

Paris - July 31, 2007

**Strong second quarter results**

Net Sales up 6.8% to 1,293 million  
 Recurring EBITDA\* up 22% to 203 million versus 167 million in the second quarter 2006  
 Recurring EBITDA margin up to 15.7% versus 13.8% in the second quarter 2006  
 Operating Profit up 32% to 119 million from 90 million in the second quarter 2006  
 Net Profit of 3 million versus 77 million in the second quarter 2006 in spite of exceptional items  
 A positive Free Cash Flow of 83 million versus (32) million in the second quarter 2006

**Key highlights**

Strong demand levels across most markets with volumes up 7%  
 Solid pricing +5% continues to compensate for the increase in raw material costs  
 Alumina washcoat business acquisition announced, to complement Rhodia's position in the fast growing automotive emissions control market  
 Start-up of the new Diphenols plant in China to enhance Rhodia Organics' leadership position  
 Major refinancing completed with reimbursement of all outstanding high cost high yield debt

*"The growth momentum of our recurring EBITDA has continued in the second quarter, driven by strong sales across most of our businesses" said Rhodia Chief Executive Officer Jean-Pierre Clamadieu. He added: "We expect demand levels to remain favorable for the rest of the year in a context of high raw material costs and an unfavorable foreign exchange environment. We are confident that we will deliver our 2007 objectives."*

**Summary income statement (unaudited)**

| In million                                 | Q2 2006 | Q2 2007 | % Variation |
|--|---------|---------|-------------|
| Net Sales                                  | 1,211   | 1,293   | +6.8%       |
| Recurring EBITDA*                          | 167     | 203     | +22%        |
| Recurring EBITDA margin on Net Sales       | 13.8%   | 15.7%   | -           |
| Operating Profit                           | 90      | 119     | +32%        |
| Profit from continuing operations          | 83      | 10      | -           |
| Profit/(loss) from discontinued operations | (5)     | (6)     | -           |
| Net Profit Group Share                     | 77      | 3       | -           |

\* Before restructuring and other operating income and expenses

**1. Strong increase in Operating Profit**

**Net Sales** rose strongly by 6.8% to 1,293 million in the second quarter of 2007, from 1,211 million a year earlier. This increase was driven by 7% volume growth and a 5% positive impact from price increases. Foreign exchange had a 4% negative impact, due to the continued weakness of the US Dollar.

**Recurring EBITDA** climbed 22% to 203 million, including 29 million of recurring EBITDA generated by CER (Certified Emission Reduction) sales. The **recurring EBITDA margin** rose to 15.7% in the second quarter 2007 from 13.8% in the second quarter 2006; chemical business margins were at 13.9% versus 13.8% a year earlier. Recurring EBITDA margins grew strongly in Novicare, Silcea and Organics. Polyamide's recurring EBITDA margin was impacted by the major maintenance shutdown at Chalampé, France, which was successfully completed during the quarter. Acetow's recurring EBITDA margin was impacted by the decline of the US Dollar.

**Operating Profit** increased by 32% to 119 million, benefiting from the strong growth in recurring EBITDA.

**The Financial Result** totaled a negative 85 million, being impacted by non-recurring costs of 34 million relating to the reimbursement of all outstanding high cost High Yield debt. Including the above items and an exceptional charge of 26 million related to Nylstar, the **Net Profit Group Share** for the second quarter 2007 totaled 3 million, compared to a profit of 77 million in the second quarter 2006, which was favorably impacted by a 60 million recognition of US deferred tax assets.

**2. A positive Free Cash Flow and further Net Debt reduction**

**Operating Cash Flow** totaled 136 million in the second quarter 2007.

The ratio of **Working Capital Requirements on total sales** stood at 12.9%. **Capital Expenditure** totaled 76 million in the second quarter.

**Free Cash Flow\*** was 83 million, versus (32) million in the second quarter 2006.

**Consolidated Net Debt** totaled 1,648 million on June 30, 2007, a 144 million decrease from March 31, 2007.

\* Defined as "net cash provided by operating activities" plus "non recurring refinancing cash costs" minus Capital Expenditure"

### **3. Delisting of ADRs from the New York Stock Exchange**

Rhodia intends to apply for the voluntary delisting of its American Depositary Receipts (ADRs) from the (NYSE) and the voluntary deregistration of its ADRs and USD bonds under the US Securities Exchange Act of 1934. It is expected that the delisting should occur in the fall of 2007.

The Group will maintain a Level 1 ADR program which trades in the US Over-the-Counter market (OTC). This will enable investors to retain ADR holdings.

Rhodia remains committed to developing its communication with North American investors who represent a significant part of its shareholder structure. Rhodia will continue to apply high standards of financial reporting and will maintain and enforce strict levels of internal control throughout the Group.

### **4. Key business priorities for the second half of 2007**

Rhodia's priority is to develop businesses in which it holds strong leadership positions with excellent operating performance and strong pricing power.

**Polyamide** will build up its Intermediates production base in Asia with the start up of its polymerization unit in Onsan (South Korea), in Q4 2007. It will continue to develop the Engineering Plastics growth engine.

