



## Second Quarter 2007 Results



# Forward looking statements and Regulation G

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

Such statements are based on management's 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.

Copies of all recent filings, and additional information about Rhodia, are available through our web site:

<http://www.rhodia.com>

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

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

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

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



# Key Highlights

---

- Strong Q2 2007 results :
  - Strong demand levels and solid pricing power
  - Recurring EDITDA up 22% to €203m from €167m
  - Recurring EBITDA margin: 15.7% up from 13.8% in Q2 2006
  - Positive Free Cash Flow of €83m
- Profitable growth
  - Silcea's Alumina Washcoat acquisition progressing
  - Start up underway of Organic's Diphenol plant in China
- Major refinancing completed with reimbursement of all outstanding high cost high yield debt



# Q2 2007 Key Figures

€m

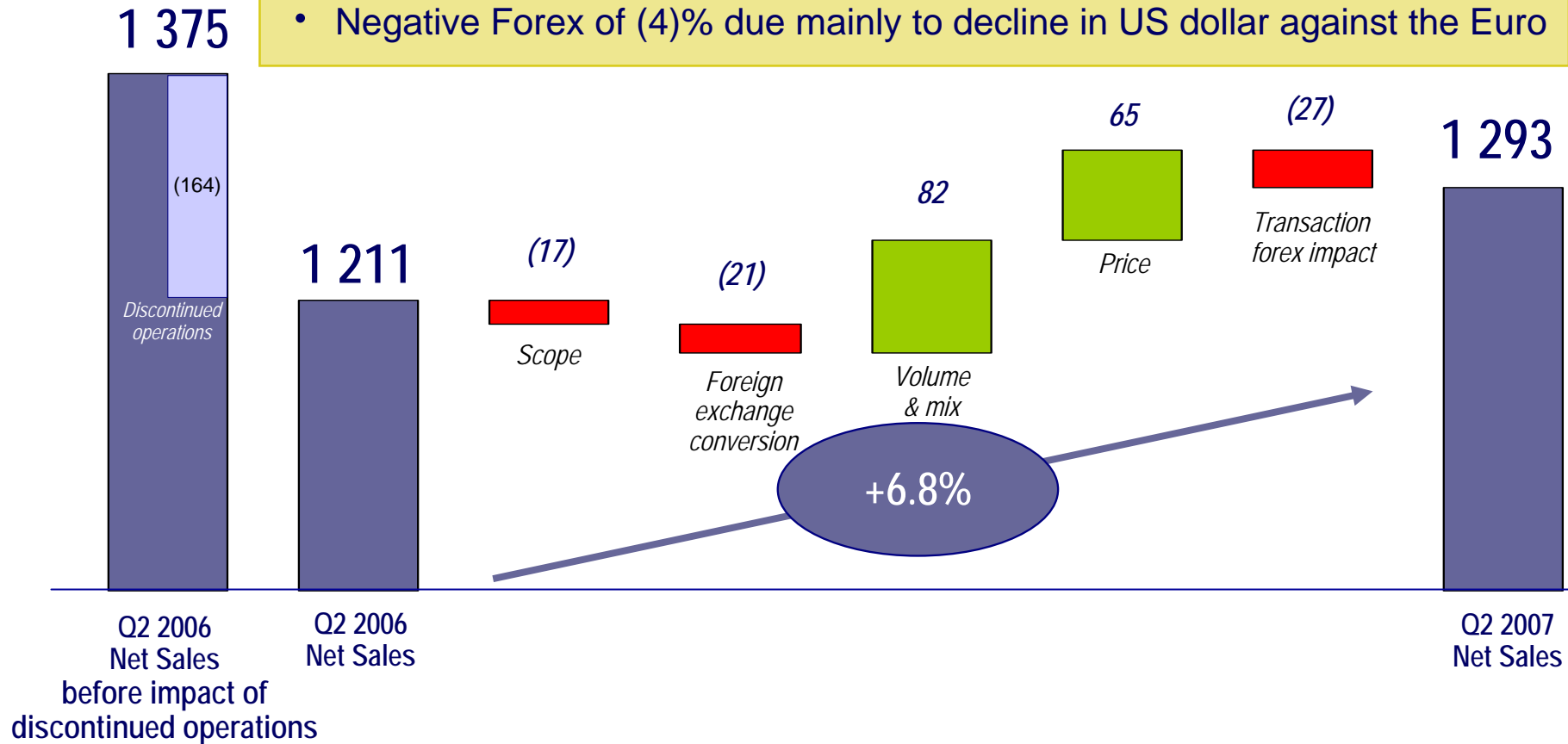
	Q2 2006	Q2 2007	Variation
Net Sales	1 211	1 293	+ 6.8%
Recurring EBITDA	167	203	+ 22%
Operating Profit	90	119	+ 32%
Profit from continuing operations	83	10	
Profit/(loss) from discontinued operations	(5)	(6)	
Net Profit group share	77	3	
	31.03.07	30.06.07	
Net Debt	1 792	1 648	



