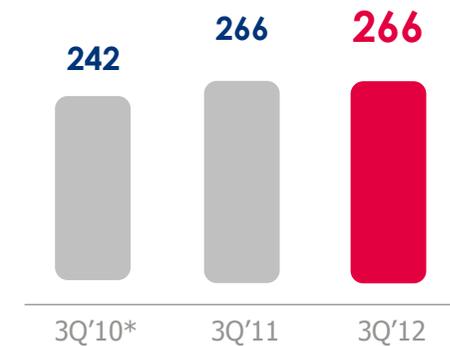
➤ **€1,002m net debt**

- 43% gearing

Sales (€m)



EBITDA (€m)





Key drivers of Arkema 3Q'12 performance

➤ Challenging market conditions vs 3Q'11

- Contrasted market conditions by region with challenging conditions in Europe and relatively slow growth in Asia (positive exception in South East Asia)
- Slowdown in demand in certain end markets in September (automotive and construction in Europe, photovoltaic)
- Volatile and high raw material costs
- Positive impact of foreign exchange rate (€/€)

➤ Well positioned on resilient niche markets

- Oil & gas (PVDF Kynar[®], specialty polyamides, Thiochemicals, oil additives, etc.)
- Animal nutrition (Thiochemicals)
- Industrial coatings (Coatex, Sartomer)

➤ Benefits from strong position in North America

- 35% of sales

➤ Contribution of acquisitions in Performance Products

- Hipro/Casda in China (bio-based polyamide 10)
- Alkoxylates (Filtration and adsorption)

