Press release

Communiqué de presse

Paris, August 1st, 2012

ARKEMA: 2ND QUARTER 2012 RESULTS

ARKEMA CONFIRMS ITS HIGH PROFITABILITY LEVEL WITH 18% EBITDA MARGIN

- **Sales up +15% versus 2nd quarter 2011**
- **€306 m EBITDA close to last year's record level (€321 m)**
- **Excellent profitability in both segments, Performance Products and Industrial Chemicals, despite a challenging macro-economic environment**
- **Benefits from Group's positioning in niche markets and its strong presence in North America and Asia**
- **€151 m adjusted net income from continuing operations at around 9% of sales**
- **Divestment of Vinyl business completed early July**
- **While remaining attentive to the macro-economic environment, Arkema confirms its confidence in its ability to deliver a very solid year in 2012 with an EBITDA target close to 1 billion euros**

The Board of Directors of Arkema met on July 31st 2012 to review the consolidated accounts of Arkema for 2nd quarter 2012. At the end of the meeting, Thierry Le Hénaff, Chairman and CEO of Arkema, stated:

« Arkema achieved an EBITDA above €300 m in 2nd quarter 2012, an increase of more than 20% on 1st quarter. This excellent performance confirms the quality of the Group's specialties portfolio, and demonstrates its strength in a volatile and uncertain global economic environment.

Announced on November 23rd 2011, the divestment of the Vinyl activities was completed on 3rd July. The divestment process has enable to include a number of items negotiated with the workers councils, while providing the new entity, headquartered in Lyon in France, with a very strong balance sheet and positive cash.

In the future Arkema will continue to develop its high added value product lines. I am convinced that the quality of our activities, the spirit of innovation that is driving us, and the partnerships we are developing with our customers are key drivers of our success, now and in the future. »

(In millions of euros)	2nd quarter 2012	2nd quarter 2011	Variation
Sales	1,719	1,489	15.4%
EBITDA	**306**	**321**	**-4.7%**
EBITDA margin	***17.8%***	***21.6%***	
Industrial Chemicals	*18.2%*	*23.1%*	
Performance Products	*19.1%*	*19.6%*	
Recurring operating income	229	260	-11.9%
Non-recurring items	(25)	(6)	-
Adjusted net income of continuing operations	**151**	**203**	**-25.6%**
Net income of discontinued operations	(141)	(14)	-
Net income – Group share	(12)	184	-
Diluted adjusted net income per share (€)	**2.40**	**3.25**	**-26.2%**

The contribution of the Vinyl activities, divested on July 3rd 2012, has been presented in accordance with IFRS 5 rules and terms. Income statement items and balance sheet items for this business have been presented on a separate line in the income statement and the balance sheet. However, the cash flow statement includes flows related to the Vinyl business concerned.

2ND QUARTER 2012 PERFORMANCE

Sales in 2nd quarter 2012 increased significantly (+15%) to €1,719 million. This increase includes the contribution of the acquisition of specialty resins (Cray Valley and Sartomer), alkoxylates, and Chinese companies Hipro Polymers and Casda Biomaterials (+17% scope of business effect). Volumes decreased by 4% compared to 2nd quarter 2011 when the level of activity was particularly high and reflect the impact of the maintenance turnarounds in Thiochemicals, Acrylics and specialty polyamides. Prices are slightly lower (-3%), reflecting mostly a return to normalized market conditions in acrylic acid and the expected adjustment of HFC-125 prices in China. In Performance Products, the price effect was positive thanks to the favorable change of the product mix towards higher added value products. The currency translation effect, mainly related to the strengthening of the US dollar versus the euro, was positive (+5%).

EBITDA reached €306 million, close to the record level of last year (€321 million). This high performance illustrates the Group's resilience in a challenging macro-economic environment, marked by contrasted market conditions between the various geographic regions of the world and the price fluctuations of raw materials. It reflects the solid performance of the Group's activities and the contribution from the acquisitions and the organic growth projects. The results of both segments are excellent, with a special mention for Performance Products which reported €109 million EBITDA against €99 million in 2nd quarter 2011.

