

Paris, March 14th, 2007

ARKEMA : FULL YEAR 2006 RESULTS¹ AND MID-TERM OUTLOOK
**FINANCIAL RESULTS WELL ABOVE TARGETS: 20% EBITDA INCREASE IN 2006
12% EBITDA MARGIN TARGET IN 2010**

- EBITDA up 20% at €425 million
- High impact of productivity initiatives
- Strong improvement of Performance Product segment results
- Recurring operating income up 65% to €211 million
- Positive net income of €45 million
- Positive cash flow of €79 million (*excluding pre-spin off non-recurring items²*)

<i>(In millions of euros)</i>	<u>2005¹</u>	<u>2006¹</u>	<u>Variation</u>
Sales	5,710	5,866	+2.7%
EBITDA	355	425	+19.7%
EBITDA margin	6.2%	7.2%	-
Recurring operating income	128	211	+64.8%
Non-recurring items	(514)	(93)	n.m.
Net income – Group share	(427)	45	n.m.
Capital expenditure	333	336	-

¹ Results presented in this press release include financial information related to discontinued activities (Cerexagri). For 2005, financial information is extracted from pro forma accounts (see disclaimer).

² Non-recurring pre-spin off items correspond to items taken into account for the computation of the theoretical financial debt at the time of the spin off.

The Board of Directors of Arkema, headed by Chairman and CEO Thierry Le Hénaff, met on March 13th, 2007 to close the 2006 consolidated accounts and the parent company accounts.

Thierry Le Hénaff stated, commenting on the results:

"In 2006, Arkema posted results well above its financial targets with a EBITDA up 20% at €425 million. We generated a positive net income of €45 million after three years of losses, and a €79 million positive cash flow³.

This improvement in our results was supported by better Performance Products segment results, the impact of productivity initiatives, as well as our ability to develop higher value-added products.

With a successful listing, 2006 was an important milestone in Arkema's transformation process.

We will be pursuing this recovery based on 3 priorities: manufacturing excellence, a greater presence in Asia, and a market-driven innovation. We have set our EBITDA margin target at 12% by 2010, confirming our potential to create value."

2006 FINANCIAL PERFORMANCE

Sales rose to **€5,866 million** in 2006, up 2.7% compared to 2005. This increase resulted from significant price increases in all three segments (+3.8%) and organic volume growth (+0.8%), which fully compensated for the reduction in volume resulting from restructuring plans (-1.5%). The conversion effect (-0.2%) and the changes in the scope of business (-0.2%) had very limited impact on sales.

EBITDA was up 20% to **€425 million** compared to €355 million in 2005, significantly exceeding the +10 to 15% EBITDA growth target. This strong improvement is mainly supported by the priority given to margin recovery and internal productivity initiatives. An increase in average selling prices and the development of higher value-added product lines (such as polyamides, PVDF, molecular sieves, oil additives and PMMA) fully compensated for higher raw material and energy costs, lower acrylics unit margins throughout 2006, and less favorable market conditions in Fluorochemicals in the second half of the year. The reduction in fixed costs over the twelve months totalled €120 million, resulting from restructuring plans and ongoing internal productivity initiatives.

EBITDA margin increased to **7.2%** from 6.2% in 2005.

Recurring operating income amounted to €211 million, up 65% compared to 2005. It includes €213 million depreciation, down €14 million compared to 2005 as a result of impairments booked in 2005.

Operating income totalled €118 million compared to a €(386) million loss in 2005. This result includes €93 million non-recurring items mainly related to restructuring plans announced in the Performance Products segment (€40 million), the relocation of the headquarters (€29 million), and additional expenses related to the Chlorochemicals restructuring plan that could not be provided for at the end of 2005 (€8 million).

Fully in line with guidance, the **net result** (group share) is positive at €45 million including €(62) million taxes.

Cash flow before non-recurring pre-spin off items³ was positive and amounted to **€79 million**. Expenses related to these pre-spin off items totalled €359 million and included a €195 million payment for fines received in European proceedings on past antitrust practices. Non-recurring pre-spin off items decreased to €212 million from €580 million in 2005.

