

Solvay restates 2015 and 2016 financial information following recent portfolio transformation steps

Brussels, January 17, 2017, 07:30 --- Solvay publishes today restated consolidated financial information for 2015 and the first nine months of 2016. The restatement reflects the reclassification of the Acetow and Vinythai businesses in discontinued operations following the recent announcement of their divestment.

Solvay announced in December 2016 the agreement to sell its cellulose acetate tow business Acetow for an enterprise value of about € 1 billion, as well as a definitive agreement to sell its 59% stake in its Asian PVC activity Vinythai for an enterprise, based on an enterprise value of € 435 million. These transactions are expected to close in the first half of 2017. The sale of the Latin American PVC activity Indupa, which was closed in December 2016, has no impact on the restatement as it had been discontinued previously.

The table below summarizes the changes to underlying^[1] pro forma^[2] key figures.

Underlying key figures (in € m)	2015 FY pro forma			2016 9M		
	As published	Restate-ment	Restated	As published	Restate-ment	Restated
Net sales	12,378	(962)	11,415	8,798	(680)	8,117
of which Performance Chemicals	3,052	(526)	2,526	2,228	(392)	1,837
of which Functional Polymers	1,926	(437)	1,490	1,367	(289)	1,078
EBITDA	2,336	(211)	2,125	1,918	(162)	1,756
of which Performance Chemicals	770	(142)	628	640	(112)	527
of which Functional Polymers	190	(49)	141	204	(34)	170
of which Corporate & Business Services	(225)	(20)	(245)	(138)	(15)	(153)
<i>EBITDA margin</i>	19%		19%	22%		22%
Capex	(1,160)	-	(1,160)	(679)	-	(679)
of which from continuing operations	(1,092)	35	(1,057)	(666)	25	(641)
<i>Cash conversion</i>	53%		50%	65%		63%
Free cash flow	492	-	492	464	-	464
of which from continuing operations	500	(106)	394	477	(104)	374

The net sales and EBITDA restatements in the Performance Chemicals and Functional Polymers segments reflect respectively the discontinuation of the Acetow and Vinythai businesses. The EBITDA restatements in the Corporate & Business Services segment result from residual costs that were previously allocated to these discontinued business activities. Cost reduction measures to absorb these residual costs will continue to feature prominently in Solvay's excellence programs.

The 2016 fourth quarter and full year results will be published on February 24 on this restated basis. The balance sheet will reflect Acetow and Vinythai assets and liabilities moved into assets held for sale and associated liabilities. The 2016 outlook for underlying EBITDA growth and free cash flow are unaffected by the restatements.

More detailed figures are provided in the following pages and comprise:

- Restated income statement, capex and free cash flow from continuing operations, as well as cash flow from discontinued operations per quarter, both on an IFRS basis and on an underlying pro forma basis;
- Restated net sales, EBITDA and EBIT per quarter, as well as capex for the full year 2015, on an underlying pro forma basis per segment;
- Reconciliation per quarter of “as published” figures with restated figures on an IFRS basis, on an IFRS pro forma basis and on an underlying pro forma basis. For reconciliation purposes the 2015 tables also includes the previously published impact from the Cytec acquisition, which is not affected by the restatements.

The restated IFRS full year 2015 figures have been audited. Other figures are provided on an unaudited basis, i.e. quarterly IFRS 2015 and 2016 figures, as well as 2015 pro-forma figures.

An excel version of the tables is provided on the Solvay website on:

http://www.solvay.com/en/investors/news_and_results/results/2016/index.html.

[1] Besides IFRS accounts, Solvay presents underlying income statement performance indicators to provide a more consistent and comparable indication of the Group's financial performance. These adjust IFRS figures for the non-cash Purchase Price Allocation (PPA) accounting impacts related to acquisitions, for the coupons of perpetual hybrid bonds, which are classified as dividends under IFRS but treated as financial charges in the underlying statements, and for other elements to produce a measure that would otherwise distort the analysis of the Group's underlying performance.

[2] Solvay presents pro forma financial information on an unaudited basis for 2015, as if the acquisition of Cytec had taken place on January 1, 2015. It combines Solvay's and Cytec's income and cash flow statements on a stand-alone basis, after alignment of accounting policies and purchase price allocation impacts (i.e. amortization of intangible fair value step-ups and recognition in cost of goods sold of the inventory fair value step-up). The pro forma information also takes into account the estimated additional financing costs related to the acquisition as well as the acquisition related costs. However, expected synergies have not been reflected.

