



SOLVAY

asking more from chemistry®

Q3 2014 results

November 13, 2014

FORENOTE

All historic data are restated for comparison purposes, unless otherwise indicated.

- 2013 data for the Group's application of IFRS 11 effective January 1st 2014.
- 2013 and 2014 H1 data for the discontinuation of Eco Services and the re-allocation of Corporate shared services costs

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

Sustained earnings momentum



Strong demand

- Underpinned by innovation-driven growth engines
- Chemlogics contribution (not in Q3 2013)



Excellence programs on track

- Sustained pricing power
- Fixed cost inflation tempered



ALL operating segments contributing to profit and margin expansion



Strong Q3 results

- **REBITDA +9.5% YoY**
- **Margin at 17.7%**

Strong Q3 results

€2.6 bn

Net Sales

+7.9%

yoy

- ↗ Organic volume growth
- ↗ Strong Chemlogics contribution
- Stable prices overall,
despite lower raw materials cost environment

€458 m

REBITDA

+9.5%

yoy

- ↗ Sound innovation-driven demand
- ↗ Margin at 17.7% (+26 bp on high Q3 2013 base)
- ↗ Profit and margin improvement across all operating segments
- ↗ Excellence programs continued to strengthen operating performance
- ↗ Positive pricing power

€133 m

Net Income

Adjusted, Group share

+12%

yoy

€122 m

FCF

-49%

yoy

Portfolio reshaping: redeployment for value

Reducing cyclical & low-growth businesses

Functional Polymers

Chlorovinyls

- **INOVYN™** JV to be created, allowing for European Chlorovinyls exit after 3 years
- **Indupa**: Strategic intent not impacted despite CADE anti-trust veto
- **Benvic**: PVC compounds business sold to OpenGate Capital

Performance Chemicals

Eco Services

- US sulphuric acid business sale to CCMP Capital, to be closed by YE 2014

Strengthening Growth Engines

Advanced Formulations

Novecare

- **Chemlogics**: Broadening Oil & Gas product and formulation know-how portfolio
- **Erca Química**: Expanding asset footprint in Latin America

Advanced Materials

Specialty Polymers

- Minority stake in **Aonix**: Expanding use of high-performance polymers in thermoplastic composites
- **Ryton® PPS**: broadening specialty polymers portfolio and increasing footprint in automotive

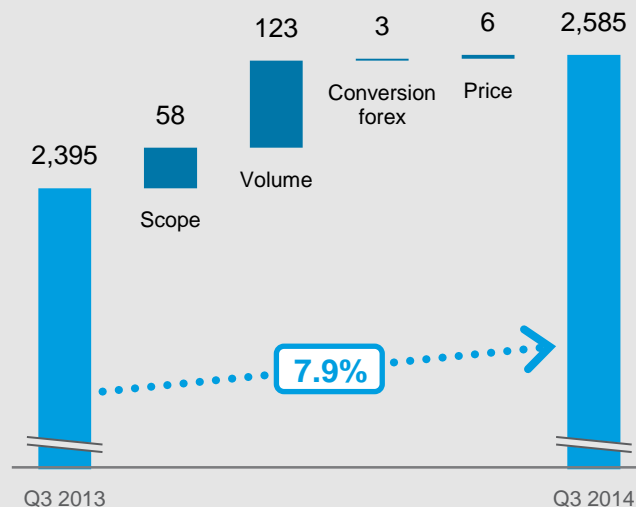
Special Chemicals

- **Flux Brazing Schweiß- & Lötstoffe**: Expanding Aluminum brazing fluxes portfolio to pastes & paints

Sustained solid REBITDA growth, underpinned by volume and pricing power

Net Sales

in € m

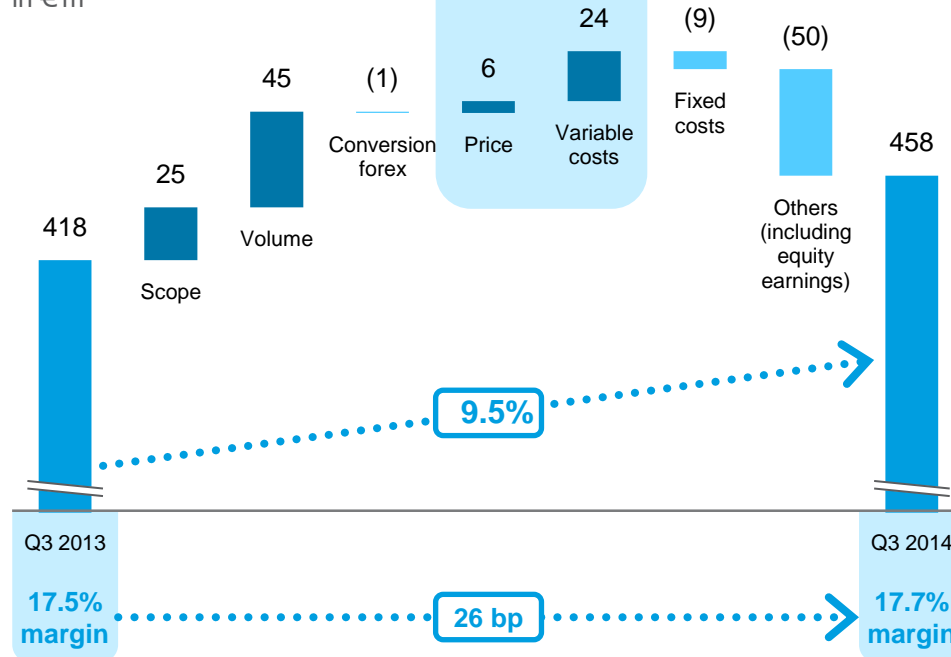


Volume growth of +10% in both Advanced Formulations and Advanced Materials

Strong Chemlogics contribution

REBITDA

in € m



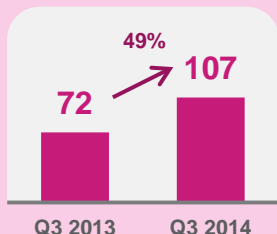
Positive pricing power, underpinned by excellence programs

Fixed costs eased by operational excellence delivery

Others include RusVinyl start-up and provision reversal of €22 m in Q3 2013

Broad performance delivery across businesses

in €m



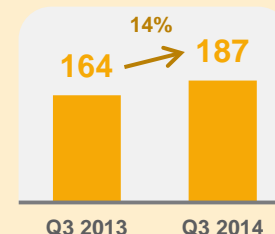
Novacare volume growth and strong Chemlogics contribution largely offset weak performance at Coatis

12% → 15%

margin

Advanced Formulations

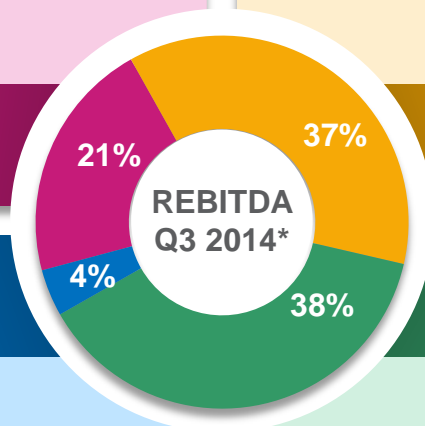
Strong REBITDA growth thanks to volume at +10%



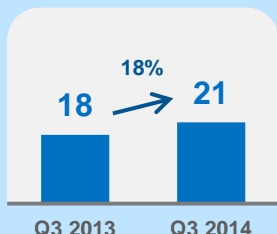
margin

25% → 26%

Advanced Materials



Functional Polymers



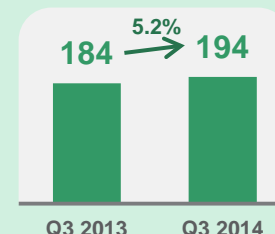
Improved YoY operating performance thanks to pricing power and excellence programs

4.1% → 5.2%

margin

Performance Chemicals

Good pricing power, with overall stable volumes



margin

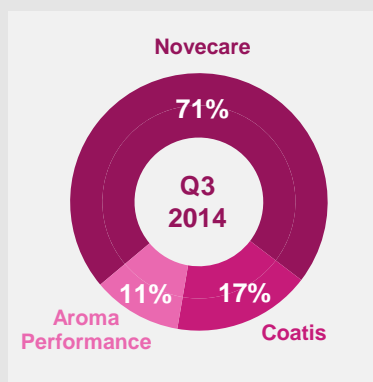
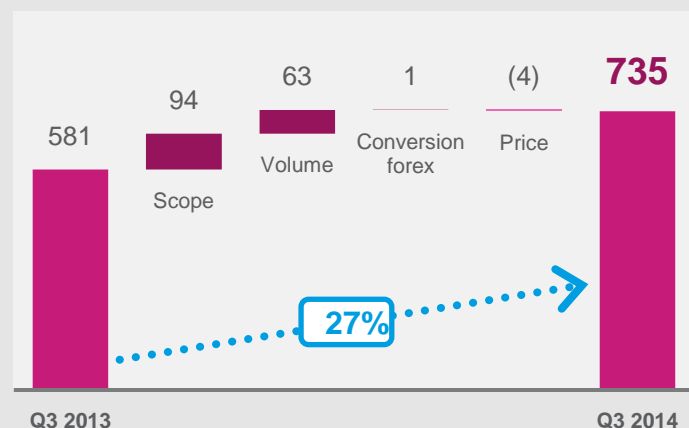
25% → 26%

* Excluding Corporate & Business Services

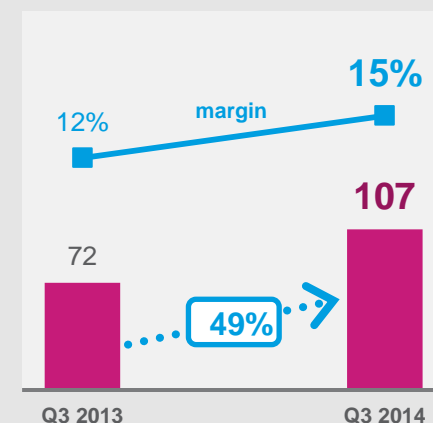
Advanced Formulations 2014 Q3 performance

Novecare volume growth and strong Chemlogics contribution largely offset weak performance at Coatis

Net sales (in € m)



REBITDA (in € m)



Good dynamics in Novecare

- Strong demand in US Oil & Gas market
 - Customer recognition of Solvay's broadest product and formulation portfolio and capabilities
 - Chemlogics activities boosted by strong activity in friction reducers
- Volume growth in Agro supported by innovative offering and good demand
- Industrial applications continued enjoying good dynamics
- Declined demand in Home & Personal Care

Coatis impacted by Brazilian economy

- Business performance deteriorated due to increased energy and labor costs in Brazil, impacting margins
- Continued operational excellence efforts mitigated inflation

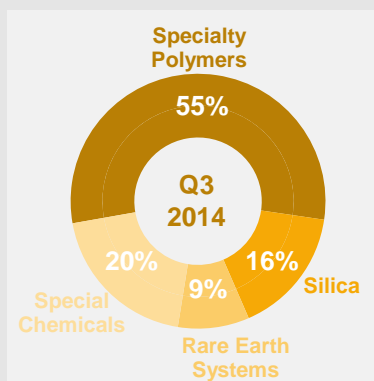
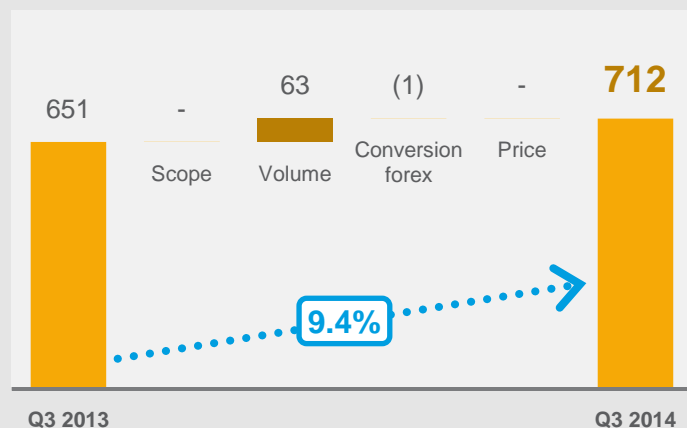
Production issues at Aroma Performance

- Production affected by technical issues and unexpected shutdown
- Positive market trends overall

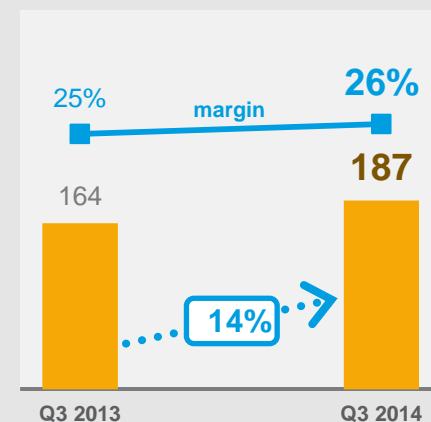
Advanced Materials 2014 Q3 performance

Strong REBITDA growth thanks to volume at +10%

Net sales (in € m)



REBITDA (in € m)



Robust growth in Specialty Polymers

- Smart device products boosted by new product launches
- Automotive driven by innovative technologies
- Pick-up in demand for off-shore Oil & Gas
- Good demand in other markets

Good trends for core Special Chemicals

- Refrigerant business remained subdued

Good performance at Silica

- Strong OEM and replacement market
- Volume growth worldwide, except in Latin America

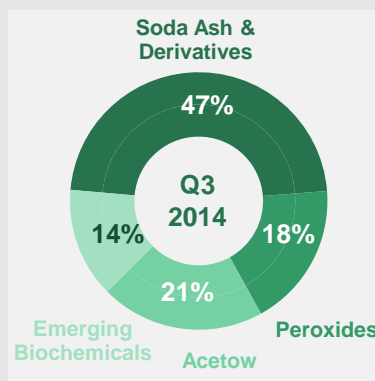
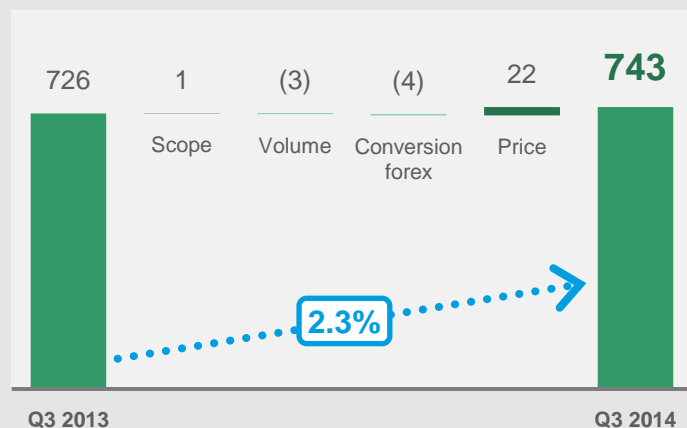
Solid volumes at Rare Earth Systems

- Volume and margin improvements, underpinned by catalyst business
- Electronics markets flat overall

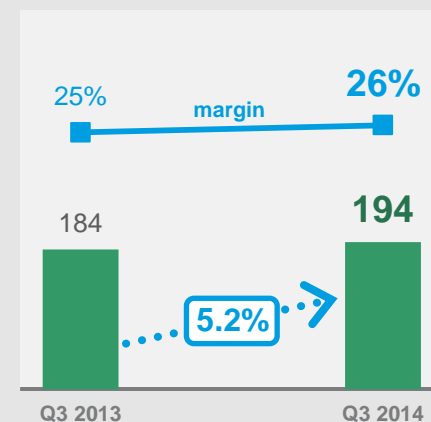
Performance Chemicals 2014 Q3 performance

Good pricing power, with overall stable volumes

Net sales (in € m)



REBITDA (in € m)



Sturdy performance at Soda Ash

- Slightly higher volumes and prices across all regions
- Cost savings plan delivering and well on track to achieve targeted € 100 m annual savings by end of 2015

Growing demand at Peroxides

- Growing demand in all regions and market segments
- Mega HPPO plants in Europe and Asia at high capacity utilization

Acetow sales volumes lower

- Customer destocking due to recent new production capacity in industry and certain demand softness
- Lower sales volumes affected operational leverage
- Pricing power satisfactory

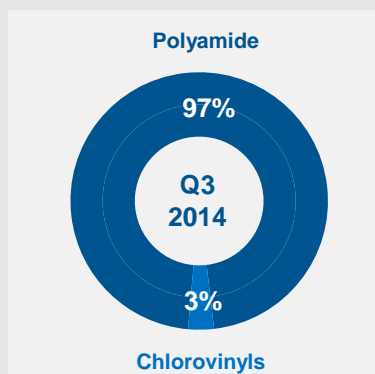
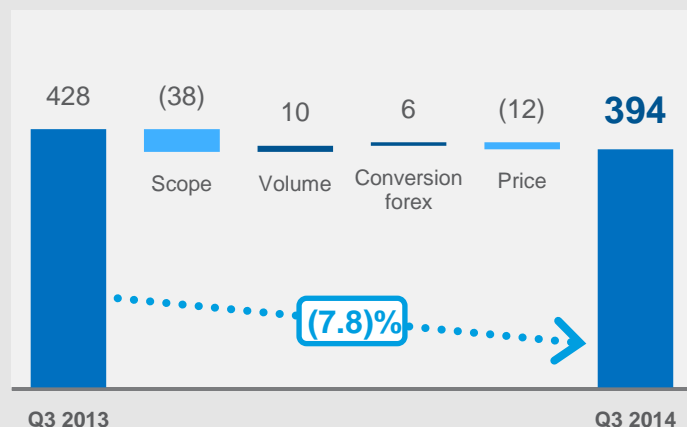
Emerging Biochemicals

