Q2 2015 results

July 29, 2015

FORENOTE

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

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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  +4.2%  yoy
Net Sales
- 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

€ 143 m
Net Income
- Stable non-recurring costs
- Lower financial charges
- Nominal tax rate of 39%, underlying at 29%

€ (292) m
in Q2 2014

€ 500 m  +8.1%  yoy
REBITDA
- Strong forex
- Positive pricing power, underpinned by excellence programs, mostly offset volume drop
- Margin up 66 bp to 19%

€ 167 m
Free Cash Flow
- Improved cash conversion as industrial working capital reduced
- Discontinued operations: € 57 m vs € 8 m in 2014
- Capex up

€ 89 m
in Q2 2014

€ 143 m
Net Income
- Stable non-recurring costs
- Lower financial charges
- Nominal tax rate of 39%, underlying at 29%

€ (292) m
in Q2 2014

Portfolio reshaping and investments for value

Reducing cyclical & low-growth businesses

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

European Chlorovinyls

INOVYN created

- 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

Special Chem

Portfolio reshaping continues

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

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

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

* Precipitated Calcium Carbonate

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

**Net Sales in € m**

- Q2 2014: 2,566
- Q2 2015: 2,675

**REBITDA in € m**

- Q2 2014: 463
- Q2 2015: 552

**Pricing power € 57 m**

- Fixed costs (5%)
- Others (including equity earnings) (1%)

**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

- Pricing power underpinned by excellence programs

- Fixed costs up with new plants; Excellence programs offset inflation
Net pricing & forex supportive across operating segments

**Advanced Formulations**
- Substantial drop in Novecare’s O&G market’s demand
- Sales and profit improvement at Aroma Performance continued
- Margin: 16% (Q2 2014) → 15% (Q2 2015)

**Advanced Materials**
- New REBITDA record on strong innovation-driven growth
- Good integration of Ryton and Flux
- Margin: 27% (Q2 2014) → 25% (Q2 2015)

**Functional Polymers**
- REBITDA up, on strengthened net pricing and volume increase in Polyamide
- Ramp-up of RusVinyl; Good market environment
- Margin: 8.1% (Q2 2014) → 11.4% (Q2 2015)

**Performance Chemicals**
- Solid pricing more than offset volume drop in Acetow
- Strong progress in breakthrough excellence programs
- Margin: 23% (Q2 2014) → 25% (Q2 2015)

**REBITDA Q2 2015 (in € m)**
- € 500 m
- 39% (Advanced Formulations)
- 8% (Functional Polymers)
- 34% (Performance Chemicals)
- 18% (Advanced Materials)
Advanced Formulations Q2 2015 performance
Favorable forex insufficient to offset further volume decline in Novecare’s O&G

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

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

**Net sales** (in € m)

<table>
<thead>
<tr>
<th></th>
<th>Q2 2014</th>
<th>Q2 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope</td>
<td>670</td>
<td>840</td>
</tr>
<tr>
<td>Conversion</td>
<td>33</td>
<td>79</td>
</tr>
<tr>
<td>forex</td>
<td>5%</td>
<td>12%</td>
</tr>
<tr>
<td>Volume</td>
<td></td>
<td>9%</td>
</tr>
<tr>
<td>Price</td>
<td>(1)</td>
<td>(0.1)%</td>
</tr>
<tr>
<td>Margin</td>
<td>25%</td>
<td></td>
</tr>
</tbody>
</table>

**REBITDA** (in € m)

<table>
<thead>
<tr>
<th></th>
<th>Q2 2014</th>
<th>Q2 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Polymers</td>
<td>181</td>
<td>214</td>
</tr>
<tr>
<td>Specialty Chem</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Silica</td>
<td>840</td>
<td>25%</td>
</tr>
<tr>
<td>Special Chem</td>
<td></td>
<td>18%</td>
</tr>
<tr>
<td>Margin</td>
<td></td>
<td>27%</td>
</tr>
</tbody>
</table>
Performance Chemicals Q2 2015 performance
Solid pricing and favorable forex more than offset volume drop in Acetow

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)
- Epicero® volumes and prices stable
Functional Polymers Q2 2015 performance
REBITDA up on strengthened net pricing and supportive volume mix in Polyamide

**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

<table>
<thead>
<tr>
<th>REBITDA (in € m)</th>
<th>Q2 2015</th>
<th>Q2 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Services</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Other C&amp;BS</td>
<td>(47)</td>
<td>(38)</td>
</tr>
<tr>
<td>Reported</td>
<td>(43)</td>
<td>(37)</td>
</tr>
</tbody>
</table>

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

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

Adjusted* P&L

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

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

Q2 2015 results
29/07/2015
Positive Free Cash Flow
Net debt up with dividend payments