³ before non-recurring pre-spin off items. Non-recurring pre-spin off items correspond to items taken into account for the computation of the theoretical financial debt at the time of the spin off.

Capital expenditure amounted to **€336 million**, of which €305 million relate to recurring capex in line with guidance, and €31 million relate to the Chlorochemicals restructuring plan.

Working capital amounted to €1,236 million end of December 2006, down €56 million compared to 2005.

Net debt (excluding Cerexagri) totalled **€324 million** at end of December 2006. This amount includes the capital increase subscribed by Total before spin-off for €532 million and excludes €110 million proceeds received beginning of 2007 for the Cerexagri divestiture. Taking into account the remaining €212 million non-recurring pre-spin off items at end 2006, net debt to equity ratio amounts to 27.7%.

Vinyl Products sales were down 0.6% at €1,379 million. Good market conditions for PVC in Europe and price increases partially compensated for the decrease of production resulting from the shutdown of loss-making units in Saint-Auban (France), planned maintenance turnarounds in Lavéra and Balan (France), and the impact on ethylene supplies of the maintenance turnaround at the Lavéra steamcracker. EBITDA amounts to €38 million from €20 million in 2005. This increase results from a strict control of fixed costs and PVC price increases, which offset higher energy and ethylene costs. The Chlorochemicals restructuring plan is on schedule and already generated in 2006 €5 million EBITDA gain in Saint-Auban, while capex related to the plan amounted to €31 million.

Industrial Chemicals sales were up 3.7% at €2,494 million. Sales increase in PMMA and Thiochemicals (sustained by new developments) and good volumes in Acrylics fully compensated for the decrease in acrylics prices and the impact of tougher market conditions in Fluorochemicals during the second semester. EBITDA totalled €267 million and EBITDA margin amounted to almost 11%, clearly demonstrating the good resistance of these segment results to the evolution of market conditions and especially to the acrylics cycle.

Performance Products sales were up 4.1% at €1,986 million. This increase was supported by a positive price effect in all the businesses and volume growth despite decrease in production resulting from the Villers-Saint-Paul (France) definitive shutdown. The priority given to reshaping the segment resulted in a strong progression of EBITDA at €170 million (8.6% of sales) from €109 million in 2005 (5.7% of sales). These improvements can be explained by strong demand, new business developments in Technical Polymers and Specialty Chemicals, and a reduction in fixed costs resulting from restructuring plans which began to bear fruit. The softening of the US construction market negatively impacted the Additives results at the end of the year.

EVENTS AFTER THE BALANCE SHEET DATE

Since the beginning of 2007, Arkema has announced several restructuring plans in its Vinyl Products and Industrial Chemicals segments⁴:

- In Pipes & Profiles (Alphacan), lower margins production units will be closed in Chantonay (France). The reorganization will result in the reduction of 28 positions.
In Vinyl Compounds, Dorlyl's⁵ activities in France will be shut down (59 positions reduction).
- In Thiochemicals, a plan to improve productivity at its Lacq-Mourenx site (France) was announced, resulting in the reduction of 48 positions and a 30% increase in DMDS production capacity.

Moreover, in January 2007, Arkema announced the signing of a MOU with the Indian group Essar for the production and marketing of acrylic acid and esters in India.

⁴ The plans are subject to the legal information and consultation procedure with the works council.

⁵ Dorlyl is a subsidiary of Arkema France, and is active in Vinyl Compounds production and marketing.

Finally, on February 1st, 2007 Arkema announced it had finalized the disposal of its agrochemicals business (Cerexagri) at a price of around €110 million. The capital gain to be booked in 2007 should be around €20 million. In 2006, this activity, considered as a discontinued activity, posted €202 million sales, €14 million EBITDA and €7 million net income. Excluding this activity, sales amounted to €5,664 million in 2006 and to €5,515 million in 2005, and EBITDA amounted to €411 million in 2006 and €347 million in 2005.

