

Embargo, 24 February 2017 at 6:00 pm

Regulated information

Solvac: Increase in net profits of 27 % compared to 2015

1. The corporate Solvac S.A. 2016 net income is up 27% compared to 2015 (see 3 page 2). The cash revenue ¹, including the inflow of dividends from its participation in Solvay, came to €107.3 million versus €87.0 million in 2015, namely, an increase of 23.3% mainly attributable to the increase of its investment in Solvay as shown in the table below:

EUR million	2015	2016
<i>Solvay dividend per share – January (in EUR)</i>	1.3333	1.3600
<i>Number of Solvay shares held by Solvac (in million)</i>	25.6	32.5
Solvay dividend received in January (in million EUR) (a)	34.1	44.2 ²
<i>Solvay dividend per share – May (in EUR)</i>	2.0667 ³	1.9400
<i>Number of Solvay shares held by Solvac (in million)</i>	25.6	32.5
Solvay dividend received in May (in million EUR) (b)	52.9	63.1
Cash revenue (a) + (b) ¹	87.0	107.3
Cash income ^{1 4}	82.0	101.7

Insofar as the company accounts so authorise, it is on the basis of cash income, after covering expenses (primarily financial charges), that the Board of Directors determines the amounts proposed for distribution by Solvac.

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

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

² In accordance with accounting principles, the dividend on the 6.932.858 shares acquired in December 2015 and January 2016 was recorded as a deduction of the purchase price and not as financial revenue, due to the fact that it was implicitly included in the acquisition value. This represents an amount of EUR 9.4 million that is not included in financial income, but in the 2016 cash revenue.

³ Figure not adjusted for the capital increase.

⁴ The company figures have been restated to conform to the definition of the cash revenue.

2. The Board of Directors has prepared the Solvac consolidated financial statements at 31 December 2016. These accounts have been submitted to the Statutory Auditor. They are presented according to IFRS standards.

Consolidated income statement

<i>EUR million</i>	<i>2015</i>	<i>2016</i>
<i>Income from investments accounted for under the equity method</i>	<i>125.6</i>	<i>195.6</i>
<i>Operating expenses</i>	<i>-1.5</i>	<i>-1.5</i>
<i>Capital gain from sale of Solvay shares</i>	<i>0</i>	<i>0</i>
<i>Cost of borrowings</i>	<i>-3.5</i>	<i>-4.1</i>
<i>Net income</i>	<i>120.6</i>	<i>190.0</i>
<i>Net earnings and diluted earnings per share (EUR)¹</i>	<i>7.8</i>	<i>8.9</i>

¹ The net income per share and the net diluted income per share are identical. The average weighted number of shares used for the calculation per share was 15,418,468 in 2015 and 21,375,033 in 2016.

Solvac recorded for the year ended 31 December 2016 net consolidated income of €190.0 million (namely, €8.9 per share) versus €120.6 million (namely, €7.8 per share) in 2015, as a result of the change in income from applying the equity method to Solvay.

3. The Board of Directors reports the figures of the corporate accounts relating to Solvac SA en 2016 :

<i>EUR thousand</i>	<i>2015</i>	<i>2016</i>
<i>Financial result</i>	<i>84,147</i>	<i>101,850</i>
<i>Operating result</i>	<i>-1,452</i>	<i>-1,499</i>
<i>Result on ordinary activities before tax</i>	<i>82,695</i>	<i>100,351</i>
<i>Extraordinary result</i>	<i>-3,654</i>	<i>0</i>
<i>Profit before tax</i>	<i>79,041</i>	<i>100,351</i>
<i>Net income</i>	<i>79,041</i>	<i>100,351</i>
<i>Gross payment to shareholders</i>	<i>76,568</i>	<i>102,600</i>
<i>Retained earnings</i>	<i>2,473</i>	<i>-2,249</i>

The 2016 net income is €100.4 million (versus 79.0 million in 2015) attributable to the increase in dividends per share paid or decided by Solvay.

4. Two interim dividend payments were made, respectively on 25 August 2016 and on 27 December 2016, the second representing in principle the balance due, which the General Shareholders Meeting will be asked to approve. In total, each share received in 2016 a gross compensation 6.6 % greater than in 2015 :

<i>EUR</i>	<i>2015</i>	<i>2016</i>
<i>Gross dividend per share</i>	<i>4.50¹</i>	<i>4.80</i>

5. The Board of Directors of **Solvay** decided on 23 February 2017 to pay on 16 May 2017 the balance due on the dividend for the financial year 2016, which comes to EUR 2.13 gross per share.

