

Shaping our future



The strength to change



1H10 results

July 29 2010



Financial highlights 1H10 (1)

Continuing operations:

- **Net sales: EUR 3.4 bn**; up by 25% thanks to globally more sustained activities

Sales (MEUR)	1H09	1H10	%	2Q09	2Q10	%
Chemicals	1,406	1,444	+3%	683	762	+12%
Plastics	1,353	2,005	+48%	724	1,088	+50%
Continuing operations	2,759	3,449	+25%	1,406	1,849	+32%
PHARMA ¹	1,292	312		661	0	
GROUP	4,051	3,761		2,067	1,849	

Chemicals: +3% - higher volumes (+16%) compensates lower sales prices

Plastics: +48% - strong volume improvements, especially in Specialty Polymers (+45%)

¹ Following the sale of the Pharmaceuticals activity, transfer of the Pharmaceuticals results into discontinued operations in the financial statement

Market developments

Construction			Expected yoy
EU zone	1Q10 / 4Q09	-3%	?
USA (housing starts)	June 10 / June 09	-6%	?
Chemicals			
EU zone - production	1Q10 / 1Q09	+15%	↗
USA - shipments	April 10 / April 09	+ 18%	↗
Automotive – Passenger cars registration			
EU zone	HY10 / HY09	Stable	?
USA	HY10 / HY09	+17%	↗
China	HY10 / HY09	+26%	↗
Electronics – Semiconductors sales			
Global	May 10 / May 09	+48%	↗
Pulp shipments			
Global	1Q10 / 1Q09	+7%	↗ ?

Financial highlights 1H10 (2)

- **REBIT: EUR 298m**; significantly higher compared to 1H09 thanks to:
 - ✓ Increased volumes
 - ✓ Benefit from cost control measures
 - ✓ Energy expenses under control

REBIT (MEUR)	1H09 ¹	1H10		2Q09 ¹	2Q10
Chemicals	133	147		72	80
Plastics	14	173		8	114
NBD	-11	-12		-5	-6
CBS	-10	-10		-12	-5
Continuing operations	126	298		63	183
PHARMA	213	31		118	0
GROUP	339	329		181	183

¹ Restated taking into account the reclassification of the cost of discounting provisions below REBIT

Financial highlights 1H10 (3)

- **Group net profit: EUR 1,789m** (versus EUR 181m in 1H09)
 - ✓ **Net capital gain on Pharma sale:** EUR 1,695m
 - ✓ **Non recurring items:** EUR -116m including restructuring charges (a/o. EUR 20m asset write-off related to closed hydrogen peroxide unit at Bitterfeld) and EUR 19m environmental provision for remediation and containment works at Spinetta (Italy)
 - ✓ **Financial charges** (EUR -91m): low yield on cash (0.41% p.a.)
 - ✓ **Effective tax rate:** excluding capital gain on Pharma : 24%

Chemicals in 1H10

REBIT : EUR 147m



m EUR	NET SALES ^[1]			REBIT	Comments
	2009	1H10	1H10 vs 1H09		
CHEMICALS	2,713	1,444	+3%	+10%	REBIT up by 10% compared to 1H09 thanks to: <ul style="list-style-type: none"> ✓ Confirmed volume improvement (+16%) ✓ Energy expenses under control but expected to rise and despite ✓ Significantly lower sales prices (-16%) ✓ EUR 10m correction on depreciation linked to the termination of sale process of precipitated calcium carbonate activity
Minerals cluster ^[2]	1,263	654	+1%	↘	
Electrochemicals & Fluor chemicals cluster	986	538	+1%	↗	
Oxygen cluster	441	241	+14%	↗	

[1] including SBU Molecular Solutions

[2] including SBUs Soda ash and related specialties and Advanced Functional Minerals.

