Rhodia

Condensed consolidated financial statements

for the quarter ended March 31, 2010

Chemistry is our world, Responsibility is our way

CONTENTS

A. Consolidated statement of income

(in millions of euros)	Note	Quarter ended March 31,		Year ended December 31,
		2010*	2009*	2009
Net sales	**5**	**1,176**	**920**	**4,031**
Other revenue	5	131	146	446
Cost of sales		(1,007)	(991)	(3,684)
Administrative and selling expenses		(127)	(122)	(504)
Research and development expenditure		(18)	(18)	(73)
Restructuring costs	6	(8)	(20)	(33)
Other operating income	7	5	3	39
Other operating expenses	7	(12)	(9)	(62)
Operating profit/(loss)	**5**	**140**	**(91)**	**160**
Finance income	8	24	20	87
Finance costs	8	(66)	(70)	(287)
Foreign exchange gains/(losses)	8	-	5	10
Profit/(loss) before income tax		**98**	**(136)**	**(30)**
Income tax gain/(expense)	9	(28)	8	(71)
Profit/(loss) from continuing operations	5	70	(128)	(101)
Profit/(loss) from discontinued operations		(1)	(7)	(31)
Net profit/(loss) for the period		**69**	**(135)**	**(132)**
Attributable to:				
Equity holders of Rhodia S.A.		69	(134)	(132)
Minority interests		-	(1)	-
Earnings per share (in euros)				
Continuing and discontinued operations				
- Basic		0.70	(1.35)	(1.32)
- Diluted		0.69	(1.35)	(1.32)
Continuing operations				
- Basic		0.69	(1.28)	(1.01)
- Diluted		0.69	(1.28)	(1.01)
Weighted average number of shares before dilution		*99,934,094*	*99,294,931*	*99,888,021*
Weighted average number of shares after dilution		*100,744,100*	*99,294,931*	*100,673,945*

*** Unaudited**

B. Consolidated statement of recognized income and expense

		Quarter ended March 31,	
(in millions of euros)	**Note**	**2010***	**2009***
Net profit/(loss) for the period		69	(135)
Currency translation differences and other movements	11	65	21
Gains/(losses) arising from cash flow hedges of commodities	11	(6)	28
Gains/(losses) arising from cash flow hedges of interest rates	11	(7)	(14)
Gains/(losses) arising from cash flow hedges of foreign currency portfolios	11	(17)	20
Deferred tax on cash flow hedge recognized in equity		2	(6)
Actuarial gains/(losses) on retirement benefits	14	(41)	(70)
Deferred tax on actuarial gains/(losses)		-	(1)
Net income/(expense) directly recognized in equity	**11**	**(4)**	**(22)**
Total recognized income/(expense) for the period		**65**	**(157)**
Attributable to:			
Equity holders of Rhodia S.A.		63	(156)
Minority interests		2	(1)

*** Unaudited**

C. Consolidated balance sheet

Assets

(in millions of euros)	Note	At March 31, 2010*	At December 31, 2009
Property, plant and equipment		1,479	1,458
Goodwill		225	215
Other intangible assets		215	193
Investments in associates		12	12
Other non-current financial assets		118	118
Deferred tax assets		172	170
Non-current assets		**2,221**	**2,166**
Inventories		514	475
Income tax receivable		11	26
Trade and other receivables		789	692
Derivative financial instruments		81	113
Other current financial assets		73	100
Cash and cash equivalents	10	799	691
Assets classified as held for sale		1	3
Current assets		**2,268**	**2,100**
TOTAL ASSETS		**4,489**	**4,266**

*** Unaudited**

Equity / (Deficit) and liabilities

(in millions of euros)	Note	At March 31, 2010*	At December 31, 2009
Share capital	11	1,213	1,213
Additional paid-in capital	11	138	138
Other reserves	11	248	213
Deficit	11	(2,269)	(2,299)
Equity attributable to equity holders of Rhodia S.A.		**(670)**	***(735)***
Minority interests	11	17	16
Total equity / (Deficit)		**(653)**	**(719)**
Borrowings	12	1,661	1,655
Retirement benefits and similar obligations	14	1,508	1,459
Provisions		374	370
Deferred tax liabilities		25	28
Other non-current liabilities		50	36
Non-current liabilities		**3,618**	**3,548**
Borrowings	12	160	165
Derivative financial instruments		116	115
Retirement benefits and similar obligations	14	90	94
Provisions		164	160
Income tax payable		25	16
Trade and other payables		969	887
Current liabilities		**1,524**	**1,437**
TOTAL EQUITY / (DEFICIT) AND LIABILITIES		**4,489**	**4,266**

