

## Press release

Paris, July 30, 2010

# SECOND QUARTER 2010 RESULTS

## Rhodia confirms a step-up in profitability and increases full-year guidance

*Forenote: Unless otherwise stated, all period variances referred to in this document are to be deemed on a year-on-year like-for-like<sup>(1)</sup> basis.*

### Q2 2010 highlights

- ✓ Excellent profitability: recurring EBITDA<sup>(2)</sup> of €226 million
- ✓ Volumes up by 16% compared to last year
- ✓ Strong pricing power: €66 million net positive price impact at EBITDA level
- ✓ Net Profit of €43 million
- ✓ Free Cash Flow of €101 million and Net Debt at €883 million

Jean-Pierre Clamadieu, Chairman & CEO of Rhodia commented: “*Our Q2 performance confirms Rhodia’s ability to generate more than €200 million of recurring EBITDA per quarter, demonstrating a step-up in profitability. We are confident this level will remain a reference point in the forthcoming quarters.*”

He added: “*With our strong presence in fast growing economies - to be further reinforced with the acquisition of Feixiang Chemicals – as well as the positive dynamics of the markets we serve, our innovation centered on sustainable development and our continuous focus on operational discipline, we are well positioned to generate profitable growth.*”

### **Summary income statement Q2 2010**

<i>In € million</i>	Q2 2009	Q2 2009 <i>like for like<sup>(1)</sup></i>	Q2 2010	Variation <i>like for like<sup>(1)</sup></i>
Net Sales	987	1,064	<b>1,330</b>	25%
Recurring EBITDA <sup>(2)</sup>	111	114	<b>226</b>	98%
Operating Profit	38	36	<b>146</b>	n.m
Profit/(loss) from continuing operations	(36)		<b>46</b>	
Profit/(loss) from discontinued operations	(4)		<b>(2)</b>	
Net Profit/(loss) Group Share	(40)		<b>43</b>	
Earnings per Share (in €), basic	(0.39)		<b>0.43</b>	
Free Cash Flow <sup>(3)</sup>	117		<b>101</b>	

(1) Like for like: at constant scope and currency conversion

(2) Before restructuring and other operating income and expenses

(3) Defined as “net cash from operating activities” before margin call plus “non recurring refinancing cash costs” minus Capital Expenditure

## 1. Strong performance driven by confirmed business dynamics

In the second quarter, **Net Sales** increased by 25% to €1,330 million from €1,064 million in Q2 2009. Volumes improved by 16% year-on-year, driven by a continued strong momentum across business segments and regions.

The company doubled its **recurring EBITDA** to €226 million compared with €114 million in Q2 2009. In the context of rising raw material and energy costs, this excellent profitability was driven by strong volumes and pricing power (net positive price impact of €66 million).

**Operating Profit** in Q2 was €146 million, a marked improvement compared to €38 million last year, reflecting the higher performance at EBITDA level.

**Net Financial Charges** in Q2 were €(63) million compared to €(54) million in Q2 2009. They include €24 million one-off charges linked to the partial refinancing of the Group's Floating Rate Notes due in 2013 for an amount of €500 million.

**Income Tax** at €(37) million reflected charges linked to the quarter's operating profitability, while the aforementioned refinancing one-off charges have not benefited from fiscal coverage.

**Net Profit Group Share** was €43 million in Q2 versus a €(40) million loss reported in Q2 2009.

**Earnings per Share** Group Share (basic) were €0.43 in Q2 versus €(0.39) reported a year earlier.

## 2. Continued operational discipline

Rhodia maintained rigorous operational discipline, pursuing the deployment of competitiveness action plans across activities including the rationalization of its industrial footprint. Moreover, the Group continued the tight management of Operating Working Capital and Capital Expenditure.

As a result, the Group posted a best-in-class **Operating Working Capital** ratio of 9% of Total Sales compared with a quarterly average of 9.6% in 2009.

**Capital Expenditures** amounted to €56 million in Q2 versus €44 million in Q2 2009. For the full year, total spending is expected to be up by 30% compared to the €191 million invested in 2009, with selective new capacity investments focused on high growth regions and markets.

Rhodia generated a strong positive **Free Cash Flow** of €101 million compared to €117 million in Q2 2009 driven by improved EBITDA and the very low Operating Working Capital cash requirements.

As of June 30<sup>th</sup> 2010, Rhodia reported a **Consolidated Net Debt** of €883 million. Through the refinancing of its €500 million 2013-Floating Rate Notes, the Group has extended its debt maturity profile up to 2018.

### **3. Rhodia well positioned to generate profitable growth**

#### **Leveraging strong demand dynamics in fast growing regions and markets**

In the second quarter, 48% of Rhodia's Net Sales came from emerging countries (Latin America and Asia-Pacific) thanks to its strong footprint and positioning in these regions. The Group is leveraging these fast growing business dynamics by increasing capacity (silica and surfactants in China and polyamide fibers in Brazil), strengthening innovation and tailoring products to local needs. Demand in these regions is expected to remain healthy going forward as well as in the markets we serve. With the global car production holding up, despite the anticipated slowdown in Europe, Rhodia should continue to benefit from the increasing penetration of its innovative sustainable mobility solutions, including low energy tires, catalysis for emission control and engineering plastics for lighter weight vehicles.

