

## Press release

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Paris, May 5<sup>th</sup>, 2011

### **RHODIA REPORTS FIRST QUARTER 2011 RESULTS**

***Strong results reflect robust execution of Rhodia's profitable growth strategy***

***Full year EBITDA objective increased to over €1 billion***

*Forenote: The expressions "Rec. EBITDA" or "EBITDA" hereby refer to Recurring EBITDA before restructuring and other operating income and expenses.*

✓ **Q1 2011 financial highlights**

- Record profitability with EBITDA up 28% to €283 million
- Volumes up 9%, reflecting sound business dynamics
- Strong €51 million pricing power impact at EBITDA level
- Net Profit of €151 million
- Free Cash Flow<sup>(1)</sup> of €100 million and Net Debt reduced to €1,063 million

✓ **Announcement on April 4<sup>th</sup> of the combination with Solvay to create a major player in chemicals, global leader in its businesses**

*"In Q1, Rhodia continued to improve its performance, reflecting the remarkable execution of its profitable growth strategy. Our pricing power, differentiated geographic positions and recent acquisitions all contributed effectively to the quarter strong momentum. Anticipating sound business conditions to continue, we now expect our full year EBITDA to exceed €1 billion, on track with our mid-term ambition,"* commented Jean-Pierre Clamadieu, Chairman & CEO of Rhodia.

He added: *"This excellent performance reinforces our confidence in our project to create with Solvay a major player in the chemical industry, determined to carry out an ambitious growth strategy."*

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

## Summary Income Statement Q1 2011

<i>In € million</i>	Q1 2010	Q1 2011	Year on Year Variation
Net Sales	1,176	<b>1,503</b>	28%
Recurring EBITDA	221	<b>283</b>	28%
Operating Profit	140	<b>243</b>	74%
Profit from continuing operations	70	<b>154</b>	
Profit from discontinued operations	(1)	<b>(1)</b>	
Net Profit/ Group Share	69	<b>151</b>	
Earnings per Share (in €), basic	0.70	1.45	
Free Cash Flow <sup>(1)</sup>	86	<b>100</b>	

### 1. Excellent results driven by sound business dynamics and strong pricing power

In the first quarter, **Net Sales** increased by 28% to €1,503 million from €1,176 million last year, driven by the positive contribution of all growth levers: a 9% organic volume growth, thanks to the sustained momentum across businesses and regions, a 13% overall price increase and the contribution of the Feixiang acquisition.

Rhodia reported new record quarter profitability with a **Recurring EBITDA** of €283 million compared to €221 million in Q1 2010. This performance was driven by both a strong level of demand and excellent pricing power, the latter reflecting the quality of the portfolio and generating a net positive price impact of €51 million in Q1 2011. Growth was particularly robust at Consumer Chemicals and Advanced Materials, both clusters totalling 48% of the Group's EBITDA<sup>(2)</sup> in Q1 versus 36% in the same period last year, confirming their power to drive the Group's superior growth.

**Operating Profit** in Q1 was up 74% to €243 million, a sharp improvement compared to €140 million last year, reflecting the excellent performance in recurring EBITDA and a €25 million capital gain from the sale of a minority investment stake.

**Net Financial** charges stood at €(44) million in 2011 versus €(42) million in the prior year.

**Income Tax** was €(45) million for the first quarter versus €(28) million in 2010. This increase primarily reflects the higher operating profitability over the period.

**The Net Profit Group Share** stood at a record level of €151 million in Q1 2011 compared to €69 million in the same period last year, reflecting the strong operating performance of the Group.

**Earnings per Share** (basic) were €1.45 in Q1 2011 versus €0.70 in Q1 2010.

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

## 2. Business growth coupled with sustained financial discipline

The Group continued to demonstrate best-in-class management of **Operating Working Capital**, at 9.5% on total sales for Q1 2011, in line with its objective to stand below 10%.

**Capital Expenditure** amounted to €62 million in Q1 2011, compared to €44 million in the prior year. Growth Capex focused on highly dynamic markets such as surfactants and guar (China and USA), highly dispersible silica (USA and France) and biomass based energy investments in Brazil. For the full year, total spending is expected to be around €350 million, compared to €270 million invested in 2010.

Rhodia generated a solid **Free Cash Flow**<sup>(1)</sup> of €100 million in Q1 2011 versus €86 million in Q1 2010, as a result of a strong EBITDA generation and continued financial discipline.

