

Novecare

Inspired products

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April 24, 2012

AGENDA

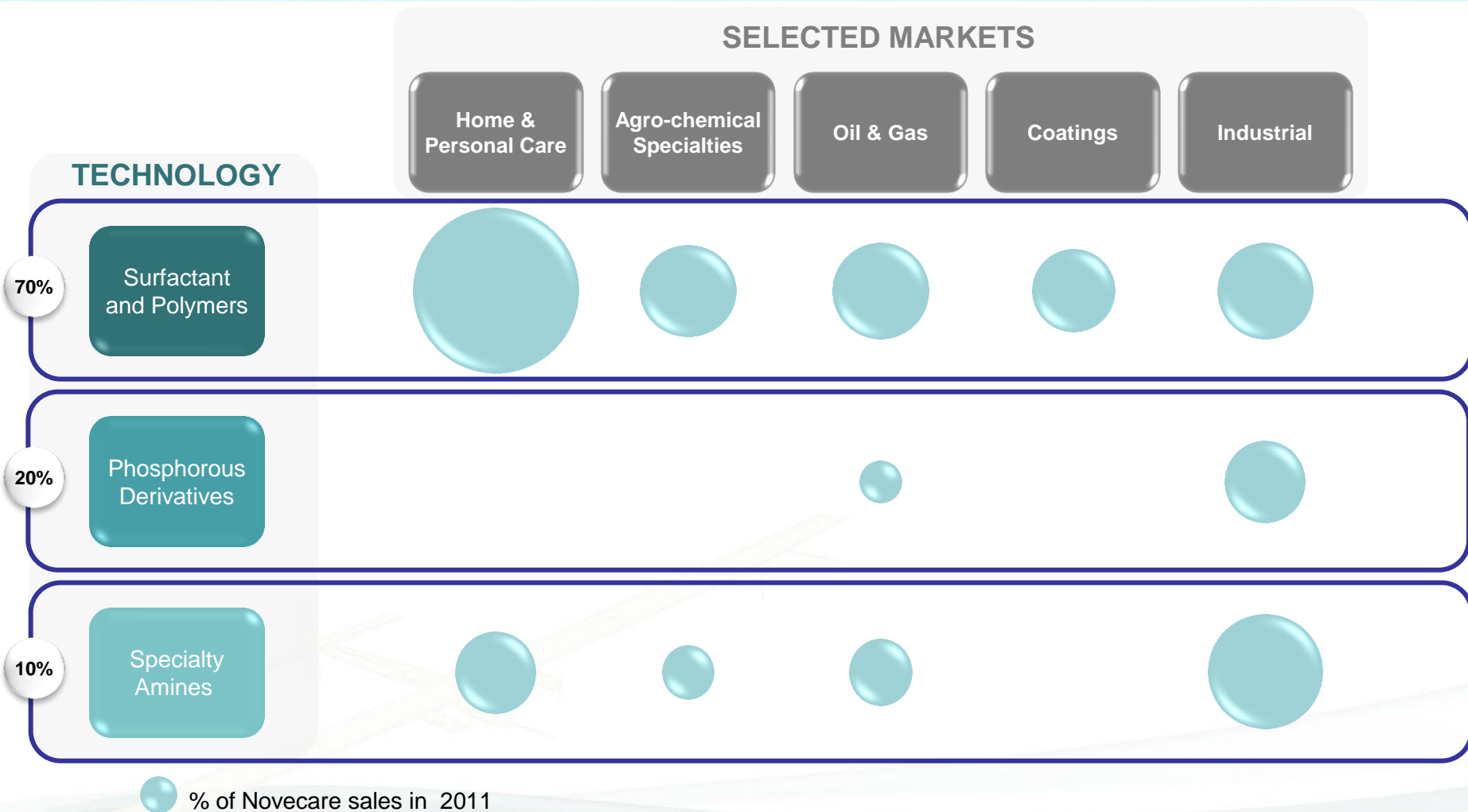
- 1 • **Strengths**
- 2 • **Strategic journey**
- 3 • **Growth commitment**



