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Exane CEO Conference

Jean-Pierre Clamadieu
Chairman of the Executive Committee & CEO

Paris
June 14, 2016

SAFE HARBOR

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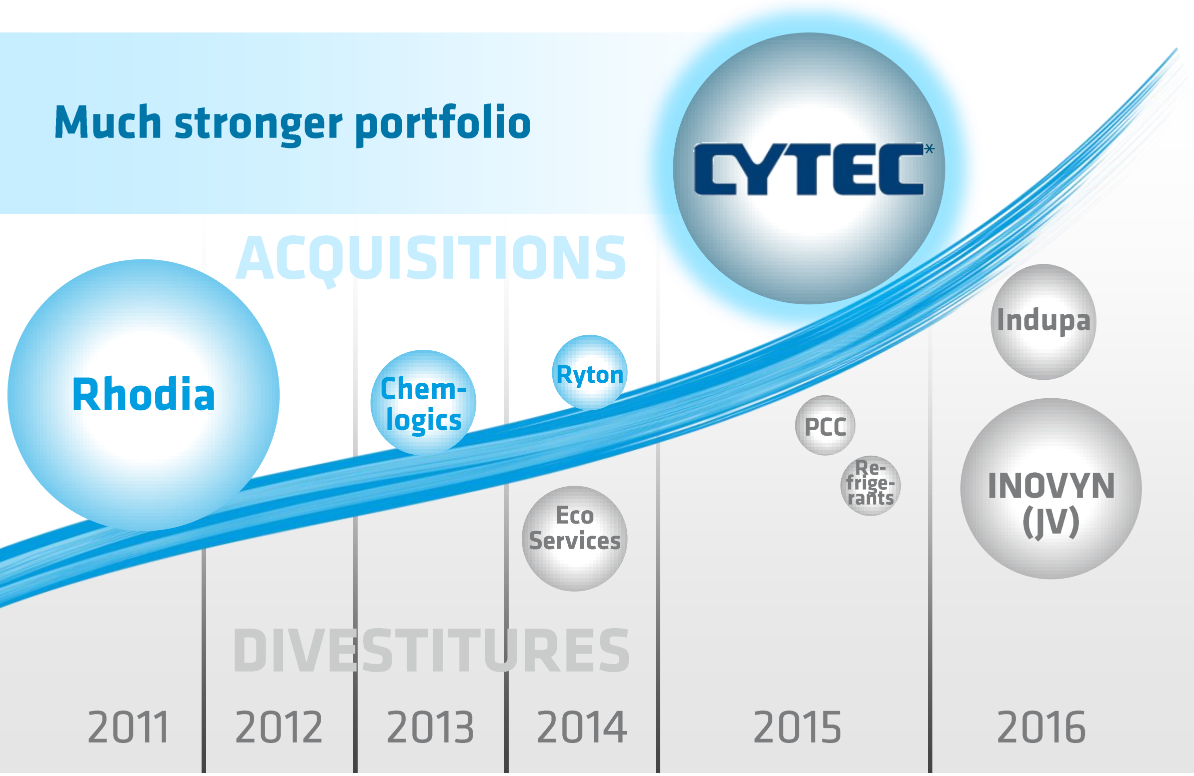
OUR STRATEGY IS TO BUILD A NEW MODEL OF CHEMISTRY

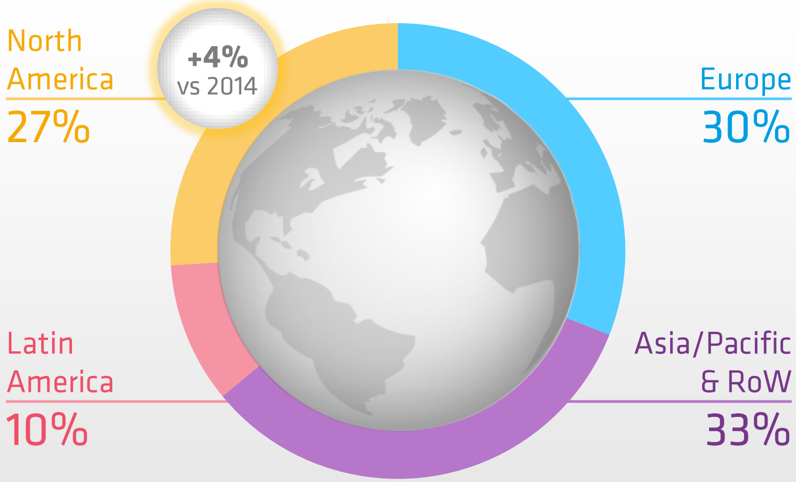
SOLVAY
A GROUP IN AN IN-DEPTH TRANSFORMATION

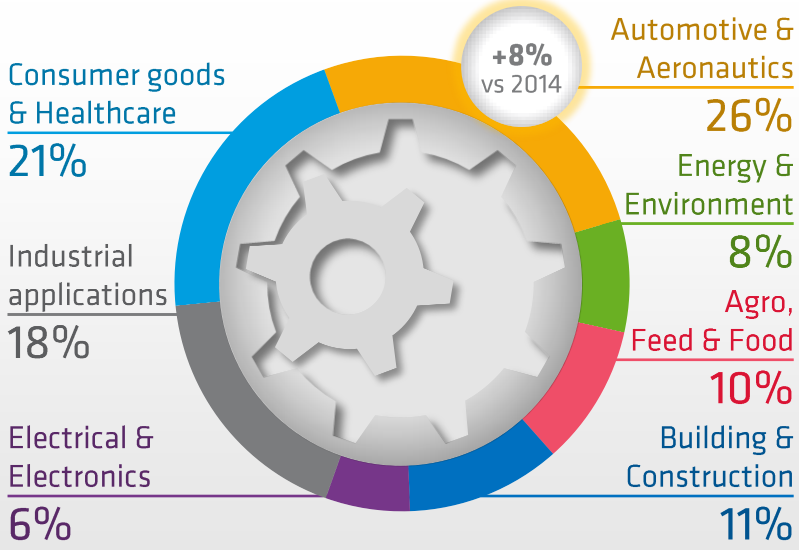


- More global
- More diversified
- Higher sustainability
- More innovative
- More resilient

FURTHER UPGRADE TO COME FROM DIVESTITURES

OUR MARKET EXPOSURE
MORE DIVERSIFIED & RESILIENT





30,910 employees

53 countries

145 industrial sites

21 main R&I centers

Solvay pro forma 2015 (including Cytec)

OUR BUSINESS SEGMENTS
MARKET & TECHNOLOGY LEADERS

ADVANCED MATERIALS

- Specialty Polymers #1
- Composite Materials #2
- Special Chem #1
- Silica #1

24% margin

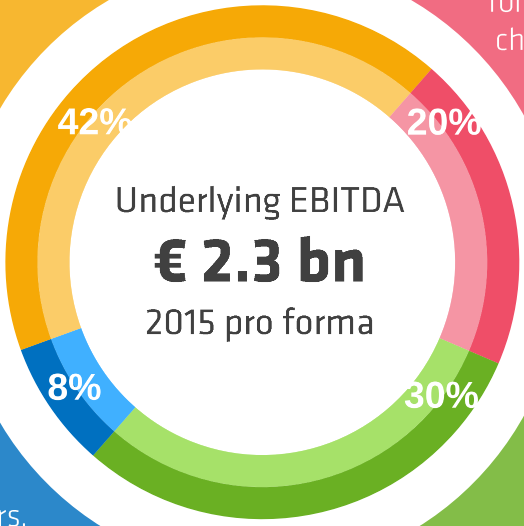
Providing solutions for sustainable mobility, lightweighting, CO_2 and energy efficiency

ADVANCED FORMULATIONS

- Novecare #1
- Technology Solutions #1
- Aroma Performance #1

18% margin

Customized specialty formulations in surface chemistry, maximizing yield & efficiency, while minimizing eco impact



FUNCTIONAL POLYMERS

- Polyamide #3
- Chlorovinyls #2

10% margin

Leading positions in functional polymers, with focus on excellence

PERFORMANCE CHEMICALS

- Soda Ash & Derivatives #1
- Peroxides #1
- Acetow #4
- Coatis #1

25% margin

Leading positions in chemical intermediates through scale and technology

#X Global market position in main markets addressed

#X Regional market position in main markets addressed

% margin = underlying EBITDA / net sales

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ADVANCE MATERIALS
DRIVING SUSTAINABLE MOBILITY

Solvay's unique portfolio

BROADEST HIGH-PERFORMANCE POLYMER RANGE

Polymers & alloys

Thermoplastic polymers & alloys

Thermoset resins & formulations

Foams

Fiber reinforced compounds (short & **long fiber**)

Composites thermoset & **thermoplastics**

Sandwich structures

Intermediates

Downstream

CREATING **NEW** CLASSES OF MATERIALS

Driving sustainable mobility

AUTOMOTIVE		AEROSPACE	
Under the hood	☑	Primary structure	☑
Battery tray	☑	Secondary struct.	☑
Upperbody/hood	☐	Jet engines	☑
Chassis	☐	Cabin interior	☑

Applications: ☑ Current ☐ Future

Customers collaborations

Most major OEMS worldwide

PROVIDING SOLUTIONS FOR

- → Lightweight materials for transportation
- → Production cycle time acceleration
- → Total cost reduction

