

Paris - November 04, 2009

Q3 '09 Results

Investors & Analysts Meeting



Forward looking statements

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. Rhodia does not undertake to provide updates of these statements.

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.

Highlights

Jean-Pierre Clamadieu – Chairman and CEO

Q3 '09 highlights

- **Significant demand recovery vs. Q2 '09.** YoY volume decline limited to 9% vs. 20% in prior quarter
- **Satisfactory pricing power:** €21m positive net impact from changes in selling prices and raw material costs
- **Continuous delivering on fixed cost savings:** €29m in Q3, €96m YTD
- **Restored profitability:** Rec. EBITDA at €174m (vs. €170m⁽¹⁾ in Q3 '08) driven by good pricing power, operational improvements and favorable Forex
- **Another quarter of strong Free Cash Flow generation** of €112m, further reducing net debt to €1,073m

(1) Like-for-like: at constant scope and currency conversion

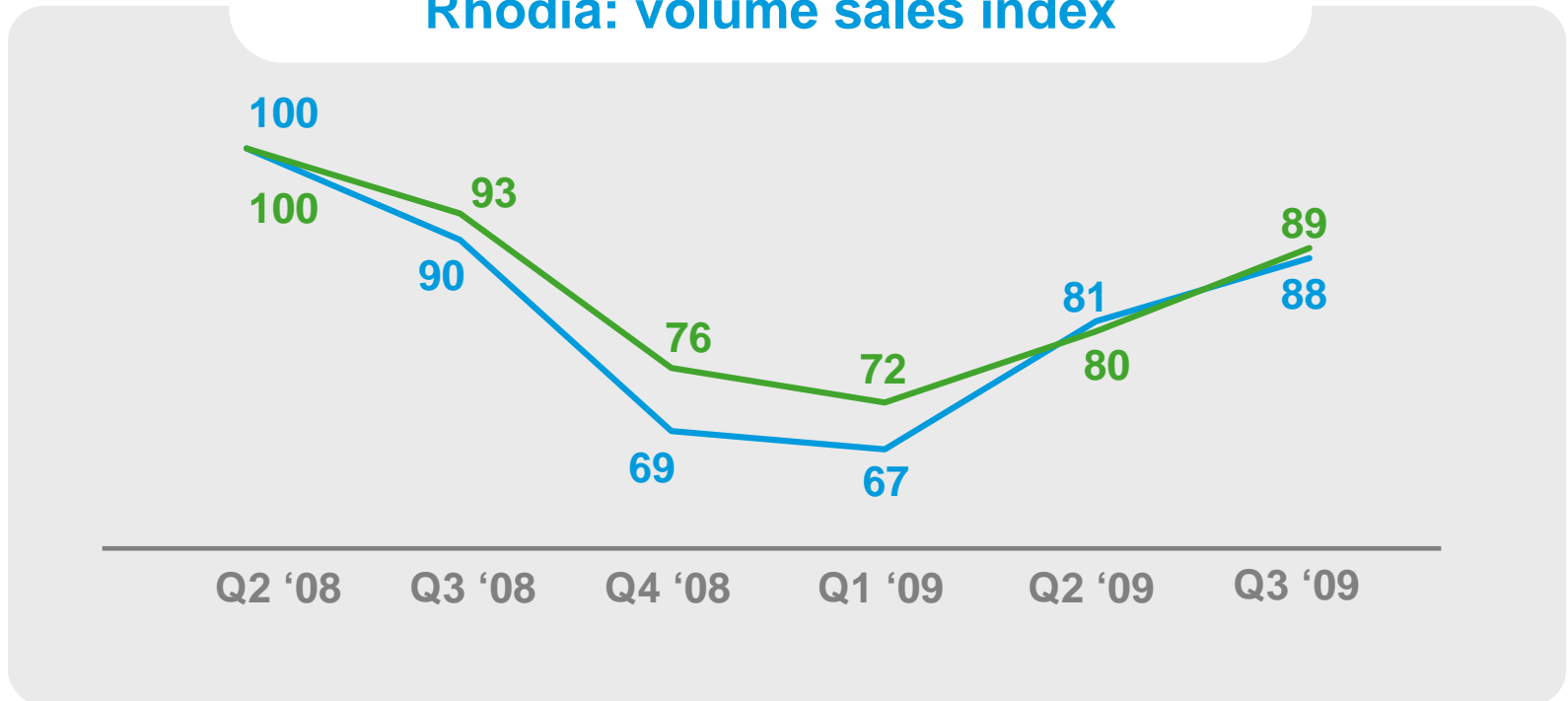
Activity recovery continued in Q3 '09

Base 100 as of Q2 '08

Examples

Silica
