

London - November 20, 2009

Rhodia Acetow

Gerard Collette – President

**A benchmark
for quality and
innovation**





Agenda

- Rhodia Acetow at a glance

- Market dynamics and drivers

- Our strategy

Rhodia Acetow at a glance

A benchmark
for quality,
sustainability
and innovation

Rhodia Acetow overview

2008 figures

Net sales
€467 million

Employees
1,230

6 Industrial sites
worldwide

Recurring EBITDA
€84 million

Market Share
17% worldwide

N°1 in Western Europe
N°1 in CIS
N°1 in Latin America

Production process



Acetylation
Washing
Drying

Cellulose
Acetate
Flakes



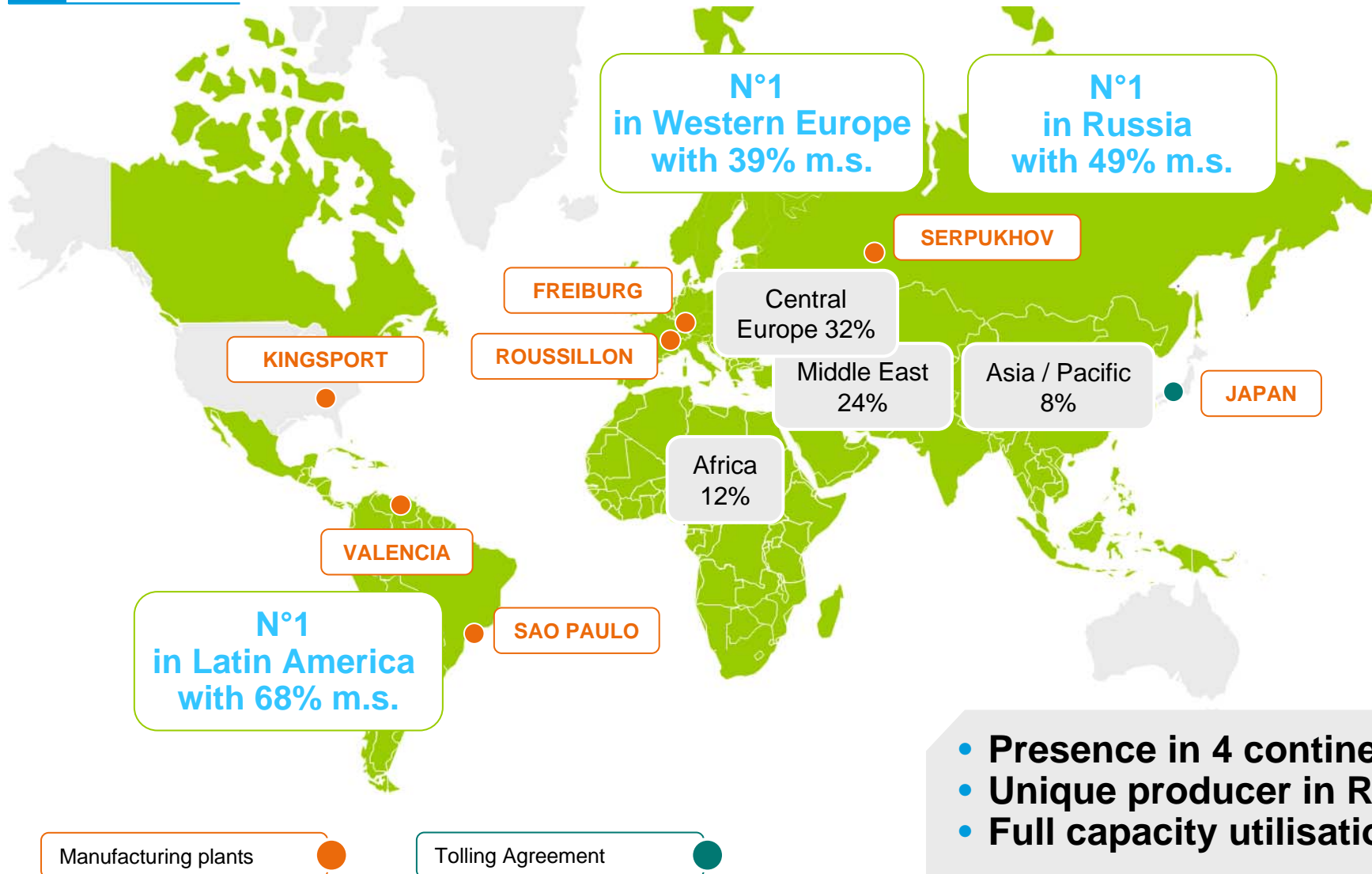
Spinning
Drying

Filter tow



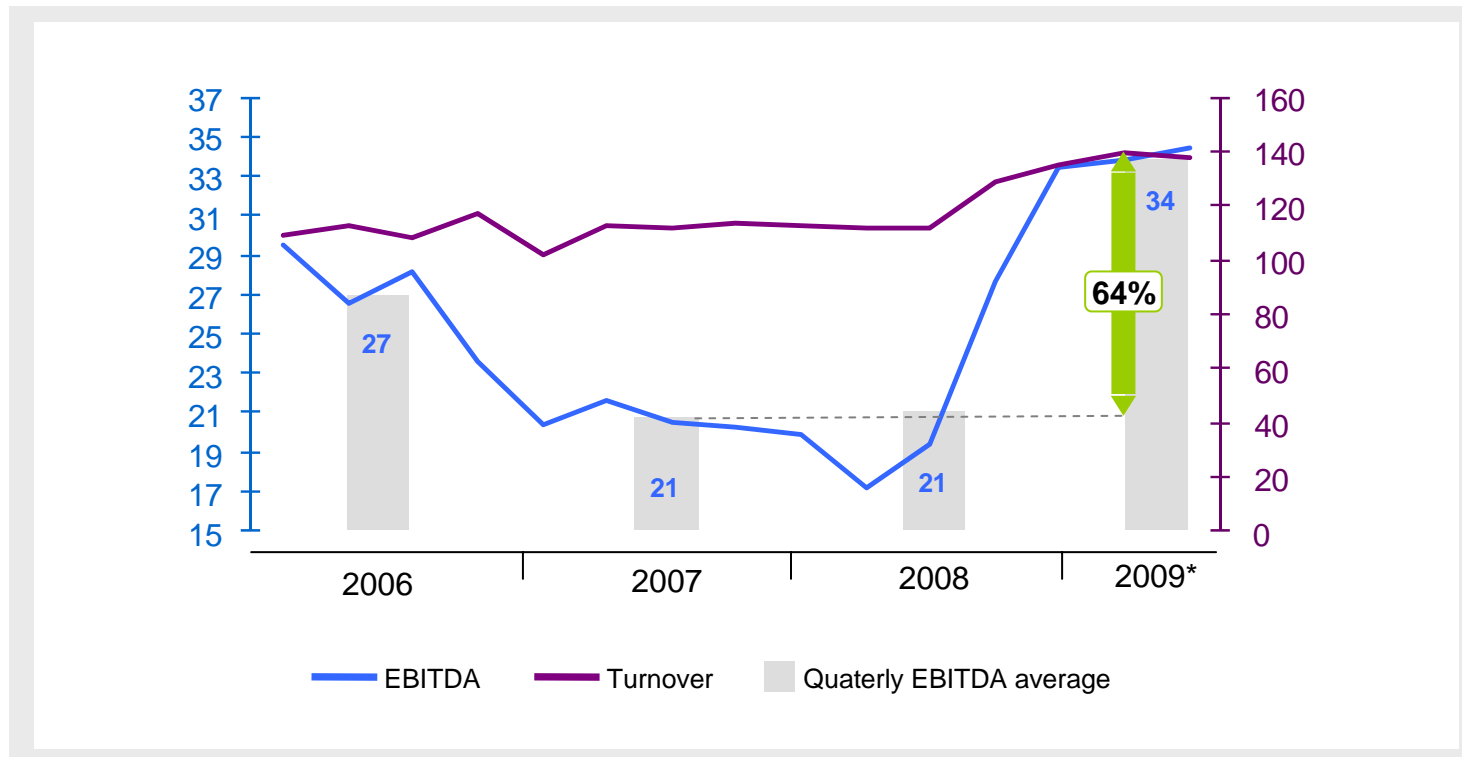
Environmentally responsible

Competitive global manufacturing footprint, serving our markets



Sharp profitability improvement

In €m

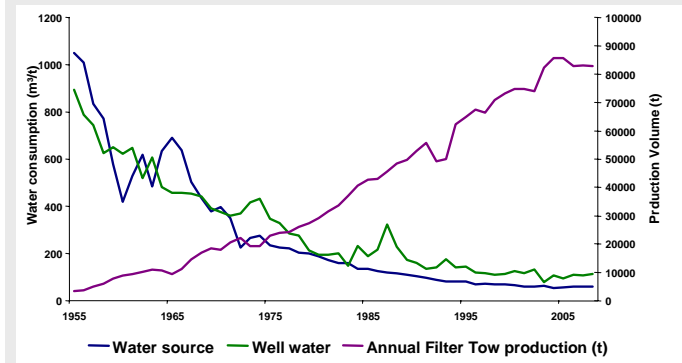


Thanks to successful deployment of “Ambition 2010” enhanced competitiveness plan (€40m savings vs. '07) and good pricing power

