

Ref. No. IVL002/02/2014

20 February 2014

The President  
The Stock Exchange of Thailand

Subject: Submission of Annual Audited Financial Statements of Indorama Ventures Public Company Limited for the ended December 31, 2013 and the Management Discussion and Analysis

We are pleased to submit:

1. A copy of the Consolidated and Company only Annual Audited Financial Statements for the year ended December 31, 2013 (a copy in Thai and English)
2. Management Discussion and Analysis (MD&A) for the year ended December 31, 2013 (a copy in Thai and English)
3. Company's performance report, Form F45-3 for the year ended December 31, 2013 (a copy in Thai and English)

Please be informed accordingly.

Sincerely yours,

(Mr. Dilip Kumar Agarwal)  
Chief Executive Officer Feedstock and PET Business

Company Secretary  
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## INDORAMA VENTURES PUBLIC CO., LTD (SET: "IVL")

### MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

FOR THE YEAR ENDED DECEMBER 31, 2013 (CONSOLIDATED)

#### Executive Summary

IVL achieved its highest revenue ever in 2013 of THB 229 billion (US\$ 7.5 billion), growth of 9% Year-on-Year (YoY):

This revenue, compared to the THB 211 billion (US\$ 6.8 billion) in 2012, was achieved despite an extended two-month shut down for a catalyst change in the second quarter at our flagship Oxide & Glycols site in North America. The fourth quarter saw revenue of THB 58 billion (US\$ 1.8 billion), as against THB 50 billion (US\$ 1.6 billion) in the same period of 2012, registering a Quarter-on-Quarter (QoQ) growth of 14%.

IVL grew Core EBITDA 4% YoY to THB 15.0 billion (US\$ 487 million) despite:

- depressed PTA margins throughout the year
- lower volume due to the catalyst change our Oxide & Glycols site
- 35 days of production loss in PTA at our Rotterdam site due to technical issues (covered by insurance)

Core EBITDA in 4Q13 grew 30% QoQ, to THB 4.0 billion (US\$ 127 million), from THB 3.1 billion (US\$ 101 million) in the same period of 2012.

Table 1: IVL-Core Financial Data

	US\$ in Millions				THB in Millions	
	4Q13	4Q12(R)	2013	2012(R)	2013	2012(R)
<b>(1) Consolidated Sales</b>	<b>1,817</b>	<b>1,646</b>	<b>7,456</b>	<b>6,779</b>	<b>229,120</b>	<b>210,729</b>
PET	1,025	985	4,765	4,292	146,418	133,422
Fibers & Yarns	493	353	1,561	1,359	47,968	42,236
Feedstock	533	612	2,291	2,210	70,391	68,693
<b>(2) Core EBITDA</b>	<b>127</b>	<b>101</b>	<b>(3) 487</b>	<b>461</b>	<b>14,966</b>	<b>14,334</b>
PET	47	27	248	208	7,636	6,469
Fibers & Yarns	33	11	95	72	2,910	2,233
Feedstock	47	64	145	177	4,456	5,500
Depreciation	(59)	(58)	(229)	(216)	(7,051)	(6,719)
<b>Core EBIT</b>	<b>68</b>	<b>43</b>	<b>258</b>	<b>245</b>	<b>7,915</b>	<b>7,615</b>
Interest	(33)	(31)	(118)	(102)	(3,627)	(3,175)
<b>Core Profit before tax</b>	<b>35</b>	<b>12</b>	<b>140</b>	<b>143</b>	<b>4,287</b>	<b>4,440</b>
Current tax	1	(10)	(10)	(19)	(302)	(580)
Effective current tax %			7%	13%	7%	13%
Deferred tax	(12)	(14)	(32)	(48)	(991)	(1,492)
<b>Core Profit before JV and MI</b>	<b>24</b>	<b>(12)</b>	<b>97</b>	<b>76</b>	<b>2,994</b>	<b>2,368</b>
Joint Ventures Income/(Loss)	(9)	(13)	(24)	(29)	(741)	(889)
Minority Interests	(0)	1	(6)	(5)	(191)	(164)
<b>Core Net Profit after tax &amp; minorities</b>	<b>15</b>	<b>(24)</b>	<b>67</b>	<b>42</b>	<b>2,062</b>	<b>1,315</b>
<sup>(4)</sup> CAPEX and investment	41	73	224	1,357	6,885	42,183
Net Operating Debt	2,224	2,320	2,224	2,320	72,991	71,061
Total Equity	1,876	1,847	1,876	1,847	61,568	56,565
<b>Net Operating Debt to Equity</b>	<b>1.2</b>	<b>1.3</b>	<b>1.2</b>	<b>1.3</b>	<b>1.2</b>	<b>1.3</b>
<b>Net Operating Long Term Debt to Equity</b>	<b>0.9</b>	<b>1.0</b>	<b>0.9</b>	<b>1.0</b>	<b>0.9</b>	<b>1.0</b>
<b>Net Operating Core ROCE (before JV's)</b>	<b>6.7%</b>	<b>4.4%</b>	<b>6.4%</b>	<b>6.1%</b>	<b>6.0%</b>	<b>6.2%</b>

- Note <sup>(1)</sup> Consolidated financials are based upon elimination of intra-company (or intra business segment) transactions  
<sup>(2)</sup> Core EBITDA is Consolidated EBITDA less Inventory gain/ (loss)  
<sup>(3)</sup> 2013 Core EBITDA includes a business interruption insurance claim of US\$ 5/tonne (US\$ 29 MM)  
<sup>(4)</sup> CAPEX and investment are on a cash basis as per cash flow statement  
<sup>(5)</sup> Periods with Restated or (R) are restated numbers as per change in Thai Accounting Standards

IVL achieved a core profit before joint ventures (JV) and minority interest (MI) of THB 3.0 billion (US\$ 97 million) in 2013, as against THB 2.4 billion (US\$ 76 million) in 2012(R). Trevira was a JV until 3Q13 and from October 1, 2013, has been fully consolidated due to a revision in the terms with the JV partner. Our JV performance improved by US\$ 5 million in 2013 over 2012 mainly due to improvements made at Trevira by the management. 4Q13 also includes US\$ 11.9 million (IVL's share) as a non-cash impairment of our JV at Ottana, which is shown as a non-operational item in Table 2. Ottana's JV partners are discussing potential solutions.

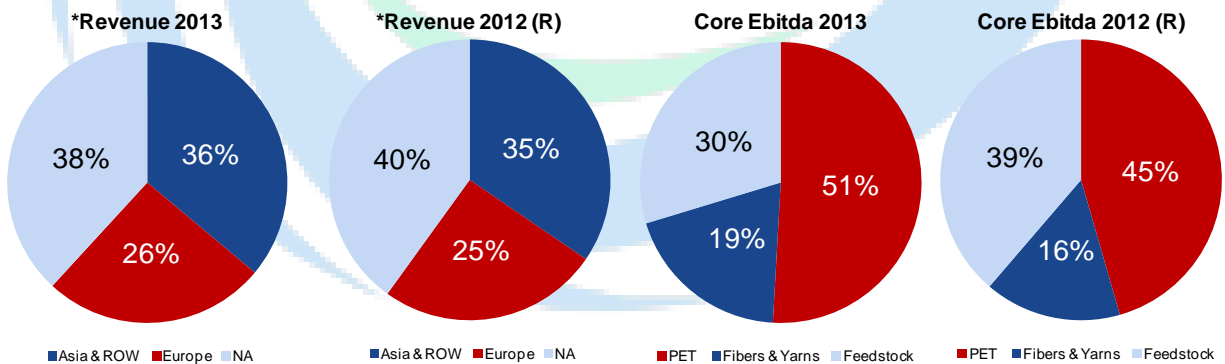
Lower absolute prices in 2013 over 2012 led to an inventory loss of US\$ 30 million in 2013, as against the inventory gain of US\$ 2 million in 2012.

