



CHEMICALS
A WORLD OF POLYMERS

M&G Chemicals

(incorporated under the laws of the Grand Duchy of Luxembourg with limited liability)

Stock Code: 1040

GLOBAL OFFERING

Sole Sponsor, Bookrunner and Lead Manager



Senior Co-Lead Managers



Financial Adviser



IMPORTANT

If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.



CHEMICALS
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GLOBAL OFFERING

Number of Offer Shares under the Global Offering	: 2,353,060,000 Offer Shares (subject to adjustment and the Over-allotment Option)
Number of Hong Kong Public Offer Shares	: 235,308,000 Offer Shares (subject to adjustment and reallocation)
Number of International Offer Shares	: 2,117,752,000 Offer Shares (subject to adjustment, reallocation and the Over-allotment Option)
Maximum Offer Price	: HK\$1.95 per Offer Share payable in full on application subject to refund on final pricing, plus brokerage of 1%, SFC transaction levy of 0.003% and Hong Kong Stock Exchange trading fee of 0.005%
Nominal Value	: €0.10
Stock Code	: 1040

Sole Sponsor, Bookrunner and Lead Manager



Senior Co-Lead Managers



Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in "Appendix VI — Documents Delivered to the Registrar of Companies and Available for Inspection", has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies Ordinance of Hong Kong (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or for any other documents referred to above.

The Offer Price is expected to be fixed by agreement between the Bookrunner (on behalf of the Underwriters) and us on the Price Determination Date. The Price Determination Date is expected to be on or about December 7, 2013 and, in any event, not later than December 12, 2013. The Offer Price will be not more than HK\$1.95 and is currently expected to be not less than HK\$1.65. If, for any reason, the Offer Price is not agreed by December 12, 2013 between the Bookrunner (on behalf of the Underwriters) and us, the Global Offering will not proceed and will lapse. Investors applying for Hong Kong Public Offer Shares must pay, on application, the Maximum Offer Price stated in the Application Forms, together with brokerage of 1%, SFC transaction levy of 0.003% and Hong Kong Stock Exchange trading fee of 0.005%.

The Bookrunner (on behalf of the Underwriters, and subject to our consent) may reduce the number of Offer Shares and/or the indicative offer price range below that stated in this prospectus at any time prior to the morning of the last day for the lodging of applications under the Hong Kong Public Offer. In such a case, an announcement will be published in the South China Morning Post (in English) and Hong Kong Economic Times (in Chinese) and on the websites of the Hong Kong Stock Exchange at www.hkexnews.hk and our Company at www.mg-chemicals.com not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offer. Further details are set out in the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Public Offer Shares".

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in the prospectus, including the risk factors in the section headed "Risk Factors".

The obligations of the Hong Kong Underwriter under the Hong Kong Underwriting Agreement are subject to termination by the Bookrunner of the Hong Kong Public Offer (on behalf of the Hong Kong Underwriter) if certain grounds arise prior to 8:00 a.m. on the day that trading in the Offer Shares commences on the Hong Kong Stock Exchange. Such grounds are set out in the section headed "Underwriting" in this prospectus.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered or sold within the United States, except that the Offer Shares may be offered or sold (i) in reliance upon the exemption from registration under the U.S. Securities Act provided by, and in accordance with, Rule 144A or pursuant to another available exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act or (ii) outside the United States in accordance with Regulation S.

* For identification purposes only

November 29, 2013

EXPECTED TIMETABLE

Expected Date and Time⁽¹⁾

Application lists open⁽²⁾ 11:45 a.m. on Friday, December 6, 2013

Latest time to:

- complete electronic applications under the **White Form eIPO** service through the designated website, www.eipo.com.hk ⁽³⁾ 11:30 a.m. on Friday, December 6, 2013
- lodge **WHITE** and **YELLOW** Application Forms 12:00 noon on Friday, December 6, 2013
- complete payment of **White Form eIPO** applications by effecting internet banking transfer(s) or PPS payment transfer(s) 12:00 noon on Friday, December 6, 2013
- give **electronic application instructions** to HKSCC⁽⁴⁾ 12:00 noon on Friday, December 6, 2013

Application lists close 12:00 noon on Friday, December 6, 2013

Expected Price Determination Date Saturday, December 7, 2013

Announcement of:

- the Offer Price for Offer Shares under the Global Offering;
- the indication of the level of interest in the International Offer;
- the level of applications in the Hong Kong Public Offer; and
- the basis of allotment of the Hong Kong Public Offer Shares

to be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) and on the websites of the Hong Kong Stock Exchange at www.hkexnews.hk and our Company at www.mg-chemicals.com on or before Friday, December 13, 2013

Results of allocations in the Hong Kong Public Offer (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels (please see paragraph headed "Publication of Results" in the section headed "How to Apply for Hong Kong Public Offer Shares") from Friday, December 13, 2013

Results of allocation in Hong Kong Public Offer will be available at www.iporesults.com.hk with a "search by ID" function Friday, December 13, 2013

Dispatch of Share certificates in respect of wholly or partially successful applications on or before⁽⁵⁾ Friday, December 13, 2013

Dispatch of refund cheques in respect of wholly or partially unsuccessful applications on or before⁽⁴⁾ Friday, December 13, 2013

Dispatch of White Form e-Refund payment instructions on or before Friday, December 13, 2013

Dealings in Shares on the Hong Kong Stock Exchange expected to commence on Monday, December 16, 2013

EXPECTED TIMETABLE

Notes:

- (1) All times refer to Hong Kong local time, except as otherwise stated.
- (2) If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, December 6, 2013, the application lists will not open on that day. Please see the section headed “How to Apply for Hong Kong Public Offer Shares — 10. Effect of Bad Weather on the Opening of the Application Lists”.
- (3) You will not be permitted to submit your application through the designated website at www.eipo.com.hk after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
- (4) The Price Determination Date is expected to be on or about December 7, 2013. If for any reason the Offer Price is not agreed on or before December 12, 2013, the Global Offering will not proceed.
- (5) e-Refund payment instructions or refund cheques will be issued in respect of wholly or partially unsuccessful applications and in respect of successful applications in the event that the Offer Price is less than the offer price per Offer Share initially paid on application. If you apply through the **White Form eIPO** service by paying the application monies through a single bank account, you may have e-Refund payment instructions (if any) dispatched to your application payment bank account on Friday, December 13, 2013. If you apply through the **White Form eIPO** service by paying the application monies through multiple bank accounts, you may have refund cheque(s) sent to the address specified in your application instructions to the designated **White Form eIPO** Service Provider on Friday, December 13, 2013, by ordinary post and at your own risk. Part of your Hong Kong Identity Card number/Passport number, or, if you are joint applicants, part of the Hong Kong Identify Card number/Passport number of the first-named applicant, provided by you may be printed on your refund cheque, where appropriate. Such data would also be transferred to a third party for refund purposes. Your banker may require verification of your Hong Kong Identify Card number/Passport number before encashment of your refund cheque. Inaccurate completion of your Hong Kong Identify Card number/Passport number may lead to delay in encashment of or may invalidate your refund cheque.

If you have applied for 1,000,000 Hong Kong Public Offer Shares or more and have provided all required information, you may collect your Share certificate(s) (where applicable) and your refund cheque(s) (where applicable) from your Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Friday, December 13, 2013 or any other day notified by us in the newspapers as the date of dispatch of Share certificates/e-Refund payment instructions/refund cheques (as applicable). If you are an individual who opts for personal collection, you must not authorize any other person to make collection on your behalf. If you are a corporate applicant who opts for personal collection, you must attend by your authorized representative bearing a letter of authorization from your corporation stamped with your corporation’s chop. Both individuals and authorized representatives (if applicable) must produce, at the time of collection, evidence of identity acceptable to our Hong Kong Share Registrar. Share certificates and refund cheques which remain uncollected after the time specified for collection will be dispatched by ordinary post at the applicant’s own risk to the address specified in the relevant Application Form.

If you have applied for less than 1,000,000 Hong Kong Public Offer Shares, your Share certificate(s) (where applicable) and/or refund cheque(s) (where applicable) will be sent to the address on the application by ordinary post and at your own risk on December 13, 2013 or any other date notified by us in the newspapers as the applicable date of dispatch. For further information, please refer to the section headed “How to Apply for Hong Kong Public Offer Shares” of this prospectus.

Share certificates are expected to be issued on Friday, December 13, 2013, but will only become valid certificates of title if the Hong Kong Public Offer has become unconditional and if neither of the Underwriting Agreements has been terminated in accordance with its terms, which is expected to be at around 8:00 a.m. on Monday, December 16, 2013. No dealing should take place in the Offer Shares prior to commencement of dealing in the Shares on the Hong Kong Stock Exchange. Investors who trade Offer Shares on the basis of publicly available allocation details prior to the receipt of Offer Share certificates or prior to the Offer Share certificates becoming valid certificates of title do so entirely at their own risk.

We will publish an announcement in the event that there is any change in the expected timetable of the Hong Kong Public Offer as described above.

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IMPORTANT NOTICE TO INVESTORS

This prospectus is issued by our Company solely in connection with the Hong Kong Public Offer and the Hong Kong Public Offer Shares. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the Hong Kong Public Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offer. This prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any other jurisdictions or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus.

Any information or representation not made in this prospectus must not be relied upon by you as having been authorized by us, the Selling Shareholder, the Sole Global Coordinator, the Bookrunner, the Sole Sponsor, the Underwriters, any directors of any of them, or any other person involved in the Global Offering.

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SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this prospectus. You should read the whole document including the appendices hereto, which constitute an integral part of this prospectus, before you decide to invest in our Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in our Offer Shares are set out in the section headed "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in our Offer Shares.

OVERVIEW

We are among the three largest producers of polyethylene terephthalate ("PET") resin for packaging applications in the world, and the second largest in the Americas, in terms of nominal capacity, according to PAL. PET is a plastic polymer produced principally from purified terephthalic acid ("PTA") and monoethylene glycol ("MEG"), and is used to manufacture plastic bottles and for other packaging applications for the beverage, food and personal care industries. PET has key technical advantages compared to competing packaging materials for food and drink, particularly its versatility, durability, heat resistance, light weight, cost-competitiveness and 100% recyclability. We can manufacture and offer the full range of PET grades, suitable for a variety of applications.

Our total PET nominal capacity is currently 1,600 kMT/year and we currently have three production sites strategically located in the United States, Brazil and Mexico, from which we principally sell our products to the North and South American markets. According to PAL, we operate the two largest and most efficient (measured in terms of operating costs per metric ton) PET production lines in the world at our sites in Brazil and Mexico. Global demand for virgin PET resin grew at a CAGR of 7.4% from 2002 to 2012 and is forecast to grow at a CAGR of 7.5% from 2012 to 2017. Our PET customers include major plastic packaging companies such as Amcor Limited ("Amcor"), Coca-Cola Cross Enterprise Procurement Group ("CEPG"), Coca-Cola FEMSA, S.A. de C.V. ("Coca-Cola FEMSA"), Graham Packaging Company LP ("Graham Packaging") and Plastipak Packaging Inc. ("Plastipak Packaging"), as well as major brand owner groups.

In April 2013, we launched our project to construct a vertically integrated PTA/PET plant in Corpus Christi, Texas, United States. The PET plant is expected to have a nominal capacity of 1,100 kMT/year and to be fully integrated with a co-sited PTA plant with expected nominal capacity of 1,300 kMT/year. We expect that the Corpus Christi plant will begin production in 2016 and will be the largest vertically integrated single line in the world and the largest PTA plant in the Americas, according to PAL. In line with our strategy to achieve cost efficiencies and expanded production capabilities, we believe that the lower capital expenditures and production cost savings that we expect to realize with our investment in our Corpus Christi plant will result in significant competitive advantages, enabling us to compete effectively with producers in Asia and the Middle East, as imports from those regions incur significant shipping costs and customs duties. We are also planning the construction in China of two bio-ethanol plants implementing new biotechnologies being developed by our affiliates in the Ghisolfi Group, with expected nominal capacity of 110 kMT/year each, and one ethanol-to-ethylene glycol ("E2E") plant, with expected nominal capacity of 220 kMT/year, all three of which are expected to become operational in mid-2015. We believe that this will allow us to capture the additional margins of upstream petrochemical businesses with lower investment costs, and to capitalize on the growth in global demand for sustainable polyester.

SUMMARY

In addition, through our Engineering division we provide technological development, research and engineering services for the construction of plants for customers in the polyester chain (including PET, polyester fiber and PTA production) and the liquefied natural gas (“LNG”) industry. We believe our Engineering division’s expertise in plant engineering allows us to enjoy significant synergies and cost savings between our two divisions, in particular by allowing us to carry out our vertical integration projects in a cost-effective manner, and to offer customers (particularly in Asia) access to our Group’s innovative technologies. Our Engineering division has strong relationships with customers in Asia, particularly China and India. Key customers include Burns & McDonnell and ABB S.p.A. Process Automation Division, which have been regular purchasers of detailed engineering services from Chemtex India since 2006, and Reliance Industries Limited, which has been a regular purchaser of engineering and procurement (“EP”) projects for its Indian polyester plants for a number of years.

BUSINESS MODEL

The business model for our PET division, which accounts for the substantial majority of our revenues, involves procuring the principal raw materials required for the production of PET, PTA and MEG, and applying those raw materials towards the manufacture and sale of the full range of PET grades. We currently operate three PET plants with an aggregate nominal capacity of 1,600 kMT/year and an aggregate installed prime capacity of 1,400 kMT/year, concentrated in five PET production lines.

Our key raw materials are sourced through our procurement function on a global basis. We procure our raw materials from major suppliers which have multiple production sites, and typically have contractual provisions pursuant to which we can procure raw materials from our suppliers’ other production sites in case of supply disruptions at a particular site. Some of our supply contracts have volume provisions providing for minimum and maximum quantities, offering additional flexibility in case a particular supplier experiences supply difficulties. We generally procure our key raw materials on a contract basis, with a typical contract duration of three to five years. We have had long relationships with many of our major PTA and MEG suppliers and benefit from favorable arrangements, including provisions for them to supply a percentage of our requirements or for purchases within a range, with minimum and maximum expected purchases. Pricing terms are based on published raw materials prices.

We have a strong and stable customer base for our PET division, which includes companies that convert PET into containers (“converters”) and brand owners. We have enjoyed long-term relationships with each of our key customers, and in many cases have been doing business with them for over ten years. We sell our products under multi-year contracts with our customers ranging from one to eight years, as well as, to a lesser extent, on a spot basis. The contractual agreements we have in place provide us with a relatively stable order flow from our customers despite cyclical fluctuations in industry-wide supply and demand. We have secured approximately 75% of our sales under written agreement, both with converters and directly with brand owners. Most of our contracts contain some form of volume protection for us (such as volume-related penalties or requirements for our customers to purchase an agreed minimum percentage of their requirements from us). As a result, we have historically achieved capacity utilization rates around or in excess of 85% at almost all of our plants during the Track Record Period.

The nature of most of our contracts allows us to effectively pass through to our customers fluctuations in the published PTA and MEG market prices. Approximately 62% of the revenues in our PET division during the Track Record Period were earned pursuant to “cost-plus” arrangements, which

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provide for fixed spreads over published raw materials prices, while slightly more than 32% of the revenues in our PET division were earned pursuant to “variable spread” arrangements which re-set prices monthly, at then-prevailing spot market prices to reflect raw material price fluctuations as well as supply and demand conditions in the market. The remainder of our PET revenues are earned at spot-market prices which are significantly determined by the cost of raw materials. As the difference between our PET selling prices and the cost of our raw materials is expressed as a fixed amount under our cost-plus arrangements, percentage changes in our selling prices may be less than percentage changes in our raw materials costs. Moreover, increased raw materials costs tend to reduce our operating profit margin expressed as a percentage of selling price, even while our operating profit remains relatively constant for a given sales volume. Accordingly, the Directors do not believe that operating profit margins are indicative of the performance of our business, and that the levels of our operating profit and EBITDA are more appropriate indicators of the performance of our business. See “— Summary of Historical Combined Financial Information — Other Financial Data — Non-IFRS financial measures”.

OUR COMPETITIVE STRENGTHS

- Leader in product innovation
- Largest single line PET plants allowing reduced capital expenditures and operating costs per metric ton of output
- Strategically positioned in selected PET markets
- Long-term customer contracts with raw material pricing pass-through mechanisms
- Stable low-cost raw material procurement
- Experienced management team, with proven execution capabilities

OUR STRATEGIES

- Investment in vertically integrated PTA/PET production and capacity expansion
- Expansion into the bio-ethanol and bio-polyester markets
- Expansion of our Asian presence

RISK FACTORS

There are certain risks involved in our operations, some of which are beyond our control. These risks can be broadly categorized into: (i) risks relating to our business; (ii) risks relating to the industries in which our Group operates; and (iii) risks relating to the Offer Shares and the Global Offering. In particular, our business is subject to risks relating to the global demand for PET resin and the global economy generally; competition in the PET resin and engineering industries; and the financing of our Corpus Christi and China projects for the production of ethylene glycol produced from renewable sources (“bio-MEG”). Additionally, a Federal Public Prosecutor in São Paulo City (State of São Paulo, Brazil) has requested permission to bring criminal charges against the members of the board of directors of one of our Brazilian subsidiaries, M&G Poliéster S.A. (a company which is listed on the São Paulo Stock Exchange), regarding an alleged failure to comply with applicable disclosure requirements of the São Paulo Stock Exchange. For a further discussion of the possible consequences of these potential charges, please see the sections of this prospectus entitled “Risk Factors — Risks Relating to Our Businesses — We may be adversely affected by legal proceedings, which include tax, labor, proceedings against directors and other proceedings with respect to our

SUMMARY

Brazilian operations” and “Business — Legal Proceedings — Brazilian allegations against directors of M&G Poliéster S.A.”. Potential investors in our Shares should consider carefully all the information set forth in this prospectus and, in particular, the section headed “Risk Factors” in this prospectus in connection with an investment in the Offer Shares.

SUMMARY OF HISTORICAL COMBINED FINANCIAL INFORMATION

The following tables present our selected historical combined financial information for the periods indicated. The selected combined statements of comprehensive income, combined statements of cash flow and other selected financial information for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2012 and 2013 and the selected combined statements of financial position as at December 31, 2010, 2011 and 2012 and June 30, 2013 are derived from, and should be read in conjunction with, the combined financial information set forth in the Accountants’ Report included as Appendix I to this prospectus. Our consolidated financial statements include certain non-recurring gains during the Track Record Period, particularly a one-off gain on the purchase of Undated Securities in 2012 in the amount of €64.4 million that we recognized upon the acquisition of the Undated Securities from M&G Finanziaria. Without the income related to such gain, our profit for the period in respect of 2012 would have been €18.3 million. For a further description of this item, see “History and Corporate Structure — Our History and Development — Reorganization of the Group — Purposes of Reorganization — Reduction in intra-Group financial relationships”.

Selected Combined Statements of Comprehensive Income Information

	Year ended December 31,			Six months ended	
	(audited)			June 30,	
	2010	2011	2012	(unaudited) 2012	(audited) 2013
	(in euro millions)				
Revenue	1,710.3	1,866.9	1,854.0	940.7	869.9
Other operating income	33.1	4.8	6.2	1.1	4.9
Raw materials, consumables and changes in inventory	(1,345.5)	(1,504.6)	(1,480.9)	(763.9)	(692.0)
Labor costs	(62.5)	(59.0)	(55.7)	(26.8)	(28.1)
Depreciation, amortization & asset write-off	(57.9)	(43.3)	(38.8)	(20.6)	(15.2)
Other operating expenses	(171.0)	(154.4)	(175.0)	(75.2)	(76.0)
Operating profit	106.5	110.4	109.8	55.3	63.5
Financial expenses	(88.8)	(101.9)	(111.1)	(63.2)	(37.5)
Financial income	12.7	21.6	30.4	18.7	12.5
Gain on purchase of Undated Securities	—	—	64.4	—	—
Profit before tax	30.4	30.1	93.5	10.8	38.5
Income tax expense	(7.2)	(14.4)	(10.8)	(3.2)	(15.8)
Profit for the period⁽¹⁾	23.2	15.7	82.7	7.6	22.7

Note:

- (1) The fluctuations in profit for the period during the Track Record Period are primarily due to changes in net financial expense and, with respect to the year ended December 31, 2012, a one-off gain on purchase of Undated Securities of €64.4 million. For further discussion, please see the sections of this prospectus entitled “Financial Information — Year ended December 31, 2012 compared with year ended December 31, 2011 — Financial expenses”, “Financial Information — Year ended December 31, 2012 compared with year ended December 31, 2011 — Gain on purchase of Undated Securities” and “Financial Information — Year ended December 31, 2011 compared with year ended December 31, 2010 — Financial expenses”.

SUMMARY

Revenue and other operating income by business segment

The following table sets forth the revenue and other operating income generated from each of our business segments before and after inter-segment elimination and their respective percentage of our total revenue before inter-segment elimination for the periods indicated.

	Year Ended December 31,						Six months ended June 30,	
	2010	% of total	2011	% of total	2012	% of total	2013	% of total
(in euro millions, except as otherwise indicated)								
Revenue and other operating income by division								
PET	1,655.7	95.0	1,786.2	95.4	1,726.1	92.8	821.8	93.9
Engineering	87.7	5.0	85.5	4.6	134.1	7.2	53.0	6.1
Total	1,743.4	100.0	1,871.7	100.0	1,860.2	100.0	874.8	100.0

Our other operating income during the Track Record Period comprised insurance and legal claims, engineering income and other income. Insurance and legal claims represented insurance income from damages payments received for incidents which occurred in the ordinary course of our business; engineering income is revenue earned from our Engineering division; and other income includes various other receipts and payments received.

Other operating income in 2012 increased to €6.2 million, compared to €4.8 million in 2011, mainly due to the inclusion of income of €4.7 million in 2012 following the successful resolution of a transport cost dispute with a U.S.-based service provider concerning overcharging for that amount in the years 2010 and 2011.

Other operating income in 2011 was €4.8 million, compared to €33.1 million in 2010. Other operating income in 2010 includes compensation received from a customer for not purchasing the minimum percentage of its requirements from us pursuant to our agreement with this customer, as a result of which we pursued and won judicial enforcement of the contract. The amount from this customer that was recognized as other operating income in 2010 included both the foregone margins on the required purchase amount under the contract, and accrued interest on the amounts not paid. Other operating income in 2010 also included insurance claim amounts we received for damage to a key component of our Suape plant in Brazil that occurred during transportation. Because the delay in receiving the component had a commercial impact on our business in Brazil, business interruption insurance provided compensation in an amount which approximated the lost margins which we would have earned had the accident not taken place. In addition, other operating income in 2010 also included gains on disposal of fixed assets of €12.4 million, mainly resulting from the sale of a building located in India. The compensation from a customer, together with insurance claims, contributed €17.1 million in other operating income in 2010. Our Directors are of the view that the compensation received from a customer and the insurance claim amounts represent income generated in the ordinary course of our Company's business.

SUMMARY

Selected Combined Statements of Financial Position Information

	As at December 31, (audited)			As at June 30, (audited)
	2010	2011	2012	2013
	(in euro millions)			
Total non-current assets ⁽¹⁾	749.5	990.0	1,025.1	1,025.0
Total current assets ⁽²⁾	999.1	627.5	754.2	728.7
Total assets	1,748.6	1,617.5	1,779.3	1,753.7
Total equity	290.2	256.6	368.8	394.2
Total non-current liabilities	683.3	557.9	488.6	528.1
Total current liabilities ⁽³⁾	775.2	803.0	921.8	831.4
Total liabilities	1,458.4	1,360.9	1,410.5	1,359.4
Net current assets/(liabilities)	223.9	(175.5)	(167.6)	(102.7)
Total equity and liabilities	1,748.6	1,617.5	1,779.3	1,753.7

Notes:

- (1) As a result of the reorganization of our Group (the “Reorganization”), certain non-current assets with a carrying value of €350.6 million as at June 30, 2013 (approximately €379.9 million as of the date of cancellation) were canceled on September 30, 2013 in consideration for the cancellation of the €115.0 million Group — Loan payable we owed to M&G Finanziaria S.r.l., the €160.0 million purchase price of Chemtex Global and cash of €104.9 million (the difference between the carrying value of the canceled assets as at June 30, 2013 and the amounts of the canceled liabilities is attributable to accrued interest on the Intercompany Loan). See “History and Corporate Structure — Our History and Development — Reorganization of the Group — Purposes of Reorganization — Reduction in intra-Group financial relationships”. As at June 30, 2013, because the Reorganization had not yet taken place and we did not at that date have the legal right to offset these assets and liabilities, the Intercompany Loan was not classified as “current” as of that date. As a result, although shown in our combined statements of financial position as at June 30, 2013 as a non-current asset, our management considers its Group — non-current receivable to be a current asset, in recognition of the fact that it would be redeemed within 12 months following the balance sheet date.
- (2) Total current assets as at June 30, 2013 does not include €12.2 million held in a cash reserve bank account in connection with the Brazilian Syndicated Facility (as described below) and previously included within current assets, which was contractually released in the first half of 2013. As at June 30, 2013, this amount is categorized as a long-term cash deposit and included within non-current assets.
- (3) Of the total current liabilities as at June 30, 2013, €153 million consisted of amounts drawn on a short-term basis and due for repayment within the 12 months from the balance sheet date from our three Mexican revolving credit facilities (the Bancomext Loans and the Banorte Facility), each of which has a contractual maturity in 2015, or beyond 12 months from the balance sheet date. Our directors have no reason to believe the lenders under these three facilities have any intention to revoke their long-term financing of our operations, and do not anticipate termination or unavailability of any of these facilities prior to their contractual maturity dates.

SUMMARY

Selected Combined Statements of Cash Flow Information

	Year ended December 31,			Six months ended	
	<i>(audited)</i>			<i>(unaudited)</i>	<i>(audited)</i>
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2012</u>	<u>2013</u>
	<i>(in euro millions)</i>				
Net cash from operating activities	216.0	216.5	172.5	68.4	35.7
Net cash from/(used in) investing activities	4.0	(115.6)	(134.9)	(30.0)	(49.6)
Net cash from/(used in) financing activities	(119.4)	(148.8)	6.6	(3.3)	(34.1)
Difference in foreign exchange . .	<u>3.3</u>	<u>(26.6)</u>	<u>(2.9)</u>	<u>(10.2)</u>	<u>(9.6)</u>
Net increase/(decrease) in cash and cash equivalents	<u>103.8</u>	<u>(74.4)</u>	<u>41.3</u>	<u>24.9</u>	<u>(57.6)</u>
Cash and cash equivalents at the beginning of the year . . .	<u>98.5</u>	<u>202.4</u>	<u>127.9</u>	<u>127.9</u>	<u>169.2</u>
Cash and cash equivalents at the end of the year	<u>202.4</u>	<u>127.9</u>	<u>169.2</u>	<u>152.8</u>	<u>111.6</u>

Other Financial Data

Non-IFRS financial measures

The financial information included in this prospectus is not intended to comply with U.S. Securities and Exchange Commission reporting requirements. Compliance with such requirements would require the modification or exclusion of certain financial measures, including EBITDA.

These non-IFRS financial measures are not a measure of our financial performance under IFRS, should not be considered an alternative to cash flow from operating activities, operating profit, or any other IFRS measure, and may not be comparable to similarly titled measures of other companies. In particular, non-IFRS financial measures are not uniformly defined and other companies may calculate them in a different manner than we do, limiting their usefulness as comparative measures. Our definition of EBITDA is specific to our business and reflects certain adjustments to reported figures relating to our recent operational history, and which may not be experienced on a similar basis, or at all, going forward. In addition, EBITDA can be significantly affected by matters beyond our control. Accordingly, undue reliance should not be placed on any of the non-IFRS financial measures contained in this prospectus and they should not be considered in isolation from, or as a substitute for, the analysis of our results of operations and financial condition under IFRS. These non-IFRS financial measures are not audited and are calculated using financial information extracted from the combined financial information in this prospectus.

SUMMARY

The following table sets forth EBITDA and a reconciliation from operating profit for the year to EBITDA for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2010	2011	2012	2012	2013
	(in euro millions)				
Operating profit	106.5	110.4	109.8	55.3	63.5
Depreciation, amortization & asset write-off	57.9	43.3	38.8	20.6	15.2
EBITDA⁽¹⁾	<u>164.4</u>	<u>153.7</u>	<u>148.6</u>	<u>75.9</u>	<u>78.7</u>

Note:

- (1) We define EBITDA as operating profit plus depreciation, amortization and asset write-offs. Our use of EBITDA, calculated as presented in the table above, may not be comparable to similarly titled measures used by other companies. Our definition of EBITDA should not be considered in isolation or as a substitute for analysis of our results as reported under IFRS.

Net current assets/(liabilities)

Our net current assets/(liabilities) represent the difference between our total current assets and total current liabilities. We had net current liabilities of €102.7 million as at June 30, 2013 and net current assets of €223.9 million, net current liabilities of €175.5 million, and net current liabilities of €167.6 million as at December 31, 2010, 2011 and 2012, respectively.

Net current liabilities as at June 30, 2013 decreased as compared to December 31, 2012, mainly attributable to a reduction in trade and other payables of €73.2 million due to fluctuations in the ordinary course of business and current portion of borrowings of €21.7 million resulting from repayments of current borrowings.

Net current liabilities as at December 31, 2012 decreased slightly as compared to December 31, 2011, mainly due to increases in inventories, trade and other receivables and cash and cash equivalents of €16.1 million, €37.5 million and €41.3 million, respectively, partly offset by the increase in the current portion of our borrowings from three Mexican loans with maturities beyond 12 months. The increase in inventories was due primarily to a relatively high volume of sales during the fourth quarter of 2011, which depleted our inventories in North America. The majority of these sales were settled before year end and this reduced our trade and other receivables as at December 31, 2011. For a discussion of the increase in our cash and cash equivalents, please see the section of this prospectus entitled “Financial Information — Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Cash flows”.

Net current liabilities as at December 31, 2011 increased significantly as compared to net current assets as at December 31, 2010. This change was principally the result of discontinuing the centrally managed cash pooling system during 2011, and the conversion of the cash pooling arrangement with M&G Finanziaria S.r.l. (which reflected a €327 million credit to M&G Finanziaria S.r.l.) and previously accounted for under current assets into a portion of the longer-term Intercompany Loan, carrying a higher interest rate of EURIBOR plus 5.625%, and accounted for as non-current assets on

SUMMARY

our combined balance sheet. As a result of this conversion, other current financial assets, which had largely comprised our interest in this cash pooling arrangement, was reduced from €316.2 million as at December 31, 2010 to €25.9 million as at December 31, 2011. See the section headed “Financial Information — Liquidity and Capital Resources — Net current assets/(liabilities)”.

KEY OPERATING DATA

We present certain key operating data below. This operating data and other metrics included in this prospectus and described below are derived from management estimates, are not part of our financial statements or financial accounting records and have not been audited or otherwise reviewed by external auditors, consultants or experts. Our use or computation of these terms may not be comparable to the use or computation of similarly titled measures reported by other companies in our industry. Any or all of these terms should not be considered in isolation or as an alternative measure of performance under IFRS. For definitions of certain of these terms, please see “Glossary of Technical Terms”.

PET production facilities

The table below provides an overview of our PET facilities:

	As at and for the			
	Year ended December 31,			Six months ended June 30,
	2010	2011	2012	2013
	(in euro millions except for percentages)			
Apple Grove, U.S. (2 lines)				
Prime production volume (MT)	314,400	302,500	319,200	139,400
% Prime quality product ⁽¹⁾	97%	97%	98%	96%
Utilization rate ⁽²⁾	90%	86%	91%	80%
Installed prime capacity ⁽³⁾ (MT)	350,000	350,000	350,000	350,000
Nominal capacity ⁽⁴⁾ (MT)	360,000	360,000	360,000	360,000
Altamira, Mexico (2 lines)				
Prime production volume (MT)	507,000	497,600	453,800	230,700
% Prime quality product ⁽¹⁾	99%	98%	98%	97%
Utilization rate ⁽²⁾	92%	90%	83%	85%
Installed prime capacity ⁽³⁾ (MT)	550,000	550,000	550,000	550,000
Nominal capacity ⁽⁴⁾ (MT)	590,000	590,000	590,000	590,000
NAFTA capacity utilization rate	91%	89%	86%	83%
Suape, Brazil (1 line)⁽⁵⁾				
Prime production volume (MT)	462,200	388,200	412,800	226,500
% Prime quality product ⁽¹⁾	99%	98%	98%	99%
Utilization rate ⁽²⁾	92%	78%	83%	91%
Installed prime capacity ⁽³⁾⁽⁶⁾ (MT)	500,000	500,000	500,000	500,000
Nominal capacity (MT) ⁽⁴⁾	650,000	650,000	650,000	650,000
Global capacity utilization rate	92%	85%	85%	86%

SUMMARY

Notes:

- (1) “Prime quality product” refers to output which is sufficiently high quality to sell, compared to non-prime output which is generally recycled (the remaining portion is sold at substantially lower prices or lost as scrap).
- (2) “Utilization rate” is calculated as prime production volume divided by installed prime capacity. For figures as at June 30, 2013, utilization rate is calculated as prime production volume divided by installed prime capacity and multiplied by two. Utilization rate is based on installed prime capacity. Installed prime capacity is adjusted for each production line for planned annual maintenance activities (approximately 20 days per line per year for PET lines). PET production is also subject to seasonality which varies by region. In North America, peak customer demand and production typically runs from March/April until August/September, while in South America, the peak season runs from August/September until March. However, actual demand may vary depending on the weather conditions (including temperature and precipitation levels) in each geographic region. Fluctuations in PET prices may also exacerbate or offset seasonal effects. The combination of these two factors results in period-to-period fluctuations in utilization rates. Therefore, fluctuation in utilization is more evident in respect of quarterly data than yearly data. In the six months ended June 30, 2013, the utilization rate at our Apple Grove plant was low due to seasonal lower loading during the period, in conjunction with planned maintenance on the plant’s largest capacity line. The same applies for our Altamira plant, where there was planned maintenance on a smaller line during the six months ended June 30, 2013. The utilization rate at our Suape plant during the six months ended June 30, 2013 was high because it was a high-productivity season in Brazil and there were no planned maintenance activities during the period. Annual fluctuations (aside from extraordinary events like the blackout in Brazil that impacted the utilization rate in our Suape plant in 2011) can be explained by region-specific seasonality or operational decisions to utilize certain regions versus others.
- (3) “Installed prime capacity” refers, in the case of our Group, to the maximum active prime capacity actually achievable in a given year, adjusted for factors such as scheduled downtime for regular maintenance.
- (4) “Nominal capacity” refers to the total nameplate designed capacity of our facilities, including both prime and non-prime product.
- (5) Due to an extraordinary power outage, the production line in our Suape plant was not in operation for 45 days during 2011.
- (6) The installed prime capacity figure given for our Suape facilities in this prospectus refers to the prime capacity that can be reached by the Suape plant with minor adjustments to remove minor bottlenecks in certain parts of the plant. We do not plan to implement these adjustments until it is justified by growth in the Brazilian market in order to ensure that the market is ready to absorb such additional capacity.

Engineering division backlog

As at June 30, 2013, the contract value of our Engineering division’s total backlog (projects for which we have a firm commitment but for which work has not yet been completed and billed) was €375.8 million. The unbilled value as at June 30, 2013, which represents the difference between the total contract values of the signed but uncompleted contracts as at June 30, 2013 and the cumulative amount of revenues which have been recognized in our consolidated income statement on these projects as at June 30, 2013, was €178.3 million. For a more detailed breakdown of our engineering division’s backlog of major projects, see “Business — Key Businesses — Engineering Division — Major Projects — Backlog”.

DIVIDEND POLICY

M&G International S.A. distributed no dividends to its shareholder, M&G Finanziaria S.r.l. during the Track Record Period. The declaration of dividends to our Shareholders is subject to the discretion of our Board and the approval of our Shareholders. Our Directors may recommend a payment of dividends in the future after taking into account our operations and earnings, capital requirements and surplus, general financial condition, contractual and legal restrictions, capital expenditure and future development requirements, shareholders’ interests and other factors, as they may deem relevant. Any declaration and payment as well as the amount of the dividends will be subject to our constitutional documents and Luxembourg law, including the approval of our Shareholders.

SUMMARY

Distributable Reserves

As at June 30, 2013, there were no reserves available for distribution to the owners of our Company. As a result of the Reorganization, which was completed after June 30, 2013, M&G Chemicals received the contribution of M&G International S.à r.l., creating an equity reserve of approximately €300 million.

DISTRIBUTIONS

As part of the Reorganization, M&G Finanziaria S.r.l. contributed the entire issued share capital of M&G International S.à r.l. to our Company. As a result of such contribution and based on our valuation of the contributed assets, (i) we issued new shares for a value of €436.75 million to M&G Finanziaria S.r.l.; and (ii) approximately €300 million was credited to our share premium account. We wish to maximize the opportunities for distribution to our Shareholders after Listing whilst maintaining sufficient share capital. Therefore, we propose to have the flexibility to distribute from our share premium account to our Shareholders as at the record date of the relevant distribution (including purchasers of Offer Shares, to the extent they continue to hold Shares as at such date), but only in respect of the approximately €300 million which has been credited to the share premium account as a result of the Reorganization. Such proposal is in line with the laws of Luxembourg, which provide that it is legal for a public limited liability company to make a distribution out of share premium subject to compliance with general law (for example, not legally permissible in bankruptcy situations) and its articles of association.

In order to ensure that our proposal to distribute our share premium is consistent with, and our shareholder protection standards are comparable to those required under, Hong Kong law, and no less favorable than those under the laws of other jurisdictions acceptable by the Hong Kong Stock Exchange in respect of dividend distribution, we have obtained and will continue to obtain an annual distribution mandate by way of a special resolution at a general meeting from our Shareholders to make distribution of up to €25 million each year to our Shareholders as at the record date of the relevant distribution (including purchasers of Offer Shares to the extent they continue to hold Shares as at such date). Our Board will confirm in the shareholder circular in relation to the annual distribution mandate to be issued for our next annual general meeting or any subsequent annual general meeting that we will remain solvent and the realizable value of our assets will be greater than our liabilities and our issued share capital and share premium accounts after such distribution, and our auditors will issue a special report in relation to this to us which will be attached to the shareholder circular. For further details of our existing annual distribution mandate, please see “Share Capital — Distribution Mandate”.

In light of the above and taking into account the additional measures to be adopted by our Company, we and our Directors, the legal counsel to our Company and the Sole Sponsor are of the view that our proposal to distribute our share premium is consistent with, and our shareholder protection standards are comparable to those required under, Hong Kong law, and no less favorable than those under the laws of other jurisdictions acceptable by the Hong Kong Stock Exchange in respect of dividend distribution.

SUMMARY

GLOBAL OFFERING STATISTICS

The statistics in the following table are based on the assumptions that: (i) the Global Offering is completed and 2,353,060,000 Shares are issued in the Global Offering; (ii) the Over-allotment Option is not exercised; and (iii) 6,723,060,000 Shares are issued and outstanding following the completion of the Global Offering. The number of Shares used to calculate the statistics in the following table do not include any Shares which may be issued pursuant to our Pre-IPO Share Option Scheme. Please see the paragraph headed “Pre-IPO Share Option Scheme” in Appendix V to this prospectus.

	<u>Based on an Offer Price of HK\$1.65 per Share</u>	<u>Based on an Offer Price of HK\$1.95 per Share</u>
Market capitalization of our Shares (in millions)	HK\$11,093.0	HK\$13,110.0
Unaudited pro forma adjusted net tangible assets value per Share ⁽¹⁾	HK\$0.94	HK\$1.03

Notes:

- (1) The unaudited pro forma adjusted net tangible assets value per Share is calculated after making the adjustments referred to in the section headed “Unaudited Pro Forma Financial Information” in Appendix II to this prospectus. The unaudited pro forma adjusted net tangible assets value per Share is converted into Hong Kong dollars at the rate of €1.0 = HK\$10.4932. No adjustment has been made to the unaudited pro forma adjusted net tangible assets of our Group to reflect any trading result or other transaction of our Group entered into subsequent to June 30, 2013.

Global Offering

This prospectus is published in connection with the Hong Kong Public Offer as part of the Global Offering. The Global Offering comprises:

- (i) the Hong Kong Public Offer of 235,308,000 new Shares (subject to adjustment and reallocation as mentioned below) in Hong Kong as described below in the paragraph headed “The Hong Kong Public Offer”; and
- (ii) the International Offer of an aggregate of 2,117,752,000 Shares, subject to adjustment, reallocation and the Over-allotment Option, outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, and in the United States to QIBs in reliance on Rule 144A or another exemption from the registration requirements under the U.S. Securities Act.

Investors may apply for Shares under the Hong Kong Public Offer or apply for or indicate an interest for Shares under the International Offer, but may not do both.

References in this prospectus to applications, Application Forms, application monies or the procedure for application relate solely to the Hong Kong Public Offer.

SUMMARY

CONTROLLING SHAREHOLDERS

The shareholding of the Controlling Shareholders immediately prior to and following completion of the Global Offering, assuming the Over-allotment Option is exercised in full, is set out below:

Controlling Shareholders	Approximate percentage of shareholding and number of Shares before the Global Offering		Approximate percentage of shareholding and number of Shares after the Global Offering and exercise in full of the Over-allotment Option	
	(Shares)	(%)	(Shares)	(%)
M&G Finanziaria S.r.l. ⁽¹⁾	4,370,000,000	100	4,017,042,000	59.75

Note:

- (1) M&G Finanziaria S.r.l. is wholly owned by Mossi & Ghisolfi S.p.A., which is in turn owned as to 29.56% by each of Marco Ghisolfi, Guido Ghisolfi and Anna Ghisolfi, 1.32% by Vittorio Ghisolfi and 10% by Mossi & Ghisolfi S.p.A. as at the date of this prospectus.

SELLING SHAREHOLDER

If the Over-allotment Option is exercised in full, the Selling Shareholder will sell 352,958,000 Shares (assuming the Offer Price of HK\$1.80 per Share, being the mid-point of the estimated price range), representing approximately 5.25% of the total issued share capital of our Company immediately following the Global Offering. The shareholding of the Selling Shareholder immediately prior to and following completion of the Global Offering, assuming that the Over-allotment Option is exercised in full, is set out below:

Selling Shareholder	Number of Shares held prior to sale of Shares	Number of Shares to be sold pursuant to the Over-allotment Option ⁽²⁾	Approximate percentage of shareholding and number of Shares after the Global Offering and exercise in full of the Over-allotment Option	
	(Shares)	(Shares)	(Shares)	(%)
M&G Finanziaria S.r.l. ⁽¹⁾	4,370,000,000	352,958,000	4,017,042,000	59.75

Notes:

- (1) M&G Finanziaria S.r.l. is wholly owned by Mossi & Ghisolfi S.p.A., which is in turn owned as to 29.56% by each of Marco Ghisolfi, Guido Ghisolfi and Anna Ghisolfi, 1.32% by Vittorio Ghisolfi and 10% by Mossi & Ghisolfi S.p.A. as at the date of this prospectus.
- (2) Assuming the offer price is HK\$1.80, being the mid-point of the estimated price range.

Upon Listing, each of M&G Finanziaria S.r.l., Mossi & Ghisolfi S.p.A., Marco Ghisolfi, Guido Ghisolfi, Anna Ghisolfi and Vittorio Ghisolfi will be a Controlling Shareholder.

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USE OF PROCEEDS AND REASONS FOR THE LISTING

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$3,924.3 million (assuming an Offer Price of HK\$1.80 per Share, being the mid-point of the estimated offer price range), after deducting the underwriting fees and commissions and estimated expenses payable by us in relation to the Global Offering. We will not receive any proceeds from the exercise of the Over-allotment Option.

We intend to use the net proceeds we will receive from the Global Offering for the following purposes:

<u>Amount</u>	<u>Percentage of the total estimated net proceeds</u>	<u>Intended use of the net proceeds</u>
(HK\$ in millions)		
1,962.2	50%	Financing our China bio-MEG project
392.4	10%	Repaying bridge loans with affiliated entities of the Controlling Shareholders which may be entered into prior to Listing to bridge the equity financing of our Corpus Christi and China bio-MEG projects and to finance the acquisition of certain trademarks from M&G Finanziaria S.r.l.
1,177.3	30%	Financing our Corpus Christi project
196.2	5%	Repaying other existing borrowings which bear interest at rates above 5% and have maturities of less than 12 months
196.2	5%	General corporate purposes

In the event that the Offer Price is set at HK\$1.65 per Share (being the low end of the indicative offer price range), the net proceeds received by us will be approximately HK\$3,599.7 million. In the event that the Offer Price is set at HK\$1.95 per Share (being the high end of the indicative offer price range), the net proceeds received by us will be approximately HK\$4,248.9 million.

To the extent our net proceeds are more than expected, we will use the additional amounts to repay existing debt and for general corporate purposes on a pro rata basis. To the extent that our net proceeds are less than expected, we will reduce amounts allocated to repaying bridge loans, repaying other existing debt and general corporate purposes, and maintain unchanged amounts allocated to financing our China bio-MEG project and our Corpus Christi project.

We estimate that the Selling Shareholder will receive net proceeds of approximately HK\$609.9 million if the Over-allotment Option is exercised in full (assuming an Offer Price of HK\$1.80 per Share, being the mid-point of the estimated offer price range). The Selling Shareholder will not receive any proceeds if the Over-Allotment Option is not exercised.

SUMMARY

We have elected to list our Shares on the Hong Kong Stock Exchange as a reflection of the importance of the Chinese market, and Asian markets more generally, for the growth and development of our business. In particular, financing our China bio-MEG will account for the largest share of the proceeds of the Global Offering; we believe that China is likely to be an important location for future projects in light of its land and agricultural resources; and Asia is a large and increasingly important market for polyester raw materials.

Please see the section headed “Future Plans and Use of Proceeds” in this prospectus for further details.

LISTING EXPENSES

During the Track Record Period, we incurred advisory fees in connection with the ongoing Hong Kong listing process of €5.1 million. During the remainder of 2013, we expect to incur further Listing expenses amounting to approximately €27.3 million (including underwriting fees and commissions). Our Directors do not expect such expenses to have a material adverse effect on our financial results for the year ended December 31, 2013.

In accordance with relevant accounting standards, Listing-related and advisory fees that are directly attributable to issuance of new Shares are recorded as prepaid expenses, of which a proportionate amount equivalent to the share of the Shares in our total issued share capital is deducted from equity upon Listing; underwriting fees and commissions are similarly recorded as prepaid expenses, and deducted in full from equity upon Listing. It is expected that the remaining Listing-related and advisory fees of approximately €5.7 million will be charged to our consolidated statements of comprehensive income for the year ending December 31, 2013. Listing expenses that have been incurred as of the Latest Practicable Date, but have not been reflected in our combined statements of comprehensive income for the six months ended June 30, 2013, amounted to approximately €1.3 million.

RECENT DEVELOPMENTS

As at June 30, 2013, our net financial position, calculated as the sum of non-current borrowings and current portion of borrowings, net of our cash and cash equivalents and long-term cash deposits, was €435.3 million. This amount includes borrowings which have been drawn to fund certain investments which are not yet operational or generating revenues in preparation for our Corpus Christi and China bio-MEG projects, in amounts totaling €143.9 million. If these borrowings are deducted from our net financial position, our net financial position on an adjusted basis would have been €291.4 million as at June 30, 2013.

Since the most recent audited financial statements dated June 30, 2013, trading has progressed in line with expectations and budget with no substantial developments or disruptions in market conditions, and the trends observed in the first half of 2013 have continued to date. We have also commenced our major Corpus Christi and China bio-MEG projects, which we expect will require substantial capital expenditures, increase our production volumes and consequently our revenues and

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cash flows, and require higher levels of indebtedness. More information regarding these projects is provided under “Future Plans and Use of Proceeds”, “Business” and “Financial Information — Liquidity and Capital Resources — Capital expenditures”. Net current liabilities as at September 30, 2013 increased as compared to the amount as at June 30, 2013, primarily due to a decrease in trade and other receivables of €57.9 million and the decrease in other current financial assets of €47.9 million, primarily attributable to the offset of intercompany balances in connection with the Reorganization.

For the three months ended September 30, 2013, our revenues and prices have remained stable and our profit margin has slightly increased as compared to the second quarter of 2013.

Our Directors confirm that they have performed sufficient due diligence to ensure that, up to the date of this prospectus, there has been no material adverse change in our financial position or prospects since June 30, 2013 (being the date to which our Company’s latest consolidated audited financial results were prepared) and there has been no event since June 30, 2013 which would materially affect the information shown in the Accountants’ Report set out in Appendix I to this prospectus.

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain technical terms are explained in the section headed “Glossary of Technical Terms” in this prospectus.

“3Rios Indústria”	3Rios Indústria e Comércio de Plástico Ltda., our connected person under the Distributorship Agreement, owned 30% by José Veiga Veiga, incorporated in Brazil in March 2009
“ABB”	ABB Ltd, and except where the context otherwise requires, other members of its group
“Akra”	Akra Polyester, S.A. de C.V., an Independent Third Party
“ALFA, S.A.B. de C.V.”	ALFA, S.A.B. de C.V., an Independent Third Party and parent company of Alpek
“Alok Industries Limited”	Alok Industries Limited, an Independent Third Party
“Alpek”	Alpek, S.A.B. de C.V., an Independent Third Party and parent company of GPT, and except where the context otherwise requires, other members of its group
“Ampcor”	Ampcor Limited, an Independent Third Party
“Americas”	North America and South America
“Amyris”	Amyris, Inc., an Independent Third Party
“Application Form(s)”	WHITE application form(s), YELLOW application form(s) and GREEN application form(s), or where the context so requires, any of them
“Articles” or “Articles of Association”	the articles of association of our Company, adopted on January 29, 2013, as amended from time to time, a summary of which is contained in “Appendix IV — Summary of the Articles of Association” to this prospectus
“Aska Corporation”	Aska Corporation, an Independent Third Party
“associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Bancomext”	Banco Nacional de Comercio Exterior, S.N.C.

DEFINITIONS

“Bancomext Loans”	(i) the US\$50 million (€37.0 million) secured revolving credit facility agreement dated July 24, 2009, to be used to address working capital needs for the production, inventories, importations and sales, by and among M&G Polímeros México, S.A. de C.V. as borrower and Bancomext as lender (the “Bancomext Loan I”); and (ii) the US\$120 million (€88.7 million) secured revolving credit facility agreement dated March 31, 2010, as amended on April 27, 2012 and on October 10, 2013, to be used to finance revolving working capital needs and for general purposes, by and among M&G México Holding, S.A. de C.V. as borrower and Bancomext as lender (the “Bancomext Loan II”)
“Banorte”	Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte as lender
“Banorte Facility”	the US\$80 million (€59.1 million) revolving facility dated April 13, 2010, as amended on March 23, 2012, to be invested in working capital, among, inter alia, M&G Polímeros México, S.A. de C.V. as borrower and Banorte
“Benesi (Shenyang) Silicon Industry Co., Ltd.”	Benesi (Shenyang) Silicon Industry Co., Ltd., an associate of our Group owned 30% by M&G International S.à r.l. and 70% by Liaoning Shuangyi Silicon Industry Co., Ltd., an Independent Third Party, incorporated in the PRC on August 11, 2009
“Beta Renewables”	Beta Renewables S.p.A., a 67.5% owned subsidiary of our parent company M&G Finanziaria S.r.l. (through Biochemtex) and 32.5% owned by Independent Third Parties, incorporated in Italy on December 3, 2008
“Biochemtex”	Biochemtex S.p.A., a wholly owned subsidiary of our parent company M&G International S.à r.l., formerly known as Chemtex Italia prior to the change of name on August 30, 2013, incorporated in Italy on February 9, 2005 as Chemtex Italia S.p.A.
“Black & Veatch”	Black & Veatch Corporation, an Independent Third Party
“BNB”	Banco do Nordeste do Brasil
“BNDES”	Banco Nacional de Desenvolvimento Econômico e Social, the Brazilian Development Bank
“Board of Directors” or “Board”	our board of Directors
“Bookrunner”	CITIC Securities Corporate Finance (HK) Limited
“BP”	BP plc, an Independent Third Party

DEFINITIONS

“Brazil”	the Federative Republic of Brazil
“Brazilian Syndicated Facility”	a secured syndicated credit facility entered into by our Company with BNDES, BNB and other Brazilian commercial banks as identified therein, as lenders, comprising three different agreements entered into on March 28, 2007, April 10, 2007 and April 27, 2007, as subsequently modified, initially providing for R\$460 million (€152.7 million) of credit lines to fund the construction and outfitting of our Suape plant in Pernambuco state, Brazil
“Burns & McDonnell”	Burns & McDonnell, Inc., an Independent Third Party and, except where the context otherwise requires, other members of its group
“Business Day”	any day (other than a Saturday, Sunday or public holiday) in Hong Kong on which banks in Hong Kong are open generally for normal banking business
“CAGR”	compound annual growth rate
“CALI”	China Association of LNG Industry, which issued a report dated August 2012 and referenced in this prospectus
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant or a CCASS Custodian Participant or a CCASS Investor Participant
“CEPG”	Coca-Cola Cross Enterprise Procurement Group, an Independent Third Party; our Company negotiates terms with CEPG and then contracts with and supplies directly to authorized bottlers in The Coca-Cola Company’s system
“Cepsa Química Montréal L.P.”	Cepsa Química Montréal L.P., an Independent Third Party
“CETESB”	Companhia Ambiental do Estado de São Paulo, São Paulo State’s environmental agency

DEFINITIONS

“Chart Energy and Chemicals, Inc.”	Chart Energy and Chemicals, Inc., an Independent Third Party
“Chemtex Consulting of India Private Limited”	Chemtex Consulting of India Private Limited, a wholly owned subsidiary of M&G International S.à r.l., incorporated in India on September 1, 1992
“Chemtex Engineering Co., Ltd.”	Chemtex Engineering Co., Ltd., a wholly owned subsidiary of Chemtex Far East, Ltd., incorporated in China on June 11, 1996
“Chemtex Engineering of India Private Limited”	Chemtex Engineering of India Private Limited, a 51% owned subsidiary of Chemtex International and 49% owned by Indo American Investments Inc., incorporated in India on August 24, 1962
“Chemtex Far East, Ltd.”	Chemtex Far East, Ltd., a wholly owned subsidiary of Chemtex International, incorporated in Delaware on August 22, 1995
“Chemtex Global”	Chemtex Global S.à r.l., formerly a wholly owned subsidiary of our parent company M&G Finanziaria S.r.l., which merged with M&G International S.A. on August 28, 2013 to form M&G International S.à r.l.
“Chemtex Global Engineers Private Limited”	Chemtex Global Engineers Private Limited, a subsidiary of Chemtex Engineering of India Private Limited (100% ownership interest less one share owned by an Independent Third Party), incorporated in India on January 10, 2001
“Chemtex International”	Chemtex International Inc., a wholly owned subsidiary of M&G International S.à r.l., incorporated in Delaware on November 22, 1989
“Chemtex Italia”	Chemtex Italia S.p.A., the entity now named Biochemtex, following the change of name on August 30, 2013
“Chemtex (Shanghai) Chemical Engineering Co., Ltd.”	Chemtex (Shanghai) Chemical Engineering Co., Ltd., a wholly owned subsidiary of Chemtex International Inc., incorporated in the PRC on August 27, 2008
“Chemtex (Shanghai) International Trading Co., Ltd.”	Chemtex (Shanghai) International Trading Co., Ltd., a wholly owned subsidiary of Chemtex International Inc., incorporated in the PRC on January 19, 2001
“CMAI”	Chemical Market Associates, Inc., acquired by IHS Inc. in May 2011, which formerly was a source of pricing reports for raw materials used as a reference by the industry

DEFINITIONS

“CNGC”	China Natural Gas Company Ltd., an Independent Third Party, and except where the context otherwise requires, other members of its group
“Coca-Cola FEMSA”	Coca-Cola FEMSA, S.A. de C.V., an Independent Third Party, and except where the context otherwise requires, other members of its group
“Compañía Española de Petróleos, S.A.U.”	Compañía Española de Petróleos, S.A.U., an Independent Third Party
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company”, “we” or “us”	M&G Chemicals
“connected person”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules, and in the context of this prospectus, refers to each of M&G Finanziaria S.r.l., Mossi & Ghisolfi S.p.A., Vittorio Ghisolfi, Anna Ghisolfi, Guido Ghisolfi and Marco Ghisolfi
“CTIEI”	China Textile Industrial Engineering Institute
“DAK”	DAK Americas LLC, an Independent Third Party, affiliated with Alpek and GPT
“Deed of Indemnity”	deed dated November 27, 2013 pursuant to which M&G Finanziaria S.r.l. has unconditionally and irrevocably undertaken to indemnify our Company against certain loss or liability of our Company and/or any member of our Group as a result of or in connection with certain of the tax and civil proceedings with respect to our Brazilian operations, details of which are summarized in “Appendix V — Statutory and General Information — 4. Other Information — A. Indemnities — Deed of Indemnity”

DEFINITIONS

“Deed of Non-Competition”	deed dated November 27, 2013 pursuant to which each of the Controlling Shareholders has irrevocably undertaken to our Company (for itself and on behalf of each other member of our Group) that he/she/it will not, and will use reasonable endeavours to procure that his/her/its associates (other than any member of our Group) would not, during the restricted period set forth therein, directly or indirectly, either on his/her/its own account or in conjunction with or on behalf of any person, firm or company, among other things, carry on, participate or be interested or engaged in or acquire or hold any activity, or business which is or may be in competition with our core business, details of which are set out in “Relationship with our Controlling Shareholders — Deed of Non-Competition”
“Director(s)”	the director(s) of our Company
“Disposed Entities”	M&G Fibras e Resinas Ltda. and M&G Fibras Brasil S.A.
“Dresser-Rand Corporation”	Dresser-Rand Corporation, an Independent Third Party
“EBITDA”	operating profit plus depreciation, amortization and asset write-offs
“EPA”	the United States Environmental Protection Agency
“euros” or “€”	the lawful currency of the European Union
“Excluded Businesses”	businesses outside our Group which our Controlling Shareholders have control of or interests in, as listed in “Relationship with Our Controlling Shareholders — Excluded Businesses of the Controlling Shareholders”
“Fabtech”	Fabtech Projects and Engineers Limited, an Independent Third Party
“Far Eastern New Century Corporation”	Far Eastern New Century Corporation, an Independent Third Party and, except where the context otherwise requires, other members of its group
“GAAP”	generally accepted accounting principles
“GDP”	gross domestic product
“GFA”	gross floor area
“Ghisolfi Family”	Vittorio Ghisolfi, his children Anna Ghisolfi, Guido Ghisolfi and Marco Ghisolfi, their respective spouses, their direct and indirect descendants and blood relatives to a second degree of consanguinity and the heirs and executors of each of such persons
“Ghisolfi Group”	M&G Finanziaria S.r.l., our parent company, and its subsidiaries

DEFINITIONS

“Global Offering”	the Hong Kong Public Offer and the International Offer
“GPT”	Grupo Petrotex, S.A. de C.V., an Independent Third Party and parent company of DAK and Akra, and except where the context otherwise requires, other members of its group
“Graham Packaging”	Graham Packaging Company, LP, an Independent Third Party
“Green Application Form(s)”	the application form(s) to be completed by the White Form eIPO Service Provider, Computershare Hong Kong Investor Services Limited, designated by our Company
“Group”	our Company and our subsidiaries, or where the context refers to any time prior to the Reorganization, the business in which our predecessors or the predecessors of our present subsidiaries upon completion of the Reorganization were engaged and which we subsequently assumed
“Guozhen Group”	Guozhen Group and, except where the context otherwise requires, other members of its group
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Hong Kong Public Offer”	the offer of 235,308,000 Offer Shares for subscription by the public in Hong Kong (subject to adjustment and reallocation as described in the section headed “Structure of the Global Offering”) for cash at the Offer Price (plus brokerage fee of 1%, SFC transaction levy of 0.003% and Hong Kong Stock Exchange trading fee of 0.005%) and on the terms and subject to the conditions described in this prospectus and the Application Forms, as further described in the section headed “Structure of the Global Offering” in this prospectus
“Hong Kong Public Offer Share(s)”	the Offer Share(s) offered in the Hong Kong Public Offer
“Hong Kong Share Registrar”	Computershare Hong Kong Investor Services Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Hong Kong Underwriter”	the underwriter listed in the section headed “Underwriting — Hong Kong Underwriter”, being the underwriter of the Hong Kong Public Offer
“Hong Kong Underwriting Agreement”	the underwriting agreement dated November 28, 2013 relating to the Hong Kong Public Offer entered into between us, the Bookrunner, the Controlling Shareholders (other than Vittorio Ghisolfi) and the Hong Kong Underwriter, as further described in the section headed “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offer — Hong Kong Underwriting Agreement” in this prospectus
“Huitong Chemical”	Huitong Chemical Engineering Technique Co., Ltd.
“IAASB”	International Accounting and Assurance Standards Board
“ICIS Pricing”	ICIS Pricing, a division of Reed Business Information Limited, a publisher of pricing reports for raw materials which are used as a reference by the industry
“IFRS”	International Financial Reporting Standards adopted by the European Union
“IHS Inc.”	IHS Inc., a business information and analytics provider, which, since its acquisition of CMAI in May 2011, publishes pricing reports for raw materials which are used as a reference by the industry
“Inbursa”	Banco Inbursa, S.A., Institución de Banca Múltiple, Grupo Financiero Inbursa
“Inbursa Loan (Corpus Christi)”	the loan agreement for up to US\$250 million (€184.8 million) dated March 21, 2013, to be used primarily to fund a portion of the Corpus Christi project, between M&G Resins USA, LLC as borrower, and Banco Inbursa, S.A., Institución de Banca Múltiple, Grupo Financiero Inbursa as lender
“Inbursa Loan (Mexico)”	the US\$100 million (€73.9 million) secured loan agreement dated March 31, 2009, as amended on October 4, 2011, to be used to finance working capital and for other general corporate purposes, between, inter alia, M&G Polímeros México, S.A. de C.V. as borrower and Banco Inbursa, S.A., Institución de Banca Múltiple, Grupo Financiero Inbursa as lender
“Independent Third Party(ies)”	individual(s) or company(ies) which are not connected (within the meaning of the Hong Kong Listing Rules) with any of our Directors, chief executives, substantial shareholders of our Company or a subsidiary or associate of any of them

DEFINITIONS

“Indo American Investments Inc.”	Indo American Investments Inc., a wholly owned subsidiary of Chemtex International, incorporated in Delaware on August 24, 1992
“Indorama Group”	Indorama Corporation, an Independent Third Party and, except where the context otherwise requires, other members of its group
“Intercompany Loan”	the loan agreement dated September 1, 2011 between M&G International S.A. and its subsidiaries and M&G Finanziaria S.r.l., one of our Controlling Shareholders, governing amounts borrowed by M&G Finanziaria S.r.l. from certain subsidiaries within our Group, at a rate of EURIBOR plus 5.625%. The Intercompany Loan was settled in full on September 30, 2013 in consideration for the cancelation of the €115.0 million Group — Loan payable we owed to M&G Finanziaria S.r.l., the €160.0 million purchase price of Chemtex Global and cash of €104.9 million (see “History and Corporate Structure — Our History and Development — Reorganization of the Group”)
“International Offer”	the offer of initially 2,117,752,000 Offer Shares for subscription by professional, institutional and other investors, as further described in the section headed “Structure of the Global Offering” in this prospectus, subject to adjustment, reallocation and the Over-allotment Option
“International Offer Share(s)”	the Offer Share(s) offered in the International Offer
“International Purchasers”	the group of initial purchasers expected to enter into the International Purchase Agreement
“International Purchase Agreement”	the international purchase agreement relating to the International Offer and to be entered into between, among others, us, the International Purchasers and the Bookrunner, as further described in the section headed “Underwriting — Underwriting Arrangements and Expenses — International Offer” in this prospectus
“Invista”	Invista S.à r.l., an Independent Third Party and, except where the context otherwise requires, other members of its group
“ISO”	International Organization for Standardization
“Jilin Qianyuan”	Jilin Qianyuan Energy Development Co., Ltd., an Independent Third Party

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“Latest Practicable Date”	November 20, 2013, being the latest practicable date prior to the publication of this prospectus for the purpose of ascertaining certain information contained in this prospectus
“Lead Manager”	CITIC Securities Corporate Finance (HK) Limited
“Listing”	the listing of the Shares on the Main Board
“Listing Committee”	the listing committee of the Hong Kong Stock Exchange
“Listing Date”	the date, expected to be on or about December 16, 2013, on which our Offer Shares are listed and from which dealings therein are permitted to take place on the Hong Kong Stock Exchange
“Luxembourg”	the Grand Duchy of Luxembourg
“M&G Fibras Brasil”	M&G Fibras Brasil S.A., a wholly owned subsidiary of M&G Fibras e Resinas Ltda., incorporated in Brazil on January 21, 1997
“M&G Fibras e Participações Ltda.”	M&G Fibras e Participações Ltda., formed by the splitting of equity by means of a partial spin-off transaction by M&G Resinas Participações Ltda. on July 19, 2013
“M&G Fibras e Resinas Ltda.”	M&G Fibras e Resinas Ltda., a subsidiary of M&G Fibras Holding S.A. (100% ownership interest less one share held by M&G International S.à r.l.), incorporated in Brazil on January 16, 2001
“M&G Fibras Holding S.A.”	M&G Fibras Holding S.A., formed by the splitting of equity by means of a partial spin-off transaction by M&G Poliéster S.A. on July 19, 2013
“M&G Finance Corporation”	M&G Finance Corporation, a wholly owned subsidiary of M&G Polymers USA, LLC, incorporated in Delaware on February 26, 2002
“M&G Finance Luxembourg, S.A.”	M&G Finance Luxembourg, S.A. a wholly owned subsidiary of M&G International S.à r.l., incorporated in Luxembourg on December 28, 2006
“M&G Finanziaria S.r.l.”	M&G Finanziaria S.r.l., our parent company, a wholly owned subsidiary of Mossi & Ghisolfi S.p.A., incorporated in Italy on October 30, 2005
“M&G International S.A.”	Mossi & Ghisolfi International S.A., formerly a wholly owned subsidiary of our parent company M&G Finanziaria S.r.l., which merged with Chemtex Global on September 5, 2013 to form M&G International S.à r.l.

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“M&G International S.à r.l.”	Mossi & Ghisolfi International S.à r.l., a wholly owned subsidiary of M&G Chemicals after the Reorganization, formed on August 28, 2013 by the merger between Chemtex Global and M&G International S.A.
“M&G México Holding, S.A. de C.V.”	M&G México Holding, S.A. de C.V., a 99% owned subsidiary of M&G USA Holding, LLC and 1% owned by M&G USA Corporation, incorporated in Mexico on May 3, 2000
“M&G Poliéster S.A.”	M&G Poliéster S.A., a 74.82% owned subsidiary of M&G Resinas Participações Ltda., 22.2% owned by M&G International S.à r.l. and 2.9% owned by Brazilian stock exchange investors that are Independent Third Parties, incorporated in Brazil on December 19, 1986
“M&G Polimeri Italia”	M&G Polimeri Italia S.p.A., a wholly owned subsidiary of our parent company M&G Finanziaria S.r.l., incorporated in Italy on November 25, 1999
“M&G Polímeros Brasil S.A.”	M&G Polímeros Brasil S.A., a wholly owned subsidiary of M&G Poliéster S.A., incorporated in Brazil on November 12, 2004
“M&G Polímeros México, S.A. de C.V.”	M&G Polímeros México, S.A. de C.V., a wholly owned subsidiary of M&G México Holding, S.A. de C.V., less one share, which is owned by Servicios Tamaulipas, S.A. de C.V., incorporated in Mexico on May 11, 1995
“M&G Polymers USA, LLC”	M&G Polymers USA, LLC, a wholly owned subsidiary of M&G USA Corporation, formed in Delaware on May 5, 1999
“M&G Resinas Participações Ltda.”	M&G Resinas Participações Ltda., a 89.98% owned subsidiary of M&G International S.à r.l. and 10.02% owned by SIMEST, incorporated in Brazil on November 5, 2004
“M&G Resins USA, LLC”	M&G Resins USA, LLC, a wholly owned subsidiary of M&G USA Corporation, formed in Delaware on December 13, 2007
“M&G Services S.A.”	Mossi & Ghisolfi Services S.A., a wholly owned subsidiary of M&G International S.à r.l., incorporated in Luxembourg on December 28, 2006
“M&G USA Corporation”	M&G USA Corporation, a 87.7% owned subsidiary of M&G International S.à r.l. and 12.3% owned by SIMEST, incorporated in Delaware on April 26, 2000
“M&G USA Holding, LLC”	M&G USA Holding, LLC, a wholly owned subsidiary of M&G International S.à r.l., formed in Delaware on April 26, 2000

DEFINITIONS

“M&Ghisolfi de México, S.A. de C.V.”	M&Ghisolfi de México, S.A. de C.V., a 99% owned subsidiary of M&G USA Holding, LLC, 1% owned by M&G USA Corporation, incorporated in Mexico on December 16, 2009
“Main Board”	the main board of the Hong Kong Stock Exchange
“Maximum Offer Price”	the maximum price under the Global Offering of HK\$1.95 per Offer Share
“MEGlobal”	MEGlobal Americas Inc., an Independent Third Party
“Mercosur”	Argentina, Brazil, Paraguay and Uruguay
“Mexico”	the United Mexican States
“Mossi & Ghisolfi S.p.A.”	Mossi & Ghisolfi S.p.A., owned 29.56% by each of Marco Ghisolfi, Guido Ghisolfi and Anna Ghisolfi, 1.32% by Vittorio Ghisolfi, and 10% by itself (holding its own shares), incorporated in Italy on October 14, 1988
“NAFTA”	for purposes of this prospectus, the United States and Mexico
“Ningxia Hongxing New Energy Development Co., Ltd.”	Ningxia Hongxing New Energy Development Co., Ltd., an Independent Third Party
“Offer Price”	the final Hong Kong dollar price per Hong Kong Public Offer Share (exclusive of brokerage fee, SFC transaction levy and Hong Kong Stock Exchange trading fee) at which Hong Kong Public Offer Shares are to be subscribed for pursuant to the Hong Kong Public Offer and International Offer Shares are to be offered pursuant to the International Offer, to be determined in the manner as described in the section headed “Structure of the Global Offering”
“Offer Share(s)”	the 2,353,060,000 Shares being initially offered for sale at the Offer Price under the Global Offering (subject to the Over-allotment Option)
“Over-allotment Option”	the option granted by the Selling Shareholder to the International Purchasers, exercisable by the Sole Global Coordinator on behalf of the International Purchasers, at any time from the date of the International Purchase Agreement until 30 days from the last day for lodging applications under the Hong Kong Public Offer, to require the Selling Shareholder to sell up to an aggregate of 352,958,000 additional Shares at the Offer Price to cover, among other things, over-allocations in the International Offer, if any, details of which are described in the section headed “Structure of the Global Offering”

DEFINITIONS

“PAL”	Polyester Analysis Ltd, which issued a report dated May 29, 2013 and referenced in this prospectus
“PCI”	PCI Consulting Group or one of their affiliated companies, publishers of pricing reports for raw materials which are used as a reference by the industry
“Pepsi”	PepsiCo Inc., an Independent Third Party, and, except where the context otherwise requires, other members of its group
“Petrobras”	Petróleo Brasileiro S.A., an Independent Third Party and parent company of Petroquímica Suape
“PetroChina”	PetroChina Company Limited, an Independent Third Party
“Petroquímica Suape”	Companhia Petroquímica de Pernambuco — Petroquímica Suape, an Independent Third Party, and except where the context otherwise requires, other members of its group
“Plastipak Packaging”	Plastipak Packaging Inc., an Independent Third Party
“PRC” or “China”	the People’s Republic of China, but for the purposes of this prospectus only (unless otherwise indicated) excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme adopted by our Company on November 14, 2013, details of which are set out in the paragraph headed “Pre-IPO Share Option Scheme” in Appendix V to this prospectus
“Price Determination Date”	the date, expected to be December 7, 2013, on which the Offer Price is to be fixed by agreement between the Bookrunner (on behalf of the Underwriters) and us and in any event not later than December 12, 2013
“PTA Swap Agreement”	agreement entered into with Alpek and its affiliate DAK whereby we will deliver excess PTA produced at the Corpus Christi plant to a DAK facility in the United States, and Alpek will deliver a corresponding amount of PTA to our Altamira PET plant from its co-sited Altamira PTA plant, as described under “Business — Projects Under Construction — Corpus Christi PTA/PET Project”
“published raw materials prices”	raw materials prices published by industry consultants, including PCI Consulting Group, Tecnon OrbiChem, IHS Inc. (formerly Chemical Market Associates, Inc. (CMAI)) and ICIS Pricing, which are used as a reference by the industry

DEFINITIONS

“QIBs”	qualified institutional buyers as defined in Rule 144A
“real”, “reais” or “R\$”	Brazilian <i>reais</i> , the lawful currency of Brazil
“Regulation S”	Regulation S under the U.S. Securities Act
“Reliance Industries Limited”	Reliance Industries Limited, an Independent Third Party
“Reorganization”	the reorganization of our Group, details of which are set out in the section headed “History and Corporate Structure — Our History and Development — Reorganization of the Group” in this prospectus
“Rhodia”	Rhodia S.A., an Independent Third Party and, except where the context otherwise requires, other members of its group
“Rule 144A”	Rule 144A under the U.S. Securities Act
“SAP”	SAP AG, an Independent Third Party
“Selling Shareholder”	M&G Finanziaria S.r.l.
“SEMARNAT”	Secretaría del Medio Ambiente y Recursos Naturales, the Mexican Ministry of Environment and Natural Resources
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of €0.10 each
“Shareholder(s)”	holder(s) of the Share(s)
“Shell”	Shell Chemical LP, an Independent Third Party
“Sichuan Push Acetati”	Sichuan Push Acetati Company Limited, a 33% owned subsidiary of our parent company M&G Finanziaria S.r.l., incorporated in the PRC on July 19, 2007
“SIMEST”	Società Italiana per le Imprese all’Estero S.p.A., the Independent Third Party holder of a 15.4% interest in M&G Resinas Participações Ltda. and a 12.3% interest in M&G USA Corporation
“SINOPEC SEG”	SINOPEC Engineering (Group) Co., Ltd., an Independent Third Party

DEFINITIONS

“Sole Global Coordinator”	CITIC Securities Corporate Finance (HK) Limited
“Sole Sponsor”	CITIC Securities Corporate Finance (HK) Limited
“Sourcing Agreement”	the agreement with DAK pursuant to which DAK will finance part of the Corpus Christi project with a US\$350 million (€258.7 million) investment, in exchange for the right to purchase 400 kMT/year of PET from us for five years from commencement of operations at Corpus Christi, at a price based on our cost of converting raw materials into the finished product
“Stabilizing Manager”	CITIC Securities Corporate Finance (HK) Limited
“Stock Borrowing Agreement”	the stock borrowing agreement expected to be entered into between M&G Finanziaria S.r.l. and the Stabilising Manager, as further described in the section headed “Structure of the Global Offering — Stock Borrowing Arrangement” of this prospectus
“subsidiary”	has the meaning ascribed to it under the Hong Kong Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Tecnon OrbiChem”	Tecnon OrbiChem Ltd., a consultancy that publishes pricing reports for raw materials which are used as a reference by the industry
“Tianjin Gas”	Tianjin Gas Thermal Power Co., Ltd., an Independent Third Party
“Toll Conversion Agreement”	agreement entered into in January 2013 with Akra for the supply of PTA to our Altamira plant, as described under “Business — Projects Under Construction — Corpus Christi PTA/PET Project”
“Tolling Agreement”	agreement entered into in January 2013 with DAK for the provision of PET on a toll conversion basis, as described under “Business — Projects Under Construction — Corpus Christi PTA/PET Project”
“Tongxiang Zhongying”	Tongxiang Zhongying Chemical Fiber Co., Ltd., an Independent Third Party
“Track Record Period”	the period comprising the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013

DEFINITIONS

“Trademark Licensing Agreement(s)”	several trademark licensing agreements entered into by M&G Polímeros Brasil S.A., M&G Polímeros México, S.A. de C.V. and M&G Polymers USA, LLC with M&G Finanziaria S.r.l. on March 1, 2007, as described under “Connected Transactions — Continuing Connected Transactions — Exempt Continuing Connected Transactions — 3. Trademark Licensing Agreements”
“Undated Securities”	the €200 million undated, subordinated fixed/floating rate cumulative securities issued by M&G Finance Luxembourg S.A. on March 7, 2007, guaranteed on a joint and several basis by the Undated Securities Guarantors
“Undated Securities Guarantors”	Mossi & Ghisolfi International S.A., M&G México Holding, S.A. de C.V., M&G Polymers USA, LLC and certain other subsidiaries of M&G International S.à r.l.
“Underwriters”	the Hong Kong Underwriter and the International Purchasers
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Purchase Agreement
“United States”, “USA” or “U.S.”	the United States of America, including its territories, possessions and all areas subject to its jurisdiction
“U.S. dollars” or “US\$”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended
“White Form eIPO”	the application for Hong Kong Public Offer Shares to be issued in the applicant’s own name by submitting applications online through the designated website of the White Form eIPO www.eipo.com.hk
“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited
“WVDEP”	the West Virginia Department of Environmental Protection
“Xin Feng Ming”	Xin Feng Ming Group Co., Ltd., an Independent Third Party and parent company of Tongxiang Zhongwei Chemical Fiber Co., Ltd.

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains terms used in this prospectus as they relate to our business. Some of these definitions may not correspond to standard industry definitions.

“active prime capacity”	referred to for a given period, the production capacity for prime quality product of lines in operation during the relevant period and, in the case of our Group, is calculated based on operations for 24 hours per day of a 365-day year less 20 days per year of scheduled downtime for regular maintenance
“BEDP”	basic engineering design package
“bio-barrier”	a renewable oxygen scavenger barrier solution
“bio-BTX”	a mixture of benzene, toluene and the three xylene isomers produced from renewable resources
“bio-MEG”	ethylene glycol produced from renewable resources
“bio-ethanol”	ethanol produced from renewable resources
“biomass”	biological material such as plants or agricultural waste, to be used as feedstock for production of sustainable PET raw materials
“bio-PET”	PET produced from sustainable raw materials
“bio-PX”	paraxylene produced from biomass
“BTX”	a mixture of benzene, toluene and the three xylene isomers
“capacity utilization rate” or “utilization rate”	the percentage utilization of active prime capacity for a given period, calculated as prime quality production volume divided by installed prime capacity
“cash cost”	the cost of converting raw materials into the finished product
“converters”	companies that convert PET into containers
“cost-plus”	arrangement which provides revenue based on spreads over a reference price
“CSD”	carbonated soft drinks
“DEG”	diethylene glycol
“E”	bulk engineering services
“E2E”	ethanol-to-ethylene glycol
“EasyUp™”	proprietary technology for the construction of horizontal solid state polymerization plants, which allows for construction of larger PET production lines with capital expenditures only marginally higher than traditional production lines

GLOSSARY OF TECHNICAL TERMS

“EP”	engineering and procurement
“EPC”	engineering, procurement and construction
“EPCM”	engineering, procurement and construction management
“field services”	services consisting of assistance with erection, field engineering, training and start-up support
“GREG hydrogenation technology”	our proprietary hydrogenation technology for the production of bio-MEG
“installed prime capacity”	refers, in the case of our Group, to the maximum prime capacity actually achievable, adjusted for on stream factors such as scheduled downtime for regular maintenance
“IPA”	isophthalic acid
“LNG”	liquefied natural gas
“MEG”	monoethylene glycol (also referred to as “ethylene glycol”), used in the production of PET resin, polyester fiber and film, and other industrial uses
“MOGHI”	technology for the production of bio-BTX from lignin owned by our affiliate, Biochemtex
“MPP”	melt phase polymerization
“MT”	metric tons (one metric ton is equal to 1,000 kilograms or 2,204.6 pounds); “kMT” means thousands of metric tons; and “mMT” means millions of metric tons
“Nm ³ ”	a normal cubic meter of gas, measured at atmospheric pressure equal to 1 standard atmosphere and temperature equal to 0°C (1 Nm ³ = 38.04 cubic foot)
“nominal capacity”	refers to the total nameplate designed rated capacity of a facility for a given period, for both prime and non-prime product
“OHSAS”	Occupational Health & Safety Advisory Services
“PCR”	post-consumer resin
“PET”	polyethylene terephthalate, in the form of resin
“peak-shaving”	the process of using sources of energy, such as natural gas from storage, to supplement the normal amounts delivered to customers during peak-use periods in order to prevent pipelines from having to expand their delivery facilities to cover short periods of extremely high demand during peak hours

GLOSSARY OF TECHNICAL TERMS

“prime quality product”	output which is sufficiently high quality to sell, compared to non-prime output which is generally recycled (the remaining portion is sold at substantially lower prices or lost as scrap)
“PROESA®”	proprietary technology owned by our affiliate, Beta Renewables, for the production of fermentable sugars from any biomass, including fast-growing, non-food feedstock
“PTA”	purified terephthalic acid, used in the production of PET resin, polyester fiber and film and other industrial uses
“PX”	paraxylene, extracted in the production of gasoline and used in the production of PTA
“Responsible Care”	the International Council of Chemical Associations Responsible Care® code, a voluntary initiative by the chemical industry association to continuously improve management of environmental, health and security standards in production
“SSP”	solid state polymerization
“toll conversion” or “tolling”	an arrangement whereby a producer converts raw materials provided by the customer into the finished product which the customer will off-take from the producer
“variable spread”	arrangement which provides revenue on the basis of variable spreads above published raw material prices, which are reset monthly based on then-prevailing spot market prices

FORWARD-LOOKING STATEMENTS

Forward-looking statements contained in this prospectus are subject to significant risks and uncertainties.

This prospectus contains forward-looking statements regarding our plans, intentions, beliefs, expectations and predictions for the future, particularly under “Industry Overview”, “History and Corporate Structure”, “Business” and “Financial Information”.

These forward-looking statements in this prospectus include, without limitation, statements relating to:

- general domestic and global economic conditions;
- future developments in the PET industry and the plant construction and engineering business, and our competitive environment internationally;
- the actions and developments of our competitors;
- the effects of domestic and overseas competition in our industry and their potential impact on our business;
- the regulatory and operating conditions in the industry in which we operate;
- the amount and nature of, and potential for, future development of our business;
- our business strategy and plans to achieve this strategy;
- changes in the availability of, or requirements for, financing;
- our ability to abide by certain financial covenants to which we are subject;
- fluctuations in exchange rates and interest rates;
- our financial condition and performance;
- our ability to control costs;
- changes in pricing for our products and services;
- our expansion and capital expenditure plans;
- our ability to source raw materials;
- fluctuations in the prices of raw materials and our ability to pass-through any increases in price to customers;

FORWARD-LOOKING STATEMENTS

- fluctuations in PET prices;
- liquidity risks and the potential failure to obtain funds for our activities;
- credit risk in relation to our contractual counterparties;
- our ability to maintain insurance sufficient to cover all potential losses;
- the potential for investigations or litigation;
- our ability to protect our intellectual property rights;
- the risk of labor disputes within our workforce;
- our ability to retain our management and hire skilled employees;
- our dividend policy; and
- other statements in this prospectus that are not historical fact.

In addition, statements regarding our future financial position, strategy, projected costs, profit margins and capital expenditure and other plans and the objectives of our management for future operations are forward-looking statements. In some cases, we use words such as “believe”, “seek”, “intend”, “anticipate”, “estimate”, “project”, “forecast”, “plan”, “potential”, “will”, “may”, “could”, “should” and “expect”, and the negative of these words and other similar expressions, to identify forward-looking statements. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that those expectations will prove to be correct, and you are cautioned not to place undue reliance on such statements. Important factors that could cause actual events to differ materially from our expectations are disclosed under “Risk Factors” and elsewhere in this prospectus, including in conjunction with the forward-looking statements included in this prospectus. We undertake no obligation to publicly update or revise any forward-looking statements contained in this prospectus, whether as a result of new information, future events or otherwise, except as required by law and the Hong Kong Listing Rules. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus might not occur. All forward-looking statements contained in this prospectus are qualified by reference to this cautionary statement. See “Business — Our Strategies”, “Financial Information — Liquidity and Capital Resources — Capital expenditures” and “Future Plans and Use of Proceeds”.

RISK FACTORS

You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our Shares. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks. The trading price of our Shares could decline owing to any of these risks, and you may lose all or part of your investment. This prospectus also contains forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the risks described below and elsewhere in this prospectus.

RISKS RELATING TO OUR BUSINESSES

Cyclicality in the PET business may reduce our operating margins or cause operating losses.

The PET market in which we operate is cyclical, and our earnings vary from period to period based in part on the balance of supply relative to demand within the industry. The petrochemicals industry has historically experienced alternate periods of capacity shortages leading to tight supply conditions, characterized by increased selling prices and higher operating margins, followed by periods when substantial capacity was added, resulting in oversupply, declining capacity utilization rates and declining prices and profit margins. For example, PTA profitability was high in 2010, but dropped sharply in 2012 due to industry oversupply. In addition, the margin on MEG increased from 2010 to 2012 due to a tightening supply balance, while the margin on polyester (including PET) decreased during the same period due to increased supply.

Selling prices are influenced by competition and capacity utilization, which is the demand for product divided by total industry capacity. Demand for our products is determined principally by growth in end-use markets, substitution of our products for other products, economic conditions, imports, and the competitive cost position of our products. Supply is determined by worldwide PET resin production capacity, which is expanding globally as producers commit to enhancements of their installed capacity. Such increases in global capacity, unless balanced by the shutting down of older, less efficient plants, may lead to overcapacity in the industry and therefore a reduction in margins. In addition, overcapacity in Asia may lead to producers in the region increasing their exports to South America, thereby increasing price pressure and reducing the margins at our South American plants. Any reduction in selling prices, failure to achieve expected selling price increases, or any significant expansion in capacity whether by us or by our competitors beyond increases necessary to respond to increasing demand, could reduce our margins, which could have a material adverse effect on our business, financial condition and results of operations.

We are exposed to risks associated with fluctuations in prices of raw materials.

Our margins are largely a function of the prices we are able to charge for our products and services, and the costs of the raw materials and other inputs we require to produce these products or provide these services. In particular, PET pricing can vary widely with changes in the price of its two main raw materials, PTA and MEG. These raw materials are subject to substantial price fluctuations caused by changes in the prices of other petrochemical products used to produce these raw materials which are, in turn, directly and indirectly linked to oil prices. During the Track Record Period, MEG prices in the United States, for example, fluctuated from a low of 35 cents per pound delivered in 2010 to a high of 60 cents per pound delivered in 2012. PTA prices in the United States similarly varied, from a low of 45 cents per pound in 2010 to 73 cents per pound in late 2011, with wide variations in

RISK FACTORS

between in both cases. The price of raw materials is also subject to other factors that we cannot control, such as market conditions, general economic conditions, production capacity in the markets, production constraints on the part of the suppliers, political conditions, regulations and various other factors.

Pass-through pricing provisions in our customer contracts, consistent with standard industry practice, have historically allowed us to pass through to our customers a portion of raw material price increases: approximately 62% of our revenues in our PET division during the Track Record Period were earned pursuant to “cost-plus” arrangements, which provide for fixed spreads over raw materials prices published in regular periodicals by reputable industry experts mutually agreed by us and the relevant customer (“published raw materials prices”), while slightly more than 32% of the revenues in our PET division were earned pursuant to “variable spread” arrangements which re-set prices monthly, at then-prevailing spot market prices.

We cannot assure you that we will continue to be able to include such pass-through provisions in our contracts with our customers. There may be periods of time during which we may not be able to fully recover increases in the cost of raw materials under our contractual arrangements due to weakness in demand for, or oversupply of, our products. Even if we are able to continue to pass these costs through, there may be a lag between the time our costs increase and the time we pass those costs through to our customers, which could negatively affect our margins. Furthermore, the increased prices reflecting pass-through costs could decrease our sales volume over time. Significant increases in the prices of raw materials or an inability to promptly pass such increases on to customers would have a material adverse effect on our business, financial condition and results of operations. Moreover, as a result of our cost-plus and variable spread paying arrangements, increased raw materials costs tend to reduce our operating profit margin expressed as a percentage of selling price.

In addition, a significant decrease in PTA and MEG prices could also cause us to incur adjustments to the value of our raw material inventories, and have a negative effect on our earnings.

We also face exposure to raw materials price fluctuations in Asia as a result of the expansion of our presence in China. While we do not intend to enter the Chinese market as a PET producer, we plan to expand our operations into China as a technology provider and polyester raw material supplier of bio-MEG through the construction in China of two bio-ethanol plants and one E2E plant, which are expected to be able to take advantage of the lower costs of bio-mass resources in China. See “— We face risks associated with our investments in the bio-PET industry”, below. Our planned expansion into China may expose us indirectly to the greater volatility and lower spreads of the Chinese PET market, and any adverse change in Chinese demand for MEG or industry oversupply of MEG could also reduce our margins, which could have a material adverse effect on our business, financial condition and results of operations.

Our operations are dependent on the availability of our raw materials and our relationships with our suppliers.

Our operations are substantially dependent on the availability of our two primary raw materials, PTA and MEG. We currently rely on several suppliers for our PTA and MEG supplies, as described under “Business — Key Businesses — PET Division — Raw materials”. For the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013, our top five suppliers represented approximately 82%, 84%, 86% and 88%, respectively, of our total purchases of raw materials, process and spare parts and our single largest supplier represented approximately 39%,

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39%, 45% and 44%, respectively, of our total purchases of raw materials, process and spare parts. If any of our major suppliers is subject to a major production disruption or is unable to meet its obligations under our existing supply agreements, we may be forced to pay higher prices to obtain the necessary raw materials and we may not be able to pass on our increased raw material costs to our customers. Furthermore, any delays in deliveries from our suppliers may cause delays in the completion of our products. In the event of a loss of any supplier, a disruption in any of their businesses or a failure to meet our supply needs on a timely basis, we cannot assure you that we would be able to secure an alternative source of raw materials at a competitive cost level, in a timely manner, or at all. Furthermore, we cannot assure you that we will be able to maintain or renew our long-term supply contracts. Possible shortages of raw materials, temporary or otherwise, could have a material adverse effect on our business, financial condition and results of operations.

Shortages or disruptions of supplies to customers due to unplanned capacity decreases, natural disasters, disruptions in water or electricity supply, labor unrest or unplanned shutdowns of production plants may have a material adverse effect on our business.

Our production relies on a limited number of high-capacity plants and we are therefore exposed to the risk that a disruption or shutdown in production at one of our major plants could reduce the productivity and profitability of a particular manufacturing facility, or our business as a whole, during and after such interruptions. Production at our manufacturing facilities or the supply of our products to our customers could be adversely affected by technical failures, strikes, natural disasters, including hurricanes, regulatory rulings and other factors. Unexpected events, such as manufacturing problems, unplanned shutdowns or loss of supplies, could lead to reduced production. Any disruption in supply of utilities, such as water and electricity, would also cause delays in our production; for example, in 2011, a one-time power outage of several hours was caused by a malfunctioning of the main electricity transmission line from South to North Brazil during a period when the second (back-up) transmission line was undergoing maintenance. This affected the North East of Brazil and caused our Suape plant to suspend operations for 45 days, following which we keep in stock certain emergency components which we believe would enable us to resume production more quickly in the event this should happen again. Production capacity at one or more of our sites or major plants could therefore decline temporarily or on a longer term basis.

Disruptions of our operations due to work stoppages or strikes may also adversely affect our business. Although we believe that we have satisfactory relations with our workers' councils and unions, we cannot assure you that we will be able to reach new agreements with satisfactory terms when existing collective bargaining agreements expire, or that such agreements will be reached without work stoppages, strikes or similar industrial actions. Any interruption of our manufacturing operations due to labor unrest for an extended period of time could have a material adverse effect on our business, financial condition and results of operations

A loss of our key customers, loss of business from our key customers or a consolidation of our customers, could harm our operating results.

During the six months ended June 30, 2013, approximately 48% of our revenues derived from contracts with our top five customers. Significant declines or a total loss of business from these key customers could have a material adverse effect on our business, financial condition or results of operations. We believe we have a strong and stable customer base with whom we typically enter into agreements with an average duration of three years, and in some instances of up to eight years, with contract terms typically providing for termination rights in favor of the customer only if we are in

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breach of the relevant agreement, and a form of volume protection (such as volume-related penalties, or right to supply a certain percentage of the customer's PET consumption). However, we may not be able to sell our products to these customers in the long term and we may lose certain key customers in the future. The consolidation of our customers may also reduce our revenues and profitability. If one of our customers were to be acquired by or merge with another company that has a relationship with one of our competitors, or if two of our customers were to merge, such customers' negotiating leverage with us may increase and our business with them may become less profitable, or we may lose their business. Any consolidation of purchasing power through buyer cooperatives or similar organizations could also harm our business.

Significant declines or a total loss of business from our major customers, or the material financial weakening of any such customers, as well as the inability to replace or regain the business of these key customers could have a material adverse effect on our business, financial condition, results of operations and prospects.

Failure to compete successfully in the market for PET resin for packaging applications may have a material adverse effect on our operating results and prospects.

The PET resin industry for packaging applications is highly competitive. Our business competes on a variety of factors such as price, product quality, performance or specifications, continuity of supply, customer service, breadth of product line, product innovation and technology. Our ability to compete successfully in the market depends on the suitability of our PET output in manufacturing plastic packaging and our ability to upgrade existing products to meet our customers' requirements and to react to changing customer demands in a timely manner. If our competitors were to develop PET resins with more attractive properties or more efficient production technologies, our products could become less competitive and we could lose market share, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, the development of other materials that are more attractive based on their physical properties or other economic or environmental reasons could become substitutes for PET in packaging applications, resulting in lower demand for our PET resin. We devote substantial resources to research and development, but because of the lengthy development process, technological challenges and intense competition, we cannot assure you that any of the products or processes we are currently developing, or may develop in the future, will become market-ready and achieve commercial success. Any failure to keep pace with product development or anticipate customer requirements could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, technological changes in the PET industry could render existing PET plants and technologies uncompetitive or obsolete. Our major competitors include diversified industrial groups, some of which are larger than we are or have greater financial resources than we do, which may enable them to invest significant amounts of capital and other resources into their businesses. If any of our current or future competitors develops proprietary technology that enables it to manufacture at a significantly lower cost or greater scale, or to manufacture products with more attractive physical properties, the technology we use could be rendered uneconomical and obsolete and our market share, revenues and margins may suffer.

We face risks in connection with financing the significant capital expenditures planned for our business, including the construction of our PET and PTA plants in the United States and the China bio-MEG project.

To fund our growth plans and expand our operations to meet our customers' requirements, we intend to continue to make substantial capital expenditures for product development, make improvements in our manufacturing processes and add additional production capacity.

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As part of our PET and PTA investment program, we expect to incur capital expenditures of US\$1.15 billion (€884.6 million, translated at a rate of €1.0: US\$1.3), excluding maintenance capital expenditures, for our planned PET and PTA production facilities in Corpus Christi, Texas, to be incurred over the next three years until its expected completion in 2016. In connection with the construction of two new bio-ethanol plants and an E2E plant in China, we expect to incur capital expenditures of approximately US\$440 million (€338.5 million, translated at a rate of €1.0: US\$1.3) over the 18 months following the Listing Date. We also expect to incur approximately US\$30.0 million (€23.1 million, translated at a rate of €1.0: US\$1.3) of maintenance capital expenditures per year going forward for our existing assets.

Although we have obtained financing for a portion of our planned capital expenditures from DAK Americas LLC (“DAK”) and Banco Inbursa, S.A., Institución de Banca Múltiple, Grupo Financiero Inbursa (“Inbursa”) and arranged for further financing with SINOPEC Engineering (Group) Co. Ltd. (“SINOPEC SEG”) (see “Financial Information — Liquidity and Capital Resources — Capital expenditures”) and plan to finance the remainder through the proceeds of the Global Offering, complex construction projects such as our planned construction of the new PET-PTA and bio-MEG production facilities are subject to various risks and assumptions including cost overruns and delays in completion which could also increase the financing required for the completion of these projects (see “— Construction of our planned PET and PTA production facilities in the United States and bio-MEG facilities in China may be delayed, over budget, or not completed”, below). We cannot assure you that we will obtain such additional funding on favorable terms, or at all. If we are unable to secure any required additional funding, we may not be able to complete construction of these plants in the contemplated timetable, or at all, which could have a material adverse effect on our business, financial condition, results of operations or prospects. See also “— Our high level of indebtedness and the restrictive debt covenants to which we are subject may limit our financial and operating flexibility”, below.

Construction of our planned PET and PTA production facilities in the United States and bio-MEG facilities in China may be delayed, over budget, or not completed.

We are planning the construction of a latest-generation technology integrated PET-PTA production facility in Corpus Christi, Texas, United States as well as second-generation bio-MEG production facilities in China. These expansion plans, as well as our overall growth plans, may be subject to delays for reasons outside of our control. In relation to certain projects, we have entered into agreements with third-party contractors. Various factors may delay any of our expansion plans, or cause them to go over budget, including the delay in finalizing definitive agreements for the construction of the plants, the inability of third-party contractors to complete the project in a timely manner, the inability to obtain any necessary permits, licenses or approvals, unavailability or delay in the delivery of parts or machinery, shortage of labor or lack of sufficient financing. Any such delay could have a material adverse effect on our business, financial condition and results of operations.

We face risks associated with our investments in the bio-PET industry.

Our investments in the bio-PET industry are based on certain assumptions regarding global demand for bio-MEG and our ability to produce bio-PET at a profit. Global demand for environmentally sustainable bio-MEG has increased in recent years, with many customers willing to pay a premium for bio-based PET, produced from renewable sources. We are investing in the construction in China of two bio-ethanol plants and one E2E plant, which are expected to be able to take advantage of the lower costs of bio-mass resources in China. In addition, we have acquired from

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our affiliates exclusive rights to use their proprietary technologies to produce PET raw materials from renewable resources, including paraxylene (“PX”) produced from biomass (“bio-PX”) and bio-MEG, in order to be able to produce PET that is entirely made from environmentally sustainable raw materials. The implementation of these technologies is at an early stage, and there can be no certainty that it will be commercially viable for us to produce bio-PET from these technologies, or that there will continue to be sufficient global demand for bio-PET to support our operations. Furthermore, if the global supply of bio-PET increases as more producers switch to environmentally sustainable PET production, the prices of bio-PET may decrease and this may lead to a reduction in our margins.

In particular, we cannot assure you that we will be able to source the raw materials for our China bio-MEG project cost-effectively. We may not be able to secure raw materials in China at prices we expect and operating costs may be higher than our estimates. Increases in the prices of bio-mass raw material in China may also lead to a reduction in our profits at the bio-MEG facilities once constructed. If global demand for bio-MEG or the profitability of the planned bio-MEG production plants is lower than expected, this could have a material adverse effect on our business, financial condition and results of operations.

Increases in costs, particularly energy costs and transportation, could adversely affect our operating results.

Our inability to maintain our cost structure and efficiently operate our manufacturing facilities may adversely impact our operating results. In particular, rapid rises in energy costs may impact our operating expenses and margins. Our transportation and energy costs have historically varied in line with oil prices. Increases in oil prices, particularly rapid increases, could substantially increase our freight and energy costs and adversely affect our ability to supply our customers at current prices and meet our customers’ demand for our products. As a result, we could experience a significant increase in operating costs, which could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to protect the intellectual property critical for the development and operation of our business, and may inadvertently infringe upon the intellectual property rights of third parties.

In developing new product lines or upgrading existing lines, we rely on our proprietary technology and know-how as well as that of our affiliates in the Ghisolfi Group. We cannot assure you that our agreements and other arrangements as well as patents, patent applications and other intellectual property rights owned by us and/or our affiliates or other measures taken by us will adequately protect our trade secrets, know-how or other proprietary information, or that our competitors will not obtain this information through independent development, indiscretion of employees, industrial espionage or other means, or that our patent applications, if too limited in scope, will provide any meaningful protection.

In addition, our intellectual property protection in certain jurisdictions may not be effective, particularly in China. Historically, China has not protected intellectual property rights to the same extent as the United States or other jurisdictions, and infringement of intellectual property rights continues to pose a serious risk to doing business in China. Monitoring and preventing unauthorized use is difficult. The measures we take to protect our intellectual property rights may not be adequate or sufficient.

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While we believe that we have the right to use the intellectual property necessary to operate our business, we cannot assure you that we will be able to obtain and maintain our current and future rights to the relevant products and technologies. In addition, our competitors may obtain patents for technologies which we do not possess or our proprietary rights and information may become obsolete. We cannot assure you that our activities will not infringe on the proprietary rights of others or that we will be able to obtain licenses, on reasonable terms or otherwise, for the required technology. In the event of a dispute related to such intellectual property, we cannot assure you that the dispute will be adjudicated in our favor. If we fail to obtain the necessary intellectual property rights to protect our proprietary information, if we encounter difficulties in enforcing our intellectual property rights or if we infringe upon the proprietary rights of others, our business, financial condition and results of operations could be materially adversely affected.

Our high level of indebtedness and the restrictive debt covenants to which we are subject may limit our financial and operating flexibility.

We have incurred indebtedness, and may incur additional indebtedness in the future, to finance our operations and expenses. As at June 30, 2013, we had an aggregate of €561.0 million of borrowings outstanding, of which €277.1 million constituted the current portion of our borrowings, a gearing ratio of 58.7% and a net debt to total equity plus net debt ratio of 52.5%. Historically, a large portion of our total borrowings has been on a short-term basis. As at June 30, 2013, current portion of borrowings (consisting of current portion of long-term borrowings and short-term borrowings) represented 49.4% of our total borrowings outstanding. There can be no assurance that we will be able to renew our short-term debt as it matures on acceptable terms or at all and in such circumstances we may be required to seek other sources of financing, to reduce or delay capital expenditures, to forego business opportunities or to dispose of assets or businesses. For further discussion of our indebtedness and the maturity of our borrowings, please see the section of this prospectus entitled “Financial Information — Management’s Discussion and Analysis of Financial Condition and Results of Operations — Indebtedness” and “Financial Information — Quantitative and Qualitative Analysis of Market Risks — Liquidity Risks”.

We are subject to certain affirmative and negative covenants, including a requirement to maintain specified financial ratios contained in agreements in respect of certain of our existing indebtedness. These covenants may limit our ability to finance future operations and capital needs, and our ability to pursue business opportunities and activities that may be in our interest. In addition, the terms of any future indebtedness may require us to maintain similar financial ratios, satisfy specified financial tests and comply with other terms that are customary for comparable financings. Our ability to meet these financial ratios and tests may be affected by the events described elsewhere in these “Risk Factors” or otherwise by events beyond our control and, as a result, we cannot assure you that we will be able to meet these ratios and tests. If we breach the covenants under our existing or future financing arrangements and are unable to cure the breach or obtain a waiver from our lenders, we would default under the terms of such arrangement which could cause a default under other financing arrangements, and could cause the lenders under such financing arrangements to terminate their commitments and declare all amounts owed to them to be due and payable. In case of acceleration, we cannot assure you that our assets would be sufficient to repay in full that indebtedness and our other indebtedness. This could limit our ability to meet ongoing or future capital needs, and have a material adverse effect on our business, financial condition and results of operations.

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In addition, certain of our existing debt facilities bear interest at a variable rate which is based on LIBOR. The occurrence of a market disruption event (as defined in the relevant facility agreement) may increase our overall interest burden and could have a material adverse effect on our ability to service our debt obligations.

Further, if and to the extent that we incur additional debt, the risks that we face as a result of such indebtedness and leverage could intensify. For example, the amount of our total indebtedness could:

- limit our ability to satisfy our obligations under other outstanding debt;
- increase our vulnerability to adverse general economic and industry conditions;
- require us to dedicate a substantial portion of our cash flows from operations to servicing and repaying indebtedness, thereby reducing the availability of our cash flows to fund working capital, capital expenditures and other general corporate purposes;
- limit our flexibility in planning for or reacting to changes in the businesses and the industry in which we operate;
- place us at a competitive disadvantage compared to our competitors that have less debt;
- limit, along with the financial and other restrictive covenants of our indebtedness, our ability to borrow additional funds; and
- increase the cost of additional financing.

Our ability to generate sufficient cash to satisfy our outstanding and future debt obligations will depend upon our future operating performance, which will be affected by prevailing economic conditions and financial, business and other factors, many of which are beyond our control. If we are unable to service our indebtedness, we will be forced to adopt an alternative strategy that may include actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing existing indebtedness or seeking equity capital. These strategies may not be instituted on satisfactory terms.

We had net current liabilities as at June 30, 2013 and December 31, 2012 and 2011 and these positions may continue after Listing.

As at June 30, 2013 and December 31, 2012 and 2011, we had net current liabilities of €102.7 million, €167.6 million and €175.5 million, respectively. Our net current liabilities position exposes us to liquidity risk. Our future liquidity, the payment of trade and other payables, our capital expenditure plans and the repayment of our outstanding debt obligations as and when they become due will primarily depend on our ability to maintain adequate cash generated from operating activities and adequate external financing.

We may have net current liabilities in the future, which may limit our working capital for the purpose of operations or capital for our expansion plans and materially and adversely affect our business, financial condition, and results of operations.

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We are exposed to interest rate and foreign currency risks.

We are subject to interest rate risks in the ordinary course of our business. As at June 30, 2013, our total outstanding debt with floating interest rate was €518 million, out of €561 million of total outstanding borrowings. While we hedge against interest rate risks using derivative instruments, we cannot assure you that our hedging strategy will be effective or that interest rate fluctuations will not have a material adverse effect on our business, financial condition and results of operations.

