Arkema
Six months after spin off

London, November 29, 2006

Build step by step a strong company

Creation of Arkema
October 2004

Spin off
May 2006

Next step
2008

Prepare for independence

- Negotiate a strong balance sheet
- Launch of 6 major restructuring projects
- Corporate governance
- New organization

Restore profitability

10 to 15% EBITDA growth per year*

- Strong emphasis on productivity
- Focus on profitable growth
- Portfolio management

Establish a competitive and growing chemical player

Accelerate pace of change

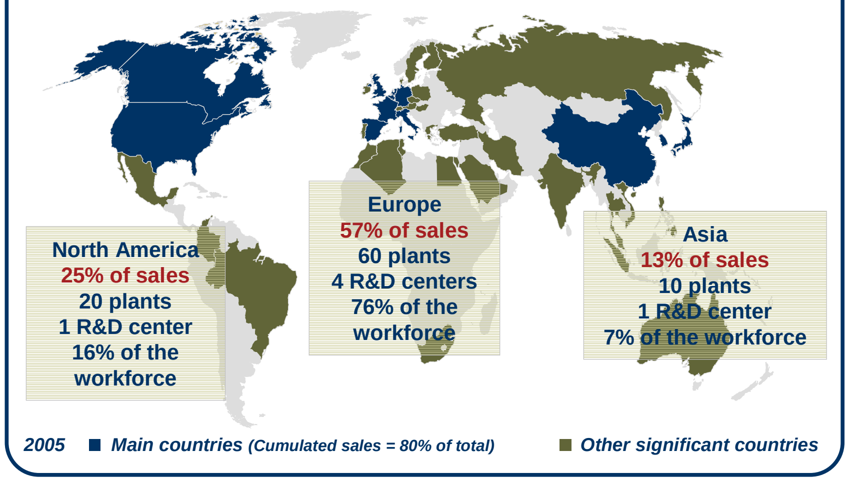
* Calculated as an average annual growth for the next three years compared to 2005

Company overview

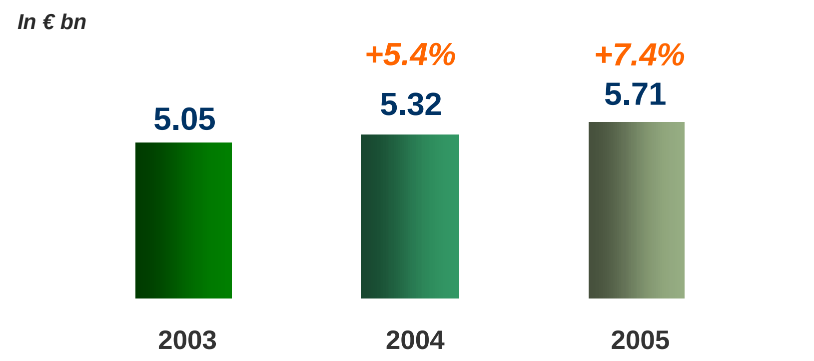
Arkema 2005 overview

- Sales: **€5.7 bn**
- EBITDA*: **€355m**
- EBITDA margin*: **6.2%**
- Net loss: **€(427)m**
- **18,400** employees

Worldwide presence



Sales per year



* Recurring

A differentiated strategy by segment

Vinyl Products

- A well integrated sector from chlorine production to PVC converting.

"Strong emphasis on productivity"

Industrial Chemicals

- Intermediates for a large number of industrial sectors.

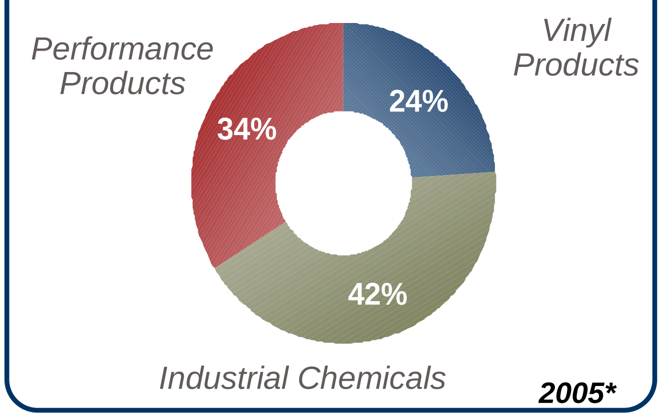
"Focus on profitable growth"

