



**SOLVAY**

asking more from chemistry®

3<sup>RD</sup> QUARTER &  
1<sup>ST</sup> 9 MONTHS 2016  
FINANCIAL REPORT

REGULATED  
INFORMATION

08/11/2016  
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## Forenote

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The results of former Cytec are consolidated in the Group's income and cash flow statements since January 1, 2016. Comparative information for the third quarter and 1st nine months of 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 made on pages 3 to 12 are on an underlying basis, unless otherwise stated.

# HIGHLIGHTS

## 3<sup>RD</sup> QUARTER & 1<sup>ST</sup> 9 MONTHS 2016

### Q3 2016 results<sup>[1]</sup>

- **Net sales totaled € 2.9 bn, down (8)%**, mainly due to a (3)% decline in both prices and volumes. Foreign exchange fluctuations and changes in portfolio scope together led to a (2)% decrease.
- **Underlying EBITDA grew 6% to € 664 m**. Pricing power contributed 4%, reflecting the quality of the portfolio and ongoing focus by the business teams. Excellence programs combined with synergy deliveries reduced fixed costs, leading to a further 6% EBITDA increase. Negative volume evolution and foreign exchange had a (4)% and (2)% impact, respectively. The EBITDA margin reached a new consecutive record of 23% in the quarter.
  - **Advanced Materials** at € 292 m, down (2)% yoy, with broad-based growth and operational excellence mostly offsetting the slower ramp-up in smart devices compared to the peak quarter a year ago;
  - **Advanced Formulations** at € 114 m, down (12)% due to the year-on-year decline in oil & gas.
  - **Performance Chemicals** at € 217 m, up 4% yoy, thanks to resilient volumes and operational excellence;
  - **Functional Polymers**, at € 76 m, up 25% yoy, mainly driven by strong performance in polyamides;
  - **Corporate & Business Services** at € (34) m, versus € (71) m, reflecting phasing effects, excellence and synergies delivery.
- **Net income, Solvay share, on an IFRS basis was € 176 m vs € 163 m in 2015. On an underlying basis it was € 247 m, up 16%**, reflecting higher operating profit, with higher net financial charges offset by lower income taxes.
- **Interim gross dividend of € 1.32 per share**, payable on January 18, 2017.
- **Free cash flow was € 280 m, up € 35 m yoy**, fully attributable to continuing operations, which grew from higher EBITDA, lower capital expenditure and improved working capital.
- **Net debt on an IFRS basis was € (4.3) bn. Underlying net debt<sup>[2]</sup> decreased to € (6.5) bn from € (7.0) bn end June**, as a result of the higher free cash flow and the proceeds from the sale of the Inovyn participation.

### 9M 2016 results<sup>[1]</sup>

- **Net sales totaled € 8.8 bn, down (6)%**, chiefly as a result of lower prices and foreign exchange fluctuations for (2)% each. Slightly lower volumes and changes in the business scope led to an additional (2)% decrease.
- **Underlying EBITDA grew 5% to € 1,918 m**, driven mainly by pricing power for 6% and fixed cost reduction for 3%. Both were supported by delivery of operational excellence and synergies, more than offsetting the effect of lower volumes and foreign exchange effects of (2)% each. Significant growth in Performance Chemicals, Functional Polymers and Advanced Materials, combined with a lower cost level in Corporate & Business Services, more than offset the oil & gas headwinds in Advanced Formulations.
- **Net income, Solvay share, on an IFRS basis was € 376 m vs € 288 m in 2015. On an underlying basis it was € 663 m, up 5%**, reflecting EBITDA growth, as well as lower non-controlling interests and income taxes. These more than compensated for the absence of contribution from discontinued operations, following scope change, and higher net financial charges.
- **Free cash flow was € 464 m, up € 385 m yoy**, as free cash flow from continuing operations grew thanks to higher EBITDA, less capital expenditure and lower working capital outflow.

### Quote of the CEO, Jean-Pierre Clamadieu

*Solvay had a solid third quarter, with 6% growth in EBITDA, a record margin and continued strong cash generation. The strength of our broad portfolio and the continued focus of our business teams resulted yet again in strong pricing power. Operational excellence programs led to lower variable costs and, combined with accelerated Cytec synergy delivery, to reduced fixed costs. These efforts allowed us to overcome softer demand in some of our markets compared to last year. Solvay's performance illustrates the transformation of the Group towards a more resilient multi-specialty chemical company.*

### 2016 Outlook

Based on the year-to-date performance and current market conditions, Solvay expects double-digit underlying EBITDA growth in the fourth quarter. In line with previous guidance, full year underlying EBITDA is thereby anticipated to increase by approximately 7% to 8%, and free cash flow to exceed €700 m.

[1] The underlying and IFRS data presented in the highlights compare to the unaudited pro forma figures of the same period in 2015, as if the Cytec acquisition had taken place on January 1, 2015.

[2] Underlying net debt includes the perpetual hybrid bonds, accounted for as equity under IFRS.

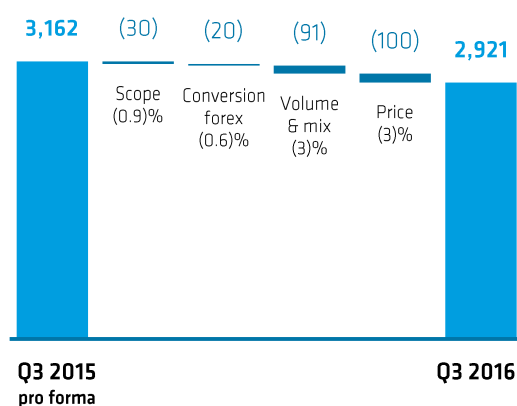
# BUSINESS REVIEW

## 3<sup>RD</sup> QUARTER 2016 UNDERLYING RESULTS <sup>[1]</sup>

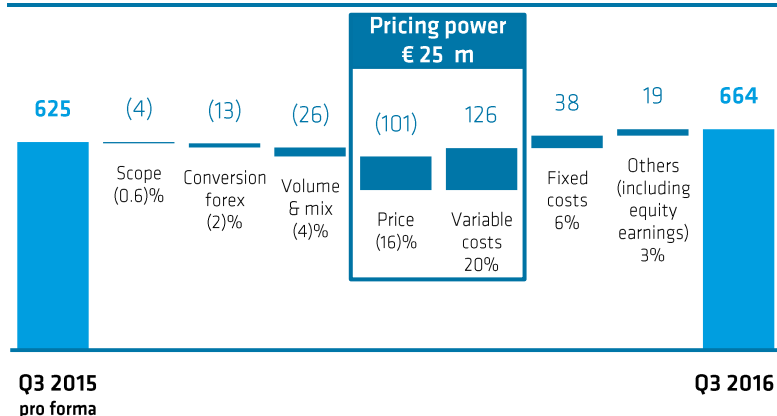
### Q3 key data

(in € m)	IFRS			Underlying		
	Q3 2016	Q3 2015 pro forma	% yoy	Q3 2016	Q3 2015 pro forma	% yoy
<b>Net sales</b>	<b>2,921</b>	<b>3,162</b>	<b>(8)%</b>	<b>2,921</b>	<b>3,162</b>	<b>(8)%</b>
<b>EBITDA</b>	<b>632</b>	<b>564</b>	<b>12%</b>	<b>664</b>	<b>625</b>	<b>6%</b>
EBITDA margin	22%	18%	4pp	23%	20%	3pp
<b>EBIT</b>	<b>360</b>	<b>297</b>	<b>21%</b>	<b>466</b>	<b>429</b>	<b>9%</b>
Net financial charges	(82)	(71)	(16)%	(119)	(109)	(9)%
Income taxes	(33)	(48)	31%	(86)	(95)	9%
Result from discontinued operations	(56)	(3)	n.m.	-	-	n.m.
Non-controlling interests	(13)	(12)	(11)%	(14)	(13)	(11)%
<b>Net income, Solvay share</b>	<b>176</b>	<b>163</b>	<b>8%</b>	<b>247</b>	<b>214</b>	<b>16%</b>
Basic earnings per share (in €)	1.71	1.57	9%	2.40	2.06	16%
<b>Free cash flow</b>	<b>280</b>	<b>245</b>	<b>14%</b>	<b>280</b>	<b>245</b>	<b>14%</b>
Free Cash Flow (continuing operations)	277	240	16%	277	240	16%
Capex (continuing operations)	(238)	(252)	6%	(238)	(252)	6%
<b>Net debt <sup>[2]</sup></b>	<b>(4,302)</b>			<b>(6,502)</b>		

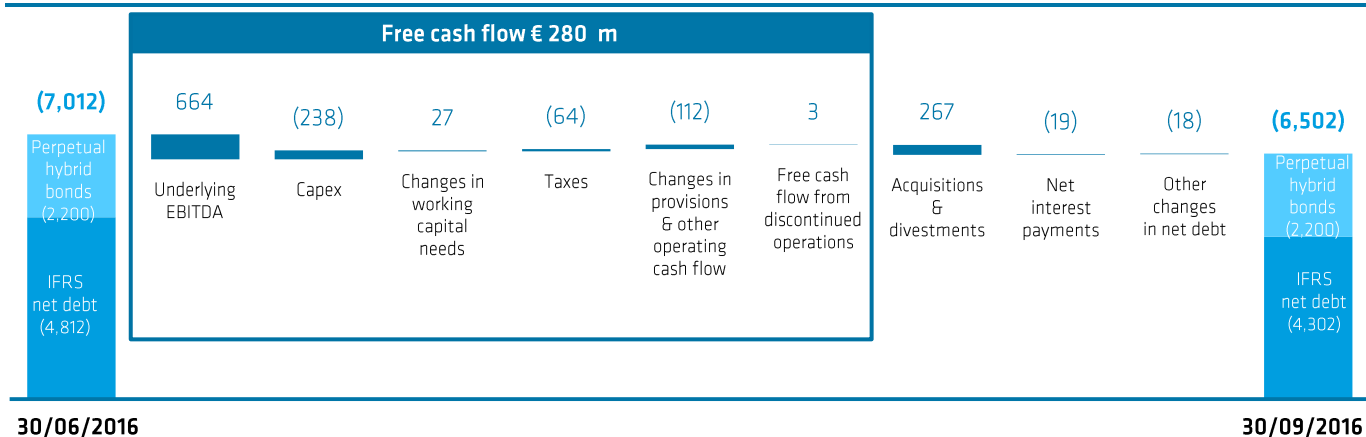
### Q3 yoy net sales evolution (in € m)



### Q3 yoy underlying EBITDA evolution (in € m)



### Q3 2016 underlying net debt <sup>[2]</sup> evolution (in € m)



[1] A full reconciliation of IFRS and underlying income statement data can be found on page 13 of this report.