*** Unaudited**

D. Consolidated statement of cash flows

(in millions of euros)	Quarter ended March 31,		Year ended December 31,
	2010*	2009 *	2009
Net profit/(loss) for the period attributable to equity holders of Rhodia S.A.	**69**	**(134)**	**(132)**
Adjustments for:			
Minority interests	-	(1)	-
Depreciation and impairment of non-current assets	69	75	284
Net increase/(decrease) in provisions	(10)	-	41
Impairment of non-current financial assets	-	-	(3)
Other income and expense	10	9	36
(Gain)/loss on disposal of non-current assets	(2)	(2)	(12)
Deferred tax expense/(gain)	4	(18)	(5)
Foreign exchange losses	4	41	29
Net cash flow from operating activities before changes in working capital	**144**	**(30)**	**238**
Changes in working capital			
• (Increase)/decrease in inventories	(22)	193	231
• (Increase)/decrease in trade and other receivables	(67)	62	89
• Increase/(decrease) in trade and other payables	48	(164)	(134)
• Increase/(decrease) in other current assets and liabilities	27	64	122
Net cash from operating activities before margin calls	**130**	**125**	**546**
Margin calls (1)	7	7	(9)
Net cash from operating activities	**137**	**132**	**537**
Purchases of property, plant and equipment	(36)	(46)	(167)
Purchases of other non-current assets	(8)	(6)	(24)
Proceeds on disposals of entities, net of cash transferred, and non-current assets	3	(1)	11
Purchases of entities, net of cash acquired	-	(78)	(76)
(Purchases)/repayments of loans and financial investments	19	10	(66)
Net cash used by investing activities	**(22)**	**(121)**	**(322)**
Treasury share purchase costs	-	-	(2)
Dividends paid to minority interests	-	-	(4)
New non-current borrowings, net of costs	-	-	55
Repayments of non-current borrowings, net of costs	(7)	(16)	(80)
Net increase/(decrease) in current borrowings	(12)	36	(24)
Net cash from/(used by) financing activities	**(19)**	**20**	**(55)**
Effect of foreign exchange rate changes	**12**	**5**	**39**
Net increase/(decrease) in cash and cash equivalents	**108**	**36**	**199**
Cash and cash equivalents at the beginning of the year	691	492	492
Cash and cash equivalents at the end of the year	799	528	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.

*** Unaudited**

E. Statement of changes in equity

			Other reserves							
(in millions of euros)*	**Share capital**	**Additional paid-in capital**	**Hedge reserve**	**Translation reserve**	**Legal reserve**	**Treasury shares**	**Accumulated deficit**	**Total**	**Minority interests**	**Total**
At January 1, 2010	**1,213**	**138**	**7**	**156**	**58**	**(8)**	**(2,299)**	**(735)**	**16**	**(719)**
Dividends	-	-	-	-	-	-	-	**-**	(1)	**(1)**
Total recognized income/(expense)	-	-	(30)	63	-	-	30	**63**	2	**65**
Other movements (1)	-	-	-	-	-	2	-	**2**	-	**2**
At March 31, 2010	**1,213**	**138**	**(23)**	**219**	**58**	**(6)**	**(2,269)**	**(670)**	**17**	**(653)**

*** Unaudited**

(1) Including bonus shares for €1.6 million

			Other reserves							
(in millions of euros)*	**Share capital**	**Additional paid-in capital**	**Hedge reserve**	**Translation reserve**	**Legal reserve**	**Treasury shares**	**Accumulated deficit**	**Total**	**Minority interests**	**Total**
At January 1, 2009	**1,213**	**138**	**(49)**	**109**	**40**	**(14)**	**(1,812)**	**(375)**	**19**	**(356)**
Total recognized income/(expense)	-	-	34	21	-	-	(211)	**(156)**	(1)	**(157)**
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

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 April 27, 2010 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, 2009, as included in the reference document filed by Rhodia with the AMF on March 22, 2010.