Restated IFRS figures (in € m)	2015					2016		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Sales	2,534	2,551	2,580	2,419	10,083	2,827	2,820	2,823
of which revenues from non-core activities	117	106	112	131	467	121	106	126
of which net sales	2,416	2,445	2,467	2,287	9,615	2,706	2,714	2,697
Cost of goods sold	(1,896)	(1,863)	(1,906)	(1,851)	(7,517)	(2,112)	(2,016)	(2,008)
Gross margin	638	688	673	567	2,566	715	804	815
Commercial & administrative costs	(308)	(335)	(318)	(334)	(1,296)	(357)	(370)	(356)
Research & innovation costs	(65)	(69)	(65)	(72)	(271)	(77)	(76)	(72)
Other operating gains & losses	(7)	(21)	(37)	(19)	(84)	(80)	(32)	(52)
Earnings from associates & joint ventures	10	4	(21)	29	21	16	26	16
Result from portfolio management & reassessments	(10)	(32)	(57)	(106)	(205)	(135)	(7)	(18)
Result from legacy remediation & major litigations	(8)	(13)	(4)	(11)	(37)	(11)	(15)	(10)
EBITDA	434	409	368	276	1,486	442	588	576
Depreciation, amortization & impairments	(185)	(188)	(197)	(221)	(791)	(370)	(258)	(253)
EBIT	248	221	171	54	695	72	330	322
Net cost of borrowings	(35)	(36)	(30)	(44)	(146)	(62)	(57)	(56)
of which cost of borrowings	(28)	(26)	(24)	(30)	(108)	(52)	(49)	(43)
of which interest on lendings & deposits	2	2	2	3	9	3	3	2
of which other gains & losses on net indebtedness	(9)	(12)	(8)	(17)	(47)	(13)	(12)	(15)
Cost of discounting provisions	(24)	(22)	(17)	(6)	(69)	(31)	(28)	(27)
Result from available-for-sale financial assets	-	-	1	(9)	(8)	-	1	2
Profit for the period before taxes	189	163	125	(5)	472	(21)	247	241
Income taxes	(76)	(68)	(41)	116	(69)	7	(68)	(24)
Profit for the period from continuing operations	113	95	84	111	403	(14)	178	217
attributable to Solvay share	105	84	76	105	370	(17)	164	206
attributable to non-controlling interests	8	11	8	6	33	3	15	11
Profit for the period from discontinued operations	42	51	31	(73)	51	31	20	(28)
Profit for the period	155	146	115	38	454	17	198	189
attributable to Solvay share	140	125	103	37	406	15	185	176
attributable to non-controlling interests	15	21	12	-	48	1	14	13
Basic earnings per share (in €)	1.68	1.50	1.24	0.45	4.85	0.15	1.79	1.71
of which from continuing operations	1.27	1.01	0.92	1.25	4.42	(0.16)	1.58	1.99
Diluted earnings per share (in €)	1.67	1.49	1.24	0.44	4.81	0.15	1.78	1.70
of which from continuing operations	1.26	1.00	0.91	1.24	4.39	(0.16)	1.58	1.99
Capex	(261)	(240)	(231)	(304)	(1,037)	(218)	(218)	(242)
of which from continuing operations	(223)	(207)	(216)	(288)	(934)	(205)	(208)	(228)
Free cash flow	(344)	167	188	376	387	9	174	280
of which from continuing operations	(265)	86	137	327	285	(13)	136	251
Net change in cash and cash equivalents from discontinued operations	(99)	69	27	44	40	1	(21)	17
of which from operating activities	(41)	115	66	66	205	35	48	44
of which from investing activities	(37)	(34)	(15)	(17)	(103)	(12)	(42)	(15)
of which from financing activities	(21)	(13)	(24)	(6)	(63)	(22)	(27)	(12)

Restated underlying figures (in € m)	2015 pro forma					2016		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Sales	2,991	3,011	3,027	2,854	11,882	2,827	2,820	2,823
of which revenues from non-core activities	117	106	112	131	467	121	106	126
of which net sales	2,874	2,904	2,915	2,722	11,415	2,706	2,714	2,697
Cost of goods sold	(2,214)	(2,175)	(2,207)	(2,155)	(8,751)	(2,030)	(2,016)	(2,008)
Gross margin	777	835	820	698	3,131	797	804	816
Commercial & administrative costs	(353)	(377)	(358)	(372)	(1,459)	(342)	(357)	(343)
Research & innovation costs	(76)	(80)	(77)	(85)	(318)	(77)	(75)	(72)
Other operating gains & losses	15	-	(16)	2	1	(19)	23	5
Earnings from associates & joint ventures	10	8	13	13	44	12	20	18
EBITDA	545	562	565	453	2,125	551	599	607
EBITDA margin	19%	19%	19%	17%	19%	20%	22%	22%
Depreciation, amortization & impairments	(172)	(176)	(182)	(197)	(727)	(180)	(184)	(183)
EBIT	373	386	383	256	1,398	371	415	424
EBIT margin	13%	13%	13%	9.4%	12%	14%	15%	16%
Net cost of borrowings	(60)	(57)	(46)	(48)	(210)	(62)	(57)	(56)
Coupons on perpetual hybrid bonds	(28)	(28)	(28)	(28)	(112)	(28)	(28)	(28)
Interests and realized foreign exchange losses on RusVinyl (joint venture)	(6)	(6)	(10)	(5)	(27)	(8)	(5)	(9)
Cost of discounting provisions	(26)	(24)	(25)	(17)	(92)	(27)	(28)	(25)
Profit for the period before taxes	254	270	275	158	957	247	298	306
Income taxes	(79)	(87)	(86)	(48)	(300)	(73)	(87)	(76)
Tax rate	32%	32%	32%	32%	32%	30%	31%	26%
Profit for the period from continuing operations	175	183	189	110	657	174	211	230
attributable to Solvay share	162	173	182	102	618	166	197	218
attributable to non-controlling interests	14	10	8	8	39	8	14	12
Profit for the period from discontinued operations	48	54	37	36	175	28	29	32
Profit for the period	224	237	226	146	833	202	240	261
attributable to Solvay share	202	216	214	136	768	192	223	247
attributable to non-controlling interests	21	21	13	11	65	10	16	14
Basic earnings per share (in €)	1.95	2.08	2.06	1.31	7.40	1.85	2.16	2.40
of which from continuing operations	1.56	1.67	1.75	0.98	5.95	1.60	1.90	2.11
Diluted earnings per share (in €)	1.94	2.07	2.05	1.30	7.35	1.85	2.16	2.39
of which from continuing operations	1.55	1.66	1.74	0.97	5.91	1.60	1.90	2.10
Capex	(291)	(268)	(260)	(341)	(1,160)	(218)	(218)	(242)
of which from continuing operations	(253)	(235)	(245)	(324)	(1,057)	(205)	(208)	(228)
Cash conversion	54%	58%	57%	29%	50%	63%	65%	62%
Free cash flow	(358)	192	245	413	492	9	174	280
of which from continuing operations	(279)	113	196	364	394	(13)	136	251