[2] Underlying net debt includes the perpetual hybrid bonds, accounted for as equity under IFRS.



**Net sales** totaled € 2,921 m, down (8)%, mainly due to a (3)% decline in both prices and volumes. Foreign exchange fluctuations and changes in portfolio scope together led to a (2)% decrease.

- The overall **volume and mix** effect was spread across segments. In Advanced Materials the sequential platform-driven demand ramp-up for high-performance polymers used in smart devices was more moderate than in 2015, when sales peaked in the third quarter. The growth of high composite content aircraft platforms continued to be offset by the declining production rates of legacy aircrafts. These were partly compensated by growth in other applications such as automotive, batteries and medical. Advanced Formulations still faced year-on-year oil & gas market decline, but the headwind has been reducing quarter on quarter driven by a pickup in the North American rig count. Performance Chemicals' sales volumes were slightly lower due to a temporary shutdown of the HPPO facilities. In Functional Polymers, lower production volumes in the Thai chlorovinyls activities were partly compensated by higher volumes in polyamides.
- Average **price** reductions of (3)% reflected primarily the pass-through impact of lower raw materials costs for polyamide, oil and gas and acetate tow. Market conditions in oil & gas and in Latin America remained challenging.
- **Foreign exchange** had a slightly negative impact on conversion of (1)% mainly due to the depreciation of the Chinese yuan and to a lesser extent the Venezuelan bolivar and British pound, partially offset by the appreciation of the Brazilian real and Japanese yen.
- The **scope** effect accounted for (1)%, and related to the sale of the PCC business in November 2015.

**Underlying EBITDA** grew 6% to €664 m. Pricing power contributed 4%, reflecting the quality of the portfolio and ongoing focus by the business teams. Excellence programs combined with synergy deliveries reduced fixed costs, leading to a further 6% EBITDA increase. Negative volume evolution and foreign exchange had a (4)% and (2)% impact, respectively.

- Lower sales **volumes** had a (4)% impact on EBITDA.
- Continued **pricing power** pushed net pricing up 4% year on year. Lower sales prices were more than offset by the decrease of raw material prices and good operational excellence initiatives throughout the business activities, as well as by Solvay's rolling hedging policy, which secures the foreign exchange exposure of its longer-term contracts.
- **Fixed costs** reduced further, contributing 6% to the EBITDA growth thanks to fast delivery on Cytec synergies, while operational excellence measures offset inflation and the cost from operating increased production capacity.
- The net **foreign exchange** impact on conversion was (2)%, mainly due to the depreciation of the Venezuelan bolivar.
- The above-mentioned **scope** effect on EBITDA accounted for (0.6)%.

The underlying **EBITDA margin** widened to a new consecutive record 23% of net sales, up 3 percentage points year on year.

**Underlying EBIT** was €466 m, after deduction of amortization and depreciation charges of €(198) m, almost in line with those in 2015 of €(196) m.

**Underlying net financial charges** rose to € (119) m from € (109) m in the same quarter last year, due to currency swaps.

- The underlying **net cost of borrowings** increased to € (56) m compared to € (45) m a year ago, due to the currency swaps.
- The coupons on **perpetual hybrid bonds**<sup>[1]</sup> were € (28) m, in line with 2015.
- Financial charges on the **RusVinyl** joint venture<sup>[2]</sup> were € (9) m versus € (10) m last year.
- **Discounting costs** on pension and environmental liabilities, which are non-cash in nature, were € (26) m, the same amount as in 2015.

**Underlying income taxes** were € (86) m versus € (95) m in 2015, reflecting a lower tax rate of 28% over the first 9 months, versus 30% in full year 2015, due to a change in the geographical mix of pre-tax earnings.

**Discontinued operations** made no contribution to underlying results in the third quarter of 2016 or 2015.

**Underlying net income**, Solvay share, after deduction of the € (14) m share of non-controlling interests, was € 247 m versus € 214 m in 2015. Underlying basic earnings per share thereby amounted to € 2.40, compared to € 2.06 pro forma in 2015.

**Interim gross dividend** of € 1.32 per share, will be payable to shareholders on January 18, 2017. As in previous years, the interim dividend corresponds to 40% of the full year dividend of the prior year.

**Free cash flow** from continuing operations was € 277 m versus € 240 m last year, thanks to higher EBITDA, lower capex and continued focus on working capital management, which generated a net working capital inflow of € 27 m. Capex from continuing operations was € (238) m, € 14 m lower than in 2015, in line with the strategy to reduce capex intensity, which led to a cash conversion of 64% for the third quarter. Including the € 3 m contribution from discontinued operations, the total free cash flow equaled € 280 m versus € 245 m the year before.

**Underlying net debt**, decreased from € (7,012) m at the end of June to € (6,502) m, and includes 100% of the € (2,200) m hybrid perpetual bonds (classified as equity under IFRS) as debt. The € 510 m decrease is the result of the € 280 m free cash flow generation over the period and the € 267 m net cash inflow on acquisitions and divestments, largely linked to the sale of Solvay's part in Inovyn, the European chlorovinyls joint venture it held with Ineos. Payments for financial charges and dividends are seasonally low in the third quarter, and totaled €(19) m. Other changes in net debt for €(18) m are largely linked to the accrued interest liabilities on outstanding bonds. As a result of higher EBITDA and lower net debt, the underlying leverage ratio reduced to 2.7x, compared to 2.9x at the end of June. Net debt on an IFRS basis decreased from €(4,812) m at the end of June to €(4,302) m at the end of the period.

[1] Underlying net financial charges include the coupons on perpetual hybrid bonds, which are accounted as dividends under IFRS, and thereby excluded from the P&L.

[2] Underlying net financial charges include the financial charges and realized foreign exchange losses in the RusVinyl joint venture, which under IFRS are part of the earnings from associates & joint ventures and thereby included in the IFRS EBITDA.

## SOLVAY NEWS CORNER



### OBJECTIVES

#### **Solvay accelerates its long-term value creation as a multi-specialty chemical group, aligning financial and sustainability objectives**

Solvay at its Capital Markets Day updated its strategic transformation towards a multi-specialty chemical company and unveiled objectives for 2016-2018 to accelerate its drive to create sustainable and long-term value. Solvay's objectives align sustainability and financial targets. The sustainability targets will reinforce Solvay's market leadership positions. They include reducing greenhouse gas intensity by a fifth and raising the proportion of sustainable solutions to 40% of Group sales. These will in turn support Solvay's financial targets.



### INVESTMENTS

#### **Solvay doubles manufacturing capacities of lightweighting aerospace composite materials in the U.S.**

Solvay has doubled its carbon fiber manufacturing capacity with a new production line in South Carolina, addressing growing long term demand from aircraft customers for carbon fiber composite materials. The new production line has won qualification by The Boeing Company to manufacture secondary structures such as wing movable flaps, as well as interior applications. The durability, strength and fatigue life of these materials allow them to replace metals on aircraft, reducing their weight, noise and CO<sub>2</sub> emissions. They also enable the molding of multiple sub-components into one assembly part, lowering the number of parts required and the assembly costs.

#### **Solvay expands composite materials capabilities and upgrades site in Germany to serve new advanced aircraft programs**

Solvay is expanding its composite materials capacities in Östringen, with a state-of-the-art resin facility which is expected to be taken into production in the second quarter of 2017 after customer qualifications. From this upgraded site, Solvay will supply its unique infusion resins and resins for reinforced composite materials for the LEAP engine, manufactured by CFM International, for Airbus and Boeing programs. Resin infusion processing technologies are increasingly important in the manufacturing of composite parts as they meet demands from the aerospace industry for faster and higher volume processing of key components.



#### **Solvay starts production at its hydrogen peroxide plant in China for high-quality applications**

Solvay began hydrogen peroxide production at its chemical manufacturing platform in Zhenjiang. The plant's annual capacity of 60,000 tonnes will meet growing local customer demand for premium grades for applications in the chemical, electronics, water treatment and aquaculture industries. It will also supply increasing demand from Solvay's own businesses in the semi-conductor and flavor industries. The plant is the first in China to use Solvay Peroxide's world leading technology with improved efficiency, while further promoting sustainability in operations by significantly reducing effluents and energy usage.



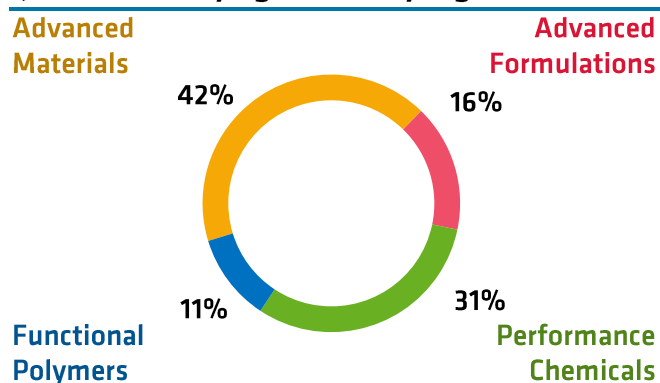
#### **Solvay's new silica plant in South Korea begins production for energy saving tires**

Solvay launched the production of Highly Dispersible Silica (HDS) at its new state-of-the-art plant in Gunsan, meeting strong and growing regional demand for energy saving tires. The plant has an annual capacity of more than 80,000 tons through its latest technologies will produce Solvay's most advanced grades of HDS. This Solvay invention reinforces the rubber in tires and reduces a vehicle's fuel consumption by as much as 7%. Moreover, HDS brands like Zeosil® PREMIUM and Effificum® help tire makers to raise performance levels for both car and truck tire compounds. The site will over time replace the one in Incheon, which is in an area designated for urban development.

