Solvay group: « Implementation of our strategy for sustainable and profitable growth »
SOLVAY
A Chemical and Pharmaceutical group

✓ **Record results** in 2006:
  - Sales: EUR 9.4 Bn (+10%)
  - REBITDA: EUR 1.6 Bn (+17%)
  - REBIT: EUR 1.1 Bn (+21%)
  - Balance Sheet: EUR 11 Bn

✓ **International presence**
  in more than 50 countries with some 29,000 employees

✓ **Three profitable & cash generating sectors**, with specific strategy for growth: Pharmaceuticals, Chemicals and Plastics

✓ **Sustainable and profitable growth**
  through Innovation and Competitiveness

✓ **Listed on Euronext Brussels**
Our strategic choices

- **Pharma**
  Grow faster than the industry

- **Expand our reach in faster growing markets for the three sectors**
  (Asia, Mercosur and NAFTA)

- **Specialties**
  Grow their relative size

- **Review our portfolio** of activities on a permanent basis to remain at the leading edge of competitiveness
Implementation of our strategy for sustainable and profitable growth

**PHARMACEUTICALS**
- Ongoing review of New Drug Application bifeprunox in the US
- Transformation of Solvay Pharmaceuticals (« INSPIRE » project)
- Pulzium® registration dossier submitted in the US and Europe
- Expansion of fenofibrate franchise: submission of SLV348/ABT335 in the US expected in H2/07

**CHEMICALS**
- Hydrogen peroxide: ongoing construction of a mega-plant (230kt/year) with BASF/Dow (propylene oxide)
- First industrial unit in France implementing Epicerol™, Solvay’s novel process to produce Epichlorohydrin; further investment planned in Thailand

**PLASTICS**
- Specialty Polymers: capacity expansions (polysulfones, PVDF, PVDC, …), portfolio upgrade (PEEK, Primospire™, ….), geographic expansion (India, China, USA)
- Restructuring and selective growth in Vinyls: acquisition of Quality Plastics (Ireland) in April 07; ongoing capacities expansions in Thailand and in Mercosur, project in Russia under negotiation
Q1/07: Further growth in operating results

- **Revenue**: +1% at EUR 2.4bn
  - +3% at constant exchange rates

- **REBIT**: +11% to EUR 325m

- **Group Net Profit**: EUR 218m
  - Improved quality of results
    - (on balance EUR 23m less non-operating items)

- **Net Debt to Equity Ratio**: 33% (vs. 37% Q1/06)
Q1/07 : Further growth in operating results

- **PHARMACEUTICALS : REVENUE -7%, REBIT stable**
  - « Inspire » project on track
  - Expiry of Pantoloc® marketing rights and unfavorable USD/EUR conversion effect of US revenue
  - R&D efforts of EUR 91m (15% of sales)

- **CHEMICALS : REVENUE stable, REBIT +6%**
  - Continued favorable conditions (stable volumes, favorable prices)
  - High energy costs
  - Increase in « Minerals » and in « Oxygens »; good performance in caustic soda, lower results in fluor chemical commodities

- **PLASTICS : REVENUE +6%, REBIT +15%**
  - Q1/07 results outperform excellent Q1/06 results
  - Continued growth of Specialty Polymers
  - Strong growth in Vinlys cluster : good demand, competitiveness improvements; price increase expected in Q2 to match higher ethylene costs
Capex & R&D investments to support growth

- Major strategic initiatives
  - 2001: Ausimont/BP high performance polymers
  - 2005: Fournier Pharma (EUR 1.2 Bn)
- Sustained R&D investments in Pharma

In M EUR

<table>
<thead>
<tr>
<th>Year</th>
<th>R&amp;D expenses</th>
<th>Capital expenditures &amp; Acquisitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>1300</td>
<td>721</td>
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<tr>
<td>2002</td>
<td>1,044</td>
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<td>2003</td>
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<td>2004</td>
<td>972</td>
<td>564</td>
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<tr>
<td>2005</td>
<td>1,182</td>
<td>748</td>
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<tr>
<td>2006</td>
<td>1,421</td>
<td>858</td>
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<tr>
<td>2007</td>
<td>1,461</td>
<td>905</td>
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</table>
Outlook 2007

2007 began with a generally favorable business climate. Our strategy of sustainable and profitable growth as well as enrichment of the portfolio of activities and continued efforts to improve competitiveness are positioning us favorably.

Overall for 2007, we are confident that we can achieve the excellent operating results of last year. Obviously, we remain attentive to the evolution of worldwide macroeconomic conditions, energy costs and the EUR/USD exchange rate.

Press release of May 8, 2007
Sector review
BUILDING THE NEXT SOLVAY PHARMACEUTICALS

Performance goals
• 20% REBIT/sales
• > 7% Growth* in Revenues**

Portfolio Focus
• Key focus areas
• Specific medical needs
• Marketing excellence

Global Organisation
• 300 MEUR of stepwise efficiency improvements

Complete integration and transformation by 2010

* estimate of industry average growth in 2005; 5% in 2007
** basis proforma 2004 (after the acquisition of Fournier Pharma) = EUR 2,338 M
We make it happen!

