Q1 2014 results

May 6, 2014
Encouraging start to the year

Demand momentum translating into volume growth
- Across end-user markets
- Growth in Asia continued
- Sound dynamics in North America, but affected by extreme weather conditions
- Modest demand pick-up in Europe
- Latin America below its potential

Excellence programs delivering
- Pricing power increased overcoming forex headwinds
- Fixed-cost inflation largely offset

Forex headwinds and one-offs partly weighed on performance

Strong set of results
REBITDA & margin expansion
Structural projects progressing

**European Chlorovinyls**

**JV with Ineos / Benvic disposal**
- JV with Ineos
  - Remediation package market tested
  - Awaiting approval from EU anti-trust authorities by 16 May 2014
- Benvic sale agreement signed, completion expected in H1

**Indupa** *(Latin American PVC)*

**Sale to Braskem**
- Awaiting approval from Brazilian anti-trust authorities before YE 2014

**Polyamide**

**Renewed JV agreement with Invista**
- Providing long-term JV frame
- Most advanced technology upgrade in butadiene-based ADN plant
- Enhanced flexibility for mid-term strategic developments

**Eco Services** *(US sulphuric acid)*

**Strategic options being explored**
- Progressing well
Strong set of results

Q1 2014 financial highlights

**€ 2.6 bn**
Net Sales
- Volume growth
- Chemlogics contribution

**+1% yoy**

**€ 467 m**
REBITDA
- Transactional forex headwinds
- Excellence enhancing pricing power and margin

**+11% yoy**

**€ 107 m**
Net Income
Adjusted, Group share
- Lower non-recurring costs

**+24% yoy**

**€ (97) m**
FCF
- Higher finance costs linked to one offs
- Underlying tax rate at 33%

**€ (11) m in 2013**
- In line with seasonal patterns
Demand and excellence momentum underpinning REBITDA growth

**Net Sales**

<table>
<thead>
<tr>
<th>Q1 2013</th>
<th>Q1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope</td>
<td>2,516</td>
</tr>
<tr>
<td>Volume</td>
<td>96</td>
</tr>
<tr>
<td>Conversion forex</td>
<td>(107)</td>
</tr>
<tr>
<td>Price</td>
<td>(18)</td>
</tr>
<tr>
<td>1%</td>
<td>2,552</td>
</tr>
</tbody>
</table>

**REBITDA**

<table>
<thead>
<tr>
<th>Q1 2013</th>
<th>Q1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope</td>
<td>422</td>
</tr>
<tr>
<td>Volume</td>
<td>28</td>
</tr>
<tr>
<td>Conversion forex</td>
<td>36</td>
</tr>
<tr>
<td>Price</td>
<td>(18)</td>
</tr>
<tr>
<td>Variable costs</td>
<td>22</td>
</tr>
<tr>
<td>Fixed costs</td>
<td>(5)</td>
</tr>
<tr>
<td>Others (including equity earnings)</td>
<td>(3)</td>
</tr>
<tr>
<td>Net pricing € 4 m</td>
<td>467</td>
</tr>
</tbody>
</table>

**REBITDA margin**

- Q1 2013: 16.8%
- Q1 2014: 18.3%

**Good volume growth despite temporary extreme weather and industrial incidents**

**Forex headwinds primarily from USD, JPY, BRL and various emerging countries' currencies**

**Pricing power thanks to portfolio, underpinned by excellence initiatives, and despite adverse transactional currency effects of € (11) m**

**Fixed cost inflation largely mitigated by excellence initiatives**
Solid markets and strong Chemlogics delivery, but weather and forex weighed

Record performance boosted by innovation-driven volume growth and operational efficiency

Improved operational efficiency and pricing drove earnings growth, supported by demand

Pricing power and excellence programs underpinning earnings growth

* Excluding Corporate & Business Services
Adjusted* Net Income (Group share) increased by 24%

