

**INEOS Holdings (Investments)  
Limited**

Annual report and financial statements

Registered number 7497205

31 December 2014

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## Strategic report

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

### Business overview

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

The directors do not expect any change in the company's activities during the next financial year.

### Business review

The results of the Company are set out in the profit and loss account on page 8 which shows a result for the financial year ended 31 December 2014 of €nil (2013:€nil). The directors do not recommend the payment of a final dividend (2013: nil).

### Objectives and strategy

The directors do not expect any change in the company's activities during the next financial year as the company will continue to act as a holding company.

### Principal risks and uncertainties

The management of the business and execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to local and national competition factors which would cause a decline in the market. Further discussion of these risks and uncertainties in the context of the group as a whole, is provided in the annual report of parent company INEOS Group Holdings SA, which does not form part of this report.

### Key Performance Indicators

The directors of INEOS Group Holdings SA manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using performance indicators of the company is not necessary or appropriate for an understanding of the development, performance or position of the business of INEOS Holdings (Investments) Limited. The development, performance and position of the group, including this company, are discussed in the group's annual report which does not form part of this report.

Approved and signed by order of the Board



**Y S Ali**  
Company Secretary  
15 May 2015

## Directors' report

The directors present their report and the audited financial statements of the Company 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 as follows:

J W Dawson (resigned 1 September 2014)  
G W Leask  
J F Ginns

### Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company where appropriate. The company 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 SA.

### 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 in writing 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.

### 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.

## **Directors' report (continued)**

### **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 Holdings (Investments) Limited  
Hawkslease, Chapel Lane, Lyndhurst, SO43 7FG  
15 May 2015

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

### **Report on the financial statements**

#### **Our opinion**

In our opinion the financial statements, defined below:

In our opinion, INEOS Holdings (Investments) 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 result 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 Holdings (Investments) 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 Holdings (Investments) 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  
15 May 2015

**Profit and Loss Account**  
*for the year ended 31 December 2014*

	<i>Note</i>	<b>2014</b> <b>€'m</b>	<b>2013</b> <b>€'m</b>
<b>Result on ordinary activities before taxation</b>		-	-
		<hr/>	<hr/>
Tax on result on ordinary activities	4	-	-
		<hr/>	<hr/>
<b>Result for the financial year</b>		-	-
		<hr/> <hr/>	<hr/> <hr/>

All activities of the company relate to continuing operations.

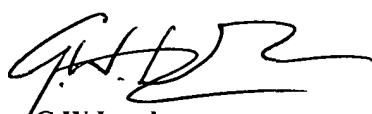
The company has no recognised other comprehensive income and therefore no separate statement of other comprehensive income has been presented.



**Balance Sheet**  
*At 31 December 2014*

	<i>Note</i>	<b>2014</b> <b>€'m</b>	<b>€'m</b>	<b>2013</b> <b>€'m</b>	<b>€'m</b>
<b>Fixed assets</b>					
Investments	5		<b>1,600.0</b>		1,600.0
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			<b>1,600.0</b>		1,600.0
<b>Creditors: amounts falling due after more than one year</b>	6	<b>(15.6)</b>		<b>(15.6)</b>	
		<hr/>		<hr/>	
			<b>(15.6)</b>		(15.6)
			<hr/>		<hr/>
<b>Net assets</b>			<b>1,584.4</b>		1,584.4
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	7		-		-
Profit and loss account			<b>1,584.4</b>		1,584.4
			<hr/>		<hr/>
<b>Total shareholders' funds</b>			<b>1,584.4</b>		1,584.4
			<hr/>		<hr/>

The financial statements on pages 8 to 16 were approved by the Board of Directors on 15 May 2015 and signed on its behalf by:

  
G W Leask  
Director

Company registered number: 7497205

**Statement of Changes in Equity**  
*for the year ended 31 December 2014*

	<b>Called up Share capital €'m</b>	<b>Profit and loss account €'m</b>	<b>Total shareholder s' funds €'m</b>
Balance at 1 January 2013	-	1,584.4	1,584.4
<b>Balance at 31 December 2013</b>	<b>-</b>	<b>1,584.4</b>	<b>1,584.4</b>
	<b>Called up Share capital €'m</b>	<b>Profit and loss account €'m</b>	<b>Total shareholder s' funds €'m</b>
Balance at 1 January 2014	-	1,584.4	1,584.4
<b>Balance at 31 December 2014</b>	<b>-</b>	<b>1,584.4</b>	<b>1,584.4</b>

## Notes

(forming part of the financial statements)

### 1 Accounting policies

INEOS Holdings (Investments) Limited is a company incorporated and domiciled in the UK.

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

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.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The transition to FRS 101 has not materially affected the financial position or financial performance of the company.

