INEOS Investments International Limited

Annual report and financial statements

Registered number 3938607

31 December 2014



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Strategic report for the year ended 31 December 2014

The directors present their strategic report for the year ended 31 December 2014.

Principal activities and business review

The principal activity of the Company is the management activities of a financial holding company. The company has a branch located in France.

Future developments

The Company held its investments in the year and will continue to do for the foreseeable future.

Principal risks and uncertainties

The principal risk and uncertainty of the business is the potential impairment of the investments it holds. The directors review the investments for impairment annually or when an indication of impairment is deemed to exist.

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Results

The result for the year ended 31 December 2014 was a profit of €2,778,000 (2013 loss of: €21,177,000).

Dividends

No dividends were declared or paid in respect of the year (2013: none).

Approved and signed by order of the board



Y Ali
Company Secretary

21 January 2016

Directors' report for the year ended 31 December 2014

The directors present their report and the audited financial statements for the year ended 31 December 2014.

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

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

Financial risk management
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..

Statement of directors' responsibilities
The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- 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.

Directors' report for the year ended 31 December 2014 (continued)

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

PricewaterhouseCoopers LLP are deemed to be reappointed in accordance with an elective resolution made under section 487 of the Companies Act 2006.

Approved and signed by order of the Board



Y S Ali
Company Secretary
INEOS Investments International Limited
Hawkslease, Chapel Lane, Lyndhurst, SO43 7FG
21 January 2016

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

Report on the financial statements

Our opinion

In our opinion, INEOS Investments International Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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.

What we have audited

INEOS Investments International Limited's financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 4, 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) ("ISAs (UK & 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Steve Denison (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
21 January 2016

Profit and Loss Account

for year ended 31 December 2014

	Note	**2014**	2013
		€000	€000
Administrative (expenses) / income		**(15)**	16
Loss on disposal of investment	*8*	**(27,792)**	(734)
Income from other fixed asset investments		**760**	725
Interest receivable and similar income	*5*	**92,271**	46,327
Interest payable and similar charges	*6*	**(58,898)**	(71,115)
Profit / (loss) on ordinary activities before taxation		**6,326**	(24,781)
Tax on profit / (loss) on ordinary activities	*7*	**(3,548)**	3,604
Profit / (loss) for the financial year		**2,778**	(21,177)

All activities of the company relate to continuing operations.

The company has no recognised other comprehensive income and therefore no separate statement of other comprehensive income has been presented.

Balance Sheet

At 31 December 2014

	Note	2014 €000	2014 €000	2013 €000	2013 €000
Fixed assets					
Investments	*8*		**75,667**		367,471
Current assets					
Debtors (including *€258,488 (2013: €243,853)* due after more than one year)	*9*	**1,181,847**		816,342	
Cash at bank and in hand		**68**		38	
		1,181,915		816,380	
Creditors: amounts falling due within one year	*10*	**(364,698)**		(328,223)	
Net current assets			**817,217**		488,157
Total assets less current liabilities			**892,884**		855,628
Creditors: amounts falling due after more than one year	*11*		**(1,012,861)**		(978,383)
Net liabilities			**(119,977)**		(122,755)
Capital and reserves					
Called up share capital	*12*		**-**		-
Profit and loss account			**(119,977)**		(122,755)
Total shareholders' deficit			**(119,977)**		(122,755)

These financial statements on pages 8 to 18 were approved by the board of directors on 21 January 2016 and were signed on its behalf by:

G Leask
Director

Company registered number: 3938607

Statement of Changes in Equity

for year ended 31 December 2014

	Called up Share capital €000	Profit and loss account €000	Total shareholders' deficit €000
Balance at 1 January 2013	-	(101,578)	(101,578)
Loss for the financial year	-	(21,177)	(21,177)
Balance at 31 December 2013	-	(122,755)	(122,755)

	Called up Share capital €000	**Profit and loss account €000**	**Total shareholders' deficit €000**
Balance at 1 January 2014	**-**	**(122,755)**	**(122,755)**
Profit for the financial year	**-**	**2,778**	**2,778**
Balance at 31 December 2014	**-**	**(119,977)**	**(119,977)**

Notes (forming part of the financial statements)

1 Accounting policies

INEOS Investments International Limited (the "Company") is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework ("FRS 101").*

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has early adopted FRS 101 for the first time.