#### **Capitalizing on innovation focused on sustainable development**

In the first half of 2010, Rhodia launched new ranges of high performance materials including Fuel'In by Technyl<sup>®</sup> for fuel contact applications and eco-friendly formulations such as the Rhodoline<sup>®</sup> additive for water-based paints and the plant-based Rhodapex<sup>®</sup> for cleansers and detergents.

Rhodia also recently inaugurated the *Technyl Innovation Center* in Lyon (France), a new development lab aiming to conceive the new-generation materials that will allow its customers to successfully meet the challenges posed by sustainable development.

#### **Capturing external growth opportunities**

In June 2010, Rhodia announced the acquisition of Feixiang Chemicals, China's leading producer of amines and surfactants. With this acquisition, Rhodia will significantly strengthen its leadership positions in the surfactants business, enhance its footprint in the world's fastest growing region and generate around one third of its net sales in Asia. Closing is expected to take place in the second half of 2010.

### **4. 2010 outlook**

Despite the anticipated softening of the global economic recovery in the second half of 2010, Rhodia expects a limited impact in the markets it serves. Business dynamics should remain satisfactory thanks to healthy demand in fast growing markets.

In Q3 2010, Rhodia's current business environment shows no signs of slowdown and summer seasonality is expected to be less pronounced than usual.

Raw material and energy prices moreover appear to be stabilizing at high levels.

In the forthcoming quarters, Rhodia is confident in its ability to continue delivering a quarterly recurring EBITDA greater than €200 million, and is therefore increasing its full-year objective.

## OVERVIEW BY ENTERPRISE

### Polyamide

Rhodia Polyamide serves the automotive, electricals, electronic components, sportswear and leisure markets. Its expertise in the polyamide chain has allowed it to develop activities upstream in intermediates and polymers and downstream in engineering plastics.

<i>In € million</i>	<b>Q2 2009</b>	<b>Q2 2009</b>	<b>Q2 2010</b>	<b>Variation</b>
		Like for Like <sup>(1)</sup>		Like for Like <sup>(1)</sup>
Net Sales	347	395	<b>548</b>	39%
Recurring EBITDA <sup>(2)</sup>	6	7	<b>80</b>	n.m

Polyamide benefited from high volumes, up by 15% year-on-year, across geographies and businesses. Furthermore, Polyamide exhibited a strong pricing power in a tight supply market which led to further improvements in unit margin. The impact of maintenance turnarounds registered in the quarter was lower than expected.

In Q3, Polyamide should continue to benefit from volume momentum and the usual seasonality effect in Europe should be lower than expected.

### Novecare

Rhodia Novecare provides high-performance products and solutions to a wide range of industries including cosmetics, detergents, agrochemicals and oil, as well as industrial applications.

<i>In € million</i>	<b>Q2 2009</b>	<b>Q2 2009</b>	<b>Q2 2010</b>	<b>Variation</b>
		Like for Like <sup>(1)</sup>		Like for Like <sup>(1)</sup>
Net Sales	208	221	<b>287</b>	30%
Recurring EBITDA <sup>(2)</sup>	22	22	<b>51</b>	132%

Novecare reported strong profitability, primarily driven by improved activity level across regions (volumes up by 31% year-on-year). The Industrial and Coating markets registered the largest volume improvement worldwide. The Agrochemicals business saw its best ever season while the Oilfield chemicals business continued to improve quarter after quarter.

Novecare recently announced the consolidation of its surfactants production lines currently located in Leeds and Halifax on a single platform. This is to reinforce its long-term competitive position in Europe.

In Q3, Novecare's positive dynamics are expected to continue with usual seasonality in its Agrochemicals activity.

<sup>(1)</sup> Like for like: at constant scope and currency conversion

<sup>(2)</sup> Before restructuring and other operating income and expenses

## Silcea

Rhodia Silcea produces high performance silicas for tires, rare earth-based materials for the automotive emissions reduction market and the lighting and electronics markets, and diphenols for flavors and fragrances.

<i>In € million</i>	<b>Q2 2009</b>	<b>Q2 2009</b> Like for Like <sup>(1)</sup>	<b>Q2 2010</b>	<b>Variation</b> Like for Like <sup>(1)</sup>
Net Sales	149	156	<b>218</b>	40%
Recurring EBITDA <sup>(2)</sup>	17	18	<b>52</b>	189%

Silcea reported strong performance, mainly driven by a strong business momentum across its three segments (volumes up by 37% year-on-year) combined with enhanced pricing power. The Enterprise gained some market share in both the catalysis and silica businesses, as a result of successful innovative high performance solutions.

