FY 2014 results

February 26, 2015

FORENOTE

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

- 2013 data for the Group’s application of IFRS 11 effective January 1st 2014.
- 2013 and 2014 H1 data for the discontinuation of Eco Services and the reallocation of Corporate shared services costs.

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

- Portfolio upgrade
- Excellence delivery
- Earnings growth
- More efficient capital structure

Towards a higher growth, less cyclical & greater returns Group
Portfolio reshaping: Redeployment for value

Reducing cyclical & low-growth businesses exposure

Enhancing customized solution offering

* To be closed in H1 2015

** Minority participation
Enhancing growth potential, reducing cyclicality

REBITDA in Growth Engines

As published (restated for IFRS 11)
2014, sustained delivery

€ 10.2 bn
Net Sales
+5% yoy
- Organic innovation-driven volume growth
- Strong Chemlogics contribution
- Stable prices: Commercial excellence offset lower raw materials cost environment

€ 1,783 m
REBITDA
+11% yoy
- Sustained 2-digit growth throughout the year
- Margin up 90 bp to 17.5%
- All operating segments contributing
- Margin improvement driven by excellence

€ 156 m
Net Income
Adjusted, Group share
- Impairments (European Chlorovinyls, RusVinyl and Chinese Epiceral® plants, mostly non-cash
- Impact of Ruble devaluation on RusVinyl
- Recognition of deferred tax assets

€ 378 m
in 2013

€ 656 m
FCF
- REBITDA increase
- IWC control
- Capex increase
FCF from Discontinued € 144 m vs € 289 m in 2013

€ 487 m
in 2013

Q4 2014 results
26/02/2015
Sales boosted by innovation and successful business integration

Net sales

<table>
<thead>
<tr>
<th>Scope</th>
<th>Conversion forex</th>
<th>Volume</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>236</td>
<td>(132)</td>
<td>349</td>
<td>44</td>
</tr>
<tr>
<td>FY 2013</td>
<td>9,715</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2014</td>
<td>10,213</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Reported growth**

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

**Underlying growth**

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

**2014**

- Excluding scope, conversion forex, and 2013 CER sales phase-out

**Q4 2014 results**

26/02/2015
Robust REBITDA growth, margin expansion

Excellence delivers

- **Innovation**
  - Drove volume & mix ↑ 9%

- **Commercial excellence**
  - Sustained prices, despite deflationary raw materials cost environment

- **Operational excellence**
  - Reduced variable costs
  - Offset fixed cost inflation

~ € 300 m delivered in 2014

**REBITDA in € m**

<table>
<thead>
<tr>
<th>Scope</th>
<th>Conversion forex</th>
<th>Volume</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,611</td>
<td>85</td>
<td>139</td>
<td>1,783</td>
<td></td>
</tr>
</tbody>
</table>

Net pricing € 81 m

- **Price** 38
- **Variable costs** -24
- **Fixed costs** (62)
- **Others** (57)

**Net pricing € 81 m**

- **REBITDA in € m**
  - **FY 2013**: 1,611
  - **FY 2014**: 1,783

- **16.6% margin** to **17.5% margin**

**Reported growth ↑ 11%**

Excluding scope, conversion forex and 2013 one-offs (CER and insurance captive)

**Underlying growth ↑ 11%**
REBITDA and margin up across all operational segments

**Growth Engines**

Innovation-driven growth

**Excellence-driven margin expansion**

**REBITDA 2014** (in € m)

- **Advanced Formulations**
  - FY 2013: 347 (14% margin)
  - FY 2014: 426 (15% margin)
  - REBITDA: 23%

- **Advanced Materials**
  - FY 2013: 624 (24% margin)
  - FY 2014: 709 (26% margin)
  - REBITDA: 14%

- **Functional Polymers**
  - FY 2013: 89 (5.0% margin)
  - FY 2014: 111 (6.7% margin)
  - REBITDA: 25%

- **Performance Chemicals**
  - FY 2013: 682 (24% margin)
  - FY 2014: 724 (25% margin)
  - REBITDA: 6.1%
Net income impacted by impairments and other exceptionals

**Adjusted** P&L

<table>
<thead>
<tr>
<th>in € m</th>
<th>FY 2014</th>
<th>FY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>10,213</td>
<td>9,715</td>
</tr>
<tr>
<td>REBITDA</td>
<td>1,783</td>
<td>1,611</td>
</tr>
<tr>
<td>Other elements</td>
<td>(72)</td>
<td>(25)</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>(641)</td>
<td>(614)</td>
</tr>
<tr>
<td>Non-recurring items</td>
<td>(308)</td>
<td>(239)</td>
</tr>
<tr>
<td>EBIT</td>
<td>761</td>
<td>734</td>
</tr>
<tr>
<td>Net financial charges</td>
<td>(309)</td>
<td>(213)</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(120)</td>
<td>(209)</td>
</tr>
<tr>
<td>Result continuing operations</td>
<td>333</td>
<td>312</td>
</tr>
<tr>
<td>Result discontinued operations</td>
<td>(244)</td>
<td>110</td>
</tr>
<tr>
<td>Net income</td>
<td>89</td>
<td>422</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>67</td>
<td>(44)</td>
</tr>
<tr>
<td>Net income Solvay share</td>
<td>156</td>
<td>378</td>
</tr>
</tbody>
</table>

**Other elements** linked to RusVinyl and M&A impacts
- RusVinyl € (65) m: mainly ruble devaluation impact on euro debt

**Non-recurring costs**
- Non-cash impairments € (160) m on RusVinyl and Chinese Epicor® plant
- Restructuring expenses down to € (49) m
- Environmental, litigation and portfolio management provisions € (99) m

**Net financial charges** lower underlying but impacted by discount rate
- Net debt charges fell € 21 m to € (145) m (€ (124) m underlying), following debt repayments in H1
- Discounting costs for pension and environmental provisions up € (76) m to € (163) m, as discount rates reduced across regions vs 2013
- One-off income from sale financial assets € 40 m in 2013