# Q2 2007 Net Sales

€m

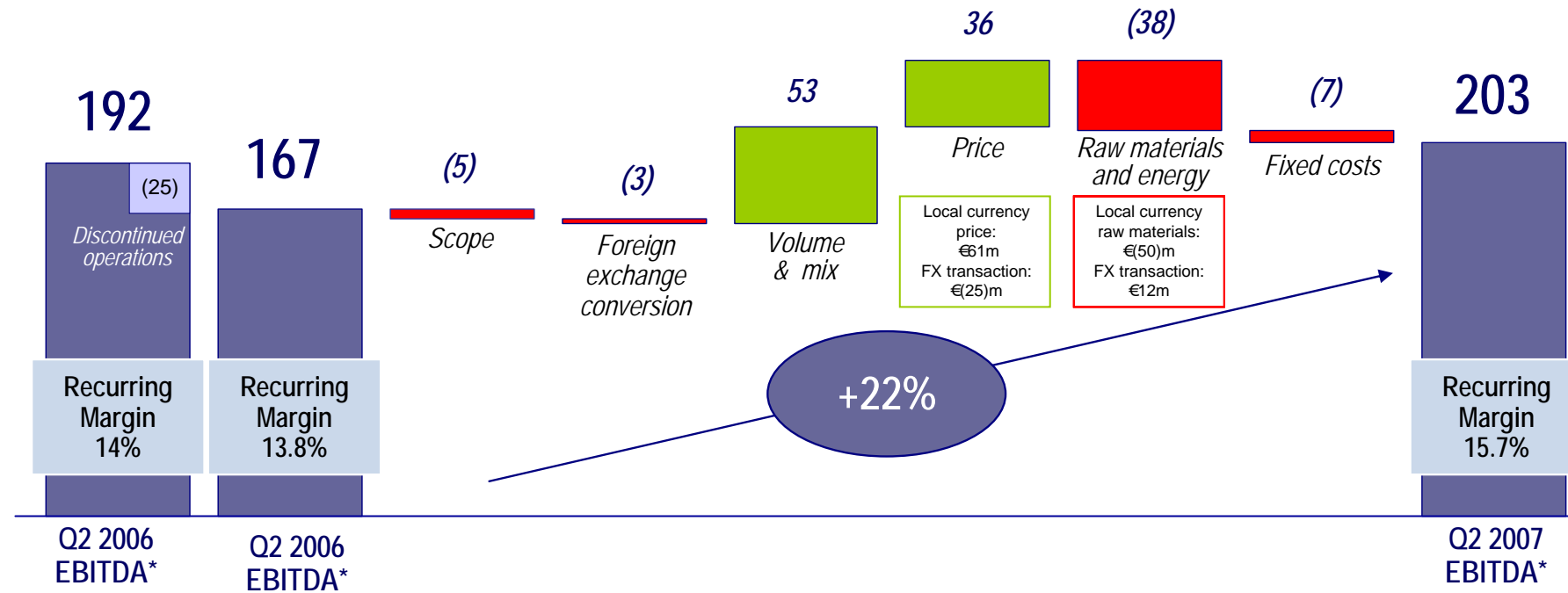
- Strong market demand drives volume growth: + 7%
- Good pricing continues: + 5%
- Negative Forex of (4)% due mainly to decline in US dollar against the Euro



# Q2 2007 Recurring EBITDA

€m

- Strong growth in volumes drives recurring EBITDA
- Solid pricing in local currency offsets raw material cost increases
- Recurring EBITDA margins increase to 15.7% (13.9% for chemical business)



Q2 2006 EBITDA\* before impact of discontinued operations



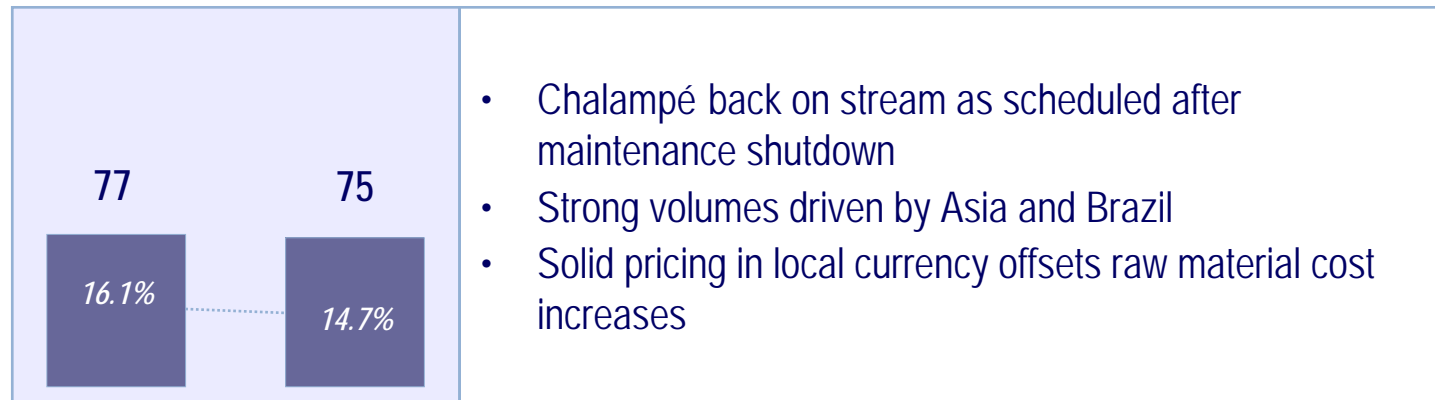
\* Recurring: before restructuring and other operating income and expenses