- Tough conditions persisted in South East Asian PVC market
- Epichlorohydrin demand low but improving

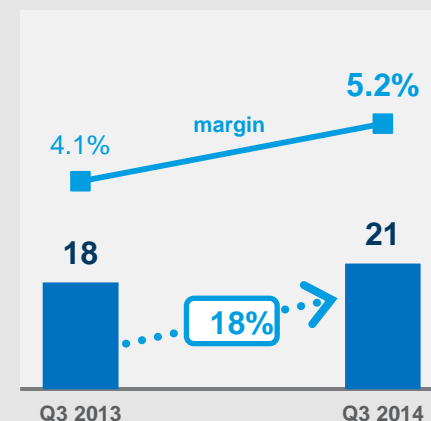
Functional Polymers 2014 Q3 performance

Improved YoY operating performance
thanks to pricing power and excellence programs

Net sales (in € m)



REBITDA (in € m)



Polyamide

- Positive pricing power from raw material price deflation and excellence programs
- Growing volumes at Engineering Plastics, mainly from Asia
- Fibras suffered from Brazil's poor macro-economic conditions
- Profit restoration plan continued to deliver on reining in fixed and variable costs as well as on improving commercial excellence programs

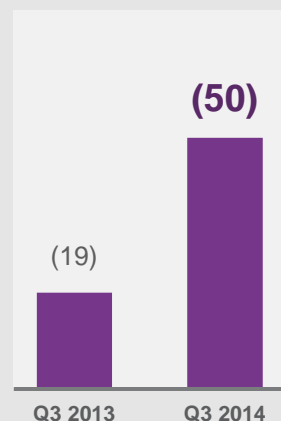
Chlorovinyls

- Divestment of Benvic in Q2 2014
- Start of RusVinyl PVC weighed on REBITDA
 - Operations launched in September
 - Accounted for as equity earnings
 - Impact also included adverse forex effect on debt
- European Chlorovinyls (in discontinued operations) suffered from difficult market circumstances
 - Net sales of €475m, flat YoY
 - EBITDA of €23 m, down 47%

Corporate & Business Services 2014 Q3 performance

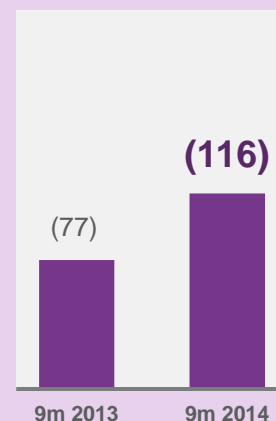
Tight cost control maintained

REBITDA Q3 (in €m)



	2013	2014
Energy Services	5	5
Other C&BS	(24)	(55)
Underlying	(45)	(55)
Insurance captive	22	-
Reported	(19)	(50)

REBITDA 9 months (in €m)



	2013	2014
Energy Services	51	18
Other C&BS	(128)	(134)
Underlying	(150)	(134)
Insurance captive	22	-
Reported	(77)	(116)

Energy Services

- Modest contribution mainly from energy and carbon management services

Other Corporate & Business Services

- Higher Q3 corporate costs
 - Phasing of certain corporate programs concentrated in H2 2014, as expected
 - Q3 2013 included one-off €22 m reversal of provisions, linked to insurance captive

Cost discipline over the year in Other Corporate & Business Services

- €(134) m for 9 months 2014
- €(150) m for 9 months 2013, excluding one-off provision reversal in Q3 2013, linked to insurance captive

Result from continuing operations increased by 31%

Adjusted Profit & Loss statement

in € m	Q3 2014	Q3 2013
Net sales	2,585	2,395
REBITDA	458	418
Other elements	(11)	(5)
Depreciation & Amortization	(163)	(150)
REBIT	284	264
Non-recurring items	(30)	(33)
EBIT	254	231
Net financial charges	(68)	(60)
Income taxes	(68)	(62)
Result from continuing operations	118	109
Result from discontinued operations	23	20
Net income Solvay share	133	118

Other elements

- Mainly RusVinyl pre-operational phase: € (8) m from impact of ruble devaluation on RusVinyl euro-denominated debt

Non-recurring costs

- Restructuring costs of € (10) m
- Environmental, litigation and portfolio management provisions

Net financial charges

- Net debt charges fell by € 14 m to € (29) m, following gross debt repayments in H1 2014 for € 1.3 bn
- Discounting costs for pension and environmental provisions increased by € (22) m to € (38) m, as rates reduced 60 bp in UK and 50 bp in Latin America, compared to increases in Q3 2013, impacting environmental liabilities

Income taxes

- Nominal tax rate of 35% (33% underlying)

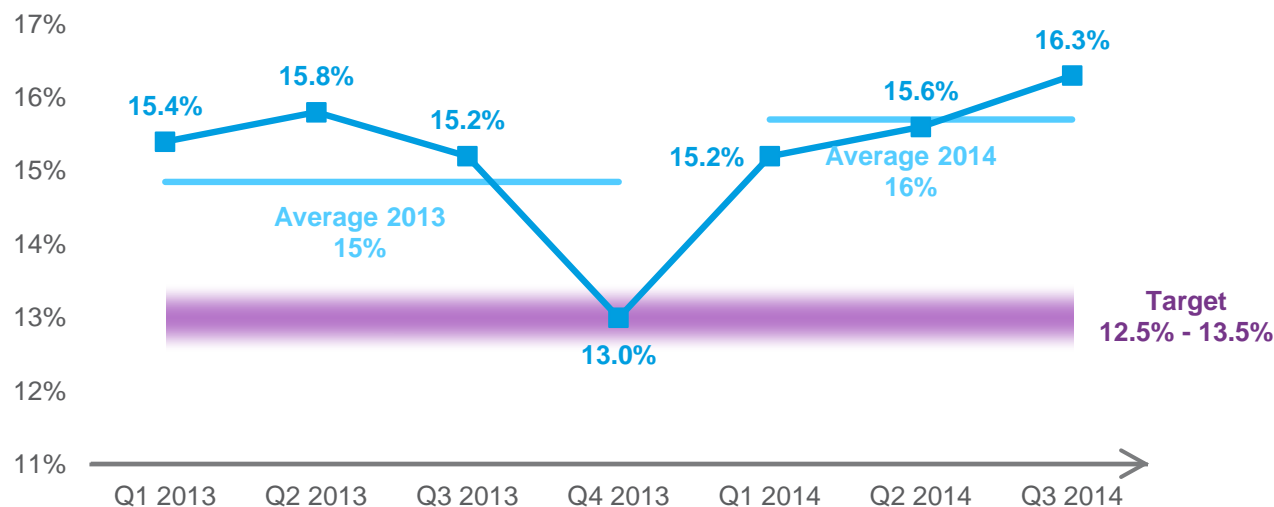
Discontinued operations

- Net result of mainly European Chlorovinyls and Eco Services

Working Capital needs temporarily higher linked to uplift in demand in certain businesses

Industrial working capital

% of gross sales



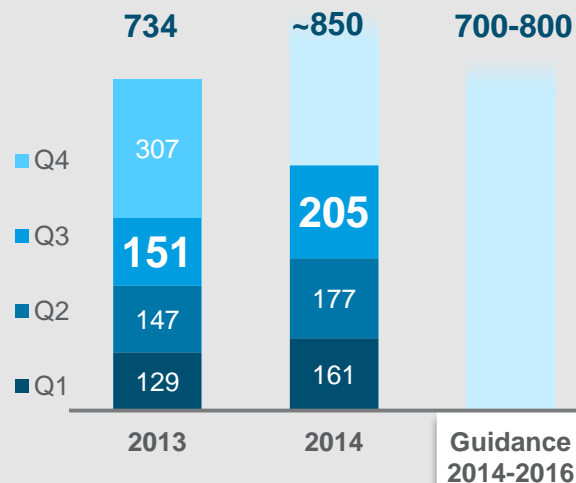
Uplift in demand for Specialty Polymers and Novecare at end Q3, impacted receivables and inventories

Impact of USD appreciation

Selective investments for value

Capex

(Continuing operations)
In €m

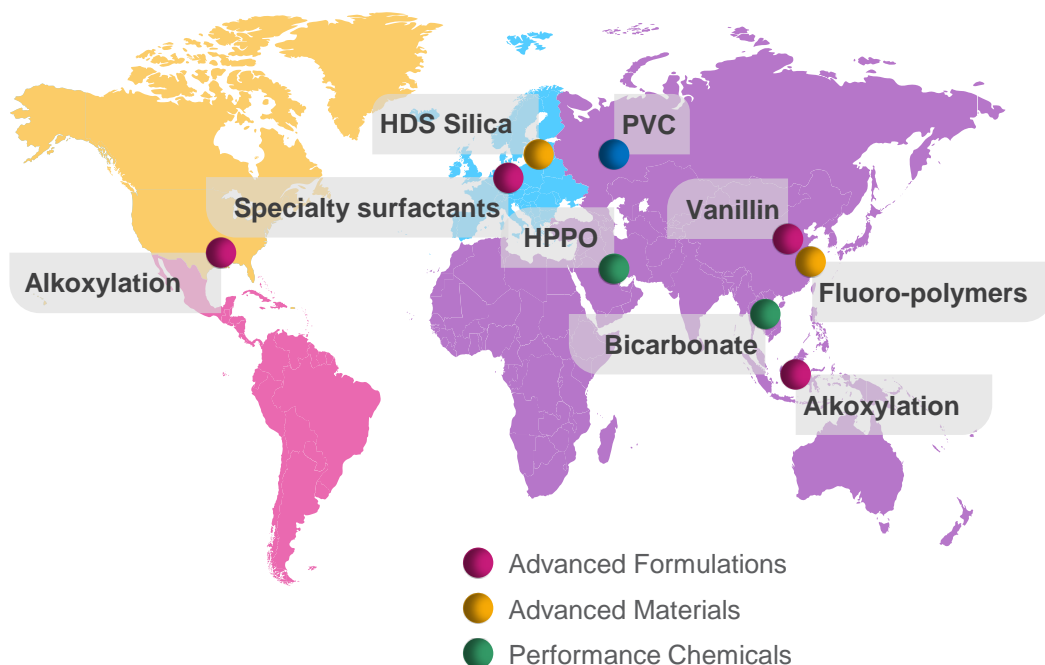


Growth engines

Resilient & cyclical
businesses



Selective investments
focused on
superior growth areas



Large-scale on-going investment projects

2014

Expected commissioning

Novecare

- Specialty Surfactants plant in Germany

Started up in Q3

Specialty Polymers

- Fluoropolymers JV with Shanghai 3F

To start up in Q4

Silica

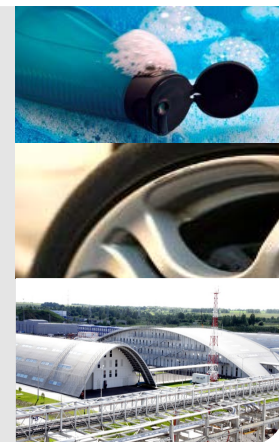
- HDS plant in Poland
85 ktonnes/year

Pending final regulatory approval

RusVinyl*

- PVC plant in Russia
330 ktonnes/year

Started up in Q3



Novecare

- Large-scale alkoxylation plant in Texas, US
- Large-scale alkoxylation plant in Singapore

To start up in Q2

To start up in Q3

Aroma Performance

- Vanillin plant in China

To start up in Q4

Specialty Polymers

- Fluoro-polymers plant in China, phase 1

To start up in Q2

Peroxides

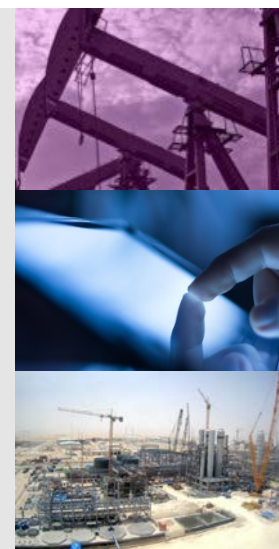
- HPPO plant in Saudi Arabia
300 ktonnes/year

To start up in Q4

Soda Ash & Derivatives

- Bicarbonate plant in Thailand
100 ktonnes/year

To start up in Q2



2015

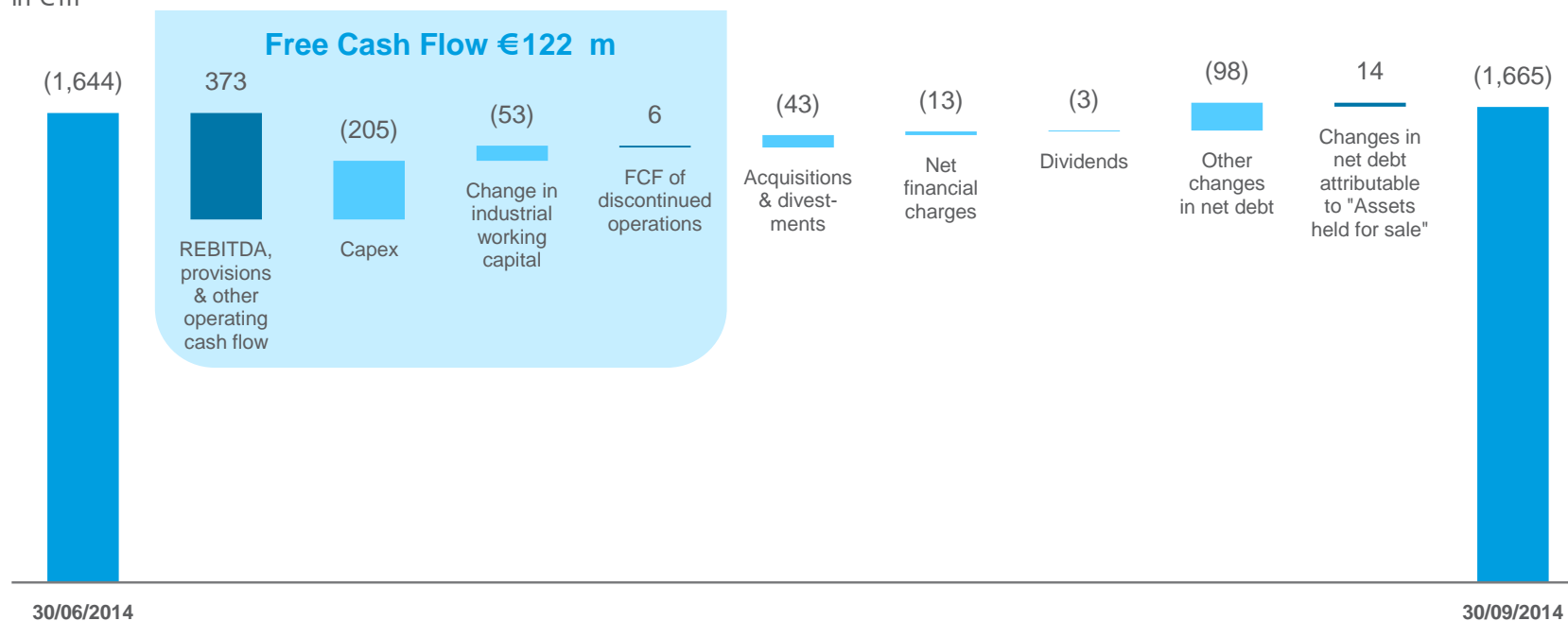
Expected commissioning

* Reported as equity investment

Net debt stable

Net debt* evolution

in € m



Working capital increase:

- Demand driven
- Impact of USD appreciation

Acquisition of Flux Brazing Schweiß- & Lötstoffe closed and paid in Q3

Other changes in net debt includes:

- Capital increase in RusVinyl
- Increase of accrued financial interest
- Other short-term loan movements

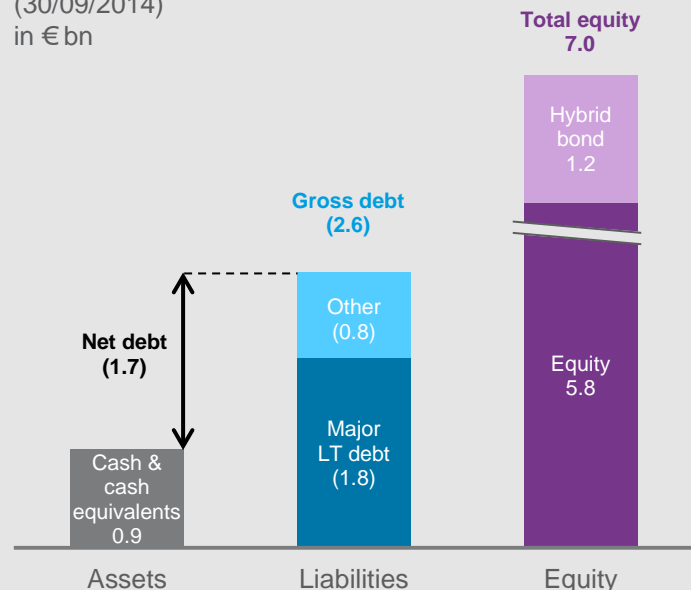
Changes in net debt of "Assets held for sale" linked to Indupa

* Net debt excludes hybrid bonds of € 1.2 bn booked as equity

A sound and more efficient balance sheet

Capital structure

(30/09/2014)
in € bn



Strong credit ratios (30/09/2014)

Gearing

(Net debt / Equity)

24%

Leverage

(Net debt / REBITDA)

