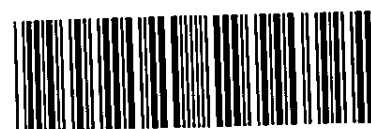


INEOS Investments International Limited
(formerly INEOS Holdings (Fluor & Silicas) Limited)
Annual report
for the year ended 31 December 2007

Registered Number 3938607

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INEOS Investments International Limited
(formerly INEOS Holdings (Fluor & Silicas) Limited)
Annual report
for the year ended 31 December 2007
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INEOS Investments International Limited (formerly INEOS Holdings (Fluor & Silicas) Limited)

Directors' report for the year ended 31 December 2007

The directors present their report and the audited financial statements for the year ended 31 December 2007.

Principal activities

The principal activity of the company is that of a holding company. The company has a branch located in France.

Review of the business

The company has continued to act as a holding company throughout the year.

Change of company name

On 15 May 2008 the company changed its name from INEOS Holdings (Fluor & Silicas) Limited to INEOS Investments International Limited.

Results and dividends

During the year to 31 December 2007 the company made a loss before taxation of €67,575,666 (2006: profit of €32,199,204). The directors do not recommend the payment of a dividend (2006: €Nil).

Key performance indicators

Given the close involvement of the shareholders in the running of the business, the directors believe that the current level of disclosures within the Directors' Report is sufficient to give an understanding of the development, performance and position of the business.

Directors

The directors who held office during the year were as follows:

R Bell	(resigned 25 July 2007)
G Leask	(appointed 23 February 2007)
D Smeeton	(appointed 23 February 2007)

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company where appropriate. The company manages its credit exposures with a set of policies for ongoing credit checks on potential and current customers or counterparties. The company is funded internally by the INEOS group and therefore has no direct exposure to liquidity or debt market risk. Interest rate exposures are managed on a group basis and are fully disclosed in the consolidated financial statements of INEOS Group Limited.

Subsequent events

The underlying performance of the Group's business in 2008 was significantly impacted by volatile raw material prices, demand slow down and some exceptional events. As a result of this, the Group forecast that it would breach some of its financial covenants relating to its Senior Facilities Agreement for the periods ending 31 December 2008 and 31 March 2009. On 14 December 2008, the Group obtained a waiver from its senior banking syndicate of its Debt Service Cover and Interest Cover tests, together with an amendment to its Leverage test for the period ending 31 December 2008. The amended Leverage test was subsequently met. The Group also obtained an agreement to defer the testing of the Interest Cover and Leverage tests for the period ending 31 March 2009 until 31 May 2009. This deferral has recently been further extended to 17 July 2009. The Directors expect that an agreement with the banking syndicate will be reached by this date.

INEOS Investments International Limited (formerly INEOS Holdings (Fluor & Silicas) Limited)

Directors' report for the year ended 31 December 2007 (continued)

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

The directors confirm that as far as they are aware, there is no relevant audit information of which the company's auditors are unaware and that they have taken all steps necessary as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. A resolution to reappoint PricewaterhouseCoopers LLP as auditors of the company will be proposed at the Annual General Meeting.

By order of the Board



M Stokes
Company Secretary
10 June 2009

**INEOS Investments International Limited
(formerly INEOS Holdings (Fluor & Silicas) Limited)**

**Independent auditors' report to the members of INEOS Investments
International Limited (formerly INEOS Holdings (Fluor & Silicas)
Limited**

We have audited the financial statements of INEOS Investments International Limited for the year ended 31 December 2007, which comprise the Profit and Loss Account, the Balance Sheet, the statement of accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INEOS Investments International Limited (formerly INEOS Holdings (Fluor & Silicas) Limited)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of disclosure given in the Statement of Accounting Policies to the financial statements concerning the Company's ability to continue as a going concern. The matters explained in the Statement of Accounting Policies to the financial statements relating to the renegotiation of the Ineos Group's banking covenants indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Ineos Group and, as a consequence the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Newcastle
10 June 2009

INEOS Investments International Limited
(formerly INEOS Holdings (Fluor & Silicas) Limited)

Profit and loss account for the year ended 31 December 2007

	Note	2007 €'000	Restated 2006 €'000
Administrative expenses		(110)	-
Operating loss		(110)	-
Interest receivable and similar income	4	49,750	69,667
Interest payable and similar charges	5	(117,216)	(37,468)
(Loss)/ profit on ordinary activities before taxation		(67,576)	32,199
Tax on (loss)/ profit on ordinary activities	6	21,505	(9,660)
Retained (loss)/ profit for the financial year	12	(46,071)	22,539

All the activities of the company relate to continuing operations.

