

INEOS Holdings Limited
Annual report and financial statements
for the year ended 31 December 2012

Registered Number 4215887

INEOS Holdings Limited
Annual report and financial statements
for the year ended 31 December 2012
Contents

Directors' report for the year ended 31 December 2012.....	1
Independent auditors' report to the members of INEOS Holdings Limited	4
Profit and loss account for the year ended 31 December 2012.....	6
Balance sheet as at 31 December 2012.....	7
Statement of accounting policies	8
Notes to the financial statements for the year ended 31 December 2012	10

INEOS Holdings Limited

Directors' report for the year ended 31 December 2012

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2012.

Principal activities

The principal activities of the Company continue to be the financing of the INEOS Group and acting as a holding company.

Review of the business and future developments

The directors consider the development of the Company's business during the year to be satisfactory. The directors do not expect any change in the Company's activities during the next financial year.

On 10 February 2012 INEOS Finance PLC, a subsidiary undertaking, successfully issued Senior Secured Notes that comprised of €500.0 million Senior Secured Floating Rate Notes due 2019 (the "Secured Euro Floating Rate Notes 2019") and \$1.0 billion Senior Secured Notes due 2019 (the "Secured Dollar Notes 2019"). The proceeds from the issue of the Notes were lent to the Company, to repay a proportion of its indebtedness under the Group's Senior Facilities Agreement.

On 4 May 2012 INEOS Finance PLC, a subsidiary undertaking, successfully issued \$775 million Senior Secured Notes due in 2020 (the "Secured Dollar Notes 2020") and a €500 million Senior Secured Term loan due in 2018. The proceeds from the notes and credit facilities were lent to the Company, to repay the remainder of its indebtedness under the Group's Senior Facilities Agreement.

On 4 May 2012 INEOS US Finance LLC, a subsidiary undertaking, successfully issued \$2 billion Senior Secured Term Loan due in 2018 and a \$375 million Senior Secured Term Loan due in 2015. The proceeds from the credit facilities were lent to the Company, to repay the remainder of its indebtedness under the Group's Senior Facilities Agreement.

On 4 May 2012 the Company issued a further \$590 million Floating Rate Unsecured Loan Note (the "FRN") to INEOS US Finance LLC.

The Company entered into two interest caps in May 2012 to hedge the variable interest exposures on the €500.0 million Floating Rate Senior Secured Notes due 2019. The interest rate caps have a strike price of 1.25% per annum, which is in line with the Euribor floor on the Floating Rate Notes of 1.25% per annum. These derivative instruments expire in May 2015.

Subsequent events

On 14 May 2013 INEOS US Finance LLC, a subsidiary undertaking, successfully issued \$640 million Senior Secured Term Loan due in 2018. The proceeds from the issue were lent to the Company, to redeem the Dollar Senior Notes due 2015.

On 14 May 2013 INEOS Finance PLC, a subsidiary undertaking, successfully issued €350 million Senior Secured Term Loan due in 2018. The proceeds from the issue were lent to the Company, to redeem the Euro Senior Notes due 2015.

INEOS Holdings Limited

Directors' report for the year ended 31 December 2012 (continued)

On 14 May 2013 INEOS Group Holdings SA, a parent undertaking, successfully issued €500 million Senior Notes due in 2018 and \$678 million Senior Notes due 2018. The proceeds from the issue were lent to the Company, to redeem a proportion of the Euro Senior Notes due 2016, and all of the Dollar Senior Notes due 2016.

During May 2013 the Company issued a further \$640 million Floating Rate Unsecured Loan Note (the "FRN") to INEOS US Finance LLC.

Results and dividends

The results of the Company are set out in the profit and loss account on page 6 which shows a loss on ordinary activities after taxation for the financial year of €319.8 million (2011: profit of €1,813.9 million). No interim dividend was paid during the year and the directors do not recommend the payment of a final dividend.

Key performance indicators

Given the close involvement of the shareholders in the running of the business, the directors believe that the current level of disclosures within the Directors' Report is sufficient to give an understanding of the development, performance and position of the business.

