



SOLVAY

asking more from chemistry®

Soda Ash & Derivatives

Resilient cash generator for Solvay

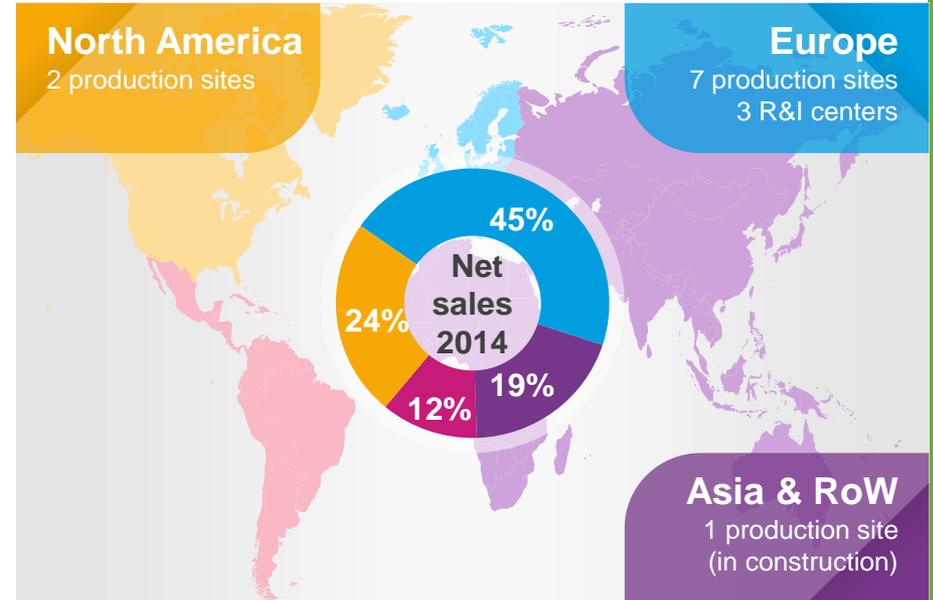
Capital Markets Day
June 10-11 2015

Christophe Clément
President, Soda Ash & Derivatives

Soda Ash & Derivatives

Resilient cash generator for Solvay

