

MANAGEMENT REPORT

The management report for the accounting period ending on December 31, 2014, consisting of pages 47 to 74 (Corporate governance) and 75 to 85 (Management of risks), has been prepared in accordance with Articles 96 and 119 of the Belgian Companies' Code and was approved by the Board of Directors on February 25, 2015. It covers both the consolidated accounts of the Solvay group and the statutory accounts of Solvay SA.

In this section, Solvay is presenting its 2013 and 2014 comparative Income statements. Therefore, 2013 income statement has been restated for:

- Eco Services business, which was sold on December 1, 2014. Since the 3rd quarter of 2014 Solvay restated its 2013 and 2014 income statement and statement of cash flows to reflect the discontinuation of the business;
- The retrospective application of IFRS 11 *Joint Arrangements* on January 1, 2014.

The term "restated" throughout this document must be understood as per above considerations, unless otherwise stated.

The European and Latin-American Chlorovinyls business activities are presented as "Assets held for sale" on the statement of financial position (in one single line) and as "discontinued operations" in the income statement.

The intended sale of Solvay's 70.59% majority stake in Solvay Indupa to Braskem has been rejected by the Brazilian competition authority (CADE) in November 2014. Solvay confirms that its strategic direction remains unaffected and that it is examining alternative options to sell its participation in Solvay Indupa. As a disposal within 12 months is considered highly probable, Solvay Indupa remains classified as "Assets held for sale" on the statement of financial position and as "discontinued operations" in the income statement.

Chemlogics is consolidated in the financial statements from November 1, 2013.

1 Highlights of 2014 – Momentum and delivery

- Group net sales at € 10,213 million, **up 5% yoy**, with volumes 3.6%, forex (1.4)%, scope 2.4% and stable prices 0.5%;
- REBITDA at € 1,783 million, **up 11% yoy** driven by volume growth (organic and external), pricing power and excellence initiatives; margins widened to 17.5% of net sales, up 90 basis points compared to last year;
- Adjusted EBIT at € 761 million, **up 3.7% yoy**; Adjusted Result from continuing operations at € 333 million, **up 6.7% yoy**;
- Adjusted Net Income Solvay share at € 156 million *versus* € 378 million in 2013. 2014 contained material exceptional elements largely linked to the Group's active portfolio management;
- Free Cash Flow generation at € 656 million +35% yoy; net debt decreased € 363 million from 2013 year-end;
- **Dividend increased proposed: € 3.40 gross per share, up 6.3% compared to last year.**

In € million	Adjusted	
	2014	2013*
Net sales	10,213	9,715
REBITDA	1,783	1,611
REBITDA as % of sales	17.5	16.6
Total depreciation and amortization	(641)	(614)
EBIT	761	734
Net income, Solvay share	156	378
Earnings per share (basic)	1.87	4.54
Research expenditure	247	238
Capital expenditures (continuing operations)	861	738
Capital expenditures (discontinued operations)	127	129
Free Cash Flow	656	487

* Restated for comparable purposes.

2 Business performance and analysis

Management analysis convention

In addition to the consolidated IFRS accounts for 2013 (historical and restated) and 2014 provided in pages 128 to 209 (Financial statements) in this report, Solvay is disclosing "Adjusted" Profit & Loss information and analysis in order to provide a more meaningful presentation of the economic and financial performance of the Group and its business segments between periods.

Adjusted Profit & Loss indicators referring to 2013 and 2014 exclude non-cash Purchase Price Allocation (PPA) accounting impacts related to the Rhodia acquisition.

All references to year on year evolution must be understood comparable, and on an adjusted basis for 2013 and 2014, unless otherwise stated.

The term "Net sales" refers to the sales of goods and value-added services corresponding to Solvay's know-how and core business. Net sales exclude other revenues primarily comprising commodity and utility trading transactions and other revenues deemed as incidental for the Group (for example temporary).

Furthermore, for its analysis and financial communications, Solvay uses non-GAAP⁽¹⁾ indicators, the definitions of which are the following:

- REBITDA which consists of EBIT as presented in the income statement, excluding:
 - recurring amortization and depreciation;
 - non-recurring items;
 - material financing related costs and non-recurring items for companies consolidated using the equity method of accounting;
 - operating revenues/expenses not taken into account by management when assessing segment performances;

- non-recurring items mainly include:
 - gains and losses on the sale of subsidiaries, joint operations, joint ventures, and associates that do not qualify as discontinued operations;
 - acquisition costs of new businesses;
 - gains and losses on the sale of real estate not directly linked to an operating activity;
 - major restructuring charges;
 - impairment losses resulting from the shutdown of an activity or a plant;
 - impairment losses resulting from testing CGUs for impairment (a CGU includes tangible assets, intangible assets and allocated goodwill, if any);
 - the impact of significant litigation;
 - the remediation costs not generated by on-going production facilities (shut-down of sites, discontinued activities, previous years pollution);
- Free Cash Flow is calculated as cash flow from operating activities (including dividends from associates and joint ventures) + cash flow from investing activities (excluding acquisitions and sales of subsidiaries and other investments and excluding loans to associates and non-consolidated subsidiaries);
- net debt is defined as short and long-term financial debt less cash and cash equivalents and other current receivables – Financial instruments.

Solvay believes that these measurements are useful tools for analysing and explaining changes and trends in its historical results of operations, as they allow performance to be compared on a consistent basis. However, they are not subject to audit and are not performance measurements with respect to IFRS. The methods of calculating changes used by Solvay may differ from those used by other companies.

(1) Generally accepted accounting principles.

Analysis of the consolidated results for the accounting period ending December 31, 2014

Analysis of Group operational performance

In € million	IFRS		Adjusted	
	2014	2013*	2014	2013*
Sales	10,629	10,150	10,629	10,150
Other non-core revenues	416	434	416	434
Net sales	10,213	9,715	10,213	9,715
Cost of goods sold	(8,070)	(7,844)	(8,070)	(7,844)
Gross margin	2,559	2,305	2,559	2,305
Commercial and administrative costs	(1,225)	(1,189)	(1,225)	(1,189)
Research and innovation costs	(247)	(238)	(247)	(238)
Other operating gains and losses	(94)	(83)	16	59
Earnings from associates and joint ventures accounted for using the equity method	(34)	34	(34)	34
Non-recurring items	(308)	(239)	(308)	(239)
EBIT	652	591	761	734
Net income	13	315	89	422
Non controlling interests	67	(44)	67	(44)
Net income Solvay share	80	270	156	378
Earnings per share (basic) in €	0.96	3.25	1.87	4.54

* Restated for comparable purposes.

Net sales

Change in net sales In € million	Net sales		Conversion			Net sales	
	2013*	Scope	forex	Volume	Price	2014	
Solvay group	9,715	236	(132)	349	44	10,213	
		2%	(1)%	4%	-	5%	
Advanced Formulations	2,432	312	(45)	140	14	2,854	
		13%	(2)%	6%	1%	17%	
Advanced Materials	2,551	7	(18)	243	(22)	2,762	
		-	(1)%	10%	(1)%	8%	
Performance Chemicals	2,902	4	(51)	(1)	90	2,944	
		-	(2)%	-	3%	1%	
Functional Polymers	1,763	(89)	(15)	32	(38)	1,654	
		(5)%	(1)%	2%	(2)%	(6)%	
Corporate & Business Services	67	1	(3)	(65)	-	-	
		1%	(4)%	(97)%	-	(100)%	

* Restated for comparable purposes.

