



SOLVAY

asking more from chemistry®

Novecare **Sustainable solutions for** **surface chemistry**

Capital Markets Day
June 10-11 2015

Emmanuel Butstraen
President, Novecare

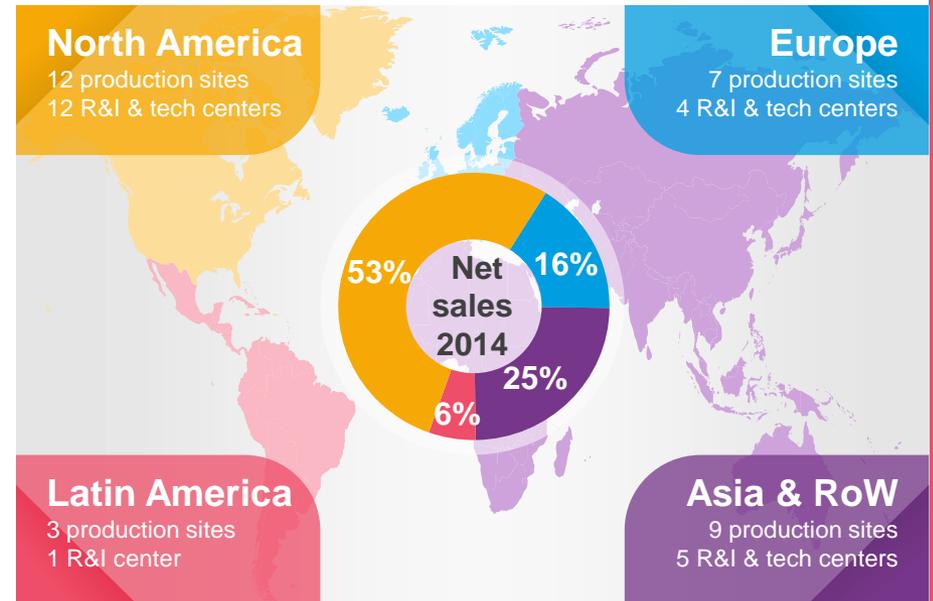
Novecare

Delivering sustainable solutions for surface chemistry

Focused on key markets



% of Novecare 2014 net sales



€ 2.0 bn
Net sales 2014

~ 3,800
employees

31 Production sites
22 R&I & tech centers

Novecare strategy focused on growth

Our ambition

Be the leader in sustainable formulations modifying surface chemistry and fluid behaviors