<table>
<thead>
<tr>
<th>in € m</th>
<th>Q1 2014</th>
<th>Q1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>2,552</td>
<td>2,516</td>
</tr>
<tr>
<td>REBITDA</td>
<td>467</td>
<td>422</td>
</tr>
<tr>
<td>Other elements</td>
<td>(17)</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>(160)</td>
<td>(154)</td>
</tr>
<tr>
<td>REBIT</td>
<td>290</td>
<td>268</td>
</tr>
<tr>
<td>Non-recurring items</td>
<td>(30)</td>
<td>(40)</td>
</tr>
<tr>
<td>EBIT</td>
<td>260</td>
<td>228</td>
</tr>
<tr>
<td>Net financial charges</td>
<td>(98)</td>
<td>(83)</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(52)</td>
<td>(56)</td>
</tr>
<tr>
<td>Result from discontinued operations</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>Net income</td>
<td>121</td>
<td>101</td>
</tr>
<tr>
<td>Net income Solvay share</td>
<td>107</td>
<td>86</td>
</tr>
</tbody>
</table>

Other elements
- € (12) m at Rusvinyl (pre-operational): Ruble devaluation effect on debt
- € (5) m at Chemlogics: PPA inventories + holdback payments

Non-recurring costs
- Restructuring costs of € (5) m, significantly down on 2013

Net financial charges
- Net charges on debt decreased due to improved Balance Sheet, but one-off negative linked to settlement of interest rate swaps € (19)m
- Discounting costs for environmental provisions up € (6) m as rates down 50 bp in Europe

Income taxes
- Tax rate of 32%
  (33% underlying excluding non recurring elements)

* Adjusted: Excluding non-cash PPA accounting impacts related to the Rhodia acquisition
Net debt increase in line with seasonal patterns

Net debt* evolution in € m

<table>
<thead>
<tr>
<th>31/12/2013</th>
<th>31/03/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>FCF € (97) m</td>
<td>(1,459)</td>
</tr>
<tr>
<td>264</td>
<td>62</td>
</tr>
<tr>
<td>(166)</td>
<td>(3)</td>
</tr>
<tr>
<td>(257)</td>
<td>(112)</td>
</tr>
<tr>
<td>Capex</td>
<td>Dividends</td>
</tr>
<tr>
<td>Change in industrial working capital</td>
<td>Other changes in net debt</td>
</tr>
<tr>
<td>Other changes in net debt attributable to assets held for sale</td>
<td>(41)</td>
</tr>
<tr>
<td>(257)</td>
<td>(14)</td>
</tr>
<tr>
<td>(3)</td>
<td>(1,459)</td>
</tr>
<tr>
<td>(166)</td>
<td>(41)</td>
</tr>
<tr>
<td>(257)</td>
<td>(14)</td>
</tr>
<tr>
<td>(3)</td>
<td>(1,459)</td>
</tr>
<tr>
<td>REBITDA, provisions &amp; other operating cash flow</td>
<td>FCF of disc ops</td>
</tr>
<tr>
<td>Capex</td>
<td>Change in industrial working capital</td>
</tr>
</tbody>
</table>

Seasonal working capital uptake
High concentration of financial interest payments
Interim dividend payment

* Net debt excludes hybrid bonds of € 1.2 bn booked as equity
Seasonal swing in industrial working capital needs

Historical figures restated for consolidation changes (including IFRS 11)

- Uplift in demand
- Industrial cycle

Average 2013: 14.6%

Target: 12.5%-13.5%
Selective investments for value growth

**Capex (continuing operations)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2013</th>
<th>2014</th>
<th>Upper range of guidance</th>
<th>700-800</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4</td>
<td>133</td>
<td>166</td>
<td>765</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>154</td>
<td></td>
<td>320</td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td>158</td>
<td></td>
<td>158</td>
<td></td>
</tr>
<tr>
<td>Q1</td>
<td></td>
<td></td>
<td>133</td>
<td></td>
</tr>
</tbody>
</table>

**Growth engines**

- Resilient & cyclical businesses
- 2/3
- 1/3

**Focused on superior growth areas**

- Advanced Formulations
- Advanced Materials
- Performance Chemicals

- Specialty surfactants
- HDS Silica
- Vanillin
- Fluoro-polymers
- Bicarbonate
- Alkoxylation