The company has no recognised gains and losses other than the result above and therefore no separate statement of total recognised gains and losses has been presented.

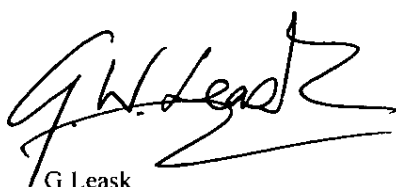
There is no difference between the reported result stated above and their historical cost equivalents.

INEOS Investments International Limited
(formerly INEOS Holdings (Fluor & Silicas) Limited)

Balance sheet as at 31 December 2007

	Note	2007 €'000	Restated 2006 €'000
Fixed assets			
Investments	7	625,658	506,542
Current assets			
Debtors due within one year	8	120,386	96,614
Debtors due after more than one year	8	415,583	451,008
		535,969	547,622
Cash at bank and in hand		60	1
		536,029	547,623
Creditors: amounts falling due within one year	9	(104,494)	(588,975)
Net current assets / (liabilities)		431,535	(41,352)
Total assets less current liabilities		1,057,193	465,190
Creditors: amounts falling due after more than one year	10	(1,097,109)	(459,035)
Net (liabilities) / assets		(39,916)	6,155
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	(39,916)	6,155
Total shareholders' (deficit)/funds	13	(39,916)	6,155

The financial statements on pages 7 to 16 were approved by the board of directors on 10 June 2009 and were signed on its behalf by:


G Leask
Director

INEOS Investments International Limited **(formerly INEOS Holdings (Fluor & Silicas) Limited)**

Statement of accounting policies

Basis of accounting

The financial statements are prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently, are set out below.

Going concern

The Company is part of the Ineos Group of companies whose banking facilities are included in the consolidated financial statements of Ineos Group Holdings plc. The going concern assessment of the Company is inextricably linked to the going concern assessment of the Ineos Group as the Company's assets are pledged as security for the Group's funding facilities (see note 15). Full details of the basis of preparation of the financial statements of Ineos Group Holdings plc are set out in the financial statements of that company for the year ended 31 December 2008 which are publicly available (see note 17).

A summary of the going concern assessment of Ineos Group Holdings plc is as follows:

The underlying performance of the Ineos Group in 2008 was significantly impacted by volatile raw material prices, demand slow down and some exceptional events. As a result the Ineos Group forecast that it would breach some of its financial covenants relating to its Senior Facilities Agreement for the periods ending 31 December 2008 and 31 March 2009. On 14 December 2008, the Ineos Group obtained a waiver from its senior banking syndicate of its Debt Service Cover and Interest Cover tests, together with an amendment to its Leverage test for the period ending 31 December 2008. The amended Leverage test was subsequently met. The Ineos Group also obtained an agreement to defer the testing of the Interest Cover and Leverage tests for the period ending 31 March 2009 until 31 May 2009. This deferral has recently been further extended to 17 July 2009.

The Directors of the Ineos Group have prepared a business plan for the period up to 31 December 2012 to reflect current trading conditions and incorporating future trends in line with market commentators' projections (adjusted for factors specific to the Ineos Group's businesses). The Ineos Group is in discussions with its senior banking syndicate regarding the business plan with a view to negotiating revised loan covenants. Should these negotiations prove unsuccessful, then the Group would be unable to meet its current financial covenants.

The Ineos Group Directors have concluded that pending successful agreement of revised loan covenants, there exists a material uncertainty which may cast significant doubt over the ability of the Ineos Group to continue as a going concern. Having carefully reviewed the Ineos Group's business plan and considering the uncertainties described above, the Ineos Group Directors have a reasonable expectation that the Ineos Group has adequate resources to continue operating for the foreseeable future, with the Ineos Group having a number of short term cash saving measures available to it should they be required.

The Ineos Group Directors expect that agreement will be reached with the banking syndicate by 17 July 2009 although should this not be the case, the Ineos Group Directors are confident that additional extensions can be obtained to enable sufficient time to complete negotiations.

These matters relating to Ineos Group result in a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern because of the consequential effect on the Company. However, for the reasons set out above, the Company's Directors continue to adopt the going concern basis in preparing the financial statements of the Company. These financial statements do not include the adjustments that would result if the Ineos Group and, as a consequence, the Company were unable to continue as a going concern.

INEOS Investments International Limited

(formerly INEOS Holdings (Fluor & Silicas) Limited)

Change in presentation

With effect from 1 January 2007 the local currency of the company has been changed from sterling to euros following a change in the primary economic environment in which it operates and generates cash flows. The directors consider it appropriate that the company adopts the euro as the local currency since the principal cash flows of the company switched from sterling to euros following investments made in French operations. The prior year has been retranslated at the closing exchange rate at 31 December 2006.

