1st Quarter 2012 results

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Principles applied for 1Q'12 consolidated accounts

Consolidated statements were prepared in accordance with IFRS 5 rules following the announcement on November 23rd, 2011 of a project to divest Vinyls*.

Income statement <u>excludes</u> Vinyls for both 1Q'12 and 1Q'11

- Vinyls are accounted for as discontinued operations

Balance sheet <u>excludes</u> Vinyls both at 03/31/2012 and 12/31/2011

- Vinyls are accounted for as assets or liabilities held for sale

Cash flow statement <u>includes</u> Vinyls for both 1Q'12 and 1Q'11

- Cash flow from Vinyls are mentioned as cash flow from discontinued operations for both 1Q'12 and 1Q'11

* Project subject to the approval of antitrust authorities

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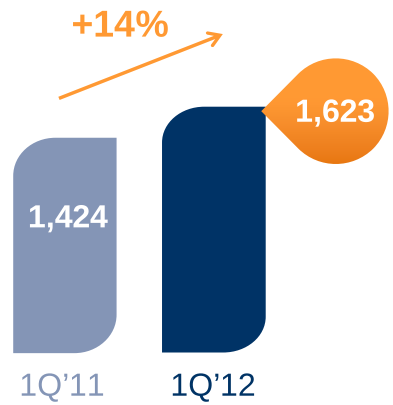
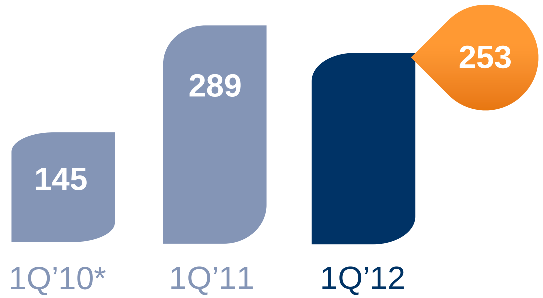
Good start of the year

- **+14% sales at €1,623m**
- **€ 253m EBITDA close to historical high of 1Q'11**
  - 2nd best performance in a first quarter
  - Well above 4Q'11 EBITDA (€ 158m)
  - Excellent results of Performance Products
  - Good performance of Industrial Chemicals
- **15.6% EBITDA margin**
- **€ 123m adjusted net income of continuing operations**
  - 7.6% of sales
- **€ 100m net income (Group share)**
- **€ 835m net debt and gearing at 37%**

Sales (€m)



EBITDA* (€m)



* 1Q'10 figures exclude results of the whole Vinyl Products segment. For 1Q'12 and 1Q'11, figures exclude Vinyls business subject to a divestment project. This project remains subject to the approval of antitrust authorities

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Improving market conditions versus end 2011

- **As expected, contrasted market conditions by region**
  - Positive developments in North America
  - Asia, especially China, recovering gradually after Chinese new year
  - Europe remaining challenging especially in construction
- **High basis of comparison of 1Q'11 (restocking in several business lines and booming Asia)**
- **Sharp increase of raw material costs versus end 2011**
  - Continued strong focus on price increases
  - Confident to fully offset higher raw materials in 2Q'12
- **Strong momentum in niche markets (bio-based polymers, oil & gas, specialty materials for high performance coatings)**
- **Innovation and Asia continue to support growth**

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Highlights since January 1st, 2012

- **Finalization of the acquisition of Hipro and Casda companies in China in bio-based specialty polyamides**

- **Completion of the legal information and consultation process of workers councils on the Vinyl divestment project**

- **Success of the 3rd share capital increase reserved to employees**
  - € 29m subscribed
  - Employee holdings in Arkema's share capital now represents 5.5%

- **Force majeure declared on polyamide 12 following accident at Evonik's CDT plant in Marl (Germany)**
  - CDT is a key raw material for PA12 production
  - Taking into account insurance and deductibles, exceptional impact should be limited at ~ €(17)m to be booked in 2012 in other income and expenses

- **Bond issue in April 2012**
  - Amount: €230m
  - Maturity: April 30, 2020

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1Q'12 key figures

in €m (except EPS)	1Q'11	1Q'12	Variation
Sales	1,424	**1,623**	*+14.0%*
EBITDA	289	**253**	*-12.5%*
EBITDA margin	*20.3%*	***15.6%***	
Recurring operating income	228	**180**	*-21.1%*
Adjusted net income - continuing operations	170	**123**	*-27.6%*
Net income - continuing operations	168	**123**	*-26.8%*
Net income - discontinued operations	(16)	**(23)**	*n.m.*
Net income (group share)	151	**100**	*-33.8%*
Diluted adjusted EPS (continuing operations)	2.74	**1.97**	*-28.1%*

In application of IFRS 5 rules, Vinyls activities subject to a divestment project are accounted for as discontinued operations

