



SOLVAY

asking more from chemistry®

Q2 2014 results

July 31, 2014

FORENOTE

All 2013 data are restated for comparison purposes for the Group's application of IFRS 11 effective January 1st 2014.

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

Sustained Earnings growth momentum



Solid demand dynamics

- Particularly at innovation-driven Growth engines
- Strong Chemlogics contribution



Strong operating leverage offset forex headwinds and CER phase out



Excellence programs momentum continued

- Sustained pricing power
- Fixed cost inflation offset



All operating segments contributing to profit expansion



Strong set of results

- REBITDA
+10% YoY
- Margin
+140bp
to 18.4%

Strong set of results

Q2 2014 financial highlights

€2.6 bn

Net Sales

+2%

yoy

- ↗ Organic volume growth, despite CER phase-out
- ↗ Strong Chemlogics contribution
- Stable pricing
- ↘ Forex headwinds

€485 m

REBITDA

+10%

yoy

- ↗ Solid demand dynamics further strengthened by excellence momentum
 - ↗ Sustained pricing power
 - ↗ Inflation of fixed costs offset
- ↘ Forex headwinds

€(292) m

Net Income

Adjusted, Group share

€ 148 m

in 2013

- ↗ Lower non-recurring costs
- ↗ Debt optimization led to lower cost of carry but offset by one-off HSE discounting charges
- ↘ Impairment related to Inovyn™ € (422) m (mainly non-cash)

€89 m

FCF

+40%

yoy

- In line with seasonal patterns

Strategic portfolio management pursued

Initiated divestitures nearing completion

Chlorovinyls exit

Inovyn™ JV creation by YE 2014

- Conditional approval received from EU anti-trust authorities
- Binding deal reached with JV partner Ineos
 - Simplified terms
 - Large part of targeted cash proceeds secured upfront
 - Exit after 3 years
- JV creation expected by YE 2014

Benvic sale closed

- Sold to OpenGate in June 2014

Indupa sale to Braskem progressing

- Awaiting approval from Brazilian anti-trust authorities before YE 2014

Eco Services exit

Sale to CCMP Capital

- Sulphuric acid virgin production and regeneration business in US
- Binding agreement reached with CCMP Capital
- EV of US\$ 890 m
- EV/EBITDA* just over 8.0x

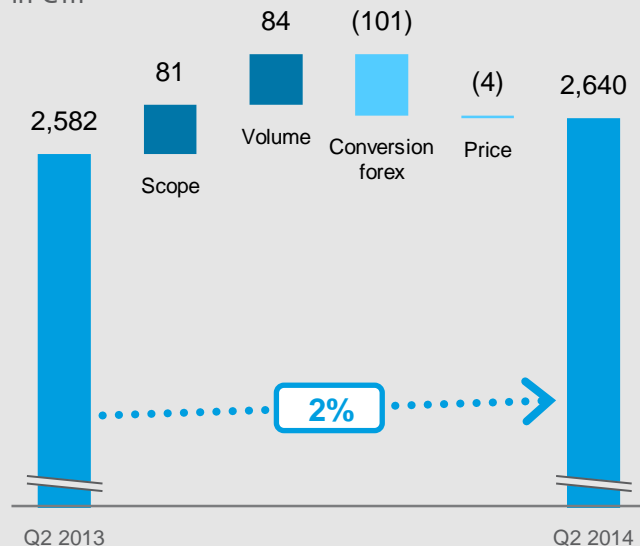
* LTM as of June 2014

Redeployment for Value

Demand and excellence momentum underpinning solid REBITDA growth despite headwinds

Net Sales

in €m



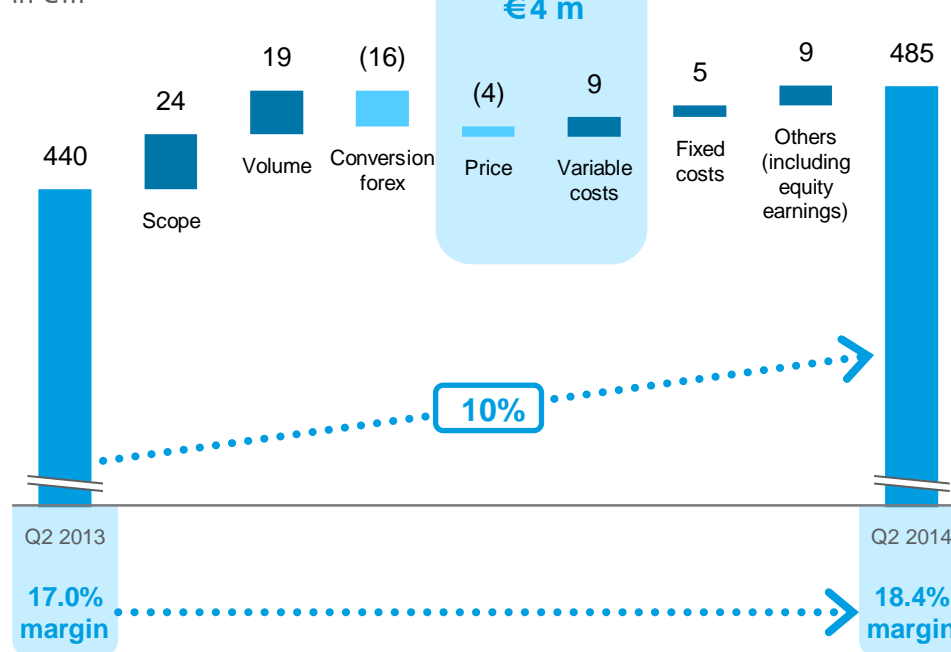
Organic volume growth despite CER phase-out. Sales of €44 m in Q2 2013

Strong Chemlogics contribution

Forex headwinds primarily from USD, BRL, THB, CNY and JPY

REBITDA

in €m



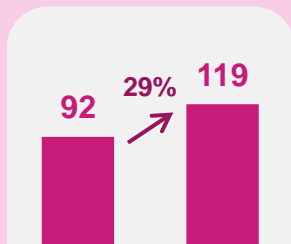
Operating results underpinned by demand and Excellence programs

- Sustained pricing power
- Inflation of fixed costs offset

REBITDA margin increased by 140 bp

Broad performance delivery across businesses

in €m

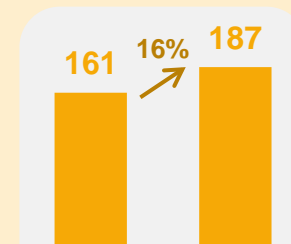


Strong Chemlogics and volume growth largely offset forex and weak performance in Coatis

Q2 2013 Q2 2014

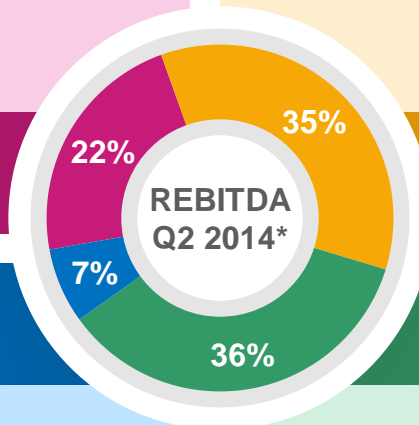
Advanced Formulations

Record performance underpinned by innovation-driven volume growth and operational efficiency

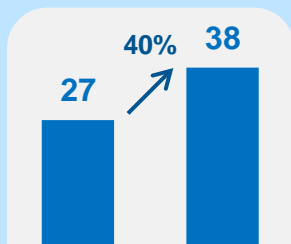


Q2 2013 Q2 2014

Advanced Materials



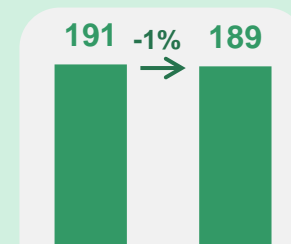
Functional Polymers



Q2 2013 Q2 2014

Improved demand and strong manufacturing excellence program delivery

Performance Chemicals



Q2 2013 Q2 2014

Pricing power and volume growth offset by fixed cost inflation and forex

* Excluding Corporate & Business Services

Result from continued operations increased by 31%

Adjusted Profit & Loss statement

in € m	Q2 2014	Q2 2013
Net sales	2,640	2,582
REBITDA	485	440
Other elements	11	(1)
Depreciation & Amortization	(160)	(155)
REBIT	337	284
Non-recurring items	(46)	(97)
EBIT	291	187
Net financial charges	(75)	(51)
Income taxes	(65)	(20)
Result from continuing operations	150	115
Result from discontinued operations	(481)	48
Net income Solvay share	(292)	148

Other elements

- € 13 m impact of Ruble evaluation on debt Rusvinyl
- € (2) m holdback payments at Chemlogics

Non-recurring costs

- Restructuring costs of € (13) m, significantly down on Q2 2013

Net financial charges

- Net debt charges fell € (11) m thanks to debt optimization
- Discounting costs for environmental provisions up € (30) m as rates down 50 bp in Eurozone, compared to upward move in Q2 2013 in Nafta and Mercosur.

Income taxes

- Nominal tax rate of 33% (34% underlying)
- Taxes Q2 2013 at low level due to non-recurring elements

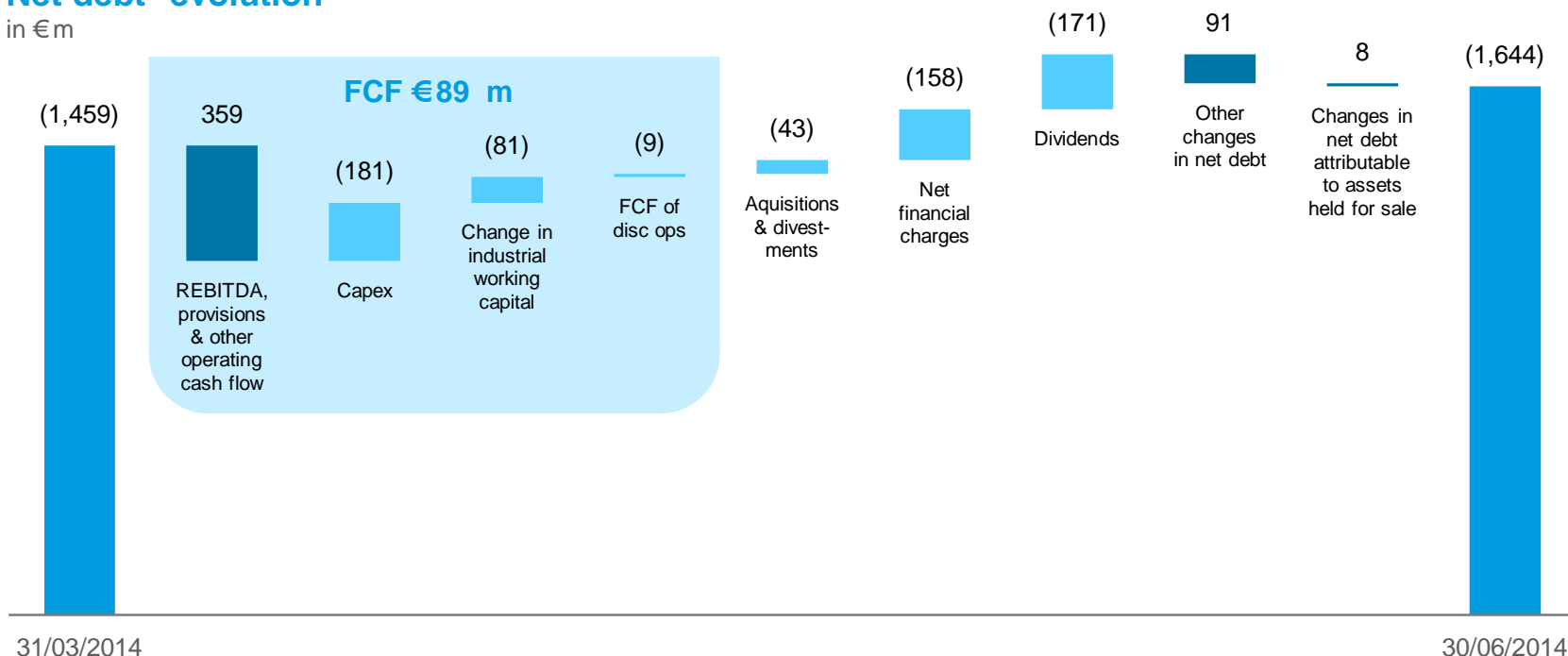
Discontinued operations

- € (422) m impairment, Solvay share, related to Inovyn™

Net debt increase in line with seasonal dividend and interest payment patterns

Net debt* evolution

in € m



Working capital uptake in a context of demand dynamics and planned maintenance turn-arounds

