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Indorama Ventures signs 8th highly complementary acquisition. IVL to acquire Aromatic, PTA and Specialty business in USA

Jan 07, 2016

Bangkok 7th January 2016; IVL has agreed to acquire BP Chemical's Decatur, Alabama business (with a total capacity of ~1.8 million tons/year) consisting of integrated Paraxylene and PTA manufacturing as well as the world's only commercial plant to manufacture NDC, a specialty chemical used in performance polymers and films for application such as smart-phone screens. The transaction is expected to complete in the first half of 2016 and is subject to the usual regulatory approvals.

Aloke Lohia, Group CEO of Indorama Ventures, said, "2015 was a truly transformative year for IVL and the transactions signed up are a game changer for the industry. Our industry faces continually new challenges and IVL has taken these times as an opportunity to remain focused and surge ahead to deliver a distinct and compelling investment platform with scale advantages, technology ownership and innovative products which our customers can rely upon, creating the IVL differentiation."

IVL is firmly on track to fulfill on its 2015 capital day announcement, which was re-affirmed in its mid-year strategy review in July 2015, to achieve double-digit EBITDA margins and 2X core EBITDA growth by the end of 2018 compared with 2014, which saw a core EBITDA of \$600 million. At the same time IVL aspires to achieve 4X core EPS growth by end 2018 over 2014. The below-mentioned transactions will be major accelerators in IVL's ongoing transformation, through which we are creating significant growth and portfolio enhancement to each of our three powerful verticals: PET, Feedstock's and High Value Add (HVA) businesses that are interlinked and are synergistic to deliver enhanced value for all our shareholders and our customers.

- BP Alabama, USA. **Feedstock independence and HVA growth**
- MicroPet, India. **Core business entry in the fastest growth market with the largest population.**
- CEPESA Spain. **Feedstock independence, EU wide coverage of PET and maiden entry into IPA, an HVA business enhancement.**
- Ethylene Cracker, Louisiana, USA. **Feedstock independence and leverage on shale gas economics.**
- CEPESA, Canada. **Feedstock independence in North America.**
- Bangkok Polyester, Thailand. **Consolidation of core PET business and supply chain integration with captive PTA.**
- Performance Fiber, China. **Decades of superior polyester tire cord brand in the largest growth market for automobiles, with supply chain economics through captive PET polymer.**
- Polyplex PET, Turkey. **Consolidation of core PET business in an emerging market and Europe, Middle East and Africa (EMEA) wide coverage.**

"2015 has been an extraordinary year of opportunity to deliver long-term, sustainable shareholder value through the combination with eight highly complementary transactions creating global leadership and cost advantages in each of our verticals and the enhancement of the three strong, focused, industry-leading businesses," said Mr. Lohia. "For IVL, these bolt-on acquisitions are a definitive leap forward on our path to higher growth and higher margins. Over the next 12 months we will create significant near-term value through substantial cost synergies and over the mid-term we can expect additional upside from margin growth from internal rather than external forces. Longer term we intend to pursue and expect to unlock even greater value for shareholders and customers and more opportunity for employees as each business will be a cost leader in attractive segments and geographies where local demographics and global megatrends are driving demand for these businesses."

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