

Project Lion 2: Acquisition of CEPSA's Polyester Chain Site in Spain

Acquisition of A Well-Integrated Business with High Value-Add



INDORAMA
VENTURES 



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Project Lion 2 – Transaction Highlights

Acquisition of Integrated Business with High Value Add

Overview

- IVL to acquire plant located in San Roque, Spain, one of the very few integrated and differentiated sites in the industry
- Combined capacity of 720 KMT of PTA, IPA, PET adjacent to CEPSA refinery with paraxylene and metaxylene coming by pipeline
- CEPSA is committed to ensure the long-term metaxylene supply

Strategic Rationale

- Propels IVL to world's #2 IPA producer with 21% market share and technology leadership in attractive HVA market
- Enhances IVL integration with value add in diverse markets
- Perfectly fits into IVL's differentiated PET strategy in EMEA

Financial Impact

- Gross Revenue €519M, Gross Margin €74M, EBITDA €38M (2014)
- A natural and value-creative integration with IVL
- Transaction expected to be completed in 2Q 2016 subject to regulatory approvals

A Rare Investment Opportunity

One of Very Few Integrated and Differentiated Sites



Product

PTA



Capacity

325 KMT

Technology

CEPSA
Proprietary

IPA



220 KMT

CEPSA
Proprietary

PET



175 KMT

Identical to IVL
Rotterdam

Paraxylene
Metaxylene

San Roque,
Spain

Total Capacity:
720 KMT
Employees:
~230

Integration and Differentiation

Feedstock Advantage

Gross Revenue €519M, Gross Margin €74M, EBITDA €38M (2014)

Key Highlights

- One of the very few locations worldwide to produce PTA, PIA and PET in a single site
- Site integrated with CEPSA refinery with PX and Metaxylene coming by pipeline
- CEPSA is committed to ensure the long-term metaxylene supply
- One of two producers in the world with own IPA technology
- PET plant same as IVL Rotterdam which we have de-bottlenecked to 220 KMT

Perfect Fit with IVL's Strategy

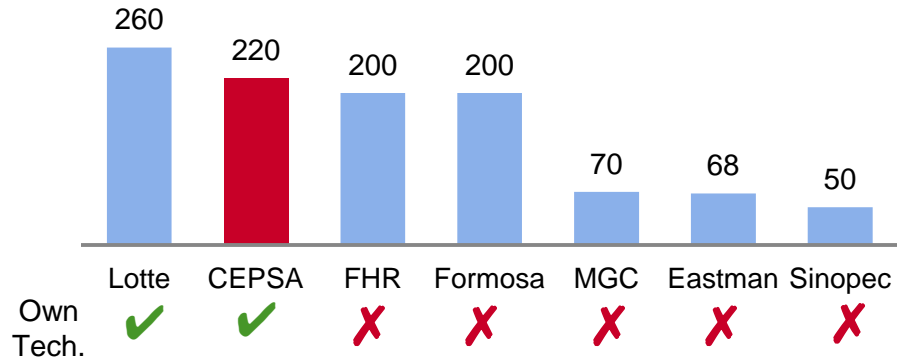
Focused on Growth, Resilience, Returns



Strategic Rationale 1: Growing HVA Portfolio Propels IVL to Leading Producer in Attractive IPA Market

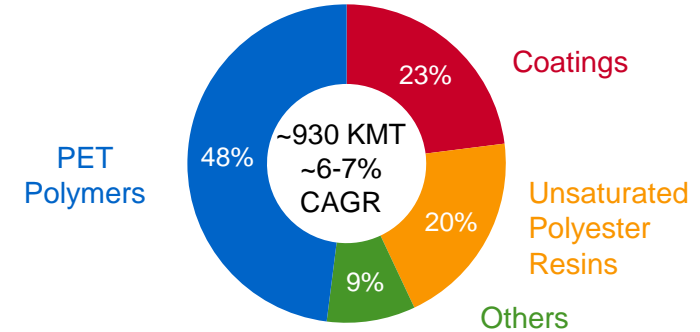
Limited Number of Market Participants Cepsa the only IPA Producer in Europe

Global IPA Capacity - 2015E (KMT)

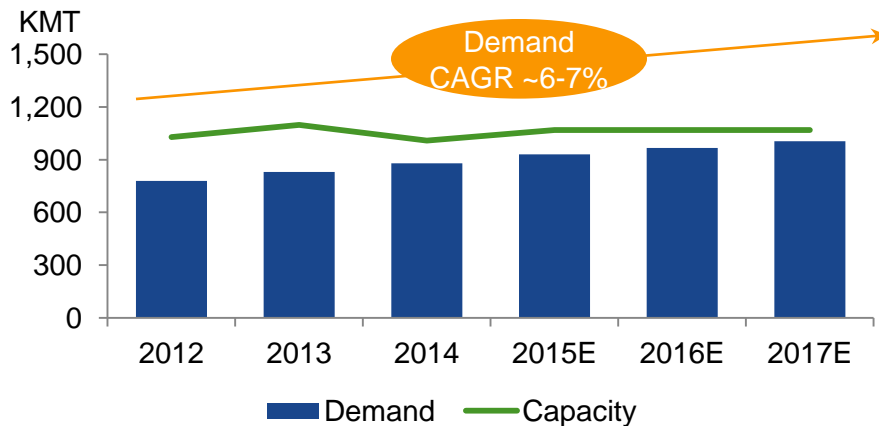


Diversified, Attractive and Growing Markets

Global IPA Demand - 2015E (KMT)