Concentration of interest payments in Q2. Includes € (50) m of one-offs related to early HY bond repayment

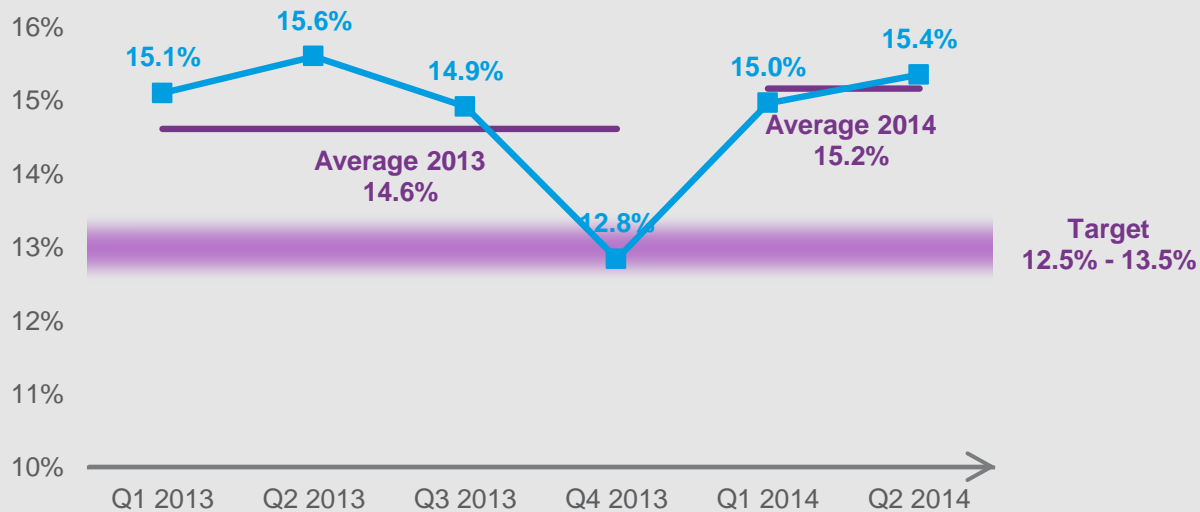
Payment of dividend balance and 1st hybrid coupon of € (15) m

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

Working Capital needs in line with demand dynamics and industrial cycle

Industrial working capital

% of gross sales



Historical figures restated for consolidation changes (including IFRS 11)



Uplift in demand

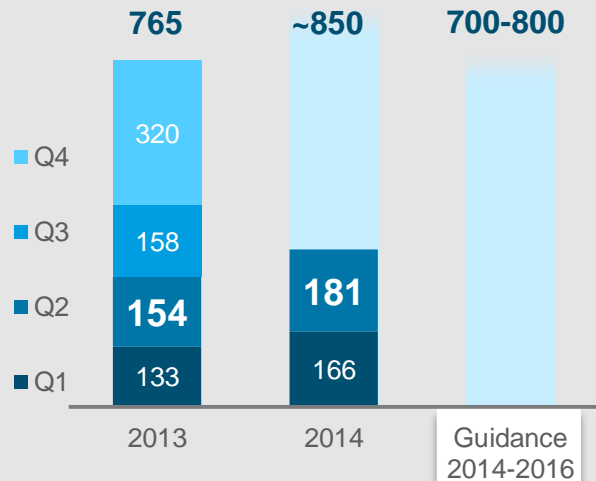


Industrial cycle

Selective investments for value

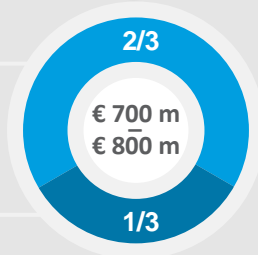
Capex

(continuing operations)
In €m

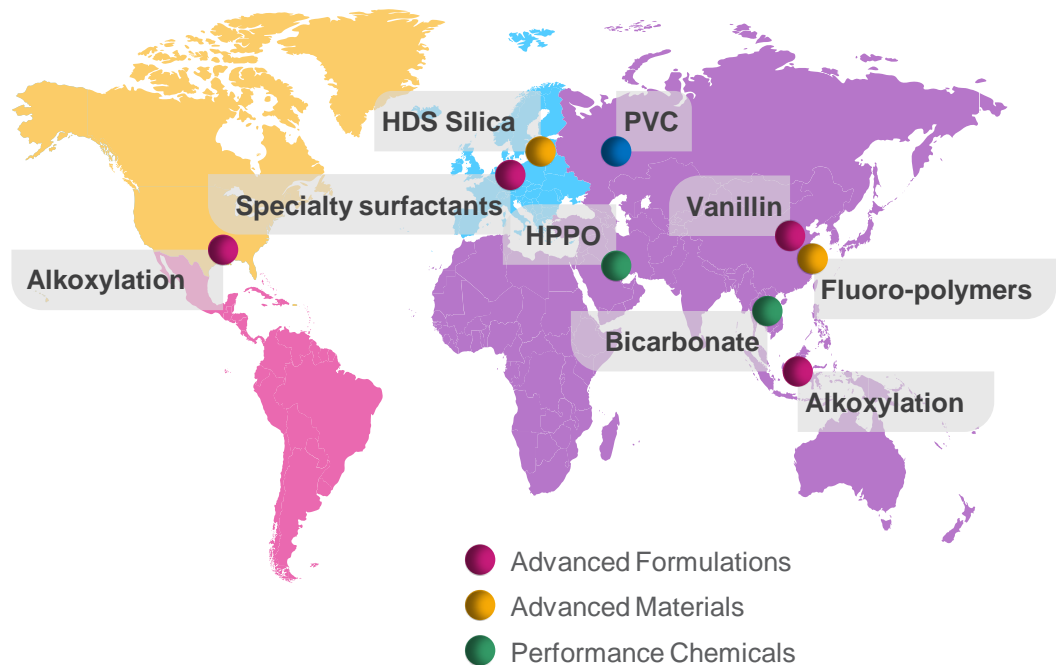


Growth engines

Resilient & cyclical
businesses



Selective investments
focused on
superior growth areas



Larger on-going investment projects

2014

Expected
commissioning

Novecare

- Specialty Surfactants plant in Germany

Aroma Performance

- Vanillin plant in China

Specialty Polymers

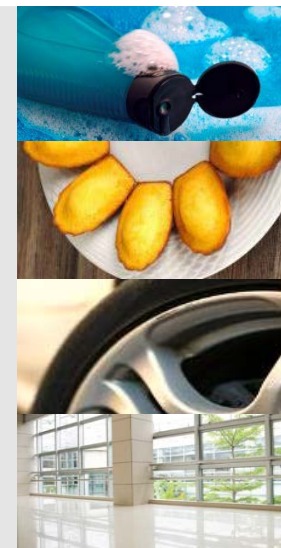
- Fluoro-polymers JV with 3F

Silica

- HDS plant in Poland
85 ktonnes/year

Rusvynyl*

- PVC plant in Russia (in JV with Sibur)
330 ktonnes/year



Novecare

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

Specialty Polymers

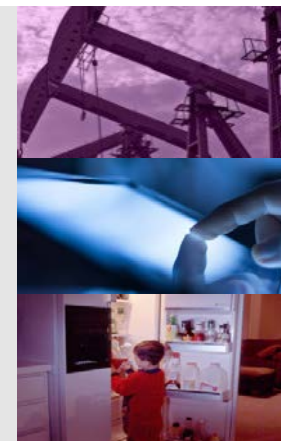
- Fluoro-polymers plant in China

Peroxide

- HPPO plant in Saudi Arabia
300 ktonnes/year

Soda Ash & Derivatives

- Bicarbonate plant in Thailand
100 ktonnes/year

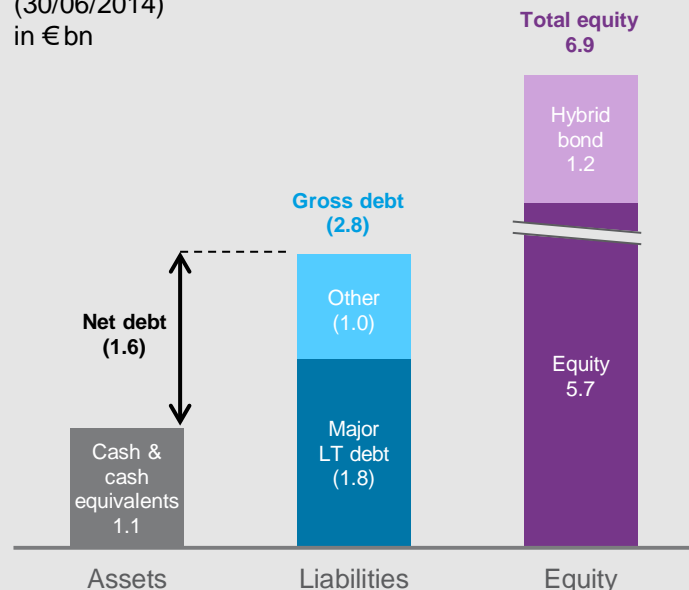


* Reported as equity investment

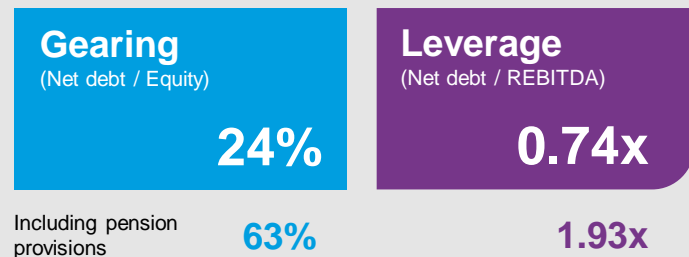
A sound and more efficient balance sheet

Capital structure

(30/06/2014)
in € bn

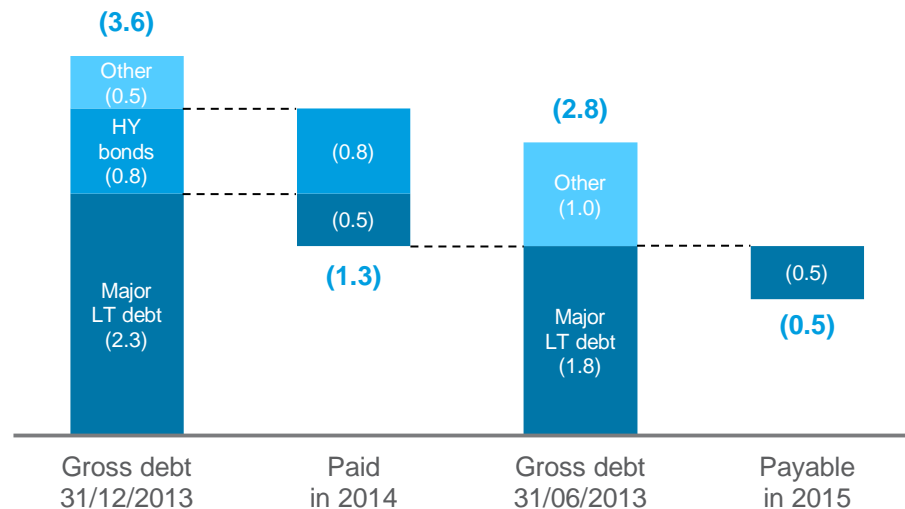


Strong credit ratios (30/06/2014)



Optimising Balance Sheet efficiency

in € bn



Repayments in 2014-2015 → €1.8 bn

Early redemption of high-yield (HY) bonds

⇒ Average interest rate reduced by 40 bp to 4.9%

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

**Encouraging
H1 underpins
confidence**

**Solvay expects
high single-digit
REBITDA growth
at current perimeter*
& prevailing forex
exchange rates**

* Reflects eventual restatement in 2013 and 2014 reference periods for the discontinuation of Eco Services

Transformation continues



- Complete initiated portfolio upgrades
- Grow with our customers
- Sustain focus on excellence
- Deliver profit growth

Asking more from chemistry

Take-aways



Inflection point
in demand



Progress on
all fronts



Poised
for growth

On track towards

**REBITDA to reach
€2.3 – 2.5 bn***



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

REBITDA margin
to reach 18%

2016

2/3 of businesses
in value-creation zone

* At constant perimeter

** Prior to discontinued operations

Safe harbour

To the extent that any statements made in this presentation contain information that is not historical, these statements are essentially forward-looking. The achievement of forward-looking statements contained in this presentation is subject to risks and uncertainties because of a number of factors, including general economic factors, interest rate and foreign currency exchange rate fluctuations; changing market conditions, product competition, the nature of product development, impact of acquisitions and divestitures, restructurings, products withdrawals; regulatory approval processes, all-in scenario of R&D projects and other unusual items.

Consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements can be identified by the use of words such as "expects," "plans," "will," "believes," "may," "could" "estimates," "intends", "goals", "targets", "objectives", "potential", and other words of similar meaning. Should known or unknown risks or uncertainties materialize, or should our assumptions prove inaccurate, actual results could vary materially from those anticipated. The Company undertakes no obligation to publicly update any forward-looking statements.

Annexes

- **Additional Q2 and H1 2014 financial data**
- Additional FY 2014 considerations
- 2016 ambitions
- Segment presentation



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Balance sheet

in € m	30/06/2014	31/12/2013
Fixed assets	9,780	9,732
Investment & shares	825	735
Loans & other non current financial receivables / payables	23	84
Assets held for sale	1,195	1,621
Taxes payable/receivable + Others	89	44
Working capital	1,578	1,259
Total invested capital	13,490	13,475
Equity	6,884	7,453
Provisions	4,018	3,820
Dividends	(2)	112
Net financial debt	1,644	1,142
Liabilities related to assets held for sale	946	949
Total financing	13,490	13,475

Q2 Cash flow statement

in € m	Q2 2014	Q2 2013
Cash flow from operating activities	293	212
Cash flow from investing activities	(289)	(163)
Cash flow from financing activities	(85)	(359)
Net change in cash & cash equivalents	(81)	(311)
Currency translation differences	(1)	(46)
Opening cash balance	1,193	1,614
Ending cash balance	1,111	1,258
Free Cash Flow	89	64
From continuing operations	98	10
From discontinued operations	(9)	54

H1 Income statement

(adjusted)

in € m	H1 2014	H1 2013
Net sales	5,192	5,098
REBITDA	953	862
Other elements	(5)	-
Depreciation & Amortization	(321)	(310)
REBIT	626	552
Non-recurring items	(76)	(137)
EBIT	551	415
Net financial charges	(173)	(135)
Income taxes	(118)	(76)
Result from continuing operations	260	204
Result from discontinued operations	(470)	60
Net income Solvay share	(186)	235

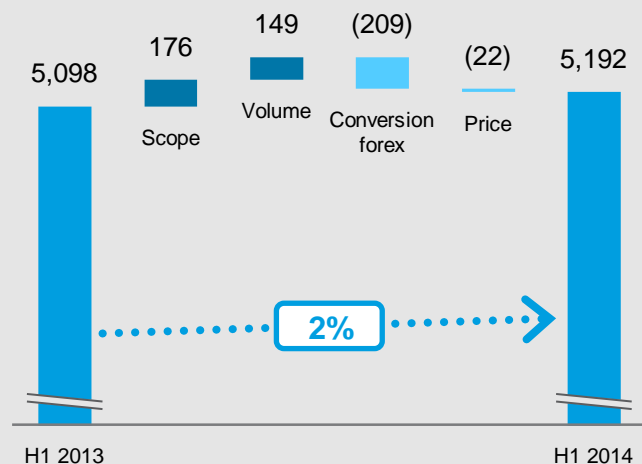
H1 Cash flow statement

in € m	H1 2014	H1 2013
Cash flow from operating activities	390	357
Cash flow from investing activities	(511)	(332)
Cash flow from financing activities	(738)	(526)
Net change in cash & cash equivalents	(859)	(501)
Currency translation differences	(3)	(28)
Opening cash balance	1,972	1,787
Ending cash balance	1,111	1,258
Free Cash Flow	(8)	53
From continuing operations	(61)	(122)
From discontinued operations	53	175

Demand and excellence momentum underpinning REBITDA growth

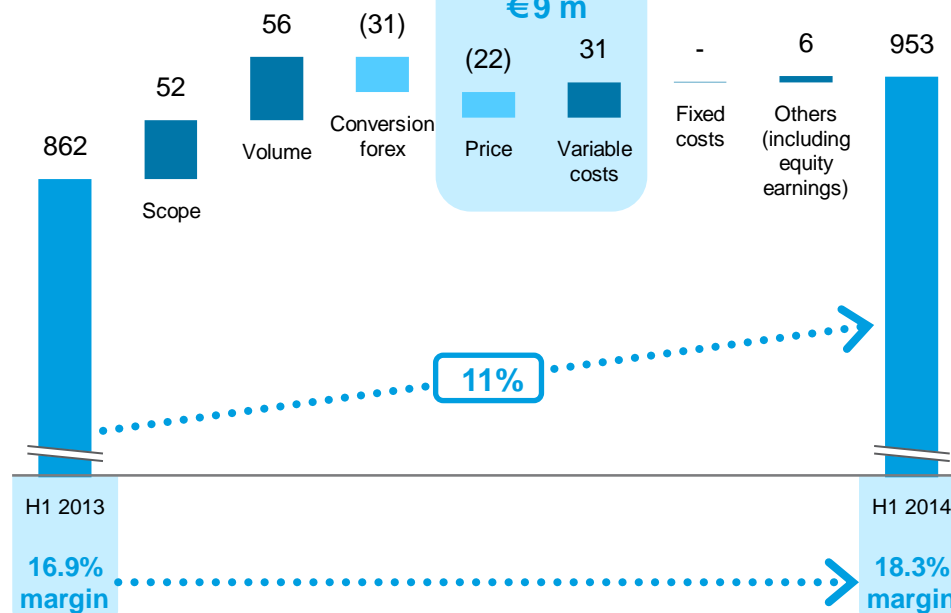
Net Sales

in €m



REBITDA

in €m



Organic volume growth despite CER phase-out. Sales of €58 m in H1 2013

Strong Chemlogics contribution

Forex headwinds primarily from USD, BRL, THB, CNY and JPY

Operating results underpinned by demand and Excellence programs

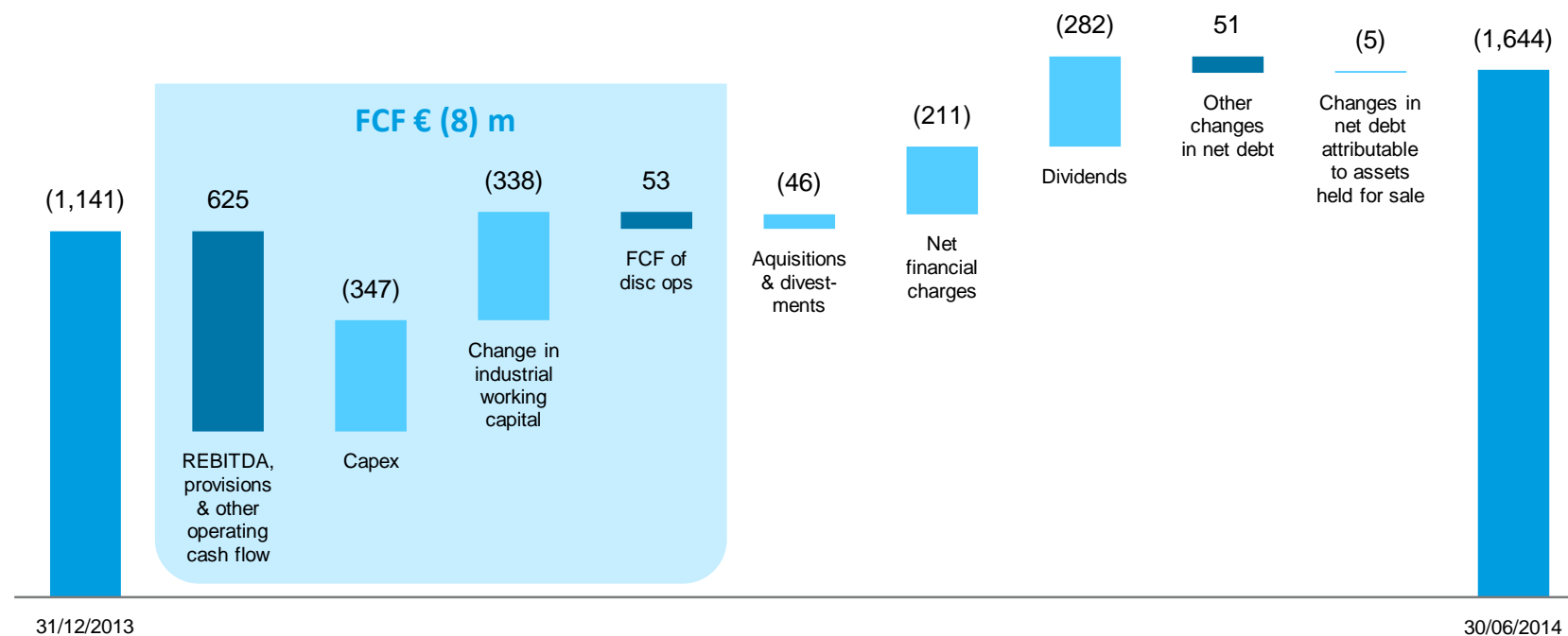
- Sustained pricing power
- Inflation of fixed costs offset

REBITDA margin increased by 140 bp

Net debt increase in line with seasonal patterns

Net debt* evolution

in €m



Working capital uptake in a context of demand dynamics and planned maintenance turn-arounds

Concentration of interest payments in H1. Includes € (50) m of one-offs related to early HY bond repayment

Payment of dividend balance and 1st hybrid coupon of € (15) m

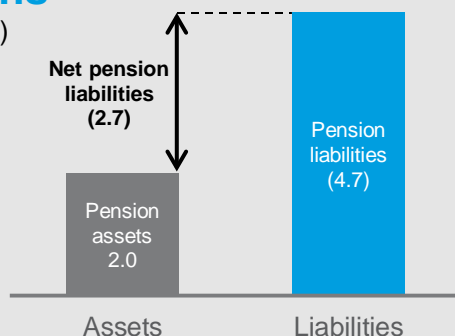
* Net debt excludes hybrid bonds of € 1.2 bn booked as equity

Lower rates led to slight pension liability increase

All presented figures are for continued operations only

Pensions

(30/06/2014)
in € bn



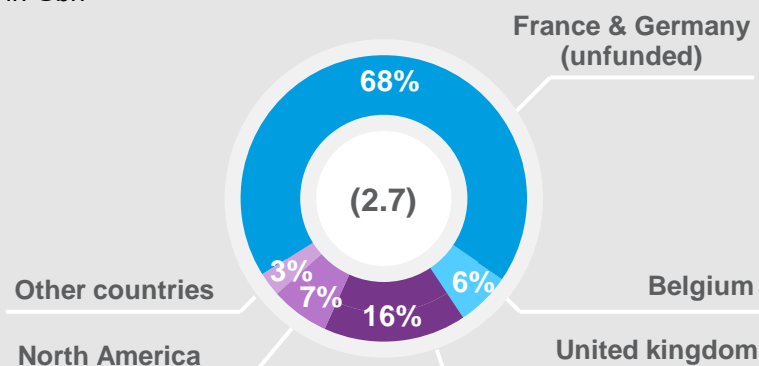
Net pension liability denominated for 76% in EUR

Discount rates* decreased

	31/12/2013	30/06/2014	change
EUR	3.25%	2.75%	-0.50%
GBP	4.50%	4.25%	-0.25%
USD	4.75%	4.25%	-0.50%
Weighted average	3.88%	3.50%	-0.38%

Net pension liabilities

(30/06/2014)
in € bn



Pension assets of €2,022 m by 30/06/2014

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

Cash contribution in H1 2014 of €(86) m, vs €(81) m in H1 2013

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

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- **Additional FY 2014 considerations**
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REBIT(DA) considerations for 2014

Forex impact

- FY YoY impact expected of € (60) – (65) m at prevailing rates
- H1 YoY impact of € (53) m
- More than half conversion, rest transactional
- Mainly linked to USD, JPY and BRL

