

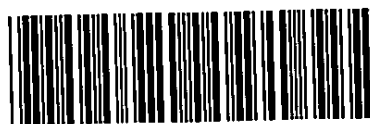
INEOS Silicas Limited

Annual report

for the year ended 31 December 2009

Registered Number 48745

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INEOS Silicas Limited

Annual report

for the year ended 31 December 2009

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INEOS Silicas Limited

Directors' report for the year ended 31 December 2009

The directors present their report and the audited financial statements for the year ended 31 December 2009

Business review and principal activities

The principal activity of the company is that of a holding company

Results and dividends

The loss for the year after taxation was €46,284,000 (2008 £22,091,000 profit) A dividend has not been declared (2008 £Nil)

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 Limited

Directors

The directors who held office during the year are given below

Mr J Reece	(resigned 31 March 2010)
Mr G Leask	
Mr L Heemskerk	(resigned 18 March 2010)
Dr I Hogan	
Dr J Dolan	(appointed 25 March 2009)
Mr M Mitchell	(appointed 25 March 2009)
Mrs D Smeeton	(appointed 25 March 2009)
Mr J Ginns	(appointed 18 March 2010)

INEOS Silicas Limited

Directors' report for the year ended 31 December 2009 (continued)

Statement of directors' responsibilities

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,
- 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, 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 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be appointed will be proposed at the Annual General Meeting.

By order of the board



M Stokes
Company Secretary
8th December 2010

INEOS Silicas Limited

Independent auditors' report to the members of INEOS Silicas Limited

We have audited the financial statements of INEOS Silicas Ltd for the year ended 31 December 2009 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 Directors' Responsibilities Statement on page 1 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 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.

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 31/12/09 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.

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

INEOS Silicas Limited

- 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



Michael Jeffrey (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Newcastle

8th December 2010

INEOS Silicas Limited

Profit and loss account for the year ended 31 December 2009

	Note	2009 £'000	2008 £'000
Turnover	1	-	33,461
Cost of sales		-	(20,331)
Gross profit		-	13,130
Distribution costs		-	(2,525)
Administrative expenses		(3,386)	(3,777)
Exceptional administrative expenses	7	-	(497)
Administrative expenses		(3,386)	(4,274)
Operating (loss) / profit		(3,386)	6,331
Profit on disposal of business	8	3,669	32,737
Loss on disposal of investments	12	(52,826)	-
Interest receivable and similar income	3	1,151	2,980
Other finance (expense) / income	4	(908)	464
Interest payable and similar charges	5	(278)	(2,573)
(Loss) / profit on ordinary activities before taxation	2	(52,578)	39,939
Tax on (loss) / profit on ordinary activities	6	6,294	(17,848)
(Loss) / profit for the financial year	19	(46,284)	22,091

All of the company's activities relate to continuing operations

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

INEOS Silicas Limited

Statement of total recognised gains and losses for the year ended 31 December 2009


	Note	2009 £'000	2008 £'000
(Loss) / profit for the financial year		(46,284)	22,091
Actuarial loss recognised in the pension scheme	17	(7,588)	(18,701)
Deferred tax arising on losses in the pension scheme	16	2,125	5,236
Total recognised gains and losses		(51,747)	8,626

INEOS Silicas Limited

Balance sheet as at 31 December 2009

	Note	2009 £'000	2008 £'000
Fixed assets			
Tangible assets	11	290	290
		290	290
Current assets			
Debtors amounts falling due within one year	13	15	25,028
Debtors amounts falling due after more than one year	13	4,014	15,817
Total debtors		4,029	40,845
Cash at bank and in hand		138	128
		4,167	40,973
Creditors: amounts falling due within one year	14	(26,796)	(14,194)
Net current (liabilities) / assets		(22,629)	26,779
Total assets less current liabilities		(22,339)	27,069
Creditors: amounts falling due after more than one year	15	(218)	(218)
Net (liabilities) / assets excluding pension liability		(22,557)	26,851
Pension liability	17	(19,669)	(17,330)
Net (liabilities) / assets		(42,226)	9,521
Capital and reserves			
Called up share capital	18	19,005	19,005
Share premium account	19	3,395	3,395
Profit and loss account	19	(64,626)	(12,879)
Equity shareholders' deficit / (funds)	20	(42,226)	9,521

The financial statements on pages 5 to 22 were approved by the board of directors on 8th December 2010 and were signed on its behalf by


G Leask
Director

INEOS Silicas Limited

Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

These financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006. The financial statements have been prepared on a going concern basis.