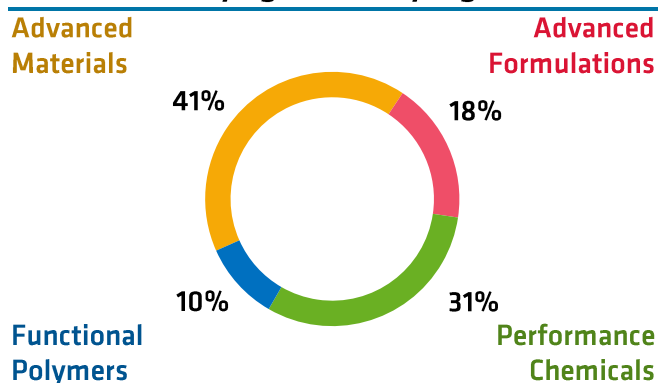
# SEGMENT REVIEW

## 3<sup>RD</sup> QUARTER 2016 UNDERLYING RESULTS

### Q3 2016 underlying EBITDA by segment<sup>[1]</sup>



### 9M 2016 underlying EBITDA by segment<sup>[1]</sup>



[1] The pie charts exclude Corporate & Business Services, as their contribution to EBITDA is negative, and therefore cannot be depicted.

### Segment review

#### Underlying

(in € m)	Q3 2016	Q3 2015 pro forma	% yoy	9M 2016	9M 2015 pro forma	% yoy
<b>Net sales</b>	<b>2,921</b>	<b>3,162</b>	<b>(8)%</b>	<b>8,798</b>	<b>9,401</b>	<b>(6)%</b>
Advanced Materials	1,072	1,167	(8)%	3,237	3,412	(5)%
Advanced Formulations	648	710	(9)%	1,960	2,195	(11)%
Performance Chemicals	756	793	(5)%	2,228	2,306	(3)%
Functional Polymers	444	489	(9)%	1,367	1,483	(8)%
Corporate & Business Services	1	2	(76)%	6	5	15%
<b>EBITDA</b>	<b>664</b>	<b>625</b>	<b>6%</b>	<b>1,918</b>	<b>1,821</b>	<b>5%</b>
Advanced Materials	292	297	(1.8)%	852	836	1.9%
Advanced Formulations	114	130	(12)%	360	404	(11)%
Performance Chemicals	217	209	4%	640	582	10%
Functional Polymers	76	61	25%	204	154	32%
Corporate & Business Services	(34)	(71)	53%	(138)	(156)	11%
<b>EBITDA margin</b>	<b>23%</b>	<b>20%</b>	<b>3pp</b>	<b>22%</b>	<b>19%</b>	<b>2pp</b>
Advanced Materials	27%	25%	1.8pp	26%	24%	1.8pp
Advanced Formulations	18%	18%	(0.6)pp	18%	18%	(0.1)pp
Performance Chemicals	29%	26%	2pp	29%	25%	3pp
Functional Polymers	17%	12%	5pp	15%	10%	5pp
<b>EBIT</b>	<b>466</b>	<b>429</b>	<b>9%</b>	<b>1,327</b>	<b>1,247</b>	<b>6%</b>
Advanced Materials	227	224	1.4%	649	637	1.8%
Advanced Formulations	78	96	(19)%	247	299	(17)%
Performance Chemicals	167	163	3%	499	444	12%
Functional Polymers	44	32	37%	119	69	72%
Corporate & Business Services	(49)	(85)	42%	(186)	(203)	8%

## ADVANCED MATERIALS

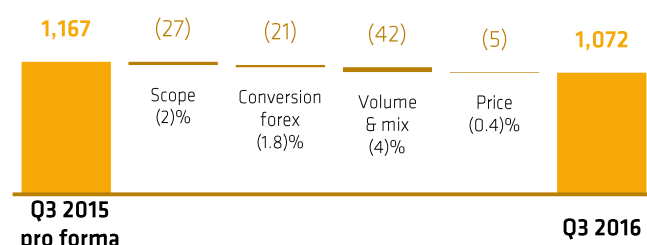
- Q3 2016 underlying EBITDA at € 292 m, down (2)% with excellence initiatives and synergies partly offsetting volume declines
- Short-term headwinds remained in composites but eased in smart devices
- Positive net pricing supported strong 27% EBITDA margins

### Key data

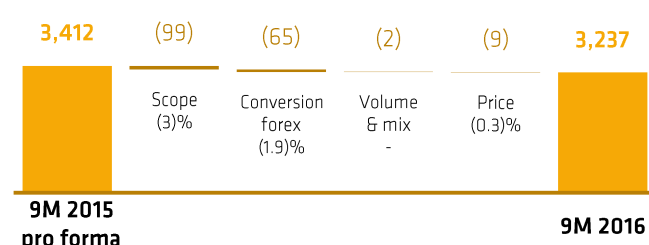
#### Underlying

(in € m)	Q3 2016	Q3 2015 pro forma	% yoy	9M 2016	9M 2015 pro forma	% yoy
<b>Net sales</b>	<b>1,072</b>	<b>1,167</b>	<b>(8)%</b>	<b>3,237</b>	<b>3,412</b>	<b>(5)%</b>
Specialty Polymers	497	519	(4)%	1,441	1,445	(0.3)%
Composite Materials	253	293	(14)%	812	890	(9)%
Special Chem	211	226	(7)%	644	689	(7)%
Silica	112	129	(13)%	340	388	(12)%
<b>EBITDA</b>	<b>292</b>	<b>297</b>	<b>(1.8)%</b>	<b>852</b>	<b>836</b>	<b>1.9%</b>
<i>EBITDA margin</i>	<i>27%</i>	<i>25%</i>	<i>1.8pp</i>	<i>26%</i>	<i>24%</i>	<i>1.8pp</i>

### Q3 yoy net sales evolution (in € m)



### 9M yoy net sales evolution (in € m)



### Q3 2016 performance

**Net Sales** totaled €1,072 m, an (8)% decrease from the third quarter in 2015, with (4)% related to volume declines, (2)% related to unfavorable foreign exchange impacts and (2)% attributable to the scope effect from the sale of Special Chem's PCC business in 2015.

**Specialty Polymers** sales were slightly down in the quarter. Demand for high-performance polymers in smart devices ramped up, following the inventory adjustments in the first half of the year. On a year-on-year basis, however, it compared to a very strong third quarter in 2015. Other Specialty Polymers markets, including batteries, healthcare and consumer goods continued to show double-digit growth, mitigating the impact significantly.

Since the start of the year **Composite Materials**<sup>[1]</sup> has faced lower year-on-year market demand, both in industrial and aeronautics markets. Growth on new aircraft and jet engine programs was more than offset by the reduced build-rates for certain legacy wide-body civil aircraft programs, business jets and helicopter sectors. Solvay remains well-positioned for growth as production rates of newer single-aisle programs, with a higher composite content, are anticipated to increase. Industrial composites sales were lower as well.

**Special Chem** benefited from double-digit growth in catalysts for the automotive market, as well as growth in high purity H<sub>2</sub>O<sub>2</sub> for the semiconductor market.

In **Silica**, modest growth in the tire market and other niche segments was offset by unfavorable mix.

**Underlying EBITDA** fell (2)% to € 292 m versus the same period last year, with the impact of volume declines partially offset by excellence programs across businesses, leading to significant efficiency benefits, and delivery on synergies reducing the fixed cost base. As a result, the underlying EBITDA margin increased 2pp to 27% in the quarter.

[1] Combination of the former Cytec business units "Aerospace Materials" and "Industrial Materials"



## ADVANCED FORMULATIONS

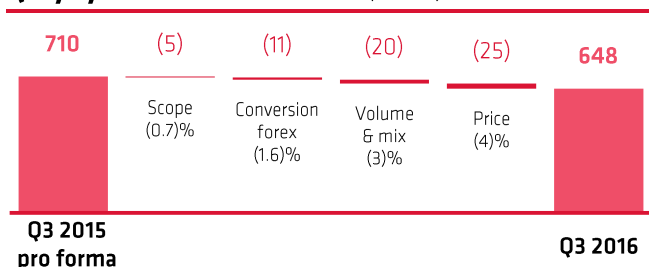
- Q3 2016 underlying EBITDA at € 114 m, down (12%) due to the year-on-year decline in oil & gas
- Headwinds in the oil & gas industry stabilizing sequentially
- Other markets delivered growth in the quarter
- EBITDA margin sustained at 18%

### Key data

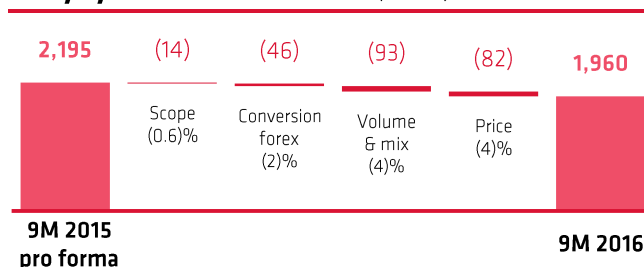
#### Underlying

(in € m)	Q3 2016	Q3 2015 pro forma	% yoy	9M 2016	9M 2015 pro forma	% yoy
<b>Net sales</b>	<b>648</b>	<b>710</b>	<b>(9)%</b>	<b>1,960</b>	<b>2,195</b>	<b>(11)%</b>
Novecare	403	466	(14)%	1,224	1,452	(16)%
Technology Solutions	162	155	5%	486	475	2%
Aroma Performance	83	89	(7)%	250	268	(7)%
<b>EBITDA</b>	<b>114</b>	<b>130</b>	<b>(12)%</b>	<b>360</b>	<b>404</b>	<b>(11)%</b>
EBITDA margin	18%	18%	(0.6)pp	18%	18%	(0.1)pp

### Q3 yoy net sales evolution (in € m)



### 9M yoy net sales evolution (in € m)



### Q3 2016 performance

**Net Sales** decreased by (9)% year on year to € 648 m, primarily related to the ongoing impact of the oil and gas markets in North America. Across the segment, price impacted sales by (4)%, volume/mix by (3)% and foreign exchange by (2)% in the quarter.

**Novecare** sales were down (14)% in the third quarter as a result of the year-on-year decline in the oil and gas market. The North American rig count, however, increased in the third quarter following the record-low levels last quarter, an indication that the market is stabilizing. Other important markets including Agro and other industrial applications delivered good growth in the quarter, partly offsetting the declines in oil and gas.

Sales in **Technology Solutions**<sup>[1]</sup> increased 5% versus the prior year period, mainly attributable to higher volumes in phosphorous and phosphine chemicals. The mining business activity remained resilient in the face of challenging markets as low copper and alumina prices drove reduced operating rates at some key customers, but compared to a strong third quarter in 2015.

