Paris, May 11th, 2010

ARKEMA: 1ST QUARTER 2010 RESULTS

STRONG RECOVERY OF VOLUMES AND PROFITABILITY

- **Sales +20% up versus 1st quarter 2009**
- **EBITDA multiplied by 2.4 versus 1st quarter 2009 to €137 million**
- **14.5% EBITDA margin in Industrial Chemicals and Performance Products (80% of sales)**
- **Positive net income of €40 million**
- **Integration of acrylic assets purchased from Dow in a positive environment (sales of approximately $450 million in 2009)**
- **Gearing maintained below 20%**

The Board of Directors of Arkema met on May 10th, 2010 to review the Company's consolidated accounts for 1st quarter 2010. At the end of this meeting, Thierry Le Hénaff, Chairman and CEO of Arkema, stated:

« 2010 started off well for Arkema in a much more positive economic environment. Our volumes rose significantly, by 20% on last year. Asia in particular saw a 35% increase in sales compared to 1st quarter 2009, and this reflects our investment policy in the region since 2006.

EBITDA is back at levels close to pre-crisis although volumes are still lower. This improvement in profitability was also the result of a significant reduction in fixed costs reflecting the actions we have been implementing in the last few years.

Arkema is pleased with the performance of the Industrial Chemicals and Performance Products segments, which accounted for 80% of our sales and generated a 14.5% EBITDA margin in the quarter. In 2006, the year of Arkema's stock market listing, these segments achieved together a 10% margin. This reflects our teams' achievements since the spin-off.

The quarter was also marked by two major and highly positive events for the Company: the closing of the acquisition and the integration of the acrylic assets purchased from Dow in a steadily improving market, and the successful startup of our new fluorogas plant at Changshu in China.

For the full year 2010, Arkema is confident in its ability to generate an EBITDA very significantly above 2009 while continuing to closely monitor the developments of still volatile market conditions. »

(In millions of euros)	1st Quarter 2010	1st Quarter 2009	Variation
Sales	**1,308**	**1,092**	**+19.8%**
EBITDA	**137**	**57**	**x2.4**
EBITDA margin	***10.5%***	***5.2%***	
Vinyl Products	*(3.0)%*	*0.8%*	
Industrial Chemicals	*14.5%*	*14.3%*	
Performance Products	*14.5%*	*5.3%*	
Recurring operating income	**67**	**(12)**	**-**
Non-recurring items	(7)	(4)	-
Adjusted net income	**41**	**(30)**	**-**
Net income – Group share	**40**	**(35)**	**-**

1ST QUARTER 2010 ACTIVITY

Sales totaled €1,308 million, 20% up on 1st quarter 2009. Volumes in the quarter increased by 20% over 1st quarter 2009, sustained by strong demand in Asia, signs of recovery in North America, and expanding new energies markets. The effect of changes to the scope of business amounted to 6% following the acquisition on January 25th of certain acrylic assets in North America. The negative price effect (-4%) primarily reflected the evolution of caustic soda prices in the Vinyl Products segment, which were divided by two compared to the peak reached in 1st quarter 2009. The translation effect, primarily related to the euro/US dollar exchange rate, was negative at -2%.

In this context of demand recovery, and despite volumes being still below pre-crisis levels, **EBITDA** improved significantly to **€137** million, i.e. 2.4 times EBITDA of the 1st quarter 2009. Except for the Vinyl Products segment, unit margins showed resilience overall given the rise in raw material costs. Unit margins for Acrylics improved gradually since their lowest levels in 4th quarter 2009 despite higher propylene cost. The newly acquired acrylic assets generated positive EBITDA already in the first months of their integration within the Group. Developments in Asia continued with the successful startup of a new HFC-125 fluorogas production plant in China. Arkema also pursued its development in the growing new energies markets thanks to the new products developed by its R&D. Finally, Arkema continued to improve its cost structure. The reduction in its fixed costs was in line with the announced full-year 2010 objective.

EBITDA margin rose to 10.5% of sales, close to its historical highest levels (10.7% in 1st quarter 2008), against 5.2% in 1st quarter 2009.

Operating income rose to +€60 million against –€16 million in 1st quarter 2009, after deduction of €70 million depreciation and amortization and –€7 million non-recurring items.