As of March 31<sup>st</sup> 2011, Rhodia reported a **Consolidated Net Debt** of €1,063 million representing a further reduction of €131 million compared to the year-end level. This decrease was primarily driven by the generation of Free Cash Flow in the quarter.

## 3. Outlook

Global economic growth should remain strong throughout the year, driven by sustained demand, especially in fast-growing countries. Rhodia should continue therefore to benefit both from its strong exposure to high-growth economies and its portfolio well-suited to global market mega trends.

In a context of high raw material and energy costs, the Group confirms its ability to favorably manage selling prices.

Under current conditions, Rhodia expects to continue delivering a strong performance and now anticipates its 2011 Recurring EBITDA to exceed €1 billion, on track with its 2013-2015 ambition.

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

## Q1 2011 OVERVIEW BY BUSINESS CLUSTER

### Consumer Chemicals

Consumer Chemicals gathers Novacare, Coatis and Aroma Performance Global Business Units. This cluster primarily serves consumer products markets, with an offer adapted to the main market mega-trends. Novacare provides high performance chemicals to a broad range of industries in key segments of the beauty/personal care and detergent, agrochemical, oil and gas, coatings and industrial applications sectors. Leader in Latin America, Coatis manufactures and markets phenol and its derivatives as well as oxygenated solvents that serve the paint, surface coating, automotive, lumber and construction markets. The world's leading producer of diphenols, Aroma Performance is a reference supplier for manufacturers of flavorings and aromas.

<i>In € million</i>	Q1 10	Q1 11	Year-on-year Variation
Net Sales	421	585	39%
Recurring EBITDA	63	92	46%

In Q1, Consumer Chemicals continued to enjoy strong growth across segments (volumes up 16% compared to the same period last year). At a constant perimeter, Novacare reported 20% year-on-year growth, mostly driven by Oil & Gas and Agro markets and led by robust demand and innovation. Coatis posted volumes up 13% year-on-year, namely from phenol and solvent businesses while Aroma Performance's volumes increased by 5% year-on-year. Feixiang delivered strong growth, with integration progressing well on track. A new surfactant site at Zhuhai currently under construction should become operational in Q3 2011, expanding capacity by 50,000 metric tons per year.

In Q2, Consumer Chemicals should continue to report good performance.

### Advanced Materials

Advanced Materials gathers Silica and Rare Earth Systems Global Business Units which are intended for high-performance industries such as energy-efficient tires, automotive catalysts or energy-efficient lighting. The growth of this Business Cluster, greater than the organic growth of the markets served, is driven by the challenges of sustainable development. Rhodia's competitive edge lies in its technological lead, its savings of scale, its innovative capability and its worldwide presence.

<i>In € million</i>	Q1 10	Q1 11	Year-on-year Variation
Net Sales	118	184	56%
Recurring EBITDA	24	53	121%

In Q1, Advanced Materials activity was driven by very robust business dynamics, with an overall organic volume growth up by 25% year-on-year. Activity at Silica was boosted by first important deliveries from the new Qingdao plant in China. Rare Earth Systems enjoyed strong demand from all markets, satisfied thanks to Rhodia's efficient sourcing capabilities.

Activity is expected to remain solid in Q2.

## Polyamide Materials

Polyamide Materials gathers Polyamide & Intermediates, Engineering Plastics and Fibras Global Business Units that bring together the polyamide chain activities. Their advantages stem from the integrated polyamide 6.6 production line, their leading position in the most profitable sectors and excellent competitiveness. The automobile industry is one of their major markets with solutions responding to the challenges of sustainable mobility.

<i>In € million</i>	Q1 10	Q1 11	Year-on-year Variation
Net Sales	386	442	14.5%
Recurring EBITDA	56	68	21%

In Q1, demand remained solid in a tight supply environment. Sound Engineering Plastics dynamics, with organic volume growth up 10% year-on-year, compensated a shortfall at Polyamide & Intermediates (P&I). Force Majeure net EBITDA impact was €15 million in the quarter, with a further €5 million to come in Q2 2011.

In Q2, Polyamide Materials should benefit from sustained demand level. Besides, Adipic Acid contracts with selling prices indexed on raw materials costs will be fully effective.

