



SOLVAY

asking more from chemistry®

Solvay's care chemicals

Emmanuel Butstraen
Barclays Care Chemicals Conference
London, July 8, 2014

Overview

- Position of Solvay in home & personal care market
- Strategy focused on high growth and innovation-driven market segments
- Home & personal care market trends drive innovation
- Solvay set-up aligned with global market development
- Solvay way engages for sustainable business
- Take-aways



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Solvay, a major global chemical player

Based on strengths

€ 10.0 bn

Net Sales

€ 1.7 bn

REBITDA

17%

REBITDA margin

€ 378 m

Adjusted Net Income,
Group share



Well-balanced geographical spread & end-user markets



Leading player in 90% of our businesses



Strong R&I portfolio

117

Industrial sites

15

Major R&I centers

29,400

Employees (EFTEs)

56

Country presence

And with ambition

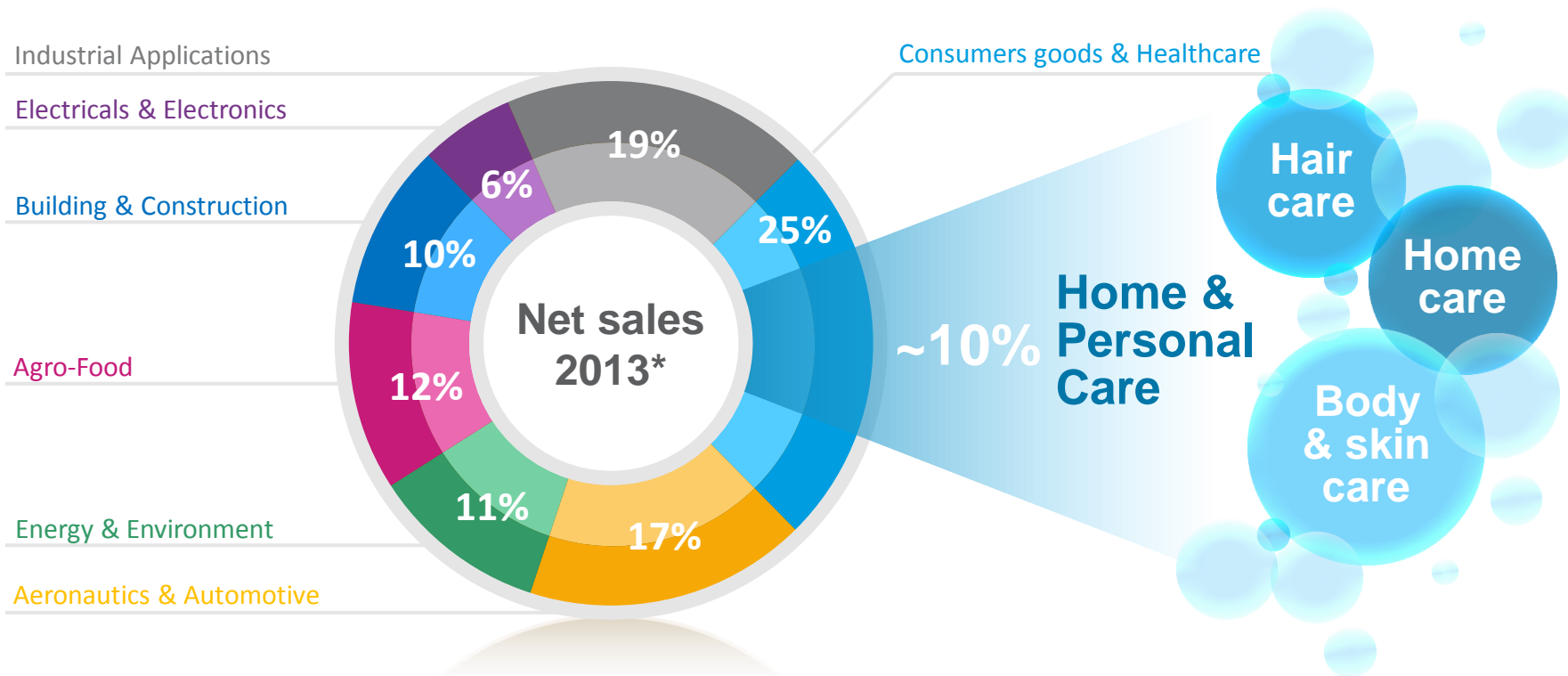
Restated for IFRS 11 application as from 01/01/2014

Adjusted figures exclude non-cash PPA accounting impacts related to the Rhodia acquisition

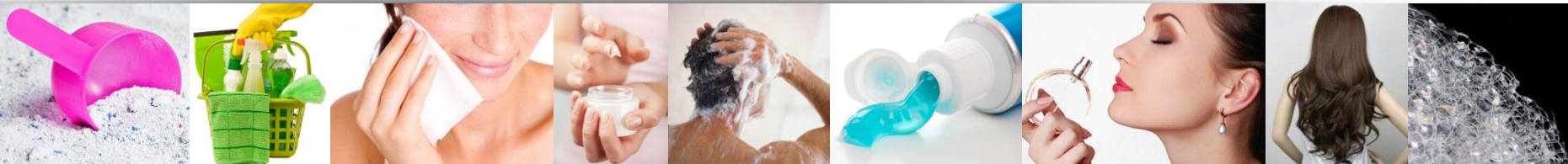
Non-financial figures exclude discontinued operations, except for employees

