

Prospectus dated 23 May 2006

SOLVAY FINANCE

(a *société anonyme* incorporated in France)

Euro 500,000,000 Deeply Subordinated Fixed to Floating Rate Bonds due 2104

Irrevocably guaranteed on a subordinated basis by

SOLVAY SA

(a *société anonyme* incorporated in Belgium)

Issue Price: 99.316 per cent.

This document constitutes a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC (the "**Prospectus Directive**") and the Luxembourg law of 10 July 2005 implementing the Prospectus Directive (the "**Luxembourg Law**"). This prospectus contains information relating to the issue by Solvay Finance (the "**Issuer**") of Euro 500,000,000 Deeply Subordinated Fixed to Floating Rate Bonds due 2104 (the "**Bonds**") irrevocably guaranteed on a subordinated basis by Solvay SA (the "**Guarantor**") and must be read in conjunction with the documents incorporated by reference herein. Together, this prospectus and the information incorporated by reference herein constitute a prospectus (the "**Prospectus**") in connection with the issue of the Bonds, prepared for the purposes of Article 5.1 of the Prospectus Directive and Article 8.1 of the Luxembourg Law.

The Bonds will be issued outside the Republic of France and will bear interest (i) at the fixed rate of 6.375 per cent. per annum from (and including) 2 June 2006 (the "**Issue Date**") to (but excluding) 2 June 2016, payable annually in arrear on 2 June in each year and (ii) thereafter at 3-month EURIBOR plus 3.35 per cent. per annum, payable quarterly in arrear on 2 March, 2 June, 2 September and 2 December in each year.

The Issuer may, at its option, elect not to pay interest in respect of the Bonds, in which case any such interest shall be deferred and constitute "**Outstanding Amounts**". Outstanding Amounts will bear interest at the rate of interest then applicable to the Bonds. Outstanding Amounts and interest accrued thereon shall be payable upon the occurrence of an Outstanding Amount Payment Event (as such term is defined in "Terms and Conditions of the Bonds – Definitions") or if the Issuer so decides. In such case, the Guarantor shall initiate the alternative coupon satisfaction mechanism ("**ACSM**") by (i) issuing and/or selling, or causing the Issuer to issue and/or sell, ordinary shares up to a maximum amount of 2 per cent. of the Guarantor's aggregate outstanding issued share capital (such maximum amount shall not apply if the Guarantor exercises the ACSM in respect of Outstanding Amounts which have been deferred for a period of less than 12 months) and/or (ii) issuing, or causing the Issuer to issue, certain eligible securities in a maximum aggregate amount of up to 25 per cent. of the aggregate principal amount of the Bonds. If the Guarantor fails to raise, or cause the Issuer to raise, proceeds under the ACSM which are equal to the Outstanding Amounts and interest accrued thereon the claims of the Bondholders in respect of the shortfall shall be cancelled and the non-payment by the Issuer of such shortfall shall not constitute a default.

The principal and interest on the Bonds constitute direct, unconditional, unsecured and deeply subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with all other present and future Parity Securities of the Issuer, but shall be subordinated to *titres participatifs* issued by, and *prêts participatifs* granted to, the Issuer, to Ordinary Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Issuer (as all such terms are defined in "Terms and Conditions of the Bonds – Definitions").

The Bonds will be redeemed on 2 June 2104, provided that the Bonds may be redeemed (in whole but not in part) on 2 June 2016 and on any Interest Payment Date (as such term is defined in "Terms and Conditions of the Bonds – Definitions") thereafter, at the option of the Issuer. The Issuer will also have the right (and in certain circumstances the obligation) to redeem the Bonds (in whole but not in part) for certain tax reasons.

Application has been made to the Luxembourg Stock Exchange for the Bonds to be listed and admitted to trading on the market of the Luxembourg Stock Exchange appearing on the list of regulated markets issued by the European Commission. Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") for approval of this Prospectus. Upon such approval, the CSSF will be requested to provide the competent authorities in Austria, Belgium, Germany, the United Kingdom and Spain with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Luxembourg Law.

The Bonds will be in bearer form and in the denomination of Euro 1,000 each. The Bonds will initially be in the form of a temporary global bond (the "**Temporary Global Bond**"), without interest coupons, which will be deposited on or around the Issue Date with a common depositary for Euroclear Bank, S.A./N.V. as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**"). The Temporary Global Bond will be exchangeable, in whole or in part, for interests in a permanent global bond (the "**Permanent Global Bond**"), without interest coupons, not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Bonds cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Bond will be exchangeable in certain limited circumstances in whole, but not in part, for Bonds in definitive form in the denomination of Euro 1,000 each and with interest coupons attached. See "Summary of Provisions Relating to the Bonds in Global Form".

The Bonds are expected to be assigned a rating of Baa1 by Moody's Investors Services, Inc. and a rating of BBB+ by Standard & Poor's Ratings Services. A rating is not a recommendation to buy, sell or hold Bonds and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency.

Structuring adviser and Joint Bookrunner

Deutsche Bank

Joint Bookrunners

BNP Paribas

Citigroup

Co-Managers

Fortis

HSBC

**Société Générale Corporate &
Investment Banking**

The Royal Bank of Scotland

The delivery of this Prospectus at any time does not imply that any information contained herein is correct at any time subsequent to the date hereof.

In connection with the issue and sale of the Bonds, no person is authorised to give any information or to make any representation not contained in this Prospectus, and neither the Issuer, the Guarantor nor any of the Managers (as defined in "Subscription and Sale" below) accepts responsibility for any information or representation so given that is not contained in this Prospectus. This Prospectus does not constitute an offer of Bonds, and may not be used for the purposes of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offering of the Bonds or the distribution of this Prospectus in any jurisdiction where any such action is required except as specified herein.

The distribution of this Prospectus and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about, and to observe, any such restrictions.

The Bonds have not been and will not be registered under the United Securities Act of 1933, as amended (the "**Securities Act**") and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")).

A further description of the restrictions on offers and sales of the Bonds in the United States or to, or for the benefit of, U.S. persons, and in certain other jurisdictions, is set forth below under "Subscription and Sale".

In connection with the issue of the Bonds, Deutsche Bank AG, London Branch will act as Stabilising Manager (the "Stabilising Manager"). The Stabilising Manager may over-allot Bonds (provided that the aggregate principal amount of Bonds allotted does not exceed 105 per cent. of the aggregate nominal amount of the Bonds) or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds.

RESPONSIBILITY STATEMENT

The Issuer and the Guarantor accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer and the Guarantor, having taking all reasonable care to ensure that such is the case, the information contained or incorporated by reference in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Solvay Finance

12, cours Albert 1er
75008 Paris
France

Duly represented by:

Mr Bernard de Laguiche, *Président du Conseil d'administration* and *Directeur Général*

Solvay SA

33, rue du Prince Albert
B-1050 Brussels
Belgium

Duly represented by:

Mr Christian Jourquin, Chairman of the Executive Committee
and

Mr Bernard de Laguiche, Director General for Finances and Member of the Executive Committee

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DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with:

- (i) the annual reports of the Guarantor for 2004 and 2005;
- (ii) the report on the application of the Guarantor's corporate governance rules for 2005;
- (iii) the press release relating to the Guarantor's consolidated financial statements for the first quarter 2006; and
- (iv) the limited review report from the auditors of the Guarantor on the consolidated financial statements of the Guarantor for the first quarter 2006,

which have been previously published or are published simultaneously with this Prospectus and have been filed with the Luxembourg competent authority for the purpose of the Prospectus Directive and the relevant implementing measures in the Grand Duchy of Luxembourg, and shall be incorporated in, and form part of, this Prospectus.

This Prospectus and the documents incorporated by reference in this Prospectus are available for viewing on the website of the Luxembourg Stock Exchange, www.bourse.lu.

Any information not listed in the following cross-reference lists but included in the documents incorporated by reference in this Prospectus is given for information purposes only.

CROSS-REFERENCE LISTS

Section	Regulation – Annex IV	Cross reference
5. Information about the Guarantor	5.1.5. any recent events particular to the Guarantor which are to a material extent relevant to the evaluation of the Guarantor's solvency.	Pages 4, 5 and 53 to 56 of the Solvay 2005 Annual Report
	5.2.2. Information concerning the Guarantor's principal future investments, on which its management bodies have already made firm commitments.	Pages 1, 4 and 90 (note 33) of the Solvay 2005 Annual Report
6. Business Overview	6.1. <u>Principal activities</u> : 6.1.1. A description of the Guarantor's principal activities stating the main categories of products sold and/or services performed; and	Pages 12 to 39 of the Solvay 2005 Annual Report
	6.1.2. an indication of any significant new products and/or activities.	Pages 40 to 43 of the Solvay 2005 Annual Report
8. Trend information	8.2. Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Guarantor's prospects for at least the current financial year.	Pages 53 to 56 of the Solvay 2005 Annual Report
11. Board practices	11.1. Details relating to the Guarantor's audit committee, including the names of committee members and a summary of the terms of reference under which the committee operates.	Page 7 of the Solvay 2005 Annual Report and pages 12 and 13 of the " <i>Report on the application of the Solvay group's Corporate Governance rules in 2005</i> "
12. Major shareholders	12.1. To the extent known to the Guarantor, state whether the Guarantor is directly or indirectly owned or controlled and by whom and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.	Page 4 of the " <i>Report on the application of the Solvay group's Corporate Governance rules in 2005</i> "

Section	Regulation – Annex IV	Cross reference	
13. Financial information concerning the Guarantor's assets and liabilities, financial position and profits and losses	13.1. <u>Historical Financial Information</u> Audited historical financial information covering the latest 2 financial years (or such shorter period that the Guarantor has been in operation), and the audit report in respect of each year. Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member States national accounting standards for Guarantors from the Community.	<u>2004</u> Pages 48 to 84 (including the Auditors' report) of the Solvay 2004 Annual Report	<u>2005</u> Pages 57 to 105 (including the Auditors' report) of the Solvay 2005 Annual Report
	(a) Consolidated income statement	Page 48 of the Solvay 2004 Annual Report	Page 57 of the Solvay 2005 Annual Report
	(b) Consolidated cash flow statement	Page 48 of the Solvay 2004 Annual Report	Page 58 of the Solvay 2005 Annual Report
	(c) Consolidated Balance sheet	Page 49 of the Solvay 2004 Annual Report	Page 59 of the Solvay 2005 Annual Report
	(d) Accounting policies and explanatory notes		
	- Accounting policies	Pages 51 to 53 of the Solvay 2004 Annual Report	Pages 61 to 64 of the Solvay 2005 Annual Report
	- Explanatory Notes	Pages 54 to 81 of the Solvay 2004 Annual Report	Pages 65 to 102 of the Solvay 2005 Annual Report
	13.2. <u>Financial statements</u> If the Guarantor prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.	Pages 48 to 84 (including the Auditors' report) of the Solvay 2004 Annual Report	Pages 57 to 105 (including the Auditors' report) of the Solvay 2005 Annual Report

Section	Regulation – Annex IV	Cross reference	
	<p>13.3. <u>Auditing of historical annual financial information</u></p> <p>13.3.1. A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.</p>	<p><u>2004</u></p> <p>Page 84 of the Solvay 2004 Annual Report</p>	<p><u>2005</u></p> <p>Page 105 of the Solvay 2005 Annual Report</p>
	<p>13.5. <u>Interim and other financial information</u></p> <p>(a) Quarterly financial information</p> <p>(b) Review report</p>	<p>Pages 4 to 6 of the press release relating to the Guarantor's consolidated financial statements for the first quarter 2006</p> <p>Page 1 of the limited review report from the auditors of the Guarantor on the consolidated financial statements of the Guarantor for the first quarter 2006</p>	

SUMMARY

This summary must be read as an introduction to the Prospectus, prepared by the Issuer and the Guarantor in connection with the issue of Euro 500,000,000 Deeply Subordinated Fixed to Floating Rate Bonds due 2104 (the "Bonds"). Any decision to invest in the Bonds should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference therein. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area no civil liability will attach to the Issuer or the Guarantor in any such Member State in respect of this summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the Prospectus. Where a claim relating to information contained in the Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Words and expressions defined in the Prospectus, including the documents incorporated by reference in the Prospectus, shall have the same meanings in this summary.

Essential characteristics of the Guarantor

Solvay – an international Chemical and Pharmaceutical Group

Founded in 1863, Solvay SA is the mother company of, and constitutes with its affiliates an international pharmaceutical and chemical group, headquartered in Brussels (Belgium) with its registered office at 33, rue du Prince Albert, B-1050 Brussels.

Currently 85 per cent.¹ of turnover relates to products in which the Group is one of the world's leading producers and nearly two thirds of its results are derived from Pharmaceuticals and Specialties.

In 2005, consolidated sales amounted to Euro 8.6 billion. With more than 400 facilities in 50 countries, Solvay employs some 28,730 employees - of whom 2,650 are active in research.

Of the worldwide sales of the Group in 2005, 56 per cent. were generated in Europe, 34 per cent. in the Americas, 3 per cent. in the rest of the world and 7 per cent. in the Asia-Pacific. Geographic diversification is accelerating, with new projects in Central Europe, Russia, China and the Americas.

The Solvay Group is active in three sectors:

- **Pharmaceuticals:** it is a research driven group of companies that constitute the global pharmaceutical business of SOLVAY Group, seeking to fulfill carefully selected, unmet medical needs in the therapeutic areas of neuroscience, cardio-metabolic, influenza vaccines, pancreatic enzymes, gastroenterology and men's and women's health. Solvay Pharmaceuticals devotes more than 15 per cent. of its sales revenue to research.
- **Chemicals:** its portfolio consists of the "minerals" cluster (soda ash and derivatives, barium and strontium carbonates and precipitated calcium carbonate), the "electrochemistry and fluor" cluster (caustic soda, fluorinated chemicals); the "oxygen" cluster (hydrogen peroxide, detergents and caprolactones) and a new Strategic Business Unit, "Molecular Solutions".

¹ Source: Solvay, Internal calculation based on publicly available data from external sources including, principally, IMS, Harriman Chemsult, CMAI, SRI.

- **Plastics:** this sector is characterized by the development of Specialties: Specialty Polymers and Inergy Automotive Systems, a 50/50 joint venture with Plastic Omnium in fuel systems; and also a strong leadership, targeted growth and continued improvement in competitiveness remained the priorities for the Vinyls cluster (PVC, pipes and fittings (Pipelife, joint venture with Wienerberger)).

The Solvay Group pursues its strategy for sustainable and profitable growth in its three sectors and considers innovation to be the cornerstone for growth and competitiveness.

In 2005, Solvay acquired the French pharmaceutical group Fournier Pharma for Euro 1.2 billion.

Decisive strategic initiatives have been taken in Specialties, and in particular in Specialty Polymers, which are today a major contributor to Group earnings, providing new openings in fast growing, high added value markets.

The Group's essential products (soda ash, hydrogen peroxide, caustic soda, PVC, etc.), with a host of applications in everyday life, are successfully meeting the challenge of gaining and maintaining leadership in their different markets.

Solvay is listed on Euronext Brussels and is part of the Euronext100 index. Its distributed dividend has grown by 18 per cent. between 2000 and 2005, and has not been reduced for almost 25 years. Solvac S.A. ("Solvac"), listed on Euronext Brussels, holds 27 per cent. of all Solvay shares and the free float is 73%.

Summary of Group Financial Data <i>(Consolidated figures – EUR millions)</i>				
	IFRS			
	2002	2003	2004²	2005
Sales	7,919	7,557	7,271	8,562
REBIT ³	844	673	741	912
Net results	494	430	541	816
Total depreciation and amortization	554	429	449	464
Cash flow	1,048	859	990	1,280
Capital expenditures & acquisitions	645	555	564	1,930
Research investments	399	404	408	472
Total equity	3,542	3,510	3,792	3,920
Net indebtedness	1,318	1,120	795	1,680
Employees ⁴	30,302	30,139	26,926	28,730

Essential characteristics of the Issuer

Solvay Finance is a wholly-owned subsidiary of Solvay SA set-up on February 24, 2006 with its registered office 12 Cours Albert 1er 75008 Paris.

The purposes for which Solvay Finance is established are, in France and abroad, to participate, directly or indirectly, in

² Restated figures

³ REBIT = recurring EBIT

⁴ Full-time employees or equivalent as of January 1 of the following year

any manner, in all real estate, industrial, commercial or financial transactions related to (i) the chemical industry and plastic materials in general, (ii) the processing of the aforementioned products and (iii) human health in general, and more specifically (iv) the activities of the Solvay Group.

The aforementioned activities include, but are not restricted to:

- (i) the incorporation of companies, partnerships, unions or consortia, or the holding of any interests in any such businesses;
- (ii) subscribe for or otherwise acquire, hold, dispose of and deal with shares, debentures or other equity or debt securities of all kinds; and to participate in monetary and financial markets for the benefit of the Solvay Group.

Essential characteristics of the Bonds and the Subordinated Guarantee

Issuer:	Solvay Finance
Guarantor:	Solvay SA
Description:	Euro 500,000,000 Deeply Subordinated Fixed to Floating Rate Bonds of Solvay Finance due 2104 (the “ Bonds ”) irrevocably guaranteed on a subordinated basis by Solvay SA
Structuring adviser and Joint Bookrunner:	Deutsche Bank AG, London Branch
Joint Bookrunners:	BNP Paribas and Citigroup Global Markets Limited
Co-Managers	Fortis Banque S.A., HSBC France, Société Générale and The Royal Bank of Scotland plc
Amount:	Euro 500,000,000
Issue Price:	99.316 per cent.
Fiscal Agent, Principal Paying Agent and Calculation Agent:	Deutsche Bank AG, London Branch
Luxembourg Paying Agent:	Deutsche Bank Luxembourg S.A.
Luxembourg Listing Agent:	Deutsche Bank Luxembourg S.A.
Method of Issue:	The Bonds will be issued on a syndicated basis.
Issue Date:	2 June 2006
Maturity:	2 June 2104

Currency:	Euro
Denomination:	The Bonds will be issued in denominations of Euro 1,000.
Status of the Bonds:	The Bonds (which constitute <i>obligations</i>) are deeply subordinated bonds. The subordination provisions of the Bonds are governed by the provisions of Article L. 228-97 of the French <i>Code de Commerce</i> . The principal and interest on the Bonds constitute direct, unconditional, unsecured and deeply subordinated obligations of the Issuer and rank and will rank <i>pari passu</i> among themselves and <i>pari passu</i> with all other present and future Parity Securities of the Issuer, but shall be subordinated to <i>titres participatifs</i> issued by, and <i>prêts participatifs</i> granted to, the Issuer, to Ordinary Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Issuer. The Bonds shall rank in priority to any Junior Securities and any classes of Share Capital Securities issued by the Issuer.
Status of the Subordinated Guarantee:	The Guarantor has in the guarantee irrevocably guaranteed, on a subordinated basis, the due payment of all sums expressed to be payable from time to time by the Issuer under the Bonds. The obligations of the Guarantor under the Subordinated Guarantee constitute direct, unsecured and subordinated obligations of the Guarantor and rank and will rank <i>pari passu</i> among themselves and <i>pari passu</i> with all other present and future Parity Securities of the Guarantor but shall be subordinated to Ordinary Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Guarantor. The obligations of the Guarantor under the Subordinated Guarantee shall rank in priority to any Junior Securities and any classes of Share Capital Securities issued by the Guarantor.
Use of Proceeds:	The net proceeds of the issue of the Bonds will be used to strengthen the balance sheet structure of the Guarantor, following the Fournier acquisition. The funds will also contribute to reimburse the Euro 700 million bond issue of the Guarantor maturing in July 2006.
Negative Pledge:	There is no negative pledge in respect of the Bonds.
Event of Default:	There are no events of default in respect of the Bonds.
Optional Redemption/Early Redemption:	<p>The Bonds may be redeemed (in whole but not in part) at their principal amount together with any amounts outstanding thereon on 2 June 2016 and on any Interest Payment Date thereafter, at the option of the Issuer.</p> <p>The Issuer will also have the right (and in certain circumstances the obligation) to redeem the Bonds (in whole but not in part) at the Early Redemption Amount for certain tax reasons.</p>
Taxation:	The Bonds will, upon issue, benefit from an exemption from deduction of French withholding tax. If French law shall require any such deduction, the Issuer shall, to the extent permitted by law and subject to certain exceptions,

pay additional amounts.

Payments under the Subordinated Guarantee will not be subject to deduction of withholding tax. The Guarantor shall pay additional amounts in the event of any such deduction.

Interest:

The Bonds will bear interest (i) at the fixed rate of 6.375 per cent. per annum from (and including) the Issue Date to (but excluding) 2 June 2016, payable annually in arrear on 2 June in each year and (ii) thereafter at 3-month EURIBOR plus 3.35 per cent. per annum, payable quarterly in arrear on 2 March, 2 June, 2 September and 2 December in each year.

The Issuer may, at its option, elect not to pay interest in respect of the Bonds, in which case any such interest shall be deferred and constitute "**Outstanding Amounts**". Outstanding Amounts will bear interest at the rate of interest then applicable to the Bonds. Outstanding Amounts and interest accrued thereon shall be payable upon the occurrence of an Outstanding Amount Payment Event (as such term is defined in "Terms and Conditions of the Bonds – Definitions") or if the Issuer so decides. In such case, the Guarantor shall initiate the alternative coupon satisfaction mechanism ("**ACSM**") by (i) issuing and/or selling, or causing the Issuer to issue and/or sell, ordinary shares up to a maximum amount of 2 per cent. of the Guarantor's aggregate outstanding issued share capital (such maximum amount shall not apply if the Guarantor exercises the ACSM in respect of Outstanding Amounts which have been deferred for a period of less than 12 months) and/or (ii) issuing, or causing the Issuer to issue, certain eligible securities in a maximum aggregate amount of up to 25 per cent. of the aggregate principal amount of the Bonds. If the Guarantor fails to raise, or cause the Issuer to raise, proceeds under the ACSM which are equal to the Outstanding Amounts and interest accrued thereon within 12 months of the Outstanding Amount Payment Event the claims of the Bondholders in respect of the shortfall shall be cancelled and the non-payment by the Issuer of such shortfall shall not constitute a default.

Representation of Bondholders:

The Issuer or Bondholders holding not less than 10 per cent. in principal amount of the Bonds for the time being outstanding may at any time convene a meeting of Bondholders in order to consider any matter affecting their interest. Such meetings shall have a quorum to be specified in relation to each matter to be discussed and any resolutions duly passed shall be binding on all Bondholders, whether or not they were present at such meeting.

Selling Restrictions:

The Bonds have not been and will not be registered under the U.S. Securities Act and are being offered and sold only outside the United States in accordance with Regulation S thereunder. Selling restrictions apply in various jurisdictions.

Form of Bonds:

Having been authorised for issue as "*obligations*" under French law requirements, the Bonds are issued in bearer form. Interests in the Bonds shall initially be represented by a temporary global bond ("**Temporary Global Bond**") deposited with a common depository. The Temporary Global Bond

shall be exchangeable in whole or in part for interests in a permanent global bond (“**Permanent Global Bond**”), on a date not earlier than 40 days after the date of issue of the Bonds.

Clearing and settlement:

The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg with the Common Code number of 025480821. The International Securities Identification Number (ISIN) for the Bonds is XS0254808214. The common depositary for Euroclear Bank, S.A./N.V. as operator of Euroclear and Clearstream, Luxembourg will be Deutsche Bank AG, London Branch, the address of which is Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.

Listing/admission to trading:

Application has been made to the Luxembourg Stock Exchange for the Bonds to be listed and admitted to trading on the regulated market of the Luxembourg Stock Exchange.

Governing Law:

The Bonds and all matters arising from or connected with the Bonds are governed by, and shall be construed in accordance with, English law, except that the subordination provisions of the Bonds shall be governed by, and shall be construed in accordance with, French law.

The Subordinated Guarantee and all matters arising from or connected with the Subordinated Guarantee are governed by, and shall be construed in accordance with, English law, except that the subordination provisions of the Subordinated Guarantee shall be governed by, and shall be construed in accordance with, Belgian law.

Rating:

The Bonds are expected to be assigned a rating of Baa1 by Moody’s Investors Services, Inc. and a rating of BBB+ by Standard & Poor’s Ratings Services. A rating is not a recommendation to buy, sell or hold Bonds and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency.

Essential risks associated with the Issuer

As the Issuer is a special purpose vehicle fully dedicated to the issue of the Bonds and carries out no industrial or trade activities, its ability to perform its obligation under the Bonds depends essentially on the financial support that the Guarantor will provide to the Issuer as its sole shareholder.

Essential risks associated with the Guarantor

Solvay’s business activities involve the following primary risks:

- Some of the markets in which Solvay operates are cyclical (see details in risk factors’ section). Low periods in the business cycles are characterized by decreasing prices and excess capacity. In order to reduce the impact of cyclical downturns on its operating margins, Solvay applies a strategy of competitive improvements and geographical diversification.
- Solvay’s operating results significantly depend on the development of commercially viable new products and

production technologies. If Solvay is unsuccessful in developing new products and production processes in the future, its competitive position and operating results will be harmed.

- Although Solvay has adopted measures to address them, the evolution of the regulatory regimes (e.g. REACH for chemicals or price control for pharmaceuticals) with a stricter approach could have an impact on product development or could restrict marketing and sales.
- Significant variations in the cost and availability of raw materials and energy required for the manufacturing of some of its products may reduce Solvay's operating results. While Solvay has energy intensive industrial activities, it also has a range of industrial activities which are not very energy-intensive. Further, Solvay has entered into medium and long term contracts, has diversified its sources of primary energies, and has developed co-generation units. Moreover, some of its businesses are integrated in terms of raw materials.
- Unexpected events, for example such as manufacturing problems, unplanned shutdowns or loss of supplies, could adversely affect the capacity of some material facilities or the manufacturing of some material products and lead to reduced sales.
- Solvay is involved in some legal proceedings and may become involved in additional legal proceedings; each of them could involve substantial claims for damages or other payments or could lead to declining sales revenue. Solvay is or may become involved in claims, lawsuits and administrative proceedings relating to product liability, health, safety, regulatory and environmental matters. An adverse outcome in any of these might have a significant negative impact on Solvay's operating results and reputation.
- The loss or invalidation of patent protection in a country and for a product sold by Solvay in a substantial volume could harm Solvay's revenues. In the chemicals and plastics industries however, Solvay's technological know-how of its production processes is often a good substitute for patent protection.
- Significant product innovations or the intensification of price competition by competitors could harm Solvay's operating results on some of its specialty or essentials products.
- Failure to effectively integrate existing and newly-acquired businesses could negatively impact Solvay's results of operations. The long multicultural history of Solvay combined with its hybrid (pharmaceutical/chemical) nature reinforces its ability to manage such integration of activities, manpower and technologies.
- Solvay's operations are subject to the operating risks associated with pharmaceutical and chemical manufacturing, including the related risks associated with storage and transportation of raw materials, products and wastes. These operating risks have the potential to cause personal injury, property damage and environmental contamination, and may result in the shutdown of affected facilities and in business interruption and the imposition of civil or criminal penalties, and negatively impact the reputation of Solvay.
- Solvay seeks to cover foreseeable and insurable risks through insurance cover. Such insurance cover, however, may not fully cover the risks to which the company is exposed.
- Solvay is exposed to foreign exchange risks in the course of its pharmaceutical and chemical activities. Fluctuations in currencies of countries outside the Euro zone, especially the US dollar, can materially affect Solvay's revenue and operating results. Solvay monitors closely the foreign exchange market and enters into hedging measures whenever appropriate.
- Solvay cannot assure that any future expenses or cash contributions that may become necessary under the current or future financing of pension obligations will not have a material adverse effect on Solvay's financial condition and results of operations. Solvay is striving to transform its defined benefit pension schemes into pension schemes with a lower risk profile for the company, e.g. hybrid plans, cash balance plans; defined contribution schemes. Over the

past two years, major defined benefit pensions schemes in five countries (Germany, Netherlands, UK, USA and Belgium) representing more than 80% of the Group IFRS Pension obligations have been reviewed in line with the above principles.

In addition to the risks described above, further risks could exist for its business that Solvay currently is unaware of or regards as negligible as of the date of issuance of this prospectus.

Essential risks associated with the Bonds

An investment in the Bonds involves certain risks which are material for the purpose of assessing the market risks associated with Bonds. While all of these risk factors are contingencies which may or may not occur, potential investors should be aware that the risks involved with investing in the Bonds may lead to a volatility and/or decrease in the market value of the Bonds whereby the market value falls short of the expectations (financial or otherwise) of an investor upon making an investment in the Bonds.

In addition, there are certain other factors that are material for the purpose of assessing the risks related to the Bonds, including the following:

- (i) the maturity date of the Bonds is 2 June 2104; the Issuer is under no obligation to redeem the Bonds at any time prior to such date (except for certain tax reasons) and the Bondholders have no right to request their early redemption (except in certain limited circumstances such as the liquidation of the Issuer or the Guarantor);
- (ii) the Bonds may be redeemed at the option of the Issuer under certain circumstances and there can be no assurance that, at the relevant time, Bondholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Bonds;
- (iii) the Issuer may, at its option, elect not to pay interest in respect of the Bonds;
- (iv) any amounts of interest not paid on an Interest Payment Date shall be deferred and shall only be payable subject (i) to the occurrence of certain events or the Issuer deciding to pay such amounts and (ii) the success of an alternative coupon settlement mechanism to be undertaken by the Guarantor, which may not succeed;
- (v) the Bonds are Deeply Subordinated Obligations, which are the most junior debt instruments of the Issuer; in the event of liquidation, the Issuer's obligations under the Bonds rank in priority only to any payments to holders of its equity securities;
- (vi) claims in respect of the Subordinated Guarantee will rank behind the rights and claims of all creditors of the Guarantor; the Guarantor's obligations under the Bonds rank in priority only to any payments to holders of its equity securities;
- (vii) the holders of the Bonds may receive less than the nominal amount of the Bonds and may incur a loss of their entire investment;
- (viii) there is no restriction on the amount of debt that the Issuer and the Guarantor may issue or guarantee;
- (ix) there is currently no existing market for the Bonds, and there can be no assurance that any market will develop for the Bonds; and
- (x) a Bondholder's effective yield on the Bonds may be diminished by the tax impact on that Bondholder of its investment in the Bonds.

However, each prospective investor of Bonds must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Bonds is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Bonds.

See further "Risk Factors" below for a more detailed description of the risk factors in relation to an investment in the Bonds.

RISK FACTORS

The following is a description of risk factors which are material in respect of the Bonds and the financial situation of the Issuer and the Guarantor and which may affect the Issuer's and/or the Guarantor's ability to fulfil their respective obligations under the Bonds and/or the Subordinated Guarantee and which prospective investors should consider carefully before deciding to purchase the Bonds. The sequence in which the following risk factors are listed is not an indication of their likelihood to occur or of the extent of their commercial consequences. The following statements are not exhaustive: prospective investors should read and consider all of the information provided in this Prospectus or incorporated by reference in this Prospectus and should make their own independent evaluations of all risk factors and consult with their own professional advisers if they consider it necessary. Terms defined in "Terms and Conditions of the Bonds" below shall have the same meaning where used below.

Risks relating to the Issuer

As the Issuer is a special purpose vehicle fully dedicated to the issue of the Bonds and carries out no industrial or trade activities, its ability to perform its obligations under the Bonds depends essentially on the financial support that the Guarantor will provide to the Issuer as its sole shareholder.

Risks relating to the Guarantor

The following risk factors relate to the Solvay Group ("**Solvay**") taken as a whole.

Cyclicalities may reduce Solvay's operating margins or cause operating losses

Some of the markets in which Solvay operates are cyclical. Although it is not the most cyclical, soda ash represents an important fraction of Solvay's total sales (approximately 10 per cent. of aggregate sales as at the end of 2005): the price variations of soda ash in high and low cycles may therefore affect Solvay's results. The following products are more cyclical but relate to a smaller fraction of Solvay's total sales: caustic soda (affecting the results of Electrochemistry & Derived Specialties strategic business unit) and, to a smaller extent, PolyVinylChloride (affecting the Vinyls strategic business unit). Typically, increased demand during peaks in the business cycle in these industries leads producers to increase their production capacity. Although peaks in the business cycle have been characterised by increased selling prices and higher operating margins, in the past these capacity increases have led to excess capacities because they have exceeded demand growth. Low periods in the business cycles are then characterised by decreasing prices and excess capacity. These factors can depress operating margins and may result in operating losses.

In order to reduce the impact of a cyclical downturn, Solvay applies a strategy of competitive improvements and geographical diversification which has led to significant improvements during the last five years.

Failure to develop new products and production technologies may harm Solvay's competitive position

Solvay's operating results significantly depend on the development of commercially viable new products (especially in the pharmaceuticals sector) and production technologies (i.e. the Specialty Polymers and Fluor strategic business units). Solvay devotes substantial resources to research and development. Because of the lengthy development process, technological challenges and intense competition, Solvay cannot assure that any of the products Solvay is currently developing, or may begin to develop in the future, will become market-ready or achieve commercial success. If Solvay is unsuccessful in developing new products and production processes in the future, Solvay's competitive position and operating results will be harmed.

However, Solvay continuously improves the competitiveness of its essential chemicals over the long term through technological improvements.

Regulatory controls and changes in public policy may reduce the profitability of new or current products

Solvay must comply with a broad range of regulatory controls on the testing, manufacturing and marketing of many of Solvay's products. In some countries, including the United States, regulatory controls have become increasingly demanding. Solvay expects that this trend will continue and will expand to other countries, particularly those of the European Union ("EU"). The new EU chemicals Regulation known as REACH could lead to an increase in the testing and assessment of all chemicals, leading to increased costs and reduced operating margins for these products. Although Solvay has adopted measures to address these stricter regulations, such as increasing the efficiency of Solvay's internal research and development processes in order to reduce the impact of extended testing on time-to market, stricter regulatory regimes could substantially delay Solvay's product development or restrict Solvay's marketing and sales.

As a result of these regulations, Solvay, as a downstream user, may be forced to bear the authorisation costs or would have to find a substitute and reformulate its product, especially for chemicals used in small quantities in respect of which the supplier might not take the necessary steps to have the product authorised.

However, Solvay expects to be well prepared for the adaptation to REACH. It could even turn into a competitive advantage for Solvay: since smaller or less adapted groups could face larger difficulties to adapt to the new policies. Historically, this was the case for GLP/GMP in the pharmaceutical industry in the 1980s and for the pesticides industry in the 1990s.

In the area of Vinyls, the industry (led by Solvay) embarked proactively on a Voluntary Agreement which allowed it to avoid compliance with EU legislation on PVC.

In addition, failure to achieve regulatory approval of new products in a timely manner, in particular in the pharmaceuticals sector, can mean that Solvay does not recoup Solvay's research and development investment through sales. Solvay does not know when or whether any approvals from regulatory authorities will be received. Withdrawal by regulators of an approval previously granted can mean that the affected product ceases to generate revenue. This can occur even if regulators take action falling short of actual withdrawal or direct their action at "over-the-counter" (OTC) products that do not require regulatory approval. In some cases Solvay may voluntarily cease marketing a product even in the absence of regulatory action.

Finally, pharmaceutical product prices are subject to controls or pressures in many markets. Some governments intervene directly in setting prices. Further, in some markets, major purchasers of pharmaceutical products (whether governmental agencies or private health care providers) have the economic power to exert substantial pressure on prices. Price controls limit the financial benefits of growth in the life sciences markets and the introduction of new products. Solvay cannot predict whether existing controls will increase or new controls will be introduced, further limiting Solvay's financial benefits from these products.

Solvay's operating margins may decrease if Solvay is not able to pass increased raw material or energy prices on to customers or if prices for Solvay's products decrease faster than raw material or energy prices

Solvay is concerned about the potential impact of the Kyoto protocol and the cost of CO₂ emissions which could affect, directly or indirectly, both upstream (via energy cost, raw materials) and downstream (impact on transport, contractors, customers, etc.) companies.

Significant variations in the cost and availability of raw materials and energy may reduce Solvay's operating results. Solvay uses petrochemical-based raw materials in the manufacturing of some of its products. Solvay also purchases significant amounts of natural gas, coal, electricity and fuel oil to supply the energy required in Solvay's production processes. The prices and availability of these raw materials and energy vary with market conditions and may be highly volatile. There have been in the past, and may be in the future, periods during which Solvay cannot pass raw material or energy price increases on to customers. Even in periods during which raw material prices decrease,

Solvay may suffer decreasing operating profit margins if the prices of raw materials decrease more slowly than do the selling prices of Solvay's products.

While Solvay has energy intensive industrial activities particularly in Europe (soda ash, electrolysis), it also has a range of industrial activities which are not very energy-intensive, in particular the health Sector and plastics processing Business Units. Further, Solvay has entered into medium and long term contracts (for electricity and ethylene in particular), has diversified its sources of primary energies, and has developed co-generation units. Moreover, some of Solvay's businesses are integrated in terms of raw material (for example with own salt and limestone deposits (for soda ash, caustic soda and other products) and fluorspar mine (for fluorinated products)).

