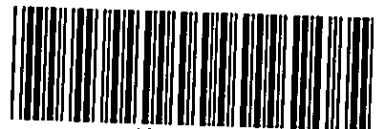


INEOS Investments International Limited
Annual report and financial statements
for the year ended 31 December 2011

Registered Number 3938607

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INEOS Investments International Limited
Annual report and financial statements
for the year ended 31 December 2011
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INEOS Investments International Limited

Directors' report for the year ended 31 December 2011

The directors present their report and the audited financial statements for the year ended 31 December 2011

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.

Results and dividends

During the year to 31 December 2011 the company made a profit before taxation of €84,097,000, (2010: €16,871,000 loss). The directors do not recommend the payment of a dividend (2010: €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. The development, performance and position of Ineos Group Holdings S.A. is discussed in the group's annual report which does not form part of this report.

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

G Leask
D Smeeton
JF Ginns

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 Holdings S.A.

Going concern

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent company INEOS AG. The directors have received confirmation that INEOS Group Holdings S.A. intends to support the company for at least one year after these financial statements are signed.

INEOS Investments International Limited

Directors' report for the year ended 31 December 2011 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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



Y Ali
Company Secretary
26 September 2012

INEOS Investments International Limited

Independent auditors' report to the members of INEOS Investment International Limited

We have audited the financial statements of INEOS Investments International Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statement to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INEOS Investments International Limited

Independent auditors' report to the members of INEOS Investment International Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Steve Denison (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Newcastle Upon Tyne

26 September 2012

INEOS Investments International Limited

Profit and loss account for the year ended 31 December 2011

	Note	2011 €'000	2010 €'000
Administrative expenses		(221)	14
Operating (loss) / profit	2	(221)	14
Profit on disposal of investment		98,359	-
Loss on disposal of investment	7	-	(12,784)
Income from fixed asset investments		665	626
Interest receivable and similar income	4	56,666	58,031
Interest payable and similar charges	5	(71,372)	(62,758)
Profit / (loss) on ordinary activities before taxation		84,097	(16,871)
Tax on profit on ordinary activities	6	(304)	3,175
Profit /(loss) for the financial year	12	83,793	(13,696)

All results derive from 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

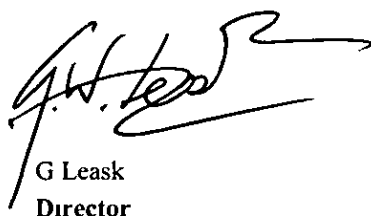
There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents

INEOS Investments International Limited

Balance sheet as at 31 December 2011

	Note	2011 €'000	2010 €'000
Fixed assets			
Investments	7	367,471	608,250
Current assets			
Debtors due within one year	8	537,609	158,043
Debtors due after more than one year	8	243,600	239,929
		781,209	397,972
Cash at bank and in hand		110	53
		781,319	398,025
Creditors: amounts falling due within one year	9	(163,805)	(140,654)
Net current assets		617,514	257,371
Total assets less current liabilities		984,985	865,621
Creditors amounts falling due after more than one year	10	(1,085,767)	(1,049,051)
Provisions for liabilities and charges		-	(1,145)
Net liabilities		(100,782)	(184,575)
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	(100,782)	(184,575)
Total shareholders' deficit	13	(100,782)	(184,575)

The financial statements on pages 5 to 15 were approved by the board of directors on 26 September 2012 and were signed on its behalf by



G Leask
Director

INEOS Investments International 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 2006 and applicable accounting standards in the United Kingdom. The going concern assumption is based on confirmation that the company will be supported by its parent company to finance its activities for twelve months following the date of approval of these accounts. The principal accounting policies, which have been consistently applied are set out below.

Basis of preparation

The financial statements contain information about INEOS Investments International Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the company is ultimately consolidated within the financial statements of, INEOS Group Holdings S A, a company incorporated in Luxembourg.