## Acetow & Eco Services

Acetow is a worldwide producer in cellulose acetate cable and Eco Services offers sulphuric acid regeneration services to chemical manufacturers and oil refiners in North America. Acetow & Eco Services operate in very specific, mature and stable markets where partnerships with customers are built on reliability, quality of service and dependable supply. Acetow & Eco Services combine a capacity for innovation and operational excellence by taking advantage of the opportunities presented by sustainable development.

<i>In € million</i>	Q1 10	Q1 11	Year-on-year Variation
Net Sales	178	207	16.3%
Recurring EBITDA	44	46	4.5%

In Q1, Acetow performance remained robust and demand satisfactory. Eco Services was negatively affected by one-off customer events.

In Q2, business dynamics is expected to remain stable in Acetow segments while Eco Services should benefit from the start of the driving season in the US.

## Energy Services

Energy Services relies on its expertise in energy optimization and the reduction of greenhouse gas emissions to develop “Climate Care” solutions that also help respond to the challenges of sustainable development through the generation of renewable energies.

<i>In € million</i>	Q1 10	Q1 11	Year-on-year Variation
Net Sales	45	56	24%
Recurring EBITDA	51	47	(7.8%)

In Q1, Energy Services reported good CER/ERU volumes. Traditional energy services (Co-generation and natural gas supply) were lower than last year given a demanding comparative base. Investments are ongoing in the renewable energy “Climate Care” business in Brazil. In Q2, CER activity should sequentially remain stable. Low seasonality is expected in Energy Services’ traditional activities.

*Note: Rhodia's Board of Directors, which met on May 4<sup>th</sup>, 2011, examined the Q1 2011 Financial Statements.*

### 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.

*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 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)

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## Results Fact Sheet: Q1 '11

Income Statement			
€ million	Q1* '10	Q1* '11	Variation
<b>Net Sales</b>	1,176	1,503	27.8%
Other revenue	131	110	
<b>Recurring EBITDA</b>	221	283	28.1%
<b>Recurring EBITDA Margin</b>	18.8%	18.8%	
Depreciation & Amortization excl. Amos restr.	(66)	(69)	
Other Gains and Losses	(7)	29	
Restructuring Costs	(8)	-	
<b>Operating Profit</b>	140	243	73.6%
Financial Results	(42)	(44)	
<b>Profit/ before income tax</b>	98	199	103.1%
Income tax	(28)	(45)	
<b>Profit/ from continuing operations</b>	70	154	
Profit/(loss) from discontinued operations	(1)	(1)	
<b>Net Profit/(loss)</b>	69	153	
<b>Net Profit (Group Share)</b>	69	151	118.8%
<b>Earnings per share €</b>	0.70	1.45	107.1%
Average number of shares outstanding	99,934,094	103,791,722	

€ million	Net Sales			Recurring EBITDA			Operating Profit	
	Q1* '10	Q1* '11	Variation	Q1* '10	Q1* '11	Variation	Q1* '10	Q1* '11
<b>RHODIA</b>	1,176	1,503	27.8%	221	283	28.1%	140	243
<b>CONSUMER CHEMICALS</b>	421	585	39.0%	63	92	46.0%	49	78
<b>ADVANCED MATERIALS</b>	118	184	55.9%	24	53	120.8%	17	46
<b>POLYAMIDE MATERIALS</b>	386	442	14.5%	56	68	21.4%	35	48
<b>ACETOW &amp; ECO SERVICES</b>	178	207	16.3%	44	46	4.5%	26	35
<b>ENERGY SERVICES</b>	45	56	24.4%	51	47	(7.8%)	48	44
<b>CORPORATE &amp; Others</b>	28 <sup>(1)</sup>	29 <sup>(1)</sup>	3.6%	(17)	(23)	(35.3%)	(35)	(8)

(1) including intercompany sales elimination

Net Financial Debt		
March 31, 2010*	December 31, 2010	March 31, 2011*
1,029	1,194	1,063

Outlook	
FY '11 context	2011 Rhodia's objective
<ul style="list-style-type: none"> <li>○ Portfolio benefiting from eco-megatrends</li> <li>○ Strong exposure to fast growing countries</li> <li>○ Enjoying satisfactory pricing power</li> </ul>	<ul style="list-style-type: none"> <li>○ 2011 Rec. EBITDA &gt; 1 bn €</li> </ul>