In 2014, Group net sales grew 5.1% to € 10,213 million, supported by organic volume growth +3.6% and Chemlogics' contribution +2.4%, but slowed, however, by unfavorable foreign exchange developments (1.4)%. Net sales grew +17% in Advanced Formulations and +8.3% in Advanced Materials, both underpinned by innovation-driven demand. Net sales increased +1.4% at Performance Chemicals with positive pricing partially weighed down by forex, and they fell (6.2)% in Functional Polymers due to lower raw material prices, the divestment of Benvic as well as unfavorable forex.

Operating elements

Costs of goods sold

The cost of goods sold amounted to € (8,070) million in 2014, up 3% compared to prior year, driven by Chemlogics' acquisition, volumes growth impact on variable costs and inflation. This increase was partly offset by the positive effect of competitiveness improvement linked to excellence initiatives and, to a lesser extent, by the favorable foreign exchange rate effects (net impact of the depreciation of the Brazilian real and the Japanese yen compared to euro and US dollar).

2 Financial & extra-financial information

MANAGEMENT REPORT

Commercial and administrative costs

Commercial and administrative costs of € (1,225) million in 2014 rose by € (36) million or by 3% compared to prior year. This increase is primarily due to the inflation experienced over the different regions where the Group operates. The impact of Chemlogics' acquisition is partly offset by favorable foreign exchange rate effects.

Research and innovation costs

Research and innovation costs amounted to € (247) million in 2014, increasing by 4% compared to prior year thanks to reinforced research efforts of the business units. The ratio of research and innovation cost on net sales remained stable at 2.3%.

Other operating gains and losses

Other operating gains and losses in 2014 amounted to € 16 million on an adjusted basis, compared to € 59 million in 2013. In 2013, the realignment

of insurance policies of the Group had led to the reversal of provisions for positive € 22 million. The rest of the variance is essentially due to an unfavourable net balance of exceptional items.

On an IFRS basis, other operating gains and losses amounted to € (94) million, or a € (110) million difference with the adjusted accounts and corresponding to the depreciation of PPA on fixed assets relative to Rhodia's acquisition. Please refer to note 5 to the consolidated financial statements.

Earnings from associates and joint ventures accounted for using the equity method

Earnings from associates and joint ventures accounted for using the equity method amounted to € (34) million compared with € 34 million in 2013. The decrease of € 67 million is largely driven by an exchange loss on euro debt due to ruble devaluation, reducing RusVinyl joint venture Net Equity.

REBITDA

Changes in REBITDA In € million	2013*	Structure	Conversion forex	Volume	Price	Variable costs	Fixed costs	Others including equity earnings	2014
Group	1,611	85	(15)	139	44	38	(62)	(57)	1,783

* Restated for comparable purposes.

REBITDA grew 11% to € 1,783 million from € 1,611 million in 2013, with organic volumes up 9% or € 139 million. Unfavorable foreign exchange rates for the year and the phase-out of CER carbon credits weighed € (73) million. External growth, mostly Chemlogics, contributed 5% or € 85 million.

The wide range of excellence measures spanning from manufacturing to innovation, marketing and sales strengthened operating performance and offset the inflation in our fixed cost base.

In a deflationary raw material context, the Group was able to maintain price increases and reported a positive pricing power. Selling prices increased € 44 million year on year and raw material prices declined € (38) million, resulting in a € 82 million positive net price effect on REBITDA to which excellence initiatives on variable costs and value pricing contributed.

All Operating Segments contributed to Solvay's REBITDA increase. Innovation-driven demand bolstered volumes and profit at the Group's growth engines Advanced Formulations and Advanced Materials. Performance Chemicals and Functional Polymers delivered strong cost reductions with operational excellence programs.

The Group's REBITDA margin on net sales widened 90 basis points to 17.5% from 16.6% in 2013, a substantial improvement when considering € (15) million forex impact and the CER credit phase-out between the two years.

Depreciation and amortization charges

In 2014, depreciation and amortization charges amounted to € (641) million on an adjusted basis *versus* € (614) million in 2013. This increase is mainly linked to the acquisition of Chemlogics.

Depreciation and amortization charges in 2014 IFRS accounts amounted to € (751) million or a € (110) million difference with the adjusted accounts and corresponding to the depreciation of PPA on fixed assets relative to Rhodia's acquisition.

Non-recurring Items

Non-recurring Items of € (308) million (€ (239) million in 2013) included restructuring expenses of € (49) million *versus* € (115) million in 2013, as well as other costs primarily linked to environmental, litigation and portfolio management provisions for a combined € (99) million compared to € (59) million in the prior year. It also included non-cash impairment charges of € (160) million chiefly relating to Solvay's investment in the RusVinyl joint venture and to a lesser extent relative to Emerging Biochemicals epichlorohydrine plant in China.

Operating result

EBIT, on an adjusted basis, grew 4% to € 761 million from € 734 million in 2013. Besides amortization and depreciation charges of € (641) million, it included overall financial charges of € (65) million related to the RusVinyl project financing, including impacts from the 60% appreciation of the euro against the ruble since the end of 2013 on debt expressed in euros.

EBIT on an IFRS basis totaled € 652 million. The difference between IFRS and adjusted figures reflects the Rhodia non-cash PPA depreciation impact of € (110) million.

Analysis of operational performance by Operating Segment

In € million	Adjusted		Year on year evolution
	2014	2013*	
Net sales	10,213	9,715	5.1%
Advanced Formulations	2,854	2,432	17%
Advanced Materials	2,762	2,551	8.3%
Performance Chemicals	2,944	2,902	1.4%
Functional Polymers	1,654	1,763	(6.2)%
Corporate & Business Services	-	67	n.m.
REBITDA	1,783	1,611	11%
Advanced Formulations	426	347	23%
Advanced Materials	709	624	14%
Performance Chemicals	724	682	6.1%
Functional Polymers	111	89	25%
Corporate & Business Services	(188)	(131)	(43)%

* Restated for comparable purposes.

ADVANCED FORMULATIONS

In € million	Adjusted		Year on year evolution
	2014	2013*	
Net sales	2,854	2,432	17%
Novecare	2,033	1,581	29%
Coatis	484	486	(0.49)%
Aroma Performance	337	365	(7.6)%
REBITDA	426	347	23%

* Restated for comparable purposes.

In 2014, **net sales** at Advanced Formulations grew 17% to € 2,854 million from € 2,432 million last year. Chemlogics contributed 13%, while organic volume growth was 6%, and prices increased 1%. Forex headwinds had an adverse impact of (2)%.

In 2014, **REBITDA** grew 23% to € 426 million, supported by organic and external volume growth. Unfavorable foreign exchange rates led to a decline of € (8) million.

At Novecare, growth was driven by the oil & gas activities. The successful and swift integration of Chemlogics strongly contributed to this good dynamic.

Coatis was impacted by Brazilian economy which suffered from weak competitiveness and imports and persistent drought in the country.

Aroma Performance benefited from good growth in demand for vanillin and in pricing power in inhibitors, but industrial issues throughout the first part of the year reduced its performance.

