

Solvay and INEOS to create INOVYN™, a leading chlorovinyls producer

Brussels, June 26, 2014 --- Solvay has signed a definitive agreement with INEOS to create a strong player in chlorovinyls, to be named INOVYN™. The joint venture is expected to be effective by year-end following the divestments required by the European Commission. Until completion, Solvay and INEOS will continue to run their businesses separately.

“Thanks to this agreement we now have a unique opportunity to create a world-class competitive player with high-quality assets and substantial synergies, better able to withstand the challenging environment in Europe,” said Jean-Pierre Clamadieu, CEO of Solvay. *“This is another key step in the transformation of Solvay’s business profile.”*

The terms of the joint venture agreement have been simplified and adjusted to the remedies as well as challenging market conditions. Solvay will receive an upfront payment of € 175 million at closing and transfer liabilities worth € 250 million into the joint venture.

It will exit INOVYN™ after three years, when Solvay will receive additional cash proceeds targeted at € 250 million. These final cash proceeds at exit will be adjusted based on the joint venture’s average REBITDA performance during its three-year period, with a minimum exit payment of € 75 million.

The transaction will result in an accounting impairment of around € (420) million, impacting Solvay’s Group share net income in the second quarter of 2014. This impairment, which is predominantly non-cash, includes a € (142) million write-off of Rhodia goodwill that was originally allocated to this business, a deferred depreciation charge of € (60) million, taxes, as well as other costs linked to the structuring of the agreement, for a combined € (70) million.

To be headquartered in London, INOVYN™ will have proforma 2013 sales of more than € 3 billion, with 14 sites in eight European countries. Governance will be split equally between the partners.

NOTES TO EDITORS

Solvay and INEOS’s project, announced last year, obtained European competition clearance in May subject to the implementation of remedies. These include the divestment of certain INEOS-owned assets in Tessenderlo (Belgium), Mazingarbe (France), Beek (The Netherlands), Wilhemshaven (Germany) and Runcorn (UK).

INOVYN™ will pool Solvay and INEOS’s European assets across the entire chlorovinyls chain: PVC, the world’s third most-used plastic, caustic soda and chlorine derivatives. It will build on the strengths of the companies’ industrial assets, team skills and regional complementarity to enhance competitiveness.

Regarding governance, from INEOS Chris Tane will be appointed as INOVYN™’s Chief Executive Officer, Mike Maher as Chief Financial Officer and Julie Taylorson as Procurement Director. From Solvay, Filipe Constant will be named as INOVYN™’s Commercial Director, Jean-Michel Mesland as Operations Director and Otto Grolig as General Counsel.

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

Solvay will contribute to INOVYN™ its vinyl activities, which are part of SolVin, as well as its Chlor Chemicals business, in seven fully integrated production sites in Europe. These sites include five electrolysis units converted into more energy-efficient membrane technology, supporting the sustainable production of PVC.

Kerling, the subsidiary of INEOS and Europe's largest PVC producer, will contribute its chlorvinyls and related businesses that include three modern and large-scale membrane electrolysis units. These assets are based on six sites in four European countries.

Synergies remain strong. They will come from shared best practices, a streamlined product mix and increased plant specialization, optimized raw material and energy usage and purchasing, lower logistics and transport costs as well as a combined marketing and sales force.

Please click on [HTTP://WWW.INEOS.COM/](http://www.ineos.com/) to view INEOS's press release on INOVYN™

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As an international chemical group, [SOLVAY](#) assists industries in finding and implementing ever more responsible and value-creating solutions. Solvay generates 90% of its net sales in activities where it is among the world's top three players. It serves many markets, varying from energy and the environment to automotive and aeronautics or electricity and electronics, with one goal: to raise the performance of its clients and improve society's quality of life. The group is headquartered in Brussels, employs about 29,400 people in 56 countries and generated 9.9 billion euros in net sales in 2013. Solvay SA (**SOLB.BE**) is listed on **NYSE EURONEXT** in Brussels and Paris (Bloomberg: **SOLB:BB** - Reuters: **SOLB.BR**).

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