



SOLVAY

asking more from chemistry®

Q2 2015 results

July 29, 2015

FORENOTE

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

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

Safe harbor

This presentation may contain forward-looking information. Forward-looking statements describe expectations, plans, strategies, goals, future events or intentions. The achievement of forward-looking statements contained in this presentation is subject to risks and uncertainties relating to 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 or future events may differ materially from those expressed or implied by such forward-looking statements. 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 or revise any forward-looking statements.

Growth supported by forex

Volumes drop offset by pricing power



Volumes drop offset by pricing power

- Innovation-driven growth more than offset by persistent substantial contraction of O&G and acetate tow market
- Pricing power across all operating segments, supported by excellence programs and lower raw material prices



Supportive forex

- Across all operating segments
- Translation forex impact increasing as hedging gradually rolls over



Portfolio transformation progressing

- INOVYN JV for European chlorovinyls created on July 1
- Sale of refrigerants business (and PCC sale on-going)
- Ryton and Flux being integrated successfully



REBITDA
€500 m
+8.1% yoy

Margin
19%
+ 66 bp

Q2 2015 financial highlights

€2.7 bn

Net Sales

+4.2%

yoy

- Strong forex impact (US\$ in particular)
- Volumes down as innovation-driven growth offset by adjustments in O&G and acetate tow markets
- Sales prices decreased on lower raw material costs

€500 m

REBITDA

+8.1%

yoy

- Strong forex
- Positive pricing power, underpinned by excellence programs, mostly offset volume drop
- Margin up 66 bp to 19%

€143 m

Net Income

Adjusted, Group share

€ (292) m

in Q2 2014

- ➔ Stable non-recurring costs
- Lower financial charges
- Nominal tax rate of 39%, underlying at 29%

€167 m

Free Cash Flow

€ 89 m

in Q2 2014

- Improved cash conversion as industrial working capital reduced
- Discontinued operations: €57 m vs €8 m in 2014
- Capex up

Portfolio reshaping and investments for value

Reducing cyclical & low-growth businesses

Strengthening Growth Engines



European Chlorovinyls INOVYN created

- INOVYN JV with INEOS effective as of July 1
- Deferred sale to INEOS, with final exit in 3 years

Novecare

Shift to on-pipe alkoxylation globally



- Acquisition of facility in Moerdijk (NL)
- Start-up of new large-scale facility in Singapore
- Plant in Texas (US) reaching finalization

On-pipe ethylene oxide access offers cost advantage and supply security



Special Chem Portfolio reshaping continues

- Sale of refrigerants and pharma propellants activities to Daikin
- Exclusive negotiations with Imerys to sell PCC* business

* Precipitated Calcium Carbonate

Silica

Investment program continues



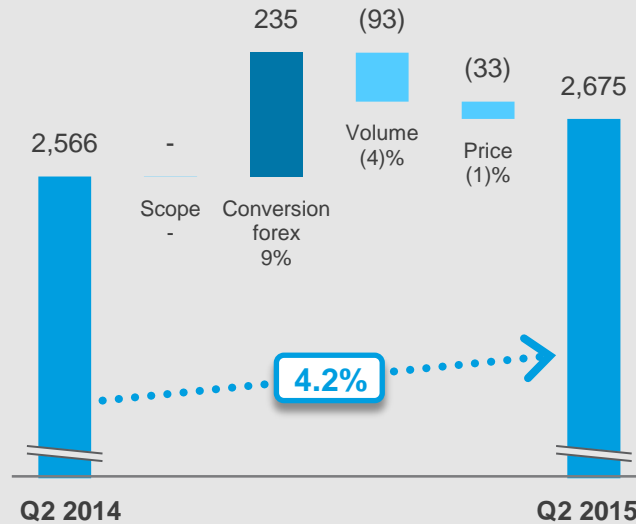
- Start-up in Wloclawek (PL) to serve Central and Eastern European market
- Construction started in Gunsan (KR) to serve growing Asian market by 2017

Providing most advanced grades of high performance silica for energy efficient passenger car and truck tire

Forex and excellence more than offset substantial adjustments in O&G supply chain and acetate tow market

Net Sales

in € m

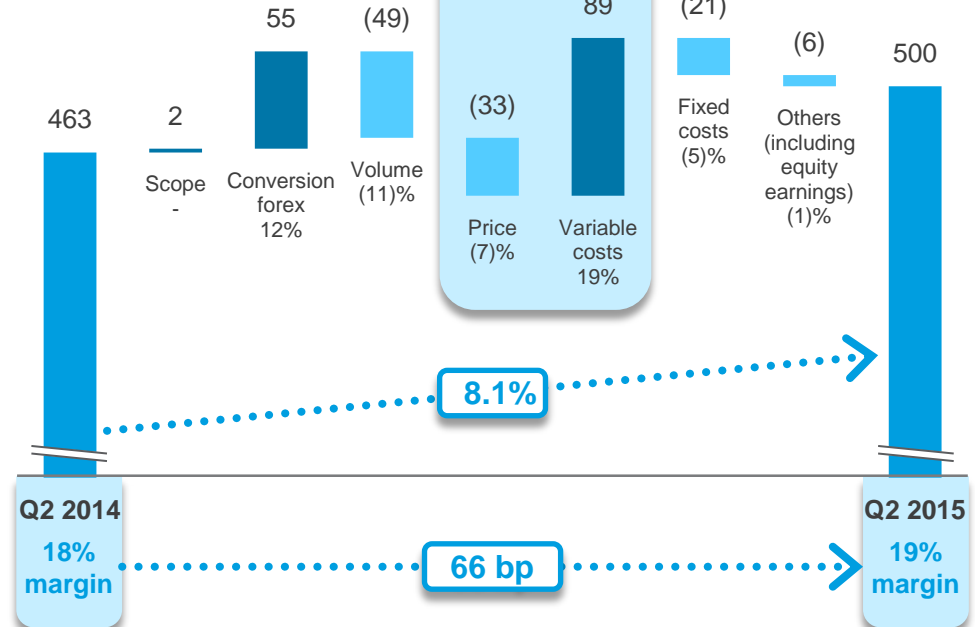


➤ Supportive forex (USD and CNY mainly)

➤ Volumes down overall as contraction in acetate tow and oil & gas markets offset innovation driven-demand in Advanced Materials

REBITDA

in € m



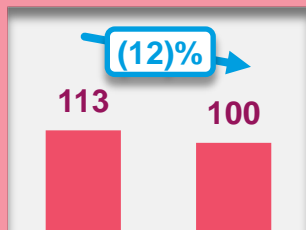
➤ Pricing power underpinned by excellence programs

➤ Fixed costs up with new plants; Excellence programs offset inflation

Net pricing & forex supportive across operating segments

REBITDA Q2 2015 (in € m)

Advanced Formulations

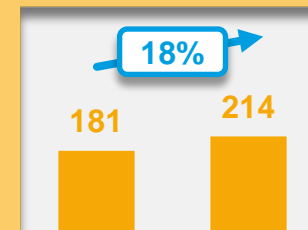


Q2 2014 Q2 2015
16% → 15%
margin

- Substantial drop in Novecare's O&G market's demand
- Sales and profit improvement at Aroma Performance continued

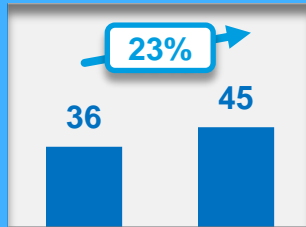
- New REBITDA record on strong innovation-driven growth
- Good integration of Rytan and Flux

Advanced Materials



Q2 2014 Q2 2015
27% → 25%
margin

Functional Polymers

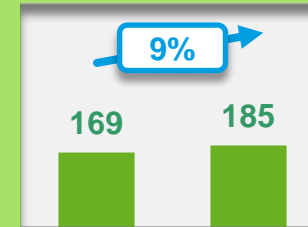


Q2 2014 Q2 2015
8.1% → 11.4%
margin

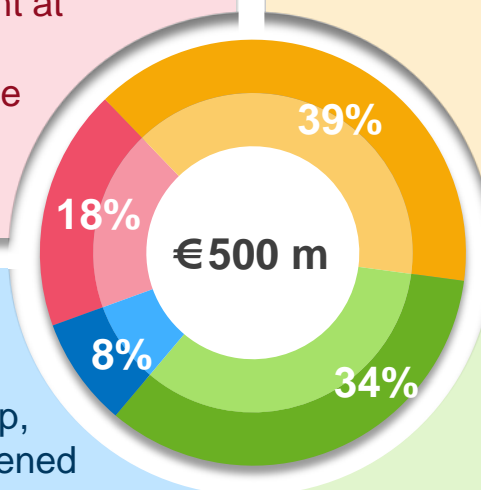
- REBITDA up, on strengthened net pricing and volume increase in Polyamide
- Ramp-up of RusVinyl; Good market environment

- Solid pricing more than offset volume drop in Acetow
- Strong progress in breakthrough excellence programs

Performance Chemicals



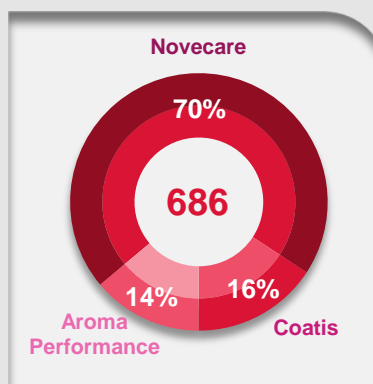
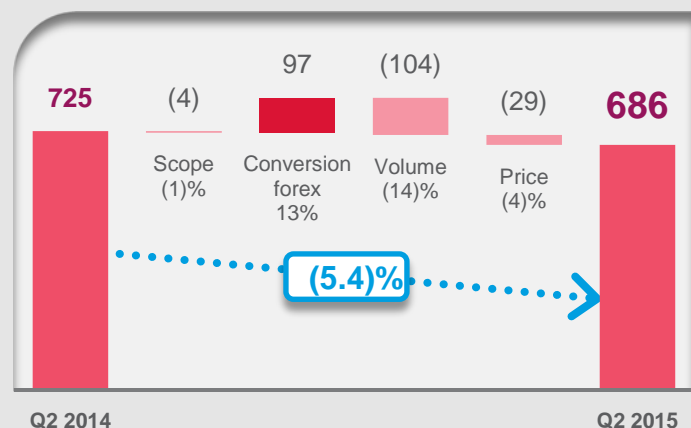
Q2 2014 Q2 2015
23% → 25%
margin



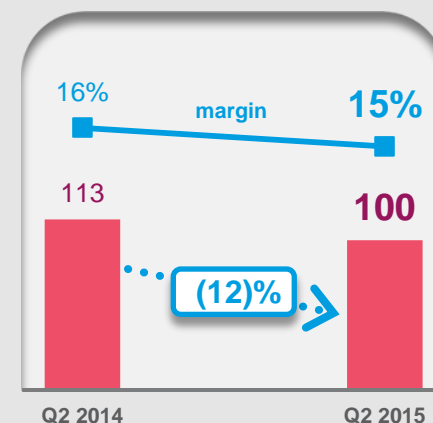
Advanced Formulations Q2 2015 performance

Favorable forex insufficient to offset further volume decline in Novecare's O&G

Net sales (in € m)



REBITDA (in € m)



Market contraction deepens for Novecare's oil & gas activities

- Severe supply chain adjustments in unconventional North American oil & gas market deepens
- Cost reduction programs initiated
- Growth in Agro and coatings benefiting from strong demand and lower raw material costs
- Strong forex support overall

Coatis impacted by weak Brazilian economy

- Costly labor and rising energy prices in Brazil eroded local industry competitiveness
- Lower raw material prices allowed strengthening of net pricing

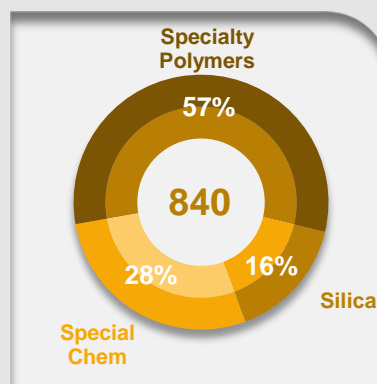
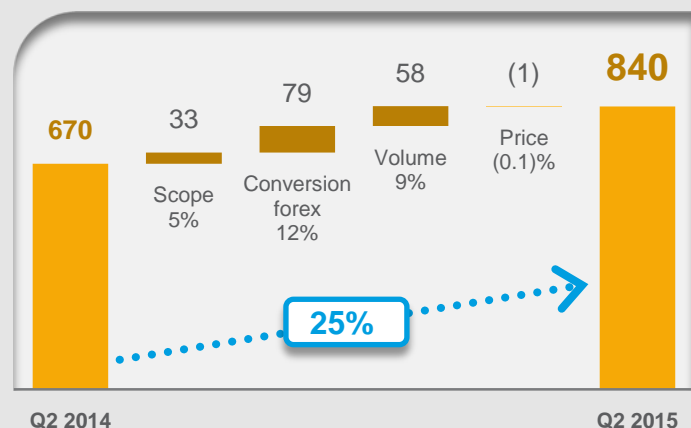
Industrial recovery in Aroma Performance

- Strong industrial performance following issues production in 2014
- Volume up with strong demand in Asia, especially for inhibitors

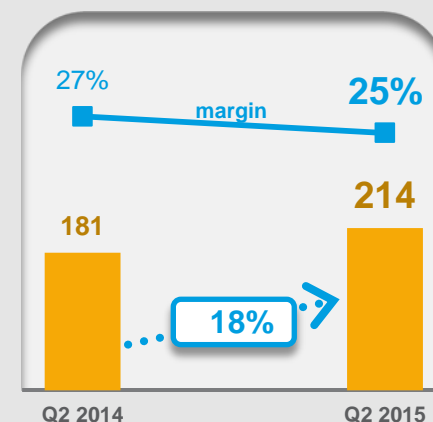
Advanced Materials Q2 2015 performance

New REBITDA record on strong innovation-driven growth and favorable forex

Net sales (in € m)



REBITDA (in € m)



Significant innovation-driven sales growth in **Specialty Polymers**

- Smart devices, automotive and industrial applications remain main growth drivers
- Net pricing increased supported by lower raw material prices
- Ryton contributing positively

Sustained solid demand at **Silica**

- Solid demand in North America
- Pick-up in Europe after slow year start
- Demand in Asia subdued

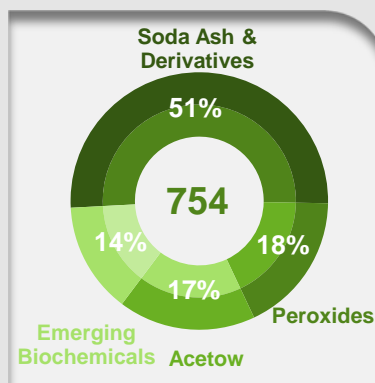
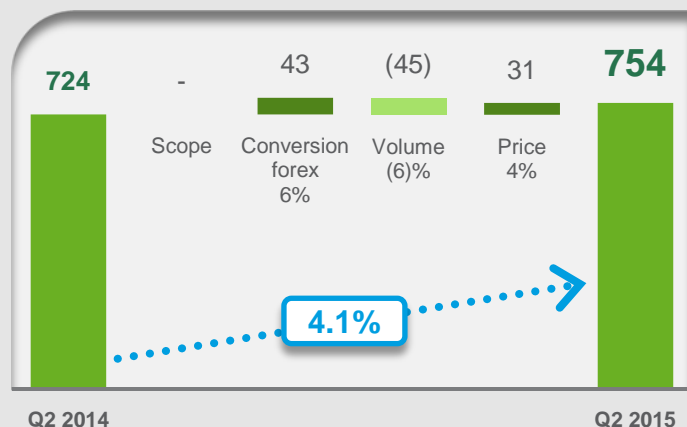
Good dynamics in **Special Chem**

- Volume growth in mixed rare earths oxides for automotive catalysis
- Growth in fluor and electronic chemicals for brazing and semiconductor sectors
- Flux contributing positively

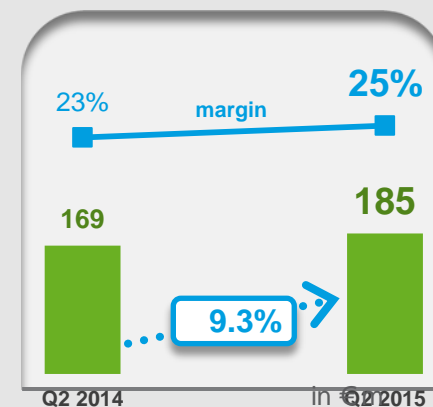
Performance Chemicals Q2 2015 performance

Solid pricing and favorable forex more than offset volume drop in Acetow

Net sales (in € m)



REBITDA (in € m)



Positive net pricing at Soda Ash & Derivatives

- Strong net pricing in soda ash thanks to excellence programs
- Overall sales volumes remain robust
- Bicarbonate sales up

Strong performance repeated at Peroxides

- Price increases and volume growth in Europe, from new market segments
- Sales volumes in North America and Asia lower
- HPPO mega plants at high capacity rates.

Destocking persists in Acetow market

- Volumes down ~30% yoy but up 5% qoq
- Market bottomed out
- Industry adjusted to market, favoring market share sustainability

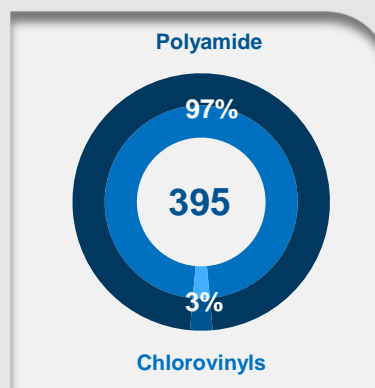
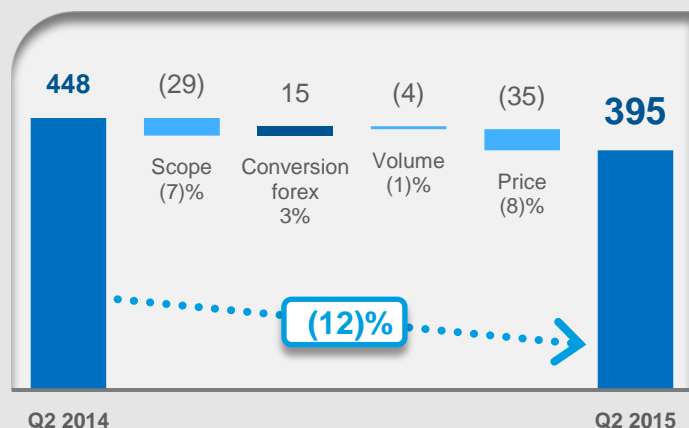
Emerging Biochemicals remained subdued

- Poor PVC spreads (lower sales price and peak in local raw material prices, i.e. ethylene in South East Asia)
- Epicerol® volumes and prices stable

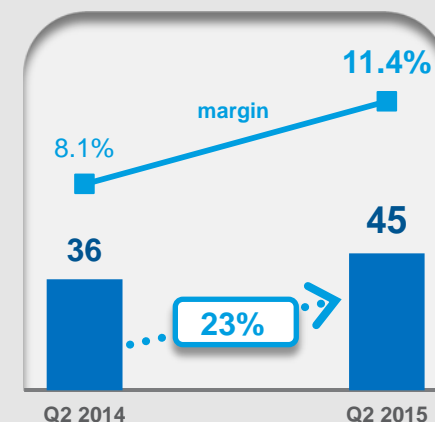
Functional Polymers Q2 2015 performance

REBITDA up on strengthened net pricing and supportive volume mix in Polyamide

Net sales (in € m)



REBITDA (in € m)



Operating performance well up in **Polyamide** based on excellence

- Net pricing up thanks to sustained excellence efforts and as high proportion of raw material price decrease retained
- Solid volume growth for PA 6.6 polymers
- Poor economic conditions persist on Brazilian home market for Fibras

