



Ref. No. IVL002/08/2012

Aug 14, 2012

The President
The Stock Exchange of Thailand

Subject: Submission of Reviewed Financial Statements of Indorama Ventures Public Company Limited for the second quarter of 2012 and the six months ended June 30, 2012 and the Management Discussion and Analysis

We are pleased to submit:

1. A copy of the Consolidated and Company only Reviewed Financial Statements for the second quarter of 2012 and the six months ended June 30, 2012 (a copy in Thai and English)
2. Management Discussion and Analysis (MD&A) for the second quarter of 2012 and the six months ended June 30, 2012 (a copy in Thai and English)
3. Company's performance report, Form F45-3 for the second quarter of 2012 and the six months ended June 30, 2012 (a copy in Thai and English)

Please be informed accordingly.

Sincerely yours,

(Mr. Alope Lohia)
Group Chief Executive Officer

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INDORAMA VENTURES PUBLIC COMPANY LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

FOR THE PERIOD OF 2Q 2012 AND 6 MONTHS ENDED JUNE 30, 2012 (CONSOLIDATED)

Indorama Ventures PCL (SET: "IVL") achieved a consolidated sales of US\$ 1,741 million for the second quarter of 2012, consolidated Core EBITDA of US\$ 151 million (Baht 4,711 million), consolidated core net profit after tax and minority (excluding exceptional items and Inventory gain/loss) of US\$ 54 million (Baht 1,684 million), and a core return on capital employed of 11% on an annualized basis. The consolidated financial position remains strong and at the end of June, 2012, the Net Operating Gearing Ratio stood at 53% [post acquisition of Indorama Ventures (Oxide and Glycols) Limited in April 2012] with strong liquidity of around US\$ 917 million that includes cash and cash equivalents and unutilized credit lines.

The volume growth of 13% over 1Q 2012, from 1.19 million tons to 1.35 million tons, has translated into 80% growth of Core EBITDA and 227% growth in Core Earning Per Share (EPS). Indorama Ventures (Oxide and Glycols) Limited has been incorporated for the first time in IVL in 2Q 2012 and is one of the key drivers of earnings growth in 2Q 2012. IVL achieved a Core EBITDA per ton of US\$ 112 in 2Q 2012 comparing with US\$ 71 in 1Q 2012.

PTA margins in Asia continued to be extremely weak in 2Q 2012, driven by oversupply outlook for PTA in Asia. IVL's PTA operations in Asia constituted 22% of total production, contributing negligible core EBITDA in 2Q 2012. Excluding PTA Asia production volumes and earnings, IVL achieved a Core EBITDA/ton of US\$ 147 in 2Q 2012 benefiting from the timely integration into Oxide and Glycols.

The global commodity selloff in 2Q 2012 has resulted in a significant inventory loss and markdown of US\$ 46 million, together with higher interest and depreciation from the acquisition of the Oxides and Glycols business, which lowered the net profit after tax and minority in 2Q 2012 to US\$ 39 million, a decrease of 28% over 1Q 2012 net profit of US\$ 55 million.

Key Financial Information

	US\$ in Millions			THB in Millions		
	2Q12	1Q12	2Q11	2Q12	1Q12	2Q11
*Consolidated Sales	1,741	1,696	1,692	54,495	52,551	51,300
PET resins	1,105	1,122	1,199	34,600	34,776	36,316
Polyester & wool	327	349	212	10,227	10,813	6,407
Feedstock	576	469	546	18,022	14,524	16,525
*Core EBITDA	151	84	181	4,711	2,594	5,476
PET resins	69	53	127	2,154	1,634	3,853
Polyester & wool	27	17	30	836	527	908
Feedstock	53	10	27	1,647	318	816
*Consolidated EBITDA	105	98	147	3,271	3,035	4,453
PET resins	45	59	85	1,398	1,820	2,569
Polyester & wool	16	20	23	511	607	711
Feedstock	41	16	41	1,287	492	1,251
Core net profit after tax and MI	54	17	114	1,684	517	3,412
Net profit after tax and minority	39	55	79	1,226	1,691	2,366
CAPEX and investment	848	267	65	26,453	8,279	1,966
Net Operating Debt	2,111	1,318	1,139	67,172	40,666	35,025
Net Operating Debt to Equity				1.1	0.7	0.6
Interest Coverage				3.8	5.3	9.3
Core ROCE				11%	5%	18%
ROCE				5%	7%	14%
Core EPS – annualized (Baht)				1.40	0.43	2.88
EPS – annualized (Baht)				1.02	1.40	1.97

INDORAMA VENTURES PUBLIC COMPANY LIMITED

Starting from this quarter, we will look at IVL business as three major segments: PET resins, Polyester & Wool, and Feedstocks. The Feedstock segment comprises the PTA and Oxide & Glycols businesses, which largely contribute key raw materials for the other two segments. In addition, there is no allocation of PTA earnings to the PET and Polyester segments (based on the proportion of sales) from this quarter and its comparable periods.

The table below provides details on Consolidated EBITDA and Core EBITDA:

	US\$ in Millions			THB in million		
	2Q12	1Q12	2Q11	2Q12	1Q12	2Q11
Consolidated EBITDA	105	98	147	3,271	3,035	4,453
Inventory (gain) loss	46	(14)	34	1,440	(441)	1,023
Core EBITDA	151	84	181	4,711	2,594	5,476

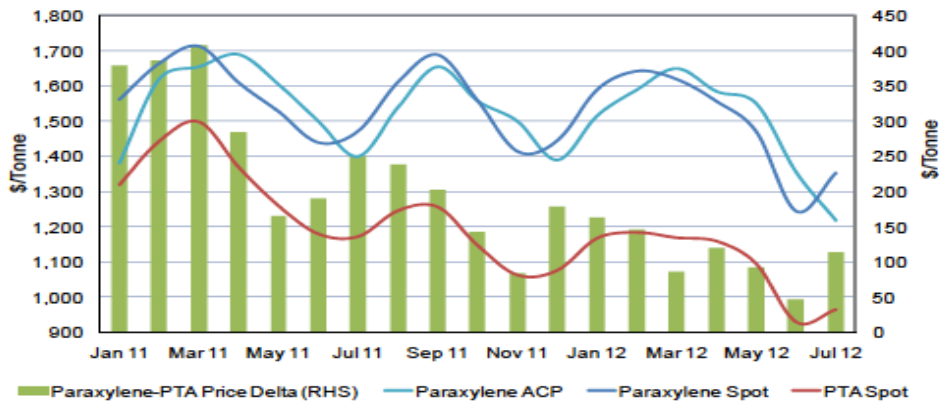
The table below shows movement from reported net profit after tax and minority interest to core net profit after tax and minority interest:

	US\$ in Millions			THB in million		
	2Q12	1Q12	2Q11	2Q12	1Q12	2Q11
Net profit after tax and MI	39	55	79	1,226	1,691	2,366
Gain on a bargain purchase	-	(22)	-	-	(687)	-
Acquisition related costs	5	1	1	169	24	23
Flood related (income) expenses and other extraordinary items	(37)	(2)	-	(1,150)	(71)	-
Inventory (gain) loss	46	(14)	34	1,440	(441)	1,023
Core net profit after tax and MI	54	17	114	1,684	517	3,412

The graph below portrays the volatility that commodities have faced over the last 18 months created by Paraxylene price fluctuations, which peaked in March 2011 to \$1700 per ton and crashed to \$1200 in June 2012 with sharp gains and falls periodically in between.

