



SOLVAY

asking more from chemistry®

Asking More

Jean-Pierre Clamadiou
Chairman of the Executive Committee
& CEO

Shareholders' meeting

May 10, 2016

OUR STRATEGY IS TO BUILD A NEW MODEL OF CHEMISTRY

MORE
talents

Developing our people:
a guarantee of success
and performance

Asking
MORE
from chemistry

MORE
commitments

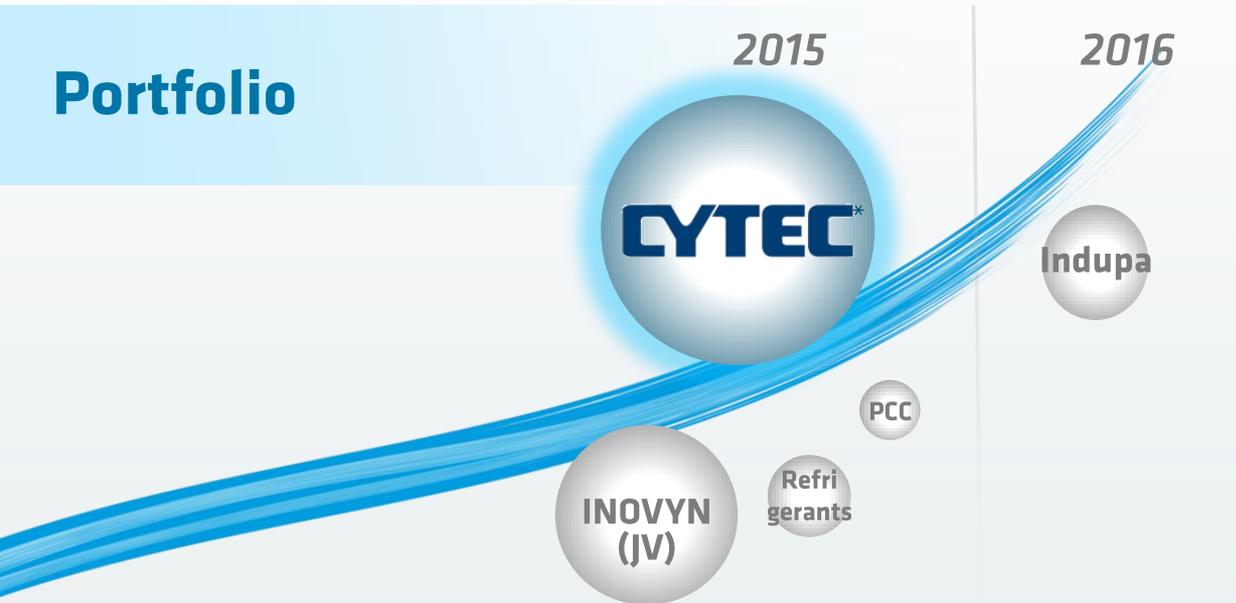
Accelerating
our transformation
with portfolio upgrade,
organic growth and
excellence

MORE
Innovation
sustainable
solutions

Supporting
responsibly the
development of our society
and innovate to anticipate
and adapt continuously

