



SOLVAY

asking more from chemistry®



Extraordinary Shareholders' Meeting

Jean-Pierre Clamadiou
Chairman of the Executive Committee

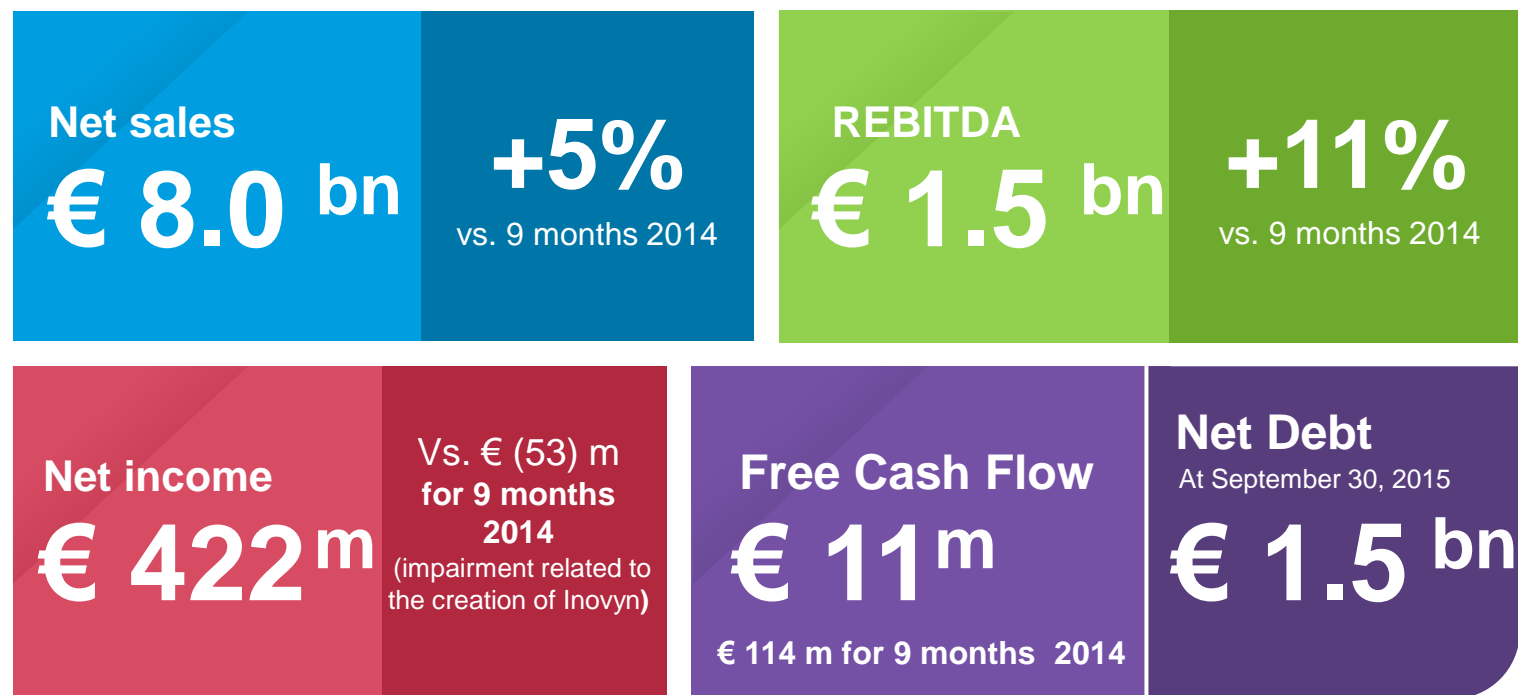
November 17, 2015

asking *more*
from chemistry®



Sustained earnings growth momentum thanks to the transformation

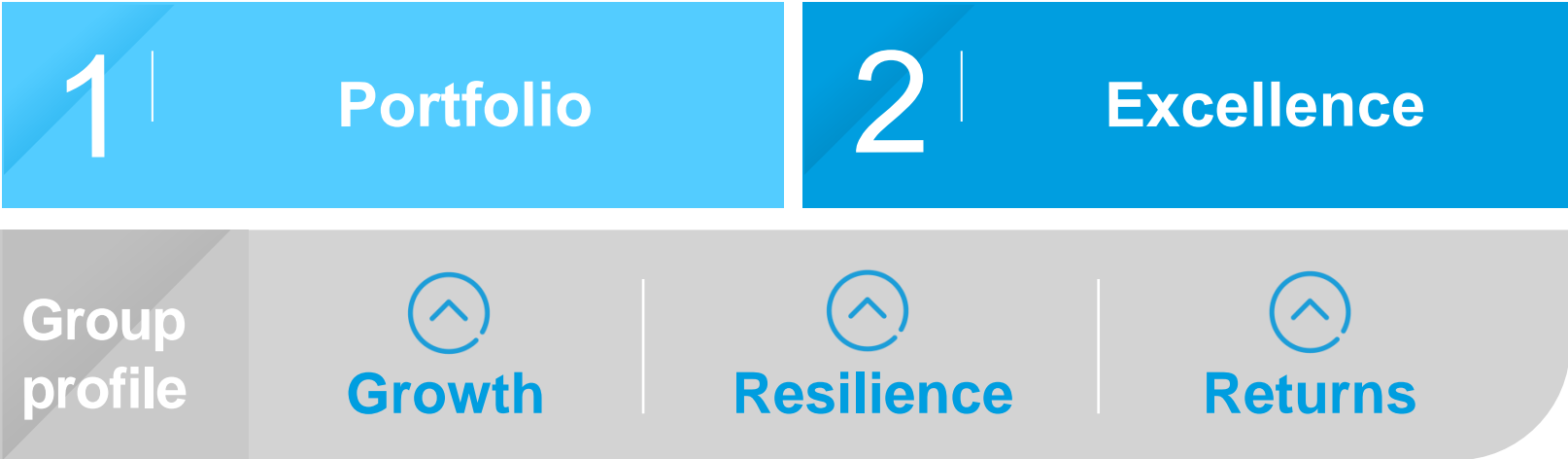
9 first months of 2015 results