Products by GBU	Applications	Markets	Trademarks	Competitors
Novacare				
Surfactants	Dispersion, foaming, conditioning, surface modification, intermediate, gelling, rheology	Agro, Feed & Food Consumer Goods & Healthcare Industrial Applications Energy & Environment	AGRHO®, STARGUAR®, AGHRO® N PROTECT®, SOPROPHOR®, RHODOLINE®	AKZO Nobel, BASF, Clariant, Croda, Dow, Koch, Huntsman, Lamberti Grp Oxiteno, Stepan
Amines			RHODIASOLV®	
Synthetic and natural polymers			SIPOMER®, MIRACARE®, RHEOMER®, JAGUAR®	
Phosphorous chemistry			MACKAM®, PROBAN®, TIGUAR®, TOLCIDE®	
Coatis				
Phenol and derivatives	Synthetic resins & molding compounds (Epoxy, polycarbonate, polyamide, phenolic MMA resins)	Consumer Goods & Healthcare Automotive & Aeronautics Building & Construction Industrial Applications Agro, Feed & Food		Dow, Ineos, Shell
Oxygenated solvents, of which:	Adhesives, cosmetics, mining, coating, Print Inks, wood coating, oilfield, cleaners, automotive, industrial paints, pharma, solubilisation of actives and resins			Arkema, Sasol, Haltermann Celanese, Ineos, Eastman, Dow, Shell
Ketonic solvents				
Acetic solvents			RHODIASOLV™	
Glycerin-based solvents			AUGEQ™	
Aroma Performance				
Cyclopentanone	Fragrances, building block agro, pharma	Consumer Goods & Healthcare Agro, Feed & Food		BASF, Nippon Zeon
	Electronics	Industrial Applications	RHODIASOLV® XPT	
Natural vanillin	Flavors	Agro, Feed & Food	RHOVANIL® NATURAL	Shanghai apple, Bestally, Safisis, Symrise
Vanillin & ethyl-vanillin	Flavors, fragrances, food	Agro, Feed & Food Consumer Goods & Healthcare	RHOVANIL®, RHODIAROME®	Borregaard, Jiaxing,Thrive, Wanglong, Shixing, Camlin, Anhui bayi
	Flavors	Agro, Feed & Food Consumer Goods & Healthcare	RHOVEA®, RHODIAROME®	Borregaard, Jiaxing,Thrive, Wanglong, Shixing, Camlin, Anhui bayi
	Fragrances, crop protection	Agro, Feed & Food Consumer Goods & Healthcare Industrial Applications	VANILTEK™	Borregaard, Jiaxing,Wanglong, Shixing, Camlin, Anhui bayi
Vanilla flavors	Flavors	Agro, Feed & Food	GOVANIL™, GOVANIL™ INTENSE, GOVANIL™ NATURAL	F&F, Prova, Borregaard
IBCH	Fragrances	Consumer Goods & Healthcare	RHODIANTAL® ORIGINAL, RHODIANTAL® CANDALUM®	Kalpsutra, small Indian & Chinese companies
Triflic acid (TA)	Intermediate for liquid crystal	Consumer Goods & Healthcare		Central Glass, Peric, Jiangxi Time
	Intermediate for battery electrolyte (LiTA)	Electrical & Electronics		
	Starting raw material for pharma	Consumer Goods & Healthcare		
Triflic acid anhydride (TAA)	Intermediate for liquid crystal Starting raw material for pharma	Consumer Goods & Healthcare		
LITFSI	Antistatic agent	Electrical & Electronics		3M, Mitsubishi Materials, Morita
	Electrolyte salt for batteries Ionic liquid			
Trifluoroacetic Acid (TFA)	Intermediate for agro	Agro, Feed & Food		Lantian, SRF, Halocarbon, Asian players
	Intermediate for pharma	Consumer Goods & Healthcare		
Pyrocatechol	Building block for agrochemicals	Agro, Feed & Food		Camlin, Sanjili, UBE
	Solvent for electronics	Industrial Applications		
	Building block for drugs synthesis	Consumer Goods & Healthcare		
	Building block for fragrances	Consumer Goods & Healthcare		

Products by GBU	Applications	Markets	Trademarks	Competitors
Hydroquinone	Monomers inhibitors	Industrial Applications		
	Building block for dyes	Industrial Applications		
	Building block for agrochemicals	Agro, Feed & Food		Camlin, Eastman, Mitsui, Ube, Sanjili
	Building block for polymers	Industrial Applications		
	Building block for rubber anti-oxidants	Industrial Applications		Camlin, Eastman, Goodyear, Mitsui, Ube, Sanjili
	Photography reagent	Industrial Applications		
MeHQ,	Building block for food anti-oxidants	Agro, Feed & Food		Camlin, Eastman, Mitsui, Ube, Sanjili
	Building block for agrochemicals	Agro, Feed & Food		CST
	Monomers inhibitors	Industrial Applications		CST, Seiko, Kawagushi
TBC	Monomers inhibitors	Industrial Applications		Camlin, KKPunja, DIC
Veratrole	Building block for agrochemicals	Agro, Feed & Food		
	Building block for drugs synthesis	Consumer Goods & Healthcare		
Anisole	Solvent for electronics	Industrial Applications		
	Building block for agrochemicals	Agro, Feed & Food		
	Building block for drugs synthesis	Consumer Goods & Healthcare		

ADVANCED MATERIALS

In € million	Adjusted		Year on year evolution
	2014	2013*	
Net sales	2,762	2,551	8.3%
Specialty Polymers	1,490	1,288	16%
Silica	451	416	8.5%
Rare Earth Systems	266	298	(11)%
Special Chemicals	554	549	0.99%
REBITDA	709	624	14%

* Restated for comparable purposes.

Net sales of Advanced Materials increased 8.3% to € 2,762 million in 2014 from € 2,551 million in 2013. Growth was supported by strong volumes +10% in most end markets and especially in auto and smart devices. Positive volume impacts were partially held back by lower raw-material led prices (1) % mainly at Rare Earth Systems, as well as by unfavorable foreign exchange rates (1) %.

REBITDA for Advanced Materials reached a record, up 14% at € 709 million underpinned by robust innovation-driven demand, despite significant forex headwinds mainly Japanese yen of € (38) million, chiefly of a transaction nature.

The excellent Operating Segment's REBITDA reflected the performance of its four businesses. Beyond volume dynamics, excellence programs in manufacturing, purchasing and commercial activities also supported this performance.

