



# News

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## **Solutia Inc. Emerges from Chapter 11 as a Market-Leading Specialty Chemicals Company with Global Leadership Positions in Each of its Business Segments**

**ST. LOUIS, February 28, 2008** – Solutia Inc. (NYSE: SOA-WI) today emerged from Chapter 11 reorganization. “Solutia has emerged as a well positioned specialty chemicals and performance materials company with market-leading global positions and a diverse portfolio of high potential businesses,” said Jeffrey N. Quinn, chairman, president and chief executive officer. “We believe we are a stronger, healthier and more competitive company than at any point in our history. Over the past four years, we have transformed our portfolio through strategic acquisitions, internal investments, asset dispositions, and the re-deployment of significant nylon assets to higher-value uses.”

During its time in Chapter 11, Solutia has diversified from both an end-market and a geographic perspective. In 2007, the company’s net sales from outside the United States were 55% of the total revenue, compared to 39% in 2003. The increase has been driven primarily by Solutia’s Asian growth strategy, as well as significant growth in Europe.

“During this period, we have made great strides in improving our financial position by reducing legacy liabilities, enhancing and focusing the business portfolio and delivering strong revenue and operating earnings growth and momentum,” said James M. Sullivan, senior vice president and chief financial officer. “With a strong balance sheet and more than 50% of our portfolio growing at greater than two times global GDP, we believe we are positioned to deliver increased shareholder value.”

As previously announced, on November 29, 2007, the U.S. Bankruptcy Court for the Southern District of New York confirmed Solutia’s plan of reorganization and approved the company’s exit from bankruptcy subject to certain conditions including the funding of an exit financing facility. Today Solutia’s \$2.05 billion exit financing facility was funded by Citigroup Global Markets Inc., Goldman Sachs Credit Partners L.P., and Deutsche Bank Securities Inc. This exit financing is being used to pay certain creditors, and for ongoing operations.

The new common stock of reorganized Solutia is scheduled to begin trading on the New York Stock Exchange under the ticker symbol SOA on Monday, March 3, 2008. (Currently the stock symbol also includes the “WI” notation). The “old” Solutia stock, which was trading over-the-counter under the SOLUQ ticker symbol, together with warrants or options to purchase old common stock, were cancelled as of today.

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**About Solutia Inc.**

Solutia is a market-leading performance materials and specialty chemicals company. The company focuses on providing solutions for a better life through a range of products, including Saflex® interlayer for laminated glass, CPFilms® aftermarket window films, high-performance nylon polymers and fibers sold under brands including Vydine® and Wear-Dated®, Flexsys® chemicals for the rubber industry, and specialty products such as Skydrol® aviation hydraulic fluid and Therminol® heat transfer fluid. Solutia’s businesses are world leaders in each of their market segments. With its headquarters in St. Louis, Missouri, USA, the company operates globally with approximately 6,000 employees in more than 60 countries. More information is available at [www.Solutia.com](http://www.Solutia.com).

**Forward Looking Statements**

This press release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which can be identified by the use of words such as “believes,” “expects,” “may,” “will,” “intends,” “plans,” “estimates” or “anticipates,” “scheduled to” or other comparable terminology, or by discussions of strategy, plans or intentions. These statements are based on management’s current expectations and assumptions about the industries in which Solutia operates. These statements, including our intention to enter into the credit facilities, are subject to risks and uncertainties, including without limitation, general market conditions, our ability to satisfy closing conditions, the performance of the company's business and other risks detailed from time-to-time in the company's filings with the Securities and Exchange Commission. Forward-looking statements are not guarantees of future performance and are subject to significant risks and uncertainties that may cause actual results or achievements to be materially different from the future results or achievements expressed or implied by the forward-looking statements. These risks and uncertainties include, but are not limited to, those described in Solutia’s most recent Annual Report on Form 10-K, under “Cautionary Statement About Forward Looking Statements,” Solutia’s quarterly reports on Form 10-Q, and in filings with the U.S. Bankruptcy Court in connection with the Chapter 11 case of Solutia Inc. and 14 of its U.S. subsidiaries. These reports can be accessed through the “Investors” section of Solutia’s website at [www.solutia.com](http://www.solutia.com). The bankruptcy court filings can be accessed by visiting [www.trumbullgroup.com](http://www.trumbullgroup.com). Solutia disclaims any intent or obligation to update or revise any forward-looking statements in response to new information, unforeseen events, changed circumstances or any other occurrence.

**Source: Solutia Inc.**

**St. Louis**

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