**Table 2: IVL-Non Operational/Extraordinary Items**

	US\$ in Millions				THB in Millions	
	4Q13	4Q12(R)	2013	2012(R)	2013	2012(R)
<b>Core Net Profit after tax &amp; minorities</b>	<b>15</b>	<b>(24)</b>	<b>67</b>	<b>42</b>	<b>2,062</b>	<b>1,315</b>
<b>Add: Inventory gain/(loss)</b>	<b>(12)</b>	<b>22</b>	<b>(30)</b>	<b>2</b>	<b>(928)</b>	<b>76</b>
<b>Add: Non Operational/Extraordinary income/(expense)</b>	<b>(19)</b>	<b>(5)</b>	<b>6</b>	<b>43</b>	<b>192</b>	<b>1,349</b>
<i>Acquisition expenses</i>	<i>0</i>	<i>(4)</i>	<i>1</i>	<i>(12)</i>	<i>32</i>	<i>(387)</i>
<i>Gain on bargain purchase</i>	<i>3</i>	<i>0</i>	<i>3</i>	<i>5</i>	<i>87</i>	<i>148</i>
<i>Insurance claims (flood related)</i>	<i>(0)</i>	<i>1</i>	<i>26</i>	<i>60</i>	<i>791</i>	<i>1,853</i>
<i><sup>(1)</sup> Impairment of assets (incl. Ottana)</i>	<i>(13)</i>	<i>-</i>	<i>(13)</i>	<i>-</i>	<i>(385)</i>	<i>-</i>
<i>Restructuring expenses (Debt &amp; Tax)</i>	<i>(5)</i>	<i>-</i>	<i>(10)</i>	<i>-</i>	<i>(320)</i>	<i>-</i>
<i>Workington Mothball (Severance Provision)</i>	<i>(3)</i>	<i>-</i>	<i>(3)</i>	<i>-</i>	<i>(94)</i>	<i>-</i>
<i>Other extraordinary gain (loss)</i>	<i>(0)</i>	<i>(2)</i>	<i>3</i>	<i>(9)</i>	<i>81</i>	<i>(265)</i>
<b>= Net profit after tax and minority</b>	<b>(16)</b>	<b>(7)</b>	<b>43</b>	<b>88</b>	<b>1,326</b>	<b>2,740</b>

Note <sup>(1)</sup> Ottana partial impairment US\$ 12 million (IVLshare)

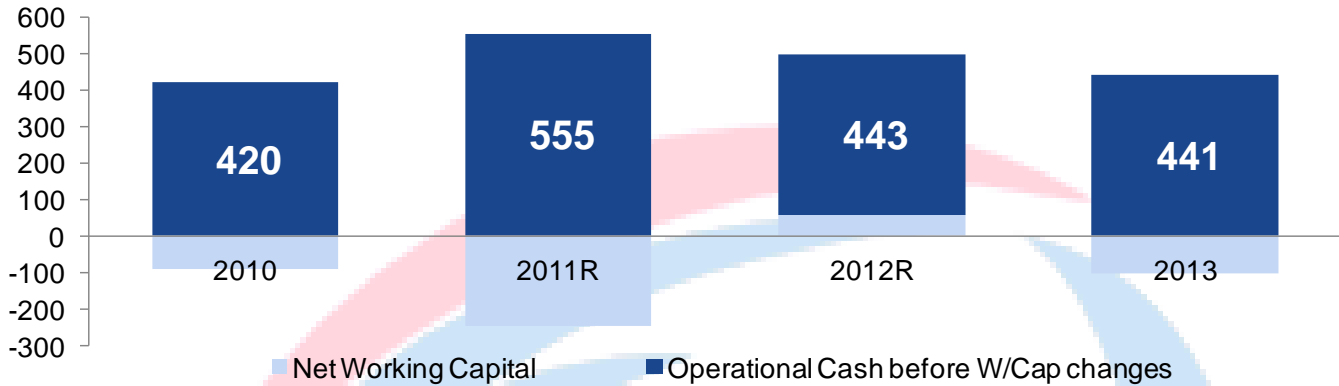
IVL has maintained the market share across various regions, with a YoY Revenue growth of 9% in 2013.



\*Regional revenues breakup on customers' location

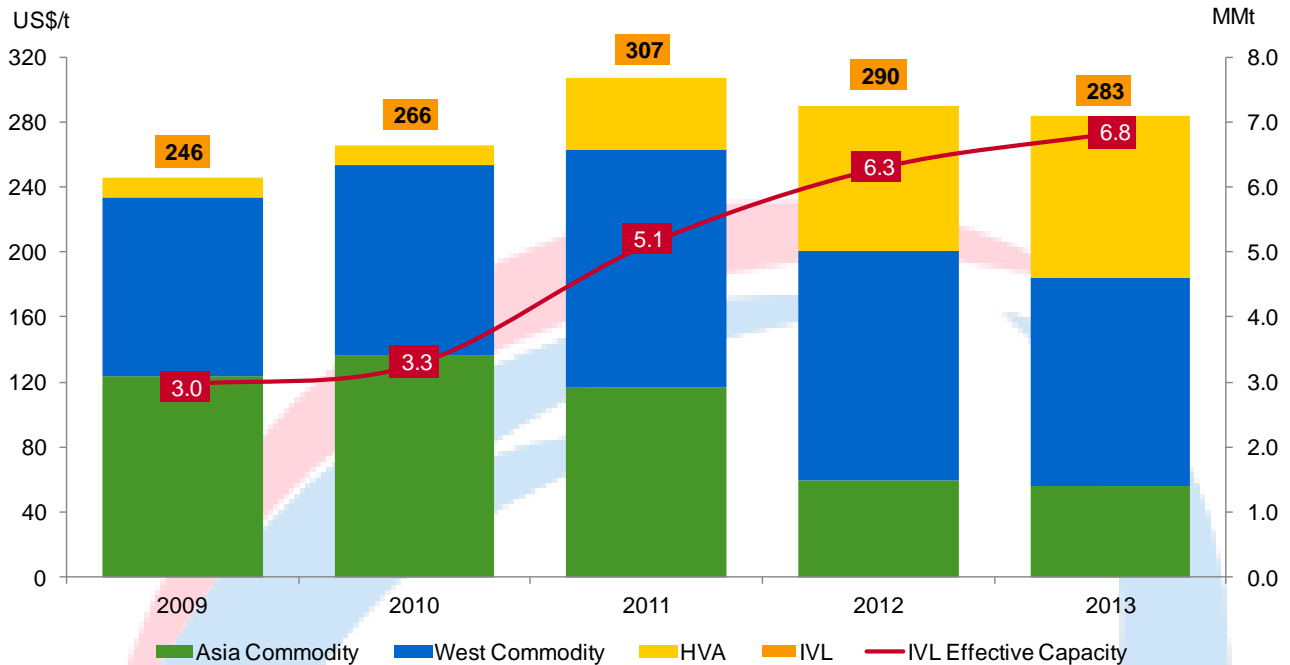
Cash flows remained healthy in 2013 in line with past few years.

