PRESS RELEASE

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REGULATORY INFORMATION

Operating results for the Solvay Group in the 1st quarter of 2008 : -8% compared to the high level of the 1st quarter of 2007
An increase of 12% compared to the 4th quarter of 2007

Net income of the Group (EUR 220 million) up by 1%

- **Sales** (EUR 2,374 million) stable (+3% at constant exchange rates): significant impact of the strong euro
- **Operating results** (EUR 300 million):
  -8% compared to the high level of the 1st quarter of 2007 but +12% compared to the 4th quarter of 2007
  - **Pharmaceuticals** (+9%): growth of major drugs and miscellaneous income, sustained R&D efforts.
  - **Chemicals** (-11%): sustained demand but price increases do not fully compensate the increase of production costs.
  - **Plastics** (-25%): generally sustained demand but declining spreads in vinyls in Europe.

Group Sales (EUR 2,374 million) in the 1st quarter of 2008 were stable compared to the 1st quarter of 2007. Demand for our main industrial products remained generally good but the unfavorable exchange rate penalized the evolution of sales. At constant exchange rates, sales would have increased by 3%. Sales in the Pharmaceuticals and Chemicals Sectors increased respectively by 4% and 1%; Plastics Sector sales were down by 3%.

Group operating results (**REBIT**[1]; EUR 300 million) posted a drop of 8% compared to the high level of the 1st quarter of 2007 but were up by 12% compared to the 4th quarter of 2007. The **operating margin** (REBIT on sales) was 12.6% compared to 13.7% in the 1st quarter of 2007 and 11.3% in the 4th quarter of 2007.

The **net income of the Group** (EUR 220 million) improved (+1%) compared to the 1st quarter of 2007.

Cash flow[2] in the 1st quarter of 2008 amounted to EUR 332 million (-3%) and the **REBITDA**[3] was EUR 411 million (-7%). The **net debt to equity ratio** amounted to 33% at the end of March 2008, identical to that at the end of March 2007.

Sales in the **Pharmaceuticals Sector** (EUR 653 million) were up by 4% compared to the 1st quarter of 2007, despite the unfavorable impact of the USD – they would have increased by 10% at constant exchange rates. Sales of the major products, especially the drug Androgel® and the fenofibrates, as well as sales in emerging countries, improved. Operating results (EUR 136 million) were up by 9% compared to the 1st quarter of 2007. They included, on the one hand, higher R&D costs (increase of EUR 26 million; 17.9% of sales compared to 14.6% in the 1st quarter of 2007) and, on the other hand, miscellaneous income (EUR 41 million) resulting from the sale of a non-strategic product and collection of a milestone for Luvox®CR. In the 1st quarter of 2008, Solvay Pharmaceuticals began to commit expenses linked to the marketing of Simcor®[4], as from April 2008, in the framework of the co-promotion of this drug with Abbott in the United States.

Results from the **Chemicals Sector** in the 1st quarter of 2008 were characterized, on the one hand, by generally sustained demand, and on the other hand, by increases in production and distribution costs partially compensated for by price hikes. Sales (EUR 763 million) were steady (+1%) while operating results (EUR 83 million) were down by 11%. Results from the Minerals cluster improved. In Electrochemistry, caustic soda remained at a good level but the other chlorinated products were significantly down. The fluorinated commodities began to benefit from the effects of restructuring. The Oxygen cluster suffered, on the one hand, from a change in consolidation scope linked to sale of the caprolactone activities in 2007 and, on the other hand, from pressure on prices of hydrogen peroxide in Europe.

Sales (EUR 959 million) in the **Plastics Sector** in the 1st quarter of 2008 dropped by 3%, part of which was due to a change in consolidation scope linked to the sale of Solvay Engineered Polymers in February 2008. Demand remained generally sustained, both for the vinyls activities and in Specialties, but the weak American dollar penalized the evolution in sales. REBIT (EUR 90 million) was down by 25%, compared to the high level reached

1 Operating results, i.e. EBIT before non-recurring items
2 Net income plus total depreciation.
3 REBITDA : REBIT, before recurring depreciation.
4 Simcor®: combined fixed-dose lipid treatment (Niaspan®/simvastatine) developed by ABBOTT

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in the 1st quarter of 2007. Increased production costs in the vinyls activities in Europe could not be passed along in sales prices due to the American imports of PVC favored by a weak USD.

Outlook : "The measures taken to improve competitiveness as well as our diversified portfolio, in terms of activities and geographic presence, enable our Group to resist to a less favorable macro-economic environment. In 2008, the operating result of the Pharmaceuticals sector should exceed the record level of 2007; the industrial activities should not reiterate the performances of the preceding year. On the whole for the year 2008 and taking into account the current level of the USD, the Solvay group is unlikely to reach the record results of the year 2007."

