



First Quarter 2007 Results

Pascal Bouchiat, CFO



Forward looking statements and Regulation G

This presentation contains elements that are not historical facts, including, without limitation, certain statements on future expectations and other forward-looking statements.

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The presentation today may include the display of some company data that do not directly conform to generally acceptable accounting principles, or GAAP.

Management believes that the presentation of some non-GAAP data provides investors with additional insight into the ongoing operations of the business.

These measures should not be viewed as an alternative to GAAP measures of performance.

Furthermore, these measures may not be consistent with similar measures provided by other companies.

Key Highlights

- **Strong Q1 2007 results:**
 - Solid demand levels and strong pricing power
 - Recurring EBITDA up 27% to €205m in Q1 07 from €161m in Q1 06
 - Recurring EBITDA margin: 16.3% up from 13.4% in Q1 06
 - Operating profit at €130m in Q1 07 compared to €69m in Q1 06
- **Portfolio strengthening:**
 - Closing of Silicones & Organics' sulphuric products divestments to China Blue Star Group with a significant capital gain recorded in Q1
 - Further Organics restructuring initiatives (closure announced of Mulhouse site in France)
- **Major refinancing initiatives:**
 - Convertible bond to bring major reduction in interest cash costs
 - New syndicated credit facility
 - Reimbursement of all outstanding 2010 & 2011 HY debt completed or underway



Q1 2007 Key Figures

€m

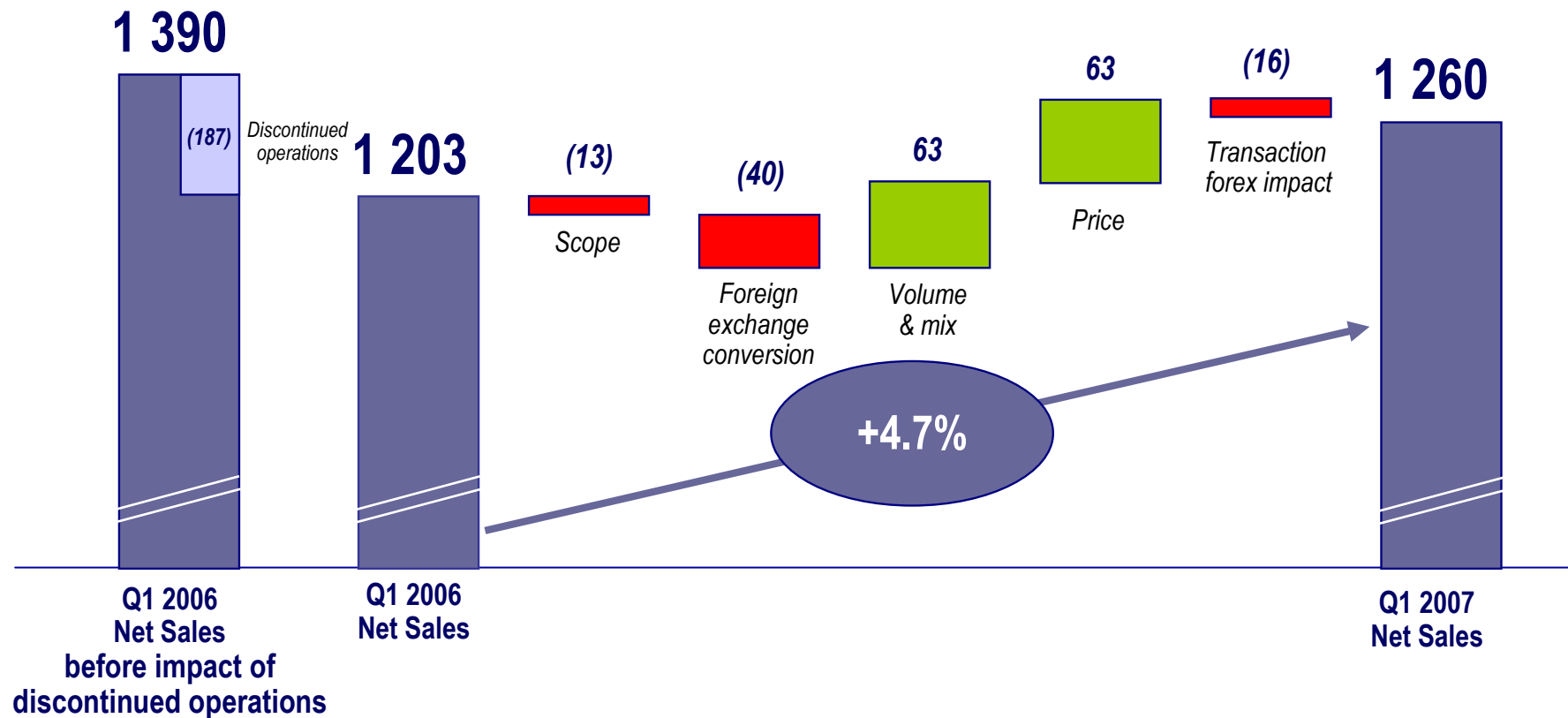
	Q1 2006	Q1 2007	Variation
Net Sales	1 203	1 260	4.7%
Recurring EBITDA	161	205	27%
Operating Profit	69	130	88%
Profit/(loss) from continuing operations	1	(14)	
Profit/(loss) from discontinued operations	(36)	74	
Net Profit/(loss) group share	(36)	59	
	31.12.06	31.03.07	
Net Debt	1 949	1 792	