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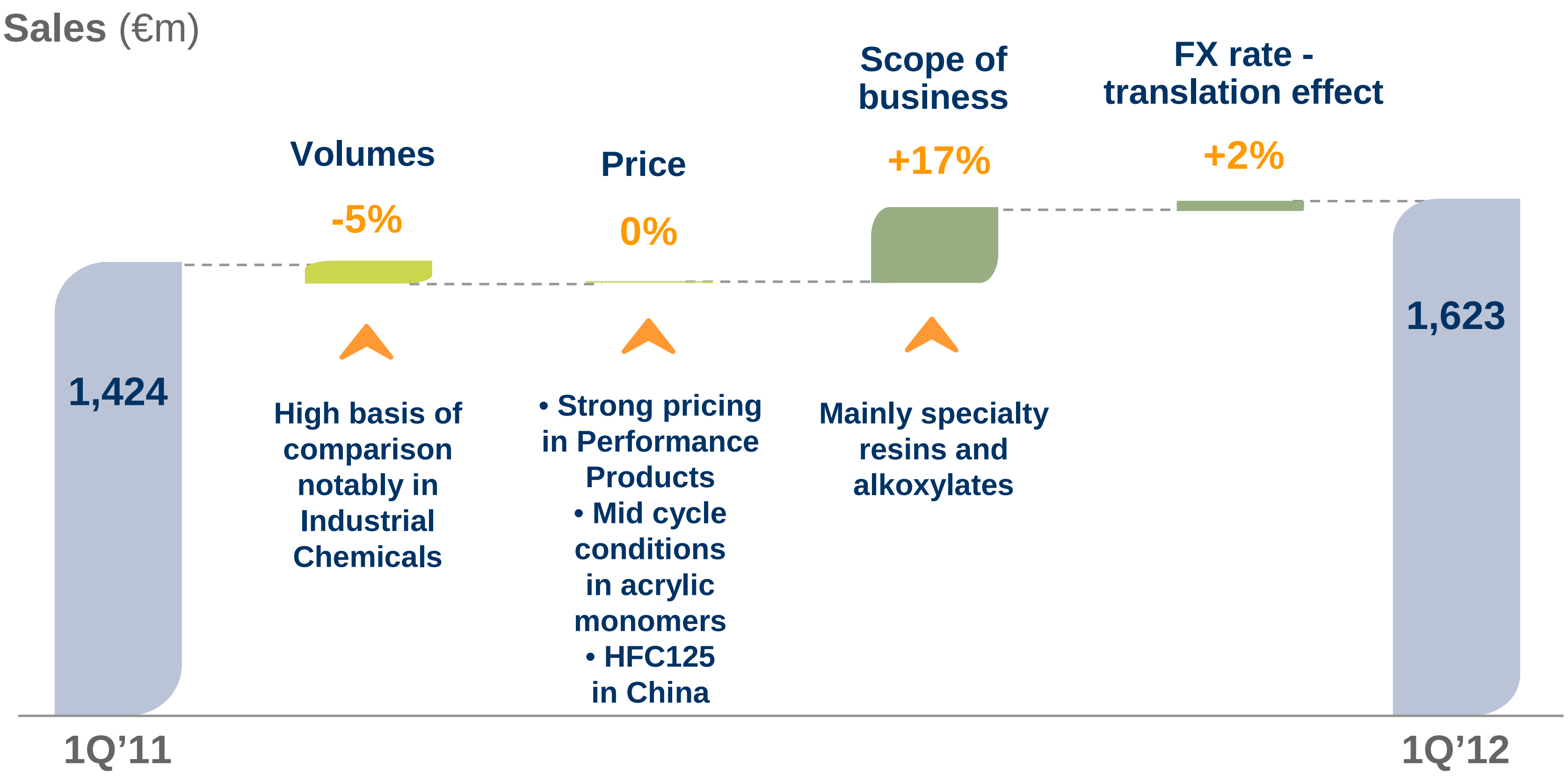
+14% sales versus 1Q'11



Industrial Chemicals: good results with very high comparison base in 1Q'11

in €m	1Q'11	1Q'12	Variation
Sales	947	**1,083**	*+14.4%*
EBITDA	227	**170**	*-25.1%*
EBITDA margin	*24.0%*	***15.7%***	
Recurring operating income	189	**123**	*-34.9%*

- **+14% sales at €1,083m**
  - Benefits from specialty resins acquired in July 2011
  - As expected, lower YoY volumes on high comparison basis (more balanced seasonality this year)
- **Strong performance of Thiochemicals, PMMA and Acrylic Specialties (Sartomer, Coatex)**
- **Acrylic acid margins at mid-cycle in line with FY'12 assumption**
- **Fluorochemicals at good level despite normalizing margins in HFC-125 in China**
- **Demand gradually improving in Coating Resins**

