

Press release

Paris, July 29, 2009

SECOND QUARTER 2009 RESULTS

Profitability improvement and strong cash generation: Rhodia successfully repositioned in a very challenging environment

Forenote: All year-on-year period variances referred to in this document are to be deemed at constant scope and currency conversion, unless otherwise stated.

Key highlights

- ✓ Lower year-on-year volume decline: (20)% in Q2 versus (27)% in Q1
- ✓ Improvement driven by emerging markets
- ✓ Pricing power sustained in all Enterprises, except Polyamide. Overall, selling prices and raw material & energy costs balanced out
- ✓ Fixed costs savings of €31 million year-on-year
- ✓ Sequential recovery of recurring EBITDA at €111 million
- ✓ Strong Free Cash Flow generation of €117 million
- ✓ Net debt reduced by €126 million to €1,198 million

"The swift and efficient adjustment of our business management processes and the powerful alignment of all our teams allowed us to generate strong Free Cash Flow during the first half of 2009 despite the very challenging environment", commented Rhodia Chairman & CEO Jean-Pierre Clamadieu. He continued: "In Q3, we should benefit from increased demand in emerging markets which is now back to 2008 levels and modest improvement in Europe and North America. This should lead to a slight sequential increase in our recurring EBITDA".

Summary income statement Q2 2009

In € million	Q2 2008	Q2 2008 <i>like for like⁽¹⁾</i>	Q2 2009	Variation <i>like for like⁽¹⁾</i>
Net Sales	1,227	1,287	987	(23)%
Recurring EBITDA ⁽²⁾	187	194	111	(43)%
Operating Profit	115	120	38	(68)%
Profit from continuing operations	34		(36)	
Profit/(Loss) from discontinued operations	2		(4)	
Net Profit / (Loss) Group Share	35		(40)	
Earnings per Share (in €), basic	0.35		(0.39)	
Free Cash Flow ⁽³⁾	(18)		117	

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

(2) Before restructuring and other operating income and expenses

(3) Defined as "net cash provided by operating activities" before margin call plus "non recurring refinancing cash costs" minus Capital Expenditure

1. Demand improving but volumes remain significantly lower compared to 2008

In the second quarter, **Net Sales** were down (23)% at €987 million compared to €1,287 million in Q2 2008. Sales continued to suffer from lower volumes due to the global recession, but volume decline eased progressively. Volumes were down (20)% on a year-on-year basis, compared to a fall of (27)% in Q1. Net Sales were also impacted by reduced selling prices that followed the downward trend of raw material and energy costs.

Recurring EBITDA amounted to €111 million in Q2, compared to €194 million in Q2 2008. The decline in recurring EBITDA principally reflects the contraction in volumes but it significantly recovered from the €2 million low in Q1 2009. Pricing power was confirmed in all the Enterprises, except Polyamide. The overall decline in selling prices was balanced out by the decreases in raw material and energy costs.

Operating Profit was €38 million in Q2 versus €120 million a year earlier, essentially reflecting the fall in recurring EBITDA.

The **Net Profit/(Loss) Group Share** was negative at €(40) million compared to €35 million in the same period last year.

Earnings per Share were €(0.39) versus €0.35 in Q2 2008.

2. Effective operating cash management

Thanks to the improvement in its supply chain management, the Group substantially reduced its **Operating Working Capital**, posting a record rate of 9.6% of Total Sales compared to 12.4% in Q2 2008 and 11.6% in Q1 2009.

Capital Expenditure decreased in Q2 by (32)% to €44 million from €65 million a year earlier. Amounting to €96 million year-to-date, capital expenditure is well on track toward the full-year target of €180 to 200 million.

Rhodia generated significant positive **Free Cash Flow** of €117 million in Q2, largely driven by the reduction of its Operating Working Capital.

During the second quarter, **Consolidated Net Debt** was reduced by €126 million, to €1,198 million as of June 30, 2009, compared to €1,324 million on March 31, 2009.

3. Rhodia well-equipped to address very challenging market conditions

Cost reduction programs paying off

From the end of 2008, the Group implemented numerous short term measures as well as structural cost competitiveness programs. The prompt implementation of these actions allowed the Group to achieve fixed costs savings of €67 million since the beginning of the year, of which €31 million in Q2. For the full year, the Group expects to achieve savings of €120 million.