Shortages or disruptions of supplies to customers due to unplanned capacity decreases or shutdowns of production plants may reduce sales

Production at some of Solvay's manufacturing facilities or the supply of raw materials to them could be adversely affected by technical failures, strikes, natural disasters, regulatory rulings and other factors. Unexpected events, for example such as manufacturing problems, unplanned shutdowns or loss of supplies, could lead to reduced sales. Production capacities at one or more of Solvay's sites or major plants could therefore decline temporarily or on a longer term basis. If, however, the capacity of one or more material facilities is reduced or manufacture of material products is shut down for a prolonged period and Solvay is unable to shift sufficient production to other plants or draw on inventories, Solvay can suffer declines in sales revenues and in Solvay's results, be exposed to damages claims and suffer reputational harm. The pharmaceuticals sector, the Caprolactones strategic business unit, Solvay's Joint Venture Inergy (fuel tanks system for the automotive industry) and some specialty polymers (for example, PPSU: Polyphenylenesulfone; PVDC: Polyvinylidene Chloride) are more exposed to the risk of disruption than other Solvay activities.

Litigation and administrative claims could harm Solvay's operating results and cash flows

Solvay is involved in a number of legal proceedings and may become involved in additional legal proceedings (see "Significant litigation and arbitration proceedings" page 79). Each of these proceedings or potential proceedings could involve substantial claims for damages or other payments. These proceedings include claims alleging product liability, claims alleging breach of contract and claims alleging antitrust violations. If Solvay's opponents in these lawsuits obtain judgments against Solvay or if Solvay is ordered to pay fines by relevant authorities or if Solvay determines to settle any of these lawsuits, Solvay could be required, and in some cases expects to pay substantial damages, fines and related costs.

Solvay is also plaintiff in lawsuits to enforce Solvay's patent rights in Solvay's products. If Solvay is not successful in these actions, Solvay would expect Solvay's revenue from these products to decline as generic competitors enter the market.

In cases where Solvay believes it appropriate, Solvay has established provisions to cover potential litigation related costs. Please see also below the section entitled: "Existing insurance coverage may turn out to be inadequate".

The loss of patent protection or ineffective patent protection for marketed products may result in loss of sales to competing products

The extent of patent protection varies from country to country. In some of the countries in which Solvay operates, patent protection may be significantly weaker than in the United States or the European Union. Piracy of patent protected intellectual property has often occurred in recent years. If a country in which Solvay sells a substantial volume of a product were to effectively invalidate Solvay's patent rights in that product, Solvay's revenues could suffer.

During the life of its patent related to the compound per se, a patented product is normally only subject to competition from alternative products. After a patent expires, the producer of the formerly patented product is likely to face increased competition from generic products entering the market. This competition is likely to reduce market share and sales revenue of the formerly patented product. In addition, generic drug manufacturers, particularly in the United States, may seek marketing approval for pharmaceutical products currently under patent protection by attacking the validity or enforceability of a patent. If a generic manufacturer succeeds in voiding a patent protecting one of Solvay's products, that product could be exposed to generic competition before the natural expiration of the patent. See "Significant litigation and arbitration proceedings" (page 79), for details of several important patent related proceedings in which Solvay is involved.

In the chemicals and plastics industries, technological know-how is often a good substitute for patent protection and Solvay is, in many cases, a leader in the technological know-how of its production processes, this notwithstanding, the opportunity of patenting new products and/or processes approvals is systematically taken into consideration.

Failure to compete successfully or integrate newly acquired businesses may reduce Solvay's operating results

Solvay operates in highly competitive industries. Actions of Solvay's competitors could reduce Solvay's profitability and market share. In some of its essentials' products, Solvay competes primarily on the basis of price and reliability of product and supply. In specialty markets, competition is based on product differentiation, innovation, quality and price. Significant product innovations, technical advances or the intensification of price competition by competitors could harm Solvay's operating results.

From time to time, Solvay acquires all or a portion of an established business and combines it with Solvay's existing business units. Integration of existing and newly-acquired businesses requires difficult decisions with respect to staffing levels, facility consolidation and resource allocation. Solvay must also plan carefully to ensure that established product lines and brands retain or increase their market position. If Solvay fails to effectively integrate a new business or if integration results in significant unexpected costs, Solvay's results of operations could suffer.

The long multicultural history of Solvay combined with its hybrid (pharmaceutical/chemical) nature has developed within the Group an ability to manage the integration of activities, manpower and technologies. This is a rather intangible yet powerful asset, particularly as many mergers in the industry worldwide were unable to provide the expected synergies.

Risks from the handling of hazardous materials could negatively impact Solvay's operating results

Solvay's operations are subject to the operating risks associated with pharmaceutical and chemical manufacturing, including the related risks associated with storage and transportation (by road, train and sea) of raw materials, products and wastes. These risks include, among other things, the following hazards:

- (i) pipeline and storage tank leaks and ruptures;
- (ii) fires and explosions;
- (iii) malfunction and operational failure; and
- (iv) releases, discharges or disposal of toxic and/or hazardous substances resulting from these or other causes.

These operating risks have the potential to cause personal injury, property damage and environmental contamination, and may result in the shutdown of affected facilities and in business interruption and the imposition of civil or criminal penalties, and negatively impact the reputation of Solvay.

The occurrence of any of these events may significantly reduce the productivity and profitability of the affected manufacturing facility and harm Solvay's operating results. Furthermore, Solvay's property damage, business interruption and casualty insurance policies may not be adequate to cover fully all potential hazards incidental to Solvay's business.

Various essential chemicals are used in many industries, such as pharmaceuticals and electronics. Solvay's ability to manage the risks associated with the safe handling of hazardous substances necessary to produce the essential chemicals can be considered a specific asset and competitive advantage.

Environmental liabilities and compliance costs may have a significant negative effect on Solvay's operating results

The environmental laws of various jurisdictions impose actual and potential obligations on Solvay to remediate contaminated sites. These obligations may relate to sites:

- (i) that Solvay currently owns or operates;
- (ii) that Solvay formerly owned or operated;
- (iii) where Solvay disposes or disposed waste from Solvay's operations;
- (iv) where property owned by third parties was contaminated by the emission or spill of contaminants for which Solvay bears responsibility.

The costs of these environmental remediation obligations could significantly reduce Solvay's operating results. In particular, Solvay's accruals for these obligations may be insufficient if the assumptions underlying these accruals prove incorrect or if Solvay is held responsible for additional, currently undiscovered contamination.

Furthermore, Solvay is or may become involved in claims, lawsuits and administrative proceedings relating to health, safety, regulatory and environmental matters. An adverse outcome in any of these might have a significant negative impact on Solvay's operating results and reputation.

Stricter health, safety and environmental laws and regulations as well as enforcement policies could result in substantial liabilities and costs to Solvay and could subject Solvay's handling, manufacturing, use, reuse or disposal of substances or pollutants to more rigorous scrutiny than is currently the case. Consequently, compliance with these laws and regulations could result in significant capital expenditures and expenses as well as liabilities, thereby harming Solvay's business and operating results.

Existing insurance cover may turn out to be inadequate

Solvay seeks to cover foreseeable and insurable risks through insurance cover. Such insurance cover, however, may not fully cover the risks to which the company is exposed. This can be the case with respect to insurance covering legal and administrative claims, as discussed above, as well as with respect to insurance covering other risks. For certain risks, such as current liabilities, adequate insurance cover may not be available on the market or may not be available at reasonable conditions. Consequently, any harm resulting from the materialization of these risks could result in significant capital expenditures and expenses as well as liabilities, thereby harming Solvay's business and operating results.

Product liability may have a negative impact on the Solvay's operating results

Solvay in general is exposed to the risk of product liability, although it has established measures to minimise this risk.

The markets in which the Issuer operates are very sensitive and competitive. Potential proceedings for claims

alleging product liability may, even if the single claim for damages or other payments does not necessarily involve a significant amount and even if the plaintiff does not obtain a judgement against Solvay, significantly harm its reputation and, therefore, may cause loss of market share and loss of operating profit.

Significant fluctuations in exchange rates affect Solvay's financial results

Solvay is exposed to foreign exchange risks in the course of its pharmaceutical and chemical activities. In its present structure, its exposure is mainly associated to the Euro / US Dollar risk: the overall activities of Solvay generate a net positive US Dollar flow.

Fluctuations in currencies of countries outside the Euro zone, especially the US Dollar, can materially affect Solvay's revenue as well as Solvay's operating results. Although these fluctuations can benefit Solvay, they can also harm its results. A depreciation of the US Dollar will generally result in lower revenues for Solvay.

Solvay monitors closely the foreign exchange market and enters into hedging measures whenever appropriate. In practice, Solvay enters into forward and option contracts securing the Euro value of future expected sales in US Dollar.

Changes in the assumptions underlying the Solvay's provisions for pension and similar obligations may cause increased cost for additional provisions for pension and similar obligations

Currently, Solvay maintains several different defined benefit pension schemes which are partly funded by pension plan assets and partly unfunded. To cover the unfunded parts of the pension obligations, Solvay has established corresponding provisions in its balance sheet. Changes in the underlying assumptions, such as discount rates, rates for compensation increase, retirement rates, mortality rates, disability risk and other factors can lead to significant increases or decreases in Solvay's pension obligations, which would lead to increased or decreased provisions in the balance sheet. The same would occur for post retirement (mainly U.S) health care benefits in case of increasing health care cost trends.

Further, for the part of pension obligation that is funded by way of investments in the equity, fixed income, real estate or other markets, negative developments affecting these markets could have a significant impact on the valuation of these assets. As a consequence, these circumstances may have a significant negative impact on the status of the funded pension obligations and, therefore, require cash contributions to the pension scheme.

Solvay cannot assure that any future expenses or cash contributions that may become necessary under the current or future financing of pension obligations will not have a material adverse effect on Solvay's financial condition and results of operations.

Solvay is developing guidelines and processes to mitigate the above described risk factors. Solvay is striving to transform its defined benefit pension schemes into pension schemes with a lower risk profile for the company, e.g. hybrid plans, cash balance plans, defined contribution schemes. Over the past two years major defined benefit pension schemes in five countries (Germany, Netherlands, UK, USA and Belgium) representing more than 80% of the Group IFRS Pension obligations have been reviewed in line with the above principles.

Risks relating to the Bonds

Long-term securities

The maturity date of the Bonds is 2 June 2104. The Issuer is under no obligation to redeem the Bonds at any time prior to this date (except for certain tax reasons). The Bondholders have no right to request their early redemption (except in certain limited circumstances such as the liquidation of the Issuer or the Guarantor).

Redemption risk

The Bonds may be redeemed at the option of the Issuer (in whole but not in part) (i) on 2 June 2016 or on any Interest Payment Date thereafter and (ii) at any time for certain tax reasons.

The Issuer may be required to redeem the Bonds (in whole but not in part) for certain tax reasons.

There can be no assurance that, at the relevant time, holders of the Bonds will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Bonds.

No Events of Default

The terms of the Bonds do not contain any events of default provisions.

Option not to pay interest

The Issuer may, at its option, elect not to pay interest in respect of the Bonds, in which case any such interest shall be deferred.

Any amounts deferred shall constitute Outstanding Amounts and shall only be paid subject to (i) an Outstanding Amount Payment Event having occurred or the Issuer having decided to pay such Outstanding Amounts and (ii) the success of the ACSM undertaken by the Guarantor. If the ACSM fails, the claims of the Bondholders in respect of the Shortfall shall be cancelled and the related non-payment by the Issuer shall not constitute a default under the Bonds.

Accordingly, the obligations of the Guarantor under the Subordinated Guarantee will only be triggered in respect of interest if (i) the Issuer does not notify its election not to pay interest on an Interest Payment Date in accordance with Condition 4(e) and fails to pay the amount of interest payable on such Interest Payment Date or (ii) Outstanding Amounts become payable, the ACSM is successful but the Issuer fails to pay such Outstanding Amounts notwithstanding the success of the ACSM.

The terms and conditions of the Bonds do not contain provisions whereby the Issuer would be obliged to pay interest on certain Interest Payment Dates. Consequently, the Issuer and the Guarantor may declare or pay a dividend or interest on, and redeem or purchase, Share Capital Securities or Parity Securities without being obliged to pay interest on the Bonds on the following Interest Payment Date.

The Guarantor may not be able to raise sufficient amounts by way of ACSM.

Unless the Guarantor has sufficient ordinary shares or Eligible Securities at its disposal (and provided in such case that it is not prevented (for any reason, whether legal or otherwise) from using them to carry out the Ordinary Share Coupon Satisfaction or the Securities Coupon Satisfaction), the Guarantor will have to obtain the authorisation from the competent corporate body(ies) for the issuance and/or sale of ordinary shares or Eligible Securities in an amount sufficient to allow the Issuer to pay any Outstanding Amounts and interest accrued thereon having become payable. There can be no assurance that the Guarantor or the Issuer will have or obtain sufficient corporate authorisations to permit such issues and/or sale of ordinary shares or Eligible Securities in accordance with the Ordinary Share Coupon Satisfaction or the Securities Coupon Satisfaction. Accordingly, there can be no assurance that the Guarantor will be able to issue or sell, or cause the Issuer to issue or sell, sufficient ordinary shares or Eligible Securities to allow the Issuer to pay any Outstanding Amounts and interest accrued thereon having become payable.

The ability of the Guarantor to satisfy Outstanding Amounts and interest accrued thereon by way of Securities Coupon Satisfaction is subject to a cap of 25 per cent. of the aggregate principal amount of the Bonds until the maturity of the Bonds. Consequently, if the Guarantor were to reach the cap amount in respect of the Securities

Coupon Satisfaction, the Securities Coupon Satisfaction would no longer be available for the remaining life of the Bonds to satisfy Outstanding Amounts.

Any issuance or sale of ordinary shares under an Ordinary Share Coupon Satisfaction shall be limited to 2 per cent. of the Guarantor's aggregate outstanding issued share capital, unless the Guarantor exercises the ACSM in respect of Outstanding Amounts which have been deferred for a period of less than 12 months.

If neither the Ordinary Share Coupon Satisfaction nor the Securities Coupons Satisfaction is successful within 12 months of the relevant Outstanding Amount Payment Event, the claims of the Bondholders in respect of the shortfall will be cancelled and the non-payment thereof by the Issuer shall not constitute a default under the Bonds.

Deeply Subordinated Obligations and Subordinated Guarantee

The obligations of the Issuer under the Bonds are deeply subordinated obligations of the Issuer and are the most junior debt instruments of the Issuer, subordinated to and ranking behind the claims of all other unsubordinated and subordinated creditors of the Issuer, lenders in relation to *prêts participatifs* granted to the Issuer and holders of *titres participatifs* issued by the Issuer. The obligations of the Issuer under the Bonds rank in priority only to the Share Capital Securities (as defined in "Terms and Conditions of the Bonds – Definitions") of the Issuer.

The obligations of the Guarantor under the Subordinated Guarantee are subordinated to Ordinary Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Guarantor and will only rank ahead of the rights and claims of the holders of Junior Securities and Share Capital Securities of the Guarantor. In an insolvency of the Guarantor, payments under the Subordinated Guarantee will be subject to the condition precedent that all claims of the creditors of the Guarantor other than holders of Parity Securities issued by the Guarantor will have been discharged in full.

Therefore, in insolvency or liquidation proceedings of the Guarantor, the holders of the Bonds may recover significantly less than other creditors of the Guarantor. The holders of the Bonds may receive less than the nominal amount of the Bonds and may incur a loss of their entire investment.

Prospective investors should also take into consideration that unsubordinated liabilities of the Issuer and the Guarantor may also arise out of events that are not reflected on the balance sheet of the Issuer or the Guarantor, as the case may be, including without limitation, the issuance of guarantees on an unsubordinated basis. Claims made under such guarantees will become unsubordinated liabilities of the Issuer or the Guarantor, as the case may be, and will be paid in full before the obligations under the Bonds or the Subordinated Guarantee, as the case may be, in insolvency or liquidation proceedings of the Issuer or the Guarantor, as the case may be, will be payable.

No limitation on issuing debt

There is no restriction on the amount of debt which the Issuer or the Guarantor may issue which ranks senior to the obligations under or in connection with the Bonds or the Subordinated Guarantee or on the amount of debt which the Issuer or the Guarantor may issue which ranks equal to the obligations under or in connection with the Bonds. Such issuance of further debt may reduce the amount recoverable by the Bondholders upon liquidation or insolvency of the Issuer or the Guarantor.

No voting rights

The Bonds do not give the Bondholders the right to vote at meetings of the shareholders of the Issuer or the Guarantor.

No prior market for the Bonds and liquidity risk

There is currently no secondary market for the Bonds. Application has been made to list the Bonds on the regulated

market of the Luxembourg Stock Exchange. However, there can be no assurance that a liquid secondary market for the Bonds will develop or, if it develops, that it will continue. In an illiquid market, an investor might not be able to sell his Bonds at any time at fair market prices. The possibility to sell the Bonds might additionally be restricted by country specific reasons.

Fixed Rate Bonds

Interest on the Bonds will be payable at a fixed rate of interest until 2 June 2016. The holder of a fixed interest rate bond is exposed to the risk that the price of such bond falls as a result of changes in market interest rates. While the nominal interest rate of a fixed interest rate bond is fixed, in this case, during a certain period of time, the current interest rate on the market (market interest rate) typically changes on a daily basis. As the market interest rate changes, the price of such bond tends to evolve in the opposite direction. If the market interest rate increases, the price of such bond typically falls, until the yield of such bond is approximately equal to the market interest rate. Bondholders should be aware that movements of the market interest rate can adversely affect the price of the Bonds and can lead to losses for the Bondholders if they sell Bonds during the period in which the interest rate of the Bonds is fixed.

Floating Rate Bonds

As from 2 June 2016, the Bonds bear interest at a floating rate. The holder of a bond with a floating interest rate is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the yield of such bonds in advance.

Fixed to Floating Rate Bonds

The Bonds initially bear interest at a fixed rate; conversion from a fixed rate to a floating rate then takes place automatically. The conversion of the interest rate will affect the secondary market and the market value of the Bonds since the conversion may lead to a lower overall cost of borrowing. If a fixed rate is converted to a floating rate, the spread on the fixed to floating rate Bonds may be less favourable than then prevailing spreads on comparable floating rate Bonds tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other bonds.

Modification and waivers

The conditions of the Bonds contain provisions for calling General Meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant General Meeting and Bondholders who voted in a manner contrary to the majority.

Potential conflicts of interest

Potential conflicts of interest may arise between the Calculation Agent and the Bondholders, including with respect to certain discretionary determinations and judgements that such calculation agent may make pursuant to the Terms and Conditions of the Bonds that may influence the amount receivable under the Bonds.

Legality of purchase

Neither the Issuer, the Guarantor, the Manager(s) nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Bonds by a prospective investor of the Bonds, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

Change of law

The Terms and Conditions of the Bonds and the Subordinated Guarantee are based on English, French and Belgian law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in English, French and/or Belgian law or the official application or interpretation of English, French and/or Belgian law after the date of this Prospectus.

Currency risk

Prospective investors of the Bonds should be aware that an investment in the Bonds may involve exchange rate risks. The Bonds may be denominated in a currency other than the currency of the purchaser's home jurisdiction. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Bonds.

Credit ratings may not reflect all risks

A rating is expected to be assigned to the Bonds. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency.

Market Value of the Bonds

The market value of the Bonds will be affected by the creditworthiness of the Issuer and the Guarantor and a number of additional factors, including market interest and yield rates. The value of the Bonds depends on a number of interrelated factors, including economic, financial and political events in France, in Belgium or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Bonds are admitted to trading. The price at which a Bondholder will be able to sell the Bonds may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

Global Bonds

The Bonds will be represented by global Bonds except in certain limited circumstances described in the Permanent Global Bond. The Bonds will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Bond, investors will not be entitled to receive definitive Bonds. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Bonds. While the Bonds are represented by global Bonds, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Bonds by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Bond must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Bonds.

Holders of beneficial interests in the Bonds will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Bonds will not have a direct right under the Bonds to take enforcement action against the Issuer in the event of a default under the Bonds but will have to rely upon their rights under the Deed of Covenant.

Taxation

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial bonds such as the Bonds. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

EU Savings Directive

On 3 June 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC regarding the taxation of savings income in the form of interest payments (the "**Directive**"). The Directive entered into force on 1 July 2005.

The Directive requires, subject to a number of conditions being met, Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income within the meaning of the Directive ("**Interest**") made by a paying agent located within its jurisdiction to the benefit of an individual or an entity without legal personality that meets certain conditions and has not opted to be treated as UCITS for purposes of the Directive (together "**Beneficial Owners**") resident in another Member State.

For purposes of the Directive, a paying agent is broadly defined and especially includes any economic operator who pays Interest to or secures the payment of Interest for the immediate benefit of a Beneficial Owner.

However, during a transitional period, Belgium, Luxembourg and Austria will not apply this automatic exchange of information system and will instead levy a withholding tax on Interest unless the Beneficial Owner of this Interest payment elects for the exchange of information. The rate of this withholding tax will be 15 per cent. during the first three years as from the entry into force of the Directive, 20 per cent. for the subsequent three years and 35 per cent. until the end of the transitional period. Such transitional period will end at the end of the first full fiscal year following the latest of (i) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request and (ii) the date of entry into force of an agreement between the European Community, following a unanimous decision of the Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra providing for the exchange of information upon request with respect to payments of Interest.

If an Interest payment were to be made or collected through a Member State which has opted for a withholding tax system and an amount of tax or in respect of tax were to be withheld from that Interest payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Bond as a result of the imposition of such withholding tax. If a withholding tax is imposed on Interest payment made by a paying agent, the Issuer will be required to maintain a paying agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

With effect from 1 July 2005, a number of non-EU countries (Switzerland, Andorra, Liechtenstein, Monaco and San Marino) have agreed to adopt similar measures (transitional withholding or, upon specific election, provision of information) in relation to payments made by a paying agent located within its jurisdiction to, or collected by such a paying agent for, a Beneficial Owner resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain dependent or associated territories (Jersey, Guernsey, Isle of Man, Montserrat, British Virgin Islands, Netherlands Antilles and Aruba) in relation to payments made by a paying agent in a Member State to, or collected by such a paying agent for, a Beneficial Owner resident in one of those territories.

TERMS AND CONDITIONS OF THE BONDS

The creation and issue outside the Republic of France of Euro 500,000,000 Deeply Subordinated Fixed to Floating Rate Bonds due 2104 (the "**Bonds**") of Solvay Finance (the "**Issuer**") irrevocably guaranteed on a subordinated basis by Solvay SA (the "**Guarantor**") has been authorised pursuant to a resolution of the *Conseil d'administration* of the Issuer dated 10 May 2006 and will, before 2 June 2006 (the "**Issue Date**"), have been authorised pursuant to a decision of the *Président du Conseil d'administration* and *Directeur Général* of the Issuer acting pursuant to such resolution of the *Conseil d'administration* of the Issuer. The guarantee of the Bonds (the "**Subordinated Guarantee**") has been authorised pursuant to a resolution of the *Conseil d'administration* of the Guarantor dated 15 February 2006. In accordance with Article L.228-39 of the French *Code de commerce*, the assets and liabilities of the Issuer are being subject to an audit report, which will have been presented to the *Conseil d'administration* of the Issuer before the Issue Date. The Bonds will be issued with the benefit of an agency agreement (the "**Agency Agreement**") dated on or about the Issue Date between the Issuer, Deutsche Bank AG, London Branch as fiscal agent and principal paying agent (the "**Fiscal Agent**", which expression shall, where the context so admits, include any successor for the time being as Fiscal Agent) and as calculation agent (the "**Calculation Agent**", which expression shall, where the context so admits, include any successor for the time being as Calculation Agent) and the other paying agents named therein (together, the "**Paying Agents**", which expression shall, where the context so admits, include the Fiscal Agent and any successors for the time being of the Paying Agents or any additional paying agents appointed thereunder from time to time). Reference below to the "**Agents**" shall be to the Fiscal Agent, the Paying Agents and/or the Calculation Agent, as the case may be. Certain provisions of these Conditions are summaries of the Agency Agreement and the Subordinated Guarantee and subject to their detailed provisions. The holders of the Bonds (the "**Bondholders**") and the holders of the related interest coupons (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Subordinated Guarantee applicable to them. Copies of the Agency Agreement and the Subordinated Guarantee are available for inspection at the specified offices of the Paying Agents. References below to "**Conditions**" are, unless the context otherwise requires, to the numbered paragraphs below.

1. DEFINITIONS

For the purposes of these Conditions:

"**Actual/Actual-ICMA**" means the number of days in the Calculation Period divided by the number of days in the relevant Fixed Rate Interest Period.

"**Adjusted Yield**" means the Bond Yield plus 0.75 per cent.

"**Bond Yield**" means the rate per annum equal to the annual yield to maturity of the Comparable Bond Issue, assuming a price equal to the Comparable Bond Price for the Calculation Date.

"**Calculation Date**" means the fourth TARGET Business Day prior to the Early Redemption Date.

"**Calculation Period**" means any period of time (from and including the first day of such period to but excluding the last) in respect of the calculation of an amount of interest on any Bond.

"**Comparable Bond Issue**" means, with respect to any Early Redemption Date, the Euro benchmark security selected by the Calculation Agent as having a maturity comparable to the remaining term of the Bonds to the First Call Date that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the First Call Date.

"Comparable Bond Price" means (a) the average of five Reference Bond Dealer Quotations, after excluding the highest and lowest such Reference Bond Dealer Quotations, or (b) if the Calculation Agent obtains fewer than five such Reference Bond Dealer Quotations, the average of all such Reference Bond Dealer Quotations.

"Deeply Subordinated Bonds" means any bonds or notes of the Issuer (including the Bonds) which constitute direct, unsecured and lowest ranking subordinated Obligations (*engagements subordonnés de dernier rang*) of the Issuer and which rank and will rank, by their terms, by operation of law or otherwise, junior to *titres participatifs* issued by, and *prêts participatifs* granted to, the Issuer and junior to the Ordinary Subordinated Obligations and Unsubordinated Obligations of the Issuer, but in priority to any Junior Securities and any classes of Share Capital Securities issued by the Issuer.

"Early Redemption Amount" means an amount payable in respect of each Bond on the date set for redemption (the **"Early Redemption Date"**), which shall be in respect of any redemption falling:

- (i) prior to the First Call Date the greater of (i) its principal amount together with any interest accrued to the Early Redemption Date including any Outstanding Amounts together with interest accrued thereon at the Prevailing Rate and (ii) its Make Whole Amount, or
- (ii) at any time following the First Call Date, its principal amount together with any interest accrued thereon including any Outstanding Amounts together with interest accrued thereon at the Prevailing Rate.

"Eligible Securities" means Junior Securities or Parity Securities which:

- (i) have no maturity or have a maturity of at least 99 years;
- (ii) are not redeemable (other than for certain taxation reasons) before five years after their issue date if such Eligible Securities do not provide for an increase in the rate of interest applicable to them, or before ten years after their issue date if such Eligible Securities provide for an increase in the rate of interest applicable to them;
- (iii) provide for a mandatory omission of cash interest payments if certain events or circumstances occur; and
- (iv) if such Eligible Securities provide for an increase in the rate of interest applicable to them, contain a provision identical to the last paragraph of Condition 5(b) (*Call options*).

"First Call Date" means the Interest Payment Date falling on 2 June 2016.

"Fixed Rate Interest Period" means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Fixed Rate Interest Payment Date (as defined in Condition 4(a)) and each successive period beginning on (and including) a Fixed Rate Interest Payment Date and ending on (but excluding) the next succeeding Fixed Rate Interest Payment Date.

"Floating Rate Interest Period" means the period beginning on (and including) the Interest Payment Date falling on 2 June 2016 and ending on (but excluding) the first Floating Rate Interest Payment Date (as defined in Condition 4(a)) and each successive period beginning on (and including) a Floating Rate Interest Payment Date and ending on (but excluding) the next succeeding Floating Rate Interest Payment Date.

"Interest Payment Date" means a Fixed Rate Interest Payment Date or a Floating Rate Interest Payment Date, as the case may be.

"Interest Period" means a Fixed Rate Interest Period or a Floating Rate Interest Period, as the case may be.

"Junior Securities" means (i) any instruments issued, entered into or guaranteed by the Issuer, including any Share Capital Securities issued by the Issuer, which rank (or in relation to which the Issuer's payment obligations under the relevant guarantee rank), by their terms, by operation of law or otherwise, junior to the Bonds or to any Parity Security issued by the Issuer and (ii) any instruments issued, entered into or guaranteed by the Guarantor, including any Share Capital Securities issued by the Guarantor, which rank (or in relation to which the Guarantor's payment obligations under the relevant guarantee rank), by their terms, by operation of law or otherwise, junior to the obligations of the Guarantor under the Subordinated Guarantee or to any Parity Security issued by the Guarantor.

"Make Whole Amount" means, in respect of each Bond, an amount in Euro rounded to the nearest cent (half a cent being rounded upwards), as determined by the Calculation Agent, equal to the sum of (x) the then present value of the principal amount of the Bond together with any Outstanding Amounts together with interest accrued thereon at the Prevailing Rate to (but excluding) the Early Redemption Date and (y) the then present values of the scheduled interest amounts, calculated on the basis of the principal amount, from (and including) the Early Redemption Date to the First Call Date. The present values of (x) and (y) shall be calculated by discounting the principal amount, any Outstanding Amounts, interest accrued thereon and the scheduled interest amounts from the Early Redemption Date to the First Call Date at the Adjusted Yield on an Actual/Actual-ICMA annual basis.

"Maturity Date" means 2 June 2104.

"Obligations" means, in respect of any person, any financial obligation expressed to be assumed by or imposed on it under or arising as a result of any contract, agreement, guarantee, document, instrument, conduct or relationship or directly by law.

"Ordinary Subordinated Creditors" means any person(s) to whom/which the Issuer or the Guarantor, as the case may be, owes an Ordinary Subordinated Obligation.

"Ordinary Subordinated Obligations" means any Obligations of the Issuer or the Guarantor, as the case may be, which constitute direct, unsecured and subordinated obligations of the Issuer or the Guarantor, as the case may be, and which in an insolvency rank and will rank, by their terms, by operation of law or otherwise, *pari passu* among themselves and *pari passu* with all other present and future Ordinary Subordinated Obligations, but in the case of the Issuer, in priority to *prêts participatifs* granted to, and *titres participatifs* issued by, the Issuer and in the case of the Issuer or the Guarantor, as the case may be, in priority to any Parity Securities.

"Outstanding Amount" means any amount deferred in accordance with Condition 4(e).

"Outstanding Amount Payment Event" means any one or more of the following events:

- (i) the Issuer or the Guarantor has declared or paid a dividend (whether in cash, shares or any other form) or more generally declared or made a payment of any nature, on or in respect of any Share Capital Securities;
- (ii) the Guarantor or any of its Subsidiaries (including the Issuer) has declared or made a payment of any nature, on or in respect of any Parity Securities or Junior Securities issued by the Issuer or the Guarantor and/or guaranteed by the Guarantor;

- (iii) the Guarantor or any of its Subsidiaries (including the Issuer) has redeemed, repurchased or repaid any Parity Securities issued or entered into by it, any Junior Securities issued or entered into by it or any Share Capital Securities issued by it, or the Guarantor or any of its Subsidiaries (including the Issuer) has otherwise acquired any Parity Securities or any Junior Securities;
- (iv) any amounts constituting Outstanding Amounts being outstanding one calendar day before the fifth anniversary of the Interest Payment Date on which such amounts were initially due and payable in accordance with Condition 4(a) but the payment of which was deferred by the Issuer in accordance with Condition 4(e); or
- (v) the Issuer making a payment of interest on an Interest Payment Date.

"Parity Securities" means (i) any instruments issued, entered into or guaranteed by the Issuer which rank (or in relation to which the Issuer's payment obligations under the relevant guarantee rank), by their terms, by operation of law or otherwise, junior to *titres participatifs* issued by, and *prêts participatifs* granted to, the Issuer, to Ordinary Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Issuer and in priority to any Junior Securities and any classes of Share Capital Securities issued by the Issuer and (ii) any instruments issued, entered into or guaranteed by the Guarantor which rank (or in relation to which the Guarantor's payment obligations under the relevant guarantee rank), by their terms, by operation of law or otherwise, junior to Ordinary Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Guarantor and in priority to any Junior Securities and any classes of Share Capital Securities issued by the Guarantor.

"Prevailing Rate" means the rate of interest which is from time to time applicable to the Bonds in accordance with Condition 4(a).

"Primary Bond Dealer" means any credit institution or financial services institution that regularly deals in bonds and other debt securities.

"Reference Bond Dealer" means either the Calculation Agent, or any other Primary Bond Dealer selected by the Calculation Agent after consultation with the Issuer.

"Reference Bond Dealer Quotations" means the average, as determined by the Calculation Agent, of the bid and ask prices for the Comparable Bond Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Calculation Agent by such Reference Bond Dealer at 11:00 am (Paris time) on the Calculation Date.

"Regulated Market of the Luxembourg Stock Exchange" means the official list of the *Bourse de Luxembourg* which is a regulated market for the purposes of the Investment Services Directive 93/22/EC.

"Share Capital Securities" means (i) any ordinary shares (*actions ordinaires*) issued by the Issuer or preference shares (*actions de préférence*) issued by the Issuer and (ii) any ordinary shares (*actions ordinaires*) issued by the Guarantor or preference shares (*actions de préférence*) issued by the Guarantor, or any profit-sharing certificates (*parts bénéficiaires*) issued by the Guarantor which rank or would rank, by their terms, by operation of law or otherwise, equally with any ordinary shares or preference shares, if any, issued by the Guarantor.

"Subsidiary" means, in relation to any person or entity at any time, any other person or entity (whether or not now existing) (i) whose affairs and policies the first person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second person or otherwise or (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first person.

"TARGET Business Day" means a day on which the TARGET System is operating.

"TARGET System" means the Trans European Automated Real Time Gross Settlement Express Transfer System or any successor thereto.

"Unsubordinated Creditors" means any person(s) to whom/which the Issuer or the Guarantor, as the case may be, owes an Unsubordinated Obligation.

"Unsubordinated Obligation" means any Obligation of the Issuer or the Guarantor, as the case may be, which is unsubordinated.

2. **FORM, DENOMINATION AND TITLE**

The Bonds are in bearer form in the denomination of Euro 1,000 with Coupons and talons (each, a "**Talon**") for further Coupons attached at the time of issue. Title to the Bonds, the Coupons and the Talons will pass by delivery. The holder of any Bond, or Coupon or Talon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

3. **STATUS OF THE BONDS AND SUBORDINATED GUARANTEE**

- (a) *Status of the Bonds:* The Bonds (which constitute *obligations*) are Deeply Subordinated Bonds. The subordination provisions of the Bonds are governed by the provisions of Article L. 228-97 of the French *Code de Commerce*. The principal and interest on the Bonds constitute direct, unconditional, unsecured and deeply subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with all other present and future Parity Securities of the Issuer, but shall be subordinated to *titres participatifs* issued by, and *prêts participatifs* granted to, the Issuer, to Ordinary Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Issuer. The Bonds shall rank in priority to any Junior Securities and any classes of Share Capital Securities issued by the Issuer. If any judgment is issued by any competent court for the judicial liquidation (*liquidation judiciaire*) of the Issuer or, following an order of *redressement judiciaire*, the sale of the whole of the business (*cession totale de l'entreprise*) of the Issuer or in the event of the voluntary dissolution of the Issuer or if the Issuer has been liquidated for any other reason, the rights of the Bondholders will be calculated on the basis of the principal amount of the Bonds together with accrued interest on such principal amount, Outstanding Amounts and accrued interest on such Outstanding Amounts and to the extent that all other creditors of the Issuer (including Unsubordinated Creditors of the Issuer, Ordinary Subordinated Creditors of the Issuer, lenders in relation to *prêts participatifs* granted to the Issuer and holders of *titres participatifs* issued by the Issuer) ranking in priority to the Bondholders have been or will be fully reimbursed, as ascertained by the liquidator (*mandataire liquidateur, représentant des créanciers* or *commissaire au plan*, as the case may be). On a liquidation of the Issuer, no payments will be made to holders of Junior Securities or Share Capital Securities before all amounts due, but unpaid, to all Bondholders under the Bonds have been paid by the Issuer.
- (b) *Subordinated Guarantee:* The Guarantor has in the Subordinated Guarantee irrevocably guaranteed, on a subordinated basis, the due payment of all sums expressed to be payable from time to time by the Issuer under the Bonds. The obligations of the Guarantor under the Subordinated Guarantee constitute direct, unsecured and subordinated obligations of the Guarantor and rank and will rank *pari passu* among themselves and *pari passu* with all other present and future Parity Securities of the Guarantor but shall be subordinated to Ordinary Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Guarantor. The obligations of the Guarantor under the Subordinated Guarantee shall rank in priority to any

Junior Securities and any classes of Share Capital Securities issued by the Guarantor. In an insolvency of the Guarantor, payments under the Subordinated Guarantee will be subject to the condition precedent that all claims of the creditors of the Guarantor other than holders of Parity Securities issued by the Guarantor will have been discharged in full.