### Operating Cash flow



**Indorama Ventures' core margins remained healthy** as our High Value Add (HVA) portfolio growth has helped the company mitigate weaker commodity product margins recently. The chart below reflects IVL core margins in commodity and HVA products across time, weighted against effective capacity. IVL achieved a Core margin of US\$/t 283 on effective capacity in 2013, as against US\$ 290/t in 2012, whereas effective capacity has consistently grown from 3.0 mm mt in 2009 to 6.3 mm mt in 2012 and 6.8 mm mt in 2013. During the year 2013, IVL's total cost of delivery reduced by US\$/t 5 over 2012, reflecting IVL's operational excellence initiatives. This was despite an increase in the volumes of HVA where total cost is generally higher compared to commodities. Western commodity margins also weakened YoY reflecting fierce competition. It has been through the timely and strategic expansion of our HVA portfolio over the past two years that IVL has managed to maintain healthy margins across cycles, while pure commodity peers have reported significant margin decline. Our announcement of the acquisition of PHP Fibers in Germany in February 2014 is a step towards further enhancing the HVA portfolio and blended HVA margins in the near term.

## IVL Core Margins and Capacity Growth by Segment



Note: Core Margins on the weight age of IVL effective capacity across the years.

Management has laid the foundation in 2013 and in 2012 for growth in 2014 and the future:

- Trevira has become profitable by focusing on a dual strategy of new HVA products plus cost reduction. IVL has management control of Trevira as of October 1, 2013, while JV Partner Sinterama continues to be a strategic partner.
- FiberVisions has provided us the leadership position in bicomponent fibers (BICO) and therefore the hygiene segment of HVA products; and we are introducing their technology to Asia. A BICO plant has been constructed in Rayong and BICO products are available from our Thai plants.
- The acquisition of Wellman International pushed us to the forefront of recycling in Europe and we are using that know-how at our Nakhon Pathom plant in Thailand where a recycling unit is planned for 1Q14.
- Asset optimization at our IVL Guangdong PET plant has given us the benefits of scale and low cost despite the PET capacity overhang in China.
- An operational excellence debottlenecking project at our Poland PET plant has commenced with associated cost reduction when completed in 2014.
- The HVA portfolio grew at our existing assets with high grades of PET, film and textile specialties, extrusion blow molding (EBM) resins produced by our Asian PET facilities etc. Our unique rPET (recycled PET) facilities in North America make us a preferred supplier to our customers.

### 2014 outlook

The next step in the growth of Indorama Ventures is to enhance its competitiveness. Our strategies are:

1. **Increased volumes:** In 2014, we expect higher production volumes from our Oxide & Glycols (EO/EG) site; enhanced operating rates at our IVL Guangdong PET plant; commercial production from our new state-of-the-art polyester fibers plant, Polychem (CP4) in Indonesia and better utilization of other assets. PET volumes lost due to the mothballing of Indorama Polymers Workington in the UK should be compensated by higher runs at other locations without loss of market share.
2. **Operational excellence** initiatives are expected to derive better utilization and cost optimization.
3. **The HVA portfolio** will expand via debottlenecking and acquisitions. Bio Pet capabilities will be developed in Rotterdam.

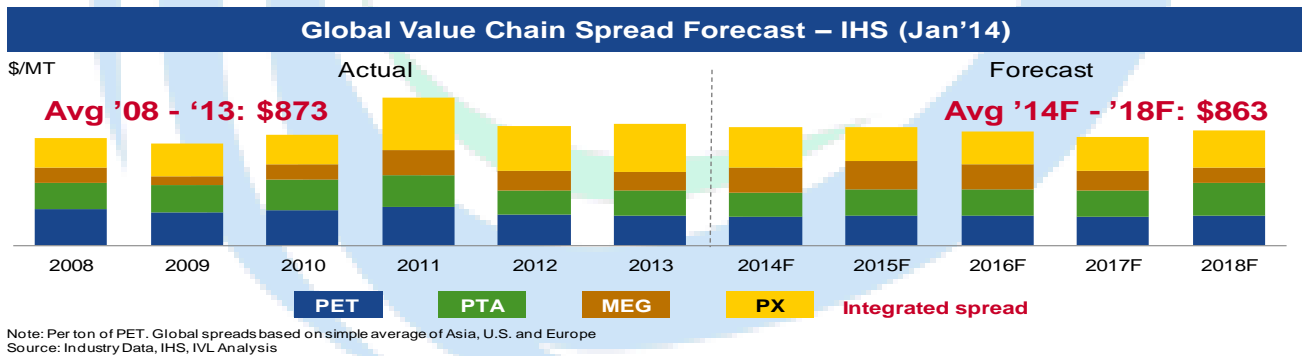
4. **Recycled product** volumes will grow: Indorama Ventures is the only rPET producer in North America. This capability will be extended to our Mexican operations soon.
5. **Startup of operations in the Philippines market** in 2014 by our packaging segment will enhance our relationship with brand owners
6. **Mergers & Acquisitions:**
  - a) **First acquisition of 2014 announced:** Acquisition of 80 percent equity of **PHP Fibers GmbH** (Project Panda) significantly enhances the Company's HVA portfolio, adding high-performance automotive and industrial products. Leadership position in **AIRBAG** and **TIRE CORD** segments in Europe add significant value to IVL. Supply tightness in the Nylon 6.6 tire cord market and the demand growth of both tire cords and airbags, coupled with ample availability of the feedstock ADA (Adipic Acid) will help maintain healthy margins in this business over the next couple of years. Further tightness in ADN (Adiponitrile) - one of the indirect feeds to Nylon 6.6 - should help maintain tight supply of the end product availability in the market.
  - b) **Other M&A opportunities that would support the strategy of IVL in 2014 and are currently under study** - Project Silk, Project Thor & Project Poseidon
7. **Margins:** the weakness of the PTA industry due to oversupply over the past two years has shaken things up significantly and is forcing the rationalization of high-cost assets. Together with approximately 7 million tonnes of new Paraxylene (PX) capacity in 2014, we expect to see support for PTA margins this year.

PET & commodity fibers margin are expected to be less volatile as light-weighting of PET bottles has run its course. Further substitution possibilities of Polyethylene and other polymers now arise due to PET's lower cost, leading to further growth.

Ethylene Oxide and Ethylene Glycol (EO/EG) margins are expected to remain strong due to supply tightness and low ethylene input costs in the USA due to shale gas. A major global producer of Mono Ethylene Glycol (MEG) has planned extensive production capacity maintenance in 2014, which should lead to further tightness.

### Long term outlook

IVL acknowledges the power of integration and has taken various strategic steps to enhance feedstock integration. We have announced a PX Greenfield Joint Venture with Abu Dhabi National Chemicals Company ("ChemaWEyaat") to develop the Tacaamol Aromatics Plant, to commence production in 2018; we also have a 1.2 m tonnes PTA Greenfield (Project Manhattan) under study that would commence in 2017.



