



SOLVAY

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Acquisition of Chemlogics

Extending customised solutions portfolio
for the Oil & Gas chemicals industry

October 7, 2013

Further step in strategic portfolio realignment

With U.S.-based Chemlogics, Solvay extends its leadership in Oil & Gas chemical solutions.

The acquisition accelerates Solvay's in-depth transformation towards a higher growth, less capital intensive and greater returns Group.

Agenda

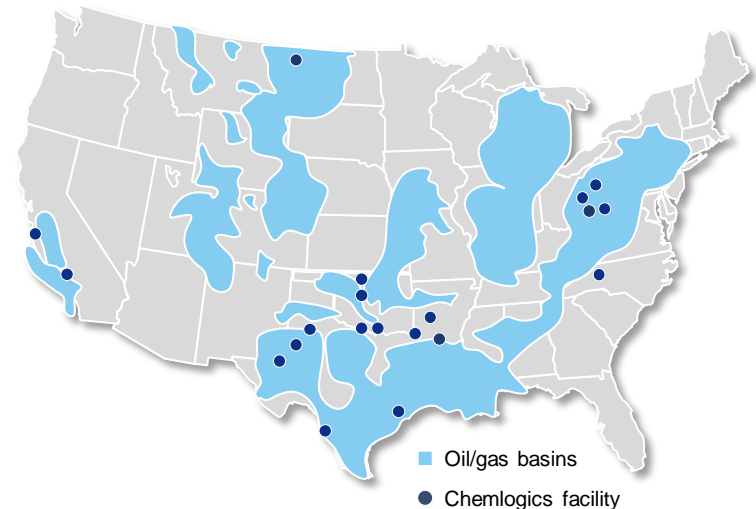
- **Chemlogics overview**
- **Transaction strategic rationale**
- **Financial considerations**
- **Conclusions**



Chemlogics in a nutshell

Leading player in U.S. Oil & Gas chemicals industry

- Products and services facilitating oil & gas extraction, especially non-conventional
- “Lab-to-Well” offer, serving tailored solutions to over 400 players
- Dynamic innovation addressing water management and other sustainability challenges in the Oil & Gas market