Rusvinyl ramp-up

- PVC JV in Russia
- Pre-operational charges linked to impact on JV debt of ruble/euro fluctuation with H1 impact of € 2 m
- Planned commissioning and subsequent ramp-up in H2

CERs (Carbon Emission Rights)

- Scheme phased out in H1 2013
- FY YoY sales impact of €(58)m, taken in H1

Eco Services

- Sale closing expected before YE 2014

Chemlogics effects

- Acquisition consolidated since 01/11/2013
- H1 PPA inventory impact + holdback payments for € (7) m
- Going forward only holdback payments of ~ € (2) m per quarter until 2016

Financials considerations for 2014

Cost of net indebtedness

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

Discounting cost on provisions

- Recurring FY cost of € (120) – (130) m, provided no change in discount rates* during year
- Additional one-off charges in H1 of € (29) m from impact of discount rates decrease on environmental provisions

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

Hybrid bond

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

Other considerations for 2014

Depreciation & amortization

- Recurring Depreciation & Amortization
 - H1 cost of € (321) m
 - FY cost expected of ~ € (650) m
- Rhodia PPA impact
 - H1 impact of € 58 m
 - FY impact expected of ~ € 115 m

Discontinued operations

- Expected to reach completion in 2014
- Indupa sale to generate ~ € (60) m* currency translation adjustments at deal closing
- Chlorovinyls JV with Ineos will be treated as recurring equity investment upon JV effectiveness

* Situation as of 30/06/2014

Underlying tax rates

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

Non-recurring elements

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

Annexes

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- **2016 ambitions**
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SOLVAY

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Solvay, a major global chemical player

€10.0 bn

Net Sales

€1.7 bn

REBITDA

17%

REBITDA margin

€378 m

Adjusted Net Income,
Group share

Based on strengths



Well-balanced geographical spread and end-user markets



Leading player in 90% of our businesses



Strong R&I portfolio

117

Industrial sites

15

Major R&I centers

29,400

Employees (EFTEs)

56

Country presence

And with ambition

2013 figures

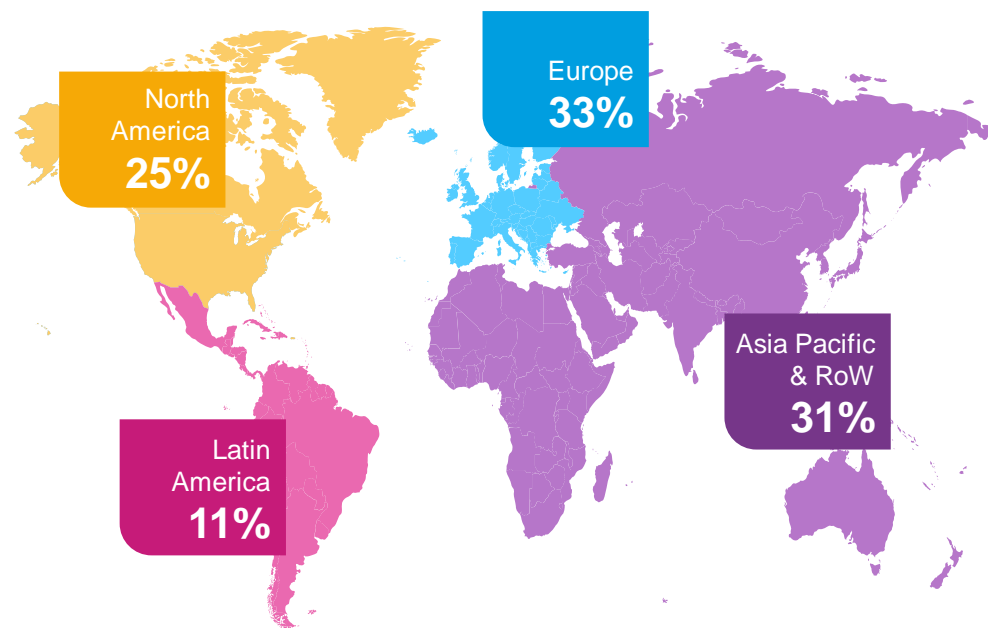
Non-financial figures exclude discontinued operations, except for employees

Restated for IFRS 11 application as from 01/01/2014

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

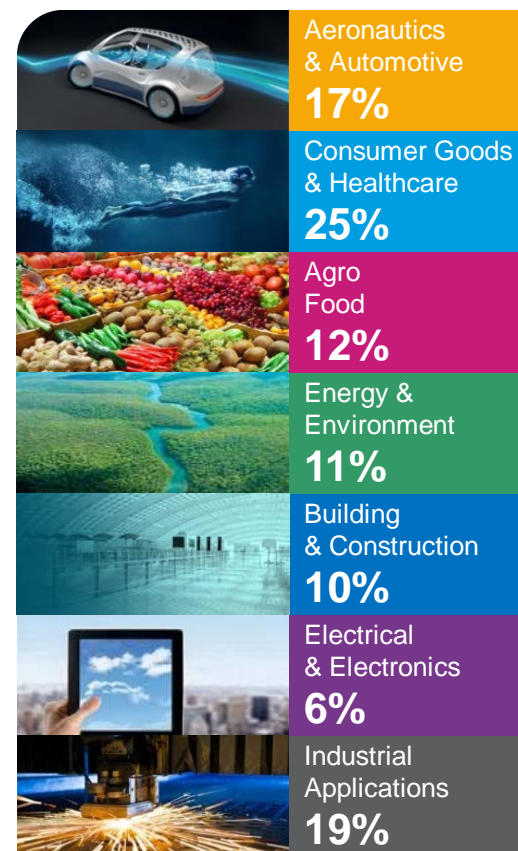
Well-balanced geographical spread and end-user markets

Balanced geographic exposure*



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

Exposure to higher growth end-markets*



90% of our business ranking among top 3 players

1

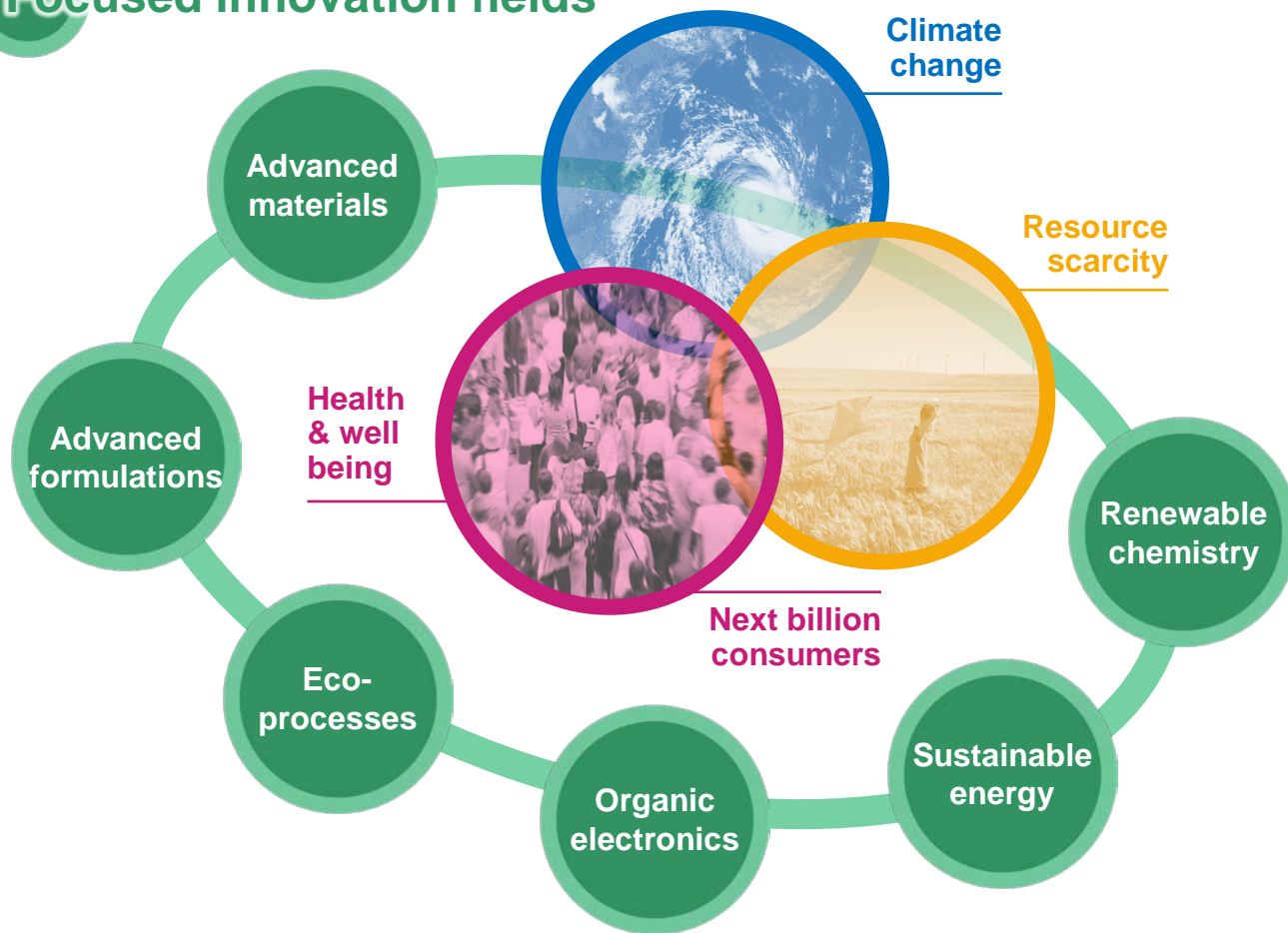
ADVANCED FORMULATIONS	Specialty surfactants	PERFORMANCE CHEMICALS	Hydrogen peroxide
	Diphenols		Soda ash
	Phosphorus chemistry		Bicarbonate
ADVANCED MATERIALS	High-performance engineering polymers & compounds	Fluorinated polymers	Rare earth formulations
		High-barrier polymers	High-dispersible silica

3

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

Strong innovation portfolio aligned with global megatrends

Focused innovation fields



2013

15

Major R&I sites worldwide

1,950

R&I staff

€280 m

R&I efforts

22%

New sales ratio

252

Patents filed

Converting vision into value

Our vision

- Build a **strong global leader** in the chemical industry
- Be a model of **sustainable chemistry**
- Become a **high growth, less capital intensive & high return** Group