PTA spreads in June 2012 reached their historical bottom of \$50 per ton in Asia, a steep but gradual decline from the record high of \$400 in March 2011.

Paraxylene-PTA Delta



Source: Industry analysis

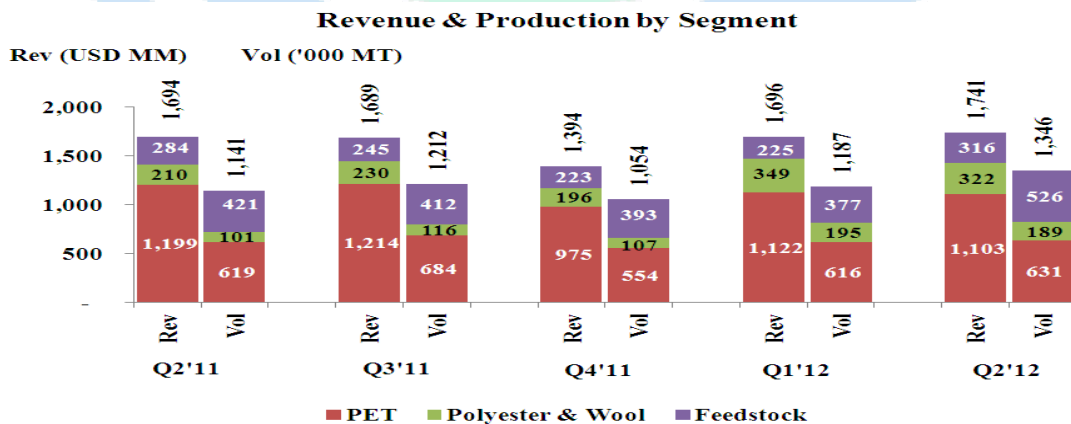
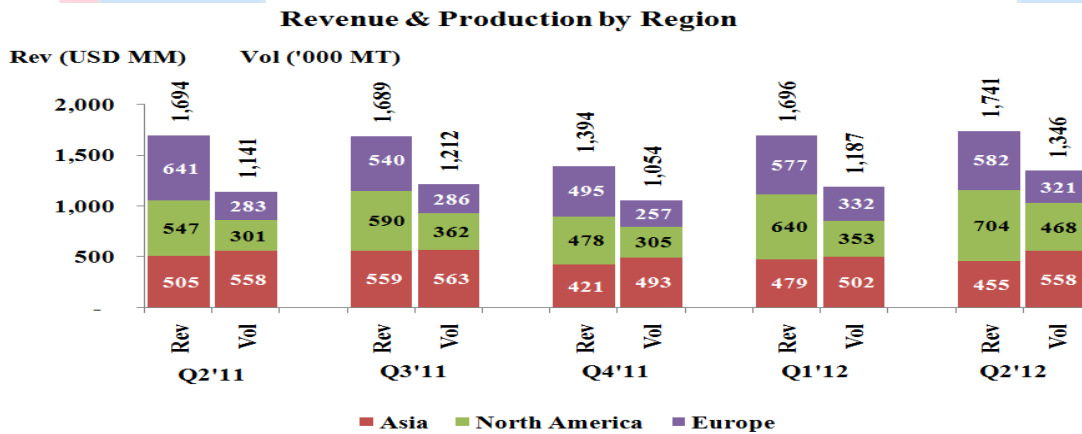


Top line growth in this quarter does not clearly reflect the 13% sequential growth in volumes due to the steep drop in crude oil-led commodity prices and due to the strong dollar that resulted in lower reported sales in US dollars terms. The results for 1Q 2012 and 2Q 2012 (partially) reflect the unavailability of Lopburi operations (LTM 3Q 2011 sales of \$325 million), which remained offline during these period and have gradually come to life in May 2012. The first full year of operations there is expected to be 2013.

Recent acquisition of Indorama Ventures (Oxide & Glycols) in North America in April 2012 has added a new line of business to IVL and has enabled the group to integrate into MEG (a major feedstock for making Polyester products) for the first time, making IVL the only global polyester producer with integration into PTA and MEG feedstock. With this acquisition, IVL also gains about 30% market share of merchant PEO (Purified Ethylene Oxide) in North America.

Completed acquisitions of hygiene segment leader, FiberVisions, with operations in America, Europe and China in January 2012 places IVL as a leading global player in this fast growing segment. The acquisition of recycled PET and fiber manufacturing businesses of Wellman International in Europe in November 2011 makes IVL Europe's most prominent producer, with a footprint across the polyester value chain. Together with the improvement in the utilization rate of existing plants, the partial startup of the Lopburi site and the addition of Indorama Ventures (Oxide & Glycols) has resulted in a total production volume of 1.35 million tons in 2Q 2012, that is, growth of 13% over 1Q 2012.

The charts below provide details of quarterly production volumes and US Dollar sales, both regional and segment wise. IVL continues to gain market share in all regions and segments.



Note: Revenue of each region and segment is after inter-region and inter-segment elimination.

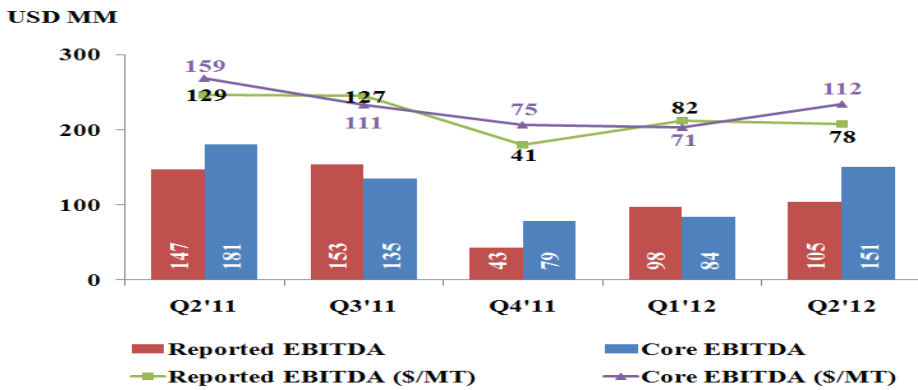


The graph below provides details of the Core EBITDA, which in 2Q 2012 saw a healthy jump of 59% growth in core EBITDA/ton over 1Q 2012, led by the timely integration into the Oxide and Glycols business in the USA.