Key financials*

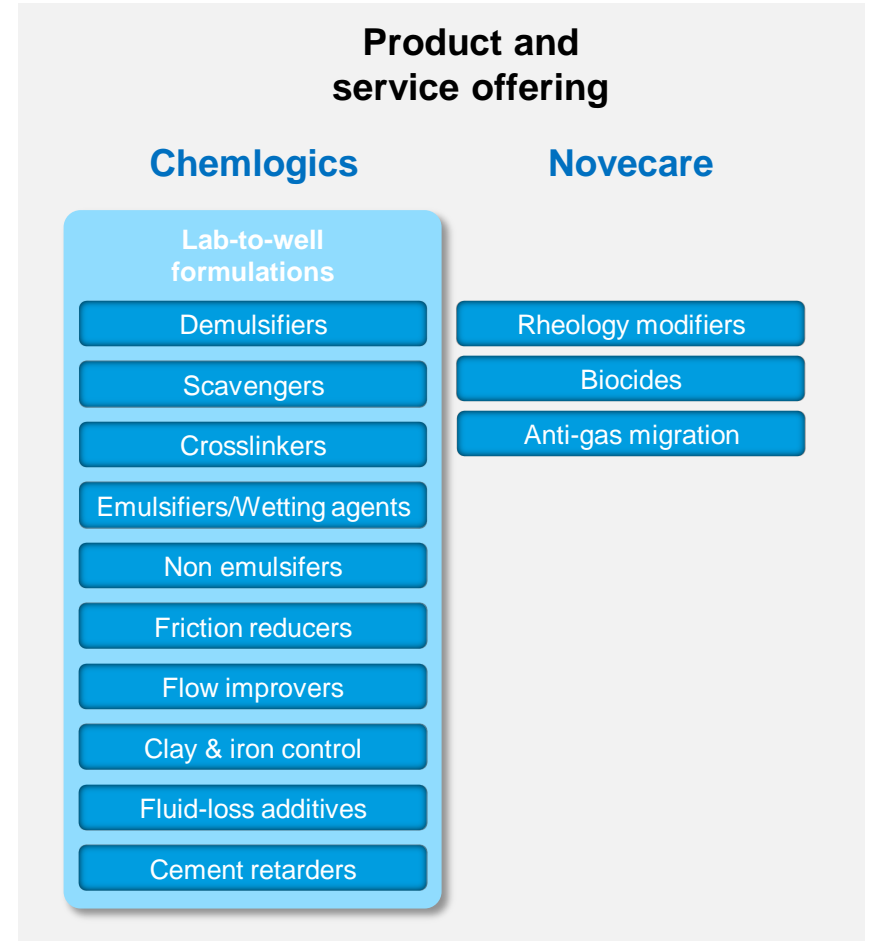
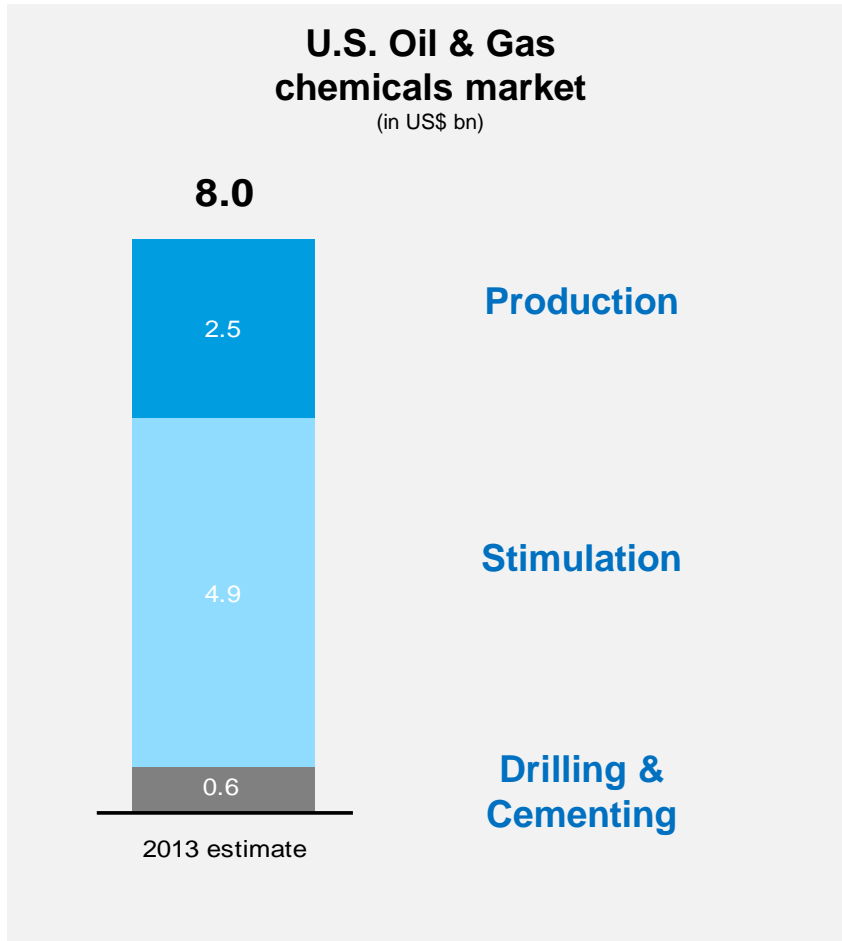
- ~\$500 million Sales
- ~\$125 million EBITDA
- Sales & EBITDA double-digit CAGR over 2009-2013

Business set-up

- 3 production sites; 8 formulation centres; 6 R&D centres
- Located close to customers
- 277 employees

* Last-twelve-months figures

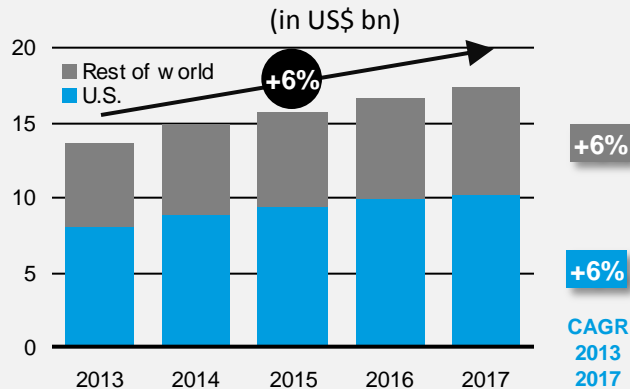
Chemlogics's offering complementing Solvay Novecare