Q1 2007 Net Sales

€m

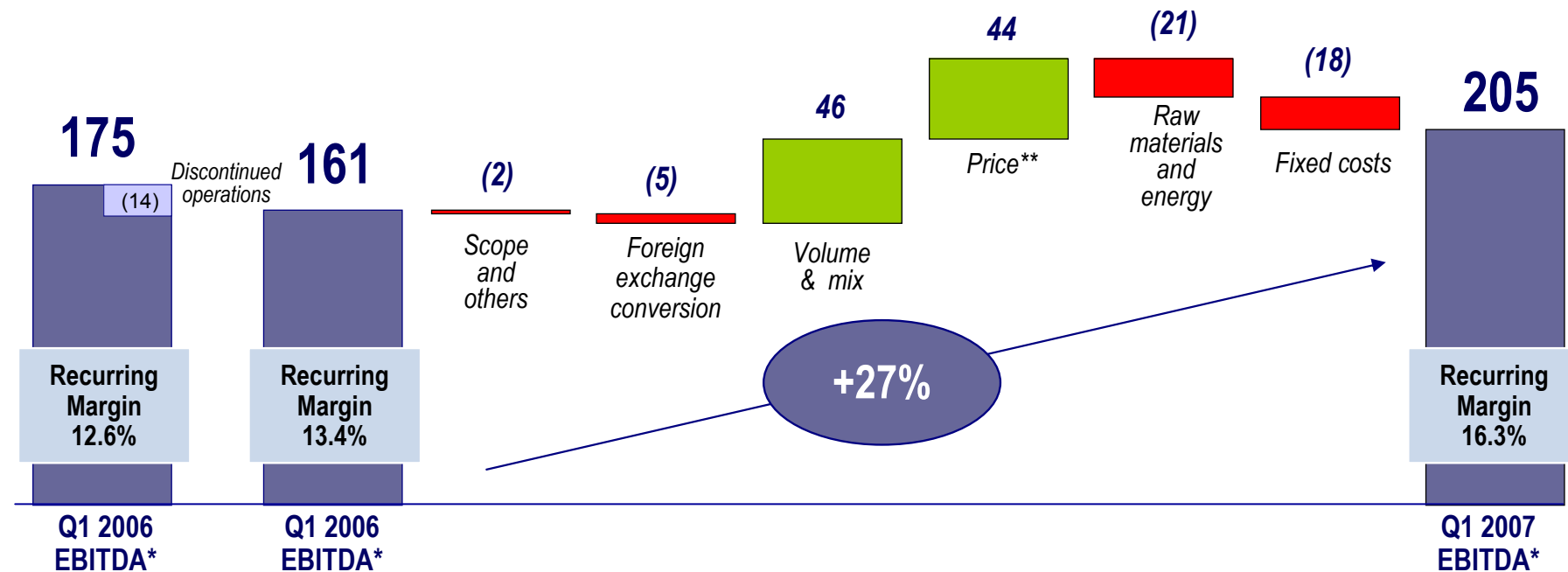
- Solid market demand and CER sales drive volume growth : +5%
- Good pricing continues : +5%
- Negative FX of (5)% due to strength of Euro against all currencies