Soda ash
in many applications



€ 1.4 bn
Net sales 2014



~ 3,500
employees

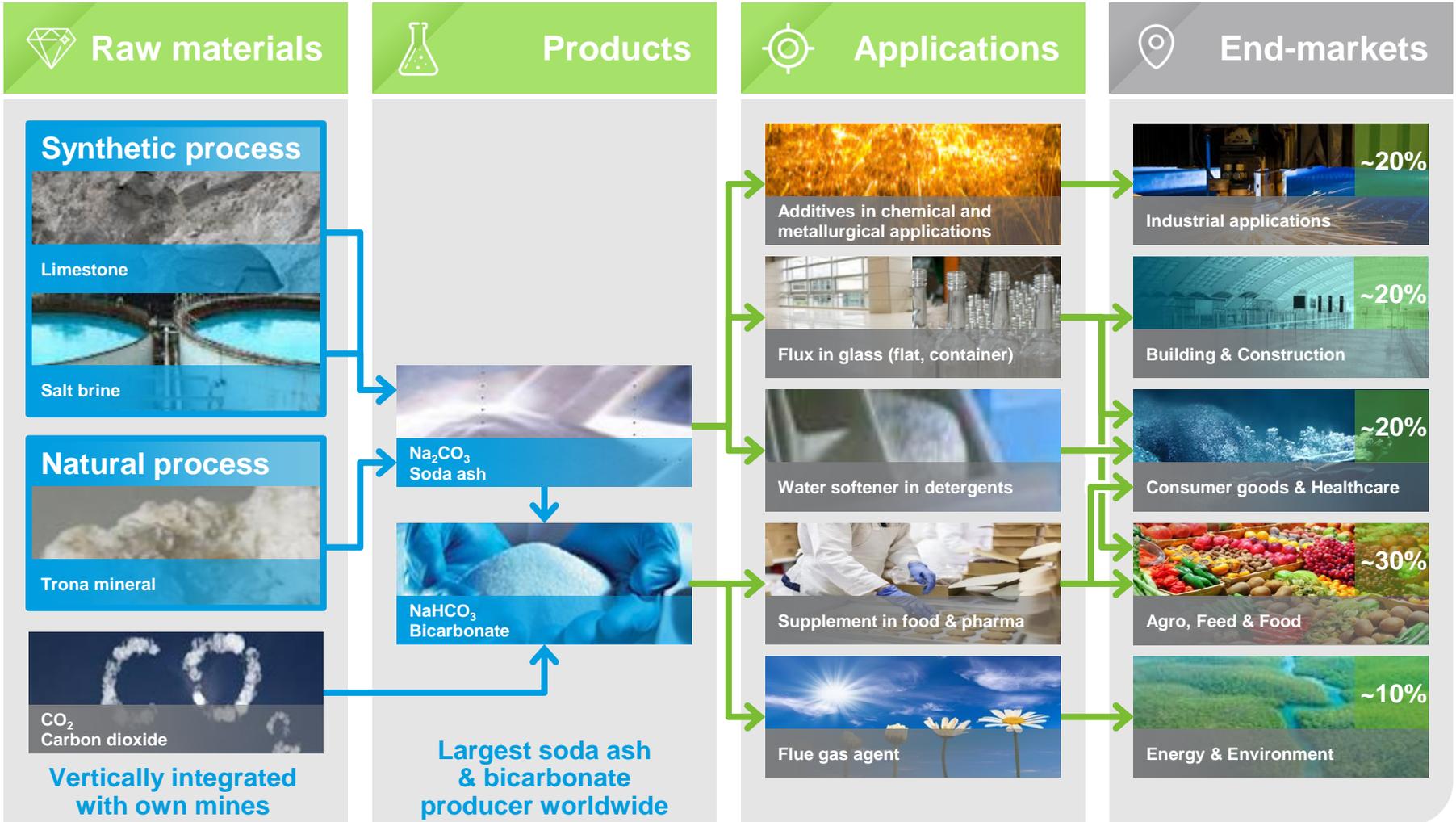


10 production sites
3 R&I centers

Leading player with very competitive supply

Solvay products

approximate main end-market exposures