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 SA 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;
- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* in respect of the cash flows of discontinued operations;
- Certain disclosures required by IFRS 3 *Business Combinations* in respect of business combinations undertaken by the Company.
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*

## **Notes (continued)**

*(forming part of the financial statements)*

### **1 Accounting policies (continued)**

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 except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through the profit or loss or as available-for-sale. 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 financial statements are prepared on a going concern basis under the historical cost convention, except that the following assets and liabilities which are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through the profit or loss or as available-for-sale, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. Based on the budgeted cash flows of the Company and its subsidiaries and taking into account the facilities available, the directors continue to adopt the going concern basis in preparing the financial statements.

#### **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.

##### *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

#### **1.5 Intra-group financial instruments**

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

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

**1 Accounting policies (continued)**

**1.6 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.

**1.7 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.

**4 Auditors' remuneration**

Fees receivable by the Company's auditor and its associates in respect of services to the Company and its associates, are disclosed on a consolidated basis in the consolidated financial statements of INEOS Group Holdings SA.

**3 Staff costs and Directors' remuneration**

The Company had no employees during the current or previous year.

Neither the directors nor the secretary received any emoluments during the current or previous year in respect of their services to the company.

**4 Tax on profit on ordinary on activities**

There is no tax charge recognised for the financial year (2013: nil). This is equal to the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%).

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

**5 Investments**

	Shares in group undertakings 2014 €'m	Shares in group undertakings 2013 €'m
<b>Cost</b>		
At 31 December	<b>1,600.0</b>	<b>1,600.0</b>

The directors believe the carrying value of the investments is supported by the underlying net assets of the subsidiaries. The directors consider that to give full particulars of all subsidiary undertakings would lead to a statement of excessive length.

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

	Country of Incorpor- ation	Class of shares held	Ownership	
			2014	2013
INEOS Holdings Limited*	England	Ordinary	100 %	100 %
INEOS European Holdings Limited	England	Ordinary	100 %	100 %
INEOS US Finance LLC	US	Ordinary	100 %	100 %
INEOS Finance Plc	England	Ordinary	100 %	100 %
INEOS Treasury (UK) Limited	England	Ordinary	100 %	100 %
INEOS Oxide Limited	England	Ordinary	100 %	100 %
INEOS NV	Belgium	Ordinary	100 %	100 %
INEOS Belgium NV	Belgium	Ordinary	100 %	100 %
INEOS Phenol Belgium NV	Belgium	Ordinary	100 %	100 %
INEOS Italia Srl	Italy	Ordinary	100 %	100 %
INEOS Phenol GmbH	Germany	Ordinary	100 %	100 %
INEOS Fluor Limited	England	Ordinary	100 %	100 %
IFJ Korea Limited	Korea	Ordinary	100 %	100 %
INEOS Fluor Americas LLC	US	Ordinary	100 %	100 %
INEOS Silicas Limited	England	Ordinary	100 %	100 %
INEOS Americas LLC	US	Ordinary	100 %	100 %
INEOS Manufacturing Deutschland GmbH	Germany	Ordinary	100 %	100 %
INEOS Köln GmbH	Germany	Ordinary	100 %	100 %
INEOS France SAS	France	Ordinary	100 %	100 %
INEOS Sales (UK) Limited	England	Ordinary	100 %	100 %
INEOS Manufacturing Belgium NV	Belgium	Ordinary	100 %	100 %
INEOS Feluy SPRL	Belgium	Ordinary	100 %	100 %
INEOS Sales Belgium NV	Belgium	Ordinary	100 %	100 %
INEOS Sales Italia s.r.l.	Italy	Ordinary	100 %	100 %
INEOS USA LLC	US	Ordinary	100 %	100 %
INEOS Polymers Inc	US	Ordinary	100 %	100 %
INEOS Canada Company	Canada	Ordinary	100 %	100 %
INEOS Canada Partnership	Canada	Ordinary	100 %	100 %
INEOS Compounds UK Limited	England	Ordinary	100 %	100 %
INEOS Bamble AS	Norway	Ordinary	100 %	100 %
INEOS Nitriles (UK) Limited	England	Ordinary	100 %	100 %
INEOS Manufacturing (Hull) Limited	England	Ordinary	100 %	100 %
INEOS Technologies (Vinyls) Limited	England	Ordinary	100 %	100 %

\*Held directly by the company.

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

**6 Creditors: amounts falling after more than one year**

	2014 €'m	2013 €'m
Amounts owed to undertakings in which the company has a participating interest	(15.6)	(15.6)
	<hr/>	<hr/>

**7 Called up share capital**

	2014 €'m	2013 €'m
<i>Allotted, called up and fully paid</i>		
1,600,000,002 (2013: 1,600,000,002) Ordinary shares of €0.00000000062 each	-	-
	<hr/>	<hr/>

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.

**8 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.

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

**9 Controlling parties**

As at 31 December 2014 the immediate parent undertaking was INEOS Europe AG, a company incorporated in Switzerland.

The ultimate parent company at 31 December 2014 was INEOS AG, a company incorporated in Switzerland. INEOS Group Holdings SA is the parent undertaking of the only group of undertakings to consolidate these financial statements. Copies of the financial statements of INEOS Group Holdings SA 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.