

Press release

RHODIA TO ACCELERATE ITS GROWTH IN INDIA WITH THE ACQUISITION OF PI INDUSTRIES' ENGINEERING PLASTICS BUSINESS

Paris, December 20th, 2010 ---- Rhodia announces the signing of a binding agreement to acquire PI Polymer, the engineering plastics business of the Indian company PI Industries Ltd. This transaction supports the Group's ambition to increase its market share in the Indian polyamide compound market to more than 15% by 2015.

"This acquisition will reinforce the already strong positions we have in fast-growing economies. We have identified strong synergies with our engineering plastics business in terms of product range and customer portfolio that will dramatically accelerate our growth in India", commented François Hincker, President of Rhodia Engineering Plastics.

He added: *"Rhodia and PI Industries share a common vision and values with regard to responsible chemistry and we are fully committed to provide the highest level of customer service, product quality and social responsibility. Combining these core values with PI Polymer's expertise and Rhodia's global footprint, we plan to rapidly expand this activity, with a capacity increase scheduled shortly".*

PI Polymer forecasts about \$13 million sales revenue for its fiscal year 2010/11. The acquisition price represents an estimated 2010/11 EBITDA multiple of around 7x. The transaction includes all the assets used and held by PI Polymer, primarily one industrial facility that employs more than 80 people, R&D capabilities, customer base and logistics network in India. Subject to various customary closing conditions, the completion of the transaction is expected to be finalized by the end of March 2011.

This acquisition will strengthen the Group's presence in India, where Technyl® engineering plastics are already imported. Rhodia has operated in the country since 2001 through its surfactants business, serving the home & personal care and coatings markets.

PI Industries Limited ("PIIL") founded in 1947 in Udaipur, Rajasthan, is listed on the Mumbai Stock Exchange. PIIL operates under the following three business units, Agri Input (manufacturing and distribution of Agro Chemicals-Pesticides, Insecticides and Herbicides); Custom Synthesis (Custom Synthesis in the areas of Fine Chemicals, Agro Chemicals and Pharmaceutical Intermediates); and PI Polymer (Engineering plastics compounding for the end use in Automotive, Electricals and Home Appliances).



Rhodia Engineering Plastics is a global specialist in performance solutions based on polyamide 6 and 6.6 for injection molding, extrusion and blow molding. Under the flagship brand Technyl®, Rhodia's Engineering Plastics activity serves various markets as automotive and transportation, electrical and electronics, construction and industrial equipment, consumer goods.

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. 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 institutional website at <http://www.rhodia.com>

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