Income taxes amounted to €18 million against €13 million in 1st quarter 2009, i.e. approximately 27% of recurring operating income.

Net income (group share) was back to positive at +€40 million against -€35 million in 1st quarter 2009.

Segment performance in 1st Quarter 2010

Vinyl Products (21% of total sales): **IMPROVEMENT VERSUS 4TH QUARTER 2009 IN CONTINUING CHALLENGING MARKET CONDITIONS**

Vinyl Products sales stood at €271 million against €257 million in 1st quarter 2009, up by 5.4%. Volumes improved despite bad weather conditions at the beginning of the year and in a construction market that remains weak in Europe. The negative price effect corresponds essentially to the drop in caustic soda prices which were divided by 2 versus 1st quarter 2009. The effect of changes to the scope of business, also negative, reflects the divestments made in 2009.

In this still challenging environment, EBITDA was negative at –€8 million against €2 million in 1st quarter 2009. It did, however, improve compared to 4th quarter 2009 when EBITDA stood at -€18 million, sustained by higher volumes and lower fixed costs. PVC price increases offset the rise in the cost of ethylene.

Finally, Qatar Vinyl Company, in which Arkema owns a 13% stake, reported an excellent performance driven by demand in Asia.

Industrial Chemicals (51% of total sales): **CONFIRMATION OF THE SEGMENT'S EXCELLENT PERFORMANCE**

Industrial Chemicals sales rose to €661 million, 30% up on 1st quarter 2009. At constant perimeter, namely excluding the impact of the acquisition in late January of certain acrylic assets from Dow, volumes rose by +17.5%, while the price effect was positive.

EBITDA amounted to €96 million against €73 million in 1st quarter 2009. EBITDA margin stood at 14.5% despite the diluting effect of the acquisition of certain acrylic assets from Dow. Unit margins for acrylic acid improved compared to 4th quarter 2009 despite the rise in propylene costs and in a context of tight supply. This development confirms the assumption used by the Group of a gradual improvement of margins in this activity in 2010. Furthermore, the integration of the new acrylic assets in North America is progressing as expected with an already positive contribution to EBITDA in more favorable market conditions. The implementation of the Methacrylates restructuring plan in Europe helped significantly reduce the segment's fixed costs. Finally, developments in Asia, in Hydrogen Peroxide and in fluorogases, continued to bear fruits while a new fluorogas (HFC-125) production plant came successfully on stream at Changshu (China) in partnership with Daikin.

Performance Products (28% of total sales): **SHARP RECOVERY OF PROFITABILITY**

Performance Products sales rose by 15% to €372 million against €323 million in 1st quarter 2009. A strong rebound in volumes reflected sustained demand in particular in automotive, and in Asia for high performance polymers (polyamides, PVDF) and organic peroxides, and a growing contribution of products targeting new energies, e.g. solar photovoltaics. Volumes, however, remained below pre-crisis levels.

In this more positive environment, EBITDA rose to €54 million against €17 million in 1st quarter 2009. Unit margins for the various product lines resisted well despite rises in raw material costs, and the productivity drive continued in Technical Polymers and Functional Additives.

Hence EBITDA margin stood at 14.5% (against 5.3% in 1st quarter 2009), its highest level since Arkema's spin-off.

CASH FLOW AND NET DEBT AT MARCH 31ST 2010

Cash flow from operating activities was positive at €22 million, after deduction of a –€68 million variation in working capital reflecting the improvement in the business and the usual seasonality.

The efforts launched in 2009 to optimize the management of inventories and of working capital continued at the beginning of the year, in line with the Company's objective to maintain the working capital on sales ratio at approximately 16%. By end March 2010, this ratio stood at 15.6% against 23.0% at end March 2009[1].

Recurring capital expenditure amounted to €50 million in 1st quarter against €52 million in 1st quarter 2009.

Net debt stood at €380 million against €341 million at end December 2009, i.e. gearing below 20%. This includes the partial impact of the acrylic assets acquisition, the balance being expected in 2nd quarter.