Strategic vision

Participate in reshaping the global chemical industry
Develop a model of chemistry that addresses society's challenges
Drive sustainable value creation and profitable growth

Transformation levers



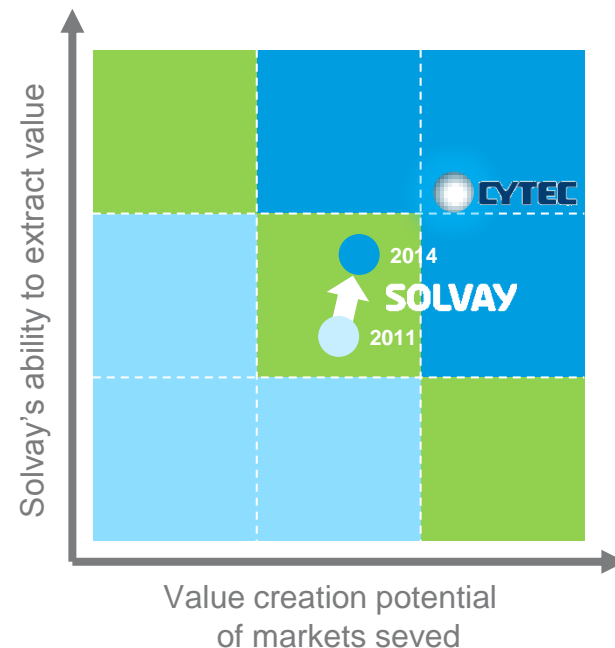
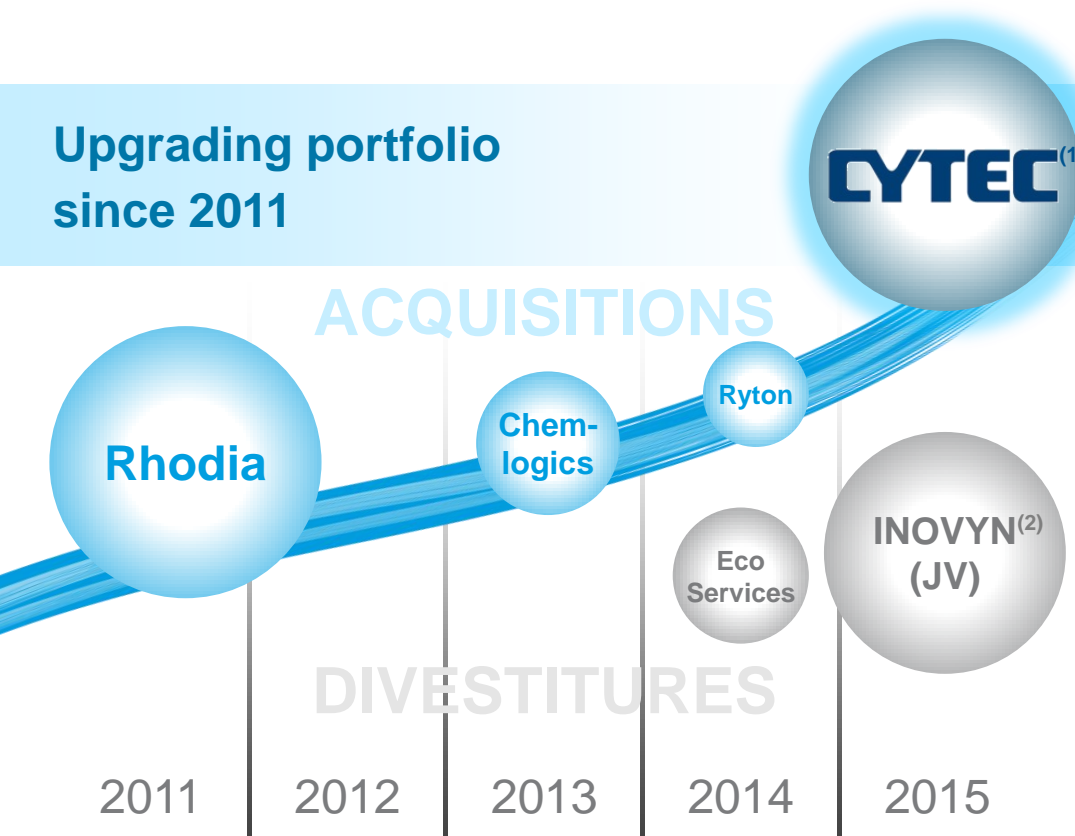
Cytec, a step-change in Solvay's transformation