Performance Products

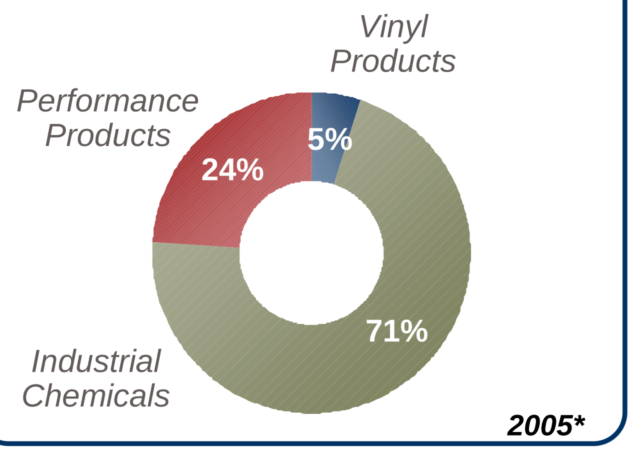
- Innovative chemical solutions partly integrated with Industrial Chemicals segment.

"Reshape the segment"

Sales by segment



EBITDA by segment



*Excluding corporate

A strong balance sheet negotiated with Total

Initial gearing at 30%

End of 2005 balance sheet

- **€35m** financial debt*
- **€580m** pre-spin off non-recurring items**

Gearing at 30%

- Theoretical net debt = **€615m** (€35m + €580m)
- Equity = **€1,950m**

End of September 2006

- **€303m** pre-spin off NR items converted into financial debt

Commitments by Total as of spin off

Indemnities

- Antitrust
- US former industrial sites

Liabilities transferred before spin off

- French former industrial sites
- Pensions (US/France)

Operating LT contracts (France)

- Ethylene
- Propylene

Full information in listing prospectus

*Calculated as €567m net debt as of 12/31/05 minus €532m capital increase by Total before spin off

**Of which €435m provisions (mostly antitrust, restructurings); €45m 2006 NR items; €100m Vinyl Plan Capex

Six months after spin off

6 major plans launched before spin off

2004

PMMA Sheet Europe

165 positions
106 p. as of 06/30/06
COMPLETE 4Q'06

Thiochemicals France
74 positions
COMPLETED

Headquarters
132 positions
COMPLETED

2005

Chlorochemicals

523 positions
223 p. as of 06/30/06
COMPLETE 4Q'07

Thiochemicals US

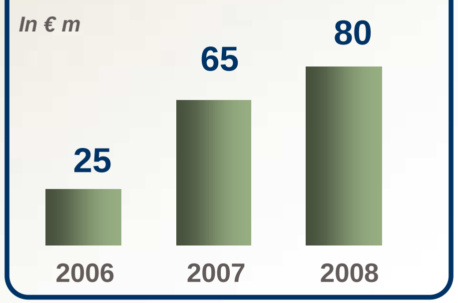
60 positions
30 *p. as of 06/30/06*
COMPLETE 4Q'06

