

Press release

Paris, July 28th, 2011

RHODIA REPORTS SECOND QUARTER 2011 RESULTS

***A further set of strong results:
Rhodia continues delivering on its profitable growth strategy***

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

✓ **Q2 2011 financial highlights**

- Highest ever EBITDA at €297 million
- Volumes up by 7%, reflecting solid business dynamics
- Strong pricing power: €58 million net positive price impact at EBITDA level
- Net Profit of €113 million
- Net Debt at €1,085 million

"In Q2, we delivered a further set of strong results, illustrating the remarkable execution of our profitable growth strategy. We continue to benefit from solid levels of demand across segments and regions as well as excellent pricing power", commented Jean-Pierre Clamadieu, Chairman & CEO of Rhodia. "We now look forward to creating with Solvay a major player in the chemical industry. Together, we will combine our respective strengths to further accelerate our growth dynamic".

Summary Income Statement Q2 2011

<i>In € million</i>	Q2 2010	Q2 2011	Year on Year Variation
Net Sales	1,330	1,617	22%
Recurring EBITDA	226	297	31%
Operating Profit	146	218	49%
Profit from continuing operations	46	116	
Profit from discontinued operations	(2)	(1)	
Net Profit/ Group Share	43	113	
Earnings per Share (in €), basic	0.43	1.09	
Free Cash Flow ⁽¹⁾	101	0	

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

1. A strong overall performance with a positive contribution from all growth levers

In the second quarter, **Net Sales** increased by 22% to €1,617 million from €1,330 million last year, driven by the combination of organic volume growth (+7%), the enlarged perimeter with Feixiang and overall increases in selling prices (+16%). The Consumer Chemicals and Advanced Materials business clusters were the major contributors to the Group's sales growth.

In Q2 2011, Rhodia reported its highest ever recurring **EBITDA** at €297 million, up 31% compared to €226 million in Q2 2010. This growth in profitability, despite an adverse foreign exchange impact of €21 million, was driven by both business robustness and excellent pricing power. In a context of inflationary raw material and energy costs, pricing power generated a net positive price impact of €58 million.

Operating Profit in Q2 2011 was up 49% to €218 million, a sharp improvement compared to €146 million last year, reflecting the excellent performance in recurring EBITDA.

Net Financial Charges amounted to €(40) million in Q2 2011 versus €(63) million in the prior year, with the latter including one-off charges linked to the partial refinancing of the Group's Floating Rate Notes due in 2013.

Income Tax was €(62) million for the second quarter versus €(37) million in Q2 2010. This increase reflects the higher operating profitability over the period.

The Net Profit Group Share stood at €113 million in Q2 2011 compared to €43 million in the same period last year, reflecting the strong operating performance of the Group.

Earnings per Share (basic) were €1.09 in Q2 2011 versus €0.43 in Q2 2010.

2. Investments for growth coupled with sustained financial discipline

The Group continued to demonstrate best-in-class management of **Operating Working Capital** at 9.9% on total sales for the first half of the year, in line with the Group's objective to stand below 10% on an annual basis.

Capital Expenditure amounted to €90 million in Q2 2011, compared to €56 million in the prior year. Growth investments continued to focus on highly dynamic markets such as surfactants and guar, highly dispersible silica and biomass-based energy in Brazil. For the full year, with new investments planned in rare earth recycling and other capacity expansion projects, total spending is expected to be around €370 million, compared to €270 million invested in 2010.

The Group's accelerated investments for growth and the slight increase in Operating Working Capital needs led to a **Free Cash Flow**⁽¹⁾ at zero in Q2 2011.

As of June 30th 2011, Rhodia reported a **Consolidated Net Debt** of €1,085 million, €109 million lower than year-end level mainly derived from the €100 million of Free Cash Flow generated in the first half of the year.

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

3. Outlook

Global economic growth should continue to be driven by sustained demand in fast-growing countries. Rhodia should therefore continue to benefit both from its strong exposure to high-growth economies and its business portfolio which is well-suited to global market mega trends.

Going forward, business dynamics should remain satisfactory though reflecting the usual summer seasonality effects.

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

Under current conditions, Rhodia reiterates its guidance for full year Recurring EBITDA to exceed €1 billion, on track with its 2013-2015 profitable growth ambition.

