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Specialty Polymers, Inventing the future every day

Capital Markets Day

June 10-11 2015

Augusto Di Donfrancesco

President, Specialty Polymers

SPECIALTY POLYMERS,

INVENTING **THE FUTURE EVERY DAY**

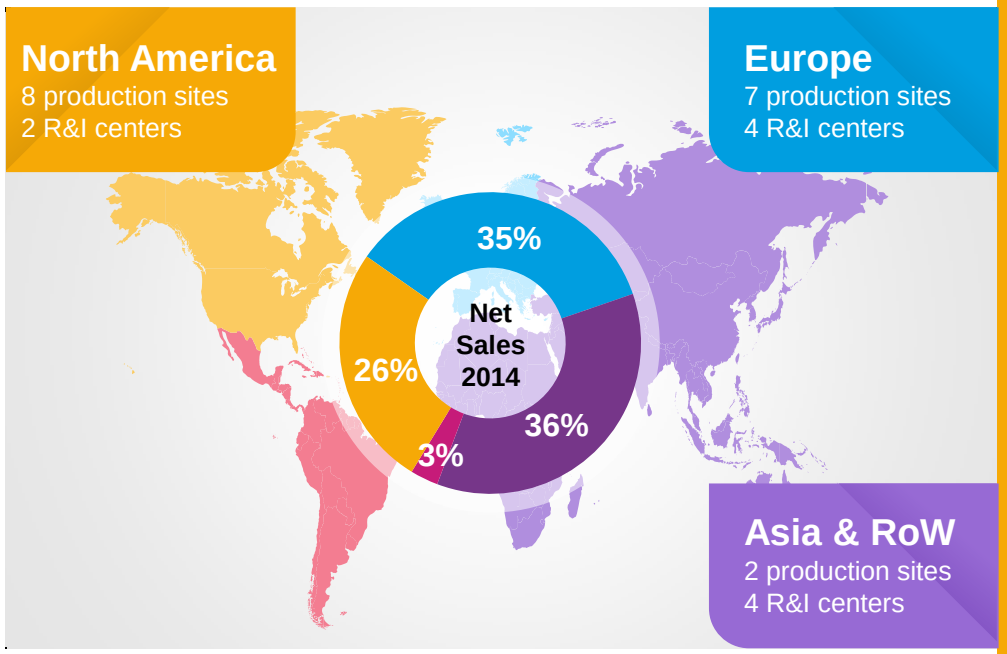
Augusto Di Donfrancesco

President, Specialty Polymers

Solvay Specialty Polymers at a glance

Diversified end markets with superior growth potential

Healthcare		Consumer	
Advanced Trans-portation		Industrial	
Automotive		Construc-tion	
Electricals & Electronics		Smart Devices	
Energy		Water	



€ 1.5 bn
Net sales 2014

~3,000
employees

17 production sites
10 R&I centers

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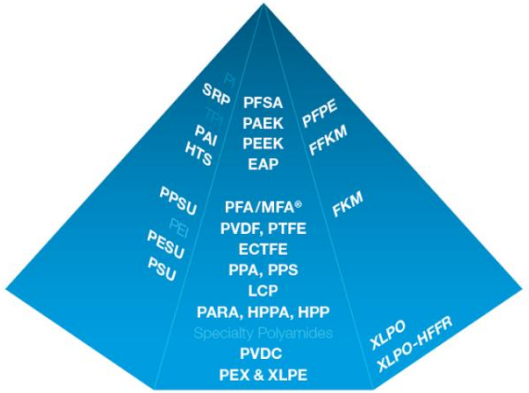
Solvay, THE industry leader in high performance polymers

Unmatched portfolio breadth

Innovation edge

Customer intimacy & market knowledge

Unique solution offering, Differentiating Solvay from competition



	Aromatics						Fluoropolymers					High-barrier polymers	X-linkable compounds
	LCP	HPPA	PPS	PEEK	PAI	PSU	PTFE	PVDF	PFA	FKM	PFPE	PVDC	XLCP
SOLVAY	●	●	●	●	●	●	●	●	●	●	●	●	●
ARKEMA		●						●					
BASF		●				●							
DAIKIN							●	●	●	●			
DUPONT	●	●					●		●	●	●		
dyneon							●	●	●	●	●		
EMS		●											
Celanese	●		●										
DSM		●											
victrex				●									
TORAY			●										
AGC							●		●				
KUREHA			●					●				●	
EVONIK		●		●									

