

INEOS Investments International Limited
Annual report and financial statements
for the year ended 31 December 2012

Registered Number 3938607

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INEOS Investments International Limited

Annual report and financial statements

for the year ended 31 December 2012

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INEOS Investments International Limited

Directors' report for the year ended 31 December 2012

The directors present their report and the audited financial statements for the year ended 31 December 2012

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 2012 the company made a loss on ordinary activities before taxation of €278,000 (2011 profit €84,097,000). The directors do not recommend the payment of a dividend (2011 €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 financial statements 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 2012 (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

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 July 2013

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 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of 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 statements 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 2012 and of its loss 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 July 2013

INEOS Investments International Limited

Profit and loss account for the year ended 31 December 2012

	Note	2012 €'000	2011 €'000
Administrative expenses		(170)	(221)
Operating loss	2	(170)	(221)
Profit on disposal of investment		-	98,359
Income from other fixed asset investments		790	665
Interest receivable and similar income	4	67,242	56,666
Interest payable and similar charges	5	(68,140)	(71,372)
(Loss)/profit on ordinary activities before taxation		(278)	84,097
Tax on (loss)/profit on ordinary activities	6	(518)	(304)
(Loss)/profit for the financial year	12	(796)	83,793

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 (loss)/profit on ordinary activities before taxation and the (loss)/profit for the year stated above and their historical cost equivalents

INEOS Investments International Limited

Balance sheet as at 31 December 2012

	Note	2012 €'000	2011 €'000
Fixed assets			
Investments	7	367,471	367,471
Current assets			
Debtors amounts falling due within one year	8	600,992	537,609
Debtors amounts falling due after more than one year	8	247,980	243,600
		848,972	781,209
Cash at bank and in hand		34	110
		849,006	781,319
Creditors: amounts falling due within one year	9	(220,830)	(163,805)
Net current assets		628,176	617,514
Total assets less current liabilities		995,647	984,985
Creditors amounts falling due after more than one year	10	(1,097,225)	(1,085,767)
Net liabilities		(101,578)	(100,782)
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	(101,578)	(100,782)
Total shareholders' deficit	13	(101,578)	(100,782)

The financial statements on pages 5 to 15 were approved by the board of directors on 26 July 2013 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 financial statements. 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 2012

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 2012 was €1 23564 /£1 (2011 €1 19489 /£1)

2 Operating loss

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 (2011 €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 PetroIneos Manufacturing France SAS, a subsidiary undertaking

4 Interest receivable and similar income

	2012	2011
	€'000	€'000
Loans with group undertakings	67,242	47,697
Exchange gains	-	8,969
	67,242	56,666

5 Interest payable and similar charges

	2012	2011
	€'000	€'000
Loans with group undertakings	62,278	71,372
Exchange losses	5,862	-
	68,140	71,372

INEOS Investments International Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

6 Tax on (loss)/profit on ordinary activities

Analysis of tax charge

	2012	2011
	€'000	€'000
Current tax		
Group relief payable to group company at 24.5% (2011: 26.5%)		
- current year	(68)	(3,566)
- adjustments in respect of previous years	(1,623)	(2,161)
- Share of JV tax	2,209	6,031
Total current tax	518	304

The tax assessed for the year is higher (2011: lower) than the standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)

	2012	2011
	€'000	€'000
Profit on ordinary activities before taxation	(278)	84,097
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	(68)	22,286
Effects of		
Non taxable income	-	(26,065)
Adjustments in respect of previous years	(1,623)	(2,161)
Share of JV tax	2,209	6,031
Group relief	-	213
Current tax charge for the year	518	304

INEOS Investments International Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

6 Tax on (loss)/profit on ordinary activities (continued)

The Finance Act 2012 was substantively enacted prior to the balance sheet date and included legislation to reduce the main rate of corporation tax to 23% from 1 April 2013. Changes to the main rate of UK corporation tax were announced in the March 2013 UK Budget Statement. Legislation to reduce the main rate of corporation tax to 21% from 1 April 2014 is expected to be included in the Finance Act 2013. Further reductions in the main rate are proposed to reduce the rate by 1% to 20% by 1 April 2015. These changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. As there are no provided deferred tax assets or liabilities, there is no deferred tax impact of the tax rate changes.

INEOS Investments International Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

7 Investments

	Subsidiary shares €'000	JV shares €'000	Total €'000
Cost and net book value			
At 1 January 2012 and 31 December 2012	256,945	110,526	367,471

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 2012 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%

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Notes to the financial statements for the year ended 31 December 2012 (continued)

8 Debtors

	2012	2011
	€'000	€'000
Amounts falling due within one year		
Amounts owed by group undertakings	600,992	537,609
Amounts falling due more than one year		
Amounts owed by group undertakings	247,980	243,600

9 Creditors – amounts falling due within one year

	2012	2011
	€'000	€'000
Amounts owed to group undertakings	220,535	163,648
Other creditors	295	157
	220,830	163,805

10 Creditors – amounts falling due after more than one year

	2012	2011
	€'000	€'000
Amounts owed to group undertakings	1,097,225	1,085,767

11 Called up share capital

	2012	2011
	€	€
Allotted, issued and fully paid		
1 (2011: 1) ordinary share of £1	1	1

INEOS Investments International Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

12 Reserves

	Profit and loss account €'000
At 1 January 2012	(100,782)
Loss for the financial year	(796)
At 31 December 2012	(101,578)

13 Reconciliation of movements in total shareholders' deficit

	2012 €'000	2011 €'000
(Loss)/profit for the financial year	(796)	83,793
Net (addition)/reduction to shareholders' deficit	(796)	83,793
Opening shareholders' deficit	(100,782)	(184,575)
Closing shareholders' deficit	(101,578)	(100,782)

14 Commitments

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

	2012 Land and buildings €'000	2011 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 2012 (continued)

15 Contingent liabilities

The Company is party to a Senior Secured Term Loans agreement dated 27 April 2012 (as amended). The total outstanding indebtedness under the Senior Secured Term Loans agreement at 31 December 2012 was €2,278.9 million (2011: €nil million). The Company is a guarantor under the Senior Secured Term Loans agreement. These obligations are secured by fixed and floating charges over the assets of the Company. The Senior Facilities Agreement (2011: €3,170.0 million) was fully repaid during the year.

The Company is party to the Senior Secured Notes due 2015 Indenture dated 12 May 2010 (as amended), the Senior Secured Notes due 2019 Indenture dated 10 February 2012 (as amended) and the Senior Secured Notes due 2020 Indenture dated 4 May 2012 (as amended). The total outstanding indebtedness under the Senior Secured Notes at 31 December 2012 was €2,573.4 million (2011: €740.3 million). The Company is a guarantor under the Senior Secured Notes Indentures. These obligations are secured by fixed and floating charges over the assets of the Company. The Senior Secured Notes due 2015 were redeemed in full on 15 May 2013.

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 2012 was €2,044.5 million (2011: €2,055.4 million). The Company is a guarantor under the Senior Notes Indenture. These guarantees are on an unsecured senior subordinated basis. The 8.5% Senior Notes Due 2016 were redeemed in full on 15 May 2013, and €500.0 million of the 7.875% Senior Notes due 2016 were redeemed in full on 5 June 2013.

In May 2013 the Group increased the size of the Senior Secured Term Loans by \$640 million and €350 million respectively and issued \$678 million and €500 million of Senior Notes due 2018. The proceeds of the refinancing were used to redeem the Senior Secured Notes due 2015 and partially redeem the Senior Notes due 2016.

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.

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Notes to the financial statements for the year ended 31 December 2012 (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 2012 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