4. INTEREST AND INTEREST INTERRUPTION

- (a) *General:* Each Bond bears interest on its principal amount at a fixed rate of 6.375 per cent. per annum (the "**Fixed Rate of Interest**") from (and including) the Issue Date to (but excluding) 2 June 2016, payable annually in arrear on 2 June in each year commencing on 2 June 2007 (each a "**Fixed Rate Interest Payment Date**"), and thereafter at the Floating Rate of Interest (as defined in Condition 4(d)(i) below), payable quarterly in arrear on 2 March, 2 June, 2 September and 2 December, commencing on 2 June 2016 (each a "**Floating Rate Interest Payment Date**"), provided that if any Floating Rate Interest Payment Date is not a TARGET Business Day, it shall be postponed until the next following day which is a TARGET Business Day unless the next such day falls in the next calendar month in which case such Floating Rate Interest Payment Date shall be brought forward to the immediately preceding day which is a TARGET Business Day, and in each case subject as provided in Condition 4(e) (*Deferral of Interest*).
- (b) *Interest Payments:* Interest payments will be made subject to and in accordance with Condition 6 (*Payments and calculations*). In the case of redemption as provided in Condition 5 (*Redemption and purchase*), interest will cease to accrue on each Bond on the Maturity Date, the Early Redemption Date or, as the case may be, the Liquidation Redemption Date (as defined in Condition 5(c)), unless, upon such date, payment of the principal amount, the relevant Early Redemption Amount or, as the case may be, the amount due on the Liquidation Redemption Date is improperly withheld or refused or if default is otherwise made in respect of payment thereof. In such event, such Bond shall continue to bear interest in accordance with this Condition 4 (*Interest and interest interruption*) (as well after as before judgment) until the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder.
- (c) *Fixed Rate of Interest:* The amount of interest payable on the Bonds on each Fixed Rate Interest Payment Date will be an amount equal to the product of the principal amount of the Bonds multiplied by the Fixed Rate of Interest calculated for the relevant Fixed Rate Interest Period on an Actual/Actual-ICMA annual basis (the "**Fixed Rate Interest Amount**").
- (d) *Floating Rate of Interest*
- (i) Method of determination of the Floating Rate of Interest

The Floating Rate of Interest applicable in respect of the Bonds (the "**Floating Rate of Interest**") will be determined by the Calculation Agent on the following basis:

- (a) On the second TARGET Business Day before the beginning of each Floating Rate Interest Period (the "**Interest Determination Date**") the Calculation Agent will obtain the European inter-bank offered rate for three-month deposits in Euro ("**EURIBOR**"), as calculated by Bridge Information Systems on behalf of the European Banking Federation and the International Foreign Exchange Dealers Association and published on Reuters Page EURIBOR 01 (or such other page or service as may replace it for the purposes of displaying European inter-bank offered rates of leading reference banks for deposits in euro) (the "**EURIBOR Page**"), as at 11.00 am (Brussels Time) on such Interest Determination Date. The Floating Rate of Interest for such Floating Rate Interest Period shall be the aggregate of 3.35 per cent. per annum and the rate which so appears as determined by the Calculation Agent.

- (b) If, for any reason, on any Interest Determination Date, no rate is calculated and is published on the EURIBOR Page, the Calculation Agent will request any four major banks selected by it in the European inter-bank market (the "**Reference Banks**") to provide it with their respective quotations of the rates offered by such banks at approximately 11.00 am (Brussels time) on such Interest Determination Date, to prime banks in the European inter-bank market for three-month deposits for Euro in an amount that is, in the reasonable opinion of the Calculation Agent, representative for a single transaction in the relevant market at the relevant time. The Floating Rate of Interest for such Floating Rate Interest Period shall be the aggregate of 3.35 per cent. per annum and the arithmetic mean (rounded if necessary, to the nearest second decimal place, with 0.005 being rounded upwards) of the rates so quoted.
 - (c) If only two or three rates are so quoted on any Interest Determination Date, the Calculation Agent will determine the arithmetic mean (rounded, if necessary, to the nearest second decimal place, with 0.005 being rounded upwards) of the rates so quoted and the Floating Rate of Interest for such Floating Rate Interest Period shall be the aggregate of 3.35 per cent. per annum and such arithmetic mean. If fewer than two rates are so quoted on any Interest Determination Date, the Floating Rate of Interest in respect of such Floating Rate Interest Payment Date shall be the Floating Rate of Interest already in effect on such Interest Determination Date.
- (ii) Determination of Floating Rate of Interest and Calculation of Floating Rate Interest Amount by the Calculation Agent

The Calculation Agent will, as soon as practicable after 11.00 a.m. (Paris time) on each Interest Determination Date, determine the Floating Rate of Interest and calculate the amount of interest payable in respect of each Bond (the "**Floating Rate Interest Amount**") for the relevant Floating Rate Interest Period. The Floating Rate Interest Amount in respect of the Bonds shall be calculated by applying the Floating Rate of Interest to the aggregate principal amount of the Bonds and multiplying such product by the actual number of days in the Floating Rate Interest Period concerned divided by 360 (rounded to the nearest half cent, with half a cent being rounded upwards).

- (iii) Publication of Floating Rate of Interest and Floating Rate Interest Amount

The Calculation Agent will cause the Floating Rate of Interest, the Floating Rate Interest Amount for each Floating Rate Interest Period and the relevant Floating Rate Interest Payment Date to be notified to the Issuer, the Fiscal Agent and the Luxembourg Stock Exchange and any other stock exchange on which the Bonds may for the time being be listed and the Calculation Agent will cause publication thereof in accordance with Condition 11 (*Notices*) as soon as possible after their determination but in no event later than the fourth TARGET Business Day thereafter. The Floating Rate Interest Payment Date (as defined and described in Condition 4(a)) so published may subsequently be amended (or appropriate arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating Rate Interest Period. If the Bonds become due and payable under Conditions 5(b), 5(c) or 5(d) other than on a Floating Rate Interest Payment Date, the accrued interest and the Floating Rate of Interest payable in respect of the Bonds shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition 4 but no publication of the Floating Rate of Interest or the Floating Rate Interest Amount so calculated need be made.

(e) *Deferral of Interest*

On each Interest Payment Date (other than the Interest Payment Date falling on the date of redemption of the Bonds), the Issuer may, at its option, elect not to pay interest in respect of the Bonds which has, pursuant to the provisions of Condition 4(a), accrued to that date in respect of the Interest Period ending immediately prior to such Interest Payment Date, subject to such election and decision of deferral having been made by its *Conseil d'administration* and subject further to the giving of notice of election of deferral to the Bondholders as provided below. Any interest not paid pursuant to such an election shall be deferred. Any amounts so deferred shall constitute "**Outstanding Amounts**". Such non-payment shall not constitute a default by the Issuer under the Bonds or for any other purpose.

Notice of non-payment of any interest under the Bonds on any Interest Payment Date shall be given to the Bondholders in accordance with Condition 11 (*Notices*) at least ten (10) business days prior to such Interest Payment Date. So long as the Bonds are listed on the Regulated Market of the Luxembourg Stock Exchange and the rules of such stock exchange so require, notice of any such non-payment shall be given as soon as reasonably practicable to such stock exchange.

(f) *Outstanding Amounts*

Outstanding Amounts will bear interest at the Prevailing Rate from and including the Interest Payment Date on which such Outstanding Amounts were deferred in accordance with Condition 4(e), to but excluding the date on which such Outstanding Amounts are paid, as the case may be, in accordance with this Condition. Such interest shall accrue and be calculated in accordance *mutatis mutandis* with Condition 4(a) and, depending on whether the Prevailing Rate is a Fixed Rate of Interest or a Floating Rate of Interest, in accordance *mutatis mutandis* with Conditions 4(c) or 4(d).

Outstanding Amounts, together with interest accrued thereon at the Prevailing Rate in accordance with this Condition 4(f) shall be paid in whole but not (except in the case of any Shortfall arising in accordance with Condition 4(g)) in part, upon the occurrence of any Outstanding Amount Payment Event or at any time at the option of the Issuer and the Guarantor shall initiate the alternative coupon satisfaction mechanism ("**ACSM**") for the payment by the Issuer of all Outstanding Amounts, together with interest accrued thereon at the Prevailing Rate, in accordance with Condition 4(g).

Notice of any Outstanding Amount Payment Event or exercise by the Issuer of its option to pay all Outstanding Amounts, together with interest accrued thereon at the Prevailing Rate, in accordance with Condition 4(g), shall be given to the Bondholders in accordance with Condition 11 (*Notices*) within ten (10) Business Days of such event or exercise. In the case of exercise of its option to pay by the Issuer (the "**Option**"), such exercise shall be deemed to have occurred on the date of giving of the notice in accordance with Condition 11 (*Notices*).

(g) *ACSM*

(i) The Issuer shall only be under an obligation to pay any amounts to the Bondholders in respect of Outstanding Amounts, including any interest accrued at the Prevailing Rate, pursuant to Condition 4(f), provided it has received written confirmation from the Guarantor (a "**Written Confirmation**") that the Guarantor has raised, or has caused the Issuer to raise, funds to pay such amounts in whole or in part, by:

- (a) the issue of new ordinary shares or the sale of existing ordinary shares ("**Ordinary Share Coupon Satisfaction**"); and/or

- (b) the issue of new Eligible Securities or the sale of existing Eligible Securities ("**Securities Coupon Satisfaction**").

Any payment by the Issuer to the Bondholders in respect of Outstanding Amounts, including any interest accrued at the Prevailing Rate, pursuant to Condition 4(f), shall be made within five (5) Business Days of receipt of a Written Confirmation.

The Guarantor shall address a Written Confirmation to the Issuer as soon as reasonably practicable after completion of the ACSM in whole or in part. Notice of completion of the ACSM shall also be given to the Bondholders in accordance with Condition 11 (*Notices*) within ten (10) Business Days of such completion.

- (ii) Proceeds from the issuance or sale of Eligible Securities shall only be used for the purposes of the ACSM in an aggregate amount of up to 25 per cent. of the aggregate principal amount of the Bonds on the Issue Date (or, in case of a subsequent issuance of Bonds pursuant to Condition 13 (*Further issues*), such increased aggregate principal amount).
- (iii) Any issuance or sale of ordinary shares under an Ordinary Share Coupon Satisfaction shall be limited to 2 per cent. of the Guarantor's aggregate outstanding issued share capital, unless the Guarantor exercises the ACSM in respect of Outstanding Amounts which have been deferred for a period of less than 12 months.
- (iv) The Guarantor shall use all reasonable measures at its disposal to initiate the ACSM as soon as reasonably practicable after the relevant Outstanding Amount Payment Event or exercise by the Issuer of its Option, with a view to raising sufficient funds to allow the Issuer to pay all Outstanding Amounts and interest accrued at the Prevailing Rate and to completing such ACSM within a maximum period of 12 months following the relevant Outstanding Amount Payment Event or exercise by the Issuer of its Option.
- (v) Without prejudice to the possibility for the Guarantor to convene an extraordinary general meeting of shareholders immediately after the relevant Outstanding Amount Payment Event or exercise by the Issuer of its Option, the *Conseil d'administration* of the Guarantor shall convene an extraordinary general meeting of shareholders as soon as reasonably practicable and propose to such extraordinary general meeting of shareholders a resolution for the issuance of ordinary shares or Eligible Securities (should such issuance require a shareholder approval) in an amount sufficient to allow the Issuer to pay in whole all Outstanding Amounts, including interest accrued at the Prevailing Rate, in the event that the Guarantor was not successful in raising an amount equal to all Outstanding Amounts, including interest accrued at the Prevailing Rate, by the issue or sale of ordinary shares or Eligible Securities within 3 months following the relevant Outstanding Amount Payment Event or exercise by the Issuer of its Option.
- (vi) If the Guarantor fails (for any reason, whether legal or otherwise) to implement the Ordinary Share Coupon Satisfaction and/or the Securities Coupon Satisfaction to raise, or cause the Issuer to raise, proceeds which are equal to the Outstanding Amounts, including interest accrued at the Prevailing Rate (any such difference between the Outstanding Amounts, including interest accrued at the Prevailing Rate and such proceeds, if any, being the "**Shortfall**") within a period of 12 months following the relevant Outstanding Amount Payment Event or exercise by the Issuer of its Option, the claims of the Bondholders in respect of the Shortfall shall be cancelled on the anniversary of the Outstanding Amount Payment Event or exercise by the Issuer of its Option, as the case may be, and the non-payment by the Issuer of Outstanding Amounts, including interest

accrued at the Prevailing Rate, equal to such Shortfall shall not constitute a default by the Issuer under the Bonds or for any other purpose.

- (vii) Bondholders shall not be entitled to any recourse against the directors or any relevant corporate body or individual shareholders of the Guarantor for the non-payment of Outstanding Amounts by the Issuer if the Guarantor has sought to implement the provisions of this Condition 4(g).

5. **REDEMPTION AND PURCHASE**

(a) *Final redemption*

The Bonds may not be redeemed otherwise than in accordance with this Condition 5 (*Redemption and purchase*).

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount together with any amounts outstanding thereon including an amount equal to any Outstanding Amounts, together with interest accrued thereon at the Prevailing Rate on the Maturity Date, subject as provided in Condition 6 (*Payments and calculations*).

(b) *Call options*

(i) General call option of the Issuer

On the First Call Date and on any Floating Rate Interest Payment Date thereafter, the Issuer, subject to having given not less than 30, and not more than 45, calendar days' prior notice to the Bondholders (which notice shall be irrevocable) in accordance with Condition 11 (*Notices*), may redeem all, but not some only, of the Bonds at their principal amount including any amount outstanding thereon (including an amount equal to any Outstanding Amounts, together with interest accrued thereon at the Prevailing Rate). The Luxembourg Stock Exchange will be informed of any such redemption.

(ii) Redemption for taxation reasons

(A) If, by reason of a change in the laws or regulations of the Republic of France, or any political subdivision therein or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a judgment by a court of competent jurisdiction), becoming effective on or after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Bonds, not be able to make such payment without having to pay additional amounts as specified under Condition 7 (*Taxation*), the Issuer may, at any time, subject to having given not more than 45 nor less than 30 days' prior notice to the Bondholders (which notice shall be irrevocable), in accordance with Condition 11 (*Notices*), redeem all, but not some only, of the Bonds outstanding at their Early Redemption Amount provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes or, if such date has passed, as soon as practicable thereafter;

If, by reason of a change in the laws or regulations of the Kingdom of Belgium, or any political subdivision therein or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a judgment by a court of competent jurisdiction), becoming effective on or after

the Issue Date, the Guarantor would (if a demand was made under the Subordinated Guarantee of the Bonds) have to pay additional amounts as specified under Condition 7 (*Taxation*), the Issuer may, at any time, subject to having given not more than 45 nor less than 30 days' prior notice to the Bondholders (which notice shall be irrevocable), in accordance with Condition 11 (*Notices*), redeem all, but not some only, of the Bonds outstanding at their Early Redemption Amount provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Guarantor could make a payment under the Subordinated Guarantee without withholding for Belgian taxes or, if such date has passed, as soon as practicable thereafter;

- (B) If the Issuer would on the next payment of principal or interest in respect of the Bonds be prevented by French law from making payment to the Bondholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7 (*Taxation*), then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Bondholders in accordance with Condition 11 (*Notices*), redeem all, but not some only, of the Bonds then outstanding at their Early Redemption Amount provided that the due date for redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of principal and interest payable without withholding for French taxes or, if such date has passed, as soon as practicable thereafter;
- (C) If, by reason of any change in the laws or regulations of the Republic of France, or any political subdivision therein or any authority thereof or therein having power to tax, any change in the application or official interpretation of such laws or regulations (including a judgment by a court of competent jurisdiction), or any other change in the tax treatment of the Bonds, becoming effective on or after the Issue Date, interest payments under the Bonds were but are no longer tax-deductible by the Issuer for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes, the Issuer may, at its option, at any time, subject to having given not more than 45 nor less than 30 days' notice to Bondholders (which notice shall be irrevocable) in accordance with Condition 11 (*Notices*), redeem all, but not some only, of the Bonds at their Early Redemption Amount provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes.

Before the publication of any notice of redemption pursuant to this Condition 5(b)(ii)(C), the Issuer shall deliver to the Fiscal Agent a certificate signed by the *Président du Conseil d'administration* and *Directeur Général* of the Issuer, or, if a separate *Directeur Général* has been appointed, by either the *Président du Conseil d'administration* or the *Directeur Général* of the Issuer, stating that the Issuer is entitled to effect such redemption and setting forth a statement of the facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

In the event of an exercise by the Issuer of any of its call options pursuant to this Condition 5(b), the Guarantor intends to raise, against issue proceeds at least equal to the amount payable on redemption, within the 6 months preceding the redemption becoming effective, Parity Securities and/or Junior Securities, with terms and conditions that are the same as those of the Bonds, and/or ordinary shares or to sell existing ordinary shares (save for

shares purchased against cash within a period of 6 months prior to the relevant sales date of the respective existing ordinary shares) for an amount at least equal to the principal amount of the Bonds.

(c) *Liquidation*

In accordance with Condition 3 (*Status of the Bonds and Subordinated Guarantee*), if any judgment is issued by any competent court for the judicial liquidation (*liquidation judiciaire*) of the Issuer or, following an order of *redressement judiciaire*, the sale of the whole of the business (*cession totale de l'entreprise*) of the Issuer or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason, or if the Guarantor is declared bankrupt, wound up or dissolved or liquidated for any reason then the Bonds will become immediately due and payable at their principal amount together with any amounts outstanding thereon including an amount equal to any Outstanding Amounts, together with interest accrued thereon at the Prevailing Rate and with accrued interest to the date of redemption (the "**Liquidation Redemption Date**").

(d) *Purchases and cancellation*

The Issuer, the Guarantor or any of the Guarantor's subsidiaries, may at any time purchase Bonds in the open market or otherwise and at any price. Such acquired Bonds may be cancelled, held or resold, subject as provided below.

All Bonds which are purchased or redeemed by the Issuer and any unmatured Coupons or unexchanged Talons attached to or surrendered with them will cease to be considered to be outstanding and shall be cancelled and accordingly may not be reissued or sold.

In the event that the Issuer, the Guarantor or any of the Guarantor's subsidiaries, has purchased Bonds equal to or in excess of 90 per cent. of the aggregate principal amount of the Bonds initially issued pursuant to this Condition 5(d) (*Purchases and cancellation*), the Issuer may call and redeem the remaining Bonds (in whole but not in part) at their principal amount together with any amounts outstanding thereon including an amount equal to any Outstanding Amounts, together with interest accrued thereon at the Prevailing Rate.

6. **PAYMENTS AND CALCULATIONS**

(a) *Principal*

Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of Bonds at the specified office of any Paying Agent outside the United States by Euro cheque drawn on, or by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the TARGET System.

(b) *Interest and Outstanding Amounts*

Payments of interest and/or, if applicable, Outstanding Amounts shall, subject to paragraph (f) (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (*provided that* payment is made in full) surrender of the appropriate Coupons at the specified office of any Paying Agent outside the United States in the manner described in paragraph (a) (*Principal*) above.

(c) *Payment subject to fiscal laws*

All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*). No commissions or expenses shall be charged to the Bondholders or Couponholders in respect of such

payments.

(d) *Deduction for unmatured Coupons*

If a Bond is presented between the Issue Date and the First Call Date without all unmatured Coupons relating thereto, then:

- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
- (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) (*Principal*) above against presentation and (*provided that* payment is made in full) surrender of the relevant missing Coupons. No payments will be made in respect of void coupons.

If a Bond is presented after the First Call Date without all unmatured Coupons relating thereto, then such missing Coupons shall become void.

(e) *Payments on business days*

If the due date for payment of any amount in respect of any Bond or Coupon is not a business day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place and shall not be entitled to any further interest or other payment in respect of any such delay. In this paragraph, "**business day**" means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a Euro account as referred to above, on which the TARGET System is open.

(f) *Payments other than in respect of matured Coupons*

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bonds at the specified office of any Paying Agent outside the United States.

(g) *Partial payments*

If a Paying Agent makes a partial payment in respect of any Bond or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(h) *Exchange of Talons*

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a coupon sheet relating to the Bonds (each, a "**Coupon Sheet**"), the Talon forming part of such Coupon Sheet may be exchanged at the specified office of the Fiscal Agent for a further Coupon Sheet (including a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 12 (*Prescription*)). Upon the due date for redemption of any Bond, any unexchanged Talon relating to such Bond shall become void and no Coupon will be delivered in respect of such Talon.

(i) *Fiscal Agent, Paying Agents and Calculation Agent*

The name and specified office of the initial Fiscal Agent, Paying Agents and the Calculation Agent are as follows:

FISCAL AGENT, PRINCIPAL PAYING AGENT AND CALCULATION AGENT

Deutsche Bank AG, London Branch

Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

LUXEMBOURG PAYING AGENT

Deutsche Bank Luxembourg S.A.

2 Boulevard Konrad Adenauer
L-1115 Luxembourg
Luxembourg

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Paying Agent(s), Calculation Agent and/or appoint a substitute Fiscal Agent, Paying Agent, Calculation Agent and additional or other Paying Agents, provided that there will at all times be (i) a Fiscal Agent having a specified office in a European city, (ii) so long as the Bonds are listed on the Regulated Market of the Luxembourg Stock Exchange and the rules of that stock exchange so require, a Paying Agent having a specified office in Luxembourg (which may be the Fiscal Agent), (iii) so long as any Bond is outstanding, a Calculation Agent for the purposes of the Bonds having a specified office in a European city and (iv) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC or any EU Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive. If the Calculation Agent is unable or unwilling to continue to act as such or if the Calculation Agent fails to make any calculations in relation to the Bonds, the Issuer shall appoint some other leading European bank engaged in the Euro inter-bank market to act in its place, subject to having given notice to the Bondholders in accordance with Condition 11 (*Notices*) not more than 45 nor less than 30 days prior to such appointment. The Calculation Agent may not resign its duties without a successor having been so appointed. Any notice of a change in Fiscal Agent, Paying Agent, Calculation Agent or their specified office shall be given to Bondholders as specified in Condition 11 (*Notices*).

(j) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purpose of the provisions of these Conditions whether by the Calculation Agent or the Reference Banks (or any of them) shall (in the absence of wilful default or manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agents, the Fiscal Agent, the Reference Banks, and all the Bondholders. All calculations and determinations carried out by the Calculation Agent pursuant to these Conditions must be made in good faith. No Bondholder shall (in the absence as aforesaid) be entitled to proceed against the Calculation Agent or the Reference Banks or any of them in connection with the exercise or non-exercise by them of their powers, duties and discretions.

7. **TAXATION**

(a) *Withholding tax exemption*

The Bonds constituting *obligations* under French law and being denominated in Euro and accordingly deemed to be issued outside the Republic of France for taxation purposes, payments by the Issuer of interest and other revenues in respect of the Bonds and the Coupons benefit under present law (as interpreted in the *Instruction* of the *Direction Générale des Impôts* 5 I-11-98 dated 30 September 1998) from the exemption provided for in Article 131 *quater* of the *Code Général des Impôts* (General Tax Code) from withholding tax on interest payments set out under Article 125A III of the *Code Général des Impôts*. Accordingly, such payments do not give the right to any tax credit from any French source.

All payments in respect of the Bonds and the Coupons by or on behalf of the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Belgium or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law.

(b) *Additional amounts*

If French law or Belgian law, as the case may be, should require that payments of principal or interest in respect of any Bond or Coupon by or on behalf of the Issuer or the Guarantor, as the case may be, be subject to deduction or withholding in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of the Republic of France or the Kingdom of Belgium, as the case may be, or any authority therein or thereof having power to tax, the Issuer or the Guarantor, as the case may be, shall, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that each Bondholder or Couponholder, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such deduction or withholding; provided, however, that the Issuer or the Guarantor, as the case may be, shall not be liable to pay any such additional amounts in respect of any Bond to a Bondholder, or in respect of any Coupon to a Couponholder, (or beneficial owner (*ayant droit*)):

- (i) who is subject to such taxes, duties, assessments or other governmental charges in respect of such Bond or Coupon by reason of his having some present or former connection with the Republic of France or the Kingdom of Belgium other than the mere holding of such Bond or Coupon; or
- (ii) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Bond or Coupon to another Paying Agent in a member state of the European Union; or

- (iii) when the relevant Bond or Coupon is presented for payment more than 30 days after the Relevant Date (as defined below), except to the extent that the holder thereof would have been entitled to such additional amounts on the last day of such period of 30 days; or
- (iv) where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC of 3 June 2003 or any other European Union Directive implementing the conclusion of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

For the purpose of this Condition 7 (*Taxation*), "**Relevant Date**" in relation to any Bond or Coupon means whichever is the later of (A) the date on which the payment in respect of such Bond or Coupon first becomes due and payable, and (B) if the full amount of the moneys payable on such date in respect of such Bond or Coupon has not been received by the Fiscal Agent on or prior to such date, the date on which notice is given in accordance with Condition 11 (*Notices*) to Bondholders that such moneys have been so received.

References in these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under the provisions of this Condition 7.

8. **NO EVENTS OF DEFAULT**

There are no events of default in respect of the Bonds.

9. **REPLACEMENT OF BONDS, COUPONS AND TALONS**

If any Bond, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent and the Paying Agent having its specified office in Luxembourg, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Bonds, Coupons or Talons must be surrendered before replacements will be issued.

10. **REPRESENTATION OF THE BONDHOLDERS**

(a) Meetings of Bondholders

The Agency Agreement contains provisions for convening meetings of Bondholders to consider matters relating to the Bonds, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantor (acting together) and shall be convened by them upon the request in writing of Bondholders holding not less than one-tenth of the aggregate principal amount of the outstanding Bonds. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Bonds or, at any adjourned meeting, two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented; *provided, however, that* certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Bonds, to reduce the amount of principal or interest payable on any date in respect of the Bonds, to alter the method of calculating the amount of any payment in respect of the Bonds or the date for any such payment, to change the currency of payments under the Bonds, to amend the terms of the Subordinated Guarantee or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a "**Reserved Matter**") may only be sanctioned by an Extraordinary Resolution passed at a meeting of

Bondholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Bonds form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Bondholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Bondholders who for the time being are entitled to receive notice of a meeting of Bondholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

(b) *Modification*

The Bonds, these Conditions and the Subordinated Guarantee may be amended without the consent of the Bondholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Bondholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Bondholders.

11. **NOTICES**

Any notice to the Bondholders will be valid if delivered to Bondholders through Euroclear or Clearstream, Luxembourg and, so long as the Bonds are listed on the Regulated Market of the Luxembourg Stock Exchange and the rules of that stock exchange so require, if published in a leading daily newspaper having general circulation in Luxembourg (which is expected to be *d'Wort* or the *Tageblatt*) or on the website of the Luxembourg Stock Exchange, www.bourse.lu. If any such publication is not practicable, notice shall be validly given if published in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of such delivery or publication or, if published more than once or on different dates, on the first date on which such publication is made.

12. **PRESCRIPTION**

Claims against the Issuer for the payment of principal and interest in respect of the Bonds shall become time-barred 10 years (in the case of principal) and 5 years (in the case of interest) from the due date for payment thereof.

13. **FURTHER ISSUES**

The Issuer may from time to time, without the consent of the Bondholders or the Couponholders, create and issue further bonds having the same terms and conditions as the Bond in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Bond.

14. **GOVERNING LAW AND JURISDICTION**

(a) *Governing law*

The Bonds and all matters arising from or connected with the Bonds are governed by, and shall be construed in accordance with, English law, except that the provisions of Condition 3(a) shall be governed by, and shall be construed in accordance with, French law.

(b) *English courts*

The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising from or

connected with the Bonds.

(c) *Appropriate forum*

The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

(d) *Rights of the Bondholders to take proceedings outside England*

Condition 14(b) (*English courts*) is for the benefit of the Bondholders only. As a result, nothing in this Condition 14 (*Governing law and jurisdiction*) prevents any Bondholder from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Bondholders may take concurrent Proceedings in any number of jurisdictions.

(e) *Process agent*

The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Solvay UK Holding Company Limited at Solvay House, Baronet Road, Warrington, Cheshire WA4 6HB, England or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part XXIII of the Companies Act 1985. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Bondholder addressed to the Issuer and delivered to the Issuer or to the specified office of the Fiscal Agent appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Bondholder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the specified office of the Fiscal Agent. Nothing in this paragraph shall affect the right of any Bondholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

(f) *Consent to enforcement*

The Issuer consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which is made or given in such Proceedings.

(g) *Waiver of immunity*

To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its assets or revenues, the Issuer agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

The Bonds will initially be in the form of a temporary global bond ("**Temporary Global Bond**") which will be deposited on or around the date of issue of the Bonds (the "**Closing Date**") with a common depositary for Euroclear and Clearstream, Luxembourg. The Temporary Global Bond will be exchangeable in whole or in part for interests in a permanent global bond ("**Permanent Global Bond**") not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Bond unless exchange for interests in the Permanent Global Bond is improperly withheld or refused. In addition, interest payments in respect of the Bonds cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Bond will become exchangeable in whole, but not in part, for Bonds in definitive form ("**Definitive Bonds**") in the denomination of Euro 1,000 each at the request of the bearer of the Permanent Global Bond if (i) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (ii) any of the events described in Condition 5(c) (*Liquidation*) occurs.

Whenever the Permanent Global Bond is to be exchanged for Definitive Bonds, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Bonds, duly authenticated and with Coupons and Talons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Bond to the bearer of the Permanent Global Bond against the surrender of the Permanent Global Bond at the specified office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (i) Definitive Bonds have not been delivered by 5.00 p.m. (Central European Time) on the thirtieth day after the bearer has duly requested exchange of the Permanent Global Bond for Definitive Bonds; or
- (ii) the Permanent Global Bond (or any part of it) has become due and payable in accordance with the Conditions or the date for final redemption of the Bonds has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Bond on the due date for payment,

then the Permanent Global Bond (including the obligation to deliver Definitive Bond) will become void at 5.00 p.m. (Central European Time) on such thirtieth day (in the case of (i) above) or at 5.00 p.m. (Central European Time) on such due date (in the case of (ii) above) and the bearer of the Permanent Global Bond will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Bond or others may have under a deed of covenant dated on or about the date of issue of the Bonds (the "**Deed of Covenant**") executed by the Issuer). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg as being entitled to an interest in the Permanent Global Bond will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Bond became void, they had been the holders of Definitive Bonds in an aggregate principal amount equal to the principal amount of Bonds they were shown as holding in the records of Euroclear and/or (as the case may be) Clearstream, Luxembourg.

In addition, the Temporary Global Bond and the Permanent Global Bond will contain provisions which modify the Terms and Conditions of the Bonds as they apply to the Temporary Global Bond and the Permanent Global Bond. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Temporary Global Bond and the Permanent Global Bond will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Temporary Global Bond or (as the case may be) the Permanent Global Bond at the specified office of any

Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Bonds.

Notices: Notwithstanding Condition 11 (*Notices*), while all the Bonds are represented by the Permanent Global Bond (or by the Permanent Global Bond and/or the Temporary Global Bond) and the Permanent Global Bond is (or the Permanent Global Bond and/or the Temporary Global Bond are) deposited with a common depositary for Euroclear and Clearstream, Luxembourg, notices to Bondholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Bondholders in accordance with Condition 11 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg; *provided, however, that*, so long as the Bonds are listed on the Luxembourg Stock Exchange and its rules so require, notices will also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be *d'Wort* or the *Tageblatt*) or on the website of the Luxembourg Stock Exchange, www.bourse.lu.

SUBORDINATED GUARANTEE

The following is the form of the Subordinated Guarantee to be issued by the Guarantor on the Issue Date.

THIS DEED OF GUARANTEE is made on 2 June 2006

BY

- (1) **SOLVAY SA** (the "**Guarantor**")

IN FAVOUR OF

- (2) **THE HOLDERS** for the time being and from time to time of the Bonds referred to below (each a "**Bondholder**" or the "**holder**" of a Bond); and
- (3) **THE ACCOUNTHOLDERS** (as defined below) (together with the Bondholders, the "**Beneficiaries**")

WHEREAS

- (A) Solvay Finance (the "**Issuer**") has authorised the issue of Euro 500,000,000 in aggregate principal amount of Deeply Subordinated Fixed to Floating Rate Bonds due 2104 (the "**Bonds**").
- (B) The Bonds will be in bearer form and in the denomination of Euro 1,000. The Bonds will initially be represented by a temporary global bond (the "**Temporary Global Bond**") which will be exchangeable for a permanent global bond (the "**Permanent Global Bond**") in the circumstances specified in the Temporary Global Bond. The Permanent Global Bond will in turn be exchangeable for bonds in definitive form ("**Definitive Bonds**"), with interest coupons and a talon attached, in the circumstances specified in the Permanent Global Bond.
- (C) The Temporary Global Bond and the Permanent Global Bond will be delivered to a common depository for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**").
- (D) The Issuer will, in relation to the Bonds insofar as represented by the Permanent Global Bond, enter into a deed of covenant (the "**Deed of Covenant**").
- (E) The Issuer and the Guarantor will, in relation to the Bonds, enter into a fiscal agency agreement (the "**Agency Agreement**") with Deutsche Bank AG, London Branch (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Bonds) and the other paying agents and the calculation agent named therein.
- (F) The Guarantor has agreed to irrevocably guarantee, on a subordinated basis, the payment of all sums expressed to be payable from time to time by the Issuer to the Bondholders in respect of the Bonds and to the Accountholders under the Deed of Covenant.

NOW THIS DEED OF GUARANTEE WITNESSES as follows:

1. **INTERPRETATION**

1.1 **Definitions**

In this Deed of Guarantee the following expressions have the following meanings:

"Accountholder" means any Accountholder with a Clearing System which at the Determination Date has credited to its securities account with such Clearing System one or more Entries in respect of the Permanent Global Bond, except for either Clearing System in its capacity as an Accountholder of the other Clearing System;

"Clearing System" means each of Euroclear and Clearstream, Luxembourg;

"Conditions" means the terms and conditions of the Bonds (as scheduled to the Agency Agreement and as modified from time to time in accordance with their terms), and any reference to a numbered **"Condition"** is to the correspondingly numbered provision thereof;

"Determination Date" has the meaning ascribed to it in the Deed of Covenant;

"Direct Rights" means the rights referred to in Clause 2.1 of the Deed of Covenant;

"Entry" means any entry which is made in the securities account of any Accountholder with a Clearing System in respect of Bonds represented by the Permanent Global Bond; and

"person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

1.2 **Other defined terms**

Terms defined in the Conditions have the same meanings in this Deed of Guarantee.

1.3 **Clauses**

Any reference in this Deed of Guarantee to a Clause is, unless otherwise stated, to a clause hereof.

1.4 **Headings**

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Deed of Guarantee.

2. **GUARANTEE AND INDEMNITY**

2.1 **Guarantee**

The Guarantor hereby irrevocably guarantees:

2.1.1 to the holder of each Bond the due and punctual payment of all sums from time to time payable by the Issuer in respect of such Bond (including any Outstanding Amounts and any interest accrued thereon at the Prevailing Rate) as and when the same become due and payable and accordingly undertakes to pay to such Bondholder, in the manner and currency prescribed by the Conditions for payments by the Issuer in respect of the Bonds, any and every sum or sums which the Issuer is at any time liable to pay in respect of such Bond and which the Issuer has failed to pay; and

2.1.2 to each Accountholder the due and punctual payment of all sums from time to time payable by the Issuer to such Accountholder in respect of the Direct Rights as and when the same become due and payable and accordingly undertakes to pay to such Accountholder, in the manner and currency prescribed by the Conditions for payments by the Issuer in respect of the Bonds, any and every sum or sums which the Issuer is at any time liable to pay to such Accountholder in respect of the Bonds and which the Issuer has failed to pay.

2.2 **Indemnity**

The Guarantor irrevocably and unconditionally agrees as a primary obligation to indemnify each Beneficiary from time to time from and against any loss incurred by such Beneficiary as a result of any of the obligations of the Issuer under or pursuant to any Bond, the Deed of Covenant or any provision thereof being or becoming void, voidable, unenforceable or ineffective for any reason whatsoever, whether or not known to such Beneficiary or any other person, the amount of such loss being the amount which such Beneficiary would otherwise have been entitled to recover from the Issuer. Any amount payable pursuant to this indemnity shall be payable in the manner and currency prescribed by the Conditions for payments by the Issuer in respect of the Bonds. This indemnity constitutes a separate and independent obligation from the other obligations under this Deed of Guarantee and shall give rise to a separate and independent cause of action.

