

Rhodia S.A.

**STATUTORY AUDITORS' REPORT
ON THE EQUITY TRANSACTIONS PROVIDED FOR IN
RESOLUTIONS 6 THROUGH 8 OF THE COMBINED
SHAREHOLDERS' MEETING TO BE HELD ON MAY 18, 2011**

(Combined Shareholders' Meeting to be held on May 18, 2011)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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**STATUTORY AUDITORS' REPORT ON THE EQUITY TRANSACTIONS
PROVIDED FOR IN RESOLUTIONS 6 THROUGH 8 OF THE COMBINED
SHAREHOLDERS' MEETING TO BE HELD ON MAY 18, 2011**

(Combined Shareholders' Meeting to be held on May 18, 2011)

Rhodia S.A.

110, esplanade Charles de Gaulle
92400 Courbevoie

To the Shareholders,

In our capacity as Statutory Auditors of your Company and pursuant to the provisions of the French Commercial Code (*Code de commerce*), we hereby report to you on the transactions submitted to you for approval.

We prepared a first report on March 4, 2011 on the equity transactions proposed by the Board of Directors at its meeting of February 22, 2011 and provided for in resolutions 8 through 10 of the Combined Shareholders' Meeting to be held on May 18, 2011. A further Board of Directors' meeting, held on April 11, 2011, decided to change some of the resolutions initially proposed at the February 22, 2011 meeting. Consequently, this report replaces our report of March 4, 2011 and takes into account the changes to the numbering of resolutions 6 through 8, which are submitted to you for approval.

Capital reductions by the cancellation of the Company's shares (6th resolution)

Pursuant to Article L.225-209 of the French Commercial Code governing capital reductions through the cancellation of Company's shares, we hereby report to you on our assessment of the reasons for and the terms and conditions of the planned capital reductions.

The Board of Directors is requesting that you delegate to it, for a 24-month period effective from the date of the Combined Shareholders' Meeting, full powers to cancel the shares acquired, on one or more occasions, for a maximum amount of 10% of the Company's issued share capital by 24-month period, directly or through a representative, in the context of the implementation of the authorization for your Company to purchase its own shares, pursuant to the above mentioned Article.

We conducted the procedures we deemed necessary in accordance with professional standards applicable in France. Those standards require that we assess the appropriateness of the reasons for and the terms and conditions of the capital reductions, which are not considered to affect shareholder equality.

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We have no matters to report on the reasons for and on the terms and conditions of the planned capital reductions.

Capital increases by the issue of shares and/or equity securities reserved for participants in a corporate savings plan (*plan d'épargne d'entreprise*) (7th resolution)

Pursuant to the provisions of Articles L.225-135 *et seq.* of the French Commercial Code, we hereby report to you on the proposed delegation of authority to the Board of Directors, with the possibility to sub-delegate such authority, to increase the capital, on one or more occasions, by issuing equity securities without preemptive subscription rights, for a maximum nominal amount of €4 million and reserved for participants in a corporate savings plan of the Company and the companies or affiliated groupings within the meaning of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labor Code (*Code du travail*) which is submitted to you for approval.

These capital increases are submitted to your approval pursuant to Article L.225-129-6 of the French Commercial Code and Articles L.3332-18 *et seq.* of the French Labor Code.

Based on its report, the Board of Directors is seeking a delegation of authority, with the possibility to sub-delegate such authority, for a 26-month period effective from the date of the Combined Shareholders' Meeting, to increase the Company's issued share capital directly or through a representative, on one or several occasions, and that you waive your preemptive subscription right for the equity securities to be issued. If appropriate, it shall determine the terms and conditions for said transactions.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R.225-113, R.225-114 and R.225-117 of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the information taken from the financial statements, on the proposal to waive your preemptive subscription right and on certain other information regarding the transaction contained in this report.

We performed the procedures we deemed necessary in accordance with professional standards applicable in France. Those standards require that we verify the terms and conditions of the transaction, and the methods used to set the issue price for the equity securities, as described in the Board of Directors' report.

Subject to a subsequent examination of the issuance conditions once they have been decided, we have no matters to report as regards the methods used to set the issue price of the equity securities to be issued as set forth in the Board of Directors' report.

As the price of the equity securities to be issued has not yet been set, we do not express an opinion on the final terms and conditions of the issues and, consequently, on the proposal that you waive your preemptive subscription right.

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In accordance with Article R.225-116 of the French Commercial Code, we will prepare an additional report, as applicable, when this delegation of authority is exercised by the Board of Directors.

Capital increases by the issue of shares and/or equity securities reserved for employees of foreign entities of the Rhodia Group, not participating in a corporate savings plan (8th resolution)

Pursuant to the provisions of Articles L.225-135 *et seq.* of the French Commercial Code, we hereby report to you on the proposed delegation of authority to the Board of Directors, with the possibility to sub-delegate such authority, to increase the capital by issuing equity securities, on one or several occasions, without preemptive subscription rights and reserved for employees of foreign entities of the Rhodia Group, not participating in a corporate savings plan, as defined in the report of the Board of Directors, which is submitted to you for approval.

The maximum nominal amount of the capital increases that may be carried out pursuant to this resolution may not exceed €4 million; said amount will be included in the ceiling authorized by the 7th resolution of this Shareholders' Meeting.

The application of this resolution is closely related to the application of the 7th resolution in order to allow other Rhodia Group employees (including foreign beneficiaries) to subscribe under economically equivalent terms and conditions to those that may be offered to the employees of Rhodia S.A. and its subsidiaries located in France in connection with the capital increases carried out pursuant to the 7th resolution.

Based on its report, the Board of Directors is seeking an 18-month delegation of authority to increase the capital on one or more occasions, and that you waive your preemptive subscription right for the equity securities to be issued. If appropriate, it shall determine the terms and conditions for said issue transactions.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R.225-113, R.225-114 and R.225-117 of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the information taken from the financial statements, on the proposal to waive your preemptive subscription right and on certain other information regarding the transaction contained in this report.

We performed the procedures we deemed necessary in accordance with professional standards applicable in France. Those standards require that we verify the terms and conditions of the transaction, and the methods used to set the issue price for the equity securities, as described in the Board of Directors' report.

Subject to a subsequent examination of the terms and conditions of the issuance conditions once they have been decided, we have no matters to report as regards the methods used to set

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the issue price for the equity securities as set forth in the Board of Directors' report.

As the issue price of the equity securities to be issued has not yet been set, we do not express an opinion on the final terms and conditions of the issues and, consequently, on the proposal that you waive your preemptive subscription right.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare an additional report, as applicable, when this delegation of authority is exercised by your Board of Directors.

Neuilly-sur-Seine and Paris La Défense, April 11, 2011

The Statutory Auditors

PricewaterhouseCoopers Audit

KPMG Audit
Department of KPMG S.A.

Christian Perrier

Denis Marangé