# Q2 07 Business performance

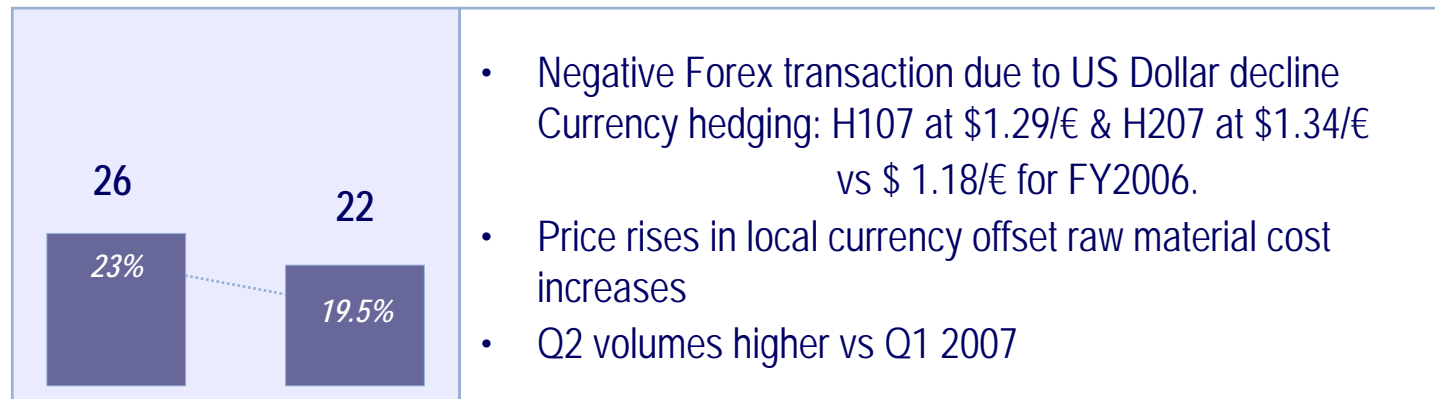
€m

Q2 2006      Q2 2007  
Recurring EBITDA (€m) & Margins

## Polyamide



## Acetow

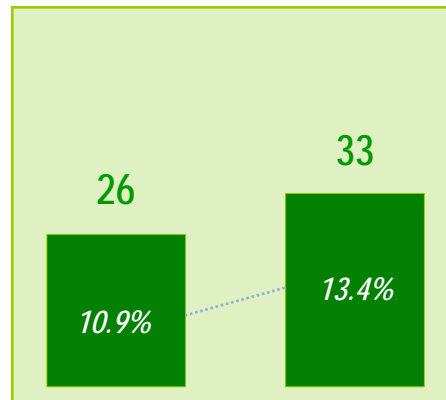


# Q2 07 Business performance

€m

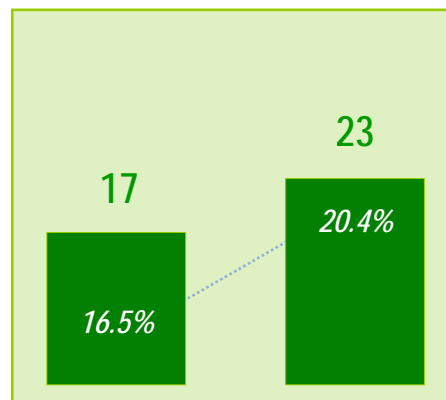
Q2 2006      Q2 2007  
Recurring EBITDA (€m) & Margins

**Novecare**



- Significant volume growth across all markets
- Favorable pricing trends and lower variable costs due to enhanced operational performance
- Negative Forex conversion does not impact margins

**Silcea**



- Significant volume growth in both Silica Systems (tyres) and Rare Earths (catalysis)
- Recurring EBITDA margin demonstrates strength of strategic position



