

## Press release

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Paris, February 23, 2011

### **RHODIA REPORTS FULL YEAR AND FOURTH QUARTER 2010 RESULTS**

#### ***Breakthrough step-up in profitability in 2010***

#### ***Growth strategy well underway***

*Forenote: All period variances referred to in this document are to be deemed on a year on year like-for-like<sup>(1)</sup> basis, unless otherwise stated. The expressions "Rec. EBITDA" or "EBITDA" hereby refer to Recurring EBITDA before restructuring and other operating income and expenses.*

- ✓ **Far-reaching transformation toward profitable growth ambition to generate over 1 billion euros annual pre-CER EBITDA by 2013-2015**
  - Redesigned management model to drive growth
  - Acquisition of Feixiang Chemicals in China
  - Reinforcement of business positions in the most dynamic markets
  
- ✓ **FY 2010 financial highlights**
  - Excellent profitability with recurring EBITDA at €905 million
  - Volumes up by 14% compared to 2009, reflecting strong business dynamics
  - Record Net Profit of €259 million
  - Solid Free Cash Flow<sup>(2)</sup> generation of €240 million
  - Dividend at €0.5 per share (+100 percent vs 2009)

Commenting on these results, Chairman & CEO Jean-Pierre Clamadieu said: *"In 2010, Rhodia achieved a breakthrough step-up in profitability. We defined growth as the strategic priority and implemented a new decentralized management model as its driving force. The Group has already attained significant milestones with the acquisition of Feixiang Chemicals together with substantial investments in fast-growing regions."*

He added: *"Heading into 2011, global economic conditions and business momentum remain favorable. Rhodia will benefit from its high quality portfolio and strengthened positions in the most dynamic markets. In this context, we expect to improve our 2011 EBITDA by 5 to 10%, well in line with our 2013-2015 ambition".*

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

(2) Defined as "net cash from operating activities" before margin call plus "non recurring refinancing cash costs" minus capital expenditure

## Summary Income Statement Full Year 2010

<i>In € million</i>	FY 2009	FY 2009 <i>like for like</i> <sup>(1)</sup>	FY 2010	Variation <i>like for like</i> <sup>(1)</sup>
Net Sales	4,031	4,321	<b>5,226</b>	21%
Recurring EBITDA	487	511	<b>905</b>	77%
Operating Profit	160	170	<b>602</b>	254%
Profit/(Loss) from continuing operations	(101)		<b>267</b>	
Profit/(Loss) from discontinued operations	(31)		<b>(5)</b>	
Net Profit/(Loss), Group Share	(132)		<b>259</b>	
Earnings per Share (in €), basic	(1.32)		<b>2.55</b>	
Free Cash Flow <sup>(2)</sup>	355		<b>240</b>	

## Summary Income Statement Q4 2010

<i>In € million</i>	Q4 2009	FY 2009 <i>like for like</i> <sup>(1)</sup>	Q4 2010	Variation <i>like for like</i> <sup>(1)</sup>
Net Sales	1,083	1,172	<b>1,360</b>	16%
Recurring EBITDA	200	213	<b>223</b>	4.7%
Operating Profit	109	119	<b>165</b>	39%
Profit/(loss) from continuing operations	28		<b>92</b>	
Profit/(loss) from discontinued operations	-		-	
Net Profit/ Group Share	28		<b>91</b>	
Earnings per Share (in €), basic	0.28		<b>0.89</b>	
Free Cash Flow <sup>(2)</sup>	53		<b>(11)</b>	

### 1. A confirmed step-up in profitability driven by sustained favorable business dynamics and strong pricing power

For the full year 2010, **Net Sales** increased by 21% to €5,226 million from €4,321 million in 2009 driven by strong demand across regions and segments, resulting in volumes up by 14% year-on-year. Business dynamics remained favorable in Q4, with Net Sales of €1,360 million compared to €1,172 million in 2009.

Rhodia achieved a breakthrough step-up in profitability with full year **Recurring EBITDA** of €905 million compared to €511 million in 2009. This excellent profitability level was driven by both good business dynamics and strong pricing power which generated a €271 million net positive price impact. In Q4, the Group reported a recurring EBITDA of €223 million vs. €213 million for the same period last year. Continued effective price management in an inflationary raw materials context generated a positive net price impact of €24 million for the quarter.

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

(2) Defined as “net cash from operating activities” before margin call plus “non recurring refinancing cash costs” minus capital expenditure

**Operating Profit** for the full year 2010 was €602 million, a sharp improvement compared to €170 million last year, reflecting the excellent performance in recurring EBITDA. In Q4, it stood at €165 million compared to €119 million in the same period last year.

**Net Financial** charges for the full year were €(207) million versus €(190) million a year ago. They include €(37) million one-off charges linked to the partial refinancing of the Group's Floating Rate Notes due in 2013 for an aggregate amount of €800 million. In Q4, Net Financial charges stood at €(45) million versus €(47) million in the prior year.

**Income Tax** was €(128) million for the full year 2010 versus €(71) million in 2009. This increase primarily reflected charges linked to the higher operating profitability over the period. In Q4, Income Tax amounted to €(29) million compared to €(35) million in the prior year.

**The Net Profit Group Share** stood at a record level of €259 million for the full year 2010 compared to €(132) million last year, reflecting the excellent operating performance of the Group. In Q4, it was €91 million compared to €28 million in 2009.

**Earnings per Share** were €2.55 in 2010 versus €(1.32) in 2009.

A doubling of the **Dividend** at €0.5 per share will be proposed to the Annual General Meeting on May 18<sup>th</sup>, 2011.

## 2. Best-in-class working capital management

The Group continued to demonstrate best-in-class management of **Operating Working Capital**, posting a record performance of 9.2% on total sales average for the year 2010, compared to 9.6% in 2009.

