Q1 2016 RESULTS
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.

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FORENOTE

The results of former Cytec are consolidated in the Group’s income and cash flow statements since January 1, 2016. Comparative information for the first quarter and full year 2015 is presented on an unaudited pro forma basis as if the acquisition of Cytec had taken place on January 1, 2015.

Besides IFRS accounts, Solvay also presents underlying Income Statement performance indicators to provide a more consistent and comparable indication of the Group’s financial performance. The underlying performance indicators adjust IFRS figures for the non-cash Purchase Price Allocation (PPA) accounting impacts related to acquisitions, for the coupons of perpetual hybrid bonds, classified as equity under IFRS but treated as debt in the underlying statements, and for other elements that would distort the analysis of the Group’s underlying performance.

The comments on the results are made on an underlying basis unless otherwise stated.
OVERVIEW

• Transformation delivery
• Financial highlights
• Priorities and outlook
• Annexes
EXECUTING OUR PLAN

Q1 2016

→ Substantially improved cash generation
→ Record margin and higher profit
→ Sustained excellence efforts
→ Delivery of integration & accelerated synergies
→ Continued portfolio optimization

Focused on priorities
RECORD EBITDA MARGIN & IMPROVED CASH GENERATION

**Q1 EBITDA ↑ 2% with record margin**

- **Pricing power**
  - Excellence program supporting 9th consecutive quarter of positive net pricing
  - Pricing power across all operating segments

- **Volume**
  - Innovation-driven growth in Advanced Materials & good demand in Funct. Polymers
  - Offsetting headwinds in
    - Oil & Gas markets
    - Inventory adjustments in smart devices
    - Industrial composites

**Free Cash Flow ↑**

**More portfolio optimization**

**Chlorovinyls**

- European PVC
  - Early exit of Inovyn JV
  - Proceeds of €335m in H2 16

**Actions ongoing**
RECOGNITION OF SOLVAY’S ADVANCED LIGHTWEIGHTING MATERIALS

→ Boeing contract extension for composites in aerospace structures

→ Airbus qualification for PPSU foams in aerospace interiors

→ BMW selects composite hood for its M4 GTS

→ Solvay and Renault win JEC innovation award for truck composite structure
OVERVIEW

• Transformation delivery
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GROWTH AGAINST A STRONG COMPARABLE FINANCIAL HIGHLIGHTS Q1 2016

€ 2.9 bn  -6%  
Net Sales  yoy

→ Volumes stable with growth in Advanced Materials and Functional Polymers compensating drop in other segments

↓ Forex and pricing down

€ 602 m  +2%  
Underlying EBITDA  yoy

↑ Pricing power, underpinned by Excellence programs and synergy delivery, more than offsetting Q1 2015 €30 m Medicare one-off

↑ Margin record at 21%, increasing 140 bp

€ 192 m  € 202 m
Underlying net income  In Q1 2015

Group share

↓ Reduced scope of discontinued operations (Inovyn)

€ 9 m  € (358) m
Free cash flow  in Q1 2015

↑ Reinforced working capital discipline

↑ Selective Capex allocation
LOWER PRICES EMERGING CURRENCIES’ FOREX UNSUPPORTIVE DECREASE NET SALES

Net sales in € m

3,104

Cytec stand-alone 457

Solvay stand-alone 2,646

(38)

(73)

(3)

(59)

2,930

\[ \text{Q1 2015 pro forma} \quad \rightarrow \quad \text{Q1 2016} \]

\[ \text{Stable volumes} \]

↗ Growth in Advanced Materials and Functional Polymers

↘ Compensated drop in other segments

\[ \text{Unfavorable conversion forex} \]

↗ USD still supportive

↘ But emerging currencies depreciating, mainly BRL

\[ \text{Lower prices} \]

↗ Partial pass-through of lower raw material costs in deflationary market

Q1 2016 results
03/05/2016
RECORD EBITDA MARGIN
BOOSTED BY CONTINUED PRICING POWER

Underlying EBITDA
in € m

Pricing power
€ 62 m

592
Cytec stand-alone
91
Solvay stand-alone
502

(4)
Scope

(5)
Conversion forex

(15)
Volume & mix

(59)
Price

121
Variable costs

1
Fixed costs

(29)
Others (including equity earnings)