UNDERPINNED BY

- → Reduction of fuel consumption
- → Decreasing CO_2 emissions
- → Increasing driving autonomy

Supported by regulatory framework for cleaner vehicles (aeronautics in discussion)

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WE ARE A KEY PLAYER IN LIGHTWEIGHTING MATERIALS FOR AEROSPACE

> € 1 bn in Sales

Leap engine compressor

Torlon® PAI
Clip nuts

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

Aircraft interiors **TegraCore™ PPSU**

AIRBUS AN EADS COMPANY BOEING BOMBARDIER LOCKHEED MARTIN

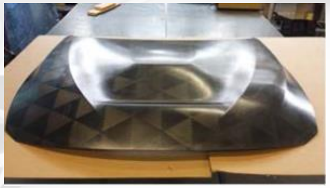
WE ARE A KEY PLAYER IN LIGHTWEIGHTING MATERIALS FOR AUTOMOTIVE

> € 2 bn in Sales

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

EXECUTING CYTEC SYNERGY POTENTIAL
UNLOCKING VALUE

Cost synergies
- Corporate G&A
- GBUs set-up
- Supply chain & procurement
- Launch ERP project

2016

> € 100 m
2016-2018

2018

Building the foundations for revenue synergies
- Launch thermoplastic composite incubator
- Launch foams/films for aero incubator
- Serial auto launch

Cultural integration | **Retaining talent** | **Blending strengths**

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**

OUR COMMITMENTS

- Exceed expectations on Cytec synergies
- Excellence & portfolio optimization continuing
- Reinforced focus on cash generation
- Attractive returns to shareholders

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Q1 2016 RESULTS

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May 3 2016

EXECUTING OUR PLAN

Q1 2016

- Substantially improved cash generation
- Record margin and higher profit
- Sustained excellence efforts
- Delivery of integration & accelerated synergies
- Continued portfolio optimization

Focused on priorities

RECORD EBITDA MARGIN
& IMPROVED CASH GENERATION

Q1 EBITDA ↗ 2%
with record margin

↗ Pricing power

- Excellence program supporting 9th consecutive quarter of positive net pricing
- Pricing power across all operating segments

→ Volume

- Innovation-driven growth in Advanced Materials & good demand in Funct. Polymers
- Offsetting headwinds in
  - → Oil & Gas markets
  - → Inventory adjustments in smart devices
  - → Industrial composites

Free Cash Flow ↗

More portfolio optimization

Chlorovinyls

- European PVC
  - → Early exit of Inovyn JV
  - → Proceeds of € 335m in H2 16
- Latin American PVC
  - → Agreement to divest Indupa business

Actions ongoing

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GROWTH AGAINST A STRONG COMPARABLE
FINANCIAL HIGHLIGHTS Q1 2016

€ 2.9 bn Net Sales — ***-6%*** *yoy*

- → **Volumes stable** with growth in Advanced Materials and Functional Polymers compensating drop in other segments
- ↘ **Forex and pricing down**

€ 602 m Underlying EBITDA — ***+2%*** *yoy*

- ↗ **Pricing power**, underpinned by **Excellence** programs and synergy delivery, more than offsetting Q1 2015 € 30 m Medicare one-off
- ↗ **Margin record at 21%**, increasing 140 bp

€ 192 m Underlying net income Group share — ***€ 202 m*** *In Q1 2015*

- ↘ Reduced scope of **discontinued operations** (Inovyn)

€ 9 m Free cash flow — ***€ (358) m*** *in Q1 2015*

- ↗ Reinforced **working capital discipline**
- ↗ Selective **Capex allocation**

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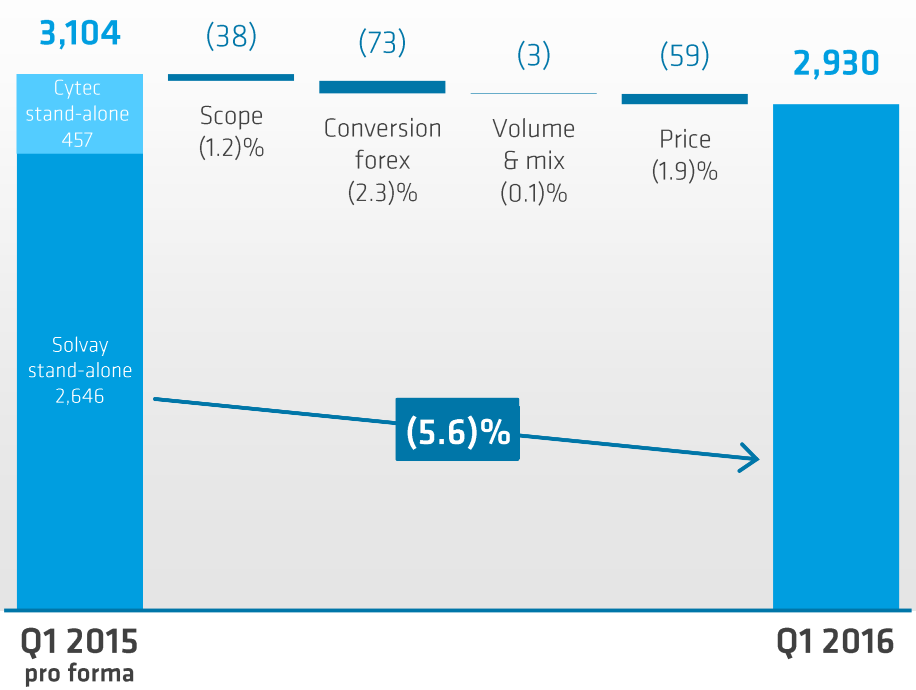
UNSUPPORTIVE FOREX AND PRICE DECREASE NET SALES

Net sales

in € m



Stable volumes

- Growth in Advanced Materials and Functional Polymers
- Compensated drop in other segments

Unfavorable conversion forex

- USD still supportive
- But emerging currencies depreciating, mainly BRL

Lower prices

- Partial pass-through of lower raw material costs in deflationary market

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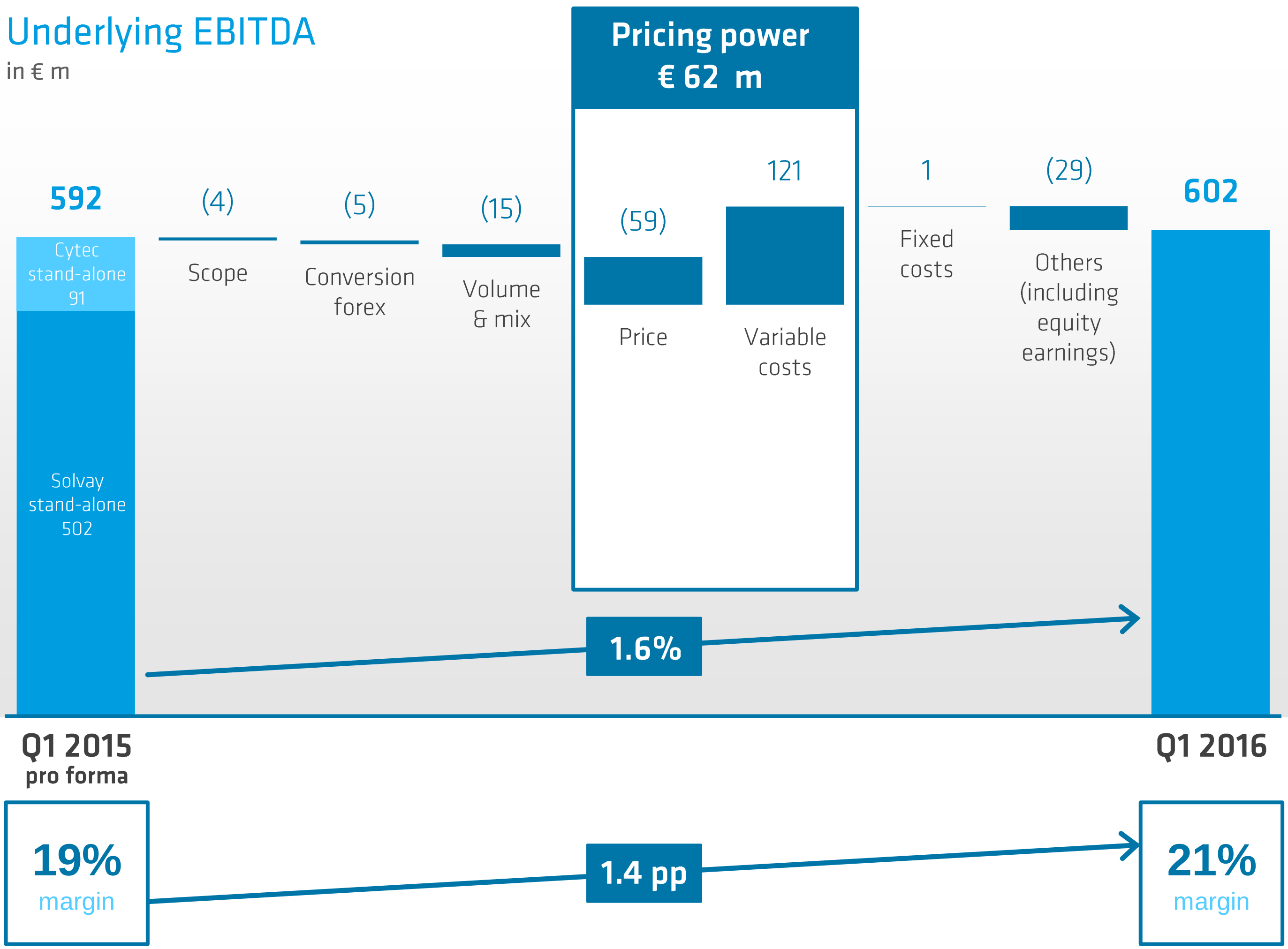
RECORD EBITDA MARGIN
BOOSTED BY CONTINUED PRICING POWER