**Free Cash Flow**
in € m

<table>
<thead>
<tr>
<th></th>
<th>Q2 2015</th>
<th>Q2 2014</th>
<th>Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>REBITDA*</td>
<td>311</td>
<td>337</td>
<td>(26)</td>
</tr>
<tr>
<td>Capex</td>
<td>(215)</td>
<td>(177)</td>
<td>39</td>
</tr>
<tr>
<td>Change in IWC</td>
<td>14</td>
<td>(79)</td>
<td>93</td>
</tr>
<tr>
<td>Continuing operations</td>
<td>110</td>
<td>81</td>
<td>29</td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>57</td>
<td>8</td>
<td>49</td>
</tr>
<tr>
<td>Total FCF</td>
<td>167</td>
<td>89</td>
<td>78</td>
</tr>
</tbody>
</table>

* REBITDA, provisions & other operating cash flow

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

**Net debt**
in € m

31/03/2015

- REBITDA, provisions & other operating cash flow (22)%
- Capex 15%
- Change in industrial working capital (1)%
- FCF of discontinued operations (4)%

30/06/2015

- Acquisitions & divestments 2%
- Net financial charges 6%
- Other changes in net debt 2%
- Changes in net debt attributable to "Assets held for sale" 1%

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

**Free Cash Flow** € 167 m

- 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

In 2015
• 9 new facilities to start up
• > 50% growth capex
• ~70% of growth capex in Growth Engines

Investing selectively

Growth projects in growth regions

**Main growth capex projects**

- **Novecare**
  - Specialty surfactant plant in Germany
  - Alkoxylation plant in USA
  - Alkoxylation plant in Singapore
  - Vanillin plant in China

- **Aroma Performance**
  - Fluoropolymers plant in China

- **Specialty Polymers**
  - PEEK exp. India
  - PEEK plant in USA

- **Silica**
  - Silica plant in Poland
  - Silica plant in Korea

- **Soda Ash & Derivatives**
  - Bicarbonate plant in Thailand
  - Soda ash expansion in USA

- **Peroxides**
  - HPPO plant in Saudi Arabia

**Capex**

Continuing operations in € m

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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<td>(734)</td>
<td>(861)</td>
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<td>(307)</td>
<td>(318)</td>
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<td>(129)</td>
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<td>(234)</td>
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</tbody>
</table>

* At constant forex

**Q2 2015 results**

- Capital investment efforts maintained
- Forex driving nominal amount up

- In 2015
  - 9 new facilities to start up
  - > 50% growth capex
  - ~70% of growth capex in Growth Engines

**Investing selectively**

- Growth projects in growth regions
Working capital discipline maintained
Seasonal patterns

Industrial working capital
% of gross sales

<table>
<thead>
<tr>
<th></th>
<th>Q1 2014</th>
<th>Q2 2014</th>
<th>Q3 2014</th>
<th>Q4 2014</th>
<th>Q1 2015</th>
<th>Q2 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>IWC/sales (%)</td>
<td>15.2%</td>
<td>15.6%</td>
<td>16.3%</td>
<td>12.8%</td>
<td>16.5%</td>
<td>15.7%</td>
</tr>
<tr>
<td>DSO*</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Overdues</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

* Days Sales Outstanding

Committed to further optimization
Debt management allows to reduce cost of net debt

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)

Leverage 0.86x
(Net debt / REBITDA)

Including pensions 61%

Including pensions 2.38x

* Excludes Hybrid bond
Outlook 2015

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
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Next events

October 29, 2015  Q3 2015 results publication
Annexes

- Additional Q2 & H1 2015 financial data
- 2015 considerations
- Group presentation
- Segment & GBU presentation
Forex and excellence more than offset adjustments in O&G and acetate tow markets

**Net Sales**

<table>
<thead>
<tr>
<th>H1 2014</th>
<th>H1 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,054</td>
<td>5,322</td>
</tr>
</tbody>
</table>

- **Scope** -13%
- **Conversion forex** 9%
- **Volume** (3)%
- **Price** (1)%

**REBITDA**

<table>
<thead>
<tr>
<th>H1 2014</th>
<th>H1 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>911</td>
<td>1,002</td>
</tr>
</tbody>
</table>

- **Pricing power** 10%
- **Scope** 0.1%
- **Conversion forex** 11%
- **Volume** (8)%
- **Price** (3)%
- **Variable costs** 13%

