

SOLVAC

SOCIETE ANONYME
Rue des Champs Elysées, 43 - 1050 Brussels– Belgium
Tel. + 32 2 639 66 30
Fax + 32 2 639 66 31
www.solvac.be

Press Release

Embargo, 1 August 2017 at 6:00 p.m.
Regulated information
Interim financial report

Solvac: First interim gross dividend 2017 at €2.88

1. Cash revenue ¹, driven by dividends from the investment in Solvay amounted to € 112.1 million compared to € 107.3 million in 2016

€ million	1 st half of 2016	1 st half of 2017
<i>Dividend per Solvay share – January (in €)</i>	1.3600 ²	1.3200
<i>Number of Solvay shares held by Solvac (in millions)</i>	32.5	32.5
Dividend Solvay cash in January (in millions €) (a)	44.2 ³	42.9
<i>Dividend per Solvay share – May (in €)</i>	1.9400	2.1300
<i>Number of Solvay shares held by Solvac (in millions)</i>	32.5	32.5
Dividend Solvay cash in May (in millions €) (b)	63.1	69.2
Cash revenue (a) + (b) ¹	107.3	112.1
Cash income ¹	104.5	109.3

Solvac holds 30.71% in Solvay as of the end of June 2017 (same as of the end of December 2016).

Provided that the statutory financial statements (see 3 below) permit it, it is based on the cash income (€ 109.3 million) after covering costs (mainly interest expenses), that the Board of Directors determines the amount of dividends proposed to be distributed by Solvac.

¹ Solvac uses certain non-IFRS performance indicators that are defined here:

- Cash revenue refers to income received during the period. It is defined as the cash flow obtained by the payment of dividends received from Solvay.
- Cash income means the cash revenue reduced by the interest charges and other income and expenses (financial/operational). It is on the basis of this indicator that the Board of Directors determines the amounts proposed for distribution by Solvac.

² Paid on shares held in 2015 before the capital increase.

³ As a reminder, in accordance with accounting principles, the dividend on the 6.932.858 shares acquired in December 2015 and January 2016 was recorded as a deduction of the purchase price and not as financial revenue, due to the fact that it was implicitly included in the acquisition value. This represents an amount of EUR 9.4 million that is not included in financial income, but in the 2016 cash revenue.

2. The Board of Directors approved today the consolidated financial statements of Solvac on 30 June 2017. These financial statements were subject to a limited review by the Auditor. They are presented according to IFRS standards as adopted in the European Union.

€ million	1 st half of 2016	1 st half of 2017
Investment result according to the equity method	63	193
Operational expenses	-1	-1
Net debt expenses	-2	-2
Net income	60	190
Net income per share (€) ¹	2.8	8.9

On 30 June 2017 Solvac recorded a consolidated net income of € 190 million (€ 8.9 per share) compared to € 60 million (€ 2.8 per share) for the same period in 2016, as a result of the change of Solvac's result according to the equity method.

3. The Board of Directors announces the figures of the statutory financial statements for Solvac SA (Belgian GAAP) for the first half of 2017:

€ million	1 st half of 2016	1 st half of 2017
Financial result	61.0	67.1
Operating result	-0.7	-0.7
Income before taxes	60.3	66.4
Income after taxes	60.3	66.4

Profit after taxes is € 66.4 million, up 10.1 % compared to the previous year (€ 60.3 million), following the increase of the balance of the dividend paid by Solvac.

4. In accordance with the dividend distribution policy of the company, the Board of Directors decided to set the first interim dividend at € 2.88 gross, an amount corresponding to 60% of the total dividend of the previous year.

The net dividend amounts to 2.016 €

This first interim dividend will be paid August 25, 2017.

This will lead to a gross distribution of € 61.6 million.

The Solvac shares will trade ex-dividend on Euronext Brussels, from August 10, 2017.

The second interim dividend, which will be decided by the Board, will be released on 13 December 2017 and paid on 28 December 2017.

In line with its policy of distributing virtually all the Solvac dividends and given the latter's decision to increase its dividend ex. 2016 by 4.5%, the Board should resolve in December to bring the total dividend ex. 2017 from € 4.80 gross to € 5.02 gross per share, an increase of 4.6% in line with that of Solvac. Such a distribution would result in an outflow of cash of € 107.3 million in 2017.

The second interim dividend should settle at € 2.14 gross per share or € 1.498 net per share.

¹ The net income per share and the net diluted income per share are identical. The average weighted number of shares used for the calculation per share is 21,375,033 in June 2017 and in June 2016.

NOTES

1. Financial statements

Deloitte conducted a limited review of the situation at six months ending on 30 June 2017.

Auditor report on review of the consolidated interim financial information for the six-month period ended 30 June 2017

To the board of directors

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated statement of financial position as at 30 June 2017, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period of six months then ended, as well as selective notes 1 to 8.

Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of Solvac SA/NV ("the company"), prepared in accordance with International Financial Reporting Standard IAS 34 – Interim Financial Reporting as adopted by the European Union.

The consolidated statement of financial position shows total assets of € 3,466 m and the consolidated income statement shows a consolidated profit (group share) for the period then ended of € 190 m.

The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34 – Interim Financial Reporting as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410 – Review of interim financial information performed by the independent auditor of the entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of Solvac SA/NV has not been prepared, in all material respects, in accordance with IAS 34 – Interim Financial Reporting as adopted by the European Union.

Diegem, 1 August 2017

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises

BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by Michel Denayer

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). There is no change as at 30 June 2017 in the risk identification compared to 31 December 2016.

3. Solvac shares

	December 2016	June 2017
Number of shares outstanding at end of period	21,375,033	21,375,033
Average number of shares for calculating results per share according to IFRS	21,375,033	21,375,033
Average number of shares for calculating diluted results per share according to IFRS	21,375,033	21,375,033

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:

- 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 statutory financial statements and consolidated financial statements of Solvac;
- the interim report includes a fair review of the important events during the first six months of the 2017 financial year and their impact on the condensed financial statements.
- the main risks and uncertainties for the remaining months of the 2017 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 August 2017: Payment of the first interim dividend for the 2017 financial year
- 13 December 2017: 6:00 p.m. "Second interim dividend" press release
- 28 December 2017: Payment of the second interim dividend for the 2017 financial year.

For more information, please contact:

SOLVAC S.A.

Investor Relations

Rue des Champs Elysées, 43 - 1050 Brussels

Tel.: 32/2/639 66 30

Fax: 32/2/639 66 31

Email: investor.relations@solvac.be

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

CONDENSED IFRS INTERIM FINANCIAL STATEMENTS

Condensed consolidated balance sheet

€ million	<i>Notes</i>	31 December 2016	30 June 2017
ASSETS			
Tangible fixed assets		0	0
Non-current assets: investments according to the equity method	2	3,400	3,400
<i>Goodwill</i>		343	343
<i>Investments according to the equity method excluding goodwill</i>		3,057	3,057
Current assets: short term receivables		43	0
Cash and cash equivalents	3	1	66
Total Assets		3,444	3,466
LIABILITIES			
Equity	4	3,235	3,301
<i>Capital</i>		192	192
<i>Reserves</i>		3,043	3,109
Non-current liabilities: long term financial debt	5	160	160
Current liabilities		49	5
<i>Short term financial debt</i>		33	0
<i>Tax liabilities</i>		12	0
<i>Other current liabilities</i>	6	4	5
Total liabilities		3,444	3,466

Condensed consolidated income statement

€ million		1st half of 2016	1st half of 2017
Investment result according to the equity method	2	63	193
Operational expenses		-1	-1
Net debt expenses	5	-2	-2
Net income		60	190
Net income per share (€) ¹		2.8	8.9

(1) Net income per share and diluted net income per share are identical. The number of shares used in per share calculations is 15,418,468 in June 2015 and 21,375,033 shares in June 2016.

¹ The net income per share and the net diluted income per share are identical. The average weighted number of shares used for the calculation per share is 21,375,033 in June 2017 and in June 2016.

Condensed consolidated statement of comprehensive income

€ million	1 st half of 2016	1 st half of 2017
Net income	60	190
Other elements of comprehensive income		
Recyclable elements		
Profits and losses related to the revaluation of financial assets available for sale	3	-1
Profits and losses on hedging instruments in a cash flow hedge	2	4
Currency translation adjustments related to activities abroad	-23	-144
Non-recyclable elements		
Revaluation of net liabilities in respect of defined benefit pension plans	-107	55
Taxes on recyclable and non-recyclable elements		
Taxes on recyclable and non-recyclable elements	7	-10
Other elements of comprehensive income net of related tax effects	-118	-96
Comprehensive income	-58	94

Condensed consolidated statement of changes in equity

€ million	Capital	Share premiums	Retained earnings	Hybrid bond	Currency translation and fair value adjustments, and defined benefit pension plans	Total equity
Carrying amount as of 31/12/2015	192	568	1,996	675	-300	3,131
Net income for the first half						
Other elements of comprehensive income						
<i>Comprehensive income</i>			60		-118	-58
Changes in scope and other			-13			-13
Carrying amount as of 30/06/2016	192	568	2,043	675	-418	3,060
Net income for the second half						
Other elements of comprehensive income						
<i>Comprehensive income</i>			130		163	293
Dividends			-103			-103
Changes in scope and other			-15			-15
Carrying amount as of 31/12/2016	192	568	2,055	675	-255	3,235
Net income for the first half			190			190
Other elements of comprehensive income					-96	-96
<i>Comprehensive income</i>			190		-96	94
Changes in scope and other			-28			-28
Carrying amount as of 30/06/2017	192	568	2,217	675	-351	3,301

More information about the changes related to Solvay are available in Solvay's press release issued on August 1, 2017.