Underlying EBITDA
in € m



- **Pricing power across segments** underpinned by **Excellence** and transactional forex
- **Conversion forex & volume mix effect slightly negative**
- **Fixed costs stable** as **Excellence** offset inflation and new capacity costs
- **Others** include € 30 m one-off Medicare benefit in Q1 2015

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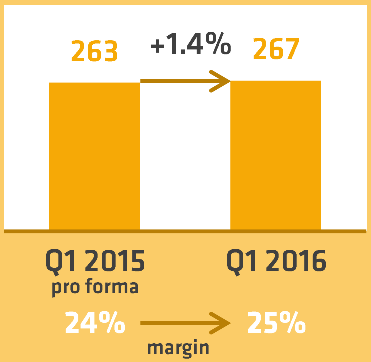
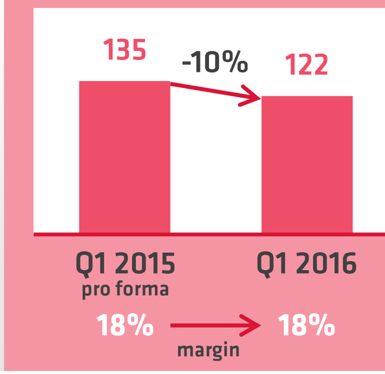
PRICING POWER & INNOVATION-DRIVEN GROWTH MORE THAN OFFSET MARKET IMPACT O&G & SMART DEVICES

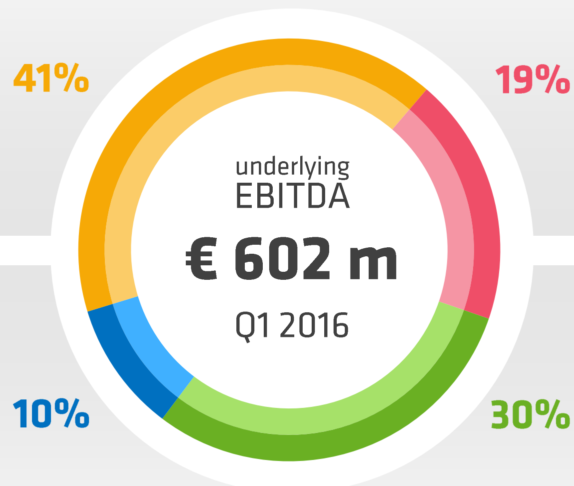
ADVANCED MATERIALS



ADVANCED FORMULATIONS

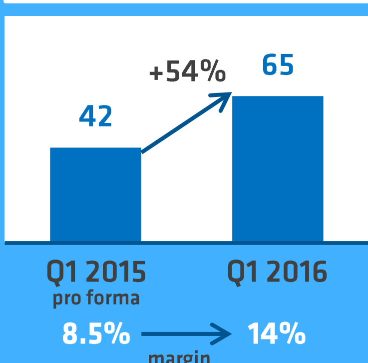


Innovation mitigating adverse market conditions in O&G and smart devices

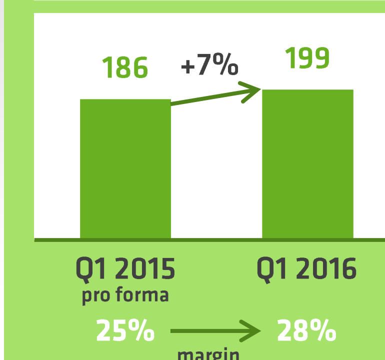


Excellence-driven margin expansion

FUNCTIONAL POLYMERS



PERFORMANCE CHEMICALS



Corporate & Business Services included in € 602 m total
but is excluded from pie chart as contribution is negative

CASH CONVERSION SUBSTANTIALLY IMPROVED THANKS TO HIGHER EBITDA AND LOWER CAPEX

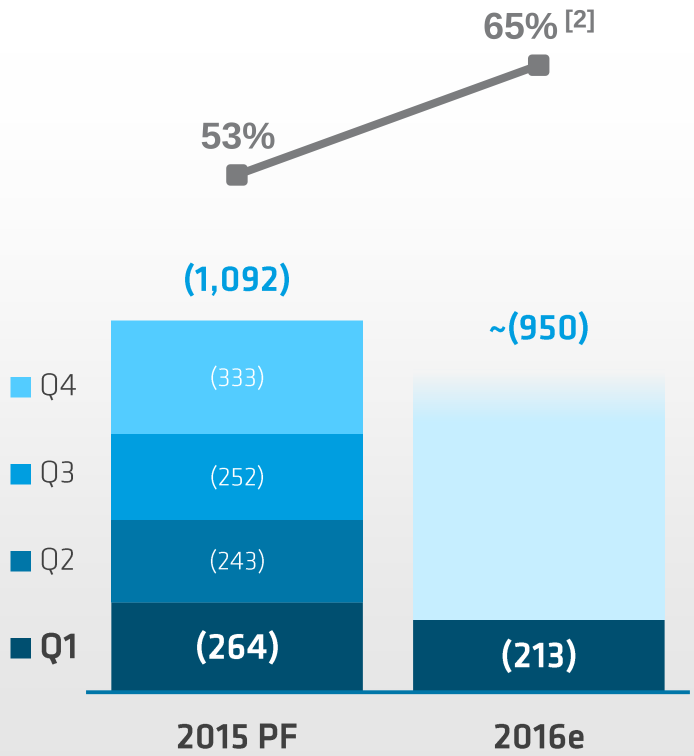
Cash conversion [1]

$\frac{\text{EBITDA-capex}}{\text{EBITDA}}$

Capex

Continuing operations

in € m



→ **2016**

Growth capex at ~60% of total
~2/3rd in Advanced Materials

→ Aerospace investments

→ PEEK plant in US

→ Fluoropolymer plant in China, phase 2

→ HPPO plant in Saudi Arabia

Capex discipline
to reduce capital intensity

→ Strategic fit

→ IRR ≥ 15%

Profit growth

Improved cash conversion

→ SUSTAINABLE IMPROVEMENT IN FREE CASH FLOW

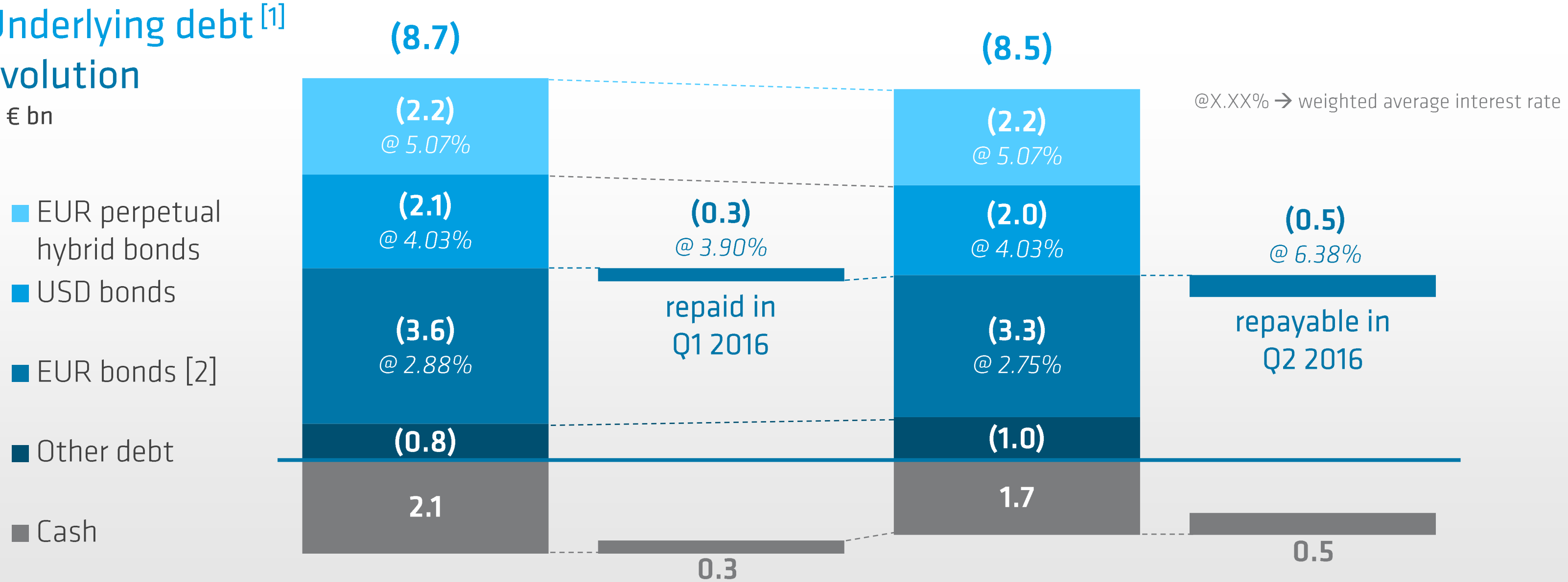
[1] Based on capex of continuing operations and underlying EBITDA on a full year basis