4. Solvay's Offer calendar

Solvay's friendly cash offer for Rhodia shares was launched on June 15th, 2011. The closing date for the offer will be published by the French Autorité des Marchés Financiers (AMF) following receipt of approval from the European Commission, which is expected on August 5th, 2011.

Q2 2011 OVERVIEW BY BUSINESS CLUSTER

Consumer Chemicals

Consumer Chemicals combines the Novecare, Coatis and Aroma Performance Global Business Units. This cluster primarily serves consumer products markets, with an offering suited to the major trends of these markets. Novecare 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>	Q2 10	Q2 11	Year-on-year Variation
Net Sales	497	625	26%
Recurring EBITDA	82	100	22%

In Q2, healthy business dynamics resulted in 7% organic growth within the Consumer Chemicals activity compared to the same period last year. The three GBUs enjoyed good pricing power.

Novecare reported 10% year-on-year organic volume growth, mostly driven by Oil & Gas and Agro markets and by Feixiang's double-digit sales growth that should continue going forward. Looking ahead, the Group's leading position in bio-sourced formulations will support developments in Oil & Gas applications. The GBU has also announced a strategic alliance with Sibur to create a specialty surfactant leader in Russia.

Coatis posted volumes up by over 5% year-on-year, primarily driven by the solvents business.

Advanced Materials

Advanced Materials brings together the Silica and Rare Earth Systems Global Business Units, targeting high-performance industries such as energy-efficient tires, automotive catalysts or energy-efficient lighting. The growth of this cluster, greater than the organic growth of the markets served, is driven by the challenges of sustainable development. Rhodia's competitive advantage relies on its technological lead, its economies of scale, its innovative capability and its worldwide presence.

<i>In € million</i>	Q2 10	Q2 11	Year-on-year Variation
Net Sales	132	217	64%
Recurring EBITDA	28	71	154%

In Q2, the Advanced Materials activity benefited from a global volume expansion of over 20% year-on-year. It also reported strong margins based on pricing power and optimized competitive sourcing.

Silica continued to post solid growth.

Rare Earth Systems enjoyed solid demand primarily from Electronics markets. The rare earth export quotas allocated by China to Rhodia for the second half of 2011 are similar to H1 2011 levels. As part of its sourcing diversification strategy, Rare Earth Systems has announced two recycling projects: one to recover rare earths from low energy lamps, another one in partnership with Umicore to recycle rare earths contained in Nickel Metal Hydride rechargeable batteries. Furthermore, in addition to its long-term supply agreement with Lynas, the GBU is working on new sourcing opportunities.

Polyamide Materials

Polyamide Materials combines the 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 positions in the most profitable sectors and excellent competitiveness. The automotive industry is one of their major markets with solutions responding to the challenges of sustainable mobility.

<i>In € million</i>	Q2 10	Q2 11	Year-on-year Variation
Net Sales	430	475	10%
Recurring EBITDA	62	62	-

In Q2, demand was sustained in a normalized supply context. Polyamide Materials enjoyed satisfactory volumes with healthy dynamics at Engineering Plastics (volumes up by 8% year-on-year and 5% quarter-on-quarter) while Fibras experienced lower demand in a weak Brazilian textile market. Adipic Acid contracts with selling prices indexed on raw materials costs were fully effective.

Acetow & Eco Services

Acetow is a worldwide producer of acetate tow and Eco Services offers sulfuric acid regeneration services to chemical manufacturers and oil refiners in North America. Acetow and Eco Services operate in very specific, mature and stable markets where partnerships with customers are built on reliability, quality of service and supply security. This cluster combines innovative capacity and operational excellence, by seizing opportunities in sustainable development.

<i>In € million</i>	Q2 10	Q2 11	Year-on-year Variation
Net Sales	201	214	6.5%
Recurring EBITDA	48	53	10%

In Q2, Acetow reported a robust performance driven by continuous sound demand. Eco Services also benefited from a solid activity level.

Energy Services

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

<i>In € million</i>	Q2 10	Q2 11	Year-on-year Variation
Net Sales	38	58	53%
Recurring EBITDA	29	47	62%

In Q2, Energy Services reported recurring EBITDA of €47 million, a significant increase against a low comparative base in Q2 2010 when part of CER sales was postponed to the second half of 2010. A large majority of expected CER production is already hedged at a price close to 13€ per ton, despite low market prices.