EBITDA margin at 17.8% (21.6% in 2nd quarter 2011 and 15.6% in 1st quarter 2012) illustrates the positioning of Arkema's product lines in high added value specialty activities.

Recurring operating income reached €229 million against €260 million in 2nd quarter 2011, after deduction of €77 million depreciation and amortization, €16 million up due primarily to acquisitions and the currency translation effect related to the strengthening of the US dollar versus the euro. Recurring operating margin (REBIT on sales) stood at 13.3%.

Non-recurring items stood at -€25 million. These mostly correspond to the impact of the shortage in the supply of CDT (raw material of polyamide 12) following the accident at the Evonik site in Marl (Germany), representing an amount of -€16 million, and to various expenses related to divestment and acquisition operations.

Net income, Group share, for the continuing operations stood at €129 million, i.e. 7.5% of sales. This includes a €63 million tax charge representing 27.5% of recurring operating income. This rate reflects the geographic split of the results and in particular the substantial weight of North America in the Group's results. It also includes the financial result for a total amount of -€14 million , €10 million up on 2nd quarter 2011 as a result of the increase in the average net debt over the quarter and of a new bond issue of €230 million in April 2012.

Net income, Group share, of the discontinued operations stood at -€141 million (see paragraph on Vinyl activities).

Consequently, **net income, Group share,** stood at -€12 million.

SEGMENT PERFORMANCE IN 2ND QUARTER 2012

Industrial Chemicals: STRONG SET OF RESULTS

Industrial Chemicals sales rose by 16% to €1,141 million against €980 million in 2nd quarter 2011. This increase mainly reflects the contribution of specialty resins which joined the Group on July 1st 2011. Compared to the peak of the 2nd quarter 2011 marked by restocking and exceptional demand in Asia, volumes in Industrial Chemicals declined, impacted by several maintenance turnarounds. Prices decreased compared to the peaks reached in 2nd quarter 2011, reflecting the return of acrylic acid to mid-cycle conditions and more standard prices in Fluorochemicals. Finally, the strengthening of the US dollar versus the euro had a positive effect.

EBITDA reached €208 million, close to the particularly high level of 2nd quarter 2011. Specialty acrylics (Sartomer, Coatex) confirmed their excellent performance thanks to their positioning in growing niche applications. Demand for decorative paints remained disappointing in Europe and in North America. Fluorogases generated good results despite more normalized margins in HFC-125 in China and moderate volumes. Demand remained favorable in Thiochemicals, for example in animal feed, although the BU's performance was impacted by the maintenance turnarounds at the Beaumont (USA) and Lacq (France) sites. PMMA benefited from a healthy automotive market in the United States.

The 18.2% EBITDA margin confirms the strength of the segment's results.

Performance Products: VERY HIGH EBITDA LEVEL

Performance Products sales rose to €572 million, 13.5% up on 2nd quarter 2011. This significant improvement mainly results from acquisitions (alkoxylates from Seppic and bio-sourced PA10.10 business from Hipro and Casda). The price effect was positive, reflecting the positioning of Technical Polymers in higher added value applications and a favorable product mix in Specialty Chemicals. Volumes slightly decreased compared to last year's peak. The currency translation effect was positive due to the strengthening of the US dollar versus the euro.

EBITDA rose to a record €109 million (€99 million in 2nd quarter 2011), and the EBITDA margin stood at 19.1%. This excellent performance reflects the successful strategy of positioning the segment's activities on high added value niche applications such as deep offshore oil exploration and biopolymers. The activities acquired recently made a noticeable contribution to the segment's performance.