2013 figures

Home & personal care represents ~10% of sales and offers business opportunities in specialties



* As published (before restatement for IFRS 11) and Chemlogics pro forma



Broad technologies serving major market segments with focus on high-growth sectors

Solvay's main technologies

 % of Solvay Care sales in 2013

Selected segments

Surfactants

Polymers

Phosphorous
Derivatives

Specialty
Amines

Peroxides

Soda Ash

Silica

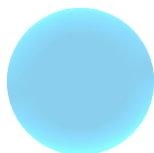
Solvents

Fragrants

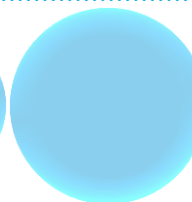
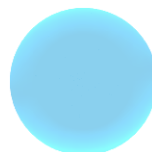
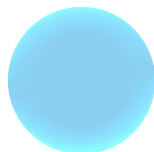
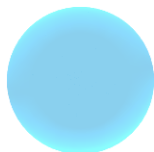
Body &
Skin Care



Hair Care



Home Care



Solvay (Novecare) focus

Solvay's unique value proposition

At Solvay, in our technologies and formulations,
we are asking more from Chemistry.



Through our global presence,
deep understanding of consumer needs
and our collaborative approach,

we translate functionalities into competitive innovative
and sustainable solutions enabling our partners
to provide winning answers to their customers.



Strategy focused on high growth and innovation-driven market segments

Market drivers

Challenging conditions

- Concentrated customer field
- Long development cycles

Interesting features

- Resilient market
- Some high growth segments

Market position

Focus on

- Conditioning & hair care
- Sulfate-free cleansing chassis
- Cost-effective fabric care solutions

4%
CAGR sales
over last
5 year

50% sales
in high growth
regions

60% of
products
< 5 years old

Market strategy

Based on 3 axes

- Exposure to high-growth regions
- Strategic focus on high-growth market segments
- Build strength in innovation

Same approach
successfully deployed in
Oil & Gas and **Agro**
business segments

Our perspective on global consumer market trends

GLOBAL MEGATRENDS

Health &
Well-being

Climate
change

Next billion
consumers

Resource
scarcity

CONSUMER MARKET TRENDS

Well-being concern

Growth of
Middle Class

Rise in longevity:
Increase of New-agers










Urbanization:
Smaller space

Environmentally friendly /
Sustainability

Growing population /
emerging markets



Market trends translate into benefits for each segment

HAIR CARE		BODY & SKIN CARE		HOME CARE	
Repair care		Mildness		Easy clean	
Color protection		Moisturization		Easy rinse	
Hair conditioning		Aesthetics		Less actives Same performance	
Anti-frizz		Anti-ageing		Water management	
Sustainable ingredients					

Market trends drive recent innovations

HAIR CARE



- Sulfate-free anti-dandruff
- Next-generation conditioning system

- Coatis Bio-solvent
- Easy clean solutions
- Polarclean Eco-solvent
- Better water consumption mgt.