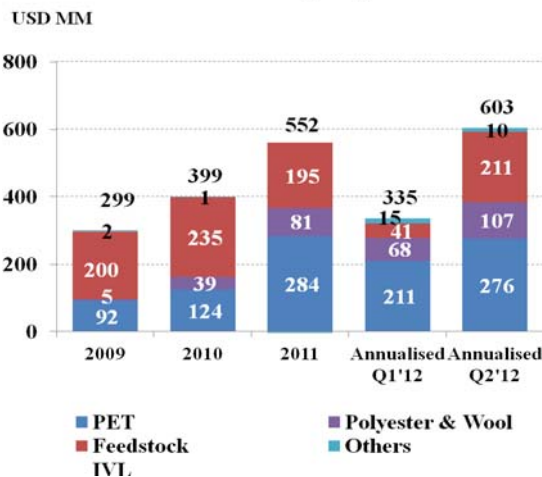
The losses due to Lopburi floods, the severe decline in PTA spreads and the subdued sentiment in Asia have significantly impacted EBITDA in Asia in 2012, or roughly a third of the business. Management believes that overall improvement can be anticipated firstly from the operational improvement projects that have taken place in the first half of 2012; the debottlenecking of our China capacity to 522kt per annum, the start up of the Nigeria SSP plant, and the acquisition of PET capacity in Indonesia in 3Q 2012. Secondly, the improvement in the macro environment in China and India is anticipated to lead to potentially improved sentiment and therefore partial recovery of PTA spreads that are currently below cash costs for the majority of the industry in Asia.

Nevertheless, IVL's segment EBITDA increased across all our platforms with the addition of new businesses. Regionally, North America remained the top performer while Europe was slightly weak. However, IVL maintained its volumes by sacrificing some margin in light of the continued Greek-led crisis that has engulfed most of South Europe. Operational excellence measures at Spartanburg, a Brownfield capacity addition at Rotterdam, due to commence operations in 3Q 2012, as well as the addition of the Oxide and Glycol business in North America, will potentially offset the weak PTA margins in Asia.

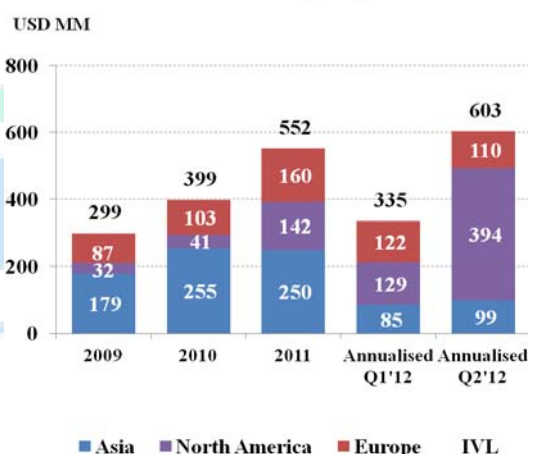
IVL Reported EBITDA & Core EBITDA



Core EBITDA by Segment



Core EBITDA by Region



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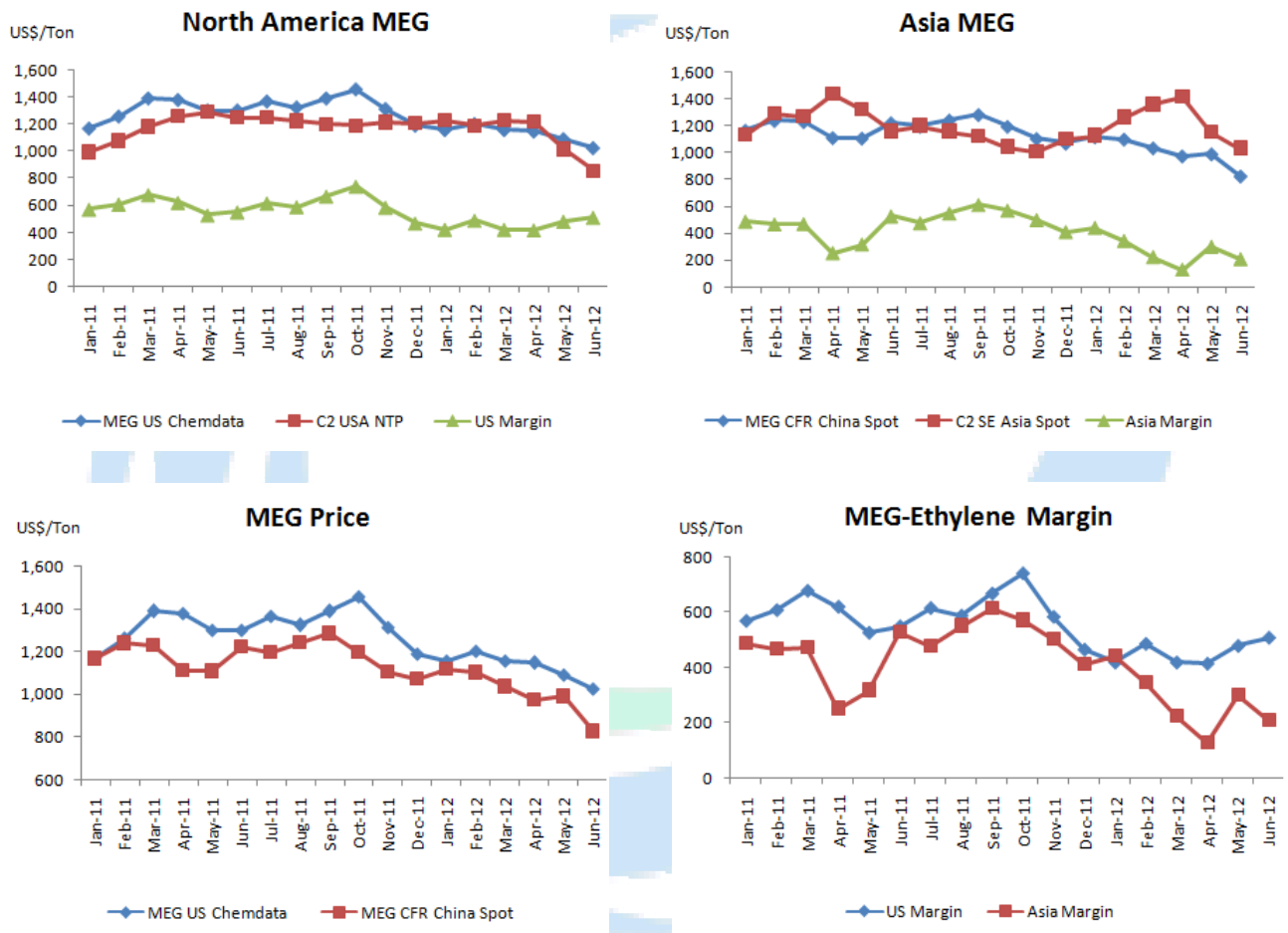
Explanation of Oxides and Glycols business

The charts below help explain the IVL Oxides and Glycols business in North America. The key difference between Asia and North America is the sourcing and economics of ethylene feedstock and premium MEG prices.