**Income taxes** benefited from deferred tax assets recognition
- Nominal tax rate of 25%, underlying at 33%
- Exceptional recognition of deferred tax assets € 110 m

**Discontinued operations result** down due to impairments
- Impairment of € (477) m on European Chlorovinyls (€ (422) m Group share)
- Partly offset by exceptional capital gain of € 177 m on sale of Eco Services

* Adjusted: Excluding non-cash PPA accounting impacts related to the Rhodia acquisition
Free cash flow and divestments leading to debt reduction

Net debt* evolution

<table>
<thead>
<tr>
<th>Date</th>
<th>Change in industrial working capital</th>
<th>FCF of discontinued operations</th>
<th>Acquisitions &amp; divestments</th>
<th>Net financial charges</th>
<th>Other changes in net debt</th>
<th>Changes in net debt attributable to &quot;Assets held for sale&quot;</th>
<th>Net debt* evolution in € m</th>
</tr>
</thead>
<tbody>
<tr>
<td>31/12/2013</td>
<td>(861)</td>
<td>145</td>
<td>(234)</td>
<td>(332)</td>
<td>(123)</td>
<td>(20)</td>
<td>(1,141)</td>
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<tr>
<td>31/12/2014</td>
<td>21</td>
<td>416</td>
<td>(332)</td>
<td>(123)</td>
<td>(20)</td>
<td>(778)</td>
<td>1,351</td>
</tr>
</tbody>
</table>

Free Cash Flow € 656 m

Strong Free cash flow
- REBITDA increase and IWC control
- Capex increase

Net inflow from portfolio upgrade
- Acquisition of Ryton® PPS, Flux Brazing, Dhaymers
- Gross cash proceeds from Eco Services (Associated tax payable in 2015)

Financial elements
- Early high yield bond repayment € (800) m => “Make-whole” interests cash-outs € (50) m
- Hybrid bond dividends € (41) m

Other changes in net debt
- Capital increase RusVinyl
- Purchase treasury shares

* Net debt excludes hybrid bonds of € 1.2 bn booked as equity
Selective investments for future value creation

**Capex**
- Continuing operations in € m
  - 2013: 734
  - 2014: 861
  - 2015e: stable

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

**Main growth capex projects**
- **Novecare**
  - Specialty surfactant plant in Germany
  - Alkoxylation plant in USA
  - Alkoxylation plant in Singapore
  - Vanillin plant in China
- **Aroma Performance**
  - Fluoropolymers plant in China
- **Specialty Polymers**
  - PEEK exp. India
  - PEEK plant in USA
- **Silica**
  - Silica plant in Poland
- **Soda Ash & Derivatives**
  - Bicarbonate plant in Thailand
  - Soda ash expansion in USA
- **Peroxides**
  - HPPO plant in Saudi Arabia

**Growth projects in growth regions**

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

Industrial working capital
% of gross sales

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average 2013</td>
<td>15.4%</td>
<td>15.8%</td>
<td>15.2%</td>
<td>13.0%</td>
<td>15.2%</td>
<td>15.6%</td>
<td>16.3%</td>
<td>12.8%</td>
</tr>
</tbody>
</table>

DSO* ➔
Overdues ➔
Inventory management ➔ room for improvement

Committed to further optimization

Q4 2014 results  
26/02/2015
Optimizing efficiency
Preserving capital structure strength

**Capital structure (31/12/2014)**
in € bn

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; cash equivalents 1.6</td>
<td>Other (0.6)</td>
<td>Major LT debt (1.8)</td>
</tr>
<tr>
<td>Net debt (0.8)</td>
<td>Gross debt (2.3)</td>
<td>Total equity 6.8</td>
</tr>
<tr>
<td>Hybrid bond 1.2</td>
<td>Equity 5.6</td>
<td></td>
</tr>
</tbody>
</table>

**Managing debt for value**
in € bn

- **Gross debt 31/12/2013**
  - HY bonds (0.8)
  - Major LT debt (2.3)
  - Other (0.5)
  - (3.6)

- **Redeemed in H1 2014**
  - HY bonds (0.5)
  - Other (0.5)
  - (0.5)
  - (2.3)

- **Gross debt 31/12/2014**
  - HY bonds (0.8)
  - Major LT debt (1.8)
  - Other (0.6)
  - (0.5)

- **Redeemable in H1 2015**
  - @ 6.95%
  - @ 4.99%
  - @ 5.01%

**Strong credit ratios**

- **Gearing** 11% (Net debt / Equity)
  - Including pension provisions 56%
- **Leverage** 0.44x (Net debt / REBITDA)
  - Including pension provisions 2.13x

**Repayments in 2014-2015 → € 1.8 bn**

- Lowered underlying cost of net debt by € 40 m
- Average gross interest rate* reduced by 50 bp to 4.9%
- More than halved negative carry

* Excludes Hybrid bond
### Solvay dividend 2014

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interim dividend</td>
<td>€ 1.33*</td>
<td>Paid on January 22, 2015</td>
</tr>
<tr>
<td>Dividend balance</td>
<td>€ 2.06*</td>
<td>To be paid on May 19, 2015</td>
</tr>
<tr>
<td>Total**</td>
<td>€ 3.40</td>
<td>Up 6.3%</td>
</tr>
</tbody>
</table>

* Repeating last decimal; payments rounded to the nearest eurocent
** Proposed dividend, pending General Shareholders meeting

### Delivery on commitments

**Gross dividend in €/share**

- **2014**
  - € 3.40 DPS**

**CAGR 5.3%**

**For >30 years**

~40% average pay-out

---

**Committed to stable / growing dividend**

---

**Q4 2014 results**

26/02/2015
Poised to capture growth opportunities

→ Macro-economic growth stable
→ Forex supportive*
→ Volatility to persist

→ Innovative solutions to deliver further
→ Opportunities & challenges from low oil prices
  ▪ **Sales:** Tight oil market represents <5% of net sales
  ▪ **Costs:** Positive contribution to net pricing expected

* At prevailing rates
Accelerate transformation

2015 Priorities

• Continue portfolio upgrade
• Grow with our customers
• Maintain focus on excellence
• Sustain profit & value growth

