



Press release

RHODIA COMPLETES SALE OF CERS TO WORLD BANK'S SPANISH CARBON FUND

Paris, France - February 28, 2011 ---- The World Bank and Rhodia today signed an emission reductions purchase agreement (ERPA) for six million carbon credits generated by Rhodia's nitrous oxide (N₂O) abatement project in Brazil, to be delivered until the end of 2013. The transaction was arranged by ORBEO.

This emissions reduction project is based on the abatement of N₂O from adipic acid production at Rhodia's Paulinia plant and is actively destroying nitrous oxide through a thermo-oxidation unit. The project generates carbon credits under the Kyoto Protocol's Clean Development Mechanism (CDM).

As global demand for nylon used in the automotive and electronics industries increases, so does the production of adipic acid in the region, and with it, emissions of N₂O, a by-product emitted through the waste gas stream. N₂O is a powerful greenhouse gas that has a global warming potential 310 times higher than carbon dioxide* (CO₂).

"Brazil has accomplished impressive environmental achievements in the past years and is a pioneer in CDM initiatives, emphasizing the importance of sustainability in its own development," said Makhtar Diop, World Bank Director for Brazil. *"This project brings to light another important aspect of Brazil's clean development efforts."*

Although Brazil's main source of energy is hydroelectric power, the country's industrial sector is dependent on fossil fuels and has a significant greenhouse gas footprint. Reducing industrial gas emissions is therefore a priority for Brazil, with the objective of pursuing sustainable economic growth.

"In the 1990s, ahead of the Kyoto Protocol, Rhodia was involved in fighting climate change by reducing greenhouse gas emissions through improved technologies. Today, we remain a key industrial supporter of this powerful international initiative" commented Jacques Khélicff, Rhodia Group Vice President, Sustainable Development; *"We are very satisfied that the Paulinia plant meets all the stringent social and environmental requirements of The World Bank. This reflects the recognition of the quality of the project and the performance of the installation."*

"We are delighted that we could arrange this landmark transaction between The World Bank and Rhodia, two key actors of the CDM. This illustrates ORBEO's commitment to providing innovative structures to its customers before and after 2012", added Philippe Rosier, President of Rhodia Energy Services and ORBEO, a joint venture between the French financial services group Société Générale and Rhodia.

() N₂O has a global warming potential (GWP) 310 times higher than carbon dioxide, but is not harmful for human health.*

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The project also plays a key part in Rhodia's local communities climate change education effort. Employees of the Group are involved in a number of public outreach and community activities including the creation of the 'Rhodia Foundation', which was launched on the occasion of the official opening of Rhodia's greenhouse gas emissions reduction facility at the Paulínia production site.

The Rhodia Foundation (Instituto Rhodia) is an independent organization designed to develop social and environmental projects in Brazil. The Foundation's first project, Young Alchemy (Alquimia Jovem), is focused on education and involves the communities of Paulínia and the Barão Geraldo district in Campinas, both close to Rhodia's industrial center.

ORBEO

ORBEO, www.orbeo.com, is the joint-venture between Rhodia and Société Générale that combines industrial, environmental and financial expertise dedicated to greenhouse gas emission reductions. From project to market, ORBEO covers the whole carbon value chain. ORBEO is among the leading participants of the CO₂ markets and a recognised developer of greenhouse gas emission reduction projects.

ORBEO benefits from an extensive portfolio of high quality emission reduction projects, and a widened geographic presence. Combined with its trading and marketing skills, the company offers its clients a wide range of innovative and diversified products and services. ORBEO is a Financial Institution regulated in France by ACP.

RHODIA

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 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)

THE SPANISH CARBON FUND AT THE WORLD BANK

The Spanish Carbon Fund was created in 2004 in an agreement between the Ministries of Environment and Economy of Spain and the World Bank. This fund was established to purchase greenhouse gas emission reductions from projects developed under the Kyoto Protocol to mitigate climate change while promoting the use of cleaner technologies and sustainable development in developing countries and countries with economies in transition. The Fund has a total capital of \$278.6 million.

For more information on the Spanish Carbon Fund, please see:

<http://wbcarbonfinance.org/Router.cfm?Page=SCF&ItemID=9714&FID=9714>

For more information on Carbon Finance at the World Bank, please see: www.carbonfinance.org



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WORLD BANK

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