In Q3, Silcea's activity is expected to remain robust.

## Energy Services

Rhodia Energy Services is responsible for the Group's energy supply and the management of Rhodia's projects related to the reduction of greenhouse gas emissions.

<i>In € million</i>	<b>Q2 2009</b>	<b>Q2 2009</b> Like for Like <sup>(1)</sup>	<b>Q2 2010</b>	<b>Variation</b> Like for Like <sup>(1)</sup>
Net Sales	51	54	<b>38</b>	(30%)
Recurring EBITDA <sup>(2)</sup>	37	37	<b>27</b>	(27)%

Quarterly CER/ERU production was in line with the full year forecast. Part of sales has been postponed to the second half of 2010.

In Q3, the CER activity should be in line with the full year forecast of 14 million tons.

## Acetow

Rhodia Acetow is a global producer of filter tow, mainly used for making cigarette filters.

<i>In € million</i>	<b>Q2 2009</b>	<b>Q1 2009</b> Like for Like <sup>(1)</sup>	<b>Q2 2010</b>	<b>Variation</b> Like for Like <sup>(1)</sup>
Net Sales	140	145	<b>136</b>	(6.2)%
Recurring EBITDA <sup>(2)</sup>	33	35	<b>32</b>	(8.6)%

Acetow registered a better than expected performance. The swift deployment of competitiveness programs (closing its Venezuela facility) has mostly offset lower volumes (-5% year-on-year).

In Q3, Acetow's business dynamics are expected to remain satisfactory.

<sup>(1)</sup> Like for like: at constant scope and currency conversion

<sup>(2)</sup> Before restructuring and other operating income and expenses

## Eco Services

Rhodia Eco Services offers sulfuric acid regeneration services to chemical manufacturers and oil refiners in North America.

<i>In € million</i>	<b>Q2 2009</b>	<b>Q2 2009</b> Like for Like <sup>(1)</sup>	<b>Q2 2010</b>	<b>Variation</b> Like for Like <sup>(1)</sup>
Net Sales	55	58	<b>65</b>	12%
Recurring EBITDA <sup>(2)</sup>	20	22	<b>18</b>	(18)%

Eco Services registered higher volumes year-on-year. The comparison year-on-year of recurring EBITDA is impacted by the positive indexation mechanism time-lag effect that was exceptionally favorable in Q2 2009.

In Q3, Eco Services should continue to benefit from the ongoing driving season.

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*Note: Rhodia's Board of Directors met on July 28, 2010 to examine the half-year ended June 30, 2010 Financial Statements. The Group's Statutory auditors carried out a limited review on such Financial Statements and issued their report thereon. Rhodia will publish its half-year ended June 30, 2010 Financial Report next week.*

### Safe Harbor for forward looking statements

This press release contains elements that are not historical facts including, without limitation, certain statements on future expectations and other forward-looking statements. Such statements are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those anticipated.

***Rhodia** is an international chemical company resolutely committed to sustainable development. As a leader in its businesses, the Group aims to improve its customers' performance through the pursuit of operational excellence and its ability to innovate. Structured around six Enterprises, Rhodia is the partner of major players in the automotive, electronics, flavors and fragrances, health, personal and home care markets, consumer goods and industrial markets. The Group employs around 13,600 people worldwide and generated sales of €4.03 billion in 2009. Rhodia is listed on Euronext Paris.*

For more information, please visit our [website www.rhodia.com](http://www.rhodia.com)

<sup>(1)</sup> Like for like: at constant scope and currency conversion

<sup>(2)</sup> Before restructuring and other operating income and expenses

## Upcoming events

- **Press conference call on July 30, 2010 (in French) at 9:30am CET**  
Host: Jean-Pierre Clamadieu, Chairman and Chief Executive Officer
- **Analysts conference call on July 30, 2010 at 10am CET**  
Hosts: Jean-Pierre Clamadieu, Chairman and Chief Executive Officer  
and Pascal BOUCHIAT, Chief Financial Officer  
WEBCAST on Rhodia website [www.rhodia.com](http://www.rhodia.com) (Investors section)

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- **Rhodia's third quarter 2010 results will be published on November 4<sup>th</sup>, 2010**
  - **Capital Market Day will take place on November 30<sup>th</sup>, 2010**
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## Results Fact Sheet: Q2 & H1 '10