- New generation of mild surfactants

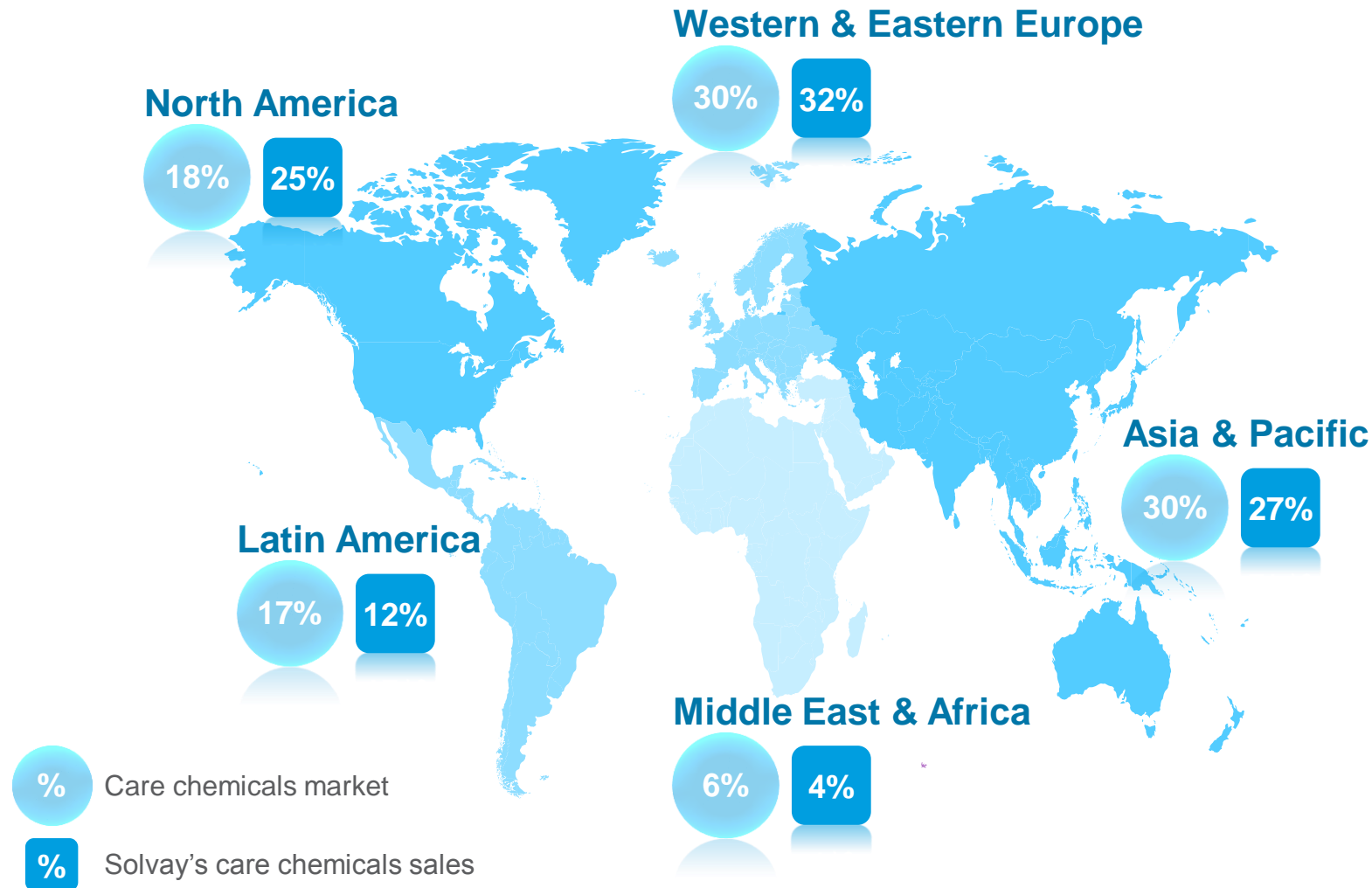
HOME CARE



BODY & SKIN CARE



Solvay sales aligned with global worldwide consumer care market



Global R&I centers close to those of our customers and Technical centers focused on regional specificities

North America

- 1 R&I center

Europe & Africa

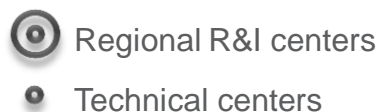
- 1 R&I center
- 6 technical centers

Asia & Pacific

- 2 R&I centers
- 5 technical centers

Latin America

- 1 R&I center
- 2 technical centers

- 
- Regional R&I centers
 - Technical centers

Global Industrial footprint serving our customers worldwide

North America

- 10 production sites
- 1 in construction

Europe & Africa

- 20 production sites
- 1 in construction

Asia & Pacific

- 17 production sites
- 1 in expansion
- 4 in construction

Latin America

- 4 production sites
- 1 in expansion

Growing organically with investments*

- Alkoxylation Texas
- Alkoxylation Singapore
- Amphoterics Germany
- Multifunctional Brazil
- Surfactants India
- Guar China

Investing through strategic acquisitions *

- McIntire 2009 NA
- Feixiang 2010 China
- Sunshield 2012 India
- ERCA 2013 LATAM

* Major events in last 10 years

The Solvay way is a major pillar of Solvay's strategy

SOLVAY way

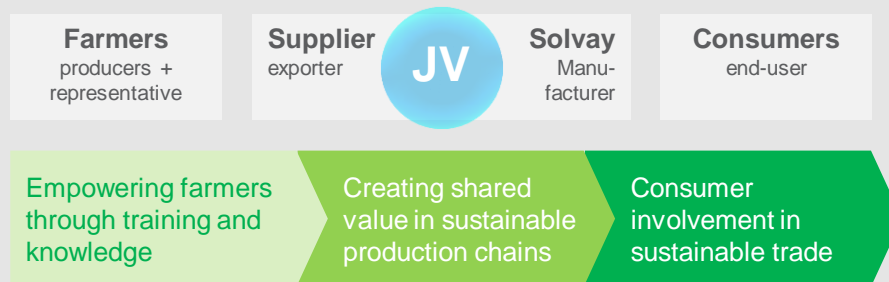
- **Eco-friendly**
CO2 Emission
Water management
Recycling
- **Social Impact**
Living conditions
Education
- **Value creation**
Reliable Supply Chain
More efficient process

We **collaborate** with our **customers** to **design** products and **solutions** with **reduced impact** on health and the **environment**, eco-toxicity, sulfate content, and percentage of renewable materials.

Sustainability initiatives within Solvay Care chemicals

Sustainable Sourcing Renewable Raw Materials

- Reliable supply: traceability and quality
- Ensuring a strong healthy & just society: higher incomes, improving standard of living



Sustainable Economy

Devoted to participate in collaborative solutions that focus on process efficiency, improved functionalities, diverse needs, toward sustainability. Addressing concerns about sourcing to develop and guarantee on sustainable supplier origin.