**REBIT margin**

- **Target**: 20%
  - 2006: 17%
  - 2005: 13%
  (12% excl. Fournier)

**Pharmaceutical Industry**

- Growth boosted:
  - Fournier since August 1, 2005
  - Good performance of key products
  - Efficiency improvement of EUR 300 M by 2010 continuing as planned

**Solvay Pharmaceuticals**

- **2006**: +15%

**Target**: >7% Growth* in Revenues** per year

*estimate of industry average growth in 2005; 5% in 2007
**basis proforma 2004 (after the acquisition of Fournier Pharma) = EUR 2,338 M
300 M EUR of stepwise efficiency improvements

On track!

- Sales & Marketing full integration completed except France
- General & Administration: the same
- Globalization of R&D functions and production is underway, in line with selection of the priority therapeutic areas

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales &amp; Marketing</th>
<th>Manufacturing</th>
<th>General &amp; Administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>+</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>2006</td>
<td>++</td>
<td>+</td>
<td>++</td>
</tr>
<tr>
<td>2007</td>
<td>++</td>
<td>++</td>
<td>++</td>
</tr>
<tr>
<td>2008</td>
<td>+</td>
<td>++</td>
<td>+</td>
</tr>
<tr>
<td>2009</td>
<td>+</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>2010</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
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</table>
Growth in all major products

<table>
<thead>
<tr>
<th>Revenue (EUR m)</th>
<th>2005</th>
<th>2006</th>
<th>06 vs 05</th>
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</thead>
<tbody>
<tr>
<td><strong>PHARMACEUTICALS</strong></td>
<td>2,270</td>
<td>2,601</td>
<td>+15%</td>
</tr>
<tr>
<td>Cardiometabolic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fenofibrates</td>
<td>185 (1)</td>
<td>413</td>
<td>-</td>
</tr>
<tr>
<td>Women’s and Men’s health</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Androgel®</td>
<td>239</td>
<td>275</td>
<td>+15%</td>
</tr>
<tr>
<td>Pancreatic enzymes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creon®</td>
<td>162</td>
<td>191</td>
<td>+18%</td>
</tr>
<tr>
<td>Neuroscience</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Serc®</td>
<td>122</td>
<td>146</td>
<td>+20%</td>
</tr>
<tr>
<td>Influenza vaccines</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Influvac®</td>
<td>100</td>
<td>118</td>
<td>+18%</td>
</tr>
<tr>
<td>Neuroscience</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marinol®</td>
<td>84</td>
<td>106</td>
<td>+26%</td>
</tr>
<tr>
<td>Cardiometabolic</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Teveten®</td>
<td>91</td>
<td>95</td>
<td>+4%</td>
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<tr>
<td>Gastroenterology</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Duphalac®</td>
<td>85</td>
<td>85</td>
<td>=</td>
</tr>
<tr>
<td>Neuroscience</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Luvox®</td>
<td>80</td>
<td>81</td>
<td>+1%</td>
</tr>
<tr>
<td>Gastroenterology</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pantoloc®</td>
<td>166</td>
<td>71 (1)</td>
<td>-58%</td>
</tr>
</tbody>
</table>

(1) 5 months only
Pharma results in Q1/07

✓ Revenue -7% (EUR 625m), stable REBIT (EUR 124m)
  ■ Expiration of Pantoloc® marketing rights
    Sales impact: EUR -45m
  ■ Geographical revenue growth:
    ➢ NAFTA:
      ➢ TriCor® sales (US*) = USD 223m (+9%)  
      ➢ Lower USD/EUR rate impacting US revenues (EUR -20m)
    ➢ Significant growth in emerging countries
    ➢ Pressure on prices in Europe, in particular in France (EUR -20m)

✓ R&D efforts (EUR 91m, 15% of sales)
  ■ Projects in neuroscience and cardiometabolic to reinforce the « fenofibrate » franchise
  ■ 16% of sales expected for FY07

(*) booked by Abbott

Nafta
44%

Europe
44%

Asia-Pacific and others
12%

in % of 2006 Pharma revenue
R&D developments

- **bifeprunox**: ongoing review of NDA dossier in the US
  + expansion of neuroscience research collaboration with Wyeth

- **Fenofibrate franchise expansion**:
  - next generation fenofibrate (ABT335/SLV348) in Phase III; Regulatory submission expected in H2/07
  - single pill combinations in development (Abbott/Astra-Zeneca collaboration, Synordia®, zolip)

- **Influenza**:
  - commercialization cell culture based production will start from season 08 onwards;
  - suited to produce avian flu vaccines
  - USD 298m milestone-based award from the US Department of HHS* to develop cell-based influenza vaccine (seasonal / pandemic) and design a manufacturing capacity in the USA by 2011

- **Pulzium® (tedisamil - arrhythmia)**:
  - registration dossier submitted in the US (Dec 06) and EU (Mar 07)