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

G W Leask
J F Ginns
J W Dawson

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of changes in interest rate risk, credit risk and liquidity risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company where appropriate. The Company manages its credit exposures with a set of policies for ongoing credit checks to ensure it only transacts with reputable counterparties. See note 11 of the financial statements for information on financial instruments and interest risk.

INEOS Holdings Limited

Directors' report for the year ended 31 December 2012 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

The directors confirm that as far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and that they have taken all steps necessary as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP are deemed to be reappointed in accordance with an elective resolution made under section 487 of the Companies Act 2006.

By order of the Board



Y S Ali

Company Secretary

26 July 2013

Ineos Holdings Limited

Independent auditors' report to the members of INEOS Holdings Limited

We have audited the financial statements of INEOS Holdings Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Ineos Holdings Limited

Independent auditors' report to the members of INEOS Holdings Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Steve Denison (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
26 July 2013

Ineos Holdings Limited

Profit and loss account for the year ended 31 December 2012

	Note	2012 €'m	2011 €'m
Administrative expenses before exceptional items		(91.8)	(87.3)
Exceptional administrative expenses	3	(0.5)	(5.9)
Administrative expenses including exceptional items		(92.3)	(93.2)
Other operating income		74.2	69.4
Operating loss		(18.1)	(23.8)
Income from shares in group undertakings	4	10.2	2,099.9
Loss on investments		-	(34.3)
Interest receivable and similar income	5	325.9	523.5
Exceptional finance income	5	-	115.2
Total interest receivable and similar income		325.9	638.7
Interest payable and similar charges	5	(732.6)	(923.0)
Exceptional finance charge	5	-	(35.5)
Total interest payable and similar charges		(732.6)	(958.5)
(Loss) / profit on ordinary activities before taxation		(414.6)	1,722.0
Tax on profit on ordinary activities	6	94.8	91.9
(Loss) / profit for the financial year	14	(319.8)	1,813.9

All the activities of the company relate to continuing operations.

The company has no recognised gains and losses other than those included in the loss above and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents.

Ineos Holdings Limited

Balance sheet as at 31 December 2012

	Note	2012 €'m	2012 €'m	2011 €'m	2011 €'m
Fixed assets					
Investments	7		7,311.6		7,311.6
			7,311.6		7,311.6
Current assets					
Debtors falling due within one year	8	2,278.0		1,674.8	
Debtors falling due after more than one	8	1,828.5		2,513.3	
Cash at bank and in hand		551.6		134.6	
		4,658.1		4,322.7	
Creditors: amounts falling due within one year	9	(3,291.2)		(3,147.4)	
Net current assets			1,366.9		1,175.3
Total assets less current liabilities			8,678.5		8,486.9
Creditors: amounts falling due after more than one year	10		(9,014.2)		(8,502.8)
Net liabilities			(335.7)		(15.9)
Capital and reserves					
Called up share capital	12		17.7		17.7
Profit and loss account	13		(353.4)		(33.6)
Total shareholders' deficit	14		(335.7)		(15.9)

The financial statements on pages 6 to 22 were approved by the board of directors on 26 July 2013 and were signed on its behalf by:



G W Leask
Director

Ineos Holdings Limited

Statement of accounting policies

Basis of accounting

The financial statements are prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. Based on the budgeted cash flows of the Company and its subsidiaries and taking into account the facilities available, the directors continue to adopt the going concern basis in preparing the financial statements. The principal accounting policies, which have been applied consistently, are set out below.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated to write down the cost of the relevant assets to their estimated residual values in equal annual instalments over their expected useful lives. The rates used are as follows:

Fixtures and fittings	20%
-----------------------	-----

Fixed asset investments

Investments held as fixed assets are stated at cost less provision for impairment. All investments are reviewed for impairment when there are indications that the carrying value may not be fully recoverable.

Deferred finance costs

Costs associated with raising finance are deducted from the gross proceeds in the balance sheet and amortised over the term of the relevant financing at a constant rate on the carrying amount. All costs associated with re-structuring existing finance arrangements are expensed as incurred.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted by the balance sheet date. Deferred tax assets and liabilities which have been recognised have not been discounted.

