



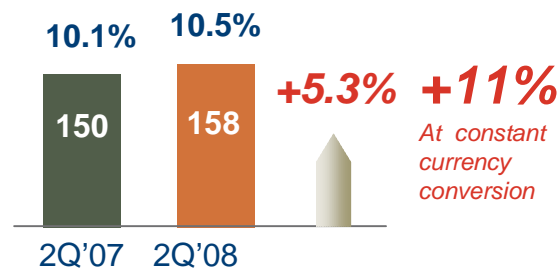
2nd quarter 2008 results

➔ August 7th, 2008

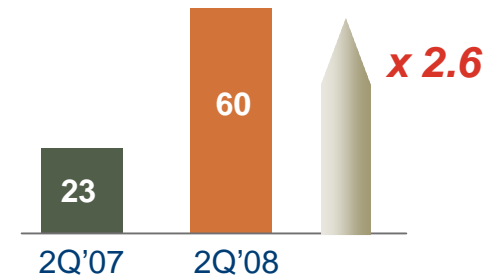
2Q'08 : a strong quarter

- EBITDA +5.3% vs. 2Q'07 despite a more challenging environment
- Industrial Chemicals & Performance Products EBITDA margins > 14%
- Benefits from a continuous and in-depth internal transformation
- 10% EBITDA margin target for 2008 on course

EBITDA (€m) & EBITDA margin



Net income – group share (€m)



New initiatives during the 2nd quarter 2008

Productivity

- Reorganisation of MBS activity
- New productivity effort within Alphacan

Growth

- Expansion of the PMMA unit in Bristol

M&A

- Acquisition of Ethacryl (Coatex)
- Acquisition of activated carbon in Italy (CECA)