* HHS: Health and Human Services
## R&D pipeline

<table>
<thead>
<tr>
<th>Category</th>
<th>Preclinical</th>
<th>Phase I</th>
<th>Phase II</th>
<th>Phase III</th>
<th>Filed/ Approved</th>
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</thead>
<tbody>
<tr>
<td><strong>Cardiometabolic</strong></td>
<td>SLV316, SLV329, SLV335, SLV337, SLV338, SLV341, SLV342, SLV344, SLV345, SLV346</td>
<td></td>
<td>SLV319 odiparcil daglutril SLV320</td>
<td>ZOLIP SLV348/ ABT335 SYNORDIA® EU (under analysis)</td>
<td>PULZI UM® Intravenous US PULZI UM® Intravenous EU</td>
</tr>
<tr>
<td><strong>Neuroscience</strong></td>
<td>SLV326, SLV330, SLV347, SLV338</td>
<td>SLV314 SLV334</td>
<td>MARI NOL® metered dose inhaler SLV313 anatibant</td>
<td>DUODOPA® US SLV308 MARI NOL® EU bifeprunox EU</td>
<td>bifeprunox US</td>
</tr>
<tr>
<td><strong>Influenza vaccines</strong></td>
<td></td>
<td>INFLUVAC® TC US H5N1 model dossier</td>
<td></td>
<td></td>
<td>INFLUVAC® INVI VAC® INFLUVAC® TC</td>
</tr>
<tr>
<td><strong>Pancreatic enzymes</strong></td>
<td>SLV340</td>
<td>SLV339</td>
<td></td>
<td>CREON® J PN</td>
<td>CREON® US</td>
</tr>
<tr>
<td><strong>Gastroenterology</strong></td>
<td>Phased out</td>
<td>Phased out</td>
<td></td>
<td></td>
<td>cilansetron (for licensing)</td>
</tr>
<tr>
<td><strong>Women’s &amp; Men’s Health</strong></td>
<td>Phased out</td>
<td>Phased out</td>
<td>ESTRATEST® low dose</td>
<td>FEMOSTON® low dose ANDROGEL® paediatric ANDROGEL® low dose</td>
<td>ANDROGEL®</td>
</tr>
</tbody>
</table>
For all of 2007, Solvay Pharmaceuticals is anticipating stabilization of sales, in view of the impact of the USD to EUR exchange rate on American sales and the loss of marketing rights for Pantoloc®.

Taking into account those elements, the continued research efforts and the preparation for the launch of bifeprunox, savings realized in the context of the Inspire project will permit sector results to be sustained.

Press release of May 8, 2007
CHEMICALS: EARNING THE RIGHT TO GROWTH

Intensification of geographic expansion
Through investments in flagship products in high-growth areas

Growth in specialties
In existing businesses, extend products range and develop new usages/markets
Leverage existing know-how in organic chemistry with external partnerships, major customers and leading science developers

Consolidation in Essentials
Following a policy of continuous improvement / Managing the product portfolio

Technological innovation
Earning the right to growth

Secured medium/long term competitiveness and preserved margins

- Intensification of geographic expansion
- Growth in Specialties
- Consolidation in Essentials
- Technological innovation

Sales
REBIT/Sales

M EUR

0% 5% 10% 15%

0 1000 2000 3000

Growth in Chemicals in Q1/07  
Stable Revenue, REBIT +6% (to EUR 93m)

<table>
<thead>
<tr>
<th>M EUR</th>
<th>REVENUE [1]</th>
<th>REBIT evolution</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2006</td>
<td>Q1/06</td>
<td>Q1/07</td>
</tr>
<tr>
<td>CHEMICALS</td>
<td>2,998</td>
<td>752</td>
<td>755</td>
</tr>
<tr>
<td>Minerals cluster [2]</td>
<td>1,304</td>
<td>318</td>
<td>332</td>
</tr>
<tr>
<td>Electrochemistry and Fluor chemicals cluster</td>
<td>1,130</td>
<td>297</td>
<td>272</td>
</tr>
<tr>
<td>Oxygen cluster [3]</td>
<td>494</td>
<td>121</td>
<td>130</td>
</tr>
</tbody>
</table>

[1] including SBU Molecular Solutions  
[3] including SBUs Hydrogen peroxide, Detergent and Caprolactones
Growth in Chemicals in Q1/07
Stable Revenue, REBIT +6% (to EUR 93 m)

- **Growth in Soda ash**
  - Favorable global market conditions
  - Price increases in Q1/07
  - Steady growth in bicarbonate: product mix/geographic expansion

- **Good volumes and stable price in caustic soda**
  - Sustained global demand and low inventories
  - Lower supply in Q1 due to technical issues for some European suppliers
  - Higher prices in Q1; Q2 prices close to favorable 2006 average

- **Fluor commodities under pressure**
  - Difficult year for refrigerants (Solkane®134a): higher energy prices in Europe; intensified competitive pressures from China

- **Good results in Hydrogen Peroxide**
  - Volume growth with full effect of the new unit in Finland (start-up in April 2006)
  - Lower gas prices in USA
PLASTICS: EXTENDING OUR PRODUCT PORTFOLIO & LEVERAGING OUR STRENGTHS

Specialty Polymers & Inergy Automotive Systems: product leadership and geographic globalization
- R&D intensive
- High growth markets

Vinyls & Pipelife: regional leadership and geographic diversification
- Strengthening our competitive position
- Selective growth
Margin upgrade

(M EUR)

Sales

REBIT/sales

AVERAGE 1996-2001

AVERAGE 2002-2006

Strong growth in Plastics in Q1/07
Revenue +6%, REBIT +15% (EUR 120 m)

<table>
<thead>
<tr>
<th>M EUR</th>
<th>Revenue</th>
<th>REBIT evolution</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2006</td>
<td>Q1/06</td>
<td>Q1/07</td>
</tr>
<tr>
<td>PLASTICS</td>
<td>3,800</td>
<td>933</td>
<td>992</td>
</tr>
<tr>
<td>Specialties cluster [1]</td>
<td>1,712</td>
<td>450</td>
<td>446</td>
</tr>
<tr>
<td>Vinlys cluster [2]</td>
<td>2,088</td>
<td>483</td>
<td>546</td>
</tr>
</tbody>
</table>

