



BOI FAIR 2011

FORWARD

INNOVATION & GLOBAL COVERAGE

THE WAY

Annual Report 2011

INDORAMA
VENTURES

Indorama Ventures Public Company Limited



Vision

To be one of the leading global producers with key focus on people and processes thus making INDORAMA one of the most admired companies in the world.

Mission

Continuously upgrade quality of products and services through people involvement and world class processes to attain customer delight thus becoming a preferred supplier and institutionalise people learning as a key factor for business growth.

Value

People First

We believe that people are our core strength, be it our employees, suppliers, customers, shareholders and stakeholders. Their involvement and satisfaction are the key drivers for our success and growth.

Customer Delight

We believe we exist because of our customers. We focus our activities to achieve customer delight and loyalty for a long lasting relationship.

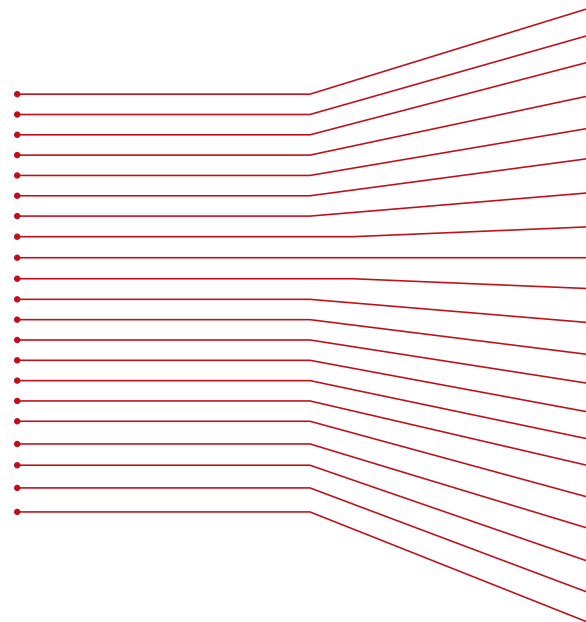
Social Responsibility

We believe in being responsible and caring for society; maintaining as well as enhancing the environment around us.

Corporate Governance

We believe in transparency, accountability and ethics. We aim to achieve the highest degree of governance in accordance with best practice.

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FORWARD

INNOVATION & GLOBAL COVERAGE

THE WAY





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Performance Highlights

(Baht Million) 2011 2010 2009 CAGR

CONSOLIDATED INCOME STATEMENT

Net sales	186,096	96,858	79,994	53%
Cost of sales	165,754	82,066	67,666	57%
Gross profit	20,342	14,792	12,328	28%
Selling and administration and others expenses	9,215	5,821	5,045	35%
Forex (gain) loss	(306)	(1,178)	(568)	-27%
Other (income) expense	(812)	(157)	(95)	192%
Operating profit	12,245	10,306	7,946	24%
*Non operating (income) expense	(3,926)	(1,155)	1,373	n.a
Profit before tax and minority	16,171	11,461	6,573	57%
Income tax	742	488	554	16%
Profit before minority	15,429	10,973	6,019	60%
Minority interest	(139)	560	1,195	n.a
Net profit after tax and minority interest	15,568	10,413	4,824	80%
EBITDA	17,021	13,777	11,106	24%

CONSOLIDATED BALANCE SHEET

Total Current Assets	67,771	26,144	23,566
Property, plant and equipment	66,825	48,820	49,505
Other Assets	11,230	2,976	1,189
Total Assets	145,826	77,940	74,260
Total Current Liabilities	43,201	24,038	25,785
Long term loans - net of current portion	33,742	20,768	25,404
Debenture	7,469	-	-
Other liabilities	2,637	893	605
Total Liabilities	87,049	45,699	51,794
Issued and paid-up capital	4,814	4,334	3,352
Share premium	29,775	13,031	4,443
Retained earnings and reserves	24,049	14,543	9,384
Minority interest	139	333	5,287
Total shareholders equity	58,777	32,241	22,466

FINANCIAL RATIOS

Gross margin	10.9%	15.3%	15.4%
EBITDA margin	9.1%	14.2%	13.9%
Net margin before minority	8.3%	11.3%	7.5%
Earnings per Share	3.29	2.46	1.44
Return on equity	35.1 %	41.8%	32.2%
Return on capital employed	16.1%	17.6%	14.3%
Net gearing	42.6%	48.2%	62.6%
Net debt - equity	0.74	0.93	1.67

* Year 2011 non operating (income) expense includes extraordinary income of Baht 6,112 million which comprise of gain on bargain purchase of Baht 8,370 million, acquisition costs of Baht 613 million and impairment loss due to flood of Baht 1,645 million.

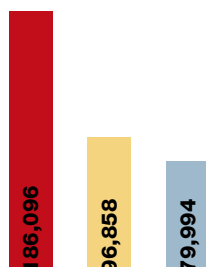
Year 2010 non operating (income) expense includes extraordinary income from gain on bargain purchase of Baht 2,451 million.

Performance Charts

Unit

Net Sales

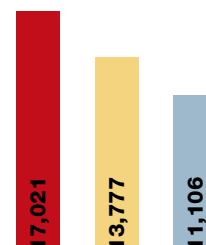
(Baht Million)

186,096**96,858****79,994**

Unit

EBITDA

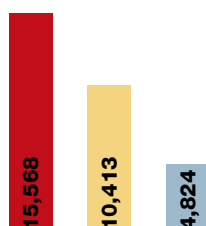
(Baht Million)

17,021**13,777****11,106**

Unit

**Net Profit
after Tax and
Minority**

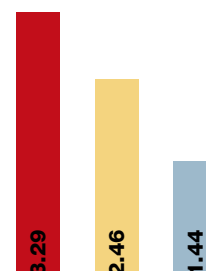
(Baht Million)

15,568**10,413****4,824**

Unit

**Earnings
per Share**

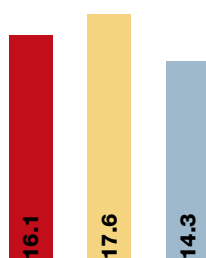
(Baht per Share)

3.29**2.46****1.44**

Unit

**Return on
Capital
Employed**

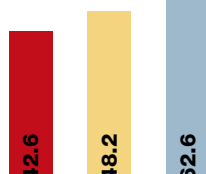
(%)

16.1**17.6****14.3**

Unit

Net Gearing

(%)

42.6**48.2****62.6**

■ 2011
■ 2010
■ 2009



Message from the Chairman



S. P. Lohia

(S.P. Lohia)

Chairman of the Board

Dear Shareholders,

Henry Ford once said about teamwork, *"Coming together is a beginning. Keeping together is progress. Working together is success."*

It is now self-evident that some great managers came together at Indorama Ventures many years ago and made progress each year by sticking to the task and holding the team together. Now we are reaping the success of their teamwork.

Many of our managers have been working together for over 10 years and as we grow we continuously add new experience and learn again what success is. We added seven companies to our team in 2011 and are working together to ensure success in the future.

We are now in 15 countries around the world and yet we are able to work together because of our common goals. Everyone wants to believe he or she is the best. How many people have the chance to say, "I work in the world's number one"?

Besides pride in our business success, I am also proud of our steps towards giving something back to society and lowering our impact on the environment. Our CSR policy covers our attention to our own employees, to the community, to other stakeholders and to the environment.

Our CSR policy is part of a very comprehensive sustainability plan that incorporates seven pillars on which we build. We are ardently involved with the conservation of energy and the production of green energy to the extent that we have converted many of our electrical equipment to run more efficiently and lower our consumption of energy. We have also implemented green energy projects, such as the solar power farm at our site in Lopburi. Recycling is becoming a major thrust of our growth today and I am pleased that the company invested not only in Wellman International, Europe's largest recycler



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polyclear
EBM



of post-consumer plastic waste, but has constructed a recycling plant next to our PET facility in Decatur, Alabama, but is also planning to construct a recycling plant in Thailand, at our Nakhon Pathom plant. Nevertheless, sustainability not just about technical issues it is also about people. Our engagement with stakeholders has led to several projects where we believe we contribute to their long-term well-being, like our waste recycle bank that teaches children that PET can be recycled and a small income can be derived from selling PET waste to recyclers. Taking care of our staff's development has led us to more in-house programs that look at the education, health and welfare of staff. As one example, breast cancer awareness training proved there was a demand for health education.

Part of our future sustainability will lie in the business direction of the company. We acquired more value-added businesses in 2011 that will bring not just economic benefits but draw our relationships with customers closer. Innovation is what differentiates customers and helps them achieve their goals. In the USA we are seeing new products that delight our customers, such as the ability to perform extrusion blow molding of containers that have a built-in handle, or fibers that are nonflammable and enhance the safety of public areas if used in furnishings, for instance.

How we run our company too will reflect on us in the eyes of stakeholders. Our desire is that not only do we uphold stringent corporate governance policies but that these policies are communicated to all employees globally so that they are implemented fully. The Board passed several policies aimed at steadily consolidating the good governance of the company including a detailed Corporate Governance Policy, a Code of Conduct for Directors and a Code of Conduct for Employees as well as strict guidelines regarding corruption and bribery. Our aim is now to see IVL recognized as a well-run company that is respected and admired by investors and other institutions as this will lead to further sustainability of the business over time.

When we revealed our visionary growth plan for 2010 - 2014, it was clear that the company was really going places and our shareholders supported that growth when we requested you to increase our capital. The rights issue in February 2011 strengthened our balance sheet to the tune of US\$ 564 million for the expected growth and has been proven a resounding success with 99.67% of free Transferable Subscription Right (TSRs) being exercised into shares. Even after seven acquisitions in 2011, our net debt to equity at the end of the year was a very manageable 0.7:1. Following our most recent announcement of the acquisition of Old World, the MEG manufacturer in the USA, we still will remain within 1:1 and we have no plans to raise capital again while we are undertaking this Aspiration 2014 business plan.

To manage the Company's debt structure, we felt the time was right to enter the bond market as this would not only provide us with a fixed rate of interest but also extend the maturity date of our debt by up to 10 years. Thai rating agency TRIS gave us a respectable A+ rating and the Thai Baht bond issue of THB 7.5 billion was taken up with great enthusiasm, especially the longer term 7 and 10 year tenures that accounted for 60% of the total sold. Once again, investors showed their full confidence in IVL.

With such fantastic growth, investors are delighted to learn that we have been paying a steady dividend to shareholders of 30% of net profit. As we take our role in the Stock Market very seriously, we investigated what are the norms for listed companies and decided that we would from 2011 pay our shareholders an interim dividend for the half year. This is a mark of our confidence in the business in the long term. For 2011, IVL will pay one baht per share, up from THB 0.66 for 2010 and THB 0.33 the year before.

As we entered 2012, the engine is still powering us forward and we have made our intention known that we will grow our value-added specialty chemicals business and reap superior profits going forward while extending our product offering to branded customers. The recent acquisition of FiberVisions LLC, a mono- and bicomponent manufacture of polyolefin fibers with a global market share of 70% immediately took IVL to the top. Previous acquisitions in North America and Germany are also geared towards these large branded customers who dominate the supermarket and department store shelves.

Our entry into MEG, a key raw material like PTA, surprised some with the audaciousness of this move, and yet it has made perfect sense as we can now capture the margin of a feedstock we require just as we did with PTA in 2008. We are also examining the feasibility of Greenfield projects in the USA, where shale gas is leading to a game change in the ethylene/MEG market; the Middle East, the source of some of the world's lowest cost raw materials; or India, where market demand for PET is rising at rocket speed.

I wish to put on record my deepest thanks to the Board of Directors and especially our non-executive directors who have spent meaningful time in apprising themselves with the business of IVL and also attending the company visits to our offshore locations in North America, Europe and in Asia.

Group Chief Executive Officer's Message

Dear Shareholders,

2011 was a year of expansion in response to the goals we set ourselves in the previous year through our Aspiration 2014 business plan. I expect 2012 to be a year of consolidation, to build on the gains we have made in the past year and create greater profitability.

We remain the Polyester Value Chain industry leader and have consolidated our position in 2011 with a record increase in production volumes of 37% to 4.36 million tonnes and increased net sales up 100% to \$6.1 billion with consolidated EBITDA up 28% to \$558 million and core net profit after tax and minority up 38% to \$297 million. This unprecedented high volume growth and earnings has been achieved through completed acquisitions that have been successfully integrated into the IVL portfolio.

Our 39 operating sites in 15 countries across 4 continents provides us a global footprint that offers economies of scale, immediate reaction to customers' needs and greater cost savings on logistics. Moreover, we now have an integrated portfolio designed for growth. Our exceptional management not only has a proven track record but sets the benchmark in operational excellence; we are now becoming recognized internationally as a top player in the industry. Our success is largely due to an ability to marry cultures to work in harmony for common goals.

Our firm commitment to shareholder value has led us to follow a path of strategic growth through diversification. By developing a strong R&D platform for new product development and process innovation we have diversified our portfolio into value-added and differentiated products and services. Innovation is the key to gaining the hearts of customers, who themselves wish to differentiate themselves. Through innovation we can gain industry leadership and market growth by keeping our own customers in the lead. Through innovation, we can enhance IVL's offering proposition and create enviable margins.

The year was not without its challenges. It began with a swift and exciting ride for the industry due to the exceptional peaks in the cotton business that led to sharp rises in both Polyester and PTA prices, followed by rapid normalization in the second half of the year. The fact is that cotton and other natural fibers are limited by their requirement for land and water and that farmers have other cash crops to choose from. Inclement weather that can lead to crop shortages have meant that Polyester fiber is expected to continue to replace cotton and other natural fibers each year as there is no hindrance to the expansion of Polyester production while there is limited upside for cotton. As the world faces economic uncertainty, expect people to favor Polyester, the lowest cost material. Similarly, PET has achieved global recognition as the lowest cost form of packaging and is expected to continue to gain share against glass and metal. Not only is it by far the most affordable packaging material but its recyclability makes it one of the most sustainable materials.



As if to highlight the resilience of our business, tornadoes hit Alabama in the USA, where we have our Alphapet plant. Though the storms did not damage the plant, electricity was cut throughout the state and production was forced to close for two months. Fortunately, the geographical diversity of the company in North America meant that our Spartanburg, Queretaro in Mexico and Starpet plants were still up and running and able to serve our customers. In Thailand, the end of the year saw the country underwater, submerged by heavy flooding. Like many industries here, IVL was affected and our complex at Lopburi, with PET, Wool and packaging firms, was forced to close and was itself flooded. As our risk management policies dictate that we have full insurance coverage for such events, we are fortunate that not only will all damaged equipment be repaired or replaced, but we will also receive comprehensive compensation from our insurance for business interruption.

Acquisitions

By acquiring the right businesses and driving their organic growth, we have created shareholder value, with healthy financial returns and exceptional performance. Our acquisition strategy has objectives such as growth through expansion into all economic regions where our customers are present. This includes growth into emerging markets where we see urbanization leading to double digit growth. We intend to leverage our truly world class product capabilities and focus more on the sustainability of the company and its products.

Our business growth model rests on finding the pieces of a jigsaw that, once interlocked, create more than the sum of their parts. In January 2011, we started with our first acquisition in China through Guangdong IVL PET Polymer in Kaiping City, Guangdong Province. This provided us with entry to a vast market but we deliberately chose a location in China's fastest growing province and close to a reliable feedstock supplier. The population of 104 million represents 7.79% of the entire country and is larger than many countries of the world! Production there is expected to increase and adjustments we have made to the plant, including changing the fuel for its power generation from expensive fuel oil to lower cost coal and adding another SSP line, will create greater efficiencies and cost savings. Capable of producing both PET and Polymers, the plant is expected to lower its conversion cost for better returns following the changes we have made.

In March, we entered into the fast-growing Indonesian market with the acquisition of SK Chemicals' businesses there and in Poland. PT Indorama Polyester Industries and PT Indorama Ventures Indonesia produce fiber and PET. The country is not only growing rapidly, but with low gas prices, electricity cost is lower than both China and Thailand. Its population of 238 million people makes this a target market for IVL. The lack of a clear leader in the polyester business is an opportunity for us to consolidate the market at the key moment that its economy is growing. For this reason, we have more recently acquired both a PTA company, Polyprima, in November, with a joint venture partner, and 100% of a neighboring PET manufacturer, Polypet, that is fully integrated with Polyprima.

With the acquisitions in Indonesia, we also acquired Indorama Ventures Poland. This PET producer fits our strategic profile in that it is virtually integrated with a third party PTA supplier and therefore is able to keep its costs down through savings in logistics.



Innovation will provide our customers with delight and keep them loyal to us and our brands over time. In March we closed a deal to acquire the polymers assets in North America from INVISTA. Auriga Polymers in Spartanburg is one of the jewels in our crown as it is a center of research and development in innovative PET polymers and is already the envy of the industry with products such as Polyclear, an Extrusion blow molding grade resin that can be recycled in the clear PET stream and OxyClear, which protects the quality, freshness, and taste of oxygen-sensitive foods. Such patented and branded products give IVL an edge in global competition.

Indorama Ventures Polymers Mexico, part of the same acquisition as Auriga, provides us with our first entry into Latin America. This allows us to extend our reach into Central and South America as well as expanding in fast-growing Mexico itself. Its broad and diverse product offering is particularly appealing to our key customers in the region.

In line with this strategy of diversification into value-added products, in June, we acquired 75% of Trevira in Germany with our strategic partners Sinterama of Italy. Probably one of the most famous brand names in Europe for polyester fibers, Trevira is also Europe's leading producer of specialized fibers and filaments; just to give one example, Trevira CS Flame Retardant Polyester Fiber, which is widely used to create covers for the seats on cruise liners and airplanes.

There is no doubt that recycling is now an essential part of our industry and will only increase in importance over time. While there are many companies working in recycled polyester, there are only a handful of manufacturers who are able to make the quality of recycled product suitable for premium applications, and there is still unmet demand for recycled products. At the end of the year, we were fortunate to acquire Europe's largest recycler of post consumer PET, Wellman International. Its production is based in Ireland but it has collection points in the Netherlands and France.

In this case, we believed that our product offering could be widened into related areas and acquired the company FiberVisions in January 2012. The acquisition significantly enhances IVL's position in the world's most specialized fibers business for hygiene products and other growing fiber applications. This is a world leader in the production of polyolefin fibers with a global footprint that includes production in North America, Denmark and China.

The world has not fully utilized the potential of polyester in combination with other fibers. The industry is moving towards composites of polymers which address specific functionality and performance. There has been a vacuum in the R&D focus for such developments since the Western majors vacated the market. Most Asian producers have been harvesting the gains from the earlier developments without investing in future product pipelines.

We intend to invest further into the Thai market with a bicomponent fib-



polyclear[®]
EBM

ers project for hygiene applications. Hygiene products utilize high technology that requires top class manufacturing and close ties with customers to be able to provide the exacting specifications required for products that remain in close touch with the skin such as baby diapers, feminine hygiene, etc. The new project will produce one of the key components of such applications by tying up technologically with a well-known company in this field, to make bicomponent fibers for hygiene end-use. Similarly, we will invest in another strategic project to make high quality bicomponent yarns at our Indorama Ventures Indonesia (IVI) plant in Tangerang, Indonesia. IVI owns unique technology to make bicomponent yarns (called FINNE) through a single step process. The company enjoys significant competitive advantage over companies who currently use a two step process and has secured a leading market share in this segment.

As the industry leader, IVL attaches the highest importance to sustainably unlocking the latent potential of polyester and related polymers through continuous investment in application development to serve the evolving demands from global customers. In line with these objectives, IVL has acquired the most valuable pieces in the industry, like the polymer assets of INVISTA in the US and Mexico, Trevira and Wellman International in Europe, and now FiberVisions in the US, Denmark and China. All of these companies are active mainly in the non-woven industry with a focus on fiber composites and functional fibers for hygiene, automotive and industrial applications. Just as the acquisition of Wellman International pushed IVL to the forefront of the recycled PET and Polyester fibers industry in Europe, our company plans to extend its reach by populating its global franchise with technological innovations in line with its commitment to sustainability.

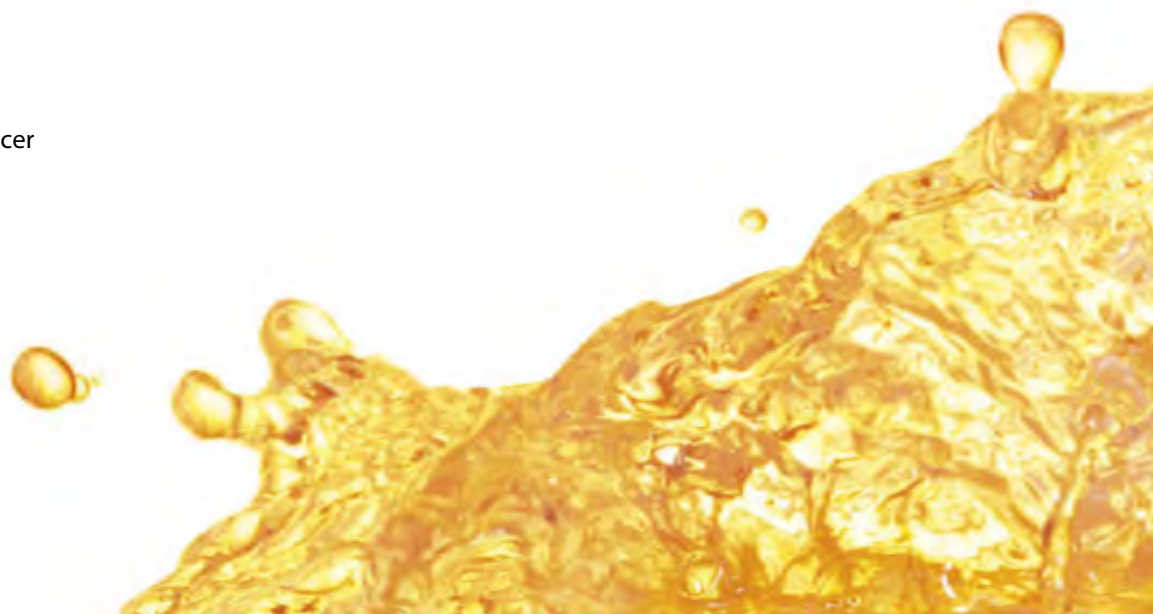
Going forward with our strategy of backward integrating into our key feedstocks, IVL called attention to the fact that there is no international player integrated into both key feedstocks; PTA and MEG. With the announcement that we intend to acquire Old World, a US manufacturer of monoethylene glycol (MEG), IVL becomes the first to take this step. The opportunity to enter a market that is on an upswing where margins are expected to almost double over the next few years is both exciting and a game-changer for the company. The ability to capture margins in both major feedstocks maintains the sustainability of the company while broadening its consolidated spread for greater profitability.

We are looking at the last pieces of the puzzle. Potential projects to build greenfield integrated plants in the Middle East and India are being studied as they meet our growth criteria. Either of these projects can take us to 10 million tonnes now. Just as importantly, we can meet these objectives with no recourse to the shareholders.

I would like to convey my gratitude to the management and employees of Indorama Ventures for their sincere hard work that has allowed the company to prosper and wish to thank our customers for allowing us to serve them with efficiency and value. We have been greatly supported by the authorities and the constituencies around our plants all around the world with whom we have a mutual respect and working relationship and of course our sincere thanks to the financial community for their trust in us, without whom this enterprise would have not fully realized its potential.



(Alope Lohia)
Group Chief Executive Officer





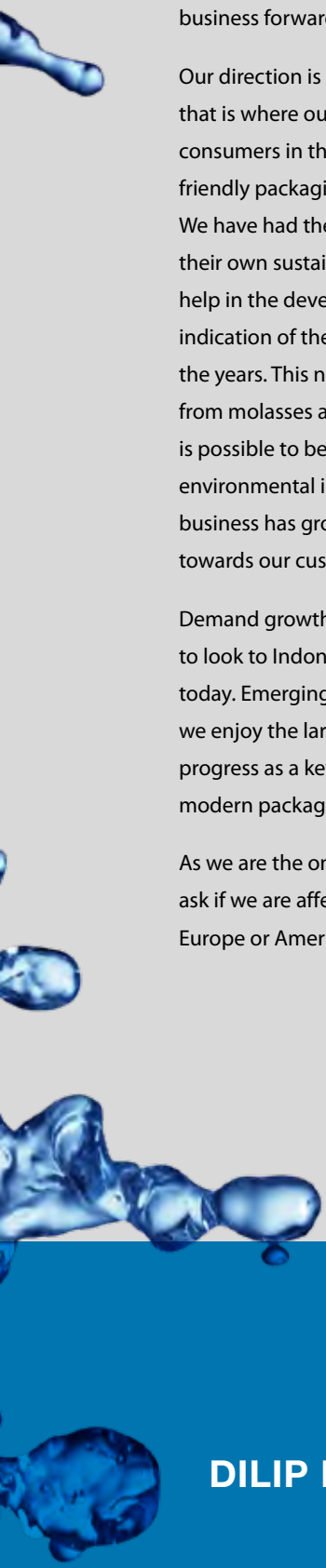
oxyclear[®]
THE CRYSTAL CLEAR OXYGEN BARRIER RESIN



PET BUSINESS



**POLYESTER FIBERS
BOTTLES
ARE RECYCLABLE.**



PET is the backbone of IVL's business and is proving itself to be one of the most sustainable of products during this period of economic uncertainty. Demand for PET is actually expected to grow from around 7% to 8% over the next few years and the new applications for PET film are driving demand growth by up to 9%. We were thrilled to acquire businesses in 2011 that will help us to drive the PET business forward and create more innovation in the market.

Our direction is also to invest further into recycling because that is where our customers see their value proposition to consumers in the future – green and environmentally – friendly packaging that is lower cost than the alternatives. We have had the privilege of supporting customers so that their own sustainability goals are being met. The invitation to help in the development of Coca Cola's PlantBottle was an indication of the trust and confidence we have earned over the years. This new technology uses a natural source of MEG from molasses and will open people's eyes to the fact that it is possible to be extremely innovative in solving the environmental issue facing the planet today. While our business has grown, we have remained humble in working towards our customers' success.

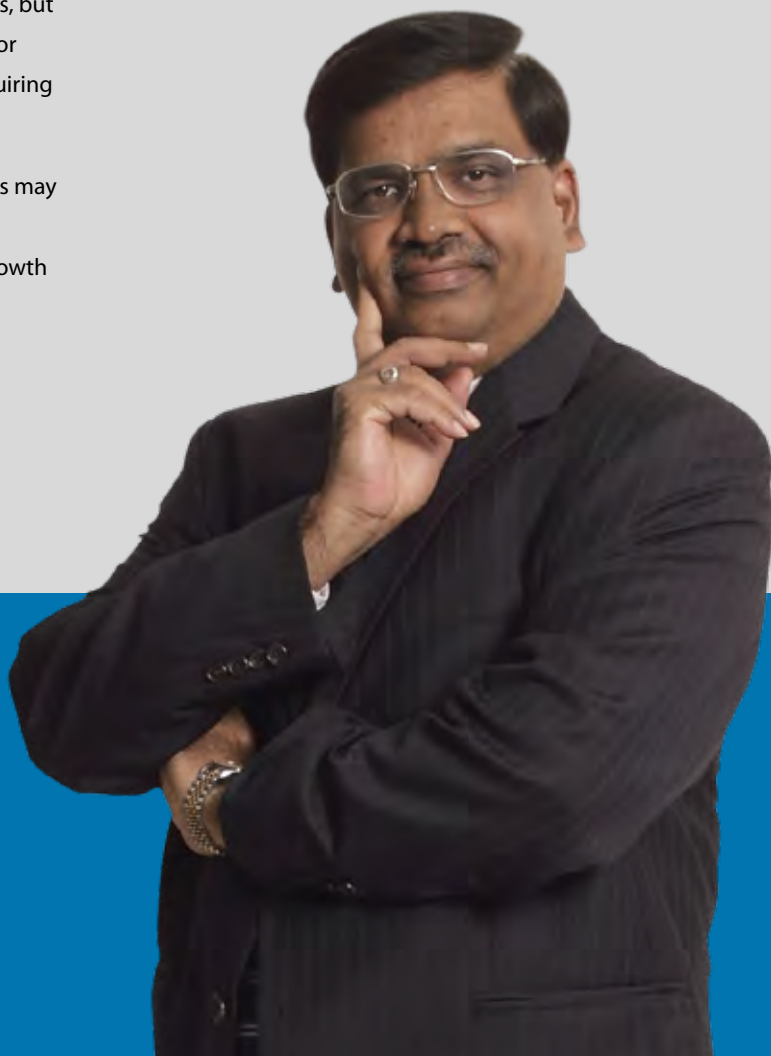
Demand growth for customers' products in Asia is leading us to look to Indonesia as a focus of integrated investment today. Emerging markets are all potential markets for us, but we enjoy the large urbanizing populations' aspiration for progress as a key factor in their desire for products requiring modern packaging.

As we are the only global PET Company today, investors may ask if we are affected by the economic performance of Europe or America. Europe and America are still PET growth

markets. There was some destocking in Europe and Asia as commodities process fell towards the end of the year but that reversed in early 2012 as customers increased order volumes to meet the demand. North America has been our outperformer as consistent demand is fed by a balanced supply that ensures margins remained healthy.

There were some natural factors that affected the business in 2011 though. We were shocked to hear about the tornadoes that ripped through Alabama in the USA, pulling down houses and power lines. Though our Alphapet plant was not physically affected, it was forced to shut down for an extended period. The staff bounced back and Alphapet is now proving what an efficient plant it is – in fact the most efficient in the Indorama Ventures group. Thailand also suffered towards the end of the year from heavy flooding but again, our people are working hard to restore the plant and we expect it to be online by May 2012.

PET is a resilient material and the PET business is equally robust as it continues to eat into the market share of glass and aluminum. Its unique qualities like the ability to create eye-catching designs for drinks and food packaging. There are still potential markets for PET to exploit, such as alcohol and dairy products. I see a bright future for our industry and IVL intends to be at the forefront of advances in the industry.



DILIP KUMAR AGARWAL
CEO PET Business

Indorama Ventures Public Company Limited (IVL)

Type of Business	Holding Company
Head Office	75/102 Ocean Tower 2, 37 th Floor, Soi Sukhumvit 19 (Wattana), Asoke Road, Kwaeng Klongtoey Nuer, Khet Wattana, Bangkok 10110, Thailand
Company's Registration Number	0107552000201
Tel.	+662 661 6661
Fax.	+662 661 6649, +662 661 6664
Website	www.indoramaventures.com
Registered Share Capital	Baht 4,815,856,719.00 divided into 4,815,856,719 ordinary shares each of Baht 1 par value
Issued and Paid-up Capital	Baht 4,814,257,245.00 divided into 4,814,257,245 ordinary shares each of Baht 1 par value
Listing on Stock Exchange	The Stock Exchange of Thailand The Stock Exchange of Thailand Building, 62 Ratchadapisek Road, Klongtoey, Bangkok, 10110, Thailand Tel. +662 229 2000 Fax. +662 359 1009-11 www.set.or.th
Share Registrar	Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building, 62 Ratchadapisek Road, Klongtoey, Bangkok, 10110, Thailand Tel. +662 596 9302-12 Fax. +662 359 1259 www.tsd.co.th
Debenture Holders Registrar	Bangkok Bank Public Company Limited 313 Silom Road, Bangrak, Bangkok, 10500, Thailand Tel. +662 230 1447-8 Fax. +662 626 4545-6 www.bbl.co.th
Debenture Holders Representative	Bank of Ayudhya Public Company Limited 1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok, 10120, Thailand Tel. +662 296 3582 Fax. +662 296 2202 www.krungsri.com
Auditors	KPMG Phoomchai Audit Limited 50 th - 51 st Floors, Empire Tower 195 South Sathon Road, Yannawa, Sathon, Bangkok 10120, Thailand Tel. +662 677 2000 Fax. +662 677 2222
Legal Counsel	Weerawong, Chinnavat & Peangpanor Ltd. 22 nd Floor, Mercury Tower, 540 Ploenchit Road, Lumpini Pathumwan, Bangkok 10330, Thailand Tel. +662 264 8000 Fax. +662 657 2222
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Information of Subsidiaries, Associated and Affiliated Companies

ASIA

Indorama Polymers PCL



75/102,103 Ocean Tower 2, 37th Floor,
Soi Sukhumvit 19 (Wattana), Asoke road,
Kwaeng Klongtoey Nuer, Khet Wattana,
Bangkok 10110, Thailand
Tel. + 66(0) 2661 6661
Fax. + 66(0) 2661 6664-5

Core Business

PET Polymers Manufacture

Number of Ordinary Shares

Outstanding

1,382,197,870

Held

1,371,882,128

Equity Interest

99.20%

Petform (Thailand) Limited



85 Moo 11, Bang-Nga Tha-Klong Road,
Khaosamorkhon Sub-District, Thawung
District, Lopburi 15180, Thailand
Tel. + 66(0) 3648 9164-5
Fax. + 66(0) 3648 9115

Core Business

PET Preforms, Closures
and Bottles Manufacture

Number of Ordinary Shares

Outstanding

7,500,000

Held

4,499,995

Equity Interest

59.52%



Asia Pet (Thailand) Limited

75/102, Ocean Tower 2, 37th Floor,
Soi Sukhumvit 19 (Wattana),
Klongtoey Nuer Sub-District,
Wattana District, Bangkok 10110,
Thailand
Tel. + 66(0) 2661 6661
Fax. + 66(0) 2661 6664-5

Core Business

Amorphous Chips Manufacture

Number of Ordinary Shares

Outstanding

45,000,000

Held

44,999,994

Equity Interest

99.20%

Indorama Holdings Limited



75/64,65 Ocean Tower 2, 28th Floor,
Soi Sukhumvit 19 (Wattana), Asoke
Road, Kwaeng Klongtoey Nuer, Khet
Wattana, Bangkok 10110, Thailand
Tel. + 66(0) 2661 6661
Fax. + 66(0) 2661 6664-5

Core Business

Wool Yarns Manufacture

Number of Ordinary Shares

Outstanding

77,446,800

Held

77,303,050

Equity Interest

99.81%

Indorama Polyester Industries PCL



75/92 Ocean Tower 2, 35th Floor, Soi
Sukhumvit 19 (Wattana), Asoke Road,
Kwaeng Klongtoey Nuer, Khet Wattana,
Bangkok 10110, Thailand
Tel. + 66(0) 2661 6661
Fax. + 66(0) 2661 6664-5

Core Business

Polyester Fibers and Yarns Manufacture

Number of Ordinary Shares

Outstanding

2,202,850,000

Held

2,193,084,881

Equity Interest

99.49%



Indorama Petrochem Limited

75/93 Ocean Tower, 35th Floor, Soi
Sukhumvit 19, Sukhumvit Road, Kwaeng
Klongtoey Nuer, Khet Wattana, Bangkok
10110, Thailand
Tel. + 66(0) 2661 6661
Fax. + 66(0) 2661 6664-5

Core Business

PTA Manufacture

Number of Ordinary Shares

Outstanding

472,782,042

Held

472,782,036

Equity Interest

100.00%

TPT Petrochemicals PCL

75/116-117 Ocean Tower, 41st Floor,
Soi Sukhumvit 19, Sukhumvit Road,
Kwaeng Klongtoey Nuer, Khet Wattana,
Bangkok 10110, Thailand
Tel. + 66(0) 2661 6661
Fax. + 66(0) 2661 6664-5

Core Business

PTA Manufacture

Number of Ordinary Shares**Outstanding**

492,500,000

Held

492,316,023

Equity Interest

99.96%

**IVL Singapore PTE. Ltd.**

17 Phillip Street #05-01
Grand Building, Singapore

Core Business

Holding Company

Number of Ordinary Shares**Outstanding**

133,500,000

Held

133,500,000

Equity Interest

99.20%

Dong Mao PTE. Ltd.

17 Phillip Street #05-01
Grand Building, Singapore

Core Business

Non-operating Company

Number of Ordinary Shares**Outstanding**

1

Held

1

Equity Interest

100.00%

**Guangdong IVL PET
Polymer Co., Ltd.**

No. 1 Meihua Road, Shuikou Town,
Kaiping City, Guangdong, PRC
Tel. + 86 750 220 9680

Core Business

PET Polymers Manufacture

Number of Ordinary Shares**Outstanding**

(Registered Capital
USD 31,000,000)

Held

(Registered Capital
USD 31,000,000)

Equity Interest

99.20%

**PT. Indorama Ventures
Indonesia**



Desa Cihuni, RT/RW 002/004,
Cihuni, Pagedangan, Tangerang,
Banten, 15820 Indonesia
Tel. + 6221 5371111
Fax. + 6221 5378811

Core Business

Polyester Fibers and Yarns Manufacture

Number of Ordinary Shares

Outstanding

Series A: 80,000

Series B: 2,812,500

Held

Series A: 80,000

Series B: 2,812,500

Equity Interest

100.00%

**PT. Indorama Polyester
Industries Indonesia**



JL. Surya Lestari Kav. 1-16A,
Kawasan Surya Cipta Ciampel,
Karawang, Jawa Barat, Indonesia
Tel. + 0267-440501
Fax. + 0267-440764

Core Business

Polyester Fibers and Yarns Manufacture

Number of Ordinary Shares

Outstanding

20,000

Held

20,000

Equity Interest

100.00%

KP Equity Partners Inc.

Lot 2 & 3, Level 3, Wisma Lazenda,
Jalan Kemajuan
87000 F.T. Lebuhan, Malaysia

Core Business

Holding Company

Number of Ordinary Shares

Outstanding

10,000

Held

10,000

Equity Interest

100.00%

**PT. Indorama Polychem
Indonesia**

Desa Kemban Kuning,
Kecamatan Jatiluhur,
Purwakarta (Jawa Barat), Indonesia

Core Business

Polyester Fibers and
Yarns Manufacture

Number of Ordinary Shares

Outstanding

30,000

Held

30,000*

Equity Interest

100.00%

* Note: Share allotment is done in January, 2012

Europe

UAB Orion Global Pet



Metalo g.16, LT-94102, Klaipeda,
Republic of Lithuania

Core Business

PET Polymers Manufacture

Number of Ordinary Shares

Outstanding

776,880

Held

776,880

Equity Interest

99.20%



PT. Indorama Petrochemicals

Wisma Indocement, 7th Floor, Jl. Jend,
Sudirman Kav. 70-71, Jakarta 12910,
Indonesia

Core Business

PTA Manufacture

Number of Ordinary Shares

Outstanding

Ordinary Shares: 1,833,743

Class B1: 166,257

Class B2: 50,000

Class C: 200,000

Class D: 250,000

Held

Ordinary Shares: 916,871

Class B1: 83,129

Class B2 25,000

Class C: -

Class D: 25,000

Equity Interest

42.00%

Indorama Polymers Rotterdam B.V.

Markweg 201, 3198 NB Europoort,
Harbour Number 6347, Rotterdam,
the Netherlands

Core Business

PET Polymers Manufacture

Number of Ordinary Shares

Outstanding

18,000

Held

18,000

Equity Interest

99.20%

**Indorama Polymers
Workington Ltd.**



Siddick, Workington, Cumbria,
CA14 1LG, United Kingdom

Core Business

PET Polymers Manufacture

**Number of Ordinary Shares
Outstanding**

1

Held

1

Equity Interest

99.20%



**UAB Indorama
Polymers Europe**

Metalo g.16, LT-94102, Klaipeda,
Republic of Lithuania

Core Business

PET Polymers Manufacture

**Number of Ordinary Shares
Outstanding**

725,088

Held

725,088

Equity Interest

99.20%

**Indorama Holdings
Rotterdam B.V.**

Markweg 201, 3198NB Europoort,
Rotterdam, the Netherlands

Core Business

PTA Manufacture

**Number of Ordinary Shares
Outstanding**

18,000

Held

18,000

Equity Interest

99.81%

UAB Indorama Holdings Europe



Metalo g.16, LT-94102, Klaipeda,
Republic of Lithuania

Core Business

Holding Company

Number of Ordinary Shares

Outstanding

1,173,952

Held

1,173,952

Equity Interest

99.81%



Beacon Trading (UK) Ltd.

23 Northiam, Woodside Park, N12 7ET,
London, United Kingdom

Core Business

Non-operating Company

Number of Ordinary Shares

Outstanding

10,000

Held

10,000

Equity Interest

99.81%

Indorama Trading (UK) Ltd.

23 Northiam, Woodside Park,
N12 7ET, London, United Kingdom

Core Business

Non-operating Company

Number of Ordinary Shares

Outstanding

10,000

Held

10,000

Equity Interest

100.00%

Indorama Trading AG

Strengelbacherstrasse 14800
Zofingen, Switzerland

Core Business

Non-operating Company

Number of Ordinary Shares

Outstanding

100

Held

100

Equity Interest

99.81%

IVL Belgium N.V.



Jules Bordetlaan 160,
1140 Evere Belgium

Core Business

Holding Company

**Number of Ordinary Shares
Outstanding**

30,615

Held

30,614

Equity Interest

100.00%



UAB Ottana Polimeri Europe

Metalo g.16, LT-94102 Klaipeda
The Republic of Lithuania

Core Business

Holding Company

**Number of Ordinary Shares
Outstanding**

21,072,080

Held

10,536,040

Equity Interest

50.00%



Ottana Polimeri S.R.L.

Strada Provinciale 17, Km 18,
Ottana (NU) – 08020, Italy

Core Business

PET Polymers Manufacture

**Number of Ordinary Shares
Outstanding**

(Registered Capital EUR 100,000)

Held

(Registered Capital EUR 100,000)

Equity Interest

50.00%

Indorama Netherlands Cooperatief U.A.



Markweg 201, 3198 NB Europoort,
Rotterdam, the Netherlands
Tel. + 0181-285400

Core Business

Holding Company

**Number of Ordinary Shares
Outstanding**

-

Held

-

Equity Interest
100.00%



Indorama Netherlands B.V.

Markweg 201, 3198 NB Europoort,
Rotterdam, the Netherlands
Tel. + 0181-285400

Core Business

Holding Company

**Number of Ordinary Shares
Outstanding**

18,000

Held

18,000

Equity Interest
100.00%



IVL Poland Sp. z o.o.*

Dział Księgowosci Finansow ul.
Krzywa Gora 19, 87-805
Wloclawek, Poland
Tel. + 4854-237-3901
Fax. + 4854-237-3929

Core Business

Holding Company

**Number of Ordinary Shares
Outstanding**

993,988

Held

993,988

Equity Interest
100.00%

* Note: The Schedule of the merger was agreed by resolutions of the Management Board of IVL Poland Sp.z.o.o. and Indorama Polymers Poland Sp.z.o.o. on October 25, 2011. At 25th of October 2011 the Schedule of the merger was signed by Companies. The name of post merger entity would be Indorama Ventures Poland Sp.z.o.o.

**Indorama Polymers
Poland Sp. z o.o. ***



Dział Księgowosci Finansow ul. Krzywa
Gora 19, 87-805 Wloclawek, Poland
Tel. + 4854-237-3901
Fax. + 4854-237-3929

Core Business

PET Polymers Manufacture

**Number of Ordinary Shares
Outstanding**

290,211

Held

290,211

Equity Interest

100.00%



Trevira Holdings GmbH

Max-Fischer-Strasse 11, 86399 Bobingen,
Federal Republic of Germany

Core Business

Holding Company

Number of Ordinary Shares

Outstanding

25,000

Held

18,750

Equity Interest

75.00%

Trevira GmbH

Max-Fischer-Strasse 11, 86399
Bobingen, Federal Republic of
Germany

Core Business

Polyester Fibers and
Yarns Manufacture

Number of Ordinary Shares

Outstanding

(Paid up Capital EUR 25,300)

Held

(100% paid-up capital is held
by Trevira Holdings GmbH)

Equity Interest

75.00%

* Note: The Schedule of the merger was agreed by resolutions of the Management Board of IVL Poland Sp.z.o.o. and Indorama Polymers Poland Sp.z.o.o. on October 25, 2011. At 25th of October 2011 the Schedule of the merger was signed by Companies. The name of post merger entity would be Indorama Ventures Poland Sp.z.o.o.

**Trevira Sp. z o.o.**

ul. Dekoracyjna 365-722,
Zielona Gora, Poland

Core Business

Polyester Fibers and Yarns Manufacture

Number of Ordinary Shares**Outstanding**

2,000

Held

2,000 (100% paid-up capital is held
by Trevira GmbH)

Equity Interest

75.00%

**Indorama Ventures Recycling
Netherlands B.V.**

Markweg 201, 3198NB Europoort
Rotterdam, the Netherlands

Core Business

Holding Company

Number of Ordinary Shares**Outstanding**

18,000

Held

18,000

Equity Interest

100.00%

Wellman International Ltd.

1 Stokes Place, St. Stephen's Green,
Dublin 2, Ireland

Core Business

Polyester Fibers and
Yarns Manufacture

Number of Ordinary Shares**Outstanding**

1,100,000 'A' Shares 850 'B' Shares

Held

1,100,000 'A' Shares 850 'B' Shares

Equity Interest

100.00%



MJR Recycling B.V.

Tengnagelwaard 5, 6917 AE Spijk (Gld),
The Netherlands

Core Business

Non-Operating Company having Land
& Building only

Number of Ordinary Shares

Outstanding

181

Held

181

Equity Interest

100.00%

Wellman France Recyclage SAS

Verdun Chamber of Commerce, Rue Rebert
de Cotte, 55100 Verdun, France

Core Business

Polyester Fibers and Yarns Manufacture

Number of Ordinary Shares

Outstanding

(Registered Capital EUR 8,000)

Held

(Registered Capital EUR 8,000)

Equity Interest

100.00%

America

Indorama Ventures USA Inc.



801 Pineview Road, Asheboro,
North Carolina 27203, USA

Core Business

Holding Company

**Number of Ordinary Shares
Outstanding**

4,200

Held

4,200

Equity Interest

99.20%



StarPet Inc.

801 Pineview Road, Asheboro,
North Carolina 27203, USA

Core Business

PET Polymers Manufacture

Number of Ordinary Shares

Outstanding

5,000

Held

5,000

Equity Interest

99.20%

Auriga Polymers Inc.

801 Pineview Road, Asheboro,
North Carolina 27203, USA

Core Business

PET Polymers Manufacture

Number of Ordinary Shares

Outstanding

5,000

Held

5,000

Equity Interest

99.20%

AlphaPet Inc.



1301 Finley Island Road, Decatur,
Alabama, AL35601, USA

Core Business

PET Polymers Manufacture

**Number of Ordinary Shares
Outstanding**

4,400

Held

4,400

Equity Interest

99.20%



Indorama Polymers (USA) Inc.

1301 Finley Island Road, Decatur,
Alabama, AL35601, USA

Core Business

Holding Company

Number of Ordinary Shares

Outstanding

4,400

Held

4,400

Equity Interest

99.20%

Trevira North America, LLC

4832 Chalton Lane, Charlotte,
Mecklenburg County,
North Carolina, 28210, USA

Core Business

Non-operating Company

Number of Ordinary Shares

Outstanding

-

Held

(100% paid-up capital is held
by Trevira GmbH)

Equity Interest

75.00%

Indorama Ventures Performance Fibers Holdings USA LLC

Corporation Service Company,
2711 Centerville Road, Suite 400,
Wilmington, DE 19808, USA

Core Business

Holding Company

Number of Ordinary Shares

Outstanding

-

Held

-

Equity Interest

100.00%

IVL Holding S. de R.L. de C.V.

Avenida Paseo De la Reforma Extension
Floor 2 1015 Santa Fe Development
01376 Federal District, Mexico
Tel. + 52-55-5267-4500

Core Business

Holding Company

Number of Ordinary Shares**Outstanding**

(Registered Capital MXN 1,312,363,000)

Held

(Registered Capital MXN 1,312,363,000)

Equity Interest

100.00%

**Grupo Indorama Ventures,
S. de R.L. de C.V.**

Prol. Paseo De la Reforma No. 1015
Torre A 2do Piso, Col. Desarrollo Santa Fe,
Del. Alvaro Obregon C.P. 01109 Mexico

Core Business

Holding Company

Number of Ordinary Shares**Outstanding**

(Registered Capital MXN 4,308,535,356)

Held

(Registered Capital MXN 4,308,535,356)

Equity Interest

100.00%

**Indorama Ventures Polymers
Mexico, S. de R.L. de C.V.**

Prol. Paseo De la Reforma No. 1015
Torre A 2do Piso, Col. Desarrollo Santa Fe,
Del. Alvaro Obregon C.P. 01109 Mexico

Core Business

PET Polymers Manufacture

Number of Ordinary Shares**Outstanding**

(Registered Capital MXN 4,031,558,845)

Held

(Registered Capital MXN 4,031,558,845)

Equity Interest

100.00%

**Indorama Ventures Servicios
Corporativos, S. de R.L. de C.V.**

Prol. Paseo De la Reforma No. 1015
Torre A 2do Piso, Col. Desarrollo Santa Fe,
Del. Alvaro Obregon C.P. 01109 Mexico

Core Business

Non-Operating Company

Number of Ordinary Shares

Outstanding

(Registered Capital MXN 18,820,205)

Held

(Registered Capital MXN 18,820,205)

Equity Interest

100.00%

**Indorama Ventures
Polycom, S. de R.L. de C.V.**

Prol. Paseo De la Reforma No. 1015
Torre A 2do Piso, Col. Desarrollo Santa Fe,
Del. Alvaro Obregon C.P. 01109 Mexico

Core Business

Non-Operating Company

Number of Ordinary Shares

Outstanding

(Registered Capital MXN 679,971,301)

Held

(Registered Capital MXN 679,971,301)

Equity Interest

100.00%



Africa

Indo Polymers Mauritius Limited

Les Cascades, Edith Cavell Street, Port Louis,
Republic of Mauritius

Core Business

Holding Company

Number of Ordinary Shares

Outstanding

281,877,956

Held

281,877,956

Equity Interest

100.00%

Indorama PET (Nigeria) Limited

East West Expressway,
Eleme, Port Harcourt, Rivers State, Nigeria

Core Business

PET Polymers Manufacture

Number of Ordinary Shares

Outstanding

450,000,000

Held

405,000,000

Equity Interest

89.28%

POLYESTER BUSINESS



UDEY PAUL SINGH GILL

**Director and President of
Polyester Business**

2011 was one of the most exciting years for IVL's Polyester business and created new benchmarks in performance growth and profitability. The volume increased 49 % from 279 KTA in 2010 to 425 KTA in 2011. The operating EBITDA increased 64% from \$ 59 mn in 2010 to \$ 96 mn in 2011.