Cash flow statement

The company is a wholly owned subsidiary of INEOS Silicas Holdings Limited and is ultimately consolidated within the financial statements of INEOS Limited. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996).

Tangible fixed assets and depreciation

Depreciation is calculated so as to write off the cost of a fixed asset on a straight line basis over its estimated useful economic life taking into account expected residual values, using the following guidelines:

Freehold & leasehold buildings	-	20 - 40 years
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No depreciation is provided on freehold land.

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 recognised to the extent that the transfer of economic benefits in the future is considered to be more likely than not. 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. Deferred tax assets and liabilities, which have been recognised, have not been discounted.

INEOS Silicas Limited

Statement of accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction (or, if hedged forward, at the rate of exchange under the related forward currency contract) Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Post retirement benefits

The company participates in a pension scheme providing benefits based on final pensionable pay for all employees The assets of the scheme are held separately from those of the company

Pension scheme assets are measured using market values Pension scheme liabilities are measured using a projected unit method and discounted at the rate of return on a high quality corporate bond of equivalent term and currency to the liability

The increase in the present value of the liabilities of the pension scheme expected to arise from employee service in the period is charged to operating profit The expected return on the scheme assets and the increase during the year in the present value of the scheme liabilities, arising from the passing of time, are included in other finance income Actuarial gains and losses are recognised in the statement of total recognised gains and losses

The pension scheme surplus, to the extent that it is considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet net of the related deferred tax

INEOS Silicas Limited

Notes to the financial statements for the year ended 31 December 2009

1 Turnover

On 2 July 2008, the company disposed of the INEOS Silicas business to the PQ Corporation. Since that date the company has operated as a holding company and does not have any turnover.

	2009 £'000	2008 £'000
United Kingdom	-	8,462
Rest of Europe	-	16,798
Rest of the World	-	8,201
	-	33,461

2 (Loss) / profit on ordinary activities before taxation

(Loss) / profit on ordinary activities before taxation is stated after charging/(crediting)

	2009 £'000	2008 £'000
Auditors' remuneration		
Audit	-	28
Non audit services - taxation	-	9
Depreciation of tangible fixed assets	-	2,646
Exchange (gains)/losses	-	(572)
Rentals payable under operating leases		
Plant and machinery	-	493
Other assets	-	291
Research and development expenditure	-	1,052

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

INEOS Silicas Limited

3 Interest receivable and similar income

	2009	2008
	£'000	£'000
Interest receivable from group undertakings	1,151	2,905
Other interest receivable	-	75
	1,151	2,980

4 Other finance (expense) / income

	2009	2008
	£'000	£'000
Expected return on pension scheme assets	3,102	4,351
Interest on pension scheme liabilities	(4,010)	(3,887)
	(908)	464

5 Interest payable and similar charges

	2009	2008
	£'000	£'000
Interest payable on loans with group undertakings	278	3,145
Exchange (gains)/losses on financing items	-	(572)
	278	2,573

INEOS Silicas Limited

6 Tax on (loss) / profit on ordinary activities

(a) Analysis of tax charge / (credit) in the year

	2009	2008
	£'000	£'000
Current tax		
Group relief payable / (receivable) at 28%		
Current year	(2,173)	15,377
Adjustment in respect of prior periods	(5,336)	1,978
Total current tax (credit) / charge	(7,509)	17,355
Deferred tax		
Origination and reversal of timing differences	1,215	493
Total deferred tax (credit) / charge	1,215	493
Total tax (credit) / charge	(6,294)	17,848