Products by GBU	Applications	Markets	Trademarks	Competitors
Specialty Polymers				
Biomaterials for implantable devices, sulfone polymers, aromatic polyamides, aromatic polyketones	Healthcare	Consumer Goods & Healthcare	SOLVIVA® BIOMATERIALS, RADEL® PPSU, UDEL® PSU, IXEF® PARA, KETASPIRE® PEEK	Invio, Evonik, Victrex, BASF, Sabic
Sulfone polymers, aromatic polyamides	Consumer goods	Consumer Goods & Healthcare	RADEL® PPSU, VERADEL® PESU, AMODEL® PPA, IXEF® PARA	BASF, Sabic
Aromatic polyamides, fluorinated elastomers, aromatic polyketones, fluorinated fluids	Automotive	Automotive & Aeronautics	AMODEL® PPA, IXEF® PARA, TECNOFLO® FKM, TECNOFLO® PFR FFKM, KETASPIRE® PEEK, TORLON® PAI, FOMBLIN® PFPE	Dupont, Dyneon, EMS, Victrex, Evonik, Mitsui, Kuraray
Sulfone polymers, fluoropolymers, aromatic polyamides, aromatic polyketones	Aircraft	Automotive & Aeronautics	RADEL® PPSU and SOLEF® PVDF FOAMS, RADEL® PPSU, VIRANTAGE® PESU, AJEDIUM™ FILMS, IXEF® PARA, AVASPIRE® PAEK, KETASPIRE® PEEK, TORLON® PAI	Sabic, Victrex, Evonik, Arkema
Aromatic polyamides, sulfone polymers, aromatic polyketones	Mobile electronics	Electrical & Electronics	IXEF® PARA, AMODEL® PPA, KALIX® HPPA, RADEL® PPSU, KETASPIRE® PEEK, AVASPIRE® PAEK, XYDAR® LCP	Dupont, EMS, Evonik
Fluoropolymers, cross-linkable compounds	Wire & cables	Electrical & Electronics	HALAR® ECTFE, HYFLON® PFA/MFA®, SOLEF® PVDF, POLIDAN® PEX, COGEGUM® XLPO-HFFR	DuPont, Daikin, Dyneon, Polyone, AEI, Arkema
Aromatic polyketones, polyvinylidene chloride, fluoropolymers	Industrial and protective coatings	Industrial Applications	TORLON® AI, DIOFAN® PVDC, HALAR® ECTFE, SOLEF® PVDF, HYFLON® PFA/MFA®, KETASPIRE® PEEK	DSM, Lubrizol, Arkema, 3M, Dyneon, Victrex
Fluoropolymers, fluorinated fluids	Industrial equipment	Industrial Applications	HALAR® ECTFE, SOLEF® PVDF, HYFLON® PFA/MFA®, FOMBLIN® PFPE	Dupont, Arkema, Dyneon, Daikin
Fluorinated fluids, fluoropolymers, aromatic polyketones	Semiconductor	Industrial Applications	GALDEN® PFPE, SOLEF® PVDF, HALAR® ECTFE, KETASPIRE® PEEK	3M, Victrex, Arkema, Dupont
Cross-Linkable compounds, fluoropolymers, sulfone polymers	Plumbing	Building & Construction	POLIDAN® PEX, SOLEF® PVDF, HALAR® ECTFE, RADEL® PPSU, ACUDE® MODIFIED PPSU, UDEL® PSU	Basf, Dyneon, Arkema, EMS
Fluoropolymers, fluorinated elastomers, cross-linkable compounds, aromatic polyketones	Oil & gas	Energy & Environment	SOLEF® PVDF, HYFLON® PFA/MFA®, TECNOFLO® FKM, TECNOFLO® PFR FFKM, POLIDAN® PEX, KETASPIRE® PEEK	Arkema, Dupont, Daikin, Victrex, Basell
Fluoropolymers	Li-Ion batteries	Energy & Environment	SOLEF® PVDF	Kureha, Arkema
Specialty Materials	Fuel cells	Energy & Environment	AQUIVION® PFSA	
Fluoropolymers	Photovoltaics	Energy & Environment	SOLEF® PVDF, HALAR® ECTFE	Dyneon, AGC, Dupont, Arkema
Sulfone polymers, fluoropolymers	Membranes	Energy & Environment	RADEL® PPSU, UDEL® PSU, VERADEL® PESU, SOLEF® PVDF	BASF, Arkema, Kureha
Silica				
Highly dispersible silica (HDS)	Energy-efficient tires	Automotive & Aeronautics	ZEOSIL®, ZEOSIL® PREMIUM EFFICIUM®	Evonik, PPG, OSC
	Polymer reinforcement	Automotive & Aeronautics Industrial Applications	ZEOSIL®	Evonik, PPG, OSC
Precipitated silica (conventional)	Oral care (toothpaste)	Consumer Goods & Healthcare	TIXOSIL®	JM Huber, PQ Corporation, WR Grace, Evonik, OSC
	Nutrition	Agro, Feed & Food	TIXOSIL®	JM Huber, PQ Corporation, WR Grace, Evonik, OSC

Products by GBU	Applications	Markets	Trademarks	Competitors
Rare Earth Systems				
Rare earth oxide formulations	Automotive catalysts	Automotive & Aeronautics	ACTALYS®, ACTALYS® HSA, EOLYS®POWERFLEX®, E-SIS®, OPTALYS®, STABILYS®,	DKK, MEL Chemicals, Sasol
	High performance polishing for glass solutions	Electrical & Electronics	CEROX®	OST, Treibacher, Ferro
	Energy-efficient lighting	Electrical & Electronics	LUMINOSTAR®	Nichia
	Inorganic Pigments for high performance polymers	Electrical & Electronics	NEOLOR®	
	Semiconductor polishing	Electrical & Electronics	ZENUS®	Nikki
Special Chemicals				
Hydrogen fluoride	Refineries, steel & surface treatment, chemical industry	Industrial Applications		Honeywell, Lanxess, DDF, 3F, Mexichem, China Yingpeng, Zhejiang Sanmei, Shandong donuye Group
Fluor-based compounds	High voltage engineering, wet chemicals for chip etching and cleaning, chemicals for Li-batteries	Electrical & Electronics	for C ₄ F ₆ : SIFREN®	Kemeite, Liming, Henan Huaneng Fluoride and others, HaloPolymer, Asahi Glass, Kanto Denka, Show Denko, Cental Glas, Linde, AirProducts
	Insulation, energy saving	Building & Construction	SOLKANE®, IXOL®	Honeywell, Arkema, DuPont, Albarnali, Chemtura
	Brazing, refrigerants	Automotive & Aeronautics Industrial Applications	NOCOLOK®, SOLKATHERM® SES36	Morita, Honeywell, DuPont
	Solvents (precision cleaning)	Industrial Applications	SOLVOKANE®	DuPont, Honeywell, Arkema, Central Glass, Asahi, 3M
TFAC, TFA, TFAH, TFAEt, TFK, ETFBO, Other CF ₃	Building blocks in active ingredients, intermediates	Consumer Goods & Healthcare Agro, Feed & Food		Halocarbon, SRF, Sinochem, Lantian
Solkane 227ph, Solkane 134a ph	Propellants in asthma sprays and other medical sprays	Consumer Goods & Healthcare	SOLKANE®	Mexichem, DuPont
Precipitated calcium carbonate (PCC)	Sealant	Building & Construction	SOCAL®, WINNOFIL®	Shiraishi-Omya, SMI
	Paint	Building & Construction	SOCAL®	Schaefer Kalk
	Plastisol	Automotive	SOCAL®, WINNOFIL®	Cales de Llierca, SMI
	Polymer	Building & Construction	SOCAL®, WINNOFIL®	Shiraishi-Omya, SMI
	Healthcare & Food	Consumer Goods & Healthcare Agro, Food & Feed	SOCAL®	SMI
Electronic grade H ₂ O ₂	Semiconductors, displays, photovoltaic, wet chemicals for chip etching and cleaning	Electrical & Electronics	INTEROX® PICO, INTEROX® EG-1, INTEROX® EG10, INTEROX® EG-ST	BASF, MIGAS, Santoku, PeroxChem, Changchun, Dongwoo Finechem
Electronic grade HF and NH ₄ F	Semiconductors, displays, photovoltaic, wet chemicals for chip etching and cleaning	Electrical & Electronics		Stella Chemifa, Honeywell, Diakin, Morita, Kaisheng
Barium compounds	Paints, coatings, batteries, plastics, paper	Automotive & Aeronautics Electrical & Electronics Building & Construction		Sachtleben, Chinese producers
	Ceramic capacitors, display, ceramics and special glasses	Electrical & Electronics		Red Star, Jingshan, Sakai Chemicals, Nippon Chemicals
Strontium compounds	Display and photovoltaic glasses, ferrites	Electrical & Electronics		Red Star, Quimica del Estroncio, Jinshi, Kinglong

PERFORMANCE CHEMICALS

In € million	Adjusted		Year on year evolution
	2014	2013*	
Net sales	2,944	2,902	1.4%
Soda Ash & Derivatives	1,377	1,351	1.9%
Peroxides	512	470	9.1%
Acetow	641	658	(2.5)%
Emerging Biochemicals	413	424	(2.4)%
REBITDA	724	682	6.1%

* Restated for comparable purposes.