Taking into account the interim dividend paid in January 2017, the gross dividend of Solvay reaches EUR 3.45 for the fiscal year 2016, up to 4.5 % compared to historical dividend of € 3.30 gross per share in fiscal year 2015.

¹ Adjusted figure for the capital increase (coefficient of 0.898137)

NOTES

1. Report of the statutory auditor

Deloitte confirmed that its audit work on the consolidated financial statements of Solvac SA, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, are substantially completed. Deloitte confirms that the financial information contained in this press release requires no comment on its part and is consistent with the consolidated financial statements of Solvac SA. The full audit report of the consolidated financial statements and the full report of the Commissioner on the audit of the annual financial information included in the annual report 2016 will be published on the internet (www.solvac.be) on 31 March 2017.

2. Content

This press release contains regulated information and is drafted in compliance with the applicable IFRS standards. The risk management analysis is included in the notes to the consolidated financial statements as well as in the annual report, which will be available on the Internet (www.solvac.be).

3. Solvac shares

	2015	2016
Number of shares issued at the end of the period	21,375,033	21,375,033
Average number of shares for calculating IFRS earnings per share	15,418,468	21,375,033
Average number of shares for calculating IFRS diluted earnings per share	15,418,468	21,375,033

4. Statement by the responsible persons

M. JP. Delwart, Chairman of the Board of Directors, and M. B. de Laguiche, Managing Director of Solvac, confirm that to the best of their knowledge:

- the financial information, prepared in conformity with applicable accounting standards, reflect a true and fair view of the net worth, the financial situation and the results of the Solvac Group and of Solvac S.A. ;
- the report contains a faithful presentation of the significant events occurred in the 2016 financial year, and their impact on the financial information.
- there are no transactions with related parties.

Key dates for financial communications

- 31 March 2017: Publication of the 2016 annual report on www.solvac.be
- 9 May 2017: Ordinary General Meeting of the Shareholders (2:30 pm) followed by an Extraordinary General Meeting
- 1 August 2017: Result from the first half of 2017 and announcement of the first interim dividend for financial year 2017
- 25 August 2017: Payment of the first interim dividend for financial year 2017
- 13 December 2017: Announcement of the second interim dividend for financial year 2017
- 28 December 2017: Payment of the second interim dividend for financial year 2017

For more information, please contact:

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

Solvac – Consolidated financial statements

The financial statements that follow were approved by the Board of Directors on 24 February 2017. They were prepared in compliance with IFRS accounting standards described in the following pages.

Consolidated income statement

EUR million	Notes	2015	2016
Income from investments accounted for under the equity method	(1)	126	196
Operating expenses		-1	-2
Capital gain from sale of Solvay shares		0	0
Cost of borrowings	(2)	-4	-4
Net income		121	190
Net earnings and diluted earnings per share (EUR)	(3)	7.8	8.9

Statement of total comprehensive income

EUR million	Notes	2015	2016
Net income		121	190
Other comprehensive income ¹			
Recyclable items			
Hyperinflation		13	0
Gains and losses on re-measuring available-for-sale financial assets		1	3
Gains and losses on hedging instruments in a cash-flow hedge		5	11
Currency translations differences (activities abroad)		52	99
Non-recyclable items			
Remeasurements of the net defined benefit liability		86	-86
Tax expenses with respect to recyclable and non-recyclable items			
Tax expenses with respect to recyclable and non-recyclable items		-7	18
Other comprehensive income after tax effects		150	45
Comprehensive income	(4)	271	235

¹ Other elements of the comprehensive income come from the statement of changes in equity of Solvay S.A. More information is available in the latter's press release.

Cash flow statement ¹

EUR million	Notes	2015	2016
Net result		121	190
Cost of borrowings		4	4
Income from investments accounted for under the equity method	(1)	-126	-196
Changes in working capital		-9	2
Dividends received from Solvay	(1)	97	107
Cash flow from operating activities		87	107
Acquisition of Solvay shares	(1)	-466	-36
Sale of Solvay shares		0	0
Cash flow from investing activities		-466	-36
Capital increase		449	0
Acquisition of treasury shares		0	0
Increase in borrowing	(2) (5)	59	83
Repayment of borrowing	(2) (5)	-39	-59
Interest paid	(2)	-4	-4
Dividends paid	(6)	-77	-103
Changes in taxes linked to dividends paid ²		-8	11
Cash flow from financing activities		380	-72
Net changes in cash and cash equivalents		1	-1
Opening cash balance		1	2
Closing cash balance		2	1

The 2015 table of cash flow was greatly impacted by the capital increase of Solvac which occurred on 22 December 2015 (in the amount of EUR 449 million net of transaction costs), as well as by the participation in the capital increase of Solvay S.A. and the purchase of Solvay shares for a total amount of EUR 466 million.

