

Beverages



Home  
Care



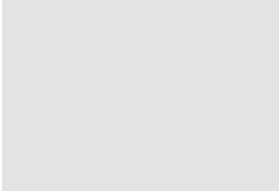
Apparel



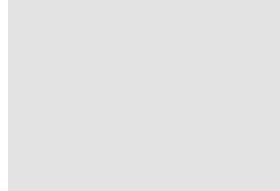
Home  
Textiles



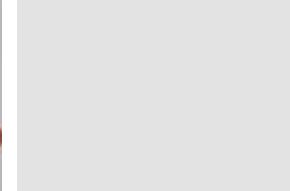
Food



Pharma



Medical



Geotextile



## Indorama Ventures Public Company Limited

Analyst Presentation at the Stock Exchange of Thailand  
November 11, 2011

# Disclaimer



This presentation contains “forward-looking statements”, which are based on current expectations and projections about future events, and include all statements other than statements of historical facts, including, without limitation, any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “plans”, “could”, “should”, “predicts”, “projects”, “estimates”, “foresees” or similar expressions or the negative thereof, as well as predictions, projections and forecasts of the economy or economic trends of the markets, which are not necessarily indicative of the future or likely performance of the Company. Such forward-looking statements, as well as those included in any other material discussed at the presentation, concern future circumstances and results and involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions and estimates regarding the Company and its subsidiaries’ present and future business strategies and the environment in which the Company will operate in the future. Forward-looking statements are not guarantees of future performance. These forward-looking statements speak only as at the date of this presentation, and none of the Company, nor any of its agents, employees or advisors intends or has any duty or obligation to supplement, amend, update or revise any such forward-looking statements to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based or whether in the light of new information, future events or otherwise. Given the aforementioned risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements as a prediction of actual results or otherwise.

The results of operations for the periods reflected herein are not necessarily indicative of results that may be achieved for future periods, and the Company’s actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including but not limited, to those discussed in the offering memorandum and any supplement thereto.

This presentation should not be treated as advice relating to legal, taxation, financial, accounting or investment matters. By attending this presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and of the risks and merits of any investment in the Shares, and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company’s business.

# Agenda

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**Financial Performance**

Margin Analysis

Company Overview

# Indorama Ventures Overview

- ✓ **Global polyester chain company**
  - Committed capacity of 7.7 million tons
  - Objective to grow EBITDA >US\$ 1.1 billion by 2014
  
- ✓ **Focused portfolio of industry leading businesses**
  - Globally #1 PET producer
  - Covering entire spectrum of the fiber industry from commodity to high value-added innovative products
  - PTA integration to support end-product strategy
  - ~ 7,000 employees worldwide
  
- ✓ **Global customer-centric presence**
  - 27 facilities, 14 countries, 4 continents
  - Transnational, Blue-chip customer base
  
- ✓ **Key financials LTM Q3'11**
  - Revenue: \$5,552 million
  - EBITDA: \$657 million
  - ROCE: 20%
  
- ✓ **Capital markets**
  - Member of major stock indices SET 50, FTSE SET Large Cap and MSCI
  - A+ corporate rating by TRIS



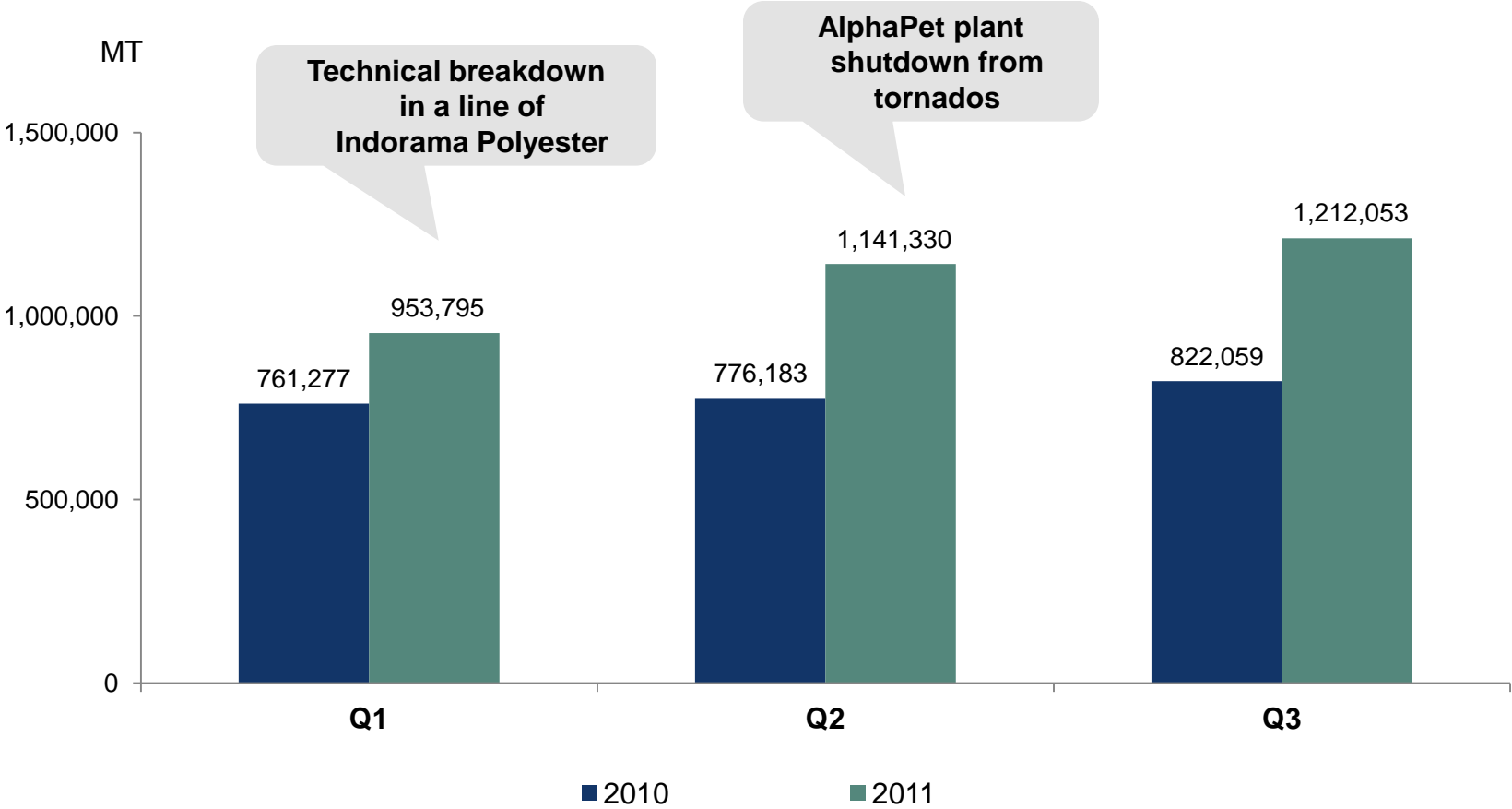
## Q3'11 Financial Highlights

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- **Production Volumes up 6% QoQ and 47% YoY to 1.21 million tonnes**
- **Net sales is stable QoQ and up 125% YoY to \$1.7 billion**
- **Consolidated EBITDA up 4% QoQ and 34% YoY to \$153 million**
- **\*Operating Net Profit after tax and minority up 8% QoQ and 26% YoY to \$86 million**
- **Acquisitions completed in Q1, 2011 contributing to earnings and cashflows**
- **Liquidity increased from \$0.7 billion at the end of 2010 to \$1.1 billion**
- **Net gearing ratio reduced from 48% at the end of 2010 to 39%**

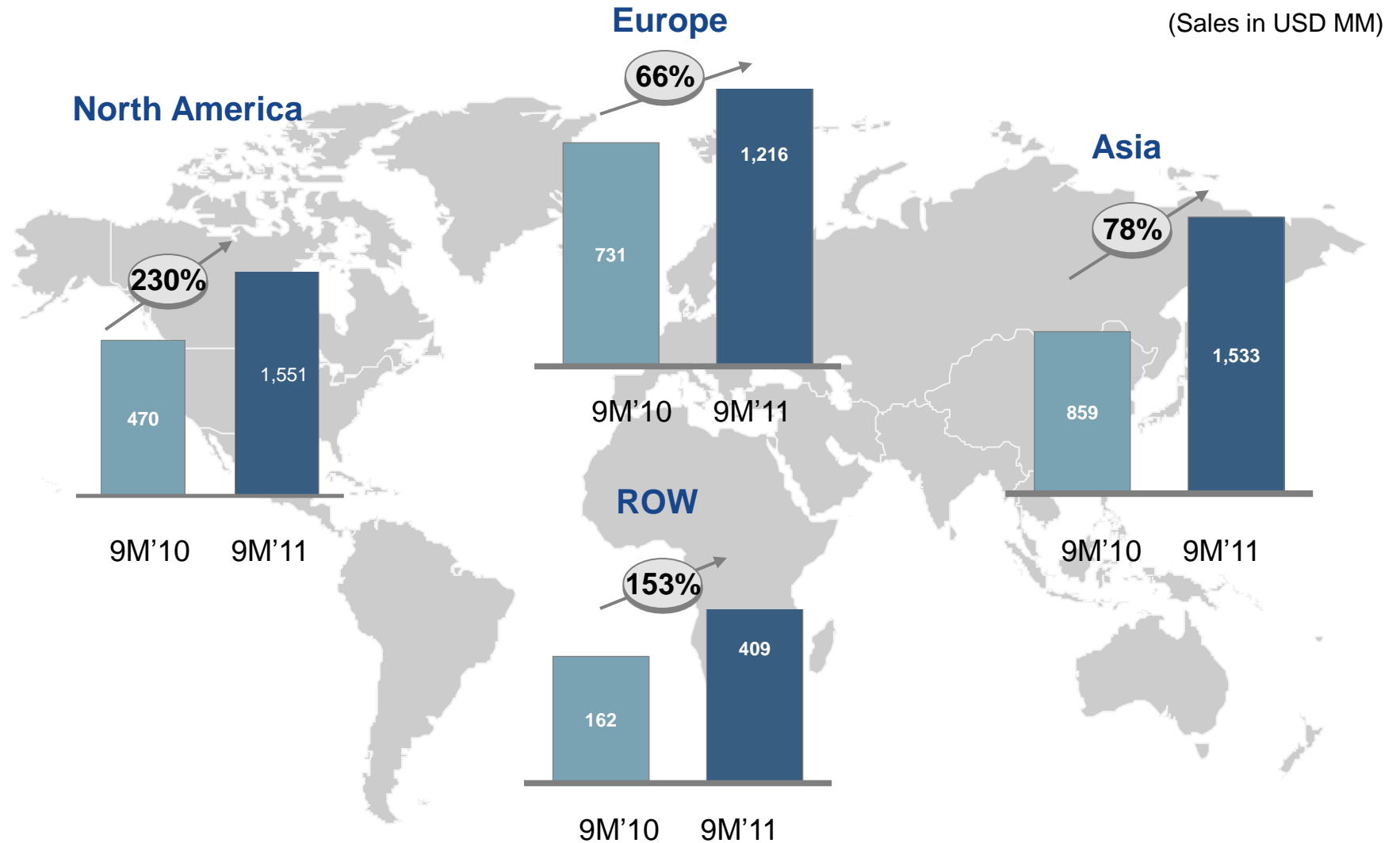
\* Operating Net Profit after tax and minority is after excluding exceptional items (Gains from bargain purchase and net of related acquisition costs)