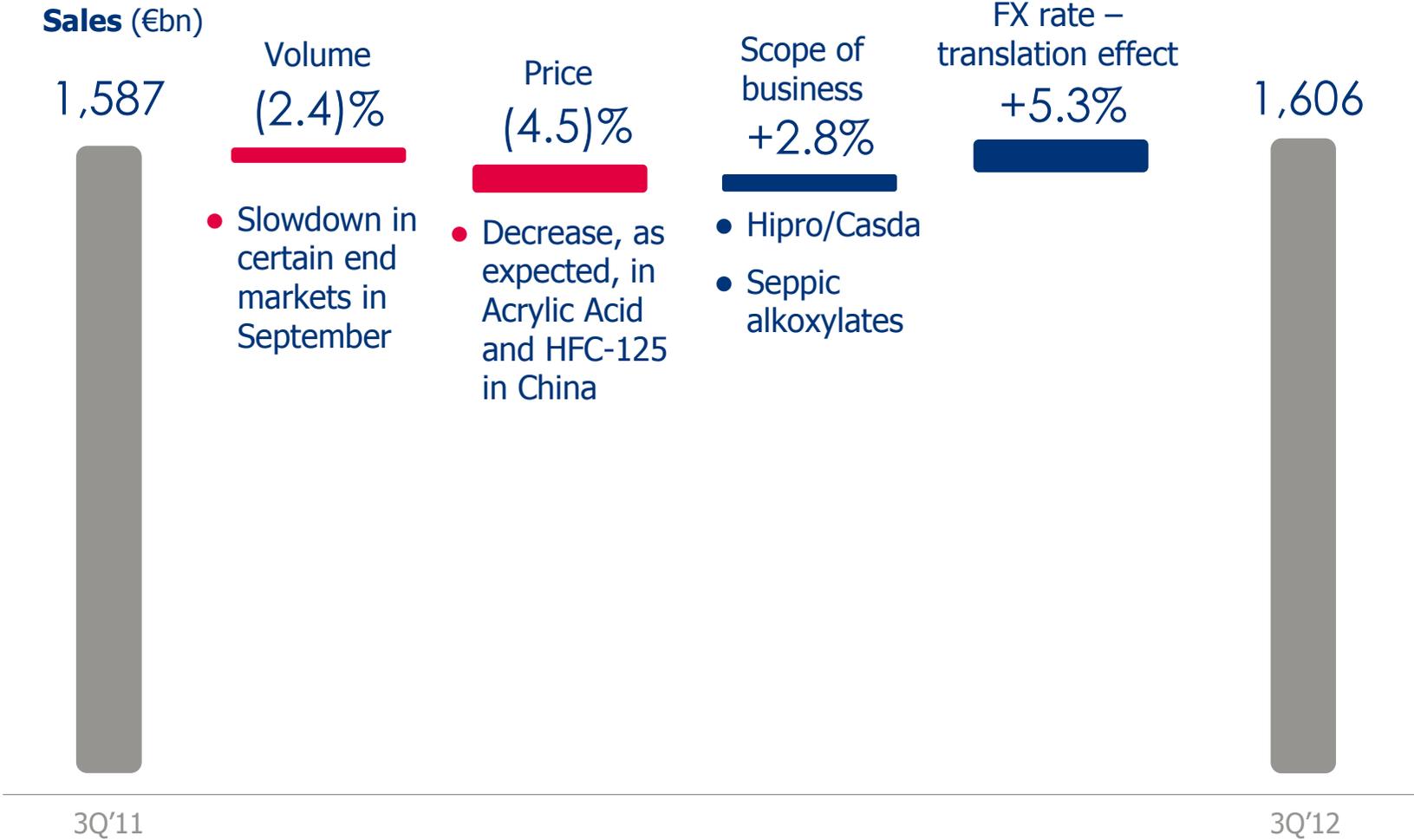


Highlights since July 1st, 2012

- **Major achievements in portfolio transformation**
 - Divestment of Vinyl business finalized early July (€1bn sales)
 - Divestment of tin stabilizers business finalized early October (€180m sales)
 - Acquisition by Coatex of an acrylic additives and emulsion production site in Brazil (finalized early October)
- **Successful start-up in July of PVDF Kynar® 50% capacity expansion in Changshu (China)**
- **Beginning of construction of thiochemicals and bio-methionine complex in Malaysia**
- **Successful €250m bond issue**
 - Additional tranche to original bond due April 30th, 2020
 - Annual yield slightly below 3%



Sales bridge





3Q'12 key figures

<i>In €m (except EPS)</i>	3Q'11	3Q'12	variation
Sales	1,587	1,606	+1.2 %
EBITDA	266	266	=
EBITDA margin	16.8%	16.6%	
Recurring operating income	198	189	-4.5 %
Net income (group share)	109	116	+6.4%
Adjusted EPS (diluted)	2.09	1.88	-10.0%



Performance Products

<i>In €m</i>	3Q'11	3Q'12	variation
Sales	519	548	+5.6 %
EBITDA	102	107	+4.9 %
EBITDA margin	19.7%	19.5%	
Recurring operating income	78	80	+2.6 %

+6% sales at €548m

- Benefits from acquisitions (bio-based polyamide 10 in China and alkoxyates)
- Slowdown in demand in September in automotive in Europe and in photovoltaic

EBITDA at record level for a 3rd quarter

- 19.5% EBITDA margin
- Reflects strong positions on high-value niches

Further improvement of portfolio

- Startup of 50% capacity expansion of PVDF Kynar® in China
- Divestment of tin stabilizers business (within Functional Additives BU) closed early October



Industrial Chemicals

<i>In €m</i>	3Q'11	3Q'12	variation
Sales	1,063	1,053	-0.9 %
EBITDA	175	176	+0.6 %
EBITDA margin	16.5%	16.7%	
Recurring operating income	132	127	-3.8 %

- **Stable volumes despite weak automotive in Europe and low demand in deco paints**
- **Decrease, as expected, of acrylic acid and fluorogases prices vs 3Q'11 high level**
- **Excellent contribution from Industrial Specialties: €98m EBITDA, 20% EBITDA margin**
 - Solid performance of all businesses in North America (PMMA for automotive, fluorogases for air-conditioning, thiochemicals for animal nutrition, hydrogen peroxide)
 - Strong decrease as expected of HFC-125 margins in China
- **Good performance of Coating Solutions: €78m EBITDA, 14% EBITDA margin**
 - In line with our assumptions, acrylic acid margins at mid cycle
 - Low demand in decorative paints especially in Europe in Coating Resins
 - Good results of industrial coatings (Coatex, Sartomer)

Three new reporting segments

High Performance Materials

World of high value and innovative solutions

- Specialty polyamides
- Fluoropolymers
- Filtration and adsorption
- Organic peroxides