Rhodia maintained selective **Capital Expenditure** of €270 million in 2010, in line with expectations. Growth Capex focused on fast-growing countries, including the silica plant in Qingdao (China), Novecare's plant in Zhenjiang (China) and Energy Services' first biomass investments in Brazil.

Rhodia generated a solid **Free Cash Flow**<sup>(1)</sup> of €240 million for the full year 2010, as a result of a strong EBITDA generation and continued financial discipline.

Acquisitions throughout the year amounted to €369 million, mostly related to Feixiang Chemicals in China.

By year end, **Consolidated Net Debt** was of €1,194 million representing a significant de-leveraging with a leverage ratio (net debt/EBITDA) of 1.3x against 2.1x at the end of 2009. The Group has lengthened its financial resources through the partial refinancing of its 2013 Floating Rate Notes, extending its debt maturity profile up to 2020. Rhodia has a sound capital structure and financial flexibility.

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(1) Defined as "net cash from operating activities" before margin call plus "non recurring refinancing cash costs" minus capital expenditure

### 3. Rhodia on track to accomplish its growth ambition

On October 4<sup>th</sup>, 2010, Rhodia announced its ambition to generate a yearly pre-CER recurring EBITDA greater than one billion euros within the next three to five years. Representing an EBITDA increase of over €250 million vs the current level, this ambition is focused on three key levers:

- Organic growth, contributing €100 million
- Innovation, contributing €50 million
- External growth, contributing €100 million

Rhodia enjoys global leadership positions in all the segments where it operates, and has clearly identified the growth potential across its businesses. Consumer Chemicals, with Novecare's specialty surfactants, green solvents and diphenol for vanillin, is expected to provide the highest contribution (over €140 million) to the Group's profitable growth ambition. Advanced Materials should also be a major contributor (with more than €50 million), through its highly dispersible silica for green tires and rare earth based-formulations businesses. Polyamide Materials and the Acetow & Eco Services business clusters will contribute the balance of our ambition.

The Group's priority for 2011 is focused on the accomplishment of its profitable growth agenda. Rhodia has redesigned its organization toward a more decentralized and simplified management model, fostering the emergence of an entrepreneurial culture, improved reactivity and speed of execution. Eleven Global Business Units (GBUs) with enhanced market and customer-focus are in place. With the support of a highly international management team, a streamlined Executive Committee supervises the five business clusters regrouping the GBUs and drives Rhodia's strategy. With a quick take-off of its new organization, the Group will be able to effectively leverage current sound business momentum.

In 2011, Rhodia will continue mobilizing all levers for growth while maintaining financial and operational discipline.

#### **Leveraging sound market and geographical dynamics**

Rhodia intends to capitalize on the ongoing favorable market and geographical dynamics. The Group's portfolio serves well diversified end markets enjoying sound growth potential, driven by environmental priorities and stringent regulations.

Rhodia is to leverage its unmatched exposure to fast-growing economies and expects to extend its global sales in these markets from its current 47% mark. Over the last years, the Group has extended its resources and concentrated most of its growth investments in these regions. In China, production capacity expanded by 20% in 2010, excluding the recent Feixiang acquisition. The new high performance silica plant in Qingdao will allow the Group to meet increasing global demand for energy efficient tires. The development of a new Novecare and Aroma Performance industrial platform in Zhenjiang will help satisfy the strong growing demand for Home & Personal Care solutions.

### **Success of new product launches and continuous reinforcement of eco-friendly innovative offering**

Rhodia is developing an ambitious portfolio of projects that reinforce its eco-friendly innovative offering and is helping set new performance standards for the industry. Recent launches to contribute to its 2011 earnings include high performance materials such as the polyamide 6.6-based Fuel'In and Evolite by Technyl® and eco-friendly formulations like Rhodiasolv® solvent and Rhodoline®, an additive for sustainable water-based paint formulations. The recently announced new process for the recovery and separation of rare earths contained in used low-energy light bulbs should be operational in 2012.

Furthermore, the Group announced today it has invested in the Aster multi-corporate European venture, partnering with Schneider Electric and Alstom, to accelerate its innovation capabilities (see Aster press release issued the same day). Today, 90% of Rhodia's major R&D projects are driven by sustainable development requirements.

### **Acquisitions to fuel growth**

The Feixiang Chemicals acquisition in China is a key first step in the implementation of the Group's growth strategy. The integration process is well on track and is expected to deliver significant growth synergies in a short time frame. With a new site at Zhuhai to be operational in the second half of 2011, the Group confirms its commitment to double Feixiang's business by 2015. In addition, the ongoing acquisition of PI Industries' engineering plastics activity in India sets the framework for the Group's objective to increase market share in the Indian polyamide compound market to more than 15% by 2015.

Rhodia continues to seek bolt-on acquisition opportunities which can help it strengthen its leadership positions and innovation capabilities and capture growth while being easy to integrate.

### **Maintaining financial and operational discipline**

While focusing on growth, Rhodia is maintaining financial discipline. The Group is to increase selectively its growth Capex in a timely manner, while demanding high returns. In 2011, investment projects will mainly focus on businesses with strong growth potential, such as Consumer Chemicals, where two new surfactant and guar sites are to be operational in China in addition to de-bottlenecking investments in the US and Europe. Polyamide 6.6 polymerization capacity should be extended in South Korea as well as polyamide compounding in India. Silica capacity is to increase in the USA and Europe and Energy Climate Care developments are planned in Brazil and Asia.

#### **4. Sound business momentum across segments**

Consumer Chemicals should benefit from sustained momentum in all its businesses driven by economic growth and eco-megatrends. Rhodia expects to launch new products and capture market share as well as leverage the Feixiang growth platform.