Solvay Group – Summary Financial Information

Million EUR *(except for per-share figures in EUR)*	1st quarter 2007	1st quarter 2008	1st quarter 2008/ 1st quarter 2007
Sales	**2,372**	**2,374**	**0%**
REBIT	**325**	**300**	**-8%**
REBIT/Sales	*13.7%*	*12.6%*	
Non-recurring items	-8	+9	n.s.
EBIT[5]	**317**	**308**	**-3%**
Charges on net indebtedness	-19	-30	+55%
Income from investments	-	-	-
Earnings before taxes	**298**	**279**	**-6%**
Income taxes	-79	-59	-26%
Discontinued operations	-	-	-
Net income of the Group	**218**	**220**	**+1%**
Net income (Solvay share)	209	208	0%
Total depreciation	124	113	-9%
REBITDA	440	411	-7%
Cash flow	342	332	-3%
(per share, in EUR) **Earnings per share**[6]	**2.53**	2.49	-2%
Net debt to equity ratio	33%	33%	-

Notes on Solvay Group summary financial information

Non-recurring items amounted to EUR 9 million in the 1st quarter of 2008 compared to EUR -8 million in the 1st quarter of 2007. They mainy included, on the one hand, the capital gains before taxes (EUR 29 million) on the sale of Solvay Engineered Polymers in the United States, and on the other hand, restructuring charges in the Pharmaceuticals Sector for the "INSPIRE" project (EUR 13 million).

Charges on net indebtedness amounted to EUR 30 million. They were up due to a one-time financial charge resulting from contractually due interest on the milestone paid to the former Fournier shareholders. Aside from this one-time charge, the charges on net indebtedness were at the same level as the 1st quarter of 2007 and the financial debt at the end of March 2008 was covered up to 93%, at an average fixed rate of 5.4% and for a duration of 7.5 years.

Income taxes amounted to EUR 59 million in the 1st quarter of 2008, reflecting the evolution of results and a tax credit in Italy (EUR 8 million). Consequently the tax rate amounted to 21%.

Net income of the Group (EUR 220 million) improved by 1% compared to the 1st quarter of 2007. Minority interests amounted to EUR 12 million compared to EUR 9 million in the 1st quarter of 2007, taking into account the favorable evolution of activities in which third parties were present. **Net earnings per share** amounted to 2.49 EUR in the 1st quarter of 2008 (compared to 2.53 EUR in the 1st quarter of 2007).

Cash flow amounted to EUR 332 million (-3%) and **REBITDA** to EUR 411 million (-7%). **Depreciation** (EUR 113 million) was down by EUR 9 million compared to the 1st quarter of 2007, which included higher non-recurring depreciation.

Total equity amounted to EUR 4,490 million at the end of March 2008, down by EUR 182 million compared to the end of March 2007, linked to the exchange rate variations. **Net indebtedness** of the Group at the end of March 2008 (EUR 1,476 million) was down by EUR 86 million compared to the end of March 2007 (EUR 1,561

5 EBIT: results before financial charges and taxes.
6 Calculated on the basis of the weighted average of the number of shares in the period, after deduction of own shares purchased to cover the stock option programs, or a total of 82,787,815 shares in at the end of the 1st quarter of 2007 and 83,769,374 shares at the end of the 1st quarter of 2008.

million). The **net debt to equity ratio** was 33% at the end of March 2008, identical to that at the end of March 2007. This situation reflects the Group policy of having a sound financial situation, in line with the objective of not consistently exceeding a net debt to equity ratio of 45%.

On February 14, 2008, the Board of Directors decided to propose to the General Shareholders' Assembly payment of a **net dividend** of 2.20 EUR per share (2.9333 EUR gross per share), or an increase of 4.8% compared to 2006. Based on the closing price at the end of April 2008 (94.4 EUR), this represents a gross dividend yield of 3.1% and a net dividend yield of 2.3%. This improvement in dividend is in line with the Group's dividend policy of increasing it anytime possible and, if possible, not decreasing it. Thus, for 26 years, the dividend has gradually increased and never been reduced. It is to be noted that taking into account the prepayment of 0.85 EUR net per share (coupon no. 81), which was paid on January 17, 2008, the remaining balance of the dividend for 2007, or 1.35 EUR net per share (coupon no. 82) will be paid on May 20, 2008.

RESULTS BY SECTOR[7]

Million EUR	1st quarter 2007	1st quarter 2008	1st quarter 2008/ 1st quarter 2007
GROUP SALES[8]	**2,372**	**2,374**	**0%**
Pharmaceuticals	625	653	+4%
Chemicals	755	763	+1%
Plastics	992	959	-3%
Corporate and Business Support	-	-	-
GROUP REBIT	**325**	**300**	**-8%**
Pharmaceuticals	124	136	+9%
Chemicals	93	83	-11%
Plastics	120	90	-25%
Corporate and Business Support	-12	-9	-22%
GROUP REBITDA	**440**	**411**	**-7%**
Pharmaceuticals	150	160	+7%
Chemicals	132	122	-8%
Plastics	167	136	-19%
Corporate and Business Support	-9	-7	-24%

7 Results by sector include results from the three sectors of the Group, as well as Corporate and Business Support.
8 These are sales after elimination of inter-company sales.

