

SOLVAC

LIMITED COMPANY

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Press Release

Embargo, 1st of August 2014 at 5:40 p.m.

REGULATED INFORMATION INTERIM FINANCIAL REPORT

SOLVAC: INTERIM DIVIDEND INCREASED TO EUR 2.83 GROSS (+ 4%)

1. Cash income, supplemented by dividends from the investment in Solvay amounted to EUR 47.8 million compared to EUR 51.1 million in 2013

EUR million	1 st half of 2013	1 st half of 2014
Cash income	51.1	47.8
Cash results	48.4	45.1

This decline reflects the expected reduction of the balance of the Solvay dividend per share. As a reminder, Solvac had benefited, in 2013, from a double increase of the Solvay dividend (on the 2012 balance and the 2013 interim dividend), for a flow of EUR 3.33 per Solvay share. Starting in 2014, and at a constant dividend, it was expected that this flow would go back down to EUR 3.2. The cash results from the first half of 2014 are therefore down by EUR 3.3 million compared to the peak observed over the same period in 2013. This drop has no effect on the distribution level of Solvac.

Solvac holds 30.20% in Solvay as of the end of June 2014, a slight increase compared to the end of 2013. Since the end of the 2013 financial year, Solvac has completed the acquisition of 19,010 Solvay shares.

Provided that the financial statements (see 3 below) permit it, it is based on the cash result (EUR 45.1 million) after covering costs (mainly interest expense), that the Board of Directors determines the amount of dividends proposed to be distributed by Solvac.

2. The Board of Directors approved the consolidated financial statements of Solvac on 30 June 2014. These financial statements were subject to a limited review by the Auditor. They are presented according to IFRS standards.

EUR million	1 st half of 2013	1 st half of 2014
Investment result according to the equity method	53	-69
Operational expenses	-1	-1
Gains on realization of securities		
Net debt expenses	-2	-2
Net income	50	-72
Net income per share (EUR) ⁽¹⁾	3.3	-4.7

On 30 June 2014 Solvac recorded a consolidated net loss of EUR -72 million (EUR -4.7 per share) compared to EUR 50 million (EUR 3.3 per share) for the same period in 2013, as a result of the change of Solvay's result according to the equity method. This result has no impact on the distribution level of Solvac.

(1) Net income per share and diluted net income per share are identical. The number of shares used for the per-share calculations was 15,267,881 in 2013 and 2014.

3. The Board of Directors announces the figures of the financial statements for Solvac SA for the first half of 2014:

EUR thousand	1 st half of 2013	1 st half of 2014
Recurring financial income	48,819	45,806
Other recurring income	-454	-686
Net recurring income	48,365	45,120
Capital income	0	0
Income before taxes	48,365	45,120
Income after taxes	48,365	45,120

Profit after taxes was EUR 45.1 million, down 6.7% compared to the previous year (EUR 48.4 million), following Solvay's reduction of its gross dividend balance (down from EUR 2.00 to 1.87).

4. The Board of Directors resolved to increase the first interim dividend to EUR 2.83 gross, an amount corresponding to 60% of the rounded total dividend of the previous year, in accordance with policy. The net amount is EUR 2.1225.

This first interim dividend will be paid on 25 September 2014.

This will lead to a gross distribution of EUR 43.2 million.

The Solvac shares will trade ex-dividend on Euronext Brussels, starting on 8 September 2014.

The second interim dividend, which will be decided by the Board, will be released on 12 December 2014 and paid on 29 December 2014.

In accordance with its policy of distributing virtually all the Solvay dividends and given the latter's decision to leave its dividend from the 2013 financial year unchanged, the Board should resolve in December to keep the total dividend from the 2014 financial year at EUR 4.72 gross. The second interim dividend should therefore amount to EUR 1.89 per share.

NOTES

1. Financial statements

Deloitte conducted a limited review of the situation at six months ending on 30 June 2014. This review consisted principally of analysis, comparison and discussion of the financial information and therefore was less extensive than a full audit of the annual accounts would have been. This review did not reveal any information that would have required significant corrections of the interim position.