Favorable geographic presence

Up by three percentage points year-on-year, Net Sales in emerging markets (Latin America and Asia-Pacific) represented 47% of total Net Sales in the second quarter. This significant exposure to emerging markets is a core strength for the Group given that demand improvement is currently driven by these regions.

Innovation focus on sustainable development, a key differentiation factor

Rhodia is developing an ambitious portfolio of breakthrough projects that respond to environmental challenges, such as energy efficiency, the preservation of natural resources and the fight against climate change. These projects represent an important growth potential in coming years. The Group will, for example, launch new polyamide recycling processes in 2009, extending the life cycle of its engineering plastics and enabling them to be re-used in new applications.

The excellence of Rhodia's Research & Development teams was recently awarded the Pierre Potier Prize in France for "innovation in chemistry supporting sustainable development" in recognition of its Rhodiasolv® IRIS range of new-generation solvents, which is biodegradable, non-toxic, non-flammable and low volatile.

4. 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>	Q2 2008	Q2 2008 Like for Like ⁽¹⁾	Q2 2009	Variation Like for Like ⁽¹⁾
Net Sales	495	487	347	(29)%
Recurring EBITDA ⁽²⁾	60	58	6	(90)%

Polyamide benefited across all its segments from a significant sequential recovery as year-on-year volume decrease slowed down to (19)% in Q2 2009 compared to (32)% in Q1 2009. This improvement is primarily attributable to the recovered market dynamics in emerging countries. However, continued customer de-stocking practices in Europe and North America affected demand levels throughout Q2. Following the absorption of costly inventories that had significantly eroded its Q1 2009 profitability, EBITDA started to recover. In Q3, Polyamide should see the first impact of capacity rationalization within the industry. Moreover, gradual improvement in margins is 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>	Q2 2008	Q2 2008 Like for Like ⁽¹⁾	Q2 2009	Variation Like for Like ⁽¹⁾
Net Sales	240	280	208	(26)%
Recurring EBITDA ⁽²⁾	30	37	22	(40)%

Novecare experienced a (28)% volume contraction compared to the prior year. Home & Personal Care and Agro continued to demonstrate resilience whereas Oilfield chemicals and Industrial applications suffered a substantial slowdown.

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

⁽²⁾ Before restructuring and other operating income and expenses

However, the Enterprise succeeded in sustaining good pricing power. In Q3, Home & Personal Care should remain resilient, Industrial applications and Oilfield chemicals should see some slight improvement, but the Agro segment will experience a seasonal slowdown.

Silcea

Rhodia Silcea produces high performance silicas, rare earth-based materials and diphenols to serve the automotive emissions reduction, tire, lighting, electronics, flavours, fragrances and various other industrial markets.

<i>In € million</i>	Q2 2008	Q2 2008 Like for Like ⁽¹⁾	Q2 2009	Variation Like for Like ⁽¹⁾
Net Sales	195	210	149	(29)%
Recurring EBITDA ⁽²⁾	35	38	17	(55)%

Silcea's volumes were down (30)% compared to Q2 2008 due to low activity in its three segments, although the Enterprise saw slight improvement sequentially from (34)% in Q1. Pricing power was satisfactorily maintained. In Q3, demand levels should gradually improve for Silica and Diphenol but Rare Earths should continue to suffer from the low level of demand in the electronics market.

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>	Q2 2008	Q2 2008 Like for Like ⁽¹⁾	Q2 2009	Variation Like for Like ⁽¹⁾
Net Sales	52	56	51	(9)%
Recurring EBITDA ⁽²⁾	38	37	37	-

Energy Services confirms the forecast of 13 million tons of CERs for the full year, with the usual strong Q4 seasonality; 80% of those 13 million tons are already hedged at an average price of €14.6 per ton. The Enterprise received its first carbon credits, known as Emission Reduction Units (ERU), generated in France. Resulting from greenhouse gas emission reductions equivalent to 200,000 tons of CO₂ per year, this project should generate revenues from the next quarter onwards. Moreover, Energy Services announced the acquisition project of OneCarbon, bringing an additional CER portfolio through its Orbeo joint-venture as well as six biogas projects located in China and Vietnam.

Acetow

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

<i>In € million</i>	Q2 2008	Q2 2008 Like for Like ⁽¹⁾	Q2 2009	Variation Like for Like ⁽¹⁾
Net Sales	113	122	140	15%
Recurring EBITDA ⁽²⁾	17	18	33	83%

Acetow benefited from sustained demand and good pricing levels supported by its product and service quality. In Q3, Acetow should continue to register a strong business performance.