Sustain momentum
Outlook 2015

Confident to sustain recent momentum

- Transformation levers continue to be deployed
  Portfolio, Excellence, Performance culture
- Currently in line with 2016 ambitions
Take-aways

Portfolio upgraded

Excellence delivery

Poised for growth

On track

2016
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 6 2015</td>
<td>Q1 2015 Results publication</td>
</tr>
<tr>
<td>May 12</td>
<td>Annual General Meeting</td>
</tr>
<tr>
<td></td>
<td>Brussels, Belgium</td>
</tr>
<tr>
<td>May 19</td>
<td>Dividend pay-out</td>
</tr>
<tr>
<td></td>
<td>Ex-dividend trading date on May 15, 2015</td>
</tr>
<tr>
<td>June 10-11</td>
<td>Capital Markets Day</td>
</tr>
<tr>
<td></td>
<td>Italy</td>
</tr>
<tr>
<td>July 29</td>
<td>Q2 &amp; H1 2015 Results publication</td>
</tr>
<tr>
<td>October 29</td>
<td>Q3 2015 Results publication</td>
</tr>
</tbody>
</table>
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.
Annexes

- Additional Q4 and FY 2014 financial data
- 2015 considerations
- Group presentation
Strong Q4 results, in continuation of year performance

- **Net Sales**: €2.6 bn (+9% yoy)
  - Organic volume growth
  - Small positive impact from forex and prices
  - Fire-powered by Growth engines

- **REBITDA**: €414 m (+10% yoy)
  - Margin at 16.1% (+22 bp)
  - Profit and margin improvement across all operating segments
  - Excellence programs continued to strengthen operating performance
  - Positive pricing power

- **Net Income**: €208 m
  - Adjusted, Group share
  - €25 m in Q4 2013

- **FCF**: €542 m
  - €197 m in Q4 2013
Sustained solid REBITDA growth in Q4, underpinned by volume and pricing power

Volume growth of 12% mostly in growth engines
Positive pricing power, underpinned by excellence programs
Fixed costs rise linked to performance-related compensation charges and destocking impacts
Others include RusVinyl start-up

Net Sales
in € m

Q4 2013
Q4 2014

2,364
2,574

Scope
Conversion forex
Volume
Price

8.9%

REBITDA
in € m

Q4 2013
Q4 2014

375
375

Scope
Volume
Conversion forex
Price

15.8%

Net pricing
€ 42 m

53
10
(10)

Variable costs
Price

16.1%

8
45
15

Conversion forex

22 bp

Net Sales

26/02/2015
Q4 2014 results

Q4 2014

375
8
53
15

2,574

8.9%

15.8%

10%

22 bp

16.1%

26/02/2015
Q4 2014 results

SOLVAY
asking more from chemistry®
Broad performance delivery across businesses in Q4

**REBITDA Q4 2014 (in € m)**

### Advanced Formulations
- **Strong Chemlogics and organic volume growth at Novecare largely outweighed weak performance at Coatis**
- Q4 2013: 82, Margin: 13%
- Q4 2014: 109, Margin: 15%

### Advanced Materials
- **Strong innovation-driven volume growth and operational efficiency**
- Q4 2013: 155, Margin: 26%
- Q4 2014: 172, Margin: 24%

### Functional Polymers
- **Performance improvement by excellence delivery**
- Q4 2013: 13, Margin: 3.4%
- Q4 2014: 15, Margin: 4.1%

### Performance Chemicals
- **Underpinned by reduction of costs and forex tailwind**
- Q4 2013: 179, Margin: 25%
- Q4 2014: 190, Margin: 25%
Advanced Formulations 2014 Q4 performance

Strong Chemlogics and organic volume growth (+5%) at Novecare largely outweighed weak performance at Coatis

Strong growth in Novecare
- Strong demand in US Oil & Gas market, despite recent fall in oil prices
- Softer demand in Agro compensated by pricing
- Mixed performance in Home & Personal Care
- Good momentum kept in Industrial applications and Coatings

Coatis suffered from Brazilian economy
- Local industry competitiveness eroded by costly labor and energy
- Lower domestic demand for phenol
- Positive pricing power

Good performance at Aroma Performance
- Good performance in Aroma ingredients
- Inhibitors underpinned by volume and price increase
Advanced Materials 2014 Q4 performance
Strong innovation-driven volume growth and operational efficiency

**Strong sales in Specialty Polymers markets**
- Substantial contribution from new smart devices products
- Good dynamics in automotive driven by light-weighting
- Robust growth performance in industrial, electrical & electronics and water applications

**Good performance at Silica**
- Underpinned by strong pricing
- Good demand in North America and Asia

**Solid volumes at Rare Earth Systems**
- Catalyst business boosted by tighter EU diesel regulation
- Mixed results in electronics

Q4 2014 results
26/02/2015
Performance Chemicals 2014 Q4 performance
Underpinned by reduction of costs and forex tailwind

Pricing power at Soda Ash
- Good pricing dynamics
- Delivery of cost savings under 3-year excellence program

Strong performance at Peroxides
- Volumes growing across regions and end-markets
- Mega-HPPO plants in Europe and Asia at high capacity utilization

Acetow sales volumes down
- Customer destocking continued
- Lower sales volumes affected operational leverage
- Pricing power satisfactory

Emerging Biochemicals market stabilized
- PVC market conditions stabilized with diminishing pressure from Chinese import
- Epichlorohydrin market remained low
Functional Polymers 2014 Q4 performance
Performance improvement by excellence delivery

Net sales (in € m)

<table>
<thead>
<tr>
<th></th>
<th>Q4 2013</th>
<th>Q4 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polyamide</td>
<td>384</td>
<td>363</td>
</tr>
<tr>
<td>Chlorovinyls</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Volume</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Price</td>
<td>(5.4)%</td>
<td></td>
</tr>
</tbody>
</table>

REBITDA (in € m)

