

Shaping our future

Opening new Frontiers

FY10 Results

February 17th 2011



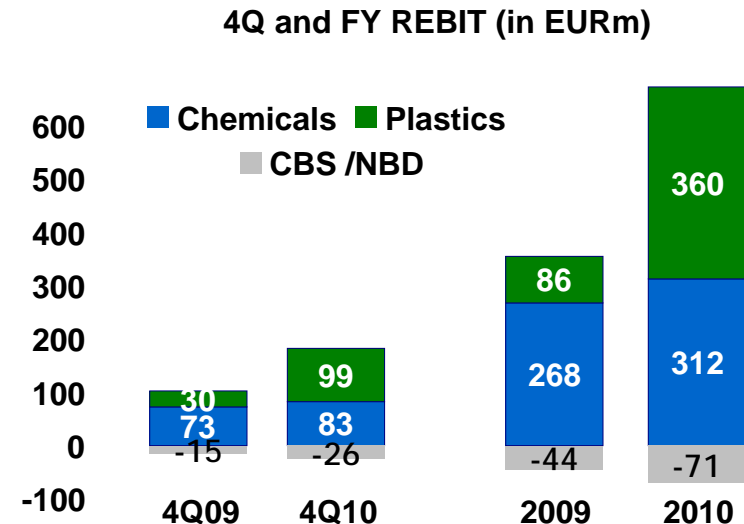
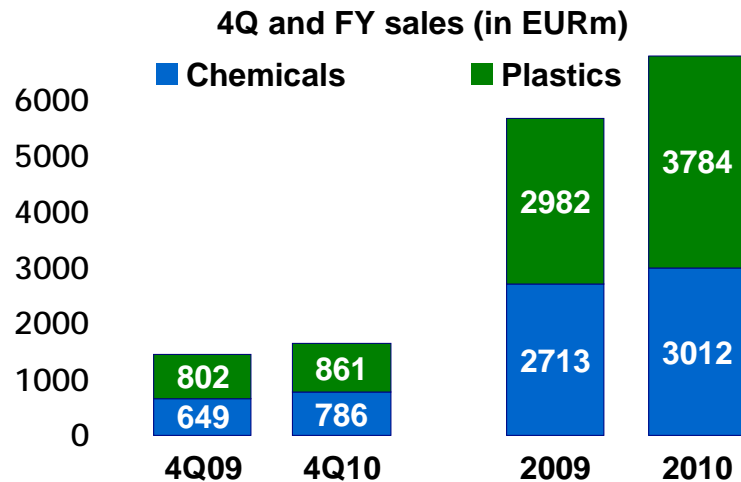


2010 Group results – Continuing operations

Sales and operating result (1)



Sales: EUR 6.8bn, up 19% REBIT: EUR 602m, up 94%



Chemicals: +11% (full year) - Higher volumes (+14%) compensate lower sales prices (-6%)

Plastics: +33%⁽²⁾ (full year) - Strong volume improvement, especially in Specialty Polymers (+36%)

Strong growth in Asia: 14% of total sales

Chemicals and Plastics REBIT clearly up

Benefits from **costs reduction measures** initiated before the crisis

Energy expenses under control in spite of slight increase of the last months

(1) Inergy Automotive Systems: no longer consolidated since July 2010; 2H09 contribution: EUR 249m sales and EUR 16m REBIT

(2) At constant scope



2010 Group results Net income



- **REBIT:** EUR 633m
- **Net capital gains** on the sale of pharmaceutical activities (EUR 1.7bn after tax) and on the sale of Inergy Automotive Systems (EUR 130m after tax)
- **“Horizon” reorganization charge:** EUR -78m (EUR -74m in 4Q10)
- **Impairment on industrial assets:** EUR -272m before tax (EUR -204m after tax); in 4Q10: EUR -10m before tax (EUR -7m after tax)
- **Other non recurring items:** EUR -117m
- **Financial charges:** EUR -184m; **yield on cash:** 0.5%
- **Effective tax rate** (excl. impairments & capital gains): 24%

