Rhodia

Condensed Consolidated Financial Statements

Quarter Ended March 31, 2009

CONTENTS

A. Consolidated statement of income

(in millions of euros)	Note	Quarter ended March 31,		Year ended December 31,
		2009*	2008*	2008
Net sales	**5**	**920**	**1,186**	**4,763**
Other revenue	5	146	151	550
Cost of sales		(991)	(1,082)	(4,382)
Administrative and selling expenses		(122)	(137)	(482)
Research and development expenditure		(18)	(20)	(73)
Restructuring costs	6	(20)	(2)	(40)
Other operating income/(expenses)	7	(6)	(3)	(27)
Operating profit/(loss)	**5**	**(91)**	**93**	**309**
Finance income	8	20	34	138
Finance costs	8	(70)	(77)	(313)
Foreign exchange gains/(losses)	8	5	1	(3)
Share of profit/(loss) of associates		-	-	(1)
Profit/(loss) before income tax		**(136)**	**51**	**130**
Income tax gain/(expense)	9	8	(11)	(55)
Profit/(loss) from continuing operations		(128)	40	75
Profit/(loss) from discontinued operations	10	(7)	2	32
Net profit/(loss) for the period	**5**	**(135)**	**42**	**107**
Attributable to:				
Equity holders of Rhodia S.A.		(134)	42	105
Minority interests		(1)	-	2
Earnings per share (in euros)				
Continuing and discontinued operations				
- Basic		(1.35)	0.41	1.05
- Diluted		(1.35)	0.41	1.04
Continuing operations				
- Basic		(1.28)	0.39	0.73
- Diluted		(1.28)	0.38	0.72
Weighted average number of shares before dilution		*99,294,931*	*100,967,329*	*100,722,391*
Weighted average number of shares after dilution		*99,294,931*	*101,716,285*	*101,493,309*

* Unaudited

B. Consolidated balance sheet

Assets

(in millions of euros)	Note	At March 31, 2009*	At December 31, 2008
Property, plant and equipment		1,506	1,501
Goodwill	11	260	197
Other intangible assets		202	181
Investments in associates		13	13
Other non-current financial assets		91	92
Deferred tax assets		185	171
Non-current assets		**2,257**	**2,155**
Inventories		499	666
Income tax receivable		8	12
Trade and other receivables		737	821
Derivative financial instruments		149	148
Other current financial assets		26	28
Cash and cash equivalents	12	528	492
Assets classified as held for sale		2	2
Current assets		**1,949**	**2,169**
TOTAL ASSETS		**4,206**	**4,324**

*Unaudited

Equity and liabilities

(in millions of euros)	Note	At March 31, 2009*	At December 31, 2008
Share capital	13	1,213	1,213
Additional paid-in capital	13	138	138
Other reserves	13	141	86
Accumulated deficit	13	(2,017)	(1,812)
Equity attributable to equity holders of Rhodia S.A.		***(525)***	***(375)***
Minority interests	13	18	19
Total equity		***(507)***	**(356)**
Borrowings	14	1,620	1,612
Retirement obligations and similar benefits	16	1,226	1,155
Provisions		280	279
Deferred tax liabilities		33	38
Other non-current liabilities		57	33
Non-current liabilities		**3,216**	**3,117**
Borrowings	14	258	219
Derivative financial instruments		146	123
Retirement obligations and similar benefits	16	93	93
Provisions		152	137
Income tax payable		19	19
Trade and other payables		829	972
Liabilities associated with assets classified as held for sale		-	-
Current liabilities		**1,497**	**1,563**
TOTAL EQUITY AND LIABILITIES		**4,206**	**4,324**