(within Silcea)
Polyamide

Rhodia: volume sales index



Q3 activity levels **stable or better sequentially** for all our Enterprises

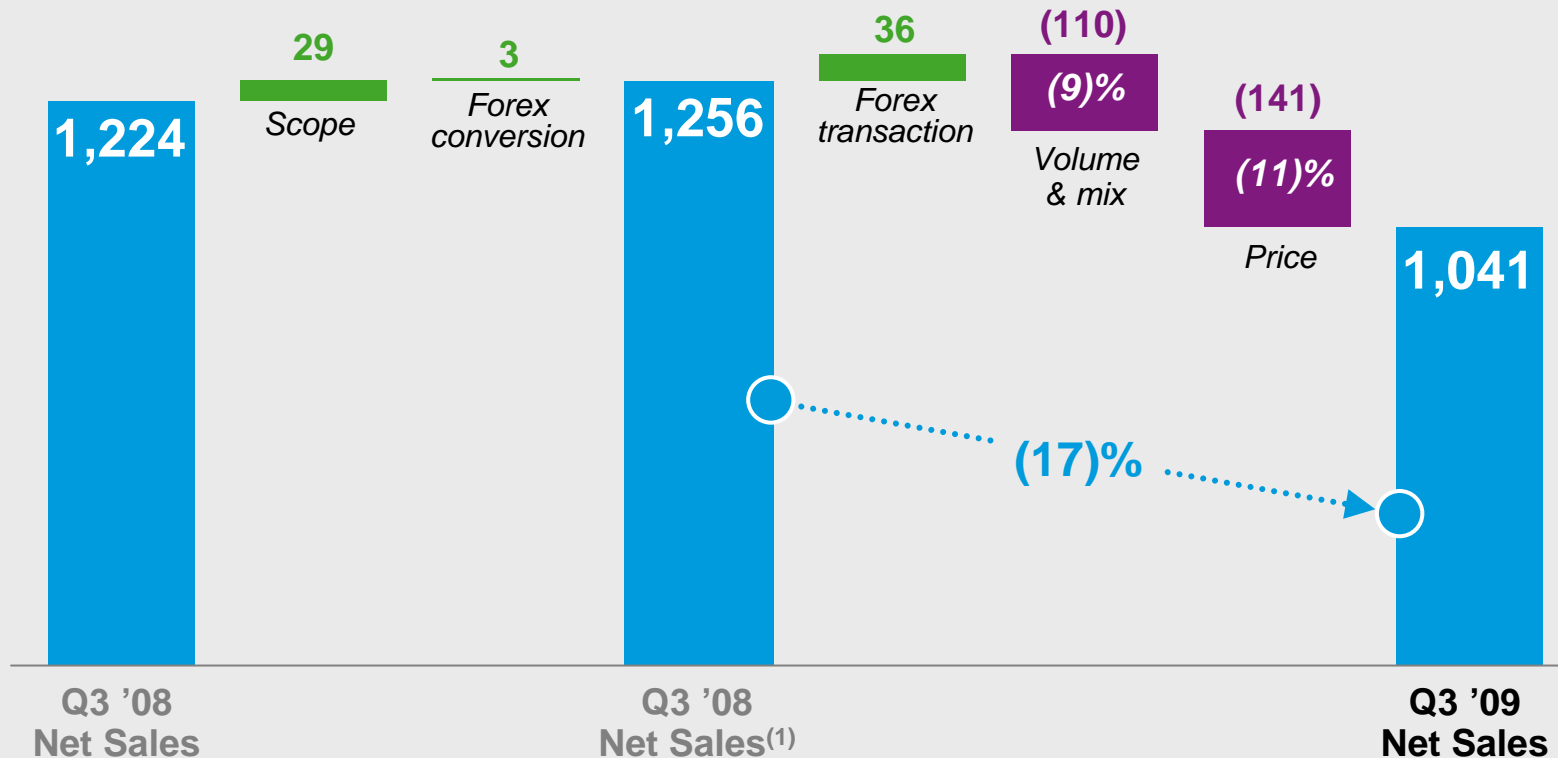
Q3 '09 Results

Pascal Bouchiat - CFO

Q3 '09 Net Sales

- Demand recovered sequentially. On a year-on-year basis, volume decline limited to 9%, in contrast to severe contraction of 20%⁽¹⁾ and 27%⁽¹⁾ in Q2 '09 and Q1 '09, respectively
- Effective selling price management with reduction limited to 11%⁽¹⁾ in a context of decreasing raw material & energy costs

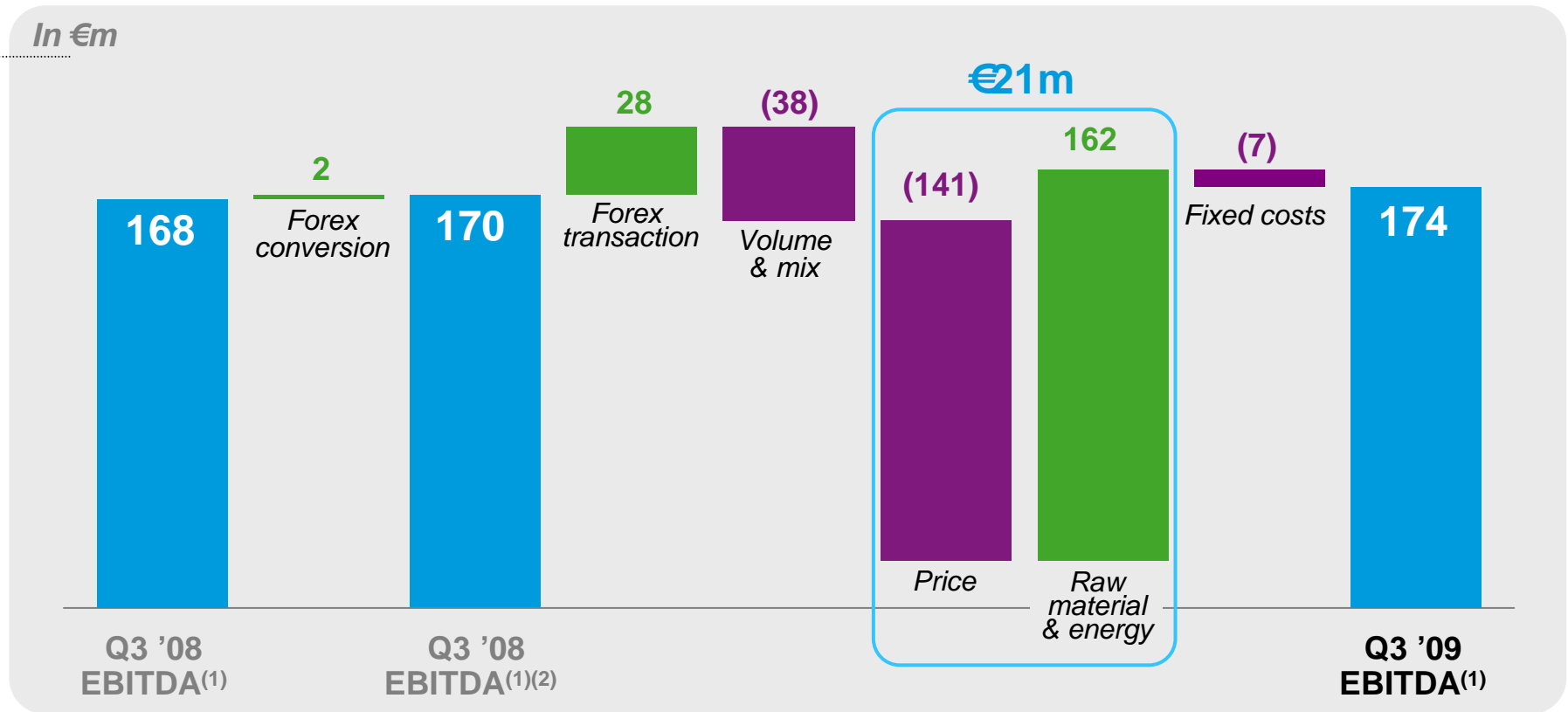
In €m



(1) Like-for-like: at constant scope and currency conversion

Q3 '09 Recurring EBITDA

- Profitability restored: EBITDA at €174m improved QoQ (vs. €111m in Q2 '09) and YoY (vs. €170m⁽²⁾ in Q3 '08)
- Pricing power and positive Forex impact more than offset YoY volume decline

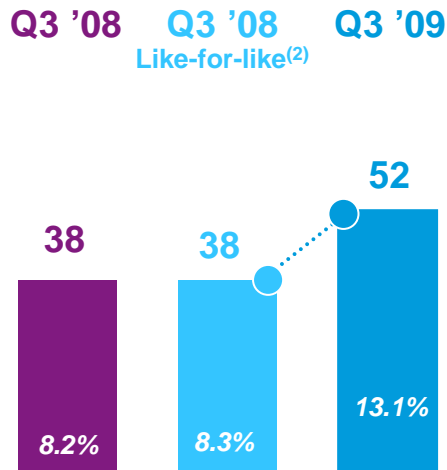


(1) Recurring: before restructuring and other operating income and expenses

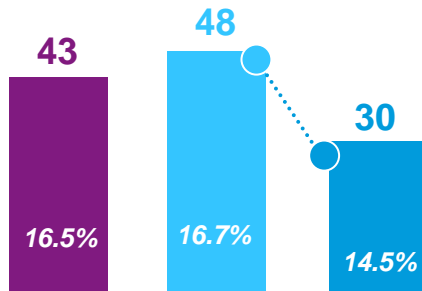
(2) Like-for-like: at constant scope and currency conversion

