

## SOLVAC

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

## Press Release

Embargo, 29 July 2016 at 6:00 p.m.  
**Regulated information**  
**Interim financial report**

### Solvac: Interim gross dividend 2016 at €2.70

1. Cash inflow, driven by dividends from the investment in Solvay amounted to € 107.3 million compared to € 87.0 million in 2015

€ million	1 <sup>st</sup> half of 2015	1 <sup>st</sup> half of 2016
<i>Dividend per Solvay share – January (in €)</i>	1.3333	1.3600
<i>Number of Solvay shares held by Solvac (in millions)</i>	25.6	32.5
Dividend Solvay cash in January (in millions €) (a)	34.1	44.2 (1)
<i>Dividend per Solvay share – May (in €)</i>	2.0667 (2)	1.9400
<i>Number of Solvay shares held by Solvac (in millions)</i>	25.6	32.5
Dividend Solvay cash in May (in millions €) (b)	52.9	63.1
<b>Cash inflow (a) + (b)</b>	<b>87.0</b>	<b>107.3</b>
<b>Cash results (3)</b>	<b>84.6</b>	<b>104.5</b>

(1) In accordance with accounting regulations, 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 income, due to the fact that was implicitly included in the acquisition value. This is an amount of €9.4 million that is not taken into account in the financial income.

(2) Non adjusted figures for rights issue

(3) "Cash income" means the cash inflow reduced by the interest charges and other income and expenses (financial/operational)

Solvac holds 30.71% in Solvay as of the end of June 2016 (was 30.33% at the end of December 2015). This comes from the purchase on the stock exchange of 395,555 Solvay shares at the average price of € 89.38 between 4 January 2016 and 15 January 2016.

Provided that the financial statements (see 3 below) permit it, it is based on the cash result (€ 104.5 million) after covering costs (mainly interest expenses), that the Board of Directors determines the amount of dividends proposed to be distributed by Solvac.

2. The Board of Directors approved today the consolidated financial statements of Solvac on 30 June 2016. These financial statements were subject to a limited review by the Auditor. They are presented according to IFRS standards.

€ million	1 <sup>st</sup> half of 2015	1 <sup>st</sup> half of 2016
Investment result according to the equity method	82	63
Operational expenses	-1	-1
Net debt expenses	-2	-2
<b>Net income</b>	<b>79</b>	<b>60</b>
<b>Net income per share (€) <sup>(1)</sup></b>	<b>5.2</b>	<b>2.8</b>

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

On 30 June 2016 Solvac recorded a consolidated net income of € 60 million (€ 2.8 per share) compared to € 79 million (€ 5.2 per share) for the same period in 2015, 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 financial statements for Solvac SA for the first half of 2016:

€ million	1 <sup>st</sup> half of 2015	1 <sup>st</sup> half of 2016
Recurring financial income	51.1	61.0
Other recurring income	-0.6	-0.7
Net recurring income	50.5	60.3
Income before taxes	50.5	60.3
Income after taxes	50.5	60.3

Profit after taxes is € 60.3 million, up 19.4 % compared to the previous year (€ 50.5 million), following the increase of the number of shares owned in Solvac (went from 25.6 on June 30, 2015 to 32.5 on June 30, 2016).

4. In accordance with the dividend distribution policy of the company, the Board of Directors decided to propose the first interim dividend at € 2.70 gross, an amount corresponding to 60% of the adjusted total dividend of the previous year. The dividend of Solvac in 2015 amounted to 5.015 € gross per share, or 4.50 € after adjusting for a factor of 0.90 following Solvac's rights issue on December 22, 2015.

The net dividend amounts to 1.971€.

This first interim dividend will be paid August 25, 2016.

This will lead to a gross distribution of € 57.7 million.

The Solvac shares will trade ex-dividend on Euronext Brussels, from August 8, 2015.

The second interim dividend, which will be decided by the Board, will be released on 14 December 2016 and paid on 27 December 2016.