*Unaudited

C. Consolidated statement of cash flows

(in millions of euros)	Quarter ended March 31,		Year ended December 31,
	2009 *	**2008 ***	**2008**
Net profit/(loss) for the period attributable to equity holders of Rhodia S.A.	**(134)**	**42**	**105**
Adjustments for:			
Minority interests	(1)	-	2
Depreciation and impairment of non-current assets	75	74	299
Net increase/(decrease) in provisions and employee benefits	-	(23)	(29)
Impairment of non-current financial assets	-	-	1
Share of profit/(loss) of associates	-	-	1
Other income and expense	9	10	28
(Gain)/loss on disposal of non-current assets	(2)	-	(65)
Deferred tax expense/(gain)	(18)	(3)	4
Foreign exchange losses/(gains)	41	19	29
Net cash flow from operating activities before changes in working capital	**(30)**	**119**	**375**
Changes in working capital			
• (Increase)/decrease in inventories	193	(64)	(149)
• (Increase)/decrease in trade and other receivables	62	(47)	134
• Increase/(decrease) in trade and other payables	(164)	36	(7)
• Increase/(decrease) in other current assets and liabilities	64	(9)	(34)
Net cash from operating activities before margin calls	**125**	**37**	**319**
Margin calls (1)	7	(9)	-
Net cash from operating activities	**132**	**26**	**319**
Purchases of property, plant and equipment	(46)	(59)	(241)
Purchases of other non-current assets	(6)	(14)	(41)
Proceeds on disposals of entities, net of cash transferred, and non-current assets	(1)	2	209
Purchases of entities, net of cash acquired	(78)	-	-
(Purchases of)/repayments of loans and financial investments	10	5	(9)
Net cash from/(used by) investing activities	**(121)**	**(66)**	**(82)**
Treasury share purchase costs	-	-	(14)
Dividends paid	-	-	(27)
New non-current borrowings, net of costs	-	-	23
Repayments of non-current borrowings, net of costs	(16)	(6)	(53)
Net increase/(decrease) in current borrowings	36	92	(58)
Net cash from/(used by) financing activities	**20**	**86**	**(129)**
Effect of foreign exchange rate changes	**5**	**(12)**	**(31)**
Net increase/(decrease) in cash and cash equivalents	**36**	**34**	**77**
Cash and cash equivalents at the beginning of the year	492	415	415
Cash and cash equivalents at the end of the year	528	449	492

(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.

*Unaudited

D. Consolidated statement of comprehensive income

		Quarter ended March 31,	
(in millions of euros)	**Note**	**2009***	**2008***
Currency translation differences	13	21	(33)
Gains/(losses) on cash flow hedges	13	34	8
Deferred tax on cash flow hedge recognized in equity		(6)	(3)
Actuarial gains/(losses) on retirement benefits	16	(70)	66
Deferred tax on actuarial gains/(losses)		(1)	-
Net income/(expense) directly recognized in equity	**13**	**(22)**	**38**
Net profit/(loss) for the period	5	(135)	42
Total recognized income and expense		**(157)**	**80**
Attributable to:			
Equity holders of Rhodia S.A.		(156)	81
Minority interests		(1)	(1)

*Unaudited

E. Statement of changes in equity

(in millions of euros)*	Share capital	Additional paid-in capital	Other reserves: Hedge reserve	Other reserves: Translation reserve	Other reserves: Legal reserve	Other reserves: Treasury shares	Accumulated deficit	Total	Minority interests	Total
At January 1, 2009	**1,213**	**138**	**(49)**	**109**	**40**	**(14)**	**(1,812)**	**(375)**	**19**	**(356)**
Net loss for the period	-	-	-	-	-	-	(134)	**(134)**	(1)	**(135)**
Income and expense directly recognized in equity	-	-	34	21	-	-	(77)	**(22)**	-	**(22)**
Other movements (1)	-	-	-	-	-	-	6	**6**	-	**6**
At March 31, 2009	**1,213**	**138**	**(15)**	**130**	**40**	**(14)**	**(2,017)**	**(525)**	**18**	**(507)**