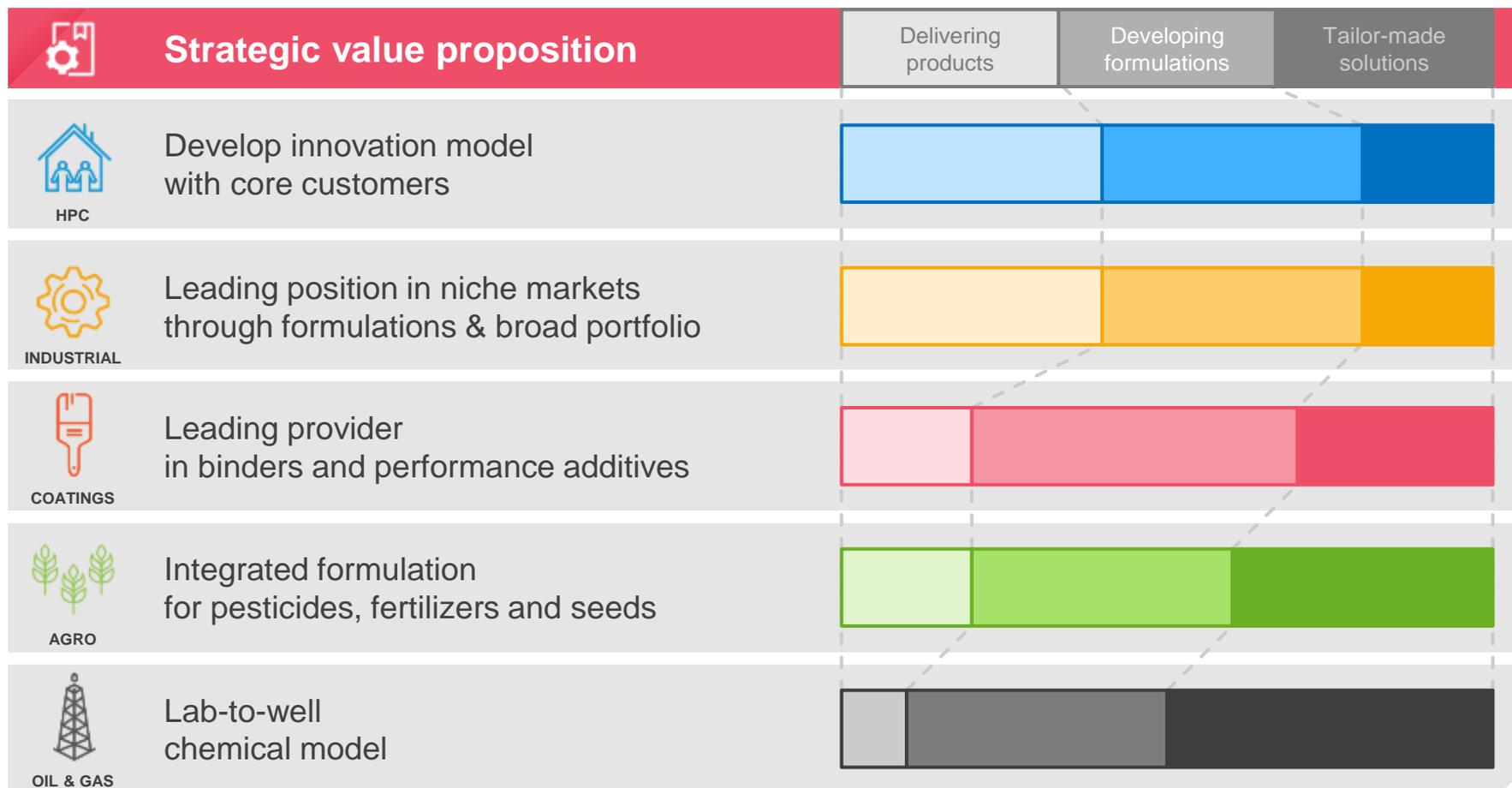
Where we play

- 1 | Fast growing regions
- 2 | Fast growing segments
- 3 | Moving downstream in the value chain

How we win

- 1 | Customer intimacy with tailor-made solutions
- 2 | Speed of innovation with sustainability as differentiator
- 3 | Competitiveness and regional growth