Vinyl activities divested early July

On July 3rd, Arkema completed the divestment of the Vinyl business, which generated annual sales of €1 billion. Net income for these activities stood at -€141 million in 2nd quarter, and included:
- the -€47 million net income of the activity, which reflects in part the ongoing sluggish environment in the European construction market, as well as the complexity of managing in parallel a major divestment project and day-to-day operations;
- the impact of the implementation of the waranties negotiated during the workers councils information / consultation process, amounting to -€33 million;
- the cost of establishing the business into a self-sufficient structure (information systems, legal and accounting costs related to the transfer of activities, etc.) amounting to -€34 million;
- post-closing adjustments of -€27 million, related in particular to additional write-offs corresponding to changes in working capital since the beginning of the year.

MAIN RESULTS FOR 1ST HALF 2012

(In millions of euros)	**1st half 2012**	**1st half 2011**	**Variation**
Sales	**3,342**	**2,913**	**+14.7%**
EBITDA	**559**	**610**	**-8.4%**
EBITDA margin	***16.7%***	***20.9%***	
Industrial Chemicals	*17.0%*	*23.5%*	
Performance Products	*19.1%*	*17.7%*	
Recurring operating income	409	488	-16.2%
Non-recurring items	(25)	(9)	-
Adjusted net income of continuing operations	**274**	**373**	**-26.5%**
Net income of discontinued operations	(164)	(30)	**-**
Net income – Group share	88	335	-73.7%
Diluted adjusted net income per share (€)	**4.37**	**5.99**	**-27.0%**

CASH FLOW AND NET DEBT AT JUNE 30TH 2012

Over the 1st half of 2012, **free cash flow**[1] for the continuing activities stood at -€23 million against -€29 million in 1st half 2011. This flow includes a -€190 million variation in working capital related to the traditional increase in sales in the first half of the year. It also includes non-recurring items amounting to -€67 million corresponding in particular to investments in Thiochemicals (platform under construction in Malaysia and Lacq 2014 project) and the consequences of the force majeure declared in polyamide 12.

Recurring capex stood at €148 million in line with the €350 million full year target.

[1] Cash flow from operating and investing activties excluding impact from M&A

After taking into account the impact of divestments and acquisitions and primarily the acquisition of Hipro Polymers and Casda Biomaterials for €229 million, net cash flow from continuing operations stood at -€246 million.

Net debt stood at €1,093 million at June 30th 2012 against €603 million at December 31st 2011, i.e. 49% gearing. It includes the payment in June of a €1.30 dividend per share, totalling €81 million, the share capital increase reserved to employees amounting to €29 million in total, and €13 million share buybacks. The net debt amount will benefit from the gradual and traditional decrease in working capital, as with every year in the second half of the year. The Group's objective is to return to gearing of around 40%.

HIGHLIGHTS OF 2ND QUARTER 2012

In April, Arkema successfully conducted its third share capital increase operation reserved to employees. 535,013 shares were subscribed at a price of €54.51 per share, totalling €29.2 million.

On April 26th 2012, Arkema concluded a €230 million bond issue, maturing on April 30th 2020 and with an annual coupon of 3.85%. This operation falls in line with the Group's long-term financing policy to diversify its financing sources and extend their maturity.

On June 18th 2012, Arkema, Total and Sobegi (a Total and GDF Suez subsidiary) officially inaugurated the « Lacq Cluster Chimie 2030 » project. This project aims to redevelop the site's industrial activity, in particular by extending, over the next 30 years, gas extraction at a lower flow rate in order to supply sulphur raw materials for Arkema's thiochemicals activities. The new installations will be operational from mid-2013. The share of the investment financed by Arkema amounts to €36 million.

On June 28th 2012, Arkema announced a major project for the development of its Kynar® PVDF activity in Europe. Over €70 million are to be invested on the Pierre-Bénite site in France, in particular to increase by 50% the site's production capacity and accommodate the development of its fast-growing markets such as offshore oil extraction, water treatment, lithium-ion batteries, and photovoltaic panels. As part of this project, some investments will also be made on the Saint-Auban site (France). Arkema now ranks as leader in the global PVDF market with a unique industrial presence in the 3 major regions of the world.