IFRS FINANCIAL STATEMENTS (NON AUDITED)

CONSOLIDATED INCOME STATEMENT

Million EUR (except for per-share figures in EUR)	1st quarter 2007	1st quarter 2008
Net Sales	**2,372**	**2,374**
Cost of goods sold	-1,542	-1,576
Gross margin	**830**	**799**
Commercial and administrative costs	-366	-379
Research and development costs	-125	-152
Other operating gains and losses	-4	26
Other financial gains and losses	-9	7
REBIT	**325**	**300**
Non-recurring items	-8	9
EBIT	**317**	**308**
Cost of borrowings	-25	-35
Interest on lending and short-term deposits	6	6
Other operating gains and losses on net indebtedness	1	0
Income from investments	0	0
Earnings before taxes	**298**	**279**
Income taxes	-79	-59
Discontinued operations	0	0
Net income of the Group	**218**	**220**
Minority interests	-9	-12
Net income (Solvay share)	**209**	**208**
Earnings per share (in EUR)	2.53	2.49
Diluted earnings per share(*) *(in EUR)*	2.51	2.48

(*) calculated on the number of shares diluted by awarded stock options

CONSOLIDATED CASH FLOW STATEMENT

Million EUR	1st quarter 2007	1st quarter 2008
EBIT	317	308
Depreciation, amortization and impairments	124	113
Changes in working capital	-393	-243
Changes in provisions	-49	-46
Income taxes paid	-14	-37
Others	0	-26
Cash flow from operating activities	**-15**	**69**
Acquisition/sale of investments	-8	90
Acquisition/sale of assets	-102	-181
Income from investments	0	0
Changes in financial receivables	-32	1
Effect of changes in method of consolidation	1	2
Cash from investing activities	**-140**	**-88**
Variation of capital (increase/decrease)	0	0
Acquisition/sale of own shares	-36	-4
Changes in borrowings	331	12
Cost of borrowings	-19	-30
Dividends	-88	-91
Cash flow from financing activities	**187**	**-111**
Net change in cash and cash equivalents	**33**	**-130**
Currency translation differences	1	-22
Opening cash balance	433	575
Ending cash balance	**468**	**423**

CONSOLIDATED BALANCE SHEET

Million EUR	As of December 31, 2007	As of March 31, 2008
Non-current assets	**6,999**	**6,862**
Intangible assets	662	711
Consolidation differences	1,210	1,192
Tangible assets	3,885	3,772
Other investments	466	429
Deferred tax assets	524	519
Financial receivables and other non-current assets	252	239
Current assets	**4,180**	**4,035**
Inventories	1,255	1,239
Trade receivables	1,711	1,834
Income tax receivables	73	58
Other receivables	566	480
Cash and cash equivalents	575	423
Assets held for sale	0	0
TOTAL ASSETS	**11,180**	**10,898**
Total equity	**4,459**	**4,490**
Share capital	1,271	1,271
Reserves	3,032	3,061
Minority interests	156	159
Non-current liabilities	**3,963**	**3,887**
Long-term provisions	2,085	2,011
Deferred tax liabilities	245	248
Long-term financial debt	1,565	1,579
Other non-current liabilities	68	49
Current liabilities	**2,758**	**2,521**
Short-term provisions	229	174
Short-term financial debt	317	320
Trade liabilities	1,246	1,120
Income tax payable	86	83
Other current liabilities	880	824
Liabilities associated with assets held for sale	0	0
TOTAL LIABILITIES	**11,180**	**10,898**

STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity holders of the parent								
Million EUR	Share capital	Issue premiums	Retained earnings	Treas-ury shares	Currency translation differences	Fair value differ-ences	Total	Minority interests	Total equity
Balance at the end of the period (12/31/2007)	**1,271**	**18**	**3,834**	**-233**	**-539**	**-48**	**4,303**	**156**	**4,459**
Net profit for the period			208				208	12	220
Income and expenses directly allocated to equity					-139	-37	-177	-9	-186
Cost of stock options			2				2		2
Dividends							0		0
Acquisition/sale of own shares				-4			-4		-4
Issue of share capital							0		0
Other			-2				-2		-2
Balance at the end of the period (03/31/2008)	**1,271**	**18**	**4,043**	**-236**	**-678**	**-86**	**4,331**	**159**	**4.,90**

RESULTS BY SECTOR[7]

Million EUR	1st quarter 2007	1st quarter 2008	1st quarter 2008/ 1st quarter 2007
GROUP SALES[9]	**2,518**	**2,540**	**+1%**
Pharmaceuticals	625	653	+4%
Chemicals	818	824	+1%
Plastics	1,075	1,063	-1%
Corporate and Business Support	-	-	-
GROUP EBIT	**317**	**308**	**-3%**
Pharmaceuticals	121	123	+1%
Chemicals	90	40[10]	-55%
Plastics	117	116	0%
Corporate and Business Support	-12	29[10]	n.s.

