

## Solvay restates financial information and confirms 2014 outlook

### Highlights

- Eco Services reported as discontinued operations as of Q3 2014
- Updated allocation of shared Function costs to Global Business Units
- Growth outlook for 2014 confirmed

Brussels, October 9, 2014 --- Solvay publishes quarterly unaudited restated financial information for the first six months ended on June 30, 2014 and for the full year 2013, taking into account the upcoming sale of its U.S.-based Eco Services business.

On July 31, 2014 Solvay announced an agreement to sell its Eco Services' sulfuric acid virgin production and regeneration business to affiliates of CCMP Capital Advisors, LLC. The transaction should be completed in the fourth quarter of the year, with most closing conditions having been met at this stage. As a consequence, Solvay will report Eco as "Assets held for sale" and "Discontinued operations" as of the third quarter of this year.

Based on these changes, Solvay's consolidated REBITDA for 2013 and for the first six months of 2014 is restated at respectively € 1,611 million and € 911 million, compared to € 1,704 million and € 953 million reported before the discontinuation of Eco Services.

Following portfolio changes over the past two years, Solvay is also restating the segment information by updating the allocation of the shared Functions' services costs in its Corporate & Business Services ("CBS") unit to the Global Business Units. That reallocation primarily concerns unallocated residual costs that arise when the Group divests businesses, less savings that have been delivered. Cost reductions programs will continue to feature prominently in Solvay's excellence programs.

### Growth outlook for 2014 confirmed

Solvay reiterates its confidence that 2014 should show good operating performance, in line with its mid-term growth objectives. The Group confirms its guidance and expects high single-digit year-on-year REBITDA growth in 2014 at prevailing foreign exchange rates, based on the restated 2013 and 2014 reference periods.

For more information on the YTD 2014 and FY 2013 restated figures please click on the following link:

[HTTP://WWW.SOLVAY.COM/EN/INVESTORS/INDEX.HTML](http://www.solvay.com/en/investors/index.html)

Solvay aims to give, as much as possible, advance notice of future restatements. Apart from further changes in IFRS, the Group only expects significant future portfolio changes to impact the presentation of the results.

Solvay will publish its third-quarter 2014 earnings on November 13, 2014.

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As an international chemical group, [SOLVAY](#) assists industries in finding and implementing ever more responsible and value-creating solutions. Solvay generates 90% of its net sales in activities where it is among the world's top three players. It serves many markets, varying from energy and the environment to automotive and aeronautics or electricity and electronics, with one goal: to raise the performance of its clients and improve society's quality of life. The group is headquartered in Brussels, employs about 29,400 people in 56 countries and generated 9.9 billion euros in net sales in 2013. Solvay SA (**SOLB.BE**) is listed on **NYSE EURONEXT** in Brussels and Paris (Bloomberg: **SOLB:BB** - Reuters: **SOLB.BR**).

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Segment bridge (in € m)	As published FY 2013	Restate- ment FY 2013	Restated FY 2013	As published H1 2014	Restate- ment H1 2014	Restated H1 2014
<b>Net sales</b>	<b>10,003</b>	<b>(288)</b>	<b>9,715</b>	<b>5,192</b>	<b>(138)</b>	<b>5,054</b>
Advanced Formulations	2,432	-	2,432	1,388	-	1,388
Advanced Materials	2,551	-	2,551	1,329	-	1,329
Performance Chemicals	3,190	(288)	2,902	1,580	(138)	1,442
Functional Polymers	1,763	-	1,763	896	-	896
Corporate & Business Services	67	-	67	(1)	-	(1)
<b>REBITDA</b>	<b>1,704</b>	<b>(93)</b>	<b>1,611</b>	<b>953</b>	<b>(42)</b>	<b>911</b>
Advanced Formulations	369	(21)	347	221	(11)	210
Advanced Materials	646	(22)	624	362	(11)	351
Performance Chemicals	766	(84)	682	377	(37)	340
Functional Polymers	93	(4)	89	78	(2)	75
Corporate & Business Services	(169)	38	(131)	(85)	19	(66)

US-based Eco Services businesses to be reported under Assets Held for Sale and discontinued operations as from Q3 2014. For comparison purposes, 2013 and 2014 Income and Cash Flow Statements data are restated for Eco Services' business discontinuation as well as for the full reallocation of Function costs' balances from the Corporate & Business Services unit into the Global Business Units. Both set of data reflect the Group's application of IFRS 11.