**Novicare** will prioritize growth and development of new products.

**Acetow** will launch of cost-competitiveness improvement initiatives to deal with an unfavorable foreign exchange environment.

**Silcea** will focus on growth at current margin levels.

**Organics** will continue restructuring in Fine Organics and pursue its productivity plan in Isocyanates while strengthening its position in Diphenols with the ramp up of its new Chinese plant.

**Energy Services** has hedged all forward CER sales for the second half of 2007 at 14.4/ton.

### **5. Outlook**

The level of demand remains favorable, with strong volumes and a solid pricing power, in an environment still influenced by high raw material and energy costs and the weakness of the US dollar.

Rhodia confirms its 2007 outlook of strong growth in recurring EBITDA and generation of positive Free Cash Flow.

This press release contains elements that are not historical facts including, without limitation, certain statements on future expectations and other forward-looking statements. Such statements are based on managements current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those anticipated.

***Rhodia**, a chemist, leader in its businesses, is an international industrial group resolutely committed to sustainable development. The Group aims to improve its customers' performance through the pursuit of operational excellence and its ability to innovate. Structured around seven Enterprises, Rhodia is the partner of major players in the automotive, tire, electronics, perfume, health and beauty and home care markets. The Group generated sales of 4.8 billion in 2006 and employs around 16,000 people worldwide. Rhodia is listed on the Paris and New York stock exchanges.*

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### **Results Fact Sheet: Q2 & H1 2007**

| <b>Income Statement</b>               |                            |                            |                  |                            |                            |                  |
|---------------------------------------|----------------------------|----------------------------|------------------|----------------------------|----------------------------|------------------|
| <b>million</b>                        | <b>Q2*<br/>2006</b>        | <b>Q2*<br/>2007</b>        | <b>Variation</b> | <b>H1<br/>2006</b>         | <b>H1<br/>2007</b>         | <b>Variation</b> |
| <b>Net Sales</b>                      | <b>1 211</b>               | <b>1 293</b>               | <b>6,8%</b>      | <b>2 414</b>               | <b>2 553</b>               | <b>5,8%</b>      |
| Other revenue                         | 93                         | 87                         | (6,5)%           | 247                        | 240                        | (2,8)%           |
| <b>Recurring EBITDA</b>               | <b>167</b>                 | <b>203</b>                 | <b>21,6%</b>     | <b>328</b>                 | <b>408</b>                 | <b>24,4%</b>     |
| <b>Recurring EBITDA<br/>Margin **</b> | <b>13,8%<sup>(1)</sup></b> | <b>15,7%<sup>(1)</sup></b> |                  | <b>13,6%<sup>(1)</sup></b> | <b>16,0%<sup>(1)</sup></b> |                  |
| Depreciation & Amortization           | (72)                       | (70)                       |                  | (153)                      | (144)                      |                  |
| Other Gains and Losses                | 2                          | (12)                       |                  | (4)                        | 7                          |                  |

|   |           |            |              |            |            |              |
|---|-----------|------------|--------------|------------|------------|--------------|
| Restructuring Costs                             | (7)       | (2)        |              | (12)       | (22)       |              |
| <b>Operating Profit</b>                         | <b>90</b> | <b>119</b> | <b>32.2%</b> | <b>159</b> | <b>249</b> | <b>56.6%</b> |
| Financial Results                               | (52)      | (85)       |              | (109)      | (203)      |              |
| <b>Profit/(loss) before income tax</b>          | <b>38</b> | <b>34</b>  |              | <b>50</b>  | <b>46</b>  |              |
| Income tax                                      | 45        | (24)       |              | 34         | (50)       |              |
| <b>Profit/(loss) from continuing operations</b> | <b>83</b> | <b>10</b>  |              | <b>84</b>  | <b>(4)</b> |              |
| Profit/(loss) from discontinued operations      | (5)       | (6)        |              | (41)       | 68         |              |
| <b>Net Profit/(loss)</b>                        | <b>78</b> | <b>4</b>   |              | <b>43</b>  | <b>64</b>  |              |
| <b>Net Profit/(loss) (Group Share)</b>          | <b>77</b> | <b>3</b>   |              | <b>41</b>  | <b>62</b>  |              |
| Minority interests                              | 1         | 1          |              | 2          | 2          |              |

(1) Recurring EBITDA margin for Chemical business 13.9% vs 13.8% in Q2 06, 14% vs 13.6% in H1 06