Chlorovinyls sales down due to scope

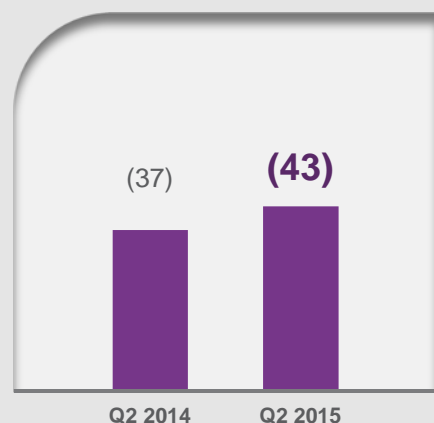
- Net sales down due to divestment of Benvic early June 2014
- RusVinyl production ramp-up pursued smoothly; Good business environment

*Contrasted performances in **Discontinued Operations***

- Net sales of € 752 m
REBITDA of € 93 m (+€ 58 m yoy)
- Tight market conditions and forex-driven export for European chlorovinyls lead to increased spreads and volume growth
- Challenging market conditions for Indupa in Latin America persist

Corporate & Business Services Q2 2015 performance

Costs up yoy due to phasing and forex impact



REBITDA (in € m)

	Q2 2015	Q2 2014
Energy Services	4	1
Other C&BS	(47)	(38)
Reported	(43)	(37)

Contribution from Energy Services up

- Better electricity production and sourcing opportunities

Other Corporate & Business Services

- Yoy comparison affected by phasing as 2014 costs were back-end loaded
- Negative impact of forex on costs while excellence programs offset inflation

Solvay's share in net income at €143 m

Adjusted* P&L

in € m	Q2 2015	Q2 2014
Net sales	2,675	2,566
REBITDA	500	463
Other elements	(7)	11
Depreciation & Amortization	(177)	(155)
Non-recurring items	(46)	(46)
EBIT	271	274
Net financial charges	(58)	(75)
Income taxes	(81)	(59)
Result continuing operations	131	140
Result discontinued operations	33	(470)
Net income	164	(331)
Non-controlling interests	(21)	39
Net income Solvay share	143	(292)

* Adjusted: Excluding non-cash PPA accounting impacts related to the Rhodia acquisition

Non-recurring costs in line with 2014

- Restructuring expenses of € (10) m
- Impairment charge of € (26) m for Special Chem non-performing assets

Net financial charges lower yoy

- Charges on net debt at € (35) m
- Discounting costs on pensions and HSE liabilities decreased to € (23) m vs € (43) m in 2014: Discount rates reductions in Q2 2014 led to one-off € (14) m increase of HSE liabilities

Income taxes up due to prior-year adjustments

- Nominal tax rate of 39%
- Underlying at 29%, down from 33% for 2014 full year

Positive contribution of discontinued operations

- Improved operational performance of European Chlorovinyls
- Q2 2014 affected by INOVYN project-related impairments

Positive Free Cash Flow

Net debt up with dividend payments

Free Cash Flow

in € m

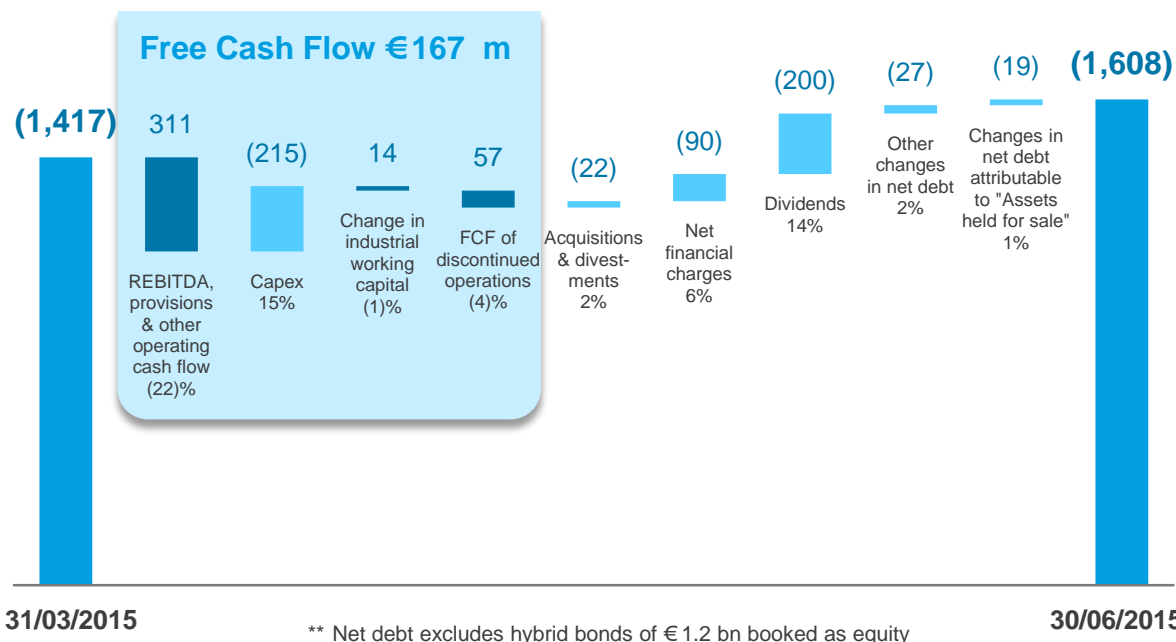
	Q2 2015	Q2 2014	Delta
REBITDA*	311	337	(26)
Capex	(215)	(177)	39
Change in IWC	14	(79)	93
Continuing operations	110	81	29
Discontinued operations	57	8	49
Total FCF	167	89	78

* REBITDA, provisions & other operating cash flow

- FCF of discontinued operations well up thanks to improved operational performance European Chlorovinyls

Net debt** evolution

in € m



31/03/2015

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

30/06/2015

- Industrial working capital inflow
- Capex at €(215) m, up due to forex
- Concentration of interest payments in Q2
- Payment of final dividend and hybrid bond coupon

Capital investment efforts maintained Forex driving nominal amount up

Capex

Continuing operations
in € m

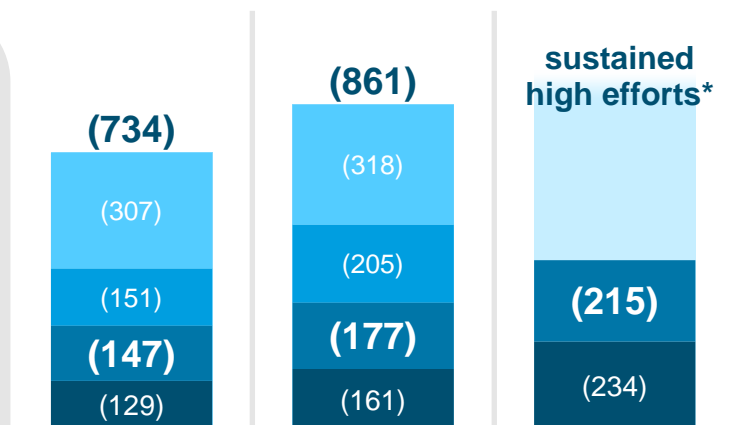
■ Q4

■ Q3

■ Q2

■ Q1

* At constant forex



Main growth capex projects

Novecare

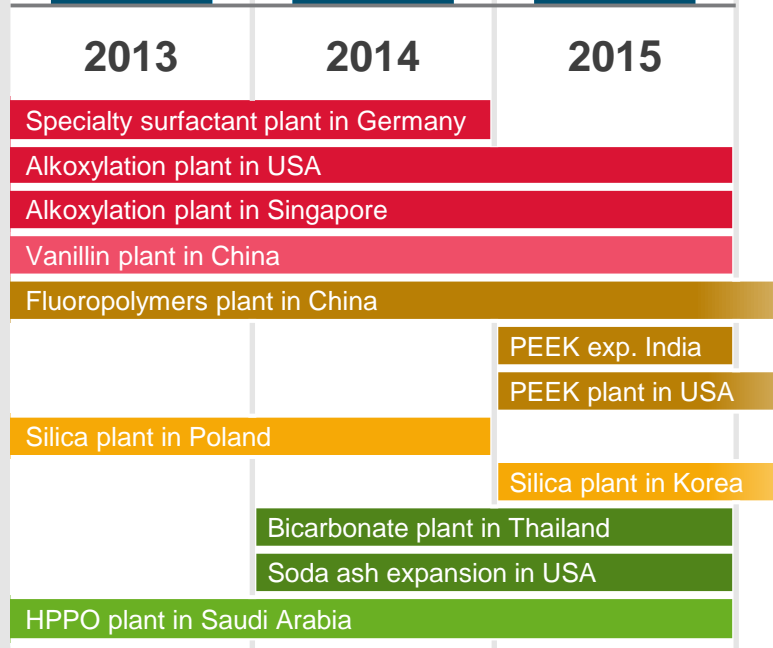
Aroma Performance

Specialty Polymers

Silica

Soda Ash & Derivatives

Peroxides



In 2015

- 9 new facilities to start up
- > 50% growth capex
- ~70% of growth capex in Growth Engines

Investing selectively

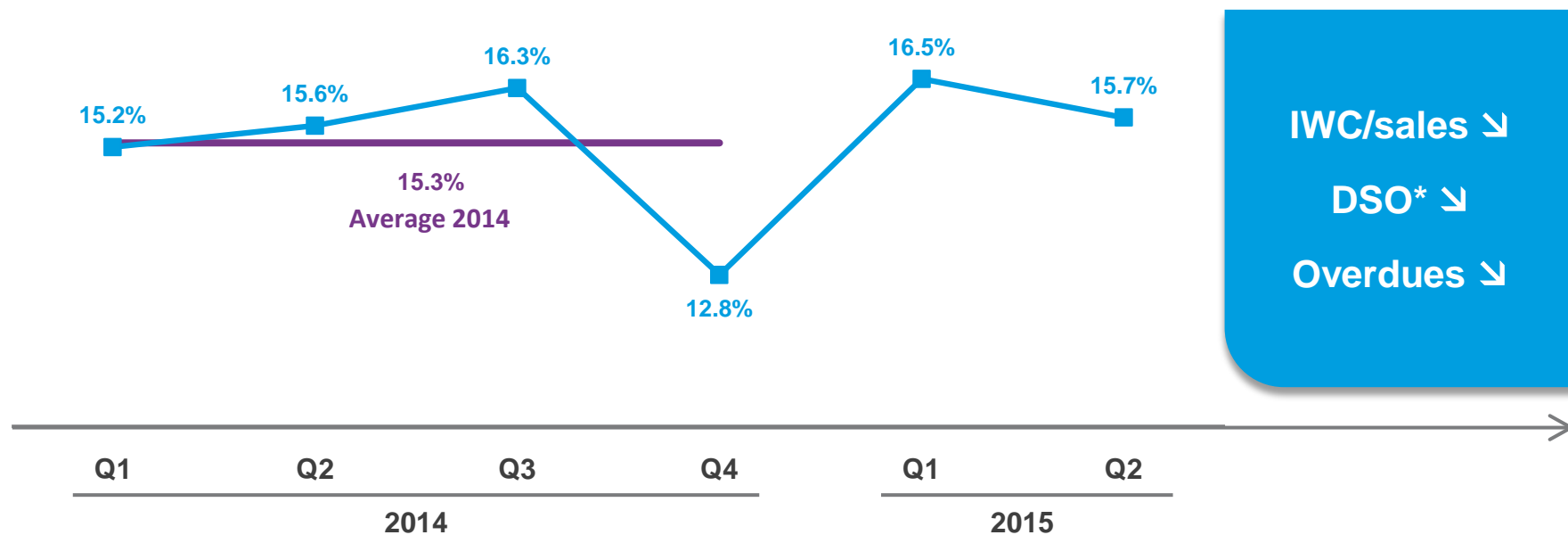


Working capital discipline maintained

Seasonal patterns

Industrial working capital

% of gross sales



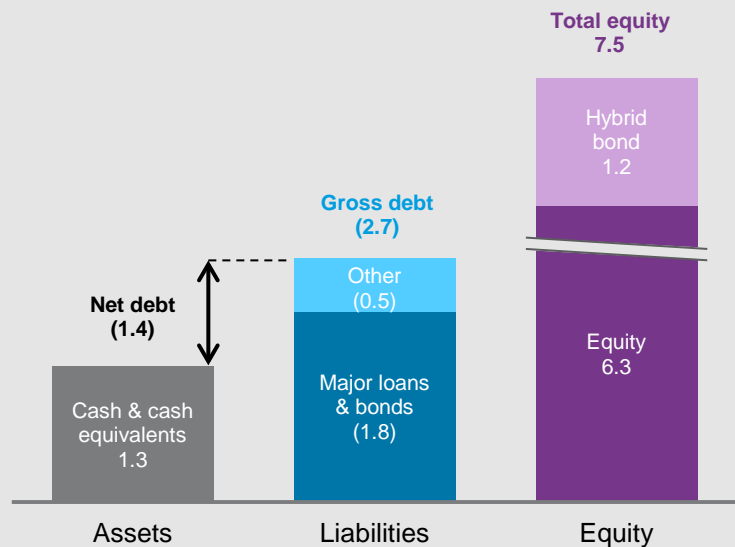
* Days Sales Outstanding

Committed to further optimization

Debt management allows to reduce cost of net debt

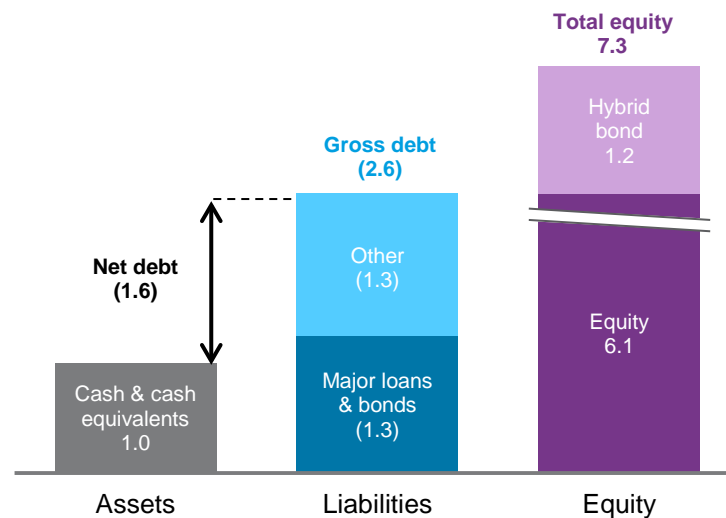
Capital structure 31/03/2015

in € bn



Capital structure 30/06/2015

in € bn



Repayment of €0.5 bn retail bond in June

- ⇒ Further reduction of negative carry
- ⇒ Average cost of debt (including hybrid debt in equity) reduced by ~ 50 bp yoy to 4.3%

Strong credit ratios*

Gearing 22%
(Net debt / Equity)

Including pensions **61%**

Leverage 0.86x
(Net debt / REBITDA)

Including pensions **2.38x**

* Excludes Hybrid bond



Solvay remains confident to generate solid REBITDA growth

Despite expectation of
continued uncertainties in various markets

Accelerate transformation

2015 Priorities

- Continue portfolio upgrade
- Grow with our customers
- Maintain focus on excellence
- Sustain profit & value growth

Sustain momentum

Investor relations contacts



Maria Alcón-Hidalgo

+32 2 264 1984

maria.alconhidalgo@solvay.com



Geoffroy Raskin

+32 2 264 1540

geoffroy.raskin@solvay.com



Bisser Alexandrov

+32 2 264 2124

bisser.alexandrov@solvay.com

Next events

October 29, 2015

Q3 2015 results publication

Annexes

- **Additional Q2 & H1 2015 financial data**
- 2015 considerations
- Group presentation
- Segment & GBU presentation



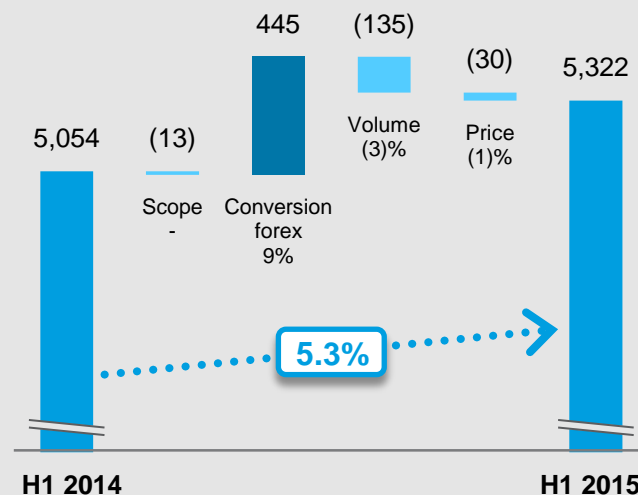
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Forex and excellence more than offset adjustments in O&G and acetate tow markets

Net Sales

in € m

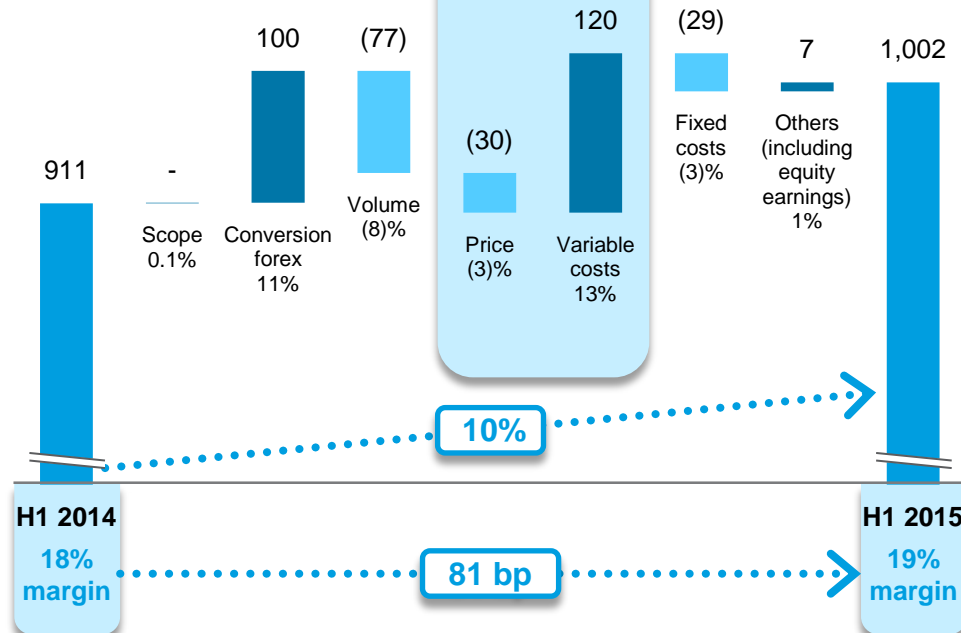


➤ Supportive forex (USD and CNY mainly)

➤ Volumes down overall as significantly reduced activity levels in acetate tow and oil & gas markets offset innovation driven-demand in Advanced Materials

REBITDA

in € m



➤ Pricing power underpinned by excellence programs

➤ Fixed costs up with new plants; Excellence offset inflation

➤ € 12 m net one-off from favorable evolution on US post-retirement Medicare policy (€ 30 m) minus inventory devaluations

Income statement H1

in €m	H1 2015	H1 2014
Net sales	5,322	5,054
REBITDA	1,002	911
Other elements	(11)	(5)
Depreciation & Amortization	(351)	(310)
Non-recurring items	(64)	(76)
EBIT	576	519
Net financial charges	(119)	(172)
Income taxes	(174)	(107)
Result continuing operations	284	240
Result discontinued operations	53	(450)
Net income	337	(210)
Non-controlling interests	(36)	25
Net income Solvay share	301	(186)

Balance sheet

in €m	30/06/2015	31/12/2014
Fixed assets	10,423	10,080
Investment & shares	565	545
Loans & other non current financial receivables / payables	32	(10)
Assets held for sale	1,509	1,414
Taxes payable/receivable + Others	218	30
Working capital	1,526	1,101
Total invested capital	14,273	13,160
Equity	7,336	6,778
Provisions	4,177	4,328
Dividends	7	113
Net financial debt	1,608	778
Liabilities related to assets held for sale	1,145	1,162
Total financing	14,273	13,160