Net income: EUR 1,823m



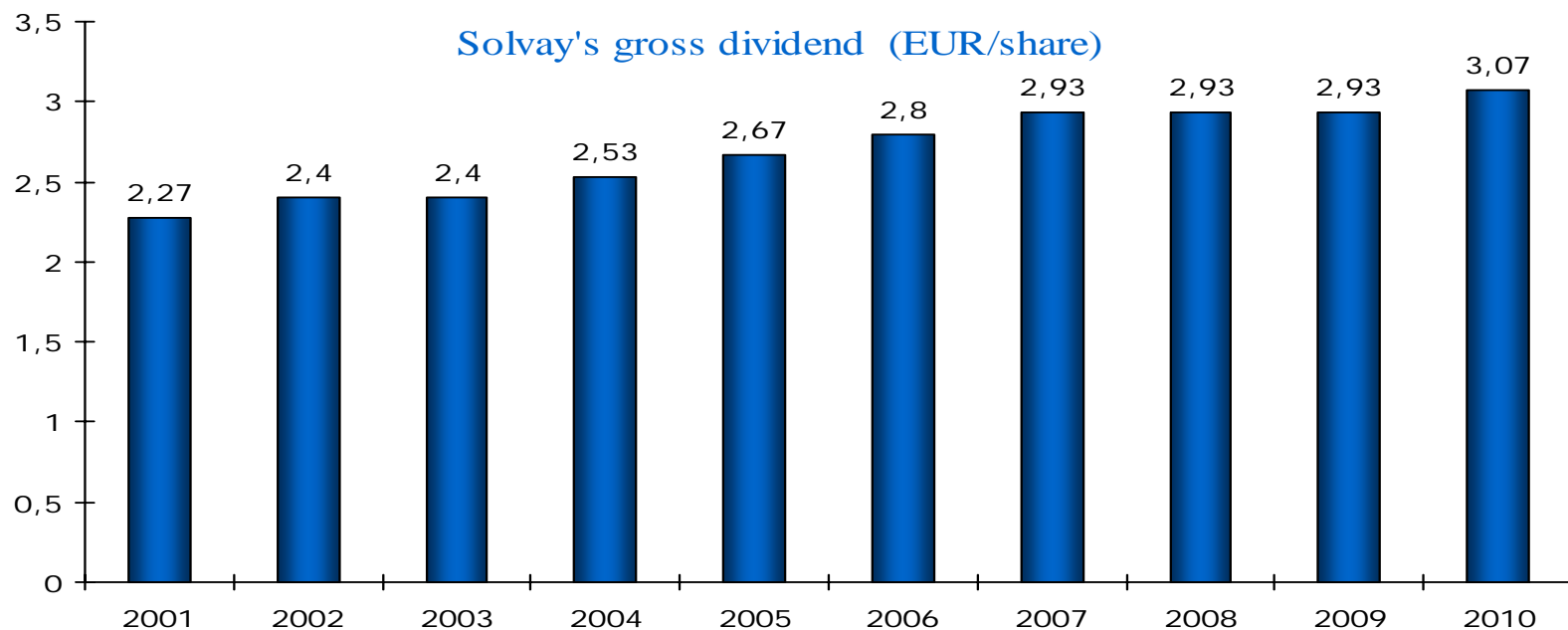
2010 dividend, up 4.5% compared to 2009



2010 total dividend: EUR 3.0667 gross/share, up 4.5% compared to 2009;
dividend yield(*): 3.9%