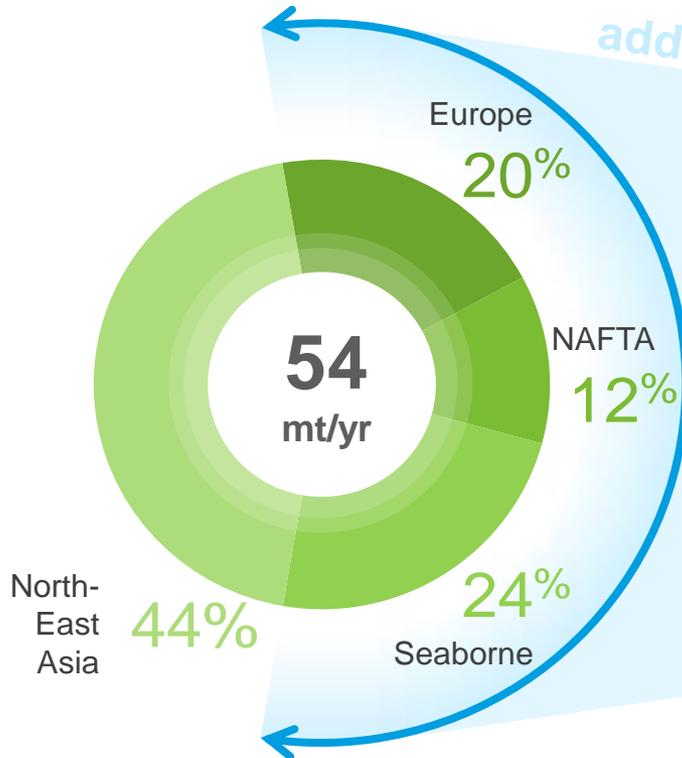
Diversified soda ash market



Markets driven by GDP growth

Solvay addresses over 50% of global market

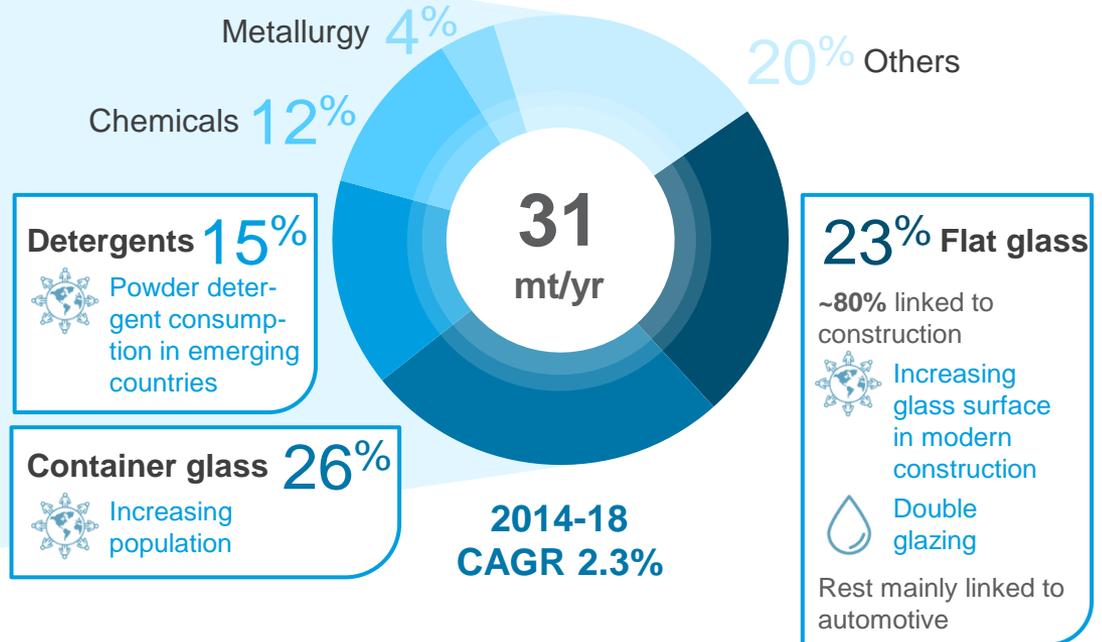
Total market volumes 2014



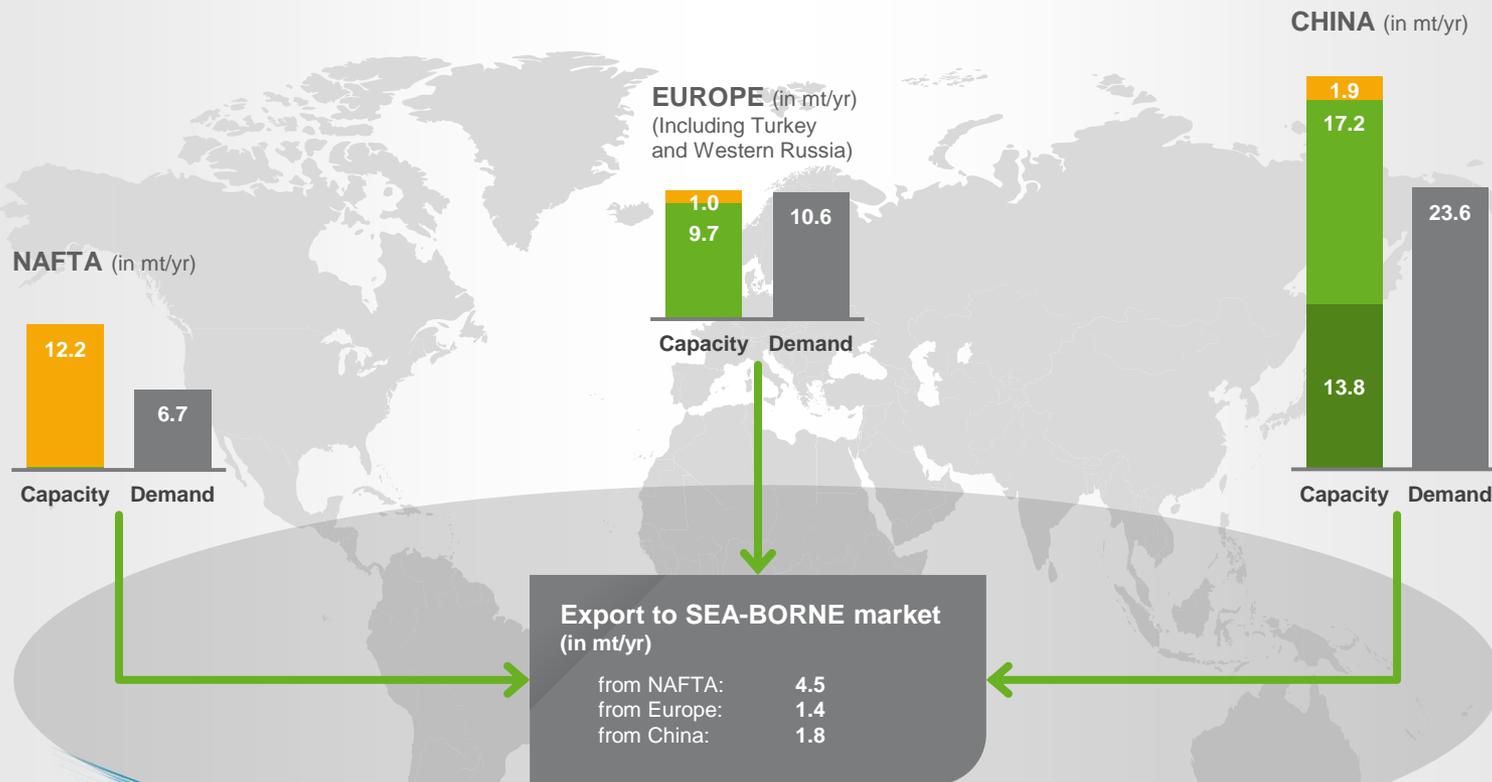
addressable market 56%

Total market volumes 2014