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

⁽²⁾ 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>	Q2 2008	Q2 2008 Like for Like ⁽¹⁾	Q2 2009	Variation Like for Like ⁽¹⁾
Net Sales	70	81	55	(32)%
Recurring EBITDA ⁽²⁾	20	23	20	(13)%

Eco Services experienced a limited year-on-year volume shortfall. The Enterprise benefited from good pricing thanks to selling price indexation mechanisms. In Q3, Eco Services should continue to enjoy good margins, but slightly lower than in Q2.

5. Outlook

By the end of the first half of the year, demand in emerging countries returned to 2008 levels and customer de-stocking in Europe and North America was essentially completed. In Q3, despite the unfavorable effects of seasonal shut-downs in Europe, we expect a slight sequential improvement in demand as well as in our recurring EBITDA. However, demand levels for Q4 remain uncertain.

Well-positioned to face the significant business challenges, we remain focused on Free Cash Flow generation for the full year. Overall, we are committed to emerge stronger from the crisis.

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

⁽²⁾ Before restructuring and other operating income and expenses

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 14,500 people worldwide and generated sales of €4.8 billion in 2008. Rhodia is listed on NYSE Euronext.

For further details, please visit our institutional website at www.rhodia.com

Upcoming events

- **Journalists conference call on July 29, 2009** (in French language) **at 9:00 CET**
Host: Jean-Pierre CLAMADIEU, Chairman and Chief Executive Officer

- **Investors & Analysts conference call on July 29, 2009 at 11:00 CET**
Hosts: Jean-Pierre CLAMADIEU, Chairman and Chief Executive Officer
Pascal BOUCHIAT, Chief Financial Officer

Live webcast: Rhodia website www.rhodia.com

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- **Rhodia's third quarter 2009 results will be published on November 4, 2009**
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Results Fact Sheet: Q2 & H1 '09

Income Statement						
€ million	Q2* '08	Q2* '09	Variation	H1** '08	H1** '09	Variation
Net Sales	1,227	987	(19.6)%	2,413	1,907	(21.0)%
Other revenue	107	88		258	234	
Recurring EBITDA	187	111	(40.6)%	355	113	(68.2)%
Recurring EBITDA Margin	15.2%	11.2%		14.7%	5.9%	
Depreciation & Amortization	(69)	(69)		(139)	(136)	
Other Gains and Losses	1	5		(2)	(1)	
Restructuring Costs	(4)	(9)		(6)	(29)	
Operating Profit	115	38	(67.0)%	208	(53)	n.m.
Financial Results	(56)	(54)		(98)	(99)	
Share of profit (loss) of associates	1	(1)		1	(1)	
Profit/(loss) before income tax	60	(17)		111	(153)	
Income tax	(26)	(19)		(37)	(11)	
Profit/(loss) from continuing operations	34	(36)		74	(164)	
Profit/(loss) from discontinued operations	2	(4)		4	(11)	
Net Profit/(loss)	36	(40)		78	(175)	
Net Profit/(loss) (Group Share)	35	(40)		77	(174)	
Earnings per share, basic (in €)	0.35	(0.39)		0.77	(1.75)	
Average number of shares outstanding	101,087,068	100,458,127		101,027,205	99,876,529	

€ million	Net Sales			Recurring EBITDA			Operating Profit	
	Q2* '08	Q2* '09	Variation	Q2* '08	Q2* '09	Variation	Q2* '08	Q2* '09
RHODIA	1,227	987	(19.6)%	187	111	(40.6)%	115	38
POLYAMIDE	495	347	(29.9)%	60	6	(90.0)%	34	(21)
NOVECARE	240	208	(13.3)%	30	22	(26.7)%	21	11
SILCEA	195	149	(23.6)%	35	17	(51.4)%	25	6
ENERGY SERVICES	52	51	(1.9)%	38	37	(2.6)%	36	30
ACETOW	113	140	23.9%	17	33	94.1%	10	26
ECO SERVICES	70	55	(21.4)%	20	20	n.m.	17	15
CORPORATE & Others	62 ⁽¹⁾	37 ⁽¹⁾	(40.3)%	(13)	(24)	(84.6)%	(28)	(29)