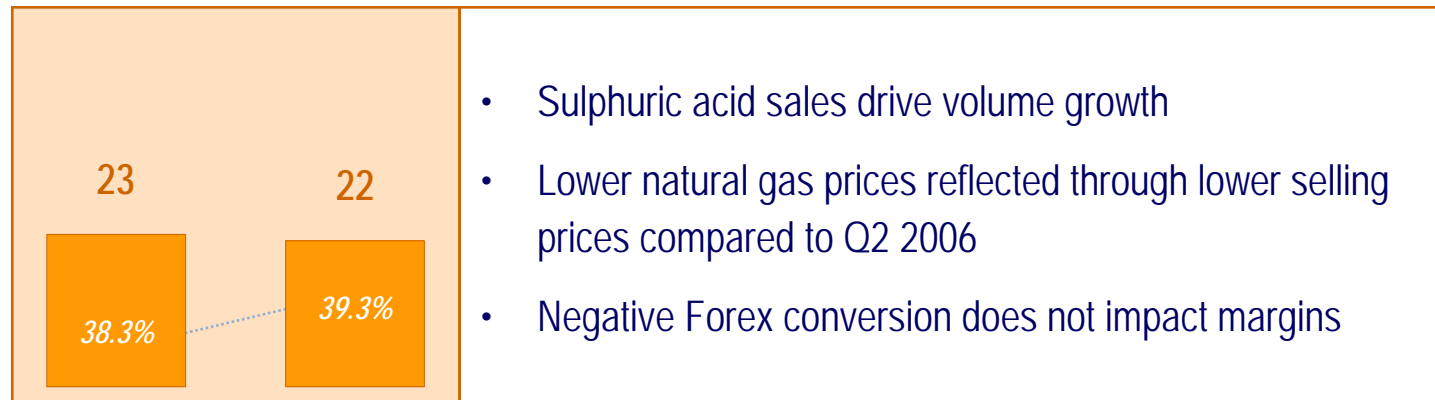


# Q2 07 Business performance

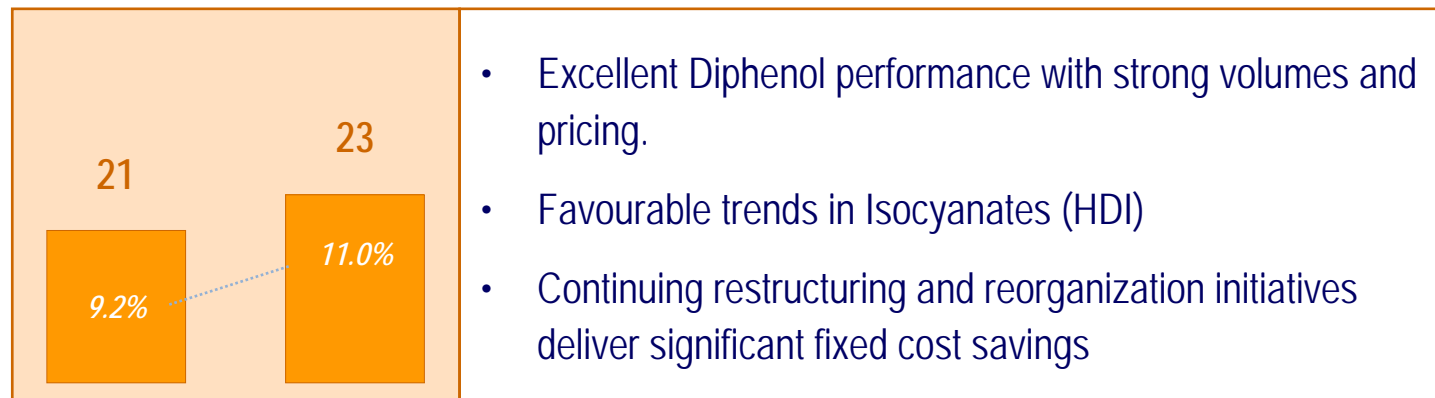
€m

Q2 2006      Q2 2007  
Recurring EBITDA (€m) & Margins

## Eco Services



## Organics

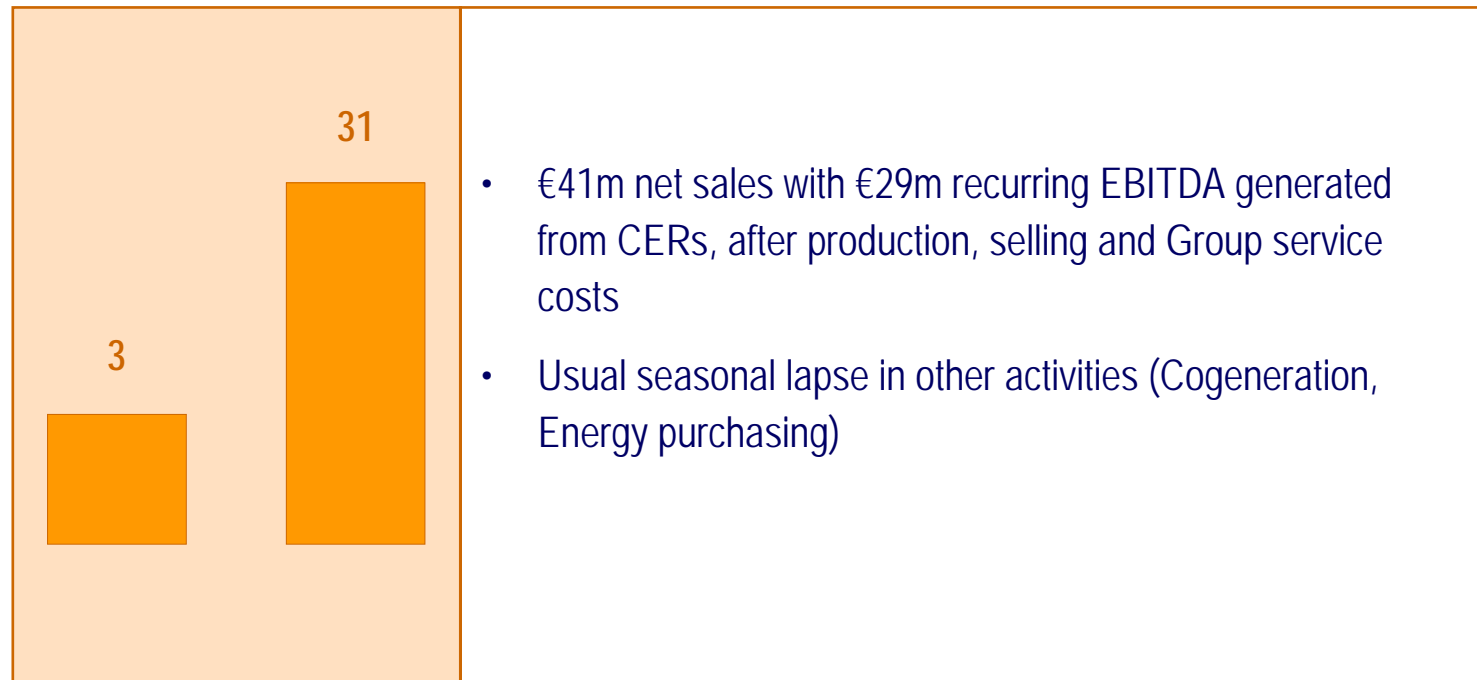


# Q2 07 Business performance

€m

## Energy Services

Q2 2006      Q2 2007  
Recurring EBITDA (€m) & Margins



# Q2 2007 Income Statement

	€m	
	Q2 2006	Q2 2007
<b>Net Sales</b>	1 211	1 293
Other Revenue	93	87
<b>Recurring EBITDA</b>	167	203
Recurring EBITDA margin on Net Sales	13.8%	15.7%
Depreciation & amortization	(72)	(70)
Other gains and losses	2	(12)
Restructuring costs	(7)	(2)
<b>Operating Profit</b>	90	119
Net finance costs	(52)	(85)
<b>Profit before income tax</b>	38	34
Income tax	45	(24)
<b>Profit from continuing operations</b>	83	10
Profit/(loss) from discontinued operations	(5)	(6)
<b>Net Profit group share</b>	77	3



