



*Chemistry is our world, Responsibility is our way*



# Notice of Meeting 2011

## Combined General Meeting



**May 18, 2011**  
**at 3 p.m. (Paris time)**

at the "Pavillon d'Armenonville"  
Allée de Longchamp,  
Bois de Boulogne  
75116 PARIS - France

---

# Contents

<b>Chairman and Chief Executive Officer's letter</b>	<b>3</b>
<b>Administration, management and control</b>	<b>4</b>
The Board of Directors	4
Composition of the Board Committees	6
Executive committee	7
Auditors	7
<b>Rhodia Group during 2010</b>	<b>8</b>
Brief presentation of the activities and consolidated key figures	8
Brief presentation of Rhodia S.A. (the holding company)	18
Rhodia S.A. financial statements	18
<b>How to take part in the meeting?</b>	<b>21</b>
Formalities to be completed prior to taking part and voting in the meeting	21
Procedure for taking part in the meeting	21
How to fill out the form?	23
<b>Agenda of the combined general meeting</b>	<b>24</b>
Ordinary part	24
Extraordinary part	24
<b>Board of Directors' report on the proposed resolutions</b>	<b>25</b>
Resolutions at the ordinary shareholders' meeting	25
Resolutions at the extraordinary shareholders' meeting	27
<b>Text of the proposed resolutions</b>	<b>31</b>
Ordinary part	31
Extraordinary part	33
<b>Auditors' reports</b>	<b>36</b>
Statutory auditors' special report on regulated agreements and commitments	36
Statutory auditors' report on equity transactions provided for in resolutions 6 through 8 of the combined shareholders' meeting to be held on may, 18 2011	38
<b>Practical information and access map</b>	<b>40</b>
<b>Request for documents and additional information</b>	<b>41</b>

# Notice of Meeting

COMBINED GENERAL MEETING

**of May 18<sup>th</sup>, 2011 at 3 pm (Paris Time) - Reception from 2:00 pm onwards**

Dear Shareholders,

I am pleased to send you the notice of meeting brochure for our forthcoming Combined General Shareholders' Meeting which will be held on Wednesday, May 18, 2011 at 3 p.m. at the "Pavillon d'Armenonville" in Paris.

## **Solvay – Rhodia: creating of a major chemicals player (\*)**

Boosted by the significant far-reaching transformation successfully implemented in recent years, Rhodia entered 2011 on a profitable fast-growth trajectory. This remarkable development and our latest achievements were observed with keen interest by Solvay, which has subsequently proposed us to unite our destinies in order to create a major global chemicals player, leader in all its business segments.

Solvay, a Belgian group whose history is intertwined with that of the European chemicals, is an ideal partner for Rhodia: both groups share strong culture and values, driven by the same entrepreneurial spirit, and are capable of spearheading major reforms. The complementary nature of our business offerings and positions and the combination of our respective forces would provide the new group with a broadened and better balanced portfolio, thus creating new growth engines.

Convinced that this planned business combination would satisfy the interests of both Group shareholders and employees, our Board of Directors approved it unanimously. This initiative is an excellent opportunity for our shareholders to leverage their investment in our group. At this stage in Rhodia's development, I am also convinced that this combination will enable our businesses and teams to pursue their growth with reinforced financial resources in a highly favorable environment.

## **Sharp improvement in profitability**

In 2010, Rhodia achieved a breakthrough step-up in profitability. Benefiting from sound demand in all regions and market segments, we reported a 14% increase in volumes. We also continued to enjoy significant pricing power, allowing us to raise our prices to more than offset raw materials and energy cost hikes. Our net sales increased by 21% and our EBITDA reached an unprecedented level. This performance resulted in a record net income of €259 million, enabling us to double our dividend to €0.50 per share.

In this context of growth, we maintained a strict and efficient cash flow management. Strengthened by the operational progress achieved in 2009 that helped us adapt to a very difficult international crisis, we continue reducing our working capital requirements in 2010 to "Best-in-Class" levels in the industry. Combined with selective capex management, this generated a Free Cash Flow of €240 million, bringing our Net Debt to €1.2 billion.

## **A far reaching transformation for Rhodia**

In addition to the excellent financial performance, 2010 was also a remarkable year for Rhodia from a strategic perspective. We defined growth as the Group's strategic priority and firmly committed to it implementing a new decentralized streamlined management model as a driving force, able to promote the development of an entrepreneurial culture and improved responsiveness.

We have already obtained tangible results while mobilizing all the levers at our disposal: external and organic growth, and innovation. The acquisition of Feixiang Chemicals, the Chinese leader in specialty amines and surfactants and the engineering plastics business of PI Industries in India illustrates our determination to bolster our positions in fast-growing markets. In addition to Feixiang, Rhodia increased its Chinese production capacity by around 20% in 2010, with in particular the new Qingdao high-performance silica plant. Energy Services has itself launched a new "Climate Care" business to produce biomass/biogas-based energy in Brazil and in Asia. Finally, we will continue to develop an innovative offering to meet sustainable development challenges.

I hope you will contribute to this new chapter in the history of Rhodia by contributing your shares to this transaction. I will have the pleasure of meeting you on May 18 to comment further on the merits of the business combination.

Jean-Pierre Clamadieu

Chairman and Chief Executive

(\*) The tender offer by Solvay for Rhodia shares (The Offer) is subject to review by the AMF. The offer document (note d'information) containing the terms and conditions of the offer filed by Solvay and approved by the AMF will be available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)). A document (note en réponse) filed by Rhodia and approved by the AMF shall also be published and made available on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and Rhodia ([www.rhodia.com](http://www.rhodia.com)). It is strongly recommended to the shareholders and other investors to read the Offer documents submitted to the AMF before taking any decision relating to the Offer.

The distribution of any documents related to the Offer and participation in the Offer may be subject to legal restrictions in certain jurisdictions. The Offer is not made to persons subject to such restrictions, directly or indirectly, and may not be accepted in any manner in any country where the Offer is subject to restrictions.

# Administration, management and control

## THE BOARD OF DIRECTORS

### Present board members

#### Mr. Jean-Pierre CLAMADIEU

52 years

Date of first appointment: 3 October 2003

End of the mandate: general shareholders' meeting 2013

##### Principal positions held in Rhodia:

Chairman & Chief Executive Officer

##### Professional activities during the last five years:

Chairman and Chief Executive Officer of Rhodia since March 17, 2008

Chief Executive Officer of Rhodia from October 3, 2003 to March 17, 2008

##### Current positions and other offices in French and foreign companies:

*In France:*

Director of Faurecia and SNCF

Number of Rhodia shares held: 188,076

#### Mr. Patrick BUFFET

57 years

Date of first appointment: May 20, 2009

End of the mandate: general shareholders' meeting 2013

##### Principal positions held in Rhodia:

Director (independent)

Chairman of the strategic and sustainable development committee

##### Professional activities during the last five years:

Chairman and Chief Executive Officer of ERAMET Group (since April 2007)

Acting general manager, executive committee member of Suez (from 2001 to April 2007)

##### Current positions and other offices in French and foreign companies:

*In France:*

Chairman and Chief Executive Officer of Eramet

Chairman and Chief Executive Officer of Société Le Nickel and Director of Comilog (companies of the Eramet Group)

Director of Bureau Veritas

Member of the supervisory board of Arcole Industries

*Outside of France:*

Director of Banimmo (Belgium)

Number of Rhodia shares held: 200

#### Mr. Aldo CARDOSO

55 years

Date of first appointment: July 28, 2004

End of the mandate: general shareholders' meeting 2013

##### Principal positions held in Rhodia:

Director (independent)

Chairman of the compensation, selection and governance committee

Member of the audit and risks committee

##### Current positions and other offices in French and foreign companies:

*In France:*

Director of GDF Suez, Gecina, Imerys and Bureau Veritas

Censor of Axa Investment Managers

*Outside of France:*

Director of Mobistar (Belgium)

Number of Rhodia shares held: 2,156

#### Mr. Pascal COLOMBANI

65 years

Date of first appointment: June 23, 2005

End of the mandate: general shareholders' meeting 2013

##### Principal positions held in Rhodia:

Director (independent)

Member of the compensation, selection and governance committee and the strategic and sustainable development committee

##### Professional activities during the last five years:

Senior Advisor strategic planning consultancy A. T. Kearney since 2003

Senior Advisor of Arjil Banque and of Detroyat & Associés (until October 2009)

##### Current positions and other offices in French and foreign companies:

*In France:*

Chairman of the Board of Directors of Valeo S.A.

Director of Alstom S.A. and Technip S.A.

*Outside of France:*

Director of British Energy Group plc, an EDF subsidiary (United Kingdom) and Energy Solutions (USA)

**Number of Rhodia shares held: 1,157**

---

**Ms. Laurence DANON**

55 years

Date of first appointment: May 16, 2008

End of the mandate: general shareholders' meeting 2012

**Principal positions held in Rhodia:**

Director (independent)

Member of the strategic and sustainable development committee

**Professional activities during the last five years:**

President of the Executive Board of Edmond de Rothschild Corporate Finance since November 2009

Member of the Executive Board of Edmond de Rothschild Corporate Finance (September 2007 to November 2009)

Chairman and Chief Executive Officer of Printemps (2001 – February 2007)

**Current positions and other offices in French and foreign companies:**

*In France:*

Director of TF1

Member of the Supervisory Board of BPCE

*Outside of France:*

Director of Diageo Plc

**Number of Rhodia shares held: 1,000**

---

**Mr. Michel de FABIANI**

65 years

Date of first appointment: April 29, 2003

End of the mandate: general shareholders' meeting 2012

**Principal positions held in Rhodia:**

Director (independent) – *Lead Independent Director*

Member of the audit and risks committee and the compensation, selection and governance committee

**Current positions and other offices in French and foreign companies:**

*In France:*

Chairman of the Franco-British Chamber of Commerce and Industry

Chairman of Hertford British Hospital Corporation

Director of Valeo S.A. and BP France

Member of the Supervisory Board of Vallourec

*Outside of France:*

Director of EB Trans Luxembourg

**Number of Rhodia shares held: 3,178**

---

**Mr. Jacques KHÉLIFF**

57 years

Date of first appointment as Director: June 23, 2005

Date of first appointment as Director representing employee shareholders: May 20, 2009

End of the mandate: general shareholders' meeting 2013

**Principal positions held in Rhodia:**

Director representing employee shareholders

Vice-President for sustainable development

**Professional activities during the last five years:**

Vice-President for sustainable development of Rhodia (since October 2003)

**Number of Rhodia shares held: 40,105**

He also holds FCPE shares in the context of the PEE Rhodia

---

**Mr. Olivier LEGRAIN**

58 years

Date of first appointment: June 23, 2005

End of the mandate: general shareholders' meeting 2013

**Principal positions held in Rhodia:**

Director (independent)

Member of the compensation, selection and governance committee and the strategic and sustainable development committee

**Professional activities during the last five years:**

Chairman and Chief Executive Officer of Materis since January 2001

**Current positions and other offices in French and foreign companies:**

*In France:*

Chairman or Director of various subsidiaries of the Materis Group

Director of Parrot, Solaire, Trèfle, Trèfle 2, Mécat Balas, Financière K2 and ARP

*Outside of France:*

Chairman or Director of various subsidiaries of the Materis Group

**Number of Rhodia shares held: 230**

---

**Mr. Francis MER**

71 years

Date of first appointment: May 13, 2004

End of the mandate: general shareholders' meeting 2013

**Principal positions held in Rhodia:**

Director (independent)

Member of the strategic and Sustainable Development committee

## Administration, management and control

### Current positions and other offices in French and foreign companies:

#### *In France:*

Chairman of the Supervisory Board of SAFRAN

Member of the Supervisory Board of the *Fondation pour l'Innovation Politique*

#### *Outside of France:*

Director of Adecco (Switzerland)

Number of Rhodia shares held: 116

### Mr. Yves René NANOT

---

74 years

Date of first appointment: October 25, 2002

End of the mandate: general shareholders' meeting 2012

#### Principal positions held in Rhodia:

Director

#### Professional activities during the last five years:

Chairman of the Board of Directors of Ciments Français (since January 1, 2010)

Chairman and Chief Executive Officer of Ciments Français (from July 1993 to December 31, 2009)

Chairman of the Board of Directors of Rhodia (from March 31, 2004 to March 17, 2008)

### Current positions and other offices in French and foreign companies:

#### *In France:*

Chairman of the Board of Directors of Ciments Français

#### *Outside of France:*

Director of Italcementi SpA (Italy) and various subsidiaries of Ciments Français

Number of Rhodia shares held: 11,000

### Mr. Henri POUPART- LAFARGE

---

41 years

Date of first appointment: May 5, 2009

End of the mandate: general shareholders' meeting 2012

#### Principal positions held in Rhodia:

Director (independent)

Chairman of the audit and risks committee

#### Professional activities during the last five years:

President of Alstom GRID since June 7, 2010

Executive Vice-President of Alstom since June 7, 2010

Chief Financial Officer of Alstom from October 2004 to June 2010

Number of Rhodia shares held: 1,000

## COMPOSITION OF THE BOARD COMMITTEES

---

### Audit and risks committee

- Mr. Henri POUPART-LAFARGE (Chairman)
- Mr. Aldo CARDOSO
- Mr. Michel DE FABIANI

### Compensation, selection and governance committee

- Mr. Aldo CARDOSO (Chairman)
- Mr. Pascal COLOMBANI
- Mr. Michel DE FABIANI
- Mr. Olivier LEGRAIN

### Strategic and sustainable development committee

- Mr. Patrick BUFFET (Chairman)
- Mr. Pascal COLOMBANI
- Ms. Laurence DANON
- Mr. Olivier LEGRAIN
- Mr. Francis MER

## EXECUTIVE COMMITTEE

---

- **Mr. Jean-Pierre CLAMADIEU**

Chairman and Chief Executive Officer

- **Mr. Gilles AUFFRET**

Chief Operating Officer

- **Mr. Pascal BOUCHIAT**

Group Executive Vice President, Chief Financial Officer

- **Mr. Pascal JUERY**

Group Executive Vice President

## AUDITORS

---

### Statutory auditors

- **PricewaterhouseCoopers Audit,**

represented by Mr. Christian Perrier

63 rue de Villiers, 92208 Neuilly-sur-Seine Cedex,

(appointed on April 29, 2003, renewal of the appointment by the general shareholders' meeting of May 20, 2009, with term of office ending after the General Meeting called to approve the financial statements for 2014).