2007 OUTLOOK

Throughout 2006, the launch of many restructuring and growth projects in its various businesses allowed Arkema to reduce significantly its break-even point. This acceleration of the pace of change clearly enabled Arkema to exceed its 2006 financial targets.

Since the beginning of 2007, under overall favorable market conditions, Arkema has continued its transformation process with the announcement of several additional restructuring plans and growth projects. These initiatives combined with successful start-ups made at the end of 2006 and to be made in 2007, further portfolio management, and continuous optimization of our processes enable us to confirm our objectives of a EBITDA growth of 10 to 15% over the period from 2006 to 2008 and a positive cash flow excluding pre-spin off non-recurring items in 2007.

Capex for 2007 should amount to approximately €350 million including €50 million investments related to the Chlorochemicals consolidation plan.

2010 TARGETS

The implementation of a genuine industrial project since 2004 has enabled Arkema to establish solid foundations.

With a very strong balance sheet, a more focused entrepreneurial culture, and a leaner and more reactive organization, Arkema is now entering a new phase in its development.

In accordance with the strategy set out at the time of its spin off, Arkema has set a 12%⁶ EBITDA margin objective by 2010. This ambition includes reducing working capital to 18% of sales, and maintaining a gearing under 40%.

The announcement of these new objectives confirms Arkema's potential as well as its management's commitment to building a strong player of the global chemical industry.

The full 2006 results and outlook are detailed in the «2006 overview and mid-term perspectives» presentation available on www.finance.arkema.com.

FINANCIAL CALENDAR

May 15, 2007	Release of the 1 st quarter 2007 results
June 5, 2007	Annual shareholders' meeting

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⁶ In mid cycle conditions under a normalized environment.

INVESTOR & ANALYST FACTSHEET⁷

P&L (In millions of euros)	2005			2006		
	Excluding Cerexagri	Cerexagri	Including Cerexagri	Excluding Cerexagri	Cerexagri	Including Cerexagri
Sales	5,515	195	5,710	5,664	202	5,866
Recurring EBITDA	347	8	355	411	14	425
Recurring EBITDA margin	6.3%	4.1%	6.2%	7.3%	6.9%	7.2%
Depreciation & amortization	(222)	(5)	(227)	(211)	(3)	(214)
Recurring operating	125	3	128	200	11	211
Other income and expenses	(496)	(18)	(514)	(92)	(1)	(93)
Operating income	(371)	(15)	(386)	108	10	118
Net result – Group share	-	-	(427)	-	-	45

Sales Bridge (including Cerexagri)

Price effect: + 3.8%
 Organic volume growth: +0.8%
 Volume loss (restructuring): (1.5)%
 Conversion effect: (0.2)%
 Change of scope: (0.2)%

EBITDA Bridge (including Cerexagri)

Fixed costs reduction: +€120m
 Volume loss (restructuring): €(24)m
 Inflation on fixed costs: €(44)m
 Others: + €18m of which:
 + price initiatives, + growth projects, - acrylics cycle, - raw material & energy costs, +/- other impacts

Cash flows, net debt, provisions and non-recurring pre-spin off items

- Recurring CAPEX at €305m
- Cash flow at €79m excluding pre-spin off NR items
- €359m cash-out of pre-spin off NR items
- Cash flow including pre-spin off NR items at €(280)m

Net debt in €m		Remaining pre-spin off NR items as of end of the year in €m		2005	2006
Net debt	324	Provisions booked end 2005	435	156	
Remaining pre-spin off NR items	212	Cash deposit (European antitrust litigations)	-	(18)	
Equivalent net debt (31/12/06)	536	Vinyl restructuring plan capex	100	69	
<i>Proceeds from Cerexagri (01/02/07)</i>	<i>(110)</i>	2006 items	45	5	
		Non-recurring pre-spin off items	580	212	

Provisions analysis in €m	Current provisions		Covered by warranties		Included in pre-spin off NR items		Total Provisions	
	2005	2006	2005	2006	2005	2006	2005	2006
Pensions	241	237	-	-	62	24	302	260
Environment	131	121	78	69	31	23	241	213
Restructuring	-	48	-	-	130	79	130	127
Others (incl. Litigations)	192	182	9	8	212	31	413	221
Total	564	588	87	77	435	156	1,086	821

⁷ Results presented in this fact include financial information related to discontinued activities (Cerexagri). For 2005, financial information is extracted from pro forma accounts (see disclaimer).