Confidence in the future



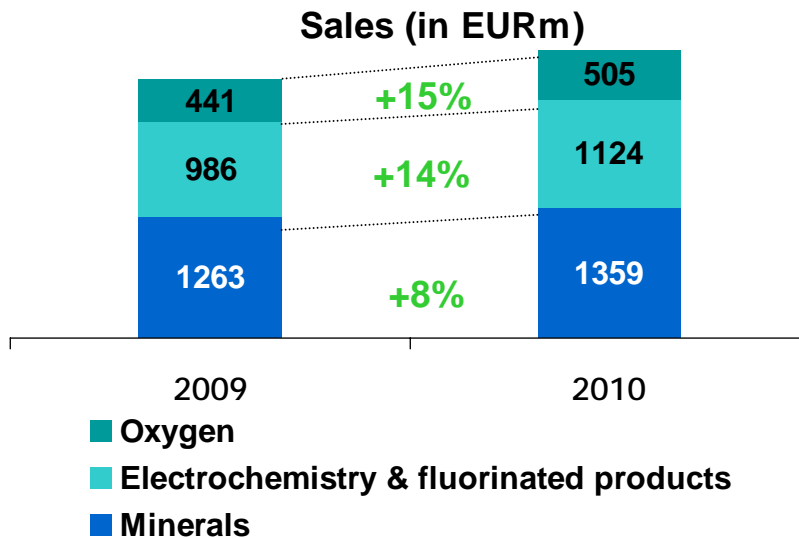
(*): Based on closing price of February 15, 2011



2010 Chemicals results



■ Sales: EUR 3,012m, up 11%



■ REBIT: EUR 312m, up 16%

Minerals



Electrochemistry & fluorinated products



Oxygen



- Overall volume improvement (+14%)
- Lower sales prices (-6%), primarily in soda ash; strong price increase of caustic soda in 4Q10
- Energy expenses under control in spite of the slight increase in the last months of 2010
- Record REBIT in H₂O₂; strong REBIT improvement in electrochemistry and fluor; depressed soda ash in Europe



Chemicals

Strategic developments



Innovation and geographic expansion

- Construction of Epicerol[®] plant in Thailand (2012)* **Ongoing**
- Project to construct Epicerol[®] plant in China (2013)* **Ongoing**
- New HPPO plant with Dow Chemicals in Thailand (3Q11) **Ongoing**
- Construction of H₂O₂ plant in China with Huatai Group (2011) **Ongoing**
- Electronic grade hydrogen fluoride production unit in China **End of 2010**
- R&D centers in India, South Korea and China **2010**

Sustainable development and environmental footprint

- Bicarbonate from unused soda ash by-products in USA **Since 2Q10**
- Electrolysis conversion ⇨ membrane in France (2012) **Ongoing**
- Refuse Derived Fuel cogeneration plant in Germany **Since early 2010**

Continued focus on competitiveness

- Restructuration of Fluor activities in Italy & Germany **2010**

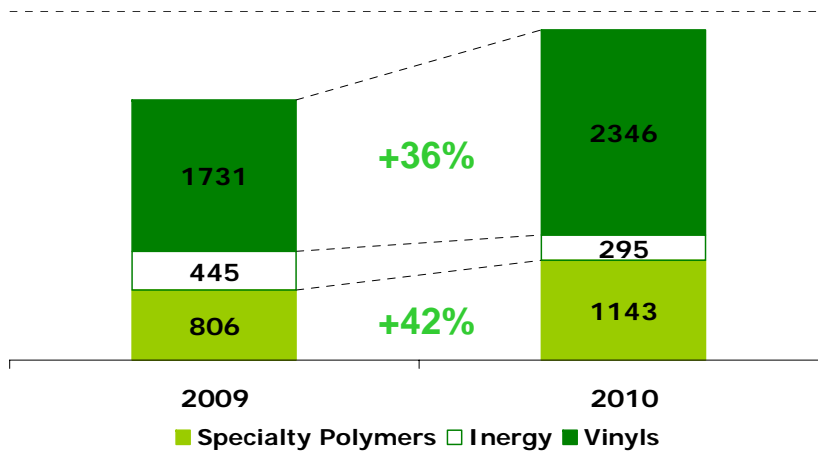
(*): *Contributes also to sustainability*



