ARKEMA
INNOVATIVE CHEMISTRY

Investor and analyst factsheet

In accordance with IFRS 5 rule and terms, income statement items and balance sheet items (for balance sheet only for 2011) of the Vinyl business divested beginning of July 2012 have been presented on a separate line in the income statement and balance sheet. However, cash flow statement includes flows related to this Vinyl business.

	4Q'12 in €m	4Q'11 in €m	4Q'12/ 4Q'11	2012 in €m	2011 in €m	2012/ 2011
Sales	**1,447**	**1,400**	**3.4%**	**6,395**	**5,900**	**8.4%**
Industrial Chemicals	994	938	6.0%	4,271	3,928	8.7%
Performance Products	447	457	-2.2%	2,101	1,952	7.6%
Corporate	6	5		23	20	
EBITDA	**171**	**158**	**8.2%**	**996**	**1,034**	-3.7%
Industrial Chemicals	124	97	27.8%	678	725	-6.5%
Performance Products	43	62	-30.6%	361	337	7.1%
Corporate	4	(1)		(43)	(28)	
EBITDA margin	**11.8%**	**11.3%**		**15.6%**	**17.5%**	
Industrial Chemicals	12.5%	10.3%		15.9%	18.5%	
Performance Products	9.6%	13.6%		17.2%	17.3%	
Depreciation and amortization	**(91)**	**(82)**		**(318)**	**(272)**	
Recurring EBIT	**80**	**76**	**5.3%**	**678**	**762**	-11.0%
Industrial Chemicals	68	43	58.1%	477	553	-13.7%
Performance Products	14	33	-57.6%	252	238	5.9%
Corporate	(2)	-		(51)	(29)	
NR items	**(2)**	**(11)**		**(27)**	**(45)**	
Equity in income of affiliates	2	2		10	17	
Financial results	(15)	(11)		(54)	(37)	
Income taxes	(20)	20		(186)	(125)	
Net income of continuing operations	45	76	-40.8%	421	572	-26.4%
Net income of discontinued operations	(29)	(539)		(200)	(587)	
Net income – Group share	**16**	**(463)**		**220**	**(19)**	**-**
Adjusted net income of continuing operations	**44**	**55**	**-20.0%**	**441**	**574**	**-23,2%**
Adjusted EPS (diluted)	0.68	0.88	-22.7%	7.00	9.21	-24.0%
Capital expenditures (recurring)	**127**	**131**	**-3.1%**	**351**	**311**	**12.9%**
Industrial Chemicals	79	89		221	192	
Performance Products	43	36		110	100	
Corporate	5	6		20	19	
Free cash flow[1] *of continuing operations*				**206**	**377**	
Working capital of continuing operations (vs. 12/31/11)				**971**	**960**	1.1%
WC as % of sales[2] *(vs. 12/31/11)*				**15.2%**	**15.0%**	
Net debt *(12/31/11)*				**900**	**603**	
Gearing[3] *(12/31/11)*				**38.9%**	**27.2%**	

[1] Cash flow including non-recurring items and excluding impact from M&A
[2] At Dec. 31st, 2012: WC of continuing operations divided by 2012 annual sales of continuing operations.
At Dec. 31st, 2011: WC of continuing operations divided by (2011 annual sales of continuing operations + estimate of Total resins in 1H'11 + estimate of 2011 Seppic alkoxylates sales).
[3] Calculated as net financial debt divided by shareholders' equity

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2012 FULL YEAR PERFORMANCE

+8.4% SALES AT €6,395M VERSUS €5,900M IN 2011

- +9.4% scope of business
  - Acquisitions: Specialty resins in 1H'12, Hipro/Casda (China) and alkoxylates
  - Divestment: tin stabilizers
- -2.0% volume
  - High basis of comparison of 1H'11
  - Weak demand in 4Q in Europe, especially in automotive and in photovoltaic
  - Strong new business development
- -2.6% price effect
  - Mainly acrylic monomers and certain fluorogases
- +3.6% translation effect *(FX rate)*

€996M EBITDA AND 15.6% EBITDA MARGIN, AT THE HIGH END OF THE INDUSTRY RANGE

- More challenging market conditions than in 2011
  - Solid economic environment in North America supported by cheap energy cost
  - Difficult macro in Europe
  - Lower growth in Asia than expected
  - Volatile and high raw material costs
  - Positive impact of foreign exchange rate (€/US dollar)
- Well positioned on resilient niche markets
  - Increasing demand for sustainability (lightweight materials, bio-based products, water treatment, etc.)
  - Growing niches benefiting from population growth and increasing standard of living (superabsorbent for diapers, graphic arts, animal nutrition, etc.)
- Benefits from strong position built in North America (34% of sales)
- Gradual contribution from acquisitions in High Performance Materials with progressive implementation of synergies
  - Hipro and Casda in China in bio-based specialty polyamide 10
  - Alkoxylates (Filtration and adsorption)

PERFORMANCE PRODUCTS (HIGH PERFORMANCE MATERIALS)