Basis of preparation

The company is included in the consolidated financial statements of INEOS Group Limited, the ultimate parent undertaking. The company has taken advantage of the exemption not to prepare consolidated financial statements under S228 Companies Act 1985, as it is included in the consolidated financial statements of the INEOS Group Limited. These financial statements therefore present information about the company as an individual undertaking and not about the group.

Investments

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Cash flow statement

The company is a wholly owned subsidiary of INEOS Intermediate Holdings (Fluor & Silicas) Limited and is included in the consolidated financial statements of INEOS Group Limited. Consequently, the company has taken advantage of the exemptions from preparing a cash flow statement under the terms of Financial Reporting Standard Number 1 (Revised 1996).

Foreign currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Exchange differences are taken to the profit and loss account in the period in which they occur.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted by the balance sheet date.

INEOS Investments International Limited **(formerly INEOS Holdings (Fluor & Silicas) Limited)**

Notes to the financial statements for the year ended 31 December 2007

1 Reporting currency

The financial statements are expressed in Euros as the company primarily generates income, incurs expenditure and has the majority of its assets and liabilities denominated in Euros.

The exchange rate as at 31 December 2007 was €1.36482/£1 (2006: €1.49098/£1).

2 Auditor's remuneration

The audit fee has been included in the overall audit fee for INEOS Group Limited in the current and prior year and is not separately recharged to the company.

3 Employees and directors

Neither the directors nor the secretary received any emoluments during the year (2006: £nil) in respect of their services to the company.

Employment costs for other persons employed during the year and in the previous year were recharged to INEOS Manufacturing France SAS, a subsidiary undertaking.

4 Interest receivable and similar income

	2007 €'000	Restated 2006 €'000
Loans with group undertakings	49,750	48,139
Loans with related parties	-	924
Exchange gains	-	20,604
	49,750	69,667

INEOS Investments International Limited
(formerly INEOS Holdings (Fluor & Silicas) Limited)

5 Interest payable and similar charges

	2007 €'000	Restated 2006 €'000
Loans with group undertakings	78,904	37,468
Exchange losses	38,312	-
	117,216	37,468

6 Taxation

Analysis of tax (credit)/charge:

	2007 €'000	Restated 2006 €'000
Current tax		
Group relief (receivable)/payable to group company at 30% (2006: 30%)		
- current year	(20,273)	9,660
- adjustments in respect of previous years	(520)	-
Foreign tax		
- corporation tax	(712)	-
Total current tax	(21,505)	9,660
Total tax	(21,505)	9,660

	2007 €'000	Restated 2006 €'000
(Loss)/ profit on ordinary activities before taxation	(67,576)	32,199
(Loss)/ profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006: 30%)	(20,273)	9,660
Effects of:		
Adjustment in respect of previous years	(520)	-
Adjustment in respect of foreign taxes	(712)	-
Current tax (credit)/charge for the year	(21,505)	9,660

There are no factors which are expected to affect the future tax charge materially.

INEOS Investments International Limited (formerly INEOS Holdings (Fluor & Silicas) Limited)

7 Investments

	Subsidiary Shares €'000	JV Shares €'000	Total €'000
Cost and net book value			
At 1 January 2007	506,542	-	506,542
Additions	104	119,012	119,116
At 31 December 2007	506,646	119,012	625,658
At 31 December 2006	506,542	-	506,542

Additions in the year included an investment in subsidiary shares of INEOS Investissement SARL of €0.1m. In addition the company acquired a 50% share in Oxochimie SAS, Naphtachimie SAS and Appryl SNC from a fellow subsidiary undertaking, Ineos Manufacturing France SAS for a combined consideration of €119.0m. These three joint ventures are located in France and operate as toll manufacturers.

The directors believe that the book value of the investments is more than the value of the underlying assets.

Interests in subsidiary undertakings and joint ventures

The subsidiary and joint ventures of the company at 31 December 2007 and the percentage of equity share capital held are set out below.

Subsidiary undertaking	Country of registration or incorporation	Principal activity	Percentage of shares held
INEOS Fluor Holdings Limited	England	Chemicals	100%
INEOS Silicas Holdings Limited	England	Chemicals	100%
INEOS Manufacturing France SAS	France	Chemicals	100%
INEOS France SAS	France	Chemicals	100%
INEOS Investissements SARL	France	Investment	100%

All investments are held directly by the company.