**Update on Guidance 2013 given in earlier MD&A's:**

IVL achieved CORE EBITDA for 2013 is lower to our guidance primarily due to:

- longer-than-expected shutdown of our Glycols capacity in Texas in the second quarter 2013, resulting into lower volume and also we saw slower margin enhancement
- around four -month delay in completion of the new fiber Greenfield in Indonesia as compared to our original forecast startup resulted in lower volume. The cost over-run is marginal but the roll out of HVA products from Thailand is correspondingly delayed.
- depressed PTA margins throughout the year and
- 35 days of production loss in PTA at Rotterdam site due to technical issues (covered by insurance)

	2013A	% change to Revised Guidance 2013 (2Q13 MD&A)	<sup>(1)</sup> Revised Guidance 2013 (2Q13 MD&A)
Production (mm tonnes)	5.8	(2%)	~5.9
Revenue (US\$ bn)	7.5	(4%)	~7.8
CORE EBITDA (US\$ mm)	487	(6%)	~520
<sup>(2)</sup> CAPEX (US\$ mm)	285	(5%)	~300

<sup>(1)</sup> Based on management estimates including the strategic actions planned in 2013 and the approved budget approved by the Board of Directors. (Please see 'Notes'), <sup>(2)</sup> CAPEX is on an accrual basis

## Business Segments

### PET

The PET segment achieved a Core EBITDA of US\$ 248 million in 2013 (including an insurance claim from business interruption for US\$ 16.5 million) as against US\$ 208 million in 2012. In medium & long term, PET margins are expected to be less volatile and more firm as light weighting of PET bottles is almost completed in the industry. Further substitution possibilities from Polyethylene and other polymers to PET due to low cost should drive further growth in PET. Recycling initiatives in North America places IVL in a preferred Resin supplier position. Entry into Philippines market in 2014 by our packaging segment will be another step towards enhancing IVL's relationship with brand owners and enhance HVA portfolio in PET segment.

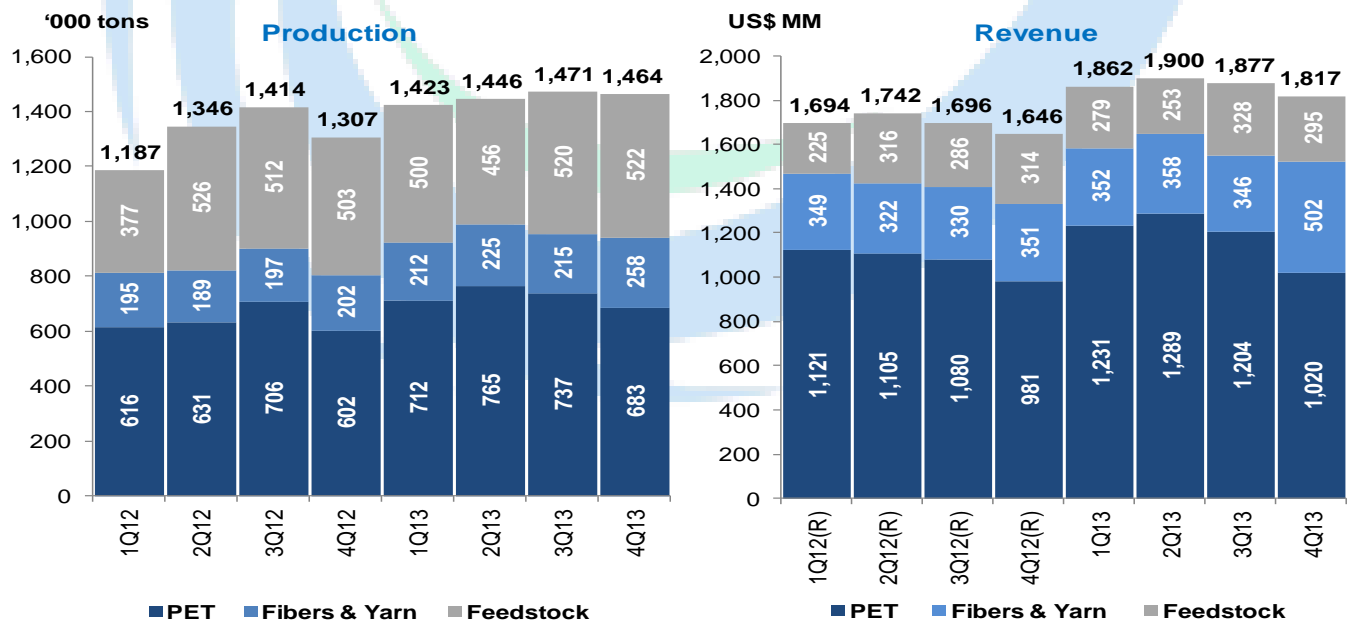
### Fibers and Yarns

The Fibers & Yarns achieved a strong Core EBITDA of US\$ 95 million in 2013 (including an insurance claim from business interruption for US\$ 12.8 million) as against US\$ 72 million in 2012. Consolidation of Trevira, Germany in IVL since Oct'2013 has improved the earnings in this segment. The completion of our flagship site, Polychem (lowest conversion cost plant in the world of its kind) in Indonesia in 4Q13 due to its size & cost efficiencies over the peers, should further enhance earnings in this segment. Commercial production from this site has started from 1Q14. HVA portfolio in this segment should further enhance with the acquisition of 80 percent equity of **PHP Fibers GmbH**. Leadership position in **Airbags** and **Tire cord** segment in Europe adds significant value to IVL.

### Feedstock

The Feedstock segment achieved a Core EBITDA of US\$ 145 million in 2013 as against US\$ 177 million in 2012, reflecting weakness YoY, due to depressed PTA margins throughout the year, lower volumes due to extended shutdown of around 2 months at our flagship Oxide & Glycols site in Texas, USA in 2Q13 for the latest generation catalyst change and 35 days of production loss in PTA at Rotterdam site due to technical issues (covered by insurance). EO and EG (MEG) margins are expected to be strong due to supply tightness and continued low cost ethylene in USA. A major industry producer of MEG has planned extensive maintenance in year 2014 and product is expected to be tighter. IVL long term initiatives to setup Greenfield PTA with start up in 2017 and joint venture agreement with Abu Dhabi National Chemicals Company ("ChemaWEyaat") to develop the Tacaamol Aromatics Plant should enhance further feedstock integration.

Figure 1: Business Segments-Production Volume and Revenue





**Table 3: Business Segments-Key Financial Data (YoY)**

	THB in Millions			US\$ in Millions		
	2013	2012(R)	YoY	2013	2012(R)	YoY
<b>Core EBITDA/tonne (US\$/t)</b>	<b>2,579</b>	<b>2,728</b>	<b>(5)%</b>	<sup>(1)</sup> <b>84</b>	<b>88</b>	<b>(4)%</b>
PET	2,636	2,532	4%	86	81	5%
Fibers and Yarns	3,200	2,853	12%	104	92	13%
Feedstock	2,231	2,869	(22)%	73	92	(21)%
<b>Core EBITDA</b>	<b>14,966</b>	<b>14,334</b>	<b>4%</b>	<b>487</b>	<b>461</b>	<b>6%</b>
PET	7,636	6,469	18%	248	208	19%
Fibers and Yarns	2,910	2,233	30%	95	72	32%
Feedstock	4,456	5,500	(19)%	145	177	(18)%
<b>Consolidated EBITDA</b>	<b>14,038</b>	<b>14,410</b>	<b>(3)%</b>	<b>457</b>	<b>464</b>	<b>(1)%</b>
PET	6,899	6,444	7%	225	207	8%
Fibers and Yarns	2,905	2,184	33%	95	70	35%
Feedstock	4,269	5,649	(24)%	139	182	(24)%

Note <sup>(1)</sup> 2013 Core EBITDA/tonne includes a business interruption insurance claim of US\$ 5/tonne (US\$ 29 MM)

## Operating Regions

### Asia

The Asian business showed a significant improvement on Core EBITDA from US\$ 76 million in 2012 to US\$ 136 million in 2013 (including an insurance claim from business interruption for US\$ 29 million). Recovery in Asia in 2013 over 2012, with a portfolio of diverse products and PET market leadership in Thailand, Indonesia and China PRD region, has resulted in an improved performance, wherein IVL achieved a CORE EBITDA/t US\$ 52 in 2013 as against US\$ 33 in 2012, registering a YoY growth of 55%. Oversupply of PX in 2014, should benefit PTA industry and particularly IVL as having an assets around 1.8 million tons in Asia including JV capacity in Indonesia. Increased volumes from better utilizations of assets and start up of our flagship state of the art polyester production site in Indonesia (Polychem) should enable IVL to increase its revenues & earnings in this region.