Customer intimacy with tailor-made solutions



Moving all businesses towards more tailor-made solutions

Evolving innovation platform from multiple small, to large focused projects

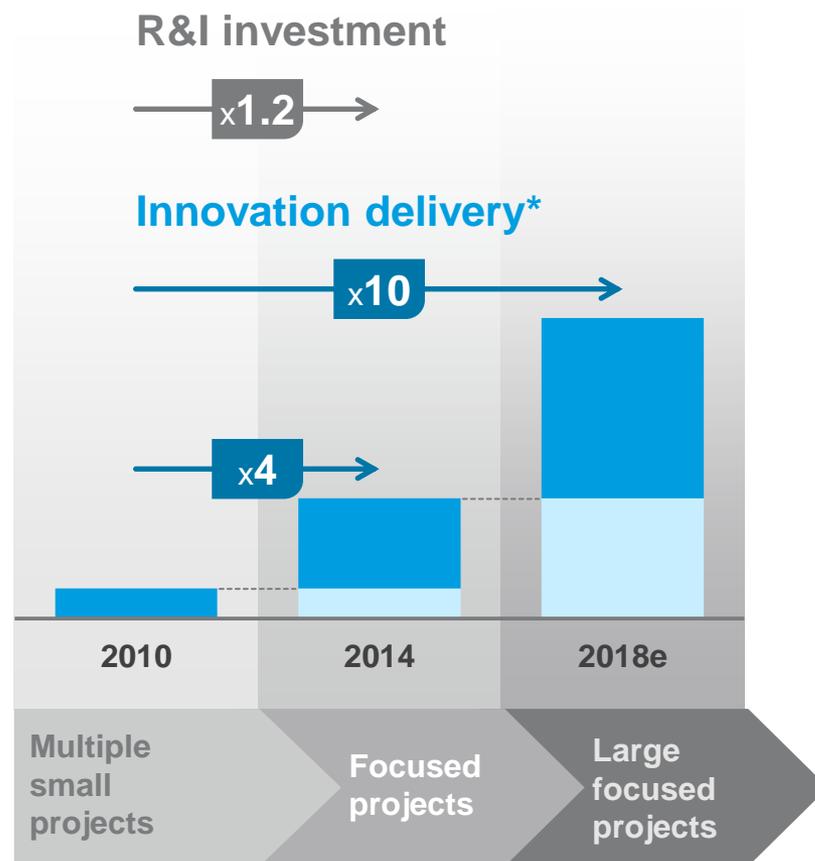


Improving innovation efficiency

- More focused innovation
 - **9 large** projects
 - **20 mid-size** projects
- 77% of projects value driven by sustainability
- Enhanced data management to improve product knowledge
- **Replicating successful innovation model in Agro and O&G to all markets**