Restated underlying figures

(in € m)	2015 pro forma					2016		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Net sales	2,874	2,904	2,915	2,722	11,415	2,706	2,714	2,697
Advanced Materials	1,108	1,138	1,167	1,091	4,503	1,082	1,082	1,072
Specialty Polymers	451	475	519	456	1,901	469	475	497
Composite Materials	300	297	293	279	1,169	282	277	253
Special Chem	229	234	226	223	912	218	214	211
Silica	127	131	129	134	521	113	115	112
Advanced Formulations	744	740	710	691	2,885	662	650	648
Novecare	503	482	466	443	1,895	421	400	403
Technology Solutions	157	163	155	156	631	158	165	162
Aroma Performance	84	95	89	91	360	82	85	83
Performance Chemicals	634	631	658	603	2,526	597	619	621
Soda Ash & Derivatives	384	385	403	382	1,554	374	397	398
Peroxides	136	134	152	136	558	137	135	134
Acetow	4	4	3	4	16	3	2	2
Coatis	110	108	100	81	398	82	85	87
Functional Polymers	387	395	377	331	1,490	361	362	355
Polyamide	375	383	368	322	1,448	351	351	354
Chlorovinyls	12	11	9	9	41	10	11	-
Corporate & Business Services	1	1	2	6	11	4	1	1
Energy Services	1	1	3	6	11	3	-	-
Other Corporate & Business Services	-	-	-	-	-	1	1	1
EBITDA	545	562	565	453	2,125	551	599	607
Advanced Materials	263	275	297	244	1,079	267	293	292
Advanced Formulations	135	139	130	118	522	122	124	114
Performance Chemicals	156	158	170	144	628	165	188	174
Functional Polymers	30	45	44	22	141	53	52	65
Corporate & Business Services	(40)	(55)	(76)	(75)	(245)	(56)	(58)	(39)
EBITDA margin	19%	19%	19%	17%	19%	20%	22%	22%
Advanced Materials	24%	24%	25%	22%	24%	25%	27%	27%
Advanced Formulations	18%	19%	18%	17%	18%	18%	19%	18%
Performance Chemicals	25%	25%	26%	24%	25%	28%	30%	28%
Functional Polymers	7.6%	11%	12%	6.7%	9.5%	15%	14%	18%
EBIT	373	386	383	256	1,398	371	415	424
Advanced Materials	200	213	224	160	798	199	222	227
Advanced Formulations	102	101	96	79	378	84	85	78
Performance Chemicals	118	119	131	102	470	127	149	133
Functional Polymers	9	24	23	2	58	34	32	41
Corporate & Business Services	(57)	(71)	(90)	(88)	(306)	(73)	(73)	(54)
Capex (continuing operations)	(253)	(235)	(245)	(324)	(1,057)	(205)	(208)	(228)
Advanced Materials					(415)			
Advanced Formulations					(225)			
Performance Chemicals					(242)			
Functional Polymers					(71)			
Corporate & Business Services					(104)			

Restatement Q1 2015 (in € m)	IFRS			IFRS Cytec impact	IFRS pro forma			Adjustments pro forma			Underlying pro forma		
	As published	Restate- ment	Restated		As published	Restate- ment	Restated	As published	Restate- ment	Restated	As published	Restate- ment	Restated
	A	b	C = A+b		E = A+d	f = b	G = C+d = E+f	h	i	j = h+i	K = E+h	l = f+i	M = K+l = G+j
Sales	2,764	(231)	2,534	457	3,222	(231)	2,991	-	-	-	3,222	(231)	2,991
of which net sales	2,646	(230)	2,416	457	3,104	(230)	2,874	-	-	-	3,104	(230)	2,874
Cost of goods sold	(2,084)	188	(1,896)	(399)	(2,483)	188	(2,295)	82	-	82	(2,402)	188	(2,214)
Gross margin	680	(43)	638	58	738	(43)	696	82	-	82	820	(43)	777
Commercial & administrative costs	(316)	7	(308)	(58)	(374)	7	(366)	14	-	14	(360)	7	(353)
Research & innovation costs	(67)	1	(65)	(11)	(78)	1	(76)	-	-	-	(78)	1	(76)
Other operating gains & losses	(11)	4	(7)	(35)	(46)	4	(42)	60	(3)	57	14	1	15
Earnings from associates & joint ventures	10	-	10	-	10	-	10	-	-	-	10	-	10
Result from portfolio management & reassessments	(11)	-	(10)	(130)	(141)	-	(141)	141	-	141	-	-	-
Result from legacy remediation & major litigations	(8)	-	(8)	-	(8)	-	(8)	8	-	8	-	-	-
EBITDA	481	(47)	434	(42)	439	(47)	392	153	-	153	592	(47)	545
Depreciation, amortization & impairments	(203)	18	(185)	(135)	(338)	18	(320)	151	(3)	149	(187)	15	(172)
EBIT	278	(29)	248	(177)	101	(29)	72	305	(3)	302	406	(32)	373
Net cost of borrowings	(36)	-	(35)	(28)	(64)	-	(64)	4	-	4	(60)	-	(60)
Coupons on perpetual hybrid bonds	-	-	-	-	-	-	-	(28)	-	(28)	(28)	-	(28)
Interests and realized foreign exchange losses on RusVinyl (joint venture)	-	-	-	-	-	-	-	(6)	-	(6)	(6)	-	(6)
Cost of discounting provisions	(25)	1	(24)	(2)	(27)	1	(26)	-	-	-	(27)	1	(26)
Result from available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period before taxes	217	(28)	189	(207)	10	(28)	(18)	275	(3)	272	285	(31)	254
Income taxes	(83)	7	(76)	55	(28)	7	(21)	(59)	1	(58)	(87)	8	(79)
Profit for the period from continuing operations	135	(21)	113	(152)	(18)	(21)	(39)	216	(2)	214	198	(23)	175
Profit for the period from discontinued operations	21	21	42	-	21	21	42	5	2	7	25	23	48
Profit for the period	155	-	155	(152)	3	-	3	221	-	221	224	-	224
attributable to Solvay share	140	-	140	(152)	(12)	-	(12)	214	-	214	202	-	202
attributable to non-controlling interests	15	-	15	-	15	-	15	6	-	6	21	-	21
Capex	(261)	-	(261)	(30)	(291)	-	(291)				(291)	-	(291)
of which from continuing operations	(234)	11	(223)	(30)	(264)	11	(253)				(264)	11	(253)
Free cash flow	(344)	-	(344)	(14)	(358)	-	(358)				(358)	-	(358)
of which from continuing operations	(269)	4	(265)	(14)	(283)	4	(279)				(283)	4	(279)
Net change in cash and cash equivalents from discontinued operations	(82)	(17)	(99)										
of which from operating activities	(47)	6	(41)										
of which from investing activities	(28)	(9)	(37)										
of which from financing activities	(8)	(13)	(21)										