SEGMENT REVIEW :

<i>Vinyl Products in €m</i>	2005	2006	Delta	Comments
Sales	1,387	1,379	-0.6%	<ul style="list-style-type: none"> • Good market conditions for PVC in Europe • Chlorochemicals restructuring plan: <ul style="list-style-type: none"> - on schedule - Impact on volumes - €5m EBITDA impact in 2006 - €31m CAPEX in 2006
Rec. EBITDA	20	38	90.0%	
Rec. EBITDA margin	1.4%	2.8%	N/A	
Rec. Operating income	8	21	X2.6	
Other income and expenses	(218)	(8)	N/A	
Operating income	(210)	13	N/A	
Capital expenditures	61	76	-	

<i>Industrial Chemicals in €m</i>	2005	2006	Delta	Comments
Sales	2,406	2,494	3.7%	<ul style="list-style-type: none"> • Good resistance under less favorable market conditions • Improved profitability of PMMA and Thiochemicals • Sharp decline of Acrylics margins • Successful capacity expansions
Rec. EBITDA	316	267	-15.5%	
Rec. EBITDA margin	13.1%	10.7%	-	
Rec. Operating income	204	160	-21.6%	
Other income and expenses	(152)	2	N/A	
Operating income	52	162	X3.1	
Capital expenditures	145	172	-	

Acrylics	<ul style="list-style-type: none"> • 15% increase of acrylic acid production capacity in Carling (France) in Q4'06 during the planned maintenance turnaround.
PMMA	<ul style="list-style-type: none"> • Increased volumes of high value-added products. • Lower breakeven point: Closure of Leeuwarden (Netherlands) plant and start-up of a new production line in Saint-Avold (France)
Thiochemicals	<ul style="list-style-type: none"> • Successful running of Beaumont unit (US) • Decrease of fixed costs: shutdown of Riverview (US) units end of June
Fluorochemicals	<ul style="list-style-type: none"> • Tougher market conditions in 134a during second half of the year. • Strict control of fixed costs • Two major growth projects announced: <ul style="list-style-type: none"> ○ Conversion to new generation products in Calvert City (US): \$45m capex ○ 50% extension of Forane[®]22 production capacities in Changshu (China)
Hydrogen Peroxide	<ul style="list-style-type: none"> • Project to double production capacities in Shanghai (China) • Capacity increase in Bécancour (Canada) achieved end 2006 (+20kt)

<i>Performance products in €m</i>	2005	2006	Delta	Comments
Sales	1,907	1,986	4.1%	<ul style="list-style-type: none"> • Strong improvement of margin • 10% sales growth in Technical Polymers and Specialty Chemicals • Portfolio simplification: 6 to 3 BUs • Combination of new businesses and productivity initiatives
Rec. EBITDA	109	170	56.0%	
Rec. EBITDA margin	5.7%	8.6%	-	
Rec. Operating income	19	82	N/A	
Other income and expenses	(56)	(42)	N/A	
Operating income	(37)	40	N/A	
Capital expenditures	117	87	10	