Q1 2007 Recurring EBITDA

€m

- Strong pricing continues
- Raw material costs continue to increase
- Fixed cost increases as expected from growth projects
- Recurring margins improved to 16.3% (14.1% for Chemical business)



before impact of discontinued operations



* Recurring: before restructuring and other operating income and expenses

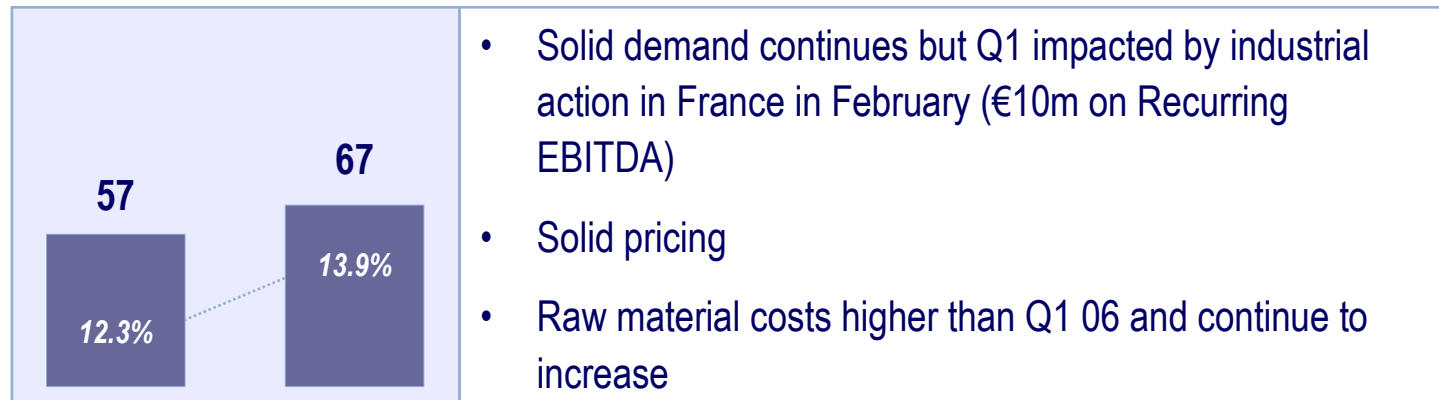
** Including €(16)m FX transaction effect