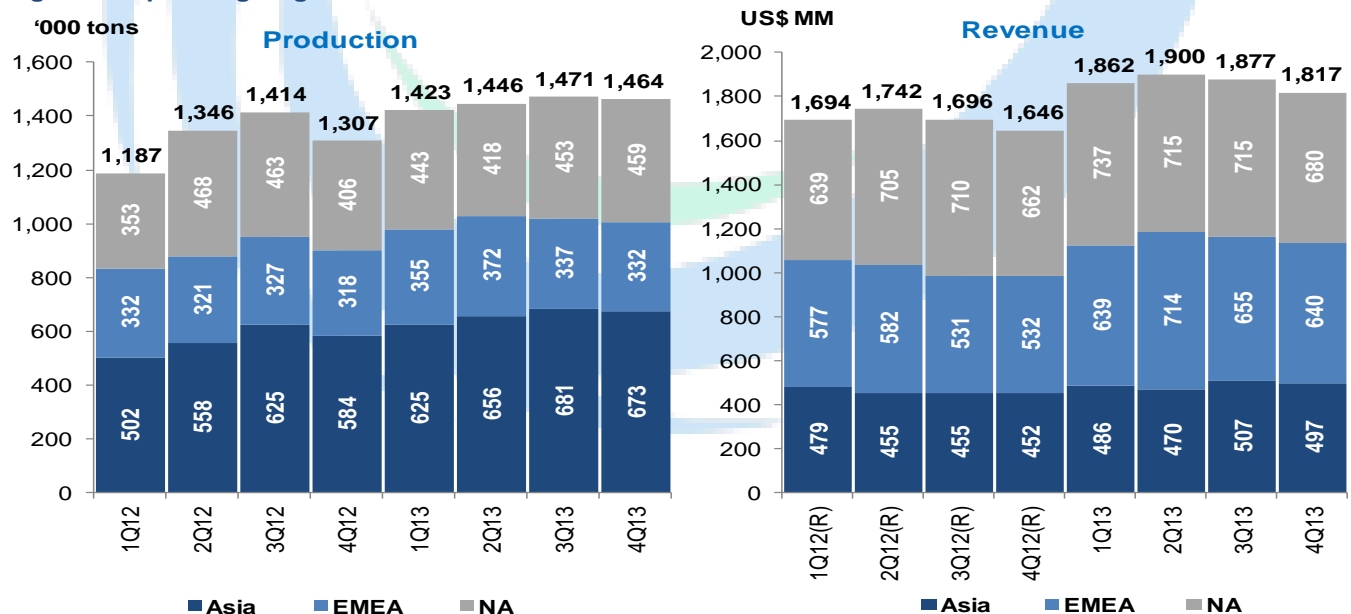
### Europe, Middle East and Africa (EMEA)

European business achieved a Core EBITDA of US\$ 77 million in 2013 as against US\$ 101 million in 2012, reflecting a weakness in margins in PET & PTA segments in this region and also 35 days of production loss in PTA at Rotterdam site due to technical issues (covered by insurance). Volume loss due to moth ball of PET plant at Indorama Polymers Workington Ltd., in the United Kingdom in year 2013, should be compensated by higher runs at other locations in Europe and IVL expects to maintain its market share. Nigeria operations are expected to run at higher utilization rates in 2014 with the entry of packaging business in Ghana. Operational excellence project for Poland capacity debottlenecking has been started and should contribute towards overall cost reduction when completed in 2H14 at a lower debottlenecking capex.

### North America (NA)

The North American business saw a relatively stable earnings performance as reflected by Core EBITDA of US\$ 274 million in 2013 as against US\$ 284 million in 2012. The catalyst replacement at our flagship Glycols facility lasted around two months in 2Q13 and had lower volumes due to the same. IVL is advantageously placed to benefit from increased volumes and expected enhanced margins in oxide & glycols business in coming quarters. EO and EG (MEG) margins are expected to be strong due to supply tightness and continued low cost ethylene in USA, which keeps US Glycols margins at a premium over Asian margins.

Figure 2: Operating Regions-Production Volume and \*Revenue



\*Regional revenues breakup on customers' location

**Table 4: Operating Regions-Key Financial Data (YoY)**

	THB in Millions			US\$ in Millions		
	2013	2012(R)	YoY	2013	2012(R)	YoY
<b>Core EBITDA/tonne (US\$/t)</b>	<b>2,579</b>	<b>2,728</b>	<b>(5)%</b>	<b>84</b>	<b>88</b>	<b>(4)%</b>
Asia	1,592	1,039	53%	52	33	55%
<sup>(1)</sup> EMEA	1,685	2,417	(30)%	55	78	(29)%
NA	4,749	5,235	(9)%	155	168	(8)%
<b>Core EBITDA (US\$ mm)</b>	<b>14,966</b>	<b>14,334</b>	<b>4%</b>	<b>487</b>	<b>461</b>	<b>6%</b>
Asia	4,194	2,356	78%	136	76	80%
<sup>(1)</sup> EMEA	2,353	3,137	(25)%	77	101	(24)%
NA	8,419	8,841	(5)%	274	284	(4)%
<b>Consolidated EBITDA (US\$ mm)</b>	<b>14,038</b>	<b>14,410</b>	<b>(3)%</b>	<b>457</b>	<b>464</b>	<b>(1)%</b>
Asia	3,946	2,453	61%	128	79	63%
<sup>(1)</sup> EMEA	1,832	3,283	(44)%	60	106	(44)%
NA	8,259	8,673	(5)%	269	279	(4)%

Note <sup>(1)</sup> EMEA includes Europe, Middle East, Africa and rest of the world,