* Unaudited

(1) Including bonus shares for €1.6 million

(in millions of euros)*	Share capital	Additional paid-in capital	Other reserves: Hedge reserve	Other reserves: Translation reserve	Other reserves: Legal reserve	Other reserves: Treasury shares	Accumulated deficit	Total	Minority interests	Total
At January 1, 2008	**1,204**	**147**	**2**	**84**	**37**	**-**	**(1,863)**	**(389)**	**21**	**(368)**
Share capital increase	9	(9)	-	-	-	**-**	-	**-**	-	**-**
Net profit for the period	-	-	-	-	-	**-**	42	**42**	-	**42**
Income and expense directly recognized in equity	-	-	8	(32)	-	**-**	63	**39**	(1)	**38**
Other movements (1)	-	-	-	-	-	**-**	4	**4**	-	**4**
At March 31, 2008	**1,213**	**138**	**10**	**52**	**37**	**-**	**(1,754)**	**(304)**	**20**	**(284)**

* Unaudited

(1) Including bonus shares for €3.6 million

F. Notes to the condensed consolidated financial statements

1. General information

Rhodia S.A. and its subsidiaries ("Rhodia" or the "Group") produce, market and develop chemicals. Rhodia is the partner of major players in the automotive, tire, electronics, perfume, health & beauty and home care markets.

Rhodia has offices worldwide and specifically in Europe, the United States, Brazil and Asia.

Rhodia S.A. is a public limited company registered and domiciled in France. Its registered office is located at Paris–La Défense.

The company is listed on Euronext Paris.

These condensed consolidated financial statements were reviewed on May 5, 2009 by the Board of Directors.

2. Principal accounting methods

2.1. Accounting standards

Rhodia prepares its condensed consolidated financial statements on a quarterly basis, in accordance with IAS 34, *Interim financial reporting*. They do not include all the information required for the preparation of the annual financial statements and should be read in accordance with the consolidated financial statements for the year ended December 31, 2008, as included in the reference document filed by Rhodia with the AMF on March 24, 2009.

2.2. Basic principles used for preparation of the financial statements

The condensed consolidated financial statements for the quarter ended March 31, 2009 were prepared using the same accounting methods as those adopted for the preparation of the consolidated financial statements for the year ended December 31, 2008.
The standards, interpretations and amendments adopted by the European Union at March 31, 2009 and their mandatory adoption in 2009 had no impact on the condensed consolidated financial statements for the quarter ended March 31, 2009. The adoption of IFRS 8 *Operating segments* for the March 31, 2009 financial statements did not change Rhodia's presentation of segment information by entreprises. Insofar as current segment information reflects the Group's internal reporting, the adoption of this new standard has no significant impact on the consolidated financial statements.
According to the Group, the other standards, interpretations and amendments already adopted by the European Union but not yet applicable will have no impact on the financial statements.

The condensed consolidated financial statements are presented in euros and rounded up to the nearest million unless otherwise indicated.

2.3. Estimates

The preparation of financial statements requires the use of estimates and the formulation of judgments and assumptions that have an impact on the application of accounting methods and the amounts shown in the financial statements.

For the preparation of the condensed consolidated financial statements, management made estimates and formulated judgments and assumptions for the same items as those used for the preparation of the consolidated financial statements for the year ended December 31, 2008, except with respect to the following:

- Income tax expense

For interim period-ends, the income tax expense is calculated, for each Group tax entity, by applying the estimated average effective tax rate for the current year to the pre-tax profit or loss for the interim period. This tax rate is calculated by taking into account previously unrecognized deferred tax assets, whose recovery is deemed probable. This probability is estimated according to the same criteria as those applied to annual period-ends.

- Retirement obligations and other long-term employee benefits

For interim period-ends, retirement obligations and other long-term employee benefits are calculated using an extrapolation from the actuarial assessments performed at the previous period-end. These assessments are modified in the event of any significant change in market conditions compared to the previous year or curtailments, settlements or any other material one-off events.

Fluctuations in long-term interest rates (corporate bonds) in the first quarter of 2009 led Rhodia to re-estimate retirement obligations and other benefits granted to English and American employees. At the same time, the inflation rate in the United Kingdom was reviewed in the United Kingdom. The fair value of the corresponding plan assets in both countries was also re-estimated.