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Performance Products: performance reflects portfolio strength

in €m	1Q'11	1Q'12	Variation
Sales	472	**534**	*+13.1%*
EBITDA	74	**102**	*+37.8%*
EBITDA margin	*15.7%*	***19.1%***	
Recurring operating income	52	**76**	*+46.2%*

- **+13% sales at €534m**
  - Strong pricing and favorable product mix
  - Benefits from acquisitions (mainly alkoxylates)
- **+38% EBITDA and EBITDA margin at record level in a 1st quarter at 19.1%**
- **Excellent performance of Technical Polymers sustained by new developments and repositioning on high value added and fast growing niche markets**
- **Strong performance of Specialty Chemicals on favorable product mix and benefit from recently acquired alkoxylates**
- **Closing of Hipro and Casda acquisition on February 1st, 2012**

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Update on project to divest Vinyls

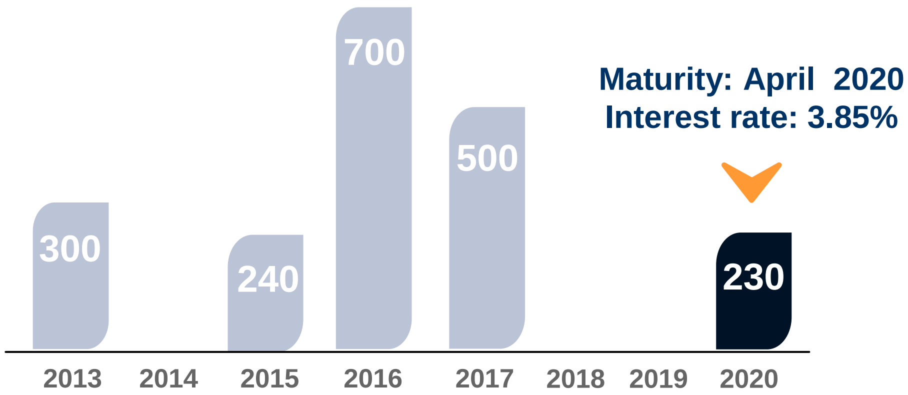
- **Information / consultation of relevant workers councils completed**
  - Some warranties to be put in place
  - € (25) to (30) m exceptional expense to be booked in 2Q’12 in net result of discontinued operations
- **Approval by relevant antitrust authorities on-going**
- **Closing expected mid 2012**
- **Impact on 1Q’12 financial statements**
  - €(17) m EBITDA including €(16)m impact of strikes related to the divestment project
  - €(23) m net income

Further diversification of financing sources

Diversified financing sources

- Revolving credit facility: €300m
- Securitization program: €240m
- Revolving credit facility: €700m
- Bond issue: €500m
- Bond issue: €230m
- Local bank loans

Maturity of financial debt (€m)



- Average maturity > 5 years
- More than € 1.4 bn available after 2015

A well balanced maturity profile

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Cash flow and net debt

- **€100m operating cash flow from continuing operations**
- **Working capital / sales* at 16.4% vs 14.7% end of March 2011**
  - Usual seasonality of working capital
  - Integration of acquired resin business with structurally higher ratio
  - Vinyl activities at lower ratio not included in 2012
- **€ 71m capex including:**
  - € 59m recurring capex in line with € 350m FY'12 target
  - € 12m non recurring capex (Jarrie, Lacq 2014, Thiochemicals in Malaysia) in line with € 50m FY'12 guidance
- **€185m cash outflow related to M&A**
  - Additional ~€65m to be paid to Hipro - Casda minority shareholders in 2Q'12
- **Net debt at € 835m representing 37% gearing**

* Calculated as working capital end of period divided by 4 times quarterly sales. End of March 2012, (working capital excluding debt towards minority shareholders of Hipro-Casda) / [(1Q'12 sales + estimated 1Q'12 sales of Hipro-Casda) x 4]

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Outlook

2Q'12 expected to be above 1Q'12 while remaining below very high 2Q'11

- Market conditions of 1Q'12 expected to continue in 2Q'12
- Very high basis of comparison in 2Q'11
- Confidence in fully offsetting recent raw material increases in the course of 2Q
- Several scheduled large maintenance turnaround in 2Q'12
  - Acrylics (Bayport – US) / Polyamide 11 (Marseille - France) / Thiochemicals (Lacq – France, Beaumont – US)

Current priorities maintained

- Integration of Hipro - Casda in China
- Finalization of Vinyl divestment expected to close mid-year
- Projects under construction in Asia in Thiochemicals, Fluorochemicals and Coating resins

Confident in achieving a very solid 2012 while remaining attentive to macro-economic developments

- Confident in our strengths and drivers supporting future growth
- Continue to combine strict management of the company with targeted growth

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 material prices, currency fluctuations, implementation pace of cost-reduction projects and changes in general economic and business conditions.

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Financial information for 2012, 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 press release available on www.finance.arkema.com

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