THE IMPLEMENTATION OF OUR TRANSFORMATION PRODUCES TANGIBLE RESULTS

Portfolio



More global

More diversified

More innovative

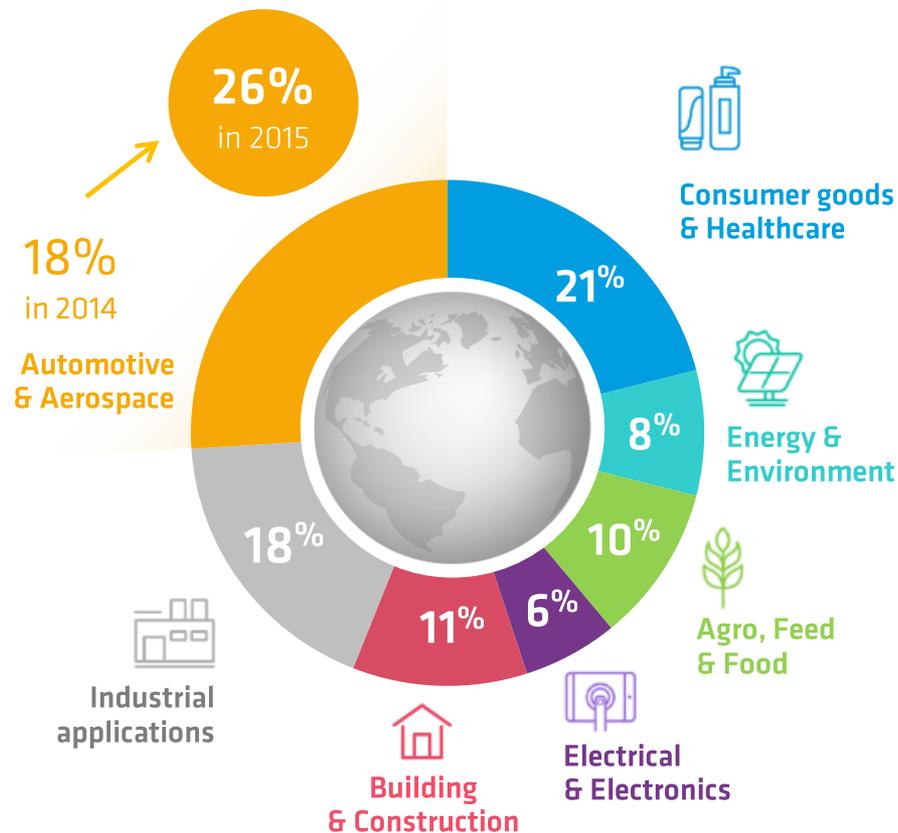
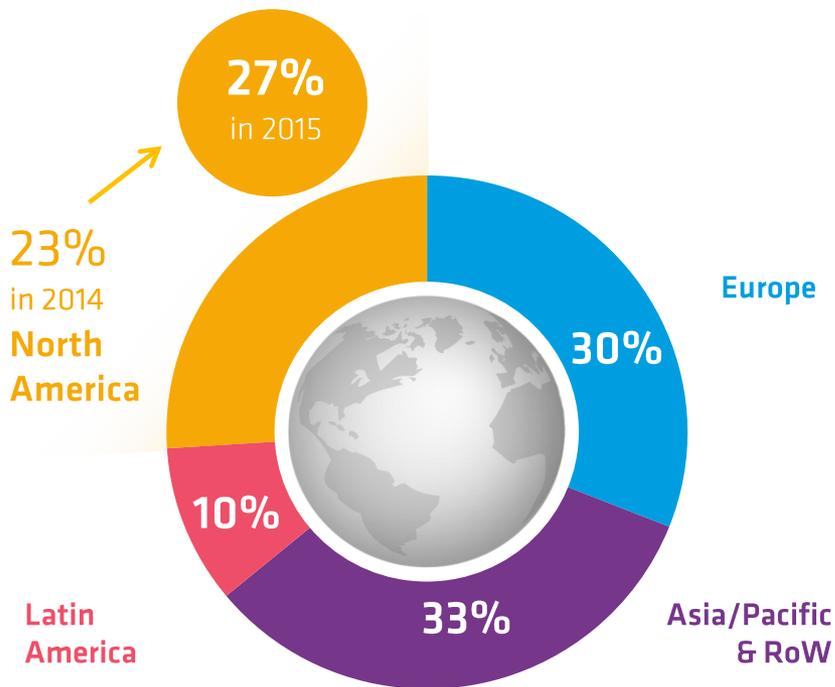
More sustainable

More resilient

Excellence

Management model

WE ARE MORE GLOBAL AND MORE DIVERSIFIED



in % of 2015 net sales

MORE RESILIENCE

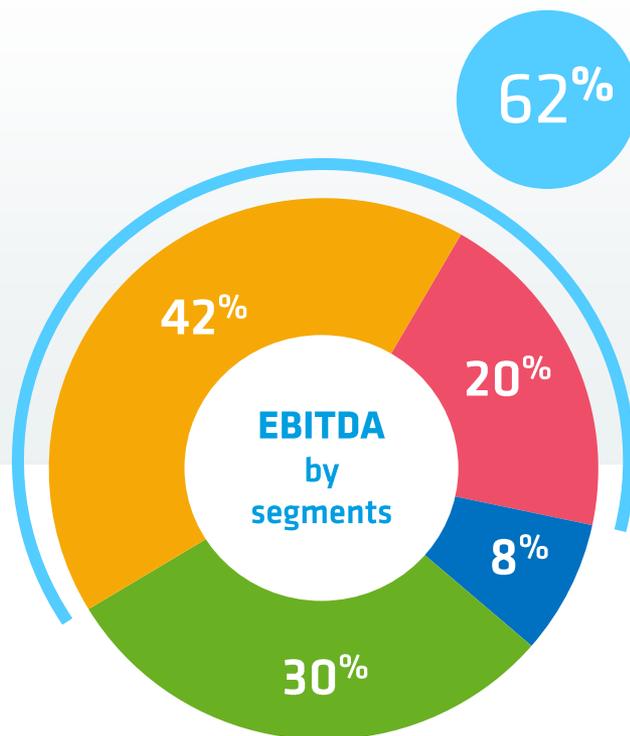
OUR GROWTH ENGINES DRIVE SUSTAINABLE SOLUTIONS