**Pricing power** underpinned by excellence programs

**Margins**

- **H1 2014** 18% margin
- **H1 2015** 19% margin

**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

**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

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

**Pricing power** underpinned by excellence programs

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### Income statement H1

<table>
<thead>
<tr>
<th></th>
<th>H1 2015</th>
<th>H1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>5,322</td>
<td>5,054</td>
</tr>
<tr>
<td><strong>REBITDA</strong></td>
<td>1,002</td>
<td>911</td>
</tr>
<tr>
<td>Other elements</td>
<td>(11)</td>
<td>(5)</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>(351)</td>
<td>(310)</td>
</tr>
<tr>
<td>Non-recurring items</td>
<td>(64)</td>
<td>(76)</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>576</td>
<td>519</td>
</tr>
<tr>
<td>Net financial charges</td>
<td>(119)</td>
<td>(172)</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(174)</td>
<td>(107)</td>
</tr>
<tr>
<td><strong>Result continuing operations</strong></td>
<td>284</td>
<td>240</td>
</tr>
<tr>
<td>Result discontinued operations</td>
<td>53</td>
<td>(450)</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>337</td>
<td>(210)</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(36)</td>
<td>25</td>
</tr>
<tr>
<td><strong>Net income Solvay share</strong></td>
<td>301</td>
<td>(186)</td>
</tr>
</tbody>
</table>

### Balance sheet

<table>
<thead>
<tr>
<th></th>
<th>30/06/2015</th>
<th>31/12/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td>10,423</td>
<td>10,080</td>
</tr>
<tr>
<td><strong>Investment &amp; shares</strong></td>
<td>565</td>
<td>545</td>
</tr>
<tr>
<td>Loans &amp; other non current financial receivables / payables</td>
<td>32</td>
<td>(10)</td>
</tr>
<tr>
<td><strong>Assets held for sale</strong></td>
<td>1,509</td>
<td>1,414</td>
</tr>
<tr>
<td>Taxes payable/receivable + Others</td>
<td>218</td>
<td>30</td>
</tr>
<tr>
<td><strong>Working capital</strong></td>
<td>1,526</td>
<td>1,101</td>
</tr>
<tr>
<td><strong>Total invested capital</strong></td>
<td>14,273</td>
<td>13,160</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>7,336</td>
<td>6,778</td>
</tr>
<tr>
<td><strong>Provisions</strong></td>
<td>4,177</td>
<td>4,328</td>
</tr>
<tr>
<td><strong>Dividends</strong></td>
<td>7</td>
<td>113</td>
</tr>
<tr>
<td><strong>Net financial debt</strong></td>
<td>1,608</td>
<td>778</td>
</tr>
<tr>
<td>Liabilities related to assets held for sale</td>
<td>1,145</td>
<td>1,162</td>
</tr>
<tr>
<td><strong>Total financing</strong></td>
<td>14,273</td>
<td>13,160</td>
</tr>
</tbody>
</table>
Lower discontinued operations contribution to FCF
Seasonal uplift in net debt

### Free Cash Flow
in € m

<table>
<thead>
<tr>
<th></th>
<th>H1 2015</th>
<th>H1 2014</th>
<th>Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>REBITDA*</td>
<td>578</td>
<td>586</td>
<td>(9)</td>
</tr>
<tr>
<td>Capex</td>
<td>(449)</td>
<td>(337)</td>
<td>(112)</td>
</tr>
<tr>
<td>Change in IWC</td>
<td>(288)</td>
<td>(334)</td>
<td>46</td>
</tr>
<tr>
<td>Continuing operations</td>
<td>(159)</td>
<td>(85)</td>
<td>(75)</td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>(264)</td>
<td>(46)</td>
<td>(218)</td>
</tr>
<tr>
<td>Total FCF</td>
<td>(177)</td>
<td>(8)</td>
<td>(169)</td>
</tr>
</tbody>
</table>

- REBITDA, provisions & other operating cash flow

### Net debt** evolution
in € m

- 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

** Net debt excludes hybrid bonds of € 1.2 bn booked as equity
# Cash flow statement

## Q2 2015 vs Q2 2014

<table>
<thead>
<tr>
<th>Description</th>
<th>Q2 2015</th>
<th>Q2 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>410</td>
<td>293</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>(267)</td>
<td>(289)</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>(331)</td>
<td>(85)</td>
</tr>
<tr>
<td><strong>Net change in cash &amp; cash equivalents</strong></td>
<td>(187)</td>
<td>(81)</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>(37)</td>
<td>(1)</td>
</tr>
<tr>
<td>Opening cash balance</td>
<td>1,264</td>
<td>1,193</td>
</tr>
<tr>
<td><strong>Ending cash balance</strong></td>
<td>1,040</td>
<td>1,111</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>167</td>
<td>89</td>
</tr>
<tr>
<td>From continuing operations</td>
<td>110</td>
<td>81</td>
</tr>
<tr>
<td>From discontinued operations</td>
<td>57</td>
<td>8</td>
</tr>
</tbody>
</table>