Further acceleration of portfolio changes


Upgrading portfolio since 2011

Reinforcing position in the strategic value matrix




(1) The Cytec acquisition is subject to customary closing conditions, including regulatory approvals (e.g. anti-trust and CFIUS)
 (2) Created in 2015, a phased step-out: 3 years in JV with INEOS followed by full exit mid 2018


Significant potential for value creation




World #2
largest player
in aerospace
composite materials




**Strengthened
growth
engines**



**Expanded
sustainability offering**
Improved environmental
profile



Pre-tax synergies
targeted at more than
€ 100 m per year



Adjusted EPS
accreditative after
year two



Reinforced Group profile

Leader in composites and mining chemicals



2014	COMPOSITE MATERIALS		EXPLOITATION OF NATURAL RESOURCES / ADDITIVES	
	Aerospace	Automotive/ Industrial	In process separation	Additive technologies
\$ 2.0 bn	Global position		# 1	-
Sales	#2	# 2		
20% REBITDA margin*	Sales US\$ bn	1.0	0.3	0.3
4,600 Employees	Leading products			
29 Manufacturing & R&I sites	Drivers	<ul style="list-style-type: none"> → LIGHTWEIGHTING → ENERGY EFFICIENCY 		<ul style="list-style-type: none"> → IMPROVEMENT OF THE EFFICIENCY ON ORES EXTRACTION
		GROWTH ENGINE		CASH GENERATOR

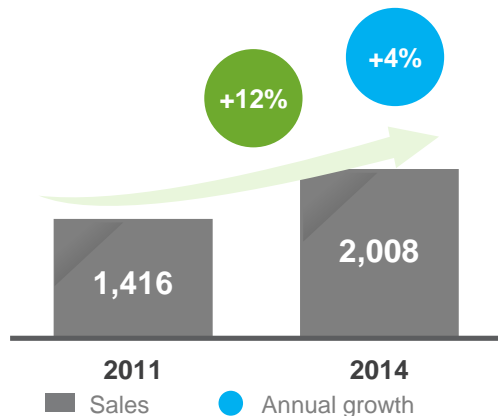
* For indicative purposes only, determined on the basis of earnings from operations, net special items and D&A elements as publicly reported by Cytec