ADVANCED MATERIALS

Providing solutions for sustainable mobility, lightweighting, CO₂ and energy efficiency

PERFORMANCE CHEMICALS

Leading positions in chemical intermediates through scale and technology



ADVANCED FORMULATIONS

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

FUNCTIONAL POLYMERS

Leading positions in functional polymers, with focus on excellence

WE ARE A KEY PLAYER IN LIGHTWEIGHTING MATERIALS FOR AEROSPACE



**Leap
engine
compressor**



**Torlon®
PAI
Clip nuts**



Thermal-acoustic
insulation
blankets made of
**Halar® ECTFE,
KetaSpire PEEK or
PEKK**



Aircraft
interiors
**TegraCore™
PPSU**



BOMBARDIER



WE ARE A KEY PLAYER IN LIGHTWEIGHTING MATERIALS FOR AUTOMOTIVE



**Ryton®
PPS Quick**
connections
for fuel lines



Engine
thermostat
housing
Amodel® PPA



**Motorbike
front fender**
carbon fabric
prepreg



**Composite hood for
BMW M4 GTS**



WE ARE A KEY PLAYER IN SURFACE CHEMISTRY DRIVING INNOVATIVE FORMULATIONS

**NEXT GENERATION
SOLUTIONS FOR HOME
FABRIC & PERSONAL CARE**



**IMPROVED RECOVERY
AND YIELD**



COMPETITIVE technology portfolio



REDUCED environmental impact



**CROP PROTECTION &
ENHANCED EFFICIENCY
FERTILIZERS**



**COST EFFICIENT
FRICTION REDUCERS**



INNOVATING FOR HAIRCARE

BROAD SUITE OF MILD SURFACTANTS AND POLYMERS

CLEAR OIL INFUSION



Deliver effective conditioning from oil-infused shampoos while keeping clarity, right viscosity and long term stability

SULFATE-FREE



Deliver performance at attractive cost to target mass-market

CONDITIONERS



- Cleansing conditioner
- Clear conditioner

REPAIR



- Long-lasting split-end mending
- Long-lasting internal repair
- Long-lasting hydrophobicity restoration