¹ The comparative figures have been restated to conform to the definition of the cash revenue.

² In 2016, and unlike 2015, the withholding tax due on the dividend paid on December 27, 2016 had not yet been paid at the end of the financial year. However, it was not included in the changes in working capital in order to maintain the consistency between the cash flow from operating activities and the cash revenue.

Statement of financial situation

EUR million	Notes	2015	2016
ASSETS			
Tangible assets		0	0
Non-current assets : investments in associates	(1)	3,258	3,400
Goodwill		342	343
Investments in associates excluding goodwill		2,916	3,057
Current assets : short-term receivables	(7)	52	43
Cash and cash equivalents		2	1
Total assets		3,312	3,444
EQUITY AND LIABILITIES			
Equity	(8)	3,131	3,235
Capital		192	192
Reserves		2,939	3,043
Non-current liabilities : long term financial debt	(2)	110	160
Current liabilities		71	49
Short-term financial debts	(5)	59	33
Tax liabilities		0	12
Other current liabilities		12	4
Total equity and liabilities		3,312	3,444

Statement of changes in equity

	Capital	Issue premiums	Treasury shares	Hybrid bond	Retained earnings	Currency translation, fair value differences and defined benefit pension	Total equity
EUR million							
Balance as at 31/12/2014	138	173	0	367	2,013	-450	2,241
Comprehensive income					121	150	271
Dividends					-77		-77
Capital increase	54	395					449
Hybrid bond							0
Acquisition / sale of treasury shares							0
Scope and other variations				308	-61		247
Balance as at 31/12/2015	192	568	0	675	1,996	-300	3,131
Comprehensive income					190	45	235
Dividends					-103		-103
Hybrid bond							0
Acquisition / sale of treasury shares							0
Scope and other variations					-28		-28
Balance as at 31/12/2016	192	568	0	675	2,055	-255	3,235

Notes to the consolidated financial statements

IFRS accounting policies

The primary accounting policies used in the preparation of these consolidated financial statements are the following:

1. General information and applicable IFRS standards

Solvac is a public limited company incorporated under Belgian law and quoted on Euronext Brussels. The company's main activity is its 30,71% shareholding in Solvay SA.

The consolidated financial statements for the financial year ending 31 December 2016 have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union.

Obligatory changes of accounting methods

The following new and amended standards and interpretations have been applied beginning with the 2016 financial year:

- Improvements to IFRS (2010-2012) (applicable for annual periods beginning on or after 1 February 2015)
- Improvements to IFRS (2012-2014) (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IFRS 11 Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 16 and IAS 38 Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 19 Employee Benefits – Employee Contributions (applicable for annual periods beginning on or after 1 February 2015)
- Amendments to IAS 27 Separate Financial Statements – Equity Method (applicable for annual periods beginning on or after 1 January 2016)

These new and amended standards and interpretations did not have a significant impact on the consolidated statements of Solvac.

Standards in force after the closing date of the financial year

Solvac did not anticipate application of new and amended standards and interpretations which come into force after 31 December 2016, namely:

- IFRS 9 Financial Instruments and subsequent amendments (applicable for annual periods beginning on or after 1 January 2018)
- IFRS 14 Regulatory Deferral Accounts (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)
- IFRS 15 Revenue from Contracts with Customers (applicable for annual periods beginning on or after 1 January 2018)
- IFRS 16 Leases (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU)
- Improvements to IFRS (2014-2016) (applicable for annual periods beginning on or after 1 January 2017 or 2018, but not yet endorsed in the EU)

- Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)
- Amendments to IFRS 4 Insurance Contracts - Applying IFRS 9 Financial Instruments with IFRS 4 (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (the effective date has been deferred indefinitely, and therefore the endorsement in the EU has been postponed)
- Amendments to IAS 7 Statement of Cash Flows – Disclosure Initiative (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed in the EU)
- Amendments to IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized Losses (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed in the EU)
- Amendments to IAS 40 Transfers of Investment Property (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)
- IFRIC 22 Foreign Currency Transactions and Advance Consideration (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)