**Aroma Performance** sales, with the exception of growth in vanillin, were down overall as competitive price pressure continues in the market.

**Underlying EBITDA** fell (12)% to € 114 m in the quarter, due to the impact of lower demand in the oil and gas market. Despite the fall in sales, the underlying EBITDA margin for the third quarter remained stable at 18% due to synergies and operational excellence measures.

[1] Combination of the former Cytec business units "In Process Separation" and "Additive Technologies"

## PERFORMANCE CHEMICALS

- Q3 2016 underlying EBITDA increased 4% to € 217 m driven by strong Soda Ash performance
- EBITDA margin grew to 29%

### Key data

#### Underlying

(in € m)	Q3 2016	Q3 2015 pro forma	% yoy	9M 2016	9M 2015 pro forma	% yoy
<b>Net sales</b>	<b>756</b>	<b>793</b>	<b>(5)%</b>	<b>2,228</b>	<b>2,306</b>	<b>(3)%</b>
Soda Ash & Derivatives	398	403	(1.3)%	1,169	1,172	(0.2)%
Peroxides	134	152	(12)%	406	422	(4)%
Acetow	137	138	(0.9)%	399	395	1.0%
Coatis	87	100	(13)%	254	318	(20)%
<b>EBITDA</b>	<b>217</b>	<b>209</b>	<b>4%</b>	<b>640</b>	<b>582</b>	<b>10%</b>
<i>EBITDA margin</i>	<i>29%</i>	<i>26%</i>	<i>2pp</i>	<i>29%</i>	<i>25%</i>	<i>3pp</i>

### Q3 yoy net sales evolution (in € m)

<b>793</b>	(1)	4	(10)	(31)	<b>756</b>
	Scope (0.1)%	Conversion forex 0.5%	Volume & mix (1.2)%	Price (4)%	
<b>Q3 2015 pro forma</b>					<b>Q3 2016</b>

### 9M yoy net sales evolution (in € m)

<b>2,306</b>	7	(54)	19	(49)	<b>2,228</b>
	Scope 0.3%	Conversion forex (2)%	Volume & mix 0.8%	Price (2)%	
<b>9M 2015 pro forma</b>					<b>9M 2016</b>

### Q3 2016 performance

**Net Sales** decreased (5)% to € 756 m, mainly due to (4)% price and (1)% volume impacts, and a modest positive foreign exchange conversion effect.

In **Soda Ash & Derivatives**, demand for Soda Ash was broadly in line with the prior year period, with slightly lower volumes in seaborne and Europe. Volumes of bicarbonate were again at record levels with 10% growth in the quarter driven by the Thailand plant ramp up.

**Peroxides** sales were down in the quarter due to temporary shutdowns at the two hydrogen peroxide facilities related to equipment inspections. Lower demand from the fish-farming industry was compensated by growth in the traditional wood pulp and paper market, while the new Chinese plant ramps up production.

**Acetow** volumes were essentially flat year on year with stable demand across most markets except China.

**Coatis** remained challenged by the difficult conditions in the domestic Latin American market, significantly impacting sales.

**Underlying EBITDA** was € 217 m, a 4% increase versus Q3 2015 largely attributable to the strong performance in Soda Ash & Derivatives. Acetow also contributed to EBITDA growth with its cost discipline and excellence programs, despite flat volumes. The underlying EBITDA margin across the segment grew 2 pp to 29% in the third quarter of 2016 versus the prior year quarter as a result of the excellence measures.

## FUNCTIONAL POLYMERS

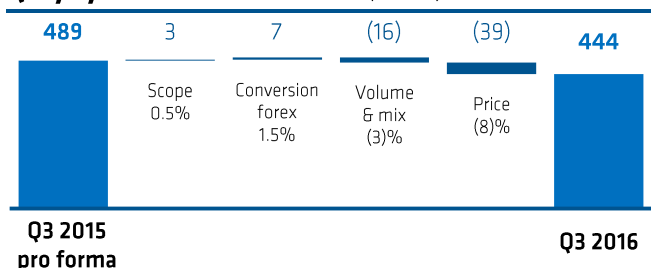
- Q3 2016 underlying EBITDA at € 76 m, up by 25% driven by Polyamides
- Thai chlorovinyls operations affected by electricity outage

### Key data

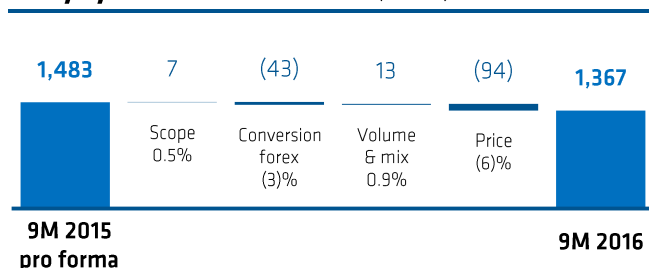
#### Underlying

(in € m)	Q3 2016	Q3 2015 pro forma	% yoy	9M 2016	9M 2015 pro forma	% yoy
<b>Net sales</b>	<b>444</b>	<b>489</b>	<b>(9)%</b>	<b>1,367</b>	<b>1,483</b>	<b>(8)%</b>
Polyamide	354	368	(4)%	1,056	1,126	(6)%
Chlorovinyls	89	121	(26)%	310	356	(13)%
<b>EBITDA</b>	<b>76</b>	<b>61</b>	<b>25%</b>	<b>204</b>	<b>154</b>	<b>32%</b>
EBITDA margin	17%	12%	5pp	15%	10%	5pp

### Q3 yoy net sales evolution (in € m)



### 9M yoy net sales evolution (in € m)



### Q3 2016 performance

**Net Sales** fell (9)% to € 444 m as a result of (8)% lower pricing and (3)% volume, offset partially by 2% conversion foreign exchange effects. The price impact relates mainly to the partial pass-through of lower raw material costs to customers.

**Polyamide** sales volumes improved versus last year driven by demand growth in industrial applications. Prices were down, however, reflecting largely the raw material pass-through effect described above. Market conditions for the Latin American textile business activity remained subdued.

In **Chlorovinyls**, demand remains good, but third quarter volumes were negatively impacted by production loss caused by electrical outages in Thailand. Rusvinyl operations and market conditions remained strong.

**Underlying EBITDA** was up 25% at € 76 m, reflecting the volume increase in polyamide combined with benefits from operational excellence programs. The underlying EBITDA margin of the segment widened by 5 pp to 17% versus the same period in 2015.

## CORPORATE & BUSINESS SERVICES

- Underlying EBITDA at € (34) m in Q3 2016, vs € (71) m in Q3 2015
- Energy Services benefited from restructuring measures
- Other Corporate & Business Services benefited mainly from delivery of synergies from the Cytec integration.

### Key data

#### Underlying

(in € m)	Q3 2016	Q3 2015 pro forma	% yoy	9M 2016	9M 2015 pro forma	% yoy
EBITDA	(34)	(71)	53%	(138)	(156)	11%

### Q3 2016 performance

Net **underlying EBITDA** costs were € (34) m, compared to € (71) m in the third quarter of 2015.

**Energy Services'** EBITDA was well up at € 5 m, compared to € (8) m in 2015, when outstanding carbon emission rights in Brazil were written off. Business conditions for energy and carbon management services improved in the third quarter and restructuring actions were taken to improve the performance of certain renewable energy assets.

Costs in **Other Corporate & Business Services** reduced significantly to € (39) m compared to € (63) m in 2015, driven by synergy benefits, the delivery on excellence programs and phasing effects. The latter had a positive effect on the 2016 third quarter results, but negatively impacted 2015.



## SUPPLEMENTARY INFORMATION: RECONCILIATION OF IFRS & UNDERLYING (PRO FORMA) INCOME STATEMENT INDICATORS

Besides IFRS accounts, Solvay also presents underlying Income Statement performance indicators to provide a more consistent and comparable indication of Solvay's economic performance. These figures 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 to generate a measure that avoids distortion and facilitates the appreciation of performance and comparability of results over time. The 2016 data are compared to unaudited pro forma 2015 data including Cytec, as if the acquisition had taken place on January 1, 2015.

Q3 consolidated income statement  (in € m)	Q3 2016			Q3 2015 pro forma		
	IFRS	Adjust- ments	Under- lying	IFRS	Adjust- ments	Under- lying
<b>Sales</b>	<b>3,048</b>	-	<b>3,048</b>	<b>3,275</b>	-	<b>3,275</b>
of which revenues from non-core activities	128	-	128	113	-	113
of which net sales	2,921	-	2,921	3,162	-	3,162
Cost of goods sold	(2,181)	1	(2,181)	(2,398)	-	(2,398)
<b>Gross margin</b>	<b>867</b>	<b>1</b>	<b>868</b>	<b>877</b>	-	<b>877</b>
Commercial & administrative costs	(365)	13	(352)	(380)	14	(366)
Research & innovation costs	(74)	1	(73)	(78)	-	(78)
Other operating gains & losses	(54)	60	6	(76)	59	(16)
Earnings from associates & joint ventures	16	2	18	(21)	34	13
Result from portfolio management & reassessments <sup>[1]</sup>	(20)	20	-	(16)	16	-
Result from legacy remediation & major litigations <sup>[1]</sup>	(10)	10	-	(9)	9	-
<b>EBITDA</b>	<b>632</b>	<b>33</b>	<b>664</b>	<b>564</b>	<b>61</b>	<b>625</b>
Depreciation, amortization & impairments	(271)	73	(198)	(267)	71	(196)
<b>EBIT</b>	<b>360</b>	<b>106</b>	<b>466</b>	<b>297</b>	<b>133</b>	<b>429</b>
Net cost of borrowings	(56)	-	(56)	(51)	6	(45)
Coupons on perpetual hybrid bonds	-	(28)	(28)	-	(28)	(28)
Interests and realized foreign exchange losses on RusVinyl (joint venture)	-	(9)	(9)	-	(10)	(10)
Cost of discounting provisions	(28)	2	(26)	(20)	(6)	(26)
Result from available-for-sale financial assets	2	(2)	-	-	-	-
<b>Result before taxes</b>	<b>278</b>	<b>70</b>	<b>348</b>	<b>225</b>	<b>95</b>	<b>320</b>
Income taxes	(33)	(53)	(86)	(48)	(47)	(95)
<b>Result from continuing operations</b>	<b>245</b>	<b>16</b>	<b>261</b>	<b>178</b>	<b>48</b>	<b>226</b>
Result from discontinued operations	(56)	56	-	(3)	4	-
<b>Net income</b>	<b>189</b>	<b>72</b>	<b>261</b>	<b>175</b>	<b>52</b>	<b>226</b>
Non-controlling interests	(13)	(1)	(14)	(12)	(1)	(13)
<b>Net income, Solvay share</b>	<b>176</b>	<b>71</b>	<b>247</b>	<b>163</b>	<b>51</b>	<b>214</b>
Basic earnings per share (in €)	1.71	0.69	2.40	1.57	0.49	2.06
of which from continuing operations	2.25	0.15	2.40	1.59	0.46	2.06
Diluted earnings per share (in €)	1.70	0.69	2.39	1.56	0.49	2.05
of which from continuing operations	2.24	0.15	2.39	1.58	0.46	2.04

[1] These two line items were previously classified as "Non-recurring items" (see note 2).

