Rare Earth Systems
The leader in rare earth value chain

DU, Hua
General Manager,
Rare Earth Systems

SOLVAY

April 24, 2012

AGENDA

1. Our positioning and strengths
2. Our strategy
3. Our growth ambition

1. Our positioning and strengths

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Rare Earth Systems at a glance

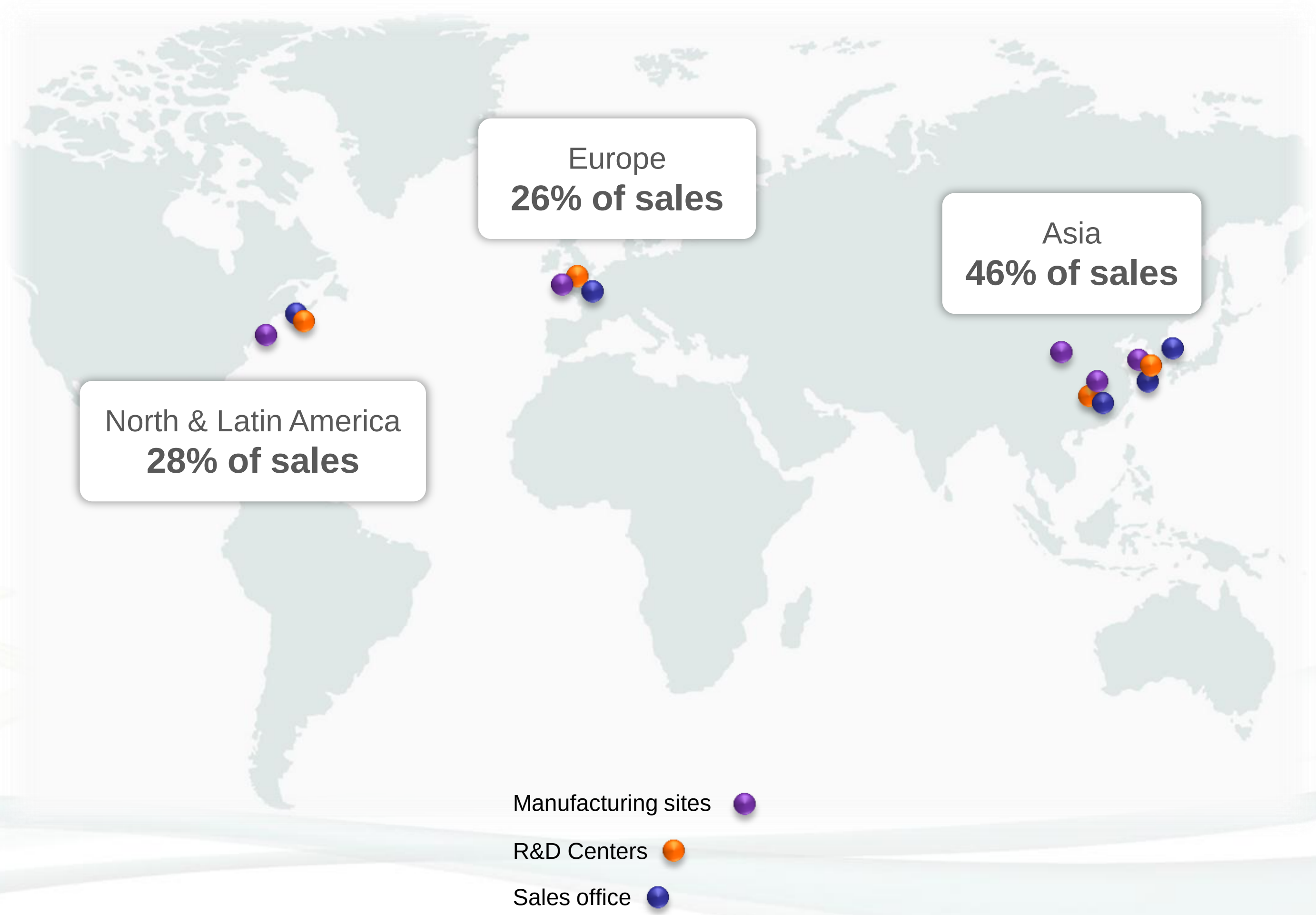
2011 Net Sales
> € 500m

Employees
> 1000

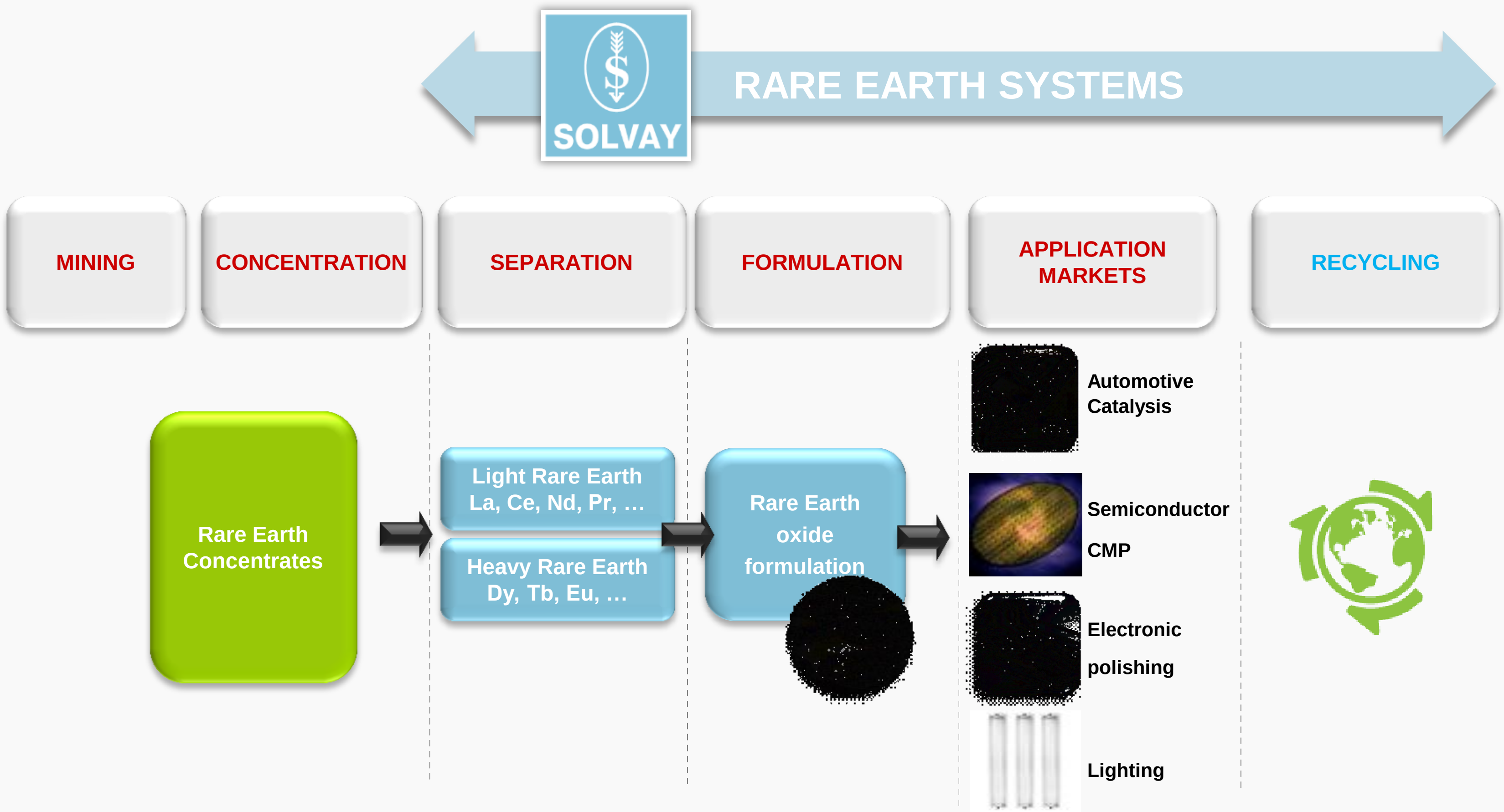
 # 1 in rare earth based specialty chemicals

