This presentation may contain forward-looking information. Forward-looking statements describe expectations, plans, strategies, goals, future events or intentions. The achievement of forward-looking statements contained in this presentation is subject to risks and uncertainties relating to a number of factors, including general economic factors, interest rate and foreign currency exchange rate fluctuations, changing market conditions, product competition, the nature of product development, impact of acquisitions and divestitures, restructurings, products withdrawals, regulatory approval processes, all-in scenario of R&D projects and other unusual items.

Consequently, actual results or future events may differ materially from those expressed or implied by such forward-looking statements. Should known or unknown risks or uncertainties materialize, or should our assumptions prove inaccurate, actual results could vary materially from those anticipated. The Company undertakes no obligation to publicly update or revise any forward-looking statements.

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, any securities.
The results of former Cytec are consolidated in the Group’s income and cash flow statements since January 1, 2016. Comparative information for the second quarter and first half year 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 are made on an underlying basis unless otherwise stated.
OVERVIEW

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

Q2 2016

→ Significant cash generation improvement
→ Profit growth and record margin
→ Sustained excellence efforts
→ Accelerated synergies from Cytec

Delivering on priorities
Q2 RESULTS
RECORD MARGIN & IMPROVED CASH GENERATION

EBITDA
8% ➔

- Pricing power ➔
  - Positive for 10 quarters in a row

- Volume ➔
  - Innovation-driven growth in Advanced Materials and solid growth in Performance Chemicals
  - Partially offset by oil & gas headwinds

Record EBITDA margin at 22%

Free Cash Flow
27% ➔

- Higher profits
- Reduced CapEx
- Working capital discipline
- H1 free cash flow [1]
of € 200 m, up by € 346 m

Higher cash conversion at >60%

[1] Free cash flow from continuing operations
Solvay and Mubadala JV strategically positioned to supply advanced composite materials for Boeing 777X primary structures

Solvay wins supplier excellence award from GKN Aerospace
OVERVIEW

• Transformation delivery
• Financial highlights
• Priorities and outlook
• Annexes
### STRONG RESULTS

#### FINANCIAL HIGHLIGHTS Q2 2016

<table>
<thead>
<tr>
<th>Net Sales</th>
<th>€ 2.9 bn</th>
<th>-6% yoy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Volume</strong> decrease in Advanced Formulations offset by other segments</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Forex</strong> impact on conversion</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Deflation</strong> impact on prices</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Underlying EBITDA</th>
<th>€ 652 m</th>
<th>+8% yoy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pricing power</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fixed costs lower on Excellence and synergies delivery</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Forex</strong> impact on conversion</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Margin record at 22%</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Underlying net income</th>
<th>€ 223 m</th>
<th>In Q2 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating profit</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduced scope <strong>discontinued operations</strong> (Inovyn)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Free cash flow</th>
<th>€ 174 m</th>
<th>€ 137 m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reinforced working capital discipline</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Lower capex</strong> and higher EBITDA</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FCF discontinued operations</strong> nil</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SALES DOWN DUE TO ADVERSE FOREX & DEFLATION

Net sales in € m

<table>
<thead>
<tr>
<th></th>
<th>Q2 2015 pro forma</th>
<th>Q2 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cytec stand-alone</td>
<td>460</td>
<td></td>
</tr>
<tr>
<td>Solvay stand-alone</td>
<td>2,675</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,135</strong></td>
<td><strong>2,946</strong></td>
</tr>
</tbody>
</table>

- **Volumes up slightly**
  - Market contraction in Advanced Formulations’ oil & gas market
  - More than offset by solid growth in other segments

- **Unfavorable conversion forex**
  - EUR appreciated vs most currencies
  - Main impact from BRL conversion

- **Lower prices**
  - Partial pass-through of lower raw material costs in deflationary market
RECORD EBITDA MARGIN
UNDERPINNED BY EXCELLENCE AND SYNERGIES

Underlying EBITDA
in € m

<table>
<thead>
<tr>
<th>Cytec stand-alone 102</th>
<th>Solvay stand-alone 500</th>
</tr>
</thead>
<tbody>
<tr>
<td>603</td>
<td></td>
</tr>
<tr>
<td>(2)</td>
<td></td>
</tr>
<tr>
<td>(21)</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Pricing power € 15 m

Price (12)%
Variable costs 15%
Volume & mix 0.3%
Conversion forex (3.5)%
Scope (0.4)%
Fixed costs 2.8%
Others (including equity earnings) 6.4%