[1] Including SBUs Specialty Polymers and Inergy Automotive Systems (fuel systems)
[2] Including SBUs Vinlys and Pipelife (pipes & fittings)
Strong growth in Plastics in Q1/07
Revenue +6%, REBIT +15% (EUR 120 m)

- Good performances in Specialties
  - Specialty Polymers:
    - Continued growth
    - Faster growth in market segments with higher added value and in Asia
    - Results growth despite R&D efforts and unfavorable USD & JPY rates
  - Inergy Automotive Systems: lower volumes (-5%) and lower results

- Strong growth in Vinyls cluster
  - Vinlys:
    - Growth in Europe with better spreads, good volumes
    - Improved competitive position in Europe and Brazil
    - Good start of 2007: sustained demand during winter and strong growth in Eastern Europe; lower ethylene prices reflected in PVC prices
    - Asia: improving market conditions
  - Pipelife: very good performance
BACKGROUND INFORMATION
Record FY06 results

- **REVENUE**: +10% to EUR 9.4 bn
- **REBIT**: +21% to EUR 1.1 bn

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>REBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharma</td>
<td>+15%</td>
<td>+49% (EUR 451 m)</td>
</tr>
<tr>
<td>Chemicals</td>
<td>+8%</td>
<td>+11% (EUR 315 m)</td>
</tr>
<tr>
<td>Plastics</td>
<td>+8%</td>
<td>+5% (EUR 409 m)</td>
</tr>
</tbody>
</table>

- **GROUP NET PROFIT**: EUR 817 m
  - quality of results (significantly less non operating items)
- **NET DEBT TO EQUITY RATIO**: 28% (vs. 43% end of 05)
- **DIVIDEND UP**: to 2.10 EUR (+5%)
Growth in the 3 sectors in 2006

✓ PHARMACEUTICALS: REVENUE +15%, REBIT +49% (1)
  - Strong growth in our major products
  - Significant increase (+21%) of R&D efforts (16% of revenue)
  - «Inspire» project on track

✓ CHEMICALS: REVENUE +8%, REBIT +11%
  - Continued favorable balance between supply and demand
  - Pressures of high energy costs; positive effects of ongoing restructurings
  - Strong growth in «Minerals»; improvement in «Oxygens»; lower results in fluor chemical commodities

✓ PLASTICS: REVENUE +8%, REBIT +5%
  - 2006 results outperform excellent 2005 results
  - Growth in Specialties (Specialty Polymers & Inergy Automotive Syst.)
  - Vinlys (Vinlys products and Pipelife): good performances due to a good demand, gradual price increases and competitiveness improvements

(1) 2006 figures include Fournier Pharma, 2005 include Fournier Pharma only since August
Long term financial targets

NET PROFIT
Objective: average annual growth of 10%

RETURN ON EQUITY
Objective: to achieve 15%

DIVIDEND POLICY
Increasing our dividend whenever possible, and if possible, never reducing it

* subject to the approval of the Shareholders’ Meeting of May 8, 2007
Management compensation

- **Bonus linked to:**
  - Profit growth
  - RoE > 15%
  - Individual performance targets
  - Other executive specific targets as approved by the Board

- **60% of total cash pay for Top management is performance-based**

- **Long Term Incentives:**
  - Share options with 3 year vesting period
  - Total awarded to Top management in 06: 499k options
  - Total eligible population: 300 executives
# Leadership

*SOLVAY is among the leaders for about 85% of its sales (75% in 2000)*

<table>
<thead>
<tr>
<th>Pharmaceuticals</th>
<th>Europe</th>
<th>North America</th>
<th>World</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cholesterol &amp; triglyceremia</td>
<td>10</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Fibrates</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Antiemetics, antinauseants</td>
<td>-</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Vertigo (Ménière’s disease)</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Digestives/Enzymes</td>
<td>1</td>
<td>1</td>
<td>1</td>
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<tr>
<td>Antispasmodics/IBS</td>
<td>1</td>
<td>8</td>
<td>2</td>
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<tr>
<td>Hormone Therapies</td>
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<td></td>
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</tr>
<tr>
<td>• Female</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>• Male</td>
<td>3</td>
<td>1</td>
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<table>
<thead>
<tr>
<th>Specialties</th>
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<tbody>
<tr>
<td>Fluor</td>
<td>1</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Advanced functional minerals</td>
<td></td>
<td>among the world leaders</td>
<td></td>
</tr>
<tr>
<td>Bicarbonate</td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Ultrapure hydrogen peroxide</td>
<td></td>
<td>among the world leaders</td>
<td></td>
</tr>
<tr>
<td>Ultrapure barium/strontium</td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Fluorinated polymers</td>
<td>-</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Other Specialty polymers</td>
<td></td>
<td>among the world leaders</td>
<td></td>
</tr>
<tr>
<td>Inergy Automotive Systems (fuel systems)</td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Chemicals &amp; Plastics</th>
<th>Europe</th>
<th>North America</th>
<th>World</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soda ash</td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Hydrogen peroxide</td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Detergent (Persalts)</td>
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<td>1</td>
</tr>
<tr>
<td>Barium / Strontium carbonates</td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Caustic soda</td>
<td>1</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>PVC</td>
<td>2</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Pipelife (Pipes and fittings)</td>
<td>4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Diversified customer base