Sales, R&D and industrial footprint close to our target markets and target customers

A unique global footprint



Differentiated positioning in the rare earth value chain



Covering the widest range of applications

AUTOMOTIVE CATALYST

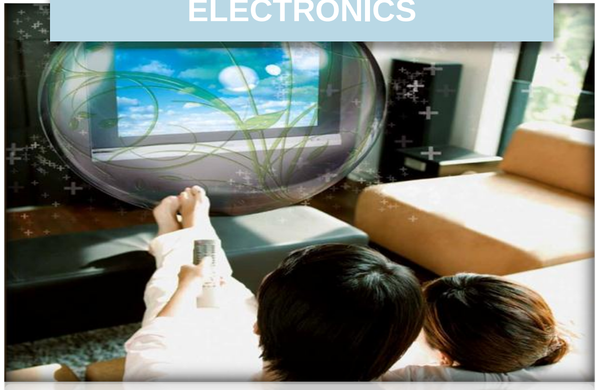
KEY PRODUCTS

GASOLINE
Mixed oxides : Actalys®, Optalys®
Alumina : Stabylis®

DIESEL
Additives : Eolys®, Powerflex®
Mixted oxides : HSA® , Actalys®, Optalys®
Alumina : Stabylis®

CHEMCAT
Precursor : Nd Versatate and Phosphates

ELECTRONICS



KEY PRODUCTS

LIGHTING
Phosphors Precursor : Luminostar®, Morningstar®

HIGH END POLISHING
LCD, Glass Hard Disk, Photomask
Cerium oxides : Cerox ®

SEMICONDUCTOR CMP
High Purity Cerium : HPCC
Colloidal Cerium

eCERAMIC
Dy & Y oxides : Superamic ®

MEDICAL DEVICES
High purity rare earth oxides

ENVIRONMENTAL FRIENDLY PIGMENTS
Cerium derivatives : Neolor ®

NUCLEAR ENERGY
High purity rare earth oxides

RECYCLING & SEPARATION

KEY PRODUCTS

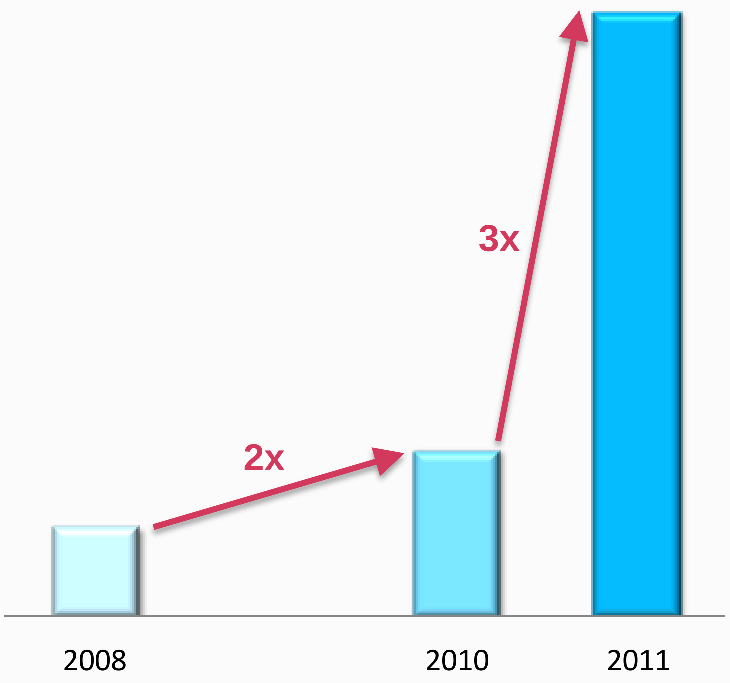
Recycling of Phosphors powders

Recycling of Permanent Magnets

Heavy Rare Earth Separation

2011, an outstanding year capitalizing on our unique positioning

2008 - 2011 REBITDA



2011, an exceptional year

- Drastic reduction of China export quotas mid 2010
- Unprecedented raw materials price increases