# QoQ volume moving upwards



# The power of a global presence

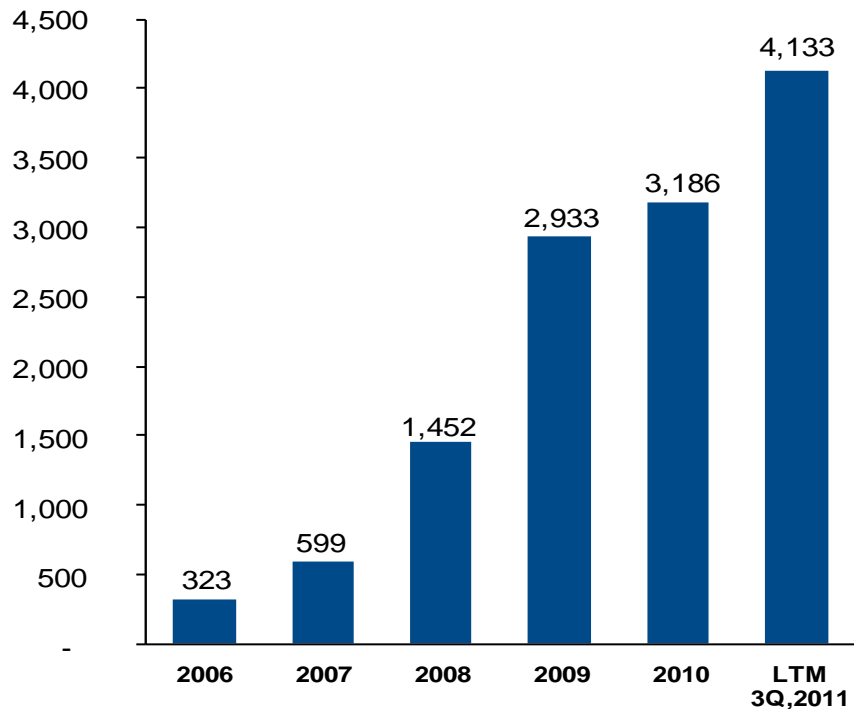
Strong growth across all geographies



# Strong operating performance as we grow...

## Production has been growing...

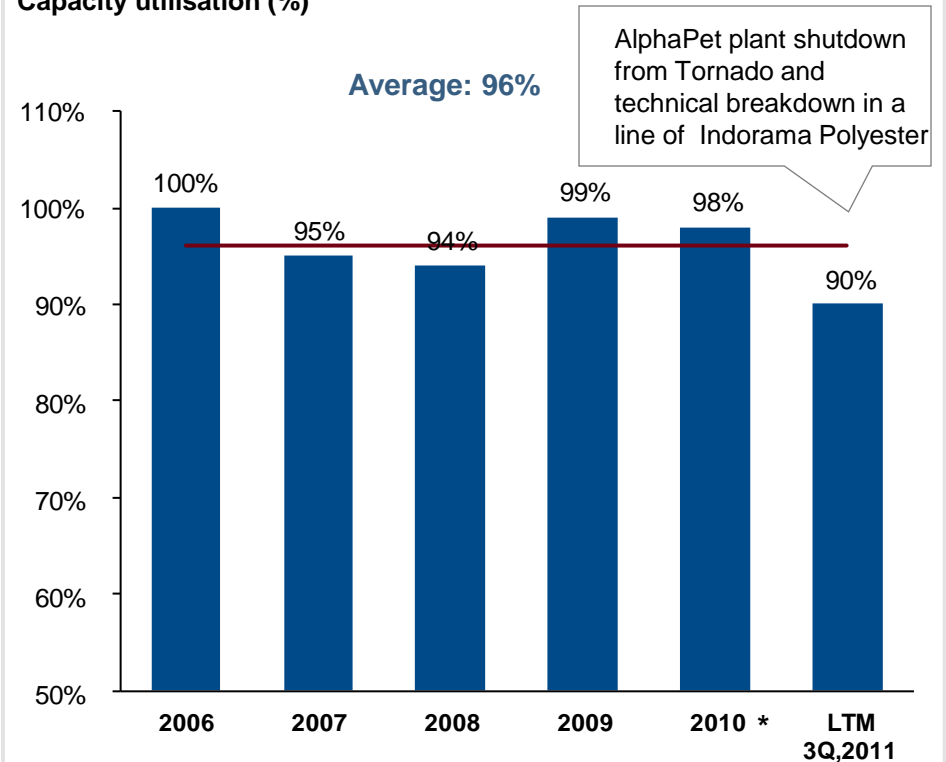
Production volume ('000 MT)



Source: Company information

## ...and operating performance remains high

Capacity utilisation (%)



## Indorama runs at almost full production levels even as we have expanded capacity

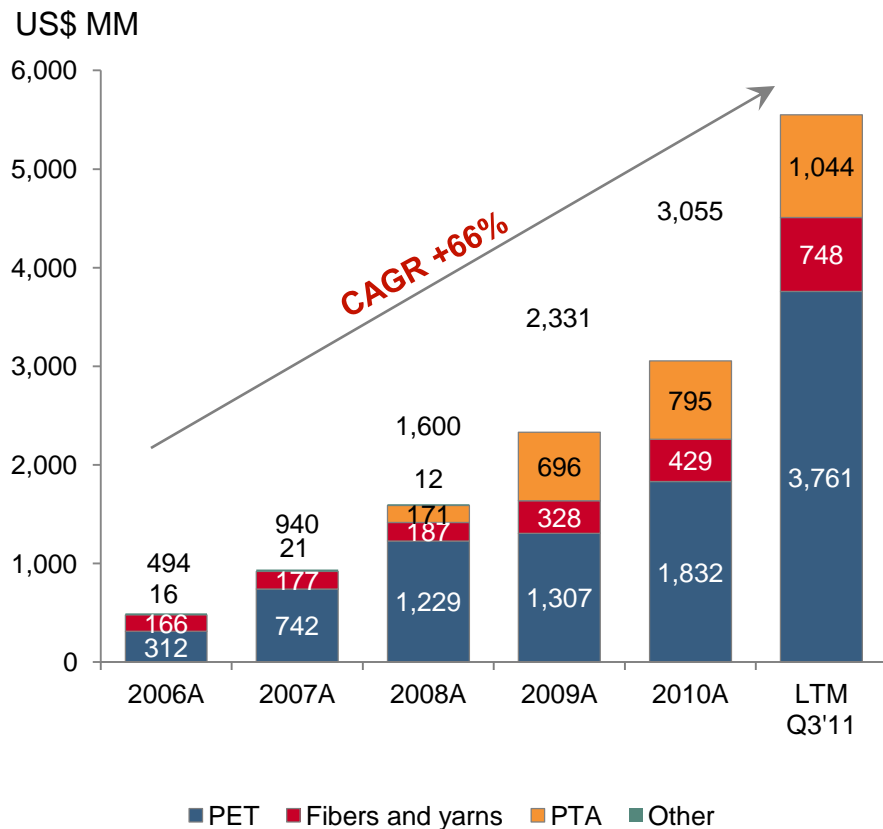
**Note**

1. Does not include volume for JV assets

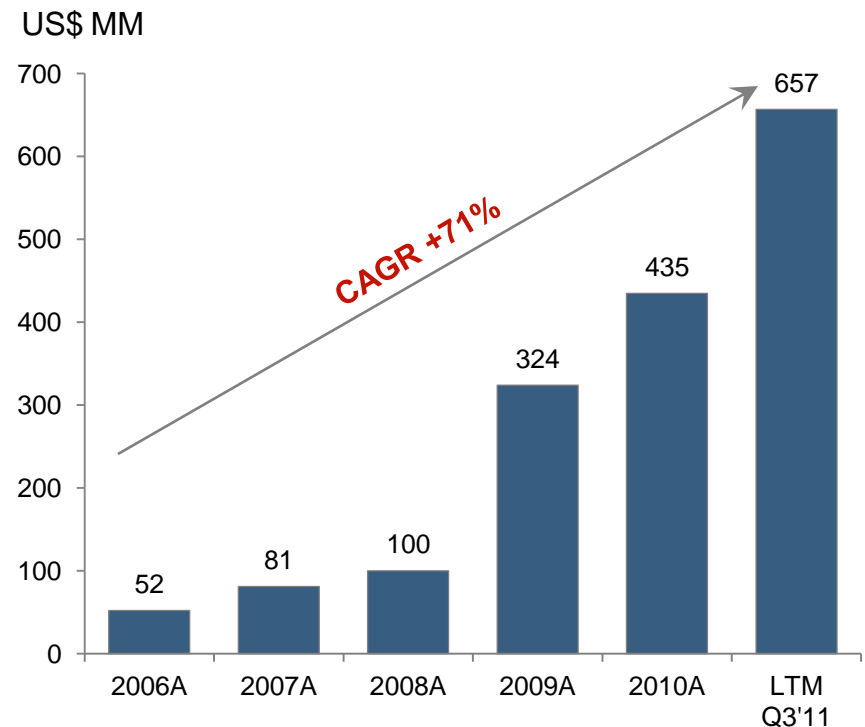
\*Unplanned shutdown in H1, 2011, AlphaPet (USA) from tornados and Indorama Polyester Industries – Rayong facility (Thailand) from breakdown in the process plant