Net sales of Performance Chemicals grew 1.4% to € 2,944 million. Price increases of 3% compensated for the adverse foreign exchange developments which lowered the segment's sales by (2)%. Volumes stood stable.

REBITDA for Performance Chemicals grew 6.1% to € 724 million supported by good pricing. The Operating Segment's good performance was backed by all four businesses, despite unfavorable currency developments, chiefly at Acetow and Emerging Biochemicals.

Soda Ash & Derivatives delivered solid performance. Price increases across all regions and its breakthrough competitive program could make up for inflation. The targeted € 100 million annual cost savings plan is well on track to be achieved by the end of 2015.

Peroxides' volume growth benefited from higher H₂O₂ demand in mature markets as well as developments of new applications.

Acetow showed a record performance in 2014 driven by higher prices and despite the destocking impact on volume during the second half of the year.

Emerging Biochemicals was flat, reflecting weak demand in PVC and epichlorohydrin as well as pricing pressure from competition.

Following unfavorable conditions specific to the Chinese market, the Group decided to put on hold the construction of a production asset in China and booked an impairment of € (34) million (reported as non-recurring item below REBITDA).

Note: The sale of the Eco Services business to CCMP CAPITAL was completed on December 1, 2014 (consolidated as discontinued business).

Products by GBU	Applications	Markets	Trademarks	Competitors
Soda Ash & Derivatives				
Na ₂ CO ₃ soda ash	Flux in flat glass	Building & Construction Automotive & Aeronautics Energy & Environment	SODA SOLVAY® DENSE	Tata Chemicals, FMC, Ciech, Sisecam, Nirma, Bashkim, OCI, Eti-Soda, Novacarb
	Flux in container glass	Agro, Food & Feed Consumer Goods & Healthcare	SODA SOLVAY® DENSE	
	Water softener in detergents	Consumer Goods & Healthcare	SODA SOLVAY® LIGHT	
	Metallurgy	Industrial Applications	SODA SOLVAY® DENSE	
	Healthcare	Consumer Goods & Healthcare		
Na ₂ CO ₃ , NaHCO ₃ , 2H ₂ O troña	Flue gas cleaning agent	Energy & Environment	SOLVAIR® SELECT 200 SOLVAIR® SELECT 150	Natronx
	Supplement in animal feed, supplement in food	Agro, Food & Feed		
NaHCO ₃ sodium bicarbonate	Supplement in animal feed, supplement in food	Agro, Food & Feed	BICAR® Z, BICAR® Food, BI-PROTEC®	Church & Dwight, FMC, Natural Soda, Tata Chemicals, Sisecam, Ciech, Bashkim, Eti-Soda, Novacarb
	Flue gas cleaning agent	Energy & Environment Industrial Applications	BICAR® TEC SOLVAIR® SB0/3 SOLVAIR® S300, SOLVAIR® S350	
	Active ingredients(API), excipient in effervescent formulations, electrolyte in hemodialysis	Consumer Goods & Healthcare	BICAR® PHARMA	
CaCl ₂ ·nH ₂ O calcium chloride	Supplement in food, supplement in animal feed, road treatment (de-icing and de-dusting), de-humidification	Agro, Food & Feed Industrial Applications	CASO®	Tetra, Nedmag, Zirax
Na ₂ SO ₃ sodium sulfite	Flue gas cleaning agent	Energy & Environment Industrial Applications		INDSPEC

Products by GBU	Applications	Markets	Trademarks	Competitors
Peroxides				
Hydrogen peroxides	Pulp (bleaching function)	Consumer Goods & Healthcare	INTEROX® MyH ₂ O ₂	Arkema, Evonik, Peroxychem, Eka, Kemira, OCI
	Chemical intermediates synthesis (HPPD, caprolactam, caprolactone, ESBO, etc.) & mining	Industrial Applications	INTEROX®	
Sodium percarbonate and hydrogen peroxides	Home care (bleached powder detergent) & personal care (oral & hair care)	Consumer Goods & Healthcare	OXYPER® INTEROX®	Evonik, Kemira, Peroxychem, OCI
Hydrogen peroxides and peracetic acid	Aquaculture, food safety	Agro, Food & Feed	PARAMOVE® INTEROX®, PROXITANE®	Eka
	Water treatment	Energy & Environment	INTEROX®, PROXITANE®, OXYSTRONG®	Evonik, Kemira, Peroxychem
Inorganic peroxides and peracetic acid	Oil & gas	Energy & Environment	IXPER® PROXITANE®	Evonik, Kemira, Peroxychem
Acetow				
Cellulose acetate tow	Cigarette filters	Consumer Goods & Healthcare	RHODIA® FILTERTOW	Celanese, Eastman, Daicel/ Mitsubishi, Chinese companies (Jinan, Henan, Xinyang)
Cellulose acetate tow			RHODIA DE-TOW® RHODIA COLOURED TOW®	
Cellulose acetate flakes/ Silica			RHODIA FILTERSORB®	
Cellulose acetate flakes	Filter tow, yarn, pharma, plastics and cut and tear films		RHODIA ACETOL®	Celanese, Eastman, Daicel/ Mitsubishi, Pacetati, Fergana
Nitric Acid	Foams, fertilizers, laundry cleaning & bleaching, disinfectant, coatings, adhesives & elastomers, metal treatment, explosives and blasting agents, cetane improver	Consumer Goods Automotive & Aeronautics Agro, Feed & Food Industrial Applications	TARANIS™	Yara, Borealis, BASF, Radici, Maxam
Cellulose acetate compound	Packaging for cosmetics as well as hair accessories, toys, eyeglass frames, handling tools and consumer electronics	Consumer Goods Electrical & Electronics	OCALIO™	Eastman, DuPont, Braskem, Daicel, Pacetati, Mazzucchelli
Acetylated wood	Outdoor applications like window frames, exterior doors and shutters, decking, exterior cladding and façades etc. as well as for construction work	Building & Construction	ACCOYA® ⁽¹⁾	
Emerging Biochemicals				
PVC	Pipe, fittings, profiles, wires, cables	Building & Construction	SIAMVIC®	Thai Plastic & Chemical PCL
	Film, sheets	Consumer Goods & Healthcare Industrial Applications		
NaOH caustic soda	Multiple applications	Consumer Goods & Healthcare Industrial Applications Agro, Feed & Food		AGC Chemicals (Thailand)
Bio-based epichlorohydrin	Epoxy resins	Building & Construction Electrical & Electronics Consumer Goods & Healthcare Automotive & Aeronautics	EPICEROL®	Samsung Fine Chemicals, Dow

(1) ACCOYA® is a registered trademark of Accsys Technologies.

2 Financial & extra-financial information

MANAGEMENT REPORT

FUNCTIONAL POLYMERS

In € million	Adjusted		Year on year evolution
	2014	2013*	
Net sales	1,654	1,763	(6.2)%
Polyamide	1,536	1,557	(1.3)%
Chlorovinyls	117	206	(43)%
REBITDA	111	89	25%

* Restated for comparable purposes.

Functional Polymers reported **net sales** of € 1,654 million in 2014 compared to € 1,763 million last year. The sale of the Benvic PVC compounding business represented a decline of (5)% or € (89) million. Furthermore, volume growth of 2% was insufficient to compensate for a decline in prices of (2)% and unfavorable foreign exchange rates taking off (1)%.