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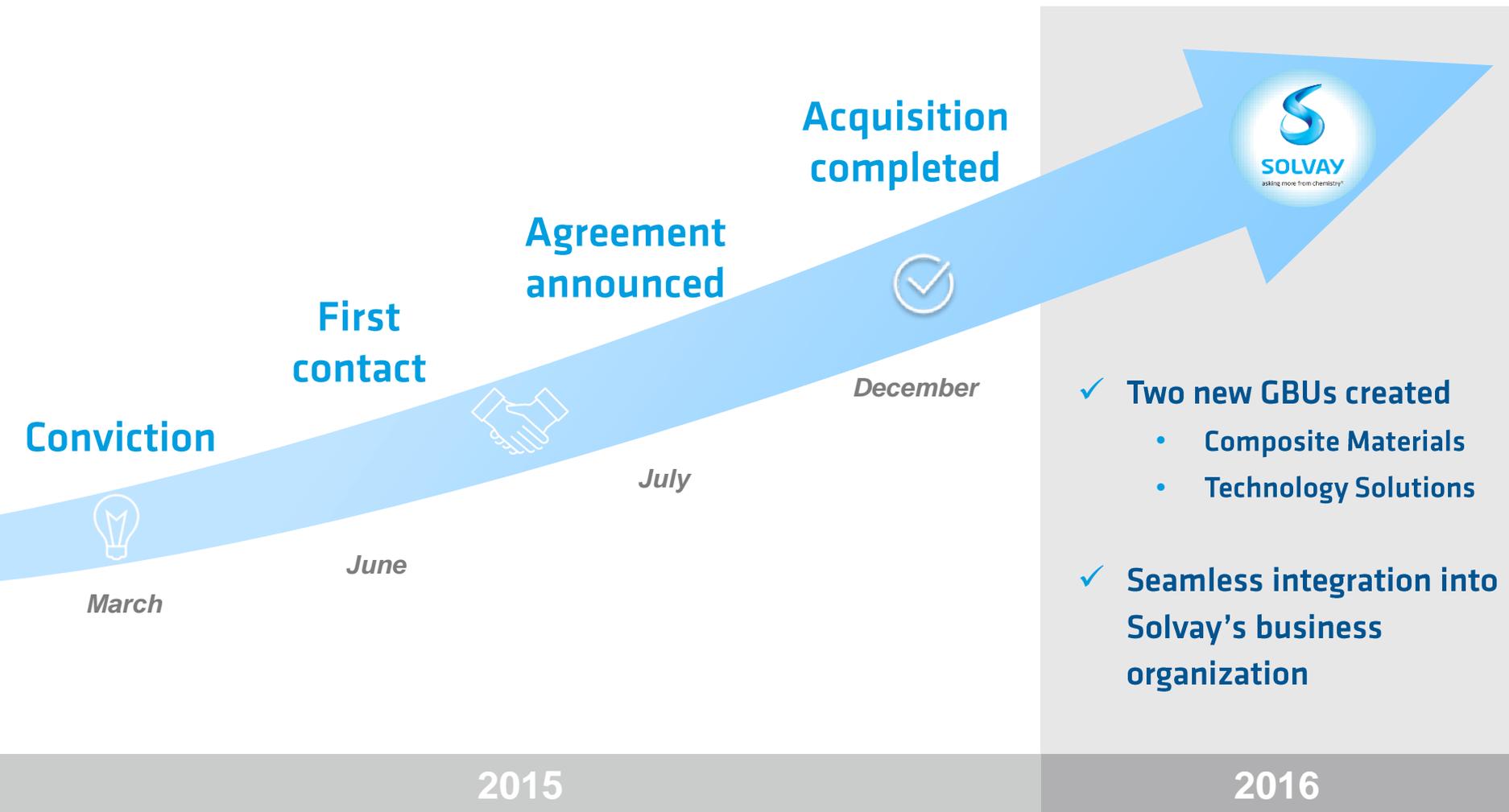
asking more from chemistry®

**With Cytec integration
we begin a new
chapter**

Roger Kearns
Member of the Executive Committee

STRONGER TOGETHER

RAPID ACQUISITION AND INTEGRATION



2015

2016

STRONGER TOGETHER RAPID AND EFFECTIVE SYNERGIES



Cost synergies

- Corporate G&A
- GBUs set-up
- Purchasing
- Launch ERP project

2016

Building the foundations for revenue synergies

- Launch thermoplastic composite incubator
- Launch foams/films for aero incubator
- Serial auto launch

2018

Cultural
integration

Retaining
talent

Blending
strengths

COST SYNERGIES FASTER AND HIGHER



- ❑ **Corporate overhead and G&A:**
⇒ € 20 m p.a. already captured as of Jan 1, 2016
- ❑ **Supply chain & procurement**
- ❑ **Excellence practices**

Cost synergies



> € 100 m
by end of 2018

REVENUE SYNERGIES LEVERAGING MORE KNOWLEDGE



Acceleration of lightweighting opportunities for transport

- Boeing contract extension in aerospace structures
- Airbus qualification for PPSU foams for aerospace interiors
- BMW selects composite hood for its BMW M4 GTS

Joint work teams launched

- **Novecare & Technology Solutions**
- **Specialty Polymers & Composite Materials**



Emulation of best practices

Blending strengths



Cross fertilization

CUSTOMER
CENTRICITY

COLLABORATION

EMPOWERMENT &
ACCOUNTABILITY



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2015 achievements

STRONG MARKET & SHAREHOLDER SUPPORT

Transaction



- Enterprise value: \$ 6.4 bn
- Cash needs: \$ 5.8 bn

Financing



- **€ 1.5 bn rights issue**: first ever capital increase
- **€ 4.7 bn bond issuances**