Chemicals

Strategic developments



Sustainable development and environmental footprint

- ✓ Construction of Epicerol[®] plant in Thailand (2012) **Ongoing**
- ✓ Bicarbonate from unused soda ash by-products in USA **Inaugurated 2Q10**
- ✓ Fluor specialty for Li-ion batteries in South Korea **Started end of 2009**
- ✓ Refuse Derived Fuel cogeneration plant in Germany **Started early 2010**

Innovation and geographic expansion

- ✓ New HPPO plant with Dow Chemicals in Thailand (2011) **Ongoing**
- ✓ Construction of H₂O₂ plant in China with Huatai Group (2011) **Ongoing**

Continued focus on competitiveness

- ✓ Closure of hydrogen peroxide plant in Germany **2009**
- ✓ Restructuration of Fluor activities in Italy & Germany **2010**
- ✓ Targeted restructurings in other countries **Ongoing**
- ✓ Cost and cash control across the board **Daily**

Plastics in 1H10

REBIT : EUR 173m



m EUR	NET SALES			REBIT	Comments
	2009	1H10	1H10 vs 1H09		
PLASTICS	2,982	2,005	+48%	↗	<p>REBIT (EUR 173m) sharply up compared to 1H09 (EUR 14m) thanks to:</p> <ul style="list-style-type: none"> ✓ Significantly higher volumes in Specialty Polymers (+45% vs 1H09) <ul style="list-style-type: none"> ⇒ Growth in all regions, in particular in Asia ✓ Results slightly up in Vinyls thanks to some demand and margin improvement in Europe in 2Q10 <ul style="list-style-type: none"> ⇒ However, European construction market remains stagnant
Specialties cluster ^[1]	1,251	854	+48%	↗	
Vinyls cluster ^[2]	1,731	1,151	+49%	↗	

[1] Including SBUs Specialty Polymers and Inergy Automotive Systems

[2] Including SBUs Vinyls and Pipelife

Plastics

Strategic developments



Sustainable development and environmental footprint

- ✓ Successful commercial launch of new PVDF for Lithium-ion batteries **2010**
- ✓ Major power unit of 120MW in Argentina **Inaugurated 2H09**

Innovation and geographic expansion

- ✓ Modernization & capacity expansion of PVC in Brazil **2009**
- ✓ RusVinyl: foundation stone laying and EBRD commitment to financing **July 2010**

Growth in Specialty Polymers

- ✓ Success of new DIOFAN® unit in France **2010**
- ✓ Full benefit of capacity extensions of SOLEF® in France & of FLUOROLINK® in Italy **2010**

Continued focus on competitiveness

- ✓ Closure of PVC compounds unit in Belgium **2H09**
- ✓ Cost and cash control across the board **Daily**

Plastics

Recent developments



Acquisition by Plastic Omnium of Solvay's stake in Inergy Automotive Systems

- Agreement signed on July 28, 2010
- Enterprise Value of the transaction for Solvay: EUR 330m
 - ➔ Cash consideration: EUR 270m
- Closing expected in 2010 pending approval by competition authorities and following employee consultations

EBRD agreement to finance RusVinyl project:

- EUR 150m loan to RusVinyl
- EUR 52m equity financing of Solvin Holding Nederland (Solvin's mother company of RusVinyl)

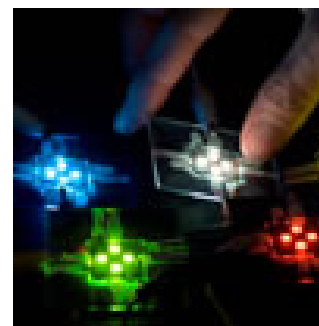
New Business Development

- **Recent developments (2009 – 2010):**

- ✓ Construction of a semi-industrial fuel cell with a capacity of about 1 MW on the SolVin site at Antwerp.
- ✓ Further investment in ACAL Energy Ltd in March 2010
- ✓ Further investment in Plextronics, Inc. in August 2009
- ✓ Further investment in SolviCore in 2009

- **2010 NBD expenses for the future:**

- ✓ 2010 **budgeted REBIT**: EUR -30m = R&D costs
- ✓ 2010 **budgeted CAPEX**: ≈ EUR 25m



“The 1st half of 2010 was characterized by demand recovery. At current market conditions, the Chemicals Sector should realize a recurring operating result in line with that of last year, notwithstanding the price decreases; in Plastics, the volume growth should support sharp REBIT expansion. The priority goes this year to the optimal reinvestment after the disposal of the pharmaceuticals activities.”