# Growth in revenues and earnings within the integrated polyester chain...

## Growth in Sales revenue by ~66% per annum

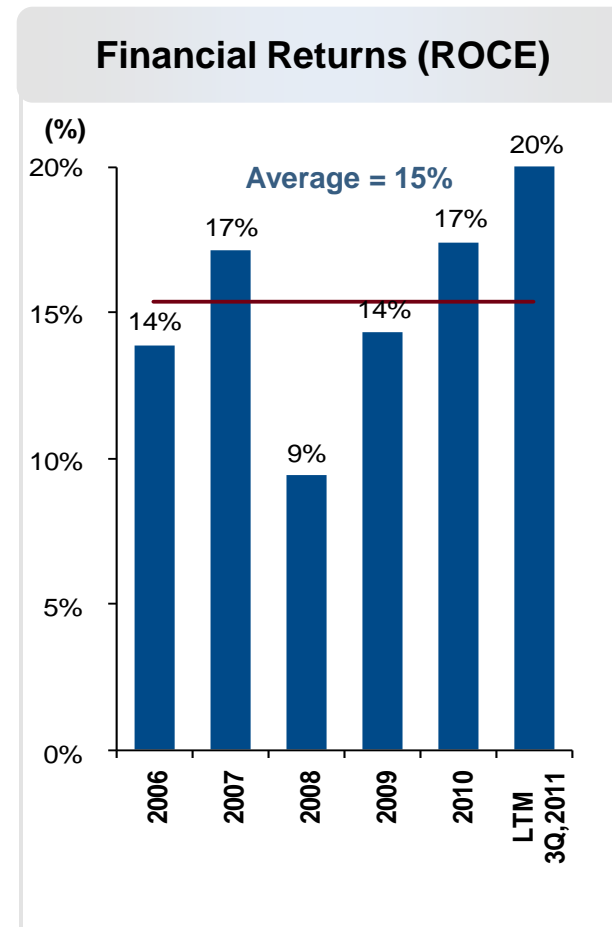
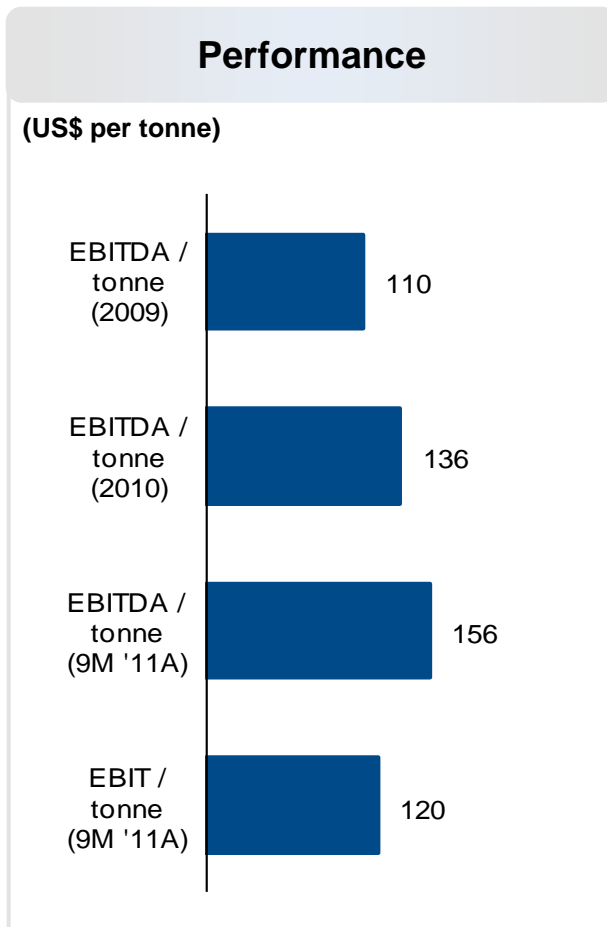
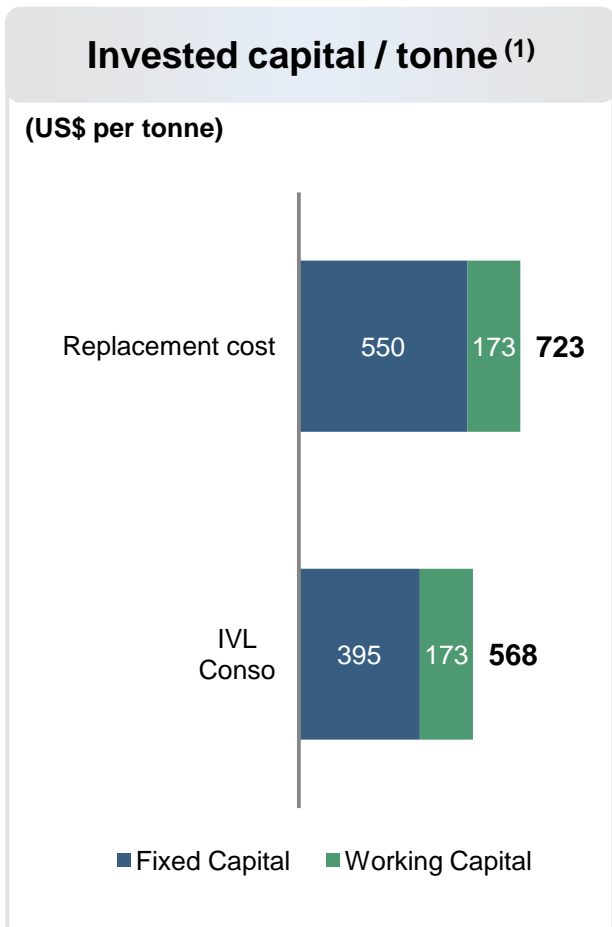


## Growth in Reported EBITDA by ~71% per annum



Note: Consolidated revenues are after Intercompany eliminations

# ...Delivering strong financial returns



Source: Company information, Bloomberg

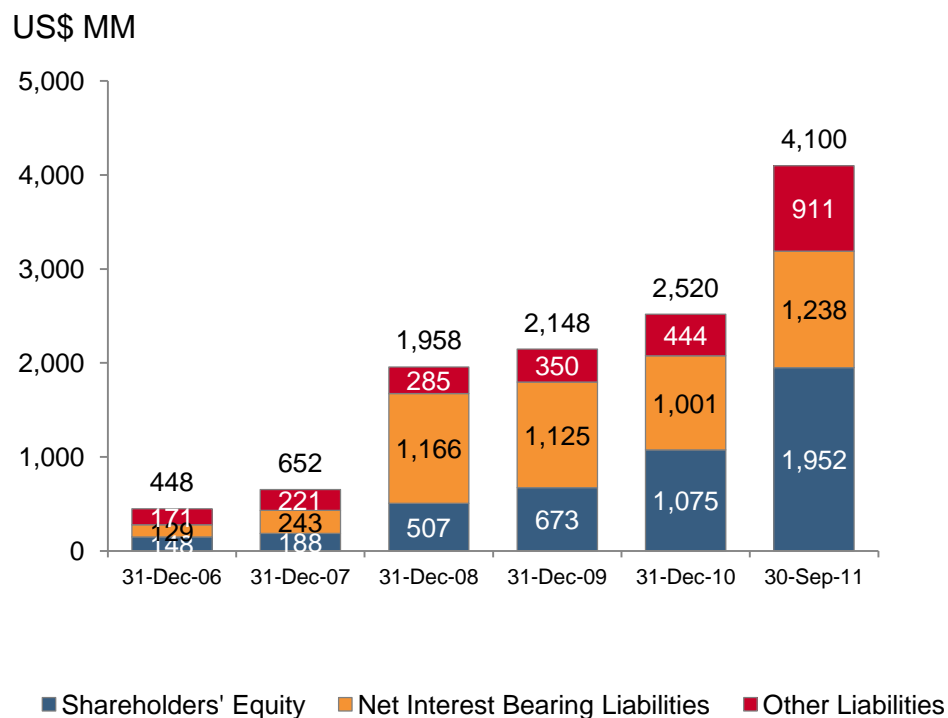
**ROCE has been improving with our evolving business model**

**Notes**

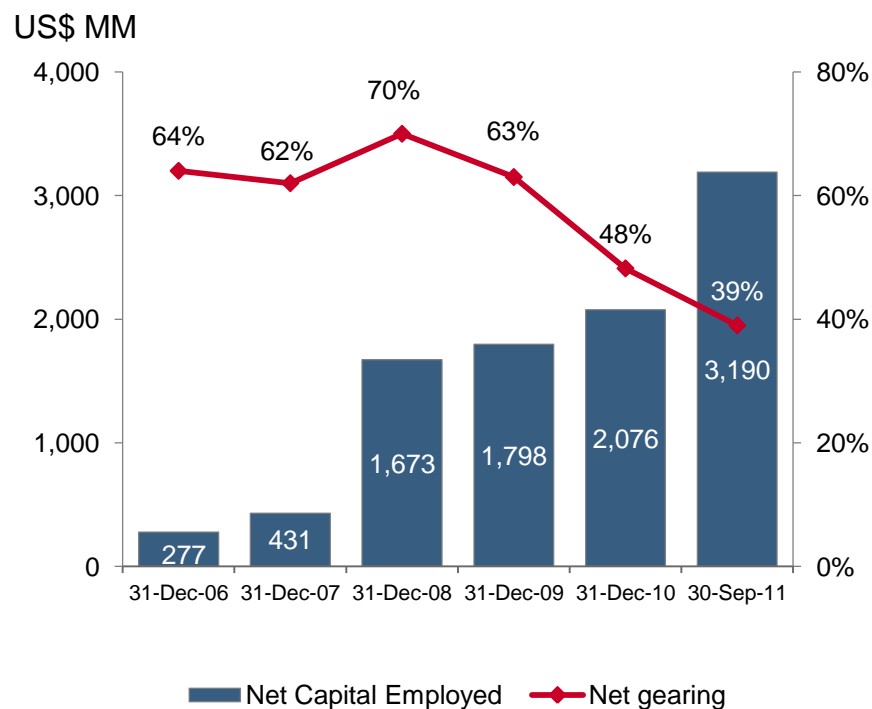
1. Invested capital / tonne = (total investment including working capital) / production capacity per tonne
2. Average THB/USD: 2006 – 37.94, 2007 – 34.43, 2008 – 33.33, 2009 – 34.32, 2010 – 31.70, LTM 3Q, 2011 – 30.24