<table>
<thead>
<tr>
<th></th>
<th>Q4 2013</th>
<th>Q4 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polyamide</td>
<td>13</td>
<td>15</td>
</tr>
<tr>
<td>Chlorovinyls</td>
<td>3.4%</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

Polyamide
- Profit restoration plan delivered on manufacturing and commercial excellence
- Poor macro-economic conditions and competitive erosion for Fibras in Brazil
- Profit restoration plan continued to deliver on reining in fixed and variable costs as well as on improving commercial excellence programs

Chlorovinyls
- RusVinyl start-up posted modest loss
  - RusVinyl reaching 60% capacity by year end
  - € (110) m impairment charge (not in REBITDA)
- Divestment of Benvic in Q2 2014
- European chlorovinyls (in discontinued operations) suffered from difficult market environment
Corporate & Business Services performance
Tight cost control maintained, phasing as anticipated

**REBITDA Q4 2014 (in € m)**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Services</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Other C&amp;BS</td>
<td>(57)</td>
<td>(79)</td>
</tr>
<tr>
<td><strong>Reported</strong></td>
<td>(54)</td>
<td>(72)</td>
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</table>

**REBITDA 2014 (in € m)**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Energy Services</td>
<td>54</td>
<td>25</td>
</tr>
<tr>
<td>Other C&amp;BS</td>
<td>(185)</td>
<td>(213)</td>
</tr>
<tr>
<td><strong>Reported</strong></td>
<td>(131)</td>
<td>(188)</td>
</tr>
<tr>
<td><strong>CER sales</strong></td>
<td>(58)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Insurance captive</strong></td>
<td>(22)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Underlying</strong></td>
<td>(211)</td>
<td>(188)</td>
</tr>
</tbody>
</table>

**Energy Services**
- Modest contribution mainly from energy and carbon management services

**Other Corporate & Business Services**
- Higher Q4 corporate costs, including performance-related compensation charges
- Anticipated phasing of certain corporate programs concentrated in H2 2014

**Cost discipline over the year**
- Reported REBITDA up due to
  - CER sales in H1 2013, which phased out since for € 58 m
  - One-off provision reversal on insurance captive in Q3 2013 for € 22 m
- Underlying REBITDA improved € 23 m thanks to cost discipline over the year
### Solvay’s share in net income at € 208 m

**Adjusted* P&L**

<table>
<thead>
<tr>
<th>in € m</th>
<th>Q4 2014</th>
<th>Q4 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>2,574</td>
<td>2,364</td>
</tr>
<tr>
<td>REBITDA</td>
<td>414</td>
<td>375</td>
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<tr>
<td>Other elements</td>
<td>(56)</td>
<td>(20)</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>(168)</td>
<td>(167)</td>
</tr>
<tr>
<td>Non-recurring items</td>
<td>(202)</td>
<td>(68)</td>
</tr>
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<td>EBIT</td>
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<td>120</td>
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<td>(68)</td>
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<td>Income taxes</td>
<td>55</td>
<td>(81)</td>
</tr>
<tr>
<td>Result continuing operations</td>
<td>(25)</td>
<td>20</td>
</tr>
<tr>
<td>Result discontinued operations</td>
<td>183</td>
<td>9</td>
</tr>
<tr>
<td>Net income</td>
<td>158</td>
<td>29</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>51</td>
<td>(3)</td>
</tr>
<tr>
<td>Net income Solvay share</td>
<td>208</td>
<td>25</td>
</tr>
</tbody>
</table>

### Other elements
- RusVinyl € (58) m: mainly ruble devaluation impact on euro debt

### Non-recurring costs
- Non-cash impairments € (144) m on RusVinyl and Chinese Epicerol® plant
- Restructuring expenses down to € (20) m
- Environmental, litigation and portfolio management provisions at € (48) m

### Net financial charges
- Net debt charges fell € 7 m to € (29) m, following debt repayments in H1
- Discounting costs for pension and environmental provisions increased by € (18) m to € (39) m, as discount rates reduced across regions, compared to increases in Q4 2013
- Q4 2013 included € 38 m of one-off income from sale of financial assets

### Income taxes
- Nominal tax rate of 35%, underlying at 33%
- Included € 110 m from the exceptional recognition of deferred tax assets

### Discontinued operations
- € 177 m capital gain on sale of Eco Services

---

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

<table>
<thead>
<tr>
<th>in € m</th>
<th>31/12/2014</th>
<th>31/12/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td>10,080</td>
<td>9,732</td>
</tr>
<tr>
<td>Investment &amp; shares</td>
<td>545</td>
<td>734</td>
</tr>
<tr>
<td>Loans &amp; other non current financial receivables / payables</td>
<td>(10)</td>
<td>86</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>1,414</td>
<td>1,621</td>
</tr>
<tr>
<td>Taxes payable/receivable + Others</td>
<td>31</td>
<td>44</td>
</tr>
<tr>
<td>Working capital</td>
<td>1,101</td>
<td>1,260</td>
</tr>
<tr>
<td><strong>Total invested capital</strong></td>
<td><strong>13,160</strong></td>
<td><strong>13,477</strong></td>
</tr>
<tr>
<td>Equity</td>
<td>6,778</td>
<td>7,453</td>
</tr>
<tr>
<td>Provisions</td>
<td>4,328</td>
<td>3,820</td>
</tr>
<tr>
<td>Dividends</td>
<td>114</td>
<td>113</td>
</tr>
<tr>
<td>Net financial debt</td>
<td>778</td>
<td>1,141</td>
</tr>
<tr>
<td>Liabilities related to assets held for sale</td>
<td>1,162</td>
<td>948</td>
</tr>
<tr>
<td><strong>Total financing</strong></td>
<td><strong>13,160</strong></td>
<td><strong>13,477</strong></td>
</tr>
</tbody>
</table>