Q1 07 Business performance

€m

Q1 2006 Q1 2007
Recurring EBITDA (€m) & Margins

Polyamide



Acetow

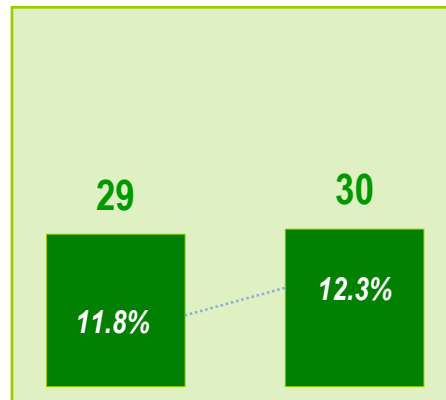


Q1 07 Business performance

€m

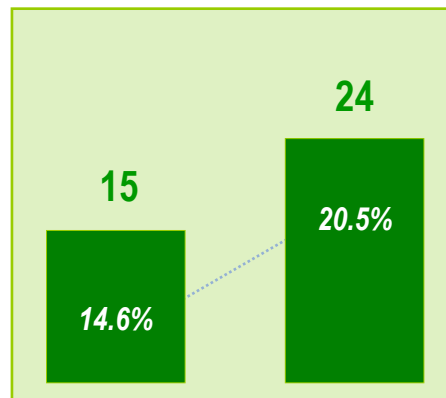
Q1 2006 Q1 2007
Recurring EBITDA (€m) & Margins

Novecare



- Strong volume growth particularly in Oil Field Chemicals & Personal Care markets
- Negative FX conversion on sales due to decline in US dollar, however no impact on margins

Silcea



- Significant volume growth in both Rare Earths (Catalysis & Electronics) and Silica Systems (Tyres)
- Price rises more than offset raw material cost increases

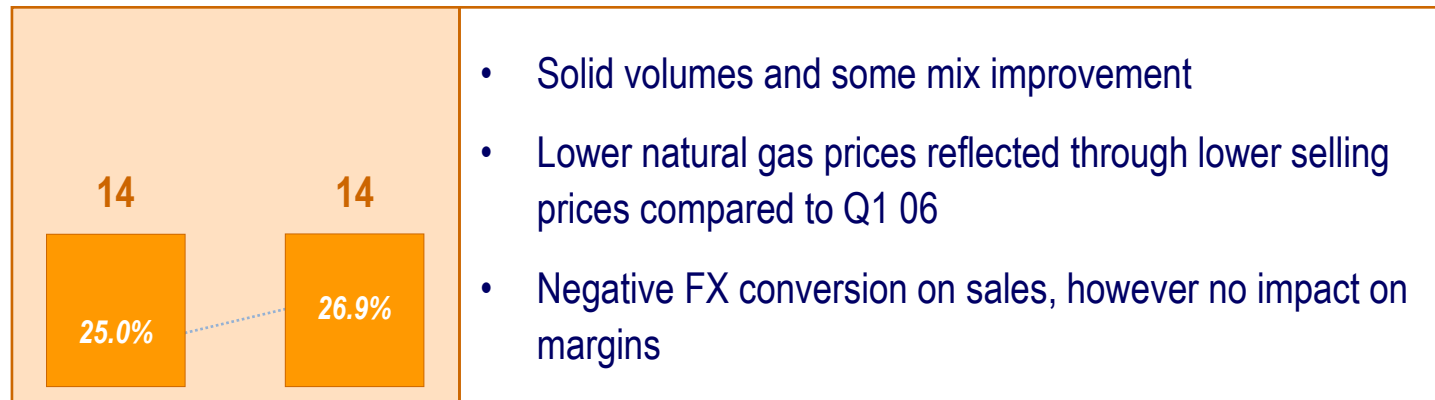


Q1 07 Business performance

€m

Q1 2006 **Q1 2007**
Recurring EBITDA (€m) & Margins

Eco Services



Organics



Q1 07 Business performance

€m

Energy Services

Q1 2006 Q1 2007
Recurring EBITDA (€m) & Margins



Q1 2007 Income Statement

	€m	
	Q1 2006	Q1 2007
Net Sales	1 203	1 260
Other Revenue	154	153
Recurring EBITDA	161	205
Recurring EBITDA margin on Net Sales	13.4%	16.3%
Depreciation & amortization	(81)	(74)
Other gains and losses	(6)	19
Restructuring costs	(5)	(20)
Operating Profit	69	130
Financial results (incl. one off refinancing costs of €62m)	(57)	(118)
Profit/(loss) before income tax	12	12
Income tax	(11)	(26)
Profit/(loss) from continuing operations	1	(14)
Profit/(loss) from discontinued operations	(36)	74
Net Profit/(loss) group share	(36)	59