Technical Polymers	<ul style="list-style-type: none"> • Strong demand on all product lines (polyamides, PVDF, functional polyolefins). • Price increases offset higher raw material costs • Restructuring plan in Serquigny (France): reduction of 37 positions • 15% increase in high content EVA production capacity in Balan (France) • Project of doubling polyamides production capacities in Changshu (China).
Specialty Chemicals	<ul style="list-style-type: none"> • Improved performance in all product lines sustained by new development • Restructuring plan in Pierrefitte-Nestlas (France): reduction of 23 positions • Expansion of molecular sieves capacity by 30% (France and Poland)
Functional Additives	<ul style="list-style-type: none"> • Softening of the construction market in the US in 2H06 and increase of raw material costs • Merger of Additives and Organic Peroxides BUs: €5 million savings • Restructuring plan in Mobile/Carrollton (US): reduction of 31 positions • Shutdown of organic peroxide production units in Loison (France): 57 positions.
Urea Formaldehyde Resins	<ul style="list-style-type: none"> • Closure of Villers-Saint-Paul plant (France) end of June • Project to divest a remaining plant in Leuna (Germany) on track

Corporate in €m	2005	2006	Comments
Sales	10	7	<ul style="list-style-type: none"> • Simplification and streamlining • Headquarters restructuring: <ul style="list-style-type: none"> - 130 job reductions - 102 positions transferred in plants - transfer in a "cheaper" area
Rec. EBITDA	(90)	(50)	
Rec. Operating income	(103)	(52)	
Other income and expenses	(88)	(45)	
Operating income	(191)	(97)	
Capital expenditures	10	1	

Projects announced in 2007:

Alphacan	<ul style="list-style-type: none"> • Closure of lower margins production units in Chantonay (France)¹: reduction of 28 positions.
Vinyl Compounds	<ul style="list-style-type: none"> • Shutdown of Dorlyl's⁸ activities in France and Italy: reduction of 59 positions.
Acrylics	<ul style="list-style-type: none"> • MOU signed with Essar for the production and marketing of acrylic acid and its esters in India.
Thiochemicals	<ul style="list-style-type: none"> • Productivity plan in Lacq-Mourenx (France): reduction of 48 positions and 30% increase in DMDS production capacity increase of 30%¹
H2O2	<ul style="list-style-type: none"> • Expansion of 10% of capacity in Jarrie (France).

⁸ Restructuring plans are subject to legal information and consultation procedure of work council

Disclaimer

The information disclosed in this press release may contain forward-looking statements with respect to the financial conditions, 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 reprocessed, when needed, to include the impacts of discontinued activities. Quaterly financial information are not audited.

The business segment information is presented in accordance with ARKEMA's internal reporting system used by the management.

The main performance indicators used are as follows:

- **Operating income:** *this includes all income and expenses other than the cost of debt, equity in income of affiliates and income taxes.*
- **Other income and expenses:** *these correspond to a limited number of well-identified non-recurring items of income and expense of a particularly material nature that the Group presents separately in its income statement in order to facilitate understanding of its recurring operational performance. These items of income and expense are:*
 - *Impairment losses in respect of property, plant and equipment and intangible assets,*
 - *Gains or losses on sale of assets,*
 - *Certain large restructuring and environmental expenses which would hamper the interpretation of recurring operating income,*
 - *Certain expenses related to litigation and claims whose nature is not directly related to ordinary operations,*
 - *Costs related to the spin off of Arkema's Businesses.*
- **Recurring operating income:** *this is calculated as the difference between operating income and other income and expenses as previously defined.*
- **EBITDA:** *this corresponds to recurring operating income increased by depreciation and amortization.*
- **Working capital:** *this corresponds to the difference between inventories, accounts receivable, prepaid expenses and other current assets and tax receivables on the one hand and accounts payable, other creditors and accrued liabilities and income tax liabilities on the other hand.*
- **Capital employed:** *this is calculated by aggregating the net carrying amounts of intangible assets, property, plant and equipment, equity affiliate investments and loans, other investments, other non-current assets (excluding deferred tax assets) and working capital.*
- **Net debt:** *this is the difference between current and non-current debt and cash and cash equivalents.*

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 17,000 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.