… further strengthened through innovation and acquisitions

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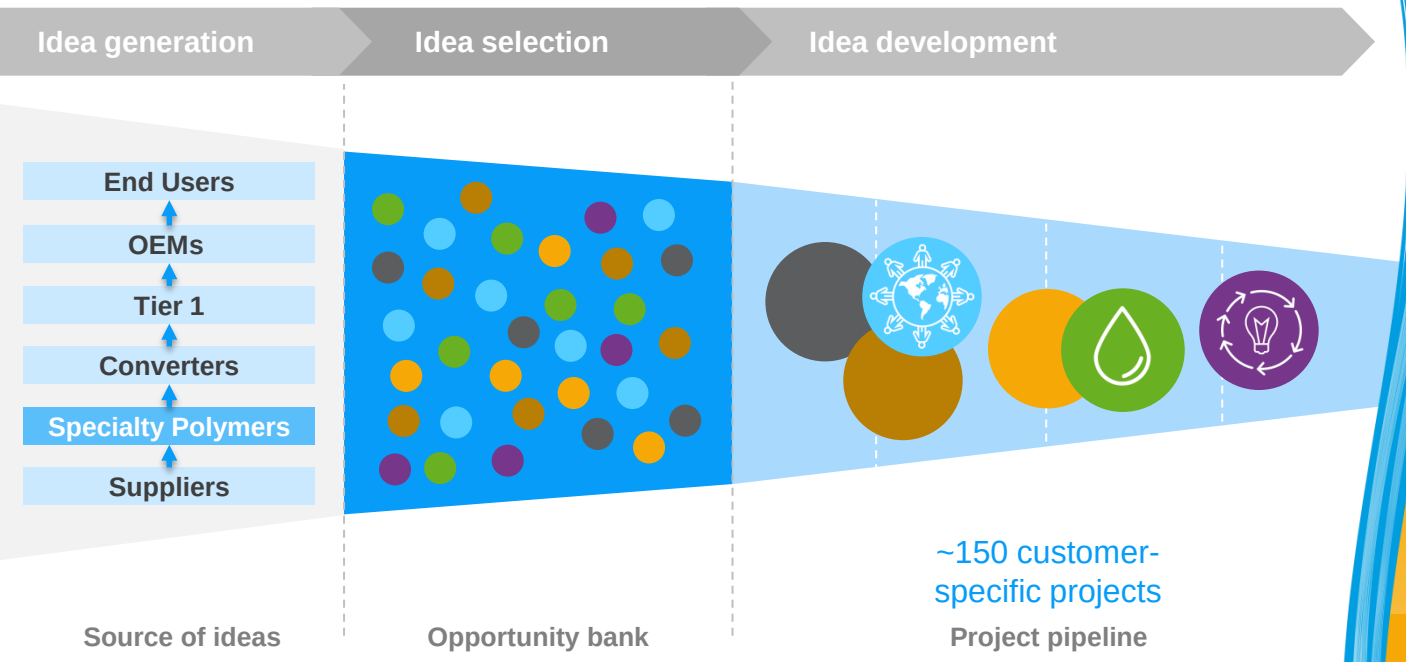
Innovation edge
Effective and timely delivery…



… high quality projects generating € 500 m expected sales by 2018

2014 data

32%
of net sales realized with products < 5-y

50+
New product grades

3,300+
Patents in force

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Strategic solution partner for over 40 years

Market Knowledge
Customer Proximity & Intimacy
Long-term relationships

CUSTOMER

Business & Sales

Innovation Capability
10 R&I support centers

Timely delivery on customized solutions

Creating value for our customers…

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Outgrowing markets

Solvay Specialty Polymers 2014 sales by end markets

- Industrial
- Electrical/Electronics
- Consumer
- Construction
- Water
- Energy
- Automotive
- Healthcare
- Advanced Transportation
- Smart devices

Sales CAGR 2013/15 **~ 15%**

** CAGR 2013-2015*

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Exciting sustainable growth momentum

Evolving demography & consumers behaviors

Innovation acceleration

Resource constraints & increased sustainability demand

Today

Outperforming markets

- Smart devices
- Automotive
- …

Tomorrow

- Electrical vehicles
- Advanced transportation
- Healthcare
- Next generation smart devices
- Energy
- …