**2014-2016 Guidance**

- Q1: 765
- Q2: 158
- Q3: 154
- Q4: 320

**Upper range of guidance 2014-2016**

**2013 guidance**

- 133
- 166
- 765

**Q4 Capex (continuing operations)**

In € m

- 765
- 320
- 158
- 154
- 133

**Q1 Capex (continuing operations)**

In € m

- 166

**Q2 Capex (continuing operations)**

In € m

- 154

**Q3 Capex (continuing operations)**

In € m

- 158

**Q4 guidance**

In € m

- 765

**Q3 guidance**

In € m

- 320

**Q2 guidance**

In € m

- 158

**Q1 guidance**

In € m

- 154

**2013 guidance**

In € m

- 133

**2014 guidance**

In € m

- 166

**2015 guidance**

In € m

- 765

**2016 guidance**

In € m

- 320

**Q4**

- Q3
- Q2
- Q1
Larger on-going investment projects

<table>
<thead>
<tr>
<th>2014</th>
<th>Novecare</th>
<th>Specialty Surfactants plant in Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Aroma Performance</td>
<td>Vanillin plant in China</td>
</tr>
<tr>
<td></td>
<td>Specialty Polymers</td>
<td>Fluoro-polymers JV with 3F</td>
</tr>
<tr>
<td></td>
<td>Silica</td>
<td>HDS plant in Poland 85 ktonnes/year</td>
</tr>
<tr>
<td></td>
<td>Rusvinyl*</td>
<td>PVC plant in Russia (in JV with Sibur) 330 ktonnes/year</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2015</th>
<th>Novecare</th>
<th>Large-scale alkoxylation plant in Texas, USA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Specialty Polymers</td>
<td>Fluoro-polymers plant in China</td>
</tr>
<tr>
<td></td>
<td>Peroxide</td>
<td>HPPO plant in Saudi Arabia 300 ktonnes/year</td>
</tr>
<tr>
<td></td>
<td>Soda Ash &amp; Derivatives</td>
<td>Bicarbonate plant in Thailand 100 ktonnes/year</td>
</tr>
</tbody>
</table>

* Reported as equity investment
A sound and more efficient balance sheet

Capital structure (31/03/2014) in € bn

- Gross debt (3.1)
- Other (0.5) HX bonds (0.8)
- Major LT debt (1.8)
- Equity 6.3
- Hybrid bond 1.2
- Total equity 7.5
- Net debt (1.5)
- Cash & cash equivalents 1.7

Strong credit ratios (31/03/2014)

- Gearing (Net debt / Equity) 20%
- Leverage (Net debt / REBITDA) 0.83x

Optimising Balance Sheet efficiency in € bn

- HY bonds (0.8)
- Major LT debt (2.3)
- Other (0.5)

Total repayments (1.8)

- Gross debt 31/12/2013
- 2014
- 2015
- (3.6)
- (0.3) 6.9%, May 2014
- (0.5) 7.0%, May 2014
- (0.5) 5.0%, January 2014
- (1.3)
- (0.5) 5.0%, June 2015

Repayments in 2014-2015 → € 1.8 bn

Early redemption of high-yield (HY) bonds

⇒ Average interest rate reduced by 40 bp to 4.9%
⇒ Cost of carry halved to € (50) m by 2015
Encouraging Q1 underpins confidence

Solvay expects high single-digit REBITDA* growth at current perimeter & prevailing forex exchange rates

* Compared to 2013 restated Adjusted REBITDA of € 1,704 m
Transformation continues

2014 Priorities

- Complete initiated portfolio upgrades
- Grow with our customers
- Sustain focus on excellence
- Deliver profit growth

Asking more from chemistry
Take-aways

Inflection point in demand
Progress on many fronts
Poised for growth

On track towards

REBITDA to reach € 2.3 – 2.5 bn
REBITDA margin to reach 18%
2016

CFROI to increase by > 100 bp vs 2013*
2/3 of businesses in value-creation zone

* Prior to discontinued operations
Safe harbour

To the extent that any statements made in this presentation contain information that is not historical, these statements are essentially forward-looking. The achievement of forward-looking statements contained in this presentation is subject to risks and uncertainties because of a number of factors, including general economic factors, interest rate and foreign currency exchange rate fluctuations; changing market conditions, product competition, the nature of product development, impact of acquisitions and divestitures, restructurings, products withdrawals; regulatory approval processes, all-in scenario of R&D projects and other unusual items.

Consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements can be identified by the use of words such as "expects," "plans," "will," "believes," "may," "could" "estimates," "intends", "goals", "targets", "objectives", "potential", and other words of similar meaning. Should known or unknown risks or uncertainties materialize, or should our assumptions prove inaccurate, actual results could vary materially from those anticipated. The Company undertakes no obligation to publicly update any forward-looking statements.
Annexes

- Additional financial elements
- 2016 ambitions
- Segment presentation
## Balance sheet

<table>
<thead>
<tr>
<th>in € m</th>
<th>31/03/2014</th>
<th>31/12/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td>9,676</td>
<td>9,732</td>
</tr>
<tr>
<td>Investment &amp; shares</td>
<td>727</td>
<td>735</td>
</tr>
<tr>
<td>Loans &amp; other non current financial receivables / payables</td>
<td>98</td>
<td>84</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>1,713</td>
<td>1,621</td>
</tr>
<tr>
<td>Taxes payable/receivable + Others</td>
<td>41</td>
<td>44</td>
</tr>
<tr>
<td>Working capital</td>
<td>1,537</td>
<td>1,259</td>
</tr>
<tr>
<td><strong>Total invested capital</strong></td>
<td><strong>13,792</strong></td>
<td><strong>13,475</strong></td>
</tr>
<tr>
<td>Equity</td>
<td>7,455</td>
<td>7,453</td>
</tr>
<tr>
<td>Provisions</td>
<td>3,894</td>
<td>3,820</td>
</tr>
<tr>
<td>Dividends</td>
<td>2</td>
<td>112</td>
</tr>
<tr>
<td>Net financial debt</td>
<td>1,460</td>
<td>1,142</td>
</tr>
<tr>
<td>Liabilities related to assets held for sale</td>
<td>984</td>
<td>949</td>
</tr>
<tr>
<td><strong>Total financing</strong></td>
<td><strong>13,792</strong></td>
<td><strong>13,475</strong></td>
</tr>
</tbody>
</table>

## Cash flow statement

<table>
<thead>
<tr>
<th>in € m</th>
<th>Q1 2014</th>
<th>Q1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>97</td>
<td>145</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>(222)</td>
<td>(169)</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>(653)</td>
<td>(167)</td>
</tr>
<tr>
<td><strong>Net change in cash &amp; cash equivalents</strong></td>
<td>(778)</td>
<td>(190)</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>(2)</td>
<td>18</td>
</tr>
<tr>
<td>Opening cash balance</td>
<td>1,972</td>
<td>1,787</td>
</tr>
<tr>
<td><strong>Ending cash balance</strong></td>
<td><strong>1,193</strong></td>
<td><strong>1,614</strong></td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>(97)</td>
<td>(11)</td>
</tr>
<tr>
<td>From continuing operations</td>
<td>(158)</td>
<td>(131)</td>
</tr>
<tr>
<td>From discontinued operations</td>
<td>62</td>
<td>120</td>
</tr>
</tbody>
</table>
Lower rates led to slight pension liability increase

Net pension liability denominated for 75% in EUR

Discount rates decreased

<table>
<thead>
<tr>
<th></th>
<th>31/12/2013</th>
<th>31/03/2014</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>3.25%</td>
<td>3.00%</td>
<td>-0.25%</td>
</tr>
<tr>
<td>GBP</td>
<td>4.50%</td>
<td>4.25%</td>
<td>-0.25%</td>
</tr>
<tr>
<td>USD</td>
<td>4.75%</td>
<td>4.75%</td>
<td>-</td>
</tr>
<tr>
<td>Weighted average</td>
<td>3.88%</td>
<td>3.66%</td>
<td>-0.22%</td>
</tr>
</tbody>
</table>

Pension assets of € 1,936 m at YE
- 50% Equities / Diversified alternative funds
- 50% Bonds / Real estate

Cash contribution* in Q1 2014 of € (40) m (€ (186) m in FY 2013)

* Includes discontinued operations
P&L considerations for 2014

Forex (conversion and transactional)
- Negative currency impact foreseen of € (65) m, assuming Q1 2014 average spot rates prevail
- Mainly linked to USD, JPY and BRL

Carbon emission rights
- Carbon Emission Rights (CER) scheme phased out in H1 2013
- Total sales of CERs: € 58 m in H1 2013 (€ 14 m in Q1, € 44 m in Q2)

Rusvinyl ramp-up (PVC JV in Russia)
- Planned commissioning and subsequent ramp-up in H2
- Pre-operational charges linked to ruble devaluation impact on JV debt: Q1 2014 → € (12) m
**Financial charges considerations for 2014**

