PRESS RELEASE

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REGULATED INFORMATION

Operating results for the Solvay Group for the 1st half of 2008: -11% compared to the high level of the 1st half of 2007

Sustained level of activities – increased energy and raw materials costs

- ✓ **Sales** (EUR 4,731 million) down by 2% (+4% at constant scope[1] and exchange rates)
- ✓ **Operating results** (EUR 548 million): -11% compared to the high level of the 1st half of 2007
  - ➢ **Pharmaceuticals (+20%):**
    - – Growth in the main products together with miscellaneous income largely compensated for the unfavorable exchange rates and sustained investments in R&D and for the co-promotion of Simcor®[2].
  - ➢ **Chemicals (-28%) and Plastics (-24%)** :
    - – Generally good demand; increase of Specialty Polymers volumes in the 2nd quarter;
    - – Significant deterioration in margins in the 1st half for the main chemical products and the European vinyls activities, taking into account the continued increase in energy, coal, coke and ethylene prices;
    - – New selling prices increases under way
- ✓ **Net income of Group** (EUR 351 million, -15%)

Group sales (EUR 4,731 million) in the 1st half of 2008 were down by 2% compared to the 1st half of 2007. Demand for our main products remained good overall but the unfavorable exchange rate weighed on the evolution in sales. At constant scope[1] and exchange rates, sales would have increased by 4%. In the 2nd quarter, Group sales were down by 3% and amounted to EUR 2,357 million (stable at constant scope[1] and exchange rates).

Group operating results (**REBIT**[3]; EUR 548 million) posted a drop of 11% compared to the high level of the 1st half of 2007. Operating results amounted to EUR 249 million in the 2nd quarter (-15% compared to the 2nd quarter of 2007) in view of the pronounced deterioration in margins in the Chemicals Sector and the European vinyls activities. The **operating margin** (REBIT on sales) was 11.6% compared to 12.8% in the 1st half of 2007.

The **net income of the Group** (EUR 351 million) dropped by 15% compared to the 1st half of 2007, taking into account the drop in operating results and a temporary increase in charges on net indebtedness in the 1st quarter of 2008.

Cash flow[4] for the 1st half of 2008 amounted to EUR 597 million (-10%) and **REBITDA**[5] was EUR 773 million (-9%). The Group is implementing its strategy of sustainable and profitable growth and its dividend policy thanks to its sound financial situation. However, the ambitious geographic expansion program and the development of activities have not yet contributed to the Group's results.
The **net debt to equity ratio** reached 36% at the end of June 2008, compared to 35% at the end of June 2007.

Sales in the **Pharmaceuticals Sector** (EUR 1,249 million) were stable compared to the 1st half of 2007 (-5% in the 2nd quarter of 2008). At constant exchange rates, sales would have increased by 5% in the 1st half (stable in the 2nd quarter of 2008). Growth in the main products, in emerging countries and in Europe, together with miscellaneous income largely compensated for the negative effects of unfavorable exchange rates, significant pressures resulting from competition from generic drugs, especially in France, and the decrease in prescriptions of Marinol® in the United States. Operating results (EUR 246 million) were up by 20% compared to the 1st half of 2007 (+37% in the 2nd quarter). They also included results (EUR 71 million) from the sale of non-strategic products (Baldrian®, Flammazine® and Alvityl®), which amounted to EUR 44 million in the 2nd quarter of 2008. These factors more than compensated for the unfavorable exchange rates as well as the sustained investments in R&D (18.2% of sales) and in the co-promotion of Simcor® in the United States. In the 1st half, R&D expenses (EUR 227 million) were up by EUR 24 million compared to the 1st half of 2007, in line with the 2008 budget of EUR 430 million focused primarily on the development of molecules for the cardiometabolic and neuroscience franchises.

The **Chemicals** and **Plastics** activities in the 1st half of 2008 underwent continued increase in energy, coal, coke and ethylene prices. This translated into a significant pressure on margins, especially in the Chemicals Sector and the European vinyls activities. In this context, Solvay is announcing price increases from 10% to 50% for its primary chemicals and plastics products. These price increases, which will be implemented in function of market conditions and contract periods, should contribute to an improvement of our margins.
Measures to control costs and the effects of targeted restructuring (Inspire, fluorinated commodities, etc.) that the Group is pursuing will also contribute to improve margins.

1 Excluding Solvay Engineered Polymers (sold in February 2008) and caprolactones (sold in December 2007).
2 Simcor®: combined fixed-dose lipid treatment (Niaspan®/simvastatine) developed by ABBOTT.
3 REBIT : measure of operational performance (not an IFRS concept as such)
4 Net income plus total depreciation.
5 REBITDA: REBIT, before recurring depreciation.