Q3 '09 performance by Enterprise

Recurring EBITDA⁽¹⁾ and margins



Polyamide



Novecare

- Sequential demand improvement across geographies and segments. Business also benefited from current tight supply
- Significant EBITDA recovery to €52m (vs. €6m in Q2 '09 and €38m in Q3 '08), primarily from:
 - Volume & operating leverage
 - Satisfactory pricing power
 - Industry capacity rationalization for adipic acid
 - Cost competitiveness actions

- Volume contraction of 24% YoY against an exceptionally high Q3 '08
 - Resilient Home & Personal Care segment
 - Progressive recovery of Industrial applications
 - Weak agrochemical market
 - Depressed Oilfield chemicals segment
- Sustained pricing power

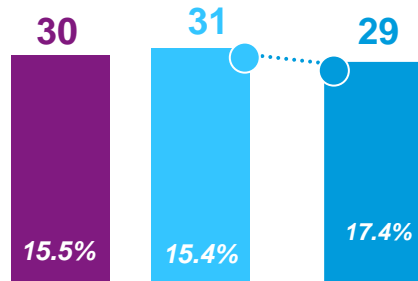
(1) Recurring: before restructuring and other operating income and expenses

(2) Like-for-like: at constant scope and currency conversion

Q3 '09 performance by Enterprise

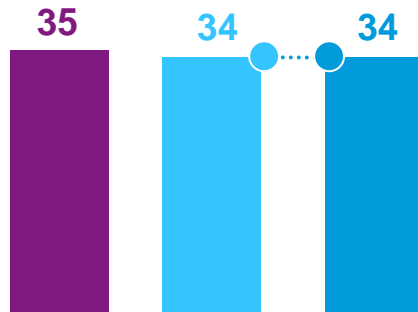
Recurring EBITDA⁽¹⁾ and margins

Q3 '08 Q3 '08 Q3 '09
Like-for-like⁽²⁾



Silcea

- Overall volumes significantly better sequentially, though still down 12% YoY (vs. 30% in Q2 '09)
- All segments reported sequential recovery
- Good pricing power



Energy Services

- CER production in line with estimated 13mT in FY '09
- Almost 90% of FY 13mT hedged at an average 14.3€/T

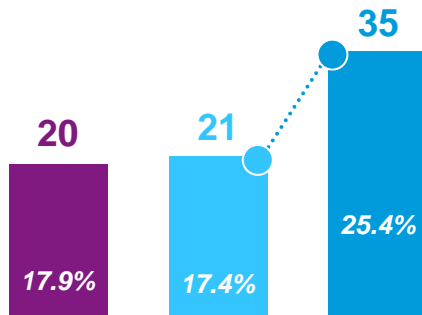
(1) Recurring: before restructuring and other operating income and expenses

(2) Like-for-like: at constant scope and currency conversion

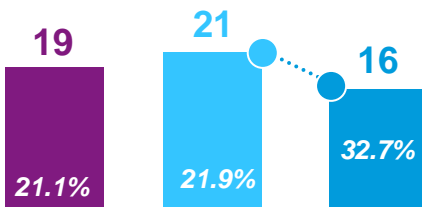
Q3 '09 performance by Enterprise

Recurring EBITDA⁽¹⁾ and margins

Q3 '08 Q3 '08 Q3 '09
 Like-for-like⁽²⁾



- Slight increase in volumes
- Sustained good pricing supported by product and service quality
- Profitability improved from successful implementation of competitiveness program launched in 2008



- Volume slightly down 2% YoY
- As anticipated EBITDA declined due to indexation mechanism lag effect

(1) Recurring: before restructuring and other operating income and expenses

(2) Like-for-like: at constant scope and currency conversion

Income Statement

In €m

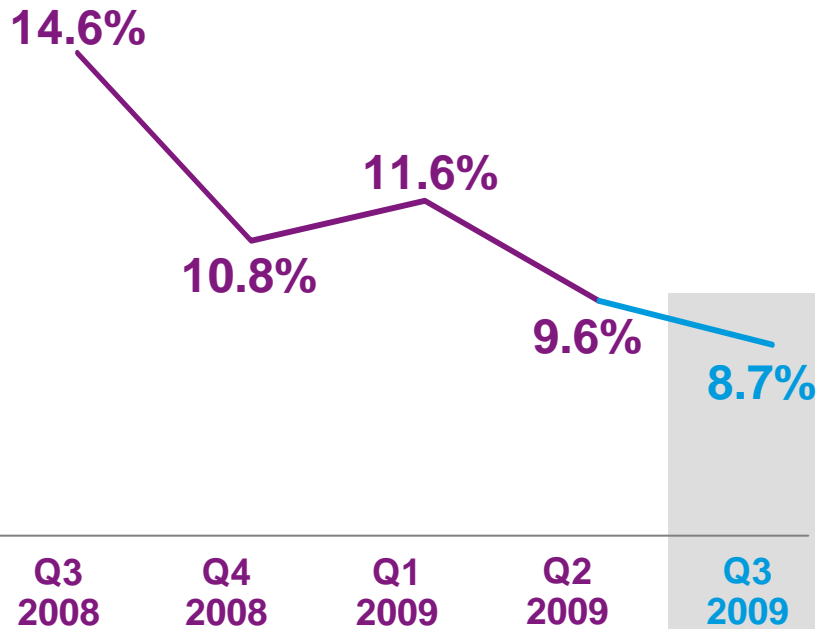
	Q3 '08	Q3 '09
Net Sales	1,224	1,041
Other Revenue	122	96
Recurring EBITDA*	168	174
Recurring EBITDA Margin on Net Sales	13.7%	16.7%
Depreciation & amortization	(79)	(65)
Other gains and losses	(2)	(3)
Restructuring costs		(2)
Operating Profit	87	104
Net financial charges	(44)	(44)
Share of profit/(loss) of associates		
Income tax	(21)	(25)
Profit/(Loss) from continuing operations	22	35
Profit/(Loss) from discontinued operations	34	(20)
Net Profit/(Loss) Group Share	56	14
Earnings Per Share, basic (in €)	0.55	0.14