\* Unaudited

# Results Fact Sheet: Q1 '11

## CONSUMER CHEMICALS

- Good performance to continue

## ADVANCED MATERIALS

- Activity to remain robust

## POLYAMIDE MATERIALS

- Sustained demand level in Q2
- Adipic Acid contracts with cost-indexation\* clauses fully effective

## ACETOW & ECO SERVICES

- Stable business dynamics for Acetow
- Start of driving season for Eco-Services

## ENERGY SERVICES

- CER activity stable sequentially
- Low seasonality for Energy Services' traditional activities

(\* Indexation to predetermined underlying raw material costs)

€ million	Net Sales Q1* '10	Scope	Foreign Exchange conversion	Foreign Exchange transaction	Volume & mix	Selling Price	Net Sales Q1* '11	Variation Q1* '10 – Q1* '11
<b>RHODIA</b>	<b>1,176</b>	48	39	(16)	106	150	<b>1,503</b>	27.8%
<b>CONSUMER CHEMICALS</b>	<b>421</b>	48	22	(13)	66	41	<b>585</b>	39.0%
<b>ADVANCED MATERIALS</b>	<b>118</b>	-	3	(1)	29	35	<b>184</b>	55.9%
<b>POLYAMIDE MATERIALS</b>	<b>386</b>	-	11	(2)	(5)	52	<b>442</b>	14.5%
<b>ACETOW &amp; ECO SERVICES</b>	<b>178</b>	-	2	-	5	22	<b>207</b>	16.3%
<b>ENERGY SERVICES</b>	<b>45</b>	-	-	-	12	(1)	<b>56</b>	24.4%
<b>CORPORATE &amp; Others</b> including inter-company sales elimination	<b>28</b>	-	1	-	(1)	1	<b>29</b>	3.6%

€ million	Rec. EBITDA Q1* '10	Scope	Forex conversion	Volume & mix	Selling Price	Raw materials & Energy	Forex transaction	Fixed Costs	Rec. EBITDA Q1* '11	Rec. EBITDA Margin Q1* '11
<b>RHODIA</b>	<b>221</b>	8	6	32	150	(99)	(3)	(32)	<b>283</b>	<b>18.8%</b>
<b>CONSUMER CHEMICALS</b>	<b>63</b>	8	4	21	41	(27)	(5)	(13)	<b>92</b>	<b>15.7%</b>
<b>ADVANCED MATERIALS</b>	<b>24</b>	-	-	13	35	(10)	(1)	(8)	<b>53</b>	<b>28.8%</b>
<b>POLYAMIDE MATERIALS</b>	<b>56</b>	(1)	2	-	52	(42)	2	(1)	<b>68</b>	<b>15.4%</b>
<b>ACETOW &amp; ECO SERVICES</b>	<b>44</b>	-	-	1	22	(19)	1	(3)	<b>46</b>	<b>22.2%</b>
<b>ENERGY SERVICES</b>	<b>51</b>	1	(1)	(2)	(1)	-	-	(1)	<b>47</b>	<b>NM</b>
<b>CORPORATE &amp; Others</b>	<b>(17)</b>	-	1	(1)	1	(1)	-	(6)	<b>(23)</b>	<b>NM</b>