Investment grade confirmed

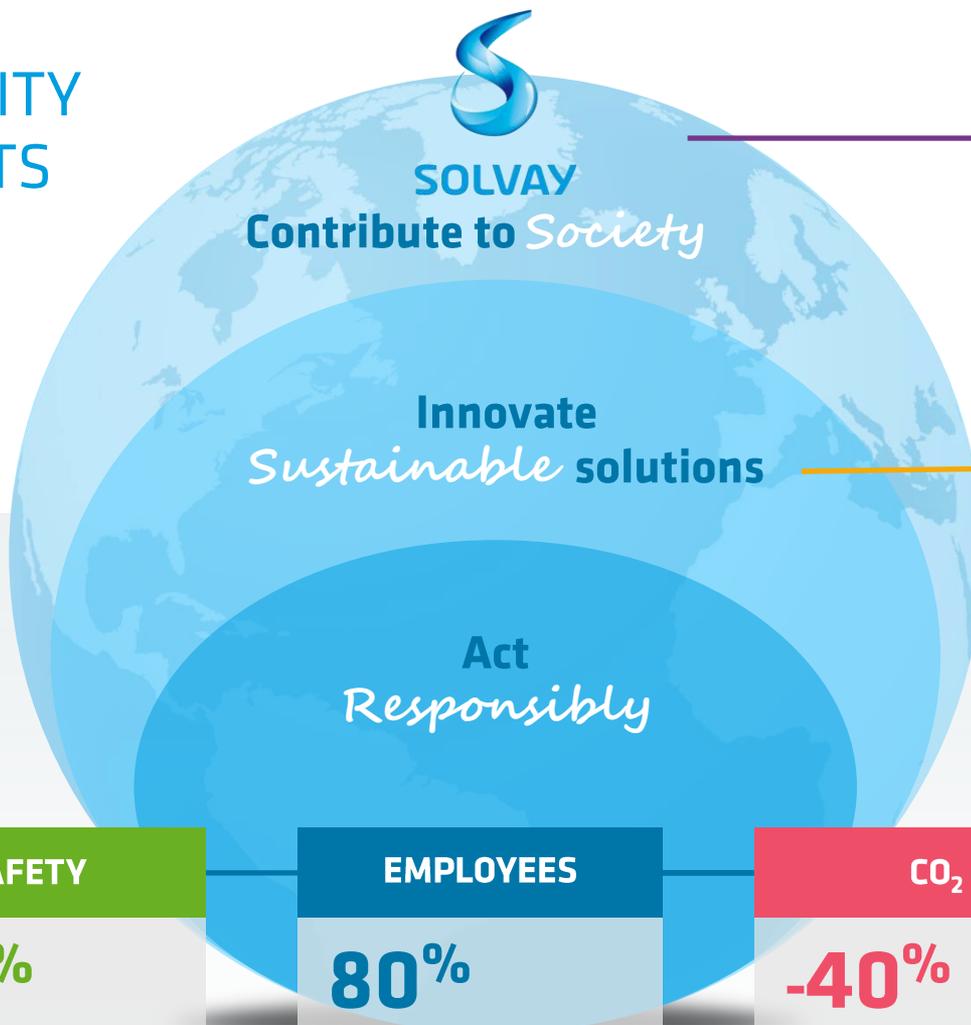


QUICK EXECUTION

FAVORABLE PRICING

TRUST

OUR FIVE SUSTAINABILITY COMMITMENTS BY 2025



SOCIETAL ACTIONS

x2

employees involved in societal actions

SUSTAINABLE SOLUTIONS

50%

share of sustainable solutions in the Group portfolio

SAFETY

-50%

of occupational accidents

EMPLOYEES

80%

employee engagement index

CO₂

-40%

reduction of carbon intensity

2014 reference year

ACTING RESPONSIBLY PEOPLE AT THE HEART OF OUR TRANSFORMATION

SAFETY

-50%

Nb of occupational accidents

2015*
66 accidents
-20%
vs. 2014

at constant perimeter



Solvay
Life
Saving
Rules

EMPLOYEES

+5 pts

Employee engagement
from 75% to 80%

2015 *
75%

DIVERSITY & INCLUSION

diverse thinking, smarter business



By 2020

- 20% of senior executive positions to be women
- Number of senior managers from Americas & Asia to double