Lower discontinued operations contribution to FCF

Seasonal uplift in net debt

Free Cash Flow

in € m

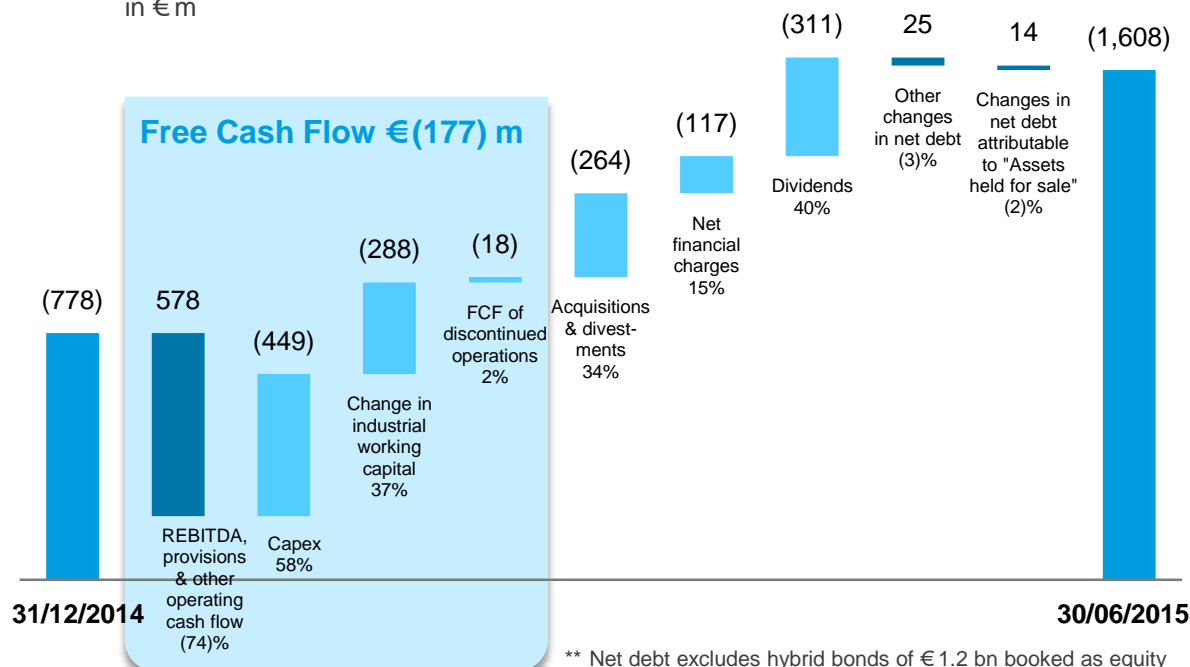
	H1 2015	H1 2014	Delta
REBITDA*	578	586	(9)
Capex	(449)	(337)	(112)
Change in IWC	(288)	(334)	46
Continuing operations	(159)	(85)	(75)
Discontinued operations	(264)	(46)	(218)
Total FCF	(177)	(8)	(169)

* REBITDA, provisions & other operating cash flow

- Discontinued operations in Q1 2014 included last milestone payment linked to disposed Pharma business

Net debt** evolution

in € m



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

- IWC inflow vs outflow in 2014
- Capex at € (449) m, slightly up due to forex
- Concentration of interest payments in H1
- Payment of (interim and final) dividend and hybrid bond coupon

Cash flow statement

in € m	Q2 2015	Q2 2014
Cash flow from operating activities	410	293
Cash flow from investing activities	(267)	(289)
Cash flow from financing activities	(331)	(85)
Net change in cash & cash equivalents	(187)	(81)
Currency translation differences	(37)	(1)
Opening cash balance	1,264	1,193
Ending cash balance*	1,040	1,111
Free Cash Flow	167	89
From continuing operations	110	81
From discontinued operations	57	8

* including cash in assets held for sale

in € m	H1 2015	H1 2014
Cash flow from operating activities	326	390
Cash flow from investing activities	(781)	(511)
Cash flow from financing activities	174	(738)
Net change in cash & cash equivalents	(281)	(859)
Currency translation differences	47	(3)
Opening cash balance	1,275	1,972
Ending cash balance*	1,040	1,111
Free Cash Flow	(177)	(8)
From continuing operations	(159)	(84)
From discontinued operations	(18)	77

* including cash in assets held for sale

Factors impacting Net income

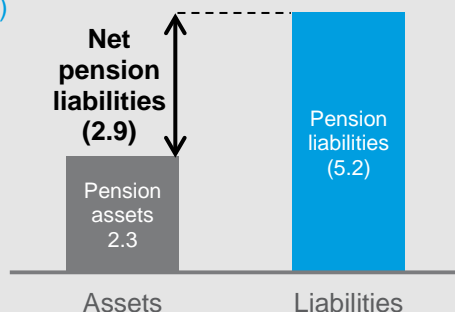
in € m	Q2 2015	Q2 2014
IFRS Net income, Group	125	(313)
Rhodia PPA (after tax)	18	21
Non-recurring items	46	46
M&A-related elements	14	10
Net financial charges	6	14
Adjustments RusVinyl	-	-
Discontinued operations	-	497
Exceptional Tax and Tax related to exceptional items	1	(23)
Non-controlling interests	-	(54)
Adj. Net income, Group excluding exceptionals	209	198

in € m	H1 2015	H1 2014
IFRS Net income, Group	265	(225)
Rhodia PPA (after tax)	36	40
Non-recurring items	64	76
M&A-related elements	29	24
Net financial charges	10	44
Adjustments RusVinyl	20	-
Discontinued operations	4	501
Exceptional Tax and Tax related to exceptional items	16	(43)
Non-controlling interests	(6)	(47)
Adj. Net income, Group excluding exceptionals	438	369

Pension liabilities down as discount rates increased

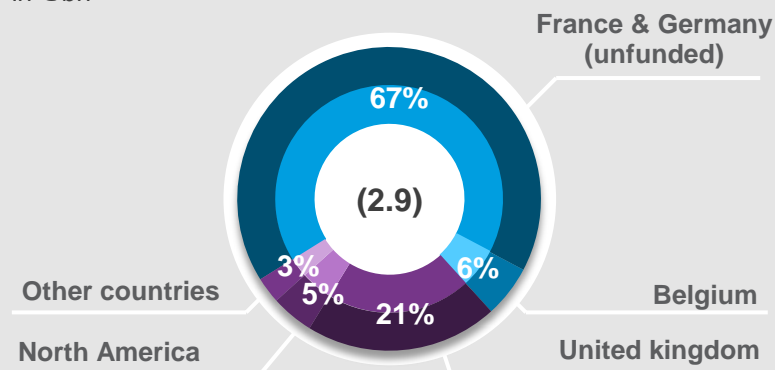
Pensions

(30/06/2015)
in € bn



Net pension liabilities

(30/06/2015)
in € bn



All presented figures are for continuing operations only

Cash contribution stable at €(42) m in Q2 2015

- €(78) m in H1 2015
- €(180) m in 2014

Discount rates* increased in Q2 2015

Currency	30/06/2015	31/03/2015	Change	Average duration
€	2.00%	1.50%	0.50%	12 years
£	3.75%	3.50%	0.25%	16 years
US\$	4.50%	4.00%	0.50%	10 years
Weighted average	3.04%	2.61%	0.43%	13 years

Pension assets €2.3bn, stable vs 31/03/2015

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

Majority of liabilities denominated in €

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

Annexes

- Additional Q2 & H1 2015 financial data
- **2015 considerations**
- Group presentation
- Segment & GBU presentation



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REBIT(DA) considerations for 2015

Forex impact

- Mainly linked to USD
 - Immediate impact on conversion exposure
 - Deferred transactional impact due to hedging

Scope effects

- Acquisitions
 - Ryton® PPS completed on 31/12/2014
 - Sales of ~ €100 m in 2014
 - Meaningful REBITDA contribution from 2016
 - Smaller acquisitions end 2014:
Flux Brazing, Dhaymers
- Divestments
 - Benvic on 04/06/2014: ~ €75 m sales in H1 2014
 - Refrigerants on 05/05/2015: ~ €50 m sales in 2014

REBITDA adjustments

- RusVinyl JV
 - Consolidated through equity associates
 - Adjusted for financial charges
 - Volatility linked to €-denominated debt
 - Impact 2014 at €(65) m, H1'15 at €(4) m
- Chemlogics
 - Retention payments of ~ €(2) m per Q until 2016

Depreciation & amortization

- Recurring depreciation & amortization
 - FY 2015 ~ €(700) m
- Rhodia PPA impact
 - Excluded from adjusted figures
 - FY 2015 ~ €(105) m pre-tax; ~€(70) m after tax

Significant forex tailwind expected at prevailing rates

Forex exposure

- Conversion:
No cash effect / no coverage provided
- Transactional:
Typical coverage on a 6-12 month rolling-forward basis

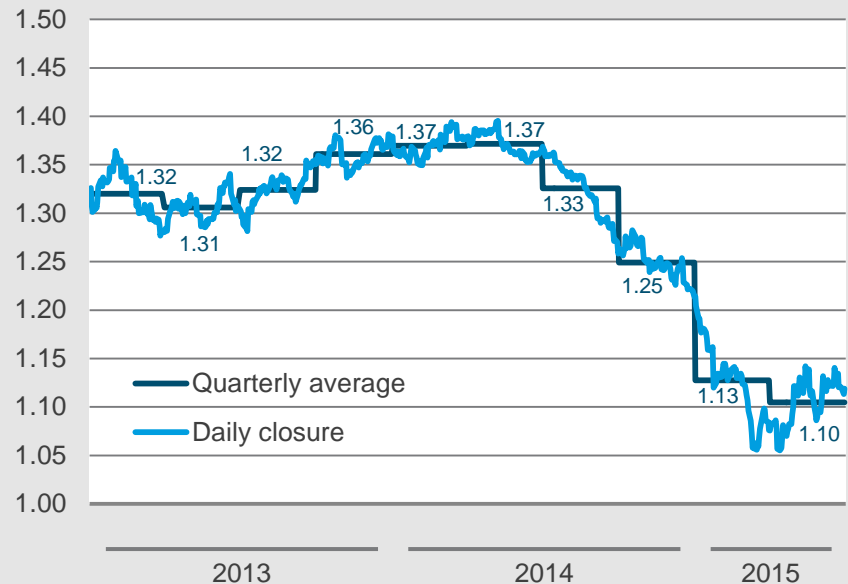
Main currencies

- USD
- CNY
- JPY
- RUB
- BRL
- THB
- KRW

Exposure to USD

- Sensitivity of ~ € 100 m REBITDA impact per (0.10) USD/€ change
- Half conversion, half transactional

USD/€ rate



Financials and tax considerations for 2015

Net debt charges

- Retail bond redeemed at maturity
 - € (500) m paid in June 2015
- Net financial charges expected at ~€ (125) m
- Average cost of borrowing
 - excl. hybrid bond in equity: 3.9% (4.9% in 2014)
 - Incl. hybrid bond in equity: 4.2% (4.8% in 2014)

Discounting of pensions and HSE

- Recurring FY cost of ~ € (100) m
 - Provided no change in discount rates** during year
 - No impact in 2015 so far
- Sensitivity to changes in discount rates (for a 50 bp increase)
 - For Pensions → in OCI
 - € zone ~ € 160 m
 - UK ~ € 125 m
 - USA ~ € 35 m
 - For HSE (€-zone) → in P&L: ~ € 16 m

Hybrid bond

- Nominal value of € 1.2 bn
- 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 CF from financing
- Dividend cash-out
 - Q2: € (29) m / Q4: € (27) m

Tax rates

- Underlying tax rate (excluding non-recurring elements) mid to low 30s

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

Other considerations for 2015

Non-recurring elements

- Restructuring costs
- Impairments relative to business not under discontinued operations
- HSE provisions on non-operational sites
- Portfolio management-related gains & losses
- Contingencies / litigations

Cash flow

- FCF fluctuations
 - Cash expenses for pensions of ~€ (180) m
 - Sustained high level of capex efforts, at constant forex

Discontinued operations

- Indupa sale
 - CADE anti-trust veto to Braskem late Q4'14
 - Strategic intent untouched, disposal process re-launched
 - € (65) m in CTA to be recycled through P&L at exit
- INOVYN™ JV with Ineos
 - Effective as of July 1st 2015
 - Terms of deferred sale:
 - € 150 m upfront payment (adjusted for usual WC)
 - ~€ (260) m transfer of liabilities
 - Exit after 3 years with performance-based exit payment of € 280 m targeted (€ 95 m minimum)

Annexes

- Additional Q2 2015 financial data
- 2015 considerations
- **Group presentation**
- Segment & GBU presentation



SOLVAY

asking more from chemistry®

Solvay, a major global chemical player

Based on strengths

€10.2 bn

Net Sales

€1.8 bn

REBITDA

17.5%

REBITDA margin

€156 m

Adjusted Net Income,
Group share

Adjusted: Excluding non-cash PPA
accounting impacts related to the
Rhodia acquisition



Well-balanced geographical
spread and end-user markets



Leading player in 90%
of our businesses



Strong
R&I portfolio

And with ambition

2014 figures

119

Industrial sites

15

Major R&I centers

26,033

Employees (FTEs)

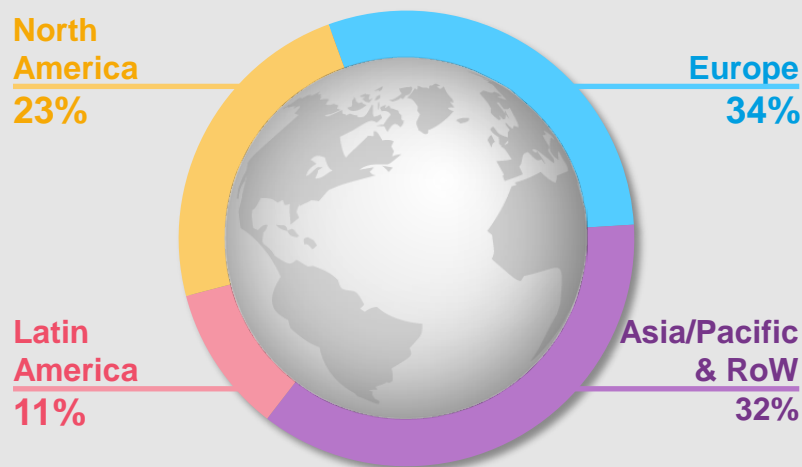
52

Country presence

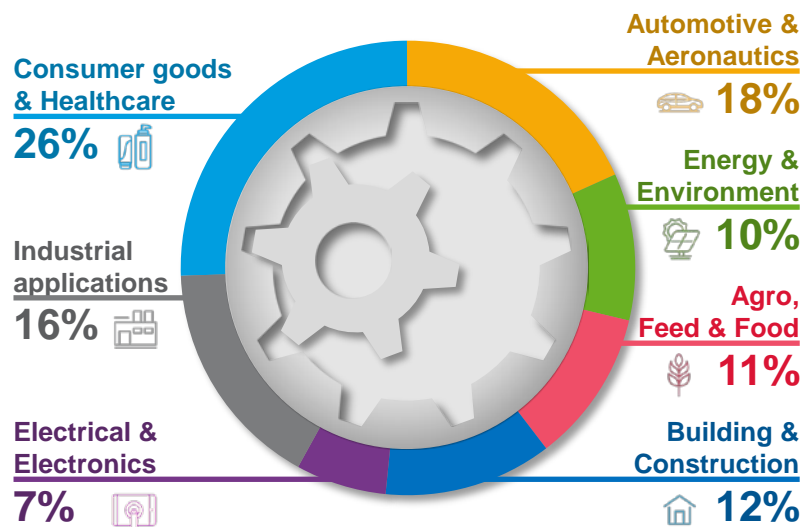
Non-financial figures exclude
discontinued operations

Well-balanced geographical spread and end-user markets

Balanced geographical exposure*



Exposure to higher growth end-markets*



* Figures represent % of 2014 net sales

Transforming the present

Strategic vision

Participate in reshaping the global chemical industry
Develop a model of chemistry that addresses society's challenges
Drive sustainable value creation and profitable growth

Transformation levers

1

Portfolio

2

Excellence

Group
profile



Growth



Resilience



Returns

With distinct strategic intent for our businesses

**HARVEST;
SELECTIVELY
INVEST &
DIVEST**

**Performance
Chemicals**

**Advanced
Materials**

**INNOVATE
& INVEST**

**BREAK-
THROUGH
PROFITABILITY
IMPROVEMENT
INITIATIVES**

**Functional
Polymers**

**Advanced
Formulations**

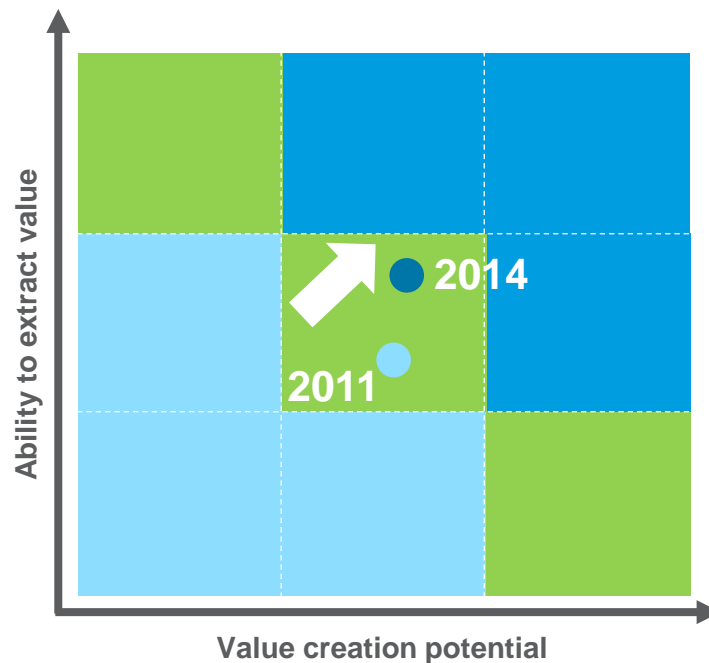
Upgrading portfolio

Divestments

Strategic Divestitures	Portfolio refocussing	Monetizing for value
Chlorvinyls Europe & Latam	Special Chem LifeScience Refrigerants PCC	Eco Services

Re-investments for value creation

ADVANCED MATERIALS	ADVANCED FORMULATIONS
Ryton	Chemlogics
Flux GmbH	Erca & Dhaymers Brazil
Aonix	Erca Emery B.V



Solvay's positioning in the Strategic Value Matrix

Our main thrusts

RESPONSIBILITY

SPM methodology to assessing & prioritize projects

- Sustainable solutions
- Products with improved environmental footprint
- Energy efficient processes

OPEN INNOVATION

Large Ecosystem for faster & wider progress

- Partnership with key clients
- Collaboration with Academia
- Participation in start-up & venture capital funds