Notes to the consolidated income statement

3. Unusual items with an impact on the condensed consolidated financial statements

No material unusual items had an impact on the condensed consolidated financial statements for the quarter ended March 31, 2009.

4. Seasonality effects

The Group's activity and operating results in the quarter ended March 31, 2009 were not of a seasonal or cyclical nature compared to the activity and operating results for the entire year.

5. Segment information

The following information concerns continuing operations by business segment. Information on discontinued operations is presented in Note 10.

Rhodia Group is organized into the following 6 entreprises, whose organization is unchanged since December 31, 2008:

- Polyamide,
- Novecare (including Mc Intyre group's activities as from February 27, 2009),
- Silcea,
- Energy Services,
- Acetow,
- Eco Services.

(in millions of euros)	Polyamide	Novecare	Silcea	Energy Services	Acetow	Eco Services	Corporate and Other (2)	Group
Quarter ended March 31, 2009*								
Net sales	286	209	142	41	135	66	45	**924**
Other revenue	33	3	1	149	2	1	13	**202**
Inter-company sales - Net sales	(2)	(1)	-	-	-	-	(1)	**(4)**
Inter-company sales – Other revenue	(5)	(1)	-	(47)	-	-	(3)	**(56)**
External net sales	**284**	**208**	**142**	**41**	**135**	**66**	**44**	**920**
Other external income	28	2	1	102	2	1	10	**146**
Operating profit/(loss)	**(132)**	**(1)**	**(11)**	**44**	**26**	**20**	**(37)**	**(91)**
Profit/(loss) from financial items								**(45)**
Income tax gain								**8**
Profit/(loss) from continuing operations								**(128)**
Recurring EBITDA (1)	**(96)**	**14**	**3**	**48**	**34**	**24**	**(25)**	**2**

* Unaudited

(in millions of euros)	Polyamide	Novecare	Silcea	Energy Services	Acetow	Eco Services	Corporate and Other (2)	Group
Quarter ended March 31, 2008*								
Net sales	476	235	189	52	113	57	76	**1,198**
Other revenue	34	4	2	191	2	3	16	**252**
Inter-company sales - Net sales	(8)	(1)	(1)	-	-	-	(2)	**(12)**
Inter-company sales – Other revenue	(4)	(1)	(1)	(90)	(1)	-	(4)	**(101)**
External net sales	**468**	**234**	**188**	**52**	**113**	**57**	**74**	**1,186**
Other external income	30	3	1	101	1	3	12	**151**
Operating profit/(loss)	**29**	**19**	**16**	**50**	**13**	**9**	**(43)**	**93**
Profit/(loss) from financial items								**(42)**
Income tax expense								**(11)**
Profit/(loss) from continuing operations								**40**
Recurring EBITDA (1)	**52**	**28**	**27**	**53**	**20**	**13**	**(25)**	**168**

*Unaudited

(1) Recurring EBITDA: Operating profit or loss before net depreciation, amortization and impairment, restructuring costs and other operating income and expenses.
(2) “Corporate and Other” mainly corresponds to the Salicylics businesses and the Trading activity, involving the purchase and resale by the Group's international sales network of products from the Group’s other segments or third-party partners in the chemicals industry. “Other revenue” is generated from incidental businesses not directly related to the other companies and mainly comprises internal and third-party industrial service sales. In addition to the net profit from these activities, operating profit comprises the expenses of the Group’s Corporate functions and departments, other operating income and expenses relating to the environment and disposal gains and losses (see Note 7).

(in millions of euros)	Polyamide	Novecare	Silcea	Energy Services	Acetow	Eco Services	Corporate and Other (2)	Group
Year ended December 31, 2008								
Net sales	1,789	971	746	233	467	306	303	**4,815**
Other revenue	138	17	7	662	6	7	63	**900**
Inter-company sales - Net sales	(39)	(4)	(2)	-	-	-	(7)	**(52)**
Inter-company sales – Other revenue	(18)	(7)	(2)	(304)	(3)	(1)	(15)	**(350)**
External net sales	**1,750**	**967**	**744**	**233**	**467**	**306**	**296**	**4,763**
Other external income	120	10	5	358	3	6	48	**550**
Operating profit/(loss)	**10**	**91**	**41**	**195**	**54**	**58**	**(140)**	**309**
Share of profit/(loss) of associates	(1)							**(1)**
Profit/(loss) from financial items								**(178)**
Income tax expense								**(55)**
Profit/(loss) from continuing operations								**75**
Recurring EBITDA (1)	**142**	**127**	**106**	**213**	**84**	**72**	**(80)**	**664**