1. Strengths



Leading technologies in diversified markets



«Inspired Products from Chemical Ingredients»

Novecare at a glance

A global footprint to support our customers' growth strategy

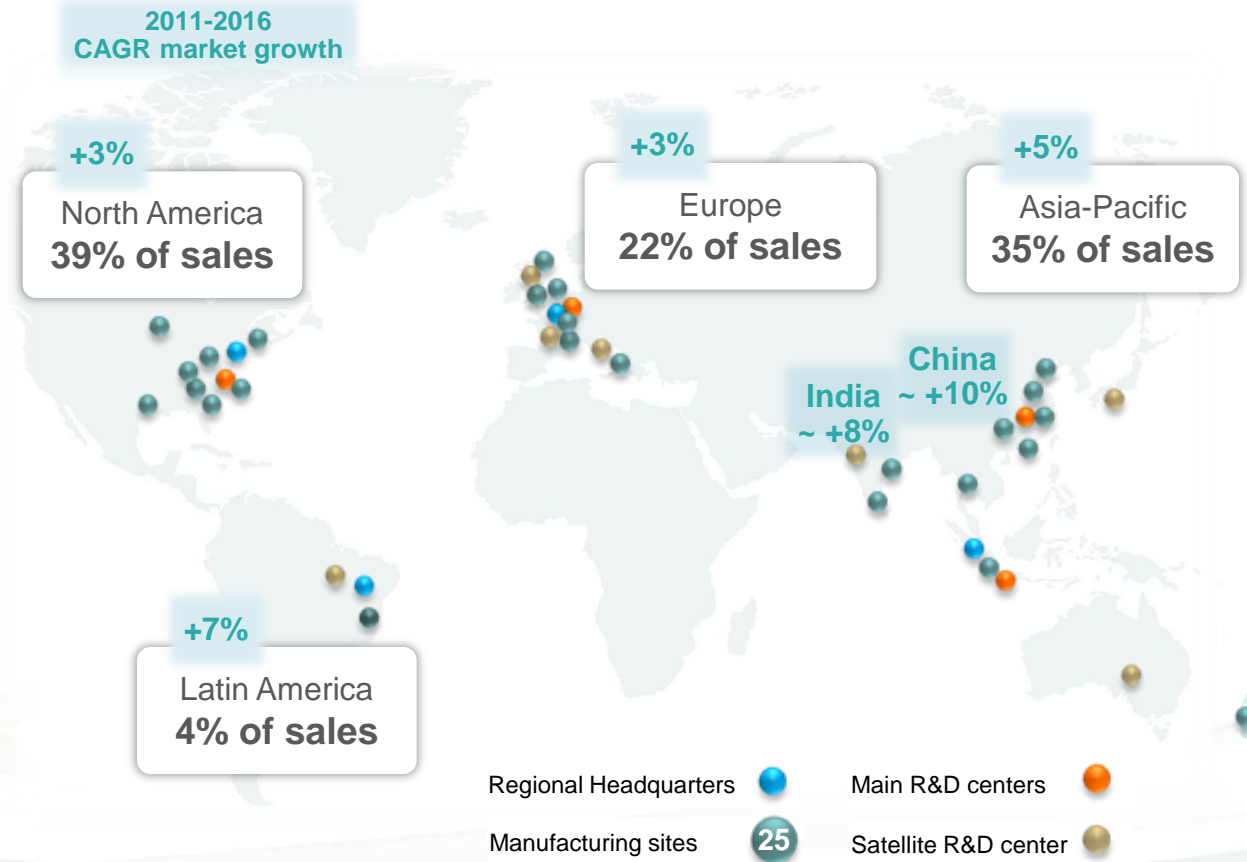
2011 Net Sales

~ €1.5bn

3,300 employees

- Global presence close to markets served
- Innovation focused on Sustainable development
- Low capital intensity

- Leading global player in surfactants & polymers
- Largest international surfactant player in Asia
- Focus on fast growing segments



2. Strategic journey



April 24, 2012

A strong growth momentum

A successful focused strategy based on 3 levers

Organic growth

- Focused on **selected market segments** offering faster growth
- Successful expansion in **fast growing countries**
↳ from 20% of total revenue in 2007 to 39% in 2011
- Exerting pricing power and deploying operational excellence