Source: SRI, Roland Berger, Solvay

Global Oil & Gas chemicals market poised for fast growth

Global Oil & Gas chemicals market

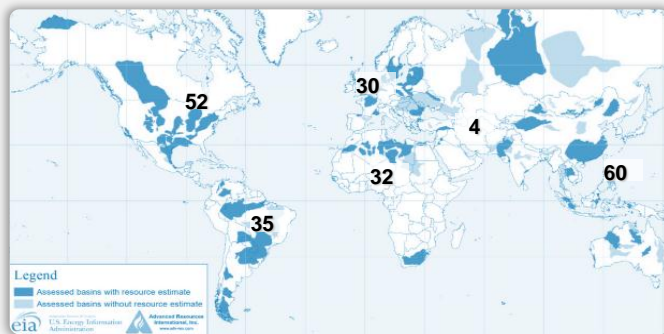


US Oil & Gas chemicals market to grow at 6% CAGR

- Shale revolution has helped to boost the U.S. economy
- The U.S. has a robust service sector with the world's largest rig fleet and significant investments from U.S. companies
- Tighter environmental regulation will drive future product innovation

Current Resources

(bn tons oil equivalent)



Vast unexploited shale reserves outside U.S.

- Current market outside U.S. mainly based on conventional drilling
- Some countries already foreseen to develop horizontal drilling (Australia, China, Argentina...)

Source: EIA, BP, SRI, Roland Berger, Solvay

Chemlogics offers strong business fit and synergies

Novecare

Chemlogics

| | | |
|-----------------------|--|---|
| Product portfolio | Focus on guar, biocides, green solvents and cementing technologies | Leader in friction reducers and non-emulsifiers |
| Customer focus | Primarily Tier 1 OFS* customers | Focus on broader customer base: Tier 1, 2 and 3 OFS* customers |
| Geographical coverage | Global | U.S. |
| Know-how | Strong R&D knowledge, especially on gelling agents | Strong formulation know-how for small/mid-sized drillers |
| Capabilities | Recognized quality and service by major international customers | Strong innovation, technical service and specialty chemical formulation |

Significant share of growing Oil & Gas chemicals market
Important synergies identified

* OFS Oil Field Service

Novecare, a growth engine with a well-defined value-creating strategy and track-record

Technologies

Specialty surfactants

Phosphor derivatives

Specialty amines

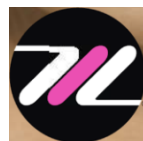
Markets



Track-record of growth and acquisitions

Organic growth with focus on selected markets

Acquisitions



McIntyre
(2009)



Feixiang
(2010)



Chemlogics
(2013)

Growing value

Double digit REBITDA growth (2011-2016)

Low capital intensity

Superior cash returns

Financial considerations

- Enterprise value of \$1,345 million
 - **10.7x** EBITDA*
 - **8.7x** EBITDA*, including present value of tax benefit
 - Significant synergies identified
- Financing of the transaction
 - Available cash
 - Intention to issue hybrid bonds up to €1 billion, to strengthen balance sheet ahead of debt repayments
- Closing
 - Transaction subject to customary closing conditions, including anti-trust clearance in U.S.
 - Expected to be closed by YE 2013

** Last-twelve -months figures*

Take-aways

Chemlogics acquisition further improves Solvay's business and financial profile

- Strong growth prospects in U.S. and emerging regions
- Above average EBITDA margin
- Low capital intensity
- Accretive to Solvay's cash and earnings from year one

Accelerating Solvay's transformation

Forthcoming 2013 key events

25 October 2013

Q3 results publication

27 November 2013

Capital Markets Day
(change of date)





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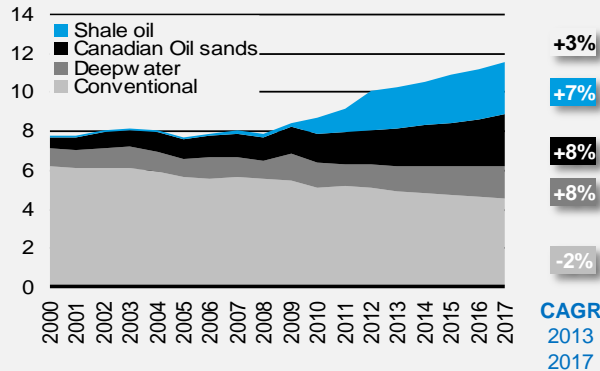
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Annexes

Horizontal drilling triggers strong growth of shale Oil & Gas

U.S. crude oil production

(in million barrels / day)



Horizontal drilling allowed strong development of shale Oil & Gas

Shale oil

- Grew from 2% to 20% of total oil production in the last 6 years
- Expected to represent ~33% of oil production by 2040