3. **STATUS OF THE GUARANTEE**

The obligations of the Guarantor under this Deed of Guarantee constitute direct, unsecured and subordinated obligations of the Guarantor and rank and will rank *pari passu* among themselves and *pari passu* with all other present and future Parity Securities of the Guarantor but shall be subordinated to Ordinary Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Guarantor. The obligations of the Guarantor under this Deed of Guarantee shall rank in priority to any Junior Securities and any classes of Share Capital Securities issued by the Guarantor. In an insolvency of the Guarantor, payments under this Deed of Guarantee will be subject to the condition precedent that all claims of the creditors of the Guarantor other than holders of Parity Securities issued by the Guarantor will have been discharged in full.

4. **UNDERTAKING**

The Guarantor undertakes in favour of each Beneficiary that, so long as any interest or principal amount is due under or in respect of any Bond, it will not sell, charge or otherwise dispose of or in any way assign any of its rights in respect of the share capital of the Issuer.

5. **COMPLIANCE WITH CONDITIONS**

The Guarantor covenants in favour of each Beneficiary that it will duly perform and comply with the obligations expressed to be undertaken by it in the Conditions (including without limitation under Condition 4(f) (*Outstanding Amounts*), Condition 4(g) (*ACSM*) and Condition 7 (*Taxation*)).

6. **PRESERVATION OF RIGHTS**

6.1 **Principal obligor**

The obligations of the Guarantor hereunder shall be deemed to be undertaken as principal obligor and not merely as surety.

6.2 **Continuing obligations**

The obligations of the Guarantor herein contained shall constitute and be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever and shall not be considered satisfied by any intermediate payment or satisfaction of all or any of the Issuer's obligations under or in respect of any Bond or the Deed of Covenant and shall continue in full force and effect until all sums due from the Issuer in respect of the Bonds and under the Deed of Covenant have been paid, and all other actual or contingent obligations of the Issuer thereunder or in respect thereof have been satisfied, in full.

6.3 **Obligations not discharged**

Neither the obligations of the Guarantor herein contained nor the rights, powers and remedies conferred upon the Accountholders by this Deed of Guarantee or by law shall be discharged, impaired or otherwise affected by:

- 6.3.1 *Winding up*: the winding up, dissolution, administration, re-organisation or moratorium of the Issuer or any change in its status, function, control or ownership;
- 6.3.2 *Illegality*: any of the obligations of the Issuer under or in respect of the Bonds being or becoming illegal, invalid, unenforceable or ineffective in any respect;
- 6.3.3 *Indulgence*: time or other indulgence (including, for the avoidance of doubt, any composition) being granted or agreed to be granted to the Issuer in respect of any of its obligations under or in respect of the Bonds or the Deed of Covenant;
- 6.3.4 *Amendment*: any amendment to, or any variation, waiver or release of, any obligation of the Issuer under or in respect of the Bonds or the Deed of Covenant or any security or other guarantee or indemnity in respect thereof, however fundamental; or
- 6.3.5 *Analogous events*: any other act, event or omission which, but for this sub-clause, might operate to discharge, impair or otherwise affect the obligations expressed to be assumed by the Guarantor herein or any of the rights, powers or remedies conferred upon the Beneficiaries or any of them by this Deed of Guarantee or by law.

6.4 **Settlement conditional**

Any settlement or discharge between the Guarantor and the Beneficiaries or any of them shall be conditional upon no payment to the Beneficiaries or any of them by the Issuer or any other person on the Issuer's behalf being avoided or reduced by virtue of any laws relating to bankruptcy, insolvency, liquidation or similar laws of general application for the time being in force and, in the event of any such payment being so avoided or reduced, the Beneficiaries shall be entitled to recover the amount by which such payment is so avoided or reduced from the Guarantor subsequently as if such settlement or discharge had not occurred.

6.5 **Exercise of rights**

No Beneficiary shall be obliged before exercising any of the rights, powers or remedies conferred upon it by this Deed of Guarantee or by law:

- 6.5.1 *Demand*: to make any demand of the Issuer, save for the presentation of the relevant Bond;
 - 6.5.2 *Take action*: to take any action or obtain judgment in any court against the Issuer; or
 - 6.5.3 *Claim or proof*: to make or file any claim or proof in a winding up or dissolution of the Issuer,
- and (save as aforesaid) the Guarantor hereby expressly waives presentment, demand, protest and notice of dishonour in respect of each Bond.

6.6 **Deferral of Guarantor's rights**

The Guarantor agrees that, so long as any sums are or may be owed by the Issuer in respect of the Bonds or under the Deed of Covenant or the Issuer is under any other actual or contingent obligation thereunder or in respect thereof, the Guarantor will not exercise any rights which the Guarantor may at any time have by reason of the performance by the Guarantor of its obligations hereunder:

- 6.6.1 *Indemnity*: to be indemnified by the Issuer;
- 6.6.2 *Contribution*: to claim any contribution from any other guarantor of the Issuer's obligations under or in respect of the Bonds or the Deed of Covenant; or
- 6.6.3 *Benefit of Security*: to take the benefit (in whole or in part) of any security enjoyed in connection with the Bonds or the Deed of Covenant by any Beneficiary; and/or
- 6.6.4 *Subrogation*: to be subrogated to the rights of any Beneficiary against the Issuer in respect of amounts paid by the Guarantor under this Deed of Guarantee.

7. **DEPOSIT OF DEED OF GUARANTEE**

This Deed of Guarantee shall be deposited with and held by the Fiscal Agent until the date which is two years after all the obligations of the Issuer under or in respect of the Bonds and the Deed of Covenant have been discharged in full. The Guarantor hereby acknowledges the right of every Beneficiary to the production of this Deed of Guarantee.

8. **STAMP DUTIES**

The Guarantor shall pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution and delivery of this Deed of Guarantee, and shall indemnify each Beneficiary against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

9. **BENEFIT OF DEED OF GUARANTEE**

9.1 **Deed poll**

This Deed of Guarantee shall take effect as a deed poll for the benefit of the Beneficiaries from time to time.

9.2 **Benefit**

This Deed of Guarantee shall enure to the benefit of each Beneficiary and its (and any subsequent) successors and assigns, each of which shall be entitled severally to enforce this Deed of Guarantee against the Guarantor.

9.3 **Assignment**

The Guarantor shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder. Each Beneficiary shall be entitled to assign all or any of its rights and benefits hereunder.

10. **PARTIAL INVALIDITY**

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

11. NOTICES

11.1 Address for notices

All notices and other communications to the Guarantor hereunder shall be made in writing (by letter or fax) and shall be sent to the Guarantor at:

Solvay SA
33, rue du Prince Albert
B-1050 Brussels
Belgium

Fax: + 32 2 509 67 54
Attention: Group Treasurer

or to such other address or fax number or for the attention of such other person or department as the Guarantor has notified to the Beneficiaries in the manner prescribed for the giving of notices in connection with the Bonds.

11.2 Effectiveness:

Every notice or other communication sent in accordance with Clause 11.1 (*Address for notices*) shall be effective upon receipt by the Guarantor, *provided that* any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the Guarantor.

12. CURRENCY INDEMNITY

If any sum due from the Guarantor under this Deed of Guarantee or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under this Deed of Guarantee or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Guarantor, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to this Deed of Guarantee, the Guarantor shall indemnify each Beneficiary on demand against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Beneficiary may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Guarantor and shall give rise to a separate and independent cause of action.

13. LAW AND JURISDICTION

13.1 Governing law

This Deed of Guarantee, other than Clause 3 (*Status of the Guarantee*), and all matters arising from or connected with it are governed by, and shall be construed in accordance with, English law.

Clause 3 (*Status of the Guarantee*) of this Deed of Guarantee and all matters arising from or connected with it are governed by, and shall be construed in accordance with, Belgian law.

13.2 **English courts**

The courts of England have exclusive jurisdiction to settle any dispute (a '**Dispute**'), arising from or connected with this Deed of Guarantee (including a dispute regarding the existence, validity or termination of this Deed of Guarantee) or the consequences of its nullity.

13.3 **Appropriate forum**

The Guarantor agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

13.4 **Rights of the Beneficiaries to take proceedings outside England**

Clause 13.2 (*English courts*) is for the benefit of the Beneficiaries only. As a result, nothing in this Clause 13 (*Law and jurisdiction*) prevents the Beneficiaries from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Beneficiaries may take concurrent Proceedings in any number of jurisdictions.

13.5 **Process agent**

The Guarantor agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Solvay UK Holding Company Limited at Solvay House, Baronet Road, Warrington, Cheshire WA4 6HB, England or at any address of the Guarantor in Great Britain at which service of process may be served on it in accordance with Part XXIII of the Companies Act 1985. Nothing in this paragraph shall affect the right of any Beneficiary to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.

13.6 **Consent to enforcement**

The Guarantor consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which is made or given in such Proceedings.

13.7 **Waiver of immunity**

To the extent that the Guarantor may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Guarantor or its assets or revenues, the Guarantor agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

14. **MODIFICATION**

The Agency Agreement contains provisions for convening meetings of Bondholders to consider matters relating to the Bonds, including the modification of any provision of this Deed of Guarantee. Any such modification may be made by supplemental deed poll if sanctioned by an Extraordinary Resolution and shall be binding on all Beneficiaries.

IN WITNESS whereof this Deed of Guarantee has been executed by the Guarantor and is intended to be and is hereby delivered on the date first before written.

EXECUTED as a deed
by **SOLVAY SA**
acting by

REASONS FOR THE OFFER AND USE OF PROCEEDS

The net proceeds of the issue of Bonds, of an amount of Euro 492,830,000, will be used to strengthen the balance sheet structure of the Guarantor, following the Fournier acquisition. The funds will also contribute to reimburse the Euro 700 million bond issue of the Guarantor maturing in July 2006. The total expenses for the issuance of the Bonds are estimated to Euro 4,250,000.

DESCRIPTION OF THE ISSUER

Solvay Finance is a société anonyme, with a board of directors (*conseil d'administration*), incorporated under the laws of France, in particular by the provisions of the French Code de Commerce (the **'French Commercial Code'**) and decree no. 67-236 of March 23, 1967 regarding commercial companies.

The telephone number of Solvay Finance is + 33 1 40 75 80 67.

Date of formation and term of existence (article 5 of the bylaws)

Solvay Finance was formed on February 24, 2006, and was registered with the *Registre du Commerce et des Sociétés* (Companies and Trade Register) of Paris under number 488 825 191 on February 28, 2006. Solvay Finance has a corporate existence expiring (unless previously extended) on February 27, 2105.

Corporate purpose (article 2 of the bylaws)

The purposes for which Solvay Finance is established are, in France and abroad, to participate, directly or indirectly, in any manner, in all real estate, industrial, commercial or financial transactions related to (i) the chemical industry and plastic materials in general, (ii) the processing of the aforementioned products and (iii) human health in general, and more specifically (iv) the activities of the Solvay Group.

The aforementioned activities include, but are not restricted to:

- the incorporation of companies, partnerships, unions or consortia, or the holding of any interests in any such businesses;
- subscribe for or otherwise acquire, hold, dispose of and deal with shares, debentures or other equity or debt securities of all kinds; and to participate in monetary and financial markets for the benefit of the Solvay Group.

Solvay Finance can enter into all industrial, financial, commercial, property (real or personal) or private transactions linked directly or indirectly with its purposes or that are likely to directly or indirectly advance the interests of Solvay Finance.

Solvay Finance share capital

As of the date hereof, Solvay Finance's issued and fully paid share capital amounts to Euro 225,000 consisting of 15,000 ordinary shares with a nominal value of Euro 15 each. Solvay Finance's share capital is fully paid-up. Solvay Finance has not issued or authorised the issue of any preferred shares and there does not exist different categories of shares.

In accordance with article L. 228-39 of the French Commercial Code, Mr. Henri Fouillet was named by order of the President of the Commercial Court of Paris dated April 3, 2006 to proceed with a verification of the assets and liabilities of Solvay Finance. Mr. Henri Fouillet issued a report dated 9 May 2006 a copy of which will be available at the specified office of each of the Paying Agents.

Solvay Finance shareholding

As of the date hereof, Solvay Finance is a wholly-owned subsidiary of Solvay SA.

The share capital of Solvay Finance is held as follows:

Name of the shareholder	Number of Solvay Finance shares
Solvay SA	14,994 shares
Solvay Participations France	1 share
Mr. Bernard de Laguiche	1 share
Mr. Olivier Monfort	1 share
Mr. Philippe Coste	1 share
Mr. Xavier Clerget	1 share
Mr. Jean-Claude Gaudriot	1 share

Solvay Finance management

President of the Board of Directors and *Directeur Général*: Mr Bernard de Laguiche
Mr Bernard de Laguiche is also General Manager for Finances of Solvay SA

The business address of Mr Bernard de Laguiche is:

Solvay SA
33, rue du Prince Albert
B-1050 Brussels
Belgium

Members of the Board of Directors:

Mr Olivier Monfort
Mr Olivier Monfort is also Regional Manager – France of Solvay SA

Mr Philippe Coste
Mr Philippe Coste is also Financial Manager - France of Solvay SA

Mr Xavier Clerget
Mr Xavier Clerget is also Legal Manager – France of Solvay SA

The business address of each of the above members of the Board of Directors (other than Mr Bernard de Laguiche) is:

Solvay Finance
12, cours Albert 1er
75008 Paris
France

Solvay Finance does not have an audit committee and there are no specific corporate governance rules applicable to Solvay Finance.

Period since the date of incorporation of Solvay Finance

Other than the share capital increase described above, Solvay Finance has not performed any significant activity since its date of incorporation. Consequently, save as disclosed herein, there has been no significant change in the financial or trading position of the Issuer since the date of its incorporation.

Audited Interim Non-Consolidated Accounts as at 6 May 2006**SOLVAY FINANCE S.A.**
(at May 6, 2006)**BALANCE SHEET**

(euros)

Assets	May 6, 2006	Liabilities	May 6, 2006
		Share capital	225 000
		Result for the period	<u>-17 814</u>
		Total of shareholders funds	207 186
Current account with to Solvay Finance France	225 000	Accounts payable	17 814
Total assets	<u>225 000</u>	Total liabilities	<u>225 000</u>

PROFIT AND LOSS ACCOUNT

(euros)

(expenses) + revenues	May 6, 2006
Operating income	
Operating losses	
- audit fees	-5 000
- other external fees	<u>-12 814</u>
	-17 814
Earnings before interests and tax (E.B.I.T.)	-17 814
Interest	-
Income tax	-
Net loss for the period	<u><u>-17 814</u></u>

Auditors' Report on the Audited Interim Non-Consolidated Accounts of the Issuer as at 6 May 2006

SOLVAY FINANCE

Société Anonyme

12, cours Albert 1^{er}
75008 PARIS

Auditor's report on the interim financial statements

period from February 24, 2006 to May 6, 2006.

To the Shareholders,

In accordance with our appointment as statutory auditor of Solvay Finance, and at your request, we audited the accompanying interim financial statements of the Company for the period February 24, 2006 to May 6, 2006.

These interim financial statements were prepared under the responsibility of the Board of Directors. Our role is to express an opinion on these interim financial statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the interim financial statements give a true and fair view of the assets and liabilities and the financial position of the Company as at May 6, 2006 and of the results of its operations for the period then ended in accordance with French accounting regulations.

Neuilly sur Seine, May 10, 2006

The Auditors

Deloitte & Associés

Bernard Scheidecker

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

DESCRIPTION OF THE GUARANTOR

Solvay – an international Chemical and Pharmaceutical Group

Founded in 1863, Solvay SA ("**Solvay SA**" or "**Solvay**") is the mother company of, and constitutes with its affiliates an international pharmaceutical and chemical group (the "**Solvay Group**" or the "**Group**"), headquartered in Brussels (Belgium) with its registered office at 33, Rue du Prince Albert, B-1050 Brussels.

Currently 85 per cent.⁵ of turnover relates to products in which the Group is one of the world's leading producers and nearly two thirds of its results are derived from Pharmaceuticals and Specialties. The Solvay Group is active in three sectors: Pharmaceuticals, Chemicals and Plastics. With more than 400 facilities in 50 countries, Solvay employed 28,730 employees as of December 31, 2005 - of whom 2,650 are active in research.

In 2005, consolidated sales amounted to Euro 8.6 billion.

The Solvay Group pursues its strategy for sustainable and profitable growth in its three sectors and considers innovation to be the cornerstone for growth and competitiveness.

Solvay is listed on the Euronext 100 index of top European companies.

Corporate purpose (article 3 of the bylaws)

Solvay is a *société anonyme*, incorporated under the laws of Belgium, created on December 26, 1863 and registered with the *Banque Carrefour des Entreprises* under number 0403.091.220. Its corporate duration is indefinite.

Article 3 of its bylaws states that the corporate purpose of Solvay is:

"the manufacture, exploitation, processing and trade - including the dispatch, transportation and storage - on its own account and for third parties of:

- alkalis, in particular soda ash, caustic soda and their derivatives;
- chlorine and chlorinated products;
- salts, phosphates, potash and fertilizers;
- peroxygens;
- organic polymers and finished products resulting from the processing thereof;
- and generally, of all chemical and biochemical products, including pharmaceutical and phytopharmaceutical products, veterinary products, additives and vitamins for animal feed, catalysts and products of the paint and construction industries, as well as all substances which are the raw materials or intermediates, products or by-products, derivatives or residues of the above-mentioned products.

The purpose of the company is also to:

- establish companies or industrial, commercial or financial bodies, the activities of which directly or

⁵ Source : Solvay, Internal calculation based on publicly available data from external sources including, principally, IMS Harriman Chemsult, CMAI, SRI.

indirectly promote the development of one of the above-mentioned products or processes;

- the ownership of all equity in such companies or bodies;
- in general terms, any industrial, commercial, financial or research operations, or those involving real or movable property, with a direct or indirect connection to such activities."

Selected financial information

Summary of Group Financial Data (Consolidated figures - EUR millions)				
	IFRS			
	2002	2003	2004⁶	2005
Sales	7,919	7,557	7,271	8,562
REBIT ⁷	844	673	741	912
Net results	494	430	541	816
Total depreciation and amortization	554	429	449	464
Cash flow	1,048	859	990	1,280
Capital expenditures & acquisitions	645	555	564	1,930
Research investments	399	404	408	472
Total equity	3,542	3,510	3,792	3,920
Net indebtedness	1,318	1,120	795	1,680
Employees ⁸	30,302	30,139	26,926	28,730

The Group's Sales in 2005 amounted to Euro 8.6 billion. The following table shows the sales by the Solvay Group for the three sectors in 2003, 2004 and 2005.

Sectors	2003 (EUR Millions)	%	2004 ⁹ (EUR Millions)	%	2005 ¹⁰ (EUR Millions)	%	2005 vs 2004
Pharmaceuticals	1,832	25	1,745	24	2,270	26	+ 30%
Chemicals	2,386	32	2,433	33	2,785	33	+ 14%
Plastics	3,215	43	3,093	43	3,507	41	+ 13%
Total	7,557 ¹¹	100	7,271	100	8,562	100	+ 18%

Of the worldwide sales of the Group in 2005, 56 per cent. were generated in Europe, 34 per cent. in the Americas, 3 per cent. in the rest of the world and 7 per cent. in the Asia-Pacific.

⁶ Restated figures. The 2004 accounts have been restated in line with the new IFRS 5 on discontinued operations, which requires the earnings from these activities to be presented on a single line. Net income for 2004 remains unchanged.

⁷ REBIT = recurring EBIT.

⁸ Full-time employees or equivalent as of January 1 of the following year

⁹ Restated without industrial films, under "discontinued operations" following announcement of their divestiture in 2005.

¹⁰ Including 5 months of Fournier Pharma.

¹¹ Including the discontinued operations in 2003.

The Group's REBIT in 2005 amounted to Euro 912 million. The following table shows the REBIT of the Solvay Group for the three sectors in 2003, 2004 and 2005.

Sectors	2003 (EUR Millions)	%	2004 ¹² (EUR Millions)	%	2005 ¹³ (EUR Millions)	%	2005 vs 2004
Pharmaceuticals	243	36	236	32	302	33	+ 28%
Chemicals	182	27	180	24	285	31	+ 58%
Plastics	225	33	374	50	389	43	+ 4%
Total¹⁴	673	100	741	100	912	100	+ 23%

Solvay share capital

As of March 27, 2006, Solvay's issued and fully paid share capital amounts to Euro 1.270.471.995 consisting of 84.698.133 ordinary shares. Solvay's share capital is fully paid-up. Solvay has not issued or authorised the issue of any preferred shares and there do not exist different categories of shares as of the date of this Prospectus.

Solvay shareholding

Solvay is highly visible on financial markets:

- on Euronext Brussels (formed by the merger of the Paris, Amsterdam, Brussels and Lisbon stock exchanges and the UK derivatives market (LIFFE));
- in the United States in the form of American Depositary Receipts (ADRs) – each representing one share “sponsored” by Morgan Guaranty Trust New York and traded over-the-counter.

Solvac S.A. ("**Solvac**"), listed on EURONEXT BRUSSELS, holds 27 per cent. of all Solvay shares. Solvac is a stable shareholder. Apart from Solvac, no shareholder has declared a holding of more than 3 per cent. in Solvay SA.

Dividends

For 2005, the General Shareholders Meeting of May 9, 2006 approved the payment of a net dividend of Euro 2 per share, an increase of 5.3 per cent. compared to 2004. This is in line with the dividend policy of the Group, namely to increase the dividend whenever possible, and, if possible, not to reduce it. For 24 years, the dividend has progressively been increased and has never been reduced.

¹² Restated without industrial films, now under “discontinued operations” following announcement of their divestiture in 2005.

¹³ Including 5 months of Fournier Pharma.

¹⁴ Including the non-allocated items in 2003, 2004 and 2005 and discontinued operations in 2003.

Per share performances (in EUR)

<u>At 31 December</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Cash flow	12.95	9.91	12.00	15.4
Net earnings	5.59	4.78	5.92	9.51
Gross dividend	2.40	2.40	2.53	2.67
Net dividend	1.80	1.80	1.90	2.00
Number of shares (in 000 – at Dec 31)	84,600	84,610	84,623	84,696

Strategy

The strategy of change that was launched in 1998 had two major thrusts: strengthening leadership in all activities, and faster development of the Pharmaceuticals Sector and Specialties products.

This strategy, applied with determination, has been successful. It continues to be expressed through a major reshaping of the product mix, growth in Pharmaceuticals and Specialties, reinforcement of the leadership in many markets, geographic diversification and the launch of the Innovation initiative.

In 2004 the Group decided to adopt a strategy for the future emphasising growth.

This strategic development commits the Group on three fronts:

- priority to growth – in selected pharmaceuticals, chemicals and plastics areas;
- innovation, the key to growth and to constantly improving competitiveness;
- increased presence in Asia, the Americas and Eastern Europe.

Recent strategic developments

Acquisition of Fournier Pharma

In order to accelerate the strong and profitable growth of the pharmaceutical activities, in July 2005 Solvay completed the acquisition of Fournier Pharma for a base price of Euro 1.2 billion. It marks an important step in the acceleration of the sustainable and profitable growth of the pharmaceutical activities. This transaction adds a line of important products for the treatment of dyslipidemia to the Solvay Group's commercial and research activities in cardiology, making the new cardio-metabolic field the Solvay Group's principal therapeutic axis. From the month of August 2005, the sector benefits from the results of Fournier Pharma.

Divestment of Industrial foils

In March 2006, Solvay closed the sale of Industrial Foils Business to Renolit for a price of Euro 330 million, following the relevant social procedures and approval of the European competition authorities.

Business overview: three sectors of activity

The following table sets out the main areas of activities of the Solvay Group's three operating sectors, the net sales for such areas and the percentage of each area's net sales within each sector for the 2005 financial year.

Pharmaceuticals (EUR 2 270 M)	%	Chemicals (EUR 2 785 M)	%	Plastics (EUR 3 507 M)	%
Cardiometabolic	19%	Minerals cluster	44%	Specialty Polymers and Inergy Automotive Systems cluster	40%
Neuroscience	16%	<i>Soda ash</i>		<i>Specialty polymers</i>	21%
Influenza vaccines	6%	<i>Barium/strontium</i>	4%	<i>Inergy Automotive</i>	19%
Pancreatic enzymes	7%	<i>Adv. Funct. minerals</i>	3%	Vinyls cluster	60%
Gastroenterology	18%	Electrochemistry and Fluor products cluster	39%	<i>Vinyls</i>	38%
Women's and Men's health	23%	<i>Electrochemistry</i>	25%	<i>Pipelife</i>	12%
Others	11%	<i>Fluorinated products</i>	14%	<i>Performance compounds</i>	10%
		Oxygens cluster	16%		
		<i>Hydrogen peroxide</i>	11%		
		<i>Persalts (detergents)</i>	4%		
		<i>Caprolactones</i>	2%		
		Molecular Solutions (acquired end 2005)			

Main markets

The Solvay Group products feature in all areas of daily life, including in healthcare, food, clothes, household, transportation, and communications.

In % of 2005 sales (Euro 8,562 M):

Human health	28%
Automotive industry	13%
Chemical industry	12%
Building and architecture	11%
Glass industry	7%
Electricity and electronics	4%
Water and the environment	4%
Detergents, cleaning and hygiene products	3%
Packaging	3%
Paper	3%
Consumer goods	3%
Food processing	1%
Other industries	
(refrigeration, oil industry, textiles, tanning, metalwork)	8%

The Pharmaceuticals sector has a worldwide market presence in selected therapeutic areas of cardiometabolic, neuroscience, influenza vaccines, pancreatic enzymes, gastroenterology and women's & men's health.

The Chemicals sector is made up of products with widely ranging applications in various areas: glass, paper, food, clothing, housing, transport, healthcare, electricity and electronics, communication tools and environmental protection.

The Plastics sector covers a range of polymers with applications in the areas of construction, transportation, medical and pipes, among others. The Solvay Group, through the Joint Ventures Inergy and Pipelife, is a world producer of plastic fuel systems for the automotive industry and also manufactures pipes. The development of special polymers provides an opening to high growth and high added value markets (such as telecommunications, aeronautics and semi-conductors).

The Pharmaceuticals Sector

Key figures (EUR million)

	2003	2004	2005¹⁵
Sales	1,832	1,745	2,270
REBIT	243	236	302
Depreciation	59	65	87
Capital expenditures	153	150	1,346
R&D	284	294	351
Headcount (FTE) ¹⁶	7,530	7,988	10,004

Strategic Developments

- Acceleration of the strategic transformation of the Pharmaceuticals Sector: integration of Fournier Pharma and Solvay Pharmaceuticals

The acquisition of Fournier Pharma for a price of Euro 1.2 billion, which closed on July 28, 2005, marked an important step in acceleration of the growth of the pharmaceuticals activities. Since August 1, 2005, the sector has benefited from Fournier Pharma's results. This transaction added an important product line for treatment of dyslipidemia to the Solvay Group's commercial activities and cardiometabolic research, making this new cardiometabolic area the primary therapeutic axis for the Solvay Group. The sales Fournier's key drug, fenofibrate, marketed under the names TriCor® in the US and Lipanthyl® elsewhere in the world, has exceeded expectations.

With this acquisition, Solvay Pharmaceuticals has defined a strategy for integration and transformation of its organization ("Inspire" project¹⁷). As such, the Pharmaceuticals sector set clear objectives of growth and profitability by 2010. To do this, in allocating its resources the sector will give priority to research and development to a limited number of selected therapeutic areas: cardiometabolic, neuroscience, influenza vaccines and pancreatic enzymes; in gastroenterology and women's and men's health, the priority will now focus on the market presence, especially for existing and well-established drugs. The sector has also set the goal of gradually realizing ambitious annual cost savings by 2010, by optimising the global structure of its organization, both geographically and functionally. The implementation of this savings plan, begun in the 4th quarter of 2005, will continue as announced. The Pharmaceuticals goals are well on their way to being realized.

¹⁵ Including 5 months of Fournier Pharma.

¹⁶ Full-time employees or equivalent at January 1 of the following year.

¹⁷ More information about the "Inspire" project can be found in the annual report 2005, at page 14.

In terms of R&D, important steps are under way:

- Bifeprunox, a schizophrenia treatment, has entered an important phase of its development. As previously announced, Solvay and its US partner, Wyeth Pharmaceuticals, continue to evaluate and analyse the results of Phase III studies, with a view to submission in 2006. For Europe, Solvay Pharmaceuticals and H. Lundbeck A/S will begin a supplementary phase III comparative clinical-research program in order to make a filing in 2008.
- In the field of fenofibrates, the announced results of the FIELD¹⁸ study demonstrated favourable clinical benefits for type 2 diabetics without prior cardiovascular disease. It also demonstrated that fenofibrate is generally well-tolerated when used alone or in combination with statins, and showed favorable combined micro-vascular effects (eye and kidney) and macro-vascular effects, opening the way to new uses for fenofibrate, alone or in combination. Solvay Pharmaceuticals is developing several combinations of this type, including Dualtis® (a combination of fenofibrate and metformin), which is in Phase III of clinical research and which is expected to be the subject of an application for registration in Europe in 2006.
- DUODOPA®, for treatment of late-stage Parkinson's disease, is registered in 28 European countries, and Phase III trials are in progress on SLV308 for treatment of earlier stages.
- In the area of social anxiety disorder, fluvoxamine maleate (Luvox®/Depromel®) was launched for this condition on the Japanese market.
- Solvay Pharmaceuticals also concluded, as of the 1st quarter 2006, new agreements to increase the geographic expansion of AndroGel® in Latin America, in several countries in Asia, for all African countries and for five additional European countries (France, Belgium, the United Kingdom, Spain and Greece).
- In addition, the validation of the new influenza cell-culture manufacturing unit in the Netherlands is under way. This new unit will also be working on a vaccine against avian flu. In the United States, Solvay Pharmaceuticals obtained a large subsidy (USD 298 million) from the American department of Health and Human Services or HHS for development of a cell-based flu vaccine and the design of a production unit for vaccine production for the American market.

2005 in brief

Sales of the Pharmaceuticals Sector increased by 30 per cent. in Euro compared to 2004 (+ 62 per cent. in the 4th quarter). Since 2005, it has included the revenue linked to the Barr compensation and co-promotion agreements and contributions of research partners, as well as revenue from Fournier Pharma.

In a context of price pressure, sales in Europe increased, primarily as a result of the integration of Fournier Pharma. Sales experienced very marked growth in Asia (Japan, China and India), the Middle East and Latin America. North American revenues grew 40 per cent. in 2005 compared to 2004.

All therapeutic areas are improving. Sales in cardiometabolics doubled with the integration of fenofibrates (TriCor® and Lipanthyl®) from Fournier Pharma (Euro 185 million) from August 1 2005. Of particular note were Abbott's US TriCor® 145mg sales of USD 927 million, an increase of nearly 20 per cent. in 2005, confirming the excellent

¹⁸ « Fenofibrate Intervention and Event Lowering Diabetes », presented by its authors as the largest study to date on prevention of cardiovascular disease among diabetics.

performance of this product. Sales of Teveten® grew by 26 per cent. Neuroscience improved 19 per cent. due to the marked growth of Serc® (treatment of vertigo ; + 27 per cent.) and Marinol® (anti-emetic ; + 33 per cent.). Influenza vaccines grew 25 per cent. thanks to strong growth in Influvac® sales (+ 32 per cent.), which reached Euro 100 million. Sales of pancreatic enzymes (Creon®, for pancreatic disorders) rose by 25 per cent.

The results of the Pharmaceuticals Sector include the results of Fournier Pharma since August 1, 2005, amounting for the 5 months to sales of Euro 265 million and operating results (REBIT) of Euro 64 million. The performance of Fournier Pharma's fenofibrate was higher than anticipated by the Solvay Group. The sector's 2005 sales increased 30 per cent. from 2004 (+ 62 per cent. in the 4th quarter). Sales were up in all therapeutic areas and developed well in North America as well as emerging countries. Operational earnings increased to Euro 302 million. Operating earnings for the 4th quarter of 2005 amounted to Euro 108 million, more than doubling those of the 4th quarter of 2004.

The following table shows the sales of the flagship products in the Pharmaceuticals sector in 2005:

Sales in M EUR		2004	2005	2005 / 2004
PHARMACEUTICALS		1,745	2,270	+ 30%
Women's and Men's health	Androgel®	231	239	+ 3%
Cardiometabolic	Fenofibrates	-	185*	n.s.
Gastroenterology	Pantoloc®	139	166	+ 19%
Pancreatic enzymes	Creon®	130	162	+ 25%
Neuroscience	Serc®	96	122	+ 27%
Influenza vaccines	Influvac®	76	100	+ 32%
Cardiometabolic	Teveten®	72	91	+ 26%
Women's and Men's health	Estratest®	100	91	-9%
Neuroscience	Marinol®	63	84	+ 33%
Neuroscience	Luvox®	77	80	+ 4%

Pharmaceutical research

The Group again intensified its pharmaceuticals research and development efforts in 2005. R&D expenditures for 2005 amounted to Euro 351 million (15 per cent. of sales), after deducting contributions from partners to research costs in this sector (Euro 53 million).

The following table shows the key projects under development:

	Preclinical	Phase I	Phase II	Phase III	Filed/Approved
Cardio-metabolic	SLV316, SLV327, SLV329, SLV331, SLV332, SLV335, LF246691, LF250033, LF242594	<u>SLV319</u> : for obesity	<u>zolip</u> : for blood lipid abnormalities <u>odiparcil</u> : for stroke prevention in atrial fibrillation <u>daglutril</u> : for hypertension and congestive heart failure <u>320</u> : for congestive heart failure and kidney failure	<u>PULZIUM®</u> <u>intravenous</u> : for atrial fibrillation <u>DUALTIS®</u> : combination fenofibrate with metformin	<u>LIPANTHYL® NFE EU</u> : blood lipid abnormalities (non-food-effect form) <u>ACEON® US new indication</u> : reduction in cardiac events <u>TEVETEN® PLUS</u> : for hypertension
Neuroscience	SLV 318, SLV326, SLV330, SLV333, SLV334, LF231591	<u>SLV314</u> : for psychosis <u>anatibant</u> : for traumatic brain injury	<u>MARINOL® aerosol</u> : new administration route <u>SLV 313</u> : for psychosis	<u>bifeprunox</u> : for psychosis <u>DUODOPA® US</u> : for late stage Parkinson's disease <u>SLV 308</u> : for early/mid stage Parkinson's disease <u>fluvoxamine CR</u> : controlled release oral form <u>MARINOL® EU</u> : for anorexia in HIV/AIDS	<u>LUVOX® SAD JPN</u> : for social anxiety disorders <u>DUODOPA® EU</u> : for late stage Parkinson's disease
Influenza vaccines					<u>INFLUVAC®</u> : influenza vaccine <u>INVIVAC®</u> : virosomal influenza vaccine <u>INFLUVAC® TC</u> : cell culture derived influenza vaccine
Pancreatic enzymes	Bioengineered pancreatic enzymes			<u>CREON® JPN</u> : for exocrine pancreatic insufficiency <u>Pseudomonas vaccine US</u> : for prevention of bacterial colonization in cystic fibrosis	<u>CREON® US</u> : for exocrine pancreatic insufficiency
Gastroenterology	SLV332, SLV336	<u>SLV 317</u> : for gastro-enterology			<u>cilansetron</u> : for irritable bowel syndrome
Women's & Men's Health		<u>ANDROGEL® low volume</u> : for hypogonadism	<u>ANDROGEL® new uses</u> : for new indications	<u>FEMOSTON® low dose</u> : hormone replacement therapy <u>cetrorelix</u> : for endometriosis	

The Chemicals Sector

Key figures (EUR million)

	2003	2004	2005
Sales	2,386	2,433	2,785
REBIT	182	180	285
Depreciation	172	174	173
Capital expenditures	182	165	261
R&D	30	27	27
Headcount (FTE) ¹⁹	9,203	8,594	8,721

Strategic developments

The Chemicals portfolio consists of:

- the "minerals" cluster : soda ash and derivatives, barium and strontium carbonates and precipitated calcium carbonate;
- the "electrochemistry and fluor" cluster : caustic soda, fluorinated chemicals; and
- the "oxygen" cluster : hydrogen peroxide, detergents and caprolactones.

The August 2005 acquisition of a majority (74 per cent.) stake in the German company Girindus reinforced the Group's strengths in the area of organic molecules for leading-edge markets. Following this acquisition, the sector created a new Strategic Business Unit, "Molecular Solutions," combining Peptisyntha (peptide synthesis), the fluorides organic chemistry business and Solvay Specialties France's fine chemicals production units. This new Strategic Business Unit should quickly become financially self-sufficient and achieve the critical mass necessary for such activities.

The decision to develop activities in Asia took concrete form with the announcement of construction of a fluorinated specialties plant in Korea intended to serve strongly growing markets in this region of the world, such as semiconductors and liquid-crystal displays (LCDs), and the creation of a joint venture in China for ultra-pure hydrogen peroxide. In addition, the negotiations with NCI/Sinopec concerning soda ash in China are being actively pursued.

Also worthy of mention are:

- in hydrogen peroxide, the start of construction of a mega-plant (230 kt/year) at Antwerp in partnership with BASF and Dow, to supply propylene oxide production, the capacity expansion in the United States in the 2nd quarter of 2005 and a project of a new site in Chile;
- in bicarbonate, a specialty supplying a wide range of strongly growing applications (environmental protection, and pharmaceuticals, among others) and the announced German capacity expansion; and
- in barium and strontium carbonates, the creation of a joint venture with CPC (US) for technical grades.