Note: Rhodia's Board of Directors met on July 27, 2011 to examine the half-year ended June 30, 2011 Financial Statements. The Group's Statutory auditors carried out a limited review on such Financial Statements and issued their report thereon. Rhodia will publish its half-year ended June 30, 2011 Financial Report next week.

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. 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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Results Fact Sheet: Q2 & H1 '11

Income Statement

€ million	Q2* '10	Q2* '11	Variation	H1** '10	H1** '11	Variation
Net Sales	1 330	1 617	21,6%	2 506	3 120	24,5%
Other revenue	72	77		203	187	
Recurring EBITDA	226	297	31,4%	447	580	29,8%
Recurring EBITDA Margin	17,0%	18,4%		17,8%	18,6%	
Depreciation & Amortization	(69)	(69)		(135)	(138)	
Other Gains and Losses	(9)	(12)		(16)	17	
Restructuring Costs	(2)	2		(10)	2	
Operating Profit	146	218	49,3%	286	461	61,2%
Financial Results	(63)	(40)		(105)	(84)	
Share of profit of associates	-	-		-	-	
Profit before income tax	83	178	114,5%	181	377	108,3%
Income tax	(37)	(62)		(65)	(107)	
Profit from continuing operations	46	116		116	270	
Profit from discontinued operations	(2)	(1)		(3)	(2)	
Net Profit/(loss)	44	115		113	268	
Net Profit (Group Share)	43	113	162,8%	112	264	135,7%
Earnings per share. basic (in €)	0,43	1,09		1,12	2,54	
Average number of shares outstanding	100 739 546	104 127 794		100 217 739	103 987 595	

QUARTER	Net Sales			Recurring EBITDA			Operating Profit	
	€ million	Q2* '10	Q2* '11	Variation	Q2* '10	Q2* '11	Variation	Q2* '10
RHODIA	1 330	1 617	21,6%	226	297	31,4%	146	218
Consumer Chemicals	497	625	25,8%	82	100	22,0%	66	82
Advanced Materials	132	217	64,4%	28	71	153,6%	19	62
Polyamide Materials	430	475	10,5%	62	62	-	44	41
Acetow & Eco Services	201	214	6,5%	48	53	10,4%	31	41
Energy Services	38	58	52,6%	29	47	62,1%	30	42
Corporate & Others ⁽¹⁾	32	28	-12,5%	(23)	(36)	-56,5%	(44)	(50)

⁽¹⁾ Including intercompany sales elimination

YTD	Net Sales			Recurring EBITDA			Operating Profit	
	€ million	H1** '10	H1** '11	Variation	H1** '10	H1** '11	Variation	H1** '10
RHODIA	2 506	3 120	24,5%	447	580	29,8%	286	461
Consumer Chemicals	918	1 210	31,8%	145	192	32,4%	115	160
Advanced Materials	250	401	60,4%	52	124	138,5%	36	108
Polyamide Materials	816	917	12,4%	118	130	10,2%	79	89
Acetow & Eco Services	379	421	11,1%	92	99	7,6%	57	76
Energy Services	83	114	37,3%	80	94	17,5%	78	86
Corporate & Others ⁽¹⁾	60	57	-5,0%	(40)	(59)	-47,5%	(79)	(58)

⁽¹⁾ Including intercompany sales elimination

Net Financial Debt

December 31. 2010	March 31. 2011	June 30. 2011
1 194	1 063	1 085

* Unaudited

** Review ed by auditors

Results Fact Sheet: Q2 & H1 '11

€ million	Net Sales Q2* '10	Scope	Foreign Exchange conversion	Foreign Exchange transaction	Volume & mix	Selling Price	Net Sales Q2* '11	Variation Q2* '10–Q2* '11
RHODIA	1 330	63	(45)	(40)	98	211	1 617	21,6%
CONSUMER CHEMICALS	497	60	(26)	(21)	33	82	625	25,8%
ADVANCED MATERIALS	132	-	(3)	(5)	28	65	217	64,4%
POLYAMIDE MATERIALS	430	2	(5)	(9)	8	49	475	10,5%
ACETOW & ECO SERVICES	201	-	(9)	(4)	3	23	214	6,5%
ENERGY SERVICES	38	-	1	-	30	(11)	58	52,6%
Corporate & Others ⁽¹⁾	32	1	(3)	(1)	(4)	3	28	-12,5%