Foreign currencies

Transactions are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in the balance sheet are translated at the closing rate for the year. All translation gains or losses on the settlement of monetary assets and liabilities are included in the determination of profit or loss for the year.

Exchange differences on long-term monetary items outstanding at the balance sheet date are dealt with in the profit and loss account. This treatment is required by SSAP 20 in order to give a true and fair view of the Company's results. Compliance with SSAP 20 overrides schedule 4 paragraph 12 of the Companies Act 2006 which states that only profits realised at the balance sheet date should be included in the profit and loss account. The effect of the currency retranslation is disclosed in note 5.

Ineos Holdings Limited

Statement of accounting policies (continued)

Financial instruments

Amounts payable or receivable in respect of interest rate cap, floor and swap agreements are recognised in the interest payable charge on an accruals basis. The interest differential amounts due to/from the counterparty on such agreements are accrued until settlement date and are recognised as an adjustment to interest expense.

Cash flow and related party transactions

The company is a wholly owned subsidiary of INEOS Holdings (Investments) Limited and is included in the consolidated financial statements of INEOS Group Holdings SA. Consequently, the company has taken advantage of the exemptions from preparing a cash flow statement under the terms of Financial Reporting Standard Number 1 'Cash flow statements' (Revised 1996). The company is also exempt under the terms of Financial Reporting Standard Number 8 'Related party transactions' from disclosing related party transactions with entities that are part of the INEOS Group Holdings SA group.

Consolidated financial statements

The financial statements contain information about INEOS Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under the Companies Act 2006 from the requirement to prepare consolidation in the consolidated financial statements of a parent undertaking, INEOS Group Holdings SA, a company incorporated in Luxembourg.

Ineos Holdings Limited

Notes to the financial statements for the year ended 31 December 2012

1 Reporting currency

The financial statements are expressed in Euros as the Company primarily generates income, incurs expenditure and has the majority of its assets and liabilities denominated in Euros.

The exchange rate as at 31 December 2012 was € 1.21966 (2011: € 1.19489 to £1).

2 Employees and directors

Neither the directors nor the secretary received any emoluments during the year in respect of their services to the company. The Company's employee costs are borne by other group companies and recharged.

3 Exceptional administrative expenses

The Group relocated its corporate headquarters to Switzerland during 2010 to 2012 which has resulted in exceptional costs of €0.5 million (2011: €5.9 million) being incurred in relation to employee relocation costs and legal and professional fees.

4 Income from shares in Group undertakings

During the year £nil million (2011: €2,082.8 million) was received from INEOS Jersey Limited, a wholly owned subsidiary.

During the year €10.2 million (2011: €17.1 million) in dividends was received from other subsidiaries.

Ineos Holdings Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

5 Interest and similar items

	2012	2011
	€'m	€'m
Interest receivable and similar income		
Interest receivable from subsidiary undertakings	265.4	521.9
Interest receivable from related parties	0.4	-
Interest receivable on bank balances	1.3	1.6
Exchange differences on foreign currency loan balances	58.8	-
	325.9	523.5
Exceptional finance income		
Discharged funding loan liability and interest	-	115.2
Interest payable and similar charges		
Interest payable on bank loans and overdrafts	66.9	257.8
Interest payable to group undertakings	618.4	607.6
Interest payable to related parties	0.1	-
Exchange differences on foreign currency loan balances	-	13.0
Other interest	-	0.7
Amortisation of debt issue costs	47.2	43.9
	732.6	923.0
Exceptional finance charge		
Bank consent fees	-	35.5

Exchange differences on foreign currency denominated loan balances have been recognised in the profit and loss account in accordance with SSAP 20, as explained in the Statement of accounting policies.

Discharged funding loan liability and interest of €nil million (2011: €115.2 million) from INEOS Group Holdings SA, a parent company, in connection with its Senior Euro and US Dollar 2016 notes that have been cancelled.

Bank consent fees of €nil million (2011: €35.5 million), where incurred in the year in regard to restructuring of the Group's borrowings.

