



PRESS RELEASE



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SOLVIN INVESTS EUR 50 MILLION TO CONCENTRATE VINYL PRODUCTION ON GLOBAL SIZE PLANTS, OPTIMIZES LOGISTICS & PRODUCT RANGE

Competitiveness enhanced with larger capacities, innovative products

Solvay announces today that its vinyls joint venture in Europe, SolVin, has invested nearly EUR 50 million to redeploy its manufacturing activity on a limited number of sites whose production capacity will exceed 300,000 metric tons per annum each. This initiative follows the closing of SolVin's vinyl chloride monomer (VCM) and polyvinyl chloride (PVC) plants in Ludwigshafen, Germany, which ceased to operate on January 1, 2006 without causing any forced redundancies.

SolVin has been transferring operations previously carried out in Ludwigshafen to its sites of Martorell (Spain), Jemeppe-sur-Sambre (Belgium) and Rheinberg (Germany). SolVin ensured seamless supply of its customers during the transfer operations. It is now in a position to offer optimal logistic solutions as well as security of supply from its three plants, which are ideally spread throughout Europe.

The redeployment involved the implementation of more competitive production technologies using, among other factors, larger autoclave units and various process improvements. After the extensions which are scheduled to be completed in 2006, the average production capacity of SolVin vinyl plants will be 30% higher than the sector's average in Europe, while their raw material integration will be very well balanced.

SolVin has also innovated in close co-operation with major customers to develop new vinyl resins with enhanced properties which fulfill the requirements of a larger variety of applications. The company has consequently rationalized production and is now focusing its expertise on the manufacturing of carefully selected grades.

SolVin combines the competences of Solvay and BASF in the European vinyls sector. The synergies achieved in know-how and organization, the complementarities of product ranges as well as upstream integration have built up SolVin as a leader on the PVC and PVDC markets. The joint venture has operations in France, Germany, Spain and the Benelux countries and a total annual production capacity of 1.3 million tons of PVC, with nearly 2000 employees. Solvay owns 75% of SolVin and BASF, the remaining 25%.

SOLVAY is an international chemical and pharmaceutical Group with headquarters in Brussels. It employs some 30,000 people in 50 countries. In 2005 its consolidated sales amounted to EUR 8.6 billion generated by its three activity sectors: Chemicals, Plastics and Pharmaceuticals. SOLVAY is listed on the Euronext 100 index of top European companies. Details are available at www.solvay.com.

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NOTE TO THE EDITORS:

The Solvay group is one of the world's leading vinyls producer, ranking second in Europe and third globally. In addition to SolVin in Europe, the Group's activities in polyvinyl chloride (PVC) and other products of the vinyl chain span across Asia and Latin America, through the affiliates Vinythai in Thailand and Solvay Indupa in Argentina and Brazil.

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