0.95x

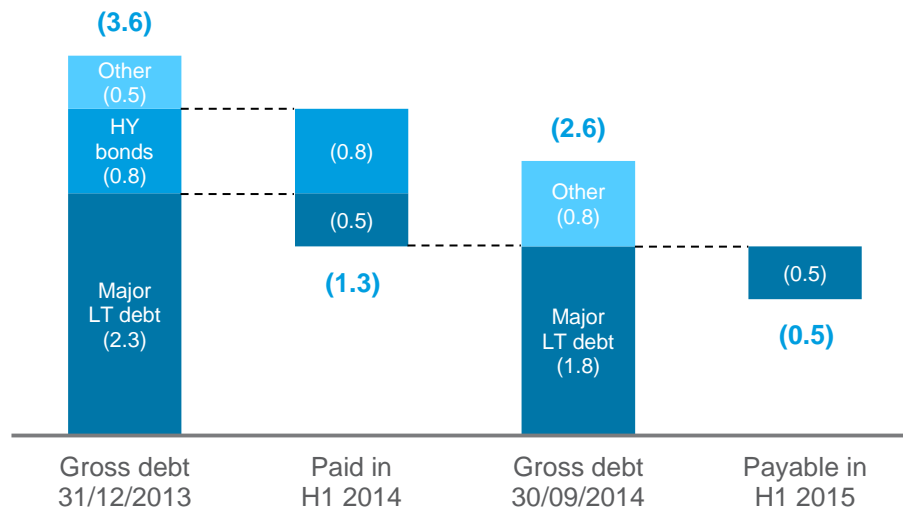
Including pension provisions

64%

2.58x

Optimising Balance Sheet efficiency

in € bn



Repayments in 2014-2015 → €1.8 bn

Early redemption of high-yield (HY) bonds in H1 2014

⇒ Average interest rate reduced by 40 bp to 4.9%

⇒ Cost of carry halved to ~ € (50) m by 2015

Interim dividend pay-out

Interim dividend

- €1.3^{*} / share gross
- €1.00 / share net

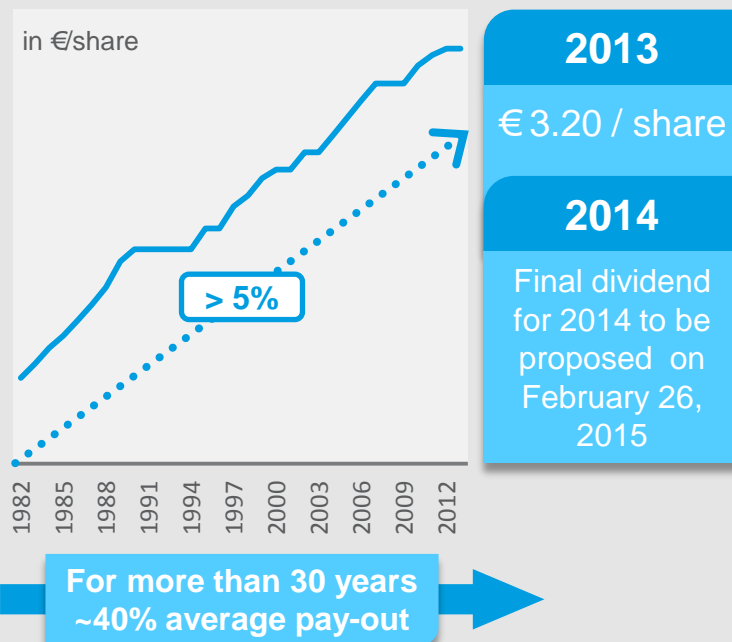
To be paid on **January 22, 2015**

Consistent with **Solvay** policy

- **Stable to growing annual dividend**
- Interim dividend corresponds to 40% of prior year annual dividend

* On point three, with repeating decimal;
total dividend payments rounded to the nearest eurocent

Solvay's gross dividend



Committed to stable / growing dividend

Outlook confirmed

Solvay expectations

FY 2014 **High single-digit*
REBITDA growth**

Q4 2014 **YoY REBITDA increase**
Strong free cash flow**

* Based on FY 2013 REBITDA of €1,611 m

** Based on Q4 2013 REBITDA of €375 m

Both restated for IFRS 11 application (since 01/01/2014)
and the discontinuation of Eco Services

Transformation underpinning delivery on priorities

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
all fronts



Poised
for growth

On track

**REBITDA to grow to
€2.3 – 2.5 bn***



**CFROI to increase by
> 100 bp vs 2013****

REBITDA margin
to widen to 18%

2016

2/3 of businesses
in value-creation zone

* At constant perimeter, as of year end 2013, as presented at the Capital Markets Day 2013

** Prior to discontinued operations

Key dates

January 22 2015	Interim dividend Payment date
February 26 2015	Q4 & FY 2014 Results publication
May 6 2015	Q1 2015 Results publication
June 10-11 2015	Capital Markets Day Bollate, Italy (Save the date)
July 29 2015	Q2 & H1 2015 Results publication
...	

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&I 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 Q3 and Q3 YTD 2014 financial data**
- Additional FY 2014 considerations
- 2016 ambitions
- Segment presentation



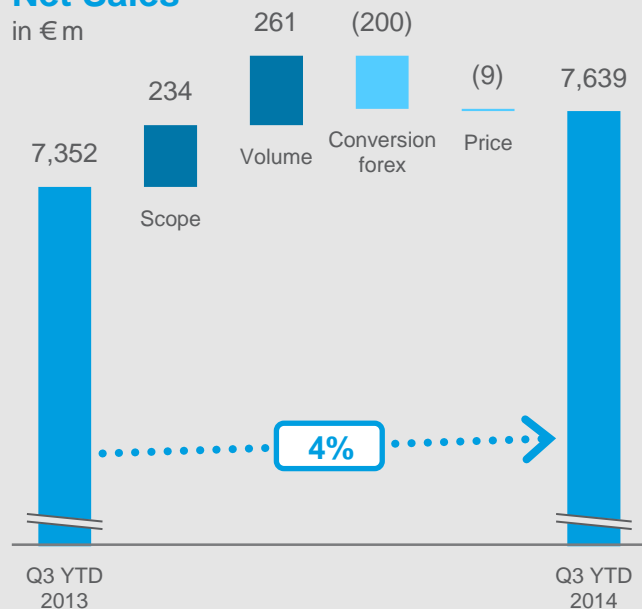
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Demand and excellence momentum underpinning Q3 YTD REBITDA growth

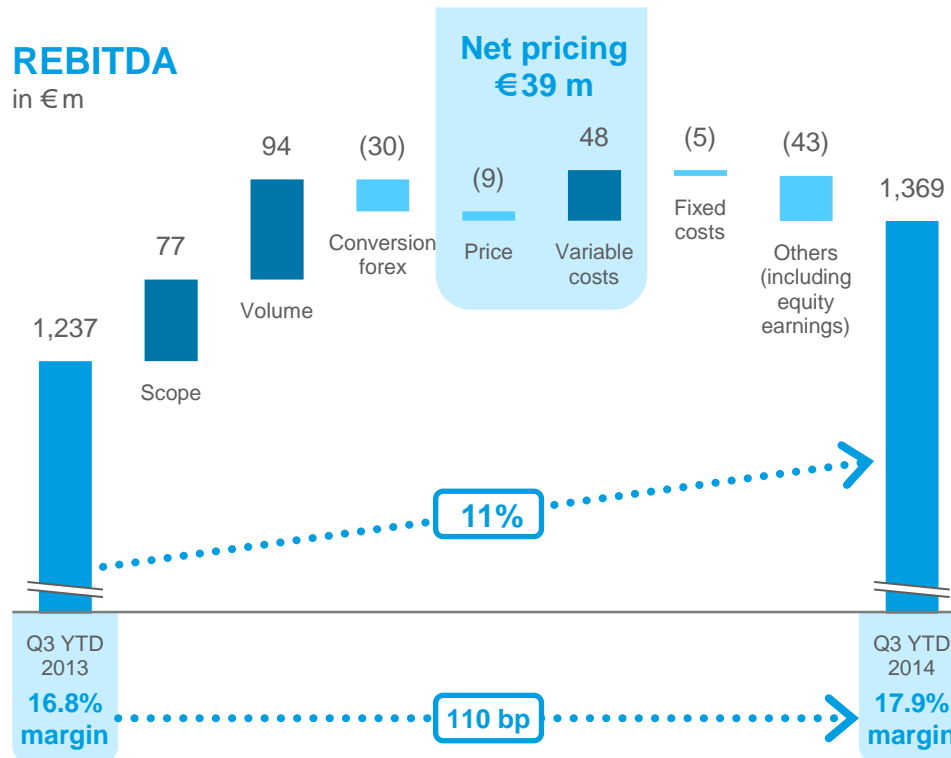
Net Sales

in € m



REBITDA

in € m



Strong volume growth in Advanced Formulations and Advanced Materials

Strong Chemlogics contribution

Forex headwinds in H1

Positive pricing power, underpinned by excellence programs and decreasing raw material prices

Fixed costs eased by operational excellence delivery

Others include RusVinyl start-up and provision reversal of €22 m in Q3 2013

Q3 YTD Income statement (adjusted)

in € m	9m 2014	9m 2013
Net sales	7,639	7,352
REBITDA	1,369	1,237
Other elements	(16)	(5)
Depreciation & Amortization	(473)	(448)
REBIT	879	784
Non-recurring items	(106)	(170)
EBIT	773	614
Net financial charges	(240)	(194)
Income taxes	(175)	(127)
Result from continuing operations	358	292
Result from discontinued operations	(427)	100
Net income Solvay share	(53)	352

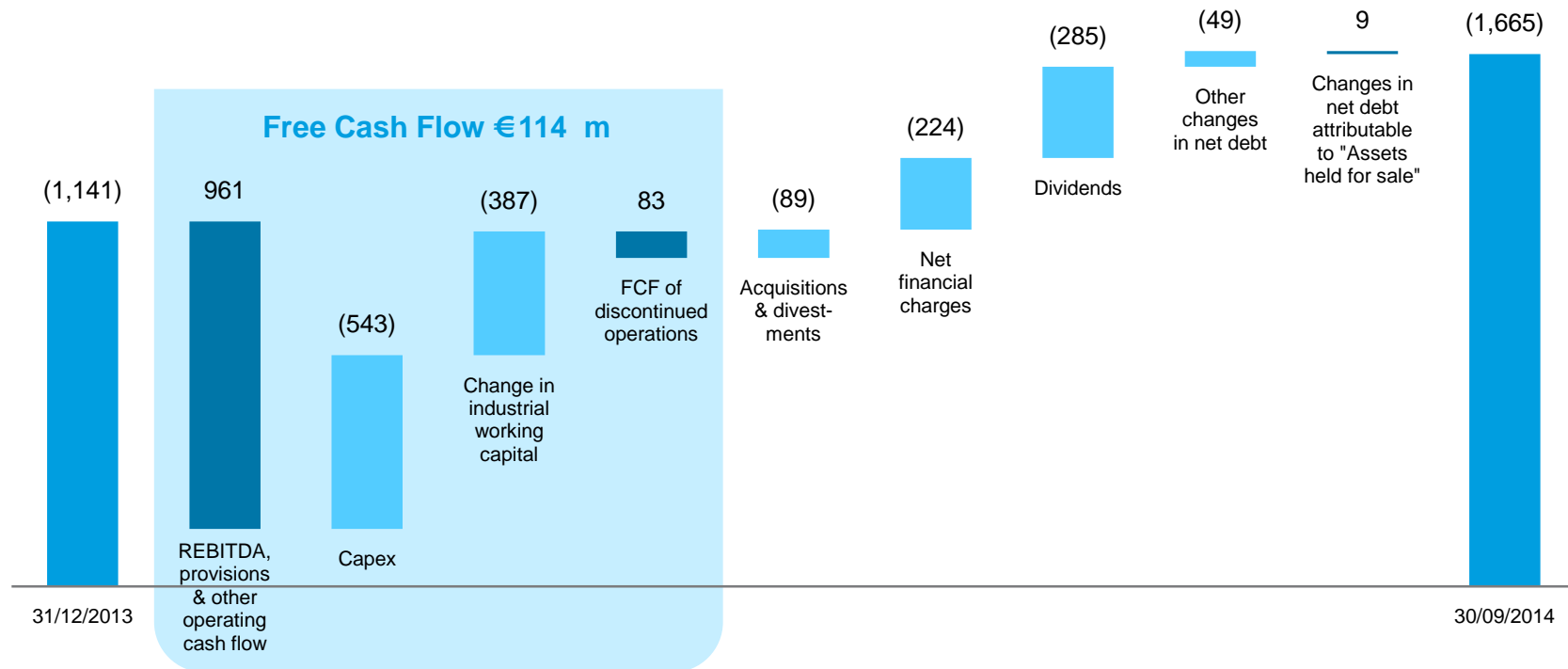
Q3 YTD Cash flow statement

in € m	9m 2014	9m 2013
Cash flow from operating activities	753	777
Cash flow from investing activities	(810)	(562)
Cash flow from financing activities	(1,002)	(696)
Net change in cash & cash equivalents	(1,059)	(481)
Currency translation differences	4	(54)
Opening cash balance	1,972	1,787
Ending cash balance	917	1,252
Free Cash Flow	114	290
From continuing operations	32	19
From discontinued operations	82	271

Net debt increase in line with seasonal patterns

Net debt* evolution

in € m



Working capital uptake:

- Demand dynamics
- Impact of USD appreciation

Acquisition of

- Erca Química
- Flux Brazing Schweiß- & Lötstoffe

Concentration of interest payments and dividends in H1 (including € (50) m of one-offs from early HY bond repayment)

Other changes in net debt largely related to capital increase RusVinyl

* Net debt excludes hybrid bonds of € 1.2 bn booked as equity

Balance sheet

in € m	30/09/2014	31/12/2013
Fixed assets	9,704	9,732
Investment & shares	841	735
Loans & other non current financial receivables / payables	54	84
Assets held for sale	1,729	1,621
Taxes payable/receivable + Others	110	44
Working capital	1,609	1,259
Total invested capital	14,047	13,475
Equity	7,025	7,453
Provisions	4,190	3,820
Dividends	2	112
Net financial debt	1,665	1,142
Liabilities related to assets held for sale	1,166	949
Total financing	14,047	13,475

Q3 Cash flow statement

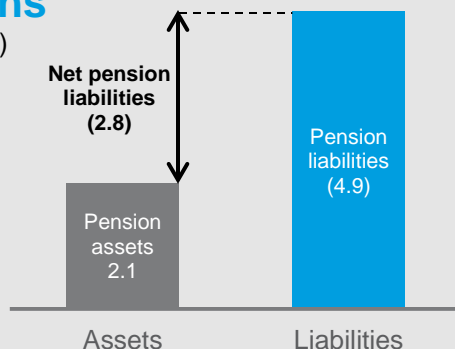
in € m	Q3 2014	Q3 2013
Cash flow from operating activities	362	420
Cash flow from investing activities	(299)	(230)
Cash flow from financing activities	(264)	(169)
Net change in cash & cash equivalents	(201)	20
Currency translation differences	7	(26)
Opening cash balance	1,111	1,258
Ending cash balance	917	1,252
Free Cash Flow	122	237
From continuing operations	116	169
From discontinued operations	6	68

Lower rates led to slight pension liabilities increase

All presented figures are for continuing operations only

Pensions

(30/09/2014)
in € bn



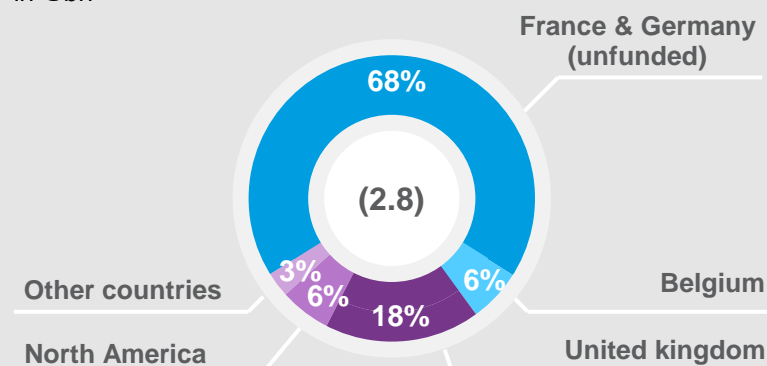
Majority of net pension liabilities
denominated in €

Discount rates* decreased

	31/12/2013	30/09/2014	change
€	3.25%	2.25%	-1.00%
£	4.50%	4.00%	-0.50%
US\$	4.75%	4.25%	-0.50%
Weighted average	3.88%	3.16%	-0.72%

Net pension liabilities

(30/09/2014)
in € bn



Pension assets of €2,080 m

- 50% Equities / Diversified alternative funds
- 50% Bonds / Real estate

Stable cash contribution in Q3 YTD 2014
of €(129) m

* Average discount rate on post employment benefit related liabilities applicable to high quality corporate bonds in EUR, GBP and USD zones

Annexes

- Additional Q3 and Q3 YTD 2014 financial data
- **Additional FY 2014 considerations**
- 2016 ambitions
- Segment presentation



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REBIT(DA) considerations for 2014

Forex impact

- YoY impact of € (57) m Q3 YTD, (~50% conversion, ~50% transactional)
- YoY Q4 impact expected to be slightly supportive
- Mainly linked to USD, JPY and BRL

RusVinyl JV

- In net contribution from equity associates
- Additional adjustment for:
 - Pre-operational phase (Q3 2013 – Q3 2014): Debt impact of ruble/euro fluctuation, with Q3 YTD impact of € (7) m
 - Operational phase as of September

CERs (Carbon Emission Rights)

- Scheme phased out in H1 2013
- 2013 sales of €58 m

Eco Services divestiture

- Transaction closing exp. before YE 2014

Chemlogics effects

- Acquisition consolidated since 01/11/2013
- PPA inventory impact + holdback payments for € (9) m Q3 YTD
- Going forward only holdback payments of ~ € (2) m per quarter until 2016