Q2 2016 results
29/07/2016

<table>
<thead>
<tr>
<th>Q2 2015 pro forma</th>
<th>Q2 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>19% margin</td>
<td>22% margin</td>
</tr>
<tr>
<td>2.9 pp</td>
<td></td>
</tr>
</tbody>
</table>

Pricing power maintained in deflationary environment
Conversion forex from appreciating EUR
Fixed costs down, as excellence and synergies more than offset inflation and new capacity costs
Others include growing contribution RusVinyl
**MARKET CONTRACTION OIL & GAS MORE THAN OFFSET IN OTHER SEGMENTS**

**ADVANCED MATERIALS**
- Growth driven by volumes and excellence, despite smart device destocking
- Q2 2015: 275, Q2 2016: 293 (+6.3%)
- Underlying EBITDA €652 m

**ADVANCED FORMULATIONS**
- Contraction oil & gas market partly mitigated by other activities
- Q2 2015: 139, Q2 2016: 124 (-11%)

**FUNCTIONAL POLYMERS**
- Growth mainly from chlorovinyls with growing contribution RusVinyl
- Q2 2015: 52, Q2 2016: 64 (+24%)

**PERFORMANCE CHEMICALS**
- 2-digit growth from volume improvement and excellence
- Q2 2015: 187, Q2 2016: 224 (+20%)

Corporate & Business Services included in €652 m total but is excluded from pie chart as contribution is negative.
## Underlying P&L

<table>
<thead>
<tr>
<th></th>
<th>Q2 2016</th>
<th>Q2 2015 pro forma</th>
<th>% yoy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>2,946</td>
<td>3,135</td>
<td>(6)%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>652</td>
<td>603</td>
<td>8%</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td>22%</td>
<td>19%</td>
<td>2.9pp</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>(199)</td>
<td>(191)</td>
<td>(4)%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>453</td>
<td>412</td>
<td>10%</td>
</tr>
<tr>
<td>Net financial charges</td>
<td>(119)</td>
<td>(116)</td>
<td>(3)%</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(94)</td>
<td>(92)</td>
<td>(3)%</td>
</tr>
<tr>
<td><strong>Tax rate (ytd)</strong></td>
<td>29%</td>
<td>31%</td>
<td>(1.7)pp</td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>-</td>
<td>33</td>
<td>n.m.</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(16)</td>
<td>(21)</td>
<td>23%</td>
</tr>
<tr>
<td><strong>Net income, Solvay share</strong></td>
<td>223</td>
<td>216</td>
<td>4%</td>
</tr>
<tr>
<td>(Adjustments)</td>
<td>(39)</td>
<td>(78)</td>
<td>51%</td>
</tr>
<tr>
<td><strong>Net income, Solvay share, IFRS</strong></td>
<td><strong>185</strong></td>
<td><strong>138</strong></td>
<td><strong>34%</strong></td>
</tr>
</tbody>
</table>

### Underlying net income (Solvay share) up 4%

- Depreciation and net financial charges slightly up on growing business
- Underlying tax rate at 29% ytd vs 30% in full year 2015
- No contribution of discontinued operations, following European chlorovinyls transfer to Inovyn JV mid 2015
CASH CONVERSION IMPROVED DRIVEN BY HIGHER EBITDA AND LOWER CAPEX

Cash conversion \[1\]
EBITDA-capex
EBITDA

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>2015 PF</th>
<th>2016e</th>
</tr>
</thead>
<tbody>
<tr>
<td>(264)</td>
<td>(243)</td>
<td>(252)</td>
<td>(333)</td>
<td>~(1,092)</td>
<td>~(950)</td>
</tr>
</tbody>
</table>

~53% ~66% \[2\]

Profit growth
Improved cash conversion

SUSTAINABLE IMPROVEMENT IN FREE CASH FLOW

\[1\] Based on capex of continuing operations and underlying EBITDA on a full year basis
\[2\] Calculation based on H1 figures

2016

Growth capex at >50% of total
~2/3rd in Advanced Materials

→ Aerospace prepreg line in Germany
→ Expansion of Adhesives for aerospace in the U.K.
→ PEEK plant in US
→ Fluoropolymer plant in China, phase 2

Supplemented by maintenance capex excellence
REINFORCED FOCUS LEADS TO SUSTAINABLE FREE CASH FLOW GROWTH