- **KPMG S.A.,**

represented by Mr. Denis Marangé

Immeuble Le Palatin, 3 cours du Triangle, 92939 Paris La Défense Cedex,

(appointed on May 16, 2008 with term of office ending after the General Meeting called to approve the financial statements for 2013).

### Alternate auditors

- **Mr. Yves Nicolas,**

63 rue de Villiers, 92208 Neuilly-sur-Seine Cedex,

(appointed on April 29, 2003, renewal of the appointment by the general shareholders' meeting of May 20, 2009, with term of office ending after the General Meeting called to approve the financial statements for 2014).

- **Mr. Jean-Paul Vellutini,**

1 cours Valmy, 92923 Paris La Défense Cedex,

(appointed on May 16, 2008 with term of office ending after the General Meeting called to approve the financial statements for 2013).

# Rhodia Group during 2010

## BRIEF PRESENTATION OF THE ACTIVITIES AND CONSOLIDATED KEY FIGURES

The consolidated financial statements provide an economic overview of the Rhodia Group. Consolidation adjustments consist in replacing the value of Rhodia's shareholdings in the corresponding companies with their assets (non-current assets, etc.) and liabilities (trade payables, etc.), as well as their income statements.

The Group's consolidated financial statements for the year ended December 31, 2010 were prepared in accordance with IFRS (International Financial Reporting Standards), as adopted by the European Union and applicable as from December 31, 2010. These standards include international accounting standards (IAS and IFRS) and Interpretation Committee interpretations (SIC and IFRIC).

These consolidated financial statements are also consistent with the IFRS issued by the IASB (International Accounting Standards Board) and applicable as from December 31, 2010.

### **Fore note:**

Unless otherwise stated, all period variances concerning operational performance are to be deemed on a year on year like-for-like <sup>(1)</sup> basis. The expressions "Recurring EBITDA" or "EBITDA" hereby refer to Recurring EBITDA before restructuring and other operating income and expenses.

## Breakthrough step-up in profitability in 2010

### Record performance in 2010

In 2010, Rhodia achieved a breakthrough step-up in profitability. Recurring EBITDA and Net Profit attributable to equity holders of Rhodia S.A., amounting to €905 million and €259 million, respectively, achieved their highest level since the Group's creation. Throughout the year, Rhodia benefited from sustained growth in all its markets and in all the regions where the Group is present. Overall, the markets served by Rhodia regained their pre-crisis activity levels. The growth rate of emerging countries continued to exceed that of developed regions. Due to its extensive coverage in emerging countries, Rhodia took advantage of this growth to strengthen its production facilities in these regions. The Group gradually raised its selling prices following the return of inflationary energy and commodity prices. For the full year 2010, this generated a favorable impact of 9.5% compared to 2009.

By efficiently managing its operations, Rhodia generated Free Cash Flow <sup>(2)</sup> of €240 million in 2010, which led to an improvement in its debt ratio and contributed to the funding of its growth projects.

In this context, the Board of Directors will propose a dividend of €0.50 per share at the Annual General Meeting of May 18, 2011, i.e. a 100% increase compared to 2009.

### Growth strategy well underway

In terms of strategy, Rhodia has made profitable and responsible growth a top priority. In October 2010, the Group announced its intent to generate a yearly recurring EBITDA, excluding carbon credits, of more than €1 billion by 2013-2015.

To support this goal, Rhodia has implemented a new, simplified and more decentralized organization that fosters entrepreneurship and responsiveness, the two essential ingredients to achieving its objectives. Since January 1, 2011, Rhodia's operational activities have been organized into eleven Global Business Units (GBUs) consolidated into five Clusters, as opposed to the prior six: Consumer Chemicals, Advanced Materials, Polyamide Materials, Acetow & Eco Services and Energy Services.

The Group also focuses on three key levers to achieve its goal: the organic growth of the buoyant businesses and markets in which Rhodia already has a strong foothold, product and process innovation focused on Sustainable Development and external growth through targeted acquisitions, which will strengthen its leadership. Major progress has also been achieved with the acquisition in November 2010 of the Chinese leader in amines and surfactants, Feixiang Chemicals, and substantial investments in high-growth countries where the Group has increased its production capacities by around 20%. Finally, recent launches to contribute to its 2011 earnings include high performance materials such as the polyamide 6.6-based Fuel'In™ and Evolite™ by Technyl® and ecofriendly formulations like Rhodiasolv® solvent and Rhodoline®, an additive for sustainable water-based paint formulations.

(1) Like for like: at constant scope and currency conversion.

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

**RHODIA GROUP SIMPLIFIED CONSOLIDATED INCOME STATEMENT**

(in millions of euros) - IFRS	12/31/2010	12/31/2009	12/31/2008	12/31/2007	12/31/2006 <sup>(1)</sup>
Net sales	5,226	4,031	4,763	4,781	4,500
Operating profit	602	160	309	422	323
Profit/(loss) before income tax	395	(30)	130	130	19
Net profit/(loss) for the period	262	(132)	107	131	66
Net profit/(loss) attributable to equity holders of Rhodia S.A.	259	(132)	105	129	62
Basic earnings per share (in euros)	2.55	(1.32)	1.05	1.29	0.62 <sup>(2)</sup>

(1) Unaudited. Restated to reflect the disposal of the Isocyanates business completed in September 2008.

(2) Basic earnings per share for 2006 is calculated based on the number of shares after the reverse stock split on June 12, 2007.

## Results and financial situation discussion and analysis

### A confirmed step-up in profitability driven by sustained favorable business dynamics and strong pricing power

For the full year 2010, **Net Sales** increased by 21% to €5,226 million from €4,321 million in 2009, driven by strong demand across regions and segments, resulting in volumes up by 14% year-on-year.

Rhodia achieved a breakthrough step-up in profitability with full year **Recurring EBITDA** of €905 million, compared to €511 million in 2009, at a constant structure and exchange rate. This excellent profitability level was driven by both good business dynamics and strong pricing power which generated a €271 million net positive price impact.

**Operating Profit** for the full year 2010 was €602 million, a sharp improvement compared to €170 million last year, reflecting the excellent performance in recurring EBITDA.

**Net Financial Charges** for the full year were €(207) million versus €(190) million a year ago. They include one-off charges for €(37) million linked to the partial refinancing of the Group's Floating Rate Notes due in 2013 for an aggregate amount of €800 million.

**Income Tax** was €(128) million for the full year 2010 versus €(71) million in 2009. This increase primarily reflected charges linked to the higher operating profitability over the period.

**Net Profit attributable to equity holders of Rhodia S.A.** stood at a record level of €259 million for the full year 2010 compared to €(132) million last year, reflecting the Group's excellent operating performance.

**Earnings per Share** totaled €2.55 in 2010 versus €(1.32) in 2009.

### Best-in-class working capital management

The Group continued to demonstrate best-in-class management of **Operating Working Capital**, posting a record performance of 9.2% on total sales average for the year 2010, compared to 9.6% in 2009.

Rhodia maintained selective **Capital Expenditure** of €270 million in 2010, in line with expectations. Growth Capex focused on fast-growing countries, including the silica plant in Qingdao (China), Novacare's plant in Zhenjiang (China) and Energy Services' first biomass investments in Brazil.

Rhodia generated a solid **Free Cash Flow** of €240 million for the full year 2010, as a result of a strong EBITDA generation and continued financial discipline.

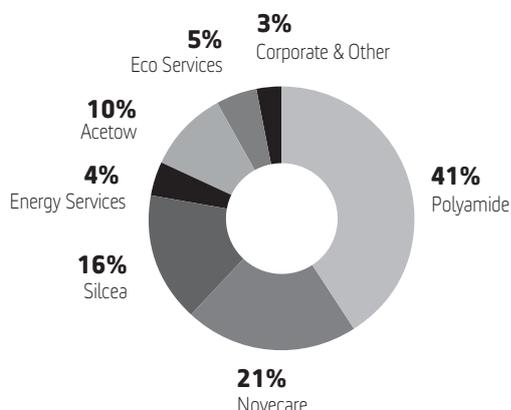
Acquisitions throughout the year amounted to €369 million, mostly related to Feixiang Chemicals in China.

By the year-end, **Consolidated Net Debt** totaled €1,194 million, representing a significant de-leveraging with a leverage ratio (net debt/EBITDA) of 1.3x against 2.1x at the end of 2009. The Group has lengthened its financial resources through the partial refinancing of its 2013 Floating Rate Notes, extending its debt maturity profile up to 2020. Rhodia has a sound capital structure and financial flexibility.

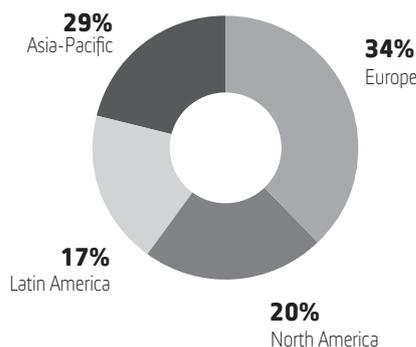
### Group activities

Mainstays of the Group's growth, the Enterprises benefit from a worldwide presence, a strong and historical presence in emerging countries, as well as leading positions in their markets. Drivers of growth and differentiation, their capacity for innovation is associated with issues pertaining to sustainable development.

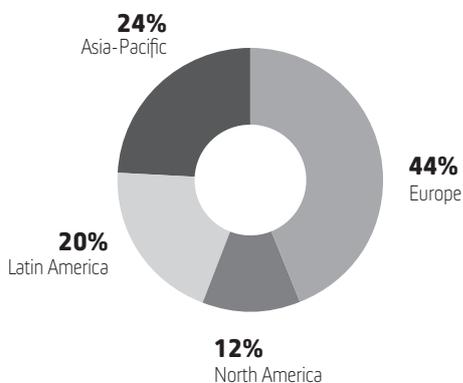
**2010 NET SALES BY ENTERPRISE**



**2010 PRODUCTS/MARKETS NET SALES BY GEOGRAPHICAL AREA**



**2010 BREAKDOWN OF EMPLOYEES BY GEOGRAPHICAL AREA**



**POLYAMIDE**

2010

- Sales: €2,145 million, or 41% of the Group's sales;
- Recurring EBITDA: €317 million;
- 15 industrial sites and 7 technical development center partners worldwide;
- Key events: general recovery in worldwide demand; signing of an agreement at the end of 2010 to acquire a new production plant in India; approval of the polyamide yarn Emanax<sup>®</sup> by the Brazilian health surveillance authorities (ANVISA).

Polyamide serves the automotive, electrical, electronic components, sportswear and leisure markets. Its expertise in the polyamide chain has allowed it to develop activities upstream in intermediates and polymers and downstream in engineering plastics.

Polyamide's net sales grew 31% in 2010 versus 2009. The market segments and the regions served by the Enterprise returned to very satisfactory growth, particularly the automotive market, which represents approximately 40% of its sales. The increase in the Enterprise's sales in the automotive market can be explained in particular by the increase in automobile production volumes, fueled by tax incentives and the desire on the part of manufacturers to produce lighterweight vehicles by substituting metal with engineered plastics. The consumer goods, textile and industrial markets also proved to be dynamic. The high level of demand throughout the year is expressed by a 14% increase in volumes compared to 2009. Furthermore, Polyamide successfully took advantage of a very favorable pricing power in the context of rising raw material prices, particularly with regards to butadiene and benzene, and in a market characterized by tension between supply and demand. The rise in prices, therefore, led to a positive effect of 22% for the year.

**NOVECARE**

2010

- Sales: €1,094 million, or 21% of the Group's sales;
- Recurring EBITDA: €166 million;
- 25 industrial sites worldwide;
- Key events: achievement of synergies following the successful integration of the activities of McIntyre and the acquisition of Feixiang Chemicals, the leading producer of amines and surfactants in China. Rhodia thus became the leading supplier of specialty surfactants in Asia.

**Novecare provides high-performance products and solutions to a wide range of industries including cosmetics, detergents, agrochemicals and oil, as well as industrial applications.**

Novecare's net sales improved 21% in 2010 compared to 2009. The Enterprise benefited from the recovery of the activity in all its segments and in all the regions of the world, particularly in Asia. The Oil & Gas and Agrochemical markets recorded their highest growth levels (larger increase in volumes in these markets, 40% and 20% respectively). In all, the Enterprise's volumes grew 22% between the two reference periods. Following the successful consolidation of the surfactants activity of the American company McIntyre, Novecare pursued its external growth strategy by acquiring Feixiang Chemicals. This operation allowed it to add the specialty amines technology to its portfolio of activities. This technology, combined with Novecare's expertise in formulating products and its knowledge of end markets, should help strengthen the Group's lead in the field of specialty surfactants dedicated to the cosmetics, detergents, agrochemicals, oil and industrial applications markets.

## SILCEA

### 2010

- **Sales:** €851 million, or 16% of the Group's sales;
- **Recurring EBITDA:** €197 million;
- 14 industrial sites worldwide;
- Key events: start-up of a new highly dispersible silica production plant in China; sharp increase in demand for the Optalys and Actalys automotive emission control products; search for and implementation of long-term commercial partnerships with lighting and electronics manufacturers.

**Silcea produces high performance silicas for tires, rare earth-based materials for automotive emission reduction, lighting and electronics, and diphenols for flavors and fragrances.**

Silcea's net sales improved 28% in 2010 compared to 2009. Silcea benefited from a solid market dynamic in its three segments throughout the year (silica, rare earths, and diphenols). The activity connected with the automotive and electronics markets was in particular very steady. Owing to the launch of new high-performance solutions, the Enterprise won market shares particularly in the dynamic automotive catalysts activities. The new Highly Dispersible Silica (HDS) plant with an annual capacity of 72,000 tons in Qingdao, China, which opened during the third quarter, allows it to meet the growing demand of the Asian market and to increase its annual worldwide HDS production capacity by 30%. Silcea's volumes, which regained and even exceeded their pre-crisis levels in the first half of the year, grew 23% over the entire year. In this favorable context, the Enterprise benefited from a solid pricing power, with selling prices up 6.8% compared to 2009.