Ineos Holdings Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

6 Taxation

Analysis of credit in year:

	2012	2011
	€'m	€'m
Current tax		
Group relief receivable at 24.5% (2011: 26.5%)	(102.4)	(109.6)
Adjustments in respect of previous years	5.3	15.9
Total current tax	(97.1)	(93.7)
Deferred tax		
Origination and reversal of timing differences	0.4	(0.1)
Adjustments in respect of previous years	1.9	1.9
Total deferred tax	2.3	1.8
Tax on profit on ordinary activities	(94.8)	(91.9)

The current tax for the year is higher (2011: lower) than the standard rate of corporation tax in the UK (24.5%). The differences are explained below:

	2012	2011
	€'m	€'m
(Loss) / profit on ordinary activities before tax	(414.6)	1,722.0
(Loss) / profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	(101.5)	456.3
Effects of:		
Non taxable credits	(0.4)	(581.6)
Other timing differences	(0.5)	6.6
Tax losses not recognised	-	9.1
Adjustments in respect of previous years	5.3	15.9
Total current tax	(97.1)	(93.7)

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

In addition to the changes in rates of Corporation tax disclosed above, further changes to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2013 on 2 July 2013. These include reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015.

Ineos Holdings Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

6 Taxation (continued)

As the changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements. The overall effect of these changes, if they had applied to the deferred tax balance at the balance sheet date, would be to decrease the deferred tax asset by an additional €3.0 million and reduce the tax credit for the period by €3.0 million.

7 Fixed asset investments

	2012 €'m	2011 €'m
Investment in subsidiary undertakings		
At 1 January	7,311.6	7,337.5
Additions	-	8.4
Impairment	-	(34.3)
At 31 December	7,311.6	7,311.6

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

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

Company	Country of incorporation and operation	Percentage holding	Principal activity
INEOS European Holdings Limited	England	100%	Holding Company
INEOS US Finance LLC*	US	100%	Finance
INEOS Finance PLC*	England	100%	Finance
INEOS Treasury (UK) Limited*	England	100%	Finance
INEOS Oxide Limited*	England	100%	Chemicals
INEOS NV	Belgium	100%	Chemicals
INEOS Belgium NV	Belgium	100%	Chemicals
INEOS Phenol Belgium NV	Belgium	100%	Chemicals
INEOS Italia Srl	Italy	100%	Chemicals

Ineos Holdings Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

7 Fixed asset investments (continued)

Company	Country of incorporation and operation	Percentage holding	Principal activity
INEOS Phenol GmbH	Germany	100%	Chemicals
INEOS Fluor Limited	England	100%	Chemicals
IFJ Korea Limited	Korea	100%	Chemicals
INEOS Fluor America LLC	US	100%	Chemicals
INEOS Silicas Limited	England	100%	Chemicals
INEOS Americas LLC	US	100%	Chemicals
INEOS Manufacturing Deutschland GmbH	Germany	100%	Chemicals
INEOS Koln GmbH	Germany	100%	Chemicals
INEOS France SAS	France	100%	Chemicals
INEOS Commercial Services Limited	England	100%	Chemicals
INEOS Manufacturing Belgium NV	Belgium	100%	Chemicals
INEOS Feluy SPRL	Belgium	100%	Chemicals
INEOS Chemicals Grangemouth Limited	Scotland	100%	Chemicals
INEOS Sales Belgium NV	Belgium	100%	Chemicals
INEOS Sales Italia SRL.	Italy	100%	Chemicals
INEOS Chemicals Lavera SAS	France	100%	Chemicals
INEOS Polymers Sarralbe SAS	France	100%	Chemicals
INEOS Manufacturing Italia SPA.	Italy	100%	Chemicals
INEOS USA LLC	US	100%	Chemicals
INEOS Polymers Inc.	US	100%	Chemicals
INEOS Canada Company	Canada	100%	Chemicals
INEOS Canada Partnership	Canada	100%	Chemicals
INEOS Compounds UK Limited	England	100%	Chemicals
INEOS Bamble AS	Norway	100%	Chemicals
INEOS Nitriles (UK) Limited	England	100%	Chemicals
INEOS Manufacturing (Hull) Limited	England	100%	Chemicals
INEOS Technologies (Vinyls) Limited	England	100%	Chemicals

*Held directly by the company.