⁽¹⁾ Including intercompany sales elimination

€ million	Rec. EBITDA Q2* '10	Scope	Forex conversion	Forex transaction	Volume & mix	Selling Price	Raw materials	Fixed Costs	Rec. EBITDA Q2* '11	Rec. EBITDA Margin Q2* '11
RHODIA	226	13	(10)	(11)	54	211	(153)	(33)	297	18,4%
CONSUMER CHEMICALS	82	12	(5)	(9)	7	82	(58)	(11)	100	16,0%
ADVANCED MATERIALS	28	-	(1)	2	16	65	(34)	(5)	71	32,7%
POLYAMIDE MATERIALS	62	-	(1)	(2)	5	49	(45)	(6)	62	13,1%
ACETOW & ECO SERVICES	48	-	(3)	(1)	(1)	23	(14)	1	53	24,8%
ENERGY SERVICES	29	-	1	-	28	(11)	-	-	47	NM
CORPORATE & Others	(23)	1	(1)	(1)	(1)	3	(2)	(12)	(36)	NM

* Unaudited

€ million	Net Sales H1** '10	Scope	Foreign Exchange conversion	Foreign Exchange transaction	Volume & mix	Selling Price	Net Sales H1** '11	Variation H1** '10–H1** '11
RHODIA	2 506	111	(6)	(56)	204	361	3 120	24,5%
CONSUMER CHEMICALS	918	108	(4)	(34)	99	123	1 210	31,8%
ADVANCED MATERIALS	250	-	-	(6)	57	100	401	60,4%
POLYAMIDE MATERIALS	816	2	6	(11)	3	101	917	12,4%
ACETOW & ECO SERVICES	379	-	(7)	(4)	8	45	421	11,1%
ENERGY SERVICES	83	-	1	-	42	(12)	114	37,3%
Corporate & Others ⁽¹⁾	60	1	(2)	(1)	(5)	4	57	-5,0%

⁽¹⁾ Including intercompany sales elimination

€ million	Rec. EBITDA H1** '10	Scope	Forex conversion	Forex transaction	Volume & mix	Selling Price	Raw materials	Fixed Costs	Rec. EBITDA H1** '11	Rec. EBITDA Margin H1** '11
RHODIA	447	21	(4)	(14)	86	361	(252)	(65)	580	18,6%
CONSUMER CHEMICALS	145	20	(1)	(14)	28	123	(85)	(24)	192	15,9%
ADVANCED MATERIALS	52	-	(1)	1	29	100	(44)	(13)	124	30,9%
POLYAMIDE MATERIALS	118	(1)	1	-	5	101	(87)	(7)	130	14,2%
ACETOW & ECO SERVICES	92	-	(3)	-	-	45	(33)	(2)	99	23,5%
ENERGY SERVICES	80	1	-	-	26	(12)	-	(1)	94	NM
CORPORATE & Others	(40)	1	-	(1)	(2)	4	(3)	(18)	(59)	NM