Environmental Limits

Large investment to expand our Vernon facility. Being in a hydric region and with growth, we focus strongly on addressing our environmental impact by identifying beneficial re-use of waste streams while minimizing water usage - Reduction by almost Half



Take-aways

Major player in Care Chemicals

Deep understanding of consumer needs

Collaborative innovation with our customers

Global presence to serve local markets

Delivering sustainable solutions to all our stakeholders

Annexes

- Novecare presentation at Solvay Capital Markets Day 2013
- Biography of the presenter



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Novecare

Emmanuel Butstraen
Solvay Capital Markets Day 2013
London, November 23, 2013

Novecare at a glance

Net sales
2013e

€ 1.6 bn

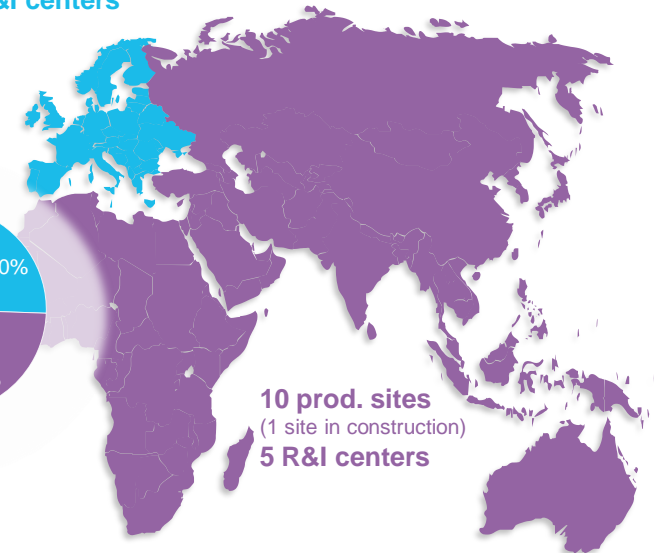
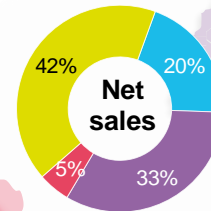
REBITDA
2016 CAGR

 double
digit



11 prod. sites
1 Site in construction
12 R&I centers

5 prod. sites
(1 site in construction)
4 R&I centers




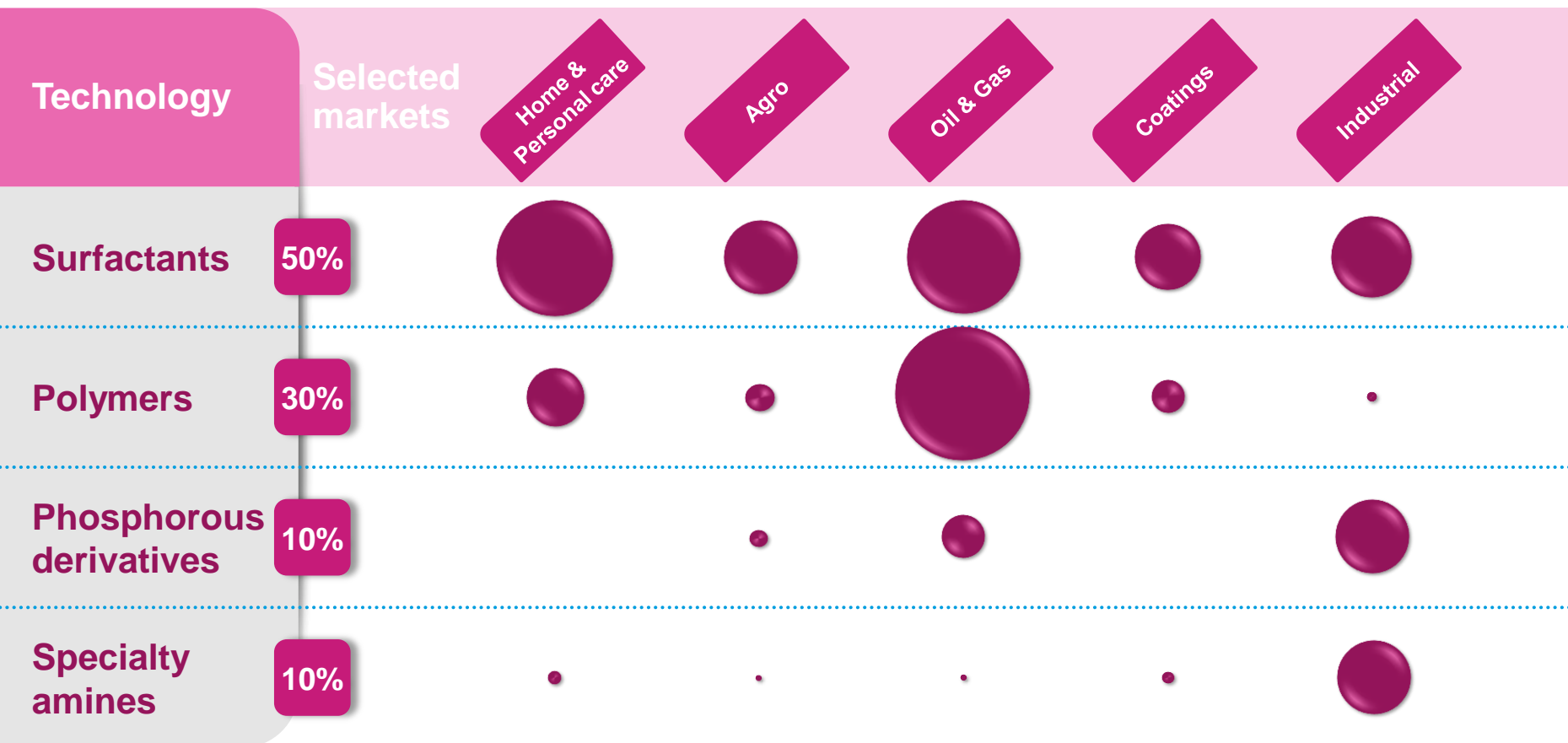
10 prod. sites
(1 site in construction)
5 R&I centers