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

2. Consolidation

Since the Board of Directors believes that Solvac has a significant influence on Solvay, the shareholding in Solvay S.A. has been integrated into Solvac's consolidated financial statements using the equity method. This method takes into account the Solvac S.A. share in the financial statements of the Solvay Group, prepared on 31 December of the financial year using Solvay's IFRS accounting standards (cf Solvay Annual Report). According to the equity method, a shareholding in an associated company is initially reported at cost in the consolidated statement of the financial situation, then it is adjusted later to account for the Group share in the net revenue and the other elements of the total revenue of the associated company.

3. Segment information

Given the nature of the holding company, there is no need to present segment or geographical information. The data on shareholding in Solvay is available in the Solvay S.A. financial statements.

4. Impairment of assets

At the end of each accounting year, the Group reviews the book value of its share for indications of the potential impairment of assets. If such indications exist, the recoverable value of the asset is estimated in order to establish the extent of any impairment loss.

5. Financial instruments

Bank loans

Bank loans and overdrafts are accounted for in the net amount received. Financial expenses, including any settlement or redemption premiums, are covered for the estimated period of availability.

Cash and cash equivalents

Cash and cash equivalent consist of cash and demand deposits, short-term investments (less than 3 months) and highly liquid investments readily convertible into known amounts of cash or subject to an insignificant risk of any change in value.

6. Recognition of revenue

Revenue is recognised when it is likely to be acquired and as soon as its value can be reliably measured. Interest earnings are recorded in the income statement on a pro rata basis taking account of the effective interest rate of the investment.

7. Estimates and significant judgements when applying an accounting method

Over and above the estimates and significant judgements made by Solvac when applying accounting methods (see Solvac's Annual Report), the key estimate made by the Board of Directors on 31 December 2015 concerns the recoverable value of its holding in Solvac. An impairment test is performed if there is any indication that the investment may be impaired. The impairment test involves comparing the book value of the investment to its market value. In the event of a crisis on the market with excessive price volatility, reference may be made in addition to the "target prices" for Solvac shares, as estimated by financial analysts.

As of the close of the financial year, Solvac considers that there was no sign of a loss of value. Therefore, no investment impairment test was conducted.

Finally, the Board of Directors believes that Solvac has a significant influence and therefore consolidates the accounts of this group according to the equity method.

8. Risk management

Solvac underlying risk – The sole investment of Solvac being its investment in Solvac, the primary risks to which the Company is exposed are similar to those of Solvac. The financial situation and results of Solvac are influenced by the results of Solvac, either through the dividends received (financial statements) or through consolidation using the equity method (consolidated accounts).

Valuation risk - Solvac is exposed to market risk (changes in Solvac's share price). Although the share price is subject to market volatility, the Board considers that in the long run, it constitutes a reliable indicator of valuation. The book value of the Solvac shares on the Solvac consolidated balance sheet is 104.57 EUR per share including goodwill (82.73 EUR in the statutory accounts).

Rate risk – Solvac is exposed to an interest rate risk resulting from bank loans at fixed rates for a total of 160 million EUR. The company monitors this risk through the periodic calculation of the fair market values of these loans.

Liquidity risk – Solvac is exposed to liquidity risk, particularly when it has to resort to short term bank loans. The short-term debt, moderate, has been reduced compared to last year (33 million EUR at end 2016 against 59 million EUR at end 2015) and it was largely repaid in January of the following year upon payment by Solvac of its interim dividend (43 million EUR in January 2017). Not only is short-term debt of short duration, but furthermore on average over the year, the company experiences a situation of a positive average short-term cash position¹. Therefore, the Board is confident of the ability of Solvac to raise the funds needed in the short term and repay them with the flow of dividend paid by Solvac.

Counterparty risk - This is the bank counterparty risk relating to cash deposits and available assets. The counterparties of Solvac are banks with a minimum rating of A.

¹ The average short term net cash position is the sum of all short-term funding (-) and commercial paper investments (+) in the current year weighted by their respective duration.

Notes to the consolidated financial statements

(1) Investments in associates

This is the 31,50 % stake that Solvac holds in Solvay S.A. (after deducting the treasury shares held by Solvay). Solvay S.A. is a “société anonyme” under Belgian law and quoted on Euronext in Brussels and Paris. The Solvay Group is an international chemical group.