Polyamide Materials is seeing a solid demand and continues to enjoy good margins. Force Majeure was declared on February 4<sup>th</sup>, 2011, for its HMDA and downstream manufacturing chain - a result of reduced production capacity due to a severe disruption of raw materials procurement combined with an equipment breakdown on the ADN production facility in Chalampé. Rhodia is currently working on all possible means to partially compensate for the associated negative impacts on its customers and the Group. Over the year, Polyamide Materials will focus on managing its stretched production capacity for intermediates.

Advanced Materials should benefit from sustained strong demand for Silica and Rare Earths. The Group should leverage its significant increase in Silica production capacity worldwide, up 30% following the capacity extension in Qingdao. Rhodia is determined to take advantage of its unique positioning in rare earth formulations to enhance its supplier of choice status.

Acetow and Eco Services should benefit from a sustained level of demand. Acetow is focusing on maximizing production output to meet demand.

Energy Services expects to generate 14 million tons of CER/ERU of which 40% are already hedged at an average price of €13.5 per ton. The Group is progressing in the development of its renewable "Climate Care" energy businesses.

#### **5. Outlook**

Global economic growth should remain strong in 2011, driven by fast-growing countries. Rhodia's portfolio is well-suited to benefit from global market megatrends.

In a context where raw materials and energy costs are trending upwards, the Group is confident to continue enjoying satisfactory pricing power.

Under current conditions, Rhodia expects to improve its 2011 Recurring EBITDA by 5 to 10% compared to last year. This objective is fully on track toward its 2013-2015 ambition.

## Q4 2010 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.

	FY 09	FY 09 Like for Like <sup>(1)</sup>	FY 10	Var <sup>(1)</sup>	Q4 09	Q4 09 Like for Like <sup>(1)</sup>	Q4 10	Var <sup>(1)</sup>
<i>In € million</i>								
Net Sales	1,476	1,641	<b>2,145</b>	31%	446	485	<b>542</b>	12%
Recurring EBITDA <sup>(2)</sup>	31	44	<b>317</b>	620%	69	77	<b>77</b>	0%

In Q4, Polyamide continued to benefit from solid market demand, particularly in the Engineering Plastics segment registering 10% year-on-year volume growth. Force Majeure in December limited production at Intermediates, with an adverse impact of €(7) million on EBITDA. Strong pricing power has been partly offset by unfavorable exchange rates.

### 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.

	FY 09	FY 09 Like for Like <sup>(1)</sup>	FY 10	Var <sup>(1)</sup>	Q4 09	Q4 09 Like for Like <sup>(1)</sup>	Q4 10	Var <sup>(1)</sup>
<i>In € million</i>								
Net Sales	827	904	<b>1,094</b>	21%	203	237	<b>286</b>	21%
Recurring EBITDA <sup>(2)</sup>	93	104	<b>166</b>	60%	27	31	<b>36</b>	16%

In Q4, Novecare continued to report strong volumes (overall up by 18% year-on-year) across segments and regions, with a sequential slowdown due to a normal seasonality. The highest year-on-year volume growth was reported in the Oil & Gas and Agro markets, both increasing by nearly 30%. Industrial segments' increased business was driven by solid demand and new business developments. The Feixiang Chemicals acquisition is fully consolidated since November 30<sup>th</sup>, 2010.

<sup>(1)</sup> Like for like: at constant scope and currency conversion

<sup>(2)</sup> Before restructuring and other operating income and expenses

## Silcea

Rhodia Silcea produces high performance silicas for tires, rare earth-based materials for automotive emissions reduction, lighting and electronics, and diphenols for flavors and fragrances.

	FY 09	FY 09 Like for Like <sup>(1)</sup>	FY 10	Var <sup>(1)</sup>	Q4 09	Q4 09 Like for Like <sup>(1)</sup>	Q4 10	Var <sup>(1)</sup>
<i>In € million</i>								
Net Sales	635	663	<b>851</b>	28%	177	188	<b>228</b>	21%
Recurring EBITDA <sup>(2)</sup>	84	91	<b>197</b>	116%	35	37	<b>53</b>	43%

In Q4, Silcea registered solid business performance across segments and particularly in Silica. Overall, the Enterprise posted +7% increase in volumes. Silcea benefited from strong pricing, notably at Rare Earths.

## 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.

	FY 09	FY 09 Like for Like <sup>(1)</sup>	FY 10	Var <sup>(1)</sup>	Q4 09	Q4 09 Like for Like <sup>(1)</sup>	Q4 10	Var <sup>(1)</sup>
<i>In € million</i>								
Net Sales	189	196	<b>203</b>	3.6%	51	53	<b>66</b>	25%
Recurring EBITDA <sup>(2)</sup>	165	165	<b>169</b>	2.4%	46	46	<b>57</b>	24%

In Q4, Energy Services' EBITDA increased compared to last year, the result of higher CER/ERU volumes, only partially offset by lower selling prices.

The full year 2010 average price was €13.7 per ton.

## Acetow

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

	FY 09	FY 09 Like for Like <sup>(1)</sup>	FY 10	Var <sup>(1)</sup>	Q4 09	Q4 09 Like for Like <sup>(1)</sup>	Q4 10	Var <sup>(1)</sup>
<i>In € million</i>								
Net Sales	549	565	<b>540</b>	(4.4)%	136	141	<b>138</b>	(2.1)%
Recurring EBITDA <sup>(2)</sup>	133	136	<b>127</b>	(6.6)%	31	33	<b>30</b>	(9.1)%

In Q4, performance was maintained at good levels. Volumes were slightly down year-on-year, following the rationalization of the industrial footprint (closure of the Venezuela plant). This impact was compensated by lower fixed costs.