602

1.6%

Q1 2015 pro forma

19%
margin

Q1 2016

21%
margin

Pricing power across segments underpinned by Excellence and transactional forex

Conversion forex & volume mix effect slightly negative

Fixed costs stable as Excellence offset inflation and new capacity costs

Others include €30 million one-off Medicare benefit in Q1 2015

Q1 2016 results
03/05/2016
Innovation mitigating adverse market conditions in O&G and smart devices

Excellence-driven margin expansion

Corporate & Business Services included in € 602 m total but is excluded from pie chart as contribution is negative.
Underlying net income (Solvay share) down 5%

- Depreciation slightly up on growing asset base
- Net financial charges in line
- Underlying tax rate at 29% vs 31% in 2015
- No contribution of discontinued operations, following European chlorovinyls transfer to Inovyn JV in July 2015

IFRS net income (Solvay share) at € 15 m, including:

- € (157) m amortization of acquisition PPA and Cytec inventory step-up
- € (135) m portfolio management & reassessments, mainly:
  - Restructuring € (61) m
  - Impairment soda ash plant in Egypt € (105) m
  - Impairment biomass investments in US € (32) m
  - Capital gain on Inovyn exit € 77 m
- Exclusion of € (28) m hybrid debt coupons in net financial charges

### Underlying P&L in € m

<table>
<thead>
<tr>
<th></th>
<th>Q1 2016</th>
<th>Q1 2015 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>2,930</td>
<td>3,104</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>602</td>
<td>592</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td>21%</td>
<td>19%</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>(194)</td>
<td>(187)</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>408</td>
<td>406</td>
</tr>
<tr>
<td>Net financial charges</td>
<td>(126)</td>
<td>(121)</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(80)</td>
<td>(87)</td>
</tr>
<tr>
<td><strong>Tax rate</strong></td>
<td>29%</td>
<td>31%</td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>-</td>
<td>25</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(10)</td>
<td>(21)</td>
</tr>
<tr>
<td><strong>Net income, Solvay share</strong></td>
<td>192</td>
<td>202</td>
</tr>
<tr>
<td><strong>(Adjustments)</strong></td>
<td>(177)</td>
<td>(214)</td>
</tr>
<tr>
<td>PPA impact</td>
<td>(157)</td>
<td>(152)</td>
</tr>
<tr>
<td>Impact portfolio management</td>
<td>(135)</td>
<td>(141)</td>
</tr>
<tr>
<td>Remediation &amp; litigation</td>
<td>(11)</td>
<td>(8)</td>
</tr>
<tr>
<td><strong>(Financial adjustments)</strong></td>
<td>31</td>
<td>30</td>
</tr>
<tr>
<td><strong>(Tax adjustments)</strong></td>
<td>80</td>
<td>59</td>
</tr>
<tr>
<td><strong>(Other adjustments)</strong></td>
<td>11</td>
<td>(3)</td>
</tr>
<tr>
<td><strong>Net income, Solvay share, IFRS</strong></td>
<td>15</td>
<td>(12)</td>
</tr>
</tbody>
</table>
CASH CONVERSION IMPROVED
THANKS TO HIGHER EBITDA AND LOWER CAPEX

Cash conversion [1]
EBITDA-capex
EBITDA

53%
65% [2]

Capex
Continuing operations
in € m

Q4
(333)

Q3
(252)

Q2
(243)

Q1
(264)

2015 PF

~(950)

2016e

2016

Growth capex at ~60% of total
~2/3rd in Advanced Materials

→ Aerospace investments
→ PEEK plant in US
→ Fluoropolymer plant in China, phase 2
→ HPPO plant in Saudi Arabia

Capex discipline
to reduce capital intensity

→ Strategic fit
→ IRR ≥ 15%

Profit growth
Improved cash conversion

SUSTAINABLE IMPROVEMENT
IN FREE CASH FLOW

[1] Based on capex of continuing operations and underlying EBITDA on a full year basis
[2] Calculation based on Q1 figures
## REINFORCED FOCUS LEADS TO SUBSTANTIAL FREE CASH FLOW IMPROVEMENT