## Diversified Portfolio

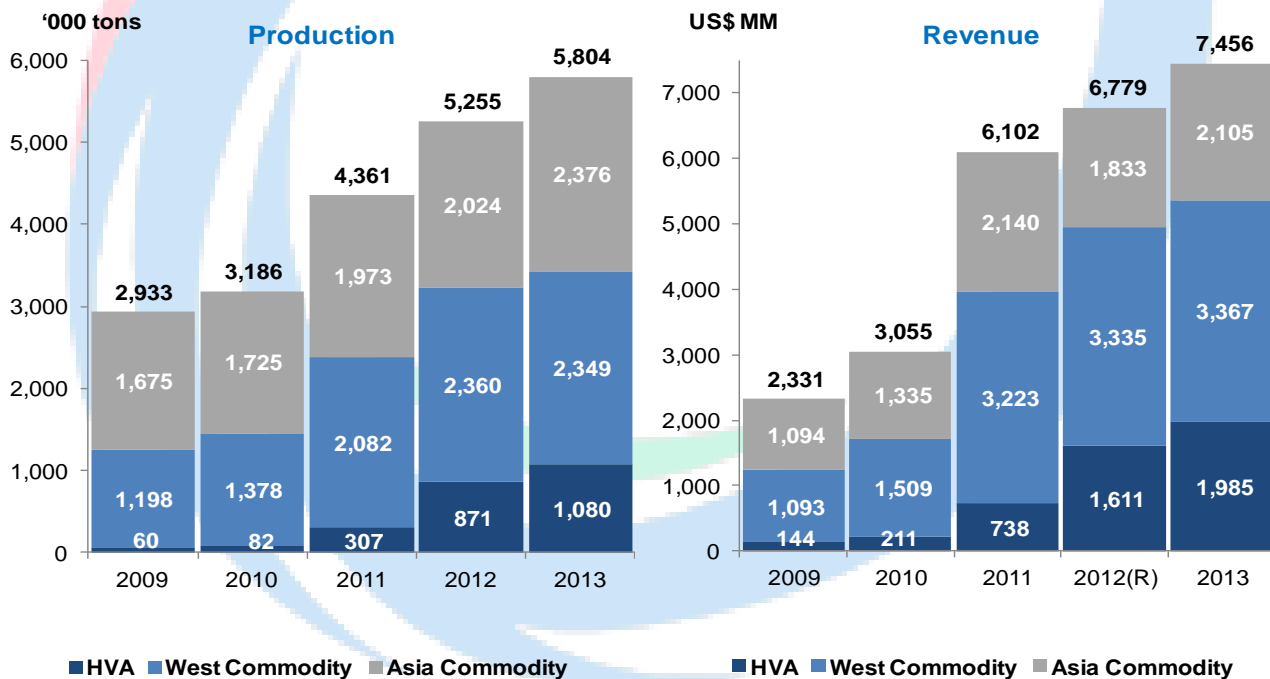
IVL's High Value Add (HVA) segment contributed 19% of production, 27% of revenues and 34% of Core EBITDA in 2013.

Our HVA portfolio continues to gain traction with customers and there are new growths planned in this segment both organically as well as strategically. Acquisition of 80 percent equity of **PHP Fibers GmbH** (Project Panda) significantly enhances the Company's HVA product portfolio with the addition of high performance automotive and industrial products. Leadership position in Airbags and Tire cord segment in Europe adds significant value to IVL. Tightness in the supplies of Nylon 6.6 Tire chords and the demand growth of Tire cords and Airbags, coupled with ample availability of the feedstock ADA (Adipic Acid) is expected to keep healthy margins in this business in next couple of years. Further tightness in ADN (Adiponitrile) as one of the indirect feed to Nylon 6.6 should keep tightness in the production of the end product.

Strategically we aspire to grow this segment to ~25% of our total capacity in long term, which will mainly come from the in organic expansions of state of the art, market leading companies in this segment. IVL is actively perusing such inorganic growth, to add more functionality to our Products portfolio. Announcement of PHP acquisition is a step in this direction.

HVA portfolio has helped IVL to enhance its Brand Value, as we are the market leader and innovator of many products that are well received by our customers in the consumer staple industry.

**Figure 3: Product Type-Production Volume and Revenue**



**Table 5: Product Type-Key Financial Data (YoY)**

	THB in Millions			US\$ in Millions		
	Y2013	Y2012(R)	YoY	Y2013	Y2012(R)	YoY
<b>Core EBITDA/tonne (US\$/t)</b>	<b>2,579</b>	<b>2,728</b>	<b>(5)%</b>	<b>84</b>	<b>88</b>	<b>(4)%</b>
HVA	4,747	4,082	16%	154	131	18%
West Commodity	3,120	4,005	(22)%	102	129	(21)%
Asia Commodity	1,057	655	61%	34	21	63%
<b>Core EBITDA</b>	<b>14,966</b>	<b>14,334</b>	<b>4%</b>	<b>487</b>	<b>461</b>	<b>6%</b>
HVA	5,125	3,556	44%	167	114	46%
West Commodity	7,329	9,451	(22)%	238	304	(22)%
Asia Commodity	2,512	1,326	89%	82	43	92%
<b>Consolidated EBITDA</b>	<b>14,038</b>	<b>14,410</b>	<b>(3)%</b>	<b>457</b>	<b>464</b>	<b>(1)%</b>
HVA	5,154	3,515	47%	168	113	48%
West Commodity	6,619	9,470	(30)%	215	305	(29)%
Asia Commodity	2,264	1,424	59%	74	46	61%

### Capital Structure and Liquidity

**Debt** : IVL net operating debt to equity stands at 1.2 times, which is lower to 1.3 times at the end of 2012, after spending on the capex and investments of US\$ 224 million in 2013 (cash flow basis). IVL's net operating debt decreased from US\$ 2,320 million at the end of December 31, 2012 to US\$ 2,224 million at the end of December 31, 2013, with the cash generated from operations net of investments and finance cost.

**Liquidity** : Strong cash flow profile of IVL business and long ended loan maturity led to a comfortable liquidity position in the company. As at Dec'13, IVL has a liquidity of US\$ 0.8 billion, in the form of cash & cash under management plus unutilized credit banking lines. This liquidity helps the company to meet any immediate working capital need in case prices rise sharply and also to close any acquisition opportunities faster in case any time bound accretive opportunities arise.

The table below provides movement of total debt and net operating debt in US\$ millions:

**Table 6: Total Debt and Net Operating Debt**

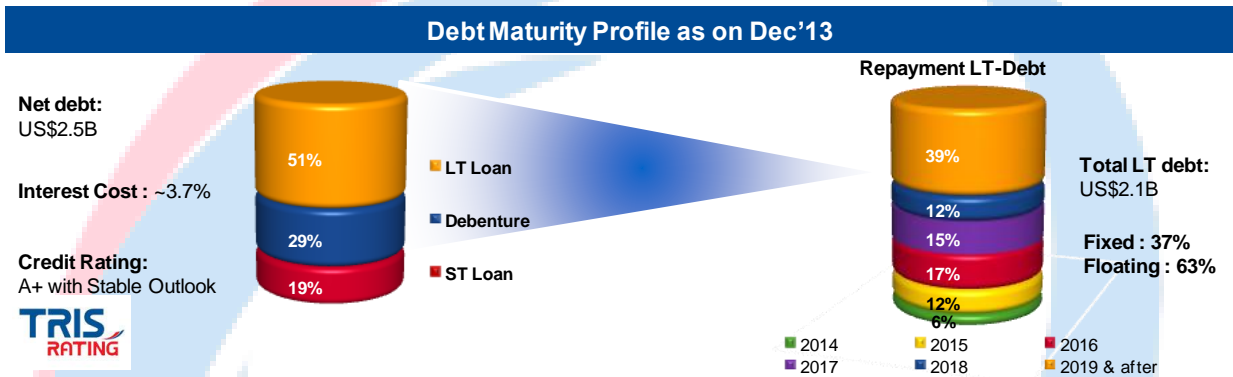
Details	2013	2012(R)
<b>Total Debt</b>	<b>2,598</b>	<b>2,632</b>
Bank overdraft and short-term loans	490	437
Long term debt (Current portion)	120	184
Debentures (Non-current portion)	725	706
Long term debt (Non-current portion)	1,264	1,305
<b>Cash &amp; Cash under management</b>	<b>133</b>	<b>151</b>
Cash and cash equivalents	125	143
Current investments and loans given	7	8
<b>Net Debt</b>	<b>2,466</b>	<b>2,481</b>
<sup>(1)</sup> Non-operating Debt (Project Debt)	241	161
<b>Net Operating Debt</b>	<b>2,224</b>	<b>2,320</b>
Net operating debt to equity (times)	1.2	1.3
Net operating long term debt to equity (times)	0.9	1.0
Debts with fixed interest %	37%	37%