Restatement Q2 2015 (in € m)	IFRS			IFRS Cytec impact	IFRS pro forma			Adjustments pro forma			Underlying pro forma		
	As published	Restate- ment	Restated		As published	Restate- ment	Restated	As published	Restate- ment	Restated	As published	Restate- ment	Restated
	A	b	C = A+b		E = A+d	f = b	G = C+d = E+f	h	i	j = h+i	K = E+h	L = f+i	M = K+L = G+j
Sales	2,782	(232)	2,551	460	3,242	(232)	3,011	-	-	-	3,242	(232)	3,011
of which net sales	2,675	(231)	2,445	460	3,135	(231)	2,904	-	-	-	3,135	(231)	2,904
Cost of goods sold	(2,060)	197	(1,863)	(313)	(2,373)	197	(2,176)	1	-	1	(2,372)	197	(2,175)
Gross margin	723	(35)	688	147	870	(35)	834	1	-	1	870	(35)	835
Commercial & administrative costs	(342)	8	(335)	(56)	(399)	8	(391)	14	-	14	(385)	8	(377)
Research & innovation costs	(71)	2	(69)	(11)	(82)	2	(80)	-	-	-	(82)	2	(80)
Other operating gains & losses	(24)	3	(21)	(36)	(60)	3	(57)	60	(3)	57	-	-	-
Earnings from associates & joint ventures	4	-	4	-	4	-	4	4	-	4	8	-	8
Result from portfolio management & reassessments	(32)	-	(32)	-	(33)	-	(32)	33	-	32	-	-	-
Result from legacy remediation & major litigations	(13)	-	(13)	(1)	(14)	-	(14)	14	-	14	-	-	-
EBITDA	449	(40)	409	100	549	(40)	509	54	-	53	603	(40)	562
Depreciation, amortization & impairments	(205)	18	(188)	(58)	(264)	18	(246)	72	(3)	70	(191)	15	(176)
EBIT	244	(22)	221	42	286	(22)	263	126	(3)	123	412	(25)	386
Net cost of borrowings	(35)	(1)	(36)	(26)	(61)	(1)	(63)	5	-	5	(56)	(1)	(57)
Coupons on perpetual hybrid bonds	-	-	-	-	-	-	-	(28)	-	(28)	(28)	-	(28)
Interests and realized foreign exchange losses on RusVinyl (joint venture)	-	-	-	-	-	-	-	(6)	-	(6)	(6)	-	(6)
Cost of discounting provisions	(23)	1	(22)	(2)	(25)	1	(24)	-	-	-	(25)	1	(24)
Result from available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period before taxes	185	(23)	163	14	199	(23)	176	97	(3)	94	296	(26)	270
Income taxes	(72)	4	(68)	-	(72)	4	(68)	(20)	1	(19)	(92)	5	(87)
Profit for the period from continuing operations	113	(19)	95	14	127	(19)	108	77	(2)	75	204	(21)	183
Profit for the period from discontinued operations	33	19	51	(1)	31	19	50	1	2	4	33	21	54
Profit for the period	146	-	146	12	158	-	158	78	-	78	237	-	237
attributable to Solvay share	125	-	125	12	138	-	138	78	-	78	216	-	216
attributable to non-controlling interests	21	-	21	-	21	-	21	-	-	-	21	-	21
Capex	(240)	-	(240)	(28)	(268)	-	(268)				(268)	-	(268)
of which from continuing operations	(215)	8	(207)	(28)	(243)	8	(235)				(243)	8	(235)
Free cash flow	167	-	167	25	192	-	192				192	-	192
of which from continuing operations	110	(24)	86	27	137	(24)	113				137	(24)	113
Net change in cash and cash equivalents from discontinued operations	48	21	69										
of which from operating activities	82	33	115										
of which from investing activities	(25)	(9)	(34)										
of which from financing activities	(9)	(3)	(13)										