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 Holdings Limited and is included in the consolidated financial statements of INEOS Group Holdings S A. 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

Notes to the financial statements for the year ended 31 December 2011

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 2011 was €1 19489 /£1 (2010 €1 17412/£1)

2 Operating profit

The audit fee has been included in the overall audit fee for INEOS Group Holdings S A 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 (2010 €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

	2011	2010
	€'000	€'000
Loans with group undertakings	71,372	43,377
Exchange gains	-	14,654
	71,372	58,031

5 Interest payable and similar charges

	2011	2010
	€'000	€'000
Loans with group undertakings	47,697	62,758
Exchange losses	8,969	-
	56,666	62,758

INEOS Investments International Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

6 Tax on profit on ordinary activities

Analysis of tax credit

	2011	2010
	€'000	€'000
Current tax		
Group relief payable to group company at 26.5% (2010: 28%)		
- current year	(3,566)	(1,347)
- adjustments in respect of previous years	(2,161)	(2,973)
- share of joint venture tax	6,031	-
Total current tax	304	(4,320)
Deferred tax		
Adjustments in respect of previous periods	-	1,145
Total deferred tax	-	1,145
Tax charge/(credit) on ordinary activities	304	(3,175)

The tax assessed for the year is lower (2010: lower) than the standard rate of corporation tax in the UK (26.5%)

	2011	2010
	€'000	€'000
Profit / (loss) on ordinary activities before taxation	84,097	(16,871)
Profit / (loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.5% (2010: 28%)	22,286	(4,724)
Effects of		
Non taxable income	(26,065)	3,377
Adjustment in respect of previous years	(2,161)	(2,973)
Share of joint venture tax	6,031	-
Group Relief	213	
Current tax charge/(credit) for the year	304	(4,320)

INEOS Investments International Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

6 Tax on profit on ordinary activities (continued)

The Finance Act 2011 was substantively enacted on 29 March 2011 and included legislation to reduce the main rate of corporation tax from 28% to 26% from 1 April 2011. A further reduction to 25% from 1 April 2012 was substantively enacted by subsequent legislation on 5 July 2011.

Further reductions to the UK corporation tax rate were announced in the 2011 Budget on 23 March 2011, which proposed to reduce the rate by 1% per annum to 23% by 1 April 2014. However, a further announcement was made in the 2012 Budget on 21 March 2012, which will result in the rate reducing to 24% from 1 April 2012, with further 1% reductions per annum to 22% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and therefore are not recognised in these financial statements. The impact of the proposed changes is not expected to be material to the balance sheet.

INEOS Investments International Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

7 Investments

	Subsidiary shares	JV shares	Total
	€'000	€'000	€'000
Cost and net book value			
At 1 January 2011	489,222	119,028	608,250
Disposal	(430,724)	(8,502)	(439,226)
Acquired	198,447	-	198,447
At 31 December 2011	256,945	110,526	367,471

On 31 May 2011, the company acquired investments in INEOS Chemicals Lavera SAS and INEOS Polymers Sarralbe SAS

On 6 July 2011, the company disposed of its investment in INEOS Manufacturing France SAS and INEOS Refining France SAS to PETROINEOS Refining Limited for a gain of €98,359,000

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 2011 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	Holding Company	100%
INEOS Silicas Holdings Limited	England	Holding Company	100%
INEOS France SAS	France	Chemicals	100%
INEOS Investissements SARL	France	Investment	100%
INEOS Chemicals Lavera SAS	France	Chemicals	100%
INEOS Polymers Sarralbe SAS	France	Chemicals	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

Notes to the financial statements for the year ended 31 December 2011 (continued)

8 Debtors

	2011	2010
	€'000	€'000
Amounts falling due within one year		
Amounts due from group undertakings	537,609	158,043
Amounts falling due more than one year		
Amounts due from group undertakings	243,600	239,929