<table>
<thead>
<tr>
<th>Debt repayments</th>
<th>€ 500 m in January 2014</th>
<th>€ 800 m in May 2014 (call option on high-yield bonds 2018)</th>
<th>€ 500 m in June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>• € 1.3 bn in 2014</td>
<td>• € 1.8 bn by 2015</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Lead to a reduction of net interest charges**

- Average gross interest rate to reduce by 40 bp to 4.9%
- Cost of carry to halve

**Discounting costs on provisions, at YE 2013 rates**

- Environmental provisions: ~ € 30 m with additional charges of € (6)m in Q1 from rates decrease (50 bp in EU)
- Pensions: ~ € 100 m
Hybrid bond issuance enhances equity

Nominal value of €1.2 bn, at initial average dividend yield of 4.7%

- €0.7 bn at 4.199%
- €0.5 bn at 5.425%

Accounting considerations:

- Income statement: No impact
- Balance sheet: Treated under Equity
- Cash flow statement: Dividends treated in cash flow from financing activities
Other considerations for 2014

**Depreciation & Amortization**
- Recurring Depreciation & Amortization: ~€ 650 m
- Rhodia PPA impact: ~€ 120 m

**Restructuring costs expected to be about half 2013 level of € (120) m**

**Underlying tax rate progressing from mid to low 30s over 2014-2016**

**Discontinued operations, expected to reach completion in 2014**
- Indupa sale to generate ~ € (60) m* currency translation adjustments at deal closing
- Chlorovinyls JV with Ineos will be treated as recurring equity investment upon JV effectiveness

---

* Situation as of 31/03/2014
Annexes

• Additional financial elements
• 2016 ambitions
• Segment presentation
Solvay, a major global chemical player

Based on strengths

- **€ 10.0 bn** Net Sales
- **€ 1.7 bn** REBITDA
- **17%** REBITDA margin
- **€ 378 m** Adjusted Net Income, Group share

Well-balanced geographical spread and end-user markets

Leading player in 90% of our businesses

Strong R&I portfolio

And with ambition

117 Industrial sites
15 Major R&I centers
29,400 Employees (EFTEs)
56 Country presence

Restated for IFRS 11 application as from 01/01/2014
Adjusted: Excluding non-cash PPA accounting impacts related to the Rhodia acquisition

2013 figures

Non-financial figures exclude discontinued operations, except for employees
Well-balanced geographical spread and end-user markets

Balanced geographic exposure*

North America 25%
Europe 33%
Latin America 11%
Asia Pacific & RoW 31%

Exposure to higher growth end-markets*

Aeronautics & Automotive 17%
Consumer Goods & Healthcare 25%
Agro Food 12%
Energy & Environment 11%
Building & Construction 10%
Electrical & Electronics 6%
Industrial Applications 19%

* Figures represent % of 2013 net sales (pro-forma Chemlogics)
## 90% of our business ranking among top 3 players

<table>
<thead>
<tr>
<th>1</th>
<th>ADVANCED FORMULATIONS</th>
<th>Specialty surfactants</th>
<th>Diphenols</th>
<th>Phosphorus chemistry</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PERFORMANCE CHEMICALS</td>
<td>Hydrogen peroxide</td>
<td>Soda ash</td>
<td>Bicarbonate</td>
</tr>
<tr>
<td></td>
<td>ADVANCED MATERIALS</td>
<td>High-performance</td>
<td>Fluorinated polymers</td>
<td>Rare earth formulations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>engineering polymers</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>&amp; compounds</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FUNCTIONAL POLYMERS</td>
<td>PA 6.6 polymers &amp;</td>
<td>Cellulose acetate fiber</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>intermediates</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>PA 6.6 engineering</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>plastics</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q1 2014 results
06/05/2014
Strong innovation portfolio aligned with global megatrends

Focused innovation fields

- Advanced materials
- Eco-processes
- Organic electronics
- Sustainable energy
- Renewable chemistry
- Health & well being
- Climate change
- Resource scarcity
- Next billion consumers

2013

- 15 Major R&I sites worldwide
- 1,950 R&I staff
- €280 m R&I efforts
- 22% New sales ratio
- 252 Patents filed
Converting vision into value