## ENERGY SERVICES

### 2010

- **Sales:** €203 million, or 4% of the Group's sales;
- **Recurring EBITDA:** €169 million;
- 4 industrial sites located in Brazil, China, France and Vietnam;
- Key events: signing of an agreement with Paraiso for an initial bagasse-based biomass project; start-up of biogas plants in Asia, launch of a photovoltaic power plant project at the Belle Etoile site in Lyon, France; development of the Energy Management Services activity.

**Energy Services is responsible for supplying the Group with energy and managing Rhodia's projects in the field of greenhouse gas emission reductions. In accordance with Rhodia's commitment to fight global warming, Energy Services also strives to create value in the emerging renewable energy and CO<sub>2</sub> markets. In 2010, Rhodia announced developments in "Climate Care" solutions connected with the production of renewable energies derived from bio materials, an expanding market.**

Energy Services' net sales showed an increase of 3.6% in 2010 versus 2009. These net sales result essentially from the income of the sale of CO<sub>2</sub> emission credits (CERUs <sup>(1)</sup>), with a large share of production hedged forward.

2010 marked a new key stage in the development of Energy Services: it will provide itself with the means to establish itself as a player in the fast growing renewable energy markets. In China, Energy Services joined forces with an ethanol plant located in Siyuan to build a covered lagoon reactor, a specific system for treating wastewater. Operational since March 2010, this plant should produce 150,000m<sup>3</sup> of biogas per day at full capacity, which corresponds to a reduction in emissions of 100,000 tons of CO<sub>2</sub> equivalents per year. The second project, based in a manioc meal production plant in Nuoc Trong, Vietnam, began at the end of 2010. Thanks to the treatment of manioc meal effluents, it is expected to produce 15,000m<sup>3</sup> of biogas per day in the next few months. At full capacity, this corresponds to an emissions reduction of 12,000 tons of CO<sub>2</sub> equivalents per year. Additionally, in 2010 Energy Services announced its first bagasse electricity generation project in Brazil, with the signing of an agreement with the private company Paraiso, a producer of ethanol and sugar from sugarcane. Finally, in France, Energy Services developed a project to install 12,000 square meters of photovoltaic panels at the Belle-Etoile site in Saint-Fons and Feyzin (Rhône). With a 2 megawatts-peak power capacity, the solar generator installed will produce 2 million kilowatt-hours per year and will represent a savings of 1,000 tons of CO<sub>2</sub> emissions per year. The facility, which should be operational at the end of 2011, will represent one of the largest solar projects in France installed on the roof of an industrial building.

(1) CERUs are Certified Emission Reduction Units. They include Certified Emission Reductions (CER) and Emission Reduction Units (UER).

## ACETOW

### 2010

- **Sales:** €540 million, or 10% of the Group's sales;
- **Recurring EBITDA:** €127 million;
- 5 industrial sites worldwide;
- **Key facts:** continued optimization of the Enterprise's competitiveness with the closure of its production site in Venezuela; high performance level maintained due to the restructuring of the less competitive sites and despite an unfavorable balance between supply and demand during the first half of 2010.

**Acetow is a global producer of filter tow, mainly used for making cigarette filters.**

Throughout the year, Acetow benefited from a satisfactory demand in a global market that rebounded during the second half of 2010. Additionally, the quality of its products and services enabled it to maintain high selling prices, which offset the increase in its raw material costs. Lastly, the ambitious plan to improve competitiveness launched by the Enterprise in late 2007 seeking to generate €40 million in savings by 2011 (compared to its cost structure in 2007) was successfully pursued and led to significant cost reductions in 2010. The closure of its production site in Venezuela, with a production capacity of 11,000 tons, concluded this competitiveness improvement plan. The closure of this production plant, which represented 8% of the Enterprise's total production capacity, explains Acetow's (4.4)% sales decrease on a year on year basis.

## ECO SERVICES

### 2010

- **Sales:** €251 million, or 5% of the Group's sales;
- **Recurring EBITDA:** €67 million;
- 8 industrial sites in the United States of America;
- **Key event:** thanks to the work pursued at the Enterprise's sites, sulfur dioxide emissions have been reduced by approximately 63% in line with the 90% reduction objective by 2014.

**Eco Services offers sulfuric acid regeneration services to chemical manufacturers and oil refiners in North America.**

Eco Services' sales rose 13% in 2010 compared to 2009. The Enterprise, which operates exclusively in North America, benefited from an increase in demand over the entire year in connection with the progressive economic recovery in this region. Volumes thus grew 10% while selling prices increased 3.2% in the context of rising raw material and energy prices compared to the previous year.

## Trends

### Rhodia on track to accomplish its growth ambition

On October 4, 2010, Rhodia announced its ambition to generate a yearly pre-CER recurring EBITDA greater than €1 billion by 2013-2015. Representing a recurring EBITDA increase, excluding carbon credits, of over €250 million compared to the 2010 level, this ambition is focused on three key levers:

- organic growth in processing businesses and markets contributing €100 million;
- innovation oriented towards Sustainable Development contributing €50 million;
- external growth based on the model of the acquisition of the Chinese company Feixiang Chemicals contributing €100 million.

To support this goal, Rhodia has implemented a new, simplified and more decentralized organization that fosters entrepreneurship and responsiveness, the two essential ingredients to achieving its objectives. This new organization has been in effect since January 1, 2011.

Rhodia's operational activities are now organized into eleven Global Business Units (GBUs) consolidated into five Clusters, as opposed to the prior six: **Consumer Chemicals, Advanced Materials, Polyamide Materials, Acetow & Eco Services and Energy Services**. Since the first quarter of 2011, the Group's financial reporting is prepared on the basis of these five Clusters containing the eleven GBUs.

- **Consumer Chemicals** primarily serves the consumer products markets. Its strategy is based on the development of an offering suited to the major trends of these markets, particularly demographic growth, the appearance of new modes of consumption depending on the regions and, in general, the demand for products offering better protection of human health and the environment and the development of products from renewable resources. The Group's establishment in regions and markets with strong potential, its technological expertise and its capacity for innovation focused on sustainable development allow it to design adapted solutions. Consumer Chemicals includes three GBUs: Novecare, Coatis and Aroma Performance.
- **Advanced Materials** focuses on high-performance industries such as energy efficient tires, automotive catalysis or energy efficient lighting. The growth in the Cluster, greater than the organic growth of the markets served, is driven by the issues associated with sustainable development. Rhodia's competitive advantage relies on its technological lead, savings of scale, innovative capacity and worldwide presence. The Advanced Materials Cluster includes the Silica and Rare Earth Systems GBUs.
- **Polyamide Materials** brings together the polyamide chain activities of the Polyamide & Intermediates, Engineering Plastics and Fibras GBUs. Their assets are 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 sustainable mobility issues.

- **Acetow & Eco Services** operate in very specific, mature and stable markets, where partnerships with customers are built on reliability, quality of service and supply security. Acetow & Eco Services combine innovative capacity and operational excellence by taking advantage of opportunities in sustainable development.
- **Energy Services** relies on its expertise in energy optimization and the reduction of CO<sub>2</sub> emissions to develop "Climate Care" solutions that also help respond to the challenges of sustainable development through the generation of renewable energies.

Rhodia enjoys global leadership positions in all the segments where it operates, and has clearly identified the growth potential across its businesses. Consumer Chemicals, with Novecare's specialty surfactants, green solvents and diphenol for vanillin, is expected to provide the highest contribution (over €140 million) to the Group's profitable growth ambition aiming at increasing EBITDA, excluding carbon credits, by over €250 million compared to the 2010 level. Advanced Materials should also be a major contributor (with more than €50 million), through its highly dispersible silica for green tires and rare earth based-formulations businesses. Polyamide Materials and the Acetow & Eco Services business clusters will contribute the balance of Rhodia's ambition (with €35 million and €25 million, respectively).

The Group's priority for 2011 is focused on the accomplishment of its profitable growth agenda. With a quick take-off for the new organization, effective January 1, 2011, the Group will be able to effectively leverage its current sound business momentum.

In 2011, Rhodia will continue mobilizing all levers for growth while maintaining financial and operational discipline.

### Leveraging sound market dynamics

Rhodia intends to capitalize on the ongoing favorable market and geographical dynamics. The Group's portfolio serves well diversified end-markets enjoying a sound growth potential driven by environmental priorities and stringent regulations.

Rhodia is to leverage its unmatched exposure to fast-growing economies and expects to extend its global sales in these markets from its current 47% mark. Over the last few years, the Group has extended its resources and concentrated most of its growth investments in these regions. In China, production capacity expanded 20% in 2010, excluding the recent Feixiang acquisition. The new high performance silica plant in Qingdao will allow the Group to meet increasing global demand for energy efficient tires. The development of a new Novecare and Aroma Performance industrial platform in Zhenjiang will help satisfy the strong growing demand for Home & Personal Care solutions.

### Success of new product launches and continuous reinforcement of its eco-friendly innovative offering

Rhodia is developing an ambitious portfolio of projects that reinforce its eco-friendly innovative offering and is helping set new performance standards for the industry. The recently announced new process for the recovery and separation of rare earths contained in used low-energy light bulbs should be operational in 2012.

Furthermore, the Group announced it has invested in the Aster II venture, an investment fund launched in 2010 by Schneider Electric and Alstom that finances start-ups operating in the innovative technology sector. This fund operates in the fields of energy, new materials and environment and is expected to raise between €120 million and €150 million in the future.

### Acquisitions to fuel growth

The Feixiang Chemicals acquisition in China is a key first step in the implementation of the Group's growth strategy. The integration process is well on track and is expected to deliver significant growth synergies in a short time frame. With a new site at Zhuhai to be operational in the second half of 2011, the Group confirms its commitment to double Feixiang's business by 2015. In addition, the ongoing acquisition of PI Industries' engineering plastics activity in India sets the framework for the Group's objective to increase market share in the Indian polyamide compound market to more than 15% by 2015.

Rhodia continues to seek bolt-on acquisition opportunities, which can help it strengthen its leadership position and innovation capabilities and capture growth, while being easy to integrate.

### Maintaining financial and operational discipline

While focusing on growth, Rhodia is maintaining financial discipline. The Group is to increase selectively its growth capex in a timely manner, while demanding high returns. In 2011, investment projects will mainly focus on businesses with strong growth potential, such as Consumer Chemicals, where two new surfactant and guar sites are to be operational in China in addition to de-bottlenecking investments in the US and Europe. Polyamide 6.6 polymerization capacity should be extended in South Korea as well as polyamide compounding in India. Silica capacity is to increase in the USA and Europe and Energy Climate Care developments are planned in Brazil and Asia.

### Sound business momentum across segments

- **Consumer Chemicals** should benefit from sustained momentum in all its businesses, driven by economic growth and ecomegatrends. Rhodia expects to manage new innovative launches and capture market share opportunities as well as leverage the Feixiang growth platform.
- **Advanced Materials** should benefit from sustained strong demand for Silica and Rare Earths. The Group should leverage its significant increase in Silica production capacity worldwide, up to 30%, following the capacity extension in Qingdao (China). Rhodia is determined to take advantage of its unique positioning in rare earths formulations to enhance its supplier of choice status.
- **Polyamide Materials** is seeing a solid demand and continues to enjoy good margins. Force Majeure was declared on February 4, 2011, concerning its HMDA and downstream manufacturing chain, a result of reduced production capacity due to a severe disruption in raw material procurement combined with an equipment breakdown at the DNA production facility in Chalampé (France). Rhodia is currently working on all possible means to partially compensate for the associated negative impacts on its customers and the Group. Over 2011, Polyamide Materials

## Rhodia Group during 2010

will focus on managing its stretched production capacity for intermediates.

- **Acetow & Eco Services** should benefit from a sustained level of demand. Acetow is focusing on maximizing production output to meet demand.
- **Energy Services** expects to generate 14 million tons of CERUs, of which 40% are already hedged at an average price of €13.5 per ton. The Group is progressing in the development of its renewable “Climate Care” energy businesses.

As announced on March 17, 2011, Rhodia is therefore confident in its ability to post new record operational profitability for the first quarter of 2011.

## 2011 outlook

Global economic growth should remain strong in 2011, driven by fast-growing countries. Rhodia’s portfolio is well suited to benefit from global market megatrends.

In a context where raw materials and energy costs are trending upwards, the Group is confident to continue enjoying satisfactory pricing power.

Under current conditions, Rhodia expects to improve its 2011 Recurring EBITDA by 5% to 10% compared to last year. This objective is fully on track toward its 2013-2015 ambition.

Additional information concerning our activities is available in the 2010 Registration Document (please see the request for documents on page 41 of this Notice of Meeting or consult the electronic version at the “2011 Annual General Meeting” section of our website [www.rhodia.com](http://www.rhodia.com)).