<sup>(1)</sup> Like for like: at constant scope and currency conversion

<sup>(2)</sup> 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.

	FY 09	FY 09 Like for Like <sup>(1)</sup>	FY 10	Var <sup>(1)</sup>	Q4 09	Q4 09 Like for Like <sup>(1)</sup>	Q4 10	Var <sup>(1)</sup>
<i>In € million</i>								
Net Sales	211	222	<b>251</b>	13.1%	41	46	<b>66</b>	43%
Recurring EBITDA <sup>(2)</sup>	70	74	<b>67</b>	(9.5)%	10	11	<b>12</b>	9.1%

In Q4, Eco Services benefited from good demand leading to higher volumes, up by 13% year-on-year. The Enterprise experienced the usual low season patterns.

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As of January 1<sup>st</sup>, 2011, Rhodia's financial reporting will reflect the Group's new organization model. Thus, quarterly reporting will be based on five business clusters comprising its 11 Global Business Units as follows:

- Consumer Chemicals: Novecare, Coatis and Aroma Performance
- Polyamide Materials: Polyamide & Intermediates, Engineering Plastics and Fibras
- Advanced Materials: Silica and Rare Earth Systems
- Acetow & Eco Services
- Energy Services

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*Note: Rhodia's Board of Directors, which met on February 22, 2011, adopted the 2010 Financial Statements. Audit procedures on the consolidated accounts have been completed<sup>(3)</sup>.*

### 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.

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

(2) Before restructuring and other operating income and expenses

(3) The report of independent registered public accounting firms on the consolidated financial statements will be issued after completion of specific verifications required for the filings of the French Document de Référence with the AMF.

*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. The Group is structured around 11 Global Business Units (GBUs) within 5 business clusters, 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 14 000 people worldwide and generated sales of €5.23 billion in 2010. Rhodia is listed on Euronext Paris.*

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

## Upcoming events

- **Press conference on February 23, 2011 (in French) at 09:00 am CET**  
Académie Internationale Diplomatique - 4bis, avenue Hoche – 75008 Paris  
Hosts: Jean-Pierre CLAMADIEU, Chairman and Chief Executive Officer  
Pascal BOUCHIAT, Executive Vice-President
- **Analysts conference on February 23, 2011 at 10:30 am CET**  
Académie Internationale Diplomatique - 4bis, avenue Hoche – 75008 Paris  
Hosts: Jean-Pierre CLAMADIEU, Chairman and Chief Executive Officer  
Pascal BOUCHIAT, Executive Vice-President

WEBCAST on Rhodia website [www.rhodia.com](http://www.rhodia.com) (Investors section)

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- **Rhodia's first quarter 2011 results will be published on May 5, 2011**
  - **The Annual Meeting of Rhodia Shareholders will take place in May 18, 2011**
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## Contacts

### Media Relations

Roxanne DIARRA ☎ +33 (0)1 53 56 59 62 [roxanne.diarra@eu.rhodia.com](mailto:roxanne.diarra@eu.rhodia.com)

### Investor Relations

Maria Alcon Hidalgo ☎ +33 (0)1 53 56 64 89 [maria.alcon-hidalgo@eu.rhodia.com](mailto:maria.alcon-hidalgo@eu.rhodia.com)  
Benjamin Bruneau ☎ +33 (0)1 53 56 64 42 [benjamin.bruneau@eu.rhodia.com](mailto:benjamin.bruneau@eu.rhodia.com)

## Results Fact Sheet: Q4 & FY '10

Income Statement						
€ million	Q4* '09	Q4* '10	Variation	FY '09	FY '10	Variation
<b>Net Sales</b>	1,083	1,360	25.6%	4,031	5,226	29.6%
Other revenue	116	88		446	383	
<b>Recurring EBITDA</b>	200	223	11.5%	487	905	85.8%
<b>Recurring EBITDA Margin</b>	18.5%	16.4%		12.1%	17.3%	
Depreciation & Amortization excl. Amos restr	(70)	(71)		(271)	(274)	
Other Gains and Losses	(19)	9		(23)	(24)	
Restructuring Costs	(2)	4		(33)	(5)	
<b>Operating Profit</b>	109	165	51.4%	160	602	276.3%
Financial Results	(47)	(45)		(190)	(207)	
Share of profit (loss) of associates	1	1				
<b>Profit/(loss) before income tax</b>	63	121	92.1%	(30)	395	
Income tax	(35)	(29)		(71)	(128)	
<b>Profit/(loss) from continuing operations</b>	28	92		(101)	267	
Profit/(loss) from discontinued operations				(31)	(5)	
<b>Net Profit/(loss)</b>	28	92		(132)	262	
<b>Net Profit/(loss) (Group Share)</b>	28	91	225.0%	(132)	259	
<b>Earnings per share €</b>	0.28	0.89		(1.32)	2.55	
Average number of shares outstanding	99,883,703	101,225,174		99,888,021	101,557,153	

€ million	Net Sales			Recurring EBITDA			Operating Profit	
	Q4* '09	Q4* '10	Variation	Q4* '09	Q4* '10	Variation	Q4* '09	Q4* '10
<b>RHODIA</b>	1,083	1,360	25.6%	200	223	11.5%	109	165
<b>POLYAMIDE</b>	446	542	21.5%	69	77	11.6%	45	54
<b>NOVE CARE</b>	203	286	40.9%	27	36	33.3%	22	31
<b>SILCEA</b>	177	228	28.8%	35	53	51.4%	20	49
<b>ENERGY SERVICES</b>	51	66	29.4%	46	57	23.9%	32	54
<b>ACETOW</b>	136	138	1.5%	31	30	-3.2%	25	23
<b>ECO SERVICES</b>	41	66	61.0%	10	12	20.0%	6	8
<b>CORPORATE &amp; Others</b>	29	34	17.2%	(18)	(42)	-133.3%	(41)	(54)