* At September 30, 2009

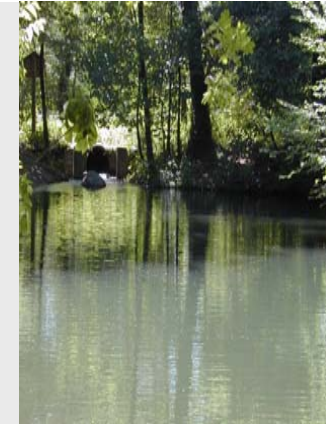
Long lasting environmental commitment

Water consumption*

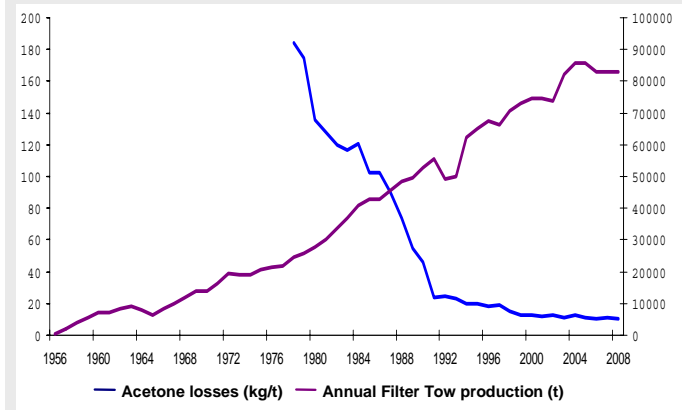


Water Consumption

- Consumption and recycling balanced
- Unit consumption reduced by > 90% since 1950



VOC Emissions*



Reduction of CO₂ Emissions

- 20% CO₂ reduction by cogeneration since 1998
- Process innovation: additional reduction by 20%
- 40% of Freiburg's electricity requirements generated by Rhodia

VOC (Volatile Organic Component)