**Underlying net debt**[^1] evolution

<table>
<thead>
<tr>
<th>Free cash flow € 9 m</th>
<th>31/12/2015</th>
<th>31/03/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying EBITDA</td>
<td>602</td>
<td>-23</td>
</tr>
<tr>
<td>Capex</td>
<td>-211</td>
<td>-40</td>
</tr>
<tr>
<td>Change working capital needs</td>
<td>57</td>
<td>-141</td>
</tr>
<tr>
<td>Taxes</td>
<td>-95</td>
<td>-20</td>
</tr>
<tr>
<td>Change provisions &amp; other operating cash flow</td>
<td>(16)</td>
<td>6761</td>
</tr>
<tr>
<td>FCF discont. ops.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M&amp;A</td>
<td>-31</td>
<td></td>
</tr>
<tr>
<td>Net interest payments</td>
<td>-40</td>
<td></td>
</tr>
<tr>
<td>Dividends: minorities (3) Solvay (138)</td>
<td>-141</td>
<td></td>
</tr>
<tr>
<td>Other changes net debt</td>
<td>-20</td>
<td>6761</td>
</tr>
</tbody>
</table>

### Underlying net debt

- **IFRS net debt** (4,379)
- **Perpetual hybrid bonds** (2,200)

### Free cash flow

- **=** Seasonal outflow reduced to € (211) m
- **=** Includes measures to better phase payments over quarters

### € 9 m free cash flow up vs € (358) m in Q1 2015

- **=** Working capital management benefits
- **=** Anticipated capex decrease

[^1]: Underlying net debt reclassifies hybrid perpetual bonds (considered as equity under IFRS) as debt
[^2]: (REBITDA – capex) / REBITDA
ON-GOING DEBT REPAYMENTS LEAD TO REDUCED COST OF DEBT

Underlying debt [1] evolution in € bn

<table>
<thead>
<tr>
<th>31/12/2015</th>
<th>31/03/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt[1]</td>
<td>€ 6.6 bn</td>
</tr>
<tr>
<td>Leverage[3]</td>
<td>2.8x</td>
</tr>
<tr>
<td>Gearing[4]</td>
<td>88%</td>
</tr>
</tbody>
</table>

EUR perpetual hybrid bonds
USD bonds
EUR bonds [2]
Other debt
Cash

(8.7) @ 5.07%
(0.3) @ 3.90%
(2.1) @ 4.03%
(3.6) @ 2.88%
(0.8)
2.1

(8.5) @ 6.38%
(0.5)
(2.2) @ 5.07%
(3.3) @ 2.75%
(2.0)
1.7

@xx% \(\rightarrow\) weighted average interest rate
repayable in Q2 2016
repaid in Q1 2016

INVESTMENT GRADE
Moody's
Baa2 negative outlook
S&P
BBB-stable outlook

[1] Underlying debt includes perpetual hybrid bonds (considered as equity under IFRS)
[2] Including 2016 EIB loan, paid back in January, and subordinated 2104 hybrid bond
[3] Net debt / underlying EBITDA of last 12 months (pro forma)
[4] net debt / equity

Q1 2016 results
03/05/2016
OVERVIEW

- Transformation delivery
- Financial highlights
- Priorities and outlook
- Annexes
OUTLOOK REAFFIRMED
FOR FY 2016

EBITDA
to grow high single digits
Growth to be back-ended

Free cash flow
to exceed € 650 m
OUR COMMITMENT

- Exceed expectations on Cytec synergies
- Excellence & portfolio optimization continuing
- Reinforced focus on cash generation
- Attractive returns to shareholders
INVESTOR RELATIONS CONTACTS

Maria Alcón-Hidalgo  
+32 2 264 1984  
maria.alconhidalgo@solvay.com

Jodi Allen  
+1 (973) 357 3283  
jodi.allen@solvay.com

Geoffroy Raskin  
+32 2 264 1540  
geoffroy.raskin@solvay.com

Bisser Alexandrov  
+32 2 264 3687  
bisser.alexandrov@solvay.com

NEXT EVENTS

May 10 2016  
Annual general meeting

May 17 2016  
Final dividend payment  
- ex-coupon date: 13/05  
- record date: 16/05

July 29 2016  
Q2 & H1 2016 results

September 29 2016  
Capital Markets Day, London

November 8 2016  
Q3 2016 results

Q1 2016 results  
03/05/2016
ANNEXES

• Additional Q1 2016 financial data
• Forex sensitivity & other financial considerations
• Solvay general information
ADVANCED MATERIALS Q1 2016 PERFORMANCE INNOVATION & EXCELLENCE OVERCOME SMART DEVICE IMPACT

