



PRESS RELEASE



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SOLVAY SIGNS AGREEMENT TO SELL CAPROLACTONES BUSINESS TO PERSTORP

Focusing on activities where the Group has maximum control over raw materials

Solvay announces today that it has signed a sale & purchase agreement with the Perstorp Group of Sweden to sell to the latter its entire Caprolactones business, which is active in the production, marketing and sales of epsilon-Caprolactone and downstream derivatives. The transaction is expected to be completed in the fourth quarter of 2007, pending the relevant regulatory approvals. The agreed price for the transaction is EUR 200 million.

Solvay's Caprolactones business - which is part of the Group's Chemicals Sector - serves clients worldwide, from a manufacturing site located in Warrington (United Kingdom). These activities generated a turnover of about EUR 60 million in 2006 with 65 employees.

The transaction would enable Solvay's Caprolactones business to integrate a world leader in several segments of the specialty chemicals market, which considers these products as a core development area. Perstorp today announced its intention to expand and double production capacity in caprolactone and downstream derivatives .

Solvay's strategy in the chemicals sector includes the pursuit of technological innovation and the development of specialties. Specific areas of interest relate to activities where Solvay covers the entire value chain, from the original raw materials to the most sophisticated research-intensive applications. In the case of Caprolactones, Solvay does not control the supply of the main raw material, cyclohexanone.

In addition, the caprolactones business does not result in significant synergies with the Group's other activities in the Chemicals and Plastics sectors.

"Solvay's priority is sustainable, profitable growth in selected areas of pharmaceuticals, chemicals and plastics. Meeting those objectives in Caprolactones required a major effort. After careful consideration, Solvay came to the conclusion that this business would enjoy the best development prospects outside the Group's perimeter. The present agreement not only holds the promise of a bright future for Solvay's Caprolactones but also matches Solvay's corporate strategy," explained Jorge Grande, Caprolactones SBU Manager of Solvay.

"We believe that a combination of Perstorp and Caprolactones is a compelling opportunity, enabling a deeper upstream/downstream integration into polyols. This combination would be beneficial to both companies, not only due to the potential for technical and revenue synergies, but also as the greater critical size will create a more stable platform for even stronger growth, notably organic," explained Bo Dankis, President and CEO of Perstorp.

PERSTORP is a Swedish-based specialty chemical company, world leader in the production of oxo chemicals and polyols, derived mainly from propylene and methanol. Perstorp's products are used in the aerospace, marine, coatings, chemicals, plastics, engineering and construction industries. Perstorp currently employs approximately 1,800 people and has manufacturing units in ten countries in Asia, Europe, North and South America. In 2006, Perstorp achieved revenues of EUR 780 million. Details are available at www.perstorp.com

SOLVAY is an international chemical and pharmaceutical Group with headquarters in Brussels. It employs some 29,000 people in 50 countries. In 2006, its consolidated sales amounted to EUR 9.4 billion, generated by its three sectors of activity: Chemicals, Plastics and Pharmaceuticals. Solvay (Euronext: SOLB.BE - Bloomberg: SOLB.BB - Reuters: SOLBt.BR) is listed on the Euronext stock exchange in Brussels. Details are available at www.solvay.com

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

Notes to the Editors:

Caprolactone: The existing portfolio of Caprolactones products marketed by Solvay under the CAPA® brand includes a wide range of commercial products used in applications such as paints & coatings, thermoplastic polyurethanes, adhesives, cast elastomers as well as in different solutions for the automotive, aerospace, medical and shoe industries.