2006

Urea Formaldehyde Resins

132 positions
31 p. as of 06/30/06
COMPLETE 2Q'07

Rec. EBITDA impacts



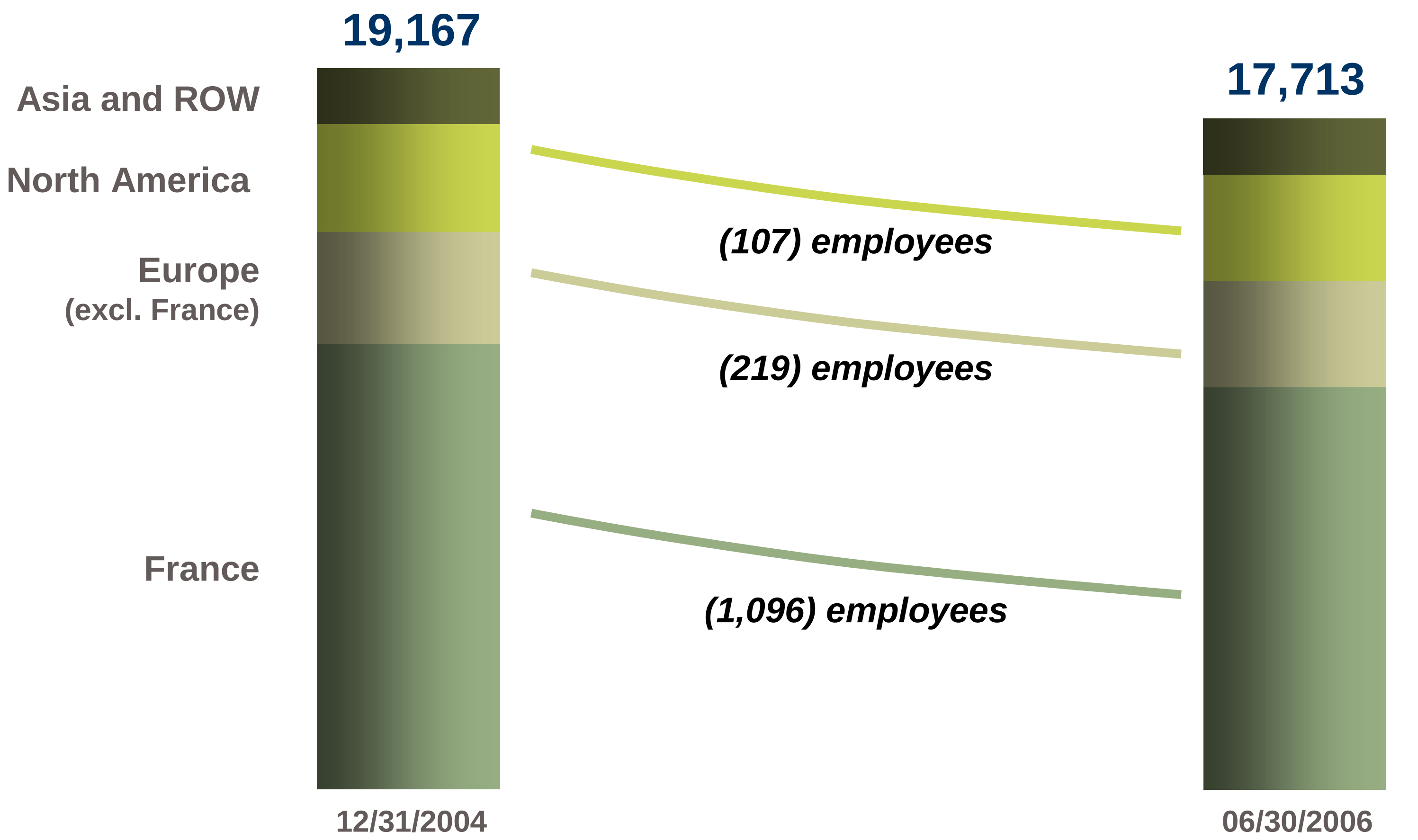
"Implementation on track"

New steps since May 18th

July	5th	**Specialty Chemicals*:** Pierrefitte-Nestalas (France)	23 positions
July	5th	**Technical Polymers*:** Serquigny (France)	37 positions
July	5th	**Additives:** Mobile (Alabama), Carrollton (Kentucky)	31 positions
September	13th	**Merger*:** Organic Peroxides + Additives	€5m savings
October	12th	**Organic Peroxides*:** Loison (France)	57 positions
November	10th	**Headquarters*** (France)	130 positions 102 relocations
November	14th	**Cerexagri***	Divestment

** Subject to information/consultation of the work council. Divestment of Cerexagri is also subject to antitrust clearance in some countries.*

Evolution of headcount since creation



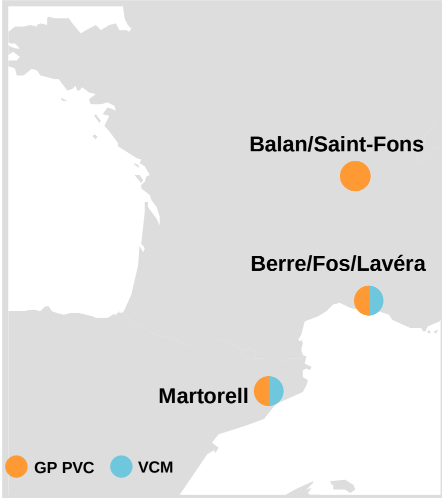
"Nearly half related to the 6 major plans"