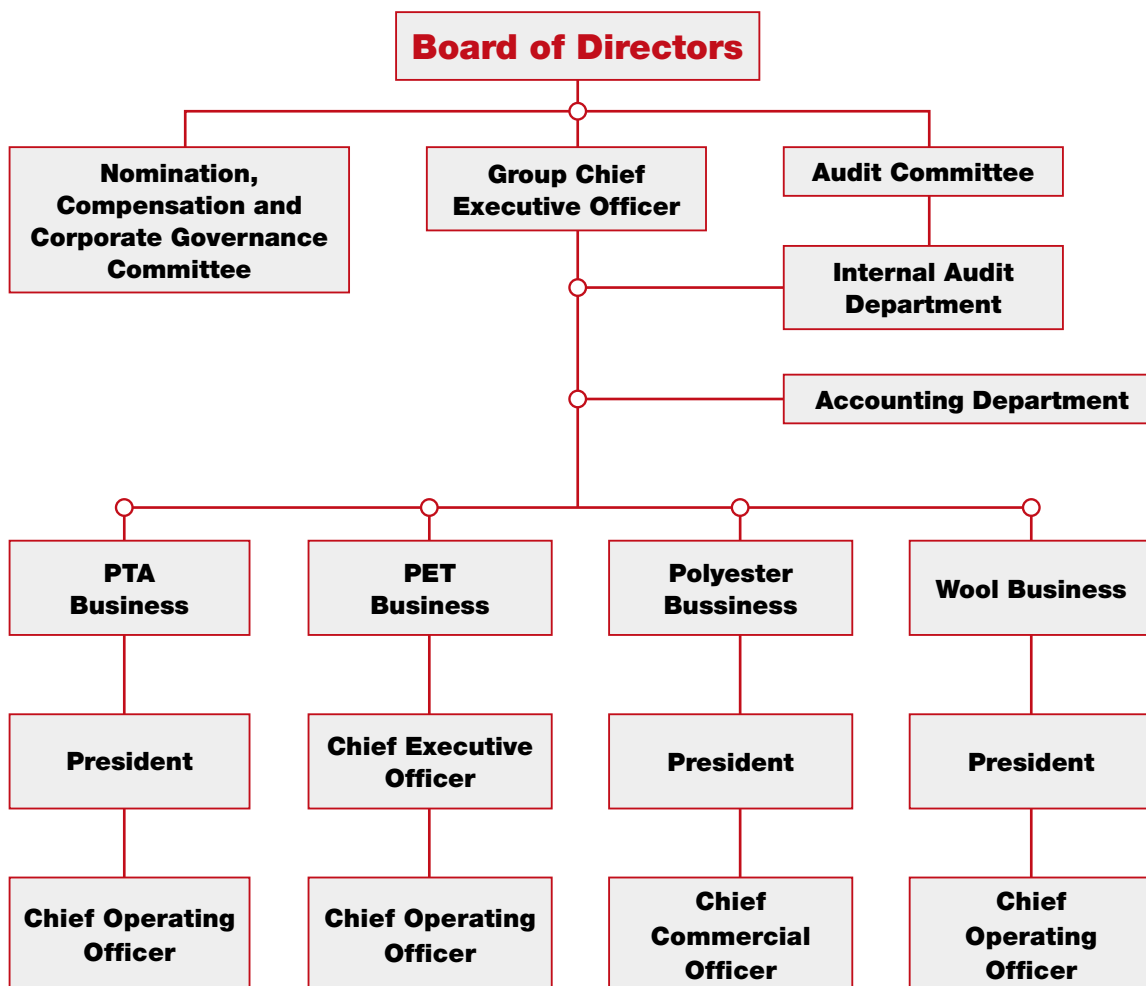
Strategic plans approved in 2010 were executed in 2011 by acquisition of some of the most valuable pieces of industry including FiberVisions, the world leader in polypropylene bi-component fibers in the hygiene sector, Wellman International, the world leader in recycling, INVISTA's fiber assets in North America, SK Keris a unique specialty yarn producer and Trevira the most well-known polyester brand in the world.



A greenfield project in Indonesia under implementation has best in class technology and lowest cost of production.

These initiatives have further enhanced IVL competitive advantage backed by advanced technology, R&D capability and cost effective assets across the world.

Organization Structure





Recycling and Reusing PET



IVL intends to invest further into recycling as recycled PET (rPET) is in demand by the fast - moving consumer goods industry and it is expected that this will become even more important to the sustainability of the business in the future. Europe, which is driving demand for recycled PET has a 48% recycling rate. The region is focused on producer responsibility and the promotion of sustainable products in light of climate change, this is supported by litigation requiring high target recycling rates. North America is also committed on sustainability due to climate change awareness putting pressure on producers to manage waste PET. However, there is insufficient waste collection in both these areas, exacerbated by export pressure, that is jeopardizing reclamation investments and pricing rPET at unsustainable levels. In Asia, waste management is a driver of recycling growth as economic development creates demand for recycling. Africa is in a similar economic growth phase and plastic waste is causing environmental issues that require further recycling but the region currently lacks a mature domestic manufacturing infrastructure.

Demand for rPET applications in fiber is increasing with recognition of the values of sustainability and reduced carbon footprint. There has been dramatic growth in recycled material for carpet and an increased market share for fiber products in non - woven and textile constructions. This reflects both a strong demand and a strong growth in investment in this business, thereby providing an economic and environmental alternative to cotton. Packaging products, such as sheet and bottle manufacturing applications, represent another value - added opportunity for rPET materials.

Recycling today is being impacted by economic conditions, particularly in the home building industry, with some plant shutdowns, although rPET is still the feedstock of choice in developed nations.

One issue is the current lack of awareness among consumers that PET is a fully recyclable product and that post consumer waste could be a source of potential income rather than an environmental problem. People, and especially opinion leaders among the young, have been unable to distinguish the older more traditional plastics from PET. Because PET is a plastic, people have mistakenly assumed that its properties are similar to older plastics, which were a cause of health concerns at one time. PET is an inert material and has no such inherent problems. It can, in fact, be more environmentally friendly than other packaging materials if treated correctly.

A PET bottle can be reused as a container if washed properly to eliminate germs and bacteria, just like any other bottle. It can be left in the refrigerator as cold has no effect on its structure at such temperatures. Similarly, it can be left in relatively hot climates as it contains no materials that can leach into the liquid. The manufacturing process for PET utilizes a fraction of the water and electricity that other materials such as glass and plastic require in large quantities and thus records a lower carbon footprint than other packaging materials.



Board of Directors

Mr. Sri Prakash Lohia

Position Chairman

Age 59

Education/Training

- Bachelor of Commerce, Delhi University, India

Present Important Positions

- Chairman, Eleme Petrochemicals Company Limited
- Director, Indorama Group Holdings Limited
- Director, Indorama Corporation Pte. Ltd.
- Director, Indorama Petro Limited
- Director, Indorama Petrochem Limited
- Director, Indorama Iplik Sanayi ve Ticaret AS
- Director, Isin Lanka (Private) Limited

- President Commissioner, PT. Indo-Rama Synthetics Tbk
- President Commissioner, PT. Indorama Ventures Indonesia
- President Commissioner, PT. Indorama Polyester Industries Indonesia
- President Commissioner, PT. Indorama Polychem Indonesia
- President Commissioner, PT. Indorama Petrochemicals

% of shareholding in IVL As of 31 December 2011

- - None -



Mr. Aloke Lohia

Position Vice Chairman, Member of Nomination, Compensation and Corporate Governance Committee and Group CEO

Age 53

Education/Training

- Honorary Doctoral Degree of Business Administration, Rajamangala University of Technology Krungthep
- Bachelor of Commerce, Delhi University, India
- Director Accreditation Program Class No. 65/2007, Thai Institute of Directors

Present Important Positions

- Chairman, Indorama Polymers PCL
- Chairman, Indorama Resources Ltd.
- Chairman, Asia Pet (Thailand) Limited
- Chairman, Indorama Holdings Ltd.
- Chairman, UAB Indorama Holdings Europe
- Chairman, Indorama Polymers Rotterdam B.V.
- Chairman, Indorama Holdings Rotterdam B.V.

- Chairman, Indorama Polymers Workington Ltd.
- Chairman, UAB Indorama Polymers Europe
- Chairman, Indorama Ventures USA Inc.
- Chairman, Indorama Polymers (USA) Inc.
- Chairman, AlphaPet, Inc.
- Chairman, UAB Orion Global PET
- Chairman, IVL Belgium N.V.
- Chairman, Indorama Ventures Performance Fibers Holdings USA LLC
- Director, TPT Petrochemicals PCL
- Director, Indorama Polyester Industries PCL
- Director, Indorama Petrochem Ltd.
- Director, Canopus International Limited
- Director, Petform (Thailand) Limited
- Commissioner, PT. Indorama Ventures Indonesia
- Commissioner, PT. Indorama Polyester Industries Indonesia
- Commissioner, PT. Indorama Polychem Indonesia
- Commissioner, PT. Indorama Petrochemicals

% of shareholding in IVL As of 31 December 2011

- 10 shares or 0.00% (held by minor child 10 shares)

Board of Directors



Mrs. Suchitra Lohia

Position Director, Chairperson of Corporate Social Responsibility Committee

Age 47

Education/Training

- Owner President Management Program, Harvard Business School
- Bachelor of Commerce, Delhi University, India

Present Important Positions

- Chairperson, TPT Petrochemicals PCL
- Director, Indorama Polymers PCL
- Director, Indorama Polyester Industries PCL
- Director, Indorama Resources Ltd.
- Director, Petform (Thailand) Limited
- Director, Asia Pet (Thailand) Limited
- Director, Indorama Holdings Ltd.
- Director, Indorama Petrochem Ltd.
- Director, UAB Indorama Holdings Europe

- Director, Indorama Polymers Rotterdam B.V.
- Director, Indorama Holdings Rotterdam B.V.
- Director, Indorama Polymers Workington Ltd.
- Director, UAB Indorama Polymers Europe
- Director, Indorama Ventures USA Inc.
- Director, Indorama Polymers (USA) Inc.
- Director, AlphaPet, Inc.
- Director, UAB Orion Global PET
- Director, IVL Belgium N.V.
- Director, Canopus International Limited
- Commissioner, PT. Indorama Ventures Indonesia
- Commissioner, PT. Indorama Polyester Industries Indonesia
- Commissioner, PT. Indorama Polychem Indonesia
- Commissioner, PT. Indorama Petrochemicals

% of shareholding in IVL As of 31 December 2011

- -None- (held by spouse and minor child 20 shares or 0.00%)



Mr. Dilip Kumar Agarwal

Position Director and Chief Executive Officer of PET Business

Age 54

Education/Training

- Bachelor of Science, University of Udaipur, India
- Chartered Accountant, The Institute of Chartered Accountants of India
- Company Secretary, The Institute of Company Secretaries of India
- Director Accreditation Program Class No. 65/2007, Thai Institute of Directors

Present Important Positions

- Director, Indorama Polymers PCL
- Director, Petform (Thailand) Limited
- Director, Asia Pet (Thailand) Limited
- Director, Indorama Petrochem Ltd.
- Director, TPT Petrochemicals PCL
- Director, Guangdong IVL Pet Polymer Co., Ltd.
- Director, PT. Indorama Ventures Indonesia
- Director, PT. Indorama Polyester Industries Indonesia
- Director, UAB Orion Global PET

- Director, Indorama Polymers Rotterdam B.V.
- Director, Indorama Polymers Workington Ltd.
- Director, UAB Indorama Polymers Europe
- Director, Indorama Holdings Rotterdam B.V.
- Director, UAB Indorama Holdings Europe
- Director, IVL Belgium N.V.
- Director, UAB Ottana Polimeri Europe
- Director, Indorama Polymers Poland Sp. z o.o.
- Director, Indorama Ventures USA Inc.
- Director, StarPet Inc.
- Director, Auriga Polymers Inc.
- Director, AlphaPet, Inc.
- Director, Indorama Polymers (USA) Inc.
- Director, IVL Holding, S. de R.L. de C.V.
- Director, Grupo Indorama Ventures, S. de R.L. de C.V.
- Director, Indorama Ventures Polymers Mexico, S. de R.L. de C.V.
- Director, Indorama Ventures Polycom, S. de R.L. de C.V.
- Director, Indorama Ventures Servicios Corporativos, S. de R.L. de C.V.
- Director, Indorama Pet (Nigeria) Ltd.

% of shareholding in IVL As of 31 December 2011

- - None -

Board of Directors



Mr. Udey Paul Singh Gill

Position Director and President of Polyester Business

Age 58

Education/Training

- BSc. (Hons.) - MBA, College of Basic Sciences PAU, Punjab India
- Fulbright Fellowship International Trade, University of California Davis, USA

Present Important Positions

- President Director, PT. Indorama Polychem Indonesia
- President Director, PT. Indorama Ventures Indonesia
- President Director, PT. Indorama Polyester Industries Indonesia
- Director, Indorama Polyester Industries PCL
- Director, Indorama Ventures Recycling Netherlands B.V.
- Director, Wellman International Limited
- Director, MJR Recycling B.V.
- Director, Indorama Ventures Performance Fibers Holdings USA LLC

% of shareholding in IVL As of 31 December 2011

- - None -



Mr. Sashi Prakash Khaitan

Position Director and President of Wool Business

Age 63

Education/Training

- Bachelor of Science, St. Xavier College, Kolkata, India
- Director Accreditation Program Class No. 88/2011
Thai Institute of Directors

Present Important Positions

- Director, Indorama Polyester Industries PCL
- Director, Indorama Holdings Ltd.
- Director, Beacon Trading (UK) Ltd.
- Director, Indorama Trading (UK) Ltd.
- Director, Indorama Trading AG

% of shareholding in IVL As of 31 December 2011

- 120,000 shares or 0.00%

Board of Directors



Mr. Amit Lohia

Position Non-Executive Director

Age 37

Education/Training

- Bachelor of Economics and Finance, Wharton School of Business, USA

Present Important Positions

- President Director, PT Indo-Rama Synthetics Tbk
- Director, Indorama Polyester Industries PCL
- Director, TPT Petrochemicals PCL
- Director, Indorama Corporation Pte. Ltd.
- Director, Indorama Group Holdings Ltd.
- Director, Eleme Petrochemicals Company Limited
- Director, Indorama Petro Ltd.
- Director, Isin International Pte. Ltd.
- Director, Isin Lanka (Private) Ltd.
- Director, Indorama Petrochem Ltd.
- Director, Indorama Iplik Sanayi ve Ticaret AS

- Director, Indorama Industries Ltd.
- Director, Indorama International Private Ltd.
- Director, UIB Insurance Brokers (India) Private Ltd.
- Member of Supervisory Board, JV Indorama Kokand Textile LLC
- Commissioner, PT. Indorama Ventures Indonesia
- Commissioner, PT. Indorama Polyester Industries Indonesia
- Commissioner, PT. Indorama Polychem Indonesia
- Commissioner, PT. Indorama Petrochemicals

% of shareholding in IVL As of 31 December 2011

- - None -



Mr. Rathian Srimongkol

Position Independent Director, Vice Chairman and Chairman of the Audit Committee

Age 52

Education/Training

- Bachelor of Medical Science, Mahidol University
- Medical Degree (Siriraj Hospital), Mahidol University
- Master of Business Administration, Thammasat University
- MPA (General Administration), Suan Sunandha Rajabhat University
- Certificate in Politics and Governance in Democratic Systems for Executives Course (Class 9) King Prajadhipok's Institute
- Diploma, National Defence College, The Joint State - Private Sectors Course Class No. 21, National Defence College of Thailand
- Capital Market Academy Leadership Program, Capital Market Academy (Class 11)
- Director Certification Program Class No. 8/2001, Thai Institute of Directors
- Role of the Chairman Program Class No. 19/2008, Thai Institute of Directors

- Financial Statements Demystified for Director Class No.1/2009, Thai Institute of Directors

Present Important Positions

- President and Chief Executive Officer, Krungthai Card PCL
- Performance Agreement, Sub-Committee, State Enterprise Policy Office Ministry of Finance

% of shareholding in IVL As of 31 December 2011

- 60,000 shares (0.00%)

Board of Directors



Mr. Chakramon Phasukavanich

Position Independent Director and Member of Audit Committee

Age 63

Education/Training

- M.A. (Economics), California State University, Northridge, U.S.A.
- B.A. (Economics), Chulalongkorn University
- Certificate, Senior Executive Development Program (Class 12)
- The National Defense College of Thailand (Class 39)
- Director Accreditation Program Class No. 20/2004, Thai Institute of Directors
- Financial for Non-Financial Director Class No. 13/2004, Thai Institute of Directors
- Audit Committee Program Class No. 14/2006, Thai Institute of Directors
- Director Certification Program Class No. 71/2006, Thai Institute of Directors
- Role of the Chairman Program Class No. 20/2008, Thai Institute of Directors

- Current Issue Seminar Class No. 1/2008, Thai Institute of Directors
- Director Forum Class No. 1/2009, Thai Institute of Directors
- Monitoring the System of Internal Control and Risk Management Class No.9/2010, Thai Institute of Directors
- Advanced Audit Committee Programs Class No.3/2010, Thai Institute of Directors
- Financial Institutions Governance Program Class No.2/2010, Thai Institute of Directors

Present Important Positions

- Private Sector Position
 - Chairman of the Board of Directors
CIMB Thai Bank PCL
- Public Sector Position
 - Member, Council of State
 - Member, Public Sector Development Commission Thailand (PDC)
 - Member, Council Burapha University

% of shareholding in IVL As of 31 December 2011

- - None - (Held by Spouse - 172,944 shares or 0.00%)



Mr. Maris Samaram

Position Independent Director and Member of Audit Committee

Age 69

Education/Training

- BSBA in Accounting, University of the East, Philippines
- Program for Management Development, Harvard Business School, USA
- Director Certification Program Class No. 33/2003, Thai Institute of Directors
- Audit Committee Program Class No. 3/2004, Thai Institute of Directors
- Quality of Financial Reporting Class No. 2/2006, Thai Institute of Directors
- Monitoring the Internal Audit Function Class No. 3/2008, Thai Institute of Directors
- Monitoring the System of Internal Control and Risk Management Class No. 4/2008, Thai Institute of Directors
- Handling Conflicts of Interest: What the Board Should Do? Thai Institute of Directors

Present Important Positions

- Independent Director and Chairman of Audit Committee, Siam Commercial Bank PCL
- Independent Director, Member of Audit Committee and Member of Corporate Governance and Nomination Committee, Tata Steel (Thailand) PCL
- Independent Director, Marsh PB Co., Ltd.
- Director, PAC (Siam) Ltd.

% of shareholding in IVL As of 31 December 2011

- - None -

Board of Directors



Mr. William Ellwood Heinecke

Position Independent Director and Chairman of Nomination, Compensation and Corporate Governance Committee

Age 62

Education/Training

- Honorable Doctoral Degree of Business Administration in Management, Yonok College
- International School of Bangkok
- Director Certification Program Class No. 64/2005, Thai Institute of Directors

Present Important Positions

- Chairman and Chief Executive Officer, Minor International PCL and its subsidiaries
- Chairman, Minor Corporation PCL and its subsidiaries
- Chairman, Minor Food Group PCL and its subsidiaries
- Director, Rajadamri Hotel PCL and its subsidiaries
- Director, Serm Suk PCL
- Director, Everest Worldwide Ltd.

% of shareholding in IVL As of 31 December 2011

- 1,893,960 shares or 0.04%



Dr. Siri Ganjarende

Position Independent Director and Member of Nomination, Compensation and Corporate Governance Committee

Age 64

Education/Training

- Ph.D. Monetary Economics and Econometrics & Operations Research, Monash University, Australia
- M.Ec. Economic Statistics and Monetary Economics, University of Sydney, Australia
- B.Ec. (Hons.) Economic Statistics, University of Sydney, Australia
- Director Accreditation Program Class No. 4/2003, Thai Institute of Directors
- Director Certification Program Class No. 60/2005, Thai Institute of Directors
- Audit Committee Program Class No. 6/2005, Thai Institute of Directors

Present Important Positions

- Independent Director, Chairman of Audit Committee and Member of the Nomination and Remuneration Committee, The Post Publishing PCL

- Vice Chairman and Chairman of the Audit Committee, Thai Vegetable Oil PCL
- Vice Chairman of the Executive Board Prasit Pattana PCL
- Member of the Board of Directors, Audit Committee, Nomination Committee and Compensation Committee, Thoresen Thai Agencies PCL
- Independent Director, Executive Committee, Chairman of the Nomination and Remuneration Committee, Bangkok Life Assurance Ltd.
- Director of the Bank of Thailand Board, Bank of Thailand
- Director of Monetary Policy Committee, Bank of Thailand
- Member of Risk Management Oversight Committee, Bank of Thailand
- Performance Assessment Committee of State Enterprise Policy Office, Ministry of Finance
- Director, Member of Audit Committee, Compensation Committee, Nomination Committee and Chairman of Investment Committee, TRIS Corporation Ltd.

% of shareholding in IVL As of 31 December 2011

- - None -

Board of Directors



Mr. Kenneth See

Position Independent Director and Member of Nomination, Compensation and Corporate Governance Committee

Age 61

Education/Training

- MBA – Finance & Quantitative Method, University of New Orleans, USA 1979
- Bachelor of Engineering (Honor & Gold Medal), Chulalongkorn University
- Director Certification Program 2003, Thai Institute of Directors
- Global Leadership Development Program International Centre for Leadership in Finance (ICLIF)
- Capital Market Academy Leadership Program, Capital Market Academy (Class 9)

Present Important Positions

- Executive Vice President, Bangkok Bank PCL
- Director, TPT Petrochemicals PCL
- Director, Indorama Polyester Industries PCL
- Director, Bangkok Industrial Gas Company Limited
- Director, HMC Polymers Company Limited

% of shareholding in IVL As of 31 December 2011

- 100,000 shares or 0.00%

List of Major Shareholders



Rank	Shareholders	Number of Shares	%
1.	INDORAMA RESOURCES LTD. ^{/1}	3,196,038,396	66.39%
2.	Bangkok Bank PCL.	230,180,944	4.78%
3.	THAI NVDR LTD.	162,784,507	3.38%
4.	INDO RAMA SYNTHETICS (INDIA) LTD.	101,606,300	2.11%
5.	LITTLEDOWN NOMINEES LIMITED 9	72,334,200	1.50%
6.	CHASE NOMINEES LIMITED	40,215,422	0.84%
7.	HSBC (SINGAPORE) NOMINEES PTE LTD	37,211,448	0.77%
8.	MR. SUTHIDEJ CHIRATHIVAT	24,079,200	0.50%
9.	MR. KAMLESH CHANDUMAL DASWANI	22,559,700	0.47%
10.	Energy and Petrochemical Index Fund	18,857,900	0.39%

Note: ^{/1} includes shareholding of Canopus International Limited and Lohia family
Information as at 31 December 2011

Dividend Payment Policy

Indorama Ventures Public Company Limited has a policy to pay a total dividend of not less than 30% of our net profit after tax and after the appropriation of the reserve. However, our Board of Directors may amend the dividend policy at any time to take into account the availability of funds to be used as a reserve for debt repayment, capital investment for production expansion, to react to changing market conditions or as required to manage the company's future cashflows.

The payout of dividend by the subsidiaries to IVL is up to 80% of their net profit after tax and after appropriation to reserve fund. However the subsidiary Board may amend the dividend payment at any time to take into account the availability of funds to be used as a reserve for debt repayment, capital investment for production expansion, to react to changing market conditions or as required to manage their company's future cashflows.



Business Description 2011

Indorama Ventures Public Company Limited (IVL) is one of the world's foremost producers in the Polyester industry; in terms of both capacity and level of integration almost all of revenues in 2011 came from the sale of products in the Polyester Value Chain. IVL offers a broad product portfolio of polyester polymers for standard as well as special applications. In 2008 the Company began to manufacture PTA, a feedstock essential to all polyester polymers.

PET is used mainly as a packaging material, typically for soft drinks and water bottles and boxes for foods like salads found in supermarkets but also more and more it is used for home care, e.g. liquid soap bottles and personal care, such as for shampoo packaging and the clear packaging for pharmaceuticals.

Polyester fibers are most commonly used for apparel, from sports wear to high fashion; home textiles, such as bedding and carpets; non - woven materials like surgical gowns; technical textiles like filters and automotive uses like carpets and insulation.

PET films are commonly used for flexible packaging like liquid soaps and shampoos and as films to protect glass screens on computers and mobile phones. More recently, they have been used as the film that covers solar panels.

Polyolefin Fibers are used in items such as nappies and femcare, while Worsted Wool produced by IVL is used in high-end suiting.

The principal products are all intermediates connecting the oil and petroleum industry with fast moving consumer goods (FMCG) producers. This lends itself to less volatility than up-stream manufacturers, with consistent demand from downstream customers. Contracts with customers are for long term volumes, typically of one to three years; however the pricing is adjusted monthly, allowing for the rise and fall of raw material supplies according to an agreed mechanism. This system is an industry-wide norm and indicates IVL's ability to pass through all price movements to customers.

This mechanism implies that crude oil and its derivative raw materials used to produce PET and Polyester fibers have very little impact on the business except in the case that there is a sharp rise or fall in the price of such materials, entailing an adjustment in the cost of inventory by reflecting market prices.

Raw material prices have a modest effect on global producers of fast-moving consumer goods. For instance, the actual PET cost in a two liter PET bottle is around 4% and Polyester fiber is around 5% of the cost of a sports shirt, therefore fluctuations in price have a minor or insignificant effect on customers. Due to the undulating nature of the prices having little impact on the business, the company tries to maintain its spread, the difference between the selling price and the price of the raw materials.



Indorama Ventures' Business Overview

As of today, IVL is the world's Polyester value chain leader, with 39 operating sites in 15 countries across 4 continents providing value-added and differentiated products and services to the fast - moving consumer goods industry.

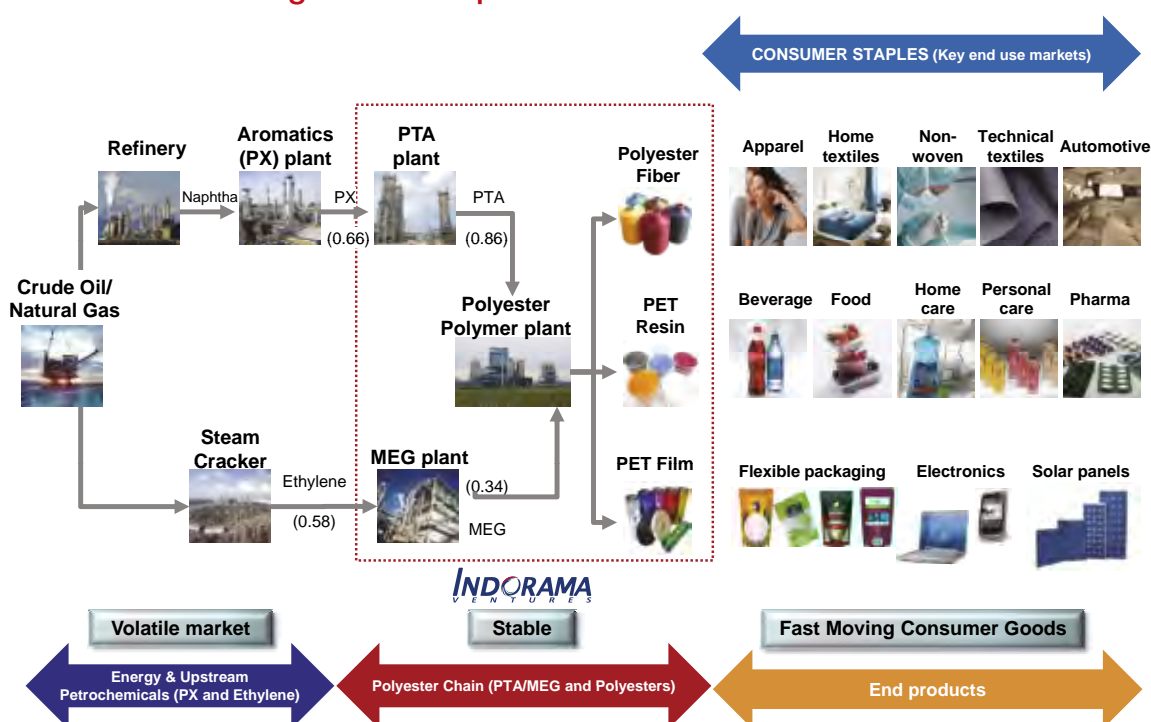
Polyester is IVL's core business and IVL's passion for this business distinguishes us from others. IVL's competitiveness leads us in relentless pursuit of cost efficiencies, delivering industry - leading results in pursuit of IVL's strong commitment to growing shareholder value.

The Company has gained market leadership on the basis of IVL's customer orientation, global reach, scale and ability to benchmark ourselves in operational excellence. We offer the best customer value through IVL's quality, price and service.

IVL has achieved this by creating an integrated portfolio designed for growth. IVL's integrated businesses are aligned to sustain value, with exceptional management who have a proven track record. The new element that will provide a broader portfolio of products for customers is in innovation. The Company has invested in research and development to offer new products and services, but investment into information technology will bring new processes and help to develop new business models in the future.

IVL has five essentials that have led to operational excellence globally. (1) The scale of feedstock sourcing is an important element in preserving operational efficiency and a low cost structure. (2) Co-location with feedstock providers and proximity to suppliers and customers ensures that the Company minimizes its logistics overhead. All the while, the Company respects its strategic supplier relationships as partnerships for the growth of the business. (3) IVL has acquired and built large scale assets that provide lower manufacturing costs while sustaining high utilization rates. By employing state of the art technology at its sites, IVL can promote energy efficiency and a better position on the cost curve. (4) The Company's lean management structure ensures that it operates at the highest efficiency. (5) Whenever possible and practical, the Company shares physical infrastructure, for instance in Rotterdam and Ottana the infrastructure is shared between the PET and PTA facilities that are co-located there.

The Polyester Value Chain Bridge between petrochemicals and FMCG



Note: 1T of PTA requires .66T of PX; 1T of MEG requires 0.58T of Ethylene; 1T of Polyester polymer requires .86T of PTA and .34T of MEG
Source: IVL

Vertical Integration in the Polyester Value Chain

Vertical integration is a strategy that has brought the company numerous benefits since initiated in 2008. Whether through asset ownership or virtual integration through co-location with key raw material suppliers the Company have enhanced IVL's operational and logistical efficiency, cost competitiveness and raw material security. Integration through owned assets also enhances IVL's ability to insulate ourselves from sector phasing and improve the quality and predictability of earnings.

Vertical integrating into feedstocks refers to the two main feed stocks for PET (Polyethylene Terephthalate) and Polyester fiber; PTA (Purified Terephthalic Acid) and MEG (Monoethylene Glycol), with PX (Paraxylene) an important raw material for the production of PTA.

During 2008, the Company acquired three PTA production facilities, which provide raw material support for IVL's downstream PET and polyester facilities. About half of IVL's PTA production today is used internally. PX is derived from naphtha, a product of crude oil and is part of the aromatics chain of products, while MEG is derived from either naphtha or natural gas and is part of the olefins chain of products. IVL obtains its raw materials from established producers with volume contracts to guarantee its supply.

The Company's vertical integration into PTA is either through IVL's own co-located PTA production facilities, or through virtual integration, such as IVL's AlphaPet plant in Alabama, which is co-sited with BP Chemicals' PTA plant.

There are opportunities for further real or virtual integration into IVL's feedstock and the Company has announced that it intends to close a deal to acquire Old World, a producer of EO and MEG in early 2012. By increasing supply chain efficiency the logistics cost for raw materials comes down.

Cost savings occur as site co-locations significantly reduce or eliminate logistics cost and increase the ability to share common services. A reduction of fixed costs associated with raw materials procurement, sales and marketing and administrative functions for PET and polyester operations during periods of market fluctuations, which permits the Company to make better cost planning and enhances lower volatility. Integration gives IVL the ability to maintain higher capacity utilization as compared to merchant PTA suppliers at all times. PTA and PET or PTA and Polyester site co-locations costs can be reduced due to the reduction of logistics, the sharing of common services, the reduction of fixed costs associated with raw materials procurement, sales and marketing and administrative functions.

Integration enhances operating efficiency, competitiveness and responsiveness to customers and market developments, as well as allowing stability in volumes and profits.

Entry into Ethylene Oxide (EO) and Ethylene Glycol (EG) in 2012

IVL made its first entry into the EO (PEO) and EG (MEG, DEG, and TEG) industry when it announced that it would acquire Old World in Texas, USA.

PEO has various end-uses in household products such as soaps and detergents, specialty and industrial chemicals, such as brake fluid, weed killer and urethane foam for auto industries. MEG is widely used for polyester polymers' production. However, in North America and Europe, MEG is also used in the antifreeze industry. DEG and TEG are typically used in industry. DEG's principle use is to manufacture unsaturated polyester resin, and TEG is used by the oil and gas industry to dehydrate natural gas.

The deal is expected to be completed in the first half of 2012. The Company's strategy is to further its raw materials integration and strengthen business model for long-term sustainability. By maximizing crude EO capacity of 435,000 tonnes per annum, Old World has a total PEO and EG capacity of 632,000 tonnes per annum and is in close proximity to raw material sources and pipelines. The acquisition will make IVL the only global producer of polyester with integration of both PTA and MEG. As Old World has contracted customers, the acquisition will add value to IVL by capturing margins that are healthy and growing while allowing the Company to hedge its use of MEG.

Description of Business Segments

Indorama Ventures has three major business divisions today, comprising PET, Polyester and Wool fibers and yarns and PTA. PET accounts for approximately 53% of IVL's total production volume with PTA taking up 37% and Polyester and Wool fibers and yarns taking up the remaining 10%.

PET resin is used in the production of food and drinks packaging. About 90% is used by the drinks industry, from carbonated drinks, fruit juices and plain water. Special uses are for films, such as the film used to wrap food, protect mobile phone screens and for solar cells. Polyester fibers and yarns are used to make fiber fills for ski jackets and duvets as well as for clothing, upholstery and drapes, diapers, wipes and car interiors.

PET

PET was 70% of IVL's total revenue in 2011 and will still remain IVL's largest business line. The PET and packaging business line has 19 sites in 12 countries on four continents with a total PET capacity of 3.3 million tonnes at the end of 2011. IVL is the only PET producer with a presence on three major continents, North America, Europe and Asia. IVL will also enter Africa in 2012 as the only PET Company in Nigeria.

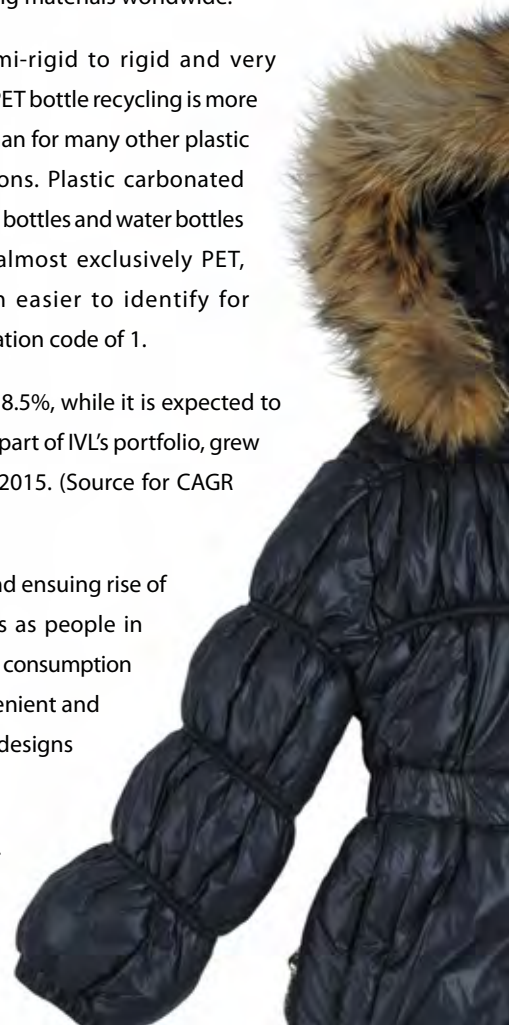
The PET (Polyethylene Terephthalate) business segment primarily comprises the manufacture and sale of PET resin, a plastic polymer resin principally used for beverage containers and food, pharmaceutical and household product packaging and in industrial packaging applications. Approximately 90% of the world's PET resin is used in bottles. PET resin is produced from a polyester polymer, which is a mixture of PTA (Purified Terephthalic Acid) and MEG (Monoethylene Glycol). PET is one of the most widely-used packaging materials worldwide.

PET can be semi-rigid to rigid and very lightweight. PET bottle recycling is more practical than for many other plastic applications. Plastic carbonated soft drink bottles and water bottles today are almost exclusively PET, which makes them easier to identify for recycling. PET has a resin identification code of 1.

From 2000 to 2011, global PET resin demand grew at a CAGR of 8.5%, while it is expected to grow at a CAGR of approximately 8.6% from 2011 to 2015. PET film, a small part of IVL's portfolio, grew about 6.7% CAGR from 2000 to 2011 while it is expected to grow 9.6% CAGR from 2011 to 2015. (Source for CAGR statistics: SBA CCI and IVL analysis.)

This growth is being driven by population growth, the urbanization of developing countries and ensuing rise of the middle class and higher income levels. Urbanization leads to greater health awareness as people in developing economies generally prefer to avoid tap water as a health precaution. More on-the-go consumption due to the light packaging stimulates lifestyle changes and the demand for lighter, more convenient and aesthetic packaging increases. The flexibility of PET to create and enhance innovative product designs creates the differentiation that brand owners desire.

IVL, as the world's largest PET producer, accounted for 14.4% of total global PET capacity in 2011. The Company accounted for 33% of the North American market and held the second largest



market share. The top three North American producers accounted for 89% of the whole market in 2011. IVL accounted for 28%, of the European market and was the number one producer. The top three producers in Europe accounted for an estimated 55% of total market in 2011 (Source: SBA - CCI)

IVL has long understood that there is a cost advantage for regional producers over imports. For instance, regional players like IVL are unaffected by trade barriers; are able to offer customers just - in - time delivery and supply consistency. For the Company, this translates into reduced market risk and lower costs in serving customers as well as an ability to access local credit.

The Company had 3.3 million tonnes of PET capacity at the end of 2011 and expects to have 3.7 million tonnes by the end of 2012 and 3.9 million tonnes at the end of 2013 due to planned expansion projects that are ongoing.

Fibers and Yarns Business

IVL is a global solutions provider for customer in the Polyester and Wool fibers and yarns industry and a global leader in value-added products in this space via an innovation platform based on research and development. As of today, the Company has 14 manufacturing sites in eight countries on three major continents and represents 13% of IVL's revenue.

Polyester fiber, yarns and filaments are all forms of threads that can range in the stiffness of the material they are used in. They can also be permeated with chemicals at the manufacturing stage to make them non-flammable or resistant to bacteria, for instance. Fibers and yarns businesses are largely in Asia as it is a more labor intensive business than PET or PTA and labor costs are still relatively low in Asia.

From 2000 to 2011, the estimated growth rate of Polyester Fibers and Yarns has been 7.1% but is expected to grow 8.6% from 2011 to 2015. This is partly because of population growth and higher living standards.

However, as Polyester is the lowest cost form of fiber for apparel and bedding etc., it is the material of choice for the developing world.

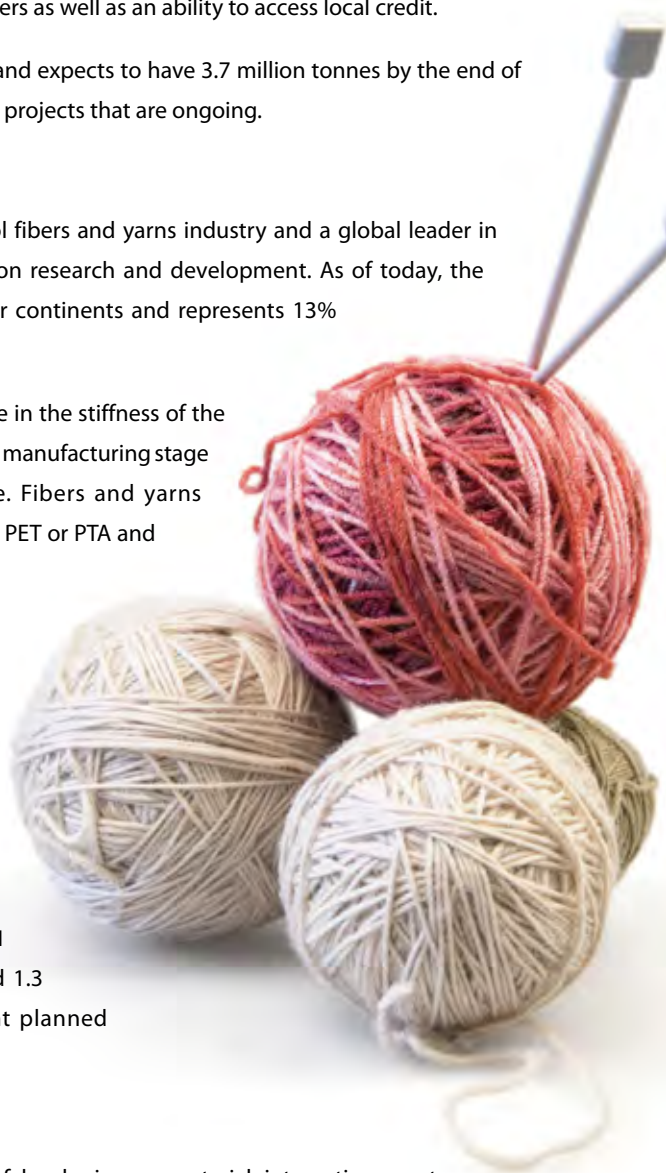
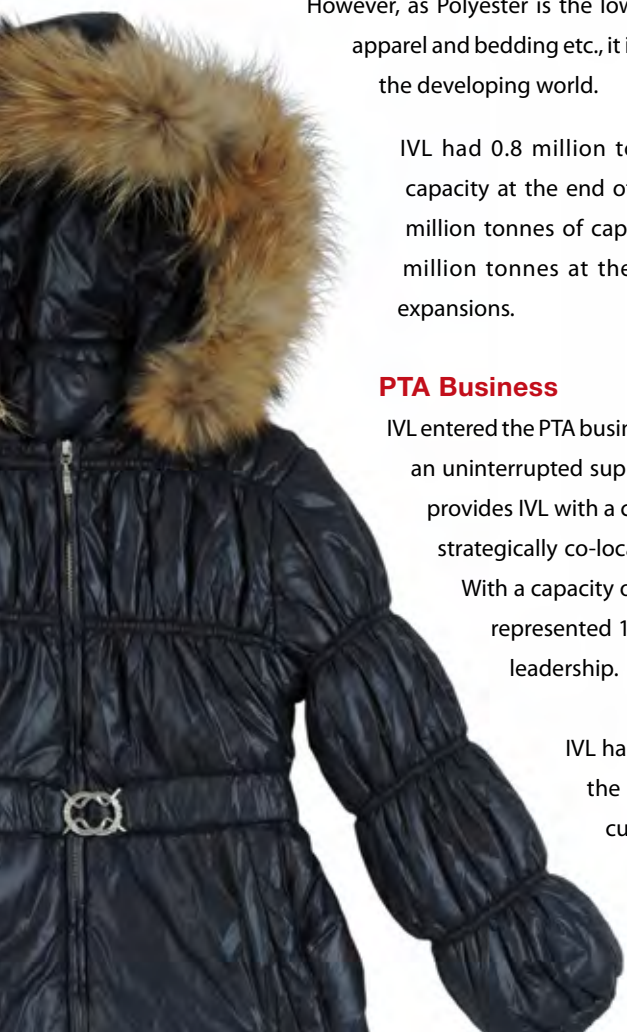
IVL had 0.8 million tonnes of fibers and yarns capacity at the end of 2011 and expects to have 1 million tonnes of capacity at the end of 2012 and 1.3 million tonnes at the end of 2013 under current planned expansions.

PTA Business

IVL entered the PTA business in 2008 with the strategy of developing raw materials integration so as to ensure an uninterrupted supply of raw materials and capture better margins in the Polyester value chain. This provides IVL with a cost competitive edge to the PET & Fiber businesses. The Company's PTA assets are strategically co-located with downstream facilities in Thailand, Indonesia, the Netherlands and Italy.

With a capacity of 2.4 million tonnes per annum at five sites, in four countries on two continents, it represented 17% of IVL's revenue in 2011 and provided the Company with both scale and cost leadership.

IVL had 1.9 million tonnes of capacity at the end of 2011, will have 2.4 million tonnes at the end of 2012 and expects to have 2.7 million tonnes at the end of 2014 under current expansion plans.



Subsidiary Descriptions

Indorama Holdings Ltd.

Commissioned 1994

Indorama Holdings Ltd. manufactures wool tops for captive consumption to be used for worsted yarn spinning. Both top making and spinning facility is located at the same site in Lopburi, Thailand. This enables a smooth and cost efficient production process. Indorama Holdings produces a broad range of yarns (over 500 types) yarn count ranging from 10 Nm to 125 Nm, used in various sectors such as woven, non woven, active apparels, technical textiles and interior textiles. All yarns are produced using 100% Full Fleece Merino Wool from Australia.

Commissioned in 1994, the site received ISO 9001 certification in 2003 and ISO 14001 in 2007. The site also achieved many awards including the Best Company Award in the Textile Industry, the Prime Minister Export Award, the Best Factory Award by the Ministry of Labour Protection and Welfare, and the Best Factory Award for Environment Health and Safety.

As the Lopburi site was affected by flooding from September 2011, the site was forced to shut down and will reopen in 2012 following refurbishments.

Indorama Polymers/AsiaPet

Commissioned 1995

The IRP/AsiaPet PET facility is located in Lopburi, Thailand. The plant began production in 1995 and marked IVL's first step into the PET business. With various expansion projects, the plant's initial annual capacity of 20,000 tonnes has now increased to 178,000 tonnes. The facility enjoys virtual backward integration with IVL's PTA within the region and partial forward integration with the co-located Petform packaging facility.

The site was affected by the heavy flooding in Lopburi at the end of 2011 and is expected to be back in operation by May 2012.



We entered the petrochemical industry with the establishment of a PET (Polyethylene terephthalate) resin facility in Thailand.



1994

IVL commenced business in Thailand in 1994 with Indorama Holdings, which was the first worsted wool yarn producer in Thailand. It is now globally recognized as a major producer of premium worsted wool yarns.

1995

PET is a key material between the petroleum industry and consumer goods companies that make bottles and packaging as well as apparel, footwear and other items used in our daily lives. IVL has now grown to be the largest PET producer globally.

1996

We grew our PET business downstream by producing PET preforms, bottles and closures or bottle tops, through a joint venture with Serm Suk Pcl, the exclusive bottler for Pepsi products in Thailand.

1997

IVL entered the polyester fiber business in 1997 with the acquisition of Siam Polyester which subsequently re-named Indo Poly, a polyester fiber plant in Thailand, eventually becoming the largest polyester fiber producer in Thailand.

Petform**Established in 1996**

The Petform packaging facility is located in Lopburi, Thailand, and produces PET preforms, PET bottles and HDPE closures for carbonated soft drinks, water and other applications. The plant is virtually back integrated with the IRP/AsiaPet PET facility. The plant has an annual capacity of 980 million preforms, 420 million bottles and 1,600 million closures. Petform is a joint venture with Serm Suk Public Company Limited. The plant was affected by floods in Lopburi at the end of 2011 but is expected to recommence production in May 2012.

Indorama Polyester Industries (Nakhon Pathom)**Acquired in 1997**

The Indorama Polyester Industries facility is located in Nakhon Pathom, Thailand. The facility was acquired by Indorama Ventures from Siam Polyester, becoming the company's first venture into the Polyester business. With various expansion projects, the plant's initial annual capacity of 40,000 tonnes has now increased to 127,000 tonnes. The facility enjoys virtual back integration with IVL's PTA within the region.

The Indorama Polyester Industries facility produces polyester fibers, yarns, and chips, serving customers in the main end use markets of apparels, home textiles and technical textiles, with an extensive range of products for all sectors. The plant is ISO 9001 certified and has ISO 14001 Environmental Management System certification.

StarPet**Acquired April 2003**

The StarPet PET facility is located in Asheboro, North Carolina, U.S.A. After various expansion projects, the plant's initial annual capacity of 50,000 tonnes has now increased to 252,000 tonnes. Products include PET polymers for PET bottles, sheets, and other applications.



The company entered into the PTA business in 2008 with IRH Rotterdam, Indorama Petrochem and TPT Petrochemicals. PTA (Purified Terephthalic Acid) is a feedstock for PET and polyester.



IVL completed construction of AlphaPet in Alabama, U.S.A.

Acquisitions in the US, Mexico, Germany, Indonesia and Poland, with entry into R&D through acquisitions in the US and Germany, as well as a joint venture for a PTA facility in Indonesia.

2003

The company expanded PET production internationally with StarPet in the U.S.A.

2008

We acquired Tuntex Thailand, the largest polyester fiber producer in the country.

2000**2010**

IVL launched its new business plan for the next four years, called Aspiration 2014. The plan calls for a tripling of total production capacity by 2014 to 10 million tonnes. We acquired a business in Italy through joint venture and a utilities company to power our Rotterdam plant.

2011-2012

Expansions announced at plants in Indonesia, Netherlands and Poland. Recycling became a major strategy with a new plant in the US and the acquisition of Wellman International in Europe. Entry into value-added hygiene sector with acquisition of Fibervisions in the U.S.A. Acquired Polypet in Indonesia, BPL in the UK and Old World MEG acquisition slated for April 2012.

2006

IVL expanded into Europe with Orion Global PET in Lithuania.

IVL acquired two PET resin facilities from the Eastman Chemical Company in Rotterdam, The Netherlands, and Workington, United Kingdom.

The StarPet PET facility employees care about the well-being of their neighbors and cooperate with local agencies to improve the quality of life in the area.

Orion Global PET **Commissioned in 2006**

The Orion Global PET facility is located in Klaipeda, Lithuania. The plant started commercial production in 2006 with an annual capacity of 198,000 tonnes and is running in 2011 at 241,000 tonnes, making it the largest single line PET plant in Europe.

Orion Global PET received a business award from the Lithuanian government in 2007 and was Exporter of the Year in 2009 and a "Successful Operating Company" in 2010. The Confederation of Lithuanian Industrialists conferred gold medals for Product of the Year for its Ramapet PET resin, N1 (2009) and R1 (2010).

Like other Indorama Ventures production sites throughout the world, the Orion Global PET facility takes an active role in contributing to the well-being of its community in the form of events such as blood donation and charity campaigns.

Indorama Polyester Industries (Rayong) **Acquired in 2008**

Another Indorama Polyester Industries Polyester facility is located in Map Ta Phut, in Rayong Province, adjacent to the National Petrochemical Complex. The plant is virtually back integrated with the TPT Petrochemicals PTA facility. The facility is also supported by a 55 MW cogeneration plant located next door and operated by TPT Utilities Company Limited, a subsidiary of TPT Petrochemicals.

Indorama Polyester Industries produces polyester fibers, yarns, and chips, serving customers in the main end use markets of apparels, home textiles, automotive, and non-woven sectors with an extensive range of products for all sectors. In Q4, 2009, one polyester fiber production line was converted into a PET resin production line. It has a capacity of 287,000 tonnes per year and produces 91,000 tonnes per annum of PET and 196,000 tonnes per annum of Polyester textiles, non-woven and conjugate fibers, specialty filament yarns and PET Chips. The business serves customers in a wide range of industries such as the apparel industry, active wear, automotive, home textiles, industrial, hygiene, household and textiles.

There has been significant growth in new product mix, and the company has been implementing joint projects with customers successfully. The plant will be upgraded to produce bicomponent staple fiber; a specialty product made using two different polymers and is primarily used in hygiene applications like baby diapers, sanitary napkins. The use of the right technology is important in view of the critical product specification. This project is expected to strengthen IVL's drive to enter into the high end non-woven customer base.

IPI also does batch Polymerization for PET modified polymers.

Indorama Petrochem **Acquired 2008**

The Indorama Petrochem PTA facility is located in Rayong, Thailand and is a part of the Asia Industrial Estate. Indorama Ventures acquired this facility in 2008 from the Indorama SPL Associate Group. The plant began production in 2006 with an annual production capacity of 771,000 tonnes, making it one of the largest single plants in the world. The Indorama Petrochem PTA facility provides raw materials to IVL's PET and Polyester business operations and supplies PTA to external customers worldwide.

The Indorama Petrochem PTA facility is environment friendly and generates energy through a heat recovery process.

Indorama Holdings Rotterdam**Acquired 2008**

The IRH Rotterdam PTA facility is located in Rotterdam, in the Netherlands. It was acquired by Indorama Ventures in 2008 from Eastman Chemical Company. The IRH Rotterdam PTA facility provides raw materials to IVL's PET business operations in Europe. The plant has an annual capacity of 377,000 tonnes and is based on Eastman PTA technology. The plant capacity is being expanded by 250,000 tonnes.

The facility shares a utility island consisting of a cogeneration (heat and power) system with IRH Rotterdam PET facility. The plant is ISO 9001 and is a Responsible Care Site.

Indorama Polymers Rotterdam**Acquired in 2008**

The IRP Rotterdam PET facility is located in Rotterdam, the Netherlands. The facility was acquired by Indorama Ventures in 2008 from Eastman Chemicals Company. The facility had an original annual production capacity of 200,000 tonnes. A new 187,000 tonne PET line, integrated with IRH Rotterdam, was added and will be operational in 2012.

Indorama Polymers Workington**Acquired in 2008**

IRP Workington PET facility is located in the industrial town of Workington, in the county of Cumbria, North - West England. The facility was acquired by Indorama Ventures in 2008 from Eastman Chemical Company. The facility has an annual production capacity of 168,000 tonnes. The facility is supported by a windmill installed on site, generating 2 MW of energy.

TPT Petrochemicals**Acquired 2008**

The TPT Petrochemicals was the first producer of Purified Terephthalic Acid (PTA) in Thailand. It has a capacity 602,000 tonnes per year and is located in Map Ta Phut Industrial Estate, Rayong, Thailand, which is the 6th largest Petroleum and Petrochemicals Complex in the world.