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In the 1st half of 2008, sales in the **Chemicals Sector** (EUR 1,528 million) remained stable due to the continued generally good demand. Operating results (EUR 136 million) were down by 28% in the 1st half of 2008 (-45% in the 2nd quarter of 2008) taking into account the increase in energy, coal, coke and distribution costs as well as additional production and startup costs. The Minerals cluster continued its improvement in sales but its results were affected primarily by costs. The Electrochemistry and fluorinated products clusters were down in the 1st half of 2008; caustic soda sales remained at a good level, and fluorinated products benefited from the first positive effects of restructuring efforts, but the chlorinated derivatives were down sharply. The Oxygen cluster was affected by, on the one hand, pressures on hydrogen peroxide prices in Europe and on the other hand, the scope change linked to the sale of the caprolactones activity in 2007.

Sales (EUR 1,954 million) in the **Plastics Sector** dropped by 4%, taking into account the scope change linked to sale of Solvay Engineered Polymers in February 2008. Demand remained generally good, both for the Vinyls cluster and the Specialty Polymers, but the weak US dollar had a negative effect on evolution of sales. REBIT (EUR 187 million) was down by 24% compared to the high level in the 1st half of 2007. Results from the 2nd quarter of 2008 improved compared to the 1st quarter of 2008. The increased costs of ethylene, in the vinyls activities, could not be passed along in selling prices in Europe in the 1st half, because of American imports of PVC favored by a weak US dollar. The situation in Asia and Mercosur remained favorable. In addition, the improvement in volumes of Specialty Polymers (+8% in the 1st half of 2008) combined with price increases for some polymers permitted a gradual improvement in the margins of these activities during the 2nd quarter of 2008.

Outlook: « As previously announced, taking into account the current level of the USD as well as the continued high level of energy, coal, coke and ethylene prices, results of the Solvay group for the year 2008 will remain at a sustained level but will not reach the record results of the year 2007. The operating result of the Pharmaceuticals sector should exceed the record level of 2007. »

Solvay Group – Summary Financial Information

Million EUR (except for per-share figures in EUR)	1st half 2007	1st half 2008	1st half 2008/ 1st half 2007	2nd quarter 2007	2nd quarter 2008	2nd quarter 2008/ 2nd quarter 2007
Sales	**4,808**	**4,731**	**-2%**	**2,436**	**2,357**	**-3%**
REBIT	**616**	**548**	**-11%**	**291**	**249**	**-15%**
REBIT/Sales	*12.8%*	*11.6%*		*11.9%*	*10.5%*	
Non-recurring items	-34	-34	0%	-25	-43	+68%
EBIT[6]	**582**	**514**	**-12%**	**265**	**206**	**-22%**
Charges on net indebtedness	-38	-51	+34%	-19	-22	+14%
Income from investments	14	10	-33%	14	10	-33%
Earnings before taxes	**559**	**473**	**-15%**	**261**	**194**	**-26%**
Income taxes	-146	-121	-17%	-66	-62	-6%
Discontinued operations	0	0	-	0	0	-
Net income of the Group	**413**	**351**	**-15%**	**195**	**131**	**-33%**
Net income (Solvay share)	392	335	-15%	183	127	-31%
Total depreciation	251	246	-2%	128	134	+5%
REBITDA	850	773	-9%	410	362	-12%
Cash flow	664	597	-10%	322	265	-18%
(per share, in EUR) **Earnings per share**[7]	4.74	4.02	-15%	2.22	1.53	-31%
Net debt to equity ratio	35%	36%	-	-	-	-

Notes on Solvay Group summary financial information

Non-recurring items in the 1st half of 2008 (EUR -34 million) were comparable to the 1st half of 2007. They included primarily 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, of the restructuring charges for the "INSPIRE" project (EUR 37 million) in the Pharmaceutical sector as well as EUR 12 million for depreciation of assets in the framework of restructuring activities at Girindus (SBU Molecular Solutions) in Germany.

Charges on net indebtedness amounted to EUR 51 million. They were up due to a temporary charge, in the 1st quarter of 2008, resulting from contractually due interest on the milestone paid to the former Fournier shareholders. Aside from this spot charge, the charges on net indebtedness were at the same level as the 1st half of 2007 and the

6 EBIT: results before financial charges and taxes.
7 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.,723,341 shares for 6 months 2007 and 83,340,270 shares for 6 months 2008.

financial debt at the end of June 2008 was covered up to 94%, at a fixed rate of 5.2% and for a duration of 7.3 years.

Income taxes amounted to EUR 121 million in the 1st half of 2008 (EUR 62 million in the 2nd quarter of 2008), reflecting the evolution of results. The effective tax rate as of the 1st half of 2008 was to 26%, in line with 2007.

Net income of the Group (EUR 351 million) dropped by 15% compared to the 1st half of 2007. Minority interests amounted to EUR 16 million compared to EUR 21 million in the 1st half of 2007. **Net earnings per share** amounted to 4.02 EUR in the 1st half of 2008 (compared to 4.74 EUR in the 1st half of 2007).