Our results of operations have been, and may continue to be, affected by fluctuation in exchange rates. We conduct our operations primarily in Brazil, the United States and Mexico, and are therefore also exposed to risks associated with the fluctuations of foreign currencies, in particular Brazilian reais, U.S. dollars and Mexican pesos. These currencies have experienced considerable volatility against the euro in recent years. In preparing our consolidated financial statements, we have translated the operating and financial results of our subsidiaries in the United States, Brazil and Mexico into euros at the applicable exchange rates. Consequently, our financial results in any given period may be affected by fluctuations in the value of the euro against these other currencies. We incurred foreign currency exchange losses for the years ended December 31, 2010, 2011 and 2012 of €17.8 million, €38.6 million and €24.5 million, respectively and foreign currency exchange losses of €6.0 million for the six months ended June 30, 2013. Please see the sections of the prospectus entitled “Financial Information — Six months ended June 30, 2013 compared with six months ended June 30, 2012 — Financial expenses”, “Financial Information — Year ended December 31, 2012 compared with year ended December 31, 2011 — Financial expenses” and “Financial Information — Year ended December 31, 2011 compared with year ended December 31, 2010 — Financial expenses”.

Our business is exposed to the product liability risks of our customers.

Because the PET we produce is used in the manufacture of consumer products, our business is exposed to both direct and indirect product liability risk and reputational harm. The amount and scope of our product liability insurance may not be adequate to cover a product liability claim that is successfully asserted against us by our customers. In addition, we are exposed to the product liability risk and negative publicity of our customers and suppliers along the PET value chain. Because many of our customers face product liability risks in connection with their businesses, our sales may decline as a result of claims against, or negative publicity associated with, the products of any of our customers or our competitors’ customers. Any such decline in sales could have a material adverse effect on our business, financial condition and results of operations.

We are exposed to risks related to the handling of hazardous materials at various stages of our operations.

Our operations in both the PET and Engineering divisions are subject to various operating risks associated with chemical manufacturing, including risks associated with storage and transportation (by road, train and sea) of raw materials, products and waste. These risks include, among other things, the following hazards:

- pipeline and storage tank leaks and ruptures;
- fires and explosions;
- malfunction and operational failure; and

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- releases, discharges or disposal of toxic and/or hazardous substances resulting from these or other causes.

These operating risks have the potential to cause personal injury, property damage and environmental contamination. If we incur liabilities or damages as a result of our handling of hazardous materials, we may be required to incur expenses for environmental remediation, shut down the affected facilities, which could interrupt our business and operations, and incur civil or criminal penalties, any of which could have a material adverse effect on our reputation, business, financial condition and results of operations.

We face competition in our Engineering division from other technology and engineering providers.

Our Engineering division faces competition from other technology and engineering providers. If we fail to obtain new contracts or to maintain our existing customers, our financial condition and business prospects will be materially and adversely affected. In particular, in China and India, which are key markets for our Engineering division, we face competition from smaller, local technology providers, particularly in China. Such providers have been gaining market share particularly with customers building plants with smaller installed capacities, and in the LNG and polyester sectors. Any failure to effectively compete with these local providers could have a material adverse effect on our business, financial condition and results of operations.

In addition, our Engineering division is dependent upon our ability to attract, train, retain and motivate qualified personnel, particularly engineers. We face competition from other technology providers in attracting and retaining such skilled personnel. If we are not able to attract and train new personnel quickly enough to meet the demand for our Engineering division's services, or to maintain the number of qualified personnel currently dedicated to such services, the quality of our engineering services and the demand for such services could be negatively affected, which could have a material adverse effect on our business, financial condition and results of operations.

Our Engineering division backlog may not be a reliable indicator of our future results of operations.

The amount of backlog of our Engineering division is not necessarily indicative of our future revenues related to the performance of such work. Although backlog represents only business that is considered to be firm, we cannot assure you that cancelations or scope adjustments will not occur, resulting in a reduction in both the contract value of the canceled or adjusted contract, as well as a reduction in the unbilled value of future revenues expected to be recognized from that contract. Our backlog may be subject to variances related to project delays or cancelations resulting from weather conditions, external market factors and economic factors beyond our control. We cannot assure you that we will secure contracts equivalent in scope and duration to replace the backlog. If our backlog fails to materialize, we could experience a reduction in our revenues and a decline in profitability which could have a material adverse effect on our business, financial position and results of operations, or on our ability to achieve our objectives.

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Our Engineering division constructs projects for third parties and we are consequently exposed to potential liability and potential contract disputes which may reduce our profits.

We engage in engineering and construction activities for third parties, in which design, construction or systems failures can result in substantial injury or damage to third parties. We have been and may in the future be named as a defendant in legal proceedings where parties may make a claim for damages or other remedies with respect to our projects or other matters. In some instances, we may guarantee a customer that we will complete a project by a scheduled date, or that the project, when completed, will also achieve certain performance standards. If we subsequently fail to complete the project as scheduled, or if the project subsequently fails to meet guaranteed performance standards, we may be held responsible for cost impacts to the client resulting from any delay or the costs required to enable the project to achieve the performance standards, generally in the form of contractually agreed-upon liquidated damages. To the extent that these events occur, the total costs of the project would exceed our original estimates and we could experience reduced profits, or, in some cases, a loss for that project.

Our existing insurance coverage may not be adequate and we may not be able to obtain the same level of insurance coverage in the future.

We seek to cover foreseeable and insurable risks through insurance policies consistent with industry and regional practices. Such insurance cover, however, may not fully cover the risks to which we are exposed. We do not currently have insurance coverage for certain risks, such as acts of terrorism other than sabotage, and theft. Furthermore, for risks currently covered, adequate insurance cover may not be available in the future on reasonable terms or may only be available at significantly higher premiums. Consequently, any harm resulting from the materialization of these risks could result in significant capital expenditures and expenses as well as liabilities, thereby harming our business and operating results.

Other income earned during the Track Record Period may not recur in the future and may not be indicative of future profit.

In 2012, we recognized a one-off gain on purchase of Undated Securities of €64.4 million upon the acquisition of Undated Securities from M&G Finanziaria S.r.l. in consideration for the repayment of the Intercompany Loan. In 2010 and 2011, we recorded one-off gains from disposals of fixed assets of €12.4 million and €0.9 million, respectively. In addition, in the years ended 2010, 2011 and 2012 and the six months ended June 30, 2013, we recorded other income of €2.0 million, €1.8 million, €6.2 million and €0.5 million, respectively, certain of which income may have been non-recurring in nature. We cannot assure you that we will earn other income similar in type or amount to that which we received during the Track Record Period, if at all.

We face risks associated with potential acquisitions, investments, strategic partnerships or other ventures.

Our growth strategy has included and may continue to include acquisitions, investments or entering into strategic partnerships or other ventures with other chemical manufacturers, suppliers or customers to increase our capacity. We may not be able to identify and fully evaluate a suitable acquisition, investment or strategic partnership candidate, which may place us at a disadvantage if our competitors are able to grow their market share either through acquisitions or otherwise. If we acquire another company, we could have difficulty integrating that company's personnel, products, operations

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and technology with ours. Future acquisitions could increase the overall complexity of our business and may require significant expenditures to integrate such acquisitions and the addition of qualified management and other personnel. In addition, the key personnel of the acquired company may decide not to work for us, and its key customers may decide to terminate their agreements/existing relationships with us or reduce the volume of their purchases. Some of our existing customers may discontinue their relationships with us. Furthermore, in spite of the due diligence we perform, we may inadvertently or unknowingly acquire actual or potential liabilities or defects, including legal claims, claims for breach of contract, employment-related claims, environmental liabilities, conditions or damage, hazardous material or liability for hazardous material or tax liabilities. We may also become subject to national or international antitrust investigations in connection with any acquisitions or otherwise.

Moreover, if we make minority investments or otherwise enter into joint venture partnerships, while we may have a certain amount of influence over these investments, we may not be able to influence these operations on a day-to-day basis or control them fully and would therefore be dependent on our partners to cooperate with us in making decisions regarding the relevant investment. As a result, we may be unable to prevent actions that we believe are not in the best interest of our investments or joint ventures or our business as a whole. Our joint venture partners may: (i) have different economic or business interests and goals than we do; (ii) take actions contrary to our instructions or requests; (iii) be unwilling or unable to fulfill their obligations under the joint venture agreements; or (iv) have financial or operating difficulties, which exposes us to credit risk. We cannot assure you that the occurrence of any of these incidents will not result in disputes between us and our joint venture partners, or that any joint venture partner will not breach its obligations to us. If a dispute cannot be timely resolved in a manner satisfactory to us, the business and results of operations of the affected joint venture company may be adversely affected, and the joint venture company may face the risk of termination if the dispute remains unresolved. These difficulties could disrupt our ongoing business, divert our management and employees' time, attention and other resources, impair our growth or decrease our profitability, which could have a material adverse effect on our business, financial condition and results of operations.

We are subject to risks relating to the general regulatory, legal, social and political environment in the jurisdictions in which our Group operates.

Our business comprises manufacturing and engineering operations in the United States, Mexico, Brazil, China and India. Our ability to conduct and expand our business and our financial performance are subject to the risks inherent in international operations. In addition, our international operations face unpredictable changes in government policies or tax laws. The governments of the countries in which we operate, or may operate in the future, could take actions that materially adversely affect us.

A substantial increase in the inflation rate in the markets in which we operate could adversely affect consumer purchasing power, thereby negatively impacting demand for our products. Adverse changes in the general economic conditions and consumer spending in the regions in which we operate could result in lower demand for packaged products and consequently for PET, or could impact investment cycles for the plant construction and engineering industry. Similarly, other events beyond our control, such as political instability or social unrest, could reduce demand. Economic downturns and declines in consumer demand caused by these or other factors could result in lower sales and adversely affect our business, financial condition and results of operations.

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China

China's economy differs from the economies of most developed countries in many respects, including the degree of government involvement, control of capital investment and foreign currency exchange, growth rate, overall level of development and access to financing. Macroeconomic control measures implemented by the Chinese government, including interest rate increases, may cause a contraction of economic activity in China and may have an impact on the investment cycles for the plant construction and engineering industries, reducing the demand for our products and services.

Our operations in China are subject to regulations imposed by the Chinese government affecting the pricing of our products, export quotas, export duty reimbursement, utility expense, industry-specific taxes and fees, business qualifications, capital investment and environmental and safety standards. In addition, as some Chinese laws and regulations, in particular those relating to offshore investment, company organization and management, business, tax and trade, are currently still evolving, and due to the limited number and non-binding nature of published cases, there exist uncertainties about their interpretation and enforcement. Any constraints on our ability to implement our business strategies, or future changes in policies of the Chinese government applicable to our industry, may have a material adverse effect on our business, financial condition and results of operations.

Current foreign exchange laws and regulations in China permit domestic enterprises in China to carry out their current account foreign exchange transactions, including dividend distributions, interest payments and trade and service-related foreign exchange transactions, without obtaining the State Administration of Foreign Exchange's ("SAFE") prior approval, by complying with certain procedural requirements. Therefore, our PRC subsidiaries are able to pay dividends to us in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. However, approval from or registration with appropriate government authorities is required where Renminbi are to be converted into foreign currency and remitted out of China to pay capital expenses, such as the repayment of loans denominated in foreign currencies. We cannot assure you that the Chinese government will not restrict access in the future to foreign currencies for current account transactions. In addition, if the Chinese government tightens its policies by restricting or preventing domestic enterprises from obtaining sufficient foreign currencies to satisfy their foreign currency demands, we may not be able to pay dividends in foreign currencies to our shareholders and our trading partners in China may not be able to fund their overseas purchases of our products and this could materially and adversely affect our business, financial condition and results of operations.

India

The Indian Government has traditionally exercised and continues to exercise a dominant influence over many aspects of the economy. India has a mixed economy with a large public sector and an extensively regulated private sector. The role of the Indian government and the state governments in the Indian economy and their effect on producers, consumers, service providers and regulators has remained significant over the years. The governments have in the past, among other things, imposed controls on the prices of a broad range of goods and services, restricted the ability of businesses to expand existing capacity and reduce the number of their employees, and determined the allocation to businesses of raw materials and foreign exchange. Since 1991, successive

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governments have pursued policies of economic liberalization, including significantly relaxing restrictions in the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers, service providers and regulators has remained significant, which may directly or indirectly affect our operations.

Although the current government has continued India's economic liberalization and deregulation programs, we cannot assure you that these liberalization policies will continue in the future. A significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India in general, which may impact our business and results of operations.

The Indian Government has proposed the introduction of a new direct tax code and a new companies law to replace the existing Income Tax Act, 1961 and Companies Act, 1956, respectively, and other associated laws. The various proposals included in the new code and law are subject to review by the Indian Parliament and the impact of these laws, if any, is not quantifiable at this stage. If these laws are introduced they could significantly alter the existing regime and may have a material adverse effect on our business, financial condition, results of operations and prospects in India.

Brazil and Mexico

The Brazilian and Mexican economies have been characterized by frequent and occasionally extensive intervention by their respective governments and relatively unstable economic cycles. Uncertainty over whether possible changes in policies or rules affecting exchange rates, interest rates, inflation, tax policies and the like may contribute to economic uncertainties in these countries and may lead to heightened volatility in the economy.

Both Brazil and Mexico have historically experienced government influence over monetary, taxation, credit, tariff and other policies to influence the course of economy. Both Brazil and Mexico have also experienced high levels of inflation, and may experience high inflation in the future, which could increase some of our costs and adversely affect our business.

Our shareholders may not be able to enforce their rights as there may be difficulties in seeking recognition and enforcement of foreign judgments in the jurisdictions in which we operate.

China

Certain of our senior management are Chinese citizens who reside in China. It may be difficult or impossible for investors in other jurisdictions to serve summons upon those individuals in China or to enforce against them before Chinese courts any judgments obtained from non-Chinese courts. In order to effect service of process on the Directors residing outside Hong Kong, Hong Kong investors will have to apply to the High Court in Hong Kong for leave to serve process outside Hong Kong. As a result, it may be difficult for Hong Kong investors to enforce any judgment of the Hong Kong courts against those of our Directors resident outside Hong Kong. China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with many developed countries, including the United States, the United Kingdom and Japan. Therefore, recognition and enforcement in China of judgments of a court of any other jurisdiction which has no such treaty with China in relation to any matter not subject to a binding arbitration provision may be difficult or impossible.

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Brazil

Some of our subsidiaries are incorporated under Brazilian law and some of our assets and operations are located in Brazil. As a result, it may not be possible for investors in other jurisdictions to effect service of process upon us or such entities in Brazil or to enforce non-Brazilian judgments against us or those entities to the extent that such actions are predicated upon civil liability provisions of the applicable securities laws of other jurisdictions, including the United States, the United Kingdom, Italy and Japan.

Final conclusive judgments of non-Brazilian courts for civil liabilities based upon the relevant securities laws may be, subject to the requirements described below, enforced in Brazil. A judgment against us or the persons described above obtained outside Brazil would be enforceable in Brazil without reconsideration of the merits, upon confirmation of that judgment by the Brazilian Superior Court of Justice (*Superior Tribunal de Justiça*). Such confirmation would occur if the foreign judgment: (i) fulfills all formalities required for its enforceability under the laws of the jurisdiction where the foreign judgment is granted; (ii) is issued by a competent jurisdiction court after due service of process on the parties, which services must comply with Brazilian law if made in Brazil, or sufficient evidence of the parties absence has been given as required under applicable law; (iii) is not subject to appeal; (iv) is for a fixed sum; (v) is authenticated by a Brazilian consular office with jurisdiction over the location where the foreign judgment is issued and is accompanied by a sworn translation into Portuguese; and (vi) does not violate Brazilian national sovereignty, good morals, public policy or public morality.

The confirmation process may be time consuming and may also give rise to difficulties in enforcing the foreign judgment in Brazil. There can be no certainty that the confirmation will be obtained, that the process described above will be conducted in a timely manner or that Brazilian courts will enforce a monetary judgment for violation of securities laws of countries other than Brazil, with respect to the Offer Shares.

Mexico

A final and enforceable judgment properly obtained in a foreign court will be recognized and enforced in Mexico with respect to any suit, action, or proceeding and will be given conclusive effect by Mexican courts without the reexamination of substantive matters thereby adjudicated, provided, however, that such judgment does not contravene Mexican law or public policy and is previously homologated and notified in accordance with Mexican law.

Any foreign judgment to be enforced by the Mexican courts may be expressed in a currency other than Mexican pesos at the time of judgment or payment. However, the defendant may fulfill its corresponding obligations by payment of the equivalent amount in Mexican pesos at the time of payment.

In addition, in the event that proceedings are brought in Mexico seeking to enforce obligations, Mexico's Law of Reorganization Proceedings (*Ley de Concursos Mercantiles*) provides that a Mexican subsidiary would not be required to discharge its obligations in a currency other than Mexican currency. If you were to recover, there can be no assurance that the relevant exchange rates would afford you full compensation of the amounts invested plus accrued interest.

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India

Recognition and enforcement of foreign judgments in India is provided for under Section 13 of the Indian Civil Procedure Code, 1908 (the “Indian Civil Code”) on a statutory basis. Section 13 of the Indian Civil Code provides that a foreign judgment shall be conclusive regarding any matter between the same parties or between parties under whom any of the parties claim to be litigating under the same title directly adjudicated upon except where: (i) the judgment has not been pronounced by a court of competent jurisdiction; (ii) the judgment has not been given on the merits of the case; (iii) it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) the proceedings in which the judgment was obtained were opposed to natural justice; (v) the judgment has been obtained by fraud; and/or (vi) the judgment sustains a claim founded on a breach of any law in force in India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Indian Civil Code provides that where a foreign decree or judgment has been rendered by a superior court within the meaning of Section 44A in any country or territory outside India which the Indian Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. The United Kingdom has been declared by the Indian Government to be a reciprocating territory, but various other countries including the United States have not been so declared. However, Section 44A of the Indian Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and is not applicable to arbitration awards even if such arbitral award is enforceable as a judgment or a decree.

A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain approval from the Reserve Bank of India to repatriate outside India any amount recovered.

We may be subject to litigation and other legal proceedings.

We are subject to the risk of legal claims and proceedings and regulatory enforcement actions in the ordinary course of our business. We are currently involved in litigation involving allegations of patent infringement in the United States and Germany. Although we do not expect any of these claims to result in outcomes that would materially and adversely affect us, the results of legal proceedings cannot be predicted with certainty. For a more detailed discussion, see “Business — Legal Proceedings”, below. We cannot guarantee that the results of current or future legal or regulatory proceedings or actions will not materially harm our business, reputation or brand, nor can we guarantee that we will not incur losses in connection with current or future legal or regulatory proceedings or actions that exceed any provisions we may have set aside in respect of such proceedings or actions or that exceed any available insurance coverage, which may have a material adverse effect on our business, financial condition and results of operations.

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We may be adversely affected by legal proceedings, which include tax, labor, proceedings against directors and other proceedings with respect to our Brazilian operations.

We are subject to a variety of legal proceedings arising in the ordinary course of business with respect to our operations in Brazil. In accordance with IFRS and our disclosure obligations resulting from the fact that M&G Poliéster S.A. is listed on the São Paulo Stock Exchange, we are obliged to disclose the aggregate amount of proceedings for which provisioning is required pursuant to IFRS as well as related provisioning, based on, in accordance with IFRS, probability analyses carried out by external Brazilian legal counsel. Such disclosure forms part of M&G Poliéster S.A.'s audited consolidated financial statements and, in respect of its consolidated financial statements for the nine months ended September 30, 2013, proceedings for which provisioning was made (and total provisioning in respect thereof) totaled approximately R\$4.6 million (€1.5 million).

Legal proceedings in respect of which external Brazilian legal counsel assesses M&G Poliéster S.A.'s prospects of success as being between 51% and 75% (and in relation to which no provisioning has been made) comprised, at September 30, 2013, a total amount of approximately R\$55.2 million (€18.3 million). In the ordinary course of its business, M&G Poliéster S.A. is party to significant claims, in respect of which external Brazilian legal counsel assesses M&G Poliéster S.A.'s prospects of success at 75% or above; the Directors do not believe that these claims will result in material additional liabilities for either M&G Poliéster S.A. or our Group. Accordingly, neither M&G Poliéster S.A. nor our Company has made any provision or disclosure in respect of any such amounts. For more information on these legal proceedings, see "Business — Legal Proceedings — Brazilian civil proceedings".

In addition, on December 12, 2010, a Federal Public Prosecutor in São Paulo City (State of São Paulo, Brazil) requested permission to bring criminal charges against all members of the board of directors of M&G Poliéster S.A. regarding an alleged failure to comply with applicable disclosure requirements of the São Paulo Stock Exchange. While permission to bring criminal charges was initially denied in the court of first instance, this decision was reversed on appeal, thereby granting the prosecution permission to bring criminal charges; a further appeal (that, if granted, would result in dismissal of the claims) has been pending before the highest courts of appeal in Brazil since May 2012, and is expected to be heard within six to 18 months from the date hereof. If charges are ultimately accepted by a court of competent jurisdiction, the defendants in this matter would include, among others, Mr. Marco Ghisolfi and Mr. Marco Toselli, who are directors of our Company. The potential penalties under Brazilian law, should charges be accepted by a court of competent jurisdiction and in the event of conviction by a court of final appeal, relate to the named individuals only and will not result in the imposition of additional monetary penalties on M&G Poliéster S.A. or any other member of our Group. In the event that the relevant directors are convicted, they may be subject to detention, social service obligations and/or monetary penalties. In addition, directors or officers convicted of the alleged crime may be prohibited from acting as directors of companies listed in Brazil, such as M&G Poliéster S.A. If we lose the services of these directors or officers, we may not be able to find suitable candidates to replace them, and our business, results of operations and financial condition may be materially and adversely affected. See also "Business — Legal Proceedings — Brazilian allegations against directors of M&G Poliéster S.A.".

Uncertainties exist regarding the final outcome of these claims, and we expect to continue to experience similar legal proceedings in the future, which may adversely affect our operations in Brazil. While we currently do not expect any of these proceedings to result in outcomes that would materially and adversely affect us, we cannot assure you that they will not ultimately result in

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decisions or sanctions that would materially and adversely affect our business, results of operations, financial condition and prospects. In addition, these and other claims may result in negative publicity relating to our Group, our business and our directors and management, or require significant management time and resources, any of which could materially and adversely affect our business, results of operations, financial condition and prospects.

Our success depends on our key management and other personnel.

Our success depends in part on the continued services of key members of our management. If we were to lose their services, our ability to develop and implement our business strategies may be significantly impaired. In addition, we may not be able to hire and retain sufficient numbers of qualified professional personnel necessary to succeed, as such personnel are limited in number and are in high demand. The success of our business will depend on our ability to identify, attract, hire, train, retain and motivate skilled personnel, and we cannot assure you that we will be able to successfully do so. Any failure to hire and retain sufficient numbers of qualified personnel for functions such as research and development, finance, marketing and sales and operations could have a material adverse effect on our business, financial condition and results of operations.

The interests of our Controlling Shareholders may differ from those of our other shareholders.

Upon completion of the Global Offering, M&G Finanziaria S.r.l. will own approximately 65% of our outstanding Shares, assuming that the Over-allotment Option is not exercised, or 59.75%, assuming that the Over-allotment Option is exercised in full, and the same portion of voting rights. As a result, M&G Finanziaria S.r.l. will have a controlling influence in matters submitted to a vote of our shareholders that require a simple majority vote, including matters such as approval of the annual financial statements, declarations of annual dividends and the election and removal of the members of our Board and auditors. Circumstances may occur in which the interests of M&G Finanziaria S.r.l. could be in conflict with those of our other shareholders. See “Relationship with our Controlling Shareholders”.

We may face conflicts of interest in transactions with related parties.

In the ordinary course of our business, we enter into arrangements with our related parties relating to the provision of a broad range of services. As of the date of this prospectus, we rely on one of our Controlling Shareholders, M&G Finanziaria S.r.l., for a number of corporate services such as treasury, budgeting and internal audit services, legal and human resources support, insurance, information technology, research and certain other administrative services. In addition to these services, some of the patents and other intellectual property rights that we use in connection with our operations are owned by certain of our other affiliates in the Ghisolfi Group. See “Connected Transactions”.

In the event there is a material conflict of interest with our related parties resulting in a breach of any of these agreements, we would not have immediate access to any such services; nor would we be able to use the same intellectual property rights from unaffiliated third parties, although we would have a cause of action against our related parties. Our failure to successfully enter into similar arrangements to those provided to us by our related parties could have a material adverse effect on our business, financial condition and results of operations.

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We depend on our information technology systems and are subject to cyber security risks.

Our operations are materially dependent on a complex, global information technology (“IT”) infrastructure. We are dependent upon this IT infrastructure for the distribution and exchange of information within our company and to our customers and suppliers. Information technology is subject to risks associated with malfunctions, defects, human errors, failures, natural disasters, security breaches, hacking, power losses, computer viruses, damage to our hardware or software systems or other unexpected adverse events. Any interruption for an extended period of time, or other failure of our information systems, may cause material disruptions to our business operations, and may adversely affect the integrity of our information and our business performance.

We outsource a large portion of our IT-related functions and support to third-party service providers. A failure by such third parties to provide adequate service, or our inability to replace the loss of such providers on commercially favorable terms, could disrupt our operations and have a material adverse effect on our business, financial condition and results of operations.

In addition, we are subject to cyber security risks and may incur increasing costs in an effort to minimize those risks. Our business employs IT systems that allows for the secure storage and transmission of customers’ proprietary information. Security breaches could expose us to a risk of loss or misuse of this information, litigation and potential liability. We may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyber attacks. Any compromise of our security could result in a violation of applicable privacy and other laws, significant legal and financial exposure, damage to our reputation, and a loss of confidence in our security measures, which could harm our business. As cyber attacks become more sophisticated generally, we may be required to incur significant costs to strengthen our systems from outside intrusions and/or obtain insurance coverage related to the threat of such attacks.

RISKS RELATING TO THE INDUSTRIES IN WHICH OUR GROUP OPERATES

Disruptions in the worldwide economy and credit markets may adversely affect our business.

Our industry may be adversely affected by economic conditions, including reductions in employment levels and changes in consumer spending patterns. Such disruptions in the economy and volatility in the financial markets reduced, and may continue to reduce, consumer confidence, resulting in a risk that consumers will curb spending on our customers’ products. This may result in lower margins and potentially lower demand for our PET products, and may also reduce demand for our plant construction and engineering services. Such changes in consumer buying patterns may adversely affect our financial condition and results of operations.

Disruption in the credit markets, such as the recent European economic and financial turmoil related to sovereign debt issues in certain countries, could also adversely impact our access to those credit markets and the availability of future financing for our operations. Recent government initiatives to stimulate the economy and increase the availability of credit have not yet resulted, and may not result, in restored consumer confidence or increased access to credit.

In addition, we cannot predict how current or worsening economic conditions will affect our key customers and suppliers. Our customers may reduce inventory with the expectation of lower sales as a result of adverse economic conditions, and this may in turn result in lower sales volumes due to the delay or cancelation of plans by our customers to purchase our products. Our customers may also be

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unable or unwilling to fulfill their obligations in a timely manner, or at all. Furthermore, our suppliers may be experiencing similar conditions, which could impact their ability to fulfill their obligations towards us. Any of these events could have a material adverse effect on our business, financial condition and results of operations.

Demand for plastic packaging may decrease as a result of consumers reducing their consumption of products packaged in plastic containers.

There has been increasing awareness of environmental issues in recent years, which has resulted in negative perceptions associated with the manufacture, use and disposal of plastic packaging. Our customers and consumers are increasingly interested in reducing their consumption of plastic packaging, which may have a negative effect on our net sales. For example, legislation imposing mandatory recycling, use of recycled products or taxes on plastic packaging products, recent voter initiatives to reduce or even ban the use of plastic bags or plastic containers, and public concerns over the “carbon footprint” of plastic containers and the fossil fuels used to produce them, could reduce consumer demand for products packaged in plastic. Legislation that imposes container deposits, which require a monetary deposit on containers at the point of sale, which is then fully or partially refunded when the container is returned to an authorized redemption center, also has the potential to reduce the number of plastic containers that consumers purchase. Customers and consumers are increasingly interested in sustainable packaging, whose production is designed to optimize the use of raw material and energy. In addition, factors such as bottle-to-bottle recycling (the production of new PET bottles from recycled PET bottles rather than from virgin PET resin, the substitution of PET with other packaging materials or further light weighting (the production of lighter containers using less PET) could pose a threat to demand for virgin PET. Changes in consumer buying patterns that result in a reduction of their consumption of products packaged in plastic containers, or in customer or consumer demand for containers which require less plastic to produce, could have a material adverse effect on our business, financial condition and results of operations.

We are subject to stringent regulations and may incur considerable costs to maintain compliance with, or address liabilities under, environmental and other laws and regulations applicable to our business.

We are subject to a broad range of regulatory controls on the manufacturing and marketing of our products. We must comply with stringent federal, state, national and local laws and regulations relating to pollution, environmental protection, and workplace health and safety. Such laws and regulations frequently change, can be different in each jurisdiction and often impose substantial fines and sanctions for violations. Any changes in regulatory controls could reduce the profitability of our current products and could delay the introduction of new products. We must comply with these laws and adapt to regulatory requirements in each of the jurisdictions in which we operate as they change. In addition, the construction and operation of our planned PET and PTA production facilities in Corpus Christi, Texas, United States and bio-MEG production facilities in China may subject us to further regulatory requirements and result in increased compliance costs.

The environmental laws to which we are subject in the relevant jurisdictions in which we operate impose obligations on us to investigate and remediate contaminated sites. These obligations may relate to sites:

- that we currently own or operate;

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- that we formerly owned or operated;
- where we dispose or disposed of waste from our operations; and
- where property owned by third parties was contaminated by the emission or spill of contaminants for which we bear responsibility.

Certain of our current and former facilities have been subject to remediation and are subject to ongoing monitoring obligations. Any contamination of soil and groundwater caused by past events or exacerbated by future events could potentially trigger additional environmental clean-up obligations. The costs of any such environmental remediation obligations could materially and adversely affect our business at that production site, and consequently our financial condition and results of operations.

We have incurred and will continue to incur capital, operating and maintenance, and remediation expenditures for compliance with environmental, health and safety laws and regulations. To the extent these expenditures are not ultimately reflected in the prices of the products we offer, our results of operations may be adversely affected.

We expect that regulatory requirements worldwide will become increasingly more stringent. Although we believe that we are substantially in compliance with existing applicable laws and regulations in the relevant jurisdictions, it is possible that new or revised laws and regulations, stricter enforcement of, or a change in the interpretation of, existing laws and regulations, the discovery of previously unknown contamination or off-site liability, the imposition of new clean-up requirements, or claims for property damage or personal injury arising from environmental matters could cause us to incur additional capital expenditures to upgrade our facilities or procedures or could become the basis for new or increased liabilities that could have a material adverse effect on our business, financial condition or results of operations. Legislation concerning mandatory rates of recycling, mandatory use of recycled materials, deposits or taxes on products packaged in plastic or requirements that retailers or manufacturers take back packaging used for their products could result in greater costs for plastic packaging manufacturers. In addition, local governments in the United States are increasingly looking to supplement decreasing property tax revenues by imposing convenience taxes, litter taxes, bottled water taxes and other similar taxes.

Furthermore, we may become involved in claims, lawsuits and administrative proceedings relating to health, safety, regulatory and environmental matters, which could lead to the possibility of substantial fines or the revocation of applicable permits. An adverse outcome in any such proceedings could have a significant negative impact on our operating results and reputation. Stricter health, safety and environmental laws and regulations as well as enforcement policies could result in substantial liabilities and costs to us and could subject our handling, manufacturing, use, reuse or disposal of substances or pollutants to more rigorous scrutiny than we are currently subject to. Compliance with existing and new laws and regulations could result in significant capital expenditures and expenses as well as liabilities, thereby having a material adverse effect on our business, financial condition and results of operations.

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Changes in various rules and regulations governing PET resin imports could adversely impact our margins.

Our operations located in Brazil, Mexico and the United States benefit from rules and regulations, including import duties, anti-dumping provisions and other tariff barriers that have the effect of limiting imports into these countries by increasing the costs of importing certain products. Changes in any of these rules or regulations, such as a decrease or elimination of import duties, could increase competition in the relevant jurisdiction and adversely affect the selling price for our products, thereby decreasing our margins.

Facts and statistics in this prospectus relating to the countries in which we operate, their economies and the global economy and the industries in which we compete are derived from official government publications and may not be reliable.

Certain facts and other statistics in this prospectus relating to the countries in which we operate, their economies and the global economy and the industries in which we operate have been derived from various official government publications we generally believe to be reliable. However, we cannot guarantee the quality or reliability of such source materials. They have not been prepared or independently verified by us, the Sole Sponsor, the Underwriters or any of our or their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside such countries.

We have, however, taken reasonable care in the reproduction or extraction of the official government publications for the purpose of disclosure in this prospectus. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, these facts and statistics in this prospectus may be inaccurate or may not be comparable to facts and statistics produced with respect to other economies. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, in other jurisdictions.

RISKS RELATING TO THE OFFER SHARES AND THE GLOBAL OFFERING

Our Company is incorporated in Luxembourg, and we and holders of our Shares may be subject to certain Luxembourg laws and regulations relating to taxation that may be different from those under the laws of Hong Kong, including in particular those relating to the taxation of dividend payments and capital gains.

Our Company is a *société anonyme* incorporated and existing under the laws of the Grand Duchy of Luxembourg (“Luxembourg”). Dividends paid by our Company to Shareholders are generally subject to a 15% withholding tax in Luxembourg. However, the rate of withholding tax on dividends may be lower in certain circumstances, for example, where an applicable double tax treaty is in place with Luxembourg. Further, subject to any applicable double tax treaties in place, capital gains realised on a substantial participation of Shares before the acquisition or within the first six months of the acquisition thereof are taxable in Luxembourg where the Shares are held by non-residents who have neither a permanent establishment nor a permanent representative in Luxembourg to which the Shares are attributable. Currently, as a result of a double tax treaty between Luxembourg and Hong Kong dated November 2, 2007, the withholding tax levied on dividends paid by our Company to a duly certified resident of Hong Kong is 10% of the gross amount of the dividend, and capital gains realized

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by a shareholder who is a resident of Hong Kong will not be taxable under Luxembourg capital gains tax. However, we cannot guarantee that these double tax treaty concessions will continue to apply in the future and changes in double tax treaty arrangements between Luxembourg and Hong Kong may have adverse consequences for holders of our Shares. Further, certain documentary evidence, including in certain circumstances, a certificate of residence status issued by the Hong Kong Inland Revenue Department, will have to be provided to the Luxembourg tax authorities. **Shareholders should seek independent professional advice in relation to the procedures, timing and cost involved in obtaining a certificate of residence status from the Hong Kong Inland Revenue Department.** No action is required to be taken by Hong Kong resident shareholders in order for them to enjoy the Luxembourg capital gains tax exemption.

Please see the section headed “Luxembourg Taxation” in Appendix III to this prospectus for further details regarding tax on dividend payments and capital gains.

If you are in doubt as to the applicability of any Luxembourg laws or regulations, including those mentioned above, you should seek independent professional advice.

There has been no prior market for our Shares, and the liquidity and market price of our Shares following the Global Offering may be volatile.

Prior to the completion of the Global Offering, there has been no public market for our Shares. The initial offer price range of the Offer Shares, and the Offer Price, will be the result of negotiations between the Bookrunner (on behalf of the Underwriters) and us. The Offer Price may not be indicative of the price at which our Shares will be traded following the completion of the Global Offering. In addition, there can be no guarantee that (i) an active trading market for our Shares will develop, or (ii) if it does develop, that it will be sustained following the completion of the Global Offering, or (iii) that the market price of our Shares will not decline below the Offer Price. The price of our Shares following the Global Offering may vary substantially from the Offer Price. If active trading does not develop, the liquidity and price of our Shares may be adversely affected.

In addition, stock markets have experienced significant fluctuations in recent years, which have not always been related to the performance of the specific companies whose shares are traded. Such fluctuations, as well as general economic conditions, may materially affect the price of our Shares. The price of our Shares may also be materially affected by a number of factors, including factors relating to us and the risks described in this prospectus, our competitors and, in particular, our markets.

We may not be able to pay dividends or make other forms of distributions.

The payment of dividends or other distributions will be made at the discretion of the Board and will be based on our revenues, cash flow, financial condition and any other conditions which the Board deems relevant. Our ability to pay dividends will depend on and may be restricted by a number of factors. Dividends are payable only out of amounts available to us for distribution under our Articles and Luxembourg Companies Law.

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In addition, because we conduct our operations through subsidiaries, we depend on our subsidiaries to pay dividends to us so that we have funds to pay dividends to our shareholders. Any or all of our subsidiaries may also be subject to various restrictions on its payment of dividends based on its jurisdiction of incorporation, or on its arrangements with lenders, or both. For example, a jurisdiction may limit the amount of dividends a company may pay, the sources of funds that can be used to pay dividends or require certain portions of profit be retained as reserves. Further, payment of dividends by certain of our subsidiaries is restricted by agreements to which they are party from time to time, such as financing arrangements, which may either prohibit the payment of dividends by the subsidiary or permit such payment only upon the receipt of a waiver or permission from lenders, which may not be forthcoming. These restrictions may prevent our subsidiaries from paying dividends to us, thus limiting our ability to pay dividends to our shareholders. Any of these factors, individually or in combination, might prevent us from paying dividends or making other forms of distributions.

As the Offer Price of our Offer Shares is higher than our unaudited pro forma adjusted net tangible assets per Share, you will experience immediate dilution in the attributable unaudited pro forma adjusted net tangible assets value of the Shares you purchased in the Global Offering.

The Offer Price of our Offer Shares will be higher than the unaudited pro forma adjusted net tangible assets per Share immediately prior to the Global Offering. Therefore, purchasers of the Shares in the Global Offering will experience an immediate dilution in the pro forma adjusted net tangible assets per Share. Immediately following the completion of the Global Offering, the unaudited pro forma adjusted net tangible assets per Share based on 6,723,060,000 Shares in issue will be approximately HK\$0.94 per Share (assuming an Offer Price of HK\$1.65 per Offer Share, being the low end of the indicative price range) or HK\$1.03 per Share (assuming an Offer Price of HK\$1.95 per Offer Share, being the high end of the indicative price range). If we issue additional Shares or equity-linked securities in the future, purchasers of our Shares may experience further dilution.

Any potential (i) sale of Shares by M&G Finanziaria S.r.l., our existing shareholder, or (ii) sale of shares in M&G Finanziaria S.r.l. by M&G Finanziaria S.r.l.'s existing shareholders could have an adverse effect on our share price.

Future sales of a substantial number of (i) our Shares by our existing shareholders, in particular by our Controlling Shareholders, or (ii) shares in M&G Finanziaria S.r.l. by M&G Finanziaria S.r.l.'s existing shareholders, or market perception that such a sale is imminent, could negatively impact the market price of our Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate.

While we are not aware of any intentions of these shareholders to dispose of significant amounts of their shares after the completion of the lock-up periods, we cannot assure you that these Shareholders, including our Controlling Shareholders, will not dispose of any Shares they may own. In the event that any of our existing shareholders disposes of Shares following the completion of the relevant lock-up periods, this would lead to an increase in the number of our Shares in public hands, and could negatively impact the market price of our Shares or lead to volatility in the market price or trading volume of our Shares, affecting the value of your investment.

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Due to a gap of up to six business days between pricing and trading of the Offer Shares, the initial trading price of the Offer Shares could be lower than the Offer Price.

The Offer Price will be determined on the Price Determination Date. However, our Shares will not commence trading on the Hong Kong Stock Exchange until the day they are delivered, which is expected to be six business days after the Price Determination Date. As a result, you may not be able to sell or otherwise deal in our Shares during such period, and thus are subject to the risk that the market price of our Shares could fall before trading begins as a result of adverse market conditions or other adverse developments occurring during such period.

We strongly caution you not to place any reliance on any information contained in press articles or other media regarding us and the Global Offering.

Prior to the publication of this prospectus, there has been press and media coverage regarding us and/or the Global Offering, including but not limited to coverage in Associated Press, Hong Kong Economic Times, Reuters, South China Morning Post and Wall Street Journal. Such press and media coverage may include references to certain events or information that do not appear in this prospectus, including certain financial information, financial projections, valuations and other information. We have not authorized disclosure of any such information in the press or other media and we make no representation as to the appropriateness, accuracy, completeness or reliability of any such information. To the extent such statements are inconsistent with, or conflict with, the information contained in this prospectus, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this prospectus only and should not rely on any other information, reports or publications.

WAIVERS AND CONFIRMATION

In preparation for Listing, we have sought the following waivers from strict compliance with the relevant provisions of the Hong Kong Listing Rules:

MANAGEMENT PRESENCE

Rule 8.12 of the Hong Kong Listing Rules requires that a new applicant applying for a primary listing on the Hong Kong Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of its executive Directors must be ordinarily resident in Hong Kong.

Since the business, operations and production facilities of our Group are primarily located, managed and conducted outside of Hong Kong, there is no business need to appoint executive Directors in Hong Kong. All of the executive Directors, the majority of our Group's senior management and substantially all of our assets are, and will continue to be, outside of Hong Kong. Our Company does not, and does not contemplate in the foreseeable future that it will, have a sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Hong Kong Listing Rules.

An application for a waiver from strict compliance with the requirement to have a sufficient management presence in Hong Kong under Rule 8.12 of the Hong Kong Listing Rules has been made to the Hong Kong Stock Exchange and such waiver has been granted by the Hong Kong Stock Exchange.

The arrangements proposed by our Company for maintaining at all times regular, adequate and effective communication with the Hong Kong Stock Exchange for the purposes of Rules 3.05 and 3.06 of the Hong Kong Listing Rules are as follows:

- (a) our Company has appointed and will continue to maintain two authorized representatives pursuant to Rule 3.05 of the Hong Kong Listing Rules who will act as our Company's principal point of communication with the Hong Kong Stock Exchange. The two authorized representatives proposed to be appointed are Mr. Massimo Martinetto and Ms. Aries Cheung Yuet Fan. The authorized representatives, and their alternate authorized representative, will have the means of contacting all Directors promptly at all times as and when the Hong Kong Stock Exchange wishes to contact our Directors on any matters. They will provide their usual contact details to the Hong Kong Stock Exchange and will be readily contactable by the Hong Kong Stock Exchange if necessary to deal with enquiries from the Hong Kong Stock Exchange from time to time. Each of the two authorized representatives is authorized to communicate on behalf of our Company with the Hong Kong Stock Exchange. Our Company will inform the Hong Kong Stock Exchange promptly if there is any change of the authorized representatives or the contact details of any of them;
- (b) each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Hong Kong Stock Exchange within a reasonable period of time upon prior notice from the Hong Kong Stock Exchange, if required;

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- (c) our Company will appoint Rothschild (Hong Kong) Limited as its compliance advisor pursuant to Rule 3A.19 of the Hong Kong Listing Rules who will also act as an additional point of contact between our Company and the Hong Kong Stock Exchange for the period commencing on the Listing Date and ending on the date on which our Company complies with Rule 13.46 of the Hong Kong Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date. Our Company will inform the Hong Kong Stock Exchange promptly of any changes of the compliance advisor;
- (d) our Company will also appoint other professional advisors (including legal advisors and accountants) to advise on ongoing compliance requirements and other issues arising under the Hong Kong Listing Rules and other applicable laws and regulations in Hong Kong and to ensure that there will be efficient communication with the Hong Kong Stock Exchange after Listing; and
- (e) each of our Directors will provide his or her respective mobile phone numbers, office phone numbers, e-mail addresses and fax numbers to the Hong Kong Stock Exchange prior to Listing. In the event that a Director expects to travel outside Hong Kong, he/she shall provide to the authorized representatives the phone numbers of the place of his/her accommodations outside Hong Kong or the phone numbers where he/she can be contacted outside Hong Kong.

APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Hong Kong Listing Rules, we must appoint a company secretary who satisfies Rule 3.28 of the Hong Kong Listing Rules. According to Rule 3.28 of the Hong Kong Listing Rules, we must appoint as our company secretary an individual who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of company secretary.

Note 1 to Rule 3.28 of the Hong Kong Listing Rules sets out the academic and professional qualifications considered to be acceptable by the Hong Kong Stock Exchange:

- (a) a Member of The Hong Kong Institute of Chartered Secretaries;
- (b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and
- (c) a certified public accountant (as defined in the Professional Accountants Ordinance).

Note 2 to Rule 3.28 of the Hong Kong Listing Rules sets out the factors that the Hong Kong Stock Exchange considers when assessing an individual's "relevant experience":

- (a) length of employment with the issuer and other issuers and the roles he played;
- (b) familiarity with the Hong Kong Listing Rules and other relevant law and regulations including the Securities and Futures Ordinance (the "SFO"), Companies Ordinance, and the Takeovers Code;

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- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Hong Kong Listing Rules; and
- (d) professional qualifications in other jurisdictions.

We have appointed Mr. Massimo Martinetto as our company secretary. He joined our Company in 2012 and has more than 20 years of experience in finance and administration with sound understanding of the operations of our Board and our Company. Mr. Massimo Martinetto, however, does not possess the specified qualifications required by Rule 3.28 of the Hong Kong Listing Rules. Given the important role of the company secretary in the corporate governance of a listed issuer, particularly in assisting the listed issuer as well as its directors in complying with the Hong Kong Listing Rules and other relevant laws and regulations, we have made the following arrangements:

- Mr. Massimo Martinetto will endeavor to attend relevant training courses, including briefing on the latest changes to the applicable Hong Kong laws and regulations as well as the Hong Kong Listing Rules organized by our Company's Hong Kong legal advisors and seminars organized by the Hong Kong Stock Exchange from time to time, in addition to the minimum requirement under Rule 3.29 of the Hong Kong Listing Rules;
- we have appointed Ms. Aries Cheung Yuet Fan who meets the requirements under Note 1 to Rule 3.28 of the Hong Kong Listing Rules, as a joint company secretary to work closely with and to provide assistance to Mr. Massimo Martinetto in the discharge of his duties as a company secretary for an initial period of three years commencing from the Listing Date so as to enable Mr. Massimo Martinetto to acquire the relevant experience (as required under Note 2 to Rule 3.28 of the Hong Kong Listing Rules) to discharge the duties and responsibilities as company secretary; and
- upon expiry of the three-year period, the qualifications and experience of Mr. Massimo Martinetto will be re-evaluated. Mr. Massimo Martinetto is expected to demonstrate to the Hong Kong Stock Exchange's satisfaction that he, having had the benefit of Ms. Aries Cheung Yuet Fan's assistance for three years, would then have acquired the "relevant experience" within the meaning of Note 2 to Rule 3.28 of the Hong Kong Listing Rules.

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with the requirements of Rule 3.28 and Rule 8.17 of the Hong Kong Listing Rules. Upon the expiry of the initial three-year period, the qualifications of Mr. Massimo Martinetto will be re-evaluated to determine whether the requirements as stipulated in Note 2 to Rule 3.28 of the Hong Kong Listing Rules can be satisfied. In the event that Mr. Massimo Martinetto has obtained relevant experience under Note 2 to Rule 3.28 of the Hong Kong Listing Rules at the end of the said initial three-year period, the above joint company secretaries arrangement would no longer be necessary.

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CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute non-exempt continuing connected transactions under the Hong Kong Listing Rules upon Listing. We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the announcement and/or independent shareholders' approval requirements in respect of such non-exempt continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules. Further details of such continuing connected transactions are set out in the section headed "Connected Transactions" in this prospectus.

CONFIRMATION IN RESPECT OF ERNST & YOUNG S.A. AND FINANCIAL REPORTING MATTERS

Rule 19.20 of the Hong Kong Listing Rules provides that our annual accounts must be audited by a practising accountant of good standing who is independent of us and who must be either (1) qualified under the Professional Accountants Ordinance of Hong Kong for appointment as an auditor of a company; or (2) a firm of accountants acceptable to the Hong Kong Stock Exchange which has an international name and reputation and is a member of a recognized body of accounts.

For statutory purposes, our Group prepares its consolidated financial statements in accordance with the EU IFRS and such financial statements are audited in accordance with the International Standards on Auditing as adopted for Luxembourg. EU IFRS may differ from IFRS issued by the International Accounting and Assurance Standards Board ("IAASB") if, at any reporting time, new or amended IFRS and interpretations issued by the IAASB have not yet been endorsed by EU. As at December 31, 2010, 2011 and 2012 and June 30, 2013 there were no unendorsed accounting standards mandatory for the accounting periods beginning January 1, 2010, 2011, 2012 and 2013 respectively, affecting our Group's consolidated financial statements. As a consequence, there was no difference between EU IFRS and IFRS issued by the IAASB in terms of their application to our Group. In addition, the International Standards on Auditing as adopted for Luxembourg are comparable to the International Standards on Auditing issued by the IAASB.

Our subsequent annual reports will include a disclosure that the financial reports in effect comply with the requirements of IFRS or if, in the future, there are material differences between IFRS and EU IFRS, we will provide a reconciliation of its financial statements with IFRS in the relevant annual report.

The consolidated financial statements of M&G International and Chemtex Global have been audited by Ernst & Young S.A. ("Ernst & Young Luxembourg") since 2010 and 2003, respectively. On January 29, 2013, we appointed Ernst & Young Luxembourg to act as our statutory auditors who will retire at the conclusion at the first annual general meeting after Listing but will be eligible for re-election by our Shareholders.

We consider that Ernst & Young Luxembourg is a firm of accountants acceptable to the Hong Kong Stock Exchange in accordance with the requirements of Rule 19.20(2) on the grounds that:

- (i) Ernst & Young Luxembourg is member firm of Ernst & Young Global Limited;

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- (ii) Ernst & Young Luxembourg is regulated by the Commission de Surveillance du Secteur Financier (“CSSF”). CSSF is a member of the International Organization of Securities Commissions (“IOSCO”) and has signed the Multilateral Memorandum of Understanding Concerning Consultation and the Exchange of Information with other IOSCO members (including the SFC);
- (iii) Ernst & Young Luxembourg is a member of the Institut des Réviseurs d’Enterprises, the Luxembourg association of audit firms;
- (iv) Ernst & Young Luxembourg considers that the International Auditing Standards as adopted for Luxembourg are comparable, in all material respects, to the International Standards on Auditing issued by the IAASB; and
- (v) Ernst & Young Luxembourg is independent from us in accordance with the statements on independence issued by the International Federation of Accountants.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to our Company. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

INFORMATION ON THE GLOBAL OFFERING

The Offer Shares are offered or sold solely on the basis of the information contained and representations made in this prospectus and the Application Forms and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Sole Global Coordinator, the Bookrunner, the Sole Sponsor, the Lead Manager, any of the Underwriters, any of their respective affiliates, directors, agents, employees or advisors or any other person or party involved in the Global Offering.

UNDERWRITING

The listing of the Offer Shares on the Hong Kong Stock Exchange is sponsored by the Sole Sponsor. The Hong Kong Public Offer is fully underwritten by the Hong Kong Underwriter pursuant to the Hong Kong Underwriting Agreement. The International Purchase Agreement relating to the International Offer is expected to be entered into on or about the Price Determination Date, subject to agreement on pricing of the Offer Shares between the Bookrunner (on behalf of the Underwriters) and us. The Global Offering is managed by the Sole Global Coordinator.

If, for any reason, the Offer Price is not agreed, the Global Offering will not become unconditional and will lapse. For further information about the Underwriters and the underwriting arrangements, please see the section headed "Underwriting" in this prospectus.

PRICING OF THE GLOBAL OFFERING

Pricing for the Shares for the purpose of the Global Offering will be fixed on the Price Determination Date, when market demand for the shares will be determined, which is expected to be on or around December 7, 2013, by agreement between the Bookrunner, on behalf of the Underwriters and our Company. If, for any reason, the Offer Price is not agreed between our Company and the Bookrunner (on behalf of the Underwriters) by December 12, 2013, the Global Offering will lapse.

RESTRICTIONS ON THE USE OF THIS PROSPECTUS

Each person acquiring the Offer Shares under the Hong Kong Public Offer will be required to, or be deemed by his acquisition of the Offer Shares to, confirm that he is aware of the restrictions on offers of the Offer Shares described in this prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

No action has been taken to permit a public offer of the Offer Shares, other than in Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation.

The distribution of this prospectus and the offering and sales of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption from applicable securities laws. In particular, the Offer Shares have not been offered and sold, and will not be offered or sold, directly or indirectly, in the PRC.

APPLICATION FOR LISTING ON THE HONG KONG STOCK EXCHANGE

Our Company has applied to the Listing Committee for the granting of listing of, and permission to deal in, the Shares in issue, and in particular the Offer Shares under the Global Offering.

No part of the Shares is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

Under section 44B(1) of the Companies Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the Offer Shares on the Hong Kong Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Hong Kong Stock Exchange.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding and dealing in the Shares (or exercising rights attached to them). None of our Company, the Selling Shareholder, the Sole Global Coordinator, the Sole Sponsor, the Bookrunner, the Underwriters, any of their respective directors or affiliates or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchase, holding or disposing of, dealing in, or the exercise of any rights in relation to, the Shares.

HONG KONG REGISTER OF MEMBERS

Our Company's Hong Kong register of members will be maintained by our Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, in Hong Kong.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

STAMP DUTY

Dealings in the Shares registered on our Company's Hong Kong share register of members will be subject to Hong Kong stamp duty.

OVER-ALLOTMENT AND STABILIZATION

Details of the arrangements relating to the Over-allotment Option and stabilization are set out in the section headed "Structure of the Global Offering" in this prospectus.

PROCEDURE FOR APPLICATION FOR HONG KONG PUBLIC OFFER SHARES

The application procedure for the Hong Kong Public Offer Shares is set out in the section headed "How to Apply for Hong Kong Public Offer Shares" in this prospectus and on the relevant Application Forms.

STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Global Offering, including their respective conditions, and the Over-allotment Option, are set out in the section headed "Structure of the Global Offering" in this prospectus.

EXCHANGE RATE CONVERSION

Unless otherwise specified, solely for the convenience of the reader, amounts denominated in euros and U.S. dollars have been translated into Hong Kong dollars, and historical amounts denominated in Brazilian reais, Chinese renminbi, U.K. pounds sterling and U.S. dollars have been translated into euros in this prospectus at the Bloomberg composite exchange rates as at September 30, 2013, which were:

HK\$1.0	: €0.0953
HK\$1.0	: US\$0.1289
€1.0	: R\$3.0121
€1.0	: RMB8.2781
€1.0	: GBP0.83567
€1.0	: US\$1.3531

Certain specified amounts in the prospectus relating to future periods have been translated into euros at a rate of €1.0 : US\$1.3 solely for the convenience of the reader.

These rates may differ from those used in preparing our Company's consolidated financial statements. No representation is made that any amounts in euros, U.S. dollars or Hong Kong dollars can be or could have been at the relevant dates converted at the above rates or any other rates at all.

LANGUAGE

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus shall prevail. If there is any inconsistency between the names of any of the entities mentioned in this prospectus which are not in the English language and their English translations, the names in their respective original languages shall prevail.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

ROUNDINGS

Any discrepancies in any table between totals and sums of individual amounts listed in any table are due to rounding.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Hong Kong Stock Exchange and compliance with the stock admission requirements of HKSCC, our Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in our Offer Shares on the Hong Kong Stock Exchange or on any other date HKSCC chooses. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second Business Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Investors should seek the advice of their stockbroker or other professional advisor for details of the settlement arrangements as such arrangements may affect their rights and interests. All necessary arrangements have been made enabling the Offer Shares to be admitted into CCASS.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

DIRECTORS

Name	Address	Nationality
<i>Executive Directors</i>		
Marco Ghisolfi	Via Boccaccio 7, 20123 Milan, Italy	Italian
Marco Toselli	Via Carducci 19, 20123 Milan, Italy	Italian
Evert-Jan W. van der Slobe	41 avenue des papalins, MC 98000, Monaco	Dutch
Mario Barbieri	Flat 48 North Block 5 Chicheley Street London SE1 7PJ United Kingdom	Italian
Fredrick John Fournier	23 Diamond Oak Ct., The Woodlands, Texas 77381, USA	U.S.
Massimo Martinetto	13 rue des Eglantiers, L-1457 Luxembourg	Italian
<i>Independent Non-Executive Directors</i>		
William John Long Jr.	6161 Windmill Court, Saline, Michigan 48176, USA	U.S.
Guido Croci	Via Sant'Andrea N. 23, 20121 Milan, Italy	Italian
Rupert William Nicholl	7 Chuk Yeung Road, Sai Kung, New Territories, Hong Kong	United Kingdom

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

PARTIES INVOLVED IN THE GLOBAL OFFERING

Name	Address
Sole Global Coordinator and Sole Sponsor	CITIC Securities Corporate Finance (HK) Limited 26/F, CITIC Tower 1 Tim Mei Avenue Central Hong Kong
Bookrunner	CITIC Securities Corporate Finance (HK) Limited 26/F, CITIC Tower 1 Tim Mei Avenue Central Hong Kong
Senior Co-Lead Managers	Banco BTG Pactual S.A.-Cayman Branch Butterfield House, 68 Fort Street Grand Cayman, Cayman Islands Banca IMI S.p.A. Largo Mattioli 3 20121 Milan Italy Banco Santander, S.A. Paseo de Pereda 9-12 39004-Santander Spain
Co-Lead Managers	CLSA Limited 18/F, One Pacific Place 88 Queensway Hong Kong Nomura International (Hong Kong) Limited 30/F, Two International Finance Centre 8 Finance Street Central Hong Kong UniCredit Bank AG, Milan Branch Piazza Gae Aulenti 4 20154 Milan Italy
Auditors	Ernst & Young S.A. 7, Rue Gabriel Lippmann Parc d'Activité Syrdall 2 Luxembourg, L-5365

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As to Italian law:

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Italy

As to Luxembourg law:

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CORPORATE INFORMATION

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Headquarters in Luxembourg	37/a Ave. J. F. Kennedy, L-1855 Luxembourg
Place of Business in Hong Kong	9th Floor Three Exchange Square Central Hong Kong
Company's Website	www.mg-chemicals.com (contents of this website do not form part of this prospectus)
Joint Company Secretaries	Ms. Aries Cheung Yuet Fan, AHKICS Mr. Massimo Martinetto
Authorized Representatives	Mr. Massimo Martinetto 37/a Ave. J. F. Kennedy, L-1855 Luxembourg Ms. Aries Cheung Yuet Fan Level 54 Hopewell Centre 183 Queen's Road East Hong Kong
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Remuneration Committee	Mr. William John Long Jr. Mr. Mario Barbieri Mr. Guido Croci
Nomination Committee	Mr. William John Long Jr. Mr. Mario Barbieri Mr. Guido Croci
Hong Kong Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Compliance Advisor	Rothschild (Hong Kong) Limited
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**Banco Inbursa, S.A., Institución de Banca Múltiple,
Grupo Financiero Inbursa**

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Banco do Brasil

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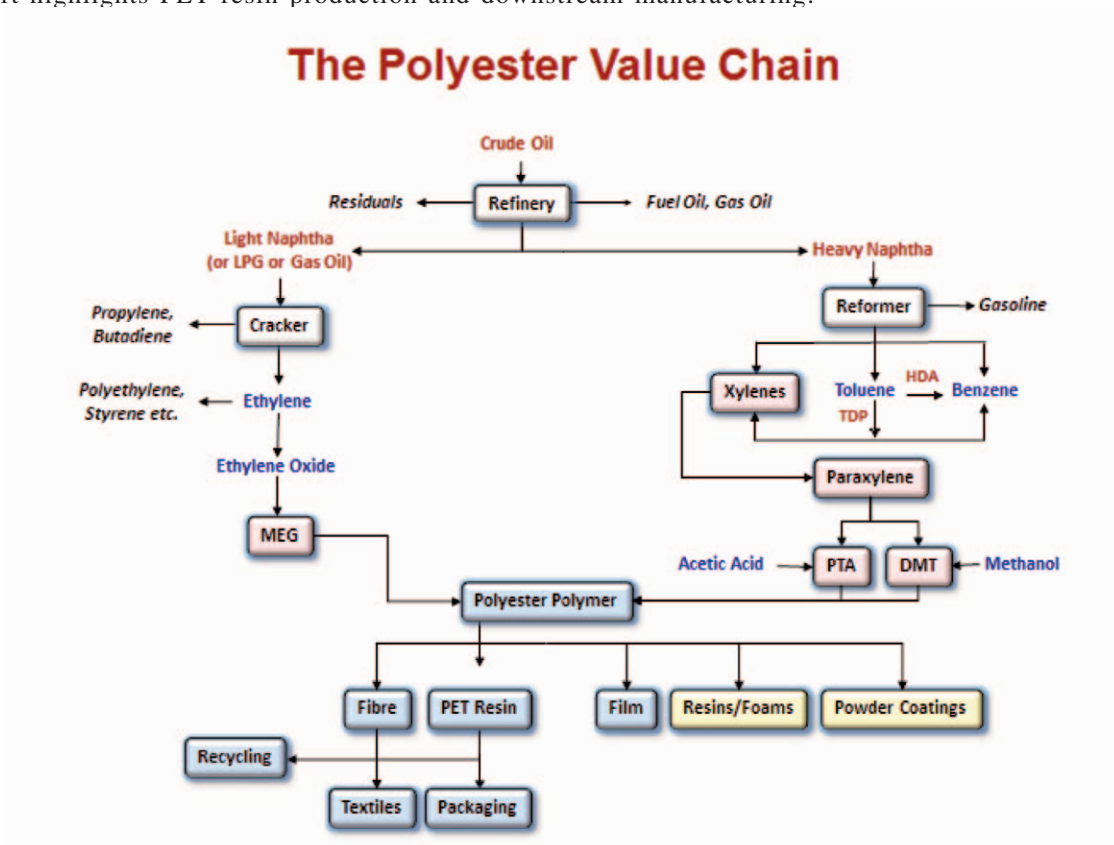
INDUSTRY OVERVIEW

Except as otherwise provided in this prospectus, certain facts, statistics and dates presented in this section have been derived, in part, from various official government sources as well as industry reports prepared by independent industry consultants, PAL and CALI. We believe that the sources of such information are appropriate sources for such information and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. The information has not been independently verified by us, the Selling Shareholder, the Sole Sponsor, the Underwriters, any of our or their respective directors, officers, representatives or other affiliates or any other party involved in the Global Offering and no representation is given as to its accuracy. We have engaged PAL to prepare the report for use in whole or in part in this prospectus. We paid PAL a total of GBP75,000 (€ 89,748) in fees for the preparation and updating of its report. We obtained permission from CALI to refer to, quote and excerpt its report in this prospectus. CALI has certified that the membership of Mr. Sean Ma in CALI did not affect the impartiality of its report.

PET RESIN BUSINESS

Introduction

M&G operates primarily within the PET resin production industry. PET is a versatile plastic polymer produced by reacting PTA with MEG in the presence of catalysts and heat. The following chart highlights PET resin production and downstream manufacturing:



Source: Polyester Analysis Ltd.

INDUSTRY OVERVIEW

The PET market has grown significantly in recent years and is forecast by PAL to grow at an estimated CAGR of 7.5% from 2012 to 2017 due to the technical advantages of PET as a packaging material compared to alternatives such as glass, paper and metal. PET also maintains advantages in versatility and packaging and freight costs and has a relatively small carbon footprint. It is also expected to benefit from the development of new end-use applications.

Principal applications

PET is principally used for packaging. Traditional uses for PET include the manufacturing of bottles for carbonated beverages, water, isotonic energy drinks, vegetable oils and other beverages and PET sheet molded into clam shells for food packaging, as well as numerous non-food applications. More recent uses include packaging for hot-fill drinks, custom foods and oxygen-sensitive food and drinks, such as beer, wine, juice and baby food.

Unlike the typical commodity chemical industry where products manufactured by all suppliers have the same formulation and are fungible, the general properties of standard PET have been progressively improved by some (but not all) producers in order to develop specific formulations—or PET grades—suitable for specific applications. Product innovation is therefore very important in this industry.

The main PET applications are:

- *Carbonated soft drinks:* PET for carbonated soft drinks (“CSD”) use is the most common grade in the market and most resins are suitable for this application. Demand for CSDs continues to grow in developing countries, but there is slower growth in more mature economies as consumers turn to “healthier” beverages, such as flavored waters.
- *Water:* PET resin for water bottles contains less acetaldehyde than CSD grade because acetaldehyde affects the taste of water. This is a general commodity product and one of the fastest growing demand areas, especially in developing countries. Though consumption has slowed in some of the more mature economies, commodity purified water is growing as an alternative to branded, higher-cost mineral water.
- *Sheet:* PET sheet has a lower intrinsic viscosity than CSD and water grade PET, making it more malleable for use in clam shells and film packaging for baked goods, fresh fruit and vegetables, meat and fish and other non-food uses.
- *Custom food:* PET is used for custom food packaging where its properties provide a marketing advantage, such as allowing brand owners to create unique package shapes, sizes, colors and profiles. Packaging applications for this grade include edible oils, sauces, spreads, bottled fruits and vegetables, peanut butter, wine, spirits, cider, coffee and other beverages.
- *Hot-fill:* Packaging applications for this grade include juice drinks, health and sports drinks, ready-to-drink tea, milk products, soups and baby foods.

INDUSTRY OVERVIEW

- *Barrier*: Historically, packaging for refrigerated fresh fruit and vegetable juices, food, beer and other oxygen- or carbon dioxide-sensitive drinks was either aluminum-metallized Tetra Pak cartons, glass bottles or metal cans, which provided the necessary barrier properties to ensure the required shelf life. However, barrier-grade PET has been gradually replacing such packaging materials for these end uses because it offers durable, light, transparent and resealable packaging. One promising application for barrier-grade PET is packaging for beer, which is still at an early stage of commercialization. M&G has successfully commercialized fully formulated monolayer barrier resins, while other PET producers mainly use less efficient coatings, or more expensive multilayer solutions. This has the potential to be a large market—possibly millions of tons of PET—if PET’s key advantages can be leveraged to substitute cans and glass. According to PAL, M&G is the only PET producer that can deliver barrier-grade PET immediately usable by clients with traditional conversion equipment and without the need for clients to employ additives.
- *Non-food*: PET resin is used to make containers for pharmaceuticals, personal care goods, household cleaning fluids, detergents and disinfectants, as well as packaging for tools, batteries, sports equipment and toys. Another fast developing application for PET is the replacement of nylon fibers in carpets, especially in the United States, due to its lower cost, longevity and stain resistance.

In addition, there are environmentally sustainable PET resin formulations, such as post-consumer resin (“PCR”)-grade and bio-grade PET, which can be used for the same end-use applications as virgin PET.

- *PCR-grade PET*: PET resin derived from post-consumer recycling. According to PAL, M&G is currently the only PET producer of chemically recycled PCR-grade PET in the Americas. Its technology enables it to chemically break down recycled PET into its component parts, PTA and MEG, which are then used to produce virgin PET. Others recycle PET mechanically by mixing it with virgin PET in a ratio of one part recycled PET to nine parts virgin PET. The resulting PET is a lower quality product than chemically recycled PET.
- *Bio-grade PET*: PET resin produced from raw materials derived from biomass. According to PAL, M&G is the only PET producer with exclusive and proprietary access to second generation bio-technology to produce PET raw materials from biomass, a technology which it plans to implement in its new facilities in China (see “Business — Key Businesses — PET Division — Projects Under Construction — China bio-MEG Project”).

Demand for PET resin

General description of global demand for PET resin

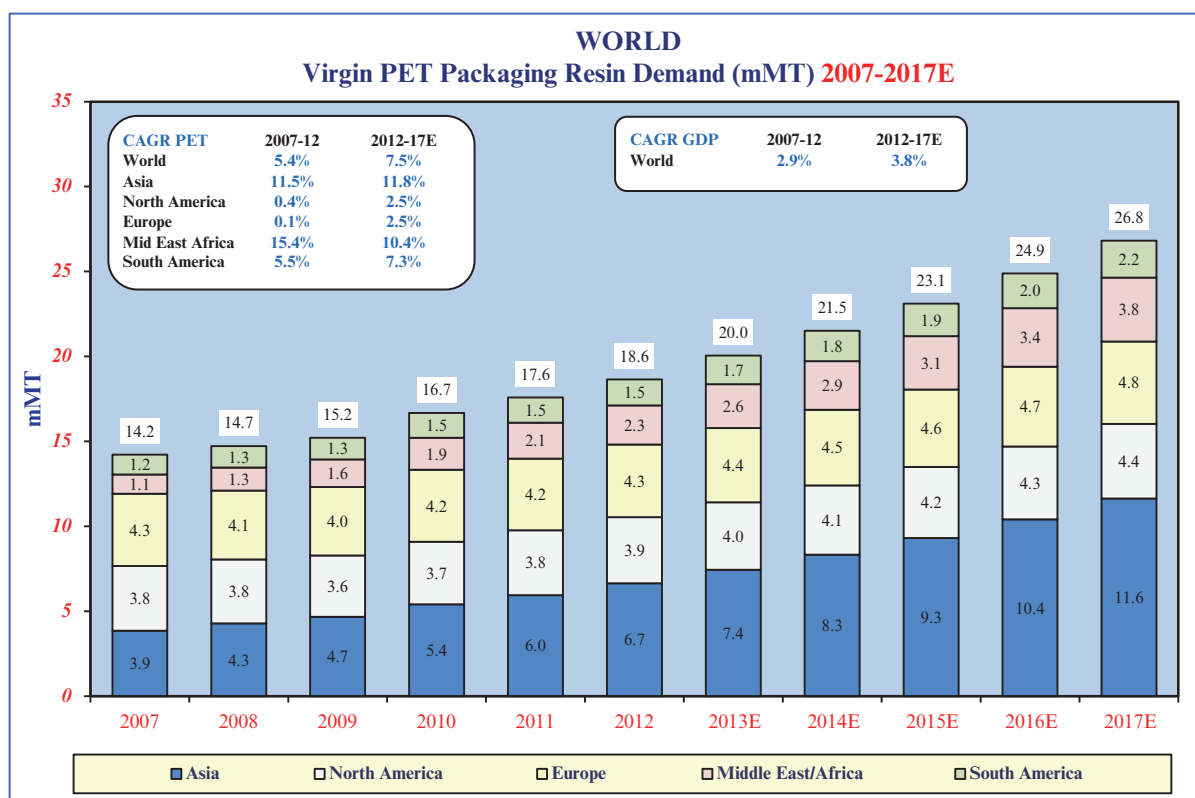
According to PAL, over the last 10 years, annual global virgin PET resin demand grew by nearly 9.5 mMT, from 9.1 mMT in 2002 to 18.6 mMT in 2012, representing a CAGR of 7.4%. From 2007 to 2012, PET resin demand grew at a CAGR of 5.4%, which was below the historical average, in part due to the global financial crisis, the increased use of recycled material and light-weighting, or the reduced use of plastic in packaging for both cost savings and environmental sustainability reasons. However, even at the peak of the financial crisis, when several industries had negative growth, PET demand still had positive (although reduced) growth, in part because the PET industry is more closely linked to, and more closely resembles in its demand profile, the consumer food industry than other chemical and petrochemical industries.

INDUSTRY OVERVIEW

From 2012 to 2017, global demand is forecast by PAL to grow at a CAGR of 7.5%, and to reach 26.8 mMT by 2017, driven by population growth in developing countries, inter-packaging material substitution, new applications for PET and a forecast CAGR of world gross domestic product (“GDP”) of 3.8%.

According to PAL, global virgin PET demand is expected to continue to grow at approximately twice the rate of world GDP based on the per capita consumption trends seen historically in the most advanced markets, namely the United States, Europe, Japan and, more recently, China. However, demand is likely to fluctuate depending on local political and demographic conditions as well as new investment in PET resin, preform manufacturing and bottle-filling lines. Production for international trade will be further affected by import tariffs, antidumping actions, transportation costs and economic conditions. Similarly, price margins will affect imports or exports of PET resin. Demand for certain products is particularly affected by transportation costs, as preforms, filled packages, bottles and jars are generally only transported intra-regionally due to the high transportation costs of long-distance shipping, whereas PET chips are easier to package, and therefore cheaper to transport internationally. Lastly, increased bottle-to-bottle recycling, demand for light-weight products and product substitution may lessen demand.

The following chart details historical and forecasted growth for global virgin PET resin demand:



Source: Polyester Analysis Ltd.

INDUSTRY OVERVIEW

Principal drivers of global demand for PET resin

Population growth

In 2012, the global population was estimated to be 7.1 billion and is expected to reach 7.6 billion by 2017, representing a 13.6% increase compared to 2007. Population growth drives increased consumption of packaged goods, which in turn drives increased demand for PET. Significant expected population growth in Asia, South America and the Middle East and Africa makes these areas potentially high growth markets for PET.


Global per capita GDP

As a country's GDP grows, and the country's population becomes wealthier, consumption tends to increase. In mature markets such as the United States, Europe and Japan, PET demand is expected to grow at, or below, GDP growth for mainstream end uses unless there is a paradigm shift in demand, which would require new PET uses or the replacement of steel, glass, aluminum and other packaging. In contrast, in less mature markets, such as Mexico, South America, China and India, PET demand is expected to grow at rates above GDP growth with increased per capita consumption.

Replacement of metal, glass, paper, Tetra Pak and other plastics

PET's durability, heat resistance, light weight, barrier properties, versatility, cost-competitiveness and transparency are key advantages over other packaging materials. Its color and clarity compared to other packaging materials allow consumers to see the contents of the package more clearly. PET is also 100% recyclable. The table below sets forth a comparison of the key properties and characteristics of PET, glass, paper/Tetra Pak and metal packaging:

Material properties	PET	Glass	Paper/Tetrapack	Metal
Versatile	●	◐	◑	◐
Durable	●	◑	◑	◐
Resistance to heat changes	●	◐	◑	◑
Lightweight	◑	◑	●	◐
Cost competitiveness	●	◑	◐	◐
Recycling ⁽¹⁾	◑	◑	◑	◐



Source: The Plastic Packaging Market Outlook in Food and Drinks, 2011, NAPCOR (National Association for PET Container Resources)

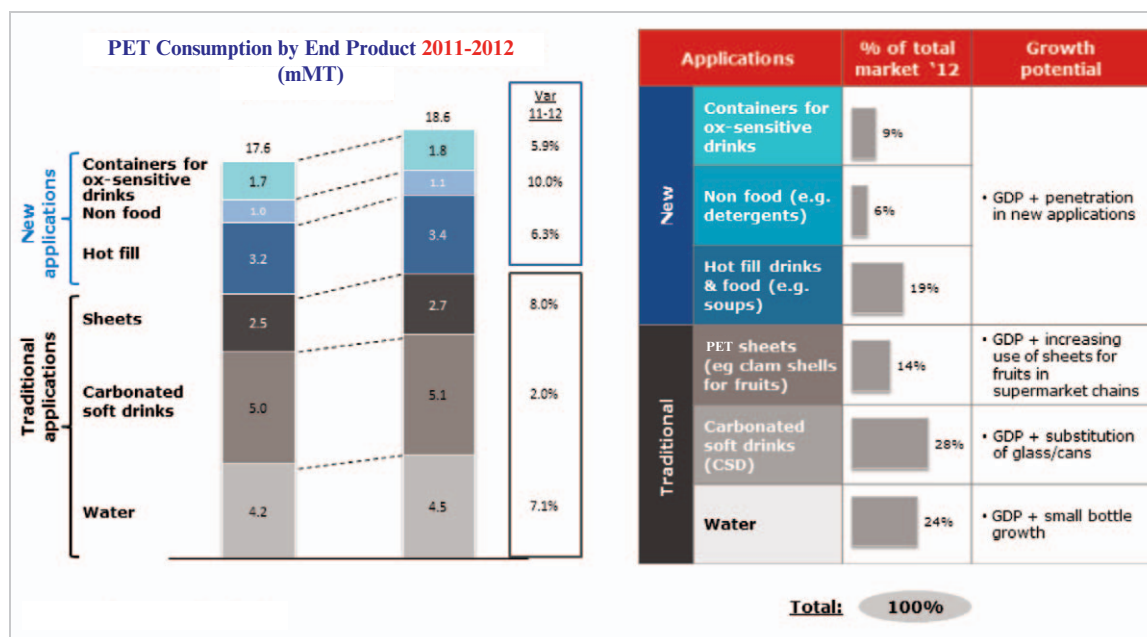
Note:

- (1) Although PET is theoretically 100% recyclable, in practice this percentage is not obtained because, among other reasons, some PET material collected is not suitable for recycling. This is also true for other materials that are theoretically 100% recyclable like glass and metal.

INDUSTRY OVERVIEW

End-use packaging markets

The traditional markets for PET, namely CSDs, water and sheet accounted for approximately 66% of total global virgin PET demand and grew 2.0%, 7.1% and 8.0%, respectively, in 2012. Newer applications, such as hot-fill, barrier-grade and non-food, account for approximately 33% of global virgin PET demand and grew 6.3%, 5.9% and 10.0%, respectively, in 2012. This is illustrated in the following chart detailing PET consumption by end product:



Source: Polyester Analysis Ltd.

New applications for oxygen-sensitive drinks and food

Water and CSD PET grades have low barrier properties, which make them less suitable for packaging oxygen- and moisture-sensitive food and drink products. Historically, glass was the most commonly used packaging material for these uses, as it is impermeable. However, due to its weight and because it is breakable, brand owners and consumers alike have accepted substituting glass with lighter and more durable packaging. Technical advancements in PET-polymer production have improved PET's barrier properties, minimizing permeation through the container. This makes barrier-grade and hot-fill PET viable alternatives for the packaging of oxygen- and moisture-sensitive products such as baby food, milk, juice and alcoholic drinks, and has made PET sheet a viable alternative for the packaging of oxygen-sensitive foods such as cheeses and red meats.

Beer packaging is a developing PET application with growth potential. Countries in Eastern Europe already employ PET for approximately 33% of beer packaging. China, the world's largest beer market, also has potential for significant growth in PET for beer packaging as its population continues to grow.

INDUSTRY OVERVIEW

Threats to the global virgin PET market

Bottle-to-bottle recycling

The production of new PET bottles from used, recycled PET bottles rather than from virgin PET resin could cause demand for virgin PET to decline in some countries. Currently, this process is not widespread (approximately 1.0 mMT globally, representing 5% of the total market) for several reasons: the lack of an effective infrastructure for the collection of used PET material; the high cost of collection and transportation to recycling centers; the need to sort and process the material collected by the color of the resin; the higher market price of recycled as compared to virgin PET; and the risk that customers will perceive recycled PET to be of lower quality because of a risk of impurities. Most recycled PET is produced by blending PCR that has been mechanically washed and cut into flakes or chips with virgin PET.

Recyclability is one of the important advantages of PET compared to other materials and, in theory, all PET is recyclable, even if for the most part in textile rather than bottle applications. In fact, there is a large demand for recycled PET for fiber production where quality is less critical, particularly in China, which imports approximately 3.0 mMT of waste PET annually, mostly in the form of flakes and crushed bales of PET bottles. Because recycled PET fiber has a production and price advantage over virgin PET fiber, the fiber production industry is able to take advantage of an increasing supply of recyclable PET bottles.

Light-weighting

Light-weighting is the reduced use of plastic in packaging. Ten years ago, production of a 0.5 liter water bottle required approximately 25 grams of PET. Today, it averages below 10 grams with the lightest approximately 8.4 grams. These technological advancements have been driven by, and have allowed manufacturers to counteract, the rising cost of crude oil and corresponding PET price increases. Brand owners are also able to use light-weighting in response to criticism over packaging waste and other environmental concerns. PAL has estimated that much of the optimization in packaging has already taken place (as there are structural limits to further reductions, including the need to maintain rigidity for ease of use by customers and for safety in transportation and storage), although modest further weight reductions may be seen in mature markets.

Product substitution

According to PAL, although there is little likelihood of reverse substitution by aluminum, Tetra Pak or competitor plastics, various other materials could become substitutes to PET given the right conditions.

INDUSTRY OVERVIEW

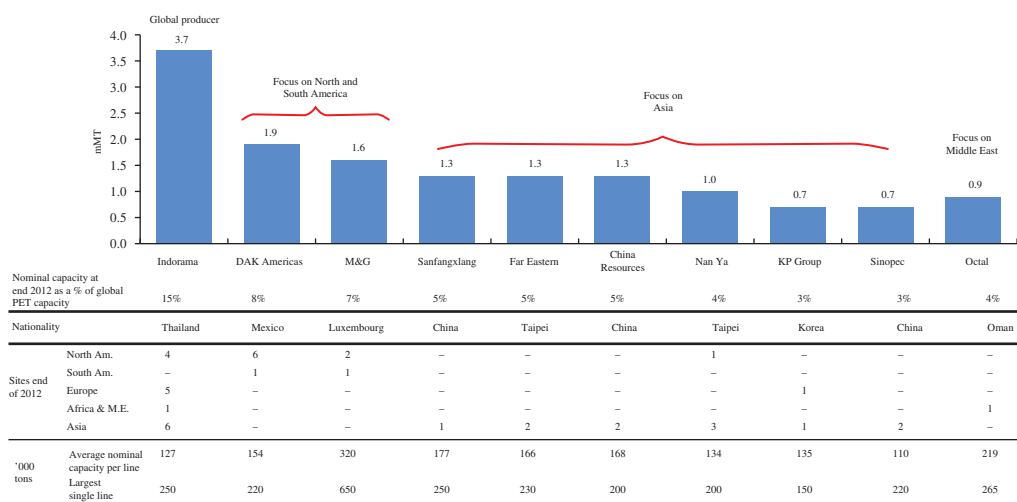
Supply of virgin PET resin

Competitive landscape

The key competitive factors for the PET industry are technology, scale, vertical integration, co-location with raw material production facilities, logistics costs and availability and cost of raw materials. The ten largest producers of virgin PET globally accounted for 59% of total installed capacity in 2012 and are forecast to account for 49% of global total installed capacity by 2017, according to PAL. Of the top ten global PET producers, China Resources, Lotte, Octal and M&G are currently the only ones solely producing PET resin.

The chart below shows the average installed capacity of the world's top producers of PET resin in 2012:

Top 10 PET Producers by Nominal Capacity (mMT)



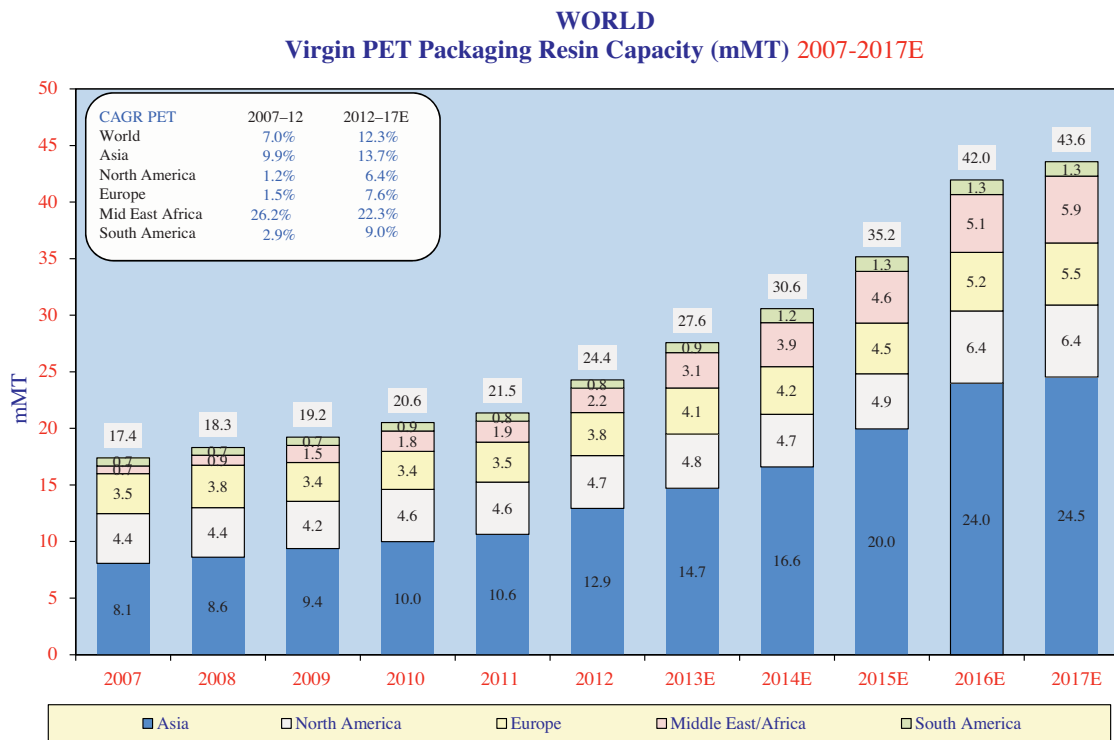
Source: Polyester Analysis Ltd.

According to PAL, additional PET capacity is now primarily developed through investment in new lines and plants, as older, less efficient plants are replaced by larger, more efficient plants of at least 220 kMT per line. According to PAL, approximately 2.3 mMT of PET capacity and approximately 2.0 mMT of PTA capacity in North America is expected to be replaced. With M&G's proprietary technology, EasyUp™, M&G is currently the only company that can build a single 1.1 mMT horizontal PET line, allowing for low variable and capital expenditure costs compared to competitors, according to PAL.

According to PAL, global PET capacity in 2012 was 24.3 mMT, and planned investments in the industry could add 12 – 19 mMT of additional capacity worldwide by 2017, which presents the risk of overcapacity in almost all regions. Natural growth in the market and the rationalization of older, less efficient plants or lines is expected to mitigate the effects of this potential overcapacity.

INDUSTRY OVERVIEW

Capacity evolution is detailed by region in the following chart:

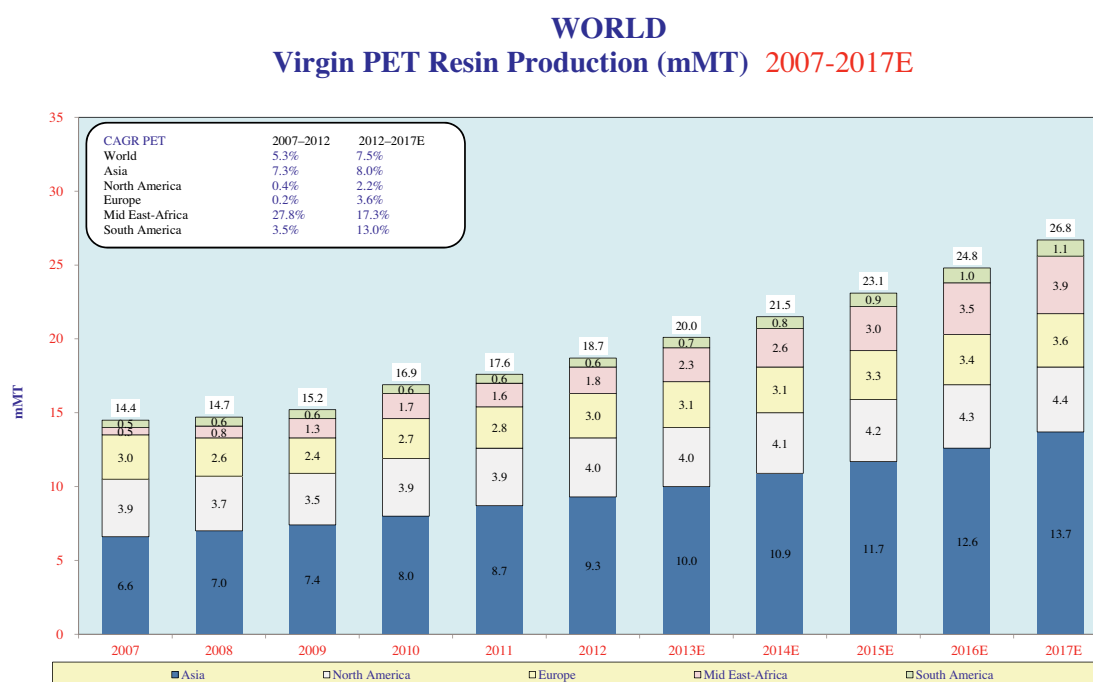


Source: Polyester Analysis Ltd.

Indorama and DAK Americas have increased their capacities through acquisitions, while M&G has focused on organic growth and leveraging its proprietary technology.

INDUSTRY OVERVIEW

Production evolution by region is detailed in the following chart:



Source: Polyester Analysis Ltd.

Technology and costs

The technology used by plants in PET production is a key determinant of costs and efficiency. While the chemical process is the same for all technologies, the number and size of reactors varies, with smaller (220–270 kMT per year) single lines requiring higher energy costs and an initial \$450–500 per ton capital expenditure. The continuous polymerization melt process employed by M&G, using its proprietary solid state polymerization (“SSP”) technology, results in a high nominal capacity per single line (1.1 mMT) because it is able to employ a horizontal SSP unit, compared to lines limited by the height of a vertical SSP unit. This process provides the flexibility to continuously make different grades of PET resin, changing the mix as necessary, without shutting down and cleaning lines. This saves time, reduces costs and limits production of non-prime grade material that would otherwise have to be sold at a lower price. Another process, melt-to-resin, bypasses SSP, resulting in lower energy costs and per ton capital expenditures than smaller plants, but has some operational and quality disadvantages compared to larger plants.

INDUSTRY OVERVIEW

Benefits of integration in the polyester value chain

The price of PET resin is determined primarily by market dynamics and is influenced by the price of crude oil. Therefore, in order to be consistently profitable, producers must manage production costs and formulate a cost-effective sales strategy. Co-location and integration of raw material production is an important way of reducing costs and its benefits include the following:

- *Logistics costs savings:* The proximity of PX, MEG and PTA to PET manufacturing facilities reduces or, in the case of co-located plants, eliminates the cost of packaging, freight, shipping and delivery of PX to PTA plants and PTA and MEG to PET plants.
- *Energy optimization:* Integration of raw material production optimizes energy resources in a PTA/PET factory, as energy generated in the manufacture of PTA can be used in the production of PET.
- *Raw material supply:* Co-locating PTA and PET plants ensures a stable supply of, and consistent quality in, raw materials for the PET or fiber facility, reducing the risk of delivery delays or volatility in spot raw material prices.
- *Profit optimization:* Co-locating PTA and PET or polyester fiber plants captures added profit from another part of the value chain, while eliminating marketing and sales costs and customer credit. Typically, both PET and PTA plants achieve a higher capacity utilization than a merchant PTA seller.

INDUSTRY OVERVIEW

PET supply and demand by region

	North and South America	Europe, Middle East and Africa	Asia
Size	29% of total demand in 2012 of 5.4 mMT	35% of total demand in 2012 of 6.6 mMT	36% of total demand in 2012 of 6.7 mMT
Virgin PET resin growth (CAGR)	2007 – 2012 <i>North America 0.4%</i> <i>South America 5.5%</i>	2007 – 2012 <i>Europe 0.1%</i> <i>Middle East/Africa 15.4%</i>	2007 – 2012 <i>11.5%</i>
	2012 – 2017e <i>North America 2.5%</i> <i>South America 7.3%</i>	2012 – 2017e <i>Europe 2.5%</i> <i>Middle East/Africa 10.4%</i>	2012 – 2017e <i>11.8%</i>
Customers	Mainly large	Large and small; very fragmented	Large and small
Internal logistics	Less expensive	Very expensive	Less expensive
Applications	Very sophisticated liquid and rigid food packaging needs	Traditional food and drink applications	Polyester fibers is main driver and PET is complementary; mainly beverage applications with some custom food/non-food
Availability of raw materials	Efficient supply in the Gulf of Mexico adjacent to the United States for PX/PTA and MEG	PTA available with MEG increasingly imported from Middle East	PTA available with MEG and PX imported from Middle East
Barrier to entry for new producers	<i>Relatively high</i> — Import duties; ocean freight; large customers; rail delivery required; high quality applications	<i>Low</i> — Import duties to European Union, but not to non-European Union and Middle East; many small customers, easy to supply Europe from Middle East	<i>Low</i> — China is a main producer with fiber synergy. Asia is a regional market with large exports
Supply concentration	Highly concentrated supply base	Very fragmented supply base	China is concentrated with large producers; other consuming countries have small domestic producers
Supply source model	Large integrated local plants	Small local plants with some integration	Large local plants and companies, some co-sited with PTA/fiber

Source: Polyester Analysis Ltd.

INDUSTRY OVERVIEW

North America

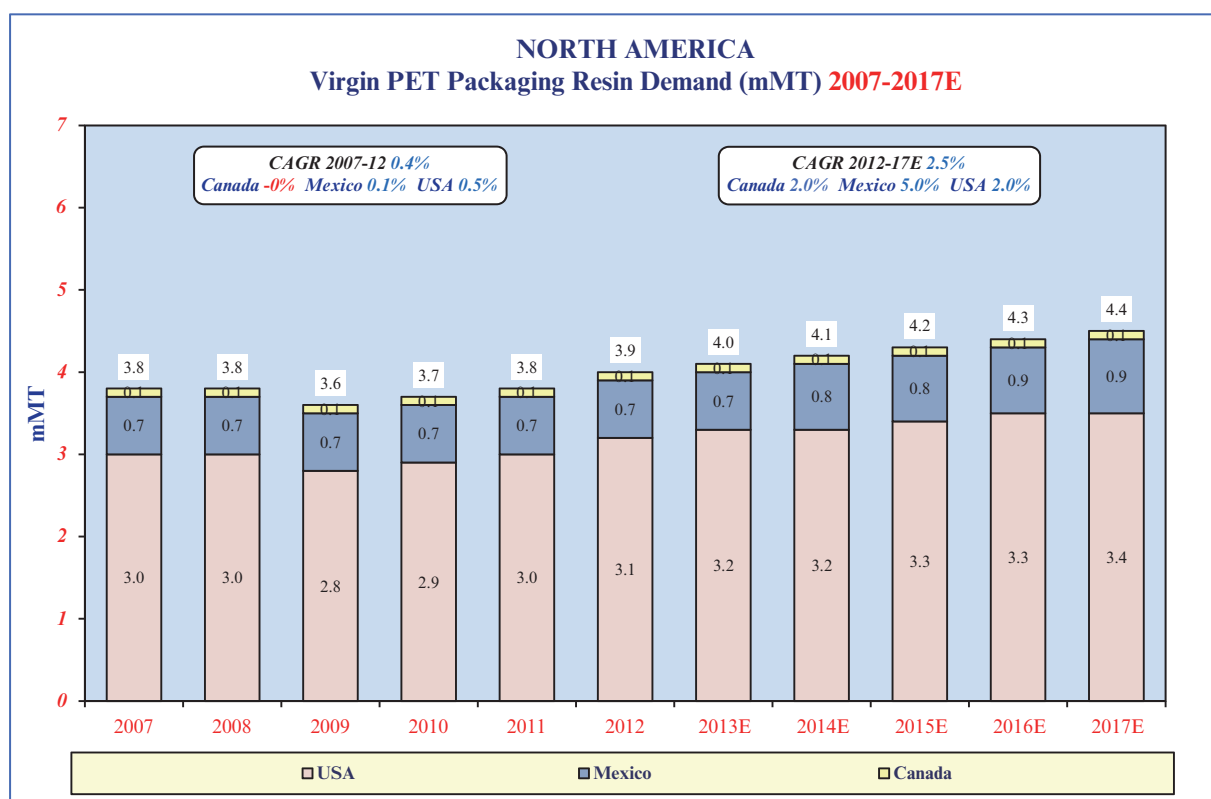
North America has been at the forefront of packaging innovation and development and is now a mature market in traditional growth areas, with potential for barrier resins to take market shares in new applications.

According to PAL, demand for virgin PET in North America was 3.9 mMT in 2012 (8.3 kg per capita), an increase of 0.1 mMT from 2007. Demand is forecast to grow at a 2.5% CAGR and to reach 4.4 mMT by 2017 (9.0 kg per capita), according to PAL.

The United States is the largest PET market in North America. Virgin PET demand was approximately 3.1 mMT in 2012 (10.0 kg per capita), or 81% of regional demand. According to PAL, virgin PET demand is forecast to grow approximately in line with GDP at a 2.0% CAGR, reaching approximately 3.4 mMT by 2017 (10.5 kg per capita). PET demand is primarily driven by GDP, further substitution of other packaging materials and developments in barrier-grade PET resin. The primary end-use markets in the United States in 2012 were water, CSDs and sheet, which accounted for 23%, 21% and 20% of demand, respectively. The increased demand for packaging containers was largely offset by light-weighting in this period.

Mexico is the second largest market in North America, with virgin PET demand of 0.7 mMT (5.8 kg per capita) in 2012, or 18% of regional demand. Although there was no increase in demand from 2007 to 2012, according to PAL, PET demand in Mexico is expected to grow at a forecast CAGR of 5.0%, and to reach 0.9 mMT by 2017 (6.8 kg per capita). The Mexican market has a favorable outlook for demand for PET bottles, mainly for CSDs and water, which accounted for 64% and 25% of demand, respectively, in 2012. Mexico has among the highest per capita consumption of CSDs in the world, which is supported by a young population, a high birth rate and increasing disposable income levels.

INDUSTRY OVERVIEW



Source: Polyester Analysis Ltd.

Production and demand in North America is currently near equilibrium, with exports and imports largely offsetting each other. Supply is mostly concentrated in three producers, with DAK, Indorama and M&G accounting for 87% of capacity. Imports face high barriers to entry due to the import duties applicable to most Asian countries. In addition, reliance on rail transportation, which can be expensive, makes container imports less practical on the East Coast of the United States. This leads to relatively low pressure on prices, except on the West Coast of the United States where freight costs for transportation from East Coast PET factories and ocean freight costs from Asia are comparable.

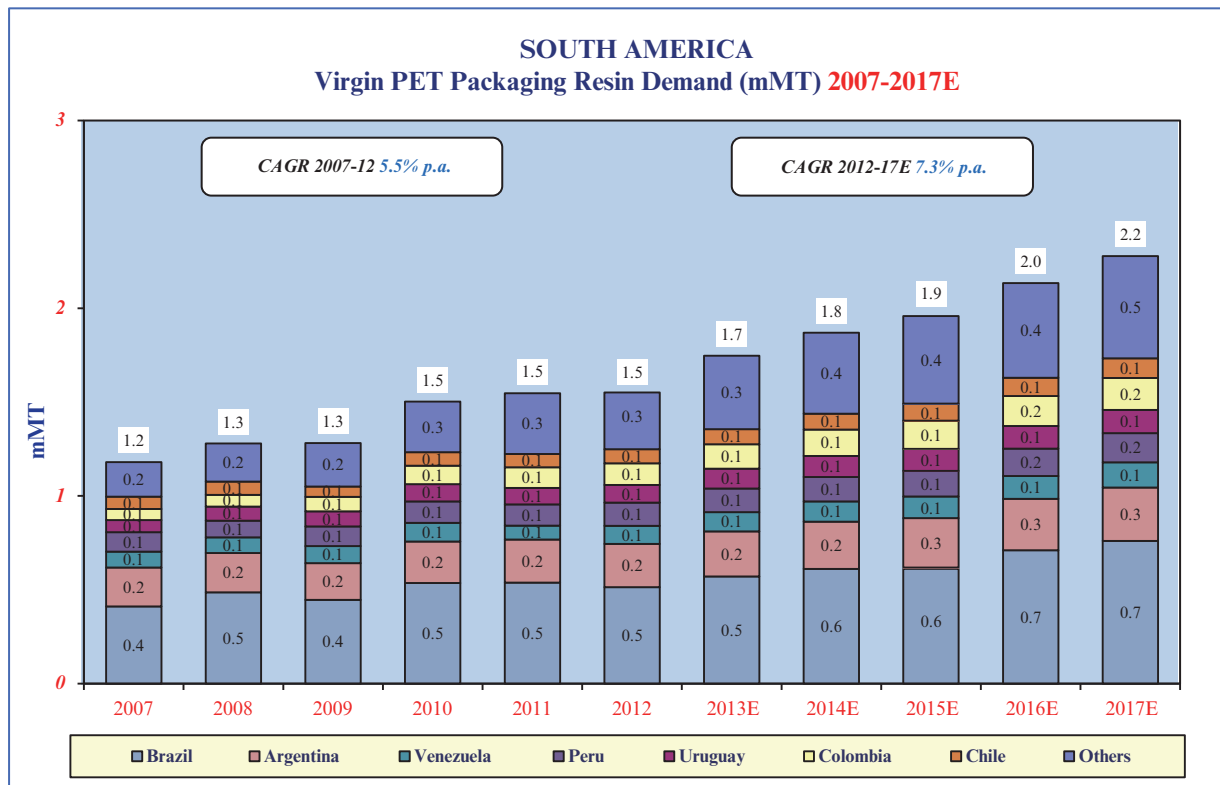
In the last five years, PET plants in seven locations throughout North America have been shut down or converted to other uses. Despite those shutdowns and conversions, investments at other sites resulted in a net increase in capacity of 230 kMT. According to PAL, 1.0 mMT of PET capacity in the Americas may be idled; for example, in 2013, DAK Americas announced the planned closure of all operations at its site in Cape Fear, North Carolina, USA.

South America

South America is a developing market with significant potential for growth. As its large population grows wealthier and per capita consumption increases, food packaging uses are expected to expand, creating new end markets.

According to PAL, demand for virgin PET in South America was 1.5 mMT in 2012 (3.2 kg per capita), an increase of 0.4 mMT from 2007. Demand is forecast to grow at a CAGR of 7.3%, to reach 2.2 mMT by 2017 (4.1 kg per capita), according to PAL. Brazil and Argentina are the largest markets, together accounting for approximately 50% of the demand for virgin PET in South America.

INDUSTRY OVERVIEW



Source: Polyester Analysis Ltd.

According to PAL, demand for virgin PET in Brazil was 0.5 mMT in 2012 (2.5 kg per capita), or 33% of regional demand. Actual demand was higher after factoring in preform (precursor of the final container) imports. A significant increase in demand is expected from 2012 to 2017, with a forecast CAGR of 8.2%, compared to a CAGR of 4.6% from 2007 to 2012, driven primarily by demand for CSDs, which accounted for 61% of demand in 2012. Other end uses, including barrier-grade PET for beer packaging, are expected to show higher growth and expanded market share in the next five years.

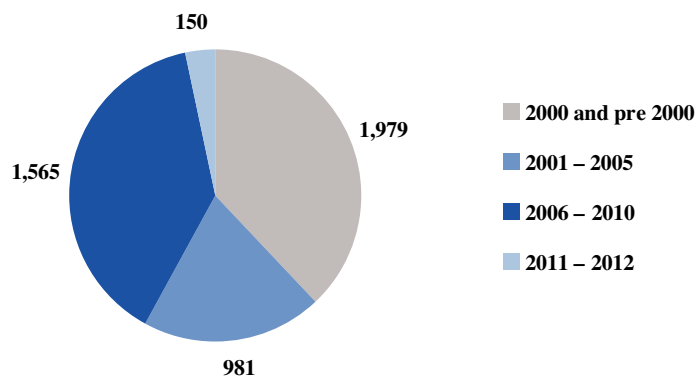
Supply in South America is highly concentrated in two major producers: DAK Americas, which is focused on the Argentinean market, and M&G, with its focus on the Brazilian and Venezuelan markets. A third supplier, Petroquímica Suape, is expected to enter the market by 2014. High initial set-up costs and capital expenditures required to enter the market creates a high barrier to entry, but PET imports from Asia drive local prices down. Companies based in Brazil benefit from government incentives for local production, an advantage not available to companies in other South American countries.

In the last five years, the closure of three smaller PET plants was offset by the opening of a 650 kMT plant in Suape, Brazil by M&G, resulting in a net increase in capacity of 110 kMT.

INDUSTRY OVERVIEW

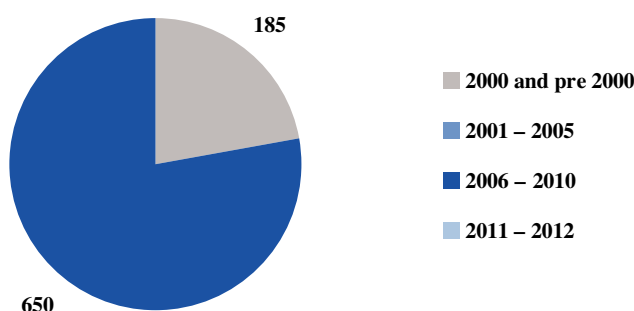
PET capacity in the Americas is primarily in the form of old plants and small production lines. In North America, there are 30 PET production lines, eight of which have capacity greater than or equal to 200 kMT.

Age Profile of PET Capacity in North America (kMT)



In South America, there are three PET production lines, only one of which has capacity greater than or equal to 200 kMT.

Age Profile of PET Capacity in South America (kMT)



Raw materials used in the production of PET

The production of one ton of PET requires approximately 0.84 MT of PTA and 0.33 MT of MEG. PET pricing in most regions is determined by the cost of PTA and MEG raw materials, plus a spread that depends on costs of production and local transportation, regional PET supply and demand and capacity utilization. For countries with a large volume of imports, international PET pricing, duties and global supply and demand are also major factors that affect pricing. While the spread is variable for monthly market or spot PET pricing, it can be contractually fixed for a year for a specific offtake volume, granting both buyers and sellers a measure of protection from volatility in raw material prices for all or part of their purchase or sales volume.