TPT Petrochemicals PCL was originally founded in November 1991 as Tuntex Petrochemicals (Thailand) Company Limited. In April 2005, the name was changed to TPT Petrochemical Public Company Limited.

The principal feedstock for the production of PTA is Paraxylene, purchased from PTT Global Chemicals Plc. which delivers from its aromatics plant located next to the TPT PTA plant. TPT Petrochemicals owned and operated an on-site co-generation power plant supplying power to its PTA plant. The co-generation power plant has a production capacity of 55 MW electricity and high pressure steam which is provides to the TPT PTA plant, Indorama Polyester Industries Plc and Bangkok Polyethylene (BPE). The surplus power is sold to the Electricity Generating Authority of Thailand (EGAT).

AlphaPet**Completed September 2009**

The AlphaPet production facility is located in Decatur, Alabama, U.S.A. Its first line came on-stream in September 2009 and its second line in March 2010. It is co - located with the BP Chemicals PX/PTA complex for the supply of PTA and utilities. The AlphaPet production facility has a re-rated capacity of 438,000 tonnes per year, making it one of the largest sites in North America. The site produces PET polymers for PET bottles, sheets and other applications; in 2011, a new recycling plant built onsite came into operation to serve major customers with post-consumer recycled PET.

The plant employs the new generation Uhde Inventa - Fischer Melt to Resin (MTR®) technology. The use of MTR technology has a number of advantages over conventional PET technologies including significant capital and operational savings, reduced energy consumption and a smaller environmental footprint.

In 2011, the area was hit by tornadoes that knocked out the electricity supply for the factory, which was non-operational for two months. Since July 2011, the facility has been operating normally.

Ottana Polimeri S.R.L.

Acquired in a Joint Venture July 2010

Indorama Ventures acquired the Italian PET and PTA producer Ottana Polimeri S.R.L. from Equipolymers Europe, a joint venture between Dow Chemical Company and Petroleum Industries Company of Kuwait. The deal provides IVL access to the Mediterranean region, including markets in Southern Europe and North Africa. The acquisition was made through a 50:50 joint venture between IVL's European subsidiary IVL Belgium N.V. and PCH Holding S.R.L. ("PCH") of Italy.

The 184,000 tonnes per annum PTA plant and the co-located 161,000 tonnes per annum PET plant is situated on the island of Sardinia, Italy, offering the company the strategic ability to serve Southern Europe with the shortest transportation route possible.

Guangdong IVL PET Polymer Co., Ltd.

Acquired January 2011

Guangdong IVL PET Polymer Co., Ltd. is the first investment of IVL in China and allows the Company to establish its footprint in one of the largest and fastest growing markets for PET and Polyester fibers and yarns. The plant is located on the riverside in Kaiping City, Guangdong Province, China. It has an installed capacity of 406,000 tonnes per annum. In 2012, the plant will complete its debottlenecking project, thereby increasing the installed capacity to 522,000 tonnes per annum.

The plant has a wide array of products, including PET Polymers and PET chips for Polyester films, Polyester Filaments and Industrial Yarn. The main focus will be the domestic market and will also be used as an export base to the Far East and other markets.

PT Indorama Ventures Indonesia (IVI)

Acquired March 2011

Located in Tangerang, Indonesia, the plant was acquired from SK Chemicals of South Korea. The plant employs a well proven technology from Hitachi, Japan. It has a capacity of 87,600 tonnes per year of PET Chips and 73,600 tonnes per annum of Polyester Filament Yarns.

Indorama Polyester Industries Indonesia (IPII)

Acquired March 2011

Established in 1997, the facility is located in Karawang, Indonesia. It was acquired by Indorama Ventures in March 2011 as part of the same deal with SK Chemicals that included IVI. It has an annual capacity of 36,000 tons of Polyester Filament Yarns.

Indorama Polymer SP. Z o.o.

Acquired March 2011

The site was founded in Wloclawek, Poland in June 2002 and started operation in May 2005. It was a part of the acquisition from SK Chemicals that included assets in Indonesia. The facility produces 153,000 tonnes of PET annually, exporting 60 percent of its production to neighboring countries. Due to the location of a third party PTA facility nearby, the site is virtually integrated and thus has good cost savings on logistics. Since its acquisition unit started growing dynamically, increased its production capacity, expanded new markets, added rehear product to its portfolio against only one normal grade produced before acquisition, improved safety standards and continuously carrying out costs rationalization. It is the only plant in the Group which uses RTIS real-time process data gathering and storage system Aspen for remotely monitoring of entire process from any place and at any time in the world.

Auriga Polymers Inc.**Acquired March 2011**

IVL acquired the North American polymers assets of INVISTA in 2011. Auriga Polymers' operations are in Spartanburg South Carolina with business unit and administrative offices in nearby Charlotte, North Carolina. The plant once belonged to Hoechst AG of Frankfurt, which also once owned Trevira in Germany.

The South Carolina facility produces polyester resins and polyester staple fibers, with a total Polyester fibers capacity of 71,000 tonnes per annum. Auriga produces fibers for several unique and innovative non-woven products such as fibers used in Cured-in-Place Piping (CIPP), which is utilized in repairing damaged sewage lines; and textile fibers used for military uniforms and material used for filtration applications, such as in respirator masks. The company supplies materials to customers with recognized brands in the non-woven industry segment.

The facility also produces polyester resins and specialty polymers currently used in bottles, trays, sheets, film and textile applications. Bottles made from Auriga's resins are used for carbonated soft drinks, water, beer, juice, wine and food. Auriga owns the technology for the Crystal Clear Oxygen Barrier Resin, OxyClear®. Another benefit of acquiring Auriga Polymers included the enhancement of research and development (R & D) capabilities. An advantage from the R & D integration with IVL's existing facilities, including AlphaPet and StarPet is increased production flexibility. Auriga has 387,000 tonnes of PET capacity.

Indorama Ventures Polymers Mexico**Acquired March 2011**

Another part of the North American acquisition from INVISTA was the Querétaro complex, which was the first filament polyester manufacturing facility for the textile industry in Mexico. Operations are located in Querétaro Mexico with a business office in Santa Fe, Mexico City.

Staple fiber production began in 1981; its products are used for the manufacturing of apparel, bed sheets, bedspreads, comforters, carpeting, rugs etc. Using the most advanced technology in the world, the PET bottle grade resin plant started operations in 1994. This resin offers customers a wide range of benefits, which include crystalline transparency, light weight, impact resistance, good retention properties and 100% recyclability. Indorama Ventures Polymers Mexico has a total capacity of 478,000 tonnes per annum.

Trevira**Acquired: July 2011**

Trevira GmbH Germany was acquired under a joint venture with Sinterama, an Italian company with experience in specialist fibers and a global footprint. IVL holds 75% of the shareholding in Trevira. The company was originally the fiber business of Hoechst, one of Germany's foremost chemical companies and became an important European manufacturer of high quality branded polyester fibers and filament yarns for the home textiles, apparel and automotive industries, the hygiene sector and technical applications. Its head office is in Bobingen near Augsburg. The company is the only European producer offering both staple fibers and filament yarns and is the only fully integrated polyester fiber company in Europe. It has a total capacity of 120,000 tonnes per annum.

Following a statement by Trevira in November 2011 of its plans to centralize filament yarn spinning in Guben, it decided that by the end of 2012 spinning capacity based at its Polish plant in Zielona Góra would to be moved to its Guben plant, together with the filament capacity in Bobingen (Bavaria).

The concentration of all units of filament yarn production in Guben means the company will be operating only the one

production site for each of its two product lines – filaments and fibers. The aim is to make the production structure slimmer and more efficient.

Trevira's global brand recognition puts it in a position to enhance growth by implementing strategic alliances partnerships, and joint ventures worldwide. A central development and engineering division ensures future technology growth.

Today, Trevira holds global leadership positions in flame retardant textiles applications and has a strong position in the hotel and cruise ship industry; automotive interiors; bico nonwoven applications and low pill apparel applications. Trevira can provide services throughout the entire textile value chain, which offers significant added value for its customers. Trevira is internationally certified with ISO 9001 and ISO 14001.

PT Indorama Petrochemicals

Acquired November 2011

PT Indorama Petrochemicals is a PTA producer located in Cilegon, West Java, Indonesia, and has an installed capacity of 465,000 tonnes per annum. The acquisition gave IVL a 50% stake and under a debt restructuring process new capital reduces IVL's shareholding to 42%. PT Indorama Synthetics Tbk, (PTIRS) and others will hold the rest.

Currently, the plant is not operating and is expected to start commercial production in 2012 on completion of required maintenance, revamping and capacity de-bottlenecking. Upon de-bottlenecking the capacity will increase to 500,000 tonnes per annum.

Indonesia is growing to become one of the large polyester markets and has a shortage of PTA supply. IVL, through its equity stake in PT Polyprima, will secure the PTA supplies for its Polyester plants in Indonesia.

Wellman International

Acquired December 2011

Wellman International Ltd, established in 1973 under the stewardship of Wellman Inc, USA, has a capacity of 85,000 tonnes and is Europe's largest PSF operation. The company manufactures high quality polyester products from recycled raw materials and is a pioneer in recycling. It is the most reputed bottle to fiber recycler with its own and unique technology.

It is also Europe's largest PET recycler, processing more than 1.6 billion post - consumer PET bottles and containers annually. It has capacity of 153,000 tonnes per annum for rPET and rFibers.

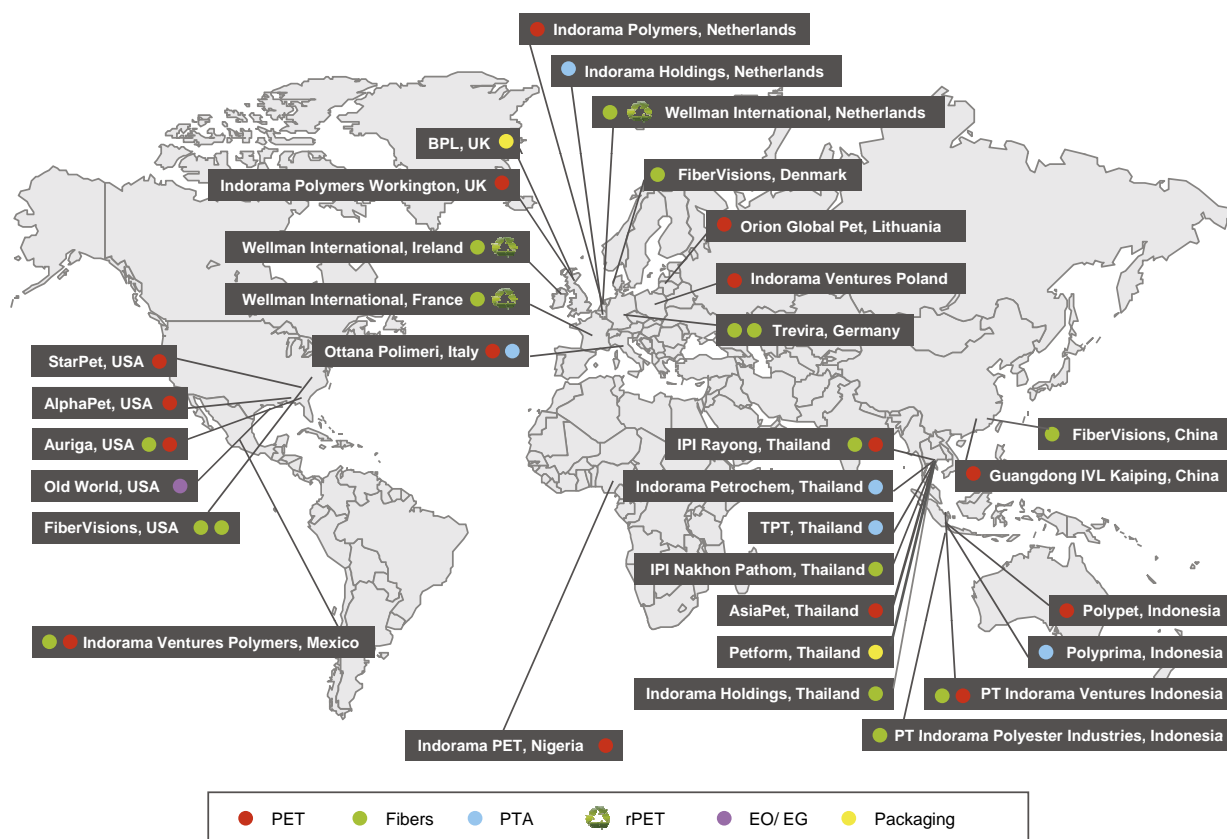
Wellman International has three production facilities, polyester fiber plant at Mullagh in Ireland and recycling plants at Spijk in the Netherlands and Verdun, in France.

Europe's largest rPET fiber site is located 80 Km Northeast of Dublin and employs 264 people. It has 85,000 tonnes of fiber capacity with 22,000 tonnes of bico fiber capacity. Applications include home furnishings, automotive parts such as carpet and filters, technical or industrial items such as insulation and felts as well as personal hygiene items like diapers and femcare.

The bottle recovery plant at Spijk, in the Netherlands, is located on the Rhine. Established in 1990 it has a capacity of 43,000 tonnes. The bottle recovery plant in Verdun, is located in North East France, it was established in 1995 and has a capacity of 27,000 tonnes.

The company is able to blend variable inputs of rPET (recycled PET) and other industrial PET waste through a robust production process and is capable of matching recycled product quality with virgin material products, including for hygiene sector. In Europe, it has a wide network of bottle sourcing with supply chain efficiencies and reliability. The company has a particularly strong presence in recycled hygiene fibers, smart fibers in filtration, acoustics and thermobonding.

39 operating sites in 15 countries across 4 continents



FiberVisions

Acquired: January 2012

FiberVisions is the world's largest producer of specialty polyolefin monocomponent (mono) and bicomponent (bico) staple fibers. Its facilities are located in key strategic locations in all of the world's major regions: the USA, Europe and China, giving the Company the ability to serve IVL's customers wherever they are located. FiberVisions is also the global leader in developing, manufacturing and marketing polyolefin staple fibers for nonwoven applications. FiberVisions uses proprietary technology and state-of-the-art manufacturing facilities to supply innovative products to customers in industries such as hygiene, textiles, automotive and construction. Typical applications of its products include diapers, wipes, feminine care, filtration, geosynthetics, building and construction, automotive, apparel and textiles and paper. The company also offers technical solutions to customers.

FiberVisions is the technology leader for bico fibers and specialty and differentiated mono fibers with core competence in nonwovens and the ability to leverage technologies across a range of products and market segments. It has global research and development capabilities and global manufacturing, sales, and customer support

FiberVisions business segments and sales effort are focused on serving specific end users. With facilities strategically located in close proximity to many customers and markets, it has developed deep customer relationships via its global customer base and is able to offer the flexibility required to make customized products matching customer needs.

The Covington site is in Georgia, USA, and has a capacity of 75,000 tonnes a year. The site manufactures monocomponent staple fibers and bicomponent fibers and has ISO 9001 certification. The products serve markets for hygiene, industrial and textile products.

The Athens, Georgia, site produces monocomponent staple fibers and bicomponent fibers. and serves customers in the hygiene, industrial and textile sectors. The facility is certified ISO 9001, ISO 14001 and DS/EN 16001 (Energy Management Certification) compliant.

Located in Varde, Denmark, this FiberVisions facility makes mono staple fiber and bico fiber serving customers in the hygiene, industrial and textile sectors. It is certified for ISO 9001, ISO 14001, and DS/EN 16001 (Energy Management Certification).

The site at Suzhou, China, produces monocomponent short spin staple fiber and Carded Thermal Bond nonwoven fabric. In 2011, FiberVisions implemented equipment and technology which enabled the facility to also produce Through Air nonwoven fabric.

Polypet

Acquisition to be completed in 2012

Located in Cilegon, West Java PT Polypet Karyapersada is located adjacent to IVL's joint venture PTA asset, PT Indorama Petrochemicals (formerly known as PT Polyprima Karyesreska) and therefore receives its PTA feedstock via pipeline. Polypet will provide IVL the opportunity to further consolidate its foothold in expanding Indonesian PET market.

With 100,800 tonnes of annual capacity, the facility is expected to produce 115,200 tonnes after expansion.

Beverage Plastics Limited

Acquired February 2012

Established at Craigavon, Northern Ireland, in the UK, Beverage Plastics produces each year 500 million Preforms, 180 million blown bottles, 850 million Closures and 425 million Closure Printing runs. IVL acquired a 51% stake and intends to use the facility to serve its customers in the UK.



The clear choice for long shelf life.

OxyClear[®] barrier resin protects the freshness of oxygen-sensitive foods in attractive crystal-clear packaging. OxyClear[®] barrier resin is an oxygen barrier that can be built into PET sheets for thermoformed trays, cups and other containers.





In 2011, IVL achieved record production of PTA at the highest efficiency. IVL's strategy in 2012 is to sustain plant operations at the lowest conversion cost possible while ensuring reliability of operations and environmental compliance. Brownfield expansion and the implementation of cost reduction at some of the PTA sites will make the business more competitive to face the challenging times ahead.

PTA BUSINESS

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PREM GUPTA

President of PTA Business

Innovation through Research and Development

IVL's broad global reach offers prospective leveraging of R&D assets and processes to maximize the range and speed of development. The patented and branded products we have, along with the anticipated new developments, will create a very specialized and differentiated business unrivaled by competition.

IVL is the world's largest PET (polyethylene terephthalate) producer with facilities in Asia, Europe, North America and Africa. In addition, it has recently been expanding its capacity to produce recycled PET and Polyester fibers to enhance its future sustainability. The production of recycled PET resin commenced in the US in November 2011, with plans to add further recycling capacity in Thailand in the future. IVL is also investing in specialized bicomponent fibers and yarns in Thailand and Indonesia. As examples of current R&D, we can see two examples, from Auriga and Trevira.

Research and Development at Auriga continually looks for projects that are designed to help increase market share of PET used in consumer packaging. Any performance deficiencies of PET compared to competitive packaging materials, whether glass, metal, or other plastics, represent opportunities to reduce the deficiencies of PET and thereby expand PET's share of the large and growing consumer packaging market.

One prime example of a performance deficiency of PET is its relatively high rate of permeation of gases such as oxygen and carbon dioxide as compared to glass. Glass is a popular material for packaging oxygen sensitive foods and beverages due to its ability to essentially eliminate the permeation of oxygen which can cause spoilage, off-tastes, and odors. PET has a relatively low rate of oxygen permeation when compared to other commonly used plastics, but it is inferior to glass. Thus, it has been a focus of R&D for many years to improve the "barrier" that PET provides against the permeation of oxygen, in hopes of taking market share from glass in the packaging of oxygen sensitive foods and beverages such as fruit juice, wine, ready to drink tea, vitamin and nutritional supplements, deli meats, and flavored waters.

Technologies have been developed in an attempt to improve the barrier of PET to oxygen. For example, preform and bottle coatings, yet such technologies are capital intensive, decrease rates of bottle production, and can be prone to failure due to cracks or "pinholes" in the coating. Another technology developed to improve the oxygen barrier of PET is the multilayer bottle containing layers of PET and one or more additional materials that have a higher natural barrier to oxygen permeation. Unfortunately, the production of multilayer bottles requires significant capital, involves more complex production processes, and the resulting bottles are prone to failure by delamination, or the separation of the various layers.

Perhaps the most elegant and effective way of providing additional barrier against oxygen is to blend a second polymer into PET that can provide an "active" barrier. Unfortunately, "monolayer" blends had their own faults.

In light of the deficiencies in previous technologies to create an oxygen barrier in PET, Auriga Polymers R&D Labs set out five years ago to develop a superior oxygen barrier polymer for monolayer blends. The goal was to produce an oxygen barrier more chemically compatible with PET, reduce bottle haze and increase the ability of the barrier to absorb oxygen, thereby improving the shelf life of PET packaging.

In order to minimize bottle haze and improve clarity, the desire was to create small areas of oxygen barrier material in the PET preforms. Just as importantly, we wanted to provide for a long shelf life while using the least amount of the barrier as possible. This makes the Oxygen Transmission Rate (OTR) more important. Once the OTR for the package is determined, this data can be converted directly to concentration of oxygen in parts per million (ppm) entering the package over a period of days or even months. The time to achieve a certain ppm of oxygen in the package determines the shelf life of the package for a given application. For example, orange juice typically can tolerate 5 ppm of oxygen, while beer can tolerate only 1 ppm.

Consider fresh orange juice with a limit of 5 ppm of allowable oxygen: an ordinary PET bottle would reach its shelf life in 60 days or less. The bottle that contains our BB-10 barrier shows less than 1 ppm of oxygen even after 6 months. This increase in shelf life allows brand owners to be confident that the product will remain fresh until sold.

Auriga Polymers has successfully commercialized the BB-10 oxygen barrier polymer as OxyClear® Resin.

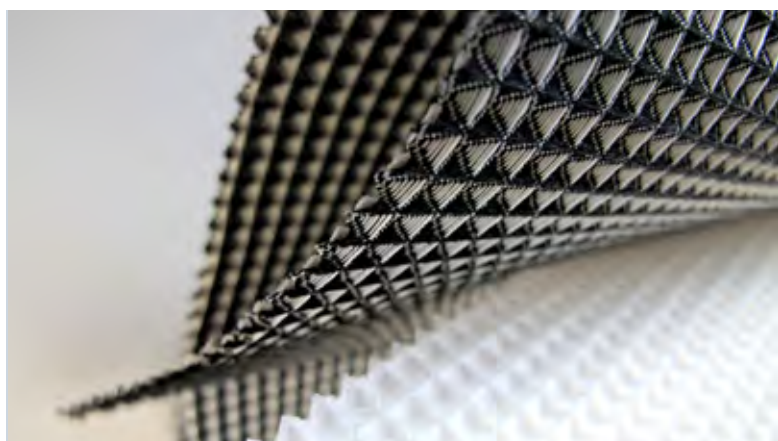
Among Trevira's collection of yarn specialities, the range of bicomponent filament yarns meets the growing interest of manufacturers of technical materials and home textiles. Trevira NSK (low melt component) is a modified polyester that is used to create hybrid yarns in combination with standard polyester, or with Trevira's flame retardant yarns.

The low melt component causes stiffening of the material, and in the process, the proportion of NSK in the fabric controls the degree of stiffness. It is not only possible to dye and print on the product, but also to pleat it or change its shape completely.

Alongside the design, the technical possibilities and the textile look, there are important economic and ecological reasons for the use of hybrid yarns. The textile material can be finished in a rational and energy-saving manner. The partial plasticization that occurs in the finishing stage can render a coating, like acrylate, superfluous. Products made of these yarns constitute a single-material substitute for technical textiles, since the end products are 100 % polyester that can be recycled without difficulty.

Special applications include as a stiffening agent in combination materials for the automotive industry, snowboards, windmill vanes, filtration engineering, refrigerator counters and storage space covers. Many further applications are feasible.

Where Trevira CS comes in as the second component, the resultant hybrid yarn is permanently flame retardant. Until now, such special flame retardant yarns have largely figured in interior sun protection applications (sliding panels, roller and vertical blinds), as well as in room dividers and wall coverings. With the stiffening, the article gains in stability and hangs better in flat panels than conventional materials. Further uses for these yarns include soundproofing and air conditioning systems (textile hoses).



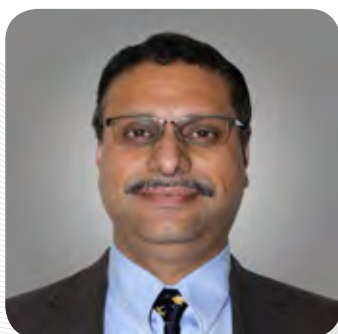
In addition, Trevira offers bicomponent staple fibres for thermal bonding, e.g. for insulation and filtration materials, in the automotive sector, hygiene textiles and construction materials. The range comprises the most varied raw material combinations of core-sheath systems: PET/PE, PET/Co-PET and PET/PBT. There are also plans for a PLA/PLA bico fibre that is currently at the development stage.

Messages from Business Heads

Orion Global Pet (OGP) completed five years of continuous operation in October 2011. The company accredited with ISO 22000 : 2005 for food safety and our product Ramapet R1L was awarded a Gold medal as "Lithuanian Product of the Year." During the year 2012 a shutdown is planned in September to increase production capacity from 660 TPD to 700 TPD. Production ran at 96% capacity utilization. Utilization was especially poor in 4Q 2011 for lower demand due to European crisis. However the margins were robust, specially in first half of 2011. Already, 2012 has started with strong sales and we see 100% utilization in 1Q - 2012.



JITENDRA KUMAR MALIK
Joint Vice President
Orion Global Pet



YASH AWASTHI
Vice President Operations
AlphaPet

Weathered but not Withered - It came, we saw, but our team conquered. The storms last year hit us badly and hurt our business. However, we fought the battle and emerged better than we expected in a mere five weeks to be able to produce again. This event was an eye opener for us and has enriched us in our handling of the situation if, god forbid, it hits us again, so that we keep the Indorama Ventures flag fluttering. This year, we expect to see the recycling business pick up, adding another feather to our cap.

Indorama Holdings - The wool business in 2011 was strong due to good demand from all sectors of the market. It was regrettable that our wool facility was completely flooded in September, 2011 and we were forced to stop production. We have ordered a 100% replacement of machinery and expect to start partial production from August, 2012 and achieve full capacity by end of the year. Fortunately, we are covered by insurance for the plant and machinery, inventory and business interruption losses.



RAJESH BANKA
Chief Operations Officer
Indorama Holdings

March 2, 2011 was a landmark date in the history of IVL's European expansion as we acquired a Polish company from S.K. Eurochem Sp. z.o.o. IVL management's clear vision dovetailed its pre-acquisition plans to increase throughput by 5% via capex - free debottlenecking, accompanied by control measures to bring down conversion costs, and a change of electricity vendor. By January 2012, we improved safety standards, examined CO2 gas emissions, met environmental compliances, reduced waste generation by bringing the company's global expertise to bear and initiated steps to utilize excess steam by installing an absorption chiller.

Operational efficiency is being improved by initiating a carbon foot print study and an energy audit as we move towards quality certification. We are organizing an Ethical Sedex Audit to ensure against unethical practices and bringing in Ethical Trading Initiative Base Codes.

The co-location of our PTA supplier, plus a huge local market for the finished product at a competitive delivery cost, has provided us a tremendous cost advantage and resulted in net profit increasing by 73% over 2010. We have added a reheat product to our portfolio in addition to the normal grade produced before acquisition.



O.P. MISHRA
Site Head
Indorama Polymers Poland



IAN EARL
General Manager
Indorama Polymers Workington

Indorama Polymers Workington Limited (IPWL) had a solid production year in 2011 with a best-ever record CP output of 152 kMT. This was despite Force Majeure declared in April by a supplier of PTA and a slow down in orders experienced in September and October.

SS production was 131 kMT. Excess precursor was exported to an SS operator located in The Netherlands.

During 2011 IPWL developed a new product using MEG produced from a plant-based source. This product was used by Coca Cola Enterprises in its plant PET bottles that were successfully launched during the year. Development of two additional new products commenced during the year. One of these is an improvement of an existing product. The second is targeted to meet the needs of a specific customer.

Two 420 MT PET storage silos have been erected on site during 2011 to improve logistical flexibility.

In addition to the experimental work in 2011, which continues to be fine-tuned to meet customer requirements, further product development work is progressing in 2012 to target two to three new markets for IPWL.



BERT - JAN HELD

General Manager
Rotterdam, the Netherlands

The Rotterdam site had a great 2011 with record production in PET and PTA while having no Occupational Safety and Health Administration (OSHA) incidents and excellent environmental performance through minimal waste generation and lower CO2 footprint per tonne of product. Furthermore, our site is progressing very well, with the new PET2 plant ready for start-up in 2Q 2012.

During the year the consolidated result from operating activities has gone up two fold. Indorama Ventures Indonesia (IVI) has increased the sales of its specialty product FINE by 550 tons/month after modification of our FDY lines to FINE lines. We initiated benchmarking across sites to share 'Best Practice' and operational excellence. More FINE modifications to three lines at IVI and Indorama Polyester Industry Indonesia (IPII) are planned in Q2 2012. Gas engines had been installed in IVI in March 2012, an investment of \$6.5 Mn, which has reduced power cost considerably, and will pay back in 15 months. Two turbo compressors (an investment of \$500,000) are planned for IPII, with an expected pay back of 3.76 years.



SHIN YONG SIG

Plant Head
Indorama Ventures Indonesia
and Indorama Polyester
Industry Indonesia



ANIVESH TEWARI

Plant Head
Indorama Polyester
Industries, Nakhon Pathom

Indorama Polyester Industries PCL, Nakhon Pathom plant produced almost 100,000 tonnes of polymers and downstream yarns and fibers during 2011. Overall the year was by far one of the best for the unit.

With development efforts targeted towards sustainable differentiation of our products and aiming to reach diverse market segments other than apparel, the future looks promising. The company continues to improve its team building efforts and maintains very close relations with all its customers in order to be flexible to rapidly changing markets. New investments are planned for the production of green and recycled polyester products in future.

**CARLOS SIERRA**

General Director
Indorama Ventures
Polymers Mexico

In 2011 Indorama Ventures Polymers Mexico passed through a smooth and successful transition from the former owner to Indorama Ventures. Modification of our process conditions and equipment changes reached new records in PET resin volume production and we consolidated the PET resin production process from Bio-MEG. We successfully turned around three lines, CP2, CP10 and CP11 without incident or accident; thanks to our robust Environmental Health and Safety (EHS) culture obtaining an Occupational Safety and Health Assessment (OSHA) injury rate of just 0.17, that is, one medical treatment throughout the whole year.

Our relations with the union, customers, suppliers and authorities were greatly strengthened throughout the year. We also renewed our Clean Industry/ISO 14000/ISO 9000 Certifications.

Trevira - our greatest assets are our knowhow in the manufacture of premium polyester products and our strong Trevira brand. With the support of our owners' network we will expand our business on a global basis, while keeping the focus on specialities and customer-specific solutions.

Our customers along the supply chain are our close partners and play a vital role in our concept of providing the market with eco-friendly, tested and approved Trevira textiles.

**ROBERT GREGAN**

CEO
Trevira

**FRANK GLEESON**

Managing Director
Wellman International

2011 was a year of two distinct halves, following a bullish five months of trading the market reacted to the uncertainty of the world economy, crushing confidence and threatening a return to a possible double dip recession. Wellman International, despite an increasingly challenging market environment, continued to pursue a strategy of delivering value-added, innovative, high performance fiber products to the market place with a positive financial return. This was achieved from a validated sustainability platform, strengthening our position as the polyester staple fiber provider of choice in the European market place. Additionally, when Wellman International Ltd became part of the Indorama Ventures family, this represented a very positive development. Joining Indorama Ventures marked the return of Wellman to the core values of PET production and marketing, demonstrating the strategy of IVL to engage and develop participation in sustainable resource management.

FiberVisions is the world's largest producer of polyolefin staple fiber used in nonwoven fabrics in the sanitary, wipes, feminine care and industrial markets. Despite a challenging worldwide economy, the company posted record top line volume and sales in 2011. Further, the company's safety and environmental performance were among the best in the nonwovens industry. FiberVisions' growth prospects are excellent as the company continues to develop new innovative and differentiated products for our customers. Typically, in excess of 35% of our sales come from products developed within the last 5 years. FiberVisions also sees tremendous growth opportunities in Asia, particularly in our most differentiated product family, bicomponent fibers, which have applications in both hygiene and industrial markets. To meet this demand together with our Joint Venture Partner, JNC Corporation, FiberVisions will build a new state-of-the-art Bico line in our facility in Suzhou, China, coming on-stream in 2013.



DR. STEPHEN WOOD
Chief Executive Officer
FiberVisions Corporation



JUAN MANUEL FLORES M.
Vice President of Operations
Auriga Polymers Inc.

Auriga Polymers Inc. became part of the IVL family on March 1, 2011. We started the construction of a Monomer plant that will feed the current DMT assets with PTA. This will allow Auriga to be more cost competitive and this endeavor created the need to re-develop more than 50 products to meet our customers' needs. Project and customer trials are progressing extremely well and start up is planned during second quarter of 2012.

Risk Factors and Risk Management

IVL and its group of companies manage business risks through identification and mitigation. It is our endeavor to handle timely and efficiently risks that may occur from changes in internal and external environment. The following describes some of the significant risks that could affect our business operations and financials.

Risks Relating to Our Businesses and Operations

We operate in highly competitive industries and actions of our competitors could impact our profitability and market share.

The industries in which we operate are characterized by high levels of price and other competition. In addition, many of our products are commodity products, and it may be difficult to have product differentiation and pass on increased cost to customers. Other competitive factors include product quality, specifications or product performance, continuity and reliability of supplies to customers and sustaining long-term customer relationships. We principally compete with several large multinational companies in each of our business segments. We also compete with numerous regional and/or specialized producers in the markets for our polyester fiber products. Some of these competitors may have greater market presence and/or financial and other resources than us. In addition, margin pressure could arise from, among other factors, limited demand growth and overcapacity in a relevant market (for example, China whose domestic demand for PET resin may fall short of the forecasted capacity increase), price reductions by competitors, new industry players, industry consolidation, the ability of competitors to capitalize on their economies of scale and create excess product supply and the access of competitors to new technology which we do not possess.

The continuous demand growth of the PTA, the PET resin, and polyester fiber industries could result in overcapacity.

Our operating results reflect the historical cyclical pattern of the PTA, PET resin, and polyester fiber industries, with periodic overcapacity and resulting pressure on pricing. This cyclicity arises, in part, from investments made at the top of the cycle (when margins are high and funds are available), thereby shifting the balance of supply and demand by new capacity coming on stream in large quantities. Consequently, the industry has from time to time experienced periods of overcapacity, such as when new plants are built and become operational, and there can be no assurance that this will not recur. In the absence of sufficient economic growth to generate increased demand or the closure of facilities to mitigate the effect, new capacity can cause a period of regional or global overcapacity which may lead to downward margin pressure.

Our operations are dependent on the availability and cost of raw materials.

Our operations are substantially dependent on the availability and cost of our primary raw materials: PTA (limited to merchant purchases primarily in USA) and MEG for our PET and polyester fiber and yarn businesses, and PX for our PTA business. PX, PTA and MEG are oil and natural gas derivatives, and are usually manufactured by large petrochemical companies. Thus, the costs of production of PTA, PET and polyester are affected by the international and domestic prices of crude oil, natural gas and refined petroleum products. Our financial condition and results of operations are thereby influenced by market prices for crude oil, natural gas and refined petroleum products, which are subject to the forces of international, regional and domestic supply and demand, as well as other factors beyond our control.

The markets and prices for petroleum products may be influenced by aggregate demand for such products (which can fluctuate with changes in economic conditions and cycles, seasons and weather patterns), the level of domestic and regional production, the prices and availability of imports, the prices and availability of substitute fuels and the extent and nature of governmental regulation and taxation. Worldwide supply conditions and the price levels of crude oil may also be significantly influenced by international groupings, which control the production of a significant portion of the worldwide supply of crude oil, and by political developments, especially in the Middle East. In addition, factors such as domestic and foreign government regulations, weather conditions, and competition from other energy sources also have an impact on crude oil and petroleum product prices.

Any increase in raw materials costs without a corresponding increase in selling price would reduce our operating results. Our ability to pass on raw materials price increases is dependent upon market conditions and our relative cost position compared to competitors. There may be periods of time in which we may not be able to fully recover increases in the cost of raw materials due to contractual arrangements or to weaknesses in demand for, or oversupply of, our products.

However, the Company intends to acquire its main raw material, PX, mainly by entering into supply agreements with suppliers. The Company is able to secure volume and purchases at monthly market prices for ability to pass through prices to customers. In year 2011 the Company entered into supply agreements for 94% of its total PX requirements. The balance was purchased from spot markets at market prices.

Increases in our costs could adversely affect our operating results.

As we are unable to influence commodity prices directly, our competitiveness and long-term profitability are, to a significant degree, dependent upon our ability to reduce costs and maintain low-cost and efficient operations. Our inability to maintain our cost structure and efficiently operate our manufacturing facilities may increase our costs and adversely affect our operating results. Certain non-controllable costs may increase by reason of external factors beyond our control, which may also reduce our operating results. Examples of non-controllable costs are energy costs, insurance costs, tax costs and pension costs.

Over the past few years, we have experienced significant cost increases for energy sources. While we attempt to match energy price increases with corresponding product price increases. Ultimately, our ability to pass on increases in our costs to customers is dependent upon market conditions.

In addition, production in our polyester fiber and yarn business is labor intensive. Consequently, inflationary pressures, changes in applicable laws and regulations or other factors resulting in increased labor costs.

Shortages or disruptions of supplies to our customers due to unplanned production capacity decreases or shutdowns of production plants may reduce sales.

Production at our manufacturing facilities or delivery of supplies to our customers could be adversely affected by technical failures, strikes, natural disasters, regulatory rulings and other factors. Unexpected events, such as manufacturing problems, unplanned shutdowns or loss of supplies, could lead to reduced sales.

If the capacity of one or more material facilities is reduced or the manufacturing of material products is shut down for a prolonged period and we are unable to shift sufficient production to other plants or draw on inventories or if we are unable to run our production facilities at our typical utilization rates because of a disruption to our raw material supplies, we may not be able to fulfill our product delivery obligations and we could be exposed to claims for damages and suffer reputational harm.

However, the company has insurance policies that cover damage to inventories, property, plant and equipment and loss from business interruption caused by accidents and natural disasters including floods for its business. The assets and business are fully covered through insurance policy for claims for damages. In addition, the company has geographical diversification to mitigate the risk of disruption from natural disasters or unexpected events which may impact one plant. The company has multiple plants in each region to serve its customers.

The costs and difficulties of integrating future acquired businesses and technologies could impede our future growth and adversely affect our competitiveness.

As part of our strategy, we may seek further growth through acquisitions of other PET, polyester or PTA companies in order to maintain a competitive position within the industries in which we operate and to enhance our position in our core areas of operations. This strategy entails risks including:

- unidentified or unanticipated liabilities or risks in the operations of the companies which we may acquire;
- potential failure to achieve the economies of scale, synergies or other benefits sought;
- greater than expected costs and management time and effort involved in completing and integrating the acquisitions;
- inability to successfully integrate the services, products and personnel of the acquisitions into our operations or to realize any expected cost savings or other synergy benefits from the acquisitions;
- inability to retain employees, customers and supplier relationships;
- lack of return on our investment.

We may not be able to identify attractive acquisition opportunities or make acquisitions on attractive terms, or obtain financing necessary to complete and support such acquisitions. Regulation of merger and acquisition activity by the European Union, the United States, Thailand or other national regulators may also limit our ability to make future acquisitions or mergers.

Significant capital investments including future development of new facilities have been, and may in the future continue to be, necessary to achieve our growth plans, which carry project and other risks.

Our growth plans have required, and may continue to require, significant capital investments to expand, renovate, convert or upgrade existing facilities, develop new facilities or make major acquisitions or investment. Projects that require significant capital expenditure carry risks including:

- failure to complete a project within the prescribed project timetable and/or within budget; and
- failure of the project to perform according to prescribed operating specifications following its completion.

In addition, any significant increases in costs unforeseen in the project plan and any inability to sell the products produced at volumes and/or price levels envisaged in the project plan could affect the success of our projects. Due to the significant amount of capital required and the long lead time between planning and completion of such projects, project delays could have an effect on our business and prospects.

Our production facilities are subject to operating risks that may adversely affect our operations.

We are dependent on the continued operation of our production facilities. These production facilities are subject to hazards associated with the manufacturing, handling, storage and transportation of chemical materials and products, including pipeline leaks and ruptures, explosions, fires, inclement weather and natural disasters, mechanical failure, unscheduled downtime, labor difficulties, transportation interruptions, remediation complications, chemical spills, discharges or releases of toxic or hazardous substances or gases, storage tank leaks and other environmental risks. These hazards can cause personal injury and loss of life, severe damage to, or destruction of, property and equipment, environmental damage, fines and liabilities.

In addition, some of our production facilities, such as our AlphaPet PET facility, our IRP Rotterdam PET and IRH Rotterdam PTA facilities, our Indorama Polyester Industries' Map Ta Phut polyester facility, our TPT Petrochemicals PTA facility, our Indorama PET Nigeria Limited, our Guangdong IVL PET Polymer Company Limited and our Indorama Ventures Poland Sp.z.o.o. are co-located at sites where our neighbors face the same operational risks and, in some cases, they provide critical supplies and/or services, and any disruption in those supplies and/or services could affect our operations.

Exchange rate and/or interest rate fluctuations may have a significant adverse impact on our business, financial condition, results of operations and prospects.

As a result of the global nature of our business, changes in foreign currency rates could have an adverse impact on our business, financial condition, results of operations and prospects. Currency fluctuations affect us because of mismatches between the currencies in which operating costs are incurred and those in which revenues are received. We sell products that are typically priced by reference to prices in U.S. dollars or Euros, while a portion of operating costs are incurred in local currencies, including the Baht, Pound Sterling, Lithuanian litas, Mexican Peso, Chinese Yuan and Indonesia Rupiah.

Our reported earnings may also be affected by fluctuations between the Baht, which is our reporting currency, and the non-Baht currencies in which some of our overseas subsidiaries report their results of operations. Overseas subsidiaries represent around 48% and 68% of consolidated sales in 2010 and 2011.

In order to minimize currency risks, our operating subsidiaries usually borrow in the principle currency. At the end of December 31, 2011, the currency exposure for long term loans is 66% in Baht, 23% in US dollars, 10% in Euros and 1% in others. Generally, the long term loans are borrowed on floating interest rates and are linked to the benchmark interest rates for each currency. The floating interest rates are impacted by macro-economic conditions and the monetary policy of each region. However, the company has alleviated the risk by contracting a fixed interest rate and the issuance of debentures.

Litigation

Eastman Chemical Company ("Eastman") filed a complaint in the Delaware District Court against AlphaPet, IRP Rotterdam, IRP Workington, IRH Rotterdam and Indorama Polymers on December 18, 2009 in connection with commercial production at the AlphaPet PET facility. IRP Rotterdam, IRP Workington and IRH Rotterdam (the "European Defendants") entered into a Technology License Agreement with Eastman in connection with our acquisition of Eastman's north-west European PET and PTA businesses in March 2008, pursuant to which the European Defendants received a license to use licensed technology secrets to make certain commercial products as part of the acquired business. In the complaint, Eastman alleges that:

- AlphaPet infringes certain patents owned by Eastman;
- the European Defendants breached the Technology License Agreement; and
- the defendants misappropriated Eastman's confidential and proprietary trade secret information under Delaware statutes.

In January 2011, DAK Americas LLC ("DAK") acquired Eastman and Grupo Petromex, S.A. DE C.V. ("Petromex") acquired the intellectual property on technology of Eastman, with DAK as the exclusive licensee. On February 18, 2011, Eastman filed a motion to substitute DAK and Petromex as plaintiffs, but AlphaPet and the European Defendants opposed the motion. On June 1, 2011, Eastman requested a joint status and scheduling conference with Eastman, DAK, Petromex, AlphaPet and European Defendants. On December 29, 2011, Eastman's case and the case of DAK and Petromex were consolidated.

The Company and its subsidiaries are defending themselves against the claims. The subsidiaries have appointed legal counsel to defend their interests. At this time, the outcome of the proceedings or the total amount of possible damages, if any, cannot be reasonably estimated. Management believes that the outcome of the proceedings will not have a material adverse effect on the Company's consolidated financial position, results of operations, or cash flows.

Changes in laws and regulations relating to beverage containers and packaging could reduce demand for such end use products

Legal requirements have been enacted in various jurisdictions in the United States and elsewhere requiring that deposits or certain ecotaxes or fees be charged for the sale, marketing and use of certain nonrefillable beverage containers. Other proposals relating to additional beverage container deposits, recycling, ecotax and/or product stewardship have been or may be introduced in various jurisdictions in the United States and elsewhere. Consumers' increased concerns and changing attitudes about solid waste streams and environmental responsibility and related publicity could result in the adoption of such legislation or regulations. This has encouraged some of our PET customers to reduce the amount of PET resin they use in their bottle production process. This process, known as light weighting, has reduced the amount of PET resin used in each bottle and has impacted the demand for PX, PTA and PET resin. PET can be recycled, IVL is making investments in PET recycling projects in the USA and Thailand at its existing sites.

Environmental regulations may cause us to incur costs and liabilities.

Our operations are subject to environmental laws and regulations by central and local authorities in the countries in which we operate. These include laws and regulations pertaining to pollution, the protection of human health and the environment, air emissions, wastewater discharges, occupational safety and health, and the generation, handling, treatment, remediation, use, storage, release and exposure to hazardous substances and wastes. These requirements are complex, subject to frequent change and have tended to become more stringent over time. We have incurred, and will continue to incur, costs and capital expenditures in complying with these laws and regulations and in obtaining and maintaining all necessary permits.

We have procedures in place to allow us to comply with environmental laws and regulations; however, there can be no assurance that we will at all times be in compliance with all of our obligations in the future or that we will be able to obtain or renew all licenses, consents or other permits necessary to allow us to continue to operate our businesses. Any failure by us to comply with such laws and regulations could subject us to fines, penalties and other liabilities.

We have activities in certain countries which are subject to sanctions in the United States and elsewhere and such activities could trigger these sanctions under relevant legislation.

The U.S. Department of the Treasury's Office of Foreign Assets Control, or OFAC, administers certain laws and regulations that impose penalties upon U.S. persons and, in some instances, foreign entities, for conducting activities or transacting business with certain countries, governments, entities or individuals subject to U.S. economic sanctions, or U.S. Economic Sanctions Laws.

As a globally operating organization, we conduct business with customers (either directly or indirectly through traders and agents) in various countries including Iran, Syria, Myanmar and the Ivory Coast. Our activities with customers in these states, which are predominantly sales of PET resin, polyester fiber and yarn and wool, are insignificant when compared to our entire business. We seek to comply fully with international sanctions to the extent they are applicable to us and will continue to do so.

Our international presence exposes us to macro economic, political, legal and regulatory risks in the markets in which we operate and to other challenges.

International operations present challenges related to operating under different business cultures and languages. We may experience increased difficulty in the collection of accounts receivable, including longer collection periods; we may have to comply with inconsistent, or unexpected changes in, foreign laws and regulatory requirements which could negatively impact our operations and ability to manage our global financial resources; export controls or other regulatory restrictions could prevent us from shipping our products into and from some markets; quota requirements, including quotas regulating the composition of our employee base or promoting local sourcing of raw materials, could have an adverse effect on our production costs; changes in currency control, tax regulation and international tax treaties could impact the financial performance of our international operations and their contributions to our overall financial performance. Similarly, events beyond our control, such as political instability or social unrest, could impact consumer demand in general and increase volatility in price of raw materials and other costs.

Our business depends, in part, on our informal relationships with other Indorama group entities in Indonesia and India.

We are a part of an informal Indorama Group, which consists of three independently managed associate groups, namely ourselves, the S.P. Lohia Group Indonesia and the O.P. Lohia Group India. The Indorama Group was founded by Mr. M.L. Lohia in 1976 in Indonesia, and each of the groups is currently managed by one of Mr. M.L. Lohia's sons.

The Indorama name does not belong to us, and we have a non-exclusive license for its use pursuant to a License Agreement with Lohia Global Holdings Limited, a company controlled by Mr. M.L. Lohia. IVL paid Baht 45 million on a consolidated basis for year 2010 and Baht 71 million on a consolidated basis for year 2011 to Lohia Global Holdings Limited for the use of Indorama name under the agreement. The S.P. Lohia Group and the O.P. Lohia Group also use the Indorama name. We do not control how the S.P. Lohia Group and the O.P. Lohia Group use the Indorama name and cannot assure you that their actions will not adversely impact the reputation associated with the Indorama name.

The Company is a holding company and is dependent on the receipt of dividends to make dividend payments on our shares

As a holding company, the Company is dependent on the receipt of dividends from its subsidiaries and associated companies, the payment of which will depend on their future financial performance, which in turn depends on successfully implementing their strategies and on financial, competitive, regulatory, technical and other factors, general economic conditions, demand and selling prices for their products and other factors specific to their respective industries or specific projects, many of which are beyond our control.

The subsidiaries have dividend policies paid not over 80% of net profit after tax and legal reserve. However, the board of those subsidiaries will approve dividend paid from time to time. By considering some factors i.e. cash reserved for loan repayment, expansion investment or support the cash flow of the company in case of impact by market condition change. In the period ended December 31, 2010 and 2011, IVL company only received dividend income of Baht 3,496.7 million and Baht 7,046.8 million respectively from its direct subsidiaries. The ability of our direct and indirect subsidiaries to pay dividends to their shareholders, including the Company, is subject to applicable law. Although we intend to pay dividends with respect to the shares, our ability to pay dividends in the future will depend upon a decision of the Board of Directors and/or the approval of the shareholders at a general meeting, our results of operations, cashflows, financial condition, contractual restrictions and restrictions imposed by applicable law and other factors the Board of Directors deems relevant.