1ST QUARTER 2010 HIGHLIGHTS

In 1st quarter 2010 Arkema achieved a major step in its transformation with the closing on January 25th, 2010 of the acquisition from The Dow Chemical Company of certain acrylics assets in North America. The Clear Lake (Texas) acrylic acid and acrylic ester production plant was integrated into the Acrylic business unit, while the specialty latex activities (UCAR® Emulsion Systems) formed the Group's latest business unit, Emulsion Systems. This acquisition enables Arkema to significantly expand its product offering in Coatings, and to strengthen its position in acrylic monomers, a sector in which the Group is now the world's 3rd and America's 2nd leading player. The integration of the new activities is taking place in more positive market conditions thanks to growing demand in the main end-markets and to improving unit margins for acrylic monomers.

POST BALANCE SHEET EVENTS

As part of the Arkema Daikin Advanced Fluorochemicals Co. Ltd joint venture, Arkema announced the successful startup of a Forane® 125 (HFC-125 fluorogas) world-scale production plant built on its Changshu site in China. HFC-125 is an essential component of new generation refrigerant blends. The project will help reinforce the Group's position in China and in Asia in line with its objective to achieve 22% of its global sales in this region by 2014.

In April 2010, Arkema conducted a share capital increase reserved for employees, with the aim of continuing to encourage its employees to be part of the Group's transformation. 824,424 shares were subscribed to for a purchase price set at €20.63 per share, representing a total of €17 million. Following this operation, employee shareholding rose from 3.6% to almost 5%.

OUTLOOK

The more favorable market conditions prevailing since the beginning of the year are continuing in 2nd quarter. Given the traditional stronger seasonality of some product lines, e.g. Fluorochemicals, Coatings and Specialty Chemicals, and the improvement in acrylic unit margins, EBITDA in 2nd quarter will continue to improve and will be above 1st quarter 2010.

Beyond this, in a still volatile economic environment, Arkema will continue to improve its cost base and optimize its cash flow generation

Moreover, its projects in terms of growth in Asia, development of high performance polymers, and bolt-on acquisitions remain a priority.

These various projects reinforce Arkema's ability to generate in 2010 an EBITDA very significantly above 2009.

[1] This ratio corresponds to working capital end of period divided by 4 times quarterly sales.

The 1st quarter 2010 results and outlook are detailed in the « 1st Quarter 2010 results » presentation available on the website: www.finance.arkema.com.

FINANCIAL CALENDAR

June 1st 2010	Annual General Shareholders Meeting
August 3rd 2010	2nd Quarter 2010 Results

A global chemical company, Arkema consists of three businesses: Vinyl Products, Industrial Chemicals, and Performance Products. Arkema reported sales of 4.4 billion euros in 2009. Arkema has 13,800 employees in over 40 countries and seven research centers located in France, the United States and Japan. With internationally recognized brands, Arkema holds leadership positions in its principal markets.

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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.

Balance sheet, income statement, cash flow statement, statement of changes in shareholders' equity and information by business segment included in this press release are extracted from the consolidated financial statements at March 31st 2010 reviewed by the Board of Directors of Arkema S.A. on May 10th 2010.

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 main performance indicators used are as follows:

- ***operating income**: this includes all income and expenses of continuing operations other than financial result, 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 notably include:*
  - *impairment losses in respect of property, plant and equipment and intangible assets,*
  - *gains or losses on sale of assets, acquisition expenses, badwills and stock valuation adjustments between the fair value on the acquisition date and the replacement value*

  - *certain large restructuring and environmental expenses which would hamper the interpretation of recurring operating income (including substantial modifications to employee benefit plans and the effect of onerous contracts),*
  - *certain expenses related to litigation and claims or major damages, whose nature is not directly related to ordinary operations;*
- ***recurring operating income**: this is calculated as the difference between operating income and other income and expenses as previously defined;*
- ***adjusted net income**: this corresponds to "Net income – Group share" adjusted for the "Group share" of the following items:*
  - *other income and expenses, after taking account of the tax impact of these items,*
  - *income and expenses from taxation of an exceptional nature, the amount of which is deemed significant,*
  - *net income of discontinued operations;*
- ***EBITDA**: this corresponds to recurring operating income increased by depreciation and amortization;*
- ***working capital**: this corresponds to the difference between inventories, accounts receivable, other receivables and prepaid expenses, income tax receivables and other current financial assets on the one hand and accounts payable, other creditors and accrued liabilities, income tax liabilities and other current financial liabilities on the other hand. These items are classified in current assets and liabilities in the consolidated balance sheet;*
- ***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.*

