

London - November 20, 2009

# Rhodia Polyamide

Gilles Auffret – Chief Operating Officer

Strengthening  
our position  
as the global  
#2 PA 6.6 player





# Agenda

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- Rhodia Polyamide at a glance

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- Market dynamics and drivers

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- Our strategy & positioning

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- Key priorities

# Rhodia Polyamide at a glance

Strengthening  
our position  
as the global  
#2 PA 6.6 player



# Rhodia Polyamide overview

2008 figures

Net sales  
**€1,789 million**

Employees  
**4,000**

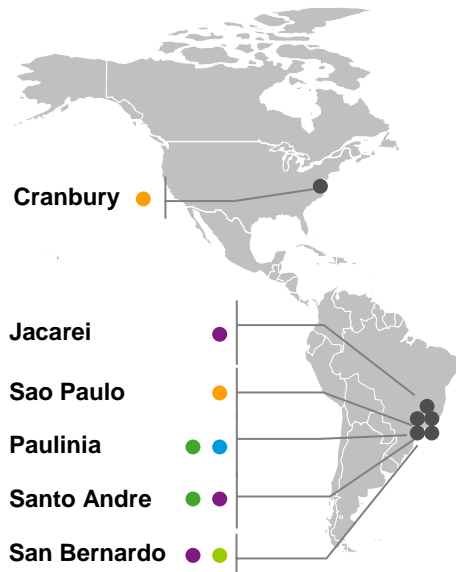
Recurring EBITDA  
**€142 million**

**14** industrial sites  
worldwide

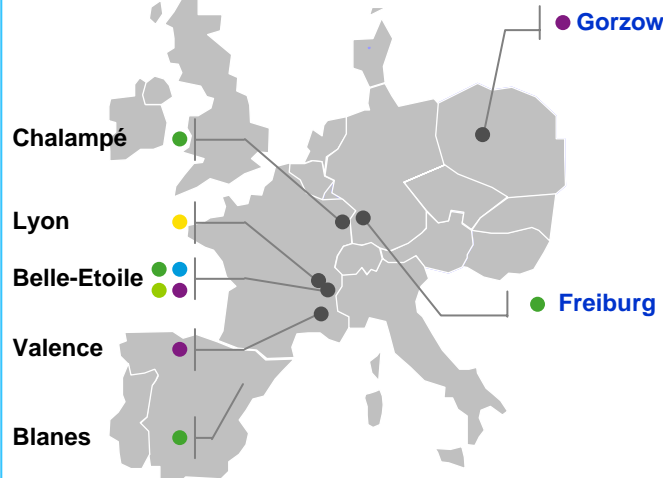
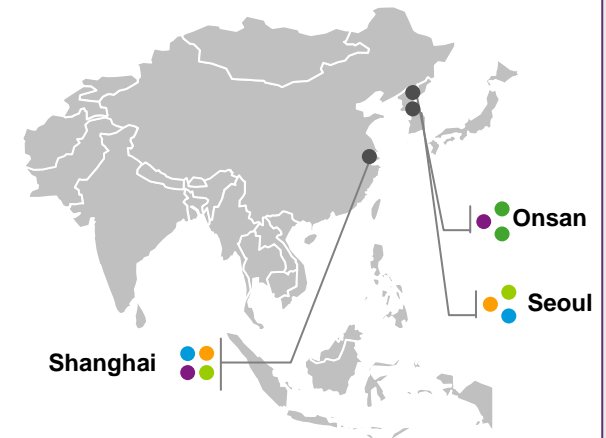
**#2** in Intermediates  
and Engineering Plastics  
PA 6.6

# Footprint evolving with market dynamics

New polymerization and Phenol capacities in Brazil



New capacities in Onsan & Shanghai (polymers and compound)  
New R&D center in China