REBITDA increased 25% to € 111 million from € 89 million in 2013. The operating performance was supported by both the delivery of the profit restoration plan and solid performance at Engineering Plastics which grew its volumes in Asia and showed strong pricing power. Fibras suffered from Brazil's weak macro-economic conditions.

Discontinued Operations: Solvay's European Chlorovinyls businesses, planned to become part of the Inovyn joint venture with INEOS, as well as Solvay Indupa, are classified as Discontinued Operations.

The sale of Benvic to OpenGate Capital was completed in June 2014.

The remaining Chlorovinyls businesses refer to the residual trading activities not included in the INEOS joint venture agreement.

The market environment declined in 2014, impacting the performance of the European Chlorovinyls business. Net sales amounted to € 2.4 billion and REBITDA came in at € 111 million for the combined European and Latin American business.

Products by GBU	Applications	Markets	Trademarks	Competitors
Polyamide				
Polyamide & Intermediates				
Adipic acid	Polyamide 6.6, other products for polyurethane and coating applications, plasticizers	Industrial Applications Automotive & Aeronautics Consumer Goods & Healthcare	RHODIACID®	Invista, Ascend, CSM-CPEC, CNPC, BASF, Radici, Asahi, Lanxess
Hexamethylenediamine		Building & Construction Electrical & Electronics	RHODIAMINE®	Invista, Ascend, BASF, Radici, CPEC
Polyamide resin: ■ PA 6.6 ■ PA 6.10 ■ PA HT ■ PA 6.6 SD ■ PA 6.6 FD	Plastic compounds for engineering, plastics, industrial yarns, textile and fibers applications, tire cords, airbags, textile	Industrial Applications Automotive & Aeronautics Consumer Goods & Healthcare Building & Construction Electrical & Electronics Consumer Goods & Healthcare	STABAMID®	Invista, Ascend, BASF, Radici, Asahi
Polyamide fibers and polyamide tow	Yarn for textile and carpet markets, flock for clothing and furnishing, automotive, decoration and packaging	Automotive & Aeronautics Consumer Goods & Healthcare	PASSOREA® RHODIA® TOW	Ascend, Jiaxing
Engineering Plastics				
Polyamide 6.6 compounds	Metal replacement, fire protection, thermal management, fluid barrier	Automotive & Aeronautics Electrical & Electronics Consumer Goods & Healthcare Energy & Environment Building & Construction Industrial Applications	TECHNYL® TECHNYL STAR®	DuPont, BASF, Radici, Ascend, Invista
Polyamide 6 compounds			TECHNYL® TECHNYL STAR®	BASF, Lanxess, DSM, DuPont, Radici
Long Chain Polyamide compounds			TECHNYL EXTEN®	Arkema, Evonik, EMS, UBE
High temperature Polyamide compounds			TECHNYL® ONE	DuPont, EMS, DSM
Recycled Polyamide compounds			TECHNYL® R TECHNYL® ECO 4EARTH®	Very fragmented competition
Polyamide powders			SINTERLINE® TECHNYL® POWDERS	Evonik, Arkema
Design, simulation services	Metal replacement, fire protection, thermal management, fluid barrier		MMI TECHNYL® DESIGN	BASF
Fibras				
Textile yarns, flat and textured	Apparel	Consumer Goods & Healthcare	AMNI® EMANA®	Hyosung, Taekwang, Nilit, Acelon, LeaLea, Fujian
Staple fiber	Abrasives	Consumer Goods & Healthcare		Invista
Industrial yarns	Sewing threads, tire, MRG	Consumer Goods & Healthcare Automotive & Aeronautics Industrial Applications		Kordsa, Enka, CSM, SRF

CORPORATE & BUSINESS SERVICES

In € million	Adjusted		Year on year evolution
	2014	2013*	
Net sales	-	67	n.m.
Energy Services	-	67	n.m.
Other Corporate & Business Services	-	-	n.m.
REBITDA	(188)	(131)	(43)%

* Restated for comparable purposes.

Net sales were nil compared to € 67 million last year. The last carbon credit (CER) sales under the 2013 Kyoto protocol were phased out entirely in the first half of that year.

Net costs at **REBITDA** level amounted to € (188) million compared to € (131) million in 2013. The end of CER sales impacted Energy Services contribution by € (58) million and this loss was partially compensated for by the energy and carbon management services in Europe.

Expenses related to corporate structure and corporate functions increased to € (213) million from (185) million last year. The difference mainly came from the favorable € 22 million one-off reversal of provisions linked to the realignment of the Group's insurance policies booked last year.

Furthermore, tight cost controls compensated for inflationary elements while the Group continued investing in the deployment of best-in-class business support services.

2 Financial & extra-financial information

MANAGEMENT REPORT

Energy situation

Energy costs are an important part of the Group's cost structure. Net energy costs represented about € 0.9 billion in 2014. Energy sources were spread over electricity and gas (circa 75%), coke, coal and anthracite (circa 20%) and steam and others (circa 5%). The Solvay group has pursued an active energy policy for many years now. In this context, it operates an energy production park with a total installed capacity of 1,000 MW.

Within the Group, Solvay Energy Services focuses on optimizing the Solvay's energy costs and carbon emissions. Furthermore, Solvay Energy Services has continued deploying its operating energy efficiency excellence initiative called SOLWATT®, which aims at reducing energy consumption and optimizing energy production on industrial sites. SOLWATT® also defines the medium and long term energy strategy for each site. It is gradually rolled out and will cover all the Group's manufacturing sites by the end of 2015. The objective is to reduce by 10% the Group energy bill.

Additional comments on the Group consolidated income statement of the FY 2014 (IFRS/adjusted)

In € million	IFRS		Adjusted	
	2014	2013*	2014	2013*
EBIT	652	591	761	734
Net financial expenses, of which:				
■ Cost of borrowings	(151)	(190)	(151)	(190)
■ Interest on lending and short term deposits	36	25	36	25
■ Other gains and losses on net indebtedness	(30)	(2)	(30)	(2)
■ Cost of discontinued operations	(163)	(87)	(163)	(87)
Income/loss from available-for-sale investments	(1)	40	(1)	40
Result before tax	343	378	453	521
Income tax	(84)	(170)	(120)	(209)
Net result from continuing operations	259	209	333	312
Net result from discontinued operations	(246)	106	(244)	110
Net income	13	315	89	422
Non controlling interests	67	(44)	67	(44)
Net income Solvay share	80	270	156	378

* Restated for comparable purposes.

Net financial expenses increased to € (309) million from € (213) million in 2013. Charges on net debt diminished to € (145) million from € (166) million in 2013 as the repayment of € 1.3 billion of gross debt in the first half of 2014 helped to significantly lower the Group's negative cost of carry. Net financial expenses also contained a € (19) million negative one-off due to the settlement of interest rate swaps in the first half of the year.

The cost of discounting provisions for environmental and pension liabilities widened to € (163) million from € (87) million in 2013. This was mainly related to environmental provisions which in 2014 included an overall € (35) million negative one-off impact following applicable lower discount rates across geographies, whereas in 2013, increases in discount rates resulted in a positive impact of € 36 million. Income from "available for sale investments" was nil in 2014 compared with € 40 million in 2013.

Income taxes on an adjusted basis narrowed to € (120) million from € (209) million in 2013. The nominal tax rate was 24.6% and included the recognition of an exceptional € 110 million deferred tax assets. The underlying tax rate was 32.8%, in line with the Group's expectations.