**EBITDA** on an IFRS basis totaled € 632 m versus € 664 m on an underlying basis. The difference of € 33 m is explained by the following adjustments to IFRS results, in order to improve comparability of underlying results:

- € 3 m for legacy acquisition costs, in this case the Chemlogics retention premiums, which are adjusted in "*Commercial & administrative costs*".
- € 2 m in "*Earnings from associates & joint ventures*" for Solvay's share in the financial charges of the RusVinyl joint venture, netted with foreign exchange gains on its euro-denominated debt, following the slight revaluation of the Russian ruble over the period. These elements are reclassified in "*Net financial charges*".
- € 18 m for net costs resulting from portfolio management and reassessments, excluding depreciation, amortization and impairment elements. These include mainly some remaining costs related to previous acquisitions and divestments, as well as some smaller restructuring costs.
- € 10 m for net costs related to legacy remediation and major litigations.

**EBIT** on an IFRS basis totaled € 360 m versus € 466 m on an underlying basis. The difference of € 106 m is explained by the above-mentioned € 33 m adjustments on EBITDA level and € 73 m on "*Depreciation, amortization & impairments*". The latter consist of:

- € 73 m for the non-cash impact of purchase price allocation (PPA), consisting of amortization charges on intangible assets, which are adjusted in "*Cost of goods sold*" for € 1 m, "*Commercial & administrative costs*" for € 10 m, "*Research & innovation costs*" for € 1 m and "*Other operating gains & losses*" for € 60 m.

**Net financial charges** on an IFRS basis were € (82) m versus € (119) m on an underlying basis. The € (37) m adjustment made to IFRS net financial charges consists of:

- € (9) m reclassification of financial charges and realized foreign exchange result on the euro-denominated debt of RusVinyl as net financial charges. The € 7 m delta with the adjustment made to EBITDA is attributed to unrealized foreign exchange gains.
- € (28) m reclassification of coupons on perpetual hybrid bonds, which are treated as dividends under IFRS, and as financial charges in underlying results.
- € (2) m for the "Result from available-for-sales financial assets".
- € 2 m for the impact of decreasing discount rates on the valuation of environmental liabilities in the period.

**Income taxes** on an IFRS basis were € (33) m versus € (86) m on an underlying basis. The € (53) m adjustment consists of:

- € (40) m for the tax impacts of the adjustments made to the underlying result before taxes (as described above).
- € (13) m for tax elements related to prior years.

**Discontinued operations** generated a net loss of € (56) m on an IFRS basis, but had no impact on underlying results. The following adjustments were made to the IFRS result from discontinued operations:

- € 55 m, including the adjustment to the fair value of Indupa, which is in the process of being sold to Unipar Carbocloro.
- € 1 m related to the divested pharma activities, as underlying results exclude post-closing gains and losses.

**Net income, Solvay share**, on an IFRS basis was € 176 m after deducting the € (13) m share of non-controlling interests. On an underlying basis the share of non-controlling interests represented € (14) m, adjusted by € (1) m for the impact of the above adjustments.

## 9M consolidated income statement

	9M 2016			9M 2015 pro forma		
(in € m)	IFRS	Adjust-ments	Under-lying	IFRS	Adjust-ments	Under-lying
<b>Sales</b>	<b>9,153</b>	<b>-</b>	<b>9,153</b>	<b>9,739</b>	<b>-</b>	<b>9,739</b>
of which revenues from non-core activities	356	-	356	338	-	338
of which net sales	8,798	-	8,798	9,401	-	9,401
Cost of goods sold	(6,671)	83	(6,588)	(7,254)	82	(7,172)
<b>Gross margin</b>	<b>2,482</b>	<b>83</b>	<b>2,565</b>	<b>2,484</b>	<b>82</b>	<b>2,567</b>
Commercial & administrative costs	(1,110)	39	(1,072)	(1,152)	42	(1,110)
Research & innovation costs	(229)	2	(227)	(238)	-	(238)
Other operating gains & losses	(171)	181	10	(182)	179	(3)
Earnings from associates & joint ventures	57	(7)	50	(8)	39	31
Result from portfolio management & reassessments <sup>[1]</sup>	(162)	162	-	(191)	191	-
Result from legacy remediation & major litigations <sup>[1]</sup>	(36)	36	-	(30)	30	-
<b>EBITDA</b>	<b>1,765</b>	<b>153</b>	<b>1,918</b>	<b>1,552</b>	<b>269</b>	<b>1,821</b>
Depreciation, amortization & impairments	(933)	342	(591)	(868)	294	(574)
<b>EBIT</b>	<b>832</b>	<b>496</b>	<b>1,327</b>	<b>684</b>	<b>563</b>	<b>1,247</b>
Net cost of borrowings	(177)	-	(177)	(176)	15	(161)
Coupons on perpetual hybrid bonds	-	(84)	(84)	-	(84)	(84)
Interests and realized foreign exchange losses on RusVinyl (joint venture)	-	(21)	(21)	-	(22)	(22)
Cost of discounting provisions	(89)	6	(82)	(72)	(6)	(78)
Result from available-for-sale financial assets	3	(3)	-	-	-	-
<b>Result before taxes</b>	<b>570</b>	<b>394</b>	<b>963</b>	<b>435</b>	<b>467</b>	<b>901</b>
Income taxes	(108)	(153)	(261)	(147)	(126)	(273)
<b>Result from continuing operations</b>	<b>462</b>	<b>241</b>	<b>703</b>	<b>287</b>	<b>341</b>	<b>629</b>
Result from discontinued operations	(57)	57	-	49	9	58
<b>Net income</b>	<b>405</b>	<b>298</b>	<b>703</b>	<b>336</b>	<b>351</b>	<b>687</b>
Non-controlling interests	(28)	(11)	(40)	(48)	(7)	(55)
<b>Net income, Solvay share</b>	<b>376</b>	<b>287</b>	<b>663</b>	<b>288</b>	<b>344</b>	<b>632</b>
Basic earnings per share (in €)	3.64	2.78	6.42	2.78	3.31	6.09
of which from continuing operations	4.13	2.29	6.42	2.44	3.24	5.68
Diluted earnings per share (in €)	3.63	2.77	6.40	2.76	3.29	6.05
of which from continuing operations	4.12	2.28	6.40	2.42	3.22	5.64

[1] These two line items were previously classified as "Non-recurring items" (see note 2).

**EBITDA** on an IFRS basis totaled € 1.765 m versus € 1,918 m on an underlying basis. The difference of € 153 m is explained by the following adjustments to IFRS results, in order to improve comparability of underlying results:

- € 81 m for the non-cash impact of purchase price allocation (PPA), consisting of recycling into profit or loss of Cytec inventory step-ups, which are adjusted in "*Cost of goods sold*".
- € 8 m for legacy acquisition costs, in this case the Chemlogics retention premiums, which are adjusted in "*Commercial & administrative costs*".
- € (7) m in "Earnings from associates & joint ventures" for the foreign exchange gains on the euro-denominated debt of the RusVinyl joint venture, following the revaluation of the Russian ruble since the start of the year, netted with the financial charges of the joint venture, which are reclassified in "*Net financial charges*".
- € 35 m for net costs resulting from Portfolio management and reassessments, excluding depreciation, amortization and impairment elements. These include restructuring costs of € (120) m, primarily related to restructuring plans in Corporate functions, Special Chem and Soda Ash & Derivatives, as well as M&A costs or losses related to Portfolio management for € (36) m. These costs were partially offset by the net capital gain of € 72 m made on the exit of Inovyn and the € 49 m gain for the release to Solvay of Chemlogics holdback payments.
- € 36 m for net costs related to "Legacy remediation and major litigations".

**EBIT** on an IFRS basis totaled € 832 m versus € 1,327 m on an underlying basis. The difference of € 496 m is explained by the above-mentioned € 153 m adjustments on EBITDA level and € 342 m on "*Depreciation, amortization & impairments*". The latter consist of:

- € 216 m for the non-cash impact of purchase price allocation (PPA), consisting of amortization charges on intangible assets, which are adjusted in "*Cost of goods sold*" for € 2 m, "*Commercial & administrative costs*" for € 30 m, "*Research & innovation costs*" for € 2 m and "*Other operating gains & losses*" for € 181 m.
- € 126 m for the net impact of impairments, which are non-cash in nature and are reported in "*Portfolio management and reassessments*". These primarily related to the mothballing of the soda ash plant in Egypt for € (105) m.

**Net financial charges** on an IFRS basis were € (262) m versus € (364) m on an underlying basis. The € (102) m adjustment made to IFRS net financial charges consists of:

- € (21) m reclassification of financial charges and realized foreign exchange result on the euro-denominated debt of RusVinyl as net financial charges. The € 14 m delta with the adjustment made to EBITDA is attributed to unrealized foreign exchange gains.
- € (84) m reclassification of coupons on perpetual hybrid bonds, which are treated as dividends under IFRS, and as financial charges in underlying results.
- € (3) m for the "Result from available-for-sales financial assets".
- € 6 m for the net one-off impact from net decreasing discount rates on environmental liabilities.

**Income taxes** on an IFRS basis were € (108) m versus € (261) m on an underlying basis. The € (153) m adjustment consists of:

- € (133) m for the tax impacts of the adjustments made to the underlying result before taxes (as described above).
- € (19) m for tax elements related to prior years.