2.2. Basis of preparation for the condensed consolidated financial statements

The condensed consolidated financial statements for the quarter ended March 31, 2010 were prepared using the same accounting methods as those adopted for the preparation of the consolidated financial statements for the year ended December 31, 2009.
The standards, interpretations and amendments adopted by the European Union at March 31, 2010 and their mandatory adoption in 2010 had no impact on the condensed consolidated financial statements for the quarter ended March 31, 2010.
In addition, according to the Group, the 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, 2009, 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 recorded pro rata to the projected annual charges provided in 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 the long-term interest (corporate bonds) and inflation rates during the first quarter of 2010 led Rhodia to revalue retirement obligations and other benefits granted to UK employees. In addition, the fair value of plan assets in the United States, the United Kingdom and Brazil was also revalued.

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, 2010.

4. Seasonality effects

The Group's activity and operating results in the quarter ended March 31, 2010 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.

Rhodia Group is organized into the following 6 enterprises, corresponding to its operating segments, whose structure is unchanged since December 31, 2009.

(in millions of euros)	Polyamide	Novecare	Silcea	Energy Services	Acetow	Eco Services	Corporate and Other (2)	Group
Quarter ended March 31, 2010*								
Net sales	486	245	187	45	129	49	38	**1,179**
Other revenue	30	3	1	133	3	1	8	**179**
Inter-company sales - Net sales	(1)	-	(1)	-	-	-	(1)	**(3)**
Inter-company sales – Other revenue	(3)	(1)	-	(42)	(1)	-	(1)	**(48)**
External net sales	**485**	**245**	**186**	**45**	**129**	**49**	**37**	**1,176**
External other revenue	27	2	1	91	2	1	7	**131**
Operating profit/(loss)	**48**	**30**	**33**	**46**	**18**	**10**	**(45)**	**140**
Profit/(loss) from financial items	-	-	-	-	-	-	-	**(42)**
Income tax expense	-	-	-	-	-	-	-	**(28)**
Profit/(loss) from continuing operations	-	-	-	-	-	-	-	**70**
Recurring EBITDA (1)	**71**	**38**	**43**	**48**	**31**	**14**	**(24)**	**221**

*** Unaudited**

(1) Recurring EBITDA: Operating profit or loss before net depreciation,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 enterprises 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 mainly 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
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**
External other revenue	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
Year ended December 31, 2009								
Net sales	1,476	827	635	189	549	211	170	**4,057**
Other revenue	108	14	6	453	12	4	39	**636**
Inter-company sales - Net sales	(18)	(2)	(2)	-	-	-	(4)	**(26)**
Inter-company sales – Other revenue	(17)	(5)	(2)	(155)	(3)	-	(8)	**(190)**
External net sales	**1,458**	**825**	**633**	**189**	**549**	**211**	**166**	**4,031**
External other revenue	91	9	4	298	9	4	31	**446**
Operating profit/(loss)	**(80)**	**54**	**34**	**135**	**104**	**53**	**(140)**	**160**
Profit/(loss) from financial items	-	-	-	-	-	-	-	**(190)**
Income tax expense	-	-	-	-	-	-	-	**(71)**
Profit/(loss) from continuing operations	-	-	-	-	-	-	-	**(101)**
Recurring EBITDA (1)	**31**	**93**	**84**	**165**	**133**	**70**	**(89)**	**487**

(1) Recurring EBITDA: Operating profit or loss before net depreciation 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 enterprises 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 mainly 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,
	2010*	2009*	2009
New plans	(2)	(15)	(24)
Re-estimated costs of previous plans	-	2	2
Depreciation and impairment of non-current assets	(3)	(7)	(11)
Impairment of current assets	(3)	-	-
Total	**(8)**	**(20)**	**(33)**

*** Unaudited**

Changes in the first quarter of 2010

The new measures represent a total estimated cost of €8 million and mainly correspond to the competitiveness enhancement plans for Acetow and Novecare.