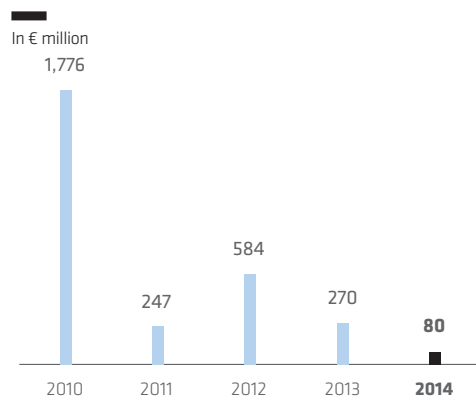
Net result from discontinued operations was € (244) million against € 110 million in 2013, and related mainly to the pre-minorities impairment loss of € (477) million of the European Chlorovinyls assets to be contributed to the joint venture project Inovyn. The € 177 million capital gain from the sale of Eco Services partly compensated for the impairment loss.

Net income on an adjusted basis fell to € 89 million from € 422 million in 2013. Net income Group Share, on an adjusted basis, came in at € 156 million profit. Adjusted basic earnings per share amounted to € 1.87.

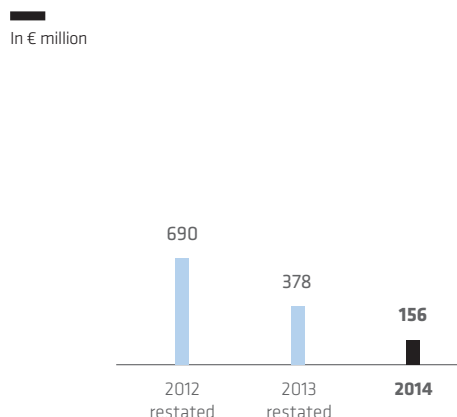
Net income Group Share on an IFRS basis amounted to € 80 million.

Excluding exceptional items, net income Solvay share amounted to € 635 million, *versus* € 507 million in 2013.

Net income, Group share (IFRS)



Adjusted net income, Group share



Financing structure

The **net financial debt** amounted to € 778 million at the end of December 2014, a reduction of € 363 million, compared to € 1,141 million at the end of December 2013.

Gross debt decreased from € 3,584 million at the end of 2013 to € 2,338 million at the end of 2014, using the available cash to repay debt.

In 2014, Solvay repaid € 500 million EMTN bond (maturing January 2014) and had the opportunity to exercise the first call option in 2014 related to € 500 million Rhodia senior High Yield notes maturing initially in 2018 and made an early redemption of the \$ 400 million Rhodia senior High Yield notes maturing initially in 2020.

Equity amounted to € 6,778 million at the end of 2013, compared to € 7,453 million at the end of 2013.

At the end of 2014, the **net debt to equity ratio** was 11.5%.

Solvay's **long and short-term ratings** are Baa2/P2 (stable outlook) at Moody's and BBB+/A2 (stable outlook) at Standard & Poor's.

Free Cash Flow

Free Cash Flow was € 656 million, and included cash flow from discontinued operations for € 145 million.

Cash flow from operating activities was € 1,621 million compared to € 1,299 million last year. Besides net income of € 13 million, it consisted of:

- depreciation, amortization and non-cash impairments that totaled € 1,430 million;
- change in working capital that amounted to € 236 million, of which industrial working capital from continuing operations represented € 21 m. The Group also benefited from important cash inflows related to added value taxes recovery.

Cash flow from investing activities was € (650) million. It was mainly composed of capital expenditures for € (988) million (including € (127) million from discontinued operations), acquisition of subsidiaries for € (304) million, additional funding of its 50/50 joint venture in Russia RusVinyl for € (98) million and the proceeds from Eco Services disposal for € 721 million.

Investments

In € million	Capital expenditures in 2014 (continuing operations)
Advanced Formulations	166
Advanced Materials	267
Performance Chemicals	275
Functional Polymers	82
Corporate & Business Services	69
GROUP	861

Total capital expenditures in 2014 amounted to € 861 million.

Besides health, safety & environment and maintenance capital expenditures, the Group selectively invested in a number of strategic projects, with priority given to businesses and geographies with superior and sustainable growth potential. Several growth investments were realized in 2014 in our growth engines and highly resilient businesses. The most significant being:

In Advanced Formulations

- the large-scale alkoxylation facility in Singapore to serve the fast-growing Asian market in home & personal care, coatings, industrial, agrochemicals and oil & gas;
- the large-scale alkoxylation unit in the United States (Texas), at an integrated industrial facility of LyondellBasell's Equistar Chemicals affiliate, in order to serve the growing North American market;
- the specialty surfactant plant in Germany to develop and produce surfactant solutions for Solvay's home & personal care and industrial customers serving Central and Eastern Europe;

- the new vanillin production facility in China representing an increase of 40% of Solvay's global production to serve the growing demand in the region.

In Advanced Materials

- the new plant of Highly Dispersible Silica (HDS) in Poland to increase capacity by 85,000 tons per year;
- the fluoro-polymers plant in China (in Changshu) for Specialty Polymers.

In Performance Chemicals

- the new mega Hydrogen Peroxide for Propylene Oxide (HPPO) plant (330kt/year) in Saudi Arabia in joint-venture with Sadara Aramco and Dow;
- the new Bicarbonate plant (100 kt/year) in Thailand to develop Asian sales.

Research & Innovation

In € million	Net Research & Innovation costs in 2014
Advanced Formulations	55
Advanced Materials	96
Performance Chemicals	21
Functional Polymers	23
Corporate & Business Services	51
GROUP	247

Net Research & Innovation costs in 2014 were € 247 million.

Research & Innovation organization and policy are described in page 2 as well as in pages 28 and 29 of this report.

Group employees

The Solvay group employed 29,207 full-time equivalents (26,033 related to continuing operations and 3,174 related to discontinued operations) at December 31, 2014 compared to 29,400 at December 31, 2013. Additional information concerning the organization of the Group is available in page 32 of this report.

Analysis of the parent company results (Solvay SA)

In € million	2014	2013
Profit for the year available for distribution	550	359
Carried forward	4,262	4,174
TOTAL AVAILABLE TO THE GENERAL SHAREHOLDERS' MEETING	4,812	4,533
Appropriation:		
Gross dividend	288	271
Carried forward	4,524	4,262
TOTAL	4,812	4,533

Solvay SA is a *société anonyme* created under Belgian law, with its registered office at rue de Ransbeek 310 at 1120 Brussels. Solvay SA has two branches: Solvay SA France (25, rue de Clichy, 75009 Paris, France) and Solvay SA Italie (Via Piave 6, 57013 Rosignano, Italy).

The accounts of Solvay SA are prepared in accordance with Belgian generally accepted accounting principles, and include its French and Italian branches.

The main activities of Solvay SA consist of holding and managing a number of participations in Group companies and of financing the Group from the bank and bond markets. It also manages the research center at Neder-Over-Heembeek (Belgium) and a very limited number of industrial and commercial activities not undertaken through subsidiaries.

The operating result is made of the balance of the head office operating costs partially offset by income from industrial and commercial activities not undertaken through subsidiaries.

Current profit before taxes amounts to € 833 million end of 2014, compared with € 220 million in the previous year. The current profit includes the operating result (€ (204) million), dividends received from its various participations (€ 1,226 million) and the differential between interest paid and received on its financing activities (€ (190) million).

The balance of extraordinary results for 2014 is € (307) million, compared with € 102 million in 2013.

The net profit of Solvay SA amounted in 2014 to € 550 million, compared with € 359 million in 2013.