**in % of 2006 Sales = EUR 9,399 M**

<table>
<thead>
<tr>
<th>Industry</th>
<th>% of Group sales</th>
<th>SBUs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceutical industry</td>
<td>30%</td>
<td>Pharmaceuticals</td>
</tr>
<tr>
<td>Automotive industry</td>
<td>12%</td>
<td>Inergy Automotive Systems, Specialty Polymers</td>
</tr>
<tr>
<td>Construction and architecture</td>
<td>11%</td>
<td>Vinlys, Specialty Polymers, Fluor</td>
</tr>
<tr>
<td>Chemical industry</td>
<td>10%</td>
<td>Electrochemistry, Vinlys, Soda Ash, Fluor</td>
</tr>
<tr>
<td>Glass industry</td>
<td>6%</td>
<td>Soda ash</td>
</tr>
<tr>
<td>Water and Environment</td>
<td>5%</td>
<td>Pipelife, Soda ash, Electrochemistry</td>
</tr>
<tr>
<td>Electricity and Electronics</td>
<td>4%</td>
<td>Specialty Polymers, Vinlys</td>
</tr>
<tr>
<td>Paper</td>
<td>4%</td>
<td>Hydrogen peroxide, Electrochemistry</td>
</tr>
<tr>
<td>Detergents, cleaning and Hygiene products</td>
<td>3%</td>
<td>Soda ash, Electrochemistry</td>
</tr>
</tbody>
</table>
Vertical integration in raw materials

- **Chemicals**: largely integrated (limestone, salt, chlorine, fluorspar …)
- **Plastics**: Vinyls (integrated in chlorine and partially integrated in ethylene), fluorine chain and monomers for Specialty Polymers
- **Pharmaceuticals**: in-house production of selected active ingredients

└ More control of supply sources and costs
Energy management

Evolution of Solvay energy expenses and prices of energy sources

Energy sources index

Solvay Energy costs as % of sales
BUILDING THE NEXT SOLVAY PHARMACEUTICALS
Solvay has multiple partnerships to manage R&D & sales

- Fenofibrate franchise co-development and co-promotion
- odiparcil
- bifeprunox co-development and co-marketing
- Effexor® XR co-promotion
- Co-development SLV313 and SLV314
- Neuroscience research collaboration
- bifeprunox
- Cannabinoid SLV319 co-development
- Luvox co-promotion
- Fenofibrate co-promotion and co-development
- Creon co-development and co-promotion
- Early compound risk sharing (POP studies)
Cardio-metabolic

2006 sales: EUR 686 M

- Fenofibrate (Tricor, Lipanthyl) (5m. 2005 only)
- Physiotens
- Aceon
- Teveten
- Omacor
- Others

2006 R&D investments: EUR 153 M (36% of total Pharma R&D)

- Fenofibrate & combinations
- Atrial fibrillation/PULZIUM® IV
- Heart failure & hypertension/daglutril
- Antithrombotic/odiparcil
- Renal failure/SLV320
- Obesity/SLV319

Strategic investments in all phases, research, development and marketed products.

Others includes, Omacor, Olicard, Gilurytmal, Inocar, Angiodrox
Fenofibrate Franchise
Building on different patient profiles

<table>
<thead>
<tr>
<th>METABOLIC SYNDROME</th>
<th>DIABETES</th>
<th>LIPIDS</th>
<th>CARDIO-VASCULAR PREVENTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>SYNORDIA® fenofibrate &amp; metformin fixed dose combination for diabetes type 2</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| fenofibrate & statin fixed dose combinations
  ABBOTT & ASTRAZENECA co-develop for USA
  SOLVAY project ZOLIP for rest of world |
| SLV348/ABT335 next generation fenofibrate |
| TRICOR®/LIPANTHYL® NFE
  No food-effect fenofibrate |
| LIPANTHYL® fenofibrate |
Fenofibrate

- PPAR alpha agonist with benefits over other fibrates
- Hypercholesterolemia and mixed dyslipidemias
- Long term use well established
- 145 mg No Food Effect formulation introduced in all major markets
- NFE formulation has important clinical benefits compared to previous formulations
- IP formulation protection 145 mg NFE until Jan. 2018 in US and Europe
SLV348/ABT335

- Next generation fenofibrate
- Dossier protection & IP
- Added benefit with statins
- Phase III ongoing

➡ Regulatory submission expected in H2/07
Fenofibrate & statin
fixed dose combination USA

- Fast growing statin, rosvuvastatin/CRESTOR®/ASTRAZENECA
- With SLV348/ABT335 drug substance or with TRICOR® NFE formulation
- One single pill to target 3 important lipids
- In US, today 5% of statin users get co-prescribed a fibrate

Launch date: 2010 US
SYNORDIA®
fenofibrate & metformin
fixed dose combination

- Submission EMEA July 2006
  → information request under analysis
- Metformin (for blood sugar control)
  and fenofibrate (for lipid control)
- IP 2019 + possible extensions
- US submission under consideration
- Convenience & improved compliance in type 2 diabetics
  with lipid disorders
  → SYNORDIA® improved lipid control of Type 2 diabetic patients
    treated with metformin, with and without concomitant statin therapy
  → SYNORDIA® was more effective than either drug alone to treat the
    lipid and glucose features of metabolic syndrome
  → In a patient acceptability studies, patients found the combination
    regimen easier than to take the two drugs separately.
Zolip
fenofibrate & simvastatin fixed dose combination