2 prod. sites
1 R&I centers



Cutting-edge technologies in diversified focused markets

%  % of Novacare sales in 2013 pro forma Chemlogics



A successful growth strategy

Organic

- Focus on higher added value segments
- Expand in fast growing regions
- Excellence and global competitiveness

Innovation

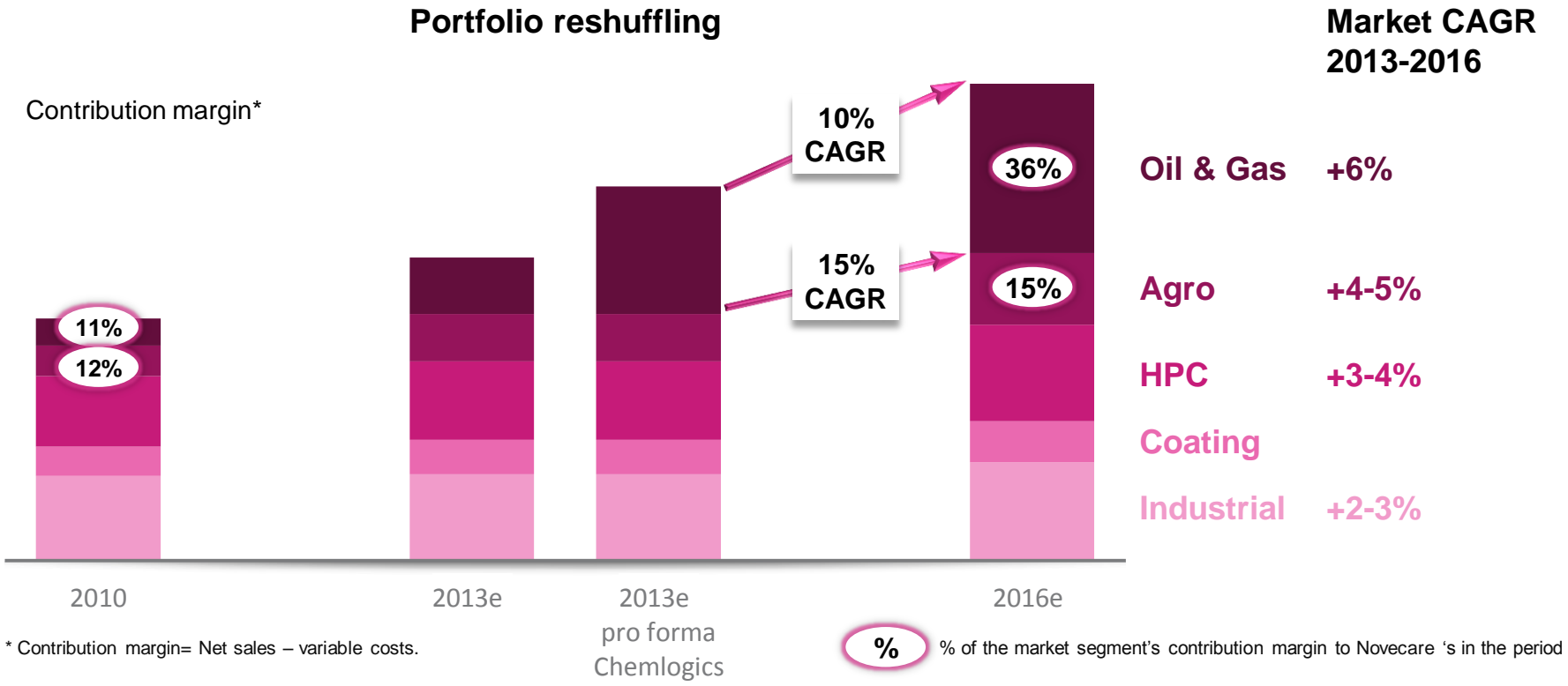
- Reinforcing specialty solutions
- Focused primarily on Oil & Gas / Agro / HPC

External Growth

- Enhancing specialty customized solution offering
- Increasing market position in fast growing regions

Growing and moving into more specialty customized solutions ...