- Emissions reduced by 95% in 30 years, recycling of over 99.5% of used Acetone

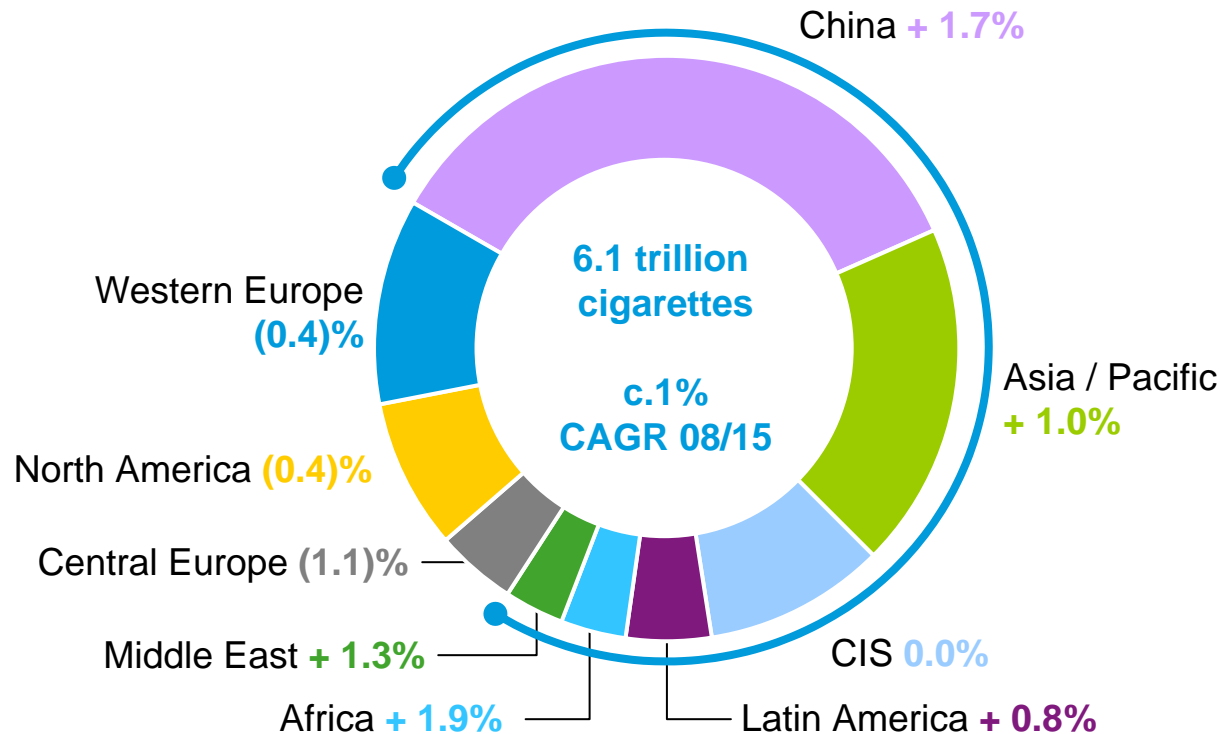
Best-in-class environmental processes

* Freiburg site

Market dynamics and drivers

Cigarette consumption growth driven by emerging markets

2008 figures*



- Every third cigarette is smoked in China
- China & Asia Pacific lead the growth followed by Africa, Middle East and Latin America
- Rhodia sales into China posted a 23% growth over the 2005/2008 period

Rhodia pursuing larger presence in most growing markets

* Rhodia estimates

Filter tow market drivers

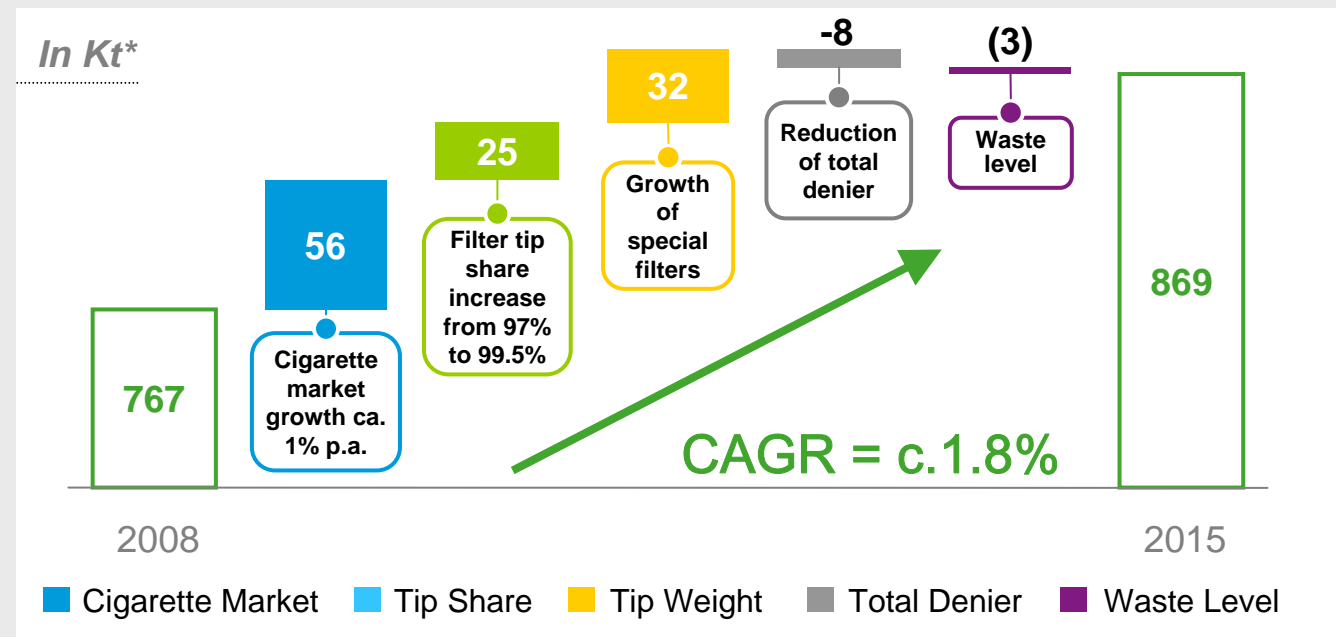
- Growth of worldwide population implies growth of smoking population