Credit Rating by TRIS (Reaffirmed in October 2013)	A+	A+
<b>Liquidity (US\$ billions)</b>	0.8	0.9
Unutilized credit line (US\$ billions)	0.7	0.7
<b>Financial Ratios</b>		
Current ratios (times)	1.3	1.3
Interest coverage ratio (times)	3.9	4.5

Note <sup>(1)</sup> Net debt after debt for capex and investments which are not generating revenue and earnings as on date

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

**Table 7: Repayment Schedule of Long-Term Debt and Debentures**



## Cash Flow Statement

IVL achieved cash flow from operations before working capital changes of US\$ 441 million in 2013 as against US\$ 443 million in 2012(R). Outflows on working capital of US\$ 103 million in 2013 are due to higher volumes as against inflow of US\$ 56 million in 2012 due to lower absolute prices. In 2013, IVL spent US\$ 224 million on capex and investments, mainly on oxide & glycols catalyst change, the ongoing Greenfield polyester project in Indonesia and other projects. The capex and investments have been funded by the mix of long-term loans, cash proceeds from debentures issued in 2012 and 2013 and cash flow from operations.

**Table 8: Cash Flow Statement (YoY)**

	THB in Millions			US\$ in Millions		
	Y2013	Y2012(R)	YoY	Y2013	Y2012(R)	YoY
<b>EBITDA</b>	<b>14,038</b>	14,410	<b>(3)%</b>	<b>457</b>	464	<b>(1)%</b>
Income tax	(497)	(641)	(22)%	(16)	(21)	(22)%
<b>Cash inflow from Operations (before W/Cap)</b>	<b>13,541</b>	13,769	<b>(2)%</b>	<b>441</b>	443	<b>(1)%</b>
Net working capital and others	(3,162)	1,734	-	(103)	56	-
<b>Cash inflow from Operations</b>	<b>10,379</b>	15,503	<b>(33)%</b>	<b>338</b>	499	<b>(32)%</b>
Growth & investments Capex	(5,573)	(40,855)	(86)%	(181)	(1,314)	(86)%
Maintenance Capex	(1,313)	(1,329)	(1)%	(43)	(43)	(0)%
Net financial costs	(3,922)	(3,025)	30%	(128)	(97)	31%
Dividends	(1,626)	(3,291)	(51)%	(53)	(106)	(50)%
<sup>(1)</sup> Effect of foreign exchange changes and others	(2,861)	710	-	82	(41)	-
<b><sup>(1)</sup>Increase/(Decrease) in net debt</b>	<b>4,915</b>	32,286	<b>(85)%</b>	<b>(15)</b>	1,102	-

Note <sup>(1)</sup> Includes effect of Exchange rate changes on balance held in foreign currencies & others.

## Notes

Starting from 2Q12 onward, we began looking at IVL's business as three segments: PET resins, Fibers and Yarns, and Feedstock. The Feedstock segment comprises PTA and the 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) in 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.

Certain comparative numbers for 2012 have been restated based upon the adoption of relevant changes in Thai Accounting Standards with the adoption of deferred tax accounting and functional currency reporting effective from 1st January 2013. This is in line with the requirements under the Thai Accounting GAAP.

Please refer to note number 3 of the reviewed financial statements of 2013 for the details of the restatement of historical financials.

## Definitions

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 is impacted by inventory gains/losses wherein inventory gains decrease cost of sales and inventory losses increase cost of sales.

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

Forward-looking Statements: This earnings release might include 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 readers with translated US Dollar figures. IVL's 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 into US Dollars at average exchange rates and closing exchange rates where applicable. Readers should rely on the Thai Baht results only.



**DATA ANNEXURES**



**Table 9: IVL-Key Operating Data**

	4Q13	3Q13	4Q12 Restated	3Q13	4Q13 vs. 4Q12 Restated	2013	2012 Restated	2013 vs. 2012 Restated
<b>(1) Total capacity (in '000 tonnes)</b>	<b>1,743</b>	<b>1,712</b>	<b>1,669</b>	<b>2%</b>	<b>4%</b>	<b>6,819</b>	<b>6,281</b>	<b>9%</b>
(2)PET resins	881	906	872	(3)%	1%	3,569	3,261	9%
(2)Fibers & Yarns	279	224	216	24%	29%	939	849	11%
Feedstock	582	582	581	(0)%	0%	2,311	2,171	6%
<b>Total production (in'000 tonnes)</b>	<b>1,464</b>	<b>1,471</b>	<b>1,307</b>	<b>(0)%</b>	<b>12%</b>	<b>5,804</b>	<b>5,255</b>	<b>10%</b>
(2)PET resins	683	737	602	(7)%	13%	2,897	2,555	13%
(2)Fibers & Yarns	258	215	202	20%	28%	909	783	16%
Feedstock	522	520	503	1%	4%	1,997	1,917	4%
<b>Combined operating rate (%)</b>	<b>84%</b>	<b>86%</b>	<b>78%</b>	<b>(2)%</b>	<b>7%</b>	<b>85%</b>	<b>84%</b>	<b>2%</b>
PET resins	78%	81%	69%			81%	78%	
Fibers & Yarns	93%	96%	94%			97%	92%	
Feedstock	90%	89%	87%			86%	88%	

(1) Capacity based on available days in the quarter for production excluding J/V capacity

(2) Some of IVL Mexican PET assets have been allocated to Fibers & Yarns segment as per changes in products output

**Table 10: IVL-Revenue Breakup**

	4Q13	3Q13	4Q12 Restated	3Q13	4Q13 vs. 4Q12 Restated	2013	2012 Restated	2013 vs. 2012 Restated
<b>IVL</b>								
<b>(1) Total revenues</b>								
Baht in millions	57,638	59,181	50,464	(3)%	14%	229,120	210,729	9%
USD in millions	1,817	1,877	1,646	(3)%	10%	7,456	6,779	10%
<b>Proportion of revenues by geography</b>								
Thailand	7%	7%	8%			7%	7%	
Rest of Asia	20%	20%	20%			19%	20%	
North America	37%	38%	40%			38%	40%	
Europe	25%	26%	25%			26%	25%	
Rest of the World	10%	9%	7%			10%	7%	
<b>(2) PET</b>								
<b>Total revenues</b>								
Baht in millions	32,675	38,227	30,182	(15)%	8%	146,418	133,422	10%
USD in millions	1,025	1,211	985	(15)%	4%	4,765	4,292	11%
<b>Proportion of revenues by geography</b>								
Thailand	5%	4%	5%			4%	3%	
Rest of Asia	18%	16%	13%			15%	12%	
North America	36%	40%	43%			40%	46%	
Europe	28%	31%	29%			30%	29%	
Rest of the World	13%	10%	10%			11%	10%	
<b>(2) Fibers &amp; Yarns</b>								
<b>Total revenues</b>								
Baht in millions	15,494	11,041	10,840	40%	43%	47,968	42,236	14%
USD in millions	493	350	353	41%	40%	1,561	1,359	15%
<b>Proportion of revenues by geography</b>								
Thailand	7%	10%	10%			9%	10%	
Rest of Asia	21%	28%	31%			26%	28%	
North America	35%	28%	27%			29%	28%	
Europe	34%	30%	28%			31%	28%	
Rest of the World	3%	4%	5%			4%	7%	
<b>(2) Feedstock</b>								
<b>Total revenues</b>								
Baht in millions	16,945	18,750	18,796	(10)%	(10)%	70,391	68,693	2%
USD in millions	533	595	612	(10)%	(13)%	2,291	2,210	4%
<b>Proportion of revenues by geography</b>								
Thailand	33%	31%	32%			33%	30%	
Rest of Asia	22%	23%	21%			22%	27%	