excluding North-East Asia



Soda ash market is global with regional supply/demand dynamics



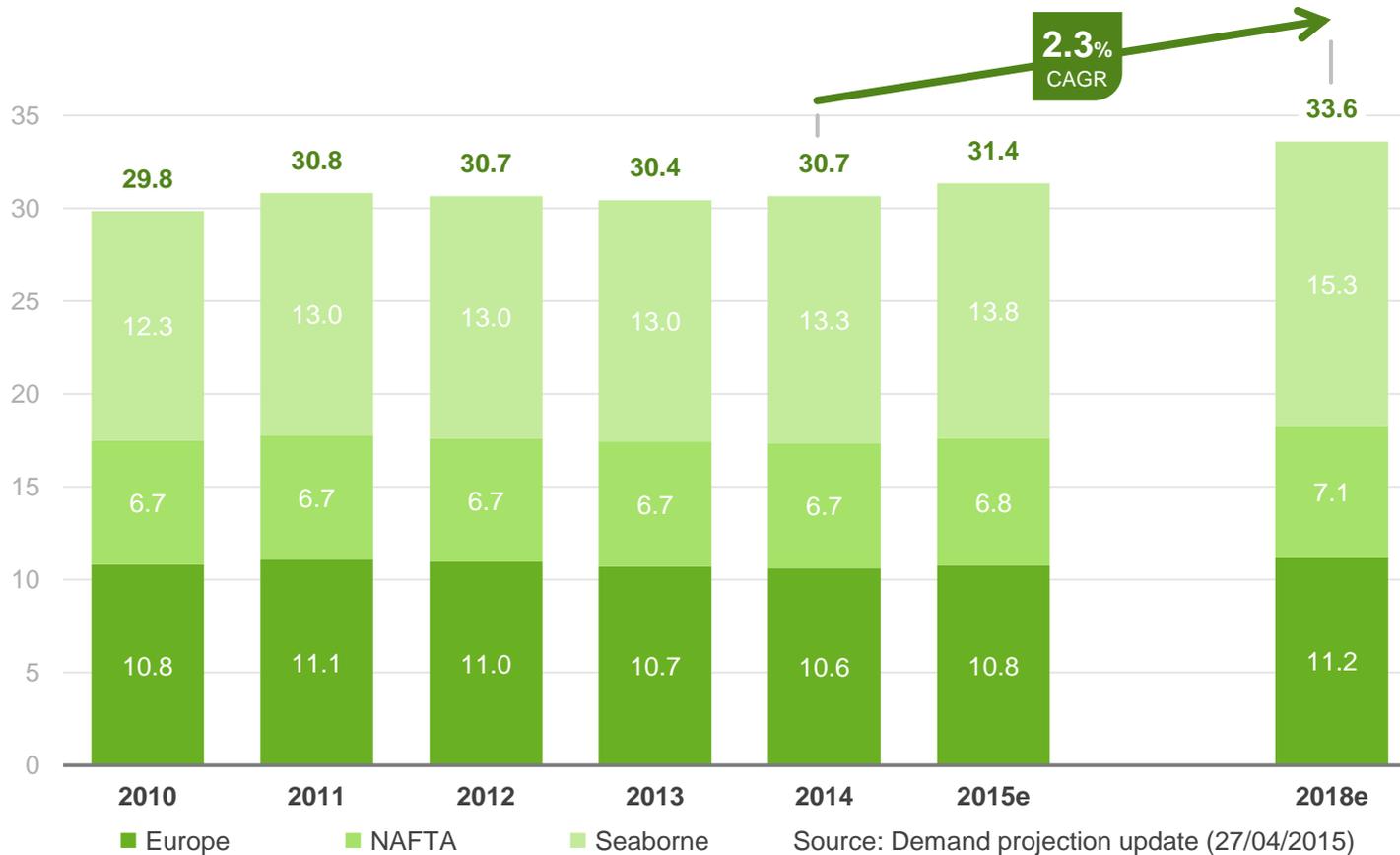
MAIN PRODUCING REGIONS (2014 figures)

- Synthetic process
- Synthetic process ("Hou" method)
- Natural process
- Main interregional flows