* including cash in assets held for sale

## H1 2015 vs H1 2014

<table>
<thead>
<tr>
<th>Description</th>
<th>H1 2015</th>
<th>H1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>326</td>
<td>390</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>(781)</td>
<td>(511)</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>174</td>
<td>(738)</td>
</tr>
<tr>
<td><strong>Net change in cash &amp; cash equivalents</strong></td>
<td>(281)</td>
<td>(859)</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>47</td>
<td>(3)</td>
</tr>
<tr>
<td>Opening cash balance</td>
<td>1,275</td>
<td>1,972</td>
</tr>
<tr>
<td><strong>Ending cash balance</strong></td>
<td>1,040</td>
<td>1,111</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>(177)</td>
<td>(8)</td>
</tr>
<tr>
<td>From continuing operations</td>
<td>(159)</td>
<td>(84)</td>
</tr>
<tr>
<td>From discontinued operations</td>
<td>(18)</td>
<td>77</td>
</tr>
</tbody>
</table>

* including cash in assets held for sale
## Factors impacting Net income

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

<table>
<thead>
<tr>
<th>in € m</th>
<th>H1 2015</th>
<th>H1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IFRS Net income, Group</strong></td>
<td>265</td>
<td>(225)</td>
</tr>
<tr>
<td>Rhodia PPA (after tax)</td>
<td>36</td>
<td>40</td>
</tr>
<tr>
<td>Non-recurring items</td>
<td>64</td>
<td>76</td>
</tr>
<tr>
<td>M&amp;A-related elements</td>
<td>29</td>
<td>24</td>
</tr>
<tr>
<td>Net financial charges</td>
<td>10</td>
<td>44</td>
</tr>
<tr>
<td>Adjustments RusVinyl</td>
<td>20</td>
<td>-</td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>4</td>
<td>501</td>
</tr>
<tr>
<td>Exceptional Tax and Tax related to exceptional items</td>
<td>16</td>
<td>(43)</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(6)</td>
<td>(47)</td>
</tr>
<tr>
<td><strong>Adj. Net income, Group excluding exceptionals</strong></td>
<td>438</td>
<td>369</td>
</tr>
</tbody>
</table>
Pension liabilities down as discount rates increased

Cash contribution stable at € (42) m in Q2 2015
- € (78) m in H1 2015
- € (180) m in 2014

Discount rates* increased in Q2 2015

<table>
<thead>
<tr>
<th>Currency</th>
<th>30/06/2015</th>
<th>31/03/2015</th>
<th>Change</th>
<th>Average duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>€</td>
<td>2.00%</td>
<td>1.50%</td>
<td>0.50%</td>
<td>12 years</td>
</tr>
<tr>
<td>£</td>
<td>3.75%</td>
<td>3.50%</td>
<td>0.25%</td>
<td>16 years</td>
</tr>
<tr>
<td>US$</td>
<td>4.50%</td>
<td>4.00%</td>
<td>0.50%</td>
<td>10 years</td>
</tr>
<tr>
<td>Weighted average</td>
<td>3.04%</td>
<td>2.61%</td>
<td>0.43%</td>
<td>13 years</td>
</tr>
</tbody>
</table>

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

All presented figures are for continuing operations only
Annexes

• Additional Q2 & H1 2015 financial data
• 2015 considerations
• Group presentation
• Segment & GBU presentation
# 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

---

**Q2 2015 results**

29/07/2015
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Quarterly average</th>
<th>Daily closure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1.32</td>
<td>1.31</td>
</tr>
<tr>
<td>2014</td>
<td>1.36</td>
<td>1.37</td>
</tr>
<tr>
<td>2015</td>
<td>1.37</td>
<td>1.33</td>
</tr>
</tbody>
</table>

29/07/2015 Q2 2015 results

SOLVAY asking more from chemistry®
## 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

---

** 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, 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

- Well-balanced geographical spread and end-user markets
- Leading player in 90% of our businesses
- Strong R&I portfolio

And with ambition

- **119** Industrial sites
- **15** Major R&I centers
- **26,033** Employees (FTEs)
- **52** Country presence

Non-financial figures exclude discontinued operations

2014 figures

Adjusted: Excluding non-cash PPA accounting impacts related to the Rhodia acquisition
Well-balanced geographical spread and end-user markets

Balanced geographical exposure*

- North America: 23%
- Europe: 34%
- Latin America: 11%
- Asia/Pacific & RoW: 32%

Exposure to higher growth end-markets*

- Consumer goods & Healthcare: 26%
- Automotive & Aeronautics: 18%
- Energy & Environment: 10%
- Industrial applications: 16%
- Agro, Feed & Food: 11%
- Electrical & Electronics: 7%
- Building & Construction: 12%

* 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
   - Group profile
     - Growth
2. Excellence
   - Resilience
   - Returns