(b) Factors affecting tax (credit) / charge in the year

The current tax credit is lower (2008 higher) than the standard rate of corporation tax in the UK of 28% (2008 28%) The differences are explained below

	2009	2008
	£'000	£'000
(Loss) / profit on ordinary activities before taxation	(52,578)	39,939
(Loss) / profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28%)	(14,722)	11,183
Effects of		
Expenses not deductible for tax purposes	13,764	3,114
Accelerated capital allowances and other timing differences	(1,215)	1,080
Adjustment in respect of prior periods	(5,336)	1,978
Current tax (credit) / charge for the year	(7,509)	17,355

(c) Factors affecting future tax charge

There are no factors expected to significantly affect the tax charge in future periods

(d) Amounts credited through statement of total recognised gains and losses

The deferred tax charge on actuarial gains on the pension liability of £2,125,000 (2008 £5,236,000) has been charged to the statement of total recognised gains and losses

INEOS Silicas Limited

7 Exceptional administrative expenses

During the prior year the company continued operational restructuring plans and charged £497,000 to the profit and loss account

8 Profit on disposal of business

On 2 July 2008, the Group completed the sale of the INEOS Silicas business to the PQ Corporation, the specialty chemical company owned by The Carlyle Group

During 2009, the PQ Corporation made augmentation payments of £3,669,000 in respect of various members of the INEOS Silicas Pension Plan. This has been treated as a fair value adjustment and has given rise to an additional profit on disposal

9 Directors' remuneration

	2009	2008
	£'000	£'000
Aggregate emoluments	-	361
Compensation for loss of office	-	-
Total	-	361

No directors received any emoluments during the current period in respect of their services to the company. No other persons were employed during the period.

None of the directors (2008: Nil) have benefits accruing under the defined benefit scheme.

Highest paid director	2009	2008
	£'000	£'000
Aggregate emoluments	-	81

The benefit accruing to the highest paid director under the defined benefit pension scheme at 31 December 2009 was £Nil (2008: £73,866).

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10 Employee information

The average number of employees employed by the company, including directors, during the year is analysed as follows

	2009	2008
	£'000	£'000
Production	-	230
Selling, distribution and administration	4	115
	4	345

The aggregate payroll costs in respect of these persons was as follows

	2009	2008
	£'000	£'000
Wages and salaries	-	6,373
Social security costs	-	592
Pension cost (Note 17)	2,587	1,799
	2,587	8,764

11 Tangible fixed assets

	Land and buildings
	£'000
Cost and Net Book Value	
At 1 January and 31 December 2009	290

The net book value of land and buildings comprises

	2009	2008
	£'000	£'000
Long leasehold	290	290

INEOS Silicas Limited

12 Investments

	£'000
Cost	
At 1 January 2009	-
Additions	52,826
Disposals	(52,826)
At 31 December 2009	-

On 31 July 2009, the company acquired 35,000,000 ordinary shares of INEOS Healthcare Limited in full settlement of the intercompany loan receivable of £52,826,230. This gave rise to a loss on disposal of investments of £52,826,230.

On 31 July 2009 the company disposed of its entire shareholding in INEOS Healthcare Limited to INEOS Healthcare Holdings Limited in return for 1 ordinary share of £0.0001 in INEOS Healthcare Holdings Limited.

On 31 July 2009 the company exercised its option to purchase from INEOS Industries Holdings Limited, 200,000 shares of £0.0001 each of INEOS Healthcare Holdings Limited for 20 pence in cash.

Following the restructuring, INEOS Silicas Limited owns 20% of the share capital of INEOS Healthcare Holdings Limited. The remaining 80% of the shares are owned by INEOS Industries Holdings Limited, part of the INEOS Industries Group, a group under common control by the Group's ultimate shareholders.