2010 Plastics results



■ Sales: EUR 3,784m, up 27%
(at constant scope, up 33%)



■ REBIT: EUR 360m, significantly up

Specialties



Vinyls



- Record sales for Specialty Polymers in 2010
 - ⇒ Significant volume improvement, (+36%); strong growth in Asia
 - ⇒ Benefit from more stable prices contributing to less cyclicality
- Vinyls growth supported by Vinythai performance (fully consolidated)
- Record REBIT for Specialty Polymers in 2010
- Inergy Automotive Systems: results not included since July 2010



Plastics

Strategic developments



Innovation and geographic expansion

- Increase in the holdings in Vinythai (from 50% to 59%) **2010**
- Construction of new Vinyls production unit in Russia (2013) **Ongoing**
- Recent capacity expansions in Specialty Polymers to support Asian growth **2010**
- Specialty polymers compounding plant in China (1H12) **Ongoing**
- Capacity extension of TECNOFLON® (1H12) **Ongoing**
- R&D centers in India, South Korea and China **2010**

Sustainable development and environmental footprint

- Successful launch of new PVDF for Lithium-ion batteries **2010**
- Electrolysis conversion ⇒ membrane in Belgium (2012) **Ongoing**

Continued focus on competitiveness

- Closure of non competitive plants at Pipelife **2010**
- Untying of Vinyls JV with Arkema in Spain and France **2010**
- Industrial upgrade across the board **2010**

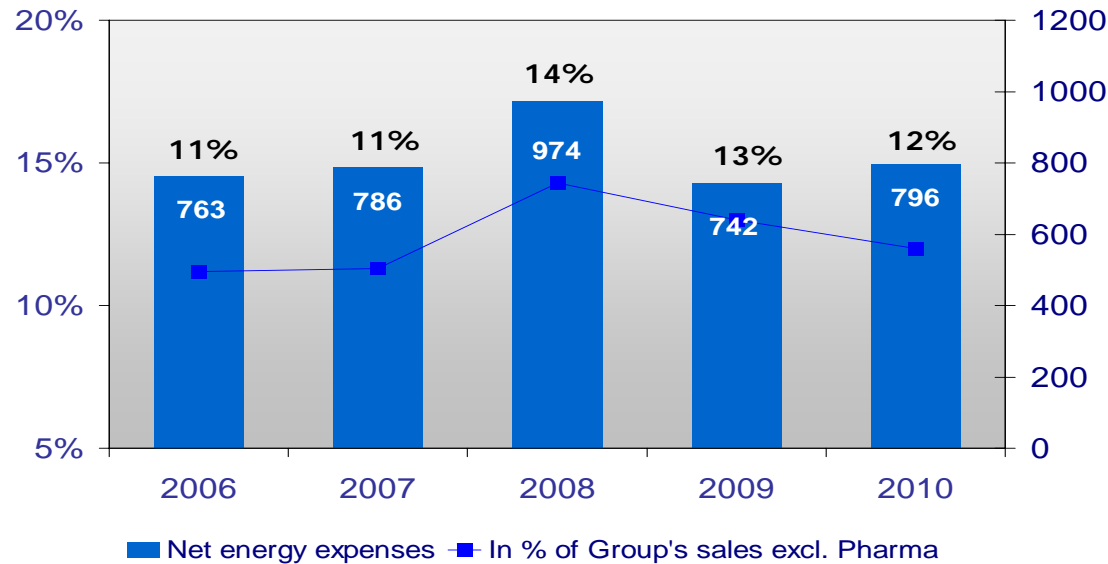


2010 Group results – Continuing operations

Net energy expenses



Net energy expenses (EUR million and % of sales)



Initiatives in energy management

- Exeltium in France
- Refuse Derived Fuel cogeneration plant at Bernburg
- Conversion to membrane electrolysis - Tavaux & Lillo
- Valorization of methane at Green River