**CONSOLIDATED INCOME STATEMENTS**

For the year ended December 31

<i>(in millions of euros)</i>	<b>2010</b>	<b>2009</b>
<b>Net sales</b>	<b>5,226</b>	<b>4,031</b>
Other revenue	383	446
Cost of sales	(4,335)	(3,684)
Administrative and selling expenses	(561)	(504)
Research and development expenditure	(82)	(73)
Restructuring costs	(5)	(33)
Other operating income/(expenses)	(24)	(23)
<b>Operating profit</b>	<b>602</b>	<b>160</b>
Finance income	103	87
Finance costs	(318)	(287)
Foreign exchange gains/(losses)	8	10
Share of profit/(loss) of associates	-	-
<b>Profit/(loss) before income tax</b>	<b>395</b>	<b>(30)</b>
Income tax expense	(128)	(71)
Profit/(loss) from continuing operations	267	(101)
Profit/(loss) from discontinued operations	(5)	(31)
<b>Net profit/(loss) for the period</b>	<b>262</b>	<b>(132)</b>
Attributable to:		
Equity holders of Rhodia S.A.	259	(132)
Minority interests	3	-
<b>Earnings per share <i>(in euros)</i></b>		
<b>Continuing and discontinued operations</b>		
• Basic	2.55	(1.32)
• Diluted	2.52	(1.32)
<b>Continuing operations</b>		
• Basic	2.60	(1.01)
• Diluted	2.57	(1.01)

**CONSOLIDATED BALANCE SHEETS****ASSETS**

<i>(in millions of euros)</i>	<b>At December 31, 2010</b>	At December 31, 2009
Property, plant and equipment	1,560	1,458
Goodwill	420	215
Other intangible assets	328	193
Investments in associates	12	12
Non-current financial assets	135	118
Deferred tax assets	168	170
<b>Non-current assets</b>	<b>2,623</b>	<b>2,166</b>
Inventories	627	475
Income tax receivable	29	26
Trade and other receivables	910	692
Derivative financial instruments	90	113
Other current financial assets	34	100
Cash and cash equivalents	782	691
Assets classified as held for sale	36	3
<b>Current assets</b>	<b>2,508</b>	<b>2,100</b>
<b>TOTAL ASSETS</b>	<b>5,131</b>	<b>4,266</b>

**EQUITY/(DEFICIT) AND LIABILITIES**

<i>(in millions of euros)</i>	<b>At December 31, 2010</b>	At December 31, 2009
Share capital	105	1,213
Additional paid-in capital	1,290	138
Other reserves	303	213
Accumulated deficit	(2,006)	(2,299)
<b>Equity deficit attributable to equity holders of Rhodia S.A.</b>	<b>(308)</b>	<b>(735)</b>
Minority interests	20	16
<b>Total equity deficit</b>	<b>(288)</b>	<b>(719)</b>
Borrowings	1,672	1,655
Retirement obligations and similar benefits	1,419	1,459
Provisions	425	370
Deferred tax liabilities	62	28
Other non-current liabilities	27	36
<b>Non-current liabilities</b>	<b>3,605</b>	<b>3,548</b>
Borrowings	338	165
Derivative financial instruments	94	115
Retirement obligations and similar benefits	91	94
Provisions	132	160
Income tax payable	40	16
Trade and other payables	1,113	887
Liabilities associated with assets classified as held for sale	6	-
<b>Current liabilities</b>	<b>1,814</b>	<b>1,437</b>
<b>TOTAL EQUITY DEFICIT AND LIABILITIES</b>	<b>5,131</b>	<b>4,266</b>

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the year ended December 31

<i>(in millions of euros)</i>	<b>2010</b>	<b>2009</b>
<b>Net profit/(loss) for the period attributable to equity holders of Rhodia S.A.</b>	<b>259</b>	<b>(132)</b>
Adjustments for:		
Minority interests	3	-
Depreciation, amortization and impairment of non-current assets	277	284
Net increase/(decrease) in provisions and employee benefits	(24)	41
Impairment of non-current financial assets	3	(3)
Other income and expense	63	36
Gain/(loss) on disposal of non-current assets	(9)	(12)
Deferred tax expense	26	(5)
Foreign exchange losses	4	29
<b>Net cash flow from operating activities before changes in working capital</b>	<b>602</b>	<b>238</b>
Changes in working capital:		
• (Increase)/decrease in inventories	(111)	231
• (Increase)/decrease in trade and other receivables	(83)	89
• Increase/(decrease) in trade and other payables	65	(134)
• Increase/(decrease) in other current assets and liabilities	21	122
<b>Net cash from operating activities before margin calls</b>	<b>494</b>	<b>546</b>
Margin calls <sup>(1)</sup>	9	(9)
<b>Net cash from operating activities</b>	<b>503</b>	<b>537</b>
Purchases of property, plant and equipment	(234)	(167)
Purchases of other non-current assets	(36)	(24)
Proceeds on disposals of entities, net of cash transferred, and non-current assets	8	11
Purchases of entities, net of cash acquired	(276)	(76)
(Purchases of)/repayments of loans and financial investments	56	(66)
<b>Net cash used by investing activities</b>	<b>(482)</b>	<b>(322)</b>
Proceeds from issued shares, net of costs	38	-
Treasury share purchase costs	-	(2)
Dividends paid to minority interests	(19)	(4)
New non-current borrowings, net of costs	811	55
Repayments of non-current borrowings, net of costs	(822)	(80)
Net increase/(decrease) in current borrowings	36	(24)
<b>Net cash from/(used by) financing activities</b>	<b>44</b>	<b>(55)</b>
<b>Effect of foreign exchange rate changes</b>	<b>26</b>	<b>39</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>91</b>	<b>199</b>
Cash and cash equivalents at the beginning of the year	691	492
Cash and cash equivalents at the end of the year	782	691

(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.*

## BRIEF PRESENTATION OF RHODIA S.A. (THE HOLDING COMPANY) RHODIA S.A. FINANCIAL STATEMENTS

Rhodia S.A. is the parent company of the Rhodia specialty chemicals group. It acts as a holding company and also provides services as parent company to support, advise, coordinate and manage Rhodia's subsidiaries.

The annual financial statements of Rhodia S.A. were prepared in accordance with the accounting principles generally accepted in

France and more specifically the 1999 French General Chart of Accounts.

The balance sheet and income statement presentation has been adapted to the Company's holding company status.

### Balance sheet

<b>ASSETS</b>	<b>At December 31, 2010</b>			<b>At December 31, 2009</b>
<i>(in millions of euros)</i>	<b>Gross amount</b>	<b>Depreciation &amp; amortization</b>	<b>Net amount</b>	<b>Net amount</b>
Intangible assets, and property, plant and equipment	9	(8)	1	1
Equity investments	4,122	(1,966)	2,156	2,112
Loans to equity investments	1,667	(1)	1,666	1,369
Other long-term investments	1	-	1	-
<b>Non-current assets</b>	<b>5,799</b>	<b>(1,975)</b>	<b>3,824</b>	<b>3,482</b>
Other receivables	205	(2)	203	95
Cash advances to subsidiaries	298	-	298	500
Marketable securities	425	-	425	458
Cash and short-term investments	2	-	2	2
<b>Current assets</b>	<b>930</b>	<b>(2)</b>	<b>928</b>	<b>1,055</b>
Deferred charges	4	-	4	5
Unrealized foreign exchange losses	12	-	12	8
<b>TOTAL ASSETS</b>	<b>6,745</b>	<b>(1,977)</b>	<b>4,768</b>	<b>4,550</b>

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>At December 31, 2010</b>		<b>At December 31, 2009</b>
<i>(in millions of euros)</i>	<b>Before appropriation</b>	<b>Before appropriation</b>	<b>Before appropriation</b>
Share capital	105	1,213	1,213
Additional paid-in capital	1,166	14	14
Legal reserve	58	58	58
Other reserves	319	464	464
Net profit for the year	200	(120)	(120)
<b>Shareholders' equity</b>	<b>1,848</b>	<b>1,629</b>	<b>1,629</b>
<b>Provisions</b>	<b>298</b>	<b>326</b>	<b>326</b>
Bank borrowings	1,686	1,670	1,670
Other borrowings	381	473	473
<b>Borrowings</b>	<b>2,067</b>	<b>2,143</b>	<b>2,143</b>
Tax and employee-related liabilities	5	4	4
Other liabilities	537	440	440
<b>Liabilities</b>	<b>2,609</b>	<b>2,587</b>	<b>2,587</b>
Unrealized foreign exchange gains	13	8	8
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>4,768</b>	<b>4,550</b>	<b>4,550</b>

## Income statement

	At December 31	
<i>(in millions of euros)</i>	<b>2010</b>	<b>2009</b>
Dividends received from equity investments	50	3
Interest income	89	138
Interest expense	(102)	(103)
<b>Sub-total</b>	<b>37</b>	<b>38</b>
Charges to/reversals of provisions for impairment of securities	(15)	(62)
Charges to/reversals of provisions for subsidiary-related risks	33	(4)
Other financial income/(expenses)	91	(77)
<b>Net financial items</b>	<b>146</b>	<b>(105)</b>
Operating profit/(loss)	(10)	(30)
<b>Net profit/(loss) from ordinary activities</b>	<b>136</b>	<b>(135)</b>
Net exceptional items	(1)	(10)
<b>Net profit/(loss) from ordinary activities before tax</b>	<b>135</b>	<b>(145)</b>
Corporate income tax	65	25
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>	<b>200</b>	<b>(120)</b>

**COMPANY 5 YEARS FINANCIAL SUMMARY RHODIA S.A. (ARTICLES R.225-81, R.225-83 AND R.225-102 OF THE FRENCH COMMERCIAL CODE)**

PERIOD END DATE	12/31/2010	12/31/2009	12/31/2008	12/31/2007	12/31/2006
	12 months	12 months	12 months	12 months	12 months
<b>I. Capital at year-end</b>					
Share capital (in thousand of euros)	104,571	1,213,045	1,213,045	1,204,414	1,204,186
Number of shares					
ordinary <sup>(1)</sup>	104,570,968	101,087,068	101,087,068	100,367,831	1,204,186,174
priority dividend	-	-	-	-	-
Maximum number of shares					
by conversion of bonds	-	-	-	-	-
by subscription right	-	-	-	-	-
<b>II. Results of operations (in thousand of euros)</b>					
Net sales excluding tax	12,890	7,798	5,676	1,197	595
Profit before tax, investments, depreciation, amortization and provisions	121,638	(164,728)	497,422	140,102	326,577
Income tax (including net gain under the Group's tax consolidation regime)	65,125	25,049	91,160	71,149	24,356
Participation of employees	-	-	-	-	-
Depreciation, amortization and provisions	13,528	20,190	(229,667)	(165,803)	(132,426)
Net profit for the year	200,291	(119,489)	358,915	45,447	218,507
Distributed profit	52,285	25,071	-	25,092	-
<b>III. Earnings per share (in euros)</b>					
Earnings per share after tax and investments and before depreciation, amortization and provisions	1.79	(1.38)	5.82	2.10	0.29
Earnings per share after tax, investments, depreciation, amortization and provisions	1.92	(1.18)	3.55	0.45	0.18
Dividends	0.50	0.25	-	0.25	-
<b>IV. Employees</b>					
Average number of employees	37	37	30	7	8
Payroll (in thousand of euros) <sup>(2)</sup>	9,717	11,758	11,647	3,413	4,921
Employee benefits (social security, social services,...) (in thousand of euros) <sup>(2)</sup>	4,271	3,537	2,931	1,633	1,166
(1) <i>Recapitulation of successive issuances of ordinary shares forming the capital</i>	3,483,900	-	719,237	-	27,469,633
<i>Reverse share split (number of shares)</i>	-	-	-	(1,103,818,343)	-
<i>Capital increase with access to capital with preferential subscription rights</i>	-	-	-	-	-
<i>Stock options (in thousand of euros)</i>	82	-	-	-	-
<i>Increase reserved for employees (in thousand of euros)</i>	3,000	-	8,631	228	27,470
(2) <i>Including severance payments and post-employment benefits</i>					

# How to take part in the meeting?

## FORMALITIES TO BE COMPLETED PRIOR TO TAKING PART AND VOTING IN THE MEETING

In accordance with Article R. 225-85 of the French Commercial Code, the right to attend a shareholders' meeting must be evidenced by the recording in the accounts of securities in the name of the shareholder, or of an intermediary registered on behalf of the shareholder, at midnight (Paris time) three business days (D-3) prior to the meeting, either in a registered account maintained by the Company (or its agents), or in a bearer securities account maintained by an authorized intermediary.

The recording in the accounts of the shares in a bearer securities account maintained by an authorized intermediary is evidenced by an ownership certificate issued by the authorized intermediary, attached to a ballot, a voting proxy form or a request for an admittance card prepared in the name of the shareholder or on behalf of the shareholder represented by the registered intermediary.

## PROCEDURE FOR TAKING PART IN THE MEETING

### If you wish to attend the meeting

Shareholders wishing to attend the shareholders' meeting in person must request an admission pass which is essential for entry and voting at the meeting:

- by ticking the box on the attached form box A: « I wish to attend the shareholders' meeting and request an admission card »;
- by dating and signing the attached form;
- by returning it as soon as possible in the enclosed envelope:
  - for the holder of registered shares: to Société Générale, Service des Assemblées, 32 rue du Champ de Tir, BP 81236, 44312 Nantes Cedex 3,
  - for the holder of bearer shares: to the financial intermediary with whom their shares are registered

However, if any holder of bearer shares wishes to attend the meeting in person and has not received his admission pass by zero hour (Paris time), on Friday, May 13, 2011, he must ask his financial intermediary to provide him with a certificate of ownership proving that he is a shareholder at zero hour (Paris time) on Friday, May 13, 2011, in order to be admitted to the meeting.

Moreover, if you request an admission pass but have not received it three days prior to the date of the shareholders' meeting, we advise you, to obtain any information about the status of your admission pass, to contact the Société Générale call center that manages

admission passes, at +00 33 (0) 825 315 315. The center is open from 8:30 am to 6:00 pm Mondays through Fridays (cost of a call: €0.125/min. excl. taxes from France).

### If you are unable to attend the meeting in person

Any shareholder who is unable to attend the meeting in person may express his vote **(i) by proxy being represented by another person**, or **(ii) by voting by post**, or **(iii) by giving the Chairman of the Meeting authority to vote on its behalf**, by filling in and signing the **mail-in vote form** provided therefore.

**Holders of registered shares:** you have received the mail-in vote form with the notice of meeting sent by Société Générale.

**Holders of bearer shares:** you must ask the mail-in vote form to the financial intermediary with whom your shares are registered. The mail-in vote form can also be downloaded on Rhodia's web site ([www.rhodia.com](http://www.rhodia.com)) at the page dedicated to the General Meeting.

The mail-in vote form duly completed must be returned to your financial intermediary who will issue a **certificate of share ownership** and send these two documents to Société Générale. The mail-in vote forms must be received by Société Générale no later than Monday, May 16, 2011 to be taken into account.