Adjusted Income Statement performance indicators exclude non-cash Purchase Price Allocation (PPA) accounting impacts related to the Rhodia acquisition.

Segment review (in € m)	Restated Q1 2013	Restated Q2 2013	Restated H1 2013	Restated Q3 2013	Restated Q4 2013	Restated FY 2013	Restated Q1 2014	Restated Q2 2014	Restated H1 2014
<b>Net sales</b>	<b>2,449</b>	<b>2,508</b>	<b>4,957</b>	<b>2,395</b>	<b>2,364</b>	<b>9,715</b>	<b>2,488</b>	<b>2,566</b>	<b>5,054</b>
Advanced Formulations	609	599	1,208	581	644	2,432	663	725	1,388
Advanced Materials	639	659	1,298	651	603	2,551	658	670	1,329
Performance Chemicals	716	729	1,445	726	731	2,902	718	724	1,442
Functional Polymers	468	483	951	428	384	1,763	448	448	896
Corporate & Business Services	17	38	55	10	2	67	-	(1)	(1)
<b>REBITDA</b>	<b>405</b>	<b>414</b>	<b>818</b>	<b>418</b>	<b>375</b>	<b>1,611</b>	<b>448</b>	<b>463</b>	<b>911</b>
Advanced Formulations	108	86	194	72	82	347	97	113	210
Advanced Materials	150	155	305	164	155	624	170	181	351
Performance Chemicals	151	168	319	184	179	682	171	169	340
Functional Polymers	33	26	58	18	13	89	39	36	75
Corporate & Business Services	(37)	(21)	(58)	(19)	(54)	(131)	(29)	(37)	(66)
<b>REBITDA margin</b>	<b>16.5%</b>	<b>16.5%</b>	<b>16.5%</b>	<b>17.5%</b>	<b>15.8%</b>	<b>16.6%</b>	<b>18.0%</b>	<b>18.0%</b>	<b>18.0%</b>
Advanced Formulations	17.7%	14.4%	16.1%	12.3%	12.7%	14.3%	14.6%	15.6%	15.2%
Advanced Materials	23.5%	23.6%	23.5%	25.2%	25.7%	24.5%	25.8%	27.0%	26.4%
Performance Chemicals	21.1%	23.0%	22.0%	25.4%	24.6%	23.5%	23.8%	23.4%	23.6%
Functional Polymers	7.0%	5.3%	6.1%	4.1%	3.3%	5.0%	8.7%	8.1%	8.4%
Corporate & Business Services	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.

US-based Eco Services businesses to be reported under Assets Held for Sale and discontinued operations as from Q3 2014. For comparison purposes, 2013 and 2014 Income and Cash Flow Statements data are restated for Eco Services' business discontinuation as well as for the full reallocation of Function costs' balances from the Corporate & Business Services unit into the Global Business Units. Both set of data reflect the Group's application of IFRS 11.

Adjusted Income Statement performance indicators exclude non-cash Purchase Price Allocation (PPA) accounting impacts related to the Rhodia acquisition.