Financials considerations for 2014

Cost of net indebtedness

- Debt repayments
 - €(1,300) m in H1 2014 (including HY bonds)
 - €(500) m in June 2015
- Lead to a reduction of net interest charges
 - Average gross interest rate to reduce by 40 bp to 4.9% vs 2013
 - Cost of carry to halve
 - FY P&L debt cost expected at ~ €(140) m (excluding exceptionals)

Discounting cost on Pensions & HSE

- Recurring FY cost of ~ €(120) m, provided no change in discount rates* during year
- Additional one-off charges of €(36) m Q3 YTD from impact of discount rates decrease on environmental provisions

* Average discount rate on environmental provisions based on 10-year government bonds in EUR, GBP, USD and BRL zones

Hybrid bond

- | | | |
|---|---|--|
| <ul style="list-style-type: none">➤ Nominal value of € 1.2 bn➤ Initial average dividend yield of 4.7%<ul style="list-style-type: none">▪ € 0.7 bn at 4.199%▪ € 0.5 bn at 5.425% | <ul style="list-style-type: none">➤ Accounting considerations<ul style="list-style-type: none">▪ Income statement
→ No impact▪ Balance sheet
→ Treated under Equity▪ Cash flow statement
→ Dividends treated in CF from financing | <ul style="list-style-type: none">➤ Dividend cash-out<ul style="list-style-type: none">▪ Q2 2014: €(15) m▪ Q4 2014: €(27) m▪ Q2 2015: €(29) m▪ Q4 2015: €(27) m▪ ... |
|---|---|--|

Other considerations for 2014

Depreciation & amortization

- Recurring depreciation & amortization
 - Q3 YTD cost of €(473) m
 - FY cost expected of ~ €(640) m
- Rhodia PPA impact
 - Q3 YTD impact of €(82) m
 - FY impact expected of ~ €(110) m

Other discontinued operations

- Indupa sale to Braskem
 - CADE anti-trust veto
 - Strategic intent not impacted
- INOVYN™ JV project with Ineos
 - To be treated as recurring equity investment upon JV effectiveness
 - Completion expected in next few months

Underlying tax rates

- Progressing from mid to low 30s over 2014-2016
- Underlying tax rate excludes non-recurring elements

Non-recurring elements

- Restructuring costs
- HSE provisions on non-operational sites
- Portfolio management-related gains & losses
- Contingencies / litigations

Annexes

- Additional Q3 and Q3 YTD 2014 financial data
- Additional FY 2014 considerations
- **2016 ambitions**
- Segment presentation



SOLVAY

asking more from chemistry®

Solvay, a major global chemical player

Based on strengths

€9.7 bn

Net Sales

€1.6 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

2013 figures

117

Industrial sites

15

Major R&I centers

29,400

Employees (EFTEs)

56

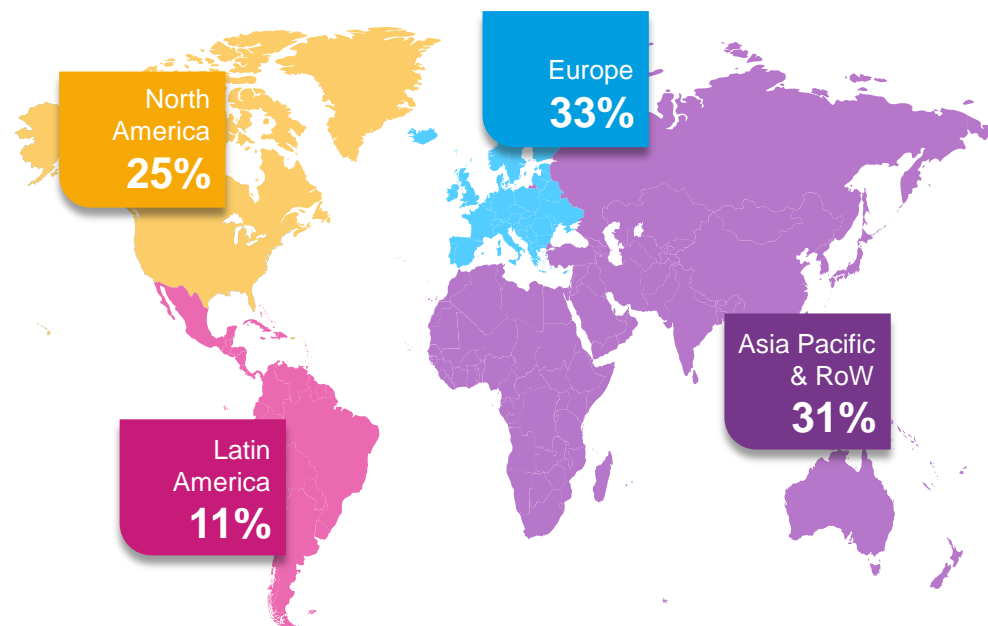
Country presence

Non-financial figures exclude discontinued operations, except for employees

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

Well-balanced geographical spread and end-user markets

Balanced geographical exposure*



* Figures represent % of 2013 net sales (as published, pro-forma Chemlogics)

Exposure to higher growth end-markets*



90% of our business ranking among top 3 players

1

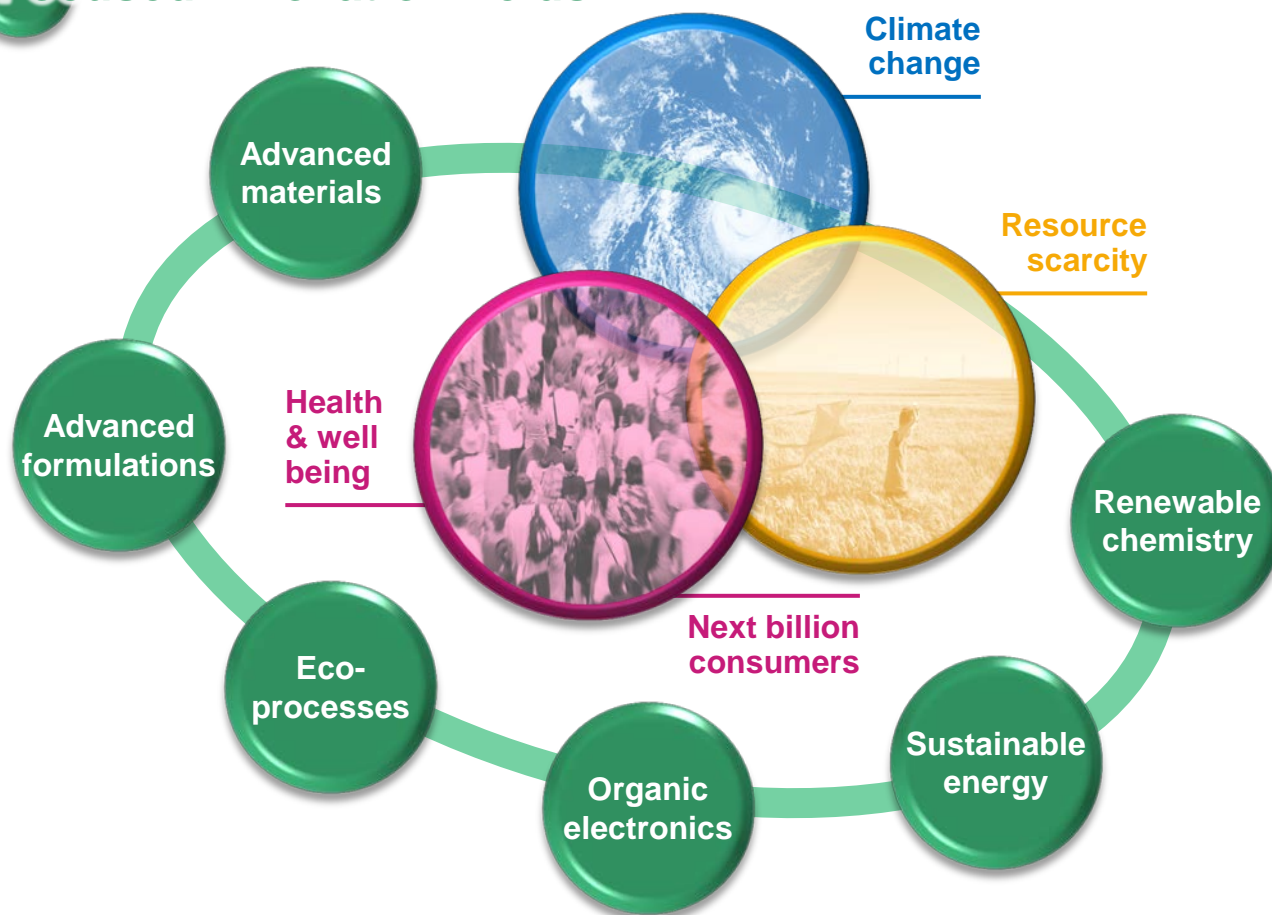
ADVANCED FORMULATIONS	Specialty surfactants	PERFORMANCE CHEMICALS	Hydrogen peroxide
	Diphenols		Soda ash
	Phosphorus chemistry		Bicarbonate
ADVANCED MATERIALS	High-performance engineering polymers & compounds	Fluorinated polymers	Rare earth formulations
		High-barrier polymers	High-dispersible silica

3

FUNCTIONAL POLYMERS	PA 6.6 polymers & intermediates	PERFORMANCE CHEMICALS	Cellulose acetate fiber
	PA 6.6 engineering plastics		

Strong innovation portfolio aligned with global megatrends

Focused innovation fields



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 cyclical & higher returns** Group

Our strategy

- Reinforcing business profile through strategic portfolio changes
- Striving for excellence across businesses
- Innovating to create sustainable solutions
- Focusing company culture on performance

Our 2016 ambition

REBITDA to grow to €2.3 – 2.5 bn*

➔ **REBITDA margin to widen to 18%**

CFROI to increase by >100 bp vs 2013**

➔ **2/3rd of businesses in value-creation zone**

Being a model of sustainability

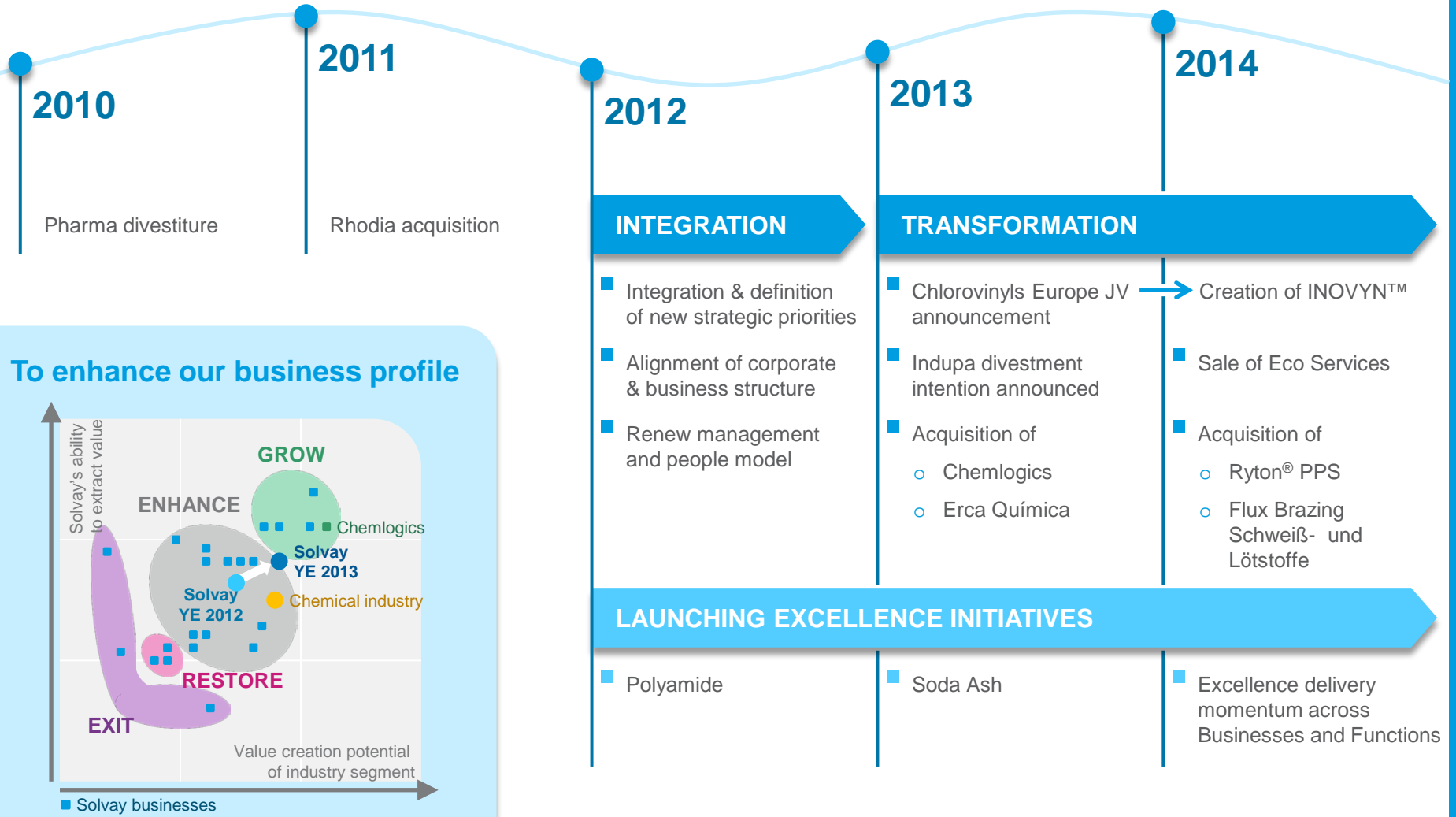
➔ **Reducing our impact on environment**

