



Presentation

## **IVL Warrants W1 and W2**

July 3, 2014

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# Agenda

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I

**IVL Plan 2018**

II

**Capex & Funding for Plan 2018**

III

**“New Exciting Opportunities” in addition to Plan 2018**

IV

**Funding Options**

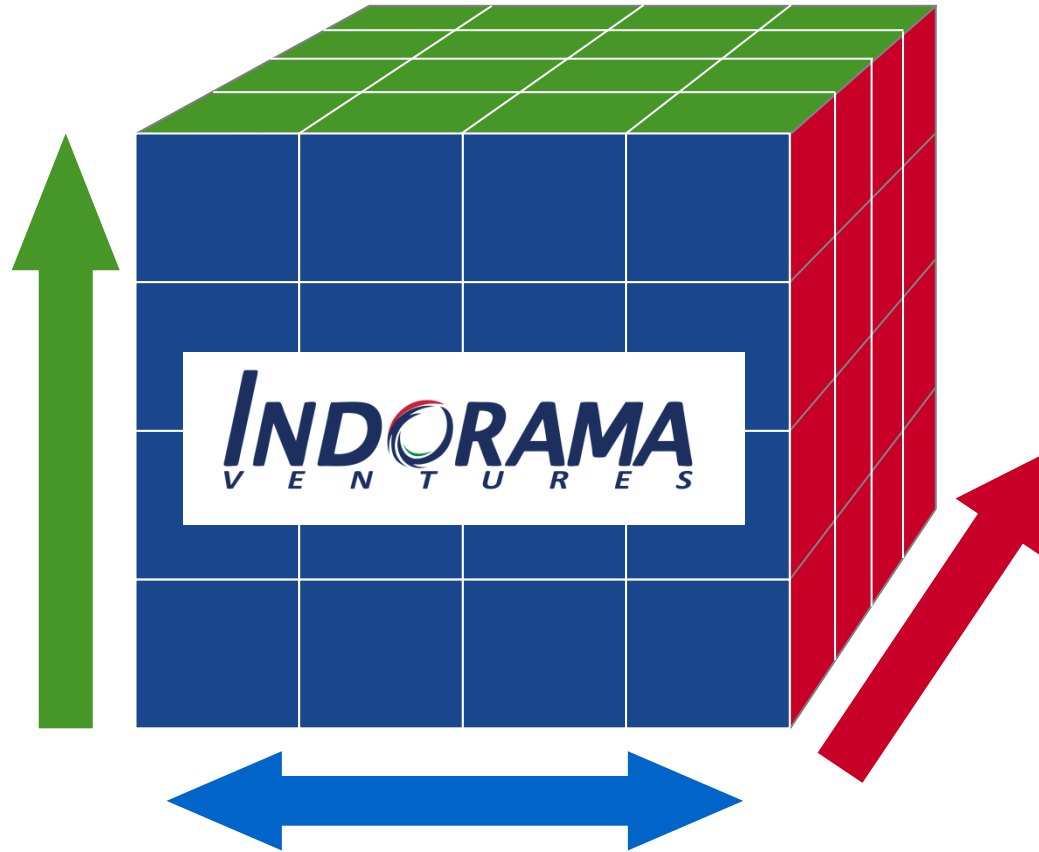
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**IVL Warrants**

# IVL Strategy with Clear Priorities

## Geographical Diversity

- Expand geographic footprint
- Enhance market positions globally



## Upstream Integration

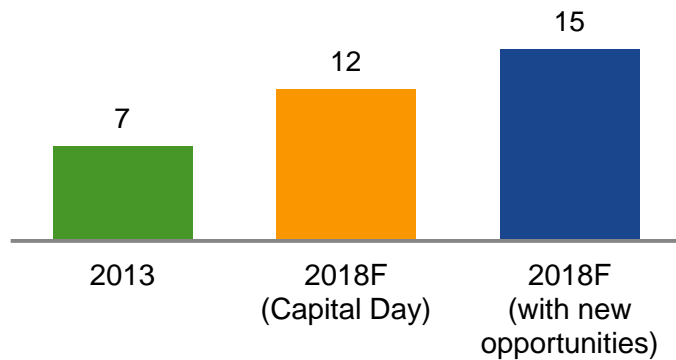
- Secure advantaged feedstock
- Increase upstream integration & capture full Value Chain