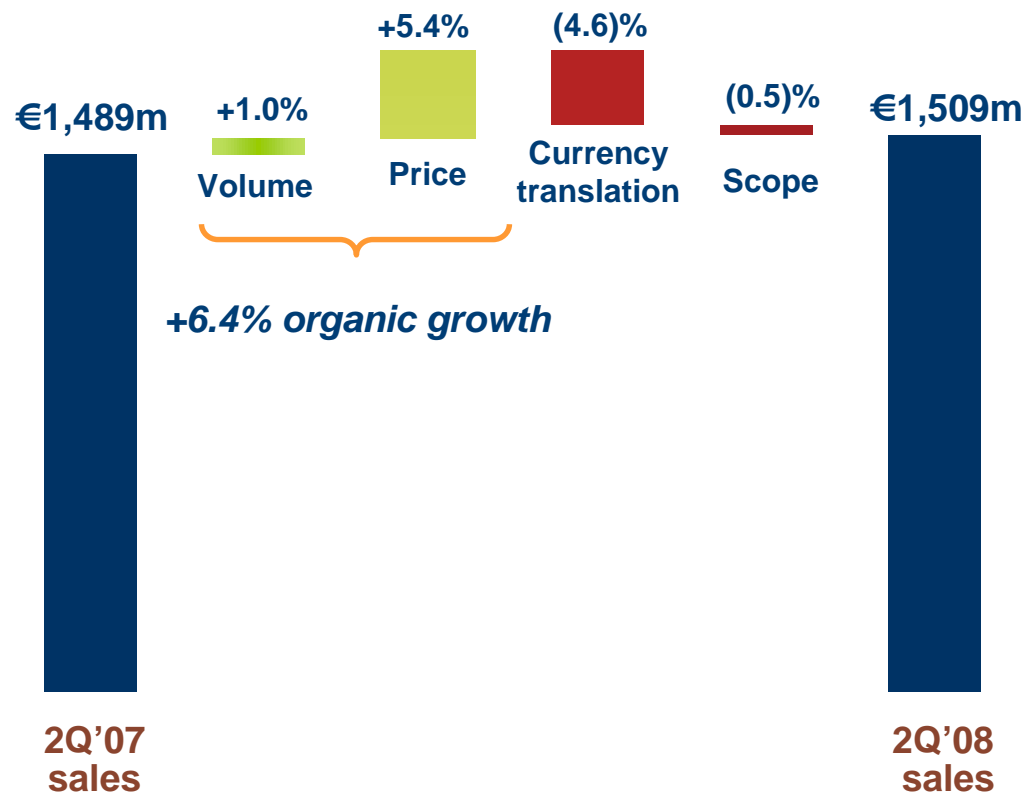
Other projects

- Approval by UN of Changshu CDM project
- Approval by EU of Genesis project

Excellent progression of results in 2nd qtr 2008

	2Q'07	2Q'08	Variation	1Q'08
Sales	1,489	1,509	+1.3%	1,492
EBITDA	150	158	+5.3%	159
EBITDA margin	10.1%	10.5%		10.7%
Operating income (recurring)	97	97	-	100
Non recurring items	(53)	(15)		5
Adjusted net income	68	73	+7.4%	67
Net income (group share)	23	60	x2.6	72
Net debt (06/30/2008 vs. 12/31/2007)	459	592		576

+6.4% organic growth *(at constant perimeter and exchange rate)*



➡ Sales by segment

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

Legend:
 +: [0.5-2.5]% = : +/- 0.5%
 ++: [2.5-5]% -: [(0.5)- (2.5)]%
 +++: >+5% --: [(2.5)- (5)]%
 ---: <(5)%



Significant EBITDA growth in a more challenging environment

EBITDA up 5.3% at €158m

- Price increases to compensate for higher raw materials
- Negative impact from €/€ exchange rate
- EBITDA of Industrial Chemicals and Performance Products up by ~+20%
- PVC margin squeeze due to a time lag between price increase and cost of ethylene.

Strong impact of self-help initiatives

- Benefits from restructuring plans (fluorochemicals, functional additives and technical polymers)
- Contribution from new product developments and capacity extensions (fluorochemicals, thiochemicals, molecular sieves, fluoropolymers, polyamides...)
- Successful integration of Coatex

 **EBITDA margins of Industrial Chemicals and Performance Products above 14%** 



Vinyl Products: pressure on PVC margins intensifies

2nd quarter 2008 performance

(€m)	2Q'07	2Q'08	Δ
Sales	376	395	+5%
EBITDA	33	14	(58%)
EBITDA margin	8.8%	3.5%	-
Recurring operating income	27	4	(85%)

- Margin squeeze resulting from a sharp increase of ethylene prices
- Strong demand and high level of price in caustic soda
- Decent volumes in European PVC with heterogeneous situations from one country to another
- Continuing focus on costs

Industrial Chemicals: +19% EBITDA growth

2nd quarter 2008 performance

(€m)	2Q'07	2Q'08	Δ
Sales	658	682	+4%
EBITDA	81	96	+19%
EBITDA margin	12.3%	14.1%	-
Recurring operating income	56	66	+18%

- +6.1% organic growth (at constant perimeter and exchange rate)
- Price increases in each business unit
- Contribution from capacity extension (fluorochemicals, thiochemicals...)
- Successful integration of Coatex
- Acrylics remain in low cycle conditions
- Benefits from restructuring initiatives, especially Pierre-Bénite (Fr)

Performance Products: record high EBITDA margin at 14.2%

2nd quarter 2008 performance

(€m)	2Q'07	2Q'08	Δ
Sales	453	430	(5%)
EBITDA	50	61	+22%
EBITDA margin	11.0%	14.2%	-
Recurring operating income	28	40	+43%

- +8.4% organic growth (at constant perimeter and exchange rate)
- Increase in sales prices in each of the business unit
- Negative impact from US dollar vs. euro exchange rate and from urea formaldehyde resins divestiture
- Low demand in US construction and increase of tin price negatively impacted functional additives
- Contribution from new product development in fast growing markets (polyamides, fluoropolymers, molecular sieves...)
- Implementation of restructuring initiatives in functional additives and technical polymers)



2008 outlook

A more challenging environment in 2nd semester of 2008

- High and volatile raw material and energy costs
- Weak US dollars versus euro
- Slowdown of the US economy

Continuous focus on price increases and self-help

 **+€80m EBITDA in 2008 from self-help**

New initiatives to adapt to a more challenging and uncertain environment



10% EBITDA margin target for 2008



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Financial information for 2007 and 2008 are extracted from the consolidated financial statements of Arkema. Quarterly financial information are 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

