

# SOLVAC

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## Press Release

Embargo, August 30 2013, 5.50 p.m. CET

### REGULATED INFORMATION HALF YEAR FINANCIAL REPORT

#### SOLVAC: CASH INCOME UP 8%

#### GROSS INTERIM DIVIDEND UNCHANGED AT EUR 2.72 PER SHARE

1. The Board of Directors reviewed and approved the consolidated financial statements of Solvac on June 30, 2013. These statements have been submitted to the Statutory Auditor for a limited review and are presented in accordance with IFRS standards.

CONSOLIDATED INCOME STATEMENT			
EUR million	Notes	June 2012	June 2013
Income from investments accounted for under the equity method <sup>1</sup>	2	83	53
Operating costs		-1	-1
Capital gain from sale of Solvay shares	5	0	
Cost of borrowings		-2	-2
<b>Net income</b>		<b>80</b>	<b>50</b>
<b>Net earnings per share (EUR) <sup>2</sup></b>		<b>5.2</b>	<b>3.3</b>

On June 30, 2013 Solvac recorded a consolidated net income of EUR 50 million (EUR 3.3 per share) against EUR 80 million EUR (EUR 5.2 per share) over the same period in 2012 to be attributed to the evolution of equity earnings of Solvay.

2. The cash inflow, fed by dividends from the investment in Solvay, amounted to EUR 51.1 million (against EUR 47.7 million in 2012):

EUR million	June 2012	June 2013
<b>Cash inflow</b>	47.7	51.1
<b>Cash income</b>	44.8	48.4

This evolution reflects the increase of Solvay dividend payment per share.

Solvac holds 30.18 % of the Solvay shares at the end of June 2013, unchanged since December 31, 2012.

<sup>1</sup> The 2012 data presented hereafter in this document have been restated in accordance with the reviewed IAS-19 standard.

<sup>2</sup> The net earnings per share and the diluted net earnings per share are identical. The number of shares used for per share calculation is 15,275,617 in 2012 and 15,267,881 in 2013.

To the extent that the statutory accounts will allow for it (see under point 3 below), the proposed amount of dividends to be distributed by Solvac is determined by the Board of Directors on the basis of this cash income and after coverage of the costs (mainly financial charges).

3. The Board of Directors of Solvac SA has issued the following figures for the first half of 2013 statutory accounts:

<b>EUR thousand</b>	<b>June 2012</b>	<b>June 2013</b>
Recurrent financial result	45,236	48,819
Other recurrent result	-431	-454
Net recurrent result	44,805	48,365
Capital gains	0	0
Profit before taxes	44,805	48,365
Profit after taxes	44,804	48,365

Profit after taxes amounted to EUR 48.4 million, 8% up in comparison with the preceding year (EUR 44.8 million), following Solvay's increase of its gross final dividend (from EUR 1.87 to EUR 2.00).

4. The Solvac Board of Directors has decided to maintain the first interim dividend at EUR 2.72 gross per share, an amount corresponding to 60% of the total rounded up dividend of the preceding year, in accordance with Solvac policy. The net amount is EUR 2.04.

This first interim dividend will be paid on September 26, 2013.

This will amount to a gross distribution of EUR 41.5 million.

As from September 9, 2013, the Solvac shares will be traded ex-dividend on Euronext Brussels.

The second interim dividend will be decided by the Board of Directors and made public on December 13 and paid on December 27, 2013.

In December 2013, the Board of Directors would have to decide on the increase of the total dividend for 2013 from EUR 4.53 to EUR 4.72, gross per share (or +4.2% yoy), in accordance with its policy to distribute practically all of the Solvay dividends and in view of Solvay's decision to increase its 2012 dividend by 4.2%.. The second interim dividend then would amount to EUR 2.00 gross per share.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Financial statements

Deloitte conducted a limited review of the half year situation closed June 30, 2013. This primarily consisted in the analysis, the comparison and the discussion of financial information and was therefore less extensive than a full audit of the annual accounts. This review has not revealed any information that might require significant corrections of the intermediate situation.

### 2. Content

This press release contains regulated information and is established in compliance with IAS 34. The risk analysis included in the annual report is available on internet ([www.solvac.be](http://www.solvac.be)).

### 3. Solvac shares

	June 2012	June 2013
Number of shares issued at the end of the period	15,269,492	15,267,881
Average number of shares for calculating IFRS earnings per share	15,269,492	15,267,881
Average number of shares for calculating IFRS diluted earnings per share	15,275, 617	15,267,881

### 4. Statement by responsible persons

Mr. JP. Delwart, Chairman of the Board and Mr. B. de Laguiche, Managing Director of Solvac, confirm that to the best of their knowledge:

- a) the summary financial information, prepared in conformity with applicable accounting standards, reflects a true and fair view of the net worth, the financial situation and results of the Solvac Group and of Solvac SA;
- b) the intermediate report contains a faithful presentation of significant events occurring over the first six months of 2013 and their impact on the summary financial information;
- c) the main risks and uncertainties with regard to the remaining months of the year 2013 are in line with the evaluation presented in the “risk and internal control management” section of the Solvac Annual Report, taking into account the current economic and financial context.