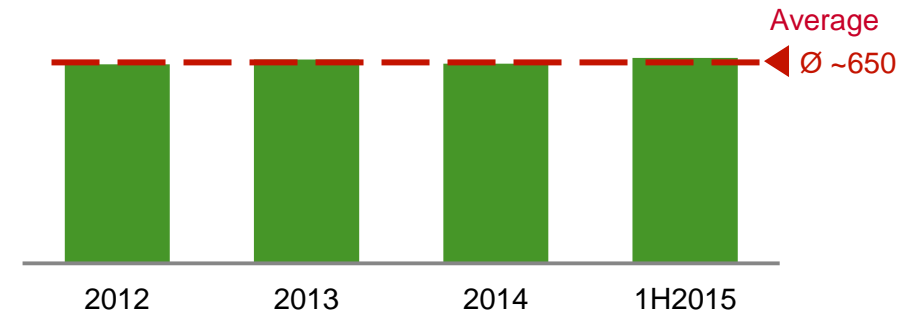


Supportive Market Fundamentals and Outlook



Superior and Steady IPA Margins

European IPA Spreads over Mixed Xylenes (€/MT)



Attractive and Growing IPA Markets Driven by Packaging, Auto, Construction Sector Demand

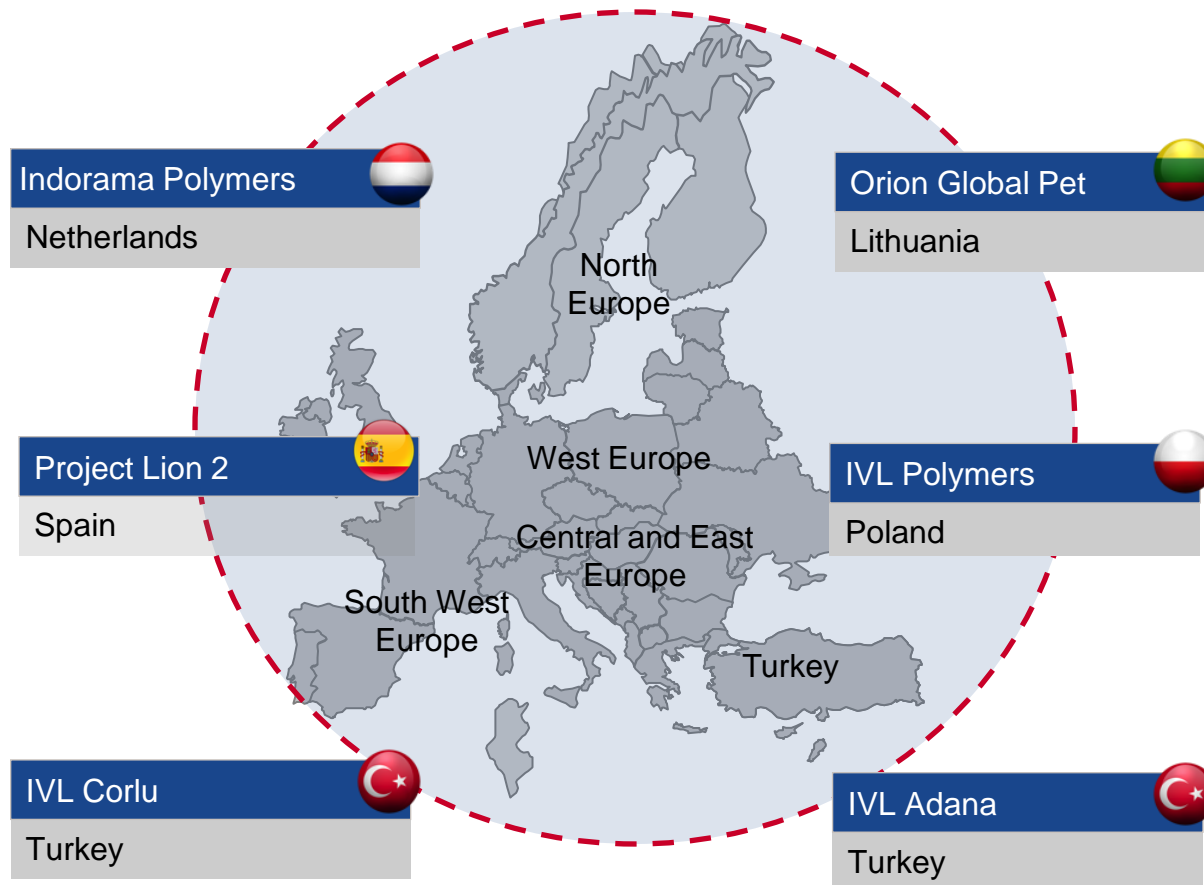
| End Markets | Products | End Use Applications |
|--|---|---|
| <p>48%</p> <p>PET Polymers</p> | <ul style="list-style-type: none"> PIA used as a co-monomer together with PTA for production of PET resin (~2% per MT) | <ul style="list-style-type: none"> Bottles Trays Flexibles  |
| <p>23%</p> <p>Coatings</p> | <ul style="list-style-type: none"> Surface coatings Powder coatings Liquid coatings | <ul style="list-style-type: none"> Furniture Vending machines Auto parts  |
| <p>20%</p> <p>Unsaturated Polyester Resins</p> | <ul style="list-style-type: none"> Composites Gel coats Artificial marble | <ul style="list-style-type: none"> Storage tanks Piping Furniture  |
| <p>9%</p> <p>Other Applications</p> | <ul style="list-style-type: none"> Industrial and Personal Care Textiles - Polyester - Aramid - Polyamide | <ul style="list-style-type: none"> Protective wear Diapers Industrial applications  |