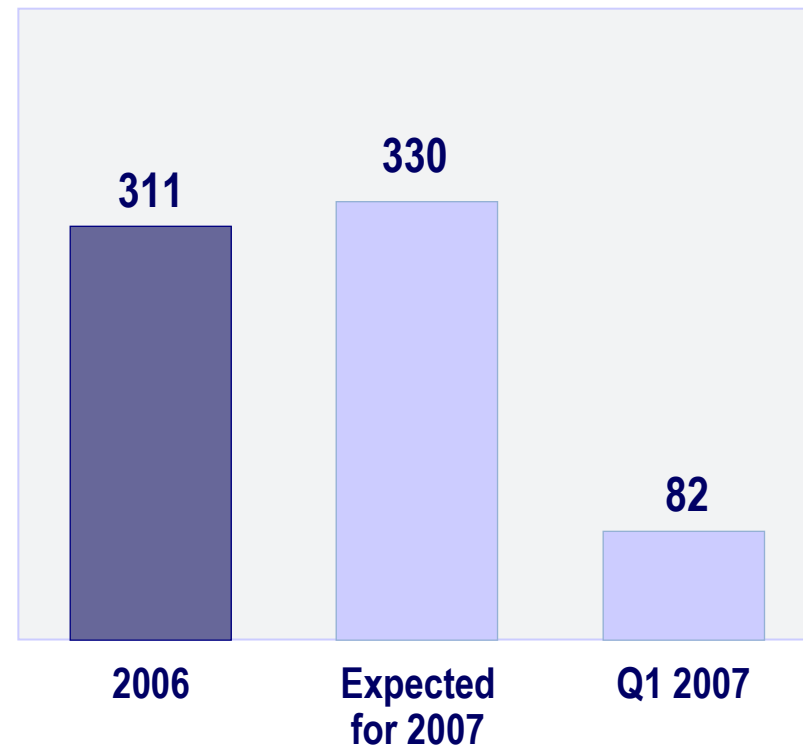
Working Capital & Capex

€m

Operational working capital (% of Total Sales)