## Factors impacting Net income

<table>
<thead>
<tr>
<th>in € m</th>
<th>FY 2014</th>
<th>FY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IFRS Net income, Group</strong></td>
<td>80</td>
<td>270</td>
</tr>
<tr>
<td>Rhodia PPA (after tax)</td>
<td>76</td>
<td>107</td>
</tr>
<tr>
<td><strong>Adj. net income, Group</strong></td>
<td>156</td>
<td>378</td>
</tr>
<tr>
<td><strong>Exceptional elements</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-recurring items</td>
<td>308</td>
<td>239</td>
</tr>
<tr>
<td>M&amp;A-related elements</td>
<td>58</td>
<td>28</td>
</tr>
<tr>
<td>Net financial charges</td>
<td>57</td>
<td>(73)</td>
</tr>
<tr>
<td>Capital gain Eco Services</td>
<td>(177)</td>
<td>-</td>
</tr>
<tr>
<td>Impairments (in disc. ops.)</td>
<td>497</td>
<td>68</td>
</tr>
<tr>
<td>Pharma (in disc. ops.)</td>
<td>-</td>
<td>(105)</td>
</tr>
<tr>
<td>Tax-related elements</td>
<td>(175)</td>
<td>(36)</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(89)</td>
<td>8</td>
</tr>
<tr>
<td><strong>Adj. Net income, Group excluding exceptionals</strong></td>
<td>635</td>
<td>507</td>
</tr>
</tbody>
</table>
Strong reduction of Net debt in Q4 thanks to WC inflow and Eco Services divestment

**Net debt* evolution**
in € m

<table>
<thead>
<tr>
<th>Date</th>
<th>Free Cash Flow</th>
<th>REBITDA, provisions &amp; other operating cash flow</th>
<th>Capex</th>
<th>Change in industrial working capital</th>
<th>FCF of discontinued operations</th>
<th>Acquisitions &amp; divestments</th>
<th>Net financial charges</th>
<th>Dividends</th>
<th>Other changes in net debt</th>
<th>Changes in net debt attributable to &quot;Assets held for sale&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>30/09/2014</td>
<td>(1,665)</td>
<td>391</td>
<td>(318)</td>
<td>408</td>
<td>62</td>
<td>505</td>
<td>(10)</td>
<td>(48)</td>
<td>(74)</td>
<td>(29)</td>
</tr>
<tr>
<td>31/12/2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(778)</td>
</tr>
</tbody>
</table>

Strong cash inflow from reduction in working capital needs

- Divestment of Eco Services
- Acquisition of Ryton® PPS and Dhaymers

Other changes in net debt mainly relate to purchase of treasury shares

Changes in net debt of “Assets held for sale” linked to Indupa

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

<table>
<thead>
<tr>
<th>in € m</th>
<th>Q4 2014</th>
<th>Q4 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>868</td>
<td>522</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>161</td>
<td>(1,183)</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>(688)</td>
<td>1,382</td>
</tr>
<tr>
<td><strong>Net change in cash &amp; cash equivalents</strong></td>
<td>341</td>
<td>721</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>17</td>
<td>(1)</td>
</tr>
<tr>
<td>Opening cash balance</td>
<td>917</td>
<td>1,252</td>
</tr>
<tr>
<td><strong>Ending cash balance</strong></td>
<td>1,275</td>
<td>1,972</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>542</td>
<td>197</td>
</tr>
<tr>
<td>From continuing operations</td>
<td>480</td>
<td>175</td>
</tr>
<tr>
<td>From discontinued operations</td>
<td>62</td>
<td>22</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>in € m</th>
<th>FY 2014</th>
<th>FY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>1,621</td>
<td>1,299</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>(650)</td>
<td>(1,745)</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>(1,690)</td>
<td>686</td>
</tr>
<tr>
<td><strong>Net change in cash &amp; cash equivalents</strong></td>
<td>(718)</td>
<td>240</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>21</td>
<td>(55)</td>
</tr>
<tr>
<td>Opening cash balance</td>
<td>1,972</td>
<td>1,787</td>
</tr>
<tr>
<td><strong>Ending cash balance</strong></td>
<td>1,275</td>
<td>1,972</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>656</td>
<td>487</td>
</tr>
<tr>
<td>From continuing operations</td>
<td>511</td>
<td>198</td>
</tr>
<tr>
<td>From discontinued operations</td>
<td>145</td>
<td>289</td>
</tr>
</tbody>
</table>
Stable pension cash outflows, net pension liability impacted by lower discount rates

Cash contribution stable at € (180) m in 2014

Discount rates* decreased in 2014

<table>
<thead>
<tr>
<th>Currency</th>
<th>31/12/2013</th>
<th>31/12/2014</th>
<th>change</th>
<th>average duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>€</td>
<td>3.25%</td>
<td>1.75%</td>
<td>-1.50%</td>
<td>12 years</td>
</tr>
<tr>
<td>£</td>
<td>4.50%</td>
<td>3.50%</td>
<td>-2.00%</td>
<td>16 years</td>
</tr>
<tr>
<td>US$</td>
<td>4.75%</td>
<td>4.00%</td>
<td>-0.75%</td>
<td>10 years</td>
</tr>
<tr>
<td>weighted average</td>
<td>3.88%</td>
<td>2.71%</td>
<td>-1.17%</td>
<td>13 years</td>
</tr>
</tbody>
</table>

Pension assets of € 2,102 m
- ~50% Equities / Diversified alternative funds
- ~50% Bonds / Real estate

Majority of liabilities denominated in €

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

All presented figures are for continuing operations only.
Annexes

• Additional Q4 and FY 2014 financial data

• 2015 considerations

• Group presentation
**REBIT(DA) considerations for 2015**

### Forex impact
- **Forex tailwind expected at prevailing rates**
  - Immediate impact on conversion exposure
  - Deferred transactional impact due to hedging
- **Mainly linked to USD**

### REBITDA adjustments
- **RusVinyl JV**
  - Consolidated through Equity associates
  - Adjusted for financial charges
    - Important impact from ruble devaluation linked to debt in €
    - 2014 impact of € (65) m
- **Chemlogics**
  - Retention payments of ~ € (2) m per Q until 2016

### Scope effects
- **Acquisitions**
  - Ryton® PPS on 31/12/2014
    - Sales of ~ € 100 m in 2014
    - Meaningful REBITDA contribution from 2016
  - Other smaller acquisitions end 2014: Flux Brazing, Dhaymers
- **Divestments**
  - Benvic in June 2014: Sales of ~ € 75 m in H1 2014
  - Refrigerants sale to be closed in H1 2015

