ARKEMA
INNOVATIVE CHEMISTRY

Colombes, 3 March 2016

Arkema: Full year 2015 results

- €**7,683** million **sales**, **+29%** up on 2014 including +26% related to changes in the scope of business
- €**1,057** million **EBITDA**, significantly above full-year guidance, and strongly up (**+35%**) over 2014 (€784 million)
- Very good growth of Bostik within the Group (€**183** million EBITDA over 12 months versus €158 million in 2014). As announced in September 2014, the acquisition is accretive in earnings and cash from first year
- Significant contribution of internal growth projects to the results, in particular of thiochemicals plant in Malaysia
- **13.8% EBITDA margin** up year-on-year (13.2% in 2014) despite Bostik dilutive effect of almost half a percentage point
- €**285** million **net income Group share**, **+71%** up on 2014 (€167 million)
- €**4.23 adjusted net income** per share, +**14%** up year-on-year
- Strong cash generation with +€**442** million **free cash flow**[1] and €**1,379** million **net debt**, with a gearing back at 35% just one year after Bostik acquisition
- Proposed dividend increase to €**1.90** per share (€1.85 per share for 2014)

The Board of Directors of Arkema met on 2 March 2016 to close the consolidated accounts of Arkema for 2015 and the annual financial statements of the parent company. At the close of the meeting, Chairman and CEO Thierry Le Hénaff stated:

"The Group ended 2015 well, and, as we are about to celebrate the 10-year anniversary of our spin off, Arkema's teams are proud to present very solid results in a contrasted and volatile global economic environment. Both our earnings and cash generation have exceeded our full year targets.

A number of transformative developments have contributed to this performance, such as the new thiochemicals platform in Malaysia, a technological success that also had a very good commercial start, and the promising start of Bostik which confirms the relevance of this acquisition and the long-term potential of adhesives within our Group. From an external perspective, some factors had a negative impact, as the acrylics cycle and worldwide growth, and others a positive impact, including a weaker euro.

Beyond the figures, the Group's profile changed a lot in 2015. The implementation year after year of the strategy defined in 2006 positions Arkema as an innovative player in specialty chemicals and materials, with a balanced geographic presence and product lines that have demonstrated both resilience and growth in 2015.

On the back of these elements, we are confident in our ability to maintain a good momentum in the Group's development over the coming years."

[1] Cash flow from operations and investments excluding the impact of portfolio management.

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2015 KEY FIGURES

(In millions of euros)	2014 [1]	2015	Variation
Sales	**5,952**	**7,683**	**+29.1%**
EBITDA	**784**	**1,057**	**+34.8%**
EBITDA margin	**13.2%**	**13.8%**	
High Performance Materials	*18.2%*	*15.1%*	
Industrial Specialties	*13.8%*	*17.1%*	
Coating Solutions	*10.5%*	*10.3%*	
Recurring operating income	447	604	+35.1%
Non-recurring items	(83)	(116)	n.a.
Adjusted net income [2]	**246**	**312**	**+26.8%**
Net income - Group share	167	285	+70.7%
Adjusted net income per share [2] (in €)	3.72	4.23	+13.7%
Weighted average number of ordinary shares	66,066,492 [3]	73,691,797	

(1) 2014 figures have been restated in accordance with the new reporting structure presented at the Capital Markets Day on 29 June 2015.

(2) Adjusted net income excludes unrealized foreign exchange results on the financing in foreign currencies of non-recurring investments. 2014 adjusted net income has been restated accordingly.

(3) The weighted average number of shares for 2014 has been adjusted to reflect the dividend distributed in shares during 2015.

FULL YEAR 2015 ACTIVITY

2015 **sales** reached **€7,683 million** against €5,952 million in 2014, 29.1% up, with a +25.8% scope effect essentially related to the acquisition of Bostik and of a stake in Sunke in acrylics in China and to the divestment of Sunclear. Currency effect (translation only) was positive at +7.8%, mostly due to the strengthening of the US dollar versus the euro. Volumes were overall stable at +0.2% in a moderate worldwide growth economic environment. Higher volumes in Thiochemicals following the start-up of the Kerteh platform in Malaysia in 1st quarter 2015 and in Technical Polymers offset lower volumes in the Coating Solutions segment. Variation in prices over the year (-4.7%) resulted from the acrylics cycle and the effect on sales prices of lower raw materials.