7. Other operating income and expenses

	Quarter ended March 31,		December 31,
(in millions of euros)	2010*	2009*	2009
Net gains /(losses) on disposals of non-current assets	2	1	13
Other operating income	3	2	26
Total other operating income	**5**	**3**	**39**
Environmental expenses	(5)	-	(26)
Other operating expenses	(7)	(9)	(36)
Total other operating expenses	**(12)**	**(9)**	**(62)**

*** Unaudited**

In 2010, disposal gains mainly involve the sale of the Mississauga site (Canada).
In the first quarter of 2009, the disposal gains mainly concerned sales of real-estate assets.

In 2010, other operating income includes the changes in fair value of derivatives not qualified as hedges for operating items.

In 2010, other operating expenses comprise individually immaterial items.
In the first quarter of 2009, other operating expenses essentially concerned the derecognition of a portion of the hedges for foreign exchange derivatives on net sales.

Environmental expenses are analyzed in Note 15.

8. Profit/(loss) from financial items

	Quarter ended March 31,		December 31,
(in millions of euros)	2010*	2009*	2009
Gross interest expense on borrowings	(27)	(32)	(117)
Income from cash equivalents	3	2	12
Gains/(losses) from interest rate derivatives	-	-	(1)
Expenses on financial transactions	(3)	(2)	(18)
Discounting effects	(36)	(35)	(143)
Expected return on pension plan assets	19	16	67
Foreign exchange gains/(losses)	-	5	10
Proceeds from disposal of available-for-sale financial assets	1	-	-
Other	1	1	-
Profit/(loss) from financial items	**(42)**	**(45)**	**(190)**
Of which:			
Finance costs	(66)	(70)	(287)
Finance income	24	20	87
Foreign exchange gains/(losses)	-	5	10

*** Unaudited**

9. Income tax

For the period ended March 31, 2010, the income tax expense amounts to €(28) million (€8 million tax income for the period ended March 31, 2009*)*, for an income from continuing operations before tax of €98 million (compared to a €(136) million loss for the period ended March 31, 2009).

(in millions of euros)	March 31, 2010*	March 31, 2009*	December 31, 2009
Current income tax expense	(32)	(10)	(76)
Deferred tax income/(expense)	4	18	5
Income tax income/(expense)	**(28)**	**8**	**(71)**

*** Unaudited**

The income tax expense mainly corresponds to the income tax reported by the US and Asian entities.

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, 2010.

Notes to the consolidated balance sheet

10. Cash and cash equivalents

10.1 Analysis by type

(in millions of euros)	At March 31, 2010*	At December 31, 2009
Cash in banks	97	122
Cash equivalents	702	569
Total	**799**	**691**

*** Unaudited**

10.2 Consolidated statement of cash flows

In the first quarter of 2010, discontinued operations did not contribute to net cash flows.

Paid interest costs, net of interest received (including impact of interest rate hedging), totaled €16 million in the first quarter of 2010.

Income taxes paid totaled around €4 million in the first quarter of 2010.

11. Equity

11.1 Share capital and additional paid-in capital

At March 31, 2010, Rhodia's share capital totaled €1,213,044,816 comprising 101,087,068 shares with a par value of €12 each.

11.2 Dividends

No dividends were paid to the shareholders of Rhodia S.A. during the quarter ended March 31, 2010.

11.3 Translation reserve

The €63 million movement in the translation reserve for the quarter ended March 31, 2010, is primarily attributable to the appreciation of the US dollar and Brazilian real against the euro.