- Submission date: 2009
- Peak sales potential EU: 100-250 MEUR

- Fenofibrate NFE & simvastatin
- Phase III ongoing
- Convenience, compliance and stronger lipid effects
- IP through NFE to 2018 with possible extensions
- Data exclusivity EU 10 years from approval
Neuroscience

2006 sales: EUR 430 M

- Serc
- Marinol
- Luvox
- Others

2006 R&D investments: EUR 138 M (33% of total Pharma R&D)

- bifeprunox with Lundbeck & Wyeth + neuroscience research collaboration (Solvay/Wyeth)
- DUODOPA®
- SLV308
- LUVOX®/DEPROMEL® Japan, social anxiety disorder
- MARINOL® EU & metered dose inhaler

Strategic investments in all phases, research, development and marketed products

Others includes, Lamaline, Baldrian, Difmetre, Xanax
bifeprunox with Lundbeck & Wyeth

- Partial dopamine agonist + additional serotonin 1A activity
- Schizophrenia & bipolar disorder
- IP 2017 + possible extensions
- Partnership with Lundbeck from 2000; co-development and exclusive commercialization except for US, Can, Mex, Japan
- Partnership with Wyeth from 2004; co-development and co-commercialization US, Can & Mexico
- Phase III results presented at specialist symposium (December 2006 (ACNP) and March 2007 (ICSR))

- NDA filing US December 2006
- Peak sales potential global: 1 billion EUR
Limitations of Antipsychotic Therapies

Current Therapy Limitations

- Excessive Weight gain
- Glucose abnormalities
- Triglyceride elevation
- Hyperprolactinemia

Bifeprunox Expected Advantages

- No weight gain
- Minimal glucose dysregulation
- Favorable lipid profile
- No increase in prolactin

In partnership with Wyeth and Lundbeck
bifeprunox: Overall Conclusions from Clinical Program

- Bifeprunox is a valuable treatment for stable patients with schizophrenia
  - Effective at maintaining stability in chronic patients
  - Metabolic effects similar to placebo, superior to comparators

- Bifeprunox is effective for acute exacerbations of schizophrenia

- Bifeprunox is best suited for chronic stable patients with metabolic derangement from other medications

In partnership with Wyeth and Lundbeck
Near-term Objectives

- NDA submission in the US for treatment of schizophrenia and maintenance of stability
- Complete ongoing short-term comparative studies
- Initiate long-term comparative studies
- Explore ways to simplify dose titration
- Finalize data on bipolar depression from the Phase 2 POC study

In partnership with Wyeth and Lundbeck
The patient value of bifeprunox is derived from its maintenance friendly profile.

**$11 Billion US Atypical Market**

- **Acute Care**
  - $1 Billion

- **$10 Billion Maintenance**

  - ~30-40% of Patients which have Metabolic Syndrome

- **>$3Billion**
  - Potential Market Value (metabolic patients)

*In partnership with Wyeth and Lundbeck*
bifeprunox Safely Maintains Stability in Schizophrenia

- Relief for patients where metabolic changes have challenged their long term therapy
- Improved side effect profile
  - No weight gain
  - Favorable lipid profile
  - Minimal risk for glucose dysregulation
  - Lack of hyperprolactinemia

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<thead>
<tr>
<th>Status</th>
<th>NDA submission (US) Oct. 2006</th>
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<tbody>
<tr>
<td></td>
<td>NDA filing (US) Dec. 2006</td>
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<tr>
<td>Peak Sales</td>
<td>$500M to 1 Billion in US</td>
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</table>

In partnership with Wyeth and Lundbeck
Influenza vaccines

2006 sales: EUR 148 M

- **Influvac**
- **Others**

2006 R&D investments: EUR 20 M (5% of total Pharma R&D)

- Cell culture brings opportunities
  - Start-up time shorter for cell-based by up to 6 months
  - Seed virus to product: another 6 months after startup complete
  - Output expectations; cell culture should double current egg based output
    - Commercialization cell culture based production will start from season 08 onwards;
    - Suited to produce avian flu vaccines
    - USD 298m milestone-based award from the US Department of HHS to develop cell-based influenza vaccine (seasonal / pandemic) and design a manufacturing capacity in the USA by 2011

- **INVIVAC®**: vaccine combined with virosome technology

Specific medical needs with full R&D
Geographical spread

- In ~60 countries (incl. Canada and Southern hemisphere)
- US government granted Solvay 298 MUSD to develop cell-based seasonal and pandemic vaccines for the US and to plan construction of a US cell-based facility
- Petrovax Pharm, Russia builds a new formulation plant near Moscow with Solvay technical support
  - Solvay supplies Petrovax with cell-based antigen
  - Petrovax formulates adding adjuvant polyoxidonium
  - For Russia & CIS countries

Pandemic vaccines & agreements

- Pandemic insurance contracts with The Netherlands, Norway, Italy, Malta, Finland
- Pre-pandemic contract with Finland
- Pre-pandemic vaccine opportunities increasing
Pancreatic enzymes

2006 Sales: EUR 191 M

2006 R&D investments: EUR 34 M (8% of total Pharma R&D)

- CREON® new agreement Japan EISAI
- Bioengineered pancreatic enzymes (SLV339, 340)

Specific medical needs with full R&D
Chemicals
Earning the right to growth
Our positioning

