



Embargo: November 4, 2004 at 8:30 AM Brussels Time

SOLVAY LAUNCHES ITS VINYL TECHNOLOGY IN CHINA WITH GROUND-BREAKING LICENSE AGREEMENT

Fast growing market calls for further engineering projects

Solvay SA announces today that it has signed a license agreement to supply its vinyl chloride monomer technology to Singpu Chemical Industries Co., Ltd. for the construction of a new production unit in Taixing (Jiangsu Province, People's Republic of China). The plant is scheduled to be operational in the first half of 2006, with an annual production capacity of 200 kilotons.

After an intense international competition, Solvay has won a contract to license out its proprietary technology and to provide engineering services, technical assistance as well as equipment to Singpu Chemical Industries. The financial terms of the agreement will not be disclosed.

The Chinese market for vinyl polymers has grown by an average of 15% over the past five years and is expected to reach a total volume of some 7 million tons of PVC in 2004 – which accounts for almost one quarter of the world market. This spectacular growth has been met, for the most part, by increased imports. As demand is set to continue rising, China is expected to curb its current deficit through a significant number of capacity expansion plans in its domestic vinyl production chain.

“The agreement with Singpu marks our commercial breakthrough on the Chinese market for vinyl technologies,” commented Luigi Belli, member of Solvay's Executive Committee and General Manager for Research and Technology. “We strongly believe that we are now in a position to grow our licensing business in China; the industry is developing at a spectacular rate and we are willing to supply expertise covering most of the vinyl production chain,” he said.

“We are pleased to announce this agreement, which will enable us to come on stream quickly and serve the Chinese market with vinyl products of international quality standards,” said Wang Xiao Hua, General Manager of Singpu Chemicals. “Solvay scored high in all of our selection criteria and we were impressed by their technical expertise and reactivity,” he added.

Singpu Chemical Industries Co., Ltd - a 100% subsidiary of Singapore-based Singpu Chemicals - is a major chemical producer in Jiangsu province, the People's Republic of China (PRC). Backed by a 10-year track record, Singpu Chemicals manufactures and sells chemical raw materials, including chlor-alkali products and related downstream products such as aniline. The company is the second largest producer of aniline in the PRC.

Solvay is an international chemical and pharmaceutical group with headquarters in Brussels. It employs more than 30,000 people in 50 countries. In 2003 its consolidated sales amounted to EUR 7.6 billion generated by its three activity sectors: Chemicals, Plastics and Pharmaceuticals. Solvay is listed on the Euronext 100 index of top European companies. Details are available at www.solvay.com.

For further information please contact :

Martial Tardy

Corporate Press Officer

SOLVAY S.A. Headquarters

Tel.: ++32 2 509 72 30

E-mail: martial.tardy@solvay.com

Ce communiqué de presse est également disponible en français –
Dit persbericht is ook in het Nederlands beschikbaar