EBITDA rose sharply (+34.8%) to **€1,057 million** against €784 million in 2014, strongly up versus last year (+34.8%). At constant scope of business, EBITDA grew by 13%. The large majority of product lines improved significantly compared to previous year. However, acrylic monomers were, as expected, in low cycle conditions. Several structural drivers such as Bostik's integration, the ramp-up of the new thiochemicals platform in Malaysia and the gradual improvement in the results of fluorogases contributed to this strong improvement in results and to the successful transformation of the Group. A positive currency effect (translation) of around €80 million and some lower raw material costs also contributed to the Group's good performance. Finally, operational excellence initiatives helped offset two thirds of fixed cost inflation through fixed and variable cost savings.

EBITDA margin grew to **13.8%** against 13.2% in 2014 despite the mechanically dilutive effect of Bostik's integration and the acrylics cycle.

Recurring operating income stood at **€604 million** against €447 million in 2014, in line with EBITDA growth and an increase in depreciation and amortisation to €453 million (€337 million in 2014), mostly due to the acquisition of Bostik, the purchase of a stake in Sunke, the impact of currencies, and the start-up of new production plants.

Non-recurring items stood at **-€116 million** including -€71 million relating to Bostik purchase price allocation. Excluding this impact, non-recurring items amounted to -€45 million, mainly including -€73 million impairments on the assets of MLPC which manufactures rubber additives and on a part of the goodwill on the acquisition of Hebei Casda in order to reflect slower development prospects in the sebacic acid market, as well as +€39 million related to divestment and acquisition operations.

The **financial result** stood at **-€92 million** against -€74 million in 2014, as a result of the higher cost of debt related to the financing of Bostik acquisition and to the increase in the part of the debt financed in currencies other than the euro. In 4th quarter 2015, the Group's Thiochemicals subsidiary in Malaysia changed its functional currency retroactively to 1st January 2015 and now keeps its accounts in US dollars, which resulted in an adjustment in 4th quarter. The 2015 financial result therefore no longer includes unrealized foreign exchange results on investments financed in US dollars in Malaysia (-€8 million in 2014).

Income taxes amounted to **€118 million** against €120 million in 2014. It includes an €82 million tax gain accounted for as part of Bostik purchase price allocation, of which €60 million are related to the recognition of deferred tax assets in France. Excluding these items, the tax rate amounted to 33% of the recurring operating income reflecting the geographical split of the Group's results.

Net income Group share stood at **€285 million** in 2015 against €167 million in 2014. Excluding the after-tax impact of non-recurring items, **adjusted net income** amounted to **€312 million** against €246 million in 2014, i.e. €4.23 per share against €3.72 per share in 2014.

Given the performance of the Group in 2015, the Board of Directors has decided to propose to the Annual General Meeting on 7 June 2016 the payment of a dividend of **€1.90 per share**, 2.7% up on 2014 (€1.85 per share for 2014). The payout ratio therefore amounts to 45% of the Group's adjusted net income and the yield amounts to 2.9% based on a share price of €64.59 at 31 December 2015. Moreover, taking into account a quicker than anticipated reduction in net debt one year after Bostik's acquisition, the Board proposes the payment of dividend only in cash. Shares will be traded ex-dividend on 9 June 2016 and the payment of the dividend will take place from 13 June 2016.

2015 SEGMENT PERFORMANCE

HIGH PERFORMANCE MATERIALS: SUCCESSFUL INTEGRATION OF BOSTIK AND INNOVATION IN NEW MATERIALS

High Performance Materials sales amounted to **€3,358 million**, 94.1% up on 2014 with Bostik's contribution amounting to €1,497 million (over eleven months) and a +7.2% translation effect. Volumes were stable over the year, the contribution of new developments in Technical Polymers offsetting weaker demand in certain applications for the oil and gas market. The price effect was limited to -0.5%.