A fast growing business

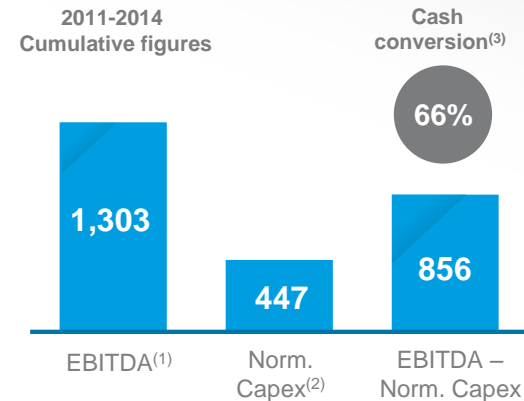
In dollar million



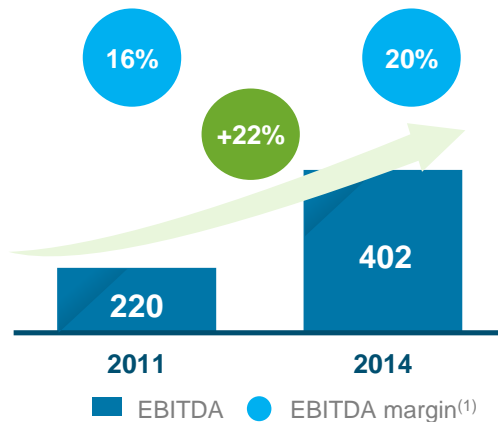
In terms of sales...



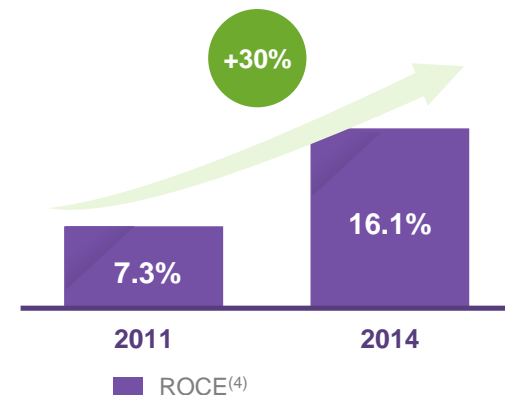
... cash generation ...



... margin improvements...



... and return on capital



Average growth over the period

(1) EBITDA is derived by earnings from operations + depreciation and amortization + corporate and unallocated items (mark to market, pension adjustments, restructuring charges: 2011: \$ 59 m; 2012: \$ 51 m; 2013: \$ (16) m; 2014: \$ 87 m) as indicated by Cytec management
 (2) Normalized capex excludes capital spending on carbon fiber (\$ 143 m) and phosphine plants (\$ 160 m) for 2011-2014
 (3) Defined as (EBITDA - Normalized capex) / EBITDA 2011-2014 cumulative figures
 (4) Defined as recurring EBIT / (shareholder equity + net debt + unfunded pensions liabilities)