Restatement Q3 2015 (in € m)	IFRS			IFRS Cytec impact	IFRS pro forma			Adjustments pro forma			Underlying pro forma		
	As published	Restate- ment	Restated		As published	Restate- ment	Restated	As published	Restate- ment	Restated	As published	Restate- ment	Restated
	A	b	C = A+b		E = A+d	f = b	G = C+d = E+f	h	i	j = h+i	K = E+h	L = f+i	M = K+L = G+j
Sales	2,827	(248)	2,580	447	3,275	(248)	3,027	-	-	-	3,275	(248)	3,027
of which net sales	2,714	(247)	2,467	447	3,162	(247)	2,915	-	-	-	3,162	(247)	2,915
Cost of goods sold	(2,098)	191	(1,906)	(301)	(2,398)	191	(2,207)	-	-	-	(2,398)	191	(2,207)
Gross margin	730	(56)	673	147	877	(56)	820	-	-	-	877	(56)	820
Commercial & administrative costs	(326)	8	(318)	(53)	(380)	8	(372)	14	-	14	(366)	8	(358)
Research & innovation costs	(67)	1	(65)	(12)	(78)	1	(77)	-	-	-	(78)	1	(77)
Other operating gains & losses	(39)	2	(37)	(36)	(76)	2	(73)	59	(2)	58	(16)	1	(16)
Earnings from associates & joint ventures	(21)	-	(21)	-	(21)	-	(21)	34	-	34	13	-	13
Result from portfolio management & reassessments	(57)	-	(57)	41	(16)	-	(16)	16	-	16	-	-	-
Result from legacy remediation & major litigations	(4)	-	(4)	(5)	(9)	-	(9)	9	-	9	-	-	-
EBITDA	428	(60)	368	136	564	(60)	504	61	(1)	61	625	(60)	565
Depreciation, amortization & impairments	(212)	15	(197)	(55)	(267)	15	(252)	71	(1)	70	(196)	14	(182)
EBIT	215	(44)	171	81	297	(44)	252	133	(2)	131	429	(46)	383
Net cost of borrowings	(30)	-	(30)	(21)	(51)	-	(51)	6	-	6	(45)	-	(46)
Coupons on perpetual hybrid bonds	-	-	-	-	-	-	-	(28)	-	(28)	(28)	-	(28)
Interests and realized foreign exchange losses on RusVinyl (joint venture)	-	-	-	-	-	-	-	(10)	-	(10)	(10)	-	(10)
Cost of discounting provisions	(18)	1	(17)	(2)	(20)	1	(19)	(6)	-	(6)	(26)	1	(25)
Result from available-for-sale financial assets	-	1	1	-	-	1	1	-	(1)	(1)	-	-	-
Profit for the period before taxes	167	(42)	125	58	225	(42)	183	95	(3)	92	320	(45)	275
Income taxes	(49)	8	(41)	1	(48)	8	(40)	(47)	1	(46)	(95)	9	(86)
Profit for the period from continuing operations	118	(34)	84	60	178	(34)	144	48	(2)	46	226	(37)	189
Profit for the period from discontinued operations	(3)	34	31	-	(3)	34	31	4	2	6	-	37	37
Profit for the period	115	-	115	60	175	-	175	52	-	52	226	-	226
attributable to Solvay share	103	-	103	60	163	-	163	51	-	51	214	-	214
attributable to non-controlling interests	12	-	12	-	12	-	12	1	-	1	13	-	13
Capex	(231)	-	(231)	(29)	(260)	-	(260)				(260)	-	(260)
of which from continuing operations	(223)	7	(216)	(29)	(252)	7	(245)				(252)	7	(245)
Free cash flow	188	-	188	57	245	-	245				245	-	245
of which from continuing operations	181	(44)	137	59	240	(44)	196				240	(44)	196
Net change in cash and cash equivalents from discontinued operations	(2)	29	27										
of which from operating activities	14	52	66										
of which from investing activities	(8)	(8)	(15)										
of which from financing activities	(9)	(15)	(24)										

Restatement Q4 2015 (in € m)	IFRS			IFRS Cytec impact	IFRS pro forma			Adjustments pro forma			Underlying pro forma		
	As published	Restate- ment	Restated		As published	Restate- ment	Restated	As published	Restate- ment	Restated	As published	Restate- ment	Restated
	A	b	C = A+b		E = A+d	f = b	G = C+d = E+f	h	i	j = h+i	K = E+h	l = f+i	M = K+l = G+j
Sales	2,674	(255)	2,419	435	3,109	(255)	2,854	-	-	-	3,109	(255)	2,854
of which net sales	2,542	(255)	2,287	435	2,977	(255)	2,722	-	-	-	2,977	(255)	2,722
Cost of goods sold	(2,048)	196	(1,851)	(304)	(2,352)	196	(2,156)	-	-	-	(2,352)	196	(2,155)
Gross margin	626	(59)	567	131	757	(59)	698	-	-	-	757	(59)	698
Commercial & administrative costs	(343)	8	(334)	(53)	(396)	8	(388)	15	-	15	(381)	8	(372)
Research & innovation costs	(73)	1	(72)	(13)	(86)	1	(85)	-	-	-	(86)	1	(85)
Other operating gains & losses	(24)	6	(19)	(35)	(60)	6	(54)	60	(4)	56	-	1	2
Earnings from associates & joint ventures	29	-	29	-	29	-	29	(16)	-	(16)	13	-	13
Result from portfolio management & reassessments	(108)	2	(106)	83	(25)	2	(23)	25	(2)	23	-	-	-
Result from legacy remediation & major litigations	(11)	-	(11)	1	(10)	-	(10)	10	-	10	-	-	-
EBITDA	338	(62)	276	175	513	(62)	451	2	(1)	2	515	(63)	453
Depreciation, amortization & impairments	(242)	21	(221)	(63)	(305)	21	(285)	93	(6)	87	(212)	15	(197)
EBIT	96	(41)	54	112	208	(41)	167	95	(6)	89	303	(48)	256
Net cost of borrowings	(45)	1	(44)	(14)	(59)	1	(58)	10	-	10	(49)	1	(48)
Coupons on perpetual hybrid bonds	-	-	-	-	-	-	-	(28)	-	(28)	(28)	-	(28)
Interests and realized foreign exchange losses on RusVinyl (joint venture)	-	-	-	-	-	-	-	(5)	-	(5)	(5)	-	(5)
Cost of discounting provisions	(7)	1	(6)	(2)	(9)	1	(8)	(9)	-	(9)	(18)	1	(17)
Result from available-for-sale financial assets	(7)	(1)	(9)	-	(7)	(1)	(9)	7	1	9	-	-	-
Profit for the period before taxes	36	(41)	(5)	96	133	(41)	92	71	(5)	66	204	(46)	158
Income taxes	106	9	116	(22)	84	9	94	(142)	1	(142)	(58)	10	(48)
Profit for the period from continuing operations	143	(31)	111	74	217	(31)	185	(71)	(4)	(75)	145	(35)	110
Profit for the period from discontinued operations	(105)	31	(73)	-	(105)	31	(73)	106	4	110	1	35	36
Profit for the period	38	-	38	74	112	-	112	34	-	34	146	-	146
attributable to Solvay share	37	-	37	74	112	-	112	24	-	24	136	-	136
attributable to non-controlling interests	-	-	-	-	-	-	-	10	-	10	11	-	11
Capex	(304)	-	(304)	(36)	(341)	-	(341)				(341)	-	(341)
of which from continuing operations	(297)	10	(288)	(36)	(333)	10	(324)				(333)	10	(324)
Free cash flow	376	-	376	36	413	-	413				413	-	413
of which from continuing operations	369	(42)	327	37	406	(42)	364				406	(42)	364
Net change in cash and cash equivalents from discontinued operations	1	43	44										
of which from operating activities	15	51	66										
of which from investing activities	(7)	(10)	(17)										
of which from financing activities	(7)	1	(6)										