Income statement (adjusted) (in € m)	Restated Q1 2013	Restated Q2 2013	Restated H1 2013	Restated Q3 2013	Restated Q4 2013	Restated FY 2013	Restated Q1 2014	Restated Q2 2014	Restated H1 2014
<b>Sales</b>	<b>2,596</b>	<b>2,579</b>	<b>5,175</b>	<b>2,485</b>	<b>2,489</b>	<b>10,150</b>	<b>2,600</b>	<b>2,647</b>	<b>5,247</b>
Other non-core revenues	148	72	220	89	125	434	112	81	193
<b>Net sales</b>	<b>2,449</b>	<b>2,508</b>	<b>4,957</b>	<b>2,395</b>	<b>2,363</b>	<b>9,715</b>	<b>2,488</b>	<b>2,566</b>	<b>5,054</b>
Cost of goods sold	(1,999)	(1,963)	(3,962)	(1,921)	(1,961)	(7,844)	(1,980)	(1,994)	(3,974)
<b>Gross margin</b>	<b>598</b>	<b>616</b>	<b>1,214</b>	<b>563</b>	<b>528</b>	<b>2,305</b>	<b>620</b>	<b>653</b>	<b>1,273</b>
Commercial & administrative costs	(303)	(290)	(593)	(292)	(304)	(1,189)	(287)	(299)	(586)
Research & innovation costs	(55)	(66)	(121)	(61)	(56)	(238)	(57)	(62)	(119)
Other operating gains & losses	-	(8)	(8)	50	18	60	3	8	11
Earnings from associates & joint ventures accounted for using the equity method	16	12	28	3	3	34	(3)	20	17
<b>REBIT</b>	<b>256</b>	<b>264</b>	<b>520</b>	<b>264</b>	<b>188</b>	<b>972</b>	<b>275</b>	<b>320</b>	<b>595</b>
Non-recurring items	(40)	(97)	(137)	(33)	(68)	(239)	(30)	(46)	(76)
<b>EBIT</b>	<b>216</b>	<b>167</b>	<b>383</b>	<b>231</b>	<b>120</b>	<b>734</b>	<b>246</b>	<b>274</b>	<b>520</b>
Cost of borrowings	(46)	(45)	(91)	(45)	(53)	(190)	(55)	(36)	(91)
Interest on loans & short-term deposits	4	4	8	4	12	25	25	5	30
Other gains & losses on net indebtedness	(4)	1	(3)	(3)	5	(2)	(25)	(1)	(26)
Cost of discounting provisions	(37)	(13)	(50)	(16)	(21)	(87)	(43)	(43)	(86)
Income/loss from available-for-sale investments	-	2	2	-	38	40	-	-	-
<b>Result before taxes</b>	<b>133</b>	<b>115</b>	<b>248</b>	<b>171</b>	<b>101</b>	<b>521</b>	<b>148</b>	<b>199</b>	<b>347</b>
Income taxes	(52)	(13)	(65)	(62)	(81)	(209)	(47)	(59)	(106)
Result from continuing operations	81	102	183	109	20	312	100	140	240
Result from discontinued operations	20	60	80	20	9	110	20	(470)	(450)
<b>Net income</b>	<b>102</b>	<b>162</b>	<b>264</b>	<b>129</b>	<b>29</b>	<b>422</b>	<b>121</b>	<b>(331)</b>	<b>(210)</b>
Non-controlling interests	(16)	(14)	(30)	(11)	(3)	(44)	(14)	39	25
<b>Net income Solvay share</b>	<b>86</b>	<b>148</b>	<b>234</b>	<b>118</b>	<b>25</b>	<b>378</b>	<b>106</b>	<b>(292)</b>	<b>(186)</b>
Basic EPS from continuing operations (in €)	0.79	1.07	1.86	1.14	0.23	3.23	1.12	1.49	2.61
Basic EPS (in €)	1.03	1.79	2.82	1.42	0.30	4.54	1.28	(3.50)	(2.22)
Diluted EPS from continuing operations (in €)	0.78	1.06	1.84	1.12	0.23	3.20	1.11	1.47	2.58
Diluted EPS (in €)	1.02	1.76	2.78	1.41	0.30	4.50	1.27	(3.47)	(2.20)