Investing to capture growth

Acquisitions

- PPS

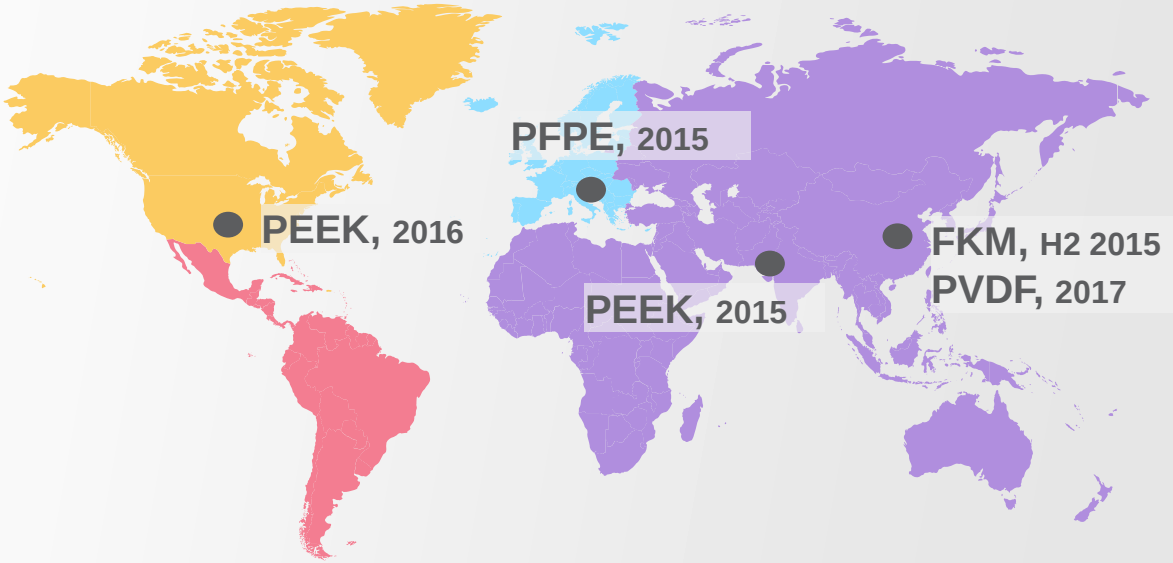
RYTON Polyphenylene Sulfide Resins

Enabling new technologies

- Composites
- Foams

JSP · JA Composites · AONIX Materials in Motion

Capacity expansion



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Specialty Polymers, inventing the future every day

Creating value and delivering growth

- → REBITDA double digit CAGR over 2013-2016
- → CFROI well above WACC

THE industry leader, outgrowing markets

A strategic solution partner to our customers

SPECIALTY POLYMERS,

IDENTIFYING AND **DELIVERING ON SUSTAINABLE DEMANDS**

Jens Hoeltje

Head of Strategy and Marketing, Specialty Polymers

Capturing market potential in Automotive, Aeronautics and Healthcare

Helping our customers with critical sustainability challenges

Automotive	Aeronautics	Healthcare
CO_2 emissions	Improved economics	Growing demand & cost efficiency

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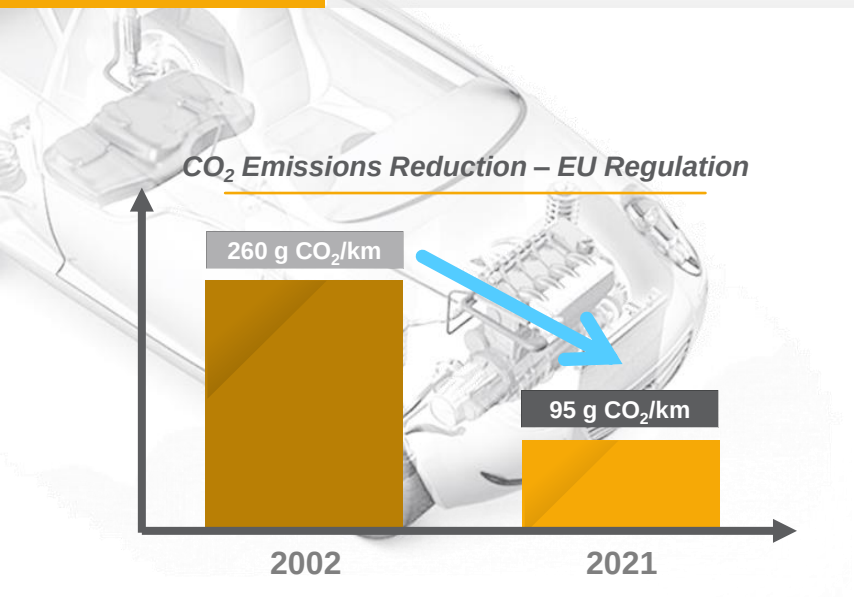
Enabling technologies for Automotive's critical sustainability challenges