## Product Diversification (HVA)

- Expand HVA portfolio for margin enhancement
- Capture Customer Relationships
- Leverage thru Global presence (M&A & expansion)

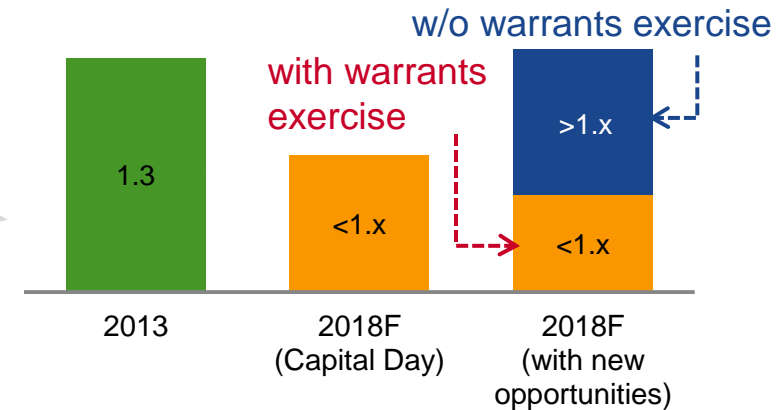
# IVL Plan 2018 (Capital Day in Jan'2014)