**Net sales (in € m)**

- **Q1 2015 pro forma**: 1,108
- **Q1 2016**: 1,082

- **Scope**: (3.6)%
- **Conversion forex**: (0.9)%
- **Volume & mix**: 2.1%
- **Price**: 0.2%
- **Overall change**: (2.3)%

**REBITDA (in € m)**

- **Q1 2015 pro forma**: 263
- **Q1 2016**: 267

- **Margin**: 24%
- **Overall change**: +1%

**Specialty Polymers’ offset inventory adjustments in smart devices market**
- Good traction in healthcare, consumer goods and energy applications (mainly from batteries for Hybrid and Electrical Vehicles)

**Composite Materials impacted by lower volume in industrial businesses**
- Level sales in aerospace. As destocking in older programs & lower rotorcraft sales offset by growth in new programs with higher composite content

**Strong volumes in Special Chem**
- High demand from automotive catalysts
- Ramp-up of high-purity H₂O₂ units in US for use in semiconductor industry
- Scope effect from sale of refrigerants & PCC business in 2015

**Price pressure in Silica**
- Good market conditions in Europe and North America
- Weaker market conditions in Asia and new market entrants
- Forex impact from devaluation of Venezuelan bolivar

Q1 2016 results
03/05/2016
### ADVANCED FORMULATIONS Q1 2016 PERFORMANCE

Oil & Gas headwinds offset other markets’ improvement

<table>
<thead>
<tr>
<th>Q1 2015 pro forma</th>
<th>Q1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (in € m)</td>
<td>744</td>
</tr>
<tr>
<td>Scope (0.6)%</td>
<td>(5)</td>
</tr>
<tr>
<td>Conversion forex  (0.9)%</td>
<td>(6)</td>
</tr>
<tr>
<td>Volume &amp; mix (5.5)%</td>
<td>(41)</td>
</tr>
<tr>
<td>Price (4.1)%</td>
<td>(31)</td>
</tr>
<tr>
<td>Result</td>
<td>(11)%</td>
</tr>
<tr>
<td>EBITDA (in € m)</td>
<td></td>
</tr>
<tr>
<td>Margin</td>
<td>18%</td>
</tr>
<tr>
<td>Sales</td>
<td>135</td>
</tr>
<tr>
<td>Technology Solutions</td>
<td>12%</td>
</tr>
<tr>
<td>Aroma Performance</td>
<td>24%</td>
</tr>
<tr>
<td>Novecare</td>
<td>64%</td>
</tr>
</tbody>
</table>

**O&G weigh on Novecare, more than offsetting growth in other markets**
- Volumes (14)% yoy due to O&G headwinds as market conditions deteriorated further, with North American rig count falling ~(-60)% yoy and ~(-20)% qoq
- Innovation driven growth in coatings and agro mitigated impact
- Price pressure offset through efficiency gains and lower raw material costs

**Technology Solutions slightly affected by reduced production in mining**
- Lower Cu & Al prices driving curtailments at less efficient mines, whereas new more efficient capacities are not yet ramping up
- Stable volumes in phosphorous business

**Price pressure pushes Aroma Performance sales down**
- Volume growth in vanillin formulations
- But price pressure, especially in monomer inhibitors

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**Q1 2016 results**
03/05/2016

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asking more from chemistry

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PERFORMANCE CHEMICALS Q1 2016 PERFORMANCE
POSITIVE NET PRICING UNDERPINNED BY EXCELLENCE

Net sales (in € m)

- **Q1 2015 pro forma:** 756
- **Q1 2016:** 719

- **3% Scope**
- **(30)% Conversion**
- **(7)% Forex**
- **(3)% Volume & mix**
- **(4.8)% Price**

**Rebitda (in € m)**

- **Q1 2015 pro forma:** 186
- **Q1 2016:** 199

- **25% Margin**
- **+7%**

**Slow year start at Soda Ash & Derivatives**
- Slow year start in Europe, North America & seaborne markets, picking up in March
- Bicarbonate sales subdued
- Benefiting from efficiency gains in logistics chain while sales prices were stable

**Stable performance at Peroxides**
- Higher sales for traditional wood pulp bleaching offset lower sales in specialties
- HPPO mega plants increasing production, especially in Thailand

**Volume recovery in Acetow’s market**
- Destocking over in international market, but still persisting in China

**Coatis resilient at low level in difficult market**
- Worsening conditions in Latin America affecting volumes and prices
- Improved competitive position vs import s thanks to BRL devaluation