# Strong capital structure

## Financial Position



## Capital Employed and Net Gearing ratio



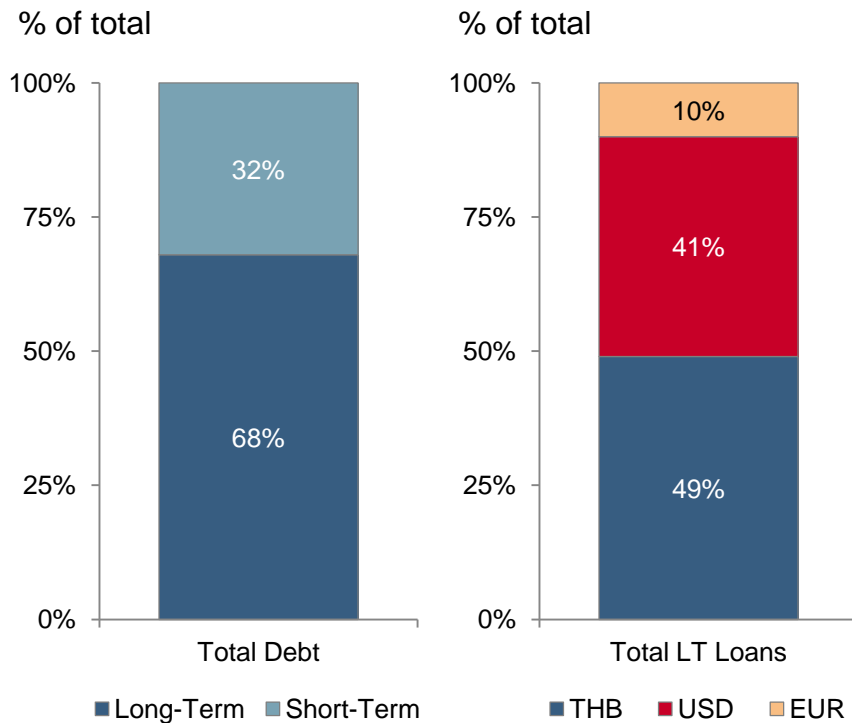
**Net gearing decreasing on growing asset base**

**Note**

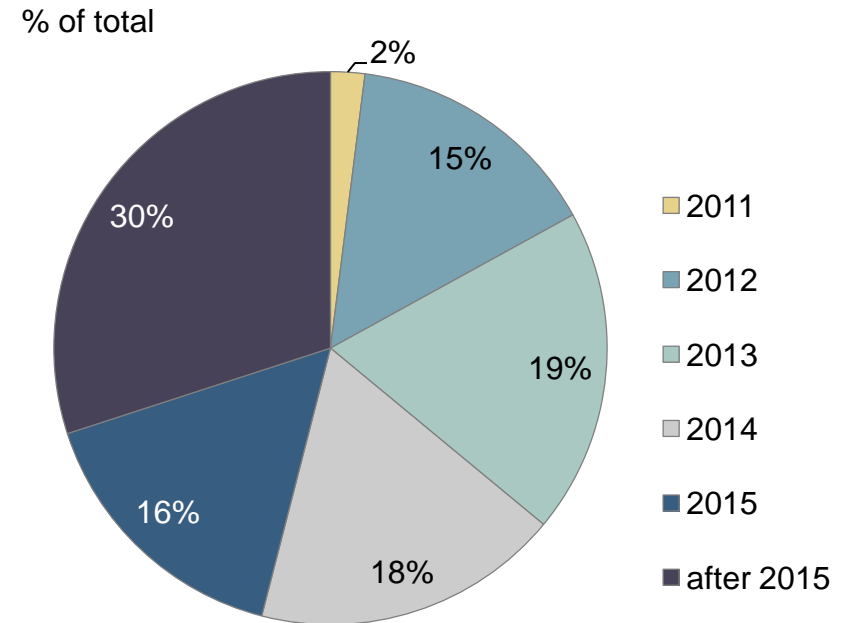
1. Closing THB/USD: 2006 – 36.09, 2007 – 33.77, 2008 – 34.90, 2009 – 33.37, 2010 – 30.15, 3Q, 2011 – 31.17

# Diversified debt exposure and well-managed debt repayments

## Debt Profile



## \*Long-term Loan Repayment Profile



**Total debt of which US\$0.5 billion is short-term and US\$1.1 billion is long-term.  
Short-term includes short-term loans and current portion of long-term loans**

Note: Include loans drawn out as of 30th Sep 2011

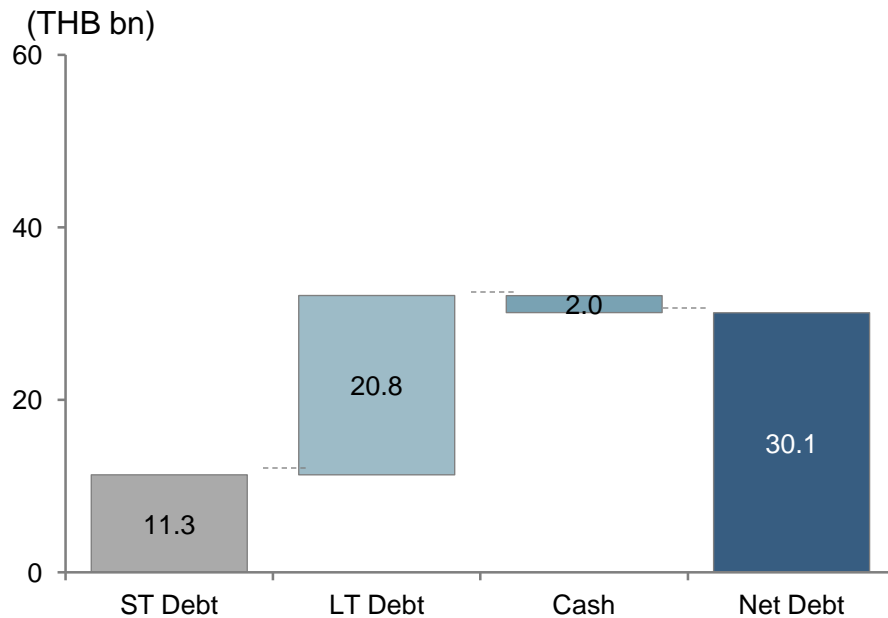
12 \*Post Thai Baht Debentures issue in October, 2011

# Stable net debt despite series of acquisition

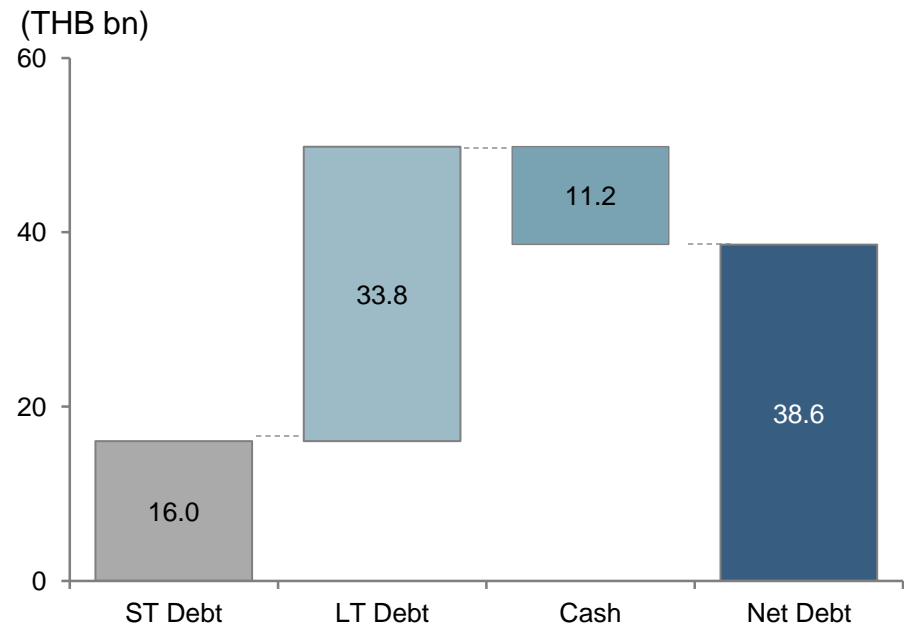
New loans drawdown and proceeds from right offering