Vinyl Products: competitive assets at end of plan

VCM sites*

Lavéra
- 525 Kt capacity
- 3rd largest site in Europe

Fos**
- 415 Kt capacity
- 5th largest site in Europe

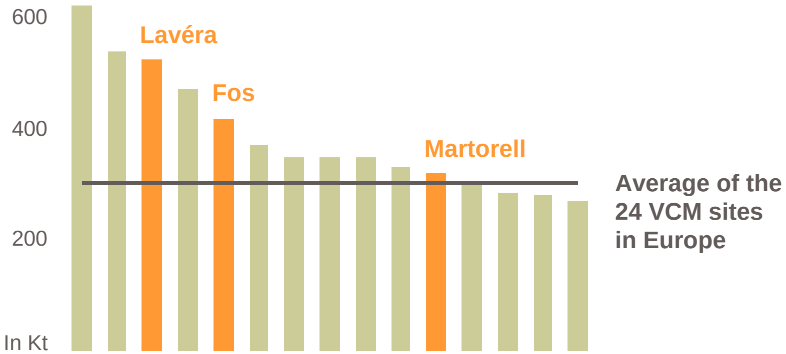


General Purpose PVC sites*

Balan
- 325 Kt capacity
- 5th largest site in Europe

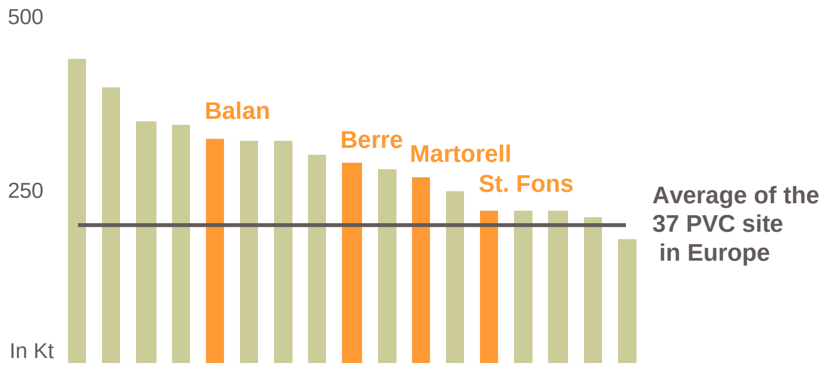
Berre**
- 290 Kt capacity
- 9th largest site in Europe