Ethylene in Asia is priced off Naphtha feed whereas in North America it is based on gas, which, due to shale gas discoveries, is in abundance.

MEG prices in North America are at a premium but track Asian prices due to the large consumption in Polyesters, especially in China.

Therefore MEG margins in North America are higher and less volatile than Asia as can be seen in the 'MEG-Ethylene Margin' chart.



Source: Industry analysis

Outlook

The last 12 months has witnessed extreme volatility that closely shadows what we experienced in the second half of 2008. There was a considerable squeeze in inventory across the industry then, which led to a total collapse of commodity prices, and we have seen it happen again in 4Q 2011 and yet again in 2Q 2012. This time, though, we are also experiencing a slowdown in growth in Asia, particularly China and India. We will have to be more patient and wait for a rebound in growth, something we expect to have a positive impact on the company, just as in 2009 and 2010.

Our continuing top-line growth, despite the turbulent global markets, is a testament to Indorama Ventures's business, which is a "bridge" between upstream chemical suppliers and consumer staple products. IVL products primarily go to consumer necessities and affordable segments and therefore are much more resilient in economic downturns. IVL products are truly everywhere in the daily necessities that each one of us uses every day. We are an industrial segment with integration into chemicals, which are our feedstocks like PTA and MEG. The integration allows us to be more reliable to our customers, whereby we gain market share.

The completion of the acquisition of the Old World (now renamed Indorama Ventures (Oxide and Glycols) Limited) business in the USA in April, 2012, is a strategic move by IVL to further integrate within the polyester value chain into its key raw material Mono Ethylene Glycol (MEG) and Purified Ethylene Oxide (PEO). Its strategic location at Clear Lake, Texas, is part of a larger site run by the company Celanese with advantageous raw material and utilities' supply. MEG is an essential raw material in the production of PET polymers and polyester fibers and yarns. Further, it provides us with a platform for growth (it is the first EO/EG business in IVL) in new products with higher margins, Indorama Ventures (Oxide and Glycols) Limited has an established production facility, customer base, supplier network and an experienced management team. The acquisition is expected to be accretive to earnings of IVL and strengthen the business for long term sustainability. Further, it is supported by positive global outlook including in North America for EO/MEG from growth in demand, high utilization rate and margins. North America has available merchant supply of ethylene through network of pipelines and advantaged feedstock source based on natural gas and shale gas. Indorama Ventures (Oxide and Glycols) Limited creates an opportunity to realize synergies and operational efficiencies with IVL's existing PET polymers and polyester fibers and yarns operations of around 1.8 million tons in North America.

Asian PTA margins will remain low throughout 2012 but our plants will continue to operate at high utilization rates and benefit from the increase in captive consumption of PTA of above 50% in our PET polymers and Polyester fibers and yarns business. The management focus will be on consolidation and operational excellence to translate each business to be accretive to IVL earnings and on completion of various brownfield growth plans that are underway. Please see each segment commentary that further explains the improvements underway in 2012 to mitigate the impact of lower Asian PTA margins.

In line with the affordable nature of Polyester and its application in daily consumer staples (food, beverage and clothing), we expect to benefit from a favorable geographical mix in key regions where we have attained market leadership and consolidation. Our investments in innovation or value-added product lines are expected to gain traction going forward and to provide new growth areas for IVL, especially in emerging markets.

IVL will continue to see increasing sales into the second half of 2012 and into 2013 from more than 500 kt/annum of new capacity coming on-stream in Rotterdam and Kaiping, China, at very attractive incremental costs as they are essentially the debottlenecking of existing sites. The acquisition of Polypet in Indonesia has already been completed on August 9, 2012, and Indonesia will continue to play a very significant role within IVL with its attractive resource profile and large population base. The company's most dynamic polyester site is under construction in Indonesia aiming for completion by the end of 2013.

IVL business model of global diversity, product diversity and integration creates meaningful hedges and as such delivers above average returns. Management is focused on the consolidation of businesses acquired to bring about significant gains from synergies and as well from new products by leveraging on our leading innovation platform. We remain very optimistic about the Polyester Value Chain and IVL leadership within this chain. We are well-positioned to take significant advantage when the global recovery takes place. Meanwhile, we are confident that our portfolio will continue to deliver the lowest cost quartile results.

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Ongoing Projects under Implementation

Announced Date	Project	Location	Capacity (tonnes per annum)	Timeline
Expansion in Existing Location				
May'2010	Brownfield expansion of PET production in Rotterdam	Rotterdam, Netherlands	187,000	2012
Mar'2011	Investment in continuous polymerization resin plant in Indonesia	Purwakarta, Indonesia	300,000	2H 2013
Apr'2011	Brownfield expansion of PET polymers' production in Poland	Poland	220,000	1H 2014
May'2011	Brownfield expansion of PTA in Rotterdam, enhancing integration for PET production in Europe	Rotterdam, Netherlands	250,000	2013
Jun'2011	42% joint venture investment in PT Polyprima Karyesreska, a PTA producer, using Invista technology. The plant is currently under maintenance, revamping and capacity de-bottlenecking. This investment will secure the PTA supplies for IVL PET & Polyester plants in Indonesia	Cilegon, West Java, Indonesia	500,000	2013
Q2'2011	Debottlenecking of PET production in China	Kaiping Guangdong, China	116,000	Completed
Mar'2012	100% acquisition of the PET resin assets of PT Polypet Karyapersada, located adjacent to IVL's joint venture PTA assets of PT Indorama Petrochemicals	Cilegon, Indonesia	100,800	Completed
Expansion in Other Geographies				
Aug'2010	Investment in SSP plant to produce PET in Nigeria. This is the first investment of IVL in Africa.	Port Harcourt, Nigeria	84,000	Completed
Recycling and Innovation				
Aug'2011	Investment in production of recycled PET in IPI Nakhon Pathom	Nakhon Pathom, Thailand	28,500	2013
Aug'2011	Investment in bi-component fibers project for hygiene application, with Japan's Toyobo technology	Rayong, Thailand	21,000	2012
Aug'2011	Investment in high quality bi-component yarns "FINNE" through a single step process at PT IVI plant	Tangerang, Indonesia	16,000	2013
Cost Savings & Efficiency Improvement				
Q2'2011	Modification of feedstock process from DMT to PTA in Auriga PET and Polyester plant	Spartanburg, South Carolina United States	-	2012
Jan'2012	Strategic reorganization of Trevira GmbH texturizing facility from Poland to Germany	Guben, Germany	-	2012

On completion of all the announced acquisitions and expansions, IVL will have an increasingly advantaged portfolio of regional business **with a total capacity of 8.5 million tons per annum** (including joint ventures Ottana Polimeri, Trevira and Polyprima, which will be accounted for as equity income). IVL has a leading market position within the Polyester Value Chain in Thailand, North America and Europe.