Underlying net debt\(^1\) evolution in € m

<table>
<thead>
<tr>
<th>31/03/2016</th>
<th>30/06/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFRS net debt (4,561)</td>
<td>IFRS net debt (4,812)</td>
</tr>
<tr>
<td>Perpetual hybrid bonds (2,200)</td>
<td>Perpetual hybrid bonds (2,200)</td>
</tr>
<tr>
<td>Underlying EBITDA</td>
<td>(652)</td>
</tr>
<tr>
<td>Capex</td>
<td>(215)</td>
</tr>
<tr>
<td>Changes in working capital needs: industrial 29</td>
<td>(85)</td>
</tr>
<tr>
<td>non-industrial 114</td>
<td>(86)</td>
</tr>
<tr>
<td>Taxes</td>
<td>(92)</td>
</tr>
<tr>
<td>Changes in provisions &amp; other operating cash flow</td>
<td>-</td>
</tr>
<tr>
<td>Free cash flow from discontinued operations</td>
<td>-</td>
</tr>
<tr>
<td>10</td>
<td>(166)</td>
</tr>
<tr>
<td>Acquisitions &amp; divestments</td>
<td>(208)</td>
</tr>
<tr>
<td>Net interest payments (108)</td>
<td>(199)</td>
</tr>
<tr>
<td>Dividends: minorities (9)</td>
<td>(61)</td>
</tr>
<tr>
<td>Other changes in net debt</td>
<td>(7,012)</td>
</tr>
<tr>
<td>Perpetual hybrid bonds (2,200)</td>
<td>Perpetual hybrid bonds (2,200)</td>
</tr>
<tr>
<td>IFRS net debt (4,561)</td>
<td>IFRS net debt (4,812)</td>
</tr>
</tbody>
</table>

Free cash flow of € 174 m vs € 137 m in 2015 for continuing operations

- Driven by higher EBITDA, lower capex and strict working capital management
- H1 FCF of continuing operations at € 200 m, up € 346 m

Focus on working capital management

- Seasonally higher H1 outflow reduced to € (296) m
- Q2 outflow up yoy due to measures to better phase payments over Q's

Financial payments seasonally higher in Q2

- Solvay final dividend
- Bond coupon payments front end-loaded

[1] Underlying net debt reclassifies hybrid perpetual bonds (considered as equity under IFRS) as debt
[2] (REBITDA – capex) / REBITDA
EFFECTIVE TREASURY MANAGEMENT LEADING TO REDUCED COST OF DEBT

Underlying debt \[^{[1]}\] evolution in € bn

<table>
<thead>
<tr>
<th>Category</th>
<th>31/12/2015</th>
<th>30/06/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR perpetual hybrid bonds</td>
<td>(2.2) @ 5.07%</td>
<td>(2.2) @ 5.07%</td>
</tr>
<tr>
<td>USD bonds</td>
<td>(2.1) @ 4.03%</td>
<td>(2.1) @ 4.03%</td>
</tr>
<tr>
<td>EUR bonds [^{[2]}]</td>
<td>(3.6) @ 2.88%</td>
<td>(2.8) @ 2.07%</td>
</tr>
<tr>
<td>Other debt</td>
<td>(0.8)</td>
<td>(1.2)</td>
</tr>
<tr>
<td>Cash</td>
<td>2.1</td>
<td>1.2</td>
</tr>
</tbody>
</table>

\[^{[1]}\] Underlying debt includes perpetual hybrid bonds (considered as equity under IFRS)

\[^{[2]}\] Including 2016 EIB loan, paid back in January, and subordinated 2104 hybrid bond

\[^{[3]}\] Net debt / underlying EBITDA of last 12 months (pro forma)

31/12/2015: €6.6 bn
30/06/2016: €7.0 bn

Leverage \[^{[3]}\]

31/12/2015: 2.8x
30/06/2016: 2.9x

INVESTMENT GRADE

Moody’s
Baa2 negative outlook

S&P
BBB-stable outlook

Q2 2016 results 29/07/2016
OVERVIEW

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

EBITDA
to grow high single digits

Free cash flow
to exceed € 650 m
OUR COMMITMENT

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

Q2 2016 results
29/07/2016
INVESTOR RELATIONS CONTACTS

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

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

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

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

NEXT EVENTS

September 29 2016
Capital Markets Day, London

November 8 2016
Q3 2016 results

February 24 2017
Q4 & FY 2016 results

May 3 2017
Q1 2017 results

May 9 2017
Annual general meeting
ANNEXES

• Additional Q2 2016 financial data
• Forex sensitivity & other financial considerations
• Solvay general information
ADVANCED MATERIALS Q2 2016
INNOVATION & EXCELLENCE OVERCOME HEADWINDS