[For details: Please refer to Section on Risk Factors in Form 56-1]

Connected Transactions

The connected transactions of IVL occur in the normal course of business and the pricing is akin to market prices that would normally be charged to/by any other customers/suppliers with comparable and reasonable terms and conditions. The following is a summary of such transactions as at 31 December 2011 with the rationale for each:

I. Normal Business Transactions

Type of Transaction	Rationale	Pricing Method	Amount (MB)
<i>Sale of Purified Terephthalic Acid</i>			
- Indorama Petrochem Ltd. sells to Indo Rama Synthetics (India) Ltd.	Indo Rama Synthetics (India) Ltd. is a polyester manufacturer and uses PTA as a raw material.	Negotiated per market rate as applicable to other customers.	2,624.57
- TPT Petrochemicals PCL sells to Indo Rama Synthetics (India) Ltd.	Indo Rama Synthetics (India) Ltd. is a polyester manufacturer and uses PTA as a raw material.	Negotiated per market rate as applicable to other customers	3,626.38
- Indorama Petrochem Ltd. sells to PT. Indo-Rama Synthetics Tbk.	PT. Indo-Rama Synthetics Tbk. is a polyester manufacturer and uses PTA as a raw material.	Negotiated per market rate as applicable to other customers.	447.75
- TPT Petrochemicals PCL sells to PT. Indo-Rama Synthetics Tbk.	PT. Indo-Rama Synthetics Tbk. is a polyester manufacturer and uses PTA as a raw material.	Negotiated per market rate as applicable to other customers.	176.48
<i>Sale of Polyester Filament Yarn</i>			
- PT. Indorama Ventures Indonesia sells to PT. Indo-Rama Synthetics Tbk.	PT. Indo-Rama Synthetics Tbk. is a polyester manufacturer and uses polyester filament yarn as a raw material.	Negotiated per market rate as applicable to other customers.	139.18
- PT. Indorama Polyester Industries Indonesia sells to PT. Indo-Rama Synthetics Tbk.	PT. Indo-Rama Synthetics Tbk. is a polyester manufacturer and uses polyester filament yarn as a raw material.	Negotiated per market rate as applicable to other customers.	3.44
<i>Sale of Polyester Fibers</i>			
- PT. Indorama Polyester Industries Indonesia sells to PT. Indo-Rama Synthetics Tbk.	PT. Indo-Rama Synthetics Tbk. is a polyester manufacturer and uses polyester filament yarn as a raw material.	Negotiated per market rate as applicable to other customers.	19.14

II. Supporting Normal Business Transactions

Type of Transaction	Rationale	Pricing Method	Amount (MB)
Purchase of Negotiable Duty Credit Certificate			
- Indorama Pet (Nigeria) Ltd. purchases from Eleme Petrochemicals Co., Ltd.	Indorama Pet (Nigeria) Ltd. has to pay import duty and it can use Negotiable Duty Credit Certificate in lieu of cash payment and also gets the discount.	Higher discount rate on arm length basis for duty payment based on governmental import rules.	6.84

III. Rental/Lease (not exceeding 3 years) without any indication of General Trading Condition

Type of Transaction	Rationale	Pricing Method	Amount (MB)
Office Space Rental at Ocean Tower 2, Bangkok			
- Indorama Polyester Industries PCL leases from Pacific Resources Ltd.	Pacific Resources Ltd. is an owner of 28th floor (unit A, B, C and D) at Ocean Tower 2, Bangkok, has rented out office space of 1,457.88 sqm. to Indorama Polyester Industries PCL for their use.	As per prevailing rent in Ocean Tower building (Baht 300 per sqm. per month) , the term of lease is 3 years (Nov 1, 2010 - Oct 31, 2013)	5.25
Office Space Rental at the Factory Office at Nakornpathom			
- Cryoviva (Thailand) Ltd. leases from Indorama Polyester Industries PCL	Indorama Polyester Industries PCL is an owner of 3rd floor of the front office building at Nakornpathom, has rented out office space of 630 sqm. to Cryoviva (Thailand) Ltd. for their use.	As per prevailing market rate (Baht 150 per sqm. per month), the term of lease is 3 years (Aug 1, 2011 - Jul 31, 2014)	1.11

IVI. Relating to Asset/Services Transaction

Type of Transaction	Rationale	Pricing Method	Amount (MB)
<i>Royalty Fee (use of the name "Indorama")</i>	Fee paid for use of the name "Indorama" which is owned by Lohia Global Holdings Limited.	Royalty fee is charged at USD 0.50 per metric ton of net production as per the royalty payment agreement.	
1) Indorama Polymers PCL			1.96
2) Indorama Holding Ltd.			0.04
3) Indorama Polyesters Industries PCL			5.35
4) Indorama Petrochem Ltd.			12.07
5) UAB Orion Global Pet			3.56
6) AlphaPet Inc.			6.00
7) StarPet Inc.			3.23
8) TPT Petrochemicals PCL			9.21
9) UAB Indorama Holdings Europe			6.94
10) UAB Indorama Polymers Europe			5.59
11) PT. Indorama Ventures Indonesia			2.46
12) IVL Holding, S. de R.L. de C.V.			7.21
13) Auriga Polymers Inc.			4.13
14) Indorama Ventures Poland Sp. z.o.o.			1.08
15) Guangdong IVL Pet Polymer Co., Ltd.			2.58
Paid to Lohia Global Holdings Limited			

Type of Transaction	Rationale	Pricing Method	Amount (MB)
Land Lease at Nigeria			
- Indorama PET (Nigeria) Ltd. leases from Eleme Petrochemicals Co., Ltd.	Eleme Petrochemicals Co., Ltd. is an owner of land at Nigeria, has rented out land of 15,000 sqm. to Indorama PET (Nigeria) Ltd. for setting up a PET plant.	As per prevailing market rate (Naira 750 per sqm. per year), the term of lease is 15 years (Jan 1, 2011 - Dec 31, 2025)	2.37
Aircraft Service			
- Indorama Petrochem Ltd. pays aircraft service to MJETS Ltd.	MJETS Ltd. is a commercial aircraft charter provider based at Don Mueang International Airport in order to facilitate senior management in their various business meetings globally and on timely basis.	As per the market rate, negotiated and entered into an agreement for the usage of 50 block hours, the rate is including aircraft, crew, maintenance, insurance and fuel.	17.63
Sale of Mono-Ethylene Glycol			
- PT. Indorama Ventures Indonesia sells to PT. Indo-Rama Synthetics Tbk.	PT. Indorama Ventures Indonesia and PT. Indo-Rama Synthetics Tbk. use Mono-Ethylene Glycol as a raw material. PT. Indorama Ventures Indonesia has a surplus quantity of Mono-Ethylene Glycol and PT. Indo-Rama Synthetics Tbk. needs it urgently for temporary usage in the production.	Cost plus margin	19.98

Relationship with Connected Parties

Name of entities	Country of incorporation	Nature of relationships
Indo Rama Synthetics (India) Ltd.	India	Mr. Om Prakash Lohia is a major shareholder of Indo Rama Synthetics (India) Ltd. and he is a blood brother of Mr. Sri Prakash Lohia and Mr. Alope Lohia
PT. Indo-Rama Synthetics Tbk	Indonesia	Mr. Sri Prakash Lohia and Mr. Amit Lohia are the major shareholders of PT. Indo-Rama Synthetics Tbk
Pacific Resources Ltd.	Thailand	Mr. Anuj Lohia is a major shareholder of Pacific Resources Ltd. and he is a son of Mr. Alope Lohia
Cryoviva (Thailand) Ltd.	Thailand	Mr. Alope Lohia is a controlling person of Cryoviva (Thailand) Ltd.
Lohia Global Holding Limited	Hong Kong	Mr. Mohan Lal Lohia is a major shareholder of Lohia Global Holdings Limited and he is a father of Mr. Sri Prakash Lohia and Mr. Alope Lohia
Eleme Petrochemicals Co., Ltd.	Nigeria	Mr. Sri Prakash Lohia and Mr. Amit Lohia are the directors of Eleme Petrochemicals Co., Ltd.
MJETS Limited	Thailand	The major shareholders of MJETS Limited are the two sons of Mr. William E. Heinecke who is the director of Indorama Ventures PCL

The Audit Committee Opinion on the Connected Transaction

The above connected transactions have been considered and opined by the Company's Audit Committee that the aforesaid connected transactions are reasonable and undertaken in the interest of the Company's business. While entering into these transactions, the Committee considers the best interest of the Company. No additional benefit has been transferred between the Company and the persons who have the conflict of interest.

Policy and Procedure to Approve Connected Transaction

In the event that the Company carries out its business with the connected persons who may have a conflict of interest with the Company, the Audit Committee will express its opinion regarding the necessity of such transactions. The Audit Committee will ensure that terms and conditions of these transactions are consistent with market practice and prices charged for these transactions are evaluated and compared with market prices. In the event that market price is not available, the Audit Committee must ensure that these prices are reasonable and the transactions are carried out in the best interest of the Company and its shareholders. If the Audit Committee is unable to evaluate connected transactions due to lack of expertise in certain areas, the Company will arrange an independent expert to evaluate and give opinion on such transactions. The Board of Directors or Audit Committee or the Company shareholders, as the case may be, will use this opinion from the independent expert as a supplement to form their own conclusion. Those directors who may have conflict of interest with the Company are prohibited from either voting or attending the meeting on matters regarding to the said connected transactions and disclose in Annual Report and Annual Registration

Policy on the Entering into a New Connected Transaction

For any new connected transaction, the respective unit would need to contact the Secretary of the Audit Committee and inform about the proposed transaction, its rationale, value of transaction, pricing, terms and conditions in order for the Secretary of the Audit Committee to classify under which category of connected transaction it would fall into and to get necessary approval from the Management/Audit Committee/ Board/Shareholders as required. Moreover, the Company will ensure that such transactions are carried out in compliance with the SEC Act, rules, notifications and regulations of the Capital Market Supervisory Board, SEC and SET. In addition, the Company must also comply with the disclosure rules related to connected transactions and the Company's policy. All connected transactions are reviewed and confirmed by the Internal Audit department.

In addition, when the Company proposes to conduct its business with a connected person, the Company will seek the Audit Committee's opinion on the reasonableness of such transactions. It is the intention of the Company and its subsidiaries not to enter into any connected transactions with their directors or executives.

However, the Company and its subsidiaries may have connected transactions with their directors, executives or potential connected persons. As a result, the Board of Directors approves in principle, that the management is empowered to approve such transactions under the reasonable, transparent and uncorrupted conditions, provided that such transaction is categorized as a transaction with the same commercial terms as those an ordinary person would agree with any unrelated counterparty under similar circumstances, on the basis of commercial negotiation (general trading conditions) and without any dependant interest resulted from the status of director, executive or connected person, as the case may be.

However for any connected transaction other than offer and/or receipt of financial assistance, the management can approve a single transaction of up to a value of USD 50,000 and not over USD 100,000 in aggregate for such transaction in a fiscal year. Such transactions will be separately reported quarterly to the Audit Committee/Board by Internal Audit Department.

Transaction values over the said prescribed limit will follow the normal approval process.

The connected transaction policy is periodically reviewed by the Audit Committee.

Management's Discussion and Analysis

for the Year Ended December 31, 2011

Year 2011 has been a year of landmark achievements for IVL with significant growth in revenues, earnings and cashflows as well as for setting the tone for the business going forward. The implementation of IVL's dual business strategy to firstly integrate within the polyester value chain and secondly expand its margins in consumer necessities and higher value addition specialty products is in place. The Company in the year 2011 completed the TSR shares and maiden debentures issue to maintain liquidity and financial discipline. Indorama Ventures PCL (SET: "IVL") for year 2011 achieved a consolidated sales of US\$ 6,102 million, consolidated EBITDA of US\$ 558 million (Baht 17,021 million), consolidated net profit after tax and minority (including exceptional items) of US\$ 510 million (Baht 15,568 million) and return on capital employed of 16%. The consolidated financial position has continued to remain strong and at the end of December, 2011 the net gearing reduced from 48% to 43% with high liquidity of around US\$ 1,395 million which includes cash and cash equivalents and unutilized credit lines.

The annual volume growth of 37% over 2010 has translated into growth in both Consolidated EBITDA and Core EBITDA. In 2011 the reported Consolidated EBITDA was US\$ 558 million a growth of 28% over the last year and the Core EBITDA was US\$ 552 million a growth of 38% over the same period. IVL achieved a Core EBITDA per ton of US\$ 127 in year 2011 and US\$ 125 in year 2010.

Key Financial Information		
US\$ in Millions		
	FY11	FY10
Exchange Rate Baht vs US\$	31.69	30.15
Exchange Rate Baht vs Euro	41.03	39.94
* Consolidated Sales	6,102	3,055
PET resins	4,252	1,832
Polyester & wool	826	429
PTA	1,040	795
Consolidated EBITDA	558	435
PET resins	358	237
Polyester & wool	107	70
PTA	101	129
* Core EBITDA	552	399
PET resins	361	216
Polyester & wool	108	64
PTA	94	119
Net profit after tax and minority	510	328
** Extraordinary items (gain) loss	(213)	(113)
Core Net profit after tax and minority	297	215
CAPEX and investment	1,032	206
Net Debt	1,377	996
Net Debt to Equity	0.7	0.9
Interest Coverage	9.0	10.6
ROE	35%	42%
ROCE	16%	18%
EPS (Baht)	3.29	2.46
Normalised EPS (Baht)	1.91	1.61

* See note 1) on page 93, consolidated financials are based upon elimination of intra-company (or intra business segment) transactions

** See Table of Net Profit

At the same time, 2011 has seen high volatility in prices of crude and petrochemicals, impacted by the global macro environment, in particular led the European debt crisis, an increase in natural disasters (in Australia, Japan, USA and Thailand) have led to high volatility in crude price and commodity prices and in the last quarter a phase of de - stocking caused by general the hesitancy and uncertainty in the wake of sharply falling product prices.

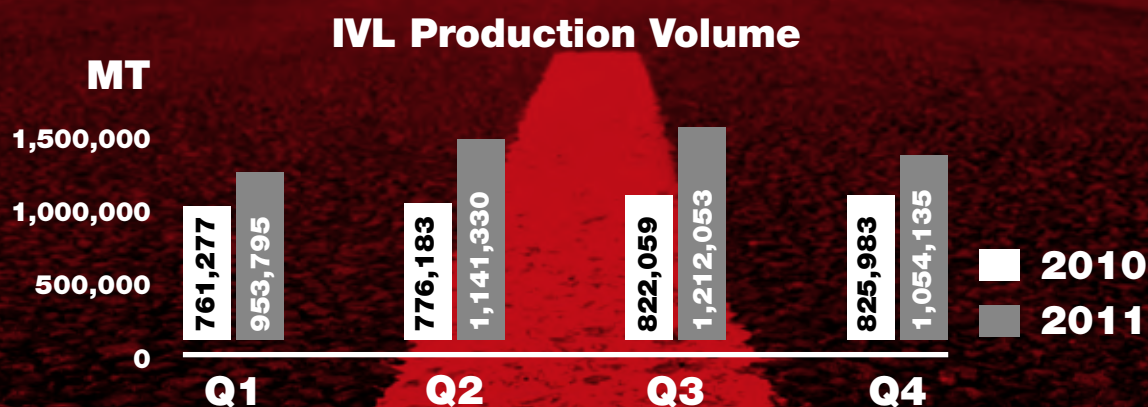
Despite volatility, IVL's business model of global diversity, product diversity and integration creates meaningful hedges and as such IVL has been able to maintain high volume growth through completed acquisitions that have been successfully integrated into the IVL portfolio. The 2011 acquisitions include PET plant in China, the Invista PET and Polyester plants in USA & Mexico, the SK Chemicals PET and Polyester plants in Indonesia and Poland, and recently the recycling and fiber manufacturing businesses of Wellman International in Europe, driving the total production volume in 2011 to 4.4 million tons or a growth of 37% over last year. During 2011, IVL also completed a joint venture investment in Trevira's Polyester business in Germany and Polyprima's PTA business in Indonesia, of which production volume are not included. Further, the end-product demand of PET polymers and Polyester fibers and yarns is linked to consumer goods for daily necessities, which allows maintaining volume growth and consistent spreads on an annual basis. The acquisitions have added to the portfolio of IVL a platform for product innovation, recycling and pool of experienced management.

The volume growth of 37% achieved is after taking into account production loss from disruption in plant operations from tornados in the AlphaPet plant, Alabama, USA in 2Q 2011, break-down of a production line at Indorama Polyester Industries, Rayong facility in 2Q 2011 and from floods at the Lopburi site in Thailand which forced Indorama Polymers, Asia Pet, Indorama Holdings and Petform to shut down since end of September 2011. The impacted assets are all covered by a comprehensive insurance policy for damage to property, plant and equipment, inventories and loss from business interruption and the claims have been submitted to insurance company for property, plant and equipment and inventories.

IVL witnessed growth in production volume QonQ in line with acquisitions upto Q3, 2011. 4Q 2011 was impacted by a phase of de-stocking of inventories on sharply falling prices led by the Euro area crisis, which resulted in lower production volume.

In Thailand, IVL incurred total loss of production volume from plants in Lopburi, which were shutdown for the full quarter impacted by floods and also shutdown of its Nakorn Pathom facility for 3 weeks as a preventive measure to protect from the raging floods. YonY all quarters maintained growth. Year 2012 will be the first full year of operations for around 2.3 million tons of capacity acquired in year 2011.

The chart below provides details of quarterly movement in production volume;



The table below provides details on movement of Consolidated EBITDA and Core EBITDA in year 2011:

(in US\$ million except per ton data)

	2011	2010
Consolidated EBITDA	558	435
Inventory (gain) loss	(6)	(36)
Core EBITDA	552	399
Reported EBITDA/Ton	\$128	\$136
Core EBITDA/Ton	\$127	\$125

The net profit after tax and minority in 2011 is US\$ 510 million which is 55% higher than US\$ 328 million in 2010. The net profit after tax and minority after excluding extraordinary items in 2011 is US\$ 297 million which is 38% higher than US\$ 215 million in 2010 (after excluding extraordinary gain of US\$ 113 million). The net profit after tax and minority of US\$ 297 million in 2011 excludes net extraordinary gain of US\$ 213 million of which US\$ 274 million is towards income from gain on a bargain purchase or Negative goodwill on completed acquisitions, US\$ 20 million towards transaction expenses incurred on acquisitions completed during the year, US\$ 47 million towards impairment loss due to floods, and US\$ 6 million towards inventory gain.

The table below shows movement from reported net profit after tax and minority interest to operating (normalized) net profit after tax and minority interest in US\$ million:

	2011	2010
Net profit after tax and minority	510	328
Extraordinary items:		
Gain on bargain purchase and acquisition costs	(254)	(76)
Provision for impairment due to flood	47	-
Inventory (gain) loss	(6)	(37)
Operating net profit after tax and minority	297	215

Floods in Lopburi, Thailand

The Group's operations in Lopburi, directly and indirectly owned by subsidiaries, have been and continue to be, adversely affected by the unusually severe flooding in parts of Thailand. The production plants at Lopburi site were inundated by flood water on 23 September 2011 causing the production at those plants for PET polymers, Packaging and Wool yarns to stop from that date. The restoration work is ongoing at site, repairs of equipment and new machinery for replacement has been ordered. As of the date of the approval of these consolidated financial statements, management and surveyors have entered and carried-out a detailed review of the damage and filed insurance claim for damages to inventories and property, plant and equipment with the insurance company. The loss of profit from business interruption is being assessed by the management and surveyors and a claim in this regard will be later filed with the insurance company. The Group is protected for Lopburi site by insurance policies for Industrial All Risk and Business Interruption with sum insured of Baht 7,277 million and Baht 1,599 million, respectively. The management believes that any damages will be fully covered by the Group's insurance policies through which the Group will be able to claim for provisions made and losses incurred.

The Nakhon Pathom Polyester facility that took preventive shutdown for 3 weeks was itself not damaged and is full operation.

In compliance with Thai GAAP, the provision has been set up for impairment loss of inventories and fixed assets in this quarter amounting to US\$ 54 million (Baht 1,645 million) in the statement of income

(Baht in million)

	PET segment	Packaging segment	Wool segment	Total (THB million)	Total (US\$ million)
Impairment loss on fixed assets	113	487	480	1,080	35
Impairment loss on inventory	175	30	360	565	19
Total impairment loss	288	517	840	1,645	54
To equity holders	286	310	838	1,434	47
To minority interest	2	207	2	211	7

Another, US\$ 5 million (Baht 162 million) has been provided as provision directly under revaluation reserve in the shareholders equity. The recovery of damages from the insurance company is expected in partial payments and not in a single lump sum amount. The first letter from insurance company has been received for partial payment of US\$ 1 million. IVL expects to resume the operations from May, 2012 for the PET polymers and Packaging business and Q4, 2012 for the Wool yarns business.

Outlook

The management believes that the strategic initiatives taken till date to implement its business strategy for volume and margin growth through geographic diversity, product diversity and integration within the Polyester Value Chain will lead it beyond its Aspiration 2014 plan. IVL's business model is evolving with clear focus on the polyester value chain, which serves the fast moving consumer goods (FMCG) industry through intermediate products. IVL, through its completed projects and announcements, has committed itself to a capacity of 8.3 million tons (including joint ventures with capacity of 1.0 million tons per annum) by the end of 2013. The China and Rotterdam PET plant expansion will be completed in 2nd Quarter 2012.

Illustration of our largest acquisitions - Invista and SK assets - acquired in March 2011

Combined Capacity	EV paid	EV/ton	Core EBITDA for 10 months 2011	EV/EBITDA (annualized)
1,286,600 tpy	\$639 mln	\$497	\$133 million	4.0 X

EV is defined as Enterprise Value – sum of Fixed Assets and Working Capital employed.

The announcement to acquire Old World, USA, is a strategic move by IVL to further integrate within the polyester value chain into its key raw material Mono Ethylene Glycol "MEG" and Purified Ethylene Oxide "PEO". Its strategic location is at Clear Lake site, part of a larger Celanese site with advantageous raw material and utilities supply. MEG is a raw material in the production of PET polymers and polyester fibers and yarns. Further, it provides a platform for growth (will be the first EO/EG business in IVL) in new products with higher margins, Old World has an established production facility, customer base, supplier network and an experienced management team. The acquisition is expected to be accretive to earnings of IVL and strengthen the business for long term sustainability. Further, it is supported by positive global outlook including in North America for EO/MEG for growth in demand, high utilization rate and margins. North America has available merchant supply of ethylene through network of pipelines and advantaged feedstock source based on natural gas and shale gas. Old World creates an opportunity to realize synergies and operational efficiencies with IVL's existing operations of PET polymers and polyester fibers and yarns of around 1.7 million tons in North America.

The completion of acquisition of FiberVisions in January, 2012, adds a new product line of polypropylene based speciality fibers and in which FiberVisions is a global market leader for high value applications fibers. The products are used in non-woven industries and used for various applications in hygiene, wipes, construction, automotive and textile sectors. These companies have patents and technologies together with a strong R&D setup with substantial accumulated research knowledge and an experienced management team. The acquisition of FiberVisions will significantly enhance IVL's position in the World's most specialized fibers business for hygiene products and complements IVL's strength as the World's largest polyester producer with FiberVisions as the largest producer of polypropylene fiber, who together will better cover customer needs in all parts of the World.

After a slow 4Q 2011, we have seen pick-up in volumes, prices and margins in all our business segments. We expect full year 2012 to achieve growth in revenues, earnings and cashflows. The acquisitions completed in year 2011 have been fully integrated and expect to get full year impact in year 2012. Further, growth initiatives in the committed pipeline will add to the growth. Asian PTA margins will be lower in 2012 but our plants will continue to operate at high utilization rates and benefit from increase in captive consumption of PTA from around 49% in our PET polymers and Polyester fibers and yarns business. The management focus will be on consolidation and operational excellence to translate each growth opportunity to be accretive to earnings of IVL. Please see each segment commentary that explains the improvements underway in 2012 to mitigate the impact of lower Asian PTA margins in 2012.

Our business today is financially stronger than it ever was with a Net Debt/Equity of 0.7 times and a liquidity of over US\$ 1.4 billion (comprising of cash and cash equivalents of US\$ 559 million and unutilized credit facilities of around US\$ 836 million) which will help us not only operate our business most optimally but also allow us to continue to grow our business with selective and accretive acquisitions and organic opportunities.

In line with the affordable nature of Polyester and its application in daily consumer staples (food, beverage and clothing), all the business segments of IVL has seen resilient consumer demand in all geographies and therefore all the manufacturing sites of IVL achieve high utilization rates and our scale allows for low operating cost. We expect to benefit from favorable geographical mix in key regions where we have attained market leadership and consolidation. Our investments in innovation or value added product lines are already contributing to earnings and are expected to gain traction going forward.

Major projects announced from end 4Q 2011 till date

In February 2012, the Board of Directors approved the acquisition of 100% partnership interest in Old World Industries I Ltd., and Old World Transportation Ltd., (collectively called "Old World"), located in Clear Lake, Texas, USA. IVL has signed a definitive Purchase Agreement on February 6, 2012 with the seller in USA. The total acquisition value is US\$ 795 million (equivalent to Baht 24,645 million) which has been based on the enterprise value of Old World and the acquisition will be financed with loans from banks and internal cash. The Company expects the closing of the transaction within second quarter of 2012 subject to the applicable regulatory approvals. The acquisition is in line with IVL business strategy of integration within the polyester value chain, to increase the margins and is the first investment in an Ethylene Oxide and Mono Ethylene Glycol plant. Mono Ethylene Glycol (MEG) is one of the key components, together with Purified Terephthalic Acid (PTA), in the manufacture of Polyethylene Terephthalate (PET) and Polyester Fibers and Yarns, both downstream products of IVL. Old World is in the business of production and sales of ethylene oxide "EO" and derivative products from ethylene oxide: purified ethylene oxide "PEO", monoethylene glycol "MEG", diethylene glycol "DEG", and triethylene glycol "TEG". The plant is located within a large petrochemical hub in Clear Lake, Texas, USA. The facility is strategically located within close proximity of raw materials and utilities. Further, the plant is connected with an efficient network of logistics including pipelines, deepwater terminal, railcars and trucks. The product capacities are as follows;

Product	Capacity (million pounds per annum)	*Capacity (tons per annum)
**EO	960	435,000
Purified EO	450	204,000
MEG	790	358,000
DEG	140	64,000
TEG	14	6,400
Total	1,394	632,400

* 2,204.1 pounds is equivalent to 1 ton

**EO is an intermediate product which is further processed into Purified EO, MEG, DEG and TEG

In January 2012, the Board approved to acquire 100% of FiberVisions Holdings LLC, a global manufacturer of specialty mono and bicomponent fibers based in Duluth, Georgia, USA. The transaction to acquire 100% of FiberVisions was completed on January 6, 2012 and the purchase price for business based on enterprise value is US\$ 181 million (equivalent to Baht 5,736 million). FiberVisions has a total global capacity of 221,000 tons per annum of specialties, with 117,000 tonnes per annum capacity in the United States of America, 90,000 tonnes per annum capacity in Europe and 14,000 tonnes per annum capacity in China. FiberVisions Holdings, LLC and its subsidiaries are the global market leader in high value applications of fibers. The products are used in non-woven industries and used for various applications in hygiene, wipes, construction, automotive and textile sectors. These companies have several valuable patents and technologies together with a strong R&D setup with substantial accumulated research knowledge. The acquisition of FiberVisions will significantly enhance IVL's position in the World's most specialized fibers business for hygiene products and complements IVL's strength as the World's largest polyester producer with FiberVisions' as the largest producer of polypropylene fiber, who together will better cover customer needs in all parts of the World.

On completion of all the announced acquisitions and expansions, IVL will have an increasingly advantaged portfolio of regional business with a total capacity of 8.3 million tonnes per annum (including joint ventures Ottana Polimeri, Trevira and Polyprima which will be accounted on an equity income basis). IVL has a leading market position within the polyester value chain in Thailand, North America and Europe.

	Capacity End 2011		Committed Capacity by End 2012		Committed Capacity by End 2013	
	<i>Million tpa</i>	<i>%</i>	<i>Million tpa</i>	<i>%</i>	<i>Million tpa</i>	<i>%</i>
*Consolidated						
Asia	2.5	47%	2.7	41%	3.0	41%
MEA	-	-	-	-	0.1	1%
Europe	1.1	21%	1.6	25%	2.0	28%
North America	1.7	32%	2.2	34%	2.2	30%
Total	5.3	100%	6.5	100%	7.3	100%
*Equity Income						
Asia	-	-	0.5	50%	0.5	50%
Europe	0.5	100%	0.5	50%	0.5	50%
Total	0.5	100%	1.0	100%	1.0	100%
Grand Total	5.8	100%	7.5	100%	8.3	100%

Note: "tpa" is tonnes per annum

* Reported volumes for capacity, production, sales and utilization include only Consolidated volumes and excludes Equity income volume

Note 1)

The consolidated financials are based upon the elimination of intra-company (or intra business segment) transactions. For this reason the total of each segment may not tally with consolidated financials.

Net profit after tax and minority for 2011 includes net extraordinary gain of US\$ 213 million (Baht 6,510 million) of which US\$ 274 (Baht 8,369 million) is towards income from gain on a bargain purchase or negative goodwill on completed acquisitions (details are provided in the Note 5 – Acquisitions of subsidiaries in the Audited Financial Statements), US\$ 20 million (Baht 613 million) towards transaction expenses incurred on acquisitions completed during the year, and US\$ 47 million (Baht 1,434 million) towards impairment loss due to floods for equity holders in 4Q 2011 and US\$ 6 (Baht 188 million) towards inventory gain. Gain on bargain purchase on Trevira acquisition in 3Q 2011 and Polyprima acquisition in 4Q 2011 is part of share of profit in Joint Venture Investments in the financial statement.

2010 net profit after tax and minority includes net extraordinary gain of US\$ 113 million (Baht 3,641 million) of which US\$ 77 million (Baht 2,451 million) is towards income from gain on a bargain purchase or negative goodwill from the acquisition of UAB Ottana Polimeri Europe and utility assets in Rotterdam, Netherlands, US\$ 1 million (Baht 29 million) towards transaction expenses incurred on acquisitions and US\$ 37 (Baht 1,161 million) towards inventory gain. Gain on bargain purchase on Ottana Polimeri acquisition in 3Q 2010 is part of share of profit in Joint Venture Investments in the financial statement.

Core EBITDA is after excluding inventory gain/loss from reported EBITDA. Inventory gain/loss in a period results from movement in prices of raw materials and products from end of last reported period to the end of current reported period. The cost of sales are impacted by inventory gain/loss wherein inventory gain decreases cost of sales and inventory loss increases cost of sales.

Beginning from January 1, 2011, IVL has adopted and applied new and revised Thai Financial Reporting Standards (TFRS) in accordance with the announcement by Federation of Accounting Policy “FAP”, Thailand. The adopted new and revised TFRS are in the following areas: Presentation of financial statements, Accounting for business combinations, Accounting for property, plant and equipment and Accounting for employee benefits. The total shareholders’ equity as on January 1, 2011 has been restated by Baht 284 million. The previous periods are restated for comparison purpose; details are provided in the Note 3 – Changes in Accounting Policies in the Audited Financial Statements.

Forward-Looking Statements: This earnings release includes forward-looking statements concerning current expectations for demand for the company’s products, implementation and impact of previously announced growth initiatives. Such expectations are based upon certain preliminary information, internal estimates, and management assumptions, expectations, and plans, and are subject to a number of risks and uncertainties inherent in projecting future conditions, events, and results. Actual results could differ materially from expectations expressed in the forward-looking statements if one or more of the underlying assumptions or expectations prove to be inaccurate or are unrealized.

The Polyester Chain businesses are generally traded in US dollars and therefore IVL believes in helping its readers with translated US Dollar figures. IVL reporting currency is in Thai Baht and the accompanying pages are an integral part of this report. The accompanying pages report the Audited Thai Baht results of 4Q 2011 and its translation in US Dollars at average exchange rates and closing exchange rates where applicable. Readers should rely on the Thai Baht results only.

IVL CONSOLIDATED RESULTS

Financial Status and Ratios

IVL net debt to equity is 0.7 times at the end of year 2011 which is lower than 0.9 times at the end of year 2010. The lower net debt to equity has been achieved despite completing major capex and investment of US\$ 1,032 million for acquisitions to add 2.3 million tons of capacity for PET polymers and Polyester fibers and yarns. The capex and investments have been funded with a mix of long term loans, cash proceeds from rights issue and cashflow from operations. IVL net debt increased from US\$ 996 million at end of December 31, 2010 to US\$ 1,377 million at end of December 31, 2011, an increase of US\$ 381 million only. The bank overdrafts and short term loans increased YoY by US\$ 254 million in line with increase in total production volume by 1.2 million tons from 3.2 million tons in year 2010 to 4.4 million tons in year 2011 and higher average prices for products. The table below provides movement of total debt and net debt in US\$ million;

	FY11	FY10
Bank overdraft and short-term loans	432	178
<i>% of Total Debt</i>	22%	17%
Long term debt (Current-portion)	204	197
<i>% of Total Debt</i>	11%	19%
Long term debt (Non current-portion)	1,064	689
<i>% of Total Debt</i>	55%	65%
Debentures (Non current-portion)	236	-
<i>% of Total Debt</i>	12%	-
Total Debt	1,936	1,064
Cash & Cash under management	559	67
Cash and cash equivalents	379	49
Current investments	179	18
Total Net Debt	1,377	996
Financial Ratios		
Interest Coverage (times)	9.0	10.6
Net debt to EBITDA (times)	2.6	2.2
Net debt-to-Equity (times)	0.7	0.9
Debt to Equity (times)	1.0	1.0

The Net Gearing ratio decreased to 43% as at 31st December 2011 from 48% at the end of year 2010. The ROCE achieved for year 2011 is 16%, which does not include extraordinary income, which is equal to 16% in 2010 on the same basis. The current ratio has improved to 1.6 times as at December 31, 2011 from 1.1 times at the end of year 2010. As at December 31, 2011, IVL has high liquidity of around US\$ 1.4 billion with unutilized credit facilities of around US\$ 836 million and cash and cash under management of US\$ 559 million.

The table below provides repayment schedule of long-term debt and debentures in US\$ million;

Year	Repayment of long-term debt	Repayment of debentures
2012	204	-
2013	282	-
2014	263	-
2015	244	-
2016	197	91
2017 or later	78	145
Total	1,268	236

Cash Flow

IVL generated US\$ 285 million of cash from operating activities in 2011, lower than cash from operating activities of US\$ 328 million generated in 2010. The higher prices of all our products and higher volumes from acquisitions led to cash outflow for working capital of US\$ 245 million in 2011. The free cash flow before capex was US\$ 207 million compared to US\$ 369 million in 2010. During the year, there was net cash outflow for capex and investments of US\$ 1,032 million primarily for the acquisitions of PET plant in China, the Invista PET and Polyester plants in USA & Mexico, the SK Chemicals PET and Polyester plants in Indonesia and Poland, Trevira Polyester plants in Europe, Wellman International Polyester plants in Europe, and Polyprima PTA plant in Indonesia. The capex and investments are funded by long term loans from banks, debentures and proceeds from the right issue of shares. IVL raised US\$ 565 million in cash proceeds from the rights issue of shares in February 2011 and US\$ 246 million proceed from issuance Thai Baht debentures in October 2011. The consolidated cash and cash equivalents as on December 31, 2011 are US\$ 559 million (Baht 17,707 million) ensuring a healthy financial position and high liquidity in the group.

Rights issue of shares

In November, 2010, the IVL Board of Directors approved the issuance of 481,585,672 free Transferable Subscription Right (TSRs) or "IVL-T1" to the Company's existing shareholders (rights issue) at the ratio of 9 existing shares to 1 TSR. The TSR has an exercise ratio of 1 TSR for 1 share. The issuance and offering of the TSRs was subsequently approved in the Extraordinary General Meeting of Shareholders convened in December, 2010. On February 24, 2011 the subscription of TSRs was completed with 99.67% of TSRs being exercised into shares. Total new 479,986,198 shares started trading on the SET on March 3, 2011. The company received net proceeds from this rights issue of US\$ 565 million.

Issuance and offering of Thai Baht Debentures

The extraordinary general meeting of shareholders held on September 22, 2011 approved the issue of debentures up to an amount not exceeding Baht 25,000 million (in Baht or equivalent foreign currency) for a maturity not exceeding 15 years. On October 19, 2011 the Company raised in cash Baht 7,500 million through the issue of unsubordinated and unsecured Baht debentures to the public. The debentures issued are for Baht 2,900 million with a maturity of 5 years, Baht 1,400 million with a maturity of 7 years, and Baht 3,200 million with a maturity of 10 years. The details of issue are;

- 5 Year Tranche Baht 2,900 million Coupon 4.70%
- 7 Year Tranche Baht 1,400 million Coupon 5.04%
- 10 Year Tranche Baht 3,200 million Coupon 5.35%

The issue has achieved objectives of access to the bond market, increase average life of debt, lock-in fixed interest rate for long term, refinance existing high cost debt and liquidity for planned capex and investments. The company rating and issue rating is A+ by Thai Rating Information Service "TRIS", Thailand.

Table 1

IVL : KEY OPERATING DATA		FY11 vs. FY10	
	FY11	FY10	FY10
*Total capacity (in Tonnes)	5,098,742	3,260,861	56%
PET resins	2,886,450	1,402,013	106%
Polyester & wool	462,387	268,848	72%
PTA	1,749,905	1,590,000	10%
**Total production (in Tonnes)	4,361,313	3,185,503	37%
PET resins	2,322,128	1,306,728	78%
Polyester & wool	418,362	283,998	47%
PTA	1,620,823	1,594,777	2%
Combined operating rate (%)	86%	98%	-12%
Consolidated EBITDA/tonne (USD)	128	136	-6%
Core EBITDA/tonne (USD)	127	125	1%

* Capacity based on available days in the quarter for production excluding J/V capacity

** Production volumes based on equivalent production

Table 2

IVL : CASH FLOW (Baht in millions)		FY11 vs. FY10	
	FY11	FY10	FY10
EBITDA	17,021	13,777	24%
Net working capital and others	(8,795)	(273)	3122%
Net financial expenses	(1,736)	(1,333)	30%
Income tax	(192)	(469)	-59%
Free cash flow before Capex	6,298	11,702	-46%
Capital expenditures	(6,171)	(2,418)	155%
Net (acquisitions) disposals of subsidiaries and joint ventures	(25,316)	(4,124)	514%
Free cash flow after Capex	(25,189)	5,160	-588%
Dividends	(5,630)	(1,489)	278%
Proceeds from issues of shares	17,224	3,825	350%
Changes in net debt	13,595	(7,496)	-281%

Note: The consolidated financials are based upon elimination of intra-company (or intra business segment) transactions reason which the total of each segment may not tally with consolidated financials.

Table 3

IVL : FINANCIAL RATIOS

	FY11	FY10
Current ratio (times)	1.6	1.1
Net gearing ratio (%)	43%	48%
* Net operating gearing ratio (%)	39%	46%
Interest coverage ratio (times)	9.0	10.6
** ROE (%)	35%	42%
*** ROCE (%)	16%	18%

* Based on net operating debt which is net debt less debt for capex and investments not generating revenue and earnings

** Net profit after minority to average total equity attributable to shareholders

*** Operating income to average capital employed (net operating debt plus total shareholder's equity)

PET SEGMENT

PET sales revenue in 2011 sharply increased by 132%, driven by both the volume growth from acquisitions completed in 1Q 2011 in China, Indonesia, Mexico, Poland, and USA and the product price increase. The segment achieved core EBITDA of US\$ 361 million in 2011, an increase of 67% from the same period last year of US\$ 216 million. The utilization rate of 80% reflects ramping-up of utilization at acquired facilities and impact due to natural disasters i.e. tornados in 2Q 2011 and floods in Thailand. The acquisitions have been successfully integrated and year 2012 will be the first full year of operations of acquired business in year 2011 as well as startup of brownfield expansions in China and Rotterdam in mid-year. Certain operational improvement measures at the acquired facilities will further strengthen costs and Lopburi startup in 2Q will help strengthen PTA and PET revenues in Thailand.

Table 4

PET : CAPACITY AND UTILISATION (%)

	FY11	FY10	FY11 vs. FY10
*Production capacity (in Tonnes)	2,886,450	1,402,013	106%
Production volumes (in Tonnes)	2,322,128	1,306,728	78%
Utilisation rate (%)	80%	93%	

* Capacity based on available days in the quarter for production.

Table 5

PET : SALES REVENUE		FY11 vs.	
	FY11	FY10	FY10
Total revenues			
Baht in millions	129,671	58,073	123%
USD in millions	4,252	1,832	132%
Growth in Baht revenues from:			
Volume growth			73%
Price movement			52%
Exchange rate movement			-2%
Proportion of sales revenue (after eliminations) by geographic area			
Thailand	4%	7%	
Asia (excluding Thailand)	10%	5%	
North America	44%	34%	
Europe	32%	47%	
Rest of the World	10%	7%	

Table 6

PET : OPERATING EBITDA		FY11 vs.	
	FY11	FY10	FY10
*Core EBITDA			
Baht in millions	11,015	6,836	61%
USD in millions	361	216	67%
*Operating EBITDA			
Baht in millions	10,903	7,511	46%
USD in millions	358	237	52%

* Based on pro-rata allocation of earnings of PTA business calculated on intra-group sales to PET and Polyester fibers

POLYESTER & WOOL SEGMENT

Polyester and wool sales revenue in 2011 sharply increased by 93%, driven by both the volume growth from acquisitions completed in 1Q 2011 in Indonesia and USA and the product price increase. The segment achieved core EBITDA of US\$ 108 million in 2011, increasing by 68% from the last year of US\$ 64 million. The increase in EBITDA is led by higher production volume and improvement in margins from product mix shift towards higher value-addition fibers and yarns. The Polyester fibers and yarns utilization rate of 91% for year 2011 was achieved despite production loss from breakdown in one line of the process plant of Indorama Polyester Industries (IPI) Rayong facility in 2Q 2011, and a 3 week preventive shutdown of Nakorn Pathom facility from flooding. In 2012 there will be enhancement of business with the newly acquired FiberVisions and Wellman business and also full year integration of business acquired in March 2011. Certain operational improvement projects at USA and Indonesia should also start delivering value starting 2Q although the PTA allocation EBITDA on inter group buying will be lower in 2012. The Wool segment in Lopburi will remain offline for most of 2012 as the entire equipment is being replaced.

Table 7
POLYESTER & WOOL : CAPACITY AND UTILIZATION (%)

POLYESTER FIBERS & YARNS

			FY11 vs.
	FY11	FY10	FY10
* Production capacity (in Tonnes)	456,487	262,948	74%
** Production volumes (in Tonnes)	414,640	278,930	49%
Utilisation rate (%)	91%	106%	

WOOL YARNS

			FY11 vs.
	FY11	FY10	FY10
* Production capacity (in Tonnes)	5,900	5,900	0%
** Production volumes (in Tonnes)	3,721	5,068	-27%
Utilisation rate (%)	63%	86%	

* Capacity based on available days in the quarter for production.

** Production volumes based on equivalent production

Table 8

POLYESTER & WOOL : SALES REVENUE

			FY11 vs.
	FY11	FY10	FY10
Total revenues			
Baht in millions	25,184	13,593	85%
USD in millions	826	429	93%
Growth in Baht revenues from:			
Volume growth			45%
Price movement			42%
Exchange rate movement			-3%
Proportion of sales revenue (after eliminations) by geographic area			
Thailand	17%	23%	
Asia (excluding Thailand)	41%	40%	
North America	17%	6%	
Europe	14%	18%	
Rest of the World	12%	12%	

Table 9

POLYESTER & WOOL : OPERATING EBITDA

			FY11 vs.
	FY11	FY10	FY10
*Core EBITDA			
Baht in millions	3,298	2,037	62%
USD in millions	108	64	68%
*Operating EBITDA			
Baht in millions	3,249	2,218	46%
USD in millions	107	70	52%

* Based on pro-rata allocation of earnings of PTA business calculated on intra-group sales to PET and Polyester fibers

PTA SEGMENT

PTA business segment saw extreme volatility in margins during the year, in the first half margins widened on back of shortage of cotton driving substitution demand for Polyester-PTA and demand-supply disruptions caused by earthquake in Japan. While, the second half saw lower margins in Asian PTA impacted by new supply for PTA and phase of de-stocking of inventories on falling product prices. Despite the volatility, PTA segment achieved utilization rate for full year 2011 of 93% on re-rated capacity. The captive consumption of 49% of production volume in the PET and Polyester business allows IVL to maintain high utilization rate. The segment achieved core EBITDA of US\$ 94 million in 2011, a decrease by 21% from the same period last year of US\$ 119 million. In 2012 there are certain operation excellence projects that are completing in 1Q 2012 that will help improve the cost structure of Thailand units and the startup of Rotterdam PET expansion in 2Q 2012 will help eliminating freight costs that is currently incurred. Improved operating rates in 2012 of IVL PET and Polyester segments in Thailand would allow for higher internal sales of PTA.

Table 10

PTA : CAPACITY AND UTILISATION (%)

	FY11	FY10	FY11 vs. FY10
*Production capacity (in Tonnes)	1,749,905	1,590,000	10%
Production volumes (in Tonnes)	1,620,823	1,594,777	2%
Utilisation rate (%)	93%	100%	

* Capacity based on available days in the quarter for production.

Table 11

PTA : SALES REVENUE

	FY11	FY10	FY11 vs. FY10
Sales revenue			
Baht in millions	62,696	47,991	31%
USD in millions	2,056	1,514	36%
Growth in Baht sales revenue from:			
Volume growth			1%
Price movement			30%
Exchange rate movement			-1%
Sales to PET business			
Baht in millions	23,171	16,529	40%
USD in millions	760	521	46%
Sales to Polyester business			
Baht in millions	7,808	6,270	25%
USD in millions	256	198	29%
Total sales revenue after eliminations			
Baht in millions	31,717	25,193	26%
USD in millions	1,040	795	31%
PTA integration ratio (%)	49%	48%	
Proportion of sales revenue (after eliminations) by geographic			
Thailand	21%	26%	
Asia (excluding Thailand)	64%	63%	
North America	0%	0%	
Europe	10%	7%	
Rest of the World	5%	4%	

Table 12

PTA : OPERATING EBITDA

			FY11 vs.
	FY11	FY10	FY10
*Core EBITDA			
Baht in millions	2,857	3,770	-24%
USD in millions	94	119	-21%
*Operating EBITDA			
Baht in millions	3,093	4,076	-24%
USD in millions	101	129	-21%

* Based on pro-rata allocation of earnings of PTA business calculated on intra-group sales to PET and Polyester fibers

Table 13

IVL CONSOLIDATED STATEMENT OF INCOME

Baht in millions			FY11 vs.
	FY11	FY10	FY10
Net sales	186,096	96,858	92%
Other income	812	157	417%
Total revenue	186,908	97,015	93%
*Cost of sales	165,754	82,066	102%
Gross profit	21,154	14,949	42%
*Selling and administrative expenses	9,215	5,821	58%
Foreign exchange gain (loss)	306	1,178	-74%
EBITDA	17,021	13,777	24%
Depreciation and amortization	4,776	3,471	38%
Operating income	12,245	10,306	19%
Share of equity income from joint venture	(303)	0	n/a
**Extraordinary items	6,112	2,451	149%
Interest income	487	7	6857%
Interest expense	2,370	1,303	82%
Profit (loss) before tax	16,171	11,461	41%
Income tax expense	742	488	52%
Profit (loss) for the period	15,429	10,973	41%
Minority interest	(139)	560	-125%
Net profit after minority interest	15,568	10,413	50%
Weighted avg. no. of shares (in Million)	4,738	4,240	12%
Annualized earnings per share (in Baht)	3.29	2.46	34%

* Includes depreciation and amortization expenses

** Includes gain on bargain purchase on new acquisitions and their related transaction costs and loss from provision for impairment of property, plant and equipment and inventories from floods in Lopburi, Thailand

Note: The consolidated financials are based upon elimination of intra-company (or intra business segment) transactions.
For this reason the total of each segment may not tally with consolidated financials.

Table 14

IVL CONSOLIDATED BALANCE SHEET

Baht in millions	Dec-11 vs.		
	Dec-11	Dec-10	Dec-10
Assets			
Cash and current investments	17,707	2,024	775%
Trade accounts receivable	24,509	11,771	108%
Inventories	21,422	11,384	88%
Other current assets	4,133	965	328%
Total current assets	67,771	26,144	159%
Investment in jointly-controlled entities	5,427	2,013	170%
Property, plant and equipment	66,825	48,820	37%
Intangible assets	4,701	760	519%
Other assets	1,102	203	443%
Total assets	145,826	77,940	87%
Liabilities			
Bank OD and short-term loans from financial institutions	13,677	5,365	155%
Trade accounts payable	17,978	10,858	66%
Current portion of long-term loans	6,440	5,913	9%
Current portion of finance lease liabilities	18	22	-18%
Other current liabilities	5,088	1,880	171%
Total current liabilities	43,201	24,038	80%
Long-term loans from financial institutions	33,702	20,710	63%
Debentures	7,469	0	n/a
Finance lease liabilities	40	58	-31%
Other liabilities	2,637	893	195%
Total liabilities	87,049	45,699	90%
Shareholder's equity			
Share capital	4,814	4,334	11%
Share premium	29,775	13,031	128%
Retained earnings	27,895	18,749	49%
Reserves	(3,846)	(4,206)	-9%
Total equity attributable to shareholders	58,638	31,908	84%
Minority interest	139	333	-58%
Total shareholder's equity	58,777	32,241	82%
Total liabilities and shareholder's equity	145,826	77,940	87%

Note: The consolidated financials are based upon elimination of intra-company (or intra business segment) transactions. For this reason the total of each segment may not tally with consolidated financials.

Corporate Governance Report

Indorama Ventures PCL (IVL) believes in striking a balance between economic and social goals by executing high standards of Corporate Governance and always strives to implement the Corporate Governance principles set by the Stock Exchange of Thailand.

The Company firmly believes in transparency, accountability and ethical conduct in pursuit of its mission and acts in accordance within its framework for sound corporate governance to enhance the Company's competitiveness and to best serve the interests of its many stakeholders .

IVL has in place a written Corporate Governance Policy and the Policy follows the guidelines set out by SET. The Board and management are strongly committed to the implementation and practice of the Corporate Governance principles and this reflects our allegiance to doing what is fair, right and legal.

It is the policy of IVL to uphold the core and relevant principles of corporate governance as hereunder:

Rights of Shareholders and Equitable Treatment of Shareholders

It is the Company's top most priority to protect Shareholders' rights, irrespective of their shareholding, and encourage them to exercise those rights as spelt out in relevant laws.

The Company recognizes the basic legitimate right of Shareholders to participate in Shareholders' meetings; the right to appoint a proxy to participate and vote at the said meeting; the right to vote for the appointment or removal of individual directors; the right to vote on the annual appointment of statutory auditors and fix their remuneration and the right to vote on various other businesses of the Company. IVL implemented all these rights of the shareholders at their Annual General Meeting of Shareholders held in April, 2011.

Shareholders rights also include the eligibility to receive dividend payments, the right to give opinions and enquire into business matters of the Company at the Shareholders' meeting.



Apart from the above, IVL also recognizes the equal rights of all Shareholders to obtain accurate, adequate and timely information from the Company, for their decision-making and will always strive to provide the same.

General Rights and Equality

IVL provided the opportunity to minority shareholders to propose agenda items and to nominate qualified individuals to be elected as directors of the Company before the AGM for a period of 60 days. Such notification to the shareholders was informed to SET website on 9 November 2011 and posted on the Company's website at the same day. The notification clearly mentioned the procedure and criteria. The company received no proposal from any shareholder and the same was informed to the Board in January 2012.

IVL will continue to provide opportunities to the minority shareholders to participate in fundamental corporate decisions.

In order to ensure that the shareholders receive the annual audited financial statements and the quarterly reviewed financial results on time, IVL disclosed the annual audited financial statements (2010) and the three reviewed quarterly financial statements of 2011 the very next day of its approval by the Board of Directors through the website of the Stock Exchange of Thailand and also through its website - www.indoramaventures.com, both in English and Thai.

IVL ensures regular and timely disclosures through its website and also through SET about all relevant information like the Annual Report, Form 56-1, Shareholders' meeting resolutions, important Board resolutions, acquisition updates, analyst reports, press releases and other relevant information about the Company and its subsidiaries in an effort to keep the Shareholders timely and adequately informed.



IVL strongly believes in the participation of its shareholders to understand the operation and business activities of the Company and its subsidiaries and to interact with the management. It organized a visit of the shareholders to its plants located at Rayong on November 18, 2011. The shareholders who visited the plants showed keen interest and enthusiasm. Such annual visits shall continue to be organized in future.

Shareholders were notified more than 14 days before the shareholders meeting, each shareholder received complete and adequate information on the criteria and procedure of the meeting. The AGM was held on April 27, 2011 and the Notice was issued out on April 5, 2011.

All information sent to the shareholders was posted on the Company's website both in English and Thai 30 days before the meeting date. The Shareholders were provided the facility to download the relevant information including the proxy forms. Notice of the meeting was also communicated through the SET.

The shareholders were given the opportunity to submit questions in advance regarding the agenda, together with comments if any, from the date they were notified of the meeting. The procedure for submitting such questions was clearly stated in the Notice to the meeting.

IVL shareholders were encouraged to attend the AGM in person or by proxy. In case of proxy, Shareholders could either appoint their authorized person or any one of the 6 Independent Directors nominated by the Company in this regard. The profiles of the Independent Director(s) were attached to the notification of the meeting.

The venue of the AGM was at a central location easily accessible to all and a map of the location was provided in the Notice to the meeting.

On the meeting date the Company arranged for the shareholder registration to start more than one hour before the meeting. Preparation of the venue, greeters and appropriate number of registration staff were arranged to assist shareholders before the meeting. The Company had detailed which all documents were necessary for shareholders to present on the meeting date in order to have the right to attend the meeting including the designated proxy form.

A barcode scanning system through Thailand Security Depository (TSD) was used for registration allowing for a quick and efficient registration process. Bar coded ballots were handed out to each shareholder for voting.

To enable Shareholders to make decisions, IVL provided adequate information in the Notice to the meeting on the following agenda items.

Re-appointment of Directors and appointment of new Directors

Profiles of the 4 directors retiring and offering themselves for re-appointment and 1 new director proposed for appointment together with name, age, type of director, educational background, working experience, positions held in other organizations, number of years as director of the Company and the opinion of the Board, in order to facilitate the voting of the Shareholders. Re-appointment and appointment of new directors was done by individual voting. Directors who put themselves forward for appointment or reappointment shall sign a consent form permitting their names to be put forward.

Approving Directors Remuneration

The Board reviewed and recommended to the Shareholders the remuneration of the Independent and Non Executive Directors for the year 2011 and annual bonus for all directors payable for the year 2010 as recommended by the NC&CG Committee. It is the NC&CG Committee's policy to recommend remuneration consisting of a retainer fee and bonus, which is a percentage of net profit, based on comparable listed companies. The Chairman of the NC&CG Committee explained the basis of the remuneration to shareholders at the 2011 Annual General Meeting of Shareholders.

Details of remuneration paid to the Independent Directors and Non-Executive Directors and the bonus to all directors is provided for the year 2011 and 2010 in the later part of this report under Director Performance

Appointing the external auditor and approving the audit fee

The name of the audit firm and the auditor's names, independence of the proposed auditor, number of years as the company's auditor, remuneration proposed for the year 2011 together with the opinion of the Board based on the recommendation of the Audit Committee is described in the Notice to Meeting in order to facilitate the voting of the Shareholders.

