



Press Release

RHODIA AND SIBUR SIGN LETTER OF INTENT FOR JOINT VENTURE IN SURFACTANTS IN RUSSIA AND CIS

Paris (France), June 6, 2011 --- Rhodia and SIBUR have signed a letter of intent to create a joint venture in specialty surfactants*. This strategic alliance would be focused on creating a leader in the CIS market where specialty surfactants are used particularly in home & personal care, and oil & gas industries, with the surfactants sector growing at more than 6% per year.

The evolution of consumer demand for more sophisticated and segmented products, such as shampoos, conditioners, shower gels, laundry and household detergents, and the need for high performance solutions in oil and gas extraction fields are driving volume growth of specialty surfactants in the CIS region.

Rhodia, as a worldwide leader in specialty surfactants, will provide its expertise in surfactant technologies, its knowledge of formulations and market applications and its customer network, including global key accounts with a strong presence in this region.

SIBUR, the leading petrochemical company in Russia, will contribute its raw materials, production and logistics capabilities. With its longstanding experience of the Russian petrochemicals market, SIBUR will also support the development of the surfactants business in oil and gas markets in Russia and the CIS.

It is expected that the new 50:50 joint venture will site a local production in Russia at Dzerzhinsk, near SIBUR's petrochemicals operations, 400km east of Moscow, and is expected to be operational in 2013.

"This strategic partnership is a key step in our development in the dynamic surfactants market in the CIS and Eastern Europe," commented Christophe Clemente, Rhodia Novecare's Vice President Europe. *"This alliance will reinforce our leading position worldwide in specialty surfactants and is fully aligned with our growth strategy. It demonstrates our commitment to become the preferred partner of our customers as they expand in fast growing countries,"* added Emmanuel Butstraen, President of Rhodia Novecare.

"SIBUR and Rhodia have strong complementary activities and expertise. The association with a worldwide leader in specialty surfactants will allow us to provide value added products to meet the fast growing demand for more sophisticated and complex solutions", commented Sergey Merzlyakov, Vice-President - Head of the Plastics and Organic Synthesis business unit of SIBUR. *"Collaboration with Rhodia is in line with our strategy of expanding into carefully chosen specialty chemicals business segments",* concluded Dmitry Konov, CEO of SIBUR

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* **Surfactants** are molecules that reduce surface tension and can bring properties such as detergency, emulsification, foaming, wetting and softening. They are used as performance ingredients in formulations in a large number of applications: shower gels, shampoos, conditioners, laundry powders and tablets, household and hard surface cleaning, industrial cleaning, paints, metal treatment, oil and gas extraction, agrochemicals, etc.

SIBUR is Russia and Eastern Europe's leading petrochemical company. SIBUR has vertically integrated production from gas processing to production of monomers, plastics and synthetic rubber. In 2010, SIBUR had annual sales of more than €5.5 billion and employed approximately 50,000 people. The Company's more than 2,000 products are manufactured at 36 sites in 26 regions across Russia.

For more information, please visit SIBUR's website at <http://www.sibur.ru>

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.

Rhodia Novecare, with net sales of €1.1 billion in 2010, provides high-performance products and solutions to a wide range of industries including cosmetics, detergents, agrochemicals and oil, as well as coating and industrial applications. Thanks to a worldwide industrial footprint and global R&D and tech-support network, Rhodia Novecare holds leading positions in the surfactants, phosphorus derivatives, natural polymers, synthetic polymers and monomers technologies, and eco-friendly oxygenated solvents markets. Rhodia Novecare has developed particular expertise to anticipate and answer customer needs in protection, surface modification, rheology, active delivery, improvement of formulations and processes and sustainability.

For more information, please visit our institutional website at <http://www.rhodia.com>

Contacts

Rhodia

Media Relations

Lamia Narcisse - Group

☎ +33 (0)1 53 56 59 62 lamia.narcisse@eu.rhodia.com

Véronique Bienaymé – Rhodia Novecare

☎ +33 (0)1 53 56 52 45 veronique.bienayme@eu.rhodia.com

Investor Relations

Maria Alcon

☎ +33 (0)1 53 56 64 89 maria.alcon-hidalgo@eu.rhodia.com

Benjamin Bruneau

☎ +33 (0)1 53 56 64 42 benjamin.bruneau@eu.rhodia.com

SIBUR

Media Relations

Anna Lebed

☎ +7 (495) 937 17 26

lebedai@sibur.ru

☎ +7 (926) 754 08 51