[2] Calculation based on Q1 figures

ON-GOING DEBT REPAYMENTS LEAD TO REDUCED COST OF DEBT

Underlying debt [1] evolution

in € bn



Underlying	31/12/2015	31/03/2016
Net debt [1]	**€ 6.6 bn**	**€ 6.8 bn**
Leverage [3]	2.8x	2.9x
Gearing [4]	88%	96%

Moody's	S&P
Baa2	**BBB-**
negative outlook	stable outlook

INVESTMENT GRADE

[1] Underlying debt includes perpetual hybrid bonds (considered as equity under IFRS)
[2] Including 2016 EIB loan, paid back in January, and subordinated 2104 hybrid bond
[3] Net debt / underlying EBITDA of last 12 months (pro forma) [4] net debt / equity

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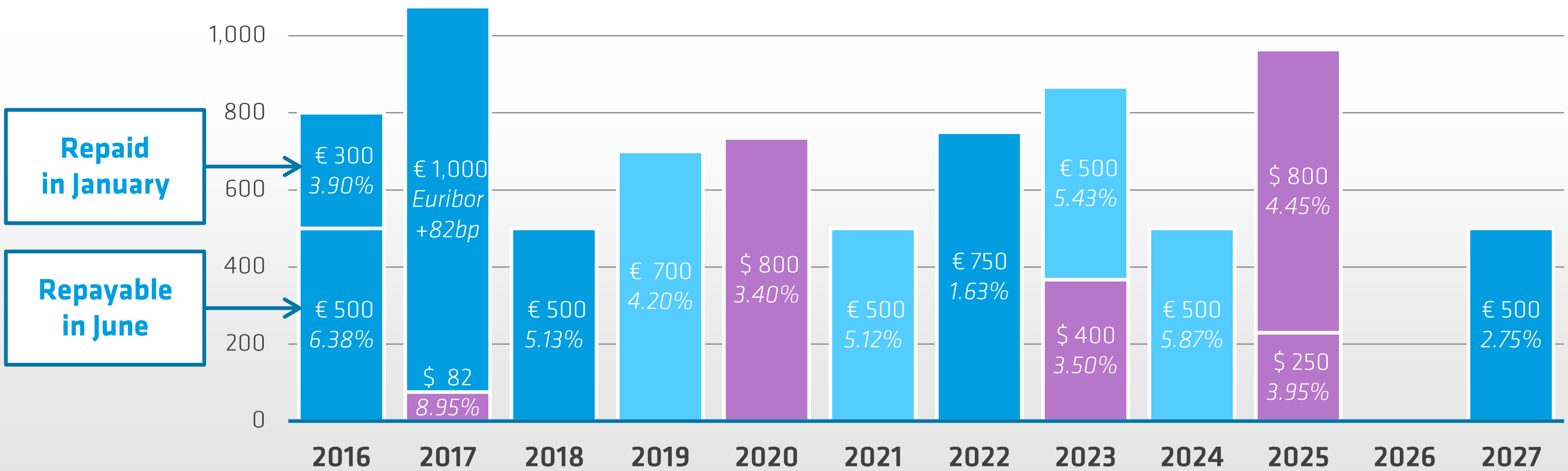
DEBT PROFILE
BALANCED MATURITIES ALLOWING FLEXIBILITY



Major debt

	31/12/2015			31/03/2016		
	Face value	Average duration	Average cost	Face value	Average duration	Average cost
EUR bonds [1]	3,550	4.1	*2.88%*	3,250	4.9	*2.75%*
EUR perpetual hybrid bonds [2]	2,200	6.1	*5.07%*	2,200	5.8	*5.07%*
USD bonds	2,142 [3]	7.5	*4.03%*	2,048 [3]	7.3	*4.03%*
Total major debt	**7,892**	**5.6**	***3.80%***	**7,498**	**5.5**	***3.78%***
	in € m	in years		in € m	in years	

[1] Including 2016 EIB loan, paid back in January, and subordinated 2104 hybrid bond
[2] At 1st call date
[3] USD 2,332 m

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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

- **Solvay general information**
- **Additional Q1 2016 financial data**

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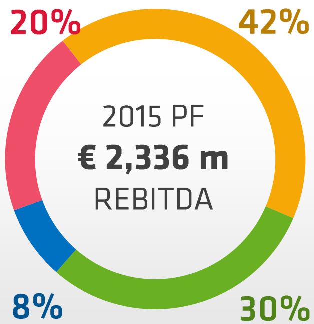
OUR STRONG BUSINESS PROFILE



	GROWTH ENGINES		RESILIENT CASH CONTRIBUTOR	
	ADVANCED MATERIALS	**ADVANCED FORMULATIONS**	**PERFORMANCE CHEMICALS**	**FUNCTIONAL POLYMERS**
	High performance materials, providing solutions for sustain-able mobility: **light-weighting**, CO_2 and energy efficiency	Customized specialty formulations in **surface chemistry**, optimizing efficiency, minimizing environmental impact	Leading positions in chemical intermediates, through scale and technology	Leading regional positions in functional polymers, with focus on excellence
	Specialty Polymers #1	**Novecare** #1	**Soda Ash & Derivatives** #1	**Polyamide** #3
	Composite Materials #2	**Technology Solutions** #1	**Peroxides** #1	**Chlorovinyls** #2
	Special Chem #1	**Aroma Performance** #1	**Acetow** #4	
	Silica #1		**Coatis** #1	

Market positions:

- #X Global market position in main markets addressed
- #X Regional market position in main markets addressed

2015 pro forma	**GROUP**				
Net sales	**€ 12,378 m**	**€ 4,503 m**	**€ 2,855 m**	**€ 3,052 m**	**€ 1,926 m**
REBITDA	**€ 2,336 m**	**€ 1,079 m**	**€ 522 m**	**€ 770 m**	**€ 190 m**
margin	***19%***	***24%***	***18%***	***25%***	***10%***
CFROI	***6.1%***	***8.2%***	***5.7%***	***8.5%***	***3.5%***

Solvay pro forma 2015 (including Cytec)

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OUR CYTEC ACQUISITON
AN EXCELLENT STRATEGIC FIT WITH SOLVAY ...

CYTEC

- Cytec, a high growth, high margin specialty materials & chemicals group, Has propelled Solvay to global #2 player in Aerospace composites
- It enhances our growth engines
- It improves our sustainability-led offering
- It creates value through synergies
- It accelerates our growth, enhances resilience and returns

… AND ENHANCING OUR PORTFOLIO

CYTEC

	Aerospace composites	Automobile composites	Mining in-process separation
Strengths – CYTEC	**#2** worldwide → Civil and military aircraft → Primary and secondary structures	**Unique expertise** → Leading position in motorsport	**#1** worldwide → Copper and alumina mining → High margin business
Strengths – SOLVAY & CYTEC	**Unique expertise** in thermosets and thermoplastics	**Full offer** of (semi)-structural auto components	**Complementarity** with portfolio of Advanced Formulations
	10% CAGR[(1)]	**Game changer**	**> GDP** level
Growth drivers	Aircraft production ~**4%** + Increased penetration (driven by weight reduction/ fuel efficiency)	Entry into serial automotive (driven by weight reduction/ CO2 emission reduction needs)	Declining ore grades + Global urbanization & infrastructure (driven by evolving demographics)

(1) 2013-2020E composite market growth

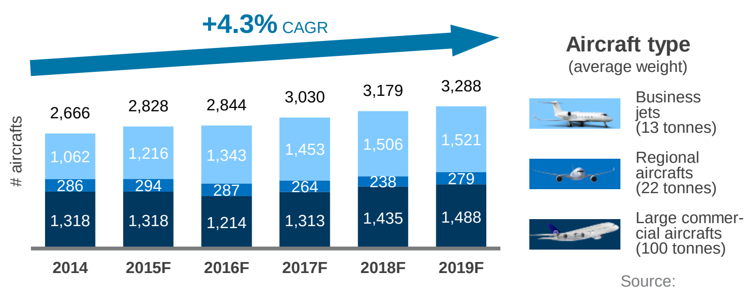
Source: AVK, Lucintel, Roland Berger Analysis