VCM Production Capacities**



Sources: CMAI and Arkema

PVC Production Capacities**

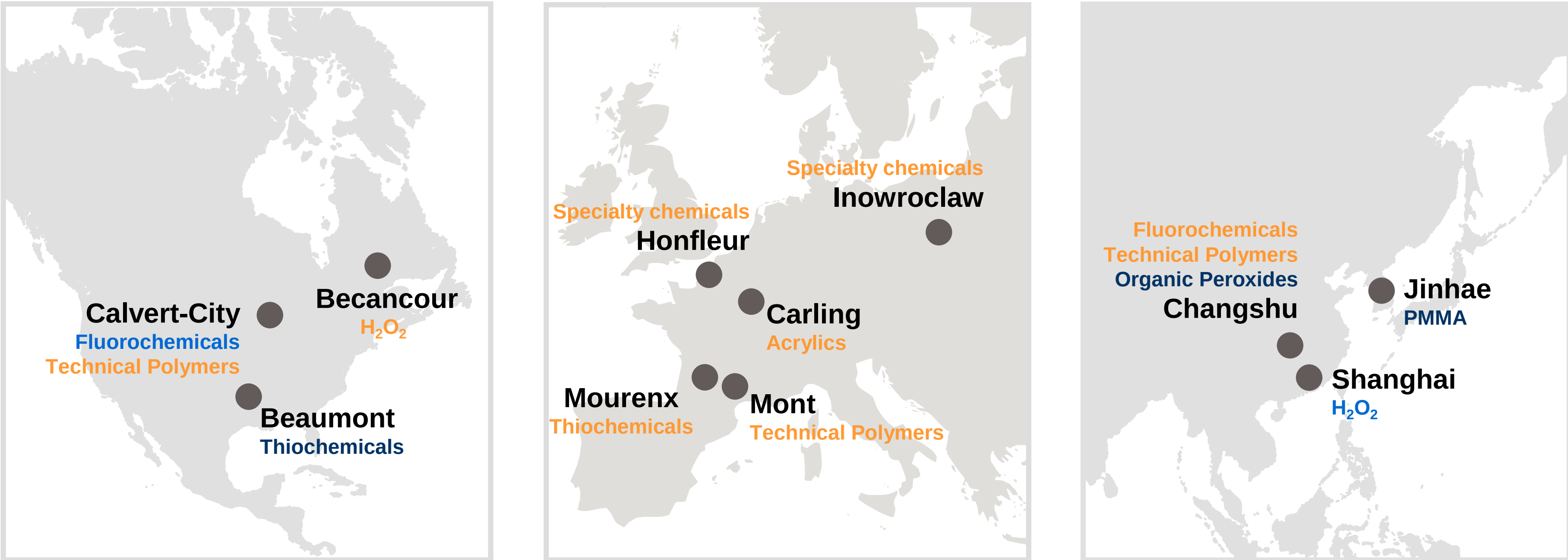


Sources: CMAI and Arkema

ARKEMA

** Not including St Auban (only Specialty PVC) and Jarrie (Chlorine Intermediates). Details of the plan in appendix.*
*** Joint ventures: Fos (Arkema: 79%, Solvin: 21%), Berre (Arkema: 65%, Solvin: 35%), Martorell (Arkema: 35%, Solvin: 65%)*

Selective growth



Started Debottlenecking Major extension

- Increase presence in Asia
- Reinforce competitiveness of best sites through incremental extensions
- Projects' IRR from 15 to 30%

Reshape the Performance Products segment

PERFORMANCE PRODUCTS

- TECHNICAL POLYMERS
- SPECIALTY CHEMICALS
- ADDITIVES
- ORGANIC PEROXIDES
- AGROCHEMICALS
- UREA FORMALDEHYDE RESINS

New business development and Asia

Combination and restructuring*

Divestment
↓
Project to sell to United Phosphorus Limited*

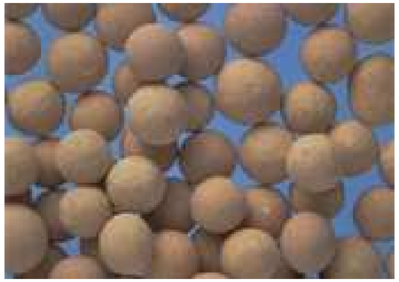
Plan to divest
↓
Process started

“Build a focused and highly profitable segment”

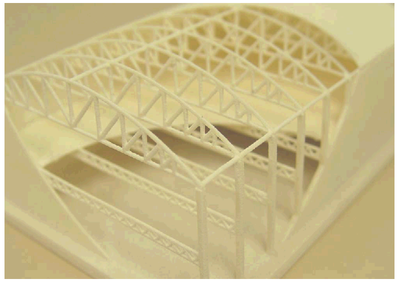
** Subject to information/consultation of the work council. Divestment of Cerexagri is also subject to antitrust clearance in some countries.*

Tangible outcome from R&D

New development in molecular sieves: hydrocarbons filtration and medical oxygen → Debottlenecking of our assets in Poland and France €11m capex →



Polyamide ultrafine powders (Orgasol®): new development for laser sintering → Increase by 40% our production capacity in Mont →



Develop Arkema's flat glass Certincoat® CVD technology → Partnership with major Asian glass manufacturers using state-of-the-art technology →