INDUSTRY OVERVIEW

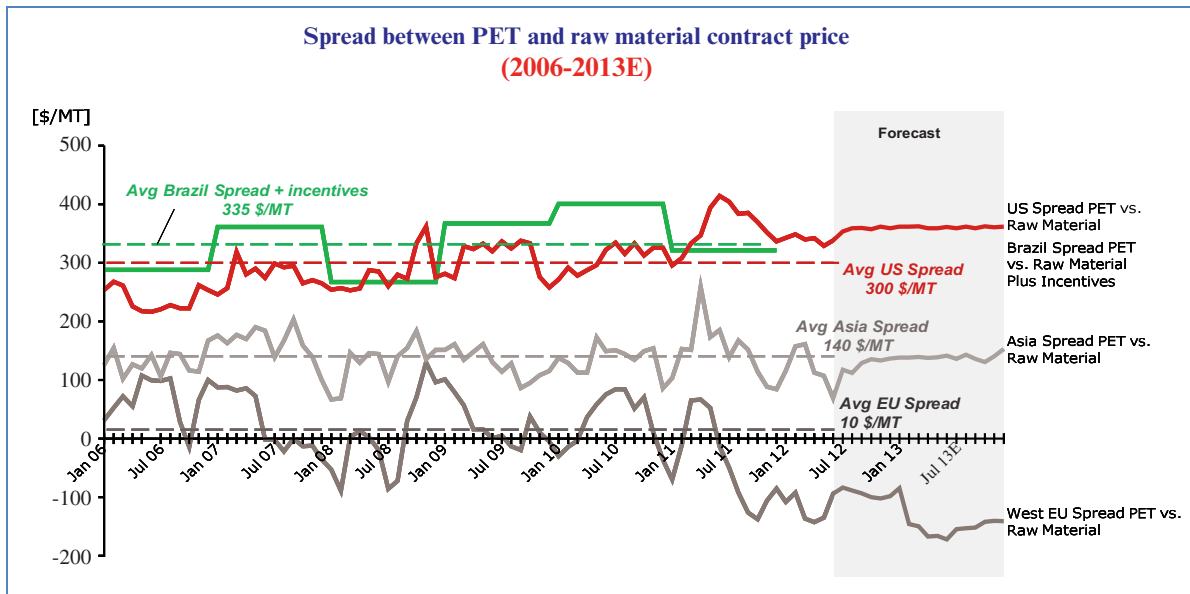
The spreads between PET and raw material costs are different in various regions. The North American market is largely protected by import duties and ocean freight costs, and therefore has a higher price spread than other regions. As South America is a net PET importer, the spread there is influenced by transportation costs and import prices from Asia. Brazil, however, has a higher spread than other countries in the region due to tax incentives for local production, which allow PET sellers to retain part of the value added tax charged on top of the price to clients instead of paying it back to the states in which they operate.

Asia is a net exporter of PET and therefore the spread for Asian PET has historically been determined by the export market. The domestic spread is approximately half that achieved in the United States because of intense competition among regional producers. However, with export costs to the East Coast of the United States historically in the range of US\$250 (€185) per ton (including ocean freight, export duties and local handling), Asian PET producers are generally not competitive with domestic sellers on the East Coast of the United States.

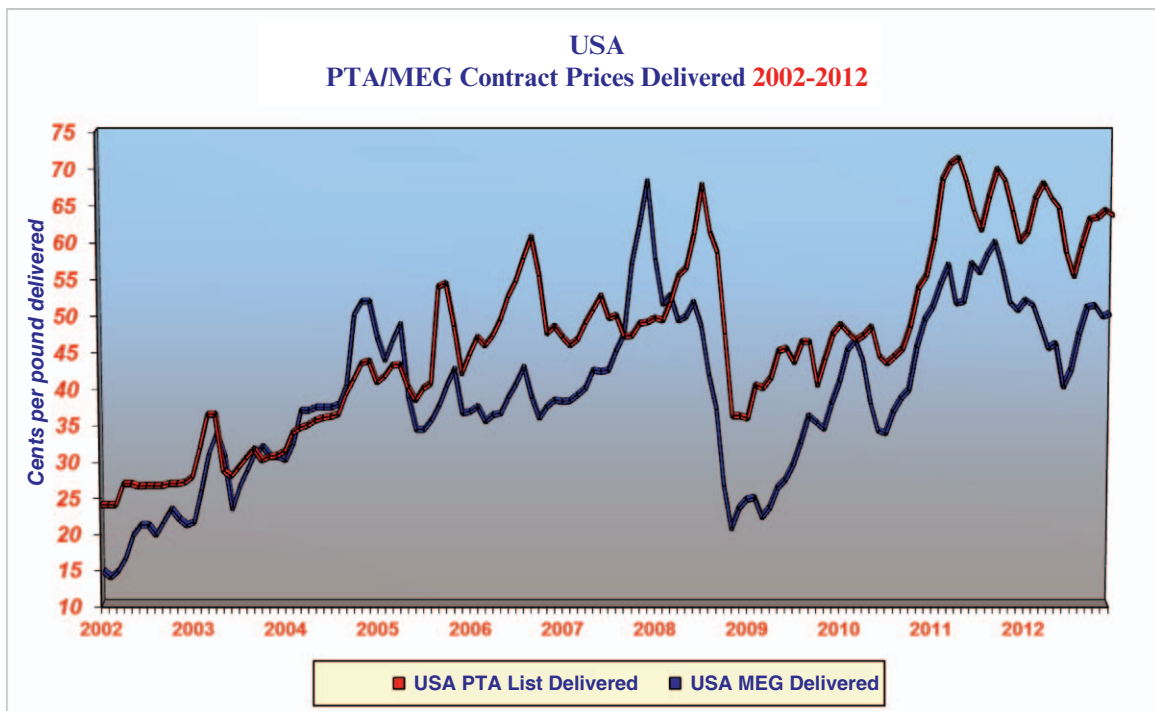
The spread between PET and raw material contract prices has been relatively stable (averaging approximately US\$300 (€222)/MT in the United States, US\$335 (€248)/MT in Brazil and US\$140 (€103)/MT in Asia), except in Europe, which has recently experienced a significant decline due to continuing domestic oversupply and competition from Asian and Middle Eastern imports. This is particularly true in comparison to the fluctuations in the prices of underlying commodities.

INDUSTRY OVERVIEW

The following charts detail global spread trends in recent years:



Source: Polyester Analysis Ltd.



Source: Polyester Analysis Ltd.

INDUSTRY OVERVIEW

PTA

PTA is the primary raw material used in the generation of PET. It is produced by oxidizing PX, which is manufactured from toluene and mixed xylenes.

According to PAL, from 2007 to 2012, the industry average PTA spread over PX in North America was US\$388 (€287) per ton, while the industry average PET spread over MEG/PX was approximately US\$686 (€507) per ton. Therefore, the industry average PET spread over PTA was approximately US\$298 (€220) per ton.

According to PAL, it is estimated that from 2013 to 2017, the industry average PTA spread over PX in North America will decrease to approximately US\$306 (€235, translated at a rate of €1.0: US\$1.3) per ton, while the industry average PET spread over MEG/PX will decrease to approximately US\$615 (€473, translated at a rate of €1.0: US\$1.3) per ton. Therefore, the industry average PET spread over PTA is estimated to reach approximately US\$309 (€238, translated at a rate of €1.0: US\$1.3) per ton over that period.

In recent years, PTA technologies developed by companies such as Invista, BP plc (“BP”), Eastman (now DAK) and others increased plant sizes from 700 kMT to 3 mMT, with the largest single reactor currently producing 1.3 mMT of PTA annually. Because energy is almost fully recovered in newer plants, the use of these new technologies incurs almost no utility costs, meaning that the main differentiating factors among different plants which employ these new technologies are capital expenditures incurred in building the plant and the conversion cost of PX to PTA.

PAL has estimated that, as a result of economies of scale, the conversion costs of PX to PTA for newer 1.3 mMT plants may be as little as a third of the cost of smaller, older plants. Despite this, no new PTA plants using the latest technology have been built in North America recently, due to a lack of corresponding technology for the installation of large-scale PET capacity to fully utilize the PTA plant’s output and capture co-location and vertical integration efficiencies.

According to PAL, M&G’s proprietary EasyUp™ technology eliminates this constraint, as it allows the construction of a single PET line with an installed capacity of 1.1 mMT. The integration of this technology with new PTA technology, as in M&G’s Corpus Christi plant, will, according to PAL, result in significant economies of scale. Based on studies of existing PTA and PET plants around the world, PAL has estimated that the sum of the conversion costs of MEG and PX into PET and delivery costs to clients is less than US\$200 (€148) per ton, on average, for a 1.3 mMT PTA and 1.1 mMT integrated PET complex. This estimated US\$200 (€148) per ton includes approximately US\$66 (€49) per ton applied towards converting PX into PTA, US\$75 (€55) per ton applied towards converting PTA and MEG into PET and US\$55 (€41) per ton applied towards delivering PET to clients. These assumptions are based on an assessment by PAL of costs for a number of plants in the PET and PTA industries in the Americas, as in effect on the date of the PAL report. See “Business — Our Strategies — Investment in vertically integrated PTA/PET production and capacity expansion”.

PTA pricing

PTA pricing for major polyester buyers in North America is based on a contract formula price set by BP, calculated based on the monthly contract price for PX raw material. This formula is

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designed to maintain stability in pricing, albeit often at a higher average price than Asian market pricing. The BP formula is a cost-plus formula commonly used in the industry and published by a number of industry sources, such as PAL, PCI, Tecnon OrbiChem and IHS Inc. BP and others have provided discounts and selective price support for customers over the years and react to structural market trends in Asia in order to benefit the United States polyester export business.

In South America, import prices into Brazil from North America are typically based on PX prices in the United States, plus conversion cost, sea freight and profit. Import prices from Asia include freight and shipping costs.

PTA supply and demand

According to PAL, global PTA capacity increased from 42.7 mMT in 2007 to 60.6 mMT in 2012 at a CAGR of 7.2%, and is forecast to increase to 107.8 mMT by 2017 at a CAGR of 12.2%. Global PTA demand increased from 37.1 mMT in 2007 to 50.0 mMT in 2012 at a CAGR of 6.1%, and is forecast to increase at a CAGR of 7.8% from 2012 to 2017 to reach 72.7 mMT, primarily driven by growth in the Asian polyester fiber market and demand for PET and film.

According to PAL, capacity and demand for PTA in North America are forecast to grow from 6.0 mMT and 4.3 mMT, respectively, in 2012 to 7.0 mMT and 5.1 mMT, respectively, by 2017. Grupo Petromex/Alpek is currently the largest producer, with 2.8 mMT of capacity, while BP has 2.4 mMT, Cepsa 675 kMT and Eastman 240 kMT.

In South America, capacity and demand for PTA are forecast to grow from nil and 650 kMT, respectively, in 2012, to 0.8 mMT and 1.2 mMT, respectively, by 2017.

MEG

MEG is normally produced from naphtha, gas oil or liquefied petroleum gas. MEG can also be produced from biomass. However, chemical companies in China are currently developing newer catalysts that are expected to enable polyester-grade MEG to be made from coal, using dimethyl oxalate and methanol-to-olefins processes. The cost of production of MEG in China is estimated to be US\$600 – 800 (€443 – 591) per ton and depends on feedstock and processing costs, but with market prices at over US\$1,000 (€739) per ton, most technologies are economically viable compared to importing material from Asia, the Middle East or North America.

The cost of producing MEG from biomass depends on the cost of biomass. First generation biomass (i.e. food) is expensive because of the high alternative food use value and would drive production costs to the upper end of the traditional range. However, according to PAL, if the cost of biomass can be contained (including yield and logistics) in a range of US\$200 – 250 (€154 – 192, translated at a rate of €1.0: US\$1.3) per ton by employing second generation biomass technologies, bio-MEG production costs could fall 20 – 30% below the lower end of the traditional range, being approximately US\$420 – 480 (€323 – 369, translated at a rate of €1.0: US\$1.3) per ton.

MEG pricing

The price of MEG is determined by supply and demand and the cost of ethylene, which in turn is largely driven by oil and natural gas prices.

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In the Americas, the MEG contract price for major polyester buyers is related to Asian market pricing. In Asia, Sabic, MEGlobal and Shell make a public nomination each month for their contract volumes so customers may open letters of credit. The actual net market price is then determined by the average monthly Asia spot price, plus or minus a premium or discount. The historical spread for conventional MEG is calculated from spot market prices for both ethylene and MEG, using a formula based on the MEG price and subtracting 0.6 times the ethylene price. Integrated ethylene/MEG producers have a higher margin since they have no logistics costs associated with ethylene sourcing. PAL's forecast of a US\$300–400 (€231–308, translated at a rate of €1.0: US\$1.3) per ton spread for conventional chemical MEG is supplemented by a bio-MEG premium¹, which was as high as US\$500 (€370) per ton in 2012 but it is likely to plateau as more capacity is installed. According to PAL, from 2013 to 2017, a bio-MEG premium of approximately US\$200–300 (€154–231, translated at a rate of €1.0: US\$1.3) per ton is estimated over the spread for conventional chemical MEG.

MEG Supply and Demand

According to PAL, global MEG capacity is forecast to increase at a CAGR of 15.6% in 2012–2017, from 28.0 mMT to 57.8 mMT, while demand is forecast to increase at a CAGR of 7.0% during the same period, primarily driven by growth in the Asian polyester fiber market and demand for PET and film.

In 2012, MEG capacity in North America was 4.0 mMT, whereas demand was estimated at 3.0 mMT, according to PAL. Capacity and demand are forecast to grow to almost 6.8 mMT and 3.2 mMT, respectively, by 2017.

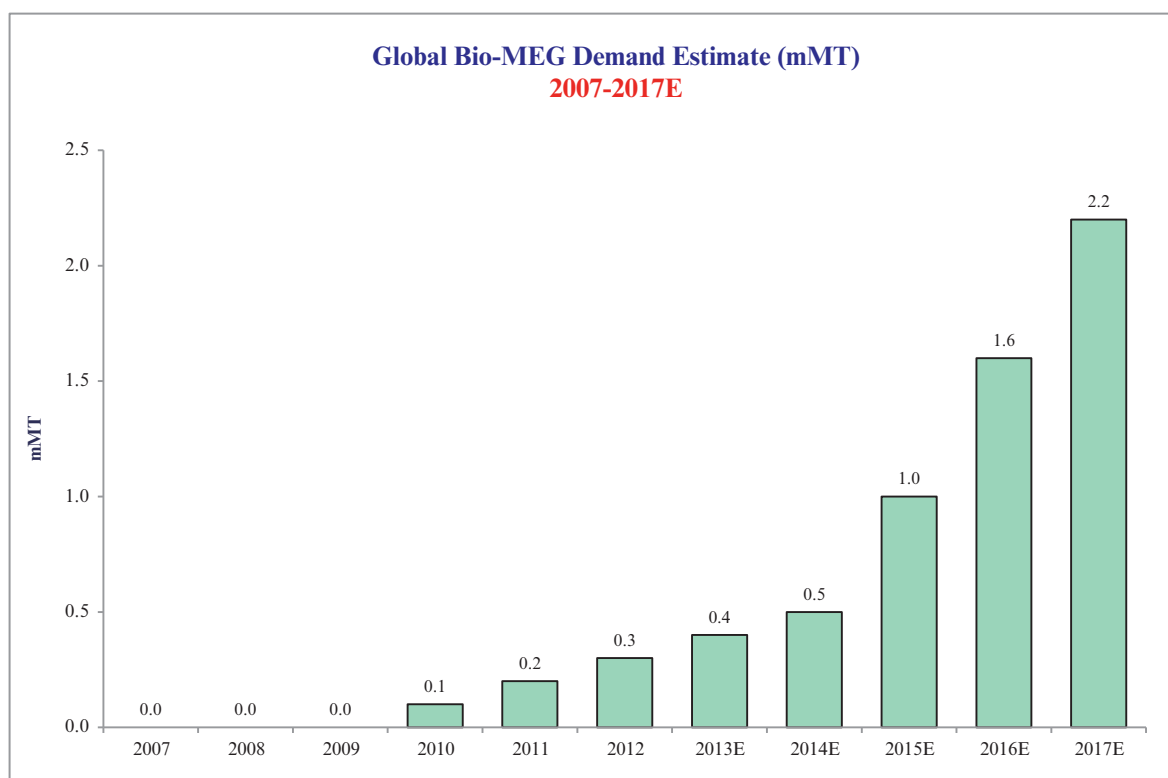
Capacity in South America was only 415 kMT in 2012 according to PAL, whereas demand was approximately 380 kMT, with Oxiteno in Brazil and Pralca in Venezuela the only producers. PAL forecasts capacity and demand for MEG to grow to 1.0 mMT and 0.6 mMT, respectively, by 2017, as domestic polyester production is expected to substitute imported PET, fibers and textiles.

BIO-PET AND BIO-MEG

The limitations of the Earth's resources, the environmental impact of oil-based plastics production and increasing consumer concerns about packaging waste are driving the rapid growth in demand for sustainable polyester, not only among food and beverage brand owners, such as Coca-Cola, Pepsi, Danone and Heinz, but also among other brand owners using polyester in fiber and tire-cord applications, such as Nike and Ford.

¹ This is the additional price (compared to oil and gas-based MEG) that brand-owners (such as Coca-Cola and Pepsi) are willing to pay in order to provide environmental sustainability for consumers. Typically brand-owners receive important benefits (such as higher market share) from being able to provide consumers with environmental sustainability that more than compensate the premium they pay to suppliers of environmentally sustainable packaging materials.

INDUSTRY OVERVIEW



Source: Polyester Analysis Ltd.

Bio-PET is currently produced with MEG made from biomass instead of from fossil fuels. The majority of bio-PET is consumed in North America and Europe, and global key brand owners, including Coca-Cola, Pepsi, Danone and Heinz, used approximately 200–250 kMT of bio-PET in 2012 (65–75 kMT of bio-MEG), or 1% of total virgin PET consumed in 2012, according to PAL.

The production of bio-MEG is currently limited, as it is based on first generation technology which uses food sources such as corn and sugar cane as raw material. However, technological developments in non-food based production, which address sustainability issues raised by first generation technologies, are expected to encourage further investment in bio-MEG plants over the next five years. There are currently four bio-MEG producers: India Glycols, Changchun Dacheng, Anhui Fengyuan and China Grencol Taiwan Corporation. As technology continues to develop, leading to increased production capabilities, the cost structure is expected to improve and PET companies will have a larger choice of bio-MEG suppliers. As Asia has the fastest growing demand profile for PET consumption, more bio-MEG plants are expected to be built in the region, leading to greater production of bio-PET such that global production could move towards 6.5 mMT, or 20–25% of the total PET-packaging market, according to PAL. According to PAL, global bio-MEG demand is forecast to increase at a CAGR of 49.0% in 2012 — 2017, from 0.3 mMT to 2.2 mMT, primarily driven by concerns about the environmental impact of oil-based plastics production and increasing consumer concerns about packaging waste.

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In June 2012, as part of their increased focus on packaging sustainability, Coca-Cola, Ford, Heinz, Nike and Procter & Gamble formed the “PET Technology Collaborative”, which is a strategic working group focused on leveraging the participating companies’ research and development efforts in order to accelerate the development and use of 100% bio-based PET material and fiber in their products. Coca-Cola’s stated intent to source 100% of its PET requirements for its “PlantBottle” from bio-raw materials by 2020 could alone require an estimated 2.5 mMT of bio-MEG.

According to PAL, the total number of new bio-MEG plants is expected to approach 25 by 2017, with a typical capacity of up to 100 kMT.

CONTRACTING AND ENGINEERING

M&G’s Engineering division provides technological development and research and engineering services for the construction of plants for the bio-fuel, chemicals, energy, environmental, petrochemical, polyester and fiber industries. M&G’s Engineering division primarily constructs polyester-chain plants and small- to medium-sized LNG plants in China.

Polyester chain

In the next five years, according to PAL, increasing demand for products in the polyester chain (PET, PTA, MEG and fiber) is expected to lead to an expansion in production and a consequent need for new, more efficient plants throughout the value chain. This is expected to come partly at the expense of older, less efficient units. Globally, PAL forecasts, new PET, PTA and polyester fiber capacity is expected to increase at a CAGR of approximately 12.4%, 12.2% and 7.1%, respectively, from 2012 to 2017.

With projected increases in PET, PTA and fiber production capacity, PAL also expects the demand for construction of new plants to remain relatively high, at approximately 35 – 45 new plants each year, based on a unit size of 250 kMT per PET line, 1 mMT per PTA line and 200 kMT per fiber line.

The primary companies providing plant construction services in the polyester industry are Chemtex, Uhde Inventa-Fischer and the Chinese companies CTIEI and Huitong Chemical, which have limited market share outside of China and historically have not had the ability to build individual lines larger than approximately 250 kMT.

Small- and medium-sized LNG plants in China

Demand for LNG and LNG production plants

China is currently the second largest producer and consumer of energy in the world. This demand for energy has been a key driver of the growth in production and consumption of natural gas in China in the past 10 years, which has grown at an average yearly rate of 13% and 16%, respectively, according to CALI. In the past seven years, Chinese natural gas production nearly doubled, reaching 102.5 billion Nm³ in 2011, while consumption has nearly tripled to 130.7 billion Nm³, making China one of the largest natural gas consumers in the world in 2011.

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This high growth rate is expected to continue in the future, with CALI predicting that Chinese natural gas demand will increase by 12% every year over the next fifteen years. CALI expects that demand for LNG will increase at a faster rate than supply, with forecasts for LNG production and demand of 185 billion Nm³ and 260 billion Nm³, respectively, in 2015.

The growth in demand for natural gas has driven the construction of medium- and small-scale LNG plants in China in order to alleviate the pressures on local natural gas supplies, city gas supply peak-shaving and the utilization of oilfield associated gas, marginal gas and coalbed methane, which have not been exploited due to lack of storage capacity and the costs of transporting natural gas long distances to the market. The construction of medium- and small-scale LNG plants in China is intended generally to allow the more remote regions of China to access natural gas. In addition, such plants occupy less land and require lower capital expenditure and less construction time. Chinese national energy strategy has further driven the construction of LNG production facilities, as coal-mining regions of the country have begun using LNG as fuel.

Chinese imports of LNG, driven by high domestic demand, have grown at a CAGR of 45.0%, from 3.3 mMT in 2008 to 14.7 mMT in 2012, according to CALI. In addition, large petroleum companies such as China National Offshore Oil Corporation and China National Petroleum Corporation have built several LNG terminals for the importation of LNG.

The Chinese government has implemented policies to foster the development of the natural gas industry with the objective of making natural gas 10% of energy use in China by 2030. This emphasis on the development of LNG in China has also led to the development of upstream and downstream industries such as LNG-fueled ships and vehicles, low-temperature storage facilities and a network of LNG filling stations.

In May 2012, China had over thirty medium- and small-scale LNG plants in operation, with total capacity of nearly 2.6 mMT per year, and over forty new LNG plants currently under construction. CALI estimates that the total capacity of domestic Chinese LNG plants will reach 7.5 mMT per year by 2015.

Competitive landscape

Among the technology suppliers and contractors available in the Chinese small- and medium-sized LNG plant market, the Black & Veatch PRICO® liquefaction technology supplied by M&G has been the most extensively applied due to its reliability, broad adaptability and cost effectiveness. According to CALI, approximately 33% of the total current Chinese LNG industry liquefaction capacity, and 36% of that currently under construction in August 2012, implements this technology.

COMMISSIONED REPORT FROM PAL

We commissioned PAL, an independent advisor to participants in the industries in which we operate in strategic and commercial planning, feasibility and financial studies, due diligence support and competitive and market analysis, to conduct an analysis of, and to report on, the PET industry and the plant construction and engineering business. PAL is a global, commercial consultancy specializing in the PET packaging resin and polyester fiber industry value chain. The report by PAL has been prepared independent of our influence. We paid PAL GBP75,000 (€89,748) for the commissioned report, and we consider that such fees reflect market rates.

INDUSTRY OVERVIEW

Investors should note that PAL was engaged to prepare a market study report, for use in whole or in part in this prospectus and we obtained permission from CALI to refer to, quote and extract information from its report for use in this prospectus. PAL prepared its report based on its in-house databases, independent third party reports, publicly available data from government or industry publications and data provided by us. Where necessary, PAL contacted companies operating in the industry and other industry experts to gather and analyze information about markets, prices and other relevant information. Although the information contained in the PAL report and CALI report has been obtained from sources believed by PAL and CALI to be reliable, certain information from government or industry publications is unavoidably subject to assumptions and estimates made by third parties and such information has not been independently verified by PAL or CALI. The information contained in the PAL report and CALI report are also subject to assumptions that no significant economic depression or financial crisis, global political or environmental events or technical revolution in the PET industry and the plant construction and engineering business would take place or be fulfilled in the next five years. The information extracted from the PAL report and CALI report reflects an estimate of the market conditions based on PAL's and CALI's research and analysis at the time of preparation of the PAL report and CALI report. The information extracted from the PAL report and CALI report should not be viewed as a basis for investments provided by PAL and CALI and references to the PAL report and CALI report should not be considered as their opinion as to the value of any security or the advisability of investing in our Company. In no event will PAL or CALI be liable for indirect, special, punitive or consequential damages of any kind or nature whatsoever, suffered by the other party.

PAL and CALI have provided part of the statistical and graphical information contained in this "Industry Overview" section. PAL and CALI have advised that (i) some information in their databases is derived from estimates from industry sources or subjective judgments and (ii) the information in the databases of other data collection agencies may differ from the information in PAL's and CALI's databases.

Investors should also note that no independent verification has been carried out on any facts or statistics that are directly or indirectly derived from official government and non-official sources. We believe that the sources of the information in this section are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any part has been omitted that would render such information false or misleading. We, the Sole Sponsor, the Selling Shareholder, any of the Underwriters, any of their respective directors and advisors or any other persons or parties involved in the Global Offering make no representation as to the accuracy of the information from official government and non-official sources, which may not be consistent with other information compiled within or outside the PRC. Accordingly, the official government and non-official sources contained herein may not be accurate and should not be unduly relied upon.

HISTORY AND CORPORATE STRUCTURE

OUR HISTORY AND DEVELOPMENT

The Ghisolfi Group was founded in 1953 by its current chairman, Mr. Vittorio Ghisolfi. During his long career in the Ghisolfi Group, Mr. Vittorio Ghisolfi has also been a member of various Italian industry associations, including *Federchimica* (the Italian national organization of chemical industry companies) and *Confindustria* (the Italian national organization of manufacturing and services companies), and was awarded the Italian honorary title “*Cavaliere del Lavoro*” (the order of merit for labor) in 2006. Since its foundation, the Ghisolfi Group has developed its capabilities in the conversion of polymers into plastic containers (particularly bottles) as well as in servicing large international brand owners such as Unilever, Danone and Nestlé.

PET was patented in 1941 by two British chemists, and was commercialized for use in packaging applications starting in the early 1980s.

Capitalizing on its 30 years of experience in plastic conversion technology and its understanding of brand owners’ requirements, the Ghisolfi Group realized the packaging potential of polyester and adapted the chemistry and process technology of this polymer to serve the plastic application needs of mineral water packaging. The Ghisolfi Group has continued to develop through both organic growth and acquisitions, and has been able to maintain a leading position in the industry due to its long experience in plastic processing as well as a deep understanding of the needs of both consumer brand companies, or “brand owners”, and companies that convert PET into containers, or “converters”. See “Business — Key Businesses — PET Division — Customers”.

In preparation for Listing, we carried out the Reorganization of our Group, further described below under “—Reorganization of the Group”. The purposes of the Reorganization were to reduce intra-Group financial relationships, reduce income volatility resulting from foreign exchange fluctuations, focus on our core businesses and improve our communication, governance and internal control.

Key Events in our Group’s History

The key milestones in the history and development of our Group are set out below:

1953	Mossi & Ghisolfi was founded in Tortona, Italy by Vittorio Ghisolfi, and began operations in the plastic processing industry.
1985	Construction of one of the world’s then-largest PET plants in Anagni, Italy (nominal capacity 50 kMT/year) by an affiliate in the Ghisolfi Group.
1989	Establishment of joint venture with Shell for the manufacture of PET resin.
1995	Agreement with Marubeni for the manufacture of PET resin and pre-forms for PepsiCo in Europe.
2000	Acquisition of Shell’s global PET business, with assets in, <i>inter alia</i> , Italy, Mexico and the United States for approximately US\$255 million (€188.5 million) (based on a multiple of EBITDA) in order to expand internationally as a PET producer.
2002	Acquisition of Rhodia SA (“Rhodia”)’s Brazilian PET business for US\$195 million (€144.1 million) (based on a multiple of EBITDA) in order to enter the fast growing Brazilian market.

HISTORY AND CORPORATE STRUCTURE

- 2003 Construction of the world's then-largest PET plant in Altamira, Mexico (single line nominal capacity 490 kMT/year).
- 2004 Acquisition of the engineering company Chemtex from Mitsubishi Corporation for US\$20 million (€14.8 million) (based on a multiple of EBITDA) in order to acquire in house engineering capabilities and experience in the construction of large PET plants. Chemtex was founded as Rayon Consultants in 1947 and acquired by Mitsubishi Corporation in 1989.
- 2007 Construction of the world's largest PET plant in Suape, Brazil (nominal capacity 650 kMT/year).
- 2010 Divestiture of our Group's European assets, consisting of two lines (one of which converted to non-PET production) located in Patrica, Italy, which were sold to M&G Finanziaria S.r.l.
- 2012 Commencement of upstream integration into PTA-MEG production, through the planned construction of the world's largest PTA-PET plant in the United States (expected nominal capacity 1,300 kMT/year of PTA and 1,100 kMT/year of PET) and the planned construction of a bio-MEG project in China with expected nominal capacity of 220 kMT/year.

Ownership

M&G Chemicals, our Company, is a holding company incorporated in Luxembourg on January 29, 2013. Prior to the Global Offering, M&G Chemicals has been a wholly-owned subsidiary of M&G Finanziaria S.r.l., which is controlled by members of the Ghisolfi Family (Anna Ghisolfi, Guido Ghisolfi, Marco Ghisolfi and Vittorio Ghisolfi). The Ghisolfi Family's indirect control of our Company is further described under “— Corporate and Shareholding Structure of our Group Immediately upon Completion of the Global Offering”, below.

M&G Finanziaria S.r.l. is also the holding company for various other companies which do not form part of our Group, the most important of which are Biochemtex, which is involved in bio-ethanol projects and bio projects outside the polyester chain, and the licensing of MOGHI technology outside of the polyester chain; Beta Renewables, which is principally involved in the licensing of PROESA® technology; M&G Polimeri Italia S.p.A. (“M&G Polimeri Italia”), which is principally involved in the production of biodegradable polymers for supermarket bag applications; and M&G Fibras e Resinas Ltda., which is principally involved in the production of polyester fiber for textile applications. Please see “Relationship with our Controlling Shareholders” and, for more information concerning connected transactions with these and other affiliates, “Connected Transactions”.

Major acquisitions and disposals during the Track Record Period

Sale of European PET operations

On December 31, 2010, we divested our European-based PET operations, selling M&G Polimeri Italia and thereby disposing of our two lines (each of 100 kMT/yr nominal capacity) at our Patrica plant in Italy to M&G Finanziaria S.r.l. for a total consideration of €59.98 million (of which €25 million was paid on December 31, 2010, and the remaining amount in 2011). All relevant approvals for this transaction from the relevant authorities were obtained. The Patrica plant was sold as part of the initial process of rationalization of our Group's activities, as further discussed under “—

HISTORY AND CORPORATE STRUCTURE

Reorganization of the Group — Purposes of Reorganization — Focus on core businesses”, below. One of the production lines at the Patrica plant had been discontinued in order to convert it to the production of a biodegradable polymer for manufacture of shopping bags, and it is expected that the second line will also be converted by 2016 or alternatively discontinued, after which M&G Polimeri Italia will no longer be engaged in the production of PET.

Reorganization of the Group

Steps of Reorganization

Initially, M&G Finanziaria S.r.l. held 100% of the shares of Chemtex Global S.à r.l. (“Chemtex Global”) and Mossi & Ghisolfi International S.A. (“M&G International S.A.”), which each in turn held various Group companies. In preparation for Listing, we carried out the Reorganization of our Group. The Reorganization was carried out through these main steps in the following order:

- (1) The Brazilian holding company, M&G Resinas Participações Ltda., and its controlled company M&G Poliéster S.A. each underwent a splitting of equity by means of partial spin-off transactions, resulting in the formation of (i) M&G Fibras e Participações Ltda., held as to 84.56% by M&G International S.A., and (ii) M&G Fibras Holding S.A., held as to 74.88% by M&G Fibras e Participações Ltda., 22.22% by M&G International S.A. and 2.9% by other minority shareholders who are market investors, which holds 100% less one share of the shares of M&G Fibras e Resinas Ltda., which in turn owns all of the shares of M&G Fibras Brasil S.A. (both of which are engaged in the fiber business).

The partial spin-off transactions became effective immediately upon the approval at the general meetings of shareholders of M&G Resinas Participações Ltda. and M&G Poliéster S.A., respectively, and the completion thereof took effect 60 days after such general meetings. The spun-off Brazilian fiber businesses were then sold by M&G International S.A. to M&G Finanziaria S.r.l. by a sale of shares of M&G Fibras e Participações Ltda. and M&G Fibras Holding S.A. in exchange for a note/cash from M&G Finanziaria S.r.l. The price for the share sale was determined by an independent fair market value appraisal and a report was provided to support such purchase price. Completion of the sale of the spun-off Brazilian fiber business to M&G Finanziaria S.r.l. took effect after the execution of the relevant share purchase agreement and the subsequent transfer of the ownership title of the shares.

- (2) Upon completion of the steps referred to in (1) above, M&G Finanziaria S.r.l. sold Chemtex Global to M&G International S.A. at a consideration of €160 million, which was based on the value assessment report prepared by KPMG on April 10, 2013 in respect of the valuation as at December 31, 2012. The disposal was made due to a reorganization strategy for business reasons in connection with our Group’s investment strategy in China. The purchase price was offset against cancelation of the existing debt owed by M&G Finanziaria S.r.l. to M&G International S.A. in the same amount of €160 million. Upon completion of the sale, M&G International S.A. became a shareholder of all the shares of Chemtex Global. Completion of the sale took effect on the date when the relevant share purchase agreement was executed.

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- (3) Upon completion of the sale referred to in (2) above, M&G International S.A. was merged into Chemtex Global to form M&G International S.à r.l. The merger entailed (i) the dissolution without liquidation of M&G International S.A. and the cancelation of all the shares in M&G International S.A., (ii) the universal transfer of the assets and liabilities of M&G International S.A. to Chemtex Global and (iii) an issuance of 85,104 shares of M&G International S.à r.l. with a nominal value of €1,000 each to M&G Finanziaria S.r.l. under the capital increase made pursuant to the merger, which was made as a consideration of the transfer of all the assets and liabilities of M&G International S.A. to Chemtex Global under the merger. The reason for the merger was to categorize all the operating entities involved in PET both in terms of production and engineering under the same holding company. Completion of the merger took effect at the time of the approval of the merger proposal at the general meetings of shareholders of Chemtex Global and M&G International S.A.
- (4) Upon completion of the merger referred to in (3) above, M&G Finanziaria S.r.l. contributed all the shares in M&G International S.à r.l. to our Company and received as consideration new Shares of our Company. The consideration for such contribution was determined based on an appraisal of the contributed assets, and such number of Shares were issued by our Company to M&G Finanziaria S.r.l. Following this step, M&G International S.à r.l. is held directly by our Company and our Company is the new holding company of the various Group companies. Completion of the contribution of all the shares in M&G International S.à r.l. by M&G Finanziaria S.r.l. to our Company took effect on September 30, 2013, after the approval of such contribution at the general meeting of the sole shareholder of our Company.

Purposes of Reorganization

Reduction in intra-Group financial relationships

The loan agreement dated September 1, 2011 (the “Intercompany Loan”) between M&G International S.A. and its subsidiaries and M&G Finanziaria S.r.l. was repaid by M&G Finanziaria S.r.l. as a result of the Reorganization, through the following main steps. The Intercompany Loan to M&G Finanziaria S.r.l. is included as a non-current financial asset in the form of the Group — Non-current financial receivables on our consolidated balance sheet. The amount of the Intercompany Loan was €350.6 million as at June 30, 2013 (approximately €379.9 million as of the date of cancelation).

In December 2012, Chemtex Global acquired from M&G Finanziaria S.r.l. certain undated securities (the “Undated Securities”) that had been issued by a subsidiary of M&G International S.A. in 2007. The Undated Securities, at the time of acquisition in December 2012, had a nominal value of €133.1 million and €46.3 million in accrued interest. The consideration for the Undated Securities was recorded as a loan from M&G Finanziaria S.r.l. in the amount of €115.0 million, and was determined based on a valuation performed by an independent third-party advisor. Such valuation contemplated several probability-weighted scenarios regarding timing of payment of interest and took into account that at the time of the repurchase, market interest rates of similar securities were higher than those included in the terms and conditions of the Undated Securities. This loan from M&G Finanziaria S.r.l. to our subsidiary Chemtex Global is included as a non-current financial liability in the form of the Group — Loan payable on our consolidated balance sheet as at June 30, 2013. As a result of the acquisition of the Undated Securities in 2012, we recognized a non-recurring gain on purchase of Undated Securities, representing the difference between the value of the €115.0 million

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in consideration as compared to the nominal value and accrued interest on the Undated Securities. See “Financial Information — Management’s Discussion and Analysis of Financial Condition and Results of Operations — Year ended December 31, 2012 compared with year ended December 31, 2011”. Also in December 2012, an amount equal to €31.7 million owed by Chemtex Global to M&G Finanziaria S.r.l. under an existing cash pooling agreement was capitalized by the issuance of 31,700 shares of Chemtex Global, par value €1,000 each, to M&G Finanziaria S.r.l., effectively canceling this portion of the cash pooling arrangement.

The Intercompany Loan was settled during the course of the Reorganization and in full on September 30, 2013, in consideration for the cancelation of the €115.0 million Group — Loan payable we owed to M&G Finanziaria S.r.l., the €160.0 million purchase price of Chemtex Global and cash of €104.9 million (the difference between the carrying value of the canceled assets as at June 30, 2013 and the amounts of the canceled liabilities is attributable to accrued interest on the Intercompany Loan). During the Track Record Period, we earned Group — Interest income on the Intercompany Loan to M&G Finanziaria S.r.l. or on other loans to affiliates of M&G Finanziaria S.r.l. in the amount of €1.0 million in 2010, €9.9 million in 2011, €8.7 million in 2012 and €10.6 million during the six months ended June 30, 2013. As a result of the repayment in full of the Intercompany Loan as part of the Reorganization, we expect this Group — Interest income will cease going forward.

Reduction in income volatility resulting from foreign exchange fluctuations

In the first half of 2012, the Intercompany Loan between M&G International S.A. and M&G Finanziaria S.r.l. was redenominated from euros into United States dollars, in order to better balance the foreign exchange position of M&G International S.A. and reduce the impact of foreign exchange fluctuations on the volatility of net income. As a result of this redenomination, foreign exchange loss arising from the Intercompany Loan declined from €19.9 million in 2011 to €7.5 million in 2012.

Focus on core businesses

Starting in 2008, our Group had begun a process of rationalization of its activities and investments to focus on its core businesses, PET and engineering. Chemtex Global sold its packaging business in 2009, while between 2009 and 2011 the Italian subsidiaries of Chemtex Global (Biochemtex) and of M&G International S.A. (M&G Polimeri Italia), which had started diversifying into activities not included in our Group’s core businesses (bio-ethanol and biodegradable polymers, respectively), have exited our Group. See “Relationship with our Controlling Shareholders” for a description of the businesses which have been excluded from our Group.

As part of the Reorganization, on January 29, 2013, M&G Finanziaria S.r.l. created a new holding company, our Company, which became the holding company for our core businesses through the following steps:

- (i) On August 19, 2013, M&G International S.A. acquired Chemtex Global from M&G Finanziaria S.r.l. for a total consideration of €160 million, which was offset against the repayment of a portion of Intercompany Loan as described in “— Reduction in intra-Group financial relationships” above.
- (ii) On August 28, 2013, M&G International S.A. was merged into Chemtex Global to form M&G International S.à r.l.

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- (iii) On September 30, 2013, M&G Finanziaria S.r.l. contributed M&G International S.à r.l. to our Company and received as consideration 436,750,000 new Shares of our Company of €1.00 each.

As part of the Reorganization, prior to the date of this prospectus, the Brazilian subsidiary of M&G International S.A. sold its fiber business to M&G Finanziaria S.r.l. As the fiber business is not included in our business for listing, the Directors are of the view that the inclusion of the financial information of the fiber business will not provide useful and meaningful information to the readers of this prospectus. Accordingly, the financial information relating to the fiber business has been carved out from the combined financial information for the Track Record Period. The transaction was carried out at a sale price of two euros, as confirmed by an external appraiser.

Improved communication, governance and internal control

In 2010 we adopted IFRS accounting principles for all our subsidiaries and for our combined accounts, to facilitate communication with the financial community.

On November 14, 2013 we established three Board committees: an audit committee, a remuneration committee and a nomination committee.

Our audit committee was established with written terms of reference in compliance with Rule 3.21 of the Hong Kong Listing Rules and paragraph C.3 of the Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules. The primary responsibilities of our audit committee are to supervise our internal control, financial information disclosure and financial reporting matters.

Our remuneration committee was established with written terms of reference in compliance with Rule 3.25 of the Hong Kong Listing Rules and paragraph B.1 of the Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules. The primary responsibilities of our remuneration committee include, among others, the determination and implementation of all Directors' and senior management remuneration policies.

Our nomination committee was established with written terms of reference in compliance with paragraph A.5 of the Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules to make recommendations to our Board on the appointment and re-appointment of Directors and review the structure, size and composition of our Board.

Group Structure

We operate our Group through several holding companies which hold the relevant assets in each jurisdiction in which we operate, and for each business line (PET and Engineering).

Principal Subsidiaries

- (1) *M&G International S.à r.l.*

Following the merger of Chemtex Global and M&G International S.A. as part of the Reorganization, on August 28, 2013, M&G International S.à r.l. is now the holding company for all the operating entities involved in PET both in terms of production and engineering. M&G International S.à r.l. is a wholly-owned subsidiary of our Company.

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(2) *M&G USA Corporation*

M&G USA Corporation is owned 87.7% by M&G International S.à r.l. and 12.3% by SIMEST. It is the holding company for our United States PET subsidiaries.

(3) *M&G Polymers USA, LLC*

M&G Polymers USA, LLC is a wholly-owned subsidiary of M&G USA Corporation. It is the owner of our Apple Grove plant in West Virginia, United States.

(4) *M&G Resins USA, LLC*

M&G Resins USA, LLC is a wholly-owned subsidiary of M&G USA Corporation. It is the owner of the land on which our Corpus Christi plant will be built.

(5) *Chemtex International Inc.*

Chemtex International Inc. is a wholly-owned subsidiary of M&G International S.à r.l. Its primary business includes project solutions for the fibers, polymers, energy-related and chemical industries for projects in the United States and internationally, including extensive technology transfer expertise in different countries, conceptual and feasibility studies and front-end engineering, basic engineering, full engineering, procurement and construction (“EPC”)/engineering, procurement and construction management (“EPCM”) capability and experience, global project execution experience and global strategic sourcing.

(6) *M&G México Holding, S.A. de C.V.*

M&G México Holding, S.A. de C.V. is owned 99% by M&G USA Holding, LLC and 1% by M&G USA Corporation. It is the holding company for our Mexican PET subsidiaries.

(7) *M&G Polímeros México, S.A. de C.V.*

M&G Polímeros México, S.A. de C.V. is owned 100% by M&G México Holding, S.A. de C.V. less one share, which is owned by Servicios Tamaulipas, S.A. de C.V. It is the owner of our plant in Altamira, Mexico.

(8) *M&G Poliéster S.A.*

M&G Poliéster S.A. is owned 74.88% by M&G Resinas Participações Ltda., 22.22% by M&G International S.à r.l. and 2.9% by other minority shareholders who are market investors. It is a holding company and the sole shareholder of M&G Polímeros Brasil S.A.

(9) *M&G Resinas Participações Ltda.*

M&G Resinas Participações Ltda. is owned 89.98% by M&G International S.à r.l. and 10.02% by SIMEST. It is the holding company of our Brazilian subsidiaries.

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(10) *M&G Polímeros Brasil S.A.*

M&G Polímeros Brasil S.A. is a wholly-owned subsidiary of M&G Poliéster S.A. It is the holder of a long-term lease to the plant in Suape, Brazil.

(11) *Chemtex Consulting of India Private Limited*

Chemtex Consulting of India Private Limited is a wholly-owned subsidiary of M&G International S.à r.l. Its primary business includes project and engineering solutions for the onshore oil and gas, petrochemical, chemical, bio-fuel and energy-related industries for projects in India and internationally, including: cost-effective detailed engineering services, global sourcing capability, project management, construction management, plant relocation experience and full EPC/EPCM capabilities.

(12) *Chemtex (Shanghai) Chemical Engineering Co., Ltd.*

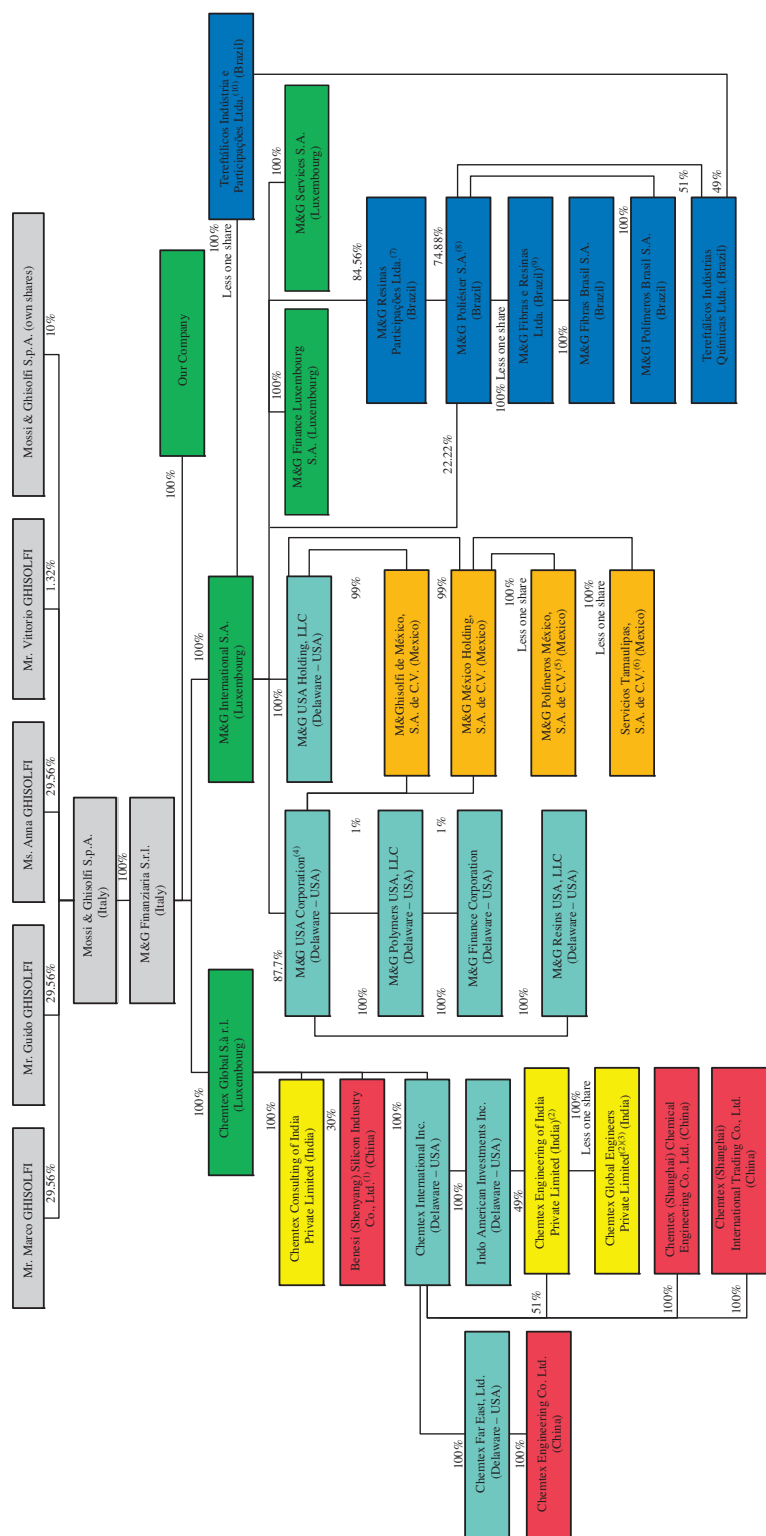
Chemtex (Shanghai) Chemical Engineering Co., Ltd. is a wholly-owned subsidiary of Chemtex International Inc. Its primary business includes project solutions for the petrochemical, chemical, fibers, LNG and energy-related industries for projects in China and internationally, including: authority approval services, feasibility studies, technology transfer expertise, basic engineering capabilities, global strategic sourcing, detailed engineering (CDI) management, construction management and EPC/EPCM capabilities.

(13) *Chemtex (Shanghai) International Trading Co., Ltd.*

Chemtex (Shanghai) International Trading Co., Ltd. is a wholly-owned subsidiary of Chemtex International Inc. It provides engineering services in China.

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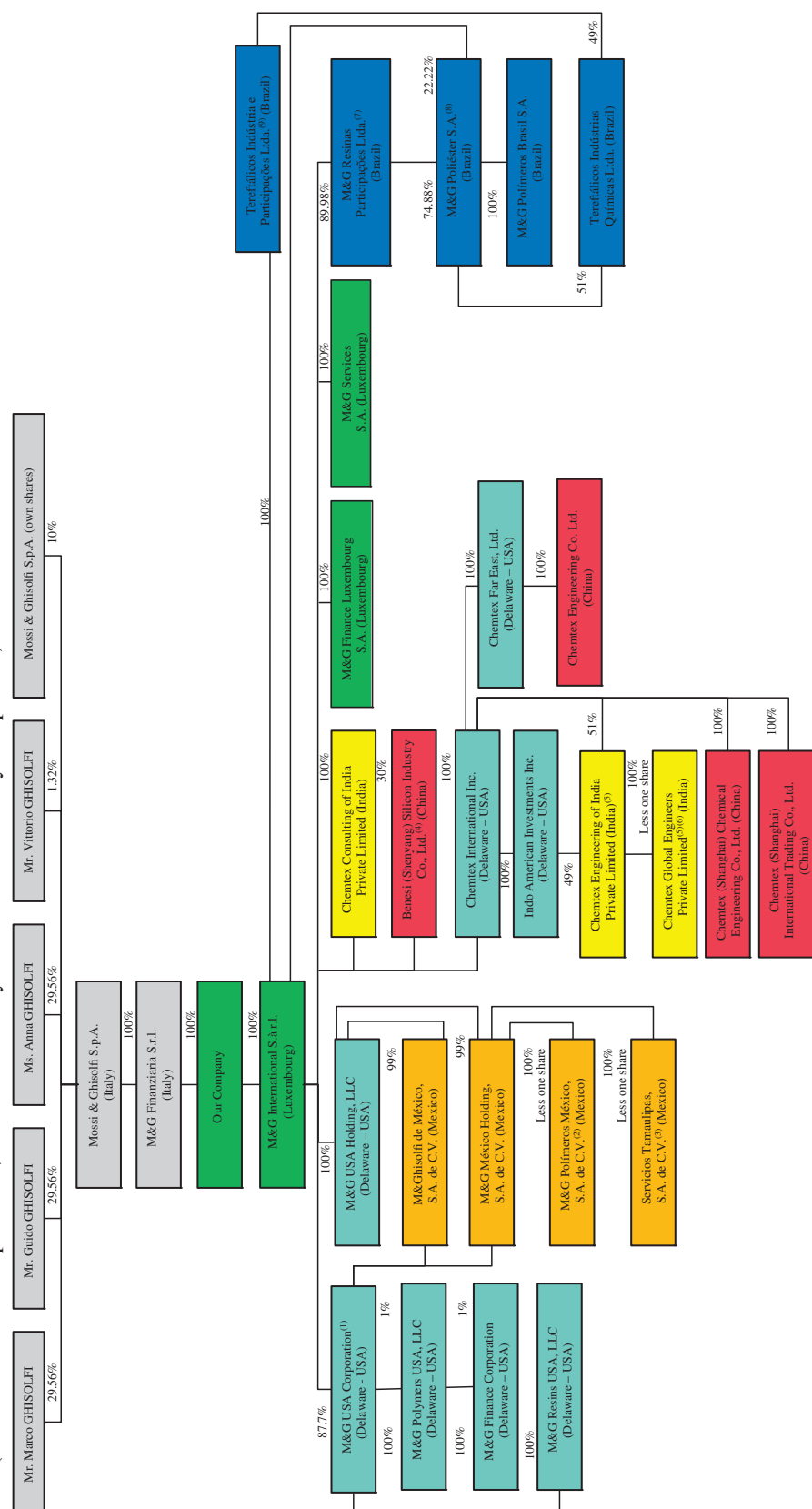
Our Group structure immediately prior to the implementation of the Reorganization, is as set out in the diagram below (unless otherwise specified, each subsidiary is 100% owned by its parent):



- Notes:**
- (1) Benesi (Shenyang) Silicon Industry Co., Ltd. is not a wholly owned subsidiary of our Group, but an associate. The Independent Third Party minority shareholder in Benesi (Shenyang) Silicon Industry Co., Ltd. is Liaoning Shuangyi Silicon Industry Co. Ltd. (70% ownership interest).
 - (2) Company is dormant.
 - (3) Chemtex Global Engineers Private Limited is held as to 999,999 shares by Chemtex Engineering of India Private Limited and 1 share by Mr. Jimmy Spencer (an Independent Third Party).
 - (4) M&G USA Corporation is not a wholly owned subsidiary of our Group. The Independent Third Party minority shareholder in M&G USA Corporation is SIMEST (12.3% ownership interest).
 - (5) M&G Polímeros México, S.A. de C.V. is held as to 49,999 Series "B" shares and 1,095,497,755 Series "B-1" shares by M&G México Holding, S.A. de C.V. and 1 Series "B" share by Servicios Tamaulipas, S.A. de C.V.
 - (6) Servicios Tamaulipas, S.A. de C.V. is held as to 52,999 shares and 1 share by M&G México Holding, S.A. de C.V. and M&G Polímeros México, S.A. de C.V., respectively.
 - (7) M&G Resinas Participações Ltda. is not a wholly owned subsidiary of our Group. Prior to the Reorganization, M&G Resinas Participações Ltda. was held as to 84.56% by M&G International S.A. and as to 15.44% by SIMEST, an Independent Third Party. Following a reduction of share capital pursuant to a partial spin-off transaction as part of the Reorganization and a capital increase pursuant to the capitalization of a debt owed to M&G International S.A., M&G Resinas Participações Ltda. is held as to 89.98% by M&G International S.A. (now part of M&G International S.A. r.l.) and as to 10.02% by SIMEST.
 - (8) M&G Politéster S.A. is not a wholly owned subsidiary of our Group. The Independent Third Party minority shareholders in M&G Politéster S.A. are Brazilian stock exchange investors (combined 2.9% ownership interest).
 - (9) Prior to the Reorganization, M&G Fibras e Resinas Ltda. was held as to 150,916,983 shares by M&G Politéster S.A. and as to 1 share by M&G International S.A. (now part of M&G International S.A. r.l.). Following a partial spin-off transaction by M&G Politéster S.A. as part of the Reorganization, M&G Fibras e Resinas Ltda. is 100% less one share held by M&G Fibras Holding S.A. (which is outside the Group).
 - (10) Tereftálicos Indústria e Participações Ltda. is held as to 49,864,954 shares by M&G International S.A. (now part of M&G International S.A. r.l.) and 1 share by M&G Resinas Participações Ltda.

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Immediately following the completion of the Reorganization and prior to the Listing, the structure of our Group is as set out in the diagram below (unless otherwise specified, each subsidiary is 100% owned by its parent):



- Notes:
- (1) M&G USA Corporation is not a wholly owned subsidiary of our Group. The Independent Third Party minority shareholder in M&G USA Corporation is SIMEST (12.3% ownership interest).
 - (2) M&G Polimeros México, S.A. de C.V. is held as to 49,999 Series "B" shares and 1,095,497,755 Series "B-1" shares by M&G México Holding, S.A. de C.V. and 1 Series "B" share by Servicios Tamaulipas, S.A. de C.V.
 - (3) Servicios Tamaulipas, S.A. de C.V. is held as to 52,999 shares and 1 share by M&G México Holding, S.A. de C.V. and M&G Polímeros México, S.A. de C.V., respectively.
 - (4) Benesi (Shenyang) Silicon Industry Co., Ltd. is not a wholly owned subsidiary of our Group, but an associate. The Independent Third Party minority shareholder in Benesi (Shenyang) Silicon Industry Co., Ltd. Company is dormant.
 - (5) Chemtex Global Engineers Private Limited is held as to 999,999 shares by Chemtex Engineering of India Private Limited and 1 share by Mr. Jimmy Spencer (an Independent Third Party).
 - (6) M&G Resinas Participações Ltda. is not a wholly owned subsidiary of our Group. Prior to the Reorganization, M&G Resinas Participações Ltda. was held as to 84.56% by M&G International S.A. and as to 15.44% by SIMEST, an Independent Third Party. Following a reduction of share capital pursuant to a partial spin-off transaction as part of the Reorganization and a capital increase pursuant to the capitalization of a debt owed to M&G International S.A., M&G Resinas Participações Ltda. is held as to 89.98% by M&G International S.A. (now part of M&G International S.A. r.l.) and as to 10.02% by SIMEST.
 - (7) M&G Políester S.A. is not a wholly owned subsidiary of our Group. The Independent Third Party minority shareholders in M&G Políester S.A. are Brazilian stock exchange investors (combined 2.9% ownership interest).
 - (8) Tereftálicos Industriais e Participações Ltda. is held as to 49,864,954 shares by M&G International S.A. r.l. and 1 share by M&G Resinas Participações Ltda.

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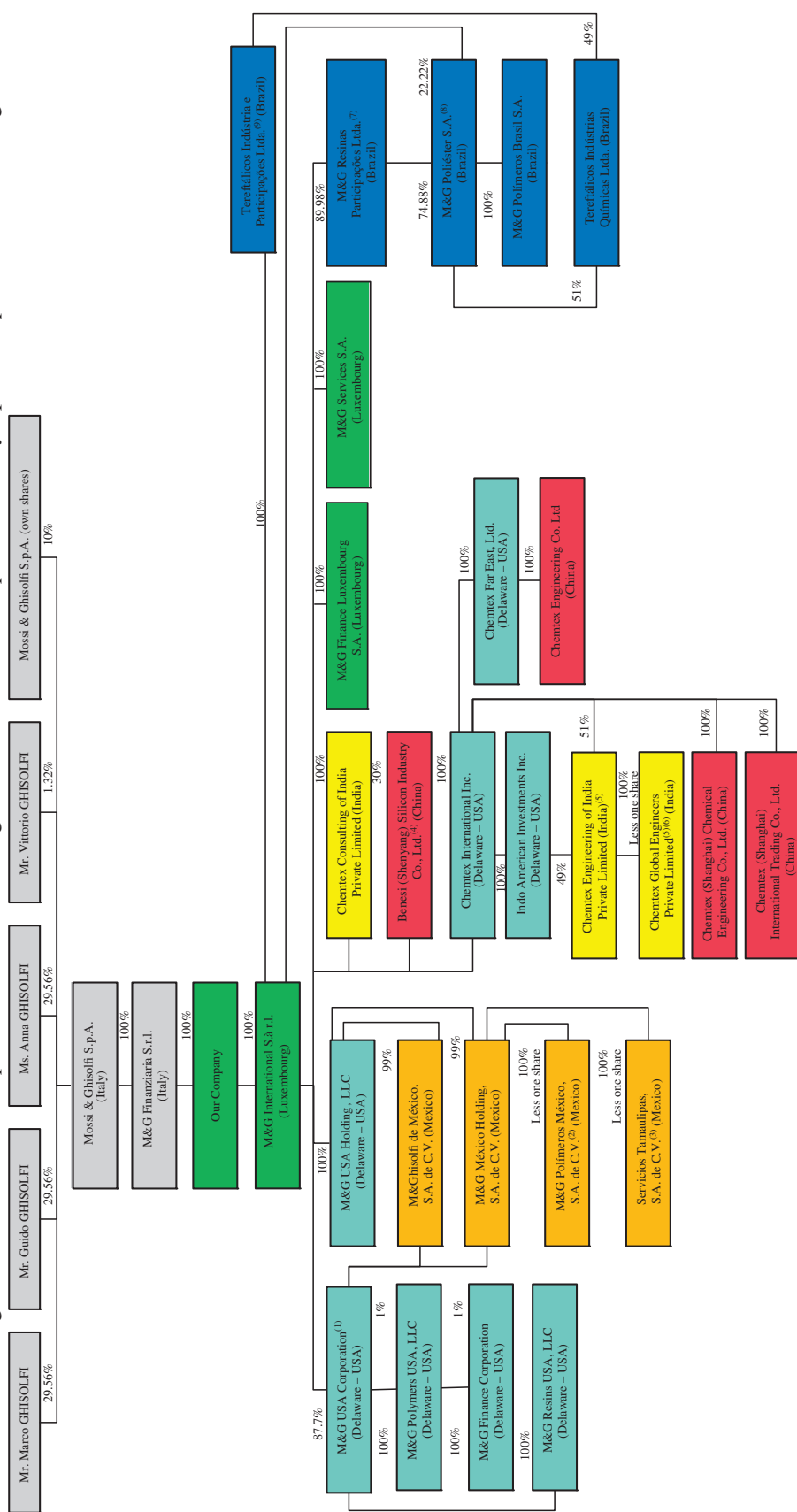
The Reorganization was legally and properly completed and complies with the relevant laws and regulations of the relevant jurisdictions and is not subject to any outstanding governmental, regulatory or shareholder's approval.

The Reorganization is considered to represent a business combination under the same control of M&G Finanziaria S.r.l. before and after the Reorganization. As set out in Note 2.1 to Section II of the Accountants' Report which is set out in Appendix I to this prospectus, the financial information included therein is prepared on a combined basis.

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CORPORATE AND SHAREHOLDING STRUCTURE OF OUR GROUP PRIOR TO THE GLOBAL OFFERING

The following chart sets out the corporate and shareholding structure of our Group immediately upon completion of the Reorganization:

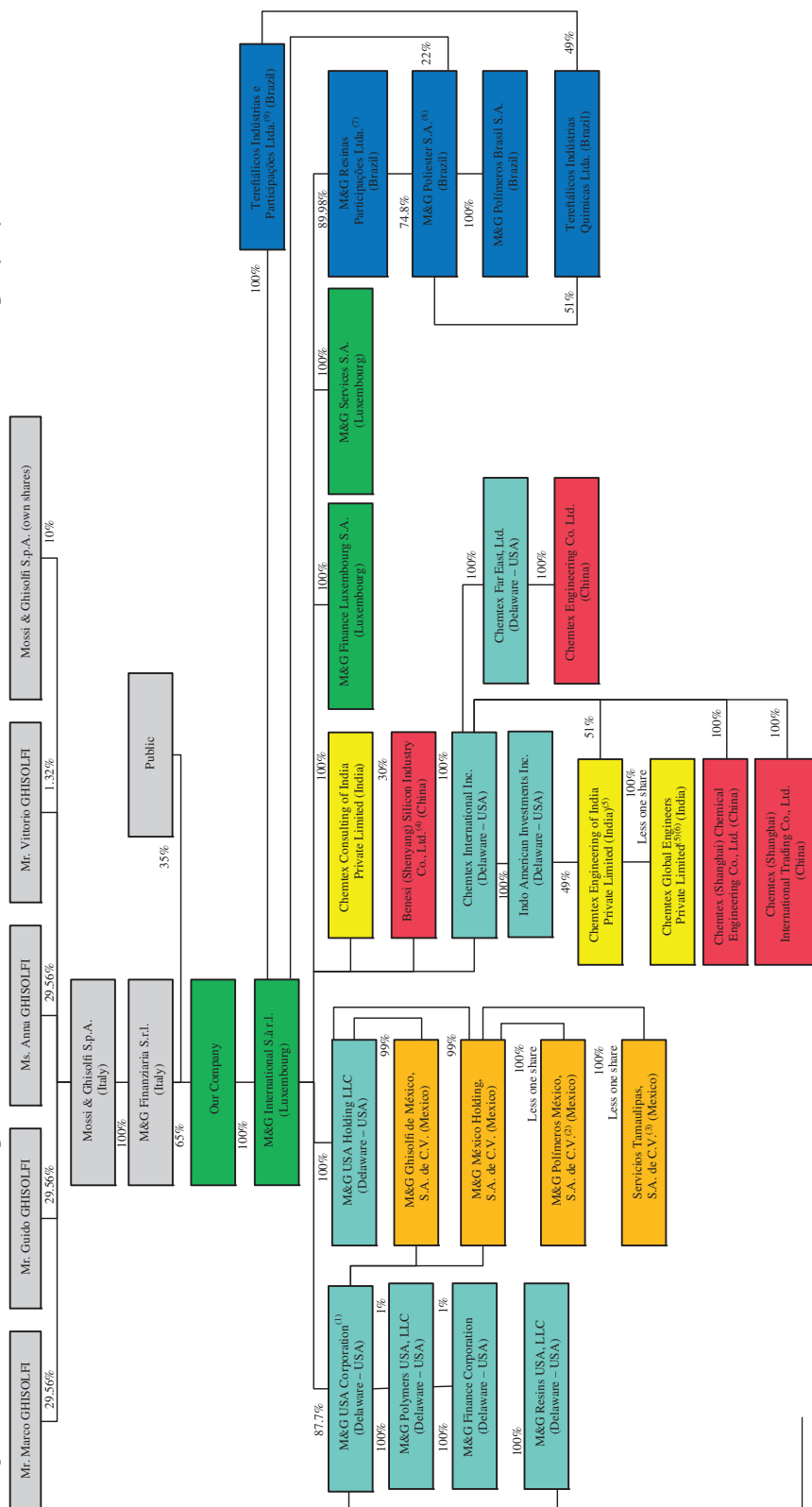


- Notes:
- (1) M&G USA Corporation is not a wholly owned subsidiary of our Group. The Independent Third Party minority shareholder in M&G USA Corporation is SIMEST (12.3% ownership interest).
 - (2) M&G Polímeros México, S.A. de C.V. is held as to 49,999 Series "B" shares and 1,095,497,755 Series "B-1" shares by M&G México Holding, S.A. de C.V. and 1 Series "B" share by Servicios Tamaulipas, S.A. de C.V.
 - (3) Servicios Tamaulipas, S.A. de C.V. is held as to 52,999 shares and 1 share by M&G México Holding, S.A. de C.V. and M&G Polímeros México, S.A. de C.V., respectively.
 - (4) Benesi (Shenyang) Silicon Industry Co., Ltd. is not a wholly owned subsidiary of our Group, but an associate. The Independent Third Party minority shareholder in Benesi (Shenyang) Silicon Industry Co., Ltd. Company is dormant.
 - (5) Chemtex Global Engineers Private Limited is held as to 999,999 shares by Chemtex Engineering of India Private Limited and 1 share by Mr. Jimmy Spencer (an Independent Third Party).
 - (6) M&G Resinas Participações Ltda. is not a wholly owned subsidiary of our Group. Prior to the Reorganization, M&G Resinas Participações Ltda. was held as to 84.56% by M&G International S.A. and as to 15.44% by SIMEST, an Independent Third Party. Following a reduction of share capital pursuant to a partial spin-off transaction as part of the Reorganization and a capital increase pursuant to the capitalization of a debt owed to M&G International S.A., M&G Resinas Participações Ltda. is held as to 89.98% by M&G International S.A. (now part of M&G International S.à r.l.) and as to 10.02% by SIMEST.
 - (7) M&G Políester S.A. is not a wholly owned subsidiary of our Group. The Independent Third Party minority shareholders in M&G Políester S.A. are Brazilian stock exchange investors (combined 2.9% ownership interest).
 - (8) Tereftalatos Industriais e Participações Ltda. is held as to 49,864,954 shares by M&G International S.à r.l. and 1 share by M&G Resinas Participações Ltda.

HISTORY AND CORPORATE STRUCTURE

CORPORATE AND SHAREHOLDING STRUCTURE OF OUR GROUP IMMEDIATELY UPON COMPLETION OF THE GLOBAL OFFERING

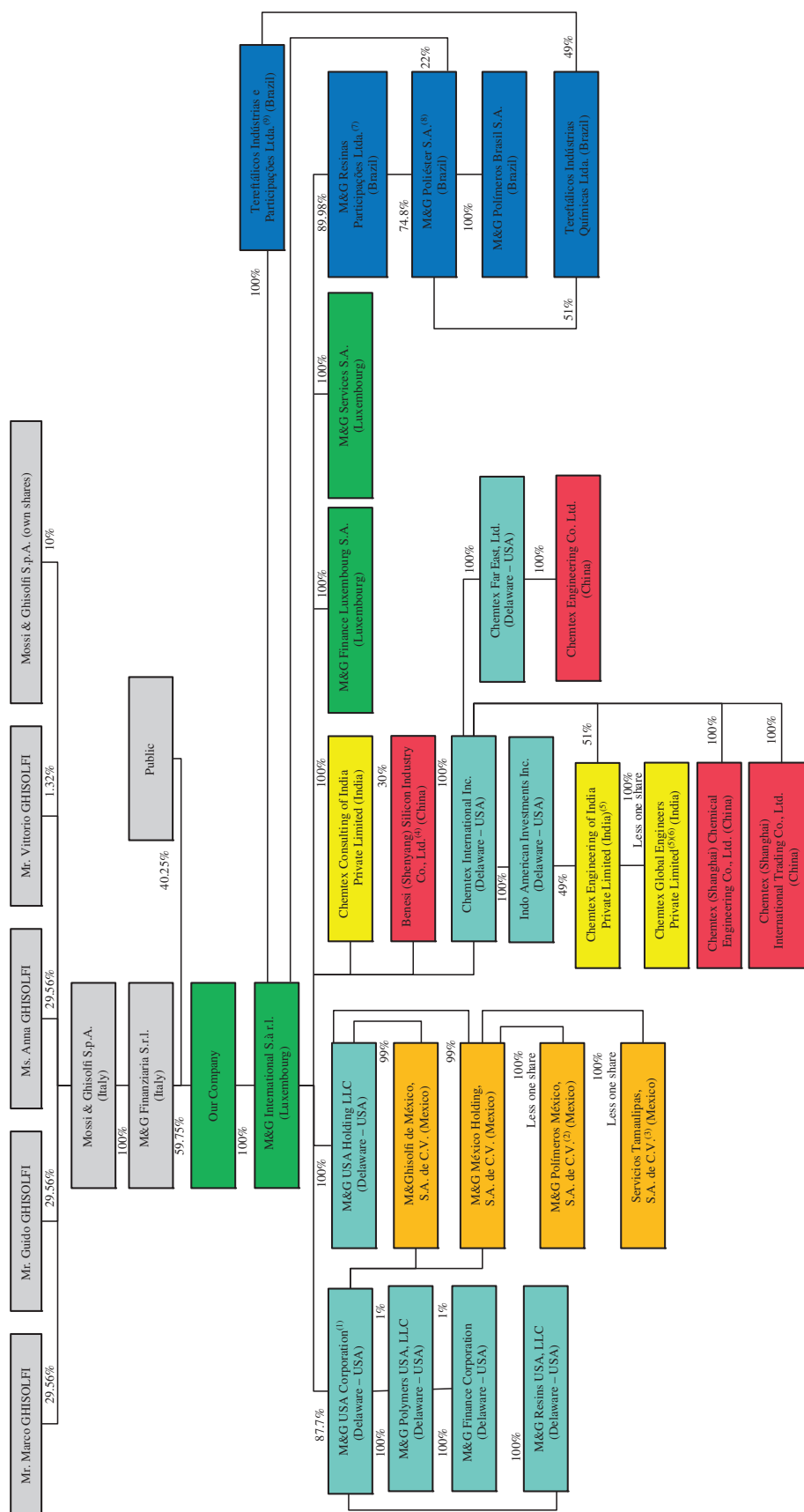
The following chart sets out the corporate and shareholding structure of our Group immediately upon completion of the Global Offering (assuming that the Over-allotment Option is not exercised), with reference to the indirect control of our Company by the Ghisolfi Family.



- Notes:
- (1) M&G USA Corporation is not a wholly owned subsidiary of our Group. The Independent Third Party minority shareholder in M&G USA Corporation is SIMEST (12.3% ownership interest).
 - (2) M&G Polímeros México, S.A. de C.V. is held as to 49,999 Series "B" shares and 1,095,497,755 Series "B-1" shares by M&G México Holding, S.A. de C.V. and 1 Series "B" share by Servicios Tamaulipas, S.A. de C.V..
 - (3) Servicios Tamaulipas, S.A. de C.V. is held as to 52,999 shares and 1 share by M&G México Holding, S.A. de C.V. and M&G Polímeros México, S.A. de C.V., respectively.
 - (4) Benesi (Shenyang) Silicon Industry Co., Ltd. is not a wholly owned subsidiary of our Group, but an associate. The Independent Third Party minority shareholder in Benesi (Shenyang) Silicon Industry Co., Ltd. Company is dormant.
 - (5) Chemex Global Engineers Private Limited is held as to 999,999 shares by Chemex Engineering of India Private Limited and 1 share by Mr. Jimmy Spencer (an Independent Third Party).
 - (6) M&G Resinas Participações Ltda. is not a wholly owned subsidiary of our Group. Prior to the Reorganization, M&G Resinas Participações Ltda. was held as to 84.56% by M&G International S.A. and as to 15.44% by SIMEST, an Independent Third Party. Following a reduction of share capital pursuant to a partial spin-off transaction as part of the Reorganization and a capital increase pursuant to the capitalization of a debt owed to M&G International S.A., M&G Resinas Participações Ltda. is held as to 89.98% by M&G International S.A. (now part of M&G International S.à r.l.) and as to 10.02% by SIMEST.
 - (7) M&G Políester S.A. is not a wholly owned subsidiary of our Group. The Independent Third Party minority shareholders in M&G Políester S.A. are Brazilian stock exchange investors (combined 2.9% ownership interest).
 - (8) Tereftálicos Indústria e Participações Ltda. is held as to 49,864,954 shares by M&G International S.à r.l. and 1 share by M&G Resinas Participações Ltda.

HISTORY AND CORPORATE STRUCTURE

The following chart sets out the corporate and shareholding structure of our Group immediately upon completion of the Global Offering (assuming that the Over-allotment Option is exercised in full), with reference to the indirect control of our Company by the Ghisolfi Family.



Notes:

- (1) M&G USA Corporation is not a wholly owned subsidiary of our Group. The Independent Third Party minority shareholder in M&G USA Corporation is SIMEST (12.3% ownership interest).
- (2) M&G Polimeros México, S.A. de C.V. is held as to 49,999 Series “B-1” shares and 1,095,497,755 Series “B-1” shares by M&G México Holding, S.A. de C.V. and 1 Series “B-1” share by Servicios Tamaulipas, S.A. de C.V.
- (3) Servicios Tamaulipas, S.A. de C.V. is held as to 52,999 shares and 1 share by M&G México Holding, S.A. de C.V. and M&G Polímeros México, S.A. de C.V., respectively.
- (4) Benesi (Shenyang) Silicon Industry Co., Ltd. is not a wholly owned subsidiary of our Group, but an associate. The Independent Third Party minority shareholder in Benesi (Shenyang) Silicon Industry Co., Ltd. Company is dormant.
- (5) Chemtex Global Engineers Private Limited is held as to 999,999 shares by Chemtex Engineering of India Private Limited and 1 share by Mr. Jimmy Spencer (an Independent Third Party).
- (6) M&G Resinas Participações Ltda. is not a wholly owned subsidiary of our Group. Prior to the Reorganization, M&G Resinas Participações Ltda. was held as to 84.56% by M&G International S.A. and as to 15.44% by SIMEST, an Independent Third Party. Following a reduction of share capital pursuant to a partial spin-off transaction as part of the Reorganization and a capital increase pursuant to the capitalization of a part of the profits of M&G International S.A., M&G Resinas Participações Ltda. is held as to 89.98% by M&G International S.A. (a part of M&G International S.A. 1.1) and as to 10.02% by SIMEST.
- (7) M&G Políester S.A. is not a wholly owned subsidiary of our Group. The Independent Third Party minority shareholders in M&G Políester S.A. are Brazilian stock exchange investors (combined 2.9% ownership interest).
- (8) Tereftálicos Indústria e Participações Ltda. is held as to 49,864,954 shares by M&G International S.à r.l. and 1 share by M&G Resinas Participações Ltda.
- (9) Tereftálicos Industriais e Participações Ltda. (Brazil)

OUR CORNERSTONE INVESTORS

THE CORPORATE PLACING

We have entered into cornerstone investor agreements with three cornerstone investors (the “Cornerstone Investors”) who have agreed to subscribe for such number of our Offer Shares (rounded down to the nearest whole board lot of 2,000 Shares) at the Offer Price which may be purchased with an aggregate amount of approximately US\$100,564,100 (the “Cornerstone Placing”). Assuming an Offer Price of HK\$1.65 (being the low end of the Offer Price range set out in this prospectus), the total number of Shares subscribed by the Cornerstone Investors would be approximately 472,830,000, representing approximately (i) 20.1% of the Offer Shares, and (ii) 7.0% of the Shares in issue upon completion of the Global Offering. Assuming an Offer Price of HK\$1.80 (being the mid-point of the Offer Price range set out in this prospectus), the total number of Shares subscribed by the Cornerstone Investors would be approximately 433,428,000, representing approximately (i) 18.4% of the Offer Shares, and (ii) 6.4% of the Shares in issue upon completion of the Global Offering.

OUR CORNERSTONE INVESTORS

We set out below a brief description of our Cornerstone Investors:

Novozymes A/S

Novozymes A/S (“Novozymes”) has agreed to subscribe for such number of Shares (rounded down to the nearest whole board lot of 2,000 Shares) which may be purchased with an aggregate amount of US\$35,000,000 at the Offer Price. Assuming the Offer Price of HK\$1.65, being the low end of the Offer Price range set out in this prospectus, the total number of Shares that Novozymes would subscribe for would be 164,562,000, representing approximately 2.4% of the Shares in issue immediately following the completion of the Global Offering. Assuming the Offer Price of HK\$1.80, being the mid-point of the Offer Price range set out in this prospectus, the total number of Shares that Novozymes would subscribe for would be 150,848,000, representing approximately 2.2% of the Shares in issue immediately following the completion of the Global Offering. Assuming the Offer Price of HK\$1.95, being the high end of the Offer Price range set out in this prospectus, the total number of Shares that Novozymes would subscribe for would be 139,244,000, representing approximately 2.1% of the Shares in issue immediately following the completion of the Global Offering.

Novozymes, one of our suppliers, is a limited liability company incorporated in Denmark and is listed on the NASDAQ OMX Copenhagen stock exchange (NZYB). The primary business of the Novozymes group is to conduct research into, develop, manufacture and market mainly bio-industrial products, processes and services, in particular industrial enzymes, microorganisms and other proteins used in a variety of business-to-business applications such as biofuel, detergents, feed, food and agriculture, or as biopharmaceutical ingredients. With over 700 products used in 130 countries, the Novozymes group is a world leader in its field and the bioinnovation of the Novozymes group improves industrial performance and reduces strain on the world’s resources by offering cost-saving and sustainable solutions to businesses world-wide.

CEPSA Quimica, S.A.

CEPSA Quimica, S.A. has agreed to subscribe for such number of Shares (rounded down to the nearest whole board lot of 2,000 Shares) which may be purchased with an aggregate amount of US\$33,000,000 at the Offer Price. Assuming the Offer Price of HK\$1.65, being the low end of the

OUR CORNERSTONE INVESTORS

Offer Price range set out in this prospectus, the total number of Shares that CEPESA Quimica, S.A. would subscribe for would be 156,000,000, representing approximately 2.3% of the Shares in issue immediately following the completion of the Global Offering. Assuming the Offer Price of HK\$1.80, being the mid-point of the Offer Price range set out in this prospectus, the total number of Shares that CEPESA Quimica, S.A. would subscribe for would be 143,000,000, representing approximately 2.1% of the Shares in issue immediately following the completion of the Global Offering. Assuming the Offer Price of HK\$1.95, being the high end of the Offer Price range set out in this prospectus, the total number of Shares that CEPESA Quimica, S.A. would subscribe for would be 132,000,000, representing approximately 2.0% of the Shares in issue immediately following the completion of the Global Offering.

Compañía Española de Petróleos, S.A.U., (“CEPSA”), is an integrated energy company incorporated in Spain operating at every stage of the oil value chain, with more than 11,000 employees. CEPESA is owned by a single shareholder, International Petroleum Investment Company, which is controlled by the Abu Dhabi government. Its affiliate is one of our suppliers.

CEPSA Quimica, S.A. is the petrochemical business arm of the CEPESA Group with seven petrochemical plants in Spain Canada, Brazil and China. CEPESA Quimica sells more than 3.5 million tons p.a. of petrochemical products. These are LAB, a raw material used to make detergents, PTA, PIA and PET, raw materials for the polyester packaging, textile, resin and plastics sectors; phenol and acetone, for engineering plastics; and solvents and sulphurs.

ZOC Investment Co., Ltd.

ZOC Investment Co., Ltd. (“ZOC”) has agreed to subscribe for such number of Shares (rounded down to the nearest whole board lot of 2,000 Shares) which may be purchased with an aggregate amount of RMB200,000,000 at the Offer Price. Assuming the Offer Price of HK\$1.65, being the low end of the Offer Price range set out in this prospectus, the total number of Shares that ZOC would subscribe for would be 153,108,000, representing approximately 2.3% of the Shares in issue immediately following the completion of the Global Offering. Assuming the Offer Price of HK\$1.80, being the mid-point of the Offer Price range set out in this prospectus, the total number of Shares that ZOC would subscribe for would be 140,350,000, representing approximately 2.1% of the Shares in issue immediately following the completion of the Global Offering. Assuming the Offer Price of HK\$1.95, being the high end of the Offer Price range set out in this prospectus, the total number of Shares that ZOC would subscribe for would be 129,554,000, representing approximately 1.9% of the Shares in issue immediately following the completion of the Global Offering.

ZOC, established in 2002, is the wholly-owned subsidiary of China Nuclear Engineering and Construction Corporation (“CNEC”), and is regarded as the investment and financing platform of new frontiers and businesses of CNEC. CNEC is a PRC state-owned enterprise incorporated in 1999 which primarily undertakes nuclear projects, national defense projects, nuclear power plants and other industries and civil project construction, military projects and nuclear engineering technology research in the PRC. With “integrity, truth-seeking, pioneering, innovative” as corporate spirit, adhering to the “nuclear” as CNEC’s main business, ZOC is dedicated to further strengthen and expand its investments in the water treatment section; meanwhile, accelerate the pace of investment in nuclear power, new energy, mining, equity investment and other fields.

Each of the Cornerstone Investors is an Independent Third Party and is not our connected person. The Cornerstone Placing forms part of the International Offer and the Offer Shares to be subscribed

OUR CORNERSTONE INVESTORS

for by the Cornerstone Investors will rank *pari passu* in all respects with the other fully paid Shares in issue and will be counted towards the public float of our Company. Each of the Cornerstone Investors will not have any representation on the Board or be a substantial shareholder of the Company and will not subscribe for any Offer Shares under the Global Offering other than pursuant to the cornerstone investor agreements referred to below. The Offer Shares to be subscribed by the Cornerstone Investors will not be affected by any reallocation of the Offer Shares between the International Offer and the Hong Kong Public Offer in the event of over-subscription under the Hong Kong Public Offer as described in “Underwriting — Hong Kong Public Offer” of this prospectus nor by any exercise of the Over-allotment Option. Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement to be issued by us on or around December 13, 2013.

CONDITIONS PRECEDENT

The subscription obligation of each Cornerstone Investor is subject to, among other things, the following conditions precedent:

- (i) the Hong Kong Underwriting Agreement and the International Purchase Agreement being entered into and having become unconditional by no later than the time and date as specified in such agreements (in accordance with their respective original terms or as subsequently varied by agreement of the parties thereto) and not having been terminated; and
- (ii) the Listing Committee having granted the Listing of, and permission to deal in, the Shares and that such approval or permission not having been revoked.

RESTRICTIONS ON DISPOSAL OF SHARES BY THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that without the prior written consent of the Company and the Bookrunner, it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date (the “Lock-up Period”), dispose of any of the Shares they have purchased pursuant to the cornerstone investor agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

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OVERVIEW

We are among the three largest producers of PET resin for packaging applications in the world, and the second largest in the Americas, in terms of nominal capacity, according to PAL. PET is a plastic polymer produced principally from PTA and MEG which is used to manufacture plastic bottles and for other packaging applications for the beverage, food and personal care industries. PET has key technical advantages compared to competing packaging materials for food and drink, particularly its versatility, durability, heat resistance, light weight, cost-competitiveness and 100% recyclability. We can manufacture and offer the full range of PET grades, suitable for a variety of applications; not all producers are able to match this offering. There is good growth potential for virgin PET resin, with global demand estimated at 18.6 mMT in 2012 and expected to reach 26.8 mMT in 2017 at a forecast CAGR of approximately 7.5%, according to PAL.

Our Group has been operating in the plastic processing industry for 60 years, and constructed its first large-scale PET plant in 1985, which was the then-largest single PET production line in the world with a nominal capacity (total nameplate designed capacity for both prime and non-prime product) of 50 kMT/year. Our total PET nominal capacity is currently 1,600 kMT/year. We currently have three production sites strategically located in the United States, Brazil and Mexico, from which we principally sell our products to the North and South American markets. According to PAL, we operate the two largest and most efficient (measured in terms of operating costs per metric ton) PET production lines in the world at our sites in Brazil and Mexico. Our PET customers include major plastic packaging companies such as Amcor, CEPG, Coca-Cola FEMSA, Graham Packaging and Plastipak Packaging, as well as major brand owner groups.

In April 2013, we launched our project to construct a vertically integrated PTA/PET plant in Corpus Christi, Texas, United States. The PET plant is expected to have a nominal capacity of 1,100 kMT/year and to be fully integrated with a co-sited PTA plant with expected nominal capacity of 1,300 kMT/year. We expect that the Corpus Christi plant will begin production in 2016 and will be the largest vertically integrated single line in the world and the largest PTA plant in the Americas, according to PAL. In line with our strategy to achieve cost efficiencies and expanded production capabilities, we believe that the lower capital expenditures and production cost savings that we expect to realize with our investment in our Corpus Christi plant will result in significant competitive advantages, enabling us to compete effectively with producers in Asia and the Middle East, as imports from those regions incur significant shipping costs and customs duties. We are also planning the construction in China of two bio-ethanol plants, with expected nominal capacity of 110 kMT/year each, and one E2E plant, with expected nominal capacity of 220 kMT/year, all three of which are expected to become operational in mid-2015. In the Chinese bio-ethanol plants, we intend to implement new biotechnologies being developed by our affiliates in the Ghisolfi Group, which allow the production of bio-MEG (and potentially bio-PX) from any biomass, including non-food feedstock, using the Ghisolfi Group's proprietary PROESA[®] technology (for which we have an exclusive license in relation to PET raw materials applications). We believe that this will allow us to capture the additional margins of upstream petrochemical businesses with lower investment costs, and to capitalize on the growth in global demand for sustainable polyester.

BUSINESS

In addition, through our Engineering division we provide technological development, research and engineering services for the construction of plants for customers in the polyester chain (including PET, polyester fiber and PTA production) and the LNG industry. Our Engineering division's expertise in plant engineering allows us to enjoy significant synergies and cost savings between our two divisions, in particular by allowing us to carry out our vertical integration projects in a cost-effective manner, and to offer customers (particularly in Asia) access to our Group's innovative technologies. Our Engineering division has strong relationships with customers in Asia, particularly China and India. Key customers include Burns & McDonnell and ABB, which have been regular purchasers of detailed engineering services from Chemtex India since 2006, and Reliance Industries Limited, which has been a regular purchaser of EP projects for its Indian polyester plants for a number of years.

The table below sets out our Group's combined revenues, operating profit, profit attributable to shareholders and total assets during the Track Record Period:

	As at and for the			
	Year ended December 31,			Six months ended June 30,
	2010	2011	2012	2013
	(in euro millions except for percentages)			
Combined revenue and other operating income	1,743.4	1,871.7	1,860.2	874.8
PET division (%)	95.0	95.4	92.8	93.9
Engineering division (%)	5.0	4.6	7.2	6.1
Operating profit	106.5	110.4	109.8	63.5
PET division (%)	91.8	96.5	99.5	93.5
Engineering division (%)	7.9	3.2	0.5	5.9
Eliminations (%)	0.3	0.3	—	0.6
Profit attributable to shareholders	23.2	15.7	82.7	22.7
Total assets	1,748.6	1,617.5	1,779.3	1,753.7

OUR STRENGTHS

We believe we have the following competitive strengths:

Leader in product innovation

With 60 years of experience in plastic processing, a significant commitment to research and development and in-depth knowledge of the applications for plastic polymers, we are a leader in product innovation in the field of PET resins, according to PAL. The Ghisolfi Group was the first producer to adapt PET resin for the packaging of mineral water in the 1980s. Starting in the late 1990s, we developed barrier monolayer PET, which inhibits oxygen and carbon dioxide from passing through the container, allowing carbonation to last longer inside the bottle. We are currently the only producer in the Americas capable of manufacturing chemically recycled PCR-grade PET, which is a recyclable grade of PET that can be chemically broken down into its component parts, MEG and PTA, in the recycling process, thus allowing the production of 100% recycled PET.

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Our affiliates in the Ghisolfi Group are currently developing proprietary technology, to which we have exclusive access, for the production of “bio”-PET raw materials directly from renewable sources (“bio-PET”). We believe that these technologies will enable us to benefit from anticipated growth in the bio-PET market, driven by the increase in demand for environmentally sustainable PET in recent years, as many customers are willing to pay a premium for bio-PET produced from renewable, non-food feedstock resources. The PROESA® technology owned by our affiliate, Beta Renewables, is a unique pre-treatment technology for the production of fermentable sugars from any biomass, including fast-growing, non-food feedstock. We also have an exclusive license to the MOGHI technology owned by our affiliate, Biochemtex, for the production of bio-PX, and we are currently developing downstream technology for the production of bio-MEG. We expect that the “bio” raw materials produced through these technologies can be incorporated into the traditional PET production process, thereby using existing processes and technologies to produce bio-PET.

We believe that the quality and breadth of our product offerings provide us with a significant competitive advantage in the global PET resin market. We are able to provide very sophisticated PET grades which many of our key customers require for specialty packaging applications such as sports drinks, vitamin water, beer, juices, tea, sauces and baby food. According to PAL, not all producers are capable of supplying the full range of PET grades suitable for all these applications. As a result of the proprietary technologies we own and to which we have exclusive access, we are able to continuously expand our platform to include additional grades of PET, including bio-grades, with specific characteristics to meet market demand. We also frequently upgrade our PET grades on an individual customer basis to provide customers with processing cost savings and higher performance.

Largest single line PET plants allowing reduced capital expenditures and operating costs per metric ton of output

While traditional, off-the-shelf technology allows a maximum single production line capacity of approximately 220–270 kMT/year, our proprietary EasyUp™ technology eliminates such size limitations, allowing us to build and operate much larger PET production lines with capital expenditures only marginally higher than those required for traditional production lines in the United States. Our Brazilian and Mexican PET production lines are the largest single lines in the world, with 650 kMT/year and 490 kMT/year, respectively, of single line nominal capacity, allowing us to benefit from economies of scale not available to those competitors using traditional technology. As a result, our plants have lower capital expenditures and production operating costs per metric ton than those of our competitors using traditional technology.

We believe that our technological and size advantages constitute a competitive advantage in our key markets in the Americas, where customers are large and sophisticated, and where availability of raw materials and relatively inexpensive logistics are particularly suitable to our large-scale PET production lines.

In addition, our expansion plans include the construction of new, fully integrated and co-sited PTA/PET production facilities in Corpus Christi, which we expect will begin production in 2016, with expected PET nominal capacity of 1,100 kMT/year and expected PTA nominal capacity of 1,300 kMT/year. According to PAL, this plant is expected to be the world’s largest single line PET plant and the largest single line PTA plant in the Americas.

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Strategically positioned in selected PET markets

We are the second largest of the three major producers in the Americas in terms of nominal capacity. We have selectively positioned ourselves in North America, which is a large, mature market that enjoys strong demand for PET resin and high spreads between PET and raw material prices. We have been able to establish an important competitive advantage through our business model, which is based on large-scale, integrated high-quality plants and fits with the region's large customer structure, relatively inexpensive logistics and efficient oil-refinery and petrochemical infrastructure.

We have also strategically established our presence in South America, which is a fast-growing emerging market with PET demand forecast to grow at a CAGR of 7.3% from 2012 to 2017, according to PAL. As the only producer in the Brazilian market, and the larger of the two producers in South America, we believe that we are well-placed to benefit from the expected growth in regional demand and the higher spreads between PET and raw material prices in Brazil due to tax incentives in place in the country.

Considering the fiber-driven nature of the Chinese polyester demand growth and the large stock of available PET capacity, we have chosen to participate in the high growth potential of the China polyester market not as a PET producer, but as a technology provider through our Engineering division and as a polyester raw material supplier through our planned China bio-MEG project.

All of our production facilities are located in areas that we believe offer significant logistical advantages in accessing markets for our products, including being located near major port, road and/or rail transportation infrastructure as well as sources of raw materials, enhancing our market access and helping to manage transportation costs for our products. See also “— Key Business — PET Division — Production Facilities and Distribution Logistics” for a discussion of the location of our production facilities.

Long-term customer contracts with raw material pricing pass-through mechanisms

Our large-scale plants and long-term commitment to the PET industry have allowed us to build stable, long-term relationships with our key clients, who are major brand owners and packaging companies requiring a reliable supplier capable of providing a consistent high quality product in the Americas. We believe that our position as a preferred supplier to our key customers gives us a competitive advantage in the PET market and reflects our customers' recognition of our product quality and technology leadership as well as our reliability as a supplier. We have a strong and stable customer base, which includes Amcor, CEPG, Coca-Cola FEMSA, Graham Packaging and Plastipak Packaging, as well as major brand owner groups.

We have been successful in securing a significant portion of our sales under long-term contracts, which allows us to maintain high production capacity utilization levels at our plants despite cyclical fluctuations in industry supply and demand and, as a result, a consistent level of net cash provided by operations during these periods. Most of our contracts also contain some form of volume protection in our favor or provide us with the right to supply an agreed percentage of a customer's PET consumption. In addition, the pricing provisions in many of our contracts allow us to effectively pass through raw material price fluctuations to our customers, and thereby maintain relatively stable returns through industry cycles.

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Stable low-cost raw material procurement

Our leading position in the industry, our stable customer base and our consistently high production capacity utilization levels enable us to commit to high-volume, long-term contracts with our suppliers. Our relationships with our major PTA suppliers and MEG supplier date back to 2003, when we began our large-scale PET production in Altamira, Mexico. Our long-standing relationships with key suppliers have led to close cooperation, resulting in increased supply efficiencies, particularly with respect to the co-siting of certain of our plants with suppliers' facilities which reduces our logistics costs and allows us to benefit from lower feedstock costs than our competitors. This is particularly significant in the context of PTA supply, because transportation of PTA is more expensive as compared to MEG. For example, both our Mexican and Brazilian PET plants are co-sited with PTA supply facilities and are strategically located close to shipping ports, allowing us to achieve significant synergies and cost savings.

Furthermore, our new Corpus Christi PTA plant is expected to have sufficient capacity to cover all of our Corpus Christi PET plant supply needs and more than three quarters of the supply needs of our Altamira plant, further reducing our costs. Preliminary arrangements with our PX suppliers are already in place for the supply of PX to our Corpus Christi PTA plant upon commencement of its operations.

Experienced management team, with proven execution capabilities

The Ghisolfi Group has been operating in the PET industry, initially as licensor of technology and subsequently as a manufacturer, since the 1980s. Our PET business is led by Mr. Marco Ghisolfi, who is one of our shareholders and CEO, and has been with the Ghisolfi Group for approximately 15 years. Our senior management team is composed of highly experienced managers who have been with the Ghisolfi Group for a significant period of time after holding long-standing management positions in leading multinational chemical companies, each with over 15 years of experience in the industry. Members of our senior management have proven execution and operational capabilities, having been involved in the successful construction and operation of our large-scale Altamira and Suape production lines and the development of our market-leading technology during their time with our Group.

OUR STRATEGIES

We focus on a long-term investment horizon and prudent, long-term business management, with the intention of continuing to invest in new product development and new production facilities. We plan to implement our growth strategy primarily through technology-driven greenfield investments. Due to our technology and engineering skills, we believe it is more cost efficient for us to build new production facilities rather than purchase existing assets from third parties, and this reflects our practice in the past. Going forward, we will continue to focus on our existing competitive strengths, while capitalizing on our technology and on our Asian presence to become a vertically integrated producer and to expand into the bio-PET market, by implementing the strategies described below. As a result of our strategy, as presented below, we are constructing our Corpus Christi plant, which is expected to have a nominal capacity of 1,100 kMT/year and to be fully integrated with a co-sited PTA plant with expected nominal capacity of 1,300 kMT/year, as well as two bio-ethanol plants in China, with expected nominal capacity of 110 kMT/year each, and one E2E plant in China, with expected nominal capacity of 220 kMT/year. As a result, we believe we will benefit from reduced operating

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costs and significantly increased profit margins resulting from more efficient production facilities and processes, a reduced financial risk profile because of our low cost structure, and an improved cash flow and financial position, as well as increased working capital requirements as our production increases.

Investment in vertically integrated PTA/PET production and capacity expansion

A principal element of our strategy is to invest in fully integrated PTA/PET production by constructing a new large scale facility in Corpus Christi in which our EasyUp™ proprietary PET technology is integrated with new PTA production technologies, and which we believe will allow us to achieve cost efficiencies and expanded production capabilities, while replacing a portion of the older and inefficient capacity now present in the market. By employing our proprietary technology as well as the experience and skills of our Engineering division in the construction of our plants, we believe we are able to generate economies of scale in production by operating the largest production lines in the industry while maintaining lower than industry average construction costs per capacity ton built and production costs in terms of operating costs per metric ton of PET produced.

Our EasyUp™ proprietary PET technology will provide us not only with the ability to build the world's largest PET single production line, but also to expand into the production of PTA in a cost effective way. While new PTA production technologies are currently available in the market allowing single production line sizes in excess of 1,100 kMT/year, with significantly lower conversion costs compared with traditional technologies, such technologies have not been exploited due to the lack of corresponding large-size downstream PET production technology. Our proprietary EasyUp™ technology eliminates these constraints and allows us to realize the benefits of the new PTA technologies by constructing single PET production lines with corresponding large-scale installed capacity.

We believe that the lower capital expenditures and production cost savings that we expect to realize with our investment in our Corpus Christi plants will result in significant competitive advantages, enabling us to compete effectively with producers in Asia and the Middle East, as imports from those regions incur significant shipping costs and customs duties. For example, according to PAL, the cost of converting PX to PTA at our Corpus Christi plant is expected to be one-third that of smaller and older PTA lines, while the costs of converting MEG and PX to PET at our Corpus Christi plant (including delivery costs) can be estimated at approximately US\$200 (€148)/MT, compared to an average North American PET selling spread over MEG and PX of US\$686 (€507)/MT from 2007 to 2012.

Expansion into the bio-ethanol and bio-polyester markets

We have acquired from our affiliates in the Ghisolfi Group exclusive rights to use the PROESA® and MOGHI technologies to produce PET raw materials, including bio-PX and bio-MEG, and are developing our proprietary GREG hydrogenation technology for the production of bio-MEG.

We plan to use the PROESA® technology at our planned bio-ethanol plants in China, which are expected to have an aggregate nominal capacity of 220 kMT/year of bio-ethanol, which will be used by our planned E2E plant (implementing traditional E2E technology) to produce bio-MEG. We anticipate that our investment will provide us with access to a significant portion of the upstream petrochemical MEG market with a relatively low capital expenditure, estimated at approximately US\$440 million (€338.5 million, translated at a rate of €1.0 : US\$1.3) in total. We plan to locate our

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bio-MEG project in a key agricultural area in China, with a large supply of inexpensive biomass resources, consisting mainly of wheat straw and cornstalk. We expect that the lower costs of biomass resources as compared to petroleum-based raw materials will result in a positive return on our investment, even without considering the premium that we expect brand-owners will be willing to pay to have access to bio-MEG rather than petroleum-based MEG.

We believe that due to our exclusive rights to use PROESA® and (when fully developed) MOGHI and our proprietary GREG hydrogenation technology for the production of polyester raw materials from biomass, we are well-positioned to take advantage of the opportunity created by the growing global demand for sustainable polyester products, particularly in Asia, not only in relation to our China bio-MEG project but also as a key part of our Engineering division's growth strategy. We intend to be a pioneer in this market and to capitalize on our Engineering division's expertise in bio-MEG plant engineering and design and its historical presence in Asia to be a leading participant in the sustainable polyesters industry.

Expansion of our Asian presence

We believe that the high-growth Asian polyester fiber industry, in particular the Chinese polyester textiles and LNG markets, represents an important growth opportunity for us. We plan to expand our presence in this region as a technology and engineering player, through our Engineering division's presence in the region and our China bio-MEG project.

We have an established historical presence in Asia, particularly in China where our Engineering division has been present since the 1980s and has built relationships with established Asian polyester producers as well as EPC entities. We intend to continue to form local partnerships with industry participants who share our strategic goals and possess local industry expertise and customer networks. We believe that these relationships will not only enhance our market opportunities in Asia, but will also result in synergies across other areas of our operations, such as our collaboration with SINOPEC SEG, a subsidiary of China Petrochemical Corporation, on our Corpus Christi project, for which SINOPEC SEG will act as EPC contractor, working with our Engineering division (which will provide critical equipment and services on a subcontracting basis) in the implementation of the local portion of this project. In addition, we have signed a letter of intent with the Guozhen Group, which we are considering as a potential joint venture partner in our China bio-MEG project. In the proposed joint venture, the Guozhen Group will have responsibility for the supply of one million metric tons of straw biomass, as well as project approval, land acquisition and utilities procurement for the China bio-MEG project. Guozhen Group will use lignin resulting as a by-product from the bio-ethanol plants to feed a 45 MW cogeneration plant, which will be co-sited and constructed simultaneously with the China bio-MEG project. We will be the majority partner of the China bio-MEG project and the minority partner in the power plant. We also expect that our China bio-MEG project will help to promote our bio-MEG technology for fiber production as well as for non-PET plastic applications in Asia.

KEY BUSINESSES

Our business comprises a PET division and an Engineering division. Our PET and Engineering divisions accounted for 95.0% and 5.0%, respectively, of our Group's combined revenues (including other operating income) for the year ended December 31, 2010; 95.4% and 4.6%, respectively, for the year ended December 31, 2011; 92.8% and 7.2%, respectively, for the year ended December 31, 2012; and 93.9% and 6.1%, respectively, for the six months ended June 30, 2013.

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PET Division

The production and sale of PET resin is our principal business, representing over 90% of our combined revenues and operating income for the Track Record Period.

Our PET revenues have a well-balanced geographical distribution among the jurisdictions in which we operate, as illustrated in the table below showing the approximate percentage of total PET revenues deriving from each of Brazil, the United States, Mexico and Europe during the Track Record Period.

	Year ended December 31,			Six months ended June 30,
	2010	2011	2012	2013
	Brazil	37%	37%	39%
United States	32%	37%	38%	34%
Mexico	21%	27%	24%	28%
Europe ⁽¹⁾	10%	0%	0%	0%

Notes:

- (1) We divested our European-based PET operations on December 31, 2010. See “History and Corporate Structure — Our History and Development — Major Acquisition and Disposals during the Track Record Period — Sale of European PET operations”.

Principal Products

PET offers characteristics such as transparency, strength, durability, light weight, recyclability and design flexibility. Such technical advantages have enabled it to increasingly replace glass, aluminum, steel cans and paperboard as well as other plastics such as PVC, polyethylene and polystyrene in packaging applications, with demand for virgin PET growing at a CAGR of 7.4% from 2002 to 2012, according to PAL.

We manufacture and offer the full range of PET grades; not all producers match this offering. This allows us to participate in less competitive specialty grade PET industry segments, such as barrier-grade, PCR-grade and bio-grade PET. We believe we are also able to leverage these technological capabilities to obtain a competitive advantage in commodity segments such as CSD-grade and water-grade PET, in which customers generally have more supply options but for which we are often given priority to act as supplier to our customers that purchase specialty grade PET from us.

We produce PET resin grades suitable for the following end-use applications:

- *CSD-grade*. The standard PET resin formulation used for carbonated soft drinks, which constitutes our highest volume of activity.
- *Water-grade*. The PET resin formulation used for bottling water, which must contain a lower level of acetaldehyde which can affect the taste of the contents.

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- *Hot fill-grade.* A heat-resistant PET resin formulation used for applications which are typically hot-filled, including still drinks (such as juice drinks, health and sports drinks, ready-to-drink tea and milk) and custom food (such as edible oils, soy sauce and ketchup).
- *Barrier-grade.* A new PET resin formulation with higher barrier properties which prevents oxygen from penetrating the bottles and/or carbonation (carbon dioxide) from exiting the bottle during the shelf life of the products, used for the packaging of fresh and refrigerated fruit juices, beer and oxygen- and/or carbon dioxide-sensitive drinks and food.
- *Sheet-grade:* a high melting point, temperature-resistant formulation that can be used for manufacturing dual oven-safe trays. We also produce sheet-grade PET resin, which is a high purity formulation for optic and film applications, as well as certain food packaging applications.