Unit: Million tons per annum	Additions	PET	PTA	Fibers & Yarns	Glycol	Total
2011 Capacity						
Thailand		0.281	1.373	0.290		1.944
Indonesia		0.088		0.110		0.198
China		0.406				0.406
Europe*		0.921	0.561	0.273		1.755
Middle East & Africa						-
North America		1.555		0.071		1.626
Global		3.251	1.934	0.744		5.929
*JV capacity include		0.161	0.184	0.120		0.465
Additions in 2012						
North America	Oxide & Glycols**				0.550	0.550
Europe	IRP-Rotterdam	0.031				0.031
Indonesia	Polypet	0.101				0.101
Middle East & Africa	Nigeria-Greenfield	0.084				0.084
North America	Fibervision			0.221		0.221
Indonesia*	Polyprima		0.500			0.500
Thailand	TPT-Debottl.		0.011			0.011
China	China-Exp.	0.116				0.116
Thailand	IPI- BICO/CP			0.021		0.021
Global		0.332	0.511	0.242	0.550	1.635
*JV capacity include			0.500			0.500
Additions in 2013						
Europe	IRP-Rotterdam	0.156				0.156
Europe	Poland-Exp.	0.220				0.220
Indonesia	CP4-Greenfield			0.300		0.300
Indonesia	FINNE-Exp.			0.016		0.016
Thailand	IPI- Recycling			0.028		0.028
Europe	Rotterdam-Exp.		0.250			0.250
Global		0.376	0.250	0.344		0.970
Committed & Announced Capacity						
Thailand		0.281	1.384	0.339		2.004
Indonesia*		0.189	0.500	0.426		1.115
China		0.522				0.522
Europe*		1.328	0.811	0.273		2.412
Middle East & Africa		0.084				0.084
North America		1.555		0.292	0.550	2.479
Global		3.959	2.695	1.330	0.550	8.534
*JV capacity include		0.161	0.684	0.120		0.965

Note:

*Reported volumes for capacity, production, sales and utilization include only consolidated volumes and exclude Equity income volume

** Glycols & Oxide capacity is taken at 550kt pa, based on Glycols equivalent derived capacity from Ethylene Feed capacity of 330kt pa.

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Note

Starting from this quarter, we look at IVL business as three segments: PET resins, Polyester & Wool, and Feedstocks. Feedstock segment comprises the PTA and Oxide & Glycols businesses, of which the majority constitutes key raw materials for the other two downstream segments. In addition, there is no allocation of PTA earnings to PET and Polyester segment (based on the proportion of sales) from this quarter and its comparable period.

The consolidated financials are based upon the elimination of intra-company (or intra-business segment) transactions. For this reason the total of each segment may not tally with consolidated financials.

Net profit after tax and minority for 2Q 2012 includes net extraordinary loss of US\$ 15 million (Baht 459 million) of which US\$ 5 million (Baht 169 million) goes towards transaction expenses incurred on acquisitions completed during the year and pre-operational acquisitions; US\$ 37 million (Baht 1,140 million) towards insurance income received and a reversal of impairment loss due to flood; US\$ 0.4 million (Baht 11 million) towards other extraordinary gains, and US\$ 46 million (Baht 1,440 million) towards inventory loss.

Net profit after tax and minority for 1Q 2012 includes net extraordinary gain of US\$38 million (Baht 1,174 million) of which US\$ 22 (Baht 687 million) is towards income from a gain on bargain purchase, or negative goodwill, for completed acquisitions (details are provided in the Note 3 – Acquisitions of subsidiaries in the Reviewed Financial Statements); US\$ 1 million (Baht 24 million) towards transaction expenses incurred on acquisitions completed during the year and pre-operating acquisitions; and US\$ 2 million (Baht 71 million) towards the reversal of an allowance for impairment losses due to flood (net of insurance income received) and US\$ 14 million (Baht 441 million) towards inventory gain.

Net profit after tax and minority for 2Q 2011 includes a net extraordinary loss of US\$ 35 million (Baht 1,046 million) of which US\$ 1 million (Baht 23 million) went towards transaction expenses incurred on acquisitions completed during 1Q 2011, and US\$ 34 (Baht 1,023 million) towards inventory loss.

Core EBITDA is after excluding inventory gains/losses from reported EBITDA. Inventory gains/losses in a period result from the movement in prices of raw materials and products from the end of the last reported period to the end of the current reported period. The cost of sales are impacted by inventory gains/losses wherein inventory gains decrease cost of sales and inventory losses increase cost of sales.

Core ROCE and Core EPS have been calculated by taking book ROCE & book EPS and normalizing them by reducing/adding back extraordinary items as explained above.

Net operating debt is defined as Net debt (Total debt minus cash and cash under management) minus the project spending for various Brownfield expansions underway which are not completed and have not yet started contributing to the earnings of IVL.

Forward-Looking Statements: This earnings release includes forward-looking statements concerning current expectations for demand for the company's products, implementation and impact of previously announced growth initiatives. Such expectations are based upon certain preliminary information, internal estimates, and management assumptions, expectations, and plans, and are subject to a number of risks and uncertainties inherent in projecting future conditions, events, and results. Actual results could differ materially from expectations expressed in the forward-looking statements if one or more of the underlying assumptions or expectations prove to be inaccurate or are unrealized.

The Polyester Chain businesses are generally traded in US dollars and therefore IVL believes in helping its reader with translated US Dollar figures. IVL reporting currency is in Thai Baht and the accompanying pages are an integral part of this report. The accompanying pages report the Reviewed Thai Baht results and its translation in US Dollars at average exchange rates and closing exchange rates where applicable. Readers should rely on the Thai Baht results only.

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IVL CONSOLIDATED RESULTS

Financial Status and Ratios

IVL net operating debt to equity is 1.1 times in 2Q 2012 [post acquisition of Indorama Ventures (Oxide and Glycols) Limited in April 2012], which is higher than 0.6 times at the end of year 2011. In 2Q 2012 IVL spent total capex and investment of US\$ 848 million, primarily for the acquisitions of Indorama Ventures (Oxide & Glycols) in North America and ongoing brownfield expansions. The capex and investments have been funded with a mix of long term loans, cash proceeds from debentures issue and cash flow from operations. IVL net operating debt increased from US\$ 1,166 million at end of December 31, 2011 to US\$ 2,111 million at the end of June 30, 2012. The table below provides movement of total debt and net operating debt in US\$ millions:

	2Q12	4Q11	2Q11
Bank overdraft and short-term loans	457	432	339
<i>% of Total Debt</i>	17%	22%	18%
Long term debt (Current-portion)	195	204	168
<i>% of Total Debt</i>	7%	11%	9%
Long term debt (Non current-portion)	1,529	1,064	1,331
<i>% of Total Debt</i>	56%	55%	72%
Debentures (Non current-portion)	529	236	-
<i>% of Total Debt</i>	20%	12%	-
Total Debt	2,711	1,936	1,838
Cash & Cash under management	264	559	670
Cash and cash equivalents	178	379	170
Current investments	86	179	500
Net Debt	2,446	1,377	1,168
Non Operating Debt (Project Debt)	336	211	29
Net Operating Debt	2,111	1,166	1,139
Financial Ratios			
Interest Coverage (times)	3.8	2.7	9.3
Net operating debt to equity (times)	1.1	0.6	0.6
Total Debt to Equity (times)	1.5	1.0	0.9

The Net Operating Gearing ratio increased to 53% as at June 30, 2012, from 39% at the end of year 2011. The ROCE achieved in 2Q 2012 is 5% comparing with 7% in 1Q 2012. Excluding the extraordinary gain/loss, Core ROCE for 2Q 2012 would be 11% comparing with 5% in 1Q 2012 on the same basis. The current ratio is 1.4 times as at June 30, 2012 which is less than 1.6 times at the end of year 2011. As at June 30, 2012, IVL has high liquidity of around US\$ 917 million with unutilized credit facilities of around US\$ 653 million and cash and cash under management of US\$ 264 million.

The table below provides repayment schedule of long-term debt and debentures in US\$ million;

Year	*Repayment of long-term debt (Post new refinancing plan)	Repayment of long-term debt (as of now)	Repayment of debentures
2012	195	195	-
2013	312	771	-
2014	324	267	-
2015	327	247	-
2016	278	190	216
2017 or later	288	55	313
Total	1,724	1,724	529

* IVL is in the process of refinancing a project loan amounting to about US\$ 450 million, which was taken as a bridge loan to support an acquisition. The above repayment periods have been considered based on proposed new refinancing plan of this loan under consideration.

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Cash Flow

IVL generated US\$ 133 million of cash flow from operation, a decrease from US\$ 189 million generated in 6M 2011 driving mainly by lower PTA margin. In 6M 2012 there was net cash outflow for capex and investments of US\$ 1,115 million, of which US\$ 795 million towards acquisition of Old World Industry, US\$ 185 million towards acquisition of FiberVisions and the rest mainly towards Rotterdam PET expansion, China PET expansion, the conversion of DMT to PTA in Auriga US, and TPT due to maintenance work. The capex and investments have been funded by the mix of long term loans, cash proceeds from debentures issue and cash flow from operations. The consolidated cash and cash equivalents as on June 30, 2012 are US\$ 264 million (Baht 8,415 million) ensuring a healthy financial position and high liquidity in the group.

Issuance and offering of Thai Baht Debentures

The extraordinary general meeting of shareholders held on 22 September 2011 approved the issue of debentures up to an amount not exceeding Baht 25,000 million (in Baht or equivalent foreign currency) for a maturity not exceeding 15 years. On 19 October 2011, the Company raised Baht 7,500 million in cash through the issue of unsubordinated and unsecured Baht debentures to the public. The debentures issued are for Baht 2,900 million with a maturity of 5 years, Baht 1,400 million with a maturity of 7 years, and Baht 3,200 million with a maturity of 10 years. The details of issue are;

5 Year Tranche Baht 2,900 million Coupon 4.70%
7 Year Tranche Baht 1,400 million Coupon 5.04%
10 year tranche Baht 3,200 million Coupon 5.35%

On 9 April 2012, IVL successfully completed the second issuance of debenture. The Company raised in cash Baht 9,400 million through the debenture for Baht 4,000 million with a maturity of 5 years, Baht 1,500 million with a maturity of 7 years, and Baht 3,900 million with a maturity of 10 years. The details of issue are;

5 Year Tranche Baht 1,500 million Coupon 4.45% in Year 1-2 and 5.20% in Year 4-5
5 Year Tranche Baht 2,500 million Coupon 4.73%
7 Year Tranche Baht 1,500 million Coupon 5.09%
10 year tranche Baht 1,250 million Coupon 5.10% in Year 1-3, 5.60% in Year 4-7, 6.0% in Year 8-10
10 year tranche Baht 2,650 million Coupon 5.52%

The issue has achieved its objectives of accessing the Thai bond market, increasing the average maturity of debt, locking-in fixed interest rates for the long term, refinancing existing high cost debt and adding liquidity for planned capex and investments. The company's rating on the issue has a rating of A+ by the Thai Rating Information Service (TRIS) in Thailand.

Table 1
IVL: KEY OPERATING DATA

	2Q12	1Q12	2Q11	2Q12 vs.		6M12	6M11	6M12 vs.
				1Q12	2Q11			6M11
*Total capacity (in Tonnes)	1,555,159	1,421,415	1,321,715	9%	18%	2,976,574	2,369,967	26%
PET resins	773,501	773,500	763,690	0%	1%	1,547,001	1,290,641	20%
Polyester & wool	210,071	210,071	121,771	0%	73%	420,142	211,612	99%
Feedstock	571,587	437,844	436,254	31%	31%	1,009,431	867,714	16%
**Total production (in Tonnes)	1,346,026	1,187,347	1,141,330	13%	18%	2,533,373	2,095,125	21%
PET resins	631,123	615,803	619,473	2%	2%	1,246,926	1,083,885	15%
Polyester & wool	189,079	194,718	100,953	-3%	87%	383,797	194,852	97%
Feedstock	525,824	376,826	420,905	40%	25%	902,650	816,389	11%
Combined operating rate (%)	87%	84%	86%	4%	0%	85%	88%	-4%
Core EBITDA/ton (USD)	112	71	159	59%	-29%	93	162	-100%
Consolidated EBITDA/ton (USD)	78	82	129	-6%	-40%	80	173	-100%

*Capacity based on available days in the quarter for production excluding J/V capacity

**Production volumes based on equivalent production

Table 2
IVL: CASH FLOW

Baht in millions	6M12	6M11	6M12 vs. 6M11
Profit for the period	3,018	13,599	-78%
Adjustments for non-cash items:			
Depreciation and amortization	3,041	2,382	28%
Gains on bargain purchases	(687)	(6,619)	-90%
Others adjustments (equity income etc.)	2,040	1,475	38%
Total	7,412	10,837	-32%
Changes in operating assets and liabilities	(3,255)	(5,076)	-36%
Cash flow from operation	4,157	5,761	-28%
Interest received	254	117	117%
Capital expenditures	(5,216)	(2,292)	128%
Net cash outflow on acquisition and investments	(29,516)	(21,470)	37%
Other investing activities	60	37	62%
Cash flow from investment	(34,418)	(23,608)	46%
Interest paid	(1,481)	(1,128)	31%
Dividend paid	(2,415)	(3,197)	-24%
Change in debt	24,575	23,414	5%
Proceeds from issue of shares, net	-	17,224	-100%
Cash flow from financing	20,679	36,313	-43%
Effect of exchange rate changes	290	105	176%
Net change in cash and current investments	(9,292)	18,571	-150%