**Net sales (in € m)**

<table>
<thead>
<tr>
<th>Q2 2015 pro forma</th>
<th>Q2 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,138</td>
<td>1,082</td>
</tr>
<tr>
<td>Scope (2.8)%</td>
<td></td>
</tr>
<tr>
<td>Conversion forex (3.1)%</td>
<td>(35)</td>
</tr>
<tr>
<td>Volume &amp; mix 1.5%</td>
<td>17</td>
</tr>
<tr>
<td>Price (0.5)%</td>
<td>(6)</td>
</tr>
<tr>
<td>(4.9)%</td>
<td></td>
</tr>
</tbody>
</table>

**Specialty Polymers’ sales in other markets offset smart devices**
- Good demand in automotive, healthcare, and consumer goods markets
- Smart devices sales impacted by destocking

**Composite Materials preparing for new program ramp-ups**
- Aircraft backlog remains strong
- Growth in new programs not yet offsetting demand decline in business jet & rotorcraft markets

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

**Silica business intrinsically flat**
- Good market conditions in Europe/Americas
- Weaker market conditions in Asia
- Forex impact from devaluation of Venezuelan bolivar

**EBITDA (in € m)**

<table>
<thead>
<tr>
<th>Q2 2015 pro forma</th>
<th>Q2 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>275</td>
<td>293</td>
</tr>
<tr>
<td>Margin</td>
<td>24%</td>
</tr>
<tr>
<td></td>
<td>27%</td>
</tr>
<tr>
<td></td>
<td>+6.3%</td>
</tr>
</tbody>
</table>
ADVANCED FORMULATIONS Q2 2016
OIL & GAS HEADWINDS MASK OTHER MARKET GROWTH

### Net sales (in € m)

<table>
<thead>
<tr>
<th>Q2 2015 pro forma</th>
<th>Q2 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>740</td>
<td>650</td>
</tr>
</tbody>
</table>

- **(4)** Scope (0.6)%
- **(28)** Conversion forex (3.8)%
- **(32)** Volume & mix (4.3)%
- **(26)** Price (3.5)%

**Q2 2016**

- **62%**
- **13%**
- **25%**

**Q2 2015 pro forma**

O&G weighs on **Novecare**, more than offsetting growth in other markets

- Sales down (17)% yoy due to O&G headwinds
- Rig count stabilized toward end of Q2
- Innovation-driven growth in coatings and agro partially mitigated impact
- Operational excellence measures helped sustain margins

**Technology Solutions** stable performance despite mining industry challenges

- Lower Cu & Al prices driving curtailments at existing mines; new mine projects are delayed
- Focus on managing costs through challenging times

**Price pressure pushes Aroma Performance sales down**

- Volume growth in vanillin formulations
- Price pressure continues, especially in monomer inhibitors

---

Q2 2016 results
29/07/2016
### PERFORMANCE CHEMICALS Q2 2016
DEMAND IMPROVEMENT DRIVES GROWTH

<table>
<thead>
<tr>
<th>Scope</th>
<th>Conversion</th>
<th>Volume &amp; mix</th>
<th>Price</th>
<th>Net sales (in € m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.6%</td>
<td>(3.8)%</td>
<td>4.6%</td>
<td>(1.9)%</td>
<td>757</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q2 2015 pro forma</th>
<th>Q2 2016 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>757</td>
<td>753</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Soda Ash &amp; Derivatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Demand returned for Europe &amp; seaborne markets resulting in sales growth</td>
</tr>
<tr>
<td>▪ Bicarbonate sales increased as result of Thailand plant ramp up</td>
</tr>
<tr>
<td>▪ Gain of € 11 m on sale of surplus assets</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Peroxides</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stable performance</td>
</tr>
<tr>
<td>▪ Higher sales for traditional wood pulp bleaching offset lower sales in specialties</td>
</tr>
<tr>
<td>▪ Good global demand</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Volume recovery in Acetow’s market</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Sustained recovery in market continues (with the exception of China) resulting in good volume growth</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Coatis remains challenged</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Conditions in Latin America affecting volumes and prices</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EBITDA (in € m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2015 pro forma</td>
</tr>
<tr>
<td>187</td>
</tr>
</tbody>
</table>

25% margin +20%
FUNCTIONAL POLYMERS Q2 2016
EXCELLENCE-DRIVEN PROFIT GROWTH & RUSVINYL UP

Q2 2016 results

Net sales (in € m)