* At constant perimeter, as of year end 2013, as presented at the CMD 2013

** Prior to discontinued operations

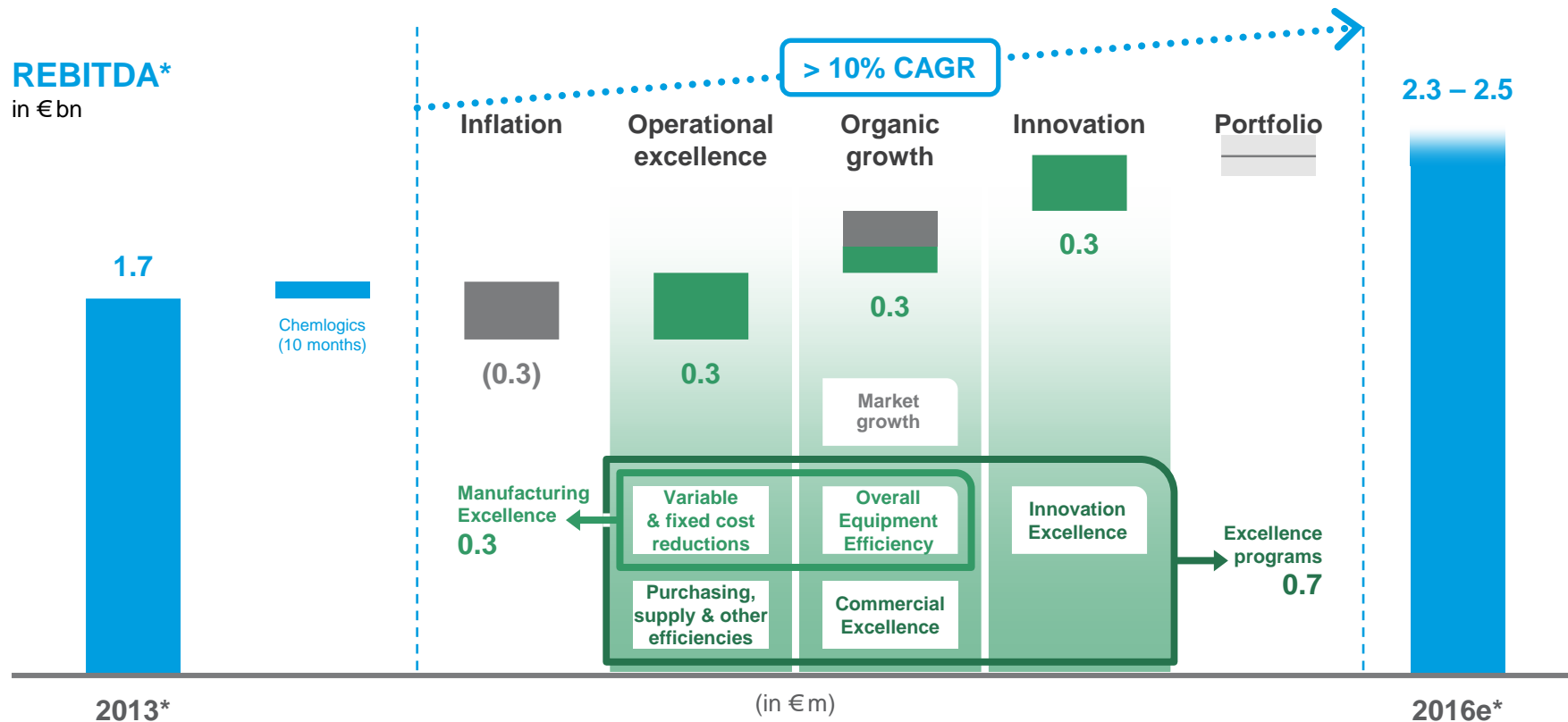
A business portfolio change

Executing our strategic action plan



REBITDA growth supported by strong operational levers

REBITDA*
in € bn

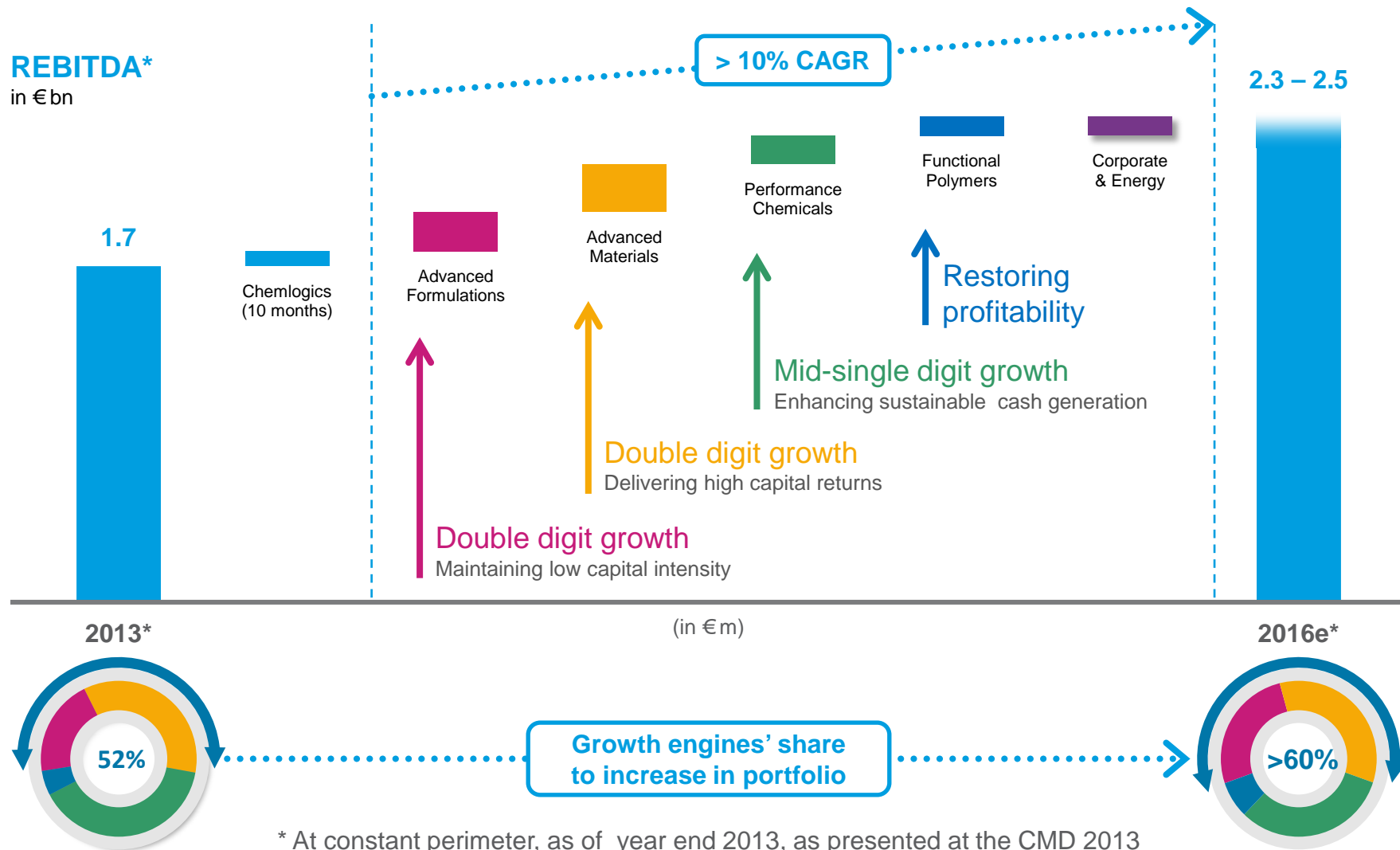


REBITDA
margin
17%

REBITDA
margin
18%

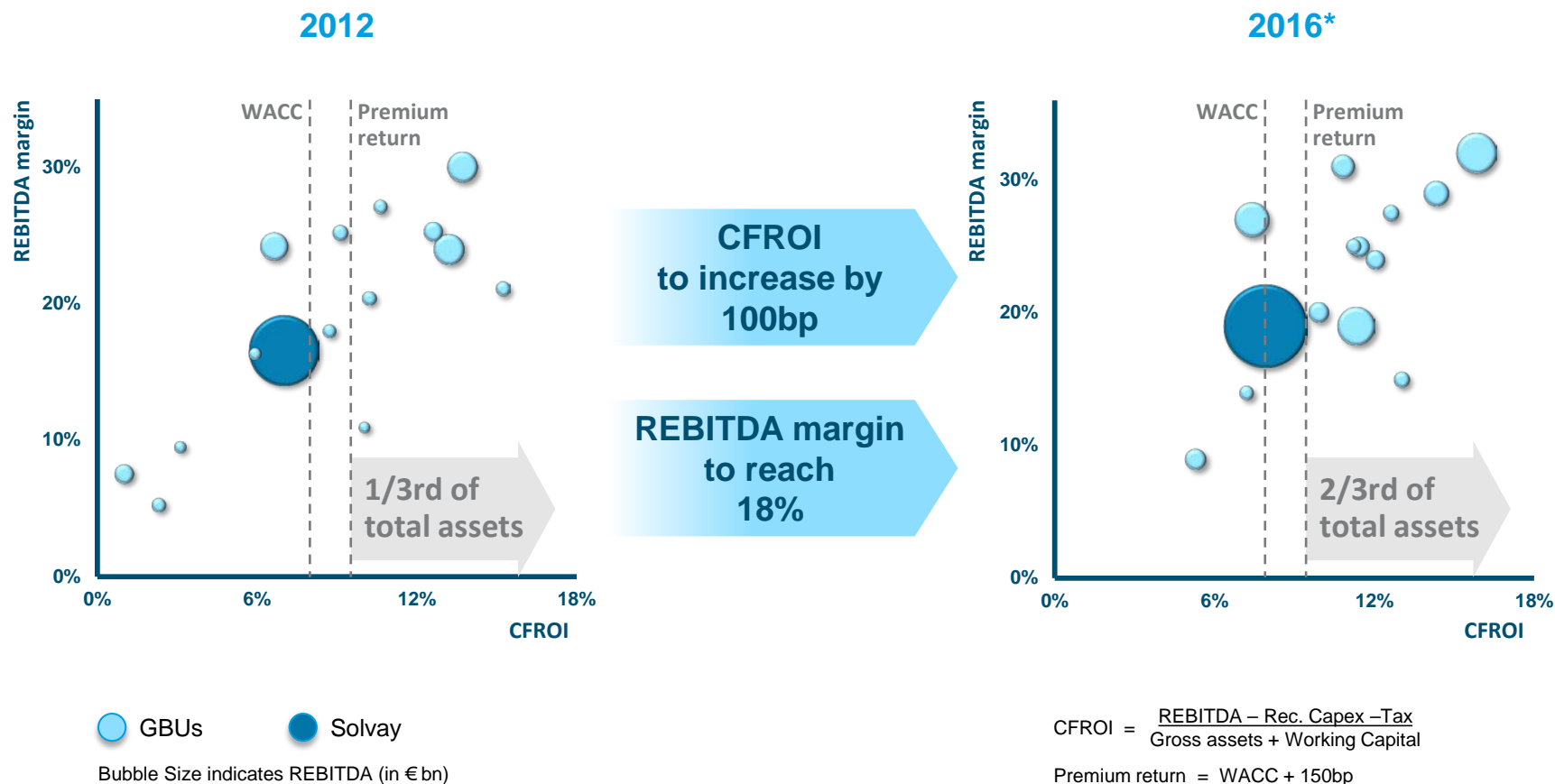
* At constant perimeter, as of year end 2013, as presented at the CMD 2013

Enhanced earnings quality across segments with differentiated levers throughout our businesses



* At constant perimeter, as of year end 2013, as presented at the CMD 2013

Unlocking value by increasing CFROI and REBITDA margin



* At constant perimeter, as presented at the CMD 2013

Focused on being a model of sustainability with commitments

SOLVAY way



Planet



Customers



Investors



Suppliers



Communities



Employees

- Reach excellence in safety & health
- Deploy unmatched sustainable portfolio management
- Reduce our environmental impact by 2020



- 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

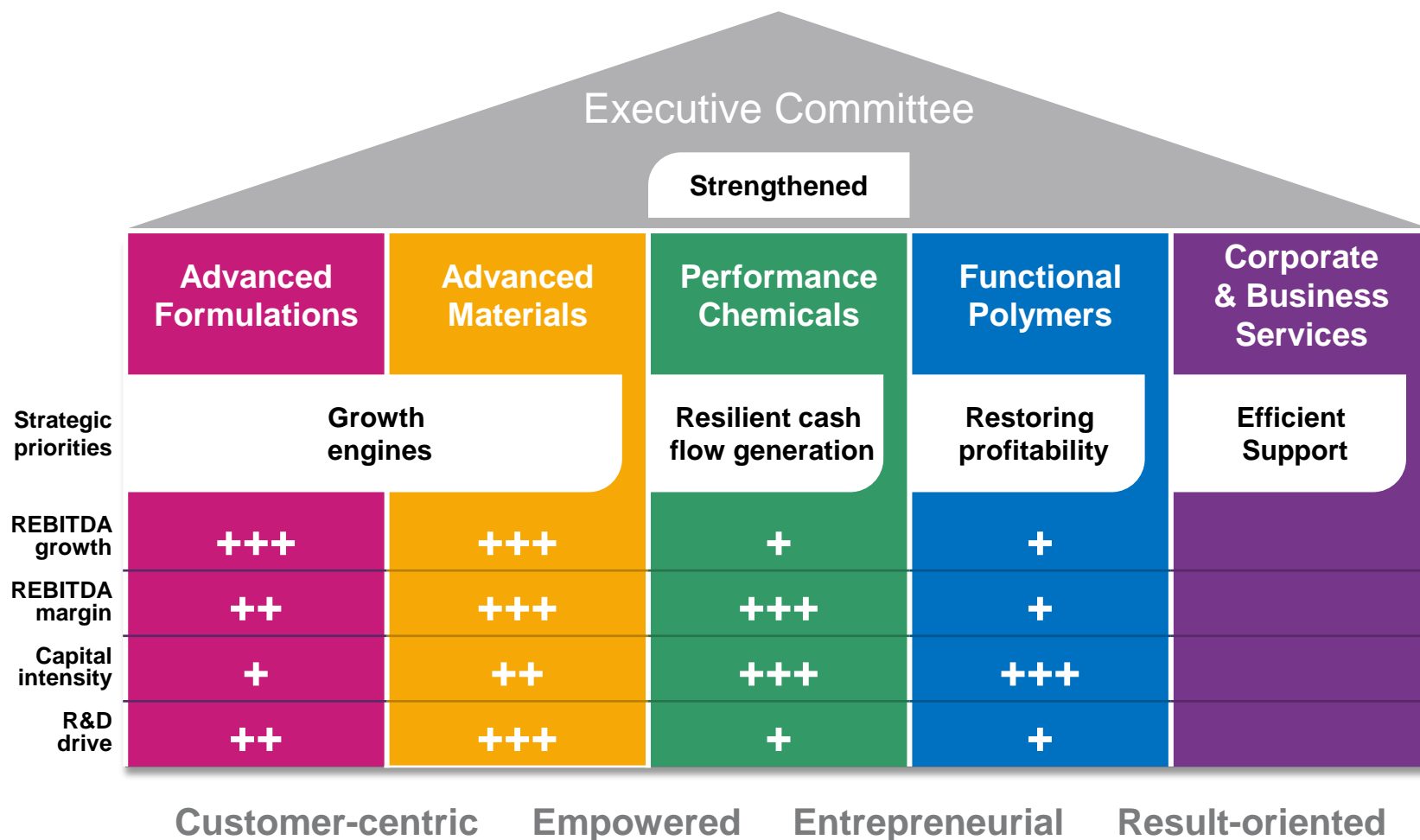
- Additional Q3 and Q3 YTD 2014 financial data
- Additional FY 2014 considerations
- 2016 ambitions
- **Segment presentation**



SOLVAY

asking more from chemistry®

Organization set-up



Organized in Operating segments and Global Business Units

	Advanced Formulations	Advanced Materials	Performance Chemicals	Functional Polymers	Corporate & Business Services
	Novecare Aroma Performance Coatis	Specialty Polymers Silica Rare Earth Systems Special Chemicals	Soda Ash & Derivatives Peroxide Acetow Emerging Biochemicals	Polyamide P&I Engineering Plastics Fibras RusVinyl	Solvay Energy Services Corporate Functions
2013					
REBITDA	€347 m	€624 m	€682 m	€89 m	€(131) m
REBITDA margin	14.3%	24.5%	23.5%	5.0%	n.m.
2014 Q3 YTD					
REBITDA	€317 m	€538 m	€534 m	€96 m	€(116) m
REBITDA margin	14.9% ↗	26.4% ↗	24.4% ↗	7.5% ↗	n.m.

** To be exited by YE 2014

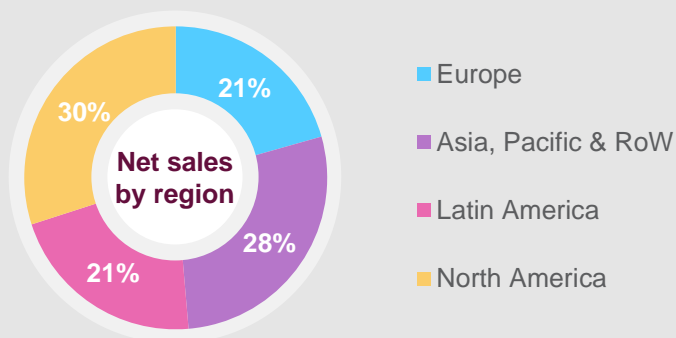
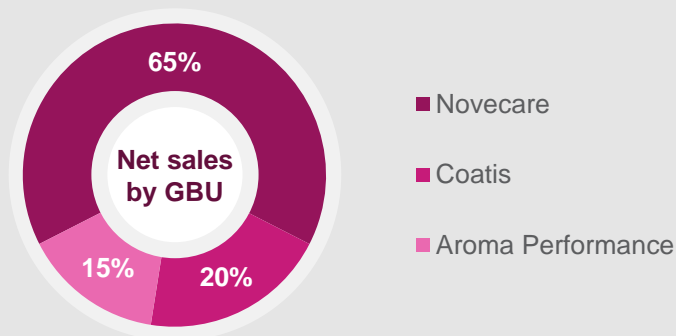
Advanced Formulations

2013 figures

€2,432 m
Net Sales

€347 m
REBITDA

14%
Margin



As one of Solvay's growth engines, the businesses grouped under Advanced Formulations stand out for their innovation capacity and relatively low capital intensity. Their offerings address energy transition needs and major societal trends, meeting ever stricter requirements to respect the environment and to save energy, and challenges of the mass consumer markets.