Payment of dividend

In compliance with the dividend policy of the Company, the Board proposed a dividend payout for the year 2010 at Baht 0.66 per share or representing 30.09% of the consolidated 2010 profit available for distribution to equity holders of the Company and amounting to Baht 3,177,409,781.70.

Shareholders Meeting

It is IVL's policy to conduct Shareholders meetings properly in accordance with the Articles of Association of the Company and related laws to allow Shareholders to exercise their rights fully and in an informed manner.

The annual general meeting of Shareholders was organized within four months from the closure of the fiscal year of December. For the fiscal year 2010, the AGM was held on April 27, 2011. The total number of shareholders who attended the meeting in person or proxy was 1,330 shareholders and representing 87.62% of the total shares sold.

During the meeting, all the Shareholders were encouraged to ask questions, express their opinions, suggestions, recommendations and request for additional information to clarify any issues relating to the Meeting.

Prior to starting the meeting, the Chairman and his representative briefed the Shareholders on the criteria governing the meeting including the voting procedure. Two independent observers from the shareholders' present witnessed the vote counting procedure.

In order to make the voting process fast and accurate, the Company used the electronic voting system. For each agenda/sub-agenda separate ballots were provided. After every agenda was discussed and put to voting, the ballots were collected and scanned. The results of the voting for each agenda were declared at the close of the meeting.

The vote counting was carried out in a transparent manner with one share being equal to one vote. Approval of a resolution was based on majority of votes as there was no special resolution which would require three fourth of the eligible votes.

During the meeting, the Company did not introduce any unexpected important information or any new agenda that were not notified to the Shareholders earlier.

The Company ensured that all Shareholders were accommodated to attend the meeting even beyond the specified time limit. The Chairman of the Board chaired the meeting. There were 11 out of 12 Directors including the Group Chief Executive Officer (GCEO), Chairman of the Audit Committee, Chairman of Nomination, Compensation and Corporate Governance Committee, the external auditors, the legal counsel of the Company and management team members attending the meeting.

The Chairman gave the Shareholders sufficient opportunity to ask questions and make recommendations about the operations, financial matters and other issues of the Company without prejudicing the rights of any Shareholder. The Chairman, GCEO, Chairman of the Audit Committee, Chairman of Nomination, Compensation and Corporate Governance Committee and their nominated representative provided clarifications during the meeting and met the Shareholders informally after the meeting.

All the agenda items were passed by an average of 99% of the total eligible votes. The resolution of the meeting including the number of vote's cast was disclosed through the SET website on the same day of the meeting.

Comprehensive Minutes of the meeting were recorded. They included names of Directors who attended and who did not attend the meeting, summary of questions asked, important explanations and clarifications, and the voting results of each agenda and sub-agenda divided into for/against/ abstained. The Minutes were submitted to SET within the required time frame of fourteen days after the AGM date.

The copy of the Minutes was also posted on the Company's website.



Internal Information

The Company has in place a written policy on the use of confidential and/or internal information so as to prevent any illegal use. The statement is prominently displayed at the head office and at the offices and the working places of all its subsidiaries, for the knowledge of all employees.

The code of conduct prohibits employees from buying, selling, transferring or accepting the transfer of Company securities by using confidential and/or internal information in any manner that may take advantage of outsiders by using inside information.

All directors, senior management, auditors and employees having access to financial statements of the Company are required to make a declaration of their movement in shareholding including their spouse and minor children, to the Company Secretary who in turn presents a summary report to the Board.

Also the directors shall file with the company a report, in the form as approved by the Board, on their interest or a related person's interest in the company or its subsidiaries.

Reporting of and Trading in IVL Securities

The Company has in place a written policy on reporting of and trading in IVL Securities. As per this policy no director or "Management" shall directly or indirectly trade in IVL Securities during the period of 15 working days prior to and 2 working days subsequent to the date of filing with the SET of the quarterly and annual financial statements of the Company. Further if any director or management trades in IVL securities, they have to report to SEC in the prescribed form within 3 working days and inform the Company Secretarial Department. Moreover a quarterly declaration on their trading needs to be provided to the Company Secretary. This declaration is also taken from the Company auditors. Every Quarter a summary of the shareholding of Directors is reported to the Board.

Code of Conduct for Directors and Employees

The Company has a Code of Conduct, available on its website, which explains among other things the Company's firm stance against bribery and corruption.

Connected Transactions

The Company has in place a detailed policy on connected transaction which is strictly followed. The policy states who is a connected party and what constitutes a connected transaction, the various types of connected transaction and their threshold criteria/values for approval and disclosure purpose and what procedures to follow when there is a new connected transaction. The guideline is circulated at the beginning of each year in order to remind all concerned about the compliance requirement on connected transaction. The Internal Audit Department is responsible to ensure that all connected transactions follow the

rules and regulations as prescribed by SEC/SET and the internal policy guidelines. Any proposed new connected transaction is brought to the notice of the Internal Audit Department who after their verification forwards to the Audit Committee with their recommendation through the Secretary of Audit Committee. The Audit Committee after their review will recommend to the Board. Without IVL Board approval, no new connected transaction can be given effect to. At every quarterly meeting of the Audit Committee and Board of Directors, a statement of all the continuing connected transactions of the Company and its subsidiaries is submitted for acknowledgement.

However, the Company and its subsidiaries may have connected transactions with their directors, management or potential connected persons. As a result, the Board of Directors Meeting approves, in principle, that the management is empowered to approve such transactions under reasonable, transparent and non-corrupt conditions, provided that such transaction is categorized as a transaction with the same commercial terms as those an ordinary person would agree with any unrelated counterparty under similar circumstances, on the basis of commercial negotiation (general trading conditions) and without any dependant interest resulted from the status of director, management or connected person, as the case may be.

Any Director who is directly or indirectly interested in any transaction abstains from discussions and voting.

The Company also has in place a written Board and Audit Committee Charters, Code of Conduct for directors & employees, an Internal Audit Manual and Internal Audit Charter.

Role of Stakeholders

IVL gives equal importance to all of its stakeholders both internal and external such as shareholders, personnel, business partners, customers, competitors, creditors, community, environment and society. The Company is fully aware that support from each stakeholder will sustain and reinforce its competitive advantage and profitability.

It is the policy of IVL to safeguard their rights by strictly complying with applicable laws and regulations and to take into consideration their interests.

Shareholders:

IVL and its subsidiaries strive to conduct its business in a transparent and efficient manner with a view to enhancing shareholder value and returns. We will seek new businesses and projects that are accretive to shareholder value only.

Customers:

IVL and its subsidiaries will strive to maintain and strengthen its long-term and loyal relationships with its customers and is determined to ensure customer delight by providing high quality products and services that best fit customer needs at competitive prices, supported by a high standard of service and accurate information regarding our operations and products.

The Company believes in and will strive to keep communication channels open for constant customer feedback.

Personnel:

All personnel of IVL and its subsidiaries are considered to be valuable assets, critical to the growth and profitability of the company and its subsidiaries, and strive to provide a conducive and quality oriented work environment with utmost emphasis on safety along with fair and equitable compensation compatible with similar businesses.

The Company gives importance to developing skills, knowledge and potential of its employees, and strives to build a work environment that is rich in diversity and will attract and retain high performance employees.

The Company and its subsidiaries provide an orientation program for all new employees and development programs thereafter to develop and refresh their skills. All employees receive training in environmental issues and encouraged to involve themselves in local environmental conservation and preservation projects in the local area.

Business Partners:

IVL and its subsidiaries fosters symbiotic, long-standing and growing relationships with all its business partners, based on mutual benefit and guided by good business ethics.

Intellectual Property:

The Company is aware of the importance of intellectual property and strictly forbids the use of illegal software and the use of the intellectual property of others.

Creditors:

IVL and its subsidiaries attempts to provide its creditors with all full and accurate information about the progress of the company, as required for smooth business dealings and to comply with all its obligations.

Community, Environment, & Society:

IVL and its subsidiaries cares about safety of its society, environment, and quality of life of people associated with all its operations and strives to comply with applicable laws and regulations.

IVL and its subsidiaries try to actively participate in all activities that support and care for environment and society and promote the cultures in which the companies operate.

IVL and its subsidiaries treat and dispose of waste in a manner that will have least impact on society, environment and people.

IVL has taken various steps towards the sustainability of not only the company, but of the community as a whole. We want to ensure:

- A consistent supply of high quality products and services to our customers
- That we create value for our investors
- We provide a favorable working environment
- We are a good community neighbor
- That we minimize the environmental footprint we leave behind

We are committed to meet and surpass the environmental laws and regulations pertaining to each business and region, with periodic analysis and third party inspection conducted in each plant.

Competitors:

IVL and its subsidiaries will act within the rules with respect to its competitors and employ best practices in dealing with them, as well as working towards market development and growth for the benefit of the industry as a whole.

Disclosure and Transparency

It is IVL's policy to deliver all-important information relevant to the Company, both financial and non-financial that may have an impact on the interests of the Shareholders or any decision to invest in or on the price of its shares. All such information is disclosed sufficiently, accurately, on a timely basis and transparently through easy-to-access channels that are fair and trustworthy and all such information complies with the relevant rules of SEC/SET.

The communication channels used are: Annual Report, Form 56-1, Management Discussion and Analysis (MD&A), press releases, SET website, Shareholders meeting, analysts meeting and Company's own website.

The designated executives that can disclose information about IVL is the Group Chief Executive Officer (Group CEO), or the Secretarial Department or the Investor Relations Department. They provide information to interested parties on various occasions such as one-on-one meetings with Shareholders, creditors, analysts, quarterly meetings with analysts to discuss the recent financial performance, road shows and others.

The Company gives utmost importance to its website, which is both in Thai and English, and regularly reviews it to ensure all information provided is current and up-to date.

For the year 2011, and all previous years, the Company has never been penalized by the SEC/SET for breaching any disclosure rules and regulations.

The following information on the Company website is regularly updated:

Vision, Mission, Value Statements, financial statements, analyst reports, press releases, Annual Report, IVL Board and management structure, shareholding structure and major shareholders. Form 56-1 is updated every year and includes detailed information on business operation, financial status, risks, litigations, capital structure including information on ultimate shareholding.

The company has a designated department / person for Investor Relations for disclosing essential information to investors on matters relating to financial reporting and others. An annual investor relations plan is established and the executive in charge is involved in various investor relations activities including but not limited to periodical plant visits for the benefits of shareholders, investors and analysts etc. Also regular investor meetings are organized.

To contact the Company's Investor Relations Department, the general public may call (+66) 2 661 6661 ext. 680 or email richard@indorama.net. The details are provided on the Company website.

A statement on the Board's responsibility concerning the Company's financial report is disclosed in the Annual Report which mentions among other things that the Company complies with generally accepted accounting principles and that accounting standards and practices used are appropriate and consistent to the nature of the business. It also states that all information presented in the financial reports are accurate, complete and adequate. The Chairman of the Board and the Group CEO sign the statement.

The individual shareholdings of Directors, Management, including their spouse and minor children for the period January 1, 2011 to December 31, 2011 was as follows:

Name	Opening	Purchased	Sold	Balance
Mr. Sri Prakash Lohia ⁺	-	-	-	-
Mr. Alope Lohia ⁺	10	-	-	10
Mrs. Suchitra Lohia ⁺	-	-	-	-
Mr. Sashi Prakash Khaitan	90,000	170,000	140,000	120,000
Mr. Amit Lohia ⁺	-	-	-	-
Mr. Rathian Srimongkol	-	60,000	-	60,000
Mr. William Ellwood Heinecke	887,000	1,306,960	300,000	1,893,960
Mr. Chakramon Phasukavanich (held by spouse)	155,650	17,294	-	172,944
Dr. Siri Ganjarerndee	-	-	-	-
Mr. Maris Samaram	-	-	-	-
Mr. Kenneth See	-	200,000	100,000	100,000
Mr. Dilip Kumar Agarwal	-	-	-	-

Name	Opening	Purchased	Sold	Balance
Mr. Udey Paul Singh Gill ^{*1}	-	-	-	-
Mr. Prem Chandra Gupta	-	24,000	2,000	22,000
Mr. Gopal Lal Modi	15,000	1,667	16,667	-
Mr. Satyanarayan Mohta	10,972	10,000	11,942	9,030
Mr. Ramesh Kumar Narsinghpura	233,000	290,888	250,000	273,888
Mr. Rajesh Banka	21,000	40,000	20,000	41,000
Mr. Vikash Jalan	-	49,111	49,111	-
Mr. Anuj Lohia ⁺	10	-	-	10

⁺ As at December 31, 2011 the direct and indirect shareholding of companies owned and controlled by Lohia family and related persons totaled 3,196,038,396 shares, representing 66.39% of the issued shares.

^{*1} The Director was appointed at the Shareholders' Meeting No. 1/2011 dated 27 April, 2011

Responsibility of the Board

Board Structure

The IVL Board during the year increased the number of directors from 12 to 13 consisting of 5 Executive Directors, 2 Non-Executive Directors and 6 Independent Directors representing half of the total Board size.

The Board structure is appropriate in relation to the size of the Company, number of Executive, Non-Executive and Independent Directors and qualification in terms of knowledge and expertise and provides a fair balance of power and effective management monitoring.

In the Directors' profile, IVL discloses its director's names, profiles, qualifications, experience, and shareholding in the Company to demonstrate the Board's knowledge, competence, qualification and experience via the Annual Report and its website. It also mentions which Director is independent, executive and non executive and representative of a major shareholder.

The profile mentions the Board membership of other Companies held by the Directors.

In order to achieve a balance of power, the position of the Chairman of the Board and that of the Group CEO are different. The Chairman of the Board of Directors is a Non Executive Director.

One third of the Directors retire by rotation at every Annual General Meeting as specified in the Articles of Association of the Company. The directors to retire during the first and second years following the registration of the Company shall be drawn by lots. In subsequent years (with effective from 2012), the director who has been in office for the longest term shall retire. A retiring director is eligible for re-election. Voting for appointment/ re-appointment of Directors is done individually.

The Board has appointed the Company Secretary in order to meet the requirements of the SEC regulations. The Company Secretary is responsible for matters connected with meetings of the Board and Shareholders and to advise the Board on law and regulations that the Board must know to effectively perform its duties and to administer the Board's activities and ensure Board resolutions are complied with.

The Board members carried out a self evaluation on the Board performance for the year 2010 beginning of the year. The Board discussed the summary of their inputs.

Audit Committee

The current Audit Committee of IVL was re-appointed for a second term by the Board at its meeting on August 10, 2011, The Audit Committee comprises of Mr. Rathian Srimongkol as Chairman, and Mr. Chakramon Phasukavanich and Mr. Maris Samaram as members. All members are Independent Directors and have the requisite experience and knowledge to review financial statements. The two year term of the Committee will expire on 18 September 2013.

The Audit Committee held 7 meetings during the year with the attendance of members as follows:

The Audit Committee members carried out a self evaluation on the Audit Committee performance for the year 2010 beginning of the year and discussed the summary of their inputs.

Name	Attendance
Mr. Rathian Srimongkol	7/7
Mr. Chakramon Phasukavanich	7/7
Mr. Maris Samaram	7/7

The Audit Committee Charter approved by the Board in September 2009, is in line with the new SEC regulations. It is available for reference on the Company's website.

The main duties and responsibilities of the Audit Committee include:

1. To review the company's financial reporting process to ensure that it is accurate and adequate;
2. To review the company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
3. To review the company's compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand, and the laws relating to the company's business;
4. To consider, select and nominate an independent person to be the company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
5. To review the connected transactions, or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the regulations of the Stock Exchange of Thailand, and are reasonable and for the highest benefit of the Company;
6. To prepare, and to disclose in the company's annual report, an Audit Committee's report which must be signed by the Chairman of the Audit Committee and consist of at least the following information:
 - (a) an opinion on the accuracy, completeness and credibility of the company's financial report;
 - (b) an opinion on the adequacy of the company's internal control system;
 - (c) an opinion on the compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand, or the laws relating to the company's business;
 - (d) an opinion on the suitability of an auditor;
 - (e) an opinion on the transactions that may lead to conflicts of interests;
 - (f) the number of the Audit Committee meetings, and the attendance at such meetings by each committee member;
 - (g) an opinion or overview of comments received by the Audit Committee from its performance of duties in accordance with the charter; and
 - (h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors.
7. To perform any other act as assigned by the company's board of directors, with the approval of the Audit Committee.



The Chairman of the Audit Committee reported on the Audit Committee's activities to the Board, immediately following the Audit Committee meetings. Between the meetings, the Committee reviewed emerging issues with the management team, Secretary of Audit Committee, Chief of Internal Audit and with the statutory auditors. The Minutes of the Audit Committee form part of the Board papers every quarter.

During the year, the Audit Committee visited the PET plants in China, USA and Mexico and PTA plant at Rotterdam, Netherlands and had detailed reviews with the local management team and external auditors on their activities, risks, internal control systems and its mitigations.

The Audit Committee Report on its performance to the shareholders was separately disclosed in the Annual Report.

Nomination, Compensation and Corporate Governance Committee (NC&CG)

In order to maintain the highest corporate governance standards, the Board constituted the Nomination, Compensation and Corporate Governance Committee at its meeting on May 12, 2010.

The Committee comprises of the following four directors:

- Mr. William Ellwood Heinecke as Chairman
- Mr. Alope Lohia, Dr. Siri Ganjarerndee and Mr. Kenneth See as members.

Other than Mr. Alope Lohia all other members are Independent Directors.

The Nomination, Compensation and Corporate Governance Committee held 3 meetings during the year with the attendance of members as follows:

Name	Attendance
Mr. William Ellwood Heinecke	3/3
Mr. Alope Lohia	2/3
Dr. Siri Ganjarerndee	3/3
Mr. Kenneth See	2/3

The final Nomination, Compensation and Corporate Governance Committee Charter approved by the Board in September 2011.

The main duties and responsibilities of the NC&CG Committee include:

1. Nominating

The Committee shall have the following authority and responsibilities:

- 1.1 To determine the composition of the Board and its Committees, and monitor and assess Board effectiveness.
- 1.2 To lead the search for and identify suitable candidates qualified to become members of the Board of Directors. The Committee shall select candidates with the highest personal and professional integrity, with demonstrated and exceptional ability and judgment and who shall be most effective, in conjunction with the other candidates and serving directors, in collectively serving the long-term interests of the shareholders.
- 1.3 To assist the Board in developing and evaluating potential candidates for executive positions, including the chief executive officer, and to oversee the development of executive succession plans.
- 1.4 To develop, and to recommend to the Board of Directors for its approval, qualifications for director candidates, and to periodically review these qualifications.

- 1.5 To review the Board of Directors' Committee structure and to recommend to the Board, for its approval, directors to serve as members of each Committee, and as Committee Chairs. The Committee shall review and recommend Committee candidates annually and shall recommend additional Committee members to fill vacancies as needed.
- 1.6 To develop and recommend to the Board of Directors for its approval, a set of corporate governance principles. The Committee shall review the principles on an annual basis, or more frequently if appropriate, and recommend changes as necessary.
- 1.7 To develop and recommend to the Board of Directors for its approval, an annual self-evaluation process for the Board and its Committees. The Committee shall oversee the annual self-evaluations.
- 1.8 The Committee shall have the authority to delegate any of its responsibilities to subcommittees as appropriate.
- 1.9 The Committee shall have the authority to retain any search firm engaged to assist in identifying director candidates, and to retain outside counsel and any other advisors as the Committee may deem appropriate. The Committee shall have authority to approve related fees and retention terms.
- 1.10 The Committee shall report its actions and any recommendations to the Board and shall conduct and present to the Board an annual performance evaluation of the Committee.
- 1.11 The Committee shall review the adequacy of its charter as required and recommend any proposed changes to the Board for approval.

2. Compensation

The Committee shall have the following authority and responsibilities:

- 2.1 To review and approve on an annual basis the corporate goals and objectives with respect to compensation for the Group Chief Executive Officer.
- 2.2 The Committee shall evaluate at least once a year the Group Chief Executive Officer's performance in light of these established goals and objectives and based upon these evaluations shall set the Group Chief Executive Officer's annual compensation, including salary, bonus and equity and non-equity incentive compensation (if any).
- 2.3 To review and approve on an annual basis the evaluation process and compensation structure for the Company's Executive Directors. The Committee shall evaluate the performance of the Company's executive directors and shall approve the annual compensation, including salary, bonus and equity and non-equity incentive compensation, for such executive directors, based on initial recommendations from the Group CEO. Moreover, the Committee shall maintain regular contact with the leadership of the Company. This should include interaction with the Company's leadership development activities, review of data from employee surveys and regular review of the results of the annual leadership evaluation process.
- 2.4 To review and discuss with management the Company's Compensation Discussion and Analysis (CD&A) and to recommend to the Board that CD&A be included in the Company's annual report.
- 2.5 The Committee shall have authority to retain such compensation consultants, outside counsel and other advisors as the Committee may deem appropriate. The Committee shall have authority to approve related fees and retention terms.
- 2.6 The Committee shall report its actions and any recommendations to the Board after each Committee meeting and shall conduct and present to the Board an annual performance evaluation of the Committee.

3. Corporate Governance

The Committee shall have the following duties with regard to corporate governance.

- 3.1 Formulation of a corporate governance policy for consideration and adoption by the Board, monitoring compliance with that policy, and reviewing and adapting it on a continuing basis as appropriate.
- 3.2 Coordinating the annual performance assessment of the Chairman of the Board, individual directors, the Board as a whole and Board Committees.

- 3.3 Ensure processes are in place for maintaining the integrity of the Company - the integrity of the financial statements, the integrity of compliance with law and ethics, the integrity of relationships with customers and suppliers, and the integrity of relationships with other stakeholders;
- 3.4 Ensure processes are in place for preventing and mitigating conflicts of interest for the best interest of the Company and its shareholders;
- 3.5 Ensure processes are in place for effective good governance, risk management, internal controls, and compliance;

Responsibility and duties of the Board of Directors

The Board of Directors of IVL has the vision, mission, value statement, plans, strategies, key policies and budgets of the Company with a view to effectively and efficiently manages the business for maximum shareholders value. Detailed budgets and plans are formulated for the Company and its subsidiaries. The Board closely monitors the management and implementation of business plans to achieve targets. The Board also sets internal controls and audit procedures, including risk management.

The Board through the Audit Committee, internal auditor, and compliance department reviews potential conflicts of interest. The internal guidelines of the company on related party transactions and the relevant rules and regulations of SET/SEC provide a basis for avoiding conflicts of interest. Details of all related party transactions are updated in Form 56-1 and reported in the Annual Report. Those Board members who have an interest in a matter that might involve a conflict of interest must abstain from voting and other involvement, as prescribed by the Board. Company policy prohibits personnel at all levels from using inside information for personal benefit with all business decisions based on achieving the maximum benefit for the company and its subsidiaries.

The company has a code of conduct for Directors, executives and employees, approved by the Board and communicated to everyone. The Company through this Code of Conduct strives to achieve observance of ethical practices, honesty, and accountability, as well as a responsibility to all stakeholders and external agencies. The code is periodically reviewed. A revision was made in September 2012 and circulated to all directors and employees.

Internal Audit

The company has its own Internal Audit Department, Internal Audit Manual and Internal Audit Charter. The Internal Audit Department is entrusted to carry out internal audit activities of the company and its subsidiaries under the supervision of the Chief of Internal Audit. The Internal Audit Department reports functionally to the Audit Committee. A detailed plan for the year is formulated for the units and approved by the Audit Committee which then reviews the work of the internal audit department against the plan periodically and makes recommendations to management. For the year 2011, the audit was carried out for Thailand units and several overseas units. The Secretary of Audit Committee follows up on the implementation of recommendations and reports the progress to the Audit Committee and also undertakes periodic checks to ensure compliance with statutory and regulatory requirements.

The regulations on the use of internal information of the Company

The regulations on the use of internal information of the Company are as follows:

- 1) All directors, executives, staff and employees of the Company shall keep the confidential and/or internal, all information of the Company except for the purpose of the operation of the Company's businesses;
- 2) All directors, executives, staff and employees of the Company shall not disclose confidential and/or internal information of the Company with the aim to seek benefit for oneself or for other persons either directly or indirectly regardless of whether or not such benefit is to be received; and
- 3) All directors, executives, staff and employees of the Company shall not sell, purchase, transfer or take the assignment of securities of the Company by using confidential and/or internal information of the Company and/or enter into any transactions by using confidential and/or internal information of the Company in a manner that

could possibly cause damage to the Company either directly or indirectly. This provision shall also apply to spouses and minor children of the directors, executives, staff and employees of the Company. Violators of the regulations shall be deemed as committing a serious offence.

Post listing of its shares on the Stock Exchange of Thailand (SET), all directors, executives, managers, any persons responsible for the operation, auditors, staffs or employees of the Company purchase or sell, offer to purchase or sell or invite any other person to purchase, sell or offer to purchase or sell the shares of the Company in such a way as to take advantage of other persons by using internal information material to changes in the prices of the shares of the Company which has not yet been disclosed to the public and to which information he has access by virtue of his office or position, and whether or not such act is done for his own or another person's benefit, or to disclose such information so that he will receive consideration from the person who engages in the aforesaid acts, such person shall be liable under the applicable laws with respect to insider trading as a result of such contravention.

In case, directors, executives, managers, any persons responsible for the operation, auditors of the Company acquire or dispose of shares or other securities (if any) of the Company, such person have to report on such acquire or dispose to the SEC within the time described by SEC Act B.E. 2535. The said acquire or dispose of such person shall include the holding of shares and other securities (if any) by his spouse and minor children of securities in the Company.

These regulations have been informed to all employees.

Board of Directors' Performance

The Board of Directors held 9 times meetings during the year. The Company generally proposes to schedule a minimum of 5 meetings a year. Typically, a meeting is convened every 3 months with extra meetings convened as and when deemed necessary to review operations, financial matters, plans, or other matters. Prior to the close of each year a schedule of meetings for the next year is circulated to the members so as to fix the meeting dates well in advance and also to ensure maximum participation.

The Chairman, Group CEO and Company Secretary set Board meeting agendas and the Company Secretary sends invitation letters together with the Agenda and relevant documents to the Directors at least 7 days prior to the meeting to allow adequate time for the directors to study the information.

At each Board Meeting, the Chairman allows each Board member to express his or her views and management to answer all queries in full. If desired, Directors can request for additional information from a designated person.

Detailed minutes are prepared for each meeting which includes the meeting date, beginning and ending times, name of Directors who attended and were absent from the meeting, summarized information proposed to the Board on each issue, summarized discussion and Director's observations and the person authorizing the Minutes.

The summary of Minutes of all subsidiary companies is attached to the Board papers and provided on CD every quarter in order for the Board members to gain full knowledge of the activities at the various locations.

The followings are the details of attendance of the Board of Directors' meeting in 2011

Name	No. of attendance / total meeting
1. Mr. Sri Prakash Lohia	5/9
2. Mr. Alope Lohia	9/9
3. Mrs. Suchitra Lohia	6/9
4. Mr. Sashi Prakash Khaitan	7/9
5. Mr. Amit Lohia	3/9
6. Mr. Rathian Srimongkol	9/9
7. Mr. William Ellwood Heinecke	5/9
8. Mr. Chakramon Phasukavanich	8/9
9. Mr. Maris Samaram	9/9
10. Dr. Siri Ganjarerndee	9/9
11. Mr. Kenneth See	9/9
12. Mr. Dilip Kumar Agarwal	7/9
13. Mr. Udey Paul Singh Gill ^{*1}	3/6

^{*1} Mr. Udey Paul Singh Gill was appointed by the shareholders on April 27, 2011 and attended the first Board meeting in May 2011

Remuneration

The current remuneration of Independent Directors and Non-Executive Directors including bonus to all directors is established based on assignments, responsibilities. Such remuneration proposed by the Board and recommend by NC&CG committee requires the approval of the Shareholders' meeting.

For the year 2011 the total annual remuneration approved at the Annual General Meeting of Shareholders No.1/2011 held on April 27, 2011 was for an amount not exceeding Baht 25,000,000 to be allocated by the Board.

The actual remuneration paid in 2011 is Baht 24,060,668 as against the approved amount of Baht 25,000,000. The details of the remuneration paid are as hereunder:

As Directors of the Company

No.	Independent/ Non Executive Directors	Amount approved (Baht)	Actual Paid (Baht)
1.	Mr. Sri Prakash Lohia	75,000 per month	900,000
2.	Mr. Rathian Srimongkol	50,000 per month	600,000
3.	Mr. William Ellwood Heinecke	50,000 per month	600,000
4.	Mr. Chakramon Phasukavanich	50,000 per month	600,000
5.	Mr. Amit Lohia	50,000 per month	600,000
6.	Mr. Maris Samaram	50,000 per month	600,000
7.	Dr. Siri Ganjarerndee	50,000 per month	600,000
8.	Mr. Kenneth See	50,000 per month	600,000
Total			5,100,000

As Audit Committee members

No.	Members	Amount approved (Baht)	Actual Paid (Baht)
1.	Mr. Rathian Srimongkol	75,000 per month	900,000
2.	Mr. Chakramon Phasukavanich	50,000 per month	600,000
3.	Mr. Maris Samaram	50,000 per month	600,000
Total			2,100,000

As Nomination, Compensation and Corporate Governance Committee Members

No.	Members	Amount approved (Baht)	Actual Paid (Baht)
1.	Mr. William Ellwood Heinecke	35,000 per month	420,000
2.	Dr. Siri Ganjarerndee	25,000 per month	300,000
3.	Mr. Kenneth See	25,000 per month	300,000
Total			1,020,000

Bonus for the year 2010, as Directors of the Company

No.	Directors	Actual Paid (Baht)
1.	Mr. Sri Prakash Lohia	1,931,789
2.	Mr. Alope Lohia	1,159,073
3.	Mrs. Suchitra Lohia	772,715
4.	Mr. Amit Lohia	772,715
5.	Mr. Dilip Kumar Agarwal	772,715
6.	Mr. Sashi Prakash Khaitan	772,715
7.	Mr. Rathian Srimongkol	2,318,146
8.	Mr. Maris Samaram	1,545,431
9.	Mr. Chakramon Phasukavanich	1,159,073
10.	Mr. William Ellwood Heinecke	1,545,431
11.	Dr. Siri Ganjarerndee	1,545,431
12.	Mr. Kenneth See	1,545,431
Total		15,840,668

The Executive Directors on the IVL Board are not paid any director's fee.

Remuneration paid to the Management team for the year was Baht 80,099,966.

Professional Development of Directors & Management

The Directors who joined the Company during the year were given a Directors Orientation folder with complete information about the Company and its subsidiaries to assist them in getting well acquainted with the business, practices and procedures of the company and their rights, duties and obligations as Directors.

Apart from the periodic meetings with the management teams, the directors are invited to attend the various business meets held during the year. For the year 2011 business meets were held for the PET and PTA business, which most of the directors attended

The Board encourages the Board members, Audit Committee members, management team members, Company Secretary and Internal Auditor to attend seminars, training and courses which would assist in further improving their contribution/performance in the Company. IVL encourages the members of the Board to undergo applicable training programs. Two IVL directors attended the following programs in 2011 as below:

Mr. SP Khaitan - Director Accreditation Program Class No. 88/2011, Thai Institute of Directors


Mr. Rathian Srimongkol - Capital Market Academy Leadership Program, Capital Market Academy (Class 11)

Our company's policies, integrity, ethics and disclosures always seek to emulate the best practices in Corporate Governance.



WOOL **BUSINESS**





Indorama Ventures' wool business has been shaping up well and building yet stronger alliances with our customers and suppliers, creating strong branding. We continued to grow special and niche items along with our standard products to keep ahead of our competitors; unfortunately our business in 2012 was impacted by severe flooding. Yet we expect to rebound strongly next year with brand new, more efficient, machinery after the replacement of damaged equipment.



SP KHAITAN
Director and President of Wool Business

Corporate Social Responsibility and Sustainability

IVL has been a socially responsible entity as this will lead to sustainability of the business. For this reason, we implement a triple bottom line of Planet, Profit and People while doing business. We know how critical it is that we profitably - yet safely - produce products that benefit society and improve everyday lives.

IVL's Sustainability Program aims to make a positive contribution to society by improving the quality of life of our employees and the community in general; to improve health and safety to international standards; to decrease the Company's impact on the environment and seek the sustainable development of our business in tandem with our suppliers, global industry, local governing authorities and customers. The Seven Pillars of our Sustainability Program are: Reuse Resources; Conserve Energy; Engage Stakeholders; Develop Employees; Utilize Green Energy; Develop Local Communities; Recycle Polyester.

IVL has a Global CSR committee to oversee the creation and communication of our CSR policy; monitoring and assessing the impact of its policies towards the community and environment on a regular basis. Each business office or factory is responsible for the creation of activities for its employees and community inline with our CSR policy. Local working groups are set up to coordinate activities with employees, communities and local authorities. All activities are monitored locally for effectiveness and feedback. Data on the implementation and related statistics are kept and also sent back to Head Office for assessment. We then learn from the experience of other working groups and benchmark at the group level.

IVL's CSR policy is based on our corporate values. We put people first, as they are the company's strength. Stakeholders include local communities and employees. Their involvement and satisfaction are one of the key drivers for success and growth. We try to elicit customer delight in our activities as we feel they will prefer socially responsible suppliers. We believe in being responsible and caring for society; maintaining as well as enhancing the environment around us and acknowledge that people are a part of the environment. We thus try to lower any adverse impact of our business on local communities first before looking at other regions. We believe in transparency, accountability and ethics.

We leverage the participation of employees to create a multiplier effect. Our activities are expected to enhance corporate citizenship and reputation and improve collaboration and communication with those around us. We believe employee engagement helps us drive innovation and achieves strategic philanthropy. We pursue a policy of active social contribution through our employees rather than just donating money. We would rather teach a villager to fish than to give him free fish.

Our CSR policy encourages collaboration and communication as employees have the opportunity to work with team members from across business units, departments and offices. It helps to break down distance and nurture internal communication across divisions and geographical areas; builds and strengthens relationships between employees and teams.

In 2011, IVL implemented Sustainability initiatives globally. Our biggest focus in terms of financial investment was in recycling where we started recycling operations in Alabama and acquired Wellman International to become the leading recycler in Europe. We are also setting up another recycling unit in Nakhon Pathom. Altogether in 2011, IVL created over 400 CSR programs, the majority undertaken in Thailand with Lithuania and the USA taking on a sizeable portion abroad.

Financial support fell under six categories and were weighted towards educational and training support. Due to the severe floods, disaster relief became a key issue and we provided funds for nine projects aimed to assist people in distress, including contributions to tornado victims of last year's disaster in Alabama, USA and tsunami victims in Japan. As Thailand was badly affected by floods towards the end of the year, we provided not only financial support to our own staff but to victims in Lopburi and Nakhon Pathom. The company also set up a community kitchen in Lopburi to feed people in areas surrounding our facilities.

who were in particular distress. Over 100 projects were provided with financial support throughout the year. In many cases, we have been able to support communities however; our employees implemented 14 projects on a voluntary basis that included seven projects that were educational or involved training programs while 46 were related to culture and the arts.

There were 22 projects in the support of continued education, notably in Decatur, Alabama where the company assisted in mentoring students for industrial careers and in Spartanburg, South Carolina where the company has a Board Member in Spartanburg Community College Tech Scholars. We donated books and book-shelves in Nakhon Pathom. We gave annual scholarships to six schools in Rayong. In Thailand, the company helped set up internet access for Wat Takuan School and set up a waste bank to teach students about recycling, where they earn a small income set aside for future scholarship support by selling waste to the bank.

Another 19 projects looked at energy savings. Our Auriga facility was among those that changed its lights to LED types and hope to save almost a million kilowatts a year as a result. Our Starpet facility changed its light bulbs also to types that would use lower levels of electricity.

In Alabama, USA, our employees organized a "Day of Caring" twice to provide electrolyte drinks to local Boys and Girls clubs and employee spouses in Rayong, Thailand, volunteered their time as school tutors. We organized blood-donation camps in Lopburi, Nakhon Pathom and Rayong in Thailand, and in Klaipeda, Lithuania. Our Lithuanian company and employees celebrated Christmas and New Year with a local orphanage, distributing fruit, sweets, and other things to another in order to buy fruit, sweets and other food so that they too could celebrate Christmas and the New Year. Staff in Bangkok and Rayong were taught how to self test for early signs of breast cancer. In Poland, we actively participated in social responsibilities by funding rewards for kindergartens that collected PET bottles in our "Tree for the Bottle" local contest; renovated a gym in a kindergarten by replacing the floor, and distributed Indorama Ventures teddy bears called "PET ciks" and funded gifts for an orphanage on St. Nicholas' day.

Employees planted trees around our Nakhon Pathom plant and cleaned the beach at Rayong. Others planted trees in a local Rayong mangrove forest. Concern for the fisheries industry as well as a love of nature led many staff to release fish in the Nakhon Chaisi River, and the Thajeen River while others released Sea Turtles in Rayong.



IVL Global Award Year 2011



February 7, 2011
Mr. Alope Lohia was awarded a certificate of thanks by H.E. The Prime Minister, Mr. Abhisit Vejjajiva, for accepting the position of Honorary Investment Advisor to the Board of Investment

March 4, 2011
Seventeen Outstanding Women received awards from Khun Chatchai Promlert, the Governor of Lopburi, to mark International Women's day. Khun Kasorn Thongmark from Indorama Holdings Ltd. and Khun Nuttha from Petform (Thailand) received 2011 award on behalf of the women.



March 8, 2011
Khun Prapai Palakawong Na Ayudhaya, Sr. Manager (Personnel & Administration) received the Outstanding Women Award under the Management category on International Women's Day from Mr. Chidphon Ritprasart, Nakhon Pathom Governor.

March 23, 2011
Orion Global PET received
ISO 22000 : 2005 certification for
the production of PET polymers
for the Food Industry.



April 1, 2011
Mrs. Suchitra Lohia received a
certificate from the Ministry of
Education on the occasion of
her support for the Ministry of
Education.



June 2011
Jesus Sauza, Leonardo Pacheco, Oliver
Mondragón, and Tiburcio Villanueva
from Indorama Ventures in Mexico, have
been recognized by the Queretaro State Labor
Authorities, due to their performance and
constancy during their working lives;
their behavior has been an example for their
co-workers and community. This recognition
was granted by the Queretaro Governor.



July 11, 2011
Indorama Polyester Industries Plc
(Nakhon Pathom) and TPT Petrochemicals
PCL received a certificate signifying they
have achieved the Thai Labor Standard TLS
8001-2010 Certificate Completion Level
Initiative Phase from The Ministry of
Labor's Department of Labor Protection
and Welfare effective.

September 8, 2011
Ms. Prapai Palakawong
Na Ayudhaya a representative from
IPI-N received Workplace Learning
Award for year 2010 from
Mr. Phadermchai Sasomsub,
Minister of Ministry of Labor.



September 14, 2011
Indorama Holdings Ltd. received
the Provincial Safety Award 2011
organized by the Department of
Labor Protection and Welfare,
Ministry of Labor.

September 14, 2011
Indorama Polyester Industries
Public Co., Ltd. (Rayong) received
the National Outstanding Industrial
Establishment on Labor Relations
and Welfare Award 2011 for the
seventh consecutive year
(2005 - 2011).



September 14, 2011
Indorama Holdings Ltd. received
the National Outstanding Industrial
Establishment on Labor Relations
and Welfare Award 2011 for the
sixth consecutive year (2006 - 2011).

September 14, 2011
Indorama Polyester Industries
Public Co., Ltd. (Nakhon Pathom)
received The National Outstanding
Industrial Establishment on Labor
Relations and Welfare Award 2011
for the third consecutive years
(2009-2011).



September 14, 2011
Indorama Petrochem received The
National Outstanding Industrial
Establishment on Labor Relations
and Welfare Award 2011.

November 2011
the Queretaro Site got an ISO 9001
recertification after an external evaluation
that was carried out by BVQI Mexicana.
This is an internationally recognized
standard for quality management of
businesses whose requirements are
aimed at achieving customer satisfaction
by preventing nonconformity at all
stages from design through servicing.



November 2011
the Queretaro Site passed through an external
audit carried out by BVQI Mexicana, in order
to achieve recertification of the ISO 14000,
which is an internationally recognized
Environmental Management System Standard.
This aims to assist Indorama Ventures to
implement a management system and
continually improve its environmental
performance, whilst complying with all
environmental applicable legislation.

Indorama Holdings Ltd. received the highest award from the AIDS and TB - response Standard Organization Certification ASO - T Thailand Platinum, organized by The Department of Labor Protection and Welfare, Ministry of Labor and the Department of Disease Control, Ministry of Public Health.



Indorama Petrochem obtained an "Excellent" rating from Industrial Estate Authority of Thailand (IEAT) as its audit ratings in all topics under the "Pollution Reduction and Mitigation Plan" were high three times in succession.

Indorama Petrochem and Indorama Polyester Industries Nakhon Pathom received "The Best Manufacturer Award for Safety Occupational Health and Working Conditions" from the Ministry of Labor.



AsiaPet (Thailand) Limited, Indorama Holdings Ltd. and Indorama Petrochem received the CSR-DIW Award 2011. Indorama Polyester Industries Plc. (Nakhon Pathom and Rayong) maintained their CSR-DIW Award in 2011.



Auriga Polymers Inc has been honored, at an awards luncheon held by the Spartanburg Area Chamber of Commerce, by being named an Economic Champion for 2011 and was one of only 10 outstanding companies whose confidence and collective investments are providing a healthy economic climate for upstate South Carolina.

Indorama Polyester Industries PCL received the ISO 50001 Energy Management System Certificate from Mr. Chaoyong Krittapholchai (2nd from left), Secretary General of Thai Industrial Standards Institute (TISI) at Ministry of Industry. Currently, Indorama Polyester Industries PCL is the first only Thai company to achieve the world class ISO 50001 Certificate.



OGP received a Gold Medal for its product - Ramapet R1L - from the Chairperson of the Parliament of the Republic of Lithuania, Ms. Irena Degutiene (2nd left). The event was conducted at the Lithuanian Parliament attended by the fellow Industrialists and Members of Parliament amongst others. In the picture are Mr. Arūnas Jonuška (from left to right), Mr. J.K. Malik, Mr. Gediminas Rainys.

PT. Indorama Ventures Indonesia received a blue level certificate as PT. IVI commitment in program "performance rating of the company in maintaining the environment 2010-2011" from Ministry of Environmental.



Indorama Ventures Polymers México received a “Clean Industry Certificate” from the Federal Attorney for Environmental Protection (PROFEPA) for industries which fully meet and exceed the commitments derived from environmental audits.



Indorama Ventures Public Company Limited has been given a “Very Good” rating by the Institute of Directors in Thailand (IOD) in its first year as a listed company. The criteria looked at by the IOD included five categories: the rights of shareholders; equitable treatment of shareholders; Role of stakeholders; Disclosure and transparency; and Board responsibilities. Indorama Ventures is proud to have reached this high achievement in its maiden year as a listed company (2010).

Report of the Audit Committee

The Audit Committee of Indorama Ventures Public Company Limited consists of three independent directors of the Company namely;

Mr. Rathian Srimongkol - Chairman

Mr. Chakramon Phasukavanich - Member

Mr. Maris Samaram - Member

During the year 2011, the Committee held 7 meetings and performed the following tasks in accordance with the scope of their responsibilities as assigned by the Board of Directors and those required by regulations.

- 1) Reviewed the Company's quarterly and annual audited financial statements with the Company's auditors, including the significant accounting policies, the preparation process for financial statements, information disclosures and other issues, in order to assure that the financial reports are accurate, reliable and in compliance with generally accepted accounting standards and relevant regulations.
- 2) Approved the Annual Internal Audit Plan with the Internal Auditor of the Company. The Internal Audit Department carried out its audit activities covering all subsidiaries of IVL across all geographic location.
- 3) Assessed the adequacy of internal control system with the Company's External Auditors, Internal Auditors and Management. The Committee will continue work together with the Internal Auditor and Management to further streamline the systems and procedures.
- 4) Reviewed the company's compliance with laws and regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission and other relevant laws pertaining to the Company's business and found no issue of non-compliance for the period.
- 5) Evaluated, selected and nominated the external auditors, and fixing the audit fee to propose to the Board and Shareholders for approval.
- 6) The Committee reviewed for each quarter all connected transactions of the Company and its subsidiaries and found the same to be in line with the Internal Connected Transaction Policy and comply with regulatory requirements.
- 7) The Audit Committee made a visit to the USA and Mexico PET plants during June 27, 2011 - July 6, 2011 and a PTA plant in Rotterdam during September 27, 2011 - October 1, 2011 in order to understand and review the process and practice of internal controls at the USA, Mexico and European sites with the local management and auditors.
- 8) The Members of the Audit Committee have been re-appointed for a period of another two years, effective from September 19, 2011 to September 18, 2013, by the Board of Directors of the Company in their Meeting held on August 10, 2011.

The Audit Committee believes that the Company's financial statements and financial reports are properly presented, internal controls are adequate and the Company's practices are in compliance with relevant regulations and good governance practices.

On behalf of the Audit Committee



(Mr. Rathian Srimongkol)

Chairman of the Audit Committee

Report of the Board of Directors' Responsibilities for the Financial Statements

The Board of Directors of Indorama Ventures PCL places significance on its roles and responsibilities in supervising the Company's operations in compliance with good Corporate Governance Principles and is accountable for the financial statements including financial data as shown in the Annual Report.

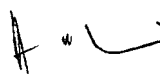
The financial statements for the accounting year ended December 31, 2011 has been prepared under the generally accepted accounting standards of Thailand. In preparing the said financial statements, the Company has adopted accounting practices and standards that are appropriate to its nature of business. All material information has been sufficiently disclosed in the notes to financial statements. The financial statements have been audited by qualified and independent auditors who have confirmed that the said statements accurately reflect the actual financial standing, results and operating results over the past year, as well as being transparent.

Moreover, the Board of Directors has maintained internal control, internal audit, risk management and corporate governance in order to ensure the completeness, adequacy and accurateness of the financial statements. The Board of Directors has appointed the Audit Committee to review the quality of financial reports, the internal control system as well as complete and appropriate disclosure of connected transaction.

The Board of Directors expresses its satisfaction on the adequacy, credibility and reliability on the internal control system and the financial statements of Indorama Ventures Public Company Limited and its subsidiary companies for the year ended December 31, 2011.



Mr. Sri Prakash Lohia
Chairman



Mr. Alope Lohia
Group CEO

Audit Report of Certified Public Accountant

To the Shareholders of Indorama Ventures Public Company Limited

I have audited the accompanying consolidated and separate statements of financial position as at December 31, 2011 and the related statements of income and comprehensive income, changes in equity and cash flows for the year then ended of Indorama Ventures Public Company Limited and its subsidiaries, and of Indorama Ventures Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audit. I did not audit the financial statements of one jointly-controlled entity and its subsidiary established in 2010 for the year ended December 31, 2011. The carrying value of this investment in the consolidated statement of financial position as at December 31, 2011 amounted to Baht 2,062.0 million and share of loss of jointly-controlled entity recorded in the consolidated statement of income was Baht 5.6 million. The financial statements of this jointly-controlled entity and its subsidiary were audited by other auditors whose report has been furnished to me and my report, insofar as it relates to the amounts included for this jointly-controlled entity and its subsidiary, is based solely on the report of the other auditor. The consolidated and separate financial statements of Indorama Ventures Public Company Limited and its subsidiaries, and of Indorama Ventures Public Company Limited, respectively, for the year ended December 31, 2010 were audited by another auditor whose report dated February 21, 2011 expressed an unqualified opinion on those statements. In addition, that report of another auditor made reference to the report of the other auditor who audited the financial statements of one jointly-controlled entity and its subsidiary. As explained in Notes 2 and 3 to the accompanying financial statements, with effect from January 1, 2011 the Company has adopted certain new and revised financial reporting standards. The consolidated and separate financial statements for the year ended December 31, 2010 have been restated accordingly. I have audited the adjustments that were applied to the restatement of those financial statements and in my opinion those adjustments are appropriate and have been properly applied.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit and the report of the other auditor referred to in the first paragraph provide a reasonable basis for my opinion.

In my opinion, based on my audit and the report of the other auditor, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial positions as at December 31, 2011 and the results of operations and cash flows for the year then ended of Indorama Ventures Public Company Limited and its subsidiaries, and of Indorama Ventures Public Company Limited, respectively, in accordance with Financial Reporting Standards.

Without qualifying my audit opinion, I draw attention to the following matters:

As disclosed in Note 5 to the financial statements, the Company completed an acquisition of Wellman International Limited and its subsidiaries and MJR Recycling B.V. on November 30, 2011 resulting in the recording of gain on a bargain purchase which was recorded in the consolidated statement of income for the year ended December 31, 2011 in the amount of Baht 133.4 million. The fair value of businesses acquired has been provisionally determined and is subject to potential amendment as disclosed in Note 5.

As disclosed in Notes 5 and 13 to the financial statements, Trevira Holdings GmbH, a jointly-controlled entity, acquired 100% ownership of Trevira GmbH in July 2011. The Company applied the equity method of accounting for its investment in Trevira Holdings GmbH in the consolidated financial statements for the year ended December 31, 2011 and recorded its 75% interest in the profit of Trevira Holdings GmbH, amounting to Baht 1,329.2 million, as a share of profit of jointly-controlled entity in the consolidated statement of income for the year ended December 31, 2011. This share of profit includes 75% of a provisional gain on a bargain purchase of Baht 2,134.5 million, amounting to Baht 1,600.9 million. The final determination of the share of profit of Trevira Holdings GmbH depends on the finalization of the independent appraisal of the fair value of Trevira GmbH and the completion of the purchase price allocation.

As disclosed in Note 13 to the financial statements, the Company applied the equity method of accounting for its investment in PT Indorama Petrochemicals, a jointly-controlled entity, in the consolidated financial statements for the year ended December 31, 2011 and recorded its 42% interest in the loss of PT Indorama Petrochemicals, amounting to Baht 9.1 million, as a share of loss of jointly-controlled entity in the consolidated statement of income for the year ended December 31, 2011. This share of loss includes 42% of an excess in the Group's share in the provisional fair value of identifiable net assets over cost of Baht 37.5 million, amounting to Baht 15.7 million. The final determination of the share of loss of PT Indorama Petrochemicals depends on the finalization of the independent appraisal of the fair value of identifiable net assets as disclosed in Note 13.



(Winid Silamongkol)
Certified Public Accountant
Registration No. 3378

KPMG Phoomchai Audit Ltd.
Bangkok
22 February 2012

Statements of Financial Position

Indorama Ventures Public Company Limited and its Subsidiaries
As at 31 December 2011 and 2010

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010 (Restated) (in thousand Baht)	2011	2010 (Restated)
Assets					
Current assets					
Cash and cash equivalents	7	12,018,021	1,482,637	7,792,152	2,132
Current investments	8	5,688,491	541,726	5,260,000	-
Trade accounts receivable	6, 9	24,508,784	11,770,725	-	-
Short-term loans to related parties	6	-	-	24,620,318	5,681,235
Inventories	10	21,422,270	11,384,262	-	-
Other current assets	6, 11	4,132,841	964,894	112,561	1,688
Total current assets		67,770,407	26,144,244	37,785,031	5,685,055
Non-current assets					
Investments in subsidiaries and associates	12	-	-	27,127,240	18,524,840
Investment in jointly-controlled entities	13	5,427,519	2,012,582	-	-
Other long-term investments	8	-	20,278	-	-
Long-term loans to related parties	6	-	-	2,369,346	1,163,172
Property, plant and equipment	14	66,825,359	48,820,179	-	-
Goodwill	15	395,427	-	-	-
Intangible assets	16	4,305,532	760,194	-	-
Other non-current assets	17	1,101,862	183,109	232,351	-
Total non-current assets		78,055,699	51,796,342	29,728,937	19,688,012
Total assets		145,826,106	77,940,586	67,513,968	25,373,067

The accompanying notes are an integral part of these financial statements.

