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Indorama Ventures to Acquire Avgol Industries

May 13, 2018

- **Attractive acquisition in HVA nonwoven business**
- **Acquisition strengthens Indorama's global footprint in leading markets**
- **Deepens relationships with global brands through long-term partnerships and**
- **More than doubles IVL's HVA personal hygiene portfolio**

Bangkok, Thailand – 13 May 2018 – Indorama Ventures Public Company Limited (IVL), a global chemical producer, announced that it has entered into a definitive agreement to acquire a 65.72% stake in AVGOL INDUSTRIES 1953 LTD., an Israel-listed global manufacturer for a sum of US\$ 1.62 per share. Avgol has six production sites globally in Israel, the US, Russia, China and India, with a combined production capacity of 203,000 tonnes/annum, and employing 900 employees worldwide.

The transaction is expected to be completed during the second half of 2018, subject to regulatory approvals.

Avgol is the 3rd largest manufacturer of nonwovens for hygiene applications in the world, and holds a global market share of 10%. Avgol's high-performance nonwoven fabrics are used by leading manufacturers of baby diapers, feminine hygiene products and adult incontinence products. Avgol also offers advanced solutions leveraging its proprietary technology such as AVSPUN and AVSOFT hydro-entangled spun laid fabrics, which address consumer requirements, including that of thinner, more discrete, softness, and higher performance products.

This acquisition represents a unique opportunity for Indorama Ventures to strengthen its leadership position in the high-growth personal hygiene oriented nonwovens market. Avgol offers IVL further diversification of its High value-added (HVA) portfolio. This acquisition will allow both companies to provide customers with a comprehensive range of products. Indorama Ventures will also be well-positioned to generate future growth in adjacent segments through its strong innovation pipeline, enabling the Company to

continue to provide compelling value and service to its customers worldwide.

The hygiene industry is the largest consumer of disposal nonwovens. The global hygiene market is projected to grow at a rate of 6-7% annually. Demand for nonwoven hygiene products continues to be favourable, driven by the growth in developing markets and the increase in GDP per capita, especially in South America, Africa and Asia (such as China and India), and ongoing demographic shifts. The increase in usage of adult incontinence products, which incrementally use 6 times the number of fibers, is further accelerating the overall growth in the industry.

Commenting on the acquisition, Mr. Alope Lohia Group CEO of Indorama Ventures, said, *“We are excited by the unique opportunity to bring Avgol into the Indorama Ventures family as it is a major step into expanding our HVA portfolio. With this acquisition, we are adding a company that has a distinctive position within a compelling segment and with strong growth prospects. Avgol has already made some significant investments to grow the business by expanding its production capacity and geographical footprint and we hope to capture the benefits and help the company reach further heights. Avgol’s established client base, complementary capabilities and substantial presence in high-growth markets, together with Indorama Ventures’ global presence, will provide a strong opportunity for creating additional value to best serve all our customers.”*

The transaction was engineered by Rothschild & Co who acted as sole financial adviser to Indorama Ventures. Legal advice was provided by HFN in Israel and KPMG provided financial due diligence support.

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

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