The value of the holding under the equity method amounts to EUR 3,400 million (of which EUR 343 million EUR is goodwill and EUR 3,057 million of value excluding goodwill). Based on the stock exchange price of 31 December 2016, the value amounts to EUR 3,620 million.

Changes in goodwill are as follows:

EUR million	2015	2016
Value at 1 January	342	342
Sold during the year	0	0
Acquired during the year	0	1
Value at 31 December	342	343

The changes in shareholding using the equity method excluding goodwill are as follows:

EUR million	2015	2016
Value at 1 January	2,023	2,916
Sold during the year	0	0
Acquired during the year	457	35
Result	126	196
Distribution	-88	-106
Currency translation and fair value differences	150	45
Change in consolidation scope and others	-60	-29
Hybrid loan	308	0
Value at 31 December	2,916	3,057

In December 2015, Solvac participated in the capital increase of Solvay. It also subscribed with rights to 6,394,567 new shares for a total amount of EUR 453 million and then subscribed with scripts to 110,000 new shares for a total amount of EUR 10 million. In addition, after this capital increase, Solvac went on to acquire 32,936 shares for a total amount of €3 million.

In 2016, Solvac acquired 395,355 Solvay shares on the market for a total amount of EUR 35 million.

The dividends on the newly acquired shares (EUR 9 million), decided prior to the acquisition and paid in January 2016, were used to reduce the cost of acquisition in accordance with Belgian and international accounting requirements. The acquisitions thus amount to a net total of EUR 457 million in 2015 and EUR 35 million in 2016.

In 2016, the share of Solvac in the net income of the Solvay Group, excluding minority interests, amounted to EUR 196 million (2015: EUR 126 million). In 2016, the share of Solvac in the results from discontinued operations amounted to EUR -2 million (2015: EUR -17 million).

The value of the investment at 31 December corresponds to Solvay's equity listed in “Solvay Shareholders”¹ multiplied by the holding percentage (31.50% in 2016 and 30.95% in 2015).

¹ This is the equity of Solvay reduced by the non-controlling interests.

The condensed consolidated financial statements of the Solvay Group are the following:

EUR million	2015	2016
Financial position		
Non-current assets	18,716	17,548
Current assets	6,613	6,597
Cash and cash equivalents	2,030	969
Assets	25,329	24,145
Equity	9,668	9,956
Solvay stock holders	9,423	9,706
Non-controlling interests	245	250
Non-current liabilities	11,330	9,188
Long term financial debt	5,628	4,087
Current liabilities	4,331	5,001
Short term financial debt	892	1,338
Equity and liabilities	25,329	24,145
Income statement		
Sales	11,047	11,403
Result from continuing operations	509	680
Result from discontinued operations	-55	-6
Net income for the year	454	674
Non controlling interests	-48	-53
Net income (Solvay share)	406	621
Comprehensive income		
Other comprehensive income	505	155
Total comprehensive income	959	829
Dividends received	97	106

(2) Long-term debt

Debts with a maturity of more than one year rose by EUR 50 million as compared to 2015 and amount to EUR 160 million (loans from BNP Paribas Fortis) as of 31 December 2016. This represents the structural indebtedness of Solvac: a loan of EUR 50 million (maturing in 2023; fixed rate of 1.50%) and a loan of EUR 50 million (maturing in 2022; fixed rate of 2.90%) and a loan of EUR 60 million (maturing in 2020; fixed rate of 3.20%). The interest on loans longer than one year amounted to EUR 4 million for the financial year 2016.

(3) Net earnings per share

The net earnings per share and diluted net earnings per share are identical. The number of Solvac shares was 21,375,033 at the end of 2016 (21,375,033 at the end of 2015).

(4) Total income

The primary changes are related to the assessment of the obligations under defined employee benefit plans in accordance with the revised IAS 19 and conversion differences related to Solvay, investments accounted for under equity method.

(5) Short-term borrowing

Short-term borrowing was down EUR 26 million compared to 2015. Short term financial debt at 31 December 2016 consists of a "Straight Loan" contracted on 23 December 2016 for an amount of EUR 33 million (maturing 22 January 2017) to finance the 2016 final dividend paid on 27 December 2016.

