

INEOS Holdings (Investments) Limited
Annual report
for the period ended 31 December 2011

Registered Number 7497205

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INEOS Holdings (Investments) Limited
Annual report
for the period ended 31 December 2011
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INEOS Holdings (Investments) Limited

Directors' report for the period ended 31 December 2011

The directors present their report and the audited financial statements of the Company for the period ended 31 December 2011

The Company was incorporated on 18 January 2011. The financial statements include the results from incorporation to 31 December 2011.

Principal activities

The principal activity of the Company is to act as a holding company.

Review of the business and future developments

The directors consider the development of the Company's business during the period to be satisfactory. The directors do not expect any change in the Company's activities during the next financial period.

Results and dividends

The results of the Company are set out in the profit and loss account on page 5 which shows a result for the financial period ended 31 December 2011 of €nil. The directors do not recommend the payment of a final dividend.

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.

Directors

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

J W Dawson (Appointed 18 January 2012)

G W Leask (Appointed 18 January 2012)

J F Ginns (Appointed 12 April 2012)

INEOS Holdings (Investments) Limited

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

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to

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

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

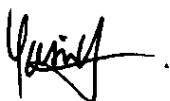
Disclosure of information to auditors

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

During the period PricewaterhouseCoopers LLP were appointed as auditors to the Company, and to hold office until the next period for appointing auditors.

By order of the Board



Y S Ali
Company Secretary
10 September 2012

INEOS Holdings (Investments) Limited

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

We have audited the financial statements of INEOS Holdings (Investments) Limited for the period ended 31 December 2011 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 2011 and of its result for the period 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 Holdings (Investments) Limited

Independent auditors' report to the members of INEOS Holdings (Investments) 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
10 September 2012

INEOS Holdings (Investments) Limited

Profit and loss account for the period ended 31 December 2011

	2011
	€'m
Profit on ordinary activities before taxation	-
Tax on profit on ordinary activities	-
Profit on ordinary activities after taxation	-

All the activities of the company relate to continuing operations

The company has no recognised gains and losses other than those included in the result above and therefore no separate statement of total recognised gains and losses has been presented


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

INEOS Holdings (Investments) Limited

Balance sheet as at 31 December 2011

	Note	2011 €'m
Tangible fixed assets		
Investments	4	1,600.0
Total assets less current liabilities		1,600.0
Creditors amounts falling due after more than one year	5	(15.6)
Net assets		1,584.4
Capital and reserves		
Called up share capital	6	-
Profit and loss account	7	1,584.4
Total shareholders' funds	8	1,584.4

The financial statements on pages 5 to 12 were approved by the board of directors on 10 September 2011 and were signed on its behalf by



G W Leask
Director

INEOS Holdings (Investments) 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 principal accounting policies, which have been applied consistently, are set out below.

Fixed asset investments

Investments held as fixed assets are stated at cost less provision for impairment. All investments are reviewed for impairment when there are indications that the carrying value may not be fully recoverable.

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

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.

Cash flow and related party transactions

The company is a wholly owned subsidiary of INEOS Europe AG and is included in the consolidated financial statements of a parent company INEOS Group Holdings SA. Consequently, the company has taken advantage of the exemptions from preparing a cash flow statement under the terms of Financial Reporting Standard Number 1 'Cash flow statements' (Revised 1996). The company is also exempt under the terms of Financial Reporting Standard Number 8 'Related party transactions' from disclosing related party transactions with entities that are part of the INEOS Group Holdings SA group.

Consolidated financial statements

The financial statements contain information about INEOS Holdings (Investments) 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 consolidation in the consolidated financial statements of a parent, INEOS Group Holdings SA, a company incorporated in Luxembourg.