13 Debtors

	2009 £'000	2008 £'000
Amounts due within one year:		
Amounts owed by group undertakings	15	24,962
Prepayments and accrued income	-	66
	15	25,028
Amounts due after more than one year:		
Amounts owed by group undertakings	4,014	15,817
Total debtors	4,029	40,845

14 Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Amounts owed to group undertakings	26,766	12,892
Taxation and social security	20	72
Other creditors	10	1,230
	26,796	14,194

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15 Creditors: amounts falling due after more than one year

	2009	2008
	£'000	£'000
Amounts owed to group undertakings	218	218

16 Deferred taxation

The amounts provided for deferred taxation are set out below. The potential liability has been fully provided.

	2009	2008
	£'000	£'000
Deferred tax asset on pension scheme liability (note 17)	(7,649)	(6,739)
Net deferred tax asset	(7,649)	(6,739)

Analysis of movement in the period

	£'000
At 1 January 2009	(6,739)
Charge to the profit and loss account	1,215
Credit to the statement of total recognised gains and losses	(2,125)
At 31 December 2009	(7,649)

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17 Pension commitments

In accordance with UK GAAP, pension charges have been accounted for under FRS17 "Retirement benefits". As explained in the accounting policies set out on page 8, the company operates a defined benefit pension scheme, under which benefits are based on employees' years of service and average final remuneration.

The most recent actuarial valuation was at 31 December 2004. This has been updated for FRS17 purposes to 31 December 2009.

The INEOS Silicas Pension Fund is managed by trustee directors of INEOS Silicas Trustees Limited, which is the sole wholly owned subsidiary of INEOS Silicas Limited.

The major assumptions used in this valuation were:

	2009 %	2008 %
Inflation rate	3.60	3.10
Discount rate	5.70	6.10
Expected return on assets	7.35	7.50
Expected rate of salary increases	4.60	4.60
Rate of pension increases in payment	3.50	3.10

The mortality assumptions used in the valuation of the defined benefit pension liabilities of the group's plans are summarised in the table below and have been selected to reflect the characteristics and experience of the membership of those plans. This has been done by adjusting standard mortality tables which reflect recent research into mortality experience in the United Kingdom.

	2009 years	2008 years
Longevity at age 65 for current pensioners	20.9	20.8

INEOS Silicas Limited

17 Pension commitments (continued)

The amounts recognised in the balance sheet are as follows

	2009		2008	
	Expected long term rate of return	Market value	Expected long term rate of return	Market value
	%	£'000	%	£'000
Market value of assets				
Equities	8.1%	41,228	8.2%	34,283
Bonds	5.1%	12,791	5.2%	8,315
Other	4.3%	884	-	-
		54,903		42,598
Present value of funded obligations		(82,221)		(66,667)
Present value of unfunded obligations		-		-
Deficit in the plan		(27,318)		(24,069)
Related deferred tax asset		7,649		6,739
Net liability		(19,669)		(17,330)

Deferred tax assets in relation to pension liabilities have only been recognised where it is more likely than not that they will be recoverable in the foreseeable future

	2009	2008
Reconciliation of present value of scheme liabilities	£'000	£'000
1 January	66,667	70,450
Interest cost	4,010	3,887
Current service cost	296	1,799
Past service cost	2,291	-
Member contributions	29	412
Settlements	-	(6,100)
Benefits paid	(4,063)	(106)
Acquisitions	-	(1,300)
(Gain) or loss on change of assumptions	12,991	(5,635)
Experience (gain) or loss	-	3,260
31 December	82,221	66,667

INEOS Silicas Limited

17 Pension commitments (continued)

	2009	2008
Reconciliation of fair value of scheme assets	£'000	£'000
1 January	42,598	57,070
Benefit payments	(4,063)	(106)
Company contributions	7,834	3,047
Member contributions	29	412
Expected return on plan assets	3,102	4,351
Actuarial gain or (loss)	5,403	(21,076)
Acquisitions	-	(1,100)
31 December	54,903	42,598

Scheme assets do not include any of INEOS Silicas Limited's own financial instruments, or any property occupied by INEOS Silicas Limited

The company expects to contribute £720,000 to its defined benefit pension plan in 2010

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity investments reflect long term real rates of return experiences in the respective markets.