€ million	Net Sales			Recurring EBITDA			Operating Profit	
	FY '09	FY '10	Variation	FY '09	FY '10	Variation	FY '09	FY '10
<b>RHODIA</b>	4,031	5,226	29.6%	487	905	85.8%	160	602
<b>POLYAMIDE</b>	1,476	2,145	45.3%	31	317	922.6%	(80)	226
<b>NOVE CARE</b>	827	1,094	32.3%	93	166	78.5%	54	134
<b>SILCEA</b>	635	851	34.0%	84	197	134.5%	34	157
<b>ENERGY SERVICES</b>	189	203	7.4%	165	169	2.4%	135	161
<b>ACETOW</b>	549	540	-1.6%	133	127	-4.5%	104	86
<b>ECO SERVICES</b>	211	251	19.0%	70	67	-4.3%	53	49
<b>CORPORATE &amp; Others</b>	144	142	-1.4%	(89)	(138)	-55.1%	(140)	(211)

<sup>(1)</sup> including intercompany sales elimination

### Net Financial Debt

December 31, 2009

September 30, 2010

December 31, 2010

1,029

794

1,194

### Outlook

#### Going into 2011

#### 2011 Rhodia's objective

- Portfolio benefiting from eco-megatrends
- Strong exposure to fast growing countries
- Enjoying satisfactory pricing power

- 2011 Rec. EBITDA objective 5% to 10% higher than in 2010

*On track towards our 2013/15 profitable growth ambition*

\* Unaudited

## Results Fact Sheet: Q4 '10

<b>POLYAMIDE</b>	<ul style="list-style-type: none"> <li>Continued solid market demand, particularly in Engineering Plastics +10% yoy</li> <li>Force Majeure in December limited Intermediates production =&gt; €(7)m adverse EBITDA impact</li> <li>Strong pricing power partly offset by unfavorable exchange rates</li> </ul>
<b>NOVECARE</b>	<ul style="list-style-type: none"> <li>Volumes remained strong across segments and regions (overall +18% yoy). Sequentially down due to normal seasonality</li> <li>Highest growth at : <ul style="list-style-type: none"> <li>Oil &amp; Gas and Agro markets, both ~30% up yoy</li> <li>Industrial segments driven by solid demand and new business developments</li> </ul> </li> <li>Feixiang fully consolidated for one month</li> </ul>
<b>SILCEA</b>	<ul style="list-style-type: none"> <li>Solid business performance (+7% yoy overall) across segments and particularly in Silica</li> <li>Strong pricing</li> </ul>
<b>ENERGY SERVICES</b>	<ul style="list-style-type: none"> <li>Profit increase in Q4 '10 from higher CER/ERU volumes, partially offset by lower selling price</li> <li>FY '10 average price @ 13.7€/T</li> </ul>
<b>ACETOW</b>	<ul style="list-style-type: none"> <li>Performance maintained at good levels</li> <li>Volumes slightly down by (4)% yoy following rationalization of industrial footprint. Impact compensated by lower fixed costs</li> </ul>
<b>ECO SERVICES</b>	<ul style="list-style-type: none"> <li>Good demand leading to +13% yoy volume growth</li> <li>Usual low season in Q4</li> </ul>

€ million	Net Sales Q4* '09	Scope	Foreign Exchange conversion	Net Sales Q4* '09 like for like	Volume & mix	Selling price	Foreign Exchange transaction	Net Sales Q4* '10	Variation Q4 '10 - Q4 '09	Variation Q4* '10 - Q4* '09 like for like
<b>RHODIA</b>	<b>1,083</b>	17	72	<b>1,172</b>	91	116	(19)	<b>1,360</b>	<b>25.6%</b>	<b>16.0%</b>
<b>POLYAMIDE</b>	<b>446</b>	6	33	<b>485</b>	5	65	(13)	<b>542</b>	<b>21.5%</b>	<b>11.8%</b>
<b>NOVECARE</b>	<b>203</b>	17	17	<b>237</b>	42	10	(3)	<b>286</b>	<b>40.9%</b>	<b>20.7%</b>
<b>SILCEA</b>	<b>177</b>	-	11	<b>188</b>	13	29	(2)	<b>228</b>	<b>28.8%</b>	<b>21.3%</b>
<b>ENERGY SERVICES</b>	<b>51</b>	-	2	<b>53</b>	19	(6)	-	<b>66</b>	<b>29.4%</b>	<b>24.5%</b>
<b>ACETOW</b>	<b>136</b>	-	5	<b>141</b>	(6)	2	1	<b>138</b>	<b>1.5%</b>	<b>-2.1%</b>
<b>ECO SERVICES</b>	<b>41</b>	-	5	<b>46</b>	6	14	-	<b>66</b>	<b>61.0%</b>	<b>43.5%</b>
<b>CORPORATE &amp; Others</b> including intercompany sales elimination	<b>29</b>	(6)	(1)	<b>22</b>	12	2	(2)	<b>34</b>	<b>17.2%</b>	<b>54.5%</b>