Market positions based on sales

AEROSPACE IS CURRENTLY A LARGE PREDICTABLE GROWTH DRIVER FOR COMPOSITES

CYTEC

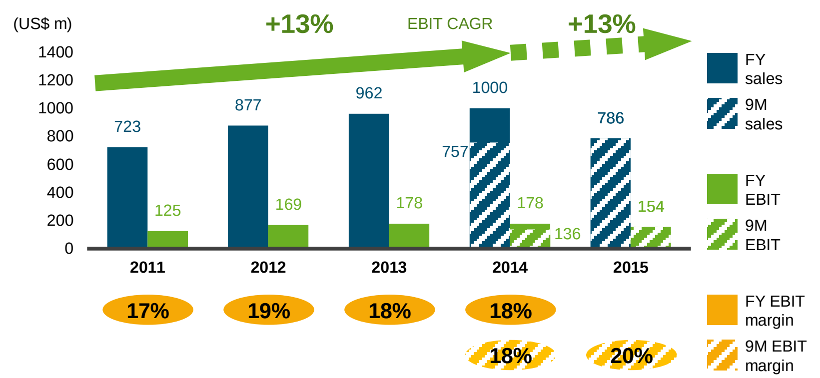
Aircraft market growing at GDP+ rate



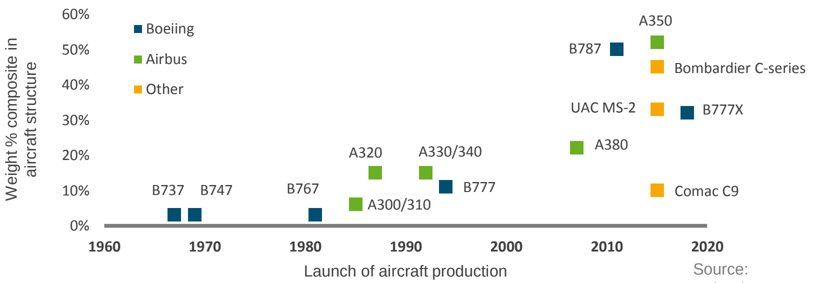
Source: Roland Berger

With large order backlog providing resilience

Cytec aerospace materials growing double digit



Complemented by growing composite usage



Source: Roland Berger & Cytec

Driven by fuel efficiency

Accelerating Solvay's lightweighting strategy

→ **Broadest portfolio in the market**: Only player with significant thermoset & thermoplastic solutions

→ **Cross-selling potential** with Specialty Polymers: Tegralite™, Tegracore™, …

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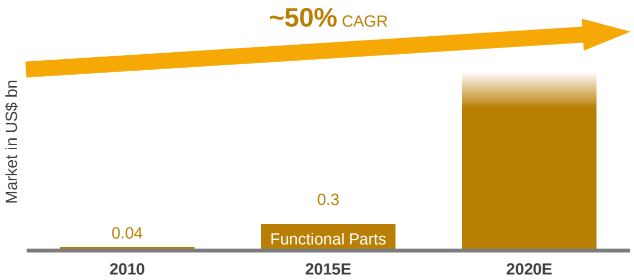
AUTOMOTIVE
COMPOSITES ARE A GAME CHANGER

Carbon composites technology the next breakthrough



Source: CF market reports; Cytec analysis

Cytec well positioned to capture growth

- → Strength in polymer synthesis and prepregging
- → Reducing production cycle time

Enhanced by Solvay's strong position in automotive lightweighting

Market drivers

- → **Regulation (EU, US) more stringent on CO_2 emissions**
- → **Weight reduction, single largest lever to reduce CO_2 emissions**

(1) US Corporate Average Fuel Economy

Key Success Factors

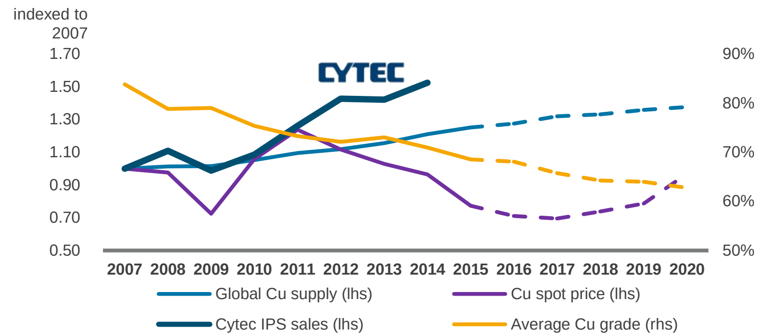
- → **Carbon fiber & technical expertise and leadership**,
- → **Access to OEMs** & established development programs
- → **Ecosystem for success**, including equity stakes in C-Con Engineering and Penso

SOLVAY TO SUPPORT CYTEC IN CREATING A NEW MARKET WITH SERIAL PRODUCTION IN LUXURY CARS

Category	Formula 1	Supercars	High-end luxury	Luxury serial
				
Composite content	$ 100,000+	→	→	$ 5,000
Process time	400 hours	100-400 hours	3-5 mins	3 mins
Manufacture	Highly customized, high labor, high cost fiber	Customized, high labor, lower cost fiber	Increasing automation levels	Full automation
Annual production volume	~100	5,000 – 10,000	400,000	4 million
CYTEC presence	✓	✓	Penetration taking off	5 – 10 years time horizon

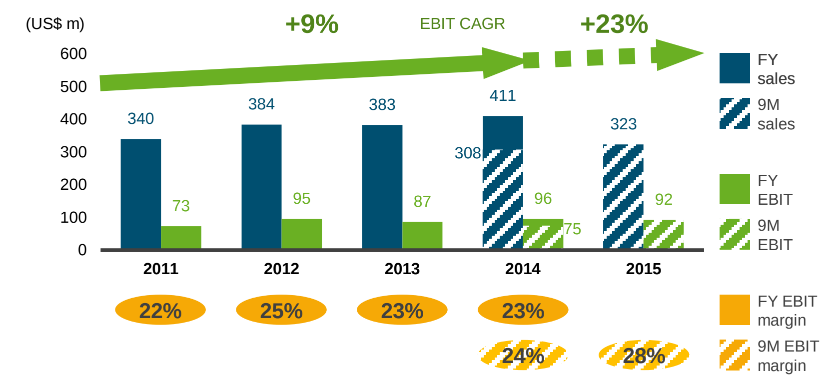
IN-PROCESS SEPARATION VOLUMES
FUELED BY NEED FOR MINING YIELD ENHANCEMENT

A de-risked play on demand and declining ore grade



Source: Wood Mackenzie

Cytec In-Process Separation Growing strongly



Market drivers

- Continued **Cu supply growth**
  (~3% p.a. over past 50 years, expected to continue @ 2-4% p.a.)
- **Urbanization** supports long term demand growth for metals
- **Declining ore grades** require increasing chemicals usage

Cytec's key credentials

- **Global leader** in specialty mining chemicals
- Main exposure to Cu (~45%) and Al (~25%), primarily **consumption driven metals**
- **Unrivalled onsite technical service &** applications expertise & customer relationships

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ANNEXES

- Solvay general information
- **Additional Q1 2016 financial data**

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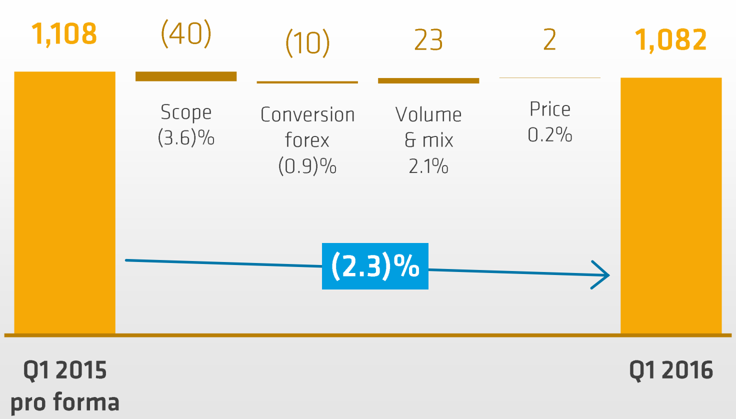
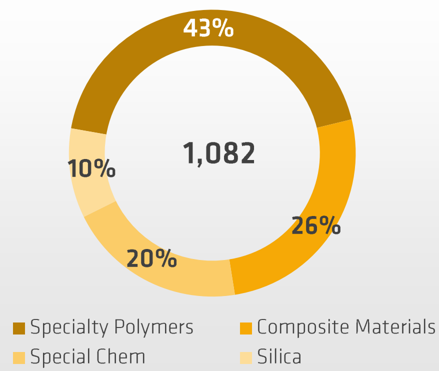
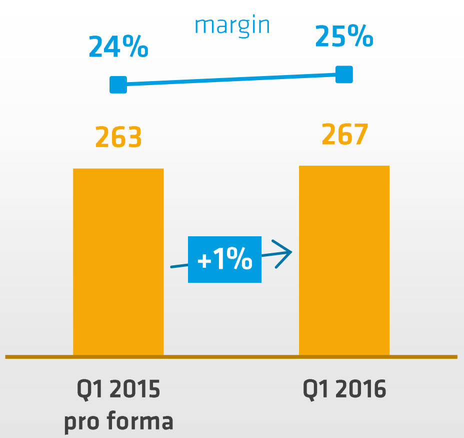
ADVANCED MATERIALS Q1 2016 PERFORMANCE
INNOVATION & EXCELLENCE OVERCOME SMART DEVICE IMPACT

Net sales (in € m)





REBITDA (in € m)



Specialty Polymers' offset inventory adjustments in smart devices market

- Good traction in healthcare, consumer goods and energy applications (mainly from batteries for (Hybrid and Electrical Vehicles)