Strong innovation delivery



* Sales from products developed in last 5 years

Broad portfolio of innovation projects across markets and aligned to megatrends



Evolving demography & consumers behaviours

13% of our portfolio



Innovation acceleration

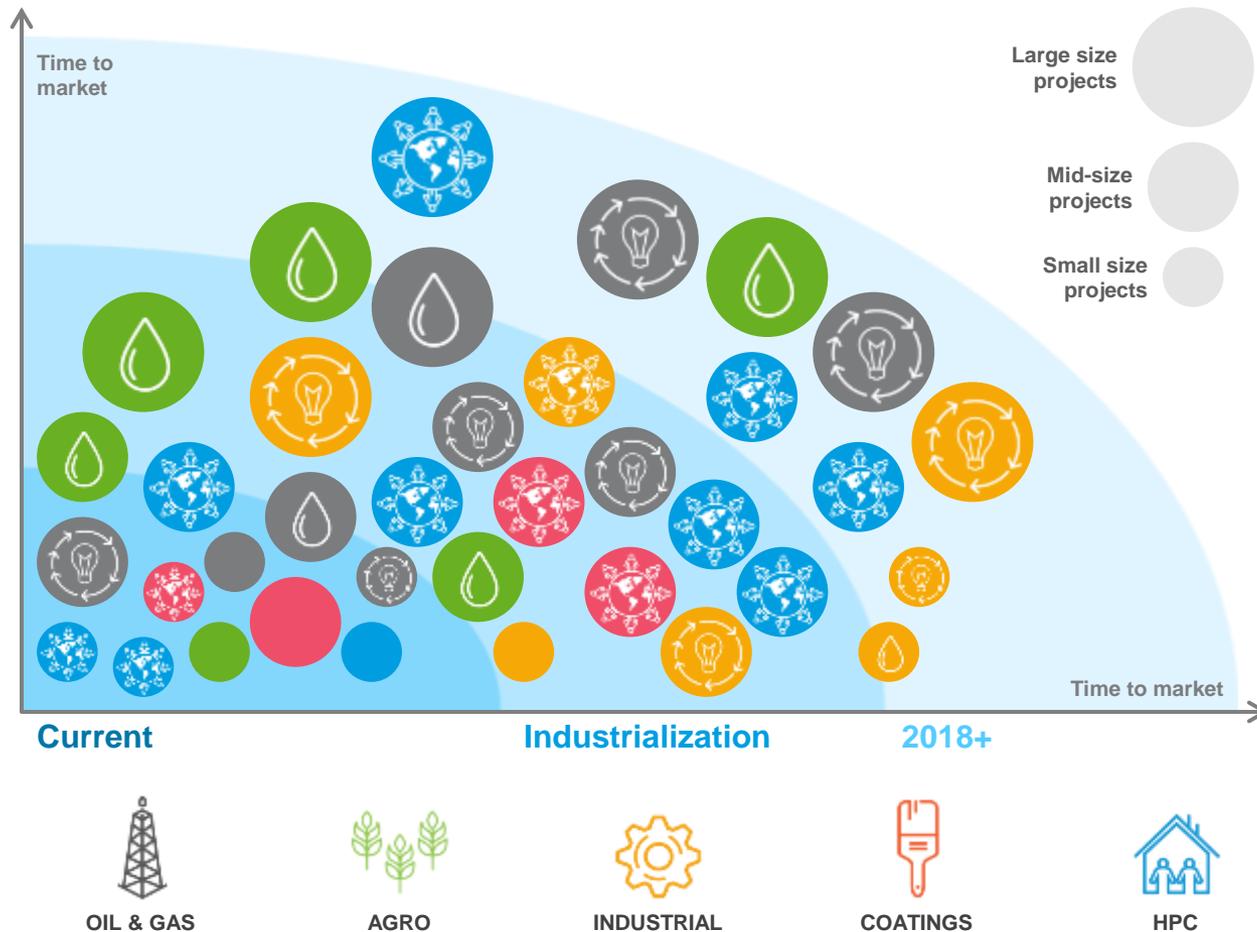
40% of our portfolio



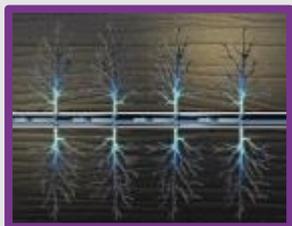
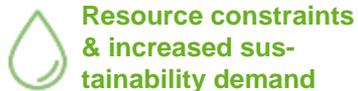
Resource constraints & increased sustainability demand

31% of our portfolio

16% aligned to other trends



Examples of value-creating innovation in all markets



Friction reducer (2013)

Enhanced performance in a range of water qualities

Reduces total customer cost



OIL & GAS



Enhanced efficiency fertilizer (2013)

Maximizes yield
Reduces Nitrogen losses up to 40%



AGRO



Aluminum functional additives (2014)

Protection for aluminum substrates
Enables coating of aluminum surfaces



INDUSTRIAL



High-performance pigment dispersants (2015)

Zero VOC
Improved efficiency maximizing value creation



COATINGS



Next generation solutions for home & fabric care (2016)

Improves sustainability profile of formulations by using renewable chemistries



HPC

Investing for competitiveness and regional growth coming on stream in 2016

Expansion in Germany to access Eastern Europe

- **New plant**, construction 2012-2014
Genthin, Germany

Ethylene oxide on pipe in US, Europe and Asia

- **New plant**, construction 2013-2015
Singapore
- **New plant**, construction 2013-2015
Pasadena, TX, US
- **Erca plant**, acquisition 2014
Moerdijk, Netherlands

Expansion in Latin America

- **Erca plant**, acquisition 2013
Itatiba, Sao Paulo, Brazil
- **Dhaymers**, acquisition 2014
Taboao da Serra, Sao Paulo, Brazil

