

BUILDING THE NEW SOLVAY: A VALUE CREATIVE TRANSFORMATION

Strategy leading to EUR 3 billion REBITDA ambition in 2016

Seven months after the acquisition of Rhodia, Solvay today presents at its Capital Markets Day in London the Group's strategic vision focused on value creation and its profitability ambition for 2016. The major transformation underway based on operational excellence and the successful progress of the ongoing integration will allow the enlarged company to reinforce its leadership positions and execute its profitable growth strategy.

"After an in-depth analysis of our portfolio, we have developed a clear strategic intent for our different businesses in the light of their intrinsic strengths, their positioning and market dynamics," explains Jean-Pierre Clamadieu, CEO of Solvay as from May 11th, 2012.

Businesses such as Specialty Polymers, Consumer Chemicals and Advanced Materials, which represented nearly half of 2011 REBITDA, will be the new Group's growth engines. Their strategic objective is to seize expansion opportunities and deliver double-digit growth. For resilient businesses such as Essential Chemicals and Acetow & Eco Services, and for activities more exposed to business cycles such as Vinyls, Polyamide and Special Chemicals, the focus will be sustainable cash generation and improvement in strategic positioning allowing Solvay to regain full strategic flexibility.

"Our ambition is to build a strong leader participating in the reshaping of the global chemical industry. We want to be a model in sustainable chemistry, creating value for all our stakeholders", adds Jean-Pierre Clamadieu. "The execution of our strategy will be mainly driven by operational excellence and growth based on innovation, capacity expansion in fast-growing regions and value adding bolt-on acquisitions. The Group's strong fundamentals combined with its ongoing major transformation should allow us to generate – at constant scope – a recurring EBITDA of 3 billion euro in 2016."

Operational excellence in all areas – purchasing, administration, manufacturing, marketing, sales – will be a key contributor to the Group's ambition. This should generate total cost-efficiencies of EUR 400 million by 2014 compared to the Group's 2010 cost base (including the Horizon program savings amounting to EUR 120 million). These will comprise global purchasing and logistics savings of EUR 250 million and internal efficiencies arising from a streamlined organization accounting for EUR 150 million. In addition, Solvay's industrial and supply chain teams are currently developing action plans to improve the competitiveness of our sites and reduce capital intensity of our businesses. Marketing and sales excellence will mainly stem from pricing power and cross-selling opportunities across markets and geographies.

With 12 major R&D centers around the world, 1,700 researchers and a net investment of EUR 218 million in 2011, Solvay's innovation capabilities are fully aligned with the megatrends that are driving growth in the chemical industry, such as the fight against climate change, scarcity of resources, increasing consumption in fast-growing regions and growing expectations regarding health and well-being.

The Group's sound financial structure provides the flexibility to seize value-creating bolt-on acquisition opportunities. They will aim at strengthening Solvay's leadership positions in attractive business segments and regions.

"All our teams throughout the world are strongly committed to the Group's transformation. Their skills and enthusiasm give me complete confidence in our ability to generate profitable and sustainable growth and achieve our ambition", concludes Jean-Pierre Clamadieu.

The Group is taking the opportunity of its Capital Markets Day to confirm that overall trading conditions were significantly better in Q1 2012 than in the last quarter of 2011.

SOLVAY is an international chemical Group committed to sustainable development with a clear focus on innovation and operational excellence. It generates over 90% of its sales in markets where it is among the top three leaders. Solvay offers a broad range of products that contribute to improving the quality of life and the performance of its customers in markets such as consumer goods, construction, automotive, energy, water and environment, and electronics. The Group is headquartered in Brussels, employs about 29,000 people in 55 countries and generated EUR 12.7 billion in net sales in 2011. Solvay SA (**SOLB.BE**) is listed on **NYSE Euronext** in Brussels and Paris (Bloomberg: **SOLB.BB** - Reuters: **SOLbt.BR**).

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