¹⁹ Full-time employees or equivalent at 1 January of the following year.

Finally, the Chemicals Sector pays particular attention to the evolution of energy costs linked to a general increase in gas and electricity prices. Process technology leadership, strong industrial infrastructure, cogeneration units and a strategy of utilizing medium- to long-term contracts has the effect of attenuating the impact of these factors. As permitted by the market conditions for each Strategic Business Unit, price increases are negotiated to offset these impacts.

2005 in brief

(in millions of EUR)	Sales			REBIT changes
	2004	2005	2005 / 2004 %	2005 / 2004
CHEMICALS	2,433	2,785²⁰	+ 14%	+ 58%
Minerals cluster ²¹	1,105	1,223	+ 11%	↗
Electrochemistry and Fluor chemicals cluster	892	1,099	+ 23%	↗
Oxygens cluster ²²	436	453	+ 4%	↗

Results from the Chemicals sector (REBIT of Euro 285 million) in 2005 increased by 58 per cent. compared to 2004. Markets were generally favourable throughout 2005, which permitted price increases. This factor, along with strict cost control, permitted restoration of operating margins, which reached 10 per cent. for the full year. The improvement in earnings (+ 15 per cent.) in the 4th quarter of 2005 was curbed by seasonal weakness in demand for fluor products, by increased maintenance charges and by the increases in prices of gas and electricity, which had already begun in the previous quarter. At the beginning of 2006, market conditions are globally favourable and prices are up.

The Plastics Sector

Key figures (EUR million)

	2003	2004 ²³	2005
Sales	3 215	3 093	3 507
REBIT	225	374	389
Depreciation	176	171	174
Capital expenditures	187	217	293
R&D	72	70	79
Headcount (FTE) ²⁴	11 262	8 702	8 474

Strategic developments

- Enrichment of portfolio and capitalization of the Solvay Group's forces:

²⁰ Including the Molecular Solutions SBU

²¹ Including the Soda Ash and Derivatives, Barium and Strontium Carbonates, and Advanced Functional Materials SBUs

²² Including the Hydrogen peroxide, Detergents and Caprolactones SBUs

²³ Restated without industrial films, now under "discontinued operations" following announcement of their divestiture in 2005.

²⁴ Full-time employees or equivalents at 1 January of the following year.

The Plastics sector was characterized in part by the development of Specialties: Specialty Polymers and Inergy Automotive Systems, a 50/50 joint venture with Plastic Omnium in fuel systems. These growing and high-added-value activities have become among the principal contributors to the Group's results.

The year 2005 was decisive for the growth of Specialty Polymers. In order to respond to growing demand for these high-added-value products, the Group reinforced its research efforts and embarked on production-capacity expansions. It implemented projects in the United States and Asia, with the opening of a new technical centre in Shanghai, China, and recent agreements to acquire two businesses: the plastics division of Gharda in India, which will, among other things, give access to PEEK, a very-high-performance polymer, and Mississippi Polymer Technologies, a start-up that launched PARMAX®, a new family of specialty materials with unique characteristics. These products are intended for markets such as electronics and aerospace as well as the medical and automotive sectors. Also, Solvay concluded an agreement in principle with Umicore in order to combine efforts of the two groups for research, development, production and marketing of membrane-electrode assemblies compounds, designed for application in fuel cells.

On the other hand, strong leadership, targeted growth and continuous reinforcement of competitiveness remain the priorities for the activities in the Vinyls area. It is in this framework that the Thai affiliate Vinythai doubled its capacity (salt/chlorine/EDC/VCM), and a capacity expansion for VCM and PVC started up in Brazil. Asia and Mercosur constitute, alongside Europe, important areas of growth for vinyl activities. In Europe, the competitive position of SolVin was reinforced with the closing of the Ludwigshafen unit (Germany) on January 1, 2006 and the transfer of capacities of other units.

The structure of the Plastics Sector has been simplified with effect from January 1, 2006, by consolidating its Performance Compounds Strategic Business Unit into other Strategic Business Units as follows:

- "PVC compounds" have been incorporated into the Vinyls Strategic Business Unit ;
- "Polyolefin compounds" have been incorporated into the Specialty Polymers Strategic Business Unit.

2005 in brief

<i>(in millions of EUR)</i>	Sales			REBIT changes
	2004 ²⁵	2005	2005/2004 %	2005 / 2004
PLASTICS	3,093	3,507	+ 13%	+ 4%
Specialty polymers and Inergy Automotive System cluster	1,294	1,393	+ 8%	↘
Vinyls cluster ²⁶	1,799	2,114	+ 18%	↗

The Plastics Sector results (REBIT of Euro 389 million) were up 4 per cent. compared to 2004 and reflected an operating margin of 11 per cent. Results declined 19 per cent. in the fourth quarter of 2005 from the very high level of the 4th quarter of 2004, level that was particularly high for vinyls, which peaked at the end of 2004. After gradual decline in the 2nd quarter of 2005, vinyls chain margins improved beginning in September. Specialty Polymers, another major contributor to the Group's results, recorded 7 per cent. growth in sales despite weakness

²⁵ Restated without industrial films (now under "discontinued operations" following announcement of their divestiture in 2005)

²⁶ Including the Vinyls, Performance compounds and Pipelife (pipes & fittings) SBUs

of the automotive and semiconductor markets. This increase in sales did not translate into an increase in results, due to the start-up costs for new units and the increase in raw material prices.

Investments, research and development – New business development

2005 Investments amounted to Euro 1,931 million, including Euro 1.2 billion for the acquisition of Fournier Pharma. Research and Development expenditures amounted to Euro 472 million, 70 per cent. of which were in the Pharmaceuticals Sector. That sector's research effort in 2005, including Fournier Pharma's from August 1, 2005, amounted to Euro 351 million (15 per cent. of sales).

This evidences the Group's determination to continue its strategy of profitable and sustainable growth.

The Solvay Group has access to a wide range of sources of funds to finance its future investments. Its primary source of liquidity include its cash balance (around Euro 450 million as of December 2005; to be further increased in the near future by the proceeds from the sale of the Industrial Foils business and by the proceeds of issue of the Bonds) and its expected generation of operating cash flow. Solvay also has access to sources of alternative liquidity in the form of committed bank facilities of Euro 1.25 billion that are currently completely undrawn. Bilateral credit arrangements of around Euro 500 million provide additional support to its liquidity by supporting its USD and Euro CP programs.

Health, Safety and Environment (HSE) – Sustainable Development

For the Solvay Group, Sustainable Development means conducting its activities in a way that balances respect for the environment with economic and social development that is sustainable in the long term.

The Group is integrating Sustainable Development into its industrial strategy by progressively taking into account the impact of its activities in the broadest sense.

In practice it is strengthening its relations with all stakeholders in the entire life cycle of its products. In 2005 numerous initiatives were taken to develop dialogue, cooperation and exchange of information with all stakeholders: employees, neighbouring communities, the authorities, NGOs and other representatives of society at large, customers, industrial partners and shareholders.

The various initiatives taken by the Group and their outcome are described in the "Towards Sustainable Development 2004-2008" report, which was published at the end of 2004 and is available at: <http://www.solvay.com/services/library/hse/0,,2286-2-0,00.htm>.

The Management and corporate governance

Important changes in 2006 (announced in May 2005)

* Chairman of the Board of Directors of Solvay S.A

On May 9, 2006, at the occasion of the shareholders' meeting, Mr. Aloïs Michielsens succeeded Baron Daniel Janssen as Chairman of the Board of Directors. Moreover, Mr. Denis Solvay has been appointed Vice-Chairman of the Board of Directors.

** Chairman of the Executive Committee of Solvay S.A.

On May 9, 2006, Mr Christian Jourquin, succeeded M. A. Michielsens as Chairman of the Executive Committee.

**** General Manager of the Chemicals Sector**

In order to replace Mr. Christian Jourquin who has been appointed Chairman of the Executive Committee, the Board of Directors has unanimously decided to appoint Mr. Vincent De Cuyper as General Manager of the Chemicals Sector and member of the Executive Committee as of 1 May 2006.

***** General Manager of North America**

Mr René Degrevé was appointed General Manager of North America on 31 March 2006. Mr. Degrevé remains a member of the Executive Committee.

***** General Manager for Finances of Solvay S.A.**

On 1 March 2006, Mr. Bernard de Laguiche succeeded M. R. Degrevé as Director General for Finances. At the shareholders' meeting of Solvay S.A. on 2 June 2005, it was decided to elect M. de Laguiche as director by direct election as of 1 March 2006, thereby replacing Mr. Degrevé.

The Board of directors

The Board of Directors is the highest management body of Solvay. The law grants it all powers not given by law or by the by-laws to the Shareholders' Meeting.

In the case of Solvay SA, the Board of Directors has reserved certain key areas for itself and has delegated the remainder of its powers to an Executive Committee.

At 1 January 2006, the Board of Directors consisted of 16 members and was composed of :

	Year of birth	Year of 1 st appointment	Solvay SA mandates, and expiry date of directorship	Changes during 2005/early 2006	Diplomas and activities outside Solvay
Baron Daniel Janssen (B)	1936	1984	2006 Chairman of the Board of Directors and of the Finance and Compensation/Appointments Committees	May 9, 2006 Leaves the Board of Directors and his positions as its Chairman and as Chairman of the Finance and Compensation/Appointments Committees.	Civil engineering degree in electromechanical engineering (Free University of Brussels), Master of Business Administration (Harvard) Managing Director of Solvac, Vice-Chairman of the Board of UCB, Chairman of the Board of Financière de Tubize, Director of Fortis and Sofina
Mr. Aloïs Michiels (B)*	1942	1990	2009 Director and Chairman of the Executive Committee (*) Member of the Finance and Compensation/Appointments Committees	May 9, 2006 Leaves the Executive Committee and his position as its Chairman. Becomes Chairman of the Board of Directors and of the Finance and Compensation/Appointments Committees.	Civil engineering degree in chemistry and MA in Applied Economics (Catholic University of Louvain), Business Administration (University of Chicago) Director of Picanol (until 16/03/05) and of Miko
Mr. Christian Jourquin (B)**	1948	2005	2009 Director	May 9, 2006 Becomes Chairman of the Executive Committee and member of the Compensation and Appointments and Finance Committee.	Chemical Engineering degree (Free University of Brussels) ISMP Harvard
Mr. René Degrevé (B)***	1943	1998	2010 Director and member of the Executive Committee (*) Member of the Finance Committee	February 28, 2006 Steps down from the Board of Directors and the Finance Committee	Commercial engineering degree (Free University of Brussels), Master of Business Administration (INSEAD)
Baron Hubert de Wangen (F)	1938	1981	2009 Independent Director		Chemical engineering degree (Ecole Polytechnique Fédérale de Lausanne) Former Executive Director of Kowasa and non-executive Director of Jorace (Spain)
Mr. Jean-Marie Solvay (B)	1956	1991	2008 Independent Director and member of the New Business Board		CEO of Thomas Ernst Immobilien GBR, Berlin

Chevalier Guy de Selliers de Moranville (B)	1952	1993	2009 Independent Director Member of the Audit Committee	May 9, 2006 becomes member of Finance Committee	Civil engineering degree in mechanical engineering, and MA in Economics (Catholic University of Louvain) Chairman of HB Advisors (UK), Director and Chairman of the Audit Committee of Norilsk Nickel and of Wimm-Bill-Dann Foods OJSC (Russia)
Mr. Kenneth Minton (GB)	1937	1996	2007 Independent Director Chairman of the Audit Committee	Steps down from the Board of Directors on May 9, 2006 and the Audit Committee on Dec. 31, 2005	Mining engineering (Leeds University) Chairman of 4imprint PLC, Non-executive Director of Tomkins PLC and of PayPoint PLC (UK)
Mr. Denis Solvay (B)	1957	1997	2006 Independent Director Member of the Audit Committee	May 9, 2006 Becomes Vice-Chairman of the Board of Directors and member of the Compensation and Appointments Committee	Commercial engineering degree (Free University of Brussels) Director (and Member of the Audit Committee) of Eurogentec, Director of Abelag Group and CEO of Abelag Aviation
Mr. Nicolas Boël (B)	1962	1998	2009 Independent Director Member of the Compensation and Appointments Committee		MA in Economics (Catholic University of Louvain), Master of Business Administration (College of William and Mary – USA) General Manager of Myriad – Corus Colors (France)
Mr. Whitson Sadler (US)	1940	2002	2007 Non-executive Director Member of the Audit Committee	Becomes Chairman of the Audit Committee on January 1, 2006	Bachelor of Arts in Economics (University of the South, Sewanee – USA), Master of Business Administration in Finance (Harvard) Retired General Manager of the Solvay Group companies for the NAFTA region
Mr. Jean van Zeebroeck (B)	1943	2002	2010 Independent Director Member of the Compensation and Appointments Committee		Doctorate of Law and diploma in Business Administration (Catholic University of Louvain), MA in Economic Law (Free University of Brussels), Master of Comparative Law (Univ. of Michigan) Corporate Secretary of European Owens Corning
Mr. Jean- Martin Folz (F)	1947	2002	2006 Independent Director Member of the Compensation and Appointments Committee		Ecole Polytechnique and Mining Engineer (France) Chairman of PSA Peugeot Citroën and Director of Saint-Gobain
Mr. Jacques Saverys (B)	1937	2003	2007 Independent Director		MA in Economics (University of Ghent) Director of Siemens Belgium, former Managing Director of Compagnie Maritime Belge, former Chairman of the Union des Armateurs de Belgique and the European Community Shipowners' Association, former Director of the Office National du Ducroire
Mr. Karel van Miert (B)	1942	2003	2009 Independent Director Member of the Finance Committee		MA in Diplomacy (University of Ghent) Former Competition Commissioner for the European Commission Board member of Agfa Gevaert and the Persgroep group, member of the Supervisory Boards of Royal Philips Electronics, RWE AG, Münchener Ruck and Anglo American Vivendi Universal, Member of the Advisory Boards of Guidant Europe, Eli Lilly Holdings Ltd, Fitch, Toyota and Goldman Sachs International, former Chairman of the Executive Board of the University of Nijmegen (Netherlands)
Dr. Uwe- Ernst Bufe (D)	1944	2003	2009 Independent Director Member of the Finance Committee		Doctorate in Chemistry (Technical University of Munich) Member of the Supervisory Board of UBS AG, Germany, member of the Supervisory Board of Altana AG, Rütgers AG and Akzo Nobel, Director of Umicore.
Mr. Bernard de Laguiche (F)***	1959	2006	2009 Member of the Executive Committee	March 1, 2006 Became a Director and a member of the Finance Committee	Commercial Engineering degree – Lic. oec. HSG (University of St. Gallen, Switzerland)

The Executive Committee (as of January 1, 2006)

- Aloïs Michielsens*
Chairman of the Executive Committee
- René Degrevè***
General Manager for Finance
- Werner Cautreels
General Manager of the Pharmaceuticals Sector
- Christian Jourquin**
General Manager of the Chemicals Sector
- Jacques van Rijckevorsel
General Manager of the Plastics Sector
- Bernard de Laguiche***
Managing Director of Solvay Solexis S.p.A.
- Luigi Belli
General Manager for Research and Technology

Business address of the Solvay's management is at Solvay registered office, rue du Prince Albert 33, B1050 Brussels.

Governance principles

Solvay complies with its own corporate governance statement published together with its Annual Report 2005 (available on www.solvay-investors.com and incorporated by reference herein - see "Documents incorporated by reference" on page 5).

Business evolution, financial statements and general information

General information concerning the Solvay Group is available on www.solvay.com.

The Annual Report 2005 (including business comments, full financial statements and related notes) and the bylaws of Solvay SA are available on Internet : www.solvay-investors.com or on request to the headquarters:

Solvay SA
Rue du Prince Albert 33
B 1050 Brussels (Belgium)
Telephone: + 32 2 509 60 16
Telefax: + 32 2 509 72 40
also by Email: investor.relations@solvay.com.

The financial statements of Solvay for the financial years ended 31 December 2004 and 31 December 2005 have been audited by Deloitte, *Réviseurs d'Entreprises*, Avenue Louise 240, 1050 Brussels, Belgium (member of the "Institut des Réviseurs d'Entreprises").

The major recent developments of the Group are detailed in the press releases published on Internet www.solvaypress.com.

Financial press releases (including quarterly and/or annual financial statements, business comments and outlook) are also available on Internet: www.solvay-investors.com. The press release about the results for the 1st quarter 2006 is also available on www.solvay-investors.com.

Additional information:

Significant litigation and arbitration proceedings

Chemicals

Solvay announced on 14 March 2006 that it had reached an agreement with the United States Department of Justice, in which it admitted to anticompetitive practices concerning the price of two peroxygen products (hydrogen peroxide for the period from 1998 to 2001 and sodium perborate in 2000 and 2001). Under the terms of the agreement, Solvay agreed to pay a fine of some Euro 35 million (40.9 MUSD). In addition, in the USA and Canada, class actions remain pending against Solvay Chemicals Inc., and in some instances against Solvay America Inc. and Solvay SA, with respect to these anticompetitive practices concerning hydrogen peroxide and sodium perborate. Solvay established provisions in respect of these claims in 2005.

On 3rd May 2006, the European Commission imposed a fine in the aggregate of Euro 193 million on the Solvay Group in relation with a cartel in the peroxygen sector in the European Union, dating back to the end of the nineties. The amount includes Euro 26 million for Solvay Solexis SpA (Ausimont SpA before 2002), jointly and severally with Edison SpA.

The reserves constituted in 2004 and 2005 cover the amount of the fine, which will therefore not affect the 2006 results. Solvay will analyse the decision of the Commission with the intention to challenge it before the Court of First Instance in Luxembourg.

Pharmaceuticals:

Hormonal treatments for women: the US litigations concerning hormonal treatments for women are declining. A material number of plaintiffs have withdrawn their claims against Solvay and some of its US affiliates before any decisions on merits.

Androgel®: Solvay and some of its US affiliates have initiated several patents enforcement actions against generic drug manufacturers. These litigations are pending and the defendants have introduced antitrust counterclaims.

Fournier Pharma:

All the following claims against Fournier Pharma are subject to certain indemnification provisions from the seller and are adequately secured in the context of the acquisition of Fournier Pharma by Solvay in 2005:

- in the US, generic drug manufacturers and direct and indirect Tricor® purchasers allege that Abbott (as distributor) and Fournier Pharma have violated US antitrust laws by “switching” fenofibrate formulation twice in the US and by not disclosing information to the US Patent Office. Various class actions have been filed and treble damages are sought. These allegations are also under investigation by the federal Trade Commission.
- in Europe and Canada, patents and intellectual property rights in relation with different formulations of fenofibrate are the subject of litigation involving Fournier Pharma as either plaintiff or defendant.

Furthermore, Solvay and some of its affiliates are involved in legal and administrative proceedings relating to various health, regulatory, safety and environmental matters. Those proceedings are not at present sufficiently material to be the subject of separate and individual disclosures. However, Solvay has established adequate financial

reserves (according to the relevant IFRS definition) in 2005 to meet their estimated financial consequences under applicable laws and regulations.

- Prospects: save as disclosed herein, there has been no material adverse change in the prospects of Solvay since the date of its last published audited financial statements (being December 31, 2005) and the first quarterly results 2006 published on May 9th 2006.
- Events having a material effect: save as disclosed herein, the Solvay Group is not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Solvay Group's prospects for at least the current financial year.
- Administrative, management and supervisory bodies: no potential conflict of interest has come to the knowledge of Solvay and the Issuer as regards the members their respective board of directors and the respective personal interests of such members. In the event a conflict should arise, whether actual or potential, Solvay would strictly apply the rules of the Belgian Company Code (art. 523 and 524) relating to conflicts of interest. Similarly the Issuer would apply the rules of the French Commercial Code (art. 225-38 et seq.) in such a case.
- Change in financial or trading position: save as disclosed herein, there has been no significant change in the financial or trading position of the Solvay Group since the date of its last published audited financial statements (being December 31, 2005) and the first quarterly results 2006 published on May 9th 2006.
- Material contracts: save as disclosed herein, no member of the Solvay Group has entered into any contracts which could result in a company of the Solvay Group being under an obligation or entitlement that would be material to Solvay's ability to meet its obligations towards holders of the Bonds.

TAXATION

The statements herein regarding taxation are based on the laws in force in the European Union, the Republic of France, the Kingdom of Belgium and the Grand Duchy of Luxembourg, respectively, as of the date of this Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Bonds.

Each prospective holder or beneficial owner of Bonds should consult its tax advisor as to the European Union, France, Belgium or Luxembourg tax consequences of any investment in or ownership and disposition of the Bonds.

France

The Bonds constituting *obligations* under French law and being denominated in Euro and accordingly deemed to be issued outside the Republic of France for taxation purposes, payments by the Issuer of interest and other revenues in respect of the Bonds and the Coupons benefit under present law (as interpreted in the *Instruction* of the *Direction Générale des Impôts* 5 I-11-98 dated 30 September 1998) from the exemption provided for in Article 131 *quater* of the *Code Général des Impôts* (General Tax Code) from withholding tax on interest payments set out under Article 125A III of the *Code Général des Impôts*. Accordingly, such payments do not give the right to any tax credit from any French source.

Luxembourg

The following is a general description of certain Luxembourg tax considerations relating to the Bonds. It specifically contains information on taxes on the income from the securities withheld at source. It does not purport to be a complete analysis of all tax considerations relating to the Bonds, whether in Luxembourg or elsewhere. Prospective purchasers of the Bonds should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Bonds and receiving payments of interest, principal and/or other amounts under the Bonds and the consequences of such actions under the tax laws of Luxembourg. This summary is based upon the law as in effect on the date of this Prospectus. The information contained within this section are limited to certain taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Bonds.

Withholding Tax

All payments of interest and principal made by the Issuer to non-residents of Luxembourg under the Bonds can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with applicable Luxembourg laws and administrative practice, subject however to:

(i) the application of the Luxembourg law of 21 June 2005 implementing the European Union Savings Directive (see "General Information"), which may be applicable in the event of the Issuer appointing a paying agent in Luxembourg within the meaning of the above-mentioned Directive;

(ii) the application of the Luxembourg law of 23 December 2005 which provides for the application of a 10 per cent. withholding tax on interest payments made by a Luxembourg paying agent to Luxembourg individual residents. However, interest which is accrued once a year on savings accounts (short and long term) and which does not exceed Euro 250 per person and per paying agent is exempt from the withholding tax. This law should apply to savings income accrued as from 1 July 2005 and paid as from 1 January 2006. This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers.

Belgium

Individual investors

Interest payments made to Belgian resident individuals will be subject to a 15 per cent. Belgian withholding tax if the payment is made through a financial institution or other intermediary established in Belgium. In that case the investors need not report the interest collected in their annual tax return.

If the payment is not made through a Belgian intermediary and withholding tax is not withheld, these investors must report the interest income in their annual tax return and pay tax thereon at the rate of 15 per cent. plus additional local taxes.

Corporate investors

Interest payments made to Belgian resident companies will be exempted from Belgian withholding tax provided that the company delivers to its financial intermediary an appropriate affidavit.

Stamp duties

A 0.07 per cent. tax (capped at Euro 500 per trade) will be payable on secondary market trades in the Bonds effected through a financial intermediary in Belgium. The physical delivery of bearer Bonds in definitive form in Belgium will be subject to a tax of 0.6 per cent.

EU Savings Directive

On 3 June 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC regarding the taxation of savings income in the form of interest payments (the “**Directive**”). The Directive entered into force on 1 July 2005.

The Directive requires, subject to a number of conditions being met, Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income within the meaning of the Directive (“**Interest**”) made by a paying agent located within its jurisdiction to the benefit of an individual or an entity without legal personality that meets certain conditions and has not opted to be treated as UCITS for purposes of the Directive (together “**Beneficial Owners**”) resident in another Member State.

For purposes of the Directive, a paying agent is broadly defined and especially includes any economic operator who pays Interest to or secures the payment of Interest for the immediate benefit of a Beneficial Owner.

However, during a transitional period, Belgium, Luxembourg and Austria will not apply this automatic exchange of information system and will instead levy a withholding tax on Interest unless the Beneficial Owner of this Interest payment elects for the exchange of information. The rate of this withholding tax will be 15 per cent. during the first three years as from the entry into force of the Directive, 20 per cent. for the subsequent three years and 35 per cent. until the end of the transitional period. Such transitional period will end at the end of the first full fiscal year following the latest of (i) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request and (ii) the date of entry into force of an agreement between the European Community, following a unanimous decision of the Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra providing for the exchange of information upon request with respect to payments of Interest.

If an Interest payment were to be made or collected through a Member State which has opted for a withholding tax system and an amount of tax or in respect of tax were to be withheld from that Interest payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Bond as a result of the imposition of such withholding tax. If a withholding tax is imposed on Interest payment made by a

paying agent, the Issuer will be required to maintain a paying agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

With effect from 1 July 2005, a number of non-EU countries (Switzerland, Andorra, Liechtenstein, Monaco and San Marino) have agreed to adopt similar measures (transitional withholding or, upon specific election, provision of information) in relation to payments made by a paying agent located within its jurisdiction to, or collected by such a paying agent for, a Beneficial Owner resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain dependent or associated territories (Jersey, Guernsey, Isle of Man, Montserrat, British Virgin Islands, Netherlands Antilles and Aruba) in relation to payments made by a paying agent in a Member State to, or collected by such a paying agent for, a Beneficial Owner resident in one of those territories.

SUBSCRIPTION AND SALE

Pursuant to a subscription agreement (the "**Subscription Agreement**"), BNP Paribas, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, Fortis Banque S.A., HSBC France, Société Générale and The Royal Bank of Scotland plc (the "**Managers**") will jointly and severally agree with the Issuer, subject to the satisfaction of certain conditions contained therein, to subscribe and pay for the Bonds at their issue price of 99.316 per cent. less a combined management and underwriting commission of 0.75 per cent. of their principal amount. The Subscription Agreement will entitle the Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

General

No action has been or will be taken by the Managers that would permit a public offering of the Bonds or possession or distribution of any offering material in relation to the Bonds in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of the Bonds, or distribution of any offering material relating to the Bonds, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer or the Guarantor.

Each Manager has represented and agreed that, in making any offers or sales of Bonds or distributing any offering materials relating thereto in any country or jurisdiction, it has complied and will comply with all applicable laws in such country or jurisdiction.

United States

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

Each of the Managers has agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Bonds (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, for the account or benefit of, U.S. persons.

The Bonds are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of the Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

European Economic Area

Please note that, in relation to EEA States, additional selling restrictions may apply in respect of any specific EEA State, including those set out below in relation to Belgium, France, Italy and the United Kingdom.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Bonds to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Bonds to the public in that Relevant Member State at any time:

- (a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Bonds which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than Euro 43,000,000 and (3) an annual net turnover of more than Euro 50,000,000, as shown in its last annual or consolidated accounts; or
- (d) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Bonds to the public" in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Belgium

Belgium has not yet implemented the Prospectus Directive but the Belgian Banking, Finance and Insurance Commission has stated that it will recognise the direct effect of most provisions of the Prospectus Directive from 1 July 2005, so that the section headed "European Economic Area" above is relevant to Belgium as well.

Republic of France

Each of the Managers, the Issuer and the Guarantor has acknowledged that the Bonds are being issued outside the Republic of France and, accordingly each of the Managers, the Issuer and the Guarantor has represented and agreed that (i) it has not offered or sold and will not offer or sell, directly or indirectly, any Bonds to the public (*appel public à l'épargne*) in the Republic of France and (ii) offers and sales of Bonds in the Republic of France will be made to providers of investment services relating to portfolio management for the account of third parties and/or qualified investors (*investisseurs qualifiés*) as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

This Prospectus has not been admitted to the clearance procedures of the *Autorité des marchés financiers*.

In addition, each of the Managers, the Issuer and the Guarantor has represented and agreed that, it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France, this Prospectus or any other offering material relating to the Bonds other than to those investors (if any) to whom offers and sales of the Bonds in the Republic of France may be made as described above.

Italy

The offering of the Bonds has not been registered pursuant to the Italian securities legislation and, accordingly, each Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any Bonds in the Republic of Italy in a solicitation to the public, and that sales of the Bonds in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Each of the Managers has represented and agreed that it will not offer, sell or deliver any Bonds or distribute copies of this Prospectus any other document relating to the Bonds in the Republic of Italy except:

- (1) to "**Professional Investors**", as defined in Article 31.2 of CONSOB Regulation No. 11522 of 2 July 1998 as amended ("**Regulation No. 11522**"), pursuant to Article 30.2 and 100 of Legislative Decree No. 58 of 24 February 1998 as amended ("**Decree No. 58**"), or in any other circumstances where an expressed exemption to comply with the solicitation restrictions provided by Decree No. 58 or Regulation No. 11971 of 14 May 1999 as amended applies, provided, however, that any such offer, sale or delivery of the Bonds or distribution of copies of this Prospectus or any other document relating to the Bonds in the Republic of Italy must be:
 - (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended ("**Decree No. 385**"), Decree No. 58, CONSOB Regulation No. 11522 and any other applicable laws and regulations;
 - (b) in compliance with Article 129 of Decree No. 385 and the implementing instructions of the Bank of Italy ("*Istruzioni di Vigilanza della Banca d'Italia*"), pursuant to which the issue, offer, sale, trading or placement of securities in Italy is subject to a prior notification to the Bank of Italy, unless an exemption, depending, *inter alia*, on the aggregate amount and the characteristics of the Bonds issued, offered, sold, traded or placed in the Republic of Italy, applies;
 - (c) in compliance with the requirements set out under article 100-bis of Decree 58 pursuant to which, in certain cases, a prospectus or an information document prepared in accordance with the requirements set out by CONSOB, may need to be made available; and
 - (d) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

United Kingdom

Each of the Managers has represented and agreed that:

- (a) it has only communicated or caused to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

GENERAL INFORMATION

1. This Prospectus is available on the website of the Luxembourg Stock Exchange, www.bourse.lu.
2. The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg with the Common Code number of 025480821. The International Securities Identification Number (ISIN) for the Bonds is XS0254808214. The common depositary for Euroclear Bank, S.A./N.V. as operator of Euroclear and Clearstream, Luxembourg will be Deutsche Bank AG, London Branch, the address of which is Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.
3. The issue of the Bonds will, before the Issue Date, have been authorised pursuant to a decision of the *Président du Conseil d'administration* and *Directeur Général* of the Issuer acting pursuant to a resolution of the *Conseil d'administration* of the Issuer dated 10 May 2006.
4. The giving of the Subordinated Guarantee in respect of the issue of the Bonds has been authorised pursuant to a resolution of the *Conseil d'administration* of the Guarantor dated 15 February 2006.
5. The yield of the Bonds, as calculated as at the Issue Date on the basis of the issue price of the Bonds, is 6.47 per cent. per annum.
6. Except as disclosed in this Prospectus, there has been no significant change in the financial or trading position, and no material adverse change in the prospects, of the Issuer since its date of incorporation or the Guarantor since 31 December 2005.
7. Except as disclosed in this Prospectus, neither the Issuer nor the Guarantor is or has been involved in any governmental litigation or arbitration proceedings (including such proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) during the last 12 months preceding the date of this Prospectus which may have or have had in the recent past a significant effect on the financial position or profitability of the Issuer and/or the Guarantor.
8. The Issuer publishes audited annual non-consolidated accounts. The audited annual non-consolidated accounts of Solvay Finance will be available at the latest within 6 months from the end of the relevant financial year, in accordance with French law. The Issuer's first audited annual non-consolidated accounts will be for the year ended 31 December 2006.
9. The Guarantor publishes (i) audited annual consolidated and non-consolidated accounts, (ii) semi-annual consolidated accounts and (iii) quarterly consolidated accounts. The Issuer's statutory auditors carry out a limited review of such semi-annual and quarterly consolidated accounts. The Issuer does not currently publish semi-annual or quarterly non-consolidated accounts.
10. So long as any of the Bonds are outstanding, the following documents will be available during usual business hours on any weekday (except Saturdays, Sundays and public holidays) for inspection and, in the case of documents listed at (i), (ii), (iii) and (iv) collection free of charge, at the specified office each of the Paying Agents:
 - (i) the Agency Agreement;
 - (ii) this Prospectus;
 - (iii) the Subordinated Guarantee;
 - (iv) the Deed of Covenant;

- (v) the annual reports of the Guarantor for the two previous financial years. As at the date of this Prospectus, the annual reports of the Guarantor which are available are those for 2004 and 2005;
- (vi) the documents incorporated by reference herein; and
- (vii) the *statuts* of the Issuer and the Guarantor.

In addition, each of these documents will be published on the website of the Luxembourg Stock Exchange, www.bourse.lu.

11. The Bonds and any Coupons and Talons appertaining thereto will bear a legend to the following effect:
"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code." The sections referred to in such legend provide that a United States person who holds a Bond, Coupon or Talon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Bond, Coupon or Talon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.
12. To the knowledge of the Issuer, there is no conflicting interest between any duties to the Issuer owed by the persons involved in the offer of the Bonds and their private and other duties.

FRENCH TRANSLATION OF THE SUMMARY

RESUME

Ce résumé doit être lu comme une introduction au Prospectus préparé par l'Émetteur et le Garant pour les besoins de l'émission de 500.000.000 d'euros de Titres Subordonnés de Dernier Rang portant Intérêt à Taux Fixe puis à Taux Variable et venant à échéance en 2104 (les "Titres"). Toute décision d'investissement dans les Titres doit être fondée sur une étude du présent Prospectus dans son ensemble, y compris les documents qui y sont incorporés par référence. A la suite de la transposition des dispositions y afférentes de la Directive Prospectus dans chaque État Membre de l'Espace Économique Européen, la responsabilité civile de l'Émetteur ou du Garant ne pourra pas être engagée dans un État Membre à propos de ce résumé, y compris toute traduction de celui-ci, à moins qu'il ne s'avère trompeur, inexact ou contradictoire par rapport aux autres parties du présent Prospectus. Lorsqu'une action fondée sur les informations contenues dans le Prospectus est intentée devant un tribunal d'un État Membre de l'Espace Économique Européen, il est possible que la législation nationale de l'Etat Membre concerné oblige le demandeur à supporter les frais de traduction du Prospectus avant le début de la procédure judiciaire.

Les termes et expressions définis dans le Prospectus, y compris dans les documents incorporés par référence dans le Prospectus, auront la même signification dans ce résumé.

Principales Caractéristiques du Garant

Solvay – un groupe chimique et pharmaceutique international

Fondé en 1863, Solvay SA constitue avec les sociétés qui lui sont liées un groupe chimique et pharmaceutique international dont elle est la société mère, dirigée à Bruxelles (Belgique) et dont le siège social est situé 33, rue du Prince Albert, B-1050 Bruxelles.

A ce jour, 85%²⁷ du chiffre d'affaires est relatif à des produits dont le Groupe est l'un des producteurs leaders dans le monde et près des deux tiers de ses résultats sont issus des secteurs « Pharmaceutiques » et « Spécialités ».

En 2005, le chiffre d'affaires consolidé s'est élevé à 8,6 milliards d'euros. Avec plus de 400 sites dans 50 pays, Solvay emploie quelque 28.730 employés, dont 2.650 sont actifs dans la recherche.

Du chiffre d'affaires mondial du Groupe en 2005, 56% a été généré en Europe, 34% aux Amériques, 3% dans le reste du monde et 7% en Asie-Pacifique. La diversification géographique s'accélère, avec de nouveaux projets en Europe centrale, en Russie, en Chine et aux Amériques.

Le Groupe Solvay est actif dans trois secteurs :

- **Pharmaceutique** : l'activité globale pharmaceutique du Groupe Solvay est constituée par un groupe de sociétés tournées vers la recherche de réponses à des besoins médicaux non satisfaits soigneusement identifiés dans les domaines thérapeutiques de la neuroscience, de la cardiométabolique, des vaccins antigrippaux, des enzymes pancréatiques, de la gastro-entérologie et de la santé des hommes et des femmes. Solvay Pharmaceutique dédie plus de 15% du produit de ses ventes à la recherche.
- **Chimique** : son portefeuille est constitué du pôle « Minéraux » (carbonate de soude et dérivés, carbonates de baryum-strontium et carbonate de calcium précipité), du pôle « Electrochimie et Dérivés, Produits Fluorés » (soude

²⁷ Source : Solvay, calcul interne fondé sur des données publiques issues de sources externes incluant principalement IMS, Harriman Chemsult, CMAI, SRI.

caustique, produits fluorés) ; du pôle « Oxygène » (peroxyde d'hydrogène, détergents et caprolactones) et de la Strategic Business Unit, « Solutions Moléculaires ».