Restatement FY 2015 (in € m)	IFRS			IFRS Cytec impact	IFRS pro forma			Adjustments pro forma			Underlying pro forma		
	As published	Restate- ment	Restated		As published	Restate- ment	Restated	As published	Restate- ment	Restated	As published	Restate- ment	Restated
	A	b	C = A+b		E = A+d	f = b	G = C+d = E+f	h	i	j = h+i	K = E+h	l = f+i	M = K+l = G+j
Sales	11,047	(965)	10,083	1,800	12,847	(965)	11,882	-	-	-	12,847	(965)	11,882
of which net sales	10,578	(962)	9,615	1,800	12,378	(962)	11,415	-	-	-	12,378	(962)	11,415
Cost of goods sold	(8,289)	772	(7,517)	(1,317)	(9,606)	772	(8,834)	83	-	83	(9,523)	772	(8,751)
Gross margin	2,759	(193)	2,566	482	3,241	(193)	3,048	83	-	83	3,324	(193)	3,131
Commercial & administrative costs	(1,327)	32	(1,296)	(221)	(1,548)	32	(1,517)	57	-	57	(1,491)	32	(1,459)
Research & innovation costs	(277)	6	(271)	(47)	(324)	6	(318)	-	-	-	(324)	6	(318)
Other operating gains & losses	(99)	14	(84)	(144)	(242)	14	(228)	240	(11)	229	(2)	4	1
Earnings from associates & joint ventures	21	-	21	-	21	-	21	22	-	22	43	-	44
Result from portfolio management & reassessments	(208)	3	(205)	(7)	(215)	3	(212)	215	(3)	212	-	-	-
Result from legacy remediation & major litigations	(37)	-	(37)	(4)	(41)	-	(41)	41	-	41	-	-	-
EBITDA	1,695	(209)	1,486	370	2,066	(209)	1,857	270	(2)	268	2,336	(211)	2,125
Depreciation, amortization & impairments	(863)	71	(791)	(311)	(1,174)	71	(1,103)	388	(12)	376	(786)	59	(727)
EBIT	833	(138)	695	59	892	(138)	754	658	(14)	644	1,550	(152)	1,398
Net cost of borrowings	(146)	-	(146)	(90)	(235)	-	(235)	25	-	25	(210)	-	(210)
Coupons on perpetual hybrid bonds	-	-	-	-	-	-	-	(112)	-	(112)	(112)	-	(112)
Interests and realized foreign exchange losses on RusVinyl (joint venture)	-	-	-	-	-	-	-	(27)	-	(27)	(27)	-	(27)
Cost of discounting provisions	(73)	4	(69)	(8)	(81)	4	(77)	(14)	-	(14)	(95)	4	(92)
Result from available-for-sale financial assets	(8)	-	(8)	-	(8)	-	(8)	8	-	8	-	-	-
Profit for the period before taxes	606	(134)	472	(39)	568	(134)	434	538	(14)	524	1,105	(148)	957
Income taxes	(97)	28	(69)	34	(63)	28	(35)	(268)	3	(265)	(331)	31	(300)
Profit for the period from continuing operations	509	(106)	403	(5)	504	(106)	399	270	(11)	259	774	(117)	657
Profit for the period from discontinued operations	(55)	106	51	(1)	(56)	106	50	115	11	126	59	117	175
Profit for the period	454	-	454	(6)	448	-	448	385	-	385	833	-	833
attributable to Solvay share	406	-	406	(6)	400	-	400	368	-	368	768	-	768
attributable to non-controlling interests	48	-	48	-	48	-	48	17	-	17	65	-	65
Capex	(1,037)	-	(1,037)	(123)	(1,160)	-	(1,160)				(1,160)	-	(1,160)
of which from continuing operations	(969)	35	(934)	(123)	(1,092)	35	(1,057)				(1,092)	35	(1,057)
Free cash flow	387	-	387	105	492	-	492				492	-	492
of which from continuing operations	391	(106)	285	109	500	(106)	394				500	(106)	394
Net change in cash and cash equivalents from discontinued operations	(36)	76	40										
of which from operating activities	64	141	205										
of which from investing activities	(68)	(35)	(103)										
of which from financing activities	(33)	(30)	(63)										

Restatement Q1 2016

(in € m)

	IFRS			Adjustments			Underlying		
	As published	Restatement	Restated	As published	Restatement	Restated	As published	Restatement	Restated
	A	b	C = A+b	d	e	f = d+e	G = A+d	h = b+e	I = G+h = C+f
Sales	3,052	(224)	2,827	-	-	-	3,052	(224)	2,827
of which net sales	2,930	(224)	2,706	-	-	-	2,930	(224)	2,706
Cost of goods sold	(2,290)	178	(2,112)	82	-	82	(2,208)	178	(2,030)
Gross margin	762	(47)	715	82	-	82	844	(47)	797
Commercial & administrative costs	(366)	9	(357)	14	-	14	(351)	9	(342)
Research & innovation costs	(78)	1	(77)	-	-	-	(78)	1	(77)
Other operating gains & losses	(82)	3	(80)	63	(3)	60	(19)	-	(19)
Earnings from associates & joint ventures	16	-	16	(4)	-	(4)	12	-	12
Result from portfolio management & reassessments	(135)	-	(135)	135	-	135	-	-	-
Result from legacy remediation & major litigations	(11)	-	(11)	11	-	11	-	-	-
EBITDA	492	(50)	442	109	-	109	602	(51)	551
Depreciation, amortization & impairments	(387)	17	(370)	193	(3)	190	(194)	14	(180)
EBIT	105	(33)	72	302	(3)	299	408	(37)	371
Net cost of borrowings	(62)	-	(62)	-	-	-	(62)	-	(62)
Coupons on perpetual hybrid bonds	-	-	-	(28)	-	28	(28)	-	(28)
Interests and realized foreign exchange losses on RusVinyl (joint venture)	-	-	-	(8)	-	8	(8)	-	(8)
Cost of discounting provisions	(32)	1	(31)	4	-	4	(28)	1	(27)
Result from available-for-sale financial assets	-	-	-	-	-	-	-	-	-
Profit for the period before taxes	11	(32)	(21)	271	(3)	268	282	(35)	247
Income taxes	-	6	7	(80)	1	(80)	(80)	7	(73)
Profit for the period from continuing operations	11	(26)	(14)	190	(2)	188	202	(28)	174
Profit for the period from discontinued operations	5	26	31	(5)	2	(3)	-	28	28
Profit for the period	17	-	17	185	-	185	202	-	202
attributable to Solvay share	15	-	15	177	-	177	192	-	192
attributable to non-controlling interests	1	-	1	9	-	9	10	-	10
Capex	(218)	-	(218)				(218)	-	(218)
of which from continuing operations	(213)	8	(205)				(213)	8	(205)
Free cash flow	9	-	9				9	-	9
of which from continuing operations	26	(39)	(13)				26	(39)	(13)
Net change in cash and cash equivalents from discontinued operations	(25)	26	1				(25)	26	1
of which from operating activities	(11)	46	35				(11)	46	35
of which from investing activities	(5)	(7)	(12)				(5)	(7)	(12)
of which from financing activities	(9)	(13)	(22)				(9)	(13)	(22)