€ million	Net Sales			Recurring EBITDA			Operating Profit	
	H1 '08	H1 '09	Variation	H1 '08	H1 '09	Variation	H1 '08	H1 '09
RHODIA	2,413	1,907	(21.0)%	355	113	(68.2)%	208	(53)
POLYAMIDE	971	633	(34.8)%	112	(90)	n.m.	63	(153)
NOVECARE	475	417	(12.2)%	58	36	(37.9)%	40	10
SILCEA	384	291	(24.2)%	62	20	(67.7)%	41	(5)
ENERGY SERVICES	104	92	(11.5)%	91	85	(6.6)%	86	74
ACETOW	226	275	21.7%	37	67	81.1%	23	52
ECO SERVICES	127	121	(4.7)%	33	44	33.3%	26	35
CORPORATE & Others	126 ⁽¹⁾	78 ⁽¹⁾	(38.1)%	(38)	(49)	n.m.	(71)	(66)

(1) including intercompany sales elimination

Net Financial Debt

December 31. 2008	March 31. 2009	June 30. 2009
1,311	1,324	1,198

2009: Focus on Free Cash Flow generation

Q3 '09 outlook

FY 2009

- | | |
|---|--|
| <ul style="list-style-type: none"> • Activity levels in emerging markets back to 2008 levels • De-stocking in Europe and North America essentially over • Summer seasonality in Europe | <ul style="list-style-type: none"> • Q4 demand levels still uncertain • 2009 priority unchanged : Focus on Free Cash Flow generation |
|---|--|
- Overall, slight sequential improvement in EBITDA expected

Coming out of the crisis stronger

* Unaudited

** Reviewed by auditors

Results Fact Sheet: Q2 '09

POLYAMIDE

- Volumes down (19)% YoY but sequential recovery from (32)% in Q1 '09
 - Volumes up sequentially in all Polyamide segments
 - Recovery in emerging markets
 - Persisting de-stocking in Europe and US affected demand levels until the end of Q2 '09
- End of costly inventory impacts and gradual margin recovery

NOVECARE

- Volume contraction (28)% YoY, stable sequentially
 - Home & Personal Care (HPC) and Agro markets demonstrated resilience
 - Oilfield Chemicals down (50)% YoY
 - Industrial applications up sequentially, still (30)% YoY
- Sustained pricing power

SILCEA

- Volumes down in the three segments, overall (30)% YoY Slight sequential improvement vs. (34)% in Q1
- Satisfactory pricing power

ENERGY SERVICES

- CER activity in line with estimated 13mT in FY '09
- 80% of FY 2009's 13mT hedged at an average 14.6€/T
- First carbon credits (ERU) awarded for French domestic project (200kT/year) ; revenues as from Q3 '09

ACETOW

- Sustained level of demand
- Good pricing supported by product and service quality

ECO SERVICES

- Limited volume shortfall YoY
- Good pricing under indexation mechanism

€million	Net Sales Q2* '08	Scope	Foreign Exchange conversion	Net Sales Q2* '08 like for like	Foreign Exchange transaction	Volume & mix	Selling Price	Net Sales Q2* '09	Variation Q2* '09 - Q2* '08	Variation Q2* '09 - Q2* '08 like for like
RHODIA	1,227	28	32	1,287	34	(263)	(71)	987	(19.6)%	(23.3)%
POLYAMIDE	495	9	(17)	487	25	(94)	(71)	347	(29.9)%	(28.7)%
NOVECARE	240	23	17	280	2	(79)	5	208	(13.3)%	(25.7)%
SILCEA	195	1	14	210	4	(63)	(2)	149	(23.6)%	(29.0)%
ENERGY SERVICES	52	0	4	56	0	(4)	(1)	51	(1.9)%	(8.9)%
ACETOW	113	7	2	122	4	2	12	140	23.9%	14.8%
ECO SERVICES	70	0	11	81	0	(11)	(15)	55	(21.4)%	(32.1)%
CORPORATE & Others including intercompany sales elimination	62	(12)	1	51	(1)	(14)	1	37	(40.3)%	(27.5)%