Cash flow amounted to EUR 597 million (-10%) and **REBITDA** amounted to EUR 773 million (-9%). **Depreciation** (EUR 246 million) was down by 2% compared to 1st half of 2007.

Equity amounted to EUR 4,408 million at the end of June 2008, comparable to the end of December 2007 (EUR 4,459 million). Equity at the end of June 2008 included negative fair value differences of EUR 122 million, mainly linked to the shares held in Fortis. **Net indebtedness** of the Group at the end of June 2008 (EUR 1,606 million) was up compared to the situation at the end of December 2007 (EUR 1,307 million) taking into account the seasonal effect on working capital. The working capital at the end of June 2008 included receivables on the sale of non strategic pharmaceutical products (Baldrian® and Flammazine®); the working capital on sales ratio at the end of June 2008 is in line with the level of June 2007. The **net debt to equity ratio** was 36% at the end of June 2008, compared to 35% at the end of June 2007 and 29% at the end of December 2007. This ratio reflects the Group policy of having a sound financial situation, in line with the objective of not persistently exceeding a net debt to equity ratio of 45%, while at the same time ensuring implementation of its growth strategy and dividend policy.

RESULTS BY SECTOR[8]

Million EUR	1st half 2007	1st half 2008	1st half 2008/ 1st half 2007	2nd quarter 2007	2nd quarter 2008	2nd quarter 2008/ 2nd quarter 2007
GROUP SALES[9]	**4,808**	**4,731**	**-2%**	**2,436**	**2,357**	**-3%**
Pharmaceuticals	1,251	1,249	0%	627	596	-5%
Chemicals	1,528	1,528	0%	773	765	-1%
Plastics	2,029	1,954	-4%	1,037	995	-4%
Corporate and Business Support	-	-	-	-	-	-
GROUP REBIT	**616**	**548**	**-11%**	**291**	**249**	**-15%**
Pharmaceuticals	205	246	+20%	81	111	+37%
Chemicals	189	136	-28%	96	53	-45%
Plastics	245	187	-24%	126	97	-23%
Corporate and Business Support	-23	-21	-11%	-11	-11	+1%
GROUP REBITDA	**850**	**773**	**-9%**	**410**	**362**	**-12%**
Pharmaceuticals	256	297	+16%	106	137	+29%
Chemicals	269	213	-21%	137	91	-33%
Plastics	342	278	-19%	175	142	-19%
Corporate and Business Support	-17	-16	-8%	-8	-9	+8%

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

IFRS FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

Million EUR (except for per-share figures in EUR)	1st half 2007	1st half 2008	2nd quarter 2007	2nd quarter 2008
Sales	**4,808**	**4,731**	**2,436**	**2,357**
Cost of goods sold	-3,147	-3,185	-1,605	-1,610
Gross margin	**1,661**	**1,546**	**831**	**747**
Commercial and administrative costs	-747	-749	-381	-370
Research and development costs	-274	-294	-149	-142
Other operating gains and losses	-8	47	-4	21
Other financial gains and losses	-15	-2	-7	-8
REBIT	**616**	**548**	**291**	**249**
Non-recurring items	-34	-34	-25	-43
EBIT	**582**	**514**	**265**	**206**
Charges on borrowings	-51	-62	-26	-27
Interest on loans and short-term investments	12	11	6	5
Other gains and losses on net indebtedness	1	0	0	0
Income from investments	14	10	14	10
Earnings before taxes	**559**	**473**	**261**	**194**
Income taxes	-146	-121	-66	-62
Discontinuing operations	0	0	0	0
Net income of the Group	**413**	**351**	**195**	**131**
Minority interests	-21	-16	-11	-4
Net income (Solvay share)	**392**	**335**	**183**	**127**
Earnings per share (in EUR)	4.74	4.02	2.22	1.53
Diluted income per share(*) *(in EUR)*	4.71	4.01	2.20	1.52

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

CONSOLIDATED CASH FLOW STATEMENT

Million EUR	1st half 2007	1st half 2008
EBIT	582	514
Depreciation, amortization and impairments	251	246
Changes in working capital	-485	-328
Changes in provisions	-77	-53
Income taxes paid	-94	-111
Others	1	-29
Cash flow from operating activities	**178**	**240**
Acquisition/sale of investments	-38	58
Acquisition/sale of assets	-246	-332
Income from investments	14	10
Changes in financial receivables	-25	36
Effect of changes in method of consolidation	3	3
Cash flow from investing activities	**-292**	**-226**
Variation of capital (increase/decrease)	-5	-11
Acquisition/sale of own shares	-29	2
Changes in borrowings	451	351
Charges on net indebtedness	-38	-51
Dividends	-232	-238
Cash flow from financing activities	**146**	**52**
Net change in cash and cash equivalents	**32**	**67**
Currency translation differences	3	-13
Opening cash balance	433	575
Closing cash balance	**469**	**629**