Our strategy

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

Our 2016 ambition

REBITDA to reach €2.3 – 2.5 bn*

➔ **REBITDA margin to reach 18%**

CFROI to increase by >100 bp vs 2013**

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

Being a model of sustainability

➔ **Reducing our impact on environment**

* At constant perimeter
** Prior to discontinued operations

A business portfolio change

Executing our strategic action plan

2010

Pharma divestiture

2011

Rhodia acquisition

2012

INTEGRATION

Integration & definition of new strategic priorities

Alignment of corporate & business structure

Renew management And people model

2013

TRANSFORMATION

Chlorovinyls Europe JV announcement

Solvay Indupa divestiture

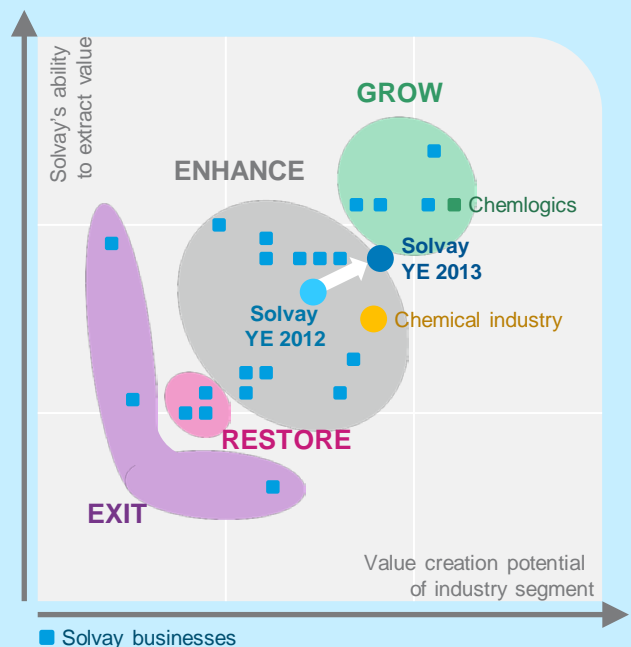
Chemlogics acquisition

LAUNCHING EXCELLENCE INITIATIVES

Polyamide breakthrough performance improvement plan

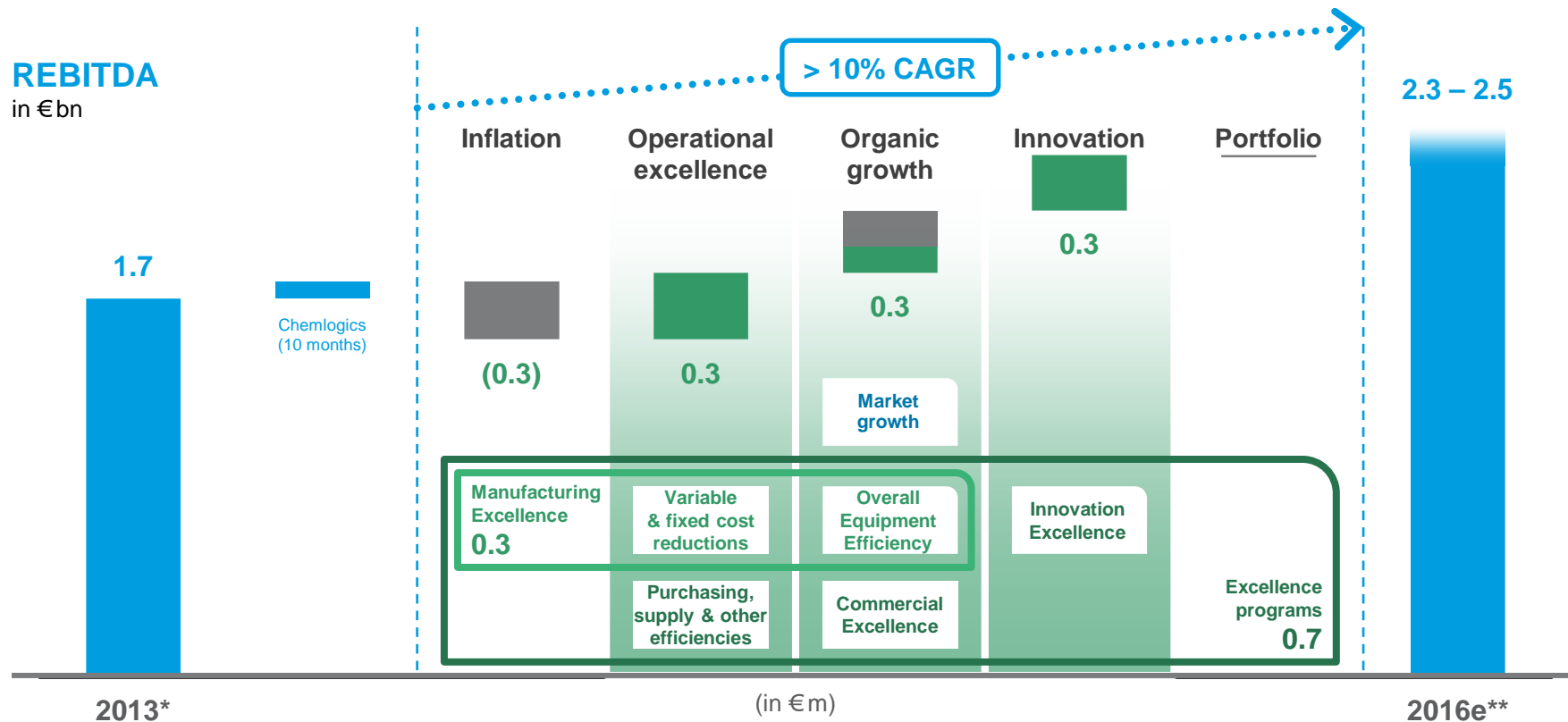
Soda Ash breakthrough performance improvement plan

To enhance our business profile



REBITDA growth supported by strong operational levers

REBITDA
in € bn



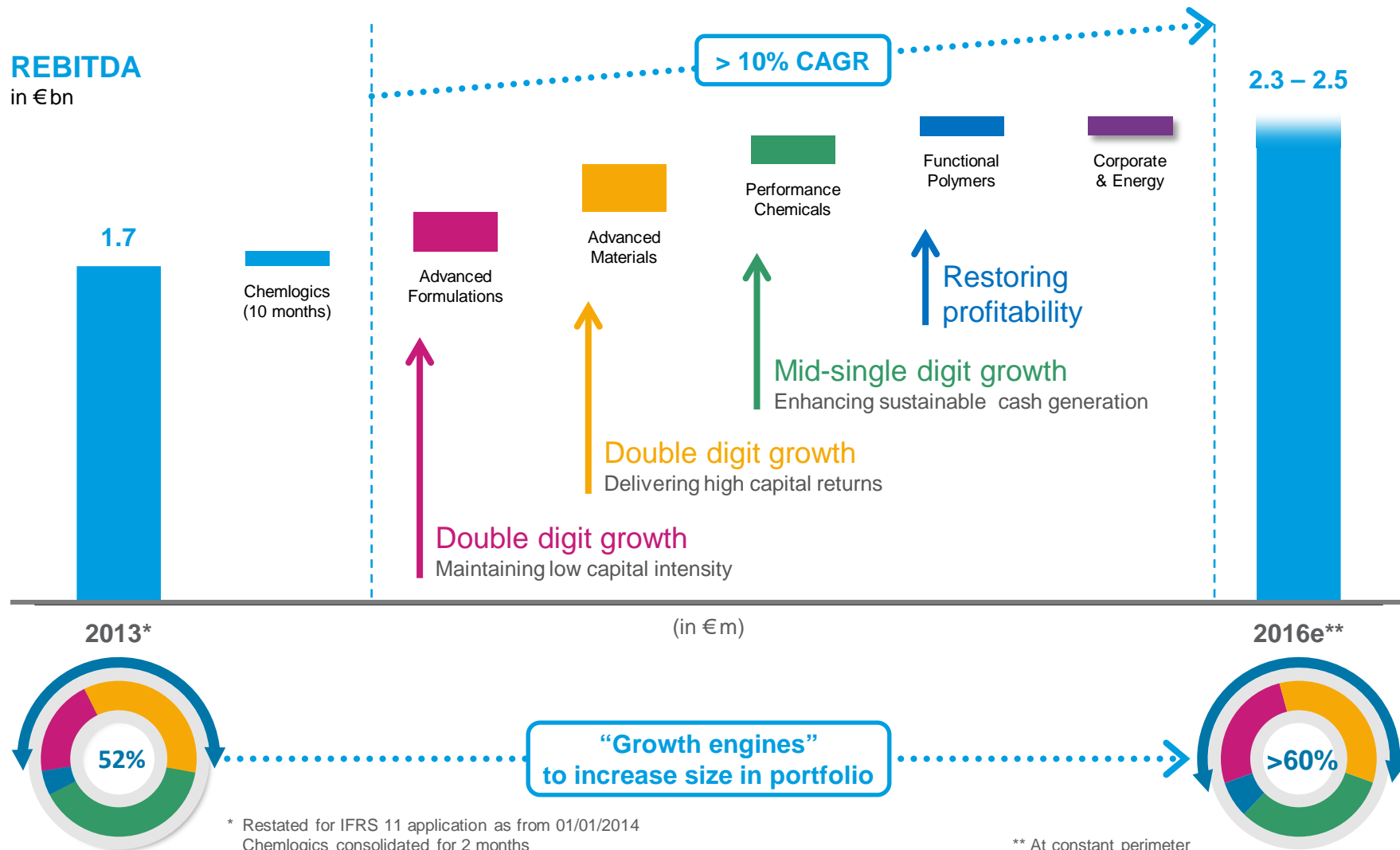
REBITDA
margin
17%

* Restated for IFRS 11 application as from 01/01/2014
Chemlogics consolidated for 2 months

** At constant perimeter

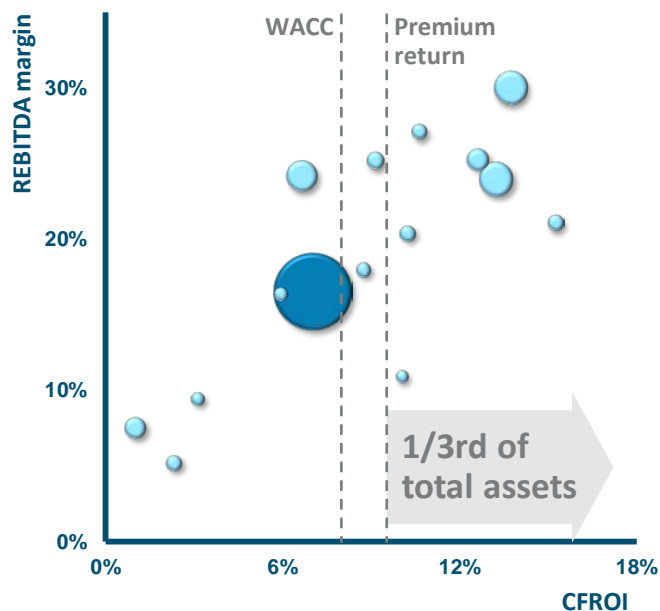
REBITDA
margin
18%

Enhanced quality of earnings across segments with differentiated levers throughout our businesses



Unlocking value by increasing CFROI and REBITDA margin

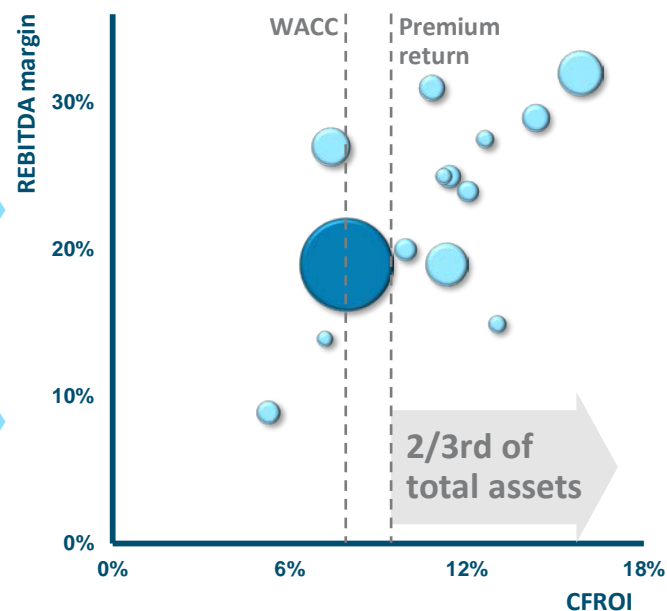
2012



CFROI
to increase by
100bp

REBITDA margin
to reach
18%

2016



GBUs

Solvay

Bubble Size indicates REBITDA (in €bn)

$$\text{CFROI} = \frac{\text{REBITDA} - \text{Rec. Capex} - \text{Tax}}{\text{Gross assets} + \text{Working Capital}}$$