31 Existing plants

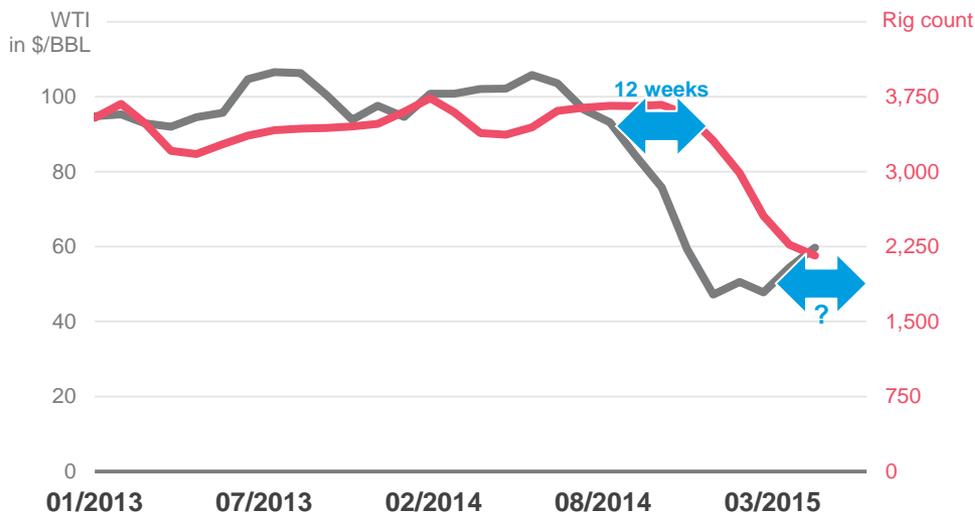
New plants

Successful strategy delivery across markets underpinning growth levers

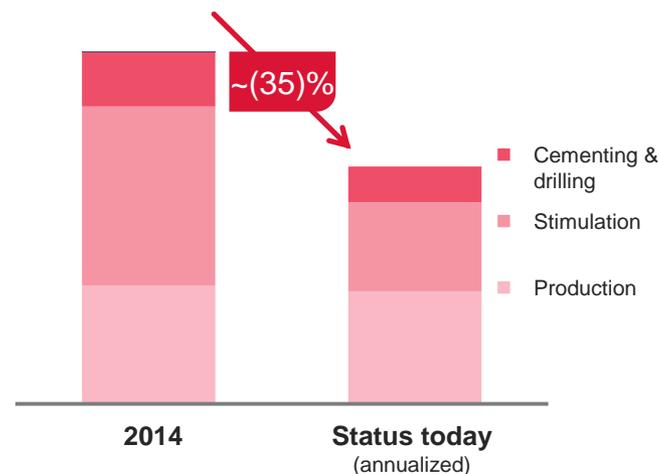
 Markets	 Strategic levers			 Growth trend evolution	
% of net sales	Tailor-made solutions	Innovation	Competitiveness	2010-2014	2014-2016
 20% HPC				high 1-digit	2-digit
 20% INDUSTRIAL				high 1-digit	high 1-digit
 10% COATINGS				high 1-digit	2-digit
 15% AGRO				2-digit	2-digit
 35% OIL & GAS				strong 2-digit	oil price dependent

... but current oilfield chemical market strongly affected by sharp oil price decline

Global oilfield market conditions



Global oilfield specialty chemicals demand



US market undergoing profound readjustment across the supply chain

Major drop in US Stimulation segment: >50% rig count decline from Oct 2014 peaks

Reduction of break-even cost at well level in the US

International market less affected, as mostly driven by Production segment

Market can rebound quickly, with large DUC* well inventory not yet fracked

* Drilling uncompleted

Novecare's leading position

Short-term mitigation, long-term commitment

Novecare's strengths

- Global presence
- Full access to all customers
- Largest portfolio in O&G chemicals
- Strong innovation pipeline
- Operational flexibility

Specific actions

Developing activities internationally

Offering tailor-made solutions to lower the cost-in-use and improve customers competitiveness

Adjusting fixed costs to market activity



Re-organizing to become even stronger

Key take-aways



Strong multi-market growth engine

- Growth in diverse markets through innovation and regions
- While volatility in O&G markets



Striving to deliver double-digit REBITDA growth

- Stronger customer intimacy with tailor-made solutions
- Accelerated innovation with sustainability as differentiator
- Increased competitiveness



SPEAKER'S RESUME





**Emmanuel
Butstraen**

President, Novecare

Emmanuel Butstraen

served in BASF for 17 years prior to joining Solvay, holding several positions, his last being Group Vice President for Strategic Marketing worldwide. Prior to that role, Emmanuel headed BASF's Agrochemicals operations in France for the Agrochemicals Divisions, following a variety of roles in commercial and marketing for the Fine Chemicals businesses. These roles included European Marketing Director for its Agrochemicals business, Sales Director for Animal Nutrition and Sales Engineer for Animal Nutrition & Veterinary Pharma.

He joined Rhodia in 2009 to head Silcea, which consisted of the Rare Earth Systems, Silica and Aroma Performance businesses. Emmanuel Butstraen has been leading Solvay's Novecare Global Business Unit since 2010.

Mr. Butstraen, a French national, graduated as an Agricultural Engineer in 1989 and obtained a Masters' degrees in Business Administration in 1991, both from the University of Lille.



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