The actual return on scheme assets was a profit of £8,505,000 in the year ended 31 December 2009 and a loss of £16,725,000 in the year ended 31 December 2008.

INEOS Silicas Limited

17 Pension commitments (continued)

	2009	2008
The amounts recognised in the profit or loss are as follows:	£'000	£'000
Current service cost	296	1,799
Past service cost	2,291	-
Loss / (gain) on curtailments and settlements	-	(6,100)
Interest on obligation	4,010	3,887
Expected return on plan assets	(3,102)	(4,351)
Total	3,495	(4,765)

Of the total current and past service cost, £Nil (2008 £1,017,000) is included within cost of sales, £Nil (2008 £37,000) is included within distribution costs and £2,587,000 (2008 £745,000) is included within administrative expenses

Of the gain on curtailments and settlements, £Nil (2008 £3,447,000) is included within cost of sales, £Nil (2008 £127,000) is included within distribution costs and £Nil (2008 £2,526,000) is included within administrative expenses

Amounts in the current and previous four periods	2009	2008	2007	2006	2005
	£'000	£'000	£'000	£'000	£'000
Plan assets	54,903	42,598	57,070	52,580	47,910
Scheme liabilities	(82,221)	(66,667)	(70,450)	(68,930)	(64,210)
Deficit	(27,318)	(24,069)	(13,380)	(16,350)	(16,300)
Experience adjustments on plan assets	5,403	(21,076)	(970)	(345)	6,010
Experience adjustments on scheme liabilities	-	3,260	-	-	(2,340)
Total actuarial gains / (losses) recognised in the statement of total recognised gains and losses	(7,588)	(18,701)	3,260	310	(1,510)

18 Called up share capital

Authorised, issued and fully paid	2009	2008
	£'000	£'000
19,005,001 ordinary shares of £1 each	19,005	19,005

On 30 July 2009 the company issued 1 ordinary share of £1 to INEOS Silicas Holdings Limited in return for the entire shareholding of INEOS Healthcare Limited See note 12

INEOS Silicas Limited

19 Reserves

	Share premium account	Profit and loss account	Total
	£'000	£'000	£'000
At 1 January 2009	3,395	(12,879)	(9,484)
Loss for the year	-	(46,284)	(46,284)
Actuarial loss recognised in the pension scheme	-	(7,588)	(7,588)
Deferred tax asset arising on actuarial loss	-	2,125	2,125
At 31 December 2009	3,395	(64,626)	(61,231)

20 Reconciliation of movements in shareholders' funds / (deficit)

	2009	2008
	£'000	£'000
(Loss) / profit for the financial year	(46,284)	22,091
Other recognised gains / (losses) related to the year	(5,463)	(13,465)
Net (decrease) / increase in shareholders' funds	(51,747)	8,626
Opening shareholders' funds	9,521	895
Closing shareholders' (deficit) / funds	(42,226)	9,521

INEOS Silicas Limited

21 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 2009 was €5,003.7 million (2008: €5,079.6 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 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 2009 was €2,005.9 million (2008: €2,125.0 million). The company is a guarantor under the Senior Notes Indenture. These guarantees are on an unsecured senior subordinated basis.

22 Related party transactions

The ultimate parent company and controlling party is INEOS Limited and the intermediate holding company is INEOS Silicas Holdings 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.

23 Parent undertaking and controlling party

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

The ultimate parent company at 31 December 2009 was INEOS Limited, a company incorporated in England and Wales. As of 26 March 2010, INEOS AG, a Swiss corporation, became the ultimate parent company.

INEOS Group Holdings plc is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. Copies of the accounts of both INEOS Limited and INEOS Group Holdings Plc can be obtained from the Company Secretary, INEOS Limited, Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

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, INEOS Limited and INEOS Group Holdings Plc.