Composite Materials impacted by lower volume in industrial businesses

- Level sales in aerospace. As destocking in older programs & lower rotor-craft sales offset by growth in new programs with higher composite content

Strong volumes in **Special Chem**

- High demand from automotive catalysts
- Ramp-up of high-purity H_2O_2 units in US for use in semiconductor industry
- Scope effect from sale of refrigerants & PCC business in 2015

Price pressure in **Silica**

- Good market conditions in Europe and North America
- Weaker market conditions in Asia and new market entrants
- Forex impact from devaluation of Venezuelan bolivar

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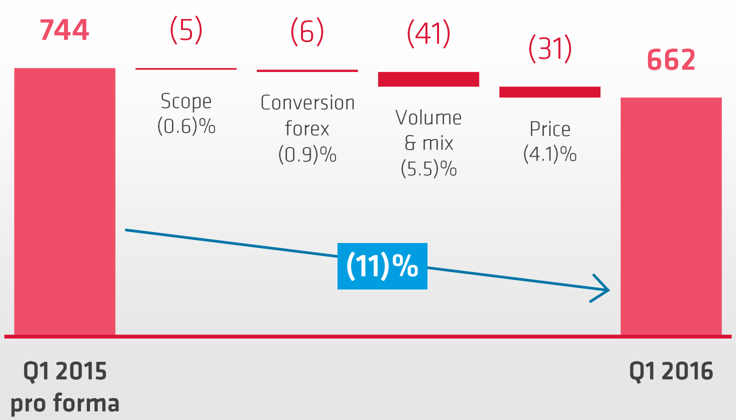
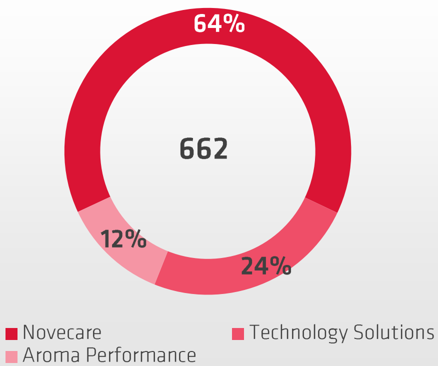
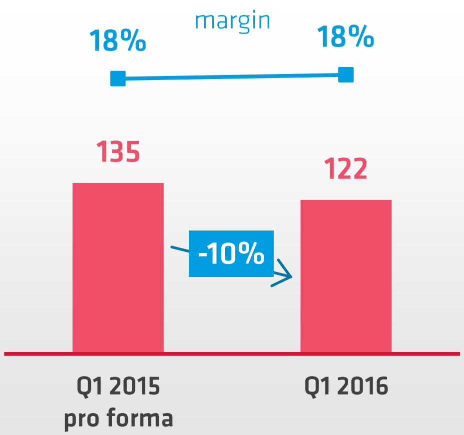
ADVANCED FORMULATIONS Q1 2016 PERFORMANCE
OIL & GAS HEADWINDS OFFSET OTHER MARKETS' IMPROVEMENT

Net sales (in € m)





REBITDA (in € m)



O&G weigh on **Novecare**, more than offsetting growth in other markets

- Volumes (14)% yoy due to O&G headwinds as market conditions deteriorated further, with North American rig count falling ~(60)% yoy and ~(20)% qoq
- Innovation driven growth in coatings and agro mitigated impact
- Price pressure offset through efficiency gains and lower raw material costs

Technology Solutions slightly affected by reduced production in mining

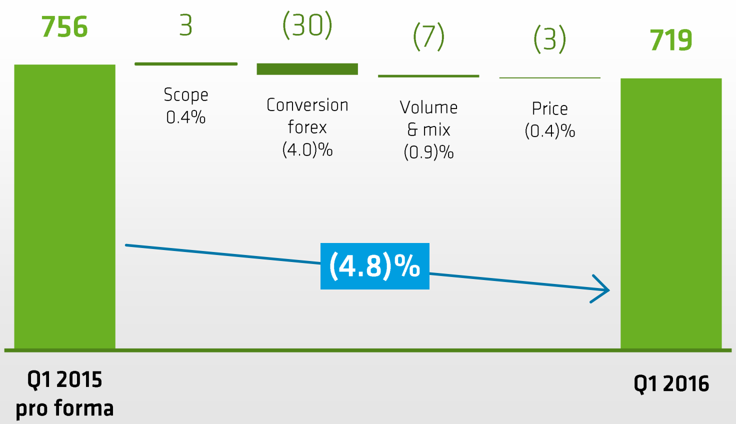
- Lower Cu & Al prices driving curtailments at less efficient mines, whereas new more efficient capacities are not yet ramping up
- Stable volumes in phosphorous business

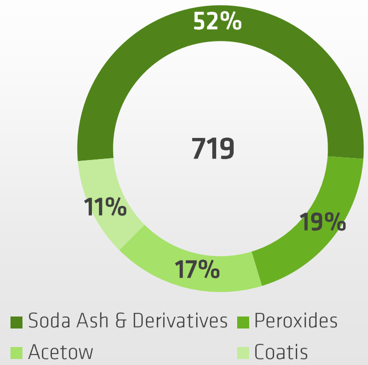
Price pressure pushes **Aroma Performance** sales down

- Volume growth in vanillin formulations
- But price pressure, especially in monomer inhibitors

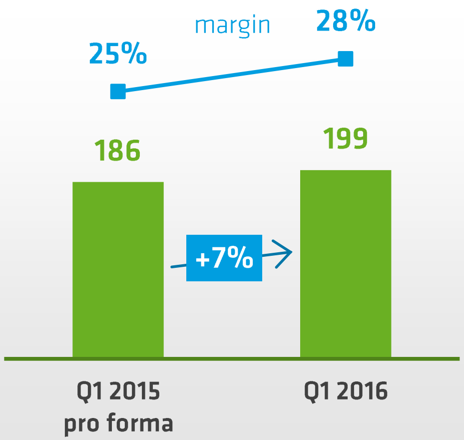
PERFORMANCE CHEMICALS Q1 2016 PERFORMANCE
POSITIVE NET PRICING UNDERPINNED BY EXCELLENCE

Net sales (in € m)





REBITDA (in € m)



Slow year start at **Soda Ash & Derivatives**

- Slow year start in Europe, North America & seaborne markets, picking up in March
- Bicarbonate sales subdued
- Benefiting from efficiency gains in logistics chain while sales prices were stable

Stable performance at **Peroxides**

- Higher sales for traditional wood pulp bleaching offset lower sales in specialties
- HPPO mega plants increasing production, especially in Thailand

Volume recovery in **Acetow**'s market

- Destocking over in international market, but still persisting in China

Coatis resilient at low level in difficult market

- Worsening conditions in Latin America affecting volumes and prices
- Improved competitive position vs imports thanks to BRL devaluation

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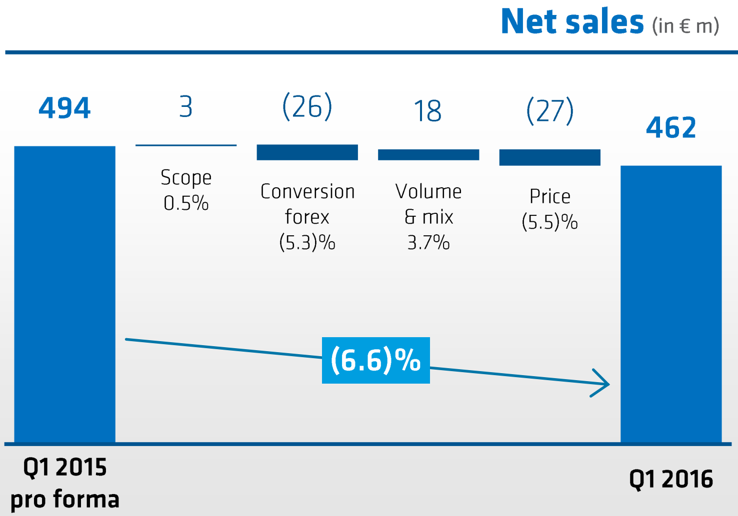
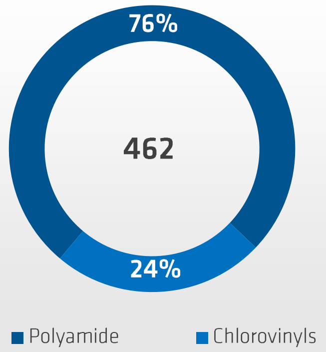
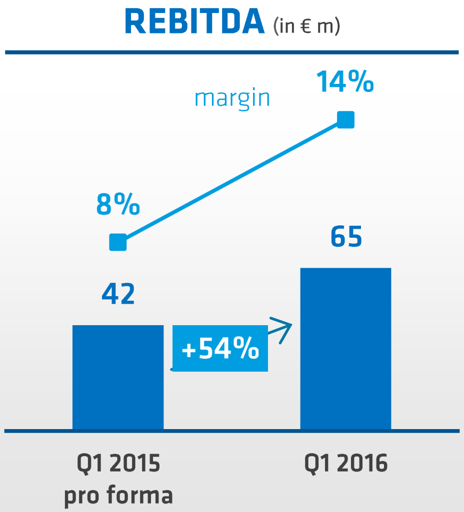
FUNCTIONAL POLYMERS Q1 2016 PERFORMANCE
EXCELLENCE-DRIVEN PROFIT GROWTH & RUSVINYL UP