Note: Percentages represent share of 2015E total IPA demand

Source: Industry Data, IVL Analysis

Strategic Rationale 2 – Expanding Leadership Positions Completes IVL's Differentiated PET Strategy in EMEA

IVL EMEA PET Portfolio



Differentiation

Market Share Leadership

- #1 PET producer in EMEA with >30% market share
- Leading industry consolidation

Cost Leadership

- Rotterdam and Poland expansion
- Workington and Ottana rationalization
- Spain plant to be debottlenecked

Customer Reach Beyond Compare

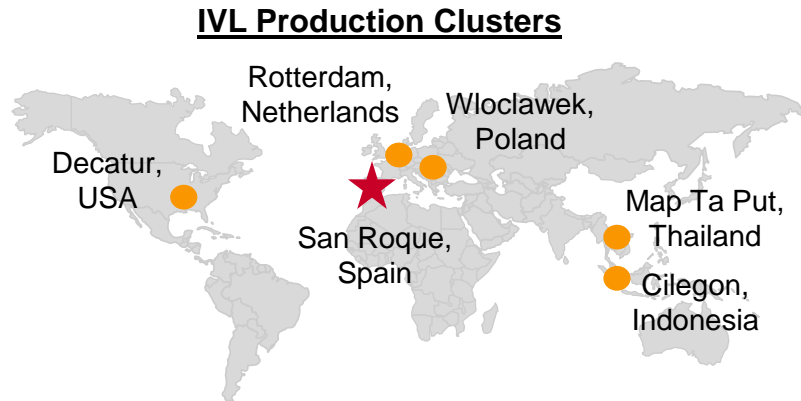
- Acquisition of Cepsa in addition to Artenius and Polyplex to enable full market coverage

Strong synergy potential

- Customer synergies
- Logistics synergies
- Procurement synergies

Strategic Rationale 3: Acquiring Integrated Businesses Enhances Cost and Technology Leadership

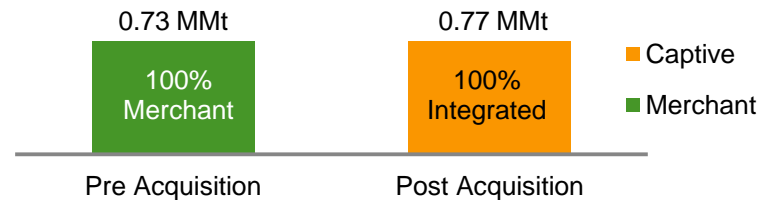
Value Chain Clusters



- San Roque value chain cluster to enhance IVL's competitiveness
- ~80% of IVL business captures synergies from integration
- 6 value chain clusters, production in 20 countries

IPA Integration & Technology Leadership

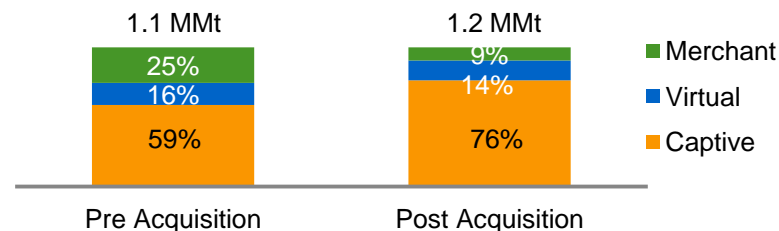
IVL Global IPA Requirement



- Ensures 100% IPA integration globally
- Competitive advantage through leading IPA technology leadership

PTA Integration & Technology Leadership

IVL EMEA PTA Requirement



- Enhances PTA integration in Europe in addition to Rotterdam PTA expansion
- Synergies through integration

Note: EMEA PTA requirements calculated post Rotterdam PTA expansion and Spain PET debottlenecking

Track Record of Successful Integration

Project Lion 2 to Help Realize IVL's Full Potential



A natural and value-creative integration with IVL



For further information on IVL, please visit the
Investor Section of our website
www.indoramaventures.com