Q1 2016 results
03/05/2016
FUNCTIONAL POLYMERS Q1 2016 PERFORMANCE
EXCELLENCE-DRIVEN PROFIT GROWTH & RUSVINYL UP

Net sales (in € m)

<table>
<thead>
<tr>
<th>Q1 2015 pro forma</th>
<th>Q1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>494</td>
<td>462</td>
</tr>
<tr>
<td>3 (%)</td>
<td>(26)</td>
</tr>
<tr>
<td>(6.6)%</td>
<td>18</td>
</tr>
<tr>
<td>(27)</td>
<td></td>
</tr>
</tbody>
</table>

Scope 0.5%
Conversion forex (5.3)%
Volume & mix 3.7%
Price (5.5)%

REBITDA (in € m)

<table>
<thead>
<tr>
<th>Q1 2015 pro forma</th>
<th>Q1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>42</td>
<td>65</td>
</tr>
<tr>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>+54%</td>
<td></td>
</tr>
</tbody>
</table>

76% Polyamide
24% Chlorovinyls

Positive net pricing in Polyamide
- Strong net pricing on operational excellence programs implemented in the PA6.6 upstream businesses
- Volumes up, but offset by mix effect as mainly driven more commoditized upstream intermediates and polymers
- Poor economic conditions persist in Brazil, Fibras' home market

Chlorovinyls’ well up thanks to RusVinyl reaching full capacity
- Solid contribution from RusVinyl JV (Russian operations), operating at close to full capacity, vs Q1 2015 still in start-up phase
- Higher PVC and epichlorohydrin sales volumes offset by limited caustic soda production in VinyThai (Thai operations)
CORPORATE & BUSINESS SERVICES Q1 2016 PERFORMANCE
COST BENEFITS MITIGATE DIFFICULT COMPS

**REBITDA** (in € m)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2015 pro forma</th>
<th>Q1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>-48%</em></td>
<td>-35</td>
<td>-51</td>
</tr>
</tbody>
</table>

|                                | Q1 2016 | Q1 215 pro forma |
|                                |         |                 |
| Corporate & Business Services  | (51)    | (35)             |
| of which one-offs              | 0       | 30               |
| U.S. post-retirement Medicare insurance |
| excluding one-offs             | (51)    | (65)             |

Difficult business conditions for **Energy Services** with low energy & CO₂ prices
- Trading conditions in energy and carbon management services at low level
- Investments in biomass & biocoal-based energy plants proved more challenging

**Other Corporate & Business Services** benefited from cost improvement programs and Cytec synergy delivery
- Difficult comparables with one-off benefit of € 30 m in Q1 2015 linked to the evolution of the post-employment Medicare insurance policy in the U.S.
WORKING CAPITAL MANAGEMENT COMPENSATES FOR HIGHER NEEDS SPECIALTY BUSINESSES

Net working capital\(^1\)
% of total sales

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.8%</td>
<td>14.9%</td>
<td>15.0%</td>
<td>14.6%</td>
<td>13.4%</td>
<td>12.7%</td>
<td>12.5%</td>
<td>17.5%</td>
<td></td>
</tr>
</tbody>
</table>

Pre Cytec acquisition  ➔  Post Cytec acquisition

→ Q1 2016 inflated for 2.9% by receivable on Inovyn exit price

→ Working capital management efforts offset higher working capital needs of increasing share of specialty businesses in portfolio
  - Higher growth profile
  - Cytec acquisition

Committed to further optimization

\(^1\) Quarter end net working capital / annualized quarterly total sales
Net working capital = inventories + trade and other current receivables - trade payables & other current liabilities
Worth noting that “Net Working Capital” differs from “Industrial Working Capital” previously disclosed

Q1 2016 results
03/05/2016

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27
## DEBT PROFILE

**BALANCED MATURITIES ALLOWING FLEXIBILITY**

### Major debt

<table>
<thead>
<tr>
<th></th>
<th>31/12/2015</th>
<th></th>
<th>31/03/2016</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR bonds [1]</td>
<td>3,550</td>
<td>4.1</td>
<td>2.88%</td>
<td>3,250</td>
</tr>
<tr>
<td>EUR perpetual hybrid bonds [2]</td>
<td>2,200</td>
<td>6.1</td>
<td>5.07%</td>
<td>2,200</td>
</tr>
<tr>
<td>USD bonds</td>
<td>2,142 [3]</td>
<td>7.5</td>
<td>4.03%</td>
<td>2,048 [3]</td>
</tr>
<tr>
<td><strong>Total major debt</strong></td>
<td><strong>7,892</strong></td>
<td><strong>5.6</strong></td>
<td><strong>3.80%</strong></td>
<td><strong>7,498</strong></td>
</tr>
</tbody>
</table>