Ineos Holdings Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

8 Debtors

	2012	2011
	€'m	€'m
Amounts falling due within one year		
Amounts owed by group undertakings	2,252.7	1,624.5
Amounts owed by related parties (note 16)	0.3	18.1
Deferred taxation	22.8	25.1
Other debtors	1.3	0.8
Prepayments and accrued income	0.9	6.3
	2,278.0	1,674.8

The deferred tax asset relates to short term timing differences.

	2012	2011
	€'m	€'m
Amounts falling due after more than one		
Loans due from group undertakings	1,792.7	2,513.3
Loans due from related parties (note 16)	35.8	-
	1,828.5	2,513.3

Ineos Holdings Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

9 Creditors: amounts falling due within one year

	2012	2011
	€'m	€'m
Senior Facilities Agreement (note 11)	-	299.7
Amounts owed to group undertakings	3,236.9	2,621.7
Amounts owed to related parties (note 16)	19.3	18.0
Deferred consideration	32.5	33.2
Other creditors	1.0	3.5
Accruals and deferred income	1.5	171.3
	3,291.2	3,147.4

10 Creditors: amounts falling due after more than one year

	2012	2011
	€'m	€'m
Senior Facilities Agreement (note 11)	-	2,084.6
Floating Rate Unsecured Loan Note (note 11)	1,796.1	1,378.8
Funding Loans (note 11)	5,049.4	2,766.0
Loans owed to group undertakings	2,168.7	2,273.4
	9,014.2	8,502.8

Ineos Holdings Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

11 Borrowings

	2012	2011
	€'m	€'m
Gross borrowings	9,102.7	8,868.7
Less issue costs	(110.6)	(66.2)
Net borrowings	8,992.1	8,802.5
Gross borrowings are repayable as follows:		
Due within one year	5.0	310.2
Due between one and two years	742.8	1,488.7
Due between two and five years	2,790.6	4,171.9
Due after more than five years	5,564.3	2,897.9
	9,102.7	8,868.7

Senior Facilities Agreement

The Company had borrowings under a facilities agreement (the "Senior Facilities Agreement") which consisted of Term Loans ("Term Loan A", "Term Loan B", "Term Loan C" and "Term Loan D") and a revolving credit facility (the "Revolving Credit Facility"). Term Loan A, Term Loan B, Term Loan C, Term Loan D and the Revolving Credit Facility are now fully repaid. In February 2012 the Group issued \$1,000 million Senior Secured Notes due 2019 and €500 million Floating Rate Notes due 2019. The net proceeds from the notes were used to repay all of the Term Loan B and a proportion of Term Loan C. In May 2012 the Group issued \$775 million Senior Secured Notes due 2020 and a new Senior Secured Term Loan totalling \$3,025 million. The net proceeds from the notes and the term loan were used to repay all of the outstanding Term Loan C, Term Loan D and Revolving Credit Facility indebtedness under the Senior Facilities Agreement, including the associated PIK interest.

The Term Loans outstanding at 31 December 2011 were €2,116.7 million. The total amounts outstanding on Term Loan B were €695.1 million, Term Loan C were €771.5 million, Term Loan D were €650.0 million, and Revolving Credit Facility were €294.5 million.

Following the redemption of the Senior Facilities Agreement, debt issue costs of €18.1 million were charged to the profit and loss account during the year.

Ineos Holdings Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

11 Borrowings (continued)

Floating Rate Unsecured Loan Note due 2026

The Company issued a \$1,785 million Floating Rate Unsecured Loan Note (the “FRN” or “Original Loan Notes”) to INEOS US Finance LLC, a subsidiary undertaking, on 27 November 2006 to replace a short term funding loan. The FRN bears interest at US\$ LIBOR plus a margin and is scheduled to be repaid in 2026. The FRN is listed on the Channel Islands Stock Exchange.

The Company issued a further \$590 million Floating Rate Unsecured Loan Note (the “Further Notes”) to INEOS US Finance LLC, a subsidiary undertaking in May 2012. These Further Notes form a single series with the Original Loan Notes.

The Floating Rate Unsecured Loan Note is stated net of issue costs of €32.4 million (2011: €nil million).