EBITDA increased by 61.1% to **€506 million** against €314 million in 2014, supported by Bostik's strong contribution. Over 2015 as a whole (eleven months of which within the Group), Bostik generated €183 million EBITDA, 16% up on 2014, and an 11.2% EBITDA margin (10.3% in 2014). The success of development projects, lower costs, the benefit of first synergies and a positive translation effect all contributed to this significant improvement, which confirms the development potential of adhesives within Arkema for the medium term. This acquisition is accretive in earnings and cash from first year. Excluding Bostik, EBITDA for the segment also improved. Within the filtration and adsorption business, molecular sieves recorded a good year, up on 2014.

EBITDA margin stood at **15.1%** with a mechanically dilutive effect from Bostik.

INDUSTRIAL SPECIALTIES: VERY GOOD PERFORMANCE DRIVEN BY ALL PRODUCT LINES

Industrial Specialties sales grew by 8.0% over 2014 to **€2,450 million**. The translation effect was favourable at +8.6% and the scope effect (-2.0%) reflected the divestment of Sunclear finalised in November 2015. Volumes were up +1.7% supported by the ramp-up of the new thiochemicals plant in Malaysia which started in 1st quarter 2015. Price effect was limited at -0.2%.

EBITDA, 34% up on 2014, stood at **€418 million** against €312 million in 2014. All of the segment's product lines contributed to these very good results. The excellent performance of Thiochemicals reflected the contribution, higher than initially planned, of the new plant in Malaysia which benefited from a sustained demand in the animal feed market in Asia. In line with our forecasts, Fluorogases results improved gradually, supported by price increases in some gases, in particular in the United States, and the benefit of productivity initiatives. Finally, PMMA also achieved a very good year despite some signs of normalisation towards the end of the year.

EBITDA margin also improved significantly to **17.1%**, close to its historic levels.

COATING SOLUTIONS: GOOD RESILIENCE

Coating Solutions sales amounted to **€1,849 million**, 4.2% down on the previous year. The translation effect was favourable at +7.5% and the purchase of a stake in Sunke in China resulted in a +3.6% scope effect. These effects helped offset the -1.4% decrease in volumes which reflects the caution shown by customers in a context of high volatility in raw material prices and an ongoing soft demand in the construction and decorative paint markets in Europe. The -13.9% price effect results from the acrylics cycle and lower raw material costs.

Thanks to its solid downstream integration, the Coating Solutions segment overall held up well despite a low cycle environment in acrylic monomers with **€190 million EBITDA**, close to the €203 million achieved in 2014, and an **EBITDA margin** just above **10%** as in the previous year. The segment benefited from the new developments at Coatex and in coating resins, a good control of costs and the positive impact of currencies. These elements offset, to a large extent, the level of margins in acrylic monomers. In this activity, which accounts for 10% of the Group's sales, unit margins in 2016 should remain at current low-cycle in first part of the year and could start to gradually recover towards the end of the year.

CASH FLOW AND NET DEBT AT 31 DECEMBER 2015

In 2015, Arkema generated **+€442 million free cash flow**[2], significantly up on 2014. Beyond Group's EBITDA strong improvement over 2014, this performance reflects the good control of capital expenditure which amount to €431 million (excluding capital expenditure related to portfolio management[3]), namely 5.6% of the Group's sales (against 7.9% in 2014), in line with the Group's ambition to reduce its capital intensity. Variation in working capital amounted to +€127 million[4] thanks to optimisation efforts implemented in certain activities and to lower raw material costs. The working capital over annual sales ratio improved to 14.6%[5] from 16.1% in 2014. Free cash flow represents 42% of 2015 EBITDA. This excellent performance fully illustrates the Group's ambition to increase its EBITDA to cash conversion ratio.

As regards the Group's capital expenditure, they should represent in 2016 about €470 million based on a 1.10 euro / US dollar exchange rate.

Excluding non-recurring items and the impact of portfolio management operations, Arkema generated **+€478 million recurring cash flow** in 2015 (+€205 million in 2014).