- **Plastique** : ce secteur est caractérisé par le développement des Spécialités : Polymères Spéciaux et Inergy Automotive Systems, co-entreprise 50/50 avec Plastic Omnium dans les systèmes à carburant ; en outre, un leadership fort, une croissance ciblée et une amélioration continue de la compétitivité sont demeurés les priorités du pôle « Vinyl » (PVC, tubes et raccords Pipelife (co-entreprise 50/50 avec Wienerberger)).

Le Groupe Solvay poursuit sa stratégie de croissance durable et rentable dans ces trois secteurs et considère l'innovation comme étant la base de la croissance et de la compétitivité.

En 2005, Solvay a acquis le groupe pharmaceutique français Fournier Pharma pour 1,2 milliard d'euros.

Des initiatives stratégiques décisives ont été prises dans les Spécialités, et en particulier Polymères Spéciaux, aujourd'hui un contributeur majeur des résultats du Groupe, fournissant de nouvelles ouvertures dans des marchés à croissance rapide et à forte valeur ajoutée.

Les Essentiels du Groupe (carbonate de soude, peroxyde d'hydrogène, soude caustique, PVC, etc.), avec un grand nombre d'usages pour la vie quotidienne, réussissent à gagner et maintenir leur leadership dans leurs différents marchés.

Solvay est coté sur Euronext Bruxelles et fait partie de l'indice Euronext100. Son dividende distribué a augmenté de 18% entre 2000 et 2005 et n'a pas baissé depuis près de 25 ans. Solvac S.A. (« Solvac »), coté sur Euronext Bruxelles, détient 27 % du capital de Solvay, dont le flottant est de 73%.

Résumé des données financières du Groupe (chiffres consolidés – millions d'euros)				
	IFRS			
	2002	2003	2004²⁸	2005
Chiffre d'affaires	7.919	7.557	7.271	8.562
REBIT ²⁹	844	673	741	912
Résultat net	494	430	541	816
Amortissements totaux	554	429	449	464
Cash flow	1.048	859	990	1.280
Dépenses d'investissement	645	555	564	1.930
Dépenses de recherche	399	404	408	472
Total des fonds propres	3.542	3.510	3.792	3.920
Endettement net	1.318	1.120	795	1.680
Effectifs ³⁰	30.302	30.139	26.926	28.730

²⁸ Chiffres retraités

²⁹ REBIT = EBIT récurrent

³⁰ Employés à temps plein ou équivalents, au 1^{er} janvier de l'année suivante

Principales Caractéristiques de l'Émetteur

Solvay Finance est une filiale intégralement détenue de Solvay SA, constituée le 24 février 2006 et dont le siège social est 12 Cours Albert 1^{er} 75008 Paris.

L'objet social de Solvay Finance est, tant en France qu'à l'Etranger, la prise d'intérêt, direct ou indirect, sous quelque forme que ce soit, dans toutes opérations immobilières, industrielles, commerciales ou financières quelconques se rattachant à (i) l'industrie des produits chimiques et de matières plastiques en général, (ii) la transformation des produits ci-dessus ainsi (iii) qu'à la santé humaine et, plus spécialement, à l'activité du groupe Solvay.

Les opérations susvisées peuvent comprendre notamment, sans que cette énumération soit limitative :

- la constitution de toutes sociétés, associations, syndicats ou groupements, ou la prise de participation dans de tels organismes,
- la souscription, l'achat, la vente et l'émission d'actions, d'obligations, de parts et de valeurs de toutes sortes, ainsi que l'intervention sur le marché monétaire et financier pour le compte du groupe SOLVAY.

Principales Caractéristiques des Titres et de la Garantie Subordonnée

Émetteur:	Solvay Finance
Garant:	Solvay SA
Description:	500.000.000 d'euros de Titres Subordonnés de Dernier Rang portant Intérêt à Taux Fixe puis à Taux Variable et venant à échéance en 2104 (les « Titres ») irrévocablement garantis sur une base subordonnée par Solvay SA
Conseil sur la Structure et Teneur de Livre d'Ordres Associé:	Deutsche Bank AG, succursale de Londres
Teneurs de Livre d'Ordres Associés:	BNP Paribas et Citigroup Global Markets Limited
Co-Chefs de File:	Fortis Banque S.A., HSBC France, Société Générale et The Royal Bank of Scotland plc
Montant:	500.000.000 d'euros
Prix d'Émission:	99,316%
Agent Financier, Agent Payeur Principal et Agent de Calcul:	Deutsche Bank AG, succursale de Londres
Agent Payeur au Luxembourg:	Deutsche Bank Luxembourg S.A.
Agent de Cotation au Luxembourg:	Deutsche Bank Luxembourg S.A.
Mode d'Émission:	Les Titres seront émis sur une base syndiquée.
Date d'Émission:	2 juin 2006
Échéance:	2 juin 2104

Devise:	Euro
Valeur Nominale:	Les Titres seront émis avec une valeur nominale unitaire de 1.000 euros.
Rang des Titres:	Les Titres (qui constituent des obligations) sont des titres subordonnés de dernier rang. Les dispositions des Titres relatives à la subordination sont soumises aux dispositions de l'article L.228-97 du Code de commerce. Le principal et les intérêts sur les Titres constituent des engagements directs, inconditionnels, non assortis de sûretés et subordonnés de dernier rang de l'Émetteur qui viennent et viendront au même rang entre eux et au même rang que tous autres Titres de Même Rang présents et futurs de l'Émetteur, mais seront subordonnés aux titres participatifs émis par, et aux prêts participatifs accordés à, l'Émetteur, aux Engagements Subordonnés Ordinaires et aux Engagements Non Subordonnés de ou émis par l'Émetteur. Les Titres auront un rang prioritaire par rapport aux Engagements Juniors et toutes catégories de Titres de Capital émis par l'Émetteur.
Rang de la Garantie Subordonnée:	Le Garant a, au titre de la garantie, irrévocablement garanti, sur une base subordonnée, le paiement de toutes sommes exprimées comme étant dues à tout moment par l'Émetteur en vertu des Titres. Les engagements du Garant au titre de la Garantie Subordonnée constituent des engagements directs, non assortis de sûretés et subordonnés du Garant et qui viennent et viendront au même rang entre eux et avec tous autres Titres de Même Rang du Garant présents et futurs du Garant mais seront subordonnés aux Engagements Subordonnés Ordinaires et aux Engagements Non Subordonnés de ou émis par l'Émetteur. Les engagements du Garant au titre de la Garantie Subordonnée auront un rang prioritaire par rapport aux Engagements Juniors et toutes catégories de Titres de Capital émis par le Garant.
Utilisation des fonds:	Le produit net de l'émission des Titres sera utilisé pour renforcer la structure de bilan du Garant, à la suite de l'acquisition de Fournier. Les fonds contribueront aussi au remboursement de l'émission obligataire du Garant de 700 millions d'euros venant à échéance en juillet 2006.
Clause de maintien de l'emprunt à son rang:	Il n'y a pas de clause de maintien de l'emprunt à son rang concernant les Titres.
Cas de Défaut:	Il n'y a pas de cas de défaut concernant les Titres.
Remboursement Optionnel/Remboursement anticipé:	<p>Les Titres peuvent être remboursés (dans leur intégralité mais non en partie), à leur valeur nominale ajoutée de tous montants dus en vertu des Titres, le 2 juin 2016 et à chaque Date de Paiement d'Intérêts suivante, à l'option de l'Émetteur.</p> <p>L'Émetteur aura également le droit (et dans certaines circonstances l'obligation) de rembourser les Titres (dans leur intégralité mais non en partie), au Montant de Remboursement Anticipé, pour certaines raisons fiscales.</p>
Fiscalité:	Les Titres, lors de leur l'émission, bénéficieront d'une exonération de retenue d'impôt à la source en France. Si la loi française venait à exiger une telle retenue, l'Émetteur serait dans l'obligation, dans la limite de la loi et sous

réserve de certaines exceptions, de payer des montants additionnels.

Les paiements au titre de la Garantie Subordonnée ne seront pas sujets à une retenue d'impôts à la source. Le Garant payera des montants additionnels dans l'hypothèse de toute retenue.

Intérêts:

Les Titres porteront intérêt (i) au taux d'intérêt annuel fixe de 6,375% par an, de la Date d'Emission (comprise) au 2 juin 2016 (non compris), payable annuellement à terme échu le 2 juin de chaque année et (ii) ensuite, au taux EURIBOR trois mois plus 3,35% par an, payable trimestriellement à terme échu le 2 mars, 2 juin, 2 septembre et 2 décembre de chaque année.

L'Émetteur peut, à sa discrétion, choisir de ne pas payer les intérêts dus en vertu des Titres, dans ce cas les intérêts seront reportés et constitueront des "Montants en Cours". Les Montants en Cours produiront intérêt au taux alors applicable aux Titres. Les Montants en Cours et les intérêts courus au titre de ceux-ci seront payables en cas de survenance d'un Cas de Paiement des Montants en Cours (tel que défini dans les modalités des Titres) ou si l'Émetteur en décide ainsi. Dans ce cas, le Garant mettra en œuvre le mécanisme alternatif de satisfaction du coupon ("MASC") (i) en émettant et/ou en vendant, ou en causant l'Émetteur d'émettre et/ou vendre, des actions ordinaires dans la limite de 2% du capital social émis par le Garant en circulation (ce plafond ne s'appliquera pas si le Garant exerce le MASC pour des Montants en Cours qui ont été reportés pour une période de moins de 12 mois) et/ou (ii) en émettant, ou en causant l'Émetteur d'émettre, certains titres éligibles, dans la limite d'un montant total de 25% de la valeur nominale totale des Titres. Si, dans les 12 mois du Cas de Paiement des Montants en Cours, le Garant ne réussit pas dans le cadre du MASC à lever des fonds, ou causer la levée par l'Émetteur de fonds, pour un montant au moins égal à celui des Montants en Cours augmentés des intérêts courus au titre de ceux-ci, les droits des Porteurs en ce qui concerne le déficit seront annulés et le non-paiement par l'Émetteur de ce déficit ne constituera pas un défaut de sa part.

Représentation des Porteurs:

L'Émetteur ou tous Porteurs détenant au moins 10% de la valeur nominale des Titres en circulation pourront à tout moment convoquer une assemblée des Porteurs afin d'examiner toutes questions relatives à leurs intérêts. Ces assemblées devront avoir un quorum qui sera précisé pour chaque question devant être débattue et toutes résolutions dûment adoptées lieront l'ensemble des Porteurs, qu'ils aient été ou non présents lors de l'assemblée.

Restrictions de Vente:

Les Titres n'ont pas été et ne seront pas enregistrés selon l'U.S. Securities Act et sont offerts et vendus seulement hors des Etats-Unis en application de la Regulation S de cette loi. Des restrictions de vente s'appliquent dans diverses juridictions.

Forme des Titres:

Les Titres ayant été autorisés en tant qu'obligations au regard du droit français, ils seront émis au porteur. Les intérêts dans les Titres seront dans un premier temps représentés par un titre global provisoire ("Titre Global Provisoire") déposé auprès d'un dépositaire commun. Le Titre Global Provisoire sera échangeable en tout ou partie contre des intérêts dans un titre global permanent ("Titre Global Permanent"), après une période minimum de

40 jours suivant la date d'émission des Titres.

Règlement et Compensation:

Les Titres ont été admis pour règlement et compensation par Euroclear et Clearstream Luxembourg sous le Code Commun 025480821. Le numéro international d'identification des valeurs mobilières (ISIN) des Titres est le XS0254808214. Le dépositaire commun pour Euroclear Bank, S.A./N.V., en tant qu'opérateur d'Euroclear et Clearstream, Luxembourg sera Deutsche Bank AG, succursale de Londres, dont l'adresse est Winchester House, 1 Great Winchester Street, Londres EC2N 2DB, Royaume Uni.

**Cotation/Admission à la
Négociation:**

Une demande a été faite auprès de la Bourse de Luxembourg pour que les Titres soient cotés et admis aux négociations sur le marché réglementé de la Bourse de Luxembourg.

Droit Applicable:

Les Titres et toutes questions liées sont régis par le droit anglais et interprétés conformément au droit anglais, hormis les règles de subordination des Titres qui sont régies par le droit français et interprétées conformément au droit français.

La Garantie Subordonnée et toutes questions liées sont régis par le droit anglais et interprétés conformément au droit anglais, hormis les règles de subordination des Titres qui sont régies par le droit belge et interprétées conformément au droit belge.

Notation:

Il est attendu que les Titres fassent l'objet d'une notation de Baa1 par Moody's Investors Services, Inc. et de BBB+ par Standard & Poor's Ratings Services. Une notation n'est pas une recommandation à l'achat, à la vente ou à la détention des Titres et peut être sujette à révision, suspension, réduction ou retrait à tout moment par l'agence de notation concernée.

Principaux Risques associés à l'Émetteur

Comme l'Émetteur est une entité spécialement créée, dédiée à l'émission des Titres et qui n'exerce pas d'activités industrielles ou commerciales, sa capacité à satisfaire ses engagements en vertu des Titres dépend principalement du soutien financier que le Garant fournira à l'Émetteur en tant qu'actionnaire unique.

Principaux Risques associés au Garant

Les activités de Solvay impliquent les principaux risques suivants :

- certains des marchés sur lesquels Solvay opère sont cycliques (voir les détails dans la section facteurs de risque). Les périodes d'activité basse sont caractérisées par des prix décroissants et des excès de capacité. Afin de réduire l'impact des cycles descendants sur ses marges opérationnelles, Solvay applique une stratégie d'améliorations compétitives et de diversification géographique.
- les résultats opérationnels de Solvay dépendent significativement du développement de nouveaux produits et de nouvelles technologies de production commercialement viables. Si Solvay ne parvient pas à développer de nouveaux produits et de nouveaux processus de production à l'avenir, sa position concurrentielle et ses résultats opérationnels en seraient affectés.
- Bien que Solvay ait adopté des mesures pour y faire face, l'évolution des dispositions législatives et réglementaires

(par exemple REACH pour les produits chimiques ou le contrôle des prix pour les produits pharmaceutiques), avec une approche plus stricte, pourrait avoir un impact sur le développement de produits ou pourrait restreindre le marketing et les ventes.

- Des variations significatives du coût et de la disponibilité des matières premières et de l'énergie requise pour la fabrication de certains de ses produits peuvent réduire les résultats opérationnels de Solvay. Solvay a certaines activités industrielles intenses en consommation d'énergie, Solvay a aussi une gamme d'activités industrielles peu intenses en consommation d'énergie. En outre, Solvay a conclu des contrats à moyen et à long terme, a diversifié ses sources d'énergie primaires, et a développé des unités de co-génération. De plus, certaines de ses activités sont intégrées pour leurs matières premières.
- Des événements imprévus, tels que des problèmes de fabrication, fermetures non planifiées ou pertes de sources d'approvisionnement, pourraient affecter la capacité de certains sites importants ou la fabrication de certains produits importants et conduire à une réduction du chiffre d'affaires.
- Solvay est impliqué dans des procédures judiciaires et peut se trouver impliqué dans des procédures judiciaires nouvelles ; chacune d'entre elles peut impliquer des demandes importantes en dommages et intérêts ou autres paiements ou pourrait aboutir à une réduction du chiffre d'affaires. Solvay est ou peut devenir impliqué dans des demandes, actions judiciaires ou procédures administratives relatives à la responsabilité du fait des produits, la santé, la sécurité, des questions réglementaires ou liées à l'environnement. Une issue défavorable d'une quelconque de celles-ci pourrait avoir un impact négatif significatif sur les résultats opérationnels de Solvay et sa réputation.
- La perte ou l'invalidation de la protection d'un brevet dans un pays et pour un produit vendu par Solvay dans un volume substantiel pourrait affecter les revenus de Solvay. Toutefois, dans ses activités chimiques et plastiques, le savoir-faire technologique de Solvay relatif à son processus de production est souvent un bon substitut à la protection du brevet.
- Des innovations substantielles relatives à des produits ou l'intensification de la concurrence sur les prix par des concurrents pourraient affecter les résultats opérationnels de Solvay dans certaines de ses Spécialités ou pour ses Essentiels.
- Un défaut d'intégration d'activités existantes ou nouvellement acquises pourrait affecter négativement le résultat opérationnel de Solvay. La longue histoire multiculturelle de Solvay combinée avec sa nature hybride (pharmacie/chimie) renforce sa capacité à gérer l'intégration de ces activités, ressources humaines et technologies.
- Les activités de Solvay sont sujettes à des risques opérationnels associés à la production pharmaceutique et chimique, y compris les risques associés à l'entreposage et au transport de matières premières, produits et déchets. Ces risques opérationnels sont susceptibles de causer des blessures aux personnes, des dommages aux biens et une contamination de l'environnement, et peuvent résulter en la fermeture de sites affectés, en la cessation d'activités et l'imposition d'amendes civiles ou pénales, et affecter de manière négative la réputation de Solvay.
- Solvay cherche à couvrir par des polices d'assurance les risques qui peuvent être prévus et assurés. Ces polices d'assurance, toutefois, peuvent ne pas couvrir complètement les risques auxquels la société est exposée.
- Solvay est exposé au risque de change dans le cadre de ses activités pharmaceutiques et chimiques. Des fluctuations des devises de pays situés en dehors de la zone euro, particulièrement le dollar américain, peut affecter significativement les revenus de Solvay et ses résultats opérationnels. Solvay suit avec attention le marché des devises et prend des mesures de couverture lorsque cela est approprié.
- Solvay ne peut pas garantir que les dépenses futures ou contributions financières qui pourraient devenir nécessaires au titre de ses engagements de retraite présents ou futurs n'auront pas un effet défavorable significatif sur la condition financière et les résultats opérationnels de Solvay. Solvay s'efforce de transformer ses plans de retraite à

prestations déterminés en des plans avec un profil de risque inférieur pour la société, par exemple des plans hybrides, plans avec solde ; plans à contributions déterminées. Au cours de deux dernières années, des plans à prestations déterminées majeurs dans cinq pays (Allemagne, Pays-Bas, Grande-Bretagne, Etats-Unis et Belgique), représentant plus de 80% des engagements de retraite IFRS du Groupe, ont été revus en ligne avec les principes énoncés ci-dessus.

Outre les risques décrits ci-dessus, il pourrait exister des risques supplémentaires pour les activités de Solvay, et dont Solvay soit n'a pas connaissance à ce jour soit considère négligeable à la date de ce prospectus.

Principaux Risques présentés par les Titres

Un investissement dans les Titres implique certains risques qui sont significatifs pour les besoins d'une évaluation des risques de marché liés aux Titres. Tandis que tous ces facteurs de risque sont des éventualités qui peuvent ou non se produire, il est porté à l'attention des investisseurs potentiels que les risques liés à un investissement dans les Titres peuvent conduire à une volatilité et/ou à une diminution de la valeur de marché des Titres, de telle sorte que celle-ci ne corresponde pas aux attentes (financières ou autres) d'un investisseur ayant investi dans les Titres.

En outre, certains autres facteurs sont à prendre en compte pour évaluer les risques liés aux Titres, y compris les suivants :

- (i) l'échéance des Titres est le 2 Juin 2104 ; l'Émetteur n'a à aucun moment avant cette date l'obligation de rembourser les Titres (hormis pour certaines raisons fiscales) et les Porteurs n'ont pas le droit de demander leur remboursement anticipé (hormis dans certaines hypothèses particulières telles que la liquidation de l'Émetteur ou du Garant) ;
- (ii) les Titres peuvent être remboursés à l'option de l'Émetteur dans certaines circonstances et il n'est pas assuré que, à ce moment là, les Porteurs pourront réinvestir les sommes perçues au titre du remboursement à un taux qui produirait le même rendement que les Titres ;
- (iii) l'Émetteur peut, à sa discrétion, choisir de ne pas payer d'intérêts sur les Titres ;
- (iv) tout montant d'intérêts impayé à une Date de Paiement des Intérêts pourra être reporté et sera seulement payable à condition (i) de la survenance de certains événements ou de la décision de l'Émetteur de payer ce montant et (ii) du succès du mécanisme alternatif de satisfaction du coupon mis en œuvre par le Garant, lequel pourrait échouer ;
- (v) les Titres sont des engagements subordonnés de dernier rang, ce sont les créances les plus junior de l'Émetteur ; en cas de liquidation, les engagements de l'Émetteur en vertu des Titres auront un rang prioritaire seulement par rapport aux montants dus aux porteurs de titres de capital ;
- (vi) les demandes au titre de la Garantie Subordonnée auront un rang inférieur à celui des droits et demandes de tous les créanciers du Garant ; les engagements du Garant au titre de la Garantie Subordonnée auront un rang prioritaire seulement par rapport aux montants dus aux porteurs de titres de capital ;
- (vii) les porteurs des Titres peuvent recevoir moins que la valeur nominale des Titres et peuvent perdre l'intégralité de leur investissement ;
- (viii) il n'y a aucune restriction quant au montant des dettes que l'Émetteur et le Garant peuvent émettre ou garantir ;
- (ix) il n'existe à l'heure actuelle aucun marché pour les Titres, et il n'y a aucune certitude qu'un marché se développera pour les Titres ; et

- (x) le rendement effectif des Titres pour un Porteur peut être diminué par l'impact de la fiscalité sur son investissement dans les Titres.

Cependant, chaque investisseur potentiel dans les Titres doit déterminer, sur le fondement de sa propre analyse indépendante et de tout conseil professionnel qu'il considère approprié au regard des circonstances, que son acquisition des Titres est parfaitement conforme à sa condition, ses besoins et ses objectifs financiers, qu'elle remplit et est totalement conforme à toutes les politiques, principes et restrictions d'investissement qui lui sont applicables et qu'il s'agit d'un investissement pertinent, lui convenant et approprié pour lui, nonobstant les risques clairs et substantiels qui sont inhérents à tout investissement dans les Titres ou leur détention.

Voir les "Facteurs de Risques" ci-après pour une description plus détaillée des facteurs de risque liés à un investissement dans les Titres.

GERMAN TRANSLATION OF THE SUMMARY

ZUSAMMENFASSUNG

Diese Zusammenfassung ist als Einleitung zu dem Prospekt zu lesen, der von der Emittentin und der Garantin in Zusammenhang mit der Emission der Euro 500.000.000 Tief Nachrangige Fest-/Variabel Verzinsliche Schuldverschreibungen (Deeply Subordinated Fixed to Floating Rate Bonds) fällig im Jahr 2104 (die "Schuldverschreibungen") erstellt wurde. Jede Entscheidung über eine Anlage in die Schuldverschreibungen sollte auf einer Prüfung des Prospekts einschließlich derjenigen Dokumente beruhen, die durch Bezugnahme Bestandteile des Prospekts sind. Nach Umsetzung der maßgeblichen Bestimmungen der Prospektrichtlinie in jedem Mitgliedsstaat des Europäischen Wirtschaftsraums unterliegen die Emittentin und die Garantin in keinem dieser Mitgliedsstaaten auf der Grundlage dieser Zusammenfassung oder ihrer Übersetzung einer zivilrechtlichen Haftung, es sei denn, die Zusammenfassung ist irreführend, ungenau oder widerspricht den anderen Teilen dieses Prospekts, wenn sie in Zusammenhang mit diesen gelesen wird. Wenn vor einem Gericht in einem Mitgliedsstaat des Europäischen Wirtschaftsraums Ansprüche aufgrund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, kann der Kläger gemäß den nationalen Rechtsvorschriften des Mitgliedsstaates, in dem die Ansprüche gerichtlich geltend gemacht werden, verpflichtet sein, die Kosten einer Übersetzung des Prospekts zu tragen, bevor ein gerichtliches Verfahren eingeleitet wird.

Begriffe und Ausdrücke, die in diesem Prospekt definiert sind, einschließlich die durch Verweis in den Prospekt einbezogenen Dokumente, haben in dieser Zusammenfassung jeweils die selbe Bedeutung.

Wesentliche Merkmale der Garantin

Solvay – ein internationaler Chemie- und Pharmakonzern

Gegründet 1863, ist Solvay SA die Muttergesellschaft eines internationalen Chemie- und Pharmakonzerns mit zahlreichen Tochtergesellschaften und Firmensitz in 33, Rue du Prince Albert, B-1050 Brüssel (Belgien).

Zur Zeit werden 85 Prozent³¹ des Umsatzes mit Produkten erzielt, bei denen der Konzern einer der weltweit führenden Hersteller ist. Etwa zwei Drittel seiner Ergebnisse stammen aus dem Geschäft mit Pharma- und Spezialprodukten.

Im Jahr 2005 betrug der konsolidierte Umsatz Euro 8,6 Milliarden. In mehr als 400 Niederlassungen in 50 Ländern hat Solvay etwa 28.730 Mitarbeiter, von denen 2.650 in der Forschung tätig sind.

Vom weltweiten Umsatz des Konzerns im Jahr 2005 wurden 56 % in Europa, 34 % in Nord- und Südamerika sowie 7 % im asiatisch-pazifischen Raum und 3 % im Rest der Welt erzielt. Die geographische Diversifizierung wird durch neue Projekte in Mitteleuropa, Russland, China sowie Nord- und Südamerika weiter vorangetrieben.

Die Solvay-Gruppe ist in drei Bereichen tätig:

- **Pharma:** Eine Gruppe von Unternehmen mit umfangreichen Forschungsaktivitäten bildet das weltweite Pharmageschäft der SOLVAY-Gruppe und ist stets um die Erforschung besonders ausgewählter, bislang ungeklärter medizinischer Fragen in den therapeutischen Bereichen der Neurologie, Herz-Kreislauf-Erkrankungen, Gripeschutz, Bauchspeicheldrüsenenzymen, Gastroenterologie sowie der

³¹ Quelle: Solvay, Interne Berechnung auf Grundlage von allgemein zugänglichen Angaben aus externen Quellen, insbesondere IMS, Harriman Chemsult, CMAI, SRI.

geschlechtsspezifischen Gesundheit männlicher und weiblicher Patienten allgemein bemüht. Der Pharmabereich von Solvay investiert mehr als 15% seiner Umsatzerlöse in die Forschung.

- **Chemie:** Die Angebotspalette besteht aus der Gruppe "Mineralien" (Soda und Folgeprodukte, Barium- und Strontiumcarbonate sowie gefällte Kalziumcarbonate), der Gruppe "Elektrochemie und Fluor" (Natriumhydroxyd, fluorhaltige Chemikalien); die Gruppe "Oxygene" (Wasserstoffperoxid, Reinigungsmittel und Caprolactones) sowie ein neue strategische Geschäftseinheit "Molekulare Lösungen".
- **Kunststoffe:** Dieser Bereich ist durch die Entwicklung von Spezialprodukten gekennzeichnet: Spezialpolymere und Inergy Automobilsysteme, einem 50/50-Joint Venture mit Plastic Omnium für Kraftstoffversorgungsanlagen; darüber hinaus sind die langjährige Marktführerschaft, gezieltes Wachstum und fortgesetzte Verbesserung der Wettbewerbsfähigkeit weiterhin die Hauptprioritäten im Bereich "Vinyle" (PVC, Rohre und Zubehör (Pipelife, ein Joint Venture mit Wienerberger)).

Die Solvay-Gruppe verfolgt ihr Ziel eines nachhaltigen und gewinnbringenden Wachstums in allen drei Bereichen und betrachtet Innovation als wesentlichen Eckpfeiler für Wachstum und Wettbewerbsfähigkeit.

2005 erwarb Solvay die französische Pharmagruppe Fournier Pharma zum Preis von EUR 1,2 Milliarden.

Entscheidende strategische Initiativen wurden im Bereich Spezialprodukte entwickelt, insbesondere in dem Bereich der Spezialpolymere, die in der Produktpalette einen wesentlichen Anteil an dem Ertrag des Konzerns haben und neue Einstiegsmöglichkeiten in schnell wachsende Märkte mit hohem Mehrwert bieten.

Die Hauptprodukte des Konzerns (Soda, Wasserstoffperoxid, Natriumhydroxyd, PVC, etc.), die eine große Anzahl von Anwendungen für den täglichen Gebrauch umfassen, werden der Herausforderung, in ihren jeweiligen Segmenten zum Marktführer zu werden und dies auch zu bleiben, in erfolgreicher Weise gerecht.

Solvay ist an der Euronext Brüssel notiert und in dem Euronext100-Index aufgeführt. Die ausgeschüttete Dividende ist zwischen 2000 und 2005 um 18% gestiegen, und ist seit fast 25 Jahren nicht mehr verringert worden. Solvac S.A. ("Solvac"), notiert an der Euronext Brüssel, hält 27% der Solvay-Aktien, 73% befinden sich in Streubesitz (*free float*).

Zusammenfassung der Finanzdaten des Konzerns (<i>konsolidierte Zahlen - EUR Mio.</i>)				
	IFRS			
	2002	2003	2004³²	2005
Umsatz	7.919	7.557	7.271	8.562
REBIT ³³	844	673	741	912
Nettoergebnisse	494	430	541	816
Gesamtabschreibung	554	429	449	464
Kapitalfluss	1.048	859	990	1.280

³² erneut vorgetragene Zahlen

³³ REBIT = wiederkehrender EBIT

Investitionsaufwendungen & Anschaffungen	645	555	564	1.930
Forschungsaufwendungen	399	404	408	472
Gesamteigenkapital	3.542	3.510	3.792	3.920
Nettoverschuldung	1.318	1.120	795	1.680
Mitarbeiter ³⁴	30.302	30.139	26.926	28.730

Wesentliche Merkmale der Emittentin

Solvay Finance wurde am 24. Februar 2006 als 100%ige Tochter der Solvay SA gegründet. Ihr Firmensitz ist 12 Cours Albert 1er, 75008 Paris.

Solvay Finance wurde mit dem Gesellschaftszweck gegründet, sich in jedweder Art und Weise, innerhalb und außerhalb Frankreichs, unmittelbar und mittelbar an Immobilientransaktionen, industriellen, wirtschaftlichen Transaktionen oder Finanztransaktionen im Bereich (i) der chemischen Industrie und Kunststoffindustrie im Allgemeinen, (ii) der verarbeitenden Industrie für die vorgenannten Produkte und (iii) des Gesundheitswesens im Allgemeinen, und, insbesondere (iv) der Geschäftstätigkeit der Solvay-Gruppe zu beteiligen.

Die vorstehenden Geschäftstätigkeiten umfassen insbesondere (aber nicht ausschließlich):

- (a) die Gründung von Gesellschaften, Partnerschaften, Verbänden oder Konsortien oder das Halten von Beteiligungen an solchen;
- (b) die Zeichnung oder den sonstigen Erwerb, das Halten, den Verkauf und den Handel von bzw. mit Aktien, Schuldverschreibungen oder sonstigen Wertpapieren (Eigen- oder Fremdkapital) jedweder Art; sowie die Teilnahme an den Geld- und Finanzmärkten zum Nutzen der Solvay-Gruppe.

Wesentliche Merkmale der Schuldverschreibungen und der Nachrangigen Garantie

Emittentin: Solvay Finance

Garantin: Solvay SA

Beschreibung: Euro 500.000.000 Tief Nachrangige Fest-/Variabel Verzinsliche Schuldverschreibungen (Deeply Subordinated Fixed to Floating Rate Bonds) der Solvay Finance fällig 2104 (die "Schuldverschreibungen") besichert mit einer nachrangigen unwiderruflichen Garantie der Solvay SA

Strukturierungsberater und Gemeinschaftlicher Konsortialführer: Deutsche Bank AG, Niederlassung London

Gemeinschaftliche Konsortialführer: BNP Paribas und Citigroup Global Markets Limited

Co-Manager: Fortis Banque S.A., HSBC France, Société Générale und The Royal Bank of Scotland plc.

³⁴ Vollzeit-Mitarbeiter oder Äquivalent

Betrag:	Euro 500.000.000
Emissionspreis:	99,316 Prozent.
Emissionsstelle, Hauptzahlstelle und Berechnungsstelle:	Deutsche Bank AG, Niederlassung London
Zahlstelle Luxemburg:	Deutsche Bank Luxemburg S.A.
Börsenzulassungsstelle Luxemburg:	Deutsche Bank Luxemburg S.A.
Begebungsmethode:	Die Schuldverschreibungen werden syndiziert begeben.
Emissionsdatum:	2. Juni 2006
Fälligkeit:	2. Juni 2104
Währung:	Euro
Stückelung:	Die Schuldverschreibungen werden in einer Stückelung von Euro 1.000 begeben.
Status der Schuldverschreibungen:	Die Schuldverschreibungen (welche Verbindlichkeiten (obligations) darstellen) sind tief nachrangige Schuldverschreibungen. Die Bestimmungen hinsichtlich des Nachrangs der Schuldverschreibungen unterliegen den Bestimmungen von Artikel L. 228-97 des französischen Handelsgesetzbuches (Code de Commerce). Ansprüche auf Kapital und Zinsen aus den Schuldverschreibungen begründen unmittelbare, unbedingte, unbesicherte und tief nachrangige Verbindlichkeiten der Emittentin, die untereinander sowie mit sämtlichen gegenwärtigen und künftigen Gleichrangigen Wertpapieren (Parity Securities) der Emittentin gleichrangig sind und sein werden, jedoch gegenüber den von der Emittentin begebenen titres participatifs und den dieser gewährten prêts participatifs, Herkömmlichen Nachrangigen Verbindlichkeiten und Nicht-nachrangigen Verbindlichkeiten der Emittentin oder solchen von ihr begründeten Verbindlichkeiten nachrangig sein werden. Die Schuldverschreibungen sind vorrangig gegenüber etwaigen Nachrangigen Schuldverschreibungen (Junior Securities) und jeder Gattung von Eigenkapitalwertpapieren (Share Capital Securities) der Emittentin.
Status der Nachrangigen Garantie:	Die Garantin hat eine unwiderrufliche, nachrangige Garantie gewährt, die Zahlung sämtlicher, im Hinblick auf die Schuldverschreibungen von der Emittentin jeweils zahlbaren Beträge zu gewährleisten. Die Verbindlichkeiten der Garantin aus der Nachrangigen Garantie begründen unmittelbare, unbesicherte und nachrangige Verbindlichkeiten der Garantin, die untereinander sowie mit sämtlichen gegenwärtigen und künftigen Gleichrangigen Wertpapieren (Parity Securities) der Garantin gleichrangig sind und sein werden, jedoch gegenüber den von der Garantin begebenen herkömmlichen nachrangigen Verbindlichkeiten und nicht-

nachrangigen Verbindlichkeiten nachrangig sein werden. Die von der Garantin im Rahmen der Nachrangigen Garantie eingegangenen Verbindlichkeiten sind vorrangig gegenüber etwaigen nachrangigen Schuldverschreibungen (Junior Securities) und jeder Gattung von Eigenkapitalwertpapieren (Share Capital Securities) der Garantin.

Verwendung des Nettoerlöses:

Der Nettoerlös der Emission der Schuldverschreibungen wird zur Stärkung der Bilanzstruktur der Garantin im Nachgang zum Erwerb von Fournier verwendet. Die Mittel werden außerdem zur Rückzahlung einer Anleihe mit einem Gesamtvolumen von Euro 700 Millionen, die im Juli 2006 fällig wird, beitragen.

Negativverpflichtung:

Es gibt keine Negativverpflichtung (Negative Pledge) im Hinblick auf die Schuldverschreibungen.

Kündigungsgrund:

Es gibt keinen Kündigungsgrund im Hinblick auf die Schuldverschreibungen.

Optionale Rückzahlung /Vorzeitige Rückzahlung:

Die Schuldverschreibungen können (ganz, jedoch nicht teilweise) zum Nennbetrag zusammen mit etwa im Hinblick darauf ausstehenden Beträgen nach Wahl der Emittentin am 2. Juni 2016 oder an jedem anderen Zinszahlungstag danach zurückgezahlt werden.

Die Emittentin hat außerdem das Recht (und in bestimmten Fällen auch die Verpflichtung), die Schuldverschreibungen aus bestimmten steuerlichen Gründen (ganz, jedoch nicht teilweise) zum Vorzeitigen Rückzahlungsbetrag zurück zu zahlen.

Besteuerung:

Die Schuldverschreibungen unterliegen bei ihrer Emission einer Befreiung vom Einbehalt französischer Quellensteuern. Ist ein solcher Einbehalt nach französischem Recht erforderlich, wird die Emittentin zusätzliche Beträge zahlen, soweit das gesetzlich zulässig ist und vorbehaltlich bestimmter Ausnahmen.

Zahlungen auf die Nachrangige Garantie unterliegen keinem Einbehalt von Quellensteuern. Im Falle eines solchen Einhalts wird die Garantin entsprechende zusätzliche Beträge leisten.

Zinsen:

Die Schuldverschreibungen sind (i) ab dem Emissionsdatum (einschließlich) bis zum 2. Juni 2016 (ausschließlich), zu dem festgelegten Zinssatz von 6,375 Prozent p.a., verzinslich, jährlich rückwirkend zahlbar am 2. Juni eines jeden Jahres und (ii) danach zum 3-Monats-EURIBOR plus 3,35 Prozent p.a., vierteljährlich rückwirkend zahlbar am 2. März, 2. Juni, 2. September und 2. Dezember eines jeden Jahres.