Income Statement						
€ million	Q2* '09	Q2* '10	Variation	H1** '09	H1** '10	Variation
<b>Net Sales</b>	<b>987</b>	<b>1,330</b>	<b>34.8%</b>	<b>1,907</b>	<b>2,506</b>	<b>31.4%</b>
Other revenue	88	72		234	203	
<b>Recurring EBITDA</b>	<b>111</b>	<b>226</b>	<b>103.6%</b>	<b>113</b>	<b>447</b>	<b>295.6%</b>
<b>Recurring EBITDA Margin</b>	<b>11.2%</b>	<b>17.0%</b>		<b>5.9%</b>	<b>17.8%</b>	
Depreciation & Amortization	(69)	(69)		(136)	(135)	
Other Gains and Losses	5	(9)		(1)	(16)	
Restructuring Costs	(9)	(2)		(29)	(10)	
<b>Operating Profit</b>	<b>38</b>	<b>146</b>	<b>284.2%</b>	<b>(53)</b>	<b>286</b>	
Financial Results	(54)	(63)		(99)	(105)	
Share of profit (loss) of associates	(1)			(1)		
<b>Profit/(loss) before income tax</b>	<b>(17)</b>	<b>83</b>		<b>(153)</b>	<b>181</b>	
Income tax	(19)	(37)		(11)	(65)	
<b>Profit/(loss) from continuing operations</b>	<b>(36)</b>	<b>46</b>		<b>(164)</b>	<b>116</b>	
Profit/(loss) from discontinued operations	(4)	(2)		(11)	(3)	
<b>Net Profit/(loss)</b>	<b>(40)</b>	<b>44</b>		<b>(175)</b>	<b>113</b>	
<b>Net Profit/(loss) (Group Share)</b>	<b>(40)</b>	<b>43</b>		<b>(174)</b>	<b>112</b>	
<b>Earnings per share, basic (in €)</b>	<b>(0.39)</b>	<b>0,43</b>		<b>(1.75)</b>	<b>1.12</b>	
Average number of shares outstanding	100,458,127	100,739,546		99,876,529	100,217,739	

€ million	Net Sales			Recurring EBITDA			Operating Profit	
	Q2* '09	Q2* '10	Variation	Q2* '09	Q2* '10	Variation	Q2* '09	Q2* '10
<b>RHODIA</b>	987	<b>1,330</b>	34.8%	111	<b>226</b>	103.6%	38	<b>146</b>
<b>POLYAMIDE</b>	347	<b>548</b>	57.9%	6	<b>80</b>	1233.3%	(21)	<b>59</b>
<b>NOVECARE</b>	208	<b>287</b>	38.0%	22	<b>51</b>	131.8%	11	<b>42</b>
<b>SILCEA</b>	149	<b>218</b>	46.3%	17	<b>52</b>	205.9%	6	<b>39</b>
<b>ENERGY SERVICES</b>	51	<b>38</b>	-25.5%	37	<b>27</b>	-27.0%	30	<b>27</b>
<b>ACETOW</b>	140	<b>136</b>	-2.9%	33	<b>32</b>	-3.0%	26	<b>19</b>
<b>ECO SERVICES</b>	55	<b>65</b>	18.2%	20	<b>18</b>	-10.0%	15	<b>13</b>
<b>CORPORATE &amp; Others</b>	37	<b>38</b>	2.7%	(24)	<b>(34)</b>	-41.7%	(29)	<b>(53)</b>

€ million	Net Sales			Recurring EBITDA			Operating Profit	
	H1** '09	H1** '10	Variation	H1** '09	H1** '10	Variation	H1** '09	H1** '10
<b>RHODIA</b>	1,907	<b>2,506</b>	31.4%	113	<b>447</b>	295.6%	(53)	<b>286</b>
<b>POLYAMIDE</b>	633	<b>1,034</b>	63.3%	(90)	<b>151</b>	267.8%	(153)	<b>107</b>
<b>NOVECARE</b>	417	<b>532</b>	27.6%	36	<b>89</b>	147.2%	10	<b>72</b>
<b>SILCEA</b>	291	<b>405</b>	39.2%	20	<b>95</b>	375.0%	(5)	<b>72</b>
<b>ENERGY SERVICES</b>	92	<b>83</b>	-9.8%	85	<b>75</b>	-11.8%	74	<b>73</b>
<b>ACETOW</b>	275	<b>265</b>	-3.6%	67	<b>63</b>	-6.0%	52	<b>37</b>
<b>ECO SERVICES</b>	121	<b>114</b>	-5.8%	44	<b>32</b>	-27.3%	35	<b>23</b>
<b>CORPORATE &amp; Others</b> <small>Including intercompany sales elimination</small>	78	<b>73</b>	-6.4%	(49)	<b>(58)</b>	-18.4%	(66)	<b>(98)</b>

### Net Financial Debt

December 31. 2009	March 31. 2010	June 30. 2010
1.029	949	883

### 2010 Outlook

#### Business environment

- Despite anticipated softening of global economic recovery in H2, business dynamics satisfactory based on fast-growing economies' healthy demand
- No sign of slowdown in Q3 and seasonality less pronounced than usual
- Raw materials and Energy prices stabilizing at high levels

#### Increased FY 2010 objective

- In the forthcoming quarters, Rhodia confident to continue delivering over €200m Rec. EBITDA