[2] Cash flow from operations and investments excluding the impact of portfolio management.

[3] Investments related to portfolio management operations mainly corresponding to the transfer to the Taixing Sunke Chemicals joint venture of a 3rd acrylic acid production line with an increase in fixed assets payable. This transfer had no impact on the net debt at 31 December 2015.

[4] Excluding flows related to non-recurring items totalling +€58 million which primarily included a €36 million non-cash flow related to an inventory step-up carried out as part of Bostik purchase price allocation.

[5] Working capital excluding fixed assets payable accounted for as part of the transfer to Taixing Sunke Chemicals of the 3rd acrylic acid production line.

Acquisitions and divestments represented net cash outflows of -€1,219 million corresponding primarily to the acquisition of Bostik and the divestment of the Sunclear companies. This cash flow includes in particular the share price of companies purchased net of cash acquired as well as the expenses and investments related to these operations.

Cash flow from financing activities of **€371 million** in 2015 included a bond issued in January 2015 for a net amount of €691 million as part of Bostik acquisition as well as a dividend of €1.85 per share paid in new shares of the Company, therefore resulting in a share capital increase of €88 million, and paid in cash for a an amount of €47 million. Finally, it included the payment of €33 million interests on an hybrid bond.

Consequently, **net debt** amounted to **€1,379 million** at 31 December 2015 (against €154 million at 31 December 2014), i.e. 35% gearing. It decreased significantly compared to the end of September 2015 (€1,632 million) for the third consecutive quarter.

4TH QUARTER 2015

(In millions of euros)	**4Q 2014** (1)	**4Q 2015**	**Variation**
Sales	**1,431**	**1,760**	**+23.0%**
EBITDA	**166**	**214**	**+28.9%**
EBITDA margin	**11.6%**	**12.2%**	
High Performance Materials	*16.0%*	*13.6%*	
Industrial Specialties	*13.3%*	*15.6%*	
Coating Solutions	*7.3%*	*6.1%*	
Recurring operating income	74	87	+17.6%
Non-recurring items	(8)	(19)	n.a.
Adjusted net income (2)	**30**	**29**	**-3.3%**
Net income - Group share	27	49	+81.5%
Adjusted net income per share (2) (€)	0.43	0.38	-11.6%

(1) Figures for 4th quarter 2014 have been restated in accordance with the new reporting structure presented in June 2015 and with standard IFRIC 21 "Levies".

(2) Adjusted net income now excludes unrealized foreign exchange results on the financing in foreign currencies of non-recurring investments.

In 4th quarter 2015, marked by the usual year-end seasonality, Arkema achieved a very solid performance with **€214 million EBITDA**, +29% up on last year. The contribution of Bostik, the continuing very strong performance of the thiochemicals platform in Malaysia and higher volumes overall explain this good result. **EBITDA margin** also improved on last year at **12.2%**.

Sales amounted to **€1,760 million**, +23% up on last year (€1,431 million), with a +24.4% scope effect primarily related to Bostik acquisition and a +5.1% positive currency effect mostly due to a stronger US dollar versus euro. Volumes grew by +2.1%, supported by the contribution of the thiochemicals platform in Malaysia and by new developments, in particular in fluorinated polymers. These elements helped largely offset a -8.5% price effect which continues to reflect the acrylics cycle as well as lower raw material prices.

+72% up over 4th quarter 2014, **EBITDA** for the **High Performance Materials** segment reached **€115 million** (€67 million in 4th quarter 2014). It reflects the good performance of Bostik and the benefit of first integration synergies, developments in fluorinated polymers and a good quarter in molecular sieves in the filtration and adsorption business. The 13.6% EBITDA margin results from the mechanically dilutive effect of Bostik integration.

With **€83 million EBITDA**, +10.7% up on 4th quarter 2014 (€75 million in 4th quarter 2014), the **Industrial Specialties** segment reported another very good performance driven by the strong results of the thiochemicals platform in Malaysia and by PMMA. EBITDA margin grew significantly compared to 4th quarter 2014, to 15.6%.