2011 Business achievements

- Managed and enhanced security of supply to our customers
- Reshaped business portfolio focusing on specialty high-added value segments
- Gained significant market share
- Enhanced global footprint

2 Our strategy

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Leveraging our unique compelling positioning

Combining our four differentiated key pillars

Security of supply

Industrial expertise

Technology innovation

Global footprint

Sourcing diversification strategy to secure supply

Currently	Going forward

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Enjoying access to

Export quotas

Key players in China

Over 95% of Rare Earth prodiuction sourced from China

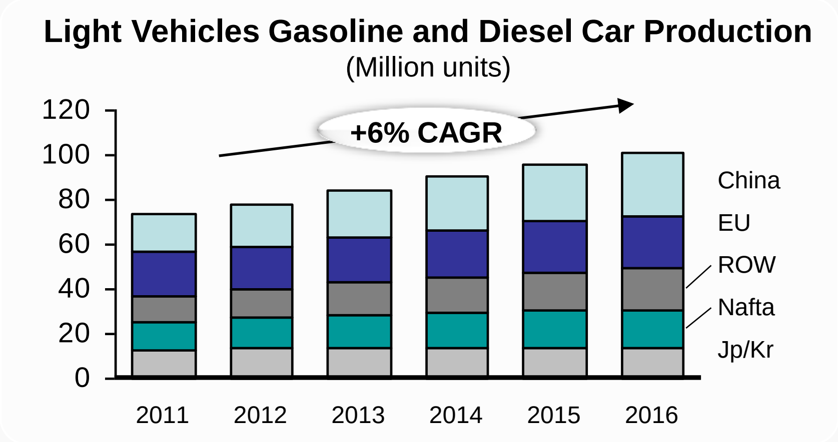
LIGHT RARE EARTH

- *Strategic agreement with LYNAS*
- *2nd strategic agreement out of China will be closed in 2012*

HEAVY RARE EARTH (HRE)

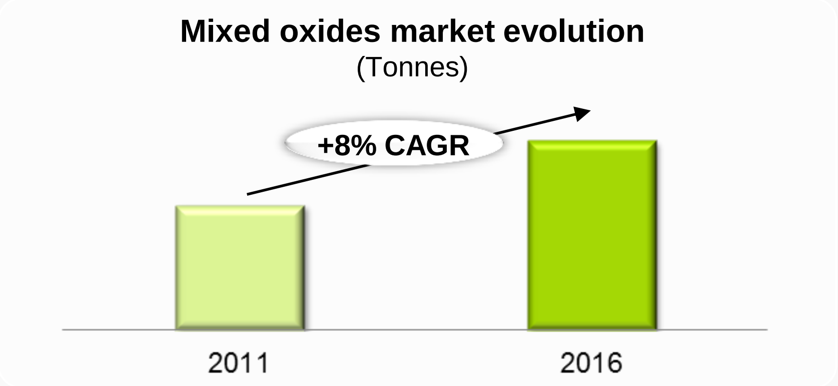
- *Strategic agreement with CHINALCO*
- *Actively assessing new HRE mining options out of China*

Enhancing leadership position in automotive catalysis market



MARKET DRIVERS

More demanding emission control **regulations**
Car production **volume** in China