Selected end markets



Oil & Gas



Agro



Home & Personal care

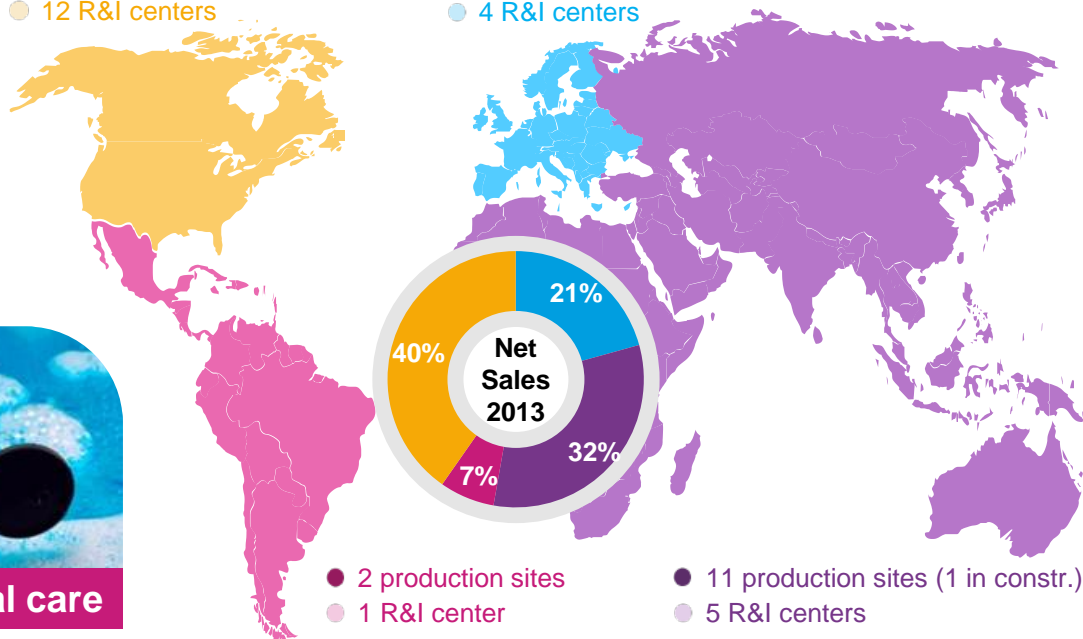


Industrial



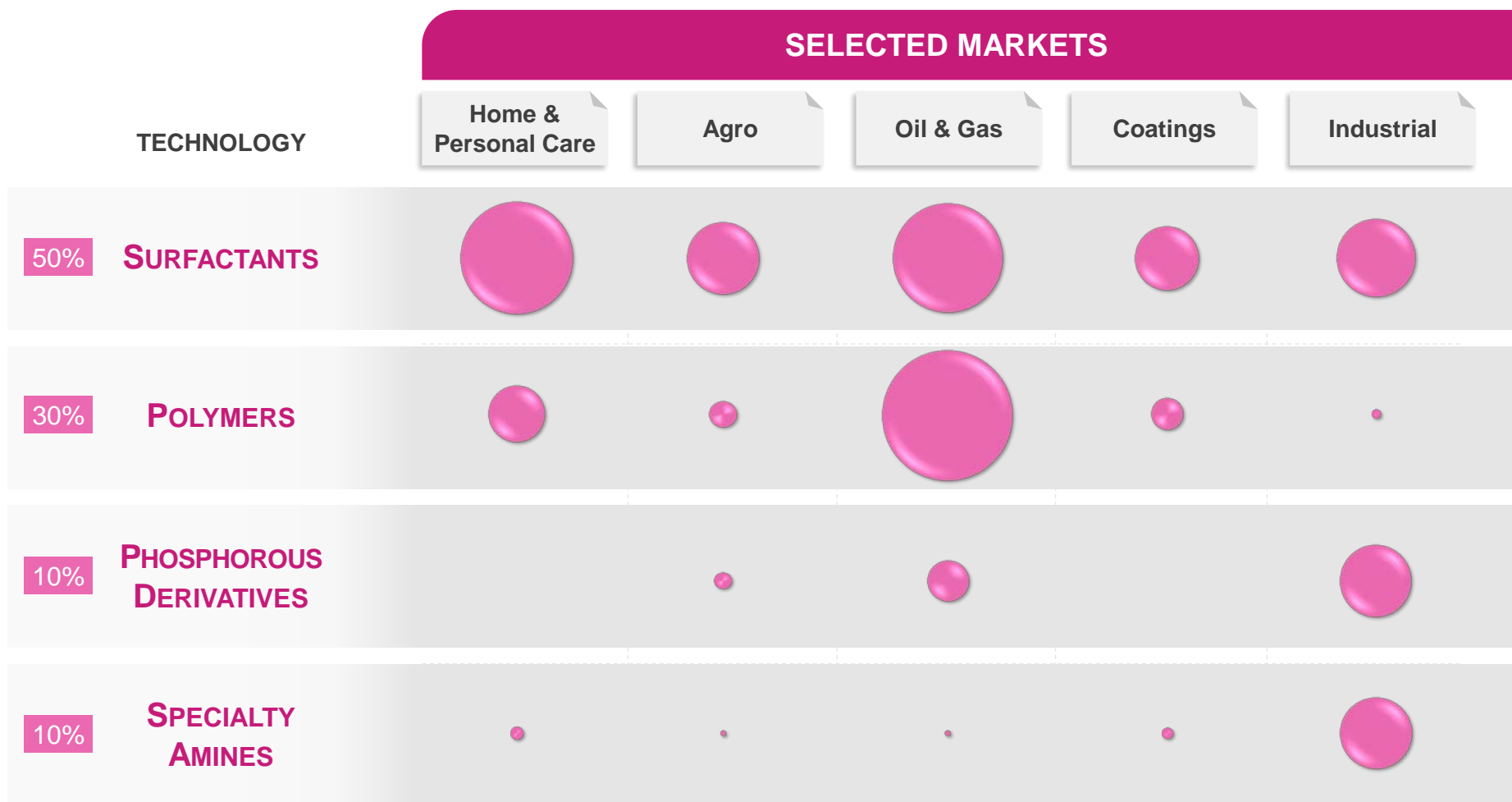
Coatings

- 12 production sites (1 in constr.)
- 12 R&I centers
- 6 production sites (1 in constr.)
- 4 R&I centers



Novecare

Cutting-edge technologies in diversified focused markets



 % of Novecare sales in 2013 (pro forma Chemlogics)

Novecare

Chemlogics acquisition (end 2013) extends customized solutions portfolio for oil & gas chemicals industry

Leading solution offering to the Oil & Gas chemical market

Lab-to-well formulations

Demulsifiers

Scavengers

Crosslinkers

Rheology modifiers

Biocides

Anti-gas migration

Emulsifiers/Wetting agents

Non emulsifiers

Friction reducers

Flow improvers

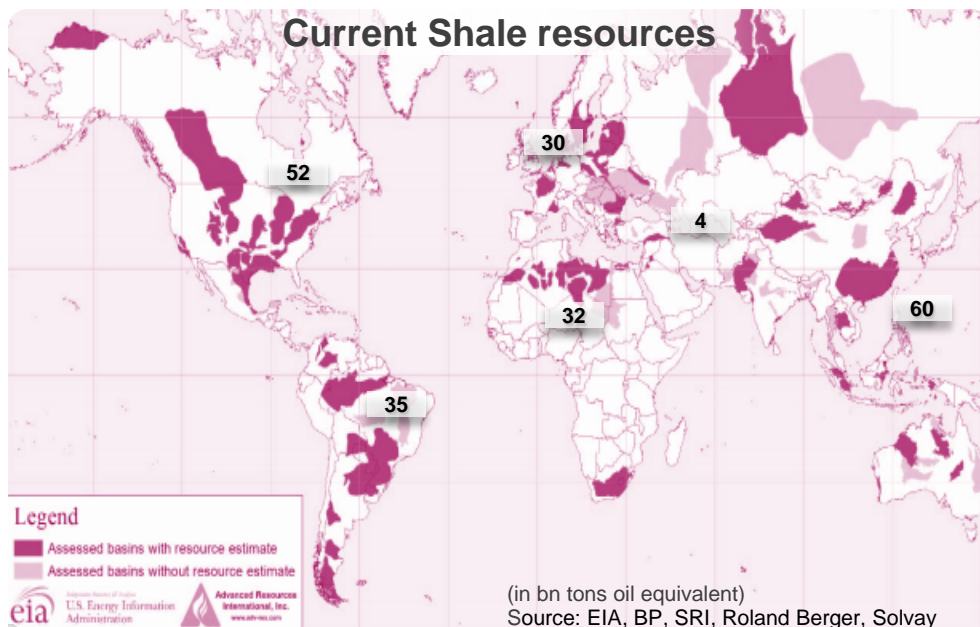
Clay & iron control

Fluid-loss additives

Cement retarders

Former
Chemlogics

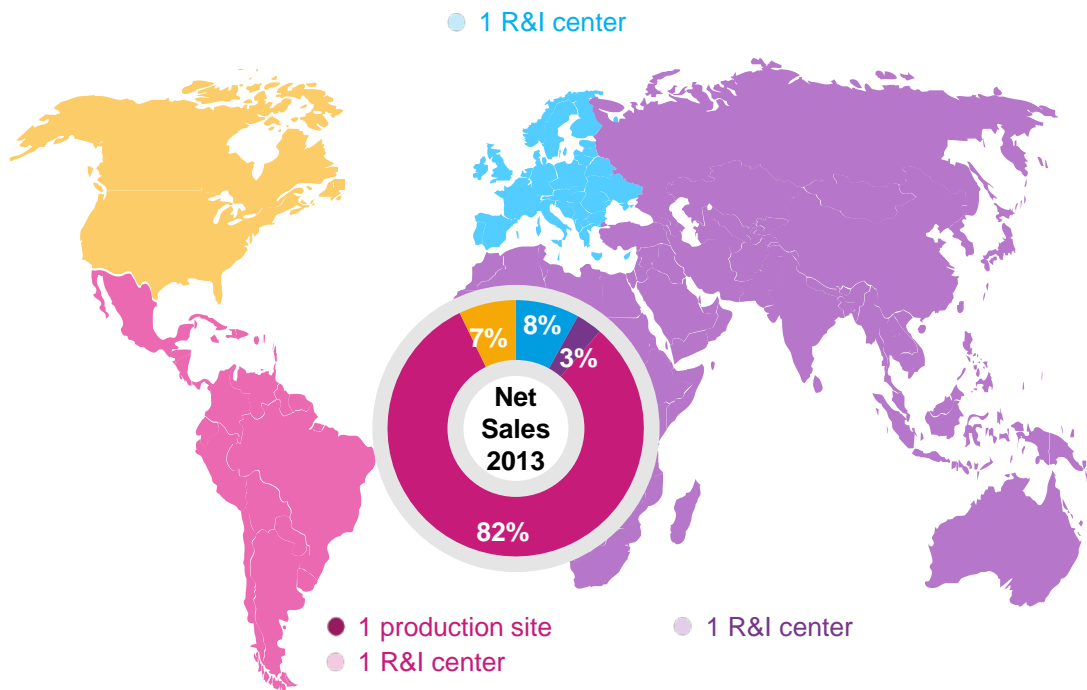
Former
Novecare



Strategic axes

- Integrate Chemlogics into Novecare to trigger sales synergies
- Develop presence in new US basins
- Extend the model into new regions: Australia, China, Russia...
- Broad Portfolio - Lead by innovation with tailored solutions

Multiple applications For phenol and oxygenated solvents



Aroma Performance

A unique integrated player with global footprint, maximizing service to customers

Net sales
2013

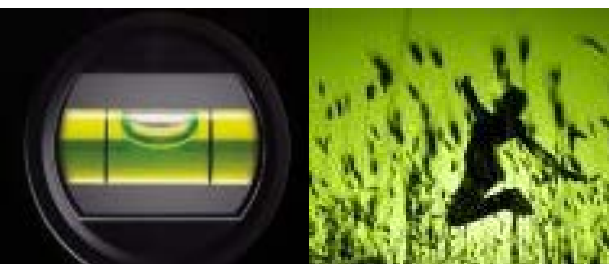
€0.4 bn



Vanillin for flavours & fragrances



Fluor compounds for batteries

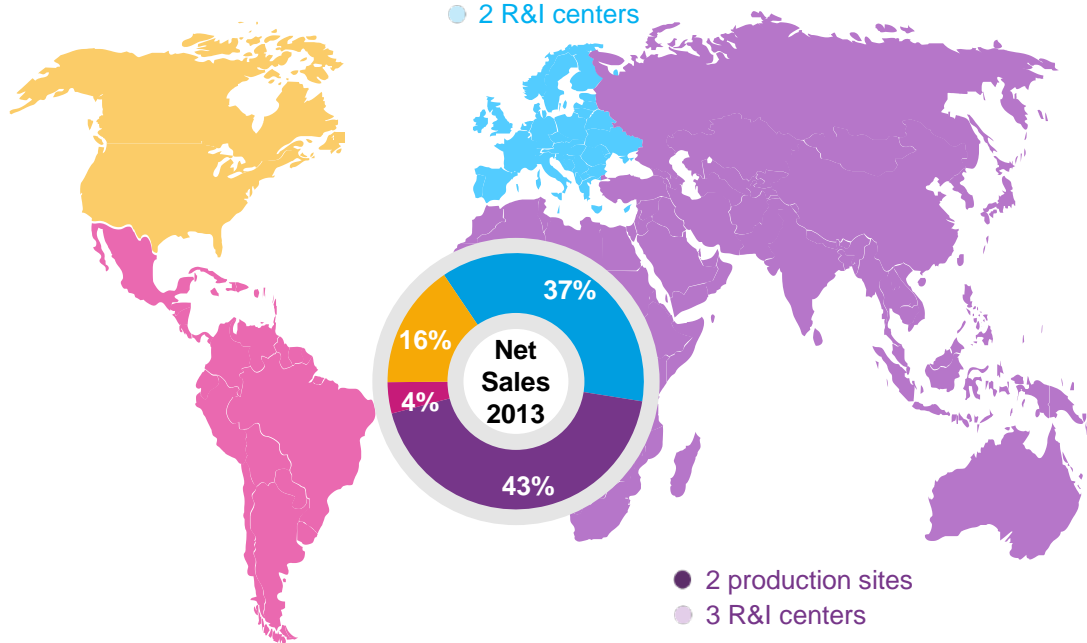


Inhibitors for monomers

● 1 production site

● 3 production sites

● 2 R&I centers



● 2 production sites

● 3 R&I centers

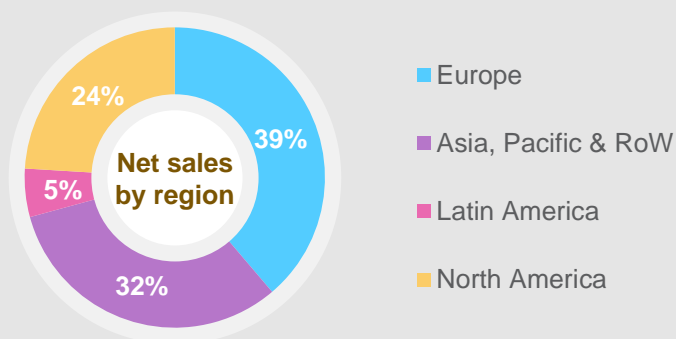
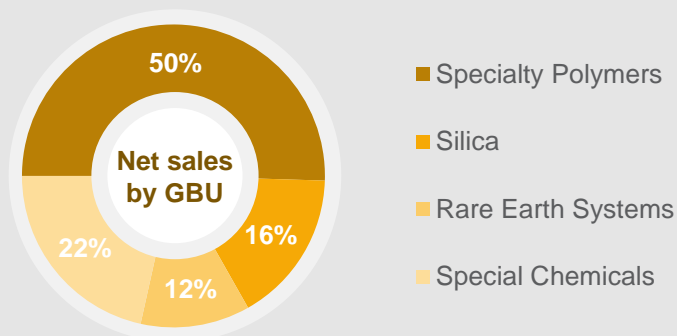
Advanced Materials

2013 figures

€2,551 m
Net Sales

€624 m
REBITDA

24%
Margin



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, a global presence and customer partnerships provide a compelling competitive edge with industries seeking increasingly energy efficiency and less polluting functionalities.