With **€23 million EBITDA** against €32 million in 4th quarter 2014 and a 6.1% EBITDA margin, the performance of the **Coating Solutions** segment reflects the low cycle conditions in acrylics, in the continuity of the 3rd quarter, and the usually more pronounced seasonality at year-end, in particular in decorative paint markets.

Net income Group share stood at **€49 million** and included non-recurring items for a -€19 million net amount mostly related to asset impairments and to portfolio management operations such as the divestment of Sunclear. It also included a €15 million positive financial result resulting from the change in 4th quarter, retroactively to 1st January 2015, of the functional currency of the Thiochemicals subsidiary in Malaysia which now keeps its accounts in US dollars (+€40 million in 4th quarter 2015).

In 4th quarter 2015, Arkema generated **+€207 million free cash flow**[6], significantly up on last year (+€60 million). This flow included €181 million capital expenditure and a +€196 million[7] working capital variation which reflects the traditionally favourable year-end seasonality and the lower costs of some raw materials.

POST BALANCE SHEET EVENTS

Arkema decided not to exercise its option to increase its stake in Taixing Sunke Chemicals and its rights to production capacities in acrylics in China, as the financial conditions for exercising the option no longer reflected the market conditions prevailing in this activity in the region.

OUTLOOK

The current macro-economic environment remains characterized by a moderate worldwide growth and low visibility with contrasted dynamics by region and volatility in currencies, energy and raw material prices.

In this contrasted environment, Arkema will continue to focus on its internal drivers. The Group will continue to develop Bostik and implement synergies in line with its ambition and the mid and long-term targets for this business. The Group will also pursue its plan to gradually improve its fluorogas business and the ramp-up of its Thiochemicals platform in Malaysia with a contribution in 2016 which will benefit from one additional quarter. Finally, the ongoing roll-out of the operational excellence initiatives will help offset part of the inflation on fixed costs.

Based on these drivers and assuming energy cost and currencies in line with current levels, the Group is confident in its ability to grow EBITDA in 2016.

2015 results and outlook are detailed in the presentation "Full year 2015 results" available on the website www.finance.arkema.com.

The consolidated accounts have been audited and an unqualified certification report has been issued by the statutory auditors. These consolidated financial statements at 31 December 2015 and the statutory auditors' report will be available late March in the reference document posted on the Company's website (www.finance.arkema.com).

[6] Cash flow from operations and investments excluding the impact of portfolio management
[7] Working capital variation including fixed asset payables and excluding non-recurring items

FINANCIAL CALENDAR

11 May 2016	1st quarter 2016 results
7 June 2016	Shareholders' Annual General Meeting
3 August 2016	1st half 2016 results

A designer of materials and innovative solutions, Arkema shapes materials and creates new uses that accelerate customer performance. Our balanced business portfolio spans high-performance materials, industrial specialties and coating solutions. Our globally recognized brands are ranked among the leaders in the markets we serve. Reporting annual sales of €7.7 billion in 2015, we employ approximately 19,000 people worldwide and operate in close to 50 countries. We are committed to active engagement with all our stakeholders. Our research centers in North America, France and Asia concentrate on bio-based products, new energies, solutions for electronics, potable water management, lightweight materials and 3D design materials, building performance and insulation. For the latest, visit www.arkema.com.

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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 31 December 2015 closed by the Board of Directors of Arkema SA on 2 March 2016.

Quarterly financial information is not audited.

Business segment information is presented in accordance with Arkema's internal reporting system used by the management.
The main performance indicators used are described below. The "Adjusted Net Income" performance indicator was amended to exclude unrealised currency losses or gains on financing in non-recurring investment currencies.