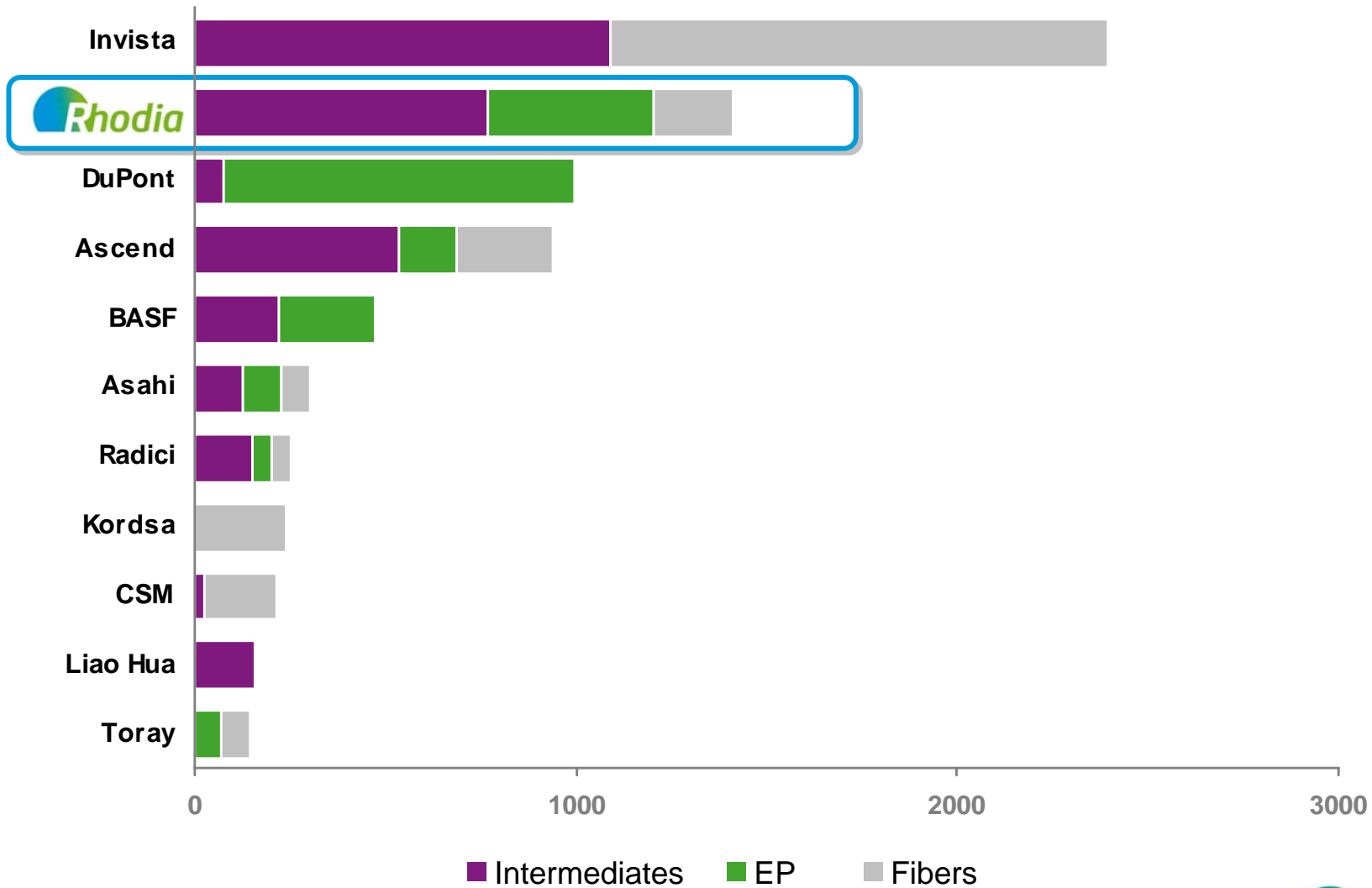
Continuous cost improvements in Europe and mature markets

- Worldwide Headquarter
- Regional Headquarter
- Application & Technology Development Centre
- R&D Centers
- Manufacturing Plant upstream
- Manufacturing Plant downstream