€ million	Rec. EBITDA Q4* '09	Scope	Forex conversion	Rec. EBITDA Q4* '09 like for like	Volume & mix	Selling Price	Raw materials & Energy	Forex transaction	Fixed Costs	Rec. EBITDA Q4* '10	Rec. EBITDA Margin Q4* '10
<b>RHODIA</b>	<b>200</b>	<b>1</b>	<b>12</b>	<b>213</b>	<b>36</b>	<b>116</b>	<b>(92)</b>	<b>(17)</b>	<b>(33)</b>	<b>223</b>	<b>16.4%</b>
<b>POLYAMIDE</b>	<b>69</b>	-	8	<b>77</b>	3	65	(46)	(11)	(11)	<b>77</b>	<b>14.2%</b>
<b>NOVECARE</b>	<b>27</b>	1	3	<b>31</b>	11	10	(10)	(2)	(4)	<b>36</b>	<b>12.6%</b>
<b>SILCEA</b>	<b>35</b>	-	2	<b>37</b>	6	29	(12)	(2)	(5)	<b>53</b>	<b>23.2%</b>
<b>ENERGY SERVICES</b>	<b>46</b>	-	-	<b>46</b>	16	(6)	-	-	1	<b>57</b>	<b>n.m.</b>
<b>ACETOW</b>	<b>31</b>	-	2	<b>33</b>	(3)	2	(4)	(1)	3	<b>30</b>	<b>21.7%</b>
<b>ECO SERVICES</b>	<b>10</b>	-	1	<b>11</b>	5	14	(17)	-	(1)	<b>12</b>	<b>18.2%</b>
<b>CORPORATE &amp; Others</b>	<b>(18)</b>	-	(4)	<b>(22)</b>	(2)	2	(3)	(1)	(16)	<b>(42)</b>	<b>n.m.</b>

\* Unaudited

## Results Fact Sheet: FY '10

€ million	Net Sales FY '09	Scope	Foreign Exchange conversion	Net Sales FY '09 like for like	Volume & mix	Selling price	Foreign Exchange transaction	Net Sales FY '10	Variation FY '10- FY '09	Variation FY '10 – FY '09 like for like
<b>RHODIA</b>	<b>4,031</b>	34	256	<b>4,321</b>	614	411	(120)	<b>5,226</b>	<b>29.6%</b>	<b>20.9%</b>
<b>POLYAMIDE</b>	<b>1,476</b>	17	148	<b>1,641</b>	236	361	(93)	<b>2,145</b>	<b>45.3%</b>	<b>30.7%</b>
<b>NOVECARE</b>	<b>827</b>	34	43	<b>904</b>	197	4	(11)	<b>1,094</b>	<b>32.3%</b>	<b>21.0%</b>
<b>SILCEA</b>	<b>635</b>	-	28	<b>663</b>	154	45	(11)	<b>851</b>	<b>34.0%</b>	<b>28.4%</b>
<b>ENERGY SERVICES</b>	<b>189</b>	-	7	<b>196</b>	15	(8)	-	<b>203</b>	<b>7.4%</b>	<b>3.6%</b>
<b>ACETOW</b>	<b>549</b>	-	16	<b>565</b>	(23)	-	(2)	<b>540</b>	<b>-1.6%</b>	<b>-4.4%</b>
<b>ECO SERVICES</b>	<b>211</b>	-	11	<b>222</b>	22	7	-	<b>251</b>	<b>19.0%</b>	<b>13.1%</b>
<b>CORPORATE &amp; Others</b> including intercompany sales elimination	<b>144</b>	(17)	3	<b>130</b>	13	2	(3)	<b>142</b>	<b>-1.4%</b>	<b>9.2%</b>

€ million	Rec. EBITDA FY '09	Scope	Forex conversion	Rec. EBITDA FY '09 like for like	Volume & mix	Selling Price	Raw materials & Energy	Forex transaction	Fixed Costs	Rec. EBITDA FY '10	Rec. EBITDA Margin FY '10
<b>RHODIA</b>	<b>487</b>	<b>4</b>	<b>20</b>	<b>511</b>	<b>254</b>	<b>411</b>	<b>(140)</b>	<b>(54)</b>	<b>(77)</b>	<b>905</b>	<b>17.3%</b>
<b>POLYAMIDE</b>	<b>31</b>	-	13	<b>44</b>	95	361	(119)	(40)	(24)	<b>317</b>	<b>14.8%</b>
<b>NOVECARE</b>	<b>93</b>	4	7	<b>104</b>	69	4	2	(4)	(9)	<b>166</b>	<b>15.2%</b>
<b>SILCEA</b>	<b>84</b>	2	5	<b>91</b>	70	45	7	(6)	(10)	<b>197</b>	<b>23.1%</b>
<b>ENERGY SERVICES</b>	<b>165</b>	-	-	<b>165</b>	18	(8)	-	-	(6)	<b>169</b>	<b>n.m.</b>
<b>ACETOW</b>	<b>133</b>	(1)	4	<b>136</b>	(12)	-	2	(2)	3	<b>127</b>	<b>23.5%</b>
<b>ECO SERVICES</b>	<b>70</b>	-	4	<b>74</b>	16	7	(27)	-	(3)	<b>67</b>	<b>26.7%</b>
<b>CORPORATE &amp; Others</b>	<b>(89)</b>	(1)	(13)	<b>(103)</b>	(2)	2	(5)	(2)	(28)	<b>(138)</b>	<b>n.m.</b>