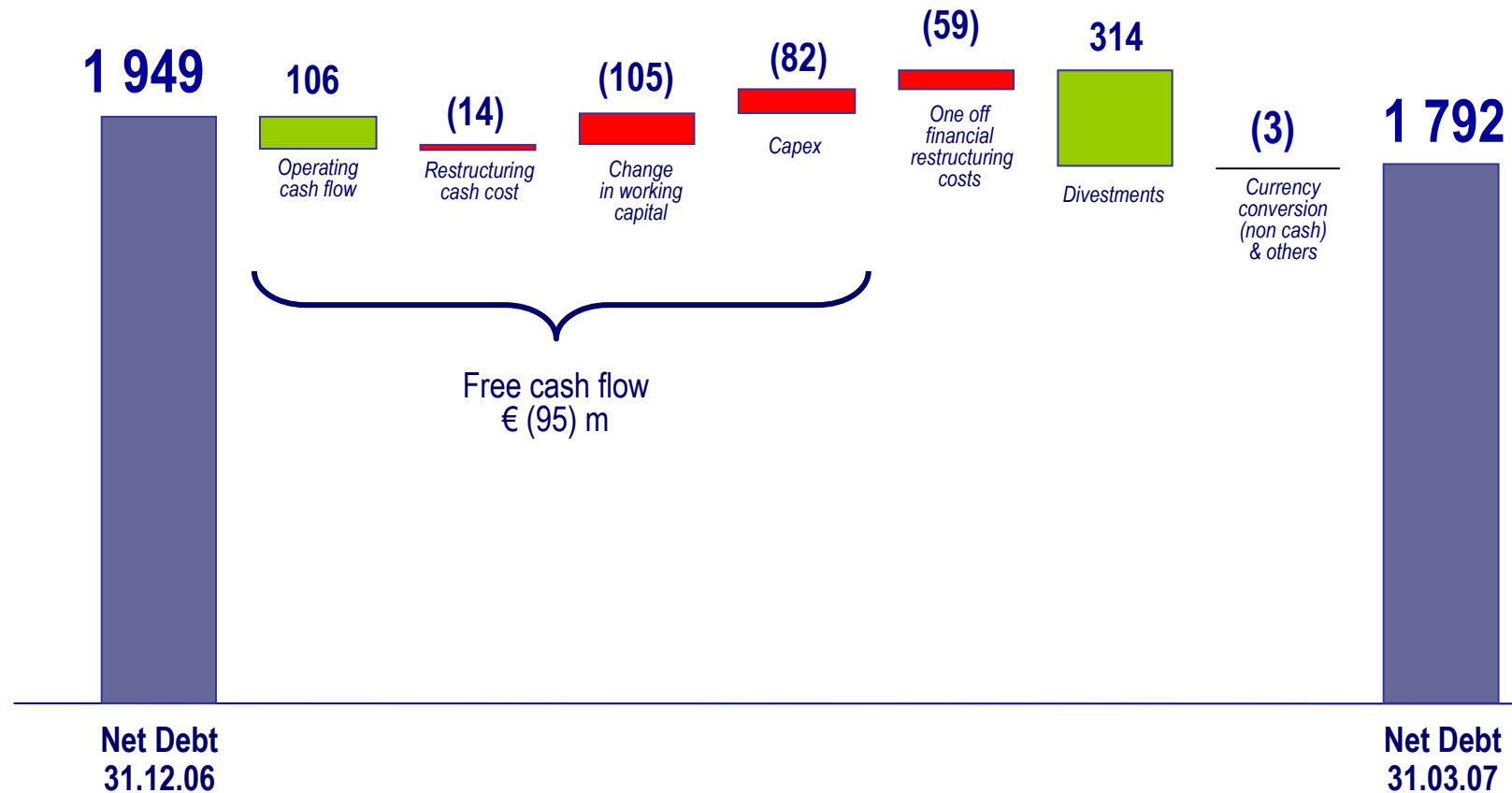


Capital expenditure (Cash)



Net Debt

€m



Major refinancing initiatives to reduce interest costs and extend maturity

- **New €600m syndicated credit facility**
 - More flexible contractual conditions
 - Reduced cost
- **€595m convertible bond**
- **Redemption of remaining high cost senior subordinated notes due in 2010 and 2011 to be completed June 1st 2007**
- **Major interest cost savings from completed & ongoing bond redemption**



2007: A year of investment

Polyamide

- France - Major maintenance shutdown at Chalampé in Q2 07
- South Korea – Start up of polymerisation unit in Onsan in Q4 07
- Brazil - Expansion of Intermediates production capacity (start up Q4 08)

Silcea

- China - JV signed to secure competitive silicate sourcing as a base for future Silica development in Asia
- Growth opportunities in key Rare Earth markets (LCD & plasma displays, automotive emission control systems)

Organics

- Grow profitably in the Diphenol chain: Chinese plant start up in June 2007
- Restructuring in Fine organics businesses