CO_2 emission reduction

- Electrification
- Lightweight materials
- Powertrain efficiency



Source: International Energy Agency

Applications	Our technologies
• Li-Ion Batteries: Cathode and Anode binder, separator, … • Traction motors: magnet wire, … • Fuel cells: membrane, housing, …	• Solef® PVDF • KetaSpire® PEEK • Aquivion® PFSA • Amodel® PPA • Ryton® PPS • …
• Structural and semi-structural parts (Composites, …)	• Amodel® PPA • Ryton® PPS • Ixef® PARA • KetaSpire® PEEK • …
• Turbo charging: hoses, sealings, bearings • Transmission: sealings, bearings, anti-foaming agents • …	• Tecnoflon® FKM • Torlon® PAI • KetaSpire ® PEEK • Amodel® PPA • Fomblin® PFPE • …

Uniquely positioned to capture full growth potential

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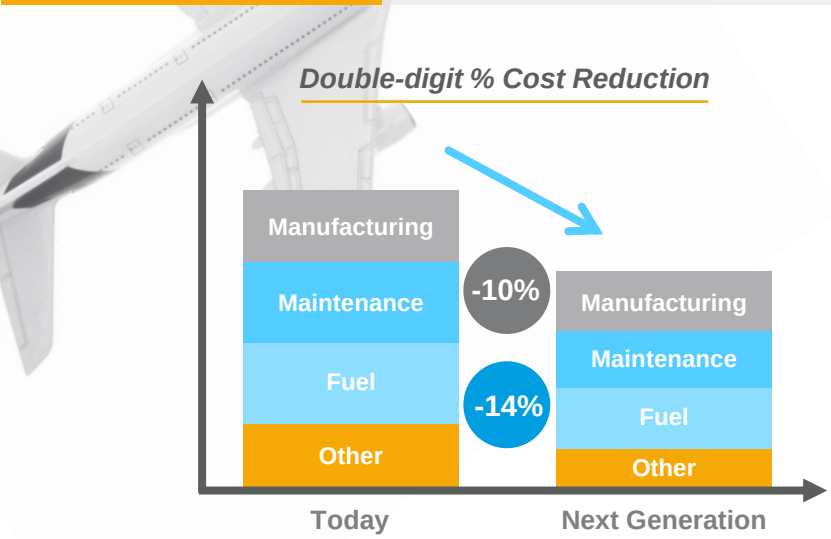
Building a superior portfolio of new lightweight materials for Aeronautics

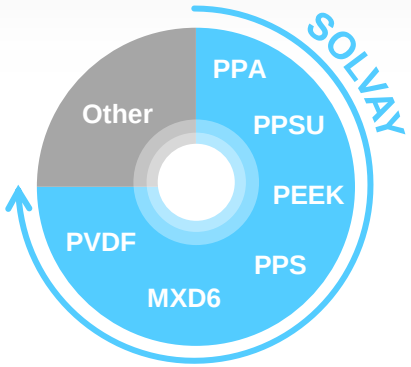
Improve cost of production and ownership

Lightweight materials

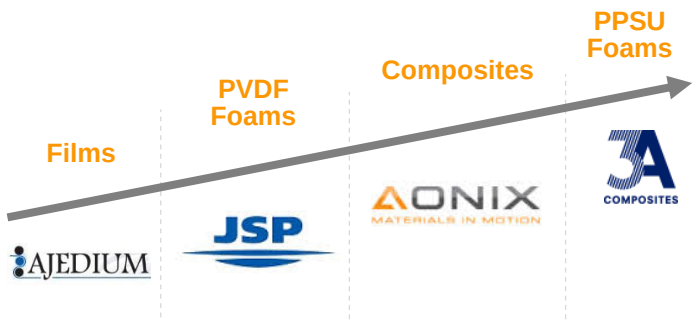
- Manufacturing effectiveness
- Maintenance
- Fuel consumption



Source: Airbus



Building the Ecosystem since 2008



Partnering with leading technology companies for highest performing materials

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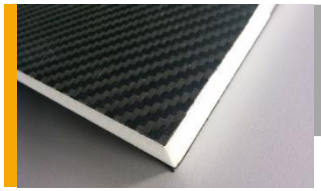
Tegralite™: Enabling improved economics

Tegracore™ PPSU Foams

- Thermoformable



PVDF Foams

- Injection moldable / direct part production

UltraMaterials™ Composites

- Semi-continuous process / suitable for mass production

Manufacturing: higher effectiveness, lower cost

Shortened maintenance time

Lower fuel consumption

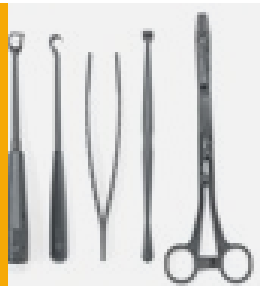
Establishing a leading position in high performance lightweight materials

Our strategy to meet evolving Healthcare needs

Growing demand

- Growing world population
- Increasing size of middle classes in China, India and other emerging countries
- Aging society