Addressing a resilient market

Soda ash demand

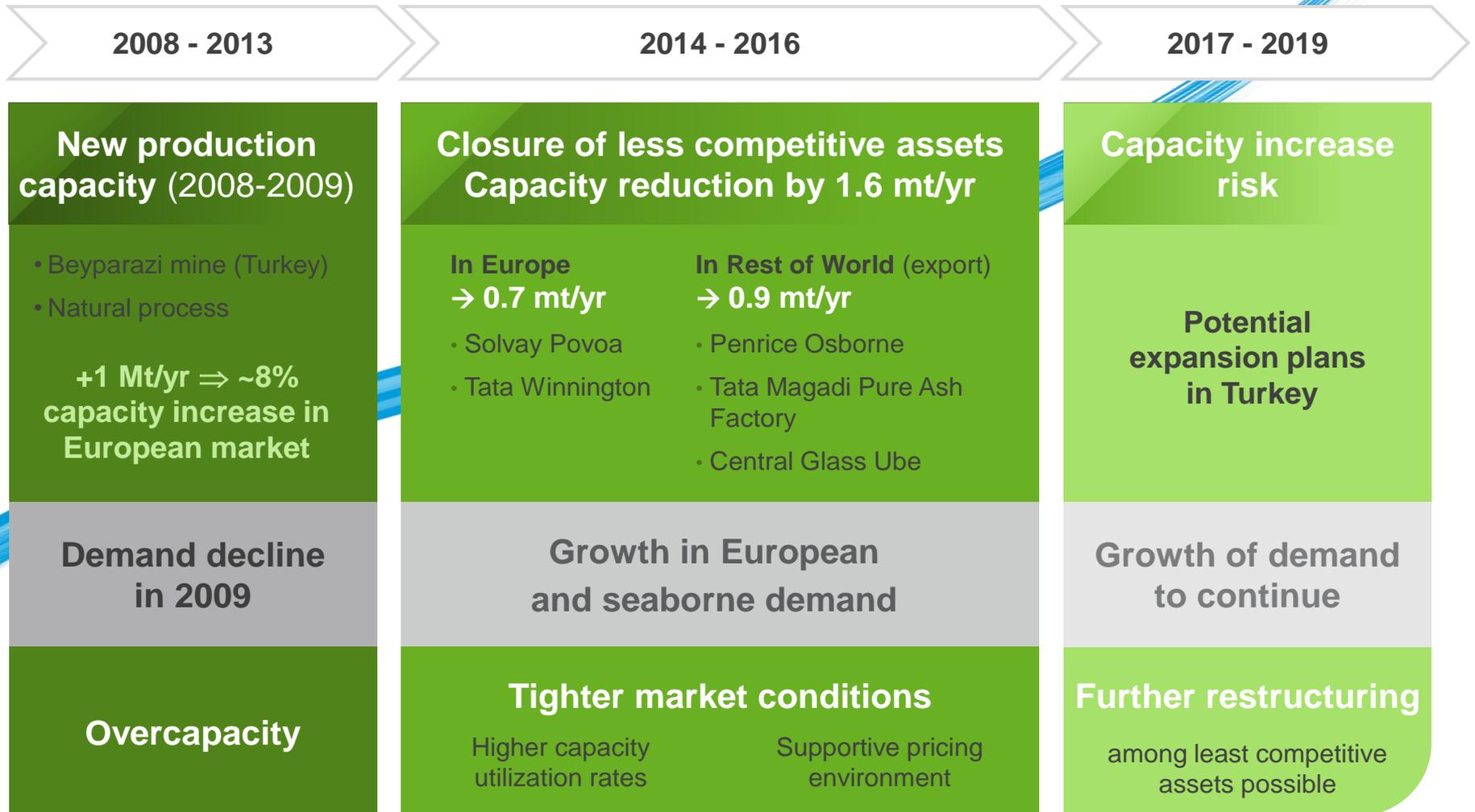
in mt/yr (excluding China & internal Bicarbonate consumption)



