

Press release

RHODIA STRENGTHENS ITS INNOVATION POTENTIAL BY TAKING AN EQUITY INTEREST IN PHOENIX VENTURE PARTNERS

Paris, March 24, 2011 ----- Specialty chemical producer Rhodia has acquired an equity interest in Phoenix Venture Partners LP, an investment fund focused on the financing and development of innovative technology start-up companies. This fund targets companies working primarily on advanced materials, investing chiefly in North America and, to a lesser extent, in Europe and Asia.

Following its recent acquisition of a stake in the Europe-based Aster II venture fund, Rhodia's Phoenix investment is a further step in the company's approach to open innovation. The two complementary funds - which target different geographical zones and company profiles - will help boost Rhodia's innovation potential in strategic markets.

Based Silicon Valley, near San Francisco, Phoenix Venture Partners draws on the dynamism of the unique entrepreneurial ecosystem found on the U.S. West Coast and a highly cosmopolitan team that has forged close working relationships with local cutting-edge academic research groups and large industrial companies. Phoenix will now include Rhodia's strategic priorities in the area of green chemistry, biosourced materials or Advanced Materials when scouting start-up candidates. The companies in the investment fund's portfolio will benefit from Rhodia's expertise in addition to the Group's global network.

Stéphane Roussel, director of Rhodia's Ventures platform, explained, *"This new equity interest strengthens our open innovation approach. Through Phoenix Venture Partners, we will have preferred access to breakthrough innovations developed in North America. Phoenix convinced us by its capacity to value the synergies between major industrial groups and young start-ups"*.

Zach Jonasson, partner at Phoenix Venture Partners, added: *"We are very pleased to have Rhodia join Phoenix as a strategic investor. Rhodia's innovation priorities mesh with those pursued by Phoenix in its investment strategy. In our experience, the Advanced Materials start-up companies and leading industrial groups can accelerate technology commercialization and enhance mutual success by working together. We look forward to working with Rhodia in this exciting sector of innovation."*

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Phoenix Venture Partners (PVP) is a leading venture capital firm that invests in and partners with entrepreneurs to commercialize breakthrough advanced materials innovations. PVP's partners have a proven track record of founding, building and investing in successful advanced materials start-ups. The firm's investment strategy is flexible and predicated on assisting entrepreneurs with customer and supply chain partnerships, business development, strategic and operational support. PVP also collaborates with a select set of forward-looking global corporations on business development and innovation interests. PVP is based in Silicon Valley with satellite offices in Singapore and Cambridge, MA.

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

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