ARKEMA Financial Statements

Consolidated financial statements - December 2006

INCOME STATEMENT¹

	<u>4th Quarter 2005</u>	<u>End of December 2005</u>	<u>4th Quarter 2006</u>	<u>End of December 2006</u>
<i>(In millions of euros)</i>	Pro forma (non audited)	Pro forma (non audited)	Consolidated (non audited)	Consolidated
Sales	1 368	5 515	1 323	5 664
Operating expenses	(1 254)	(4 783)	(1 158)	(4 879)
Research and development expenses	(50)	(176)	(44)	(168)
Selling and administrative expenses	(112)	(431)	(96)	(417)
Recurring operating income	(48)	125	25	200
Other income and expenses	(350)	(496)	(38)	(92)
Operating income	(398)	(371)	(13)	108
Equity in income of affiliates	2	7	1	1
Cost of debt	(1)	(7)	(3)	(10)
Income taxes	6	(39)	2	(59)
Net income of continuing operations	(391)	(410)	(13)	40
Net income of discontinued operations	(16)	(18)	0	7
Net income	(407)	(428)	(13)	47
Of which minority interests	(2)	(1)	1	2
Net income - Group share	(405)	(427)	(14)	45
<i>Earnings per share (amount in euros)</i>	-6,70	-7,06	-0,23	0,75
<i>Diluted earnings per share (amount in euros)</i>	-6,70	-7,06	-0,23	0,75
Depreciation and amortization	(55)	(222)	(51)	(211)
Recurring EBITDA	7	347	76	411

¹ The agrochemicals business (Cerexagri) divested February, 1st, 2007 was considered as a discontinued activity in 2005 and 2006. Its result is indicated on a dedicated line.

BALANCE SHEET

	<u>31.12.2005</u>	<u>31.12.2006</u>
	Pro forma	Consolidated
<i>(In millions of euros)</i>		
ASSETS		
Intangible assets, net	247	236
Property, plant and equipment, net	1 322	1 376
Equity affiliates: investments and loans	112	100
Other investments	22	21
Deferred income tax assets	58	32
Other non-current assets	112	125
TOTAL NON-CURRENT ASSETS	1 873	1 890
Inventories	1 124	1 036
Accounts receivable	1 199	1 051
Prepaid expenses and other current assets	370	213
Income taxes recoverable	31	36
Cash and cash equivalents	67	171
Total assets of discontinued operations		144
TOTAL CURRENT ASSETS	2 791	2 651
TOTAL ASSETS	4 664	4 541
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	-	605
Paid-in surplus and retained earnings	1 366	1 344
Cumulative translation adjustment	83	-27
Treasury shares	-	-
SHAREHOLDERS' EQUITY - GROUP SHARE	1 449	1 923
Minority interests	14	15
TOTAL SHAREHOLDERS' EQUITY	1 463	1 938
Deferred income tax liabilities	8	14
Provisions	1 126	855
Non-current debt	59	52
TOTAL NON-CURRENT LIABILITIES	1 193	921
Accounts payable	861	786
Other creditors and accrued liabilities	544	369
Income taxes payable	28	14
Current debt	575	443
Total liabilities of discontinued operations		69
TOTAL CURRENT LIABILITIES	2 008	1 681
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4 664	4 541

¹ In 2006, assets and liabilities of Cerexagri are on a dedicated line.