POST BALANCE SHEET EVENTS

On July 3rd 2012, Arkema completed the divestment announced in November 2011 of its Vinyl Products segment to the Klesch Group. This marks a major step forward in Arkema's transformation, and confirms its ambition to become one of the world leaders in specialty chemicals.

On July 10th 2012, Arkema announced a project for the divestment of its tin stabilizer business. Based on specific tin chemistry, these products are used mostly in PVC production, much of which for the construction sector. This activity, which is currently part of the Functional Additives BU, concerns 234 employees and 4 production sites around the world, and reports sales of the order of €180 million. This operation, due to be completed in the fall of 2012, is subject to the trade unions information and consultation process and to approval by the relevant antitrust authorities.

On July 16th 2012, Arkema announced a project for the acquisition of an acrylic specialty production site from Brazilian company Resicryl. This project illustrates the Group's commitment to speeding up its development in Latin America around high added value products. On completion of the deal in 2nd half of 2012, Coatex should achieve sales in Brazil of around US$20 million.

At their meeting on July 31st the Board of Directors noted the resignation, from this date, of Isabelle Kocher following the increased operational responsibilities of her new position, and wanted to thank her sincerely for her remarkable involvement and contribution over the last three years on the Board of Arkema. In accordance with its duties, the Nominating, Compensation and Corporate Governance Committee will convene to consider and put forward candidates with a view to appointing her replacement.

OUTLOOK

The Group will continue to carefully monitor the changes in the macro-economic environment which remains uncertain, marked by the challenging situation in a number of countries, in particular in Europe, and by high volatility, for example in raw materials and exchange rates.

In this environment, Arkema will continue to give priority to its internal dynamics, to reinforcing its positioning in specialty niches, and to industrial capital expenditure in higher growth product lines and countries.

While remaining cautious about changes in the macro-economic environment, and assuming continuity with the first half of the year, Arkema confirms its confidence in its ability to deliver a very solid year in 2012, and should achieve an EBITDA close to €1 billion.

Beyond, Arkema aims to achieve €8 billion sales and €1,250 million EBITDA by 2016.

FINANCIAL CALENDAR

September 18th 2012	Investor Day
November 8th 2012	3rd quarter 2012 results

*A global chemical company and France's leading chemicals producer, **Arkema** is building the future of the chemical industry every day. Deploying a responsible, innovation-based approach, we produce state-of-the-art specialty chemicals that provide customers with practical solutions to such challenges as climate change, access to drinking water, the future of energy, fossil fuel preservation and the need for lighter materials. With operations in more than 40 countries, some 13,200 employees and 9 research centers, Arkema generates annual revenue of €5.9 billion*, and holds leadership positions in all its markets with a portfolio of internationally recognized brands. **The world is our inspiration**.*

**Sales and headcount for continuing activities at end 2011, excluding Vinyl products activities, which were divested early July 2012.*

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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 June 30th 2012 reviewed by the Board of Directors of Arkema S.A. on July 31st 2012.