(*) Recurring: before restructuring and other operating income and expenses

Effective operating cash management

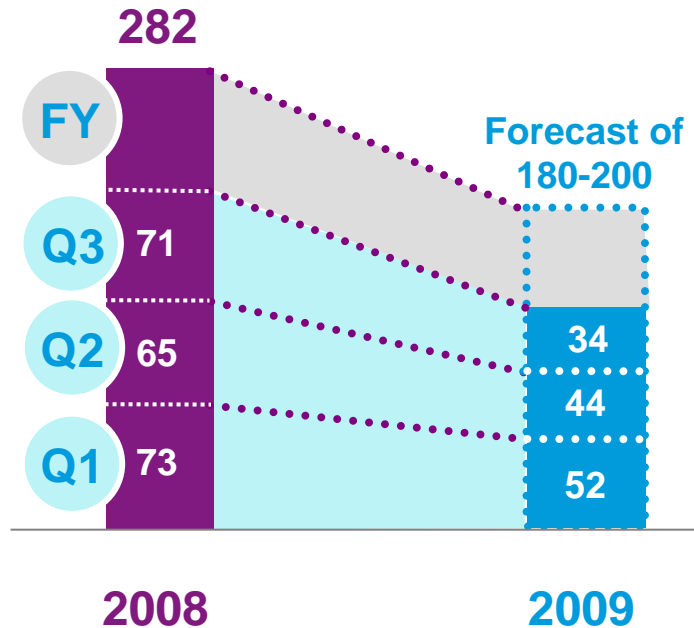
Operating Working Capital

% of Total Sales



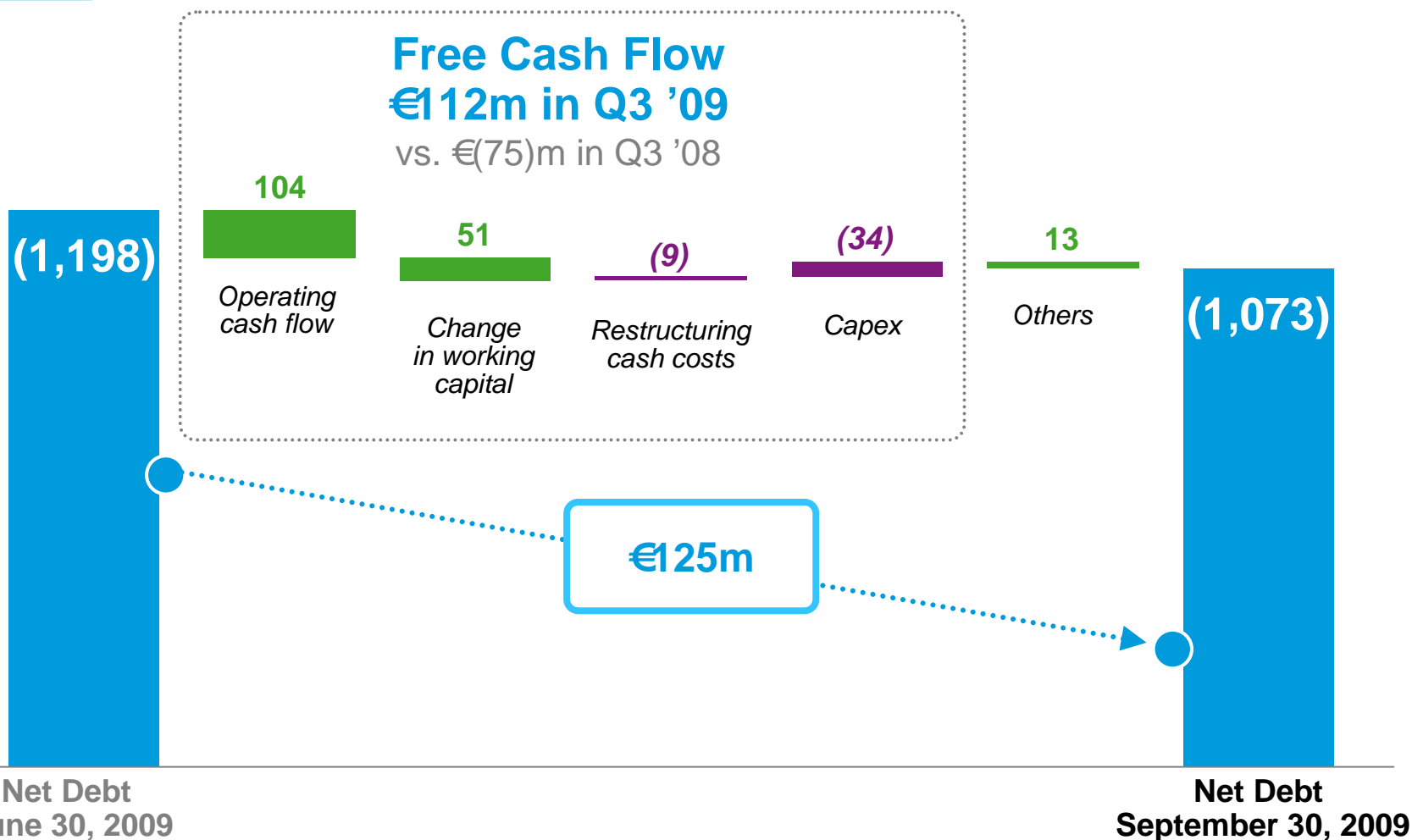
Capital Expenditures

In €m



Continuous strong FCF generation

In €m

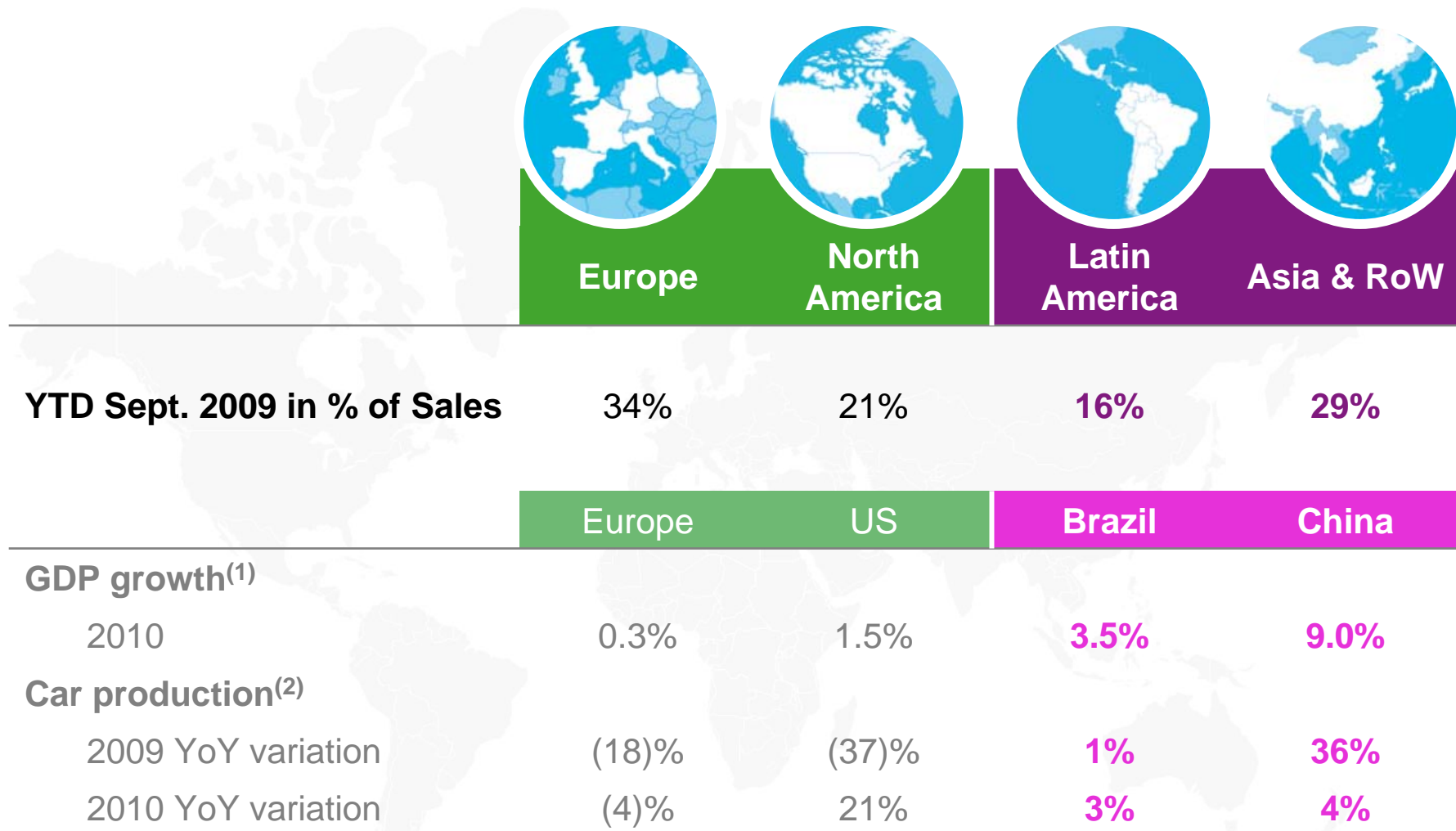


Year-to-date Free Cash Flow generation of €302m

Outlook

Jean-Pierre Clamadieu – Chairman and CEO

Strong presence in emerging economies: 45% of Group Net Sales



(1) Source: IMF

(2) Car and Light Commercial vehicles. Source: JD Power

New range of products launched at the 2009 Frankfurt Motor Show

“More innovation, less CO₂”

Eolys PowerFlex™ **Pollution solution control**

Latest generation catalytic fuel additive for particulate filters especially developed for new “biodiesel” fuels



Zeosil Premium™ **High-surface silica**

Latest generation of silica allowing design of tires with 10% lower rolling resistance than existing silica technology