** Reviewed by auditors

Results Fact Sheet: Quarterly results

€m	Q1 2010	Q1 2011	Q2 2010	Q2 2011	Q3 2010	Q4 2010	H1 2010	H1 2011	H2 2010	FY 2010
RHODIA										
Net Sales	1 176	1 503	1 330	1 617	1 360	1 360	2 506	3 120	2 720	5 226
Recurring EBITDA	221	283	226	297	235	223	447	580	458	905
<i>Rec. EBITDA margin</i>	18,8%	18,8%	17,0%	18,4%	17,3%	16,4%	17,8%	18,6%	16,8%	17,3%
Operating Profit	140	243	146	218	151	165	286	461	316	602
CONSUMER CHEMICALS**										
Net Sales	421	585	497	625	483	482	918	1 210	965	1 883
Recurring EBITDA	63	92	82	100	72	59	145	192	131	276
<i>Rec. EBITDA margin</i>	15,0%	15,7%	16,5%	16,0%	14,9%	12,2%	15,8%	15,9%	13,6%	14,7%
Operating Profit	49	78	66	82	53	54	115	160	107	222
ADVANCED MATERIALS**										
Net Sales	118	184	132	217	139	150	250	401	289	539
Recurring EBITDA	24	53	28	71	28	34	52	124	62	114
<i>Rec. EBITDA margin</i>	20,3%	28,8%	21,2%	32,7%	20,1%	22,7%	20,8%	30,9%	21,5%	21,2%
Operating Profit	17	46	19	62	18	28	36	108	46	82
POLYAMIDE MATERIALS**										
Net Sales	386	442	430	475	451	434	816	917	885	1 701
Recurring EBITDA	56	68	62	62	71	64	118	130	135	253
<i>Rec. EBITDA margin</i>	14,5%	15,4%	14,4%	13,1%	15,7%	14,7%	14,5%	14,2%	15,3%	14,9%
Operating Profit	35	48	44	41	51	44	79	89	95	174
ACETOW & ECO SERVICES**										
Net Sales	178	207	201	214	209	202	379	421	411	790
Recurring EBITDA	44	46	48	53	56	40	92	99	96	188
<i>Rec. EBITDA margin</i>	24,7%	22,2%	23,9%	24,8%	26,8%	19,8%	24,3%	23,5%	23,4%	23,8%
Operating Profit	26	35	31	41	43	29	57	76	72	129
ENERGY SERVICES**										
Net Sales	45	56	38	58	54	66	83	114	120	203
Recurring EBITDA	51	47	29	47	40	59	80	94	99	179
Operating Profit	48	44	30	42	36	57	78	86	93	171
CORPORATE & OTHERS**										
Sales & intercompany sales eliminations	28	29	32	28	24	26	60	57	50	110
Recurring EBITDA	(17)	(23)	(23)	(36)	(32)	(33)	(40)	(59)	(65)	(105)
Operating Profit	(35)	(8)	(44)	(50)	(50)	(47)	(79)	(58)	(97)	(176)

*Unaudited

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

CONSOLIDATED INCOME STATEMENTS AS OF JUNE 30, 2011

(in millions of euros)	Quarter ended June 30,		Half-year ended June 30,	
	2011 ^(*)	2010 ^(*)	2011 ^(**)	2010 ^(**)
Net sales	1,617	1,330	3,120	2,506
Other revenue	77	72	187	203
Cost of sales	(1,283)	(1,084)	(2,508)	(2,091)
Administrative and selling expenses	(162)	(139)	(314)	(266)
Research and development expenditure	(21)	(22)	(43)	(40)
Restructuring costs	2	(2)	2	(10)
Other operating income	6	10	42	15
Other operating expenses	(18)	(19)	(25)	(31)
Operating profit	218	146	461	286
Finance income	29	26	57	50
Finance costs	(74)	(94)	(147)	(160)
Foreign exchange gains	5	5	6	5
Profit before income tax	178	83	377	181
Income tax expense	(62)	(37)	(107)	(65)
Profit from continuing operations	116	46	270	116
Loss from discontinued operations	(1)	(2)	(2)	(3)
Net profit for the period	115	44	268	113
Attributable to:				
Equity holders of Rhodia S.A.	113	43	264	112
Non-controlling interests	2	1	4	1
Earnings per share (in euros)				
Continuing and discontinued operations				
- Basic	1.09	0.43	2.54	1.12
- Diluted	1.03	0.43	2.38	1.11
Continuing operations				
- Basic	1.09	0.45	2.55	1.15
- Diluted	1.03	0.45	2.39	1.14
<i>Weighted average number of shares before dilution</i>	<i>104,127,794</i>	<i>100,739,546</i>	<i>103,987,595</i>	<i>100,217,739</i>
<i>Weighted average number of shares after dilution</i>	<i>118,699,428</i>	<i>101,590,437</i>	<i>118,381,922</i>	<i>101,061,319</i>