\* Unaudited

## Results Fact Sheet: Quarterly results

€m	Q1*	Q1*	Q2*	Q2*	H1**	H1**	Q3*	Q3*	Q4*	Q4*	H2*	H2*	FY	FY
	'09	'10	'09	'10	'09	'10	'09	'10	'09	'10	'09	'10	'09	'10
<b>RHODIA</b>														
Net Sales	920	1,176	987	1,330	1,907	2,506	1,041	1,360	1,083	1,360	2,124	2,720	4,031	5,226
Recurring EBITDA	2	221	111	226	113	447	174	235	200	223	374	458	487	905
Rec. EBITDA margin	0.2%	18.8%	11.2%	17.0%	5.9%	17.8%	16.7%	17.3%	18.5%	16.4%	17.6%	16.8%	12.1%	17.3%
Operating Profit	(91)	140	38	146	(53)	286	104	151	109	165	213	316	160	602
<b>POLYAMIDE</b>														
Net Sales	286	486	347	548	633	1,034	397	569	446	542	843	1,111	1,476	2,145
Recurring EBITDA	(96)	71	6	80	(90)	151	52	89	69	77	121	166	31	317
Rec. EBITDA margin	-33.6%	14.6%	1.7%	14.6%	-14.2%	14.6%	13.1%	15.6%	15.5%	14.2%	14.4%	14.9%	2.1%	14.8%
Operating Profit	(132)	48	(21)	59	(153)	107	28	65	45	54	73	119	(80)	226
<b>NOVE CARE</b>														
Net Sales	209	245	208	287	417	532	207	276	203	286	410	562	827	1,094
Recurring EBITDA	14	38	22	51	36	89	30	41	27	36	57	77	93	166
Rec. EBITDA margin	6.7%	15.5%	10.6%	17.8%	8.6%	16.7%	14.5%	14.9%	13.3%	12.6%	13.9%	13.7%	11.2%	15.2%
Operating Profit	(1)	30	11	42	10	72	22	31	22	31	44	62	54	134
<b>SILCEA</b>														
Net Sales	142	187	149	218	291	405	167	218	177	228	344	446	635	851
Recurring EBITDA	3	43	17	52	20	95	29	49	35	53	64	102	84	197
Rec. EBITDA margin	2.1%	23.0%	11.4%	23.9%	6.9%	23.5%	17.4%	22.5%	19.8%	23.2%	18.6%	22.9%	13.2%	23.1%
Operating Profit	(11)	33	6	39	(5)	72	19	36	20	49	39	85	34	157
<b>ENERGY SERVICES</b>														
Net Sales	41	45	51	38	92	83	46	54	51	66	97	120	189	203
Recurring EBITDA	48	48	37	27	85	75	34	37	46	57	80	94	165	169
Operating Profit	44	46	30	27	74	73	29	34	32	54	61	88	135	161
<b>ACETOW</b>														
Net Sales	135	129	140	136	275	265	138	137	136	138	274	275	549	540
Recurring EBITDA	34	31	33	32	67	63	35	34	31	30	66	64	133	127
Rec. EBITDA margin	25.2%	24.0%	23.6%	23.5%	24.4%	23.8%	25.4%	24.8%	22.8%	21.7%	24.1%	23.3%	24.2%	23.5%
Operating Profit	26	18	26	19	52	37	27	26	25	23	52	49	104	86
<b>ECO SERVICES</b>														
Net Sales	66	49	55	65	121	114	49	71	41	66	90	137	211	251
Recurring EBITDA	24	14	20	18	44	32	16	23	10	12	26	35	70	67
Rec. EBITDA margin	36.4%	28.6%	36.4%	27.7%	36.4%	28.1%	32.7%	32.4%	24.4%	18.2%	28.9%	25.5%	33.2%	26.7%
Operating Profit	20	10	15	13	35	23	12	18	6	8	18	26	53	49
<b>CORPORATE &amp; OTHERS</b>														
Sales & intercompany sales eliminations	41	35	37	38	78	73	37	35	29	34	66	69	144	142
Recurring EBITDA	(25)	(24)	(24)	(34)	(49)	(58)	(22)	(38)	(18)	(42)	(40)	(80)	(89)	(138)
Operating Profit	(37)	(45)	(29)	(53)	(66)	(98)	(33)	(59)	(41)	(54)	(74)	(113)	(140)	(211)

\* Unaudited

\*\* Reviewed by auditors

## CONSOLIDATED INCOME STATEMENTS AS OF DECEMBER 31, 2010

(in millions of euros)	Quarter ended December 31,		Twelve months ended December 31,	
	2010(*)	2009(*)	2010	2009
<b>Net sales</b>	<b>1,360</b>	<b>1,083</b>	<b>5,226</b>	<b>4,031</b>
Other revenue	88	116	383	446
Cost of sales	(1,123)	(924)	(4,335)	(3,684)
Administrative and selling expenses	(149)	(123)	(561)	(504)
Research and development expenditure	(24)	(22)	(82)	(73)
Restructuring costs	4	(2)	(5)	(33)
Other operating income	25	17	41	39
Other operating expenses	(16)	(36)	(65)	(62)
<b>Operating profit/(loss)</b>	<b>165</b>	<b>109</b>	<b>602</b>	<b>160</b>
Finance income	26	22	103	87
Finance costs	(74)	(70)	(318)	(287)
Foreign exchange gains/(losses)	3	1	8	10
Share of profit/(loss) of associates	1	1	-	-
<b>Profit/(loss) before income tax</b>	<b>121</b>	<b>63</b>	<b>395</b>	<b>(30)</b>
Income tax benefit/(expense)	(29)	(35)	(128)	(71)
Profit/(loss) from continuing operations	92	28	267	(101)
Profit/(loss) from discontinued operations	-	-	(5)	(31)
<b>Net profit for the period</b>	<b>92</b>	<b>28</b>	<b>262</b>	<b>(132)</b>
Attributable to:				
Equity holders of Rhodia S.A.	91	28	259	(132)
Non controlling interests	1	-	3	-
<b>Earnings per share (in euros)</b>				
<b>Continuing and discontinued operations</b>				
- Basic	0.89	0.28	2.55	(1.32)
- Diluted	0.86	0.28	2.52	(1.32)
<b>Continuing operations</b>				
- Basic	0.90	0.28	2.60	(1.01)
- Diluted	0.87	0.28	2.57	(1.01)
<i>Weighted average number of shares before dilution</i>	<i>101,225,174</i>	<i>99,883,703</i>	<i>101,557,153</i>	<i>99,888,021</i>
<i>Weighted average number of shares after dilution</i>	<i>115,114,296</i>	<i>101,217,502</i>	<i>102,760,912</i>	<i>100,673,945</i>