EFFECTIVENESS

Customer focus

- 82% of Group's R&I managed by the businesses

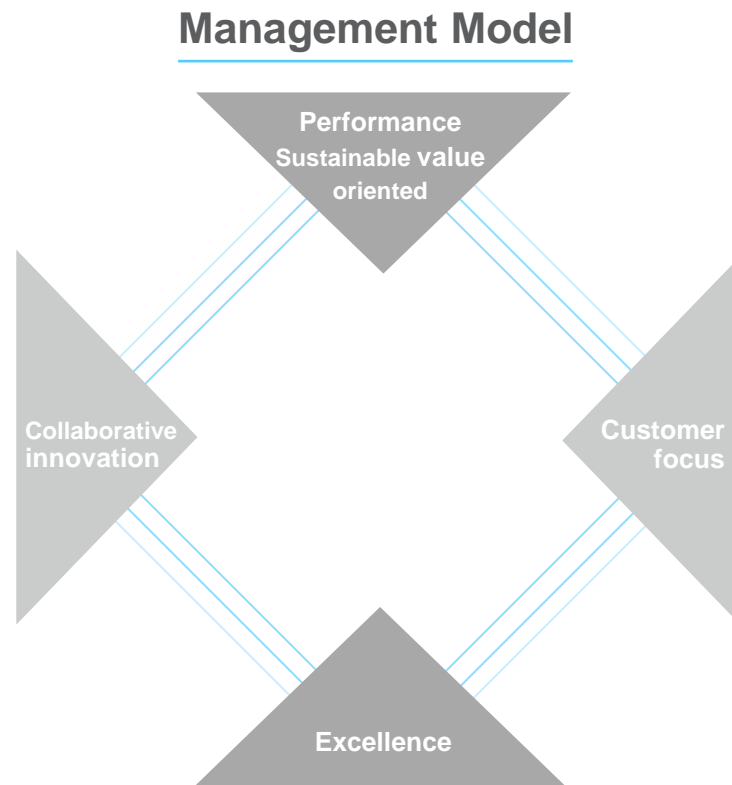


21% of net sales realized with products < 5 years

Delivering strongly Excellence scope expanded

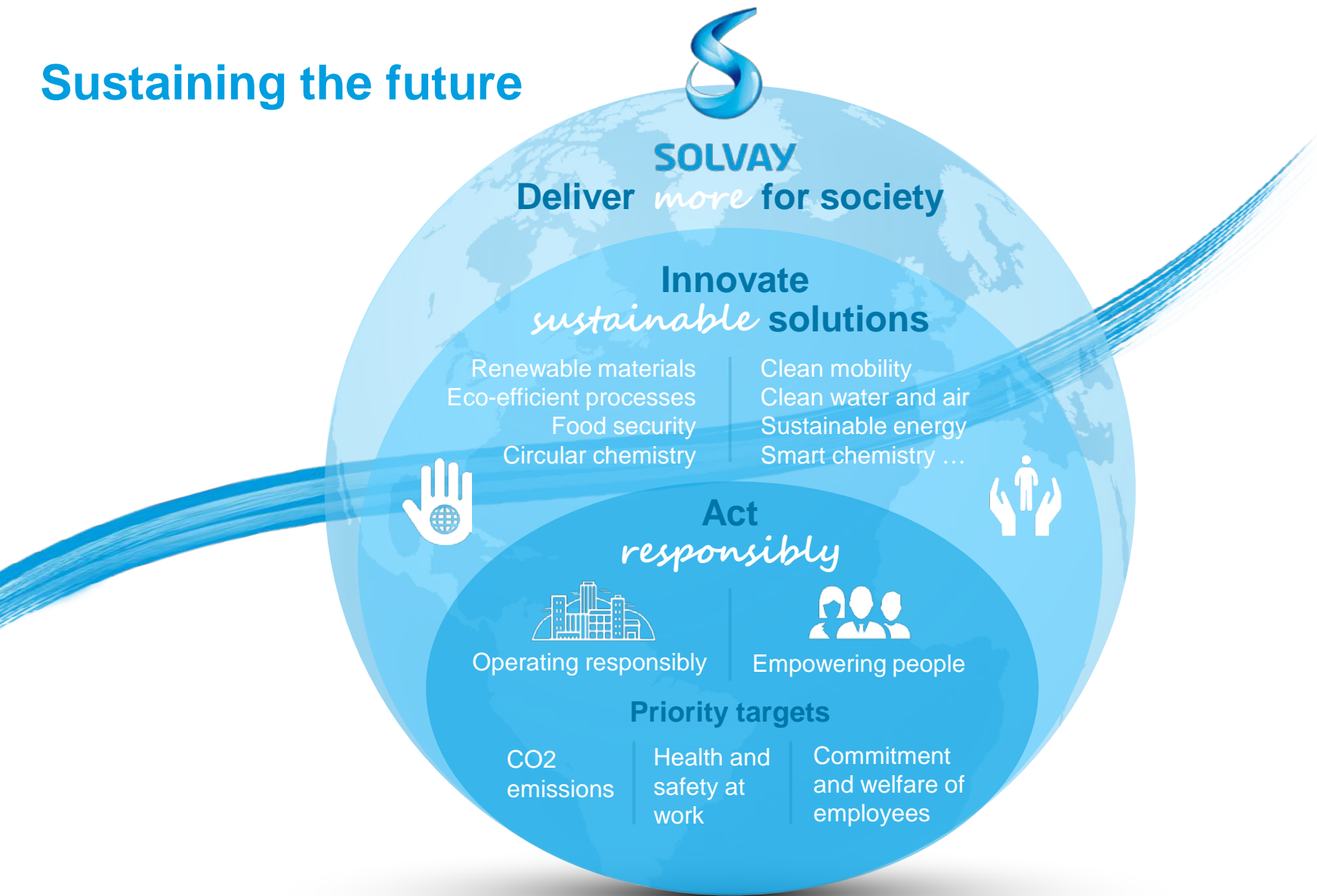


Impact on 2016 REBITDA (vs 2013 base)



Excellence underpinned by management model

Sustaining the future



Responding to megatrends

Resource constraints & increased sustainability demand



Fight for talents



Ecosystem at risk



Competition for space, lands



Climate change



Competition of resource usage



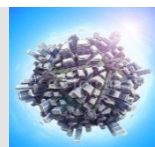
Evolving demography & consumers behaviors



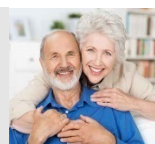
Growing world population



Urbanization



Aging society



Health and wellness



Changing balance of economic power



Innovation acceleration



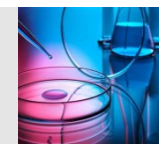
Digitalization & mobility



Miniaturization



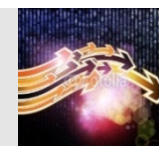
Life sciences booming



Information age



Acceleration of cycles



Creating sustainable value

- Divestments, including European PVC
- Expanding Excellence initiatives
- Disciplined reinvestments in growth engines
- Robust financial framework

Mid-term targets

>10% yoy REBITDA growth
→ 2016 REBITDA €2.3 - 2.5 bn*

2014

On track

11%
growth



CFROI to increase by
≥100bp**

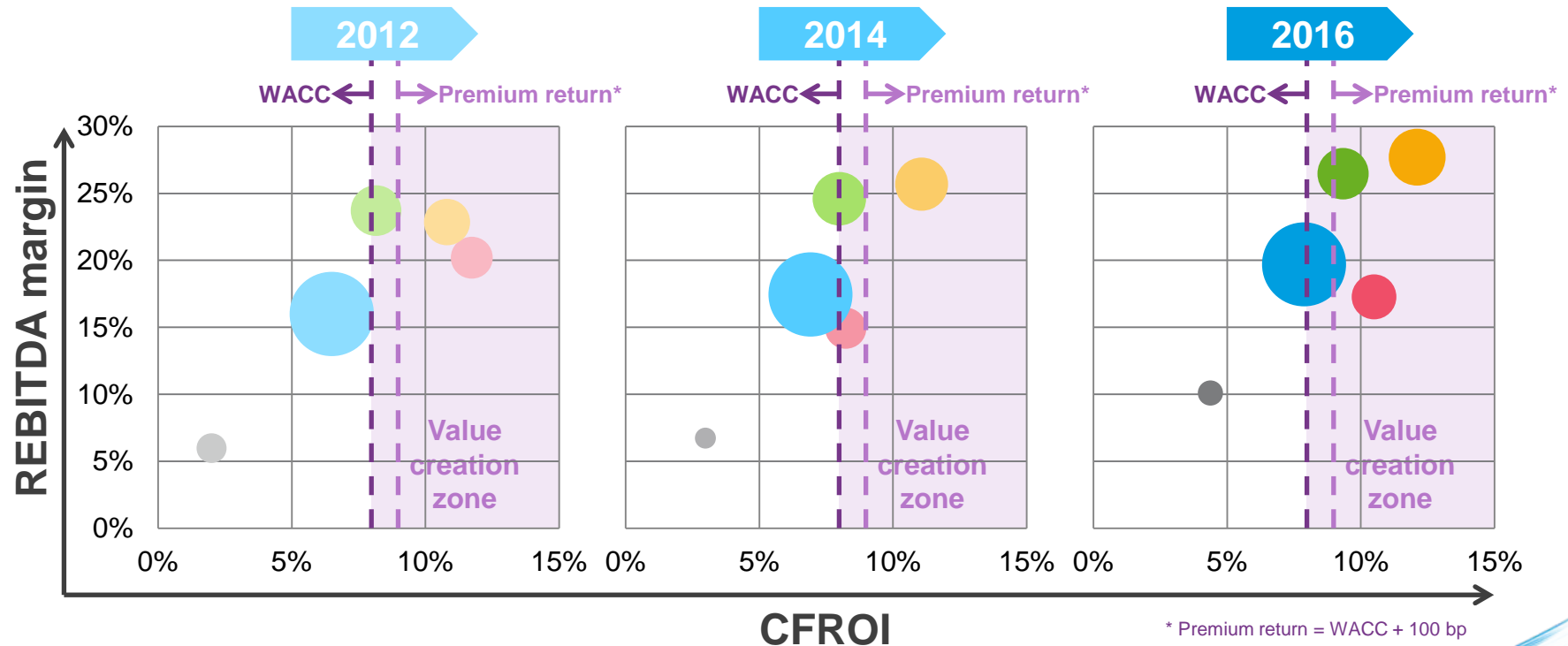
+40bp



* At constant scope vs 2013 and prevailing conditions

** vs 2012

With value creation momentum across segments



Moving towards

Group CFROI increase ≥ 100 bp

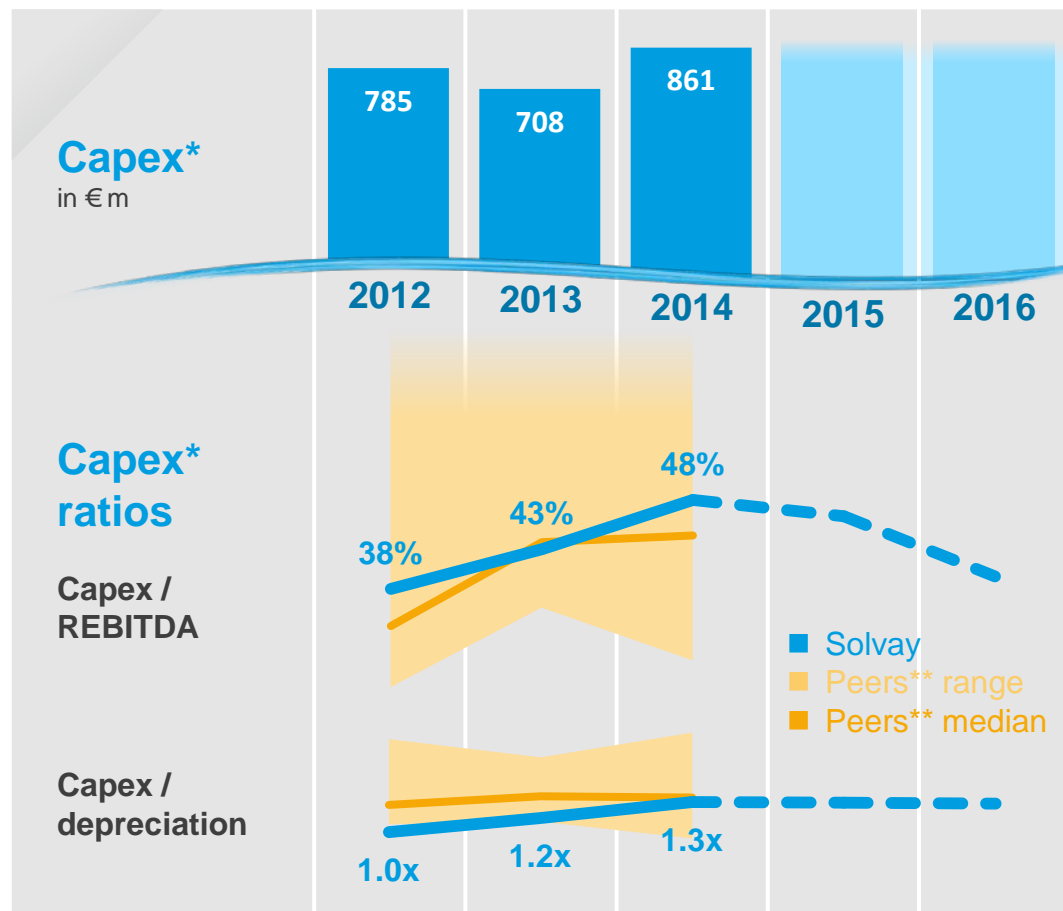
2/3rd of business assets in value creation zone

Bubble size indicative of REBITDA
 ● Solvay (incl. Corporate & Business Services)

● Advanced Formulations
 ● Advanced Materials

● Performance Chemicals
 ● Functional Polymers

Underpinning growth momentum though investments



Capex discipline maintained

→ Growth capex

- Strategic fit
- IRR \geq 15%

→ Maintenance capex at

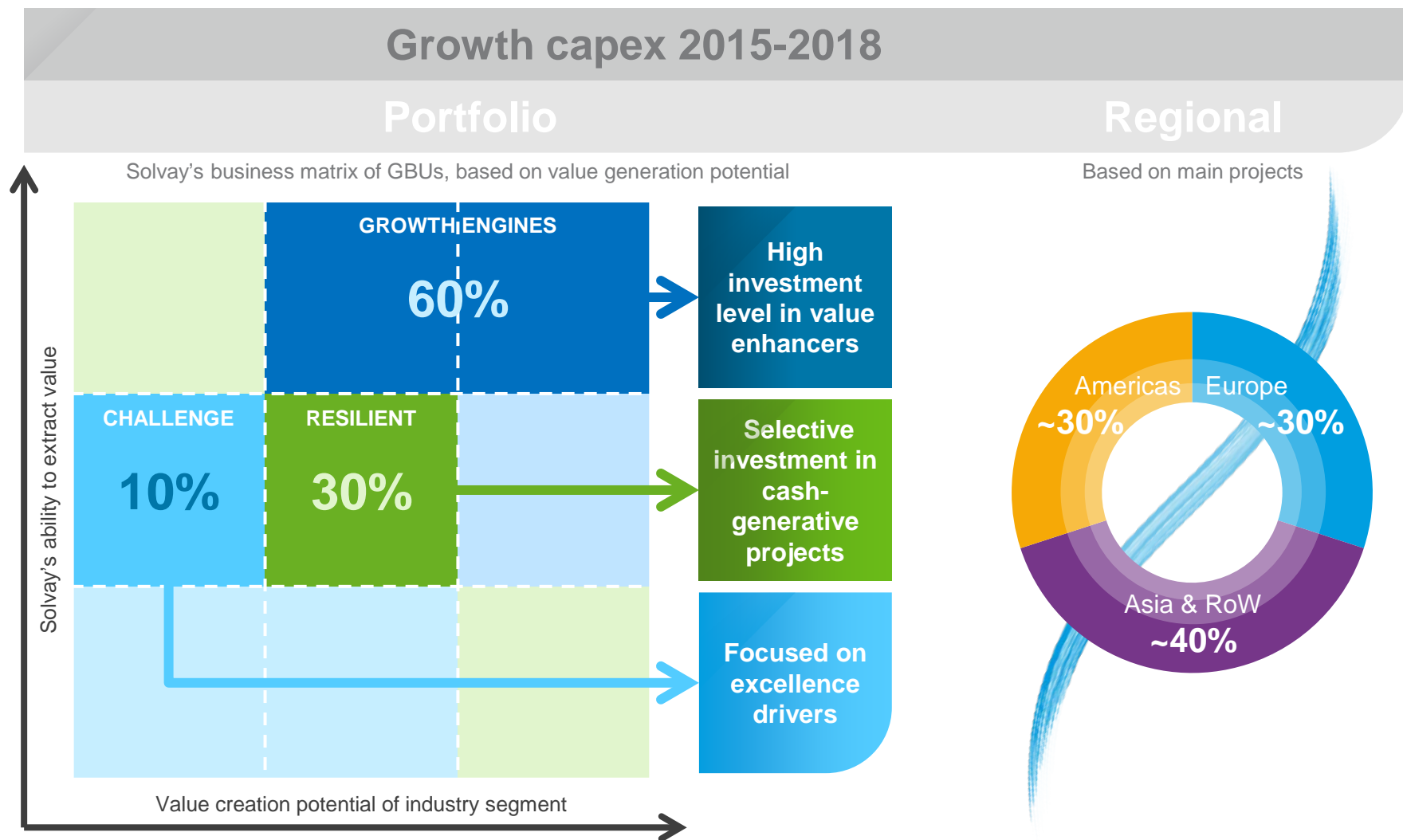
~€400 m

Capex intensity to reduce after 2015

* Continued operations, figures as published before restatements

** Peers: Akzo Nobel, Arkema, BASF, Clariant, DSM, Evonik, Lanxess

Allocating capex strategically



With current pipeline starting to deliver in 2016

Major growth projects			Industrial start-up	Years to maturity	Projected IRR*	Total capex
GROWTH ENGINES	Novecare	Alkoxylation USA & Singapore	2015	≤ 3	>20%	€500 m
	Aroma Performance	Vanillin Asia	2015	≤ 3	>20%	
	Specialty Polymers	Polymers China	2015	≥ 6	~15%	
		PEEK US & India	2016	≥ 6	>20%	
	Silica	HDS Poland & Korea	2015-2017	≤ 3	>15%	
RESILIENT	Peroxides	HPPO Saudi Arabia	2015	≤ 3	>15%	€325 m
		H2O2 China	2015	≤ 3	>15%	
	Soda Ash & Derivatives	Bicarbonate Thailand	2015	≤ 3	>15%	
		Operational excellence	2014	≤ 3	>15%	

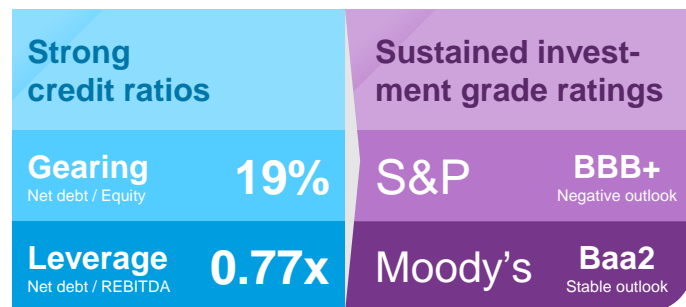
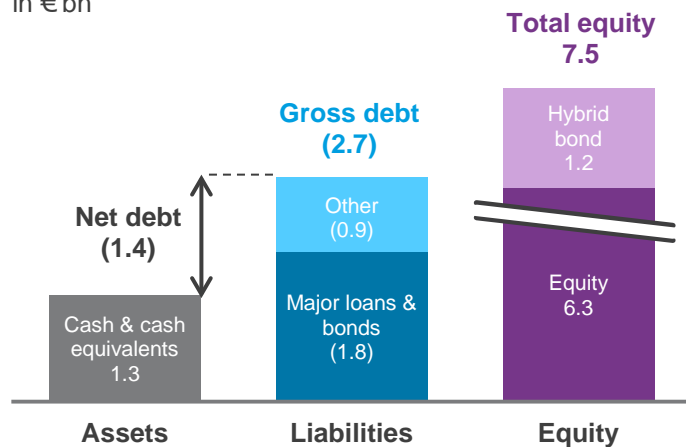
Growing to maturity in next 3 years