**Our vision**
- Build a **strong global leader** in the chemical industry
- Be a model of **sustainable chemistry**
- Become a **high growth, less capital intensive & high return** Group

**Our strategy**
- Reinforcing business profile through strategic portfolio changes
- Striving for excellence across businesses
- Innovating to create sustainable solutions
- Transforming company culture with a focus on performance

**Our 2016 ambition**
- **REBITDA** to reach €2.3 - 2.5 bn
  - **REBITDA margin** to reach 18%
- **CFROI** to increase by >100 bp vs 2013
  - 2/3rd of businesses in value-creation zone
- Being a **model of sustainability**
  - Reducing our impact on environment
A business portfolio change

Executing our strategic action plan

2010
Pharma divestiture

2011
Rhodia acquisition

2012
Integration & definition of new strategic priorities
Alignment of corporate & business structure
Renew management and people model

2013
Chlorovinyls Europe JV announcement
Solvent Indupa divestiture
Chemlogics acquisition

To enhance our business profile

Value creation potential of industry segment

Solvay's ability to extract value

Solvay YE 2013
Chemlogics
Chemical industry

Solvay YE 2012

GROW
ENHANCE
RESTORE
EXIT

Solvay businesses

LAUNCHING EXCELLENCE INITIATIVES

Polyamide breakthrough performance improvement plan
Soda Ash breakthrough performance improvement plan

Solvay
YE 2013

Chemlogics

Solvay YE 2012

Chemical industry
REBITDA growth supported by strong operational levers

**REBITDA** in € bn

- **2013**: 1.7* (Chemlogics (10 months))
- **2016e**: 2.3 – 2.5

**REBITDA margin**

- **2013**: 17%
- **2016e**: 18%

**Inflation**

- (0.3)

**Operational excellence**

- 0.3

**Organic growth**

- 0.3 (Market growth)

**Innovation**

- 0.3

**Portfolio**

- 0.7

**Manufacturing Excellence**

- 0.3

**Excellence programs**

- 0.7

**Variable & fixed cost reductions**

- 0.3

**Overall Equipment Efficiency**

- 0.3

**Commercial Excellence**

- 0.3

**Purchasing, supply & other efficiencies**

- 0.3

**Innovation Excellence**

- 0.7

**Market growth**

- 0.3

**Portfolio**

- 0.7

**REBITDA growth in € bn**

- > 10% CAGR

---

* Restated for IFRS 11 application as from 01/01/2014
Chemlogics consolidated for 2 months

Q1 2014 results
06/05/2014
Enhanced quality of earnings across segments with differentiated levers throughout our businesses

Enhanced quality of earnings across segments with differentiated levers throughout our businesses

Double digit growth
Maintaining low capital intensity

> 10% CAGR
Mid-single digit growth
Enhancing sustainable cash generation

Restoring profitability
Double digit growth
Delivering high capital returns

REBITDA in € bn

2013
Chemlogics (10 months)
Advanced Formulations
Advanced Materials
Performance Chemicals
Functional Polymers
Corporate & Business Services

2016e

“Growth engines” to increase size in portfolio

52%
>60%

* Restated for IFRS 11 application as from 01/01/2014
Chemlogics consolidated for 2 months

Q1 2014 results
06/05/2014
Unlocking value by increasing CFROI and REBITDA margin

2012
- CFROI to increase by 100bp
- REBITDA margin to reach 18%

2016
- 2/3rd of total assets

GBUs Solvay

Bubble Size indicates REBITDA (in € bn)

CFROI = \frac{REBITDA - \text{Rec. Capex} - \text{Tax}}{\text{Gross assets} + \text{Working Capital}}

Premium return = WACC + 150bp
Focused on being a model of sustainability taking commitments

Reach excellence in safety & health

Deploy unmatched sustainable portfolio management

Reduce our impact on environment by 2020

- Energy consumption: -10%
- Greenhouse gas emissions
- Groundwater consumption
- Air emission*: -20%
- Water emissions**: -20%
- Sustainable water management***: 100%

- Manage risk
- Develop rich & balanced social dialogue

Providing sustainable solutions
Executing a clear value creation strategy

Towards a higher growth, improved cash generation & enhanced returns
Chemical Group

Targeting Sustainable Value Growth
Annexes

- Additional financial elements
- 2016 ambitions
- Segment presentation
Organization set-up