€million	Rec. EBITDA Q2* '08	Scope	Forex conversion	Rec. EBITDA Q2* '08 like for like	Forex transact ion	Volume & mix	Selling Price	Raw materials & Energy	Fixed Costs	Rec. EBITDA Q2* '09	Rec. EBITDA Margin Q2* '09
RHODIA	187	0	7	194	12	(101)	(71)	75	2	111	11.2%
POLYAMIDE	60	0	(2)	58	7	(30)	(71)	41	1	6	1.7%
NOVECARE	30	3	4	37	1	(28)	5	1	6	22	10.6%
SILCEA	35	1	2	38	4	(27)	(2)	3	1	17	11.4%
ENERGY SERVICES	38	(1)	0	37	0	(4)	(1)	6	(1)	37	n.m.
ACETOW	17	0	1	18	0	-	12	2	1	33	23.6%
ECO SERVICES	20	0	3	23	0	(5)	(15)	21	(4)	20	36.4%
CORPORATE & Others	(13)	(3)	(1)	(17)	0	(7)	1	1	(2)	(24)	n.m.

* Unaudited

Results Fact Sheet: H1 '09

€million	Net Sales H1** '08	Scope	Foreign Exchange conversion	Net Sales H1** '08 like for like	Foreign Exchange transaction	Volume & mix	Selling Price	Net Sales H1** '09	Variation H1** '09- H1** '08	Variation H1** '09 – H1** '08 like for like
RHODIA	2,413	43	44	2,500	67	(592)	(68)	1,907	(21.0)%	(23.7)%
POLYAMIDE	971	22	(48)	945	50	(242)	(120)	633	(34.8)%	(33.0)%
NOVECARE	475	29	31	535	4	(147)	25	417	(12.2)%	(22.1)%
SILCEA	384	2	27	413	6	(131)	3	291	(24.2)%	(29.5)%
ENERGY SERVICES	104	0	4	108	0	(12)	(4)	92	(11.5)%	(14.8)%
ACETOW	226	15	4	245	8	(2)	24	275	21.7%	12.2%
ECO SERVICES	127	0	19	146	0	(26)	1	121	(4.7)%	(17.1)%
CORPORATE & Others including intercompany sales elimination	126	(25)	7	108	(1)	(32)	3	78	(38.1)%	(27.8)%

€million	Rec. EBITDA H1** '08	Scope	Foreign Exchange conversion	Rec. EBITDA H1** '08 like for like	Foreign Exchange transaction	Volume & mix	Selling Price	Raw materials & Energy	Fixed Costs	Rec. EBITDA H1** '09	Rec. EBITDA Margin H1** '09
RHODIA	355	(2)	9	362	11	(224)	(68)	7	25	113	5.9%
POLYAMIDE	112	1	(7)	106	6	(81)	(120)	(3)	2	(90)	(14.2)%
NOVECARE	58	2	6	66	2	(55)	25	(11)	9	36	8.6%
SILCEA	62	2	4	68	5	(54)	3	(7)	5	20	6.9%
ENERGY SERVICES	91	(1)	0	90	0	(3)	(4)	3	(1)	85	n.m.
ACETOW	37	1	1	39	(2)	(1)	24	5	2	67	24.4%
ECO SERVICES	33	0	5	38	0	(13)	1	20	(2)	44	36.4%
CORPORATE & Others	(38)	(7)	0	(45)	0	(17)	3	-	10	(49)	n.m.