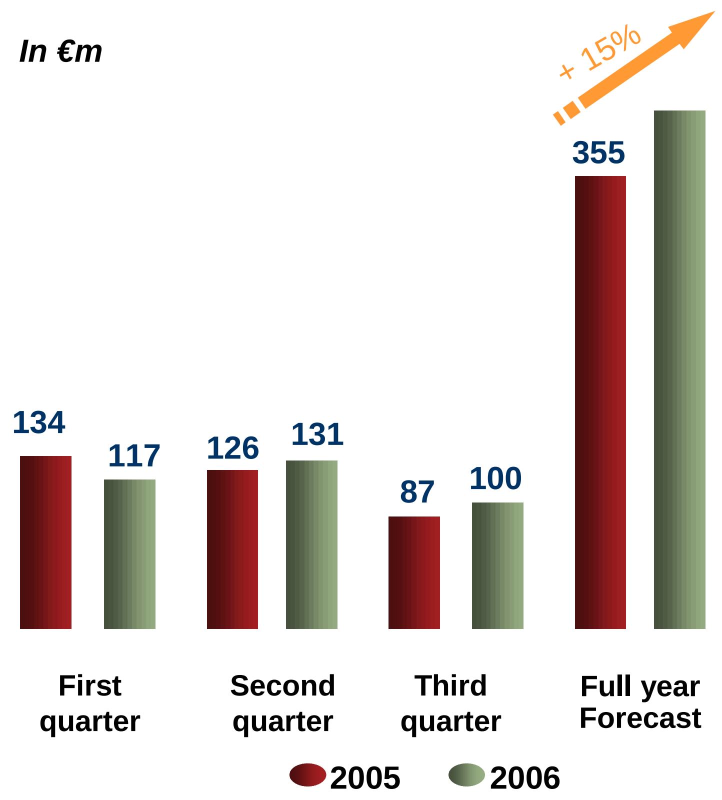
"Better efficiency at constant R&D budget"

Financial performance of nine months 2006

9 months 2006 highlights

- **Sales up 4.7%* fuelled by price increases**
- **Positive net income: €59m**
- **Positive cash flow before NR pre-spin off items: €38m**
- **Improvement of Performance Products segment results: 9% EBITDA margin (6.5%-9m05)**