CONSOLIDATED BALANCE SHEET

Million EUR	As of December 31, 2007	As of June 30, 2008
Non-current assets	**6,999**	**6,823**
Intangible assets	662	700
Goodwill	1,210	1,195
Tangible assets	3,885	3,821
Other investments	466	372
Deferred tax assets	524	531
Financial receivables and other non-current assets	252	203
Current assets	**4,180**	**4,419**
Inventories	1,255	1,270
Trade receivables	1,711	1,841
Income tax receivables	73	73
Other short-term receivables	566	606
Cash and cash equivalents	575	629
Assets held for sale	0	0
TOTAL ASSETS	**11,180**	**11,242**
Total equity	**4,459**	**4,408**
Share capital	1,271	1,271
Reserves	3,032	2,984
Minority interests	156	153
Non-current liabilities	**3,963**	**4,084**
Long-term provisions	2,085	2,015
Deferred tax liabilities	245	249
Long-term financial debt	1,565	1,770
Other non-current liabilities	68	50
Current liabilities	**2,758**	**2,751**
Short-term provisions	229	169
Short-term financial debt	317	465
Trade liabilities	1,246	1,187
Income tax payable	86	99
Other current liabilities	880	829
Liabilities associated with assets held for sale	0	0
TOTAL LIABILITIES	**11,180**	**11,242**

STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity holders of the parent								
Million EUR	Share capital	Issue premiums	Retained earnings	Treasury shares	Currency translation differences	Fair value differences	Total	Minority interests	Total equity
Book value 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			335				335	16	351
Income and expenses directly allocated to equity					-116	-122	-238	-1	-239
Cost of stock options			4				4		4
Dividends			-148				-148	-6	-154
Acquisition/sale of own shares				2			2		2
Increase in capital							0		0
Other variations			-4				-4	-11	-15
Book value at the end of the period (06/30/2008)	**1,271**	**18**	**4,022**	**-231**	**-655**	**-170**	**4,254**	**153**	**4,408**

RESULTS BY SECTOR[8]

Million EUR	1st half 2007	1st half 2008	1st half 2008/ 1st half 2007	2nd quarter 2007	2nd quarter 2008	2nd quarter 2008/ 2nd quarter 2007
GROUP SALES[10]	**5,097[11]**	**5,050**	**-1%**	**2,586[11]**	**2,516**	**-3%**
Pharmaceuticals	1,251	1,249	0%	627	596	-5%
Chemicals	1,660	1,649	-1%	842	824	-2%
Plastics	2,186[11]	2,153	-2%	1,118[11]	1,096	-2%
Corporate and Business Support	-	-	-	-	-	-
GROUP EBIT	**582**	**514**	**-12%**	**265**	**206**	**-22%**
Pharmaceuticals	185	209	13%	64	86	35%
Chemicals	180	78[12]	-57%	89	38	-58%
Plastics	241	211	-12%	124	94	-24%
Corporate and Business Support	-23	17[12]	ns	-12	-12	5%

10 These are sales without elimination of inter-company sales.
11 Figures adjusted following changes in allocation of sales in the Plastics Sectors .
12 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 settling certain class and individual actions in the area of peroxides which followed the fine paid in the United States in 2006.

ANNEX TO PRESS RELEASE
COMMENTS ON THE SOLVAY GROUP RESULTS
FOR THE 1ST HALF OF 2008

PHARMACEUTICALS SECTOR

Strategic Developments

- ***Launch of conditional offer for acquisition of Innogenetics***
  Evaluation of registration application for TriLipix™ [13] by the US FDA (Food and Drug Administration)
  Co-promotion of Simcor® with Abbott in the United States since April 2008

Known under the name "INSPIRE", the integration and transformation project for Solvay Pharmaceuticals has a goal of a simultaneous increase in sales and improvement of profitability (REBIT/sales ratio of 20%) by 2010, in particular through a program of continuous improvement in efficiency that should generate annual synergies of EUR 300 million by 2010. Savings on the order of EUR 160 million per year were already achieved in 2007 and were in part reinvested in activities designed to promote future growth and profitability. They also permitted mitigation of the effects of forced price reductions and development of generic products. In 2008, additional synergies of EUR 70 million are planned.

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

Early July 2008, Solvay Pharmaceuticals S.A. increased its conditional offer for acquisition of the biotechnological company Innogenetics N.V., from 5.75 EUR per share during the initial launch on April 25, 2008 to 6.50 EUR per share, taking the transaction value to EUR 200.7 million for 100% of the shares in circulation. Pending approval of the Banking, Finance and Insurance Commission (CBFA), this new offer would be open from August 12, 2008 to September 5, 2008.