*in € m in years in € m in years

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[1] Including 2016 EIB loan, paid back in January, and subordinated 2104 hybrid bond
[2] At 1st call date
[3] USD 2,332 m
NET PENSION LIABILITIES

Pensions (31/03/2016)
in € bn

Net pension liabilities
(3.0)

Assets

2.8

Liabilities

(5.8)

Net pension liabilities stable at € 3.0 bn

→ Slight reduction of pension liabilities to € (5.8) bn, from € (5.9) bn

→ Slight reduction of pension assets to € 2.8 bn from € 2.9 bn

Cash contribution of € (43) m in Q1 2016

→ € (39) m in Q1 2015

Net pension liabilities
(31/03/2016)
in € bn

France & Germany (unfunded) 62%

Other 24%

North America 13%

United Kingdom 16%

Belgium 6%

Discount rate evolution
[2]

<table>
<thead>
<tr>
<th>Currency</th>
<th>31/03/2016</th>
<th>31/12/2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>1.75%</td>
<td>2.25%</td>
<td>(50)bp</td>
</tr>
<tr>
<td>GBP</td>
<td>3.50%</td>
<td>3.75%</td>
<td>(25)bp</td>
</tr>
<tr>
<td>USD</td>
<td>4.25%</td>
<td>4.25%</td>
<td>-</td>
</tr>
</tbody>
</table>

All presented figures are for continuing operations only.

[1] Continuing operations only

[2] Average discount rate on post employment benefit related liabilities applicable to high quality corporate bonds in EUR, GBP and USD zones.
ANNEXES

• Additional Q1 2016 financial data
• Forex sensitivity & other financial considerations
• Solvay general information
UNDERLYING EBIT(DA) CONSIDERATIONS FOR 2016

**Excellence**

- Excellence programs on course to reach target
  - €800 m cumulative by YE16 vs 2013 cost base
  - >€600 m delivered in 2014-2015

- Cytec integration synergies
  - Cost savings estimated >€100 m by 2018
  - Revenue synergies on top

**Scope effects**

- Acquisitions in 2015
  - Cytec full consolidation as of January 1, 2016
  - Small acquisition in 2015: EPIC

- Divestments in 2015
  - Refrigerants in May 2015: net sales of ~€50 m in 2014
  - PCC in November 2015: net sales of ~€60 m in 2014

**Depreciation & amortization**

- Underlying depreciation & amortization expected at ~€ (800) m (excluding PPA amortization)

- PPA amortization of ~€ (370) m, consisting of PA impacts from Rhodia, Cytec and other smaller acquisitions (e.g. Chemlogics, Ryton)
OTHER EBIT(DA) CONSIDERATIONS FOR 2016

**Forex sensitivity**

- Immediate impact on conversion exposure
- Deferred transactional impact due to hedging (6-12 month rolling basis)
- Mainly linked to USD
  - Sensitivity in 2016:
    - ~€120 m REBITDA per 0.10 $/€
    - ~60% conversion, ~40% transactional
- Other forex exposures
  - JPY, CNY, THB, BRL, KRW, RUB
- Total conversion impact on underlying EBITDA of €(5) m in Q1 2016, vs. €45 m in Q1 2015
- Evolution of main currencies Solvay is exposed to

<table>
<thead>
<tr>
<th></th>
<th>USD</th>
<th>JPY</th>
<th>RUB</th>
<th>BRL</th>
<th>CNY</th>
<th>KRW</th>
<th>THB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2016</td>
<td>1.10</td>
<td>127</td>
<td>82</td>
<td>4.30</td>
<td>7.21</td>
<td>1324</td>
<td>39</td>
</tr>
<tr>
<td>Q1 2015</td>
<td>1.13</td>
<td>134</td>
<td>71</td>
<td>3.22</td>
<td>7.02</td>
<td>1240</td>
<td>37</td>
</tr>
<tr>
<td>change</td>
<td>-2.1%</td>
<td>-5.3%</td>
<td>+16.2%</td>
<td>+33.5%</td>
<td>+2.7%</td>
<td>+6.8%</td>
<td>+6.8%</td>
</tr>
</tbody>
</table>