Operating
Operating
2012
2013

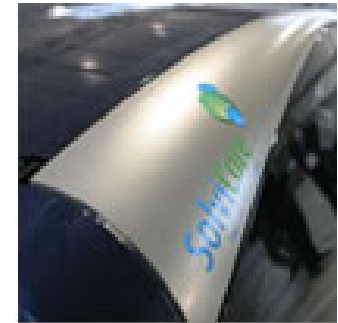


New Business Development



2010 developments:

- 4Q10: EUR 13m investment in Korean technology venture capital fund focusing on renewable energy, printed electronics, clean technologies & green chemistry
- 3Q10: USD 4m minority stake in Polyera Corporation, a leading materials developer for the printed electronics market
- 1Q10: Further EUR 1.75m investment in fuel cell developer ACAL Energy Ltd
- 1Q10: Construction of an industrial fuel cell with a capacity of about 1 MW on the SolVin site at Antwerp.



2010 NBD expenses for the future:

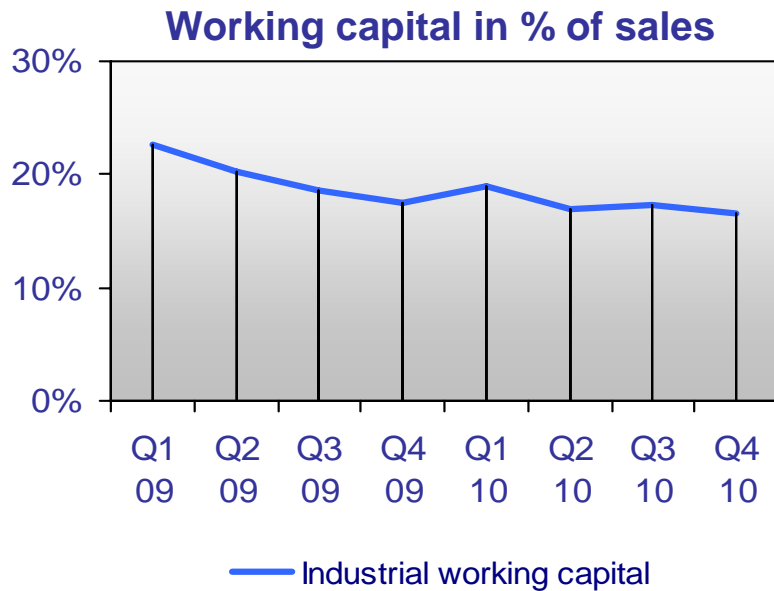
- 2010 REBIT: EUR -26m (= R&D costs)
- 2010 CAPEX: EUR 12m



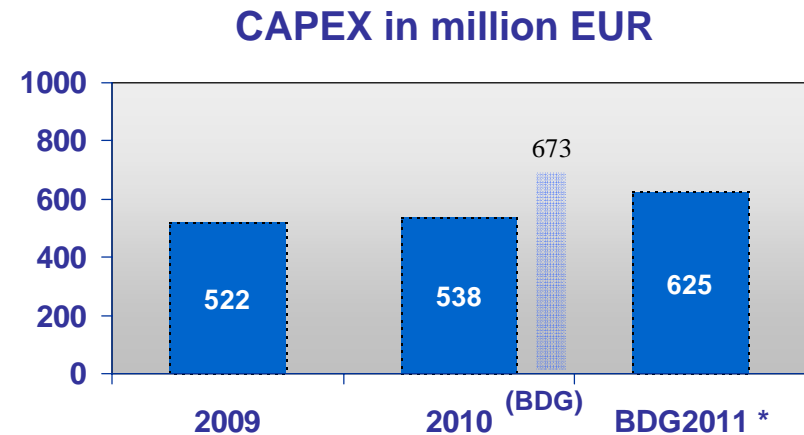
Strong cash discipline



Industrial working capital up 7% versus sales up 19%



Strict CAPEX management focused on a limited number of strategic projects



* Calculated using equity method for Joint Ventures



Strategic developments Horizon to foster sustainable growth



Board approval of Horizon on February 16th, 2011



Creation of a new organization which

- brings the organization closer to the customer
- reinforces entrepreneurship within Solvay
- empowers employees operating in the field
- facilitates strategic thinking and deployment of Solvay's strategy
- creates a faster and more motivating organization
- increases its attractiveness for talents globally