### Depreciation & amortization
- **Recurring depreciation & amortization**
  - FY cost expected of ~ € (680) m
- **Rhodia PPA impact**
  - Excluded from adjusted figures
  - FY impact expected of ~ € (105) m
Exposure to USD
- Sensitivity of ~ € 100 m per US¢ (0.10) / €
- Half conversion, half transactional

Main forex exposure
- USD  
- CNY  
- JPY  
- RUB
- BRL  
- THB  
- KRW

Net impact of forex in 2014
- Conversion: € (15) m
- Transaction: € (25) m

Significant forex tailwind expected at prevailing rates

26/02/2015
Q4 2014 results
**Financials and tax considerations for 2015**

### Net debt charges
- Gross debt repayments to come
  - € (500) m in June 2015
- Net debt charges expected at ~€ (100) m
- Average gross interest rate* at 3.9% (4.9% in 2014)

* Excludes Hybrid bond

### Discounting of pensions and HSE
- Recurring FY cost of ~€ (100) m, provided no change in discount rates** during year
- Sensitivity to changes in discount rates (for a 50 bp increase)
  - In OCI: Pensions
    - € zone ~ € 160 m
    - UK ~ € 125 m
    - USA ~ € 35 m
  - In P&L, HSE (in € zone) ~ € 8 m

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

### Hybrid bond
- Nominal value of € 1.2 bn
- Initial average dividend yield of 4.7%
  - € 0.7 bn at 4.199%
  - € 0.5 bn at 5.425%
- Accounting considerations
  - Income statement ➔ No impact
  - Balance sheet ➔ Treated under Equity
  - Cash flow statement ➔ Dividends treated in CF from financing
- Dividend cash-out
  - Q2: € (29) m / Q4: € (27) m

### Tax rates
- Underlying tax rate (excluding non-recurring elements) progressing from mid to low 30s
- 2014 included € 110 m recognition of deferred tax assets
### Other considerations for 2015

#### Non-recurring elements
- **Comprises**
  - Restructuring costs
  - Impairments (not under discontinued operations)
  - HSE provisions on non-operational sites
  - Portfolio management-related gains & losses
  - Contingencies / litigations

#### Cash flow
- **FCF fluctuations**
  - Cash expenses for pensions of ~€ (200) m
  - Sustained capex efforts (€ (861) m in 2014)
- **Eco services divestiture**
  - Transaction closed end 2014
  - € 721 m cash proceeds (pre-tax) received in 2014
  - Taxes for € (220) m to be paid in Q1 2015

#### Discontinued operations
- **Indupa sale**
  - CADE anti-trust veto to Braskem
  - Strategic intent not impacted, disposal process re-launched
  - € (65) m in CTA to be recycled through P&L at exit
- **INOVYN™ JV project with Ineos**
  - Final stages reached of the implementation of the commitments agreed with the European Commission, now awaiting clearance
  - To be treated as consolidated equity investment upon JV effectiveness
Annexes

• Additional Q3 and Q3 YTD 2014 financial data
• 2015 considerations
• Group presentation
Solvay, a major global chemical player

Based on strengths

- **€ 10.2 bn** Net Sales
- **€ 1.8 bn** REBITDA
- **17.5%** REBITDA margin
- **€ 156 m** Adjusted Net Income, Group share

Well-balanced geographical spread and end-user markets

Leading player in 90% of our businesses

Strong R&I portfolio

And with ambition

2014 figures

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

Restated for IFRS 11 application as from 01/01/2014 and discontinuation of Eco Services. Adjusted: Excluding non-cash PPA accounting impacts related to the Rhodia acquisition.

Non-financial figures exclude discontinued operations.
Well-balanced geographical spread and end-user markets

Balanced geographical exposure*

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

Exposure to higher growth end-markets*

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

* Figures represent % of 2014 net sales
Strong innovation portfolio aligned with global megatrends

Focused innovation fields

- Climate change
- Resource scarcity
- Health & well-being
- Next billion consumers
- Renewable chemistry
- Sustainable energy
- Eco-processes
- Organic electronics
- Advanced materials
- Advanced formulations

2014

- 15 Major R&I sites worldwide
- 1,950 R&I staff
- €287 m R&I efforts
- 21% New sales ratio
- 259 Patents filed
Focused on being a model of sustainability with commitments

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

- Manage risk
- Develop rich & balanced social dialogue

Energy consumption
Greenhouse gas emissions
Groundwater consumption
Air emission*

-10%

Water emissions**
Sustainable water management***

-20%
100%
## Organization set-up

![Diagram showing strategic priorities and their impact on growth engines, resilient cash flow generation, restoring profitability, and efficient support.]

### Strategic priorities
- **REBITDA growth**
  - Advanced Formulations: +++
  - Advanced Materials: +++
  - Performance Chemicals: +
  - Functional Polymers: +
  - Corporate & Business Services: +

- **REBITDA margin**
  - Advanced Formulations: ++
  - Advanced Materials: +++
  - Performance Chemicals: ++++
  - Functional Polymers: +
  - Corporate & Business Services: +

- **Capital intensity**
  - Advanced Formulations: +
  - Advanced Materials: ++
  - Performance Chemicals: +++
  - Functional Polymers: ++++
  - Corporate & Business Services: +

- **R&D drive**
  - Advanced Formulations: ++
  - Advanced Materials: +++
  - Performance Chemicals: +
  - Functional Polymers: +
  - Corporate & Business Services: +

### Key words
- Strengthened
- Executive Committee
- Resilient cash flow generation
- Restoring profitability
- Efficient Support

### Core values
- Customer-centric
- Empowered
- Entrepreneurial
- Result-oriented
## Organized in Operating segments and Global Business Units