Positive net pricing in **Polyamide**

- Strong net pricing on operational excellence programs implemented in the PA6.6 upstream businesses
- Volumes up, but offset by mix effect as mainly driven more commoditized upstream intermediates and polymers
- Poor economic conditions persist in Brazil, Fibras' home market

Chlorovinyls up thanks to RusVinyl reaching full capacity

- Solid contribution from RusVinyl JV (Russian operations), operating at close to full capacity, vs Q1 2015 still in start-up phase
- Higher PVC and epichlorohydrin sales volumes offset by limited caustic soda production in VinyThai (Thai operations)

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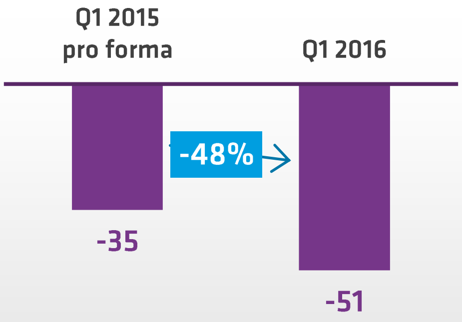
CORPORATE & BUSINESS SERVICES Q1 2016 PERFORMANCE
COST BENEFITS MITIGATE DIFFICULT COMPS

REBITDA (in € m)



in € m	Q1 2016	Q1 215 pro forma	
Corporate & Business Services	**(51)**	**(35)**	
of which one-offs	0	30	U.S. post-retirement Medicare insurance
excluding one-offs	(51)	(65)	

Difficult business conditions for **Energy Services** with low energy & CO_2 prices

- Trading conditions in energy and carbon management services at low level
- Investments in biomass & biocoal-based energy plants proved more challenging

Other Corporate & Business Services benefited from cost improvement programs and Cytec synergy delivery

- Difficult comparables with one-off benefit of € 30 m in Q1 2015 linked to the evolution of the post- employment Medicare insurance policy in the U.S.

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UNDERLYING NET INCOME LOWER DUE TO DISCONTINUED OPERATIONS

Underlying P&L

in € m

	Q1 2016	Q1 2015 pro forma
Net sales	2,930	3,104
EBITDA	**602**	**592**
EBITDA margin	*21%*	*19%*
Depreciation & amortization	(194)	(187)
EBIT	**408**	**406**
Net financial charges	(126)	(121)
Income taxes	(80)	(87)
Tax rate	*29%*	*31%*
Discontinued operations	-	25
Non-controlling interests	(10)	(21)
Net income, Solvay share	**192**	**202**
(Adjustments)	**(177)**	**(214)**
PPA impact	(157)	(152)
Impact portfolio management	(135)	(141)
Remediation & litigation	(11)	(8)
(Financial adjustments)	31	30
(Tax adjustments)	80	59
(Other adjustments)	11	(3)
Net income, Solvay share, IFRS	**15**	**(12)**

Underlying net income (Solvay share) down 5%

- ↘ Depreciation slightly up on growing asset base
- → Net financial charges in line
- ↗ Underlying tax rate at 29% vs 31% in 2015
- ↘ No contribution of discontinued operations, following European chlorovinyls transfer to Inovyn JV in July 2015

IFRS net income (Solvay share) at € 15 m, including:

- → € (157) m amortization of acquisition PPA and Cytec inventory step-up
- → € (135) m portfolio management & reassessments, mainly:
  - Restructuring € (61) m
  - Impairment soda ash plant in Egypt € (105) m
  - Impairment biomass investments in US € (32) m
  - Capital gain on Inovyn exit € 77 m
- → Exclusion of € (28) m hybrid debt coupons in net financial charges

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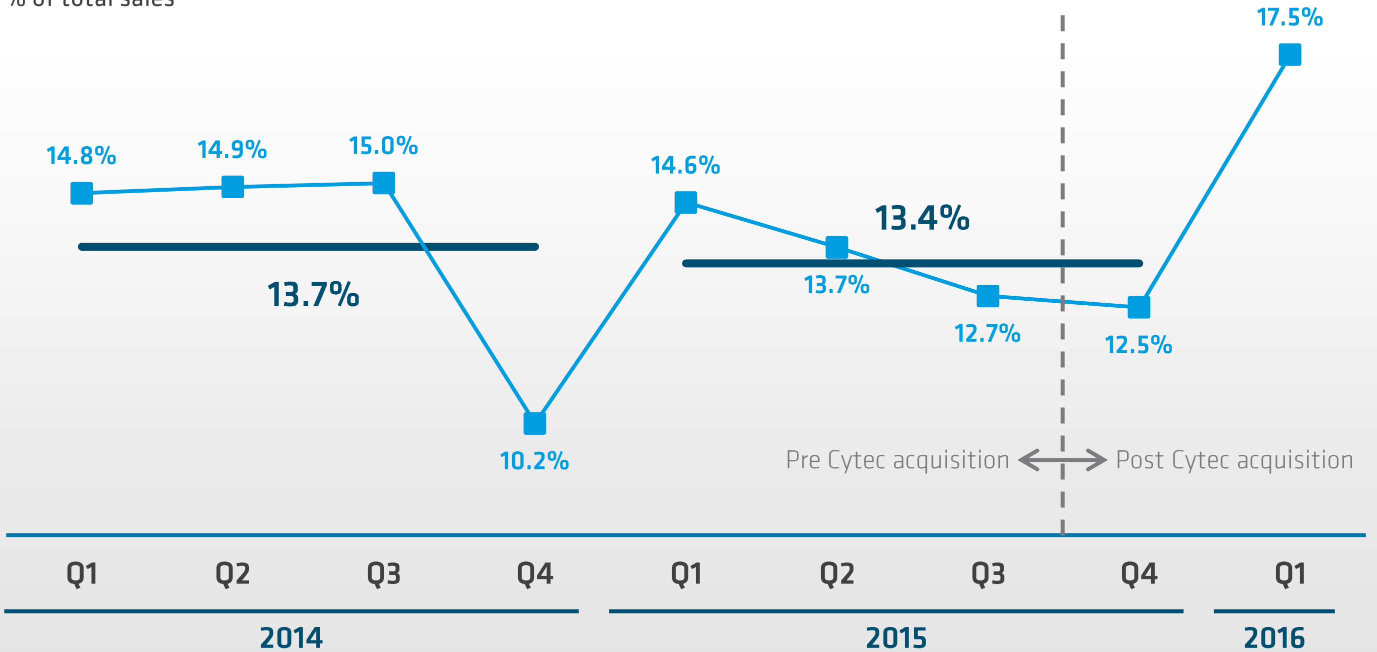
WORKING CAPITAL MANAGEMENT COMPENSATES FOR HIGHER NEEDS SPECIALTY BUSINESSES

Net working capital [1]

% of total sales



- → Q1 2016 inflated for 2.9% by receivable on Inovyn exit price
- → Working capital management efforts offset higher working capital needs of increasing share of specialty businesses in portfolio
  - Higher growth profile
  - Cytec acquisition

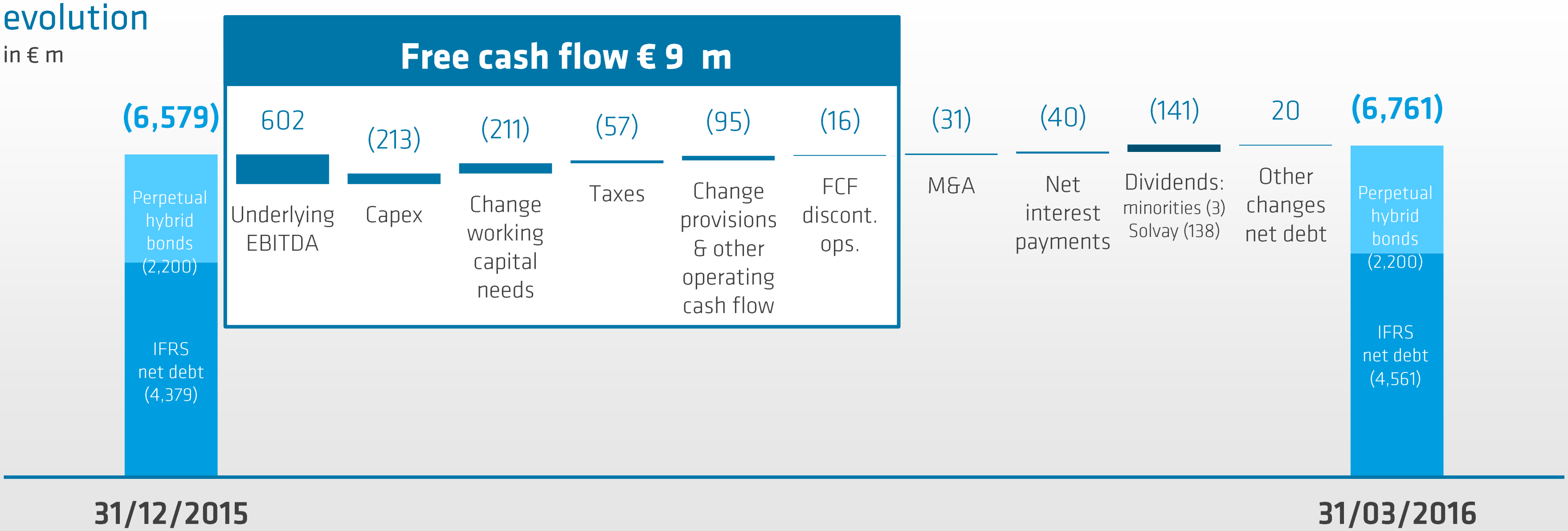
Committed to further optimization

[1] Quarter end net working capital / annualized quarterly total sales
Net working capital = inventories + trade and other current receivables – trade payables & other current liabilities
Worth noting that "Net Working Capital " differs from "Industrial Working Capital" previously disclosed