In the absence of transfers to untaxed reserves, carried forward net income of € 4,812 million is available for distribution.

Events after the reporting period and outlook

Events after the reporting period

On January 29, 2015, Solvay has agreed to sell its German-based refrigerant business and pharma propellants to Daikin in Japan, as its Special Chemicals Global Business Unit is gearing its activities towards selective high value-added segments in fluorine specialties and high purity chemicals. Global Business Unit (GBU) Special Chemicals will divest all of its businesses on its site in Frankfurt. Completion of the transaction is subject to customary closing conditions, including regulatory clearance in Germany and Austria.

Outlook

Solvay is confident to sustain recent momentum. The levers of the transformation continue to be deployed and Solvay is currently well-positioned to meet its 2016 ambitions.

Management of risks

Risk management (processes, risks identified and actions undertaken to reduce them) is described on pages 75 to 85 of this report.

Financial instruments

The management of financial risks and any use of financial instruments to hedge them are described on 79 and 80 and pages 184 to 193 (Note 37 *Financial instruments and financial risk management to the consolidated financial statements*) of this report.

Audit Committee

The mission, composition and modus operandi of the Audit Committee are described on pages 57, 58 and 72 (Point 14, Annex 1: *Audit Committee mission statement of the Corporate governance statement*) of this report.

Corporate Governance Statement

The Corporate governance statement is included on pages 47 to 74 of this report. It encompasses among others a description of the legal and shareholding structure of Solvay, its capital and dividend policy, the modus operandi of the Shareholders' Meetings, the composition and modus operandi of the Board of Directors and its Committees, the composition and modus operandi of the Executive Committee, the Compensation policy and the most recent compensation report, a description of the main characteristics of risk management and internal control systems, the measures taken by Solvay to comply with Belgian rules on insider trading and a description of the Group's Code of Conduct.

3 Additional financial information

Historical financial data

The following table presents the historical figures of the Group as published at the reference date. These data have not been affected by possible subsequent restatements due to perimeter changes, IFRS/IAS standards evolution, etc.

Over the reference periods, the following main changes have intervened:

- 2011: Rhodia consolidated as from September 17;
- 2012: Solvay Indupa activities presented as discontinued;
- 2013: Solvay Indupa and European chlorovinyls activities presented as discontinued and Chemlogics consolidated as from November 1;
- 2014: application of IFRS 11. Solvay Indupa, European Chlorovinyls and Eco Services activities presented as discontinued and Chemlogics fully consolidated.

In € million	IFRS				
	2010	2011	2012	2013	2014
Sales	7,109	8,109	12,831	10,367	10,628
Net sales		8,001	12,435	9,938	10,213
REBITDA	1,051	1,208	2,022	1,663	1,783
REBITDA as % of sales	15	15	16	17	17
Total depreciation and amortization	717	455	794	752	751
EBIT	305	560	1,275	647	652
Net income, Solvay share	1,777	247	584	270	80
Earnings per share (basic) (in €)	21.85	3.04	7.10	3.25	0.96
Research expenditure	181	156	261	247	247
Capital expenditures	538	4,797	826	1,809	1,399
Free Cash Flow		327	787	524	656
Financial data					
Equity ⁽¹⁾	6,839	6,653	6,596	7,453	6,778
Net debt	(2,902)	1,760	1,125	1,102	778
Net debt/equity (in %)	NA	26	17	15	11
Gross dividend per share (in €)	3.07	3.07	3.20	3.20	3.40
Gross distribution to Solvay shareholders	240	250	271	271	288
Personnel data					
Persons employed at December 31	16,785	29,121	29,103	29,389	29,207 ⁽²⁾
Personnel costs	1,339	1,422	2,302	2,143	1,990

(1) Equity in 2013 and 2014 includes hybrid bonds.

(2) Refer to details in page 102 of this report.

Earnings per share

Adjusted basic earnings per share amounted to € 1.87 in 2014 compared to € 4.54 in 2013.

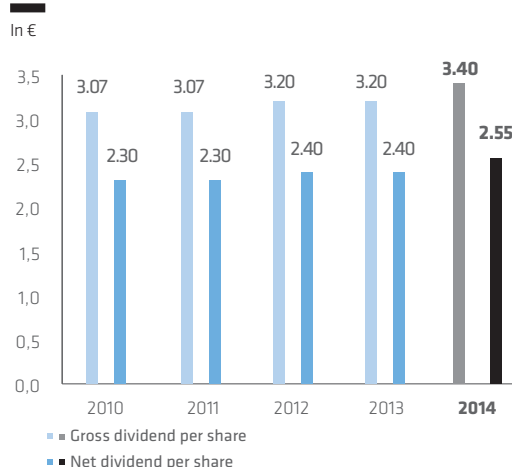
Dividend

On February 25, 2015, the Board of Directors decided to propose to the General Shareholders' Meeting of May 12, 2015 payment of a total gross dividend of € 3.40 per share (€ 2.55 net per share).

The dividend for the fiscal year 2014, up 6.3% compared to the dividend for the fiscal year 2013, is in line with the Group's dividend policy of maintaining a stable to increasing dividend whenever possible and, as far as possible, never reducing it. Dividend was then never decreased in the last 30 years and increased in some years.

Given the interim dividend of €1.33* gross per share (€1.00 net per share; coupon no. 95) paid on January 22, 2015, the balance of the dividend in respect of 2014, equal to € 2.06* gross per share (€ 1.55 net per share; coupon no. 96), will be paid on May 19, 2015. Solvay shares will be traded 'ex-dividend' on Euronext from May 15, 2015.

Gross and net dividend per share



IFRS historical consolidated data per share

In €	2010	2011	2012	2013 ⁽¹⁾	2014 ⁽¹⁾
Equity Solvay share	75.94	75.76	73.90	85.07	79.10
REBITDA	12.92	14.87	24.57	20.00	21.42
Net income	21.85	3.04	7.10	3.25	0.96
Net income (from continuing operations)	0.62	3.51	7.08	2.47	3.32
Diluted net income	21.80	3.03	7.06	3.22	0.96
Diluted net income (from continuing operations)	0.62	3.49	7.04	2.45	3.30
Number of outstanding shares (in thousands) at December 31	81,065	81,202	82,966	83,171	82,982
Weighted average number of shares (in thousands) for calculating IFRS basic earnings per share	81,320	81,224	82,305	83,151	83,228
Weighted average number of shares (in thousands) for calculating IFRS diluted earnings per share	81,499	81,546	82,696	83,843	83,890
Gross dividend	3.07	3.07	3.20	3.20	3.40
Net dividend	2.30	2.30	2.40	2.40	2.55
Highest price	81.9	111.6	109.8	118.9	129.15
Lowest price	67.8	61.5	62.1	97.4	100.15
Price at December 31	79.8	63.7	108.6	115.0	112.4
Price/earnings at December 31	3.6	21.0	15.30	35.4	116.59
Net dividend yield (in %)	2.9	2.9	2.0	2.1	2.3
Gross dividend yield (in %)	3.9	3.9	2.7	2.8	3.0
Annual volume (thousands of shares)	47,028	63,462	77,846	54,437	49,218
Annual volume (in € million)	3,481	5,522	6,796	5,960	5,630
Market capitalization at December 31 (in € billion)	6.8	5.4	9.2	9.8	9.5
Velocity (in %)	56	78	92	63	58
Velocity adjusted by Free Float (in %)	80	111	131	94	83

(1) Equity includes hybrid bonds.

* Repeating last decimal. Dividend payments rounded to the nearest euro cent.