Cost efficiency of Healthcare systems

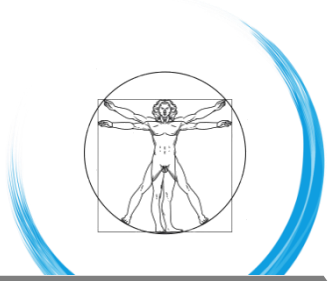


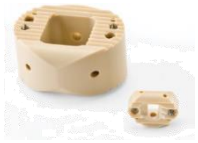
- More minimally invasive surgeries
- Implants with better patient outcomes
- Reducing hospital acquired infections

Increasing quality of life

- At home treatment/monitoring (mHealth)
- Patient mobility and pain relief
- Time for treatment in clinic/hospital
- Use of wearable devices

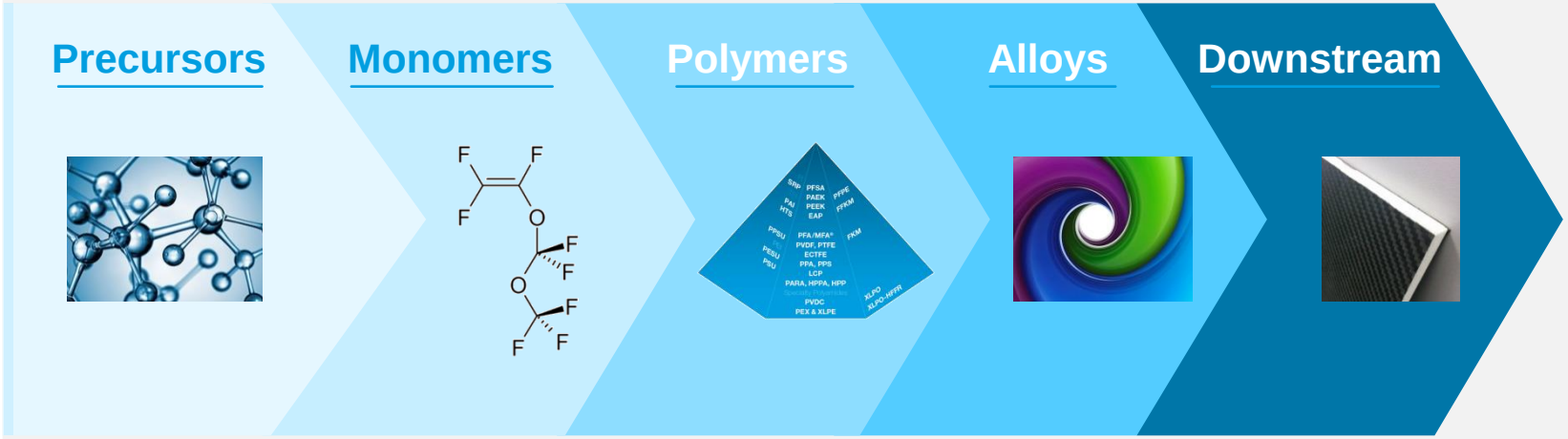
A large breadth of materials for high-tech applications



	Growth drivers	Our technologies
 **Medical instruments and equipment**	• Replacing metal devices • Hospital acquired infections: - frequency & intensity of cleaning/ disinfection - single use instrumentation - upgrading polymers	• Radel® PPSU • Udel® PSU • Ixef® PARA • AvaSpire® PAEK
 **Hemodialysis treatment systems**	• 20+ years trust with Solvay • Available to growing number of patients	• Udel® PSU • Veradel® PESU
 **Orthopedic and cardiovascular implants**	• Acceptance of polymers • Expansion towards applications beyond structural parts	• Zeniva® PEEK • Radel® PPSU • Udel® PSU
 **Pharmaceutical blister packaging**	• 15+ years serving high barrier materials • New product: ultra-high barrier, strong value creation • Future trend: Paper / Diofan® SuperB laminate replacing Aluminum	• Diofan® PVDC • Diofan® Super B PVDC


SPECIALTY POLYMERS,
ENGINEERING
BREAKTHROUGH
SOLUTIONS
George
Corbin
Head of Research and Innovation,
Specialty Polymers

Powerful innovation levers across the value chain



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Sealing performance at very low temperatures