Transforming the present, sustaining the future
June 2015
With distinct strategic intent for our businesses

Performance Chemicals

HARVEST; SELECTIVELY INVEST & DIVEST

Break-through Profitability Improvement Initiatives

Functional Polymers

Advanced Materials

Innovate & Invest

Advanced Formulations

Transforming the present, sustaining the future
June 2015
# Upgrading portfolio

## Divestments

<table>
<thead>
<tr>
<th>Strategic Divestitures</th>
<th>Portfolio refocussing</th>
<th>Monetizing for value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chlorvinyls Europe &amp; Latam</td>
<td>Special Chem LifeScience Refrigerants PCC</td>
<td>Eco Services</td>
</tr>
</tbody>
</table>

## Re-investments for value creation

<table>
<thead>
<tr>
<th>ADVANCED MATERIALS</th>
<th>ADVANCED FORMULATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ryton</td>
<td>Chemlogics</td>
</tr>
<tr>
<td>Flux GmbH</td>
<td>Erca &amp; Dhaymers Brazil</td>
</tr>
<tr>
<td>Aonix</td>
<td>Erca Emery B.V</td>
</tr>
</tbody>
</table>

Solvay’s positioning in the Strategic Value Matrix
Innovating effectively

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

£ 800 m
vs £ 670m initially foreseen

Impact on 2016 REBITDA (vs 2013 base)

Excellence underpinned by management model

Management Model

- Performance
- Sustainable value oriented
- Collaborative innovation
- Customer focus
- Excellence

Excellence

Operational
£ 400 m

Innovation
£ 270 m

Commercial
£ 130 m
Sustaining the future

SOLVAY
Deliver more for society

Innovate sustainable solutions

- Renewable materials
- Eco-efficient processes
- Food security
- Circular chemistry
- Clean mobility
- Clean water and air
- Sustainable energy
- Smart chemistry …

Act responsibly

- Operating responsibly
- Empowering people

Priority targets

- CO2 emissions
- Health and safety at work
- Commitment and welfare of employees
### 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**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>On track</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>&gt;10% yoy REBITDA growth</strong></td>
<td>11%</td>
<td>✓</td>
</tr>
<tr>
<td>→ 2016 REBITDA € 2.3 - 2.5 bn*</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CFROI to increase by</strong></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>≥100bp**</td>
<td>+40bp</td>
<td></td>
</tr>
</tbody>
</table>

* 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

*Premium return = WACC + 100 bp
Underpinning growth momentum though investments

Capex discipline maintained

- Growth capex
  - Strategic fit
  - IRR ≥ 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

Transforming the present, sustaining the future
June 2015
Allocating capex strategically

Growth capex 2015-2018

Portfolio

Solvay’s ability to extract value

Value creation potential of industry segment

Regional

Based on main projects

Solvay’s business matrix of GBUs, based on value generation potential

GROWTH ENGINES

60%

High investment level in value enhancers

Selective investment in cash-generative projects

Focused on excellence drivers

CHALLENGE

10%

RESILIENT

30%

Americas ~30%

Europe ~30%

Asia & RoW ~40%

Growth capex 2015-2018

Transforming the present, sustaining the future

June 2015
**With current pipeline starting to deliver in 2016**

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

Growing to maturity in next 3 years

*IRR = Internal Return Rate*
Supporting growth through strong financial framework

**Capital structure (31/03/2015)**

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; cash equivalents (1.3)</td>
<td>Net debt (1.4)</td>
<td>Gross debt (2.7)</td>
</tr>
<tr>
<td>Major loans &amp; bonds (1.8)</td>
<td>Other (0.9)</td>
<td>Hybrid bond 1.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>Net debt</strong></td>
<td><strong>Equity</strong></td>
</tr>
<tr>
<td>7.5</td>
<td>(1.4)</td>
<td>6.3</td>
</tr>
</tbody>
</table>

**Strong liquidity position maintained**

- **Financial expenses** in € m
  - 2013: 5.3%
  - 2014: 4.9%
  - 2015e: 4.8%
  - 2016e: (4.2) (3.8)

- **Unused credit facilities**
- **Cash & cash equivalents**

**Lower cost of carry**

**Financial expenses**

<table>
<thead>
<tr>
<th>Year</th>
<th>Exceptionals</th>
<th>Hybrid debt in equity</th>
<th>Net financial charges</th>
<th>Cost of borrowing</th>
<th>Cost of borrowing including hybrid debt in equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>(166)</td>
<td>(186)</td>
<td>(166)</td>
<td>(186)</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>(166)</td>
<td>(186)</td>
<td>(166)</td>
<td>(186)</td>
<td></td>
</tr>
<tr>
<td>2015e</td>
<td>(166)</td>
<td>(186)</td>
<td>(166)</td>
<td>(186)</td>
<td></td>
</tr>
<tr>
<td>2016e</td>
<td>(166)</td>
<td>(186)</td>
<td>(166)</td>
<td>(186)</td>
<td></td>
</tr>
</tbody>
</table>