## Capacity (MMt)



*Market  
Technology  
Feedstock  
Integration*

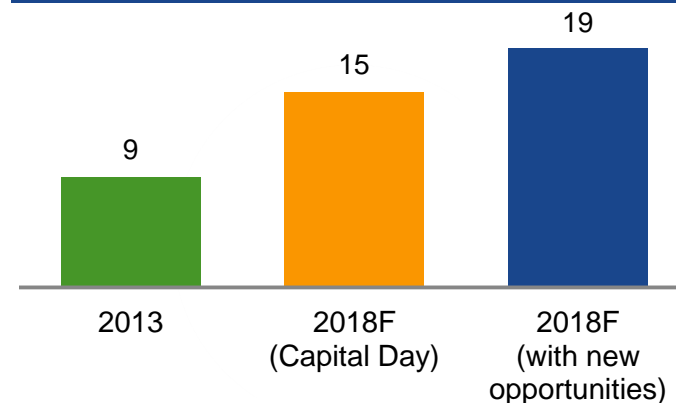
## Net Debt to Equity



**Transformative  
Growth**

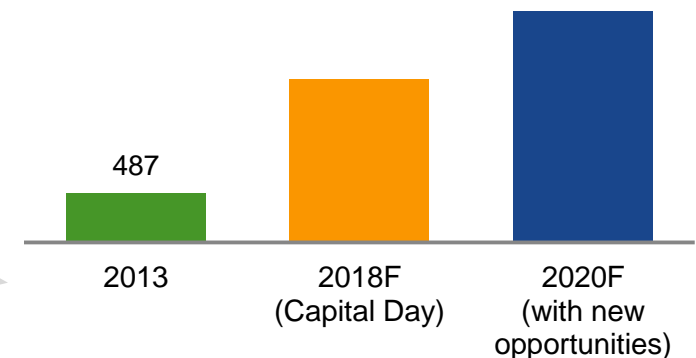
**>2X in revenue**

## Revenue (\$B)



*Investment Grade  
Balance Sheet  
Top quartile  
shareholder returns*

## EBITDA (\$B)



Note: Capacity and revenue on proforma basis

# Roadmap to IVL Plan 2018

Project	Type	Location	Product	Capacity	Timelines
CP4 Indonesia	Greenfield	Indonesia	Fibers & Yarns	318 KT	Commercial Production in 1Q14
PHP Fibers (Project Panda)	M&A #1	USA, Germany, China	Fibers & Yarns (HVA Nylon 66)	95 KT	Completed on 30 <sup>th</sup> Apr'14
Artenius (Project Thor)	M&A#2	Turkey	PET	130 KT	Completed on 2 <sup>nd</sup> Jun'14
SASA (Project Silk)	M&A#3	Turkey	Fibers & Yarns (HVA & Comm.)	597 KT	SPA signed & expect completion in 3Q14
PET Expansion	Debottleneck	Poland	PET	77 KT	Expansion completed & benefit to accrue in 3Q14
PTA Expansion	Brownfield	Rotterdam	Feedstock (PTA)	220 KT	Construction in progress & expect start up in 3Q15
AlphaPet II	Brownfield	USA	PET	432 KT	2016
Packaging	M&A +Expansion	Philippines	PET (HVA)		Agreement signed & start up in 3Q14
<b>Approved &amp; Ongoing/Completed</b>					

HVA

Geography

Integration

# Roadmap to IVL Plan 2018 continued...

Project	Type	Location	Product	Capacity	Timelines
Abu Dhabi Aromatics	49% Joint Venture	UAE	Feedstock (PX & Benzene)	1.8 MT	Feed is in progress & expect start up in 2018
Project Aurilieu (Earlier Poseidon)	M&A	Emerging Market	PET	0.2 KT	Expect announcement in 2H14
Project Manhattan	Greenfield	MENA Region	Feedstock (PTA)	1.2 MT	2017-2018
Various Debottlenecks	Debottleneck	Global			2015-2017

## Under Due Diligence & Study

Geography

Integration

Year 2014-18

Growth Capex  
IVL Plan 2018

Revenue Growth  
IVL Plan 2018

USD 2.5 Bn

USD 6 Bn pa

Note: Revenue on proforma basis

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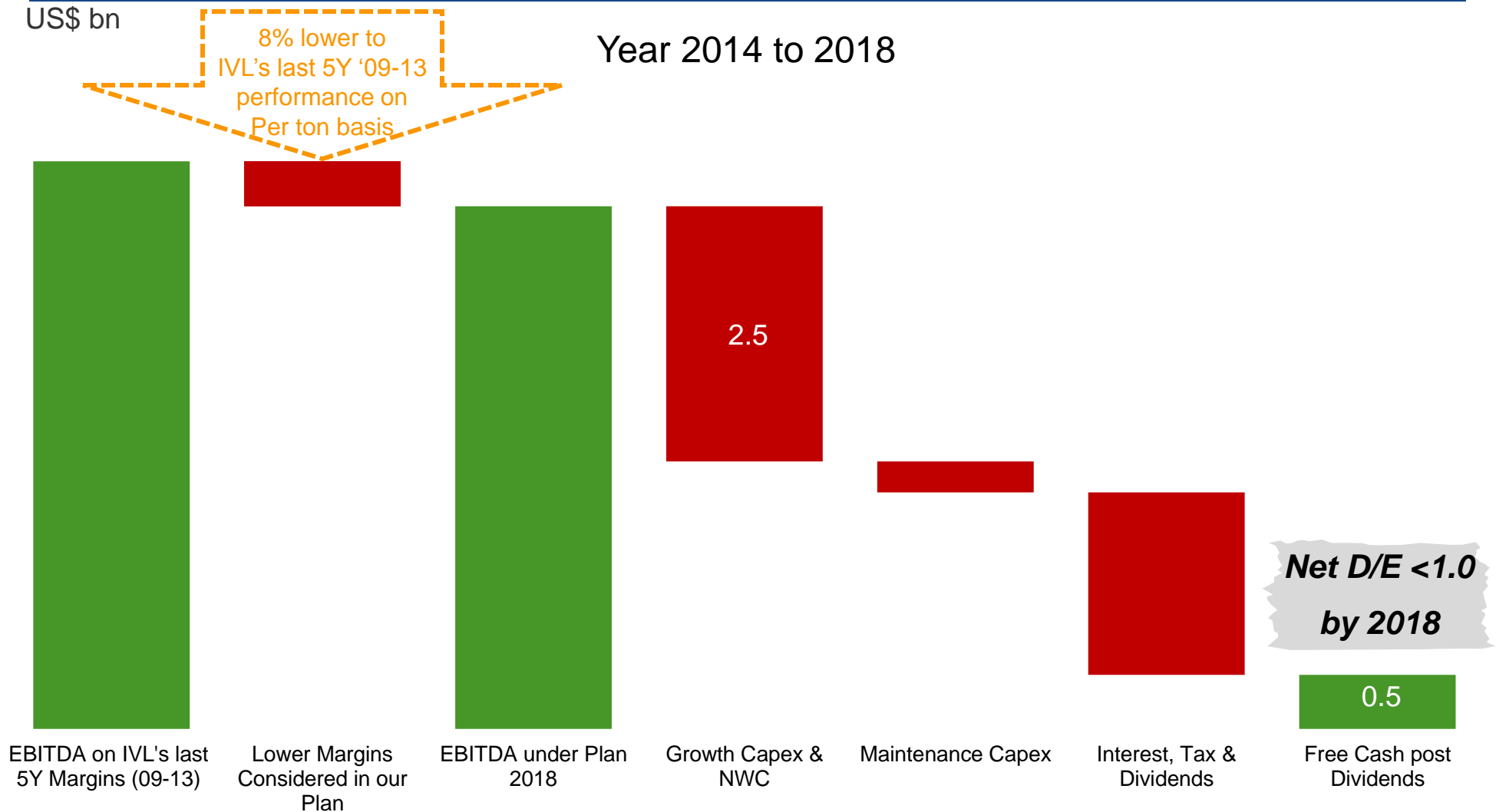
IVL Warrants