CASH FLOW STATEMENT

includes cash flow from Cerexagri

<i>(In millions of euros)</i>	<u>End of December 2005</u> Pro forma Including Cerexagri	<u>End of December 2006</u> Consolidated Including Cerexagri
Cash flow - operating activities		
Net income	-428	47
Depreciation, amortization and impairment of assets	437	218
Provisions, valuation allowances and deferred taxes	96	-210
(Gains)/losses on sales of assets	-1	-5
Undistributed affiliate equity earnings	-3	-1
Change in working capital	-147	16
Other changes		3
Cash flow from operating activities	-46	68
Cash flow - investing activities		
Intangible assets and property, plant, and equipment, additions	-333	-336
Acquisitions of consolidated subsidiaries, net of cash acquired		-
Acquisitions of non-consolidated subsidiaries	-3	-7
Increase in long-term loans	-22	-59
Total expenditures	-358	-402
Proceeds from sale of intangible assets and property, plant and equipment	6	6
Proceeds from sale of subsidiaries, net of cash sold		0
Proceeds from sale of other investments	1	10
Repayment of long-term loans	28	38
Total divestitures	35	54
Cash flow from investing activities	-323	-348
Cash flow - financing activities		
Parent company shareholders		-
Issuance (repayment) of shares		532
Dividends paid to Parent company shareholders		-
Dividends paid to Minority shareholders	-1	-1
Issuance of long-term debt		-
Repayment of long-term debt	-4	-6
Increase in short-term borrowings and bank overdrafts	353	-
Decrease in short-term borrowings and bank overdrafts		-130
Cash flow from financing activities	349	395
Net increase/(decrease) in cash and cash equivalents	-21	115
Effect of exchange rates and changes in scope	11	-18
Cash and cash equivalents at beginning of period	77	67
Cash and cash equivalents of discontinued operations		-14
Short-term loan to discontinued operations		20
Cash and cash equivalents at end of period	67	171

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

<i>(In millions of euros)</i>	Shares issued				Treasury shares						
	Number	Amount	Paid-in surplus	Retained earnings	Cumulative translation adjustment	Number	Amount	Recognized directly through equity	Shareholders' equity - Group share	Minority interests	Total shareholders' equity
As of January 1, 2006	4 000			1 366	83				1 449	14	1 463
Cash dividend									-	(1)	(1)
Net income				45					45	2	47
Issuance of share capital	60 449 823	605	1 006	(1 078)					532		532
Purchase of treasury shares									-		-
Cancellation of treasury shares									-		-
Sale of treasury shares									-		-
Other				5					5		5
<i>Transactions with shareholders</i>	<i>60 449 823</i>	<i>605</i>	<i>1 006</i>	<i>(1 027)</i>	-	-	-	-	<i>583</i>	<i>1</i>	<i>584</i>
Changes in items recognized directly through equity				1					1		1
Change in translation adjustments					(110)				(110)		(110)
<i>Items other than transactions with shareholders</i>		-	-		(110)	-	-	-	(110)	-	(110)
As of December 31, 2006	60 453 823	605	1 006	339	(27)	-	-	-	1 923	15	1 938

INFORMATION BY BUSINESS SEGMENT (excluding Cerexagri)

(non audited)

End of December 2005 (Pro forma non audited)

<i>(In millions of euros)</i>	Vinyl Products	Industrial Chemicals	Performance Products	Corporate	Group total
Non-Group sales	1 387	2 406	1 713	10	5 515
Inter-segment sales	82	178	16	(1)	-
Total sales	1 469	2 584	1 729	9	-
Recurring operating income	8	204	15	(102)	125
Other income and expenses	(218)	(152)	(37)	(89)	(496)
Operating income	(210)	52	(22)	(191)	(371)
Equity in income of affiliates	5	1	1	-	7
Depreciation and amortization	(12)	(112)	(87)	(11)	(222)
Asset impairment	(49)	(134)	(5)	-	(188)
Changes in non-current provisions recognized through income	(114)	(14)	(36)	38	(126)
Recurring EBITDA	20	316	102	(91)	347
Intangible assets and property, plant and equipment, additions including Cerexagri	61	145	117	10	333

End of December 2006

<i>(In millions of euros)</i>	Vinyl Products	Industrial Chemicals	Performance Products	Corporate	Group total
Non-Group sales	1 379	2 494	1 784	7	5 664
Inter-segment sales	74	179	17	-	-
Total sales	1 453	2 673	1 801	7	-
Recurring operating income	21	160	71	(52)	200
Other income and expenses	(8)	2	(41)	(45)	(92)
Operating income	13	162	30	(97)	108
Equity in income of affiliates	1	(1)	1	-	1
Depreciation and amortization	(17)	(107)	(85)	(2)	(211)
Asset impairment	-	-	-	-	-
Changes in non-current provisions recognized through income	41	18	(21)	208	246
Recurring EBITDA	38	267	156	(50)	411
Intangible assets and property, plant and equipment, additions including Cerexagri	76	172	87	1	336