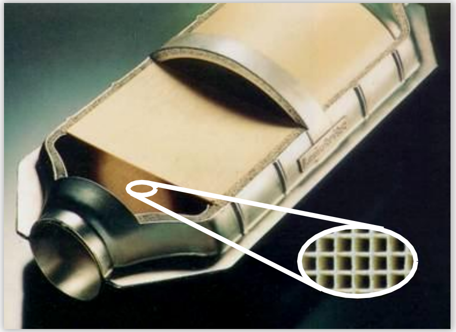


2011 Market Share > 35%

Mixed oxides production start-up in China : 2012

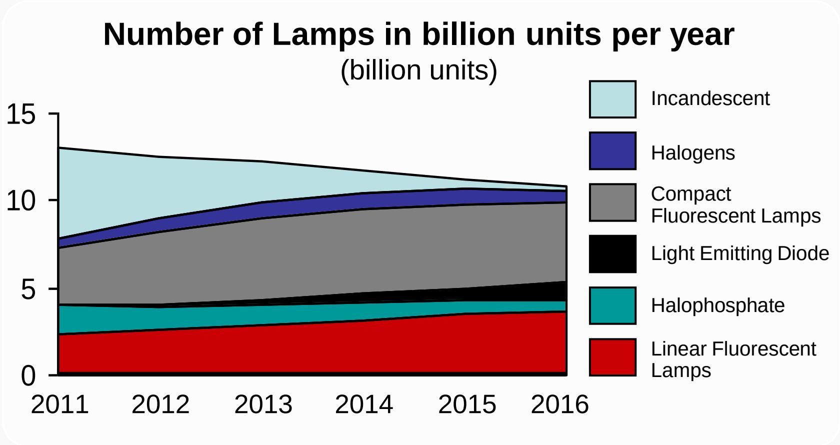
2016 Strategy

- Leverage high performance products and strong IP portfolio
- Global production footprint to support our global customers
- Asia, NA and EU R&D labs close to our customers development centers



Sources : JD Power, Internal analysis

Building leadership in Green and Red Phosphor precursor for Linear Fluorescent Lamps (LFL)

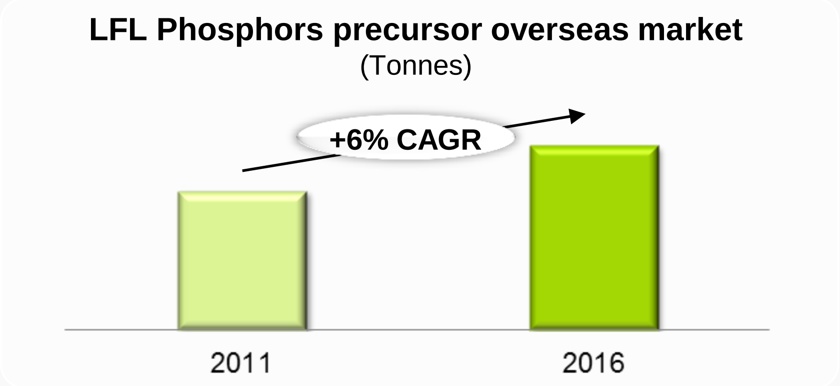


MARKET DRIVERS

Energy saving **regulations**

Replacement of halophosphates lamps

Recycling is key market trend



2011 Market Share > 20%

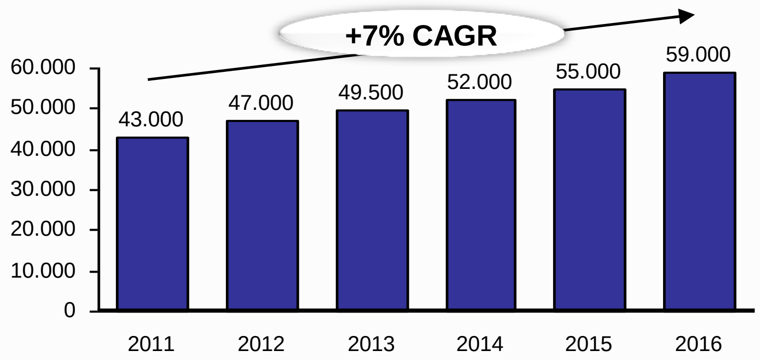
2016 Strategy

- Groundbreaking Morningstar® technology innovation reducing terbium consumption
- Unique Phosphors powders Recycling process
- Security of supply with our dual supply chain

Sources : Freedonia, Strategies unlimited, Internal analysis

Building leadership in semiconductor Chemical Mechanical Planarization (CMP)