Important steps were taken to develop the portfolio:

- In the **cardiometabolic** area, Solvay Pharmaceuticals continued its reinforcement of the area of dyslipidemia treatment.

  Marketing authorization granted by the FDA to Simcor®[14], a fixed-dose lipid treatment developed by ABBOTT. This generated a milestone payment in March 2008 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's review of the new drug application for TriLipix™, a new-generation fenofibrate co-developed with Abbott, is continuing. Results from the three Phase-III studies, presented in March and in May 2008, demonstrated that for patients suffering from mixed lipid problems, the combined treatment based on TriLipix™ and statins improved the three essential lipid parameters with safety comparable to mono-therapies (TriLipix™ or statins). Additionally, AstraZeneca and Abbott are continuing the joint development in the United States of a fixed-dose product (Crestor® (rosuvastatin from AstraZeneca) / TriLipix™), the new drug application for which is expected to be filed in 2009.
  Solvay is also pursuing development of its own combination of fenofibrate with simvastatin (Zolip). Additionally, Solvay decided to discontinue development of Synordia, a combination of fenofibrate with metformin, taking into consideration interactions with the authorities and commercial potential.

  As already announced, Fournier Laboratories Ireland Ltd (LFI) and Laboratoires Fournier S.A. (LFSA), wholly owned by Solvay Pharmaceuticals, are continuing legal proceedings for patent infringement[15] against Teva Pharmaceuticals in the United States, which had requested marketing authorization for a generic version of TriCor® (fenofibrate) 145 mg NFE.

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

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13 Developed with Abbott, also under the name of SVL348 / ABT335
14 Simcor®: Niaspan®/simvastatin, for which the results of phase-III studies were presented by Abbott to the American Heart Association Congress in November 2007.
15 In January 2008, Fournier was informed by Teva Pharmaceuticals that it had filed a request for abridged marketing authorization with the FDA for registraton of a generic version of TriCor® (fenofibrate) 145 mg NFE in the United States.

Following the recent publication of the EMEA[16] decision regarding, among other things, the revision of indications for the class of fibrates in the European Union, Solvay Pharmaceuticals believes that this decision does not appropriately reflect the benefits-to-risks ratio of fenofibrate, and will take the necessary actions to guarantee that patients can continue to benefit from the total therapeutic value of the product.

Two other molecules are in phase II development: SLV319 (obesity, in co-development with BMS) and SLV320 (acute cardiac failure). It should also be noted that there is a recommendation for approval of Pulzium® (treatment of arrhythmia) in Europe (United Kingdom, Sweden and Spain) 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. With regard to Duodopa®, the 1st phase-III study began in the United States. As announced, Solvay Pharmaceuticals is analyzing its options for bifeprunox in the United States. It should be recalled that in August 2007, the FDA had judged that the product could not be approved at that stage, which led Wyeth to put an end to this collaboration in February 2008. The development program with Lundbeck in Europe is continuing.
- In the area of **pancreatic enzymes** (Creon®), Solvay Pharmaceuticals submitted its response to the FDA, following the approvable letter received in the United States 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, a necessary step before marketing of the product, 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[17] using the corresponding subsidy[18].

Key figures

Key figures for principal products by therapeutic class

Million EUR	2007	1st half 2007	1st half 2008	1st half 2008/ 1st half 2007	1st half 2008/ 1st half 2007 *(at constant exchange rates)*
PHARMACEUTICALS SECTOR	**2,591**	**1,251**	**1,249**	**0%**	**+5%**
CARDIOMETABOLIC	**728**	**362**	**373**	**+3%**	**+9%**
Fenofibrate	433	209	221	+6%	+15%
Teveten®	106	52	63	+21%	+21%
Physiotens®	49	26	24	-8%	-8%
NEUROSCIENCE	**439**	**229**	**221**	**-3%**	**-1%**
Serc®	150	79	81	+3%	+3%
Marinol®	105	57	43	-25%	-14%
Luvox®	83	44	40	-9%	-7%
FLU VACCINES	**159**	**22**	**21**	**-5%**	**-3%**
Influvac®	127	7	11	+57%	+49%
PANCREATIC ENZYMES (Creon®)	**198**	**96**	**103**	**+7%**	**+14%**
GASTRO-ENTEROLOGY	**233**	**116**	**122**	**+5%**	**+7%**
Duphalac®	99	49	51	+4%	+7%
Duspatal®	63	31	33	+6%	+8%
Dicetel®	36	19	17	-11%	-6%
MEN'S AND WOMEN'S HEALTH	**627**	**319**	**291**	**-9%**	**+1%**
Androgel®	308	160	149	-7%	+7%
Duphaston®	90	42	45	+7%	+2%
Prometrium®	80	40	37	-8%	+6%

Comments

- Sales in the Pharmaceuticals Sector in the 1st half of 2008 amounted to EUR 1,249 million, stable compared to the 1st half of 2007. It would have increased by 5% at constant exchange rates. Growth in the principal products, in emerging countries and in Europe, together with miscellaneous income largely compensated for negative effects of the exchange rate (EUR -68 million) and the significant pressures from competition from generic drugs, especially in France (EUR -12 million), and the decrease in prescriptions for Marinol® in the United States (EUR -14 million).