Specialty Polymers

Innovation leader with broadest product portfolio

Net sales
2013

€1.3 bn

Multiple end markets

Healthcare



Aircraft



Industrial



Construction



Automotive



Smart Devices



Electricals & Electronics



Oil & Gas



Membranes



Alternative Energy

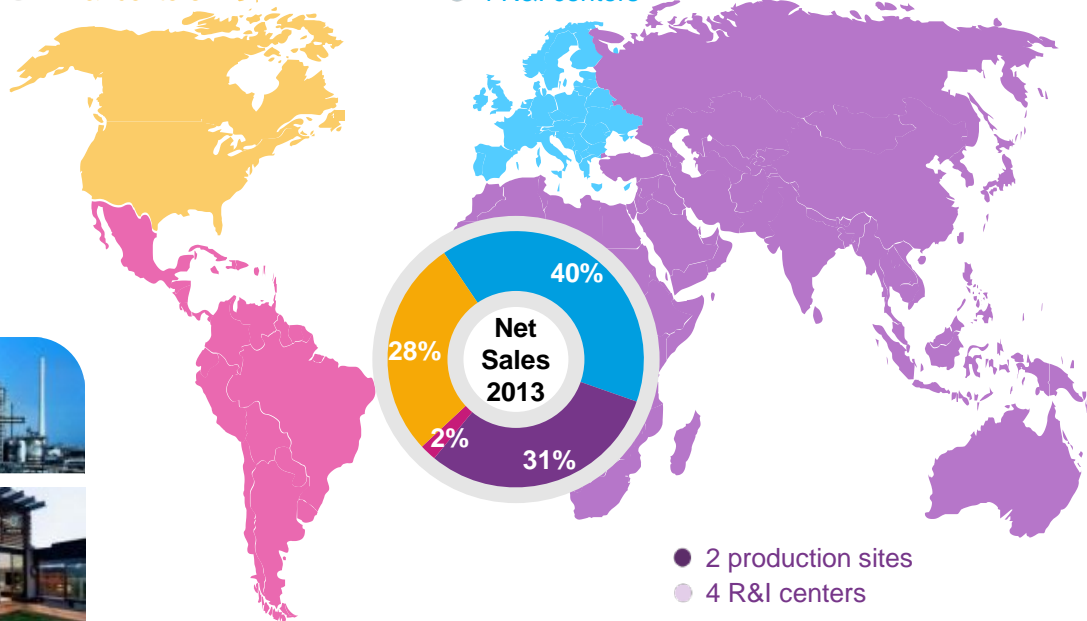


Consumer Goods



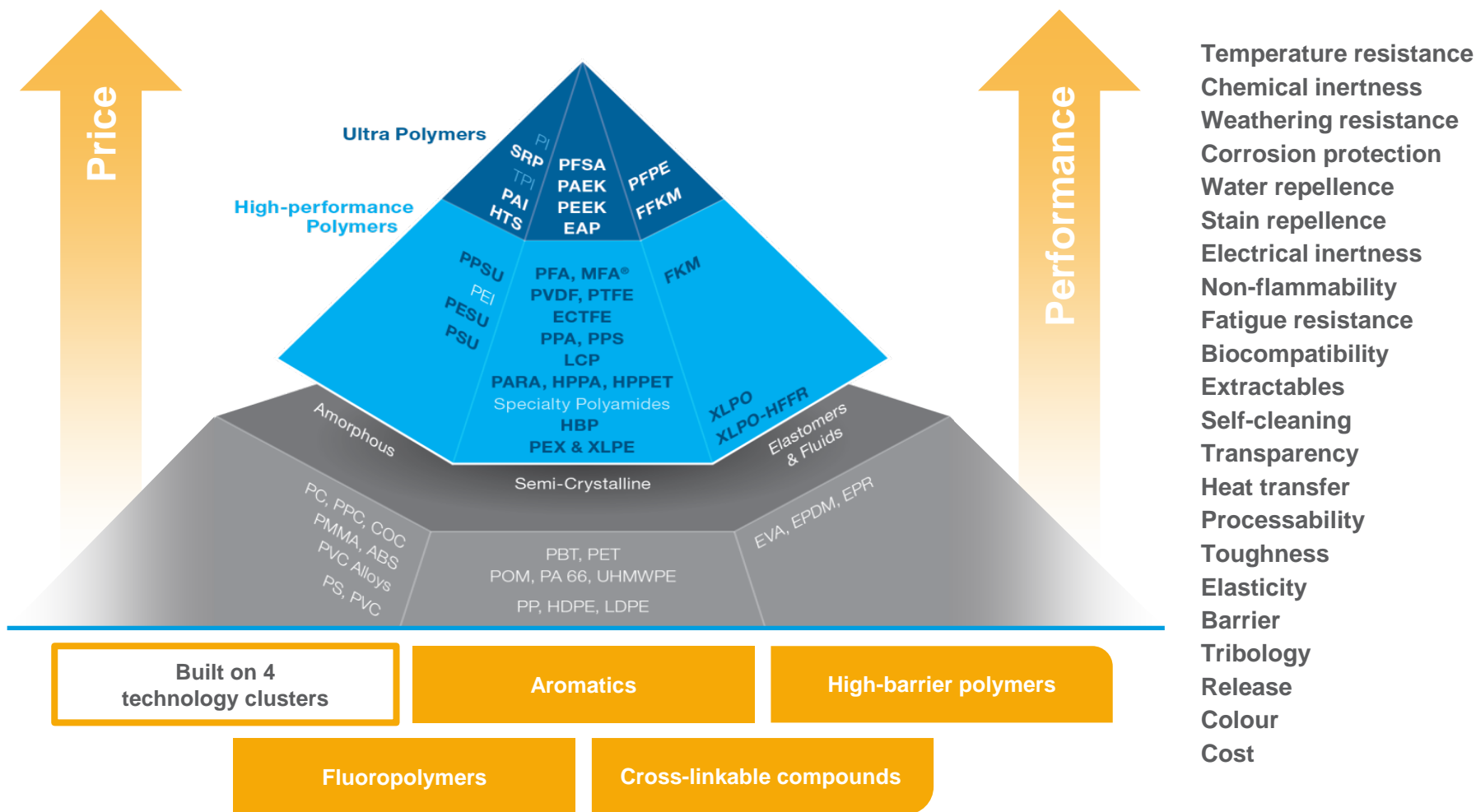
● 7 production sites
● 2 R&I centers

● 6 production sites
● 4 R&I centers

















Specialty Polymers

Focused on the most advanced products

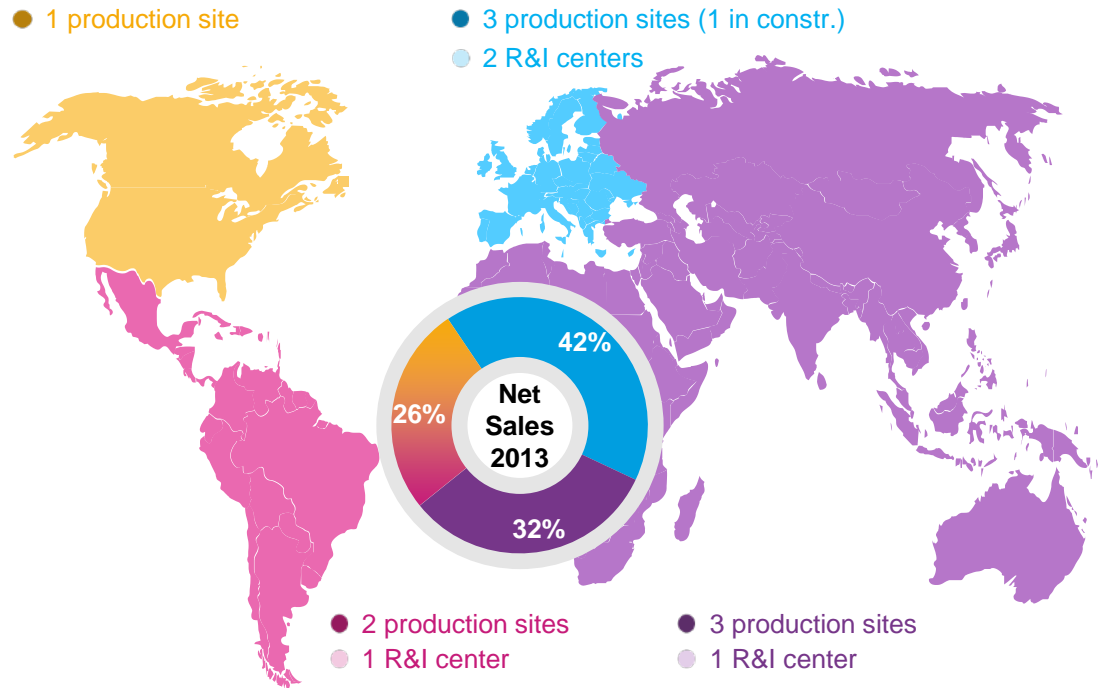


Specialty Polymers

Unique solution offering to customers differentiates Solvay from competitors

	Aromatics						Fluoropolymers					High-barrier polymers	X-linkable compounds
	LCP	HPPA	PPS	PEEK	PAI	PSU	PTFE	PVDF	PFA	FKM	PFPE	PVDC	XLCP
 SOLVAY asking more from chemistry®	●	●	● ↑ Ryton®	●	●	●	●	●	●	●	●	●	●
													
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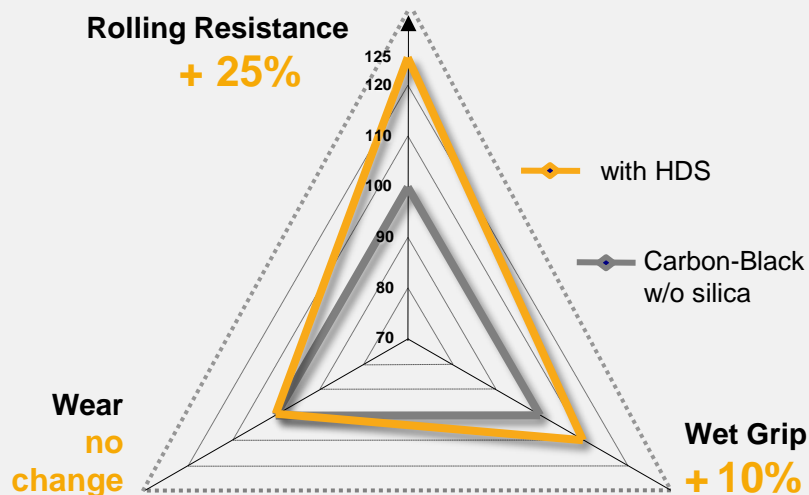
HDS (Highly Dispersable Silica) for fuel-efficient & performance tyres



Silica

Highly Dispersible Silica (HDS) delivers value to the tire industry

Excellent technical performance ...



Enables a **5-7%** improvement in **efficiency**

... growing across a number of applications

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 instead of carbon black

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

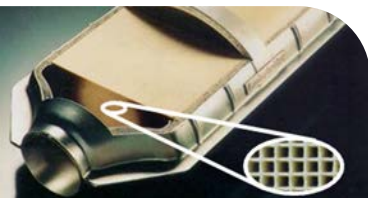
Source: Smithers Rapra, Solvay estimates

Rare Earth Systems

Best value capture business portfolio in rare earth chemicals

Net sales
2013

€0.3 bn



Mixed oxides and Alumina
for Automotive Catalysts



High performance inorganic
pigment for plastic coloration



Ceria based abrasives for
Semiconductor polishing



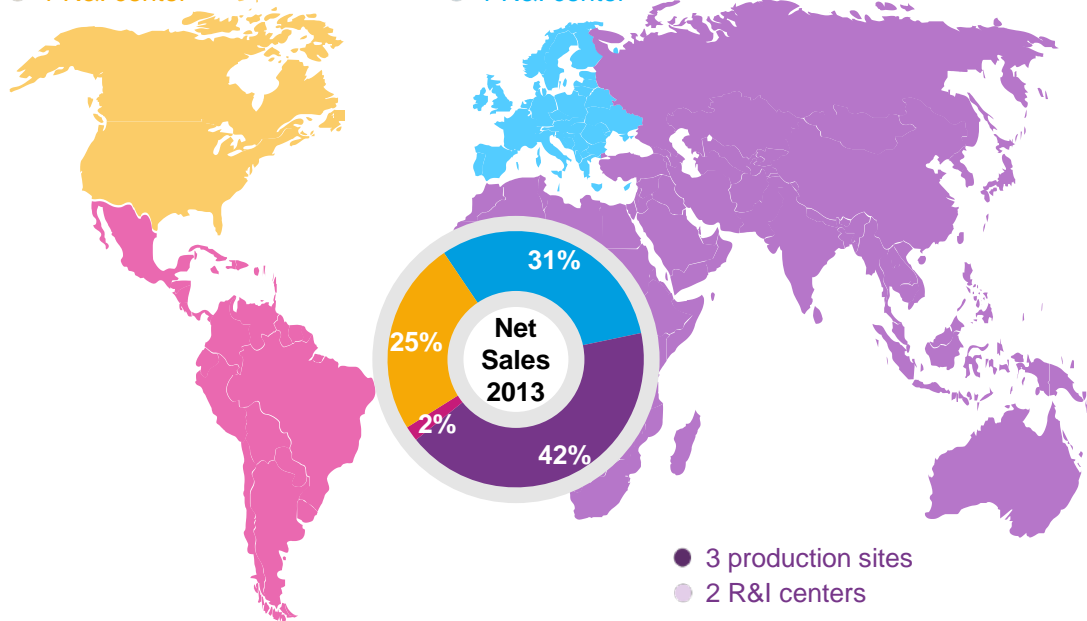
Green and Red phosphors
precursors for linear fluorescent
lamps



Fluorescent lamps recycling

● 1 production site
● 1 R&I center

● 1 production site
● 1 R&I center



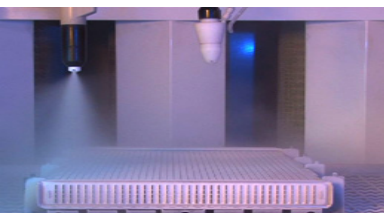
Special Chemicals

Leader in fluor chemistry and selected electronic applications

Net sales
2013

€0.5 bn

Multiple end markets



NOCOLOK®-flux for aluminum
brazing



Crop protection intermediates



Electronic
& coating additives



Fluorinated solvents for Li-ion
batteries

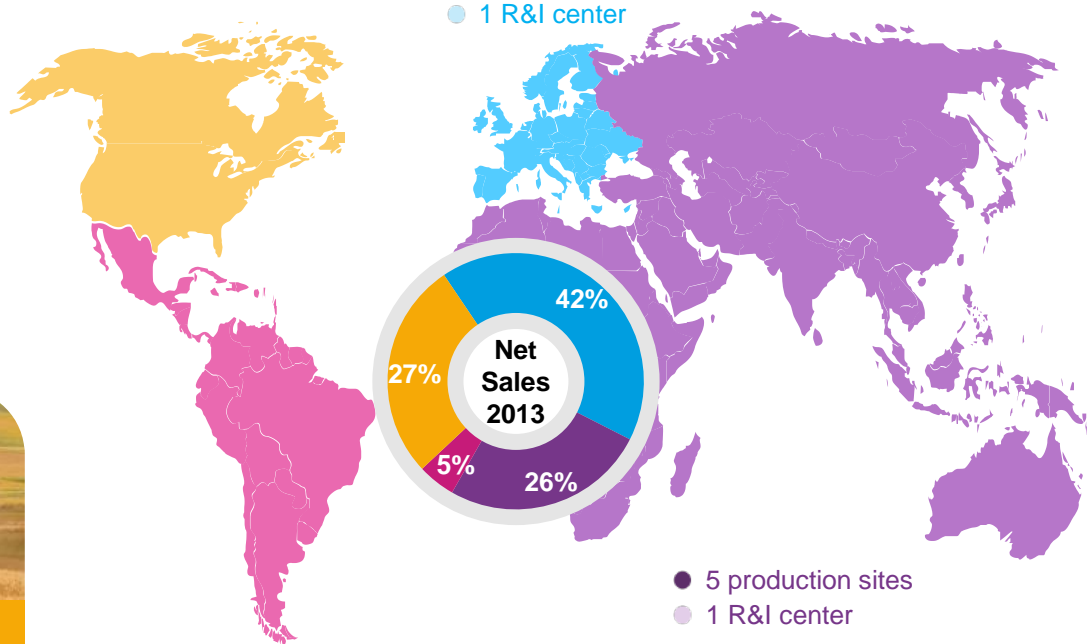


Foam for insulation

● 4 production sites

● 12 production sites

● 1 R&I center



● 5 production sites

● 1 R&I center

Special Chemicals

Executing strategic repositioning through increased focus in selective segments



Leverage our distinctive knowledge in Fluor

by **reinforcing innovation** for applications in agro, healthcare, Aluminum brazing and electronics



Strengthen the Electronics platform

by enhancing formulation capabilities and developing as a niche player with strong partners



Conduct selective acquisitions

to strengthen leadership in selected growth markets



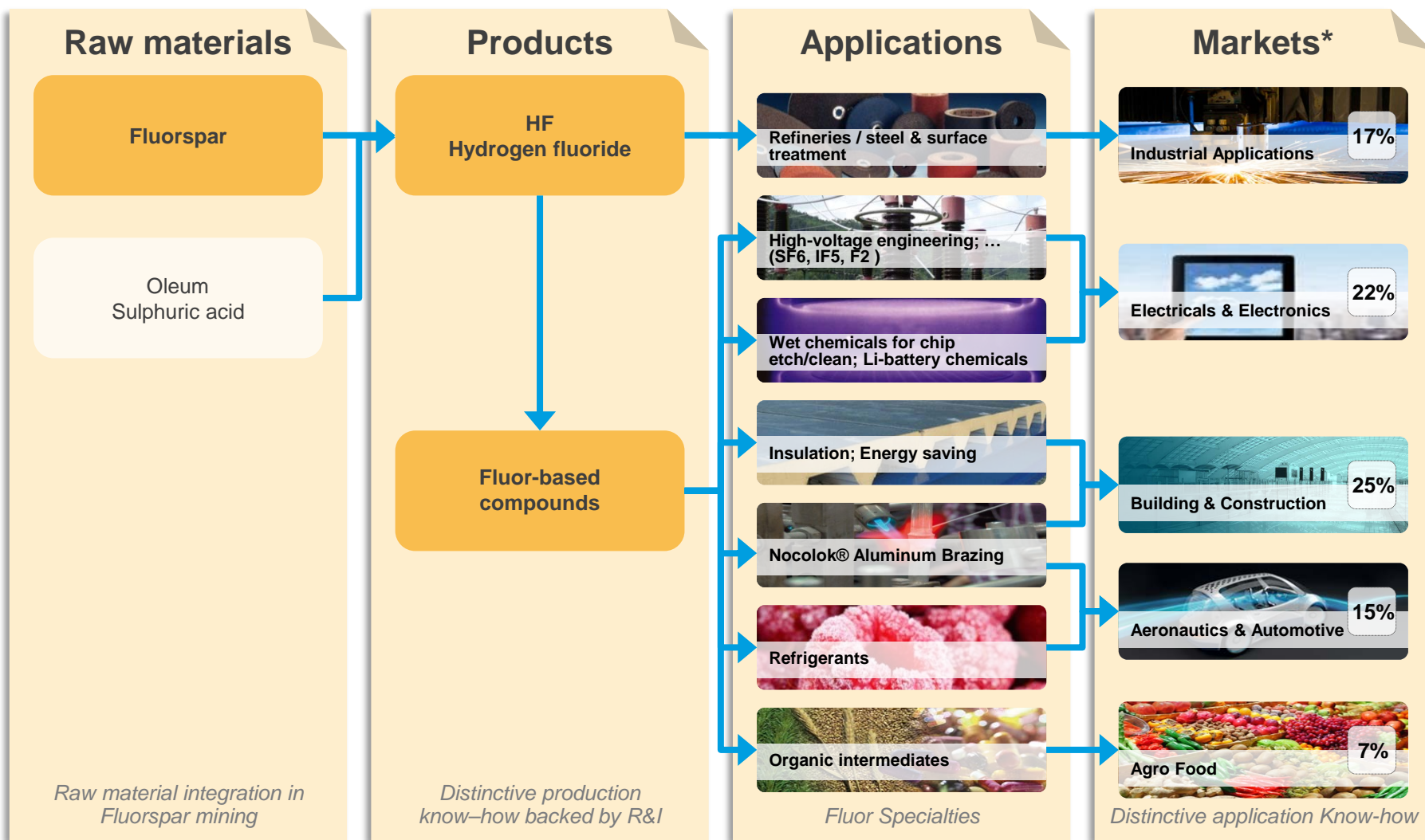
Divest cash-drain and/or non-related activities

2014
Acquisition of
Flux Brazing
Schweiß-
& Lötstoffe

2013
Exit of
Life Sciences

Special Chemicals

Key transformation process for fluor-based specialty products



* Market exposure % includes PCC, Barium and Strontium compounds not presented in slide

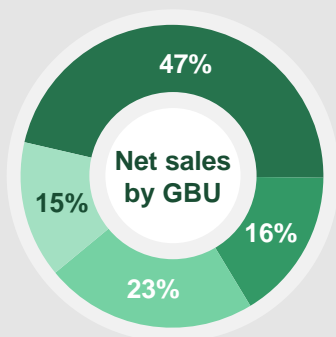
Performance Chemicals

2013 figures

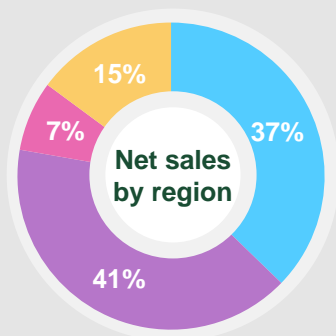
€2,902 m
Net Sales

€682 m
REBITDA

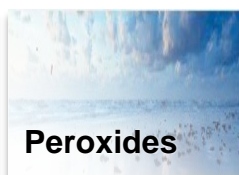
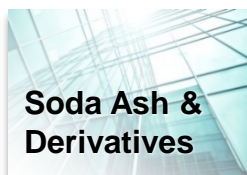
24%
Margin



- Soda Ash
- Peroxides
- Acetow
- Emerging Biochemicals



- Europe
- Asia, Pacific & RoW
- Latin America
- North America



Operating mainly in 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 programs of excellence to create additional sustainable value.