We are currently the market leader in PET product innovation and have developed proprietary technologies for new PET applications, such as barrier-grade PET. Our proprietary technology for barrier monolayer PET, POLIPROTECT™, is currently the only technology in the market capable of incorporating all performance-enhancing additives (including barrier-grade polymers) into PET pellets with no need for customer investment in costly new machinery to enhance the barrier properties by adding coatings or multiple layers. We have successfully commercialized this fully formulated monolayer barrier resin in the beer market, while other producers mainly use less efficient coatings or more expensive multilayer solutions, according to PAL.

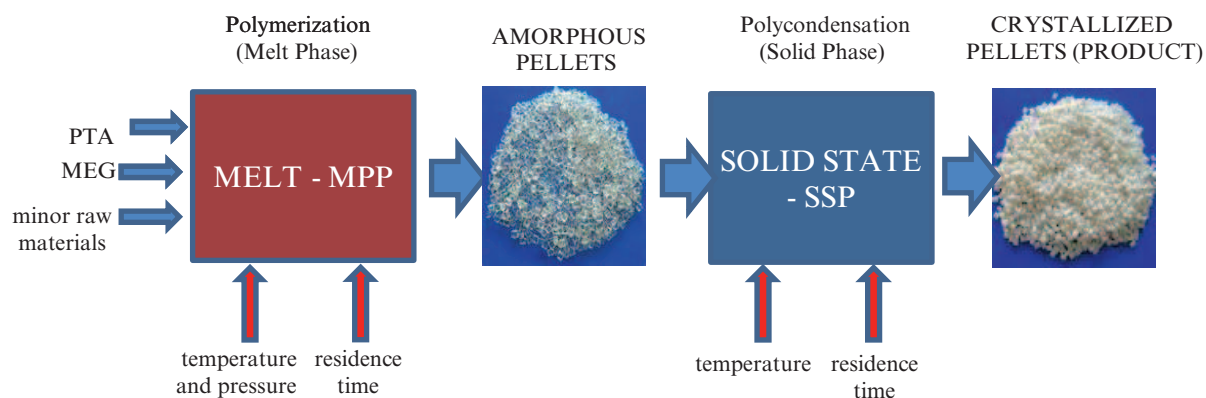
In addition, we are also capable of producing environmentally sustainable PET resin formulations, such as PCR-grade and bio-grade PET, which can be used for the same end-use applications as virgin PET.

- *PCR-grade PET:* PET resin derived from post-consumer recycling. According to PAL, we are currently the only PET producer of chemically recycled PCR-grade PET in the Americas. We believe that our technology is superior to that of our competitors as it allows us to chemically break down recycled PET into its component parts, PTA and MEG, which can then be used to produce virgin PET. Our competitors do not reduce recycled PET down to its component parts, but rather recycle PET mechanically, requiring it to be mixed with virgin PET in a ratio of one part recycled PET to nine parts virgin PET, and the resulting PET is considered a lower quality product, according to PAL.
- *Bio-grade PET:* PET resin produced from raw materials derived from renewable energy sources. We are the only PET producer with exclusive access to second-generation bio-technology, as we have acquired from our affiliates in the Ghisolfi Group exclusive rights to use their proprietary technology to produce PET raw materials from biomass, which we plan to implement in our new facilities in China (see “— Projects Under Construction — China bio-MEG Project”, below).

Production Process

PET

The production of PET is a continuous process comprising two main steps: melt phase polymerization (“MPP”) and SSP.



- *MPP process for the production of the base resin in the form of amorphous pellets:* The major raw materials (PTA and MEG) and additives are mixed during a preparation phase, and the resulting paste undergoes a polymerization reaction process during which heat (280°C – 300°C) and pressure are applied. The resulting molten resin is delivered through pumps, filtered, cut into pellet form and dried. At this stage the resin is in amorphous pellet form.
- *SSP process for the production of crystallized pellets:* The pellets produced in the MPP process are fed to the SSP reactor, where they are kept for several hours at a temperature ranging from 205°C to 215°C to produce resin in crystallized pellet form. The resulting crystallized pellets are then processed through downstream application technologies to produce food packaging containers.

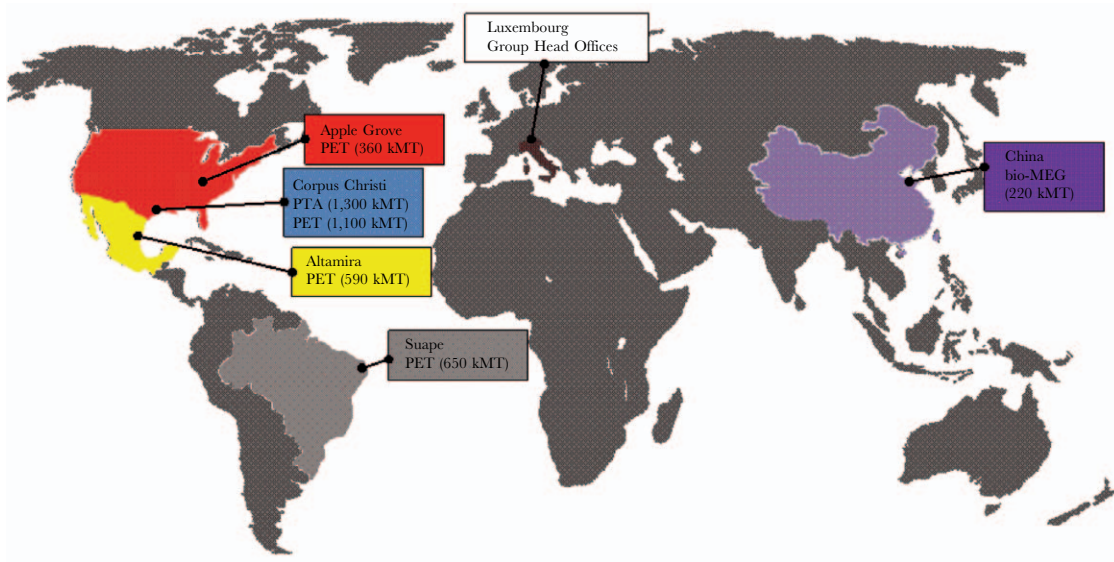
PTA

The production of PTA involves the oxidation of PX by reacting PX and air with a solvent (acetic acid) and a catalyst (consisting of a mixture of cobalt, manganese and bromide). Water and impurities are then removed from the oxidized mixture and the resulting crystallized particles undergo filtration and drying. The resulting crude terephthalic acid particles are dissolved and hydrogenated, and then undergo a crystallization and drying process to produce PTA.

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Production Facilities and Distribution Logistics

The graphic below illustrates the location of our PET production facilities and nominal capacity for each of the PET plants, including our planned facilities at Corpus Christi and in China.



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- (1) Capacity amounts at our Corpus Christi plant, which is currently in the construction phase, and Chinese plants, which are currently in the planning stage, refer to expected nominal capacity upon start-up. Our planned PET and PTA production facilities in Corpus Christi are expected to reach the stated nominal capacity by 2016, and our planned bio-MEG production facilities in China are expected to reach the stated nominal capacity in mid-2015.

We currently operate three PET plants (two of which contain the two largest single PET production lines in the world) with an aggregate nominal capacity of 1,600 kMT/year and an aggregate installed prime capacity (the maximum prime capacity actually achievable, adjusted for on stream factors such as scheduled downtime for regular maintenance) of 1,400 kMT/year, concentrated in five PET production lines. We believe this is a significant competitive advantage, as our competitors would require many more production lines to achieve the same manufacturing capacity, according to PAL.

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The table below provides an overview of our PET facilities prime production volume (including the percentage of production consisting of prime quality product, installed prime capacity, nominal capacity and utilization rates, as well as a comparison with the United States and Mexico (“NAFTA”) and global capacity utilization rates (the percentage utilization of active prime capacity for a given period)):

	As at and for the			
	Year ended December 31,			Six months ended June 30,
	2010	2011	2012	2013
	(in euro millions except for percentages)			
Apple Grove, U.S. (2 lines)				
Prime production volume (MT)	314,400	302,500	319,200	139,400
% Prime quality product ⁽¹⁾	97%	97%	98%	96%
Utilization rate ⁽²⁾	90%	86%	91%	80%
Installed prime capacity ⁽³⁾ (MT)	350,000	350,000	350,000	350,000
Nominal capacity ⁽⁴⁾ (MT)	360,000	360,000	360,000	360,000
Altamira, Mexico (2 lines)				
Prime production volume (MT)	507,000	497,600	453,800	230,700
% Prime quality product ⁽¹⁾	99%	98%	98%	97%
Utilization rate ⁽²⁾	92%	90%	83%	85%
Installed prime capacity ⁽³⁾ (MT)	550,000	550,000	550,000	550,000
Nominal capacity ⁽⁴⁾ (MT)	590,000	590,000	590,000	590,000
NAFTA capacity utilization rate	91%	89%	86%	83%
Suape, Brazil (1 line)⁽⁵⁾				
Prime production volume (MT)	462,200	388,200	412,800	226,500
% Prime quality product ⁽¹⁾	99%	98%	98%	99%
Utilization rate ⁽²⁾	92%	78%	83%	91%
Installed prime capacity ^{(3) (6)} (MT)	500,000	500,000	500,000	500,000
Nominal capacity (MT) ⁽⁴⁾	650,000	650,000	650,000	650,000
Global capacity utilization rate	92%	85%	85%	86%

Notes:

- (1) “Prime quality product” refers to output which is sufficiently high quality to sell, compared to non-prime output which is generally recycled (the remaining portion is sold at substantially lower prices or lost as scrap).
- (2) “Utilization rate” is calculated as prime production volume divided by installed prime capacity. For figures as at June 30, 2013, utilization rate is calculated as prime production volume divided by installed prime capacity and multiplied by two. Utilization rate is based on installed prime capacity. Installed prime capacity is adjusted for each production line for planned annual maintenance activities (approximately 20 days per line per year for PET lines). PET production is also subject to seasonality which varies by region. In North America, peak customer demand and production typically runs from March/April until August/September, while in South America, the peak season runs from August/September until March. However, actual demand may vary depending on the weather conditions (including temperature and precipitation levels) in each geographic region. Fluctuations in PET prices may also exacerbate or offset seasonal effects. The combination of these two factors results in period-to-period fluctuations in utilization rates. Therefore, fluctuation in

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utilization is more evident in respect of quarterly data than yearly data. In the six months ended June 30, 2013, the utilization rate at our Apple Grove plant was low due to seasonal lower loading during the period, in conjunction with planned maintenance on the plant's largest capacity line. The same applies for our Altamira plant, where there was planned maintenance on a smaller line during the six months ended June 30, 2013. The utilization rate at our Suape plant during the six months ended June 30, 2013 was high because it was a high-productivity season in Brazil and there were no planned maintenance activities during the period. Annual fluctuations (aside from extraordinary events like the blackout in Brazil that impacted the utilization rate in our Suape plant in 2011) can be explained by region-specific seasonality or operational decisions to utilize certain regions versus others.

- (3) "Installed prime capacity" refers, in the case of our Group, to the maximum active prime capacity actually achievable in a given year, adjusted for factors such as scheduled downtime for regular maintenance.
- (4) "Nominal capacity" refers to the total nameplate designed capacity of our facilities, including both prime and non-prime product.
- (5) Due to an extraordinary power outage, the production line in our Suape plant was not in operation for 45 days during 2011.
- (6) The installed prime capacity figure given for our Suape facilities in this prospectus refers to the prime capacity that can be reached by the Suape plant with minor adjustments to remove minor bottlenecks in certain parts of the plant. We do not plan to implement these adjustments until it is justified by growth in the Brazilian market in order to ensure that the market is ready to absorb such additional capacity.

United States

Our Apple Grove plant in West Virginia produces PET for a number of different applications including water, CSD, hot fill, sheet, film and barrier.

The Apple Grove plant is located next to the Ohio River and benefits from reduced shipment costs for raw materials delivered by barge. We receive PTA shipments by rail and MEG shipments by barge. We ship approximately 80% of our PET by rail, using bulk hopper cars to deliver to customers' silos, and approximately 20% in bulk hopper trucks. We ship barrier-grade PET via common carrier trucking companies and also in containers by sea from ports such as Baltimore, Maryland and Norfolk, Virginia, to our international customers.

Mexico

Our Altamira plant produces PET for water, CSD, hot-fill, sheet and film applications.

The Altamira plant is located in the northeast of Mexico, near the port of Altamira and next to the PTA plant owned by Akra. We receive PTA directly from GPT's plant and MEG by truck from tanks at the port of Altamira, where it arrives by sea. We deliver PET to our Mexican customers by bulk railcars, bulk trucks and in one-ton bags shipped in package trucks. Our Altamira plant is strategically located to efficiently supply the southern and western United States, to which we ship by rail, and will also be able to support our Corpus Christi plant in case of excess spot demand. We generally ship approximately 15% of the PET produced at Altamira in any given period in containers by sea to Central and South America and, to a lesser extent, Europe from the port of Altamira. European sales, which are intermittent and do not occur continuously throughout the year, are primarily to the United Kingdom. We have historically supplied only insignificant volumes of PET to end customers in Italy and Southern Europe, and do not intend to make such sales in the future; M&G Polimeri Italia supplies, and will continue to supply, these markets with PET.

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Brazil

Our Suape plant produces PET for water, CSD and hot-fill applications.

The Suape plant is located near the Suape port in Ipojuca, Pernambuco State in the northeast of Brazil. We receive both PTA and MEG by sea. In April 2013 we began purchasing PTA from the newly built PTA plant of Petroquímica Suape (a subsidiary of Petrobras) which is co-sited with our Suape PET plant and which will also provide us with significant logistic savings and synergies; we expect that approximately 30% of our total PTA requirements for the Suape plant will be purchased from the co-sited Petroquímica Suape PTA plant.

We supply many of our Brazilian customers with PET shipped in containers by sea from the port of Suape. We supply our regional customers by truck. Significant exports, mainly to other South American countries, are shipped in containers by sea from the port of Suape.

Projects Under Construction

Corpus Christi PTA/PET Project

We intend to construct a latest-generation technology PET plant in Corpus Christi, Texas, United States, co-sited and fully integrated with a new PTA plant to be constructed by us at the same site (the “Corpus Christi project”). We expect these plants will begin production in 2016 and reach a nominal capacity of 1,100 kMT/year of PET and 1,300 kMT/year of PTA. The PET plant will be the largest single line in the world, and the PTA plant will be the largest single line in the Americas, according to PAL, allowing us to benefit from significant economies of scale and lower production costs. The plants will be designed to also process bio-based raw materials and equipped with recycling capabilities. In line with our strategy to achieve cost efficiencies and expanded production capabilities, while replacing a portion of the older and inefficient capacity now present in the market, we believe that the lower capital expenditures and production cost savings that we expect to realize with our investment in our Corpus Christi plants will result in significant competitive advantages, enabling us to compete effectively with producers in Asia and the Middle East, as imports from those regions incur significant shipping costs and customs duties.

The single-line PET production facility will be co-sited with the PTA production facility, from which we expect to be able to receive PTA by a direct pipe connection. We expect that the PET plant’s co-location with the PTA plant, and the plants’ location in Corpus Christi, will allow us to benefit from lower logistics costs as we will not incur PTA freight costs. In addition, we expect that our requirements for PX, the main raw material for PTA production, will also be sourced locally through arrangements with PX producers, allowing for further savings on freight costs. In particular, we entered into a memorandum of understanding dated September 24, 2012 with Flint Hills Resources LP pursuant to which we anticipate that over two-thirds of our Corpus Christi PTA plant’s PX requirements will be supplied directly by pipeline from the Flint Hills plant, which is located in the same industrial area as our Corpus Christi plants.

In addition, the plants will be located on the Gulf of Mexico, and benefit from the Port of Corpus Christi’s status as the fifth largest port in the United States in terms of tonnage. We expect to receive MEG shipments by rail and/or barge. We will also be capable of handling MEG supplies arriving by sea, thus expanding our potential sources of MEG to include producers in Asia and the Middle East.

BUSINESS

We expect to ship PET from the Port of Corpus Christi to customers in the United States and Latin America. The PET plant's strategic location will also allow it to support our Altamira plant in case of excess demand.

The Corpus Christi PTA plant will also allow us to be fully integrated with our Altamira PET plant, thereby reducing production costs at the Altamira location as a result of a PTA swap agreement with Akra and its affiliate DAK (the "PTA Swap Agreement"). Pursuant to the PTA Swap Agreement, we will deliver Corpus Christi's excess PTA production, estimated to be approximately 360 kMT/year, to a DAK facility in the United States, and Akra will deliver a corresponding amount of PTA to our Altamira PET plant directly from the co-sited Altamira PTA plant owned by Akra, pursuant to the Toll Conversion Agreement described below. We expect that this will allow us to save the freight costs of shipping our excess PTA from Corpus Christi to Altamira, while taking advantage of the Corpus Christi's PTA plant's production capacity to ensure supply to our Altamira plant as well.

Production at the Corpus Christi PET plant will be concentrated in a single line employing our proprietary EasyUp™ technology, while the PTA plant will use GPT's proprietary IntegRex® technology for which our Group and our management have the requisite experience and technology. The plants will be built on an EPC basis by SINOPEC SEG, which has full EPC capabilities and an established track record in both PET and PTA projects. SINOPEC SEG will work with our Engineering division (which will provide critical equipment and services on a subcontracting basis) in the implementation of the local portion of this project, to guarantee on-time and on-budget implementation, as well as for offshore services.

We estimate that the total capital expenditures associated with the construction of the project will be approximately US\$1.15 billion (€884.6 million, translated at a rate of €1.0 : US\$1.3), to be incurred over the next three years until its expected completion in 2016, and to be financed through the following (each, as further described below):

- EPC contract with SINOPEC SEG pursuant to which it will arrange export financing in an amount of US\$350 million (€258.7 million);
- DAK agreement pursuant to which it will provide financing in an amount of US\$350 million (€258.7 million); and
- Inbursa Loan (Corpus Christi) in an amount of US\$250 million (€184.8 million),

with the remainder being financed by either operational cash flows or the proceeds of the Global Offering.

In January 2013, we entered into an EPC contract with SINOPEC SEG under which it has agreed to execute the construction of the Corpus Christi project on a turnkey basis (delivering a plant ready for operation) for a total consideration of US\$1.15 billion (€884.6 million, translated at a rate of €1.0 : US\$1.3). Pursuant to the contract, SINOPEC SEG has agreed to arrange US\$350 million (€258.7 million) in export financing on our behalf for the purchase of equipment to be sourced from China. We are presently in negotiations with ICBC with respect to this export financing.

In January 2013, we entered into an agreement with DAK (the "Sourcing Agreement") pursuant to which DAK will finance part of the Corpus Christi project with a US\$350 million (€258.7 million) investment, in exchange for the right to purchase 400 kMT/year of PET from us for five years from

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commencement of operations at Corpus Christi, at a price based on our cost of converting raw materials into the finished product on a “cost-plus” basis. The “cost-plus” formula is subject to an adjustment mechanism, which adjusts the cost charged by reference to actual costs and indexed costs. Repayment of this US\$350 million (€258.7 million) investment is to be settled by delivering a quantity of 400 kMT per year of PET to DAK from the Corpus Christi plant.

In January 2013, we also entered into a tolling agreement with DAK (the “Tolling Agreement”), pursuant to which, for a period of 20 years beginning from the expiration of the Sourcing Agreement. We will supply to DAK 400 kMT/year of PET produced with PX and MEG supplied by DAK on a toll conversion basis (an arrangement whereby a producer converts raw materials provided by the customer into the finished product, which the customer then off-takes from the producer), based on our estimated production costs. The tolling fee is subject to an adjustment mechanism, which adjusts the amount by reference to actual costs and indexed costs; the margin is fixed.

In January 2013, we also entered into a toll conversion agreement with Akra, which owns the PTA plant that is co-sited with our PET plant at Altamira (the “Toll Conversion Agreement”). Pursuant to this agreement, Akra will supply our Altamira plant with what is expected to be approximately 100 kMT/year of PTA from its co-sited PTA plant using PX supplied by us on a toll conversion basis based on its cash costs.

The remaining capacity available at Corpus Christi, after the off-take pursuant to the Sourcing Agreement and Tolling Agreement with DAK, is expected to be 600 kMT/year of integrated PET and 360 kMT/year of excess PTA, which we intend to use to supply our PET plant at Altamira pursuant to the PTA Swap Agreement. We expect that this portion of PTA from Corpus Christi, together with the PTA supplied through the Toll Conversion Agreement with Akra, will meet all of the PTA requirements of our Altamira plant.

The table below presents the utilization of the expected PTA/PET prime capacity at the Corpus Christi plant under the agreements described above:

Agreement	PTA	PET
	(kMT/year)	
Sourcing Agreement/Tolling Agreement ⁽¹⁾⁽²⁾	336	400
Remainder of PTA to supply Altamira PET plant under the PTA Swap Agreement ⁽²⁾	360	0
Remainder of PET for sale to the market ⁽²⁾	<u>504</u>	<u>600</u>
Total⁽³⁾	<u><u>1,200</u></u>	<u><u>1,000</u></u>

Notes:

- (1) Off-take by DAK pursuant to the Sourcing Agreement is in effect for the first five years following commencement of operations at the Corpus Christi plant. Off-take by DAK pursuant to the Tolling Agreement is in effect for 20 years following expiration of the Sourcing Agreement.
- (2) The production of one ton of PET requires approximately 0.84 MT of PTA.
- (3) The total represents the prime capacity of the Corpus Christi plant, as opposed to the nominal capacity of 1,300 kMT of PTA and 1,100 kMT of PET.

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In March 2013, we also obtained financing from Inbursa in an amount of US\$250 million (€184.8 million) to fund the construction of the Corpus Christi project. See “Financial Information — Management’s Discussion and Analysis of Financial Condition and Results of Operations — Indebtedness — Bank loans — secured — Inbursa Loan (Corpus Christi)” for a description of the agreement with Inbursa.

We also expect to sell a portion of the PET produced in Corpus Christi at market prices to customers of our bio-MEG plants to be constructed in China. See “— China bio-MEG Project” below.

Preparatory work started in late 2011 and the following steps have been completed: feasibility and conceptual studies; identification of requirements of equipment, square footage and storage space; rail yard design, geological survey, hazard and operability studies and site selection. In September 2012 we purchased land for the construction of the plants located within the port of Corpus Christi, providing convenient access to rail and navigable waters. We expect to begin obtaining the required permits and other approvals to construct the plants by the first quarter of 2014.

China bio-MEG Project

We are currently planning the construction in China of two bio-ethanol plants with expected nominal capacity of 110 kMT/year each, and an E2E plant with expected nominal capacity of 220 kMT/year, all of which we expect to become operational in mid-2015 (the “China bio-MEG project”). The two bio-ethanol plants will use the PROESA® pretreatment proprietary technology for the production of fermentable sugars from any biomass, which are then used to produce bio-ethanol. The PROESA® technology is owned by our affiliate Beta Renewables, which has already successfully executed a similar demonstration plant in Crescentino, Italy, to which management has access and in which management has expertise. We have entered into a memorandum of understanding with Novozymes, one of the partners in the Beta Renewables joint venture, pursuant to which Novozymes is to supply necessary enzymes for the China bio-MEG project on an exclusive basis for a period of 15 years. We have an exclusive PROESA® license in relation to all PET raw materials applications. The E2E plant will use existing technology available on the market to produce bio-MEG from the bio-ethanol produced at the bio-ethanol plants. We will select the supplier of such existing technology prior the commencement of the construction of the E2E plant and appropriate licenses will be obtained from the relevant technology supplier at that time. Our management has experience with this technology and our Engineering division has already constructed similar E2E plants for third parties. We also plan to purchase an additional PROESA® license from Beta Renewables for the production of bio-ethanol (which is not a PET raw material) at the plants towards the end of 2013.

In April 2013, we signed a letter of intent with the Guozhen Group, which we are considering as a potential joint venture partner in our China bio-MEG project. Guozhen Group operates a biomass power plant in Fuyang City, PRC, with relevant experience in biomass and other environmental activities. Guozhen Group is an Independent Third Party. In the proposed joint venture, the Guozhen Group will have responsibility for the supply of one million metric tons of straw biomass, as well as project approval, land acquisition and utilities procurement for the China bio-MEG project. Guozhen Group will use lignin resulting as a by-product from the bio-ethanol plants to feed a 45 MW cogeneration plant, which will be co-sited and constructed simultaneously with the China bio-MEG project. We will be the majority partner in the China bio-MEG project and a minority partner in the power plant.

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We expect that the engineering and construction for these plants will be carried out by our Engineering division and will commence in mid-2014. We estimate that the capital expenditure associated with the construction of the plants will total approximately US\$440 million (€338.5 million, translated at a rate of €1.0 : US\$1.3), to be incurred over the 18 months following the Listing Date. We plan to finance this project with a combination of the proceeds of the Global Offering and other sources.

We expect that production will begin in mid-2015, and that the bio-MEG produced at these plants, together with by-products such as diethylene glycol, triethylene glycol and lignin, will principally be sold in local markets, minimizing logistics costs. We have received indications of interest from, and had initial discussions with, potential customers interested in purchasing bio-MEG produced at our planned Chinese plants.

In particular, we plan to sell the bio-MEG produced at the E2E plant to the Chinese branches of large, global food- and beverage-brand owners. We expect to enter into agreements with these customers pursuant to which they will purchase bio-MEG from us to produce bio-PET locally, providing them with logistical and working capital efficiencies. In exchange, these purchasers will commit to purchase at market prices a corresponding amount of standard PET from our Corpus Christi plant. Since our China E2E plant's expected nominal capacity of 220 kMT/year of bio-MEG can be converted into approximately 600 kMT/year of PET, we believe that such arrangements would ensure the full loading of our Corpus Christi plant from our new China E2E plant without incurring the freight cost we would otherwise incur if we were to ship the bio-MEG from China to Corpus Christi.

We have selected Fuyang City, Anhui Province as the location for our China bio-MEG project. This location offers convenient access to transportation, and is located in a major agricultural region in China. It also has access to large supplies of biomass, mainly consisting of wheat straw and cornstalk (as agricultural waste from wheat and corn crops grown in the region). Current industry estimates of biomass prices are lower than those of petroleum-based raw materials and are in the range of US\$200 – 250 (€148 – 185)/MT, inclusive of feedstock costs, yields and logistics costs, according to PAL.

By the end of 2013 we intend to sign a joint venture agreement with our local partner for the bio-ethanol plants and purchase the land for the plants. In the first quarter of 2014 we expect to finalize site selection and complete engineering plans for the plants, followed by the purchase of dehydration and MEG licenses and emission permits in the second quarter of 2014. We anticipate to commence construction of the plants in mid-2014 and begin production in mid-2015.

Customers

We have a strong and stable customer base for our PET division, which includes companies that convert PET into containers (“converters”) and brand owners. Our direct customers are companies in major brand-owner groups such as Coca-Cola (including the Dasani brand).

Our five largest PET customers in the six months ended June 30, 2013 were Amcor, Graham Packaging, Plastipak Packaging, Coca-Cola FEMSA and GEPP/Proplasa. None of our Directors, their associates, or any Shareholders who to the knowledge of our Directors owns more than 5% of our issued share capital, had any interest in our five largest customers during the Track Record Period, other than William John Long Jr., who holds less than 0.03% of the issued ordinary shares of Amcor.

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For the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013, our top five customers represented in the aggregate approximately 41%, 41%, 37% and 48%, respectively, of our total revenues and our single largest customer represented 21%, 19%, 18% and 23%, respectively, of our total revenues. We have enjoyed long-term relationships with each of our key customers, including our top five customers, some of which have been conducting business with us for over ten years, and the contractual agreements we have in place provide us with a relatively stable order flow from our customers despite cyclical fluctuations in industry-wide supply and demand.

We sell our products under contracts with our customers, as well as, to a lesser extent, on a spot basis. During periods of excess capacity in the industry, many of our PET customers prefer to purchase part of their raw materials on a spot basis rather than under term contracts in order to benefit from decreased prices resulting from the excess supply. However, this is partially offset by awareness of cyclicity of capacity in the industry and the time required for new capacity to become operational, which typically encourages certain customers to maintain a portion of their volume subject to contract with us at all times. We have secured approximately 75% of our sales under written agreement, both with converters and directly with brand owners.

Most of our contracts also contain some form of volume protection for us (such as volume-related penalties) or require our customers to purchase an agreed minimum percentage of their requirements from us. As a result, we have historically achieved capacity utilization rates around or in excess of 85% at almost all of our plants during the Track Record Period.

We generally have multiple, country-specific long-term contracts with our key customers rather than a single contract, which mitigates the risk of losing any of our key customer's entire business.

Contract durations are predominantly multi-year, ranging from two to five years in North America and up to eight years in "Mercosur" (Argentina, Brazil, Paraguay and Uruguay). In general, any termination rights apply only on breach and some of our contracts include renewal clauses providing that if the contract has not been renewed at its termination date, the parties can negotiate the terms of the renewal post-termination without interruption of business. The normal consequence for breach by either party under our contracts with our five largest PET customers is a remedy for contractual damages.

We offer our customers new PET applications, which we believe are not yet offered by our competitors, before we make them generally available on the market, in order to build strong, long-term relationships with our customers. We have traditionally enjoyed consistent sales volumes with our key accounts not only because we are often asked to supply more technologically sophisticated PET grades, which many other producers cannot supply, according to PAL, but also because we typically supply all or substantially all of the raw materials required by certain key customers directly to their individual sites. Some of these customers have, over time, adapted their manufacturing equipment to our PET resin grades, and switching to another supplier may therefore cause them to incur additional costs due to a need to modify their equipment. We believe that these customer relationships, in addition to the volume protection generally embedded in our sales contracts, give us a strong competitive advantage in the industry.

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Pricing and payment terms for PET customer contracts

The nature of most of our contracts allow us to effectively pass through to our customers fluctuations in the published PTA and MEG market prices, consistently with market practice in the Americas, according to PAL. Approximately 62% of the revenues in our PET division during the Track Record Period were earned pursuant to “cost-plus” arrangements, which provide for fixed spreads over published raw materials prices, as published by industry consultants in recognized industry publications including price reports by PCI Consulting Group, Tecnon OrbiChem, IHS Inc. (formerly Chemical Market Associates, Inc. (CMAI)) and ICIS Pricing. Such published raw material prices are used as a reference by the industry for a given month, for each of the main raw materials, with the aim of reflecting the general market conditions in the industry. These prices may vary from consultant to consultant. In addition, slightly more than 32% of the revenues in our PET division were earned pursuant to “variable spread” arrangements which re-set prices monthly, at then-prevailing spot market prices to reflect raw material price fluctuations as well as supply and demand conditions in the market. The remainder of our PET revenues are earned at spot-market prices which are significantly determined by raw materials costs. The type of pricing mechanism to be adopted for each sales contract depends on various factors, such as customer preference, risk attitude and perceptions of the future PET supply and demand balance.

As most of our PET revenues have historically been generated pursuant to contracts which provide for spreads (fixed or variable) over published raw material prices, measured at the time of the relevant sales order, we have generally been able to pass on fluctuations in raw materials prices to our customers. The time lag between the purchase of raw materials and the sale of products to our customers generally does not exceed one month, and we use reference prices from the same month in which the product is sold, significantly reducing our exposure to significant fluctuations in the costs of raw materials.

In nearly all of our contracts, our prices include shipping costs. Therefore, we generally assume the risk of higher freight costs in delivering PET to our customers’ plants.

Sales and Marketing

Consistent with industry practice, we do not rely on advertising to sell our products. We focus on direct sales to customers, which allow us to maintain direct contact with the end-users of our resins, and do not rely to a significant extent on distributors. During the Track Record Period, the majority of our products were sold directly to customers, while no more than 5% were sold to independent distributors which primarily target smaller customers in Mexico and Brazil.

We rely on two sales groups in the Americas: one focuses on Mercosur and is based in Brazil, and the other covers North America and Mexico and is based in North America. Our customers require reliable, timely delivery of high quality products. Although our products are distributed by independent transportation companies, our account managers directly contract and arrange the vast majority of our product shipments so that we can provide personalized attention to our product deliveries and to promote sales of our products to potential customers.

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Raw Materials

The principal raw materials required for the production of PET are PTA and MEG.

PTA

PTA is a key raw material in the production of polyester, and is primarily used in the production of fibers and yarns for textile products, and in the production of PET. It is produced by reacting PX with acetic acid in a process which first forms crude terephthalic acid from PX, then purifies it into PTA. PX, approximately 0.67 MT of which is generally required to produce 1 MT of PTA, is a widely manufactured refinery petrochemical commodity extracted as a refinery by-product in the production of gasoline. PX is entirely used in the manufacture of PTA. We typically purchase PTA, but most of our existing PTA contracts provide us with the option to purchase PX and to require our suppliers to convert such PX to PTA under pre-defined toll conversion terms, thus allowing us to take advantage of market fluctuations in the price of PX. For the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013, 57%, 60%, 62% and 64%, respectively, of our total cost of sales for our PET division was attributable to PTA costs.

We expect that our Corpus Christi plant will enable us to produce our PTA requirements for Corpus Christi and part of our Altamira plant PTA requirements.

MEG

MEG is produced from ethylene, a widely available basic petrochemical. Most of the global MEG production is used in the manufacture of PET, the remainder being used to produce anti-freeze and for industrial solvent uses. For the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013, 20%, 21%, 21% and 23%, respectively, of our total cost of sales for our PET division was attributable to MEG costs.

We are currently planning the construction of bio-MEG production facilities in China which we expect will allow us to produce MEG cost-effectively and will allow us to achieve “virtual” vertical integration due to agreements with our customers. See “— Projects Under Construction — China bio-MEG project”.

Other raw materials

Other raw materials for PET production are isophthalic acid (“IPA”) and diethylene glycol (“DEG”), which we source from various producers on a contract basis.

Procurement and Suppliers

Our key raw materials procurement is organized as a global function, while logistics and production planning are managed on a regional basis.

We typically purchase PTA and MEG in bulk, and therefore benefit from economies of scale and cost efficiencies. We also purchase our raw materials for our plants on a regional basis, which assists us in managing logistics costs. In addition, we have also put in place mechanisms to address potential disruptions in the supply of either PTA or MEG. In particular, we procure our raw materials from major suppliers which have multiple production sites. As a result, we benefit from contractual

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provisions pursuant to which we can procure raw materials from our suppliers' other production sites in case of supply disruptions at a particular site. Some supply contracts have volume provisions providing for minimum and maximum quantities, offering additional flexibility in case a particular supplier experiences supply difficulties. We generally procure our key raw materials on a contract basis, with a typical contract duration of three to five years.

PTA is more effectively sourced on a regional basis because of the high costs generally involved in transporting PTA, whereas MEG supply is controlled by a limited number of producers. In the NAFTA region, we source all our PTA and MEG requirements within the region, and in particular 100% of the Altamira plant's PTA requirements are sourced from the co-sited GPT plant. In Brazil, we source approximately 70% of our PTA requirements from Mexico and expect to source the balance going forward from the newly built Petroquímica Suape PTA plant, which is co-sited with our Suape PET plant, while all of our MEG requirements are sourced from the NAFTA region.

Our five largest suppliers during the six months ended June 30, 2013 were GPT and Cepsa Química Montréal L.P. for PTA supply, as well as MEGlobal Americas Inc. and Shell Chemical LP for MEG supply and Companhia Pernambucana de Gás — Copergás for utilities. For the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013, our top five suppliers represented approximately 82%, 84%, 86% and 88% of our total purchases of raw materials, process and spare parts, respectively, and our single largest supplier represented approximately 39%, 39%, 45% and 44% of our total purchases of raw materials, process and spare parts, respectively. None of our Directors, their associates, or any Shareholders who to the knowledge of our Directors owns more than 5% of our issued share capital, had any interest in our five largest suppliers during the Track Record Period.

Our long-standing relationships with our key suppliers have led to close cooperation, resulting in increased supply efficiencies. We have had long relationships with many of our major PTA and MEG suppliers and benefit from favorable arrangements, including favorable logistics arrangements, as described below.

Our contracts with our largest suppliers generally provide for them to supply a percentage of our requirements or for purchases within a range, with minimum and maximum expected purchases. Our contracts do not contain penalties for failure to buy minimum expected purchases and do not contain explicit damages for breach of such purchase commitments. We have not breached any minimum purchase commitments with our suppliers during the Track Record Period.

Our PTA pricing terms are based on published prices for PX, the primary raw material for PTA; these prices are not directly linked to fuel product prices, and accordingly fluctuations in fuel prices do not have a significant effect on the prices of the PTA we purchase. Most of our existing PTA contracts provide us with the option to purchase PX and to require our suppliers to convert such PX to PTA under pre-defined toll conversion terms, thus allowing us to take advantage of market fluctuations in the price of PX.

Our MEG pricing terms are negotiated based on supply and demand in North America, as well as with reference to observed Asia MEG contract prices and spot prices, which is consistent with industry practice.

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We have also put mechanisms in place to address potential disruptions in the supply of either PTA or MEG. These mechanisms include the selection of suppliers who have multiple production sites and contractual provisions pursuant to which we can procure raw materials from our suppliers' other production sites in case of supply disruptions at a particular site. Additionally, some supply contracts have volume provisions which provide for minimum and maximum purchase quantities. If a particular supplier experiences supply difficulties we can then switch to another supplier with whom we have the ability to increase our purchases. We also seek to co-site our facilities with our suppliers, which reduces the risk of disruptions due to transportation. Safety stock is also maintained, in some case by us, in others by our suppliers.

We have maintained relationships with our five largest suppliers for between six and 13 years. GPT is a Mexican company which produces PTA, polyester polymer, PET, polyester simple fiber, textile filament and industrial yarn. It is a subsidiary of Alpek, S.A.B. de C.V., which is owned by ALFA, S.A.B. de C.V. Cepsa Química Montréal L.P. was founded in 2000 as a joint venture between Société Générale de Financement du Quebec and Compañía Española de Petróleos, S.A.U., the second largest oil company in Spain. MEGlobal Americas Inc. is a joint venture between The Dow Chemical Company and Petrochemical Industries Company and manufactures and markets MEG. Companhia Pernambucana de Gás — Copergás is a Brazilian gas supplier, which has a concession to distribute gas generated by Petrobrás in Pernambuco state. It is owned by Petrobrás, Pernambuco state and Mitsui do Brasil. Shell Chemical LP is a U.S. subsidiary of Royal Dutch Shell plc and produces bulk petrochemicals.

Our largest PTA supplier is GPT, which supplies us with PTA in Mexico directly to our PET production facility, which is co-sited with GPT's PTA production facility. This has allowed us to eliminate freight costs in relation to the delivery of PTA to that plant, resulting in significant cost savings, as our Altamira plant represents over half of our North American capacity. Our PTA contract with GPT will remain in place until 2018, but is subject to early termination upon the coming on-stream of our new PTA facility in Corpus Christi, Texas, United States. See “— Projects Under Construction — Corpus Christi PTA/PET Project” for more information on PTA supply at Corpus Christi. We are currently negotiating a multi-year extension to our supply agreement with Cepsa Química Montréal L.P., which we expect to conclude before the end of 2013.

Our Suape plant also enjoys logistics savings due to the plant's location at the Suape port, which gives us access to inexpensive ocean freight rates when importing raw materials from Mexico and Asia. In April 2013 we began purchasing PTA from the newly built PTA plant of Petroquímica Suape (a subsidiary of Petrobras) which is co-sited with our Suape PET plant and which also provides us with additional logistics savings and synergies (we do not, however, benefit from any favorable terms on purchases from Petrobras).

Inventory Control

We have an inventory control system in place, which enables us to closely monitor and manage our finished products and raw material inventories at each site in accordance with predetermined target levels. We also apply a “first in first out” system, where feasible, to ensure rapid turnaround of the various raw materials, although there are no particular risks of obsolescence of inventory of PTA and MEG.

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Our inventory control process begins with our sales group providing its forecast of global demand to the plants in the supply chain. Each plant then performs a review of its inventory and forecast demand and subsequently allocates its forecasted demand (by product, location and volume) according to a long-term plan, incorporating planned shutdowns, demand swings, and working capital targets. This is also monitored by management during the planning process, to identify any significant deviations from the plan. Local supply chain managers take into account demand, regional inventory and production constraints to develop a production plan for each plant. Throughout the process and until the next forecast input, the production performance, demand performance and inventories are monitored weekly on a product-by-product basis, and individual production plans are adjusted as necessary. This process also helps us determine our raw material requirements, and orders are consequently placed with the objective of optimizing purchase price, fulfilling contractual agreements and optimizing working capital.

We also conduct physical checks of our inventories, both at our plants and at our external warehouses. Teams of various functions perform monthly counts and reconciliations of finished product and primary raw materials (PTA and MEG), as well as year-end physical counts of the finished product and all raw materials.

Quality Control

Our quality control system is a global procedure, applied consistently at all our PET plants. Quality control activities generally fall within the Quality, Health, Safety and Environmental (“QHSE”) group responsibilities, however certain visual controls are performed by production operators in specific cases. We have implemented internal guidelines for our various product grades and relevant quality specifications, which determine the frequency of the quality control tests we perform. Each production batch is sampled and classified based on quality results, and the quality parameters of each production lot are determined as the average of the batches contained in each lot. The product is then loaded in railcars, containers or trucks, and samples are pulled from the railcar or trucks to check physical properties and for external contamination. If all results are according to specification, the product is released for sale; otherwise it is addressed to be reworked internally, or disposed of as “off-spec” or scrap. Typically, a majority of the total “off-spec” product generated in our plants is reworked or recovered internally, and the remainder is disposed or sold in the market.

The QHSE Manager at each plant has responsibility for quality control and oversight of the health and safety system. Quality control is performed through chemical analysis of the product carried out in the plants’ laboratories, which are staffed 24 hours with analysts working in shifts. The daily activity of the laboratories is organized by coordinators and supervisors who work daily shifts and report to the QHSE Manager. Shift analysts usually have bachelor’s degrees in chemistry, and depending on the region their experience can vary from a few years (Brazil and Mexico) to more than 15 years of industrial service (USA).

Every new raw material supplier is validated through a series of full analyses at our Sharon Center R&D facility, and must pass an industrial test in the production plant lasting at least 72 hours. Once a supplier is approved, it must provide certificates of analysis for each production lot, and upon receipt of a production lot, our quality control team performs a check of the material’s specific properties.

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Third-party transportation and external warehousing contractors are validated by our quality control team through specific audit protocols on operating procedures and product protection, that require periodic validation visits at the contractor's premises throughout the duration of the contract.

We do not have a standard policy for product returns; in the event of a product return request, our Sales & Marketing function would be responsible for agreeing with the customer on the return of one or more of the production lots on a case by case basis.

Engineering Division

Overview

Through our Engineering division we offer full service engineering and technology services, delivering projects for customers in the polyester chain (including PET, polyester fiber and PTA production) and LNG industries. Our services, which we offer through our subsidiaries in China, India and the United States, include the implementation of the Ghisolfi Group's proprietary technologies, in-house research and development services, technology transfer services, conceptual and feasibility studies, process optimization and debottlenecking, basic and detailed engineering, global strategic sourcing and EPC services.

Our Engineering division combines our engineering expertise with the 60-year consolidated manufacturing experience of the Ghisolfi Group. This distinguishes us from many of our competitors, as chemicals and oil and gas manufacturing companies typically outsource their engineering and EPC activities to third party contractors. We believe that this also represents a competitive advantage for us as it allows us to capitalize on synergies and cost efficiencies not available to such competitors.

Furthermore, our Engineering division's ability to implement our Group's proprietary technology allows this business unit to capitalize on the key high growth segments in its reference markets, particularly the construction of polyester, PTA, E2E and LNG production facilities.

In the LNG market, our Engineering division primarily constructs small- to medium-sized LNG production facilities in China.

We believe our Engineering division is recognized by many global customers as a leader in its field. We provide services in a variety of industry sectors, including:

- *energy and environmental*: we have been awarded 19 LNG projects in China in the last six years (of which 10 are currently under construction), which have provided remote locations (such as Inner Mongolia, Xinjiang, Northern Shaanxi and Ninxia) with access to clean fuel;
- *polymers and fibers*: as at December 31, 2012, we had contracted the installation of over 6 mMT of annual PET resin capacity and approximately 9 mMT of annual fiber capacity, representing approximately 25% and 21%, respectively, of the total global installed capacity; and
- *bio-projects within the polyester chain*: we will carry out engineering projects that are related to bio-projects within the polyester chain.

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We also work with local partners to provide cost-effective engineering services to our customers. Key collaboration partners include Black & Veatch, with which we have an exclusive relationship pursuant to which we market, sell and execute LNG projects in China implementing Black & Veatch's PRICO® technology; and Invista Performance Technologies & LaSeda, with which we have a long-standing relationship providing engineering services to package their PET technologies for licensing to end users.

Business Models

We conduct our Engineering division business through three main business models:

- *EP Model (technology transfer)*: This is the core business model of our Engineering division and comprises basic engineering, critical equipment supply and technical field support services for plant installation, commissioning and start-up in relation to projects implementing the technologies of our Group. This model covers both projects in which we implement our proprietary technology to provide the EP service, and those projects which license and implement our proprietary technology in the completed plants. The average duration of our contracts for these types of projects range from 12 to 18 months. As the technology is well known to us and our scope of supply well defined and within our control, the probability for over-run or delay for this type of project is less than that of the EPC model. This model accounted for 71.2%, 85.0%, 96.6% and 82.2% of our Engineering division's total revenues in the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013, respectively.
- *Bulk engineering services ("E") Model*: This is our basic engineering services package that does not involve any transfer of our technology. We rely on our strong and sizable resources in India to offer detailed engineering services on a cost-competitive basis to international customers who seek to incorporate cost-effective engineering into their existing project implementation plans. Customers using this model include Burns & McDonnell and ABB. Under this model, we do not provide our own technology but only provide engineering services to implement third-party technologies in the customers' projects. These are low-risk projects when contracted on a reimbursable basis. For such projects contracted on a lump-sum basis, we must exercise disciplined project management to mitigate against cost overruns. We generally undertake these projects on a reimbursable basis. This model accounted for 8.6%, 10.8%, 2.2% and 2.2% of our Engineering division's total revenues in the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013, respectively.
- *EPC Model*: This is our engineering, procurement and construction services package and is offered in selected cases where we are familiar with the location, the customer and the technology to be implemented. This offering comprises the same services we offer in our EP model, with the addition of plant construction services. In these projects we typically work with experienced construction contractors that we are familiar with, in order to minimize the project risk. The EPC model represents our most complex and challenging offering, and involves more risk than the EP model, as the construction phase is affected by factors outside our control, and contracts can run for 24–30 months depending on the technology involved. Key factors in the execution of projects under this model are effective project/construction management, quality of work, cost control, detailed planning and adherence to schedule from project kick-off to plant completion. Examples of projects

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using the EPC model include the Fabtech sulphur plant in India and the CNGC Bazhou and Jilin Qianyuan LNG plants in China. This model accounted for 0.0%, 0.0%, 0.9% and 7.2% of our Engineering division's total revenues in the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013, respectively.

We also offer additional project development services including project financing, sales and marketing.

Our Engineering division's core business is represented by the EP model, which is generally more profitable than the E model and entails less exposure to risks than the EPC model. Through the EP model, we are able to realize higher margins by leveraging our Group's proprietary technology, without being exposed to the additional risk associated with providing construction services.

Revenue Breakdown

The table below sets out a breakdown of our Engineering division's revenues by business model and type of plant, in the three years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013:

	For the year ended December 31,			For the six months ended June 30,
	2010	2011	2012	2013
	(euro millions)			
Revenues by business model				
E (Bulk Engineering)	7.6	9.3	3.0	1.1
EP (Technology Transfer)	62.4	72.7	129.5	43.6
EPC	—	—	1.2	3.8
Other services ⁽¹⁾	17.7	3.5	0.4	4.5
Total	<u>87.7</u>	<u>85.5</u>	<u>134.1</u>	<u>53.0</u>
Revenues by type of plant				
LNG	44.6	45.3	66.4	32.6
PET	18.9	24.7	41.6	14.4
Other	24.2	15.5	26.1	6.0
Total	<u>87.7</u>	<u>85.5</u>	<u>134.1</u>	<u>53.0</u>

Note:

(1) Other services revenue includes sale of a building and other revenues such as insurance reimbursement.

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Major Projects

In addition to the two bio-ethanol plants and the E2E plant to be constructed on an EPC basis under the China bio-MEG project, our Engineering division is involved in the construction of several other projects including LNG, polyester and PTA plants.

Completed Projects

The table below describes the Engineering division's principal projects completed during the Track Record Period:

<u>Project</u>	<u>Description/Size</u>	<u>Business Model</u>	<u>Product</u>	<u>Contract award date</u>	<u>Completion and start-up</u>
PCBL Carbon Black Project, Kochi	Details engineering for PCBL Carbon Black Project, Kochi	E	Other	2011	2012
Praxair, Murbad project	Civil detail engineering for Praxair, Murbad special industrial gases	E	Other	2011	2012
Indorama CP2/CP3	Indorama CP2/CP3, modification	E	PET	2012	2012
Tartarstan	Supply of equipments in Tartarstan (Russian) Oil and Chemical complex plant	EP	Other	2010	2012
Hindustan Zinc Ltd., India	Engineering services, inspection / expediting services and construction supervision services for 400 kMT/year Zinc Melting and Casting & 100 kMT/year Lead Melting and Casting project at Pantnagar, Uttarakhand	EP+field services ⁽¹⁾	Other	2011	2012
Samsung Total Petrochemicals Co., S. Korea	Revamping of ethylene to high purity ethylene oxide plant at Deasan, South Korea	E	Other	2010	2011
Xin Feng Ming MPP-3, China	Polyester textile grade polymer, 600 MT/day	EP	PET	2009	2010
Alok Industries, India	Polyester MPP project, 500 MT/day for feeding MPP-2 & MPP-3	EP	PET	2009	2010
PKN, Poland	Cobalt recovery unit from PTA waste water of 200 m ³ /hr	EP	Other	2008	2010
Jingbian Xilan LNG, China	LNG, 500,000 Nm ³ /day	EP+field services	LNG	2008	2010

⁽¹⁾ "Field services" consist of assistance with erection, field engineering, training and start-up support.

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Backlog

As at June 30, 2013, the contract value of our total backlog (projects for which we have a firm commitment but for which work has not yet been completed and billed) was equal to €375.8 million. The following table lists our Engineering division's backlog of key projects, setting out for each project its contract value and unbilled value as at June 30, 2013, commencement date and expected completion date:

Project	Business Model	Contract Value (in euro millions)	Unbilled Value ⁽¹⁾ (in euro millions)	Contract Award Date	Expected Completion Date
Erdos Hongii Yitai (off shore), China	EP	28.5	23.1	November 2012	October 2014
Shaanxi Jingbian Xingyuan Industry (off shore), China	EP+field services ⁽²⁾	22.7	2.1	March 2011	September 2013 ⁽³⁾
Ningxia Hongxing (off shore), China	EP+field services	19.0	13.1	August 2012	June 2014
North Energy (off shore), China . . .	EP+field services	18.9	18.5	November 2012	October 2014
Yulin Yuyang Yuanheng Energy (off shore), China	EP+field services	18.4	1.8	March 2011	December 2013
North Energy (on shore), China . . .	EP+field services	14.9	14.9	November 2012	October 2014
Tianjin Gas Dagang (on shore), China	EP+field services	19.8	4.4	August 2012	March 2014
Tianjin Gas Dagang (off shore), China	EP+field services	10.9	5.5	September 2012	March 2014
Jilin Qianyuan (on shore), China . . .	EPC	10.3	3.5	February 2012	February 2014
Xin Feng Ming CP7 (off shore), China	EP+field services	6.3	5.7	January 2013	June 2014
Xin Feng Ming CP8 (off shore), China	EP+field services	4.4	4.3	January 2013	June 2014
Xin Feng Ming CP9/10 (off shore), China	EP+field services	9.5	9.3	January 2013	June 2014
Xin Feng Ming CP7 (on shore), China	EP+field services	13.3	11.0	January 2013	June 2014
Xin Feng Ming CP8 (on shore), China	EP+field services	12.0	10.6	January 2013	June 2014
Xin Feng Ming CP9/10 (on shore), China	EP+field services	24.6	20.1	January 2013	June 2014
Shida Inner Mongolia (off shore), China	EP+field services	12.4	12.4	May 2013	October 2014
Shida Inner Mongolia (on shore), China	EP+field services	2.7	2.4	May 2013	October 2014
Others		<u>127.2</u>	<u>15.6</u>		
TOTAL		<u>375.8</u>	<u>178.3</u>		

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- (1) The “unbilled value” of our Engineering division backlog represents the difference between the total contract values of the signed but uncompleted contracts as at June 30, 2013 and the cumulative amount of revenues which have been recognized in our consolidated income statement on these projects as at June 30, 2013.
- (2) “Field services” consist of assistance with erection, field engineering, training and start-up support.
- (3) This project has now been completed.

Business Process

The key steps of the business process for all of the Engineering division’s business models is described below:

- identify and develop opportunity or receive enquiry/invitation to bid from the customer, which is then evaluated by our business development team and approved by management;
- proposal team is assembled to prepare technical and commercial proposals, and a cost estimate for management review;
- technical and commercial proposals are submitted to the customer and negotiations are conducted regarding the final scope, price and contract terms and conditions for the project;
- project commences upon agreement and signing of contract.

Our project execution procedure is standard among all EP projects. Based on indications from the customer and the licensor of the relevant technology, we prepare a conceptual design package for the customer’s approval. On the basis of the conceptual design package, we execute a basic engineering design package (“BEDP”), to be vetted by the licensor, which is our first key delivery to the customer. On the basis of the BEDP we produce engineering and procurement specifications. We procure key equipment, and assist the customer in its own procurement activities. We then prepare operating manuals, and train the customer’s personnel in the operation of the plant, and assist in the construction and startup of the plant. Finally, we supervise the performance of a test run on the newly-constructed plant.

In the case of an EPC project, in addition to the standard procedures outlined above, we also undertake construction management and construction work for the project. If necessary, we engage subcontractors to undertake part of the work.

Pricing Policy and Key Terms of Contracts

Projects in our Engineering division are usually contracted on a fixed price basis, with cost-reimbursement provisions in relation to field services or new technology development where factors beyond our control can impact costs.

Under our project contracts we typically supply know-how, critical equipment, basic and detailed engineering, and field supervision services for erection, start-up and testing of the plant. Construction management or construction may be included in certain cases.

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Our EP and EPC project contracts typically require a down payment of at least 15% of the total contract value, payable prior to commencement of work, with the remainder of the contract price payable in installments upon the achievement of specified project milestones; and we require payment security terms such as a letter of credit. Customs duties, and in some cases taxes, are usually borne by the customer. In engineering or EP project contracts we typically only guarantee schedules that are within our control, e.g. for the delivery of equipment.

We guarantee plant capacity, product quality and consumption rates of raw materials and certain utilities at startup, subject to the condition that the plant is operated according to the instructions given by us and by the customer, with the specified utilities and materials. If no successful test run can be completed within the commissioning period (typically four to six months), our contracts usually provide for us to pay liquidated damages up to a cap. We also give mechanical guarantees for the equipment we supply, covering defective design, materials and workmanship, with a typical duration of 12 to 18 months, and our contracts typically exclude liability for indirect or consequential damages.

Our bulk engineering services contracts are similar to our projects contracts in most respects. In these contracts, payment terms typically provide for payment on a “cost plus fee” basis or a rate schedule (per hour) basis, a 10% to 20% down payment and monthly billing, and a letter of credit as payment security. We generally do not provide delivery guarantees in our services contracts, which usually have limited liability, liquidated damages and warranty obligations provisions.

Subcontracting

Subcontracting represents a limited portion of our Engineering division’s costs (excluding the supplies of equipment and materials) and is generally limited to the following:

- equipment suppliers that fulfill our contractual obligations, where applicable, in supplying equipment and materials. For a large majority of our current business, we have developed a list of preferred suppliers, mainly for our LNG and polyester business;
- engineering contractors who supplement our resources when workload demands are higher than our own internal available resources, generally on a project basis and primarily in the performance of detailed engineering work; and
- construction contractors/subcontractors, which are used when we undertake projects on an EPC basis.

All of the above activities are project specific and are accounted for as “other operating expenses” under the percentage of completion method.

Customers

Our Engineering division has strong relationships with customers in Asia, particularly China and India. Key customers include Burns & McDonnell and ABB, which have been regular purchasers of detailed engineering services from Chemtex India since 2006, and Reliance Industries Limited, which has been a regular purchaser of EP projects for its Indian polyester plants for a number of years.

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The five largest customers of our Engineering division in the six months ended June 30, 2013 were Ningxia Hongxing New Energy Development Co., Ltd., Xin Feng Ming, Burns & McDonnell, Tianjin Gas and Tongxiang Zhongying. For the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013, our top five customers represented in the aggregate approximately 56%, 46%, 46% and 65%, respectively, of the total revenues of our Engineering division. None of our Directors, their associates, or any Shareholders who to the knowledge of our Directors owns more than 5% of our issued share capital, had any interest in our Engineering division's five largest customers during the Track Record Period.

In the LNG plant construction segment, PetroChina is our largest customer, representing approximately 19% of our revenues in 2010, 19% in 2011, 11% in 2012 and 1% in the six months ended June 30, 2013, and has sourced five projects from us since we began our engineering operations in 1987. According to CALI, China is considered an important market for LNG plants and peak-shaving facilities, as a result of the current trend towards the increased use of natural gas as fuel rather than coal due to environmental sustainability concerns, and expectations that new shale gas fields will be discovered in the country. Our customers in the LNG plant construction segment are mainly gas distribution companies, particularly in more remote regions of China, and municipalities located in areas where pipelines require pressure regulation or peak-shaving (the process of using sources of energy, such as natural gas from storage, to supplement the normal amounts delivered to customers during peak-use periods in order to prevent pipelines from having to expand their delivery facilities to cover short periods of extremely high demand during peak hours).

In the PET plant construction segment, our Engineering division's largest customers in terms of percentage of revenue include Far Eastern New Century Corporation, Reliance Industries Limited, Indorama Group, Alok Industries Limited and Xin Feng Ming. Xin Feng Ming is our largest customer in the PET plant construction segment, representing approximately 5% of our Engineering division's revenues in 2010, 9% in 2011, 17% in 2012 and 8% in the six months ended June 30, 2013. The PET plant construction industry has benefited from the rapid growth in the production of polyester fiber and bottles in Asia, particularly in China. Our customers in this segment are mainly large private companies requiring plants that are fully integrated across the polyester production chain.

Sales and Marketing

We generally do not advertise or market our engineering services, and many of our projects originate with an inquiry from new and existing customers.

Our Engineering division's sales and marketing function, which comprises an international team located in India, China and the United States, publicizes new project awards and milestones, such as successful start-ups of new plants, and selectively targets specific industry segments in which our Group's technology can give us a competitive advantage.

Our decision to bid on each proposed project is based on an assessment of our technological capabilities, relationship with the customer, and the local market in the region where the project is located. Our final bids are based on an inquiry document detailing the specifications of the project, subject to further negotiations as appropriate.

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Raw Materials, Procurement and Suppliers

Our Engineering division's procurement process is project-specific, establishing a specific procedure for the purchase of all engineering equipment, materials and services for each particular project. This process entails the creation of a procurement plan for the project, the preparation of an engineering request for quotation, detailing the requirements of the project, the solicitation of proposals from approved suppliers, and the preparation of a technical bid analysis of the proposals, by which the suppliers are ranked based on their technical offers prior to the analysis of the commercial bid terms. Once a supplier's proposal is selected, its bid is negotiated by our project procurement manager within the project's target budget, and once the estimate is finalized, a purchase order is issued. The purchase order fixes the price of the required equipment, materials or services for the entire duration of the project.

In relation to the supply of specific equipment for polyester and LNG plants, we have established relationships with certain suppliers of compressors, reactors, cutters, filters and polymer pumps.

The five largest suppliers of our Engineering division during the six months ended June 30, 2013 were Dresser-Rand Corporation, Black & Veatch, Aska Corporation, Burns & McDonnell and Chart Energy and Chemicals, Inc. For the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013, our Engineering division's top five suppliers represented approximately 45.5%, 39.7%, 35.1% and 46.5% of the total purchases of our Engineering division, respectively, and our single largest supplier represented approximately 24.8%, 20.9%, 12.8% and 26.8% of the total purchases of our Engineering division, respectively. None of our Directors, their associates, or any Shareholder who to the knowledge of our Directors owns more than 5% of our issued share capital, had any interest in our Engineering division's five largest suppliers during the Track Record Period.

Inventory Control

Our Engineering division does not usually keep inventory other than in relation to specific projects. Therefore we do not normally utilize an inventory control system other than in projects for which we are responsible for managing our equipment and materials at the project site. In such projects, inventory control at the site is performed using project-specific procedures and tools. In all other cases, inventory control is only performed at the equipment manufacturers' facilities up to the contractual delivery point of the equipment or materials.

Quality Control

We have established procedures for the quality control of our engineering business and the activities related to inspection of equipment that require quality inspection (identified on a project-by-project basis). The engineering systems for quality control, primarily dealing with our detailed engineering activities conducted at our India and China offices, follow International Organization for Standardization ("ISO 9001") certified procedures and systems.

RESEARCH AND DEVELOPMENT

Research and new product development is an important part of our business. Our research and development programs focus on the development of new and improved products and processes for various markets and applications, as well as developing proprietary technologies.

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We are the only major PET producer able to use proprietary technology instead of using off-the-shelf PET technology from third-party suppliers, according to PAL. Our proprietary technology enables us to continue to expand our capacity from our current largest single PET production line in Suape, Brazil, which has a nominal capacity of 650 kMT/year, to our planned largest single PET production line in Corpus Christi, Texas, United States, which we expect will have a nominal capacity of 1,100 kMT/year. We also intend to apply our proprietary technology and that of our affiliates in the Ghisolfi Group (to which we have exclusive access) to the construction of our planned bio-ethanol and E2E facilities in Asia, which will allow us to enter into the bio-PET market.

We conduct our research and development activities at our Sharon Center Industrial Park facility in Sharon, Ohio, United States, which specializes in new product and new process development. We employ 27 people in research and development, including (i) support personnel for our PET production business, who are involved in PET formulation, customer support and testing (when required by customers without testing facilities at their production plants); (ii) personnel dedicated to our bio-MEG technologies and MOGHI; and (iii) two process engineers who focus on product implementation in the production plant, particularly when new formulations are introduced in the production lines, and can also provide support (when necessary) to our Engineering division.

Our total research and development expenditures (including capital expenditures) during each of the three years ended December 31, 2010, 2011 and 2012 amounted to €6.5 million, €4.7 million and €11.4 million, respectively, and in the six months ended June 30, 2013 amounted to €1.5 million.

The current focus of our research and development includes the following activities:

- Development of 100% bio-PET, in which all the raw materials are derived from biomass. This activity includes testing of the new raw materials and evaluation of the process to optimize production using the new raw materials. In this regard, we are also evaluating different technology solutions and evaluating the technical and cost impact of each;
- Formulation of a barrier-grade resin that allows improved physical properties and bio-content. This activity includes the selection of basic bio-derived chemical molecules, and their evaluation on the basis of both aesthetics and performance; and
- Optimization of the PET formulation to best adapt it to injection and blowing technologies, by which the molten polymer is formed into the final container shape.

Our Technologies

The key technologies that we rely upon for our business are set out below.

We own the intellectual property rights for the following technologies (as further described under “— Intellectual Property”, below):

- EasyUpTM technology for the construction of horizontal solid state polymerization plants. This technology eliminates the size limitations associated with traditional vertical SSPs and allows us to build larger PET production lines with capital expenditures marginally higher than those required to construct traditional production lines in the United States.

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- Barrier PET technology, other PET patents and PET process patents for the production of different grades of PET, including the following:
 - POLIPROTECT™, a technology for the production of monolayer barrier PET, which is a grade of PET that inhibits oxygen and carbon dioxide from passing through the container and is used in packaging oxygen- or carbon-dioxide sensitive foods and drinks and carbonated liquids;
 - BICO™, a resin technology for the production of compartmentalized pellets, which enables the delivery of two or more polymers within the same pellet and therefore allows performance-enhancing additives to be added directly into the PET pellets; this eliminates the need for customers to invest in enhancing their own facilities with costly new machinery for the production of PET blends; and
 - REPETE® MAX, a technology for the production of chemically recycled PCR-grade PET, a recyclable grade of PET which can be chemically broken down into its component parts during the recycling process. We are the only producer in the Americas capable of manufacturing chemically recycled PCR-grade PET, according to PAL.
- GREG hydrogenation technology for production of bio-MEG. This technology involves the use of hydrogen to convert the soluble sugars produced from one of the PROESA® technology streams into a mixture of glycols (polyols) from which ethylene glycol can be obtained through a separation and purification process. This technology is currently under development.

Our affiliates in the Ghisolfi Group own the intellectual property rights for the following technologies, to which we have exclusive access (as further described under “— Intellectual Property”, below):

- PROESA® technology for PET raw materials. This pretreatment technology, owned by Beta Renewables, involves the production of fermentable sugar, or a precursor of fermentable sugar, from any biomass, including non-food agricultural plants (such as poplar, eucalyptus and energy crops) and agricultural waste from wheat, corn and sugar cane crops. The sugars produced through PROESA® are used to produce sustainable bio raw materials for PET production by a direct conversion of the sugar to the PET raw materials.
- MOGHI technology for production of bio-BTX (a mixture of benzene, toluene and mixed xylenes) from lignin. Mixed xylenes can be converted largely to PX, one of the raw materials used in the production of PTA (which is in turn a raw material for PET). Lignin is the main byproduct resulting from the production of bio-ethanol from the fermentable sugars produced through PROESA®. Due to its high content of aromatic molecules (higher than that of crude oil), lignin can be used as a feedstock to produce BTX. Additionally, the toluene produced through MOGHI can be converted partially to mixed xylenes, which can then be converted largely to PX. Bio-PX can be used to produce PTA and then incorporated in traditional petrochemical PET production, thus using existing processes and technologies to produce “green” PTA and consequently “green” PET. This technology is in the early stages of development, which we are conducting at our pilot plant in Sharon Center.

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- “Bio-barrier”, a renewable oxygen scavenger barrier solution, which will be sold as a ready-to-use additive to be mixed with our standard PET grade. We expect to apply for U.S. Food and Drug Administration approval for this additive by mid-2013. The oxygen scavenger is used in barrier PET and is a bio-derived molecule, produced by fermentation from sugar, that can react with oxygen and that can be incorporated in the wall of a PET container using standard container production technologies. The oxygen scavenger, when present in the wall of the container and properly activated, reacts with the oxygen that flows through the container wall, therefore protecting the contents of the container from oxidation.

INTELLECTUAL PROPERTY

We believe that our intellectual property is adequately protected by our and other Ghisolfi Group members’ patent portfolios.

There are currently 402 national patents currently owned and in force (granted, not abandoned and annuities paid) by the Ghisolfi Group. There are currently 328 published pending patents or patent applications currently owned and in force (pending, not abandoned and annuities paid) by the Ghisolfi Group. Almost all patents cover the United States, Mexico and the main Western European countries. Several patents cover Brazil and the most recent barrier technology patents have a broad coverage that also includes Eastern European countries, former Russian Federation countries, China and other major Asian countries.

We hold all the relevant patents and patent applications for our EasyUpTM, barrier and GREG hydrogenation technologies.

The patents in relation to PROESA[®] are owned by our affiliate, Beta Renewables, which has granted us an exclusive license in relation to the production of PET raw materials, including bio-PX for the production of PTA. We plan to purchase an additional PROESA[®] license for the production of bio-ethanol (which is not a PET raw material) at our planned bio-ethanol plants in China.

The intellectual property rights in relation to the production of bio-BTX through MOGHI are owned by Biochemtex, which has licensed the exclusive rights relevant to the production of bio-xylene to us.

The bio-barrier renewable oxygen scavenger solution was developed in collaboration with a biotech partner, Amyris, Inc. (“Amyris”). Amyris owns the intellectual property rights for Farnesene, the molecule which is the basis of the oxygen scavenger, while we own the intellectual property rights for the use of such molecule as an oxygen scavenger for PET applications. Under the co-development agreement with Amyris, we will own all the intellectual property rights for the use of this barrier solution and will have the right to commercialize the final product, while Amyris will retain the rights relating to the Farnesene molecule.

Certain of these technologies (including certain barrier technologies) are licensed to third parties on a non-exclusive basis under royalty-bearing agreements, while others, such as EasyUpTM, are not licensed to third parties.

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Other than as disclosed in this prospectus, we have not been subject to any material infringement of our intellectual property rights or allegations of infringements by third parties during the Track Record Period, except infringements or allegations which do not have a material effect on our Group as a whole. We are, however, subject to risk in the protection of our intellectual property. See also “Risk factors — Risks relating to our Businesses — We may not be able to protect the intellectual property critical for the development and operation of our business, and may inadvertently infringe upon the intellectual property rights of third parties”.

COMPETITION

PET division

The key competitive factors for the PET industry are technology, scale, vertical integration, co-location with raw material production facilities, logistics costs and availability and cost of raw materials. The ten largest producers of virgin PET globally accounted for 59% of total installed capacity in 2012 and are forecast to account for 49% of global total installed capacity by 2017, according to PAL. In 2012, approximately 54 other producers accounted for the remaining global total installed capacity, according to PAL.

Of the top 10 global PET producers, M&G, China Resources, Lotte and Octal are currently the only ones solely producing PET resin, while the others are major polyester fiber companies or produce film or other products, according to PAL.

According to PAL, additional PET capacity is now primarily developed through investment in new lines and plants, as older, less efficient plants are replaced by larger, more efficient plants with nominal capacity of at least 220 kMT per line. Due to our proprietary technology, EasyUpTM, we are currently the only company that can build a single 1.1 mMT horizontal PET line, allowing for low variable and capital expenditure costs compared to competitors, according to PAL.

According to PAL, global PET capacity in 2012 was 24.3 mMT, and planned investments in the industry could add 12 – 19 mMT of additional capacity worldwide by 2017, which presents the risk of overcapacity in almost all regions. Natural growth in the market and the rationalization of older, less efficient plants or lines is expected to mitigate the effects of this potential overcapacity.

Our main competitors in the PET resin industry are Indorama and DAK Americas, as well as Sanfangxiang, China Resources, Far Eastern, Nan Ya, Octal, SINOPEC SEG, and Lotte Group (KP Chemicals), according to PAL. However, we believe that the quality and breadth of our product offerings provide us with a significant competitive advantage in the global PET resin market.

Engineering division

Polyester chain

The primary companies providing plant construction services in the polyester industry are our Engineering division, Zimmer America Corporation and Uhde Inventa-Fischer, and to a lesser extent the Chinese companies, CTIEI and Huitong Chemical, which have limited market share outside of

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China and have not historically had the ability to build individual lines larger than approximately 250 kMT, according to PAL. In 2012, the five main companies named above provided plant construction services in the polyester industry as well as other minor companies and subcontractors. The key competitive factors for plant construction services in the polyester industry are amount of invested capital, equipment, technology, professional expertise and qualifications. These factors are high barriers to entry in the industry in which we operate.

With projected increases in PET, PTA and fiber production capacity, PAL also expects the demand for construction of new plants to remain relatively high, at approximately 34–45 new plants each year. Demand for contracting and engineering services is continuous, according to PAL, but orders can be cyclical, affected by the global economy and the availability of capital.

Small- and medium-sized LNG plants in China

Among the technology suppliers and contractors available in the Chinese small- and medium-sized LNG plant market, the Black & Veatch PRICO® liquefaction technology supplied by our Engineering division has been the most extensively applied due to its reliability, broad adaptability and cost effectiveness. According to CALI, approximately 33% of the total current Chinese LNG industry liquefaction capacity, and 36% of that currently under construction in August 2012, implements this technology, while the rest employs imported technologies such as Linde, APCI, SALOF, SOFREGAZ and PROPAK, and local technologies such as Green Energy, Chengdu Cryogenic, Sichuan Air Separation and Huanqiu Contracting and Engineering. However, we believe our Engineering division is recognized by many global customers as a leader in its field.

INFORMATION SYSTEMS

We have in place a global IT infrastructure to deliver IT services to meet our business needs. The IT group is composed of a central corporate team, which is focused on IT governance, demand management and sourcing strategy, and several local teams (approximately one per site), mainly focused on primary user support and the delivery of local applications and services.

Our IT infrastructure is based on a multi-sourcing strategy, using an “alternative delivery and acquisition model” in order to ensure business continuity. All the main business and site applications used by our Group are run from a cloud-based data center located in Amsterdam. Our applications and IT services are run over high-availability infrastructures, and critical applications have strong backup sessions providing the ability to reduce our “recovery point objective” (i.e. the maximum period during which data might be lost from an IT service as a result of a major incident). All business-critical applications are run over a two- or three-tier infrastructure ensuring an effective and secure change management process; these applications are continuously replicated to a second datacenter located in Milan as part of our disaster recovery plan.

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All of our facilities are connected to the data center by high-bandwidth connections, all supported by backup lines, and our global network is configured to provide redundant access to both the global datacenters.

We have entered into agreements with third-party providers for the supply of certain IT services.

PROPERTIES

We manage our PET business through two regional headquarters located, respectively, in Houston, Texas, United States (for our North American business) and São Paulo, Brazil (for our South American business). Our Group's head office is located in Luxembourg.

Our PET research and development facility, Sharon Center Industrial Park is located in Sharon, Ohio, United States. Sharon Center specializes in new product development, particularly in the area of barrier-grade PET.

We manage our Engineering division through three regional offices located in China (Shanghai and Beijing), India (Bangalore) and the division's headquarters in the United States (Wilmington, North Carolina).

All of our engineering facilities have the capabilities, tools and procedures necessary to execute typical EPC projects and deliver on our commitments, including global process capabilities, integrated systems and tools, including global access to all process modeling tools, technical capabilities and operating plant expertise.

Owned Property

Our Group owns three PET production plants in Brazil, Mexico, and the United States; two office properties in the PRC and the United States; and an industrial lot in the United States. Our owned property accounted for approximately 94.7% of the aggregate area occupied by us.

Our owned properties have a total site area of 4.249 million square meters and a total gross floor area ("GFA") of approximately 163,079 square meters, and consist of the following: a parcel of land with a site area of approximately 853,389 square meters and 38 buildings with a GFA of approximately 40,072 square meters in Brazil, 3 parcels of land with a total site area of approximately 302,290 square meters and 37 buildings and 3 canopies with a total GFA of approximately 38,770 square meters in Mexico, a building with a GFA of approximately 1,981 square meters in the PRC, and 3 parcels of land with a total site area of approximately 3,093,379 square meters and 69 buildings with a total GFA of

BUSINESS

approximately 82,256 square meters in the USA. The following table sets out an overview of our owned properties:

Location	Description	Site Area	GFA	Usage
		(square meters)		
Suape, Brazil	1 parcel of land, 38 buildings and various structures erected thereon	853,389.00	40,071.98	PET Production Plant
Altamira, Mexico	3 parcels of land, 37 buildings, 3 canopies, and various structures erected thereon	302,289.63	38,769.91	PET Production Plant
Shanghai, PRC	1 building	N/A	1,981.06	Office
Apple Grove, USA	1 parcel of land, 69 buildings and various structures erected thereon	1,729,290.54	77,703.90	PET Production Plant
Corpus Christi, USA	2 tracts of land situated in Nueces County, Texas, USA	1,345,862.90	N/A	Industrial Land
Sharon Center, USA	1 parcel of land, 1 building and various structures erected thereon	18,225.42	4,552.25	Office
Total:		4,249,057.49	163,079.10	

Leased Property

Our Group leases 12 office properties in Brazil, Luxembourg, India, Mexico, the PRC, and the United States. Our leased property accounted for approximately 5.3% of the aggregate area occupied by us. The duration of our leases ranges from two to thirty years, with an average of approximately 9.75 years. The terms of most of our leases provide an option for renewal.

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Our leased properties have a total GFA of approximately 244,814 square meters, and consist of the following: three office premises with a total GFA of approximately 2,320 square meters in the PRC; an office premises, two archives rooms and two car parking spaces with a total GFA of approximately 539 square meters in Luxembourg; three office premises with a total GFA of approximately 2,315 square meters and a tract of industrial land with a total site area of 236,630 square meters in the USA; three office premises with a total GFA of approximately 1,732 square meters in India; and an office building with a GFA of approximately 1,288 square meters in Brazil. Our leased properties are set out below:

Description/Location	GFA	Building Usage	Existing Usage
	(square meters)		
An office building in Shanghai, PRC	1,972.32	Office	Office
An office unit in Shanghai, PRC	96.00	Office	Office
An office unit in Beijing, PRC	252.00	Office	Office
An office unit, two archives rooms, and two interior car parking spaces in Luxembourg	539.44	Office	Office
A portion of an office building in Wilmington, North Carolina, USA	546.46	Office	Office
A portion of an office building in Wilmington, North Carolina, USA	1,225.31	Office	Office
A portion of an office building in Houston, Texas, USA	543.11	Office	Office
A tract of land in Nueces County, Texas	236,619.67 ⁽¹⁾	N/A	Industrial
16 office units and 10 car parks in Bangalore, India	1,381.00	Office	Office
Two office units and two car parks in Bangalore, India	239.69	Office	Office
An office unit and a car park in Bangalore, India	111.48	Office	Office
A portion of an office tower located in São Paulo, Brazil	1,287.92	Office	Office
Total:	244,814.40		

Notes:

(1) Refers to site area.

Material Property Analysis

According to the investigation of Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer and consultant, as of the Latest Practicable Date, none of the properties has a carrying amount over 1% (for properties having property activities) or 15% of total assets. As a result, this prospectus is exempted from compliance with the requirements of section 342(1)(b) of the Companies Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies Ordinance, which requires a valuation report with respect to all our Group's interests in land or buildings.

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Having considered all relevant circumstances of our Group including the information contained in the property due diligence report from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, our Directors take the view that the three PET production plants which are located at Suape, Brazil; Altamira, Mexico; and Apple Grove, USA are the material properties of our Group, as they contribute a significant portion of revenue to our Group.

The remaining properties, which mainly include offices, also contribute to our Group's revenue but are not regarded as material due to the abundant supply of similar kinds of property in the market and the fact that they could be easily replaced.

EMPLOYEES

The tables below set out the number of employees for each business division as at June 30, 2013, as well as a breakdown by function and by region.

Business division	Employees
PET	559
Operations	471
Support (Finance, IT, HR)	57
Sales & Marketing	22
Other	9
Engineering	350
R&D	<u>27</u>
Total	936

Function	Brazil	Mexico	U.S.	Luxembourg	China	India	Total
Production	48	66	76	0	0	0	190
Maintenance	26	37	27	0	0	0	90
QHSE	18	16	10	0	1	1	46
Internal Logistics	36	57	12	0	0	0	105
Finance	17	7	13	2	27	8	74
HR	10	6	4	0	3	2	25
IT	5	0	2	0	3	2	12
Supply Chain	28	7	12	0	8	0	55
Sales, Marketing & Technical Support	12	3	12	0	14	1	42
EPC	3	0	13	0	96	117	239
R&D	0	0	27	0	0	0	27
Others	<u>3</u>	<u>2</u>	<u>10</u>	<u>1</u>	<u>12</u>	<u>3</u>	<u>31</u>
Total	206	201	228	3	164	134	936

We provide training to our employees to meet local standard safety laws and regulations and to develop managerial and technical skills and capabilities. Training initiatives to support professional development are provided either through local educational institutions or global academies and universities.

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We believe that our relations with our employees are good. We have not experienced any material work stoppages due to labor issues during the Track Record Period. The level of unionization at our main plants is in line with the chemical industry standards of the countries in which we operate. Wage increases in Brazil and Mexico are in compliance with the relevant local labor laws.

We, the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Services International Workers Union and the American Federation of Labor and Congress of Industrial Organizations Central Labor Council on behalf of United Steelworkers Local Union No. 644L, are parties to a three-year collective bargaining agreement in relation to our West Virginia facilities with an initial term that expires on November 6, 2014 (the “CBA”). Pursuant to the terms of the CBA, if no party provides notice of termination, the CBA is automatically renewed for successive one-year periods. We intend to renew our existing collective bargaining agreements on similar terms as they come up for renewal.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material labor disputes, nor any material issues with labor unions or trade unions.

Remuneration policy

Our remuneration policy is focused on maintaining our workforce compensation target level consistent with market standards. Our compensation package includes common benefits such as medical, dental, and food voucher benefits, according to local labor practices. Total compensation is monitored through market analysis focused on the labor market in the locations where we operate.

INSURANCE

PET entities

We have a master policy which operates as a second level insurance over the local policies issued in the countries where our facilities are located, ensuring that best practices prevail over local policies.

The master policy is issued by a pool of leading insurance companies. The following risks are covered:

- Direct material damages;
- Third-party liability for business activity and product liability;
- Transport;
- Business interruption damages; and
- Special risks coverage.

We do not have coverage for terrorism, theft and pure mechanical breakdown. We believe that these residual risks do not pose a significant threat to our business.

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We have a total stop loss per claim for combined direct material damages and business interruption damages of US\$150 million (€110.9 million). Annual aggregate stop losses amount to €50 million for third-party liability, €5 million for product liability recall and €30 million for third-party liability for business interruption or suspension.

Engineering entities

We have the following insurance coverage:

- Commercial package (general liability/property/automobile);
- Workers' compensation;
- Excess/umbrella liability;
- Cargo;
- Group travel accident; and
- Special risks coverage.

Our commercial general liability and automobile policies have a stop loss of US\$1 million (€739,044) per event and a US\$2 million (€1.5 million) annual aggregate limit, with a second layer of US\$15 million (€11.1 million) per event/annual aggregate on the excess/umbrella policy, providing coverage for claims exceeding our primary coverage.

The ocean cargo insurance is on an "all risk" basis, covering global transportation of industrial equipment and material, including risk of trans-shipment and inland transit.

We also have professional indemnity insurance covering damages to third parties for claims arising out of any negligent act, error or omission in rendering or failure to render professional services. Damage is defined as bodily injury, material damages, any financial and/or patrimonial damages including loss of performance guarantees. The policy is structured on two layers: primary, with a limit of €22.5 million per event and €45 million annual aggregate, and excess over primary, with a limit of €35 million per event and €35 million annual aggregate. The deductible is €750,000 per event.

Finally, we maintain construction insurance to cover our construction of new plants, which includes coverage for erection all risk and advanced loss of profit, i.e. coverage for any kind of risk of construction and indirect loss of profit due to consequential delay in starting up, together with cargo advance loss of profit.

No material insurance claims were made during the Track Record Period.

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COMPLIANCE AND REGULATORY MATTERS

Internal Controls

Our internal controls framework comprises both formal and informal measures. The principal measures are outlined in our Internal Control Guidelines, which explain how to assess the existence and effectiveness of our internal controls and define “internal controls” as the process, effected by our Board, management and other personnel, designed to provide reasonable assurance that the following objectives can be achieved:

- effectiveness and efficiency of operations in order to help us achieve our performance and profitability targets;
- reliability of financial information;
- compliance with applicable laws and regulations; and
- safeguarding of assets.

Key aspects of our internal control framework include the following:

- *Board committees.* We have established audit, remuneration and nomination committees. See “Directors, Senior Management and Employees — Committees of the Board” for descriptions of these committees.
- *Delegation of authority.* Our daily management and operations are carried out by members of our senior management team, who report directly to our CEO. The roles and responsibilities of each senior management position have been clearly described in a set of internal guidelines. These guidelines help ensure that business decisions are made and executed with the proper approvals. Various business units provide support to our senior management for the overall management and performance of our Group. Within each business unit or department, there are designated officers responsible for monitoring compliance issues and maintaining internal controls within their unit or department. These designated officers have substantial industry experience and good knowledge of local laws and regulations relevant to our operations. We also rely on the support of external and in-house legal counsels.
- *Financial control.* Our finance department, headed by our CFO and comprised of a team of financial professionals, is responsible for financial control, accounting, reporting, group credit and internal control functions of our Company. We have also established an internal audit system, a standardized financial and accounting system and a complete financial management system. These measures are designed to ensure the reliability of our financial information and compliance with applicable laws and regulations. Our CFO and Global Finance and Control Director are responsible for the execution of these measures.
- *Health and safety.* The Quality, Health, Safety and Environmental (“QHSE”) group is responsible for ensuring compliance with product safety, employee health and safety standards, and other applicable requirements. We provide training to our employees to meet local safety laws and regulations. We routinely conduct internal occupational safety audits

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at our plants, which are conducted by personnel able to draw on their experience and industry knowledge to identify issues and take appropriate steps to rectify these issues. We also regularly host external audits to assess the effectiveness of our internal health and safety procedures. During the Track Record Period and up to the Latest Practicable Date, we did not experience any product safety problems.

- *Human capital management.* The human resources department has set guidelines for our employee recruitment and termination procedures, and is responsible for compliance with labor laws and regulations.
- *Information systems.* We have in place a global IT infrastructure to deliver IT services to meet our business needs. The central corporate IT team focuses on IT governance, demand management and sourcing strategy, and local teams focus on primary user support and delivery of local applications and services. All the main business and site applications used by our Group are run from a cloud-based data center located in Amsterdam. All business-critical applications are run over a two- or three-tier infrastructure ensuring an effective and secure change management system; these applications are continuously replicated to a second data center located in Milan as part of our disaster recovery plan. We regularly re-assess our information security procedures and educate our personnel to prevent threats from accessing our network.
- *Fixed assets policies.* We have implemented a series of policies to monitor our fixed assets, including additions and disposals of assets, stock-taking, maintenance of fixed assets and determining whether a fixed asset is obsolete. Newly acquired fixed assets and facilities undergo inspection procedures prior to operation. Our management determines the estimated useful lives and related depreciation charges for our property, plant and equipment based on projected wear and tear incurred during the useful lives of these assets. These estimates are recorded in our book records along with valuation estimates of the fixed assets. Useful lives are reviewed annually based on changes in circumstances. Inspection and approval are necessary before obsolete fixed assets may be written off. Prior to disposal or sale, the fixed assets must be examined and the amounts for the assets must be settled in order to ensure the accuracy of the residual values. All locations are required to be in compliance with monthly stock taking procedures which are outlined in our policies and procedures. These policies and procedures have been endorsed by our management, and our CFO and Global Finance and Control Director are responsible for assuring compliance with these policies.

Our Internal Control Manager, Massimo Martinetto, is responsible for overseeing our Group's compliance matters. All of our employees are responsible for adhering to our Internal Controls Guidelines, and each business unit, or manager of a specific department, is specifically responsible for ensuring that internal controls are established and maintained in their unit or department. Certain administrative functions including health and safety, human resources and information systems are provided by M&G Finanziaria S.r.l. pursuant to the Service Agreement. See "Connected Transactions — Continuing Connected Transactions — Exempt Continuing Connected Transactions — 1. Service Agreement." Even for those functions which are managed by M&G Finanziaria S.r.l., however, our Internal Control Manager is responsible for collecting and updating the applicable internal control procedures and scheduling control visits. The relevant qualifications and experience of our CFO, Global Finance and Control Director and Internal Control Manager are described under "Directors, Senior Management and Employees — Directors."

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To further enhance our existing controls and prevent future non-compliance:

- we will regularly review our compliance with legal, tax and other regulatory requirements and identify areas where improvement is possible to reduce potential risks, involving external legal counsel, as appropriate;
- we will review our existing control and reporting mechanisms to ensure that non-compliance matters are given prompt and due attention and are properly escalated to the relevant members of senior management and the Board, and that appropriate resources are being dedicated to rectifying such instances of non-compliance, involving external legal counsel, as appropriate;
- in order to keep abreast of changes in the applicable legal, tax, regulatory and accounting requirements, we will continue to engage external professionals, including our compliance advisor, external legal counsel, auditors, internal control consultants and other advisors as necessary, to report on compliance-related issues directly to the Board;
- we will ensure that the relevant responsible officers are kept current with developments in applicable legal, regulatory, tax, environmental and industry requirements that are relevant to their role;
- we will provide training to our employees to improve their risk awareness and their understanding of internal control issues, involving external legal counsel, as appropriate; and
- we will ensure that senior management and members of the Board of Directors receive regular compliance training, involving external legal counsel, as appropriate.

Our Directors are of the view that our Group's internal control framework is adequate and effective as it employs dedicated resources, communication channels and a mechanism for senior management oversight to monitor, detect and act on internal control issues in a timely and efficient manner. Moreover, our Directors are of the view that our internal control measures are being implemented effectively, based on our financial results, our record of regulatory and legal compliance, our relationships with suppliers and customers and feedback from senior management.

The Directors confirm that, to the best of their knowledge, save as otherwise disclosed in the prospectus:

- our Group has complied with all material rules and regulations in the jurisdictions in which we operated during the Track Record Period and up to the Latest Practicable Date;
- the Directors are of the opinion that we have obtained and currently maintain all necessary permits and licenses which are material to our production and sales activities actually being conducted; and
- there were no findings notified to us by any regulatory authority in the jurisdictions in which we operate of any material non-compliance with any rule or regulation to which our business is subject, or any material irregularities, as a result of periodic visits and audits during the Track Record Period and up to the Latest Practicable Date.

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Environmental Matters

Our business is subject to a wide range of increasingly stringent environmental and other laws and regulations in the jurisdictions in which we operate. While our products are not poisonous, our business involves the production, use, storage, disposal, transport and sale of materials that may cause contamination when released into the environment. In addition, our normal operations involve emissions into the air and discharges into soil and water and result in waste products requiring disposal. We are subject to permit requirements and other regulatory limits and controls designed to prevent environmental hazards and pollution, including those regulating the discharge of materials into the environment and imposing obligations to remediate contaminated sites.

In the event that our operations result in the unlawful or unauthorized release of contaminants into the environment, we may be required to pursue remedial and/or compensatory actions and could face criminal, civil and/or administrative sanctions. Remediation obligations could arise at sites that we currently own or operate, that we formerly owned or operated, where we dispose or disposed of waste from our operations, or where property owned by third parties was contaminated by an emission or spill. Several of our products are subject to mandatory chemical composition requirements for environmental reasons.

We have set up environmental management and auditing systems aimed at monitoring and improving the environmental performance of our operations. We have in place management systems that are certified in accordance with ISO 14001 (environmental management), Occupational Health & Safety Advisory Services (“OHSAS”) 18001 (safety management) and ISO 9001 (quality) standards at our sites and, specifically, have implemented environmental management systems complying with ISO 14001 standards at our PET facilities (except the Apple Grove plant). Chemtex India and Chemtex (Shanghai) Chemical Engineering Co. Ltd. currently have ISO 9001:2008 quality certifications.

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we did not experience any product safety problems.

United States

Our U.S. operations are subject to U.S. federal, state and local laws and regulations relating to the protection of the environment. The regulations govern water discharges, air emissions, management, treatment, storage, disposal and transportation of hazardous materials and waste, soil and groundwater contamination, worker health and safety, and environmental, health and safety reporting and record-keeping. The U.S. federal authority in charge of overseeing compliance with the federal environmental laws is the U.S. Environmental Protection Agency (“EPA”). The EPA has the power to bring civil, administrative and criminal proceedings against companies and individuals that violate U.S. federal environmental laws. Violations can result in penalties of up to \$37,500 per day per violation, as well as requirements to install costly pollution control equipment or make operational changes. In severe cases, regulatory authorities may require that a violator suspend operations or impose criminal sanctions. The EPA may also delegate these enforcement powers to the state and municipal authorities. States also pass their own laws governing protection of the environment. The West Virginia Department of Environmental Protection (“WVDEP”) enforces the state’s environmental protection and regulatory programs, including those related to land, air, water and waste, and health and safety. We operate in West Virginia and work closely with the WVDEP; our Chemtex International Inc. and M&G Polymers USA, LLC subsidiaries in Ohio and our Chemtex

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International Inc. subsidiary in North Carolina are not directly involved in industrial environmental matters. We believe we are in material compliance with all applicable U.S. federal and state environmental laws and regulations. We conduct environmental audits to validate our internal environmental programs and procedures.

Our Apple Grove, West Virginia facility maintains two main permits: an operating permit (for air emissions) and a National Pollutant Discharge Elimination System permit relating to discharge of wastewater from the West Virginia Department of Environmental Protection. Our operating permit expires on April 26, 2016 and our wastewater permit expires on October 6, 2014. The annual expenses incurred in relation to compliance with our environmental obligations at our Apple Grove plant during the Track Record Period are set out below. Environmental costs for our Apple Grove plant significantly increased during the Track Record Period as a result of the commencement of a project to remove legacy asbestos in the plant, and we expect that we will continue to incur costs at our Apple Grove plant in 2013.

	Actual			Budget	Actual
	For the year ended December 31,				For the six months ended June 30,
	2010	2011	2012	2013	2013
	(in millions)				
Capital expenditures	US\$0.1 (€0.1)	US\$0.5 (€0.4)	US\$1.8 (€1.3)	US\$2.5 (€1.8)	US\$0.3 (€0.2)
Fixed cost expenses	US\$0.0 (€0.0)	US\$0.5 (€0.3)	US\$0.3 (€0.3)	US\$0.4 (€0.3)	US\$0.0 (€0.0)
Total expenses	US\$0.1 (€0.1)	US\$1.0 (€0.7)	US\$2.1 (€1.6)	US\$2.9 (€2.2)	US\$0.3 (€0.2)

Expenses for 2011 were higher than in 2010 due to an improvement project on the waste water system.

We expect to incur a total of approximately US\$2.5 million (€1.9 million) in capital expenditures in the remainder of 2013 to improve the environmental standards of our plant through a project which started in 2012. We may, however, incur amounts greater than currently estimated due to changes in law and other factors beyond our control. We do not believe that continued compliance with applicable U.S. environmental laws and regulations will have a material adverse effect on our financial position or results of operations.

Brazil

Our Brazilian operations are subject to Brazilian federal, state and local laws and regulations governing the discharge of effluents and emissions into the environment and the handling and disposal of industrial waste and otherwise relating to the protection of the environment.

Under federal, state and in some cases municipal, environmental laws and regulations, we are required to obtain environmental licenses and/or operating permits for our manufacturing facilities. If any of our environmental licenses and permits lapse or are not renewed or if we fail to obtain any

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required environmental licenses and permits, we may be subject to substantial fines, and the Brazilian federal government or state authorities may partially or totally suspend our activities, and impose civil and criminal sanctions. All our environmental licenses and permits are valid or the subject of timely applications to renew.

The relevant authorities for our facilities are the state agencies responsible for the licensing of the activities of each unit. All projects for the installation, modification and operation of industrial facilities at our Suape plant are subject to approval by Pernambuco State's environmental agency, Agência Estadual de Meio Ambiente ("CPRH"), and our Paulinia plant is subject to approval by São Paulo State's environmental agency, Companhia Ambiental do Estado de São Paulo ("CETESB"). According to environmental regulations, the environmental authorities must approve installed industrial facilities before they commence operations and, if needed, such approval can be renewed after the stated expiration date.

CPRH issued an operating permit for our Suape plant on May 25, 2013, which is valid for two years. CETESB issued an operating permit for our plant in Paulinia on September 1, 2011, which is valid for two years, and we timely filed our renewal application for this permit (which allows us to continue operating until the new license is granted) on May 3, 2013.

Our environmental operating permits obligate us to implement systematic measures for the treatment of wastewater and hazardous solid waste. State authorities regulate our operations by prescribing specific environmental standards in our operating permits, which must be renewed according to the environmental authorities' determinations.

We believe our operations are in material compliance with applicable Brazilian environmental laws and regulations currently in effect.

The annual expenses incurred in relation to compliance with our environmental obligations at our Suape plant during the Track Record Period are set out below.

	Actual			Budget	Actual
	For the year ended December 31,				For the six months ended June 30,
	2010	2011	2012	2013	2013
	(in millions)				
Capital expenditures	US\$0.0 (€0.0)	US\$0.1 (€0.1)	US\$0.1 (€0.0)	US\$0.1 (€0.1)	US\$0.1 (€0.1)
Fixed cost expenses	US\$0.1 <u>(€0.1)</u>	US\$0.1 <u>(€0.1)</u>	US\$0.1 <u>(€0.1)</u>	US\$0.2 <u>(€0.1)</u>	US\$0.1 <u>(€0.0)</u>
Total expenses	US\$0.1 (€0.1)	US\$0.2 (€0.2)	US\$0.2 (€0.1)	US\$0.3 (€0.2)	US\$0.1 (€0.1)

In addition, to bring our Brazilian PTA plant in Paulinia (which has been temporarily discontinued for economic reasons) in compliance with a new State Law issued in São Paulo State (Lei nº13.577, 08/07/2009, which stipulates directives and procedures for the protection of the soil quality and management of contaminated areas), we are performing a minor remediation activity in a small area of the plant (specifically, an unloading area which had been contaminated with paraxylene; the

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remediation consists of the In-Situ Chemical Oxidation technique for soil remediation whereby an oxidant is introduced into the subsurface soil to chemically oxidize the contaminant), as agreed with the environmental authority, and expect to incur approximately US\$1.5 million (€1.1 million) in expenses in connection with this activity.

Some environmental studies that we have commissioned have indicated instances of potential environmental contamination at our plant in Paulinia (in the industrial and tanking areas). The contamination has been remedied and we are currently monitoring this on an ongoing basis. In addition, we and certain executive officers of our company and of our subsidiaries have received notices from time to time of minor environmental violations and are or have been subject to investigations or legal proceedings with respect to certain alleged environmental violations. In 2004 and 2005, Tereftálicos Industrias Químicas Ltda. received four environmental infraction notices in connection with our plant in Paulinia totaling R\$1,163,362.20 (€386,229.61), all of them under administrative review. This value may decrease in the final administrative decision. These environmental issues, and any future environmental issues that may arise, could subject us to fines or other civil or criminal penalties imposed by Brazilian authorities. We are addressing all environmental issues of which we are aware, and we believe that none of these issues will have a material adverse effect on our business, financial condition or results of operations.

Mexico

Our Mexican operations are subject to Mexican federal, state and local laws and regulations relating to the protection of the environment. The primary federal environmental law is the Mexican Federal Law of Ecological Balance and Environmental Protection (*Ley General de Equilibrio Ecológico y Protección al Ambiente*) pursuant to which rules have been promulgated concerning water, air and noise pollution, and hazardous substances. Other laws that apply or may apply to our operations are the General Law for Prevention and Integral Management of Residues (*Ley General para la Prevención y Gestión Integral de los Residuos*), which regulates the generation, handling, transportation, storage and final disposal of hazardous waste, as well as imports and exports of hazardous materials and hazardous wastes, and the National Water Law (*Ley de Aguas Nacionales*) and regulations thereunder, which govern the prevention and control of water pollution.

The Mexican federal authority in charge of overseeing compliance with the federal environmental laws is the Ministry of Environment and Natural Resources (*Secretaría del Medio Ambiente y Recursos Naturales*) or SEMARNAT. An agency of SEMARNAT, the Federal Environmental Protection Prosecutor (*Procuraduría Federal de Protección al Ambiente* or “PROFEPA”), has the authority to enforce the Mexican federal environmental laws. As part of its enforcement powers, PROFEPA can bring civil, administrative and criminal proceedings against companies and individuals that violate environmental laws and has the power to close facilities not in compliance with federal environmental laws. PROFEPA may also issue sanctions that include, among others, monetary fines, revocation of authorizations, concessions, licenses, permits or registries, administrative arrests, seizure of contaminating equipment and, in certain cases, temporary or permanent closure of facilities. Furthermore, in special situations or certain areas where federal jurisdiction is not applicable or appropriate, the state and municipal authorities can regulate and enforce certain environmental regulations, as long as they are consistent with federal law.

We believe we are in material compliance with environmental laws in Mexico applicable to our operations. We have fulfilled all environmental requirements and in December 2012, we obtained PROFEPA’s Clean Industry Certification (*Certificado de Industria Limpia*), which is a voluntary

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certification process for demonstrating the satisfactory compliance with environmental protection requirements. This certification expires in December 2014. Our Altamira plant is subject to annual audits performed by Asociación Nacional de la Industria Química, A.C. in conjunction with the voluntary International Council of Chemical Associations Responsible Care® code (“Responsible Care”). The latest audit in September 2012 found the plant was in 99.28% compliance with the Responsible Care program.

The annual expenses incurred in relation to compliance with our environmental obligations at our Altamira plant during the Track Record Period are set out below.

	Actual			Budget	Actual
	For the year ended December 31,				For the six months ended June 30,
	2010	2011	2012	2013	2013
	(in millions)				
Capital expenditures	US\$0.3 (€0.2)	US\$0.0 (€0.0)	US\$0.2 (€0.1)	—	—
Fixed cost expenses	US\$0.2 (€0.2)	US\$0.2 (€0.1)	US\$0.2 (€0.2)	US\$0.2 (€0.2)	US\$0.1 (€0.1)
Total expenses	US\$0.5 (€0.4)	US\$0.2 (€0.1)	US\$0.4 (€0.3)	US\$0.2 (€0.2)	US\$0.1 (€0.1)

No capital expenditures in relation to the environmental compliance of our Altamira plant are expected or have been forecast for 2013.

India and China

Our India and China subsidiaries are not directly involved in industrial environmental matters, as our Engineering division provides only engineering services in India and China and is not currently engaged in manufacturing activities in those regions.

Safety and quality control and certifications

United States

Our U.S. operations are subject to U.S. federal and state laws and regulations relating to the protection of our employees and contractors. The U.S. federal authority in charge of overseeing compliance with the federal occupational safety laws is the U.S. Occupational Health and Safety Administration. The regulations cover all types of occupational exposure such as chemical, heat, fall protection, scaffolding and moving and lifting equipment. Individual states can also pass their own laws as long as they are at least as stringent as those of the federal government. We operate in the states of Ohio (through our Chemtex International Inc. and M&G Polymers USA, LLC subsidiaries), North Carolina (through our subsidiary Chemtex International Inc.), West Virginia (through our subsidiary M&G Polymers USA, LLC) and Texas (where our U.S. headquarters are located) and work closely with the occupational safety departments in these states.

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We believe we are in material compliance with applicable federal and state occupational safety laws. We maintain comprehensive safety programs, procedures and training. We conduct occupational safety audits to validate our safety programs and procedures. We believe that in our Apple Grove plant our injury rates during the Track Record Period were lower than 74% of the industry average (*source*: U.S. Bureau of Labor Statistics, U.S. Department of Labor), indicating a strong safety program.

All of our U.S. facilities have quality control systems in place.

Brazil

Our Brazilian operations are subject to Brazil federal and state laws and regulations relating to the protection of our employees, contractors and environment. The federal occupational safety laws in Brazil are represented by Normas Brasileiras Regulamentadoras, which encompasses a collection of rules issued by Associação Brasileira de Normas Técnicas. The regulations cover all types of occupational exposure such as chemical, heat, fall protection, scaffolding and moving and lifting equipment. States can also pass their own laws as long as they are at least as stringent as those of the federal government. We operate in the states of Pernambuco, Minas Gerais and São Paulo and work closely with the occupational safety departments in these states.

We believe we are in material compliance with applicable federal and state occupational safety and environmental laws. With respect to M&G Fibras Brasil S.A., the Cabo plant has implemented a health and safety protection program and emergency measures on certain pieces of equipment, in order to ensure compliance with the most recent safety regulations.

We routinely conduct internal occupational safety and environmental audits to validate our safety and environment programs and procedures. In addition, we have also a yearly schedule of external audits, conducted by internationally recognized consulting companies such as Lloyd's Register do Brasil Ltda. (affiliated with Lloyd's Register UK). Our subsidiary M&G Polímeros S.A. has an integrated management system in place and is ISO 9001, ISO 14001, OHSAS 18001 Responsible Care certified.

Mexico

Our Mexican operations are subject to Mexican federal and state laws and regulations relating to the protection of our employees and contractors, including the regulations from the Secretary of Work and Social Welfare (*Secretaría del Trabajo y Previsión Social*). We believe we are in material compliance with all such laws and regulations. We are committed to promoting the health and safety of our workers and others involved in or affected by our operations and have developed and implemented an integrated health and safety management system. As part of this system, our Mexican facility is equipped with a permit administration system, an accident prevention program, a comprehensive emergency response program with emergency equipment and trained safety crews, and a risk analysis and management program. Regular external audits of the effectiveness of our internal health and safety practices are conducted by Lloyd's Register Quality Assurance, Inc. and Labor Secretary of Mexico. We have been in material compliance with such audits in the past. In addition, we are committed to protecting the environment and the health and safety of the communities where we operate. Accordingly, we collaborate with local governments, advocacy organizations and industry and public interest groups to promote a culture of continuous improvement in environment, safety and health.

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All of our Mexican facilities have quality systems in place and are ISO 9001 and Responsible Care certified. In addition, our Mexican facilities have received awards for Clean Industry and Safety from Mexican authorities.

China

To control the quality of engineering consulting services in the PRC, the National Development and Reform Commission (“NDRC”) issued the Measures for the Qualification Accreditation of Engineering Consulting Entities in 2005, requiring that the entities engaged in engineering consulting business in China should obtain an Engineering Consulting Certificate issued by the NDRC. The qualification of an engineering consulting entity is divided by qualification grade, consulting specialty and scope of service, which is set out in the Engineering Consulting Certificate. The qualification grades of engineering consulting entities are classified into grades A, B and C. Different conditions must be satisfied for different grades. A new applicant for a qualification grade must start from grade C. The consulting specialties are classified into 31 categories.