# Rhodia is the only fully integrated Polyamide 6.6 player with a strong position in Engineering Plastics

2008 Sales\* in €m



\* Rhodia estimates

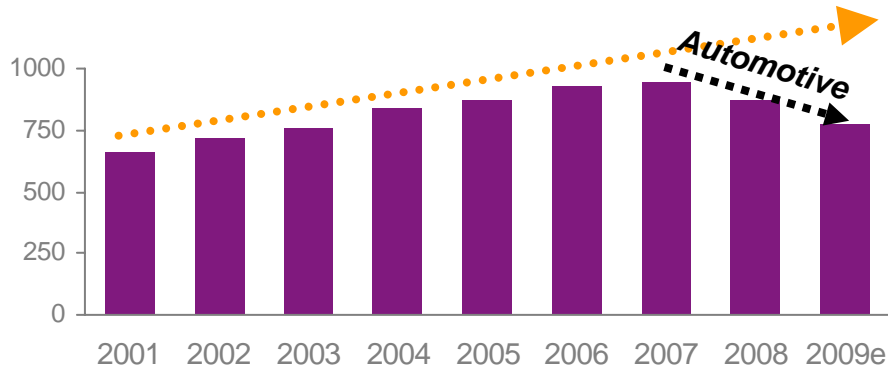
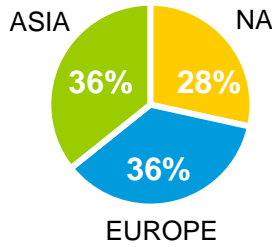


# Market dynamics and drivers

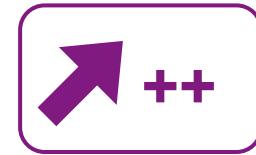
# Two major shocks impacting Polyamide: US carpet (structural) and automotive (temporary)

Polyamide 6.6 Market\* (kT)

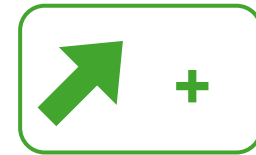
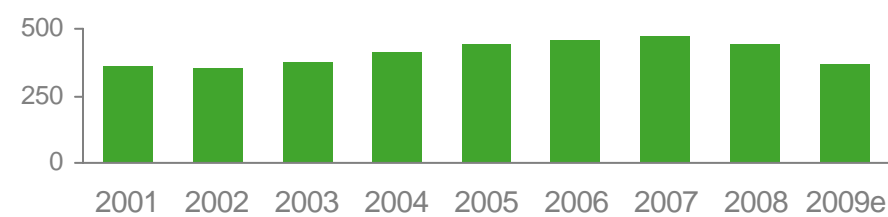
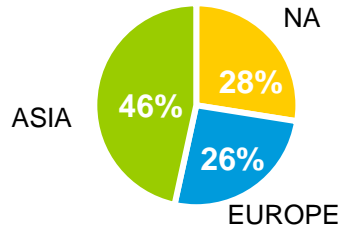
Engineering  
Plastics



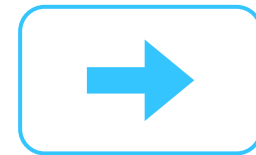
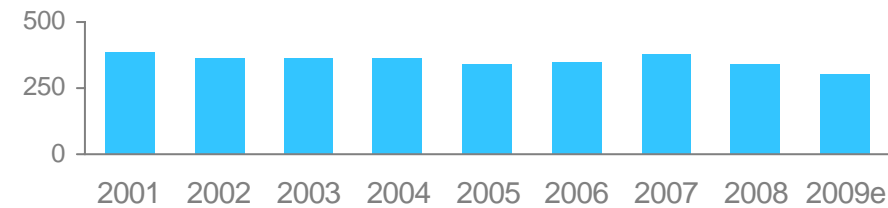
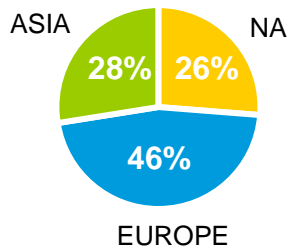
Forecast\*  
2010-2015