INFORMATION BY BUSINESS SEGMENT (excluding Cerexagri)

(non audited)

4th Quarter 2005

<i>(In millions of euros)</i>	Vinyl Products	Industrial Chemicals	Performance Products	Corporate	Group total
Non-Group sales	346	586	432	4	1 368
Inter-segment sales	18	46	4	(1)	-
Total sales	364	632	436	3	-
Recurring operating income	(11)	10	(5)	(42)	(48)
Other income and expenses	(90)	(152)	(29)	(79)	(350)
Operating income	(101)	(142)	(34)	(121)	(398)
Equity in income of affiliates	-	1	1	-	2
Depreciation and amortization	-	(30)	(20)	(5)	(55)
Asset impairment	(49)	(134)	(5)	-	(188)
Changes in non-current provisions recognized through income	16	(29)	(21)	(12)	(46)
Recurring EBITDA	(11)	40	15	(37)	7
Intangible assets and property, plant and equipment, additions including Cerexagri	34	62	37	5	138

4th Quarter 2006

<i>(In millions of euros)</i>	Vinyl Products	Industrial Chemicals	Performance Products	Corporate	Group total
Non-Group sales	335	568	418	2	1 323
Inter-segment sales	16	40	5	(1)	-
Total sales	351	608	423	1	-
Recurring operating income	(1)	18	13	(5)	25
Other income and expenses	(1)	2	(8)	(31)	(38)
Operating income	(2)	20	5	(36)	(13)
Equity in income of affiliates	1	(1)	1	-	1
Depreciation and amortization	(5)	(26)	(18)	(2)	(51)
Asset impairment	-	-	-	-	-
Changes in non-current provisions recognized through income	14	7	6	(3)	24
Recurring EBITDA	4	44	31	(3)	76
Intangible assets and property, plant and equipment, additions including Cerexagri	23	70	31	-	124

INFORMATION BY BUSINESS SEGMENT (excluding Cerexagri)

(non audité)

1st quarter 2006					
<i>(In millions of euros)</i>	Vinyl Products	Industrial Chemicals	Performance Products	Corporate	Group total
Non-Group sales	361	661	463	2	1 487
Recurring operating income	7	51	18	(20)	56
Other income and expenses	-	-	(23)	1	(22)
Operating income	7	51	(5)	(19)	34
Depreciation and amortization	(4)	(29)	(22)	(1)	(56)
Recurring EBITDA	11	80	40	(19)	112

2nd quarter 2006					
<i>(In millions of euros)</i>	Vinyl Products	Industrial Chemicals	Performance Products	Corporate	Group total
Non-Group sales	349	657	460	1	1 467
Recurring operating income	10	53	21	(16)	68
Other income and expenses	(5)	-	(0)	(13)	(18)
Operating income	5	53	21	(29)	50
Depreciation and amortization	(4)	(28)	(22)	-	(54)
Recurring EBITDA	14	81	43	(16)	122

3rd quarter 2006					
<i>(In millions of euros)</i>	Vinyl Products	Industrial Chemicals	Performance Products	Corporate	Group total
Non-Group sales	334	608	443	2	1 387
Recurring operating income	5	38	19	(12)	50
Other income and expenses	(2)	-	(10)	(2)	(14)
Operating income	3	38	9	(14)	36
Depreciation and amortization	(4)	(24)	(23)	(0)	(51)
Recurring EBITDA	9	62	42	(12)	101

4th quarter 2006					
<i>(In millions of euros)</i>	Vinyl Products	Industrial Chemicals	Performance Products	Corporate	Group total
Non-Group sales	335	568	418	2	1 323
Recurring operating income	(1)	18	13	(5)	25
Other income and expenses	(1)	2	(8)	(31)	(38)
Operating income	(2)	20	5	(36)	(13)
Depreciation and amortization	(5)	(26)	(18)	(2)	(51)
Recurring EBITDA	4	44	31	(3)	76