Precursors | Monomers | Polymers | Alloys | Downstream

Automotive

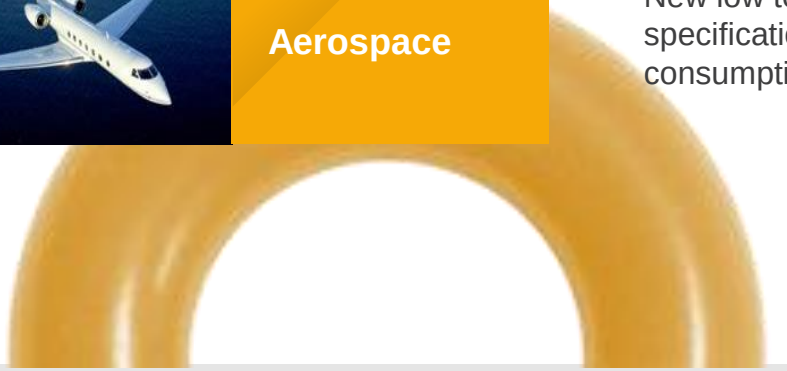
- Advanced engine technology (GDI) reduces CO_2 emissions but requires very low temp performance
- Requires low temperature performance and resistance to automotive fuels

Oil & Gas

- Explore and produce in more severe operating environments
- Requires low temperature performance and resistance to drilling fluids

Aerospace

- New low temp operating specifications to reduce fuel consumption & CO_2 emissions
- Requires low temperature performance and resistance to aircraft fluids



Tecnoflon® VPL: the unique solution

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Tecnoflon® VPL: a unique solution

Precursors | Monomers | **Polymers** | Alloys | Downstream

Innovation approach

Breakthrough technology uses new building blocks

Novel precursor, monomer and polymers

Industrialized new chemistry

Protected by 7 patent families

Business impact

Created new family of high-value “Specialty” elastomers

Enables double-digit growth in Auto

Leverages existing industrial assets

Creates sustainable competitive advantage

Pushing the limits of metal replacement

Precursors | Monomers | **Polymers** | **Alloys** | Downstream

Electronics

- More reliable performance with greater design freedom
- Requires innovative materials that enable next-generation technology

Automotive

- More fuel efficient vehicles with reduced emissions and uncompromised safety
- Requires high-temperature plastics that withstand the increased heat of downsized, turbocharged engines.

Aircraft

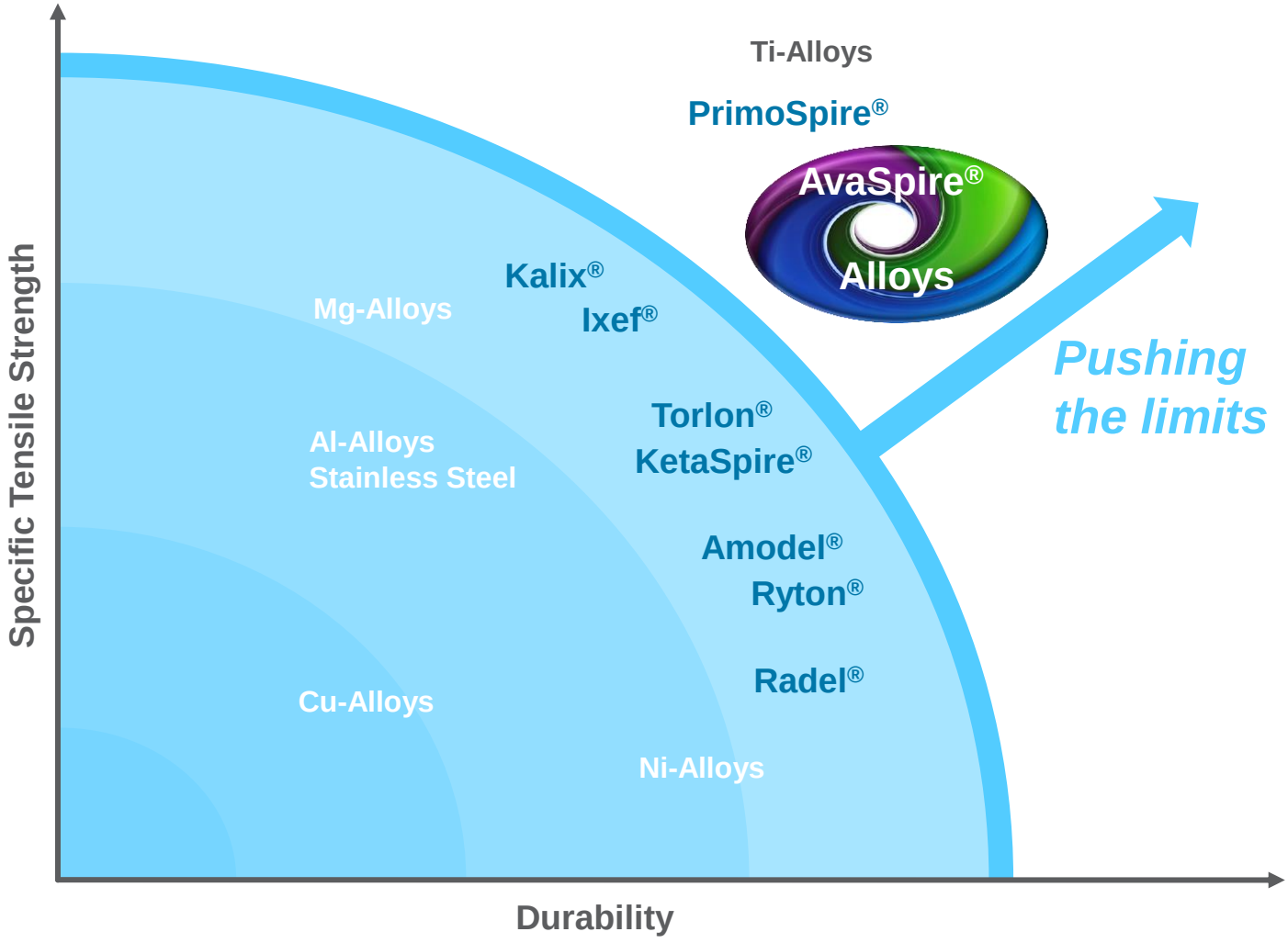
- More energy efficient aircraft with passenger comfort and safety along with faster assembly times
- Requires ultra-lightweight materials with metal-like performance that meet regulatory approvals