* IRR = Internal Return Rate

Supporting growth through strong financial framework

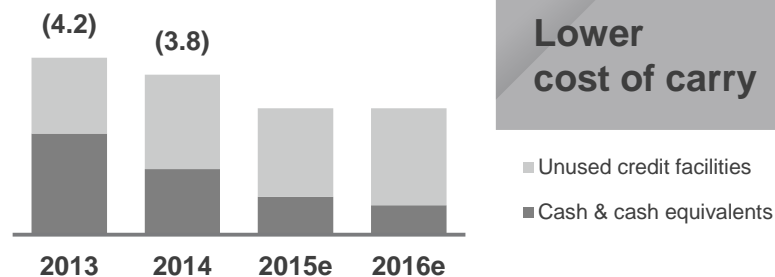
Capital structure (31/03/2015)

in € bn



Strong liquidity position maintained

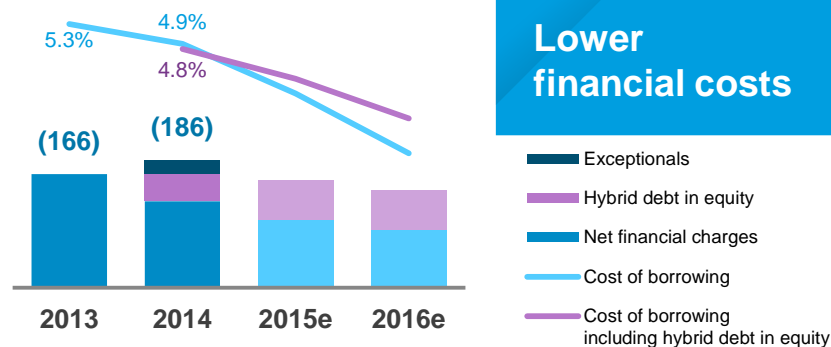
in € bn



Lower cost of carry

Financial expenses

in € m



Lower financial costs



Balancing value and risk management

Converting REBITDA into cash for value

REBITDA



> 10% yoy on average

Working capital



≤ 15% / sales

Capex



Intensity
reduces after 2015

Other cash flow items



Pensions, environmental,
restructuring, ... → ~ €300 m net

Income tax



Low to mid 30%'s

Financing costs



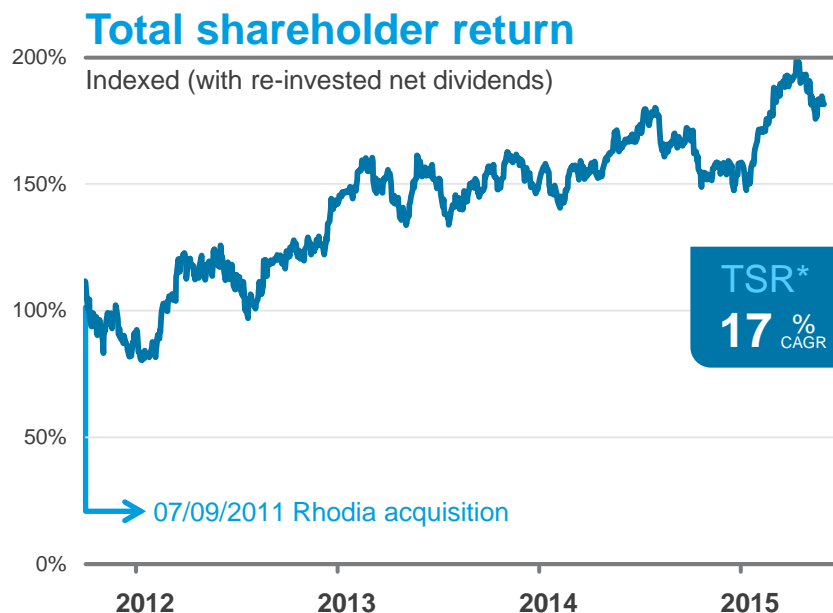
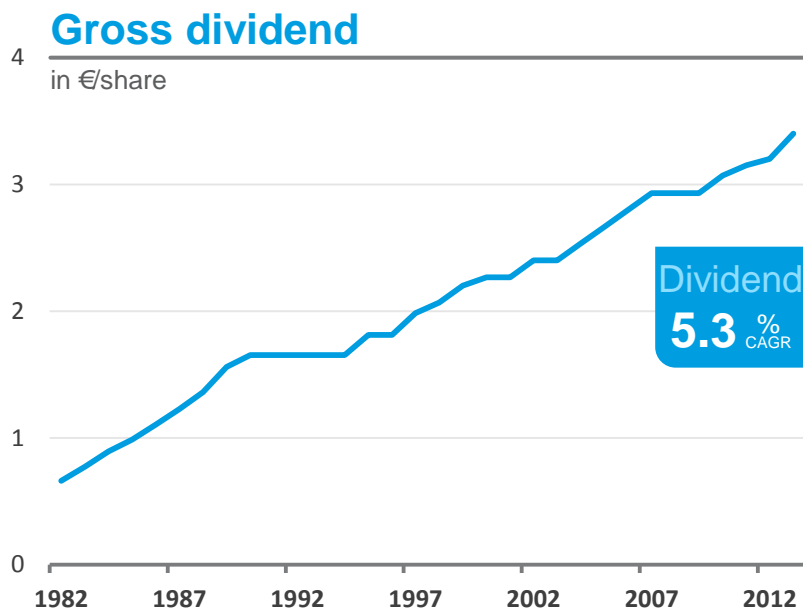
% charges
to continue to fall

Dividends



Stable
to growing

Rewarding shareholders with stable to growing dividend












For >30 years
~40% average pay-out

TSR* of 17% CAGR
Since Rhodia acquisition

Remuneration aligned to value creation



Scheme

VARIABLE	 Long term incentives	35%	REBITDA*	
			CFROI*	
			Share-price	
	 Short term incentives	30%	REBITDA	
			Cash	
			Sustainability	
FIXED	 Base salary	35%		

**Applicable to Executive Committee
& Business General Managers**

() Targets and KPIs aligned
to 2016 ambitions*

Annexes

- Additional Q2 2015 financial data
- 2015 considerations
- Group presentation
- **Segment & GBU presentation**



SOLVAY

asking more from chemistry®

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 Special Chem	Soda Ash & Derivatives Peroxide Acetow Emerging Biochemicals	Polyamide <i>P&I Engineering Plastics Fibras</i> Chlorovinyls <i>RusVinyl</i>	Solvay Energy Services Corporate Functions
H1 2015					
REBITDA <i>YoY change</i>	€196 m ↘ 6.9%	€415 m ↗ 18%	€380 m ↗ 12%	€75 m ↘ 1.2%	€(63) m ↗ 4.7%
REBITDA margin <i>YoY change</i>	14% ↘ 98 bp	25% ↘ 127 bp	25% ↗ 163 bp	9.5% ↗ 113 bp	
FY 2014					
REBITDA <i>YoY change</i>	€426 m ↗ 23%	€709 m ↗ 14%	€724 m → 6.1%	€111 m ↗ 25%	€(188) m ↘ 43%
REBITDA margin <i>YoY change</i>	15% ↗ 66 bp	26% ↗ 122 bp	25% ↗ 109 bp	6.7% ↗ 169 bp	

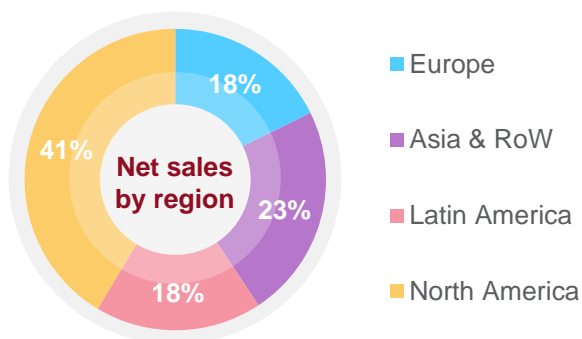
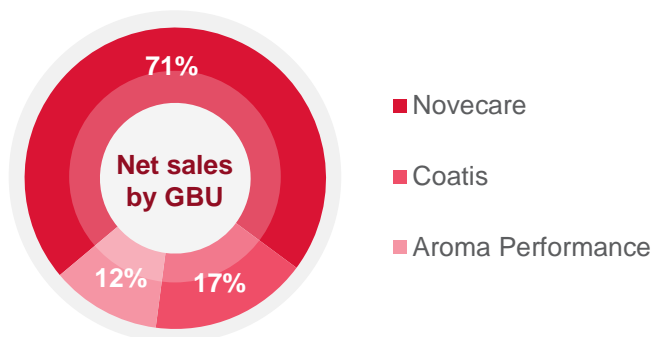
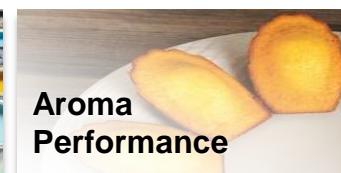
Advanced Formulations

2014 figures

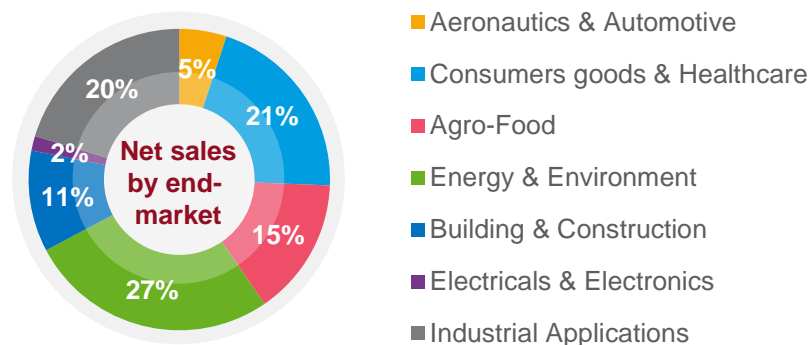
€2,854 m
Net Sales

€426 m
REBITDA

15%
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 major societal trends, meeting ever stricter requirements to respect the environment and save energy, and providing solutions to the challenges of the mass consumer markets.