INEOS Group Holdings SA Funding Loan due 2016

The Company had outstanding borrowings at 31 December 2011 of €1,750 million and \$750 million under a funding loan (the “Funding Loan”) from INEOS Group Holdings SA, a parent undertaking.

The Funding Loan at 31 December 2012 is shown after recognition of a deed poll issued on 23 December 2011 by INEOS Group Holdings SA that discharges the Company from its liability to repay elements of the funding loan that relate to cancelled INEOS Group Holdings SA Euro and US Dollar Senior Notes due 2016.

The Funding Loan bears interest at a rate equal to the rate borne by the Senior Notes and will be repaid on 15 February 2016, or such later date as the Company and INEOS Group Holdings SA may agree. The Funding Loan bears interest at 7.875% per annum for the Euro loan and 8.5% for the Dollar loan.

The Company is prohibited by the Intercreditor Deed from making any payments upon or in respect of the Funding Loan without the prior consent of the majority senior lenders (as defined in the Senior Facilities Agreement). Under the Intercreditor Deed, the obligations of the Company under the Senior Facilities Agreement rank senior in right of payment to the Funding Loan.

The Funding Loan is stated net of debt issue costs of €18.3 million (2011: €24.3 million).

In May and June 2013 the entire Dollar and €500.0 million of the Euro funding loan was repaid. (see Note 17)

INEOS Finance PLC Funding Loan due 2015

The Company had outstanding borrowings of €300 million and \$570 million under a funding loan (the “Funding Loan”) from INEOS Finance PLC, a subsidiary undertaking. The Funding Loan reflects an amount equal to the outstanding principal of the Senior Notes issued by INEOS Finance PLC and is a general unsecured obligation of the Company. The Funding Loan bears interest at a rate equal to the rate borne by the Senior Notes and will be repaid on 15 May 2015, or such later date as the Company and INEOS Finance PLC may agree. The Funding Loan bears interest at 9.25% per annum for the euro loan and 9.0% for the dollar loan.

Ineos Holdings Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

11 Borrowings (continued)

The Company is prohibited by the Intercreditor Deed from making any payments upon or in respect of the Funding Loan without the prior consent of the majority senior lenders (as defined in the Senior Facilities Agreement). Under the Intercreditor Deed, the obligations of the Company under the Senior Facilities Agreement rank senior in right of payment to the Funding Loan.

The Funding Loan is stated net of debt issue costs of € 9.9 million (2011: €15.0 million).

On 14 May 2013 the entire INEOS Finance PLC Senior 2015 Notes were redeemed, along with the related funding loan to the Company (see note 17).

INEOS Finance PLC Funding Loans due 2019 & 2020

On 10 February 2012 INEOS Finance PLC, a subsidiary undertaking, successfully issued Senior Secured Notes that comprised of €500.0 million Senior Secured Floating Rate Notes due 2019 (the “Secured Euro Floating Rate Notes 2019”) and \$1.0 billion Senior Secured Notes due 2019 (the “Secured Dollar Notes 2019”). The proceeds from the issue of the Notes were lent to the company by funding loans.

On 4 May 2012 INEOS Finance PLC, a subsidiary undertaking, successfully issued \$775 million Senior Secured Notes due in 2020 (the “Secured Dollar Notes 2020”) and a €500 million Senior Secured Term Loan due in 2018. The proceeds from the notes and credit facilities were lent to the Company by funding loans.

The Funding Loans issued during 2012 reflect amounts equal to the outstanding principal amounts of the Senior Secured Notes and Floating Rate Notes issued by INEOS Finance PLC and are a general unsecured obligation of the Company. The Funding Loans bear interest at a rates equal to the rates borne by the Senior Secured Notes and Floating Rate Notes and will be repaid at their expiry dates, or such later date as the Company and INEOS Finance PLC may agree.

The Funding Loans bear interest at the following rates:

- Euro Senior Secured Floating Rate Notes due 2019, at an interest rate that is set quarterly at a sum equal to the sum of the greater of the three-month Euribor and 1.25% per annum, plus 6%.
- Dollar Senior Secured Notes due 2019, at a rate of 8.375%
- Dollar Senior Secured Notes due 2020, at a rate of 7.5%
- Euro Senior Secured Term loan at a rate per annum equal to EURIBOR (subject to a floor of 1.25% per annum) plus the Applicable Margin of 5.5%.