<table>
<thead>
<tr>
<th>Q2 2015 pro forma</th>
<th>Q2 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>499</td>
<td>461</td>
</tr>
<tr>
<td>Scope 0.5%</td>
<td></td>
</tr>
<tr>
<td>Conversion forex (4.9)%</td>
<td></td>
</tr>
<tr>
<td>Volume &amp; mix 2.2%</td>
<td></td>
</tr>
<tr>
<td>Price (5.6)%</td>
<td></td>
</tr>
<tr>
<td>(7.7)%</td>
<td></td>
</tr>
</tbody>
</table>

EBITDA (in € m)

<table>
<thead>
<tr>
<th>Q2 2015 pro forma</th>
<th>Q2 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>52</td>
<td>64</td>
</tr>
<tr>
<td>margin 10%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Chlorovinyls up thanks to RusVinyl

- Solid contribution from RusVinyl JV (Russian operations), operating at close to full capacity
- Higher PVC sales volumes offset by caustic soda production in VinyThai (Thai operations)
- Cost improvement measures supported EBITDA growth

Polyamide

- Demand satisfactory
- Planned maintenance turnaround impacted margins
CORPORATE & BUSINESS SERVICES Q2 2016
COST DISCIPLINE MAINTAINED

EBITDA (in € m)

Q2 2015 pro forma
-50

Q2 2016
-53

-6%

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

Other Corporate & Business Services benefited from cost improvement programs and Cytec synergy delivery
### Underlying P&L

<table>
<thead>
<tr>
<th></th>
<th>Q2 2016</th>
<th>Q2 2015 pro forma</th>
<th>% yoy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income, Solvay share</strong></td>
<td>223</td>
<td>216</td>
<td>4%</td>
</tr>
<tr>
<td><strong>(Adjustments)</strong></td>
<td>(39)</td>
<td>(78)</td>
<td>51%</td>
</tr>
<tr>
<td><strong>PPA impact</strong></td>
<td>(68)</td>
<td>(72)</td>
<td></td>
</tr>
<tr>
<td><strong>Other legacy costs related to changes in portfolio (e.g. retention premiums)</strong> [1]</td>
<td>(3)</td>
<td>(3)</td>
<td></td>
</tr>
<tr>
<td><strong>Net financial charges and remeasurements of equity book value of the RusVinyl joint venture</strong></td>
<td>5</td>
<td>(4)</td>
<td></td>
</tr>
<tr>
<td><strong>Non-recurring items</strong></td>
<td>(22)</td>
<td>(47)</td>
<td></td>
</tr>
<tr>
<td><strong>Impact portfolio management</strong></td>
<td>(7)</td>
<td>(33)</td>
<td></td>
</tr>
<tr>
<td><strong>Remediation &amp; litigation</strong></td>
<td>(15)</td>
<td>(14)</td>
<td></td>
</tr>
<tr>
<td><strong>(Financial adjustments)</strong></td>
<td>34</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td><strong>(Tax adjustments)</strong></td>
<td>99</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td><strong>Discontinued operations</strong></td>
<td>(7)</td>
<td>(1)</td>
<td></td>
</tr>
<tr>
<td><strong>Non-controlling interests adjustments</strong></td>
<td>2</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>(Other adjustments)</strong></td>
<td>(87)</td>
<td>(4)</td>
<td></td>
</tr>
<tr>
<td><strong>Net income, Solvay share, IFRS</strong></td>
<td><strong>185</strong></td>
<td><strong>138</strong></td>
<td><strong>34%</strong></td>
</tr>
</tbody>
</table>

---

**IFRS net income (Solvay share) up 34%**

- € (68) m PPA impact, entirely from amortization of intangibles
- € (7) m portfolio management & reassessments, mainly:
  - € (43) m restructuring costs
  - € 33 m one-off gains, mainly release to Solvay of Chemlogics holdback payments
  - € (4) m reversal on impairments R&I
- Exclusion of € (28) m hybrid debt coupons in net financial charges
WORKING CAPITAL MANAGEMENT COMPENSATES FOR HIGHER NEEDS OF SPECIALTY BUSINESSES

Net working capital [1] % of total sales

- 2014:
  - Q1: 13.7%
  - Q2: 14.6%
  - Q3: 13.7%
  - Q4: 12.5%
- 2015:
  - Q1: 14.6%
  - Q2: 14.9%
  - Q3: 13.7%
  - Q4: 12.7%
- 2016:
  - Q1: 17.5%
  - Q2: 17.4%

Worth noting that “Net Working Capital” differs from “Industrial Working Capital” previously disclosed.