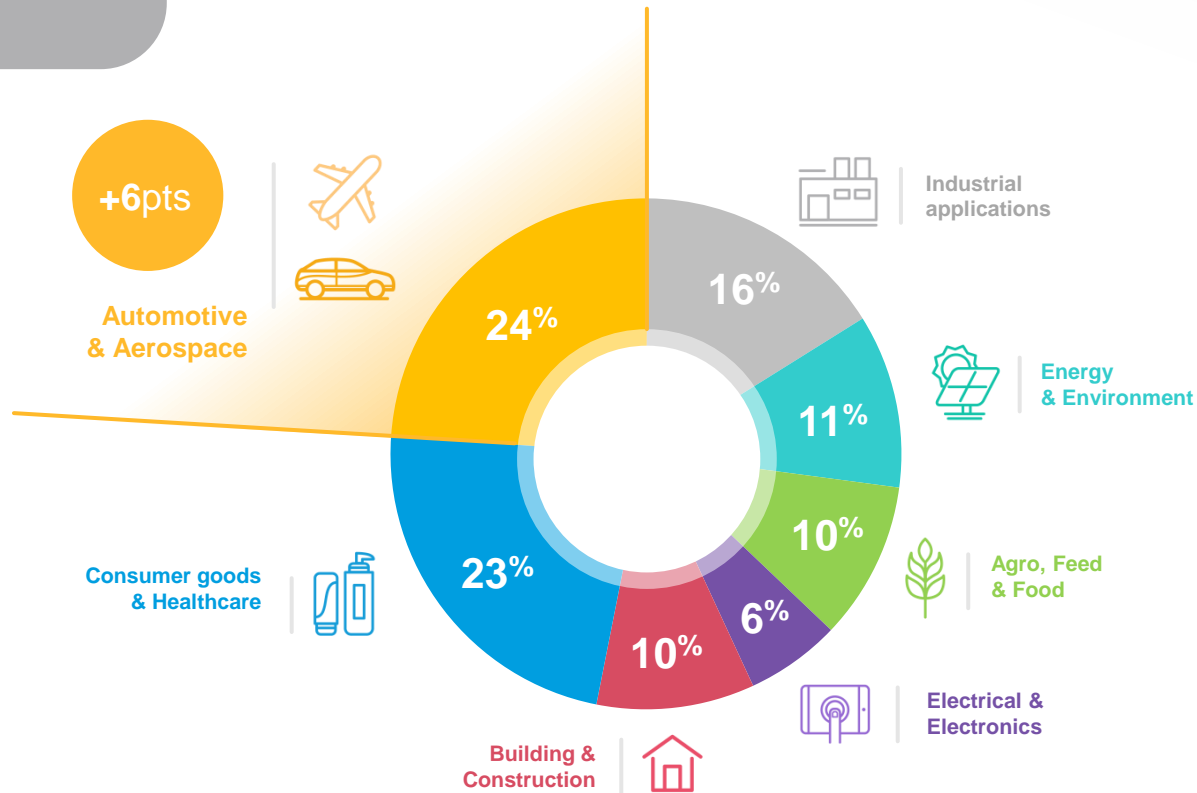
Reinforced growth potential and resilience