Innovation

- Using the global R&D network to accelerate innovative solutions for selected fast growing markets

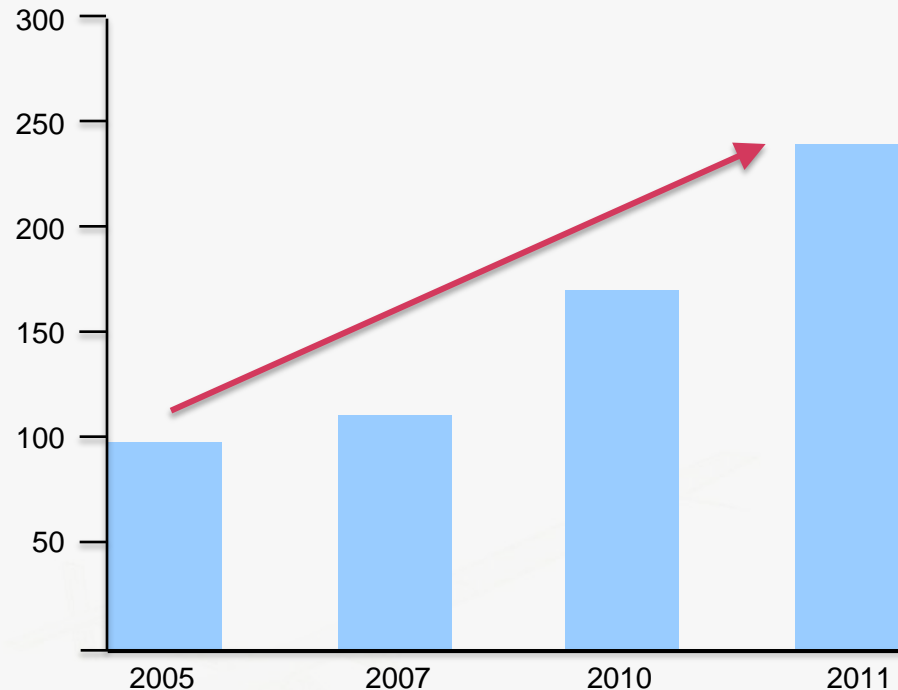
External growth

- Acquisitions of McIntyre in 2009 (USA) and Feixiang in 2010 (China), successfully integrated and over delivering

A strong growth momentum

Sustained profit growth from executing focused strategy

REBITDA
In € million



REBITDA
CAGR 2005/2011

+16%
(incl. Feixiang)