Condensed consolidated statement of cash flows

€ million	1 st half of 2016	1 st half of 2017
Operational expenses	-1	-1
Change in working capital	1	1
Dividends received from Solvay	107	112
Cash flows from operational activities	107	112
Acquisition of Solvay securities	-35	0
Cash flows from investment activities	-35	0
Refund of borrowings	-59	-33
New borrowings	50	0
Interest paid	-2	-2
Changes in taxes linked to dividends paid	0	-12
Cash flows from financing activities	-11	-47
Net change in cash	61	65
Cash and cash equivalent at opening	2	1
Cash and cash equivalent at closing	63	66

(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.

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 2016, with the exception of the following standards applicable for the annual period open beginning from the 1st of January 2017 :

Standards applicable for the annual period beginning on 1 January 2017

- Amendments to IAS 7 Statement of Cash Flows – Disclosure Initiative (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed in the EU)
- Amendments to IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized Losses (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed in the EU)
- Annual improvements to IFRS Standards 2014-2016: Amendments to IFRS 12 (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed by the EU)

The amendment to IAS 7 will require a more detailed movement table of the financial liabilities in the annual report 2017.

Standards and interpretations published, but not yet applicable for the annual period beginning on 1 January 2017

- IFRS 9 Financial Instruments and subsequent amendments (applicable for annual periods beginning on or after 1 January 2018)
- IFRS 15 Revenue from Contracts with Customers (applicable for annual periods beginning on or after 1 January 2018)
- IFRS 16 Leases (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU)

Annual improvements to IFRS Standards 2014-2016: Amendments to IFRS 1 and IAS 28 (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed by the EU)

- Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)
- Amendments to IFRS 4 Insurance Contracts - Applying IFRS 9 Financial Instruments with IFRS 4 (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (the effective date has been deferred indefinitely, and therefore the endorsement in the EU has been postponed)
- Amendments to IAS 40 Transfers of Investment Property (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)
- IFRIC 22 Foreign Currency Transactions and Advance Consideration (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)
- IFRIC 23 Uncertainty over Income Tax Treatments (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU)

The impact of future application of these standards and interpretations on the financial statements of Solvay Group is set out in detail in its annual report. Their application at the level of Solvac should not have any significant impact on the consolidated financial statements.

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 31.46% 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 € 3,400 million (of which 343 of goodwill and 3,057 of value excluding goodwill), being € 104.58 per share held to be compared with the share price of € 117.50 on June 30, 2017.

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

€ million	2016	1 st half of 2017
Value as of 1st of January	2,916	3,057
Acquired during the year	35	0
Income	196	193
Distribution	-106	-69
Currency translation adjustments and fair value	99	-144
Defined benefit pension plans	-64	44
Scope variation and others	-19	-24
Value at 31 December/30 June	3,057	3,057

For the 1st half of 2017, Solvac's share of the Solvay Group's net income, excluding non-controlling interests, amounted to € 193 million (2016: € 196 million and 1st half of 2016: € 63 million).

(3) Cash and cash equivalent

Given the current situation of interest rates on the financial markets, Solvac did not invest the dividend received in May 2017 in commercial paper (unlike last year). This amount is therefore always on the Solvac bank account (without generating any fee).

(4) Equity

Total equity at the end of June 2017 amounted to € 3,301 million (compared to € 3,235 million at the end of 2016) and includes direct allocations in equity (other comprehensive income). The latter mainly results 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 at the end of June 2017 (€ 160 million) are stable compared to the end of 2016 (loans from BNP Paribas Fortis). This is Solvac's structural debt:

- loan of € 60 million (fixed rate of 3,20 % - maturing in 2020)
- loan of € 50 million (fixed rate of 2,90 % - maturing in 2022)
- loan of € 50 million (fixed rate of 1,50 % - maturing in 2023)

(6) Other current liabilities

These are mainly interest accrued liabilities, trade payables and residual amounts to be repaid to shareholders.

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

On the balance sheet of Solvac, the fair value of these financial instruments are not significantly different from the carrying amount in the consolidated financial statements on June 30, 2017.

(8) Reconciliation between cash revenue and consolidated net income for the first halves of 2017 and 2016

EUR million	1st half of 2016	1st half of 2017
Cash revenue	107	112
<i>Operating result</i>	-1	-1
<i>Cost of borrowings</i>	-2	-2
Cash income	104	109
<i>Minus Solvay dividend received in January 2016 and January 2017, recorded in the net income of year 2015 and 2016, respectively</i>	-44	-43
<i>Cancellation of Solvay dividends, reversed in consolidation</i>	-63	-69
<i>Share of Solvay net result during the year</i>	63	193
Net income Solvac - Consolidated financial statement	60	190