9 These are sales before elimination of inter-company sales.
10 Primarily due to reallocation between Corporate and Business Support and the Chemicals sector of non-recurring provisions constituted in 2005 to cover transactions concluded in the United States and Canada putting an end to certain collective and individual actions in the area of peroxides which followed the fine paid in the United States in 2006.

PHARMACEUTICALS SECTOR

Strategic developments

- ***Strategic transformation of the Pharmaceuticals Sector ongoing***
  Evaluation of registration dossier for TriLipix™[11] (new product in the fenofibrate franchise) by the FDA
  Commercialization of Simcor® started in April 2008 and co-promotion with Abbott in the United States

Known under the name "INSPIRE", the transformation project for Solvay Pharmaceuticals has a 2010 target of a simultaneous increase in sales and improvement of profitability (REBIT/sales ratio of 20%), in particular through continuous improvement in efficiency that should generate annual cost savings of EUR 300 million in 2010.
It places priority on a gradual increase in R&D resources, primarily allocated to two priority therapeutic areas (cardiometabolic and neuroscience), as well as the well-targeted niches of flu vaccines and pancreatic enzymes. In gastroenterology and in men's and women's health, activities focus on the promotion of existing products.
Numerous changes were undertaken in sales and marketing, management, production, and supply teams as well as in Research and Development. This also translated into the sale of several production sites (in the United States, the Netherlands, Japan and France) as well as non-strategic products. Savings of about EUR 160 million per year have already been realized in 2007 and were partially reinvested in activities designed to promote future growth and profitability. They also mitigated the effects of forced price reductions and the emergence of generic products.

Solvay Pharmaceuticals also reinforces the geographic deployment of major products (fenofibrates, Androgel®, Creon®, Duodopa®) by establishing solid commercial platforms in new markets.

At the end of April 2008, Solvay Pharmaceuticals S.A. announced the launch of a friendly bid to acquire Innogenetics for a total enterprise value of EUR 206 million (100% of the outstanding shares and indebtedness – value on December 31, 2007). The transaction is expected to close in the second quarter of 2008. Building on a successful R&D co-operation, Solvay intends to continue the development of the diagnostics business and both companies' R&D competencies will be leveraged to accelerate the development of Solvay's therapeutic pipeline through the implementation of biomarker, diagnostics and eventually companion diagnostics technologies.

Important steps were taken to develop the portfolio:

➢ In the **cardiometabolic** area, Solvay Pharmaceuticals continues its reinforcement in the area of treatment of dyslipidemia.

Marketing authorization granted by the FDA to Simcor®[12], a fixed-dose lipid treatment developed by ABBOTT, generated a milestone payment of USD 100 million by Solvay to Abbott in the framework of their co-promotion agreement in the United States.

For the fenofibrate franchise, FDA review of the registration dossier for TriLipix™, a new-generation fenofibrate co-developed with Abbott, is continuing. Results from the two Phase-III studies, presented to the Congress of the American College of Cardiology (ACC)[13] in March 2008, demonstrated that for patients suffering from multiple lipid problems, the combined treatment based on TriLipix™ and statins improves the three essential lipid parameters with safety comparable to mono-therapies (Trilipix™ or statins).
Additionally, AstraZeneca and Abbott announced the joint development and marketing in the United States of a fixed-dose product (Crestor® (rosuvastatin from AstraZeneca)/TriLipix™), for which a New Drug Application is expected to be filed in 2009.
Solvay is also continuing development of several combinations of fenofibrate with other molecules.

As already announced, Fournier Laboratories Ireland Ltd (LFI) and Laboratoires Fournier S.A. (LFSA), wholly owned by Solvay Pharmaceuticals, initiated legal proceedings for patent infringement[14] against Teva Pharmaceuticals in the United States. Teva had requested marketing authorization for a generic version of TriCor® (fenofibrate) 145 mg NFE.

11 Developed with Abbott, also under the name SVL348 / ABT335
12 Simcor®: Niaspan®/simvastatine, for which the results of phase-III studies were presented by Abbott to the American Heart Association Congress in November 2007.
13 57th scientific conference of the American College of Cardiology (ACC) at Chicago on March 29-31, 2008
14 In January 2008, Fournier was informed by Teva Pharmaceuticals that it had filed an abridged new drug application with the FDA in order to register a generic version of TriCor® (fenofibrate) 145 mg NFE in the United States.

In addition, litigation underway against Abbott and the Laboratoires Fournier is continuing and involves application of competition laws linked to changes in formulation (200 mg and 160 mg) of fenofibrate in the USA; a certain number of American states have joined the litigation. In the framework of the acquisition of Fournier in 2005, these risks were the subject of certain contractual guarantees.

Two other molecules are in phase II development: SLV319 (obesity, in co-development with BMS) and SLV320 (acute heart failure). It is to be noted that the application for Pulzium® (treatment of arrhythmia) is continuing in Europe while in the United States, a re-evaluation is underway following a non-approvable action letter from the FDA received in early 2008.

- In **neuroscience**, phase-III studies of pardoprunox (SLV308) are continuing as planned.