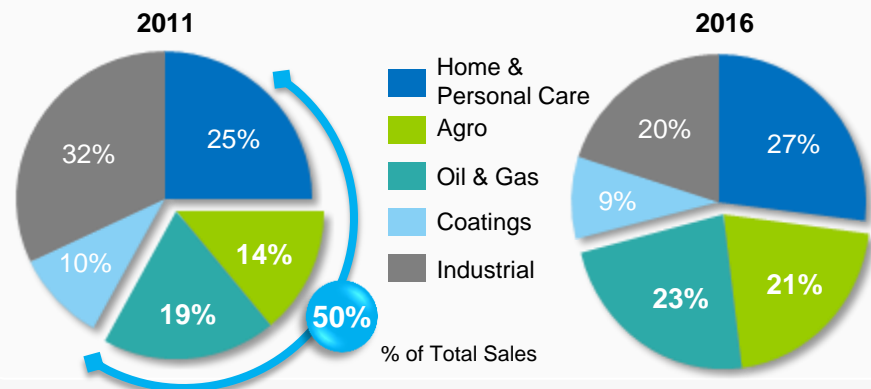
+ 11%
organic growth

Novecare is committed to continue its strategic path

(*) 2005-2011 growth was +11% per annum with same perimeter ex Feixiang

Focus on most dynamic market segments and regions

Focus on fast growing market segments **reshaping** the Novecare portfolio



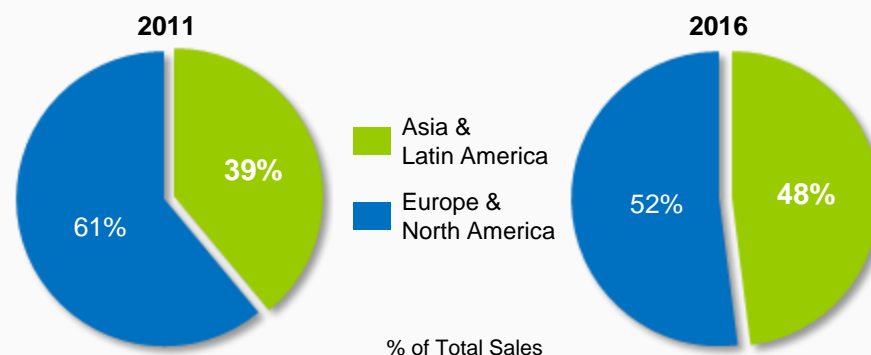
• Focus segments:

- Safe pesticide formulation Agro
- Shale O&G fracturing technology
- Amphoteric HPC
- ...

- **Market share gains** thanks to leading technologies and strong customer relationships

50%
of focused
market segments
+ 11% CAGR

Focus on fast growing regions



- **> 80% capacity growth** in Asia over 2010/11
- Going into 2012, **additional +10% capacity** increase vs 2011 base
- Currently, existing capacity **in Asia represents c. 40%** of Novecare's total production capacity

Novecare synergies with Solvay

TECHNOLOGY

Peroxygen &
Calcium
carbonate
Products

Chlorinated
Products

Soda
Ash

Key account cross-selling

Epichlorohydrin based Sultaines

Quabs as by-products of Epichlorohydrin tree

Epichlorohydrin-based surfactant

Alkaline Surfactant Polymer

MARKET

Home & Personal
Care

Enhanced Oil
Recovery

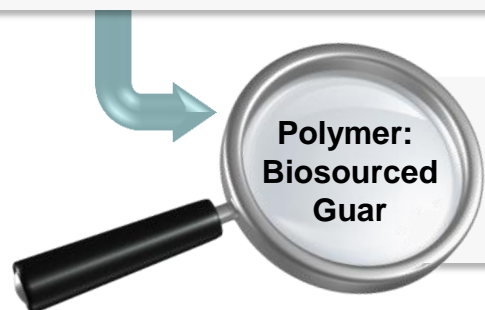
Combining strengths and know-how

Innovation focused on its leading technologies

Leading technologies addressing fast growing market segments' needs

Surfactants & Polymers

Leader in specialty surfactant segments developing blends formulations using synergies between surfactants and polymers for **multiple** applications and functions (drying, anti-drift, smoothing, thickening...)



Polymer: Biosourced Guar

- The **Guar**-vertically integrated **world leader**
- **Innovation leadership** in many major segments for Guar Derivatives

Phosphorous Derivatives

Multipurpose **Phosphorus Derivatives Expert** serving Water Management, Industrial markets and Home & Personal Care

Specialty Amines

High value amine building blocks and flexible industrial assets allowing **customized products**

Guar innovation addressing fast growing market segments

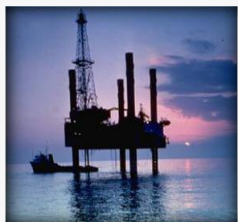
Leading bio-sourced technology for many applications & functions



Best Process

- Process **leadership** in guar derivative delivers the best quality and enhances competitiveness in USA and China

Unique position



Oil & Gas gelling agent for fracturing in shale reservoir



- > 40% of total Novecare growth in 2011
- Tailor-made formulations for Key Accounts
- Expansion in China starting in 2013



Personal Care Polymer for conditioner



- New cationic polymers to deliver breakthrough performance
- Hipro plant supports global customer development in **Asia**

Agro Water Retention



- New project to start delivery in 2013
- Germination booster to increase agricultural yield

Agro Pesticide Anti Drift



- Tailor-made sustainable solutions for farmers
- > 60 M€ new business with strong IP by 2016