Restatement Q2 2016

(in € m)

	IFRS			Adjustments			Underlying		
	As published	Restatement	Restated	As published	Restatement	Restated	As published	Restatement	Restated
	A	b	C = A+b	d	e	f = d+e	G = A+d	h = b+e	I = G+h = C+f
Sales	3,053	(234)	2,820	-	-	-	3,053	(234)	2,820
of which net sales	2,946	(233)	2,714	-	-	-	2,946	(233)	2,714
Cost of goods sold	(2,200)	184	(2,016)	-	-	-	(2,200)	184	(2,016)
Gross margin	854	(49)	804	-	-	-	853	(49)	804
Commercial & administrative costs	(380)	10	(370)	13	-	13	(367)	10	(357)
Research & innovation costs	(77)	1	(76)	1	-	1	(77)	1	(75)
Other operating gains & losses	(34)	3	(32)	58	(3)	55	23	-	23
Earnings from associates & joint ventures	26	-	26	(5)	-	(5)	20	-	20
Result from portfolio management & reassessments	(7)	-	(7)	7	-	7	-	-	-
Result from legacy remediation & major litigations	(15)	-	(15)	15	-	15	-	-	-
EBITDA	641	(53)	588	11	-	11	652	(53)	599
Depreciation, amortization & impairments	(275)	17	(258)	76	(3)	74	(199)	15	(184)
EBIT	366	(36)	330	87	(3)	84	453	(38)	415
Net cost of borrowings	(58)	1	(57)	-	-	-	(58)	1	(57)
Coupons on perpetual hybrid bonds	-	-	-	(28)	-	28	(28)	-	(28)
Interests and realized foreign exchange losses on RusVinyl (joint venture)	-	-	-	(5)	-	5	(5)	-	(5)
Cost of discounting provisions	(29)	1	(28)	-	-	-	(29)	1	(28)
Result from available-for-sale financial assets	1	-	1	(1)	-	(1)	-	-	-
Profit for the period before taxes	281	(34)	247	53	(3)	51	334	(37)	298
Income taxes	(75)	7	(68)	(19)	1	(18)	(94)	8	(87)
Profit for the period from continuing operations	205	(27)	178	34	(2)	32	240	(29)	211
Profit for the period from discontinued operations	(7)	27	20	7	2	9	-	29	29
Profit for the period	198	-	198	41	-	41	240	-	240
attributable to Solvay share	185	-	185	39	-	39	223	-	223
attributable to non-controlling interests	14	-	14	2	-	2	16	-	16
Capex	(218)	-	(218)				(218)	-	(218)
of which from continuing operations	(215)	7	(208)				(215)	7	(208)
Free cash flow	174	-	174				174	-	174
of which from continuing operations	174	(38)	136				174	(38)	136
Net change in cash and cash equivalents from discontinued operations	(8)	(13)	(21)				(8)	(13)	(21)
of which from operating activities	3	45	48				3	45	48
of which from investing activities	(3)	(39)	(42)				(3)	(39)	(42)
of which from financing activities	(8)	(19)	(27)				(8)	(19)	(27)

Restatement Q3 2016

(in € m)

	IFRS			Adjustments			Underlying		
	As published	Restatement	Restated	As published	Restatement	Restated	As published	Restatement	Restated
	A	b	C = A+b	d	e	f = d+e	G = A+d	h = b+e	I = G+h = C+f
Sales	3,048	(225)	2,823	-	-	-	3,048	(225)	2,823
of which net sales	2,921	(224)	2,697	-	-	-	2,921	(224)	2,697
Cost of goods sold	(2,181)	173	(2,008)	1	-	1	(2,181)	173	(2,008)
Gross margin	867	(52)	815	1	-	1	868	(52)	816
Commercial & administrative costs	(365)	9	(356)	13	-	13	(352)	9	(343)
Research & innovation costs	(74)	1	(72)	1	-	1	(73)	1	(72)
Other operating gains & losses	(54)	2	(52)	60	(3)	58	6	(1)	5
Earnings from associates & joint ventures	16	-	16	2	-	2	18	-	18
Result from portfolio management & reassessments	(20)	2	(18)	20	(2)	18	-	-	-
Result from legacy remediation & major litigations	(10)	-	(10)	10	-	10	-	-	-
EBITDA	632	(56)	576	33	(2)	31	664	(58)	607
Depreciation, amortization & impairments	(271)	18	(253)	73	(3)	71	(198)	15	(183)
EBIT	360	(38)	322	106	(5)	102	466	(42)	424
Net cost of borrowings	(56)	-	(56)	-	-	-	(56)	-	(56)
Coupons on perpetual hybrid bonds	-	-	-	(28)	-	28	(28)	-	(28)
Interests and realized foreign exchange losses on RusVinyl (joint venture)	-	-	-	(9)	-	9	(9)	-	(9)
Cost of discounting provisions	(28)	1	(27)	2	-	2	(26)	1	(25)
Result from available-for-sale financial assets	2	-	2	(2)	-	(2)	-	-	-
Profit for the period before taxes	278	(36)	241	70	(5)	65	348	(41)	306
Income taxes	(33)	8	(24)	(53)	1	(52)	(86)	10	(76)
Profit for the period from continuing operations	245	(28)	217	16	(3)	13	261	(32)	230
Profit for the period from discontinued operations	(56)	28	(28)	56	3	59	-	32	32
Profit for the period	189	-	189	72	-	72	261	-	261
attributable to Solvay share	176	-	176	71	-	71	247	-	247
attributable to non-controlling interests	13	-	13	1	-	1	14	-	14
Capex	(242)	-	(242)				(242)	-	(242)
of which from continuing operations	(238)	10	(228)				(238)	10	(228)
Free cash flow	280	-	280				280	-	280
of which from continuing operations	277	(26)	251				277	(26)	251
Net change in cash and cash equivalents from discontinued operations	(6)	23	17				(6)	23	17
of which from operating activities	7	36	44				7	36	44
of which from investing activities	(4)	(11)	(15)				(4)	(11)	(15)
of which from financing activities	(9)	(3)	(12)				(9)	(3)	(12)