\* Unaudited



## Results Fact Sheet: Quarterly results

€m	Q1* '10	Q1* '11	Q2* '10	Q3* '10	Q4* '10	H1 '10	H2 '10	FY '10
<b>RHODIA</b>								
Net Sales	1,176	<b>1,503</b>	1,330	1,360	1,360	2,506	2,720	5,226
Services & other revenues	131	<b>110</b>	72	92	88	203	180	383
Recurring EBITDA	221	<b>283</b>	226	235	223	447	458	905
Rec. EBITDA margin	18.8%	18.8%	17.0%	17.3%	16.4%	17.8%	16.8%	17.3%
Operating Profit	140	<b>243</b>	146	151	165	286	316	602
<b>CONSUMER CHEMICALS**</b>								
Net Sales	421	<b>585</b>	497	483	482	918	965	1,883
Recurring EBITDA	63	<b>92</b>	82	72	59	145	131	276
Rec. EBITDA margin	15.0%	15.7%	16.5%	14.9%	12.2%	15.8%	13.6%	14.7%
Operating Profit	49	<b>78</b>	66	53	54	115	107	222
<b>ADVANCED MATERIALS**</b>								
Net Sales	118	<b>184</b>	132	139	150	250	289	539
Recurring EBITDA	24	<b>53</b>	28	28	34	52	62	114
Rec. EBITDA margin	20.3%	28.8%	21.2%	20.1%	22.7%	20.8%	21.5%	21.2%
Operating Profit	17	<b>46</b>	19	18	28	36	46	82
<b>POLYAMIDE MATERIALS**</b>								
Net Sales	386	<b>442</b>	430	451	434	816	885	1,701
Recurring EBITDA	56	<b>68</b>	62	71	64	118	135	253
Rec. EBITDA margin	14.5%	15.4%	14.4%	15.7%	14.7%	14.5%	15.3%	14.9%
Operating Profit	35	<b>48</b>	44	51	44	79	95	174
<b>ACETOW &amp; ECO SERVICES**</b>								
Net Sales	178	<b>207</b>	201	209	202	379	411	790
Recurring EBITDA	44	<b>46</b>	48	56	40	92	96	188
Rec. EBITDA margin	24.7%	22.2%	23.9%	26.8%	19.8%	24.3%	23.4%	23.8%
Operating Profit	26	<b>35</b>	31	43	29	57	72	129
<b>ENERGY SERVICES**</b>								
Net Sales	45	<b>56</b>	38	54	66	83	120	203
Recurring EBITDA	51	<b>47</b>	29	40	59	80	99	179
Operating Profit	48	<b>44</b>	30	36	57	78	93	171
<b>CORPORATE &amp; OTHERS**</b>								
Sales & intercompany sales eliminations	28	<b>29</b>	32	24	26	60	50	110
Recurring EBITDA	(17)	<b>(23)</b>	(23)	(32)	(33)	(40)	(65)	(105)
Operating Profit	(35)	<b>(8)</b>	(44)	(50)	(47)	(79)	(97)	(176)

\* Unaudited

\*\* Unaudited cluster figures re-stated in line with new business organization effective as from January, 1<sup>st</sup> 2011.

## CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2011

(in millions of euros)	Quarter ended March 31,		Year ended December 31,
	2011 *	2010*	2010
<b>Net sales</b>	1,503	1,176	5,226
Other revenue	110	131	383
Cost of sales	(1,225)	(1,007)	(4,335)
Administrative and selling expenses	(152)	(127)	(561)
Research and development expenditure	(22)	(18)	(82)
Restructuring costs	-	(8)	(5)
Other operating income	36	5	41
Other operating expenses	(7)	(12)	(65)
<b>Operating profit/(loss)</b>	<b>243</b>	<b>140</b>	<b>602</b>
Finance income	28	24	103
Finance costs	(73)	(66)	(318)
Foreign exchange gains/(losses)	1	-	8
<b>Profit/(loss) before income tax</b>	<b>199</b>	<b>98</b>	<b>395</b>
Income tax benefit/(expense)	(45)	(28)	(128)
Profit/(loss) from continuing operations	154	70	267
Profit/(loss) from discontinued operations	(1)	(1)	(5)
<b>Net profit for the period</b>	<b>153</b>	<b>69</b>	<b>262</b>
Attributable to:			
Equity holders of Rhodia S.A.	151	69	259
Non controlling interests	2	-	3
<b>Earnings per share (in euros)</b>			
<b>Continuing and discontinued operations</b>			
- Basic	1.45	0.70	2.55
- Diluted	1.35	0.69	2.52
<b>Continuing operations</b>			
- Basic	1.46	0.69	2.60
- Diluted	1.36	0.69	2.57
Average number of shares before dilution	103,791,722	99,934,094	101,557,153
Average number of shares after dilution	117,950,175	100,744,100	102,760,912

(\* ) Unaudited figures

## CONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 2011

<b>Assets</b>		
(in millions of euros)	<b>At March 31, 2011 *</b>	<b>At December 31, 2010</b>
Property, plant and equipment	1,500	1,560
Goodwill	399	420
Other intangible assets	338	328
Investments in associates	12	12
Other non-current financial assets	134	135
Deferred tax assets	157	168
<b>Non-current assets</b>	<b>2,540</b>	<b>2,623</b>
Inventories	702	627
Income tax receivable	13	29
Trade and other receivables	954	910
Derivative financial instruments	71	90
Other current financial assets	40	34
Cash and cash equivalents	1,020	782
Assets classified as held for sale	36	36
<b>Current assets</b>	<b>2,836</b>	<b>2,508</b>
<b>TOTAL ASSETS</b>	<b>5,376</b>	<b>5,131</b>