The Funding Loans issued during 2012 are stated net of debt issue costs of €50.0 million.

Ineos Holdings Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

11 Borrowings (continued)

Interest rate caps

The Company entered into two interest caps in May 2012 to hedge the variable interest exposures on the €500.0 million Floating Rate Senior Secured Notes due 2019. The interest rate caps have a strike price of 1.25% per annum, which is in line with the Euribor floor on the Floating Rate Notes of 1.25% per annum. These derivative instruments expire in May 2015.

Receivables Securitisation Facility

The Company is party to a debt securitisation programme in which various group subsidiaries sell trade receivables to INEOS Finance Ireland, a special purpose entity, for a discounted rate. INEOS Finance Ireland pledges the receivables as security for borrowings from a number of conduit lenders.

12 Called up share capital

	2012	2011
	€'m	€'m
Authorised, allotted, issued and fully paid		
11,500,131 (2011: 11,500,131) ordinary shares of £1 each	17.7	17.7

As the reporting currency of the company is the Euro, share capital has been converted to Euros at the effective rate of exchange ruling at the date of issuance.

13 Profit and loss account

	€'m
At 1 January 2012	(33.6)
Loss for the financial year	(319.8)
At 31 December 2012	(353.4)

Ineos Holdings Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

14 Reconciliation of movements in total shareholders' deficit

	2012	2011
	€'m	€'m
(Loss) / profit for the financial year	(319.8)	1,813.9
Net addition to total shareholders' deficit	(319.8)	1,813.9
Opening total shareholders' deficit	(15.9)	(1,829.8)
Closing total shareholders' deficit	(335.7)	(15.9)

15 Ultimate parent undertaking and controlling party

As at 31 December 2012 the immediate parent undertaking was INEOS Holdings (Investments) Limited, a company incorporated in England and Wales.

The ultimate parent company at 31 December 2012 was INEOS AG, a company incorporated in Switzerland.

INEOS Group Holdings SA is the parent undertaking of the only group of undertakings to consolidate these financial statements. Copies of the financial statements of INEOS Group Holdings SA can be obtained from the Company Secretary, 58, rue Charles Martel, Luxembourg, L-2134, Luxembourg.

The directors regard Mr J A Ratcliffe to be the ultimate controlling party by virtue of his majority shareholding in the ultimate parent undertaking INEOS AG.

16 Related parties

At 31 December 2012 the Company had payable amounts of €0.7 million (2011: €17.9 million amount receivable) along with a receivable loan of €4.6 million (2011: €nil million) with INEOS Holdings AG, a parent undertaking.

At 31 December 2012 the Company had receivable amounts of €0.2 million (2011: €0.2 million) along with a receivable loan of €31.2 million (2011: €nil million) with INEOS Industries Holdings Limited, an undertaking controlled by INEOS AG.

At 31 December 2012 the Company had total receivable amounts of €0.1m from Ineos Manufacturing Scotland Limited and Ineos Infrastructure Grangemouth Limited., undertakings that INEOS AG has a 50% investment in.

Ineos Holdings Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

16 Related parties (continued)

The Company has a management services agreement with INEOS AG. INEOS AG management fees of €73.7 million (2011: €69.4 million) were incurred and re-charged to principal businesses within the INEOS Group of companies during the year. At 31 December 2012 amounts owed to INEOS AG were €18.6 million (2011: €17.8 million).

17 Subsequent events

In May 2013 the Group successfully issued further Senior Secured Term Loans of €350 million and \$640 million. The proceeds were used to repay all of the outstanding Senior Secured Notes due 2015.

In May 2013 the Group successfully issued €500 million and \$678 million Senior Notes due 2018. The net proceeds from the Senior Notes were used to repay a proportion of the 7.875% Senior Notes due 2016 and all the 8.5% Senior Notes due 2016.

During May 2013 the Company issued a further \$640 million Floating Rate Unsecured Loan Note (the "FRN") to INEOS US Finance LLC, a subsidiary undertaking.