Table 3
IVL: FINANCIAL RATIOS

	2Q12	1Q12	2Q11
Current ratio (times)	1.4	1.4	1.7
Net gearing ratio (%)	57%	45%	37%
* Net operating gearing ratio (%)	53%	40%	36%
Interest coverage ratio (times)	3.8	5.3	9.3
** ROE (%)	8%	11%	16%
*** ROCE (%)	5%	7%	14%

*Based on net operating debt which is net debt less debt for capex and investments not generating revenue and earnings

**Net profit after minority to average total equity attributable to shareholders

***Operating income to average capital employed (net operating debt plus total shareholder's equity)

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PET SEGMENT

PET sales revenue in dollar terms in 2Q 2012 decreased by 2% over 1Q 2012 and 8% over 2Q 2011 due to lower prices led by a sharp drop in the crude oil price. In 2Q 2012, PET demand remains subdued globally, and has recently shown the sign of improvement around the end of quarter. The partial start up of IRP Lopburi plant which has been shutdown since September 2011, contributed to the growth in volume by 2% over 1Q 2012, and the slight improvement in utilization rate to 82%. The segment achieved core EBITDA of US\$ 69 million, a 31% increase from 1Q 2012 from slight improvement in spread globally. Certain operational improvement measures, the debottlenecking of several plants especially China, and Lopburi where startup is expected to help strengthen PET revenues and earnings starting 3Q 2012 and fully in 2013.

Table 4
PET: CAPACITY AND UTILISATION (%)

	2Q12	1Q12	2Q11	2Q12 vs.		6M12	6M11	6M12 vs.
				1Q12	2Q11			6M11
Production capacity (in Tonnes)	773,501	773,500	763,690	0%	1%	1,547,001	1,290,641	20%
Production volumes (in Tonnes)	631,123	615,803	619,473	2%	2%	1,246,926	1,083,885	15%
Utilization rate (%)	82%	80%	81%			81%	84%	

Table 5
PET: SALES REVENUE

	2Q12	1Q12	2Q11	2Q12 vs.		6M12	6M11	6M12 vs.
				1Q12	2Q11			6M11
Total revenues								
Baht in millions	34,600	34,776	36,316	-1%	-5%	69,376	62,863	10%
USD in millions	1,105	1,122	1,199	-2%	-8%	2,227	2,066	8%
Growth in Baht revenues from:								
Volume growth				2%	5%			18%
Price movement				-3%	-9%			-6%
Exchange rate movement				0%	0%			0%
Proportion of revenues by geographic								
Thailand	3%	2%	4%			3%	4%	
Asia (excluding Thailand)	13%	10%	9%			12%	9%	
North America	44%	49%	42%			46%	43%	
Europe	29%	30%	31%			30%	34%	
Rest of the World	10%	8%	15%			9%	10%	

Table 6
PET: EBITDA

	2Q12	1Q12	2Q11	2Q12 vs.		6M12	6M11	6M12 vs.
				1Q12	2Q11			6M11
Core EBITDA								
Baht in millions	2,154	1,634	3,853	32%	-44%	3,788	6,419	-41%
USD in millions	69	53	127	31%	-46%	122	211	-42%
Operating EBITDA								
Baht in millions	1,398	1,820	2,569	-23%	-46%	3,217	5,021	-36%
USD in millions	45	59	85	-24%	-47%	103	165	-37%

POLYESTER & WOOL SEGMENT

The segment achieved core EBITDA of US\$ 27 million in 2Q 2012, an increase of 57% over 1Q 2012. Despite a slight decrease in sales volume, the polyester segment benefits from spread improvement mainly due to high margin from value added products of FiberVisions which is acquired in early January 2012. Certain operational improvement projects in the USA and Indonesia, and ramping up synergies with FiberVisions, all of which are expected to start delivering value in the second half of the year. The Wool segment in Lopburi is scheduled to start up partially in 3Q 2012 and is expected to be fully operating by the end of 2012.

Table 7
POLYESTER & WOOL: CAPACITY AND UTILIZATION (%)

				2Q12 vs.				6M12 vs.
	2Q12	1Q12	2Q11	1Q12	2Q11	6M12	6M11	6M11
POLYESTER FIBERS & YARNS								
Production capacity (in Tonnes)	208,604	208,604	120,300	0%	73%	417,208	208,686	100%
* Production volumes (in Tonnes)	189,079	194,718	99,617	-3%	90%	383,797	192,132	100%
Utilization rate (%)	91%	93%	83%			92%	92%	
WOOL YARNS								
				2Q12 vs.				6M12 vs.
	2Q12	1Q12	2Q11	1Q12	2Q11	6M12	6M11	6M11
Production capacity (in Tonnes)	1,467	1,467	1,471	0%	0%	2,934	2,926	0%
* Production volumes (in Tonnes)	0	0	1,336	0%	-100%	0	2,720	-100%
Utilization rate (%)	0%	0%	91%			0%	93%	

**Production volumes based on equivalent production

Table 8
POLYESTER & WOOL: SALES REVENUE

				2Q12 vs.				6M12 vs.
	2Q12	1Q12	2Q11	1Q12	2Q11	6M12	6M11	6M11
Total revenues								
Baht in millions	10,227	10,813	6,407	-5%	60%	21,040	12,183	73%
USD in millions	327	349	212	-6%	54%	676	400	69%
Growth in Baht revenues from:								
Volume growth				-8%	92%			96%
Price movement				2%	-17%			-12%
Exchange rate movement				0%	0%			0%
Proportion of revenues by geographic								
Thailand	10%	10%	16%			10%	18%	
Asia (excluding Thailand)	26%	26%	41%			26%	41%	
North America	30%	27%	22%			28%	16%	
Europe	28%	28%	14%			28%	14%	
Rest of the World	6%	9%	8%			8%	11%	

Table 9
POLYESTER & WOOL: EBITDA

				2Q12 vs.				6M12 vs.
	2Q12	1Q12	2Q11	1Q12	2Q11	6M12	6M11	6M11
Core EBITDA								
Baht in millions	836	527	908	59%	-8%	1,363	2,069	-34%
USD in millions	27	17	30	57%	-11%	44	68	-36%
Operating EBITDA								
Baht in millions	511	607	711	-16%	-28%	1,118	1,475	-24%
USD in millions	16	20	23	-17%	-31%	36	48	-26%

FEEDSTOCK SEGMENT

The acquisition of the Oxide & Glycols business in North America has started delivering earnings to IVL in this quarter. The Feedstock segment reported revenue of US\$ 576 million, an increase by 23% over 1Q 2012 and 6% over 2Q 2011. The segment achieved core EBITDA of US\$ 53 million. The growth in North America EO/EG (MEG, DEG, and TEG) has led to high overall utilization rate of 92% and good margins in our Oxide & Glycols business. The available merchant supply of ethylene through network of pipelines and advantaged feedstock source based on natural gas and shale gas creates a positive outlook for at least the next 2-3 years in North America, according to research by industry experts.