| Q2*                           | Net Sales           |                  |          | Recurring EBITDA |          |          | Operating Profit |          |
|-------------------------------|---------------------|------------------|----------|------------------|----------|----------|------------------|----------|
|                               | million             | Q2* 2006         | Q2* 2007 | Variation        | Q2* 2006 | Q2* 2007 | Variation        | Q2* 2006 |
| <b>RHODIA</b>                 | 1 211               | 1 293            | 6,8%     | 167              | 203      | 21,6%    | 90               | 119      |
| <b>POLYAMIDE</b>              | 478                 | 509              | 6,5%     | 77               | 75       | (2,6)%   | 51               | 26       |
| <b>ACETOW</b>                 | 113                 | 113              |          | 26               | 22       | (15,4)%  | 21               | 15       |
| <b>NOVE CARE</b>              | 239                 | 247              | 3,3%     | 26               | 33       | 26,9%    | 17               | 23       |
| <b>SILCEA</b>                 | 103                 | 113              | 9,7%     | 17               | 23       | 35,3%    | 11               | 15       |
| <b>ECO SERVICES</b>           | 60                  | 56               | (6,7)%   | 23               | 22       | (4,3)%   | 19               | 18       |
| <b>ORGANICS</b>               | 229                 | 209              | (8,7)%   | 21               | 23       | 9,5%     | 8                | 19       |
| <b>ENERGY SERVICES</b>        |                     | 41               |          | 3                | 31       |          | 3                | 30       |
| <b>CORPORATE &amp; Others</b> | (11) <sup>(1)</sup> | 5 <sup>(1)</sup> |          | (26)             | (26)     |          | (40)             | (27)     |

| H1               | Net Sales |         |         | Recurring EBITDA |         |         | Operating Profit |         |
|------------------|-----------|---------|---------|------------------|---------|---------|------------------|---------|
|                  | million   | H1 2006 | H1 2007 | Variation        | H1 2006 | H1 2007 | Variation        | H1 2006 |
| <b>RHODIA</b>    | 2 414     | 2 553   | 5,8%    | 328              | 408     | 24,4%   | 159              | 249     |
| <b>POLYAMIDE</b> | 942       | 990     | 5,1%    | 134              | 142     | 6,0%    | 83               | 68      |

|                    |                     |                  |        |      |      |         |      |      |
|--------------------|---------------------|------------------|--------|------|------|---------|------|------|
| ACETOW             | 222                 | 215              | (3,2)% | 56   | 42   | (25,0)% | 42   | 27   |
| NOVE CARE          | 485                 | 490              | 1,0%   | 55   | 63   | 14,5%   | 38   | 46   |
| SILCEA             | 206                 | 230              | 11,7%  | 32   | 47   | 46,9%   | 18   | 33   |
| ECO SERVICES       | 116                 | 108              | (6,9)% | 37   | 36   | (2,7)%  | 26   | 28   |
| ORGANICS           | 461                 | 429              | (6,9)% | 38   | 44   | 15,8%   | 12   | 33   |
| ENERGY SERVICES    |                     | 84               |        | 25   | 83   |         | 20   | 77   |
| CORPORATE & Others | (18) <sup>(1)</sup> | 7 <sup>(1)</sup> |        | (49) | (49) |         | (80) | (63) |

(1) including intercompany sales elimination

| Net Financial Debt |               |               |  |
|--------------------|---------------|---------------|--|
| Dec. 31. 2006      | Mar. 31. 2007 | Jun. 30. 2007 |  |
| 1 949              | 1 792         | 1 648         |  |
|                    |               |               |  |

| 2007 outlook  | 2008 targets   |
|---|--|
| <p>Strong growth in Recurring EBITDA</p> <p>Positive Free Cash Flow</p> | <p>Recurring EBITDA Margin** &gt; 15% for the Chemical business</p> <p>Establishing &amp; maintaining a sound financial structure with a Net Debt / Recurring EBITDA ratio below 2</p> |

\* Unaudited

\*\* Calculated as Recurring EBITDA / Net Sales

#### Results Fact Sheet: Q2 2007

(all figures are in million after discontinued operations)

|             |  |
|-------------|--|
| o POLYAMIDE | <p>Chalampé back on stream as scheduled after maintenance shutdown</p> <p>Strong volumes driven by Asia and Brazil</p> <p>Solid pricing in local currency offsets raw material cost increases</p>  |
| o ACETOW    | <p>Negative Forex transaction due to US Dollar decline Currency hedging:</p> <p>H107 at \$1.29/ &amp; H207 at \$1.34/ vs \$ 1.18/ for FY2006</p> <p>Price rises in local currency offset raw material cost increases</p> <p>Q2 volumes higher vs Q1 2007</p> |
| o NOVE CARE | <p>Significant volume growth across all markets</p> <p>Favorable pricing trends and lower variable costs due to enhanced operational performance</p> <p>Negative Forex conversion does not impact margins</p>  |
| o SILCEA    | <p>Significant volume growth in both Silica Systems (tyres) and Rare Earths (catalysis)</p> <p>Recurring EBITDA margin demonstrates strength of strategic position</p>   |
|             | <p>Sulphuric acid sales drive volume growth</p>  |

|                   |   |
|-------------------|---|
| o ECO SERVICES    | Lower natural gas prices reflected through lower selling prices compared to Q2 2006<br>Negative Forex conversion does not impact margins  |
| o ORGANICS        | Excellent Diphenol performance with strong volumes and pricing.<br>Favourable trends in Isocyanates (HDI)<br>Continuing restructuring and reorganization initiatives deliver significant fixed cost savings |
| o ENERGY SERVICES | 41m net sales with 29m recurring EBITDA generated from CERs, after production, selling and Group service costs<br>Usual seasonal lapse in other activities (Cogeneration, Energy purchasing)                |

