

Press Release

RHODIA TO DEVELOP BIOMASS PROJECTS

Paris, France, December 1st, 2010 --- Rhodia announces its first business development in bagasse-based biomass* projects by signing a binding agreement with Paraiso, a privately-held company.

Located in Brotas city, Brazil, Paraiso disposes of a plant that produces ethanol and sugar from sugar cane. According to this agreement, Rhodia Energy Services will upgrade and operate the cogeneration unit using the plant's biomass as a raw material to produce electricity. On the other hand, Paraiso has committed to supply Rhodia with all bagasse and other sugar cane solid waste on an exclusive basis. Most of the electricity generated by the cogeneration unit will be sold to the grid, while the Paraiso site will also be supplied with electricity and steam by the new unit.

The unit will have an installed capacity of 70 MW, and will produce electricity that could feed a city of approximately 200.000 houses or 600.000 people.

This project is an important step in the execution of Rhodia Energy Services' strategy to develop Climate Care solutions by leveraging its unique expertise in energy optimization and CO₂ emission reduction into the growing biomass-to-energy domain.

(*) Biomass is a renewable energy source. It is a biological material from living, or recently living organisms, such as wood, waste, (hydrogen) gas, and alcohol fuels. Biomass is commonly plant matter grown to generate electricity or produce heat. In this case, we will use the bagasse that remains after sugar cane crushing.

***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.*

Rhodia Energy Services is a Global Business Unit (GBU) of the Rhodia chemical group. It is in charge of energy supply management for the Group as a whole and responsible for managing projects initiated by Rhodia with a view to reducing its greenhouse gas emissions and to combating climate change. Energy supply management includes the purchase, production and sale of energy. Rhodia Energy Services manages energy procurement activities for a total of approximately €1 billion worldwide. It is a founding member of Exeltium, a consortium set up to purchase electricity generated from nuclear energy in France.

In the area of CO₂ abatement, Rhodia Energy Services registered in 2005 two of the largest Clean Development Mechanism (CDM) projects completed under the Kyoto Protocol, enabling it to obtain one of the largest portfolios of carbon credits in the world. Since 2009, Rhodia Energy has consolidated its expertise by investing in renewable sources of energy.

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

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