Grade A engineering consulting entities may, in accordance with the profession and consultancy service scope specified in the engineering consulting certificate, undertake nationwide economic development planning or special consultancy as well as engineering consultancy for medium or large-sized construction projects or technical improvement projects.

Grade B engineering consulting entities may, in accordance with the profession and consultancy service scope specified in the engineering consulting certificate, undertake regional planning or special consultancy for the locality where such entities are located as well as engineering consultancy for small or medium-sized construction projects or technical improvement projects.

Grade C engineering consulting entities may, in accordance with the profession and consultancy service scope specified in the engineering consulting certificate, undertake engineering consultancy for small-sized construction projects or technical improvement projects for the locality where such entities are located.

According to the Circular of the National Development and Reform Commission on the Application of Relevant Provisions of the Measures for Recognizing the Qualifications of Engineering Consulting Entities (FaGaiTouZi (2009) No. 620), any entity engaging in engineering consulting services in the PRC shall obtain an engineering consulting certificate issued by the NDRC and practice within the profession and service scope stated in its certificate.

According to the Measures for Recognizing the Qualification of Engineering Consultancy Entities (Order No. 29 of the NDRC), the engineering consulting entities’ qualification shall be degraded if such entities (1) violate the relevant regulations or the market rules; or (2) fail to pass the quality assessment. If the foregoing violations or failures are serious, such entities’ qualifications may be revoked. In addition, engineering consulting entities must conduct self-inspections and be subject to annual inspections.

In addition, according to the above Measures, other laws and regulations promulgated by PRC authorities, including but not limited to Ministry of Housing and Urban-Rural Development (the “MOHURD”), an operator providing engineering design service in China is also required to obtain an Engineering Design Certificate from the municipal counterparts of the MOHURD.

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Our China subsidiary Chemtex (Shanghai) Chemical Engineering Co., Ltd. has obtained the following qualifications:

- *Grade B Engineering Certificate* issued by Shanghai Urban Construction and Communications Commission, which qualifies Chemtex (Shanghai) Chemical Engineering Co., Ltd. to carry out (including as EPC contractor) small- to mid-scale engineering projects including principal and auxiliary facilities for the chemical industry. This certificate is valid until July 2014. Pursuant to Chinese regulations, a company must obtain a Grade B certificate prior to being upgraded to a Grade A certificate; we plan to submit an application during the second half of 2013 and expect to be upgraded to Grade A during the year 2013.
- *Grade C Engineering Consulting Certificate* issued by National Development and Reform Commission P.R. China, which qualifies Chemtex (Shanghai) Chemical Engineering Co., Ltd. to prepare official project proposals and feasibilities for projects of all scales in the chemical industry. Generally, state-invested projects require a Grade A Engineering Consulting Certificate to perform front-end project work, such as feasibility studies, definition of the project site, utilities calculation and preparation of information for civil and environmental permitting; while foreign-invested projects can perform front-end work under any grade certificate, at the option of the investor. This certificate is valid until August 2017. Pursuant to Chinese regulation, a company must obtain and maintain a C grade certificate for two years prior to being permitted to apply for a Grade B certificate. We plan to submit an application for an upgrade to B grade in early 2014 and expect to be upgraded during the year 2014.

India

Our Indian subsidiaries are not directly involved in industrial safety and quality control matters, as our Engineering division provides only engineering services in India and is not currently engaged in manufacturing activities in those regions.

Transfer pricing

We regularly monitor our intra-Group and related-party transactions in regards to transfer pricing. Our internal procedures require that transactions be aligned with local fiscal rules. We regularly consult with external parties to update our transfer prices when necessary and to ensure that our procedures are in line with prevailing rules.

LEGAL PROCEEDINGS

From time to time, we may be a party to litigation or be subject to non-litigated claims in the ordinary course of our business or otherwise. We have not been involved in any proceedings involving tax evasion or intentional non-compliance with relevant tax rules.

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Brazilian allegations against directors of M&G Poliéster S.A.

CVM Investigation

In December 2005, the Brazilian securities regulator, *Comissão de Valores Mobiliários* (the “CVM”), commenced an investigation in relation to whether information relating to the renewal of intercompany loans made by M&G Polimeri Italia to M&G Fibras e Resinas Ltda., which took place between October 2002 and October 2004, was required to be disclosed sooner than it actually was (in the relevant quarterly accounts) under disclosure rules applicable to M&G Poliéster S.A. (the parent company of M&G Fibras e Resinas Ltda.), which is listed on the São Paulo Stock Exchange.

According to Brazilian securities regulations, any transaction, fact or management decision that could materially impact the price of a company’s securities or the decision of investors to buy or sell such securities must be immediately disclosed to the public in the manner required by the relevant regulations applicable to listed companies. At the time of the renewal of the intercompany loans, M&G Poliéster S.A. took the position that such renewals would not have such an impact, as (i) the substance of the transactions was a roll-over of existing loans that it had previously disclosed; (ii) the renewals were effected on arms-length terms according to standard market practice and (iii) not making immediate additional disclosure was consistent with customary market practice. M&G Poliéster S.A. disclosed the renewal of the relevant intercompany loans in its immediately succeeding quarterly accounts, in accordance with Brazilian GAAP, and as required by Brazilian securities regulations; the loans themselves were disclosed in M&G Poliéster S.A.’s quarterly accounts for so long as they were outstanding. M&G Poliéster S.A., as advised by external Brazilian legal counsel, believes that it complied with the applicable disclosure rules.

Five intercompany loans in the aggregate amount of US\$113,880,228.44 (€84,162,462.82) were in place at the time the PET, fiber and PTA businesses were acquired by the Ghisolfi Group from Rhodia and the loans were, at that time, novated from the relevant Rhodia entity to M&G Polimeri Italia and renewed from time to time. The intercompany loans were initially granted by Rhodia to Rhodia-ster Fibras e Resinas Ltda. (now M&G Fibras e Resinas Ltda.) for general corporate purposes and were assumed and renewed by M&G Polimeri Italia M&G Fibras e Resinas Ltda. repaid these loans in full between September 2003 and March 2007. An additional intercompany loan for general corporate purposes in the amount of US\$23,887,248 (€17,653,720) was also granted by M&G Polimeri Italia to M&G Fibras e Resinas Ltda. (subsequent to its acquisition by the Ghisolfi Group) on October 4, 2002, and renewed several times. This loan was disclosed in M&G Poliéster S.A.’s quarterly accounts from the time it was granted for so long as it was outstanding. This loan was also repaid in full by the end of March 2007.

The CVM entered into two settlement agreements in respect of the above investigation (“*Termos de Compromisso*”) with Mr. José Veiga Veiga in his capacity as Investor Relations Officer of M&G Poliéster S.A. as, under Brazilian law, compliance with ongoing disclosure obligations is the sole responsibility of the investor relations officer of a listed company and not of the listed company itself. In accordance with prescribed procedures in Brazil, Mr. José Veiga Veiga submitted a settlement proposal to the board of directors of CVM, which accepted the proposal, in accordance with CVM’s standard settlement approval process and applicable rules; the CVM had not previously proposed any particular penalty or fine. Pursuant to the *Termos de Compromisso*, Mr. José Veiga Veiga agreed to make two payments, of R\$70,000 (€23,240) on March 19, 2007, and R\$200,000 (€66,399) on September 4, 2009, for which he was reimbursed by M&G Poliéster S.A. The investigation was dismissed in October 2009. The *Termos de Compromisso* with the CVM did not involve any admission

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of wrongdoing or noncompliance with the relevant disclosure rules by M&G Poliéster S.A. or Mr. José Veiga Veiga. It is common practice in Brazil to enter into settlement agreements with the CVM, without any admission of wrongdoing or noncompliance (as in this case), in order to avoid what can be lengthy and costly enforcement proceedings.

Criminal Charges by Public Prosecutor

On December 12, 2010, a Federal Public Prosecutor in São Paulo City (State of São Paulo, Brazil) (the “Public Prosecutor”) requested permission to bring criminal charges against the members of the board of directors of M&G Poliéster S.A. during the relevant period: Mr. José Veiga Veiga, Mr. Guido Ghisolfi, Mr. Marco Ghisolfi, Mr. Marco Toselli, Mr. Miguel Carlos Alberto Jambor and Mr. José Antonio Laurito (the “Defendants”). The proceedings are based on a provision of a Brazilian law applicable exclusively to financial institutions, which provides that the concealment, omission or misstatement of information provided or required to be provided to the public and authorities about the financial condition or transactions of a financial institution is a criminal offense. This provision is applicable to managers of financial institutions who fail to properly report such information to the Central Bank of Brazil at the end of each month through a dedicated information system that is available only for financial institutions authorized to and supervised by the Central Bank of Brazil, and to make such information available in the financial institutions’ financial statements as required by Brazilian regulations applicable to banks; it is generally only used in cases of bankruptcy of financial institutions, tax fraud and bankruptcy allegedly involving fraud. Under Brazilian law, a financial institution is an entity regularly engaged in the intermediation of funds, raising funds in the market through time deposits or issuance of securities and lending such funds to third parties. Financial institutions in Brazil must be previously authorized to operate by the Central Bank of Brazil. Our external Brazilian counsel advised that M&G Poliéster S.A. should not be considered a financial institution because, as a holding company for our operations in Brazil, it is engaged exclusively in commercial and industrial business and only engages in financial activities for its own benefit; it is not authorized to operate as a financial institution by the Central Bank of Brazil.

The Public Prosecutor claimed that: (i) for purposes of the criminal law in question, M&G Poliéster S.A. should be treated as a financial institution because, as a listed company, M&G Poliéster S.A. has access to public savings and benefits from access to the capital and financial markets; and (ii) by failing to make timely disclosure of the relevant information about the intercompany loans it had illegally retained information and presented a misleading impression to the market and government authorities. If ultimately accepted by a court of competent jurisdiction, criminal charges would be brought against all members of the board of directors on account of having been directors during the relevant period and not in respect of any specific acts allegedly conducted by any of them. Pursuant to Brazilian law, no criminal proceedings may commence until charges have been accepted by a court of competent jurisdiction. Permission to bring criminal charges was denied by the Criminal Federal Judge of the Second Chamber of São Paulo Criminal Federal Court of First Instance (the “District Court”) on February 2, 2011 prior to any criminal proceeding being commenced, based on the District Court’s decision that the relevant provisions are only applicable to financial institutions and therefore did not apply to the Defendants because M&G Poliéster S.A. is not a financial institution and there was, as a consequence, no cause for criminal action. On March 17, 2011, the Public Prosecutor appealed that dismissal, and the appellate court reversed the dismissal, ruling that the relevant provisions under which the Public Prosecutor originally sought to bring charges are applicable. Following the appellate court ruling, in May 2012, external Brazilian counsel for the Defendants filed appeals with the Brazilian Superior Court of Justice (*Superior Tribunal de Justiça*) and the Brazilian Supreme Court (*Supremo Tribunal Federal*), which are the highest courts of appeal

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in Brazil. These appeals are currently pending and may be heard within six to 18 months of the date hereof. If these courts uphold the initial appellate decision, criminal proceedings on the merits of the charges will begin in the District Court. A final decision from a court of final appeal would take an additional two to four years.

M&G Poliéster S.A. and its board of directors, on the basis of the advice of external Brazilian legal counsel, believe that the relevant provisions did not apply to M&G Poliéster S.A. and the Defendants as M&G Poliéster S.A. is not a financial institution. Furthermore, there was at the relevant time and currently is no specific statute under Brazilian law that criminalizes the conduct of the Defendants. M&G Poliéster S.A. and its board of directors further believe, on the basis of the advice of external Brazilian legal counsel, that there was no concealment, omission or misstatement of information provided or required to be provided, as all the transactions were correctly disclosed in M&G Poliéster S.A.'s financial statements and the loans and the repayments thereof were legal and regular transactions registered with the Central Bank of Brazil and executed through exchange transactions regularly contracted with Brazilian banks as any other Brazilian entity with international business. External Brazilian legal counsel has based their advice on the relevant law, precedent and legal texts, the nature of the allegations and the underlying facts alleged in relation to the potential criminal charges. Accordingly, the Defendants, on the advice of their external Brazilian legal counsel, believe that the possibility of criminal charges being brought against them is remote, and that even if such charges are brought, that they have a strong defense to any criminal charges that may be accepted by the relevant court, as the Public Prosecutor would be required to prove that the Defendants acted with criminal intent.

The Brazilian Criminal Code contemplates a gradual system of penalties that takes into account the criminal record of the defendant and the harmful nature of the criminal act. Crimes against property are considered to be less harmful than crimes against life or against the person. In addition, penalties of up to four years' detention applied to defendants with no prior criminal records are automatically converted into social service obligations and/or monetary penalties. The members of the board of directors of M&G Poliéster S.A. have no prior criminal records and therefore would not be subject to imprisonment in the event that they are convicted and sentenced to detention of four years or less. The penalties applicable to the alleged crime range from two to six years of detention plus a monetary penalty to be determined at the discretion of the court. In determining a fine, in addition to the absence of prior criminal records and the offensive potential of the criminal act, the court considers the economic situation of the defendants and the damage or loss resulting from the criminal offense. In addition, directors or officers convicted of the alleged crime may be prohibited from acting as directors of public companies listed in Brazil.

On the basis of the advice of external Brazilian counsel, taking into account such factors as precedent and the absence of criminal records in respect of the Defendants, M&G Poliéster S.A. and its board of directors believe that, in the event of conviction by a court of final appeal, any penalty would likely be for four years of detention or less, and therefore would be automatically converted into social service obligations and/or monetary penalties that are likely to amount to a maximum of R\$500,000 (€165,997) per Defendant. These amounts would be due from each Defendant in his individual capacity and not directly by M&G Poliéster S.A. No provisions have been made by our Group in respect of these potential penalties.

Our Directors do not believe that the outcome of these allegations will have a material effect on our Group's operations or financial performance, and believe that the Defendants acted in good faith on the basis of their understanding of the relevant disclosure obligations with respect to the renewal

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of the intercompany loans. The position of our Directors is based on consideration of a number of factors. In particular, the proceedings are against the relevant Directors as individuals, and not against M&G Poliéster S.A. or our Company, and other than to the extent that our Group may reimburse amounts payable by the relevant Directors involved in the proceedings, the proceedings will not have any direct impact on our operations and revenue or profits in Brazil, or elsewhere. In addition, the Board as a whole is responsible for the corporate and business strategies of our Company and our major corporate and operational decisions (including the Brazil operations), and the members of the Board who are not subject to the proceedings have sufficient management experience and knowledge of our Group's business that they are able to formulate appropriate corporate and business strategies and make major corporate and operational decisions for the Brazilian operations. We have significant managerial resources in addition to the Directors involved, and management believes that these other resources are sufficient to address any impact on our operations were any of the Directors unable to remain on the board of M&G Poliéster S.A. Moreover, of the defendants in the proceedings, only Mr. José Veiga Veiga is a member of senior management of M&G Polímeros Brasil S.A., the primary operating entity through which we conduct our Brazilian operations, and thus day-to-day management responsibility for the operations of our business in Brazil would continue to be vested in the existing management, without substantial impact.

Even in the unlikely event that the relevant Directors (who serve as our Chairman and CEO and Chief Financial Officer) were convicted and subject to a detention penalty in Brazil, this process would take a sufficiently extended period that we would have sufficient time to make appropriate arrangements to minimize any impact on our operational and financial management. In such circumstances, or if the relevant Directors were otherwise unable to continue serving in their current roles, we would select suitable replacements from other executive Directors, finance personnel, senior management and externally. We will also ensure that the other members of the Board continue to be involved in the management of M&G Poliéster S.A., in order to minimize any impact on the management and governance of M&G Poliéster S.A. In addition, other members of our senior management would be available, if necessary, to serve as directors of M&G Poliéster S.A. in making strategic and major business and operational decisions for the Brazilian operations. As the legal proceedings will only conclude after an extended period of time following Listing, it would be impracticable to determine at the present time which individuals would take up director or senior management positions in our Brazilian operations in the unlikely event of the relevant Directors being subject to a detention penalty; we will make such a determination at the relevant time by taking into account resources available to our Group, including resources of M&G Poliéster S.A. as well as elsewhere in our Group and externally.

The proceedings initiated by the Public Prosecutor are separate from, and independent of, those previously brought by the CVM against Mr. José Veiga Veiga. Under Brazilian law, the Public Prosecutor acts independently from the CVM, which is an administrative agency, though in certain circumstances they may have overlapping supervisory or enforcement responsibilities. In addition, the legal basis on which the CVM may bring a claim under Brazilian securities laws is distinct from the applicable provisions of Brazilian criminal law. The resolution or settlement of civil or administrative claims with the CVM therefore does not preclude any criminal claims that may be brought in relation to the same or related matters (and vice versa). The Directors have been advised by Brazilian counsel that circumstances in which both the CVM and a public prosecutor pursue claims in relation to the same or related matters arise in Brazil from time to time.

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The Sole Sponsor is of the view that the incident does not negatively reflect on the character, integrity and competency of the relevant directors, Mr. Marco Ghisolfi and Mr. Marco Toselli, to act as Directors under Rules 3.08 and 3.09 of the Hong Kong Listing Rules for the following reasons:

- Based on the underlying facts, the involvement of Mr. Marco Ghisolfi and Mr. Marco Toselli arose from their capacity as directors of M&G Poliéster S.A. and not in respect of any specific acts conducted by them individually.
- Disclosure of the renewal of the intercompany loan was not deliberately withheld from the shareholders of M&G Poliéster S.A. and was disclosed by M&G Poliéster S.A. in its relevant quarterly reports.
- The Sole Sponsor has obtained a legal opinion from our Company's external Brazilian legal counsel, which states that (i) the relevant provisions of the law did not apply to M&G Poliéster S.A. and the Defendants, as M&G Poliéster S.A. is not a financial institution; and (ii) there was no concealment, omission or misstatement of information, as all the transactions were correctly disclosed in the company's financial statements and the loans and the repayments thereof were legal and regular transactions registered with the Central Bank of Brazil and executed through exchange transactions regularly contracted with Brazilian banks as any other Brazilian entity with international business.
- In addition to its review of the legal opinion of our Company's external Brazilian legal counsel, the Sole Sponsor has also conducted various due diligence interviews with our Company's Brazilian legal counsel to understand the background and the potential impact of these allegations.
- Based on its review of the legal opinion and the due diligence interviews, the Sole Sponsor has not discovered anything relating to the incident which has a negative impact on the character, integrity and competency of the relevant directors.
- Based on their review of the relevant court documents, the legal advisors to the Underwriters as to Brazilian law understand that, in its investigation of the same disclosure issue, the Brazilian securities regulator, *Comissão de Valores Mobiliários*, acknowledged that the intercompany loans had market or business justifications and did not indicate willful misconduct or abusive conduct on the part of the Defendants.

Invista patent infringement actions

In October 2011, Invista North America S.à r.l. ("Invista") filed a patent infringement action in U.S. District Court in the District of Delaware (the "Delaware District Court") against M&G USA Corporation and M&G Polymers USA, LLC with regards to three patents for technology used in our POLIPROTECT™ products (US7919159, US7943216 and US7879930, or "'159", "'216" and "'930", respectively). Invista sought, among other things, an unspecified amount of monetary damages and injunctive relief against further infringement. On June 25, 2013, the Delaware District Court ruled that the manufacture, use, sale and/or offer of sale (including exports) of POLIPROTECT™ products in the United States do not directly infringe any of Invista's three asserted patents. Invista is expected to appeal the original judgment of no direct infringement.

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On July 16, 2013, the Delaware District Court granted the parties' stipulated dismissal, without prejudice, of the issues pertaining to the '159 patent. The dismissal without prejudice means that the parties can assert claims of the '159 patent and/or litigate this matter in a subsequent action, including appeal the Delaware District Court's rulings on this patent.

Also on July 16, 2013, the Delaware District Court granted the parties' stipulated dismissal, with prejudice, of the issues pertaining to the '930 patent, meaning that it is no longer an issue and cannot again be asserted against our POLIPROTECT™ products in the United States.

On June 25, 2013, the Delaware District Court ruled that our POLIPROTECT™ products indirectly infringe all but one of Invista's asserted claims of the '216 patent. The '216 patent is unique to the United States with no counterpart in any other country. At trial, the Delaware District Court ruled that our POLIPROTECT™ products indirectly infringe the remaining claim of the '216 patent. On July 24, 2013, the jury found that the asserted claims of the '216 patent are not invalid. We will appeal all of these rulings (indirect infringement and validity) regarding the '216 patent. Invista also has filed a motion for an injunction seeking to prohibit our manufacture, sale, offer for sale, import, and export of POLIPROTECT™ products in the United States. We will vigorously oppose this motion. Notwithstanding Invista's motion for an injunction, the final resolution and any damage award, if applicable, will not be determined until after the appeals are concluded, which is expected to take up to two years. As part of the Delaware District Court's finding of indirect infringement of the '216 patent, damages are to be calculated from the date of the lawsuit.

We continue to believe that Invista's legal arguments, particularly with respect to the motion for an injunction, are without merit and are unlikely to be successful. Our Directors believe that the possibility of injunctive relief against our Company at this time is not very likely. In the event that we are not successful in our appeal, our Directors believe that an injunction post appeal stopping all production also is unlikely. With a continued finding of no direct infringement of any Invista patent, it is expected that we would be permitted to manufacture, sell, offer for sale for export, and export POLIPROTECT™ products in the United States. To the extent monetary damages and other penalties are assessed against us, our Directors believe that they will not have a material adverse effect on our business, results of operations or financial condition.

In October 2011, Invista filed a patent infringement action in Germany against Mossi & Ghisolfi S.p.A., M&G Finanziaria S.r.l. and M&G Polymers USA, LLC with regards to certain patents for technology used in our POLIPROTECT™ products. Amongst other matters, Invista has sought a declaration from the court that the defendants are liable for monetary damages caused by the infringement and injunctive relief against further infringement. On July 25, 2013, the District Court in Düsseldorf dismissed the complaints, finding that the POLIPROTECT™ products do not infringe Invista's patents, and that the defendants did not commit any patent infringing activities — selling or advertising — in Germany. On August 12, 2013, Invista filed a motion appealing the dismissal with the Higher Regional Court in Düsseldorf. The appeal is scheduled to be heard on August 7, 2014, and we expect a decision four to eight weeks after this date.

During the Track Record Period, POLIPROTECT™ products represented less than 1% of our PET division revenues. Our Directors believe that these actions are without merit and unlikely to be successful and that, in the event of an unfavorable outcome against us, the possibility of injunctive relief against us is remote, as is a declaration of liability for monetary damages. Any monetary damages imposed against us in the event of an unfavorable outcome will not have a material adverse effect on our business, results of operations or financial condition.

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Brazilian civil proceedings

We are party to a number of legal proceedings in Brazil, arising in the ordinary course of business, which primarily include tax proceedings, labor claims and other civil proceedings.

We do not consider any of the labor claims we are party to in Brazil to be individually material. Most of these claims are related to overtime and additional remuneration for work, and we consider these as arising from the regular course of our business.

The most significant of the tax proceedings we are party to in Brazil, which were initiated by the Brazilian tax authorities, relate to: (i) the applicability of state value added taxes (ICMS) in relation to certain historical activities regarding the conversion of PX into PTA at the now mothballed PTA facility in Paulinia; (ii) the applicability of state value added taxes (ICMS) in relation to certain sales to the Manaus free trade zone; (iii) the eligibility for indexation of certain tax credits in relation to inputs for state value added taxes (IPI); and (iv) the eligibility of certain items used in the manufacturing process to be treated as inputs for the purposes of federal taxes on gross revenues (PIS and COFINS). The major (non-tax) civil proceeding is a class action brought against all companies that use road transportation in Brazil in relation to the maximum weight permissible for road transportation.

In accordance with IFRS and our disclosure obligations resulting from the fact that M&G Poliéster S.A. is listed on the São Paulo Stock Exchange, we are obliged to disclose the aggregate amount of proceedings for which provisioning is required pursuant to IFRS as well as related provisioning, based on, in accordance with IFRS, probability analyses carried out by external Brazilian legal counsel. Provisioning is required under IFRS for claims in respect of which, based on legal counsel's assessment, our prospects of success are 50% or less. With respect to M&G Poliéster S.A., such disclosure forms part of its audited consolidated financial statements and, in respect of its consolidated financial statements for the nine months ended September 30, 2013, proceedings for which provisioning was made (and total provisioning in respect thereof) totaled approximately R\$4.6 million (€1.5 million).

As at September 30, 2013, of the proceedings for which provisioning was made, tax proceedings comprised an aggregate claim (and provisioning) value of approximately R\$0.01 million (€0.00 million), labor claims comprised an aggregate claim (and provisioning) value of approximately R\$3.4 million (€1.1 million), and other civil lawsuits comprised an aggregate claim (and provisioning) value of approximately R\$1.2 million (€0.4 million). Our Directors believe that such provisioning was adequate.

Legal proceedings in respect of which external Brazilian legal counsel assess M&G Poliéster S.A.'s prospects of success as being between 51% and 75% ("possible claims") (and in relation to which no provisioning has been made) comprised, at September 30, 2013, a total amount of approximately R\$55.2 million (€18.3 million), of which approximately R\$3.1 million (€1.0 million) relates to labor claims, approximately R\$41.6 million (€13.8 million) relates to tax claims and approximately R\$10.6 million (€3.5 million) to other civil claims. We do not disclose claims (and we do not provision for claims) in respect of which external Brazilian legal counsel assesses M&G Poliéster S.A.'s prospects of success at 75% or above.

Based on legal advice from external counsel, and accounting for the facts, maximum potential liability and relative exposure of our Company, our Directors believe that a negative outcome in these legal proceedings, individually or in the aggregate, would not be reasonably expected to have a material adverse effect on our business, financial condition or results of operations.

We do not believe that the ultimate resolution of the matters of which we are aware will have a material impact on our business, results of operations, liquidity, capital resources or financial position.

FINANCIAL INFORMATION

The following discussion and analysis of our business, financial condition and results of operations is based on and should be read in conjunction with our financial statements as at and for each of the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013, including the notes thereto, as set forth in “Appendix I — Accountants’ Report” and other financial information appearing elsewhere in this prospectus.

This discussion contains forward-looking statements that involve risks and uncertainties. We caution you that our business and financial performance are subject to substantial risks and uncertainties including, but not limited to, those factors included in the section headed “Risk Factors” in this prospectus. Our future results could differ materially from those projected in the forward-looking statements.

SELECTED FINANCIAL DATA

Selected Historical Combined Financial Information

The following tables present our selected historical combined financial information for the periods indicated. The selected combined statements of comprehensive income, combined statements of financial position, combined statements of cash flow and other selected financial information for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2012 and 2013 and the selected combined statements of financial position as of December 31, 2010, 2011 and 2012 and June 30, 2013 are derived from, and should be read in conjunction with, the combined financial information set forth in the Accountants’ Report included as Appendix I to this prospectus.

FINANCIAL INFORMATION

Selected Combined Statements of Comprehensive Income Information

	Year ended December 31,			Six months ended	
	<i>(audited)</i>			<i>(unaudited)</i>	<i>(audited)</i>
	2010	2011	2012	2012	2013
	(in euro millions)				
Revenue	1,710.3	1,866.9	1,854.0	940.7	869.9
Other operating income	33.1	4.8	6.2	1.1	4.9
Raw materials, consumables and changes in inventory	(1,345.5)	(1,504.6)	(1,480.9)	(763.9)	(692.0)
Labor costs	(62.5)	(59.0)	(55.7)	(26.8)	(28.1)
Depreciation, amortization & asset write-off	(57.9)	(43.3)	(38.8)	(20.6)	(15.2)
Other operating expenses	(171.0)	(154.4)	(175.0)	(75.2)	(76.0)
Operating profit	106.5	110.4	109.8	55.3	63.5
Financial expenses	(88.8)	(102.0)	(111.1)	(63.2)	(37.5)
Financial income	12.7	21.7	30.4	18.7	12.5
Gain on purchase of Undated Securities	—	—	64.4	—	—
Profit before tax	30.4	30.1	93.5	10.8	38.5
Income tax expense	(7.2)	(14.4)	(10.8)	(3.2)	(15.8)
Profit for the year/period	23.2	15.7	82.7	7.6	22.7
Other comprehensive income:					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Remeasurement of defined benefit obligation	(0.2)	(7.1)	(4.1)	(2.9)	4.3
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on translating foreign operations ⁽¹⁾	35.2	(15.8)	2.0	10.6	(1.6)
Other comprehensive income/(loss) for the year/period, net of tax	34.9	(22.8)	(2.2)	7.8	2.7
Total comprehensive income/(loss) for the year/period, net of tax	58.1	(7.1)	80.5	15.4	25.4
Profit attributable to:					
Owners of the Parent	22.5	19.1	82.1	7.3	20.5
Non-controlling interests	0.7	(3.4)	0.6	0.4	2.2
	23.2	15.7	82.7	7.6	22.7
Total comprehensive income attributable to:					
Owners of the Parent	53.1	(0.3)	80.4	15.3	23.7
Non-controlling interests	5.0	(6.8)	0.1	0.1	1.7
Total	58.1	(7.1)	80.5	15.4	25.4

Notes:

- (1) Exchange differences on translating foreign operations reflects the impact of translating the various functional currencies of our foreign operations into euros, that takes place during the preparation of our consolidated financial statements. In our consolidated balance sheets, most items are translated at the exchange rate at the end of the reporting period, and the profit and loss figures of our subsidiaries are translated at an average exchange rate for the reporting period. Equity and investments are translated at the relevant historical exchange rates. The differences in the exchange rates used to translate these line items may affect the presentation of our combined statements of comprehensive income.

FINANCIAL INFORMATION

Selected Combined Statements of Financial Position Information

	As at			
	December 31, <i>(audited)</i>			June 30, <i>(audited)</i>
	2010	2011	2012	2013
	(in euro millions)			
Non-current assets				
Other non-current financial assets ⁽¹⁾ . . .	65.8	368.0	376.1	366.2
Other non-current assets	683.7	622.0	649.0	658.8
Total non-current assets	749.5	990.0	1,025.1	1,025.0
Current assets				
Cash and cash equivalents	202.4	127.9	169.2	111.6
Other current assets ⁽²⁾	796.7	499.6	585.0	617.1
Total current assets	999.1	627.5	754.2	728.7
Total assets	1,748.6	1,617.5	1,779.3	1,753.7
Total equity	290.2	256.6	368.8	394.2
Non-current liabilities				
Non-current borrowings	417.9	307.1	277.5	283.9
Other non-current liabilities	265.4	250.8	211.1	244.2
Total non-current liabilities	683.3	557.9	488.6	528.1
Current liabilities				
Current portion of borrowings ⁽³⁾	237.8	231.5	298.8	277.1
Other current liabilities	537.4	571.5	623.0	554.3
Total current liabilities	775.2	803.0	921.8	831.4
Total liabilities	1,458.4	1,360.9	1,410.5	1,359.5
Total equity and liabilities	1,748.6	1,617.5	1,779.3	1,753.7

Notes:

- (1) As a result of the Reorganization, certain non-current assets with a carrying value of €350.6 million as at June 30, 2013 (approximately €379.9 million as of the date of cancelation) were canceled on September 30, 2013 in consideration for the cancelation of the €115.0 million Group — Loan payable we owed to M&G Finanziaria S.r.l., the €160.0 million purchase price of Chemtex Global and cash of €104.9 million (the difference between the carrying value of the canceled assets as at June 30, 2013 and the amounts of the canceled liabilities is attributable to accrued interest on the Intercompany Loan). See “History and Corporate Structure — Our History and Development — Reorganization of the Group — Purposes of Reorganization — Reduction in intra-Group financial relationships”. As at June 30, 2013, because the Reorganization had not yet taken place and we did not at that date have the legal right to offset these assets and liabilities, the Intercompany Loan was not classified as “current” as of that date. As a result, although shown in our audited combined balance sheet as at June 30, 2013, as a non-current asset, our management considers this Group — non-current receivable to be a current asset, in recognition of the fact that it would be redeemed within 12 months following the balance sheet date.
- (2) Other current assets as at June 30, 2013 does not include €12.2 million held in a cash reserve bank account in connection with the Brazilian Syndicated Facility (as described below) and previously included within other current assets, which was contractually released in the first half of 2013. As at June 30, 2013, this amount is categorized as a long-term cash deposit and included within non-current assets.
- (3) Of the total current portion of borrowings as at June 30, 2013, €153 million consisted of amounts drawn on a short-term basis and due for repayment within the 12 months from the balance sheet date from our three Mexican revolving credit facilities (the Bancomext Loans and the Banorte Facility), each of which has a contractual maturity in 2015, or beyond 12 months from the balance sheet date. Our directors have no reason to believe the lenders under these three facilities have any intention to revoke their long-term financing of our operations, and do not anticipate termination or unavailability of any of these facilities prior to their contractual maturity dates.

FINANCIAL INFORMATION

Selected Combined Statements of Cash Flow Information

	Year ended December 31,			Six months ended June 30,	
	<i>(audited)</i>			<i>(unaudited)</i>	<i>(audited)</i>
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2012</u>	<u>2013</u>
	<i>(in euro millions)</i>				
Net cash from operating activities	216.0	216.5	172.5	68.4	35.7
Net cash from/(used in) investing activities	4.0	(115.6)	(134.9)	(30.0)	(49.6)
Net cash from/(used in) financing activities	(119.4)	(148.8)	6.6	(3.3)	(34.1)
Difference in foreign exchange	<u>3.3</u>	<u>(26.6)</u>	<u>(2.9)</u>	<u>(10.2)</u>	<u>(9.6)</u>
Net increase/(decrease) in cash and cash equivalents	<u>103.8</u>	<u>(74.4)</u>	<u>41.3</u>	<u>24.9</u>	<u>(57.6)</u>
Cash and cash equivalents at the beginning of the year/period	<u>98.5</u>	<u>202.4</u>	<u>127.9</u>	<u>127.9</u>	<u>169.2</u>
Cash and cash equivalents at the end of the year/period	<u>202.4</u>	<u>127.9</u>	<u>169.2</u>	<u>152.9</u>	<u>111.6</u>

FINANCIAL INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our business, financial condition and results of operations is based on and should be read in conjunction with our financial statements as at and for each of the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013, including the notes thereto, as set forth in "Appendix I — Accountants' Report" and other financial information appearing elsewhere in this prospectus. Our statutory consolidated financial statements are prepared in accordance with IFRSs as adopted by the European Union which have no material difference against the IFRSs issued by the International Accounting Standards Board. We will continue to prepare our consolidated financial statements to be included in our annual reports after the listing in accordance with the IFRSs as adopted by the European Union. Our statutory consolidated financial statements are audited by Ernst & Young S.A. in accordance with the International Standards on Auditing as adopted for Luxembourg which are comparable to the International Standards on Auditing issued by the IAASB. Our consolidated financial statements to be included in our annual reports after the listing will be audited by Ernst & Young S.A. in accordance with International Standards on Auditing as adopted for Luxembourg. Any operational data or non-financial operating data has been derived from management estimates, is not part of our financial statements or financial reporting systems, and has not been audited.

Investors should read the following in conjunction with the rest of this prospectus, including "Summary", "Share Capital", "Future Plans and Use of Proceeds", "Appendix I — Accountants' Report" and "Appendix II — Unaudited Pro Forma Financial Information". Investors should also review the information in "— Basis of Presentation" for further details on our combined financial and operating information included below.

This discussion contains forward-looking statements that involve risks and uncertainties. We caution you that our business and financial performance are subject to substantial risks and uncertainties including, but not limited to, those factors included in the section headed "Risk Factors" in this prospectus. Our future results could differ materially from those projected in the forward-looking statements.

OVERVIEW

We are among the three largest producers of PET resin for packaging applications in the world, and the second largest in the Americas, in terms of nominal capacity, according to PAL. PET is a plastic polymer produced principally from PTA and MEG which is used to manufacture plastic bottles and for other packaging applications for the beverage, food and personal care industries. PET has key technical advantages compared to competing packaging materials for food and drink, particularly its versatility, durability, heat resistance, light weight, cost-competitiveness and 100% recyclability. We can manufacture and offer the full range of PET grades, suitable for a variety of applications; not all producers are able to match this offering. There is good growth potential for virgin PET resin, with global demand estimated at 18.6 million tons in 2012 and expected to reach 26.8 million tons in 2017 at a forecast CAGR of approximately 7.5%, according to PAL.

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Our Group has been operating in the plastic processing industry for 60 years, and constructed its first large-scale PET plant in 1985, which was the then-largest single PET production line in the world with a nominal capacity of 50 kMT/year. Our total PET nominal capacity is currently 1,600 kMT/year. We currently have three production sites strategically located in the United States, Brazil and Mexico, from which we principally sell our products to the North and South American markets. According to PAL, we operate the two largest and most efficient (measured in terms of operating costs per metric ton) PET production lines in the world at our sites in Brazil and Mexico. Our PET customers include major plastic packaging companies such as Amcor, CEPG, Coca-Cola FEMSA, Graham Packaging and Plastipak Packaging, as well as major brand owner groups.

In April 2013, we launched our project to construct a vertically integrated PTA/PET plant in Corpus Christi, Texas, United States. The PET plant is expected to have a nominal capacity of 1,100 kMT/year and to be fully integrated with a co-sited PTA plant with expected nominal capacity of 1,300 kMT/year. We expect that the Corpus Christi plant will begin production in 2016 and will be the largest vertically integrated single line in the world and the largest PTA plant in the Americas, according to PAL. We are also planning the construction in China of two bio-ethanol plants, with expected nominal capacity of 110 kMT/year each, and one E2E plant in China, with expected nominal capacity of 220 kMT/year, all three of which are expected to become operational in mid-2015. In the Chinese bio-ethanol plants, we intend to implement new biotechnologies being developed by our affiliates in the Ghisolfi Group, which allow the production of bio-MEG (and potentially bio-PX) from any biomass, including non-food feedstock, using the Ghisolfi Group's proprietary PROESA® technology (for which we have an exclusive license in relation to PET raw materials applications). We believe that this will allow us to capture the additional margins of upstream petrochemical businesses with lower investment costs, and to capitalize on the growth in global demand for sustainable polyester.

In addition, through our Engineering division we provide technological development, research and engineering services for the construction of plants for customers in the polyester chain (including PET, polyester fiber and PTA production) and LNG industries. Our Engineering division's expertise in plant engineering allows us to enjoy significant synergies and cost savings between our two divisions, in particular by allowing us to carry out our vertical integration projects in a cost-effective manner, and to offer customers (particularly in Asia) access to our Group's innovative technologies.

The table below sets out our Group's combined revenues, operating profit, profit attributable to shareholders and total assets during the Track Record Period:

	As at and for the			
	Year ended December 31,			Six months ended June 30,
	2010	2011	2012	2013
	(in euro millions except for percentages)			
Revenue and other operating income	1,743.4	1,871.7	1,860.2	874.8
PET division (%)	95.0	95.4	92.8	93.9
Engineering division (%)	5.0	4.6	7.2	6.1
Operating profit	106.5	110.4	109.8	63.5
PET division (%)	91.8	96.5	99.5	93.5
Engineering division (%)	7.9	3.2	0.5	5.9
Eliminations (%)	0.3	0.3	—	0.6
Profit attributable to shareholders	23.2	15.7	82.7	22.7
Total assets	1,748.6	1,617.5	1,779.3	1,753.7

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RECENT DEVELOPMENTS

Since the most recent audited financial statements dated June 30, 2013, trading has progressed in line with expectations and budget with no substantial developments and disruptions in market conditions, and the trends observed in the first half of 2013 have continued to date. We are also commencing our major Corpus Christi and China bio-MEG projects, which we expect will require substantial capital expenditures, increase our production volumes and consequently our revenues and cash flows, and require higher levels of indebtedness. More information regarding these projects is provided under “Future Plans and Use of Proceeds”, “Business” and “ — Liquidity and Capital Resources — Capital expenditures” below. Net current liabilities as at September 30, 2013 increased as compared to the amount as at June 30, 2013, primarily due to a decrease in trade and other receivables of €57.9 million and the decrease in other current financial assets of €47.9 million, primarily attributable to the offset of intercompany balances in connection with the Reorganization.

For the three months ended September 30, 2013, our revenues and prices have remained stable and our profit margin has slightly increased as compared to the second quarter of 2013.

BASIS OF PRESENTATION

In preparation for the Global Offering and the listing of our shares on the Hong Kong Stock Exchange, the Reorganization has been implemented in order to form our Group. Pursuant to the Reorganization which was completed subsequent to June 30, 2013, certain companies which are core to our continuing business have been transferred into our Group, and certain non-core businesses will be transferred out of our Group. For a description of the Reorganization, see “History and Corporate Structure — Our History and Development — Reorganization of the Group”.

Our audited combined financial information for the three years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013 is set out in the Accountants’ Report. Our combined statements of comprehensive income, combined statements of financial position and combined statements of cash flow for each of the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013 have been prepared by incorporating the financial information of the listing business, under the common control of M&G Finanziaria S.r.l., by applying the principles of merger accounting, after excluding the financial information of M&G Fibras e Resinas Ltda. and M&G Fibras Brasil S.A. (the “Disposed Entities”) which were not engaged in the listing business throughout the Track Record Period. Our combined statements of financial position as at December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013 have been prepared to present the assets and liabilities of the companies comprising our Group. The net assets and results of our Group were combined using the existing book values of these assets and results as recognized by M&G Finanziaria S.r.l. We are of the view that the exclusion of the financial information of the Disposed Entities will provide more useful and meaningful information to the readers of this prospectus.

Our Group will adopt acquisition method in the preparation of our statutory consolidated financial statements for the year ending December 31, 2013 to account for its acquisition of the subsidiaries now comprising the group that is under common control pursuant to the group reorganisation. This accounting policy is different from the principles of merger accounting as adopted in the preparation of the accountants’ report.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations, financial condition and future prospects have been, and will continue to be, affected by a number of factors, including those set out below.

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Factors affecting our PET division

We generate revenue primarily from sales of PET in our principal markets, comprising the United States, Mexico and Brazil. Accordingly, our revenues and results of operations depend significantly on our overall PET sales volumes and spreads, which are in turn impacted by the key factors discussed below.

Demand for PET in our principal markets

PET demand is significantly affected by population growth, global per capita GDP, general economic conditions, the degree to which PET markets are mature or relatively saturated in a given country, and the development of new applications and further penetration into existing applications, including fresh and refrigerated fruit juices, beer and oxygen- and/or carbon dioxide-sensitive drinks and food.

During the Track Record Period, demand for our products and overall sales volumes have been both positively and negatively affected by these factors. Demand for PET, and as a result our sales volumes, declined as a result of the global financial crisis. Positive GDP growth resumed in most markets in 2010 and continued in 2011 and 2012 and into the first half of 2013, and as the effects of the global economic crisis subsided to some degree, demand for PET and our sales volumes also experienced a recovery. However, at the same time as economic conditions have grown more favorable, in the Americas and Western Europe, virgin PET demand growth in certain traditional applications, such as CSDs and bottled water, is maturing due to high PET penetration and the brand owners' drive towards lighter-weight containers (requiring less PET). Saturation in these markets has, however, been offset by growth rates in PET consumption in Mexico, Brazil and Central Europe where per capita consumption is still relatively low, even in traditional applications. (As a result, our sales volumes have generally been stable or fallen in the mature markets and have increased in Mexico and Brazil during the Track Record Period.) At the same time, there is growing demand for more technologically sophisticated PET grades in the United States and Western Europe for oxygen sensitive beverages and food.

We expect that our results of operations and our financial condition will continue to be affected in the future by the above demand trends in our principal markets.

Our PET production capacity

Changes in our production capacity, including capacity expansions and retirements, significantly affect our results of operations. Increases in capacity allow us to produce and sell more PET products, and thus generate higher revenues, as well as lower our manufacturing costs as a result of economies of scale. Decreases in capacity would have the opposite effects.

During the Track Record Period, our only material PET installed prime capacity reductions resulted from the sale of our subsidiary M&G Polimeri Italia (the entity through which we conducted our European-based PET operations) to M&G Finanziaria S.r.l. on December 30, 2010, resulting in a reduction in PET installed prime capacity of 200 kMT per year. In addition, an extraordinary power outage in May 2011 caused our Suape plant to suspend operations for 45 days, as a result of which that plant's capacity utilization rate in 2011 was 78%. As a result of these factors, our production volumes in the year ended December 31, 2011 were adversely affected as compared to the year ended December 31, 2010.

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We did not materially expand our PET production capacity during the Track Record Period. However, we expect that our PET production capacity will increase upon completion and commencement of operations of our Corpus Christi facilities. We expect that this will contribute to higher revenues as our output and sales volume increases in line with higher production capacity. By employing our proprietary technology as well as the experience and skills of our Engineering division in the construction of our plants, we believe we are able to generate economies of scale in production by operating the largest production lines in the industry while maintaining lower than industry average construction costs per capacity ton built and production costs in terms of operating costs per metric ton of PET produced. In addition, we expect that our costs of sales, including our raw materials, consumables and changes in inventory expenses and our depreciation and amortization costs, will also increase as a result of our increased investment in plant and equipment as well as production scale. If we are able to maintain satisfactory utilization rates and productivity, we expect that our production capacity expansion will enable us to reduce our unit manufacturing costs through economies of scale, as our fixed costs will be allocated over a larger number of units of output.

Raw materials and other variable costs

The costs of our primary raw materials, PTA and MEG, constitute the largest portion of our cost of sales, accounting for 57% and 20%, respectively, of our total cost of sales for our PET division in 2010, 60% and 21% of our total cost of sales for our PET division in 2011, 62% and 21% of our total cost of sales for our PET division in 2012 and 64% and 23% of our total cost of sales for our PET division in the six months ended June 30, 2013. Although we are able, to a significant extent, to pass through fluctuations in the published PTA and MEG market prices to our customers, the market prices of PTA and MEG have a significant impact on PET sales prices. PTA and MEG are both petroleum derivatives and their published prices correlate closely with crude oil prices. Crude oil prices are subject to fluctuations due to market uncertainty and various other factors that are beyond our control, including overall economic conditions, supply and demand dynamics for crude oil and natural gas, political developments, the ability of petroleum producing nations to set and maintain production levels and prices, the price and availability of other energy sources and weather conditions. None of these factors can be predicted with reasonable certainty, and as a result the prices of PTA and MEG may increase or decrease significantly over the medium to long term as a result of any combination of these factors. However, the discounts we have been able to negotiate from our suppliers with respect to published PTA and MEG prices have historically helped insulate our results of operations during periods of lower spreads and higher variable costs. In addition, we generally establish our pricing for purchases of PTA based on published prices for PX. However, if the costs of PTA and MEG increase, our cost of sales could also increase. If we are unable to pass any such increase in costs to our customers, our results of operations would be adversely affected. See also “Risk Factors — Risks Relating to our Businesses — We are exposed to risks associated with fluctuations in prices of raw materials” and “Risk Factors — Risks Relating to our Businesses — Increases in costs, particularly energy costs and transportation, could adversely affect our operating results”.

Approximately 62% of the revenues in our PET division during the Track Record Period were earned pursuant to “cost-plus” arrangements which provide us with revenue on the basis of fixed spreads above published raw materials prices and, accordingly, are intended to be an effective pass-through mechanism to convey fluctuations in the published PTA and MEG market prices to our customers. This arrangement results in generally improved gross profit margins during industry cycle downturns, when pricing is more competitive due to excess supply, and has less of an impact during periods of strong industry pricing. Slightly more than 32% of the revenues in our PET division during the Track Record Period were earned pursuant to “variable spread” arrangements which provide us

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with revenue on the basis of variable spreads above published raw material prices. As with our “cost-plus” arrangements, these “variable spread” arrangements are also intended to pass through fluctuations in published PTA and MEG market prices to our customers, albeit at a spread above our raw material costs which resets regularly during the life of the contract. “Variable spread” arrangements generally provide for improved gross profit margins during periods of strong industry pricing, as PET prices can be adjusted in parallel with PTA and MEG prices, but have less of an impact during industry cycle downturns. For both types of contract, our revenues are affected by the then-prevailing spot market prices of PTA and MEG, reflecting raw material price fluctuations as well as supply and demand conditions in the market. However, because PET market prices are adjusted every month based on raw material price changes, spread volatility purely depends on the supply and demand balance. The remainder of our PET revenues are earned at PET spot-market prices which are significantly determined by raw materials costs, particularly the price of crude oil.

During the Track Record Period, as a result of our ability to pass through to our customers a substantial proportion of any increase in our raw materials costs, our PET selling prices have fluctuated in line with raw material cost fluctuations in various markets, and our PET spreads (the difference between our PET selling prices and our PTA and MEG raw material costs) have remained relatively stable during the period. Accordingly, changes in raw materials costs have not materially affected our operating profit, since the selling prices of PET reflect the variability of raw material prices. As the PET spread that we are able to charge is expressed as a fixed amount under our cost-plus pricing arrangements, percentage changes in our selling prices may be less than percentage changes in our raw materials costs. Moreover, increased raw materials costs tend to reduce our operating profit margin expressed as a percentage of selling price, even while our operating profit remains relatively constant for a given sales volume. Accordingly, the Directors do not believe that operating profit margins are indicative of the performance of our business, and that the levels of our operating profit and EBITDA are more appropriate indicators of the performance of our business. See “— Statements of Comprehensive Income — EBITDA”.

The table below provides an overview of the percentage change during the Track Record Period, as compared to the corresponding previous period, in our PET division total sales volume and average selling price.

	Year ended December 31,		Six months ended June 30,
	2011 ⁽¹⁾	2012 ⁽²⁾	2013 ⁽³⁾
	PET division sales volume	(13%) ⁽⁴⁾	(3%)
PET division average selling price	23%	1%	(4%)
Index published raw material price ⁽⁵⁾	30%	2%	(1%)

Notes:

- (1) Percentage change from 2010.
- (2) Percentage change from 2011.
- (3) Percentage change from six months ended June 30, 2012.
- (4) Decrease as compared to 2010 is due largely to M&G Polimeri Italia being divested in 2010. Without the divestment of M&G Polimeri Italia, this percentage would have been (3%).
- (5) Source: CMAI/IHS Inc.

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Our other variable costs include distribution expenses incurred to deliver our products to our customers. These expenses represented 5%, 4%, 4% and 4% of our total cost of sales sold in 2010, 2011, 2012 and the six months ended June 30, 2013, respectively. Distribution expenses are also impacted by fluctuations in crude oil prices. We mitigate our exposure to distribution expenses to some degree by selling substantially all of our production in the same geographic region where it is produced; however, we are not able to completely insulate ourselves from fluctuations in these expenses. If we are unable to control these costs or continue to pass on any cost increases to our customers, our results of operations will be affected accordingly.

Technological innovation

With 60 years of experience in plastic processing, a significant commitment to research and development and in-depth knowledge of the applications for plastic polymers, we are a leader in product innovation in the field of PET resins, according to PAL. PET products are our principal products. We invest a significant amount of resources in developing advanced PET formulations and production technologies and, as a result of the Reorganization, we have received the intellectual property rights for the exclusive use in the field of polyester of technologies and patents which were developed by affiliates controlled by M&G Finanziaria S.r.l. (such as PROESA® from Beta Renewables and MOGHI from Biochemtex). We believe that the revenue potential attributable to these new technologies is likely to materialize over the next few years, as our PET barrier solutions are adopted in larger volume applications (such as beer) and as we begin to implement our bio-PET projects. During the Track Record Period, our product innovation leadership has contributed to allowing us to negotiate favorable contractual positions with key customers, generating a plant utilization rate that is higher than the industry average as well as permitting us to maintain our PET operating profit margin at relatively stable levels.

Industry cycles and spreads

The petrochemicals industry is characterized by successive periods of overcapacity and undercapacity in PET production. Due to the availability of off-the-shelf technology for PET, periods of high profitability are often followed by a wave of new investments which typically result in temporary overcapacity, with declining profit margins. However, because of the historically high PET demand growth rates, we believe industry overcapacity is a temporary condition, and as demand continues to increase, we expect demand to eventually meet industry supply. The time lag required to bring new capacity on-stream (construction of a green-field PET plant requires approximately two to three years) typically creates a period of temporary shortage, which we believe is likely to contribute to an increase in profitability.

This cyclicality and its underlying supply and demand dynamics have a significant impact on our margins. These factors are particularly relevant for our spot-market price sales and variable spread agreements, and are less material for our cost-plus contracts, which provide for fixed spreads that we seek to negotiate based on a more long-term view of PET supply and demand.

The risk of shortages for clients is higher in regions like North America where the capacity utilization of producers is higher and the risk of unexpected shutdowns or delays in investment could cause product shortages even when a period of surplus capacity was forecast.

The spreads between PET and raw material costs are different in various regions. The North American market is largely protected by import duties and freight costs, and therefore has a higher

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price spread than other regions. As South America is a net PET importer, spreads are significantly influenced by transportation costs and import prices from Asia. Brazil, however, has a higher spread than other countries in the region due to tax incentives for local production, which allow PET sellers to retain part of the value added tax charged on top of the price to clients instead of paying it back to the states in which they operate.

Asia is a net exporter of PET and therefore the spread for Asian PET has historically been determined by the export market. The domestic spreads are approximately half that achieved in the United States because of intense competition among regional producers. However, with export costs to the East Coast of the United States historically in the range of US\$250 (€184.8) per ton (including ocean freight, export duties and local handling), Asian PET producers generally prefer to sell domestically rather than exporting, even if a much higher spread is available in the United States.

Europe has a low or negative spread, due to domestic oversupply and competition from Asian and Middle Eastern imports.

According to PAL, global PET capacity in 2012 was approximately 24.3 mMT, and planned investments in the industry could add 12 – 19 mMT of additional capacity worldwide by 2017, which presents the risk of overcapacity in almost all regions. Natural growth in the market and the rationalization of older, less efficient plants or lines is expected to mitigate the effects of this potential overcapacity, according to PAL. See “Industry Overview — PET Resin Business — Supply of virgin PET resin — Competitive landscape” for more information.

We have been able to maintain relatively stable margins in the past, even through downturns in the industry and in periods of global overcapacity. This is due mainly to the large size and efficiency of our plants, to longstanding key customer relationships and the favorable contractual positions we have in place with them, as well as to our ability to leverage cost efficiencies in our raw materials supplies because of the large scale and high utilization rates of our plants. These factors have permitted us to maintain our PET operating profit margin at a relatively stable level between 2010 and 2012.

Factors affecting our Engineering division

Our Engineering division generates revenue primarily from sales of engineering and procurement services in our principal engineering markets (mainly in China). Accordingly, our revenues and results of operations depend significantly on the number of projects awarded, which are in turn impacted by industry-wide trends in the polyester and LNG industries.

During the Track Record Period, demand for polyester plants increased, reflecting trends in the polyester industry. For further information on these trends, see “— Key Factors Affecting our Results of Operations — Industry cycles and spreads”.

During the Track Record Period, the demand for small- to medium-scale LNG plants in China has also increased. The principal drivers of this increase have been: (i) increased demand for natural gas in remote areas; (ii) increased use of LNG as fuel for heavy long haul trucks; (iii) increased production of natural gas in western China resulting in increased demand for gas delivery solutions; and (iv) use

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of LNG production to provide “flexible pipeline” solutions. As a result of these factors, our Engineering division has been able to grow its LNG plant construction business, and was awarded one LNG contract in the first half of 2013 and four contracts in 2012 as compared to one contract in 2010 and five contracts in 2011.

The most significant element of cost of sales for our Engineering division is project material costs, representing purchases of equipment for delivery to our customers. Total project material costs have increased during the Track Record Period in line with higher volumes of work. For certain types of equipment, however, we have been able to negotiate better pricing terms from our suppliers.

Another factor that has affected the operating profit of our Engineering division is a change in the service package. Because of better integration with customer needs, we are not only providing customers with equipment, but supporting them in their interface with contractors. This increase in the level of service does not increase our project material costs, because it is provided by our personnel.

In addition, we have served clients on progressively larger LNG projects, which creates for us greater benefits of economies of scale.

Foreign currency exchange rates

Our PET business is a U.S. dollar-based business for which PET prices, as well as PTA and MEG raw materials prices, are quoted in U.S. dollars in all geographic markets. Therefore our sales of PET to our customers, and our purchases of our key raw materials, PTA and MEG, from suppliers, are each priced with reference to U.S. dollars, although payments may be made in local currency equivalents. Furthermore, distribution expenses are generally correlated with global oil prices, and as such are also correlated with fluctuations in the value of the U.S. dollar.

Our Engineering business is similarly a U.S. dollar-based business for which project prices are generally agreed in U.S. dollars in all geographic markets, and project material costs for purchases of equipment are generally also in U.S. dollars.

For accounting purposes, in the local accounts of our subsidiaries, we account for U.S. dollar-denominated transactions, assets and liabilities in the local reporting currencies in which our subsidiaries prepare their accounts. Fluctuations between the value of the local reporting currency and the currency in which most of our transactions are effectively carried out, the U.S. dollar, may therefore result in foreign exchange gains or losses in those local accounts. When the local accounts are consolidated into our Group financial statements and converted into euro, those foreign exchange gains or losses are also thereby consolidated and converted into euro. This gives rise to further possible foreign exchange gains or losses, which are represented in the “Exchange differences on translating foreign operations accounts” item in our combined statements of comprehensive income.

Our results of operations, which are reported in our combined financial statements in euro, have been primarily impacted during the Track Record Period by: (i) most significantly, fluctuations between the euro, Brazilian real, Mexican peso and the U.S. dollar, and the resulting impact on the income statements of our local subsidiaries outside the United States; and (ii) the translation of various income statement and balance sheet items from the local reporting currencies in which our subsidiaries prepare their accounts, into our reporting currency (euro) when preparing our combined financial statements. In general, the weakening of the Brazilian real or the Mexican peso against the U.S. dollar provides a benefit to our results of operations, in that (i) debt denominated in Brazilian

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reais or Mexican pesos is reduced in value, in euro and U.S. dollar terms and (ii) fixed costs, including labour and local transportation costs, in our Mexican and Brazilian subsidiaries are also reduced in euro and U.S. dollar terms. Partly offsetting any benefit from the weakening of Brazilian reais or Mexican pesos against the euro or the U.S. dollar are certain negative translation effects relating to assets which are valued in Brazilian reais or Mexican pesos, when translated into euros or U.S. dollars.

Although we believe we benefit from a degree of natural hedge with respect to U.S. dollars, during the Track Record Period an increase in the value of the euro against the U.S. dollar or the Brazilian real would have resulted in a lower consolidated profit before tax. See “— Quantitative and Qualitative Analysis of Market Risks — Exchange rate risk” below.

Our tax rates

Our most significant subsidiaries are subject to taxation in the United States, Brazil, Mexico, Luxembourg and China. Our combined effective tax rates for the years ended December 31, 2010, 2011 and 2012 and for the six months ended June 30, 2013, as a proportion of our profit before tax, were 23.7%, 47.7%, 11.6% and 41.1%, respectively. The fluctuations in our effective tax rates that we experienced in the Track Record Period reflect the availability and timing of deferred tax assets (which are tax losses not recognized in a given period and tax losses carried forward from previous years) in a given period.

Our effective tax rate is an accounting reference which enables us to make a comparison with the prevailing tax rate in Luxembourg. The effective tax rate is affected by two factors:

- deferred tax assets (which are tax losses not recognized in a given period and tax losses carried forward from previous years); and
- permanent differences and differences on consolidated entries.

Because deferred tax assets may, but cannot always, be recorded due to the uncertainty in whether they can be utilized to offset income tax expenses in a subsequent period, they can have an impact on our overall effective tax rate in any given year. Our combined effective tax rate for the year ended December 31, 2010 was lower because we were able to utilize deferred tax assets arising from prior years' tax losses that had been carried over. We did not utilize any deferred tax assets for the year ended December 31, 2011 because the jurisdictions in which we had deferred tax assets had no taxable profits in that year. Our combined effective tax rate decreased for the year ended December 31, 2012 because the gain on purchase of Undated Securities was not taxable in Luxembourg. Our effective tax rate increased for the six months ended June 30, 2013 as a result of non-recognition of deferred tax assets and liabilities due to permanent differences.

As at June 30, 2013, we have accumulated approximately €166 million of tax losses, which may be used to offset future taxable profits. Although we cannot currently recognize deferred tax assets in respect of €130 million of these tax losses on our combined statements of financial position under applicable accounting standards, we expect to be able to utilize some of these losses going forward, as a result of the Reorganization and expenses related to our Corpus Christi and China bio-MEG projects.

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The specific income tax rates in various jurisdictions that are applicable to our Group are as follows:

Country	Type of tax	Tax rate 2013	Tax rate 2012	Tax rate 2011	Tax rate 2010
Luxembourg	Income tax	29.22%	28.80%	28.80%	28.60%
USA	Federal income tax plus state income tax	39.30%	38.62%	38.62%	38.62%
Mexico	Income tax	30.00%	30.00%	30.00%	30.00%
Brazil	Income tax	34.00%	34.00%	34.00%	34.00%

The applicable tax rates presented above do not correspond to the effective tax rates we paid as a proportion of our profit before tax, since they are derived from consolidated accounts calculated under IFRS, during the Track Record Period. This is due to the fact that our operating subsidiaries pay taxes on a country-by-country basis, based on:

- local currency accounts — because tax authorities in Brazil require reporting and payment in Brazilian real, in the United States only in U.S. dollars, and in Mexico only in Mexican pesos, there is a currency translation impact when presenting these tax payments at a consolidated Group level;
- local accounting principles — because these differ in certain respects from IFRS principles, there are country-specific variations which have an impact on profit before taxes, which is the basis on which specific tax rates are applied;
- local tax accounting and rules — further variation arises because certain expenses in a given country (for example, certain interest payments and exchange rate gains and losses) may affect net profit for accounting purposes, yet may not be relevant for tax purposes. Similarly, in certain jurisdictions some elements of income (for example, the gain on purchase of the Undated Securities) would not be taxable at all. Moreover, rules about the use of tax losses are different in the various countries. For example, tax losses are perpetual in Luxembourg, are available for eight years in the United States, and are perpetual in Brazil but can only be used for up to a certain percentage of taxable income. These rules are moreover subject to frequent modification in some jurisdictions and variations across jurisdictions continue to distort our effective tax rate calculation. Additionally, tax consolidation rules vary in different countries, which can also result in a degree of distortion when our tax rate is computed at a consolidated level.

Effect of disposal

Effective December 30, 2010, we divested our European-based PET operations through the sale of M&G Polimeri Italia to M&G Finanziaria S.r.l. See “Relationship With Our Controlling Shareholders — Excluded Businesses of the Controlling Shareholders”. As a result of this transaction, we recorded an increase in Group — non-current receivables, which represented a loan to M&G Finanziaria S.r.l. partly reflecting the consideration owed to us by M&G Finanziaria S.r.l. for this sale. Our combined statements of comprehensive income for the years ended December 31, 2011 and 2012 no longer reflect the results of operations of M&G Polimeri Italia.

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Our combined income statement for the year ended December 31, 2010 includes results of M&G Polimeri Italia for the full year. For the year ended December 31, 2010, M&G Polimeri Italia had revenue of €172.3 million, representing 10.1% of our combined revenue for 2010, and had expenses for raw materials, consumables and changes in inventory of €148.4 million, representing 11.0% of our combined raw materials, consumables and changes in inventory expenses for 2010. See “History and Corporate Structure — Our History and Development — Reorganization of the Group”.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in accordance with IFRS requires the use of certain accounting estimates and judgements. The estimates and judgements that we use in applying our accounting policies may have a significant impact on our results of operations, assets and liabilities, as reported in our audited consolidated financial statements. Certain of our accounting policies require us to make difficult and subjective estimates and judgements, often as a result of the need to make estimates of matters which are inherently uncertain. We continually evaluate these estimates and judgments based on historical experience and other factors, including expectations of future events, which we currently believe to be reasonable.

We make accounting estimates and assumptions concerning the future. Actual results may differ from these estimates as facts, circumstances and conditions change, or as a result of different assumptions. We believe the following critical accounting policies involve the most significant estimates and judgments used in the preparation of our financial statements:

- Impairment testing of goodwill
- Calculation of pension liabilities
- Recognition of deferred tax assets
- Contract work in progress (net amounts) of our Engineering division projects
- Useful lives of property, plant and equipment
- Impairment of trade receivables
- Provision for legal and other claims

Each of these is discussed in more detail below.

In addition to the critical accounting policies discussed below, the basis of presentation of our combined financial information is set out in Note 2.1 to Section II of the Accountants’ Report, a full discussion of our principal accounting policies is set out in Note 2.3 to Section II of the Accountants’ Report, and our critical accounting judgments, estimates and assumptions are set out in Note 3 to Section II of the Accountants’ Report to this prospectus.

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Impairment test of goodwill

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less cost to sell and its value in use. Management estimates the fair value, less the cost to sell, based on available data from binding sales transactions in arm's length transactions of similar assets or observable market prices, minus estimated incremental costs for disposing of the asset. Management estimates the value in use based on a discounted cash flow model, using cash flows derived from our medium-term forecast budget. Management estimates of the value in use do not include restructuring or reorganization activities that we have not yet committed to, or significant future investments that we believe will enhance the performance of the cash-generating unit being tested. The fair value less cost to sell is the element of our impairment testing that is most influenced by management estimates and judgements, relating to the discount rate used for the discounted cash flow model as well as to our expectations of future cash-inflows and the estimated growth rate.

Calculation of pension obligations

Our subsidiaries in North America provide defined benefit pension plans and post-employment medical benefit plans for all employees and retirees. The cost of defined benefit pension plans and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations, applying the principles of IAS 19. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. One of the assumptions used in determining our net pension expenses in a given period is the discount rate, which is the rate used to determine the present value of estimated future outflows expected to be required to pay our pension obligations in future periods. We determine the appropriate discount rate at the end of each financial year. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. Other key assumptions used in calculating our pension obligations are based, in part, on current market conditions as well as our employees' future salary increases, mortality rates and future pension increases. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country. Due to the complexity of the valuation, the underlying assumptions and its long-term nature a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Recognition of deferred tax assets

We recognize deferred tax assets for all unused tax losses to the extent that we estimate it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. If the level or timing of actual profitability of a given subsidiary deviates significantly from management estimates, we may be required to make a material adjustment to the carrying amount of any deferred tax assets.

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Contract work in progress (net amount) of our Engineering division projects

Within our Engineering division, when the outcome of a construction contract can be reliably estimated, we recognize revenue according to the “percentage of completion” method. Depending on the nature of the contract, the amount of revenue recognized in a given period is based on (a) the percentage of work performed to date as a percentage of total contract value, or (b) the contract costs we have incurred up to the balance sheet date as a percentage of total estimated and budgeted costs for such contract. When the outcome of a contract cannot be reliably estimated, we recognize revenue only to the extent of our incurred contract costs which we estimate are likely to be recoverable. The difference between the total contract values of the signed but uncompleted contracts as of a given date and the cumulative amount of revenues which we have already recognized in our consolidated income statement on these projects as of a given date is presented as our “unbilled value” from such projects. See “Business — Engineering Division — Major Projects — Backlog”.

Because of the nature of our Engineering division, the date on which the contract activity is entered into and the date on which the activity is completed usually fall into different accounting periods. We review and revise the estimates of contract revenue and contract costs (including material costs) in the budget for each contract as the contract is being performed. Our management regularly reviews the progress of the contract performance and corresponding costs. If circumstances arise that may change the original estimates of revenues, costs or time required for completion, we revise estimates accordingly. These revisions may result in increases or decreases in estimated revenues and/or costs for the period in which the circumstances that give rise to the revision become known to us.

Useful lives of property, plant and equipment

We determine the estimated useful lives and related depreciation charges for our property, plant and equipment based on projected wear and tear incurred during the useful lives of these assets. The estimated useful life of a given asset could change significantly as a result of, among other things, technical innovations and market cycles. If our estimate of the useful life of a given asset changes, we revise the related depreciation schedule, and may write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

Impairment of trade receivables

We determine provisions for impairment of trade receivables based on the credit history of the customer, our estimate of the likelihood of payment, and current market conditions. Management reassesses the adequacy of provisions for impairment of trade receivables on a regular basis by reviewing each customer account based on past credit history, prior knowledge of debtor insolvency or other credit risks which might not be publicly available and market volatility that might have a significant impact which might not be easily ascertained.

Provision for legal and other claims

We may be involved in legal proceedings in the ordinary course of business. Where our management considers that any proceeding will more likely than not result in us compensating third parties, a provision is recognized for the best estimate of the amount expected to be paid. Where our management considers that it is more likely than not that proceedings will not result in us compensating third parties or where it is not considered possible to provide a sufficiently reliable

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estimate of the amount expected to be paid, no provision is made for any potential liability under the proceeding except to the extent that the circumstances and uncertainties involved are disclosed as contingent liabilities. The assessment of the likely outcome of legal proceedings and the amount of any potential liability involves significant judgment.

PRINCIPAL COMPONENTS OF OUR INCOME STATEMENT

Revenue

Revenue comprises revenue from PET sales and rendering of engineering services.

We analyze our revenue (as well as our other operating income) by division and, within our PET division, by geographical segment. Our division reporting allocates both revenue and other operating income between our PET and Engineering divisions (both are included under the caption “revenue” in the segment analysis contained in our consolidated financial statements). In our geographical segment reporting, revenue from only our PET division is allocated among NAFTA, Brazil and Europe on the basis of where the product was manufactured. Our Engineering division is organized on a global basis, without geographical reporting segments.

Other operating income

Other operating income principally comprises gains from disposals of fixed assets and proceeds from insurance and legal claims. Insurance claims are claims in relation to damage to our plants and equipment in the ordinary and usual course of our business. Legal claims are claims related to the enforcement of sale and purchase agreements with customers in the ordinary and usual course of our business. For the years ended December 31, 2010 and 2011, our other operating revenues also included engineering income related to one of our Indian subsidiaries (€1.6 million in 2010 and €2.1 million in 2011). Engineering income in the years ended December 31, 2010 and 2011 included ordinary income generated from our operations through our Engineering division, through which we provide technological development, research and engineering services for the construction of plants for customers in the polyester chain and LNG industries. Starting in the year ended December 31, 2012, this income was included in revenue.

Raw materials, consumables and changes in inventory

Raw materials, consumables and changes in inventory principally comprise purchases of raw materials, process chemicals, spare parts and energy costs for our PET division. The most significant raw material expenses for the PET division are PTA and MEG, while for the Engineering division the raw materials are mostly represented by equipment sold to our customers.

Labor costs

Labor costs principally comprise wages and salaries, selling, general and administrative expenses, and also social security costs, employee termination indemnities and other personnel expenses.

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Depreciation, amortization and asset write-off

Depreciation, amortization and asset write-off principally comprises amortization expenses relating to intangible assets, asset write-offs relating to property, plant and equipment, and depreciation expenses relating to property, plant and equipment.

Other operating expenses

Other operating expenses principally comprise distribution expenses relating mainly to freight and transportation costs incurred in distributing our products to customers, plant maintenance contractor and related services fees, office leases and charges, IT services fees, consulting and services expenses (which relate mainly to fees paid to unrelated third parties such as engineering, consultant, audit and legal fees, but also include corporate charges for services provided by M&G Finanziaria S.r.l. and other affiliates), logistics expenses relating mainly to receipt of raw materials and inventory, and certain insurance, travel, personnel, licensing, legal and other expenses.

Financial expenses

Financial expenses principally comprise interest expenses on our indebtedness, and also includes various other financing costs, including settlement costs for interest rate and commodity swap transactions, factoring costs, commissions and fees paid on bank guarantees, financial discounts and other related expenses. A proportion of our interest expenses during the Track Record Period was Group — Interest expenses on loans from M&G Finanziaria S.r.l. or its affiliates, and these payments will cease after the Reorganization as a result of these loans being repaid or canceled.

Financial expenses also includes foreign currency exchange losses, resulting from costs relating to fluctuations between the value of the local reporting currency and the U.S. dollar.

Financial income

Financial income principally comprises interest income from cash and cash equivalents as well as interest earned on funds lent to M&G Finanziaria S.r.l. under the Intercompany Loan or to its affiliates outside our Group. Financial income from M&G Finanziaria S.r.l. under the Intercompany Loan or from affiliates of our Controlling Shareholders will cease after the Reorganization as a result of these loans being repaid or canceled.

Gains on purchase of Undated Securities

Gains on purchase of Undated Securities comprises a non-recurring gain we recognized upon the acquisition of the Undated Securities from M&G Finanziaria S.r.l. in consideration for the cancellation of the Intercompany Loan. For a further description of this item, see “History and Corporate Structure — Our History and Development — Reorganization of the Group — Purposes of Reorganization — Reduction in intra-Group financial relationships”.

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STATEMENTS OF COMPREHENSIVE INCOME

The following table shows statements of comprehensive income derived from our combined financial information for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2012 and 2013:

	Year ended December 31,			Six months ended	
	<i>(audited)</i>			<i>(unaudited)</i>	<i>(audited)</i>
	2010	2011	2012	2012	2013
	(in euro millions)				
Revenue	1,710.3	1,866.9	1,854.0	940.7	869.9
Other operating income	33.1	4.8	6.2	1.1	4.9
Raw materials, consumables and changes in inventory	(1,345.5)	(1,504.6)	(1,480.9)	(763.9)	(692.0)
Labor costs	(62.5)	(59.0)	(55.7)	(26.8)	(28.1)
Depreciation, amortization & asset write-off	(57.9)	(43.3)	(38.8)	(20.6)	(15.2)
Other operating expenses	(171.0)	(154.4)	(175.0)	(75.2)	(76.0)
Operating profit	106.5	110.4	109.8	55.3	63.5
Financial expenses	(88.8)	(102.0)	(111.1)	(63.2)	(37.5)
Financial income	12.7	21.7	30.4	18.7	12.5
Gain on purchase of Undated Securities	—	—	64.4	—	—
Profit before tax	30.4	30.1	93.5	10.8	38.5
Income tax expense	(7.2)	(14.4)	(10.8)	(3.2)	(15.8)
Profit for the year/period	23.2	15.7	82.7	7.6	22.7
Other comprehensive income:					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Remeasurement of defined benefit obligation	(0.2)	(7.1)	(4.1)	(2.9)	4.3
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on translating foreign operations ⁽¹⁾	35.2	(15.7)	2.0	10.6	(1.6)
Other comprehensive income/(loss) for the year/period, net of tax	34.9	(22.8)	(2.2)	7.8	2.7
Total comprehensive income/(loss) for the year/period, net of tax	58.1	(7.1)	80.5	15.4	25.4
Profit attributable to:					
Owners of the Parent	22.5	19.1	82.1	7.3	20.5
Non-controlling interests	0.7	(3.4)	0.6	0.4	2.2
	23.2	15.7	82.7	7.6	22.7
Total comprehensive income attributable to:					
Owners of the Parent	53.1	(0.3)	80.4	15.3	23.7
Non-controlling interests	5.0	(6.8)	0.1	0.1	1.7
Total	58.1	(7.1)	80.5	15.4	25.4

Notes:

- (1) Exchange differences on translating foreign operations reflects the impact of translating the various functional currencies of our foreign operations into euros, that takes place during the preparation of our consolidated financial statements. In our consolidated balance sheets, most items are translated at the exchange rate at the end of the reporting period, and the profit and loss figures of our subsidiaries are translated at an average exchange rate for the reporting period. Equity and investments are translated at the relevant historical exchange rates. The differences in the exchange rates used to translate these line items may affect the presentation of our combined statements of comprehensive income.

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EBITDA

We have presented EBITDA below because we believe that, when viewed with our results of operations as prepared in accordance with IFRS and with our operating profit for a period, it is of use to analysts, investors and other interested parties in providing an understanding of our underlying financial performance during the Track Record Period.

EBITDA is a non-IFRS financial measure. We calculate EBITDA as operating profit plus depreciation, amortization and asset write-offs. EBITDA, as calculated below, may not be comparable to similarly named measures used by other companies and should not be considered as a measure comparable to profit/(loss) for the period in our combined income statements, since EBITDA excludes depreciation and amortization charges. EBITDA has limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, an analysis of our results of operations, as reported under IFRS.

The following table sets forth EBITDA and a reconciliation from operating profit for the year to EBITDA for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2010	2011	2012	2013
	(in euro millions)			
Operating profit	106.5	110.4	109.8	63.5
Depreciation, amortization and asset write-offs	57.9	43.3	38.8	15.2
EBITDA⁽¹⁾	164.4	153.7	148.6	78.7

Notes:

- (1) We define EBITDA as operating profit plus depreciation, amortization and asset write-offs. Our use of EBITDA, calculated as presented in the table above, may not be comparable to similarly titled measures used by other companies. Our definition of EBITDA should not be considered in isolation or as a substitute for analysis of our results as reported under IFRS.

Our operating profit has remained relatively stable during the Track Record Period. The decrease in our EBITDA during the Track Record Period was due primarily to: (i) a one-time gain on disposal of fixed assets of €12.4 million in 2010 mainly arising from disposal of a building in India; (ii) a gain on insurance and legal claims of €17.1 million in 2010; and (iii) an increase in third party consulting and services costs relating to Engineering division projects by approximately €22.0 million as compared to 2010 and 2011, due to higher volumes of ongoing projects in 2012.

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Six months ended June 30, 2013 compared with six months ended June 30, 2012

Revenue and other operating income

Combined revenue and other operating income

The following table provides a breakdown of our combined revenue and other operating income by division, and a breakdown of PET revenue and other operating income by geographical segment, for the six months ended June 30, 2012 and 2013:

	Six months ended June 30,				% Change
	2012 (unaudited)	% of total	2013	% of total	2013 versus 2012
(in euro millions, except as otherwise indicated)					
Revenue and other operating income					
by division					
PET	881.5	93.6	821.8	93.9	(6.8)
Engineering	60.3	6.4	53.0	6.1	(12.0)
Total	941.8		874.8		(7.1)
PET revenue and other operating					
income by geographical segment					
NAFTA	561.8	63.7	510.0	62.1	(9.2)
Brazil	319.7	36.3	311.8	37.9	(2.5)
Total	881.5		821.8		(6.8)

Our combined revenue and other operating income in the six months ended June 30, 2013 was €874.8 million, a 7.1% decrease from €941.8 million in the six months ended June 30, 2012. The decrease was due to a 6.8% decrease in revenue from our PET division, resulting from a combination of lower PET market prices and a decrease of sales volumes in specific geographic areas, as well as a 12.0% decrease in revenue from our Engineering division, resulting from a larger proportion of early-stage Engineering projects for which revenue had not been recognized.

Other operating income in the six months ended June 30, 2013 increased to €4.9 million, compared to €1.1 million in the six months ended June 30, 2012, mainly due to the sale of our engineering business in Mumbai in 2013, resulting in a gain of €4.2 million.

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Division revenue and other income

Combined revenue and other operating income from our PET division in the six months ended June 30, 2013 was €821.8 million, a 6.8% decrease from €881.5 million in the six months ended June 30, 2012, PET sales volumes decreased 4.6% in the six months ended June 30, 2013 as compared to the six months ended June 30, 2012, resulting primarily from a 9.0% decrease in our sales volumes in NAFTA, partially offset by a 4.4% increase in our sales volumes in Brazil, while our average PET selling prices decreased by 3.9% in euro terms over the same period.

Combined revenue and other operating income from our Engineering division in the six months ended June 30, 2013 was €53.0 million, a 12.0% decrease from €60.3 million in the six months ended June 30, 2012, due to a larger proportion of early-stage Engineering projects in the six months ended June 30, 2013, in respect of which we had not yet recognized substantial revenue.

Geographical segment revenue and other operating income

PET revenue and other operating income from NAFTA sales in the six months ended June 30, 2013 was €510.0 million, a 9.2% decrease from €561.8 million in the six months ended June 30, 2012, reflecting primarily lower PET sales volumes, which decreased 9.0% as compared to the six months ended June 30, 2012, as well as a 3.6% decline in average sales prices as compared to the six months ended June 30, 2012. The decline in sales volumes in the six months ended June 30, 2013 as compared to the six months ended June 30, 2012 resulted in large part from decisions by a number of clients to draw down their inventories during the first quarter in anticipation of falling raw material prices; the trend reversed and volumes started to improve in the second quarter.

PET revenue and other operating income from Brazil sales in the six months ended June 30, 2013 was €311.8 million, a 2.5% decrease from €319.7 million in the six months ended June 30, 2012. Sales volumes increased by 4.4% in the six months ended June 30, 2013, in line with market growth, while average sales prices in Brazil decreased by 4.7% in euro terms in the six months ended June 30, 2013 as compared to the six months ended June 30, 2012. The increase in sales volume was partly offset by lower revenues generated from a lower volume of sales of PTA to M&G Fibras Brasil S.A.

Cost of sales

Cost of sales comprises raw materials, consumables and changes in inventory, together with labor costs, depreciation, amortization and write-offs and other operating expenses.

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The table below sets forth a breakdown of our cost of sales and cost of sales by operating division for the periods indicated:

	Six months ended June 30,				% Change
	2012 (unaudited)	% of revenue	2013	% of revenue	2013 versus 2012
(in euro millions, except as otherwise indicated)					
Raw materials, consumables and changes in inventory	(763.9)	81.1	(692.0)	79.1	(9.4)
Labor costs	(26.8)	2.8	(28.1)	3.2	5.2
Depreciation, amortization and asset write-off	(20.6)	2.2	(15.2)	1.7	(26.5)
Other operating expenses	(75.2)	8.0	(76.0)	8.7	1.0
Total	<u>(886.5)</u>	94.1	<u>(811.3)</u>	92.7	(8.5)
Cost of sales by division					
PET	(825.2)	87.6	(762.4)	87.1	(7.6)
Engineering	(61.6)	6.5	(49.3)	5.6	(20.1)
Eliminations ⁽¹⁾	0.3	—	0.4	—	(1.9)
Total cost of sales	<u>(886.5)</u>	94.1	<u>(811.3)</u>	92.7	(8.5)

Note:

(1) Cost of sales by division includes certain transactions within our Group which are eliminated upon consolidation, therefore eliminations refer to the netting of intercompany transactions between Group companies, mainly resulting from transactions not within divisional segments.

Cost of sales for our PET division in the six months ended June 30, 2013 was €762.4 million, a 7.6% decrease from €825.2 million in the six months ended June 30, 2012. This decrease was primarily the result of a decrease in the cost of raw materials, consumables and changes in inventory, as well as a slight decrease in depreciation, amortization and asset write-off.

Cost of sales for our Engineering division in the six months ended June 30, 2013 was €49.3 million, a 20.1% decrease from €61.6 million in the six months ended June 30, 2012, reflecting the relatively lower levels of activity in the Engineering division.

The components of our cost of sales, and analysis of changes between the six months ended June 30, 2012 and 2013, are further discussed below for each line item.

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Raw materials, consumables and changes in inventory

The table below sets forth our raw materials, consumables and changes in inventory costs by division for the periods indicated:

	Six months ended June 30,				% Change
	2012 (unaudited)	% of revenue	2013	% of revenue	2013 versus 2012
(in euro millions, except as otherwise indicated)					
Raw materials, consumables and changes in inventory by division					
PET	(726.3)	82.4	(666.7)	81.1	(8.2)
Engineering	(37.6)	62.4	(25.3)	47.7	(32.7)
Eliminations ⁽¹⁾	—	—	—	—	—
Total raw materials, consumables and changes in inventory	<u>(763.9)</u>	81.1	<u>(692.0)</u>	79.1	(9.4)

Note:

- (1) Raw materials, consumables and changes in inventory by division includes certain transactions within our Group which are eliminated upon consolidation, therefore eliminations refer to the netting of intercompany transactions between Group companies, mainly resulting from transactions not within divisional segments.

Raw materials, consumables and changes in inventory costs in the six months ended June 30, 2013 were €692.0 million, a 9.4% decrease from €763.9 million in the six months ended June 30, 2012. The decrease in raw materials, consumables and changes in inventory costs for our PET division resulted primarily from the decreased requirements in connection with lower sales volumes during the period, as well as decreases in prices of raw materials.

Raw materials, consumables and changes in inventory for our Engineering division in the six months ended June 30, 2013 were €25.3 million, a 32.7% decrease from €37.6 million in the six months ended June 30, 2012. This decrease is mainly due to the higher proportion of early-stage projects in the six months ended June 30, 2013, in respect of which we had not yet incurred costs.

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Labor costs

The table below sets forth a breakdown of our labor costs and a breakdown of labor costs by division for the periods indicated:

	Six months ended June 30,	
	2012 (unaudited)	2013
	(in euro millions)	
Wages and salaries	(21.4)	(23.1)
Social security costs	(3.2)	(3.2)
Employee termination indemnities	(1.7)	(1.7)
Other personnel expenses	(0.4)	(0.1)
Total	<u>(26.8)</u>	<u>(28.1)</u>
Labor costs by division		
PET	(16.3)	(17.1)
Engineering	(10.5)	(11.1)
Total	<u>(26.8)</u>	<u>(28.1)</u>

Labor costs in the six months ended June 30, 2013 were €28.1 million, a 5.2% increase from €26.8 million in the six months ended June 30, 2012. The increase in labor costs was mainly due to a 7.9% increase in wages and salaries as a result of inflation and merit adjustments, particularly in Brazil. The increase of costs in our Engineering division is attributable to employee termination costs as a result of the sale of our business in Mumbai in March 2013, partly offset by cost reductions as a result of outsourcing certain activities following the disposition (now accounted for under “Other operating expenses”). Wages and salaries costs in the six months ended June 30, 2013 also included certain expenses associated with expatriate instead of local employees.

Depreciation, amortization & asset write-off

The table below sets forth our depreciation, amortization and asset write-off by division for the periods indicated:

	Six months ended June 30,			% Change	
	2012 (unaudited)	% of revenue	2013	% of revenue	2013 versus 2012
	(in euro millions, except as otherwise indicated)				
Depreciation, amortization & asset write-off by division					
PET	(19.2)	2.0	(15.9)	1.8	(17.2)
Engineering	(1.8)	0.2	0.4	—	123.9
Eliminations ⁽¹⁾	0.4	—	0.3	—	3.5
Total	<u>(20.6)</u>	2.2	<u>(15.2)</u>	1.7	<u>(26.5)</u>

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Note:

- (1) Depreciation, amortization & asset write-off by division includes certain transactions within our Group which are eliminated upon consolidation, therefore eliminations refer to the netting of intercompany transactions between Group companies, mainly resulting from transactions not within divisional segments.

Depreciation, amortization and asset write-off in the six months ended June 30, 2013 was €15.2 million, a 26.5% decrease from €20.6 million in the six months ended June 30, 2012. This change was primarily due to a decrease in amortization expenses in relation to intangible assets, from €3.8 million in the six months ended June 30, 2012 to €1.3 million in the six months ended June 30, 2013, as a result of the full amortization of certain intangible assets in the United States during 2012. In addition, in the six months ended June 30, 2012, depreciation, amortization and asset write-off included a loss of €1.3 million resulting from the sale of certain fixed assets in Mexico and Brazil.

Other operating expenses

The table below sets forth a breakdown of our other operating expenses and a breakdown of other operating expenses by division for the periods indicated:

	Six months ended June 30,	
	2012 (unaudited)	2013
	(in euro millions)	
Distribution expenses	(36.3)	(30.7)
Consulting and services	(27.4)	(32.2)
Other	(11.5)	(13.1)
Total	(75.2)	(76.0)
Other operating expenses by division		
PET	(63.4)	(62.7)
Engineering	(11.8)	(13.3)
Total	(75.2)	(76.0)

Other operating expenses in the six months ended June 30, 2013 were €76.0 million, a 1.0% increase from €75.2 million in the six months ended June 30, 2012. Other operating expenses in the six months ended June 30, 2013 included certain legal costs related to a one-off event, including expenses related to protection of certain of our patents and €0.1 million in expenses relating to our claim against a railroad company for overcharging us for railroad transportation services.

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Operating profit

Combined operating profit

The table below sets forth our operating profit by division for the periods indicated:

	Six months ended June 30,				% Change
	2012 (unaudited)	% of revenue	2013	% of revenue	2013 versus 2012
(in euro millions, except as otherwise indicated)					
Operating profit by division					
PET	56.3	6.0	59.4	6.8	5.5
Engineering ⁽¹⁾	(1.4)	(0.1)	3.8	0.4	371.4
Eliminations ⁽²⁾	0.4	—	0.3	—	3.5
Total operating profit	55.3	5.9	63.5	7.2	14.9

Note:

- (1) As part of the Reorganization all engineering projects of our Group, except bio-projects outside the polyester chain, will be booked by our Engineering division; bio-ethanol projects and bio-projects outside the polyester chain will be booked by our affiliate Biochemtex.
- (2) Operating profit by division includes certain transactions within our Group which are eliminated upon combination, therefore eliminations refer to the netting of intercompany transactions between Group companies, mainly resulting from transactions not within divisional segments.

Operating profit during the six months ended June 30, 2013 was €63.5 million, a 14.9% increase from €55.3 million in the six months ended June 30, 2012. Our operating profit margin increased from 5.9% in the six months ended June 30, 2012 to 7.2% in the six months ended June 30, 2013.

Division operating profit

Operating profit for our PET division in the six months ended June 30, 2013 was €59.4 million, a 5.5% increase from €56.3 million in the six months ended June 30, 2012. The improvement was mainly due to steeper decreases in raw materials and consumable costs than in revenues over the period as well as lower depreciation and amortization.

Operating profit for our Engineering division was €3.8 million in the six months ended June 30, 2013, increasing from a loss of €1.4 million in the six months ended June 30, 2012, resulting from a gain on the sale of our engineering business in Mumbai in 2013 as well as higher project margins.

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Financial expenses

The table below sets forth a breakdown of our financial expenses for the periods indicated:

	Six months ended June 30,	
	2012 (unaudited)	2013
	(in euro millions)	
Foreign currency exchange losses	(17.4)	(6.0)
Interest expenses	(12.7)	(12.8)
Group — Interest expenses	(5.0)	(3.5)
Other financial expenses	(28.1)	(15.2)
Total	(63.2)	(37.5)

Financial expenses in the six months ended June 30, 2013 were €37.5 million, a 40.6% decrease from €63.2 million in the six months ended June 30, 2012, primarily due to certain one-off discounts provided to customers for early settlement of trade receivables in the six months ended June 30, 2012 and recorded as other financial expenses, as well as a decrease in foreign currency exchange losses as a result of reduced volatility in the exchange rate between the euro and the U.S. dollar.

Other financial expenses in the six months ended June 30, 2012 included €6.7 million in expenses related to a one-off event, namely a special financial discount for early payment of a seller's note receivable by a third party, and various discounts we provided to customers for early repayment of receivables, many of which did not recur in the six months ended June 30, 2013.

In future periods, we will no longer incur Group — Interest expenses on loans from M&G Finanziaria S.r.l. or its affiliates, as these loans were repaid or canceled as a result of the Reorganization. See “History and Corporate Structure — Our History and Development — Reorganization of the Group — Purposes of Reorganization — Reduction in intra-Group financial relationships”.

Financial income

The table below sets forth a breakdown of our financial income for the periods indicated:

	Six months ended June 30,	
	2012 (unaudited)	2013
	(in euro millions)	
Interest income	2.2	0.6
Group — Interest income	11.6	11.2
Other financial income	5.0	0.7
Total	18.8	12.5

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Financial income in the six months ended June 30, 2013 was €12.5 million, a 33.2% decrease from €18.8 million in the six months ended June 30, 2012, primarily due to a decrease in other financial income from €5.0 million in the six months ended June 30, 2012 to €0.7 million in the six months ended June 30, 2013 mainly due to the decrease in the mark-to-market value of the swaps in Brazil, as well as a decrease in interest income from €2.2 million in the six months ended June 30, 2012 to €0.6 million in the six months ended June 30, 2013, primarily resulting from the decrease in interest rates on financial investments in Brazil.

Subsequent to June 30, 2013, as a result of the Reorganization, the Intercompany Loan, including the element representing the former cash pooling arrangement, was repaid in consideration for the contribution of certain businesses, securities and intellectual property to our Group. See “History and Corporate Structure — Our History and Development — Reorganization of the Group — Purposes of Reorganization — Reduction in intra-Group financial relationships”. As a result, Group — Interest income on the Intercompany Loan to M&G Finanziaria S.r.l. or on loans to its affiliates will cease going forward.

Profit before tax

Combined profit before tax

The table below sets forth our profit before tax by division for the periods indicated:

	Six months ended June 30,				% Change
	2012 (unaudited)	% of revenue	2013	% of revenue	2013 versus 2012
(in euro millions, except as otherwise indicated)					
Profit before tax by division					
PET	9.5	1.0	33.4	3.8	250.7
Engineering	(1.9)	0.2	5.0	0.6	368.3
Eliminations ⁽¹⁾	3.2	0.3	0.1	—	(96.9)
Total profit before tax	10.8	1.2	38.5	4.4	255.7

Note:

- (1) Profit before tax by division includes certain transactions within our Group which are eliminated upon consolidation, therefore eliminations refer to the netting of intercompany transactions between Group companies, mainly resulting from transactions not within divisional segments.

Profit before tax in the six months ended June 30, 2013 was €38.5 million, a 255.7% increase from €10.8 million in the six months ended June 30, 2012, primarily due to a 14.9% increase in operating profit, from €55.3 million in the six months ended June 30, 2012 to €63.5 million in the six months ended June 30, 2013 and a 40.6% decrease in financial expenses from €63.2 million in the six months ended June 30, 2012 to €37.5 million in the six months ended June 30, 2013.

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Division profit before tax

Profit before tax for our PET division in the six months ended June 30, 2013 was €33.4 million, a 250.7% increase from €9.5 million in the six months ended June 30, 2012, for the reasons explained above.

Profit before tax for our Engineering division was €5.0 million in the six months ended June 30, 2013 compared to a loss of €1.9 million in the six months ended June 30, 2012, primarily due to increased operating profit as a result of the sale of our engineering business in Mumbai in 2013 and decreased net financial expenses.

Income tax expense

Income tax expense in the six months ended June 30, 2013 was €15.8 million, a 397.0% increase from €3.2 million in the six months ended June 30, 2012. Taxes in the six months ended June 30, 2013 were higher than that in the six months ended June 30, 2012 because of the higher pre-tax profit, as well as recognition of deferred tax liabilities. Our effective tax rate was higher as a result of non-recognition of deferred tax assets and liabilities due to permanent differences.

Profit for the period

Profit for the period in the six months ended June 30, 2013 was €22.7 million compared to €7.6 million in the six months ended June 30, 2012, for the reasons discussed above.

Exchange differences on translating foreign operations

Exchange differences on translating foreign operations resulted in a loss of €1.6 million in the six months ended June 30, 2013, compared to a gain of €10.6 million in the six months ended June 30, 2012, resulting from the combination of exchange rate effects in the value of the U.S. dollar, Mexican peso and Brazilian real against the euro.

During the six months ended June 30, 2013, the Brazilian real depreciated against the euro, generating a loss, which was partly offset by the gain resulting from the appreciation of the U.S. dollar and Mexican peso compared to the euro. During the six months ended June 30, 2012, the Mexican peso and the U.S. dollar appreciated as compared to the euro, generating a gain, which was partly offset by losses resulting from the devaluation of the Brazilian real during the period as compared to the euro.

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Year ended December 31, 2012 compared with year ended December 31, 2011

Revenue and other operating income

Combined revenue and other operating income

The following table provides a breakdown of our combined revenue and other operating income by division, and a breakdown of PET revenue and other operating income by geographical segment, for the years ended December 31, 2011 and 2012:

	Year ended December 31,				% Change
	2011	% of total	2012	% of total	2012 versus 2011
(in euro millions, except as otherwise indicated)					
Revenue and other operating income					
by division					
PET	1,786.2	95.4	1,726.1	92.8	(3.4)
Engineering	<u>85.5</u>	4.6	<u>134.1</u>	7.2	56.7
Total	<u>1,871.7</u>		<u>1,860.2</u>		(0.6)
PET revenue and other operating					
income by geographical segment					
NAFTA	1,128.5	63.2	1,060.2	61.4	(6.1)
Brazil	657.7	36.8	665.9	38.6	1.2
Europe	—	—	—	—	—
Total	<u>1,786.2</u>		<u>1,726.1</u>		(3.4)

Our combined revenue and other operating income in 2012 was €1,860.2 million, a 0.6% decrease from €1,871.7 million in 2011. The decrease was primarily due to the decline in revenues in our PET division in 2012, largely offset by higher revenues in our Engineering division, each as discussed further below.

Other operating income in 2012 increased to €6.2 million, compared to €4.8 million in 2011, mainly due to the inclusion of one-off income of €4.7 million in 2012 following the successful resolution of a transport cost dispute with a U.S.-based service provider concerning overcharging for that amount in the years 2010 and 2011.

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Division revenue and other income

Combined revenue and other operating income from our PET division 2012 was €1,726.1 million, a 3.4% decrease from €1,786.2 million in 2011, and with no significant change in average PET spreads. Our PET sales volumes decreased 3.3% in 2012 as compared to 2011 (this decrease was mainly in North America, where sales volumes decreased by 7.9%, while they increased 6% in South America), while our average PET selling prices remained largely stable, increasing by 1% as compared to 2011. We also experienced higher prime production volumes in 2012 in Brazil, reflecting the shutdown of our Suape plant for 45 days in 2011 due to a power outage which did not recur in 2012.

Combined revenue and other operating income from our Engineering division in 2012 was €134.1 million, a 56.7% increase from €85.6 million in 2011, mainly due to progress made on four projects signed in 2011 and reaching the equipment delivery phase (which is the phase in which the most substantial revenues for a particular project are generated) in 2012. Two of these are polyester projects and two are LNG projects, all located in China.

With respect to our Engineering division, in 2012 and 2011, respectively, certain non-bio engineering projects were carried out by M&G Finanziaria S.r.l.'s Italian subsidiary Biochemtex (then named Chemtex Italia), which remains outside of our Group. See "Relationship With Our Controlling Shareholders — Excluded Businesses of the Controlling Shareholders". These projects were conducted outside our Group and as a result these revenues are not included in combined revenue and other operating income from our Engineering division.

Geographical segment revenue and other operating income

PET revenue and other operating income from NAFTA sales in 2012 was €1,060.2 million, a 6.1% decrease from €1,128.5 million in 2011, reflecting primarily lower PET sales volumes which decreased 7.9% as compared to 2011 as a result of a lower volume sold under spot-market arrangements (which we generally conclude only on an opportunistic basis), and lower export volume from Mexico, as a result of less favorable conditions in some export markets. Partly offsetting this lower sales volume, sales prices in euro terms increased in 2012.

PET revenue and other operating income from Brazil sales in 2012 was €665.9 million, a 1.2% increase from €657.7 million in 2011, mainly due to higher sales volumes of 6.0% in 2012, resulting from higher demand in Brazil. The volume impact was offset by lower PET selling prices in euro terms in Brazil in 2012.

We had no PET revenue or other operating income from Europe in 2011 or 2012, following the sale of our subsidiary M&G Polimeri Italia, the entity through which we conducted our European-based PET operations, to M&G Finanziaria S.r.l. in December 2010.

Cost of sales

Cost of sales comprises raw materials, consumables and changes in inventory, together with labor costs, depreciation, amortization and write-offs and other operating expenses.

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The table below sets forth a breakdown of our cost of sales and cost of sales by operating division for the periods indicated:

	Year ended December 31,				% Change
	2011	% of revenue	2012	% of revenue	2012 versus 2011
(in euro millions, except as otherwise indicated)					
Raw materials, consumables and changes in inventory	(1,504.6)	80.6	(1,480.9)	79.9	(1.6)
Labor cost	(59.0)	3.2	(55.7)	3.0	(5.6)
Depreciation, amortization and asset write-off	(43.3)	2.3	(38.8)	2.1	(10.4)
Other operating expenses	(154.4)	8.3	(175.0)	9.4	13.4
Total	<u>(1,761.3)</u>	94.3	<u>(1,750.4)</u>	94.4	(0.6)
Cost of sales by division					
PET	(1,679.6)	90.0	(1,616.8)	87.2	(3.7)
Engineering	(82.1)	4.4	(133.6)	7.2	62.7
Eliminations ⁽¹⁾	0.4		—		(100.0)
Total cost of sales	<u>(1,761.3)</u>	94.4	<u>(1,750.4)</u>	94.4	(0.6)

Note:

(1) Cost of sales by division include certain transactions within our Group which are eliminated upon consolidation, therefore eliminations refer to the netting of intercompany transactions between Group companies, mainly resulting from transactions not within divisional segments.

Cost of sales for our PET division in 2012 was €1,616.8 million, a 3.7% decrease from €1,679.6 million in 2011. In 2011, our cost of sales included €5.9 million in additional charges linked to the Suape power outage during that year.

Cost of sales for our Engineering division in 2012 was €133.6 million, a 62.7% increase from €82.1 million in 2011.

The components of our cost of sales, and analysis of changes between 2011 and 2012, are further discussed below for each line item.

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Raw materials, consumables and changes in inventory

The table below sets forth our raw materials, consumables and changes in inventory costs by division for the periods indicated:

	Year ended December 31,				% Change
	2011	% of revenue	2012	% of revenue	2012 versus 2011
	(in euro millions, except as otherwise indicated)				
Raw materials, consumables and changes in inventory by division					
PET	(1,474.8)	79.0	(1,422.7)	76.7	(3.5)
Engineering	<u>(29.8)</u>	1.6	<u>(58.2)</u>	3.1	95.3
Total raw materials, consumables and changes in inventory.	<u>(1,504.6)</u>	80.6	<u>(1,480.9)</u>	79.8	(1.6)

Our raw materials, consumables and changes in inventory costs in 2012 were €1,480.9 million, a 1.6% decrease from €1,504.6 million in 2011, primarily due to lower raw material costs for our PET division in line with lower oil prices.

The majority of this decrease was due to raw materials, consumables and changes in inventory for our PET division, which declined by 3.5% to €1,422.7 million in 2012 from €1,474.8 million in 2011, due to lower raw material costs for PTA and MEG in line with lower oil prices. The main component of this cost item was purchases of raw materials, process and spare parts, which amounted to €1,486.2 million and €1,451.0 million, respectively, for the years ended December 31, 2011 and 2012, a decrease of 2.4%.

Raw materials, consumables and changes in inventory for our Engineering division in 2012 were €58.2 million, a 95.3% increase from €29.8 million in 2011, reflecting higher costs associated with the equipment delivery phase reached by most of the projects in 2012.

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Labor costs

The table below sets forth a breakdown of our labor costs and a breakdown of labor costs by division for the periods indicated:

	Year ended December 31,	
	2011	2012
	(in euro millions)	
Wages and salaries	(49.5)	(44.9)
Social security costs	(5.6)	(7.0)
Employee termination indemnities	(2.7)	(3.4)
Other personnel expenses	(1.2)	(0.4)
Total	(59.0)	(55.7)
Labor costs by division		
PET	(32.6)	(33.0)
Engineering	(24.4)	(22.7)
Total	(59.0)	(55.7)

Labor costs in 2012 were €55.7 million, a 5.6% decrease from €59.0 million in 2011. The decrease in labor costs was mainly due to a decrease in headcount in the Engineering segment, as a result of reduced activity in India, while labor costs in the PET segment were relatively stable.

Labor costs in 2012 and 2011 included certain expenses related to a reorganization and headcount reduction program at our U.S. plant prior to the Track Record Period. In 2012, those expenses included €0.3 million relating to extraordinary labor indemnities and €0.8 million relating to certain special employment conditions dictated by the contingent need to provide for expatriate instead of local employees in a given location. In 2011, those expenses included €1.0 million relating to special contingent expatriate employment conditions, €0.7 million relating to severance costs and €0.2 million related to one-off costs linked to union contract negotiations.

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Depreciation, amortization & asset write-off

The table below sets forth our depreciation, amortization and asset write-off by division for the periods indicated:

	Year ended December 31,				% Change
	2011	% of revenue	2012	% of revenue	2012 versus 2011
	(in euro millions, except as otherwise indicated)				
Depreciation, amortization & asset write-off by division					
PET	(42.9)	2.3	(36.9)	2.0	(14.0)
Engineering	(0.7)	—	(1.9)	0.1	171.4
Eliminations ⁽¹⁾	0.3	—	—	—	(100.0)
Total	(43.3)	2.3	(38.8)	2.1	(10.4)

Note:

- (1) Depreciation, amortization & asset write-off by division includes certain transactions within our Group which are eliminated upon consolidation, therefore eliminations refer to the netting of intercompany transactions between Group companies, mainly resulting from transactions not within divisional segments.

Depreciation, amortization and asset write-off in 2012 was €38.8 million, a 10.4% decrease from €43.3 million in 2011. The largest component of this item is depreciation expense in relation to our property, plant and equipment, which decreased from €30.7 million in 2011 to €28.3 million in 2012, mainly reflecting that one of our Brazilian subsidiaries, Tereftálicos Indústrias Químicas Ltda., completed its scheduled depreciation of all its assets during the course of 2011.

Other operating expenses

The table below sets forth a breakdown of our other operating expenses and a breakdown of other operating expenses by division for the periods indicated:

	Year ended December 31,	
	2011	2012
	(in euro millions)	
Distribution expenses	(71.0)	(68.2)
Consulting and services	(59.3)	(81.2)
Other	(24.1)	(25.6)
Total	(154.4)	(175.0)
Other operating expenses by division		
PET	(129.4)	(124.3)
Engineering	(25.5)	(51.1)
Eliminations ⁽¹⁾	0.5	0.4
Total	(154.4)	(175.0)

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Note:

- (1) Other operating expenses by division include certain transactions within our Group which are eliminated upon consolidation, therefore eliminations refer to the netting of intercompany transactions between Group companies, mainly resulting from transactions not within divisional segments.