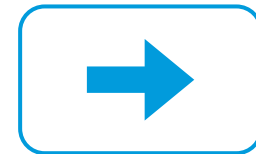
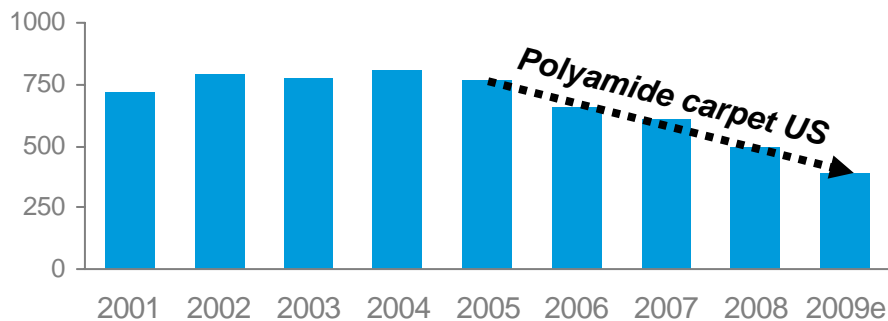
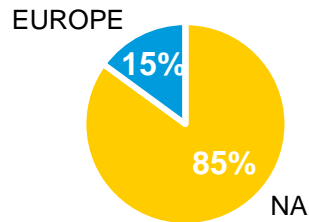
Industrial  
yarns