| million   | Net Sales Q2* 2006 | Scope | Foreign Exchange conversion | Volume & mix | Selling Price | Foreign Exchange transaction effect | Net Sales Q2* 2007 |
|---|--------------------|-------|-----------------------------|--------------|---------------|-------------------------------------|--------------------|
| RHODIA  | 1 211              | (17)  | (21)                        | 82           | 65            | (27)                                | 1 293              |
| POLYAMIDE   | 478                | (12)  | 0                           | 16           | 45            | (18)                                | 509                |
| ACETOW  | 113                | 3     | (2)                         | (1)          | 6             | (6)                                 | 113                |
| NOVE CARE   | 239                | 0     | (8)                         | 15           | 1             | 0                                   | 247                |
| SILCEA  | 103                | 0     | (3)                         | 6            | 8             | (1)                                 | 113                |
| ECO SERVICES  | 60                 | (1)   | (4)                         | 3            | (2)           | 0                                   | 56                 |
| ORGANICS  | 229                | (20)  | (4)                         | 0            | 6             | (2)                                 | 209                |
| ENERGY SERVICES   | 0                  | 0     | 0                           | 41           | 0             | 0                                   | 41                 |
| CORPORATE & Others including intercompany sales elimination | (11)               | 13    | 0                           | 2            | 1             | 0                                   | 5                  |

| million         | Recurring EBITDA Q2* 2006 | Scope | Foreign Exchange conversion | Volume & mix | Selling Price** | Raw materials & Energy | Fixed Costs | Recurring EBITDA Q2* 2007 | Recurring EBITDA Margin*** Q2* 2007 |
|-----------------|---------------------------|-------|-----------------------------|--------------|-----------------|------------------------|-------------|---------------------------|-------------------------------------|
| RHODIA          | 167                       | (5)   | (3)                         | 53           | 36              | (38)                   | (7)         | 203                       | 15,7%                               |
| POLYAMIDE       | 77                        | (2)   | 0                           | 6            | 26 <sup>a</sup> | (30) <sup>a</sup>      | (2)         | 75                        | 14,7%                               |
| ACETOW          | 26                        | 0     | 0                           | 0            | 0 <sup>b</sup>  | (3) <sup>b</sup>       | (1)         | 22                        | 19,5%                               |
| NOVE CARE       | 26                        | (1)   | (2)                         | 7            | 2               | 3                      | (2)         | 33                        | 13,4%                               |
| SILCEA          | 17                        | 1     | 0                           | 5            | 7               | (6)                    | (1)         | 23                        | 20,4%                               |
| ECO SERVICES    | 23                        | 0     | (2)                         | 2            | (1)             | 1                      | (1)         | 22                        | 39,3%                               |
| ORGANICS        | 21                        | (3)   | 0                           | (2)          | 3               | (3)                    | 7           | 23                        | 11,0%                               |
| ENERGY SERVICES | 3                         | 0     | 0                           | 35           | 0               | (1)                    | (6)         | 31                        |                                     |

|                    |      |   |   |   |     |   |     |      |  |
|--------------------|------|---|---|---|-----|---|-----|------|--|
| CORPORATE & Others | (26) | 0 | 1 | 0 | (1) | 1 | (1) | (26) |  |
|--------------------|------|---|---|---|-----|---|-----|------|--|

\* Unaudited \*\*Including foreign exchange transaction effect \*\*\* Calculated as recurring EBITDA / Net Sales

<sup>a</sup>: Polyamide: Local currency price increases +43m , Local currency raw material costs -42m

<sup>b</sup>: Acetow: Local currency price increases +5m , Local currency raw material costs -5m

#### Results Fact Sheet: H1 2007

(all figures are in million after discontinued operations)

| million   | Net Sales<br>H1 2006 | Scope | Foreign<br>Exchange<br>conversion | Volume<br>& mix | Selling<br>Price | Foreign<br>Exchange<br>transaction<br>effect | Net Sales<br>H1 2007 |
|---|----------------------|-------|-----------------------------------|-----------------|------------------|--|----------------------|
| RHODIA  | 2 414                | (30)  | (61)                              | 145             | 128              | (43)   | 2 553                |
| POLYAMIDE   | 942                  | (21)  | (12)                              | 19              | 88               | (26)   | 990                  |
| ACETOW  | 222                  | 5     | (4)                               | (7)             | 10               | (11)   | 215                  |
| NOVE CARE   | 485                  | (3)   | (19)                              | 27              | 1                | (1)  | 490                  |
| SILCEA  | 206                  | 0     | (7)                               | 16              | 17               | (2)  | 230                  |
| ECO SERVICES  | 116                  | 0     | (9)                               | 6               | (5)              | 0  | 108                  |
| ORGANICS  | 461                  | (35)  | (9)                               | (1)             | 16               | (3)  | 429                  |
| ENERGY SERVICES   | 0                    | 0     | 0                                 | 84              | 0                | 0  | 84                   |
| CORPORATE<br>& Others<br>including<br>intercompany<br>sales elimination | (18)                 | 24    | (1)                               | 1               | 1                | 0  | 7                    |