- H1 2016 inflated for 2.8% by receivable on Inovyn exit price
- Working capital management efforts offset higher working capital needs of increasing share of specialty businesses in portfolio
  - Higher growth profile
  - Cytec acquisition

Committed to further optimization

[1] Quarter end net working capital / annualized quarterly total sales
Net working capital = inventories + trade and other current receivables – trade payables & other current liabilities
Worth noting that “Net Working Capital” differs from “Industrial Working Capital” previously disclosed.
DEBT PROFILE
BALANCED MATURITIES ALLOWING FLEXIBILITY

Major debt

<table>
<thead>
<tr>
<th></th>
<th>31/12/2015</th>
<th>30/06/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Face value</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EUR bonds [1]</td>
<td>3,550</td>
<td>2,750</td>
</tr>
<tr>
<td>EUR perpetual hybrid bonds [2]</td>
<td>2,200</td>
<td>2,200</td>
</tr>
<tr>
<td><strong>Total major debt</strong></td>
<td>7,892</td>
<td>7,051</td>
</tr>
<tr>
<td><strong>in € m</strong></td>
<td>in years</td>
<td>in € m</td>
</tr>
<tr>
<td><strong>Average duration</strong></td>
<td>4.1</td>
<td>4.8</td>
</tr>
<tr>
<td><strong>Average cost</strong></td>
<td>2.88%</td>
<td>2.07%</td>
</tr>
</tbody>
</table>

[1] Including 2016 EIB loan, paid back in January, and subordinated 2014 hybrid bond
[2] At 1st call date
[3] USD 2,332 m
NET PENSION LIABILITIES [1]
UP ON LOWER DISCOUNT RATES

Pensions (30/06/2016) in € bn

Net pension liabilities (3.2)\

Assets Liabilities

<table>
<thead>
<tr>
<th>Country</th>
<th>30/06/2016</th>
<th>31/12/2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>France &amp; Germany (unfunded)</td>
<td>63%</td>
<td>6%</td>
<td>(57) pp</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>12%</td>
<td>6%</td>
<td>(6) pp</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>16%</td>
<td>6%</td>
<td>(10) pp</td>
</tr>
<tr>
<td>Belgium</td>
<td>6%</td>
<td>63%</td>
<td>(57) pp</td>
</tr>
</tbody>
</table>

Net pension liabilities increase at € 3.2 bn

→ Pension liabilities up to € (6.1) bn following discount rates drop after Brexit vote

→ Pension assets stable at € 2.9 bn

Cash contribution of € (49) m in Q2 2016 (vs €42m in Q2 2015 excluding Cytec)

Discount rate evolution [2]

<table>
<thead>
<tr>
<th>Currency</th>
<th>30/06/2016</th>
<th>31/12/2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>1.25%</td>
<td>2.25%</td>
<td>(1) pp</td>
</tr>
<tr>
<td>GBP</td>
<td>2.75%</td>
<td>3.75%</td>
<td>(1) pp</td>
</tr>
<tr>
<td>USD</td>
<td>3.75%</td>
<td>4.25%</td>
<td>(0.5) pp</td>
</tr>
</tbody>
</table>

Continuous operation only

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

[2] Continuing operations only
ANNEXES

- Additional Q2 2016 financial data
- Forex sensitivity & other financial considerations
- Solvay general information
UNDERLYING EBIT(DA) CONSIDERATIONS FOR 2016

**Excellence**
- Excellence programs on course to reach target
  - € 800 m cumulative by YE16 vs 2013 cost base
  - > € 600 m delivered in 2014-2015
- Cytec integration synergies
  - Cost savings estimated > € 100 m by 2018
  - Revenue synergies on top

**Depreciation & amortization**
- Underlying depreciation & amortization expected at ~€ (800) m (excluding PPA amortization)
- PPA amortization of ~€ (370) m, consisting of PA impacts from Rhodia, Cytec and other smaller acquisitions (e.g. Chemlogics, Ryton)

**Scope effects**
- Acquisitions in 2015
  - Cytec full consolidation as of January 1, 2016
  - Small acquisition in 2015: EPIC
- Divestments in 2015
  - Refrigerants in May 2015: net sales of ~€ 50 m in 2014
  - PCC in November 2015: net sales of ~€ 60 m in 2014
OTHER EBIT(DA) CONSIDERATIONS FOR 2016