Textile



Carpet  
fibers







\* Rhodia's estimates





# Good progress in industrial rationalization

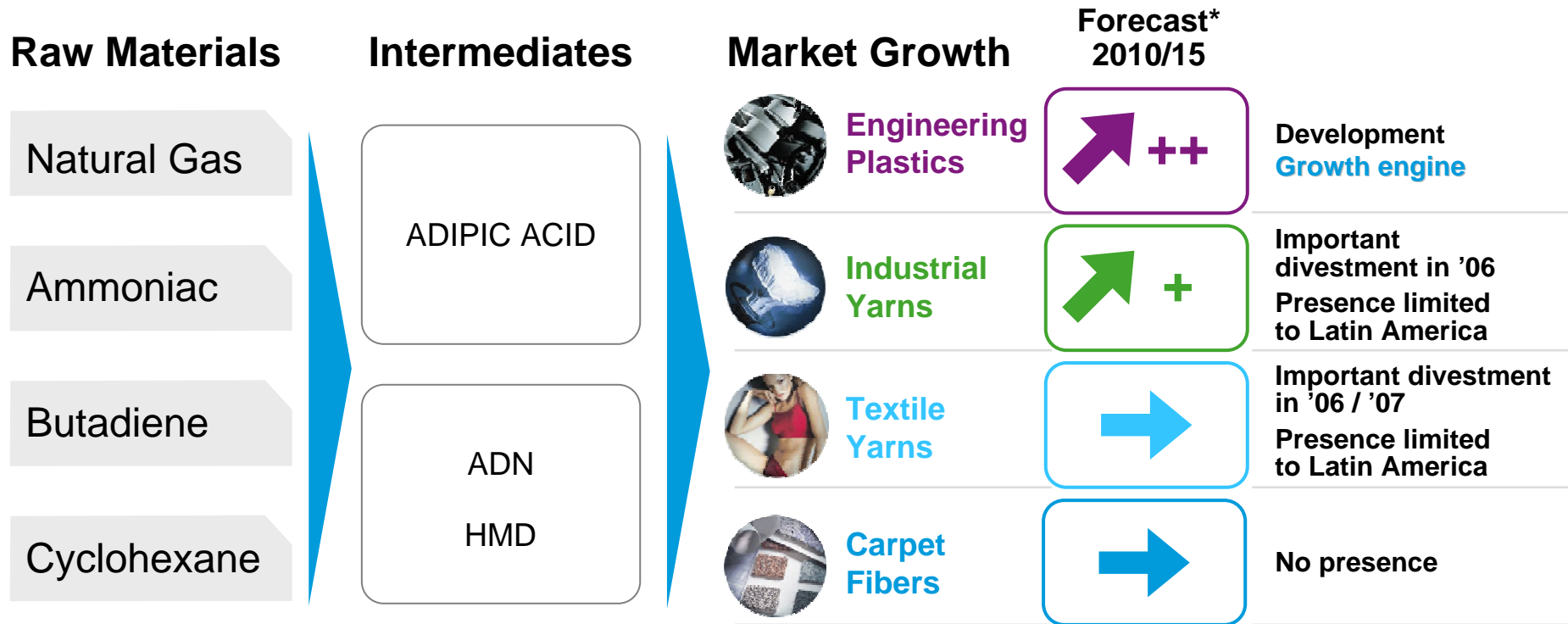
*In KT / Year*

	Player	Sites	ADN	HMD	AA	Polymer
Definitive closure		Seaford (USA) + Maitland (Canada)		70	150	85
		Wilton (UK)		120	260	180
		Seal sands (UK)	130			
		Ceriano (Italy)				48
		Greenwood (USA)				65
	Rovno & JSC Azot	Rovno / Severodonetsk (Ukraine)			55	
Total Shutdown			130	190	465	378
% Shutdown / world wide capacity 2007			<b>9%</b>	<b>11%</b>	<b>16%</b>	<b>13%</b>

- Quick rationalization in Europe, industry rebalance largely accomplished
- Insufficient in North America, only temporary measures in place in ADN

# Our strategy & positioning

# Leveraging competitiveness in Intermediates to drive growth in Engineering Plastics



## Intermediates

- Access to competitive raw materials
- Technological-edge
- Operational excellence
- Economies of scale

## Engineering Plastics

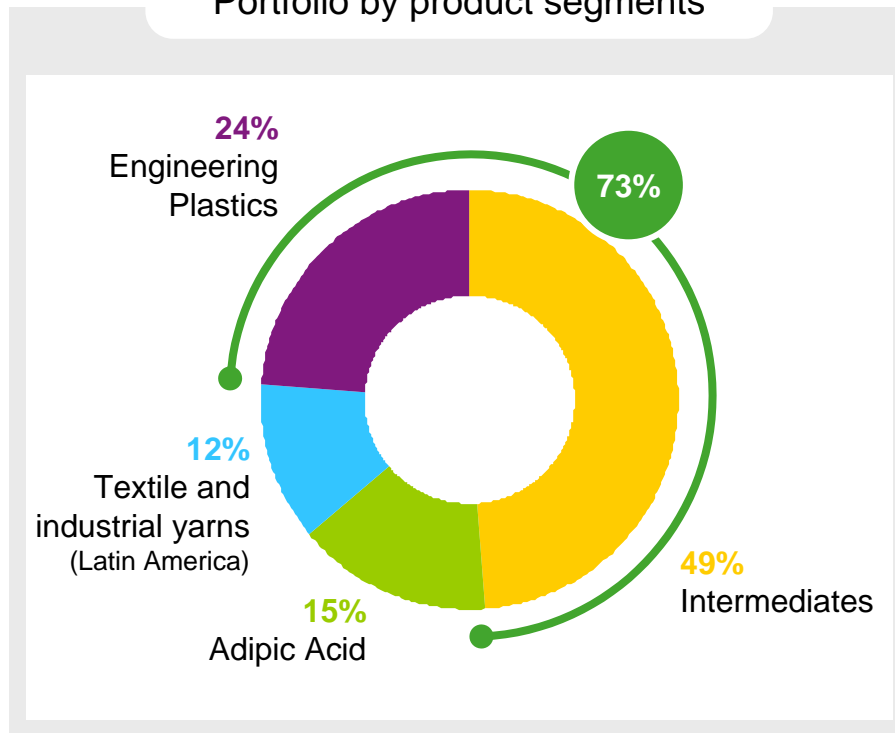
- Cost competitiveness through upstream integration
- Innovation enabling new applications