### Competitive Position

**Strong cash flow generation**

- 4 clusters: Minerals (44% of 2006 sales), Halogens (38%), Oxygens (16%), Organics (2%)
- 28% of chemicals’ sales in Specialties (from 14% in 1995)
- World leadership (Soda ash, Bicarbonate, Hydrogen peroxide, Caustic soda, Fluor)
- Upstream integration (independence for feedstocks & raw materials (except energy))
- Reduction of energy dependence
- Lower cyclicality e.g. reduction of electrochemistry exposure and divestment of salt

<table>
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<tr>
<th>M EUR</th>
<th>KEY FIGURES</th>
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<th>2003</th>
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<td>239</td>
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</table>
Soda ash strategy

**Growth**
- Grow size of existing manufacturing sites
- Continued development of Solvair (bicarbonate) in the US market
- Geographic expansion

**Competitiveness and operational excellence**
- Strengthen the quality of the operations and reduce the cost of resources
- Reduction of energy dependence
  - (under study) New affordable sources of thermal energy: steam from incineration (Germany)
  - Conversion from gas to coal (USA) in Q2&Q3 2006 (pay-back < 1 year)

**Extend**
- New bicarbonate based products / applications:
  - Neutrec® (Flue gas cleaning), Bicarjet® (surface cleaning), Resolest® (recycling bicarbonate from flue gas cleaning), BiProtec (animal health), …
**Chemicals**

**Growth**

- Geographic expansion
  - Asia: JV Souzhou Interox SEM Co in electronic grade; Major project under study
  - Mercosur: new project in Chili
- In new markets
  - Megaplanet: new peroxide technology for large propylene oxyde production plant (with DOW and BASF in Belgium)
- In existing sites
  - Low cost capacity expansion ("High Productivity Technology" in USA, Finland, Thailand,...)

**Competitiveness and operational excellence**

- Achieve superior operational productivity by continuing to lower operational costs, investment costs and optimising rates of utilisation

**Extend**

- Expand current position in Pulp & Paper by extending product portfolio
- Intensification of specialty products market development

---

*Peroxide strategy*
Electrochemistry strategy

Growth

- Growth in Epichlorohydrin EU market: new plant based on EPICEROL® process in Tavaux (capacity 10 kT/y)
- Expansion in Asia: a 100 kT/year unit in Thailand by mid 2009

Competitiveness and operational excellence

- Close follow-up of plants economics. Optimization of the production network.
- Actions for long-term competitive sourcing of electricity: France, Belgium, Italy and Germany
- Conversion (mercury cells to membranes) of the best integrated plants
  - gradual “conversion” (all mercury cells units amortized when that our conversion program is completed)
- New EPICEROL® process
  - Feedstock leaves oil chain (propylene) to join biodiesel chain, making use of one of its by-products, natural glycerine
Fluor strategy

Growth

- In new geographies
  - Asia: new plant in South Korea and JV with Lantian in China
  - Explore and develop opportunities in Mercosur
- Growth in market segments LCD/Semiconductor and Solvents
- Capacity extension in 2006 for Sifren®, leading critical etch gas in Italy

Competitiveness and operational excellence

- Continue with integration of own fluorspar sources

Extend

- Develop innovative products/applications in fast growing segments
  - Products for Li-Ion batteries: successful lab tests, next stage pilot plant in Germany
  - Specialty Gases for electronic industry, cleaning & etching: R&D programs under development with reference customers
Organics cluster

Major Strategic Initiatives

- Consolidation and conversion of assets, and competences in organic chemistry available in sub-critical entities within Solvay Group
- Build critical mass, on assets, market knowledge and technology in order to accelerate the move to a new position

Market position

Peptides 4 4
Oligonucleotides (liquid phase) 1
Oligonucleotides (solid phase) 3
Plastics: Extending our product portfolio & leveraging our strengths
Our positioning

<table>
<thead>
<tr>
<th>M EUR</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>3416</td>
<td>3215</td>
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<td>327</td>
<td>225</td>
<td>374</td>
<td>389</td>
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<tr>
<td>RBIT/sales</td>
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<td>7,0%</td>
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<tr>
<td>Depreciation</td>
<td>207</td>
<td>176</td>
<td>171</td>
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<td>8474</td>
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</table>

* Excluding Industrial foils in 2004, 2005 and 2006

Competitive Position

Margin upgrade

- 2 clusters: Specialties (45% of 2005 sales) and Vinlys (55%)
- Among world leaders in PVC, Specialty Polymers, Inergy Automotive Systems
- Main portfolio upgrades:
  - Acquisition of Ausimont and BP specialty polymers
  - Vinlys: Creation of Solvin in Europe with subsequent restructuring; expansions in Thailand and Mercosur
  - Creation of world leading position of Inergy Automotive Systems
  - Exit of PP, Decoration, Air Intake Systems, HDPE, Industrial foils
The high performance polymers industry

Key characteristics

- Significant barriers to entry
- Commercial launches of new polymers remain very rare
- Cost pressures (consumer electronics, automotive, Chinese producers)
- Elaborated customer decision making process: End-user / OEM / Processor / Resin Manufacturer

High performance polymers

- Performance
- Prices
- Continuous-use Temperature

A large high performance polymers portfolio gives us a competitive edge to provide solutions in a wide range of demanding applications

Black = Solvay products

© 2007, SOLVAY S.A. N.V.
### Broaderest portfolio of high performance polymers (1)