** Reviewed by auditors

Results Fact Sheet: Quarterly results

€m	Q1* '08	Q1* '09	Q2* '08	Q2* '09	H1** '08	H1** '09	Q3* '08	Q4* '08	H2** '08	FY '08
RHODIA										
Net Sales	1,186	920	1,227	987	2,413	1,907	1 224	1 126	2,350	4,763
Recurring EBITDA	168	2	187	111	355	113	168	141	309	664
Rec. EBITDA margin	14.2%	0.2%	15.2%	11.2%	14.7%	5.9%	13.7%	12.5%	13.1%	13.9%
Operating Profit	93	(91)	115	38	208	(53)	87	14	101	309
POLYAMIDE										
Net Sales	476	286	495	347	971	633	465	353	818	1,789
Recurring EBITDA	52	(96)	60	6	112	(90)	38	(8)	30	142
Rec. EBITDA margin	10.9%	(33.6)%	12.1%	1.7%	11.5%	(14.2)%	8.2%	(2.3)%	3.7%	7.9%
Operating Profit	29	(132)	34	(21)	63	(153)	11	(64)	(53)	10
NOVE CARE										
Net Sales	235	209	240	208	475	417	260	236	496	971
Recurring EBITDA	28	14	30	22	58	36	43	26	69	127
Rec. EBITDA margin	11.9%	6.7%	12.5%	10.6%	12.2%	8.6%	16.5%	11.0%	13.9%	13.1%
Operating Profit	19	(1)	21	11	40	10	31	20	51	91
SILCEA										
Net Sales	189	142	195	149	384	291	193	169	362	746
Recurring EBITDA	27	3	35	17	62	20	30	14	44	106
Rec. EBITDA margin	14.3%	2.1%	17.9%	11.4%	16.1%	6.9%	15.5%	8.3%	12.2%	14.2%
Operating Profit	16	(11)	25	6	41	(5)	19	(19)		41
ENERGY SERVICES										
Net Sales	52	41	52	51	104	92	43	86	129	233
Recurring EBITDA	53	48	38	37	91	85	35	87	122	213
Operating Profit	50	44	36	30	86	74	27	82	109	195
ACETOW										
Net Sales	113	135	113	140	226	275	112	129	241	467
Recurring EBITDA	20	34	17	33	37	67	20	27	47	84
Rec. EBITDA margin	17.7%	25.2%	15.0%	23.6%	16.4%	24.4%	17.9%	20.9%	19.5%	18.0%
Operating Profit	13	26	10	26	23	52	12	19	31	54
ECO SERVICES										
Net Sales	57	66	70	55	127	121	90	89	179	306
Recurring EBITDA	13	24	20	20	33	44	19	20	39	72
Rec. EBITDA margin	22.8%	36.4%	28.6%	36.4%	26.0%	36.4%	21.1%	22.5%	21.8%	23.5%
Operating Profit	9	20	17	15	26	35	16	16	32	58
CORPORATE & OTHERS										
Sales & intercompany sales eliminations	64	41	62	37	126	78	61	64	125	251
Recurring EBITDA	(25)	(25)	(13)	(24)	(38)	(49)	(17)	(25)	(42)	(80)
Operating Profit	(43)	(37)	(28)	(29)	(71)	(66)	(29)	(40)	(69)	(140)

* Unaudited

** Reviewed by auditors

CONSOLIDATED INCOME STATEMENTS AS OF JUNE 30, 2009

(in millions of euros)	Quarter ended June 30,		Half-year ended June 30,	
	2009 ^(*)	2008 ^(*)	2009 (**)	2008 (**)
Net sales	987	1,227	1,907	2,413
Other revenue	88	107	234	258
Cost of sales	(884)	(1,080)	(1,875)	(2,162)
Administrative and selling expenses	(134)	(119)	(256)	(256)
Research and development expenditure	(15)	(17)	(33)	(37)
Restructuring costs	(9)	(4)	(29)	(6)
Other operating income / (expenses)	5	1	(1)	(2)
Operating profit/(loss)	38	115	(53)	208
Finance income	21	36	41	70
Finance costs	(75)	(93)	(145)	(170)
Foreign exchange gains/(losses)	-	1	5	2
Share of profit/(loss) of associates	(1)	1	(1)	1
Profit/(loss) before income tax	(17)	60	(153)	111
Income tax benefit/(expense)	(19)	(26)	(11)	(37)
Profit/(loss) from continuing operations	(36)	34	(164)	74
Profit/(loss) from discontinued operations	(4)	2	(11)	4
Net profit for the period	(40)	36	(175)	78
Attributable to:				
Equity holders of Rhodia S.A.	(40)	35	(174)	77
Minority interests	-	1	(1)	1
Earnings per share (in euros)				
Continuing and discontinued operations				
- Basic	(0.39)	0.35	(1.75)	0.77
- Diluted	(0.39)	0.35	(1.74)	0.76
Continuing operations				
- Basic	(0.36)	0.34	(1.64)	0.72
- Diluted	(0.36)	0.33	(1.63)	0.71
<i>Weighted average number of shares before dilution</i>	<i>100,458,127</i>	<i>101,087,068</i>	<i>99,876,529</i>	<i>101,027,205</i>
<i>Weighted average number of shares after dilution</i>	<i>100,771,868</i>	<i>101,682,959</i>	<i>100,060,156</i>	<i>102,388,742</i>

