

Ineos Marketing Support Limited
(formerly Innovene Marketing Support Limited)
Annual report
for the year ended 31 December 2006

Registered Number 5310684

TUESDAY



AVZTDTNQ

A01

09/10/2007

562

COMPANIES HOUSE

Ineos Marketing Support Limited
(formerly Innovene Marketing Support Limited)
Annual report
for the year ended 31 December 2006
Contents

| | |
|------------------------------------------------------------------------------------------------------------------------------|---|
| Directors' report for the year ended 31 December 2006 | 1 |
| Independent auditors' report to the members of Ineos Marketing Support Limited (formerly Innovene Marketing Support Limited) | 3 |
| Profit and loss account for the year ended 31 December 2006 | 5 |
| Balance sheet at 31 December 2006 | 6 |
| Statement of accounting policies | 7 |
| Notes to the financial statements for the year ended 31 December 2006 | 8 |

Ineos Marketing Support Limited (formerly Innovene Marketing Support Limited)

Directors' report for the year ended 31 December 2006

The directors present their report and audited financial statements for the year ended 31 December 2006

Principal activity

The company is engaged in the provision of marketing support to Ineos Europe Limited and other undertakings in the Ineos Group

The company had branches in Austria, Greece and Slovakia

Review of activities and future developments

On 16 June 2006 the Company changed its name to Ineos Marketing Support Limited

During the course of the year, the directors conducted a review of the company's activities, in conjunction with Ineos Group Limited. As a result of that review, Ineos Europe Limited notified the company that it was terminating the Marketing and Sales Support Agreement with effect from 1 January 2007. Accordingly, the directors put in place measures to ensure the orderly transfer of some branch activities, including relevant employees, to other Ineos group companies and the closure of other branches. During early 2007 the activities undertaken by Ineos Marketing Support Limited have transferred to Ineos Sales Belgium NV.

The directors will consider options for the future of the company, after these changes have been completed.

Results and dividends

The loss for the year after taxation was €224,000 (2005 profit €432,000), which has been absorbed within retained reserves at 31 December 2006. The directors do not propose the payment of a dividend (2005 nil).

Directors

The directors who held office during the year were as follows

| | |
|---------------|-------------------------------|
| T P Crotty | (appointed 15 September 2006) |
| L H Heemskerk | (appointed 15 September 2006) |
| A J Reed | (resigned 15 September 2006) |
| R J Nevin | (resigned 15 September 2006) |

Directors' interests

No director has any interest in the shares of the company during the year.

Charitable and political donations

No donations were made by the company for charitable or political purposes in the year (2005 nil).

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of Ineos Group Limited which include those of the company, are discussed in the group's annual report which does not form part of this report.

Key Performance Indicators

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. The development, performance and position of Ineos Group Limited, which includes the company, is discussed in the group's annual report which does not form part of this report.

Ineos Marketing Support Limited (formerly Innovene Marketing Support Limited)

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

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

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

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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, 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 1985. They are also responsible for taking reasonable steps 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 Group'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 Group's auditors are aware of that information.

Independent auditors

During the year Ernst & Young LLP resigned as auditors to the company, and the directors appointed PricewaterhouseCoopers LLP to fill the casual vacancy. PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment and authorising the directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board



Martin Stokes
Secretary

28 September 2007

Ineos Marketing Support Limited (formerly Innovene Marketing Support Limited)

Independent auditors' report to the members of Ineos Marketing Support Limited (formerly Innovene Marketing Support Limited)

We have audited the financial statements of Ineos Marketing Support Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet, the accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

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

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

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

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

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

Basis of audit opinion

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

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

Ineos Marketing Support Limited (formerly Innovene Marketing Support Limited)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of the loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

28 September 2007

Ineos Marketing Support Limited (formerly Innovene Marketing Support Limited)

Profit and loss account for the year ended 31 December 2006

| | Note | Year ended 31 December 2006 €'000 | Period ended 31 December 2005 €'000 |
|-------------------------------------------------------------|-------------|------------------------------------------------------|--------------------------------------------------------|
| Turnover | | 2,710 | 3,133 |
| Selling and distribution costs | | (2,942) | (2,495) |
| Administrative expenses | | (19) | (12) |
| Operating (loss)/profit | 2 | (251) | 626 |
| Interest payable and similar charges | 3 | (64) | (9) |
| (Loss)/profit on ordinary activities before taxation | | (315) | 617 |
| Taxation on (loss)/profit on ordinary activities | 4 | 91 | (185) |
| (Loss)/retained profit for the period | 9 | (224) | 432 |