- Filter Tow market grows through:
 - Filter Tip share increase
 - Substitution of Polypropylene by Acetate
 - Filter weights increase due to special filters

Filter Tow



Acetate Tow

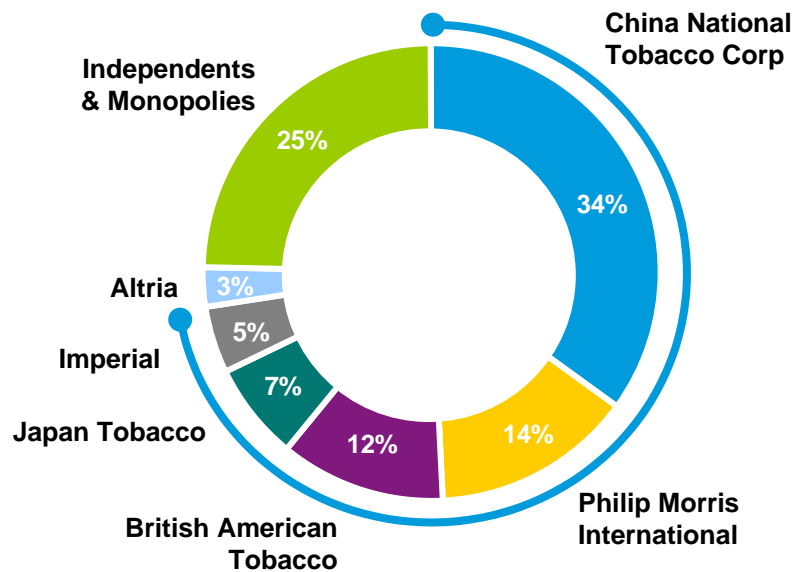


* Rhodia estimates

Well balanced market structure

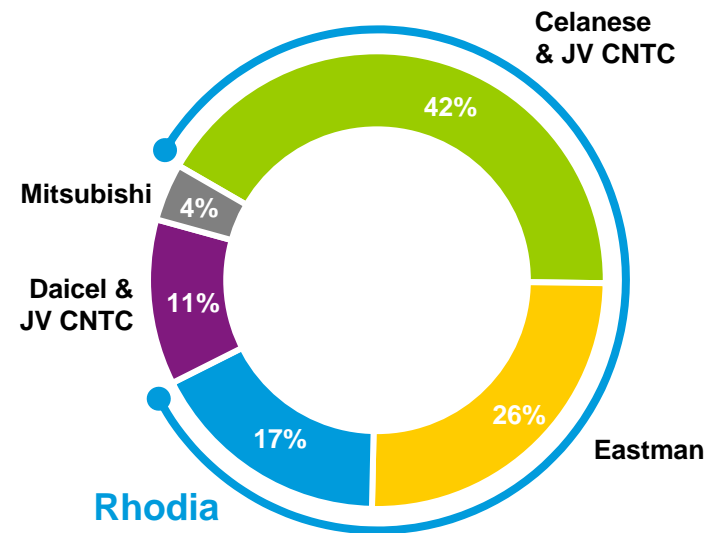
2008 estimates*

Market share by key cigarette manufacturers



Top 5 = 72% m.s

Market share by key filter tow manufacturers



Top 3 = 85% m.s

Rhodia serving top 5 cigarette manufacturers and major Independents & Monopolies across 4 continents

* Rhodia estimates

Our strategy



**“Innovative
Filter Solutions[®]
Provider”**

Our response to industry's key success factors and challenges

Continuous improvement is our way...

- Competitiveness**
 - Continuous OEE* improvement (capacity increase)
 - Cost control
- Best in class for Quality**
 - Reliable
 - Respectful of customer specifications
 - Superior quality of service

...Innovation is our Future

- Product and process innovation**
 - Increase filtration efficiency
 - Accelerate degradability of filter tow
 - New shapes and colours (ex "Ultra Slim") associated with innovative solutions to compensate acetate cable specific weight decrease
- Customer Support**
 - CABLE 5: well acknowledged software tool for cigarette filter development

* Overall Equipment Efficiency

...Showing growth and sustainable development compatibility

Strengthened presence in emerging market

- Progressive penetration into large Asian Pacific market through reinforced tolling agreements and worldwide manufacturing footprint sourcing

Sustainable development

- Implementation of **RhodiaWay**™ in our business
- Reduced waste generation, Volatile Organic Components (VOC) emissions and energy consumption

Rhodia Acetow: A benchmark for quality, sustainability and innovation

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