12. Borrowings

Breakdown of borrowings by type

At March 31, 2010*					
(in millions of euros)	Amount at amortized cost (1)	Redemption value (2)	Amount at fair value (3)	Maturity	Effective rates before hedging (4) - (5)
2004 USD senior notes	4	4	4	06/01/2010	10.25%
2004 EUR senior notes	1	1	1	06/01/2010	10.50%
Bilateral credit facilities	79	79	79	2010-2011/03	4% - 9%
Securitization of receivables	52	52	52	2010	2.94%
Other debts	10	10	10	2010-2011	< 7%
Accrued interest payable	15	15	15	-	-
Sub-total short term	**160**	**160**	**160**		
2006 EUR senior notes	1,022	1,035	997	10/15/2013	Euribor 3M + 2.75%
OCEANE	546	595	568	01/01/2014	6.29%
Other EUR notes	15	15	15	12/31/2011	Euribor 6M + 1.60%
Bilateral credit facilities	66	66	66	2011-2014	4% - 9%
Finance lease debts	5	5	5	2012-2019	3.56% - 11.25%
Other debts	7	7	7	2011-2018	< 7%
Sub-total long term	**1,661**	**1,723**	**1,658**		
Total	**1,821**	**1,883**	**1,818**		

*** Unaudited**

At December 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)
2004 USD senior notes	4	4	4	06/01/2010	10.25%
2004 EUR senior notes	1	1	1	06/01/2010	10.50%
Bilateral credit facilities	91	91	91	2010	4% - 9%
Securitization of receivables	41	41	41	2010	3.62%
Other debts	12	12	12	2010	< 7%
Accrued interest payable	16	16	16	-	-
Sub-total short term	**165**	**165**	**165**		
2006 EUR senior notes	1,021	1,035	966	10/15/2013	Euribor 3M + 2.75%
OCEANE	538	595	528	01/01/2014	6.29%
Other EUR notes	15	15	15	12/31/2011	Euribor 6M + 1.60%
Bilateral credit facilities	69	69	69	2011-2014	4% - 9%
Finance lease debts	5	5	5	2012-2019	3.56% - 11.25%
Other debts	7	7	7	2011-2018	< 7%
Sub-total long term	**1,655**	**1,726**	**1,590**		
Total	**1,820**	**1,891**	**1,755**		

(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 the 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.

13. Financial risk management

13.1 Liquidity risk management

At March 31, 2010, Rhodia's liquidity position amounts to €1,397 million, compared to €1,318 million at December 31, 2009. This liquidity position includes an undrawn credit line of €539 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 covenants which are tested on a half-yearly basis.

In addition, Rhodia has no significant short-term or non-renewable credit lines.

13.2 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 A+ and Aa3, respectively (March 31, 2010 ratings).

Interest rate and currency contracts are carried out 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 carried out with counterparties which have ratings from these agencies that are equal to or greater than A- and A1, respectively (March 31, 2010 ratings).

14. Retirement benefits and similar obligations

Compared to December 31, 2009, the fluctuations in long-term interest rates in the United Kingdom led to a revaluation of the retirement obligations and other long-term employee benefits for this country.

The discount rate used for the United Kingdom was 5.50% at March 31, 2010, compared to 5.70% at December 31, 2009.

At the same time, in the United Kingdom, the long-term inflation rate increased from 3.50% at December 31, 2009 to 3.60% at March 31, 2010.

The fair value of the main plan assets in the United Kingdom, the United States and Brazil was also revalued.

At March 31, 2010, the actuarial gains and losses recognized in equity amount to €(41) million, and correspond to a €(46) million negative impact from changes in assumptions (discount and inflation rate) and a €5 million positive impact attributable to the revaluation of plan assets .

These items mainly explain the increase in retirement benefits and similar obligations to €1,598 million at March 31, 2010, compared to €1,553 million at December 31, 2009.

15. Environmental provisions

At March 31, 2010, the discount rates used for the calculation of environmental provisions are the same as those used at December 31, 2009, as a change in rates would not have had any material impact on the provision assessment.

At March 31, 2010, environmental provisions amounts to €248 million, compared to €239 million at December 31, 2009, mainly due to an additional provision of €5 million for the Brazilian sites.

At March 31, 2010, there were no significant movements in contingent environmental liabilities estimated at €181 million at December 31, 2009.

16. Claims and litigation

During the quarter ended March 31, 2010, there were no new major legal disputes or significant developments in litigation existing at December 31, 2009.

17. Subsequent events

A new bonus share plan for 252 participants (2 X 505,435 shares) subject to the Group performance criteria and the continued employment of the participants was initiated on April 27, 2010, pursuant to the Board of Directors' decision of February 2010.