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of INEOS Group Holdings S.A. include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share Based Payments* in respect of group settled share based payments; and
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosure.*

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 1 January 2013 for the purposes of the transition to FRS 101.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

1.2 Going concern

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

Notes (forming part of the financial statements) *(continued)*

1 Accounting policies *(continued)*

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment.

1.5 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.6 Expenses

Interest receivable and Interest payable

Interest payable includes interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a gross basis.

Notes (forming part of the financial statements) *(continued)*

1 Accounting policies *(continued)*

1.7 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.8 Impairment excluding inventories and deferred tax assets

The carrying amounts of the Group's assets are assessed at the end of the reporting period to determine whether there is any indication of impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the consolidated income statement.

1.9 Investments in subsidiaries

Investments are stated in the balance sheet at cost less any provisions for impairment.

Notes (forming part of the financial statements) *(continued)*

2 Auditors' remuneration

The audit fee has been included in the overall audit fee for Ineos Group Holdings S.A. both in the current and prior year and is not separately recharged to the company.

3 Staff numbers and costs

The Company had no employees during the year (2013: nil).

4 Directors' remuneration

No directors received any fees or remuneration in respect of their services as a director of the Company during the financial year (2013: none).

5 Interest receivable and similar income

	2014 €000	2013 €000
Other interest receivable and similar income	**48,633**	46,327
Exchange gains	**43,638**	-
Total interest receivable and similar income	**92,271**	46,327

Interest receivable and similar income includes €48,633,000 *(2013:€46,327,000)* receivable from group undertakings.

6 Interest payable and similar charges

	2014 €000	2013 €000
Other interest payable and similar charges	**58,898**	60,832
Exchange losses	**-**	10,283
Total interest payable and similar charges	**58,898**	71,115

Interest payable and similar charges includes €58,898,000 *(2013:€60,832,000)* payable to group undertakings.

Notes (forming part of the financial statements) *(continued)*

7 Tax on profit / (loss) on ordinary activities

Recognised in the profit and loss account

	2014 €000	2013 €000
UK corporation tax		
Current tax on income for the period	**7,172**	(5,762)
Adjustments in respect of prior periods	**(4,026)**	1,108
Overseas tax / joint venture tax	**402**	1,050
Total current tax charge / (credit)	**3,548**	(3,604)

Reconciliation of effective tax rate

	2014 €000	2013 €000
Total tax charge / (credit)	**3,548**	(3,604)
Profit / (loss) on ordinary activities before taxation	**6,326**	(24,781)
Profit multiplied by the standard rate of tax in the UK of 21.5% (2013: 23.25%)	**1,360**	(5,762)
Expenses not deductible for tax purposes	**5,812**	-
Joint venture tax	**402**	1,050
Adjustments in respect of prior periods	**(4,026)**	1,108
Total tax charge / (credit)	**3,548**	(3,604)

8 Investments

Shares in group undertakings

	2014 €000	2013 €000
Cost		
At beginning of period	**367,471**	367,471
Addition	**17,275**	-
Disposal	**(309,079)**	-
At 31 December	**75,667**	367,471

The directors believe the carrying value of the investments is supported by the underlying net assets of the subsidiaries.