| million            | Recurring<br>EBITDA<br>H1 2006 | Scope | Foreign<br>Exchange<br>conversion | Volume<br>& mix | Selling Price*   | Raw<br>materials<br>& Energy | Fixed Costs | Recurring<br>EBITDA<br>H1 2007 | Recurr<br>EBITD<br>Margir<br>H1 2007 |
|--------------------|--------------------------------|-------|-----------------------------------|-----------------|------------------|------------------------------|-------------|--------------------------------|--------------------------------------|
| RHODIA             | 328                            | (7)   | (8)                               | 99              | 80               | (59)                         | (25)        | 408                            | 16,0%                                |
| POLYAMIDE          | 134                            | (4)   | (1)                               | 6               | 59 <sup>a</sup>  | (45) <sup>a</sup>            | (7)         | 142                            | 14,3%                                |
| ACETOW             | 56                             | (1)   | (1)                               | (3)             | (1) <sup>b</sup> | (5) <sup>b</sup>             | (3)         | 42                             | 19,5%                                |
| NOVE CARE          | 55                             | (1)   | (4)                               | 12              | 1                | 4                            | (4)         | 63                             | 12,9%                                |
| SILCEA             | 32                             | 3     | (1)                               | 12              | 14               | (11)                         | (2)         | 47                             | 20,4%                                |
| ECO<br>SERVICES    | 37                             | (1)   | (3)                               | 4               | (4)              | 4                            | (1)         | 36                             | 33,3%                                |
| ORGANICS           | 38                             | (3)   | (1)                               | (6)             | 12               | (4)                          | 8           | 44                             | 10,3%                                |
| ENERGY<br>SERVICES | 25                             | 0     | 0                                 | 74              | 0                | (3)                          | (13)        | 83                             |                                      |

|                    |      |   |   |   |     |   |     |      |
|--------------------|------|---|---|---|-----|---|-----|------|
| CORPORATE & Others | (49) | 0 | 3 | 0 | (1) | 1 | (3) | (49) |
|--------------------|------|---|---|---|-----|---|-----|------|

\*Including foreign exchange transaction effect \*\* Calculated as recurring EBITDA/ Net Sales

<sup>a</sup>: Polyamide: Local currency price increases +84m , Local currency raw material costs -62m

<sup>b</sup>: Acetow: Local currency price increases +9m , Local currency raw material costs -9m

#### Results Fact Sheet: Quarterly results

| RHODIA           | Q1*<br>2006 | Q1*<br>2007  | Q2*<br>2006 | Q2*<br>2007  | H1<br>2006 | H1<br>2007   | Q3*<br>2006 | Q4*<br>2006 | FY<br>2006 |
|------------------|-------------|--------------|-------------|--------------|------------|--------------|-------------|-------------|------------|
| ( M )            |             |              |             |              |            |              |             |             |            |
| Net Sales        | 1 203       | <b>1 260</b> | 1 211       | <b>1 293</b> | 2 414      | <b>2 553</b> | 1 179       | 1 217       | 4 810      |
| Recurring EBITDA | 161         | <b>205</b>   | 167         | <b>203</b>   | 328        | <b>408</b>   | 160         | 195         | 683        |
| % Sales**        | 13,4%       | <b>16,3%</b> | 13,8%       | <b>15,7%</b> | 13,6%      | <b>16,0%</b> | 13,6%       | 16,0%       | 14,2%      |
| Operating Profit | 69          | <b>130</b>   | 90          | <b>119</b>   | 159        | <b>249</b>   | 112         | 88          | 359        |
|                  |             |              |             |              |            |              |             |             |            |
| <b>POLYAMIDE</b> |             |              |             |              |            |              |             |             |            |
| ( M )            |             |              |             |              |            |              |             |             |            |
| Net Sales        | 464         | <b>481</b>   | 478         | <b>509</b>   | 942        | <b>990</b>   | 479         | 501         | 1 922      |
| Recurring EBITDA | 57          | <b>67</b>    | 77          | <b>75</b>    | 134        | <b>142</b>   | 69          | 81          | 284        |
| % Sales**        | 12,3%       | <b>13,9%</b> | 16,1%       | <b>14,7%</b> | 14,2%      | <b>14,3%</b> | 14,4%       | 16,2%       | 14,8%      |
| Operating Profit | 32          | <b>42</b>    | 51          | <b>26</b>    | 83         | <b>68</b>    | 46          | 43          | 172        |
|                  |             |              |             |              |            |              |             |             |            |
| <b>ACETOW</b>    |             |              |             |              |            |              |             |             |            |
| ( M )            |             |              |             |              |            |              |             |             |            |
| Net Sales        | 109         | <b>102</b>   | 113         | <b>113</b>   | 222        | <b>215</b>   | 108         | 117         | 447        |
| Recurring EBITDA | 30          | <b>20</b>    | 26          | <b>22</b>    | 56         | <b>42</b>    | 28          | 24          | 108        |
| % Sales**        | 27,5%       | <b>19,6%</b> | 23,0%       | <b>19,5%</b> | 25,2%      | <b>19,5%</b> | 25,9%       | 20,5%       | 24,2%      |
| Operating Profit | 21          | <b>12</b>    | 21          | <b>15</b>    | 42         | <b>27</b>    | 20          | 16          | 78         |
|                  |             |              |             |              |            |              |             |             |            |
| <b>NOVECARE</b>  |             |              |             |              |            |              |             |             |            |
| ( M )            |             |              |             |              |            |              |             |             |            |
| Net Sales        | 246         | <b>243</b>   | 239         | <b>247</b>   | 485        | <b>490</b>   | 229         | 222         | 936        |
| Recurring EBITDA | 29          | <b>30</b>    | 26          | <b>33</b>    | 55         | <b>63</b>    | 28          | 27          | 110        |
| % Sales**        | 11,8%       | <b>12,3%</b> | 10,9%       | <b>13,4%</b> | 11,3%      | <b>12,9%</b> | 12,2%       | 12,2%       | 11,8%      |
| Operating Profit | 21          | <b>23</b>    | 17          | <b>23</b>    | 38         | <b>46</b>    | 20          | 18          | 76         |