Forex sensitivity

- Immediate impact on conversion exposure
- Deferred transactional impact due to hedging (6-12 month rolling basis)
- Mainly linked to USD
  - Sensitivity in 2016: ~ € 120 m REBITDA per (0.10) $/€
  - ~60% conversion, ~40% transactional
- Other forex exposures
  - JPY, CNY, THB, BRL, KRW, RUB
- Total conversion impact on underlying EBITDA of € (26) m in H1 2016, vs. € 100 m in H1 2015.
- Evolution of main currencies Solvay is exposed to:

<table>
<thead>
<tr>
<th>/€</th>
<th>USD</th>
<th>JPY</th>
<th>BRL</th>
<th>RUB</th>
<th>CNY</th>
<th>KRW</th>
<th>THB</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2016</td>
<td>1.116</td>
<td>124</td>
<td>4.13</td>
<td>78.39</td>
<td>7.29</td>
<td>1319</td>
<td>39.55</td>
</tr>
<tr>
<td>H1 2015</td>
<td>1.115</td>
<td>134</td>
<td>3.31</td>
<td>64.59</td>
<td>6.94</td>
<td>1226</td>
<td>36.76</td>
</tr>
<tr>
<td>Change</td>
<td>0.0%</td>
<td>-7.2%</td>
<td>24.9%</td>
<td>21.4%</td>
<td>5.2%</td>
<td>7.5%</td>
<td>7.6%</td>
</tr>
</tbody>
</table>

Underlying adjustments to IFRS figures

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

Cost of borrowings

Total underlying financial charges expected at ~€ (350) m (incl. perpetual hybrid bonds)

➤ Financial charges from major senior debt (excl. perpetual hybrid bonds)
  ▪ 2016 charges expected at ~€ (150) m
  ▪ At end Q2’16, average cost 2016 is 2.9% (2015: 5.2% ) vs 3.3% before reimbursement of EIB loan of € 300 m reimbursed in January and € 500 m hybrid bond in June 2016.

➤ Coupons from perpetual hybrid bonds (considered as Dividend & Equity under IFRS)
  ▪ 2016 cash out of € (84) m: Q2 € (57) m / Q4 € (27) m
  ▪ From 2017 onwards € (112) m: Q2 € (84) m / Q4 € (27) m
  ➔ Average cost : 5.1%

➤ Other elements ~€ (90-100) m
  ▪ Currency swaps & Other debt in consolidated subsidiaries
  ▪ Financial charges RusVinyl [2]: ~€ (25) m

Discounting of pensions and HSE

➤ P&L: ~€ (100) m (¾ - pensions, ¼ - HSE)

➤ Sensitivity to change in discount rates [1]: ~€ (360) m / 50bp
  ▪ Pensions (in OCI)
    • €-zone ~€ (140) m
    • UK ~€ (120) m
    • USA ~€ (80) m
    • Others ~€ (10) m
  ▪ HSE (in P&L): €-zone ~€ (10) m

Tax rate

Underlying tax rate (adjusted for PPA and other factors) expected stable in the low ~30s

---

[1] Average discount rate on environmental provisions based on 10-year government bonds in EUR, GBP, USD and BRL zones
[2] Equity accounting , reclassified under underlying accounts as financial interests
## OTHER CONSIDERATIONS FOR 2016

### Discontinued operations

- **Indupa chlorovinyls business in Latin America**
  - Agreement reached on 02/05/2016 to sell to Brazilian chemical group Unipar Carbocloro for EV of US$ 202 m, subject to closing conditions
  - ~€ (50) m in CTA to be recycled through P&L at exit
- **European chlorovinyls until June 30, 2015**
  - Now part of Inovyn JV

### Cash flow elements

- **Cash expenses for pensions:**
  - € (180) m - € (200) m
- **Capital expenditure:** ~€ 950 m

### Inovyn JV

- Beginning of July 2016, Solvay has completed the divestment of its shareholding in Inovyn, bringing to an end its chlorovinyls joint venture with Ineos.
- Solvay received exit cash proceeds amounting to €335 million.
ANNEXES

- Additional Q2 2016 financial data
- Forex sensitivity & other financial considerations
- **Solvay general information**
SOLVAY
GROUP IN TRANSFORMATION

Much stronger portfolio

ACQUISITIONS

Rhodia
Chemlogics
Ryton
Eco Services
INOVYN (JV)
PCC
Refrigants

DIVESTITURES

2011 2012 2013 2014 2015

More global
More diversified
Higher sustainability
More innovative
More resilient