## IVL Net Financial Debt

At 31-Dec-2010



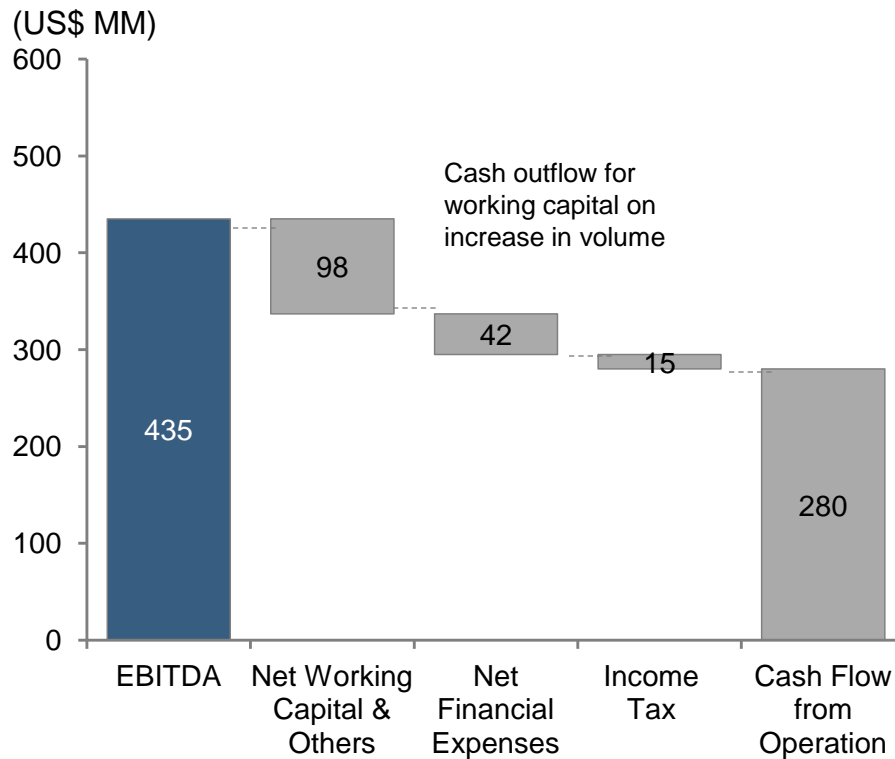
At 30-Sep-2011



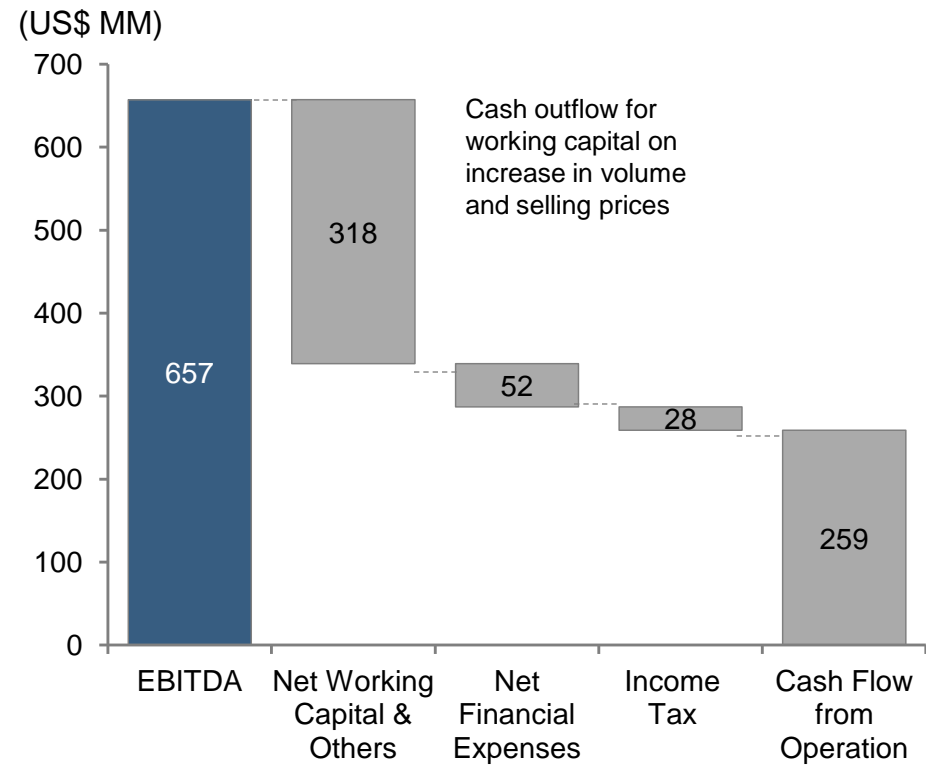
Note: As on September 30, 2011 Short term debt includes short term loans, bank overdrafts and Baht 5.1 bn in current portion of long term loans

# Increasing cash flow from operations

2010



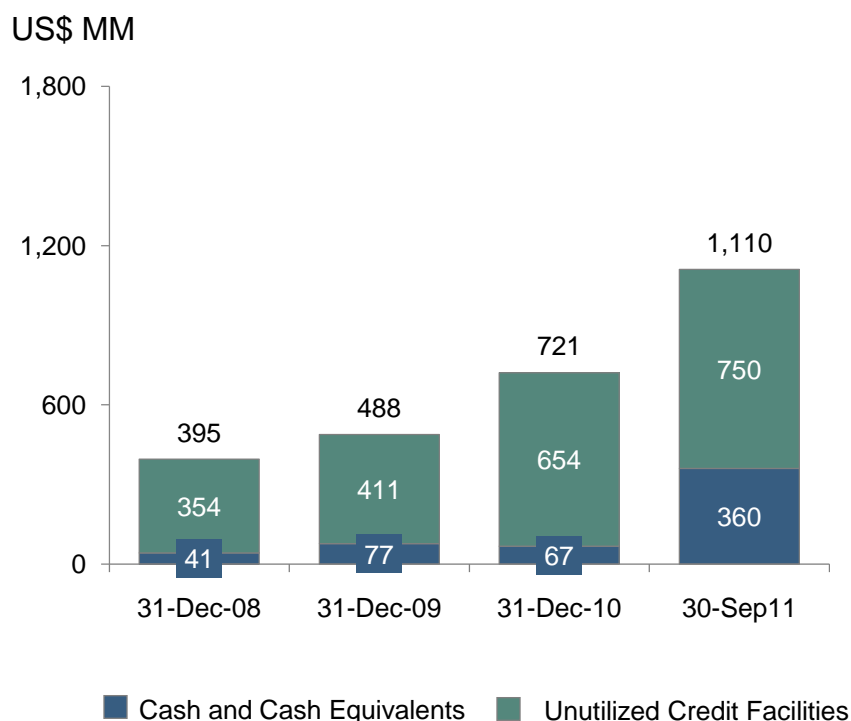
LTM 3Q,2011



Note:  
Average THB/USD: 2010 – 31.70, LTM 3Q, 2011 – 30.24

# Strong liquidity enhancing room for growth

## Liquidity



## Strong internal cash generation

## Project finance/lending from commercial banks and financial institutions

### February 2010:

- Proceeds from IPO of US\$ 135 million
- Completed exchange offer of US\$ 218 million from IRP minority shareholders

### March 2011:

- Proceeds from right offering of US\$ 564 million

### October 2011:

- Complete the issue of Thai Baht Bonds of Baht 7.5 billion in 5, 7 and 10 years tranches.

**Proven record of capital raising in both debt and equity market**

#### Note

1. Closing THB/USD: 2006 – 36.09, 2007 – 33.77, 2008 – 34.90, 2009 – 33.37, 2010 – 30.15, 3Q, 2011 – 31.17

# Agenda

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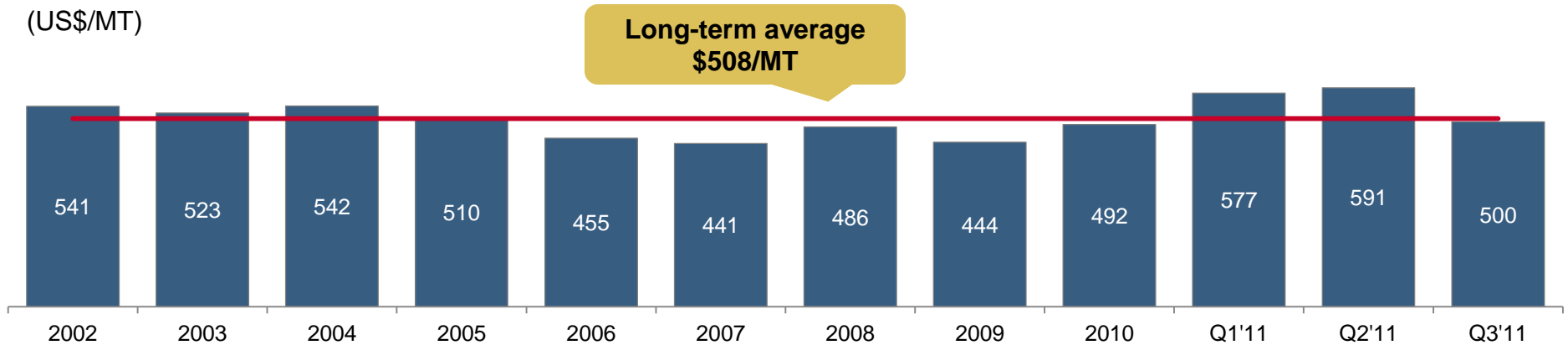
Financial Performance