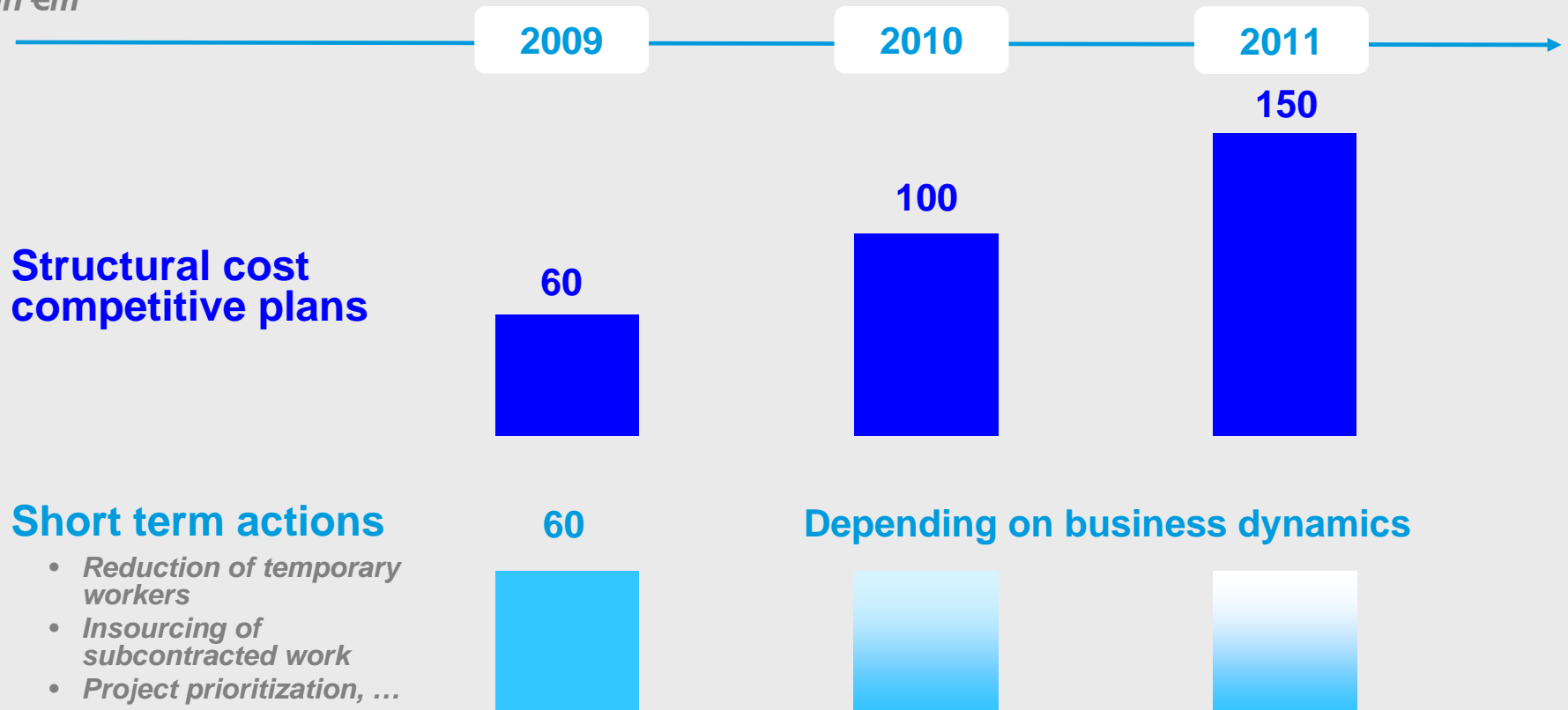
Technyl Star™ AFX
High-flow polyamide
New range of engineering plastics enabling to lighten vehicle weight with reduced CO₂ emission levels



**One of Rhodia’s innovation top priorities:
Focus on solutions to fight climate change**

Confirmed cost savings expectations for 2009

Cost savings vs. 2008 base
In €m



€96m of fixed cost savings achieved by the end of September

Enterprises' Q4 dynamics

Overall demand expected stable at Q3 '09 level

Polyamide

- Activity levels anticipated similar to prior quarter
- Sustained satisfactory pricing power

Novecare

- Business dynamics close to prior quarter but slight risk linked to customer inventory optimization at year-end

Silcea

- Improved Q3 '09 trend expected to continue

Energy Services

- Expected favorable Q4 seasonality, but risk of having last CER batch postponed to Q1 '10 following UNFCCC* lengthened CER issuance process