# IVL Plan 2018 – Strong Cash Flows

US\$ bn

Year 2014 to 2018



**Cumulative EBITDA adequate to fund growth**

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## “New Exciting Opportunities” in addition to Plan 2018

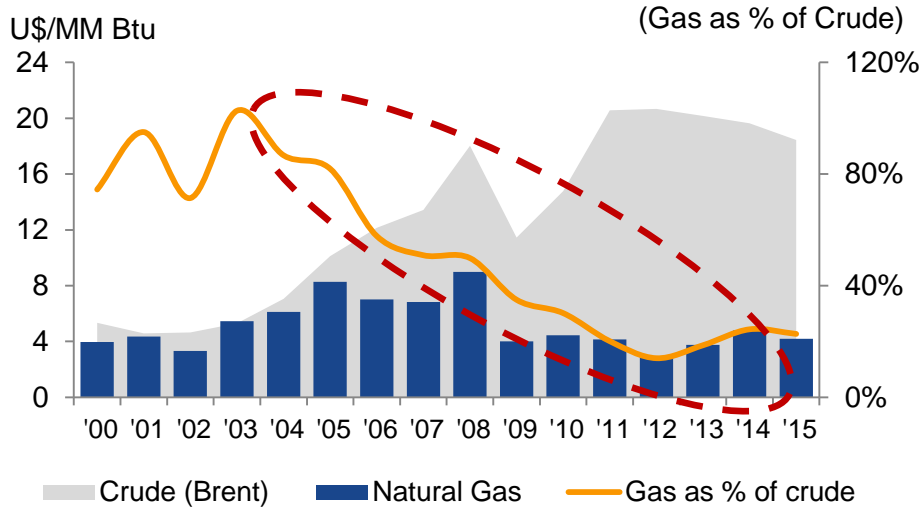
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- IVL is a market Leader in the Polyester Value Chain and has successfully executed large Greenfield Projects and M&A's globally.
- Management sees “New Exciting Growth Opportunities” that will give further Upstream Integration into Ethylene & MEG, benefitting from **“Shale Gas Economics in North America”**
- IVL sees further opportunities to enhance High Value Add (HVA) portfolio with **“Accretive Niche Acquisitions Globally”**
- These new opportunities fits into IVL's Strategy of Diversification, Integration and Geography