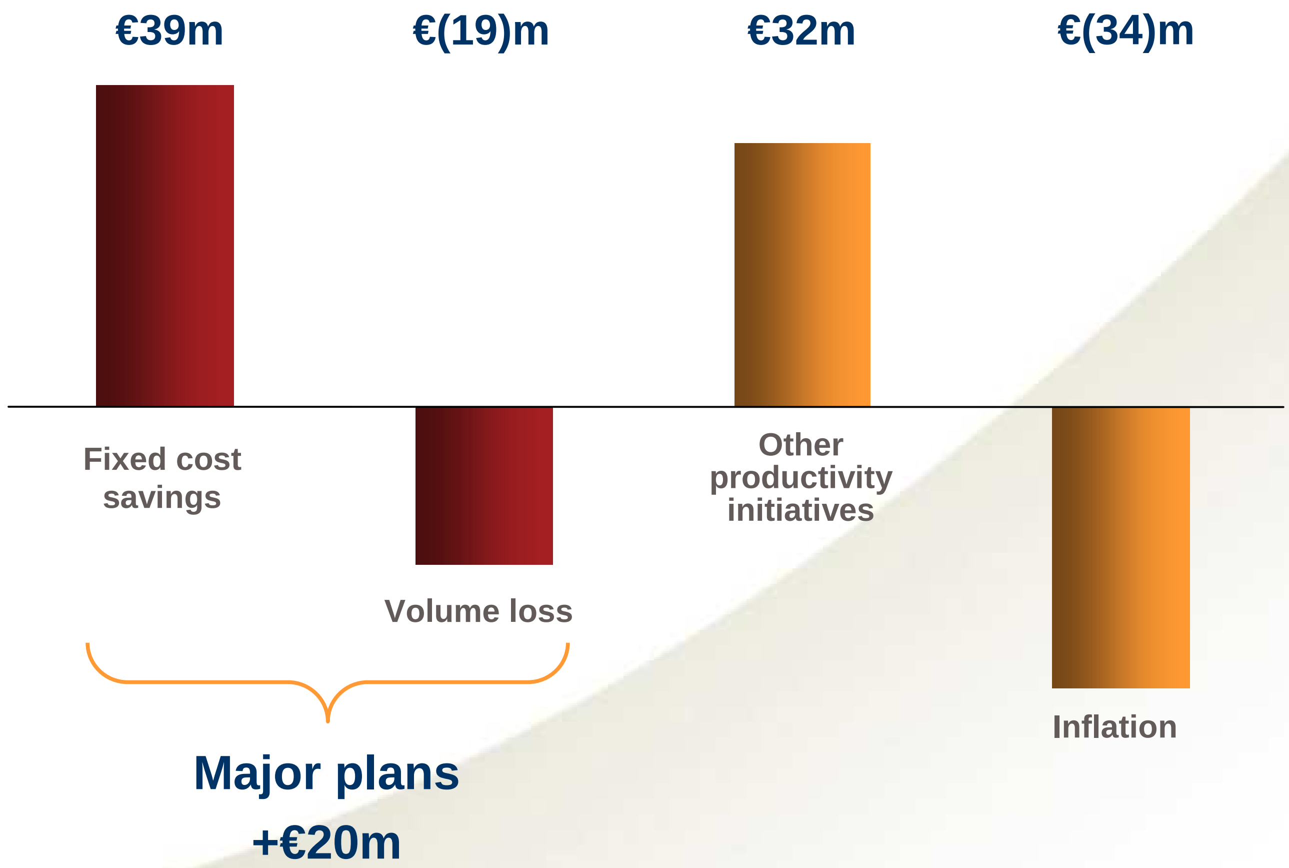
EBITDA by quarter



"+15% EBITDA forecast year on year despite acrylics cycle"

* Compared to 9m 05.

High impact of productivity measures*



* Impact calculated on 1st nine months 2006

Cash flow

	9m 06	
Recurring Cash Flow	281	
Recurring Capex	(192)	In line with forecast
Operating Free Cash Flow	**89**	
Working Capital	(29)	Raw materials and seasonality
Other items	(22)	NR items and cost of debt
Cash Flow before pre-spin off NR items	**38**	
Pre Spin-off NR items cash out	*(303)*	***Included in net debt negotiated with Total***
Cash Flow	**(265)**	

"Positive cash flow
before pre-spin off NR items"

Outlook

2006 outlook

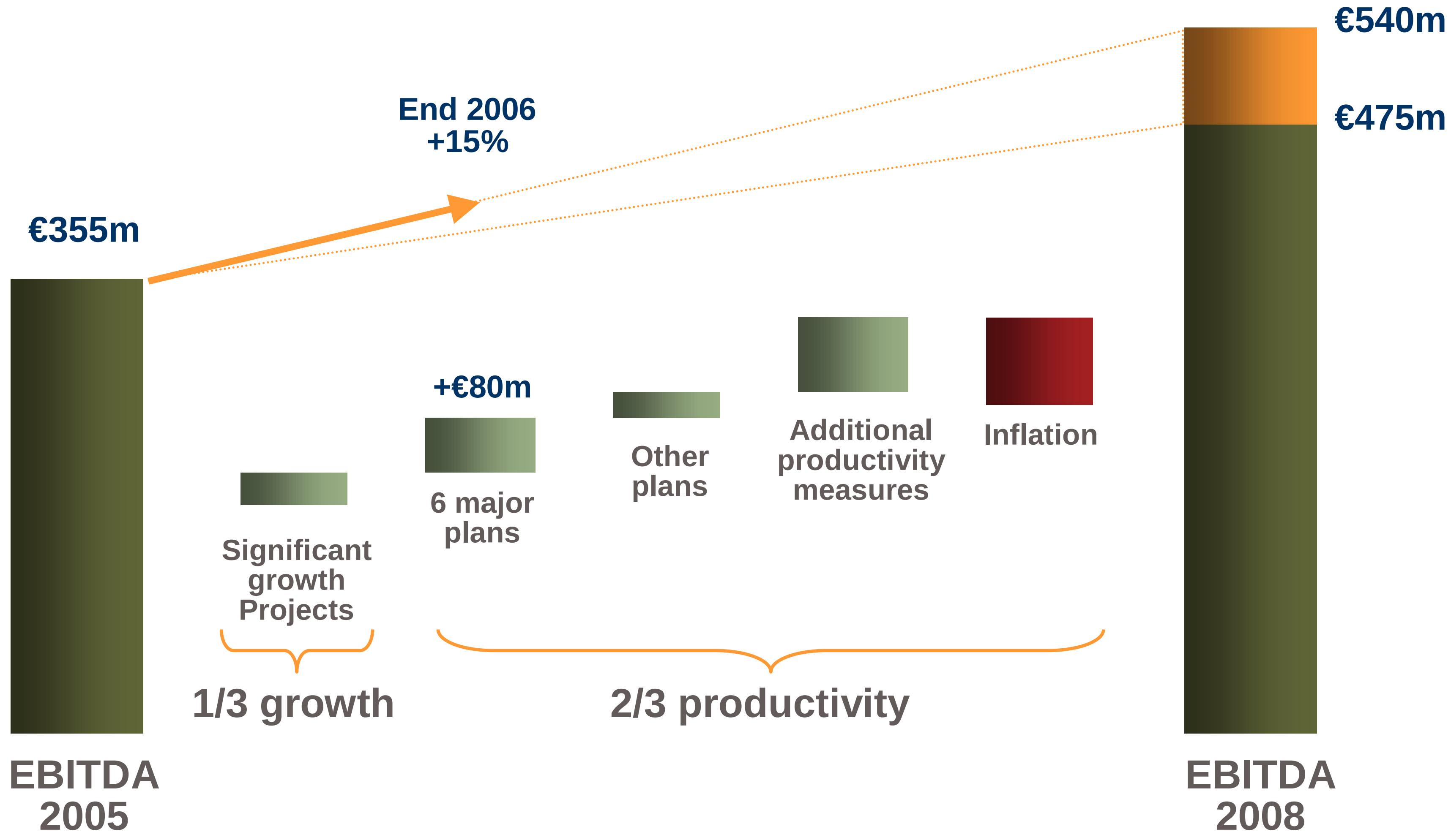
- 2006 EBITDA in the higher range of the target
  (+15% above 2005)
- Seasonal pattern
- Positive net income
- Capex in line with the €350m forecast
  (out of which €50m for Vinyl consolidation plan)