**Margin Analysis**

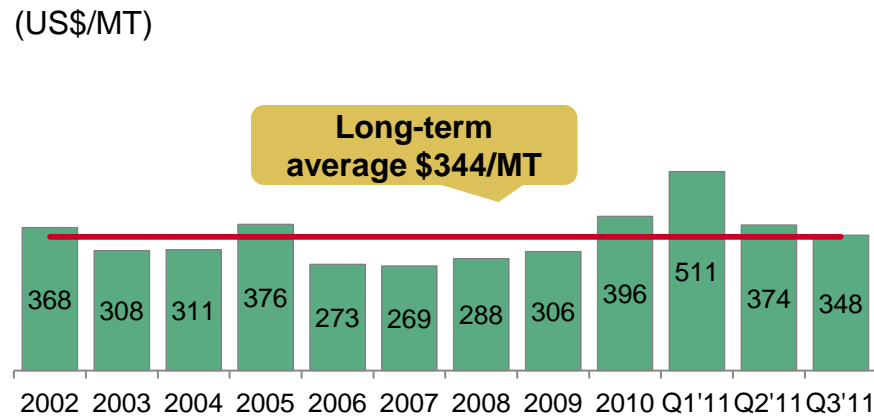
Company Overview

# Global Polyester Chain Integrated Spreads

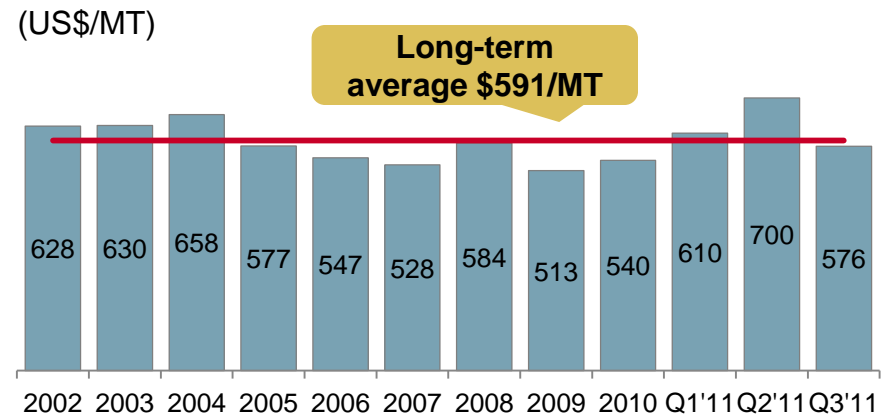
## Global Integrated PTA/PET Spreads



## Asian Integrated PTA/PET Spreads



## Western Integrated PTA/PET Spreads



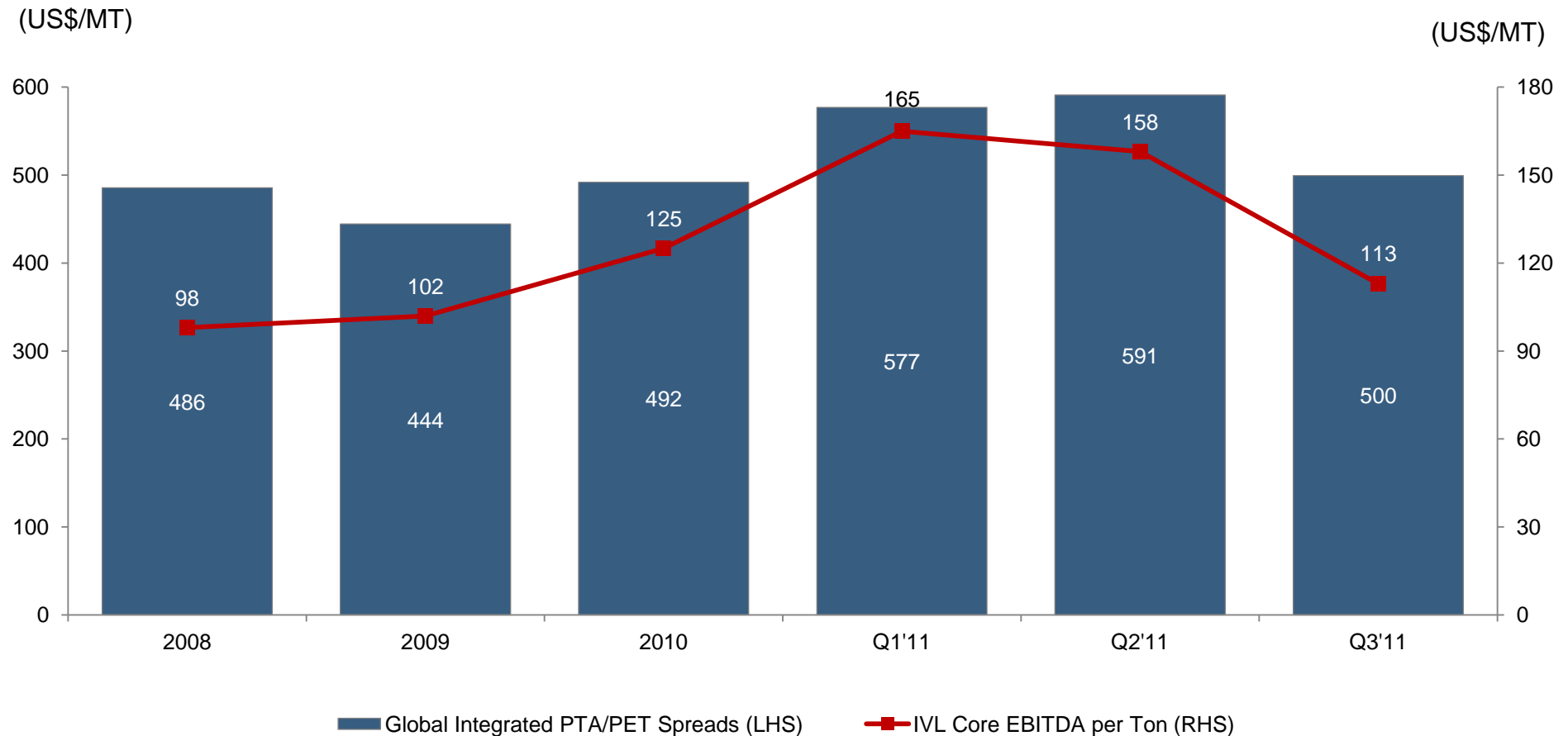
Note: Blended spreads across three regions: North America, Europe and Asia, for 1T of PET produced

Western includes North America and Europe

Source: CMAI, SBA, PCI, IVL Analysis

# IVL Core EBITDA per Ton movement in line with Industry Spread

## IVL Core EBITDA per Ton vs. Global Integrated PTA/PET Spreads

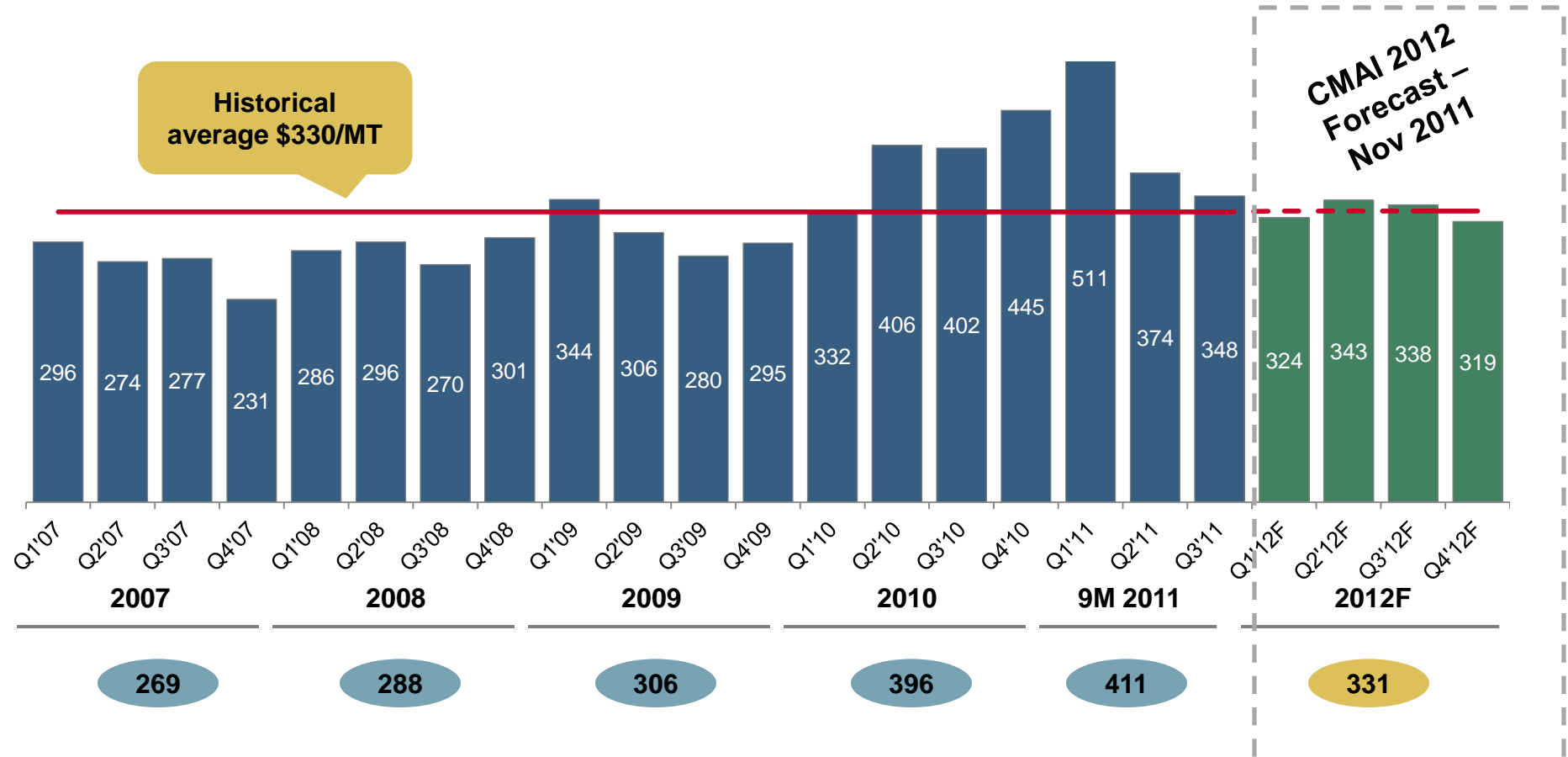


Note: Blended spreads across three regions: North America, Europe and Asia, for 1T of PET produced  
 Western includes North America and Europe  
 Source: CMAI, SBA, PCI, IVL Analysis

# Asian integrated spreads settling at long-term averages

## Asian PTA/PET Quarterly Spreads - Q1 2007 – Q4 2012F

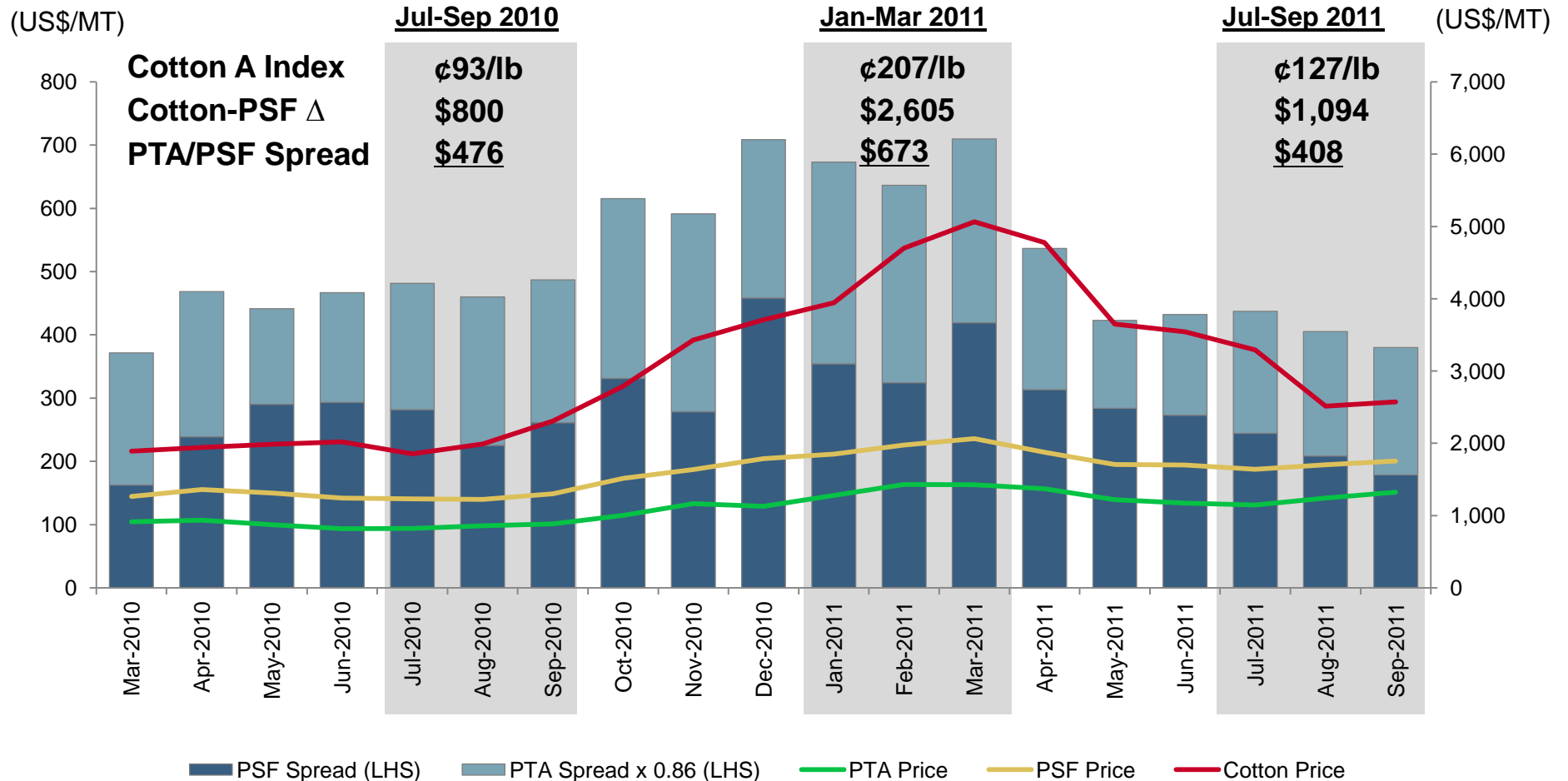
(US\$/MT)