North America	25%	25%	24%	22%	18%
Europe	13%	15%	24%	17%	25%
Rest of the World	7%	7%	0%	7%	0%

<sup>(1)</sup> Consolidated financials are based upon elimination of intra-company (or intra business segment) transactions

<sup>(2)</sup> Segment Revenues are on the gross basis for the segment, before any inter-segment elimination. Some of IVL Mexican PET assets have been allocated to Fibers & Yarns segment as per changes in products output



## IVL CONSOLIDATED STATEMENT OF INCOME

Baht in millions			4Q13 vs.				2013 vs.	
	4Q13	3Q13	4Q12 Restated	3Q13	4Q12 Restated	2013	2012 Restated	2012 Restated
<b>Net sales</b>	<b>57,638</b>	<b>59,181</b>	<b>50,464</b>	(3)%	14%	<b>229,120</b>	<b>210,729</b>	9%
<sup>(1)</sup> Other income (expense), net	911	174	341	425%	167%	1,813	918	98%
Total Revenue	58,549	59,355	50,805	(1)%	15%	230,933	211,647	9%
<sup>(2)</sup> Cost of sales	53,409	54,053	46,349	(1)%	15%	211,779	193,283	10%
<b>Gross profit</b>	<b>5,140</b>	<b>5,302</b>	<b>4,457</b>	(3)%	15%	<b>19,154</b>	<b>18,363</b>	4%
<sup>(2)</sup> Selling and administrative expenses	3,450	3,113	2,745	11%	26%	12,435	11,424	9%
Foreign exchange gain (loss)	74	120	310	(38)%	(76)%	267	751	(64)%
<b>EBITDA</b>	<b>3,645</b>	<b>4,104</b>	<b>3,789</b>	(11)%	(4)%	<b>14,038</b>	<b>14,410</b>	(3)%
Depreciation and amortization	1,882	1,796	1,767	5%	6%	7,051	6,719	5%
<b>Operating income</b>	<b>1,764</b>	<b>2,308</b>	<b>2,022</b>	(24)%	(13)%	<b>6,986</b>	<b>7,691</b>	(9)%
Share of profit of JV	(278)	(206)	(415)	35%	(33)%	(741)	(889)	(17)%
<sup>(3)</sup> Extraordinary items	(568)	366	(173)	-	228%	192	1,349	(86)%
Interest income	(12)	25	2	-	-	153	273	(44)%
Interest expense	1,022	920	955	11%	7%	3,780	3,447	10%
<b>Profit (loss) before tax</b>	<b>(117)</b>	<b>1,573</b>	<b>480</b>	-	-	<b>2,810</b>	<b>4,976</b>	(44)%
Income tax expense	339	375	743	(9)%	(54)%	1,294	2,072	(38)%
Current tax expense	(25)	148	317	-	-	302	580	(48)%
Deferred tax expense	364	227	427	61%	(15)%	991	1,492	(34)%
<b>Profit (loss) for the period</b>	<b>(456)</b>	<b>1,199</b>	<b>(263)</b>	-	74%	<b>1,517</b>	<b>2,905</b>	(48)%
Minority interest	13	108	(27)	(88)%	-	191	164	16%
<b>Net profit after minority interest</b>	<b>(469)</b>	<b>1,090</b>	<b>(236)</b>	-	99%	<b>1,326</b>	<b>2,740</b>	(52)%
Weighted average no. of shares (in Millions)	4,814	4,814	4,814	0%	0%	4,814	4,814	0%
EPS (in Baht)	<b>(0.10)</b>	<b>0.23</b>	<b>(0.05)</b>	-	99%	<b>0.28</b>	<b>0.57</b>	(52)%

<sup>(1)</sup> This by our internal classification includes insurance claim for business interruption loss of profits

<sup>(2)</sup> This by our internal classification includes depreciation and amortization expenses

<sup>(3)</sup> This by our internal classification includes gain on bargain purchase on new acquisitions, including Joint Ventures and their related transaction costs, pre operative acquisition, insurance claim, reversal of provision for impairment of property, plant and equipment and inventories from floods in Lopburi, Thailand and other impairments.

**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>31-Dec-13</u>	<u>31-Dec-12</u> <u>Restated</u>	<u>31-Dec-13 vs.</u> <u>31-Dec-12</u> <u>Restated</u>
<b><u>Assets</u></b>			
Cash and current investments	4,377	4,602	(5)%
Trade accounts receivable	28,827	25,597	13%
Inventories	28,940	24,680	17%
Other current assets	6,279	5,106	23%
<b>Total current assets</b>	<b>68,423</b>	<b>59,984</b>	<b>14%</b>
Investment	2,887	5,124	(44)%
Property, plant and equipment	96,213	86,725	11%
Intangible assets	19,264	17,916	8%
Deferred tax assets	1,185	1,101	8%
Other assets	1,069	1,624	(34)%
<b>Total assets</b>	<b>189,042</b>	<b>172,474</b>	<b>10%</b>
<b><u>Liabilities</u></b>			
Bank OD and short-term loans from financial institutions	16,075	13,371	20%
Trade accounts payable	25,663	22,305	15%
Current portion of long-term loans	3,922	5,609	(30)%
Current portion of finance lease liabilities	5	41	(87)%
Other current liabilities	7,315	5,949	23%
<b>Total current liabilities</b>	<b>52,980</b>	<b>47,275</b>	<b>12%</b>
Long-term loans from financial institutions	41,463	39,981	4%
Debenture	23,796	21,624	10%
Finance lease liabilities	5	3	40%
Deferred tax liabilities	6,925	5,338	30%
Other liabilities	2,305	1,688	37%
<b>Total liabilities</b>	<b>127,474</b>	<b>115,909</b>	<b>10%</b>
<b><u>Shareholder's equity</u></b>			
Share capital	4,814	4,814	0%
Share premium	29,775	29,775	0%
Retained earnings	26,846	26,870	(0)%
Reserves	(930)	(5,222)	(82)%
<b>Total equity attributable to shareholders</b>	<b>60,506</b>	<b>56,237</b>	<b>8%</b>
Minority interest	1,062	327	225%
<b>Total shareholder's equity</b>	<b>61,568</b>	<b>56,565</b>	<b>9%</b>
<b>Total liabilities and shareholder's equity</b>	<b>189,042</b>	<b>172,474</b>	<b>10%</b>

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 totally with consolidated financials.

## IVL ANALYST COVERAGE

AIRA Securities Company Limited	KKTrade Securities Company Limited
Asia Plus Securities Public Company Limited	Krungsri Securities Public Company Limited
Bualuang Securities Public Company Limited	Macquarie Securities (Thailand) Limited
CIMB (Thailand) Company Limited	Morgan Stanley
Citigroup	Phatra Securities Public Company Limited
Credit Suisse	Phillip Securities (Thailand) Public Company Limited
DBS Vickers Securities (Thailand) Company Limited	RHB Research Institute Sdn Bhd
Finansa Syrus Securities Public Company Limited	SCB Securities Company Limited
I V Global Securities Public Company Limited	Thanachart Securities Public Company Limited
JPMorgan Securities (Thailand) Limited	Trinity Securities Company Limited
Kasikorn Securities Public Company Limited	UOB Kay Hian Securities (Thailand) Company Limited

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