Statements of Financial Position

Indorama Ventures Public Company Limited and its Subsidiaries
As at 31 December 2011 and 2010

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
			(Restated)		(Restated)
			(in thousand Baht)		
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	18	13,676,866	5,364,893	-	-
Trade accounts payable	19	17,978,085	10,858,319	-	-
Short-term loan from related party	6, 18	-	-	164,300	-
Current portion of long-term loans from financial institutions	18	6,440,134	5,912,535	2,454,764	753,246
Current portion of finance lease liabilities	18	18,375	22,135	-	-
Income tax payable		874,009	267,614	-	-
Other current liabilities	6, 20	4,213,869	1,612,350	155,405	109,749
Total current liabilities		43,201,338	24,037,846	2,774,469	862,995
Non-current liabilities					
Long-term loans from financial institutions	18	33,701,976	20,710,491	17,621,947	3,656,865
Debentures	18	7,468,658	-	7,468,658	-
Finance lease liabilities	18	40,086	58,424	-	-
Employee benefit obligations	21	772,701	107,111	-	-
Other non-current liabilities		1,864,489	784,987	-	-
Total non-current liabilities		43,847,910	21,661,013	25,090,605	3,656,865
Total liabilities		87,049,248	45,698,859	27,865,074	4,519,860

The accompanying notes are an integral part of these financial statements.

Statements of Financial Position

Indorama Ventures Public Company Limited and its Subsidiaries
As at 31 December 2011 and 2010

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
			(Restated)		(Restated)
			(in thousand Baht)		
Liabilities and equity					
Equity					
Share capital					
Authorised share capital	22	4,815,857	4,815,857	4,815,857	4,815,857
Issued and paid-up share capital	22	4,814,257	4,334,271	4,814,257	4,334,271
Additional paid-in capital					
Share premium	22	29,774,627	13,030,827	29,774,627	13,030,827
Unrealized surpluses (deficits)					
Revaluation surplus	23	1,761,376	2,254,970	-	-
Fair value changes on cash flow hedges	23, 36	(105,855)	(109,040)	-	-
Currency translation differences	23	(2,195,991)	(2,068,446)	-	-
Defined benefit plan actuarial losses, net	21	(101,363)	-	-	-
Excess of cost over book value of acquired subsidiaries		(2,949,846)	(3,307,048)	-	-
Differences arising from common control transactions	23	(1,580,670)	(1,580,670)	-	-
Retained earnings					
Appropriated					
Legal reserve	23	1,326,156	604,230	228,650	58,650
Unappropriated		27,895,055	18,749,539	4,831,360	3,429,459
Equity attributable to owners of the					
Company		58,637,746	31,908,633	39,648,894	20,853,207
Non-controlling interests		139,112	333,094	-	-
Total equity		58,776,858	32,241,727	39,648,894	20,853,207
Total liabilities and equity		145,826,106	77,940,586	67,513,968	25,373,067

The accompanying notes are an integral part of these financial statements.

Statements of Income

Indorama Ventures Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010 (Restated) <i>(in thousand Baht)</i>	2011	2010 (Restated)
Income					
Revenue from sale of goods	6	186,095,914	96,858,195	-	-
Interest income	6	487,351	7,077	1,000,563	61,013
Dividend income	12	-	-	7,046,771	3,496,726
Net foreign exchange gain		306,368	1,178,449	108,878	-
Gain on a bargain purchase	5	6,752,564	562,797	-	-
Other income	6, 25	812,031	157,015	6,845	21,811
Total income		194,454,228	98,763,533	8,163,057	3,579,550
Expenses					
Cost of sale of goods	6, 26	165,754,211	82,066,379	-	-
Selling expenses	6, 27	6,305,549	4,649,569	-	-
Administrative expenses	6, 28	3,395,941	1,060,961	46,497	33,342
Management benefit expenses	29	127,021	110,848	24,061	6,780
Impairment losses due to flood	39	1,644,715	-	-	-
Net foreign exchange loss		-	-	-	36,453
Finance costs	31	2,370,063	1,303,120	936,060	115,354
Total expenses		179,597,500	89,190,877	1,006,618	191,929
Share of profit (loss) of jointly-controlled entities, net	5, 13	1,314,543	1,888,164	-	-
Profit before income tax expense		16,171,271	11,460,820	7,156,439	3,387,621
Income tax expense	32	742,241	487,846	-	608
Profit for the year		15,429,030	10,972,974	7,156,439	3,387,013
Profit attributable to:					
Owners of the Company		15,567,966	10,413,384	7,156,439	3,387,013
Non-controlling interests		(138,936)	559,590	-	-
Profit for the year		15,429,030	10,972,974	7,156,439	3,387,013
Earnings per share					
Basic earnings per share <i>(in Baht)</i>	34	3.29	2.46	1.51	0.80

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

Indorama Ventures Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
	<i>(in thousand Baht)</i>			
Profit for the period	15,429,030	10,972,974	7,156,439	3,387,013
Other comprehensive income (loss)				
Foreign currency translation differences				
for foreign operations	(117,595)	(1,768,955)	-	-
Effective portion of changes in fair value				
of cash flow hedges	20,353	23,799	-	-
Defined benefit plan actuarial losses	(101,636)	-	-	-
Revaluation of property, plant and equipment	(161,629)	1,396,760	-	-
Other comprehensive income (loss) for the year	(360,507)	(348,396)	-	-
Total comprehensive income for the year	15,068,523	10,624,578	7,156,439	3,387,013
Total comprehensive income attributable to:				
Owners of the Company	15,197,034	10,216,805	7,156,439	3,387,013
Non-controlling interests	(128,511)	407,773	-	-
Total comprehensive income for the year	15,068,523	10,624,578	7,156,439	3,387,013

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Equity

Indorama Ventures Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

Consolidated financial statements														
Retained earnings					Other components of equity									
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Currency translation differences	Revaluation surplus	Fair value changes on cash flow hedges	Defined benefit plan actuarial gains (losses)	Excess of book value of acquired subsidiaries over cost/ (cost over book value) transactions	Equity attributable to owner of the Company	Total equity		
(in thousand Baht)														
Balance at 1 January 2010 - as reported		3,351,544	4,443,214	290,575	10,093,238	(324,283)	864,535	(132,795)	-	173,674	(1,580,670)	17,179,032	5,286,783	22,465,815
Impact of changes in accounting policies	3	-	-	-	(146,512)	-	-	-	-	-	-	(146,512)	(2,342)	(148,854)
Balance at 1 January 2010 - restated		3,351,544	4,443,214	290,575	9,946,726	(324,283)	864,535	(132,795)	-	173,674	(1,580,670)	17,032,520	5,284,441	22,316,961
Transactions with owners, recorded directly in equity														
Contributions by owners of the Company														
Issue of share capital	22	400,000	3,680,000	-	-	-	-	-	-	-	-	4,080,000	-	4,080,000
Initial public offering costs	22	-	(336,931)	-	-	-	-	-	-	-	-	(336,931)	-	(336,931)
Dividends to owners of the Company	35	-	-	-	(1,430,310)	-	-	-	-	-	-	(1,430,310)	(58,698)	(1,489,008)
Total contributions by owners of the Company		400,000	3,343,069	-	(1,430,310)	-	-	-	-	-	-	2,312,759	(58,698)	2,254,061
Changes in ownership interests in subsidiaries														
Acquisition of non-controlling interests without a change in control	12	582,727	5,244,544	-	-	-	-	-	-	(3,480,722)	-	2,346,549	(5,300,422)	(2,953,873)
Total changes in ownership interests in subsidiaries		582,727	5,244,544	-	-	-	-	-	-	(3,480,722)	-	2,346,549	(5,300,422)	(2,953,873)
Total transactions with owners, recorded directly in equity														
		982,727	8,587,613	-	(1,430,310)	-	-	-	-	(3,480,722)	-	4,659,308	(5,359,120)	(699,812)
Comprehensive income for the year														
Profit		-	-	-	10,413,384	-	-	-	-	-	-	10,413,384	559,590	10,972,974
Other comprehensive income (loss)		-	-	-	133,394	(1,744,163)	1,390,435	23,755	-	-	-	(196,579)	(151,817)	(348,396)
Total comprehensive income (loss) for the year		-	-	-	10,546,778	(1,744,163)	1,390,435	23,755	-	-	-	10,216,805	407,773	10,624,578
Transfer to legal reserve		-	-	313,655	(313,655)	-	-	-	-	-	-	-	-	-
Balance at 31 December 2010 - restated		4,334,271	13,030,827	604,230	18,749,539	(2,068,446)	2,254,970	(109,040)	-	(3,307,048)	(1,580,670)	31,908,633	333,094	32,241,727

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Equity

Indorama Ventures Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

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INDORAMA VENTURES PUBLIC COMPANY LIMITED

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Consolidated financial statements												
Retained earnings					Other components of equity							
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Currency translation differences	Revaluation surplus	Fair value changes on cash flow hedges	Defined benefit plan actuarial gains (losses)	Excess of book value of acquired subsidiaries over cost/ (cost over book value) transactions	Equity attributable to owner of the Company	Total equity
(in thousand Baht)												
Balance at 31 December 2010 - as reported												
Impact of retrospective changes in accounting policies	3	4,334,271	13,030,827	604,230	18,909,718	(2,068,446)	2,254,970	(109,040)	-	(3,307,048)	(1,580,670)	335,785
		-	-	-	(160,179)	-	-	-	-	-	(160,179)	(2,691)
Balance at 31 December 2010 - restated												
Impact of changes in accounting policies - adjustment to retained earning	3	4,334,271	13,030,827	604,230	18,749,539	(2,068,446)	2,254,970	(109,040)	-	(3,307,048)	(1,580,670)	333,094
		-	-	-	(111,960)	-	-	-	-	-	(111,960)	(9,603)
Balance at 1 January 2011 - restated												
		4,334,271	13,030,827	604,230	18,637,579	(2,068,446)	2,254,970	(109,040)	-	(3,307,048)	(1,580,670)	323,491
Transactions with owners, recorded directly in equity												
Contributions by owners of the Company												
Issue of share capital	22	479,986	16,799,517	-	-	-	-	-	-	-	17,279,503	-
Shares issuance costs	22	-	(55,717)	-	-	-	-	-	-	-	(55,717)	-
Dividends to owners of the Company	35	-	-	-	(5,584,538)	-	-	-	-	-	(5,584,538)	(45,334)
Total contributions by owners of the Company												
		479,986	16,743,800	-	(5,584,538)	-	-	-	-	-	11,639,248	(45,334)
Changes in ownership interests in subsidiaries												
Acquisition of non-controlling interests without a change in control	12	-	-	-	-	-	-	-	-	8,804	-	8,804
Disposal of non-controlling interests without a change in control		-	-	-	323	-	-	-	-	-	-	323
Disposal of a subsidiary	1	-	-	-	(352,734)	-	-	-	-	348,398	-	4,008
Total changes in ownership interests in subsidiaries												
		-	-	-	(352,411)	-	-	-	-	357,202	-	4,791
Total transactions with owners, recorded directly in equity												
		479,986	16,743,800	-	(5,936,949)	-	-	-	-	357,202	-	11,644,039
Comprehensive income for the year												
Profit		-	-	-	15,567,966	-	-	-	-	-	-	15,567,966
Other comprehensive income (loss)		-	-	-	348,385	(127,545)	(493,594)	3,185	(101,363)	-	-	10,425
Total comprehensive income (loss) for the year												
		-	-	-	15,916,351	(127,545)	(493,594)	3,185	(101,363)	-	-	15,197,034
Transfer to legal reserve		-	-	721,926	(721,926)	-	-	-	-	-	-	-
Balance at 31 December 2011												
		4,814,257	29,774,627	1,326,156	27,895,055	(2,195,991)	1,761,376	(105,855)	(101,363)	(2,949,846)	(1,580,670)	139,112
												58,637,746
												139,112
												58,776,858

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Equity

Indorama Ventures Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

Separate financial statements						
Retained earnings						Total equity attributable to equity holders of the Company
Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated		
(in thousand Baht)						
Balance at 1 January 2010		3,351,544	4,443,214	-	1,531,406	9,326,164
Transactions with owners, recorded directly in equity						
Contributions by owners of the Company						
Issue of share capital	22	400,000	3,680,000	-	-	4,080,000
Initial public offering costs	22	-	(336,931)	-	-	(336,931)
Dividends to owners of the Company	35	-	-	-	(1,430,310)	(1,430,310)
Total contributions by owners of the Company		400,000	3,343,069	-	(1,430,310)	2,312,759
Changes in ownership interests in subsidiaries						
Acquisition of non-controlling interests without a change in control	12, 22	582,727	5,244,544	-	-	5,827,271
Total changes in ownership interests in subsidiaries		582,727	5,244,544	-	-	5,827,271
Total transactions with owners, recorded directly in equity						
		982,727	8,587,613	-	(1,430,310)	8,140,030
Comprehensive income for the year						
Profit		-	-	-	3,387,013	3,387,013
Total comprehensive income for the year		-	-	-	3,387,013	3,387,013
Transfer to legal reserve		-	-	58,650	(58,650)	-
Balance at 31 December 2010		4,334,271	13,030,827	58,650	3,429,459	20,853,207

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Equity

Indorama Ventures Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

	Separate financial statements					Total equity attributable to equity holders of the Company
	Retained earnings					
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	
	Note					
(in thousand Baht)						
Balance at 1 January 2011		4,334,271	13,030,827	58,650	3,429,459	20,853,207
Transactions with owners, recorded directly in equity						
Contributions by owners of the Company						
Issue of share capital	22	479,986	16,799,517	-	-	17,279,503
Shares issuance costs	22	-	(55,717)	-	-	(55,717)
Dividends to owners of the Company	35	-	-	-	(5,584,538)	(5,584,538)
Total contributions by owners of the Company		479,986	16,743,800	-	(5,584,538)	11,639,248
Changes in ownership interests in subsidiaries						
Acquisition of non-controlling interests without a change in control		-	-	-	-	-
Total changes in ownership interests in subsidiaries		-	-	-	-	-
Total transactions with owners, recorded directly in equity		479,986	16,743,800	-	(5,584,538)	11,639,248
Comprehensive income for the year						
Profit		-	-	-	7,156,439	7,156,439
Total comprehensive income for the year		-	-	-	7,156,439	7,156,439
Transfer to legal reserve		-	-	170,000	(170,000)	-
Balance at 31 December 2011		4,814,257	29,774,627	228,650	4,831,360	39,648,894

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

Indorama Ventures Public Company Limited and its Subsidiaries For the years ended 31 December 2011 and 2010

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010 (Restated) (in thousand Baht)	2011	2010 (Restated)
Cash flows from operating activities					
Profit for the year		15,429,030	10,972,974	7,156,439	3,387,013
Adjustments for					
Depreciation	30	4,554,221	3,398,678	-	-
Amortization of intangible assets		222,290	72,855	-	-
Interest income		(487,351)	(7,077)	(1,000,563)	(61,013)
Dividend income	12	-	-	(7,046,771)	(3,496,726)
Gains on bargain purchases	5	(6,752,564)	(562,797)	-	-
Loss from disposal of subsidiary		-	-	78	-
Share of (profit) loss of jointly-controlled entities, net	13	(1,314,543)	(1,888,164)	-	-
Finance costs	31	2,370,063	1,303,120	936,060	115,354
Unrealized foreign exchange (gain) loss		(213,194)	(800,944)	(15,455)	41,868
Provision (reversal) for bad and doubtful debts expense, net	9	(32,154)	(325)	-	-
Provision (reversal) for inventory obsolescence, net	10	53,332	(6,744)	-	-
Impairment for inventory and machinery and equipment due to flood	39	1,674,715	-	-	-
Employee benefits expense		128,213	52,998	-	-
Loss (gain) on disposal of property, plant and equipment, net		(7,124)	(8,354)	-	-
Income tax expense	32	742,241	487,846	-	608
		16,367,175	13,014,066	29,788	(12,896)
Changes in operating assets and liabilities					
Trade accounts receivable		(1,487,094)	(2,786,599)	-	-
Inventories		(5,116,829)	(2,414,799)	-	-
Other current assets		4,074,423	1,286	(99)	(1,614)
Other non-current assets		(1,049,090)	19,213	-	(97)
Trade accounts payable		(296,967)	2,786,079	-	-
Other current liabilities		(4,476,287)	215,807	(93,888)	6,146
Other non-current liabilities		869,496	16,924	-	-
Employee benefits paid		(3,227)	-	-	-
Income taxes paid		(192,438)	(468,893)	-	(608)
Net cash provided by (used in) operating activities		8,689,162	10,383,084	(64,199)	(9,069)
Cash flows from investing activities					
Interest received		416,167	5,879	676,106	60,811
Dividend received		-	-	7,046,771	3,496,726
Purchase of property, plant and equipment		(6,171,331)	(2,418,419)	-	-
Proceeds from sale of property, plant and equipment		48,884	12,367	-	-
(Purchase) sale of other investments, net		(5,119,671)	618,547	(5,260,000)	572,808
Purchase of intangible assets		(5,880)	(6,376)	-	-
Net cash outflow on acquisitions of businesses	5	(23,095,579)	(1,048,872)	-	-
Net cash outflow on additional investment in subsidiaries and jointly-controlled entities	12, 13	(2,220,132)	(3,075,104)	(8,835,154)	(3,075,503)
Return of capital from subsidiary	12	-	-	324	-
Net cash inflow on disposal of investment in a subsidiary		9,034	-	-	-
Net cash provided by (used in) investing activities		(36,138,508)	(5,911,978)	(6,371,953)	1,054,842

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

Indorama Ventures Public Company Limited and its Subsidiaries For the years ended 31 December 2011 and 2010

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
			(Restated)		(Restated)
			(in thousand Baht)		
Cash flows from financing activities					
Interest paid		(2,152,526)	(1,338,680)	(790,001)	(113,941)
Deferred financing cost paid		(131,308)	-	(53,463)	-
Dividends paid to owners of the company	35	(5,584,538)	(1,430,246)	(5,584,538)	(1,430,246)
Dividends paid to non-controlling interests		(45,334)	(58,593)	-	-
Proceeds from short and long-term borrowings		34,602,325	4,887,546	18,536,300	2,480,000
Repayment of short and long-term borrowings		(13,400,156)	(10,058,227)	(2,713,352)	(265,985)
Repayment of finance leases		(22,097)	(26,068)	-	-
Proceeds from issue of shares, net of share issuance costs of Baht 55,717,205 in 2011 and initial public offering costs of Baht 255,495,994 in 2010	22	17,223,786	3,824,504	17,223,786	3,824,504
Proceeds from issue of debenture, net of debenture issuance costs of Baht 32,300,000	18	7,467,700	-	7,467,700	-
Short-term loans to subsidiaries		-	-	(18,707,260)	(5,669,700)
Long-term loans to subsidiaries		-	-	(1,153,000)	-
Net cash provided by (used in) financing activities		37,957,852	(4,199,764)	14,226,172	(1,175,368)
Net increase (decrease) in cash and cash equivalents		10,508,506	271,342	7,790,020	(129,595)
Cash and cash equivalents at beginning of year		1,482,637	1,396,824	2,132	131,727
Effect of exchange rate changes on balances held in foreign currencies		26,878	(185,529)	-	-
Cash and cash equivalents at end of year	7	12,018,021	1,482,637	7,792,152	2,132

Non-cash transaction

In 2010, the Company issued ordinary shares at a premium with an aggregate value of Baht 5,827,271,370 for the exchange of shares held by non-controlling interests shareholders in subsidiary (see Note 1).

Notes to the Financial Statements

Indorama Ventures Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

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Indorama Ventures Public Company Limited and its Subsidiaries

For the years ended 31 December 2011 and 2010

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 22 February 2012.

1 General information

Indorama Ventures Public Company Limited, the "Company", is incorporated in Thailand and has its registered office at 75/102, Ocean Tower II, 37th Floor, Sukhumvit Soi 19, Asoke Road, Klongtoeynua, Wattana, Bangkok, Thailand.

The immediate and ultimate parent companies as at 31 December 2011 were Indorama Resources Limited, incorporated in Thailand, and Canopus International Limited, incorporated in Mauritius, respectively.

On 1 February 2010, the Company received the proceeds from an initial public offering of ordinary shares of 400 million shares at an issue price of Baht 10.20 per share. On 3 February 2010, the Company registered the increase in issued and paid-up capital with the Ministry of Commerce, Thailand and the Securities and Exchange Commission approved the listing and trading of the shares of the Company. The first trading day of the shares was 5 February 2010.

The principal business of the Company and its subsidiaries is the manufacture and distribution of polyethylene terephthalate ("PET"), purified terephthalic acid ("PTA") and related products, polyester fibres and yarns, and wool products. Details of the Company's subsidiaries and jointly-controlled entities as at 31 December 2011 and 2010 were as follows:

Name of the entity	Type of business	Country of incorporation	Effective ownership interest (%)	
			2011	2010
Direct subsidiaries				
Indorama Petrochem Limited	Manufacture of purified terephthalic acid ("PTA")	Thailand	100.00	100.00
Indorama Holdings Limited	Manufacture of wool yarns	Thailand	99.81	99.81
TPT Petrochemicals Public Company Limited	Manufacture of PTA	Thailand	99.96	99.96
IVL Belgium N.V.	Holding company	Belgium	100.00	100.00
Indo Polymers Mauritius Limited	Holding company	Mauritius	100.00	-
Direct and indirect subsidiaries				
Indorama Polyester Industries Public Company Limited	Manufacture of polyester fibers and yarns	Thailand	Direct	Direct
			64.94	64.94
			Indirect	Indirect
			34.55	34.55
			99.49	99.49

Name of the entity	Type of business	Country of incorporation	Effective ownership interest (%)	
			2011	2010
Indo Poly (Thailand) Limited	Manufacture of polyester fibers and yarns	Thailand	Direct	Direct
			-	44.38
			Indirect	Indirect
			-	54.37
			-	98.75
Indorama Polymers Public Company Limited	Manufacture of solid-state polymerised chips (generally known as bottle grade resin chips), polyethylene terephthalate ("PET")	Thailand	Direct	Direct
			72.60	72.60
			Indirect	Indirect
			26.60	26.44
			99.20	99.04
Indirect subsidiaries				
Indo Rama Textiles (Thailand) Limited	Manufacture of wool top	Thailand	94.92	94.92
Asia Pet (Thailand) Limited	Manufacture of amorphous chips	Thailand	99.20	99.04
Petform (Thailand) Limited	Manufacturer of PET preforms, closures and blown bottles	Thailand	59.52	59.42
UAB Indorama Holdings Europe	Trading in PTA	Lithuania	99.81	99.81
Indorama Holdings Rotterdam B.V.	Manufacture of PTA	The Netherlands	99.81	99.81
UAB Indorama Polymers Europe	Trading in PET	Lithuania	99.20	99.04
Indorama Polymers Rotterdam B.V.	Manufacture of bottle-grade resin chips	The Netherlands	99.20	99.04
Indorama Polymers Workington Limited	Manufacture of bottle-grade resin chips	United Kingdom	99.20	99.04
UAB Orion Global Pet	Manufacture of bottle-grade resin chips	Lithuania	99.20	99.04
Indorama Netherlands Cooperatief U.A.	Holding company	The Netherlands	100.00	-
Indorama Netherlands B.V.	Holding company	The Netherlands	100.00	-
IVL Ventures Poland Sp. z o.o.	Holding company	Poland	100.00	-
Indorama Polymers Poland Sp. z o.o.	Manufacture of bottle-grade resin chips	Poland	100.00	-
Indorama Trading AG	Trading in wool yarns	Switzerland	99.81	99.81
Indorama Trading (UK) Limited	Trading in wool yarns	United Kingdom	99.81	99.81
Beacon Trading (UK) Limited	Trading in wool yarns	United Kingdom	99.81	99.81
Indorama Ventures USA Inc.	Holding company	United States of America ("USA")	99.20	-

Name of the entity	Type of business	Country of incorporation	Effective ownership interest (%)	
			2011	2010
StarPet Inc.	Manufacture of bottle-grade resin chips	USA	99.20	99.04
Auriga Polymers Inc.	Manufacture of bottle-grade resin chips	USA	99.20	99.04
Indorama Polymers (USA), Inc.	Holding company	USA	99.20	99.04
AlphaPet, Inc.	Manufacture of bottle-grade resin chips	USA	99.20	99.04
Indorama PET (Nigeria) Limited	Manufacture of bottle-grade resin chips	Nigeria	89.28	99.04
IVL Holding, S. de R.L. de C.V.	Holding company	Mexico	100.00	-
Grupo Indorama Ventures, S. de R.L. de C.V.	Holding company	Mexico	100.00	-
Indorama Ventures Polymers Mexico, S. de R.L. de C.V.	Manufacture of bottle-grade resin chips	Mexico	100.00	-
Indorama Ventures Polycom, S. de R.L. de C.V.	Service company	Mexico	100.00	-
Indorama Ventures Servicios Corporativos, Arteva S. de R.L. de C.V.	Service company	Mexico	100.00	-
IVL Singapore Pte. Limited	Holding company	Singapore	99.20	99.04
Guangdong IVL PET Polymer Company Limited	Manufacture of PET bottle-grade resin chips	China	99.20	99.04
PT Indorama Ventures Indonesia	Manufacture of polyester fibers and yarns and PET	Indonesia	100.00	-
PT Indorama Polyester Industries Indonesia	Manufacture of polyester fibers and yarns	Indonesia	100.00	-
KP Equity Partners Inc.	Holding company	Malaysia	100.00	-
Dong Mao Pte. Limited	Holding company	Singapore	100.00	-
PT Indorama Polychem Indonesia	Manufacture of polyester chips, fibers and yarns	Indonesia	100.00	-
Indorama Recycling Netherlands B.V.	Holding company	The Netherlands	100.00	-
Wellman International Limited	Manufacture of polyester fibers and other recycling products	Ireland	100.00	-
Wellman France SARL	PET recycling	France	100.00	-
Wellman International Trustees Staff Limited	Non-operating	Ireland	100.00	-

Name of the entity	Type of business	Country of incorporation	Effective ownership interest (%)	
			2011	2010
Wellman International Trustees Works Limited	Non-operating	Ireland	100.00	-
Wellman Recycle UK Limited	Non-operating	Ireland	100.00	-
Wellman Handelsgesellschaft GmbH	Non-operating	Germany	100.00	-
MJR Recycling B.V.	Property rental	The Netherlands	100.00	-
Indorama Ventures Performance Fibers Holdings USA LLC	Holding company	USA	100.00	-
Chao Pha Ya Heritage Company Limited (Liquidated in March 2011)	Real estate development	Thailand	-	99.49
Jointly-controlled entities				
UAB Ottana Polimeri Europe	Holding company	Lithuania	50.00	50.00
Trevira Holdings GmbH	Holding company	Germany	75.00	-
PT Indorama Petrochemicals	Manufacture of PTA	Indonesia	42.00	-
Indirect jointly-controlled entities				
Ottana Polimeri S.R.L.	Manufacture of PTA and PET bottle-grade resin chips	Italy	50.00	50.00
Trevira GmbH	Manufacture of polyester fibers and yarns	Germany	75.00	-
Trevira Sp. z o.o.	Manufacture of polyester fibers and yarns	Poland	75.00	-
Trevira North America LLC	Trading and services	USA	75.00	-

Effective 31 July 2009, Indo Poly (Thailand) Limited ("IPL") transferred its entire business to Indorama Polyester Industries Public Company Limited ("IPI"). IPI purchased all IPL's assets and assumed all its liabilities for a consideration of Baht 1,487.5 million which was equal to the net book value of IPL's assets and liabilities as at 31 July 2009. IPL registered its dissolution with the Ministry of Commerce on 3 August 2009, and registered for the completion of liquidation on 9 August 2011.

Effective 14 November 2009, TPT Utilities Company Limited ("TPT-UC") transferred its entire business to TPT Petrochemicals Public Company Limited ("TPT"). TPT purchased all of TPT-UC's assets and assumed all its liabilities for a consideration of Baht 1,556.9 million which was equal to the net book value of TPT-UC's assets and liabilities as at 14 November 2009. TPT-UC registered its dissolution with the Ministry of Commerce on 16 November 2009 and registered for the completion of liquidation on 29 October 2010.

Pursuant to the shareholding restructuring plan for the exchange of shares in Indorama Polymers Public Company Limited ("IRP") for shares in the Company, a tender offer for the IRP shares was initiated on 24 December 2009. The Company successfully concluded the tender offer on 1 February 2010. The tender offer resulted in the increase in the combined direct and indirect shareholding of the Company in IRP from 69.29% to 99.04%. The shares of IRP were delisted on 5 February 2010 from the Stock Exchange of Thailand. In September 2011, additional shares of IRP were purchased resulting in the increase in combined direct and indirect shareholding from 99.04% to 99.20%.

On 7 May 2010, Indorama Trading AG, a new indirect subsidiary, was incorporated in Switzerland, with an authorized share capital of CHF 0.1 million (Baht 3.0 million).

On 23 June 2010, IVL Belgium N.V., a new subsidiary, was incorporated in Belgium, with an authorized share capital of EUR 3.1 million (Baht 121.6 million). IVL Belgium then invested for 50% interest in UAB Ottana Polimeri Europe ("UAB OPE"), a jointly-controlled entity in Lithuania (see Note 5(ii)).

On 23 August 2010, Indorama PET (Nigeria) Limited ("IRPN"), a new indirect subsidiary, was incorporated in Nigeria, with an authorised share capital of NGN 10.0 million (Baht 2.1 million). During the year ended 31 December 2011, IRPN increased its authorised share capital to NGN 450.0 million. As at 31 December 2011, Indorama Polymers Public Company Limited holds 90% of ownership interest and Eleme Petrochemicals Company Limited, a related party, holds 10% of ownership interest.

On 30 September 2010, Indorama Trading (UK) Limited, a new indirect subsidiary, was incorporated in United Kingdom, with an authorized share capital of GBP 0.01 million (Baht 0.5 million).

On 30 September 2010, Beacon Trading (UK) Limited, a new indirect subsidiary, was incorporated in United Kingdom, with an authorized share capital of GBP 0.01 million (Baht 0.5 million).

Effective 30 September 2010, Indo-Rama Textiles (Thailand) Limited ("IRT") transferred its entire business to Indorama Holdings Limited ("IRH"). IRH purchased all of IRT assets and assumed all its liabilities for a consideration of Baht 187.5 million which was equal to the net book value of IRT's assets and liabilities as at 30 September 2010. IRT registered its dissolution with the Ministry of Commerce on 29 October 2010, but was still controlled by the Group as at 31 December 2011.

On 20 October 2010, Auriga Polymers Inc. ("Auriga"), a new indirect subsidiary, was incorporated in United States of America ("USA"), with common stock of 5,000 shares with no par value. As at 31 December 2011, Auriga has a paid-up capital of USD 30 million (Baht 911.1 million). On 1 March 2011, Auriga completed the acquisition of net assets of a PET polymers and polyester fibers business located in Spartanburg, South Carolina, USA from Invista S.a.r.l. (see Note 5(vii)).

On 10 December 2010, Guangdong IVL PET Polymer Co., Ltd., ("GIVL") a new indirect subsidiary, was incorporated in China, with an authorised share capital of USD 31 million (Baht 935 million) for which the Group contributed the capital in January 2011. On 27 January 2011, GIVL completed the acquisition of net assets of a PET polymers and polyester polymers business located in Kaiping City, Guangdong province, China from Guangdong Shinda UHMWPE Company Limited (see Note 5(vi)).

On 27 December 2010, IVL Singapore Pte. Limited, a new indirect subsidiary, was incorporated in Singapore, with an authorised share capital of USD 100 (Baht 3 thousand). During the year ended 31 December 2011, the company increased its share capital to USD 133.5 million (Baht 4,078.5 million).

On 10 January 2011, Indo Polymers Mauritius Limited, a new direct subsidiary, was incorporated in Mauritius, with an authorised share capital of USD 1. During the year ended 31 December 2011, the Group contributed additional capital into this subsidiary totalling USD 243.2 million and EUR 32.4 million (totaling Baht 8,835.2 million) (see Note 12).

On 21 January 2011, Indorama Netherlands Cooperatief U.A., a new indirect subsidiary, was incorporated in the Netherlands, with a capital contribution of EUR 18,100 (Baht 0.7 million). During the year ended 31 December 2011, the Group contributed USD 242.7 million and EUR 32.7 million (totaling Baht 8,841.1 million) to share premium account.

On 27 January 2011, Indorama Netherlands B.V., a new indirect subsidiary, was incorporated in the Netherlands, with share capital of EUR 18,000 (Baht 0.7 million). During the year ended 31 December 2011, the Group contributed USD 331.2 million and EUR 74.2 million (totaling Baht 13,259.3 million) to share premium account.

On 2 March 2011, Indorama Netherlands B.V., an indirect subsidiary registered in the Netherlands, completed the acquisition through the purchase of 100% outstanding shares of PT SK Keris from SK Chemicals and SK Syntec as per the share purchase agreement dated 8 December 2010. PT SK Keris and its subsidiaries, which include PT SK Fibers, PT SK Wahana, KP Equity Partners Inc. and Dong Mao Pte. Ltd., operate a polyester fibers and yarns and PET polymers business in Indonesia. Subsequent to the completion of acquisition, PT SK Keris was renamed to PT Indorama Ventures Indonesia ("PTIVI") and PT SK Fibers was renamed to PT Indorama Polyester Industries Indonesia ("PTIPI"). In addition, PT SK Wahana, an indirect subsidiary registered in Indonesia and owned by PTIVI, was liquidated on 25 March 2011. Furthermore, Dong Mao Pte. Limited, an indirect subsidiary registered in Singapore and owned by PTIVI, was approved by its board of directors for liquidation on 25 March 2011. Dong Mao Pte. Limited is a holding company and has no operation (see Note 5(iv)).

On 7 February 2011, IVL Poland Sp. z o.o., a new indirect subsidiary, was incorporated in Poland with an authorised share capital of PLN 5,000 (Baht 50 thousand) and subsequently increased its share capital to PLN 49.7 million (Baht 523.3 million). On 2 March 2011, the company completed the acquisition through the purchase of 100% of the outstanding share capital of SK Eurochem Sp. z o.o., a company incorporated in Poland, from SK Chemicals and SK Syntec as per share purchase agreement dated 8 December 2010. SK Eurochem Sp. z o.o., operates a PET polymers business. On 12 April 2011, SK Eurochem S.p.z.o.o. was renamed to Indorama Polymers Poland Sp. z o.o., (see Note 5(v)).

On 24 January 2011, Trevira Holdings GmbH ("Trevira"), a new indirect jointly-controlled entity, was incorporated in Germany, whereby 75% ownership interest is held by Indorama Netherlands B.V. and 25% of ownership interest is held by Sinterama S.p.A. The Company has an authorised share capital of EUR 25,000 (Baht 1.1 million). On 1 July 2011, Trevira completed the acquisition through the purchase of 100% of outstanding shares of Trevira GmbH. Trevira GmbH owns and operates plants in Germany and Poland to manufacture polyester staple fibers and specialty filaments (see Note 5 (viii)).

On 27 January 2011, Starpet Subsidiary Inc., a new indirect subsidiary, was incorporated in the USA with common stock of 5,000 shares with no par value, for the purpose of reorganisation of the Group's business operations located in USA. On 23 February 2011, StarPet Inc., an indirect subsidiary, was renamed to Indorama Ventures USA Inc. ("IVL USA") and StarPet Subsidiary Inc. was renamed to StarPet Inc. During the year ended 31 December 2011, IVL USA increased its share capital to USD 42 million and, through transfer of net assets and business from IVL USA to StarPet Inc., becomes a holding company which owns 100% of outstanding shares of StarPet Inc. and Auriga Polymers Inc.

On 27 January 2011, IVL Holding, S. de R.L. de C.V., a new indirect subsidiary, was incorporated in Mexico, with an authorised share capital of MXN 3,000 (Baht 7 thousand). During the year ended 31 December 2011, the Company increased its authorised share capital to MXN 1,321.4 million (Baht 3,302.3 million). On 1 March 2011, the company completed the acquisition of 100% of outstanding shares of Grupo Arteva, S. de R.L. de C.V. and its subsidiaries from Arteva Latin America B.V. as per the sale and purchase agreement dated 12 November 2010. Grupo Arteva, S. de R.L. de

C.V. (subsequently renamed to Grupo Indorama Ventures, S. de R.L. de C.V.) and its subsidiaries, which include Arteva Specialties, S. de R.L. de C.V. (subsequently renamed to Indorama Ventures Polymers Mexico, S. de R.L. de C.V.), Arteva Polycom S. de R.L. de C.V. (subsequently renamed to Indorama Ventures Polycom, S. de R.L. de C.V.) and Servicios Corporativos, S. de R.L. de C.V.), (subsequently renamed to Indorama Ventures Servicios Corporativos Arteva, S. de R.L. de C.V.) operate a business of PET polymers in Queretaro, Mexico (see Note 5(iii)).

On 10 October 2011, PT Indorama Polychem Indonesia, a new wholly owned indirect subsidiary, was incorporated in Indonesia. The share capital of the company, which is registered in 2012, is USD 35.0 million (Baht 1,082.3 million). The company will implement the greenfield expansion of a continuous polymerization resin plant with capacity of 313,000 tons per annum and expects to start commercial operations in 2013.

On 29 June 2011, the board of directors approved the acquisition of up to 50% equity interest, through its subsidiary, Indorama Netherlands B.V. in PT Polyprima Karyesreska ("PT Polyprima"), a registered company in Indonesia. On 30 November 2011 and 19 December 2011, Indorama Netherlands B.V. acquired 41% and 1%, respectively, of equity interest in PT Polyprima. PT Polyprima owns and operates a plant to manufacture PTA in Cilegon, West Java, Indonesia. Subsequent to the completion of acquisition, PT Polyprima was renamed to PT Indorama Petrochemicals.

On 22 November 2011, Indorama Ventures Recycling Netherlands B.V., a new indirect subsidiary, was incorporated in the Netherlands, with a registered share capital of EUR 90,000 (Baht 3.8 million). On 30 November 2011, Indorama Ventures Recycling Netherlands B.V. completed the acquisition of 100% of outstanding shares of Wellman International Limited and its subsidiaries and MJR Recycling B.V. from WIT Beteiligungs GmbH and Wellman International Trading. Wellman owns and operates, directly and through its wholly owned subsidiaries, three production facilities for recycling of PET and polyester fibers and yarns in the Republic of Ireland, France and the Netherlands.

On 20 December 2011, Indorama Ventures Performance Fibers Holdings USA LLC, a new indirect subsidiary, was incorporated in the USA for the purpose of acquisition of FiberVisions Holdings LLC and its subsidiaries, a manufacturer of specialty mono and bi-component fibers based in Duluth, Georgia, USA. The Group made an initial contribution of USD 55.0 million (Baht 1,739.2 million) on 6 January 2012 (see Note 40).

2 Basis of preparation of the financial statements

(a) *Statement of compliance*

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS) and guidelines promulgated by the Federation of Accounting Professions ("FAP"), applicable rules and regulations of the Thai Securities and Exchange Commission and with generally accepted accounting principles in Thailand.

During 2010 and 2011, the FAP issued the following new and revised TFRS relevant to the Group's operation and effective for accounting periods beginning on or after 1 January 2011:

TFRS	Topic
TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations

The adoption of these new and revised TFRS has resulted in changes in the Group's accounting policies. The effects of these changes are disclosed in Note 3.

In addition to the above new and revised TFRS, the FAP has issued during 2010 a number of other new and revised TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these financial statements. These new and revised TFRS are disclosed in Note 41.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- derivative financial instruments are measured at fair value;
- financial instruments at fair value through profit or loss are measured at fair value;
- the defined benefit asset is recognised as the net total of the plan assets, plus unrecognised past service cost and unrecognised actuarial losses, less unrecognised actuarial gains and the present value of the defined benefit obligation.

(c) Presentation currency

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note 5	Acquisitions of businesses
Note 29	Employee benefit expenses
Note 36	Financial instruments
Note 38	Contingent liabilities
Note 39	Impact of flooding

3 Changes in accounting policies

(a) Overview

From 1 January 2011, consequent to the adoption of new and revised TFRS as set out in Note 2, the Group/ Company has changed its accounting policies in the following areas:

- Presentation of financial statements
- Accounting for business combinations
- Accounting for acquisitions of non-controlling interests
- Accounting for property, plant and equipment
- Accounting for borrowing costs
- Accounting for employee benefits

Details of the new accounting policies adopted by the Group and the impact of the changes on the financial statements are included in notes 3(b) to 3(g) below. Other new and revised TFRS did not have any impact on the accounting policies, financial position or performance of the Group/Company. The impact of the changes on the financial statements for the years ended 31 December 2011 and 2010 is summarised as follows:

		Consolidated financial statements	Separate financial statements
	Note	(in million Baht)	
Year ended 31 December 2010			
Statement of financial position			
Equity at 1 January 2010 – as reported		22,466	9,326
Changes as a result of the adoption retrospectively of TAS 16 Property, plant and equipment			
- Decommissioning		(149)	-
Equity at 1 January 2010 – restated		22,317	9,326
Equity at 31 December 2010 - as reported		32,405	20,853
Changes as a result of the adoption retrospectively of TAS 16 Property, plant and equipment			
- Decommissioning	3(e)	(163)	-
Equity at 31 December 2010 - restated		32,242	20,853
Statement of income for the year ended 31 December 2010			
Profit before income tax – as reported		11,610	3,388
Changes before tax as a result of the adoption retrospectively of TAS 16 Property, plant and equipment			
- Revaluation		(135)	-
- Decommissioning		(14)	-
Profit before income tax - restated		11,461	3,388
Income tax expense – as reported		(488)	(1)
Changes to income tax expense as a result of the adoption retrospectively of new and revised TFRS		-	-
Income tax expense - restated		(488)	(1)
Profit - restated		10,973	3,387
Decrease in earnings per share:			
- Basic earnings per share (in Baht)		(0.04)	-

		Consolidated financial statements	Separate financial statements
	Note	(in million Baht)	
Year ended 31 December 2011			
Statement of financial position			
Equity at 31 December 2010 - restated		32,242	20,853
Impact of the adoption prospectively of			
TAS 19 Employee benefits	3(g)	(122)	-
Equity at 1 January 2011		32,120	20,853
Statement of income for the year ended 31 December 2011			
Decrease in profit before income tax as a result of the adoption of TAS 16 Property, plant and equipment			
- Revaluation	3(e)	(327)	-
- Decommissioning	3(e)	(14)	-
TAS 19 Employee benefits	3(g)	(23)	-
Decrease in profit before income tax		(364)	-
(Increase) decrease in income tax expense as a result of the adoption prospectively of new and revised TFRS		-	-
Decrease in profit		(364)	-
Decrease in earnings per share:			
- Basic earnings per share (in Baht)		(0.08)	-

(b) Presentation of financial statements

From 1 January 2011, the Group/Company has applied TAS 1 Presentation of Financial Statements (revised 2009). Under the revised standard, a set of financial statements comprises:

- Statement of financial position;
- Statement of income;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of cash flows; and
- Notes to the financial statements.

As a result, the Group/Company presents all owner changes in equity in the statement of changes in equity and all non-owner changes in equity in the statement of comprehensive income. Previously, all such changes were included in the statement of changes in equity.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on reported profit or earnings per share.

(c) Accounting for business combinations

From 1 January 2011, the Group has adopted TFRS 3 Business Combinations (revised 2009) and TAS 27 Consolidated and Separate Financial Statements (revised 2009) for all business combinations on or after 1 January 2011. The new policy for accounting for business combinations, together with information on the previous policy, is given below. The new policy has been applied prospectively from 1 January 2011 in accordance with the transitional provisions of the revised standards.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Acquisitions on or after 1 January 2011

For acquisitions on or after 1 January 2011, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognized at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in profit or loss.

Acquisitions between 1 January 2008 and 31 December 2010

For acquisitions between 1 January 2008 and 31 December 2010, goodwill represented the excess of the cost of the acquisition over the Group's interest in the recognized amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognized immediately in profit or loss. Transaction costs, other than those associated with the issue of debt or securities, that the Group/Company incurred in connection with business combinations were capitalized as part of the cost of the acquisition.

(d) Accounting for acquisitions of non-controlling interests (previously termed 'minority interests')

From 1 January 2011, the Group has applied TAS 27 Consolidated and Separate Financial Statements (revised 2009) for all acquisitions of non-controlling interests in subsidiaries. The new policy for accounting for acquisitions of non-controlling interests is given below. The new policy has been applied prospectively from 1 January 2011 in accordance with the transitional provisions of the revised standard.

Under the new accounting policy, acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognized as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

(e) Accounting for property, plant and equipment

From 1 January 2011, the Group has applied TAS 16 (revised 2009) Property, Plant and Equipment in determining and accounting for the cost and depreciable amount of property, plant and equipment.

The principal changes introduced by the revised TAS 16 and affecting the Group/Company are that (i) costs of asset dismantlement, removal and restoration have to be included as asset costs and subject to annual depreciation; (ii) the depreciation charge has to be determined separately for each significant part of an asset; (iii) the depreciation charge for the asset at revalued amount has to be charged to statements of income based on revalued amount. Any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount (previously, the Group/Company followed the FAP Notification No. 25/2006 allowing entities which carry their property, plant and equipment at revalued amount to calculate depreciation to be charged to the statements of income based on the historical cost of the asset and to restate the gross carrying amount of assets with the differences between its revalued amount and its carrying amount at the revaluation date. The revaluation surplus is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost and credited to accumulated depreciation.); (iv) in determining the depreciable amount, the residual value of an item of property, plant and equipment has to be measured at the amount estimated receivable currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

The changes have been applied prospectively in accordance with the transitional provisions of the revised standard, except that consideration of the costs of asset dismantlement, removal and restoration, have been applied retrospectively. The changes have had the following impact on the 2011 and 2010 consolidated financial statements:

	Consolidated financial statements	
	2011	2010
	<i>(in million Baht)</i>	
Statement of financial position as at 31 December		
Increase in cost of property, plant and equipment	5,086	5,046
Increase in accumulated depreciation	(4,978)	(4,974)
Increase in carrying amount of property, plant and equipment	108	72
Increase in provision for reinstatement costs	(285)	(235)
Decrease in retained earnings	(177)	(163)
Statement of income for the year ended 31 December		
Impact of adoption of revised TAS16 resulting in increase in:		
Cost of sales	331	140
Finance costs	10	9
Decrease in profit	341	149
Decrease in earnings per share:		
- Basic earnings per share (in Baht)	(0.07)	(0.04)

(f) Accounting for borrowing costs

From 1 January 2011, the Group has adopted TAS 23 (revised 2009) Borrowing costs.

Under the revised standard, borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Under the former standard, there was also an option to expense borrowing costs on qualifying assets when incurred.

It was the Group's policy under the former TAS 23 to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Consequently the adoption of the revised standard has had no impact on reported profit or earnings per share.

(g) Accounting for employee benefits

From 1 January 2011, the Group has applied TAS 19 Employee Benefits.

The Group's liability for post-employment benefits for legal severance plan in Thailand is recognised in the financial statements based on calculations performed annually by a qualified actuary using the projected unit credit method. Previously, this liability was recognised as and when payments were made.

The Group's liability for post-employment benefit and other long-term employee benefit obligations as at 1 January 2011 has been determined to be Baht 113.7 million and Baht 7.9 million, respectively. The Group has opted to record the entire amount of this liability as an adjustment to retained earnings as at 1 January 2011, in accordance with the transitional provisions of TAS 19. The impact on the 2011 financial statements was as follows:

	Consolidated financial statements <i>(in million Baht)</i>
Statement of financial position	
Retained earnings at 31 December 2010 – as reported	18,910
Impact of retrospective changes in accounting policies	(160)
Retained earnings at 31 December 2010 – as restated	18,750
Increase in employee benefit obligations, excluding non-controlling interest portion of Baht 9.6 million	(112)
Retained earnings at 1 January 2011 – as restated	18,638
Statement of income for the year ended 31 December 2011	
Increase in employee expenses resulting in increase in:	
Cost of sales	18
Administrative expense	5
Decrease in profit before income tax	23
Decrease in earnings per share	
- Basic earnings per share (in Baht)	(0.01)

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in Note 3, which addresses changes in accounting policies.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in jointly-controlled entities.

Business combinations

The accounting policy for business combinations has been changed from 1 January 2011. See Note 3(c) for details.

The Group applies the acquisition method for all business combinations other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Jointly-controlled entities and associates

Jointly-controlled entity is an entity over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. The consolidated financial statements include the Group’s share of profit or loss and other comprehensive income from the date that joint control commences until the date that joint control ceases. When the Group’s share of losses exceeds its interest in a jointly-controlled entity, the Group’s carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the jointly-controlled entity.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for in the consolidated financial statements using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of profit or loss and other comprehensive income from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly-controlled entity are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

Foreign entities

The assets and liabilities of foreign entities are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

Goodwill and fair value adjustments arising on the acquisition of foreign entities are stated at exchange rates ruling on transaction dates.

The revenues and expenses of foreign entities are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognized in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

(c) *Derivative financial instruments*

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see accounting policy 3(d)).

The fair value of interest rate swaps is based on broker quotes at the reporting date. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed marked price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on governmental bonds).

(d) *Hedging*

Fair value hedges

Where a derivative hedges the changes in fair value of a recognised asset, liability or unrecognised firm commitment (or an identified portion of such asset, liability or firm commitment), any gain or loss on remeasuring the fair value or foreign currency component of the hedging instrument is recognised in profit or loss. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in profit or loss.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative financial instrument is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion is recognised immediately in profit or loss.

When a hedged forecast transaction occurs and results in the recognition of a financial asset or financial liability, the gain or loss recognised in other comprehensive income does not adjust the initial carrying amount of the asset or liability but remains in equity and is reclassified from equity to profit or loss consistently with the recognition of gains and losses on the asset or liability as a reclassification adjustment.

For hedges of forecast transactions that result in the recognition of a non-financial asset or non-financial liability, the gain or loss recognised in other comprehensive income is reclassified from equity to profit or loss consistently with the recognition of gains and losses on the asset or liability as a reclassification adjustment.

Hedge of net investment in foreign operation

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for similarly to cash flow hedges.

Discontinuing hedge accounting

Hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument existing in equity is retained in equity and is recognised when the forecast transaction is ultimately recognised in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is recognised in the profit or loss immediately.

(e) *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(f) *Trade and other accounts receivable*

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(g) *Inventories*

Inventories are stated at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) *Non-current assets held for sale*

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. The assets (or disposal group) are measured at the lower of their carrying value and fair value less cost to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment properties. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(i) Investments***Investments in subsidiaries, jointly-controlled entities and associates***

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method. Investment in jointly-controlled entities and associates in the consolidated financial statements are accounted for using the equity method.

An investment in a subsidiary that is not controlled by the Group is accounted for using the cost method in the consolidated financial statements.

Investments in other equity securities

Equity securities which are not marketable are stated at cost less any impairment losses.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

(j) Property, plant and equipment***Recognition and measurement******Owned assets***

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, except for machinery and equipment related to the manufacture of textiles and related products which are stated at their revalued amounts. The revalued amount is the fair value determined on the basis of the assets' existing use at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit and loss.

Revalued assets

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the revaluation reserve in equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset. The revaluation surplus is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost and transferred directly to retained earnings. Upon disposal of a revalued asset, any remaining related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvements	3 - 46	years
Buildings and building improvements	5 - 40	years
Machinery and equipment – other	3 - 30	years
Machinery and equipment – textile production	5 - 30	years
Office furniture, fixtures and office equipment	3 - 14	years
Transportation equipment	3 - 10	years
Stores and spares	1 - 10	years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Other intangible assets

Intangible assets that are acquired by the Group, which have finite useful lives, are stated at cost less accumulated amortisation and impairment losses.

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Rights acquired	15 years
Supplier contract	Indefinite
Technology licenses and knowhow	30 years
Software licenses	3-15 years
Customer contracts and relationships	7.25-35 years
Trade name and trademarks	Indefinite

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Group is able to charge the public for the use of the infrastructure to the end of the concession period.

(I) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized in profit or loss.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(n) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(o) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(p) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(q) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sale of goods

Revenue is recognised in the profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Interest and dividend income

Interest income is recognised in the statement of income as it accrues. Dividend income is recognised in the statement of income on the date the Group's right to receive payment is established.

