

Speech of Nicolas Boël
President of the Board of Directors
Extraordinary General Meeting of Shareholders
17 November 2015

Dear ladies and gentlemen

Dear shareholders and friends

I would like to welcome all of you warmly to this Extraordinary General Meeting.

I am very pleased to welcome you here at the Square to tell you about a project that bears great promise for the future. We will look at it in greater detail in a few moments.

I would like first to greet Ms Solvay and our Honorary Presidents.

The fact that so many of you are here today reflects both your interest in this transformation project and your attachment to our Group.

The meeting brings together Solvay shareholders for the Group's first capital increase to finance an industrial project since Solvay was first listed on the stock market. It thus has great symbolic importance.

[Cyttec - a major acquisition](#)

On 29 July, Solvay announced its acquisition of Cyttec, a US company specialised in composite materials for the aviation industry, for the sum of \$6.4 billion (enterprise value). This acquisition is the fruit of the in-depth strategic discussions that have been taking place at Solvay, aimed at transforming the company into a specialty chemicals group less affected by business cycles, more innovative and creating long-term value.

Though this acquisition marks a major step in this strategy, it is not a revolution. It is in line with Solvay's tradition of continuously developing increasingly innovative products, backed by a strong industrial culture and values. Solvay has always been able to break with established paths, but these breaks have always been “controlled”, combining boldness and caution. It is this obvious paradox which has made it a pioneer in the chemistry of carbonate and its derivatives, in hydrogen peroxide, in the development and processing of PVC as well as in polyolefins. Building on its knowledge and experience in polyvinylidene fluoride (PVDF) in Europe, the company took an important step with two acquisitions in specialty polymers in 2001-2002. Today's acquisition of Cytec will help Solvay speed up its development in the materials sector, capitalising on the Cytec know-how which fits in well with what we are already so good at doing.

Why has Solvay acquired Cytec?

The world is changing and the chemical industry as a whole is adapting to these changes. Both my predecessors and I have always strictly adhered to the same philosophy: for an industrial company based on a long-term strategy, standing still and maintaining the status quo is no option. Transformation must be continuous and systematic to ensure the Group's long-term survival. This strategy adopted more than 150 years is gaining pace. And we have every intention of continuing on this path. Why? Because even more than the size or evolution of our turnover, value creation and long-term growth are the true drivers of the Solvay strategy.

Despite these significant steps, however, Solvay is still seen as a diversified and complex company. The acquisition of Cytec will bring us closer to our goal of becoming a leading specialty chemicals company. While maintaining our operations in the field of the chemistry of materials, we are enlarging our knowledge base to take in composite materials, a field with still uncharted innovation and growth potential in markets we see as very much complementing each other. Cytec is a privileged partner of the aviation industry in the development of extremely lightweight

yet strong products; Solvay in turn is a leading partner of companies in the automotive sector – companies now facing the same industry challenges.

The two companies also complement each other geographically: The acquisition will greatly boost Solvay's presence in the United States, a presence greatly reduced following Solvay's exit from Pharma.

It will also allow us to integrate a wealth of very *Solvay-compatible* know-how and innovativeness, opening up development opportunities for the teams and leveraging the Group's collective intelligence. All this explains why the acquisition has been so well-received by Solvay employees. They see it as a concrete expression of the Group's ambition and as an accelerator of long-term growth.

Over and above the immediate synergies, all these positive aspects will enable us to build a new range of very “high-tech” products, similar to what we have been doing with such success within Solvay in the field of specialty polymers over the last fifteen years. Thanks to its policy of continuous innovation in this field, Solvay is now the world's No. 1 player in this area with regard to the extent of its product range. Solvay has taken years to build up this success. It looks forward to the same success with the Cytac acquisition.

[Financing in the interest of shareholders / safeguarding the interests of our shareholders](#)

This acquisition constitutes a bold step for Solvay and it would not be possible without the trust and support of its shareholders, without a solid shareholder base anxious to create long-term value – two aspects essential for building the Group's future.

Together with the bond issue, the €1.5 billion capital increase we would like you to authorise today constitutes a financing structure which will enable Solvay to maintain its financial flexibility and a strong balance sheet. It will also help the Group follow its dividend policy while preserving its "investment grade" credit rating.

The Solvac Board fully supports this move, unanimously confirming its intention to maintain its 30% holding in Solvay's capital.

Conclusion

Together with the entire Board of Directors, I am convinced that this move marks a major turning point for the company, pointing it towards the industrial structure we want to construct, a structure driven by innovation at the service of the major challenges faced by society. Of course, only the future will tell whether we are right, and we will be judged on our future achievements. We are proposing this capital increase with our full conviction and enthusiasm.

I would like to now hand over to Jean-Pierre Clamadieu who will present in detail Solvay's strategic interest in the Cyttec acquisition and how it will be financed.