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 june 2012

CONSOLIDATED INCOME STATEMENT

(In millions of euros)	2nd quarter 2012 *(non audited)*	End of june 2012 *(audited)*	2nd quarter 2011 *(non audited)*	End of june 2011 *(audited)*
Sales	**1 719**	**3 342**	**1 489**	**2 913**
Operating expenses	(1 348)	(2 645)	(1 113)	(2 187)
Research and development expenses	(36)	(74)	(30)	(64)
Selling and administrative expenses	(106)	(214)	(86)	(174)
Recurring operating income	**229**	**409**	**260**	**488**
Other income and expenses	(25)	(25)	(6)	(9)
Operating income	**204**	**384**	**254**	**479**
Equity in income of affiliates	3	6	4	10
Financial result	(14)	(25)	(4)	(12)
Income taxes	(63)	(112)	(54)	(109)
Net income of continuing operations	**130**	**253**	**200**	**368**
Net income of discontinued operations	**(141)**	**(164)**	**(14)**	**(30)**
Net income	**(11)**	**89**	**186**	**338**
Of which non-controlling interests	1	1	2	3
Net income - Group share	**(12)**	**88**	**184**	**335**
Of which continuing operations	**129**	**252**	**198**	**365**
Of which discontinued operations	**(141)**	**(164)**	**(14)**	**(30)**
Earnings per share (amount in euros)	*(0,20)*	*1,42*	*2,99*	*5,45*
Earnings per share of continuing operations (amount in euros)	*2,08*	*4,07*	*3,21*	*5,93*
Diluted earnings per share (amount in euros)	*(0,20)*	*1,40*	*2,95*	*5,38*
Diluted earnings per share of continuing operations (amount in euros)	*2,05*	*4,02*	*3,17*	*5,86*
Depreciation and amortization	(77)	(150)	(61)	(122)
EBITDA	**306**	**559**	**321**	**610**
Adjusted net income	**105**	**208**	**188**	**344**
Adjusted net income of continuing operations	**151**	**274**	**203**	**373**
Adjusted net income per share of continuing operations (amount in euros)	*2,43*	*4,42*	*3,29*	*6,06*
Diluted adjusted net income per share of continuing operations (amount in euros)	*2,40*	*4,37*	*3,25*	*5,99*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In millions of euros	2nd quarter 2012 *(non audited)*	End of june 2012 *(audited)*	2nd quarter 2011 *(non audited)*	End of june 2011 *(audited)*
Net income	**(11)**	**89**	**238**	**338**
Hedging adjustments	1	(6)	20	13
Deferred taxes on hedging adjustments	-	-	1	1
Actuarial gains and losses	(44)	(44)	17	17
Deferred taxes on actuarial gains and losses	9	9	(5)	(5)
Other items	-	-	-	-
Deferred taxes on other items	-	-	-	-
Change in translation adjustments	79	40	(30)	(69)
Other comprehensive income of continuing operations	**45**	**(1)**	**3**	**(43)**
Other comprehensive income of discontinued operations	**1**	**(5)**	**5**	**(1)**
Total income and expenses recognized directly in equity	**46**	**(6)**	**8**	**(44)**
Comprehensive income	**35**	**83**	**246**	**294**
Of which: non-controlling interest	2	1	3	2
Comprehensive income - Group share	**33**	**82**	**243**	**292**

CONSOLIDATED BALANCE SHEET

(In millions of euros)

	30 june 2012 (audited)	31 december 2011 (audited)
ASSETS		
Intangible assets, net	962	777
Property, plant and equipment, net	1 808	1 706
Equity affiliates : investments and loans	68	66
Other investments	34	35
Deferred tax assets	63	66
Other non-current assets	126	109
TOTAL NON-CURRENT ASSETS	**3 061**	**2 759**
Inventories	1 039	945
Accounts receivable	1 068	834
Other receivables and prepaid expenses	131	117
Income taxes recoverable	26	36
Other current financial assets	3	9
Cash and cash equivalents	107	252
TOTAL CURRENT ASSETS	**2 374**	**2 193**
Assets held for sale	424	380
TOTAL ASSETS	**5 859**	**5 332**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	625	619
Paid-in surplus and retained earnings	1 469	1 484
Treasury shares	(16)	(10)
Translation adjustments	137	97
SHAREHOLDERS' EQUITY - GROUP SHARE	**2 215**	**2 190**
Non-controlling interests	28	27
TOTAL SHAREHOLDERS' EQUITY	**2 243**	**2 217**
Deferred tax liabilities	33	35
Provisions and other non-current liabilities	811	791
Non-current debt	812	583
TOTAL NON-CURRENT LIABILITIES	**1 656**	**1 409**
Accounts payable	754	665
Other creditors and accrued liabilities	267	265
Income taxes payable	53	39
Other current financial liabilities	3	12
Current debt	388	272
TOTAL CURRENT LIABILITIES	**1 465**	**1 253**
Liabilities associated with assets held for sale	495	453
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**5 859**	**5 332**

