

SOLVAY TO CREATE WITH RHODIA A MAJOR PLAYER IN CHEMICALS - A GLOBAL LEADER IN THEIR BUSINESSES

Solvay will launch a friendly cash Offer for Rhodia at EUR 31.60 per share (ex-dividend of EUR 0.5)

- ***Creation of a new group with sales of EUR 12 billion and REBITDA of EUR 1.9 billion:***
 - ***Highly complementary businesses***
 - ***40% of sales generated in emerging markets***
 - ***Enlarged and more balanced business portfolio***
- ***Offer unanimously recommended by Rhodia's board of directors***
 - ***Offer price constitutes a premium of 50% compared to the latest closing share price of Rhodia and a premium of 44% compared to Rhodia's average closing share price over the last three months***
 - ***Enterprise value of EUR 6.6 billion and REBITDA multiple of 7.3x***
 - ***Offer values Rhodia's equity at EUR 3.4 billion***
- ***The transaction will be net profit accretive from 2011***

Solvay and Rhodia announce the signing yesterday of a framework agreement according to which Solvay will launch a friendly cash Offer for 100% of the share capital of Rhodia. The cash Offer at EUR 31.60 per share (ex dividend of EUR 0.5 per share) values the equity of Rhodia at EUR 3.4 billion and the enterprise value at EUR 6.6 billion, representing a REBITDA multiple of 7.3x¹. The Offer represents a premium of 50% compared to the closing price of Rhodia on the 1st of April 2011 and a premium of 44% compared to the average closing share price over the last three months. The Offer will be launched in France and extended to the United States of America. The transaction has been recommended unanimously by the board of directors of Rhodia.

The acquisition of Rhodia will be earnings accretive from the first year. Solvay will fully finance the transaction with its cash resources and its financial structure will continue to be conservative and solid.

The creation of a new group will accelerate the shared ambition to create a large global chemical company committed to sustainable development.

The new group will capitalize on its large geographic footprint, the quality and balance of its portfolio, its industrial excellence and the solidity of its financial base to fully capture new growth opportunities, especially in high-growth markets.

The new group's strategy is based on the following strengths: 90% of its combined sales² of EUR 12 billion are realized in businesses where it is already among the top three worldwide. Solvay is a leader in high performance specialty polymers, in soda ash and hydrogen peroxide, while Rhodia holds leadership positions in specialty materials (silica, rare earths), products for consumer markets (surfactants, natural polymers, acetate tow) and engineering plastics based on polyamide 6.6.

Future geographic expansion will be driven by a significant presence in the emerging markets, which already generate 40% of sales of the combined group. The complementary nature of the

¹ Excluding Carbon Emission Rights REBITDA multiple becomes 8.5

² pro forma data 2010

Ce communiqué de presse est également disponible en français – Dit persbericht is ook in het Nederlands beschikbaar

industrial activities of Rhodia and Solvay should provide the combined group with a balanced presence in its different market segments: specialty chemicals for consumer goods, construction, automotive, energy, water, environment, and electronics.

Beyond the revenue synergies, the annual cost synergies are estimated to amount to EUR 250 million within three years. The cost synergies are expected to result from the alignment of cost structures in line with good industry practices used in groups of a comparable size. Two thirds of these synergies will come from external cost optimization. Therefore, no major downsizing is planned in the context of this combination.

To facilitate a smooth and rapid integration of the two groups, Jean-Pierre Clamadieu, Chairman and CEO of Rhodia, will join Solvay's Executive Committee in the role of Deputy CEO once the Offer is closed. Jean-Pierre Clamadieu is also intended to succeed Solvay's current CEO Christian Jourquin upon his retirement. In this context Jean-Pierre Clamadieu will be proposed for appointment to the board of directors of Solvay at the AGM in May 2012. In addition, Gilles Auffret, COO of Rhodia, will be appointed CEO of Rhodia and member of the Executive Committee of Solvay.

"We are very proud to announce this proposed friendly business combination. We have a shared vision in that we want to create a new Group to achieve our goal of sustainable growth and development in Chemistry", said Christian Jourquin CEO of Solvay. "We see the possibility of doubling our REBITDA to almost EUR 2 billion and creating a major global chemicals platform under the banner of Solvay. I am convinced that this project based on the complimentary strengths of our forces will be supported by the employees of both groups. We look forward to jointly developing innovative solutions to some of the greatest challenges facing humanity in the twenty-first century."

"The project presented today is a fantastic opportunity for Rhodia, for its employees and its shareholders. By joining Solvay, we will accelerate the overall development of our business, capitalizing on a strong financial structure, our leadership positions, and an exceptional geographic footprint. More importantly, I feel that the similar cultures of the two groups will ensure a successful integration resulting in one strong and ambitious group." said Jean-Pierre Clamadieu, Chairman and CEO of Rhodia.

A tender Offer conditional upon the approval by E.U. and U.S. anti-trust authorities and upon a minimum acceptance level of 50% plus one share will be filed in the coming days. Solvay expects that the Offer will be closed by late August 2011. Upon reaching a 95% acceptance level Solvay reserves the right to conduct a squeeze-out of the remaining shares. Bonds convertible into and / or exchangeable into new or existing shares (OCEANE) issued by Rhodia will also be offered a price of EUR 52.3 per OCEANE.

SOLVAY is an international industrial Group active in Chemistry. It offers a broad range of products and solutions that contribute to improving quality of life. The Group is headquartered in Brussels and employs about 16,800 people in 40 countries. In 2010, its consolidated sales amounted to EUR 7.1 billion. Solvay is listed on Euronext Brussels (NYSE Euronext: [SOLB.BE](#) - Bloomberg: [SOLB.BB](#) - Reuters: [SOLBt.BR](#)). Details are available at www.solvay.com.

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 EUR 5.23 billion in 2010. Rhodia is listed on Euronext Paris. For more information, please visit www.rhodia.com.

[View presentation and offer document](#)

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This press release contains certain statements that may be deemed forward-looking statements. All statements (other than statements of historical fact) that address activities, events or developments that we intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements. Such statements are based upon certain assumptions and assessments made by Solvay's and/or Rhodia's management in light of its experience and its perception of historical trends, current economic and industry conditions, expected future developments and other factors they believe to be appropriate. The forward-looking statements included in this release are also subject to a number of risks and uncertainties resulting from numerous factors, including economical, political and technological factors that may affect the operations of Solvay and Rhodia, their markets, products, services and prices. Such forward-looking statements are not guarantees of future performance, and actual results and developments may differ from those envisaged by such forward-looking statements.

This press release does not constitute and cannot be construed as an Offer or invitation to purchase any securities of Rhodia by Solvay. The Offer when made will be made solely by means of the Offer document setting out the terms and conditions of the Offer.

In accordance with French law, the Offer documents setting out the terms and conditions of the Offer will be subject to review by the French market authority (AMF). Shareholders and other investors are invited to read carefully all documents relating to the Offer prior to making any decision with respect to the Offer.

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