INEOS Holdings (Investments) Limited

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

1 Reporting currency

The financial statements are expressed in Euros as the group of companies that it is a part of primarily generates income, incurs expenditure and has the majority of its assets and liabilities denominated in Euros

The exchange rate as at 31 December 2011 was €1 19489 to £1

2 Auditor's remuneration

The audit fee has been included in the overall audit fee for INEOS Group Holdings SA in the period and is not separately recharged to the company

3 Employees and directors

Neither the directors nor the secretary received any emoluments during the period in respect of their services to the company No other persons were employed during the period

4 Fixed asset investments

	€'m
Investment in subsidiary undertakings	
At 18 January 2011	-
Additions	1,600.0
Disposals	-
At 31 December 2011	1,600.0

On the 31 January 2011 the Company issued 1 ordinary share of €1 each to Ineos Luxembourg II SA, in exchange for all of the share capital of Ineos Tenderco Limited

On the 31 January 2011 the Company issued 1.6 billion ordinary shares of €1 each to Ineos Luxembourg II SA, in exchange for all of the share capital of Ineos Holdings Limited

The directors consider that to give full particulars of all subsidiary undertakings would lead to a statement of excessive length

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

INEOS Holdings (Investments) Limited

4 Investments (continued)

The following information relates to the principal subsidiary undertakings of the Company

Company	Country of incorporation and operation	Percentage holding	Principal activity
Ineos Holdings Limited*	England	100%	Holding Company
Ineos Tenderco Limited*	England	100%	Finance
Ineos European Holdings Limited	England	100%	Holding Company
Ineos US Finance LLC	US	100%	Finance
Ineos Finance PLC	England	100%	Finance
Ineos Oxide Limited	England	100%	Chemicals
Ineos NV	Belgium	100%	Chemicals
Ineos Belgium NV	Belgium	100%	Chemicals
Ineos Phenol Belgium NV	Belgium	100%	Chemicals
Ineos Italia Srl	Italy	100%	Chemicals
Ineos Phenol GmbH	Germany	100%	Chemicals
Ineos Fluor Limited	England	100%	Chemicals
Ineos Silicas Limited	England	100%	Chemicals
Ineos Americas LLC	US	100%	Chemicals
Ineos Manufacturing Deutschland GmbH	Germany	100%	Chemicals
Ineos Koln GmbH	Germany	100%	Chemicals
Ineos France SAS	France	100%	Chemicals
Ineos Commercial Services Limited	England	100%	Chemicals
Ineos Manufacturing Belgium NV	Belgium	100%	Chemicals
Ineos Feluy SPRL	Belgium	100%	Chemicals
Ineos Chemicals Grangemouth Limited	Scotland	100%	Chemicals
Ineos Sales Belgium NV	Belgium	100%	Chemicals
Ineos Sales Italia s r l	Italy	100%	Chemicals
Ineos Chemicals Lavera SAS	France	100%	Chemicals
Ineos Manufacturing Italia s p a	Italy	100%	Chemicals
Ineos USA LLC	US	100%	Chemicals
Ineos Polymers Inc	US	100%	Chemicals

INEOS Holdings (Investments) Limited

4 Investments (continued)

Company	Country of incorporation and operation	Percentage holding	Principal activity
Ineos Canada Company	Canada	100%	Chemicals
Ineos Canada Partnership	Canada	100%	Chemicals
Ineos Compounds UK Limited	England	100%	Chemicals
Ineos Bamble AS	Norway	100%	Chemicals
Ineos Nitriles (UK) Limited	England	100%	Chemicals
Ineos Manufacturing (Hull) Limited	England	100%	Chemicals
Ineos Technologies (Vinyls) Limited	England	100%	Chemicals

*Held directly by the company

5 Creditors – Amounts falling due after more than one year

	2011 €'m
Amounts owed to group undertakings	15.6

6 Called up share capital

	2011 €'m
Allotted, issued and fully paid	
Equity	
1,600,000,002 ordinary shares of €0.0000000062 each (note 8)	-

On 18 January 2011 the Company issued 1 ordinary share of €1 each to Ineos Luxembourg II SA