Other operating expenses in 2012 were €175.0 million, a 13.3% increase from €154.4 million in 2011, mainly due to increases in third-party consulting and services costs relating to Engineering division projects, due to higher project volumes in 2012. In the PET division, these were partially offset by lower distribution costs, reflecting lower oil and fuel prices and lower negotiated freight rates in 2012.

Other operating expenses in 2012 included certain legal costs related to a one-off event, including: (i) special patent protection actions (€2.3 million); (ii) our claim against a railroad company for overcharging us for railroad transportation services (€0.4 million); (iii) disputes resulting from a headcount reduction carried out in our U.S. plant in years prior to the Track Record Period (€0.3 million); and (iv) enforcement of contractual rights against a client (€0.1 million).

Other operating expenses in 2012 also included €4.5 million of royalties cost incurred by our Company subsidiaries (in the United States, Mexico and Brazil) as payments on trademark licenses to certain entities affiliated with M&G Finanziaria S.r.l. during the Track Record Period which, as a result of the Reorganization (which included the purchase by our Company of the relevant trademarks), are no longer payable.

In 2011, other operating expenses included certain legal costs related to a one-off event, including: (i) special patent protection actions (€0.5 million); (ii) our claim against a railroad company for overcharging us for railroad transportation services (€1.1 million and €0.3 million, respectively); (iii) disputes resulting from a headcount reduction carried out in our U.S. plant in years prior to the Track Record Period (two cases for €1.6 million and for €0.6 million, respectively); and (iv) enforcement of contractual rights against a client (€0.1 million).

Other operating expenses in 2011 also included €2.2 million in costs relating to a write-off of receivables resulting from the declaration by one customer of Chapter 11 bankruptcy protection in the United States, as well as €4.3 million of royalties costs incurred by our Company subsidiaries (in the United States, Mexico and Brazil) as payments on trademark licenses to certain entities affiliated with M&G Finanziaria S.r.l. during the Track Record Period which, as a result of the Reorganization (which included the purchase by our Company of the relevant trademarks), are no longer payable.

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Operating profit

Combined operating profit

The table below sets forth our operating profit by division for the periods indicated:

	Year ended December 31,				% Change
	2011	% of revenue	2012	% of revenue	2012 versus 2011
(in euro millions, except as otherwise indicated)					
Operating profit by division					
PET	106.6	5.7	109.2	5.9	2.4
Engineering ⁽¹⁾	3.5	0.2	0.6	—	(85.7)
Eliminations ⁽²⁾	0.3		—		(100)
Total operating profit	<u>110.4</u>	5.9	<u>109.8</u>	5.9	(0.5)

Note:

- (1) As part of the Reorganization all engineering projects of our Group, except bio-projects outside the polyester chain, will be booked by our Engineering division; bio-ethanol projects and bio-projects outside the polyester chain will be booked by our affiliate Biochemtex.
- (2) Operating profit by division include certain transactions within our Group which are eliminated upon combination, therefore eliminations refer to the netting of intercompany transactions between Group companies, mainly resulting from transactions not within divisional segments.

Operating profit during the year ended December 31, 2012 was €109.8 million, a 0.5% decrease from €110.4 million in 2011. Our operating profit margin remained stable at 5.9% from the year ended December 31, 2011 to the year ended December 31, 2012.

Division operating profit

Operating profit for our PET division in 2012 was €109.2 million, a 2.4% increase from €106.6 million in 2011, due mainly to our relatively constant PET spreads, and reduced distribution costs resulting from lower oil and fuel prices and lower negotiated freight rates in 2012. Operating profit for our Engineering division was €0.6 million in 2012, an 85.7% decrease from €3.5 million in 2011, mainly as a result of losses realized in our Indian operations associated with certain local procurement transactions.

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Financial expenses

The table below sets forth a breakdown of our financial expenses for the periods indicated:

	Year ended December 31,	
	2011	2012
	(in euro millions)	
Foreign currency exchange losses	(38.6)	(24.5)
Interest expenses	(29.3)	(35.7)
Group — Interest expenses	(11.2)	(9.5)
Other financial expenses	(22.9)	(41.4)
Total	(102.0)	(111.1)

Financial expenses in 2012 were €111.1 million, an 8.9% increase from €102.0 million in 2011, mainly due to the following expenses related to one-off events: (i) advisory fees in connection with an attempted high yield bond issue (€1.9 million); (ii) advisory fees in connection with the ongoing Hong Kong listing process (€2.3 million) (further related fees will be incurred in 2013); (iii) special financial discount for early payment of a seller’s note receivable by a third party (€6.7 million); and (iv) one-off costs of transition to IFRS accounting principles (€0.1 million).

Financial expenses in 2012 also included a number of items which are considered by management to be non-recurring post-Reorganization, including (i) gross interest expenses paid to affiliate holders of Undated Securities during the Track Record Period of €8.7 million; and (ii) exchange rate losses of €7.5 million resulting from the Intercompany Loan, which is euro-denominated, as a result of the mismatch of foreign exchange exposure in M&G International S.A. to its subsidiaries, that would not have been present if the Intercompany Loan with M&G Finanziaria S.r.l. had been denominated in U.S. dollars since the beginning of the Track Record Period and not only since the second half of 2012.

In 2011, financial expenses included certain expenses related to one-off events: (i) advisory fees in connection with an attempted high yield bond issue (€1.7 million); (ii) a success fee to financial advisors on closing of a financial transaction (€0.9 million); and (iii) one-off costs of transition to IFRS accounting principles (€0.2 million).

Financial expenses in 2011 also included a number of items which are considered by management to be non-recurring post-Reorganization, including (i) gross interest expenses paid to holders of Undated Securities during the Track Record Period of €9.9 million; and (ii) exchange rate losses of €19.9 million resulting from the Intercompany Loan, which is euro-denominated, as a result of the mismatch of foreign exchange exposure in M&G International S.A. to its subsidiaries, that would not have been present if the Intercompany Loan with M&G Finanziaria S.r.l. had been denominated in U.S. dollars since the beginning of the Track Record Period and not only since the second half of 2012.

In future periods, we will no longer incur Group — Interest expenses on loans from M&G Finanziaria S.r.l. or its affiliates as these loans were repaid or canceled as a result of the Reorganization. See “History and Corporate Structure — Our History and Development — Reorganization of the Group — Purposes of Reorganization — Reduction in intra-Group financial relationships”.

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Financial income

The table below sets forth a breakdown of our financial income for the periods indicated:

	Year ended December 31,	
	2011	2012
	(in euro millions)	
Interest income	5.6	3.0
Group — Interest income	13.5	22.8
Other financial income	2.6	4.6
Investment gains	—	—
Total	21.7	30.4

Financial income in 2012 was €30.4 million, a 40.1% increase from €21.7 million in 2011, due mainly to increased interest rates received on financial assets. In September 2011, a cash pooling agreement between M&G International S.A. and M&G Finanziaria S.r.l. was converted into a long-term loan agreement from us to M&G Finanziaria S.r.l., in the form of the Intercompany Loan. The original interest earned by M&G International of 2.15% under the cash pooling agreement increased to EURIBOR plus 5.625% once this cash became part of the balance owed to us under the Intercompany Loan. Interest payments on this portion of the Intercompany Loan accrued for only a few months in 2011 while they accrued for a full year in 2012. The weighted average interest rate of the Intercompany Loan was 4.04% over the Track Record Period, compared to a calculated average interest rate from bank deposits of 4.12% over the same period (calculated as the interest rate we would have earned if we had deposited the cash in a bank, and assuming we had deposited one-third of the total amount in Europe, one-third in NAFTA and one-third in Brazil, respectively). Under the previous cash pooling agreement in existence until 2011 between M&G International S.A. and its affiliates and M&G Finanziaria S.r.l., Group companies with more liquidity made short-term cash available to other Group companies.

After the balance sheet date, as a result of the Reorganization, the Intercompany Loan, including the element representing the former cash pooling arrangement, was repaid in consideration for the contribution of certain businesses, securities and intellectual property to our Group. See “History and Corporate Structure — Our History and Development — Reorganization of the Group — Purposes of Reorganization — Reduction in intra-Group financial relationships”. As a result, Group — Interest income on the Intercompany Loan to M&G Finanziaria S.r.l. or on loans to its affiliates will cease going forward.

Gain on purchase of Undated Securities

Gains on purchase of Undated Securities in 2012 comprises a non-recurring gain we recognized upon the acquisition of the Undated Securities from M&G Finanziaria S.r.l. The Undated Securities were purchased by M&G Finanziaria S.r.l. in 2010 as part of its ordinary asset and liability management activities, as they were trading significantly below the issue price. The purchases were made by M&G Finanziaria S.r.l. (and not Group companies) as doing so was more tax efficient, and were financed by a third-party lender at the M&G Finanziaria S.r.l. level. The Undated Securities which we purchased, at the time of acquisition in December 2012, had a nominal value of €133.1

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million and €46.3 million in accrued interest. The consideration for the Undated Securities was recorded as a loan from M&G Finanziaria S.r.l. to our subsidiary Chemtex Global in the amount of €115.0 million, and was determined based on a valuation performed by an independent third-party advisor. Such valuation contemplated several probability-weighted scenarios regarding timing of payment of interest and took into account that at the time of the repurchase, market interest rates of similar securities were higher than those included in the terms and conditions of the Undated Securities. This loan from M&G Finanziaria S.r.l. is included as a non-current financial liability in the form of the Group — Loan payable on our consolidated balance sheet as at June 30, 2013. The gain on purchase of Undated Securities represents the difference between the value of the €115.0 million in consideration we provided and the sum of the nominal value and accrued interest on the Undated Securities of €179.4 million. The €115.0 million loan was canceled and offset by the Intercompany Loan to M&G Finanziaria S.r.l. as part of the Reorganization.

For a further description of this item, see “History and Corporate Structure — Our History and Development — Reorganization of the Group — Purposes of Reorganization — Reduction in intra-Group financial relationships”.

As a result of the Reorganization, the Undated Securities became intra-Group obligations and therefore will be eliminated on the consolidation level and not shown going forward.

Profit before tax

Combined profit before tax

The table below sets forth our profit before tax by division for the periods indicated:

	Year ended December 31,				% Change
	2011	% of revenue	2012	% of revenue	2012 versus 2011
	(in euro millions, except as otherwise indicated)				
Profit before tax by division					
PET	25.0	1.3	29.1	1.6	16.4
Engineering	4.7	0.3	0.5	—	(89.4)
Eliminations ⁽¹⁾	0.4	—	63.9	3.5	212.0
Total profit before tax	30.1	1.6	93.5	5.1	210.6

Note:

- (1) Profit before tax by division includes certain transactions within our Group which are eliminated upon consolidation, therefore eliminations refer to the netting of intercompany transactions between Group companies, mainly resulting from transactions not within divisional segments.

Profit before tax in 2012 was €93.5 million, a 210.6% increase from €30.1 million in 2011, mainly reflecting a one-off gain of €64.4 million from the purchase of the Undated Securities from M&G Finanziaria S.r.l. and the reasons discussed above.

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Division profit before tax

Profit before tax for our PET division in 2012 was €29.1 million, a 16.4% increase from €25.0 million in 2011, due mainly to relatively constant PET spreads and reduced distribution costs, while total net financial expenses remained relatively constant.

Profit before tax for our Engineering division was €0.5 million in 2012 compared to €4.7 million in 2011, mainly as a result of reduced operating profit and a reduction in financial income.

Income tax expense

Income tax expense in 2012 was €10.9 million, a 23.8% decrease from €14.4 million in 2011. Taxes in 2012 were substantially constant as compared to 2011 as the gain on the Undated Securities did not affect our tax expenses.

Profit for the year

Profit for the year in 2012 was €82.7 million compared to €15.7 million in 2011, for the reasons discussed above.

Exchange differences on translating foreign operations

Exchange differences on translating foreign operations resulted in a gain of €2.0 million in 2012, compared to a loss of €15.8 million in 2011, deriving from the combination of exchange rate transaction effects of changes in the value of the Mexican peso and Brazilian real against the U.S. dollar, and in turn exchange rate translation effects of changes in the value of the U.S. dollar, Mexican peso and Brazilian real against the euro.

During 2012, the Mexican peso appreciated as compared to the euro, generating a gain which was partially offset by losses resulting from the devaluation of the Brazilian real and the U.S. dollar as compared to the euro. During 2011, the U.S. dollar appreciated as compared to the euro, generating a gain which was partly offset by losses resulting from the devaluation of the Brazilian real and Mexican peso during the year as compared to the euro.

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Year ended December 31, 2011 compared with year ended December 31, 2010

Revenue and other operating income

Combined revenue and other operating income

The following table provides a breakdown of our combined revenue and other operating income by division, and a breakdown of PET revenue and other operating income by geographical segment, for the years ended December 31, 2010 and 2011:

	Year ended December 31,				% Change
	2010	% of total	2011	% of total	2011 versus 2010
(in euro millions, except as otherwise indicated)					
Revenue and other operating income					
by division					
PET	1,655.7	95.0	1,786.2	95.4	7.9
Engineering	87.7	5.0	85.5	4.6	(2.6)
Total	<u>1,743.4</u>		<u>1,871.7</u>		7.4
PET revenue and other operating					
income by geographical segment					
NAFTA	874.5	52.8	1,128.5	63.2	29.0
Brazil	606.5	36.6	657.7	36.8	8.4
Europe	172.7	10.4	—	—	(100.0)
Eliminations ⁽¹⁾	2.0		—		(100.0)
Total	<u>1,655.7</u>		<u>1,786.2</u>		7.9

(1) Revenue by division and geography include certain transactions within our Group which are eliminated upon combination, therefore eliminations refer to the netting of intercompany transactions between Group companies, mainly resulting from transactions not within geographical and/or business segments.

Our combined revenue and other operating income in 2011 was €1,871.7 million, a 7.4% increase from €1,743.4 million in 2010, primarily as a result of significantly higher average selling prices, which increased 23.3% in 2011 due to increased raw material costs and higher spreads in Brazil, reflecting positive developments in local PET supply and demand dynamics. This revenue increase was partially offset by lower sales volumes in 2011 compared to 2010, which decreased by 13%, largely due to the disposal of our European-based PET operations due to the sale of M&G Polimeri Italia, which had accounted for revenues of €172.3 million in 2010, to M&G Finanziaria S.r.l. on December 30, 2010, which had accounted for PET installed prime capacity of 200 kMT per year. Also contributing to lower sales volumes was the power outage in our Suape plant in Brazil in May 2011. While Brazil PET spreads increased in 2011 compared to 2010, the impact of this increase on the total weighted average PET division spreads was offset by lower sales volumes in Brazil in May 2011 compared to 2010.

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Other operating income in 2011 was €4.8 million, compared to €33.1 million in 2010. Other operating income in 2010 includes compensation received from a customer for not complying with the contractual minimum volume requirement pursuant to our agreement with this customer. These contractual minimum volume requirements are a common feature of our long term customer contracts, which typically set a minimum quantity to be bought by the client on a yearly basis. In reference to the amounts received in 2010, a customer had unilaterally decided not to comply with the minimum purchase requirements under the contract, as a result of which we pursued and won judicial enforcement of the contract. The amount from this customer that was recognized as other operating income in 2010 included both the required purchase amount under the contract, and accrued interest on the amounts not paid. Other operating income in 2010 also included insurance claim amounts we received for damage to a key component of our Suape plant in Brazil that occurred during transportation. Because the delay in receiving the component had a commercial impact on our business in Brazil, business interruption insurance provided compensation in an amount which approximated the lost margins which we would have earned had the accident not taken place. In addition, other operating income in 2010 also included gains on disposal of fixed assets, mainly resulting from the sale of a building located in India. The compensation from a customer, together with insurance claims, contributed €17.1 million in other operating income in 2010. Our Directors are of the view that the compensation received from a customer and the insurance claim amounts represent income generated in the ordinary course of our business.

Division revenue and other income

Combined revenue and other operating income from our PET division 2011 was €1,786.2 million, a 7.9% increase from €1,655.7 million in 2010, for the reasons discussed above.

Combined revenue and other operating income from our Engineering division in 2011 was €85.5 million, a 2.6% decrease from €87.8 million in 2010. The decrease was due primarily to a decrease in other operating income, reflecting one-time gains on disposal of fixed assets resulting from the sale of a building in India and other assets totalling €12.4 million in 2010 that did not recur in 2011, partially offset by an increase in project volumes.

Geographical segment revenue and other income

PET revenue and other operating income from NAFTA sales in 2011 was €1,128.5 million, a 29% increase from €874.5 million in 2010, reflecting primarily an increase in the average sales price in the NAFTA region, in line with price increases in raw materials in 2011.

PET revenue and other operating income from Brazil sales in 2011 was €657.7 million, a 8.4% increase from €606.5 million in 2010, mainly due to higher sales prices resulting from raw materials price increases, partially offset by the lower overall sales volumes in Brazil in 2011 resulting from the power outage at our Suape plant in May 2011.

Europe sales no longer contributed to revenue in 2011, following the divestment of our European-based PET operations through the sale of M&G Polimeri Italia to M&G Finanziaria S.r.l. on December 31, 2010.

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Cost of sales

Combined cost of sales

The following table sets out a breakdown of our cost of sales and a breakdown of cost of sales by operating division for the periods indicated:

	Year ended December 31,		% of		% Change
	2010	% of revenue	2011	% of revenue	2011 versus 2010
(in euro millions, except as otherwise indicated)					
Raw materials, consumables and changes in inventory	(1,345.5)	78.7	(1,504.6)	80.6	11.8
Labor cost	(62.6)	3.7	(59.0)	3.2	(5.8)
Depreciation, amortization and asset write-off	(57.9)	3.4	(43.3)	2.3	(25.2)
Other operating expenses	<u>(171.0)</u>	10.0	<u>(154.4)</u>	8.3	(9.7)
Total	<u>(1,637.0)</u>	95.7	<u>(1,761.3)</u>	94.4	7.5
Cost of sales by division					
PET	(1,557.9)	91.1	(1,679.6)	90.0	7.8
Engineering	(79.4)	4.6	(82.1)	4.4	3.4
Eliminations ⁽¹⁾	<u>0.3</u>		<u>0.4</u>		—
Total cost of sales	<u>(1,637.0)</u>	95.7	<u>(1,761.3)</u>	94.4	7.5

Note:

- (1) Cost of sales by division include certain transactions within our Group which are eliminated upon consolidation, therefore eliminations refer to the netting of intercompany transactions between Group companies, mainly resulting from transactions not within divisional segments.

Division cost of sales

Cost of sales for our PET division in 2011 was €1,679.6 million, a 7.8% increase from €1,557.9 million in 2010, due to higher raw material costs resulting mainly from rising oil prices.

Cost of sales for our Engineering division in 2011 was €82.1 million, a 3.4% increase from €79.4 million in 2010, reflecting higher labor and other operating expenses, partially offset by lower project materials expenses.

The components of our cost of sales, and analysis of changes between 2010 and 2011, are further discussed below.

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Raw materials, consumables and changes in inventory

The table below sets forth our raw materials, consumables and changes in inventory costs by division for the periods indicated:

	Year ended December 31,				% Change
	2010	% of revenue	2011	% of revenue	2011 versus 2010
	(in euro millions, except as otherwise indicated)				
Raw materials, consumables and changes in inventory by division					
PET	(1,305.8)	76.3	(1,474.8)	79.0	12.9
Engineering	<u>(39.7)</u>	2.3	<u>(29.8)</u>	1.6	(24.9)
Total raw materials, consumables and changes in inventory.	<u>(1,345.5)</u>	78.6	<u>(1,504.6)</u>	80.6	11.8

Raw materials, consumables and changes in inventory in 2011 was €1,504.6 million, an 11.8% increase from €1,345.5 million in 2010. The main component of this cost item was purchases of raw materials, process and spare parts, which increased from €1,329.1 million in 2010 to €1,486.2 million in 2011, due to significantly higher raw material costs resulting mainly from rising oil prices. This increase was, however, partially offset by lower production volumes in 2011 for the reasons stated above, in particular due to the sale of M&G Polimeri Italia, which had accounted for raw materials, consumables and changes in inventory of €148.4 million in 2010.

Raw materials, consumables and changes in inventory for our PET division in 2011 was €1,474.8 million, a 12.9% increase from €1,305.8 million in 2010, due to significantly higher raw material costs resulting mainly from rising oil prices.

Raw materials, consumables and changes in inventory for our Engineering division in 2011 was €29.8 million, a 24.9% decrease from €39.7 million in 2010, reflecting changes in the equipment delivery project phase during the year. Most of the projects booked in 2011 reached the equipment delivery phase in 2012.

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Labor costs

The table below sets forth a breakdown of our labor costs and a breakdown of labor costs by division for the periods indicated:

	Year ended December 31,	
	2010	2011
	(in euro millions)	
Wages and salaries	(46.3)	(49.5)
Social security costs	(7.1)	(5.6)
Employee termination indemnities	(3.0)	(2.7)
Other personnel expenses	(6.1)	(1.2)
Total	(62.5)	(59.0)
Labor cost by division		
PET	(43.9)	(32.6)
Engineering	(18.6)	(26.4)
Eliminations ⁽¹⁾	—	—
Total	(62.5)	(59.0)

Note:

- (1) Labor costs by division include certain transactions within our Group which are eliminated upon consolidation, therefore eliminations refer to the netting of intercompany transactions between Group companies, mainly resulting from transactions not within divisional segments.

Labor costs in 2011 were €59.0 million, a 5.8% decrease from €62.5 million in 2010, primarily as a result of the sale of M&G Polimeri Italia, which had accounted for €5.3 million in labor costs in 2010, to M&G Finanziaria S.r.l. at the end of 2010 and the resulting decrease in employee headcount. Partly offsetting this decrease was the increase in Engineering labor costs in 2011 resulting from the increase in the number and size of projects.

Labor costs in 2011 included certain one-off expenses, including €1.0 million relating to special contingent expatriate employment conditions, €0.7 million relating to severance costs for a headcount reduction carried out in our West Virginia plant, and €0.2 million related to one-off costs linked to union contract negotiations. In 2010, labor costs also included certain one-off expenses, including €1.7 million incurred in disputes and €4.1 million relating to severance resulting from a headcount reduction carried out in our West Virginia plant prior to the Track Record Period, as well as €0.8 million relating to special contingent expatriate employment conditions, €0.1 million relating to non-recurring labor indemnities and €0.1 million linked to one-off special pay-outs.

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Depreciation, amortization & asset write-off

The table below sets forth our depreciation, amortization and asset write-off by division for the periods indicated:

	Year ended December 31,				% Change
	2010	% of revenue	2011	% of revenue	2011 versus 2010
	(in euro millions, except as otherwise indicated)				
Depreciation, amortization & asset write-off by division					
PET	(57.1)	3.4	(42.9)	2.3	(24.9)
Engineering	(1.1)	—	(0.7)	—	(36.4)
Eliminations ⁽¹⁾	0.3		0.3		—
Total	(57.9)	3.4	(43.3)	2.3	(25.2)

Note:

- (1) Depreciation, amortization & asset write-off by division include certain transactions within our Group which are eliminated upon consolidation, therefore eliminations refer to the netting of intercompany transactions between Group companies, mainly resulting from transactions not within divisional segments.

Depreciation, amortization and asset write-off in 2011 was €43.3 million, a 25.2% decrease from €57.9 million in 2010, mainly due to the sale of M&G Polimeri Italia, which had accounted for €13.5 million in depreciation charges in 2010, and of a building in India in 2010. The largest component of this item was depreciation expense in relation to our property, plant and equipment, which decreased to €30.7 million in 2011 from €44.0 million in 2010.

Other operating expenses

The table below sets forth a breakdown of our other operating expenses and a breakdown of other operating expenses by division for the periods indicated:

	Year ended December 31,	
	2010	2011
(in euro millions)		
Distribution expenses	(85.3)	(71.0)
Consulting and services	(59.6)	(59.3)
Other	(26.1)	(24.1)
Total	(171.0)	(154.4)
Operating expenses by division		
PET	(151.0)	(129.3)
Engineering	(20.0)	(25.5)
Eliminations ⁽¹⁾	—	0.4
Total	(171.0)	(154.4)

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Note:

- (1) Operating expenses by division include certain transactions within our Group which are eliminated upon consolidation, therefore eliminations refer to the netting of intercompany transactions between Group companies, mainly resulting from transactions not within divisional segments.

Other operating expenses in 2011 were €154.4 million, a 9.7% decrease from €171.0 million in 2010, mainly due to the sale of M&G Polimeri Italia in 2010, which had accounted for €13.8 million of other operating expenses in 2010, and the resulting exclusion of the operating expenses of this entity, which offset the 28.0% increase in the operating expenses of our Engineering division due to the increase in the number of projects.

Other operating expenses in 2011 included certain legal costs related to a one-off event, including: (i) special patent protection actions (€0.5 million); (ii) our claim against a railroad company for overcharging us for railroad transportation services (€1.1 million and €0.3 million, respectively); (iii) disputes resulting from a headcount reduction carried out in our U.S. plant in years prior to the Track Record Period (two cases for €1.6 million and €0.6 million, respectively); and (iv) enforcement of contractual rights against a client (€0.1 million).

Other operating expenses in 2011 also included €2.2 million in costs relating to a write-off of receivables resulting from the declaration by one customer of Chapter 11 bankruptcy protection in the United States, as well as €4.3 million of royalties costs incurred by our Company subsidiaries (in the United States, Mexico and Brazil) as payments on trademark licenses to certain entities affiliated with M&G Finanziaria S.r.l. during the Track Record Period which, as a result of the Reorganization (which included the purchase by our Company of the relevant trademarks), are no longer payable.

In 2010, other operating expenses included certain legal costs related to a one-off event, including: (i) our claim against a railroad company for overcharging us for railroad transportation services (€1.0 million and €0.5 million, respectively); (ii) disputes resulting from a headcount reduction carried out in our U.S. plant in years prior to the Track Record Period (two cases for €1.4 million and €1.1 million, respectively); and (iii) enforcement of contractual rights against a client (€0.3 million).

Other operating expenses in 2010 also included €3.8 million of royalties costs incurred by our Company subsidiaries (in the United States, Mexico and Brazil) as payments on trademark licenses to certain entities affiliated with M&G Finanziaria S.r.l. during the Track Record Period which, as a result of the Reorganization (which included the purchase by our Company of the relevant trademarks), are no longer payable.

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Operating profit

Combined operating profit

The table below sets forth our operating profit by division for the periods indicated:

	Year ended December 31,		% of		% Change
	2010	2011	revenue	revenue	2011 versus 2010
(in euro millions, except as otherwise indicated)					
Operating profit by division					
PET	97.8	106.6	5.7	5.7	9.0
Engineering ⁽¹⁾	8.4	3.5	0.5	0.2	(58.3)
Eliminations ⁽²⁾	0.3	0.3			—
Total operating profit	<u>106.5</u>	<u>110.4</u>	6.2	5.9	3.7

Note:

- (1) As part of the Reorganization all engineering projects of our Group, except bio-projects outside the polyester chain, will be booked by our Engineering division; bio-ethanol projects and bio-projects outside the polyester chain will be booked by our affiliate Biochemtex.
- (2) Operating profit by division include certain transactions within our Group which are eliminated upon combination, therefore eliminations refer to the netting of intercompany transactions between Group companies, mainly resulting from transactions not within divisional segments.

Operating profit in 2011 was €110.4 million, a 3.7% increase from €106.5 million in 2010, due mainly to improved performance of our PET division due to our divestment of the European operations, which generated negative operating margins. Operations in the NAFTA region and Brazil maintained stable operating profits. Our operating profit margin decreased slightly from 6.2% in the year ended December 31, 2010 to 5.9% in the year ended December 31, 2011 primarily due to the decrease in operating profit margin of the Engineering division.

Division operating profit

Operating profit for our PET division in 2011 was €106.6 million, a 9.0% increase from €97.8 million in 2010, due mainly to our divestment of the European division, which had generated negative margins.

Operating profit for our Engineering division decreased by 58.3%, from €8.4 million in 2010 to €3.5 million in 2011, mainly as a result of higher costs of sales in 2011 reflecting higher labor and other operating expenses, as well as higher other operating income in 2010 from the capital gain resulting from the disposal of a building in India that did not recur in 2011.

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Financial expenses

The table below sets forth a breakdown of our financial expenses for the periods indicated:

	Year ended December 31,	
	2010	2011
	(in euro millions)	
Foreign currency exchange losses	(17.8)	(38.6)
Interest expenses	(49.1)	(29.3)
Group — Interest expenses	(2.9)	(11.2)
Other financial expenses	(19.0)	(22.9)
Total	(88.8)	(102.0)

Financial expenses in 2011 were €102.0 million, a 14.9% increase from €88.8 million in 2010, mainly due to an increase in foreign currency exchange losses and Group interest expenses. Foreign exchange losses are mainly due to certain intercompany loans which caused an imbalanced foreign currency position, mainly in M&G International S.A., resulting in losses amounting to €13.2 million in 2010 and €19.9 million in 2011. Losses incurred as a result of the imbalance in the foreign currency position are affected by volatility in exchange rates; going forward, this imbalance is expected to be significantly reduced as a result of the Reorganization, when intracompany loans were repaid or eliminated on the consolidation level. Partly offsetting the increase in financial expenses, interest expenses decreased in 2011 as a result of overall lower interest rates on our obligations.

Financial expenses in 2011 included certain expenses related to one-off events including: (i) financial fees and consulting costs in connection with an attempted high yield bond issue (€1.7 million); (ii) a success fee to financial advisors on closing of a financial transaction (€0.9 million); and (iii) one-off costs of transition to IFRS accounting principles (€0.2 million).

Financial expenses in 2011 also included a number of items which are considered by management to be non-recurring post-Reorganization, including: (i) gross interest expenses paid to affiliate holders of Undated Securities during the Track Record Period of €9.9 million; and (ii) exchange rate losses of €19.9 million resulting from the Intercompany Loan, which is euro-denominated, as a result of the mismatch of foreign exchange exposure in M&G International S.A. to its subsidiaries, that would not have been present if the Intercompany Loan with M&G Finanziaria S.r.l. had been denominated in U.S. dollars since the beginning of the Track Record Period and not only since the second half of 2012.

In 2010, financial expenses included certain expenses related to one-off events including costs of transition to IFRS accounting principles of €0.1 million.

Financial expenses in 2010 also included a number of items which are considered by management to be non-recurring post-Reorganization, including: (i) gross interest expenses paid to affiliate holders of Undated Securities during the Track Record Period of €1.0 million; and (ii) exchange rate losses of €13.2 million resulting from the Intercompany Loan, which is

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euro-denominated, as a result of the mismatch of foreign exchange exposure in M&G International S.A. to its subsidiaries, that would not have been present if the Intercompany Loan with M&G Finanziaria S.r.l. had been denominated in U.S. dollars since the beginning of the Track Record Period and not only since the second half of 2012.

Financial income

The table below sets forth a breakdown of our financial income for the periods indicated:

	Year ended December 31,	
	2010	2011
	(in euro millions)	
Interest income	3.3	5.6
Group — Interest income	6.7	13.5
Other financial income	2.7	2.6
Investment gains	—	—
Total	<u>12.7</u>	<u>21.7</u>

Financial income in 2011 was €21.7 million, a 70.9% increase from €12.7 million in 2010, primarily due to the conversion in late 2011 of the cash pooling arrangement with M&G Finanziaria S.r.l. into a portion of the longer-term Intercompany Loan, carrying a higher interest rate.

Profit before tax

Combined profit before tax

The table below sets forth our profit before tax by division for the periods indicated:

	Year ended December 31,				% Change
	2010	% of revenue	2011	% of revenue	2011 versus 2010
	(in euro millions, except as otherwise indicated)				
Profit before tax by division					
PET	24.3	1.4	25.0	1.3	2.9
Engineering	5.7	0.3	4.7	0.3	(17.5)
Eliminations ⁽¹⁾	0.4		0.4		—
Total profit before tax	<u>30.4</u>	1.8	<u>30.1</u>	1.6	(1.0)

Note:

- (1) Profit before tax by division include certain transactions within our Group which are eliminated upon consolidation, therefore eliminations refer to the netting of intercompany transactions between Group companies, mainly resulting from transactions not within divisional segments.

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Profit before tax in 2011 was €30.1 million, a 1.0% decrease from €30.4 million in 2010, for the reasons discussed above.

Division profit before tax

Profit before tax for our PET division in 2011 was €25.0 million, a 2.9% increase from €24.3 million in 2010, due mainly to improved performance of our PET division due to our divestment of the European operations, which generated negative operating margins, but offset by higher net financial expenses.

Profit before tax of our Engineering division was €4.7 million in 2011, a 17.5% decrease from €5.7 million in 2010, mainly as a result of higher other operating income in 2010 from a gain on disposal of a building in India that did not recur in 2011.

Income tax expense

Income tax expense in 2011 was €14.4 million, a 98.6% increase from €7.2 million in 2010. Income tax expense increased in 2011, notwithstanding lower pre-tax profit, due to deferred recognition of tax benefits in 2010 from previous periods, which were not available to the same extent in 2011. The availability of such deferred recognition of tax benefits is driven by tax regulations and the availability of tax assets in each country.

Profit for the year

Profit for the year in 2011 was €15.7 million, a 32.3% decrease from €23.2 million in 2010, for the reasons discussed above.

Exchange differences on translating foreign operations

Exchange differences on translating foreign operations resulted in a loss of €15.8 million in 2011, compared to a gain of €35.2 million in 2010, deriving from the combination of exchange rate effects against the euro of the U.S. dollar, Mexican peso and Brazilian real.

During 2011, the U.S. dollar appreciated as compared to the euro, generating a gain which was partly offset by losses resulting from the devaluation of the Brazilian real and Mexican peso during the year as compared to the euro. During 2010, all currencies appreciated against the euro, generating a gain.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our liquidity requirements principally relate to the purchase of PET raw materials, funding our capital expenditure plans and our working capital requirements, and the repayment of borrowings. Our

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principal sources of liquidity during the Track Record Period have been cash generated from operations and short-term revolving and long-term bank loans. In addition, our Engineering division receives a certain portion of its fees as advance payments for all long-term capital project contracts, which is included in the cash generated from operations.

As at June 30, 2013, our net financial position, calculated as the sum of non-current borrowings and current portion of borrowings, net of our cash and cash equivalents and long-term cash deposits, was €435.3 million. This amount includes borrowings which have been drawn on certain investments which are not yet operational or generating revenues in preparation for our Corpus Christi and China projects, in amounts totaling €143.9 million (€112.4 million as at December 31, 2012). If these borrowings are deducted from our net financial position, our net financial position on an adjusted basis would have been €291.4 million as at June 30, 2013.

Net current assets/(liabilities)

The following table sets forth current assets and current liabilities as at the dates indicated:

	As at December 31,			As at June 30,	As at September 30,
	2010	2011	2012	2013	2013
	(in euro millions)				
Current assets					
Inventories	183.4	182.5	198.6	228.7	220.7
Costs and estimated earnings in excess of billings	—	—	1.6	5.9	5.8
Trade and other receivables . . .	282.1	273.7	311.2	274.9	217.0
Other current financial assets ⁽¹⁾ .	316.2	25.9	56.7	96.9	49.0
Income tax receivables	15.0	17.5	16.9	10.7	10.2
Cash and cash equivalents	202.4	127.9	169.2	111.6	112.1
Total current assets ⁽²⁾	999.1	627.5	754.2	728.7	614.8
Current liabilities					
Trade and other payables	451.6	492.7	562.1	489.1	494.4
Amounts due to customers for contract work	19.3	23.6	36.7	40.3	44.0
Current portion of borrowings ⁽³⁾	237.8	231.5	298.8	277.1	276.0
Other current financial liabilities	49.6	42.6	12.4	9.2	6.2
Current portion of provisions . . .	—	—	—	0.2	14.0
Income tax payables	16.9	12.6	11.8	15.5	—
Total current liabilities	775.2	803.0	921.8	831.4	834.6
Net current assets/(liabilities) . .	223.9	(175.5)	(167.6)	(102.7)	(219.8)

Notes:

- (1) Other current financial assets as at June 30, 2013 does not include €12.2 million held in a cash reserve bank account in connection with the Brazilian Syndicated Facility (as described below) and previously included within current assets, which was contractually released in the first half of 2013. As at June 30, 2013, this amount is categorized as a long-term cash deposit and included within non-current assets.

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- (2) As a result of the Reorganization, certain non-current assets with a carrying value of €350.6 million as at June 30, 2013 (approximately €379.9 million as of the date of cancelation) were canceled on September 30, 2013 in consideration for the cancellation of the €115.0 million Group — Loan payable we owed to M&G Finanziaria S.r.l., the €160.0 million purchase price of Chemtex Global and cash of €104.9 million (the difference between the carrying value of the canceled assets as at June 30, 2013 and the amounts of the canceled liabilities is attributable to accrued interest on the Intercompany Loan). See “History and Corporate Structure — Our History and Development — Reorganization of the Group — Purposes of Reorganization — Reduction in intra-Group financial relationships”. As at June 30, 2013, because the Reorganization had not yet taken place and we did not at that date have the legal right to offset these assets and liabilities, the Intercompany Loan was not classified as “current” as of that date. As a result, although shown in our combined statements of financial position as at June 30, 2013 as a non-current asset, our management considers this Group — non-current receivable to be a current asset, in recognition of the fact that it would be redeemed within 12 months following the balance sheet date.
- (3) Of the total current portion of borrowings as at June 30, 2013, €153 million consisted of amounts drawn on a short-term basis and due for repayment within 12 months from the balance sheet date from our three Mexican revolving credit facilities (the Bancomext Loans and the Banorte Facility), each of which has a contractual maturity in 2015, or beyond 12 months from the balance sheet date. Our directors have no reason to believe the lenders under these three facilities have any intention to revoke their long-term financing of our operations, and do not anticipate termination or unavailability of any of these facilities prior to their contractual maturity dates.

Our net current assets/(liabilities) represent the difference between our total current assets and total current liabilities. We had net current liabilities of €219.8 million as at September 30, 2013, net current liabilities of €102.7 million as at June 30, 2013, and net current liabilities of €167.6 million, net current liabilities of €175.5 million and net current assets of €223.9 million as at December 31, 2012, 2011 and 2010, respectively.

Net current liabilities as at September 30, 2013 increased as compared to the amount as at June 30, 2013, primarily due to a decrease in trade and other receivables of €57.9 million and the decrease in other current financial assets of €47.9 million, primarily attributable to the offset of intercompany balances in connection with the Reorganization.

Net current liabilities as at June 30, 2013 decreased as compared to December 31, 2012, mainly attributable to a reduction in trade and other payables of €73.2 million due to fluctuations in the ordinary course of business and current portion of borrowings of €21.7 million resulting from repayments of current borrowings.

Net current liabilities as at December 31, 2012 decreased slightly as compared to December 31, 2011, mainly due to increases in inventories, trade and other receivables and cash and cash equivalents of €16.1 million, €37.5 million and €41.3 million, respectively, partly offset by the increase in the current portion of our borrowings from three Mexican loans with maturities beyond 12 months. The increase in inventories was due primarily to a relatively high volume of sales during the fourth quarter of 2011, which depleted our inventories in North America. The majority of these sales were settled before year end and this reduced our trade and other receivables as at December 31, 2011. For a discussion of the increase in our cash and cash equivalents please see the section entitled “— Cash flows” below.

Net current liabilities as at December 31, 2011 increased significantly as compared to net current assets as at December 31, 2010. This change was principally the result of discontinuing the centrally managed cash pooling system during 2011, and the conversion of the cash pooling arrangement with M&G Finanziaria S.r.l. (which reflected a €327 million credit to M&G Finanziaria S.r.l.) and previously accounted for under current assets into a portion of the longer-term Intercompany Loan, carrying a higher interest rate of EURIBOR plus 5.625%, and accounted for as non-current assets on our consolidated balance sheet. As a result of this conversion, other current financial assets, which had largely comprised our interest in this cash pooling arrangement, was reduced from €316.2 million as at December 31, 2010 to €25.9 million as at December 31, 2011.

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Cash flows

The following table shows our combined statement of cash flows for the Track Record Period:

	Year ended December 31, (audited)			Six months ended June 30, (audited)
	2010	2011	2012	2013
	(in euro millions)			
Net cash from operating activities	216.0	216.5	172.5	35.7
Net cash from/(used in) investing activities	4.0	(115.6)	(134.9)	(49.6)
Net cash from/(used in) financing activities	(119.4)	(148.8)	6.6	(34.1)
Difference in foreign exchange	3.3	(26.6)	(2.9)	(9.6)
Net increase/(decrease) in cash and cash equivalents	<u>103.9</u>	<u>(74.5)</u>	<u>41.3</u>	<u>(57.6)</u>
Cash and cash equivalents at the beginning of the year/period	<u>98.5</u>	<u>202.4</u>	<u>127.9</u>	<u>169.2</u>
Cash and cash equivalents at the end of the year/period	<u>202.4</u>	<u>127.9</u>	<u>169.2</u>	<u>111.6</u>

The following table sets forth a reconciliation of our operating cash flows to our net cash flows for the Track Record Period:

	Year ended December 31, (audited)			For the six months ended June 30, (audited)
	2010	2011	2012	2013
	(in euro millions)			
Operating cash flows before working capital changes	<u>152.4</u>	<u>209.1</u>	<u>131.8</u>	<u>73.8</u>
Changes in working capital	74.6	25.4	47.1	(37.6)
Payment of income taxes	(11.0)	(17.9)	(6.5)	(0.5)
Net cash from operating activities	<u>216.0</u>	<u>216.5</u>	<u>172.5</u>	<u>35.7</u>
Net cash from/(used in) investing activities	4.0	(115.6)	(134.9)	(49.6)
Net cash from/(used in) financing activities	(119.4)	(148.8)	6.6	(34.1)
Difference in foreign exchange	3.3	(26.6)	(2.9)	(9.6)
Net increase/ (decrease) in cash and cash equivalents	<u>103.9</u>	<u>(74.5)</u>	<u>41.3</u>	<u>(57.6)</u>

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Net cash from operating activities

Net cash from operating activities was €35.7 million in the six months ended June 30, 2013, compared to €68.4 million in the six months ended June 30, 2012. The decrease is mainly due to a €42 million change in cash from increase in inventories, mostly in Brazil, to meet anticipated higher demand over the remainder of 2013, and an increase in trade and other payables, partly offset by a decrease in trade and other receivables.

Net cash from operating activities was €172.5 million in 2012, a 20.3% decrease as compared to €216.5 million in 2011. The decrease was mainly the result of timing issues relating to the end-of-year accounting cut-off date, as a significant portion of the cash from sales in the fourth quarter of 2012 was not received until the first quarter of 2013, resulting in a higher level of trade receivables as of December 31, 2012. Furthermore, at the end of 2012 receivables from affiliates of M&G Finanziaria S.r.l. which are outside our Group increased, reflecting our supply of PTA to Fibras Brasil and payment of income taxes.

Net cash from operating activities was €216.5 million in 2011, at the same level as €216 million in 2010.

Net cash from/(used in) investing activities

Net cash used in investing activities includes our maintenance and expansion capital expenditures. In 2010, 2011 and 2012 and the six months ended June 30, 2013, capital expenditures for ordinary maintenance of existing plants were €16.5 million, €18.3 million, €17.2 million and €7.6 million, respectively. In addition, up to June 30, 2013, we also incurred €143.9 million in capital expenditures for the initial funding of the construction of our planned projects in Corpus Christi and China, and acquisition of licenses in connection with these projects (€31.9 million of which was incurred in the six months ended June 30, 2013).

Net cash used in investing activities in the six months ended June 30, 2013 was €49.6 million, compared to €30.0 million in the six months ended June 30, 2012. The increase was primarily due to investments related to the Corpus Christi project, partly offset by a sale of land in Corpus Christi, Texas, United States to third parties.

Net cash used in investing activities in 2012 was €134.9 million, a 16.7% increase as compared to €115.6 million in 2011. The increase was due primarily to an increase in capital expenditures in connection with our planned expansion projects in Corpus Christi and China. In 2012, net cash used in investing activities included €34.1 million of advance payments to M&G Finanziaria S.r.l. for the Corpus Christi project; €29.4 million for the reservation of PTA capacity with our Mexican supplier in Altamira to secure a residual supply of PTA not supplied by Corpus Christi after start-up; €19.7 million for the land for the Corpus Christi plant; and €7.6 million for a bio-MEG license. As a result, a total of €90.8 million in capital expenditures was incurred in new projects in 2012, compared to €21.6 million in 2011. In addition, net cash used in investing activities in 2012 also included a net amount of €26.4 million for additional advances on the Intercompany Loan to M&G Finanziaria S.r.l., net of interest we received.

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Net cash used in investing activities in 2011 was €115.6 million as compared to net cash from investing activities of €4.0 million in 2010. The change from a cash inflow to a cash outflow was due primarily to an increase in advances on the Intercompany Loan to M&G Finanziaria S.r.l. and an increase in advances in connection with our planned expansion projects in Corpus Christi. In 2011, net cash used in investing activities, in addition to normal maintenance capital expenditures of €18.3 million, included €21.6 million for advance payments to third parties for licenses to be used in the Corpus Christi project, and advances of €96.3 million on the Intercompany Loans, net of interest we received, compared to €16.4 million extended to M&G Fibras Brasil S.A., as part of the Intercompany Loan in 2010. Partly offsetting the use of cash in investing activities in 2011 was cash generation of €9.0 million in cash proceeds from the second tranche of the sale of M&G Polimeri Italia, net of the cost of acquisition of our remaining stake in Tereftálicos Industrias Químicas Ltda., as well as €12.0 million in cash proceeds from the sale of various other interests. In 2010 our net cash from investing activities included €25.0 million in cash proceeds from the first tranche of the sale of M&G Polimeri Italia S.p.A.

Net cash from/(used in) financing activities

Net cash used in financing activities in the six months ended June 30, 2013 was €34.1 million, compared to €3.3 million in the six months ended June 30, 2012. This increase primarily reflects the higher drawing of loans in the six months ended June 30, 2012; in the six months ended June 30, 2013, repayments generally matched drawings other than amounts attributable to the repayment of a loan in connection with the purchase of land in Corpus Christi, Texas, United States.

Net cash from financing activities in 2012 was €6.6 million, as compared to net cash used in financing activities of €148.8 million in 2011. This increase in net cash available primarily reflected increased proceeds from a revolving credit facility of €60.6 million in 2012 which was unused at the end of 2011, partly offset by the repayment of certain credit lines upon maturity. Net cash from financing activities in 2012 also reflected the cancelation of €31.7 million owed by Chemtex Global to M&G Finanziaria S.r.l. under the cash pooling agreement when this portion of the cash pooling arrangement was capitalized by the issuance of 31,700 shares of Chemtex Global, par value €1,000 each, to M&G Finanziaria S.r.l. See “History and Corporate Structure — Our History and Development — Reorganization of the Group — Purposes of Reorganization — Reduction in intra-Group financial relationships”.

Net cash used in financing activities in 2011 was €148.8 million, a 24.6% increase as compared to €119.4 million in 2010. The increase primarily reflected higher levels of repayment on current and long-term borrowings in 2011, partly offset by lower interest costs.

Working Capital

Taking into account the financial resources available to us, including net proceeds from the Global Offering, our cash and cash equivalents on hand, unutilized bank facilities and cash flow generated from operations, our Directors believe that we have sufficient working capital required for our operations at present and for at least the next 12 months from the date of the prospectus.

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Current Assets

Cash and Cash Equivalents

The table below summarizes our cash and cash equivalents as of the dates indicated:

	As at December 31,			As at June 30,
	2010	2011	2012	2013
	(in euro millions)			
Cash and cash equivalents	167.8	91.3	157.7	109.5
Short-term deposits	34.6	36.6	11.5	2.1
Total	<u>202.4</u>	<u>127.9</u>	<u>169.2</u>	<u>111.6</u>

We hold our cash and cash equivalents in the form of short-term and demand deposits with financial institutions in the various jurisdictions in which we have operations, and in a variety of currencies. As a result, depending on the jurisdiction, the specific date, the currency and the prevailing interest rate offered for short-term and demand deposits during the Track Record Period, our cash and cash equivalents earned interest at rates of between 0.2% and 10.6% in 2010, between 0.2% and 12.2% in 2011, between 0.5% and 10.3% in 2012, and between 0.1% and 7.7% in the six months ended June 30, 2013.

Inventories

The table below summarizes the components of our inventories as of the dates indicated.

	As at December 31,			As at June 30,
	2010	2011	2012	2013
	(in euro millions)			
Raw materials	62.9	65.0	83.7	52.6
Finished products	110.1	105.8	102.8	164.1
Other materials	2.0	2.2	1.7	2.1
Spare parts	8.4	9.5	10.4	9.9
Total	<u>183.4</u>	<u>182.5</u>	<u>198.6</u>	<u>228.7</u>

Raw materials primarily consist of PET raw materials such as PTA, MEG, IPA and DEG. Finished products primarily consist of PET. Other materials primarily consist of packaging and maintenance materials. Spare parts primarily consist of critical parts of equipment that are kept as spares. Change in inventories in 2012 was mostly related to the difference in price of raw materials in combination with a slight increase in raw material inventory volume, the latter mainly to guarantee sufficient raw materials availability in order to support production requirements. The increase of raw material inventories in 2012 was offset by lower inventory volumes of finished product, which resulted in turnover days for total inventories remaining roughly stable at approximately 40 days.

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For information regarding our inventory control processes, see “Business — Key Businesses — Procurement and Suppliers — Inventory Control”.

As at September 30, 2013, approximately 86% of our total inventories had been sold and/or consumed.

The following table sets forth the turnover days of our inventories for the periods indicated.

	Year ended December 31,			Six months ended June 30,
	2010	2011	2012	2013
	Turnover days of inventories ⁽¹⁾	41	38	41

Note:

(1) Turnover days of inventories is derived by dividing the closing balances of inventories for the relevant period by cost of sales and multiplying by 365 days, in the case of the years ended December 31, 2010, 2011 and 2012, and 182 days, in the case of the six months ended June 30, 2013.

Our turnover days of inventories remained generally stable during the years ended December 31, 2010, 2011 and 2012. The increase in turnover days of inventories in the six months ended June 30, 2013 was primarily due to the buildup of inventories in Brazil in anticipation of high sales volumes over the remainder of 2013.

Contract Work-in-Progress

The following table sets forth our contract work-in-progress as of the dates indicated.

	As at December 31,			As at June 30,
	2010	2011	2012	2013
	(in euro millions)			
Gross amount due to customers for contract work ⁽¹⁾	19.3	23.7	36.7	40.3
Cost and estimated earnings in excess of billings ⁽²⁾	—	—	(1.7)	(5.9)
Contract work in progress (net amount)	<u>19.3</u>	<u>23.7</u>	<u>35.0</u>	<u>34.4</u>

Notes:

(1) Represents the amount of revenue not yet earned on a contract (for example, because only a portion of the costs of that contract have been recognized) but billed to the customer in anticipation of such revenue.

(2) Represents the amount of contract costs incurred to date that have not yet been charged to our combined statements of comprehensive income.

The net amount of contract work in progress has been steadily increasing during the Track Record Period, as a result of increased numbers of LNG and PET projects.

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The following table sets forth changes in customers' advances and the detail of the gross amount due to customers for contract work as at the dates indicated.

	As at December 31,			As at June 30,
	2010	2011	2012	2013
	(in euro millions)			
Contract cost incurred on open contracts	167.8	263.1	245.6	213.0
Recognized earnings	36.8	52.9	51.0	36.7
Revenue earned on open contracts	204.6	316.0	296.6	249.8
Less billings to date	(223.9)	(339.7)	(331.6)	(284.2)
Billing in excess of costs and estimated earnings	19.3	23.7	35.0	34.4
Customer advances on open projects at				
January 1	17.3	7.9	3.9	3.5
Foreign exchange rate adjustment	—	0.2	(0.7)	(0.3)
Customer advances received during				
year/period	27.3	5.2	6.9	4.6
Reduction from delivery of contracted services and products during				
year/period	(36.8)	(9.5)	(7.2)	(3.4)
Customer advances on open projects	7.9	3.8	3.5	4.7
Total — billings in excess of costs plus customer advances on open projects	27.2	27.5	38.5	39.3

For more information concerning the accounting treatment of construction contracts in our Engineering division, see “— Critical Accounting Policies — Contract work in progress (net amount) of our Engineering division projects”.

Trade and Other Receivables

The following table sets forth our trade and other receivables as at the dates indicated:

	As at December 31,			As at June 30,
	2010	2011	2012	2013
	(in euro millions)			
Prepayments and accrued income	9.1	23.1	13.3	10.8
Third-party trade receivables	173.8	177.6	192.0	148.4
Group-trade receivables	26.3	27.3	49.1	48.5
Other receivables third-party	31.9	40.4	48.0	61.6
Group-other receivables	41.0	5.3	8.8	5.6
Total	282.1	273.7	311.2	274.9

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Our prepayments mainly comprise prepayments for construction and prepayments for materials and equipment in our Engineering division. Prepayments and accrued income peaked in 2011, mainly as a result of an advance payment to GPT for part of the acquisition price of the PTA technology license for the Corpus Christi project. As at the Latest Practicable Date, most of our prepayments outstanding as at June 30, 2013 have subsequently been recognized as our costs.

Third-party trade receivables mainly comprise receivables from our PET customers. Our trading terms with our customers are mainly on credit. The credit period is generally for a period of one month, extending up to three months for major customers. Each customer has a maximum credit limit. We seek to maintain strict control over our outstanding receivables and have a credit control department to minimize the credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non interest-bearing, and are stated on our balance sheet net of provisions.

Third-party trade receivables decreased to €148.4 million as at June 30, 2013. As at September 30, 2013, approximately 84% of our third-party trade receivables had been settled. Third-party trade receivables as at December 31, 2010, 2011 and 2012 amounted to €173.8 million, €177.6 million and €192.0 million, respectively. In general, third-party trade receivables fluctuate in line with fluctuations in net sales.

Group-trade receivables mainly comprise commercial credits extended to M&G Fibras Brasil S.A. in connection with its purchase of PTA from M&G International S.A. Group-trade receivables decreased only marginally to €48.5 million as at June 30, 2013. As at September 30, 2013, approximately 75% of our Group-trade receivables had been settled.

Other third-party receivables mainly comprise value added tax (“VAT”) receivables relating to the Mexican operations. Group-other receivables mainly comprise credits between M&G International S.A. and M&G Finanziaria S.r.l.

The following table sets forth the ageing analysis of third-party trade receivables, based on the invoice date and net of provisions as at the dates indicated:

	As at December 31,			As at June 30,
	2010	2011	2012	2013
	(in euro millions)			
Within one month	66.0	103.1	100.6	68.7
1 to 2 months	63.1	32.3	33.4	27.6
2 to 3 months	29.9	14.1	15.9	6.1
Over 3 months	4.1	0.1	8.4	9.8
Total	163.1	149.6	158.3	112.2

During the Track Record Period, a substantial portion of our third-party trade and notes receivable had been outstanding for less than three months.

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The following table sets forth an ageing balance of net trade receivables overdue as at the dates indicated:

	As at December 31,			As at June 30,
	2010	2011	2012	2013
	(in euro millions)			
Within one month	6.7	18.9	13.6	10.4
1 to 2 months	2.9	4.5	6.9	11.5
2 to 3 months	0.5	1.2	3.7	4.6
Over 3 months	0.7	3.4	9.5	9.7
Total	10.8	28.0	33.7	36.2

As at June 30, 2013, the ageing balance of our net trade receivables overdue was €36.2 million (compared to €33.7 million, €28.0 million and €10.8 million as at December 31, 2012, 2011 and 2010, respectively). The past due receivables are included in the balances specified above and included in the ageing brackets based upon their due date. With respect to these credits, in accordance with our accounting policies, an individual risk valuation was carried out and a specific allowance for doubtful accounts was recorded, taking into account an estimation of the recoverable amounts and any pending litigations.

The following table sets forth the movements in provision for trade and other receivables as at the dates indicated:

	As at December 31,			As at June 30,
	2010	2011	2012	2013
	(in euro millions)			
January 1	(1.2)	(0.8)	(3.4)	(1.3)
Impairment losses recognized	(0.1)	(2.5)	(1.2)	(0.4)
Impairment losses reversed	0.2	0.1	3.2	—
Disposal of subsidiaries	0.4	—	—	—
Recovery	—	—	—	—
Currency translations adjustments	(0.1)	(0.2)	0.1	—
December 31/June 30	(0.8)	(3.4)	(1.3)	(1.7)

Included in the above provision for impairment of trade receivables are provisions for individually impaired trade receivables of €1.7 million, €1.3 million, €3.4 million and €0.8 million, with carrying amounts before provision of €3.2 million, €3.1 million, €3.4 million and €0.8 million as at June 30, 2013 and December 31, 2012, 2011 and 2010, respectively. We do not hold any collateral or other credit enhancements over these balances.

Impairment losses recognized in 2011 relate primarily to trade receivables with Constar, while the impairment loss in 2012 relates to a provision against receivables from Kodak.

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The following table sets forth the turnover days of our trade and other receivables for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2010	2011	2012	2013
	Turnover days of trade and other receivables ⁽¹⁾	60	54	61

Note:

- (1) Turnover days of trade and other receivables is derived by dividing the closing balances of trade and other receivables for the relevant period by total revenue and multiplying by 365 days, in the case of the years ended December 31, 2010, 2011 and 2012, and 182 days, in the case of the six months ended June 30, 2013.

Our turnover days of trade and other receivables remained generally stable during the Track Record Period.

Trade and Other Payables

The following table sets forth our trade and other payables as of the dates indicated:

	As at December 31,			As at June 30,
	2010	2011	2012	2013
	(in euro millions)			
Third-party trade payables	373.2	398.5	485.7	414.2
Group — Trade payables	4.3	8.5	3.1	6.9
Other payables third-party	63.1	73.8	65.2	67.2
Group — Other payables	11.0	11.9	8.3	0.8
Total	<u>451.6</u>	<u>492.7</u>	<u>562.3</u>	<u>489.1</u>

Third-party trade payables primarily comprise payables due to suppliers for PET raw materials. Third-party trade payables decreased to €414.2 million as at June 30, 2013, from €485.7 million as at year-end 2012, primarily due to a reduction in raw materials costs in the second quarter of 2013.

Group-trade payables as at June 30, 2013 primarily comprise payables to Biochemtex (then named Chemtex Italia) and M&G Finanziaria S.r.l. for services provided. Other third-party payables primarily comprise sundry payables relating to amounts due to a contractor under an EPC contract for the Corpus Christi project, prepayments from customers, and VAT payables mainly relating to our Mexican operations.

Group-other payables primarily comprise payments to M&G Finanziaria for SAP AG (“SAP”) systems provided to our Brazilian subsidiaries.

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Third-party trade payables are non interest-bearing and are normally settled between 30 and 90 days.

The following table sets forth the ageing analysis of third-party trade payables as at the dates indicated:

	As at December 31,			As at June 30,
	2010	2011	2012	2013
	(in euro millions)			
Within one month	226.7	206.9	256.8	214.5
1 to 2 months	76.2	110.7	122.3	70.2
2 to 3 months	32.5	39.2	48.7	37.3
Over 3 months	37.8	41.7	57.9	92.2
Total	373.2	398.5	485.7	414.2

The following table sets forth the turnover days of our trade and other payables for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2010	2011	2012	2013
Turnover days of trade and other payables ⁽¹⁾	101	102	117	109

Note:

- (1) Turnover days of trade and other payables is derived by dividing the closing balances of trade and other payables for the relevant period by cost of sales and multiplying by 365 days, in the case of the years ended December 31, 2010, 2011 and 2012, and 182 days, in the case of the six months ended June 30, 2013.

Our turnover days of trade and other payables increased from 2011 to 2012 due to an increase in production and raw material costs, as discussed above, and remained generally stable during the Track Record Period.

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Capital expenditures

The following table sets forth our historical capital expenditures during the Track Record Period:

	Year ended December 31, (audited)			Six months ended June 30, (audited)
	2010	2011	2012	2013
	(in euro millions)			
Maintenance capital expenditures	16.5	18.3	17.2	7.6
Other capital expenditures	—	21.6	90.8	32.0
Total capital expenditures	<u>16.5</u>	<u>39.9</u>	<u>108.0</u>	<u>39.6</u>

For a description of our capital expenditures, other than ordinary maintenance capital expenditures on existing plants, see “— Cash flows — Net cash from/(used in) investing activities” above.

Our estimated capital expenditures for the years 2013 to 2016 relate principally to the planned construction of new PET and PTA production facilities in Corpus Christi, and the construction of our new bio-MEG facilities in China. We also expect to incur approximately €23 million of maintenance capital expenditures per year going forward for our existing assets.

The following table provides details of our estimated total capital expenditures, which are described further below, for the period 2013 to 2016. The estimated capital expenditures in the table below represent current estimates only and are subject to change, both in respect of total amounts expected to be incurred and also in respect of the timing for those amounts. Amounts in this table have been translated into euros at a rate of €1.0:US\$1.3 solely for the convenience of the reader.

	Year ended December 31,					Total
	2013	2014	2015	2016		
(in millions)						
Construction of the Corpus Christi project ⁽¹⁾	US\$181 (€139.2)	US\$616 (€473.8)	US\$207 (€159.2)	US\$146 (€112.3)	US\$1,150	(€884.6)
Construction of China bio-MEG project	US\$122 (€93.8)	US\$135 (€103.8)	US\$183 (€140.8)	—	—	US\$440 (€338.5)
Maintenance capital expenditures ⁽²⁾	US\$30 (€23.1)	US\$30 (€23.1)	US\$30 (€23.1)	US\$30 (€23.1)	US\$120	(€92.3)
Total estimated capital expenditures	<u>US\$333 (€256.2)</u>	<u>US\$781 (€600.8)</u>	<u>US\$420 (€323.1)</u>	<u>US\$176 (€135.4)</u>	<u>US\$1,710</u>	<u>(€1,315.4)</u>

Notes:

- (1) Approximately €143.9 million was spent in total in 2011, 2012 and the six months ended June 30, 2013, primarily on purchase of intangible assets and of property, plant and equipment.
- (2) Represents our estimated costs of maintenance on existing plants, not taking into account maintenance costs of the new Corpus Christi or China bio-MEG projects.

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To fund our growth plans and execute our planned capital expenditures in line with the above, we will depend on our operational cash flows, as well as various forms of other financing, as set out in the table below:

	Corpus Christi	China bio-MEG
	(in millions)	
Total capital expenditures	US\$1,150	(€884.6)
	US\$440	(€338.5)
Financing sources		
Inbursa Loan (Corpus Christi)	US\$250	(€184.8)
DAK capacity reservation contribution	US\$350	(€258.7)
Export Financing	US\$350	(€258.7)
Operational cash flow/proceeds of the Global Offering ⁽¹⁾⁽²⁾	US\$200	(€153.8)
	US\$440	(€338.5)
Total⁽¹⁾	US\$1,150	(€884.6)
	US\$440	(€338.5)

Notes:

- (1) These amounts have been translated into euros at a rate of €1.0: US\$1.3 solely for the convenience of the reader.
- (2) The Corpus Christi project will be funded in part by either operational cash flows of US\$200 million (€153.8 million) over three years, or US\$200 million (€153.8 million) of the proceeds of the Global Offering. The China bio-MEG project planned capital expenditures of US\$440 million (€338.5 million) will be funded with a combination of the proceeds of the Global Offering and other sources.

We cannot assure you that we will obtain such additional funding on favorable terms, or at all. If we are unable to secure any required additional funding, we may not be able to complete construction of these plants within our contemplated timetable, or at all, which could have a material adverse effect on our business, financial condition, results of operations or prospects.

Although these are our current plans with respect to our capital expenditures, such plans may change as a result of a change of circumstances and the actual amount of expenditures set out above may vary from the estimated amount of expenditures for a variety of reasons, including changes in market conditions, competition and other factors. As we continue to expand, we may incur additional capital expenditures. In addition, our ability to obtain additional funding for our future capital expenditures is subject to a variety of uncertainties, including our future results of operations, financial condition and cash flows, conditions in the debt and equity capital markets, industry conditions and investors' perceptions of our company and the PET industry. See "Risk Factors — Risks Relating to Our Businesses — Construction of our planned PET and PTA production facilities in the United States and bio-MEG facilities in China may be delayed, over budget, or not completed" and "Risk Factors — Risks Relating to Our Businesses — We face risks in connection with financing the significant capital expenditures planned for our business, including the construction of our PET and PTA plants in the United States and the China bio-MEG project".

Corpus Christi PTA/PET Project

We intend to construct a latest-generation technology PET plant in Corpus Christi, Texas, United States, co-located and fully integrated with a new PTA plant to be constructed by us at the same site. We expect these plants will begin production in 2016 and reach an installed prime capacity of 1,000kMT/year of PET and 1,200 kMT/year of PTA, and a nominal capacity of 1,100 kMT/year of PET

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and 1,300 kMT/year of PTA. The PET plant is expected to be the largest single line in the world, and the PTA plant is expected to be the largest single line in the Americas, according to PAL, allowing us to benefit from significant economies of scale and lower production costs. For more information concerning this project, see “Business — Key Businesses — PET Division — Projects Under Construction — Corpus Christi PTA/PET Project”.

We estimate that the capital expenditures associated with the construction of the plants will total approximately US\$1.15 billion (€884.6 million, translated at a rate of €1.0: US\$1.3), to be incurred over the next three years until its expected completion in 2016, and will be financed with a combination of loans, proceeds from the Global Offering and other sources, as described below.

In January 2013, we entered into an EPC contract with SINOPEC SEG under which it will execute the construction of the Corpus Christi project on a turnkey basis for a total consideration of US\$1.15 billion (€884.6 million, translated at a rate of €1.0: US\$1.3). The agreement provides that SINOPEC SEG will arrange US\$350 million (€258.7 million) in export financing on our behalf (in relation to equipment to be sourced from China). See “Business — Key Businesses — PET Division — Projects Under Construction — Corpus Christi PTA/PET Project” for a description of the agreement with SINOPEC SEG.

In January 2013, we entered into a sourcing agreement with DAK, whereby DAK will contribute US\$350 million (€258.7 million) to finance the Corpus Christi project in exchange for the right to reserve 40% of the Corpus Christi PET output. The US\$350 million (€258.7 million) DAK contribution is not interest-bearing and not subject to repayment and provides DAK with rights to output.

In March 2013, we entered into a loan agreement with Inbursa for an amount of US\$250 million (€184.8 million) to partially fund the construction of the Corpus Christi plants (the “Inbursa Loan (Corpus Christi)”), as described further below.

Of the aggregate US\$950 million (€702.1 million) funding that we have obtained for the Corpus Christi project, US\$600 million (€443.4 million) (US\$250 million (€184.8 million) from the Inbursa Loan (Corpus Christi) and US\$350 million (€258.7 million) from export financing) will be interest-bearing and US\$350 million (€258.7 million) (the DAK contribution) will be a non interest-bearing and non-redeemable contribution. Please see “— Indebtedness”. In addition, a portion of the expected proceeds of the Global Offering will be used to complete the financing of the US\$1.15 billion (€884.6 million, translated at a rate of €1.0: US\$1.3) contract price of the project.

China bio-MEG Project

We are currently planning the construction in China of two bio-ethanol plants with an expected nominal capacity of 110 kMT/year each, and one E2E plant with an expected nominal capacity of 220 kMT/year, all of which are expected to be operational in mid-2015 (the “China bio-MEG project”). For more information concerning this project, see “Business — Key Businesses — PET Division — Projects Under Construction — China bio-MEG Project”.

We estimate that the capital expenditures associated with the construction of the China bio-MEG project will be approximately US\$440 million (€338.5 million, translated at a rate of €1.0: US\$1.3), to be incurred over the 18 months following the closing of the Global Offering. We plan to finance this project with a combination of the proceeds of the Global Offering and other sources.

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Maintenance capital expenditures

We plan to finance maintenance capital expenditures with cash flow from operations.

Operating Lease Commitments

We lease various offices and rail cars under non-cancelable operating lease agreements. These leases have varying terms, escalation clauses and renewal rights. The future aggregate minimum lease payments under non-cancelable operating leases as at the dates indicated are as follows:

	As at December 31,			As at	As at
	2010	2011	2012	June 30,	September 30,
				2013	2013
	(in euro millions)				
Within 1 year or on demand	1.4	1.8	1.7	3.5	6.0
In the second to fifth years, inclusive	4.8	4.6	2.8	5.1	8.8
Beyond 5 years	—	—	—	19.1	17.7
Total	6.2	6.4	4.5	27.7	32.5

In December 2010, Chemtex Global Engineers Private Limited sold most of a building in India (the remaining portion was divested in March 2011), and Chemtex Global Engineers Private Limited entered into five-year leaseback agreements to remain in the space. On March 31, 2013, the Engineering business of Chemtex Global Engineers Private Limited was divested in favor of Burns & McDonnell Engineering India Private Limited, which took over the unexpired lease portion; accordingly, with effect from April 1, 2013, we have no further obligations under these lease agreements. The increase in operating lease commitments from €4.5 million as at December 31, 2012 to €27.7 million as at June 30, 2013, and to €32.5 million as at September 30, 2013, was primarily due to the inclusion of a lease of land in the port of Suape, Brazil, which was previously classified as a rental.

INDEBTEDNESS

The following tables set out our total borrowings and their maturity profile as at the dates indicated:

	As at December 31,			As at	As at
	2010	2011	2012	June 30,	September 30,
				2013	2013
	(in euro millions)				
Borrowings					
Bank loans					
— secured	239.6	214.5	199.7	341.0	346.6
— unsecured	329.3	240.9	282.4	127.8	122.4
Other loans					
— unsecured	70.2	66.7	67.0	67.0	76.6
Loan from M&G Finanziaria S.r.l.	28.2	28.2	115.0	115.0	—
Undated securities	128.0	133.0	—	—	—
Total	795.3	683.3	664.1	650.8	545.6
Maturity profile					
Within 1 year or on demand	221.2	243.2	295.1	274.5	273.8
In the second year	33.6	19.7	29.4	101.9	103.7
In the third to fifth years, inclusive	194.2	101.3	150.8	54.3	47.7
Beyond 5 years	346.3	319.1	188.8	220.1	120.4

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A summary of the terms of our principal indebtedness is provided below:

	Amount	Nature	Interest rate	Outstanding as at June 30, 2013	Start / Maturity	Security
	(in millions)			(in millions)		
Bank loans — secured						
Inbursa Loan (Corpus Christi)	US\$250 (€184.8)	Secured Credit Facility	LIBOR plus 5.5%	€38.2	March 21, 2013 / March 21, 2020	Secured by a mortgage on the Corpus Christi property, a guaranty given by M&G Polymers USA, LLC and a mortgage on the Apple Grove, WV facility
Brazilian Syndicated Facility	R\$460 (€152.7)	Secured credit facility	(i) TJLP < 6.0% per year, then TJLP plus 2.72% spread (ii) TJLP > 6.0% per year, then calculated as determined in the agreement	€92.7	April 10, 2007 / April 15, 2018	Security package consists of a mortgage over the Suape plant site and other collateral
Inbursa Loan (Mexico)	US\$100 (€73.9)	Secured credit facility	LIBOR in effect at the time of drawdown plus a 4% spread	€76.5	March 31, 2009 / May 16, 2015	Secured by mortgage on our plant at Tamaulipas and other assets of M&G Polímeros Mexico, S.A. de C.V.
Bancomext Loan I	US\$50 (€37.0)	Secured revolving credit facility	Set at each drawn down upon agreement between the borrower and lender	€38.2	July 28, 2009 / May 28, 2015	Assignment of receivables of contracts for the sale of products entered into by the borrower with M&G Polymers USA, LLC; and A pledge security interest without transfer of possession over inventories of the borrower and receivables with M&G Polymers USA, LLC.
Bancomext Loan II	US\$120 (€88.7)	Secured revolving credit facility	N/A	€53.5	March 31, 2010 / October 10, 2017	Irrevocably guaranteed by M&G Polímeros México, S.A. de C.V. The security package consists of an assignment of receivables of contracts for the sale of products entered into by the borrower with M&G International S.A. (now part of M&G International S.à r.l.)

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	Amount	Nature	Interest rate	Outstanding as at June 30, 2013	Start / Maturity	Security
	(in millions)			(in millions)		
Bank loans — unsecured						
Banorte Facility	US\$80 (€59.1)	Revolving credit facility	(i) if the withdrawal is in U.S. dollars, the sum of LIBOR plus a spread that the parties agree from time to time; and (ii) if the withdrawal is in Mexican pesos, the sum of Tasa de Interés Interbancaria de Equilibrio (“TIE”) plus a spread that the parties agree from time to time	€61.1	April 13, 2010 / March 13, 2015	Irrevocably and unconditionally guaranteed by M&G Polymers USA, LLC and M&G International S.A. (now part of M&G International S.à r.l.)
Loans by Banco do Brazil	€38.8	N/A	Indexed to the CDI (Certificado de Deposito Interbancario) short-term interest rate, plus 30% of CDI spread	€38.8	November 14, 2012 & December 4, 2012 / January 2014	N/A

As at June 30, 2013, our Group had an aggregate of €731.7 million in committed bank facilities, of which €195.9 million remained undrawn. As at September 30, 2013, our Group had an aggregate of €660 million in committed bank facilities, of which €469 million remained undrawn.

Bank loans — secured

Inbursa Loan (Corpus Christi)

M&G Resins USA, LLC is the borrower under a loan agreement, dated as of March 21, 2013, with Banco Inbursa, S.A., Institución de Banca Múltiple, Grupo Financiero Inbursa (“Inbursa”) as lender with respect to a loan of up to US\$250 million (€184.8 million) (the “Inbursa Loan (Corpus Christi)”). The Inbursa Loan (Corpus Christi) was made primarily to provide a portion of the funds required for construction of the Corpus Christi project. See “Business — Key Businesses — PET Division — Projects Under Construction — Corpus Christi PTA/PET Project” for a description of the project and other sources of funding for the same. The loan is secured by a mortgage on the Corpus Christi property, a guaranty given by M&G Polymers USA, LLC and a mortgage on the Apple Grove, West Virginia facility. As at June 30, 2013, €38.2 million was outstanding under the Inbursa Loan (Corpus Christi).

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Interest accrues at the rate of 3-month LIBOR plus 5.5%. Quarterly principal payments sufficient to fully amortize the loan are required commencing in the 4th year of the loan term. An “unused fee” equal to (x) the average unfunded principal balance during the prior calendar quarter multiplied by (y) one-quarter multiplied by (z) 1.65% is due on each payment date. The loan may not be prepaid prior to completion of construction. Thereafter, if any unscheduled payments of principal are made, an exit fee equal to 2% of the then outstanding principal amount is due. The loan can be drawn down pursuant to a schedule of project milestones and matures on March 21, 2020.

The loan contains customary covenants and restrictions for facilities of this type in the United States, including restrictions on the ability of the borrower or the guarantor to place further liens on their properties and the ability of the borrower to incur debt other than certain permitted debt prior to completion of construction. In addition, the borrower and guarantor must at all times be controlled by M&G International, which must at all times be controlled by members of the Ghisolfi Family and affiliates thereof. “Control” for these purposes is defined as owning at least 51% of the equity interests in an entity and possession, directly or indirectly, of the power to control the management and policies of such entity, whether through voting power, by contract or otherwise.

Under the terms of the Inbursa Loan (Corpus Christi), M&G Resins USA, LLC is required to complete construction within 43 months of the loan closing date.

Brazilian Syndicated Facility

M&G Polímeros Brasil S.A. is the borrower under a secured syndicated credit facility entered into with BNDES, BNB and other Brazilian commercial banks as identified therein, as lenders (the “Brazilian Syndicated Facility”). The Brazilian Syndicated Facility comprises three different agreements, entered into on March 28, 2007, April 10, 2007 and April 27, 2007, as subsequently modified, and initially provided for R\$460 million (€152.7 million) of credit lines to fund the construction and outfitting of our Suape plant in Pernambuco state, Brazil. The facility is structured in sub-credits, some of which are to be used for construction of the plant and others to finance the importation of specialized equipment and machinery necessary to the plant’s manufacturing. The Brazilian Syndicated Facility can be drawn down primarily in Brazilian reais. As at June 30, 2013, €92.7 million was outstanding under the Brazilian Syndicated Facility. The facility matures in April 2018.

The various sub-credits of the Brazilian Syndicated Facility bear interest at variable rates, which differ according to the sub-credit. For sums drawn in reais under the agreement with BNDES, the interest rate is either: (i) TJLP (*Taxa de Juros de Longo Prazo*) as established by the Central Bank of Brazil plus a 2.72% spread, in the case of a TJLP lower than 6% per year; or (ii) in the case of a TJLP higher than 6% per year, the interest rate is calculated as determined in the agreement.

All obligations of the borrower are irrevocably guaranteed by a guarantee letter issued by M&G Finanziaria S.r.l. Additionally, the security package consists of an assignment of the rights related to the rental agreement entered into by M&G Polímeros Brasil S.A. in connection with the Suape plant site, and other collateral.

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The Brazilian Syndicated Facility contains certain financial covenants applicable to M&G Polímeros Brasil S.A. as well as affirmative and negative covenants customary in development bank loans in Brazil. These covenants, among other things, limit the incurrence of additional indebtedness, distribution of dividends and provision of guarantees, and require, among other things, maintenance of a minimum cash reserve and presentation of various environmental and technical status reports.

Inbursa Loan (Mexico)

M&G Polímeros México, S.A. de C.V. is a borrower under a secured credit facility dated as of March 31, 2009, as amended on October 4, 2011, with Inbursa as lender (the “Inbursa Loan (Mexico)”). The Inbursa Loan (Mexico) provides for a US\$100 million (€73.9 million) bullet facility to be used for working capital and other general corporate purposes. The facility can be drawn down in Mexican pesos or U.S. dollars. As at June 30, 2013, €76.5 million was outstanding under the Inbursa Loan (Mexico). The rate of interest may be fixed or variable, as determined by the borrower at the time of the first drawdown. For drawdowns in U.S. dollars, the rate of interest is LIBOR in effect at the time of drawdown plus 4%. The Inbursa Loan (Mexico) matures on March 31, 2015.

The Inbursa Loan (Mexico) is secured by a mortgage (*hipoteca industrial*) on our plant at Tamaulipas and other assets of M&G Polímeros México, S.A. de C.V. including, among others, certain real properties, constructions, equipment and fixtures utilized in the production of PET. Receivables, inventories and intellectual property, among others, are excluded from the mortgage/pledge.

The Inbursa Loan (Mexico) contains certain financial covenants, as well as customary covenants that, among other things, restrict, subject to certain exceptions, M&G Polímeros México, S.A. de C.V.’s ability to incur debt, reduce its shareholders’ equity, grant security, sell assets, enter into mergers or consolidations, or make restricted payments.

Bancomext Loan I

M&G Polímeros México, S.A. de C.V. is a borrower under a secured revolving credit facility dated as of July 24, 2009 and as replaced by an agreement dated as of May 28, 2011 with the Mexican state-owned export credit bank, Banco Nacional de Comercio Exterior, S.N.C. (“Bancomext”), as lender (the “Bancomext Loan I”). The Bancomext Loan I provides for US\$50 million (€37.0 million) of revolving credit lines which may be used for revolving working capital and other general purposes. Funds must be drawn down in U.S. dollars. Any amounts borrowed under the facility may be repaid and re-borrowed. As at June 30, 2013, €38.2 million was outstanding under the Bancomext Loan I. Although our drawings upon the Bancomext Loan I are generally short-term in nature, the financial maturity of the facility is May 28, 2015.

The rate of interest on each loan is to be set at each drawn down upon agreement between the borrower and lender.

The security package consists mainly of:

- assignment of receivables of contracts for the sale of products entered into by the borrower with M&G Polymers USA, LLC; and
- a pledge security interest without transfer of possession over inventories of the borrower and receivables with M&G Polymers USA, LLC.

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The Bancomext Loan I contains affirmative and negative covenants which are market standard for bank loans in Mexico and may differ from international standards. The affirmative covenants include, among other things, customary financial reporting covenants, insurance covering the risks associated with our activities and reports as to compliance with the terms of the Bancomext Loan I. The negative covenants include customary covenants applicable to M&G Polímeros México, S.A. de C.V. which, among other things, limit the incurrence of additional indebtedness, distribution of dividends by the borrower without prior written approval of the lender and reduction in capital stock.

Bancomext Loan II

M&G México Holding, S.A. de C.V. is a borrower under a secured revolving credit facility dated as of March 31, 2010, and as amended on April 27, 2012 and October 10, 2013 with Bancomext (the “Bancomext Loan II”) as lender. The Bancomext Loan II provides for US\$120 million (€88.7 million) of revolving credit lines which may be used for revolving working capital and other general purposes. Funds must be drawn down in U.S. dollars. Any amounts borrowed under the facility may be repaid and re-borrowed. As at June 30, 2013, €53.5 million was outstanding under the Bancomext Loan II. Although our drawings under the Bancomext Loan II are generally short-term in nature, the final maturity of the facility is October 10, 2017.

The Bancomext Loan II is irrevocably guaranteed by M&G Polímeros México, S.A. de C.V.

The security package consists of an assignment of receivables of contracts for the sale of products entered into by the borrower with M&G International S.A., which merged with Chemtex Global on August 28, 2013 to form M&G International S.à r.l.

The Bancomext Loan II agreement contains customary covenants applicable to M&G México Holding, S.A. de C.V. and M&G Polímeros México, S.A. de C.V. which, among other things, limit the incurrence of additional indebtedness, distribution of dividends by the borrower without prior written approval of the lender and reduction in capital stock.

Bank loans — unsecured

Banorte Facility

M&G Polímeros México, S.A. de C.V. is a borrower under a revolving credit agreement, dated as of April 13, 2010 and as replaced by an agreement dated as of March 23, 2012 between, *inter alia*, M&G Polímeros México, S.A. de C.V., as borrower, and Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte as lender (the “Banorte Facility”). The Banorte Facility provides for US\$80 million (€59.1 million) of revolving credit lines which may be used for working capital purposes. Any amounts borrowed under the facility may be repaid and re-borrowed. As at June 30, 2013, the full amount of €61.1 million under the Banorte Facility was drawn down. Although our drawings under the Banorte Facility are generally short-term in nature, the final maturity date of the facility is March 12, 2015.

The rate of interest on each loan for each term is: (i) if the withdrawal is in U.S. dollars, the sum of LIBOR plus a spread as agreed by the parties from time to time; and (ii) if the withdrawal is in Mexican pesos, the sum of TIEE plus a spread as agreed by the parties from time to time.

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All obligations of, and the payment when due of all sums payable by, the borrower under the Banorte Facility are irrevocably and unconditionally guaranteed by M&G Polymers USA, LLC and Mossi & Ghisolfi International S.A.

The facility's affirmative covenants relate to furnishing certain financial and business information to the lender, maintaining appropriate levels of insurance coverage and maintaining compliance with relevant laws and regulations, including necessary permits and authorizations required for the borrower's business activities. In addition, the Banorte Facility also contains certain financial covenants applicable to M&G Polímeros México, S.A. de C.V.

Loans by Banco do Brasil

Our subsidiary M&G Polímeros Brasil S.A. is the borrower under a number of short-term bilateral credit facilities, as well as a medium- to long-term bilateral credit facility with Banco do Brasil. As at June 30, 2013, the total amount outstanding under these facilities was €38.8 million.

The interest rate is indexed to the Brazilian Central Bank short-term interest rate (*CDI — Certificado de Depósito Interbancario*), plus approximately 30% of CDI spread.

Undated Securities

On March 9, 2007, M&G Finance Luxembourg S.A., part of our Group, issued €200 million unsecured Undated Subordinated Fixed/Floating Rate Cumulative Securities (the "Undated Securities"). The Undated Securities are debt securities and have no fixed maturity date, although they may be redeemed at the option of the issuer on any interest payment date at the principal amount plus accrued interest (including deferred interest). The Undated Securities are irrevocably guaranteed on a joint and several and subordinated basis, by M&G International S.A. (now part of M&G International S.à r.l.), M&G México Holding, S.A. de C.V., M&G Polymers USA, LLC and certain other subsidiaries of M&G International S.à r.l., which are all within our Group.

The Undated Securities bore interest at an annual rate of 7.5% from (and including) March 9, 2007 to (but excluding) March 9, 2012, following which they bear interest at a floating rate equal to the sum of: (a) three month EURIBOR; and (b) 5.375% per year, payable quarterly in arrear on or about June 9, September 9, December 9 and March 9 in each year. The average annual interest rate of the Undated Securities during the Track Record Period was 6.03%. Subject to certain restrictions, the issuer may elect to defer interest on the Undated Securities in certain circumstances, primarily when there is a default or would be a default under certain senior facilities. M&G Finance Luxembourg S.A. is obliged to pay outstanding deferred interest (in whole but not in part) in certain circumstances, including in the event that M&G International S.à r.l.'s capital expenditure in the most recently completed financial year is equal to or greater than the mean depreciation in the relevant financial year and the immediately preceding financial year. Deferred interest does not, itself, bear interest.

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Since March 9, 2009, M&G Finance Luxembourg S.A. has elected to defer payment of interest, which amounted to €76.1 million as of June 30, 2013, €50.6 million of which was due to Chemtex Global S.à r.l. in respect of the Undated Securities held by it. Under the terms of the Undated Securities, the incurrence of a certain amount of capital expenditures in our Corpus Christi project will require us to cease deferring interest on the Undated Securities. We expect this limit to be reached in 2014.

The Undated Securities are cleared through Euroclear Bank SA/NV and Clearstream Banking, *société anonyme*. The ISIN is XS0290701993 and the common code is 029070199. The Undated Securities are not listed on any stock exchange or securities market.

In December 2010, M&G Finanziaria S.r.l. launched a public tender offer on the market to purchase Undated Securities as part of its ordinary asset and liability management activities, as they were trading significantly below the issue price. The purchases were made by M&G Finanziaria S.r.l. (and not Group companies) as doing so was more tax efficient, and were financed by a third-party lender to M&G Finanziaria S.r.l. As at June 30, 2013, €133.1 million in principal amount of Undated Securities were held by Chemtex Global and the remaining were held by non-affiliate third-party holders. As a result of the Reorganization, both the borrower of the Undated Securities, M&G Finance Luxembourg S.A., and the holder of this €133.1 million in principal amount of Undated Securities, are within our Group, and as a result the Undated Securities became intra-Group obligations and therefore will be eliminated on consolidation and not shown going forward. The remaining €66.9 million in principal amount of the Undated Securities (plus an additional €25.3 million in accrued and deferred interest as of June 9, 2013) held by third parties remains outstanding, and represents our Group's maximum remaining exposure to the Undated Securities and disclosed as other loans, unsecured. We intend to finance the payment of the accrued and deferred interest, which is expected to become due and payable in the first half of 2014, with cash flow generated from operations. As the Undated Securities are in bearer form, the identity of the third-party holders is not contained in any register relating to the Undated Securities. We do not currently have plans to engage in any further purchases of the Undated Securities.

Loans with affiliates

As at June 30, 2013, our subsidiary Chemtex Global (now part of M&G International S.à r.l.) was party to a facility agreement, dated December 13, 2012, with M&G Finanziaria S.r.l. As at June 30, 2013, the total amount of this loan from M&G Finanziaria S.r.l. was €115 million. As a result of the Reorganization, this loan was canceled in partial consideration for the cancellation of the Intercompany Loan to M&G Finanziaria S.r.l.

As at the Latest Practicable Date, we had no material defaults in payment of trade and non-trade payables and none of the bank covenants relating to any of the foregoing financings had been breached.

Save as set forth above, apart from intra-Group liabilities, we did not have, at the close of business on September 30, 2013, any debt securities authorized or otherwise created but unissued, or term loans or bank overdrafts, debentures, mortgages, charges, obligations under hire purchase contracts or finance lease, guarantees, or other material contingent liabilities. The Directors confirm that there has not been any material change in our indebtedness since September 30, 2013 to the date of this prospectus.

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CAPITAL COMMITMENTS

As of December 31, 2010 and 2011, we had no material capital commitments.

As of December 31, 2012, we had committed to make payments to GPT for the PTA license in the amount of US\$20.9 million (€15.4 million).

As of June 30, 2013, we had the following capital commitments:

- In connection with the Corpus Christi Project, we are to pay GPT a total of US\$16.7 million (€12.3 million) for the PTA license, to be paid in installments of US\$11.5 million (€8.5 million), US\$3.1 million (€2.3 million) and US\$2.1 million (€1.6 million) when subsequent project milestones are reached; and
- We have an amount of US\$8.8 million (€6.5 million) as final payment for the purchase of a customer portfolio in Brazil.

The Directors confirm that there has been no material change in our capital commitments from June 30, 2013 to the date of this prospectus.

CONTINGENT LIABILITIES

We are exposed to certain legal risks arising from the variety and complexity of laws and regulations to which our industrial and commercial operations are subject, especially in relation to the environment, health and safety in the workplace, product liability, taxes and antitrust and commercial competition. Therefore, in the ordinary course of business, we are party to various civil, administrative and criminal judicial proceedings, as either a plaintiff or defendant. Although it is not possible to foresee or determine the outcome of these proceedings, we believe that the final settlement of these proceedings will not significantly negatively affect our financial position.

We record provisions when we believe it is probable that an outflow of resources will be required to satisfy the obligation, and when the amount can be reliably estimated. We believe that the amounts accrued in the provisions for risks and those included in the estimated costs of long-term contracts of our Engineering division are adequate in order to satisfy potential liabilities arising from pending or contingent litigations.

M&G Polímeros Brasil S.A. and Tereftálicos Indústrias Químicas Ltda., our subsidiaries in Brazil, are involved in various labor disputes and civil cases. In respect of these matters we recognized provisions for €1.5 million as at June 30, 2013. These provisions included €1.0 million for labor disputes and €0.4 million for civil cases.

See “Business — Legal Proceedings” and “Risk factors — Risks relating to our businesses — We may be subject to litigation and other legal proceedings”.

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Off-balance sheet arrangements

As at June 30, 2013, we had €8.4 million in outstanding letters of credit related to our engineering projects. We did not have any other material off-balance sheet arrangements other than the contingent liabilities and commitments disclosed above.

The Directors confirm that there has been no material change in our contingent liabilities since June 30, 2013 to the date of this prospectus.

SUMMARY OF FINANCIAL RATIOS

The table below sets forth our key financial ratios as at the dates indicated:

	As at and for the			
	Year ended December 31,			Six months ended June 30,
	2010	2011	2012	2013
	(in euro millions except for percentages)			
EBITDA margin (%) ⁽¹⁾	9.4	8.2	7.9	9.0
Net profit margin (%) ⁽²⁾	1.3	1.0	4.4	2.4
Gearing ratio (%) ⁽³⁾	69.3	67.7	61.0	58.7
Net debt to total equity plus net debt ratio (%) ⁽⁴⁾	57.2	60.4	51.2	52.5
Net debt to equity ratio (%) ⁽⁵⁾	133.8	152.4	105.0	110.4
Interest coverage ratio ⁽⁶⁾	1.8	2.6	2.0	3.3
Return on total assets (%) ⁽⁷⁾	1.3	1.1	4.8	2.4
Return on equity (%) ⁽⁸⁾	8.3	7.3	26.7	12.5
Current ratio ⁽⁹⁾	1.3	0.8	0.8	0.9
Quick ratio ⁽¹⁰⁾	1.1	0.6	0.6	0.6
Turnover days of inventories ⁽¹¹⁾	41	38	41	51
Turnover days of trade and other receivables ⁽¹²⁾	60	54	61	57
Turnover days of trade and other payables ⁽¹³⁾	101	102	117	109

Notes:

- (1) EBITDA margin is calculated by dividing EBITDA by the sum of revenue and other operating income.
- (2) Net profit margin is calculated by dividing profit attributable to owners of the parent for the year/period by revenue.
- (3) Gearing ratio is calculated as total debt divided by total equity plus total debt. If we were to exclude debt incurred to start financing our Corpus Christi project, then our gearing ratio would have been 51.4% as at June 30, 2013.
- (4) Net debt to total equity plus net debt ratio is calculated based on net debt divided by total equity plus net debt at the end of the respective period. If we were to exclude debt incurred to start financing our Corpus Christi project, then our net debt to total equity plus net debt ratio would have been 42.5% as at June 30, 2013.
- (5) Net debt to equity ratio is calculated based on net debt divided by total equity at the end of the respective period. If we were to exclude debt incurred to start financing our Corpus Christi project then our net debt to equity ratio would have been 73.9% as at June 30, 2013.
- (6) Interest coverage ratio is calculated based on our operating profit divided by our total financial expenses (modified to exclude foreign currency losses) less our total financial income.

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- (7) Return on total assets equals the profit attributable to owners of the parent for the year divided by the arithmetic mean of the opening and closing balances of total assets of the relevant year expressed as a percentage.
- (8) Return on equity equals profit attributable to owners of the parent for the period divided by the arithmetic mean of the opening and closing balances of total equity attributable to owners of the parent of the relevant year expressed as a percentage.
- (9) Current ratio is calculated by dividing current assets by current liabilities. If we were to exclude the portion of our debt with a maturity longer than 12 months which is booked as a current liability in our accounts and to reclassify as current assets the portion of receivables booked as non-current assets in our accounts which will be redeemed within 12 months as a result of the Reorganization, then our current ratio would have ranged from 1.4 to 1.5 during the Track Record Period.
- (10) Quick ratio is calculated by dividing current assets less inventories by current liabilities. If we were to exclude the portion of our debt with a maturity longer than 12 months which is booked as a current liability in our accounts and to reclassify as current assets the portion of receivables booked as non-current assets in our accounts which will be redeemed within 12 months as a result of the Reorganization, then our quick ratio would have ranged from 1.1 to 1.2 during the Track Record Period.
- (11) Turnover days of inventories is derived by dividing the closing balances of inventories for the relevant period by cost of sales and multiplying by 365 days, in the case of the years ended December 31, 2010, 2011 and 2012, and 182 days, in the case of the six months ended June 30, 2013. For a discussion of the movements in our turnover days of inventories, please see the section of this prospectus entitled “Financial Information — Liquidity and Capital Resources — Current Assets — Inventories”.
- (12) Turnover days of trade and other receivables is derived by dividing the closing balances of trade and other receivables for the relevant period by total revenue and multiplying by 365 days, in the case of the years ended December 31, 2010, 2011 and 2012, and 182 days, in the case of the six months ended June 30, 2013. For a discussion of the movements in our turnover days of trade and other receivables, please see the section of this prospectus entitled “Financial Information — Liquidity and Capital Resources — Current Assets — Trade and Other Receivables”.
- (13) Turnover days of trade and other payables is derived by dividing the closing balances of trade and other payables for the relevant period by cost of sales and multiplying by 365 days. For a discussion of the movements in our turnover days of trade and other payables, please see the section of this prospectus entitled “Financial Information — Liquidity and Capital Resources — Trade and Other Payables”.

Gearing ratio

Our gearing ratio decreased from 69.3% as at December 31, 2010 to 67.7% as at December 31, 2011 and further decreased to 61.0% as at December 31, 2012 and to 58.7% as at June 30, 2013. The decrease was mainly due to an overall decrease in gross debt across the Track Record Period, as well as from an increase in equity resulting from retained earnings across the Track Record Period and a capital increase in Chemtex Global by M&G Finanziaria S.r.l. in 2011. The high gearing ratio at December 31, 2010 was mainly due to equity in our subsidiaries being recorded on our consolidated statements of financial position at historical cost, which did not reflect the higher fair value. By December 31, 2012, although the equity in our subsidiaries was still being recorded on our consolidated statements of financial position at historical cost, this historical cost had been subject to modification from exchange rate driven translation adjustments and from the increase in equity mentioned above.

Net debt to total equity plus net debt ratio

Our net debt to total equity plus net debt ratio increased from 57.2% as at December 31, 2010 to 60.4% as at December 31, 2011, mainly due to a decrease in total equity related to the 2011 acquisition of 100% of a holding company (Tereftálicos Indústria e Participações Ltda.) which had a 49% non-controlling interest in Tereftálicos Indústrias Químicas Ltda., in combination with exchange rate driven translation adjustments arising from the consolidation of financial statements of our foreign subsidiaries. Our net debt to total equity plus net debt ratio decreased to 51.2% as at December 31, 2012, due to an increase in total equity resulting from retained earnings and the 2011 capital increase in Chemtex Global by M&G Finanziaria S.r.l. Our net debt to total equity plus net debt ratio increased to 52.5% as at June 30, 2013, due to an increase of net debt during the six months ended June 30, 2013 following a reduction of net cash available, as further detailed in “— Liquidity and Capital Resources — Cash flows”.

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Net debt to equity ratio

As at December 31, 2010, 2011 and 2012 and June 30, 2013, our net debt to equity ratio was 133.8%, 152.4%, 105.0% and 110.4% respectively. The changes in our debt to equity ratio as at the end of the respective periods were in line with the changes in our net debt to total equity plus net debt ratio as stated in the paragraph headed “Net debt to total equity plus net debt ratio” of this section.

Interest coverage

Interest coverage increased from approximately 1.8 times for the year ended December 31, 2010 to 2.6 times for the year ended December 31, 2011, mainly due to lower interest expenses primarily due to a decrease of gross debt. Interest coverage decreased to 2.0 times for the year ended December 31, 2012, which was mainly attributable to higher other financial expenses related to one-off events and items considered by management to be non-recurring. Interest coverage increased to 3.3 times for the six months ended June 30, 2013, mainly due to the increase operating profit for the period as well as the absence of the one-off events that affected interest coverage in the year ended December 31, 2012.

Return on equity

Our return on equity decreased from 8.3% for the year ended December 31, 2010 to 7.3% for the year ended December 31, 2011, mainly due to lower profit for the year generated in 2011. Return on equity increased to 26.7% for the year ended December 31, 2012, which was primarily attributable to higher profit for the year generated in 2012. If the Undated Securities were excluded from our profit for the year, our return on equity would have declined to 5.7% in 2012, primarily due to an increase of equity as described in the paragraph headed “Net debt to total equity plus net debt ratio” above. Return on equity for the six months ended June 30, 2013 increased to 12.5%, reflecting an increase of profit for the period.

LISTING EXPENSES

During the Track Record Period, we incurred advisory fees in connection with the ongoing Hong Kong listing process of €5.1 million. During the remainder of 2013, we expect to incur further Listing expenses amounting to approximately €27.3 million (including underwriting fees and commissions). Our Directors do not expect such expenses to have a material adverse effect on our financial results for the year ended December 31, 2013.

In accordance with relevant accounting standards, Listing-related and advisory fees that are directly attributable to issuance of new Shares are recorded as prepaid expenses, of which a proportionate amount equivalent to the share of the Shares in our total issued share capital is deducted from equity upon Listing; underwriting fees and commissions are similarly recorded as prepaid expenses, and deducted in full from equity upon Listing. It is expected that the remaining Listing-related and advisory fees of approximately €5.7 million will be charged to our combined statements of comprehensive income for the year ending December 31, 2013. Listing expenses that have been incurred as of the Latest Practicable Date, but have not been reflected in our combined statements of comprehensive income for the six months ended June 30, 2013, amounted to approximately €1.3 million.

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QUANTITATIVE AND QUALITATIVE ANALYSIS OF MARKET RISKS

We are exposed principally to the following financial and market risks arising from our operating activities:

- credit risks, relating to commercial relations with customers and financing activities;
- liquidity risks, relating to the availability of financial resources and access to the credit markets;
- market risks, mostly deriving from exposure to the variability of exchange rates with regard to accounting in currencies different from the consolidation currency, and interest rates regarding the use of financial instruments bearing interest.

We regularly monitor these financial risks, adopting actions aimed at mitigating the potential negative effects on our cash flows by means of appropriate policies and also by using hedging instruments, if needed.

The quantitative data discussed below do not have any value of a prospective nature, should not be regarded as forecasts or projections and, in particular, the sensitivity analyses relating to market risks do not purport to take into account the complexity of the market and all relevant variables, including changes in other variables and conditions that may result from changes in any given variable. This sensitivity analysis on market risks is unable to completely reflect the complexity of the market and its related reactions, which may result from any change that may occur.

Credit risks

Credit risks represent our exposure to potential losses deriving from the non-fulfillment of the obligations agreed upon by the counterparties.

Our credit risk varies depending on the nature of transactions carried out and the markets in which we operate. We believe that this risk is mitigated to a significant extent by our large number of counterparties and customers. However, there is a concentration of credit risk in trade receivables in the North American markets. Trade receivables are recognized net of write-downs for the risk that debtors will be unable to fulfil their contractual obligations, determined on the basis of the available information as to the creditworthiness of the customer and historical data.

Our exposure to credit risk is represented by the carrying amounts stated for receivables, particularly trade receivables, in the statement of financial position.

All major projects of Chemtex International Inc. are backed by irrevocable letters of credit issued by primary banks consistent with management's internal policy. Letters of credit from customers cover the total project cost less any down payment received.

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As at June 30, 2013, our trade receivables included past due receivables of €36.2 million (compared to €33.7 million, €28.0 million and €10.8 million as at December 31, 2012, 2011 and 2010, respectively). With respect to these credits, an individual risk valuation was carried out and a specific allowance for doubtful accounts was recorded, taking into account an estimation of the recoverable amounts and any pending litigations. See “— Liquidity and Capital Resources — Current Assets — Trade and Other Receivables” for more information.

Liquidity risks

Our liquidity risk is the risk that we will encounter difficulties in meeting obligations associated with our financial liabilities, including obtaining, on commercially reasonable terms, the financial resources to support our operating activities. The two main factors that determine our liquidity are (i) the financial resources generated or absorbed by operating and investment activities; and (ii) borrowing maturities and renewals.

We monitor and manage our cash flows, financing needs and liquidity centrally through the implementation of centralized treasury systems. We also verify our compliance with our financial covenants on a quarterly basis, monitor expected and realized cash and update projected future cash flows in order to optimize liquidity management and identify funding shortfalls, if any.

We believe that our existing funds and currently available lines of credit, together with funds that we expect will be generated by our operating and financing activities, are sufficient to enable us to meet the requirements resulting from our investment activities, working capital needs and repayment of debts at maturity.

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The following tables provide an analysis by maturity of the future contractual cash flows arising from financial, trade and our other principal liabilities as at June 30, 2013.

The following analysis presents undiscounted contractual cash flows, inclusive of the principal amount and interest, calculated on the basis of market conditions as at the statement of financial position date. In particular, the analysis reflects the assumptions made for the expected cash outflows based on the maturity date contractually defined or, in some cases, estimated. In the absence of a predefined maturity date, the cash flows are calculated taking into account the first date on which payment may be requested. For this reason, the trade accounts are included in the 1 to 12 months maturity.

At June 30, 2013	Maturity				Total
	1-12 months	1 to 3 years	3 to 5 years	beyond 5 years	cash flows
	(in euro millions)				
Liabilities other than derivative financial instruments					
— Borrowings	298.4	139.4	47.3	105.2	590.3
— Other non-current financial liabilities	—	—	—	115.0	115.0
— Non-current payables	—	2.9	0.2	40.3	43.4
— Current trade and other payable	489.1	—	—	—	489.1
Total	787.4	142.3	47.5	260.5	1,237.8
Liabilities related to derivative financial instruments					
Fair value of exchange rate derivatives (financial and other liabilities)	—	—	—	—	—
Fair value of interest rate derivatives (financial liabilities)	(0.2)	(0.2)	(0.2)	—	(0.7)
Total	(0.2)	(0.2)	(0.2)	—	(0.7)
Total cash out flow	787.2	142.1	47.3	260.5	1,237.0

Market risks

We are exposed to market risk from fluctuations in foreign currency exchange rates, as we operate in an international market in which transactions are carried out in many currencies. We are also exposed to market risk from fluctuations in interest rates. Our exposure to foreign currency risk arises both in connection with the geographical distribution of our industrial activities in the jurisdictions in which we sell products, and our use of financing sources denominated in foreign currencies. The exposure to interest rate risk arises substantially from financial liabilities bearing variable interest rates. Changes in interest rates could have the effect of either increasing or decreasing our results of operations.

We regularly assess our exposure to interest rate and foreign currency risk and use derivative financial instruments in accordance with established risk management policies. See “Hedging activities” below. Our policy permits derivatives to be used only for managing our exposure to fluctuations in exchange and interest rates, and not for speculative purposes. We utilize derivative financial instruments mainly to stabilize cash flows, as described in more detail below.

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When derivative financial instruments on foreign exchange risk and interest rate risk qualify for hedging, as provided by IAS 39, we provide, from the inception of the hedge, formal designation and documentation of the hedging relationship, the target of risk management and the hedging strategy. In addition, we assess the effectiveness of hedging instruments to compensate for changes in the financial flows attributable to the hedged risk. Such assessment is made at inception throughout the financial reporting periods for which the hedge is designated. Counterparties to these agreements are major international financial institutions.

Exchange rate risk

We operate on a worldwide basis. We conduct a significant portion of our operations outside of Europe, particularly in Brazil, the United States and Mexico, and therefore are exposed to the risk associated with fluctuations of foreign currencies. Our PET and Engineering division revenues are primarily denominated in U.S. dollars. PET prices, as well as PTA and MEG prices, are quoted in U.S. dollars in all jurisdictions in which we operate, and therefore our PET sales to customers as well as raw materials purchases from suppliers are priced with reference to U.S. dollars. Our distribution expenses, which generally correlate to oil prices, are also linked to the U.S. dollar. Engineering projects are quoted in U.S. dollars, and procurement costs are also generally based on U.S. dollars. Therefore, we believe the PET business benefits from a degree of foreign exchange hedge with respect to U.S. dollars. However, for accounting purposes, we are required to account for U.S. dollar-denominated transactions, assets and liabilities in our subsidiaries' local accounts in local currency. Therefore, fluctuations in currency exchange rates, and particularly fluctuations among the U.S. dollar, the Brazilian real, the peso and the euro may result in foreign exchange gains or losses as a result of translations between the currencies in which various transactions, assets and liabilities are denominated, and the reporting currencies of the relevant Group entities. These gains or losses are represented in the "Exchange differences on translating foreign operations" item in our combined statements of consolidated income.