  Concerning Duodopa®, the 1st phase-III study began in the United States.

  As announced, Solvay Pharmaceuticals is analyzing its options in the United States for bifeprunox, an innovative anti-psychotic drug studied for the treatment of schizophrenia, following Wyeth's decision to end this collaboration. It is to be recalled that in August 2007 the FDA had considered that the product could not be approved at that stage.
  The development program with Lundbeck in Europe is continuing.

- In the area of **pancreatic enzymes** (Creon®), the formal approval procedure for this drug in the United States is under way following the approvable letter received from the FDA in August 2007. Phase-III studies are under way in Japan in collaboration with our partner, Eisai.

- In the area of **flu vaccines**, the validation process for the new production unit for cell-based flu vaccines is ongoing. It began to produce vaccines designed for clinical trials for the flu season; commercialization is scheduled in 2009. The 1st clinical study in the United States was completed in the framework of the program set up with the American Health and Human Services department[15] and includes a subsidy [16].

Key figures

Sales of the principal products by therapeutic class

Million EUR	2007	1st quarter 2007	1st quarter 2008	1st quarter 2008/ 1st quarter 2007	1st quarter 2008/ 1st quarter 2007 *(at constant exchange rates)*
PHARMACEUTICALS SECTOR	**2,591**	**625**	**653**	**+4%**	**+10%**
CARDIOMETABOLIC	**728**	**180**	**204**	**+13%**	**+20%**
Fenofibrate	433	102	122	+20%	+30%
Teveten®	106	26	34	+31%	+31%
Physiotens®	49	14	12	-14%	-14%
NEUROSCIENCE	**439**	**113**	**108**	**-4%**	**-2%**
Serc®	150	38	37	-3%	-3%
Marinol®	105	30	24	-20%	-10%
Luvox®	83	21	20	-5%	-5%
FLU VACCINES	**159**	**13**	**14**	**+8%**	**+8%**
Influvac®	127	6	7	+17%	+17%
PANCREATIC ENZYMES (Creon®)	**198**	**50**	**53**	**+6%**	**+10%**
GASTRO-ENTEROLOGY	**233**	**59**	**63**	**+7%**	**+10%**
Duphalac®	99	24	26	+8%	+13%
Duspatal®	63	15	17	+13%	+20%
Dicetel®	36	10	10	0%	0%
MEN'S and WOMEN'S HEALTH	**627**	**153**	**153**	**0%**	**+10%**
Androgel®	308	74	78	+5%	+20%
Duphaston®	90	21	23	+10%	+10%
Prometrium®	80	20	20	0%	+10%

Comments

- Pharmaceuticals Sector **sales** in the 1st quarter of 2008 amounted to EUR 653 million, up by 4% from the 1st quarter of 2007, despite the unfavorable impact of exchange rate variations (negative impact of EUR 36 million). Sales would have increased by +10% at constant exchange rates. The competition from generics, in particular in France, had a negative impact as well (negative impact of EUR 9 million).

  Sales in the United States improved by 20% in USD, reflecting the favorable evolution of prescriptions for the major products. In EUR, sales improved by 5%. Sales in emerging markets (Russia, India, Turkey, etc.) developed favorably compared to the 1st quarter of 2007.

  Sales in cardiometabolics improved by 13% in EUR. Revenues from fenofibrates (TriCor®, Lipanthyl®) amounted to EUR 122 million and were up by 20% (+30% at constant exchange rates).
  In the United States, sales of TriCor® 145mg NFE (USD 245 million) by Abbott improved by 10%. Outside the United States, sales of fenofibrate are up in countries where it was recently launched (Australia, Turkey, etc.) and down in some countries such as France and Canada.

15 HHS
16 Subsidy for development of a cell-based flu vaccine and the design of a production unit in the United States by 2011.

In neuroscience, sales of Marinol® in its primary market, the United States, dropped by 20% in EUR (-10% in USD), reflecting the evolution of prescriptions for this medication.

Sales of flu vaccines improved (Influvac® +17%) compared to the 1st quarter of 2007.

Pancreatic enzymes (Creon®) and gastroenterology improved respectively by 6% and 7%. In Men's and Women's health, sales of Androgel® on the American market improved significantly (+21% in USD; +6% in EUR).

Growth of the principal products and certain markets (United States and emerging countries among others) mitigated the effects from the significant pressure on prices in Europe and the increased competition from generic drugs.

- **Research & Development** expenditure amounted to EUR 117 million (17.9% of sales) compared to EUR 91 million (14.6% of sales). They are up by EUR 26 million, of which EUR 11 million are one-time charges in the context of partnerships for bifeprunox.

- **Operating results** (EUR 136 million) are up by 9% compared to the 1st quarter of 2007. These results include on the one hand, significant R&D expenses and, on the other hand, the capital gains (EUR 27 million) on the sale of a non-strategic product, Flammazine®, as well as a milestone payment (EUR 14 million) from Jazz Pharmaceuticals for approval of Luvox®CR by the FDA. In the 1st quarter of 2007, results also included EUR 19 million in miscellaneous income.
  In the 1st quarter of 2008, Solvay Pharmaceuticals began to commit expenses linked the marketing of Simcor®, as from April 2008, in the framework of the co-promotion of this drug with Abbott in the United States.