Acetow

- Strong business performance to continue

Eco Services

- Seasonal downturn more pronounced

**Under current economic conditions
Q4 '09 EBITDA expected greater than €160m (CER risk included)**

* UNFCCC: United Nations Framework Convention on Climate Change

Rhodia 2009 key achievements in a still challenging market environment

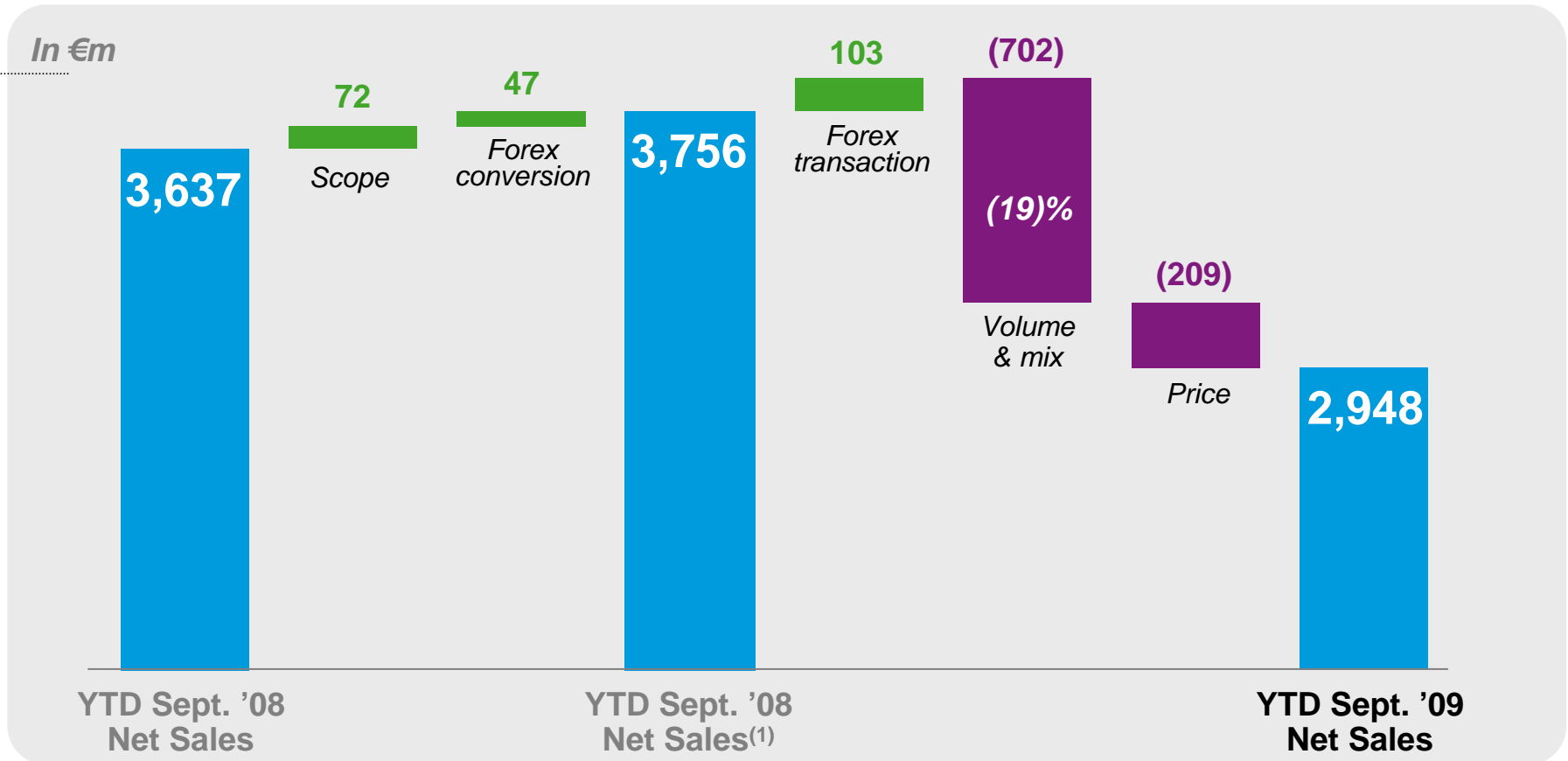
- ✓ Structural operational improvements across the board leading to lower break-even point and working capital requirements
- ✓ Quality of our product portfolio combined with continued price-over-volume strategy driving satisfactory margins in today's environment
- ✓ Tight financial discipline resulting in strong generation of Free Cash Flow and significant decrease of debt

Well prepared to emerge stronger from the crisis

Appendices

YTD Sept. '09 Net Sales

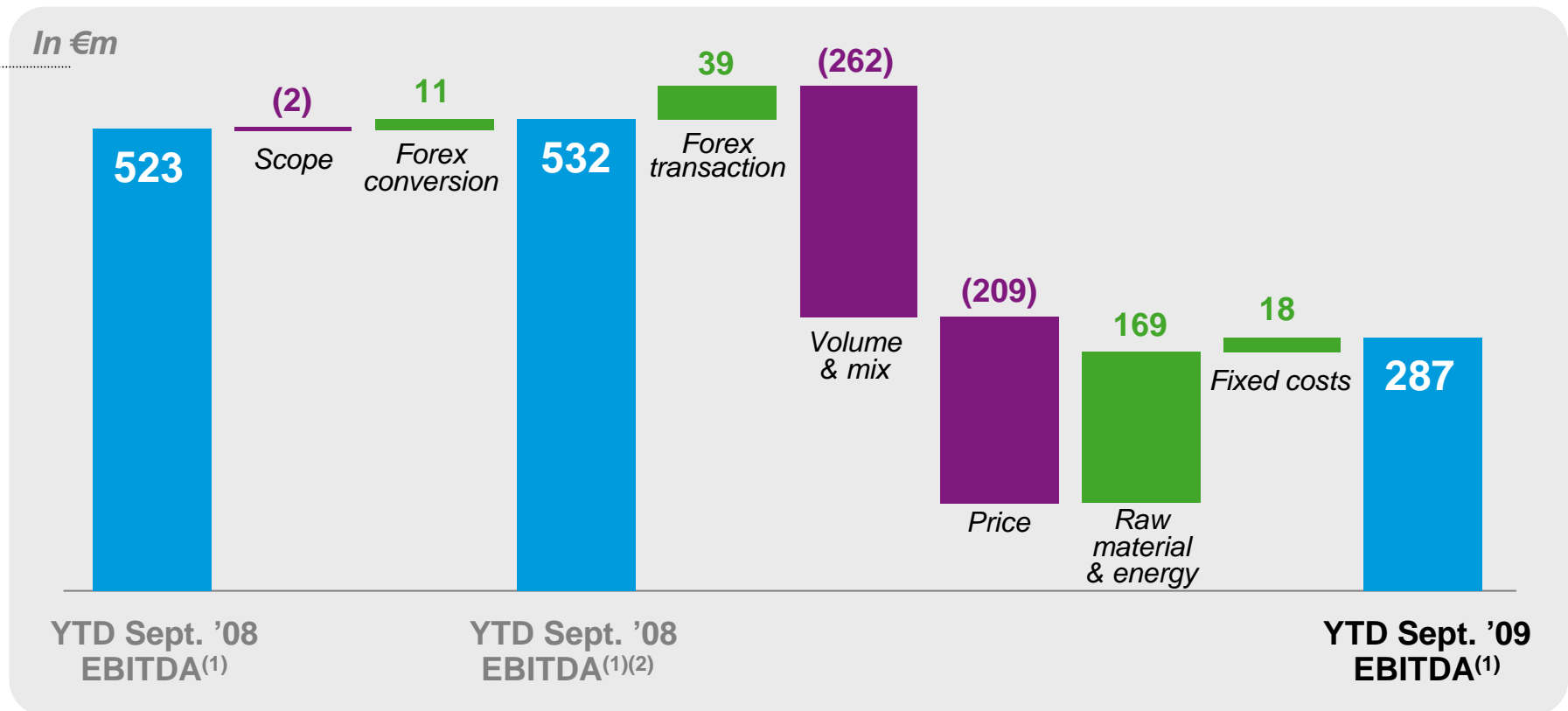
- **Volumes** shortfall of 19% YoY but **decline eased continuously on a sequential basis**: limited to 9% in Q3 vs. 20% in Q2 and 27% in Q1
 - End-markets weak demand & customers' de-stocking significantly impacted H1 sales
- Selling prices reduced following downwards evolution of raw-material & energy prices