$$\text{Premium return} = \text{WACC} + 150\text{bp}$$

Focused on being a model of sustainability taking commitments

SOLVAY way



Planet



Customers



Investors



Suppliers

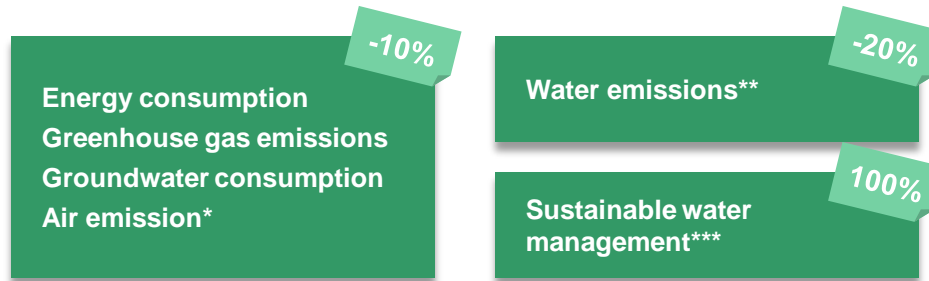


Communities



Employees

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



- Manage risk
- Develop rich & balanced social dialogue



Dow Jones
Sustainability Indexes
Member 2012/13



Providing sustainable solutions

Executing a clear value creation strategy

**Towards a higher growth,
improved cash generation
& enhanced returns
Chemical Group**



**Targeting Sustainable
Value Growth**



Annexes

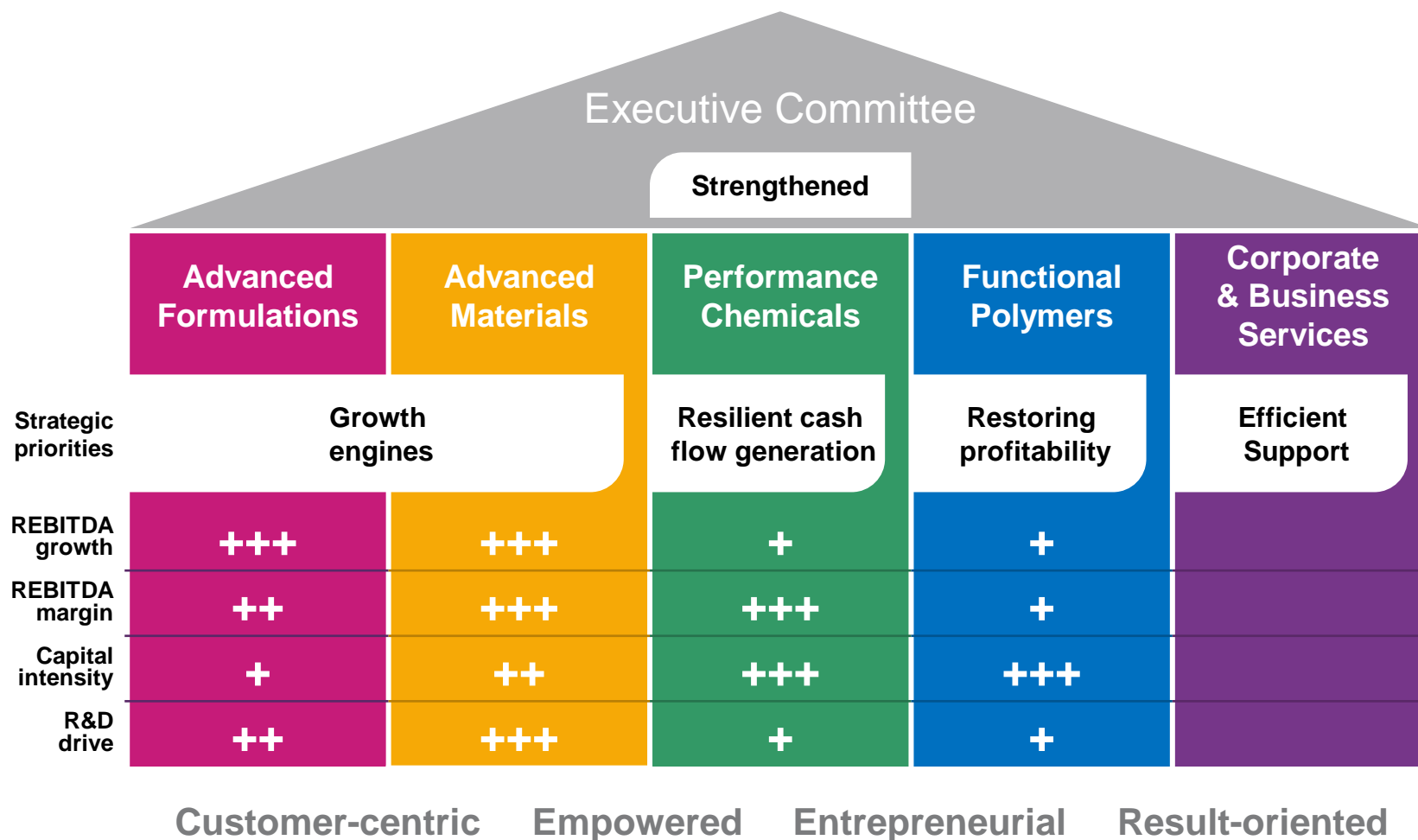
- Additional Q2 and H1 2014 financial data
- Additional FY 2014 considerations
- 2016 ambitions
- **Segment presentation**



SOLVAY

asking more from chemistry®

Organization set-up



Organized in Global Business Units

	Advanced Formulations	Advanced Materials	Performance Chemicals	Functional Polymers	Corporate & Business Services
	Novecare Aroma Performance Coatis	Specialty Polymers Silica Rare Earth Systems Special Chemicals	Soda Ash & Derivatives Peroxide Acetow Eco-Services** Emerging Biochemicals	Polyamide P&I Engineering Plastics Fibras	Solvay Energy Services Corporate Functions
2013*					
REBITDA	€369 m	€646 m	€766 m	€93 m	€(169) m
REBITDA margin	15%	25%	24%	5%	n.m.
2014 H1					
REBITDA	€221 m	€362 m	€377 m	€78 m	€(85) m
REBITDA margin	16%	27%	24%	9%	n.m.

* Restated for IFRS 11 application as from 01/01/2014

** To be exited by YE 2014

Advanced Formulations

2013

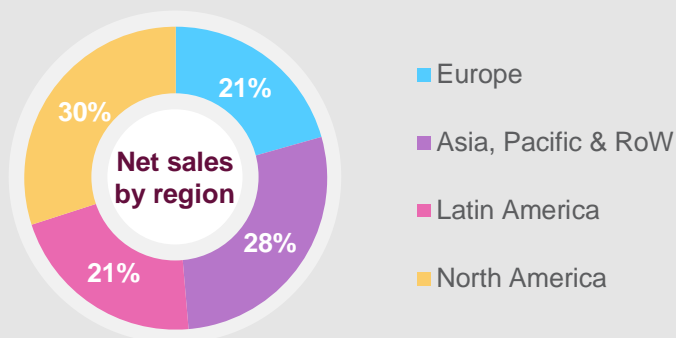
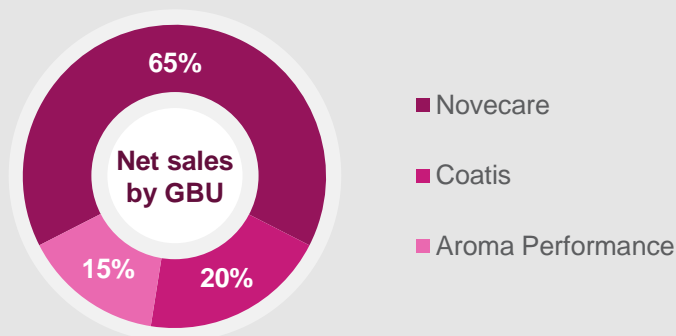
Figures

€2,432 m

Net Sales

€369 m

REBITDA



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

Advanced Formulations 2014 Q2 performance

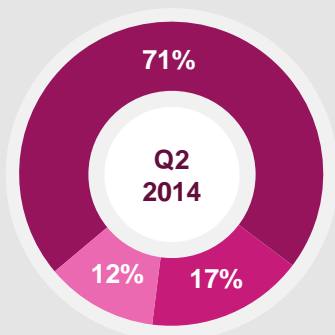
Strong Chemlogics and volume growth largely offset forex and weak performance in Coatis

Net sales

H1 2014
€1,388 m
15% yoy

Q2 2014
€725 m
21% yoy

■ Novecare
■ Coatis
■ Aroma Performance



REBITDA

H1 2014
€221 m
8% yoy

Q2 2014
€119 m
29% yoy



margin 15% → 16%

Novecare

- Good dynamics in Oil & Gas market through customer recognition of Solvay's product portfolio and capabilities
- Chemlogics ramping up business and at record profitability
- Agro market suffered from short season in US
- Growth in HPC market offset by lower prices
- Forex impact weighs on yoy comparison

Coatis

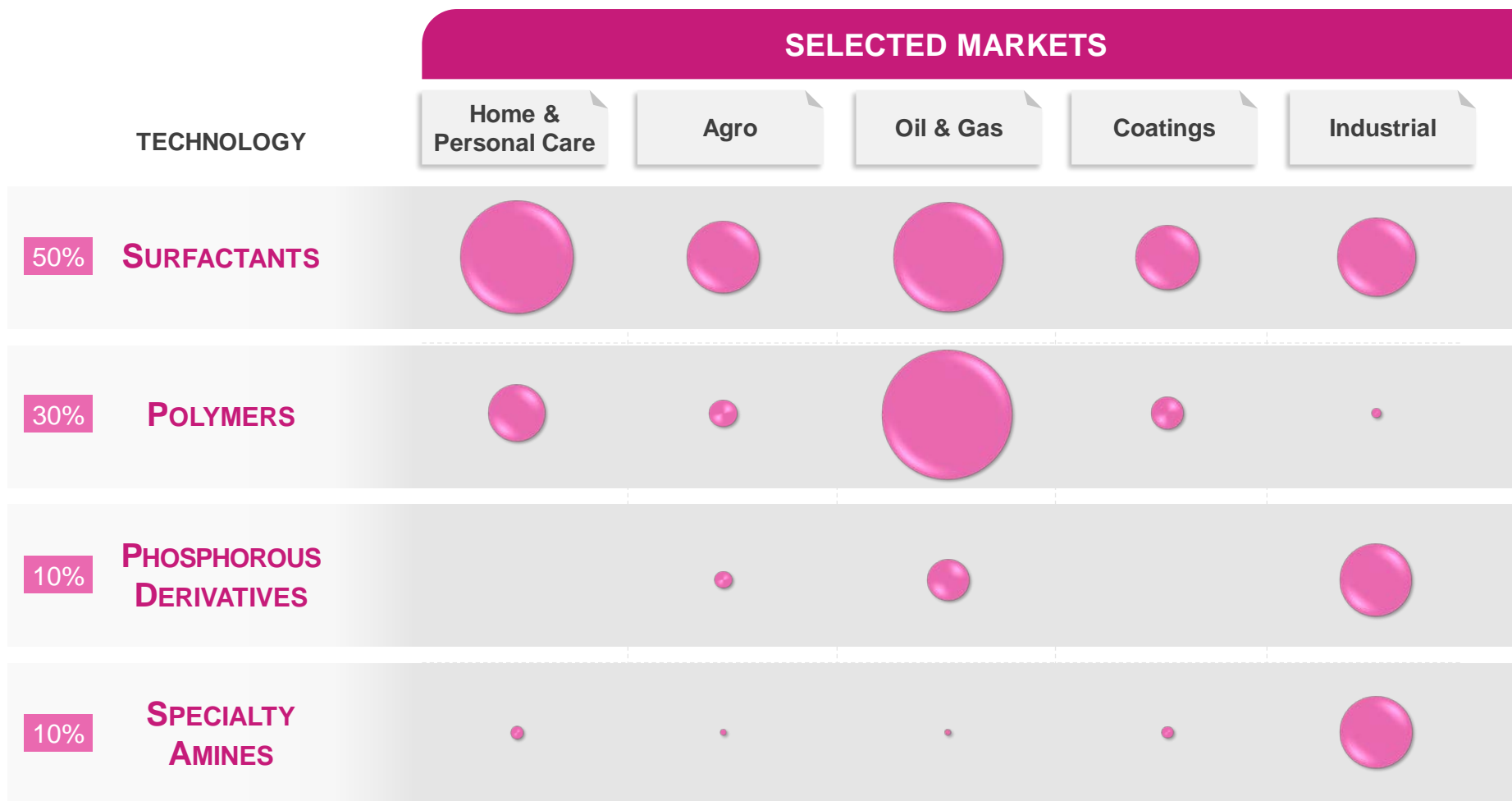
- Uncompetitive domestic LatAm market weighed on performance
- Excellence measures mitigated increased cost level

Aroma Performance

- Positive market trends overall in Aroma ingredients and Inhibitors
- Gradual recovery from Force Majeure (in Q1)

Novecare

Cutting-edge technologies in diversified focused markets



 % of Novecare sales in 2013 (pro forma Chemlogics)

Advanced Materials

2013

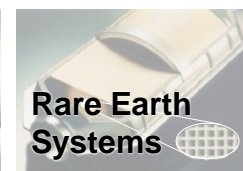
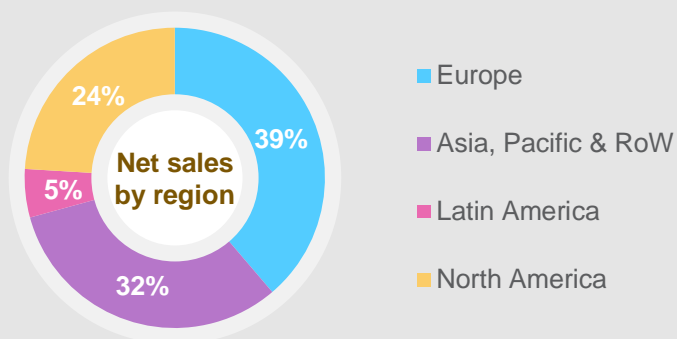
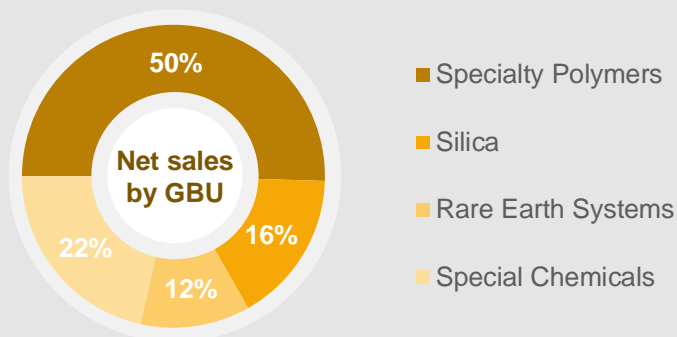
Figures

€2,551 m

Net Sales

€646 m

REBITDA



A leader in markets with high entry barriers and strong returns on investment, the Advanced Materials segment is a major contributor to the Group's performance and growth. Innovation, its global presence feature and long-term partnerships with customers provide a compelling competitive edge with industries seeking increasingly energy efficiency and less polluting functionalities.