(6) Dividends paid

The dividends paid (EUR 4.80 gross per share, compared to EUR 4.50 per share¹ in 2015) during the period amounted to EUR 103 million including the interim 2016 dividend paid on 25 August 2016 (EUR 58 million) and the second instalment of the 2016 dividend paid on 27 December 2016 (EUR 45 million).

(7) Short-term receivables

This primarily consists of the interim dividend to be received from Solvay in January 2017.

(8) Equity

Total equity amounts to EUR 3,235 million. It was mostly impacted during financial year 2016 by:

- the payment of the two interim dividends of EUR 4.80 gross per share (EUR 4.50 gross per share¹ in 2015), for a total amount of EUR 103 million;
- the share in certain items of the total income coming from Solvay (EUR 99 million relating to conversion rate differences and actuarial gains from the pension plans for EUR 64 million net of taxes);
- the consolidated income of the period of EUR 190 million; and
- the share of the hybrid loan issued by Solvay in 2015 for EUR 308 million (following the acquisition of Cytec and in order to strengthen the capital structure of Solvay, a hybrid loan was issued for a value of EUR 1 billion. This loan qualifies as an equity instrument since the IAS 32 criteria are met).

Reference is made to the proposal of beneficiary allocation that will be presented in the annual management report.

(9) Treasury shares

In 2016, Solvac did not acquire any treasury shares.

¹ Adjusted figure for the capital increase (coefficient of 0.898137)

(10) Financial instruments

EUR million	2015		2016	
	Net carrying amount	Fair value	Net carrying amount	Fair value
Loans and receivables (including cash and cash equivalents)	54	54	44	44
Financial liabilities measured at amortized cost (includes trade liabilities)	181	190	209	224

In order to reflect the importance of the data used when estimating fair market value, Solvac classifies these valuations according to a hierarchy consisting of the following levels:

- level 1: the prices (non adjusted) quoted on the securities markets for identical assets or liabilities;
- level 2: data other than the prices quoted at level 1 which are observable for the asset or liability concerned, either directly (namely, prices) or indirectly (namely data derived from prices); and
- level 3: data relating to the asset or liability which are not based on the observable data of the market (non-observable data).

For loans and receivables, book value is a good approximation of fair market value. With regard to financial liabilities at an amortised cost, the net book value of the long-term financial debt (€160 million, see note 2) is less than their fair value (estimated at EUR 175 million). The fair market value of the fixed interest debt was calculated using the Discounted Cash Flow method. The net book value of other financial liabilities is a good approximation of their fair market value. Thus, the determined fair market values are categorised as Level 2 in the fair market value hierarchy.

(11) Relationships with directors of the consolidating company

Compensation and pensions: from early 2014, the directors have been paid a gross appearance fee of EUR 2,000 per meeting for each Director and a gross fee of EUR 4,000 per meeting for the Chairman of the Board.

Advances and loans provided by the consolidating company or by an affiliated company: the current account with Solvay S.A. (zero balance at the end of 2016 and 2015) is compensated at the Solvay Group's internal financing rate.

(12) Off-balance sheet rights and commitments

Real coverage by the company on its own assets: collateralisation of 2,671,746 Solvay shares in favour of BNP Paribas Fortis for a sum of EUR 297 million.

(13) List of consolidated companies

The Solvay Group is consolidated using the equity method.

(14) Reconciliation between cash revenue and consolidated net income for the years 2015 and 2016

EUR million	2015	2016
Cash revenue	87.0	107.3
<i>Operating result</i>	-1.5	-1.5
<i>Cost of borrowings</i>	-3.5	-4.1
<i>Other financial charges and income</i>	0.0	0.0
Cash revenue	82.0	101.7
<i>Minus Solvay dividend received in January 2015 and January 2016, recorded in the net income of year 2014 and 2015, respectively</i>	-34.1	-44.2
<i>Plus Solvay dividend received in January 2016 and January 2017, recorded in the net income of year 2015 et 2016, respectively</i>	44.2	42.9
<i>Minus dividend on the 6.932.858 shares purchased in December 2015 and January 2016 (9,4 million EUR), recorded in cash revenue but deducted from acquisition price and not accounted for in financial income</i>	-9.4	0.0
<i>Taxes</i>	0.0	0.0
<i>Cancellation of Solvay dividends, reversed in consolidation</i>	-87.7	-106.0
<i>Share of Solvay net result during the year</i>	125.6	195.6
Net income Solvac - Consolidated financial statement	120.6	190.0