Executive Committee

Strengthened

Advanced Formulations
Advanced Materials
Performance Chemicals
Functional Polymers
Corporate & Business Services

Strategic priorities

Growth engines
Resilient cash flow generation
Restoring profitability
Efficient Support

REBITDA growth

+++ +++ + +
++ ++ + +
+ ++ ++ +
++ +++ ++ +

REBITDA margin

+++ +++ + +
+++ +++ + +
+++ +++ + +
+++ +++ + +

Capital intensity

+++ +++ + +
++ ++ ++ +
++ +++ ++ +
++ +++ ++ +

R&D drive

+++ +++ + +
+++ +++ + +
+++ +++ + +
+++ +++ + +

Customer-centric  Empowered  Entrepreneurial  Result-oriented

Q1 2014 results
06/05/2014
Net Sales

€ 2,432 m  € 2,551 m  € 3,189 m  € 1,763 m  € 67 m

REBITDA

€ 369 m  € 646 m  € 766 m  € 93 m  € (169) m

REBITDA margin

15%  25%  24%  5%  n.m.

* Restated for IFRS 11 application as from 01/01/2014
As one of Solvay’s growth engines, the businesses grouped under Advanced Formulations stand out for their innovation capacity and low capital intensity. Their offerings address major societal trends, meeting ever stricter requirements to respect the environment, save energy and challenges of the mass consumer markets.
Advanced Formulations 2014 Q1 performance
Solid markets and strong Chemlogics delivery but weather and forex weighed

Novecare
- Chemlogics integration progresses well
- Quarterly demand dynamics globally healthy, in particular Oil&Gas
- Extreme weather conditions hampered production and supply, esp. agro business

Coatis
- Drought and uncompetitive domestic LatAm market weighed on performance
- Market share gains and rising margins in solvents

Aroma Performance
- Force majeure at Baton Rouge plant
- Price increase for hydroquinone
Novecare
Cutting-edge technologies in diversified focused markets

<table>
<thead>
<tr>
<th>TECHNOLOGY</th>
<th>SELECTED MARKETS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Home &amp; Personal Care</td>
</tr>
<tr>
<td>50%</td>
<td>Surfactants</td>
</tr>
<tr>
<td>30%</td>
<td>Polymers</td>
</tr>
<tr>
<td>10%</td>
<td>Phosphorous Derivatives</td>
</tr>
<tr>
<td>10%</td>
<td>Specialty Amines</td>
</tr>
</tbody>
</table>

% of Novecare sales in 2013 (proforma Chemlogics)
A leader in markets with high entry barriers and strong returns on investment, the Advanced Materials segment is a major contributor to the Group’s performance and growth. Innovation, its global presence feature and long-term partnerships with customers provide a compelling competitive edge with industries seeking increasingly energy efficiency and less polluting functionalities.
Advanced Materials 2014 Q1 performance
Record performance boosted by innovation-driven volume growth and operational efficiency

**Net sales**
- **Q1 2014**
  - € 658 m
  - 3% yoy

**REBITDA**
- **Q1 2014**
  - € 175 m
  - 13% yoy

**Specialty Polymers**
- Volume growth across all end markets
  - End of customer destocking in Energy applications: Oil&Gas and Photovoltaics
  - Positive trend in healthcare continued
  - New applications in automotive, industrial and consumer goods segments

**Silica**
- Strong demand in Europe and Asia

**Rare Earth Systems**
- New regulation underpins volumes and margins in catalyst business

**Special Chemicals**
- Good business trends in most end-markets, esp. automotive and (micro-)electronics
Specialty Polymers
Focused on the most advanced products

Temperature resistance
Chemical inertness
Weathering resistance
Corrosion protection
Water repellence
Stain repellence
Electrical inertness
Non-flammability
Fatigue resistance
Biocompatibility
Extractables
Self-cleaning
Transparency
Heat transfer
Processability
Toughness
Elasticity
Barrier
Tribology
Release
Colour
Cost

Built on 4 technology clusters
Aromatics
High-barrier polymers
Fluoropolymers
Cross-linkable compounds

Price
Performance
Specialty Polymers
Industry leader with the broadest product portfolio