Entry into the aerospace market



2014 figures

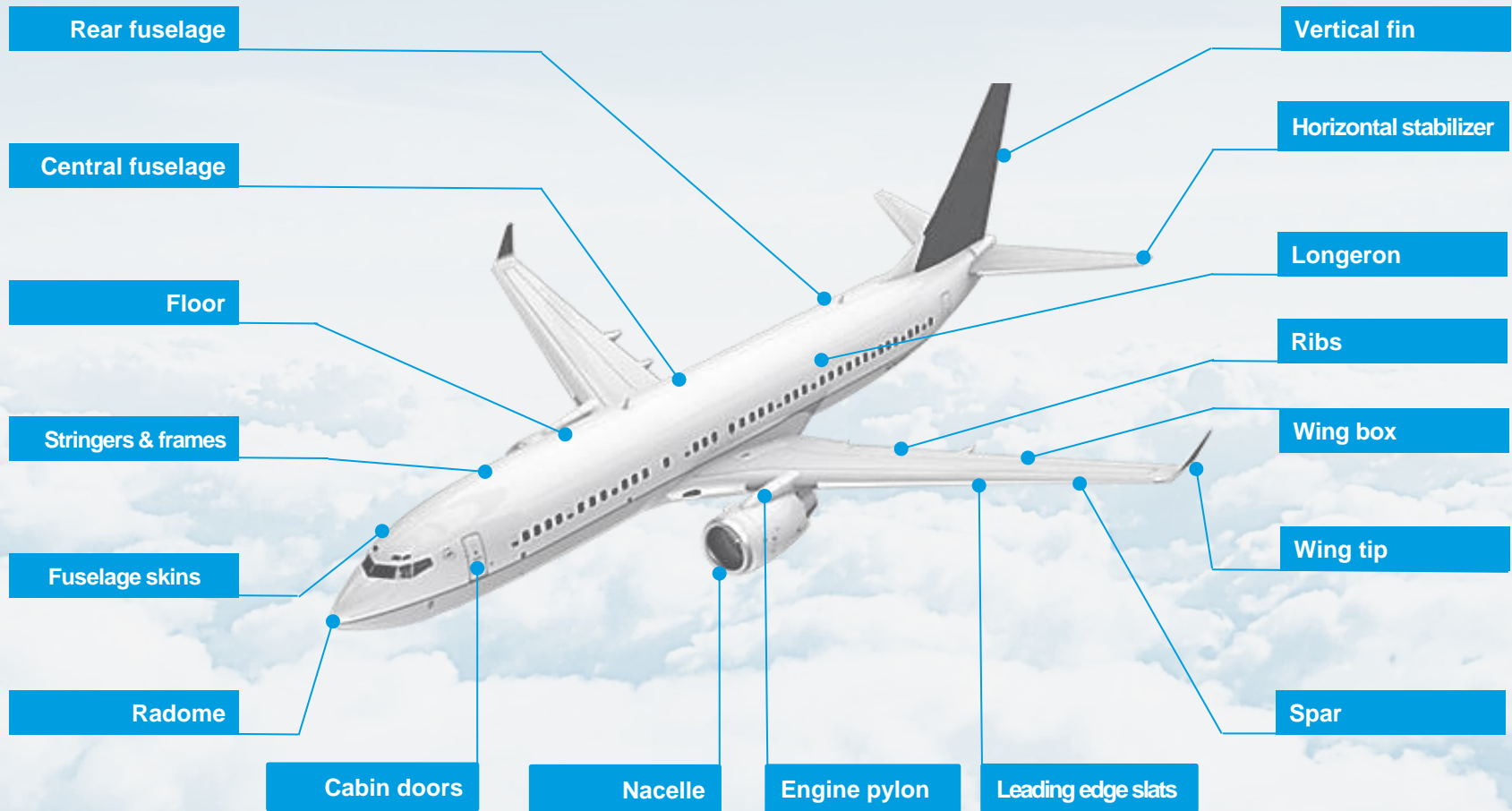


Sources : Solvay, Cytec



Enhanced presence in North America

A global leader in materials for aerospace



Penetrating new markets with serial production in luxury cars



Composite content	\$ 100,000+			\$ 5,000
Process time	400 hours	100-400 hours	3-5 minutes	3 minutes
Manufacture	Highly customized, high labour, high cost fiber	Customized, high labour, lower cost fiber	Increasing automation levels	Full automation
Annual production volume	~ 100	5,000 – 10,000	400,000	4 million
Category	Formula 1	Super car	High End Luxury	Luxury serial
				



Penetration taking-off

5 to 10 years time horizon

CYTEC.
presence by category

A strengthened position in specialty formulations



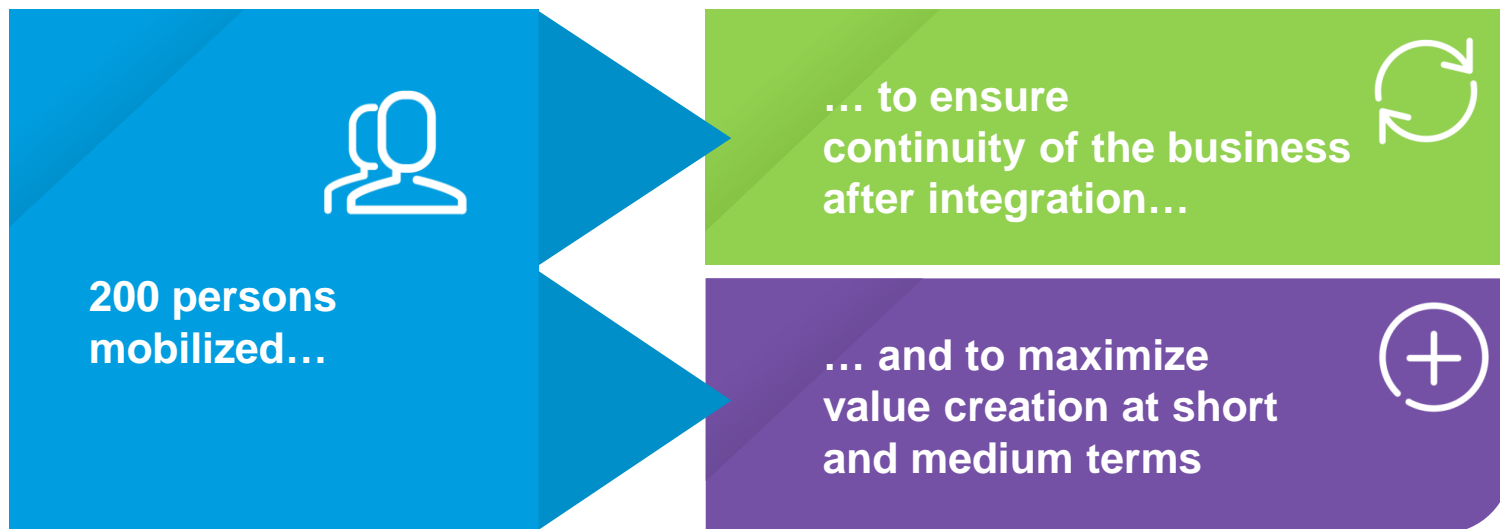
Leveraging the expertise of Cytec

- **Global leader** in the technologies of extraction and separation of ores and in phosphine chemicals
- **Cleaner** process
- **Edge innovation** to improve recovery of metals and efficiency in many areas : mining, agrochemicals, electronics
- **Strong synergies** with various Solvay's activities