CHEMICALS SECTOR

Strategic Developments

- ***Creation of new opportunities to sustain growth by intensification of geographic expansion, development of specialties, continued technological innovation and targeted restructuring.***

The strategy of the Chemicals sector is characterized:

- By technological innovation and geographic expansion.

  In hydrogen peroxide, construction of mega-plants: underway in Belgium (230,000 tons/year operational in 2008) and approved in Thailand (330,000 tons/year), to provide hydrogen peroxide for propylene oxide production units in partnership with BASF and DOW. Also in Thailand, the decision was made to build a production unit for epichlorhydrin based on natural glycerin (Epicerol® process). In Bulgaria, expansion is under way of the soda ash production unit (+300,000 tons/year to 1.5 million tons) and modernization of the steam production site.
  As a result of the final auction which took place on March 27, 2008, Solvay has emerged as the preferred candidate for the acquisition of 80% of Alexandria Sodium Carbonate Co. (ASCC), the Alexandria-based Egyptian state-owned soda ash manufacturer which is being privatized. The relevant Egyptian authorities are in the process of formally recognising Solvay's selection. This formal recognition together with the signature of all relevant agreements could happen within the next few months.

- By growth in specialties.
  In sodium bicarbonate, for example, aside from the growing development of new applications, capacity expansion started up in 2007 in Spain and Portugal and construction of a new unit in Italy by 2009 was approved. In the US, it was decided to invest in a new product, SOLVAir ® Select 300, a sodium bicarbonate based product specifically designed for use in air pollution control applications.

- By portfolio management and targeted restructuring.
  Also of note in 2007 were the sale of the caprolactones activities which generated a capital gain of EUR 151 million, significant restructuring in fluorinated products at the five European sites in Germany, Italy and Spain and the refocus of organic chemistry activities of the Molecular Solutions SBU, in particular on development of organic products for electronics. Restructuring measures were also approved in 2007 by Girindus in order to concentrate and continue its development in oligonucleotides from its American site (Cincinnati).

The Chemicals Sector is also particularly attentive to the energy situation and is multiplying initiatives to mitigate the effects (technological leadership, high-performance industrial infrastructures, cogeneration units, coverage through medium- and long-term supply contracts, participation in the Exeltium consortium, etc.).
Recently, Solvay announced the construction by 2010 of a « Refuse Derived Fuel power plant » at its site in Bernburg (soda ash) in Germany, in partnership with Tönsmeier, « the German waste disposal and recycling group. In addition, as permitted by the specific market conditions for each SBU, price increases were negotiated to compensate for rising energy costs.

Key figures

(Million EUR)	Sales				REBIT change
	2007	1st quarter 2007	1st quarter 2008	1st quarter 08/ 1st quarter 07 (%)	1st quarter 08/ 1st quarter 07
CHEMICALS	**3,031[17]**	**755[17]**	**763[17]**	**+1%**	**-11%**
Minerals[18] cluster	1,336	332	350	+5%	↗
Electrochemistry and fluor chemicals cluster	1,103	272	271	0%	↘
Oxygen[19] cluster	528	130	114	-12%	↘

2008 results from the Chemicals Sector and the Oxygen cluster no longer include results from the caprolactones activity, which in 2007 represented sales of EUR 79 million and a REBIT de EUR 23 million.

Comments

- ***Steady demand in the Chemicals Sector, in a context of rising production costs, partially compensated for by price hikes.***

Results from the **Chemicals Sector** in the 1st quarter of 2008 were characterized, on the one hand, by generally sustained demand, and on the other hand, by increases in production and distribution costs partially compensated for by price hikes. Sales (EUR 763 million) were steady (+1%) while operating results (EUR 83 million) were down by 11%. Results from the Minerals cluster improved. In Electrochemistry, caustic soda remained at a good level but the other chlorinated products were significantly down. The fluorinated commodities began to benefit from the effects of restructuring. The Oxygen cluster suffered, on the one hand, from a change in consolidation scope linked to sale of the caprolactone activities in 2008 and, on the other hand, from pressure on prices of hydrogen peroxide in Europe.

Minerals Cluster

- Demand for **soda ash** remained favorable in Europe and export markets, compensating for the weak domestic market in the United States. Price hikes came in a context of rising energy costs. The growth in specialties associated with soda ash, especially bicarbonate, continued thanks to the development of a portfolio of applications and geographic expansion.

Electrochemistry and fluor chemicals cluster

- In **Electrochemistry**, demand for caustic soda remained good, in particular in the paper, aluminum and chemistry sectors. Prices were maintained at high levels and a price increase is expected in the 2nd quarter, considering the increase in energy costs. Other Electrochemistry derivatives felt increased competition pressures, the effect of unfavorable exchange rates and increased production costs that weighed on their margins and the results in Electrochemistry.
- Results from **fluorinated products** benefited from the first effects of the announced restructuring. The commodities market continued to undergo significant pressure from competition reinforced by the strength of the Euro and energy costs. Fluorinated specialties trended favorably overall.