In line with its policy of distributing virtually all the Solvac dividends and given the latter's decision to increase its adjusted dividend ex. 2015 by 3.3%, the Board should resolve in December to bring the total dividend ex. 2016 from € 4.50 gross after adjustment for the capital increase (or € 5.015 gross without adjustment) to € 4.80 gross per share, an increase of 6.6%, double that of Solvac. Such a distribution would result in a slightly negative retention and thus an outflow of cash that would be drawn on the amount of € 9.4 million collected in cash and not recognized in financial income (see point 1).

The second interim dividend should settle at € 2.10 gross per share or € 1.533 net per share.

## NOTES

### 1. Financial statements

Deloitte conducted a limited review of the situation at six months ending on 30 June 2016.

#### *Auditor report on review of the consolidated interim financial information for the six-month period ended 30 June 2016*

##### **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 2016, 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 7.*

##### **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 € 3,226 m and the consolidated income statement shows a consolidated profit (group share) for the period then ended of € 60 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, 29 July 2016*

*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](http://www.solvac.be))

### 3. Solvac shares

	December 2015	June 2016
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	15,418,468	21,375,033
Average number of shares for calculating diluted results per share according to IFRS	15,418,468	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 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 2016 financial year and their impact on the condensed financial statements.
- the main risks and uncertainties for the remaining months of the 2016 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 2016: Payment of the first interim dividend for the 2016 financial year
- 14 December 2016: 6:00 p.m. "Second interim dividend" press release
- 27 December 2016: Payment of the second interim dividend for the 2016 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](mailto: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>	<b>31 December 2015</b>	<b>30 June 2016</b>
<b>ASSETS</b>			
Tangible fixed assets		0	0
Non-current assets: investments according to the equity method	2	3,258	3,162
<i>Goodwill</i>		342	343
<i>Investments according to the equity method excluding goodwill</i>		2,916	2,819
Current assets: short term receivables		52	1
Cash and cash equivalents	3	2	63
<b>Total Assets</b>		<b>3,312</b>	<b>3,226</b>
<b>LIABILITIES</b>			
Equity	4	3,131	3,060
<i>Capital</i>		192	192
<i>Reserves</i>		2,939	2,868
Non-current liabilities: long term financial debt	5	110	160
Current liabilities		71	6
<i>Short term financial debt</i>		59	0
<i>Tax liabilities</i>		0	0
<i>Other current liabilities</i>	6	12	6
<b>Total liabilities</b>		<b>3,312</b>	<b>3,226</b>

**Condensed consolidated income statement**

€ million		<b>1<sup>st</sup> half of 2015</b>	<b>1<sup>st</sup> half of 2016</b>
Investment result according to the equity method	2	82	63
Operational expenses		-1	-1
Net debt expenses	5	-2	-2
<b>Net income</b>		<b>79</b>	<b>60</b>
<b>Net income per share (€) <sup>(1)</sup></b>		<b>5.2</b>	<b>2.8</b>

(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.

## Condensed consolidated statement of comprehensive income

€ million	1 <sup>st</sup> half of 2015	1 <sup>st</sup> half of 2016
<b>Net income</b>	<b>79</b>	<b>60</b>
<b>Other elements of comprehensive income</b>		
<b>Recyclable elements</b>		
Hyperinflation	4	0
Profits and losses related to the revaluation of financial assets available for sale	1	3
Profits and losses on hedging instruments in a cash flow hedge	2	2
Currency translation adjustments related to activities abroad	77	-23
<b>Non-recyclable elements</b>		
Revaluation of net liabilities in respect of defined benefit pension plans	60	-107
<b>Taxes on recyclable and non-recyclable elements</b>		
Taxes on recyclable and non-recyclable elements	-13	7
<b>Other elements of comprehensive income net of related tax effects</b>	<b>131</b>	<b>-118</b>
<b>Comprehensive income</b>	<b>210</b>	<b>-58</b>