|   |       |              |       |              |       |              |       |       |       |
|---|-------|--------------|-------|--------------|-------|--------------|-------|-------|-------|
| <b>SILCEA</b>                                     |       |              |       |              |       |              |       |       |       |
| <b>( M )</b>                                      |       |              |       |              |       |              |       |       |       |
| <b>Net Sales</b>                                  | 103   | <b>117</b>   | 103   | <b>113</b>   | 206   | <b>230</b>   | 98    | 108   | 412   |
| <b>Recurring EBITDA</b>                           | 15    | <b>24</b>    | 17    | <b>23</b>    | 32    | <b>47</b>    | 13    | 16    | 61    |
| <b>% Sales**</b>                                  | 14,6% | <b>20,5%</b> | 16,5% | <b>20,4%</b> | 15,5% | <b>20,4%</b> | 13,3% | 14,8% | 14,8% |
| <b>Operating Profit</b>                           | 7     | <b>18</b>    | 11    | <b>15</b>    | 18    | <b>33</b>    | 6     | 9     | 33    |
| <b>ECO SERVICES</b>                               |       |              |       |              |       |              |       |       |       |
| <b>( M )</b>                                      |       |              |       |              |       |              |       |       |       |
| <b>Net Sales</b>                                  | 56    | <b>52</b>    | 60    | <b>56</b>    | 116   | <b>108</b>   | 59    | 55    | 230   |
| <b>Recurring EBITDA</b>                           | 14    | <b>14</b>    | 23    | <b>22</b>    | 37    | <b>36</b>    | 23    | 19    | 79    |
| <b>% Sales**</b>                                  | 25,0% | <b>26,9%</b> | 38,3% | <b>39,3%</b> | 31,9% | <b>33,3%</b> | 39,0% | 34,5% | 34,3% |
| <b>Operating Profit</b>                           | 7     | <b>10</b>    | 19    | <b>18</b>    | 26    | <b>28</b>    | 18    | 14    | 58    |
| <b>ORGANICS</b>                                   |       |              |       |              |       |              |       |       |       |
| <b>( M )</b>                                      |       |              |       |              |       |              |       |       |       |
| <b>Net Sales</b>                                  | 232   | <b>220</b>   | 229   | <b>209</b>   | 461   | <b>429</b>   | 213   | 201   | 875   |
| <b>Recurring EBITDA</b>                           | 17    | <b>21</b>    | 21    | <b>23</b>    | 38    | <b>44</b>    | 14    | 22    | 74    |
| <b>% Sales**</b>                                  | 7,3%  | <b>9,5%</b>  | 9,2%  | <b>11,0%</b> | 8,2%  | <b>10,3%</b> | 6,6%  | 10,9% | 8,5%  |
| <b>Operating Profit</b>                           | 4     | <b>14</b>    | 8     | <b>19</b>    | 12    | <b>33</b>    | 6     | 13    | 31    |
| <b>ENERGY SERVICES</b>                            |       |              |       |              |       |              |       |       |       |
| <b>( M )</b>                                      |       |              |       |              |       |              |       |       |       |
| <b>Net Sales</b>                                  |       | <b>43</b>    |       | <b>41</b>    |       | <b>84</b>    | 1     | 24    | 25    |
| <b>Recurring EBITDA</b>                           | 22    | <b>52</b>    | 3     | <b>31</b>    | 25    | <b>83</b>    | 2     | 33    | 60    |
| <b>Operating Profit</b>                           | 17    | <b>47</b>    | 3     | <b>30</b>    | 20    | <b>77</b>    | 29    | 27    | 76    |
| <b>CORPORATE &amp; OTHERS</b>                     |       |              |       |              |       |              |       |       |       |
| <b>( M )</b>                                      |       |              |       |              |       |              |       |       |       |
| <b>Sales &amp; intercompany sales elimination</b> | (7)   | <b>2</b>     | (11)  | <b>5</b>     | (18)  | <b>7</b>     | (8)   | (11)  | (37)  |
| <b>Recurring EBITDA</b>                           | (23)  | <b>(23)</b>  | (26)  | <b>(26)</b>  | (49)  | <b>(49)</b>  | (17)  | (27)  | (93)  |
| <b>Operating Profit</b>                           | (40)  | <b>(36)</b>  | (40)  | <b>(27)</b>  | (80)  | <b>(63)</b>  | (33)  | (52)  | (165) |