Joint Ventures	Country of registration or incorporation	Principal activity	Percentage of shares held
Oxochimie SAS	France	Toll manufacturer	50%
Naphtachimie SAS	France	Toll manufacturer	50%
Appryl SNC	France	Toll manufacturer	50%

INEOS Investments International Limited
(formerly INEOS Holdings (Fluor & Silicas) Limited)

8 Debtors

	2007	Restated 2006
	€'000	€'000
Amounts falling due within one year		
Amounts due from group undertakings	119,666	96,614
Other debtors	8	-
Corporation tax	712	-
	120,386	96,614
Amounts falling due after more than one year		
Amounts due from group undertakings	415,583	451,008

9 Creditors – amounts falling due within one year

	2007	Restated 2006
	€'000	€'000
Amounts due to group undertakings	103,950	588,975
Other creditors	544	-
	104,494	588,975

10 Creditors – amounts falling due after more than one year

	2007	Restated 2006
	€'000	€'000
Amounts due to group undertakings	1,097,109	459,035

11 Called up share capital

	2007 €	Restated 2006 €
Authorised		
1,000 ordinary shares of £1	1,491	1,491
Allotted, called up and fully paid		
1 ordinary share of £1	1	1

INEOS Investments International Limited
(formerly INEOS Holdings (Fluor & Silicas) Limited)

12 Reserves

	Profit and loss account €'000
At 1 January 2007	6,155
Loss for the financial year	(46,071)
At 31 December 2007	(39,916)

13 Reconciliation of movements in total shareholders' (deficit)/funds

	2007 €'000	Restated 2006 €'000
(Loss)/profit for the financial year	(46,071)	22,539
Net (reduction)/addition to total shareholders' funds	(46,071)	22,539
Opening total shareholders' funds/ (deficit)	6,155	(16,384)
Closing total shareholders' (deficit)/funds	(39,916)	6,155

14 Commitments

The company's annual commitments under non-cancellable operating leases are as follows:

	2007 Land and buildings €'000	Restated 2006 Land and buildings €'000
Operating leases which expire:		
After more than five years	60	60

INEOS Investments International Limited (formerly INEOS Holdings (Fluor & Silicas) Limited)

15 Contingent liabilities

The company is party to a Senior Facilities Agreement dated 14 December 2005 (as amended). The Senior Facilities Agreement comprises of term loans (Term Loan A, Term Loan B, Term Loan C and Term Loan D), and a Revolving Credit Facility. The total outstanding indebtedness under the Senior Facilities Agreement at 31 December 2007 was €5,020.2 million (31 December 2006: €5,440.4 million). The company is a guarantor under the Senior Facilities Agreement. These obligations are secured by fixed and floating charges over the assets of the company.

The company was also party to a Bridge Credit Agreement dated 14 December 2005. The company was a guarantor under the Bridge Credit Agreement. The Bridge Credit Agreement was fully repaid on 7 February 2006 with the proceeds of a high yield bond offering (the 'Senior Notes'), together with additional facilities drawn under the Senior Facilities Agreement.

The company is party to the Senior Notes Indenture dated 7 February 2006 (as amended). The Senior Notes comprise the €1,630 million 7.875% Senior Notes Due 2016 and the \$700 million 8.5% Senior Notes Due 2016. The total outstanding indebtedness under the Senior Notes at 31 December 2007 was €2,110.6 million (31 December 2006: €2,162.6 million). The company is a guarantor under the Senior Notes Indenture. These guarantees are on an unsecured senior subordinated basis.

16 Related party transactions

The ultimate parent company and controlling party is INEOS Limited. As 100% of the company's voting rights are controlled within the group headed by INEOS Limited, the company has not disclosed transactions with fellow subsidiaries in accordance with the exemption under the terms of Financial Reporting Standard No. 8.

17 Parent undertaking and controlling party

The directors regard INEOS Intermediate Holdings (Fluor & Silicas) Limited, a company incorporated in the United Kingdom to be the immediate parent undertaking of the company.

As at 31 December 2007, the ultimate parent undertaking was INEOS Group Limited, a company registered in England and Wales. On 14 May 2008 as part of a corporate restructuring, a new holding company, INEOS Limited was incorporated at the top of the group structure and became the ultimate parent undertaking as of that date. Copies of the accounts of INEOS Group Limited can be obtained from the Company Secretary, INEOS Group Limited, Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

INEOS Group Holdings plc is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The financial statements of INEOS Group Holdings plc are available from the Company Secretary, Ineos Limited, Hawkslease, Chapel Lane, Lyndhurst, SO43 7FG.

The ultimate controlling party is Mr J A Ratcliffe, director and majority shareholder in the ultimate parent undertakings INEOS Group Limited and INEOS Limited.