Solvay's market

Not active in China

European soda ash supply/demand improved



Market leader with “world-class” assets

Solvay assets

66% “World-class” assets
addressing regional
and export markets

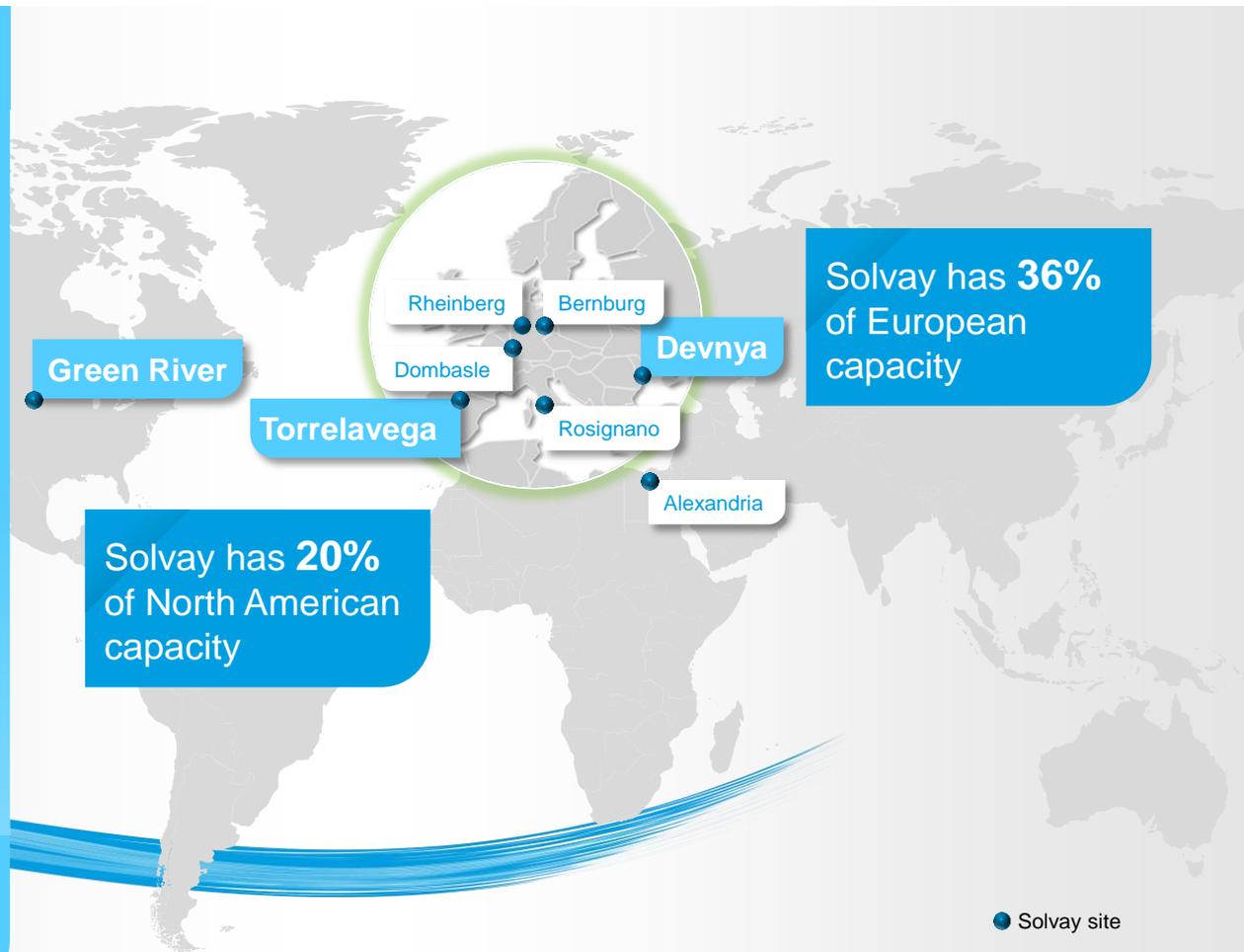
Green River (Wyoming, US)

- Green River (US, Wyoming)
- Natural soda ash production
- 2.5 mt/yr capacity
- 12% capacity increase 2014-2016