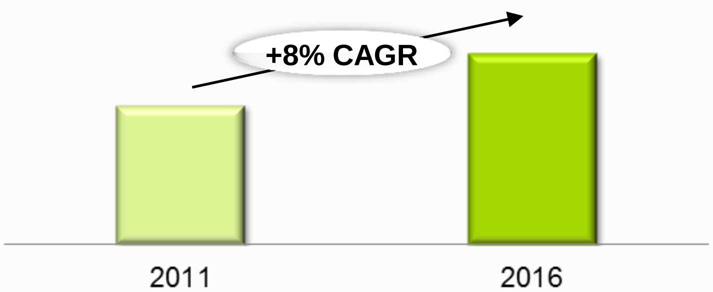
Produced wafer surface (8-Inch equivalents, x 1,000)



MARKET DRIVERS

Consumption of mobile devices & Miniaturization
Increasing **needs in memories and logics**
Strong **regional dynamics** in Korea and Japan

Specialty Ce market evolution
(Tonnes)



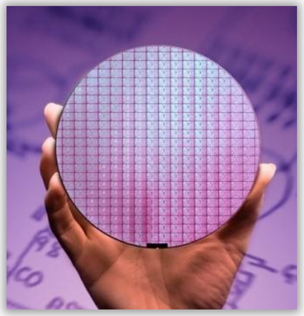
Sources : Gartner, Internal analysis

2011 Market Share > 40%

Cerium is the next generation technology compared to Silica

2016 Strategy

- Leverage groundbreaking Colloidal Cerium innovation and strong IP portfolio to drive business growth in Asia (namely Japan and Korea)
- Security of supply and high end manufacturing facilities for targeted customers



Leading rare earth recycling in selected market segments

Recycling initiatives

LINEAR and COMPACT FLUORESCENT LAMPS

New recycling business starting in 2012 in France

PERMANENT MAGNETS

NICKEL METAL HYBRID BATTERIES

The preferred partner for new Heavy Rare Earth mining separation project

Long track record in rare earth industry

Expertise in ore processing

Monazite, Xenotime, Apatite, Bastnasite, and Ionic ores
(Soda, Chloride, Nitrate and Sulfuric routes)

Expertise in rare earths separation

RES is the only player mastering the separation process with Nitrate and Chloride route. We have unique industrial footprint with separation assets in France and in China.

Industrial expertise and know-how, valued by mining companies allow us to develop upcoming heavy rare earths separation business

As from 2013, Rare earths separation batteries in La Rochelle (France)

3. Our growth ambition

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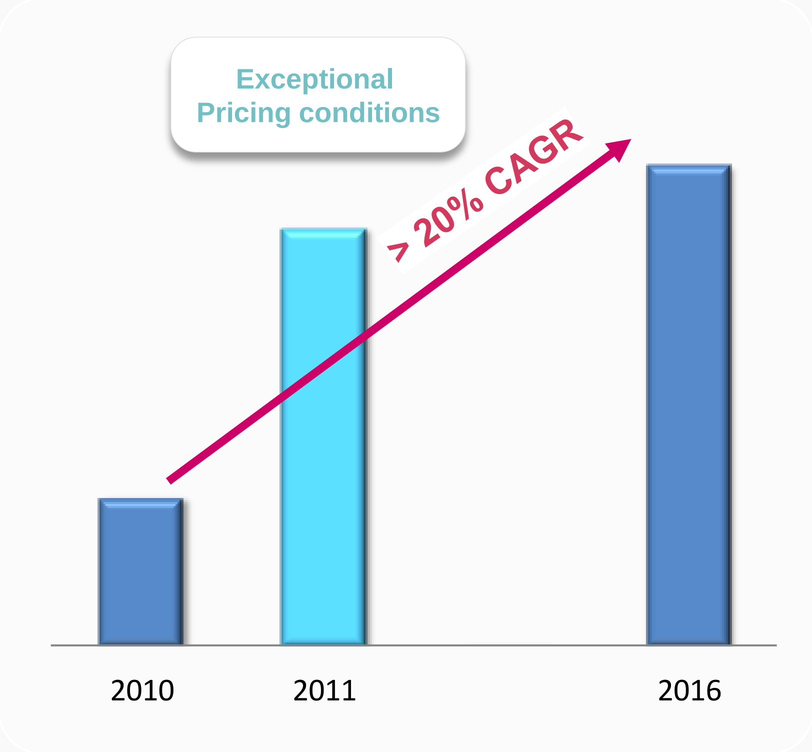
Committed to outperform market growth