Healthcare

- More portable technology with reduce risk of spreading of infectious diseases
- Requires durable plastics that withstand rough handling plus repeated cleaning and sterilization.

AvaSpire® PAEK: customized performance

Strength and durability



AvaSpire® PAEK: customized performance

Precursors | Monomers | **Polymers** | **Alloys** | Downstream

Innovation approach

Leveraged broad portfolio to create a family of AvaSpire® PAEK products that provide new and unique combinations of performance and value

Developed new process technology to improve compatibility of polymer blends

Capitalized on large cost-performance gap in ultra-high performance polymer solutions

Protected by 14 patent families

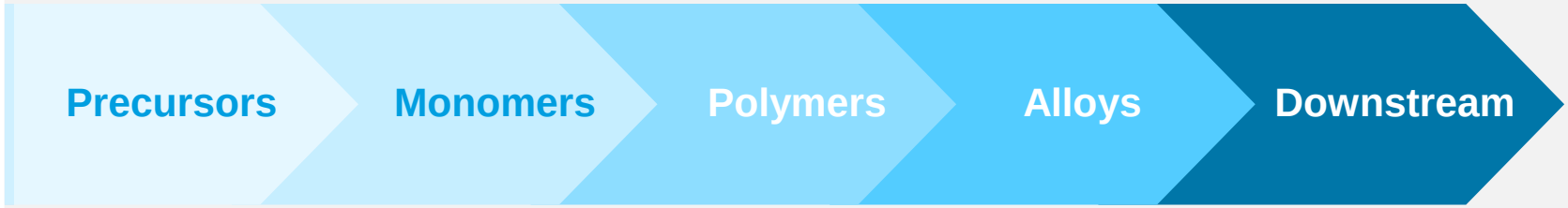
Business impact

Accelerating growth

Tripling capacity currently underway

Developing products for next-generation technology

Engineering breakthrough solutions



- **Driving innovation across the value chain**
- **Leveraging the power of Solvay's unique product portfolio**
- **Inventing the future of Specialty Polymers**

Keeping Specialty Polymers special for the long-term

SPECIALTY POLYMERS,

ADAPTIVE, AGILE, **CUSTOMER FOCUSED**

Laird McBeth

Director of Business and Sales, Specialty Polymers

Long-term customer relationships

Proximity
Talking their language

Fast response times

Strategic solution partner

Creating value for our customers

Being in the right place…

Tier 2 | Tier 1 | **OEM**

…at the right time

6-12 months

2-3 years

2- 5 years

5-10 years

Timeline depends upon Industry dynamics, scale of challenges and opportunities

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Automotive powertrain efficiency
Understanding the value chain

Unmet customer need

increasingly lower
CO2 emissions standards

OEM contributions

Design specifications, material specifications, system validation

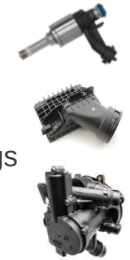
Tier 1 contributions

Design requirements, material selection/specifications, part production, part testing, part validation

The Results

1- Engine - Solutions for multiple engine technologies

- Tecnoflon® FKM based fuel injector O-rings
- Amodel® PPA charge air cooler
- Ryton® PPS thermal management module



Products designed and launched in 2-3 years

2- Transmission - Complete product solutions for total transmission design

- Torlon® PAI seal rings
- KetaSpire® PEEK thrust bearings
- Amodel® PPA solenoids