Oxygen Cluster

- Demand for **hydrogen peroxide** remained positive and prices are at high levels in all regions of the world, except for Europe, which is undergoing pressures from significant restructuring in the paper industry. Increased energy costs weighed on results.

Solvay concluded transactions in the United States and Canada in order to put an end to certain collective and individual legal actions in the area of peroxides and which followed the fine paid in the United States in 2006. The amounts were, for the most part, covered by provisions made in 2005.

17 Including SBU Molecular Solutions
18 Including soda ash and associated specialties as well as Advanced Functional Minerals.
19 Including in 2007 the Hydrogen Peroxide, Detergents and Caprolactones SBU's (the latter sold in 2008).

PLASTICS SECTOR

Strategic Developments

- **Capitalizing on our strengths, enriching the portfolio of activities: geographic development in Russia, Asia and South America.**

  The strategy of the Plastics Sector is characterized:

  - By the development of Specialties: Specialty Polymers and Inergy Automotive Systems, a 50/50 joint venture with Plastic Omnium in fuel systems.

    The Group is considerably reinforcing its competitive position in Specialty Polymers in order to meet the growing demand from markets such as electronics, aerospace, medical applications, automotive, etc. It is emphasizing expansion of the portfolio of products, including through acquisitions, as well as geographic expansion, in particular in Asia.
    Internal growth projects include numerous capacity expansions (polysulfones in the United States, polytetrafluoroethylene (PTFE) in China, polyvinylidene fluoride (PVDF) and polyvinylidene chloride (PVDC) in France). In addition, an industrial-scale production unit of PEEK at Panoli (India) is starting up, reinforcing the development of new applications for ultra high-performance polymers used in resins for medical implants.

    Finally, the sale of the subsidiary Solvay Engineered Polymers (polypropylene compounds) to Basell was completed in 2008 and generated a capital gain of EUR 29 million.

    For Inergy Automotive Systems, developments in high-growth areas are under way (Russia, China, India, ...) and new platforms using innovative technologies were acquired. Also, in order to increase its competitiveness, a plant was shut down in Japan at the end of 2007 and a second one is being shut down in Canada.

  - By a solid presence on three continents (Europe, Mercosur and Southeast Asia), targeted growth and continuous reinforcement of competitiveness of activities in the Vinyls cluster.

    SolVin (joint venture 75% Solvay/25% BASF) took a significant step in its geographic development by concluding in 2007 a 50/50 JV agreement with Sibur, subsidiary of Gazprom, for the construction in Russia, by 2010, of the 1st fully integrated plant with a nominal capacity of 330,000 tons of PVC, in the framework of a world-scale unit of 510,000 tons. Additionally, SolVin is continuing to reinforce its competitiveness in Europe through the modernization at Tavaux completed at the end of 2007 and by the decision to expand capacity at Jemeppe (Belgium) from 400,000 tons/year to 475,000 tons/year by 2009.

    The Thai subsidiary, Vinythai, is continuing its integration in order to eventually have a world-scale plant (400,000 tons/year) in the region, through, among other things, an 80,000 tons/year of PVC expansion scheduled to start up in the summer of 2008.

    In South America, modernization and capacity expansions for chlorine, caustic soda, VCM and PVC are continuing in Brazil, with a 1st phase set for mid-2008. The 2nd phase, with start-up planned for mid-2010, will give an integrated capacity of 360,000 tons/year of PVC and is characterized by production of ethylene using bio-ethanol. Solvay Indupa likewise is studying the feasibility of a reliable electricity co-generation project in Argentina. Also, Solvay Indupa decided to proceed with an increase in capital of USD 135 million, through issuing Brazilian Depository Receipts (BDR) on the Brazilian financial market, in order to supplement financing of its growth projects.

    Southeast Asia, Mercosur and henceforth Russia constitute, alongside Europe, significant areas of growth for the vinyls activities.

    Pipelife (50/50 joint venture with Wienerberger in pipes and fittings), with a strong presence in Central Europe, reinforced its position with the acquisition of Quality Plastics in Ireland in April 2007 and startup of a plant in Russia at the end of 2007. Other projects are being studied.

Key figures

(Million EUR)	Key figures				REBIT change
	2007	1st quarter 2007	1st quarter 2008	1st quarter 08/ 1st quarter 07 (%)	1st quarter 08/ 1st quarter 07
PLASTICS	**3,950**	**992**	**959**	**-3%**	**-25%**
Specialties[20]	1,737	446	410	-8%	↘
Vinyls cluster[21]	2,213	546	549	0%	↘

2007 results from the Plastics Sector and Specialties includes results from Solvay Engineered Polymers, sold in February 2008, which in 2007 represented sales of EUR 168 million and a REBIT de EUR 5 million.