(1) Recurring EBITDA: Operating profit or loss before net depreciation, amortization and impairment, restructuring costs and other operating income and expenses.
(2) "Corporate and Othe"r mainly corresponds to the Salicylics businesses and the Trading activity, involving the purchase and resale by the Group's international sales network of products from the Group's other segments or third-party partners in the chemicals industry. "Other revenue" is generated from incidental businesses not directly related to the other companies and mainly comprises internal and third-party industrial service sales. In addition to the net profit from these activities, operating profit comprises the expenses of the Group's Corporate functions and departments, other operating income and expenses relating to the environment and disposal gains and losses (see Note 7).

6. Restructuring costs

(in millions of euros)	Quarter ended March 31,		Year ended December 31,
	2009*	**2008***	**2008**
New plans	(15)	(1)	(30)
Re-estimated costs of previous plans	2	(1)	(5)
Impairment of non-current assets	(7)	-	(4)
Impairment of current assets	-	-	(1)
Total	**(20)**	**(2)**	**(40)**

*Unaudited

Changes in the first quarter of 2009

The new measures represent a total estimated cost of €15 million and correspond to the competitiveness enhancement plans initiated for Polyamide, Silcea and Novecare and the support functions. In France, plans mainly concern the industrial sites of Belle-Etoile, Valence and Melle as well as support functions for a total of €7 million. In other countries, the new measures relate to 2 planned site closures in Asia (Novecare and Silcea) and various measures implemented to improve productivity in industrial sites and commercial and administrative functions for €8 million. Out of this total, €4 million concern measures launched in the United States.

7. Other operating income and expenses

(in millions of euros)	Quarter ended March 31,		Year ended December 31,
	2009*	2008*	2008
Net gains on disposals of non current assets	1	1	26
Environmental expenses	-	(4)	(34)
Other operating income and expenses	(7)	-	(19)
Total	**(6)**	**(3)**	**(27)**

*Unaudited

Environmental expenses are analyzed in Note 17.

The other operating expenses recognized in 2009 mainly include the impact of part of hedges (for foreign exchange derivatives) on future revenues that have been discontinued prospectively.

8. Profit/(loss) from financial items

	Quarter ended March 31,		December 31,
(in millions of euros)	2009 *	2008 *	2008
Gross interest expense on borrowings	(32)	(33)	(135)
Income from cash equivalents	2	6	20
Gains/(losses) from interest rate derivatives	-	1	(1)
Expenses on financial transactions	(2)	(4)	(3)
Discounting effects	(35)	(36)	(149)
Expected return on pension plan assets	16	22	87
Foreign exchange gains/(losses)	5	1	(3)
Proceeds from sale of available-for-sale financial assets	-	-	3
Other	1	1	3
Profit/(loss) from financial items	**(45)**	**(42)**	**(178)**
Of which:			
Finance costs	(70)	(77)	(313)
Finance income	20	34	138
Foreign exchange gains/(losses)	5	1	(3)

*Unaudited

9. Income taxes

For the period ended March 31, 2009, the tax income amounted to €8 million (€11 million tax expense for the period ended March 31, 2008), for a loss from continuing operations before tax of €136 million (income of €51 million for the period ended March 31, 2008).

(in millions of euros)	March 31, 2009*	March 31, 2008*	December 31, 2008
Current income tax expense	(10)	(14)	(49)
Deferred tax income/(expense)	18	3	(6)
Tax income / (expense)	**8**	**(11)**	**(55)**

*Unaudited

For the quarter ended March 31, 2009, the current income tax expense mainly corresponds to the income tax reported by the German and French entities (outside the French tax group).