Note: For 1T of PET produced  
 Source: CMAI, SBA, PCI, IVL Analysis  
 19

# Asian Integrated Spreads Development

## Asian PTA/PSF Spreads vs Cotton – Jan 2010 – Sep 2011



# Agenda

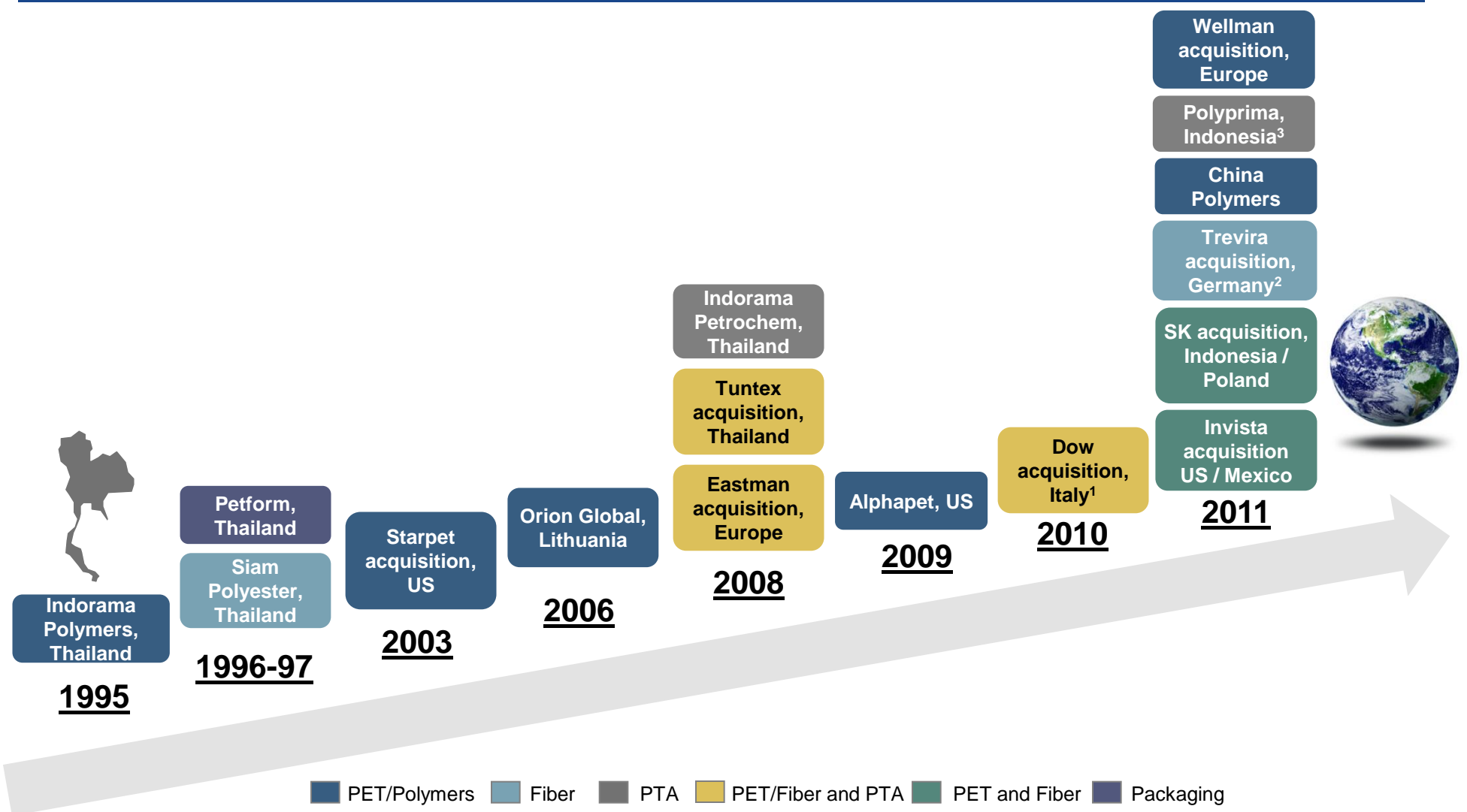
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Financial Performance

Margin Analysis

**Company Overview**

# Track record of successful growth



1. 50:50 JV between IVL and PCH Holding SRL  
 2. 75:25 JV between IVL and Sinterama  
 3. Acquisition of a 41% equity stake in Polyprima in Q4 2011

# Growth projects to complete in year 2012-13

2011 - 2013		Project	Volume Growth	Innovation & Recycling	Productivity & Integration
Committed Projects	Growth CAPEX	 Rotterdam PET expansion	✓		✓
		 Rotterdam PTA expansion	✓		✓
		 Poland PET expansion	✓		✓
		 Nigeria PET greenfield	✓		
		 Indonesia Fiber expansion	✓	✓	✓
		 Polyprima PTA JV acquisition <sup>1</sup>	✓		✓
		 IPI – PET recycling	✓	✓	
		 Indonesia – Project FINNE	✓	✓	
		 IPI – Specialty Yarns (BICO)	✓	✓	
		 Wellman – rPET/Fiber	✓	✓	✓
	Improvement CAPEX	 Spartanburg DMT to PTA			✓
		 China new SSP / coal-fired boiler	✓		✓
		 TPT – PTA/Power debottlenecking	✓		✓
		 Indonesia – Gas engine			✓
		 Petform expansion	✓		✓

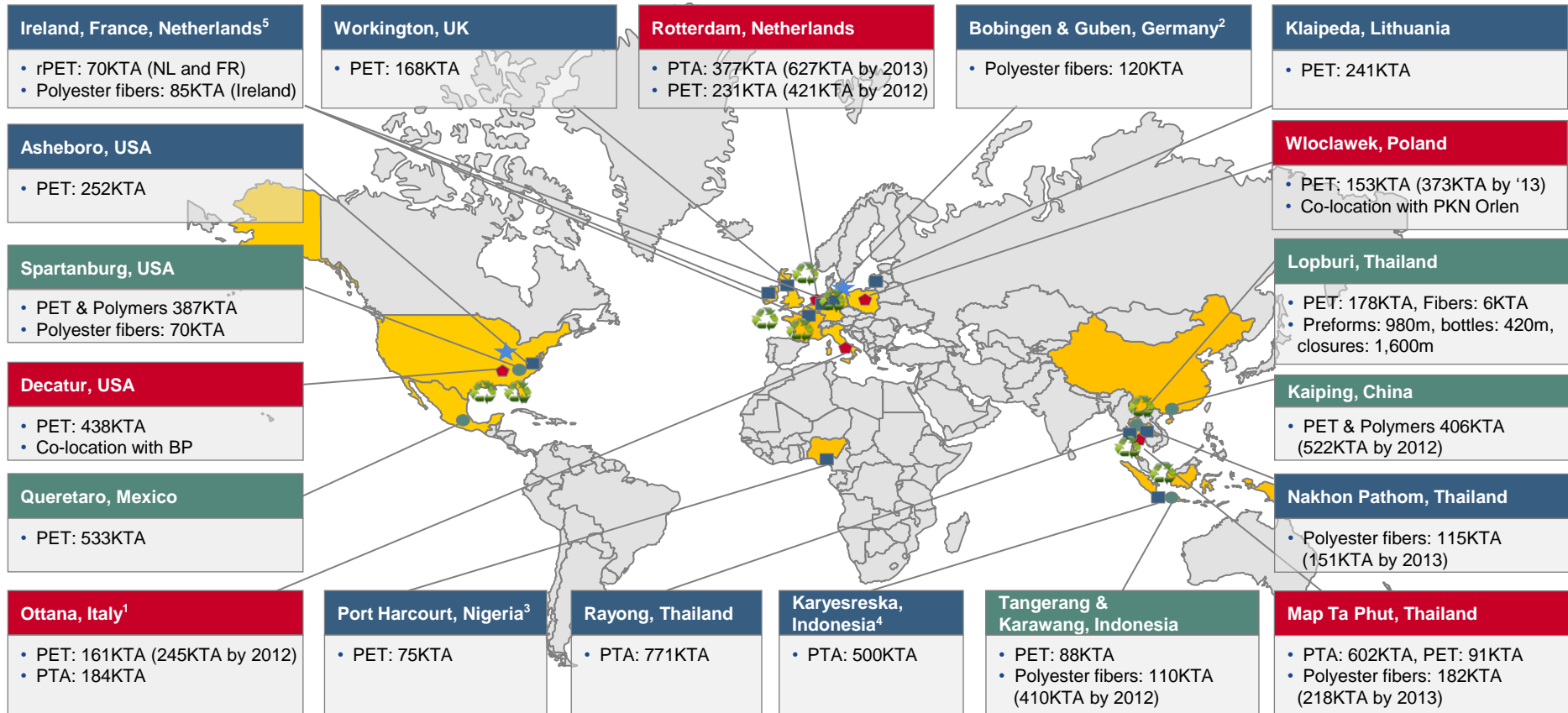
1. Accounting on equity-income basis

Source: Company Data

# Global customer-centric presence

Truly global production, marketing and sales footprint

## 27 sites in 14 countries across 4 continents



◆ PTA Integrated / Co-located  
 ● PET/Fiber Co-located  
 ■ Standalone  
 ★ R&D  
 ♻️ Bio-PET, rPET