**Underlying adjustments to IFRS figures**

- To improve comparability of results over periods
- Exclusion of
  - Amortization of PPA and inventory step-up from acquisitions
  - Impact of portfolio management and reassessments
  - Legacy remediation and major litigations
  - Exceptional financial elements, such as hyperinflation
  - Impact of change in rates on discounting charges
  - Tax impacts related to previous periods
  - Valuation impacts of discontinued operations
- Reclassification of
  - Coupons of perpetual hybrid bonds as net financial charges (considered as equity under IFRS)
  - Financial charges RusVinyl as net financial charges (only realized gains/losses)
- Impact of the above on tax and share of non-controlling interests
UNDERLYING FINANCIAL & TAX P&L CONSIDERATIONS FOR 2016

<table>
<thead>
<tr>
<th>Cost of borrowings</th>
<th>Discounting of pensions and HSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total underlying financial charges expected at ~€ (350) m (incl. perpetual hybrid bonds)</td>
<td>➢ P&amp;L: ~€ (100) m (¾ - pensions, ¼ - HSE)</td>
</tr>
<tr>
<td>➢ Financial charges from major senior debt (excl. perpetual hybrid bonds)</td>
<td>➢ Sensitivity to change in discount rates(^1): ~€ (370) m / 50bp</td>
</tr>
<tr>
<td>▪ 2016 charges expected at ~€ (150) m</td>
<td>▪ Pensions (in OCI)</td>
</tr>
<tr>
<td></td>
<td>▪ Europe zone ~€ 140 m</td>
</tr>
<tr>
<td></td>
<td>▪ USA ~€ 80 m</td>
</tr>
<tr>
<td></td>
<td>▪ UK ~€ 133 m</td>
</tr>
<tr>
<td></td>
<td>▪ Others £ 10 m</td>
</tr>
<tr>
<td></td>
<td>▪ HSE (in P&amp;L): €-zone ~€ 10 m</td>
</tr>
<tr>
<td>➢ Coupons from perpetual hybrid bonds (considered as Dividend &amp; Equity under IFRS)</td>
<td>Tax rate</td>
</tr>
<tr>
<td>▪ 2016 cash out of € (84) m: Q2 € (57) m / Q4 € (27) m</td>
<td>Underlying tax rate (adjusted for PPA and other factors) expected stable in the low ~30s</td>
</tr>
<tr>
<td>▪ From 2017 onwards € (112) m: Q2 € (84) m / Q4 € (27) m</td>
<td></td>
</tr>
<tr>
<td></td>
<td>➢ Average cost: 5.1%</td>
</tr>
<tr>
<td>➢ Other elements ~€(90-100)m</td>
<td></td>
</tr>
<tr>
<td>▪ Currency swaps &amp; Other debt in consolidated subsidiaries</td>
<td></td>
</tr>
<tr>
<td>▪ Financial charges RusVinyl(^2): ~€ (25) m</td>
<td></td>
</tr>
</tbody>
</table>

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\(^1\) Average discount rate on environmental provisions based on 10-year government bonds in EUR, GBP, USD and BRL zones

\(^2\) Equity accounting, reclassified under underlying accounts as financial interests
## OTHER CONSIDERATIONS FOR 2016

### Discontinued operations
- Indupa chlorovinyls business in Latin America
  - Strategic intent unchanged
  - Disposal process undergoing
  - ~€ (50) m in CTA to be recycled through P&L at exit
- European chlorovinyls until June 30, 2015

### Cash flow elements
- Cash expenses for pensions range of € (180) m - € (200) m
- Capital expenditure of ~€ 950 m
- IWC discipline maintained but growing part of specialty business in portfolio increases needs

### Inovyn JV
- Inovyn JV with INEOS Equity accounting from July 1, 2015
- Exit price of € 335 m agreed between the parties
- To be adjusted for
- Exit expected in H2 2016, subject to finalizing. Definitive legal agreements and customary regulatory approvals
ANNEXES

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SOLVAY
GROUP IN TRANSFORMATION

Much stronger portfolio

ACQUISITIONS

Rhodia

DIVESTITURES

Chem-logs

PCC

Ryton

Re-frig-iants

Eco Services

INOVYN (JV)