## How to take part in the meeting?

### (i) vote by proxy:

To vote by proxy, which means to give authorisation to any other individual or legal entity of his choice in order to be represented at the General Meeting, the shareholders **must tick the box B of the mail-in vote form, then tick the box "I hereby appoint"**, and fill in the full name and complete address in the space provided for. If the mail-in vote form is not already completed, they also have to fill in their full name and complete address in the space provided for, date and sign the form. It is also advisable to join a copy of the identity card of the representative to the form. Revocation of a proxy has to be done in the same way as for its appointment.

As required by Article R.225-79 of the French Commercial Code, notice of the appointment or revocation of a proxy may be given electronically, in the following manner:

- holders of registered shares must send a digital copy of the proxy form by an e-mail with electronic signature, obtained by the shareholder with an empowered agency within the laws and rules in force, to the following e-mail address AGM.RHODIA.2011@eu.rhodia.com. The form must state the shareholder's full name, address, and shareholder Société Générale ID number for holders of directly registered shares (information available on the top left side of their bank statement) or ID number registered at their financial intermediary for holders of managed registered shares, and the full name and address of the designated or revoked proxy;
- holders of bearer shares must send a digital copy of the proxy form by an e-mail with electronic signature, obtained by the shareholder with an empowered agency within the laws and rules in force, to the following e-mail address AGM.RHODIA.2011@eu.rhodia.com. The form must state the shareholder's full name, address and complete bank references as well as the full name of the representative appointed or revoked and they must also ask the financial intermediary who manages their account to send written confirmation (by letter or by fax) to Société Générale, Service des Assemblées 32, rue du Champ de Tir, BP 81236, 44312 Nantes Cedex 3 - FRANCE.

Only notifications of appointment or revocation of representatives duly signed, completed and received no later than Monday, May 16, 2011, will be accepted. Furthermore, only notifications of appointment or revocation of representatives can be posted to the electronic address AGM.RHODIA.2011@eu.rhodia.com, any other request or notification on any other subject will not be accepted and/or dealt with.

### (ii) vote by post:

To vote by post the shareholders are invited to **tick the box B, then the box "I vote by post"** of the mail-in vote form, then express their vote on each of the resolutions proposed to the General Meeting. If the mail-in vote form is not already completed, they have to fill in their full name and complete address in the space provided for, date and sign the form.

### (iii) Authority to the Chairman of the Meeting:

To give authority to the Chairman of the Meeting the shareholders are invited to **tick the box B** of the mail-in vote form. If the mail-in vote form is not already completed, they have to fill in their full name and complete address in the space provided for, date and sign the form.

In accordance with Article R.225-85 of the French Commercial Code, once a shareholder has cast a vote by mail, sent a proxy form or requested an admission pass or share ownership certificate to gain admission to the meeting, then he may not opt for another method for taking part in the meeting.

## HOW TO FILL OUT THE FORM?

You merely need to fill out the form for voting by post or by proxy (mentioning the number of shares held in your account) which enables you to choose between 4 types of participations.

In any case, the shareholder must **sign and date the form**, whichever option is used.

In case the shares are jointly held, the form must be signed by all the tenants in common. Please return the completed form as soon as possible in the **enclosed envelope**. The form indicates at which date it must be returned at the latest.

You wish to attend the meeting:  
darken the box A.

If you do not wish to attend the meeting:  
darken the box B (and choose one among the three options).

**IMPORTANT : avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso / Before selecting, please see instructions on reverse side.**  
**QUELLE QUE SOIT L'OPTION CHOISIE, DATER ET SIGNER AU BAS DU FORMULAIRE / WHICHEVER OPTION IS USED, DATE AND SIGN AT THE BOTTOM OF THE FORM**  
 Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire / I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.  
 Je préfère le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / I prefer to use the postal voting form or the proxy form as specified below.

**Rhodia**  
 Société anonyme au capital de 104 570 968 €  
 352 170 161 R.C.S. Nanterre  
 Siège social : Immeuble Coeur Défense, Tour A,  
 110, esplanade Charles de Gaulle  
 92400 Courbevoie.

**ASSEMBLEE GENERALE MIXTE du 18 MAI 2011,**  
 à 15 h au Pavillon d'Armenonville, Allée de Longchamp, Bois de Boulogne, 75116 Paris  
**COMBINED GENERAL MEETING to be held on MAY 18, 2011**  
 at 3 p.m. at Pavillon d'Armenonville, Allée de Longchamp, Bois de Boulogne, 75116 Paris

**CADRE RESERVE / For Company's use only**  
 Identifiant / Account  
 Nominatif Registered VS / single vote  
 Nombre d'actions Number of shares VD / double vote  
 Porteur / Bearer  
 Nombre de voix / Number of voting rights :

**1 JE VOTE PAR CORRESPONDANCE / I VOTE BY POST**  
 Cf. au verso renvoi (2) - See reverse (2)  
 Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci ■ la case correspondante et pour lesquels je vote NON ou je m'abstiens.  
 I vote FOR all the draft resolutions approved by the Board of Directors EXCEPT those indicated by a shaded box - like this ■, for which I vote against or abstain.  
 Sur les projets de résolutions non agréés par le Conseil d'Administration ou le Directoire ou la Gérance, je vote en noircissant comme ceci ■ la case correspondant à mon choix.  
 On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this ■.

1	2	3	4	5	6	7	8	9	10	11
<input type="checkbox"/>										

**3 JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE**  
 Dater et signer au bas du formulaire, sans rien remplir  
 I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE MEETING  
 Date and sign at the bottom of the form without filling it  
 Cf au verso renvoi (3) - See reverse (3)  
**ATTENTION :** S'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement retournées à votre teneur de comptes.  
**CAUTION :** If it is about bearer securities, the present instructions will be valid only if they are directly returned to your account-keepers.

**4 JE DONNE POUVOIR A :** cf. au verso renvoi (3).  
 // I HEREBY APPOINT See reverse (3).  
 M. Mme ou Melle, Raison Sociale / Mr. Mrs or Miss, Corporate Name  
 Adresse / Address

Nom, Prénom, Adresse de l'actionnaire (si ces informations figurent déjà, les vérifier et les rectifier éventuellement)  
 - Surname, first name, address of the shareholder (if this information is already supplied, please verify and correct if necessary)  
 Cf. au verso renvoi (1) - See reverse (1)

In all cases, date and sign this form.

Please enter your full name and address or check that the information below is correct.

Pour être prise en considération, toute formule doit parvenir au plus tard :  
 in order to be considered, this completed form must be returned at the latest :  
 sur 1<sup>ère</sup> convocation / on 1<sup>st</sup> notification  
 à la BANQUE / to the Bank 16/05/2011, MAY 16, 2011  
 à la SOCIÉTÉ / to the Company 16/05/2011, MAY 16, 2011

To vote by mail:  
darken the box and follow the instructions (don't forget also to dark the box corresponding to one among the 3 choices in bottom of the form).

Please, only shade boxes 1 to 9.

You give your proxy to the Chairman:  
simply date and sign the bottom of the form.

You give your proxy to your spouse or to another shareholder:  
darken the box and indicate the full name and address of your representative.

# Agenda of the combined general meeting

## ORDINARY PART

---

- Management report of the Board of Directors / General report of the Statutory Auditors / Approval of the Company's financial statements for the financial year 2010 (**First resolution**).
- Management report of the Board of Directors / Report of the Statutory Auditors / Approval of the consolidated financial statements for the financial year 2010 (**Second resolution**).
- Appropriation of result of the financial year closed December 31, 2010 and determination of the dividend (**Third resolution**).
- Option for the payment of the dividend in shares (**Fourth resolution**).
- Authorization granted to the Board of Directors to trade in the Company's shares (**Fifth resolution**).

## EXTRAORDINARY PART

---

- Management report of the Board of Directors / Special report of the Statutory Auditors.
- Authorization to be granted to the Board of Directors to reduce stated capital by canceling treasury shares (**Sixth resolution**).
- Delegation of authority granted to the Board of Directors to increase capital by issuing common shares and/or any securities granting access to stated capital issued by the Company in favor of participants in a company savings plan (plan d'épargne d'entreprise) (**Seventh resolution**).
- Delegation of authority granted to the Board of Directors to increase capital by issuing common shares and/or any securities granting access to stated capital issued by the Company reserved for the employees of the foreign companies in the Rhodia Group, outside the scope of the company savings plan (**Eighth resolution**).
- Authority (**Ninth resolution**).

# Board of Directors' report on the proposed resolutions

Dear Shareholders,

We have called this Ordinary and Extraordinary Shareholders' Meeting to submit for your approval the draft resolutions described below.

In its ordinary part, the Shareholders' Meeting is called to vote on the usual resolutions relating to the financial statements for financial

year 2010, appropriation of profit, dividend payment and renewal of the program to purchase shares in the Company.

In its extraordinary part, the Shareholders' Meeting is called to, *inter alia*, vote on authorizations to increase capital reserved for employees.

## RESOLUTIONS AT THE **ORDINARY** SHAREHOLDERS' MEETING

### Approval of the Financial Statements for Financial Year 2010

#### **RESOLUTIONS 1 AND 2**

The purpose of the **first resolution** is to approve the Company's financial statements for financial year 2010, reflecting a net profit of 200,290,615.29 euros.

The purpose of the **second resolution** is to approve the Group's consolidated financial statements for the financial year 2010 reflecting a net profit attributable to the Rhodia Shareholders of 259 million euros.

### Appropriation of Result, Determination and Payment of the Dividend

#### **RESOLUTIONS 3 AND 4**

The purpose of the **third resolution** is to approve the proposal of the Board of Directors to appropriate the Company's result, which was a profit of 200,290,615.29 euros.

This proposal provides for:

- the distribution of a dividend for financial year 2010 that it sets at **0.50 euro** per share, *i.e.*, a total of 52,285,484 euros (which will be adjusted based on the number of treasury stock by the Company on the dividend payment date);
- the balance to be allocated to "Other reserves".

In accordance with Article L.232-10 of the French Commercial Code, no sums will be charged to the legal reserve account as this already

contains 57,457,677.98 euros, which represents more than 10% of the capital.

For individuals beneficiaries who are French tax residents, the dividend is eligible for the 40% rebate (in accordance with article 158-3-2 of the French General Tax Code), unless the taxpayer has elected the one-time fixed rate of 19% provided for in Article 117quater of the French General Tax Code.

The shares will be traded ex-dividend as from May 25, 2011.

The **fourth resolution** offers shareholders an option to have the dividend paid in shares. Therefore, the dividend could be received, at the shareholder's election, in cash or in shares at the rate of 0.50 euro per share.

The option must be exercised on the entire dividend paid and may be exercised from May 25, 2011 to June 10, 2011, inclusive. As a result, any shareholder who has not elected dividend payment in shares by June 10, 2011 will receive the dividend due thereto in cash.

In accordance with Article L.232-19 of the French Commercial Code, the issue price of the shares to be created to pay the dividend will be equal to the average of the opening trading prices on the twenty stock exchange trading days preceding the date of the Shareholders' Meeting addressed in this report, less the net amount of the dividend and a maximum discount of 10% (rounded, if necessary, to the next highest euro centime).

Subscription forms will be sent to shareholders by financial intermediaries.

If the dividend for which the option is exercised is not equal to a whole number of shares, the shareholder will receive the immediately lower number of shares, plus the remainder in cash.

## Board of Directors' report on the proposed resolutions

The shares issued will be delivered or the dividend in cash will be paid on June 21, 2011.

Through this proposal the Board of Directors wishes to pursue the dividend policy introduced in 2008 by doubling the amount of the dividend paid for fiscal year 2009, in line with the Rhodia group's profitable growth trajectory since 2010. Moreover, the reason for the proposal to pay the dividend in shares is that this will allow shareholders to reinvest their dividend in shares at a preferential price while at the same time enabling the Company to consolidate its capital base.

### Authorization for the Company to Trade in its Shares

#### **RESOLUTION 5**

As the authorization approved at the April 28, 2010 Shareholders' Meeting expires on October 28, 2011, the purpose of the **fifth resolution** is to authorize the Board of Directors, with a right to further delegate, to trade in the Company's shares for a maximum purchase price of 30 € and for a maximum of 10% of the total number of shares making up the Company's stated capital.

For reference, as of December 31, 2010, the Company's stated capital consisted of 104,570,968 shares. On this basis, the maximum number of shares that the Company may purchase is 10,457,096. The maximum amount that the Company would be required to spend to purchase these shares is €313,712,880.

The goals sought by having the Company repurchase its own shares are listed in the draft resolution and include, *inter alia*, as authorized in prior years:

- cancellation of treasury stock (which also requires the approval of resolution 6 below);
- the grant of shares to employees, officers or directors of the Company or its subsidiaries as part of free allocation of shares plans or share purchase option plans;

- the provision of shares in exchange when the rights attached to securities granting a right to the Company's shares are exercised;
- to ensure liquidity and an active market in the Company's shares; and
- to retain the shares and, as appropriate, sell, transfer or exchange them pursuant to or as a result of any external growth transactions, in accordance with recognized market practices or, in general, any other practice permitted by law or the French Financial Markets Authority (*Autorité des Marchés Financiers*).

These transactions may be completed at any time, other than during public offering periods for the Company's stated capital, in accordance with the rules issued by the French Financial Markets Authority.

As of December 31, 2010, the Company held 802,814 treasury shares and call options allowing the purchase of 1,010,000 shares for €5.62, which expire in May 2011. All of these shares and options were allocated to cover free allocations of shares plans and share purchase option plans for employees, officers and directors of the Rhodia Group, which will limit the dilution to shareholders under said plans.

This authorization would be given for a period of eighteen months and would replace that approved at the Shareholders' Meeting held on April 28, 2010.

In accordance with Articles 241-1 *et seq.* of the General Regulations of the French Financial Markets Authority, this share repurchase program will be described in Chapter 7.3.1.3 of the Company's 2010 Reference Document.