1.50:50 JV between IVL and PCH Holding SRL 2. 75:25 JV between IVL and Sinterama

3. Under construction, expected to be completed by 2012 4. Acquisition of a 41% equity stake in Polyprima in Q4 2011; under closing 5. Under closing

# Pipeline of innovative, value-added products

## Specialty Polymers



**OxyClear**  
Juice, wine,  
packaged food



**PolyShield**  
Beer market



**Polyclear EBM**  
Multi-way bottles and  
large containers

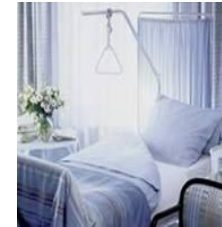


**Ramapet FG**  
Film for photovoltaic  
solar modules

## Specialty Fibers



**X-Flame**  
**Flame Retardant**  
Home, Activewear



**Trevira Bioactive**  
Medical, Home



**Trevira**  
**BioPolymers**  
Health, Hygiene



**Ecorama Recycled**  
**Yarns**  
Apparel

# Our products drive our customers' sustainability agenda

## Efficiency



- Polyester fiber provides resource efficiency, requiring less energy, water and area as compared to cotton
- PET resin has the lowest energy consumption and waste generation as compared to aluminum and glass

## Green Products



- Bio-PET resin made from 30% bio-content, exclusive to Coca-Cola's PlantBottle™
- Eco-friendly pre-colored Indorama yarns save 180,000 kg of chemical dyes plus effluents
- Collaboration with Purac to make a new generation bio-based sustainable fiber

## Recycling Initiatives



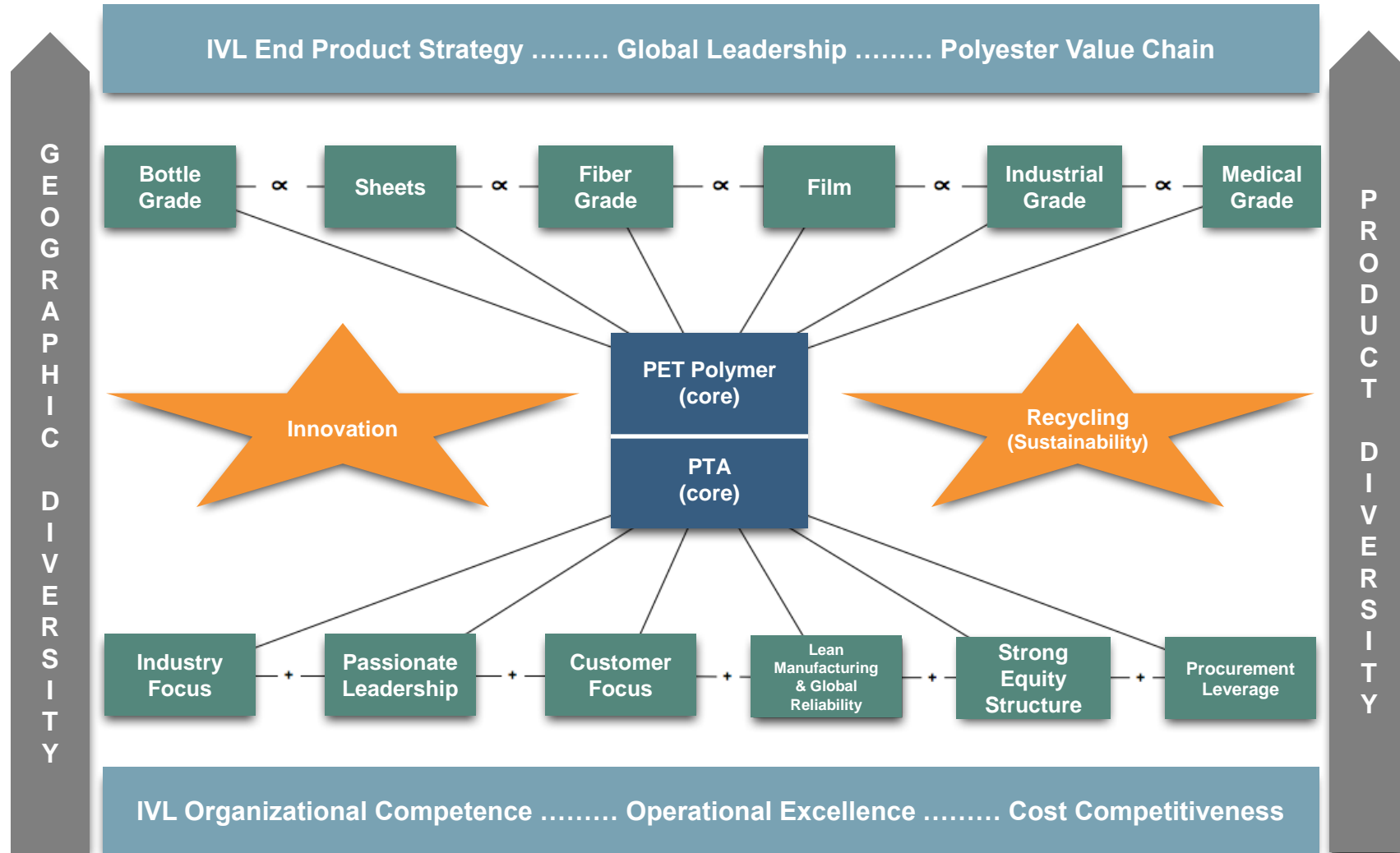
- Committed investment in recycling capacity at Alphapet, Decatur, USA
- Current PET portfolio comprises of recycled content, e.g. Polyclear Conserve™ (10-20% PCR)
- Ecorama – Indorama's recycled yarn brand made from 100% PCR bottles

## Carbon Footprint



- PET resin has 60% and 77% lower CO<sub>2</sub> emissions as compared to aluminum and glass, respectively
- Polyester fiber has 67% lower CO<sub>2</sub> emissions as compared to cotton

# Leveraging our core competencies across geography & products



# Summary

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- ✓ **Strong commitment to growing shareholder value**
- ✓ **Steady growth in demand**
- ✓ **Defined strategy to deliver value-driven growth**
  - Global and diversified business model
  - Generating value through product innovation and sustainability
  - Diversifying product and customer portfolio to enhance value proposition
  - Enhancing our vertical integration for margin and feedstock stability
- ✓ **Maintaining dividend pay-out policy of 30% and paid maiden half-yearly dividend in Q3, 2011**
- ✓ **Maintaining investment grade financial profile**

**Thank You**

**[www.indoramaventures.com](http://www.indoramaventures.com)**

# Summary Consolidated Financials

Income Statement (THB MM)	2006	2007	2008	2009	2010	9M 2011
<b>Sales</b>	<b>18,759</b>	<b>32,345</b>	<b>53,331</b>	<b>79,994</b>	<b>96,858</b>	<b>142,762</b>
<b>COGS</b>	<b>16,563</b>	<b>28,766</b>	<b>48,178</b>	<b>67,666</b>	<b>82,125</b>	<b>124,702</b>
<i>Gross profit</i>	<i>2,196</i>	<i>3,579</i>	<i>5,153</i>	<i>12,328</i>	<i>14,733</i>	<i>18,060</i>
<b>EBIT</b>	<b>1,340</b>	<b>2,036</b>	<b>1,779</b>	<b>7,946</b>	<b>10,445</b>	<b>12,033</b>
<b>Reported EBITDA</b>	<b>1,955</b>	<b>2,798</b>	<b>3,346</b>	<b>11,106</b>	<b>13,777</b>	<b>15,623</b>
<b>Net profit before minority</b>	<b>1,015</b>	<b>1,410</b>	<b>3,123</b>	<b>6,019</b>	<b>11,122</b>	<b>17,122</b>
<b>Net profit after minority</b>	<b>684</b>	<b>908</b>	<b>2,656</b>	<b>4,824</b>	<b>10,560</b>	<b>17,026</b>
<b>Gross margin (%)</b>	<b>12.0</b>	<b>11.2</b>	<b>9.9</b>	<b>15.5</b>	<b>15.3</b>	<b>13.2</b>
<b>EBITDA margin (%)</b>	<b>10.4</b>	<b>8.7</b>	<b>6.3</b>	<b>13.9</b>	<b>14.2</b>	<b>10.9</b>
<b>Net profit margin before minority (%)</b>	<b>5.4</b>	<b>4.4</b>	<b>5.9</b>	<b>7.5</b>	<b>11.5</b>	<b>12.0</b>

Balance Sheet (THB MM)	2006	2007	2008	2009	2010	9M 2011
<b>Cash &amp; cash equivalents</b>	<b>613</b>	<b>1,153</b>	<b>1,435</b>	<b>2,560</b>	<b>2,024</b>	<b>11,225</b>
<b>PP&amp;E</b>	<b>13,394</b>	<b>14,206</b>	<b>49,641</b>	<b>49,505</b>	<b>48,820</b>	<b>66,481</b>
<b>Total assets</b>	<b>21,501</b>	<b>25,361</b>	<b>69,768</b>	<b>74,260</b>	<b>77,940</b>	<b>139,018</b>
<b>Short-term debt</b>	<b>2,702</b>	<b>3,767</b>	<b>14,543</b>	<b>14,696</b>	<b>11,341</b>	<b>16,027</b>
<b>Long-term debt</b>	<b>7,298</b>	<b>7,795</b>	<b>27,584</b>	<b>25,404</b>	<b>20,863</b>	<b>33,780</b>
<b>Total liabilities</b>	<b>16,149</b>	<b>19,013</b>	<b>52,061</b>	<b>51,794</b>	<b>45,600</b>	<b>78,187</b>
<b>Paid-up capital</b>	<b>400</b>	<b>400</b>	<b>3,352</b>	<b>3,352</b>	<b>4,334</b>	<b>4,814</b>
<b>Retained earnings</b>	<b>1,756</b>	<b>2,698</b>	<b>5,463</b>	<b>10,093</b>	<b>18,910</b>	<b>29,276</b>
<b>Total shareholders' equity</b>	<b>5,352</b>	<b>6,348</b>	<b>17,707</b>	<b>22,466</b>	<b>32,405</b>	<b>60,831</b>