(\*) Unaudited

## CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2010

<b>Assets</b>		
(in millions of euros)	<b>December 31, 2010</b>	<b>December 31,2009</b>
Property, plant & equipment	1,560	1,458
Goodwill	420	215
Other intangible assets	328	193
Investments in associates	12	12
Other non-current financial assets	135	118
Deferred tax assets	168	170
<b>Non-current assets</b>	<b>2,623</b>	<b>2,166</b>
Inventories	627	475
Income tax receivable	29	26
Trade and other receivables	910	692
Derivative financial instruments	90	113
Other current financial assets	34	100
Cash and cash equivalents	782	691
Assets classified as held for sale	36	3
<b>Current assets</b>	<b>2,508</b>	<b>2,100</b>
<b>TOTAL ASSETS</b>	<b>5,131</b>	<b>4,266</b>



<b>Liabilities and shareholders' equity</b>		
(in millions of euros)	<b>December 31, 2010</b>	<b>December 31,2009</b>
Share capital	105	1,213
Additional paid-in capital	1,290	138
Other reserves	303	213
Deficit	(2,006)	(2,299)
<b>Equity attributable to equity holders of Rhodia SA</b>	<b>(308)</b>	<b>(735)</b>
Non controlling interests	20	16
<b>Total equity (deficit)</b>	<b>(288)</b>	<b>(719)</b>
Borrowings	1,672	1,655
Retirement benefits and similar obligations	1,419	1,459
Provisions	425	370
Deferred tax liabilities	62	28
Other non-current liabilities	27	36
<b>Non-current liabilities</b>	<b>3,605</b>	<b>3,548</b>
Borrowings	338	165
Derivative financial instruments	94	115
Retirement benefits and similar obligations	91	94
Provisions	132	160
Income tax payable	40	16
Trade and other payables	1,113	887
Liabilities associated with assets classified as held for sale	6	-
<b>Current liabilities</b>	<b>1,814</b>	<b>1,437</b>
<b>TOTAL EQUITY (DEFICIT) AND LIABILITIES</b>	<b>5,131</b>	<b>4,266</b>

## CONSOLIDATED STATEMENTS OF CASH FLOWS AS OF DECEMBER 31, 2010

(in millions of euros)	Quarter ended December 31		Twelve months ended December 31	
	2010 (*)	2009 (*)	2010	2009
<b>Net Profit/(loss) attributable to equity holders of Rhodia SA</b>	<b>91</b>	<b>28</b>	<b>259</b>	<b>(132)</b>
<i>Adjustments for :</i>				
Non controlling interests	1	-	3	-
Depreciation, amortization and impairment of non-current assets	70	72	277	284
Net increase/(decrease) in provisions and employee benefits	(22)	37	(24)	41
Impairment of non-current financial assets	1	(3)	3	(3)
Share of profit/(loss) of associates	(1)	(1)	-	-
Other income and expense	14	9	63	36
(Gain)/loss on disposal of non-current assets	(3)	(2)	(9)	(12)
Deferred tax expense/(income)	14	(2)	26	(5)
Foreign exchange losses/(gains)	5	10	4	29
<b>Cash flow from operating activities before changes in working capital</b>	<b>170</b>	<b>148</b>	<b>602</b>	<b>238</b>
<i>Changes in working capital</i>				
- (Increase)/decrease in inventories	(33)	(40)	(111)	231
- (Increase)/decrease in trade and other receivables	5	1	(83)	89
- Increase/(decrease) in trade and other payables	(25)	37	65	(134)
- (Increase)/decrease in other current assets and liabilities	(31)	(32)	21	122
<b>Net cash from operating activities before margin calls</b>	<b>86</b>	<b>114</b>	<b>494</b>	<b>546</b>
Margin calls (1)	4	(13)	9	(9)
<b>Net cash from / (used by) operating activities</b>	<b>90</b>	<b>101</b>	<b>503</b>	<b>537</b>
Purchases of property, plant and equipment	(91)	(54)	(234)	(167)
Purchases of other non-current assets	(10)	(7)	(36)	(24)
Proceeds on disposals of entities, net of cash transferred and non-current assets	-	2	8	11
Purchases of entities net of cash acquired	(275)	(2)	(276)	(76)
(Purchases of)/repayments of loans and financial investments	-	(13)	56	(66)
<b>Net cash from / (used by) investing activities</b>	<b>(376)</b>	<b>(74)</b>	<b>(482)</b>	<b>(322)</b>
Proceeds from issue of shares net of costs	-	-	38	-
Treasury share purchase costs	-	-	-	(2)
Dividends paid	1	-	(19)	(4)
New non-current borrowings, net of costs	1	9	811	55
Repayments of non-current borrowings, net of costs	(308)	(22)	(822)	(80)
Net increase/(decrease) in current borrowings	14	(33)	36	(24)
<b>Net cash from / (used by) financing activities</b>	<b>(292)</b>	<b>(46)</b>	<b>44</b>	<b>(55)</b>
<b>Effect of foreign exchange rate changes</b>	<b>9</b>	<b>5</b>	<b>26</b>	<b>39</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(569)</b>	<b>(14)</b>	<b>91</b>	<b>199</b>
Cash and cash equivalents at the beginning of the period	1,351	705	691	492
Cash and cash equivalents at the end of the period	782	691	782	691

(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 counterparty.

(\*) Unaudited