True success of the Feixiang integration one year later

Global downstream development of Feixiang technologies

- Successful Integration
- Leveraging
 - Rhodia's global reach
 - Know-how spread in all segments to develop diverse market applications

2016

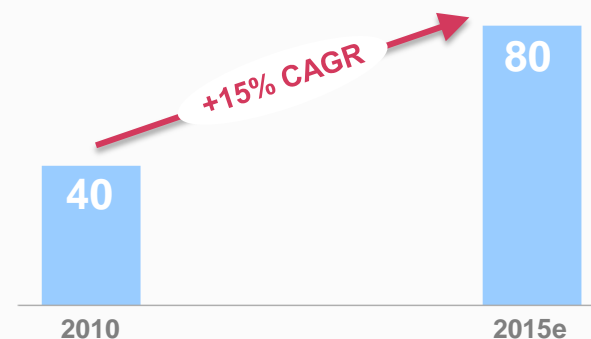


HPC	Agro	Oil & Gas	Coatings
Specialty Amines			
Cationic Surfactants	Amphoteric Surfactants	Biocides	Surfactants
Amphoteric Surfactants			
Cationic Conditioner	Solvents	Corrosion Inhibitors	
Amine Oxides			

Specialty amine growth from expansion and operational excellence

- Process optimization & pricing power
- South China (Zuhai) new ~50KT capacity commissioned December 2011
- Developing worldwide Specialty amine business from China

REBITDA (In M€)



On track to double the size of the acquired business by 2015

Further expansion in Novecare's agenda

Eastern Europe

To become a **leader** in surfactants in **Russia**
partnering with **Sibur**

Leveraging Novecare's experience in developing
new technologies in fast growing countries

From LOI (2011) into JV (2012)

Asia

Pursue bolt-on **acquisitions** to contribute
to consolidation move

Continue to ensure Novecare's lead as
multinational surfactant player in Asia

Acquire to expand business in Asia



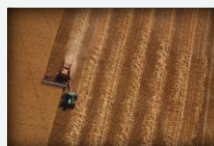
Fast growing market segments

Monitor bolt-on acquisition opportunities in segments with superior growth to increase market penetration

Oil & Gas



Agro



HPC



Get leading position in growing segment

3. Growth commitment



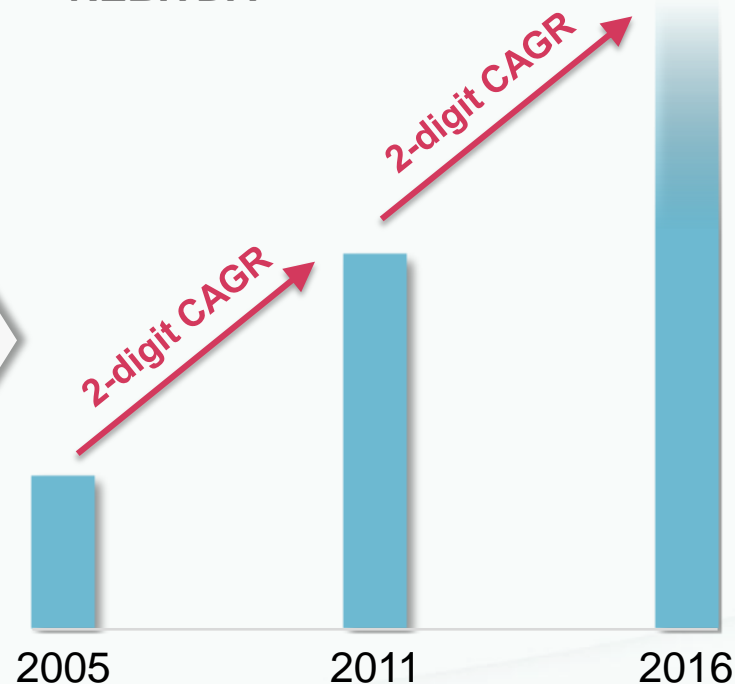
Pursuing our growth path

Leveraging
on strengths

Focusing on growth
strategy execution

Organic
Innovation
External growth

REBITDA



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