  Sales in the United States improved by 8% in USD but dropped by -6% in EUR. Prescriptions and prices of the principal drugs continued to evolve favorably. Marinol® and Estratest® sales were down. Sales in Europe improved globally, due to the geographic deployment of our portfolio of products. Sales in emerging markets (Russia, India, Turkey, etc.) developed nicely compared to the 1st half of 2007.

16 EMEA: Agence européenne des médicaments (European Agency for the Evaluation of Medicinal Products)
17 Also known as HHS
18 Subsidy for development of a cell-based flu vaccine and the design of a production unit in the United States by 2011.

Sales in Cardiometabolic improved by 3% in EUR. Earnings from fenofibrates (TriCor®, Lipanthyl®) amounted to EUR 221 million and were up by 6% (+15% at constant exchange rates).
In the United States, sales of TriCor® 145mg NFE (USD 553 million) by Abbott in the 1st half of 2008 improved by 5%.
Outside the United States, sales of fenofibrate were significantly up in countries where it was recently launched (Australia, Turkey, etc...) and down in some countries such as France.

In Neuroscience sales were down by 3%. This mainly reflected the drop in prescriptions and sales of Marinol® in its primary market, the United States.

Pancreatic enzymes (Creon®) and Gastroenterology improved respectively by +7% and +5%. In Men's Health, sales of Androgel® in the American market improved in USD (+6%) but dropped in EUR (-7%).

- **Research & Development** costs amounted to EUR 227 million (18.2% of sales) compared to EUR 203 million (16.2% of sales).
- **Operating results** (EUR 246 million) were up by 20% compared to the 1st half of 2007 (+37% in the 2nd quarter). These results include in particular profits (EUR 71 million) from the sale of non-strategic products (Flammazine® in the 1st quarter, Baldrian® and Alvityl® in the 2nd quarter), of which EUR 44 million were in the 2nd quarter of 2008. These factors more than compensated for the unfavorable exchange rates as well as the sustained investments in R&D (up by EUR 24 million) and those linked to the co-promotion of Simcor® in the United States (EUR 22 million).
  In the 1st half of 2007, results also included EUR 19 million in miscellaneous income.

In parallel with the proceeding under way with the US FDA on the regulatory status of Estratest®, a collective action against Solvay Pharmaceuticals was certified in California regarding this same status. Solvay Pharmaceuticals is opposing this vigorously, since it considers the claims to be unfounded.

CHEMICALS SECTOR

Strategic Developments

- ***Creation of new opportunities to sustain growth and competitiveness 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, the construction of a first mega-plant in Belgium (230,000 tons/year), was completed in July. The building of a second plant (330,000 tons/year) in partnership with Dow was approved for Thailand, to ensure supply of hydrogen peroxide for propylene oxide production units. Also in Thailand, the decision was made to build an epichlorhydrin production unit based on natural glycerin (Epicerol® process). In Bulgaria, expansion of the soda ash production unit (+300,000 tons/year to 1.5 million tons) and modernization of steam production are under way.
    Following the final bid, which took place on March 27, 2008, Solvay was designated as the favored candidate to acquire 80% of Alexandria Sodium Carbonate Co. (ASCC), a government-owned Alexandria soda ash manufacturer being privatized. The Egyptian authorities are in the process of formally validating the selection of Solvay. This formal validation as well as the signature of all the appropriate agreements could take place in the upcoming months.

  - By growth in specialties.
    In sodium bicarbonate, aside from the increasing development of new applications, capacity expansions started up in 2007 in Spain and Portugal. Construction of a new unit in Italy by 2009 was approved as well as investment in the United States in a completely new product, SOLVAir ® Select 300, based on sodium bicarbonate, which will be used for air-pollution control applications.

  - By management of the portfolio and targeted restructuring.
    It should be noted that an assessment is ongoing for the sale of the Precipitated Calcium carbonate activities and the refocus of organic chemistry activities of the Molecular Solutions SBU, in particular on development of organic products for electronics. Restructuring measures have been in place since 2007 for Girindus. They were manifested in the 2008 sale of its activities in Germany 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 approved the construction, by 2010, of a cogeneration unit using secondary fuels on the Bernburg soda ash site in Germany in partnership with Tönsmeier, a German waste management group. Solvay also announced, for energy supplies to its site at Tavaux (France), the construction and operation by the French energy group Dalkia of a cogeneration unit utilizing biomass, with completion scheduled for 2010.