Growing organically in selected segments, leveraging leading positions



...with an enhanced customized offering

Leading position in the highly dynamic Oil & Gas Chemical market

PORTFOLIO

Largest O&G chemical product offer

MARKET

15bn US\$ global market with 6% CAGR driven by oil demand and sustainability

CUSTOMER & GEOGRAPHY

Reinforcing US presence and globalize business

KNOW-HOW

Building more tailor made formulation
Reinforcing sustainable solutions
Leading Innovation

TARGET

2-digit CAGR by 2016



Chemlogics acquisition



Reaching leading position with a value creating acquisition

Leveraging the largest sustainable solutions offering

Leading solution offering to the O&G chemical market

Lab-to-well formulations

Demulsifiers

Scavengers

Crosslinkers

Rheology modifiers

Biocides

Anti-gas migration

Emulsifiers/Wetting agents

Non emulsifiers

Friction reducers

Flow improvers

Clay & iron control

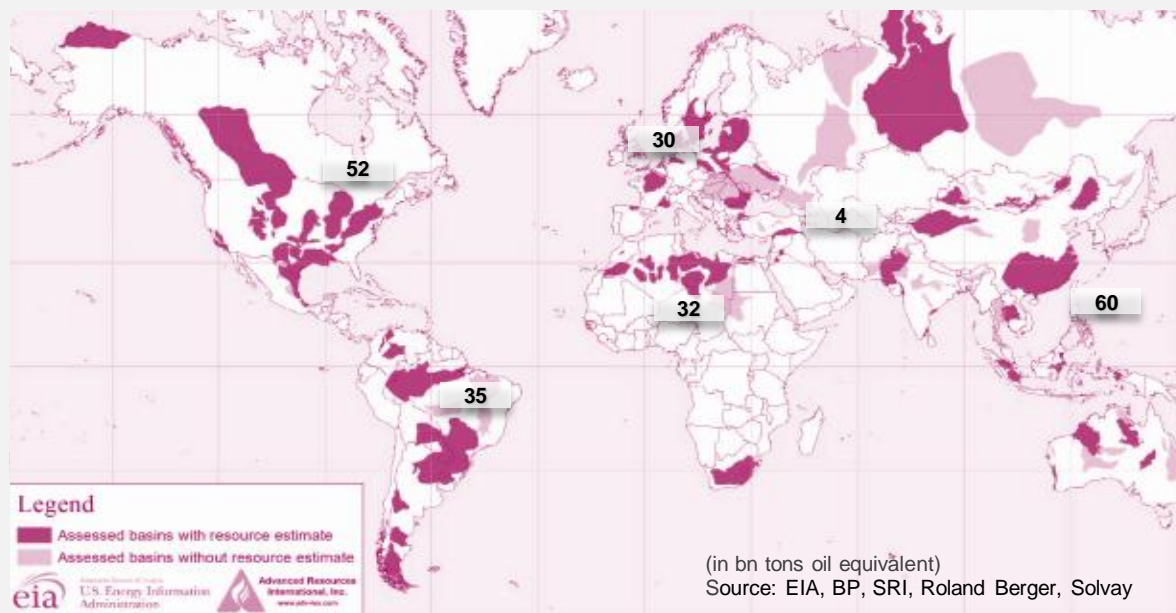
Fluid-loss additives

Cement retarders

Chemlogics

Novecare

Current Shale resources



Strategic axes

- Integrate Chemlogics into Novecare to trigger sales synergies
- Develop the presence in the US in new basins
- Extend the model into new regions: Australia, China, Russia, Argentina...
- Lead by Innovation with tailored made solutions:

Leading the course with innovative solutions in Agro market

PORTFOLIO

Focused on high value tailor made solutions

MARKET

2bn US\$ market with 4-5% CAGR driven by yield improvement and regulations

CUSTOMER & GEOGRAPHY

Key agricultural regions in US, Brazil, Europe, China and India

KNOW-HOW

Marketing knowledge with best technical expertise Crop protection, fertilizers and seeds