There are no recognised gains or losses attributable to the shareholders of the company other than the loss above, therefore no separate statement of total recognised gains and losses has been presented

All activities of the company have transferred to another group company therefore these activities become discontinued

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

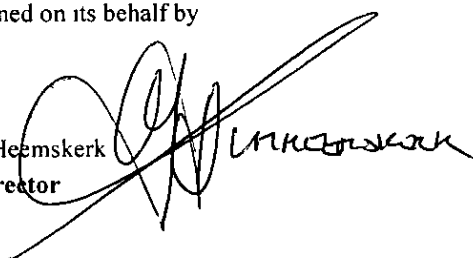
Ineos Marketing Support Limited (formerly Innovene Marketing Support Limited)

Balance sheet at 31 December 2006

| | Note | 2006 €'000 | 2005 €'000 |
|-------------------------------------------------------|------|----------------|----------------|
| Current assets | | | |
| Debtors | 6 | 3,040 | 3,233 |
| Cash at bank and in hand | | 13 | 35 |
| | | 3,053 | 3,268 |
| Creditors: amounts falling due within one year | 7 | (2,816) | (2,807) |
| Net assets | | 237 | 461 |
| Capital and reserves | | | |
| Called up equity share capital | 8 | 29 | 29 |
| Profit and loss account | 9 | 208 | 432 |
| Equity shareholders' funds | 10 | 237 | 461 |

The financial statements on pages 5 to 12 were approved by the board of directors on 28 September and were signed on its behalf by

L Heemskerk
Director



Ineos Marketing Support Limited (formerly Innovene Marketing Support Limited)

Statement of accounting policies

Basis of preparation

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

Cash flow statement

The company is a wholly owned subsidiary of Ineos European Holdings Limited and is ultimately consolidated within the financial statements of Ineos Group 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).

Foreign currency transactions

Foreign currency transactions in currencies other than euros are recorded at the exchange rate ruling on the date of transaction. Foreign currency monetary assets and liabilities in currencies other than euros are translated into euros at rates of exchange ruling at the balance sheet date. All exchange gains and losses on settlement or translation at closing rates of exchange of monetary assets and liabilities are included in the determination of profit/loss for the year.

Turnover

Turnover, which is stated net of value added tax, represents amounts recovered for marketing support provided to other undertakings in the Ineos Group. Turnover is recognised on an accruals basis.

Pensions

The nature of pension arrangements for employees will vary with conditions and practices in the countries in which the employees are based. It is not practical or possible to provide details for all of the different arrangements that are in place. Included in the profit and loss accounts of the financial statements is the cost of contributions made by the company to the different pension arrangements for 2006.

Deferred tax

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. Deferred tax assets and liabilities which have been recognised have not been discounted.

Ineos Marketing Support Limited (formerly Innovene Marketing Support Limited)

Notes to the financial statements for the year ended 31 December 2006

1 Reporting currency

The financial statements are expressed in euros as the company and the group primarily generate income, incur expenditure and have the majority of their assets and liabilities denominated in euros

The exchange rate as at 31 December 2006 was €1 49098/£1 (2005 €1 457100/£1)

2 Operating (loss)/profit

This is stated after charging

| | Year ended 31 December 2006 €'000 | Period ended 31 December 2005 €'000 |
|-------------------------|------------------------------------------------------|--------------------------------------------------------|
| Foreign exchange losses | 19 | 12 |
| Auditors' remuneration | | |
| - Audit fees | 9 | 9 |

3 Interest payable and similar charges

| | Year ended 31 December 2006 €'000 | Period ended 31 December 2005 €'000 |
|----------------------------------------------|------------------------------------------------------|--------------------------------------------------------|
| Interest expense on loan from parent company | 64 | 9 |

Ineos Marketing Support Limited (formerly Innovene Marketing Support Limited)