**Discontinued operations** generated a net loss of € (57) m on an IFRS basis, but had no impact on underlying results. The following adjustments were made to the IFRS result from discontinued operations:

- € 74 m, including the Q3 adjustment to the fair value of Indupa, which is in the process of being sold to Unipar Carbocloro.
- € (17) m related to the divested pharma activities, as underlying results exclude post-closing gains and losses.

**Net income, Solvay share**, on an IFRS basis was € 376 m after deducting the € (28) m share of non-controlling interests. On an underlying basis the share of non-controlling interests represented € (40) m, adjusted by € (11) m for the impact of the above adjustments.



# CONSOLIDATED INTERIM FINANCIAL STATEMENTS (REVIEWED)

The 2016 data presented in the consolidated interim financial statements, including the notes, are compared to 2015 IFRS data as previously published, i.e. not pro forma. This is different from the pages before, where the 2016 data are compared to unaudited pro forma 2015 income statement data including Cyttec, as if the acquisition had taken place on January 1, 2015.

## Consolidated income statement

	IFRS			
(in € m)	Q3 2016	Q3 2015	9M 2016	9M 2015
<b>Sales</b>	<b>3,048</b>	<b>2,827</b>	<b>9,153</b>	<b>8,374</b>
of which revenues from non-core activities	128	113	356	338
of which net sales	2,921	2,714	8,798	8,036
Cost of goods sold	(2,181)	(2,098)	(6,671)	(6,241)
<b>Gross margin</b>	<b>867</b>	<b>730</b>	<b>2,482</b>	<b>2,133</b>
Commercial & administrative costs	(365)	(326)	(1,110)	(985)
Research & innovation costs	(74)	(67)	(229)	(204)
Other operating gains & losses	(54)	(39)	(171)	(74)
Earnings from associates & joint ventures	16	(21)	57	(8)
Result from portfolio management & reassessments <sup>[1]</sup>	(20)	(57)	(162)	(100)
Result from legacy remediation & major litigations <sup>[1]</sup>	(10)	(4)	(36)	(26)
<b>EBIT</b>	<b>360</b>	<b>215</b>	<b>832</b>	<b>737</b>
Cost of borrowings	(43)	(25)	(145)	(81)
Interest on lendings & deposits	2	2	9	7
Other gains & losses on net indebtedness	(15)	(8)	(41)	(27)
Cost of discounting provisions	(28)	(18)	(89)	(66)
Result from available-for-sale financial assets	2	-	3	-
<b>Result before taxes</b>	<b>278</b>	<b>167</b>	<b>570</b>	<b>570</b>
Income taxes	(33)	(49)	(108)	(204)
<b>Result from continuing operations</b>	<b>245</b>	<b>118</b>	<b>462</b>	<b>366</b>
Result from discontinued operations	(56)	(3)	(57)	50
<b>Net income</b>	<b>189</b>	<b>115</b>	<b>405</b>	<b>416</b>
Non-controlling interests	(13)	(12)	(28)	(48)
<b>Net income, Solvay share</b>	<b>176</b>	<b>103</b>	<b>376</b>	<b>368</b>
Basic earnings per share (in €)	1.71	1.24	3.64	4.43
of which from continuing operations	2.25	1.27	4.13	3.98
Diluted earnings per share (in €)	1.70	1.23	3.63	4.39
of which from continuing operations	2.24	1.26	4.12	3.95

[1] These two line items were previously classified as "Non-recurring items" (see note 2).

## Consolidated statement of comprehensive income

IFRS

(in € m)

	Q3 2016	Q3 2015	9M 2016	9M 2015
<b>Net income</b>	<b>189</b>	<b>115</b>	<b>405</b>	<b>416</b>
<b>Other comprehensive income, net of related tax effects</b>	<b>(188)</b>	<b>(76)</b>	<b>(564)</b>	<b>372</b>
Recyclable components	2	(188)	(54)	105
Hyperinflation	-	7	-	21
Gains and losses on available-for-sale financial assets	2	2	11	4
Gains and losses on hedging instruments in a cash flow hedge	15	(28)	22	(22)
Currency translation differences	(15)	(168)	(86)	103
Non-recyclable components	(207)	87	(548)	285
Remeasurement of the net defined benefit liability	(207)	87	(548)	285
Income tax relating to components of other comprehensive income	17	25	37	(19)
<b>Total comprehensive income</b>	<b>1</b>	<b>39</b>	<b>(160)</b>	<b>788</b>
attributed to Solvay share	(10)	36	(185)	728
attributed to non-controlling interests	11	3	26	60

## Consolidated statement of cash flows

IFRS

(in € m)	Q3 2016	Q3 2015	9M 2016	9M 2015
Net income	189	115	405	416
Depreciation, amortization & impairments (-)	333	210	1,006	682
Earnings from associates & joint ventures (-)	(16)	21	(57)	8
Net financial charges & result from available-for-sale financial assets (-)	91	77	287	195
Income taxes (-)	30	45	111	239
Changes in working capital	27	(2)	(298)	(512)
Changes in provisions	(104)	(58)	(155)	(150)
Dividends received from associates & joint ventures	3	5	17	14
Income taxes paid (excluding income taxes paid on sale of investments)	(66)	(49)	(179)	(196)
Other non-operating and non-cash items	34	36	(8)	27
<b>Cash flow from operating activities</b>	<b>522</b>	<b>400</b>	<b>1,128</b>	<b>723</b>
of which cash flow related to acquisition of subsidiaries	-	(19)	15	(22)
Acquisition (-) of subsidiaries	(39)	(1)	(18)	(25)
Acquisition (-) of investments - Other	-	6	(2)	(12)
Loans to associates and non-consolidated companies	10	(7)	(23)	(5)
Sale (+) of subsidiaries and investments	309	43	307	(195)
Acquisition (-) of tangible and intangible assets (capital expenditure)	(242)	(231)	(679)	(732)
of which tangible assets	(219)	(212)	(611)	(676)
of which intangible assets	(23)	(19)	(68)	(57)
Sale (+) of tangible & intangible assets	10	7	58	23
Changes in non-current financial assets	(10)	(9)	(28)	(26)
<b>Cash flow from investing activities</b>	<b>37</b>	<b>(193)</b>	<b>(385)</b>	<b>(971)</b>
Sale (acquisition) of treasury shares	(17)	(65)	(65)	(59)
Increase in borrowings	-	40	603	964
Repayment of borrowings	(541)	(24)	(1,602)	(600)
Changes in other current financial assets	(14)	(45)	(4)	231
Net interests paid	(19)	(26)	(167)	(143)
Coupons paid on perpetual hybrid bonds	-	-	(58)	(29)
Dividends paid	-	(7)	(349)	(289)
of which to Solvay shareholders	-	-	(337)	(282)
of which to non-controlling interests	-	(7)	(11)	(7)
Other	3	(3)	(18)	(31)
<b>Cash flow from financing activities</b>	<b>(588)</b>	<b>(130)</b>	<b>(1,660)</b>	<b>44</b>
<b>Net change in cash and cash equivalents</b>	<b>(28)</b>	<b>78</b>	<b>(917)</b>	<b>(204)</b>
Currency translation differences	(3)	18	(39)	64
Opening cash balance	1,113	1,040	2,037	1,275
<b>Closing cash balance</b>	<b>1,081</b>	<b>1,136</b>	<b>1,081</b>	<b>1,136</b>
of which cash in assets held for sale	21	4	21	4

## Free cash flow

IFRS

(in € m)	Q3 2016	Q3 2015	9M 2016	9M 2015
<b>Free cash flow</b>	<b>280</b>	<b>188</b>	<b>464</b>	<b>11</b>
of which from continuing operations	277	181	477	22
of which from discontinued operations	3	7	(13)	(11)

## Statement of cash flow from discontinued operations

IFRS

(in € m)	Q3 2016	Q3 2015	9M 2016	9M 2015
Cash flow from operating activities	7	14	(1)	49
Cash flow from investing activities	(4)	(8)	(12)	(60)
Cash flow from financing activities	(9)	(2)	(26)	(26)
<b>Net change in cash and cash equivalents</b>	<b>(6)</b>	<b>4</b>	<b>(39)</b>	<b>(37)</b>

## Consolidated statement of financial position

IFRS

(in € m)	30/09 2016	31/12 2015
<b>Non-current assets</b>	<b>17,759</b>	<b>18,716</b>
Intangible assets	3,633	3,919
Goodwill	5,780	5,840
Tangible assets	6,779	6,946
Available-for-sale financial assets	49	34
Investments in associates & joint ventures	452	398
Other investments	75	92
Deferred tax assets	720	1,059
Loans & other assets	272	427
<b>Current assets</b>	<b>5,702</b>	<b>6,613</b>
Inventories	1,754	1,867
Trade receivables	1,728	1,615
Income tax receivables	196	158
Dividends receivable	2	-
Other financial instrument receivables	119	111
Other receivables	666	655
Cash & cash equivalents	1,060	2,030
Assets held for sale	177	177
<b>Total assets</b>	<b>23,462</b>	<b>25,329</b>
<b>Total equity</b>	<b>9,198</b>	<b>9,668</b>
Share capital	1,588	1,588
Reserves	7,337	7,835
Non-controlling interests	273	245
<b>Non-current liabilities</b>	<b>10,569</b>	<b>11,330</b>
Provisions for employee benefits	3,563	3,133
Other provisions	795	831
Deferred tax liabilities	1,009	1,456
Financial debt	4,976	5,628
Other liabilities	226	282
<b>Current liabilities</b>	<b>3,694</b>	<b>4,331</b>
Other provisions	290	310
Financial debt	505	892
Trade payables	1,410	1,559
Income tax payables	208	130
Dividends payable	3	144
Other liabilities	985	1,021
Liabilities associated with assets held for sale	293	275
<b>Total equity &amp; liabilities</b>	<b>23,462</b>	<b>25,329</b>