**Strong credit ratios**

- **Gearing** Net debt / Equity: 19%
- **Leverage** Net debt / REBITDA: 0.77x

**Sustained investment grade ratings**

- **S&P** BBB+ Negative outlook
- **Moody’s** Baa2 Stable outlook

**Balancing value and risk management**

Transforming the present, sustaining the future

June 2015
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

Gross dividend

- Dividend growth from 1982 to 2012 with a CAGR of 5.3%
- For >30 years, ~40% average pay-out

Total shareholder return

- TSR* of 17% CAGR since Rhodia acquisition
- Indexed (with re-invested net dividends)

07/09/2011 Rhodia acquisition

Transforming the present, sustaining the future

June 2015
Remuneration aligned to value creation

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Long term incentives</th>
<th>35%</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIXED</td>
<td>Base salary</td>
<td>35%</td>
</tr>
<tr>
<td>VARIABLE</td>
<td>Short term incentives</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>REBITDA*</td>
<td>✔</td>
</tr>
<tr>
<td></td>
<td>CFROI*</td>
<td>✔</td>
</tr>
<tr>
<td></td>
<td>Share-price</td>
<td>✔</td>
</tr>
<tr>
<td></td>
<td>REBITDA</td>
<td>✔</td>
</tr>
<tr>
<td></td>
<td>Cash</td>
<td>✔</td>
</tr>
<tr>
<td></td>
<td>Sustainability</td>
<td>✔</td>
</tr>
</tbody>
</table>

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
## Organized in Operating segments and Global Business Units

<table>
<thead>
<tr>
<th>Category</th>
<th>Segment</th>
<th>H1 2015</th>
<th>YoY change</th>
<th>FY 2014</th>
<th>YoY change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Formulations</td>
<td>Novecare</td>
<td>€ 196 m</td>
<td>6.9%</td>
<td>€ 426 m</td>
<td>23%</td>
</tr>
<tr>
<td></td>
<td>Aroma Performance</td>
<td>14%</td>
<td>98 bp</td>
<td>15%</td>
<td>66 bp</td>
</tr>
<tr>
<td></td>
<td>Coatis</td>
<td>25%</td>
<td>127 bp</td>
<td>26%</td>
<td>122 bp</td>
</tr>
<tr>
<td>Advanced Materials</td>
<td>Specialty Polymers</td>
<td>€ 415 m</td>
<td>18%</td>
<td>€ 709 m</td>
<td>14%</td>
</tr>
<tr>
<td></td>
<td>Silica</td>
<td>25%</td>
<td>127 bp</td>
<td>25%</td>
<td>122 bp</td>
</tr>
<tr>
<td></td>
<td>Special Chem</td>
<td>25%</td>
<td>163 bp</td>
<td>25%</td>
<td>109 bp</td>
</tr>
<tr>
<td>Performance Chemicals</td>
<td>Soda Ash &amp; Derivatives</td>
<td>€ 380 m</td>
<td>12%</td>
<td>€ 724 m</td>
<td>6.1%</td>
</tr>
<tr>
<td></td>
<td>Peroxide</td>
<td>25%</td>
<td>163 bp</td>
<td>25%</td>
<td>109 bp</td>
</tr>
<tr>
<td></td>
<td>Acetow</td>
<td>9.5%</td>
<td>113 bp</td>
<td>6.7%</td>
<td>169 bp</td>
</tr>
<tr>
<td></td>
<td>Emerging Biochemicals</td>
<td>4.7%</td>
<td>4.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Functional Polymers</td>
<td>Polyamide</td>
<td>€ 75 m</td>
<td>1.2%</td>
<td>€ 111 m</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>P&amp;I Engineering Plastics Fibras</td>
<td>9.5%</td>
<td>113 bp</td>
<td>6.7%</td>
<td>169 bp</td>
</tr>
<tr>
<td></td>
<td>Chlorovinyls RusVinyl</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate &amp; Business Services</td>
<td>Solvay Energy Services</td>
<td>€ (63) m</td>
<td>4.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Corporate Functions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

Q2 2015 results
29/07/2015
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

- Home & Personal care: 20%
- Oil & Gas: 35%
- Agro: 15%
- Coatings: 10%
- Industrial: 20%

% of Novecare 2014 net sales

Net sales 2014: €2.0 bn
Employees: ~3,800
Production sites: 31
R&I & tech centers: 22