9 Creditors – amounts falling due within one year

	2011	2010
	€'000	€'000
Amounts due to group undertakings	163,648	139,826
Other creditors	157	828
	163,805	140,654

10 Creditors – amounts falling due after more than one year

	2011	2010
	€'000	€'000
Amounts due to group undertakings	1,085,767	1,049,051

11 Called up share capital

	2011	2010
	€	€
Allotted, issued and fully paid		
1 ordinary share of £1	1	1

INEOS Investments International Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

12 Reserves

	Profit and loss account €'000
At 1 January 2011	(184,575)
Profit for the financial year	83,793
At 31 December 2011	(100,782)

13 Reconciliation of movements in total shareholders' deficit

	2011 €'000	2010 €'000
Profit / (loss) for the financial year	83,793	(13,696)
Net reduction to total shareholders' deficit	83,793	(13,696)
Opening total shareholders' deficit	(184,575)	(170,879)
Closing total shareholders' deficit	(100,782)	(184,575)

14 Commitments

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

	2011 Land and buildings €'000	2010 Land and buildings €'000
Operating leases which expire:		
After more than five years	60	60

INEOS Investments International Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

15 Contingent liabilities

The company is party to a Senior Facilities Agreement dated 12 May 2010 (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 2011 was €3,170.0 million (2010: €3,907.0 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 is party to the Senior Secured Notes Indenture dated 12 May 2010 (as amended). The Senior Secured Notes comprise the €300 million 9.25% Senior Secured Notes Due 2015 and the \$570 million 9.0% Senior Secured Notes Due 2015. The total outstanding indebtedness under the Senior Secured Notes at 31 December 2011 was €740.3 million (2010: €733.9 million). The company is a guarantor under the Senior Secured Notes Indenture. These obligations are secured by fixed and floating charges over the assets of the company.

The company is party to the Senior Notes Indenture dated 7 February 2006 (as amended). The Senior Notes comprise the €1,532.1 million 7.875% Senior Notes Due 2016 and the \$677.5 million 8.5% Senior Notes Due 2016. The total outstanding indebtedness under the Senior Notes at 31 December 2011 was €2,055.4 million (2010: €2,047.9 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 company has taken advantage of the exemption contained within Financial Reporting Standard No. 8 "Related party disclosures", and has not disclosed transactions with group companies on the grounds that it is a wholly owned subsidiary. The consolidated financial statements of INEOS Group Holdings S.A. are publicly available.

INEOS Investments International Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

17 Parent undertaking and controlling party

The directors regard INEOS Holdings International Limited, a company incorporated in the United Kingdom to be the immediate parent undertaking of the company

The ultimate parent company at 31 December 2011 was INEOS AG, a Swiss corporation

INEOS Group Holdings S A is the parent undertaking of the only group of undertakings to consolidate these financial statements Copies of the financial statements of INEOS Group Holdings S A can be obtained from the Company Secretary, 58, rue Charles Martel, Luxembourg, L-2134, Luxembourg

The directors regard Mr J A Ratcliffe to be the ultimate controlling party by virtue of his majority shareholding in the ultimate parent undertakings INEOS AG

18 Subsequent events

On 10 February 2012, INEOS Finance plc issued €500,000,000 aggregate principal amount of Floating Rate Senior Secured Notes due 2019 and \$1,000,000,000 8³/₈% Senior Secured Notes due 2019 under an indenture dated 10 February 2012 The company is a guarantor under this Indenture These obligations are secured by fixed and floating charges over the assets of the company

In May 2012 the Group successfully issued \$775 million Senior Secured Notes due 2020 and a new Senior Secured Term Loans totalling €500 million and \$2,375 million The net proceeds from the notes and the term loan were used to repay all of the outstanding Term Loan C, Term Loan D and Revolving Credit Facility indebtedness under the Senior Facilities Agreement, including the associated PIK interest The company is a guarantor under this Indenture These obligations are secured by fixed and floating charges over the assets of the company