#### Product Range

<table>
<thead>
<tr>
<th>Fluoromaterials</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Thermoplastic Fluoropolymers</td>
</tr>
<tr>
<td>• PTFE &amp; coatings</td>
</tr>
<tr>
<td>• Fluoroelastomers</td>
</tr>
<tr>
<td>• Fluoro Fluids</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>High Performance Engineering Polymers</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Polysulfones</td>
</tr>
<tr>
<td>• High Performance Polyamides</td>
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<tr>
<td>• Liquid Crystal Polymers</td>
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<tr>
<td>• Ultrapolymers (Peek, Parmax, PAI)</td>
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<table>
<thead>
<tr>
<th>Barrier Polymers</th>
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</thead>
<tbody>
<tr>
<td>• PVDC</td>
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</table>

<table>
<thead>
<tr>
<th>Polyolefins compounds</th>
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<tbody>
<tr>
<td>• PP Cpds</td>
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<tr>
<td>• PE Cpds</td>
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</tbody>
</table>

#### Business Characteristics

- R&D intensive (6% of sales on average)
- Highly integrated plants
- Close collaboration with customers
- Extensive knowledge of processes and markets

#### Solvay’s Competitive Advantages

- Leader in most product lines
- Integrated manufacturing platform
- Widest range of products
- Preferred solutions provider

#### Strategy

- Upgrade the existing product portfolio to meet growing demand and penetrate new markets
- Broaden the current polymer/technology portfolio through R&D and acquisitions
- Accelerate growth in Asia
**Broadest portfolio of high performance polymers (2)**

<table>
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<tr>
<th>Industry</th>
<th>PVDC</th>
<th>PPS*</th>
<th>LCP</th>
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<th>PAI</th>
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(*) Compounding
Acronyms: see appendix
Leading role in high margin applications

GROWTH DRIVERS
- Growth of high-end markets
- Metal replacement (weight / cost reduction)
- Improvement of product properties enabling new uses
- Development of new products addressing unmet needs

Medical: Medical trays and instruments withstand the rigors of repeated sterilization

Construction and Architecture: Coatings provide protection against UV radiation, pollution, and severe weather

Automotive: solvents and high temperature resistance in air induction, fuel systems, electrical connectors, powertrain, lighting

Electricity and electronics: fiber optic connectors, components for metering devices, wire coating, mobile phones, microchips fabrication and testing, hard disk drivers, seals

Pharma: blister packaging

Solvay’s Specialty Polymers 2005 sales by application
Growth strategy in Specialty Polymers

- **Upgrade the existing product portfolio to meet growing demand and penetrate new markets:**
  - New production lines for fluorinated polymers (Algoflon® and Hyflon®)
  - New world-scale (PES/PPSU) Radel® unit in the US
  - Decision to expand Polyvinylidene fluoride (PVDF) in Tavaux (France)
  - Decision to double the capacity of Perfluoropolyether (PFPE) polymers in Italy by 2008
  - Intention to build a new unit for PVDC (10 kT/y), to be located possibly in Asia - decision expected by Q3/07

- **Broaden the current polymer / technology portfolio through R&D and acquisitions:**
  - Solvera®, Supradel® HTS
  - Acquisition of Mississippi Polymer Technologies (USA) : PrimoSpire™, a new family of specialty materials
  - Start up of SolviCore (50/50 joint venture Solvay/Umicore) : R&D, production and sales of Membrane Electrode Assemblies for application in Fuel Cells

- **Accelerate investments in fast growing markets:**
  - New development center in China and strengthening of local marketing organization
  - Acquisition of the Polymers Division of Gharda (India) : access to ultra high performance polymers, PEEK : construction of a commercial-scale unit in India
  - Construction (by 2007) of a world-class plant for micronized polytetrafluoroethylene (PTFE) powder in China
Vinyls

selective investments strengthen our geographic diversification

- **EUROPE:**
  - Ongoing measures to keep SOLVIN’s cost leadership: bundle manufacturing activity in a limited number of sites with world class production capacity > 300 kT/y
  - Project in Russia: negotiations under way
    (PVC capacity of 350 kT/y in the context of a 500 kT/y project)

- **ASIA (Thailand):**
  - Consolidation of the competitive position and growth of Vinythai: chloralkali-VCM plant capacity expansions (x2) in 2006; PVC expansion of 80 kT/y by mid 2008

- **MERCOSUR (Argentina & Brazil):**
  - Consolidation of the competitive position and growth of Solvay Indupa: ongoing chloralkali-VCM-PVC expansions in Brazil by end 2008

![REBIT evolution by region across the cycles](image)
Average PVC plant size in Western Europe

Average Plant size (kT/y)

Source: Solvin

“To the extent that any statements made in this presentation contain information that is not historical, these statements are essentially forward-looking. The achievement of forward-looking statements contained in this presentation is subject to risks and uncertainties because of a number of factors, including general economic factors, interest rate and foreign currency exchange rate fluctuations; changing market conditions, product competition, the nature of product development, impact of acquisitions and divestitures, restructurings, products withdrawals; regulatory approval processes, all-in scenario of R&D projects and other unusual items. Consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements can be identified by the use of words such as "expects," "plans," "will," "believes," "may," "could" "estimates," "intends", "goals", "targets", "objectives", "potential", and other words of similar meaning. Should known or unknown risks or uncertainties materialize, or should our assumptions prove inaccurate, actual results could vary materially from those anticipated. The Company undertakes no obligation to publicly update any forward-looking statements"