CONSOLIDATED CASH FLOW STATEMENT

(In millions of euros)	End of june 2012 *(audited)*	End of june 2011 *(audited)*
Cash flow - operating activities		
Net income	89	338
Depreciation, amortization and impairment of assets	188	144
Provisions, valuation allowances and deferred taxes	14	(16)
(Gains)/losses on sales of assets	(10)	(3)
Undistributed affiliate equity earnings	3	(1)
Change in working capital	(209)	(431)
Other changes	3	3
Cash flow from operating activities	**78**	**34**
Of which cash flow from operating activities of discontinued operations	**(123)**	**(61)**
Cash flow - investing activities		
Intangible assets and property, plant, and equipment additions	(217)	(138)
Change in fixed asset payables	(32)	(35)
Acquisitions of operations, net of cash acquired	(243)	(6)
Increase in long-term loans	(25)	(18)
Total expenditures	**(517)**	**(197)**
Proceeds from sale of intangible assets and property, plant and equipment	13	7
Change in fixed asset receivables	-	2
Proceeds from sale of operations, net of cash sold	-	-
Proceeds from sale of unconsolidated investments	-	-
Repayment of long-term loans	8	7
Total divestitures	**21**	**16**
Cash flow from investing activities	**(496)**	**(181)**
Of which cash flow from investing activities from discontinued operations	**(48)**	**(41)**
Cash flow - financing activities		
Issuance (repayment) of shares and other equity	33	9
Purchase of treasury shares	(13)	-
Dividends paid to parent company shareholders	(81)	(61)
Dividends paid to minority shareholders	(1)	-
Increase/ decrease in long-term debt	226	14
Increase/ decrease in short-term borrowings and bank overdrafts	106	187
Cash flow from financing activities	**270**	**149**
Net increase/(decrease) in cash and cash equivalents	(148)	2
Effect of exchange rates and changes in scope	1	20
Cash and cash equivalents at beginning of period	254	527
Cash and cash equivalents at end of period	**107**	**549**
Of which cash and cash equivalents of discontinued operations	**-**	**2**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(audited)

(In millions of euros)	Shares issued		Paid-in surplus	Retained earnings	Translation adjustments	Treasury shares		Shareholders' equity - Group share	Non-controlling interests	Shareholders' equity
	Number	Amount				Number	Amount			
At January 1, 2012	**61 864 577**	**619**	**1 021**	**463**	**97**	**(214 080)**	**(10)**	**2 190**	**27**	**2 217**
Cash dividend	-	-	(81)	-	-	-	-	(81)	(1)	(82)
Issuance of share capital	674 241	6	28	-	-	-	-	34	-	34
Purchase of treasury shares	-	-	-	-	-	(250 000)	(13)	(13)	-	(13)
Cancellation of purchased treasury shares	-	-	-	-	-	-	-	-	-	-
Grants of treasury shares to employees	-	-	-	(7)	-	150 035	7	-	-	-
Sale of treasury shares	-	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	5	-	-	-	5	-	5
Other	-	-	-	(2)	-	-	-	(2)	1	(1)
Transactions with shareholders	**674 241**	**6**	**(53)**	**(4)**	**-**	**(99 965)**	**(6)**	**(57)**	**-**	**(57)**
Net income	-	-	-	88	-	-	-	88	1	89
Total income and expense recognized directly through equity	-	-	-	(46)	40	-	-	(6)	-	(6)
Comprehensive income	**-**	**-**	**-**	**42**	**40**	**-**	**-**	**82**	**1**	**83**
At June 30, 2012	**62 538 818**	**625**	**968**	**501**	**137**	**(314 045)**	**(16)**	**2 215**	**28**	**2 243**