The assets and liabilities of our consolidated Group companies, whose currencies of account are different from euro, may be translated into euro at different amounts, depending on the variations in exchange rates. According to applicable accounting principles, the effects of these changes are recognized directly in the item "Currency translation adjustment reserve", included in shareholders' equity. Our risk management policy does not consider the risk associated with these currency translation adjustments as a hedging objective because our business generates income and costs largely denominated in U.S. dollars or linked to the U.S. dollar and only relatively small amounts of local currencies, particularly in Brazil, create any exchange rate risk. As a general policy, we hedge only when there are substantial cash effects, as discussed in more detail below in "— Hedging activities".

See also "— Key Factors Affecting our Results of Operations — Foreign Currency Exchange Rates."

Sensitivity Analysis

For a sensitivity analysis illustrating the potential impact on our combined profit before tax and on our shareholders' equity of a plus or minus 10% variation in the exchange rate of the euro against the U.S. dollar and Brazilian real, the currencies to which we are exposed, see Note 9 to Section II of the Accountants' Report.

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Interest rate risk

We are exposed to interest rate risks principally with reference to financial liabilities that bear interest at variable rates. The variation of interest rates could have a positive or negative impact on our results of operations and combined net equity.

We regularly evaluate our exposure to the risk of interest rate variation, and manage this risk using derivative financial instruments. We do not make use of speculative derivative instruments.

We use derivative instruments to hedge cash flows on commercially reasonable terms, aimed at predetermining the interest rate of financial and other liabilities bearing interest at variable rates. In general, we seek to maintain a balanced position of variable and fixed interest rates. We primarily use interest rate swaps for this purpose, as described in more detail below in “— Hedging activities”.

Our risk management objectives for interest rate risks comprise:

- mitigating the risks of adverse effects on our results of operations and cash flows, with reference to our budgets and long-term plans, that would result from unfavorable interest rate fluctuations, and ensuring a fixed rate with respect to that portion of our financial exposure that is subject to variable rates;
- hedging identified positions relating to currently outstanding or expected financing through the use of derivative instruments, generally “plain vanilla” interest rate swaps; and
- avoiding the use of derivative instruments for speculative purposes.

As at June 30, 2013, we hedged 8% of our outstanding debt, by nominal amount (compared to 7%, 9% and 7% as at December 31, 2012, 2011 and 2010, respectively). During the Track Record Period, given very low and stable interest rates, our policies tended towards a greater preponderance of variable interest rate debt. Our hedging policy, in general, is to favor simple, fixed-variable hedging activities entered into by our finance department, which requests offers on the market and selects hedges based on convenience, simplicity and understandability. Complex derivative instruments are not part of our business and are automatically excluded. Finance department personnel have been using these instruments for almost two decades and are experienced and capable of evaluating the embedded risks of the different instruments present on the market. Any derivative instrument entered into has to be agreed and discussed with the CFO and the CEO.

Sensitivity Analysis

For a sensitivity analysis illustrating the impact on our statement of comprehensive income and shareholders’ equity (gross of the correlated tax effect), in the event of a variation in the reference rates curve of the single foreign currency in which the interest-bearing borrowings are denominated (expressed in euro, U.S. dollars and Brazilian reais), see Note 9 to Section II of the Accountants’ Report.

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This analysis was carried out on the financial instruments at a variable rate in relation to which the possible variation was determined in interest income and expense attributable to possible reasonable changes in interest rates during the financial year (cash flow sensitivity).

Commodity price risk

We are not exposed to material risk resulting from changes in commodity prices, as both PET revenues and our primary cost of raw materials are influenced by oil and oil derivatives, which we believe provides a degree of commodity price risk mitigation because of our pass-through pricing mechanisms. Accordingly, changes in commodity prices have not materially affected our operating profit since the selling prices of PET reflect the variability of raw material prices.

We hedge our exposure to the variability of raw material prices using derivative financial instruments based on gasoline and/or crude oil only when requested by selected customers. As at June 30, 2013 there were three derivatives in place for covering commodity risk (none as at December 31, 2010, 2011 or 2012). Our risk management procedures do not permit the use of derivative financial instruments for speculative purposes.

Description	Notional amount at June 30, 2013 (euro millions)	Counterparty	Closing Date	Due Date	M&G receives	M&G pays	Mark-to- market at June 30, 2013 (euro millions)
Commodity swap . . .	8.9	Intesa San Paolo	12/31/2013	5th business day after the end of each month	Variable price	Fixed price	(0.1)
Commodity swap . . .	4.4	Intesa San Paolo	12/31/2013	5th business day after the end of each month	Variable price	Fixed price	0.1
Commodity swap . . .	4.6	Macquarie	12/31/2013	5th business day after the end of each month	Variable price	Fixed price	(0.2)

Hedging activities

We implement transactions aimed at economically hedging our exposure to the variability of future cash flows. Our hedging activities are principally focused on managing foreign exchange rate and interest rate risks and are therefore principally in the form of standard interest rate and exchange rate derivative transactions. We prudently evaluate hedging activities on the basis of the size of the relevant exposure and the cost of obtaining relevant hedging. Our CEO, CFO and Global Finance and Control Director monitor our hedging activities and are all experienced financial managers.

We do not generally hedge commodity price risk, as this risk is largely passed through to customers. We hedge commodity price risk only in the small number of cases where a client requests a fixed-price contract and accordingly our operations are not naturally hedged (for example, where we pass through raw materials cost volatility to our customers). We only agree to fixed-price contracts when we are capable of hedging our raw materials position and, therefore, ensuring that we remain protected against commodity price risk. The size of the derivative is the same as that of the fixed-price

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contract and the derivative employed is always a commodity swap on reformulated gasoline blendstock for oxygen blending on the New York Mercantile Exchange, because movements in the price of this commodity closely correlate with those of our raw materials. If a client does not request a fixed-price contract, or if the CEO, CFO and Global Finance and Control Director do not agree on the fixed-price, no hedging activities can be carried out in respect of the transaction. During the Track Record Period, we generated less than 5% of total PET revenues from sales contracts with fixed-price arrangements. For additional information, please see the subsection headed “Commodity Price Risk” in Note II.9 of the Accountant’s Report in Appendix I of this prospectus.

At June 30, 2013 we had four derivatives in place, two to cover interest rate risk and two to cover exchange rate risk. Our gains (losses) from hedging activities during the Track Record Period were €0.1 million in 2010, €(0.2) million in 2011, €0.8 million in 2012 and €(0.8) million in the six months ended June 30, 2013.

We entered into interest rate swaps in respect of our subsidiary M&G Polímeros Brasil S.A. in April 2008 to hedge the risk that unfavorable interest rate variations would negatively affect the cost of our financial indebtedness. We receive or pay the net amount calculated as the difference between the fixed rate and the variable rate flows. We receive or pay the net amount calculated as the difference between two exchange rate flows, as indicated in the table below.

Description	Notional amount at June 30, 2013	Counterparty	Closing Date	Due Date	M&G receives	M&G pays	Mark-to- market at June 30, 2013
	(euro millions)						(euro millions)
Interest rate swap	19.1	Itaú BBA	04/28/2008	04/27/2018	8.4436%	70.30% CDI	0.3
Interest rate swap	19.1	Unibanco	04/28/2008	04/27/2018	8.4436%	69.89% CDI	0.3
Currency swap	1.9	HSBC	02/01/2013	01/28/2014	4.2873%	11.83% +VC	0.2
Currency swap	5.1	HSBC	06/26/2013	06/23/2014	4.1709%	141% +VC CDI	(0.1)
Commodity swap	8.9	Intesa San Paolo	12/31/2013	5th business day after the end of each month	Variable price	Fixed price	(0.1)
Commodity swap	4.4	Intesa San Paolo	12/31/2013	5th business day after the end of each month	Variable price	Fixed price	0.1
Commodity swap	4.6	Macquarie	12/31/2013	5th business day after the end of each month	Variable price	Fixed price	(0.2)

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DIVIDEND POLICY

M&G International S.A. distributed no dividends to its shareholder M&G Finanziaria S.r.l. during the Track Record Period. The declaration of dividends is subject to the discretion of our Board and the approval of our Shareholders. Our Directors may recommend a payment of dividends in the future after taking into account our operations and earnings, capital requirements and surplus, general financial condition, contractual and legal restrictions, capital expenditure and future development requirements, shareholders' interests and other factors, as they may deem relevant. Any declaration and payment as well as the amount of the dividends will be subject to our constitutional documents and Luxembourg law, including the approval of our Shareholders.

Distributable Reserves

As at June 30, 2013, there were no reserves available for distribution to the owners of our Company. As a result of the Reorganization, which was completed after June 30, 2013 M&G Chemicals received the contribution of M&G International S.à r.l., creating an equity reserve of approximately €300 million.

DISTRIBUTIONS

As part of the Reorganization, M&G Finanziaria S.r.l. contributed the entire issued share capital of M&G International S.à r.l. to our Company. As a result of such contribution and based on our valuation of the contributed assets, (i) we issued new shares for a value of €436.75 million to M&G Finanziaria S.r.l.; and (ii) approximately €300 million was credited to our share premium account. We wish to maximize the opportunities for distribution to our Shareholders after Listing whilst maintaining sufficient share capital. Therefore, we propose to have the flexibility to distribute from our share premium account to our Shareholders as at the record date of the relevant distribution (including purchasers of the Offer Shares to the extent they continue to hold Shares as at such date), but only in respect of the approximately €300 million which has been credited to the share premium account as a result of the Reorganization. Such proposal is in line with the laws of Luxembourg, which provide that it is legal for a public limited liability company to make a distribution out of share premium subject to compliance with general law (for example, not legally permissible in bankruptcy situations) and its articles of association.

In order to ensure that our proposal to distribute our share premium and our shareholder protection standards are comparable to those required under Hong Kong law and no less favorable than those under the laws of other jurisdictions acceptable by the Hong Kong Stock Exchange in respect of dividend distribution, we have obtained and will continue to obtain an annual distribution mandate by way of a special resolution at a general meeting from our Shareholders to make distribution of up to €25 million each year to our Shareholders as at the record date of the relevant distribution (which shall include purchasers of the Offer Shares to the extent they continue to hold Shares as at such date). Our Board will confirm in the shareholder circular in relation to the annual distribution mandate to be issued for our next annual general meeting or any subsequent annual general meeting that we will remain solvent and the realizable value of our assets will be greater than our liabilities and our issued share capital and share premium accounts after such distribution, and our auditors will issue a special report in relation to this to us which will be attached to the shareholder circular. For further details of our existing annual distribution mandate, please see "Share Capital — Distribution Mandate".

In light of the above and taking into account the additional measures to be adopted by our Company, we and our Directors, the legal counsel to our Company and the Sole Sponsor are of the view that our proposal to distribute our share premium are comparable to those required under Hong Kong law and no less favorable than those under the laws of other jurisdictions acceptable by the Hong Kong Stock Exchange in respect of dividend distribution.

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UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The unaudited pro forma statement of our adjusted net tangible assets, prepared in accordance with Rule 4.29 of the Hong Kong Listing Rules and contained in Appendix II, is for illustration purposes only, and is set out to illustrate the effect of the Global Offering on our net tangible assets as if it had taken place on June 30, 2013.

The unaudited pro forma statement of our adjusted net tangible assets has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of our net tangible assets as at June 30, 2013 or at any future date following the Global Offering. The unaudited pro forma statement of our adjusted net tangible assets does not form a part of the Accountants' Report in Appendix I of this prospectus.

DISCLOSURES MADE PURSUANT TO RULES 13.13 TO 13.19 OF HONG KONG LISTING RULES

We confirm that as at the date of this prospectus, there were no circumstances that would give rise to the disclosure requirements under Rules 13.13 to 13.19 of the Hong Kong Listing Rules.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that they have performed sufficient due diligence to ensure that, up to the date of this prospectus, there has been no material adverse change in our financial position or prospects since June 30, 2013 (being the date to which our Company's latest consolidated audited financial results were prepared) and there has been no event since June 30, 2013 which would materially affect the information shown in the Accountants' Report set out in Appendix I to this prospectus.

INTERIM FINANCIAL INFORMATION OF M&G POLIÉSTER S.A.

M&G Poliéster S.A. is one of our Company's subsidiaries, whose shares are listed on the Sao Paulo Stock Exchange, Brazil. A publicly listed company in Brazil is required to publish its interim results each quarter under the local regulatory requirements. For the interim financial information of M&G Poliéster S.A. for the three months and nine months ended September 30, 2013 with independent auditor's review report on individual and consolidated quarterly financial information and the management report, please refer to Appendix I-A to this prospectus.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

Immediately following completion of the Global Offering, our Controlling Shareholders, through M&G Finanziaria S.r.l., will own approximately 65% (assuming no exercise of the Over-allotment Option) or approximately 59.75% (assuming full exercise of the Over-allotment Option) of our outstanding issued share capital.

We consider (i) the production of PET resin for packaging applications and (ii) the provision of engineering services to third-party customers in relation to construction of plants for products in the polyester chain (including PET, polyester fiber and PTA production) and LNG industries through our Engineering division (excluding bio-ethanol and BTX projects), to be our main areas of business. M&G Finanziaria S.r.l. is the holding company of the Ghisolfi Group, which is also engaged in certain other businesses which are not included in our Group, as further discussed below.

Our Controlling Shareholders have interests in the Excluded Businesses as mentioned in the sub-section below. However, our Directors have confirmed that to the best of their knowledge, as at the Latest Practicable Date, there is no material competition, either directly or indirectly, between our Group's business and the Excluded Businesses because: (i) the products from the Excluded Businesses (with the exception of the limited PET produced by M&G Polimeri Italia and the recycled PET produced by M&G Fibras Brasil S.A.) are very different from our products and not a subset of PET; (ii) the principal production technologies (i.e. the PROESA[®] and MOGHI technologies) and methods of the other products of the Excluded Businesses are not applications relating to PET raw materials and are different from those used by our Group; (iii) the PET produced by M&G Polimeri Italia is currently sold in different markets and such customers do not overlap with those of our Group to a material extent. Furthermore, M&G Polimeri Italia intends to discontinue production of PET resin in 2016 once the production line is converted into the production of biodegradable polymers; and (iv) any recycled PET produced by M&G Fibras Brasil S.A. and not used by its own fiber business will be sold through our Group pursuant to the PET Recycling Agency Agreement (as defined in the "Connected Transactions" section of this prospectus).

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

EXCLUDED BUSINESSES OF THE CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our Controlling Shareholders have control of or interests in the following business (the “Excluded Businesses”):

Excluded Business Type/ Reason for exclusion from our Group	Name of the Company	Key Features	Main customers/ markets	Main raw materials	Production technologies and methods	Geographic area	Size of operation as of December 31, 2012	Key financial information (including total assets, profit and revenue) at December 31, 2010, 2011 and 2012 and June 30, 2013
Fiber	M&G Fibras Brasil S.A.	Production of polyester fiber in Brazil. Polyester fiber is used in the textile industry. Polyester fiber cannot substitute for PET, which is used for beverage bottles.	Market: Textile industry The customers who purchase polyester fiber from M&G Fibras Brasil S.A. do not overlap with those who purchase PET from our Group.	Raw materials: PTA, MEG, titanium di-oxide and recycled PET. Some of the raw materials (PTA and MEG) are also used for PET production. Suppliers of raw materials: Raw materials for the production of polyester fiber are sourced by an organization independent from that of our Group, except for the imported PTA, which is supplied by M&G International S.à r.l. pursuant to the Raw Materials Supply Agreement.	Production technologies and methods: PTA and MEG are processed by polymerization reactors, together with titanium dioxide and other chemicals that are needed to provide the properties required for polyester fiber. Finished products are supplied to textile customers in the form of pellets and are usually blended with cotton.	Brazil	Production volume: 61.6 KMT Number of employees: 427	Fixed assets: 2010: €38.2 million 2011: €33.8 million 2012: €29.4 million 1H2013: €38.1 million Revenue: 2010: €130.7 million 2011: €137.6 million 2012: €121.3 million 1H2013: €56.5 million Profit/(loss): 2010: €1.9 million 2011: €(3.2) million 2012: €(10.2) million 1H2013: €(10.6) million

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Excluded Business Type/ Reason for exclusion from our Group	Name of the Company	Key Features	Main customers/ markets	Main raw materials	Production technologies and methods	Geographic area	Size of operation as of December 31, 2012	Key financial information (including total assets, profit and revenue) at	
								December 31, 2010, 2011 and 2012 and June 30, 2013	2013
Recycled PET	M&G Fibras e Resinas Ltda.; M&G Fibras Brasil S.A.	Production of small amounts of recycled PET mainly for production of polyester fiber and some for production of beverage bottles.	Market: Polyester fiber and packaging industries. Main customer: M&G Polimeros Brasil S.A. pursuant to the PET Recycling Agency Agreement, some of which will then be sold to M&G Fibras Brasil S.A. for its production of polyester fiber.	Raw materials: Baled bottles, sorted mostly from municipal waste. Suppliers of raw materials: Companies collecting and sorting municipal waste. There is no overlapping of raw materials suppliers.	Production technologies and methods: Baled bottles are washed and then the polyester is separated from the other plastics of the baled bottles. Such polyester is sorted by color, washed again and chopped in the form of flakes.	Brazil	Indiaatuba plant: The production at this plant was discontinued in August 2013 and the plant was closed. The number of employees was 37. Pocos plant: Production started in September 2013. The capacity of the new plant is expected to be 20 kMT per year: expected that more than 70% for production of fibers, less than 30% for production of beverage bottles. The numbers of employees is expected to be 60.	Revenue: 2010: R\$23.5 million (€7.8 million) 2011: R\$25.7 million (€8.5 million) 2012: R\$18.9 million (€6.3 million) 1H2013: R\$10.1 million (€3.4 million)	Loss: 2010: R\$1.6 million (€0.5 million) 2011: R\$2.1 million (€0.7 million) 2012: R\$1.2 million (€0.4 million) 1H2013: R\$0.4 million (€0.1 million)

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Excluded Business Type/ Reason for exclusion from our Group	Name of the Company	Key Features	Main customers/ markets	Main raw materials	Production technologies and methods	Geographic area	Size of operation as of December 31, 2012	Key financial information (including total assets, profit and revenue) at December 31, 2010, 2011 and 2012 and June 30, 2013
Bio-degradable polymers	M&G Polimeri Italia	Production of bio-degradable polymers in one of the two production lines at the Patricia plant, on a tolling basis for a third party. The polymer produced at the plant is compounded with starch and sold to producers of plastic shopping bags for use by retailers such as supermarkets. The polymers produced cannot substitute for our Group's products.	Market: Producers of plastic shopping bags. The polymer produced is compounded with starch by an off-taker and the sole off-taker of the bio-degradable polymers is Novamont. There are no overlapping customers with our Group.	Raw materials: BDO, PTA and starch (for finished product) Suppliers of raw materials are sourced directly by Novamont, the sole off-taker of the bio-degradable polymers produced. The only raw material used which overlaps with that of our Group's raw materials is PTA. However, the production of bio-degradable polymers only consumes a very small amount of PTA.	Production technologies: Modified polymerization and compounding. Production methods: The main raw materials and other additives are fed into polymerization reactors. The product is cut into pellets and shipped to the Novamont factory where they are compounded with starch, and then sold to producers of plastic shopping bags.	Europe	Production volume: 20.4 KMT Number of employees: Included in the total number of employees for M&G Polimeri Italia (see below).	Results from the sale of bio-degradable polymers are included in the accounts of M&G Polimeri Italia (see below).

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Excluded Business Type/ Reason for exclusion from our Group	Name of the Company	Key Features	Main customers/ markets	Main raw materials	Production technologies and methods	Geographic area	Size of operation as of December 31, 2012	Key financial information (including total assets, profit and revenue) at December 31, 2010, 2011 and 2012 and June 30, 2013
<p>PET production in Italy</p> <p>The low volume of PET produced and Southern Europe which is not a market which we focus on. In addition, this PET production line will be converted for the production of bio-degradable polymers by 2016, so it is not commercially sensible to include this production line in our Group, which would not compete directly with our Group's PET business.</p>	M&G Polimeri Italia	<p>Production of limited amounts of PET resin (pending its expected conversion to bio-degradable polymers on a tolling basis) for sale to the Southern European market from the second production line at the Patricia plant.</p>	<p>Market: PET for packaging in Southern Europe.</p> <p>There is no material overlap with our customers because M&G Polimeri Italia sells to customers in Italy and nearby countries.</p>	<p>Raw materials: PTA and MEG suppliers of raw materials: Even though the raw materials are the same as those of our Group, there is very little overlap of suppliers, as M&G Polimeri Italia sources its raw materials from within Europe while we purchase mainly from the North and South America.</p> <p>During the Track Record Period, the supplies from overlapping suppliers accounted for approximately 5%-9% of the value of our raw materials purchases. The majority of these overlapping suppliers relates to companies which have operations in several countries and are usually managed on a standalone basis. The terms of agreements with these suppliers, the pricing structure, the payment terms and other contractual arrangements are negotiated and controlled locally/regionally. Therefore, in practice, there is no overlapping of suppliers as each of them has a different decision-making process.</p> <p>During the Track Record Period, sales to overlapping customers accounted for approximately 6% of our total sales volume. The majority of these overlapping customers relates to companies which have operations in several countries and are usually managed on a standalone basis. The terms of agreements with these overlapping customers, the pricing structure, the payment terms and other contractual arrangements are negotiated and controlled locally/regionally. Therefore, in practice, there is no material overlap of customers as each of them has a different procurement and decision-making process.</p>	<p>Production technologies: Polycondensation and SSP.</p> <p>The production process is the same as that used by our Group for production of PET.</p>	<p>Mostly Italy and Southern Europe, (1)</p>	<p>Production volume: 107 kt.</p> <p>Number of employees: 94</p>	<p>Fixed assets: 2010: €121.9 million 2011: €114.3 million 2012: €100.5 million 1H2013: €98.9 million</p> <p>Revenue: 2010: €172.3 million 2011: €227.7 million 2012: €250 million 1H2013: €98.4 million</p> <p>Loss: 2010: €8.6 million 2011: €5.4 million 2012: €7.4 million 1H2013: €2.6 million</p>

Note:

- (1) It is expected that this line will be converted to produce bio-degradable polymers by 2016 in order to match the expected growth in demand. Such conversion can only be made if the plant is kept in good operating condition and stays active, and M&G Polimeri Italia is able to retain the personnel required to operate the converted line. Given we only sell an insignificant amount of our PET products to end customers in Italy and Southern Europe and M&G Polimeri Italia does not sell any of its products outside of these countries, there is no overlapping of customers between our Group and M&G Polimeri Italia. Therefore, our Directors are of the view that the PET production in Patricia is not intended to compete and does not compete with that of our Group.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Excluded Business Type/ Reason for exclusion from our Group	Name of the Company	Key Features	Main customers/ markets	Main raw materials	Production technologies and methods	Geographic area	Size of operation as of December 31, 2012	Key financial information (including total assets, profit and revenue) at December 31, 2010, 2011 and 2012 and June 30, 2013
PROESA® technology for second generation bio-ethanol We have an exclusive license to use PROESA® technology in respect of PET raw materials applications. Bio-ethanol, which is not related to PET raw materials, is being excluded from our Group on the basis that it is not related to our Group's business.	Beta Renewables S.p.A.	Joint venture between Biochemtex, TPG and Novozymes. It is engaged in the technology in relation to production of non-PET materials; bio-ethanol of second generation.	Market: Ethanol produced with the PROESA® technology to be blended with gasoline for fuel. Other future markets for which sugar produced with PROESA® can be fermented into other fuels/chemicals. These uses are not related to PET-production. Main customers: Companies which produce fuels from renewable sources. These customers do not overlap with those of our Group.	Raw materials: Non-food plants agricultural waste which is typically supplied by the feedstock of each plant. Therefore, there is no overlapping of suppliers.	Production technologies and methods: Biomass (plant based material) is converted to ethanol (alcohol) using a proprietary pre-treatment technology, enzymes and yeast.	All parts of the world	Production volume: This is a licensing operation, and apart from a demonstration plant with a designed capacity of 40&MT per year of ethanol in Crescentino, Italy, does not have its own production. Number of employees: 41	Total fixed assets: 2010: €nil 2011: €126.5 million 2012: €140.6 million 1H2013: €134.0 million Revenue: 2010: €nil 2011: €nil 2012: €29.3 million 1H2013: €360,729 Profit/(loss): 2010: €(4,860) 2011: €(4,7 million) 2012: €7 million 1H2013: €(9,2) million

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Excluded Business Type/ Reason for exclusion from our Group	Name of the Company	Key Features	Main customers/ markets	Main raw materials	Production technologies and methods	Geographic area	Size of operation as of December 31, 2012	Key financial information (including total assets, profit and revenue) at December 31, 2010, 2011 and 2012 and June 30, 2013
<p>Bio-ethanol and bio projects outside the polyester chain</p> <p>We have an exclusive license to use MOGHI technology in respect of PET raw material applications.</p> <p>Bio-ethanol, which is not related to PET raw materials, is being excluded from our Group on the basis that it is not related to our Group's business.</p>	<p>Biochemtex S.p.A.</p>	<p>Technology and engineering services for production of bio-ethanol and bio-projects outside the polyester chain, and licensing of MOGHI technology for production of bio-BTX.</p>	<p>Market: Ethanol produced with the PROESA® technology to be blended with gasoline for fuel. Other future markets for which sugar produced with PROESA® can be fermented into other fuels/chemicals. These uses are not related to PET-production. Main customers: Companies which produce fuels from renewable sources. These customers do not overlap with those of our Group.</p>	<p>Raw materials: Non-food agricultural waste which is typically supplied by the feedstock of each plant. Therefore, there is no overlapping of suppliers.</p>	<p>Production technologies and methods: For bio-ethanol, biomass (plant based material) is converted to ethanol (alcohol) using a proprietary pre-treatment technology, enzymes and yeast. For MOGHI technology, processing of the solid residue of PROESA®, called lignin, to extract aromatics.</p>	<p>All parts of the world</p>	<p>Production volume: This is a licensing and engineering operation and does not own any production plants.</p> <p>Number of employees: 183</p>	<p>Total fixed assets: 2010: €19.2 million 2011: €26.8 million 2012: €57.1 million 1H2013: €66.1 million</p> <p>Revenue: 2010: €113.8 million 2011: €76.6 million 2012: €195 million 1H2013: €54.7 million</p> <p>Profit/(loss): 2010: €6.7 million 2011: €2.0 million 2012: €3 million 1H2013: €(7.0) million</p>

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Excluded Business Type/ Reason for exclusion from our Group	Name of the Company	Key Features	Main customers/ markets	Main raw materials	Production technologies and methods	Geographic area	Size of operation as of December 31, 2012	Key financial information (including total assets, profit and revenue) at December 31, 2010, 2011 and 2012 and June 30, 2013
Cellulosic acetate production	Sichuan Push Acetati Company Limited	This minority-owned company is engaged in the production of cellulosic acetate, which is used for the production of textiles, cigarette filters and digital screens.	Market: Textile, cigarette filters and digital screens producers. There are no overlapping customers with our Group.	Raw materials: Cellulose acetic acid. Such raw materials do not overlap with those of our Group and there is no overlapping of raw materials suppliers.	Production technologies: Polymerization	PRC	Production volume: 24.0 KMT	Total fixed assets: 2010: RMB1,283.7 million (€155.1 million) 2011: RMB1,414.9 million (€170.9 million) 2012: RMB1,491.3 million (€180.2 million)
The products produced are significantly different from the products of our Group and not a subset of PET.		Cellulosic acetate cannot substitute for our Group's products.			Production methods: Cellulose is processed by reactors together with acetic acid and additives, until a polymer is made.		Number of employees: 473	Revenue: 2010: RMB99.5 million (€12.0 million) 2011: RMB513.3 million (€62.0 million) 2012: RMB621.8 million (€75.1 million) 1H2013: RMB349.0 million (€42.2 million)
								Profit/(loss): 2010: RMB(1.5) million (€(0.2) million) 2011: RMB0.6 million (€0.1 million) 2012: RMB(99.2) million (€(12.0) million) 1H2013: RMB(19.4) million (€(2.3) million)

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Excluded Business Type/ Reason for exclusion from our Group	Name of the Company	Key Features	Main customers/ markets	Main raw materials	Production technologies and methods	Geographic area	Size of operation as of December 31, 2012	Key financial information (including total assets, profit and revenue) at December 31, 2010, 2011 and 2012 and June 30, 2013
Services in the biotech industry The products produced are significantly different from the products of our Group and not a subset of PET.	C5-6 Italy S.r.l.	Joint venture engaged in biotech services. Such services do not overlap with our business.	Market: All users of fermentation applications.	Raw materials: Enzymes. Such raw materials do not overlap with those used by our Group and there is no overlapping of raw materials suppliers.	Production technologies: Microorganism characterization Production methods: DNA modification	All parts of the world	This is a research and development structure with no assets or production. Number of employees: 11	Total fixed assets: 2010: €2.5 million 2011: €4.0 million 2012: €3.9 million 1H2013: €3.8 million Revenue: 2010: €0.1 million 2011: €0.2 million 2012: €0.8 million 1H2013: €0.2 million Loss: 2010: — 2011: — 2012: €0.2 million 1H2013: €0.3 million

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

The Sole Sponsor is of the view, to the best of their knowledge, that the Excluded Businesses do not have material competition with our Group's business for the following reasons:

- Other than the limited PET resin produced by M&G Polimeri Italia and the recycled PET produced by M&G Fibras Brasil S.A., the products of the Excluded Businesses are different from our Group's products.
- The principal production technologies (i.e., the PROESA® and MOGHI technologies) and methods of the other products of the Excluded Businesses (i.e., other than as set out in the bullet point above) are not applications relating to PET raw materials and are different from those used by our Group.
- The PET produced by M&G Polimeri Italia is currently sold in different markets and its PET customers do not overlap with our customers to a material extent. Furthermore, our Group was informed by M&G Polimeri Italia that it intends to discontinue production of this PET resin in 2016 once the production line is converted into the production of biodegradable polymers.
- In respect of the recycled PET business of M&G Fibras Brasil S.A., all recycled PET produced and not used by the fiber business itself will be sold to our Group pursuant to the PET Recycling Agency Agreement. As such, we can limit the sale of the recycled PET to those customers that do not compete with us.

NO COMPETITION AND CLEAR DELINEATION OF BUSINESS

M&G Finanziaria S.r.l. is an investment holding company whose principal assets are its shareholding in our Company and in the Excluded Businesses.

Our Directors believe that the Excluded Businesses do not compete, and are not likely to compete, either directly or indirectly, with our business because there is clear delineation between the Excluded Businesses and our business.

Details of each of the Excluded Businesses are as follows:

M&G Polimeri Italia S.p.A.

M&G Polimeri Italia S.p.A. ("M&G Polimeri Italia"), a company incorporated in Italy on November 25, 1999, which is directly wholly owned by M&G Finanziaria S.r.l., mainly operates in the European PET resin production industry, including production of biodegradable polymers on a tolling basis for a third party. As of the Latest Practicable Date, M&G Polimeri Italia only produces PET resin and biodegradable polymers for the European market and has no current intention to extend its business elsewhere.

M&G Polimeri Italia owns a plant in Patrica, Italy which includes two PET lines (with installed prime capacity of 100 kMT each). One of these was discontinued in order to convert it to the production of a biodegradable polymer for manufacture of shopping bags, on a tolling basis for a

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

third-party using its technology; we were informed by M&G Polimeri Italia that the second line is expected to be converted by 2016 in order to meet anticipated growth in demand, or alternatively discontinued. Such conversion will take approximately six months to complete and we understand that M&G Polimeri Italia will evaluate the timing of conversion or discontinuation from time to time.

During the Track Record Period, PET production at the Patrica plant was equal to 106,200 tons, 102,400 tons and 107,500 tons, respectively, for each of the years ended December 31, 2010, 2011 and 2012.

For the years ended December 31, 2010, 2011 and 2012, the net losses of M&G Polimeri Italia were approximately equal to €8.6 million, €5.4 million and €7.4 million, respectively, based on its audited accounts.

Mr. Toselli and Mr. Barbieri are directors of M&G Polimeri Italia but are not involved in the daily management and operation of the company. Therefore, despite that in broad terms both M&G Polimeri Italia and our Group operate in the PET resin production business, based on the independent management teams of M&G Polimeri Italia and the differences in terms of geographic focus as compared with that of our Group, the smaller volume of PET production, and the plant's expected conversion to biodegradable polymers or possible discontinuation, our Directors are of the view that there is no material competition between the respective businesses of our Group and of M&G Polimeri Italia.

M&G Fibras e Resinas Ltda. and M&G Fibras Brasil S.A.

M&G Fibras Brasil S.A. ("M&G Fibras Brasil"), a company incorporated in Brazil in January 2001, which is directly wholly owned by M&G Fibras e Resinas Ltda., both of which are mainly engaged in the production of polyester fiber in Brazil. M&G Fibras e Resinas Ltda. was incorporated in Brazil in January 1997 and is 100% less one share held by M&G Fibras Holding S.A. As of the Latest Practicable Date, M&G Fibras Brasil only produces polyester fiber in Brazil, and has no intention to extend its business to the PET resin industry.

The Ghisolfi Group's polyester fiber business was developed separately from our PET resin business because, although it has a similar production process to PET resin for packaging applications up to the polymerization phase, subsequent to this phase, the production processes diverge. Furthermore, the customer base for the fiber business is different from that of the PET resin business and mainly comprises the textile industry for production of fiber yarn for woven and knit fabrics and non-woven textiles, rather than the packaging industry.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Currently, M&G Fibras Brasil owns two polyester fiber plants in Brazil, located in Poços de Caldas and Cabo, respectively. During the Track Record Period, approximately 95% of the fiber produced was sold in Brazil, and approximately 5% was exported. As part of the Reorganization, prior to Listing the fiber business (including the two plants) have been spun off and sold to M&G Finanziaria S.r.l. M&G Fibras Brasil currently shares raw material procurement for both plants with our Group, under arrangements governed by a raw material supply agreement.

M&G Fibras Brasil is currently constructing a new plant in Poços de Caldas which will produce PET resin for both fiber and bottle applications from recycled PET. The new plant is expected to commence operations in December 2013 or January 2014 and to produce approximately 12 kMT/year of PET. On June 26, 2013, M&G Polimeros Brasil S.A. entered into a PET recycling agency agreement to act as the exclusive agent to M&G Fibras Brasil for the sale of its products to third parties.

In addition, M&G Fibras e Resinas Ltda. owns a recycled PET plant in Indaiatuba, Brazil, whose output is mainly used in fiber production. Operations at this plant were discontinued in August 2013.

None of our Directors is a director of M&G Fibras e Resinas Ltda. or M&G Fibras Brasil S.A. or otherwise involved in the daily management and operation of these companies. Therefore, based on the independent management teams of M&G Fibras Brasil and the differences in terms of business focus as compared with that of our Group, and the smaller volumes of PET expected to be produced at the new Poços de Caldas plant and our expected exclusivity agency agreement (which is further discussed in “5. PET Recycling Agency Agreement” of “Connected Transactions” of this prospectus) with respect to such PET, our Directors are of the view that there is no material competition between the respective businesses of our Group and of M&G Fibras Brasil and M&G Fibras e Resinas Ltda.

Biochemtex S.p.A.

Biochemtex S.p.A. (“Biochemtex”), a company incorporated in Italy on February 9, 2005, and formerly known as Chemtex Italia from February 9, 2005 to August 30, 2013, which is directly wholly owned by M&G Finanziaria S.r.l., mainly engages in engineering and technology services for bio-ethanol production and bio-projects outside the polyester chain. As of the Latest Practicable Date, Biochemtex only operated in such projects, and has no intention to extend its business to the polyester chain production industry.

Biochemtex owns the MOGHI technology and the products resulting from the use of MOGHI technology can be turned into bio-BTX. Of these, only X (xylene) can be converted into paraxylene, a raw material for polyester chain products. Biochemtex has licensed to us the exclusive rights for the production of the bio-paraxylenes portion of bio-BTX. The other products of bio-BTX, B (benzene) and T (toluene), have many other non-polyester chain applications. Biochemtex plans to license the use of MOGHI technology for production of benzene and toluene to its customers. We only provide funding for the development of the MOGHI technology and are not involved in the research and development process of such technology. The term of this license is the later of 20 years and the expiration date of the last valid claim of MOGHI patent rights.

For the years ended December 31, 2010, 2011 and 2012, the net profits of Biochemtex were approximately equal to €6.7 million, €2.0 million and €3.3 million, respectively, based on its audited accounts.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

In addition, Biochemtex owns 25% of the share capital of C5-6 Italy Srl, a joint venture with C5-6 Technologies Inc. engaged in enzyme research for use in bio-projects outside the polyester chain.

None of our Directors or senior management of our Group is involved in the daily management and operation of Biochemtex. Therefore, based on the independent management teams of Biochemtex and the differences in terms of business focus as compared with that of our Group, and our exclusive licensing of the IP rights related to PET production, our Directors are of the view that there is no material competition between the respective businesses of our Group and of Biochemtex.

During the Track Record Period, Biochemtex undertook certain traditional non-bio engineering division projects of a similar nature to projects which our Engineering division performs. These projects contributed revenues of €16.2 million, €22.8 million and €95.7 million and net profits of €2.1 million, €2.4 million and €10.6 million to Biochemtex in the years ended December 31, 2010, 2011 and 2012, respectively. Going forward, new traditional non-bio engineering projects and bio-projects within the polyester chain within the group of companies controlled by M&G Finanziaria S.r.l. will be undertaken by our Engineering division instead of by Biochemtex.

Beta Renewables S.p.A.

Beta Renewables S.p.A. (“Beta Renewables”), a company incorporated in Italy on December 3, 2008, is a joint venture between Biochemtex, TPG Biotech and Novozymes A/S in which M&G Finanziaria S.r.l. indirectly own 67.5% of the share capital (through Biochemtex), and mainly engages in the licensing of the PROESA® technology in relation to production of non-PET raw materials (the rights in relation to the production of PET raw materials are currently licensed to us on an exclusive basis; rights to produce bio-ethanol will be licensed to us on a non-exclusive basis for our projects in the PRC when those projects commence). The term of the former license is expected to be the later of 20 years and the last valid claim of PROESA® patent rights to expire. As the license to produce bio-ethanol has not been granted to us as at the Latest Practicable Date, it is not one of the continuing connected transactions described under “Connected Transactions” of this prospectus, and we will comply with the relevant requirements of Chapter 14A of the Hong Kong Listing Rules once the license is granted to us after Listing. As of the Latest Practicable Date, Beta Renewables has no intention to extend its business to the PET resin production industry. Beta Renewables plans to license a large number of PROESA® technologies to its customers for fuel production and applications such as biodiesel, bio-ethanol, detergents and solvents, all of which are different from PET applications. Our Group was not involved in, and did not provide funding for, the development of the PROESA® technology.

Mr. Barbieri and Mr. Long are independent non-executive directors of Beta Renewables but are not involved in its daily management and operation. Therefore, based on the independent management teams of Beta Renewables, the exclusive licensing arrangements in relation to the IP rights related to PET production, and the differences in terms of business focus as compared with that of our Group, our Directors are of the view that there is no material competition between the respective businesses of our Group and of Beta Renewables.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Sichuan Push Acetati Company Limited

Sichuan Push Acetati Company Limited (“Sichuan Push Acetati”), a company incorporated in Ybin, Sichuan Province, PRC on July 19, 2007, which is 33% owned by M&G Finanziaria S.r.l., mainly engages in production of cellulosic acetate. As of the Latest Practicable Date, Sichuan Push Acetati has no intention to extend its business to the polyester chain production industry.

None of our Directors or senior management of our Group is involved in the daily management and operation of Sichuan Push Acetati. Therefore, based on the independent management teams of Sichuan Push Acetati and the differences in terms of business focus as compared with that of our Group, our Directors are of the view that there is no material competition between the respective businesses of our Group and of Sichuan Push Acetati.

INDEPENDENCE FROM THE CONTROLLING SHAREHOLDERS

Having considered the following factors, we are satisfied that we have been, and following completion of the Global Offering will be, able to conduct our business independently from our Controlling Shareholders.

Management Independence

Our Board consists of nine Directors, of whom three are independent non-executive Directors. One of our Directors, namely Mr. Marco Ghisolfi, is also a director of M&G Finanziaria S.r.l. However, M&G Finanziaria S.r.l. is an investment holding company whose principal asset is its shareholding in our Company, and its only other material assets are its equity interests in the Excluded Businesses.

Save for Mr. Toselli and Mr. Barbieri, who are also president and non-executive director of M&G Polimeri Italia, respectively (who have no executive functions and do not manage the day-to-day operations thereof), and Mr. Long and Mr. Barbieri who are also independent non-executive directors of Beta Renewables (who have no executive functions and do not manage the day-to-day operations thereof), none of the other members of our Board holds any executive or management position or directorship in, or otherwise participates in any way in the management or operations of, other companies in the Ghisolfi Group (including the Excluded Businesses) other than our Group.

Our daily management and operations are carried out by our senior management team. Other than set forth above, none of the members of our senior management team holds any board or other executive position in M&G Finanziaria S.r.l. or other companies in the Ghisolfi Group (including the Excluded Businesses).

Under applicable Luxembourg laws, any Director having an interest in a transaction presented to our Board for consideration and approval which conflicts with that of our Company must disclose such interest to our Board and may not take part in the deliberations or vote in respect of the matter. At our next general meeting, a special report is required to be made of such transactions, detailing any such conflict. Under Luxembourg law, the above mentioned procedures are not applicable where the decision of our Board relates to routine operations entered into under normal conditions.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Further, the decision-making mechanism of our Board is set out in our Articles, which include provisions to avoid conflicts of interests by providing, among other things, that (i) our Board may validly debate and act only if the majority of its members are present in person or by proxy; (ii) all decisions of our Board shall be made by a majority of the votes cast by Directors present in person or by proxy at the relevant meeting; (iii) a Director shall declare the nature of any direct or indirect material interest of his in any contract, proposed contract or any transaction of our Company at the earliest meeting of our Board at which it is practicable for him to do so; and (iv) a special report of transactions, including routine operations entered into under normal conditions, in which our Directors had an interest which conflicted with ours shall be made at our next general meeting following the relevant Board meeting. Please see the sub-section headed “F. Hong Kong Law Requirements — 9. Declaration of interests by directors” in Appendix IV to this prospectus for details relating to disclosure requirements on directors’ interests under Luxembourg and Hong Kong laws and our Articles of Association.

Following Listing, our Board will be required to comply with the Hong Kong Listing Rules, including provisions thereunder relating to corporate governance, which require (among other things) that a Director shall not vote on any Board resolution approving any contract or arrangement or any other proposal in which he or any of his associates has a material interest, nor shall he be counted in the quorum for the meeting.

Operational Independence

M&G Finanziaria S.r.l. is an investment holding company and does not actively carry on any competing business activities. We have our own independent access to sources of raw materials and other supplies required for our operations. None of our Controlling Shareholders has any interest in any of our suppliers of raw materials and other supplies required for our operations. We independently manage and operate our manufacturing facilities in Brazil, Mexico and the United States. We have independent access to our major customers. None of our Controlling Shareholders has any interest in any of our corporate customers.

Although we have entered into the Trademark Licensing Agreements with M&G Finanziaria S.r.l. and will be granted exclusive rights to the use of the PROESA® technology from a subsidiary of our Controlling Shareholder, our Directors are of the view that we are able to operate independently from our Controlling Shareholders because: (i) under the Trademark Licensing Agreements (as described in “Connected Transactions”), the relevant operating subsidiaries of our Group have obtained non-exclusive licenses for the use of the M&G name and logo and the Chemtex name and logo; (ii) M&G Finanziaria S.r.l. is already in the process of transferring the relevant trademarks to us, and while the transfer is not completed due to the complicated nature of the transfer process, which requires the filing of various application forms and a long vetting period by the relevant regulatory authorities, we expect that all relevant trademarks will be transferred by 2015, and for a total consideration of around €45 million, as determined by an expert independent valuation, which is now underway; and (iii) the PROESA® technology can be used for both the production of PET raw materials and non-PET raw materials, so it would not be feasible to divide the technology for two different uses and the only way to share the technology is by way of granting an exclusive license. For further details of the Trademark Licensing Agreements and the exclusive license to use the PROESA® technology to be granted to us, please refer to “Connected Transactions — Continuing Connected Transactions — Exempt Continuing Connected Transactions — 3. Trademark Licensing Agreements” and “— No Competition and Clear Delineation of Business — Beta Renewables S.p.A.” of this prospectus.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

We will comply with the relevant connected transaction requirements under Chapter 14A of the Hong Kong Listing Rules applicable to the trademarks transfer at the relevant time.

During the Track Record Period, the percentage of our income/cost of sales generated from/paid to the Parent Group was approximately 3%-4%. Our Directors expect such percentage to remain at a similar level after Listing. Therefore, we can generate income and source raw materials for our production independent from the Controlling Shareholders.

Financial Independence

We have established our own finance department, with a team of independent financial staff who are responsible for financial control, accounting, reporting, group credit and internal control functions of our Company independent from the Ghisolfi Group. We can make financial decisions independently and the Ghisolfi Group does not interfere with our use of funds. We have also established an independent audit system, a standardized financial and accounting system and a complete financial management system. In addition, we maintain bank accounts with banks independently and the Ghisolfi Group does not share any bank accounts with us. We have made independent tax registration in accordance with applicable laws, and paid tax independently pursuant to applicable Luxembourg, United States, Brazil, Mexico, India and PRC tax laws and regulations, rather than on a combined basis with the Ghisolfi Group or other enterprises under its control.

We have sufficient capital to operate our business independently, and we are capable of obtaining financing from third parties without relying on any guarantee or security provided by the Ghisolfi Group or other connected persons. In particular, we have obtained financing from DAK and Inbursa in an aggregate amount of US\$600 million (€461.5 million) without any assistance, guarantee or security from the Ghisolfi Group. See “Financial Information — Indebtedness”. We have also established long-term relationships with relevant commercial banks from which we are able to obtain banking facilities on competitive terms to fund our business operations and expansions.

On March 9, 2007, our subsidiary M&G Finance Luxembourg S.A. issued €200 million Undated Subordinated Fixed/Floating Rate Cumulative Securities (the “Undated Securities”), which are described in further detail under “Financial Information — Indebtedness”. The Undated Securities are unsecured subordinated securities and have no fixed maturity date, although they may be redeemed at the option of the issuer on any interest payment date at the principal amount plus accrued interest (including deferred interest). The Undated Securities are irrevocably guaranteed on a joint and several and subordinated basis by certain of the subsidiaries in our Group, including M&G Resinas Participações Ltda. (all such guarantors collectively, the “Undated Securities Guarantors”). Following the spin-off of the Brazilian fiber business as part of the Reorganization, the guarantee of the Undated Securities remained with M&G Resinas Participações Ltda., which is a Group entity. The new entity formed by the splitting of equity of M&G Resinas Participações Ltda. as part of the spin-off, M&G Fibras e Participações Ltda., which is outside our Group, is not liable under this guarantee. Under Brazilian Corporations Law, however, existing creditors of M&G Resinas Participações Ltda. have ninety days from the completion of the spin-off (which is November 11, 2013) to notify M&G Resinas Participações Ltda. of their opposition to this arrangement. Going forward, we do not generally expect to issue securities guaranteed by our affiliates in the Ghisolfi Group as it is expected that guarantees issued by us should be generally sufficient to the financial institutions.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

In addition, our subsidiary M&G Polímeros Brasil S.A. is the borrower under a secured syndicated credit facility with BNDES, BNB and other Brazilian commercial banks as identified therein, as lenders (the “Brazilian Syndicated Facility”). The Brazilian Syndicated Facility comprises three different agreements, entered into on March 28, 2007, April 10, 2007 and April 27, 2007, as subsequently modified, and provided for R\$460 million (€152.7 million) of credit lines to fund the construction and outfitting of our Suape plant in Pernambuco state, Brazil. The facility is structured in sub-credits, some of which were used for construction of the plant and others to finance the importation of specialized equipment and machinery necessary to the plant’s manufacturing. The various sub-credits of the Brazilian Syndicated Facility bear interest at variable rates, which differ according to the sub-credit. As the facility has been granted by state development banks, the interest rates are set by the Brazilian government with interest rate and maturity terms that are intended to encourage long-term investment, generally terms which are not available in the Brazilian commercial markets.

Under the Brazilian Syndicated Facility, all obligations of the borrower are irrevocably guaranteed by a guarantee letter issued by M&G Finanziaria S.r.l. Additionally, the security package consists of an assignment of the rights related to the rental agreement entered into by M&G Polímeros Brasil S.A. in connection with the Suape plant site, and other collateral. The Brazilian Syndicated Facility is governed by Brazilian law. The facility matures in April 2018. As at June 30, 2013, €92.7 million was outstanding under the Brazilian Syndicated Facility. Because a continuing parent guarantee is a requirement of BNDES, as a matter of policy the lenders in the Brazilian Syndicated Facility have not agreed to the release of M&G Finanziaria S.r.l.’s guarantee, and it is therefore impossible for this guarantee to be released prior to Listing; furthermore any discharge of such guarantees would be unduly burdensome and cost-ineffective for us. This is because there are no other financial institutions in Brazil which provide similar types of syndicated facilities and the terms of the Brazilian Syndicated Facility are favorable to us, so it would not be in our interest to discharge this facility and obtain a new facility from financial institutions outside Brazil which may offer less favorable terms. See “Connected Transactions — Continuing Connected Transactions — Exempt Continuing Connected Transactions — 10. Guarantee in respect of the Brazilian Syndicated Facility”. Going forward, we do not generally expect to require guarantees by our Controlling Shareholders for our borrowings or those of our operating subsidiaries, as it is expected that guarantees issued by us should be generally sufficient to financial institutions.

Other than as described above, all the amounts due to and from our Controlling Shareholders (or their affiliated entities) will be fully settled or released before or immediately after Listing. Other than the guarantees provided by the Undated Securities Guarantors and by M&G Finanziaria S.r.l. under the Brazilian Syndicated Facility, which cannot be released as discussed above, none of the Controlling Shareholders provides us with any direct or indirect financing for our operations.

DEED OF NON-COMPETITION

Our core business includes (i) the production of PET resin for packaging applications and (ii) the provision of engineering services to third party customers in relation to construction of plants for products in the polyester chain (including PET, polyester fiber and PTA production) and LNG industries (excluding bio-ethanol and BTX projects) through our Engineering division (the “Restricted Business”). For the purpose of the Listing, our Controlling Shareholders have entered into the Deed of Non-Competition on November 27, 2013, pursuant to which each of our Controlling Shareholders has unconditionally and irrevocably undertaken to our Company (for itself and on behalf of each other member of our Group) that he/she/it would not, and would use reasonable endeavors to procure that

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

his/her/its associates (other than any member of our Group) would not, during the restricted period set out below, directly or indirectly, either on his/her/its own account or in conjunction with or on behalf of any person, firm or company, among other things, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, director, partner, agent, employee, or otherwise, and whether for profit, reward or otherwise) any business which is or may be in the same line of business as any of the business comprised in the Restricted Business, provided that such undertaking shall cease to apply to any business or subsidiary comprised in the Restricted Business which is completely disposed of by any member or members of our Group during the restricted period.

In addition, each of the Controlling Shareholders has unconditionally and irrevocably undertaken to our Company that in the event that he/she/it or his/her/its associates is offered in writing any opportunity which is in the same line of business as any of the business comprised in the Restricted Business, he/she/it would, and would use reasonable endeavors to procure that his/her/its associate(s) to, as soon as practical inform our Company of such opportunity in writing and provide such information as is available to him/her/it in respect of such opportunity to our Company upon becoming aware of it.

The Deed of Non-Competition does not apply to:

- (a) the holding of or interests in the shares of any member of our Group;
- (b) the holding of or interests in shares or other securities in any company other than our Group which conducts or engages in any business comprised in the Restricted Business, provided that, either:
 - (i) the relevant Restricted Business conducted or engaged in by such company (and assets relating thereto) accounts for less than 10% of that relevant company's consolidated turnover or consolidated assets, as shown in that company's latest audited accounts; or
 - (ii) the total number of the shares held by the relevant Controlling Shareholders and/or his/her/its respective associates is less than 10% of the issued shares of that class of the company in question, provided that such Controlling Shareholder and/or his/her/its respective associates, whether acting singly or jointly, are not entitled to appoint a majority of the directors of that company; or
- (c) any investment decision made by an independent discretionary fund manager to acquire interests of any company other than our Group that conducts or engages in any business comprised in the Restricted Business; or
- (d) the PET business engaged in by M&G Polimeri Italia S.p.A. and the recycled PET business engaged in by M&G Fibras Brasil S.A. as at the date of the Deed of Non-Competition.

The "restricted period" stated in the Deed of Non-Competition refers to the period during which (i) our Shares remain listed on the Hong Kong Stock Exchange; and (ii) our Controlling Shareholders in aggregate are entitled to exercise or control the exercise of not less than 30% in aggregate of the voting power at general meetings of our Company.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

CORPORATE GOVERNANCE MEASURES

Our Company will further adopt the following measures to manage the conflict of interests arising from the possible competing business of our Controlling Shareholders and to safeguard the interests of our independent Shareholders:

- (a) in preparation for the Listing, our Company has adopted the Articles which comply with the Hong Kong Listing Rules. The Articles contain a decision-making mechanism which aims to avoid conflicts of interests. For details of such mechanism, see “— Independence from the Controlling Shareholders — Management Independence” above;
- (b) we have appointed Rothschild (Hong Kong) Limited as our compliance advisor, which will provide advice and guidance to us with respect to compliance with the applicable laws and the Hong Kong Listing Rules, including but not limited to various requirements relating to directors’ duties and internal controls;
- (c) our independent non-executive Directors will review, at least on an annual basis, the compliance with the Deed of Non-Competition by our Controlling Shareholders;
- (d) we will disclose decisions, with bases, on matters reviewed by our independent non-executive Directors relating to compliance and enforcement of the Deed of Non-Competition either through an annual report, or by way of announcement to the public; and
- (e) each of our Controlling Shareholders has undertaken to provide all information reasonably necessary for the annual review by our independent non-executive Directors of compliance with the Deed of Non-Competition.

CONNECTED TRANSACTIONS

We have entered into certain transactions with parties who are our connected persons (as defined in the Hong Kong Listing Rules) that will continue following the Listing Date, thereby constituting continuing connected transactions under the Hong Kong Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

Summary Table of Our Continuing Connected Transactions

Nature of transaction	Applicable Hong Kong Listing Rules	Waiver sought	Proposed annual cap for the year ended December 31,		
			2013	2014	2015
(millions)					
Exempt continuing connected transactions					
(1) Service Agreement	14A.33(2)	N/A	N/A	N/A	N/A
(2) SAP Services Agreement	14A.33(3)	N/A	N/A	N/A	N/A
(3) Trademark Licensing Agreements	14A.33(3)	N/A	N/A	N/A	N/A
(4) Local Services Agreement	14A.33(3)	N/A	N/A	N/A	N/A
(5) PET Recycling Agency Agreement	14A.33(3)	N/A	N/A	N/A	N/A
(6) Research and Development Agreement	14A.33(3)	N/A	N/A	N/A	N/A
(7) Chemtex Consulting India Consulting Service Agreement	14A.33(3)	N/A	N/A	N/A	N/A
(8) Chemtex International Consulting Service Agreement	14A.33(3)	N/A	N/A	N/A	N/A
(9) Infrastructure Support and Office Services Agreement	14A.33(3)	N/A	N/A	N/A	N/A
(10) Guarantee in respect of the Brazilian Syndicated Facility	14A.65(4)	N/A	N/A	N/A	N/A
Continuing connected transactions which are subject to the requirements of reporting, annual review and announcement but exempt from the independent shareholders' approval requirement					
(11) Raw Materials Supply Agreement ⁽¹⁾	14A.34	Waiver of announcement requirement	US\$40 (€30.8)	US\$83.7 (€64.4)	US\$83.7 (€64.4)
(12) Distributorship Agreement ⁽¹⁾	14A.34	Waiver of announcement requirement	US\$45.0 (€34.6)	US\$50.4 (€38.8)	US\$50.4 (€38.8)

Notes:

(1) Amounts of the proposed annual caps under this agreement have been translated to euro at a rate of €1.3: US\$1.0 solely for the convenience of the reader.

CONNECTED TRANSACTIONS

Exempt Continuing Connected Transactions

The following transactions (other than the Service Agreement and the Local Services Agreement which are both exempt under Rule 14A.33(2) of the Hong Kong Listing Rules and the guarantees which are exempt under Rule 14A.65(4) of the Hong Kong Listing Rules) are made in the ordinary course of business and on normal commercial terms where each of the relevant percentage ratios (other than the profits ratio) calculated for the purpose of Chapter 14A of the Hong Kong Listing Rules will, as our Directors currently expect, not exceed 0.1% on an annual basis. Under Rule 14A.33(3) of the Hong Kong Listing Rules, the transactions are exempted from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

1. Service Agreement

Principal terms: M&G International S.à r.l. entered into a service agreement with M&G Finanziaria S.r.l. on October 29, 2013 (the "Service Agreement"), pursuant to which we will share certain administrative and advisory services with M&G Finanziaria S.r.l. on a cost basis, such services to include information technology systems and consulting services in relation to human resources, accounting, tax, legal consulting, insurance consulting, quality, health security, environmental protection, engineering and technology and other miscellaneous services.

The term of the Service Agreement is from January 1, 2014 for an initial period of three years, automatically renewing for further periods of 12 months each unless terminated by M&G Finanziaria S.r.l. at any time, or by M&G International S.à r.l. at least 60 days before the commencement of any such renewal period.

Reasons for the transaction: M&G Finanziaria S.r.l. has been sharing these services with us for many years. Given the size of M&G Finanziaria S.r.l. and its in-depth knowledge of information technology systems and its familiarity with the business and the countries in which we operate, we believe that M&G Finanziaria S.r.l. has the ability to provide/share such services to complex international operations like us in an efficient manner.

M&G Finanziaria S.r.l. is one of our Controlling Shareholders and is therefore our connected person under the Hong Kong Listing Rules.

Historical amounts: The amounts of transactions carried out for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013 were €11.3 million, €9.9 million, €9.4 million and €6.1 million, respectively. Services have been provided and will continue to be provided to us at cost.

2. SAP Services Agreement

Principal terms: M&G Polímeros Brasil S.A. entered into a SAP services agreement with M&G Finanziaria S.r.l. on January 2, 2009 (the "SAP Services Agreement"), pursuant to which M&G Finanziaria S.r.l. implemented and now operates the SAP corporate management system for M&G Polímeros Brasil S.A. The SAP Services Agreement was carried out in two phases, one in which M&G

CONNECTED TRANSACTIONS

Finanziaria S.r.l. installed SAP, which ended on December 31, 2009, and another during which M&G Finanziaria S.r.l. currently provides M&G Polímeros Brasil S.A. with SAP information services related to purchasing, sales, production, plant maintenance, financial accounting, management control and general administration.

The term of the SAP Services Agreement is from January 2, 2009 to December 31, 2015, when these services will be included in the Service Agreement as above.

Reasons for the transaction: SAP corporate management systems are costly to develop and given M&G Finanziaria S.r.l. has already developed such a system, it would be more cost efficient for M&G Polímeros Brasil S.A. to use such services which are provided by M&G Finanziaria S.r.l. This will help M&G Polímeros Brasil S.A. save investment costs in corporate management systems.

M&G Finanziaria S.r.l. is one of our Controlling Shareholders and is therefore our connected person under the Hong Kong Listing Rules.

Historical amounts: The amounts of transactions carried out for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013 were €1.5 million, €1.4 million, €1.5 million and €0.8 million, respectively. Services have been provided and will continue to be provided to us at cost.

3. Trademark Licensing Agreements

Principal terms: M&G Polímeros Brasil S.A., M&G Polímeros México, S.A. de C.V. and M&G Polymers USA, LLC entered into several trademark licensing agreements with M&G Finanziaria S.r.l. on April 1, 2006, in the case of the agreements with the M&G Polímeros México, S.A. de C.V., and M&G Polymers USA, LLC, and March 1, 2007, in the case of the agreement with M&G Polímeros Brasil S.A. (the “Trademark Licensing Agreements”), pursuant to which M&G Polímeros Brasil S.A., M&G Polímeros México, S.A. de C.V. and M&G Polymers USA, LLC have obtained non-exclusive licenses to certain trademarks (which are the logos and/or the names of “M&G” and “Chemtex”) from M&G Finanziaria S.r.l., for use by the PET and Engineering divisions in their respective regions. M&G Finanziaria S.r.l. is in the process of transferring these trademarks to us; this is a lengthy process that requires the filing of different applications and a long vetting process of the applications by the regulatory authorities, but it is expected that we will acquire these trademarks by 2015. The fees payable under the Trademark Licensing Agreement are based on a fixed percentage of 0.2% of the amount of sales per year of M&G Polímeros México, S.A. de C.V. and M&G Polymers USA, LLC, and 0.4% of the amount of net sales per year of M&G Polímeros Brasil S.A. Such percentage was arrived at after arm’s length negotiations between the relevant parties and with reference to the range of market rates for trademark licensing fees.

The initial term of the respective Trademark Licensing Agreements with M&G Polímeros México, S.A. de C.V. and M&G Polymers USA, LLC was April 1, 2006 to March 31, 2009, but each of such agreements are automatically renewed for successive two-year periods unless either party sends written notice to the other at least 12 months before the end of the then-current period. The initial term of the Trademark Licensing Agreement with M&G Polímeros Brasil S.A. was January 1, 2007 to December 31, 2009, but such agreement is automatically renewed for successive two-year periods unless either party sends written notice to the other at least 12 months before the end of the then-current period. The Trademark Licensing Agreements were automatically renewed on April 1,

CONNECTED TRANSACTIONS

2013 for M&G Polímeros México, S.A. de C.V. and M&G Polymers USA, LLC and the current term will expire on April 1, 2015, subject to further renewal. For M&G Polímeros Brasil S.A. the agreement was automatically renewed on January 1, 2012 and will expire on January 1, 2014, subject to further renewal.

M&G Finanziaria S.r.l. is one of our Controlling Shareholders and is therefore our connected person under the Hong Kong Listing Rules.

Reasons for the transaction: Given our relationship with M&G Finanziaria S.r.l. and in order to maintain branding consistency, it would be necessary for us to obtain rights to use the “M&G” logos and names of “M&G” and “Chemtex” as the names of our subsidiaries and in our marketing materials.

Historical amounts: The amounts of transactions carried out for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013 were €3.8 million, €4.3 million, €4.5 million and €2.2 million, respectively.

4. Local Services Agreement

Principal terms: M&G Polímeros Brasil S.A. entered into a local services agreement with M&G Fibras Brasil S.A. on June 26, 2013 (the “Local Services Agreement”), pursuant to which M&G Polímeros Brasil S.A. shares the following services with M&G Fibras Brasil S.A.: legal, accounting, tax, treasury, human resources, information technology, risk management, purchase of utilities and raw materials, and office leasing.

The term of the Local Services Agreement is from June 26, 2013 for a term of three years, renewable for equal periods subject to execution of an amendment agreement.

Reasons for the transaction: As M&G Polímeros Brasil S.A. shared the same parent with M&G Fibras Brasil S.A. prior to the Reorganization, they had been sharing these services for many years. Therefore, it is more cost and operationally efficient for M&G Polímeros Brasil S.A. to continue sharing such services with M&G Fibras Brasil S.A. after Listing.

M&G Fibras Brasil S.A. is a subsidiary of one of our Controlling Shareholders and is therefore our connected person under the Hong Kong Listing Rules.

Historical amounts: The amounts of transactions carried out for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013 were nil, nil, nil and nil, respectively. As M&G Fibras Brasil S.A. and M&G Polímeros Brasil S.A. were within the same group of companies prior to the Reorganization, nothing was charged. Services have been and will continue will be provided at cost after Listing.

5. PET Recycling Agency Agreement

Principal terms: M&G Polímeros Brasil S.A. entered into a PET recycling agency agreement with M&G Fibras Brasil S.A. on June 26, 2013 (the “PET Recycling Agency Agreement”), pursuant to which M&G Polímeros Brasil S.A. acts as an exclusive agent to M&G Fibras Brasil S.A. for the sale of its products to third parties. Under the PET Recycling Agency Agreement, M&G Fibras Brasil

CONNECTED TRANSACTIONS

S.A. may refuse to sell its products to third parties in the event the price negotiated by M&G Polímeros Brasil S.A. is deemed too low or when sales to a single customer are higher than 10% of the production quantities estimated in the PET Recycling Agency Agreement. Nevertheless, M&G Fibras Brasil S.A. is not allowed under the PET Recycling Agency Agreement to sell its recycled PET directly to third-party customers. The fees payable under the PET Recycling Agency Agreement are US\$10 (€7.69, translated at a rate of €1.0 : US\$1.3) per ton of products sold by M&G Polímeros Brasil S.A. Such rate was arrived at after arm's length negotiations between the parties with reference to the market price charged by other agents engaged in the sales of relevant products and has been confirmed by PAL to be fair and reasonable.

The term of the PET Recycling Agency Agreement is from June 26, 2013 for a term of three years, renewable for equal periods pursuant to an amendment.

Reasons for the transaction: As a portion of the production of the PET recycling plant of M&G Fibras Brasil S.A. is sold to customers in the PET bottling market and it lacks a sales and distribution network, M&G Polímeros Brasil S.A. can leverage its sales network to sell and distribute these minor quantities of PET recycling products to end customers. In addition, by entering into this arrangement, we can ensure that such PET recycling products will not be sold to competitors of our Group.

M&G Fibras Brasil S.A. is a subsidiary of one of our Controlling Shareholders and is therefore our connected person under the Hong Kong Listing Rules.

Historical amounts: The amounts of transactions carried out for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013 were nil, nil, nil and nil, respectively.

6. Research and Development Agreement

Principal terms: M&G Polymers USA, LLC entered into a research and development agreement with Biochemtex on November 22, 2013 (the "Research and Development Agreement") in respect of the division of business between the two companies. Under the Research and Development Agreement, Biochemtex will design, build and operate a MOGHI technology demonstration plant manufacturing bioreformate in Modugno, Italy, and M&G Polymers USA, LLC will share costs up to an amount of US\$18.0 million (€13.8 million, translated at a rate of €1.0 : US\$1.3) payable in four installments through December 31, 2015. Part of the payments are subject to the achievement by Biochemtex of certain milestones in the construction of the demonstration plant and the construction of the demonstration plant is expected to complete in 2016. Biochemtex will own all intellectual property rights on the MOGHI technology and will be responsible for filing, prosecuting and maintaining any and all relevant patents applications and patents worldwide. Biochemtex has granted an exclusive, irrevocable and sublicensable license to M&G Polymers USA, LLC for PET applications of MOGHI technology pursuant to a license agreement entered into on November 22, 2013.

Reasons for the transaction: M&G Polymers USA, LLC entered into the Research and Development Agreement because Biochemtex is developing an industrial demonstration plant and is in the process of developing the relevant technological know-how for the MOGHI technology. It is therefore beneficial for us to participate in this project so that we can be part of the development of the MOGHI technology and secure the irrevocable and perpetual license for PET applications of the MOGHI technology, which is important for the production of our products.

CONNECTED TRANSACTIONS

Biochemtex is a subsidiary of one of our Controlling Shareholders and is therefore our connected person under the Hong Kong Listing Rules.

Historical amounts: The amounts of transactions carried out for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013 were nil, nil, nil and nil, respectively. We did not incur any fees during the Track Record Period because the amounts paid by us during this period are regarded as investments made by us. Payment of the costs for the building of the MOGHI plant will be made when certain milestones are achieved.

7. Chemtex Consulting India Consulting Service Agreement

Principal terms: Chemtex Consulting of India Private Limited (“Chemtex Consulting India”) entered into a consulting service agreement with Biochemtex (then named Chemtex Italia) on November 18, 2013 (the “Chemtex Consulting India Consulting Service Agreement”) pursuant to which Chemtex Consulting India provides drafting, design and/or professional engineering services in connection with certain industrial projects undertaken by Biochemtex where it provides construction, engineering, procurement, operation, maintenance, management and financing services.

Services provided by Chemtex Consulting India are charged by the hours spent by employees of Chemtex Consulting India and the hourly rates of the employees range from US\$15 (€11.09) to US\$40 (€29.56), depending on the seniority and experience of each such employee. The fees charged per year under the Chemtex Consulting India Consulting Service Agreement shall not exceed US\$3,000,000 (€2,307,692, translated at a rate of €1.0 : US\$1.3). Once this cap is reached, no services under the Chemtex Consulting India Consulting Agreement will be provided by Chemtex Consulting India until a new cap has been agreed between the parties and the relevant requirements under the Hong Kong Listing Rules have been complied with. Such rates are determined based on market rates for similar types of services and are subject to annual adjustment based on inflation in the countries where the services are to be performed and fluctuations in the US\$/Rupee exchange rate. In addition to service fees, Chemtex Consulting India will also charge for disbursements paid on behalf of Biochemtex and miscellaneous expenses of its employees working outside his/her home office.

The term of the Chemtex Consulting India Consulting Service Agreement is from November 18, 2013 to December 31, 2015.

Reasons for the transaction: Chemtex Consulting India has the engineering and design expertise which is relevant for the projects undertaken by Biochemtex in the bio field. Therefore, Chemtex Consulting India entered into the Chemtex Consulting India Consulting Service Agreement with Biochemtex with a view to leverage its expertise through the provision of relevant services to customers (including connected customers) at market price.

Biochemtex is a subsidiary of one of our Controlling Shareholders and is therefore our connected person under the Hong Kong Listing Rules.

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Historical amounts: The amounts of transactions carried out for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013 were nil, nil, nil and US\$0.04 million (€0.03 million), respectively.

8. Chemtex International Consulting Service Agreement

Principal terms: Chemtex International entered into a consulting service agreement with Biochemtex (then named Chemtex Italia) on November 18, 2013 (the “Chemtex International Consulting Service Agreement”) pursuant to which Chemtex International provides project management, procurement assistance, project controls, design and/or professional engineering services in connection with certain industrial projects undertaken by Biochemtex where it provides construction, engineering, procurement, operation, maintenance, management and financing services.

Services provided by Chemtex International are charged by the hours spent by employees of Chemtex International and the hourly rates of the employees are capped at US\$160 (€118.2). The fees charged per year under the Chemtex International Consulting Service Agreement shall not exceed US\$5,000,000 (€3,846,154, translated at a rate of €1.0 : US\$1.3). Once this cap is reached no services under the Chemtex International Consulting Service Agreement will be provided by Chemtex International until a new cap has been agreed between the parties and the relevant requirements under the Hong Kong Listing Rules have been complied with. Such rates are subject to annual adjustment based on inflation in the countries where the services are to be performed. In addition to service fees, Chemtex International will also charge for disbursements paid on behalf of Biochemtex and miscellaneous expenses, including software charges, service charges and charges for employees working outside his/her home office.

The term of the Chemtex International Consulting Service Agreement is from November 18, 2013 to December 31, 2015.

Reasons for the transaction: Chemtex International has the engineering and design expertise which is relevant for the projects undertaken by Biochemtex in the bio field. Therefore, Chemtex International entered into the Chemtex International Consulting Service Agreement with Biochemtex with a view to leverage its expertise through the provision of relevant services to customers (including connected customers) at market price.

Biochemtex is a subsidiary of one of our Controlling Shareholders and is therefore our connected person under the Hong Kong Listing Rules.

Historical amounts: The amounts of transactions carried out for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013 were nil, nil, nil and US\$4.9 million (€3.6 million), respectively.

9. Infrastructure Support and Office Services Agreement

Principal terms: Chemtex International Inc. entered into an infrastructure support and office services agreement with Beta Renewables USA Inc. on September 16, 2013 and amended on November 11, 2013 (the “Infrastructure Support and Office Services Agreement”) pursuant to which Chemtex International provides office space and certain infrastructure support (such as computer network and e-mail system), office services (such as office equipment and furniture), and administrative,

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accounting and HR services, to Beta Renewables USA Inc. in return for an annual fee of US\$500,000 (€384,615, translated at a rate of €1.0 : US\$1.3), which will be reviewed annually by the parties. The fees charged were determined with reference to the market price for the renting of similar office space and the provision of office services.

The term of the Infrastructure Support and Office Services Agreement is from September 16, 2013 to December 31, 2015. At the end of the fixed term, the agreement is renewed automatically for additional one year terms, without notice, unless one party provides written notice of non-renewal to the other party 30 days prior to the date of any automatic renewal. Any such renewal will be subject to compliance with the Hong Kong Listing Rules.

Beta Renewables USA Inc. is a subsidiary of one of the Controlling Shareholders and is therefore our connected person under the Hong Kong Listing Rules.

Reasons for the transaction: Beta Renewables USA Inc. is setting up a new branch office in the United States and is therefore sharing office space and certain infrastructure support with Chemtex International, which would enable Beta Renewables USA Inc. to save some initial set up costs. Given Chemtex International has extra office space and sufficient infrastructure and office support services, it is in the interest of Chemtex International to share such space and support services with Beta Renewables USA Inc. at cost, which will help Chemtex International to save costs.

Historical amounts: The amounts of transactions carried out for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013 were nil, nil, nil and nil, respectively.

10. Guarantee in respect of the Brazilian Syndicated Facility

Principal terms: Our subsidiary M&G Polímeros Brasil S.A. is the borrower under a secured syndicated credit facility entered into with BNDES, BNB and other Brazilian commercial banks as identified therein, as lenders (the “Brazilian Syndicated Facility”). The Brazilian Syndicated Facility comprises three different agreements, entered into on March 28, 2007, April 10, 2007 and April 27, 2007, as subsequently modified, and provides for R\$460 million (€152.7 million) of credit lines to fund the construction and outfitting of our Suape plant in Pernambuco state, Brazil. The facility is structured in sub-credits, some of which are to be used for construction of the plant and others to finance the importation of specialized equipment and machinery necessary to the plant’s manufacturing.

All obligations of the borrower are irrevocably guaranteed by the guarantee letters issued by M&G Finanziaria S.r.l., dated October 11, 2007, October 22, 2007 and November 7, 2007. According to the guarantee letters, the obligations of the guarantor under them may be enforced by the lender in its discretion (i) without first having recourse to any other guarantee and/or indemnity or any other security; (ii) without taking any steps to initiate judicial proceedings against the borrower or the guarantor or any other person; or (iii) without first demanding or seeking payment from the borrower. Additionally, the security package consists of an alignment of the rights related to the rental agreement entered into by M&G Polímeros Brasil S.A. in connection with the Suape plant site, and other collateral. The facility matures in April 2018.

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The various sub-credits of the Brazilian Syndicated Facility bear interest at variable rates, which differ according to the sub-credit. As the facility has been granted by state development banks, the interest rates are set by the Brazilian government on terms that are intended to encourage investment, generally on more favorable terms than those prevailing in the Brazilian commercial market. For sums drawn in reais, under the agreement with BNDES, the interest rate is either: (i) TJLP (*Taxa de Juros de Longo Prazo*) as established by the Central Bank of Brazil plus a 2.72% spread, in the case of a TJLP lower than 6% per year; or (ii) in the case of a TJLP higher than 6% per year, the interest rate is calculated as determined in the agreement. The Brazilian Syndicated Facility can be drawn down primarily in Brazilian reais.

The Brazilian Syndicated Facility contains affirmative and negative covenants which are market standard for development bank loans in Brazil and may differ from international standards, as further described under “Financial Information — Indebtedness”.

As of June 30, 2013, €92.7 million was outstanding under the Brazilian Syndicated Facility and as of the Latest Practicable Date, we are not aware of the lending banks having made any claim against M&G Finanziaria S.r.l. pursuant to the guarantee letter provided thereby.

We do not propose to discharge the guarantee provided by M&G Finanziaria S.r.l. with respect to this Brazilian Syndicated Facility as any discharge would require renegotiation with the lenders, which would be an unduly burdensome and cost-ineffective exercise for us. In particular, based on our discussions with the lenders, we understand that they have indicated that they will not agree to the release of such guarantee. Furthermore, there are no other financial institutions in Brazil which provide similar types of syndicated facilities, which are intended to encourage long-term investment in Brazil, and the terms of the Brazilian Syndicated Facility are favorable to us, so it would not be in our interest to discharge this facility and obtain a new facility from financial institutions outside Brazil which may offer less favorable interest rate and/or maturity terms. Given that we have the ability to obtain financing independent of our Controlling Shareholders and that the size of the guarantee is insignificant from our perspective, we are of the view that we are able to operate independently from our Controlling Shareholders from a financial perspective notwithstanding the existence of the guarantee from M&G Finanziaria S.r.l.

Historical amounts: The maximum aggregate amounts of M&G Finanziaria S.r.l.’s obligations under the Brazilian Syndicated Facility for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013 were €164.4 million, €137.4 million, €108.0 million and €92.7 million, respectively.

Continuing connected transactions which are subject to the requirements of reporting, annual review and announcement but exempt from the independent shareholders’ approval requirement

11. Raw Materials Supply Agreement

Principal terms: M&G International S.A. (which has since merged with Chemtex Global to form M&G International S.à r.l.) entered into a raw materials supply agreement with M&G Fibras Brasil S.A. on November 1, 2008 and amended on February 1, 2013 and November 11, 2013 (the “Raw Materials Supply Agreement”), pursuant to which M&G Fibras Brasil S.A. agreed to purchase all its PTA requirements from M&G International S.A. Under the terms of the Raw Materials Supply Agreement, M&G Fibras Brasil S.A. is obligated to purchase its imported PTA requirements from M&G International S.à r.l., and M&G International S.à r.l. is obligated to sell to M&G Fibras Brasil

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S.A. the required amount of PTA. If M&G International S.A. fails to ship any quantity of PTA ordered in any given month, it is to pay any additional cost incurred by M&G Fibras Brasil S.A. to buy such quantity of PTA from alternative sources. M&G Fibras Brasil S.A. is entitled to enter into contractual agreements with third parties for the supply of PTA in the event of more than three months' supply disruption by M&G International S.à r.l. No fees are paid to M&G International S.à r.l. for supplying PTA to M&G Fibras Brasil S.A. and all products are sold to M&G Fibras Brasil S.A. at market price. During the Track Record Period, M&G International S.A. did not incur any loss as a result of supplying PTA to M&G Fibras Brasil due to the drop of market prices for PTA. In particular, the Raw Materials Supply Agreement provides that neither party will be obliged to perform its respective obligations thereunder if its performance of such obligations will result in it making an economic loss.

The term of the Raw Materials Supply Agreement is from November 1, 2008 for an initial term to December 31, 2012. It has been renewed upon expiration of the initial term and will terminate on December 31, 2015.

Reasons for the transaction: The production of fiber products requires PTA, so the sale of PTA by M&G International S.à r.l. to M&G Fibras Brasil S.A. would ensure that there is a constant demand for our products. As M&G International S.à r.l. purchases PTA from third-party suppliers in bulk, it will enjoy a favorable discount to market price from such third-party suppliers and would benefit from selling such PTA to M&G Fibras Brasil S.A. at market price which is usually and had been higher than M&G International S.à r.l.'s purchase price during the Track Record Period. In addition, since M&G International S.à r.l. has been selling PTA to M&G Fibras Brasil S.A. for many years, M&G International S.à r.l. is familiar with the product requirements and standards of M&G Fibras Brasil S.A. and is able to supply these products at low administrative costs, which would save us much time and costs for the development of new clients.

M&G Fibras Brasil S.A. is a subsidiary of one of our Controlling Shareholders and is therefore our connected person under the Hong Kong Listing Rules.

Historical amounts: The amounts of transactions carried out for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013 were US\$53.2 million (€39.3 million), US\$81.2 million (€60.0 million), US\$68.5 million (€50.6 million) and US\$22.4 million (€16.6 million), respectively. The PTA price payable by M&G Fibras Brasil S.A. under the Raw Materials Supply Agreement will be determined based on the market price of PTA at the relevant time.

Annual Caps: The maximum aggregate annual value of PTA to be sold to M&G Fibras Brasil S.A. for the years ending December 31, 2013, 2014 and 2015 shall not exceed the caps set out below:

	Proposed annual cap for the year ending December 31,		
	2013	2014	2015
	(in millions)		
Total value of PTA to be sold	US\$40.0 (€30.8)	US\$83.7 (€64.4)	US\$83.7 (€64.4)

Basis of Caps: In determining the above annual caps, our Directors have mainly considered (i) the expected sales of approximately 29,000 tons of PTA in the year ending December 31, 2013 and approximately 59,800 tons in each of the years ending December 31, 2014 and 2015 with reference to the sales of 56,200 tons, 59,800 tons, 55,600 tons and 16,900 tons of PTA in the three years ended December 31, 2010, 2011 and 2012 and six months ended June 30, 2013, respectively; and (ii) the PTA

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price of US\$1,400 (€1,034.7) per ton, which was the average market price in the year ended December 31, 2011 (being the highest average market price of PTA out of the three years ended December 31, 2010, 2011 and 2012). The more than proportional decrease in sales in the first half of 2013 resulted from M&G Fibras Brasil S.A. sourcing some of its PTA requirements from a local supplier in Brazil under competitive conditions. Depending on the availability of PTA in Brazil in 2014 and 2015 on more favorable conditions, M&G Fibras Brasil S.A. may purchase increased volumes of PTA from M&G International S.à.r.l., which are expected to be similar to the volumes purchased during the Track Record Period.

12. Distributorship Agreement

Principal terms: M&G Polímeros Brasil S.A. entered into a distributorship agreement with 3Rios Indústria e Comércio de Plástico Ltda. (“3Rios Indústria”) on August 14, 2009 and amended on March 1, 2011 and January 1, 2013 (the “Distributorship Agreement”), pursuant to which M&G Polímeros Brasil S.A. appointed 3Rios Indústria as the exclusive distributor for the promotion and sale of PET resin products in Brazil to small and certain medium-sized customers named in the Distributorship Agreement. In turn, 3Rios Indústria agrees not to compete against M&G Polímeros Brasil S.A., directly or indirectly, in the distribution of PET resin products in Brazil. Under the Distributorship Agreement, M&G Polímeros Brasil S.A. retains the right to directly supply any customer named under the agreement which becomes or is reasonably expected to become a medium-sized customer at any time during the term of the Distributorship Agreement. In such an instance, M&G Polímeros Brasil S.A. agrees to nominate another customer or customers with similar PET-purchasing needs as a replacement under the Distributorship Agreement.

The term of the Distributorship Agreement is from August 14, 2009 to December 31, 2015.

Reasons for the transaction: 3Rios Indústria has the relevant distribution experience and network for the distribution of PET resin to small-sized customers. Given the additional costs which may be incurred for directly distributing PET resin to small-sized customers by us, we believe that it would be more cost effective to engage 3Rios Indústria for such distribution.

A director of M&G Poliéster S.A., one of our subsidiaries, José Veiga Veiga, holds more than 30% of the shareholding interest in 3Rios Indústria and therefore, 3Rios Indústria is our connected person under the Hong Kong Listing Rules.

Historical amounts: The amounts of transactions carried out for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013 were US\$21.6 million (€16.0 million), US\$35.1 million (€25.9 million), US\$36.1 million (€26.7 million) and US\$16.9 million (€12.5 million), respectively. The PET resin price payable under the Distributorship Agreement will be determined based on the market price of PET at the relevant time.

Annual Caps: The maximum aggregate annual amount of sales net of taxes for the years ending December 31, 2013, 2014 and 2015 shall not exceed the caps set out below:

	Proposed annual cap for the year ending December 31,		
	2013	2014	2015
		(in millions)	
Total sales net of tax	US\$45.0 (€34.6)	US\$50.4 (€38.8)	US\$50.4 (€38.8)

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Basis of Caps: In determining the above annual caps, our Directors have considered: (i) the expected sales volume of 22,500 tons of PET resin products in the year ending December 31, 2013, with reference to the actual sales of approximately 15,000 tons of PET resin products in the ten months ended October 31, 2013; (ii) the expected sales will increase to 25,000 tons in the years ending December 31, 2014 and 2015 due to the capped volume of PET resin to be distributed of 25,000 tons per year as stipulated under the Distributorship Agreement and which represents a growth of approximately 14.8% from the sales volume of 21,784 tons in the year ended December 31, 2012 and with reference to the historical annual growth of approximately 16.3% and 25.9% from the sales volume of 18,733 tons and 14,874 tons in the two years ended December 31, 2011 and 2010, respectively; and (iii) the PET price of US\$2,000 (€1,478) per ton (being at the high side of the market price of PET during the Track Record Period and with reference to the range of historical annual average PET prices of US\$1,451 (€1,072) to US\$1,875 (€1,386) in respect of PET distributed by 3Rios Indústria between 2010 and 2012).

WAIVER APPLICATION FOR NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Under Rule 14A.34 of the Hong Kong Listing Rules, each of the transactions under paragraphs 11 and 12 of the sub-section headed “Continuing connected transactions which are subject to the requirements of reporting, annual review and announcement but exempt from the independent shareholders’ approval requirement” will constitute connected transactions which are subject to the reporting, annual review and announcement requirements under Chapter 14A of the Hong Kong Listing Rules.

As the above non-exempt continuing connected transactions have been entered into prior to Listing and have been fully disclosed in this prospectus and they are expected to continue on a recurring and continuing basis, our Directors consider that compliance with the above announcement requirement would be impractical, our Company would incur unnecessary administrative costs and would be unduly burdensome to our Company.

Accordingly, our Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver to our Company under Rule 14A.42(3) of the Hong Kong Listing Rules from compliance with the announcement requirement in respect of the above non-exempt continuing connected transactions. Our Company will comply with Rules 14A.35(1), 14A.35(2), 14A.36, 14A.37, 14A.38, 14A.39 and 14A.40 of the Hong Kong Listing Rules in relation to such non-exempt continuing connected transactions.

In the event of any future amendments to the Hong Kong Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transactions referred to in this prospectus, our Company will take immediate steps to ensure compliance with such new requirements within reasonable time.

The waiver granted by the Hong Kong Stock Exchange for the non-exempt continuing connected transactions under paragraphs 11 and 12 above will expire on December 31, 2015.

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CONFIRMATION FROM OUR DIRECTORS

Our Directors (including our independent non-executive Directors) are of the view that the continuing connected transactions as set out above have been and will be entered into during the ordinary and usual course of business of our Company on normal commercial terms because (i) the prices payable for the relevant products or services under paragraphs 5–9 and 11–12 above are determined with reference to the market prices for the same products or services, (ii) the trademark licensing fee payable by us under the Trademark Licensing Agreement and services provided to us under the SAP Services Agreement are charged under terms better than the market price, or (iii) the sharing of administrative services under the Service Agreement and the Local Services Agreement are charged at cost, and are fair and reasonable and in the interest of our Company and the Shareholders as a whole, and that the proposed annual caps for the non-exempt continuing connected transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Given most of the continuing connected transactions above are non-revenue generating and the relevant historical amounts represent only a small portion of our Group’s revenue or assets during the Track Record Period, our Directors are also of the view that such continuing connected transactions had not materially distorted our Group’s results during the Track Record Period.

CONFIRMATION FROM THE SOLE SPONSOR

The Sole Sponsor is of the view that (i) the non-exempt continuing connected transactions described in the sub-section headed “Continuing connected transactions which are subject to the requirements of reporting, annual review and announcement requirements but exempt from the independent shareholders’ approval requirement” are entered into during the ordinary and usual course of business of our Company on normal commercial terms, and are fair and reasonable and in the interest of our Company and the Shareholders as a whole; and (ii) the proposed annual caps (where applicable) of such non-exempt continuing connected transactions mentioned above are fair and reasonable and in the interest of our Company and our Shareholders as a whole.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

GENERAL

Our Board consists of nine Directors, including three independent non-executive Directors. Our Directors are elected at a meeting of the shareholders of our Company for a term of three years, renewable upon re-election and reappointment. The functions and powers of the Board include, among other things:

- convening shareholders' meetings and reporting its work to shareholders at such meetings;
- implementing shareholders' resolutions;
- making decisions on our business strategies, business plans and material investment plans;
- formulating proposed annual financial budgets and final accounts;
- formulating profit distribution plans and, if applicable, plans for making up losses previously incurred;
- formulating plans relating to the increase or reduction of our Company's registered capital, the issuance of corporate bonds or other securities and where applicable, the listing of such securities;
- deciding on the organization of our internal management; and
- exercising any other powers conferred by shareholders' meetings or under the Articles.

DIRECTORS

Our Board of Directors is responsible for all formal acts, including the approval of the official accounts. The executive directors will be responsible for the day-to-day management of our Company, while the independent non-executive directors will participate in the decision-making process for the most significant matters.

The members of the board of directors of M&G Chemicals, who do not have relationships with one another, members of the senior management, nor the substantial or Controlling Shareholders of M&G Chemicals (with the exception of Mr. Toselli, who is married to Ms. Bourland) are set out below:

<u>Name</u>	<u>Date appointed</u>	<u>Age</u>	<u>Position</u>	<u>Responsibility</u>
Marco Ghisolfi	May 21, 2013	51	Chairman and CEO	Responsible for formulating our corporate and business strategies; making major corporate and operational decisions of our Company

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Name	Date appointed	Age	Position	Responsibility
Marco Toselli	May 21, 2013	51	Chief Financial Officer and Executive Director	Participating in formulating and implementing our corporate and business strategies; making major corporate and operational decisions of our Company; being fully responsible for the daily management of our Global Finance Organization and Operations
Evert-Jan W. van der Slobe	May 21, 2013	46	Global Finance and Control Director and Executive Director	Participating in formulating and implementing our corporate and business strategies; making major corporate and operational decisions of our Company; being fully responsible for the daily management of our Finance and Control Organization
Mario Barbieri	May 21, 2013	55	Global Supply Chain Director and Executive Director	Participating in formulating and implementing our corporate and business strategies; making major corporate and operational decisions of our Company; being fully responsible for the daily management of the Supply Chain of our Group
Fredrick John Fournier	May 21, 2013	68	Global Sales & Marketing Director and Executive Director	Participating in formulating and implementing our corporate and business strategies; making major corporate and operational decisions of our Company; being fully responsible for the daily management of our Sales and Marketing Organization
Massimo Martinetto	May 21, 2013	53	Internal Control Manager, Executive Director and Joint Company Secretary	Participating in formulating and implementing our corporate and business strategies; making major corporate and operational decisions of our Company; being fully responsible for the daily management of our Internal Control Organization, and acting as Joint Company Secretary

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Name	Date appointed	Age	Position	Responsibility
William John Long Jr.	November 14, 2013	58	Independent Non-Executive Director	Participating in the decision-making of our Company's significant events; and advising on issues such as corporate governance, connected transactions, audit and remuneration of our Directors and senior management
Guido Croci	November 14, 2013	54	Independent Non-Executive Director	Participating in the decision-making of our Company's significant events; and advising on issues such as corporate governance, connected transactions, audit and remuneration of our Directors and senior management
Rupert William Nicholl	November 14, 2013	59	Independent Non-Executive Director	Participating in the decision-making of our Company's significant events; and advising on issues such as corporate governance, connected transactions, audit and remuneration of our Directors and senior management

Marco Ghisolfi is an Executive Director of our Company and our CEO. He joined the Ghisolfi Group in October 1990 as General Manager, after spending three years at Hewlett Packard's European headquarters in Geneva. In 1996, Mr. Ghisolfi was appointed Vice-President, Finance and Marketing for the Ghisolfi Group and was promoted to his current position within the Ghisolfi Group in the year 2000. Mr. Ghisolfi has a degree in Business Administration from Bocconi University in 1985 and has an MBA degree from the Columbia University Graduate School of Business, awarded in 1988. Mr. Ghisolfi is a member of the Board of our Mexican subsidiary M&G México Holding, S.A. de C.V. and our Luxembourg subsidiaries M&G Finance S.A. and M&G International S.à r.l.

Marco Toselli is an Executive Director of our Company and our Group Chief Financial Officer. He joined the Ghisolfi Group in 1999. Before joining the Ghisolfi Group, he was Head of Office, Principal Banker at the European Bank for Reconstruction and Development ("EBRD") in Ljubljana, Slovenia for six years. Prior to his EBRD experience, Mr. Toselli was a senior consultant with McKinsey in Italy. Mr. Toselli has a degree in Business Administration from Bocconi University, awarded in 1984 and has an MBA degree from the Columbia University Graduate School of Business, awarded in 1988. Mr. Toselli is a member of the Board of our Brazilian subsidiary M&G Poliéster S.A., which is listed on the São Paulo stock exchange, and our Luxembourg subsidiaries M&G Finance S.A. and M&G International S.à r.l.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Evert-Jan W. van der Slobe is an Executive Director of our Company and the Director of Finance and Control. He joined M&G in June 2000 at the time of the acquisition of the PET business of Shell, where he started working in 1998 and acted as Shell's Internal Finance Consultant, dealing with management reporting and treasury. Before Shell he worked in the audit practice of KPMG in the Netherlands from September 1992 to June 1998 as Audit Manager. Mr. Van der Slobe has been a Certified Public Accountant from the Royal Dutch Institute of certified Public Accountants since September 1997, and holds a MSC in Economic Science from the University of Amsterdam, awarded in 1992. He graduated in 1988 from the University of Amsterdam.

Mario Barbieri is an Executive Director of our Company and the Director of our Global Supply Chain. Mr. Barbieri graduated with a degree and doctorate in Chemical Engineering from the Polytechnic of Milan in 1982. He joined M&G International S.A. in June 2000 at the time of the acquisition of the PET business from Shell, where he started working in 1984 as Product Manager of Specialty Chemicals in Italy. He also held various management positions in chemicals and business management in Italy, France and the United Kingdom, including the role of Global Marketing and Sales Director in 1999 and 2000 while working at Shell.

Fredrick John Fournier is an Executive Director of our Company and the Director of Global Sales & Marketing of our Group. He joined M&G International S.A. in June 2000 at the time of the acquisition of the PET business from Shell, where he started working in 1992. At Shell, he had responsibility for raw materials and logistics contracts for Mexico and supported its European PET business in developing its raw materials strategy. Mr. Fournier holds a Bachelor of Arts, Social Sciences Comprehensive and Secondary Education from the University of Akron, Ohio where he graduated in 1972.

Massimo Martinetto is an Executive Director of our Company, the Internal Control Manager of our Group and the Joint Company Secretary of our Group. He joined M&G in 2012. He graduated with a degree in Business Administration from Bocconi University in Milan in 1988, following which he worked as a senior auditor at Price Waterhouse from 1987 to 1989. From 1994 through 2007 he was Finance and Administration Manager at Ristochef, the Italian branch of French group Elior (contract catering and concessions); from 2007 through 2011 at Finarte Casa d'Aste S.p.A., an auction firm listed on the Milan stock exchange; and from 2011 through 2012 at Nord Servizi S.r.l., a group active in the facility management business. Mr. Martinetto has extensive knowledge of internal organization, processes and risks. At both Ristochef and Finarte Casa d'Aste S.p.A., he oversaw the drafting of internal procedures, and at Finarte Casa d'Aste S.p.A., a listed company, he was responsible for internal controls. He is currently the Finance and Administration Manager of M&G International S.à r.l. While working at M&G, Mr. Martinetto has coordinated the due diligence work carried out by Ernst & Young for our internal controls analysis. Mr. Martinetto is a member of the Boards of our Luxembourg subsidiaries M&G Finance S.A. and M&G International S.à r.l.

William John Long Jr. is an Independent Non-executive Director of our Company. Mr. Long graduated from Northeastern University, in Boston Massachusetts with a Bachelor of Science Degree in Business Administration in 1979. From 1979 to 2012, he held various roles in the packaging industry, in the areas of finance, accounting, operations, sales, business development and general management, with several companies including Amcor Ltd, where he was President and CEO of Amcor Rigid Plastics, and from which he retired in June 2012. Since July 2012, he has been principal advisor of "WJL and Associates".

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Rupert William Nicholl is an Independent Non-executive Director of our Company. Mr. Nicholl graduated from Bristol University, England with an LLB in 1976. After becoming admitted as a solicitor by the Supreme Court of Hong Kong in June 1979, he joined a major Hong Kong local law firm, Johnson Stokes & Master, where he became a partner in 1984 and focused on a wide range of corporate transactions and finance deals (with an emphasis on asset-backed financing) and, subsequently, on the property industry dealing on investments into the residential and commercial sectors. He was a member of the Board of Lex Mundi, an association of independent law firms. At the end of 2004 he left Johnson Stokes & Master and established his own consultancy company, Orient Access Limited, which provides advisory and consulting services to clients focusing on legal, corporate, and structuring matters in relation to property and other investments. Mr. Nicholl was a director of Concordia Paper Limited (“CPL”), a Hong Kong-incorporated company, in December 1997. In November 1998, CPL was placed under receivership and two receivers were appointed who eventually ceased to act in 2007. In 1999, an order for the compulsory winding up of CPL was made by a Hong Kong court on the petition of a creditor of CPL.

Guido Croci is an Independent Non-executive Director of our Company. He has been on the roll of “Dottori Commercialisti ed Esperti Contabili” of Milan since June 11, 1986 and Official Statutory Auditor since April 12, 1995. He was a member of the Board of Directors of “Associazione Nazionale Dottori Commercialisti” from 1991 to 1995. Afterwards, he was Director of “Ordine dei Dottori Commercialisti” of Milan between 1995 and 2001 and between 2004 and 2008, he provided audit and consulting services for banks, trusts, financial, and industrial companies as well as serving as Trustee in bankruptcy for the Milan Court and for the Italian Ministry of the Economy. In 2007, Mr. Croci founded his own firm “Studio Croci — Dottori Commercialisti”. In 2004 and 2010, nominal administrative fines were levied on Mr. Croci by Bank of Italy as a member of Collegio Sindacale of Fidelity S.p.A. and of Collegio Sindacale of Avvenire SIM S.p.A. Such administrative levies relate to certain deficiencies in organizational, internal controls and management of credit at the relevant companies.

In view of Mr. Croci’s academic experience and expertise in the field of accounting, our Company considers that Mr. Croci possesses appropriate accounting and financial management expertise for the purpose of Rule 3.10 of the Hong Kong Listing Rules.

Except as disclosed herein, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there are no other matters relating to the appointment of Directors that need to be brought to the attention of the Shareholders, nor is there any information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Hong Kong Listing Rules, including matters relating to directorships held by Directors in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years immediately preceding the date of this prospectus.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

SENIOR MANAGEMENT

Name	Age	Position	Business addresses
Delane Richardson	54	Chief Technology Officer	Chemtex International Inc. 1979 Eastwood Road, Wilmington, NC 28403 USA
Mauro Fenoglio	45	Global Manufacturing Director	M&G Polymers USA LLC 450 Gears Road, Suite 240, Houston, TX 77067 USA
Sean Ma	58	President and CEO, Chemtex China	Chemtex International Trading Co. Ltd 7 Building, Lane 1000, Zhangheng Road Zhangjian Hi-Tech Park Pudong New District Shanghai, PRC, 2012100
José Veiga Veiga	65	Country Manager Brazil	M&G Polímeros Brasil S.A. World Trade Center Av. Nacoes Unidas, 12551 8º andar - Brooklin Novo 04578-903 São Paulo, SP Brazil
Dilip Kamath	58	CEO, Chemtex India	Chemtex Consulting of India Private Limited 301-307, 3rd Floor, “Prestige Terminus II” No. 9, Old Airport Exit Road Bangalore 560 017 India
Dennis Leong	52	Executive Vice President, Marketing and Business Development, Chemtex International	Chemtex International Inc. 1979 Eastwood Road, Wilmington, NC 28403 USA
Richard Wu	64	Senior Vice President, Chemtex China	Chemtex International Trading Co. Ltd 7 Building, Lane 1000, Zhangheng Road Zhangjian Hi-Tech Park Pudong New District Shanghai, PRC 2012100
Ramiro Garcia	59	PTA Corpus Christi Project Leader	Chemtex International Inc. 1979 Eastwood Road, Wilmington, NC 28403 USA

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Name	Age	Position	Business addresses
Kevin McCarren	44	Controller, Corpus Christi Project	M&G Polymers USA 450 Gears Road, Suite 240, Houston, TX 77067 USA
Ivan Ceriani	42	Procurement & Logistics, Corpus Christi Project	M&G International S.à.r.l. 37/a Ave. J.F. Kennedy L-1855 Luxembourg
Cynthia Anderson	44	Vice President Accounting and Finance — Chemtex International	Chemtex International Inc. 1979 Eastwood Road, Wilmington, NC 28403, USA
Cécile Bourland	49	Marketing Manager	M&G International S.à.r.l. 37/a Ave. J.F. Kennedy L-1855 Luxembourg

Delane Richardson is our Chief Technology Officer. Ms. Richardson was employed in a number of leadership positions in the polyester business during her 20 years with Eastman Chemical Company. Ms. Richardson joined the M&G Group in September 2001 as North America Research and Development Director. In 2011, Ms. Richardson transferred to Chemtex International Inc. as Vice President — PROESA® Business Development and in 2012 became Chief Technology Officer for the M&G Group. She is a distinguished 1981 graduate of the University of Kentucky graduating with high distinction in Chemical Engineering.

Mauro Fenoglio is our Global Manufacturing Director and the project leader of the Corpus Christi project. He graduated with a degree in Chemical Engineering from the Polytechnic of Turin in 1993 and joined the Ghisolfi Group in 1996 as process & design engineer. He was Technical Service Manager for the Packaging Division of M&G from 1998 to 2003, and Plant Manager of the Verbania Plant for Italtel from 2003 to 2005. After that, he moved to the United States where he was Americas Technical Service Manager and in 2007, he became Plant Manager of the Altamira, Mexico plant. Since 2008, he has been the PET Global Manufacturing Director.

Sean Ma is the President and CEO of Chemtex China and Project Leader of the China bio-MEG project. He joined M&G International S.A. in 2004 as President and CEO of Chemtex China. Mr. Ma joined Chemtex in 1990 and served as Chief Representative and General Manager of Chemtex's Beijing office. In 1996, he established Chemtex (China) Engineering Co., Ltd., an engineering Company in Beijing. In 2001 and 2007, he established Chemtex (Shanghai) International Trading Co., Ltd. and Chemtex (Shanghai) Chemical Engineering Co., Ltd., respectively. Mr. Ma graduated in 1978 from Anhui University with a Bachelor of Arts degree.

José Veiga Veiga is Country Manager, Brazil. He joined M&G in 2002 at the time of the acquisition of the PET, fiber and PTA business from Rhodia, where he started in 1973 as plant controller and then he became Controller, Financial Director and then Commercial Director. He held various positions at Rhodia, including in the Engineering Department and Tax Planning, he was Country Representative Brazil from 2003, and from 2006 he worked in Sales & Marketing Pet Resin. Mr. Veiga Veiga graduated from USP - Escola Politécnica da Universidade de São Paulo in Engineering and received a Certificate in Finance from FGV (Getúlio Vargas Foundation) in 1977. Mr. Veiga Veiga is a member of the Board of our Brazilian subsidiary M&G Poliéster S.A., which is listed on the São Paulo stock exchange.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Dilip Kamath is the CEO of Chemtex India and responsible for the provision of engineering support to the Corpus Christi and Asian projects. Prior to joining the M&G Group in 2008, Mr. Kamath worked for Essar Oil Ltd. as Vice President of the Refinery Expansion Project from 2007 to 2008 and from 1982 to 2007 he held various positions in Aker Kvaerner Powergas Limited in Mumbai, India, including General Manager of Projects. Mr. Kamath holds a bachelor of science degree in Mechanical Engineering ACGI from the Imperial College of Science and Technology in London (in 1977), and a Master's degree in Operational Research from the London School of Economics, awarded in 1978.

Dennis Leong is the Executive Vice President for Marketing and Business Development for Chemtex International, based in Wilmington, North Carolina, USA. Prior to joining Chemtex in 2008, Mr. Leong worked at Aker Kvaerner for twenty years starting in Canada, with subsequent assignments in Hong Kong, Singapore and the United Kingdom holding various engineering and business development positions. He has been a registered professional engineer in Canada since July 1987 with the Association of Professional Engineers of Ontario and graduated in 1984 from the University of British Columbia with a bachelor's degree in Applied Sciences (Chemical Engineering). Mr. Leong is not and has not been a director of any other listed companies in Hong Kong or overseas in the past three years.

Richard Wu is the Senior Vice President of Chemtex China. He has been with Chemtex for 27 years. He was EVP-Project of Chemtex International in Wilmington with more than 20 years' experience as a Project Manager and Project Director. He is a registered Professional Engineer in Illinois and North Carolina.

Ramiro R. Garcia is the PTA Corpus Christi Project Leader. He holds a bachelor's degree in Chemical Engineering from Tecnológico de Monterrey (Mexico) in 1975 and a master's degree in Industrial Engineering (1977) and a master's degree in Computer Science (1978) both from Stanford University (USA). Mr. Garcia began his career in ALFA as Planning Analyst in 1978 then he became Planning Manager at Corporate ALFA in 1983. In 1988, he joined GPT, as Planning and Finance VP, rising to become the CEO of GPT, a position he held for a number of years. During this period, from 1996 to 2008, he held different positions at the Chemicals Association in Mexico and the Industrial Association in Tamaulipas State. Mr. Garcia joined M&G in 2010.