On 31 January 2011 the Company issued 1 ordinary share of €1 each to Ineos Luxembourg II SA, in exchange for all of the share capital of Ineos Tenderco Limited

On the same day the Company issued a further 1.6 billion ordinary shares of €1 each to Ineos Luxembourg II SA, in exchange for all of the share capital of Ineos Holdings Limited

On 8 November 2011 the Company reduced its share capital by reduction of the nominal value of each issued ordinary share from €1 per share to €0.0000000062 per share

INEOS Holdings (Investments) Limited

7 Reserves

	Profit and loss account €'m
At incorporation	-
Share capital reduction	1,600.0
Gratuitous gift to Ineos Luxembourg II SA	(15.6)
At 31 December 2011	1,584.4

On 8th November 2011 the Company reduced its share capital by reduction of the nominal value of each issued ordinary share from €1 per share to €0.00000000062 per share

On the same date the Company borrowed €15,550,000, from its immediate subsidiary, Ineos Holdings Limited, and used the proceeds to make a gratuitous gift of €15,550,000 to the Company's indirect parent, Ineos Luxembourg II SA

8 Reconciliation of movements in total shareholders' funds

	2011 €'m
Profit for the financial period	-
Gratuitous gift to Ineos Luxembourg II SA	(15.6)
Opening total shareholders' funds	-
Issue of share capital	1,600.0
Closing total shareholders' funds	1,584.4

INEOS Holdings (Investments) Limited

9 Ultimate parent undertaking and controlling party

On 31 January 2011, Ineos Luxembourg II SA, transferred all of its ownership in the share capital of the company to Ineos Europe AG

The immediate parent undertaking at 31 December 2011 was Ineos Europe AG, a company incorporated in Switzerland

The ultimate parent company at 31 December 2011 was INEOS AG, a company incorporated in Switzerland

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 undertaking INEOS AG

10 Contingent liabilities

The company is party to a Senior Facilities Agreement dated 12 May 2010 (as amended). The Senior Facilities Agreement comprises of term loans (Term Loan A, Term Loan B, Term Loan C and Term Loan D) and a Revolving Credit Facility. The total outstanding indebtedness under the Senior Facilities Agreement at 31 December 2011 was €3,170.0 million (2010: €3,907.0 million). The company is a guarantor under the Senior Facilities Agreement. These obligations are secured by fixed and floating charges over the assets of the company.

The company is party to the Senior Secured Notes Indenture dated 12 May 2010 (as amended). The Senior Secured Notes comprise the €300 million 9.25% Senior Secured Notes Due 2015 and the \$570 million 9.0% Senior Secured Notes Due 2015. The total outstanding indebtedness under the Senior Secured Notes at 31 December 2011 was €740.2 million (2010: €733.9 million). The company is a guarantor under the Senior Secured Notes Indenture. These obligations are secured by fixed and floating charges over the assets of the company.

The company is party to the Senior Notes Indenture dated 7 February 2006 (as amended). The Senior Notes comprise the €1,532.1 million 7.875% Senior Notes Due 2016 and the \$677.5 million 8.5% Senior Notes Due 2016. The total outstanding indebtedness under the Senior Notes at 31 December 2011 was €2,055.4 million (2010: €2,047.9 million). The company is a guarantor under the Senior Notes Indenture. These guarantees are on an unsecured senior subordinated basis.

11 Subsequent events

In February 2012 the Group successfully issued \$1,000m Senior Secured Note due 2019 and €500m Floating Rate Notes due 2019. The net proceeds from the notes were used to repay all of the outstanding Term Loan B and a proportion of the Term Loan C of the Group's Senior Facilities Agreement.

In May 2012 the Group successfully issued \$775 million Senior Secured Notes due 2020 and a new Senior Secured Term Loans totalling €500 million and \$2,375 million. The net proceeds from the notes and the term loan were used to repay all of the outstanding Term Loan C, Term Loan D and Revolving Credit Facility indebtedness under the Senior Facilities Agreement, including the associated PIK interest.