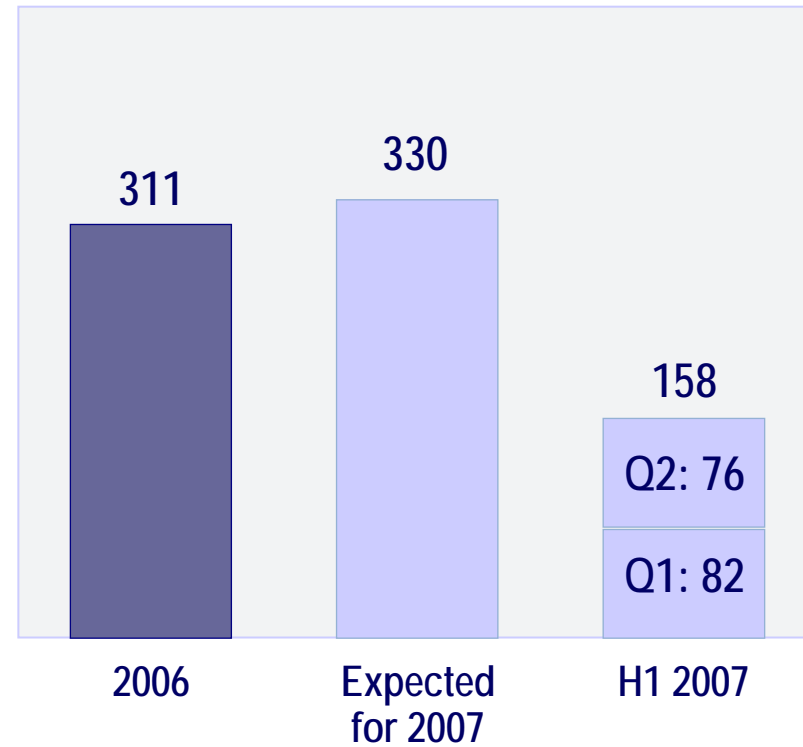
# Working Capital & Capex

€m

### Operational working capital (% of Total Sales)

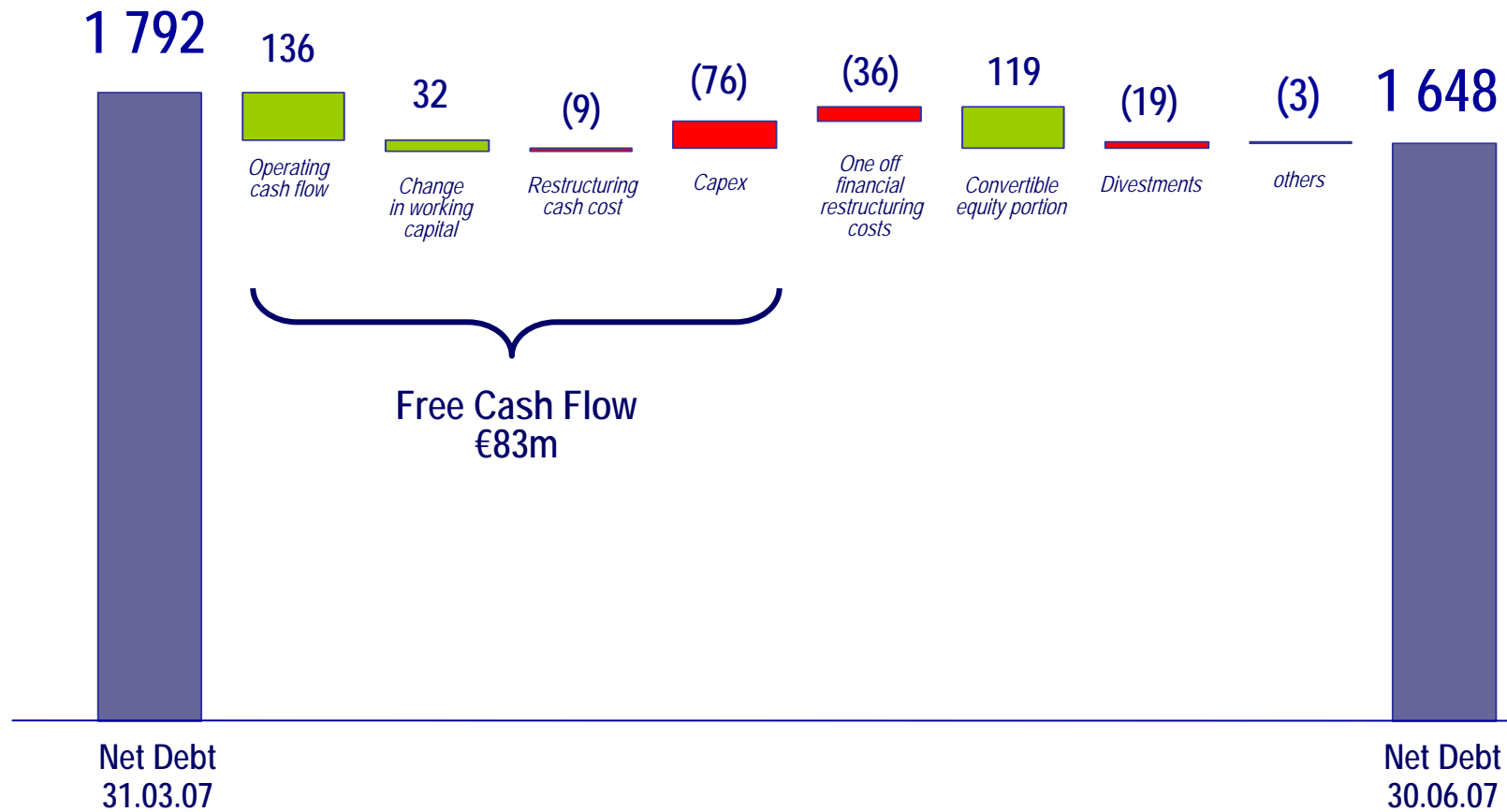


### Capital expenditure (Cash)



# Net Debt

€m



## 2007: Key business priorities for H2

Polyamide	<ul style="list-style-type: none"><li>• Build up Polyamide Intermediates production base in Asia: start up of polymerisation unit in Onsan (South Korea) in Q4 07</li><li>• Continue developing Engineering Plastics growth engine</li></ul>
Acetow	<ul style="list-style-type: none"><li>• Strengthen cost competitiveness in adverse Forex environment</li></ul>
Novecare	<ul style="list-style-type: none"><li>• Prioritize growth and development of new products</li></ul>
Silcea	<ul style="list-style-type: none"><li>• Focus on growth at current margin levels</li><li>• Integration of Alumina Washcoat acquisition</li></ul>
Eco Services	<ul style="list-style-type: none"><li>• Continue efforts to optimize performance</li></ul>
Organics	<ul style="list-style-type: none"><li>• Ramp up successfully Chinese Diphenol plant</li><li>• Continue restructuring in Fine Organics and productivity plan in Isocyanates</li></ul>