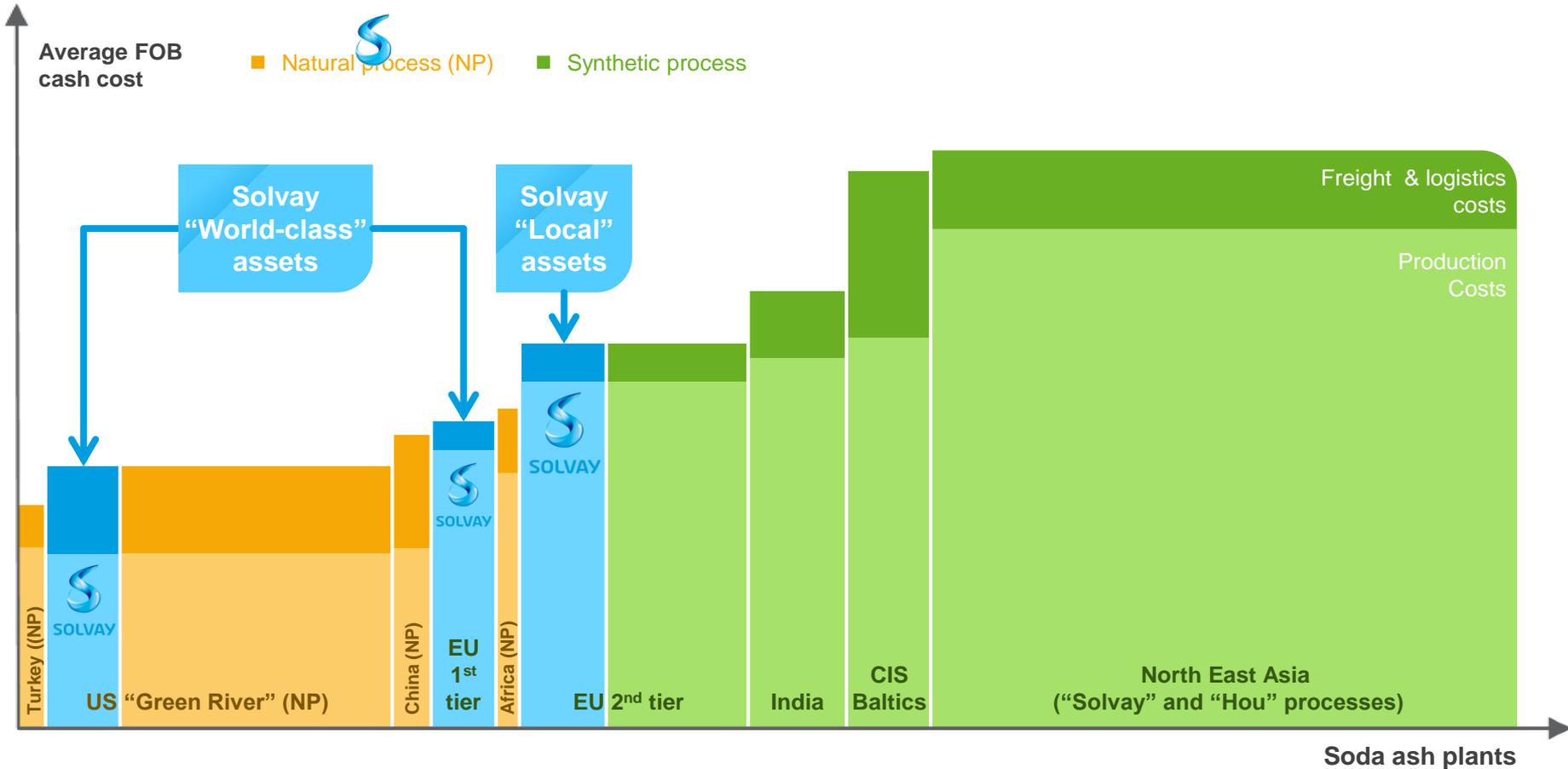
Devnya & Torrelavega (Europe)

- At delivered cash cost comparable to natural process
- 2.0 mt/yr capacity

34% “Local” assets
addressing local markets



Cost competitiveness, key success factor in the soda ash industry



Source: Solvay estimates based on public information

Solvay breakthrough actions enhancing competitiveness

Key actions in Europe

Variable costs



Energy costs

- 18% reduction of total steam consumption
- 44% decrease in CO₂ emission right deficit

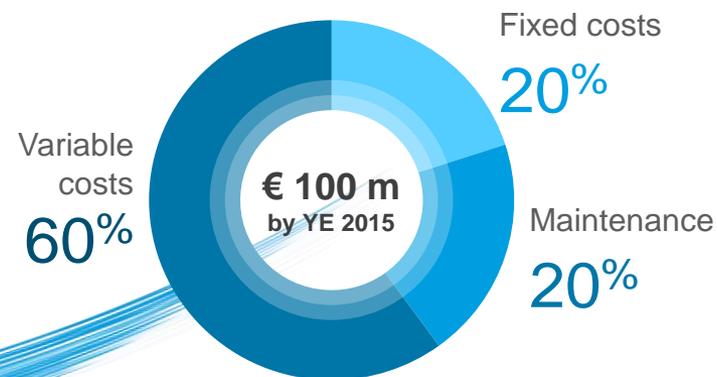
Raw materials and logistics

Fixed costs

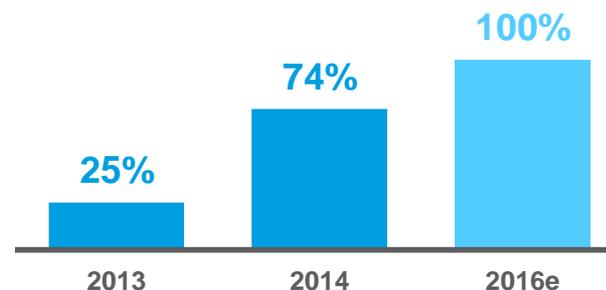


- **Closure** of Povia plant in January 2014
- Reduction of **580 positions**
- **Maintenance** savings across plants reducing cost base by 20%