Notes (forming part of the financial statements) *(continued)*

8 Investments (continued)

The Company has the following investments in subsidiaries, associates and jointly controlled entities:

			Ownership	
Subsidiaries	**Country of incorporation**	**Class of share**	**2014**	**2013**
INEOS Fluor Holdings Limited	England	Ordinary	100%	100%
INEOS Silicas Holdings Limited	England	Ordinary	100%	100%
INEOS France SAS	France	Ordinary	100%	100%
INEOS Technologies France SAS	France	Ordinary	100%	0%
INEOS Investissements SARL	France	Ordinary	0%	100%
INEOS Chemicals Lavera SAS	France	Ordinary	0%	100%
INEOS Polymers Sarralbe SAS	France	Ordinary	0%	100%

			Ownership	
Joint ventures	**Country of incorporation**	**Class of share**	**2014**	**2013**
Oxochimie SAS	France	Ordinary	0%	50%
Naphtachimie SAS	France	Ordinary	0%	50%
Appryl SNC	France	Ordinary	0%	50%

The company disposed of a number of subsidiaries and joint ventures during the year, as shown above, for which the company booked a loss of €27,792,000 in the income statement. Following the disposal the company acquired a new subsidiary INEOS Technologies France SAS.

9 Debtors

	2014	2013
	€000	€000
Amounts owed by group undertakings	**1,181,847**	816,342
Due within one year	**923,359**	572,489
Due after more than one year	**258,488**	243,853

10 Creditors: amounts falling due within one year

	2014	2013
	€000	€000
Amounts owed to group undertakings	**364,698**	328,223

11 Creditors: amounts falling after more than one year

	2014	2013
	€000	€000
Amounts owed to group undertakings	**1,012,861**	978,383

Notes (forming part of the financial statements) *(continued)*

12 Called up share capital

	2014 €000
Allotted, called up and fully paid	
1 (2013: 1) Ordinary share of £1	-

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

13 Contingencies

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 2014 was €3,138.4 million (2013: €2,987.5 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 Company is party to 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 2014 was €1,959.1 million (2013: €1,784.7 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 Company is party to the Senior Notes due 2018 Indenture dated 14 May 2013 (as amended) and the Senior Notes due 2019 Indenture dated 18 February 2014. The total outstanding indebtedness under the Senior Notes at 31 December 2014 was €2,142.3 million (2013: €2,022.9 million). The Company is a guarantor under the Senior Notes Indentures. These guarantees are on an unsecured senior subordinated basis.

In March 2015 the Group entered into an incremental term loan facility under the Senior Secured Term Loans agreement to borrow an additional €850 million and $625 million. The proceeds of the additional Term Loans were used to redeem the Senior Secured Notes due 2019.

In May 2015 the Group issued €770 million of Senior Secured Notes due 2023. The proceeds of the refinancing were used to redeem the Senior Secured Notes due 2020.

14 Controlling parties

The Company is a subsidiary undertaking of INEOS Holdings Limited which is the ultimate parent company incorporated in the United Kingdom. The directors regard Mr J A Ratcliffe to be the ultimate controlling party by virtue of his majority shareholding in the ultimate parent undertaking INEOS AG, a company registered in Switzerland.

The largest group in which the results of the Company are consolidated is that headed by INEOS Group Holdings S.A., incorporated in the United Kingdom. No other group financial statements include the results of the Company. The consolidated financial statements of INEOS Group Holdings S.A. are available to the public and may be obtained from the Company Secretary, 58, Rue Charles Martel, Luxembourg, L-2134 Luxembourg.

Notes (forming part of the financial statements) *(continued)*

15 Accounting estimates and judgements

Taxation

All the Group's operation are in the UK. Management is required to estimate the tax payable and this involves estimating the actual current tax charge or credit together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which may be included on the consolidated balance sheet of the Group. Management have performed an assessment as to the extent to which future taxable profits will allow the deferred asset to be recovered. The calculation of the Group's total tax charge necessarily involves a significant degree of estimation in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority, or, as appropriate, through a formal legal process.

The Group has, from time to time, contingent tax liabilities arising from trading and corporate transactions. After appropriate consideration, management makes provision for these liabilities based on the probable level of economic loss that may be incurred and which is reliably measurable.

Details of amounts recognised with regard to taxation are disclosed in Note 7.

Impairment of debtors

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See Note 9 for the net carrying amount of the debtors and associated impairment provision.