<table>
<thead>
<tr>
<th>Aromatics</th>
<th>Fluoropolymers</th>
<th>High-barrier polymers</th>
<th>Cross-linkable compounds</th>
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</thead>
<tbody>
<tr>
<td>LCP</td>
<td>PTFE</td>
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<tr>
<td>HPPA</td>
<td>PVDF</td>
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<td>PEEK</td>
<td>PFA</td>
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<td>PAI</td>
<td>FKM</td>
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<td>XLCP</td>
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<table>
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<th>Cross-linkable compounds</th>
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<tr>
<td>Fluoropolymers</td>
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<tr>
<td>Aromatics</td>
</tr>
</tbody>
</table>

Broadest portfolio + Innovation leader = Best solution provider
Silica
Highly Dispersible Silica (HDS) delivers value to the tire industry

Excellent technical performance … … growing across a number of applications

<table>
<thead>
<tr>
<th>Rolling Resistance</th>
<th>Wet Grip</th>
<th>Wear</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ 25%</td>
<td>+ 10%</td>
<td>no change</td>
</tr>
</tbody>
</table>

Enables a 5-7% improvement in efficiency

In passenger car and light trucks
- Energy-efficient tires
- Winter tires
- Sport tires

In heavy trucks
- Commercial emergence of tires using a majority of silica vs. carbon black

HDS, a significant enabler of performance, a minor portion of overall tire production cost (<3%)

Source: Smithers Rapra, Solvay estimates
Performance Chemicals

Operating on mature resilient markets, this Segment’s success is based on economies of scale, competitiveness and quality of service. Solidly cash-generating, the Performance Chemicals businesses are engaged in new programs of excellence to create additional sustainable value.

* Restated for IFRS 11 application as from 01/01/2014
Performance Chemicals 2014 Q1 performance
Pricing power and excellence programs underpinning earnings growth

Soda Ash & Derivatives
- Soda Ash demand up in Europe and export market
- Prices up overall
- Bicarbonate growth offset by forex

Peroxide
- Rising demand for Peroxide in EU and US

Acetow
- Pricing power at Acetow

Eco Services
- Eco Services growth offset by forex

Emerging Biochemicals
- Weak market for Emerging Biochemicals
Soda Ash & Derivatives
Cost is a key success factor in the soda ash industry

Source, Solvay based on external databases
Soda Ash & Derivatives
European soda ash supply/demand to improve in next 3 years

2014-2016

Restructuration started with closure announcements
- Solvay Povoa (0.2 mt/yr)
- Tata Winnington (0.5 mt/yr)

Production capacity utilization rate to increase
- Following restructuring at the supply side
- Following slight expected growth in demand

2017-2019

Kazan project
- Potentially adding 2.5 mt/yr production capacity
- Based on natural production process
- Cash cost expected at same level as best-in-class European synthetic assets

Further restructuring among least competitive assets in the European industry can be expected
The key success factors of this Segment, which primarily groups the Polyamide activities, are continuous manufacturing optimization and innovation. Solvay is one of the few players to operate across the entire polyamide 6-6 chain.
Functional Polymers 2014 Q1 performance

Improved operational efficiency and pricing drove earnings growth, supported by demand

**Polyamide**
- Volume growth offset by pricing and forex
- Improved manufacturing yields and pricing power
- Delivery on Polyamide excellence programs

**Chlorovinyls**
- Benvic being sold to OpenGate
- Indupa being sold to Braskem
- Chlorovinyls JV process on-going

**Net sales**
- Q1 2014: €448 m, (4)% yoy

**REBITDA**
- Q1 2014: €40 m, 19% yoy

**Margin**
- 9% → 7%
Corporate & Business Services

2013 Figures
- € 67 m Net Sales
- € (169) m REBITDA

2014 Q1 performance
CER phase-out mitigated by tight cost control and forex impact on costs

Net sales
- Q1 2014
  - € 0 m

REBITDA
- Q1 2014
  - € (39) m
  - 16% yoy

This Segment includes the Solvay Energy Services business which delivers energy optimization programs in the Group and for third parties. It also includes the corporate functions.

Energy Services
- Strong operational delivery in on-going businesses
- Paraiso cogeneration plant reached satisfactory run-rate
- CER phase-out in H1 2013 affecting comparables

Other Corporate & Business Services
- Benefited from expense deferral and forex impact
- Tight cost control compensated inflation