

Company No. 3611065

RHODIA INDUSTRIAL SPECIALTIES LIMITED

REPORT AND FINANCIAL STATEMENT

PERIOD ENDED 31 DECEMBER 1998



RHODIA INDUSTRIAL SPECIALTIES LIMITED

REPORT OF THE DIRECTORS

The directors present their report and financial statement for the period ended 31 December 1998.

1. Principal Activities and Business Review

The company was incorporated on 6 August 1998, and did not trade during the period under review. On 30 June 1999, the company acquired the assets and businesses of the Tyre and Rubber, Paper, Coatings and Construction Materials, and Silicones activities of Rhodia Limited, its holding company.

2. Directors

The directors of the company at 31 December 1998 and any changes since the date of incorporation are as follows :

| | |
|--------------|--|
| C H Andrews | Appointed 8 March 1999 |
| C E Beasley | Appointed 7 August 1998 ; resigned 8 March 1999 |
| K Cunningham | Appointed 6 August 1998 ; resigned 7 August 1998 |
| J Gibb | Appointed 8 March 1999 |
| A S J Morgan | Appointed 6 August 1998 ; resigned 8 March 1999 |
| P Vidal | Appointed 8 March 1999 |

3. Auditors

Within the meaning of Section 250 of the Companies Act 1985 the company was dormant throughout the period and no auditors were appointed.

By order of the Board



C E Beasley
Secretary
Oak House
Reeds Crescent
Watford
Herts. WD1 1QH

20th September 1999

RHODIA INDUSTRIAL SPECIALTIES LIMITED

BALANCE SHEET

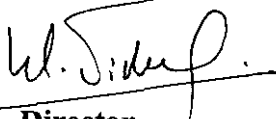
PERIOD ENDED 31 DECEMBER 1998

| | <u>1998</u> £ |
|--------------------------------------|------------------|
| <u>CURRENT ASSETS</u> | |
| Investments : Loan to Rhodia Limited | 2 |
| | <hr/> |
| Total assets | 2 |
| | <hr/> |
| <u>CAPITAL & RESERVES</u> | |
| Called up share capital | 2 |
| | <hr/> |
| Equity shareholders' funds | 2 |
| | <hr/> |

Within the meaning of Section 250 of the Companies Act 1985 the company was dormant throughout the period.

Approved by the Board of Directors on 30 September 1999.

P Vidal



Director

The notes on page 3 form part of the Financial Statement.

RHODIA INDUSTRIAL SPECIALTIES LIMITED

NOTES TO THE 1998 FINANCIAL STATEMENT

1. Directors' Emoluments

The Directors received no emoluments for the period ended 31 December 1998.

2. Share Capital

| | <u>1998</u> |
|-----------------------------------|-------------|
| | £ |
| Ordinary shares of £1 each : | |
| Authorised, issued and fully paid | 2 |
| | <hr/> |

3. Immediate and Ultimate Parent Company

The company is wholly owned by Rhodia Limited, which is incorporated in England and Wales. The ultimate holding company is Rhône-Poulenc SA, which is incorporated in France. Copies of the parent's consolidated financial statements may be obtained from :

The Secretary
Rhône-Poulenc SA
25 Quai Paul Doumer
92408 Courbevoie - Cedex
France

Copies of the UK parent's accounts may be obtained from :

The Secretary
Rhodia Limited
Oak House
Reeds Crescent
Watford
Herts. WD1 1QH