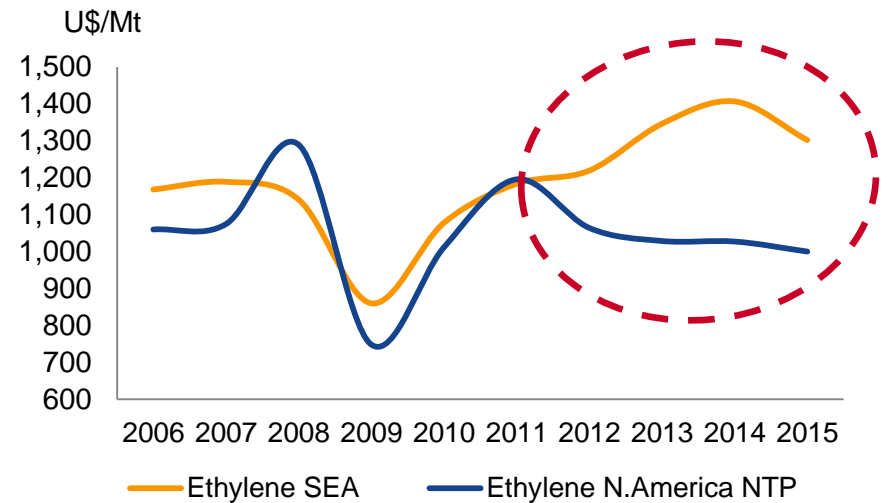
# Supportive Industry Fundamentals

## US Cracker & MEG Advantage

### US Energy Price Trends

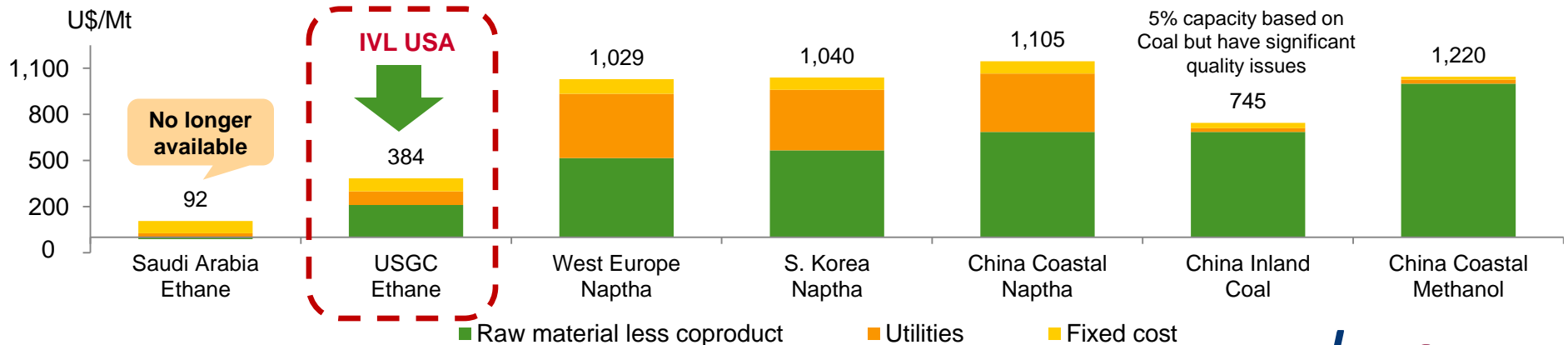


### Ethylene Price



### MEG Global Industry Cost Curve

Ethylene production cash cost @ \$99 Brent / 3.7 US Gas



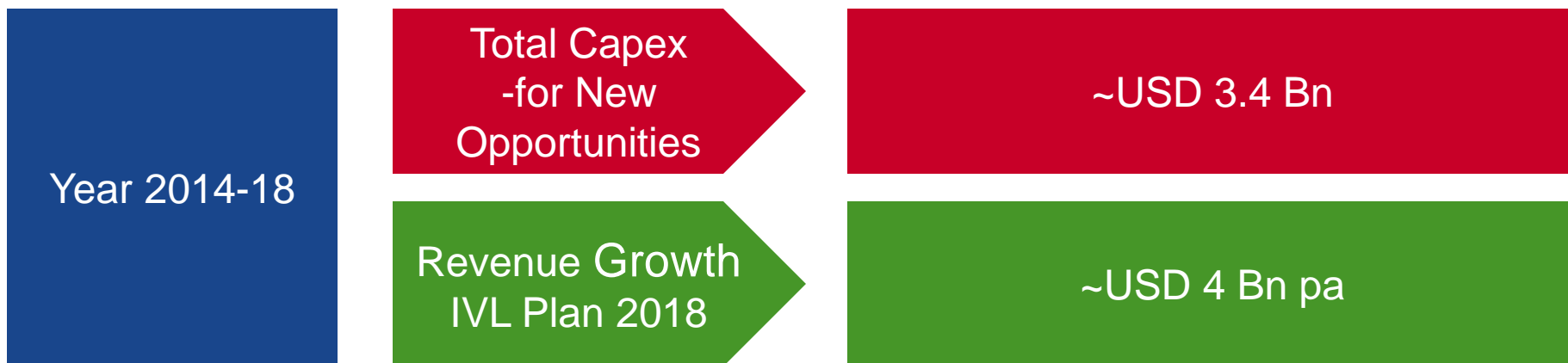
# “New Exciting Opportunities” in addition to Plan 2018

Project	Type	Location	Product	Capacity	Timelines