(r) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, dividends on preference shares classified as liabilities, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(s) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(t) Income tax

Income tax on the profit or loss for the year comprises current tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(u) Earnings per share

The Group/Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

5 Acquisitions of businesses

Gains on bargain purchases

The excess of the Group's interest in the net identified assets and liabilities of the companies acquired over cost during the years ended 31 December 2011 and 2010 is considered by management as gains on bargain purchases, and is recognized in the consolidated statement of income for years ended 31 December 2011 and 2010 and comprised the following:

	Note	2011	2010
		<i>(in thousand Baht)</i>	
Grupo Arteva, S. de R.L. de C.V., Mexico	5(iii)	1,826,218	-
Indorama Polymers Poland Sp. z o.o., Poland	5(v)	1,530,365	-
Guangdong IVL PET Polymer Company Limited, China	5(vi)	406,754	-
Auriga Polymers Inc., USA	5(vii)	2,855,832	-
Wellman International Limited, Ireland	5(ix)	133,395	-
Europoort Utility Partners VOF, the Netherlands	5(i)	-	562,797
Total gains on bargain purchases		6,752,564	562,797

In accordance with TFRS3, management is required to make a preliminary assessment of the fair values of businesses acquired as at the acquisition date. During the measurement period, which must not exceed one year from the acquisition date, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Finalisation of the fair values for certain acquisitions of businesses acquired during 2011 is dependent on determination of the ultimate purchase price and completion of the purchase price allocation exercise.

During the years ended 31 December 2011 and 2010, the Group incurred acquisition-related costs of Baht 613.4 million and Baht 28.6 million, respectively, relating to external legal fees and due diligence costs. These amounts have been included in administrative expenses in the consolidated statement of income for the years ended 31 December 2011 and 2010, respectively.

(i) Europoort Utility Partners VOF, the Netherlands

On 4 May 2010, the Group acquired the net assets (inventories, property, plant and equipment and intangible assets) and assumed the operation of a utility production facility located on the premises of Indorama Holdings Rotterdam B.V., previously owned and operated by Europoort Utility Partners VOF, a joint venture company in the Netherlands. The net assets were acquired for a cash consideration of EUR 24.6 million (Baht 1,048.9 million) and the transaction is accounted for as a business combination.

The acquirees' net assets at the acquisition date comprised of the following:

	Carrying amounts	Fair value adjustments	Recognised values
	<i>(in thousand Baht)</i>		
Inventories	85,227	-	85,227
Property, plant and equipment	963,645	538,478	1,502,123
Intangible assets	-	24,319	24,319
Net identifiable assets	1,048,872	562,797	1,611,669
Gain on a bargain purchase			(562,797)
Total consideration			1,048,872

(ii) Ottana Polimeri S.R.L, Italy

On 24 March 2010, the Company signed a definitive agreement with PC Holding S.R.L. ("PCH") to form a joint venture company in Lithuania. In June 2010, IVL Belgium N.V. and PCH each made a cash investment of EUR 3.1 million (Baht 121.2 million) in UAB Ottana Polimeri Europe ("UAB OPE") in Lithuania. On 1 July 2010, UAB OPE completed the business acquisition of a PTA and PET facility from Equipolymers S.R.L. through the acquisition of 100% of the outstanding shares of Ottana Polimeri S.R.L., located in Ottana, Italy, for a cash consideration of EUR 0.1 million (Baht 4.0 million) and the transaction is accounted for as a business combination.

The acquirees' net assets at the acquisition date, not adjusted by the percentage of ownership held by the Group, comprised of the following:

	Carrying amounts	Fair value adjustments	Recognised values
	<i>(in thousand Baht)</i>		
Inventories	587,588	-	587,588
Property, plant and equipment	1,763,161	2,224,539	3,987,700
Other assets/(liabilities), net	(852,969)	19,899	(833,070)
Net identifiable assets acquired and liabilities assumed	1,497,780	2,244,438	3,742,218
Gain on a bargain purchase			(3,738,230)
Total consideration			3,988

The Company applied the equity method of accounting for its investment in UAB OPE in the consolidated financial statements for the year ended 31 December 2010 and recorded its 50% interest in the profit of UAB OPE, amounting to Baht 1,888.2 million, as a share of profit of jointly-controlled entity in the consolidated statement of income for the year ended 31 December 2010. This share of profit includes 50% of the gain on a bargain purchase of Baht 3,738.2 million, amounting to Baht 1,869.1 million.

(iii) Grupo Arteva, S. de R.L. de C.V., Mexico

On 1 March 2011, the Group completed the business acquisition of a PET facility in Mexico, from Arteva Latin America B.V, a company registered in Mexico, through the acquisition of 100% of the outstanding shares of Grupo Arteva, S. de R.L. de C.V., located in Mexico, for a preliminary cash consideration of MXN 3,263.1 million (Baht 8,243.3 million) and the transaction is accounted for as a business combination. During 2011, the working capital adjustments were finalized and the final purchase price was settled with the seller to be MXN 3,048.5 million (Baht 7,701.1 million). During the year from the acquisition date to 31 December 2011, the production facilities contributed revenue of MXN 9,222.4 million (Baht 22,523.1 million) and net profit of MXN 339.6 million (Baht 829.3 million) to the Group's results. If the acquisition had occurred on 1 January 2011, management estimates that consolidated revenue would have been higher by MXN 1,537.1 million (Baht 3,753.8 million) and consolidated profit would have been higher by MXN 56.6 million (Baht 138.2 million). In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2011.

Management believes that taking control of the business will enable the Group to own an established operating production facility with assembled workforce to service the PET polymers market in Mexico, Central America and Latin America. Management expects the acquisition to provide the Group with an increased share of the market through access to the acquiree's customer relationships, intellectual property in relation to trademarks, technology, knowhow and licenses and technical talent of the workforce.

The acquirees' net assets at the acquisition date comprised of the following:

	Carrying amounts	Fair value adjustments	Recognised values
	<i>(in thousand Baht)</i>		
Cash and cash equivalents	427,294	-	427,294
Inventories	1,350,933	-	1,350,933
Accounts receivables	5,727,917	-	5,727,917
Property, plant and equipment	5,852,000	(404,329)	5,447,671
Intangible assets	1,075,608	(260,695)	814,913
Accounts payables	(2,282,797)	-	(2,282,797)
Other assets/(liabilities), net	(1,958,608)	-	(1,958,608)
Net identifiable assets acquired and liabilities assumed	10,192,347	(665,024)	9,527,323
Gain on a bargain purchase			(1,826,218)
Total consideration			7,701,105
Cash acquired			(427,294)
Net consideration			7,273,811
Consideration paid			7,694,219
Consideration receivable as at 31 December 2011			(420,408)
Net consideration			7,273,811

The trade receivables comprise gross contractual amounts of Baht 5,766.3 million, of which Baht 38.3 million was expected to be uncollectible at the acquisition date.

(iv) PT Indorama Ventures, Indonesia

On 2 March 2011, the Group completed the business acquisition of a PET and polyester fibers and yarns facility in Indonesia, from SK Chemicals, a company registered in South Korea, through the acquisition of 100% of the outstanding shares of PT SK Keris, located in Indonesia, for a cash consideration of USD 29.3 million (Baht 895.1 million) and repayment of PT SK Keris's bank loans of USD 138.1 million (Baht 4,222.9 million), totalling to USD 167.4 million (Baht 5,118.0 million). During the year from the acquisition date to 31 December 2011, the production facilities contributed revenue of USD 291.5 million (Baht 8,881.0 million) and net profit of USD 27.5 million (Baht 838.4 million) to the Group's results. If the acquisition had occurred on 1 January 2011, management estimates that consolidated revenue would have been higher by USD 53.9 million (Baht 1,643.2 million) and consolidated profit would have been higher by USD 4.3 million (Baht 132.7 million). In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2011.

Management believes that taking control of the business will enable the Group to own an established operating production facility with assembled workforce to service the polyester fibers and yarns and PET polymers market in Indonesia.

The acquirees' net assets at the acquisition date comprised of the following:

	Carrying amounts	Fair value adjustments	Recognised values
	<i>(in thousand Baht)</i>		
Cash and cash equivalents	300,915	-	300,915
Inventories	769,739	-	769,739
Accounts receivables	1,450,788	-	1,450,788
Property, plant and equipment	4,293,816	(708,498)	3,585,318
Intangible assets	2,760	(2,760)	-
Accounts payables	(1,794,574)	-	(1,794,574)
Other assets/(liabilities), net	424,502	(14,054)	410,448
Net identifiable assets acquired and liabilities assumed	5,447,946	(725,312)	4,722,634
Goodwill			395,427
Total consideration			5,118,061
Cash acquired			(300,915)
Net consideration - paid			4,817,146

The trade receivables comprise gross contractual amounts of Baht 1,556.2 million, of which Baht 105.4 million was expected to be uncollectible at the acquisition date.

(v) Indorama Polymers Poland Sp. z o.o., Poland

On 2 March 2011, the Group completed the business acquisition of a PET facility in Poland, from SK Chemicals, a company registered in South Korea, through the acquisition of 100% of the outstanding shares of Indorama Polymers Poland Sp. z o.o., located in Poland, for a preliminary cash consideration of PLN 137.3 million (Baht 1,449.0 million). During 2011, the final purchase price was settled with the seller to be PLN 132.3 million (Baht 1,396.0 million). During the year from the acquisition date to 31 December 2011, the production facilities contributed revenue of PLN 624.0 million (Baht 6,405.7 million) and net profit of PLN 26.3 million (Baht 270.3 million) to the Group's results. If the acquisition had occurred on 1 January 2011, management estimates that consolidated revenue would have been higher by PLN 104.0 million (Baht 1,067.6 million) and consolidated

profit would have been higher by PLN 6.4 million (Baht 66.2 million). In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2011.

Management believes that taking control of the business will enable the Group to own an established operating production facility with assembled workforce to service the PET polymers markets in Poland and Europe. Management expects the acquisition to provide the Group with an increased share of the market through access to the acquiree's customer relationships and a long term contract with a supplier for piped supply of PTA, which is the main raw material required in the production of PET polymers.

The acquirees' net assets at the acquisition date comprised of the following:

	Carrying amounts	Fair value adjustments	Recognised values
	<i>(in thousand Baht)</i>		
Cash and cash equivalents	144,078	-	144,078
Inventories	221,904	-	221,904
Accounts receivables	625,990	-	625,990
Property, plant and equipment	1,412,302	428,055	1,840,357
Intangible assets	-	909,371	909,371
Accounts payables	(784,478)	-	(784,478)
Other assets/(liabilities), net	(30,846)	-	(30,846)
Net identifiable assets acquired and liabilities assumed	1,588,950	1,337,426	2,926,376
Gain on a bargain purchase			(1,530,365)
Total consideration			1,396,011
Cash acquired			(144,078)
Net consideration - paid			1,251,933

The trade receivables comprise gross contractual amounts of Baht 626.0 million of which are entire amount was expected to be collectible at the acquisition date.

(vi) Guangdong IVL PET Polymer Company Limited, China

On 27 January 2011, the Group completed the business acquisition of a PET facility in China, from Guangdong Shinda UHMWPE Company Limited, a company registered in China, through the acquisition of property, plant and equipment for a cash consideration of CNY 322.7 million (Baht 1,511.6 million). The transaction is accounted for as a business combination. During the year from the acquisition date to 31 December 2011, the production facilities contributed revenue of CNY 1,772.3 million (Baht 8,395.6 million) and net loss of CNY 49.4 million (Baht 233.8 million) to the Group's results. If the acquisition had occurred on 1 January 2011, management estimates that consolidated revenue would have been the same as it will take time to start the facility and run economically and consolidated profit would have been the same for those reasons. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2011.

Management believes that taking control of the business will enable the Group to own an established operating production facility with assembled workforce to service the PET polymers market in China.

The acquiree's assets at the acquisition date comprised of the following:

	Carrying amounts	Fair value adjustments	Recognised values
	<i>(in thousand Baht)</i>		
Property, plant and equipment	1,511,629	406,754	1,918,383
Net identifiable assets acquired	1,511,629	406,754	1,918,383
Gain on a bargain purchase			(406,754)
Total consideration - paid			1,511,629

(vii) Auriga Polymers Inc., USA

On 1 March 2011, the Group completed the business acquisition of a PET and polyester fibers and yarns facility in USA, from Invista S.a.r.l., a company registered in USA, through the acquisition of assets and liabilities for a preliminary cash consideration of USD 192.7 million (Baht 5,893.8 million). During 2011, the final purchase price was settled with the seller to be USD 187.7 million (Baht 5,741.4 million). The transaction is accounted for as a business combination. During the year from the acquisition date to 31 December 2011, the production facilities contributed revenue of USD 594.9 million (Baht 18,124.1 million) and net loss of USD 2.0 million (Baht 61.0 million) to the Group's results. If the acquisition had occurred on 1 January 2011, management estimates that consolidated revenue would have been higher by USD 99.1 million (Baht 3,020.7 million) and there would have been no impact consolidated profit as plant would have run economically in the first 2 months. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2011.

Management believes that taking control of the business will enable the Group to own an established operating production facility with assembled workforce to service the PET markets in the United States and North America. Management expects the acquisition to provide the Group with an increased share of the market through access to the acquiree's customer relationships, intellectual property in relation to trademarks, technology, knowhow and licenses and technical talent of the workforce.

The acquiree's net assets at the acquisition date comprised of the following:

	Carrying amounts	Fair value adjustments	Recognised values
	<i>(in thousand Baht)</i>		
Inventories	1,789,745	-	1,789,745
Accounts receivables	2,378,273	(612)	2,377,661
Property, plant and equipment	3,656,733	495,194	4,151,927
Intangible assets	-	2,137,822	2,137,822
Accounts payables	(1,876,499)	28,496	(1,848,003)
Other assets/(liabilities), net	1,917	(13,810)	(11,893)
Net identifiable assets acquired and liabilities assumed	5,950,169	2,647,090	8,597,259
Gain on a bargain purchase			(2,855,832)
Total consideration - paid			5,741,427

The trade receivables comprise gross contractual amounts of Baht 2,378.3 million, of which Baht 0.6 million was expected to be uncollectible at the acquisition date.

(viii) Trevira GmbH, Germany

On 1 July 2011, Trevira Holding GmbH, a jointly-controlled entity (see Note 1), completed the business acquisition of polyester and yarns facilities from Trevira Abwicklungsgesellschaft mbH, through the acquisition of 100% of the outstanding shares of Trevira GmbH, located in Bobingen, Germany, for a cash consideration of EUR 18 million (Baht 796.9 million) and the transaction is accounted for as a business combination. If the acquisition had occurred on 1 January 2011, management estimates that consolidated profit, from share of profit on a jointly-controlled entity, would have been higher by EUR 2.1 million (Baht 89.3 million). In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2011.

Management believes that taking control of the business will enable the Group to own an established and operating production facility with assembled workforce to service the specialty polyester fibers and yarns including filaments market in Europe. Management expects the acquisition to provide the Group with an increased share of the market through access to the acquiree's customer relationships, intellectual property in relation to trademarks, technology, knowhow and licenses.

The acquirees' net assets at the acquisition date, not adjusted by the percentage of ownership held by the Group, comprised of the following:

	Carrying amounts	Fair value adjustments	Recognised values
	<i>(in thousand Baht)</i>		
Cash and cash equivalents	210,768	-	210,768
Accounts receivables	618,616	-	618,616
Inventories	1,624,135	-	1,624,135
Property, plant and equipment	1,494,926	367,464	1,862,390
Intangible assets	27,806	249,167	276,973
Accounts payables	(888,180)	-	(888,180)
Other assets/(liabilities), net	(773,322)	-	(773,322)
Net identifiable assets acquired and liabilities assumed	2,314,749	616,631	2,931,380
Gain on a bargain purchase			(2,134,470)
Total consideration			796,910
Cash acquired			(210,768)
Net consideration - paid			586,142

The trade receivables comprise gross contractual amounts of Baht 627.6 million, of which Baht 9.0 million was expected to be uncollectible at the acquisition date.

An independent appraiser has been appointed to determine the fair value of the business but the report of the appraiser is not yet completed as at the date of approval of these consolidated financial statements. Accordingly, the fair value of assets acquired and liabilities assumed have been provisionally determined pending a final independent valuation.

The Company applied the equity method of accounting for its investment in Trevira Holdings GmbH in the consolidated financial statements for the year ended 31 December 2011 (see Note 13). The share of profit includes 75% of the gain on a bargain purchase of Baht 2,134.5 million which is the difference between cost of acquisition and provisionally determined fair value of acquired business on the date of acquisition, amounting to Baht 1,600.9 million.

(ix) Wellman International Limited, Ireland

On 30 November 2011, the Group completed the business acquisition of a PET and polyester fibers and yarns facility in the Republic of Ireland, from WIT Beteiligungs GmbH and Wellman International Trading, companies registered in Europe, through the acquisition of 100% of the outstanding shares of Wellman International Limited, located in the Republic of Ireland, and MJR Recycling B.V., located in the Netherlands for a preliminary cash consideration of EUR 52.3 million (Baht 2,177.6 million). The final purchase price payable is pending a finalisation of working capital adjustment as per sale and purchase agreement. The transaction is accounted for as a business combination. During the year from the acquisition date to 31 December 2011, the production facilities contributed revenue of EUR 10.0 million (Baht 410.5 million) and net loss of EUR 0.6 million (Baht 23.3 million) to the Group's results. If the acquisition had occurred on 1 January 2011, management estimates that consolidated revenue would have been higher by EUR 140.9 million (Baht 5,787.1 million) and consolidated profit for the year would have been higher by EUR 2.4 million (Baht 98.6 million). In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2011.

Management believes that taking control of the business will enable the Group to enter the recycling business. Management expects the acquisition to provide the Group with three production facilities in Europe which include a polyester fiber plant based in Mullagh, the Republic of Ireland, recycling plants at Spijk in the Netherlands, and Verdun in France. The plant in Ireland is capable of converting waste polyester into 100% recycled fiber. Post consumer recycled bottles are flaked and processed with other waste material to produce fibers that can be used in a variety of premium applications, such as in the hygiene industry. Management expects the acquisition to provide access to recycling technology and the potential for a technology transfer within the Group with a reduced learning curve.

The acquiree's net assets at the acquisition date comprised of the following:

	Carrying amounts	Fair value adjustments	Recognised values
	<i>(in thousand Baht)</i>		
Cash and cash equivalents	98,363	-	98,363
Inventories	1,166,809	-	1,166,809
Accounts receivables	1,138,241	-	1,138,241
Property, plant and equipment	798,675	-	798,675
Accounts payables	(686,333)	-	(686,333)
Other assets/(liabilities), net	(204,772)	-	(204,772)
Net identifiable assets acquired and liabilities assumed	2,310,983	-	2,310,983
Gain on a bargain purchase			(133,395)
Total consideration			2,177,588
Cash acquired			(98,363)
Net consideration - paid			2,079,225

An independent appraiser has been appointed to determine the fair value of the business but the report of the appraiser is not yet completed as at the date of approval of these interim consolidated financial statements. Accordingly, the assets acquired and liabilities assumed were recorded at carrying amounts at the acquisition date.

The trade receivables comprise gross contractual amounts due of Baht 1,176.2 million, of which Baht 38.0 million was expected to be uncollectible at the acquisition date.

6 Related parties

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Relationships with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Group were as follows:

Name of entity	Country of incorporation/ nationality	Nature of relationship
Indorama Resources Limited	Thailand	Immediate parent company, 63.69% shareholder, some common directors
Indorama Petrochem Limited	Thailand	Subsidiary, 100.00% shareholding; some common directors
Indorama Holdings Limited	Thailand	Subsidiary, 99.81% shareholding, some common directors
TPT Petrochemicals Public Company Limited	Thailand	Subsidiary, 99.96% shareholding, some common directors
Indorama Polymers Public Company Limited	Thailand	Subsidiary, 72.60% shareholding and 26.60% interest held indirectly, some common directors
Indorama Polyester Industries Public Company Limited	Thailand	Subsidiary, 64.94% shareholding and 34.55% interest held indirectly, some common directors
Indo Poly (Thailand) Limited	Thailand	Subsidiary, 44.38% shareholding and 54.37% interest held indirectly, some common directors (liquidated in August 2011)
IVL Belgium N.V.	Belgium	Subsidiary, 100.00% shareholding, some common directors
Indo Polymers Mauritius Limited	Mauritius	Subsidiary, 100.00% shareholding
Indo Rama Textiles (Thailand) Limited	Thailand	Indirect subsidiary, 94.92% effective interest, some common directors
Asia Pet (Thailand) Limited	Thailand	Indirect subsidiary, 99.20% effective interest, some common directors
Petform (Thailand) Limited	Thailand	Indirect subsidiary, 59.52% effective interest, some common directors
UAB Indorama Holdings Europe	Lithuania	Indirect subsidiary, 99.81% effective interest, some common directors
Indorama Holdings Rotterdam B.V.	The Netherlands	Indirect subsidiary, 99.81% effective interest, some common directors
UAB Indorama Polymers Europe	Lithuania	Indirect subsidiary, 99.20% effective interest, some common directors

Name of entity	Country of incorporation/ nationality	Nature of relationship
Indorama Polymers Rotterdam B.V.	The Netherlands	Indirect subsidiary, 99.20% effective interest, some common directors
Indorama Polymers Workington Limited	United Kingdom	Indirect subsidiary, 99.20% effective interest, some common directors
UAB Orion Global Pet	Lithuania	Indirect subsidiary, 99.20% effective interest, some common directors
Indorama Netherlands Cooperatief U.A.	The Netherlands	Indirect subsidiary, 100.00% effective interest
Indorama Netherlands B.V.	The Netherlands	Indirect subsidiary, 100.00% effective interest
IVL Ventures Poland Sp. z o.o.	Poland	Indirect subsidiary, 100.00% effective interest
Indorama Polymers Poland Sp. z o.o.	Poland	Indirect subsidiary, 100.00% effective interest, some common directors
Indorama Trading AG	Switzerland	Indirect subsidiary, 99.81% effective interest, some common directors
Indorama Trading (UK) Limited	United Kingdom	Indirect subsidiary, 99.81% effective interest, some common directors
Beacon Trading (UK) Limited	United Kingdom	Indirect subsidiary, 99.81% effective interest, some common directors
Indorama Ventures USA Inc.	USA	Indirect subsidiary, 99.20% effective interest, some common directors
StarPet Inc.	USA	Indirect subsidiary, 99.20% effective interest, some common directors
Auriga Polymers Inc.	USA	Indirect subsidiary, 99.20% effective interest, some common directors
Indorama Polymers (USA), Inc.	USA	Indirect subsidiary, 99.20% effective interest, some common directors
AlphaPet, Inc.	USA	Indirect subsidiary, 99.20% effective interest, some common directors
IVL Holding, S. de R.L. de C.V.	Mexico	Indirect subsidiary, 100.00% effective interest, some common directors
Grupo Indorama Ventures, S. de R.L. de C.V.	Mexico	Indirect subsidiary, 100.00% effective interest, some common directors
Indorama Ventures Polymers Mexico, S. de R.L. de C.V.	Mexico	Indirect subsidiary, 100.00% effective interest, some common directors
Indorama Ventures Polycom, S. de R.L. de C.V.	Mexico	Indirect subsidiary, 100.00% effective interest, some common directors
Indorama Ventures Servicios Corporativos, Arteva S. de R.L. de C.V.	Mexico	Indirect subsidiary, 100.00% effective interest, some common directors
IVL Singapore Pte. Limited	Singapore	Indirect subsidiary, 99.20% effective interest, some common directors
Guangdong IVL PET Polymer Company Limited	China	Indirect subsidiary, 99.20% effective interest, some common directors
PT Indorama Ventures Indonesia	Indonesia	Indirect subsidiary, 100.00% effective interest, some common directors
PT Indorama Polyester Industries Indonesia	Indonesia	Indirect subsidiary, 100.00% effective interest, some common directors
KP Equity Partners Inc.	Malaysia	Indirect subsidiary, 100.00% effective interest, some common directors

Name of entity	Country of incorporation/ nationality	Nature of relationship
Dong Mao Pte. Limited	Singapore	Indirect subsidiary, 100.00% effective interest, some common directors
Indorama PET (Nigeria) Limited	Nigeria	Indirect subsidiary, 89.28% effective interest, some common directors
UAB Ottana Polimeri Europe	Lithuania	Indirect jointly-controlled entity, 50.00% effective interest, 50% of directors are representatives of the Company
Ottana Polimeri S.R.L.	Italy	Indirect jointly-controlled entity, 50.00% effective interest, common directors
Trevira Holdings GmbH	Germany	Indirect jointly-controlled entity, 75.00% effective interest
Trevira GmbH	Germany	Indirect jointly-controlled entity, 75.00% effective interest
Trevira Sp. z o.o.	Poland	Indirect jointly-controlled entity, 75.00% effective interest
Trevira North America LLC	USA	Indirect jointly-controlled entity, 75.00% effective interest
PT Indorama Polychem Indonesia	Indonesia	Indirect subsidiary, 100.00% effective interest, some common directors
Indorama Recycling Netherlands B.V.	The Netherlands	Indirect subsidiary, 100.00% effective interest, some common directors
Wellman International Limited	Ireland	Indirect subsidiary, 100.00% effective interest, some common directors
Wellman France SARL	France	Indirect subsidiary, 100.00% effective interest, some common directors
Wellman International Trustees Staff Limited	Ireland	Indirect subsidiary, 100.00% effective interest, some common directors
Wellman International Trustees Works Limited	Ireland	Indirect subsidiary, 100.00% effective interest, some common directors
Wellman Recycle UK Limited	Ireland	Indirect subsidiary, 100.00% effective interest, some common directors
Wellman Handelsgesellschaft GmbH	Germany	Indirect subsidiary, 100.00% effective interest, some common directors
MJR Recycling B.V.	The Netherlands	Indirect subsidiary, 100.00% effective interest, some common directors
Indorama Ventures Performance Fibers Holdings USA LLC	USA	Indirect subsidiary, 100.00% effective interest, some common directors
PT Indorama Petrochemicals	Indonesia	Indirect jointly-controlled entity, 42.00% effective interest
Chao Pha Ya Heritage Company Limited	Thailand	Indirect subsidiary, 99.49% effective interest (dissolved in March 2011)
Tuntex Textile (Thailand) Company Limited	Thailand	Indirect associate, 16.58% effective interest
PT Indorama Synthetics TBK	Indonesia	Some common directors
Tri Ocean Tuntex Textile (Thailand) Company Limited	Thailand	Indirect associate, 5.97% effective interest
Serm Suk Public Company Limited	Thailand	Shareholder of subsidiary, 40% shareholding, some common directors
Pacific Resources Limited	Thailand	Some common shareholders
Cryoviva (Thailand) Limited	Thailand	Some common directors

Name of entity	Country of incorporation/ nationality	Nature of relationship
Indo Rama Synthetics (India) Limited	India	Family relationships with directors
Lohia Global Holdings Limited	Hong Kong	Family relationships with directors
Elme Petrochemicals Limited	Nigeria	Shareholder of subsidiary, 10% shareholding, some common directors
MJETS Limited	Thailand	Family relationships with directors
Key management personnel	Thailand/India/ Indonesia/USA	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group/Company.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sales of goods	Market prices
Purchases of goods	Market prices
Interest income	Market linked rate/deposit rate
Other income	Contractually agreed
Interest expense	Market linked rate/deposit rate
Selling and administrative expenses	Contractually agreed

Significant transactions for the years ended 31 December 2011 and 2010 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Subsidiaries				
Interest income	-	-	604,405	60,472
Interest expense	-	-	3,401	-
Key management				
Directors' fee	15,721	26,786	8,220	6,780
Short-term employee benefits	104,204	83,567	15,841	-
Long-term employee benefits	7,096	495	-	-
Other related parties				
Sales of goods and raw materials	7,911,477	4,429,514	-	-
Purchases of goods and raw materials	7,686	-	-	-
Other raw materials conversion charges and overheads	21,309	-	-	-
Purchases of dormitories	-	34,542	-	-
Selling and administrative expenses	75,283	52,352	-	-
Other income	1,105	-	-	-

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			

Jointly-controlled entities

Sales of goods	28,105	-	-	-
Purchases of goods and raw materials	90,286	-	-	-
Other income	6,861	20,774	6,845	21,811
Interest income	12,694	-	-	-
Selling and administrative expenses	440	-	-	-

Balances as at 31 December 2011 and 2010 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			

**Trade accounts receivable from
related parties**

Other related parties

Serm-suk Public Company Limited	32,567	170,254	-	-
Indo Rama Synthetics (India) Limited	1,397,060	1,250,381	-	-
PT Indorama Synthetics TBK	27,443	-	-	-
Total	1,457,070	1,420,635	-	-

Other receivables**Other related party**

Pacific Resources Limited	1,312	1,312	-	-
Total	1,312	1,312	-	-

Jointly-controlled entities

UAB Ottana Polimer Europe	-	3,329	-	1,688
Ottana Polimeri S.R.L.	-	778	-	-
Total	-	4,107	-	1,688

<i>Loans to related parties</i>	Interest rate		Consolidated financial statement		Separate financial statements	
	2011	2010	2011	2010	2011	2010
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			

Comprising:

**Short-term loans to
related parties**

Subsidiaries

Indorama Polymers Public Company Limited	1.38-5.00	0.75-1.38	-	-	9,954,700	2,795,000
Asia Pet (Thailand) Limited	1.38-5.00	0.75-1.38	-	-	912,100	423,000
Petform (Thailand) Limited	-	0.75-1.38	-	-	-	5,000
Indorama Holdings Limited	1.38-5.00	0.75-1.38	-	-	2,436,500	1,778,300
Indorama Polyester Industries Public Company Limited	1.38-5.00	0.75-1.38	-	-	5,658,200	668,400
Indorama Netherlands Cooperatief U.A.	3.56-3.63	-	-	-	5,404,902	-
IVL Belgium N.V.	4.16	-	-	-	814	-
Total			-	-	24,367,216	5,669,700

**Interest receivable
from related parties**

Subsidiaries

Indorama Polymers Public Company Limited			-	-	132,891	6,078
Asia Pet (Thailand) Limited			-	-	9,940	1,218
Indorama Holdings Limited			-	-	30,313	3,006
Indorama Polyester Industries Public Company Limited			-	-	69,828	1,233
Indorama Netherlands Cooperatief U.A.			-	-	10,126	-
IVL Belgium N.V.			-	-	4	-
Total			-	-	253,102	11,535

**Total short-term
loans to related
parties**

- - **24,620,318** **5,681,235**

Loans to related parties	Interest rate		Consolidated financial statement		Separate financial statements	
	2011	2010	2011	2010	2011	2010
	(% per annum)		(in thousand Baht)			
Long-term loans to related parties						
Subsidiaries						
Indorama Petrochem Limited	1.36-5.00	0.75-5.13	-	-	1,173,893	1,133,793
TPT Petrochemicals Public Company Limited	5.00	-	-	-	1,153,000	-
Total			-	-	2,326,893	1,133,793
Interest receivables from related parties						
Subsidiaries						
Indorama Petrochem Limited			-	-	27,922	29,379
TPT Petrochemicals Public Company Limited			-	-	14,531	-
Total			-	-	42,453	29,379
Total long-term loans to related parties						
			-	-	2,369,346	1,163,172

The above long-term loan, including the related interest, is repayable only after full repayment of the long-term indebtedness of Indorama Petrochem Limited to a financial institution.

Summary of loans to related parties	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in thousand Baht)			
Short-term loans	-	-	24,620,318	5,681,235
Long-term loans	-	-	2,369,346	1,163,172
Total loans to related parties	-	-	26,989,664	6,844,407

Movements of loans to related parties for the years ended 31 December 2011 and 2010 were as follows:

<i>Loans to related parties</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			

Short-term loans:

Subsidiaries

At 1 January	-	-	5,669,700	-
Increase	-	-	59,442,589	10,088,700
Decrease	-	-	(40,745,073)	(4,419,000)
At 31 December	-	-	24,367,216	5,669,700

Jointly-controlled entity

At 1 January	-	-	-	-
Increase	1,017,080	-	-	-
Decrease	(1,017,080)	-	-	-
At 31 December	-	-	-	-

<i>Loans to related parties</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			

Total short-term loans to related parties

At 1 January	-	-	5,669,700	-
Increase	1,017,080	-	59,442,589	10,088,700
Decrease	(1,017,080)	-	(40,745,073)	(4,419,000)
At 31 December	-	-	24,367,216	5,669,700

Long-term loans:

Subsidiaries

At 1 January	-	-	1,133,793	1,217,265
Increase	-	-	1,193,100	-
Decrease	-	-	-	(83,472)
At 31 December	-	-	2,326,893	1,133,793

Other payable to related parties

Other related parties

Lohia Global Holdings Limited	16,655	13,275	-	-
Indo Rama Synthetics (India) Limited	2,914	-	-	-
Total	19,569	13,275	-	-

Loans from related parties

Consolidated financial statements		Separate financial statements	
2011	2010	2011	2010
<i>(in thousand Baht)</i>			

Short-term loan from related party**Subsidiaries**

Indorama Petrochem Limited	-	-	164,300	-
Total	-	-	164,300	-

Movements during for the years ended 31 December 2011 and 2010 of loans from related parties, excluding interest payable to related parties, were as follows:

Consolidated financial statements		Separate financial statements	
2011	2010	2011	2010
<i>(in thousand Baht)</i>			

Short-term loan**Subsidiaries**

At 1 January	-	-	-	-
Increase	-	-	422,010	-
Decrease	-	-	(257,710)	-
At 31 December	-	-	164,300	-

Consolidated financial statements		Separate financial statements	
2011	2010	2011	2010
<i>(in thousand Baht)</i>			

Long-term loan**Parent**

At 1 January	-	24,467	-	24,467
Increase	-	-	-	-
Decrease	-	(24,467)	-	(24,467)
At 31 December	-	-	-	-

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Cash on hand	5,958	3,916	-	-
Cash at bank - current accounts	3,313,000	559,286	755	174
Cash at bank - savings accounts	251,989	618,953	111,397	1,958
Cash at bank - fixed accounts	9,996	95,760	-	-
Call deposits	14,361	-	-	-
	3,595,304	1,277,915	112,152	2,132
Highly liquid short-term investments	8,422,717	204,722	7,680,000	-
Total	12,018,021	1,482,637	7,792,152	2,132

As at 31 December 2011, cash at bank amounting to USD 1.1 million (Baht 35.8 million) (2010: USD 1.1 million (Baht 34.4 million)), was restricted for loan principal and interest repayments to financial institutions.

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	7,920,545	409,515	7,792,152	2,132
Euro (EUR)	1,930,022	918,233	-	-
Mexican Peso (MXN)	655,942	-	-	-
United States Dollars (USD)	555,987	56,357	-	-
Polish Zloty (PLN)	378,259	-	-	-
Chinese Yuan (CNY)	303,331	-	-	-
Indonesian Rupiah (IDR)	163,929	-	-	-
Nigeria Naira (NGN)	81,301	901	-	-
Lithuanian Litas (LTL)	23,123	37,052	-	-
Pounds Sterling (GBP)	4,323	59,266	-	-
Swiss Franc (CHF)	1,259	1,313	-	-
Total	12,018,021	1,482,637	7,792,152	2,132

8 Other investments

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Current investments				
Short-term deposits at financial institutions	5,688,491	541,726	5,260,000	-
	5,688,491	541,726	5,260,000	-
Other long-term investments				
Long-term deposits at financial institutions	-	20,278	-	-
	-	20,278	-	-
Total	5,688,491	562,004	5,260,000	-

The currency denomination of other investments as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
THB	5,260,000	20,278	5,260,000	-
EUR	257,281	196,546	-	-
USD	170,650	345,180	-	-
PLN	560	-	-	-
Total	5,688,491	562,004	5,260,000	-

Deposits in the amount of Baht 202.5 million (2010: Baht 196.6 million) have been pledged to secure loans from financial institutions.

9 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
Related parties	6	1,457,070	1,420,635	-	-
Other parties		23,233,656	10,375,459	-	-
Total		24,690,726	11,796,094	-	-
Less allowance for doubtful accounts		(181,942)	(25,369)	-	-
Net		24,508,784	11,770,725	-	-
Reversal of bad and doubtful debts expense during the year, net		32,154	325	-	-

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	1,456,548	1,329,698	-	-
Overdue:				
Less than 3 months	522	90,937	-	-
	1,457,070	1,420,635	-	-
Less allowance for doubtful accounts	-	-	-	-
	1,457,070	1,420,635	-	-
Other parties				
Within credit terms	18,925,779	8,890,500	-	-
Overdue:				
Less than 3 months	4,135,838	1,421,114	-	-
3-6 months	18,080	20,122	-	-
6-12 months	9,838	4,471	-	-
Over 12 months	144,121	39,252	-	-
	23,233,656	10,375,459	-	-
Less allowance for doubtful accounts	(181,942)	(25,369)	-	-
	23,051,714	10,350,090	-	-
Net	24,508,784	11,770,725	-	-

The normal credit term granted by the Group ranges from 7 days to 270 days.

The currency denomination of trade accounts receivable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
USD	11,535,070	7,184,966	-	-
EUR	4,989,420	1,767,741	-	-
MXN	4,636,243	-	-	-
THB	1,888,801	2,358,262	-	-
CNY	890,877	-	-	-
PLN	371,782	-	-	-
LTL	101,525	54,251	-	-
IDR	93,848	-	-	-
NGN	895	-	-	-
GBP	323	396,346	-	-
JPY	-	9,102	-	-
AUD	-	57	-	-
Total	24,508,784	11,770,725	-	-

Trade accounts receivable with a carrying amount of Baht 7,509.6 million (2010: Baht 2,231.4 million) have been pledged as collateral to secure loans from financial institutions.

10 Inventories

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Finished goods	12,175,868	5,591,252	-	-
Work in process	1,164,323	445,369	-	-
Raw materials	5,947,491	2,851,430	-	-
Trading materials	90,886	-	-	-
Spare parts and supplies	1,805,045	1,475,842	-	-
Goods in transit	1,058,605	1,035,447	-	-
	22,242,218	11,399,340	-	-
*Less allowance for decline in value	(819,948)	(15,078)	-	-
Net	21,422,270	11,384,262	-	-
Carrying value of inventories subject to retention of title clauses or otherwise pledged to secure liabilities	9,177,119	1,712,927	-	-
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	145,404,163	70,539,395	-	-
- Write-down to net realisable value	120,465	-	-	-
- Reversal of write-down	(67,133)	(6,744)	-	-
Net total	145,457,495	70,532,651	-	-

* Includes provision for decline in value of inventories due to floods at Lopburi plants of Baht 564.8 million (see Note 39).

11 Other current assets

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Value added tax receivable	1,056,903	380,673	-	-
Advance payments	801,512	154,719	-	-
Receivable from seller in business combination	654,561	-	-	-
Prepaid expenses	361,753	156,930	-	-
Material price adjustment receivable	248,025	89,948	-	-
Guarantee deposit	149,396	-	-	-
Insurance claims receivable	438,844	22,945	-	-
Others	421,847	159,679	112,561	1,688
Total	4,132,841	964,894	112,561	1,688

Receivable from seller in business combination relates to tax liability, which was recorded as part of current liabilities as at 31 December 2011, for which IVL can claim from Arteva Latin America B.V. as per the sale and purchase agreement

12 Investments in subsidiaries and other equity securities

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
At 1 January	-	-	18,524,840	9,622,066
Additional investments	-	-	8,602,803	8,902,774
Return of investment	-	-	(403)	-
At 31 December	-	-	27,127,240	18,524,840

Investments in subsidiary and other equity securities as at 31 December 2011 and 2010 and dividend income from those investments for the years then ended were as follows:

	Consolidated financial statements															
	Effective ownership interest				Paid-up capital				Cost		Impairment		Carrying amount		Dividend income	
	2011		2010		2011		2010		2011	2010	2011	2010	2011	2010	2011	2010
	(in thousand Baht)															
Subsidiary																
Chao Pha Ya Heritage Company Limited	-	99.49	-	750,000	-	732,500	-	(732,500)	-	-	-	-	-	-	-	-
Other equity securities																
Tuntex Textile (Thailand) Company Limited	16.58	16.58	1,200,000	1,200,000	200,000	200,000	(200,000)	(200,000)	-	-	-	-	-	-	-	-
Tri Ocean Tuntex Textile (Thailand) Company Limited	5.97	5.97	175,000	175,000	10,500	10,500	(10,500)	(10,500)	-	-	-	-	-	-	-	-
Total			210,500	943,000	(210,500)	(943,000)			-	-	-	-	-	-	-	-

The subsidiary was dissolved according to the order of the Central Bankruptcy Court of Thailand on 3 March 2011. As a result, the Group wrote off this investment in subsidiary and related impairment during the year ended 31 December 2011.

Separate financial statements												
	Ownership interest		Paid-up capital		Cost		Impairment		Return of capital		Dividend income	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	%											
(in thousand Baht)												
Subsidiaries												
Indorama Petrochem Limited	100.00	100.00	4,727,820	4,727,820	2,525,805	2,525,805	-	-	-	2,525,805	2,836,692	1,607,459
Indorama Holdings Limited	99.81	99.81	774,468	774,468	2,001,419	2,001,419	-	-	-	2,001,419	1,070,647	626,155
Indorama Polymers Public Company Limited	72.60	72.60	1,382,198	1,382,198	7,219,741	7,219,741	-	-	-	7,219,741	1,068,769	538,399
Indo Poly (Thailand) Limited	-	44.38	-	700,000	403	403	-	-	(403)	-	403	-
Indorama Polyester Industries Public Company Limited	64.94	64.94	2,202,850	2,202,850	1,473,995	1,473,995	-	-	-	1,473,995	593,715	60,087
TPT Petrochemicals Public Company Limited	99.96	99.96	2,955,000	2,955,000	5,181,847	5,181,847	-	-	-	5,181,847	1,476,948	664,626
IVL Belgium N.V.	100.00	100.00	121,630	121,630	121,630	121,630	-	-	-	121,630	-	-
Indo Polymers Mauritius Limited	100.00	-	8,602,803	-	8,602,803	-	-	-	-	8,602,803	-	-
Total			27,127,643	18,524,840			-	-	(403)	- 27,127,240	7,046,771	3,496,726

During 2010, the Company purchased additional shares of IRP in an exchange for the issue of 582,727,137 ordinary shares of the Company at a premium of Baht 5,244.5 million (see Note 1).

During 2010, the Company purchased additional shares of TPT representing a 45.4% equity interest for a cash consideration of Baht 2,903.6 million, and additional shares of IRH representing a 1.9% equity interest for a cash consideration of Baht 50.3 million.

During 2011, the Group purchased additional shares of IRP representing a 0.16% equity interest for a cash consideration of Baht 14 million.

During 2011, the Group purchased additional shares of IPI representing a 0.0009% equity interest for a cash consideration of Baht 40 thousand.

On 10 January 2011, Indo Polymers Mauritius Limited ("IPM"), a new direct subsidiary, was incorporated in Mauritius with an authorised share capital of USD 1. During 2011, IPM increased its share capital to USD 281.9 million (Baht 8,602.8 million) for which the Company subscribed to the entire increase in share capital. The Company contributed USD 7.5 million (Baht 232.4 million) during 2011 to IPM in advance to subscribe for an increase in IPM's share capital in 2012.

At 31 December 2010, a portion of shares of Indorama Polymers Public Company Limited, Indorama Petrochem Limited, and TPT Petrochemicals Public Company Limited has been pledged as collateral for loans obtained from various financial institutions.

At 31 December 2011, a portion of shares of AlphaPet, Inc. and UAB Orion Global Pet has been pledged as collateral for loans obtained from various financial institutions.

13 Investment in jointly-controlled entities

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
At 1 January	2,012,582	-	-	-
Acquisitions	2,205,684	121,230	-	-
Share of profit (loss) of investments				
- equity method, net	1,314,543	1,888,164	-	-
Effect of movements in				
exchange rates	(105,290)	3,188	-	-
At 31 December	5,427,519	2,012,582	-	-

Investment in jointly-controlled entities as at 31 December 2011 and 2010 was as follows:

Consolidated financial statements											
Ownership interest		Paid-up capital		Cost method		Equity method		Effect of move-ments in exchange rate		Carrying value at equity	
2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
(in thousand Baht)											
Jointly-controlled entities											
UAB Ottana Polimeri											
50.00	50.00	242,460	242,460	121,230	121,230	2,007,032	2,009,394	55,006	3,188	2,062,038	2,012,582
75.00	-	1,071	-	790,211	-	2,119,382	-	(159,567)	-	1,959,815	-
PT Indorama											
42.00	-	4,532,869	-	1,415,473	-	1,406,395	-	(729)	-	1,405,666	-
				2,326,914		121,230 5,532,809 2,009,394		(105,290)		3,188 5,427,519 2,012,582	

The Group applied the equity method of accounting for its investment in UAB OPE in the consolidated financial statements for the years ended 31 December 2011 and 2010 and recorded its 50% interest in net (loss) profit of UAB OPE, amounting to Baht (5.6) million and Baht 1,882.2 million, as a share of (loss) profit of jointly-controlled entity in the consolidated statement of income for the years ended 31 December 2011 and 2010, respectively. The share of profit recorded in the statement of income for the year ended 31 December 2010 included 50% of the gain on bargain purchase of Baht 3,738.2 million, amounting to Baht 1,869.1 million (see Note 5(ii)).

The Group applied the equity method of accounting for its investment in Trevira Holdings GmbH ("Trevira") in the consolidated financial statements for the year ended 31 December 2011 as both shareholders have entered into a management agreement giving each party joint control of all significant management and operational decisions and the other shareholder of Trevira has a call option to acquire 25% of Trevira's shares from the Company by March 2013. The Group recorded its 75% interest in net profit of Trevira for the period from 1 July 2011 to 31 December 2011, amounting to Baht 1,329.2 million as a share of profit of jointly-controlled entity in the consolidated statement of income for the year ended 31 December 2011. This share of profit includes 75% of the gain on bargain purchase of Baht 2,134.5 million, amounting to Baht 1,600.9 million (see Note 5(viii)).

The Group applied the equity method of accounting for its investment in PT Indorama Petrochemicals ("PTIP") in the consolidated financial statements for the year ended 31 December 2011 as both major shareholders have entered into a shareholder agreement giving each party joint control of all significant management and operational decisions and Indorama Netherlands B.V. has a call option, which is exercisable during the period from 1 January 2014 to 31 December 2016, to acquire 42% of PT Indorama Petrochemicals's shares from PT Indo-Rama Synthetics TBK ("PTIRS"), a shareholder holding 42% of PT Indorama Petrochemicals and a related party of IVL. The Group recorded its 42% interest in net loss of PT Indorama Petrochemicals for the period from 30 November 2011 to 31 December 2011, amounting to Baht 9.1 million, as a share of loss of jointly-controlled entity in the consolidated statement of income for the year ended 31 December 2011. This share of loss includes 42% of an excess in the Group's share in the provisional fair value of identifiable net assets over cost of Baht 37.5 million, amounting to Baht 15.7 million.

Summary financial information as at 31 December 2011 and for year/period ended 31 December 2011 for the equity-accounted jointly-controlled entities, not adjusted for the percentage of ownership held by the Group, is as follow:

	Carrying Amount <i>(in thousand Baht)</i>			
	UAB OPE	Trevira	PTIP	Total
Current assets	3,554,366	2,265,756	1,839,537	7,659,659
Non-current assets	3,719,222	2,027,260	7,044,934	12,791,416
Total assets	7,273,588	4,293,016	8,884,471	20,451,075
Current liabilities	2,002,810	953,651	665,309	3,621,770
Non-current liabilities	1,156,921	974,839	4,727,508	6,859,268
Total liabilities	3,159,731	1,928,490	5,392,817	10,481,038
Total income	10,803,772	7,166,732	1,253	17,971,757
Total expenses	10,813,730	5,394,505	60,336	16,268,571

14 Property, plant and equipment

Consolidated financial statements										
	Note	Land and land improve- ments	Buildings and building improve- ments	Machinery and equipment - textile production	Machinery and equipment - other	Office furniture, and equipment	Transporta- tion equipment	Stores and Spares	Construction in progress	Total
(in thousand Baht)										
Cost/revaluation										
At 1 January 2010 – as reported		1,115,526	4,625,403	10,265,159	41,575,671	442,504	187,468	-	3,444,410	61,656,141
Impact of retrospective changes in accounting policies		-	132,497	-	-	-	-	-	-	132,497
At 1 January 2010 – as restated		1,115,526	4,757,900	10,265,159	41,575,671	442,504	187,468	-	3,444,410	61,788,638
Additions		12,512	30,025	359,941	684,421	60,058	15,541	-	1,279,971	2,442,469
Acquired through business combinations	5	-	-	-	1,502,123	-	-	-	-	1,502,123
Transfers		53,219	669,200	408,227	2,591,336	2,206	-	-	(3,724,188)	-
Disposals		-	-	(488)	(5,791)	(274)	(28,582)	-	(1,244)	(36,379)
Revaluation on 31 December 2010:										
Impact of changes in accounting policies		-	-	4,913,484	-	-	-	-	-	4,913,484
Surplus on revaluation		-	-	1,531,616	-	-	-	-	-	1,531,616
Effect of movements in exchange rate		(20,588)	(297,876)	-	(2,562,825)	(6,202)	(1,287)	-	(182,187)	(3,070,965)
At 31 December 2010 and 1 January 2011 - as restated										
Additions		1,160,669	5,159,249	17,477,939	43,784,935	498,292	173,140	-	816,762	69,070,986
Acquired through business combinations	5	41,834	65,180	9,314	278,088	173,682	9,277	557,155	5,152,788	6,287,318
Transfers		1,814,319	3,678,253	-	11,528,153	32,998	34,389	6,255	137,421	17,231,788
Reclassification		-	70,544	497,927	346,394	396	-	(5,647)	(909,614)	-
Disposals		319,039	5,898	(4,782)	(279,201)	39,096	1,008	(3,193)	(41,460)	36,405
Effect of movements in exchange rate		-	-	(50,677)	(59,593)	(917)	(24,510)	-	-	(135,697)
		43,827	5,345	-	243,011	(13,482)	(923)	5,852	(1,376)	282,254
At 31 December 2011										
		3,379,688	8,984,469	17,929,721	55,841,787	730,065	192,381	560,422	5,154,521	92,773,054

Consolidated financial statements

	Note	Land and land improve- ments	Buildings and building improve- ments	Machinery and equipment - textile production	Machinery and equipment - other	Office furniture, fixtures, and equipment	Transporta- tion equipment	Stores and spares	Construction in progress	Total
<i>(in thousand Baht)</i>										
Depreciation										
At 1 January 2010 – as reported		30,911	840,384	5,717,579	5,234,061	220,343	107,544	-	-	12,150,822
Impact of retrospective changes in accounting policies		-	55,988	-	-	-	-	-	-	55,988
At 1 January 2010 – as restated		30,911	896,372	5,717,579	5,234,061	220,343	107,544	-	-	12,206,810
Depreciation charge for the year		22,942	195,948	471,532	2,767,721	50,640	24,751	-	-	3,533,534
Transfer		-	-	291,212	(291,212)	-	-	-	-	-
Disposals		-	-	(488)	(521)	(294)	(28,405)	-	-	(29,708)
Revaluation on 31 December 2010:										
Impact of changes in accounting policies		-	-	4,913,484	-	-	-	-	-	4,913,484
Effect of movements in exchange rate		(1,485)	(25,641)	-	(343,210)	(2,090)	(887)	-	-	(373,313)
At 31 December 2010 and 1 January 2011		52,368	1,066,679	11,393,319	7,366,839	268,599	103,003	-	-	20,250,807
Depreciation charge for the year		58,454	383,670	689,608	3,287,815	103,243	26,930	4,501	-	4,554,221
Transfers		-	-	-	(8,797)	8,797	-	-	-	-
Reclassification		13,380	-	-	(16,980)	39,140	865	-	-	36,405
Disposals		-	-	(18,123)	(51,962)	(236)	(23,616)	-	-	(93,937)
Effect of movements in exchange rate		1,285	8,307	-	(73,050)	(12,996)	(1,099)	6,190	-	(71,363)
At 31 December 2011		125,487	1,458,656	12,064,804	10,503,865	406,547	106,083	10,691	-	24,676,133

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2011 amounted to Baht 10,870 million (2010: Baht 7,713 million).

In December 2010, certain subsidiaries of the Company revalued their machinery and equipment related to textile production at appraised values at 31 December 2010 by applying the fair market value as specified in the appraisal report dated 26 January 2011 obtained from an independent qualified appraiser.

Certain property, plant and equipment with a carrying value of Baht 45,717.8 million (2010: Baht 49,761.6 million) have been pledged as collateral to secure loans from financial institutions.

Capitalised borrowing costs relating to the construction of the new plant amounted to Baht 7.7 million (2010: Baht 13.1 million), with a capitalization rate of 3.1-3.6% (2010: 3.6-4.5%) (see Note 31).

