

RHODIA PROVIDES AN UPDATE ON BUSINESS TRENDS

Paris, December 8, 2008 ---- Rhodia (Euronext Paris: RHA) today revised its 2008 outlook in the context of a worsened economic environment.

Rhodia is being impacted by an accelerated demand decline in several of its end-markets. Customers' inventory de-stocking practices have extended to numerous sectors, affecting in particular the Polyamide, Silcea and Novecare enterprises. Acetow, Energy Services and Eco Services enterprises remain resilient.

Furthermore, lower demand is preventing the Group from capturing the positive impacts from the declining raw material and energy cost trends that were anticipated.

As a consequence, Rhodia has revised its objectives for the full year 2008 and now expects its recurring EBITDA to be about 10% below the level achieved in 2007, thus impacting its EPS objective for the year.

*“Over the last few weeks we have witnessed short-notice cancellation of orders, coming even from geographical areas that had shown satisfactory dynamics until recently, ” commented Rhodia Chairman and Chief Executive Officer **Jean-Pierre Clamadieu**. “Addressing this very challenging macroeconomic environment, the Group has reinforced the implementation of the action plans announced early November. These measures include the temporary closure or slowdown of some of our production facilities, primarily operating in the Polyamide, Silcea and Novecare enterprises. Furthermore, we remain focused on stringent cash management in order to secure a positive Free Cash Flow generation for the year. ”*

***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, tire, electronics, perfume, health & beauty and home care markets. The Group employs around 15,000 people worldwide and generated sales of €4.8 billion in 2007. Rhodia is listed on Euronext Paris.*

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

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