\* Unaudited

\*\* Reviewed by auditors

## Results Fact Sheet: Q2 '10

<b>POLYAMIDE</b>	<ul style="list-style-type: none"> <li>• Good volumes across geographies and businesses: +15% vs last year and similar to last quarter</li> <li>• Further improvement in unit margin reflecting a strong pricing power in a tight supply market</li> <li>• Lower than expected impact of maintenance turnarounds</li> </ul>
<b>NOVECARE</b>	<ul style="list-style-type: none"> <li>• Profitability driven by strong volumes (+31% yoy ) across regions. Sequential volume growth</li> <li>• By segment, largest volume improvements in: <ul style="list-style-type: none"> <li>➤ Industrial and Coating markets worldwide</li> <li>➤ Agro Chemicals best ever season</li> <li>➤ Continued improvement in Oilfield quarter after quarter</li> </ul> </li> </ul>
<b>SILCEA</b>	<ul style="list-style-type: none"> <li>• Strong business momentum (+37% yoy) across the three segments</li> <li>• Gain of market share</li> <li>• Pricing power leading to improved profitability</li> </ul>
<b>ENERGY SERVICES</b>	<ul style="list-style-type: none"> <li>• Quarterly CER/ERU production in line with 2010 production estimate of 14mT</li> <li>• Part of sales postponed to H2</li> </ul>
<b>ACETOW</b>	<ul style="list-style-type: none"> <li>• Better-than-expected performance</li> <li>• Swift deployment of structural competitiveness programs mostly offsetting lower volumes (- 5% yoy)</li> </ul>
<b>ECO SERVICES</b>	<ul style="list-style-type: none"> <li>• Higher volumes yoy</li> <li>• EBITDA yoy comparison affected by exceptionally positive indexation mechanism time-lag effect in Q2 '09</li> </ul>

€ million	Net Sales Q2* '09	Scope	Foreign Exchange conversion	Net Sales Q2* '09 like for like	Foreign Exchange transaction	Volume & mix	Selling Price	Net Sales Q2* '10	Variation Q2* '10 - Q2* '09	Variation Q2* '10 - Q2* '09 like for like
<b>RHODIA</b>	<b>987</b>	-	<b>77</b>	<b>1,064</b>	<b>(28)</b>	<b>169</b>	<b>125</b>	<b>1,330</b>	<b>34.8%</b>	<b>25.0%</b>
<b>POLYAMIDE</b>	<b>347</b>	4	44	<b>395</b>	(23)	61	115	<b>548</b>	57.9%	38.7%
<b>NOVECARE</b>	<b>208</b>	-	13	<b>221</b>	(2)	68	-	<b>287</b>	38.0%	29.9%
<b>SILCEA</b>	<b>149</b>	-	7	<b>156</b>	(3)	58	7	<b>218</b>	46.3%	39.7%
<b>ENERGY SERVICES</b>	<b>51</b>	-	3	<b>54</b>	-	(17)	1	<b>38</b>	-25.5%	-29.6%
<b>ACETOW</b>	<b>140</b>	-	5	<b>145</b>	-	(8)	(1)	<b>136</b>	-2.9%	-6.2%
<b>ECO SERVICES</b>	<b>55</b>	-	3	<b>58</b>	-	5	2	<b>65</b>	18.2%	12.1%
<b>CORPORATE &amp; Others</b> including intercompany sales elimination	<b>37</b>	(4)	2	<b>35</b>	-	2	1	<b>38</b>	2.7%	8.6%

€ million	Rec. EBITDA Q2* '09	Scope	Forex conversion	Rec. EBITDA Q2* '09 like for like	Forex transaction	Volume & mix	Selling Price	Raw materials & Energy	Fixed Costs	Rec. EBITDA Q2* '10	Rec. EBITDA Margin Q2* '10
<b>RHODIA</b>	<b>111</b>	-	<b>3</b>	<b>114</b>	<b>(5)</b>	<b>69</b>	<b>125</b>	<b>(59)</b>	<b>(18)</b>	<b>226</b>	17.0%
<b>POLYAMIDE</b>	<b>6</b>	1	-	<b>7</b>	(6)	27	115	(54)	(9)	<b>80</b>	14.6%
<b>NOVECARE</b>	<b>22</b>	-	-	<b>22</b>	2	24	-	4	(1)	<b>51</b>	17.8%
<b>SILCEA</b>	<b>17</b>	-	1	<b>18</b>	1	27	7	3	(4)	<b>52</b>	23.9%
<b>ENERGY SERVICES</b>	<b>37</b>	-	-	<b>37</b>	-	(7)	1	(4)	-	<b>27</b>	n.m.
<b>ACETOW</b>	<b>33</b>	(1)	3	<b>35</b>	(1)	(4)	(1)	3	-	<b>32</b>	23.5%
<b>ECO SERVICES</b>	<b>20</b>	-	2	<b>22</b>	-	3	2	(8)	(1)	<b>18</b>	27.7%
<b>CORPORATE &amp; Others</b>	<b>(24)</b>	-	(3)	<b>(27)</b>	(1)	(1)	1	(3)	(3)	<b>(34)</b>	n.m.