Energy Services	<ul style="list-style-type: none"><li>• All H207 CER sales now fully hedged at €14.4/ton</li></ul>



# Looking Forward

## Current market conditions

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

## 2007 outlook confirmed

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





## Appendix 1: Q2 07 results



# Q2 2007 Net finance costs

€m

	Q2 2006	Q2 2007
Net financial charges & other financial charges	(40)	(38)
Non recurring financial restructuring charges	0	(34)
Interest cost on environmental & pension liabilities	(8)	(12)
Forex gains & losses	2	1
Other miscellaneous	(6)	(2)
<b>Total financial expenses</b>	<b>(52)</b>	<b>(85)</b>



## Appendix 2: H1 07 results

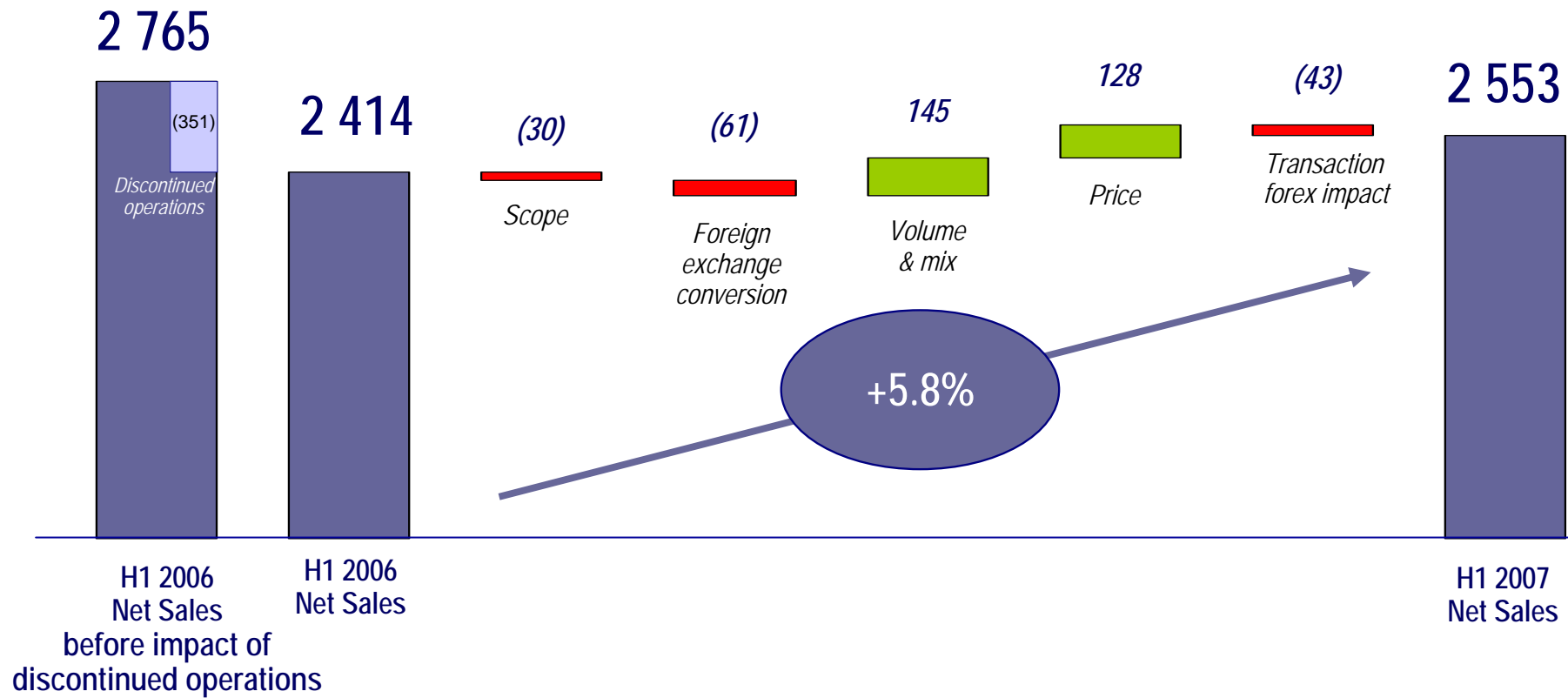
# H1 2007 Income Statement

	€m	
	H1 2006	H1 2007
<b>Net Sales</b>	2 414	2 553
Other Revenue	247	240
<b>Recurring EBITDA</b>	328	408
Recurring EBITDA margin on Net Sales	13.6%	16%
Depreciation & amortization	(153)	(144)
Other gains and losses	(4)	7
Restructuring costs	(12)	(22)
<b>Operating Profit</b>	159	249
Net finance costs	(109)	(203)
<b>Profit before income tax</b>	50	46
Income tax	34	(50)
<b>Profit/(loss) from continuing operations</b>	84	(4)
Profit/(loss) from discontinued operations	(41)	68
<b>Net Profit group share</b>	41	62