Die Emittentin hat nach ihrer Wahl die Möglichkeit, auf die Schuldverschreibungen anfallende Zinsen nicht zu zahlen. In diesem Fall werden die Zinsen aufgeschoben und als "Ausstehenden Beträge" bezeichnet. Ausstehende Beträge unterliegen einer Verzinsung zu dem jeweils für die Schuldverschreibungen geltenden Zinssatz.

Ausstehende Beträge und darauf aufgelaufene Zinsen werden bei Eintreten eines Ausstehende Betragszahlungs-Ereignisses fällig (gemäß Definition dieses Begriffs in den "Terms and Conditions of the Bonds - Definitions") oder wenn die Emittentin dies so bestimmt. In diesem Fall hat die Garantin das Alternative Verfahren zur Befriedigung der Zinsansprüche (alternative coupon satisfaction mechanism, "ACSM") zu initiieren, und zwar durch (i) die Ausgabe und/oder den Verkauf von Stammaktien bis zu einem Höchstbetrag von 2 Prozent des jeweils ausstehenden ausgegebenen Stammkapitals der Garantin (wobei dieser Höchstbetrag nicht gilt, wenn die Garantin den ACSM im Hinblick auf Ausstehende Beträge ausübt, die für einen Zeitraum von weniger als 12 Monaten aufgeschoben wurden) und/oder (ii) die Ausgabe, oder Veranlassung der Emittentin zur Ausgabe, von bestimmten Zulässigen Wertpapieren bis zu einem absoluten Höchstbetrag von bis zu 25% des gesamten Nennbetrags der Schuldverschreibungen. Gelingt es der Garantin innerhalb von 12 Monaten ab dem Ausstehende Betrags-Ereignisses nicht, selbst oder über die Emittentin, mit dem ACSM Erlöse zu erzielen, die den Ausstehenden Beträgen und den darauf aufgelaufenen Zinsen entsprechen, werden die Ansprüche der Inhaber von Schuldverschreibungen um den Betrag gekürzt, um den der Erlös die Ausstehenden Beträge und vorgenannten Zinsen unterschreitet, und die Nicht-Zahlung dieses Betrags durch die Emittentin stellt keine Vertragsverletzung dar.

Vertretung der Inhaber von Schuldverschreibungen:

Die Emittentin oder Inhaber von Schuldverschreibungen, die zusammen mindestens 10% des jeweils ausstehenden Nennbetrages der Schuldverschreibungen halten, können jederzeit eine Versammlung der Inhaber von Schuldverschreibungen einberufen, um etwaige ihre Interessen betreffende Fragen zu erörtern. Diese Versammlungen sind in einer, für die einzelnen zu erörternden Fragen entsprechenden Weise beschlussfähig und etwaig verabschiedete Beschlüsse sind für alle Inhaber von Schuldverschreibungen bindend, unabhängig davon, ob sie bei der Versammlung anwesend waren oder nicht.

Verkaufsbeschränkungen:

Die Schuldverschreibungen sind nicht gemäß dem U.S. Securities Act registriert und werden dies auch nicht sein und werden außerhalb der Vereinigten Staaten gemäß Regulation S nach dem U.S. Securities Act vertrieben und gehandelt. In verschiedenen Rechtsordnungen gelten entsprechende Verkaufsbeschränkungen.

Form der Schuldverschreibungen:

Die Schuldverschreibungen werden nach französischem Recht als "obligations" zum Handel zugelassen und werden als Inhaberpapiere begeben. Anteile an den Schuldverschreibungen werden zunächst in Form einer vorläufigen Globalurkunde ("Vorläufige Globalurkunde") verbrieft, die bei einer gemeinsamen Verwahrstelle hinterlegt wird. Die vorläufige Globalurkunde ist frühestens 40 Tage nach dem Emissionsdatum der Schuldverschreibungen ganz oder teilweise gegen Anteile an der Dauerglobalurkunde ("Dauerglobalurkunde")

austauschbar.

Clearing- und Abwicklung:

Die Schuldverschreibungen sind zur Lieferung und Verwahrung durch Euroclear und Clearstream, Luxemburg, zugelassen und mit dem Common Code 025480821 versehen worden. Die International Securities Identification Number (ISIN) für die Schuldverschreibungen lautet XS0254808214. Die gemeinsame Verwahrstelle für Euroclear Bank S.A./N.V. als Betreiber des Euroclear-Systems und Clearstream, Luxemburg, ist die Deutsche Bank AG, Niederlassung London, Adresse: Winchester House, 1 Great Winchester Street, London EC2N 2DB, Vereinigtes Königreich.

Börsennotierung /-zulassung:

Ein Antrag auf Zulassung und Handel der Schuldverschreibungen an dem Regulierten Markt der Luxembourg Stock Exchange ist gestellt worden.

Geltendes Recht:

Die Schuldverschreibungen und sämtliche in Zusammenhang damit auftretenden oder mit diesen verbundenen Fragen unterliegen englischem Recht und sind in Einklang mit diesem auszulegen, mit der Ausnahme, dass die Bestimmungen hinsichtlich des Nachrangs der Schuldverschreibungen französischem Recht unterliegen und in Einklang mit diesem auszulegen sind.

Die Nachrangige Garantie und sämtliche in Zusammenhang damit auftretende oder mit dieser verbundene Fragen unterliegen englischem Recht und sind in Einklang mit diesem auszulegen, mit der Ausnahme, dass die Bestimmungen hinsichtlich des Nachrangs der Nachrangigen Garantie belgischem Recht unterliegen und in Einklang mit diesem auszulegen sind.

Rating:

Es wird erwartet, dass die Schuldverschreibungen ein Rating von Baal von Moody's Investors Services, Inc. und von BBB+ von Standard & Poor's Ratings Services erhalten. Ein Rating stellt keine Empfehlung dar, die Schuldverschreibungen zu kaufen, zu halten oder zu verkaufen und kann von der jeweiligen Rating-Agentur jederzeit revidiert, ausgesetzt, reduziert oder zurück genommen werden.

Wesentliche mit der Emittentin verbundene Risiken

Da die Emittentin eine Zweckgesellschaft mit dem einzigen Zweck der Emission der Schuldverschreibungen ist und keinerlei industrielle oder Handelsaktivitäten ausübt, hängt ihre Fähigkeit, ihren Verbindlichkeiten in Zusammenhang mit den Schuldverschreibungen nachzukommen im Wesentlichen von der finanziellen Unterstützung ab, die die Garantin als einziger Anteilshaber der Emittentin gewährt.

Wesentliche mit der Garantin verbundene Risiken

Die Geschäftstätigkeit von Solvay unterliegt den folgenden Hauptrisiken:

- Einige der Märkte, auf denen Solvay aktiv ist, unterliegen gewissen zyklischen Schwankungen (nähere Angaben siehe im Abschnitt "*risk factors*"). Schwächere Phasen des Geschäftszyklus zeichnen sich durch zurückgehende Preise und überschüssige Kapazität aus. Um die Auswirkungen von zyklischen Rückgängen auf die Betriebsspanne einzudämmen, setzt Solvay eine Strategie von Verbesserungen der Wettbewerbsfähigkeit und geographischer Diversifizierung um.
- Das Betriebsergebnis von Solvay hängt im Wesentlichen von der Entwicklung neuer, wirtschaftlich attraktiver Produkte und Produktionstechnologien ab. Wenn Solvay zukünftig bei der Entwicklung neuer Produkte und Herstellungsverfahren keinen Erfolg hat, wird sich ihre Position im Wettbewerb und ihr Betriebsergebnis verschlechtern.
- Obwohl Solvay Maßnahmen ergriffen hat, um entsprechenden Risiken zu begegnen, kann auch die Entwicklung einschlägiger Vorschriften (z.B. REACH für Chemikalien oder die Preisbindung für Pharmaprodukte) mit verstärkter Reglementierung Auswirkungen auf die Produktentwicklung haben oder Marketing und Vertrieb einschränken.
- Einschneidende Veränderungen bei den Kosten und der Verfügbarkeit von Rohstoffen und der für die Herstellung einiger Produkte von Solvay erforderlichen Energie kann zu einer Verringerung des Betriebsergebnisses von Solvay führen. Bei Solvay gibt es sowohl Betriebsprozesse mit einem hohen Energiebedarf als auch solche mit einem niedrigen Energiebedarf. Darüber hinaus hat Solvay mittel- und langfristige Verträge abgeschlossen, verfügt über Zugang zu verschiedenen Quellen für Primärenergie und hat Blockheizkraftwerke (co-generation units) entwickelt. Schließlich sind auch einige Geschäftszweige im Hinblick auf Rohstoffe miteinander integriert.
- Unvorhergesehene Ereignisse, z.B. Probleme bei der Herstellung der Produkte, ungeplante Schließungen oder Lieferstops können die Kapazitäten von einigen der Hauptwerke oder die Herstellung der Hauptprodukte nachteilig betreffen und zu einem Rückgang beim Verkauf führen.
- Solvay ist an einigen Rechtsstreitigkeiten beteiligt und kann künftig an weiteren Rechtsstreitigkeiten beteiligt sein; wobei jeweils nicht unerhebliche Schadensersatzansprüche oder anderweitige Zahlungen Gegenstand der Streitigkeiten sein können oder diese zu einem Rückgang der Umsatzerlöse führen können. Solvay ist involviert oder kann involviert werden in Klagen, Gerichts- oder Verwaltungsverfahren im Rahmen von Produkthaftung, Gesundheits-, Sicherheits-, Regulierungs- oder Umweltfragen. Ein ungünstiger Ausgang eines dieser Verfahren kann beachtliche negative Auswirkungen auf das Betriebsergebnis und das Ansehen von Solvay haben.
- Der Verlust oder die Unwirksamkeit des Patentschutz in einem Land bzw. für ein von Solvay vertriebenes Produkt mit einem erheblichen Umsatzvolumen kann nachteilig für die Erträge von Solvay sein. In den Chemie- und Kunststoffindustrien ist das bei Solvay vorhandene technische Knowhow hinsichtlich der Herstellungsprozesse allerdings oft ein werthaltiger Ersatz für etwaigen Patentschutz.
- Bedeutende Produktinnovationen oder die Verstärkung des Preiswettbewerbs durch die Wettbewerber können das Betriebsergebnis von Solvay bei einigen seiner Spezial- oder Hauptprodukte beeinträchtigen.
- Sollte es nicht gelingen, bestehende und neu erworbene Geschäftsbereiche zu integrieren, kann dies nachteilige Auswirkungen auf das Betriebsergebnis von Solvay haben. Die langjährige multikulturelle Geschichte von Solvay sowie die gemischte Struktur der Geschäftsbereiche (Pharma/Chemie) haben bei Solvay die Fähigkeit

gefördert, die Integration von verschiedenen Geschäftsbereichen, Mitarbeitern und Technologien herbeizuführen.

- Die Geschäftstätigkeit von Solvay unterliegt den mit der Herstellung chemischer und pharmazeutischer Produkte verbundenen Betriebsrisiken, einschließlich den mit der Lagerung und dem Transport von Rohstoffen, Produkten und Abfällen verbundenen Risiken. Diese Betriebsrisiken können möglicherweise zu Körperverletzungen, Sachschaden und Umweltverschmutzungen sowie zur Schließung der betroffenen Niederlassungen/Werke oder einer Unterbrechung der Geschäftstätigkeit sowie zu zivil- oder strafrechtlichen Sanktionen führen und somit die Reputation von Solvay negativ beeinflussen.
- Solvay bemüht sich darum, sich gegen vorhersehbare und versicherungsfähige Risiken mit entsprechenden Versicherungen zu schützen. Dieser Versicherungsschutz kann jedoch unter Umständen nicht sämtliche Risiken, denen die Gesellschaft ausgesetzt ist, abdecken.
- Solvay ist im Rahmen seiner Geschäftstätigkeit in den Bereichen Pharma und Chemie einem Devisenrisiko ausgesetzt. Fluktuationen bei Währungen in Ländern außerhalb des Euro-Raumes, insbesondere beim US-Dollar, können die Erträge und das Betriebsergebnis von Solvay erheblich beeinflussen. Solvay beobachtet die Devisenmärkte sehr sorgfältig und nimmt Hedging-Maßnahmen vor, wann immer diese geeignet erscheinen.
- Solvay kann nicht garantieren, dass zukünftige Ausgaben oder Bareinlagen, die im Rahmen der gegenwärtigen oder zukünftigen Finanzierung von Pensionsverpflichtungen erforderlich werden, keinerlei negative Auswirkungen auf die finanzielle Situation oder das Betriebsergebnis von Solvay haben werden. Solvay strebt danach, sein leistungsorientiertes Pensionsschema zu Pensionsschemen mit einem geringeren Risiko für das Unternehmen umzuwandeln, d.h. Mischformen, Cash-Balance-Plans, Programme mit festgelegten Beiträgen. Während der letzten zwei Jahre wurden die großen leistungsorientierten Pensionsregelungen in fünf Ländern (Deutschland, den Niederlanden, dem Vereinigten Königreich, den USA und Belgien), die mehr als 80% der Pensionsverpflichtungen des Konzerns nach IFRS ausmachen, anhand der vorstehenden Grundsätze überprüft.

Zusätzlich zu den vorstehend beschriebenen Risiken können weitere Risiken für den Geschäftsbetrieb von Solvay bestehen, die Solvay gegenwärtig nicht bekannt sind oder die sie zum Zeitpunkt der Veröffentlichung dieses Prospekts für irrelevant hält.

Wesentliche mit den Schuldverschreibungen verbundene Risiken

Eine Anlage in die Schuldverschreibungen unterliegt gewissen Risiken, die für die Bewertung der mit den Schuldverschreibungen verbundenen Marktrisiken wesentlich sind. Auch wenn sämtliche dieser Risikofaktoren Eventualitäten sind, d.h. sich verwirklichen können oder nicht, sollten potentielle Anleger sich bewusst sein, dass die mit der Anlage in die Schuldverschreibungen verbundenen Risiken zu einer Volatilität und/oder Verringerung des Marktpreises der Schuldverschreibungen führen können, und der Marktpreis hinter den (finanziellen oder sonstigen) Erwartungen eines Anlegers zurück bleiben kann, die dieser zum Zeitpunkt der Anlage in die Schuldverschreibungen hatte.

Darüber hinaus sind einige andere Faktoren für die Bewertung der mit den Schuldverschreibungen verbundenen Risiken wesentlich, einschließlich folgenden:

- (i) das Fälligkeitsdatum der Schuldverschreibungen ist der 2. Juni 2104; die Emittentin ist nicht verpflichtet, die Schuldverschreibungen zu irgendeinem früheren Zeitpunkt zurück zu zahlen (es sei denn, dies geschieht aus bestimmten steuerlichen Gründen) und die Inhaber der Schuldverschreibungen sind nicht berechtigt, eine solche vorzeitige Rückzahlung zu verlangen (es sei denn, unter bestimmten Umständen, wie im Falle einer Liquidierung der Emittentin oder der Garantin);

- (ii) die Schuldverschreibungen können nach Wahl der Emittentin unter bestimmten Umständen zurückgezahlt werden und es gibt keinerlei Gewissheit, dass die Inhaber der Schuldverschreibungen zum betreffenden Zeitpunkt die Möglichkeit haben werden, die bei Rückzahlung erhaltenen Beträge zu einem Zinssatz zu reinvestieren, der denselben Ertrag erbringt wie ihre Anlage in die Schuldverschreibungen;
- (iii) die Emittentin kann nach ihrer Wahl beschließen, keine Zinsen auf die Schuldverschreibungen zu zahlen;
- (iv) etwaige Zinsbeträge, die an einem Zinszahlungstag nicht gezahlt wurden, werden aufgeschoben und sind nur zahlbar (i) bei Eintritt bestimmter Ereignisse oder wenn die Emittentin beschließt, dass sie diese Beträge zahlt und (ii) wenn ein alternatives Verfahren zur Befriedigung der Zinsscheine, das von der Garantin in Gang zu setzen wäre, erfolgreich ist, was nicht unbedingt der Fall sein muss;
- (v) die Schuldverschreibungen sind tief nachrangige Verbindlichkeiten, welche die im tiefsten Rang stehenden Schuldtitel der Emittentin darstellen; im Falle einer Liquidation gehen die Verpflichtungen der Emittentin aus den Schuldverschreibungen lediglich etwaigen Zahlungsverpflichtungen gegenüber den Inhabern von Eigenkapitalwertpapieren vor;
- (vi) Ansprüche im Hinblick auf die Nachrangige Garantie sind nachrangig gegenüber den Rechten und Ansprüchen sämtlicher Gläubiger der Garantin; die Verpflichtungen der Garantin aus den Schuldverschreibungen gehen lediglich etwaigen Zahlungsverpflichtungen gegenüber den Inhabern von Eigenkapitalwertpapieren vor;
- (vii) die Inhaber der Schuldverschreibungen können weniger als den Nennbetrag der Schuldverschreibungen erhalten und den gesamten Gegenwert ihrer Anlage verlieren;
- (viii) eine Beschränkung der von der Emittentin oder der Garantin zu begebenden oder zu garantierenden Verbindlichkeiten gibt es nicht;
- (ix) gegenwärtig gibt es keinen Markt für die Schuldverschreibungen und es gibt keinerlei Gewissheit, dass sich einer solcher Markt entwickeln wird; und
- (x) der effektive Ertrag eines Inhabers von Schuldverschreibungen aus den Schuldverschreibungen kann durch die steuerliche Belastung dieses Inhabers von Schuldverschreibungen im Hinblick auf seine Anlage in die Schuldverschreibungen verringert werden.

Dennoch muss jeder potentielle Anleger in die Schuldverschreibungen anhand seiner eigenen unabhängigen Überprüfung und dem von ihm unter den gegebenen Umständen als erforderlich erachteten und eingeholten professionellen Rat feststellen, ob der Erwerb der Schuldverschreibungen mit seinen finanziellen Bedürfnissen, Zielen und Situation voll vereinbar ist sowie sämtlichen Anlagerichtlinien, -grundsätzen und -beschränkungen, die für den potentiellen Anleger gelten, entspricht und trotz der klaren und nicht unerheblichen Risiken, die mit der Anlage in oder dem Halten der Schuldverschreibungen verbunden sind, die richtige, geeignete und angemessene Anlage für den potentiellen Anleger ist.

Im nachfolgenden Abschnitt "Risikofaktoren" ist eine detaillierte Beschreibung der mit einer Anlage in die Schuldverschreibungen verbundenen Risiken enthalten.

SPANISH TRANSLATION OF THE SUMMARY

RESUMEN

Este resumen debe leerse como una introducción al Folleto, elaborado por el Emisor y el Garante en relación con la emisión de Bonos Altamente Subordinados de Tipo Fijo a Variable con vencimiento en 2104 por importe de 500.000.000 euros (en lo sucesivo, los “Bonos”). Toda decisión de invertir en los Bonos debe basarse en un análisis previo del Folleto en su conjunto, incluidos los documentos que incorpora por referencia. Ni este resumen ni su traducción acarrearán ninguna responsabilidad civil para el Emisor o el Garante en ningún Estado miembro del Espacio Económico Europeo en cuyo ordenamiento jurídico hayan sido transpuestas las correspondientes disposiciones de la Directiva sobre Folletos, a menos que este resumen resulte engañoso, inexacto o incoherente al ser leído junto con las demás partes del Folleto. Cuando se presente una demanda relacionada con la información contenida en el Folleto ante un tribunal de uno de los Estados miembros del Espacio Económico Europeo, el demandante podrá ser obligado, con arreglo a la legislación nacional del Estado miembro donde se interponga la demanda, a asumir los costes de traducción del Folleto antes del inicio de los procedimientos judiciales.

Los términos y expresiones definidos en el Folleto, incluidos los documentos que incorpora por referencia, tendrán el mismo significado en el presente resumen.

Características Esenciales Del Garante

Solvay – un Grupo químico y farmacéutico internacional

Solvay SA, fundada en 1863, es la sociedad matriz del grupo farmacéutico y químico internacional formado junto con sus asociadas, con sede en Bruselas (Bélgica) y con domicilio social en 33, rue du Prince Albert B-1050 Bruselas.

Actualmente, el 85 por ciento³⁵ del volumen de negocio se refiere a productos en los que el Grupo es uno de los principales productores mundiales y aproximadamente dos tercios de sus resultados se derivan del negocio farmacéutico y de especialidades.

En 2005, las ventas consolidadas ascendieron a 8.600 millones de euros. Con más de 400 centros en 50 países, Solvay emplea a unas 28.730 personas, de las que 2.650 se dedican a la investigación.

De las ventas mundiales del Grupo en 2005, el 56 por ciento se generaron en Europa, el 34 por ciento en América, el 7 por ciento en Asia-Pacífico y el 3 por ciento en el resto del mundo. La diversificación geográfica se está acelerando con nuevos proyectos en Europa Central, Rusia, China y América.

El Grupo Solvay está presente en tres sectores:

- **Sector Farmacéutico:** el negocio farmacéutico internacional del Grupo SOLVAY está formado por un grupo de sociedades orientadas a la investigación. Su objetivo es cubrir necesidades médicas no satisfechas y cuidadosamente seleccionadas en las áreas terapéuticas de psiquiatría, cardiología, vacunas contra la gripe, encimas pancreáticas, gastroenterología y salud del hombre y de la mujer. El sector farmacéutico de Solvay dedica más del 15 por ciento de sus ingresos por ventas a la investigación.

³⁵ Fuente: Solvay, cálculo interno basado en datos públicamente disponibles en fuentes externas, principalmente IMS, Harriman Chemsult, CMAI, SRI.

- **Sector Químico:** su cartera está integrada por el segmento de “Minerales” (carbonato sódico y derivados, carbonatos de bario y estroncio, y carbonato de calcio precipitado), el segmento de “Electroquímica y Flúor” (sosa cáustica, productos fluorados), el segmento de “Oxígeno” (peróxido de hidrógeno, detergentes y caprolactonas) y una nueva Unidad de Negocio Estratégico, “Soluciones Moleculares”.
- **Sector Plásticos:** este sector se caracteriza por el desarrollo del segmento de Especialidades: Polímeros Especiales y "Inergy Automotive Systems", una joint venture al 50/50 con Plastic Omnium en sistemas de carburantes para automóviles; y también un fuerte liderazgo, crecimiento estratégico y mejora continua de la competitividad siguen siendo las prioridades del segmento de Materias Plásticas (PVC y sistemas de canalización (Pipelife, joint venture con Wienerberger)).

El Grupo Solvay persigue una estrategia de crecimiento sostenible y rentable en estos tres sectores y considera que la innovación es la piedra angular del crecimiento y de la competitividad.

En 2005, Solvay adquirió el grupo farmacéutico francés Fournier Pharma por 1.200 millones de euros.

Se han adoptado iniciativas estratégicas decisivas en el sector de Especialidades y, en particular, en Polímeros Especiales, que contribuyen actualmente de forma importante a los resultados del Grupo, ofreciendo nueva presencia en mercados de rápido crecimiento con alto valor añadido.

Los productos esenciales del Grupo (carbonato de sodio, peróxido de hidrógeno, sosa cáustica, PVC, etc.), con una gama de aplicaciones en la vida cotidiana, están cubriendo con éxito el desafío de ganar y mantener el liderazgo en sus distintos mercados.

Solvay cotiza en el mercado Euronext de Bruselas y forma parte del índice Euronext 100. Su dividendo repartido ha crecido en un 18 por ciento entre 2000 y 2005, y no se ha reducido durante casi 25 años. Solvac S.A. (en lo sucesivo, “Solvac”), que cotiza en el mercado Euronext de Bruselas, posee el 27 por ciento de la totalidad de las acciones de Solvay y el capital flotante es del 73%.

Resumen de los datos financieros del Grupo (<i>Cifras consolidadas – millones de EUR</i>)				
	IFRS			
	2002	2003	2004 ³⁶	2005
Ventas	7.919	7.557	7.271	8.562
REBIT ³⁷	844	673	741	912
Resultado neto	494	430	541	816
Amortización y Depreciación Total	554	429	449	464
Flujos de caja	1.048	859	990	1.280
Gastos de capital y adquisiciones	645	555	564	1.930

³⁶ Cifras reformuladas.

³⁷ REBIT = EBIT recurrente.

Inversión en investigación	399	404	408	472
Recursos propios totales	3.542	3.510	3.792	3.920
Deuda neta	1.318	1.120	795	1.680
Trabajadores ³⁸	30.302	30.139	26.926	28.730

Características esenciales del Emisor

Solvay Finance es una filial propiedad al cien por cien de Solvay SA constituida el 24 de febrero de 2006 con domicilio social en 12 Cours Albert 1er 75008 París.

El objetivo para el que se constituyó Solvay Finance es participar, en Francia y en el extranjero, directa o indirectamente, de cualquier forma, en todo tipo de operaciones inmobiliarias, industriales, comerciales o financieras relativas a (i) la industria química y del plástico en general, (ii) el procesamiento de los productos antes mencionados y (iii) la salud humana en general y más específicamente (iv) las actividades del Grupo Solvay.

Las actividades antes mencionadas incluyen, a título meramente enunciativo y no limitativo:

- (i) la constitución de sociedades, asociaciones, uniones o consorcios o la tenencia de participaciones en dichos negocios.
- (ii) suscribir o adquirir, poseer, disponer y negociar acciones, obligaciones y otros valores de capital o de deuda de todo tipo; y participar en los mercados monetarios y financieros en beneficio del Grupo Solvay.

Características esenciales de los Bonos y de la Garantía Subordinada:

Emisor: Solvay Finance

Garante: Solvay SA

Descripción: 500.000.000 euros en Bonos Altamente Subordinados de Tipo Fijo a Variable con vencimiento en 2104 (en lo sucesivo, los “**Bonos**”) irrevocablemente garantizados con carácter subordinado por Solvay SA

Asesor de estructuración y bookrunner conjunto: Deutsche Bank AG, Sucursal de Londres

Bookrunners conjuntos: BNP Paribas y Citigroup Global Markets Limited

Entidades Co-Director: Fortis Banque S.A., HSBC France, Société Générale and The Royal Bank of Scotland plc

Importe: 500.000.000 euros

Precio de emisión: 99,316 por ciento.

³⁸ Trabajadores a jornada completa o equivalente a 1 de enero del siguiente año.

Agente Fiscal, Agente de Pagos de Principal y Agente de Cálculo:	Deutsche Bank AG, Sucursal de Londres
Agente de Pagos de Luxemburgo:	Deutsche Bank Luxembourg S.A.
Agente de Cotización en Luxemburgo:	Deutsche Bank Luxembourg S.A.
Método de emisión:	Los Bonos se emitirán con carácter sindicado
Fecha de emisión:	2 de junio de 2006
Vencimiento:	2 de junio de 2104
Moneda:	Euro
Denominación:	Los Bonos se emitirán en denominaciones de 1.000 euros
Rango de los Bonos:	Los Bonos (que constituyen obligaciones) son bonos altamente subordinados. Las disposiciones sobre la subordinación de los Bonos se regulan por lo previsto en el artículo L. 228-97 del Código de Comercio francés. El principal e intereses de los Bonos constituyen obligaciones directas, incondicionales, no garantizadas y altamente subordinadas del Emisor y tendrán idéntico rango entre sí y con todos los demás Valores Paritarios (Parity Securities) presentes y futuros del Emisor, pero estarán subordinados a los titres participatifs (títulos participativos) emitidos por el Emisor y a los prêts participatifs (préstamos participativos) concedidos al Emisor, a las Obligaciones Subordinadas Ordinarias y a las Obligaciones no Subordinadas del Emisor o emitidas por éste. Los Bonos tendrán preferencia sobre cualesquiera Valores Junior (Junior Securities) y cualesquiera clases de Valores representativos del Capital Social (Share Capital Securities) emitidos por el Emisor.
Rango de la Garantía Subordinada:	El Garante ha garantizado de forma irrevocable, mediante la garantía, con carácter subordinado, el pago puntual de todas las cantidades que deba abonar en cada momento el Emisor en virtud de los Bonos. Las obligaciones del Garante en virtud de la Garantía Subordinada constituyen obligaciones directas, no garantizadas y subordinadas del Garante y tendrán idéntico rango entre sí y con todos los demás Valores Paritarios (Parity Securities) presentes y futuros del Garante, pero estarán subordinadas a las Obligaciones Subordinadas Ordinarias y a las Obligaciones no Subordinadas del Garante o emitidas por éste. Las obligaciones del Garante en virtud de la Garantía Subordinada tendrán preferencia sobre cualesquiera Valores Junior (Junior Securities) y cualesquiera clases de Valores representativos del Capital Social (Share Capital Securities) emitidos por el Garante.
Aplicación de los fondos:	Los fondos netos procedentes de la emisión de los Bonos se destinarán a reforzar la estructura del balance del Garante, después de la adquisición de Fournier. Los fondos también contribuirán a reembolsar la emisión de bonos de 700 millones de euros del Garante con vencimiento en julio de 2006.
Compromiso de no gravar:	No existe compromiso de no gravar (negative pledge) con respecto a los Bonos.

Supuesto de incumplimiento:	No existen supuestos de incumplimiento (event of default) en relación con los Bonos.
Reembolso opcional / Reembolso anticipado:	<p>Los Bonos podrán ser reembolsados (total pero no parcialmente) por su nominal junto con los importes pendientes, el 2 de junio de 2016 y en cualquier Fecha de Pago de Intereses posterior, a opción del Emisor.</p> <p>El Emisor tendrá también el derecho (y en ciertas circunstancias la obligación) de reembolsar los Bonos (total pero no parcialmente) al Importe de Reembolso Anticipado por determinados motivos fiscales.</p>
Régimen fiscal:	<p>Una vez emitidos, los Bonos disfrutarán de una exención a la retención fiscal en origen francesa. Si la ley francesa exigiera que se practicara dicha retención, el Emisor abonará un importe adicional, en la medida que lo permita la ley francesa y con sujeción a determinadas excepciones.</p> <p>Los pagos en virtud de la Garantía Subordinada no estarán sujetos a retención fiscal en origen. El Garante abonará un importe adicional en el caso de que hubiera de practicarse dicha retención.</p>
Intereses:	<p>Los Bonos devengarán intereses (i) al tipo del 6,375 por ciento anual, desde la Fecha de Emisión (inclusive) hasta el 2 de junio de 2016 (exclusive), pagaderos por anualidades vencidas el 2 de junio de cada año; y (ii) posteriormente, al EURIBOR a tres meses más el 3,35 por ciento anual, pagaderos por trimestres vencidos el 2 de marzo, 2 de junio, 2 de septiembre y 2 de diciembre de cada año.</p> <p>El Emisor podrá optar por no abonar intereses por los Bonos, en cuyo caso dichos intereses se diferirán y constituirán “Importes Pendientes”. Los Importes Pendientes devengarán intereses al tipo de interés entonces aplicable a los Bonos. Los Importes Pendientes y los intereses que éstos devenguen se abonarán cuando se produzca un Supuesto de Pago de los Importes Pendientes (tal como se define dicha expresión en el apartado “Términos y condiciones de los Bonos – Definiciones”) o si el Emisor así lo decide. En tal caso, el Garante iniciará el mecanismo de pago de cupón alternativo (en lo sucesivo, “MPCA”) (i) emitiendo y/o vendiendo o haciendo que el Emisor emita y/o venda acciones ordinarias hasta un máximo del 2 por ciento del total del capital social emitido en circulación del Garante (dicho máximo no se aplicará si el Garante ejerce el MPCA en relación con Importes Pendientes que han sido diferidos por un período inferior a 12 meses) y/o (ii) emitiendo, o haciendo que el Emisor emita determinados valores por un importe máximo total de hasta el 25 por ciento del importe principal total de los Bonos. Si en los 12 meses siguientes al Supuesto de Pago de Importes Pendientes, el Garante no obtiene, o no consigue que el Emisor obtenga, fondos mediante el MPCA que sean al menos equivalentes a los Importes Pendientes y los intereses devengados sobre los mismos, los derechos de los titulares de los Bonos sobre la diferencia quedarán cancelados y el impago de dicha diferencia por el Emisor no constituirá un incumplimiento.</p>
Representación de los Titulares de	El Emisor o los titulares de los bonos que posean al menos el 10 por ciento del principal de los Bonos en circulación en un momento dado podrán convocar en

los Bonos:	cualquier momento una junta de bonistas con objeto de deliberar sobre cualquier cuestión que afecte a sus intereses. En dichas juntas se requerirá el quórum que se indique para cada cuestión objeto de deliberación y los acuerdos debidamente adoptados serán vinculantes para todos los titulares de los bonos, con independencia de que estuvieran o no presentes en la junta.
Restricciones de venta:	Los Bonos no se han registrado ni se registrarán con arreglo a la Securities Act (Ley de Valores) estadounidense y sólo se ofrecen y venden fuera de Estados Unidos con arreglo al Reglamento S de dicha ley. Existen restricciones de venta en relación con diversas jurisdicciones.
Forma de los Bonos:	Al haber sido autorizados para su emisión como “obligaciones” conforme a los requisitos de la ley francesa, los Bonos se emiten al portador. Los Bonos se representarán inicialmente mediante un bono global temporal (en lo sucesivo, el “Bono Global Temporal”) depositado con un depositario común. El Bono Global Temporal será canjeable total o parcialmente por un bono global definitivo (en lo sucesivo, el “Bono Global Definitivo”), en una fecha no anterior a 40 días a partir de la fecha de emisión de los Bonos.
Liquidación y compensación:	Los Bonos han sido aceptados para su liquidación a través de Euroclear y Clearstream, Luxembourg con el número de Código Común 025480821. El Número internacional de identificación de valores (ISIN; International Securities Identification Number) correspondiente a los Bonos es XS0254808214. El depositario común para Euroclear Bank, S.A./N.V. como operador de Euroclear y Clearstream, Luxemburgo, será Deutsche Bank AG, Sucursal de Londres, cuyo domicilio es Winchester House, 1 Great Winchester Street, Londres EC2N 2DB, Reino Unido.
Admisión a cotización:	Se ha solicitado a la Bolsa de Luxemburgo que los Bonos sean listados y admitidos a negociación en el mercado regulado de la Bolsa de Luxemburgo.
Derecho aplicable:	<p>Los Bonos y todas las cuestiones relacionadas con los mismos se registrarán e interpretarán con arreglo a la legislación inglesa, si bien las disposiciones sobre subordinación de los Bonos se registrarán e interpretarán con arreglo a la legislación francesa.</p> <p>La Garantía Subordinada y todas las cuestiones relacionadas con la misma se registrarán e interpretarán con arreglo a la legislación inglesa, si bien las disposiciones sobre subordinación de la Garantía Subordinada se registrarán e interpretarán con arreglo a la legislación belga.</p>
Calificación crediticia:	Se prevé que los Bonos obtengan una calificación crediticia de Baa1 de Moody's Investors Services, Inc. y de BBB+ de Standard & Poor's Ratings Services. Dichas calificaciones se indicarán en la Notificación. Una calificación no constituye una recomendación de comprar, vender o mantener los Bonos y puede ser objeto de revisión, suspensión, reducción o retirada en cualquier momento por la correspondiente agencia de calificación crediticia.
Riesgos fundamentales asociados al Emisor	

Dado que el Emisor es un vehículo de finalidad específica (*special purpose vehicle*) dedicado a la emisión de los Bonos y no lleva a cabo actividades industriales o comerciales, su capacidad para cumplir sus obligaciones derivadas de los Bonos depende esencialmente del apoyo financiero que el Garante ofrecerá al Emisor como su accionista único.

Riesgos fundamentales asociados al Garante

Las actividades empresariales de Solvay suponen los siguientes riesgos principales:

- Algunos de los mercados en los que opera Solvay son cíclicos (véanse los detalles en el apartado sobre factores de riesgo). Los períodos bajos del ciclo de negocio se caracterizan por una disminución de los precios y un exceso de capacidad. Para reducir el impacto de las fluctuaciones cíclicas en sus márgenes de explotación, Solvay aplica una estrategia de mejoras competitivas y diversificación geográfica.
- Los resultados de explotación de Solvay dependen significativamente del desarrollo de nuevos productos y tecnologías de producción comercialmente viables. Si Solvay no consigue desarrollar nuevos productos y procesos de producción en el futuro, su posición competitiva y sus resultados de explotación se verán perjudicados.
- Aunque Solvay ha adoptado medidas al respecto, la evolución de los regímenes regulados (por ejemplo, REACH para los productos químicos o el control de precios para los medicamentos) hacia un planteamiento más estricto podría repercutir en el desarrollo de productos o restringir la comercialización y las ventas.
- Una variación significativa de los costes o la disponibilidad de las materias primas y la energía necesarias para la fabricación de algunos de sus productos podría reducir los resultados de explotación de Solvay. Aunque Solvay lleva a cabo actividades industriales energéticamente intensas, también tiene una serie de actividades industriales que no son tan energéticamente intensas. Además, Solvay ha celebrado contratos a medio y largo plazo, ha diversificado sus fuentes de energías primarias y ha desarrollado plantas de cogeneración. Además, algunos de sus negocios están integrados en términos de materias primas.
- Acontecimientos imprevistos, como por ejemplo problemas de producción, cierres imprevistos o pérdida de suministros, podrían afectar desfavorablemente la capacidad de algunas instalaciones importantes o la fabricación de algunos productos importantes y conllevar una reducción de las ventas.
- Solvay es parte en algunos procedimientos judiciales y puede llegar a ser parte en otros: cada uno de ellos podría suponer reclamaciones significativas de daños u otros pagos o podría conllevar un descenso de los ingresos por ventas. Solvay es o puede llegar a ser parte en demandas, litigios y procedimientos administrativos relativos a responsabilidad por productos defectuosos y cuestiones de salud, seguridad, regulatorias y medioambientales. Un resultado desfavorable de tales procedimientos podría tener una repercusión negativa significativa sobre los resultados de explotación y el prestigio de Solvay.