4 Taxation on (loss)/profit on ordinary activities

(a) Tax on (loss)/ profit on ordinary activities

The tax (credit)/charge is made up as follows

| | Year ended 31 December 2006 €'000 | Period ended 31 December 2005 €'000 |
|----------------------------------------------|--------------------------------------------|----------------------------------------------|
| Current tax | | |
| Group relief payable to group company at 30% | | |
| - Current year | 25 | 185 |
| - Adjustment in respect of previous periods | (116) | - |
| Total current tax | (91) | 185 |
| Tax on profit on ordinary activities | (91) | 185 |

(b) Tax reconciliation

The following table provides a reconciliation of the UK statutory corporation tax rate to the effective current tax rate on profit before taxation

The tax for the year is lower (2005 equal to) than the standard rate of corporation tax in the UK of 30% (2005 30%) The differences are explained below

| | Year ended 31 December 2006 €'000 | Period ended 31 December 2005 €'000 |
|---------------------------------------------------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------|
| (Loss)/profit before taxation | (315) | 617 |
| (Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 30%) | (94) | 185 |
| Effects of | | |
| Expenses not deductible for tax purposes | 119 | - |
| Adjustments to tax charge in respect of previous period | (116) | - |
| Tax (credit)/charge for current year | (91) | 185 |

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

Ineos Marketing Support Limited (formerly Innovene Marketing Support Limited)

5 Directors and employees

None of the directors received any fees or remuneration for services as a director of the company during the financial year

Employee costs

| | Year ended 31 December 2006 €'000 | Period ended 31 December 2005 €'000 |
|-------------------------|------------------------------------------------------|--------------------------------------------------------|
| Wages and salaries | 1,114 | 821 |
| Social security costs | 168 | 49 |
| Pension costs (note 12) | 59 | 72 |
| | 1,341 | 942 |

The average monthly number of employees during the year was 12 (2005 19), all employed in marketing activities

6 Debtors

| | 2006 €'000 | 2005 €'000 |
|-----------------------------------|-----------------------|-----------------------|
| Amount owed by group undertakings | 3,034 | 3,195 |
| Other taxation recoverable | 6 | 38 |
| | 3,040 | 3,233 |

7 Creditors – amounts falling due within one year

| | 2006 €'000 | 2005 €'000 |
|-----------------------------------|-----------------------|-----------------------|
| Trade creditors | 6 | 214 |
| Amount owed to group undertakings | 2,230 | 2,212 |
| Accruals and deferred income | 580 | 378 |
| Other creditors | - | 3 |
| | 2,816 | 2,807 |

Ineos Marketing Support Limited (formerly Innovene Marketing Support Limited)

8 Called up equity share capital

| | 2006 | 2005 |
|-------------------------------------------|--------------|--------------|
| | €'000 | €'000 |
| Authorised | | |
| 1,000,000 ordinary shares of £1 each | 1,447 | 1,447 |
| Allotted, called up and fully paid | | |
| 20,000 ordinary shares of £1 each | 29 | 29 |

9 Reserves

| | Profit and loss account €'000 |
|-----------------------------|--------------------------------------------------|
| At 1 January 2006 | 432 |
| Loss for the financial year | (224) |
| At 31 December 2006 | 208 |

10 Reconciliation of movement of equity shareholders' funds

| | 2006 | 2005 |
|-------------------------------------------------|--------------|--------------|
| | €'000 | €'000 |
| Equity shares issued | - | 29 |
| (Loss)/profit for the year | (224) | 432 |
| Net (reduction)/addition to shareholders' funds | (224) | 461 |
| Opening equity shareholders' funds | 461 | - |
| Closing equity shareholders' funds | 237 | 461 |

11 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. There were no other related party transactions in the year.

Ineos Marketing Support Limited (formerly Innovene Marketing Support Limited)

12 Pensions

The nature of pension arrangements for employees will vary with conditions and practices in the countries in which the employees are based. It is not practical or possible to provide details for all of the different arrangements that are in place. Included in the profit and loss accounts of the financial statements is the cost of contributions made by the company to the different pension arrangements for 2006.

13 Ultimate parent undertaking

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

The directors regard Ineos Group Limited, a company incorporated in the United Kingdom, to be the ultimate parent undertaking of the company.

Ineos Group Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2006. The consolidated financial statements of Ineos Group Limited can be obtained from Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

The ultimate controlling party is Mr J. A. Ratcliffe, director and majority shareholder of the ultimate parent company.