\* Rhodia's estimates

# Rhodia: Reinforced presence in the growing areas

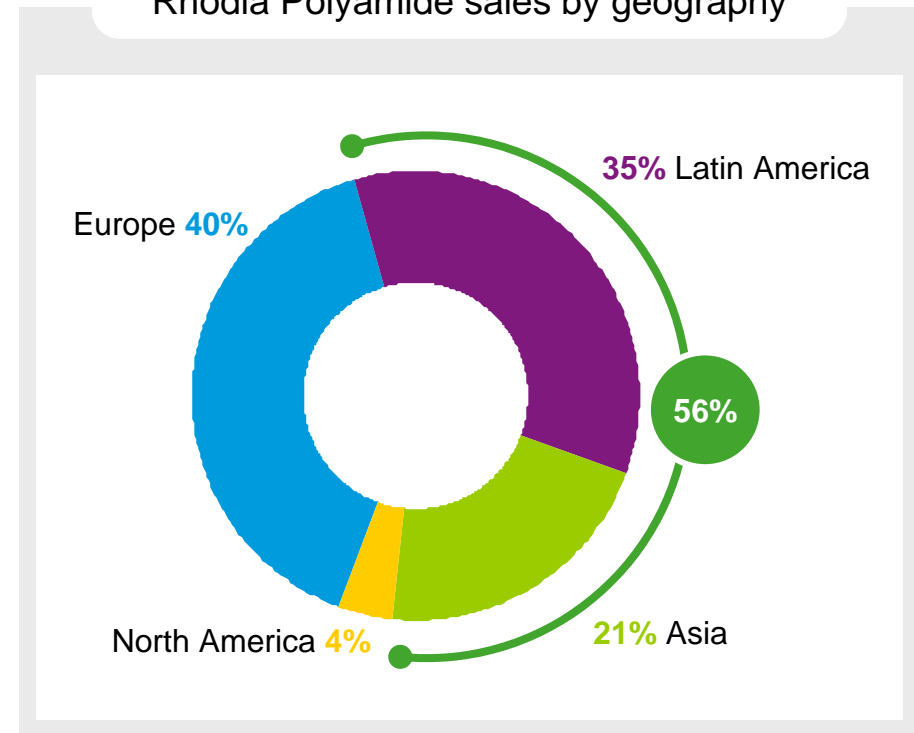
2008 Sales

Portfolio by product segments



**3/4<sup>th</sup> of portfolio aligned to our long term strategy in most dynamic segments**

Rhodia Polyamide sales by geography



**56% of Polyamide sales in emerging mkts (+7pts vs. 05) and progress ongoing**

# Key priorities

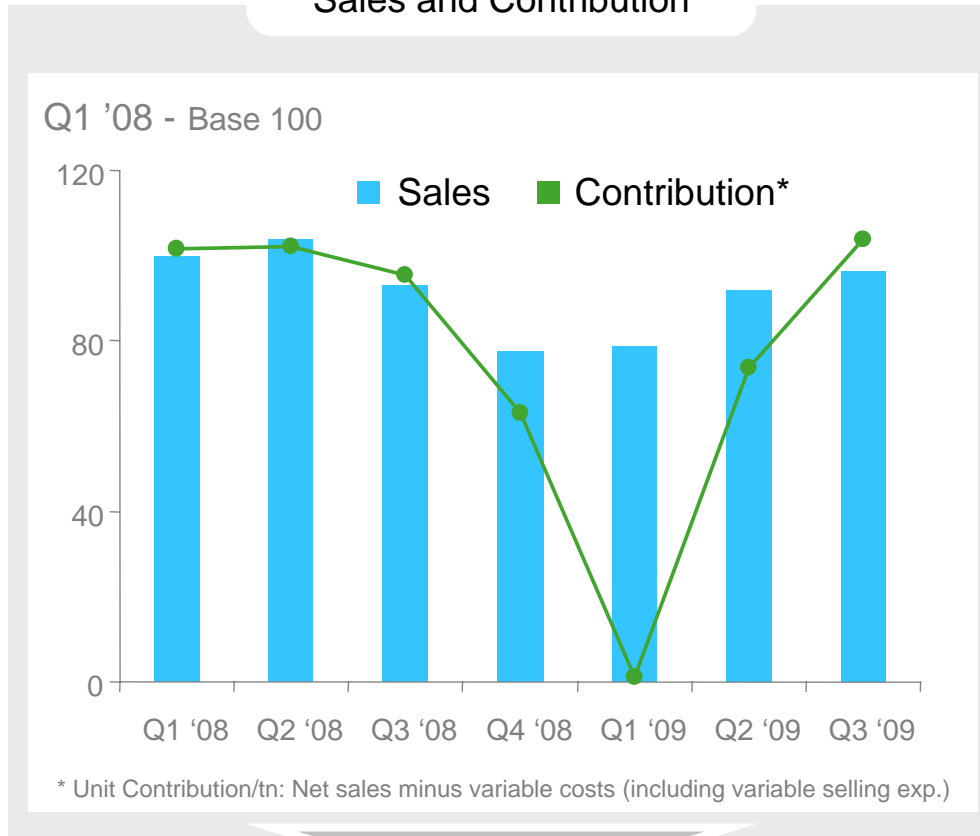