2. Content

This press release contains regulated information and is prepared in accordance with the IAS 34 standard. The analysis of risk management is presented in the annual report, available on the Internet (www.solvac.be)

3. Solvac shares

	December 2013	June 2014
Number of shares outstanding at end of period	15,267,881	15,267,881
Average number of shares for calculating results per share according to IFRS	15,267,881	15,267,881
Average number of shares for calculating diluted results per share according to IFRS	15,267,881	15,267,881

4. Statement of the persons accountable

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

- a) the condensed financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, the financial position and the results in the financial statements and consolidated financial statements of Solvac;
- b) the interim report includes a fair review of the important events during the first six months of the 2014 financial year and their impact on the condensed financial statements.
- c) the main risks and uncertainties for the remaining months of the 2014 financial year are consistent with the assessment presented in the "Risk Management and Internal Control" section of Solvac's annual report and reflect the current economic and financial environment.

Key financial reporting dates

- 25 September 2014: Payment of the first interim dividend for the 2014 financial year
- 12 December 2014: 5:40 p.m. "Second interim dividend" press release
- 29 December 2014: Payment of the second interim dividend for the 2014 financial year.

For more information, please contact:

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Dit persbericht is ook in het Nederlands beschikbaar - This press release is also available in English

CONDENSED IFRS INTERIM FINANCIAL STATEMENTS

Consolidated balance sheet

EUR million	Notes	31 December 2013	30 June 2014
ASSETS			
Tangible fixed assets		0	0
Non-current assets: investments according to the equity method	2	2,516	2,360
<i>Goodwill</i>		342	342
<i>Investments according to the equity method excluding goodwill</i>		2,174	2,018
Current assets: short term receivables	3	34	31
Cash and cash equivalents		1	0
Total Assets		2,550	2,391
LIABILITIES			
Equity	4	2,389	2,276
<i>Capital</i>		138	138
<i>Reserves</i>		2,251	2,138
Non-current liabilities: long term financial debt	5	110	110
Current liabilities		52	5
<i>Short term financial debt</i>		41	0
<i>Tax liabilities</i>		8	0
<i>Other current liabilities</i>	6	3	5
Total liabilities		2,550	2,391

Consolidated income statement

EUR million	1 st half of 2013	1 st half of 2014
Investment result according to the equity method	53	-69
Operational expenses	-1	-1
Gains on realization of securities		
Net debt expenses	-2	-2
Net income	50	-72
Net income per share (EUR) ⁽¹⁾	3.3	-4.7

(1) Net income per share and diluted net income per share are identical. The number of shares used in per share calculations was 15,267,881 in 2013 and 2014

Consolidated statement of total income

EUR million	1 st half of 2013	1 st half of 2014
Net income	50	-72
Other elements of total income		
Recyclable elements		
Hyperinflation		-5
Profits and losses related to the revaluation of financial assets available for sale	2	0
Profits and losses on hedging instruments in a cash flow hedge	-9	-1
Currency translation adjustments related to activities abroad	-17	9
Non-recyclable elements		
Revaluation of net liabilities in respect of defined benefit pension plans	24	-46
Taxes on recyclable and non-recyclable elements		
Taxes on recyclable and non-recyclable elements	5	9
Other elements of total income net of related tax effects	6	-34
Total income	56	-106

Consolidated statement of changes in equity

EUR million	Capital	Share premiums	Undistributed results	Hybrid bond	Currency translation and fair value adjustments, and defined benefit pension plans	Total equity
Carrying amount as of 31/12/2012	138	173	2,084		-299	2,096
Total income			50		6	56
Dividends						
Acquisition / sale of treasury shares						0
Changes in scope and other			-7			-7
Carrying amount as of 30/06/2013	138	173	2,127		-293	2,146
Total income			28		-82	-54
Dividends			-72			-72
Hybrid bond				367		367
Acquisition / sale of treasury shares						0
Changes in scope and other			3			3
carrying amount as of 31/12/2013	138	173	2,086	367	-374	2,389
Total income			-72		-34	-106
Dividends						0
Acquisition / sale of treasury shares						0
Changes in scope and other			-7			-7
carrying amount as of 30/06/2014	138	173	2,007	367	-408	2,276