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Smart Devices
Racing against the clock

Unmet customer need

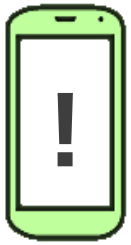
Incumbent material failing new design

OEM contributions

Design specifications, color needs, end use testing & feedback

TIER 1 contributions

Production & Design, molding & feedback, design support, testing

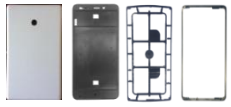


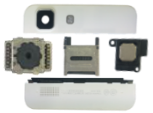
The Result

New Unique Product with best combination of:

- Chemical resistance
- Aesthetic look
- Dimensional precision
- Processing and impact resistance
- developed and scaled < 6 months

Products designed and launched in 6-12 months





*Computer Aided Engineering

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The Winning formula
Bringing it all together

Marketing + Innovation + Customer = VALUE CREATION

Would our customers recommend Solvay to another company?

SOLVAY Resounding YES* → Building market share

*Best-in-class according to latest NPS (Net Promoter Score)


SPEAKER'S
RESUME

Augusto Di Donfrancesco

President, Specialty Polymers

Augusto Di Donfrancecso

began his Solvay Career in 1987 as a process engineer in Rosignano, Italy. He has held multiple roles withing the Solvay Group in Production, Technology and Commercial Operations in the Chemicals and Plastics divisions. In 2005 he moved to Buenos Aires, Argentina, to become the General Manager of Solvay Indupa, a public company listed in the Buenos Aires Stock Exchange with PVC and caustic soda production plant in Argentina and Brazil.

In 2009 he came back to Brussels as General Manager of Specialty Polymers, and finally returned to Italy in 2011 to assume his current role as President of the newly created Global Business Unit Solvay Specialty Polymers.

Augusto Di Donfrancesco, an Italian national, graduated from Pisa University in 1985 with a Bachelor's degree in Chemicals Enigineering.

Jens Hoeltje

Head of Strategy and Marketing, Specialty Polymers

Jens Hoeltje
started with Solvay in 1991 in the Engineering department in Germany, developing basic engineering for Fluorochemical processes. After assuming marketing for a flue gas cleaning process Jens moved in 1997 to Specialty Polymers. Over a period of 14 years he assumed various responsibilities in Business Management and Marketing & Sales for the Aromatic and Fluoropolymers of the group. During this period Jens was based in Brussels, Belgium and Bollate, Italy.

In 2011 he became responsible for the Strategy Development of Specialty Polymers at the Corporate Center in Brussels. Since 2013 Jens is the Director of Strategy and Marketing for Specialty Polymers.

A German national, Jens holds a Master in Chemical Engineering from Clausthal University and a PhD in Engineering from RWTH Aachen; furthermore, he completed postgraduate studies in Economics.

George Corbin

Head of Research and Innovation, Specialty Polymers

George Corbin

started his career with Amoco in 1983 in Research & Development for Specialty Polymers, developing what is currently Solvay's Amodel polymer family. In 1990 he assumed the leadership role for the Process Engineering, Catalysis, & Technology Licensing function in Polypropylene Business. In 1994 he transferred back into Specialty Polymers to lead the Sulfone Polymers R&D Team. From 1999-2004 he was the Business Manager for Sulfone Polymers through the ownership transitions to BP and Solvay. In 2004 he returned to the R&D Function as Head of the Advanced Polymers Business to consolidate this new organization.

In 2008 he was appointed to be President of the Solvay Advanced Polymers Global Business which was merged into GBU Specialty Polymers in 2011. At that time, he assumed his current role as Director of Research and Innovation for this new GBU.

A US national, George holds Chemical Engineering Degrees from Columbia University and MIT and serves on external advisory Boards at Georgia Tech and MIT.

Laird McBeth

Director of Business and Sales, Specialty Polymers

Laird McBeth

joined Solvay in 1986 as a Polypropylene Account Executive located in Columbus, Ohio. In 1989, he transferred to Solvay Polymers' headquarters in Houston, Texas and during the next 9 years held various sales, marketing and business management positions. Laird joined the Specialty Polymers Strategic Business Unit in 1998 as President of Solvay Fluoropolymers Inc. based in Houston and in 2002 relocated to West Deptford, New Jersey as Vice President of Commercial Operations for Solvay Solexis, Inc.

He became President of Solvay Solexis, Inc in 2007 and in 2011 relocated to Alpharetta, Georgia to assume his current position as Director of Business and Sales for Solvay Specialty Polymers.

Laird McBeth, a US national, graduated from Duke University in 1980 with a Bachelor's degree in Chemistry.

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