REINFORCED FOCUS
LEADS TO SUBSTANTIAL FREE CASH FLOW IMPROVEMENT

Underlying net debt [1] evolution

in € m



Working capital management bears fruit

- ↗ Seasonal outflow reduced to € (211) m
- → Includes measures to better phase payments over quarters

€ 9 m free cash flow up vs € (358) m in Q1 2015

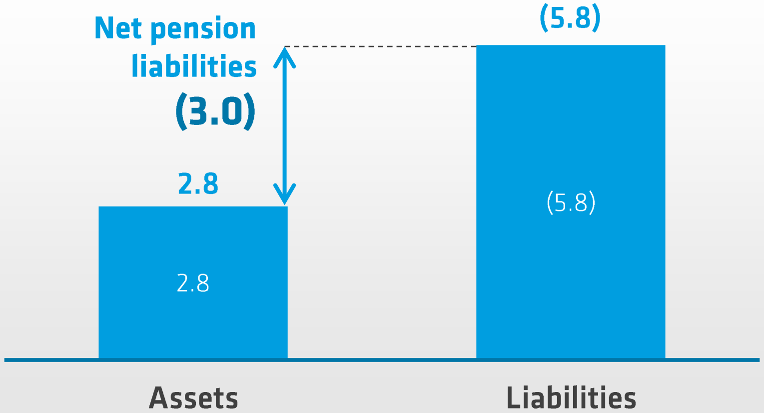
- ↗ Working capital management benefits
- ↗ Anticipated capex decrease

[1] Underlying net debt reclassifies hybrid perpetual bonds (considered as equity under IFRS) as debt
[2] (REBITDA – capex) / REBITDA

NET PENSION LIABILITIES [1] STABLE

Pensions (31/03/2016)

in € bn



Net pension liabilities stable at € 3.0 bn

- Slight reduction of pension liabilities to € (5.8) bn, from € (5.9) bn
- Slight reduction of pension assets to € 2.8 bn from € 2.9 bn

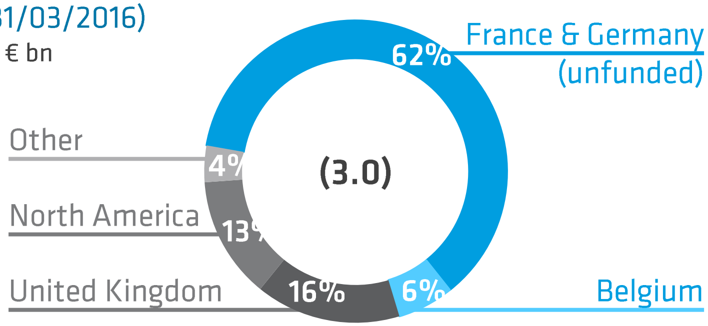
Cash contribution of € (43) m in Q1 2016

- € (39) m in Q1 2015

Net pension liabilities

(31/03/2016)

in € bn



All presented figures are for continuing operations only

Discount rate evolution [2]

Currency	31/03/2016	31/12/2015	*Change*
EUR	1.75%	2.25%	*(50)bp*
GBP	3.50%	3.75%	*(25)bp*
USD	4.25%	4.25%	-

[1] Continuing operations only
[2] Average discount rate on post employment benefit related liabilities applicable to high quality corporate bonds in EUR, GBP and USD zones

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UNDERLYING EBIT(DA) CONSIDERATIONS FOR 2016

Excellence

- Excellence programs on course to reach target
  - € 800 m cumulative by YE16 vs 2013 cost base
  - > € 600 m delivered in 2014-2015
- Cytec integration synergies
  - Cost savings estimated > € 100 m by 2018
  - Revenue synergies on top

Scope effects

- Acquisitions in 2015
  - Cytec full consolidation as of January 1, 2016
  - Small acquisition in 2015: EPIC
- Divestments in 2015
  - Refrigerants in May 2015: net sales of ~€ 50 m in 2014
  - PCC in November 2015: net sales of ~€ 60 m in 2014

Depreciation & amortization

- Underlying depreciation & amortization expected at ~€ (800) m (excluding PPA amortization)
- PPA amortization of ~€ (370) m, consisting of PA impacts from Rhodia, Cytec and other smaller acquisitions (e.g. Chemlogics, Ryton)

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OTHER EBIT(DA) CONSIDERATIONS FOR 2016

Forex sensitivity

- Immediate impact on conversion exposure
- Deferred transactional impact due to hedging (6-12 month rolling basis)
- Mainly linked to USD
  - **Sensitivity in 2016: ~ € 120 m REBITDA per (0.10) $/€**
  - ~60% conversion, ~40% transactional
- Other forex exposures
  - JPY, CNY, THB, BRL, KRW, RUB
- Total conversion impact on underlying EBITDA of € (5) m in Q1 2016, vs. € 45 m in Q1 2015
- Evolution of main currencies Solvay is exposed to

/€	USD	JPY	RUB	BRL	CNY	KRW	THB
Q1 2016	1.10	127	82	4.30	7.21	1324	39
Q1 2015	1.13	134	71	3.22	7.02	1240	37
change	-2.1%	-5.3%	+16.2%	+33.5%	+2.7%	+6.8%	+6.8%

Underlying adjustments to IFRS figures

- To improve comparability of results over periods
- Exclusion of
  - Amortization of PPA and inventory step-up from acquisitions
  - Impact of portfolio management and reassessments
  - Legacy remediation and major litigations
  - Exceptional financial elements, such as hyperinflation
  - Impact of change in rates on discounting charges
  - Tax impacts related to previous periods
  - Valuation impacts of discontinued operations
- Reclassification of
  - Coupons of perpetual hybrid bonds as net financial charges (considered as equity under IFRS)
  - Financial charges RusVinyl as net financial charges (only realized gains/losses)
- Impact of the above on tax and share of non-controlling interests

UNDERLYING FINANCIAL & TAX P&L CONSIDERATIONS FOR 2016

Cost of borrowings

Total underlying financial charges expected at ~€ (350) m (incl. perpetual hybrid bonds)

- Financial charges from major senior debt (excl. perpetual hybrid bonds)
  - 2016 charges expected at ~€ (150) m
  - Average cost: 2015: 5.2% → 2016: 3.3%
  - EIB loan of € 300 m reimbursed in January 2016
  - € 500 m hybrid bond reimbursable in June 2016
- Coupons from perpetual hybrid bonds (considered as Dividend & Equity under IFRS)
  - 2016 cash out of € (84) m: Q2 € (57) m / Q4 € (27) m
  - From 2017 onwards € (112) m: Q2 € (84) m / Q4 € (27) m
    - Average cost : 5.1%
- Other elements ~€(90-100)m
  - Currency swaps & Other debt in consolidated subsidiaries
  - Financial charges RusVinyl [2]: ~€ (25) m

Discounting of pensions and HSE

- P&L: ~€ (100) m (¾ - pensions, ¼ - HSE)
- Sensitivity to change in discount rates [1]: ~€ (370) m / 50bp
  - Pensions (in OCI)
    - € zone ~€ 140 m
    - USA ~€ 80 m
    - UK ~€ 133 m
    - Others € 10 m
  - HSE (in P&L): €-zone ~€ 10 m

Tax rate

Underlying tax rate (adjusted for PPA and other factors) expected stable in the low ~30s

[1] Average discount rate on environmental provisions based on 10-year government bonds in EUR, GBP, USD and BRL zones
[2] Equity accounting ,reclassified under underlying accounts as financial interests

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OTHER CONSIDERATIONS FOR 2016

Discontinued operations

- Indupa chlorovinyls business in Latin America
  - Agreement reached on 02/05/2016 to sell to Brazilian chemical group Unipar Carbocloro for EV of US$ 202 m, subject to closing conditions
  - ~€ (50) m in CTA to be recycled through P&L at exit
- European chlorovinyls until June 30, 2015
  - Now part of Inovyn JV

Inovyn JV

- Inovyn JV with INEOS, equity accounted from July 1, 2015
- Exit price of € 335 m agreed between the parties
- Exit expected in H2 2016, subject to finalizing . Definitive legal agreements and customary regulatory approvals

Cash flow elements

- Cash expenses for pensions range of € (180) m - € (200) m
- Capital expenditure of ~€ 950 m
- IWC discipline maintained but growing part of specialty business in portfolio increases needs

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NEXT EVENTS

July 29 2016
Q2 & H1 2016 results

September 29 2016
Capital Markets Day, London

November 8 2016
Q3 2016 results

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