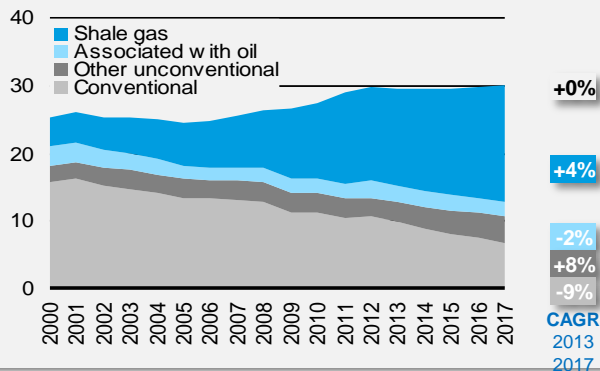
Shale gas

- Grew from 17% to 49% of total natural gas production since 2000
- Expected to represent ~60% of total gas production by 2040

Shale oil/gas includes tight oil/gas

U.S. natural gas production

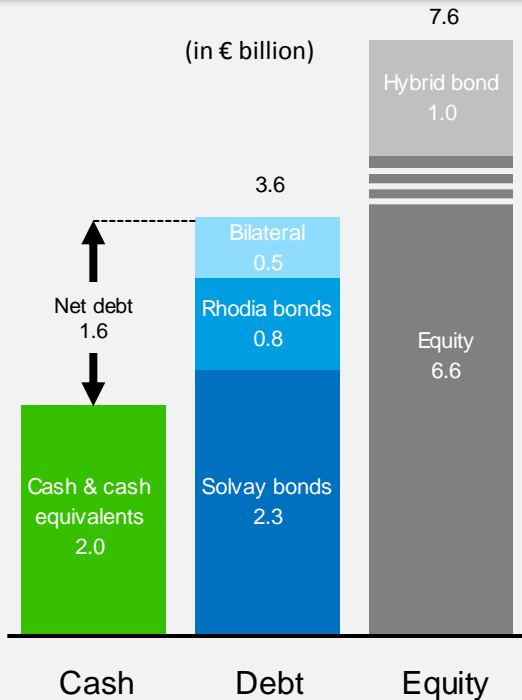
(in trillion cubic feet / day)



Source: EIA, CAPP, National Energy Board, Roland Berger

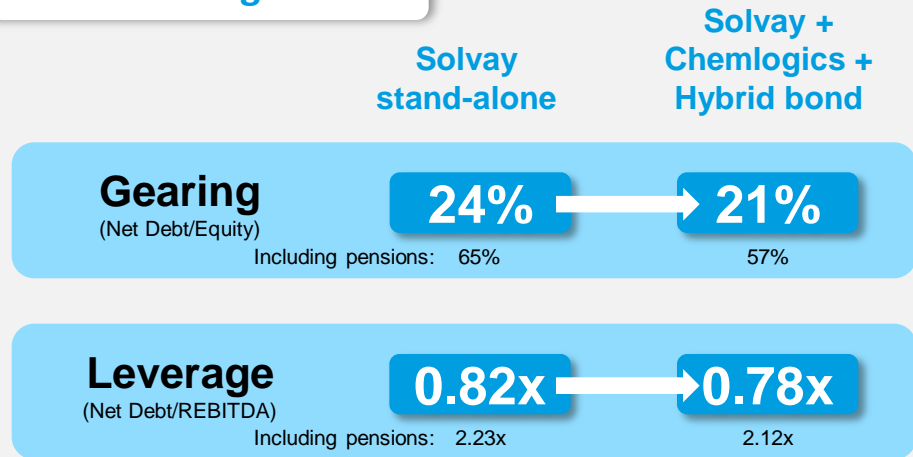
Hybrid leads to higher financial flexibility, credit rating expected to be preserved

Gross and net debt unaffected



Hybrid bond treated as equity under IFRS

Ratios strengthened



Current ratings expected to be preserved

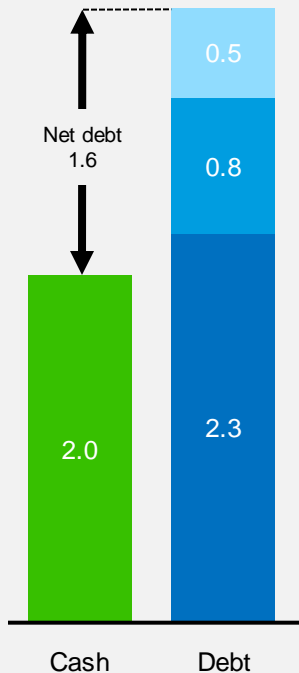
Moody's
Baa1
Negative outlook

S&P
BBB+
Negative outlook

Q2 2013 pro forma figures

Financial flexibility allows for repayment of upcoming maturing or callable debt

Gross and Net Debt
Q2 2013
(in € billion)



Bond maturity
(or call option)
(in € billion)

