

Press Release



Indorama Ventures to Support Manufacturing Revival in Egypt. Delighted to Team Up with Indian JV partner 'Dhunseri' to Restart EIPET (Egyptian Indian Polyester Company S.A.E.) and Create 300 Jobs

- Restart serves growing need for sustainable packaging in Egypt and in the region.
- EIPET will help Egypt generate US\$300 million of positive trade balance as imported resin is phased out and net exports of resin and packaging commence.
- Indorama Ventures Portugal PTA will ensure feedstocks for EIPET with short transit times.
- Focus on balancing market need for recyclable PET packaging supply chain with reliable manufacturing.

Bangkok, Thailand – 15 June 2018 – Indorama Ventures Public Company Limited (IVL), a global chemical producer, announced that it has entered into a joint venture agreement with Dhunseri Petrochem Ltd. (Dhunseri) to acquire its Egyptian Indian Polyester Company S.A.E. (EIPET) PET⁽¹⁾ facility located in Ain Sokhna free trade zone, North West of the Gulf of Suez in Egypt. This plant has a manufacturing capacity of 540,000 tonnes per annum. The transaction takes place with immediate effect. Restart activities for manufacturing recyclable PET has commenced and key raw material PTA will be shipped from IVL Portugal soon after restart of Portugal PTA production anticipated in early July 2018.

This joint venture between Dhunseri and IVL allows for an uninterrupted supply of recyclable PET, which promotes the development of the consumer beverage industry and increases demand for sustainable packaging. Indorama Ventures will bring its world class capability and supply chain economics to the JV in order to competitively serve customers growing needs of sustainable packaging in Egypt and in the region as a whole and will be one of the largest project in EMEA. IVL is one of the few integrated producer of PTA and PET in Europe-Middle East-Africa (EMEA) spanning Lithuania in the North East and Nigeria in West Africa. IVL is the largest producer in Turkey for recyclable PET and producer of PTA and PET in Rotterdam, The Netherlands and in the Iberian Peninsula.

IVL is focused on balancing market needs for recyclable PET packaging, which has faced unprecedented economic challenges over last several years leading to uncompetitive supplies and disruptions in recent times. The facility in Egypt will lead to easing supply concerns in North Africa and in the Common Market for Eastern and Southern Africa (COMESA) as well as the markets covered by the several Free Trade Agreements (FTA) which Egypt is a signatory to.

The EIPET plant is strategically located in Ain Sokhna free trade zone, Egypt, offering logistics advantage when sourcing feedstocks and delivering end products in key markets, domestically and internationally. This facility is one of the largest in the Middle East and Africa and is well-positioned to cater to the increasing packaging needs of customers in the region and elsewhere. The economic resurgence in the region is expected to further improve demand growth potential, which currently is at around 7% per annum. Both partners are confident about the reforms that President El-Sisi has brought about in Egypt and the JV is a step forward to fulfilling the commitment made to the Egyptian authorities over the past three years.

Dhunseri and Indorama Ventures have established a sound business rapport and support mechanism in India since 2016 and expects to achieve continued success in this follow up investment in Egypt. Indorama Ventures has successfully revived a PTA producer in Portugal following the previous owner's bankruptcy and has recently taken on the revitalization of Brazil's largest PET plant, which faced a serious financial crisis after its former parent went in liquidation. The revival of these businesses will support easing of reliable supplies by IVL to its customers and help grow sustainable packaging in markets worldwide.

The addition of EIPET will increase Indorama Ventures' existing global PET capacity by 10%. This plant uses the same technology as deployed at the IVL Dhunseri facility in India, allowing the Company to leverage its proven

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operational expertise and track record of successful integration. This recently built facility will be among Indorama Ventures' finest in terms of scale and competitiveness, enabling the Company to maintain its position at the forefront of the industry and serving customer needs in every geography in a timely and reliable manner.

Indorama Ventures expects to be able to leverage on internal feedstock supply of PTA⁽²⁾ from its manufacturing base in Asia and Iberian Peninsula as well as IPA⁽³⁾ from its facility in Spain, enabling it to utilize its assets more efficiently and ensure supply continuity to all its customers. In addition, this joint venture will also open up a new avenue for growth by providing immediate access to a large domestic market and duty-free access to North and East Africa through preferential trade agreements in the region. Additional volume can be exported, with duty-free privileges to key Western markets that currently face limited availability of supply.

Commenting on this joint venture, Mr. Alope Lohia, Group CEO of Indorama Ventures said, "I am delighted to extend our strategic partnership with Dhunseri through this acquisition. EIPET is a good fit with Indorama Ventures' strategy in the recyclable and sustainable PET business, where the Company aims to supplement its position and build scale in key markets. EIPET also marks Indorama Ventures' maiden entry into Egypt, complementing our existing footprint in EMEA. EIPET will provide meaningful opportunities for feedstock integration from our existing assets while allowing us to serve our customers in growth markets of Egypt and in the region."

Mr. C. K. Dhanuka, Executive Chairman of Dhunseri said, that "Our JV in India has been extremely smooth and provided a win-win situation for both, the customer and us. After experiencing the JV in India, we are very upbeat on entering the same in Egypt, which will be again a equal ownership JV."

⁽¹⁾ Polyethylene Terephthalate

⁽²⁾ Purified Terephthalic Acid

⁽³⁾ Isophthalic Acid

About Indorama Ventures

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

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

EMEA:	The Netherlands, Germany, Ireland, France, UK, Italy, Denmark, Lithuania, Poland, Czech Republic, Luxembourg, Spain, Turkey, Nigeria, Ghana, Portugal
Americas:	USA, Mexico, Canada, Brazil
Asia:	Thailand, Indonesia, China, India, the Philippines, Myanmar

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About Dhunseri

Dhunseri Group of Kolkata is primarily engaged in the tea business, which is the oldest business of the group. With the acquisition of two companies in Malawi in 2012 owning two tea estates, Dhunseri group has also entered into a new business of Macadamia plantation. This marked the extension of more than a five-decade Indian tea company to international plantations.

The group is also into the Petrochem business, Dhunseri Petrochem Ltd. being in an equal joint venture with Indorama Ventures Public Company Limited through its J.V., "IVL Dhunseri Petrochem Industries Pvt. Ltd." operating two PET Resin plants in Haldia and one PET resin plant in district Karnal in the state of Haryana with an effective capacity of both the units to be around 700,000 tons per annum.

Further, the group is also into the business of developing and providing infrastructure facilities in Special Economic Zone for information technology, interest in F&B sector and the business of treasury operations.

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Note:

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