TARGET

2-digit CAGR by 2016



Delivering with unique innovation model

Fueling growth potential through capacity expansion in fast growing regions

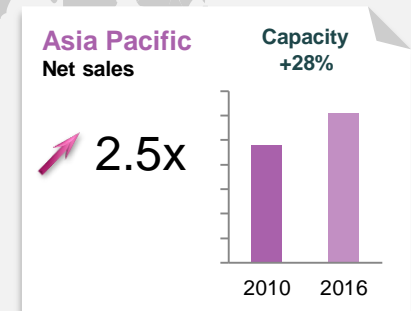
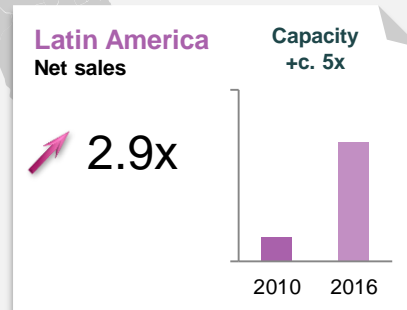
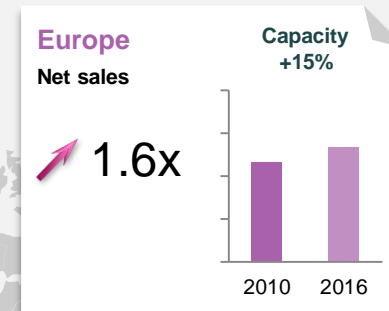
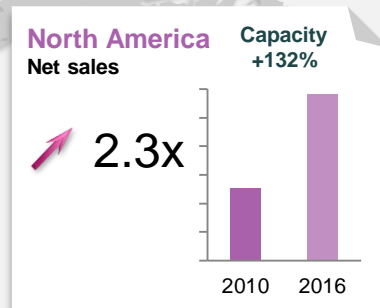
More than doubling sales in Asia and North America

Total capacity +71%
Acceleration in 2013-2016

Investing in competitive & sustainable industrial footprint:

Ethylene Oxide (EO) on pipe in Singapore (45KT) and Bayport, Texas USA (73KT)

2010-2016



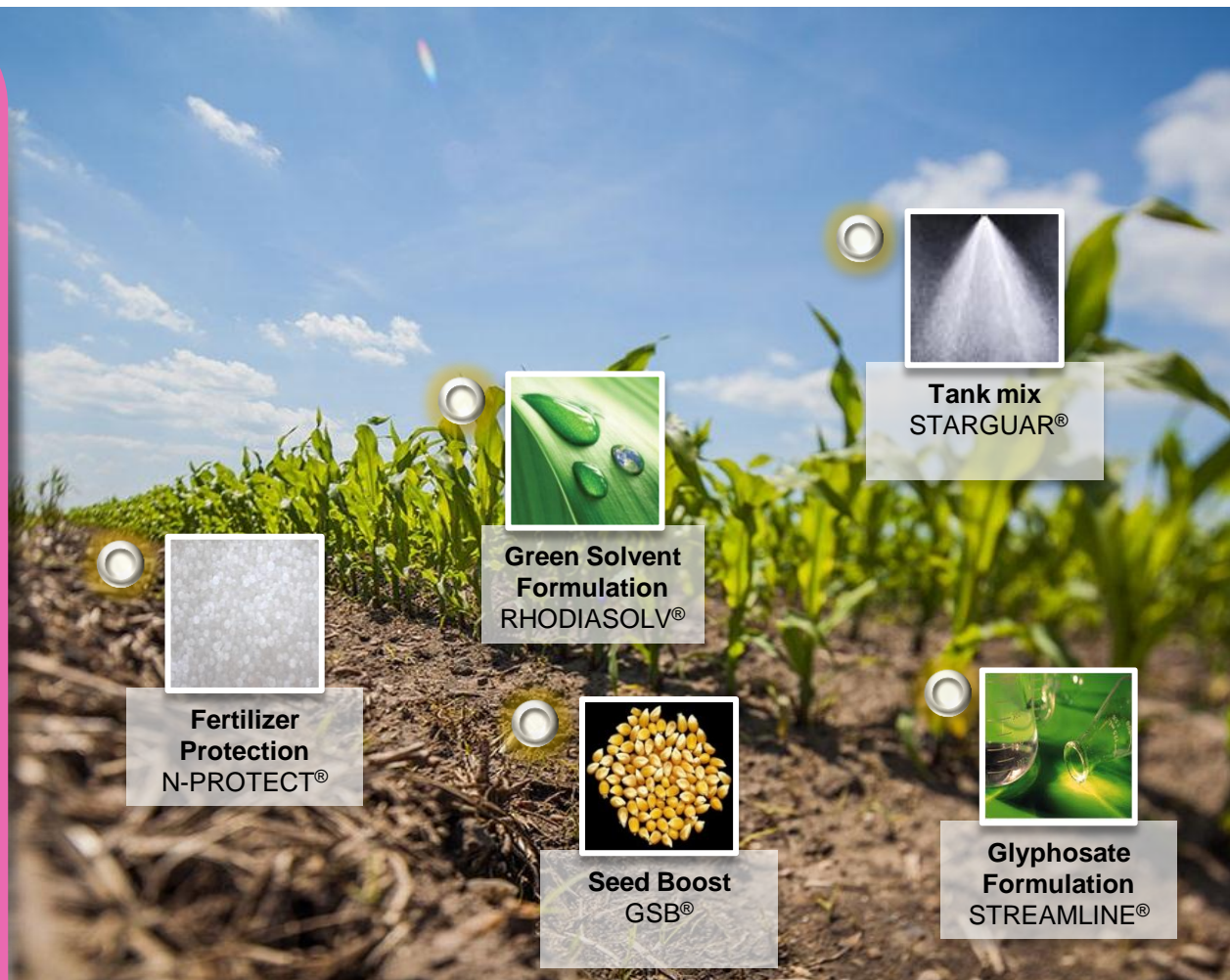
Reinforcing growth potential with targeted value creative acquisitions