<table>
<thead>
<tr>
<th>Advanced Formulations</th>
<th>Advanced Materials</th>
<th>Performance Chemicals</th>
<th>Functional Polymers</th>
<th>Corporate &amp; Business Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Novecare</td>
<td>Specialty Polymers</td>
<td>Soda Ash &amp; Derivatives</td>
<td>Polyamide</td>
<td>Solvay Energy Services</td>
</tr>
<tr>
<td>Aroma Performance</td>
<td>Silica</td>
<td>Peroxide</td>
<td>P&amp;I</td>
<td>Corporate Functions</td>
</tr>
<tr>
<td>Coatis</td>
<td>Rare Earth Systems</td>
<td>Acetow</td>
<td>Engineering Plastics</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Special Chemicals</td>
<td>Emerging Biochemicals</td>
<td>Fibras</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>RusVinyl</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 2014 Results

<table>
<thead>
<tr>
<th></th>
<th>Advanced Formulations</th>
<th>Advanced Materials</th>
<th>Performance Chemicals</th>
<th>Functional Polymers</th>
<th>Corporate &amp; Business Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>REBITDA</td>
<td>€ 426 m</td>
<td>€ 709 m</td>
<td>€ 724 m</td>
<td>€ 111 m</td>
<td>€ (188) m</td>
</tr>
<tr>
<td>REBITDA margin</td>
<td>15%</td>
<td>26%</td>
<td>25%</td>
<td>6.7%</td>
<td>n.m.</td>
</tr>
</tbody>
</table>

- **Advanced Formulations**: Novecare, Aroma Performance, Coatis
- **Advanced Materials**: Specialty Polymers, Silica, Rare Earth Systems, Special Chemicals
- **Performance Chemicals**: Soda Ash & Derivatives, Peroxide, Acetow, Emerging Biochemicals
- **Functional Polymers**: Polyamide, P&I, Engineering Plastics, Fibras, RusVinyl
- **Corporate & Business Services**: Solvay Energy Services, Corporate Functions

### Key Figures

- **REBITDA**
  - Advanced Formulations: € 426 m, ↓ 23%
  - Advanced Materials: € 709 m, ↓ 14%
  - Performance Chemicals: € 724 m, ↓ 6.1%
  - Functional Polymers: € 111 m, ↓ 25%
  - Corporate & Business Services: € (188) m

- **REBITDA Margin**
  - Advanced Formulations: 15%, ↓ 66 bp
  - Advanced Materials: 26%, ↓ 122 bp
  - Performance Chemicals: 25%, ↓ 109 bp
  - Functional Polymers: 6.7%, ↓ 169 bp
  - Corporate & Business Services: n.m.
As one of Solvay’s growth engines, the businesses grouped under Advanced Formulations stand out for their innovation capacity and relatively low capital intensity. Their offerings address major societal trends, meeting ever stricter requirements to respect the environment and save energy, and providing solutions to the challenges of the mass consumer markets.
Novecare
Continuous growth in fast growing regions and segments

Broad portfolio in selected end markets

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

North America
12 production sites
(1 in construction)
12 R&I centers

- Latin America
3 production sites
1 R&I center

- Europe
7 production sites
4 R&I centers

- Asia & RoW
11 production sites
(1 in construction)
5 R&I centers

Net Sales 2014
53%
16%
25%
6%

- € 2.0 bn
Net sales 2014

- ~ 3,800
employees

- 33
production sites
22
R&I centers
# Novecare

Cutting-edge technologies in diversified focused markets

<table>
<thead>
<tr>
<th>TECHNOLOGY</th>
<th>Home &amp; Personal Care</th>
<th>Agro</th>
<th>Oil &amp; Gas</th>
<th>Coatings</th>
<th>Industrial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surfactants</td>
<td><img src="image" alt="51%" /></td>
<td></td>
<td></td>
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<tr>
<td>Polymers</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Phosphorous Derivatives</td>
<td><img src="image" alt="11%" /></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specialty Amines</td>
<td><img src="image" alt="14%" /></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

% of Novecare sales in 2014
Coatis
Sustainable solvents solutions provider and leading Latin American player of phenol

Multiple applications for phenol and oxygenated solvents

Multiple applications for phenol and oxygenated solvents

Latin America
1 production site
1 R&I center

Asia & RoW
1 R&I center

€ 0.5 bn
Net sales 2014

~ 600
employees

1 production site
2 R&I centers

50 Q4 2014 results
26/02/2015
Aroma Performance
World’s largest Diphenols & Fluoroaliphatics integrated producer serving customers growth and innovation

Vanillin ingredients for Food, Flavors & Fragrances
Diphenols for Monomer stabilizers, Agro & Pharma
Fluorinated compounds for Batteries & Displays

North America
1 production site

Europe
3 production sites
1 R&I center

Asia & RoW
1 production site
2 R&I centers

€ 0.3 bn
Net sales 2014

~ 800
employees

SOLVAY
asking more from chemistry®

26/02/2015 Q4 2014 results
Advanced Materials

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

Diversified end markets with superior growth potential

- Healthcare
- Aircraft
- Automotive
- Oil & Gas
- Alternative Energy
- Consumer Goods
- Industrial
- Construction
- Smart Devices
- Membranes

Net Sales 2014
- Europe: 35%
- North America: 25%
- Asia & RoW: 3%
- Other: 37%

- € 1.5 bn Net sales 2014
- ~ 3,100 employees
- 17 production sites
- 11 R&D centers
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

Built on 4 technology clusters

- Aromatics
- High-barrier polymers
- Fluoropolymers
- Cross-linkable compounds
Specialty Polymers
Unique solution offering to customers differentiates Solvay from competitors

<table>
<thead>
<tr>
<th>Aromatics</th>
<th>Fluoropolymers</th>
<th>High-barrier polymers</th>
<th>X-linkable compounds</th>
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<td>LCP</td>
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<td>XLCP</td>
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</table>

Specialty Polymers include LCP, HPPA, PPS, PEEK, PAI, PSU, PTFE, PVDF, PFA, FKM, PFPE, PVDC, and XLCP.
Silica
Growth through innovation for sustainable mobility