ARKEMA Financial Statements

Consolidated financial statements - At the end of March 2010

CONSOLIDATED INCOME STATEMENT

(In millions of euros)	1st Quarter 2010 (non audited)	1st Quarter 2009 (non audited)
Sales	**1 308**	**1 092**
Operating expenses	(1 114)	(973)
Research and development expenses	(34)	(36)
Selling and administrative expenses	(93)	(95)
Recurring operating income	**67**	**(12)**
Other income and expenses	(7)	(4)
Operating income	**60**	**(16)**
Equity in income of affiliates	3	2
Financial result	(5)	(8)
Income taxes	(18)	(13)
Net income of continuing operations	**40**	**(35)**
Net income of discontinued operations	**-**	**-**
Net income	**40**	**(35)**
Of which minority interests	-	-
Net income - Group share	**40**	**(35)**
Earnings per share (amount in euros)	*0,66*	*(0,58)*
Diluted earnings per share (amount in euros)	*0,66*	*(0,58)*
Depreciation and amortization	(70)	(69)
EBITDA	**137**	**57**
Adjusted net income	**41**	**(30)**
Adjusted net income per share (amount in euros)	*0,68*	*(0,50)*
Diluted adjusted net income per share (amount in euros)	*0,68*	*(0,50)*

CONSOLIDATED BALANCE SHEET

(In millions of euros)	March 31, 2010 (non audited)	December 31, 2009 (audited)
ASSETS		
Intangible assets, net	486	481
Property, plant and equipment, net	1 649	1 608
Equity affiliates: investments and loans	62	59
Other investments	21	21
Deferred income tax assets	25	21
Other non-current assets	94	88
TOTAL NON-CURRENT ASSETS	**2 337**	**2 278**
Inventories	788	737
Accounts receivable	900	710
Other receivables and prepaid expenses	116	118
Income taxes recoverable	7	9
Other current financial assets	4	4
Cash and cash equivalents	57	89
Total assets of discontinued operations	-	-
TOTAL CURRENT ASSETS	**1 872**	**1 667**
TOTAL ASSETS	**4 209**	**3 945**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	605	605
Paid-in surplus and retained earnings	1 298	1 264
Treasury shares	-	-
Translation adjustments	(6)	(78)
SHAREHOLDERS' EQUITY - GROUP SHARE	**1 897**	**1 791**
Minority interests	23	22
TOTAL SHAREHOLDERS' EQUITY	**1 920**	**1 813**
Deferred tax liabilities	53	53
Provisions and other non-current liabilities	801	791
Non-current debt	88	85
TOTAL NON-CURRENT LIABILITIES	**942**	**929**
Accounts payable	722	603
Other creditors and accrued liabilities	243	233
Income taxes payable	31	20
Other current financial liabilities	2	2
Current debt	349	345
Total liabilities of discontinued operations	-	-
TOTAL CURRENT LIABILITIES	**1 347**	**1 203**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**4 209**	**3 945**

CONSOLIDATED CASH FLOW STATEMENT

(In millions of euros)	End of March 2010 (non audited)	End of March 2009 (non audited)
Cash flow - operating activities		
Net income	40	(35)
Depreciation, amortization and impairment of assets	70	69
Provisions, valuation allowances and deferred taxes	(18)	(9)
(Gains)/losses on sales of assets	(3)	-
Undistributed affiliate equity earnings	-	(2)
Change in working capital	(68)	121
Other changes	1	(2)
Cash flow from operating activities	**22**	**142**
Cash flow - investing activities		
Intangible assets and property, plant, and equipment additions	(54)	(83)
Change in fixed asset payables	(19)	(44)
Acquisitions of subsidiaries, net of cash acquired	-	(3)
Increase in long-term loans	(8)	(8)
Total expenditures	**(81)**	**(138)**
Proceeds from sale of intangible assets and property, plant and equipment	3	2
Change in fixed asset receivables	-	14
Proceeds from sale of subsidiaries, net of cash sold	-	-
Proceeds from sale of unconsolidated investments	-	3
Repayment of long-term loans	5	42
Total divestitures	**8**	**61**
Cash flow from investing activities	**(73)**	**(77)**
Cash flow - financing activities		
Issuance (repayment) of shares	-	-
Purchase of treasury shares	-	-
Dividends paid to parent company shareholders	-	-
Dividends paid to minority shareholders	(1)	-
Increase/ decrease in long-term debt	-	9
Increase/ decrease in short-term borrowings and bank overdrafts	4	(72)
Cash flow from financing activities	**3**	**(63)**
Net increase/(decrease) in cash and cash equivalents	(48)	2
Effect of exchange rates and changes in scope	17	1
Cash and cash equivalents at beginning of period	88	67
Cash and cash equivalents at end of period	**57**	**70**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(non audited)