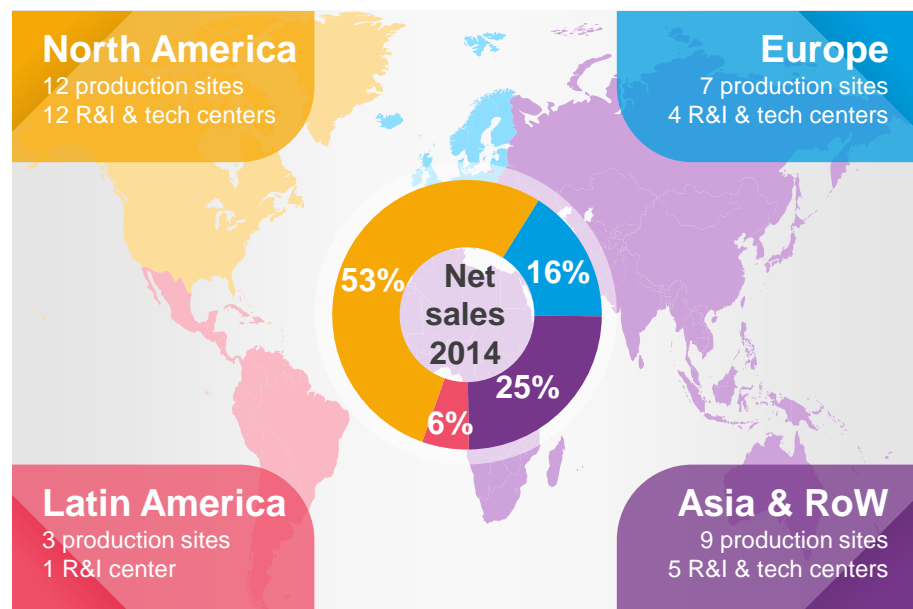
Novecare

Delivering sustainable solutions for surface chemistry

Focused on key markets



% of Novecare 2014 net sales



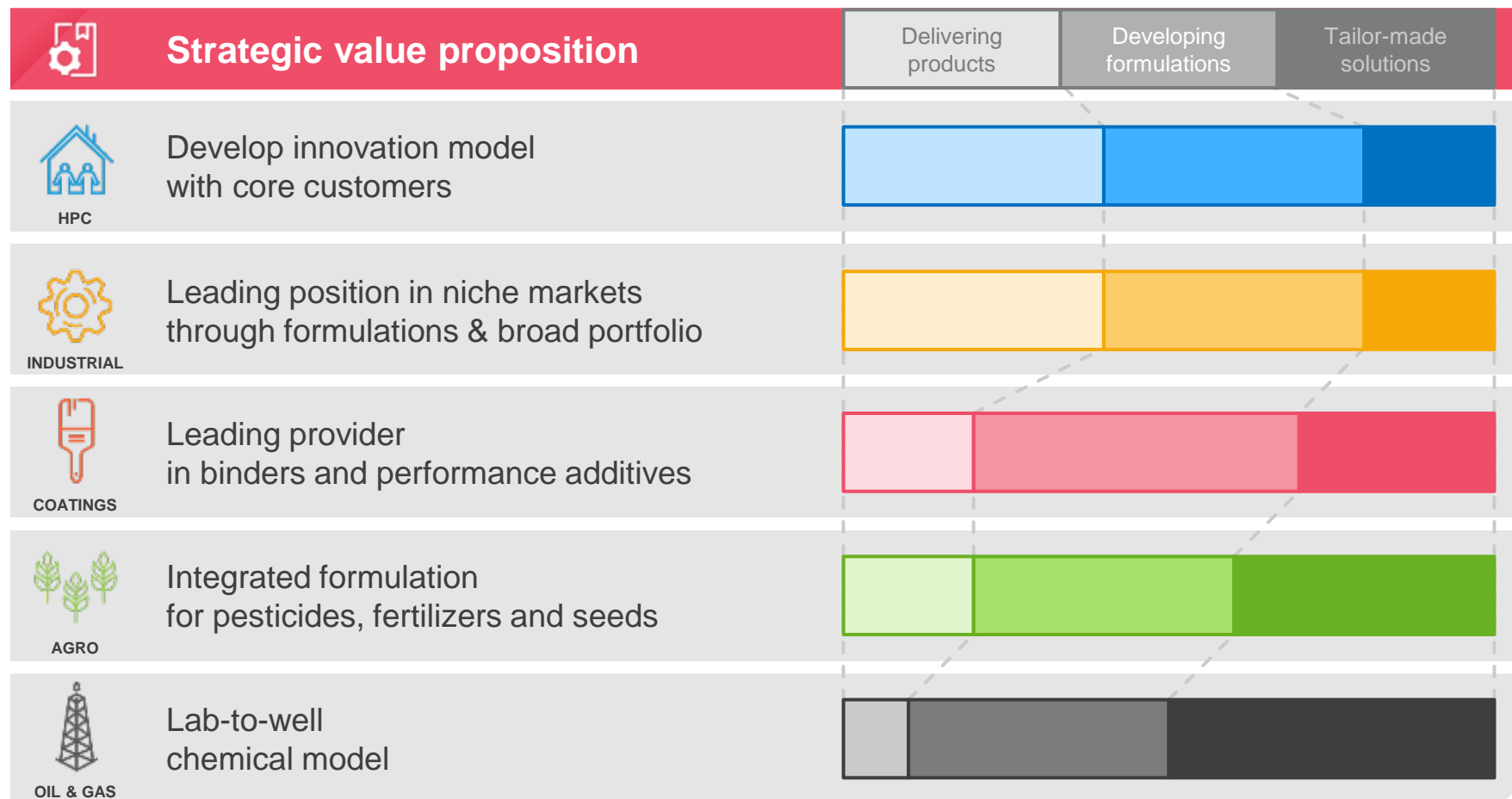
€2.0 bn
Net sales 2014



~ 3,800
employees



31 Production sites
22 R&I & tech centers



Moving all businesses towards more tailor-made solutions

Novecare

Broad portfolio of innovation projects across markets and aligned to megatrends



Evolving demography
& consumers
behaviours

13% of our portfolio



Innovation
acceleration

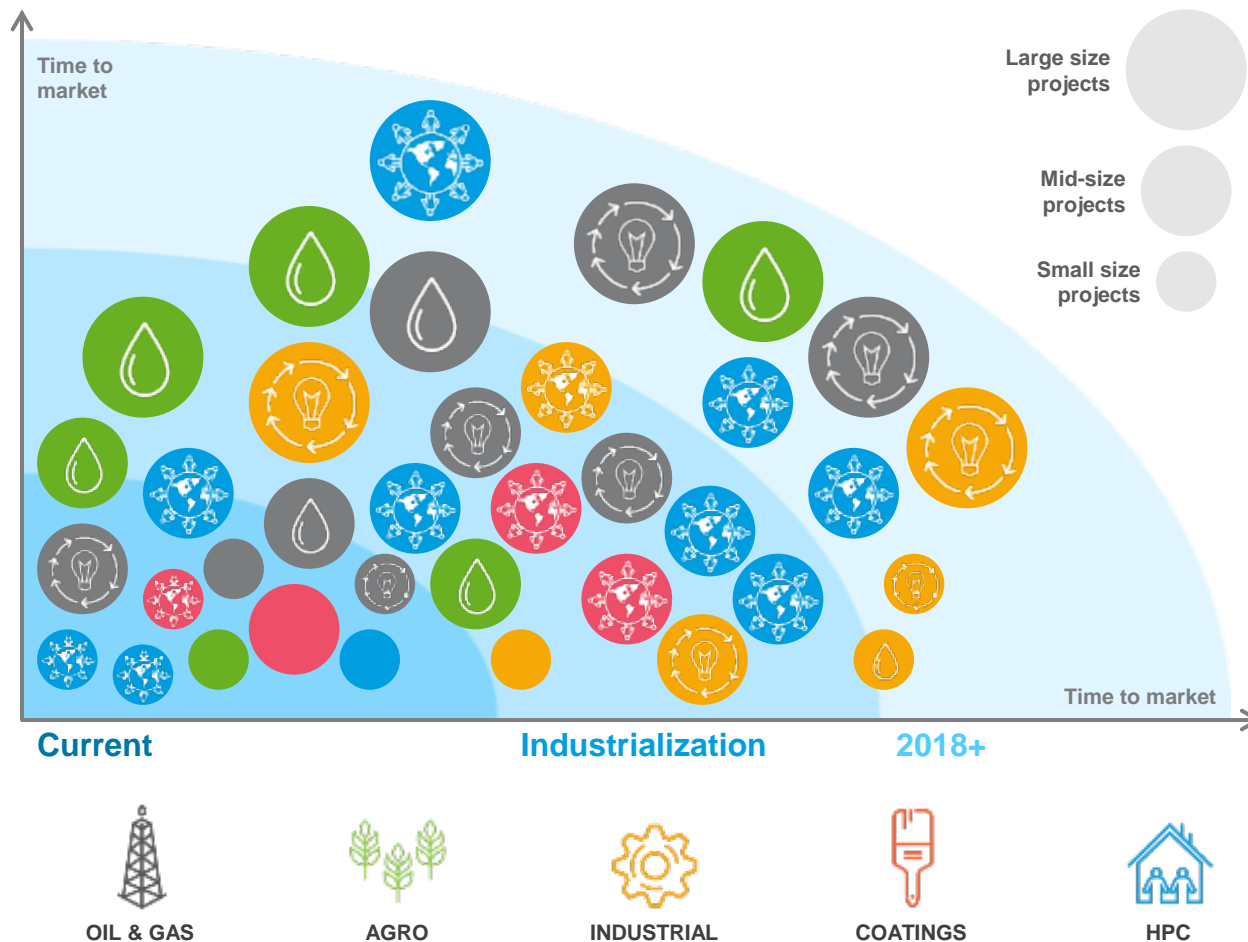
40% of our portfolio

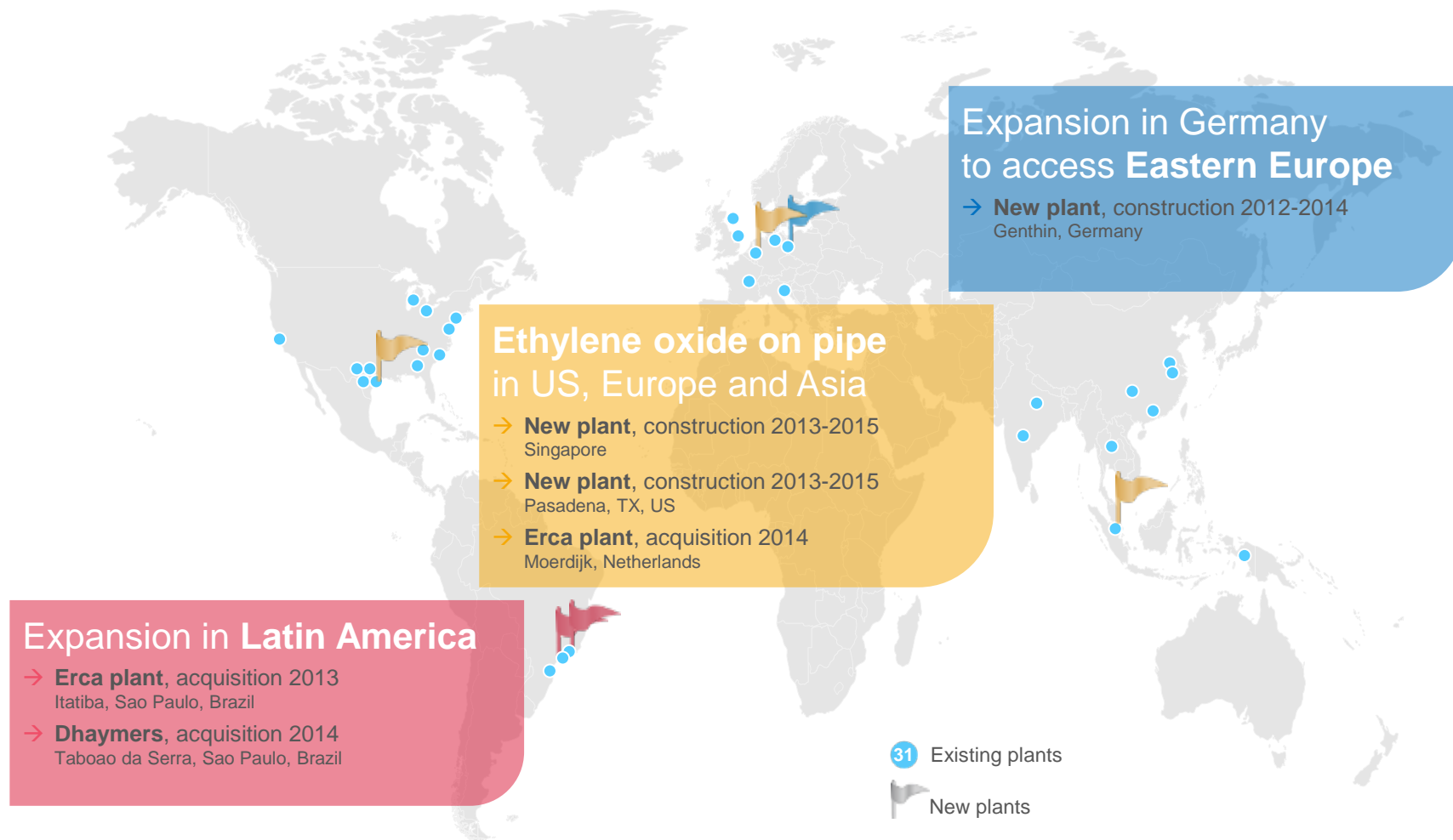


Resource constraints
& increased
sustainability demand

31% of our portfolio

16% aligned to other trends





Novecare

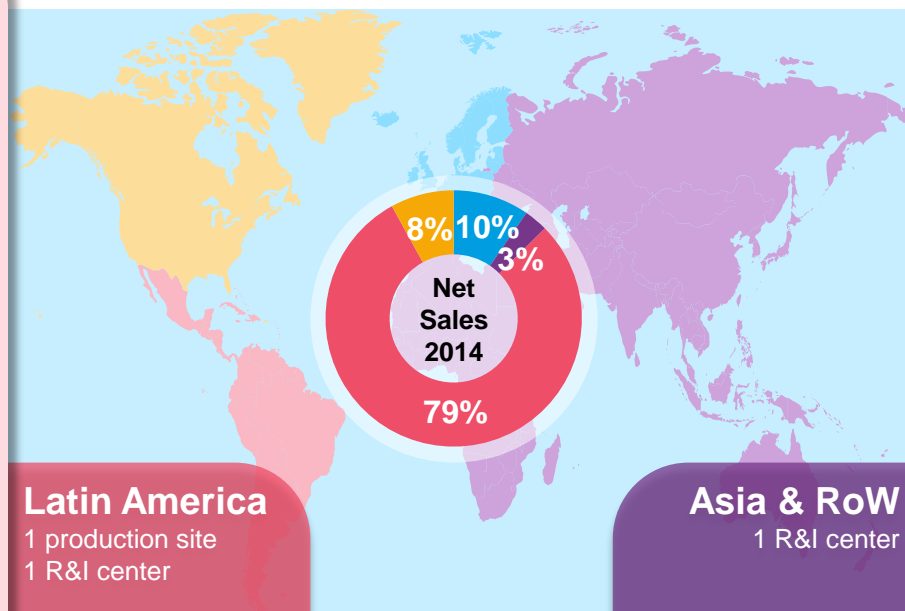
Successful strategy delivery across markets underpinning growth levers

 Markets	 Strategic levers	 Growth trend evolution
% of net sales	Tailor-made solutions Inno- vation Competi- tiveness	2010-2014 2014-2016
 20% HPC	<div> <div></div> <div>✓</div> <div>✓</div> </div>	high 1-digit 2-digit
 20% INDUSTRIAL	<div> <div></div> <div></div> <div>✓</div> </div>	high 1-digit high 1-digit
 10% COATINGS	<div> <div>✓</div> <div>✓</div> <div>✓</div> </div>	high 1-digit 2-digit
 15% AGRO	<div> <div>✓</div> <div>✓</div> <div></div> </div>	2-digit 2-digit
 35% OIL & GAS	<div> <div>✓</div> <div>✓</div> <div>✓</div> </div>	strong 2-digit oil price dependent

Coatis

Sustainable solvents solutions provider and leading Latin American player of phenol

Multiple applications for phenol and oxygenated solvents



€0.5 bn
Net sales 2014



~ 600
employees



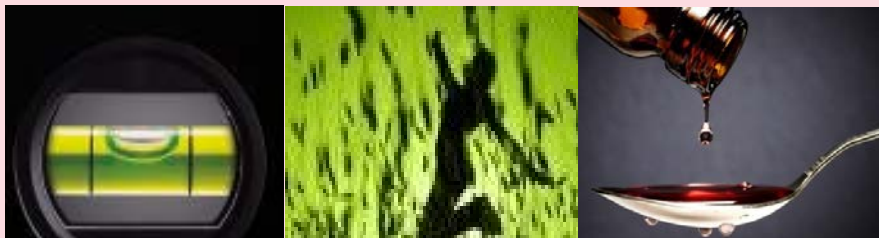
1 production site
2 R&I centers

Aroma Performance

World's largest Diphenols & Fluoroaliphatics integrated producer serving customers growth and innovation



Vanillin ingredients for Food, Flavors & Fragrances



Diphenols for Monomer stabilizers, Agro & Pharma



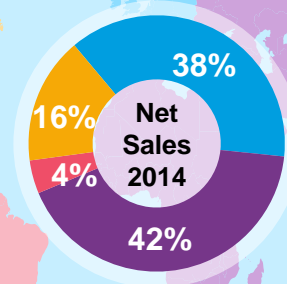
Fluorinated compounds for Batteries & Displays

North America

1 production site

Europe

3 production sites
1 R&I center



Asia & RoW

1 production site
2 R&I centers



€0.3 bn
Net sales 2014



~ 800
employees



5 production sites
3 R&I centers

Advanced Materials

2014 figures

€2,762 m
Net Sales

€709 m
REBITDA

26%
Margin



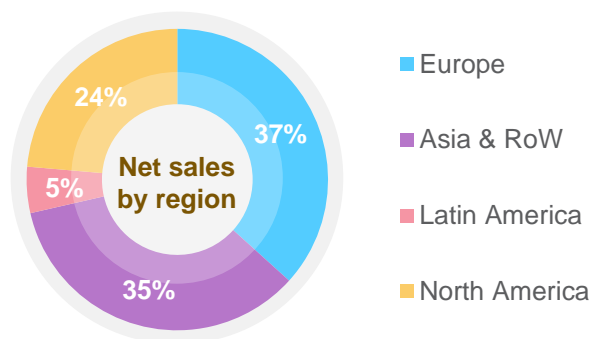
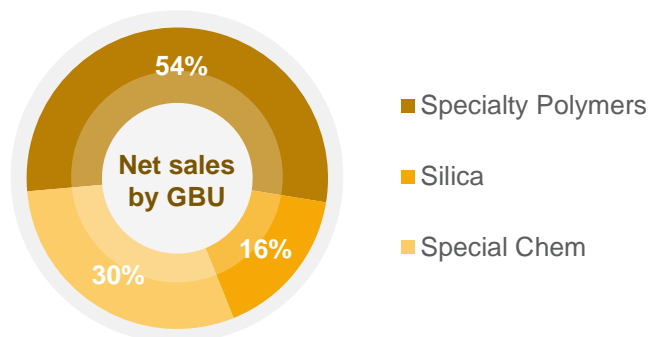
Specialty Polymers



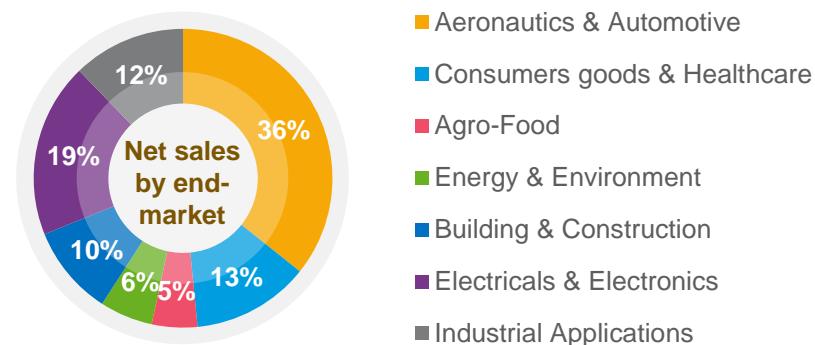
Silica



Special Chem



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 and long-term partnerships with customers provide a compelling competitive edge with industries seeking increasingly energy efficiency and less polluting functionalities.



Solvay Specialty Polymers

Inventing the future every day

Diversified end markets with superior growth potential

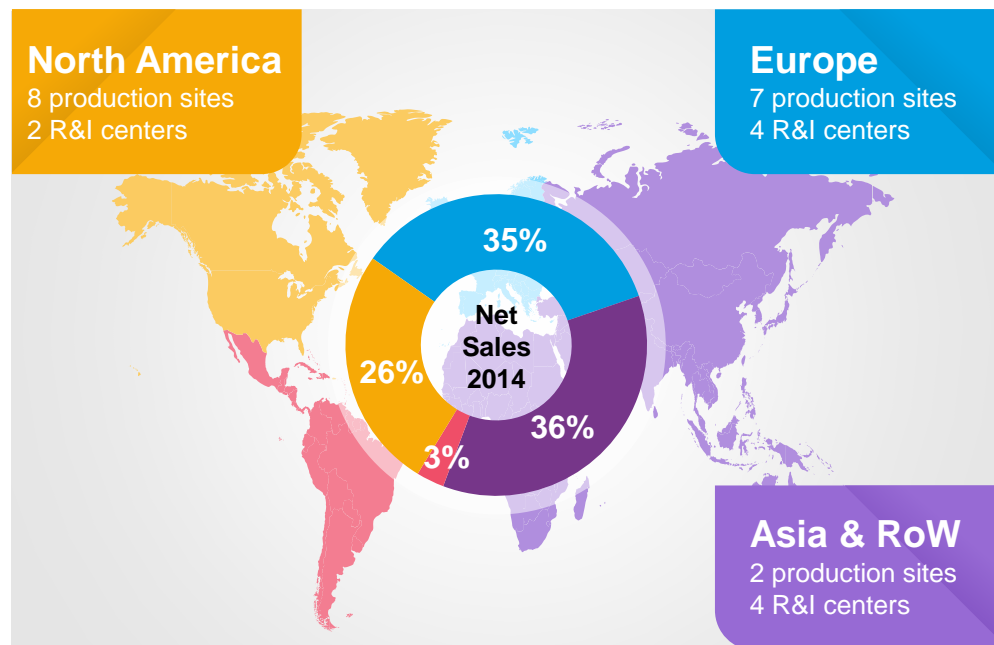


North America

8 production sites
2 R&I centers

Europe

7 production sites
4 R&I centers



€1.5 bn
Net sales 2014



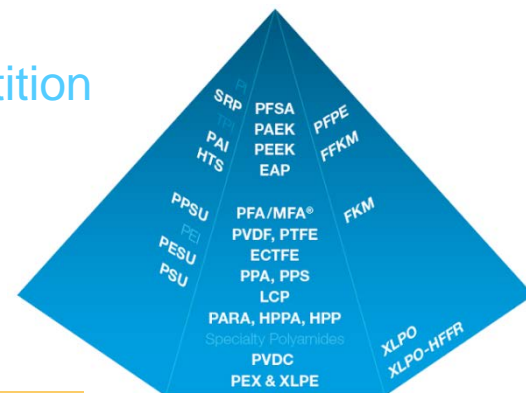
~3,000
employees



17 production sites
10 R&I centers

Specialty Polymers

Unique solution offering, differentiating Solvay from competition



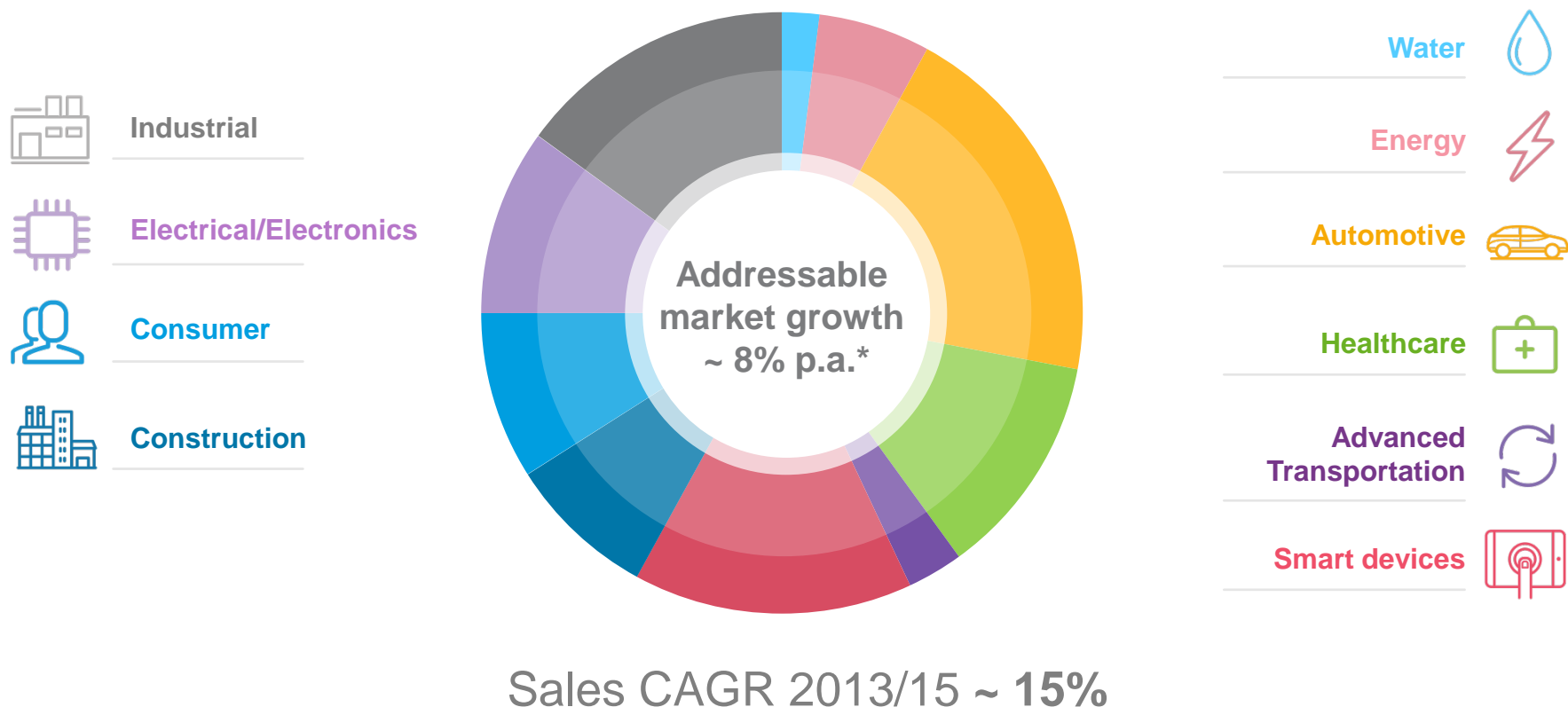
Aromatics						Fluoropolymers					High-barrier polymers	X-linkable compounds
LCP	HPPA	PPS	PEEK	PAI	PSU	PTFE	PVDF	PFA	FKM	PFPE	PVDC	XLCP
●	●	●	●	●	●	●	●	●	●	●	●	●
	●						●					
	●				●							
						●	●	●	●			
●	●					●		●	●	●		
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... further strengthened through innovation and acquisitions

Specialty Polymers

Outgrowing markets

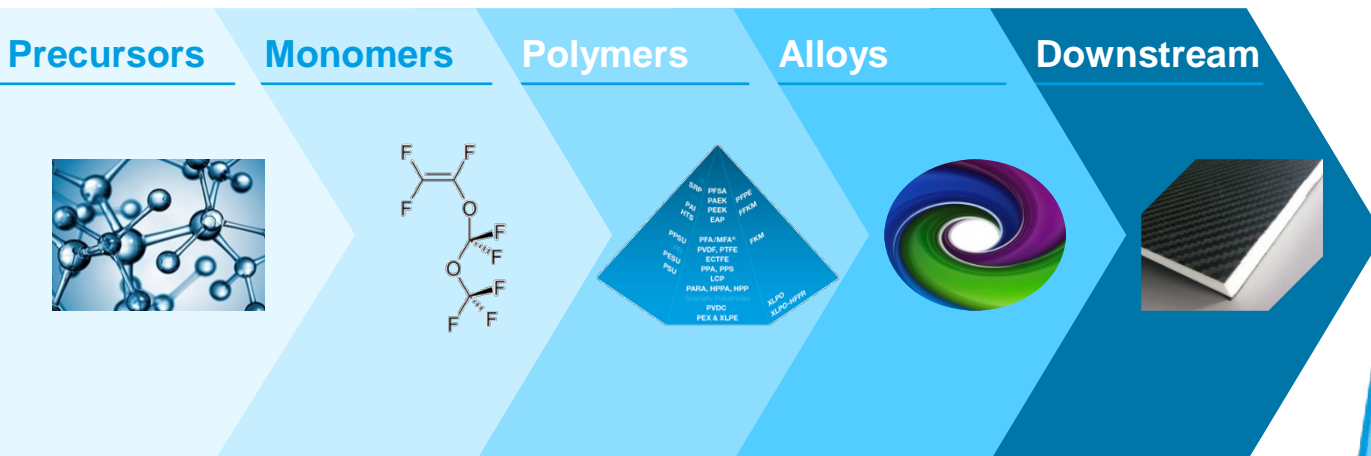
Solvay Specialty Polymers 2014 sales by end markets



* CAGR 2013-2015

Specialty Polymers

Powerful innovation levers across the value chain



2014 data



32%

of net sales realized
with products < 5-y



50+

New product grades



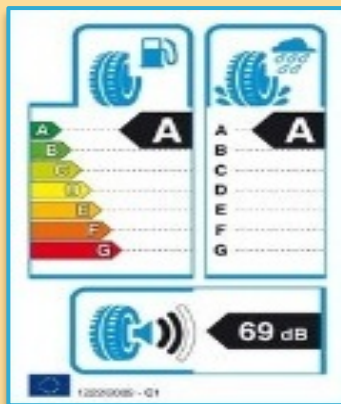
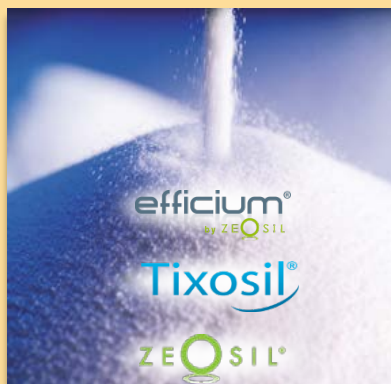
3,300+

Patents in force

Silica

Growth through innovation for sustainable mobility

HDS (Highly Dispersible Silica)
for fuel-efficient &
performance tires



North America

1 production site

Europe

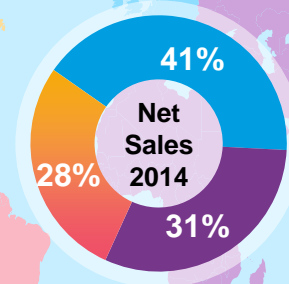
3 production sites
(1 in construction)
2 R&I centers

Latin America

2 production sites
1 R&I center

Asia & RoW

3 production sites
1 R&I center



€0.5 bn
Net sales 2014



~ 700
employees

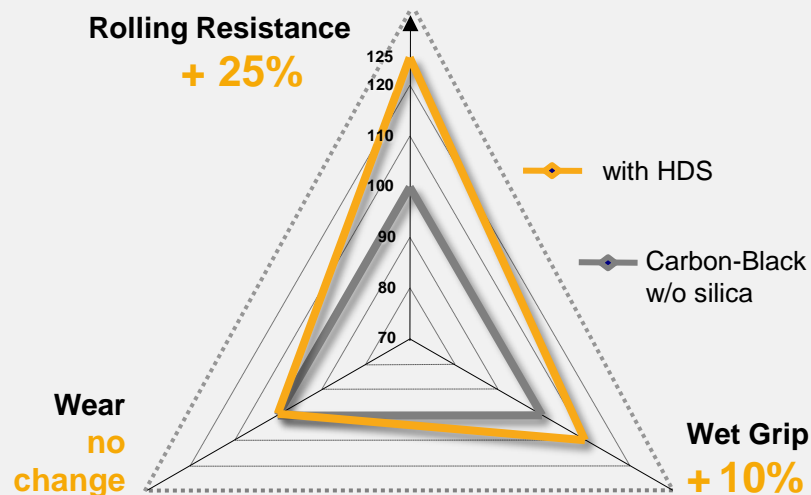


9 production sites
4 R&I centers

Silica

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

Excellent technical performance ...