\* Unaudited

\*\* Calculated as recurring EBITDA/ Net Sales

Consolidated income statements as of June 30, 2007

| (in millions of euros)  | Quarterended<br>June 30, |              | Half-yearended<br>June 30, |              |
|---|--------------------------|--------------|----------------------------|--------------|
|   | 2007 (*)                 | 2006 (*)     | 2007                       | 2006         |
| <b>Net sales</b>  | <b>1 293</b>             | <b>1 211</b> | <b>2 553</b>               | <b>2 414</b> |
| Other revenue   | 87                       | 93           | 240                        | 247          |
| Cost of sales   | (1 097)                  | (1 049)      | (2 218)                    | (2 174)      |
| Administrative and selling expenditure  | (126)                    | (131)        | (265)                      | (259)        |
| Research and development expenses   | (24)                     | (29)         | (46)                       | (53)         |
| Restructuring costs   | (2)                      | (7)          | (22)                       | (12)         |
| Other operating income/(expenses)   | (12)                     | 2            | 7                          | (4)          |
| <b>Operating profit</b>   | <b>119</b>               | <b>90</b>    | <b>249</b>                 | <b>159</b>   |
| Finance income  | 34                       | 30           | 66                         | 68           |
| Finance costs   | (120)                    | (84)         | (270)                      | (180)        |
| Foreign exchange gains/(losses)   | 1                        | 2            | 1                          | 3            |
| Share of profit/(losses) of associates  | -                        | -            | -                          | -            |
| <b>Profit/(loss) before income tax</b>  | <b>34</b>                | <b>38</b>    | <b>46</b>                  | <b>50</b>    |
| Income tax benefit (expense)  | (24)                     | 45           | (50)                       | 34           |
| Profit/(loss) from continuing operations  | 10                       | 83           | (4)                        | 84           |
| Profit/(loss) from discontinued operations  | (6)                      | (5)          | 68                         | (41)         |
| <b>Net Profit/(loss) for the period</b>   | <b>4</b>                 | <b>78</b>    | <b>64</b>                  | <b>43</b>    |
| Attributable to:  |                          |              |                            |              |
| <b>Equity holders of Rhodia SA</b>  | 3                        | 77           | 62                         | 41           |
| Minority interests  | 1                        | 1            | 2                          | 2            |
| <b>Earnings per share from continuing operations (in euros) basic and diluted</b> | <b>0.09</b>              | <b>0.84</b>  | <b>(0.05)</b>              | <b>0.84</b>  |
| <b>Earnings per share (in euros) basic and diluted</b>                            | <b>0.03</b>              | <b>0.79</b>  | <b>0.62</b>                | <b>0.42</b>  |
| Weighted average number of shares before dilution                                 | 100,350,875              | 98,084,867   | 100,350,069                | 98,072,359   |

|  |             |            |             |            |
|--|-------------|------------|-------------|------------|
| Weighted average number of shares after dilution | 101,432,151 | 98,284,962 | 101,359,978 | 98,295,398 |
|  |             |            |             |            |
|  |             |            |             |            |

(\*)Unaudited

Consolidated balance sheets as of June 30, 2007

| <b>Assets</b>                      |                          |                          |
|------------------------------------|--------------------------|--------------------------|
| (in millions of euros)             | <b>June 30,<br/>2007</b> | <b>December 31, 2006</b> |
| Property, plant & equipment        | 1 727                    | 1 760                    |
| Goodwill                           | 222                      | 225                      |
| Other intangible assets            | 165                      | 178                      |
| Investments in associates          | 12                       | 4                        |
| Other non-current financial assets | 116                      | 121                      |
| Deferred tax assets                | 173                      | 183                      |
| <b>Non-current assets</b>          | <b>2 415</b>             | <b>2 471</b>             |
| Inventories                        | 608                      | 620                      |
| Income tax receivable              | 17                       | 23                       |
| Trade and other receivables        | 1 034                    | 1 082                    |
| Derivative financial instruments   | 56                       | 34                       |
| Other current financial assets     | 20                       | 19                       |
| Cash and cash equivalents          | 372                      | 467                      |
| Assets classified as held for sale | 5                        | 437                      |
| <b>Current assets</b>              | <b>2 112</b>             | <b>2 682</b>             |
| <b>TOTAL ASSETS</b>                | <b>4 527</b>             | <b>5 153</b>             |

| <b>Liabilities and shareholders equity</b> |                          |                          |
|--|--------------------------|--------------------------|
| (in millions of euros)                     | <b>June 30,<br/>2007</b> | <b>December 31, 2006</b> |
| Share capital                              | 1 204                    | 1 204                    |
| Additional paid-in capital                 | 147                      | 23                       |
| Other reserves                             | 142                      | 109                      |
| Deficit                                    | (1 757)                  | (1 989)                  |