The deferred tax income is mainly attributable to the capitalization of tax losses in Brazil in the first quarter of 2009 that management expects to recover within a reasonable timeframe.

Management has not modified its estimate of the probability of recovering the deferred tax assets relating to French and British tax groups. Thus, no new deferred tax asset was recorded for the quarter ended March 31, 2009.

10. Profit/(loss) from discontinued operations

(in millions of euros)	Quarter ended March 31,		Year ended December 31,
	2009*	**2008***	**2008**
Net sales	-	77	206
Other revenue	1	3	7
Operating expenses, net	(7)	(77)	(218)
Net finance costs	(1)	(1)	(2)
Profit/(loss) from discontinued operations before tax and gains/(losses) on disposals	**(7)**	**2**	**(7)**
Gains on disposals	-	-	41
Tax effect	-	-	(2)
Profit/(loss) from discontinued operations	**(7)**	**2**	**32**

*Unaudited

The loss from discontinued operations for the quarter ended March 31, 2009 is attributable to the disposals made before 2009. At March 31, 2008, the impacts mainly concern the disposal of the Isocyanates business in September 2008.

Disposals in 2008 and 2009

There were no disposals in the first quarters of 2009 and 2008.

Disposals in progress at March 31, 2009

At March 31, 2009, there were no disposals in progress that require classification as discontinued operations.

Notes to the consolidated balance sheet

11. Goodwill

On February 27, 2009, Rhodia purchased 100% of the privately-held Mc Intyre Group Ltd, a global manufacturer of specialty surfactants, for around €79 million. Based near Chicago and employing around 200 people, it has manufacturing facilities in the United States (Illinois) and Europe (UK), complemented by a global distribution network.
The goodwill generated by the Mc Intyre Group acquisition (Novecare) amounted to €55 million. This goodwill is provisional and will be reviewed after allocation of the fair value of the identifiable assets and liabilities.

12. Cash and cash equivalents

12.1 Analysis by type

(in millions of euros)	At March 31, 2009 *	At December 31, 2008
Cash in banks	121	122
Cash equivalents	407	370
Total	**528**	**492**

*Unaudited

12.2 Consolidated statement of cash flows

In the first quarter of 2009, discontinued operations contributed to net cash flows from operating activities in the amount of €(3) million. They did not contribute to net cash flows used by investing activities or net cash flows from financing activities.

Paid interest costs on borrowings, net of interest received on cash and cash equivalents (including impact of the interest rate hedge), totaled €26 million.

Income taxes paid in the first quarter of 2009 totaled around €9 million.

13. Equity

13.1 Share capital and additional paid-in capital

At March 31, 2009, Rhodia's share capital totaled €1,213,044,816, comprising 101,087,068 shares with a par value of €12 each.

13.2 Dividends

No dividends were paid to the shareholders of Rhodia S.A. during the quarter ended March 31, 2009.

13.3 Translation reserve

The increase in the translation reserve attributable to equity holders of Rhodia S.A. amounted to €21 million for the quarter ended March 31, 2009, primarily due to the appreciation of the Brazilian real and the US dollar against the euro.

13.4 Other movements

On March 16, 2009, the Rhodia Board of Directors approved new bonus share allotment plans for 173 beneficiaries (2 X 381,200 shares) subject to the conditions governing Rhodia's performance and the continued employment of the beneficiaries (see Note 19).