FURTHER UPGRADE TO COME FROM DIVESTITURES

Q2 2016 results
29/07/2016
DIVERSIFIED & RESILIENT MARKET EXPOSURE

Balanced regional profile

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

Diversified & higher growth end-markets

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

**Key Statistics**

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

*Q2 2016 results*
ALIGNED BUSINESS SEGMENTS STRATEGICALLY COHERENT TO DRIVE RESULTS

GROWTH ENGINES

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

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

RESILIENT CASH CONTRIBUTOR

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

FUNCTIONAL POLYMERS

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

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

2015 pro forma GROUP

<table>
<thead>
<tr>
<th></th>
<th>Net sales</th>
<th>REBITDA</th>
<th>margin</th>
<th>CFROI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GROUP</strong></td>
<td>€12,378 m</td>
<td>€2,336 m</td>
<td>19%</td>
<td>6.1%</td>
</tr>
<tr>
<td><strong>EUROPE</strong></td>
<td>€4,503 m</td>
<td>€1,079 m</td>
<td>24%</td>
<td>8.2%</td>
</tr>
<tr>
<td><strong>AMERICAS</strong></td>
<td>€2,855 m</td>
<td>€522 m</td>
<td>18%</td>
<td>5.7%</td>
</tr>
<tr>
<td><strong>APAC</strong></td>
<td>€3,052 m</td>
<td>€770 m</td>
<td>25%</td>
<td>8.5%</td>
</tr>
<tr>
<td><strong>LATAM</strong></td>
<td>€1,926 m</td>
<td>€190 m</td>
<td>10%</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

Solvay pro forma 2015 (including Cytec)

39 | Q2 2016 results
29/07/2016
Solvay’s unique portfolio

**BROADEST HIGH-PERF. POLYMER RANGE**

- **Polymers & alloys**
  - Thermoplastic polymers & alloys
  - Thermoset resins & formulations
- **Downstream intermediates**
  - Foams
  - Fiber reinforced compounds (short & long fiber)
  - Composites thermoset & thermoplastics
  - Sandwich structures

**CREATING NEW CLASSES OF MATERIALS**

**PROVIDING SOLUTIONS**
- Lightweight materials for transportation
- Production cycle time acceleration
- Total cost reduction

**Driving sustainable mobility**

**AUTOMOTIVE**
- Under the hood
- Battery tray
- Upperbody/hood
- Chassis

**AEROSPACE**
- Primary structure
- Secondary structure
- Jet engines
- Cabin interior

**Most major OEMS worldwide**

**UNDERPINNED BY**
- Reduction of fuel consumption
- Decreasing CO₂ emissions
- Increasing driving autonomy

**Supported by regulatory framework for cleaner vehicles**
(aeronautics in discussion)

Q2 2016 results
29/07/2016
BROAD OFFERING OF INNOVATIVE FORMULATIONS
MODIFYING SURFACE CHEMISTRY & FLUID BEHAVIORS

NEXT GENERATION
SOLUTIONS FOR HOME FABRIC & PERSONAL CARE

COMPETITIVE technology portfolio
 Leader in global markets & niche specialty technologies:
  - MILD SURFACANT
  - NATURAL (GUAR) & SYNTHETIC POLYMERS
  - PHOSPHINES
 Supplying OEMs, Tier 1 B2B and global B2C brand-owners
 Highly competitive global on-pipe alkoxylation footprint

ENHANCED EFFICIENCY FERTILIZERS

REDUCED environmental impact

IMPROVED RECOVERY AND YIELD

USING CUSTOMER INTIMACY & MARKET FOCUS AS CRITICAL SUCCESS FACTORS

Q2 2016 results
29/07/2016
COMMITTED TO SUSTAINABILITY

SOLVAY'S COMMITMENT BY 2025 VS YE 2014

Contribute to Society
Innovate Sustainable solutions
Act Responsibly

SOLVAY'S COMMITMENT BY 2025 VS YE 2014

- Light-weighting materials
- Sustainable energy
- Ecofriendly materials
- Air and water care
- Smart and efficient processes
- Operating responsibly
- Empowering people

SOCIETAL ACTIONS

x2
Employees involved in societal actions

SPM
50%
Share of sustainable solutions in the Group portfolio

PEOPLE MANAGEMENT

- 80%
  Employee engagement index

CO2

- 40%
  Reduction of carbon intensity

SAFETY

- 50%
  of occupational accidents with MTAR target < 0.50

Q2 2016 results
29/07/2016

42