Comments

- ***Compared to the high level in the 1st quarter of 2007, sales in the Plastics Sector held up well (-3%) but results were down sharply (-25%)***

Sales (EUR 959 million) in the **Plastics Sector** in the 1st quarter of 2008 dropped by 3%, part of which was due to a change in consolidation scope linked to the sale of Solvay Engineered Polymers in February 2008. Demand remained generally sustained, both for the vinyls activities and in Specialties, but the weak American dollar penalized the evolution in sales. REBIT (EUR 90 million) was down by 25%, compared to the high level reached in the 1st quarter of 2007.

Specialties

- In **Specialty Polymers**, the evolution in sales was penalized by the unfavorable evolution in currencies, especially the USD, and by the change in perimeter linked to the sale of Solvay Engineered Polymers in February 2008. Volumes were up. Demand remained strong in some markets such as aerospace, oil drilling and medical applications. However, the semi-conductor and automobile industries, in particular in the United States, slowed down. In this context, price hikes for some polymers were not sufficient, at this stage, to compensate for the increase in production costs, for which measures are currently being taken. R&D efforts were steady (5% of sales).

- Total volumes (3.2 million fuel systems) from **Inergy Automotive Systems** were down (-5%) compared to the 1st quarter of 2007, reflecting the above-noted slowdown in NAFTA customers. However, sales in Eastern Europe, Mercosur and Asia improved significantly. Results from the 1st quarter of 2008 are down taking into account the slowdown in the NAFTA region and pressures on costs. The downward turn was, however, mitigated by efforts to improve competitiveness and industrial redeployment.

Vinyls

- In the 1st quarter of 2008, **Vinyls** experienced a good level of demand in Mercosur and in Asia. European results were significantly down compared to the very good levels reached in the 1st quarter of 2007, taking into account rising costs and increasing American competition favored by the weakness of the USD. Margins were under pressure. In Mercosur, demand continued its strong growth and margins remained at a good level. In Asia, Chinese competition underwent cost increases that reduced its competitiveness in exports, which permitted an improvement in our results. Prospects there remain favorable overall.

- Results from **Pipelife** (pipes and fittings) in the 1st quarter of 2008 displayed good resilience, due to an increase in volumes everywhere in Europe, including Central Europe and Scandinavia. Development of a range of products, geographic expansion and measures taken to reinforce its competitiveness also contributed to this performance.

* * * * *

20 Including the Specialty Polymers SBU's and Inergy Automotive Systems (fuel systems)
21 Including Vinyls SBU's and Pipelife (pipes and fittings)

COMMENTS

1. Consolidated Financial Statements.

The consolidated financial statements were prepared in compliance with IFRS standards as currently adopted in the European Union. These standards did not have any impact on the consolidated financial statements, either for the current period or the comparison period. The main variations in consolidation scope between the 1st quarter of 2007 and 2008 were due to:

- in 2007: sale of the Caprolactones activity on December 31, acquisition of Quality Plastics in Ireland (Pipelife Group) in April, an increase throughout the year in Peroxythai (from 83.8% to 100%) and in Solvay Sisecam (from 71.3% to 75%), as well as partial liquidation of Financière Keyenveld;
- in 2008: sale of Synkem (Fournier Group) in January and the sale of Solvay Engineered Polymers Inc. in February 2008.

2. Content.

This press release contains regulatory information and is established in compliance with the IAS 34 standard. A risk analysis is shown in the annual report, which is available on the Internet (www.solvay-investors.com).

3. Primary exchange rates

		Close			Average		
1 Euro =		2007	3 months 2007	3 months 2008	2007	3 months 2007	3 months 2008
Pound Sterling	GBP	0.73	0.6798	0.7958	0.68	0.6706	0.7570
American Dollar	USD	1.47	1.3318	1.5812	1.37	1.3106	1.4977
Argentine peso	ARS	4.63	4.1297	4.9978	4.27	4.0574	4.7198
Brazilian real	BRL	2.62	2.7208	2.7554	2.66	2.7631	2.6006
Thai Baht	THB	43.8	43.06	49.78	44.43	45.39	46.47
Japanese yen	JPY	164.93	157.32	157.37	161.25	156.43	157.80

4. Solvay Shares.

	2007	1st quarter of 2007	1st quarter of 2008
Number of shares issued at the end of the period	84,701,133	84,701,133	84,701,133
Average number of shares for IFRS calculation of earnings per share	82,585,998	82,787,815	83,769,374
Average number of shares for IFRS calculation of diluted income per share	83,054,100	83,363,614	83,921,183

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Key dates for financial communications

- Tuesday, May 20, 2008: payment of balance of dividend for 2007 (coupon No. 82)
- Thursday, July 31, 2008: six-month results 2008 (at 7:30 a.m.)
- Thursday, October 30, 2008: nine-month results 2008 and announcement of prepayment of dividend for 2008 (payable in January 2009, coupon No.83) (at 7:30 a.m.)
- Mid-February 2009: annual results 2008 (at 7:30 a.m.)

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