



## PRESS RELEASE



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### **SOLVAY TAKES STEPS TO RESUME GROWTH AND RESTORE COMPETITIVENESS OF ITS FLUOR CHEMICALS BUSINESS**

#### *Focusing on high value added specialties, downsizing production of commodities*

Solvay announces today that it is taking steps to further focus its Fluor Chemicals business on high value added specialties, while scaling down its activities in refrigerant gases. The market for these commodity products is affected by adverse developments, including a surge in low-cost competition from Asian manufacturers. Solvay has entered into the relevant social procedures and will consider all feasible solutions -including early retirement, reassignment to other jobs and locations - to alleviate the social impact of the reorganization which is planned in Germany, Italy and Spain.

Solvay is a global leader for a number of high value added fluorinated chemical specialties, such as fluorides used in aluminum brazing; sulphur hexafluoride for insulation of mid- and high- voltage technology; Solkane® 365 as foaming agent for advanced Polyurethane insulation materials; propellant gases for medical sprays; and Iodine pentafluoride, which allows, among other applications, the production of innovative all-weather-clothing. In its drive to further expand its portfolio of sophisticated products, Solvay has just launched an innovative fluorinated specialty capable of extending the lifetime of lithium ion batteries and developed customized solutions for high-end industrial cleaning applications.

“In the future, we will put a stronger focus on fluorinated specialties requiring a lot of know-how and generating high added value, rather than on mass production which can be done at lower cost outside Europe,” said Bernd Wilkes, General Manager of the Strategic Business Unit Fluor. “With this reorganization, we want to ensure the future viability of Solvay’s Fluor business. We firmly believe in the success of the currently initiated process,” Wilkes said.

“Large quantities of fluorinated products, in particular for refrigerants in automotive air-conditioning systems, have been flowing out of the Far East onto the global markets, since 2006,” explained Wilkes. “As a consequence, over the last 18 months, we have seen a severe drop in volumes and prices for our refrigerant products, while production costs increased significantly,” added Wilkes. The competitiveness and sales of these products were also affected by high energy prices, the strength of the Euro and the accelerated phasing out of fluorinated refrigerant gases induced by European regulations.

Solvay is planning a significant reorganization of its Fluor chemicals activities, which would decrease employment by a total of around 250 jobs on five sites - Hannover, Bad Wimpfen, Frankfurt (Germany), Porto Marghera, (Italy), and Tarragona (Spain). Solvay Fluor currently employs a total of some 730 staff on these sites.

Solvay will remain true to its values, which include respect for people, as it implements this indispensable reorganization to restore the competitiveness and foster the growth of its fluorinated chemicals activities.

**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 (NYSE Euronext: SOLB.BE - Bloomberg: SOLB.BB - Reuters: SOLBt.BR) is listed on the NYSE Euronext stock exchange in Brussels. Details are available at [www.solvay.com](http://www.solvay.com)

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

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