→ CASH

→ COST

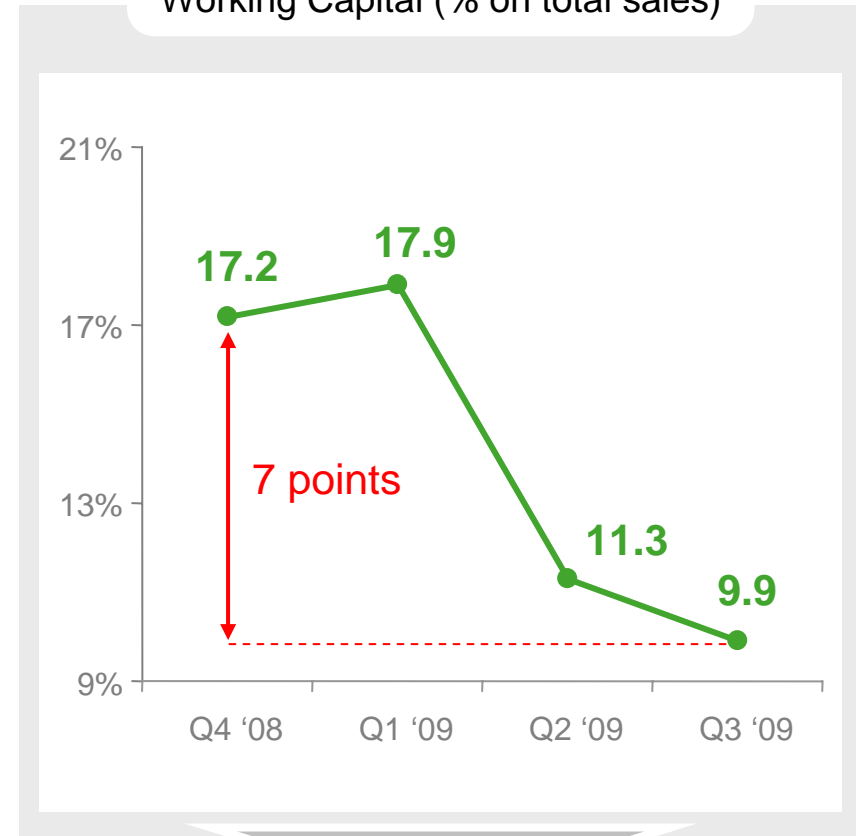
→ INNOVATION

# Short term focus on optimizing Free Cash Flow generation

Sales and Contribution



Working Capital (% on total sales)



- Restore margin before volume
- Progressive margin restoration towards historical performance

- Stringent inventory management
- Q3 '09 working capital lowered by €105m from year end '08