- ***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;*
  - *Depreciation and amortisation related to the revaluation of tangible and intangible assets identified as part of the allocation of the Bostik acquisition price.*
- ***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,*
  - *Unrealised exchange differences on foreign currency financing for investments of an exceptional nature.*
- ***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;*
- ***Recurring investments:*** *these correspond to tangible and intangible investments which exclude a small number of investments of an exceptional nature that the Group presents separately in order to facilitate the analysis of cash generation in its financial communication. These investments characterized by their size or their nature are presented either as non-recurring investments or in acquisitions and divestments;*
- ***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 December 2015

CONSOLIDATED INCOME STATEMENT

(In millions of euros)	4th quarter 2015 (audited)	End of December 2015 (audited)	4th quarter 2014 (audited)	End of December 2014 (audited)
Sales	**1,760**	**7,683**	**1,431**	**5,952**
Operating expenses	(1,444)	(6,206)	(1,209)	(4,926)
Research and development expenses	(55)	(209)	(40)	(155)
Selling and administrative expenses	(174)	(664)	(108)	(424)
Recurring operating income [(1)]	**87**	**604**	**74**	**447**
Other income and expenses [(1)]	(19)	(116)	(8)	(83)
Operating income [(1)]	**68**	**488**	**66**	**364**
Equity in income of affiliates	3	10	1	1
Financial result	15	(92)	(30)	(74)
Income taxes	(31)	(118)	(8)	(120)
Net income [(2)]	**55**	**288**	**29**	**171**
Of which non-controlling interests	6	3	2	4
Net income - Group share	**49**	**285**	**27**	**167**
Earnings per share (amount in euros) [(3)]	*0.66*	*3.87*	*0.40*	*2.53*
Diluted earnings per share (amount in euros) [(3)]	*0.65*	*3.85*	*0.39*	*2.51*
Depreciation and amortization	(127)	(453)	(92)	(337)
EBITDA [(1)]	**214**	**1,057**	**166**	**784**
Adjusted net income [(1)/(4)]	**29**	**312**	**30**	**246**
Adjusted net income per share (amount in euros) [(3)]	*0.38*	*4.23*	*0.43*	*3.72*
Diluted adjusted net income per share (amount in euros) [(3)]	*0.38*	*4.22*	*0.43*	*3.70*

(1) See note B17 "Main accounting and financial indicators"

(2) The 4th quarter of 2014 net income has been restated of the impact of IFRIC 21

(3) The weighted average number of shares in circulation used to calculate earnings per share has been restated to reflect the dividend distributed in shares during 2015

(4) The adjusted net income for 2014 has been restated to reflect the unrealized exchange difference on foreign currency financing for investments of an exceptional nature

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In millions of euros)	4th quarter 2015 *(audited)*	End of December 2015 *(audited)*	4th quarter 2014 *(audited)*	End of December 2014 *(audited)*
Net income*	**55**	**288**	**29**	**171**
Hedging adjustments	(12)	(8)	(19)	(6)
Other items	-	1	-	(4)
Deffered taxes on hedging adjustments and other items	-	1	1	1
Change in translation adjustments	46	119	37	172
Other recyclable comprehensive income	**34**	**113**	**19**	**163**
Actuarial gains and losses	21	60	(50)	(89)
Deffered taxes on actuarial gains and losses	(5)	(14)	14	21
Other non-recyclable comprehensive income	**16**	**46**	**(36)**	**(68)**
Total income and expenses recognized directly in equity	**50**	**159**	**(17)**	**95**
Comprehensive income	**105**	**447**	**12**	**266**
Of which: non-controlling interest	9	6	-	5
Comprehensive income - Group share	**96**	**441**	**12**	**261**