(*) Unaudited

(**) Reviewed by auditors

CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2011

Assets		
(in millions of euros)	At June 30, 2011	At December 31, 2010
Property, plant and equipment	1,548	1,560
Goodwill	394	420
Other intangible assets	321	328
Investments in associates	12	12
Other non-current financial assets	182	135
Deferred tax assets	150	168
Non-current assets	2,607	2,623
Inventories	801	627
Income tax receivable	13	29
Trade and other receivables	954	910
Derivative financial instruments	98	90
Other current financial assets	18	34
Cash and cash equivalents	953	782
Assets classified as held for sale	36	36
Current assets	2,873	2,508
TOTAL ASSETS	5,480	5,131

Equity/ (Deficit) and liabilities		
(in millions of euros)	At June 30, 2011	At December 31, 2010
Share capital	106	105
Additional paid-in capital	1,332	1,290
Other reserves	263	303
Accumulated deficit	(1,774)	(2,006)
Equity/ (deficit) attributable to equity holders of Rhodia S.A.	(73)	(308)
Non-controlling interests	23	20
Total equity /(deficit)	(50)	(288)
Borrowings	1,670	1,672
Retirement benefits and similar obligations	1,371	1,419
Provisions	310	425
Deferred tax liabilities	69	62
Other non-current liabilities	88	27
Non-current liabilities	3,508	3,605
Borrowings	386	338
Derivative financial instruments	75	94
Retirement benefits and similar obligations	89	91
Provisions	176	132
Income tax payable	35	40
Trade and other payables	1,255	1,113
Liabilities associated with assets classified as held for sale	6	6
Current liabilities	2,022	1,814
TOTAL EQUITY/ (DEFICIT) AND LIABILITIES	5,480	5,131

CONSOLIDATED STATEMENTS OF CASH FLOWS AS OF JUNE 30, 2011

(in millions of euros)	Quarter ended June 30,		Half-year ended June 30,	
	2011 ^(*)	2010 ^(*)	2011 ^(**)	2010 ^(**)
Net Profit attributable to equity holders of Rhodia S.A.	113	43	264	112
<i>Adjustments for:</i>				
Non-controlling interests	2	1	4	1
Depreciation and impairment of non-current assets	68	70	138	139
Net increase/(decrease) in provisions	(71)	10	(72)	-
Impairment of non-current financial assets	(1)	1	(1)	1
Other income and expense	14	18	24	28
(Gain)/loss on disposal of non-current assets	1	(4)	(28)	(6)
Deferred tax expense/(income)	24	12	23	16
Foreign exchange losses/(gains)	(3)	9	(7)	13
Net Cash flow from operating activities before changes in working capital	147	160	345	304
<i>Changes in working capital:</i>				
- (Increase)/decrease in inventories	(98)	(34)	(194)	(56)
- (Increase)/decrease in trade and other receivables	(14)	(38)	(74)	(105)
- Increase/(decrease) in trade and other payables	33	59	154	107
- Increase/(decrease) in other current assets and liabilities	22	10	21	37
Net cash flow from operating activities before margin calls	90	157	252	287
Margin calls (1)	10	-	1	7
Net cash flow from operating activities	100	157	253	294
Purchases of property, plant and equipment	(80)	(47)	(135)	(83)
Purchases of other non-current assets	(10)	(9)	(17)	(17)
Proceeds on disposals of entities, net of cash transferred, and non-current assets	-	3	25	6
Purchases of entities, net of cash acquired	(11)	(1)	(11)	(1)
(Purchases)/ repayments of loans and financial investments	16	(6)	13	13
Net cash flow used by investing activities	(85)	(60)	(125)	(82)
Proceed from issued shares, net of costs	3	-	3	-
Treasury share purchase costs	(6)	-	(6)	-
Dividends paid	(12)	(20)	(12)	(20)
New non-current borrowings, net of costs	11	501	12	501
Repayments of non-current borrowings, net of costs	(66)	(506)	(70)	(513)
Net increase/(decrease) in current borrowings	(17)	34	127	22
Net cash flow from / (used by) financing activities	(87)	9	54	(10)
Effect of foreign exchange rate changes	5	23	(11)	35
Net increase/(decrease) in cash and cash equivalents	(67)	129	171	237
Cash and cash equivalents at the beginning of the period	1,020	799	782	691
Cash and cash equivalents at the end of the period	953	928	953	928

(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

(**) Reviewed by auditors