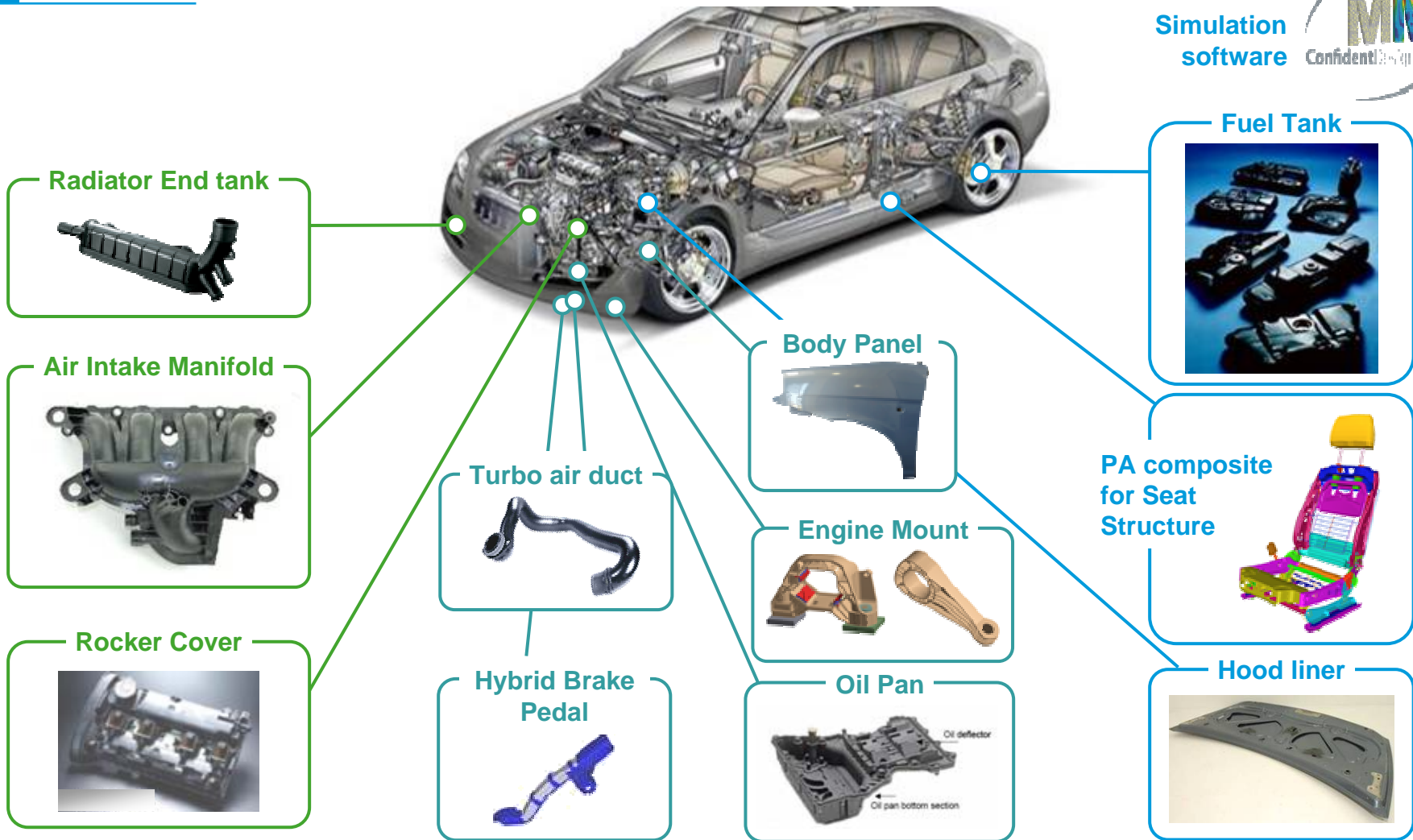


# Reinforcing our cost leadership

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- **On track to deliver €60m savings by 2011 from enhanced competitiveness actions**
  - Closure of two sites, Ceriano in Italy and Mississauga in Canada, adapting industrial footprint and capacity to market changes
  - Also fixed costs reduction across all different areas within the Enterprise
  - Concentrating our European Engineering Plastics innovation resources in a single Application and Technology development centre
  - Yield improvements: Leveraging our process enhancing capabilities to save Raw Materials and Energy consumption

# Rhodia's innovations reduce vehicle weight & CO<sub>2</sub> emissions





# Rhodia's innovations focused on sustainable development, chemistry improving daily life

## Construction

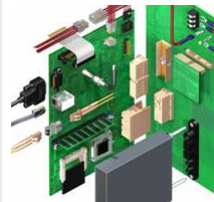


Mini Circuit Breaker with halogen and red phosphorous free PA



Window Profile for HQE building with low thermal conductive PA

## Electronics



Connectors for lead free soldering PCB with High Temperature PA



LED housing with higher thermal conductivity PA

## Transportation



Motorcycle fuel tanks with low permeation PA



Flexible hose with bio-sourced PA

# Rhodia Polyamide



**The PA 6.6  
Champion**