(\*) *Unaudited figures*

## Equity (deficit) and liabilities

(in millions of euros)	<b>At March 31, 2011 *</b>	<b>At December 31, 2010</b>
Share capital	105	105
Additional paid-in capital	1,289	1,290
Other reserves	243	303
Deficit	(1,809)	(2,006)
<b><i>Equity deficit attributable to equity holders of Rhodia S.A.</i></b>	<b>(172)</b>	<b>(308)</b>
Non controlling interests	22	20
<b>Total equity deficit</b>	<b>(150)</b>	<b>(288)</b>
Borrowings	1,658	1,672
Retirement benefits and similar obligations	1,355	1,419
Provisions	363	425
Deferred tax liabilities	55	62
Other non-current liabilities	44	27
<b>Non-current liabilities</b>	<b>3,475</b>	<b>3,605</b>
Borrowings	465	338
Derivative financial instruments	76	94
Retirement benefits and similar obligations	90	91
Provisions	182	132
Income tax payable	36	40
Trade and other payables	1,197	1,113
Liabilities associated with assets classified as held for sale	5	6
<b>Current liabilities</b>	<b>2,051</b>	<b>1,814</b>
<b>TOTAL EQUITY (DEFICIT) AND LIABILITIES</b>	<b>5,376</b>	<b>5,131</b>

(\* ) Unaudited figures

## CONSOLIDATED STATEMENTS OF CASH FLOWS AS OF MARCH 31, 2011

(in millions of euros)	For the Quarter ended March 31,		Year ended December 31,
	2011 *	2010*	2010
<b>Net profit/(loss) for the period attributable to equity holders of Rhodia S.A.</b>	<b>151</b>	<b>69</b>	<b>259</b>
<i>Adjustments for:</i>			
Non controlling interest	2	-	3
Depreciation and impairment of non-current assets	70	69	277
Net increase/(decrease) in provisions and employee benefits	(1)	(10)	(24)
Impairment of non-current financial assets	-	-	3
Other income and expense	10	10	63
Gain/(loss) on disposal of non-current assets	(29)	(2)	(9)
Deferred tax expense (income)	(1)	4	26
Foreign exchange losses	(4)	4	4
<b>Net cash flow from operating activities before changes in working capital</b>	<b>198</b>	<b>144</b>	<b>602</b>
<i>Changes in working capital</i>			
• (Increase)/decrease in inventories	(96)	(22)	(111)
• (Increase)/decrease in trade and other receivables	(60)	(67)	(83)
• Increase/(decrease) in trade and other payables	121	48	65
• Increase/(decrease) in other current assets and liabilities	(1)	27	21
<b>Net cash from operating activities before margin calls</b>	<b>162</b>	<b>130</b>	<b>494</b>
Margin calls (1)	(9)	7	9
<b>Net cash from operating activities</b>	<b>153</b>	<b>137</b>	<b>503</b>
Purchases of property, plant and equipment	(55)	(36)	(234)
Purchases of other non-current assets	(7)	(8)	(36)
Proceeds on disposal of non-current assets	25	3	8
Purchases of entities, net of cash acquired	-	-	(276)
(Purchases of)/repayments of loans and financial investments	(3)	19	56
<b>Net cash from/(used by) investing activities</b>	<b>(40)</b>	<b>(22)</b>	<b>(482)</b>
Treasury share purchase costs	-	-	38
Dividends paid to minority interests	-	-	(19)
New non-current borrowings, net of costs	1	-	811
Repayments of non-current borrowings, net of costs	(4)	(7)	(822)
Net increase/(decrease) in current borrowings	144	(12)	36
<b>Net cash from/(used by) financing activities</b>	<b>141</b>	<b>(19)</b>	<b>44</b>
<b>Effect of foreign exchange rate changes</b>	<b>(16)</b>	<b>12</b>	<b>26</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>238</b>	<b>108</b>	<b>91</b>
Cash and cash equivalents at the beginning of the year	782	691	691
Cash and cash equivalents at the end of the year	1,020	799	782

(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 a counterparty.

(\*) Unaudited figures