The PTA margins in Asia continued to be extremely weak in 2Q 2012, driven by an oversupply outlook for PTA in Asia. The utilization rate of the PTA segment increased after the 22 days shutdown of our TPT plant for schedule maintenance and to complete several capex job that are intended to lower total cost of production in 1Q 2012. Feedstock integration with the inclusion of the Oxide & Glycols business allows us to continue to operate at high utilization rates, while other PTA players operating with cash loss will not be able to sustain in the long-term.

Table 10
FEEDSTOCK: CAPACITY AND UTILISATION (%)

	2Q12	1Q12	2Q11	2Q12 vs.		6M12	6M11	6M12 vs. 6M11
				1Q12	2Q11			
Production capacity (in Tonnes)	571,587	437,844	436,254	31%	31%	1,009,431	867,714	16%
Production volumes (in Tonnes)	525,824	376,826	420,905	40%	25%	902,650	816,389	11%
Utilization rate (%)	92%	86%	96%			89%	94%	

* Glycols & Oxide capacity is taken at 550kt pa, based on Glycols equivalent derived capacity from Ethylene Feed.

Table 11
FEEDSTOCK: SALES REVENUE

	2Q12	1Q12	2Q11	2Q12 vs.		6M12	6M11	6M12 vs. 6M11
				1Q12	2Q11			
Total revenues								
Baht in millions	18,022	14,524	16,525	24%	9%	32,546	33,765	-4%
USD in millions	576	469	546	23%	6%	1,045	1,110	-6%
Growth in Baht revenues from:								
Volume growth				27%	18%			8%
Price movement				-2%	-4%			-11%
Exchange rate movement				0%	-4%			0%
Proportion of revenues (after eliminations) by geographic								
Thailand	16%	24%	19%			19%	21%	
Asia (excluding Thailand)	35%	68%	62%			49%	63%	
North America	40%	0%	0%			23%	0%	
Europe	10%	8%	17%			9%	11%	
Rest of the World	0%	0%	2%			0%	5%	

Table 12
FEEDSTOCK: EBITDA

	2Q12	1Q12	2Q11	2Q12 vs.		6M12	6M11	6M12 vs. 6M11
				1Q12	2Q11			
Core EBITDA								
Baht in millions	1,647	318	816	418%	102%	1,965	2,099	-6%
USD in millions	53	10	27	414%	95%	63	69	-9%
Operating EBITDA								
Baht in millions	1,287	492	1,251	161%	3%	1,780	4,748	-63%
USD in millions	41	16	41	159%	0%	57	156	-63%

INDORAMA VENTURES PUBLIC COMPANY LIMITED

IVL CONSOLIDATED STATEMENT OF INCOME

Baht in millions	2Q12	1Q12	2Q11	2Q12 vs.		6M12	6M11	6M12
				1Q12	2Q11			vs.
								6M11
Net sales	54,495	52,551	51,300	4%	6%	107,046	91,853	17%
Other income (expense), net	243	87	468	179%	-48%	330	612	-46%
Total Revenue	54,738	52,638	51,768	4%	6%	107,376	92,465	16%
*Cost of sales	50,289	48,274	45,985	4%	9%	98,563	79,375	24%
Gross profit	4,449	4,364	5,783	2%	-23%	8,813	13,090	-33%
*Selling and administrative expenses	2,957	2,807	2,713	5%	9%	5,764	4,540	27%
Foreign exchange gain (loss)	53	163	91	-67%	-42%	216	75	188%
EBITDA	3,271	3,035	4,453	8%	-27%	6,306	11,007	-43%
Depreciation and amortization	1,726	1,315	1,292	31%	34%	3,041	2,382	28%
Operating income	1,545	1,720	3,161	-10%	-51%	3,265	8,625	-62%
Share of profit from joint ventures	(291)	(78)	(8)	273%	3538%	(369)	75	-592%
**Extraordinary items	1,086	733	(23)	48%	-4821%	1,819	6,272	-71%
Interest income	147	95	171	55%	-14%	242	207	17%
Interest expense	998	664	649	50%	54%	1,662	1,085	53%
Profit (loss) before tax	1,489	1,806	2,652	-18%	-44%	3,295	14,094	-77%
Income tax expense	153	124	264	23%	-42%	277	495	-44%
Profit (loss) for the period	1,336	1,682	2,388	-21%	-44%	3,018	13,599	-78%
Minority interest	110	(9)	22	-1322%	400%	101	79	28%
Net profit after minority interest	1,226	1,691	2,366	-28%	-48%	2,917	13,520	-78%
Weighted average no. of shares (in Million)	4,814	4,814	4,814	0%	0%	4,814	4,660	3%
Annualized EPS (in Baht)	1.02	1.40	1.97	-28%	-48%	1.21	5.80	-79%

*Includes depreciation and amortization expenses

**Includes gain on bargain purchase on new acquisitions and their related transaction costs, pre operative acquisition, insurance claim and reversal of provision for impairment of property, plant and equipment and inventories from floods in Lopburi, Thailand

Note: The consolidated financials are based upon elimination of intra-company (or intra business segment) transactions. For this reason the total of each segment may not tally with consolidated financials.

IVL CONSOLIDATED BALANCE SHEET

Baht in millions	<u>30-Jun-12</u>	<u>31-Dec-11</u>	<u>30-Jun-12 vs.</u> <u>31-Dec-11</u>
Assets			
Cash and current investments	8,415	17,707	-52%
Trade accounts receivable	29,667	24,509	21%
Inventories	21,437	21,422	0%
Other current assets	6,098	4,133	48%
Total current assets	65,617	67,771	-3%
Investment	5,560	5,416	3%
Property, plant and equipment	84,862	66,825	27%
Intangible assets	17,479	4,701	272%
Other assets	1,332	1,102	21%
Total assets	174,850	145,815	20%
Liabilities			
Bank OD and short-term loans from financial institutions	14,559	13,677	6%
Trade accounts payable	21,590	17,978	20%
Current portion of long-term loans	6,178	6,440	-4%
Current portion of finance lease liabilities	23	18	28%
Other current liabilities	6,125	5,088	20%
Total current liabilities	48,475	43,201	12%
Long-term loans from financial institutions	48,632	33,702	44%
Debenture	16,850	7,469	126%
Finance lease liabilities	31	40	-23%
Other liabilities	1,697	2,637	-36%
Total liabilities	115,685	87,049	33%
Shareholder's equity			
Share capital	4,814	4,814	0%
Share premium	29,775	29,775	0%
Retained earnings	27,997	27,884	0%
Reserves	(3,657)	(3,846)	-5%
Total equity attributable to shareholders	58,929	58,627	1%
Minority interest	236	139	70%
Total shareholder's equity	59,165	58,766	1%
Total liabilities and shareholder's equity	174,850	145,815	20%

Note: The consolidated financials are based upon elimination of intra-company (or intra business segment) transactions. For this reason the total of each segment may not tally with consolidated financials.