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SOLVAY INDUPA LAUNCHES AMBITIOUS PLAN TO EXPAND AND UPGRADE VINYLs PRODUCTION IN BRAZIL

Capacity increase in Santo Andre to meet fast-growing Latin American demand

Solvay announces today that the Board of its affiliate Solvay Indupa has approved a USD 150 million investment program to expand and modernize its vinyls production plant of Santo Andre, Brazil, in anticipation of rapidly growing demand in Latin America.

The investment program includes upgrading the plant's electrolysis unit through the implementation of modern membrane technology with a nameplate annual capacity of 150,000 metric tons of chlorine and the expansion of the downstream vinyl chloride monomer (VCM) and polyvinyl chloride (PVC) manufacturing facility, with the installation of larger, more competitive equipment. As a result, by the end of 2008, the Santo Andre plant will have a total annual VCM and PVC production capacity of 300,000 metric tons, with world-class, state-of-the-art installations. Subsequent developments will be considered to further expand the plant, whose fully integrated PVC capacity could be easily lifted in line with the demand growth .

“Solvay is implementing a consistent strategy of sustainable and profitable growth, feeding on geographical expansion and constant improvements to stay at the leading edge of competitiveness,” commented Jacques van Rijckevorsel, General Manager of the Plastics Sector, Solvay. “This sizeable investment in Brazil lies within the scope of our strategy and reflects the high growth of Latin American economies, which is boosting demand for products from the vinyls chain,” added Jacques van Rijckevorsel.

The Solvay group is one of the world's leading vinyls producer, ranking second in Europe and third globally. In addition to SolVin, its joint venture with BASF in Europe, the Group's activities in 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.

Solvay Indupa, a company of the Solvay group, is one of the most important petrochemical companies in the Mercosur. Its main products are PVC resins and Caustic Soda. Solvay Indupa has its main offices in Buenos Aires, Argentina and two industrial sites: one in Bahía Blanca (Argentina) and the other in Santo André (Brazil). Solvay holds 62.7% of Solvay Indupa, which is listed on the Buenos Aires stock market.

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 (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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