(In millions of euros)	Shares issued					Treasury shares		Shareholders' equity - Group share	Minority interests	Shareholders' equity
	Number	Amount	Paid-in surplus	Retained earnings	Translation adjustments	Number	Amount			
At January 1, 2010	**60 454 973**	**605**	**999**	**265**	**(78)**	**(407)**		**1 791**	**22**	**1 813**
Cash dividend									(1)	(1)
Issuance of share capital										
Purchase of treasury shares										
Cancellation of purchased treasury shares										
Grants of treasury shares to employees										
Sale of treasury shares										
Share-based payments				1				1		1
Other										
Transactions with shareholders				**1**				**1**	**(1)**	
Net income				40				40		40
Income and expense recognized directly through equity				(7)	72			65	2	67
Total recognized income and expense				**33**	**72**			**105**	**2**	**107**
At March 31, 2010	**60 454 973**	**605**	**999**	**299**	**(6)**	**(407)**		**1 897**	**23**	**1 920**

STATEMENT OF RECOGNIZED INCOME AND EXPENSE

(non audited)

March 31, 2010

In millions of euros	Shareholders' equity - Group share	Minority interests	Total shareholders' equity
Net income	**40**		**40**
Hedging adjustments	1		1
Actuarial gains and losses	(10)		(10)
Change in translation adjustments	72	2	74
Other			
Tax impact	2		2
Total income and expense recognized directly through equity	*65*	*2*	*67*
Total recognized income and expense	**105**	2	**107**

INFORMATION BY BUSINESS SEGMENT

(non audited)

(In millions of euros)	1st Quarter 2010				
	Vinyl Products	**Industrial Chemicals**	**Performance Products**	**Corporate**	**Group total**
Non-Group sales	271	661	372	4	**1 308**
Inter segment sales	14	32	4	-	
Total sales	**285**	**693**	**376**	**4**	
Recurring operating income	**(22)**	**62**	**32**	**(5)**	**67**
Other income and expenses	-	(5)	-	(2)	(7)
Operating income	**(22)**	**57**	**32**	**(7)**	**60**
Equity in income of affiliates	3				3
Depreciation and amortization	(14)	(34)	(22)	-	(70)
Asset impairment charges	-	-	-	-	-
Provisions	7	5	-	8	20
EBITDA	**(8)**	**96**	**54**	**(5)**	**137**
Intangible assets and property, plant and equipment, additions	**8**	**27**	**19**	**-**	**54**
Of which additions of an exceptional nature		2	2		4

(In millions of euros)	1st Quarter 2009				
	Vinyl Products	**Industrial Chemicals**	**Performance Products**	**Corporate**	**Group total**
Non-Group sales	257	509	323	3	**1 092**
Inter segment sales	15	23	4	-	
Total sales	**272**	**532**	**327**	**3**	
Recurring operating income	**(10)**	**40**	**(7)**	**(35)**	**(12)**
Other income and expenses	(3)	1	-	(2)	(4)
Operating income	**(13)**	**41**	**(7)**	**(37)**	**(16)**
Equity in income of affiliates	2	-	-	-	2
Depreciation and amortization	(12)	(33)	(24)	-	(69)
Asset impairment charges	-	-	-	-	-
Provisions	1	2	(4)	8	7
EBITDA	**2**	**73**	**17**	**(35)**	**57**
Intangible assets and property, plant and equipment, additions	**12**	**25**	**45**	**1**	**83**
Of which additions of an exceptional nature	-	3	28	-	31