Upstream Integration	Joint Venture Greenfield	North America	Feedstock (Shale Gas Cracker & MEG)	Latest World Scale Size	2018-2019
Various M&A	M&A	Global	IVL Value Chain		2015-2017

## Accretive Opportunities under Study

HVA

Integration



Note: Revenue on proforma basis

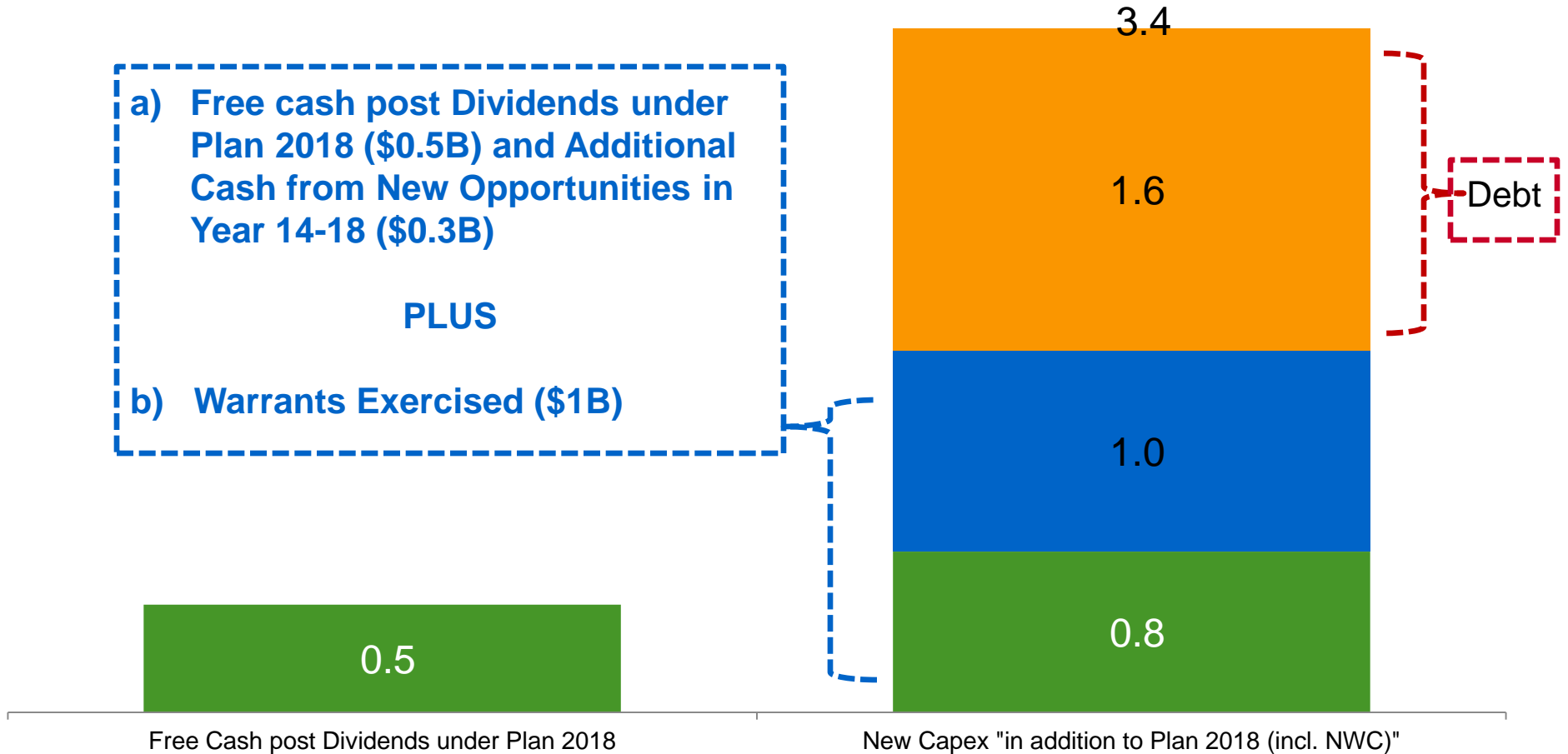
# “Transformative IVL” with US Shale play require Capital