** The 4th quarter of 2014 net income has been restated of the impact of IFRIC 21.*

CONSOLIDATED BALANCE SHEET

(In millions of euros)	31 December 2015 (audited)	31 December 2014 (audited)
ASSETS		
Intangible assets, net	2,410	1,094
Property, plant and equipment, net	2,727	2,272
Equity affiliates : investments and loans	29	18
Other investments	29	33
Deferred tax assets	193	76
Other non-current assets	204	190
TOTAL NON-CURRENT ASSETS	**5,592**	**3,683**
Inventories	1,129	977
Accounts receivable	1,051	839
Other receivables and prepaid expenses	190	137
Income taxes recoverable	33	27
Other current financial assets	15	2
Cash and cash equivalents	711	1,149
TOTAL CURRENT ASSETS	**3,129**	**3,131**
TOTAL ASSETS	**8,721**	**6,814**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	745	728
Paid-in surplus and retained earnings	2,864	2,626
Treasury shares	(3)	(3)
Translation adjustments	294	178
SHAREHOLDERS' EQUITY - GROUP SHARE	**3,900**	**3,529**
Non-controlling interests	49	44
TOTAL SHAREHOLDERS' EQUITY	**3,949**	**3,573**
Deferred tax liabilities	307	57
Provisions for pensions and other employee benefits	571	456
Other provisions and non-current liabilities	453	401
Non-current debt	1,873	1,196
TOTAL NON-CURRENT LIABILITIES	**3,204**	**2,110**
Accounts payable	884	704
Other creditors and accrued liabilities	378	274
Income taxes payable	68	33
Other current financial liabilities	21	13
Current debt	217	107
TOTAL CURRENT LIABILITIES	**1,568**	**1,131**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**8,721**	**6,814**

CONSOLIDATED CASH FLOW STATEMENT

(In millions of euros)	End of December 2015 (audited)	End of December 2014 (audited)
Cash flow - operating activities		
Net income	288	171
Depreciation, amortization and impairment of assets	568	351
Provisions, valuation allowances and deferred taxes	(102)	(54)
(Gains)/losses on sales of assets	(82)	4
Undistributed affiliate equity earnings	(9)	6
Change in working capital	186	21
Other changes	9	8
Cash flow from operating activities	**858**	**507**
Cash flow - investing activities		
Intangible assets and property, plant, and equipment additions	(493)	(470)
Change in fixed asset payables	47	(16)
Acquisitions of operations, net of cash acquired	(1,292)	(189)
Increase in long-term loans	(46)	(53)
Total expenditures	**(1,784)**	**(728)**
Proceeds from sale of intangible assets and property, plant and equipment	9	8
Change in fixed asset receivables	1	-
Proceeds from sale of operations, net of cash sold	101	-
Proceeds from sale of unconsolidated investments	0	15
Repayment of long-term loans	38	35
Total divestitures	**149**	**58**
Cash flow from investing activities	**(1,635)**	**(670)**
Cash flow - financing activities		
Issuance (repayment) of shares and other equity	96	378
Issuance of hybrid bonds	0	689
Purchase of treasury shares	(7)	(2)
Dividends paid to parent company shareholders	(168)	(117)
Dividends paid to minority shareholders	(3)	(5)
Increase/ decrease in long-term debt	446	(15)
Increase/ decrease in short-term borrowings and bank overdrafts	7	-
Cash flow from financing activities	**371**	**928**
Net increase/(decrease) in cash and cash equivalents	(406)	765
Effect of exchange rates and changes in scope	(32)	7
Cash and cash equivalents at beginning of period	1,149	377
Cash and cash equivalents at end of period	**711**	**1,149**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(audited)

(In millions of euros)	Shares issued						Treasury shares		Shareholders' equity - Group share	Non-controlling interests	Shareholders' equity
	Number	Amount	Paid-in surplus	Hybrid bonds	Retained earnings	Translation adjustments	Number	Amount			
At January 1, 2015	**72,822,695**	**728**	**1,093**	**689**	**844**	**178**	**(55,014)**	**(3)**	**3 529**	**44**	**3,573**
Cash dividend	-	-	-	-	(168)	-	-	-	(168)	(3)	(171)
Issuance of share capital	1,649,406	17	79	-	-	-	-	-	96	-	96
Purchase of treasury shares	-	-	-	-	-	-	(106,519)	(7)	(7)	-	(7)
Grants of treasury shares to employees	-	-	-	-	(7)	-	124,608	7	-	-	-
Share-based payments	-	-	-	-	7	-	-	-	7	-	7
Other	-	-	-	-	2	-	-	-	2	2	4
Transactions with shareholders	**1,649,406**	**17**	**79**	**-**	**(166)**	**-**	**18,089**		**(70)**	**-1**	**(71)**
Net income	-	-	-	-	285	-	-	-	285	3	288
Total income and expense recognized directly through equity	-	-	-	-	40	116	-	-	156	3	159
Comprehensive income	**-**	**-**	**-**	**-**	**325**	**116**	**-**	**-**	**441**	**6**	**447**
At December 31, 2015	**74,472,101**	**745**	**1,172**	**689**	**1,003**	**294**	**(36,925)**	**(3)**	**3,900**	**49**	**3,949**