2011

2012

2013

2014

2015

More global

More diversified

Higher sustainability

More innovative

More resilient

FURTHER UPGRADE TO COME FROM DIVESTITURES

Q1 2016 results
03/05/2016
DIVERSIFIED & RESILIENT
MARKET EXPOSURE

Balanced regional profile

North America 27%
Latin America 10%
Europe 30%
Asia/Pacific & RoW 33%

Diversified & higher growth end-markets

Consumer goods & Healthcare 21%
Industrial applications 18%
Electrical & Electronics 6%
Automotive & Aeronautics 26%
Energy & Environment 8%
Agro, Feed & Food 10%
Building & Construction 11%

30,910 employees
53 countries
145 industrial sites
21 main R&I centers

Q1 2016 results
03/05/2016
Solvay pro forma 2015 (including Cytec)
ALIGNED BUSINESS SEGMENTS
STRATEGICALLY COHERENT TO DRIVE RESULTS

2015 PF
€ 2,336 m
REBITDA

GROWTH ENGINES

ADVANCED MATERIALS
High performance materials, providing solutions for sustainable mobility: light-weighting, CO₂, and energy efficiency

ADVANCED FORMULATIONS
Customized specialty formulations in surface chemistry, optimizing efficiency, minimizing environmental impact

RESILIENT CASH CONTRIBUTOR

PERFORMANCE CHEMICALS
Leading positions in chemical intermediates, through scale and technology

FUNCTIONAL POLYMERS
Leading regional positions in functional polymers, with focus on excellence

Market positions:
- Global market position in main markets addressed
- Regional market position in main markets addressed

2015 pro forma GROUP

Net sales € 12,378 m
REBITDA € 2,336 m
margin 19%
CFROI 6.1%

Solvay pro forma 2015 (including Cytec)
Q1 2016 results
03/05/2016
UNIQUE LIGHTWEIGHTING OFFERING DRIVING SUSTAINABLE MOBILITY

Solvay’s unique portfolio

BROADEST HIGH-PERFORMANCE POLYMER RANGE

Thermoplastic polymers & alloys

Thermoset resins & formulations

Fiber reinforced compounds (short & long fiber)

Composites thermoset & thermoplastics

Sandwich structures

CREATING NEW CLASSES OF MATERIALS

PROVIDING SOLUTIONS FOR

→ Lightweight materials for transportation
→ Production cycle time acceleration
→ Total cost reduction

Driving sustainable mobility

AUTOMOTIVE

Under the hood
Battery tray
Upperbody/hood
Chassis

AEROSPACE

Primary structure
Secondary struct.
Jet engines
Cabin interior

UNDERPINNED BY

→ Reduction of fuel consumption
→ Decreasing CO₂ emissions
→ Increasing driving autonomy

Supported by regulatory framework for cleaner vehicles (aeronautics in discussion)
BROAD OFFERING OF INNOVATIVE FORMULATIONS MODIFYING SURFACE CHEMISTRY & FLUID BEHAVIORS

COMPETITIVE technology portfolio
- Leader in global markets & niche specialty technologies:
  - MILD SURFACTANTS
  - NATURAL (GUAR) & SYNTHETIC POLYMERS
  - PHOSPHINES

ENHANCED EFFICIENCY FERTILIZERS

Supplying OEMs, Tier 1 B2B and global B2C brand-owners

Highly competitive global on-pipe alkoxylation footprint

REDUCED environmental impact

COST EFFICIENT FRICTION REDUCERS

USING CUSTOMER INTIMACY & MARKET FOCUS AS CRITICAL SUCCESS FACTORS
COMMITTED TO SUSTAINABILITY

SOLVAY
Contribute to Society

Innovate Sustainable solutions
Light-weighting materials
Sustainable energy
Ecofriendly materials
Air and water care
Smart and efficient processes

Act Responsibly
Operating responsibly
Empowering people

SOLVAY’S COMMITMENT BY 2025 VS YE 2014

PEOPLE MANAGEMENT
80%
Employee engagement index

CO₂
-40%
Reduction of carbon intensity

SAFETY
-50%
50% of occupational accidents with MTAR target < 0.50

SPM
50%
Share of sustainable solutions in the Group portfolio

SOCIETAL ACTIONS
x2
Employees involved in societal actions