US\$ bn

Year 2014 to 2018

*Net D/E <1.0  
by 2018*

- a) Free cash post Dividends under Plan 2018 (\$0.5B) and Additional Cash from New Opportunities in Year 14-18 (\$0.3B)
- PLUS
- b) Warrants Exercised (\$1B)



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IVL Warrants

# Recommended Warrant Rights Offering

Based on fund raising objectives we would recommend the Company to issue warrants to existing shareholders on a pro-rata basis

	<u>Warrant RO</u>	<u>Share RO</u>	<u>Debt</u>
1 Strengthen balance sheet to maintain growth momentum in the future	✓	✓	-
2 Enable company to have flexibility to manage the future planned investments	✓	-	-
3 Incentivize existing shareholders to participate to avoid dilution	✓	✓	-
4 High certainty on proceeds	✓	✓	✓
5 Able to manage earnings growth to match with dilution to avoid earning dilutive and detrimental valuation	✓	-	-
6 Low impact on price and dilution of control	✓	-	✓
7 Increase free float of shares and trading liquidity	✓	✓	-
8 Least-time consuming transaction	✓	-	-



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# IVL-W1 Indicative Term Sheet



<b>Trigger</b>	IVL-W1
<b>Term</b>	3 Years
<b>Issue Date</b>	25 August 2014
<b>Expiry Date</b>	25 August 2017
<b>Exercise Period</b>	Last business day of each month for every 3 months starting from October 2014. The last exercise date is the 3 <sup>rd</sup> anniversary from issue date (totaling 13 times)
<b>Warrant Price</b>	Nil
<b>Allocation</b>	To existing shareholders at the ratio of 10 IVL existing shares to 1 IVL-W1
<b>No. of Warrants</b>	481.43 mm units
<b>Exercise Ratio</b>	1 IVL-W1 to 1 new common share of IVL
<b>Exercise Price</b>	THB 36 per share
<b>Expected Maximum Proceeds</b>	Approx. USD 542 mm

# IVL-W2 Indicative Term Sheet



<b>Trigger</b>	IVL-W2
<b>Term</b>	4 Years
<b>Issue Date</b>	25 August 2014
<b>Expiry Date</b>	25 August 2018
<b>Exercise Period</b>	Last business day of each month for every 3 months starting from October 2017. The last exercise date is the 4 <sup>th</sup> anniversary from issue date (totaling 5 times)
<b>Warrant Price</b>	Nil
<b>Allocation</b>	To existing shareholders at the ratio of 13 IVL existing shares to 1 IVL-W2
<b>No. of Warrants</b>	370.33 mm units
<b>Exercise Ratio</b>	1 IVL-W2 to 1 new common share of IVL
<b>Exercise Price</b>	THB 43 per share
<b>Expected Maximum Proceeds</b>	Approx. USD 498 mm

# Indicative Timeline

2014

July

August

September

