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## VINYTHAI TO DOUBLE VCM CAPACITY

### *New partnership to take advantage of growing vinyls market in Asia*

Solvay announces today that the board of Vinythai PCL (VNT) approved the doubling of the Vinyl Chloride Monomer (VCM) production capacity at its plant in Map Ta Phut, Thailand. The project, which is based on Solvay's latest VCM technology, is estimated to cost roughly Baht 2,300 million (EUR 44 million) and would be debt-financed locally.

Construction will begin in 2005 with production expected to commence in September 2006. The expansion will increase Vinythai's current VCM capacity of 200,000 tons per annum (tpa) to 400,000 tpa. VCM is the major feedstock for PVC production. Of the additional VCM capacity, the Company will sell 150,000 tpa under a long-term contract to a local producer of PVC, APEX Petrochemical Co., Ltd. (APEX) who currently imports VCM for its own PVC production. The remaining 50,000 tpa will be exported or sold domestically. The Company also has a tolling agreement with APEX on the production of 48,000 tpa of PVC produced by APEX, which VNT will market in its own name.

The main raw material required for the expanded capacity, Ethylene Dichloride (EDC), will be sourced by imports from the international markets. The Company is pursuing the study of an upstream integration into chlorine and caustic soda production facility. The decision will be taken after finalizing whether ethylene would be sourced either locally or from abroad.

By getting access to an additional 48 ktpa PVC without additional PVC investment, the Company is well-positioned to take advantage of a growing PVC export market. The expansion project is subject to the approval from the Company's bondholders, the Board of Investment, and the environment impact assessment authorities.

The Company's Board of Directors believes that this expansion will reinforce Vinythai's position as a key player in the regional vinyl industry and add significant value for the Company and its shareholders.

**Vinythai** is a listed company on the Stock Exchange of Thailand; the stock is included in the SET 50 Index. The major shareholders are Solvay, S.A of Belgium and Charoen Pokphand Group companies of Thailand, currently holding 46.4% and 25.9% respectively. VNT is the third largest vinyls producer in South East Asia. It currently has a fully integrated PVC production capacity of 210,000 tpa, with the VCM capacity of 187,000 tpa (under current increase of capacity to 200,000 tpa), and Caustic Soda capacity of 125,100 tpa ( under current increase of capacity to 133,000 tpa).

**Solvay** is an international chemical and pharmaceutical group with headquarters in Brussels. It employs more than 30,000 people in 50 countries. In 2003 its consolidated sales amounted to EUR 7.6 billion generated by its three activity sectors: Chemicals, Plastics and Pharmaceuticals. Solvay is listed on the Euronext 100 index of top European companies. Details are available at [www.solvay.com](http://www.solvay.com).

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