## 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
<b>Carrying amount as of 31/12/2014</b>	<b>138</b>	<b>173</b>	<b>2,013</b>	<b>367</b>	<b>-450</b>	<b>2,241</b>
Comprehensive income			79		131	210
Changes in scope and other			-14			-14
<b>Carrying amount as of 30/06/2015</b>	<b>138</b>	<b>173</b>	<b>2,078</b>	<b>367</b>	<b>-319</b>	<b>2,437</b>
Comprehensive income			42		19	61
Capital increase	54	395				449
Dividends			-77			-77
Changes in scope and other			-47	308		261
<b>Carrying amount as of 31/12/2015</b>	<b>192</b>	<b>568</b>	<b>1,996</b>	<b>675</b>	<b>-300</b>	<b>3,131</b>
Comprehensive income			60		-118	-58
Changes in scope and other			-13			-13
<b>Carrying amount as of 30/06/2016</b>	<b>192</b>	<b>568</b>	<b>2,043</b>	<b>675</b>	<b>-418</b>	<b>3,060</b>

More information about the changes related to Solvay are available in Solvay's press release issued on July 29, 2016.

## Condensed consolidated statement of cash flows

€ million	1 <sup>st</sup> half of 2015	1 <sup>st</sup> half of 2016
Operational expenses	-1	-1
Income taxes paid	-7	0
Change in working capital	0	1
Dividends received from Solvay	87	107
<b>Cash flows from operational activities</b>	<b>79</b>	<b>107</b>
Acquisition of Solvay securities	0	-35
<b>Cash flows from investment activities</b>	<b>0</b>	<b>-35</b>
Refund of borrowings	-39	-59
New borrowings	0	50
Interest paid	-1	-2
<b>Cash flows from financing activities</b>	<b>-40</b>	<b>-11</b>
<b>Net change in cash</b>	<b>39</b>	<b>61</b>
Cash and cash equivalent at opening	1	2
Cash and cash equivalent at closing	40	63

**(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 2015, with the exception of the following standards applicable for the annual period open beginning from the 1<sup>st</sup> of January 2016 :

**Standards and interpretations applicable for the annual period beginning on 1 January 2016**

- Improvements to IFRS (2010-2012) (applicable for annual periods beginning on or after 1 February 2015)
- Improvements to IFRS (2012-2014) (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IFRS 11 *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 1 *Presentation of Financial Statements – Disclosure Initiative* (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 16 and IAS 38 *Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation* (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants* (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 19 *Employee Benefits – Employee Contributions* (applicable for annual periods beginning on or after 1 February 2015)
- Amendments to IAS 27 *Separate Financial Statements – Equity Method* (applicable for annual periods beginning on or after 1 January 2016)

**Standards and interpretations published, but not yet applicable for the annual period beginning on 1 January 2016**

- IFRS 9 *Financial Instruments* and subsequent amendments (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in EU)
- IFRS 14 *Regulatory Deferral Accounts* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU)
- IFRS 15 *Revenue from Contracts with Customers* (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in EU)
- IFRS 16 *Leases* (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in 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 EU)
- Amendments to IFRS 10, IFRS 12 and IAS 28 – *Investment Entities: Applying the Consolidation Exception* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in 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 EU has been postponed)
- 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 EU)
- Amendments to IAS 12 *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses* (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed in EU)

These changes have no 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 31.49% 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 €3,162 million (of which 343 of goodwill and 2,819 of value excluding goodwill). Evaluated at the share price trading on 30 June (€83.38), it amounts to €2,711 million.

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

€ million	2015	1 <sup>st</sup> half of 2016
<b>Value as of 1<sup>st</sup> of January</b>	2,023	2,916
Acquired during the year	457	35
Income	126	63
Distribution	-88	-63
Currency translation adjustments, remeasurement of the net defined benefit liability and others	90	-132
Hybrid Bond	308	0
<b>Value at 31 December/30 June</b>	2,916	2,819

For the 1<sup>st</sup> half of 2016, Solvac's share of the Solvay Group's net income, excluding minority interests, amounted to €63 million (2015: €126 million and 1<sup>st</sup> half of 2015: €82 million).

## (3) Cash and cash equivalent

Solvac invested its cash in Solvay commercial paper classified as "cash and cash equivalents" with terms shorter than 3 months.

## (4) Equity

Total equity at the end of June 2016 amounted to €3,060 million (compared to €3,131 million at the end of 2015) and includes direct allocations in equity. 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 increased from €110 million end of 2015 to €160 million end of June 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 that of the consolidated financial statements on June 30, 2016.