## RESOLUTIONS AT THE EXTRAORDINARY SHAREHOLDERS' MEETING

### Authorization to Reduce Stated Capital by Cancelling Treasury Stock

#### RESOLUTION 6

In the **sixth resolution**, you are requested to allow the Board of Directors to cancel, at its sole discretion, on one or more occasions, all or part of the shares acquired by the Company under the fifth resolution or under those equivalent resolutions approved at prior shareholders' meetings.

This authorization would be granted for a period of twenty-four months and would cover a maximum of 10% of stated capital.

Full authority would also be granted to the Board of Directors to implement this authorization and, in particular, to amend the by-laws, allocate the difference between the book value of the cancelled shares and their par value to any reserves or premium accounts, and to complete any required formalities, with the right to further delegate.

You are hereby informed that the Board of Directors did not use the equivalent authorizations approved at the Shareholders' Meetings held on May 16, 2008, May 20, 2009 and April 28, 2010.

### Delegations of Authority to the Board of Directors, with a right to further delegate, to Complete Capital Increases Reserved for Employees

#### RESOLUTIONS 7 AND 8

The **seventh resolution** is designed to delegate to the Board of Directors the authority to issue shares and/or securities granting rights to capital issued by the Company and reserved for participants in the company savings plan of Rhodia and of its affiliates within the meaning of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labor Code.

This authorization sets the maximum nominal amount of the capital increases that May be completed at 4 million euros, representing the creation of 4 million new shares, *i.e.*, based on the 104,570,968 shares existing on December 31, 2010, approximately **4% of the Company's stated capital**.

The issue price of the shares and/or securities issued May not exceed the average of the opening prices on the twenty stock exchange trading days preceding the date of the decision setting the subscription opening date, or be more than 15% less than this average.

The term provided for this authorization is twenty-six months.

As the capital increase or increases is/are reserved for employees of the Company and related companies, within the meaning of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labor Code, you are asked to waive the shareholders' preferential subscription rights.

The **eighth resolution** is designed to delegate to the Board of Directors the authority to issue shares and/or securities granting rights to the stated capital of the Company reserved for employees of the foreign companies of the Rhodia Group, outside of a company savings plan.

The purpose of this resolution is to supplement the seventh resolution and allow the Board of Directors to make an economically equivalent offer to all employees, officers and directors of the companies in the Rhodia group, within the meaning of Article L.225-180 of the French Commercial Code, regardless of the country in which their principal office is located, in particular, if these employees are unable to subscribe for a capital increase reserved for employees through the Rhodia company savings plan.

As with the seventh resolution:

- this authorization sets the maximum nominal amount of the capital increases that May be completed at 4 million euros, representing the creation of 4 million new shares, *i.e.*, based on the 104,570,968 shares existing on December 31, 2010, approximately **4% of the Company's stated capital**, the aforementioned nominal amount of the capital increases that May be completed pursuant to this resolution shall be included in the maximum nominal amount authorized in the seventh resolution;
- the issue price of the shares and/or securities issued May not exceed the average of the opening prices on the twenty stock exchange trading days preceding the date of the decision setting the subscription opening date, or be more than 15% less than this average.

The term provided for this authorization is eighteen months.

As the capital increase or increases is/are reserved for the employees of in the Rhodia Group's non-French companies, you are asked to waive the shareholders' preferential subscription rights.

You are reminded that the delegations granted by the shareholder's meeting of April 28, 2010, under resolutions fourteen and fifteen have been used in full. As part of its policy to allow employees to benefit from the Company's success, the Board of Directors decided to organize a capital increase reserved for employees of the Company and certain subsidiaries. Shares were subscribed by 45% of the Group's employees, located in 13 different countries, resulting in the issue of three million new shares with a par value of one euro each.

You are further informed that on December 31, 2010, the Rhodia shareholder employees hold 6.15% of the stated capital of the Company.

The new delegations proposed to the shareholders will allow the Board to pursue the Group's policy on employee stock ownership and to further increase the proportion of the Company's capital that is held by employees. You are reminded that the 2006 employee stock ownership plan will expire in 2011. This type of initiative encourages employees to buy into the corporate strategy and aligns their interests with those of management and the shareholders.

## Authority

### RESOLUTION 9

In accordance with standard practice, you are requested to grant the authority necessary to complete legal and regulatory formalities.

### SUMMARY DESCRIPTION OF THE AUTHORIZATIONS REQUESTED AT THIS SHAREHOLDERS' MEETING

Transactions/Securities	Maximal amount of issuance	Duration of the authorization (and expiration)
Repurchase of the Company's shares <b>5<sup>th</sup> resolution</b>	10% of the capital Purchase price : ≤ €30	18 months (11/12)
Capital reduction of the stated capital by cancelling treasury stock <b>6<sup>th</sup> resolution</b>	10% of the capital	24 months (05/13)
Capital increase reserved for participants in a Company savings plan <b>7<sup>th</sup> resolution</b>	€4 million par value*	26 months (07/13)
Capital increase reserved for employees outside of the Company savings plan <b>8<sup>th</sup> resolution</b>	€4 million par value*	18 months (11/12)

\* Both delegations on the capital increases reserved for employees are subjected to an overall limit of €4 million par value.

**SUMMARY TABLE OF CURRENT AUTHORIZATIONS**

Transactions/Securities	Maximal amount of issuance	Use (date)	Duration of the authorization (and expiration)
Repurchase of the Company's shares Combined General Meeting held on April 28, 2010 <b>7<sup>th</sup> Resolution</b>	10% of the capital Purchase price: ≤ €30	None	18 months (10/11)
Capital reduction of the stated capital by cancelling treasury stock Combined General Meeting held on April 28, 2010 <b>8<sup>th</sup> Resolution</b>	10% of the capital	None	24 months (04/12)
Capital increase, all types of securities with a preferential subscription right Combined General Meeting held on April 28, 2010 <b>10<sup>th</sup> Resolution</b>	In capital = €50 million In loan = €800 million	None	26 months (06/12)
Capital increase, all types of securities without a preferential subscription right. Combined General Meeting held on April 28, 2010 <b>11<sup>th</sup> Resolution</b>	In capital = €15 million In loan = €800 million	None	26 months (06/12)
Increase in the number of shares to issue in the case of a surplus of requests Combined General Meeting held on April 28, 2010 <b>12<sup>th</sup> Resolution</b>	Up to a maximum of (i) 15% of the initial issue and (ii) of the ceiling set in the delegation used	None	26 months (06/12)
Capital increase reserved for participants in a Company savings plan Combined General Meeting held on April 28, 2010 <b>14<sup>th</sup> Resolution</b>	€3 million par value *	€2,875,681**	26 months (06/12)
Capital increase reserved for employees outside of the Company savings plan Combined General Meeting held on April 28, 2010 <b>15<sup>th</sup> Resolution</b>	€3 million par value *	€124,319**	18 months (10/11)
Allocation of performance shares to employees and managers (L. 225-197-1 and pursuant to the Commercial Code) Combined General Meeting held on April 28, 2010 <b>16<sup>th</sup> Resolution</b>	1% of capital (at the date of allocation(s)) Conditional upon the attainment of performance conditions (except for 0.25% of the share capital)	777,300 performance shares attributed (February 2011) ***	26 months (06/12)

\* Both delegations on the capital increases reserved for employees are subjected to an overall limit of €3 million par value.

\*\* Issuance in August 2010 of 3,000,000 new shares, each with a nominal value of €1, representing an aggregate capital increase of €37,980,000 (issuance premium of €34,980,000).

\*\*\* See section 4.3.4.4 of the 2010 Reference Document.

**SUMMARY TABLE OF THE AUTHORIZATIONS THAT EXPIRED DURING THE FINANCIAL YEAR**

Transactions/Securities	Maximal amount of issuance	Use (date)	Expiration of the authorization
Repurchase of the Company's shares Combined General Meeting held on May 20, 2009 <b>15<sup>th</sup> Resolution</b>	10% of the capital Purchase price: ≤ €30	None*	April 2010
Capital reduction of the stated capital by cancelling treasury stock Combined General Meeting held on May 20, 2009 <b>17<sup>th</sup> Resolution</b>	10% of the capital	None	April 2010
Allocation of performance shares to employees and managers (article L.225-197-1 and seq. of the Commercial Code) Combined General Meeting held on May 20, 2009 <b>18<sup>th</sup> Resolution</b>	1% of the capital (at the date of the allocation(s)) Based on performance criteria(??)	1 010 870 performance shares granted* (April 2010)**	April 2010
Allocation of options for subscription or purchase of shares (article L.225-177 and seq. of the Commercial Code) Combined General Meeting held on May 20, 2009 <b>19<sup>th</sup> Resolution</b>	1% of the capital (at the date of the allocation(s)) Based on performance criteria	None	April 2010

\* See Chapter 7.3.1.3 of the 2010 Reference Document.

\*\* Under the performance share plans authorized by the Board of Directors in 2010 (see Note 34 of the annex to consolidated financial statements listed in chapter 6.4.2 of the 2010 Reference Document).

## Board of Directors' report on the proposed resolutions

Based on this information, we request that you approve the resolutions that are submitted to you by your Board of Directors, after having read the Reports of your Statutory Auditors.

The information provided above consists of a simple summary of the resolutions to be submitted at the Meeting. The Board of Directors invites the shareholders to read the complete text of the draft resolutions listed in this document.

Finally, the additional documents and information regarding the Meeting specified in Article R.225-83 of the French Commercial Code (of which each shareholder May request a copy) provide complete information including, in particular, the Management Report of the Board of Directors (including the description of the condition of the Company's business), the Company's financial statements and the Auditors' Reports. They are available upon request (*see the last page of this document*).

# Text of the proposed resolutions

## ORDINARY PART

### Approval of the company's financial statements for financial year 2010

#### FIRST RESOLUTION

The Shareholders' Meeting, in accordance with the quorum and majority requirements for ordinary shareholders' meetings, after having reviewed the reports of the Board of Directors and the Statutory Auditors on the annual financial statements for financial year 2010, approves, in their entirety and as presented thereto, said reports and said financial statements for financial year 2010 reflecting a net profit of 200,290,615.29 euros.

The Shareholders' Meeting also approves the transactions reflected in said financial statements and/or mentioned in said reports.

### Approval of the consolidated financial statements for financial year 2010

#### SECOND RESOLUTION

The Shareholders' Meeting, in accordance with the quorum and majority requirements for ordinary shareholders' meetings, after having reviewed the reports of the Board of Directors and the Statutory Auditors on the consolidated financial statements for financial year 2010, approves, in their entirety and as presented thereto, said reports and said consolidated financial statements for financial year 2010 reflecting a net profit attributable to the Rhodia Shareholders of 259 million euros.

The Shareholders' Meeting also approves the transactions reflected in said financial statements and/or mentioned in said reports.

### Appropriation of result of the financial year closed December 31, 2010 and determination of the dividend

#### THIRD RESOLUTION

The Shareholders' Meeting, in accordance with the quorum and majority requirements for ordinary shareholders' meetings, after having formally acknowledged that the results of the financial year closed December 31, 2010 show a profit of 200,290,615.29 euros, approves the proposal of the Board of Directors relating to the appropriation of the distributable amount as follows:

<b>Source (in euros)</b>	
Profit of the period	200,290,615.29
<b>To be appropriated as follows</b>	
Dividends	52,285,484.00
Other reserves	148,005,131.29

If the Company holds treasury shares on the dividend payment date, the sums corresponding to unpaid dividends on said shares will be charged to "Retained Earnings".

As a result, the Shareholders' Meeting fixes the dividend at €0.50 for each of the shares making up the stated capital that grant a right to a dividend. If there is a change in the number of shares granting a right to a dividend compared to the 104,570,968 shares making up the stated capital as of December 31, 2010, the total amount of the dividends would consequently be adjusted and the amount allocated to the "Other reserves" account would be calculated based on the dividends actually paid.

The Shareholders' Meeting takes note that dividend distributed pursuant to this resolution to individual shareholders who are French tax residents are eligible for the 40% deduction provided by Article 158, 3-2 of the General Tax Code (*Code général des impôts*). However, pursuant to Article 117 quater of the General Tax Code, shareholders may opt to pay a 19% withholding tax instead, provided they satisfy the conditions set forth in that article.

This dividend will be paid on shares held on May 25, 2011 and will be eligible for payment on June 21, 2011.

## Text of the proposed resolutions

As required by Article 243 *bis* of the General Tax Code, the dividends distributed over the past three fiscal years and the distributed amounts that are and are not eligible for the deduction provided by Article 158, 3-2 of the General Tax Code, are set out below:

	2007	2008	2009
Dividend per share	€0.25	€0	€0.25
Distributed income eligible for the deduction	€0.25	€0	€0.25
Distributed income not eligible for the deduction	€0	€0	€0

### Option for the payment of the dividend in shares

#### FOURTH RESOLUTION

The Shareholders' Meeting, in accordance with the quorum and majority requirements for ordinary shareholders' meetings, in accordance with the provisions of Article 19 of the by-laws (statuts) of the Company and Articles L.232-18 and L.232-20 of the French Commercial Code, after having reviewed the report of the Board of Directors, decides to offer each shareholder the option of receiving payment of the dividend in cash or in shares.

The procedures for exercising the option are the following:

- the option will be open to all shareholders and will cover all (and only all) of the dividend due thereto;
- the option must be exercised through intermediaries authorized to pay the dividend between May 25, 2011 and June 10, 2011, inclusive, to allow payment or delivery of the shares from June 21, 2011. As a result, any shareholder who has not exercised his option on or before June 10, 2011 may only receive the dividend due thereto in cash;
- the issue price of the shares to be created to pay the dividend will be fixed at an amount at least equal to 90% of the average of the opening trading prices on the twenty stock exchange trading days preceding the date of this Shareholders' Meeting, less the net amount of the dividend, in accordance with Article L.232-19 of the French Commercial Code; if necessary, the price will be rounded up to the next euro centime;
- All rights resulting from the shares so issued to pay the dividend shall be effective as of January 1, 2011.

If the amount of the dividend due to a shareholder is not equal to a whole number of shares, the said shareholder will only receive the immediately lower number of shares, plus the remainder in cash.