Consolidated statement of cash flows

EUR million	1 st half of 2013	1 st half of 2014
Operational expenses	-1	-1
Income taxes paid	-6	-8
Change in working capital	4	5
Dividends received from Solvay	51	48
Cash flows from operational activities	48	45
Acquisition of fixed assets		0
Acquisition of Solvay securities	0	-2
Sale of Solvay securities	0	0
Cash flows from investment activities	0	-2
Capital increase	0	0
Acquisition of treasury shares	0	0
Change in borrowings	-46	-41
Interest paid	-2	-2
Dividends paid	0	0
Cash flows from financing activities	-48	-43
Net change in cash	0	-1
Cash at opening	0	1
Cash at closing	0	0

(1) Declaration of compliance and accounting principles

The condensed consolidated financial statements have been prepared in accordance with the IAS 34 standard as currently adopted in the European Union. This standard has not generated any impact on the condensed consolidated financial statements, both in the current period and the comparison period.

No changes were made to the accounting principles as compared to those that were used for the preparation of the last consolidated financial statements prepared on 31 December 2013, with the exception of the following standards and interpretations applicable for the annual period open beginning from the 1st of January 2014

- *IFRS 10 Consolidated Financial Statements (effective for the annual periods open beginning from the 1st of January 2014)*
- *IFRS 11 Joint Arrangements (effective for annual periods open beginning from the 1st of January 2014)*
- *IFRS 12 Disclosure of Interests in Other Entities (effective for the annual periods open beginning from the 1st of January 2014)*
- *IAS 27 Separate Financial Statements (effective for the annual periods open beginning from the 1st of January 2014)*
- *IAS 28 Investments in Associates and Joint Ventures (effective for the annual periods open beginning from the 1st of January 2014)*
- *Amendments to IFRS 10, IFRS 12 and IAS 27 Consolidated Financial Statements and Disclosures - Investment Companies (effective for the annual periods open beginning from the 1st of January 2014)*
- *Amendments to IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities (effective for the annual periods open beginning from the 1st of January 2014)*
- *Amendments to IAS 36 - Impairment of Assets - Disclosure of the Recoverable Value of Non-Financial Assets (effective for the annual periods open beginning from the 1st of January 2014)*
- *Amendments to IAS 39 - Financial Instruments - Novation of Derivatives and Maintenance of Hedge Accounting (effective for the annual periods open beginning from the 1st of January 2014)*

Income received as dividends is generally higher during the first half of the year than in the second half.

There was no significant event subsequent to the closing of the first half of the year.

(2) Investments according to the equity method

This is Solvac's 30.68% stake in Solvay S.A. (after deducting shares held by Solvay and its subsidiaries).

The value of the stake according to the equity method amounted to EUR 2,360 million (of which 342 of goodwill and 2,018 of value excluding goodwill). Evaluated at the share price trading on 30 June (EUR 125.7), it amounts to EUR 3,215 million.

Changes in investments according to the equity method excluding goodwill are as follows:

EUR million	2013	1 st half of 2014
Value as of 1st of January	1,889	2,174
Sold during the year		
Acquired during the year		2
Income	83	-69
Distribution	-85	-48
Currency translation and fair value adjustments	287	-41
Value at 30 June	2,174	2,018

For the 1st half of 2014, Solvac's share of the Solvay Group's net income, excluding minority interests, amounted to EUR -69 million (1st half of 2013: EUR 53 million).

(3) Short term receivables

These are primarily current account investments with Solvay.

(4) Equity

Total equity at the end of June amounted to EUR 2,276 million (compared to EUR 2,389 million at the end of 2013) and includes direct allocations in equity. The latter result from currency translation adjustments, market development of Solvay's financial instruments and defined benefit pension plans.

(5) Long term financial debt

Debts due in more than a year remained steady at EUR 110 million (loans from BNP Paribas Fortis). This is Solvac's structural debt: a loan of EUR 50 million (maturing in 2017) and a loan of EUR 60 million (maturing in 2020).

(6) Other current liabilities

These are mainly trade payables and residual amounts to be repaid to shareholders.

(7) Fair value of financial instruments assessed at their amortized cost

At the end of June 2014, the difference between the carrying amount of the debt and its fair value was EUR 12.5 million compared to a difference of EUR 5 million at the end of 2013 (see note 11 to the consolidated financial statements). This change can be explained by the continued decline in interest rates.

(8) Limited review report on the consolidated interim financial information