Press release of July 29, 2010

Strategic refocus

Reinvestment of sale proceeds of Pharma Business



Global ambition: **improving Solvay's sustainability profile** by focusing on investment in:

- ✓ High value added activities
- ✓ Low energy footprint
- ✓ Reduction of the cyclicalality of the portfolio
- ✓ Contribution to the geographic expansion
- ✓ Sustainability targets of the Group

⇒ **Process ongoing**

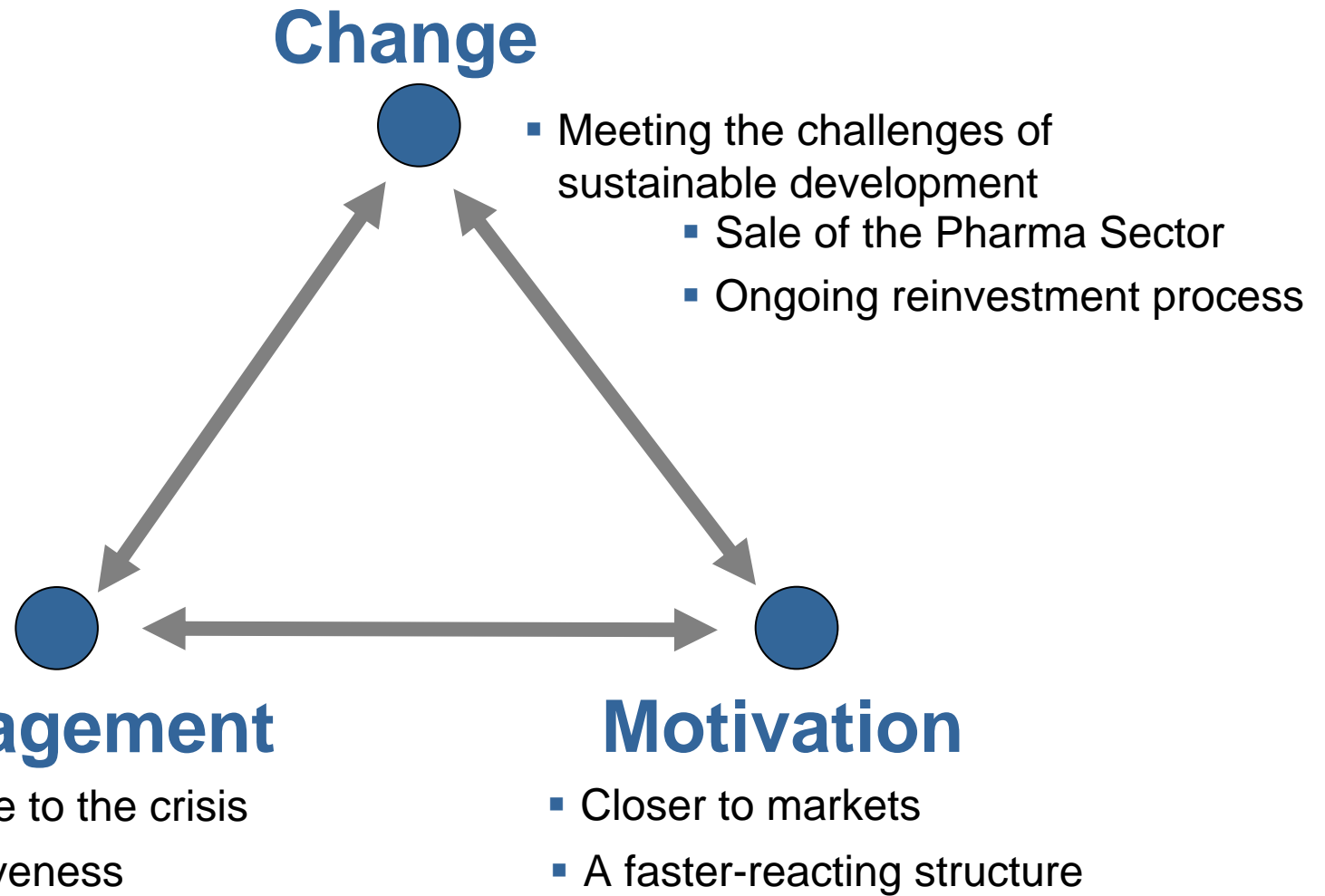
⇒ **No other comments will be made**

Project Horizon

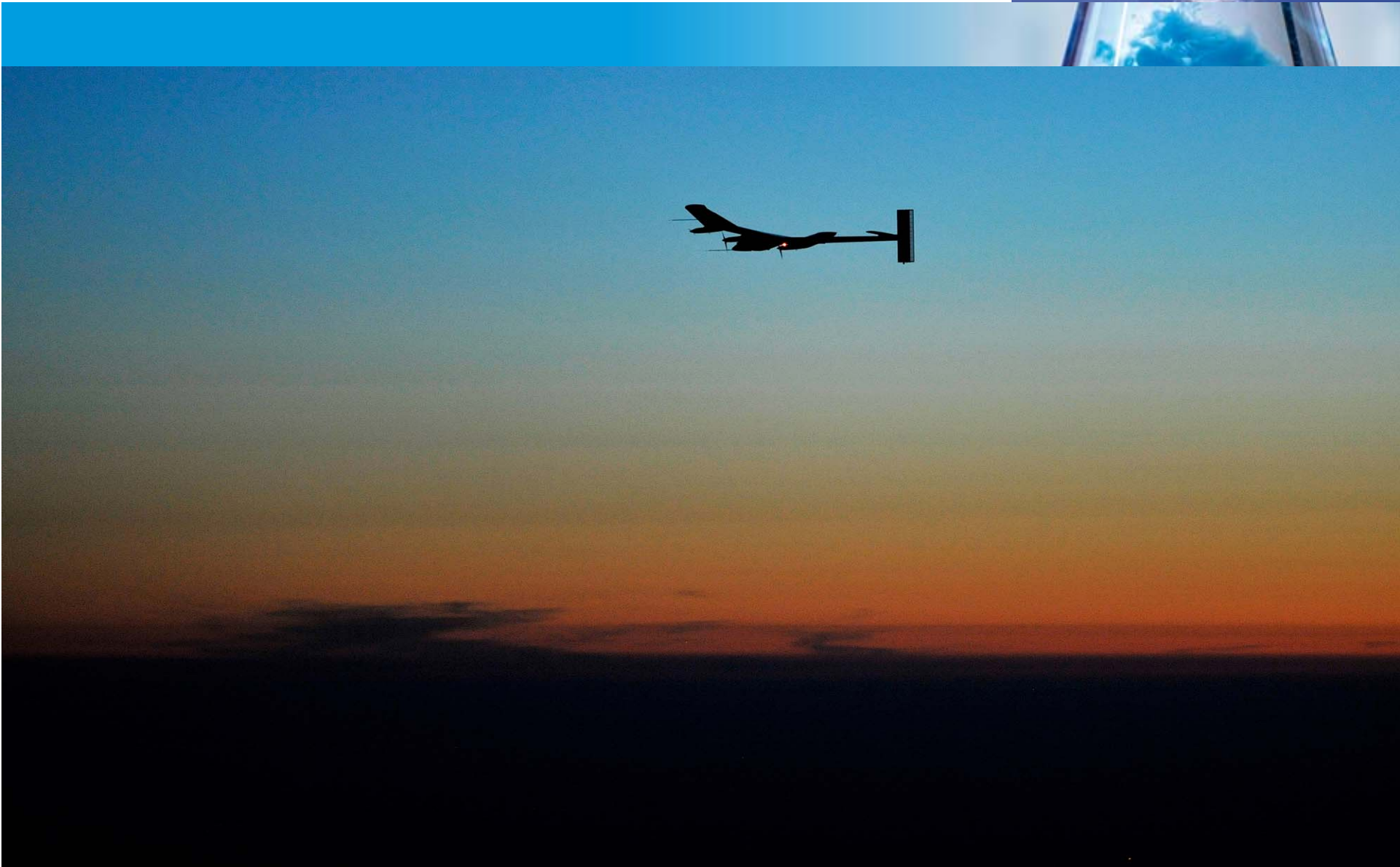
What we want to achieve

- Build an organization and operating model for the future, more **entrepreneurial** and more **motivating**, with increased **empowerment** of people active “in the field”:
 - ✓ employees interacting with our markets and customers;
 - ✓ employees close to technology, research and production in labs and plants.
- Build a **lean corporate structure** that:
 - ✓ concentrates on the most strategic business issues; and
 - ✓ deploys best practices and tools.
- Shape our **service organizations** to become even **more customer-oriented** and maximize value for the business
- Achieve a **profound change of our attitudes** to further energize the way we work together