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

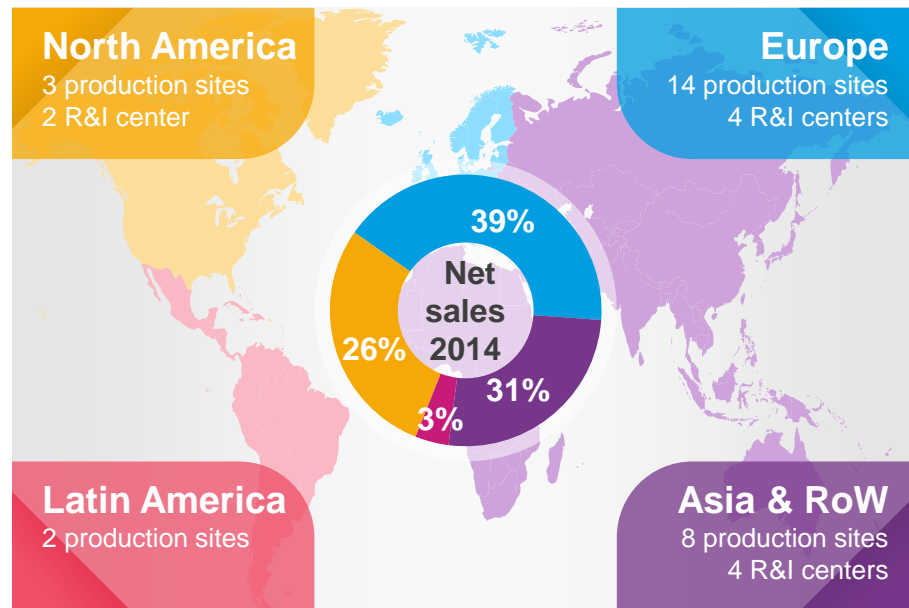
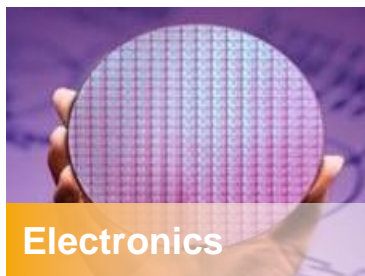
Special Chem,

Innovative solutions for growth industries

Formulations

Fluor

Rare earths
& other metals



€0.9 bn
Net sales 2014



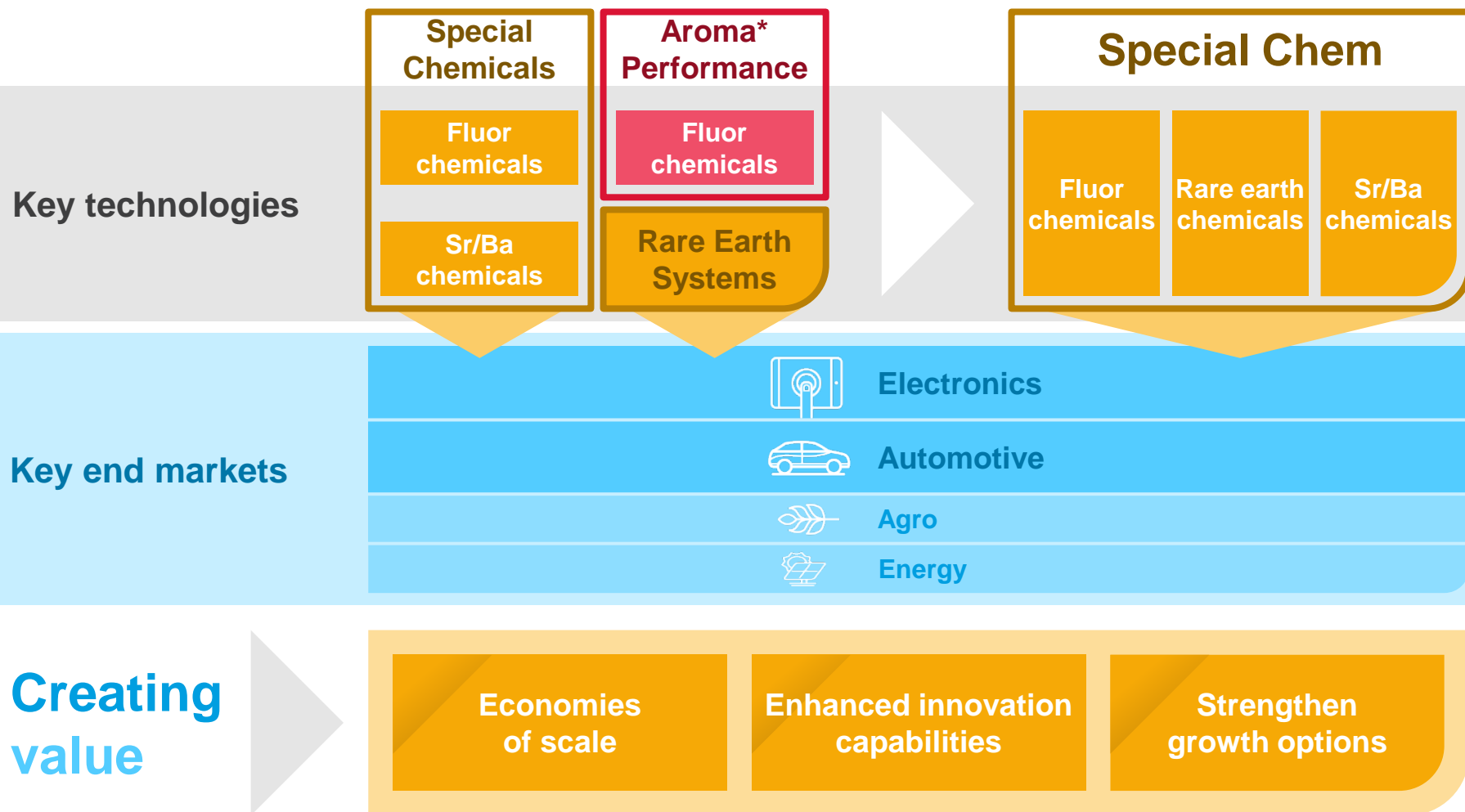
> 3,000
employees



28 production sites
10 R&I centers

Special Chem

Creation of new GBU, enhancing scale, innovation and growth options



* Fluor-based business of Aroma Performance. From April 1st 2015, Aroma Performance GBU comprises exclusively non-fluor-based activities, mainly vanillin and monomer inhibitors

Performance Chemicals

2014 figures

€2,944 m
Net Sales

€724 m
REBITDA

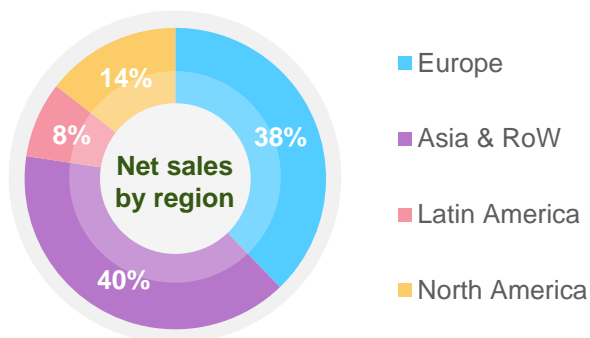
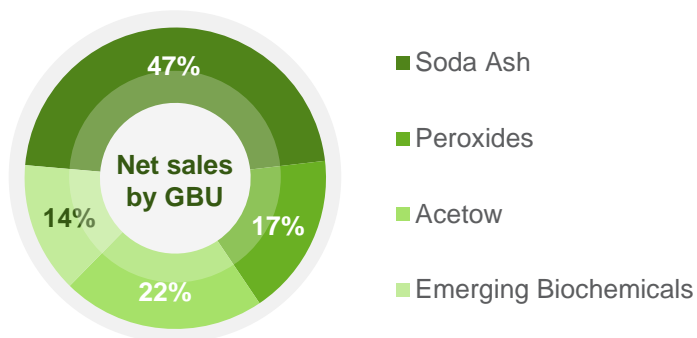
25%
Margin

Soda Ash & Derivatives

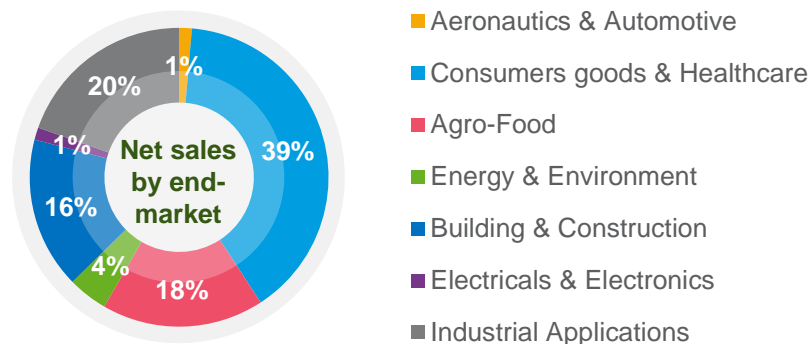
Peroxides

Acetow

Emerging Biochemicals



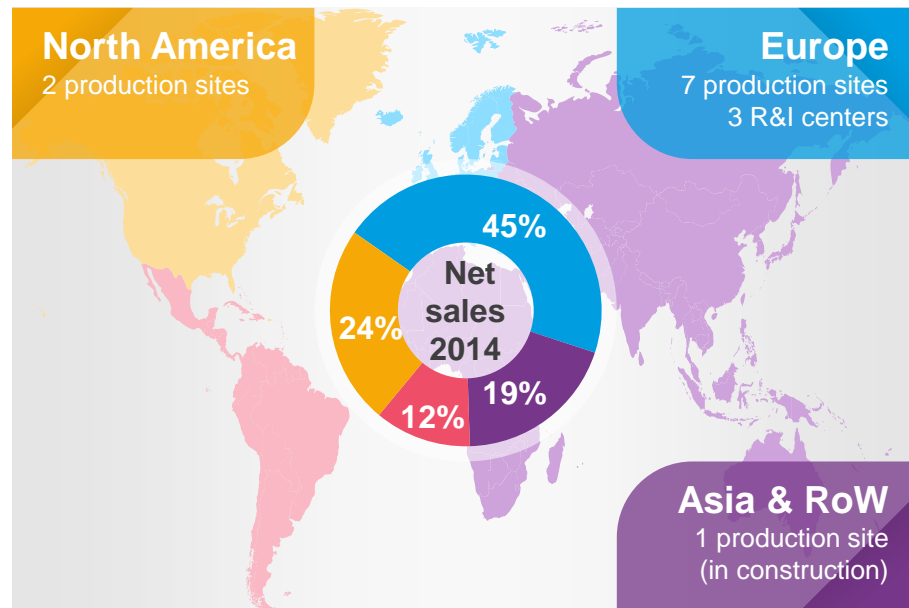
Operating in mature resilient markets, this Segment's success is based on economies of scale, competitiveness and quality of service. Solidly cash-generating, the Performance Chemicals businesses are engaged in programs of excellence to create additional sustainable value.



Soda Ash & Derivatives

Resilient cash generator for Solvay

Soda ash
in many applications



€1.4 bn
Net sales 2014



~ 3,500
employees



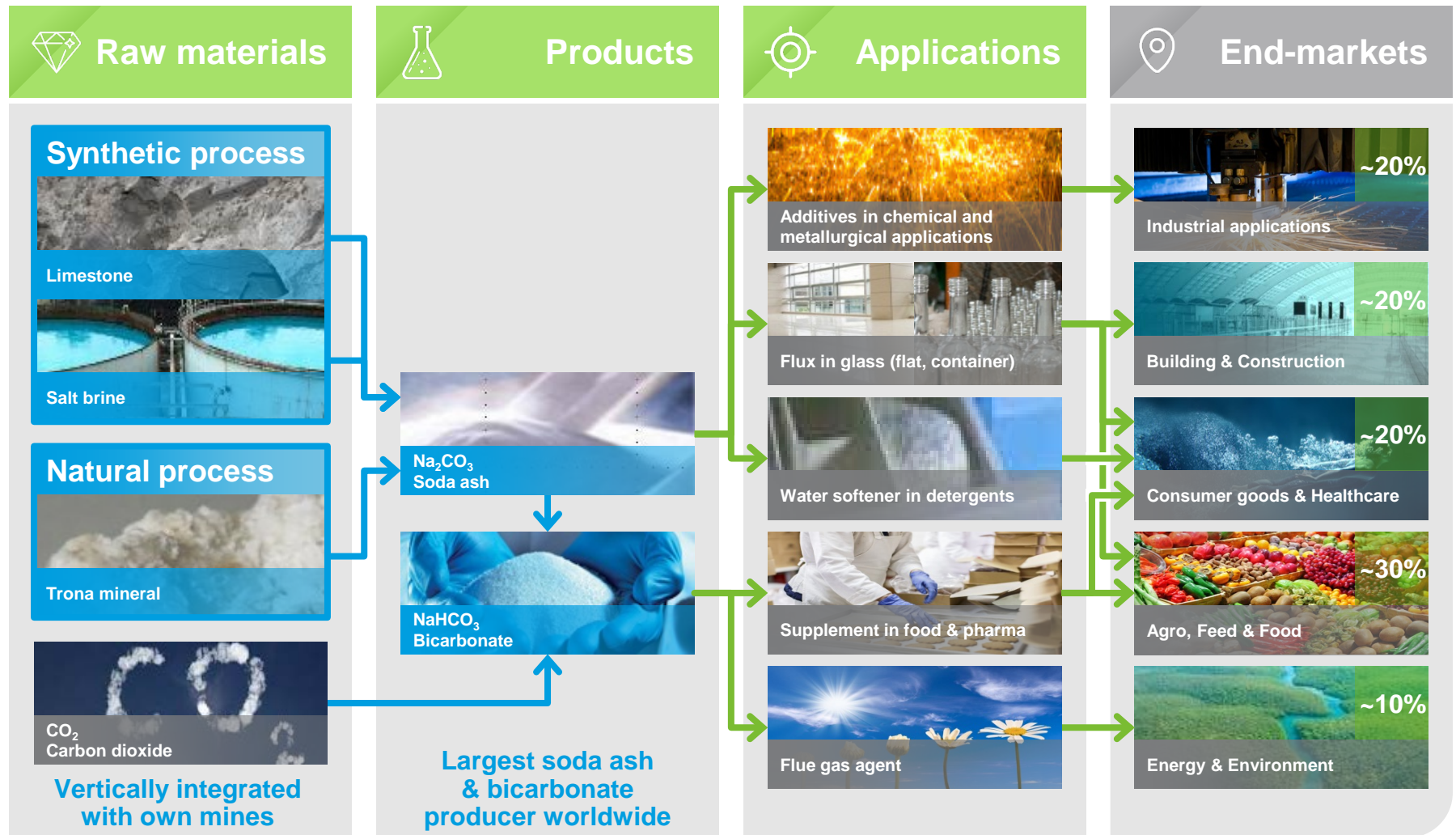
10 production sites
3 R&I centers

Soda Ash & Derivatives

Leading player with very competitive supply

Solvay products

approximate main
end-market exposures



Soda Ash & Derivatives

Market leader with “world-class” assets

Solvay assets

66% “World-class” assets
addressing regional
and export markets

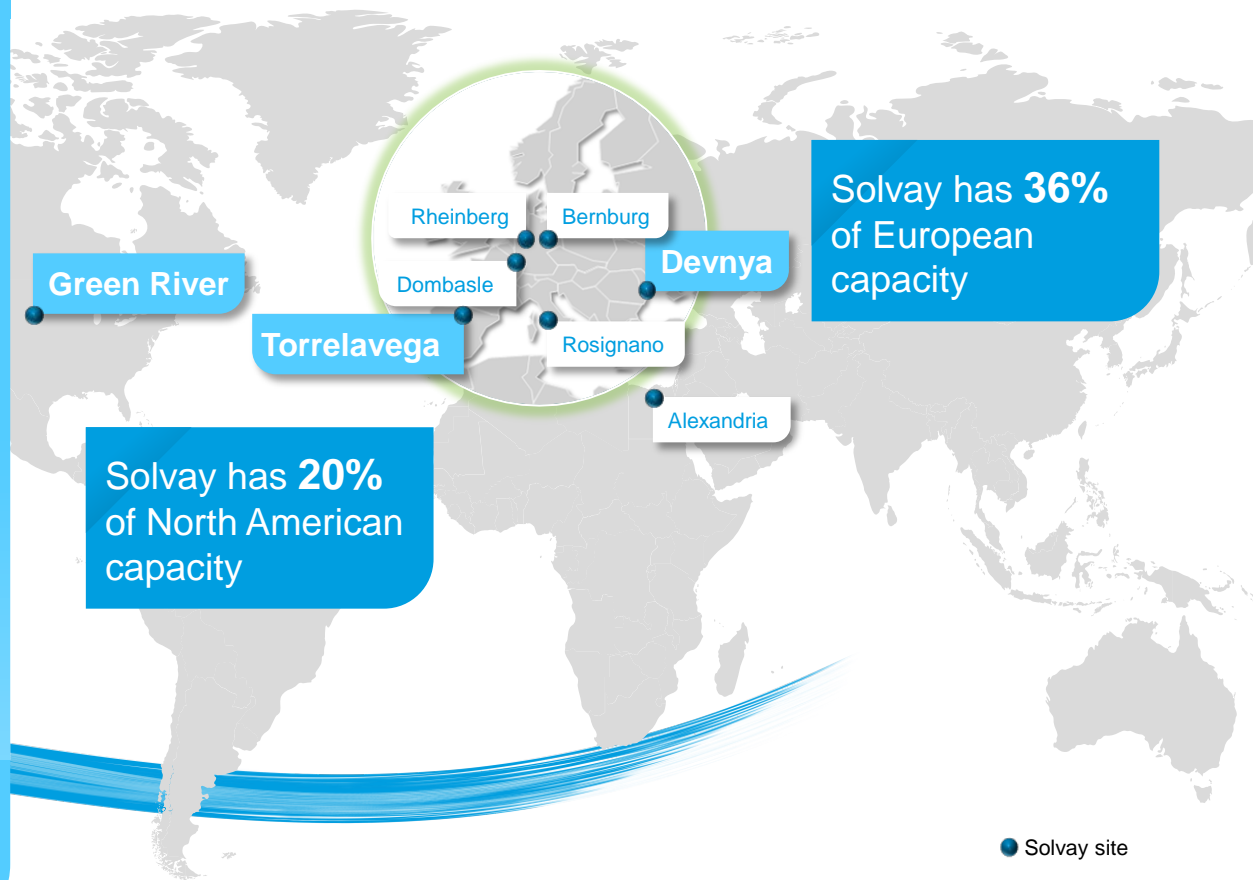
Green River (Wyoming, US)