Key figures

(Million EUR)	Sales				REBIT change
	2007	1st half 2007	1st half 2008	1st half 08/1st half 07 (%)	1st half 08 / 1st half 07
CHEMICALS	**3,031[19]**	**1,528[19]**	**1,528[19]**	**0%**	**-28%**
Minerals[20] cluster	1,336	659	705	+7%	↘
Electrochemistry and Fluor Chemicals cluster	1,103	572	554	-3%	↘
Oxygen”[21] cluster	528	261	227	-13%	↘

In 2007, results from the Chemicals Sector and the Oxygen cluster included results from the caprolactones activity, with sales of EUR 79 million and a REBIT of EUR 23 million. Excluding the effects of the scope change, sales for the oxygen cluster in the 1st half of 2008 would have increased by 2%.

Comments

- ***Steady demand in the Chemicals Sector, in a context of a significant and rapid rise in costs, especially for energy, coal and coke.***

In the 1st half of 2008, sales in the **Chemicals Sector** (EUR 1,528 million) remained stable due to the continued generally good demand. Operating results (EUR 136 million) were down by 28% in the 1st half of 2008 (-45% in the 2nd quarter of 2008) taking into account the increase in energy, coal, coke and distribution costs as well as additional production and startup costs. The Minerals cluster continued its improvement in sales but its results were affected primarily by costs. The Electrochemistry and fluorinated products clusters were down in the 1st half of 2008; caustic soda sales remained at a good level, and fluorinated products benefited from the first positive effects of restructuring efforts, but the chlorinated derivatives were down sharply. The Oxygen cluster was affected by, on the one hand, pressures on hydrogen peroxide prices in Europe and on the other hand, the scope change linked to the sale of the caprolactones activity in 2007.

Minerals cluster

- Demand for **soda ash** remained favorable in Europe and for export, compensating for the weak domestic American market. Annual price increases took effect in 2008 but in the second quarter were not enough to compensate for the rise in costs. Growth in specialties associated with soda ash, especially bicarbonate, continued due to development of the 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. Results were affected by a strong rise in energy costs and a significant price increase was implemented in the 2nd quarter of 2008. Other Electrochemistry derivatives underwent increased costs of raw materials, sharpened competitive pressures, and the effect of unfavorable exchange rates that weighed on their margins and the results in Electrochemistry.
- Results from **fluorinated products** benefited from the 1st effects of the previously announced restructuring. The commodities market continued to undergo significant pressure from competition accentuated 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 stable in all regions of the world, except for Europe, which suffered from significant restructuring in the paper industry. Increased energy costs weighed on results.

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

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 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 its 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 and in Italy, polyvinylidene fluoride (PVDF) and polyvinylidene chloride (PVDC) in France). In addition, an industrial-scale production unit for polyetheretherketone (PEEK) at Panoli (India) recently reinforced 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 February 2008 and generated a capital gain of EUR 29 million.

    For Inergy Automotive Systems, developments in high-growth areas (such as Russia, China, India, etc.) are under way 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 (a 75% Solvay/25% BASF joint venture) took a significant step in its geographic development by concluding in 2007 a 50/50 co-enterprise with Sibur for construction in Russia, 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. Creation of the joint venture was recently approved by the European competition authorities. Additionally, SolVin continued to reinforcement its competitiveness in Europe through modernization completed at Tavaux 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 have over time a world-scale plant (400,000 tons/year) in the region, with among other things an expansion of 80,000 tons/year of PVC started up in July 2008 as planned.

    In South America, modernization and capacity expansions of chlorine, caustic soda, VCM and PVC are continuing in Brazil, with a 1st-phase startup in the second half of 2008. The second phase, with startup planned for mid-2010, will give an integrated capacity of 360,000 tons/year of PVC and will be characterized by production of ethylene using bio-ethanol. In Argentina, Solvay Indupa and its partner, Albanesi, are continuing their project of a cogeneration unit aiming at ensuring a reliable and competitive supply of gas and electricity.

    Southeast Asia, Mercosur and now 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, started up a plant in Russia at the end of 2007 and other projects are being considered.

Key figures

(Million EUR)	Sales				REBIT change
	2007	1st half 2007	1st half 2008	1st half 08/1st half 07 (%)	1st half 08/ 1st half 07
PLASTICS	**3,950**	**2,029**	**1,954**	**-4%**	**-24%**
Specialties[22]	1,737	894	799	-11%	↘
Vinyls[23]	2,213	1,134	1,155	+2%	↘

2007 results from the Plastics Sector and Specialties included results from Solvay Engineered Polymers, sold in March 2008, which represented for 2007 sales of EUR 168 million and a REBIT of EUR 5 million.
Excluding the effects of the scope change, the drop in sales in Specialties in the 1st half of 2008 would have been limited to 4%.