14. Borrowings

Breakdown of borrowings by type

At March 31, 2009*					
(in millions of euros)	**Amount at amortized cost (1)**	**Redemption value (2)**	**Amount at fair value (3)**	**Maturity**	**Effective rates before hedging (4) - (5)**
Bilateral credit facilities	170	170	170	2009 – 03/31/2010	Euribor + 0.9% / Euribor + 2.5% / 7%
Securitization of receivables	50	50	50	2009	0.98%
Finance lease debts	4	4	4	2010	3.10% - 3.96%
Other debts	18	18	18	2009 – 03/31/2010	< 6%
Accrued interest payable	16	16	16	-	-
Sub-total short term	**258**	**258**	**258**		
2006 EUR senior notes	1,050	1,067	556	10/15/2013	Euribor 3M + 2.75%
OCEANE bonds	516	595	304	01/01/2014	6.29%
2004 USD senior notes	4	4	4	06/01/2010	10.25%
2004 EUR senior notes	1	1	1	06/01/2010	10.5%
Other EUR notes	15	15	15	12/31/2011	Euribor 6M + 1.60%
Bilateral credit facilities	20	20	20	2010-2012	5.07% - 6.7%
Finance lease debts	6	6	6	2010-2014	3.10% - 3.96%
Other debts	8	8	8	2010-2015	< 6%
Sub-total long term	**1,620**	**1,716**	**914**		
TOTAL	**1,878**	**1,974**	**1,172**		

*Unaudited

At December 31, 2008					
(in millions of euros)	**Amount at amortized cost (1)**	**Redemption value (2)**	**Amount at fair value (3)**	**Maturity**	**Effective rates before hedging (4) - (5)**
Bilateral credit facilities	141	141	141	2009	Euribor + 0.9% / Euribor + 2.5% / 7%
Securitization of receivables	37	37	37	2009	4.30% - 4.59%
Finance lease debts	4	4	4	2009	3.10% - 3.96%
Other debts	10	10	10	2009	< 6%
Accrued interest payable	27	27	27	-	-
Sub-total short term	**219**	**219**	**219**		
2006 EUR senior notes	1,048	1,067	536	10/15/2013	Euribor 3M + 2.75%
OCEANE bonds	509	595	304	01/01/2014	6.29%
2004 USD senior notes	4	4	4	06/01/2010	10.25%
2004 EUR senior notes	1	1	1	06/01/2010	10.5%
Other EUR notes	16	16	16	12/31/2011	Euribor 6M + 1.60%
Bilateral credit facilities	21	21	21	2010-2012	5.07% - 6.7%
Finance lease debts	4	4	4	2010-2014	3.10% - 3.96%
Other debts	9	9	9	2010-2015	< 6%
Sub-total long term	**1,612**	**1,717**	**895**		
TOTAL	**1,831**	**1,936**	**1,114**		

(1) The amortized cost of the OCEANE is determined after separate recognition in equity of the share conversion option for €124 million.
(2) The amount shown for the OCEANE corresponds to the principal excluding the 13.22% redemption premium.
(3) Senior notes and OCEANE are measured on the last day of the period. The redemption price was adopted for other borrowings.
(4) Effective interest rate before impact of hedges.
(5) Libor/Euribor are mainly 1, 3 or 6 months.

15. Financial risk management

15.1 Liquidity risk management

At March 31, 2009, Rhodia's liquidity position amounted to €1,076 million, compared to €1,036 million at December 31, 2008. This liquidity position includes an undrawn credit line of €541 million in connection with Rhodia's syndicated credit facility ("RCF").

The continuation of the RCF syndicated credit facility is subject to compliance with certain financial ratios ("covenants") which are tested on a half-yearly basis.
In addition, Rhodia has no significant short-term or non-renewable credit lines.

15.2 UCITS and financial instrument risk management

Rhodia mainly invests its short-term investments with banks or financial institutions with S&P and Moody's ratings which are equal to or greater than AA- and Aa3, respectively (March 31, 2009 ratings).

Interest rate and foreign currency contracts are entered into with banks or financial institutions with S&P and Moody's ratings that belong to the Investment Grade category. In addition, most of these transactions as well as those with a maturity of more than one year are entered into with counterparties which have ratings from these agencies that are equal to or greater than A- and A2 respectively (March 31, 2009 ratings).

16. Retirement obligations and similar benefits

Compared to December 31, 2008, long-term interest rates fluctuated significantly in the United Kingdom and the United States, leading to a revaluation of the retirement obligations and other long-term employee benefits for the countries concerned.