## Consolidated statement of changes in equity

Consolidated statement of changes in equity							Revaluation reserve (fair value)			IFRS		
	Share capital	Share premiums	Treasury shares	Perpetual hybrid bonds	Retained earnings	Currency translation differences	Available-for-sale financial assets	Cash flow hedges	Defined benefit pension plans	Total reserves	Non-controlling interests	Total equity
(in € m)												
Balance at 31/12/2014	1,271	18	(171)	1,194	5,753	(527)	(4)	(43)	(926)	5,293	214	6,778
Net income for the period	-	-	-	-	368	-	-	-	-	368	48	416
Items of OCI	-	-	-	-	20	93	4	(17)	260	359	13	372
Comprehensive income	-	-	-	-	388	93	4	(17)	260	728	60	788
Cost of stock options	-	-	-	-	8	-	-	-	-	8	-	8
Dividends	-	-	-	-	(171)	-	-	-	-	(171)	(7)	(178)
Coupons of perpetual hybrid bonds	-	-	-	-	(29)	-	-	-	-	(29)	-	(29)
Sale (acquisition) of treasury shares	-	-	(59)	-	-	-	-	-	-	(59)	-	(59)
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	-	(115)	1	-	(1)	32	(83)	2	(81)
Balance at 30/09/2015	1,271	18	(231)	1,194	5,834	(434)	-	(61)	(635)	5,686	271	7,227
Balance at 31/12/2015	1,588	1,170	(230)	2,188	5,720	(353)	(2)	(28)	(630)	7,835	245	9,668
Net income for the period	-	-	-	-	376	-	-	-	-	376	28	405
Items of OCI	-	-	-	-	-	(86)	11	10	(497)	(562)	(2)	(564)
Comprehensive income	-	-	-	-	376	(86)	11	10	(497)	(185)	26	(160)
Cost of stock options	-	-	-	-	7	-	-	-	-	7	-	7
Dividends	-	-	-	-	(199)	-	-	-	-	(199)	(9)	(208)
Coupons of perpetual hybrid bonds	-	-	-	-	(58)	-	-	-	-	(58)	-	(58)
Sale (acquisition) of treasury shares	-	-	(54)	-	(11)	-	-	-	-	(65)	-	(65)
Other	-	-	-	-	(12)	15	-	-	-	3	11	14
Balance at 30/09/2016	1,588	1,170	(285)	2,188	5,823	(424)	10	(18)	(1,127)	7,337	273	9,198

# NOTES TO THE IFRS ACCOUNTS

## 1. General information

Solvay is a public limited liability company governed by Belgian law and quoted on Euronext Brussels and Euronext Paris. These consolidated interim financial statements were authorized for issue by the Board of Directors on November 7, 2016.

On March 16, 2016, Solvay and INEOS announced their intention to end their 50/50 chlorovinyls Inovyn joint venture earlier than originally foreseen, with INEOS to become the sole shareholder. Solvay and INEOS formed Inovyn in July 2015, with Solvay's exit originally planned in July 2018. On March 31, 2016, Solvay and INEOS announced they have signed the binding agreement to end their chlorovinyls Inovyn joint venture, following their intentions announced on March 16, 2016. On July 7, 2016, upon completion of the transaction, Solvay received a payment of €335 million and INEOS became Inovyn's sole shareholder. The exit of the joint venture followed regulatory clearances from the relevant authorities. In 2017, Solvay will pay a total price adjustment approximating €80 m.

On April 25, 2016 Solvay issued a formal notification for the exercise of the first call option on the € 500 m hybrid bond, maturing in 2104 after having notified the Luxembourg Stock Exchange, where the bond was listed, as well as the bondholders. This bond, which carried an annual interest rate of 6.375% in the first ten years, was classified as a long-term financial debt in the consolidated statement of financial position as of March 31, 2016, and was repaid on June 2, 2016. The financing of this repayment was secured in December 2015, together with the bonds issued to finance the Cytec acquisition.

On May 2, 2016, Solvay entered into a Share Purchase Agreement with Unipar Carbocloro for the sale of its equity interests held in Solvay Indupa. During the third quarter of 2016, the fair value less cost to sell has been updated, so to reflect the impact of the worsening of the business environment on the deal. An impairment loss in the amount of €(63) m was recognized in 2016.

On May 19, 2016, Solvay and Eastman Chemical Company have signed a definitive agreement to end their cellulose acetate production joint venture Primester with Solvay acquiring Eastman's 50% stake in the U.S.-based plant and becoming its sole owner. Following the transaction, Eastman will provide the long-term supply of basic utilities and raw materials to the plant, based in Kingsport, Tennessee. Closing has occurred on June 2, 2016.

## 2. Accounting policies

Solvay prepares its consolidated interim financial statements on a quarterly basis, in accordance with IAS 34 *Interim Financial Reporting*. They do not include all the information required for the preparation of the annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2015.

The consolidated interim financial statements for the nine months ended September 30, 2016 were prepared using the same accounting policies as those adopted for the preparation of the consolidated financial statements for the year ended December 31, 2015.

Following the ESMA Guidelines on Alternative Performance Measures issued on June 30, 2015 and effective as from July 3, 2016, Solvay has split the *Non-recurring items* into two items: (a) *Results from portfolio management and reassessments*, and (b) *Results from legacy remediation and major litigations*. The sum of those two items exactly equals what previously was labeled *Non-recurring items*.

## 3. Segment information

Solvay is organized in operating segments. As of January 1, 2016, following the acquisition of Cytec, Solvay has re-organized its segment set-up to enhance strategic coherence and improve business alignment. Cytec's former "Aerospace Materials" and "Industrial Materials" activities are included in Advanced Materials as the GBU "Composite Materials", while its "In Process Separation" and "Additive Technologies" activities are included in Advanced Formulations, largely as the GBU "Technology Solutions". Solvay's GBU "Coatis" is transferred to Performance Chemicals and the VinyThai activities, formerly the GBU "Emerging Biochemicals", are now included in the GBU "Chlorovinyls" in Functional Polymers.

- **Advanced Materials** offers high-performance materials for multiple applications primarily in the automotive, aerospace, electronics, and health markets. It particularly provides sustainable mobility solutions, reducing weight and improving CO<sub>2</sub> and energy efficiency.
- **Advanced Formulations** serves the consumer goods, agro and food, as well as energy markets primarily. It offers customized specialty formulations that impact surface chemistry and alter liquid behavior, to optimize efficiency and yield, while minimizing the environmental impact.
- **Performance Chemicals** operates in mature and resilient markets with leading positions in chemical intermediates. Success is based on economies of scale and state-of-the-art production technology. It mainly serves the consumer goods and food markets.
- **Functional Polymers** produces and sells polyamide and PVC polymers and compounds and has leading regional positions in different geographies, with a focus on excellence initiatives. It serves serving mainly the automotive, construction, consumer good and building markets.
- **Corporate & Business Services** includes corporate and other business services, such as the Research & Innovation Center. It also incorporates the GBU Energy Services, which mission is to optimize energy consumption and reduce CO<sub>2</sub> emissions.

The 2015 IFRS data, presented below, reflect these changes, considering that Cytec activities did not contribute to the 2015 IFRS results. After the exclusion of Coatis the underlying EBITDA of Advanced Formulations ends up € (14) m lower in the third quarter of 2015 and

€ (26) m lower for the first nine months of 2015 than previously published. After the inclusion of Coatis and the exclusion of Emerging Biochemicals the underlying EBITDA of Performance Chemicals ends up € (2) m lower in the third quarter of 2015 and € (10) m lower for the first nine months of 2015 than previously published and the underlying EBITDA of Functional Polymers ends up € 16 m higher in the third quarter of 2015 and € 35 m higher for the first nine months of 2015 than previously published.

## Reconciliation of segment, underlying and IFRS data

(in € m)	Q3 2016	Q3 2015	9M 2016	9M 2015
<b>Underlying EBITDA</b>	<b>664</b>	<b>524</b>	<b>1,918</b>	<b>1,526</b>
Advanced Materials	292	236	852	651
Advanced Formulations	114	84	360	268
Performance Chemicals	217	209	640	582
Functional Polymers	76	61	204	154
Corporate & Business Services	(34)	(66)	(138)	(129)
Underlying depreciation, amortization & impairments	(198)	(172)	(591)	(500)
<b>Underlying EBIT</b>	<b>466</b>	<b>352</b>	<b>1,327</b>	<b>1,026</b>
Non-cash accounting impact from amortization & depreciation of purchase price allocation (PPA) from acquisitions [1]	(72)	(39)	(296)	(115)
Other legacy costs related to changes in portfolio (e.g. retention premiums) [1]	(3)	(3)	(8)	(9)
Net financial charges and remeasurements of equity book value of the RusVinyl joint venture	(2)	(34)	7	(39)
Result from portfolio management & reassessments	(20)	(57)	(162)	(100)
Result from legacy remediation & major litigations	(10)	(4)	(36)	(26)
<b>EBIT</b>	<b>360</b>	<b>215</b>	<b>832</b>	<b>737</b>
Net financial charges	(82)	(48)	(262)	(167)
<b>Result before taxes</b>	<b>278</b>	<b>167</b>	<b>570</b>	<b>570</b>
Income taxes	(33)	(49)	(108)	(204)
<b>Result from continuing operations</b>	<b>245</b>	<b>118</b>	<b>462</b>	<b>366</b>
Result from discontinued operations	(56)	(3)	(57)	50
<b>Net income</b>	<b>189</b>	<b>115</b>	<b>405</b>	<b>416</b>
Non-controlling interests	(13)	(12)	(28)	(48)
<b>Net income, Solvay share</b>	<b>176</b>	<b>103</b>	<b>376</b>	<b>368</b>

[1] The non-cash PPA impacts can be found in the reconciliation table on pages 16-19. For Q3 2016 these consist of € (72) m of amortization of intangible assets, which are adjusted for on the "Other operating gains & losses" and "Commercial & administrative costs" lines. The latter is also adjusted for the €(3) m Chemlogics retention premiums. At the end of September 2016 these consist of €(82) m recycling into profit & loss of Cytec inventory step-ups, which are adjusted for on the "Cost of goods sold" line, and €(214) m of amortization of intangible assets, which are adjusted for on the "Other operating gains & losses" and "Commercial & administrative costs" lines. The latter is also adjusted for the €(8) m Chemlogics retention premiums.

## 4. Share based payments

On February 24, 2016 the Board of Directors of Solvay SA decided to grant two long-term incentive plans for part of its key executives:

- a stock option plan (SOP) which will allow the acquisition of shares in Solvay; and
- a Performance Share Units (PSU) plan which will allow the beneficiaries to obtain cash based upon the Solvay share price.