Energy Services

- Secure long term sourcing through Exeltium

SG&A

- Further optimization of back office efficiency



Looking Forward

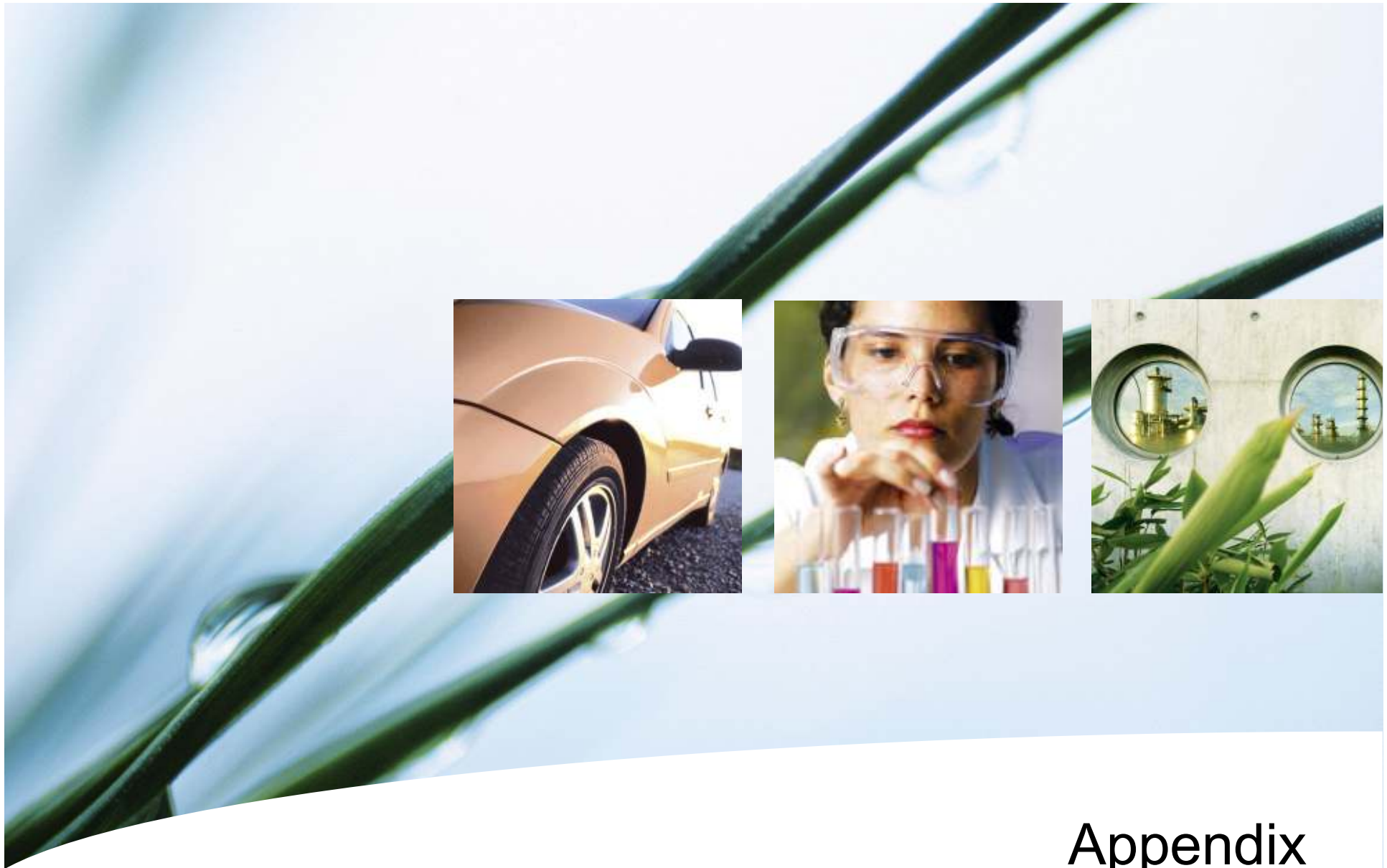
**Current
market
conditions**

- **Solid volumes expected**
- **Raw material & energy costs to remain high**
- **Pricing power remains strong**

**In line with
2007 outlook**

- **Strong growth in Recurring EBITDA**
- **Return to positive Free Cash Flow**





Appendix

Q1 2007 Financial Results

€m

	Q1 2006	Q1 2007
Net financial charges & other financial charges	(47)	(43)
Non recurring financial restructuring charges	0	(62)
Interest cost on environmental & pension liabilities	(8)	(11)
Forex gains & losses	1	0
Other miscellaneous	(3)	(2)
Total financial expenses	(57)	(118)





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