### Key dates for financial communications

- September 26, 2013: payment of first interim dividend for 2013
- December 13, 2013, 5.50 pm: press release on the second interim dividend
- December 27, 2013: payment of second interim dividend for 2013

For additional information, please contact

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<b>CONDENSED HALF-YEARLY IFRS FINANCIAL STATEMENTS</b>
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### Consolidated balance sheet

EUR million	<i>Note</i>	June 2012	June 2013
<b>ASSETS</b>			
Non current assets : Investments accounted for under the equity method	2	2,230	2,232
Goodwill		342	342
Investments accounted for under the equity method, excluding goodwill		1,888	1,890
Current assets : short term receivables	3	31	29
Cash and cash equivalents		0	0
<b>Total assets</b>		<b>2,261</b>	<b>2,261</b>
<b>EQUITY AND LIABILITIES</b>			
Total equity	4	2,096	2,146
Share capital		138	138
Reserves		1,958	2,008
Non-current liabilities : long-term financial debt	5	110	110
<b>Current liabilities</b>		55	5
Short-term financial debts		46	0
Income tax payable		6	0
Other current liabilities	6	3	5
<b>Total equity and liabilities</b>		<b>2,261</b>	<b>2,261</b>

## Consolidated income statement

EUR million	Note	June 2012	June 2013
Income from investments accounted for under the equity method <sup>1</sup>	2	83	53
Operating costs		-1	-1
Capital gain from sale of shares		0	
Cost of borrowings	5	-2	-2
<b>Net income</b>		<b>80</b>	<b>50</b>
<b>Earnings per share and diluted earnings per share (EUR)<sup>2</sup></b>		<b>5.2</b>	<b>3.3</b>

## Consolidated statement of total comprehensive income

EUR million	June 2012	June 2013
<b>Net income</b>	<b>80</b>	<b>50</b>
<b>Other elements of total comprehensive income</b>		
<b>Recyclable elements</b>		
Gains and losses on remeasuring available-for-sale financial assets	3	2
Gains and losses on hedging instruments in a cash flow hedge	-6	-9
Currency translation differences from activities abroad	13	-17
<b>Non-recyclable elements</b>		
Actuarial gains and losses on defined benefit pension plans	-72	24
<b>Taxes on recyclable and non-recyclable elements</b>		
Taxes on recyclable and non-recyclable elements	6	5
Other elements of global comprehensive income after related tax effects	<b>-57</b>	<b>6</b>
<b>Total comprehensive income</b>	<b>23</b>	<b>56</b>

<sup>1</sup> The 2012 data presented hereafter in this document have been restated in accordance with the reviewed IAS-19 standard.

<sup>2</sup> The net earnings per share and the diluted net earnings per share are identical. The number of shares used for per share calculation is 15,275,617 in 2012 and 15,267,881 in 2013.

### Consolidated statement of changes in equity

EUR million	Share capital	Treasury shares	Issue premiums	Retained earnings	Currency translation and fair value differences	Total equity
<b>Balance at 31/12/2011</b>	<b>138</b>	<b>174</b>	<b>1,990</b>	<b>-2</b>	<b>-156</b>	<b>2,143</b>
Comprehensive income			<b>83</b>		-61	23
Dividends						
Acquisition/sale of treasury shares				-1		-1
Scope and other variations			<b>4</b>			4
<b>Balance at 30/06/2012</b>	<b>138</b>	<b>174</b>	<b>2,077</b>	<b>-3</b>	<b>-217</b>	<b>2,169</b>
Comprehensive income			<b>91</b>		-87	4
Dividends			-69			-69
Acquisition/sale of treasury shares				0		0
Scope and other variations			-1			-1
<b>Balance at 31/12/2012</b>	<b>138</b>	<b>74</b>	<b>2,099</b>	<b>-3</b>	<b>-304</b>	<b>2,102</b>
<b>IAS19 reviewed</b>			<b>-12</b>		<b>5</b>	<b>-7</b>
<b>Balance at 31/12/2012 after review IAS19</b>	<b>138</b>	<b>174</b>	<b>2,087</b>	<b>-3</b>	<b>-299</b>	<b>2,095</b>
<b>Comprehensive income</b>			<b>50</b>		<b>6</b>	<b>56</b>
<b>Dividends</b>						<b>0</b>
Acquisition/sale of treasury shares						<b>0</b>
Scope and other variations			-7	3		-4
<b>Balance at 30/06/2013</b>	<b>138</b>	<b>174</b>	<b>2,129</b>	<b>0</b>	<b>-293</b>	<b>2,146</b>