* Performance excluding Cytec

OPERATING RESPONSIBLY

CO₂

-40%

Reduction of the greenhouse gas intensity of our operations

2015 *
-10%
vs. 2014

OUR EXPERTISE IN ENERGY PERFORMANCE

Solvay internal price for CO₂ emissions of € 25/ton

SOLWATT[®] energy efficiency program: € 40 million & 120 kt of CO₂ of annual savings



Boosting competitiveness of our world class Soda Ash factory by improving energy efficiency



DEVNYA

* Performance excluding Cytec

20

GENERAL MEETING

May, 10 2016

OUR SUSTAINABLE INNOVATIONS

SUSTAINABLE SOLUTIONS

x2

Share of sustainable solutions in the Group total sales (from 25% to 50%)

2015*
33%

* Performance excluding Cytec

EASYSOFT

A breakthrough softener formulation



N Protect™

Liquid stabilizer for urea fertilizer allowing higher crop yields with less fertilizer



PREPARING THE FUTURE



POLIMOTOR 2

Engine prototype without metallic parts allowing a 40% weight reduction

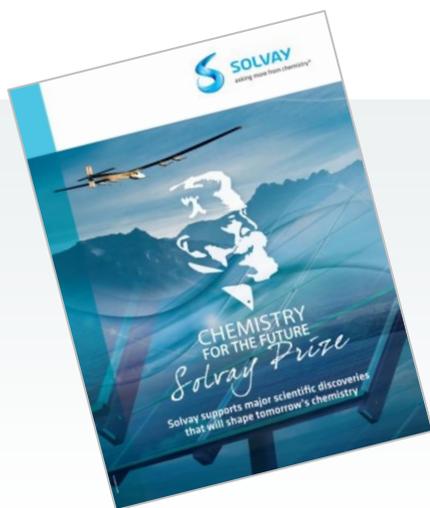
CONTRIBUTING MORE TO SOCIETY

SOCIETAL ACTIONS

x2

Double the number of employees engaged in activities benefiting society at large

2015*
20%



Professor Ben Feringa awarded in 2015 for his groundbreaking work on molecular motors



* Performance excluding Cytec

WE DELIVERED SOLID PERFORMANCE IN 2015

SOLVAY

Pro-forma (as if Cytec consolidated since Jan 1st)

Net sales

€ 12.4 bn

REBITDA

€ 2,334m

19 % margin

Net income

€ 768 m

Free Cash Flow

€ 482 m

Dividend

€ 3.30

Gross/share

+3.3%*

* Adjusted for 0.9398
bonus factor following
December 2015 rights issue



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**Mobilized for more
success**