Advanced Materials 2014 Q2 performance

Record performance beat underpinned by innovation-driven volume growth and operational efficiency

Net sales

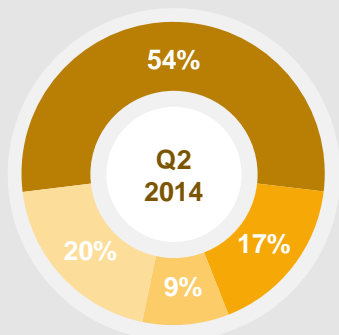
H1 2014
€1,329 m

2% yoy

Q2 2014
€670 m

2% yoy

- Specialty Polymers
- Silica
- Rare Earth Systems
- Special Chemicals



REBITDA

H1 2014
€362 m

15% yoy

Q2 2014
€187 m

16% yoy



margin 24% → 28%

Specialty Polymers

- Volume growth across all regions and most end markets
- Demand momentum in Automotive, Industrial and Electrical & Electronics markets continued
- New product launch boosted Smart devices market

Silica

- Strong demand in Europe (both OEM and replacement)

Rare Earth Systems

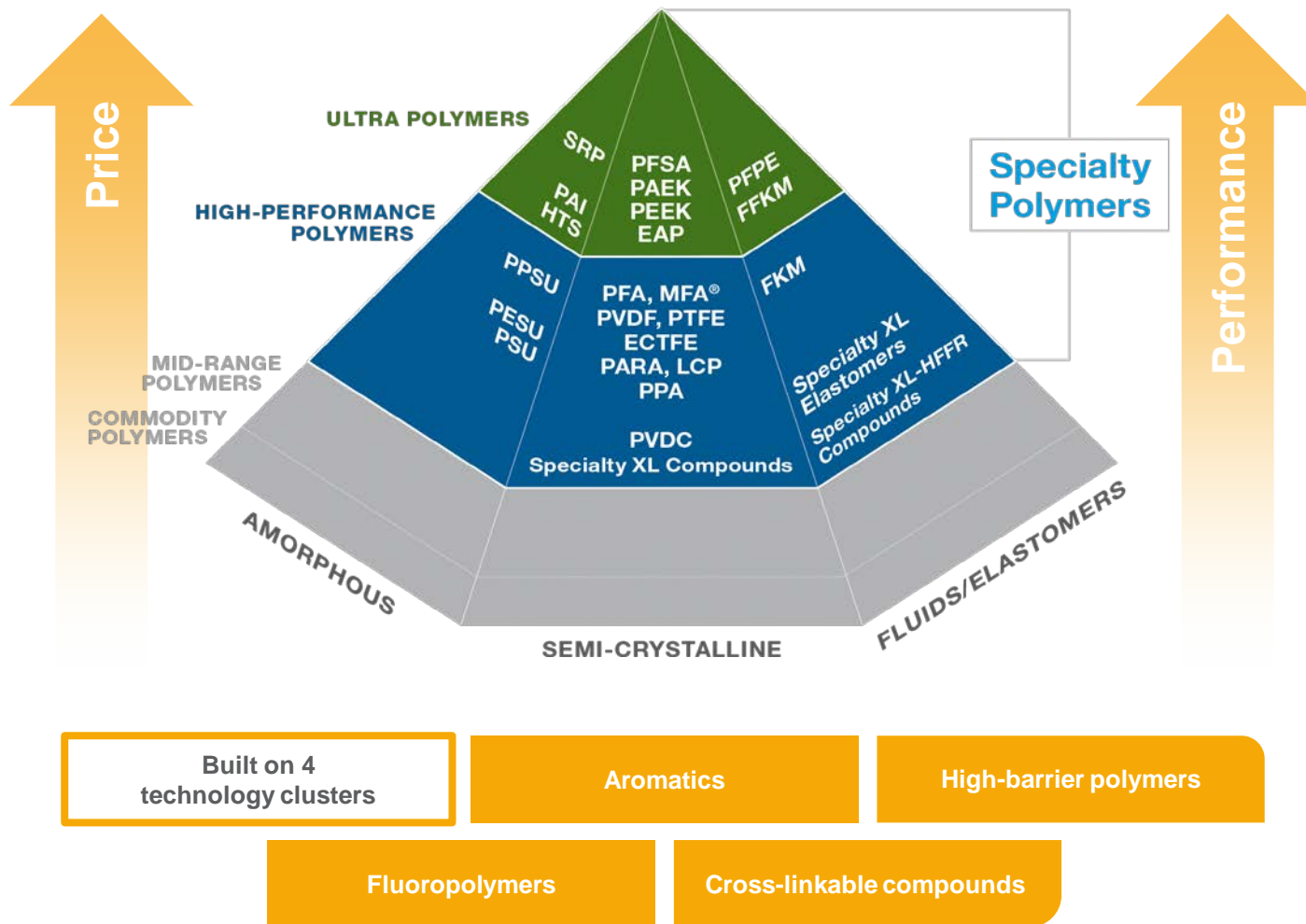
- Volumes and margins underpinned by new regulation in catalyst business

Special Chemicals

- Good business trends in most end-markets, esp. automotive and (micro-)electronics
- Margin improvement thanks to business portfolio refocus

Specialty Polymers

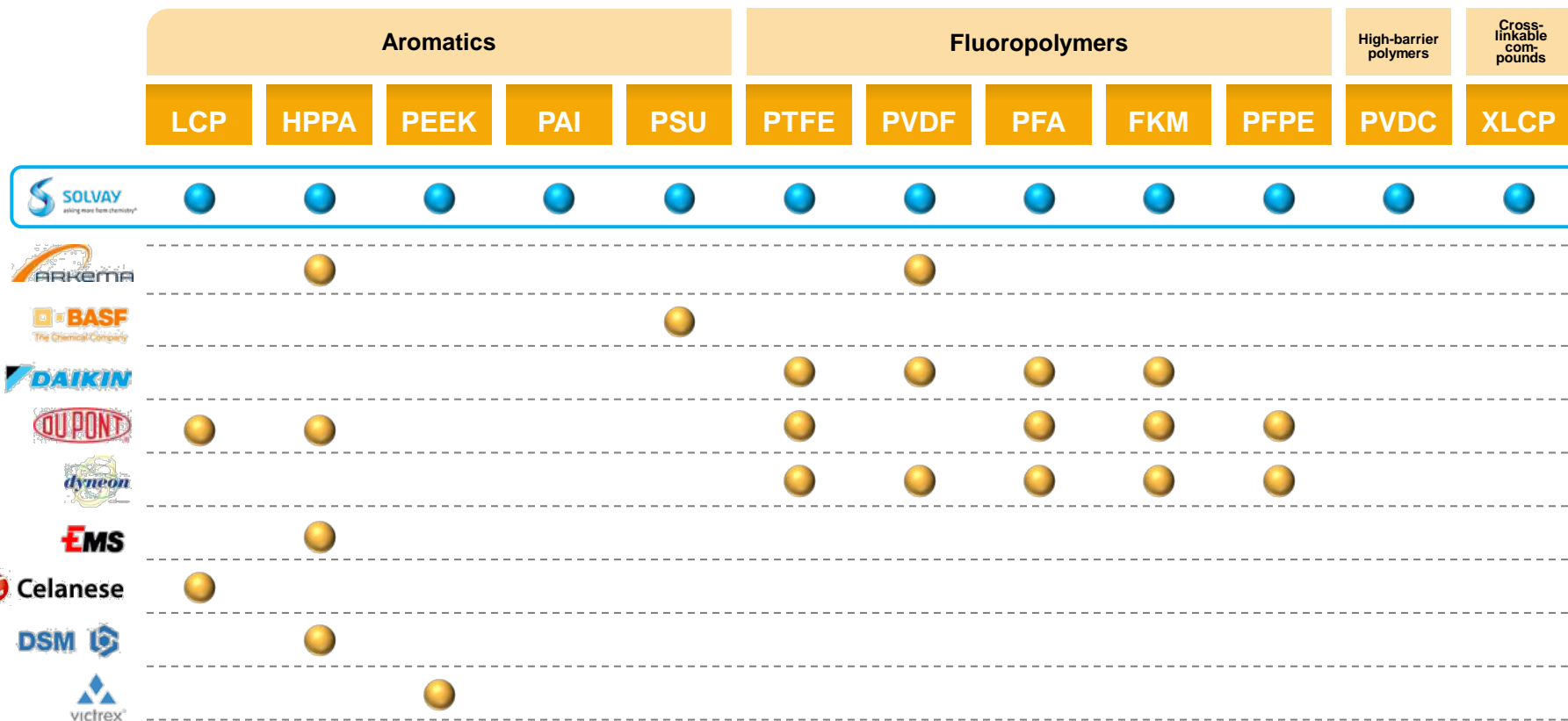
Focused on the most advanced products



Temperature resistance
Chemical inertness
Weathering resistance
Corrosion protection
Water repellence
Stain repellence
Electrical inertness
Non-flammability
Fatigue resistance
Biocompatibility
Extractables
Self-cleaning
Transparency
Heat transfer
Processability
Toughness
Elasticity
Barrier
Tribology
Release
Colour
Cost

Specialty Polymers

Industry leader with the broadest product portfolio

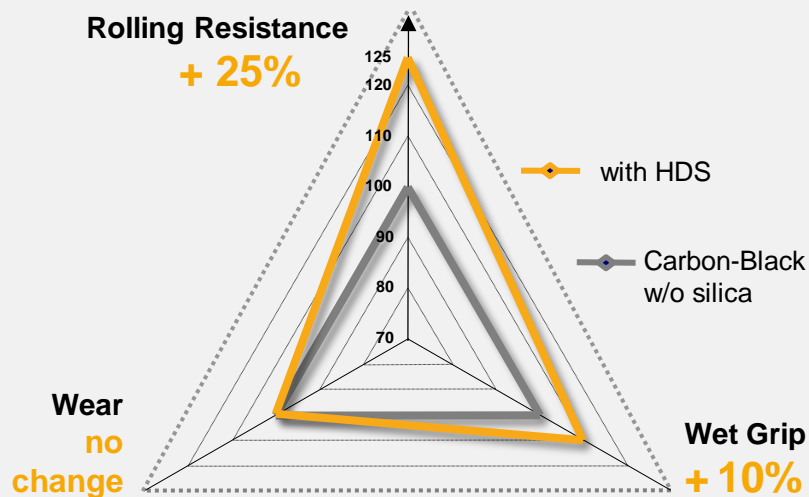


Broadest portfolio + Innovation leader = Best solution provider

Silica

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

Excellent technical performance ...