### a) Stock option plan

The details of the stock options plan are as follows:

#### Stock option plan

Number of stock options accepted	759,022
Grant date	24/02/2016
Vesting date	01/01/2020
Vesting period	24/02/2016 to 31/12/2019
Exercise price (in €)	75.98
Exercise period	01/01/2020 to 23/02/2024

The stock option plan is an equity settled share-based plan. As of September 30, 2016, the impact on the consolidated income statement and consolidated statement of financial position is € (2) m.

## b) Performance Share Units Plan

The details of the performance share units plan are as follows:

### Performance share units

Number of PSU accepted	348,990
Grant date	24/02/2016
Vesting date	01/01/2019
Vesting period	24/02/2016 to 31/12/2018
Performance conditions	50% of the initial granted PSU are subject to the underlying EBITDA yoy growth % over 3 years (2016, 2017, 2018); 50% of the initial granted PSU are subject to the yoy CFROI % variation over 3 years (2016, 2017, 2018)
Validation of performance conditions	By the board of Directors

The performance share units plan is a cash-settled share-based plan. As of September 30, 2016, the impact on the consolidated income statement and consolidated statement of financial position is € (8) m.

## 5. Financial Instruments

### a) Valuation techniques

Compared to December 31, 2015, there are no changes in valuation techniques.

### b) Fair value of financial instruments measured at amortized cost

For all financial instruments not measured at fair value in Solvay's consolidated statement of financial position, the fair value of those financial instruments as of September 30, 2016 is not significantly different from the ones published in Note 37 of the consolidated financial statements for the year ended December 31, 2015.

### c) Financial instruments measured at fair value

The fair value of the derivative financial instrument representing the additional, performance based payment that Solvay would receive for its exit from Inovyn amounted to € 244 m at December 31, 2015. It increased to € 335 m following on the binding agreement signed with INEOS on March 31, 2016 for an early exit. It was settled on July 7, 2016.

For other financial instruments measured at fair value in Solvay's consolidated statement of financial position, the fair value of those instruments as of September 30, 2016 is not significantly different from the ones as published in the Note 37 of the consolidated financial statements for the year ended December 31, 2015.

During the nine months ended September 30, 2016, there were neither reclassification between fair value levels, nor significant changes in the fair value of financial assets and liabilities measured based on level 3 inputs, except as mentioned above.

## 6. Declaration by responsible persons

Jean-Pierre Clamadieu, Chief Executive Officer, and Karim Hajjar, Chief Financial Officer, of the Solvay Group, declare that to the best of their knowledge:

The consolidated interim financial information, prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union, reflects a faithful image of the assets and liabilities, financial situation and results of the Solvay Group;

The nine month management report contains a faithful presentation of significant events occurring during the nine first months of 2016, and their impact on the consolidated interim financial information;

The main risks and uncertainties are in accordance with the assessment disclosed in the section *Risk Management* in the Solvay 2015 Annual Report, taking into account the current economic and financial environment.



## 8. Auditor report on review of the consolidated interim financial information for the nine-month period ended 30 September 2016

### To the board of directors

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated statement of financial position as at 30 September 2016, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period of nine months then ended, as well as selective notes<sup>1</sup> to 6.

### Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of Solvay SA/NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standard IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

The consolidated statement of financial position shows total assets of € 23,462 m and the consolidated income statement shows a consolidated profit (group share) for the period then ended of € 376 m.

The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

### Scope of review

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410 – Review of interim financial information performed by the independent auditor of the entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of Solvay SA/NV has not been prepared, in all material respects, in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

Diegem, 8 November 2016

The statutory auditor



DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises

BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by Michel Denayer

# FINANCIAL GLOSSARY

**Adjustments:** Adjustments made to IFRS results for elements distorting comparability over time of the Group underlying performance. These adjustments consist of:

- Results from portfolio management and reassessments,
- Results from legacy remediation and major litigations,
- M&A related impacts, mainly including non-cash Purchase Price Acquisition impacts (e.g. inventory step-up and amortization of intangibles) and retention bonuses relative to Chemlogics and other acquisitions,
- Net financial results related to changes in discount rates, hyperinflation, coupons of hybrid bonds considered as dividends under IFRS and debt management impacts (mainly including gains/(losses) related to the early repayment of debt),
- Adjustments of equity earnings for impairment gains or losses and unrealized foreign exchange gains or losses on debt,
- Results from available-for-sale financial assets,
- Tax effects related to the items listed above and tax expense or income of prior years.
- All adjustments listed above apply to both continuing and discontinuing operations, and include the impacts on non-controlling interests.

**Basic earnings per share:** Net income (Solvay's share) divided by the weighted average number of shares, after deducting own shares purchased to cover stock option programs.

**Capital expenditure (capex):** Cash paid for the acquisition of tangible and intangible assets

**CFROI:** Cash flow return on investment, calculated as the ratio between recurring cash flow and invested capital, where

- Recurring cash flow = underlying EBITDA + (dividends from associates and joint ventures – earnings from associates and joint ventures) – recurring capex – tax;
- Invested capital = replacement value of fixed assets + working capital + carrying amount of associates and joint ventures;
- Recurring capex is normalized at 2% of the replacement value of fixed assets net of goodwill values;
- Tax is normalized at 30% of (underlying EBIT – earnings from associates and joint ventures);

**Discontinued operations:** Component of the Group which the Group has disposed of or which is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

**EBIT:** Earnings before interest and taxes.

**EBITDA:** earnings before interest and taxes, depreciation and amortization.

**Free cash flow:** Cash flow from operating activities (including dividends from associates and joint ventures and excluding cash flow related to acquisitions of subsidiaries) and Cash flow from investing activities (excluding acquisitions and disposals of subsidiaries and other investments and excluding loans to associates and non-consolidated investments).

**GBU:** Global business unit.

**Gearing ratio:** Net financial debt / total equity.

**IFRS:** International Financial Reporting Standards.

**Leverage ratio:** Net financial debt / underlying EBITDA of last 12 months.

**Net cost of borrowings:** cost of borrowings netted with interest on lendings and short-term deposits, as well as other gains (losses) on net indebtedness

**Net debt:** Non-current financial debt + current financial debt – cash & cash equivalents – other financial instrument receivables.

**Net financial charges:** net cost of borrowings, costs of discounting provisions (namely, related to post-employment benefits and HSE liabilities) and income / loss from available-for-sale financial assets.

**Net pricing:** The difference between the change in sales prices versus the change in variable costs.

**Net sales:** Sales of goods and value added services corresponding to Solvay's know-how and core business. Net sales exclude other revenues primarily comprising commodity and utility trading transactions and other revenue deemed as incidental by the Group.

**Net working capital:** includes inventories, trade receivables and other current receivables, netted with trade payables and other current liabilities.

**OCI:** Other Comprehensive Income.

**pp:** Unit of percentage points or 1.0%, used to express the evolution of ratios.

**PPA:** Purchase Price Allocation (PPA) accounting impacts related to acquisitions, primarily for Rhodia and Cytec.

**Pricing power:** The ability to create positive net pricing.

**PSU:** Performance Share Unit.

**Result from legacy remediation and major litigations:** It includes:

- The remediation costs not generated by on-going production facilities (shut-down of sites, discontinued activities, previous years' pollution), and
- The impact of significant litigations.

**Results from portfolio management and reassessments:** It includes:

- Gains and losses on the sale of subsidiaries, joint operations, joint ventures, and associates that do not qualify as discontinued operations; Acquisition costs of new businesses;
- Gains and losses on the sale of real estate not directly linked to an operating activity;
- Major restructuring charges;
- Impairment losses resulting from the shutdown of an activity or a plant; and
- Impairment losses resulting from testing of CGUs.

It excludes non-cash accounting impact from amortization and depreciation resulting from the purchase price allocation (PPA) from acquisitions.

**Results on disposals:** It includes gains/(losses) from activities presented as discontinued operations.

**Revenue from non-core activities:** Revenues primarily comprising commodity and utility trading transactions and other revenue deemed as incidental by the Group, considered to not correspond to Solvay's know-how and core business.

**SOP:** Stock Option Plan.

**Tax rate:** Income taxes / (Result before taxes – Earnings from associates & joint ventures – interests & realized foreign exchange results on RusVinyl joint venture). The adjustment of the denominator regarding associates and joint ventures is made as these contributions are already net of income taxes.

**Underlying:** Underlying results are deemed to provide a more comparable indication of Solvay's fundamental performance over the reference periods. They are defined as the IFRS figures adjusted for the "Adjustments" as defined above.

**Underlying net debt:** Underlying net debt reclassifies as debt 100% of the hybrid perpetual bonds, considered as equity under IFRS.

**yoy:** Year on year comparison.

## BUSINESS GLOSSARY

**FKM:** Fluoro-elastomer, polymer type.

**HPPPO:** Hydrogen peroxide propylene oxide, new technology to produce propylene oxide using hydrogen peroxide.

**PA:** Polyamide, polymer type.

**PCC:** Precipitated calcium carbonate.

**PVC:** Polyvinyl chloride, polymer type.

## SAFE HARBOR

This press release 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 press release 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&I 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.

# KEY DATES FOR INVESTORS

<b>January 16, 2017</b>	Interim dividend ex-coupon date
<b>January 17, 2017</b>	Interim dividend record date
<b>January 18, 2017</b>	Interim dividend payment date
<b>February 24, 2017</b>	Publication of the 4 <sup>th</sup> quarter and full year 2016 results
<b>May 3, 2017</b>	Publication of the 1 <sup>st</sup> quarter 2017 results
<b>May 9, 2017</b>	Annual general meeting
<b>August 1, 2017</b>	Publication of the 2 <sup>nd</sup> quarter and 1 <sup>st</sup> half year 2017 results
<b>November 8, 2017</b>	Publication of the 3 <sup>rd</sup> quarter 2017 results

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An international chemical and advanced materials company, Solvay assists its customers in innovating, developing and delivering high-value, sustainable products and solutions which consume less energy and reduce CO2 emissions, optimize the use of resources and improve the quality of life. Solvay serves diversified global end markets, including automotive and aerospace, consumer goods and healthcare, energy and environment, electricity and electronics, building and construction as well as industrial applications. Solvay is headquartered in Brussels with about 30,000 employees spread across 53 countries. It generated pro forma net sales of €12.4 bn in 2015, with 90% made from activities where it ranks among the world's top 3 players. Solvay SA (SOLB.BE) is listed on Euronext in Brussels and Paris (Bloomberg: SOLB.BB - Reuters: SOLB.BR).

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