North America
12 production sites
12 R&I & tech centers

Europe
7 production sites
4 R&I & tech centers

Latin America
3 production sites
1 R&I center

Asia & RoW
9 production sites
5 R&I & tech centers

Key markets

- Industrial
- Agro
- Home & Personal care
- Coatings
- Oil & Gas

% of net sales

- Industrial: 35%
- Oil & Gas: 16%
- Agro: 25%
- Home & Personal care: 6%
- Coatings: 53%

Transforming the present, sustaining the future
June 2015
# Novecare
Customer intimacy with tailor-made solutions

## Strategic value proposition

<table>
<thead>
<tr>
<th>Area</th>
<th>Description</th>
<th>Delivering products</th>
<th>Developing formulations</th>
<th>Tailor-made solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>HPC</td>
<td>Develop innovation model with core customers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INDUSTRIAL</td>
<td>Leading position in niche markets through formulations &amp; broad portfolio</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>COATINGS</td>
<td>Leading provider in binders and performance additives</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AGRO</td>
<td>Integrated formulation for pesticides, fertilizers and seeds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OIL &amp; GAS</td>
<td>Lab-to-well chemical model</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## 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

OIL & GAS
AGRO
INDUSTRIAL
COATINGS
HPC

Time to market
Current
Industrialization
2018+

Large size projects
Mid-size projects
Small size projects

June 2015
Novecare
Investing for competitiveness and regional growth coming on stream in 2016

Expansion in Latin America
- Erca plant, acquisition 2013
  Itatiba, Sao Paulo, Brazil
- Dhaymers, acquisition 2014
  Taboão da Serra, Sao Paulo, Brazil

Expansion in Germany to access Eastern Europe
- New plant, construction 2012-2014
  Genthin, Germany

Ethylene oxide on pipe in US, Europe and Asia
- New plant, construction 2013-2015
  Singapore
- New plant, construction 2013-2015
  Pasadena, TX, US
- Erca plant, acquisition 2014
  Moerdijk, Netherlands
## Novecare
### Successful strategy delivery across markets underpinning growth levers

<table>
<thead>
<tr>
<th>Markets</th>
<th>% of net sales</th>
<th>Strategic levers</th>
<th>Growth trend evolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>HPC</td>
<td>20%</td>
<td>Tailor-made solutions</td>
<td>Innovation</td>
</tr>
<tr>
<td>INDUSTRIAL</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>COATINGS</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AGRO</td>
<td>15%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OIL &amp; GAS</td>
<td>35%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Tailor-made solutions
- Innovation
- Competitiveness

- 2-digit: Moderate growth
- 1-digit: Slow growth
- high 1-digit: Strong growth
- oil price dependent: Growth dependent on oil prices
- strong 2-digit: Rapid growth

### Growth trend evolution
- 2010-2014
- 2014-2016
Coatis
Sustainable solvents solutions provider and leading Latin American player of phenol

Multiple applications for phenol and oxygenated solvents

Latin America
1 production site
1 R&I center

Asia & RoW
1 R&I center

€ 0.5 bn
Net sales 2014

~ 600 employees

1 production site
2 R&I centers

Solvay
Asking more from chemistry®
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

Transforming the present, sustaining the future
June 2015
Advanced Materials

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

Healthcare | Consumer
Advanced Transportation | Industrial
Automotive | Construction
Electricals & Electronics | Smart Devices
Energy | Water

North America
8 production sites
2 R&I centers

Europe
7 production sites
4 R&I centers

Asia & RoW
2 production sites
4 R&I centers

Net Sales 2014
35%
26%
36%
3%

€ 1.5 bn
Net sales 2014

~3,000 employees

17 production sites

June 2015
Specialty Polymers
Unique solution offering, differentiating Solvay from competition

<table>
<thead>
<tr>
<th>Aromatics</th>
<th>Fluoropolymers</th>
<th>High-barrier polymers</th>
<th>X-linkable compounds</th>
</tr>
</thead>
<tbody>
<tr>
<td>LCP</td>
<td>HPPA</td>
<td>PPS</td>
<td>PEEK</td>
</tr>
<tr>
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</tr>
</tbody>
</table>

... further strengthened through innovation and acquisitions
Specialty Polymers
Outgrowing markets

Solvay Specialty Polymers 2014 sales by end markets

Addressable market growth ~ 8% p.a.*

Sales CAGR 2013/15 ~ 15%

* CAGR 2013-2015

Industrial
Electrical/Electronics
Consumer
Construction

Water
Energy
Automotive
Healthcare
Advanced Transportation
Smart devices

Transforming the present, sustaining the future
June 2015
Specialty Polymers
Powerful innovation levers across the value chain

- Precursors
- Monomers
- Polymers
- Alloys
- Downstream

2014 data
- 32% of net sales realized with products < 5-y
- New product grades: 50+
- Patents in force: 3,300+

Transforming the present, sustaining the future
June 2015
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

Transforming the present, sustaining the future
June 2015
Silica
Highly Dispersible Silica (HDS) delivers value to the tire industry

Silica delivers value to the tire industry by enabling a 5-7% improvement in fuel efficiency. In passenger car and light trucks, HDS is used in:

- Energy-efficient tires
- Winter tires
- Sport tires

In heavy trucks, HDS is used for 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%)

Excellent technical performance ...