- Recognized specialty chemical leader in the rare earth value chain
- Differentiated strengths in technology innovation, industrial expertise, global footprint and security of supply
- Strong business portfolio in high-tech high growth markets of Automotive Catalysis and Lighting & Electronics
- Moving aggressively in Recycling and Heavy Rare Earth separation

2010 - 2016 EBITDA



Appendix

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a Passion for Progress®

Where do the rare-earths stand in the Mendeleiev table?

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1 H 1.008																	2 He 4.003
3 Li 6.941	4 Be 9.012											5 B 10.811	6 C 12.011	7 N 14.007	8 O 15.999	9 F 18.998	10 Ne 20.180
11 Na 22.990	12 Mg 24.305											13 Al 26.981	14 Si 28.086	15 P 30.974	16 S 32.065	17 Cl 35.453	18 Ar 39.948
19 K 39.098	20 Ca 40.078	21 Sc 44.956	22 Ti 47.867	23 V 50.942	24 Cr 51.996	25 Mn 54.938	26 Fe 55.845	27 Co 58.933	28 Ni 58.693	29 Cu 63.546	30 Zn 65.409	31 Ga 69.723	32 Ge 72.641	33 As 74.922	34 Se 78.963	35 Br 79.904	36 Kr 83.798
37 Rb 85.468	38 Sr 87.621	39 Y 88.906	40 Zr 91.224	41 Nb 92.906	42 Mo 95.942	43 Tc [98]	44 Ru 101.072	45 Rh 102.906	46 Pd 106.421	47 Ag 107.868	48 Cd 112.412	49 In 114.818	50 Sn 118.711	51 Sb 121.760	52 Te 127.603	53 I 126.904	54 Xe 131.293
55 Cs 132.905	56 Ba 137.327	57-71	72 Hf 178.492	73 Ta 180.948	74 W 183.841	75 Re 186.207	76 Os 190.233	77 Ir 192.217	78 Pt 195.084	79 Au 196.966	80 Hg 200.592	81 Tl 204.383	82 Pb 207.21	83 Bi 208.980	84 Po [209]	85 At [210]	86 Rn [222]
87 Fr [223]	88 Ra [226]	89-103	104 Rf [261]	105 Db [262]	106 Sg [266]	107 Bh [264]	108 Hs [277]	109 Mt [268]	110 Ds [271]	111 Rg [272]							

Lanthanoids	57 La 138.905	58 Ce 140.116	59 Pr 140.908	60 Nd 144.242	61 Pm [145]	62 Sm 150.362	63 Eu 151.964	64 Gd 157.253	65 Tb 158.925	66 Dy 162.500	67 Ho 164.930	68 Er 167.259	69 Tm 168.934	70 Yb 173.043	71 Lu 174.967
Actinoids	89 Ac [227]	90 Th 232.038	91 Pa 231.036	92 U 238.029	93 Np [237]	94 Pu [244]	95 Am [243]	96 Cm [247]	97 Bk [247]	98 Cf [251]	99 Es [252]	100 Fm [257]	101 Md [258]	102 No [259]	103 Lr [262]

Light rare earths				Heavy rare earths										
57 La 138.91	58 Ce 140.12	59 Pr 140.91	60 Nd 144.24	62 Sm 150.36	63 Eu 151.96	64 Gd 157.25	65 Tb 158.93	66 Dy 162.5	67 Ho 164.93	68 Er 167.26	69 Tm 168.93	70 Yb 173.04	71 Lu 174.97	39 Y 88.906

La - Lanthanum
Ce - Cerium
Pr - Praseodymium
Nd - Neodymium
Sm - Samarium

Eu - Europium
Gd - Gadolinium
Tb - Terbium
Dy - Dysprosium
Ho - Holmium

Er - Erbium
Tm - Thulium
Yb - Ytterbium
Lu - Lutetium
Y - Yttrium

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