- 17.2% EBITDA margin, maintained at historical high
- +7.6% sales at €2,101m
  - Benefits from acquisitions (+7%) in bio-based polyamide 10 in China and alkoxylates and from positive FX rate (+3%)
  - -3% volumes impacted by weak demand in Europe and, in 4th quarter, by destocking in automotive and photovoltaic and delays in new oil and gas projects
- Improved product mix
- Strong performance of Technical Polymers despite slowdown in 4Q specifically in Europe
  - Solid positions in niche markets (bio-based polymers, oil and gas, lightweight materials)
  - Benefits of having full Specialty Polyamides product range (PA 10, 11 and 12)
  - Force majeure declared on polyamide 12 following accident at Evonik's CDT plant in Marl (Germany)
- Further improvement in Organic Peroxides
  - Portfolio optimization with divestment of tin stabilizers business beginning of October
- Benefit from alkoxylates acquisition in Filtration and Adsorption

INDUSTRIAL CHEMICALS (INDUSTRIAL SPECIALTIES & COATING SOLUTIONS)

- +8.7% sales at €4,271m supported by acquisitions of Specialty Resins (+11%) and strengthening of US dollar versus euro (+4%)
- Industrial Specialties: €399m EBITDA, 19.0% EBITDA margin
  - Solid performance of all businesses in North America (PMMA for automotive, Fluorogases for air conditioning and refrigeration, Thiochemicals for animal nutrition, Hydrogen Peroxide)
  - Decrease, as expected, of the margin of certain fluorogases (especially HFC-125) after very strong 2011
  - Lower demand in electronics for PMMA
- Coating Solutions: €279m EBITDA, 12.8% EBITDA margin
  - In line with our assumption of acrylics back to mid cycle conditions versus peak conditions in 2011
  - Dilutive impact on EBITDA margin of Specialty Resins acquired from Total but increase of margin in this business by 2 points versus 2011
  - Low demand in decorative paints in Europe and North America but gradual improvement expected in North America in 2013
  - Good performance of Coatex and Sartomer on innovation and geographic expansion

CASH FLOW, NET DEBT AND FINANCING SOURCES AT YEAR END

GROWTH AMBITION REFLECTED IN FY'12 CASH FLOW

- +€656m operating cash flow from continuing operations
  - Strict control of working capital (-€13m working capital variation)
- €438m total capex to fuel growth ambition
  - €351m recurring capex in line with guidance (5% to 5.5% recurring capex/sales)
  - €75m "exceptional" capex for large industrial projects (thiochemicals in Malaysia, Lacq 2014, Jarrie)
  - €12m capex for Hipro capacity expansion (included in M&A)
- €231m cash outflow for M&A
  - Acquisition of Hipro and Casda in China and of an acrylic additives and emulsions production site in Brazil
  - Divestment of tin stabilizers

STRONG BALANCE SHEET MAINTAINED

- €900m net debt and 39% gearing, in line with guidance
  - Includes the impact of the acquisition of Hipro and Casda in China and of the divestment of Vinyls
  - 0.9x net debt / EBITDA
- €971m working capital (€960m at 31 December, 2011)
  - 15.2% of sales
- €774m provision (€686m at 31 December, 2011) which include:
  - € 324 m pensions (€261m in 2011) on lower discount rates
  - € 50 m restructuring (€72m in 2011)
  - € 123 m environment (stable YoY)
- €600m unrecognized deferred tax assets end 2012

SOLID FINANCING STRUCTURE

- €1.9bn financing resources including:
  - €980m bonds (€500m with maturity in 2017 and €480m with maturity in 2020)
  - €700m credit line
  - €120m securitization
  - €100m others
- 3.4% average interest rate of the debt

2013 ASSUMPTIONS AND OUTLOOK

- Market conditions expected to remain contrasted
  - Solid environment in North America supported by improved GDP and low energy costs
  - Europe to remain challenging with continuing cautiousness of customers
  - Growth should gradually improve in Asia with early signs of recovery in China
  - Expected weak demand in photovoltaic in 1H'13 and in automotive in Europe and delays in some oil and gas projects
  - Signs of improvement in decorative paints in the USA

- Mid-cycle conditions in acrylic monomers

- Strong focus on pricing to follow high raw materials

- Volatile exchange rates

- 2013 should be another strong year with a slower start of the year in the High Performance Materials segment

4TH QUARTER 2012 PERFORMANCE

- 2nd best performance in a 4th quarter at € 171m EBITDA
  - 11.8% EBITDA margin (11.3% in 4Q'11)

- Traditional year-end seasonality and cautious management of inventory by customers

- +3% volumes versus 4Q'11

- Good support from Industrial Specialties on healthy market conditions in North America

- Low season in Coating Solutions with improving volumes versus 4Q'11

- Performance Products, especially Technical Polymers impacted by destocking at year-end in Europe and low photovoltaic

- M&A: positive sales contribution from Hipro and Casda and alkoxylates offset by divestment of tin stabilizers of business