(1) Like-for-like: at constant scope and currency conversion

YTD Sept. '09 Recurring EBITDA

- **EBITDA** drop primarily explained by the volume shortfall of 19% YoY, and to a lesser extent by the adverse impact from absorption of costly inventories (Polyamide reported a negative €70m impact for costly stock in Q1'09)
- **Effectiveness of cost competitive actions** resulted in €18m net fixed cost drop (including €96m underlying fixed costs savings)

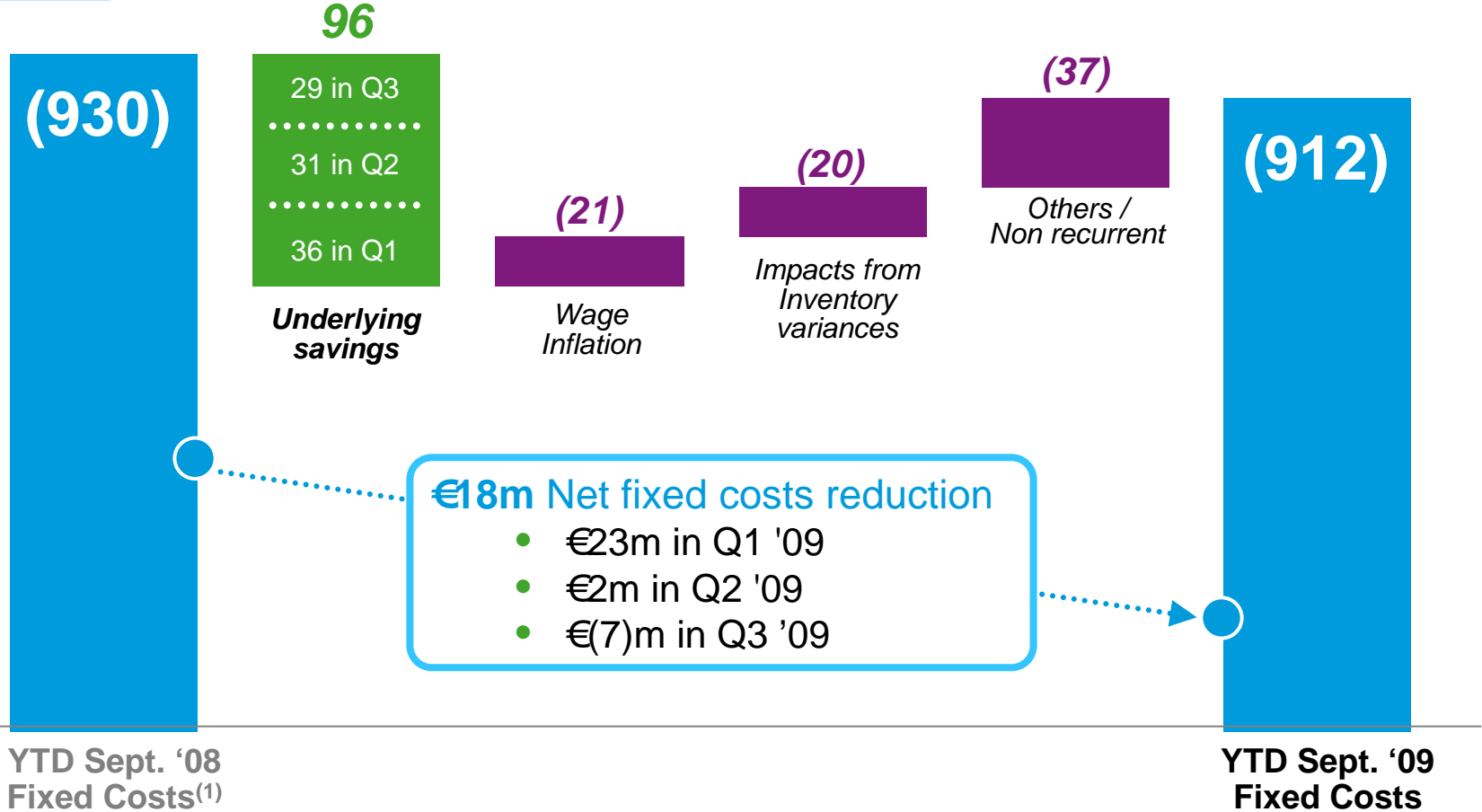


(1) Recurring: before restructuring and other operating income and expenses

(2) Like-for-like: at constant scope and currency conversion

Fixed costs evolution YTD September 2009

In €m

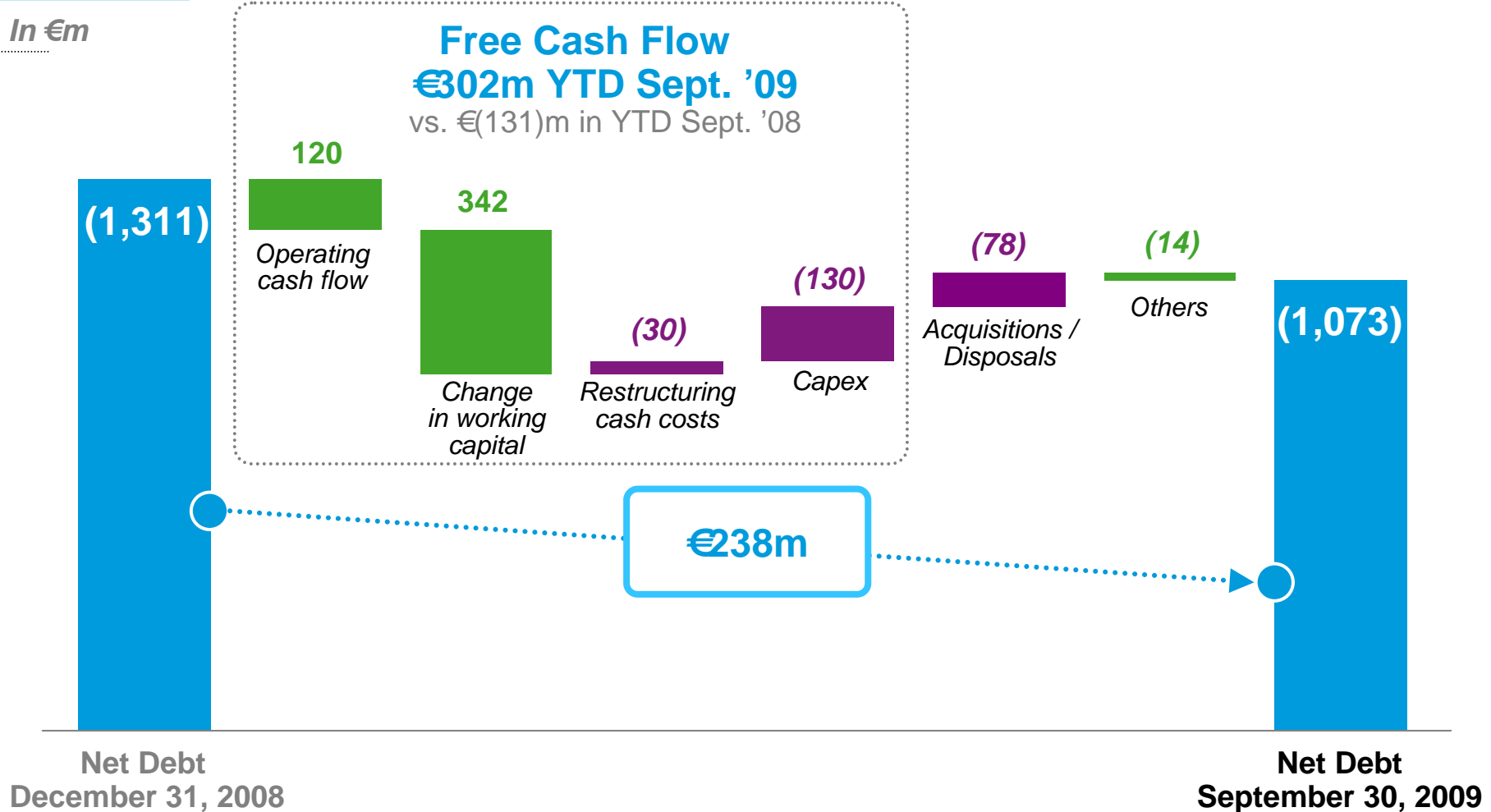


**Continuous savings delivery from structural and temporary cost competitive measures
Well on track towards the FY '09 underlying cost saving objective of €120m**

(1) Like-for-like: at constant scope and currency conversion

YTD Sept. '09 Net Debt evolution

In €m



- Strong Free Cash Flow generation of €302m
- Net debt reduced by €238m at YTD Sept. '09



Q3 '09 Net Finance Costs

In €m