- Green River (US, Wyoming)
- Natural soda ash production
- 2.5 mt/yr capacity
- 12% capacity increase 2014-2016

Devnya & Torrelavega (Europe)

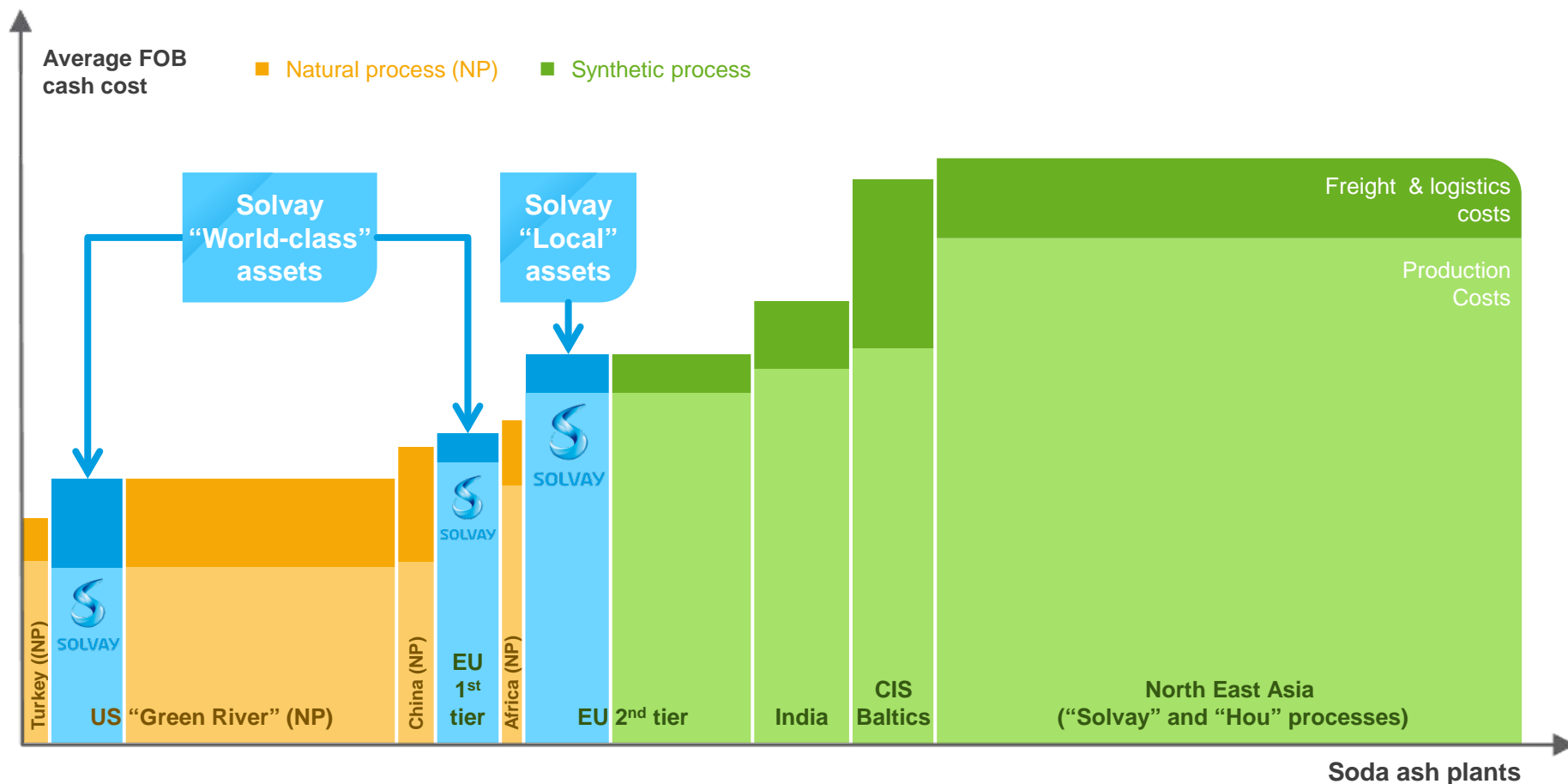
- At delivered cash cost comparable to natural process
- 2.0 mt/yr capacity

34% “Local” assets
addressing local markets



Soda Ash & Derivatives

Cost competitiveness, key success factor in the soda ash industry



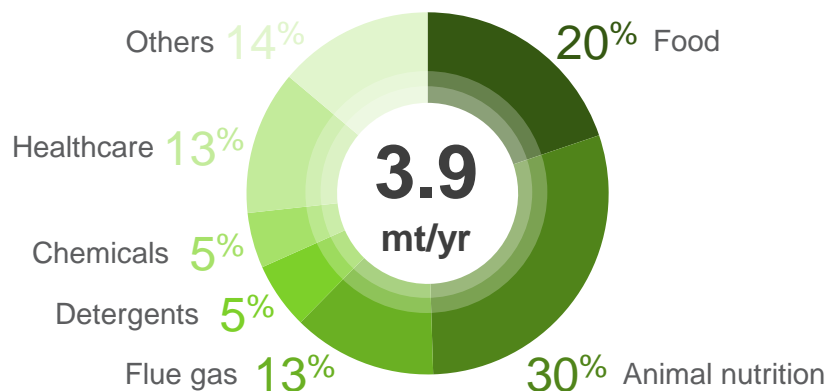
Source: Solvay estimates based on public information

Soda Ash & Derivatives

Market maker in Bicarbonate, a diversified growth story

Global Bicarbonate demand

Total market volumes (2014)



Global **market** growth slightly **above GDP**

driven by:

- Food needs
- Environmental regulations
- Aging population

Solvay positioning

- **Unparalleled security of supply**
 - 8 facilities in Europe and North America
- **New 100 kt/yr plant in Thailand (07/2015)**
 - To serve Asian premium markets
- **SOLVAir Natural Solutions**
 - 50/50 JV with Natural Soda
 - To accelerate development of SOLVAir for emissions treatment in North America
- **Solvay market leader**
 - Actively developing bicarbonate usage through innovative high-value applications

 **Ambition to grow at 2x bicarbonate market growth**

Peroxides

Global market & technology leader

Peroxides

in diversified markets

Pulp



HPPO*



Homecare



Food & aquaculture



Mining



Water treatment



North America

2 production sites

Europe

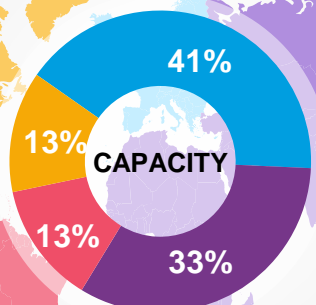
9 production sites
(1 HPPO*)
2 R&I centers

Latin America

1 production site
1 R&I center

Asia & RoW

5 production sites
(2 HPPO)
1 R&I center



Production capacity & sites include all JVs



€512 m
Net sales 2014



~ 870
employees



17 production sites
4 R&I centers

* HPPO = HP (Hydrogen Peroxide) for PO (Propylene Oxide)

Peroxides

Solvay market and technology leader

Global market leader



Pulp
bleaching



HPPO



Food and
Aquaculture

Technology leader

- **On-purpose on-site technologies**
 - High productivity process for H_2O_2 : mega plants to serve PO customers
➔ **> 70 % market share**
 - Reviewed H_2O_2 production process to allow for tailor made customer solutions
- **Process efficiency improvements on**
 - Specific consumptions
 - Energy management

Supported by innovation capability

Applications

- **Aquaculture** : Antiparasite for salmon farming
- **Environment** : Advanced oxidation for increasing environmental standards

Technology

- **New process design** : "My H_2O_2 "
- **Strong energy savings**

Peroxides

HPPO*, a game changer generating strong growth & guaranteed returns

HPPO plants

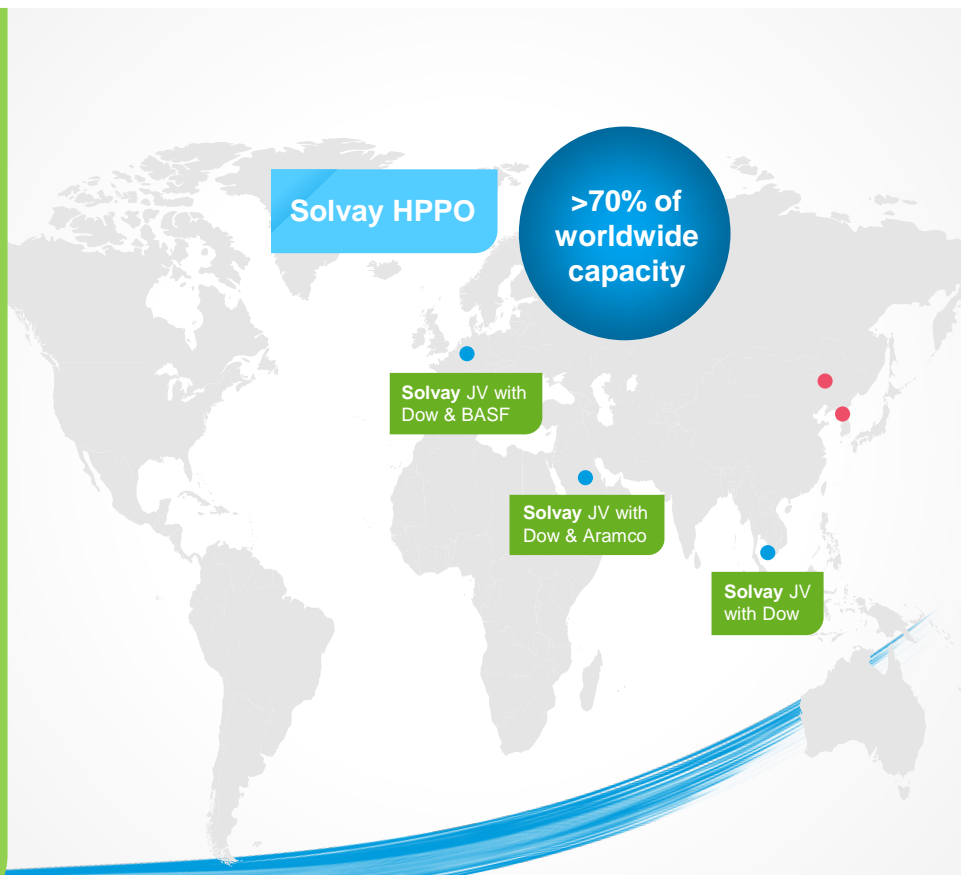


Long term contracts with the 2 WW leaders (BASF, DOW) in PO/PU chain

Only 2 players in Mega-HPPO plants

Strong Customer intimacy

Sustained & profitable business



HPPO:
the preferred route to PO

On-purpose route

Low capital intensity & environmental impact

50% of new PO capacities since 2009 chose HPPO route

HPPO capacity grew c.40% CAGR over 2009-2015

● Solvay sites

● Competition

* HPPO = HP (Hydrogen Peroxide) for PO (Propylene Oxide)

Acetow

Leading the market with quality and innovation

Products



Cellulose acetate flakes

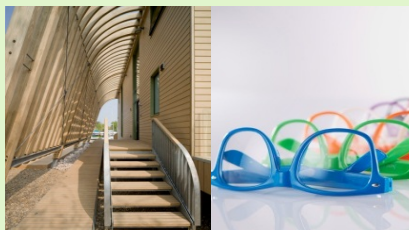


Cellulose acetate tow

Applications



Cigarette filter



New applications:
Outdoor wood, Spectacle frames

North America

1 production J/V

Europe

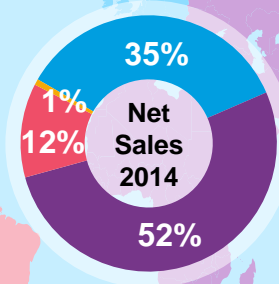
2 production sites
1 R&I center

Latin America

1 production site

Asia & RoW

1 production site



€0.6 bn
Net sales 2014



~ 1,300
employees



4 production sites
1 R&I center

Emerging Biochemicals

Leader in bio-based epichlorohydrine, vinyls and caustic soda in South East Asia

Vinyl applications



Films



Sheets



Pipe & fittings



Wires & cables



Profiles

Epicerol® applications



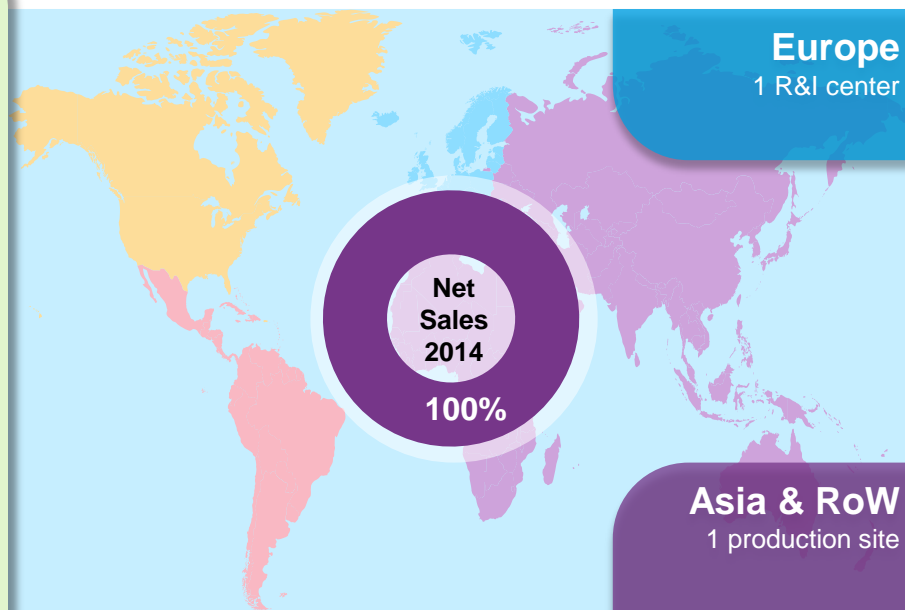
Coatings



Composites



Electronics



€0.4 bn
Net sales 2014



~ 500
employees



1 production site
1 R&I center

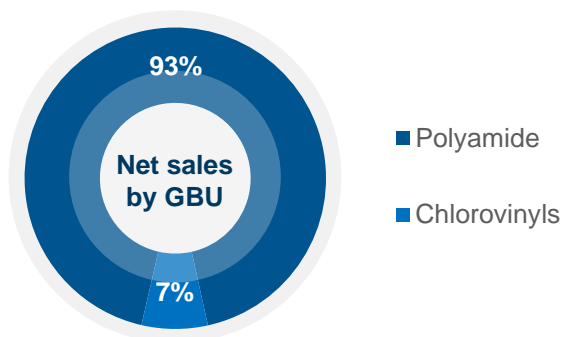
Functional Polymers

2014 figures

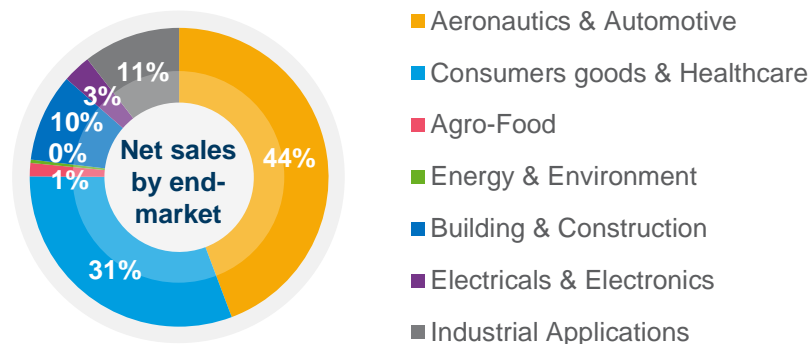
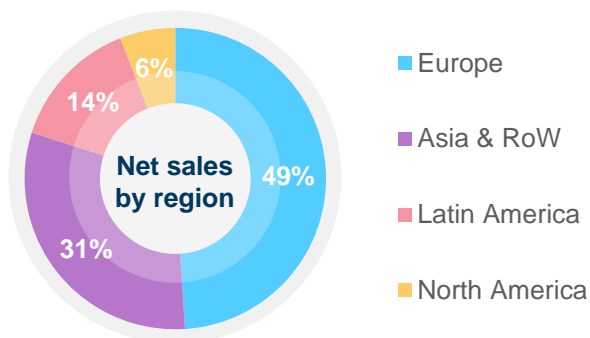
€1,654 m
Net Sales

€111 m
REBITDA

6.7%
Margin



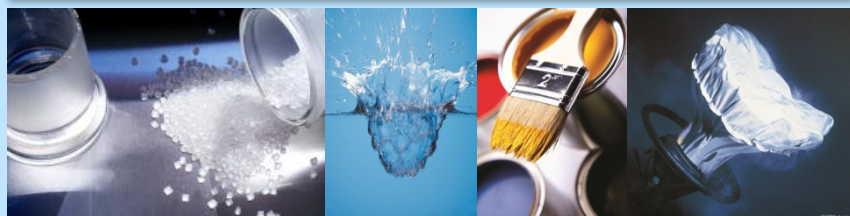
The key success factor of this Segment, which primarily groups the Polyamide activities, is continuous manufacturing optimization. Solvay is one of few players to operate across the entire polyamide 6.6 chain.



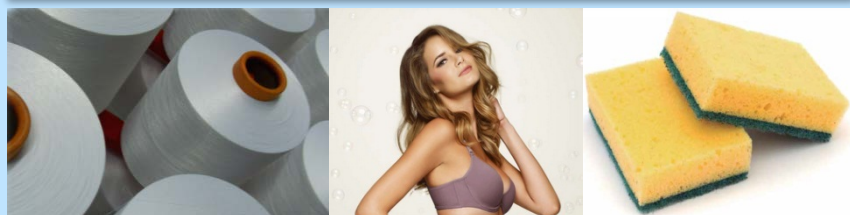
Polyamide

Integrated polyamide player

3 business units



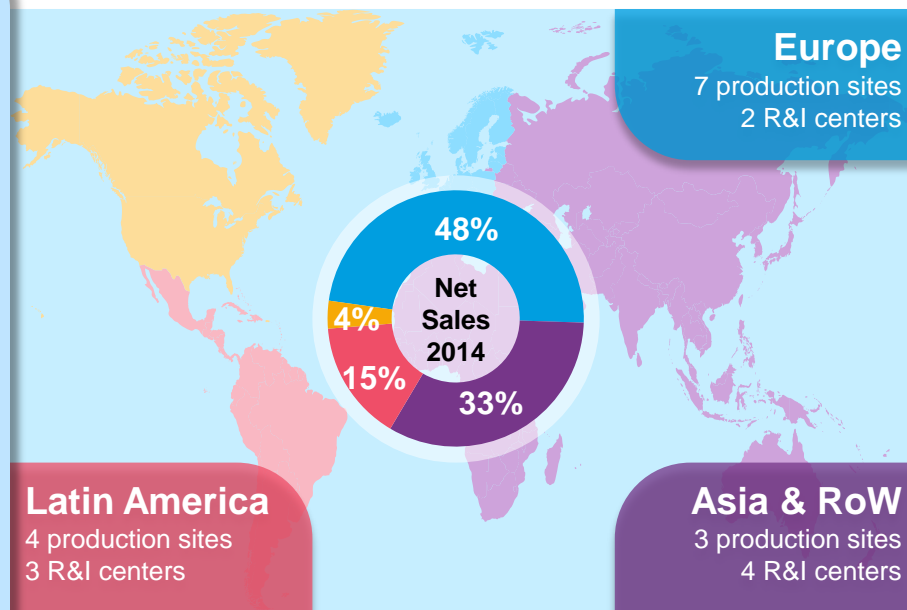
Polyamide & Intermediates



Fibras



Engineering Plastics



€1.5 bn
Net sales 2014



~ 3,600
employees



14 production sites
9 R&I centers

Corporate & Business Services

2014 figures

€(188) m
REBITDA



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

Executing a clear value creation strategy

**Towards a higher growth,
less cyclical
& greater returns
Chemical Group**



**Targeting Sustainable
Value Growth**





Si2

THE FIRST ROUND-THE-WORLD
SOLAR FLIGHT

MARCH 9 2015



SOLVAY
asking more from chemistry®