The Shareholders' Meeting grants all authority to the Board of Directors, with a right to further delegate as provided for by law, to take the steps necessary to implement this dividend distribution in shares, and, in particular, to determine the issue price of the shares issued as provided for above, to formally acknowledge the number of shares issued and the capital increase resulting therefrom and to correspondingly amend the by-laws and complete other legally required public notice formalities.

### Authorization granted to the Board of Directors to trade in the Company's shares

#### FIFTH RESOLUTION

1 The Shareholders' Meeting, in accordance with the quorum and majority requirements for ordinary shareholders' meetings, after having reviewed the report of the Board of Directors, authorizes the Board of Directors, in accordance with the provisions of Articles L. 225-209 et seq. of the French Commercial Code, Title IV of Book II of the General Regulations of the French Financial Markets Authority (*Autorité des Marchés Financiers*) and Regulation No. 2273/2003 of the European Commission dated December 22, 2003, to purchase or arrange to have purchased the Company's shares:

- up to a number of shares representing 10% of the stated capital as of the date these purchases are completed. It is specified that the maximum number of shares held after these purchases may not exceed 10% of stated capital,
- for a maximum purchase price of €30 per share; if a capital transaction is completed by, *inter alia*, incorporating reserves or attributing shares at no cost, a share split or reverse split, etc., the aforementioned price shall be adjusted.

By way of example, as of December 31, 2010, the Company's stated capital consisted of 104,570,968 shares. On this basis, the maximum number of shares that the Company could purchase is 10,457,096. The maximum amount that it could pay to purchase these shares is €313,712,880.

Notwithstanding the foregoing, and in accordance with Article L.225-209 of the French Commercial Code, the number of shares acquired by the Company to be held and subsequently tendered as payment or exchanged in connection with a merger and/or acquisition may not exceed 5% of the stated capital.

2 The Shareholders' Meeting decides that these purchases may be completed for the following purposes, in accordance with the aforementioned laws, regulations and market practices allowed by the French Financial Markets Authority (*Autorité des Marchés Financiers*):

- a. to grant or sell shares under share purchase option plans, or free allocation of shares plans or any other form of grant to employees, former employees, officers or directors (*mandataires sociaux*) of the Company and its subsidiaries within the meaning of Articles L. 225-180 or L. 233-16 of the French Commercial Code,
- b. to allow the delivery of shares as a result of the exercise of rights attached to securities granting a right to the Company's

- shares by repayment, conversion, exchange, presentation of a coupon or in any other manner,
- c. to ensure liquidity and an active market of the Company's shares through an investment services provider pursuant to a liquidity agreement in accordance with a code of ethics recognized by the French Financial Markets Authority (*Autorité des Marchés Financiers*) the number of shares taken into consideration to calculate the 10% limit specified in Article L.225-209 of the French Commercial Code will correspond to the number of shares purchased, after deduction of the number of shares resold during the term of this authorization,
  - d. to retain the shares and, as appropriate, sell, transfer or exchange them pursuant to or as a result of any external growth transactions, in accordance with recognized market practices and applicable law,
  - e. to cancel all or part of the shares so purchased, subject to the adoption of the sixth resolution,
  - f. for any other purpose that would be authorized or recognized by applicable laws and regulations or by the French Financial Markets Authority (*Autorité des Marchés Financiers*) or any other purpose in compliance with applicable laws and regulations.

- 3 The purchase, sale, transfer or exchange of said shares May be made, in accordance with the rules issued by the French Financial Markets Authority (*Autorité des Marchés Financiers*) at any time, excluding periods for public tender on the Company's share capital.
- 4 The purchase, sale, transfer or exchange May be made by any means, on any market, including over-the-counter trading, block transfers, public tenders, the use or exercise of any financial instrument or derivative and, in particular, by implementing option transactions such as the purchase and sale of put or call options, either directly or through an investment services provider, in accordance with applicable laws and regulations.
- 5 This authorization is granted for a period of eighteen months after the date of this Meeting and terminates the authorization granted under the seventh resolution approved at the April 28, 2010 Combined Shareholders' Meeting.

As a result, the Shareholders' Meeting grants full authority to the Board of Directors, with a right to further delegate, to implement this authorization, submit any stock exchange orders, complete all steps and declarations with any entities and, in general, take all necessary actions.

The Board of Directors must inform the Shareholders' Meeting of the transactions so completed, in accordance with applicable laws and regulations.

## EXTRAORDINARY PART

### Authorization to be granted to the Board of Directors to reduce stated capital by canceling treasury shares

#### SIXTH RESOLUTION

The Shareholders' Meeting, in accordance with the quorum and majority requirements for extraordinary shareholders' meetings, after having reviewed the report of the Board of Directors and the Special Report of the Statutory Auditors, authorizes the Board of Directors, in accordance with the provisions of Article L.225-209 of the French Commercial Code, to cancel, at its own discretion, on one or more occasions, up to 10% of the Company's stated capital per twenty-four month period, all or part of the shares purchased pursuant to the authorization approved in the fifth resolution of this Shareholders' Meeting and those purchased pursuant to the authorizations approved at the May 16, 2008, May 20, 2009 and April 28, 2010 shareholders' meetings, and to reduce capital accordingly.

This authorization is granted for a period of twenty-four months after the date hereof. It replaces the authorization approved at the April 28, 2010 Shareholders' Meeting in its eighth resolution.

Full authority is granted to the Board of Directors to implement this authorization, amend the by-laws, apply the difference between the book and nominal amounts of the cancelled shares against any reserve or premium account and, with a right to further delegate, to complete the formalities required to reduce capital in accordance with this resolution.

## Delegation of authority granted to the Board of Directors to increase capital by issuing common shares and/or any securities granting access to stated capital issued by the Company in favor of participants in a Company savings plan (*plan d'épargne d'Entreprise*)

### SEVENTH RESOLUTION

The Shareholders' Meeting, in accordance with the quorum and majority requirements for extraordinary shareholders' meetings, after having reviewed the report of the Board of Directors and the Special Report of the Statutory Auditors, in accordance with the provisions of Articles L.225-129-2, L.225-129-6, L.225-138 and L.225-138-1 of the French Commercial Code, and Articles L.3332-1 *et seq.* of the French Labor Code:

- 1 Delegates to the Board of Directors, with the right to further delegate, the authority to decide to increase the Company's stated capital, on one or more occasions, at the time or times and in the proportions that it determines, by issuing common shares of the Company and/or securities that grant a right, immediately or in the future, to the Company's stated capital and are reserved for employee participants in any of the company saving plans of the Company and its affiliates within the meaning of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labor Code.
- 2 Decides, if this delegation is used, to waive, in favor of said savings plan participants, the shareholders preemptive subscription right to the common shares or securities that May be issued pursuant to this authorization and to waive any right to the common shares that May be granted at no cost on the basis of this resolution.
- 3 Establish at €4 million the maximum nominal amount of the capital increases that May be completed pursuant to this delegation.

Any additional shares that must be issued in accordance with applicable laws and regulations, and any contractual provisions, to preserve the rights of holders of the securities or other rights granting a right to stated capital shall be added to this ceiling.

- 4 Decides that the subscription price for shares or securities giving access to the Company's capital will be set in the manner provided by the applicable laws and regulations and, more specifically, by Article L.3332-19 of the French Labor Code. However, the subscription price May not be higher than the average opening price of the Company's share over the twenty trading days immediately prior to the date of the decision setting the date from which subscriptions will be accepted, nor May it be more than 15% under said average. When implementing this delegation of authority, the Board of Directors May reduce said discount rate or choose not to apply it on a case-by-case basis, if it considers this necessary in order to comply with legal and regulatory requirements including, in particular, the tax, accounting and business laws and regulations applying in certain countries in which the beneficiaries reside.
- 5 Authorizes the Board of Directors, as appropriate, to grant at no cost to subscribers, in accordance with the provisions of Article L.3332-21 of the French Labor Code, shares to be issued or already issued or any other securities to be issued or already issued that grant access to stated capital. The Board of Directors May elect to replace the grant of said shares and securities, in whole or in part, with the maximum discounts provided for above when determining the issue price, or to allocate the consideration for these shares and securities to the subscription amount, or to combine these two options.
- 6 The delegation so made to the Board of Directors is valid for a period of twenty-six months from the date of this Meeting.

The Shareholders' Meeting grants full authority to the Board of Directors, with a right to further delegate as provided for by law and the by-laws, to establish the terms, conditions and procedures for implementing the capital increase(s) approved pursuant to this resolution, in particular, to determine the companies the employees of which May benefit from the subscription offer, decide whether the subscriptions May be completed through a mutual investment fund (*fonds commun de placement*) or directly, grant the employees a period of time in which to pay for their securities, set the opening and closing subscription dates and the securities' issue price, determine all characteristics of new securities to be issued, formally acknowledge the completion of the capital increases, allocate, at its sole discretion, the costs of said capital increases to the premiums related thereto, complete, directly or through an agent, any transactions and formalities, amend the Company's by-laws accordingly and, in general, complete any necessary or appropriate actions under applicable laws and regulations.

In accordance with the provisions of Article L.225-138 of the French Commercial Code, by reference to Article L.225-138-1 of the same Code, the Board of Directors shall prepare a report for the Ordinary Shareholders' Meeting describing the definitive terms of the transaction completed pursuant to this resolution.

## Delegation of authority granted to the Board of Directors to increase capital by issuing common shares and/or any securities granting access to stated capital issued by the Company reserved for the employees of the foreign companies in the Rhodia group, outside the scope of the Company savings plan

### **EIGHTH RESOLUTION**

The Shareholders' Meeting, in accordance with the quorum and majority requirements for extraordinary shareholders' meetings, after having reviewed the report of the Board of Directors and the Special Report of the Statutory Auditors, in accordance with the provisions of Articles L.225-129-2 and L.225-138 of the French Commercial Code:

- 1 Delegates to the Board of Directors, with the right to further delegate, the authority necessary to increase the Company's stated capital, on one or more occasions, at the time or times and in the proportions that it determines, by issuing common shares of the Company and/or securities granting access, immediately or in the future, to the Company's stated capital, reserved for persons that fulfill the criteria for the category defined below.
- 2 Decides to set at €4 million the maximum nominal amount of the capital increases that May be completed pursuant to this delegation; the aforementioned nominal amount of the capital increases that May be completed pursuant to this resolution shall be included in the amount authorized in the seventh resolution of this Meeting.

Any additional shares that must be issued in accordance with applicable laws and regulations, and any contractual provisions, to preserve the rights of holders of the securities or other rights granting access to stated capital shall be added to this ceiling.

- 3 Decides, if this delegation is used, to waive the shareholders' preemptive subscription right to shares or securities, and to the common shares or securities to which these securities grant a right, that May be issued pursuant to this resolution and reserve the subscription right for a category of beneficiaries that fulfill the following criteria: (i) employees, officers and directors (*mandataires sociaux*) of the companies of the Rhodia Group, within the meaning of Article L.225-180 of the French Commercial Code, that have their registered office outside of France to allow them to subscribe for Rhodia shares under conditions that are economically equivalent to those that May be offered to the employees of Rhodia and its subsidiaries located in France as part of a capital increase completed pursuant to the seventh resolution of this Meeting, and/or (ii) employee shareholder mutual investment funds and other comparable local-law structures, whether or not they are separate legal entities, invested in the securities of the Company the unit- or share-holders of which consist of the persons listed in point (i) of this paragraph, and/or (iii) a financial institution or subsidiary

of a financial institution participating at the Company's request to implement the shareholder and/or savings structures created in favor of the persons listed in (i) of this paragraph that offer said persons an economic benefit comparable to that offered to Rhodia employees and its subsidiaries located in France.

- 4 Decides that the unit issue price of the shares or securities to be issued pursuant to this resolution shall be set by the Board of Directors; this price May not be less than 15% of the average of the opening or closing prices on the twenty trading days preceding (i) the date of the decision setting the subscription opening date, and (ii) the date of the decision setting the opening date of the subscription for the capital increase completed concomitantly in accordance with the seventh resolution.
- 5 Decides that the Board of Directors shall have full authority, within the limits set above, with a right to further delegate as provided for by law, to implement this delegation and, in particular, to determine the terms, conditions and procedures for implementing the capital increase(s) completed pursuant to this resolution, in particular, determine the companies the employees, officers, and directors (*mandataires sociaux*) of which May benefit from the subscription offer, decide that the subscriptions May be completed through an employee shareholder mutual investment funds and/or directly by the employees, officers and directors listed in point (i) of paragraph 3, and determine the number of securities to be subscribed for by each, grant employees a time period in which to pay for their securities, set the opening and closing subscription dates and the securities' issue price, determine all characteristics of the new securities to be issued, formally acknowledge the completion of the capital increases, allocate, at its sole discretion, the capital increase expenses to the premiums related thereto, complete, directly or through an agent, any transactions and formalities, amend the Company's by-laws accordingly and, in general, complete any necessary or appropriate actions under applicable laws and regulations.

In accordance with the provisions of Article L.225-138 of the French Commercial Code, the Board of Directors shall prepare a report for the ordinary shareholders' meeting that describes the definitive terms and conditions of the transactions completed pursuant to this resolution.

The delegation granted to the Board of Directors in this resolution shall remain valid for a period of eighteenth months as of this shareholders' meeting.

## Authority

### **NINTH RESOLUTION**

The Shareholders' Meeting grants full authority to the bearer of an original, copy or extract of the minutes of this Combined Shareholders' Meeting to complete any legal formalities and any filings, public notice or declarations provided for by applicable law and regulations as a result of the decisions reached pursuant to the foregoing resolutions and/or any additional resolutions.

# Auditors' reports

## STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

*This is a free translation into English of the Statutory auditors' special report on regulated agreements and commitments that is issued in French and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements and commitments reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.*

To the Shareholders,

In our capacity as Statutory auditors of your Company, we hereby present our report on the regulated agreements and commitments.

It is our responsibility to report to you, based on information provided to us, the principal terms and conditions of these agreements and commitments brought to our attention or which we may have identified as part of our engagement, without expressing an opinion on their usefulness or their merit or searching for other agreements or commitments. It is your responsibility, pursuant to article R.225-31 of the French Commercial Code (*Code de Commerce*), to assess the interest of entering into these agreements and commitments with a view to approving them.