FIRST QUARTER 2016 RESULTS

HIGHER PROFIT, RECORD MARGIN



vs. 2015



FIRST QUARTER 2016 RESULTS

HIGHER PROFIT, RECORD MARGIN



vs. 2015



FIRST QUARTER 2016 RESULTS

HIGHER PROFIT, RECORD MARGIN

Net sales

€ 2,930 m

(6)%

vs. Q1 2015

EBITDA

€ 602 m

+2%

vs. Q1 2015

21% record margin

Net income

€ 192 m

(5)%

vs. 2015

Free Cash Flow

€ 9 m

€ (358) m

vs. Q1 2015

OUR PRIORITIES 2016



Cytec integration, synergies acceleration



Continuing portfolio upgrade



Excellence initiatives



Intensified focus on cash generation



Profit growth

**PERSPECTIVES
2016**

EBITDA

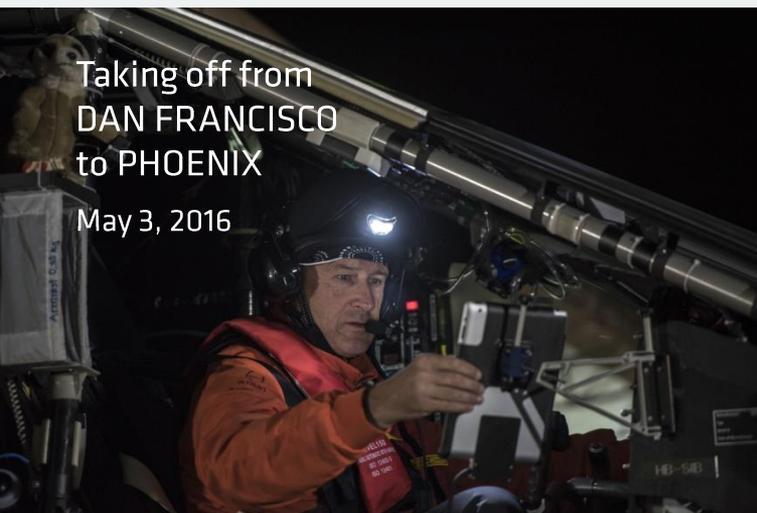
**high single digit
growth**

FREE CASH FLOW

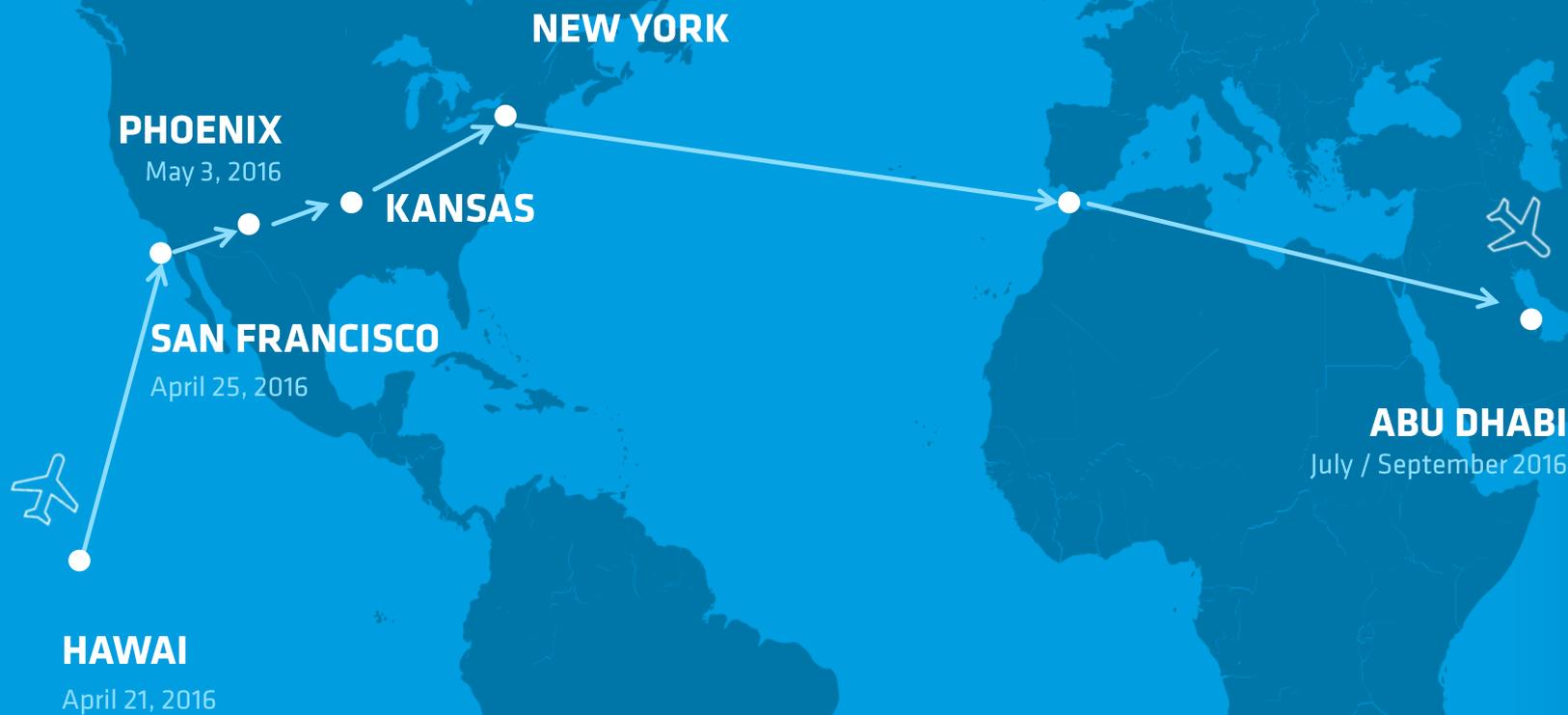
> € 650 m

SI2

THE LAST ROUND IN SOLAR IMPULSE'S WORLD TOUR



S12 WORLD TOUR



WE CREATE A FUTURE WITH MORE POTENTIAL



www.solvay.com



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