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Income statement (IFRS) (in € m)	Restated Q1 2013	Restated Q2 2013	Restated H1 2013	Restated Q3 2013	Restated Q4 2013	Restated FY 2013	Restated Q1 2014	Restated Q2 2014	Restated H1 2014
<b>Sales</b>	<b>2,596</b>	<b>2,579</b>	<b>5,175</b>	<b>2,485</b>	<b>2,489</b>	<b>10,150</b>	<b>2,600</b>	<b>2,647</b>	<b>5,247</b>
Other non-core revenues	148	72	220	89	125	434	112	81	193
<b>Net sales</b>	<b>2,449</b>	<b>2,508</b>	<b>4,957</b>	<b>2,395</b>	<b>2,364</b>	<b>9,715</b>	<b>2,488</b>	<b>2,566</b>	<b>5,054</b>
Cost of goods sold	(1,999)	(1,963)	(3,962)	(1,921)	(1,961)	(7,844)	(1,980)	(1,994)	(3,974)
<b>Gross margin</b>	<b>598</b>	<b>616</b>	<b>1,214</b>	<b>563</b>	<b>528</b>	<b>2,305</b>	<b>620</b>	<b>653</b>	<b>1,273</b>
Commercial & administrative costs	(303)	(290)	(593)	(292)	(304)	(1,189)	(287)	(299)	(586)
Research & innovation costs	(55)	(66)	(121)	(61)	(57)	(238)	(57)	(62)	(119)
Other operating gains & losses	(32)	(56)	(88)	15	(9)	(83)	(25)	(20)	(45)
Earnings from associates & joint ventures accounted for using the equity method	16	12	28	3	3	34	(3)	20	17
<b>REBIT</b>	<b>224</b>	<b>216</b>	<b>440</b>	<b>229</b>	<b>161</b>	<b>830</b>	<b>248</b>	<b>292</b>	<b>540</b>
Non-recurring items	(40)	(97)	(137)	(33)	(68)	(239)	(30)	(46)	(76)
<b>EBIT</b>	<b>184</b>	<b>119</b>	<b>303</b>	<b>195</b>	<b>93</b>	<b>591</b>	<b>218</b>	<b>246</b>	<b>464</b>
Cost of borrowings	(46)	(45)	(91)	(45)	(54)	(190)	(55)	(36)	(91)
Interest on loans & short-term deposits	4	4	8	4	12	25	25	5	30
Other gains & losses on net indebtedness	(4)	1	(3)	(3)	5	(2)	(25)	(1)	(26)
Cost of discounting provisions	(37)	(13)	(50)	(16)	(21)	(87)	(43)	(43)	(86)
Income/loss from available-for-sale investments	-	2	2	-	38	40	-	-	-
<b>Result before taxes</b>	<b>102</b>	<b>67</b>	<b>169</b>	<b>136</b>	<b>73</b>	<b>378</b>	<b>121</b>	<b>172</b>	<b>293</b>
Income taxes	(42)	(3)	(45)	(52)	(73)	(170)	(38)	(52)	(90)
Result from continuing operations	59	64	123	83	2	209	83	119	202
Result from discontinued operations	20	59	79	19	8	106	19	(471)	(452)
<b>Net income</b>	<b>79</b>	<b>123</b>	<b>202</b>	<b>103</b>	<b>10</b>	<b>315</b>	<b>102</b>	<b>(352)</b>	<b>(250)</b>
Non-controlling interests	(16)	(14)	(30)	(11)	(3)	(44)	(14)	39	25
<b>Net income Solvay share</b>	<b>63</b>	<b>109</b>	<b>172</b>	<b>92</b>	<b>7</b>	<b>270</b>	<b>88</b>	<b>(313)</b>	<b>(225)</b>
Basic EPS from continuing operations (in €)	0.52	0.61	1.13	0.83	0.01	1.98	0.91	1.24	2.15
Basic EPS (in €)	0.75	1.31	2.06	1.11	0.08	3.25	1.05	(3.76)	(2.71)
Diluted EPS from continuing operations (in €)	0.52	0.60	1.12	0.82	0.01	1.96	0.90	1.23	2.13
Diluted EPS (in €)	0.75	1.30	2.05	1.09	0.08	3.23	1.05	(3.72)	(2.67)

US-based Eco Services businesses to be reported under Assets Held for Sale and discontinued operations as from Q3 2014. For comparison purposes, 2013 and 2014 Income and Cash Flow Statements data are restated. Both set of data reflect the Group's application of IFRS 11.