Mid-term target

- **Confirmation of 10 to 15% recurring EBITDA growth**
  - Calculated as an average annual growth for the next 3 years (06-08)*
  - Despite a less favorable environment in acrylics compared to 2005
- Positive free cash-flows from 2007
  (before pre-spin off non-recurring items)
- Reduce working capital to 20% of sales
- Gearing to be maintained between 30 and 40%

** Within the same scope of business*

EBITDA bridge over three years*



"A balanced approach"

** Calculated as an average annual growth for the next three years compared to 2005*

Impact of ongoing productivity initiatives

In €m	2006	2007	**2008**
6 major plans	25	65	**80**
6 projects announced after spin off	0	10	**30**
Total	***25***	***75***	***110***

Beyond, other actions to compensate for most of inflation*

"Full EBITDA impact in 2008: +€110m"

** Inflation on fixed costs*

A strong dynamic of change

Accelerate the transformation process

- Further cost reduction initiatives
- Entrepreneurial culture
- Selective portfolio management
- New businesses
- Working capital optimization

Main actions since September presentation

October 12th	November 10th	November 14th
Organic Peroxides*	**Headquarters***	**Divestment of Cerexagri***
Shutdown of production unit in Loison (France)	Streamline support functions Transfer headquarters	Very limited synergies Sale price expected to be €111m Closing Q1'07 Positive impact on accounts
57 positions	**Reduction 130p.** **Relocations 102p.**	
COMPLETE 2007	**COMPLETE 2007**	**COMPLETE 1Q'07**

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Selective portfolio management

DIVESTMENTS – Disposals of non-core assets

€300 to €400m of sales within the next three years

- Plan to divest UF Resins (German plant of Leuna): €90m of sales
- Divestment of Cerexagri to United Phosphorus Limited*: €200m of sales

ACQUISITIONS

Bolt-on acquisitions in our core activities

- Take advantage of upstream integration (Acrylics, Fluorochemicals, Polyamides)
- Increase the proportion of non-cyclical, low capital intensive businesses

"Better focused, less cyclical portfolio"

** Subject to information/consultation of the work council and to antitrust clearance in some countries.*

Q & A Session

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 materials 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.

Financial information related to 2005 are extracted from pro forma financial statements prepared for the purpose of the listing of ARKEMA SA. Financial information for 2006 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 18,400 employees, ARKEMA achieves sales of 5.7 billion euros in 2005. With its 6 research centers in France, the United States and Japan, and internationally recognized brands, ARKEMA holds leadership positions in its principal markets