- La pérdida o anulación de la protección por patente en un país y para un producto vendido por Solvay en un volumen considerable podría perjudicar los ingresos de Solvay. No obstante, en las industrias de productos químicos y plásticos, el know-how tecnológico de Solvay sobre sus procesos de producción es frecuentemente un buen sustituto de la protección por patente.
- Unas innovaciones de producto significativas o la intensificación de la competencia en precios por los competidores podría perjudicar los resultados de explotación de Solvay en algunos de sus productos especiales o esenciales.
- La falta de integración efectiva de los negocios existente y los recientemente adquiridos podría repercutir de modo negativo sobre los resultados de explotación de Solvay. La prolongada historia multicultural de Solvay junto con su naturaleza híbrida (farmacéutica/química) refuerza su capacidad para gestionar dicha integración de actividades, personal y tecnologías.
- Las actividades de Solvay están sujetas a los riesgos operativos asociados con la producción farmacéutica y química, incluidos los riesgos inherentes al almacenamiento y transporte de materias primas, productos y residuos. Estos riesgos operativos pueden ocasionar daños personales, daños materiales y contaminación medioambiental, y pueden dar lugar al cierre de las instalaciones afectadas, a la paralización del negocio y a la imposición de sanciones civiles o penales, afectando negativamente el prestigio de Solvay.
- Solvay persigue cubrir los riesgos previsibles y asegurables mediante seguros. No obstante, dichos seguros pueden no cubrir plenamente los riesgos a los que está expuesta la sociedad.
- Solvay está expuesta a riesgos de diferencias de cambio en el desarrollo de sus actividades farmacéuticas y químicas. Las fluctuaciones de monedas no pertenecientes a la zona euro, especialmente el dólar estadounidense (USD), pueden afectar significativamente a los ingresos y resultados de explotación de Solvay. Solvay sigue estrechamente el mercado de divisas y adopta medidas de cobertura cuando procede.
- Solvay no puede asegurar que los gastos o aportaciones en efectivo que en el futuro puedan resultar necesarios en virtud de las obligaciones de financiación de pensiones presentes o futuras no tendrán un efecto adverso significativo sobre la situación financiera y los resultados de explotación de Solvay. Solvay persigue transformar sus planes de pensiones de prestaciones definidas en planes de pensiones con un perfil de riesgo inferior, por ejemplo, planes híbridos, planes de balance en efectivo, planes de aportaciones definidas. En los dos últimos años, se han revisado conforme a estos principios grandes planes de pensiones de prestaciones definidas en cinco países (Alemania, Países Bajos, Reino Unido, Estados Unidos y Bélgica), que representan más del 80% de las obligaciones por pensiones IFRS del Grupo.

Además de los riesgos antes descritos, podrían existir otros riesgos para sus actividades que Solvay desconozca actualmente o considere insignificantes en la fecha de emisión de este folleto.

Riesgos fundamentales asociados con los Bonos

Una inversión en los Bonos entraña ciertos riesgos que son relevantes para evaluar los riesgos de mercado asociados con los Bonos. Aunque todos estos factores de riesgo son contingencias que pueden suceder o no, los inversores potenciales deben tener en cuenta que los riesgos de invertir en los Bonos pueden ocasionar una volatilidad y/o una reducción del valor de mercado de los Bonos, de modo que éste sea inferior a las expectativas (financieras o de otro tipo) de un inversor al realizar la inversión en los Bonos.

Además, existen algunos otros factores relevantes para evaluar los riesgos relativos a los Bonos, incluidos los siguientes:

- (i) la fecha de vencimiento de los Bonos es el 2 de junio de 2104; el Emisor no está obligado a reembolsar los Bonos antes de esa fecha (salvo por ciertos motivos fiscales) y los titulares de los Bonos no tienen derecho a solicitar su reembolso anticipado (salvo en determinadas circunstancias limitadas como la liquidación del Emisor o del Garante);
- (ii) los Bonos podrán ser reembolsados a opción del Emisor en determinadas circunstancias y no cabe garantizar que, en el momento pertinente, los titulares de los Bonos puedan reinvertir las cantidades recibidas por el reembolso a un tipo que ofrezca la misma rentabilidad que su inversión en los Bonos;
- (iii) el Emisor podrá optar por no pagar intereses sobre los Bonos;
- (iv) los intereses no pagados en una Fecha de Pago de Intereses se diferirán y sólo serán pagaderos (i) cuando tengan lugar determinados supuestos o el Emisor decida pagar tales importes, y (ii) si prospera un mecanismo de pago de cupón alternativo, que puede no tener éxito.
- (v) los Bonos son Obligaciones Altamente Subordinadas, que son los instrumentos de deuda de rango inferior del Emisor; en caso de liquidación, las obligaciones del Emisor derivadas de los Bonos sólo tendrán prioridad sobre los pagos a los titulares de los valores representativos del capital social (equity securities);
- (vi) las reclamaciones en virtud de la Garantía Subordinada tendrán un rango inferior a los derechos y reclamaciones de todos los acreedores del Garante; las obligaciones del Garante derivadas los Bonos sólo tendrán prioridad sobre los pagos a los titulares de los valores representativos del capital social (equity securities);
- (vii) los titulares de los Bonos pueden percibir una cantidad inferior a su valor nominal y pueden sufrir la pérdida de la totalidad de su inversión;
- (viii) no existen restricciones a la cuantía de la deuda que el Emisor y el Garante pueden emitir o garantizar;
- (ix) actualmente no existe un mercado para los Bonos y no cabe garantizar que se desarrollará un mercado para los Bonos; y
- (x) el rendimiento efectivo de los Bonos para su titular puede verse disminuido por el impacto fiscal que para cada titular puede tener la inversión en los Bonos.

No obstante, los inversores potenciales en los Bonos deberán determinar, basándose en su propio análisis independiente y en el asesoramiento profesional que consideren oportuno a la vista de las circunstancias, que la adquisición de los Bonos es plenamente coherente con sus necesidades, objetivos y situación financieras, que cumple y es plenamente conforme con todas las políticas, directrices y restricciones de inversión que les son aplicables, y constituye una inversión adecuada e idónea para ellos, pese a los riesgos claros y significativos inherentes a invertir o poseer los Bonos.

Véase además el apartado “Factores de Riesgo” más adelante para una descripción más detallada de los factores de riesgo relativos a una inversión en los Bonos.

DUTCH TRANSLATION OF THE SUMMARY

SAMENVATTING

*Dit overzicht moet worden gelezen als inleiding tot de Prospectus die is opgesteld door de Emittent en de Garant in verband met de emissie van maximaal Euro 500.000.000 Deeply Subordinated Fixed to Floating Rate Bonds (Ver Achtergestelde Vast- of Variabelrentedragende Obligaties), vervallende in 2104 ("**Obligaties**"). Alvorens te beslissen om in de Obligaties te beleggen, dient men kennis te nemen van de Prospectus in zijn geheel, d.w.z. met inbegrip van de documenten waarnaar in de Prospectus wordt verwezen en die daardoor deel uitmaken van de Prospectus. Ingevolge de invoering van de toepasselijke bepalingen van de Prospectus Richtlijn in elke Lidstaat van de Europese Economische Ruimte zijn de Emittent noch de Garant in enige Lidstaat aansprakelijk voor de inhoud van deze samenvatting, met inbegrip van de vertaling ervan, tenzij de samenvatting misleidend, onnauwkeurig of inconsistent is in samenlezing met de Prospectus. Indien er een rechtszaak met betrekking tot in de Prospectus vervatte informatie wordt aangespannen in een Lidstaat van de Europese Economische Ruimte, is het mogelijk dat de nationale wetgeving van de Lidstaat waar de zaak wordt aangespannen, vereist dat de eiser de Prospectus laat vertalen op zijn kosten alvorens de rechtszaak een aanvang neemt.*

De woorden en uitdrukkingen die gedefinieerd zijn in de Prospectus, met inbegrip van de documenten die door verwijzing deel uitmaken van de Prospectus, worden geacht dezelfde betekenis te hebben in deze samenvatting.

Essentiële kenmerken van de Garant

Solvay – een internationale Chemische en Farmaceutische Groep

Solvay SA, opgericht in 1863, is de moedermaatschappij van een aantal dochtermaatschappijen waarmee zij samen een internationale farmaceutische en chemische groep vormt. Het hoofdkantoor van de onderneming is gevestigd in Brussel (België). De maatschappelijke zetel bevindt zich op het adres Prins Albertstraat 33, B-1050 Brussel.

Op dit moment bestaat de omzet³⁹ voor 85% uit producten waarvan de Groep een van de leidende producenten ter wereld is en bijna tweederde van het resultaat wordt ontleend aan Farmaceutica en Gespecialiseerde Producten.

In 2005 bedroeg de geconsolideerde omzet Euro 8,6 miljard. Met meer dan 400 fabrieken in 50 landen heeft Solvay circa 28.730 medewerkers in dienst – van wie er 2.650 actief zijn in onderzoek.

Van de wereldwijde verkoop van de Groep in 2005 werd 56 procent gegenereerd in Europa, 34 procent in Noord- en Zuid-Amerika, 7 procent in de regio Azië-Stille Oceaan en 3 procent in de rest van de wereld. De geografische spreiding wint aan tempo, met nieuwe projecten in Centraal-Europa, Rusland, China en Noord- en Zuid-Amerika.

De Solvay-Groep is in drie sectoren actief:

- **Farmaceutische Producten:** is een groep op basis van onderzoek opererende ondernemingen die de wereldwijde farmaceutische divisie van de Solvay-Groep vormt. Het onderzoek richt zich op de vervulling van zorgvuldig geselecteerde medische behoeften op het gebied van neurowetenschap, cardiometabolisme, griepvaccins, pancreatische enzymen, gastro-enterologie en de gezondheid van mannen en vrouwen in het algemeen. De sector Farmaceutische Producten van Solvay besteedt meer dan 15 procent van zijn omzet aan onderzoek.
- **Chemie:** de portefeuille van deze divisie bestaat uit de cluster "mineralen" (natriumcarbonaat en verwante producten, barium- en strontiumcarbonaten en gecondenseerd calciumcarbonaat), de cluster "elektrochemie en

³⁹ Bron: Solvay, Interne calculatie op basis van openbare gegevens van externe bronnen zoals vooral IMS, Harriman Chemsult, CMAI en SRI.

fluor" (natriumhydroxide, gefluorideerde chemicaliën), de cluster "zuurstof" (waterstofperoxide, perzouten, caprolactones) en een nieuwe Strategic Business Unit "Molecular Solutions".

- **Kunststoffen:** deze sector wordt gekenmerkt door de ontwikkeling van Gespecialiseerde Producten: Speciale Polymeren en Inergy Automotive Systems, een 50/50 joint venture met Plastic Omnium voor brandstofsysteemen; sterk leiderschap, gerichte groei en voortdurende verbetering van de concurrentiekracht bleven de prioriteiten voor de cluster "Vinylproducten" (PVC, buizen en fittingen (Pipelife, een joint venture met Wienerberger)).

De Solvay-Groep blijft in zijn drie sectoren een strategie voeren die is gericht op duurzame en rendabele groei. Innovatie wordt daarbij beschouwd als de hoeksteen voor groei en concurrentiekracht.

In 2005 nam Solvay de Franse farmaceutische groep Fournier Pharma over voor Euro 1,2 miljard.

Er zijn beslissende strategische initiatieven genomen in de productgroep Gespecialiseerde Producten, vooral wat betreft de Gespecialiseerde Polymeren. Deze producten dragen thans in belangrijke mate bij aan de winst van de Groep en bieden nieuwe openingen in snel groeiende markten waarin een hoge toegevoegde waarde kan worden gerealiseerd.

De essentiële producten van de groep (natriumcarbonaat, waterstofperoxide, natriumhydroxide, PVC enz.), die veel toepassingen kennen in het dagelijkse leven, slagen er goed in het leiderschap in hun verschillende markten te veroveren en vast te houden.

Solvay heeft een notering op Euronext te Brussel en maakt deel uit van de Euronext 100 index. Het uitgekeerde dividend is tussen 2000 en 2005 met 18 procent gestegen en is al bijna 25 jaar niet verlaagd. Solvac N.V. ("Solvac" genoemd), genoteerd op Euronext Brussel, is houder van 27 procent van alle Solvay-aandelen. Het percentage vrij verhandelbare aandelen bedraagt 73.

Overzicht van de Financiële Gegevens van de Groep (<i>Geconsolideerde cijfers – in miljoen Euro</i>)				
	IFRS			
	2002	2003	2004⁴⁰	2005
Omzet	7.919	7.557	7.271	8.562
REBIT ⁴¹	844	673	741	912
Nettowinst	494	430	541	816
Afschrijvingen	554	429	449	464
Kasstroom	1.048	859	990	1.280
Kapitaaluitgaven en acquisities	645	555	564	1.930
Onderzoeksuitgaven	399	404	408	472
Eigen vermogen	3.542	3.510	3.792	3.920
Netto schuldpositie	1.318	1.120	795	1.680
Medewerkers ⁴²	30.302	30.139	26.926	28.730

Essentiële kenmerken van de Emittent

40 Herziene cijfers

41 REBIT = recurrente EBIT

42 Voltijdse equivalenten per 1 januari van het volgende jaar

Solvay Finance is een volledige dochter van Solvay SA, die werd opgericht op 24 februari 2006. De maatschappelijke zetel is gevestigd op 12 Cours Albert 1er, F-75008 Parijs.

Solvay Finance is opgericht met het doel te participeren, in Frankrijk en in het buitenland, direct of indirect, op welke wijze dan ook, in allerlei vastgoed-, industriële, commerciële of financiële transacties die in verband staan met (i) de chemische industrie en kunststoffen in het algemeen, (ii) de verwerking van de voornoemde producten, (iii) de volksgezondheid in het algemeen en meer specifiek (iv) de activiteiten van de Solvay-Groep.

Tot de voornoemde activiteiten worden onder andere gerekend:

- (i) het oprichten van ondernemingen, vennootschappen, samenwerkingsverbanden of consortia, of het aanhouden van belangen in dergelijke bedrijfsactiviteiten;
- (ii) het inschrijven op, of het op een andere wijze verwerven van, aanhouden van, vervreemden van of handelen in aandelen, obligaties of andere aandeel- of schuldbewijzen van welke soort dan ook en het opereren op monetaire en financiële markten ten voordele van de Solvay-Groep.

Essentiële kenmerken van de Obligaties en de Achtergestelde Garantie

Emittent:	Solvay Finance
Garant:	Solvay SA
Omschrijving:	Tot maximaal Euro 500.000.000 Ver Achtergestelde Vast- of Variabelrentedragende Obligaties (Deeply Subordinated Fixed to Floating Rate Bonds) van Solvay Finance, vervallende in 2104 (de "Obligaties"), onherroepelijk gegarandeerd op achtergestelde basis door Solvay SA
Structureringsadviseur en Joint Bookrunner:	Deutsche Bank AG, bijkantoor Londen
Joint Bookrunners:	BNP Paribas en Citigroup Global Markets Limited
Co-Managers	Fortis Banque S.A., HSBC France, Société Générale and The Royal Bank of Scotland plc
Bedrag:	Euro 500.000.000
Emissieprijs:	99,316 procent
Fiscaal Adviseur, Hoofdbetaalkantoor en Rekenkantoor:	Deutsche Bank AG, bijkantoor Londen
Luxemburgs Betaalkantoor:	Deutsche Bank Luxembourg S.A.
Luxemburgse Listing Agent:	Deutsche Bank Luxembourg S.A.
Emissiemethode:	De Obligaties zullen via een emissiesyndicaat uitgegeven worden
Emissiedatum:	2 juni 2006
Vervaldatum:	2 juni 2104

Valuta:	Euro
Coupures:	De Obligaties zullen worden uitgegeven in coupures van Euro 1.000.
Status van de Obligaties:	De Obligaties (die verplichtingen voorstellen) zijn ver achtergestelde obligaties. De achterstellingsbepalingen van de Obligaties vallen onder de voorschriften van Artikel L. 228-97 van de Franse Code de Commerce. De hoofdsom en rente op de Obligaties vormen directe, onvoorwaardelijke en ver achtergestelde verplichtingen van de Emittent, waarvoor geen zekerheden zijn gesteld. In rang staan zij nu en in de toekomst op gelijke voet (pari passu) met elkaar en met alle overige huidige en toekomstige Pariteiteffecten van de Emittent. Zij zullen echter achtergesteld zijn ten opzichte van titres participatifs uitgegeven door, en prêts participatifs verleend aan de Emittent, van Gewone Achtergestelde Verplichtingen en van Niet-achtergestelde Verplichtingen van of uitgegeven door de Emittent. De Obligaties hebben voorrang boven eventuele Junior Effecten en alle klassen van door de Emittent uitgegeven Kapitaalaandelen.
Status van de Achtergestelde Garantie:	De Garant heeft in de garantie onherroepelijk, op achtergestelde basis, de stipte betaling gegarandeerd van alle bedragen waarvan de Emittent heeft aangegeven dat zij onder de Obligaties van tijd tot tijd betaalbaar zijn. De verplichtingen van de Garant onder de Achtergestelde Garantie vormen directe en achtergestelde verplichtingen van de Garant, waarvoor geen zekerheden zijn gesteld. In rang staan zij nu en in de toekomst op gelijke voet (pari passu) met elkaar en met alle overige huidige en toekomstige Pariteiteffecten van de Garant. Zij zullen echter achtergesteld zijn ten opzichte van Gewone Achtergestelde Verplichtingen en van Niet-achtergestelde Verplichtingen van, of uitgegeven door, de Garant. De verplichtingen van de Garant onder de Junior Effecten hebben voorrang boven eventuele Achtergestelde Schuldbewijzen en alle klassen van door de Garant uitgegeven Kapitaalaandelen.
Aanwending van de Opbrengsten:	De netto opbrengst van de uitgifte van de Obligaties zal worden gebruikt ter versterking van de balansstructuur van de Garant, na de overname van Fournier. De fondsen zullen ook worden aangewend voor de aflossing van de door de Garant uitgeschreven obligatielening van EURO 700 miljoen die in juli 2006 afloopt.
Negatieve Pandverklaring:	Er is geen negatieve pandverklaring (negative pledge) afgelegd met betrekking tot de Obligaties.
Gevallen van Wanbetaling:	Er zijn geen gevallen van wanbetaling ten aanzien van de Obligaties.
Optionele Aflossing / Vervroegde Aflossing:	<p>De Obligaties mogen worden afgelost (geheel, maar niet gedeeltelijk) tegen hun hoofdbedrag inclusief eventuele daarop uitstaande bedragen op 2 juni 2016 en op elke Rentedatum daarna, naar keuze van de Emittent.</p> <p>De Emittent heeft ook het recht (en in bepaalde gevallen de verplichting) om op grond van bepaalde fiscale redenen de Obligaties af te lossen (geheel, maar niet gedeeltelijk) tegen het Vervroegde Aflossingsbedrag.</p>
Fiscaal Regime:	Bij uitgifte vallen de Obligaties onder de vrijstelling van afhouding van Franse voorheffing. Indien het Frans recht een dergelijke afhouding voorschrijft, zal de Emittent, voor zover wettelijk toegestaan en met inachtneming van bepaalde uitzonderingen, extra bedragen uitbetalen.

Van de betalingen uit hoofde van de Achtergestelde Garantie wordt geen voorheffing afgehouden. Als er toch een dergelijke afhouding plaatsvindt, zal de Garant extra bedragen uitbetalen.

Rente:

De Obligaties zijn rentedragend (i) tegen de vaste rentevoet van 6,375 procent per jaar, vanaf (en met inbegrip van) de Emissiedatum tot (maar met uitsluiting van) 2 juni 2016, jaarlijks achteraf betaalbaar op 2 juni van ieder jaar en (ii) daarna tegen EURIBOR op 3 maanden plus 3,35 procent per jaar, per kwartaal achteraf betaalbaar op 2 maart, 2 juni, 2 september en 2 december van ieder jaar.

De Emittent mag er, naar eigen voorkeur, voor kiezen geen rente uit te betalen met betrekking tot de Obligaties; in dat geval worden deze rentebetalingen uitgesteld en vormen zij de post "Openstaande Bedragen". Openstaande Bedragen zijn rentedragend tegen de rentevoet die op dat moment van toepassing is op de Obligaties. Openstaande Bedragen en de daarop opgebouwde rente zijn betaalbaar bij het zich voordoen van een Betaling Gebeurtenis die aanleiding geeft tot het voldoen van Openstaande Bedragen (Outstanding Amount Payment Event) (een gebeurtenis als gedefinieerd onder "Voorwaarden en Bepalingen met betrekking tot de Obligaties – Definities") of wanneer de Emittent daartoe beslist. In dat geval zal de Garant het alternatieve mechanisme om te voldoen aan de couponverplichtingen (Alternative Coupon Satisfaction Mechanism – "ACSM" genoemd) in werking stellen door (i) het uitgeven en/of verkopen van of de Emittent bewegen tot het uitgeven en/of verkopen van gewone aandelen tot maximaal 2 procent van het totale uitstaande en uitgegeven aandelenkapitaal van de Garant (dit maximumbedrag is niet van toepassing als de Garant de ACSM uitoefent met betrekking tot Uitstaande Bedragen die voor een periode van minder dan twaalf maanden zijn uitgesteld) en/of (ii) het uitgeven van, of de Emittent bewegen tot uitgifte van bepaalde, daarvoor in aanmerking komende effecten voor in totaal maximaal 25 procent van de totale hoofdsom van de Obligaties. Indien de Garant er niet in slaagt, of er niet in slaagt de Emittent daartoe te bewegen, binnen twaalf maanden nadat zich een Gebeurtenis die aanleiding geeft tot het voldoen van Openstaande Bedragen heeft voorgedaan, onder de ACSM opbrengsten te genereren die gelijk zijn aan de Openstaande Bedragen plus de daarop opgebouwde rente, zullen de aanspraken van de Obligatiehouders met betrekking tot de achterstallige bedragen komen te vervallen en zal de niet-betaling door de Emittent van deze achterstallige bedragen niet worden aangemerkt als een geval van wanbetaling.

**Vertegenwoordiging
Obligatiehouders:**

van De Emittent of Obligatiehouders die minimaal 10 procent van de hoofdsom van de op dat moment uitstaande Obligaties houden, kunnen op elk moment een vergadering van Obligatiehouders bijeenroepen teneinde alle zaken te bespreken die hun belangen raken. Voor dergelijke vergaderingen zal een quorum gelden dat met betrekking tot elke te bespreken kwestie dient te worden bepaald. Alle volgens de regels genomen beslissingen zullen voor alle Obligatiehouders bindend zijn, of zij nu wel of niet op de betreffende vergadering aanwezig waren.

Verkoopbeperkingen:

De Obligaties zijn niet en worden ook niet geregistreerd onder de Amerikaanse Effectenwet. In overeenstemming met Regulation S van deze wet worden zij alleen buiten de Verenigde Staten aangeboden en verkocht. In verscheidene jurisdicties zijn verkoopbeperkingen van toepassing.

Vorm van de Obligaties:	Aangezien onder de Franse wettelijke bepalingen toestemming is verkregen de Obligaties uit te geven als "verplichtingen", worden zij uitgegeven in de vorm van obligaties aan toonder. Belangen in de Obligaties zullen aanvankelijk worden weergegeven via een tijdelijke globale obligatie ("Tijdelijke Globale Obligatie"), gedeponneerd bij een gemeenschappelijk depositokantoor. De Tijdelijke Globale Obligatie zal ten vroegste 40 dagen na de emissiedatum van de Obligaties geheel of gedeeltelijk inwisselbaar zijn voor belangen in een permanente globale obligatie ("Permanente Globale Obligatie").
Clearing en afwikkeling:	De Obligaties zijn geaccepteerd voor clearing via Euroclear en Clearstream in Luxemburg, met het Gemeenschappelijk Codenummer (Common Codenummer) 025480821. Het internationale effectenidentificatienummer (International Securities Identification Number – ISIN) van de Obligaties is XS0254808214. Het gemeenschappelijk depositokantoor voor Euroclear Bank S.A./N.V., als de bank die de clearing via Euroclear en Clearstream Luxemburg uitvoert, zal het Londense Kantoor van Deutsche Bank AG zijn, dat gevestigd is op Winchester House, 1 Great Winchester Street, Londen EC2N 2DB, Verenigd Koninkrijk.
Notering/toegang tot de handel:	Bij de Luxemburgse Effectenbeurs is een verzoek om notering van de Obligaties ingediend, alsmede om toelating tot de verhandeling ervan op de gereguleerde markt van de Luxemburgse Effectenbeurs.
Toepasselijk Recht:	De Obligaties, en alle kwesties voortkomende uit of in verband staande met de Obligaties, vallen onder en zullen worden geïnterpreteerd in overeenstemming met het Engelse recht, met uitzondering van de achterstellingsbepalingen van de Obligaties, die vallen onder en geïnterpreteerd zullen worden in overeenstemming met het Franse recht. De Achtergestelde Garantie en alle kwesties voortkomende uit of in verband staande met de Achtergestelde Garantie vallen onder en zullen worden geïnterpreteerd in overeenstemming met het Engelse recht, met uitzondering van de achterstellingsbepalingen van de Achtergestelde Garantie, die vallen onder en geïnterpreteerd zullen worden in overeenstemming met het Belgische recht.
Rating:	Verwacht wordt dat de Obligaties van Moody's Investors Services, Inc. een rating zullen krijgen van Baal en van Standard & Poor's Ratings Services een rating van BBB+. Een rating is geen aanbeveling om Obligaties te kopen, te verkopen of aan te houden, en kan op elk moment onderhevig zijn aan herziening, opschorting, neerwaartse bijstelling of intrekking door de betreffende ratinginstantie.

Essentiële risico's verbonden aan de Emittent

Aangezien de Emittent een speciale entiteit is die als enig doel heeft de Obligaties uit te geven en die geen industriële activiteiten of handelsactiviteiten ontplooit, is zijn vermogen om te voldoen aan zijn verplichtingen uit hoofde van de Obligaties in wezen afhankelijk van de financiële ondersteuning die de Garant de Emittent als zijn enige aandeelhouder zal bieden.

Essentiële risico's verbonden aan de Garant

Aan de zakelijke activiteiten van Solvay zijn de volgende hoofdrisico's verbonden:

- Sommige van de markten waarin Solvay opereert, zijn cyclisch (zie bijzonderheden in de paragraaf risicofactoren). Perioden van neergaande conjunctuur worden gekenmerkt door dalende prijzen en overcapaciteit. Om de gevolgen van perioden van conjuncturele neergang op zijn operationele marges te beperken, volgt Solvay een strategie van versterking van zijn concurrentiepositie en geografische diversificatie.
- De bedrijfsresultaten van Solvay zijn in belangrijke mate afhankelijk van de ontwikkeling van nieuwe rendabele producten en productietechnologieën. Als Solvay in de toekomst niet succesvol is in het ontwikkelen van nieuwe producten en productieprocessen, zal zijn concurrentiepositie verslechteren en zijn bedrijfsresultaat worden aangetast.
- Hoewel Solvay er maatregelen tegen heeft genomen, kan de ontwikkeling van de regelgeving in de richting van een steeds striktere aanpak (bijv. REACH voor chemicaliën of prijsregulering voor farmaceutica) negatieve gevolgen hebben voor de productontwikkeling en de marktintroductie en verkoop van nieuwe producten aan banden leggen.
- Aanzienlijke schommelingen in de kosten en de beschikbaarheid van grondstoffen en energie die nodig zijn voor de fabricage van sommige van zijn producten, kunnen de bedrijfsresultaten van Solvay omlaag brengen. Naast energie-intensieve industriële activiteiten voert Solvay ook een reeks industriële activiteiten uit die niet erg energie-intensief zijn. Verder heeft Solvay contracten op middellange en lange termijn afgesloten, zijn primaire energiebronnen gediversifieerd en eenheden ontwikkeld voor warmtekrachtkoppeling. Bovendien is een aantal van zijn bedrijfsactiviteiten geïntegreerd wat betreft het grondstofverbruik.
- Onverwachte gebeurtenissen, zoals fabricageproblemen, niet voorziene sluitingen of verlies van aanvoerlijnen, zouden negatieve gevolgen kunnen hebben voor de capaciteit van sommige productiefaciliteiten of de fabricage van sommige producten, en kunnen leiden tot lagere verkoopcijfers.
- Solvay is betrokken in een aantal rechtszaken en kan in nog meer rechtszaken betrokken raken; al deze rechtszaken kunnen aanzienlijke (eisen tot) schadevergoedingen of andere betalingen tot gevolg hebben of leiden tot een daling van de verkoopopbrengst. Solvay is verwickeld, of kan verwickeld raken, in claims, rechtszaken en administratieve procedures met betrekking tot productaansprakelijkheid en kwesties op het gebied van gezondheid, veiligheid, regelgeving en het milieu. Een ongunstige uitkomst in een van deze zaken kan een aanzienlijk negatief effect hebben op het bedrijfsresultaat en de reputatie van Solvay.
- Het verlies of de ongeldigverklaring van een octrooi in een land of voor een product dat in een aanzienlijke hoeveelheid door Solvay wordt verkocht, zou de inkomsten van Solvay kunnen schaden. In de chemische industrie en in de kunststoffenindustrie is de in de productieprocessen geïncorporeerde technologische knowhow van Solvay echter vaak een goed substituut voor bescherming door middel van een octrooi.
- Belangrijke productinnovaties of intensivering van de prijsconcurrentie door mededingers zou het bedrijfsresultaat van Solvay op sommige van zijn gespecialiseerde of basisproducten kunnen schaden.
- Zou Solvay er niet in slagen bestaande en nieuw verworven bedrijfsonderdelen effectief te integreren, dan kan dat negatieve gevolgen hebben voor zijn operationele resultaten. De lange, multiculturele geschiedenis van Solvay in combinatie met zijn hybride structuur (farmaceutisch/chemisch) draagt echter bij aan zijn vermogen een dergelijke integratie van activiteiten, mankracht en technologieën in goede banen te leiden.
- De activiteiten van Solvay staan bloot aan de operationele risico's die zijn verbonden aan farmaceutische en chemische productie, waaronder ook de risico's verbonden aan de opslag en het vervoer van grondstoffen, eindproducten en afvalstoffen. Deze operationele risico's kunnen leiden tot lichamelijk letsel, materiële schade en milieuvervuiling, wat kan resulteren in de sluiting van de getroffen productiefaciliteiten, stillegging van het bedrijf, civielrechtelijke of strafrechtelijke boetes en aantasting van de reputatie van Solvay.
- Solvay tracht voorzienbare en verzekerbare risico's te dekken via verzekeringen. Het is echter mogelijk dat

dergelijke verzekeringen geen volledige dekking bieden voor de risico's waaraan de onderneming blootstaat.

- Solvay loopt valutarisico's bij het verrichten van zijn farmaceutische en chemische activiteiten. Schommelingen in de wisselkoersen van valuta's buiten de Eurozone, met name van de Amerikaanse dollar, kunnen een aanzienlijke invloed hebben op de inkomsten en het bedrijfsresultaat van Solvay. Solvay volgt de ontwikkelingen op de valutamarkten nauwgezet en gaat, indien nodig, hedgingtransacties aan.
- Solvay kan niet garanderen dat toekomstige uitgaven of bijdragen in contanten die noodzakelijk zijn uit hoofde van de bestaande of toekomstige financiering van pensioenverplichtingen, geen aanzienlijke negatieve invloed zullen hebben op zijn financiële positie en operationele resultaat. Solvay streeft ernaar zijn toegezegde pensioenregelingen om te zetten in pensioenregelingen met een lager risicoprofiel voor de onderneming, bijv. hybride regelingen, opname van pensioenvoorziening; toegezegde bijdrageregelingen. In de afgelopen twee jaar zijn de belangrijkste toegezegde pensioenregelingen in vijf landen (Duitsland, Nederland, het V.K., de V.S. en België), die meer dan 80% uitmaken van de Pensioenverplichtingen van de Groep volgens IFRS, herzien overeenkomstig bovengenoemde uitgangspunten .

Naast de hiervoor beschreven risico's kunnen er nog andere bedrijfsrisico's bestaan die Solvay op de publicatiedatum van deze prospectus nog niet kent of als verwaarloosbaar beschouwt.

Essentiële risico's verbonden aan de Obligaties

Een belegging in de Obligaties houdt bepaalde risico's in die van materieel belang zijn voor de beoordeling van de marktrisico's die aan de Obligaties zijn verbonden. Hoewel al deze risico's afhankelijk zijn van het zich wel of niet voordoen van bepaalde gebeurtenissen, moeten potentiële beleggers zich er wel van bewust zijn dat de risico's verbonden aan het beleggen in de Obligaties kunnen leiden tot volatiliteit en/of een afname van de marktwaarde van de Obligaties, waardoor de marktwaarde niet voldoet aan de (financiële of andere) verwachtingen die de belegger koestert op het moment dat hij in de Obligaties belegt.

Bovendien zijn er bepaalde andere factoren die van materieel belang zijn voor de beoordeling van de risico's die aan de Obligaties zijn verbonden, waaronder de volgende:

- (i) de vervaldatum van de Obligaties is 2 juni 2104; de Emittent is niet verplicht de Obligaties voorafgaand aan die datum af te lossen (behalve vanwege bepaalde fiscale redenen) en de Obligatiehouders hebben niet het recht om vervroegde aflossing te vragen (behalve in bepaalde bijzondere omstandigheden, zoals de vereffening door de Emittent of de Garant);
- (ii) de Obligaties kunnen onder bepaalde omstandigheden naar keuze van de Emittent worden afgelost en er is geen garantie dat de Obligatiehouders op dat moment in staat zullen zijn de bij aflossing ontvangen bedragen te herbeleggen tegen een koers die hetzelfde rendement oplevert als hun belegging in de Obligaties;
- (iii) de Emittent kan ervoor kiezen geen rente te betalen op de Obligaties;
- (iv) eventueel niet op de Rentevervaldatum uitbetaalde rentebedragen zullen worden uitgesteld en kunnen slechts worden opgeëist indien (i) zich bepaalde gebeurtenissen voordoen of de Emittent besluit deze bedragen uit te betalen en (ii) een door de Garant te initiëren alternatief mechanisme om te voldoen aan de couponverplichtingen succes heeft, wat niet kan worden gegarandeerd;
- (v) de Obligaties zijn Ver Achtergestelde Verplichtingen, die de laagste rangorde hebben in de schuldinstrumenten van de Emittent; in geval van vereffening staan de verplichtingen van de Emittent uit hoofde van de Obligaties in rangorde alleen boven de betalingen aan houders van aandelen;
- (vi) aanspraken met betrekking tot de Achtergestelde Garantie staan in rangorde onder de rechten en aanspraken van alle schuldeisers van de Garant; de verplichtingen van de Garant uit hoofde van de

Obligaties staan in rangorde alleen boven de betalingen aan houders van aandelen;

- (vii) de houders van de Obligaties kunnen minder ontvangen dan het nominale bedrag van de Obligaties en kunnen hun hele belegging verliezen;
- (viii) er geldt geen beperking voor het bedrag waarvoor de Emittent schuldbewijzen mag uitgeven of de Garant garanties mag stellen;
- (ix) er bestaat op dit moment geen liquide markt voor de Obligaties en er kan niet gegarandeerd worden dat er zich een markt voor de Obligaties zal ontwikkelen; en
- (x) het rendement op de Obligaties kan voor een Obligatiehouder teniet worden gedaan door de fiscale gevolgen voor die Obligatiehouder van zijn belegging in de Obligaties.

Iedere potentiële belegger in Obligaties moet zelf bepalen, op basis van zijn eigen onafhankelijke analyse en het professionele advies dat hij onder de gegeven omstandigheden gepast acht, of de aankoop van de Obligaties volledig past bij zijn financiële behoeften, doelstellingen en positie, en volledig aansluit bij alle beleggingsbeleidslijnen, -richtlijnen en -beperkingen die erop van toepassing zijn, en of die aankoop voor hem een geschikte, juiste en gepaste belegging is, ondanks de duidelijke en substantiële risico's die inherent zijn aan het beleggen in en het aanhouden van de Obligaties.

Zie verder "Risicofactoren" hieronder voor een meer gedetailleerde beschrijving van de risicofactoren met betrekking tot een belegging in de Obligaties.

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