

Press release

RHODIA TO ACQUIRE McINTYRE GROUP: ANOTHER STEP IN ITS PROFITABLE GROWTH STRATEGY

Paris (France), January 12, 2009 --- Rhodia has signed an agreement to purchase the privately-held McIntyre Group Ltd, a global manufacturer of specialty surfactants. This acquisition will reinforce Rhodia Novecare's product range for personal cleansing and extend its offer for hair care, as well as home, institutional and industrial cleaning markets. It will drive new opportunities for oilfield production and agrochemicals applications and allow further business developments in fast-growing markets such as Asia-Pacific and Latin America.

Based near Chicago, the McIntyre Group employs about 200 people and has manufacturing facilities in the United States (Illinois) and in Europe (UK), complemented by a global commercial network. The company has shown strong business performance, achieving double-digit growth¹ during the past three years, with 2008 estimates of US\$146 million sales and around 10% recurring EBITDA² margin.

From the first year of combined operations, Rhodia anticipates significant synergies based on cross-selling opportunities, supply chain and procurement optimization. These factors are expected to double the EBITDA of the acquired business within the Rhodia Group by 2011.

Rhodia CEO Jean-Pierre Clamadieu explained, *"This 'bolt-on' acquisition is an additional illustration of our well-established strategy to deliver profitable growth in activities where we have leading positions. It will reinforce our presence in innovative markets which are largely resistant to economic downturns. Our solid financial structure enables us to seize this opportunity today while investing to prepare our future."* He added: *"It is a clear fit with Rhodia's strategy and expertise, and it will contribute to our overall performance in the coming years."*

This transaction is subject to various standard closing conditions, including approval by the American and European Union antitrust authorities, and is expected to be finalized in Q1 2009.

¹ Double-digit CAGR (Compound Average Growth Rate)

² Recurring EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization, and before Restructuring and other operating income and expenses, restated in accordance to IFRS



This press release contains elements that are not historical facts including, without limitation, certain statements on future expectations and other forward-looking statements, including in particular statements regarding anticipated synergies for the combined operations, the EBITDA of the business to be acquired and more generally the future performance of the business to be acquired. Such statements are based on Rhodia's management current views and assumptions, including as they relate to the business to be acquired, 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, 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.

Rhodia Novincare, with a net sales of €930M is one of the six Group's Enterprises and provides high-performance products and solutions to a wide range of industries including cosmetics, detergents, agrochemicals and oil, as well as industrial applications. Thanks to a worldwide industrial footprint and global R&D and tech-support network, Rhodia Novincare holds leading positions in the surfactants, phosphorus derivatives, natural polymers, synthetic polymers and monomers technologies, and eco-friendly dibasic-ester solvents. Rhodia Novincare has developed particular expertise valuable to answer and anticipate customer's needs in protection, surface modification, rheology, active delivery, improvement of formulations and processes, environment and health respect.

McIntyre Group Limited is a privately-held chemical company, which is a leading manufacturer of surfactants, polymers, chemical specialties and cosmetic preservatives for the formulations of personal care, household, industrial and institutional cleaning products, as well as oil field aids. This US-based headquarters company counts about 200 employees and has two manufacturing plants, one in the USA (Illinois) and one in UK, complemented by sales and commercial network in the USA, UK, Singapore and Brazil.

For more information, please visit our website: www.rhodia.com

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