Strategic developments Horizon to foster sustainable growth





Strategic developments Horizon to foster sustainable growth



▶ Total efficiency improvement: ~ EUR 120m/year⁽¹⁾ by end 2012

- Improvement initiatives impacting third-party spend ~ 55m EUR/year
- Improvement initiatives in the organization impacting Solvay Group staff levels worldwide: ~ 800 (announced on September 23rd, 2010)
- Social procedures as planned

(1) Based on established practices



Strategic developments **Strategic reinvestment**



Strategic reinvestment: focus on investments & acquisitions:

- In high value-added activities
- Improving geographic presence in regions with growth potential
- With lower energy footprint & improved environmental footprint
- Which should reduce cyclicity of Solvay's activities
- Keeping a strict financial discipline

Process continues

- Several market segments and targets identified and analyzed
- No transaction yet - Process continues in 2011
- Philosophy remains unchanged: to be among the leaders and grow with a conservative financial structure

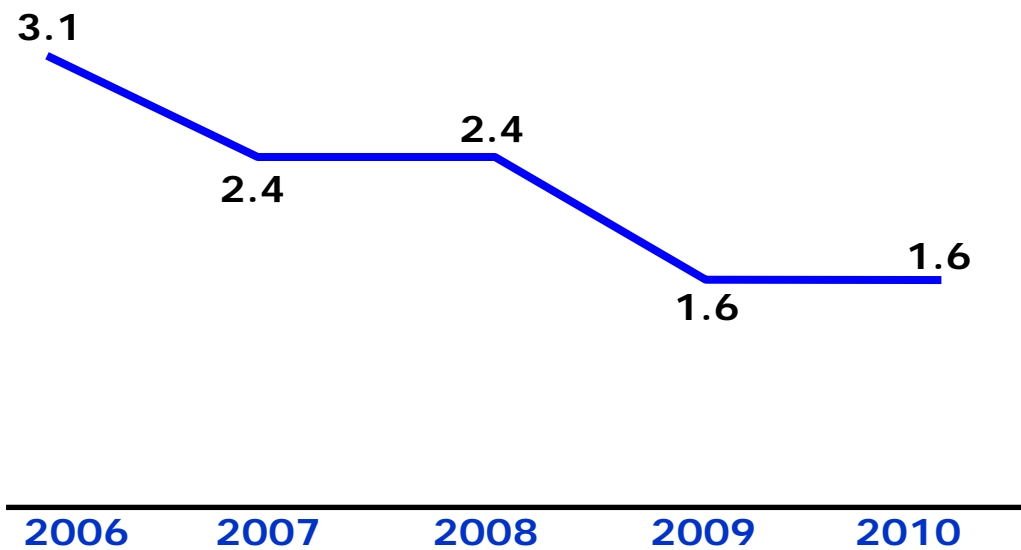


2010 safety performance



Safety performance

Frequency Rate (FR1): Number of accidents with work stoppage per million hours worked, subcontractors included, joint ventures excl.





Outlook



“A globally sustained activity level, a sound upstream integration and the strict management of its costs which will benefit from the positive impact of Horizon allow Solvay to start 2011 with confidence. The Group pays attention to the significant macro-economic imbalances and the evolution of energy and ethylene costs. The priority continues to go to the optimal reinvestment after the sale of the pharmaceutical activities targeting long term value creation”

Press release of February 17, 2011

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