	Q3 '08	Q3 '09	YTD Sept. '08	YTD Sept. '09
Net financial charges & other financial charges	(31)	(29)	(92)	(90)
Non recurring financial restructuring charges	0	0	0	(4)
Interest cost on environmental & pension liabilities	(12)	(18)	(47)	(56)
Forex gains & losses and other	(1)	3	(3)	7
Total net financial expenses	(44)	(44)	(142)	(143)

Raw material market prices

NATURAL GAS



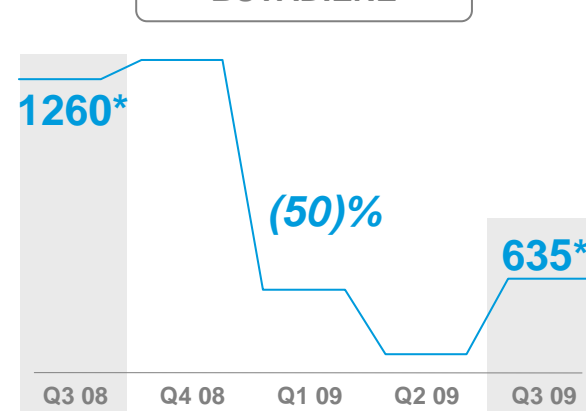
— Daily European Nat gas 1Yr forward Zeebrugge (Eur/MWh)
 — Daily US Nat gas 1Yr forward Henry Hub (Eur/MWh)

BENZENE



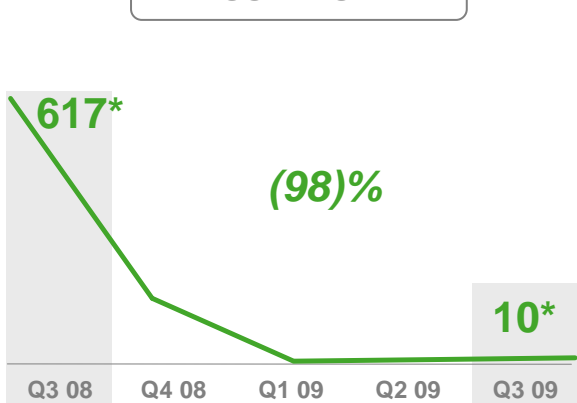
— Monthly Benzene contract price NorthWest Europe (€T)

BUTADIENE



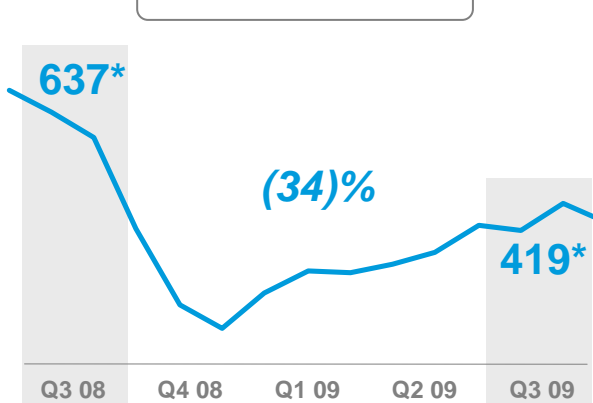
— Quarterly Western Europe contract market delivered (€T)

SULPHUR



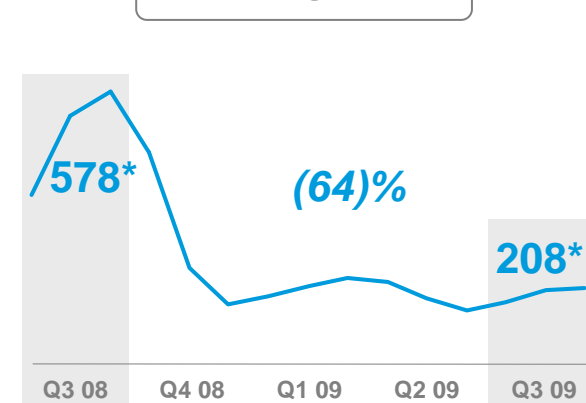
— Quarterly average data from Tempa Sulfur (US\$/T)

NAPHTA



— Monthly trend of Naphta Northwest Europe Cargoes CIF NWE / Basis ARA (€T)

AMMONIA



— Monthly average CFR NW Europe (€T)

* Average market prices over the reference period
 Above indicated percentage designate Q3 '09 YoY variation

Q3 '09 Results

Investors & Analysts Meeting