... growing across a number of applications

![Graph showing the benefits of HDS in tires](image)

- **Rolling Resistance**: +25%
- **Wet Grip**: +10%
- **Wear**: no change

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

Source: Smithers Rapra, Solvay estimates

Transforming the present, sustaining the future
June 2015
Special Chem,
Innovative solutions for growth industries

Formulations
- Fluor
- Rare earths & other metals

- Automotive
- Electronics
- Energy
- Agro

North America
- 3 production sites
- 2 R&I centers

Europe
- 14 production sites
- 4 R&I centers

Latin America
- 2 production sites

Asia & RoW
- 8 production sites
- 4 R&I centers

Net sales 2014
- 39%
- 26%
- 31%
- 3%

€ 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

Key end markets
- Economics of scale
- Enhanced innovation capabilities
- Strengthen 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

Net sales by GBU:
- Soda Ash: 47%
- Peroxides: 17%
- Acetow: 14%
- Emerging Biochemicals: 22%

Net sales by region:
- Europe: 38%
- Asia & RoW: 32%
- Latin America: 16%
- North America: 8%

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

Flat glass
Container glass
Detergents
Pharma

Net sales 2014
Europe
7 production sites
3 R&I centers

North America
2 production sites

Asia & RoW
1 production site (in construction)

€ 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

Raw materials

- **Synthetic process**
  - Limestone
  - Salt brine

- **Natural process**
  - Trona mineral
  - CO₂ (Carbon dioxide)

Products

- Na₂CO₃ (Soda ash)
- NaHCO₃ (Bicarbonate)

Applications

- Additives in chemical and metallurgical applications
- Flux in glass (flat, container)
- Water softener in detergents
- Supplement in food & pharma
- Flue gas agent

End-markets

- Industrial applications (~20%)
- Building & Construction (~20%)
- Consumer goods & Healthcare (~20%)
- Agro, Feed & Food (~30%)
- Energy & Environment (~10%)

Transforming the present, sustaining the future
June 2015
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

Solvay has 20% of North American capacity

Solvay has 36% of European capacity
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

<table>
<thead>
<tr>
<th>Category</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>20%</td>
</tr>
<tr>
<td>Animal nutrition</td>
<td>30%</td>
</tr>
<tr>
<td>Flue gas</td>
<td>13%</td>
</tr>
<tr>
<td>Chemicals</td>
<td>5%</td>
</tr>
<tr>
<td>Detergents</td>
<td>5%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>13%</td>
</tr>
<tr>
<td>Others</td>
<td>14%</td>
</tr>
</tbody>
</table>

Total market volumes (2014): 3.9 mt/yr

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

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

Production capacity & sites include all JVs

- **CAPACITY**
  - 41%
  - 33%
  - 13%

- **€ 512 m** Net sales 2014

- **~ 870 employees**

- **17 production sites**

* HPPO = HP (Hydrogen Peroxide) for PO (Propylene Oxide)
Peroxides
Solvay market and technology leader

Global market leader

Technology leader
- On-purpose on-site technologies
  - High productivity process for H2O2: mega plants to serve PO customers
  - > 70% market share
- Reviewed H2O2 production process to allow for tailor made customer solutions
- Process efficiency improvements on
  - Specific consumptions
  - Energy management

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

Supported by innovation capability

Technology
- **New process design**: “MyH2O2”
- Strong energy savings
Peroxides
HPPO*, a game changer generating strong growth & guaranteed returns

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

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

>70% of worldwide capacity

Solvay JV with Dow & BASF

Solvay JV with Dow & Aramco

Solvay HPPO
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

June 2015
Transforming the present, sustaining the future

€ 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

Europe
1 R&I center

Asia & RoW
1 production site

Net Sales 2014
100%

€ 0.4 bn
Net sales 2014

~ 500 employees

1 production site
1 R&I center
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

Europe
7 production sites
2 R&I centers

Latin America
4 production sites
3 R&I centers

Asia & RoW
3 production sites
4 R&I centers

€ 1.5 bn
Net sales 2014

~ 3,600
employees

14
production sites
9
R&I centers

Net Sales 2014
48%
4%
15%
33%
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
THE FIRST ROUND-THE-WORLD SOLAR FLIGHT

MARCH 9 2015