|  |              |              |
|--|--------------|--------------|
| <b>Equity attributable to equity holders of Rhodia SA</b>      | <b>(264)</b> | <b>(653)</b> |
| Minority interests   | 20           | 25           |
| <b>Total equity</b>  | <b>(244)</b> | <b>(628)</b> |
| Borrowings   | 1 663        | 2 022        |
| Retirement benefits and similar obligations                    | 1 035        | 1 227        |
| Provisions   | 319          | 306          |
| Deferred tax liabilities                                       | 39           | 32           |
| Other non-current liabilities                                  | 44           | 43           |
| <b>Non-current liabilities</b>                                 | <b>3 100</b> | <b>3 630</b> |
| Borrowings   | 376          | 413          |
| Derivative financial instruments                               | 45           | 34           |
| Retirement benefits and similar obligations                    | 77           | 98           |
| Provisions   | 137          | 147          |
| Income tax payable   | 38           | 41           |
| Trade and other payables                                       | 997          | 1 178        |
| Liabilities associated with assets classified as held for sale | 1            | 240          |
| <b>Current liabilities</b>                                     | <b>1 671</b> | <b>2 151</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                            | <b>4 527</b> | <b>5 153</b> |

**Consolidated statements of cash flows as of June 30, 2007**

|  | Quarter ended<br>June 30, |           | Half-year<br>ended June 30, |           |
|--|---------------------------|-----------|-----------------------------|-----------|
|  | 2007 (*)                  | 2006 (*)  | 2007                        | 2006      |
| (in millions of euros)   |                           |           |                             |           |
| <b>Net Profit/(loss) attributable to equity holders of Rhodia SA</b> | <b>3</b>                  | <b>77</b> | <b>62</b>                   | <b>41</b> |
| <i>Adjustments for :</i>   |                           |           |                             |           |
| Minority interests   | 1                         | 1         | 2                           | 2         |
| Depreciation, amortization and impairment of non-current assets      | 70                        | 83        | 145                         | 177       |
| Net increase/(decrease) in provisions and employee benefits          | (22)                      | (24)      | (19)                        | (46)      |
| Net increase/(decrease) in financial provisions                      | 1                         | (40)      | 1                           | 2         |

|  |             |              |              |              |
|--|-------------|--------------|--------------|--------------|
| Other income and expense   | 24          | 4            | 43           | 2            |
| (Gain)/loss on disposal of non-current assets                                | 16          | (3)          | (103)        | 19           |
| Deferred tax expense/(income)  | 4           | (56)         | 10           | (53)         |
| Foreign exchange losses/(gains)  | 5           | 16           | 6            | (3)          |
| <b>Cash flow from operating activities before changes in working capital</b> | <b>102</b>  | <b>58</b>    | <b>147</b>   | <b>141</b>   |
| <i>Changes in working capital</i>  |             |              |              |              |
| - (Increase)/decrease in inventories   | 16          | (48)         | 11           | (61)         |
| - (Increase)/decrease in trade and other receivables                         | 49          | 32           | 11           | 17           |
| - Increase/(decrease) in trade and other payables                            | (35)        | (14)         | (100)        | (74)         |
| - (Increase)/decrease in other current assets and liabilities                | 2           | 6            | 5            | (5)          |
| <b>Net cash from / (used by) operating activities</b>                        | <b>134</b>  | <b>34</b>    | <b>74</b>    | <b>18</b>    |
| Purchases of property, plant and equipment                                   | (62)        | (56)         | (130)        | (113)        |
| Purchases of other non-current assets  | (14)        | (10)         | (28)         | (19)         |
| Proceeds on disposal of non-current assets                                   | (19)        | (9)          | 269          | 32           |
| (Purchases of)/repayments of loans and financial investments                 | (2)         | 2            | (1)          | 4            |
| <b>Net cash from / (used by) investing activities</b>                        | <b>(97)</b> | <b>(73)</b>  | <b>110</b>   | <b>(96)</b>  |
| Proceeds from issue of shares, net of costs                                  | -           | 35           | -            | 35           |
| Dividends paid to minority interests   | (3)         | (2)          | (3)          | (2)          |
| New non-current borrowings, net of costs                                     | 572         | -            | 631          | 4            |
| Repayments of non-current borrowings, net of costs                           | (541)       | (6)          | (906)        | (501)        |
| Net increase/(decrease) in current borrowings                                | (100)       | (83)         | (8)          | (21)         |
| <b>Net cash from / (used by) financing activities</b>                        | <b>(72)</b> | <b>(56)</b>  | <b>(286)</b> | <b>(485)</b> |
| <b>Effect of foreign exchange rate changes</b>                               | <b>6</b>    | <b>(8)</b>   | <b>7</b>     | <b>(5)</b>   |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                  | <b>(29)</b> | <b>(103)</b> | <b>(95)</b>  | <b>(568)</b> |
| Cash and cash equivalents at the beginning of the period                     | 401         | 455          | 467          | 920          |
| Cash and cash equivalents at the end of the period                           | 372         | 352          | 372          | 352          |

\* Unaudited

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