GLOSSARY

Adjustments: Adjustments made to IFRS results for elements distorting comparability over time of the Group underlying performance. These adjustments consist of:

- Results from portfolio management and reassessments,
- Results from legacy remediation and major litigations,
- M&A related impacts, mainly including non-cash Purchase Price Acquisition impacts (e.g. inventory step-up and amortization of intangibles) and retention bonuses relative to Chemlogics and other acquisitions,
- Net financial results related to changes in discount rates, hyperinflation, coupons of hybrid bonds considered as dividends under IFRS and debt management impacts (mainly including gains/(losses) related to the early repayment of debt),
- Adjustments of equity earnings for impairment gains or losses and unrealized foreign exchange gains or losses on debt,
- Results from available-for-sale financial assets,
- Tax effects related to the items listed above and tax expense or income of prior years.
- All adjustments listed above apply to both continuing and discontinuing operations, and include the impacts on non-controlling interests.

Basic earnings per share: Net income (Solvay's share) divided by the weighted average number of shares, after deducting own shares purchased to cover stock option programs.

Capital expenditure (capex): Cash paid for the acquisition of tangible and intangible assets

Cash conversion: (EBITDA + capex from continuing operations) / EBITDA

Diluted earnings per share: Net income (Solvay's share) divided by the weighted average number of shares adjusted for the effects of dilution.

Discontinued operations: Component of the Group which the Group has disposed of or which is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

EBIT: Earnings before interest and taxes.

EBITDA: earnings before interest and taxes, depreciation and amortization.

Free cash flow: Cash flow from operating activities (including dividends from associates and joint ventures and excluding cash flow related to acquisitions of subsidiaries) and Cash flow from investing activities (excluding acquisitions and disposals of subsidiaries and other investments and excluding loans to associates and non-consolidated investments).

IFRS: International Financial Reporting Standards.

Leverage ratio: Net financial debt / underlying EBITDA of last 12 months.

Net cost of borrowings: cost of borrowings netted with interest on lendings and short-term deposits, as well as other gains (losses) on net indebtedness

Net debt: Non-current financial debt + current financial debt – cash & cash equivalents – other financial instrument receivables.

Net financial charges: net cost of borrowings, costs of discounting provisions (namely, related to post-employment benefits and HSE liabilities) and income / loss from available-for-sale financial assets.

Net sales: Sales of goods and value added services corresponding to Solvay's know-how and core business. Net sales exclude other revenues primarily comprising commodity and utility trading transactions and other revenue deemed as incidental by the Group.

PPA: Purchase Price Allocation (PPA) accounting impacts related to acquisitions, primarily for Rhodia and Cytec.

Result from legacy remediation and major litigations: It includes:

- The remediation costs not generated by on-going production facilities (shut-down of sites, discontinued activities, previous years' pollution), and
- The impact of significant litigations.

Results from portfolio management and reassessments: It includes:

- Gains and losses on the sale of subsidiaries, joint operations, joint ventures, and associates that do not qualify as discontinued operations; Acquisition costs of new businesses;
- Gains and losses on the sale of real estate not directly linked to an operating activity;
- Major restructuring charges;
- Impairment losses resulting from the shutdown of an activity or a plant; and
- Impairment losses resulting from testing of CGUs.

It excludes non-cash accounting impact from amortization and depreciation resulting from the purchase price allocation (PPA) from acquisitions.

Revenue from non-core activities: Revenues primarily comprising commodity and utility trading transactions and other revenue deemed as incidental by the Group, considered to not correspond to Solvay's know-how and core business.

Tax rate: Income taxes / (Result before taxes – Earnings from associates & joint ventures – interests & realized foreign exchange results on RusVinyl joint venture). The adjustment of the denominator regarding associates and joint ventures is made as these contributions are already net of income taxes.

Underlying: Underlying results are deemed to provide a more comparable indication of Solvay's fundamental performance over the reference periods. They are defined as the IFRS figures adjusted for the "Adjustments" as defined above.

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An international chemical and advanced materials company, Solvay assists its customers in innovating, developing and delivering high-value, sustainable products and solutions which consume less energy and reduce CO2 emissions, optimize the use of resources and improve the quality of life. Solvay serves diversified global end markets, including automotive and aerospace, consumer goods and healthcare, energy and environment, electricity and electronics, building and construction as well as industrial applications. Solvay is headquartered in Brussels with about 30,900 employees spread across 53 countries. It generated pro forma net sales of €11.4 bn in 2015, with 90% made from activities where it ranks among the world's top 3 players. Solvay SA ([SOLB.BE](#)) is listed on Euronext in Brussels and Paris (Bloomberg: [SOLB.BB](#) - Reuters: [SOLB.BR](#)).

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