Soda Ash & Derivatives

Resilient cash generator for the Solvay Group

Net sales
2013

€1.4 bn

Soda ash

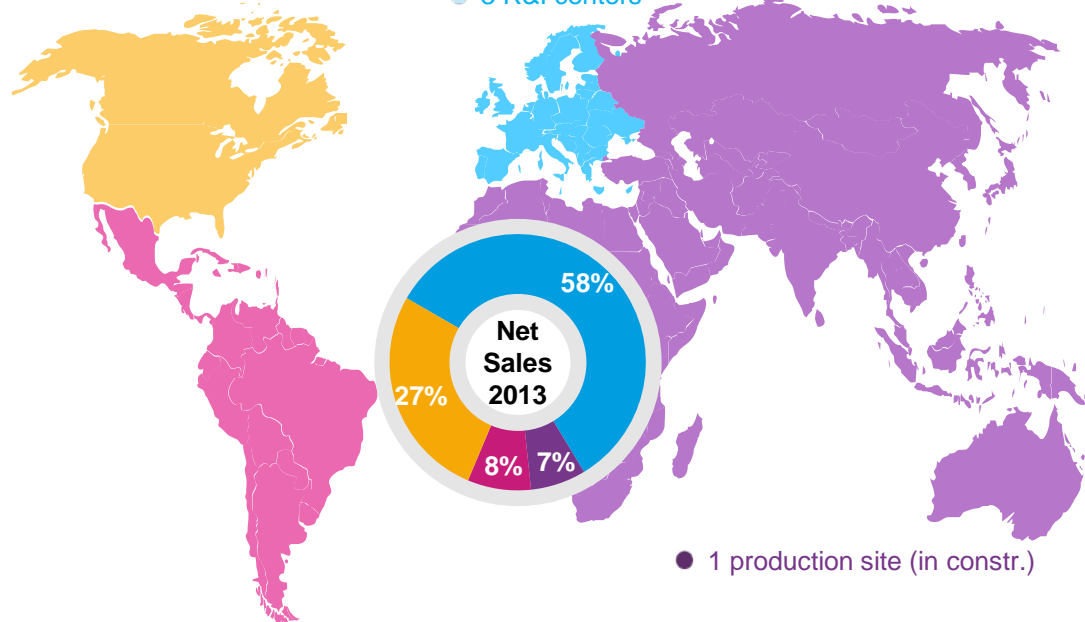
in many applications



● 2 production sites

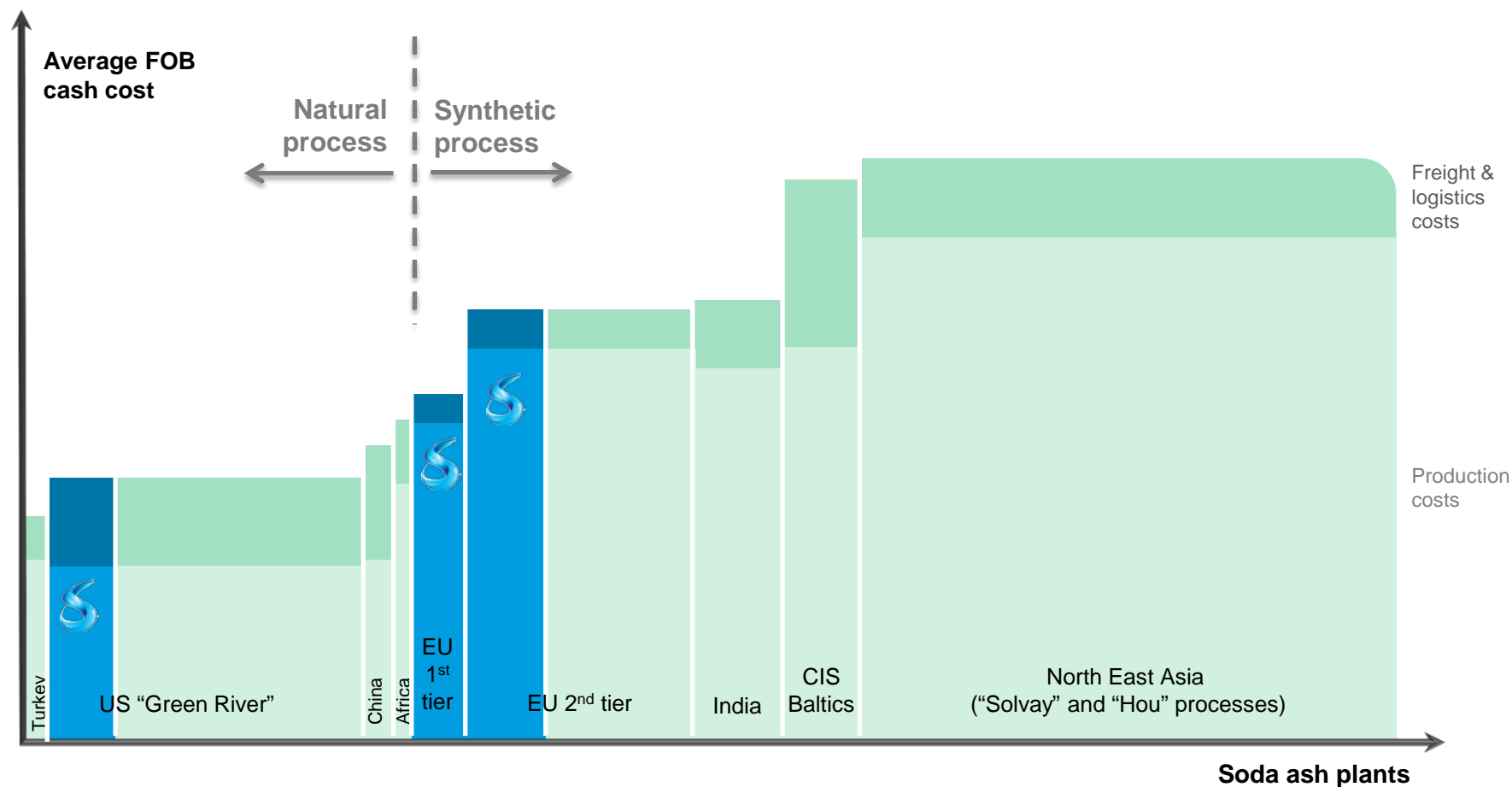
● 7 production sites

● 3 R&I centers



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 Povia (0.2 mt/yr)
- Tata Winnington (0.5 mt/yr)

Production **capacity utilization** rate to **increase**

- Following restructuring at the supply side
- Following expected slight 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

Peroxides

Market & technology leader in global peroxides market

Net sales
2013

€0.5 bn

Multiple H₂O₂ applications



Pulp & Paper



Metals/ Mining



Aseptic packaging



Propylene Oxide (HPPO* process)



● 2 production sites

● 9 production sites (1 HPPO*)

● 2 R&I centers

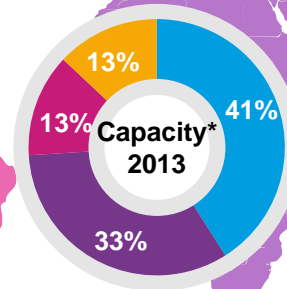
● 1 production site

● 1 R&I center

● 5 production sites

(2 HPPO*, 1 in constr.)

● 1 R&I center



*HPPO: Hydrogen Peroxide dedicated to Propylene Oxide production

** Production capacity, including JVs

Products



Cellulose acetate
flakes



Cellulose acetate
tow

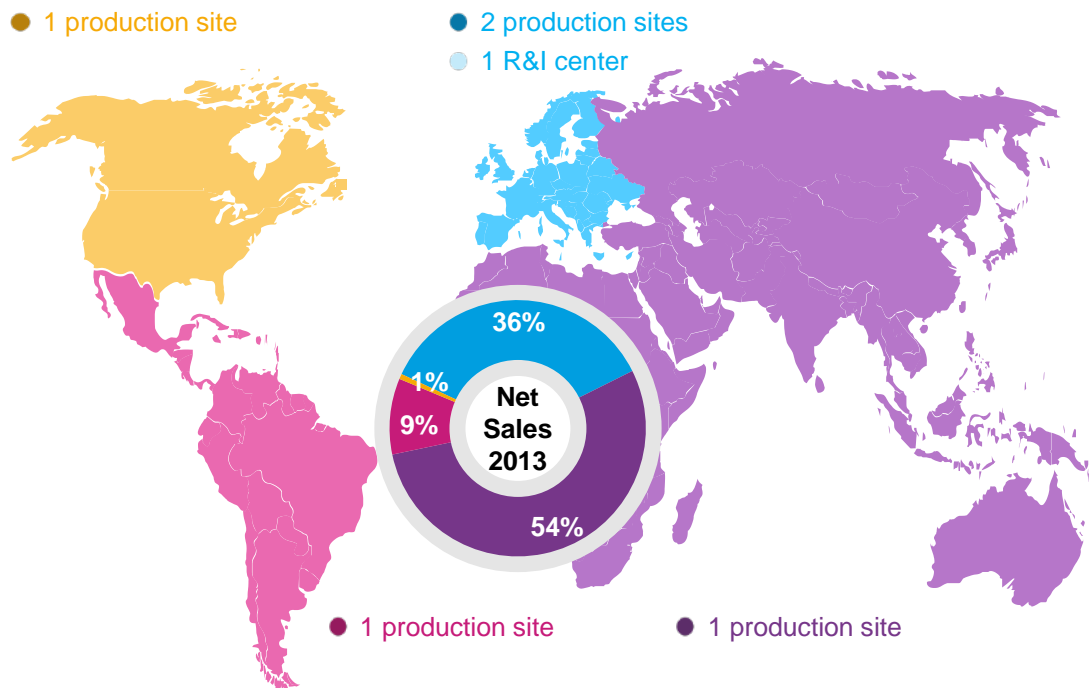
Applications



Cigarette filter



New application:
Cosmetics, ...



Emerging Biochemicals

Leading producer of bio- based epichlorohydrine, vinyls and Caustic Soda in South East Asia

Net sales
2013

€0.4 bn

Epicerol® applications



Coatings



Composites



Electronics

Vinyl applications



Pipe & fittings



Film & sheets

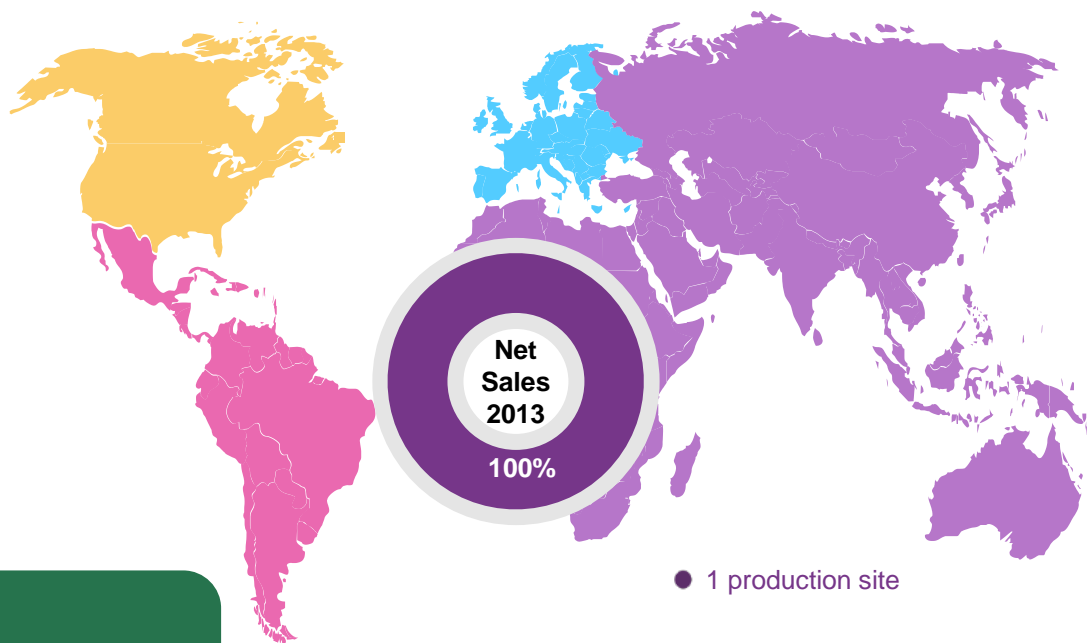


Wires & cables



Profiles

● 1 R&I center



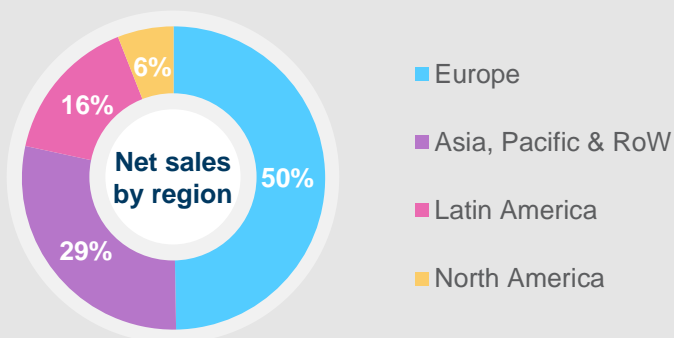
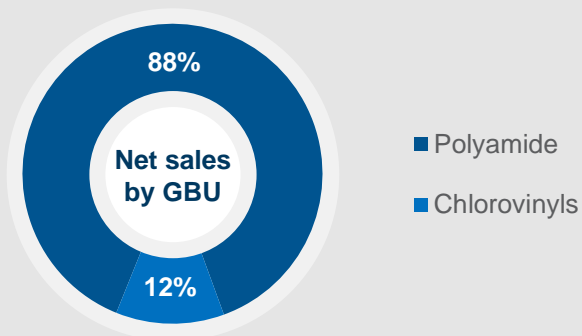
Functional Polymers

2013 figures

€1,763 m
Net Sales

€89 m
REBITDA

5%
Margin



The key success factors of this Segment, which primarily groups the Polyamide activities, are continuous manufacturing optimization and innovation. Solvay is one of few players to operate across the entire polyamide 6.6 chain.

Polyamide

Integrated polyamide player

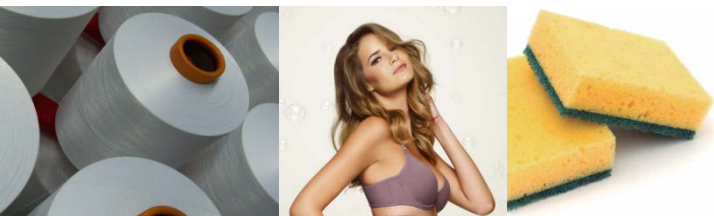
Net sales
2013

€1.6 bn

3 business units



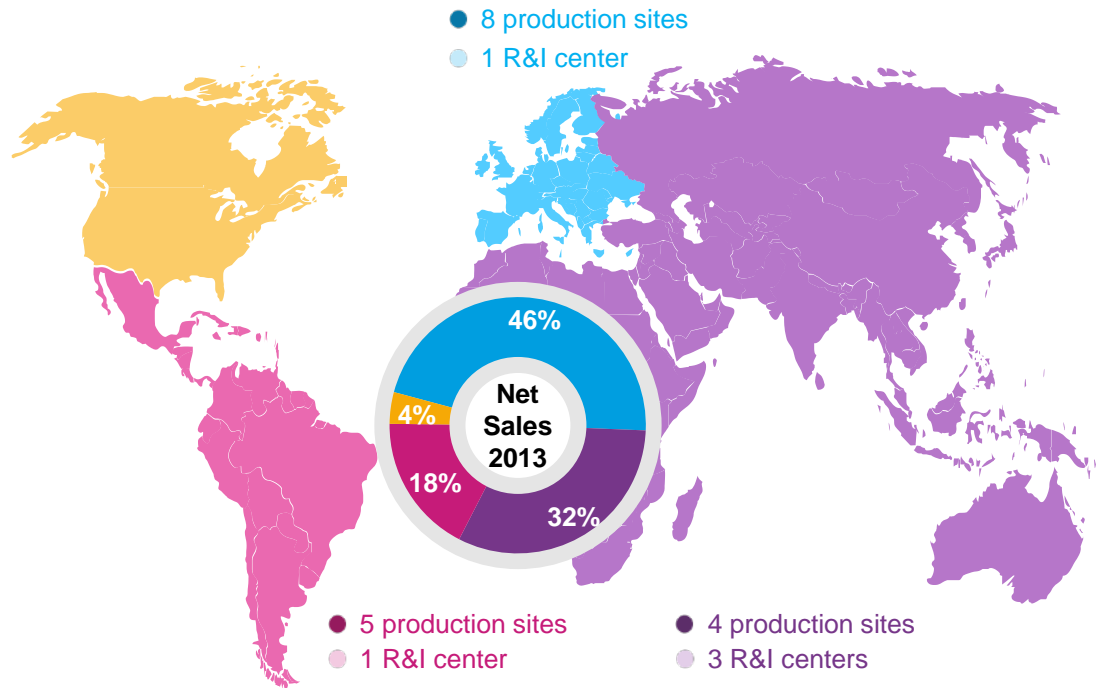
Polyamide & Intermediates



Fibras



Engineering Plastics



Corporate & Business Services

2013 figures

€67 m

Net Sales

€(131) m

REBITDA



Energy Services



**Other Corporate
& Business Services**

This Segment includes the Energy Services business which delivers energy optimization programs within the Group as well as for third parties. It also includes the corporate functions.

www.solvay.com



SOLVAY

asking more from chemistry®