Adjusted Income Statement performance indicators exclude non-cash Purchase Price Allocation (PPA) accounting impacts related to the Rhodia acquisition.

Reconciliation between IFRS & adjusted data (in € m)	Restated Q1 2013	Restated Q2 2013	Restated H1 2013	Restated Q3 2013	Restated Q4 2013	Restated FY 2013	Restated Q1 2014	Restated Q2 2014	Restated H1 2014
<b>EBIT IFRS</b>	<b>184</b>	<b>119</b>	<b>303</b>	<b>195</b>	<b>93</b>	<b>591</b>	<b>218</b>	<b>246</b>	<b>464</b>
Non recurring items (-)	40	97	137	34	68	239	30	46	76
<b>REBIT IFRS</b>	<b>224</b>	<b>216</b>	<b>440</b>	<b>229</b>	<b>161</b>	<b>830</b>	<b>248</b>	<b>292</b>	<b>540</b>
Amortization of Rhodia PPA on fixed assets	32	48	80	35	27	142	27	28	55
<b>Adjusted REBIT</b>	<b>256</b>	<b>264</b>	<b>520</b>	<b>264</b>	<b>188</b>	<b>972</b>	<b>275</b>	<b>320</b>	<b>595</b>
IFRS depreciation & amortization (recurring) excluding Rhodia PPA	149	150	298	150	167	614	155	155	310
Adjustments of Chemlogics inventories at FV (PPA) & holdback payments	-	-	-	-	14	14	5	2	7
Equity Earnings Rusvinyl (pre-operational stage)	-	-	-	5	6	11	12	(13)	(1)
<b>REBITDA (key performance indicator monitored by management)</b>	<b>405</b>	<b>414</b>	<b>818</b>	<b>418</b>	<b>375</b>	<b>1,611</b>	<b>448</b>	<b>463</b>	<b>911</b>

US-based Eco Services businesses to be reported under Assets Held for Sale and discontinued operations as from Q3 2014. For comparison purposes, 2013 and 2014 Income and Cash Flow Statements data are restated. Both set of data reflect the Group's application of IFRS 11.

Adjusted Income Statement performance indicators exclude non-cash Purchase Price Allocation (PPA) accounting impacts related to the Rhodia acquisition.

Free cash flow (IFRS) (in € m)	Restated Q1 2013	Restated Q2 2013	Restated H1 2013	Restated Q3 2013	Restated Q4 2013	Restated FY 2013	Restated Q1 2014	Restated Q2 2014	Restated H1 2014
<b>Free cash flow</b>	<b>(11)</b>	<b>64</b>	<b>53</b>	<b>237</b>	<b>197</b>	<b>487</b>	<b>(97)</b>	<b>89</b>	<b>(8)</b>
From continuing operations	(144)	(6)	(150)	169	174	193	(166)	81	(85)
From discontinued operations	133	70	203	68	23	294	69	7	76

US-based Eco Services businesses to be reported under Assets Held for Sale and discontinued operations as from Q3 2014. For comparison purposes, 2013 and 2014 Income and Cash Flow Statements data are restated. Both set of data reflect the Group's application of IFRS 11.

Cash flow from discontinued operations (IFRS) (in € m)	Restated Q1 2013	Restated Q2 2013	Restated H1 2013	Restated Q3 2013	Restated Q4 2013	Restated FY 2013	Restated Q1 2014	Restated Q2 2014	Restated H1 2014
Cash flow from operating activities	149	111	260	101	68	429	99	34	133
Cash flow from investing activities	(16)	(41)	(57)	(32)	(44)	(133)	(30)	(27)	(57)
Cash flow from financing activities	2	2	4	(17)	(9)	(23)	(7)	(5)	(12)
<b>Net change in cash &amp; cash equivalents</b>	<b>134</b>	<b>72</b>	<b>206</b>	<b>52</b>	<b>15</b>	<b>273</b>	<b>63</b>	<b>3</b>	<b>65</b>

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