The following discount rates were used:

	United Kingdom	United States
At March 31, 2009	**6.70%**	**7.00%**
At December 31, 2008	**6.40%**	**6.50%**

At the same time, in the United Kingdom, the long-term inflation rate increased from 2.45% at December 31, 2008 to 2.70% at March 31, 2009.

The fair value of the main plan assets in these two countries was also revalued.

The changes in assumptions (discount and inflation rate) and the revaluation of plan assets had the following impacts at March 31, 2009:

*(in millions of euros)**	**Change in assumptions**	**Revaluation of plan assets**
Actuarial gains and losses recognized in equity		
Actuarial gains on retirement obligations and other benefits	17	(87)
Obligations recognized in liabilities		
Retirement obligations	(16)	87
Other employee benefits	(1)	-
Income/(expense) recognized in profit or loss		
Other employee benefits	-	-

*Unaudited

These items mainly explain the increase in retirement obligations and similar benefits to €1,319 million at 31 March 2009, compared to €1,248 million at 31 December 2008.

17. Environmental provisions

At March 31, 2009, the discount rates used for the calculation of environmental provisions are the same as those used at December 31, 2008, as a change in rates would not have had any material impact on the provision assessment.

At March 31, 2009, environmental provisions amounted to €199 million, compared to €196 million at December 31, 2008.

At March 31, 2009, there were no significant movements in contingent environmental liabilities estimated at €183 million at December 31, 2008.

18. Claims and litigation

During the quarter ended March 31, 2009, there were no new legal disputes or significant developments in litigation existing at December 31, 2008.

19. Share-based payment

On March 16, 2009, the Rhodia Board of Directors approved new bonus share allotment plans for 173 beneficiaries (2 X 381,200 shares) subject to the conditions governing Rhodia's performance and the continued employment of the beneficiaries. The terms and conditions of these plans are as follows:

<table>
<tr><th rowspan="2"></th><th colspan="2">A Plans</th><th colspan="2">B Plans</th></tr>
<tr><th>"2+2"</th><th>"4+0"</th><th>"2+2"</th><th>"4+0"</th></tr>
<tr><td>Number of shares</td><td>279,800</td><td>101,400</td><td>279,800</td><td>101,400</td></tr>
<tr><td>Number of beneficiaries</td><td>101</td><td>72</td><td>101</td><td>72</td></tr>
<tr><td>Grant date</td><td colspan="2">March 16, 2009</td><td colspan="2">March 16, 2009</td></tr>
<tr><td>Vesting date</td><td>Minimum March 16, 2011</td><td>Minimum March 16, 2013</td><td>Minimum March 16, 2011</td><td>Minimum March 16, 2013</td></tr>
<tr><td>Holding period</td><td>Minimum March 16, 2013</td><td>-</td><td>Minimum March 16, 2013</td><td>-</td></tr>
<tr><td>Performance criteria</td><td colspan="2">CFROI (Cash Flow Return On Investments), as presented in the consolidated financial statements of the Company for the year ended December 31, 2009.</td><td colspan="2">Recurring EBITDA / net sales ratio (including CER activities) as presented in the consolidated financial statements of the Company for the year ended December 31, 2009, exceeding by 2 points the average ratio of a panel of competitors</td></tr>
<tr><td>Validation of vesting conditions</td><td colspan="2">Board of Directors</td><td colspan="2">Board of Directors</td></tr>
</table>

The expense recognized with respect to share subscription plans and bonus shares in the quarter ended March 31, 2009 totaled €1.6 million. It includes €0.2 million for the cost of the new A and B plans (assumption under which the performance criteria of both plans will be met at December 31, 2009).

20. Subsequent events

In order to guarantee the availability of the €600 million revolving credit facility until maturity on June 30, 2012, Rhodia finalized the renegotiation of the financial covenants governing this facility on April 3, 2009. The maximum leverage (consolidated net debt / adjusted recurring EBITDA), which currently stands at 4.75 for 2009, will be gradually reduced to 3. The minimum coverage (recurring EBITDA / net financial expenses), which is 2.5 for 2009, will gradually increase to 4.

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