\* Unaudited

## Results Fact Sheet: H1 '10

€ million	Net Sales H1** '09	Scope	Foreign Exchange conversion	Net Sales H1** '09 like for like	Foreign Exchange transaction	Volume & mix	Selling Price	Net Sales H1** '10	Variation H1** '10- H1** '09	Variation H1** '10 – H1** '09 like for like
<b>RHODIA</b>	<b>1,907</b>	17	97	<b>2,021</b>	(73)	407	151	<b>2,506</b>	31.4%	24.0%
<b>POLYAMIDE</b>	<b>633</b>	6	74	<b>713</b>	(59)	192	188	<b>1,034</b>	63.3%	45.0%
<b>NOVECARE</b>	<b>417</b>	17	8	<b>442</b>	(4)	107	(13)	<b>532</b>	27.6%	20.4%
<b>SILCEA</b>	<b>291</b>	-	6	<b>297</b>	(6)	113	1	<b>405</b>	39.2%	36.4%
<b>ENERGY SERVICES</b>	<b>92</b>	-	3	<b>95</b>	-	(7)	(5)	<b>83</b>	-9.8%	-12.6%
<b>ACETOW</b>	<b>275</b>	-	6	<b>281</b>	(4)	(12)	-	<b>265</b>	-3.6%	-5.7%
<b>ECO SERVICES</b>	<b>121</b>	-	-	<b>121</b>	-	13	(20)	<b>114</b>	-5.8%	-5.8%
<b>CORPORATE &amp; Others</b> including intercompany sales elimination	<b>78</b>	(6)	-	<b>72</b>	-	1	-	<b>73</b>	-6.4%	1.4%

€ million	Rec. EBITDA H1** '09	Scope	Foreign Exchange conversion	Rec. EBITDA H1** '09 like for like	Foreign Exchange transaction	Volume & mix	Selling Price	Raw materials & Energy	Fixed Costs	Rec. EBITDA H1** '10	Rec. EBITDA Margin H1** '10
<b>RHODIA</b>	<b>113</b>	<b>3</b>	<b>(6)</b>	<b>110</b>	<b>(15)</b>	<b>171</b>	<b>151</b>	<b>53</b>	<b>(23)</b>	<b>447</b>	17.8%
<b>POLYAMIDE</b>	<b>(90)</b>	-	(4)	<b>(94)</b>	(13)	76	188	4	(10)	<b>151</b>	14.6%
<b>NOVECARE</b>	<b>36</b>	3	-	<b>39</b>	1	42	(13)	21	(1)	<b>89</b>	16.7%
<b>SILCEA</b>	<b>20</b>	1	1	<b>22</b>	(1)	52	1	24	(3)	<b>95</b>	23.5%
<b>ENERGY SERVICES</b>	<b>85</b>	-	-	<b>85</b>	-	(1)	(5)	(1)	(3)	<b>75</b>	n.m.
<b>ACETOW</b>	<b>67</b>	(1)	2	<b>68</b>	(1)	(6)	-	4	(2)	<b>63</b>	23.8%
<b>ECO SERVICES</b>	<b>44</b>	-	-	<b>44</b>	-	9	(20)	1	(2)	<b>32</b>	28.1%
<b>CORPORATE &amp; Others</b>	<b>(49)</b>	-	(5)	<b>(54)</b>	(1)	(1)	-	-	(2)	<b>(58)</b>	n.m.