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

... growing across a number of applications

In passenger car and light trucks

- Energy-efficient tires
- Winter tires
- Sport tires

In heavy trucks

- Commercial emergence of tires using a majority of silica vs. carbon black

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

Source: Smithers Rapra, Solvay estimates

Performance Chemicals

2013

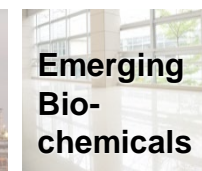
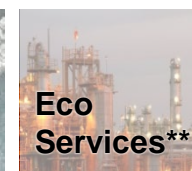
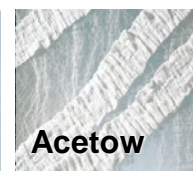
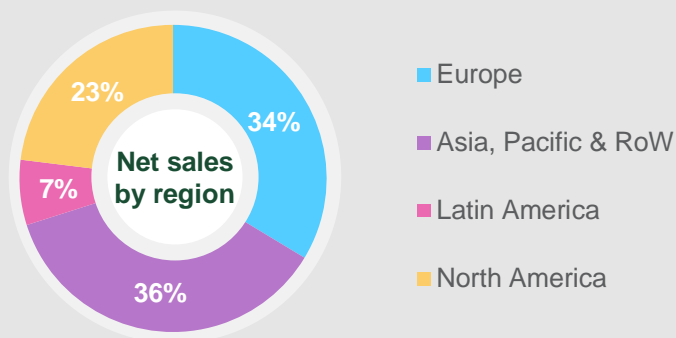
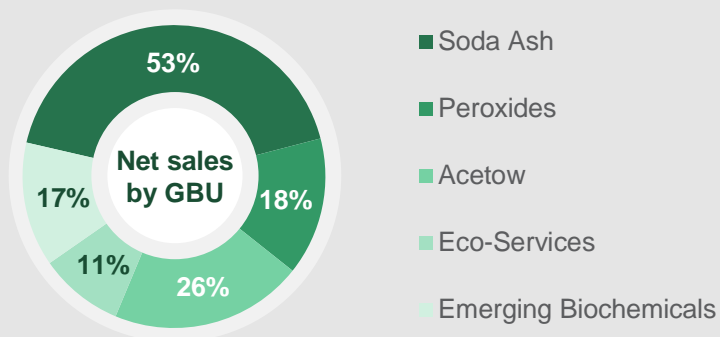
Figures*

€3,189 m

Net Sales

€766 m

REBITDA



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

* Restated for IFRS 11 application as from 01/01/2014

** To be exited by YE 2014

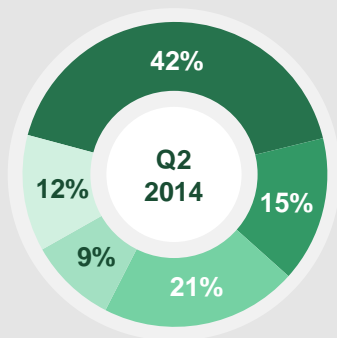
Performance Chemicals 2014 Q2 performance

Pricing power and volume growth offset by fixed cost inflation and forex

Net sales

H1 2014
€1,580 m
0% yoy

Q2 2014
€798 m
(1)% yoy



■ Soda Ash & Derivatives
■ Peroxide
■ Acetow
■ Eco Services
■ Emerging Biochemicals

Soda Ash & Derivatives

- Demand up in Europe and export market up
- US production affected by logistics disruption
- Prices up overall
- Adverse yoy effect from lower USD

Peroxide

- Rising demand for peroxide in EU and US
- Fixed costs level up due to prolonged maintenance

Acetow

- Higher sales prices and strong industrial performance

Eco Services

- Volume growth offset by forex

Emerging Biochemicals

- Tough conditions persist and heavy impact from lower Thai Baht

REBITDA

H1 2014
€377 m
6% yoy

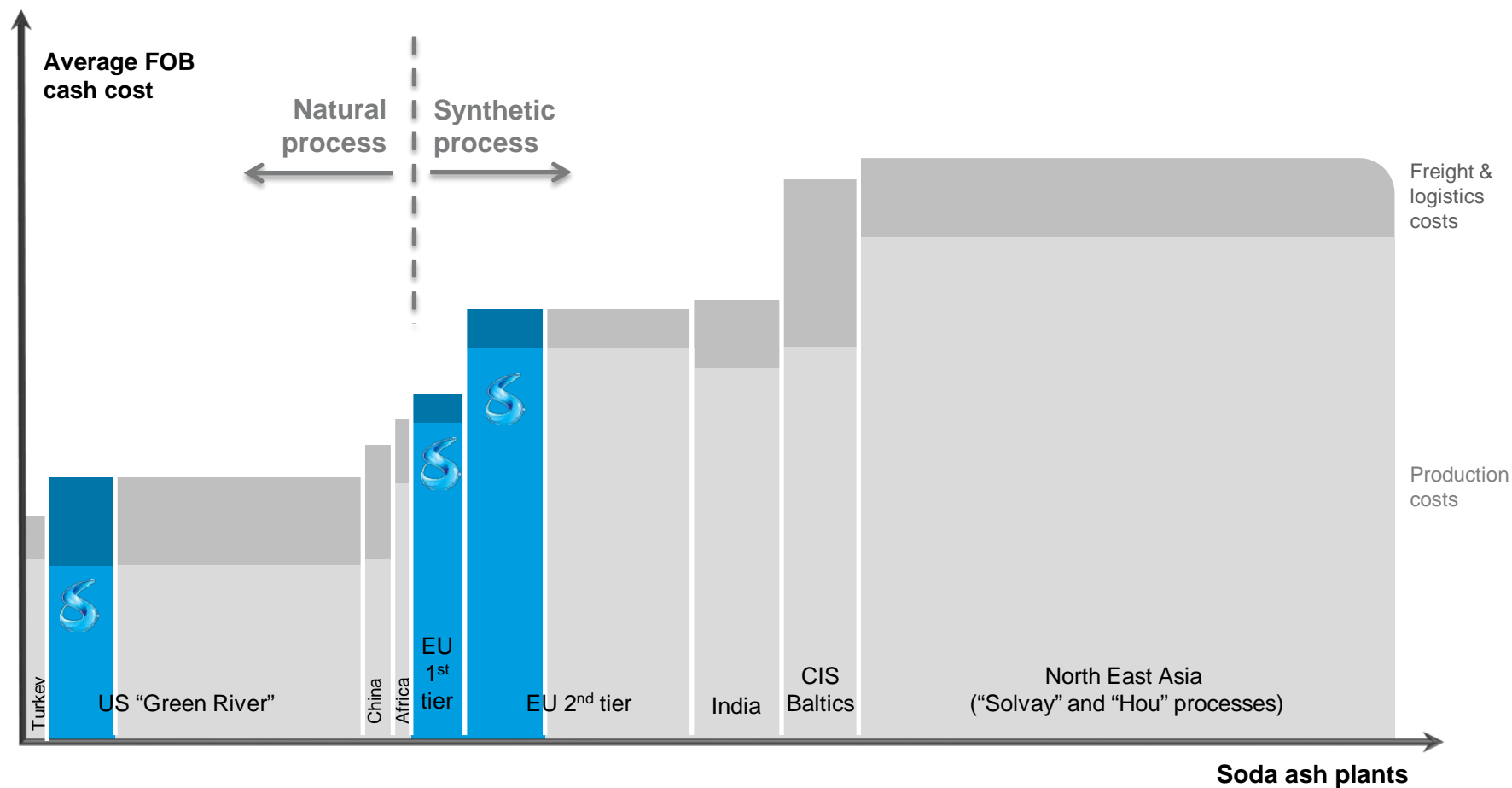
Q2 2014
€189 m
(1)% yoy



margin **24%→24%**

Soda Ash & Derivatives

Cost is a key success factor in the soda ash industry



Source, Solvay based on external databases

Soda Ash & Derivatives

European soda ash supply/demand to improve in next 3 years

2014-2016

Restructuration started with **closure** announcements

- Solvay Povoá (0.2 mt/yr)
- Tata Winnington (0.5 mt/yr)

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

- Following restructuring at the supply side
- Following slight expected growth in demand

2017-2019

Kazan project

- Potentially adding 2.5 mt/yr production capacity
- Based on natural production process
- Cash cost expected at same level as best-in-class European synthetic assets

Further **restructuring** among least competitive assets in the European industry can be expected

Functional Polymers

2013

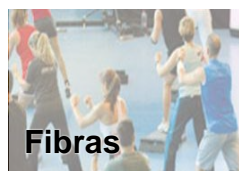
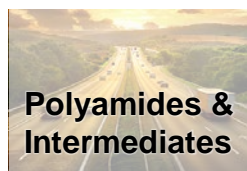
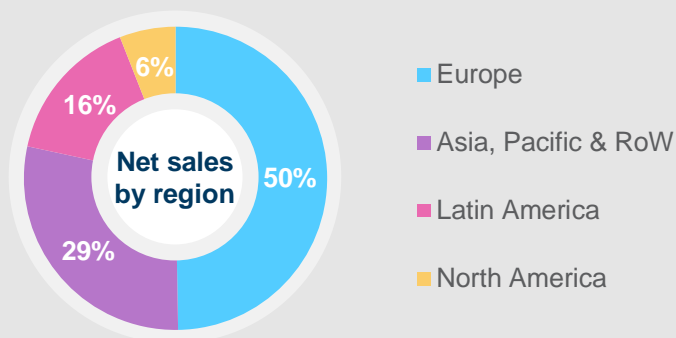
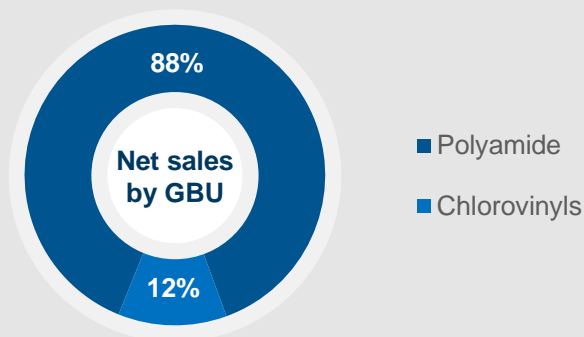
Figures

€1,763 m

Net Sales

€93 m

REBITDA



The key success factors of this Segment, which primarily groups the Polyamide activities, are continuous manufacturing optimization and innovation. Solvay is one of the few players to operate across the entire polyamide 6-6 chain.

Functional Polymers 2014 Q2 performance

Improved demand and strong manufacturing excellence program delivery

Net sales

H1 2014

€896 m

(6)% yoy

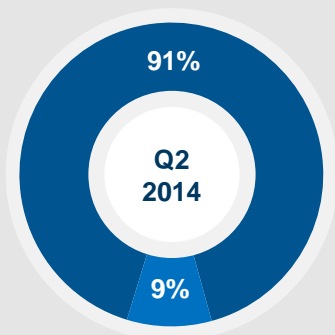
Q2 2014

€448 m

(7)% yoy

■ Polyamide

■ Chlorovinyls



Polyamide

- Volume growth in Europe and Asia
- Weakness of Fibras market in LatAm continues
- Delivery on excellence programs has positive impact on margins

REBITDA

H1 2014

€78 m

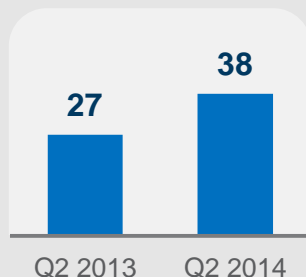
28% yoy

Q2 2014

€38 m

40% yoy

in € m



margin **5% → 8%**

Chlorovinyls

- Benvic sold to OpenGate
- Indupa being sold to Braskem (discontinued)
- European chlorovinyls to be contributed to Inovyn™ JV (discontinued)
 - Net sales: € 465 m; REBITDA: € 20 m
 - Difficult market environment with low price and weak margin

Corporate & Business Services

2013

Figures

€67 m

Net Sales

€(169) m

REBITDA



Energy Services



Other Corporate & Business Services

This Segment includes the Solvay Energy Services business which delivers energy optimization programs in the Group and for third parties. It also includes the corporate functions.

2014 Q2 performance

Tight cost control partially offset phased-out CER sales

REBITDA

H1 2014

€(85) m

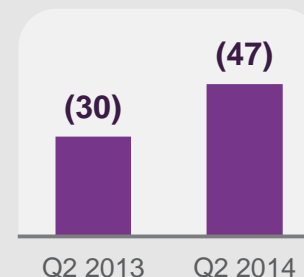
(12)% yoy

Q2 2014

€(47) m

(53)% yoy

in € m



Energy Services

- No material REBITDA contribution
- CER phase-out in H1 2013 affecting comparables

Other Corporate & Business Services

- Tight cost control on corporate structure and functions
- Phasing of certain corporate programs
- Positive forex impact

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