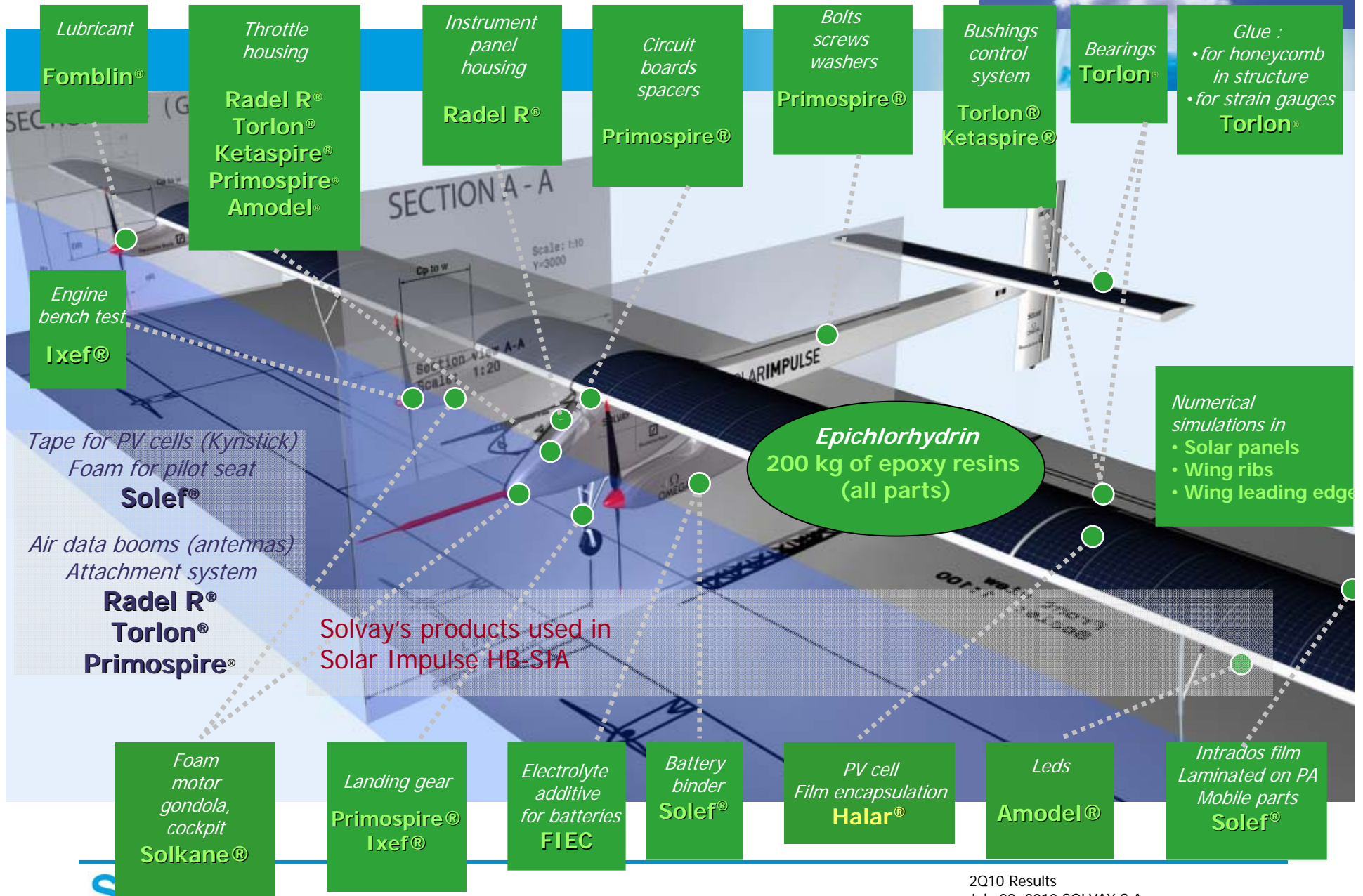
Building the New Solvay



Solar Impulse successfully achieved its first night flight



Solvay's products in Solar Impulse



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