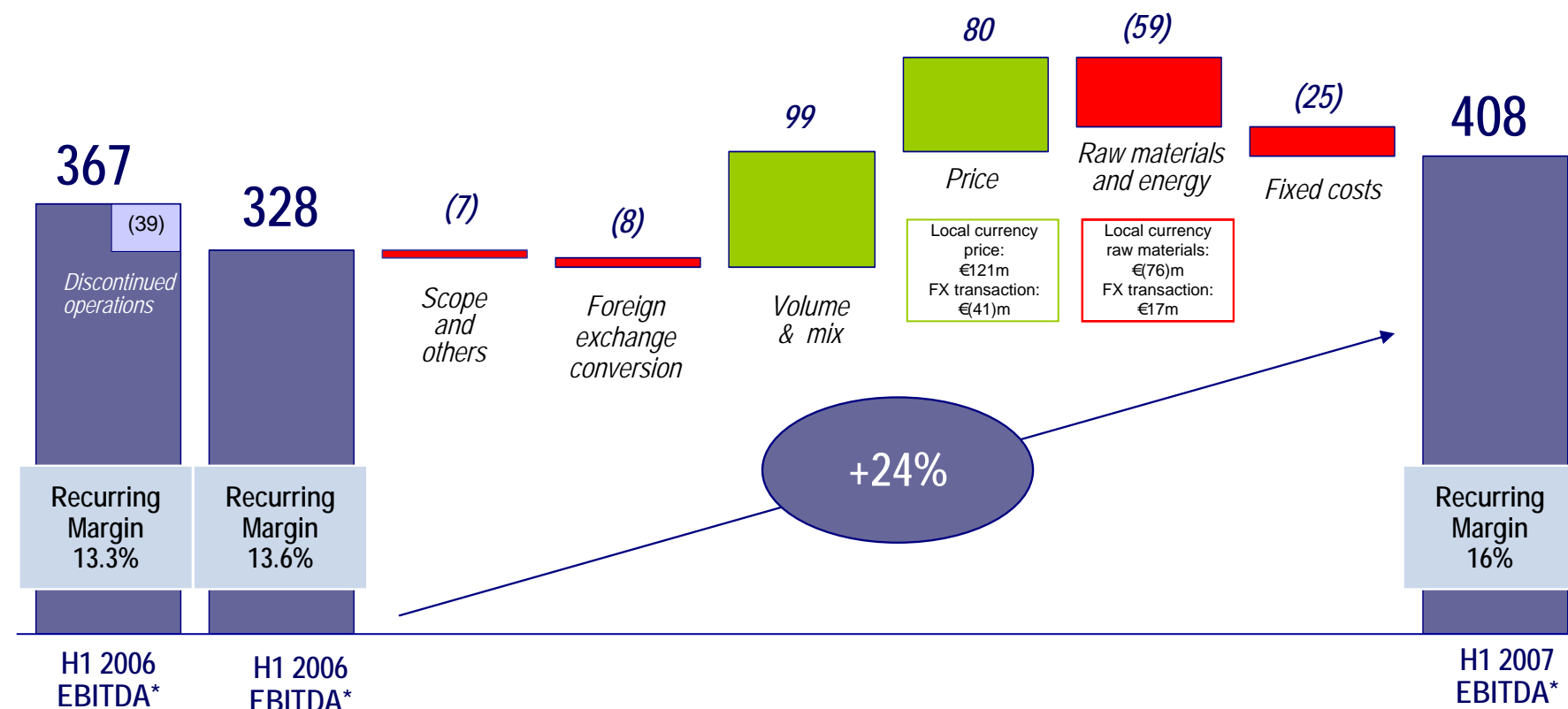
# H1 2007 Net Sales

€m



# H1 2007 Recurring EBITDA

€m



H1 2006 EBITDA\* before impact of discontinued operations

H1 2006 EBITDA\*

H1 2007 EBITDA\*



\* Recurring: before restructuring and other operating income and expenses

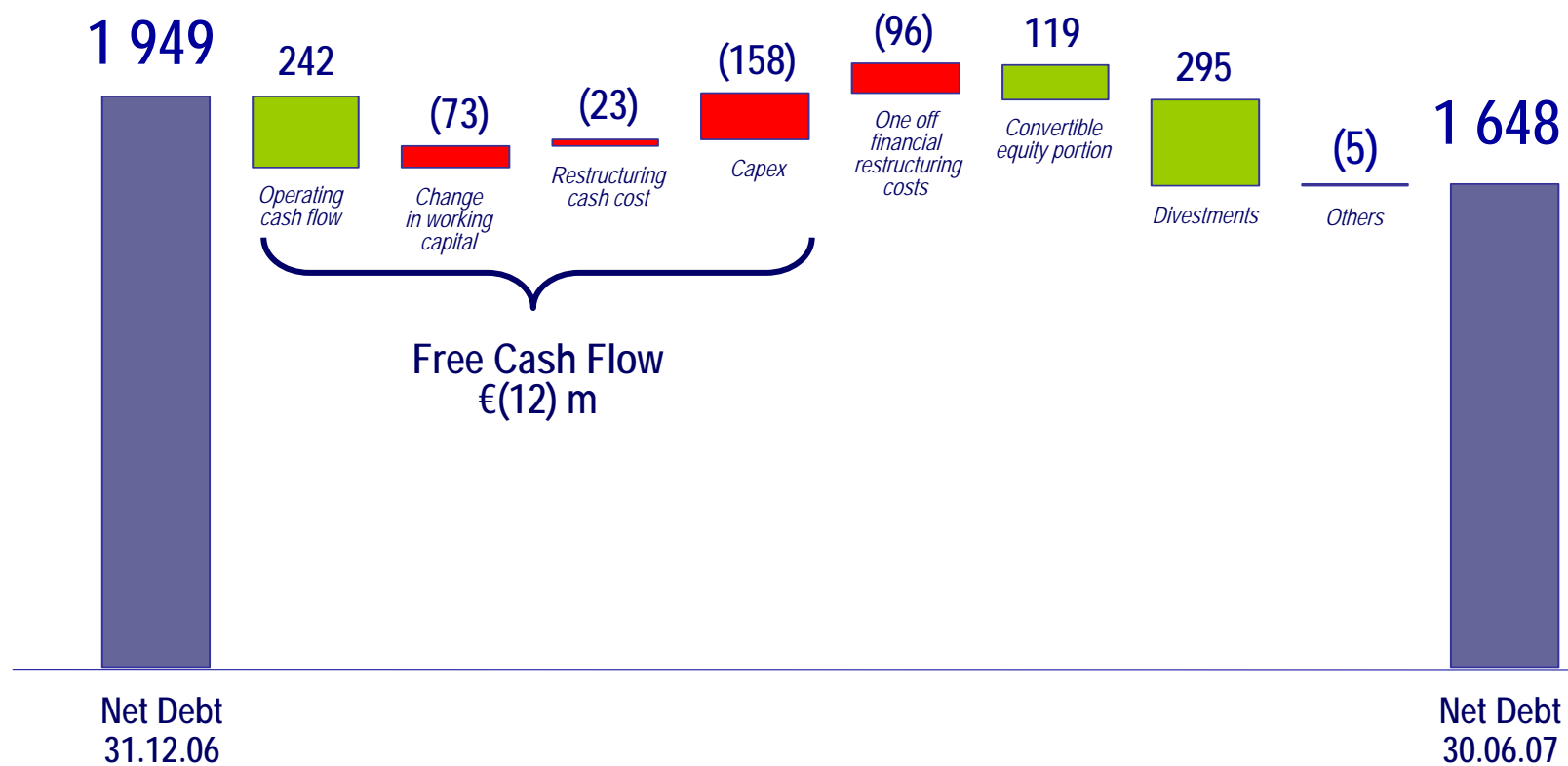
# H1 2007 Net finance costs

€m

	H1 2006	H1 2007
Net financial charges & other financial charges	(87)	(81)
Non recurring financial restructuring charges	0	(96)
Interest cost on environmental & pension liabilities	(16)	(23)
Forex gains & losses	3	1
Other miscellaneous	(9)	(4)
<b>Total financial expenses</b>	<b>(109)</b>	<b>(203)</b>

# Net Debt

€m





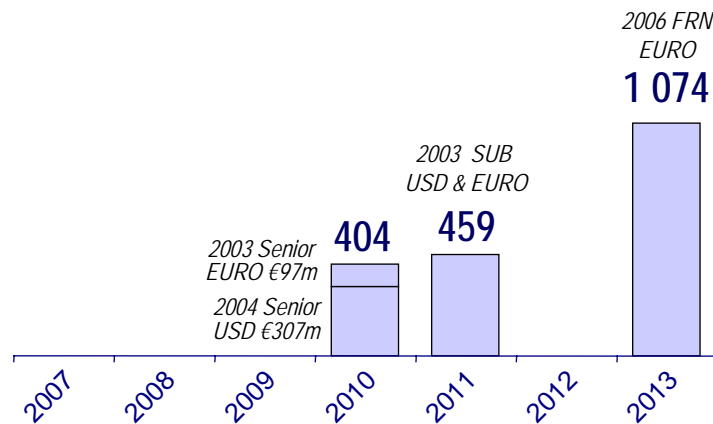
## Appendix 3: Debt maturity and Delisting



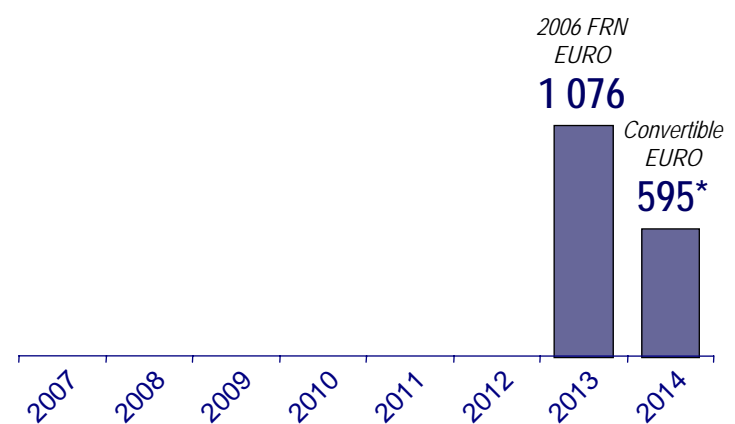
# Major refinancing initiatives concluded to reduce interest costs and extend maturity

- €595m convertible bond issued
- Redemption of remaining high cost senior & senior subordinated notes due in 2010 and 2011 (completed in June 2007)
- Major interest cost savings from completed bond redemption

Major bond maturity profile as at 31.12.06



Major bond maturity profile as at 30.06.07



\*Includes an equity portion of €124m related to the IFRS treatment



# NYSE Delisting, SEC Deregistration

---

- Rationale for delisting & deregistration:
  - ADRs represent around 1% of daily trading volumes
  - Dual accounting standards no longer deemed necessary
  - Optimisation of operating processes & costs
- Commitments post delisting:
  - Level 1 Over-The-Counter (OTC) ADR will enable investors to retain ADR holdings
  - High standards of financial information, transparency & communication
  - Quarterly results publication maintained
  - Post Sarbanes-Oxley registration, maintain & enforce high levels of internal control
- Expected timeline
  - Delisting expected in early fall





## Second Quarter 2007 Results