\*\* Reviewed by auditors

## Results Fact Sheet: Quarterly results

€m	Q1* '09	Q1* '10	Q2* '09	Q2* '10	H1** '09	H1** '10	Q3* '09	Q4* '09	H2** '09	FY '09
<b>RHODIA</b>										
Net Sales	920	1 176	987	1 330	1 907	2 506	1 041	1 083	2 124	4 031
Recurring EBITDA	2	221	111	226	113	447	174	200	374	487
Rec. EBITDA margin	0.2%	18.8%	11.2%	17.0%	5.9%	17.8%	16.7%	18.5%	17.6%	12.1%
Operating Profit	(91)	140	38	146	(53)	286	104	109	213	160
<b>POLYAMIDE</b>										
Net Sales	286	486	347	548	633	1 034	397	446	843	1 476
Recurring EBITDA	(96)	71	6	80	(90)	151	52	69	121	31
Rec. EBITDA margin	-33.6%	14.6%	1.7%	14.6%	-14.2%	14.6%	13.1%	15.5%	14.4%	2.1%
Operating Profit	(132)	48	(21)	59	(153)	107	28	45	73	(80)
<b>NOVE CARE</b>										
Net Sales	209	245	208	287	417	532	207	203	410	827
Recurring EBITDA	14	38	22	51	36	89	30	27	57	93
Rec. EBITDA margin	6.7%	15.5%	10.6%	17.8%	8.6%	16.7%	14.5%	13.3%	13.9%	11.2%
Operating Profit	(1)	30	11	42	10	72	22	22	44	54
<b>SILCEA</b>										
Net Sales	142	187	149	218	291	405	167	177	344	635
Recurring EBITDA	3	43	17	52	20	95	29	35	64	84
Rec. EBITDA margin	2.1%	23.0%	11.4%	23.9%	6.9%	23.5%	17.4%	19.8%	18.6%	13.2%
Operating Profit	(11)	33	6	39	(5)	72	19	20	39	34
<b>ENERGY SERVICES</b>										
Net Sales	41	45	51	38	92	83	46	51	97	189
Recurring EBITDA	48	48	37	27	85	75	34	46	80	165
Operating Profit	44	46	30	27	74	73	29	32	61	135
<b>ACETOW</b>										
Net Sales	135	129	140	136	275	265	138	136	274	549
Recurring EBITDA	34	31	33	32	67	63	35	31	66	133
Rec. EBITDA margin	25.2%	24.0%	23.6%	23.5%	24.4%	23.8%	25.4%	22.8%	24.1%	24.2%
Operating Profit	26	18	26	19	52	37	27	25	52	104
<b>ECO SERVICES</b>										
Net Sales	66	49	55	65	121	114	49	41	90	211
Recurring EBITDA	24	14	20	18	44	32	16	10	26	70
Rec. EBITDA margin	36.4%	28.6%	36.4%	27.7%	36.4%	28.1%	32.7%	24.4%	28.9%	33.2%
Operating Profit	20	10	15	13	35	23	12	6	18	53
<b>CORPORATE &amp; OTHERS</b>										
Sales & intercompany sales eliminations	41	35	37	38	78	73	37	29	66	144
Recurring EBITDA	(25)	(24)	(24)	(34)	(49)	(58)	(22)	(18)	(40)	(89)
Operating Profit	(37)	(45)	(29)	(53)	(66)	(98)	(33)	(41)	(74)	(140)

\* Unaudited

\*\* Reviewed by auditors

## CONSOLIDATED INCOME STATEMENTS AS OF JUNE 30, 2010

(in millions of euros)	Quarter ended June 30,		Half-year ended June 30,	
	2010 <sup>(*)</sup>	2009 <sup>(*)</sup>	2010 <sup>(**)</sup>	2009 <sup>(**)</sup>
<b>Net sales</b>	<b>1,330</b>	<b>987</b>	<b>2,506</b>	<b>1,907</b>
Other revenue	72	88	203	234
Cost of sales	(1,084)	(884)	(2,091)	(1,875)
Administrative and selling expenses	(139)	(134)	(266)	(256)
Research and development expenditure	(22)	(15)	(40)	(33)
Restructuring costs	(2)	(9)	(10)	(29)
Other operating income	10	17	15	20
Other operating expenses	(19)	(12)	(31)	(21)
<b>Operating profit/(loss)</b>	<b>146</b>	<b>38</b>	<b>286</b>	<b>(53)</b>
Finance income	26	21	50	41
Finance costs	(94)	(75)	(160)	(145)
Foreign exchange gains/(losses)	5	-	5	5
Share of profit/(loss) of associates	-	(1)	-	(1)
<b>Profit/(loss) before income tax</b>	<b>83</b>	<b>(17)</b>	<b>181</b>	<b>(153)</b>
Income tax benefit/(expense)	(37)	(19)	(65)	(11)
Profit/(loss) from continuing operations	46	(36)	116	(164)
Profit/(loss) from discontinued operations	(2)	(4)	(3)	(11)
<b>Net profit for the period</b>	<b>44</b>	<b>(40)</b>	<b>113</b>	<b>(175)</b>
Attributable to:				
Equity holders of Rhodia S.A.	43	(40)	112	(174)
Minority interests	1	-	1	(1)
<b>Earnings per share (in euros)</b>				
<b>Continuing and discontinued operations</b>	0.43	(0.39)	1.12	(1.75)
- Basic	0.43	(0.39)	1.11	(1.74)
- Diluted				
<b>Continuing operations</b>	0.45	(0.36)	1.14	(1.64)
- Basic	0.45	(0.36)	1.13	(1.63)
- Diluted				
<i>Weighted average number of shares before dilution</i>	<i>100,739,546</i>	<i>100,458,127</i>	<i>100,217,739</i>	<i>99,876,529</i>
<i>Weighted average number of shares after dilution</i>	<i>101,590,437</i>	<i>100,771,868</i>	<i>101,061,319</i>	<i>100,060,156</i>

(\*) Unaudited

(\*\*) Reviewed by auditors

## CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2010

<b>Assets</b>		
(in millions of euros)	<b>June 30, 2010</b>	<b>December 31, 2009</b>
Property, plant and equipment	1,534	1,458
Goodwill	242	215
Other intangible assets	209	193
Investments in associates	12	12
Other non-current financial assets	131	118
Deferred tax assets	196	170
<b>Non-current assets</b>	<b>2,324</b>	<b>2,166</b>
Inventories	558	475
Income tax receivable	12	26
Trade and other receivables	854	692
Derivative financial instruments	63	113
Other current financial assets	75	100
Cash and cash equivalents	928	691
Assets classified as held for sale	37	3
<b>Current assets</b>	<b>2,527</b>	<b>2,100</b>
<b>TOTAL ASSETS</b>	<b>4,851</b>	<b>4,266</b>