INFORMATION BY BUSINESS SEGMENT

(non audited)

(In millions of euros)	2nd quarter 2012 Industrial Chemicals	Performance Products	Corporate	Total
Non-Group sales	1 141	572	6	**1 719**
Inter segment sales	55	5	-	
Total sales	**1 196**	**577**	**6**	
Recurring operating income	**159**	**82**	**(12)**	**229**
Other income and expenses	1	(25)	(1)	(25)
Operating income	**160**	**57**	**(13)**	**204**
Equity in income of affiliates	-	-	3	3
Details of certain significant non-cash expenses by segment :				
Depreciation and amortization	(49)	(27)	(1)	(77)
Asset impairment charges	(2)	(5)	-	(7)
Provisions	13	-	8	21
EBITDA	**208**	**109**	**(11)**	**306**
Intangible assets and property, plant and equipment additions	72	33	4	109
Of which additions of an exceptional nature	19	-	1	20

(In millions of euros)	2nd quarter 2011 Industrial Chemicals	Performance Products	Corporate	Total
Non-Group sales	980	504	5	**1 489**
Inter segment sales	47	5	-	
Total sales	**1 027**	**509**	**5**	
Recurring operating income	**189**	**75**	**(4)**	**260**
Other income and expenses	(4)	-	(2)	(6)
Operating income	**185**	**75**	**(6)**	**254**
Equity in income of affiliates	-	1	3	4
Details of certain significant non-cash expenses by segment :				
Depreciation and amortization	(37)	(24)	-	(61)
Asset impairment charges	-	-	-	-
Provisions	6	(2)	5	9
EBITDA	**226**	**99**	**(4)**	**321**
Intangible assets and property, plant and equipment additions	36	22	4	62
Of which additions of an exceptional nature	5	-	-	5

INFORMATION BY BUSINESS SEGMENT

(audited)

(In millions of euros)	End of june 2012			
	Industrial Chemicals	**Performance Products**	**Corporate**	**Total**
Non-Group sales	2 224	1 106	12	**3 342**
Inter segment sales	114	12	-	
Total sales	**2 338**	**1 118**	**12**	
Recurring operating income	**282**	**158**	**(31)**	**409**
Other income and expenses	1	(25)	(1)	(25)
Operating income	**283**	**133**	**(32)**	**384**
Equity in income of affiliates	-	-	6	6
Details of certain significant non-cash expenses by segment :				
Depreciation and amortization	(96)	(53)	(1)	(150)
Asset impairment charges	(2)	(5)	-	(7)
Provisions	22	(2)	23	43
EBITDA	**378**	**211**	**(30)**	**559**
Intangible assets and property, plant and equipment additions	123	49	8	180
Of which additions of an exceptional nature	31	-	1	32

(In millions of euros)	End of june 2011			
	Industrial Chemicals	**Performance Products**	**Corporate**	**Total**
Non-Group sales	1 927	976	10	**2 913**
Inter segment sales	95	10	-	
Total sales	**2 022**	**986**	**10**	
Recurring operating income	**378**	**127**	**(17)**	**488**
Other income and expenses	(6)	-	(3)	(9)
Operating income	**372**	**127**	**(20)**	**479**
Equity in income of affiliates	-	1	9	10
Details of certain significant non-cash expenses by segment :				
Depreciation and amortization	(75)	(46)	(1)	(122)
Asset impairment charges	-	-	-	-
Provisions	10	(3)	6	13
EBITDA	**453**	**173**	**(16)**	**610**
Intangible assets and property, plant and equipment additions	57	43	8	108
Of which additions of an exceptional nature	8	-	-	8