## Consolidated cash flow statement

EUR million	June 2012	June 2013
Operating charges	-1	-1
Changes in taxes	-4	-6
Changes in working capital	10	4
Dividends received from Solvay	48	51
<b>Cash flow from operating activities</b>	<b>53</b>	<b>48</b>
Acquisition of Solvay shares	-2	0
Sale of Solvay shares	0	0
<b>Cash flow from investing activities</b>	<b>-2</b>	<b>0</b>
Capital increase	0	0
Acquisition of treasury shares	-1	0
Changes in borrowings	-47	-46
Cost of borrowings	-2	-2
Dividends paid	0	0
<b>Cash flow from financing activities</b>	<b>-51</b>	<b>-48</b>
<b>Net change in cash and cash equivalents</b>	<b>0</b>	<b>0</b>
Opening cash balance	0	0
Cash balance at closing	0	0

## Notes to the consolidated financial statements

### (1) Statement of compliance and accounting principles

The condensed consolidated financial statements have been prepared in accordance with the IAS 34 as adopted by the European Union. This standard has had no impact, neither on the condensed consolidated financial statements of the current period nor on those of the comparative period.

No changes have been made to the accounting principles compared to those used for the preparation of the latest consolidated statements established on December 31, 2012, with the exception of the following standards and interpretations applicable for the annual period beginning on January 1, 2013.

- IFRS 13 *Fair Value Measurement* (applicable for annual periods beginning on or after 1 January 2013)
- Improvements to IFRS (2009-2011) (normally applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 1. *First Time Adoption of International Financial Reporting Standards – Severe Hyperinflation and removal of Fixed dates for First-time Adopters* (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 1. *First Time Adoption of International Financial Reporting Standards – Government Loans* (normally applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 7 *Financial Instruments Disclosures - Offsetting Financial Assets and Financial Liabilities* (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IAS 1 *Presentation of Financial Statements – Presentation of Items of Other - Comprehensive Income* (applicable for annual periods beginning on or after 1 July 2012)
- Amendments to IAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets* (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IAS 19 *Employee Benefits* (applicable for annual periods beginning on or after 1 January 2013)
- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* (applicable for annual periods beginning on or after 1 January 2013).

Income earned out of dividends is usually more important in the first half of the financial year than in the second semester.

No event of any significance occurred after the closing of the half year.

**(2) Investments accounted for under the equity method**

These include the 30.79 % shareholding of Solvac in Solvay S.A. (after deducting the treasury shares held by Solvay).

The value of the shareholding under the equity method amounts to EUR 2,232 million (of which EUR 342 million of goodwill and EUR 1,890 million of value excluding goodwill). Based on the stock exchange price of June 30, 2013, it amounts to EUR 2,574 million.

The evolution of the shareholding carried under the equity method, excluding goodwill, is as follows:

<b>EUR million</b>	<b>2012</b>	<b>June 2013</b>
<b>Balance on January 1</b>	1,936	1,888
Sold during the year		
Acquired during the year	2	0
Result	173	53
Distribution	-79	-51
Currency translation and fair value	-144	1
<b>Balance on June 30</b>	<b>1,888</b>	<b>1,890</b>

In the first half of 2013, the share of Solvac in the net income of the Solvay Group, excluding minority interests, amounts to EUR 53 million (first half of 2012; EUR 83 million).

**(3) Short term liabilities**

These mainly include cash deposits with Solvay.

**(4) Total equity**

Total equity at the end of June 2013 amounted to EUR 2,146 (to be compared with EUR 2,096 million end of 2012) and includes direct negative bookings in equity of EUR 304 million. The latter arise from conversion differences, the mark-to-market of financial instruments of Solvay and defined benefit pension plans.

**(5) Long term financial debt**

Debts payable after one year are stable at EUR 110 million (borrowings from BNP Paribas Fortis). It concerns structural debts by Solvac: a EUR 50 million loan (maturing in 2017) and a EUR 60 million loan (maturing in 2015).

**(6) Other short term liabilities**

These mainly concern accounts payable and residual amounts to be reimbursed to shareholders.

**(7) Fair value of financial instruments measured at amortized cost**

Fair value of these financial instruments is not significantly different from fair value published in note 34.1 of the consolidated financial statements for the year ending 31 December 2012.

**8) Report on the condensed half yearly IFRS Financial Statements.**