<b>Liabilities and shareholders' equity</b>		
(in millions of euros)	<b>June 30, 2010</b>	<b>December 31, 2009</b>
Share capital	101	1,213
Additional paid-in capital	1,256	138
Other reserves	292	213
Deficit	(2,261)	(2,299)
<b>Equity attributable to equity holders of Rhodia SA</b>	<b>(612)</b>	<b>(735)</b>
Minority interests	19	16
<b>Total equity</b>	<b>(593)</b>	<b>(719)</b>
Borrowings	1,678	1,655
Retirement benefits and similar obligations	1,564	1,459
Provisions	410	370
Deferred tax liabilities	32	28
Other non-current liabilities	48	36
<b>Non-current liabilities</b>	<b>3,732</b>	<b>3,548</b>
Borrowings	208	165
Derivative financial instruments	138	115
Retirement benefits and similar obligations	93	94
Provisions	171	160
Income tax payable	26	16
Trade and other payables	1,069	887
Liabilities classified as held for sale	7	-
<b>Current liabilities</b>	<b>1,712</b>	<b>1,437</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,851</b>	<b>4,266</b>

## CONSOLIDATED STATEMENTS OF CASH FLOWS AS OF JUNE 30, 2010

(in millions of euros)	Quarter ended June 30,		Half-year ended June 30,	
	2010 <sup>(*)</sup>	2009 <sup>(*)</sup>	2010 <sup>(**)</sup>	2009 <sup>(**)</sup>
<b>Net Profit/(loss) attributable to equity holders of Rhodia SA</b>	<b>43</b>	<b>(40)</b>	<b>112</b>	<b>(174)</b>
<i>Adjustments for :</i>				
Minority interests	1	-	1	(1)
Depreciation, amortization and impairment of non-current assets	70	71	139	146
Net increase/(decrease) in provisions	10	(1)	-	(1)
Impairment of non-current financial assets	1	-	1	-
Share of profit/(loss) of associates	-	1	-	1
Other income and expense	18	10	28	19
(Gain)/loss on disposal of non-current assets	(4)	(6)	(6)	(8)
Deferred tax expense/(gain)	12	2	16	(16)
Foreign exchange losses/(gains)	9	(12)	13	29
<b>Cash flow from operating activities before changes in working capital</b>	<b>160</b>	<b>25</b>	<b>304</b>	<b>(5)</b>
<i>Changes in working capital</i>				
- (Increase)/decrease in inventories	(34)	86	(56)	279
- (Increase)/decrease in trade and other receivables	(38)	32	(105)	94
- Increase/(decrease) in trade and other payables	59	(32)	107	(196)
- Increase/(decrease) in other current assets and liabilities	10	50	37	114
<b>Net cash from operating activities before margin calls</b>	<b>157</b>	<b>161</b>	<b>287</b>	<b>286</b>
Margin calls (1)	-	(5)	7	2
<b>Net cash from / (used by) operating activities</b>	<b>157</b>	<b>156</b>	<b>294</b>	<b>288</b>
Purchases of property, plant and equipment	(47)	(39)	(83)	(85)
Purchases of other non-current assets	(9)	(5)	(17)	(11)
Proceeds on disposals of entities, net of cash transferred, and non-current assets	3	8	6	7
Purchases of entities, net of cash acquired	(1)	(3)	(1)	(81)
(Purchases of)/repayments of loans and financial investments	(6)	(59)	13	(49)
<b>Net cash from / (used by) investing activities</b>	<b>(60)</b>	<b>(98)</b>	<b>(82)</b>	<b>(219)</b>
Treasury share purchase costs	-	(2)	-	(2)
Dividends paid	(20)	(1)	(20)	(1)
New non-current borrowings, net of costs	501	45	501	45
Repayments of non-current borrowings, net of costs	(506)	(23)	(513)	(39)
Net increase/(decrease) in current borrowings	34	(20)	22	16
<b>Net cash from / (used by) financing activities</b>	<b>9</b>	<b>(1)</b>	<b>(10)</b>	<b>19</b>
<b>Effect of foreign exchange rate changes</b>	<b>23</b>	<b>16</b>	<b>35</b>	<b>21</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>129</b>	<b>73</b>	<b>237</b>	<b>109</b>
Cash and cash equivalents at the beginning of the period	799	528	691	492
Cash and cash equivalents at the end of the period	928	601	928	601

(1) The margin call agreements are standardized credit risk reduction contracts, which a clearing house of an organized market or bilaterally by private contract with a counterparty.

(\*) Unaudited

(\*\*) Reviewed by auditors

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