15 Goodwill

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
<i>(in thousand Baht)</i>					
Cost					
At 1 January		-	-	-	-
Arising on business combinations	5(iv)	395,427	-	-	-
Disposals		-	-	-	-
At 31 December		395,427	-	-	-
Impairment loss					
At 1 January		-	-	-	-
Impairment loss		-	-	-	-
Disposals		-	-	-	-
At 31 December		-	-	-	-
Net book value					
At 1 January		-	-	-	-
At 31 December		395,427	-	-	-

16 Intangible assets

Consolidated financial statements							
	Note	Rights acquired	Supplier contract	Software licenses	Technology licenses and knowhow	Customer contracts and relationships	Trade name and trademarks
							Total
Cost							
At 1 January 2010		61,638	-	128,313	407,216	422,015	-
Additions		4,856	-	1,520	-	-	-
Acquired through business combinations							6,376
• Europort Utility Partners VOF	5(i)	-	-	-	-	24,319	-
Effect of movements in exchange rates		(7,038)	-	(19,736)	-	(70,877)	-
							(97,651)
At 31 December 2010 and 1 January 2011		59,456	-	110,097	407,216	375,457	-
Additions		-	-	5,790	-	90	-
Acquired through business combinations							5,880
• Grupo Arteva S. de R.L. de C.V.	5(iii)	-	-	79,954	704,208	30,751	-
• Indorama Polymers Poland Sp. z o.o.	5(v)	-	344,001	-	-	565,370	-
• Auriga Polymers Inc.	5(vii)	-	-	55,051	1,431,332	207,971	443,468
Effect of movements in exchange rates		975	(40,249)	(1,954)	(22,056)	(51,210)	16,054
							(98,440)
At 31 December 2011		60,431	303,752	248,938	2,520,700	1,128,429	459,522
							4,721,772

(in thousand Baht)

Consolidated financial statements

Technology licenses and knowhow
Customer contracts and relationships
Trade name and trademarks
Total

(in thousand Baht)

Amortisation

At 1 January 2010	17,428	-	22,748	18,524	81,608	-	140,308
Amortisation charge for the year	2,925	-	15,550	11,114	43,266	-	72,855
Effect of movement in exchange rates	(1,235)	-	(4,287)	-	(15,609)	-	(21,131)
At 31 December 2010 and 1 January 2011	19,118	-	34,011	29,638	109,265	-	192,032
Amortisation charge for the year	3,211	-	35,356	73,339	110,384	-	222,290
Effect of movement in exchange rates	145	-	(334)	3,893	(1,786)	-	1,918
At 31 December 2011	22,474	-	69,033	106,870	217,863	-	416,240

Net book value

At 1 January 2010	44,210	-	105,565	388,692	340,407	-	878,874
At 31 December 2010 and 1 January 2011	40,338	-	76,086	377,578	266,192	-	760,194
At 31 December 2011	37,957	303,752	179,905	2,413,830	910,566	459,522	4,305,532

17 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Refundable deposits	80,159	53,860	-	-
Advance payment on purchase of machinery	710,407	4,525	-	-
Others	311,296	124,724	232,351	-
Total	1,101,862	183,109	232,351	-

18 Interest-bearing liabilities

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
		(in thousand Baht)			
Current					
Bank overdrafts		152,115	45,137	-	-
Short-term loans from financial institutions (a)		13,524,751	5,319,756	-	-
Bank overdrafts and short-term loans from financial institutions		13,676,866	5,364,893	-	-
Short-term loan from related party	6	-	-	164,300	-
Current portion of long-term loans from financial institutions		6,481,606	5,954,143	2,467,751	755,083
Less deferred financing costs		(41,472)	(41,608)	(12,987)	(1,837)
Net current portion of long-term loans (b)		6,440,134	5,912,535	2,454,764	753,246
Current portion of finance lease liabilities (c)		18,375	22,135	-	-
Total current interest- bearing liabilities		20,135,375	11,299,563	2,619,064	753,246

Note	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<i>(in thousand Baht)</i>				
Non-current				
Long-term loans from				
financial institutions	33,879,388	20,805,098	17,656,850	3,659,726
Less deferred financing costs	(177,412)	(94,607)	(34,903)	(2,861)
Net long-term loans (c)	33,701,976	20,710,491	17,621,947	3,656,865
Finance lease liabilities (c)	40,086	58,424	-	-
Debentures (d)	7,468,658	-	7,468,658	-
Total non-current interest-bearing liabilities	41,210,720	20,768,915	25,090,605	3,656,865

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<i>(in thousand Baht)</i>				
Within one year	20,117,000	11,277,428	2,619,064	753,246
After one year but within five years	34,104,973	18,722,062	18,554,898	2,722,665
After five years	7,065,661	1,988,429	6,535,707	934,200
Total	61,287,634	31,987,919	27,709,669	4,410,111

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<i>(in thousand Baht)</i>				
Current investments	202,509	196,546	-	-
Trade accounts receivable	7,509,625	2,231,405	-	-
Restricted bank deposits	54,772	202	-	-
Inventories	9,177,119	1,712,927	-	-
Property, plant, and equipment	45,717,827	49,761,555	-	-
Shares of subsidiaries	2,570,590	19,509,366	-	16,265,882
Total	65,232,442	73,412,001	-	16,265,882

(a) Short-term loans from financial institutions

Short-term loans from financial institutions comprise the following:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Short-term loans, secured by property, plant and equipment	2,522,437	505,848	-	-
Revolving loan (USD 219,463,240) (2010: USD 95,207,866) due in October 2013, secured by trade accounts receivable and inventories	6,955,054	2,870,641	-	-
Revolving loan (EUR 21,000,000) due in January 2013	861,575	639,030	-	-
Liabilities under trust receipts	1,256,803	247,573	-	-
Packing credits	462,557	97,680	-	-
Promissory note	980,000	210,000	-	-
Call loans	29,000	634,465	-	-
Bill discounted and others	457,325	114,519	-	-
Total	13,524,751	5,319,756	-	-

Under the terms of trust receipt agreements with banks, certain imported inventory has been released by the bank to the Group in trust. The Group is accountable to the banks for the inventory or its related sales proceeds until the inventory is fully paid for.

Although the Group has no current expectations it will repay the full amount of the USD and EUR revolving credit loan before the agreement expires in 2013, the borrowings have been classified as short-term debt on the Group's statement of financial position due to certain subjective provisions available to the bank that are included in the loan document.

All short-term loans bear interest at floating rates.

(b) Long-term loans from financial institutions

All long-term loans are secured by property, plant and equipment and additionally (or except) as disclosed below and bear interest at floating rates except as disclosed below as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Unsecured loan, due in October 2016, repayable in quarterly installments, with interest at THBFIX 3 month plus margin per annum	4,095,000	-	4,095,000	-

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Unsecured loan, due in February 2017, repayable in semi-annual installments, with interest at THBFIX 3 month plus margin per annum	4,500,000	-	4,500,000	-
Unsecured loan, due in February 2017, repayable in semi-annual installments, with interest at THBFIX 3 month plus margin per annum	3,270,000	-	3,270,000	-
Unsecured loan, due in April 2018, repayable in semi-annual installments, with interest at THBFIX 3 month plus margin per annum	1,800,000	-	1,800,000	-
Unsecured loan, due in February 2017, repayable in semi-annual installments, with interest at THBFIX 3 month plus margin per annum	1,650,000	-	1,650,000	-
Unsecured loan, due in February 2017 repayable in semi-annual installment, with interest at THBFIX 3 month plus margin per annum	1,610,000	-	1,610,000	-
Unsecured loan (secured in 2010), due in September 2017, repayable in quarterly installments, with interest at THBFIX 3 month plus margin per annum	1,353,226	2,391,464	1,353,226	2,391,464
Unsecured loan, due in January 2014	413,675	563,450	-	-
Unsecured loan, repayable in semi-annual installments of USD 1.1 million commencing in September 2010	399,375	449,220	399,375	449,220
Term loan, due in January 2015 secured by inventories	4,571,734	5,649,083	-	-
Term loan, due in November 2015, secured by guarantee by a related party	2,605,809	3,187,168	-	-
Term loan, due in March 2017, repayable in semi-annual installments, with interest at LIBOR plus margin per annum	2,535,296	-	-	-
Term loan, due in February 2017, repayable in semi-annual installments, interest at THBFIX 3 month plus margin per annum	2,223,000	-	-	-

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Term loan, due in March 2013, secured by guarantee by a related party and inventories	2,117,443	935,465	-	-
Syndicated term loan, due in February 2013, secured by land sublease rights, cash inflows and shares in a subsidiary	490,219	795,364	-	-
Term loan, due in January 2015, secured by shares of a subsidiary	-	778,250	-	-
Term loan, repayable in monthly installments of Baht 17.1 million, with interest at the rate of fixed rate	-	648,292	-	-
Term loan, repayable in monthly installments of Baht 3.8 million, with interest rate fixed for the first three years and a floating rate thereafter, secured by shares in a subsidiary	-	439,148	-	439,148
Other long-term loans	6,726,217	10,922,337	1,447,000	1,134,977
Total loans from financial institutions	40,360,994	26,759,241	20,124,601	4,414,809
Less deferred financing costs	(218,884)	(136,215)	(47,890)	(4,698)
Net loans from financial institutions	40,142,110	26,623,026	20,076,711	4,410,111
Less portion due within one year, net of related deferred financing costs	(6,440,134)	(5,912,535)	(2,454,764)	(753,246)
Long-term loans from financial	33,701,976	20,710,491	17,621,947	3,656,865

The above loan agreements contain certain covenants relating to the declaration and payment of dividends, maintenance of financial ratios, acquisition of major fixed assets, additional indebtedness and share transfers.

As at 31 December 2011, the Group had recognized credit facilities totaling Baht 26,479 million (2010: Baht 19,715 million).

(c) Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

Consolidated financial statements						
	2011			2010		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	<i>(in thousand Baht)</i>					
Within one year	21,891	3,516	18,375	26,621	4,486	22,135
After one year but within five years	41,650	1,564	40,086	62,769	4,345	58,424
Total	63,541	5,080	58,461	89,390	8,831	80,559

(d) Debentures

As at 31 December 2011, the Company had outstanding unsubordinated and unsecured debentures totalling Baht 7,500 million (31 December 2010: nil), as follows:

Debentures no.	Principle	Interest rate (%p.a.)	Term	Maturity date	Deferred debenture issuance expense	Net
	<i>(in thousand Baht)</i>					<i>(in thousand Baht)</i>
1/2011-1	210,000	4.50-5.05	5 years	19 Oct. 16	868	209,132
1/2011-2	98,000	4.75-5.50	7 years	19 Oct. 18	410	97,590
1/2011-3	37,000	5.00-6.00	10 years	19 Oct. 21	156	36,844
1/2011-4	2,690,000	4.70	5 years	19 Oct. 16	11,116	2,678,884
1/2011-5	1,302,000	5.04	7 years	19 Oct. 18	5,445	1,296,555
1/2011-6	3,163,000	5.35	10 years	19 Oct. 21	13,347	3,149,653
Total	7,500,000				31,342	7,468,658

The extraordinary general meeting of shareholders held on 22 September 2011 approved the issue of debentures up to an amount not exceeding Baht 25,000 million (in Baht or equivalent foreign currency) for a maturity not exceeding 15 years. On 19 October 2011, the Company raised in cash Baht 7,500 million through the issue of unsubordinated and unsecured Baht debentures to the public. The Company appointed a debentureholders' representative and must comply with terms and conditions relating to maintenance of financial ratio, payment of dividend, and core business retention.

The currency denomination of interest-bearing liabilities as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
THB	33,790,861	13,157,310	27,310,294	3,531,663
USD	19,845,165	12,759,827	399,375	449,220
EUR	6,199,304	6,148,346	-	429,228
CNY	1,352,722	-	-	-
MXN	158,043	-	-	-
JPY	-	2,995	-	-
Total	61,346,095	32,068,478	27,709,669	

19 Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Related party	-	-	-	-
Other parties	17,978,085	10,858,319	-	-
Total	17,978,085	10,858,319	-	-

The currency denomination of trade accounts payable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
USD	7,448,459	3,990,823	-	-
EUR	3,519,958	3,004,958	-	-
MXN	2,956,947	-	-	-
THB	2,615,177	3,786,411	-	-
PLN	672,451	-	-	-
CNY	372,200	-	-	-
GBP	149,088	8,610	-	-
IDR	138,667	-	-	-
LTL	76,269	66,730	-	-
AUD	15,750	-	-	-
NGN	8,116	-	-	-
JPY	4,918	787	-	-
CHF	59	-	-	-
SGD	26	-	-	-
Total	17,978,085	10,858,319	-	-

20 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Accrued operating expenses	1,659,063	583,507	4,993	3,419
Other payables	1,036,328	395,728	2,948	101,004
Value added tax payable	877,228	-	-	-
Interest payable	253,223	90,029	140,226	5,326
Materials price adjustments payable	147,951	394,614	-	-
Others	240,076	148,472	7,238	-
Total	4,213,869	1,612,350	155,405	109,749

21 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in thousand Baht)			
Statement of financial position				
obligations for:				
Post-employment benefits				
Thailand legal severance plan	146,633	-	-	-
Defined benefit plans established in Europe	162,880	107,111	-	-
Defined benefit plans established in rest of the world	447,817	-	-	-
Other long-term employee benefits	15,371	-	-	-
Total	772,701	107,111	-	-
Statement of income:				
Recognised in profit or loss:				
Post-employment benefits				
Thailand legal severance plan	17,295	-	-	-
Defined benefit plans established in Europe	59,994	52,998	-	-
Defined benefit plans established in rest of the world	45,510	-	-	-
Other long-term employee benefits	5,413	-	-	-
Total	128,212	52,998	-	-
Recognised in other comprehensive income:				
Actuarial losses recognized in the year on:				
Present value of defined benefit obligations	90,390	-	-	-
Fair value of pension plan assets	11,246	-	-	-
Total	101,636	-	-	-

Thailand legal severance plan and other long-term employee benefits

The subsidiaries registered in Thailand provide employee benefit provisions based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The Group also provides post retirement medical plan and long service award plan as part of other long-term employee benefits to certain employees based on remuneration and length of service.

The Group adopted TAS 19 Employee Benefits with effect from 1 January 2011 in respect of Thailand legal severance plan. The effect on the financial statements is discussed in Note 3(g). As stated in Note 3(g), the Group has opted to record the entire amount of the transitional obligation as at 1 January 2011, recognised Baht 121.6 million, as an adjustment to retained earnings as at 1 January 2011.

The statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Present value of unfunded obligations	138,145	-	-	-
Unrecognised actuarial losses	23,859	-	-	-
Statement of financial position obligation	162,004	-	-	-

Movement in the present value of the defined benefit obligations

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	121,563	-	-	-
Current service costs and interest	18,929	-	-	-
Actuarial loss recognised in profit or loss	3,779	-	-	-
Actuarial losses recognised in other comprehensive income	20,080	-	-	-
Benefits paid by the plan	(2,347)	-	-	-
Defined benefit obligations at 31 December	162,004	-	-	-

Expense recognized in profit or loss:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Current service costs	14,099	-	-	-
Interest on obligation	4,830	-	-	-
Actuarial loss for other long-term employee benefits	3,779	-	-	-
Total	22,708	-	-	-

The expense is recognized in the following line items in the statement of income:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Cost of sales	17,854	-	-	-
Administrative expenses	4,854	-	-	-
Total	22,708	-	-	-

Actuarial gains and losses recognized in other comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			

Included in retained earnings :

At 1 January	-	-	-	-
Recognised during the year	20,080	-	-	-
At 31 December	20,080	-	-	-

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>%</i>			
Discount rate	3.60%	4.10%	-	-
Future salary increases	5.50%-6.50%	4.00%	-	-

Assumptions regarding future mortality are based on published statistics and mortality tables.

Defined benefit plans established in Europe

Two subsidiaries in Europe have established defined benefit plans that provide pension benefits for their employees upon retirement. The plans entitle a retired employee to receive an annual payment equal to 1/60 of final salary for each year of employment.

The statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Present value of unfunded obligations	80,385	107,111	-	-
Unrecognised actuarial losses	33,998	-	-	-
Unrecognised transitional obligation	48,497	-	-	-
Statement of financial position obligation	162,880	107,111	-	-

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in thousand Baht)			
Movement in the present value of the defined benefit obligations:				
Defined benefit obligations at 1 January	251,552	225,846	-	-
Current service costs and interest	67,621	53,706	-	-
Expected employees contribution	9,758	10,839	-	-
Settlements	93,900	-	-	-
Actuarial losses recognised in other comprehensive income	22,752	-	-	-
Effect of movements in exchange rates	(31,115)	(38,839)	-	-
Total defined benefit obligations at 31 December	414,468	251,552	-	-
Movement in the fair value of plan assets:				
Fair value of plan assets at 1 January	144,441	146,970	-	-
Contributions paid into the plan	906	-	-	-
Expected plan participant contributions	69,559	-	-	-
Settlements	92,426	-	-	-
Expected return on plan assets	4,961	708	-	-
Actuarial losses recognised in other comprehensive income	(11,246)	-	-	-
Effect of movement in exchange rates	(49,459)	(3,237)	-	-
Fair value of plan assets at 31 December	251,588	144,441	-	-
Defined benefit obligations at 31 December	162,880	107,111	-	-

Expense recognized in profit or loss:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Current service costs	55,629	42,188	-	-
Interest on obligation	11,992	11,518	-	-
Expected return on plan assets	(4,961)	(708)	-	-
Expenses capitalised	(2,666)	-	-	-
Total	59,994	52,998	-	-

The expense is recognized in the following line items in the statement of income:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Cost of sales	56,005	52,998	-	-
Administrative expenses	3,989	-	-	-
Total	59,994	52,998	-	-

Actuarial gains and losses recognized in other comprehensive income :

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Included in retained earnings :				
At 1 January	-	-	-	-
Recognised during the year	33,998	-	-	-
At 31 December	33,998	-	-	-

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>%</i>			
Weighted average discount rate	4.90%	4.90%	-	-
Expected return on plan assets	4.90%	4.90%	-	-
Rate of compensation increase	2.45-3.08%	1.50%	-	-

Defined benefit plans established in rest of the world

The statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Present value of unfunded obligations	450,448	-	-	-
Unrecognised actuarial losses	47,558	-	-	-
Unrecognised transitional obligation	(50,189)	-	-	-
Statement of financial position obligation	447,817	-	-	-

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in thousand Baht)			
Movement in the present value of the defined benefit obligations :				
Defined benefit obligations at 1 January	-	-	-	-
Defined benefit obligations assumed upon acquisition of subsidiaries	489,078	-	-	-
Current service costs and interest	48,587	-	-	-
Benefits paid by the plan	(49,425)	-	-	-
Actuarial losses recognized in other comprehensive income	47,558	-	-	-
Effect of movements in exchange rates	(54,201)	-	-	-
Total defined benefit obligations at 31 December	481,597	-	-	-
Movement in the fair value of plan assets:				
Fair value of plan assets at 1 January	-	-	-	-
Fair value of plan assets assumed upon acquisition of subsidiaries	39,333	-	-	-
Contributions paid into the plan	43,928	-	-	-
Benefits paid by the plan	(48,546)	-	-	-
Expected return on plan assets	3,077	-	-	-
Effect of movement in exchange rates	(4,012)	-	-	-
Fair value of plan assets at 31 December	33,780	-	-	-
Defined benefit obligations at 31 December	447,817	-	-	-

Expense recognised in profit or loss:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Current service costs	18,369	-	-	-
Interest cost	30,218	-	-	-
Expected return on plan assets	(3,077)	-	-	-
Total	45,510	-	-	-

The expense is recognised in the following line items in the statement of income:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Cost of sales	24,220	-	-	-
Administrative expenses	21,290	-	-	-
Total	45,510	-	-	-

Actuarial gains and losses recognized in other comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Included in retained earnings :				
At 1 January	-	-	-	-
Recognised during the year	47,558	-	-	-
At 31 December	47,558	-	-	-

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>%</i>			
Weighted average discount rate	6.50%-7.25%	-	-	-
Expected return on plan assets	9.75%	-	-	-
Rate of compensation increase	4.75%-6.00%	-	-	-

Assumptions regarding future mortality are based on published statistics and mortality tables.

22 Share capital

	Par value per share <i>(in Baht)</i>	2011		2010	
		Number	Baht	Number	Baht
		<i>(thousand shares / thousand Baht)</i>			
Authorised					
At 1 January					
- ordinary shares	1	4,815,857	4,815,857	5,082,000	5,082,000
Decrease of shares (a)	1	-	-	(747,729)	(747,729)
Increase of new shares (a)	1	-	-	481,586	481,586
At 31 December					
- ordinary shares	1	4,815,857	4,815,857	4,815,857	4,815,857
Issued and paid					
At 1 January					
- ordinary shares	1	4,334,271	4,334,271	3,351,544	3,351,544
Increase of new shares (a)	1	479,986	479,986	-	-
Increase of new shares (b)	1	-	-	982,727	982,727
At 31 December					
- ordinary shares	1	4,814,257	4,814,257	4,334,271	4,334,271

The increases and decrease of authorised, issued and paid-up shares include:

- (a) The decrease in authorised share capital of the Company from Baht 5,082,000,000 to Baht 4,334,271,047 and the increase in authorised share capital of the Company from Baht 4,334,271,047 to Baht 4,815,856,719 were approved in an extraordinary shareholders' meeting on 17 December 2010. The allocation of 481,585,672 newly issued ordinary shares at the par value of Baht 1 per share as a result of the increase in authorised share capital were reserved for the exercise of Transferable Subscription Rights ("TSRs"). The Company registered the decrease and increase in authorised share capital with the Ministry of Commerce on 17 December 2010 and 20 December 2010, respectively.

The shareholders completed the exercise of TSRs on 24 February 2011 and TSR holders holding 479,986,198 TSRs exercised the right to subscribe for 1 ordinary share for every 1 TSR held at an exercise price of Baht 36 per share. The Company received subscription money, including share premium of Baht 16,799.5 million, totaling Baht 17,279.5 million from the exercise of TSRs. The costs of rights issued of Baht 55.7 million were deducted from share premium. The increase in issued and paid-up capital was registered with the Ministry of Commerce on 1 March 2011.

- (b) On 1 February 2010, the Company received the proceeds from an initial public offering of ordinary shares of 400 million shares at an issue price of Baht 10.20 per share. On 3 February 2010, the Company registered the increase in issued and paid-up capital with the Ministry of Commerce and the Securities and Exchange Commission approved the listing and trading of the shares of the Company. The first trading day of the shares was 5 February 2010. The issued and paid-up capital of the Company increased from Baht 3,351,543,910 to Baht 4,334,271,047 as a result of the initial public offering (400,000,000 shares) and the share exchange offer with IRP (582,727,137 shares) (See Note 1). The costs of the initial public offering of Baht 336.93 million were deducted from share premium.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription money received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

23 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings**Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity**Currency translation differences**

The currency transaction differences accounted for within equity relate to foreign currency differences arising from the translation of the financial statements of foreign operations to Thai Baht.

Revaluation surplus

Revaluation surplus recognised in equity relates to cumulative net changes in the surplus arising from the revaluation of machinery and equipment related to textile production. The revaluation surplus is not available for dividend distribution.

Differences arising from common control transactions

The differences arising from common control transactions represent the excess of the book values of certain subsidiaries over their cost as of the date of their acquisition and have been recorded as a reserve. It is non-distributable and will be retained until the respective subsidiaries are sold or otherwise disposed of.

Fair value changes

The fair value changes account within equity comprises the cumulative net change in the fair value of cash flow hedges until the hedged forecast transaction affects the statement of income.

Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

24 Segment information

Segment information is presented in respect of the Group's business and geographic segments based on the Group's management and internal reporting structure.

Inter-segment pricing is determined on mutually agreed terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest or dividend-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Business segments

The Group comprises the following main business segments:

Segment 1	Manufacture and distribution of solid state polymerised chips, PET performs, closures and blown bottles ("PET")
Segment 2	Manufacture and distribution of purified terephthalic acid ("PTA")
Segment 3	Manufacture and distribution of fibers and yarns ("Fibers and yarns")

Geographic segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographic location of customers. Segment assets are based on the geographical location of the assets.

The Group operates in the following main geographical areas:

Segment 1	Thailand
Segment 2	North America
Segment 3	Europe
Segment 4	Rest of the world

	Consolidated financial statements							
	PET		PTA**/**		Fibers & yarns		Eliminations	
	2011	2010	2011	2010	2011	2010	2011	2010
	<i>(in thousand Baht)</i>							
Revenue from sale of goods	129,671,013	55,869,755	62,695,654	47,991,240	25,184,356	17,236,982	(31,455,109)	(24,239,782)
Interest income	68,873	3,230	12,033	2,059	21,379	8,087	(23,729)	(6,840)
Net foreign exchange gain	446,411	230,586	(31,313)	817,681	3,798	106,487	(267,084)	-
Gain on a bargain purchase	5,906,824	-	-	562,797	845,740	-	-	-
Unallocated revenue	-	-	-	-	-	-	-	-
Total revenue	136,093,121	56,103,571	62,676,374	49,373,777	26,055,273	17,351,556	(31,745,922)	(24,246,622)
Cost of sales	115,597,726	48,421,625	55,140,336	39,548,964	21,989,431	15,108,056	(31,455,108)	(24,205,739)
Selling and administrative expenses	6,634,154	3,027,796	1,443,060	1,525,754	1,184,954	911,432	(14,982)	(3,330)
Impairment losses due to flood, net of insurance income	804,836	-	-	-	839,879	-	-	-
Depreciation and amortization	2,169,871	1,011,717	1,776,676	1,895,219	829,964	564,597	-	-
Unallocated expenses	-	-	-	-	-	-	-	-
Total expenses	125,206,587	52,461,138	58,360,072	42,969,937	24,844,228	16,584,085	(31,470,090)	(24,209,069)
							177,227,437	87,887,757

Consolidated financial statements								
	PET		PTA**		Fibers & yarns		Eliminations	
	2011	2010	2011	2010	2011	2010	2011	2010
								Total
Share of profit (loss) of jointly-controlled Entity, net	-	-	-	-	-	-	-	1,888,164
Profit (loss) before interest and income tax								
expenses	10,886,534	3,642,433	4,316,302	6,403,840	1,211,045	767,471	(275,832)	12,763,940
Interest expense	1,359,688	560,962	471,754	531,933	322,060	162,098	(716,671)	1,187,767
Income tax expense	530,740	320,819	151,230	163,903	44,434	2,516	-	487,238
Unallocated items	-	-	-	-	-	-	-	115,961
Profit after tax	8,996,106	2,760,652	3,693,318	5,708,004	844,551	602,857	440,839	10,972,974
Non-controlling interests	-	-	-	-	-	-	-	(559,590)
Profit for the year	8,996,106	2,760,652	3,693,318	5,708,004	844,551	602,857	440,839	10,413,384

2011 **2010**
(in thousand Baht)

* Includes intercompany revenue on sales to other business segments:

To PET	23,170,762	14,262,238
To Fibers & yarns	7,808,357	8,536,263

** Includes estimated intercompany profit on sales to other

business segments:		
To PET	1,370,777	1,964,685
To Fibers & yarns	461,941	827,962

FORWARD  **THE WAY**

Geographic segments

	Consolidated financial statements					
	Revenue from sale of goods		Segment assets		Capital expenditure	
	2011	2010	2011	2010	2011	2010
	<i>(in thousand Baht)</i>					
Thailand	15,397,758	13,908,715	54,862,256	44,408,853	2,033,858	1,215,133
North America	61,877,413	20,336,930	42,135,768	14,176,918	1,205,655	514,603
Europe	47,625,691	31,224,196	34,433,043	19,349,951	2,064,197	711,914
Rest of the world	61,195,052	31,388,354	14,395,039	4,864	983,608	819
Total	186,095,914	96,858,195	145,826,106	77,940,586	6,287,318	2,442,469

25 Other income

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Insurance claim	505,170	622	-	-
Gain on disposal of assets	7,124	8,354	-	-
Others	299,737	148,039	6,845	21,811
Total	812,031	157,015	6,845	21,811

26 Costs of sales

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Changes in inventories of finished goods and work in process	(3,486,816)	(1,999,054)	-	-
Raw materials and consumables used	148,944,311	72,531,705	-	-
Depreciation and amortisation	4,447,408	3,391,384	-	-
Others	15,849,308	8,142,344	-	-
Total	165,754,211	82,066,379	-	-

27 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Distribution	5,625,672	4,173,789	-	-
Depreciation and amortisation	329,103	80,149	-	-
Travelling expense	62,018	64,163	-	-
Insurance expense	33,122	30,888	-	-
Others	255,634	300,580	-	-
Total	6,305,549	4,649,569	-	-

28 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Personnel expense	1,519,112	518,025	-	-
Professional fees	381,604	120,505	29,327	31,488
Others	1,495,225	422,431	17,170	1,854
Total	3,395,941	1,060,961	46,497	33,342

29 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Management				
Wages and salaries	70,222	57,405	-	-
Contribution to defined contribution plans and social security	5,140	741	-	-
Others	51,659	52,702	24,061	6,780
	127,021	110,848	24,061	6,780
Other employees				
Wages and salaries	3,524,984	2,029,750	-	-
Contribution to defined contribution plans and social security	268,220	94,014	-	-
Bonus	266,935	240,117	-	-
Staff welfare	514,372	160,117	-	-
Others	118,813	308,678	-	-
	4,693,324	2,832,676	-	-
Total employee benefit expense	4,820,345	2,943,524	24,061	6,780

Provident funds

These defined contribution plans comprise provident funds established by a subsidiary of the Company for its Thai employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at the rate of 3 - 5% of their basic salaries and by the Company at the rate of 3 - 5% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager. Total expense recognised by the Thai entities for contribution plans for the year ended 31 December 2011 amounted to approximately Baht 10.4 million (2010: Baht 0.7 million).

Employee retirement schemes

Subsidiaries in U.S.A established a 401(k) plan that allows eligible employees to contribute up to 60% of their compensation, with the Company matching 50% of employee contributions up to 6% of their compensation. The plan also allows discretionary profit sharing contributions to be made by management. Total expense recognised for the plan for the year ended 31 December 2011 amounted to approximately USD 1.2 million (Baht 37.1 million) (2010: USD 0.1 million (Baht 1.8 million)).

One subsidiary in Europe have established a defined contribution plan that provides benefits for its employees upon retirement. Total annual contribution by the employer to the plans is defined by the annual and risk premiums charged by the insurance company. Total expense recognized for the plans for the year ended 31 December 2011 was GBP 0.3 million (Baht 15.6 million) (2010: GBP 0.3 million (Baht 15.0 million)).

Subsidiaries in Europe have established defined benefit plans that provide benefits for its employees upon retirement (see Note 21). Total annual contribution by the employer to the plans is defined by the annual and risk premiums charged by the insurance company. Total expense recognized for the plans for the year ended 31 December 2011 was EUR 1.4 million (Baht 60.0 million) (2010: EUR 1.3 million (Baht 53.0 million)).

Two subsidiaries in Indonesia have a defined benefit plan that provides employee benefit upon termination of employment, death, disability and voluntary resignation as required per existing laws (see Note 21). Total expenses recognized for the plan for the year ended 31 December 2011 was USD 0.2 million (Baht 5.0 million).

One subsidiary in Mexico has established a defined benefit plan that provides benefits to employees upon retirement (see Note 21). The total expenses recognized for the plan for the year ended 31 December 2011 was MXN 16.6 million (Baht 40.5 million).

30 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Included in cost of sales of goods:				
Changes in inventories of finished goods and work in progress	(3,486,816)	(1,999,054)	-	-
Raw materials and consumables used	148,944,311	72,531,705	-	-
Employee benefits expense	3,174,212	2,314,651	-	-
Depreciation and amortisation expense	4,447,408	3,391,384	-	-
Included in selling and administrative expenses:				
Employee benefits expense	1,519,112	518,025	-	-
Depreciation and amortisation expense	329,103	80,149	-	-

31 Finance costs

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
Interest expense:					
Related parties	6	-	-	3,401	-
Financial institutions		2,377,783	1,316,204	932,659	115,354
		2,377,783	1,316,204	936,060	115,354
Less: capitalised as part of construction in progress	14	(7,720)	(13,084)	-	-
Net		2,370,063	1,303,120	936,060	115,354

32 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	717,887	486,957	-	608
Adjustments for prior years	24,354	889	-	-
Total	742,241	487,846	-	608

The current tax expense in the consolidated statement of income is less than the amount determined by applying the Thai corporation tax rate to the accounting profit for the year, principally, because a significant portion of the Group's profit was derived from a) promoted activities (see Note 33) which are not subject to tax, b) overseas entities for which the corporation tax rates are lower than Thai corporation tax rate, and because of unutilised tax losses brought forward from the previous year which have been utilised during the year to set-off against the current year's tax charge.

33 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, certain subsidiaries incorporated in Thailand have been granted privileges by the Board of Investment at various times relating to their manufacturing of worsted wool yarn, wool top, Purified Terephthalic Acid (PTA), polyethylene terephthalate resin, PET preforms and closures and amorphous resin ("promoted operations"). The privileges granted include:

- (a) exemption from payment of import duty on machinery approved by the Board of Investment;
- (b) exemption from payment of income tax on net profit from promoted operations for a period of eight years from the date on which income is deemed to first derive from such operations;
- (c) a 50% reduction in the normal income tax rate on the net profit derived from promoted operations for a period of five years, commencing from the expiry date in (b) above;
- (d) a five-year carry forward period for losses for tax purposes from promoted operations during the period in (b) above;
- (e) income exclusions and additional deductions in computing the taxable income for promoted operations during the period in (b) above;
- (f) exemption from income tax on dividend paid to the shareholders from the profit of the promoted operation during the corporate income tax exemption period; and
- (g) double deduction of the cost of transportation, electricity and water supply for corporate income tax purposes for a period of ten years, from the date on which income is deemed to first derive from promoted operations.

As promoted companies, the subsidiaries in Thailand must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

Consolidated financial statements						
	2011			2010		
	Promoted businesses	Non- promoted businesses	Total (a)	Promoted businesses	Non- promoted businesses	Total (a)
	<i>(in thousand Baht)</i>					
Export sales	24,604,518	21,040,963	45,645,481	18,553,644	17,889,410	36,443,054
Local sales	21,097,141	17,878,552	38,975,693	22,294,146	13,432,243	35,726,389
Total revenue	45,701,659	38,919,515	84,621,174	40,847,790	31,321,653	72,169,443

- (a) excluding revenues from foreign subsidiaries and inter-company eliminations.

34 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2011 and 2010 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)Housand Shares</i>			
Profit attributable to ordinary shareholders of the Company (basic)	15,567,966	10,413,384	7,156,439	3,387,013
Number of ordinary shares outstanding				
at 1 January	4,334,271	3,351,544	4,334,271	3,351,544
Effect of shares issued on 5 February	-	888,493	-	888,493
Effect of shares issued on 28 February	403,714	-	403,714	-
Weighted average number of ordinary shares outstanding (basic)	4,737,985	4,240,037	4,737,985	4,240,037
Earnings per share (basic) (in Baht)	3.29*	2.46**	1.51	0.80

* Includes gain on a bargain purchase of Baht 1.43 per share and share of profit of jointly-controlled entities of Baht 0.27 per share

** Includes gain on a bargain purchase of Baht 0.13 per share and share of profit of jointly-controlled entity of Baht 0.45 per share

35 Dividends

At the annual general meeting of the shareholders of the Company held on 27 April 2010, the shareholders approved the appropriation of dividend of Baht 0.33 per share, amounting to Baht 1,430.3 million. The dividend was paid to shareholders in May 2010.

At the annual general meeting of the shareholders of the Company held on 27 April 2011, the shareholders approved the appropriation of dividend of Baht 0.66 per share, amounting to Baht 3,177.4 million. The dividend was paid to shareholders in May 2011.

At the meeting of the board of directors of the Company held on 10 August 2011, the board of directors approved the appropriation of interim dividend of Baht 0.50 per share, amounting to Baht 2,407.0 million. The dividend was paid to shareholders in September 2011.

36 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding minority interests. The Board of Directors also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from its borrowings (see Note 18).

The effective interest rates of loans to related parties as at 31 December and the periods in which the loans mature or reprice were as follows:

	Effective interest rate (% per annum)	Separate financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
			(in thousand Baht)		
2011					
Current					
Short-term loans to related Parties	1.38-5.00	24,620,318	-	-	24,620,318
Non-current					
Long-term loans to related parties	1.36-5.00	-	2,369,346	-	2,369,346
Total		24,620,318	2,369,346	-	26,989,664
2010					
Current					
Short-term loans to related Parties	0.75-1.38	5,681,235	-	-	5,681,235
Non-current					
Long-term loans to related party	0.75-5.13	-	-	1,163,172	1,163,172
Total		5,681,235	-	1,163,172	6,844,407

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Consolidated financial statements				
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2011					
Current					
Bank overdrafts	2.37-6.38	152,115	-	-	152,115
Short-term loans from financial institutions	1.41-8.58	13,524,751	-	-	13,524,751
Long-term loans from financial institutions	1.13-9.02	6,440,134	-	-	6,440,134
Finance lease liabilities	3.15-7.37	18,375	-	-	18,375
Non-current					
Long-term loans from financial institutions	1.13-9.02	-	31,216,957	2,485,019	33,701,976
Finance lease liabilities	3.15-7.37	-	40,086	-	40,086
Debentures	4.50-5.35	-	2,888,016	4,580,642	7,468,658
Total		20,135,375	34,145,059	7,065,661	61,346,095

	Consolidated financial statements				
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2010					
Current					
Bank overdrafts	5.13	45,137	-	-	45,137
Short-term loans from financial institutions	1.40-7.73	5,319,756	-	-	5,319,756
Long-term loans from financial institutions	1.87-5.94	5,912,535	-	-	5,912,535
Finance lease liabilities	3.15-7.33	22,135	-	-	22,135
Non-current					
Long-term loans from financial institutions	1.87-5.94	-	18,722,062	1,988,429	20,710,491
Finance lease liabilities	3.15-7.33	-	58,424	-	58,424
Total		11,299,563	18,780,486	1,988,429	32,068,478

	Effective interest rate	Within 1 year	After 1 year but within 5 years	After 5 years	Total
	(% per annum)		(in thousand Baht)		
2011					
Current					
Short-term loans from related parties	1.63-2.38	164,300	-	-	164,300
Long-term loans from financial institutions	1.96-5.47	2,454,764	-	-	2,454,764
Non-current					
Long-term loans from financial institutions	1.96-5.47	-	15,666,882	1,955,065	17,621,947
Debentures	4.50-5.35	-	2,888,016	4,580,642	7,468,658
Total		2,619,064	18,554,898	6,535,707	27,709,669
2010					
Current					
Long-term loans from financial institutions	1.99-5.94	753,246	-	-	753,246
Non-current					
Long-term loans from financial institutions	1.99-5.94	-	2,722,665	934,200	3,656,865
Total		753,246	2,722,665	934,200	4,410,111

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge certain financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at balance sheet date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

As at 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
		(in thousand Baht)			
United States Dollars					
Cash and cash equivalents	7	555,987	56,357	-	-
Other investments	8	170,650	345,180	-	-
Trade accounts receivable	9	11,535,070	7,184,966	-	-
Interest-bearing liabilities	18	(19,845,165)	(12,759,827)	(399,375)	(449,220)
Trade accounts payable	19	(7,448,459)	(3,990,823)	-	-
Gross balance sheet exposure		(15,031,917)	(9,164,147)	(399,375)	(449,220)
Euro					
Cash and cash equivalents	7	1,930,022	918,233	-	-
Other investments	8	257,281	196,546	-	-
Trade accounts receivable	9	4,989,420	1,767,741	-	-
Interest-bearing liabilities	18	(6,199,304)	(6,148,346)	-	(429,228)
Trade accounts payable	19	(3,519,958)	(3,004,958)	-	-
Gross balance sheet exposure		(2,542,539)	(6,270,784)	-	(429,228)
Pounds Sterling					
Cash and cash equivalents	7	4,323	59,266	-	-
Trade accounts receivable	9	323	396,346	-	-
Trade accounts payable	19	(149,088)	(8,610)	-	-
Gross balance sheet exposure		(144,442)	447,002	-	-
Lithuanian Litas					
Cash and cash equivalents	7	23,123	37,052	-	-
Trade accounts receivable	9	101,525	54,251	-	-
Trade accounts payable	19	(76,269)	(66,730)	-	-
Gross balance sheet exposure		48,379	24,573	-	-
Japanese Yen					
Trade accounts receivable	9	-	9,102	-	-
Interest-bearing liabilities	18	-	(2,995)	-	-
Trade accounts payable	19	(4,918)	(787)	-	-
Gross balance sheet exposure		(4,918)	5,320	-	-
Nigerian Naira					
Cash and cash equivalents	7	81,301	901	-	-
Trade accounts receivable	9	895	-	-	-
Trade accounts payable	19	(8,116)	-	-	-
Gross balance sheet exposure		74,080	901	-	-

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
		(in thousand Baht)			
Chinese Yuan					
Cash and cash equivalents	7	303,331	-	-	-
Trade accounts receivable	9	890,877	-	-	-
Interest-bearing liabilities	18	(1,352,722)	-	-	-
Trade accounts payable	19	(372,200)	-	-	-
Gross balance sheet exposure		(530,714)	-	-	-
Mexican Peso					
Cash and cash equivalents	7	655,942	-	-	-
Trade accounts receivable	9	4,636,243	-	-	-
Interest-bearing liabilities	18	(158,043)	-	-	-
Trade accounts payable	19	(2,956,947)	-	-	-
Gross balance sheet exposure		2,177,195	-	-	-
Polish Zloty					
Cash and cash equivalents	7	378,259	-	-	-
Other investments	8	560	-	-	-
Trade accounts receivable	9	371,782	-	-	-
Trade accounts payable	19	(672,451)	-	-	-
Gross balance sheet exposure		78,150	-	-	-
Indonesian Rupiah					
Cash and cash equivalents	7	163,929	-	-	-
Trade accounts receivable	9	93,848	-	-	-
Trade accounts payable	19	(138,667)	-	-	-
Gross balance sheet exposure		119,110	-	-	-
Swiss Franc					
Cash and cash equivalents	7	1,259	1,313	-	-
Trade accounts payable	19	(59)	-	-	-
Gross balance sheet exposure		1,200	1,313	-	-
Australian Dollars					
Trade accounts receivable	9	-	57	-	-
Trade accounts payable	19	(15,750)	-	-	-
Gross balance sheet exposure		(15,750)	57	-	-
Singapore Dollars					
Trade accounts payable	19	(26)	-	-	-
Gross balance sheet exposure		(26)	-	-	-

The net fair value of currency swaps and forward exchange contracts at 31 December 2011 was Baht 2,954.6 million (net asset transactions) (2010: Baht 4,921.2 million).

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. However, due to the large number of parties comprising the Group's customer base, management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Determination of fair values

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of trade and other accounts receivables is taken to approximate the carrying value.

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

The fair value of forward exchange contracts is based on their listed market prices, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

As at 31 December 2011 and 2010, the financial assets and liabilities have fair values that do not differ significantly from the amounts recorded in the statement of financial position.

37 Commitments with non-related parties

	Consolidated financial statements	
	2011	2010
	<i>(in million Baht)</i>	
Capital commitments		
Contracted but not provided for		
Land and land improvements	98	-
Buildings and other construction	174	253
Machinery and equipment	1,957	940
Total	2,229	1,193
Non-cancellable operating lease commitments		
Within one year	347	182
After one year but within five years	684	564
After five years	385	4,239
Total	1,416	4,985
Other commitments		
Purchase orders and letters of credit for goods and supplies	2,177	315
Bank guarantees	731	1,166
Bills discounted	436	104
Other	5	-
Total	3,349	1,585

Other commitments

Certain subsidiaries have executed long-term purchase agreements committing them to purchase agreed quantities of raw materials for periods up to three years, at prices linked to the market prices of the underlying commodities.

38 Contingent liabilities

On 18 December 2009, Eastman Chemical Company ("Eastman") filed a complaint in the Delaware District Court, USA against four subsidiaries of the Company alleging the infringement of certain patents owned by Eastman, a breach of the technology license agreement between Eastman and the defendants and the misappropriation of Eastman's confidential and proprietary trade secret information. No damages were specified.

In 2011, DAK Americas LLC ("DAK") acquired the PTA and PET business of Eastman Chemical Company in USA together with the intellectual property on technology of Eastman, with DAK as the exclusive licensee. Subsequent to the sale of business, Eastman filed a motion to substitute DAK and Grupo Petrotemex, S.A. de C.V. ("Petrotemex"), an affiliate of DAK, as plaintiffs, but the subsidiaries of the Company opposed the motion. Subsequently, Petrotemex and DAK filed a complaint against AlphaPet Inc., an indirect subsidiary of the Company, in the District Court of Delaware for infringement of certain patents which Petrotemex asserts it owns and exclusively licenses to DAK Americas LLC. On 29 December 2011, the litigation was consolidated with the litigation by Eastman.

The defendants have appointed legal counsel to defend their interests. At this time, the outcome of the proceedings or the total amount of possible damages, if any, cannot be reasonably estimated. Management believes that the outcome of the proceedings will not have a material adverse effect on the Company's consolidated financial position, results of operations, or cash flows.

On 15 November 2011, M&G USA Corporation ("M&G") and Cobarr S.P.A. ("Cobarr") filed a complaint in Delaware District Court, USA against three subsidiaries of IVL and Invista North America S.A.R.L. from which IVL bought its business in March 2011 (see Note 5(vii)). M&G and Cobarr alleged the infringement of certain patents which are claimed to be owned by M&G and Cobarr. On 13 January 2012, the plaintiffs agreed to dismiss the case against one subsidiary of the Company. The subsidiaries have appointed legal counsel to defend their interests. At this time, the outcome of the proceedings or the total amount of possible damages, if any, cannot be reasonably estimated. Management believes that the outcome of the proceedings will not have a material adverse effect on the Company's consolidated financial position, results of operations, or cash flows.

39 Impact of flooding

The Group's operations in Lopburi, directly and indirectly owned by subsidiaries, have been and continue to be, adversely affected by the unusually severe flooding in parts of Thailand. The production plants at Lopburi site were inundated by flood water on 23 September 2011 causing the production at those plants to stop from that date. As of the date of the approval of these consolidated financial statements, management and surveyors have entered and carried-out out a detailed review of the damage and filed insurance claim for damages to inventories and property, plant and equipment with the insurance company. The loss of profit from business interruption is being assessed by the management and surveyors and a claim in this regard will be filed later with the insurance company. The management believes that any damages will be fully covered by the Group's insurance policies through which the Group will be able to claim for provisions made and losses incurred. The recovery of damages from insurance company is expected to be received in partial payments over time.

Based on assessment of damage and claims filed with insurance company by the management in consultation with the insurers and relevant independent experts, the consolidated financial statements for the year ended 31 December 2011 included the following loss resulting from the flood damage:

	<i>(in million Baht)</i>
Impairment of inventory	(565)
Impairment of plant and equipment	(1,272)
Total impairment loss related to flood	(1,837)
Reversal of previously recognised revaluation reserve	162
Total impairment loss related to flood recognised in statement of income	(1,675)
Insurance reimbursement partially received after 31 December 2011	30
Net impairment loss related to flood recognised	(1,645)

Total assets of Lopburi site in the consolidated statement of financial position as at 31 December 2011 amounted to Baht 3,970.8 million and total revenue of Lopburi site recorded in the consolidated statements of income for the year ended 31 December 2011 amounted to Baht 7,185.7 million.

40 Events after the reporting period

(i) ***FibreVisions Holdings LLC, USA***

On 4 January 2012, the board of directors approved the acquisition of 100% equity interest, through Indorama Ventures Performance Fibers Holdings USA LLC, its indirect subsidiary, of FiberVisions Holdings LLC. FiberVisions is a global manufacturer of specialty mono and bi-component fibers based in Duluth, Georgia, USA with other manufacturing facilities located in Europe and China. The agreed purchase price of business is USD 181.0 million (Baht 5,692.9 million). The products are used in non-woven industries and used for various applications in hygiene, wipes, construction, automotive and textile sectors. The transaction was completed on 6 January 2012.

(ii) ***Old World Industries I, Ltd. and Old World Transportation, Ltd., USA***

On 28 January 2012, the board of directors approved the acquisition of 100% partnership interest in Old World Industries I Ltd., and Old World Transportation Ltd., (collectively, "Old World"), located in Clear Lake, Texas, USA.

Old World, is the manufacturer and distributor of purified ethylene oxide, mono ethylene glycol, di ethylene glycol and triethylenglycol with production facility in the U.S.. Mono Ethylene Glycol (MEG) is one of the key components, together with Purified Terephthalic Acid (PTA), in the manufacture of Polyethylene Terephthalate (PET) and polyester, fibers and yarns.

IVL has signed a definitive purchase agreement on 6 February 2012 with the seller in USA and the transaction is expected to be completed in the first quarter of 2012 subject to the applicable regulatory approvals. Total acquisition value under the purchase agreement is approximately USD 795.0 million (Baht 24,574.9 million).

(iii) ***Reorganization***

In December 2011, Trevira Holdings GmbH, a jointly-controlled entity, announced a strategic reorganization of its business under its 100% owned subsidiaries in Germany and Poland to improve production and marketing efficiencies. The management of Trevira proposes to reorganize and consolidate the strategic location of all its filament yarn production by moving its texturizing capacity from Zielona Gra in Poland owned by Trevira Sp. z o.o. in Poland, to its production facilities in Guben, Germany owned by Trevira GmbH in Germany. Trevira management expects that this will enable the business to lower its cost structure and serve customers more efficiently. A provision for related severance payments of EUR 1.6 million (Baht 66.1 million) and an impairment loss on machinery of EUR 0.4 million (Baht 16.2 million) were recorded in the Trevira's statement of income for the year ended 31 December 2011. The reorganization is expected to be completed by the end of 2012.

In January 2012, IVL decided to merge its two indirect subsidiaries which are IVL Poland Sp. z o.o. which is a holding company in Poland, with Indorama Polymers Poland Sp. z o.o. which owns and operates a plant in the business of PET polymers in Poland. The merged entity will be registered as Indorama Ventures Poland Sp. z o.o. The objective is to streamline structure and will not have any impact on operations and financials of the business.

(iv) ***Dividend declaration***

On 22 February 2012, the board of directors proposed for the dividend payment of Baht 0.50 per share, amounting to Baht 2,407.1 million. This dividend payment is subject to the approval by the shareholders of the Company.

(v) Tax rate

On 11 October 2011, the Cabinet announced the change in the corporate income tax rate to 23% for accounting periods ending 31 December 2012 or after, and to 20% for accounting periods ending 31 December 2013 onward. This subsequent change in tax rate has no effect on the Group's/Company's financial statements for the year ended 31 December 2011.

41 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the following new and revised TFRS that have been issued as of the reporting date but are not yet effective. The new and revised TFRS are anticipated to become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table.

TFRS	Topic	Year effective
TAS 12	Income Taxes	2013
TAS 20	Accounting for Government Grants and Disclosures of Government Assistance	2013
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates	2013
TFRS 8	Operating Segments	2013

Management is presently considering the potential impact of adopting and initially applying these new and revised TFRS on the consolidated and separate financial statements.

42 Reclassification of accounts

Certain accounts in the 2010 financial statements have been reclassified to conform to the presentation in the 2011 financial statements. These reclassifications have principally been made following changes in accounting policies consequent to the adoption of new or revised TFRS as disclosed in Note 3. Other significant reclassifications were as follows:

	2010					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
	(in million Baht)					
Statement of financial position as at 31 December 2010						
Other non-current assets	319	(136)	183	5	(5)	-
Current portion of long-term loans from financial institutions	5,954	41	5,913	755	2	753
Long-term loans from financial institutions	20,805	95	20,710	3,660	3	3,657
		-			-	
Statement of income as at 31 December 2010						
Cost of Sale of goods	82,264	(198)	82,066	-	-	-
Administrative expenses	827	234	1,061	-	-	-
Management benefit	147	(36)	111	-	-	-
		-			-	

The reclassifications have been made because in the opinion of management, the new classification is more appropriate to the Group's business.



INNOVATION & GLOBAL COVERAGE



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