INFORMATION BY BUSINESS SEGMENT

(audited)

(In millions of euros)	4th quarter 2015				
	High Performance Materials	**Industrial Specialties**	**Coating Solutions**	**Corporate**	**Total**
Non-Group sales	843	532	379	6	**1,760**
Inter segment sales	2	29	12	-	
Total sales	**845**	**561**	**391**	**6**	
EBITDA	**115**	**83**	**23**	**(7)**	**214**
Depreciation and amortization	(42)	(52)	(32)	(1)	(127)
Recurring operating income	**73**	**31**	**(9)**	**(8)**	**87**
Other income and expenses	5	(13)	(22)	11	(19)
Operating income	**78**	**18**	**(31)**	**3**	**68**
Equity in income of affiliates	-	3	-	-	3
Intangible assets and property, plant and equipment additions	**78**	**63**	**38**	**2**	**181**

(In millions of euros)	4th quarter 2014*				
	High Performance Materials	**Industrial Specialties**	**Coating Solutions**	**Corporate**	**Total**
Non-Group sales	420	563	441	7	**1,431**
Inter segment sales	6	24	18	0	
Total sales	**426**	**587**	**459**	**7**	
EBITDA	**67**	**75**	**32**	**(8)**	**166**
Depreciation and amortization	(28)	(37)	(26)	(1)	(92)
Recurring operating income	**39**	**38**	**6**	**(9)**	**74**
Other income and expenses	(1)	(3)	(2)	(2)	(8)
Operating income	**38**	**35**	**4**	**(11)**	**66**
Equity in income of affiliates	1	0	-	-	1
Intangible assets and property, plant and equipment additions	**46**	**81**	**31**	**2**	**160**

* Restatement of new reporting structure 2015 and of the 2014 net income due to the impact of IFRIC 21.

INFORMATION BY BUSINESS SEGMENT

(audited)

(In millions of euros)	End of December 2015				
	High Performance Materials	**Industrial Specialties**	**Coating Solutions**	**Corporate**	**Total**
Non-Group sales	3,358	2,450	1,849	26	**7,683**
Inter segment sales	12	121	64	-	
Total sales	**3,370**	**2,571**	**1,913**	**26**	
EBITDA	**506**	**418**	**190**	**(57)**	**1,057**
Depreciation and amortization	(152)	(181)	(118)	(2)	(453)
Recurring operating income	**354**	**237**	**72**	**(59)**	**604**
Other income and expenses	(69)	(21)	(36)	10	(116)
Operating income	**285**	**216**	**36**	**(49)**	**488**
Equity in income of affiliates		10	-	-	10
Intangible assets and property, plant and equipment additions	**167**	**183**	**137**	**6**	**493**

(In millions of euros)	End of December 2014*				
	High Performance Materials	**Industrial Specialties**	**Coating Solutions**	**Corporate**	**Total**
Non-Group sales	1,730	2,269	1,930	23	**5,952**
Inter segment sales	15	113	77	0	
Total sales	**1,745**	**2,382**	**2,007**	**23**	
EBITDA	**314**	**312**	**203**	**(45)**	**784**
Depreciation and amortization	(101)	(143)	(91)	(2)	(337)
Recurring operating income	**213**	**169**	**112**	**(47)**	**447**
Other income and expenses	(7)	(47)	(13)	(16)	(83)
Operating income	**206**	**122**	**99**	**(63)**	**364**
Equity in income of affiliates	1	0	-	-	1
Intangible assets and property, plant and equipment additions	**112**	**268**	**86**	**4**	**470**

* Restatement of new reporting structure 2015.