Cost savings split



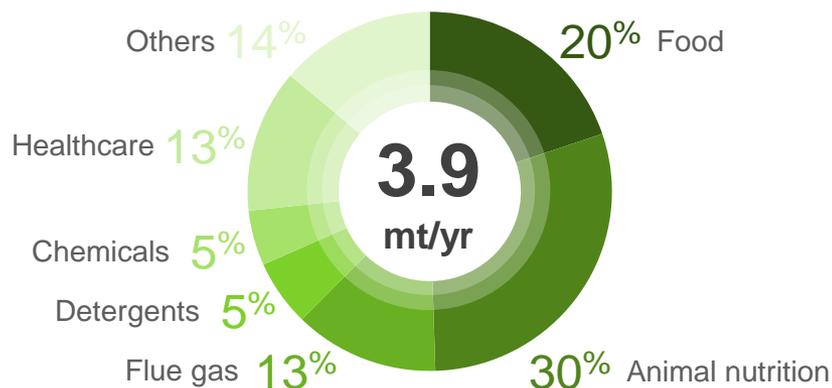
Strong delivery



Solvay, market maker in Bicarbonate, a diversified growth story

Global Bicarbonate demand

Total market volumes (2014)



Global **market** growth slightly **above GDP**

- driven by:
- Food needs
 - Environmental regulations
 - Aging population

Solvay positioning

- **Unparalleled security of supply**
 - 8 facilities in Europe and North America
- **New 100 kt/yr plant in Thailand (07/2015)**
 - To serve Asian premium markets
- **SOLVAir Natural Solutions**
 - 50/50 JV with Natural Soda
 - To accelerate development of SOLVAir for emissions treatment in North America
- **Solvay market leader**
 - Actively developing bicarbonate usage through innovative high-value applications



Ambition to grow at 2x bicarbonate market growth

Solvay Setting new standards in bicarbonate

 Application	 Mega trends	 Growth drivers	 The Solvay difference
 <p>Flue gas treatment</p>	 <p>Resource constraints & increased sustainability demand</p>	<ul style="list-style-type: none"> Tightening regulation on SO_x, HCl and NO_x emissions (currently tightening in NAFTA and Asia) <p>→ Growth up to 10%</p>	<ul style="list-style-type: none"> 450 industrial sites using SOLVAir solutions worldwide Recycling offering in Europe SB/03 launched in 2015 SOLVAir Natural Solutions (NAFTA)
 <p>Animal feed</p>	 <p>Evolving demography & consumers behaviors</p>	<ul style="list-style-type: none"> Increased demand for dairy and meat/poultry End of EU milk quota (April 15) boosts dairy production <p>→ GDP growth</p>	<ul style="list-style-type: none"> Global industrial footprint Branding and technical support in animal nutrition
 <p>Healthcare</p>	 <p>Evolving demography & consumers behaviors</p>	<ul style="list-style-type: none"> Growing access to hemodialysis Increasing living standards in Asia <p>→ Growth up to 8%</p>	<ul style="list-style-type: none"> Large Pharma BICAR capacity to be started in Asia Highest quality standard in the industry (4 sites GMP-certified, of which 2 API-certified)
 <p>Food</p>	 <p>Evolving demography & consumers behaviors</p>	<ul style="list-style-type: none"> Global demand for bakery Quality/safety/traceability Retail markets for baking soda <p>→ GDP growth</p>	<ul style="list-style-type: none"> Highest quality standards made available in Asia Solvay branded baking soda packages

Key take-aways



Resilient profitability

- REBITDA growing at mid-single digit CAGR over 2013-2016
- Underpinned by very competitive assets



Ensuring competitive soda ash assets

- Breakthrough operational excellence actions across European soda ash plants to further reinforce competitiveness
- Ramping up capacity of natural soda ash production in the U.S.



Market maker for bicarbonate

- Growing at 2x market growth



SPEAKER'S RESUME





Christophe Clément

President, Soda Ash & Derivatives

Christophe Clément

began his career in Rhone-Poulenc in 1990. He took up various executive positions both in Europe and in the US: VP & Finance Director of Novecare from 2000 to 2002, VP General Manager of North America for Novecare from 2003 to 2006, VP General Manager of Novecare Europe from 2007 to 2012.

He joined the Integration Management Office in 2012, took up the head of Strategy for Essential Chemicals in January 2013 and has been appointed President of the GBU Soda Ash & Derivatives effective January 1, 2014.

Christophe Clément, a French national, is a graduate of the Institut Supérieur de Gestion.



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