Comments

- ***Compared to the high level in the 1st half of 2007, sales in the Plastics Sectors held up well, but results were down (-24%). Second quarter of 2008 up compared to the 1st quarter.***

Sales (EUR 1,954 million) in the **Plastics Sector** dropped by 4%, taking into account the scope change linked to sale of Solvay Engineered Polymers in February 2008. Demand remained generally good, both for the Vinyls cluster and the Specialty Polymers, but the weak US dollar had a negative effect on evolution of sales. REBIT (EUR 187 million) was down by 24% compared to the high level in the 1st half of 2007. Results from the 2nd quarter of 2008 improved compared to the 1st quarter of 2008.
The increased costs of ethylene, in the vinyls activities, could not be passed along in selling prices in Europe in the 1st half, because of American imports of PVC favored by a weak US dollar. The situation in Asia and Mercosur remained favorable. In addition, the improvement in volumes of Specialty Polymers (+8% in the 1st half of 2008) combined with price increases for some polymers permitted a gradual improvement in the margins of these activities during the 2nd quarter of 2008.

Specialties cluster

- Sales in **Specialty Polymers** benefited from sharply increased volumes (+8% in the 1st half of 2008) but were negatively affected by unfavorable evolution in currencies, especially the US dollar, and by the scope change linked to the sale of Solvay Engineered Polymers in February 2008. Demand improved in some markets such as aerospace, oil drilling and medical applications. Applications for the semi-conductor industry were stable while the automobile industry, especially in the United States, slowed down. Improvement in volumes combined with price increases for certain polymers permitted gradual improvement in margins and results in the second quarter of 2008 compared to the start of the year. R&D efforts were sustained (5% of sales).

- Total volumes (6.3 million fuel systems) from **Inergy Automotive Systems** were down (-5%) compared to the 1st half of 2007, reflecting the noted slowdown in NAFTA customers. However, sales in Eastern Europe, Mercosur and Asia improved significantly. Results from the 1st half of 2008 were affected by the slowdown in the NAFTA market and the increase in materials, a slowdown mitigated by efforts at improvement in competitiveness and industrial redeployment.

Vinyls cluster

- In the 1st half of 2008, **Vinyls** posted a good level of global demand. European results were down compared to the very good level reached in the 1st half of 2007, following the increased prices of ethylene and American competition resulting from the weak US dollar. Significant price increases for PVC, currently under way, should mitigate the significant increase in price of ethylene. 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 a significant improvement in our results. Prospects there remain favorable overall.

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

* * * * *

22 Including the Specialty Polymers SBU's and Inergy Automotive Systems (fuel systems)
23 Including Vinyl SBU's and Pipelife (pipes and fittings)

COMMENTS

1. Consolidated Financial Statements.

Deloitte has conducted a limited review of the consolidated six-month situation that closed on June 30, 2008. This consisted principally of analysis, comparison and discussions of financial information and therefore was less extensive than an audit that would be undertaken for annual statements. This review did not disclose any elements that would have required significant corrections in the intermediate statements.

The consolidated financial statements were prepared in conformity 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 scope changes between the 1st halves 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 the ownership in Peroxythai (from 83.8% to 100%) and in Solvay Sisecam (from 71.3% to 75%), and the 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.

1 Euro =		Closing			Average		
		2007	6 months 2007	6 months 2008	2007	6 months 2007	6 months 2008
Pound Sterling	GBP	0.73	0.6740	0.7922	0.68	0.6746	0.7752
American Dollar	USD	1.47	1.3505	1.5764	1.37	1.3289	1.5304
Argentine Peso	ARS	4.63	4.1697	4.7659	4.27	4.1055	4.8006
Brazilian Real	BRL	2.62	2.5980	2.5112	2.66	2.7192	2.5943
Thai Baht	THB	43.8	42.62	52.7379	44.43	44.71	48.4834
Japanese Yen	JPY	164.93	166.63	166.44	161.25	159.58	160.6214

4. Solvay Shares.

	2007	1st half of 2007	1st half 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	82,723,341	83,340,270
Average number of shares for IFRS calculation of diluted income per share	83,054,100	83,291,592	83,526,440

5. Declaration by responsible persons.

Mr. C. Jourquin, Chairman of the Executive Committee, and Mr. B. de Laguiche, General Manager for Finance, declare that to the best of their knowledge:

a) the summary financial information, prepared in conformity with applicable accounting standards, reflects a faithful image of the financial situation and results of the Solvay Group;

b) the intermediate report contains a faithful presentation of significant events occurring over the first six months of 2008, and their impact on the summary financial information.

Key dates for financial communications

- Tuesday September 30 and Wednesday October 1, 2008: Solvay Investors Days in Brussels
- Thursday, October 30, 2008 (7.30 am) : nine-month results for 2008 and announcement of interim dividend for 2008 (payable in January 2009, coupon No. 83)
- Mid-February 2009 (7:30 am): annual results 2008

To obtain additional information:

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