Solvay, fully mobilized to ensure the integration from the closing of the transaction



€ | Pre-tax synergies: more than € 100 m per annum



Perfect fit with Solvay's sustainability strategy



Resource constraints
& increased
sustainability
demand



Evolving
demographics
& consumer
behaviours



Innovation
acceleration



Enhanced offering for customers' sustainability challenges

- Lightweighting
- Energy efficiency
- CO₂ emissions reduction
- Scarcity of resources
- Waste reduction

Improved Group environmental profile

- Reduction of CO₂ emissions per unit of added value

Transaction financing



Determined to maintain the Group « investment grade » rating



Transaction

- Enterprise value: \$ 6.4 bn
- Cash needs: \$ 5.8 bn

Financing

- € 1.5 bn new equity
- Bond issuances
 - Of which € 1.0 bn hybrid bonds

Security

Value & Efficiency

Sustainability

Preserving the interests of our shareholders

Capital increase with preferential subscription rights

The price of the new shares will be subject to a predetermined price ⁽¹⁾



The existing shareholders can exercise all or part of their rights and sell the remainder



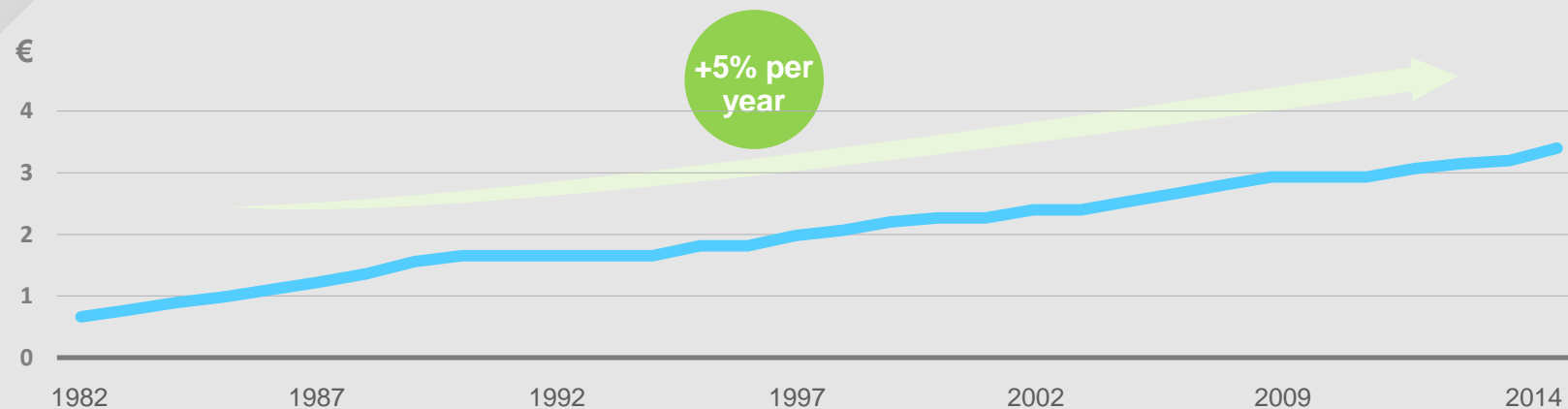
Wealth & yield preserved ⁽²⁾

(1) The subscription price is usually lower than the share price before the opening of the subscription period

(2) There will be only a mechanical adjustment of the dividend per share to reflect the increased number of shares outstanding after the capital increase

Dividend policy maintained

Solvay committed to maintain its policy aiming at paying a stable to growing dividend to its shareholders



2015

Interim gross dividend* of €1.36 per share recorded on January 20, 2016 for all the shares constituting the capital of Solvay, including potential new shares

* The total dividend (to be announced February 2016) will be adjusted for distribution of rights during the contemplated capital increase

Perfect fit with Solvay's strategy Focused on sustainability & value



CYTEC

Group
profile



Growth



Resilience



Returns