Industrial Specialties

Global and integrated industrial niches

- Thiochemicals
- Fluorogases
- PMMA
- Hydrogen peroxide



Coating Solutions

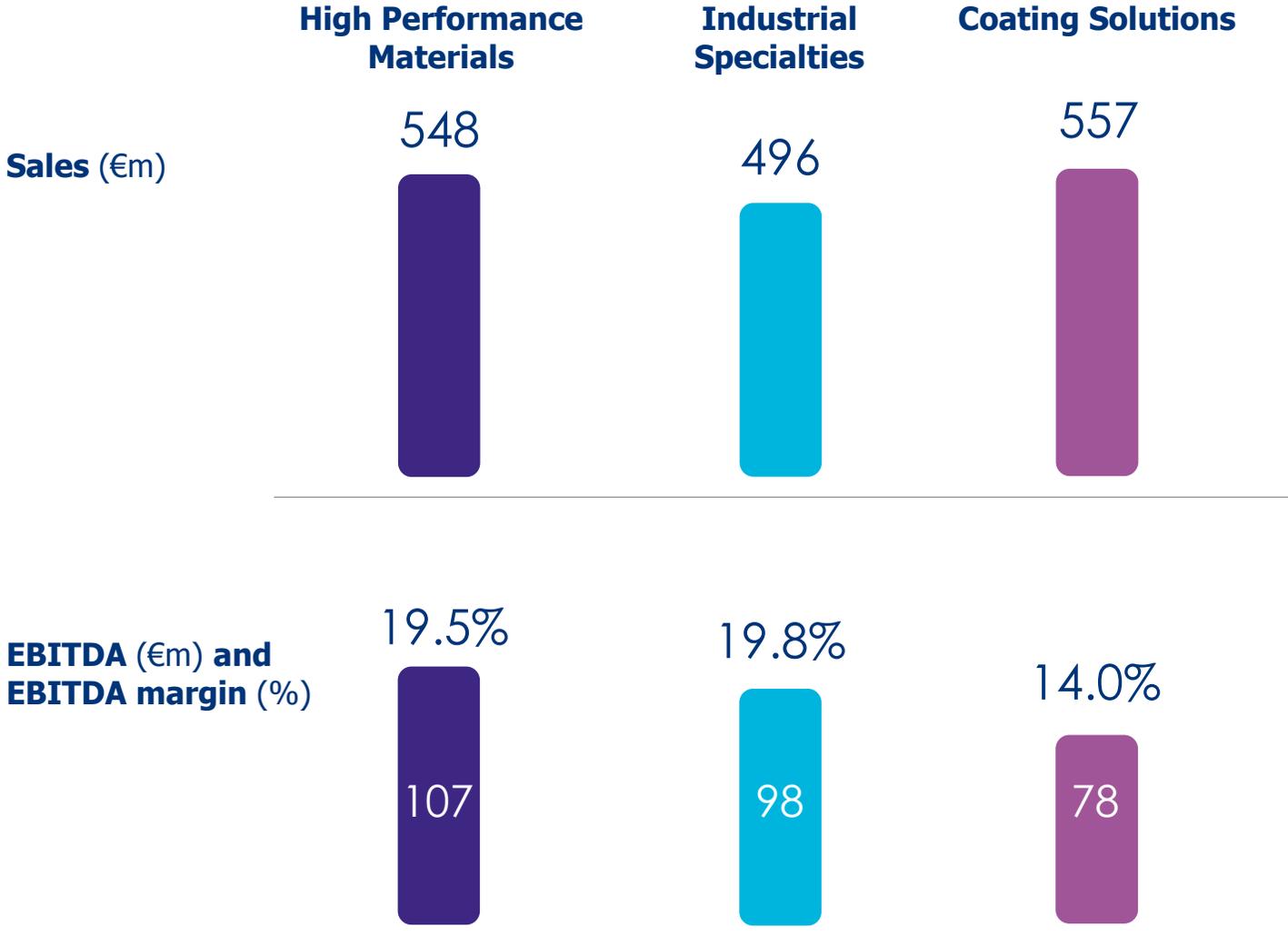
Solutions for decorative paints, industrial coatings and high-growth acrylic applications

- Acrylic monomers
 - Coating resins
 - UV-curing (Sartomer)
 - Coatex
- Downstream





Contribution by new reporting segment





3Q'12 cash flow and net debt end of September

➤ **+€ 144m free cash flow* in 3Q'12 includes:**

- € 76m recurring capex
- € 81m cash inflow from working capital

➤ **€ 59m cash outflow from M&A**

- Payment to Hipro-Casda minority shareholders
- €35m cash out of part of the expenses related to Vinyls divestment booked end of June in P&L

➤ **+€ 85m net cash flow in 3Q'12**

➤ **€ 1,002m net debt (versus € 1,093m end of June 2012)**

- 43% gearing versus 49% gearing end of June 2012

➤ **Full year end targets**

- Working capital on sales: 16%
- Total capex: € 400m including € 350m recurring capex
- Gearing: 40%



FY'2012 outlook confirmed

➤ Contrasted macro-economic conditions

- Soft demand observed in certain end markets should continue until year end
- Challenges remain in several European countries
- Volatility of raw material costs
- Customers should cautiously manage their inventories at year-end

➤ Traditional year-end seasonality expected in 4th quarter

- Low season for both Coating and Fluorogases
- Specificity of December month

➤ Continued focus on internal momentum to reinforce positions in niche markets and faster growing product lines and regions

➤ Strict control of fixed costs, working capital and capex

➤ Arkema remains confident in its ability to deliver a very solid year and confirms its target to achieve in 2012 an EBITDA close to 1 billion euros



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Financial information for 2011, 2010, 2009, 2008, 2007, 2006 and 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 reference document filed with the French Autorité des Marchés Financiers and available on www.finance.arkema.com