(*) Unaudited

(**) Reviewed by auditors

CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2009

Assets		
(in millions of euros)	June 30, 2009 (**)	December 31, 2008
Property, plant & equipment	1,478	1,501
Goodwill	221	197
Other intangible assets	192	181
Investments in associates	12	13
Other non-current financial assets	107	92
Deferred tax assets	162	171
Non-current assets	2,172	2,155
Inventories	417	666
Income tax receivable	14	12
Trade and other receivables	686	821
Derivative financial instruments	159	148
Other current financial assets	77	28
Cash and cash equivalents	601	492
Assets classified as held for sale	2	2
Current assets	1,956	2,169
TOTAL ASSETS	4,128	4,324

(**) Reviewed by auditors

Liabilities and shareholders' equity		
(in millions of euros)	June 30, 2009 (**)	December 31, 2008
Share capital	1,213	1,213
Additional paid-in capital	138	138
Other reserves	183	86
Deficit	(2,161)	(1,812)
Equity attributable to equity holders of Rhodia SA	(627)	(375)
Minority interests	15	19
Total equity	(612)	(356)
Borrowings	1,666	1,612
Retirement benefits and similar obligations	1,296	1,155
Provisions	310	279
Deferred tax liabilities	24	38
Other non-current liabilities	49	33
Non-current liabilities	3,345	3,117
Borrowings	210	219
Derivative financial instruments	132	123
Retirement benefits and similar obligations	97	93
Provisions	150	137
Income tax payable	13	19
Trade and other payables	793	972
Liabilities associated with assets classified as held for sale	-	-
Current liabilities	1,395	1,563
TOTAL EQUITY AND LIABILITIES	4,128	4,324

(**) Reviewed by auditors

CONSOLIDATED STATEMENTS OF CASH FLOWS AS OF JUNE 30, 2009

(in millions of euros)	Quarter ended June 30,		Half-year ended June 30,	
	2009 ^(*)	2008 ^(*)	2009 (**)	2008 (**)
Net Profit/(loss) attributable to equity holders of Rhodia SA	(40)	35	(174)	77
<i>Adjustments for :</i>				
Minority interests	-	1	(1)	1
Depreciation, amortization and impairment of non-current assets	71	69	146	143
Net increase/(decrease) in provisions and employee benefits	(1)	(14)	(1)	(37)
Impairment of non-current financial assets	-	-	-	-
Share of profit/(loss) of associates	1	(1)	1	(1)
Other income and expense	10	12	19	22
(Gain)/loss on disposal of non-current assets	(6)	2	(8)	2
Deferred tax expense/(income)	2	5	(16)	2
Foreign exchange losses/(gains)	(12)	5	29	24
Cash flow from operating activities before changes in working capital	25	114	(5)	233
<i>Changes in working capital</i>				
- (Increase)/decrease in inventories	86	(28)	279	(92)
- (Increase)/decrease in trade and other receivables	32	(45)	94	(92)
- Increase/(decrease) in trade and other payables	(32)	18	(196)	54
- (Increase)/decrease in other current assets and liabilities	50	(12)	114	(21)
Net cash from operating activities before margin calls	161	47	286	82
Margin calls (1)	(5)	3	2	(6)
Net cash from / (used by) operating activities	156	50	288	76
Purchases of property, plant and equipment	(39)	(52)	(85)	(111)
Purchases of other non-current assets	(5)	(13)	(11)	(27)
Proceeds on disposals of entities, net of cash transferred, and non-current assets	8	(4)	7	(2)
Purchases of entities, net of cash acquired	(3)	-	(81)	-
(Purchases of)/repayments of loans and financial investments	(59)	(1)	(49)	4
Net cash from / (used by) investing activities	(98)	(70)	(219)	(136)
Treasury share purchase costs	(2)	-	(2)	-
Dividends paid	(1)	(25)	(1)	(25)
New non-current borrowings, net of costs	45	-	45	-
Repayments of non-current borrowings, net of costs	(23)	(2)	(39)	(8)
Net increase/(decrease) in current borrowings	(20)	(29)	16	63
Net cash from / (used by) financing activities	(1)	(56)	19	30
Effect of foreign exchange rate changes	16	14	21	2
Net increase/(decrease) in cash and cash equivalents	73	(62)	109	(28)
Cash and cash equivalents at the beginning of the period	528	449	492	415
Cash and cash equivalents at the end of the period	601	387	601	387

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

(*) Unaudited

(**) Reviewed by auditors