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Indorama Ventures to Acquire PET Business in Brazil Maiden Entry into Key South American Market Strengthens its Position as the #1 PET Player Globally

Mar 16, 2018

- **Expands global footprint with presence in South America**
- **Identifies growth and margin enhancement opportunities through scale advantage and cost synergies**
- **Reaches a larger customer base, complementing IVL's existing operations and technologies**

Bangkok, Thailand – 16 March 2018 – Indorama Ventures Public Company Limited (IVL), a global chemical producer, has announced that it has entered into an agreement to acquire M&G Polimeros Brazil S.A. in Ipojuca Brazil. The plant is the largest PET facility in Brazil, with capacity of 550,000 tonnes/ annum. This plant is strategically located and benefits from virtual integration with a manufacturer of Purified Terephthalic Acid (PTA), a key feedstock to PET.

The transaction is expected to be completed in second quarter 2018, subject to regulatory approvals.

This acquisition in Brazil is in line with the Company's strategy to further extend its market position, and expand its global footprint in key markets with high growth potential. This strategic position allows Indorama Ventures to deliver products to key customers in Brazil and elsewhere in a cost-effective and efficient manner. Indorama Ventures is well positioned to service its current global client base and M&G's existing customers once this acquisition is complete and the plant is fully operational. The Company expects immediate incremental revenues and cost synergies, driven by a substantial volume increase and potential value add through backward integration.

South America is an important emerging market with domestic demand for PET growing at around 5%. Today's per capita consumption of PET is comparatively low at 2.8 kg and has great potential for growth. Brazil also has strong underlying fundamentals, supported by government policies to stimulate economic growth and strengthen the domestic market.

Indorama Ventures continues to be on a transformational journey aimed at accretive growth and sustainable value creation, while maintaining financial discipline. In its latest financial disclosure of 20 February 2018, the Company announced its record EBITDA of US\$ 1 billion for 2017 which was a growth of 30% on a year-on-year basis. Significant improvement in the PET and feedstocks business environment also enabled its net profit to grow by 68% on a year-on-year basis. This is a testament to a well-developed strategy and carefully selected acquisitions backed by a prudent mix of products and geographies, which ensure the sustainability of the Company. This acquisition will significantly advance IVL's strategy in its Necessities business, where the Company aims to deepen its global footprint and build scale in key markets.

Commenting on the acquisition, Mr. Alope Lohia, Group CEO of Indorama Ventures, said, "We are pleased to have reached this agreement, and taken significant action to strengthen our capability for profitable growth. Indorama Ventures now has unrivalled scale and global reach, being present in five continents with a uniquely balanced and integrated business model."

"This is an exciting move for us, reflecting our continued commitment to support our customers using our global scale and local presence. We look forward to capitalizing on this new market and opportunities for cross-selling to immediately deliver greater value to existing and new customers, while delivering profitable growth and enhanced shareholder value."

HSBC is serving as financial advisor, KPMG is serving as Finance and Tax due diligence advisors, and Mattos Filho & Lowenstein Sandler is serving as Legal advisors.

About Indorama Ventures

Indorama Ventures Public Company Limited, a DJSI member, listed in Thailand (Bloomberg ticker IVL.TB), is one of the world's leading petrochemicals producers, with a global manufacturing footprint across Africa, Asia, Europe and North America. The company's portfolio comprises Necessities and High Value-Added (HVA) categories of Polymers, Fibers, and Packaging, selectively integrated with self-manufactured Ethylene Oxide/Glycols and PTA where economical. Indorama Ventures products serve major FMCG and Automotive sectors, i.e. Beverages, Hygiene, Personal Care, Tire and Safety segments. Indorama Ventures has approx. 15,000 employees worldwide and consolidated revenue of US\$ 8.4 billion in 2017.

Indorama Ventures is headquartered in Bangkok, Thailand with global operating sites in

EMEA: The Netherlands, Germany, Ireland, France, UK, Italy, Denmark, Lithuania, Poland, Czech Republic, Luxembourg, Spain, Turkey, Nigeria, Ghana, Portugal

North America: USA, Mexico, Canada

Asia: Thailand, Indonesia, China, India, the Philippines, Myanmar

Contacts

Richard Jones
Tel: +662.661.6661 ext. 680
richard.j@indorama.net

Naweensuda Krabuanrat
Tel: +662.661.6661 ext. 247

naweensuda.k@indorama.net[< Back](#)**Our Company**

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