Where applicable, it is our responsibility to report to you the information pursuant to article R.225-31 of the French Commercial Code relating to continuing agreements and commitments already approved by the Shareholders' Meeting in previous years.

We conducted the procedures we deemed necessary in accordance with professional standards applicable in France; those standards require that we verify that the information provided to us agrees with the underlying documentation from which it was extracted.

### Agreements and commitments to be approved by the Shareholders' Meeting

We inform you that we have not been advised of any agreements or commitments entered into by the Company in 2010 that would require Shareholders' Meeting approval, under the terms of article L.225-38 of the French Commercial Code.

### Agreements and commitments approved by the Shareholders' Meeting in previous years

Pursuant to article R.225-30 of the French Commercial Code, we have been advised that the following agreements and commitments, approved by the Shareholders' Meeting in previous years, have had continuing effect during the year.

### a) Continuing agreements and commitments having effects during the year

#### **Guarantee authorized pursuant to a trade receivable securitization program**

On December 21, 2004, Rhodia S.A. and certain of its European subsidiaries concluded a series of contracts with a French financial institution putting into place a five-year trade receivable securitization program, for a maximum financing amount of €300 million. In particular, Rhodia S.A. committed itself to guarantee the payment of any amount due by its subsidiaries as part of this program. This program ended in February 2010.

#### **Employment agreement of a Director**

Director concerned: Mr. Jacques Khélifff

The Board of Directors, on the occasion of the meeting held on March 17, 2008, decided to authorize the change in the employment contract of Mr. Jacques Khélifff, Director and Vice-President for Sustainable Development of the Rhodia Group, setting his fixed annual compensation to an amount of €200,000. This agreement has had continuing effect during the year.

**Agreement relating to the mandate of the Chairman and Chief Executive Officer (Président-Directeur Général)**

This agreement provides, besides the elements described in paragraph b) below, that Rhodia shall grant Mr. Jean-Pierre Clamadieu benefits in-kind consisting of a complementary health and life insurance policy. The Company has incurred an amount of €33,761 in relation to this agreement for the year ended December 31, 2010.

**b) Continuing agreements and commitments with no effect during the year**

**Agreement relating to the mandate of the Chairman and Chief Executive Officer (Président-Directeur Général)**

Director concerned: Mr. Jean-Pierre Clamadieu

The Board of Directors, on the occasion of the meeting held on March 16, 2009, decided to authorize the conclusion of an agreement with Mr. Jean-Pierre Clamadieu, providing for a non-compete and non-solicitation clause, as well as certain undertakings and advantages in the context of the performance of his mandate as Chairman and Chief Executive Officer ("CEO") and, as the case may be, the termination thereof. Such undertakings were formalized by an agreement relating to the mandate of the Chairman and CEO.

This agreement, presented and approved at the May 20, 2009 Shareholders' Meeting, provides for a non-compete and non-

solicitation undertaking by Mr. Jean-Pierre Clamadieu for a 2-year period after the termination of his Chairman and CEO mandate. As consideration, Rhodia undertakes to pay Mr. Jean-Pierre Clamadieu, a gross quarterly compensation amounting to €220,000 for a 2-year period from the end of his mandate.

In addition, this agreement confirms the application conditions of the Supplemental Retirement Plan for officers and directors ("RSD"), of which Mr. Jean-Pierre Clamadieu is a potential beneficiary.

This agreement also confirms the application conditions of the Supplemental Retirement Plan for officers and directors ("RSD"), of which Mr. Jean-Pierre Clamadieu is a potential beneficiary; and provides that, in the event of termination of his Chairman and CEO's duties, the rights attached to the share free attribution and subscription or purchase options that Mr. Jean-Pierre Clamadieu benefit or will benefit from will be maintained, and under the condition that the performance criteria set forth in the plans are met.

Finally, the agreement confirms that, in the event that his mandate as Chairman and CEO ends, and under the condition that the performance criteria set forth in the plans are met, Mr. Jean-Pierre Clamadieu will keep the rights attached to the allocation of performance shares and the share subscription or purchase options which he benefited or will benefit under his employment contract or the corporate mandates that he has exercised in the Rhodia Group. The agreement specifies that any future plan for the benefit of Mr. Jean-Pierre Clamadieu will be subordinated to performance criteria as long as he is a corporate representative.

Neuilly-sur-Seine and Paris La Défense, March 4, 2011

The Statutory auditors

PricewaterhouseCoopers Audit

Christian Perrier

KPMG Audit, Department of KPMG S.A.

Denis Marangé

# STATUTORY AUDITORS' REPORT ON EQUITY TRANSACTIONS PROVIDED FOR IN RESOLUTIONS 6 THROUGH 8 OF THE COMBINED SHAREHOLDERS' MEETING TO BE HELD ON MAY, 18 2011

Dear Shareholders,

In our capacity as Statutory Auditors of your Company and pursuant to the provisions of the French Commercial Code (*Code de commerce*), we hereby report to you on the transactions submitted to you for approval.

We prepared a first report on March 4, 2011 on the equity transactions proposed by the Board of Directors at its meeting of February 22, 2011 and provided for in resolutions 8 through 10 of the Combined Shareholders' Meeting to be held on May 18, 2011. A further Board of Directors' meeting, held on April 11, 2011, decided to change some of the resolutions initially proposed at the February 22, 2011 meeting. Consequently, this report replaces our report of March 4, 2011 and takes into account the changes to the numbering of resolutions 6 through 8, which are submitted to you for approval.

## Capital reductions by the cancellation of the Company's shares (6<sup>th</sup> resolution)

Pursuant to Article L.225-209 of the French Commercial Code governing capital reductions through the cancellation of Company's shares, we have prepared this report to provide you with our assessment of the basis for and the terms and conditions of the planned capital reductions.

Your Board of Directors is requesting that you delegate to it, for a 24-month period effective the date of the Combined Shareholders' Meeting, all authority to cancel the shares acquired, for a maximal amount of 10% of the Company's issued share capital directly or through a representative by period of 24 months, in the context of the implementation of the authorization for your Company to purchase its own shares, pursuant to the above mentioned Article.

We conducted the procedures we deemed necessary in accordance with professional standards applicable in France. Those standards require that we assess the appropriateness of the basis for and the terms and conditions of the capital reductions.

We have nothing to report on the basis for and on the terms and conditions of the planned capital reductions.

## Capital increases by the issue of shares and/or equity securities reserved to participants in a corporate savings plan (plan d'épargne d'Entreprise) (7<sup>th</sup> resolution)

Pursuant to the duties set forth in Articles L.225-135 and seq. of the French Commercial Code, we hereby submit to you our report on the proposed delegation to the Board of Directors of the authority to increase capital, on one or more occasions, by issuing equity securities without a preemptive subscription right, with a maximum nominal value of €4 million and reserved to participants in a corporate savings plan of the Company and the companies or grouping affiliated with it within the meaning of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French

Labor Code (*Code du travail*); transactions on which you have been requested to vote.

The capital increases are submitted to your approval pursuant to Articles L.225-129-6 of the French Commercial Code and Articles L.3332-18 and seq. of the French Labor Code.

Based on its report, your Board of Directors is requesting that you delegate to it, for a 26-month period effective the date of the Combined Shareholders' Meeting, the authority to increase the Company's issued share capital directly or through a representative on one or several occasions, and to waive your preemptive subscription right for the equity securities to be issued. If appropriate, it shall determine the terms and conditions for said issue transactions.

Your Board of Directors is required to prepare a report in accordance with Articles R.225-113, R.225-114 and R.225-117 of the French Commercial Code. It is our responsibility to submit to you our opinion on the accuracy of the quantitative information based on the financial statements, on the proposal to waive your preemptive subscription right and on certain other information regarding the issue transaction included in this report.

We conducted the procedures we deemed necessary in accordance with professional standards applicable in France. Those standards require that we verify the terms, the conditions, and the issue price determination procedures for the equity securities, as described in the Board of Directors' report.

Subject to the subsequent review of the terms and conditions of the capital increases that would be approved, we have nothing to report on the issue price determination procedures for the equity securities to be issued as set forth in the Board of Directors' report.

As the price of the equity securities to be issued has not been set yet, we express no opinion regarding the final terms and conditions pursuant to which the capital increases will be effected and, as a result, on the proposal that you waive your preemptive subscription right.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare an additional report, as applicable, when this delegated authority is exercised by your Board of Directors.

## Capital increases by the issue of shares and/or equity securities reserved to employees of foreign entities of the Rhodia Group, not participant to a corporate savings plan (8<sup>th</sup> resolution)

Pursuant to the duties set forth in Articles L.225-135 and seq. of the French Commercial Code, we hereby report on the proposed delegation to the Board of Directors of the authority to increase capital by issuing equity securities without a preemptive subscription right and reserved to employees of foreign entities of the Rhodia Group, not participant to a corporate savings plan as defined in the report of your Board of Directors; transactions on which you have been requested to vote.

The maximum nominal value of the capital increases that May be undertaken pursuant to the present resolution May not exceed €4 million; said amount will be included in the ceiling authorized by the 7<sup>th</sup> resolution of the present Shareholders' meeting.

The application of this resolution is closely related to the application of the 7<sup>th</sup> resolution in order to allow other Rhodia group employees (including foreign beneficiaries) to subscribe under economically equivalent terms and conditions to those that May be offered to the employees of Rhodia S.A. and its subsidiaries located in France in connection with the capital increases undertaken pursuant to the 9<sup>th</sup> resolution.

Based on its report, your Board of Directors is requesting that you delegate to it, for an 18-month period, the authority to increase capital on one or more occasions, and waive your preemptive subscription right for the equity securities to be issued. If appropriate, it shall determine the terms and conditions for said issue transactions.

Your Board of Directors is required to prepare a report in accordance with Articles R.225-113, R.225-114 and R.225-117 of the French Commercial Code. It is our responsibility to submit to you our opinion on the accuracy of the quantitative information based on the financial statements, on the proposal to waive your preemptive subscription right and on certain other information regarding the issue transaction included in this report.

We conducted the procedures we deemed necessary in accordance with professional standards applicable in France. Those standards require that we verify the terms, the conditions, and the issue price determination procedures for the equity securities, as described in the Board of Directors' report.

Subject to the subsequent review of the terms and conditions of the capital increases that will be approved, we have nothing to report on the issue price determination procedures for the equity securities to be issued as set forth in the Board of Directors' report.

As the issue price of the equity securities to be issued has not been set yet, we express no opinion regarding the final terms and conditions pursuant to which the capital increases will be effected and, as a result, on the proposal that you waive your preemptive subscription right.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare an additional report, as applicable, when this delegated authority is exercised by your Board of Directors.

Neuilly-sur-Seine and Paris La Défense, April 11, 2011

The Statutory auditors

**PricewaterhouseCoopers Audit**

Christian Perrier

**KPMG Audit, Department of KPMG S.A.**

Denis Marangé

# Practical information and access map

## FOR ADDITIONAL INFORMATION:

- Helpline number: 0 800 525 525 (free call from a land line number)
- E-mail address: [actionnaires@eu.rhodia.com](mailto:actionnaires@eu.rhodia.com)
- Internet: go to « Investors » of the [www.rhodia.com](http://www.rhodia.com) website

## TO GO TO THE PAVILLON D'ARMENONVILLE:



### By car

Paris ring road: exit Porte Maillot or exit Porte Dauphine  
Unlimited free car park

### By metro

Ligne 1 (La Défense - Château de Vincennes)  
Station Porte Maillot  
(Exit Palais des Congrès)

### By RER

Ligne C - Station Neuilly-Porte Maillot  
(Exit Palais des Congrès)

### By bus

Lignes 82, 73, 43, 244, PC (Paris ring road bus)

### Meeting point for shuttles departure

(Palais des Congrès Esplanade)

Shuttles standing at the "Palais des Congrès Esplanade" will drive you between the Porte Maillot and the Pavillon d'Armenonville from 1:45 pm till 7 pm.

# Request for documents and additional information



Société anonyme with share capital of €104,570,968  
Immeuble Cœur Défense, Tour A,  
110, esplanade Charles de Gaulle – 92400 Courbevoie  
352 170 161 R.C.S. Nanterre

www.rhodia.com

ANNUAL GENERAL MEETING OF SHAREHOLDERS

**May 18, 2011**

at the “Pavillon d’Armenonville”,  
Allée de Longchamp, Bois de Boulogne,  
75116 PARIS – France

**This form should be returned  
to Société Générale,**

**Service des Assemblées, 32 rue  
du Champ-de-Tir, BP 81236  
44312 NANTES Cedex 3 – France**

**or to the intermediary responsible  
for managing your share account**

I, the undersigned,

Mr.  Mrs  Miss

Last name (or Company name): .....

First name: .....

Address: .....

Zip code: ..... Town: .....

Owner of: ..... shares of Rhodia:.....

requests a copy of the documents and information concerning the Annual General Meeting (Ordinary and Extraordinary) as provided by article R. 225-83 of the French Commercial Code.

Done at: ..... , on: ..... 2011

Signature

NOTA: Pursuant to article R. 225-88 of the French Commercial Code, the owner of Registered Shares May obtain copies of the document and information covered by articles R. 225-81 and R. 225-83 of the aforementioned Code for each subsequent General Meeting by making a single request. In the event that the shareholder wants to benefit from this option, he or she should mention this fact on this form.

**This form should be returned to Société Générale, Service des Assemblées, 32 rue du Champ-de-Tir, BP 81236 – 44312 NANTES Cedex 3 - FRANCE or to the intermediary responsible for managing your share account.**







FINANCIAL COMMUNICATION DEPARTMENT  
Cœur Défense - 110, esplanade Charles de Gaulle  
F-92931 Paris La Défense Cedex  
Tél. : + 33(0) 1 53 56 64 64



[www.rhodia.com](http://www.rhodia.com)



This document was printed in France by an Imprim'Vert certified printer on recyclable, elementary chlorine free and PEFC certified paper produced from sustainably managed forests.