Location	Acquisition	Objective	Net sales at acquisition	Integration status
North America	Chemlogics (November 2013) 	O&G specialty and low Capital intensive	~€400M	+++
China	Feixang (December 2010) 	Amines footprint in China	>€200M	+++
Brazil	ERCA (November 2013) 	Industrial assets footprint in Brazil		+++

Driving growth with global innovation and local delivery

4 global R&I centers & 6 formulation centers

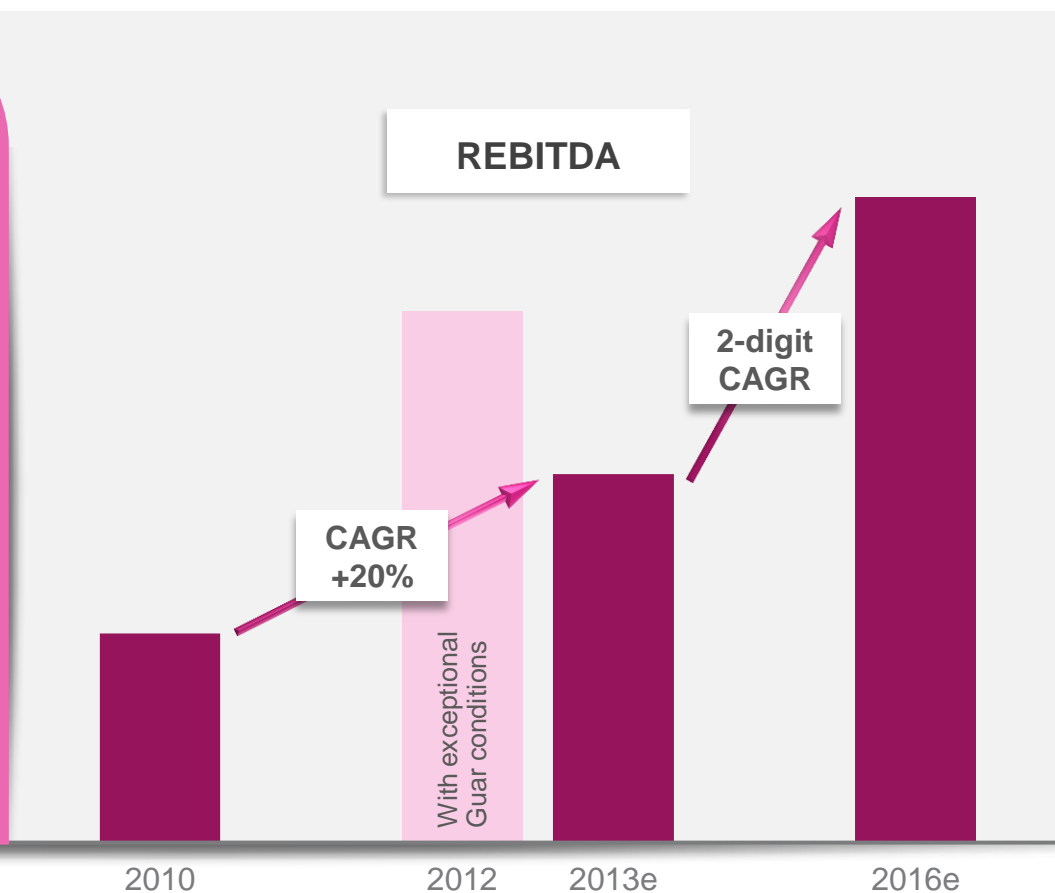
- Close to customers to develop new projects with local formulation centers
- Replicate the best-in-class Agro model
 - High selective projects
 - Best technical expertise
 - Co-Construction of tailor-made solutions on unmet customer needs
 - Quick delivery projects
- O&G, Agro and HPC are the primary focus markets to deliver innovation



Delivering sustained value creative growth

- **2-digit CAGR organic growth to continue**
 - Focused on selected segments and fast growing regions
 - Enhanced by innovation excellence
- **Growth boosted by value creative acquisitions**

**Novecare,
Strong growth engine
for Solvay**



Speaker's resume



Emmanuel Butstraen

Novecare President

Emmanuel Butstraen has been leading Solvay's Novecare Global Business Unit since 2010, and is based in Cranbury, New Jersey (USA) . He joined the group in 2009 to head Silcea, which consisted of the Rare Earths Systems, Silica and Aroma Performance businesses.

Before joining Solvay, Emmanuel Butstraen served in BASF for 17 years 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

Division, 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.

Emmanuel Butstraen, a French national, graduated as an Agricultural Engineer in 1989 from Institut Catholique de Lille. He obtained a Masters' degrees in Business Administration in 1991 from the University of Lille.

To the extent that any statements made in this presentation contain information that is not historical, these statements are essentially forward-looking. The achievement of forward-looking statements contained in this presentation is subject to risks and uncertainties because of a number of factors, including general economic factors, interest rate and foreign currency exchange rate fluctuations; changing market conditions, product competition, the nature of product development, impact of acquisitions and divestitures, restructurings, products withdrawals; regulatory approval processes, all-in scenario of R&D projects and other unusual items.

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