HDS (Highly Dispersible Silica) for fuel-efficient & performance tires

North America
1 production site

Europe
3 production sites
(1 in construction)
2 R&I centers

Latin America
2 production sites
1 R&I center

Asia & RoW
3 production sites
1 R&I center

Net Sales 2014
41% 28% 31%

Net sales 2014
~ 700 employees

€ 0.5 bn

Solvay
asking more from chemistry

Q4 2014 results
26/02/2015
Silica
Highly Dispersible Silica (HDS) delivers value to the tire industry

Excellent technical performance …

… 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 instead of carbon black

Enables a 5-7% improvement in fuel efficiency

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

Source: Smithers Rapra, Solvay estimates
Rare Earth Systems
Best value capturing business portfolio in rare earth chemicals

# 1 rare earth specialty chemicals

Sales, R&I & industrial footprint close to target markets & target customers

Mixed oxides & Alumina for automotive catalysts

Rare earth chemicals for electronics

North America
1 production site
1 R&I center

Europe
1 production site
1 R&I center

Asia & RoW
3 production sites
2 R&I centers

Net Sales 2014
30%
19%
3%
48%

€ 0.3 bn
Net sales 2014

~ 1,000 employees

5 production sites
4 R&I centers

Q4 2014 results
26/02/2015
Special Chemicals
Leader in fluor chemistry and selected electronic applications

Multiple end markets

- NOCOLOK®-flux for aluminum brazing
- Crop protection intermediates
- Electronic & coating additives
- Fluorinated solvents for Li-ion batteries

North America
1 production site

Europe
10 production sites
1 R&I center

Latin America
1 production site

Asia & RoW
4 production sites
1 R&I center

Net Sales 2014
41%
29%
4%
26%

€ 0.6 bn
Net sales 2014

~ 1,700 employees

16 production sites
2 R&I centers

26/02/2015
Q4 2014 results
Special Chemicals
Executing strategic repositioning through increased focus in selective segments

- **Leverage our distinctive knowledge in Fluor**
  by reinforcing innovation for applications in agro, healthcare, Aluminum brazing and electronics

- **Strengthen the Electronics platform**
  by enhancing formulation capabilities and developing as a player with strong partners

- **Conduct selective acquisitions**
  to strengthen leadership in selected growth markets

- **Divest cash-drain and/or non-related activities**

---

**2014**
Acquisition of Flux Brazing Schweiß- & Lötstoffe

**2015**
Exit of Refrigerants

**2013**
Exit of Life Science
Operating in mature resilient markets, this Segment’s success is based on economies of scale, competitiveness and quality of service. Solidly cash-generating, the Performance Chemicals businesses are engaged in programs of excellence to create additional sustainable value.
Soda Ash & Derivatives
Resilient cash generator for the Solvay Group

Soda ash
in many applications

- Flat glass
- Container glass
- Detergents
- Pharma

Net sales 2014
~ 3,500 employees

€ 1.4 bn
Net sales 2014

- Europe
  7 production sites
  3 R&I centers

- North America
  2 production sites

- Asia & RoW
  1 production site
  (in construction)

- Detergents
- Container glass
- Pharma

Soda ash
in many applications
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 improved

Restructuring started with closure announcements
- Solvay Povoa (0.2 mt/yr)
- Tata Winnington (0.5 mt/yr)

Production capacity utilization rate increasing
- Following restructuring at the supply side
- Following expected slight growth in demand

Net pricing increasing

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

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

Market & technology leader in global peroxides market

**Balance** between commodity markets and selected end-markets

- **North America**
  - 2 production sites
- **Europe**
  - 9 production sites (1 HPPO*)
- **Asia & RoW**
  - 5 production sites (2 HPPO*, 1 in construction)

- **Latin America**
  - 1 production site
  - 1 R&I center

Production capacity & sites include JVs; sales & employees figures exclude JVs

**Propylene Oxide** (through HPPO* process)

- **Pulp bleaching**
- **Food aseptic packaging**
- **Home care**
- **Metals & Mining**
- **Water treatment**
- **Chemicals from bio-source**

**Q4 2014 results**

- **Net sales 2014**: ~900 employees
- **Net sales 2014**: 17 production sites
- **Net sales 2014**: €0.5 bn

**€ 0.5 bn** Net sales 2014

**~ 900 employees**

**17 production sites**

*HPPO: Hydrogen Peroxide dedicated to Propylene Oxide production*
Acetow
Leading the market with quality and innovation

Products
- Cellulose acetate flakes
- Cellulose acetate tow

Applications
- Cigarette filter
- New applications: Outdoor wood, Spectacle frames

North America
1 production J/V
- 35% Net Sales 2014
- 1% Latin America
- 12% Asia & RoW
- 52% Europe

- € 0.6 bn Net sales 2014
- ~ 1,300 employees
- 4 production sites
- 1 R&I center

Q4 2014 results
26/02/2015
Emerging Biochemicals
Leader in bio-based epichlorohydrine, vinyls and caustic soda in South East Asia

Vinyl applications
- Films
- Sheets
- Pipe & fittings
- Wires & cables
- Profiles

Epicerol® applications
- Coatings
- Composites
- Electronics

- Europe
  1 R&I center

- Asia & RoW
  1 production site

Net Sales 2014
100%

€ 0.4 bn
Net sales 2014

~ 500 employees

1 production site
1 R&I center

Q4 2014 results
26/02/2015
The key success factor of this Segment, which primarily groups the Polyamide activities, is continuous manufacturing optimization. Solvay is one of few players to operate across the entire polyamide 6.6 chain.
Polyamide
Integrated polyamide player

3 business units

Polyamide & Intermediates

Fibras

Engineering Plastics

Q4 2014 results
26/02/2015
Corporate & Business Services

This Segment includes the Solvay Energy Services business which delivers energy optimization programs both within the Group as well as for third parties. It also includes the corporate functions.
Executing a clear value creation strategy

Towards a higher growth, less cyclical & greater returns

Chemical Group

Targeting Sustainable Value Growth
THE FIRST ROUND-THE-WORLD SOLAR FLIGHT: IMMINENT TAKE-OFF