Kevin McCarren is Controller, Corpus Christi Project. He joined the M&G Group in January 2001 following the acquisition of the PET business of Shell, where he started working in 1991 holding various accounting and finance positions with Shell in Houston, Texas. In M&G, he has been North America Controller and after that Finance Manager for the operation of the Altamira (Mexico) PET plant. Mr. McCarren is a 1991 graduate of Texas A&M University with a Bachelor of Business Administration degree in Finance.

Ivan Ceriani is Procurement & Logistics Leader, Corpus Christi Project. He joined the M&G Group in 2002. He worked previously in Polimeri Europa as a business analyst from 1998 to 2002. In M&G, he has held various positions in manufacturing, including Logistics Manager of the Apple Grove (US) plant and Procurement and Logistics, Corpus Christi Project. Mr. Ceriani has a Degree in Electronic Engineering from the Polytechnic of Milan (1997).

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Cynthia Anderson is Vice President Accounting and Finance — Chemtex International. She joined the M&G Group in 2012 from McGladery & Pullen in Raleigh, North Carolina where she was the Director of Consulting Services providing global accounting and other finance services to clients in over 20 countries from 2008 to 2012. Prior to McGladery & Pullen, she was the founder and principal of CD Anderson, a Certified Public Accountant (“CPA”) firm, from 2003 to 2008. Ms. Anderson has also served as Chief Financial Officer for Boney Management Services from 1997 to 2004. She was awarded her CPA designation in May 2000 and graduated in 1991 with a bachelor of science degree in business administration from Tennessee Technological University.

Cécile Bourland is the Marketing Manager of our Company. She joined the M&G Group in 2008 as Project Manager for barrier resins. In 2012, she was appointed Marketing Manager for Specialty Resins (bio-PET and barrier resins). Before that, she was New Business Development Manager at C’Capital (French packaging design agency — Groupe Dragon Rouge) from 2001 to 2002. Ms. Bourland started her career in the Danone Group where she spent more than 10 years and was involved in various brand management and central purchasing positions. She graduated from Ecole Supérieure de Commerce de Paris in 1986 and received an MBA from Columbia University (New York) in 1988.

Except as disclosed herein, none of the senior management of our Company held any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years immediately preceding the date of this prospectus.

COMMITTEES OF THE BOARD

Audit Committee

We have established an audit committee with written terms of reference on November 14, 2013 in compliance with Rule 3.21 of the Hong Kong Listing Rules and paragraph C.3 of the Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules. The primary responsibilities of our audit committee are to supervise our internal control, financial information disclosure and financial reporting matters, which include, among other things:

- proposing appointment, re-appointment or removal of external auditors;
- reviewing and monitoring the external auditors’ independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- reviewing the financial information of our Company;
- overseeing the financial reporting system and internal control procedures of our Company;
- enhancing the communication between internal auditors and external auditors; and
- reviewing arrangements which our Group’s employees can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters.

The audit committee comprises three Independent Non-Executive Directors, Mr. William John Long, Mr. Guido Croci and Mr. Rupert Nicholl. Mr Guido Croci is the Chairman of the audit committee.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Remuneration Committee

We have established a remuneration committee with written terms of reference on November 14, 2013 in compliance with Rule 3.25 of the Hong Kong Listing Rules and paragraph B.1 of the Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules. The primary responsibilities of our remuneration committee include, among others, the following:

- researching and recommending to the Board on our Company's structure and policy for all Directors', Supervisors' and senior management remuneration;
- determining, with delegated responsibility from the Board, or recommending to the Board the remuneration packages of individual executive Directors and members of the senior management;
- recommending to the Board on the remuneration of the non-executive Directors;
- reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct; and
- monitoring the implementation of remuneration policies of Directors, Supervisors and senior management.

Our remuneration committee currently consists of three members, being Mr. William John Long, Mr. Guido Croci and Mr. Mario Barbieri. Our remuneration committee is chaired by Mr. William John Long.

Nomination Committee

We have established a nomination committee with written terms of reference on November 14, 2013 in compliance with paragraph A.5 of the Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules to make recommendations to our Board on the appointment and re-appointment of Directors and review the structure, size and composition of our Board. Our nomination committee currently consists of three members, being Mr. William John Long, Mr. Guido Croci and Mr. Mario Barbieri. Our nomination committee is chaired by Mr. William John Long.

RETIREMENT SCHEMES

All executive Directors and each senior manager participates in retirement benefit and social security plans sponsored by the employing company and/or as may be provided for through the applicable government regulations for the countries in which they are employed.

In the United States, all employees participate in a government administered Social Security program requiring mandatory payroll contributions by both the employees and employers. Supplementing this Social Security program, are defined contribution 401(k) retirement savings plans sponsored by our Company in the United States. There is a defined benefit pension plan that affects only certain salary employees who have been employed by M&G Polymers USA. This plan was frozen

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

on January 1, 2011, therefore the defined benefit for the plan cannot increase for service or compensation received on or after January 1, 2011 for eligible employees. Beyond the retirement benefits generally described herein, there are no individual executive agreements or other retirement schemes obligating our Company to provide post-retirement income benefits in the future.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our executive Directors receive, in their capacity as our employees, compensation in the form of salaries, bonus, other allowances and benefits in kind, including our contribution to the pensions scheme of our executive Directors, in their capacity as employees, according to the law of the relevant jurisdiction.

The Board of Directors was appointed in 2013 and therefore there has been no remuneration paid to its members during the Track Record Period.

The aggregate amounts of remuneration (including fees, salaries, contributions to pension schemes, housing allowances and other allowances, benefits in kind and discretionary bonuses) which were paid to our Directors in their capacity as employees of the Ghisolfi Group during the three years ended December 31, 2010, 2011 and 2012 and six months ended June 30, 2013 were approximately €1.89 million, €1.84 million, €1.95 million, and €1.2 million, respectively.

The aggregate remuneration (including fees, salaries, contributions to pension schemes, housing allowances and other allowances and benefits in kind and discretionary bonuses) paid by our Group to the five highest paid individual employees of our Group for the three years ended December 31, 2010, 2011 and 2012 were approximately €2.3 million, €2.6 million and €2.5 million, respectively.

No remuneration was paid by our Group to our Directors or the five highest paid individual employees of our Group as an inducement to join or upon joining our Group or as a compensation for loss of office in respect of the years ended December 31, 2010, 2011 and 2012.

At the date of this prospectus there are no arrangements in place concerning the remuneration of the Board of Directors.

The remuneration and benefits in kind, excluding any discretionary bonus, that M&G Chemicals is expected to pay to its Executive Directors in their capacity as employees, for the financial year ending December 31, 2013, is €2.2 million. It is estimated that the remuneration and benefits in kind, excluding any discretionary bonus, payable to all our Directors, including both Executive and Independent Non-Executive Directors, equivalent to approximately €2.3 million in the aggregate, will be paid and granted to our Directors by us in respect of the financial year ending December 31, 2013 under arrangements in force at the date of this prospectus. In addition, going forward, we may establish a phantom share option scheme through which certain employees and members of senior management will be entitled to benefit from any appreciation in the price of our Shares over the five-year period subsequent to Listing. We expect this phantom share option scheme to provide for cash payments to participants in the scheme, determined by the trading performance of our Shares, in the maximum aggregate amount of €400,000 per year for five years. Appropriate announcements will be made by our Company at the time of establishment of such scheme.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

EMPLOYEE BENEFITS AND INCENTIVE SCHEME

We provide our key management in the PET business with a yearly discretionary incentive plan based on the financial condition and performance of our Company and individual performance and contribution to the business. In our Engineering business, we provide our employees with local incentive plans in line with the local labor practices.

M&G Polymers USA, LLC provides a defined benefit pension plan and a separate post-retirement medical benefit plan for its hourly and salary union employees. Provisions for pension obligations are established for benefits payable in the form of retirement, disability and surviving dependent pensions. Benefit amounts are dependent on an employee's years of service and level of compensation.

In Brazil we implemented a specific performance bonus system for all employees based on collective and individual annual performance objectives and targets, and we believe this incentive plan will maintain our competitiveness as an employer in the local Brazilian market.

Other conventional benefits, such as medical and defined contribution plans are provided on a local basis in the regions where we operates according to local labor market ordinary practices.

As at December 31, 2012, our total retirement benefit obligation was €3.0 million.

Please see "Appendix V — Statutory and General Information — 3. Further Information about our Directors and Substantial Shareholders — C. Pre-IPO Share Option Scheme" for a description of our pre-IPO share option plan.

JOINT COMPANY SECRETARIES

Mr. Martinetto is an Executive Director of our Company and the Internal Control Manager of our Group and our Company's Joint Company Secretary. His personal biography is included under "— Directors", above.

Ms. Aries Cheung Yuet Fan is a senior manager of the Corporate Services Division of Tricor Services Limited and our Company's Joint Company Secretary. Prior to joining Tricor Group, Ms. Cheung has worked in various listed companies and an international accounting firm with over 20 years of relevant experience. Ms. Cheung is an Associate of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. She has extensive experience in corporate secretarial, board advisory and corporate governance areas.

COMPLIANCE ADVISOR

We have appointed Rothschild (Hong Kong) Limited as our compliance advisor, or the Compliance Advisor upon Listing in compliance with Rule 3A.19 of the Hong Kong Listing Rules. Pursuant to Rule 3A.23 of the Hong Kong Listing Rules, the compliance advisor will advise us on the following circumstances:

- before the publication of any regulatory announcement, circular or financial report;

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

- where a transaction, which might be a notifiable or connected transaction is contemplated, including share issues and share repurchases;
- where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and
- where the Hong Kong Stock Exchange makes an inquiry of us regarding unusual movements in the price or trading volume of our Shares.

The term of the appointment will commence on the Listing Date and end on the date on which we distribute our annual report of our financial results for the first full financial year commencing after the Listing Date and such appointment may be extended by mutual agreement.

SUBSTANTIAL SHAREHOLDERS AND SELLING SHAREHOLDER

Substantial Shareholders

Prior to the completion of the Global Offering, Mossi & Ghisolfi S.p.A., a holding company wholly owned by the Ghisolfi Family, owns, through its 100% owned subsidiary M&G Finanziaria S.r.l., 100% of the capital stock of M&G International S.à r.l.

So far as our Directors are aware, immediately following the completion of the Global Offering (without taking into account any Shares which may be allotted pursuant to the exercise of the Over-allotment Option), the following persons will have beneficial interests or short positions in our Shares which would, absent the grant of any waiver, fall to be disclosed to us under the provision of Division 2 and 3 of Part XV of the SFO, or are directly and/or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of any member of our Group:

Name of Shareholder	Nature of interest and capacity	Immediately following the Global Offering (assuming the Over-allotment is not exercised)	
		Number of Shares held	Approximate percentage
M&G Finanziaria S.r.l. . . .	Beneficial owner	4,370,000,000	65.00%
Mossi & Ghisolfi S.p.A. . .	Interest in a controlled corporation ⁽¹⁾	4,370,000,000	65.00%

Note:

(1) M&G Finanziaria S.r.l. is wholly-owned by Mossi & Ghisolfi S.p.A. Therefore, Mossi & Ghisolfi S.p.A. is deemed to be interested in the Shares of our Company held by M&G Finanziaria S.r.l.

Save as disclosed above, our Directors are not aware of any person who will, immediately following completion of the Global Offering (without taking into account any Shares that may be issued pursuant to the exercise of the Options) (other than our Directors or chief executive officer), who will have beneficial interests or short positions in our Shares which would, absent the grant of any waiver, fall to be disclosed to us under the provisions of Division 2 and 3 of Part XV of the SFO, or is directly and/or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of any member of our Group.

Our substantial shareholders do not have any voting rights that will differ from the voting rights of the other shareholders after the completion of the Global Offering.

Save as disclosed above, none of our Directors is a legal or beneficial owner of any of our Shares. We are not aware of any arrangement that may at a subsequent date result in a change of control of our Company.

Selling Shareholder

Immediately before the Global Offering, the Selling Shareholder held the entire issued share capital of our Company and, immediately after completion of the Global Offering, will hold approximately 65% of our Company's enlarged issued share capital assuming the Over-allotment

SUBSTANTIAL SHAREHOLDERS AND SELLING SHAREHOLDER

Option is not exercised. If the Over-allotment Option is exercised in full, the Selling Shareholder will sell 352,958,000 Shares (assuming the Offer Price of HK\$1.80, being the mid-point of the estimated price range), representing approximately 5.25% of the total issued share capital of our Company, immediately following the Global Offering. The shareholding of the Selling Shareholder immediately prior to and following completion of the Global Offering, assuming the Over-allotment Option is exercised in full, is set out below:

<u>Selling Shareholder</u>	<u>Number of Shares held prior to sale of Shares</u>	<u>Number of Shares to be sold pursuant to the Over-allotment Option⁽¹⁾</u>	<u>Approximate percentage of shareholding and number of Shares after the Global Offering and exercise in full of the Over-allotment Option</u>	
			<u>(Shares)</u>	<u>(%)</u>
M&G Finanziaria S.r.l.	4,370,000,000	352,958,000	4,017,042,000	59.75

Note:

(1) Assuming the Offer Price is HK\$1.80, being the mid-point of the estimated price range.

SHARE CAPITAL

This section presents certain information regarding our share capital immediately before and following the completion of the Global Offering.

The authorized and issued share capital of our Company are as follows:

AUTHORIZED SHARE CAPITAL

As at the date of this prospectus and immediately after completion of the Global Offer, our authorized share capital was €860,000,000, divided into 8,600,000,000 Shares of €0.10 each.

ISSUED AND FULLY PAID SHARES

4,370,000,000	Shares in issue as of the date of this prospectus	€437,000,000
2,353,060,000	Shares to be issued by our Company pursuant to the Global Offering	€235,306,000
<u>6,723,060,000</u>	<u>Total issued share capital on completion of the Global Offering</u>	<u>€672,306,000</u>

On October 23, 2013, resolutions of the sole shareholder were passed to split the par value of our Shares from €1 each to €0.10 each. Save as aforesaid, there has been no share split, share consolidation or bonus issue during the Track Record Period and up to the Latest Practicable Date. For details on the changes in our share capital, please refer to the paragraph headed “B. Changes in the registered capital of our Company” in Appendix V to this prospectus.

ASSUMPTIONS

The above table assumes that the Global Offering becomes unconditional. It takes no account of any Shares which may be allotted and issued by our Company pursuant to the general mandates for the allotment and issue of Shares granted to the Directors as described below.

RANKING

The Shares in issue upon completion of the Global Offering will rank *pari passu* in all respects with all other Shares in issue or to be issued as mentioned in this prospectus and will qualify for all dividends, income or other distributions declared, made or paid and any other rights and benefits attaching or accruing to the Shares following the completion of the Global Offering.

GENERAL MANDATE TO ISSUE SHARES

To the extent permitted by the Articles and Luxembourg law, in particular with respect to the authorized share capital, our Directors have been granted a general unconditional mandate to allot, issue and deal with Shares or securities convertible into Shares or options, warrants or similar rights

SHARE CAPITAL

to subscribe for Shares or such convertible securities and to make or grant offers, agreements or options which would or might require the exercise of such powers, provided that the aggregate nominal value of Shares allotted or agreed to be allotted by the Directors other than pursuant to:

- (a) a rights issue;
- (b) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with our Articles; or
- (c) a specific authority granted by the Shareholders in general meeting,

shall not exceed the aggregate of:

- (i) twenty percent of the total nominal value of the share capital of our Company in issue immediately following the completion of the Global Offering; and
- (ii) the total nominal value of the share capital of our Company repurchased by our Company (if any) under the general mandate to repurchase Shares referred to in “— General Mandate to Repurchase Shares”.

This general mandate to issue Shares will expire:

- (1) at the conclusion of our next annual general meeting; or
- (2) at the end of the period within which we are required by any applicable law or our Articles to hold our next annual general meeting; or
- (3) when varied or revoked by an ordinary resolution of our Shareholders in general meeting,

whichever is the earliest.

For further details of this general mandate, please see “Appendix V — Statutory and General Information — 1. Further Information — D. Resolutions of our shareholders”.

GENERAL MANDATE TO REPURCHASE SHARES

To the extent permitted by the Articles and Luxembourg law and in compliance with the Hong Kong Listing Rules, our Directors have been granted a general unconditional mandate to exercise all the powers of our Company to repurchase Shares with a total nominal value of not more than ten percent of the total nominal value of our share capital in issue immediately following the completion of the Global Offering.

SHARE CAPITAL

This general mandate relates only to repurchases made on the Hong Kong Stock Exchange, or on any other stock exchange on which the Shares are listed (and which is recognized by the SFC and the Hong Kong Stock Exchange for this purpose), and made in accordance with the Hong Kong Listing Rules. A summary of the relevant Listing Rules is set out in “Appendix V — Statutory and General Information — 1. Further Information — E. Repurchase of Shares by our Company”.

This general mandate to repurchase Shares will expire:

- (a) at the conclusion of our next annual general meeting; or
- (b) at the end of the period within which we are required by any applicable law or our Articles to hold our next annual general meeting; or
- (c) when varied or revoked by an ordinary resolution of our Shareholders in general meeting,

whichever is the earliest.

For further details of this general mandate, please see “Appendix V — Statutory and General Information — 1. Further Information — D. Resolutions of our shareholders”.

DISTRIBUTION MANDATE

To the extent permitted by the Articles and Luxembourg law, our Directors have been granted a general unconditional mandate to make distributions to our Shareholders from our share premium account of up to €25 million, which forms part of the €300 million that has been credited to our share premium account as a result of the Reorganization. Our Directors confirm that, as at the Latest Practicable Date, we will remain solvent and the realizable value of our assets will be greater than our liabilities and our issued share capital and share premium accounts after such distribution of up to €25 million.

This general mandate to make distribution from share premium account will expire:

- (1) at the conclusion of our next annual general meeting; or
- (2) at the end of the period within which we are required by any applicable law or our Articles to hold our next annual general meeting; or
- (3) when revoked by a special resolution of our Shareholders in general meeting,

whichever is the earliest.

For further details of this general mandate, please see “Appendix V — Statutory and General Information — 1. Further Information — D. Resolutions of our shareholders”.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS AND PROSPECTS

See the discussion under the caption “Business — Our Strategies” and “Financial Information — Liquidity and Capital Resources — Capital expenditures” for a detailed description of our future plans.

USE OF PROCEEDS AND REASONS FOR THE LISTING

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$3,924.3 million (assuming an Offer Price of HK\$1.80 per Share, being the mid-point of the estimated offer price range) after deducting the underwriting fees and commissions and estimated expenses payable by us in relation to the Global Offering. We will not receive any proceeds from the exercise of the Over-allotment Option.

We intend to use the net proceeds we will receive from the Global Offering for the following purposes:

<u>Amount</u>	<u>Percentage of the total estimated net proceeds</u>	<u>Intended use of the net proceeds</u>
(HK\$ in millions)		
1,962.2	50%	Financing our China bio-MEG project
392.4	10%	Repaying bridge loans with affiliated entities of the Controlling Shareholders which may be entered into prior to Listing to bridge the equity financing of our Corpus Christi and China bio-MEG projects and to finance the acquisition of certain trademarks from M&G Finanziaria S.r.l.
1,177.3	30%	Financing our Corpus Christi project
196.2	5%	Repaying other existing borrowings which bear interest at rates above 5% and have maturities of less than 12 months
196.2	5%	General corporate purposes

In the event that the Offer Price is set at HK\$1.65 per Share (being the low end of the indicative offer price range), the net proceeds received by us will be approximately HK\$3,599.7 million. In the event that the Offer Price is set at HK\$1.95 per Share (being the high end of the indicative offer price range), the net proceeds received by us will be approximately HK\$4,248.9 million.

To the extent our net proceeds are more than expected, we will use the additional amounts to repay existing debt and for general corporate purposes on a pro rata basis. To the extent that our net proceeds are less than expected, we will reduce amounts allocated to repaying bridge loans, repaying other existing debt and general corporate purposes, and maintain unchanged amounts allocated to financing our China bio-MEG project and our Corpus Christi project.

FUTURE PLANS AND USE OF PROCEEDS

We estimate that the Selling Shareholder will receive net proceeds of approximately HK\$609.9 million if the Over-allotment Option is exercised in full (assuming an Offer Price of HK\$1.80 per Share, being the mid-point of the estimated offer price range). The Selling Shareholder will not receive any proceeds if the Over-allotment Option is not exercised.

We have elected to list our Shares on the Hong Kong Stock Exchange as a reflection of the importance of the Chinese market, and Asian markets more generally, for the growth and development of our business. In particular, financing our China bio-MEG will account for the largest share of the proceeds of the Global Offering; we believe that China is likely to be an important location for future projects in light of its land and agricultural resources; and Asia is a large and increasingly important market for polyester raw materials.

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HONG KONG UNDERWRITER

CITIC Securities Corporate Finance (HK) Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offer

Hong Kong Underwriting Agreement

As described in the Hong Kong Underwriting Agreement, we are offering the Hong Kong Public Offer Shares for subscription on the terms and subject to the conditions of this prospectus and the Application Forms at the Offer Price. Subject to the Listing Committee granting listing of, and permission to deal in, our Shares in issue and to be issued as mentioned herein, and to certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriter has agreed to subscribe or procure subscribers for the Hong Kong Public Offer Shares which are being offered but are not taken up under the Hong Kong Public Offer on the terms and subject to the conditions of this prospectus and the Application Forms.

The Hong Kong Underwriting Agreement is conditional upon and subject to, among other things, the International Purchase Agreement having been signed and becoming unconditional.

Grounds for termination

The Bookrunner (for itself and on behalf of the Hong Kong Underwriter) shall be entitled by notice in writing to the Company to terminate the Hong Kong Underwriting Agreement with immediate effect if at any time prior to 8:00 a.m. on the Listing Date:

- (a) there shall have developed, occurred, existed or come into effect:
 - (i) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the Brazilian Securities, Commodities and Futures Exchange; or
 - (ii) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent authority), the PRC, New York (imposed at Federal or New York State level or other competent authority), London, Luxembourg, the European Union or any member states thereof, Brazil or Mexico or any other jurisdiction in which any member of our Group conducts business or any other jurisdiction in which the Shares are offered in the Global Offering (collectively, the “Relevant Jurisdictions”), or any general disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any of those places or jurisdictions; or

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- (iii) any event, or series of events, in the nature of force majeure (including, without limitation, any acts of government, declaration of a national or international emergency or war, calamity, crisis, epidemic, pandemic, outbreak of disease, economic sanctions, the withdrawal of trading privileges, strikes, lock-outs, fire, explosion, flooding, earthquake, civil commotion, volcanic eruptions, riots, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism), in each case in or affecting any of the Relevant Jurisdictions; or
- (iv) any change or development involving a prospective change, or any event or series of events likely to result in any change or development involving a prospective change, in local, national, regional or international financial, economic, political, military, industrial, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, or the interbank markets and credit markets) or any monetary or trading settlement system (including, but not limited to, a change in the system under which the value of the Hong Kong currency is linked to that of the United States), in each case in or affecting any of the Relevant Jurisdictions; or
- (v) any new law (as defined in the Hong Kong Underwriting Agreement) or any change or development involving a prospective change in existing laws (as defined in the Hong Kong Underwriting Agreement) or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent authority (as defined in the Hong Kong Underwriting Agreement) in or affecting any of the Relevant Jurisdictions; or
- (vi) a change or development involving a prospective change in taxation (as defined in the Hong Kong Underwriting Agreement), exchange control, currency exchange rates or foreign investment regulations (including without limitation a material devaluation of the United States dollar or the Euro against Hong Kong dollar) or the implementation of any exchange control (except for the PRC, India, Brazil or Mexico) in any of the Relevant Jurisdictions); or
- (vii) any action (as defined in the Hong Kong Underwriting Agreement) of any third party being threatened or instigated against any company under our Group (a “Group Company”); or
- (viii) an executive Director being charged with an indictable offence or prohibited by operation of law (as defined in the Hong Kong Underwriting Agreement) or otherwise disqualified from taking part in the management of our Company and the commencement by any authority (as defined in the Hong Kong Underwriting Agreement) of any investigation or other action against an executive Director or an announcement by any authority (as defined in the Hong Kong Underwriting Agreement) that it intends to take any such action; or
- (ix) the chairman of our Company vacating his office; or
- (x) a prohibition on our Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares (including the option shares (as defined in the Hong Kong Underwriting Agreement)) pursuant to the terms of the Global Offering; or

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- (xi) any change or prospective change with respect to any of the risks set out in the section headed “Risk Factors” in this prospectus; or
- (xii) any adverse change in the status of, any of the legal proceedings involving any Group Company.

if the effect of any such event or circumstance specified in sub-paragraphs (iii) through (xi), individually or in the aggregate, in the sole opinion of the Bookrunner (for itself and on behalf of the Hong Kong Underwriter) after consultation with our Company to the extent reasonably practicable (1) has or will have or is likely to result in a material adverse change (as defined in the Hong Kong Underwriting Agreement); or (2) has or will have or is likely to have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offer or the level of interest under the International Offer or dealing in the Shares in the secondary market; or (3) makes or will make it inadvisable or inexpedient or impracticable for the Global Offering to proceed or to market the Global Offering on the terms and in the manner contemplated in this prospectus and the Application Forms; or (4) has or will have or is likely to have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing or delaying the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

- (b) there has come to the notice of the Bookrunner:
 - (i) that any statement contained in any of this prospectus and the Application Forms, and/or in any announcements issued or used by or on behalf of our Company in connection with the Global Offering (including any supplement or amendment thereto) was, when it was issued, or has become, untrue, incorrect or misleading, or that any estimate, forecast, expression of opinion, intention or expectation contained in this prospectus and the Application Forms and/or any announcements issued or used by or on behalf of our Company in connection with the Global Offering (including any supplement or amendment thereto) is not fair, honest or based on reasonable assumptions; or
 - (ii) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus and the Application Forms, constitute a material misstatement therein or a material omission therefrom; or
 - (iii) any breach of any of the obligations imposed upon any party to the Hong Kong Underwriting Agreement or the International Purchase Agreement (other than upon any of the Hong Kong Underwriter or the International Purchasers); or
 - (iv) any event, act or omission which gives or is likely to give rise to any liability of any of our Company and the Controlling Shareholders (for the purpose of the Hong Kong Underwriting Agreement and this section, exclude Vittorio Ghisolfi) (collectively, the “Warrantors”) pursuant to the indemnity provisions of the Hong Kong Underwriting Agreement; or
 - (v) any material adverse change (as defined in the Hong Kong Underwriting Agreement) with respect to the Group; or

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- (vi) any breach of, or any event rendering untrue or incorrect any of the representations, warranties and undertakings given by any of the Warrantors; or
- (vii) the Company withdraws this prospectus and the Application Forms (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering; or
- (viii) any person who is referred to as an expert in this prospectus (other than the Sole Sponsor) has withdrawn or is subject to withdraw its consent to being named in any of this prospectus, the preliminary offering circular (together with the pricing information (as defined in the Hong Kong Underwriting Agreement) and the final offering circular or to the issue of any of these documents; or
- (ix) a material contravention by any Group Company of the Hong Kong Listing Rules or any other law (as defined in the Hong Kong Underwriting Agreement) applicable to the Global Offering; or
- (x) non-compliance by any Warrantor or this prospectus and the Application Forms (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares) or any aspect of the Global Offering with the Hong Kong Listing Rules or any other law (as defined in the Hong Kong Underwriting Agreement) applicable to the Global Offering; or
- (xi) an order or petition for the winding up of any Group Company with substantive business operations or any composition or arrangement made by any such Group Company with its creditors or a scheme of arrangement entered into by any such Group Company or any resolution for the winding-up of any such Group Company or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any such Group Company or anything analogous thereto occurring in respect of any such Group Company; or
- (xii) a valid demand having been made by any creditor for repayment or payment of any indebtedness in respect of which any Group Company is liable prior to its stated maturity which demand has or could reasonably be expected to result in a material adverse change (as defined in the Hong Kong Underwriting Agreement).

Undertakings

Undertaking by our Company to the Stock Exchange pursuant to the Hong Kong Listing Rules

Pursuant to Rule 10.08 of the Hong Kong Listing Rules, we have undertaken to the Hong Kong Stock Exchange that we will not issue any further shares or securities convertible into equity securities (whether or not of a class already listed) or enter into any agreement to such issue within 6 months from the date on which our Shares commence dealing on the Stock Exchange (whether or not such issue of shares or securities will be completed within 6 months from the commencement of dealing) except:

- (a) any capitalisation issue, capital reduction or consolidation or sub-division of our Shares; and

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- (b) for our Shares which may be issued, as referred to in this prospectus, in connection with the Global Offering.

Undertaking by the Controlling Shareholders to the Hong Kong Stock Exchange pursuant to the Hong Kong Listing Rules

Pursuant to Rule 10.07(1) of the Listing Rules, the Controlling Shareholders have jointly and severally undertaken to each of the Hong Kong Stock Exchange and our Company that, except pursuant to the Global Offering or the Stock Borrowing Agreement or the exercise of the Over-allotment Option, the Controlling Shareholders shall not and shall procure that the relevant registered holder(s) of our Shares, any associates or companies controlled by the Controlling Shareholders or any nominees or trustees holding our Shares in trust for the Controlling Shareholders (as the case may be) shall not:

- (i) in the period commencing on the date of this prospectus and ending on the date which is six months from the date on which dealings in our Shares commence on the Hong Kong Stock Exchange (the “1st Six-month Period”), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of (but save pursuant to a pledge or charge as security in favour of an authorised institution for a bona fide commercial loan) any of our Shares or securities of our Company owned by the Controlling Shareholders or the relevant registered holder(s), nominee or trustee (including any interest in any shares in any company controlled by the Controlling Shareholders which is, directly or indirectly, the beneficial owner of any of the Controlling Shareholders’ Shares or securities of our Company) (the “Relevant Securities”); and
- (ii) in the period of a further six months commencing from the expiry of the 1st Six-month Period (the “2nd Six-month Period”), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of (but save pursuant to a pledge or charge as security in favour of an authorised institution for a bona fide commercial loan) any of the Relevant Securities if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, the Controlling Shareholders would cease to be the controlling shareholders (as defined in the Listing Rules) of our Company.

In addition, in accordance with Note 3 to Rule 10.07 of the Hong Kong Listing Rules, the Controlling Shareholders have jointly and severally undertaken to the Hong Kong Stock Exchange and our Company that, during the 1st Six month Period and the 2nd Six-month Period, the Controlling Shareholders will:

- (a) when any of the Controlling Shareholders pledges or charges any Shares beneficially owned by the Controlling Shareholders in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan, immediately inform our Company in writing of such pledge or charge together with the number of Shares so pledged or charged; and
- (b) when any of the Controlling Shareholders receives indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged Shares will be disposed of, immediately inform our Company of such indications.

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Lock-up

(i) *Lock-up on our Company*

Pursuant to the Hong Kong Underwriting Agreement, we have undertaken to the Sole Sponsor, the Global Coordinator, the Hong Kong Underwriter and each of them not to (except for the offer, allotment and issue of the Offer Shares pursuant to the Global Offering or the exercise of any options granted under the Pre-IPO Share Option Scheme, or by way of scrip dividend or similar arrangements in accordance with the Articles), and to procure each other Group Company not to, at any time during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is six months after the Listing Date (the “First Six-Month Period”), without the prior written consent of the Bookrunner (on behalf of the Hong Kong Underwriter) and unless in compliance with the requirements of the Listing Rules:

- (a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend or otherwise transfer or dispose of or create an encumbrance (as defined in the Hong Kong Underwriting Agreement) over, or agree to transfer or dispose of or create an encumbrance (as defined in the Hong Kong Underwriting Agreement) over, either directly or indirectly, conditionally or unconditionally, any Shares or any other securities of our Company or any shares or any other securities of any subsidiary of our Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to subscribe for or purchase, any Shares or any other securities of our Company or any shares or any other securities of such subsidiary of our Company, as applicable), or deposit Shares or such other securities with a depository in connection with the issue of depository receipts; or
- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or any other securities of our Company or any shares or any other securities of such subsidiary of our Company, as applicable, or any interest in any of the foregoing;
- (c) enter into any transaction with the same economic effect as any transaction specified in paragraph (a) or (b) above; or
- (d) offer to or agree to or announce any intention to effect any transaction specified in paragraph (a), (b) or (c) above;

in each case, whether any of the transactions specified in paragraph (a), (b) or (c) is to be settled by delivery of Shares or such other securities of the Company or shares or such other securities of such subsidiary, as applicable, or in cash or otherwise (whether or not the allotment or issue of Shares or such other securities of our Company or shares or such other securities of such subsidiary of our Company, as applicable, will be completed within the First Six-Month Period), provided that the restriction in paragraph (a) to (d) in respect of shares or securities of any

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subsidiary of our Company referenced to in paragraph (a) to (d) shall not apply if those transactions (A) are carried out by any subsidiary for the sole purpose of obtaining financing for our Group which is (i) entered in the ordinary course of business of our Group; (ii) do not exceed US\$ 150,000,000 (or its equivalent amount calculated based on the prevailing exchange rates of the relevant currencies as at the Listing Date) in aggregate during the First Six-Month Period; and (iii) those transactions do not involve the shares or securities of M&G International S.a.r.l. or (B) relate to the financing of the China bio-MEG project and the Corpus Christi project;

- (e) at any time during the period of six (6) months commencing on the date on which the First Six-Month Period expires (the “Second Six-Month Period”), without the prior written consent of the Bookrunner (which shall not be unreasonably withheld or delayed), enter into any of the transactions specified in paragraphs (a), (b) or (c) above or offer to or agree to or announce any intention to effect any such transaction such that any Controlling Shareholder (for the purpose of the Hong Kong Underwriting Agreement and this section, excludes Vittorio Ghisolfi), directly or indirectly, would cease to be a controlling shareholder (within the meaning defined in the Hong Kong Listing Rules) of our Company.

In the event that, at any time prior to the expiry of the Second Six-Month Period, our Company enters into any of the transactions specified in Clauses (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction, our Company shall take all reasonable steps to ensure that any such transaction, offer, agreement or announcement will not create a disorderly or false market in the Shares or any other securities of our Company.

Each of the Controlling Shareholders (for the purpose of the Hong Kong Underwriting Agreement and this section, exclude Vittorio Ghisolfi) hereby undertakes to the Sole Global Coordinator, the Hong Kong Underwriter and each of them to use best endeavours to procure our Company to comply with the above undertakings.

(ii) *Lock-up on the Controlling Shareholders*

The Controlling Shareholders (for the purpose of the Hong Kong Underwriting Agreement and this section, exclude Vittorio Ghisolfi) has jointly and severally undertakes to our Company, the Sole Sponsor, the Bookrunner, the Hong Kong Underwriter and each of them that, without the prior written consent of the Bookrunner (on behalf of the Hong Kong Underwriter) and unless in compliance with the requirements of the Hong Kong Listing Rules:

- (a) it will not, and shall procure that none of its associates (as defined in the Hong Kong Listing Rules) or companies controlled by it or any nominee or trustee holding in trust for it will (save as pursuant to the Global Offering, including pursuant to the Stock Borrowing Agreement), at any time during the First Six-Month Period, (i) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance (as defined in the Hong Kong Underwriting Agreement) over, or agree to transfer or dispose of or create an encumbrance (as defined in the Hong Kong Underwriting Agreement) over, either directly or indirectly, conditionally or unconditionally, any Shares or any other securities of our Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any other securities of

UNDERWRITING

our Company, or securities in any company or entity which directly or indirectly holds the Shares), or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or any other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any other securities of our Company), or (iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above, or (iv) offer to or agree to or announce any intention to effect any transaction specified in (i), (ii) or (iii) above, in each case, whether the transaction is to be settled by delivery of Shares or such other securities of our Company or in cash or otherwise (whether or not the offer or sale of Shares or such other securities of our Company will be completed within the First Six-Month Period); and

- (b) it will not, and shall procure that none of its associates (as defined in the Hong Kong Listing Rules) or companies controlled by it or any nominee or trustee holding in trust for it will, at any time during the Second Six-Month Period, enter into any of the transactions specified in (a)(i), (ii) or (iii) above or offer to or agree to or announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance (as defined in the Hong Kong Underwriting Agreement) pursuant to such transaction, it will cease to be a “controlling shareholder” (as defined in the Hong Kong Listing Rules) of our Company but this undertaking shall not prohibit a transfer of shares in Mossi & Ghisolfi S.p.A. by any of the deceased Controlling Shareholder (for the purpose of the Hong Kong Underwriting Agreement and this section, exclude Vittorio Ghisolfi) to his/her executor and/or personal representative.

(iii) *Use of Shares as security by the Controlling Shareholders*

Without limiting the above provisions, each of the Controlling Shareholders (for the purpose of the Hong Kong Underwriting Agreement and this section, exclude Vittorio Ghisolfi) has further jointly and severally undertaken to our Company, the Sole Sponsor, the Bookrunner and the Hong Kong Underwriter and each of them that, it will, at any time during the Second Six-Month Period:

- (d) if he/it intends to create in favour of any third party any pledge or charge over any Shares or securities or interests in the Shares or securities of our Company beneficially owned by him/it, immediately inform our Company, the Sole Sponsor and the Bookrunner in writing of such pledge or charge together with the number of Shares or securities so pledged or charged prior to entering into such arrangement; and
- (e) upon any indication received by such Controlling Shareholder (for the purpose of the Hong Kong Underwriting Agreement and this section, exclude Vittorio Ghisolfi), either verbal or written, from any pledgee or chargee that any of the pledged or charged Shares or securities or interests in the Shares or securities of our Company will be disposed of, immediately inform our Company, the Sole Sponsor and the Bookrunner in writing of such indications.

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Our Company agrees and undertakes to the Sole Sponsor and the Bookrunner and each of them that, upon receiving such information in writing from either of the Controlling Shareholders (for the purpose of the Hong Kong Underwriting Agreement and this section, exclude Vittorio Ghisolfi), it shall, as soon as practicable, notify the Hong Kong Stock Exchange and make an announcement in accordance with the Listing Rules.

International Offer

In connection with the International Offer, it is expected that we will enter into the International Purchase Agreement with the Bookrunner and the International Purchasers. Under the International Purchase Agreement, the International Purchasers would, subject to certain conditions set out therein, severally agree to purchase the International Offer Shares being offered pursuant to the International Offer or procure purchasers for such International Offer Shares.

The Selling Shareholder will grant to the International Purchasers the Over-allotment Option, exercisable by the Sole Global Coordinator on behalf of the International Purchasers at any time from The Listing Day until 30 days after the last day for the lodging of applications under the Hong Kong Public Offer, to require the Selling Shareholder to sell up to 352,958,000 additional Shares, representing, in aggregate, 15% of the initial Offer Shares, at the Offer Price to cover, among other things, over-allocations in the International Offer, if any.

Commission and expenses

Under the terms and conditions of the Hong Kong Underwriting Agreement, the Hong Kong Underwriter will receive a gross underwriting commission of 2.5% of the aggregate Offer Price in respect of all of the Hong Kong Public Offer Shares, out of which they will pay any sub-underwriting commissions. Our Company may, in its discretion, pay discretionary bonus up to 0.5% of the aggregate Offer Price in respect of the Hong Kong Public Offer Shares.

The Sole Sponsor will in addition receive sponsorship fees. The underwriting commission, financial advisory fees, listing fees, the Hong Kong Stock Exchange trading fee, the SFC transaction levy, legal and other professional fees together with printing and other expenses relating to the Global Offering, assuming an Offer Price of HK\$1.80 (being the mid-point of our offer price range of HK\$1.65 to HK\$1.95 per Share), are estimated to amount to approximately HK\$311.2 million in total.

Underwriters' Interests in our Company

Save as disclosed above, none of the Underwriters is interested legally or beneficially in any shares of any of our members or has any right or option (whether legally enforceable or not) to subscribe for or purchase or to nominate persons to subscribe for or purchase securities in any of our members in the Global Offering.

MINIMUM PUBLIC FLOAT

Our Directors will ensure that there will be a minimum of 25% of the total issued share capital of our Company in public hands in accordance with Rule 8.08 of the Hong Kong Listing Rules after completion of the Global Offering.

STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offer as part of the Global Offering. The Global Offering comprises:

- (i) the Hong Kong Public Offer of initially 235,308,000 new Shares (subject to adjustment and reallocation as mentioned below) in Hong Kong as described below in the paragraph headed “The Hong Kong Public Offer”; and
- (ii) the International Offer of initially 2,117,752,000 new Shares (subject to adjustment, reallocation and the Over-allotment Option as mentioned below) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, and in the United States to QIBs in reliance on Rule 144A or another exemption from the registration requirements under the U.S. Securities Act.

Investors may apply for Shares under the Hong Kong Public Offer or apply for or indicate an interest for Shares under the International Offer, but may not do both.

References in this prospectus to applications, Application Forms, application monies or the procedure for application relate solely to the Hong Kong Public Offer.

THE HONG KONG PUBLIC OFFER

Number of Shares initially offered

We are initially offering 235,308,000 new Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10% of the total number of Shares available under the Global Offering. Subject to the reallocation of Shares between (i) the International Offer and (ii) the Hong Kong Public Offer, the Hong Kong Public Offer Shares will represent approximately 3.5% of our Company’s enlarged issued share capital immediately after completion of the Global Offering, whether or not the Over-allotment Option is not exercised, and without taking into account Shares issuable upon exercise of options granted under the Pre-IPO Share Option Scheme or as may be granted under the Share Option Scheme.

The Hong Kong Public Offer is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Completion of the Hong Kong Public Offer is subject to the conditions as set out in the paragraph headed “Conditions of the Hong Kong Public Offer”.

Allocation

Allocation of Shares to investors under the Hong Kong Public Offer will be based solely on the level of valid applications received under the Hong Kong Public Offer. The basis of allocation may vary, depending on the number of Hong Kong Public Offer Shares validly applied for by applicants.

STRUCTURE OF THE GLOBAL OFFERING

Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Public Offer Shares.

The total number of Hong Kong Public Offer Shares available under the Hong Kong Public Offer (after taking account of any reallocation referred to below) is to be divided into two pools for allocation purposes: pool A and pool B. The Offer Shares in pool A will consist of 117,654,000 Offer Shares and will be allocated on an equitable basis to applicants who have applied for Offer Shares with an aggregate price of HK\$5 million (excluding the brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee payable) or less. The Offer Shares in pool B will consist of 117,654,000 Offer Shares and will be allocated on an equitable basis to applicants who have applied for Offer Shares with an aggregate price of more than HK\$5 million and up to the total value of pool B (excluding the brokerage, SFC transaction levy and Hong Kong Stock Exchange trading fee payable). Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If Offer Shares in one (but not both) of the pools are under-subscribed, the surplus Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of this paragraph only, the “price” for Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Offer Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications and any application for more than 117,654,000 Offer Shares, being the number of Offer Shares initially allocated to each pool, are to be rejected.

Reallocation

The allocation of the Offer Shares between the Hong Kong Public Offer and the International Offer is subject to adjustment. If the number of Offer Shares validly applied for under the Hong Kong Public Offer represents (i) 15 times or more but less than 50 times, (ii) 50 times or more but less than 100 times, and (iii) 100 times or more of the number of Offer Shares initially available under the Hong Kong Public Offer, then Offer Shares will be reallocated to the Hong Kong Public Offer from the International Offer. As a result of such reallocation, the total number of Offer Shares available under the Hong Kong Public Offer will be increased to 705,920,000 Offer Shares (in the case of (i)), 941,224,000 Offer Shares (in the case of (ii)) and 1,176,532,000 Offer Shares (in the case of (iii)), representing approximately 30%, 40% and 50% of the Offer Shares initially available under the Global Offering, respectively (before any exercise of the Over-allotment Option). In each case, the additional Offer Shares reallocated to the Hong Kong Public Offer will be allocated between pool A and pool B and the number of Offer Shares allocated to the International Offer will be correspondingly reduced in such manner as the Sole Global Coordinator deems appropriate. In addition, the Sole Global Coordinator may reallocate Offer Shares from the International Offer to the Hong Kong Public Offer to satisfy valid applications under the Hong Kong Public Offer.

The Offer Shares to be offered in the Hong Kong Public Offer and the International Offer may, in certain circumstances, be reallocated as between these offerings at the discretion of the Sole Global Coordinator.

Applications

Each applicant under the Hong Kong Public Offer will also be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he

STRUCTURE OF THE GLOBAL OFFERING

is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offer, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or he has been or will be placed or allocated Offer Shares under the International Offer.

Applicants under the Hong Kong Public Offer are required to pay, on application, the maximum price of HK\$1.95 per Offer Share in addition to the brokerage, SFC transaction levy and Hong Kong Stock Exchange trading fee payable on each Offer Share. If the Offer Price, as finally determined in the manner described in the paragraph headed "Pricing and Allocation" below, is less than the maximum price of HK\$1.95 per Offer Share, appropriate refund payments (including the brokerage, SFC transaction levy and Hong Kong Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. Further details are set out below in the section headed "How to Apply for Hong Kong Public Offer Shares" in this prospectus.

THE INTERNATIONAL OFFER

Number of Offer Shares offered

The International Offer will consist of an initial offering of 2,117,752,000 new Shares, representing approximately 90% of the total number of Offer Shares available under the Global Offering.

Allocation

The International Offer will include selective marketing of Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offer will be effected in accordance with the "book-building" process described in the paragraph headed "Pricing and Allocation" below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Shares, and/or hold or sell its Shares, after the listing of our Shares on the Hong Kong Stock Exchange. Such allocation is intended to result in a distribution of our Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Company and its shareholders as a whole.

The Sole Global Coordinator (on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offer and who has made an application under the Hong Kong Public Offer, to provide sufficient information to the Sole Global Coordinator so as to allow them to identify the relevant applications under the Hong Kong Public Offer and to ensure that they are excluded from any application of Offer Shares under the Hong Kong Public Offer.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, it is expected that the Selling Shareholder will grant the Over-allotment Option to the International Purchasers, exercisable by the Sole Global Coordinator on behalf of the International Purchasers.

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Pursuant to the Over-allotment Option, the International Purchasers have the right, exercisable by the Sole Global Coordinator at any time from the Listing Date until the 30th day after the last day for lodging applications under the Hong Kong Public Offer, to require the Selling Shareholder to sell up to 352,958,000 additional Shares, representing approximately 15% of the initial Offer Shares, at the same price per Share under the International Offer, to, among other things, cover over-allocations in the International Offer, if any. If the Over-allotment Option is exercised in full, the additional International Offer Shares will represent approximately 5.25% of our enlarged issued share capital immediately following the completion of the Global Offering and the exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, a press announcement will be made.

STOCK BORROWING ARRANGEMENT

For the purpose of settlement of over-allocations in the International Offer, the Stabilizing Manager may choose to borrow up to 352,958,000 Shares from M&G Finanziaria S.r.l. pursuant to the stock borrowing arrangement (being the maximum number of Shares which may be issued and sold pursuant to the Over-allotment Option), or acquire Shares from other sources, including exercising the Over-allotment Option.

If such stock borrowing arrangement with M&G Finanziaria S.r.l. is entered into, it will only be effected by the Stabilizing Manager for the purpose of settlement of over-allocation in the International Offer and such arrangement is not subject to the restrictions of Rule 10.07(1)(a) of the Hong Kong Listing Rules provided that the requirements set forth in Rule 10.07(3) of the Hong Kong Listing Rules are complied with:

- (a) the Stock Borrowing Agreement is fully described in this prospectus and must be for the sole purpose of covering any short position prior to the exercise of the Over-allotment Option in the International Offer;
- (b) the maximum number of our Shares to be borrowed from M&G Finanziaria S.r.l. by the Stabilizing Manager is the maximum number of Shares that may be sold upon full exercise of the Over-allotment Option;
- (c) the same number of Shares so borrowed will be returned to M&G Finanziaria S.r.l. or its nominees, as the case may be, within three business days after the last day on which the Over-allotment Option may be exercised or, if earlier, the date on which the Over-allotment Option is exercised in full;
- (d) the borrowing of Shares pursuant to the Stock Borrowing Agreement will be effected in compliance with all applicable Hong Kong Listing Rules, laws and other regulatory requirements; and
- (e) no payments will be made to M&G Finanziaria S.r.l. by the Stabilizing Manager in relation to such Stock Borrowing Agreement.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the newly issued securities in the

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secondary market, during a specified period of time, to retard and, if possible, prevent any decline in the market price of the securities below the Offer Price. In Hong Kong and a number of other jurisdictions, activity aimed at reducing the market price is prohibited, and the price at which stabilization is effected is not permitted to exceed the Offer Price.

In connection with the Global Offering, CITIC Securities Corporate Finance (HK) Limited, its affiliates or any person acting for it, as stabilizing manager, on behalf of the Underwriters, may effect transactions with a view to stabilizing or supporting the market price of our Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on CITIC Securities Corporate Finance (HK) Limited, its affiliates or any persons acting for them, to conduct any such stabilizing action. Such stabilization action, if commenced, may be discontinued at any time, and is required to be brought to an end after a limited period. Should stabilizing transactions be effected in connection with the Global Offering, this will be at the absolute discretion of CITIC Securities Corporate Finance (HK) Limited, its affiliates or any person acting for them.

Stabilization activities will only be entered into in accordance with the laws, rules and regulations in place in Hong Kong on stabilization. Stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules, as amended, includes (i) over-allocating for the purpose of preventing or minimizing any reduction in the market price of our Shares, (ii) selling or agreeing to sell our Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of our Shares, (iii) purchasing or subscribing for, or agreeing to purchase or subscribe for, our Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above, (iv) purchasing, or agreeing to purchase, any of our Shares for the sole purpose of preventing or minimizing any reduction in the market price of our Shares, (v) selling or agreeing to sell any Shares in order to liquidate any position established as a result of those purchases and (vi) offering or attempting to do anything as described in (ii), (iii), (iv) or (v) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- CITIC Securities Corporate Finance (HK) Limited, its affiliates or any person acting for them, may, in connection with the stabilizing action, maintain a long position in our Shares;
- there is no certainty regarding the extent to which and the time or period for which CITIC Securities Corporate Finance (HK) Limited, its affiliates or any person acting for them, will maintain such a long position;
- liquidation of any such long position by CITIC Securities Corporate Finance (HK) Limited, its affiliates or any person acting for them, may have an adverse impact on the market price of our Shares;
- no stabilizing action can be taken to support the price of our Shares for longer than the stabilizing period which will begin on the Listing Date, and is expected to expire on the 30th day after the last date for lodging applications under the Hong Kong Public Offer. After this date, when no further stabilizing action may be taken, demand for our Shares, and therefore the price of our Shares, could fall;

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- the price of our Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and
- stabilizing bids may be made or transactions effected in the course of the stabilizing action at any price at or below the Offer Price, which means that stabilizing bids may be made or transactions effected at a price below the price paid by applicants for, or investors in, our Shares.

Following any over-allocation of Shares in connection with the Global Offering resulting in a short position, CITIC Securities Corporate Finance (HK) Limited, its affiliates or any person acting for them may cover such short position by (among other methods) using Shares purchased by CITIC Securities Corporate Finance (HK) Limited, its affiliates or any person acting for them in the secondary market or by exercising the Over-allotment Option in full or in part during the period when stabilization activities are permitted and any such purchases or exercise will be made in accordance with the laws, rules and regulations in place in Hong Kong, including in relation to stabilization, the Securities and Futures (Price Stabilizing) Rules, as amended, made under the SFO. The covered short position will not exceed the number of Shares which may be sold upon exercise of the Over-allotment Option, being 352,958,000 Shares, representing approximately 15% of the Offer Shares initially available under the Global Offering.

PRICING AND ALLOCATION

The International Purchasers will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offer. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offer they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building”, is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offer.

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, which is expected to be on or around December 7, 2013 and in any event on or before December 12, 2013, by agreement between the Sole Global Coordinator, on behalf of the Underwriters, and our Company and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

The Offer Price per Offer Share under the Hong Kong Public Offer will be identical to the Offer Price per Offer Share under the International Offer based on the Hong Kong dollar price per Offer Share under the International Offer, as determined by the Bookrunner, on behalf of the Underwriters, and our Company. The brokerage of 1%, SFC transaction levy of 0.003% and the Hong Kong Stock Exchange trading fee of 0.005% will be payable by the investors thereon.

The Offer Price will not be more than HK\$1.95 per Offer Share and is expected to be not less than HK\$1.65 per Offer Share unless otherwise announced, as further explained below, not later than the morning of the last day for lodging applications under the Hong Kong Public Offer. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative offer price range stated in this prospectus.

The Sole Global Coordinator, on behalf of the Underwriters, may, where considered appropriate, based on the level of interest expressed by prospective professional and institutional investors during

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the book-building process, and with the consent of our Company, reduce the number of Offer Shares and/or the indicative offer price range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offer. In such a case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offer, cause there to be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) and on the websites of the Hong Kong Stock Exchange at www.hkexnews.hk and our Company at www.mg-chemicals.com notices of the reduction. Upon issue of such a notice, the revised offer price range will be final and conclusive and the Offer Price, if agreed upon by the Bookrunner, on behalf of the Underwriters, and our Company, will be fixed within such revised offer price range. Applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the indicative offer price range may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offer. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change as a result of any such reduction. Applicants under the Hong Kong Public Offer should note that in no circumstances can applications be withdrawn once submitted, even if the number of Offer Shares and/or the offer price range is so reduced. In the absence of any such notice so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon with our Company and the Bookrunner, will under no circumstances be set outside the offer price range as stated in this prospectus.

In the event of a reduction in the number of Offer Shares, the Sole Global Coordinator may, at its discretion, reallocate the number of Offer Shares to be offered in the Hong Kong Public Offer and the International Offer, provided that the number of Offer Shares comprised in the Hong Kong Public Offer shall not be less than 10% of the total number of Offer Shares available under the Global Offering (assuming the Over-allotment Option is not exercised). The Offer Shares to be offered in the Hong Kong Public Offer and the Offer Shares to be offered in the International Offer may, in certain circumstances, be reallocated between these offerings at the discretion of the Sole Global Coordinator.

The net proceeds from the Global Offering accruing to us (after deduction of underwriting fees and estimated expenses payable by us in relation to the Global Offering, assuming that the Over-allotment Option is not exercised), are estimated to be approximately HK\$3,924.3 million, assuming an Offer Price of HK\$1.80 per Offer Share, being the approximate mid-point of the proposed offer price range of HK\$1.65 to HK\$1.95.

The final Offer Price, the level of indications of interest in the Global Offering and the basis of allotment of Offer Shares available under the Hong Kong Public Offer are expected to be announced on December 13, 2013 in the South China Morning Post (in English), the Hong Kong Economic Times (in Chinese) and on the websites of the Hong Kong Stock Exchange at www.hkexnews.hk and our Company at www.mg-chemicals.com.

HONG KONG UNDERWRITING AGREEMENT

The Hong Kong Public Offer is fully underwritten by the Hong Kong Underwriter under the terms of the Hong Kong Underwriting Agreement and is subject to our Company and the Bookrunner, on behalf of the Underwriters, agreeing on the Offer Price.

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We expect to enter into the International Purchase Agreement relating to the International Offer on the Price Determination Date.

These underwriting arrangements, and the Hong Kong Underwriting Agreement and the International Purchase Agreement, are summarized in the section headed “Underwriting” in this prospectus.

CONDITIONS OF THE HONG KONG PUBLIC OFFER

Acceptance of all applications for Offer Shares pursuant to the Hong Kong Public Offer will be conditional on (among others):

- (i) the Listing Committee of the Hong Kong Stock Exchange granting approval for the listing of, and permission to deal in, our Shares in issue and our Shares being offered pursuant to the Global Offering (including the Offer Shares which may be made available pursuant to the Over-allotment Option) on the Main Board, and such listing and permission not having been subsequently revoked prior to the commencement of dealings in Shares on the Hong Kong Stock Exchange;
- (ii) the execution and delivery of the International Purchase Agreement on the Price Determination Date; and
- (iii) the obligations of the Hong Kong Underwriter under the Hong Kong Underwriting Agreement and the obligations of the International Purchasers under the International Purchase Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the Hong Kong Underwriting Agreement or the International Purchase Agreement (unless and to the extent such conditions are validly waived on or before such dates and times).

If, for any reason, the Offer Price is not agreed between our Company and the Bookrunner (on behalf of the Underwriters) on or before December 12, 2013, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offer and the International Offer is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with their respective terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Hong Kong Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offer will be published by our Company in the South China Morning Post (in English), the Hong Kong Economic Times (in Chinese) and on the websites of the Hong Kong Stock Exchange at www.hkexnews.hk and our Company at www.mg-chemicals.com on the next day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in the section headed “How to Apply for Hong Kong Public Offer Shares — 14. Despatch/Collection of Share Certificates and Refund Monies”. In the meantime, all application monies will be held in separate bank account(s) with the receiving bank or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

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Share certificates for the Offer Shares will only become valid certificates of title at 8:00 a.m. on December 16, 2013 provided that (i) the Global Offering has become unconditional in all respects and (ii) the right of termination as described in the section headed “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offer — Hong Kong Underwriting Agreement — Grounds for termination” has not been exercised.

APPLICATION FOR LISTING ON THE HONG KONG STOCK EXCHANGE

We have applied to the Listing Committee of the Hong Kong Stock Exchange for listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering.

SHARES WILL BE ELIGIBLE FOR CCASS

All necessary arrangements have been made enabling our Shares to be admitted to the CCASS, established and operated by the Hong Kong Securities Clearing Company, or HKSCC. If the Hong Kong Stock Exchange grants the listing of, and permission to deal in, our Shares and our Company complies with the stock admission to deal in, our Shares and our Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Hong Kong Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

DEALING

Assuming that the Hong Kong Public Offer becomes unconditional at or before 8:00 a.m. in Hong Kong on December 16, 2013, it is expected that dealings in our Shares on the Hong Kong Stock Exchange will commence at 9:00 a.m. on December 16, 2013.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

1. HOW TO APPLY

If you apply for Hong Kong Public Offer Shares, then you may not apply for or indicate an interest for International Offer Shares.

To apply for Hong Kong Public Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form;
- apply online via the **White Form eIPO** service (www.eipo.com.hk); or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

Our Company, the Sole Global Coordinator, the designated **White Form eIPO** service provider and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

You can apply for Hong Kong Public Offer Shares on a **WHITE** or **YELLOW** Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States (as defined in Regulation S under the U.S. Securities Act); and
- are not a legal or natural person of the PRC.

If you apply online through the **White Form eIPO** service, in addition to the above, you must also: (i) have a valid Hong Kong identity card number and (ii) provide a valid e-mail address and a contact telephone number.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the application form must be signed by a duly authorised officer, who must state his representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, the Sole Global Coordinator may accept it at their discretion and on any conditions they think fit, including evidence of the attorney's authority.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

The number of joint applicants may not exceed four and they may not apply by means of the **White Form eIPO** service for the Hong Kong Public Offer Shares.

Unless permitted by the Hong Kong Listing Rules, you cannot apply for any Hong Kong Public Offer Shares if you are:

- an existing beneficial owner of Shares in our Company and/or any our subsidiaries;
- a Director or chief executive officer of our Company and/or any of our subsidiaries;
- an associate (as defined in the Hong Kong Listing Rules) of any of the above;
- a connected person (as defined in the Hong Kong Listing Rules) of our Company or will become a connected person of our Company immediately upon completion of the Global Offering; and
- have been allocated or have applied for any International Offer Shares or otherwise participate in the International Offer.

3. APPLYING FOR HONG KONG PUBLIC OFFER SHARES

Which Application Channel to Use

For Hong Kong Public Offer Shares to be issued in your own name, use a **WHITE** Application Form or apply online through the **White Form eIPO** service.

For Hong Kong Public Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, use a **YELLOW** Application Form or electronically instruct HKSCC via CCASS to cause HKSCC Nominees to apply for you.

Where to Collect the Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours from 9:00 a.m. on Friday, November 29, 2013 till 12:00 noon on Friday, December 6, 2013 from:

- (i) the office of the Hong Kong Underwriter:

CITIC Securities Corporate Finance
(HK) Limited

26/F, CITIC Tower, 1 Tim Mei Avenue, Central,
Hong Kong

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

(ii) any of the branches of the following receiving bank:

Standard Chartered Bank (Hong Kong) Limited

	<u>Branch Name</u>	<u>Address</u>
Hong Kong Island	Quarry Bay Branch	G/F, Westlands Gardens, 1027 King's Road, Quarry Bay
	Aberdeen Branch	Shop 4A, G/F and Shop 1, 1/F, Aberdeen Centre Site 5, No.6-12 Nam Ning Street, Aberdeen
	Shun Tak Centre Branch	Shop 294-295, 296 A&B, 2/F, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong
Kowloon	Kwun Tong Hoi Yuen Road Branch	G/F, Fook Cheong Building, No. 63 Hoi Yuen Road, Kwun Tong, Kowloon
	Mongkok Branch	Shop B, G/F, 1/F & 2/F, 617-623 Nathan Road, Mongkok
	Cheung Sha Wan Branch	828 Cheung Sha Wan Road, Cheung Sha Wan
	Mei Foo Manhattan Branch	Shop Nos.07 & 09, Ground Floor, Mei Foo Plaza, Mei Foo Sun Chuen
New Territories	Tsuen Wan Branch	Shop C, G/F & 1/F, Jade Plaza, 298 Sha Tsui Road, Tsuen Wan
	Maritime Square Branch	Shop 308E, Level 3, Maritime Square, Tsing Yi
	New Town Plaza Branch	Shop 215, 222 & 223, Phase 1, New Town Plaza, Shatin

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Friday, November 29, 2013 until 12:00 noon on Friday, December 6, 2013 from the Depository Counter of HKSCC at 2nd Floor, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong.

Time for Lodging Application Forms

Your completed **WHITE** or **YELLOW** Application Form, together with a cheque or a banker's cashier order attached and marked payable to "Horsford Nominees Limited — M&G Chemicals Public Offer" for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving bank listed above, at the following times:

- Friday, November 29, 2013 - 9:00 a.m. to 5:00 p.m.
- Saturday, November 30, 2013 - 9:00 a.m. to 1:00 p.m.
- Monday, December 2, 2013 - 9:00 a.m. to 5:00 p.m.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

- Tuesday, December 3, 2013 - 9:00 a.m. to 5:00 p.m.
- Wednesday, December 4, 2013 - 9:00 a.m. to 5:00 p.m.
- Thursday, December 5, 2013 - 9:00 a.m. to 5:00 p.m.
- Friday, December 6, 2013 - 9:00 a.m. to 12:00 noon.

The application lists will be open from 11:45 a.m. to 12:00 noon on Friday, December 6, 2013, the last application day or such later time as described in “Effect of Bad Weather on the Opening of the Applications Lists” in this section.

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an Application Form or applying through the **White Form eIPO** service, among other things, you:

- (i) undertake to execute all relevant documents and instruct and authorise our Company and/or the Sole Global Coordinator (or its agents or nominees), as agents of our Company, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Public Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;
- (ii) agree to comply with the Luxembourg Companies Law, the Hong Kong Companies Ordinance and the Articles of Association;
- (iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;
- (iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;
- (v) confirm that you are aware of the restrictions on the Global Offering in this prospectus;
- (vi) agree that none of our Company, the Sole Global Coordinator, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering is or will be liable for any information and representations not in this prospectus (and any supplement to it);
- (vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offer nor participated in the International Offer;

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

- (viii) agree to disclose to our Company, our Hong Kong Share Registrar, receiving bank, the Sole Global Coordinator, the Underwriters and/or their respective advisers and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;
- (ix) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of our Company, the Sole Global Coordinator and the Underwriters nor any of their respective officers or advisers will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Form;
- (x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;
- (xi) agree that your application will be governed by the laws of Hong Kong;
- (xii) represent, warrant and undertake that (i) you understand that the Hong Kong Public Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Hong Kong Public Offer Shares are outside the United States (as defined in Regulation S);
- (xiii) warrant that the information you have provided is true and accurate;
- (xiv) agree to accept the Hong Kong Public Offer Shares applied for, or any lesser number allocated to you under the application;
- (xv) authorise our Company to place your name(s) or the name of the HKSCC Nominees, on our Company's register of members as the holder(s) of any Hong Kong Public Offer Shares allocated to you, and our Company and/or its agents to send any share certificate(s) and/or any e-Refund payment instructions and/or any refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you have chosen to collect the share certificate(s) and/or refund cheque(s) in person;
- (xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xvii) understand that our Company and the Sole Global Coordinator will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Public Offer Shares to you and that you may be prosecuted for making a false declaration;
- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or to the **White Form eIPO** Service Provider by you or by any one as your agent or by any other person; and

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

- (xix) (if you are making the application as an agent for the benefit of another person) warrant that
- (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC; and
 - (ii) you have due authority to sign the Application Form or give **electronic application instructions** on behalf of that other person as their agent.

Additional Instructions for Yellow Application Form

You may refer to the Yellow Application Form for details.

5. APPLYING THROUGH WHITE FORM eIPO SERVICE

General

Individuals who meet the criteria in “Who can apply” section, may apply through the **White Form eIPO** service for the Offer Shares to be allotted and registered in their own names through the designated website at www.eipo.com.hk.

Detailed instructions for application through the **White Form eIPO** service are on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to our Company. If you apply through the designated website, you authorise the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

Time for Submitting Applications under the White Form eIPO service

You may submit your application to the **White Form eIPO** Service Provider at www.eipo.com.hk (24 hours daily, except on the last application day) from 9:00 a.m. on Friday, November 29, 2013 until 11:30 a.m. on Friday, December 6, 2013, and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Friday, December 6, 2013 or such later time under the “Effects of Bad Weather on the Opening of the Applications Lists” in this section.

No Multiple Applications

If you apply by means of **White Form eIPO**, once you complete payment in respect of any **electronic application instruction** given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Public Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an **electronic application instruction** under **White Form eIPO** more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the **White Form eIPO** service or by any other means, all of your applications are liable to be rejected.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

Section 40 of the Hong Kong Companies Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Hong Kong Companies Ordinance (as applied by Section 342E of the Companies Ordinance).

Environmental Protection

The obvious advantage of **White Form eIPO** is to save the use of paper via the self-serviced and electronic application process. Computershare Hong Kong Investor Services Limited, being the designated White Form eIPO Service Provider, will contribute HK\$2 for each “M&G Chemicals” **White Form eIPO** application submitted via www.eipo.com.hk to support the funding of “Source of DongJiang - Hong Kong Forest” project initiated by Friends of the Earth (HK).

6. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give **electronic application instructions** to apply for the Hong Kong Public Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a CCASS Investor Participant, you may give these **electronic application instructions** through the CCASS Phone System by calling 2979-7888 or through the CCASS Internet System (<https://ip.ccass.com>) (using the procedures in HKSCC’s “An Operating Guide for Investor Participants” in effect from time to time).

HKSCC can also input **electronic application instructions** for you if you go to:

Hong Kong Securities Clearing Company Limited Customer Service Center
2/F Infinitus Plaza
199 Des Voeux Road Central
Hong Kong

and complete an input request form.

You can also collect a prospectus from this address.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Public Offer Shares on your behalf.

You will be deemed to have authorised HKSCC and/or HKSCC Nominees to transfer the details of your application to our Company, the Sole Global Coordinator and our Hong Kong Share Registrar.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

Where you have given **electronic application instructions** to apply for the Hong Kong Public Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

- (i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;
- (ii) HKSCC Nominees will do the following things on your behalf:
 - agree that the Hong Kong Public Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;
 - agree to accept the Hong Kong Public Offer Shares applied for or any lesser number allocated;
 - undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offer;
 - declare that only one set of **electronic application instructions** has been given for your benefit;
 - (if you are an agent for another person) declare that you have only given one set of **electronic application instructions** for the other person's benefit and are duly authorised to give those instructions as their agent;
 - confirm that you understand that our Company, our Directors and the Sole Global Coordinator will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Public Offer Shares to you and that you may be prosecuted if you make a false declaration;
 - authorise our Company to place HKSCC Nominees' name on our Company's register of members as the holder of the Hong Kong Public Offer Shares allocated to you and to send share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;
 - confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;
 - confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

- agree that none of our Company, the Sole Global Coordinator, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);
- agree to disclose your personal data to our Company, our Hong Kong Share Registrar, receiving bank, the Sole Global Coordinator, the Underwriters and/or its respective advisers and agents;
- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;
- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of our Company agreeing that it will not offer any Hong Kong Public Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Hong Kong Companies Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;
- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by our Company's announcement of the Hong Kong Public Offer results;
- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for the giving **electronic application instructions** to apply for Hong Kong Public Offer Shares;
- agree with our Company, for itself and for the benefit of each Shareholder (and so that our Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Hong Kong Companies Ordinance and the Articles of Association; and
- agree that your application, any acceptance of it and the resulting contract will be governed by the Laws of Hong Kong.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

EFFECT OF GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

By giving **electronic application instructions** to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to our Company or any other person in respect of the things mentioned below:

- instructed and authorised HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Hong Kong Public Offer Shares on your behalf;
- instructed and authorised HKSCC to arrange payment of the Maximum Offer Price, brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the Maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee) by crediting your designated bank account; and
- instructed and authorised HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

Minimum Purchase Amount and Permitted Numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** for a minimum of 2,000 Hong Kong Public Offer Shares. Instructions for more than 2,000 Hong Kong Public Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Hong Kong Public Offer Shares will be considered and any such application is liable to be rejected.

Time for Inputting Electronic Application Instructions

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

- Friday, November 29, 2013 - 9:00 a.m. to 8.30 p.m.⁽¹⁾
- Saturday, November 30, 2013 - 9:00 a.m. to 1:00 p.m.⁽¹⁾
- Monday, December 2, 2013 - 8:00 a.m. to 8.30 p.m.⁽¹⁾
- Tuesday, December 3, 2013 - 8:00 a.m. to 8.30 p.m.⁽¹⁾
- Wednesday, December 4, 2013 - 8:00 a.m. to 8:30 p.m.⁽¹⁾
- Thursday, December 5, 2013 - 8:00 a.m. to 8:30 p.m.⁽¹⁾
- Friday, December 6, 2013 - 8:00 a.m.⁽¹⁾ to 12:00 noon

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

Note:

- (1) These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/ Custodian Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Friday, November 29, 2013 until 12:00 noon on Friday, December 6, 2013 (24 hours daily, except on the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Friday, December 6, 2013, the last application day or such later time as described in “Effect of Bad Weather on the Opening of the Application Lists” in this section.

No Multiple Applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Hong Kong Public Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Hong Kong Public Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit. Any **electronic application instructions** to make an application for the Hong Kong Public Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Hong Kong Companies Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Hong Kong Companies Ordinance (as applied by Section 342E of the Companies Ordinance).

Personal Data

The section of the Application Form headed “Personal Data” applies to any personal data held by our Company, the Hong Kong Share Registrar, the receiving bank, the Sole Global Coordinator, the Underwriters and any of their respective advisers and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

7. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Hong Kong Public Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Hong Kong Public Offer Shares through the **White Form eIPO** service is also only a facility provided by the **White Form eIPO** Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. Our Company, our Directors, the Bookrunner, the Sole Sponsor, the Sole Global Coordinator and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **White Form eIPO** service will be allotted any Hong Kong Public Offer Shares.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of **electronic application instructions**, they should either (i) submit a **WHITE** or **YELLOW** Application Form, or (ii) go to HKSCC's Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Friday, December 6, 2013.

8. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Hong Kong Public Offer Shares are not allowed except by nominees. If you are a **nominee**, in the box on the Application Form marked "For nominees" you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or through **White Form eIPO** service, is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**). If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

"Unlisted company" means a company with no equity securities listed on the Hong Kong Stock Exchange.

"Statutory control" means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

9. HOW MUCH ARE THE HONG KONG PUBLIC OFFER SHARES

The **WHITE** and **YELLOW** Application Forms have tables showing the exact amount payable for Shares.

You must pay the Maximum Offer Price, brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee in full upon application for Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE** or **YELLOW** Application Form or through the **White Form eIPO** service in respect of a minimum of 2,000 Hong Kong Public Offer Shares. Each application or electronic application instruction in respect of more than 2,000 Hong Kong Public Offer Shares must be in one of the numbers set out in the table in the Application Form, or as otherwise specified on the designated website at www.eipo.com.hk.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Hong Kong Stock Exchange trading fee are paid to the Hong Kong Stock Exchange (in the case of the SFC transaction levy, collected by the Hong Kong Stock Exchange on behalf of the SFC).

For further details on the Offer Price, see the section headed “Structure of the Global Offering — Pricing and Allocation”.

10. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

- a tropical cyclone warning signal number 8 or above; or
- a “black” rainstorm warning,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon) on Friday, December 6, 2013. Instead they will open between 11:45 a.m. and 12:00 noon on the next business day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Friday, December 6, 2013 or if there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in the section headed “Expected Timetable”, an announcement will be made in such event.

11. PUBLICATION OF RESULTS

Our Company expects to announce the final Offer Price, the level of indication of interest in the International Offer, the level of applications in the Hong Kong Public Offer and the basis of allocation of the Hong Kong Public Offer Shares on Friday, December 13, 2013 in South China Morning Post (in English) and Hong Kong Economic Times (in Chinese) on our Company’s website at <http://www.mg-chemicals.com> and the website of the Hong Kong Stock Exchange at www.hkexnews.hk.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offer will be available at the times and date and in the manner specified below:

- in the announcement to be posted on our Company's website at <http://www.mg-chemicals.com> and the Hong Kong Stock Exchange's website at www.hkexnews.hk by no later than 9:00 a.m. on Friday, December 13, 2013;
- from the designated results of allocations website at www.iporesults.com.hk with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Friday, December 13, 2013 to 12:00 midnight on Thursday, December 19, 2013;
- by telephone enquiry line by calling 2862 8669 between 9:00 a.m. and 10:00 p.m. from Friday, December 13, 2013 to Monday, December 16, 2013;
- in the special allocation results booklets which will be available for inspection during opening hours from Friday, December 13, 2013 to Saturday, December 14, 2013, and Monday, December 16, 2013 at all the receiving bank branches and sub-branches.

If our Company accepts your offer to purchase (in whole or in part), which we may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Hong Kong Public Offer Shares if the conditions of the Global Offering are satisfied and the Global Offering is not otherwise terminated. Further details are contained in the section headed "Structure of the Global Offering".

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED OFFER SHARES

You should note the following situations in which the Hong Kong Public Offer Shares will not be allotted to you:

(i) **If your application is revoked:**

By completing and submitting an Application Form or giving **electronic application instructions** to HKSCC or to **White Form eIPO** Service Provider, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with our Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under Section 40 of the Hong Kong Companies Ordinance (as applied by Section 342E of the Hong Kong Companies Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

(ii) If our Company or our agents exercise their discretion to reject your application:

Our Company, the Sole Global Coordinator, the **White Form eIPO** Service Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(iii) If the allotment of Hong Kong Public Offer Shares is void:

The allotment of Hong Kong Public Offer Shares will be void if the Listing Committee of the Hong Kong Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Committee notifies our Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or suspected multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Hong Kong Public Offer Shares and International Offer Shares;
- your Application Form is not completed in accordance with the stated instructions;
- your **electronic application instructions** through the **White Form eIPO** service are not completed in accordance with the instructions, terms and conditions on the designated website;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

- our Company or the Sole Global Coordinator believe that by accepting your application, we or they would violate applicable securities or other laws, rules or regulations; or
- your application is for more than 50% of the Hong Kong Public Offer Shares initially offered under the Hong Kong Public Offer.

13. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the Maximum Offer Price of HK\$1.95 per Offer Share (excluding brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee thereon), or if the conditions of the Hong Kong Public Offer are not fulfilled in accordance with “Structure of the Global Offering — Conditions of the Hong Kong Public Offer” in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee, will be refunded, without interest or the cheque or banker’s cashier order will not be cleared.

Any refund of your application monies will be made on Friday, December 13, 2013.

14. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Hong Kong Public Offer Shares allotted to you under the Hong Kong Public Offer (except pursuant to applications made on **YELLOW** Application Forms or by **electronic application instructions** to HKSCC via CCASS where the share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE** or **YELLOW** Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- share certificate(s) for all the Hong Kong Public Offer Shares allotted to you (for **YELLOW** Application Forms, share certificates will be deposited into CCASS as described below); and
- refund cheque(s) crossed “Account Payee Only” in favour of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Hong Kong Public Offer Shares, wholly or partially unsuccessfully applied for; and/or (ii) the difference between the Offer Price and the Maximum Offer Price per Offer Share paid on application in the event that the Offer Price is less than the Maximum Offer Price (including brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee but without interest).

Part of the Hong Kong identity card number/passport number, provided by you or the first-named applicant (if you are joint applicants), may be printed on your refund cheque, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

Subject to arrangement on dispatch/collection of share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on or around December 13, 2013. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker's cashier's order(s).

Share certificates will only become valid at 8:00 a.m. on December 16, 2013 provided that the Global Offering has become unconditional and the right of termination described in the "Underwriting" section in this prospectus has not been exercised. Investors who trade shares prior to the receipt of Share certificates or the Share certificates becoming valid do so at their own risk.

Personal Collection

(i) If you apply using a WHITE Application Form

If you apply for 1,000,000 or more Hong Kong Public Offer Shares and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or share certificate(s) from the Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Friday, December 13, 2013 or such other date as notified by us in the newspapers.

If you are an individual who is eligible for personal collection, you must not authorise any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorised representative must bear a letter of authorisation from your corporation stamped with your corporation's chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar.

If you do not collect your refund cheque(s) and/or share certificate(s) personally within the time specified for collection, they will be despatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Public Offer Shares, your refund cheque(s) and/or share certificate(s) will be sent to the address on the relevant Application Form on Friday, December 13, 2013, by ordinary post and at your own risk.

(ii) If you apply using a YELLOW Application Form

If you apply for 1,000,000 Hong Kong Public Offer Shares or more, please follow the same instructions as described above. If you have applied for less than 1,000,000 Hong Kong Public Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on Friday, December 13, 2013 by ordinary post and at your own risk.

If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant's stock account as stated in your Application Form on Friday, December 13, 2013, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

- **If you apply through a designated CCASS participant (other than a CCASS investor participant)**

For Hong Kong Public Offer shares credited to your designated CCASS participant's stock account (other than CCASS Investor Participant), you can check the number of Hong Kong Public Offer shares allotted to you with that CCASS participant.

- **If you are applying as a CCASS investor participant**

Our Company will publish the results of CCASS Investor Participants' applications together with the results of the Hong Kong Public Offer in the manner described in "Publication of Results" above. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Friday, December 13, 2013 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Hong Kong Public Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System.

(iii) If you apply through the White Form eIPO service

If you apply for 1,000,000 Hong Kong Public Offer Shares or more and your application is wholly or partially successful, you may collect your Share certificate(s) from Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Friday, December 13, 2013, or such other date as notified by our Company in the newspapers as the date of despatch/collection of Share certificates/ e-Refund payment instructions/refund cheques.

If you do not collect your Share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Public Offer Shares, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on Friday, December 13, 2013 by ordinary post at your own risk.

If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in your application instructions in the form of refund cheque(s) by ordinary post at your own risk.

(iv) If you apply via Electronic Application Instructions to HKSCC

Allocation of Hong Kong Public Offer Shares

For the purposes of allocating Hong Kong Public Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

Deposit of Share Certificates into CCASS and Refund of Application Monies

If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Friday, December 13, 2013, or, on any other date determined by HKSCC or HKSCC Nominees.

- Our Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, our Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Hong Kong Public Offer in the manner specified in "Publication of Results" above on Friday, December 13, 2013. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Friday, December 13, 2013 or such other date as determined by HKSCC or HKSCC Nominees.
- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Hong Kong Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.
- If you have applied as a CCASS Investor Participant, you can also check the number of Hong Kong Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Friday, December 13, 2013. Immediately following the credit of the Hong Kong Public Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Hong Kong Public Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.
- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the Maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Friday, December 13, 2013.

15. ADMISSION OF THE SHARES INTO CCASS

If the Hong Kong Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Hong Kong Listing Rules) is required to take place in CCASS on the second Business Day after any trading day.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

The following is the text of a report prepared for the purpose of incorporation in this prospectus received from our independent reporting accountants, Ernst & Young, Certified Public Accountants. As described in "Appendix VI — Documents Delivered to the Registrar of Companies and Available for Inspection", a copy of the accountants' report is available for inspection.



22/F CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

29 November 2013

The Directors
M&G Chemicals
CITIC Securities Corporate Finance (HK) Limited

Dear Sirs,

We set out below our report on the financial information of M&G Chemicals (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Listing Group") comprising the combined statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the years ended 31 December 2010, 2011 and 2012 and the six months ended 30 June 2013 (the "Relevant Periods"), the combined statements of financial position of the Listing Group as at 31 December 2010, 2011 and 2012 and 30 June 2013 and the statement of financial position of the Company as at 30 June 2013, together with the notes thereto (the "Financial Information"), and the combined statement of comprehensive income, statement of changes in equity and statement of cash flows of the Listing Group for the six months ended 30 June 2012 (the "Interim Comparative Information"), prepared on the basis of presentation set out in note 2.1 of Section II below, for inclusion in the prospectus of the Company dated 29 November 2013 (the "Prospectus") in connection with the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company was incorporated in Luxembourg as a company with limited liability on 29 January 2013. Pursuant to a group reorganization (the "Reorganization") as set out in the paragraph headed "Reorganization of the Group" in the section headed "History and Corporate Structure" to the Prospectus, which was completed on 30 September 2013, the Company became the holding company of the companies now comprising the Listing Group. Apart from the Reorganization, the Company has not commenced any business or operation since its incorporation.

As at the date of this report, no statutory financial statements have been prepared for the Company, as the Company has not been involved in any significant business transactions other than the Reorganization described above.

As at the date of this report, the Company has direct and indirect interests in the subsidiaries as set out in note 1 of Section II below. All companies now comprising the Group have adopted 31 December as their financial year end date. The statutory financial statements of the companies now

comprising the Listing Group were prepared in accordance with the relevant accounting principles applicable to these companies in the countries in which they were incorporated and/or established. Details of their statutory auditors during the Relevant Periods are set out in note 1 of Section II below.

The companies comprising the Listing Group operate in two major segments, PET and Engineering (see definition in note 1 of Section II below), which were, prior to the merger as described in the paragraph headed “Reorganization of the Group” in the section headed “History and Corporate Structure” to the Prospectus, undertaken by Mossi & Ghisolfi International S.A. (“MGI”) and its subsidiaries and Chemtex Global S.à r.l. (“Chemtex Global”) and its subsidiaries, respectively, during the Relevant Periods. The directors of the Company (the “Directors”) have prepared separate sets of statutory consolidated financial statements of MGI and Chemtex Global (the “Underlying Financial Statements”) in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (the “IASB”) as adopted by the European Union. The separate sets of the Underlying Financial Statements of MGI and Chemtex Global for each of the years ended 31 December 2010, 2011 and 2012, together with the financial information of the Listing Group for the six months ended 30 June 2013, were audited by Ernst & Young S.A. in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (the “IAASB”) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier”.

The Financial Information set out in this report has been prepared on the basis by combining the Underlying Financial Statements for each of the years ended 31 December 2010, 2011 and 2012, and the consolidated management accounts for the six months ended 30 June 2013 of MGI and Chemtex Global after making such adjustments as appropriate.

Directors' responsibility

The Directors are responsible for the preparation of the Financial Information and the Interim Comparative Information that give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of the Financial Information and the Interim Comparative Information as included in this report that are free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

It is our responsibility to form an independent opinion and a review conclusion on the Financial Information and the Interim Comparative Information, respectively, and to report our opinion and review conclusion thereon to you.

For the purpose of this report, we have examined the separate sets of the Underlying Financial Statements for each of the years ended 31 December 2010, 2011 and 2012, and the consolidated management accounts for the six months ended 30 June 2013 of MGI and Chemtex Global and have carried out procedures on the Financial Information in accordance with Auditing Guideline 3.340 *Prospectuses and the Reporting Accountant* issued by the Hong Kong Institute of Certified Public Accountants.

We have also performed a review of the Interim Comparative Information in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the IAASB. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets and liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an opinion on the Interim Comparative Information.

Opinion in respect of the Financial Information

In our opinion, for the purpose of this report and on the basis of presentation set out in note 2.1 of Section II below, the Financial Information gives a true and fair view of the state of affairs of the Listing Group as at 31 December 2010, 2011 and 2012 and 30 June 2013, and of the state of affairs of the Company as at 30 June 2013 and of the combined results and combined cash flows of the Listing Group for each of the Relevant Periods.

Review conclusion in respect of the Interim Comparative Information

Based on our review which does not constitute an audit for the purpose of this report, nothing has come to our attention that causes us to believe that the Interim Comparative Information is not prepared, in all material respects, in accordance with the same basis adopted in respect of the Financial Information.

I. FINANCIAL INFORMATION

COMBINED STATEMENTS OF FINANCIAL POSITION

	Notes	12/31/2010	12/31/2011	12/31/2012	30/06/2013
		€'000	€'000	€'000	€'000
Assets					
<i>Non-current assets</i>					
Property, plant and equipment	4.1	524,261	484,452	477,014	489,469
Intangible assets with definite useful lives	4.2	52,636	39,008	91,254	94,031
Intangible assets with indefinite useful lives	4.3	18,165	18,325	18,227	18,227
Investment in an associate	4.4	2,792	—	—	—
Non-current assets	4.5	32,177	51,829	38,161	37,938
Other non-current financial assets . . .	4.6	65,780	368,015	376,098	366,236
Deferred tax assets	4.7	53,735	28,365	24,377	19,083
Total non-current assets		749,546	989,994	1,025,131	1,024,984
<i>Current assets</i>					
Inventories	4.8	183,418	182,501	198,605	228,714
Cost and estimated earnings in excess of billings	4.21	—	—	1,626	5,855
Trade and other receivables	4.9	282,134	273,667	311,150	274,861
Other current financial assets	4.10	316,159	25,929	56,746	96,912
Income tax receivables	4.11	15,010	17,538	16,874	10,694
Cash and cash equivalents	4.12	202,368	127,919	169,204	111,646
Total current assets		999,089	627,554	754,205	728,682
Total assets		1,748,635	1,617,548	1,779,336	1,753,666

APPENDIX I
ACCOUNTANTS' REPORT

	Notes	12/31/2010	12/31/2011	12/31/2012	30/06/2013
		€'000	€'000	€'000	€'000
Equity and liabilities					
<i>Capital and reserves</i>					
Issued capital	4.13	108,540	108,540	140,240	140,240
Reserves	4.13	1,894	1,894	2,183	2,183
Foreign currency translation reserve . .	4.13	(110,431)	(122,816)	(120,290)	(121,291)
Retained earnings	4.13	269,546	264,117	341,747	366,487
Equity attributable to owners of the Parent		269,549	251,735	363,880	387,619
Non-controlling interests	4.14	20,639	4,897	4,967	6,599
Total equity		<u>290,188</u>	<u>256,632</u>	<u>368,847</u>	<u>394,218</u>
<i>Non-current liabilities</i>					
Non-current borrowings	4.15	417,945	307,050	277,534	283,899
Other non-current financial liabilities .	4.16	156,207	161,207	115,000	115,000
Provisions	4.17	1,657	2,043	2,589	1,452
Retirement benefit obligation	4.18	27,219	38,204	42,652	35,535
Non-current payables	4.19	5,352	2,536	6,793	43,401
Deferred tax liabilities	4.7	74,901	46,807	44,071	48,792
Total non-current liabilities		<u>683,281</u>	<u>557,847</u>	<u>488,639</u>	<u>528,079</u>
<i>Current liabilities</i>					
Trade and other payables	4.20	451,571	492,698	562,257	489,053
Amount due to customers for contract work	4.21	19,310	23,648	36,653	40,331
Current portion of borrowings	4.15	237,782	231,532	298,784	277,117
Other current financial liabilities	4.22	49,609	42,626	12,380	9,175
Income tax payable	4.23	16,894	12,565	11,776	15,517
Current portion of provisions	4.17	—	—	—	176
Total current liabilities		<u>775,166</u>	<u>803,069</u>	<u>921,850</u>	<u>831,369</u>
Total liabilities		<u>1,458,447</u>	<u>1,360,916</u>	<u>1,410,489</u>	<u>1,359,448</u>
Total equity and liabilities		<u>1,748,635</u>	<u>1,617,548</u>	<u>1,779,336</u>	<u>1,753,666</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>223,923</u>	<u>(175,515)</u>	<u>(167,645)</u>	<u>(102,687)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>973,469</u>	<u>814,479</u>	<u>857,486</u>	<u>922,297</u>

COMBINED STATEMENTS OF COMPREHENSIVE INCOME

	Notes	31/12/2010	31/12/2011	31/12/2012	30/06/12	30/06/13
		€'000	€'000	€'000	€'000	€'000
					(Unaudited)	
Revenue	4.24	1,710,286	1,866,919	1,853,977	940,665	869,917
Other operating income	4.25	33,150	4,817	6,212	1,131	4,946
Raw materials, consumables and changes in inventory . . .	4.26	(1,345,513)	(1,504,636)	(1,480,879)	(763,933)	(692,042)
Labor costs	4.27	(62,556)	(58,979)	(55,646)	(26,757)	(28,155)
Depreciation, amortization and asset write-off	4.28	(57,892)	(43,291)	(38,793)	(20,636)	(15,160)
Other operating expenses	4.29	(171,004)	(154,440)	(175,092)	(75,174)	(75,962)
Operating profit		106,471	110,390	109,779	55,296	63,544
Financial expenses	4.30	(88,781)	(101,953)	(111,105)	(63,225)	(37,548)
Financial income	4.31	12,697	21,618	30,425	18,761	12,536
Gain on purchase of Undated Securities	4.32	—	—	64,396	—	—
Profit before tax	4.33	30,387	30,055	93,495	10,832	38,532
Income tax expense	4.7	(7,201)	(14,326)	(10,843)	(3,186)	(15,835)
Profit for the year/period . . .		23,186	15,729	82,652	7,646	22,697
Other comprehensive income <i>Items that will not be reclassified subsequently to profit or loss:</i>						
Remeasurement of defined benefit obligation		(239)	(7,055)	(4,136)	(2,859)	4,262
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translating foreign operations		35,157	(15,798)	1,999	10,638	(1,588)
Other comprehensive income/(loss) for the year/period, net of tax		34,918	(22,853)	(2,137)	7,779	2,674
Total comprehensive income/(loss) for the year/period, net of tax		58,104	(7,124)	80,515	15,425	25,371
Profit attributable to:						
Owners of the Parent		22,488	19,144	82,055	7,267	20,478
Non-controlling interests		698	(3,415)	597	379	2,219
		23,186	15,729	82,652	7,646	22,697
Total comprehensive income/(loss) attributable to:						
Owners of the Parent		53,081	(296)	80,445	15,288	23,739
Non-controlling interests		5,023	(6,828)	70	137	1,632
		58,104	(7,124)	80,515	15,425	25,371

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Issued capital	Foreign currency translation reserve	Reserves	Retained earnings	Total equity attributable to owners of the Parent	Non- controlling interests	Total equity
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Notes	4.13	4.13	4.13	4.13		4.14	
Balances as of							
1 January 2010	108,540	(141,263)	1,894	247,297	216,468	15,616	232,084
Results for the year	—	—	—	22,488	22,488	698	23,186
Other comprehensive income . .	—	30,832	—	(239)	30,593	4,325	34,918
Total comprehensive income . .	—	30,832	—	22,249	53,081	5,023	58,104
Balances as of 31 December							
2010	<u>108,540</u>	<u>(110,431)</u>	<u>1,894</u>	<u>269,546</u>	<u>269,549</u>	<u>20,639</u>	<u>290,188</u>
Balances as of 1 January							
2011	108,540	(110,431)	1,894	269,546	269,549	20,639	290,188
Results for the year	—	—	—	19,144	19,144	(3,415)	15,729
Other comprehensive income . .	—	(12,385)	—	(7,055)	(19,440)	(3,413)	(22,853)
Total comprehensive income . .	—	(12,385)	—	12,089	(296)	(6,828)	(7,124)
Reserve for acquisition of non-controlling interests	—	—	—	(17,518)	(17,518)	(8,914)	(26,432)
Balances as of 31 December							
2011	<u>108,540</u>	<u>(122,816)</u>	<u>1,894</u>	<u>264,117</u>	<u>251,735</u>	<u>4,897</u>	<u>256,632</u>
Balances as of 1 January							
2012	108,540	(122,816)	1,894	264,117	251,735	4,897	256,632
Results for the year	—	—	—	82,055	82,055	597	82,652
Other comprehensive income . .	—	2,526	—	(4,136)	(1,610)	(527)	(2,137)
Total comprehensive income . .	—	2,526	—	77,919	80,445	70	80,515
Increase in issued capital	31,700	—	—	—	31,700	—	31,700
Other changes	—	—	289	(289)	—	—	—
Balances as of 31 December							
2012	<u>140,240</u>	<u>(120,290)</u>	<u>2,183</u>	<u>341,747</u>	<u>363,880</u>	<u>4,967</u>	<u>368,847</u>
Balances as of 1 January							
2013	140,240	(120,290)	2,183	341,747	363,880	4,967	368,847
Results for the period	—	—	—	20,478	20,478	2,219	22,697
Other comprehensive income . .	—	(1,001)	—	4,262	3,261	(587)	2,674
Total comprehensive income . .	—	(1,001)	—	24,740	23,739	1,632	25,371
Balances as of 30 June 2013 .	<u>140,240</u>	<u>(121,291)</u>	<u>2,183</u>	<u>366,487</u>	<u>387,619</u>	<u>6,599</u>	<u>394,218</u>
(Unaudited)							
Balances as of 1 January							
2012	108,540	(122,816)	1,894	264,117	251,735	4,897	256,632
Results for the period	—	—	—	7,267	7,267	379	7,646
Other comprehensive income . .	—	10,880	—	(2,859)	8,021	(242)	7,779
Total comprehensive income . .	—	10,880	—	4,408	15,288	137	15,425
Balances as of 30 June 2012 .	<u>108,540</u>	<u>(111,936)</u>	<u>1,894</u>	<u>268,525</u>	<u>267,023</u>	<u>5,034</u>	<u>272,057</u>

COMBINED STATEMENTS OF CASH FLOWS

	Notes	31/12/2010	31/12/2011	31/12/2012	30/06/2012	30/06/2013
		€'000	€'000	€'000	€'000	€'000
					(Unaudited)	
Cash flows from operating activities						
Profit before tax		<u>30,387</u>	<u>30,055</u>	<u>93,495</u>	<u>10,832</u>	<u>38,532</u>
Total adjustments:		122,020	179,003	38,329	62,853	35,279
Depreciation, amortization and provisions	4.28	57,892	43,291	38,793	20,636	15,160
Gain on disposals	4.25	(11,964)	—	—	—	(4,481)
Interests	4.30/4.31	57,633	41,029	56,178	27,079	19,032
Gain on purchase of Undated Securities	4.32	—	—	(64,396)	—	—
Other non-cash items		2,294	47,822	882	1,101	1,231
Unrealized foreign exchange loss	4.30/4.31	<u>16,165</u>	<u>46,861</u>	<u>6,872</u>	<u>14,037</u>	<u>4,337</u>
Operating cash flows before working capital changes		<u>152,407</u>	<u>209,058</u>	<u>131,824</u>	<u>73,685</u>	<u>73,811</u>
(Increase)/decrease in non-current assets	4.5	(21,580)	2,149	22,031	22,182	418
(Increase)/decrease in non-current financial assets	4.6	(2,203)	188	681	345	5,540
Increase in inventories	4.8	(23,845)	(8,386)	(16,103)	12,410	(30,107)
Increase in cost and estimated earnings in excess of billing	4.21	—	—	(1,626)	(5,261)	(4,229)
(Increase)/decrease in trade and other receivables	4.9	53,993	(44,803)	(38,769)	(46,551)	36,072
(Increase)/decrease in current financial assets	4.10	11,257	24,520	47	(6,377)	(6,224)
Repayment of retirement benefit obligations	4.18	(3,739)	(3,889)	(3,830)	(2,039)	(1,524)
Increase/(decrease) in non-current payables	4.19	3,256	(453)	724	502	29,986
Increase/(decrease) in trade and other payables	4.20	69,837	51,772	70,231	12,058	(70,571)
Increase/(decrease) in amount due to customers for contract work	4.21	(12,399)	3,707	13,006	10,736	3,678
Decrease in other current financial liabilities	4.22	—	585	752	(175)	(643)
Changes in working capital		<u>74,577</u>	<u>25,390</u>	<u>47,144</u>	<u>(2,170)</u>	<u>(37,604)</u>
Payment of income taxes	4.7/4.11/4.23	<u>(10,967)</u>	<u>(17,945)</u>	<u>(6,487)</u>	<u>(3,092)</u>	<u>(515)</u>
Net cash from operating activities		<u>216,017</u>	<u>216,503</u>	<u>172,481</u>	<u>68,423</u>	<u>35,692</u>

APPENDIX I
ACCOUNTANTS' REPORT

	Notes	31/12/2010	31/12/2011	31/12/2012	30/06/2012	30/06/2013
		€'000	€'000	€'000	€'000	€'000
					(Unaudited)	
Cash flows from investing activities						
Purchase of intangible assets	4.2/4.3	(13,439)	(329)	(58,320)	(4,968)	(3,613)
Disposal of intangible assets	4.2/4.3	—	—	—	—	59
Purchase of property, plant and equipment	4.1	(17,868)	(21,347)	(37,680)	(6,924)	(44,434)
Disposal of property, plant and equipment	4.1	16,888	3,091	38	246	12,997
Increase of current and non-current financial assets . . .	4.10/4.6	(16,365)	(96,314)	(31,849)	(20,614)	(15,857)
Increase in advance payments . . .	4.5	—	(21,600)	(12,506)	—	—
Collection of interest on financing activities		10,039	11,959	5,435	2,278	1,215
Acquisition of non-controlling interest		—	(26,000)	—	—	—
Disposal of subsidiaries	4.37	24,794	34,982	—	—	—
Net cash from/(used in) investing activities		<u>4,049</u>	<u>(115,558)</u>	<u>(134,882)</u>	<u>(29,982)</u>	<u>(49,633)</u>
Cash flows from financing activities						
Issue of non-current/current borrowings and other current financing liabilities	4.15/4.22	64,487	37,484	133,331	101,036	77,290
Repayments of non-current/current borrowings	4.15	(126,165)	(141,465)	(100,633)	(71,114)	(87,385)
Issue of share capital	4.13	—	—	31,700	—	—
Payment of interest on financing activities		<u>(57,730)</u>	<u>(44,856)</u>	<u>(57,765)</u>	<u>(33,220)</u>	<u>(23,978)</u>
Net cash from/(used in) financing activities		<u>(119,408)</u>	<u>(148,837)</u>	<u>6,633</u>	<u>(3,278)</u>	<u>(34,073)</u>
Difference in foreign exchange		<u>3,180</u>	<u>(26,557)</u>	<u>(2,947)</u>	<u>(10,223)</u>	<u>(9,544)</u>
Net increase/(decrease) in cash and cash equivalents		<u>103,838</u>	<u>(74,449)</u>	<u>41,285</u>	<u>24,940</u>	<u>(57,558)</u>
Cash and cash equivalents at the end of the year/period	4.12	<u>202,368</u>	<u>127,919</u>	<u>169,204</u>	<u>152,859</u>	<u>111,646</u>
Cash and cash equivalents at the beginning of the year/period . . .	4.12	<u>98,530</u>	<u>202,368</u>	<u>127,919</u>	<u>127,919</u>	<u>169,204</u>

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Note	30/06/2013
		€'000
Assets		
<i>Non-current assets</i>		
Prepayments		56
Total non-current assets		<u>56</u>
<i>Current assets</i>		
Cash and cash equivalents		31
Total current assets		<u>31</u>
Total assets		<u><u>87</u></u>
Equity and liabilities		
<i>Capital and reserve</i>		
Issued capital	4.13	31
Accumulated loss		(178)
Total equity		<u>(147)</u>
<i>Current liabilities</i>		
Other payables		234
Total current liabilities		<u>234</u>
Total equity and liabilities		<u><u>87</u></u>
NET CURRENT LIABILITIES		<u>(203)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>(147)</u></u>

II. NOTES TO THE FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in Luxembourg. The registered office of the Company is located at 37/A Avenue J.F. Kennedy, L 1855 — Luxembourg.

The Company is an investment holding company. During the Relevant Periods, the companies comprising the listing group (together with the Company referred to as the “Listing Group”) were involved in the polyethylene terephthalate (“PET”) business and engineering services (“Engineering”) business (collectively known as the “Relevant Businesses”). The controlling party of the companies comprising the Listing Group is M&G Finanziaria S.r.l. (the “Controlling Shareholder” or the “Parent”).

The Company and its subsidiaries now comprising the Listing Group underwent the Reorganization as set out in the paragraph headed “Reorganization of the Group” in the section headed “History and Corporate Structure” to the Prospectus.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private corporations or limited liability companies except as stated otherwise, the particulars of the principal ones are set out below:

Name	Place and date of incorporation/ establishment	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Mossi & Ghisolfi International S.à r.l.*	Luxembourg, 28 August 2013	85,104 shares of €1,000 each €85,104,000	100%	—	Investment holding see *
Mossi & Ghisolfi International S.A.* (note (a))	Luxembourg, 4 November 1998	79,040 shares of €1,000 each €79,040,000	—	100%	Investment holding see *
Chemtex Global S.à r.l.* (note(a))	Luxembourg, 25 February 2005	61,200 shares of €1,000 each €61,200,000	—	100%	Investment holding see *
Chemtex Consulting of India Private Limited (note (d)) . .	India, 1 September 1992	Indian Rupees 24,000,000	—	100%	Operating engineering procurement and construction business
Chemtex International Inc. (note (e))	Delaware (USA), 22 November 1989	999 shares of \$0.01 par value \$10	—	100%	Investment holding and operating engineering
Indo American Investments Inc. (note (e))	Delaware (USA), 24 August 1992	500 shares issued, 300 paid in \$10 per share, 200 paid in \$60 per share \$15,000	—	100%	Investment holding

Name	Place and date of incorporation/ establishment	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Chemtex Engineering of India Private Limited (note (d))	India, 24 August 1962	Indian Rupees 5,000,000	—	100%	Investment holding
Chemtex Global Engineers Private Limited (note (d))	India, 10 January 2001	Indian Rupees 10,000,000	—	100%	Operating engineering procurement and construction business
Chemtex Overseas Inc. (note (e))	Delaware (USA), 28 May 1992	\$10,000	—	100%	Dormant
Chemtex Services Inc. (note (e))	Delaware (USA), 11 June 1999	1,000 shares issued par zero, paid in \$1 per share \$1,000	—	100%	Dormant
Chemtex Far East Ltd. (note (e))	Delaware (USA), 22 August 1995	1,000 shares issued par zero, paid in \$10 per share \$10,000	—	100%	Investment holding
Chemtex Engineering Co. Ltd (note (f))	Beijing P.R. (China), 11 June 1996	\$200,000	—	100%	Operating site service and marketing support
Chemtex (Shanghai) International Trading Co. Ltd. (note (f))	Shanghai P.R. (China), 19 January 2001	\$1,000,000	—	100%	Operating procurement business
Chemtex (Shanghai) Chemical Engineering Co. Ltd (note (f))	Shanghai P.R. (China), 27 August 2008	RMB10,000,000	—	100%	Operating engineering procurement and construction business
M&G Services S.A. (note (a))	Luxembourg, 28 December 2006	10,000 shares of €10 each €100,000	—	100%	Investment holding
M&G Finance Luxembourg S.A. (note (a))	Luxembourg, 28 December 2006	10,000 shares of €10 each €100,000	—	100%	Investment holding
M&G USA Corporation (note (g))	Delaware (USA), 26 April 2000	100 shares of \$1 par value	—	87.7%	Investment holding
M&G Polymers USA, LLC (note (g))	Delaware (USA), 5 May 1999	Initial capital contribution of \$100	—	100%	Manufacture of PET

Name	Place and date of incorporation/ establishment	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
M&G USA Holding, LLC (note (g)).	Delaware (USA), 26 April 2000	Initial capital contribution of \$100	—	100%	Investment holding
M&G Finance Corporation (note (g)).	Delaware (USA), 26 February 2002	100 shares of \$1 par value	—	100%	Investment holding
M&G Resins USA, LLC (note (g)).	Delaware (USA), 13 December 2007	Initial capital contribution of \$100	—	100%	Investment holding
M&G México Holding, S.A. de C.V. (note (c)).	Altamira (Mexico), 3 May 2000	9,571,503 shares of Mexican Pesos 10 each Mexican Pesos 95,715,030	—	100%	Investment holding
M&G Polimeros México, S.A. de C.V. (note (c)).	Altamira (Mexico), 11 May 1995	1,195,547,755 shares of Mexican Pesos 1 each Mexican Pesos 1,195,547,755	—	100%	Transformation of plastic resins for preparation of PET
Servicios Tamaulipas, S.A. de C.V. (note (c)).	Altamira (Mexico), 20 October 1995	53,000 shares of Mexican Pesos 1 each Mexican Pesos 53,000	—	100%	Provide staff with experience in providing services to subsidiaries
M&G Ghisolfi de México, S.A. de C.V. (note (c)).	Altamira (Mexico), 16 December 2009	50,000 shares of Mexican Pesos 1 each Mexican Pesos 50,000	—	100%	Provide financing to related companies
M&G Poliéster S.A. (notes (b)/(h)).	Sao Paolo (Brazil), 19 December 1986	8,024,960,477 shares of \$0.09 each (Market value) Brazilian Real (BRL) 583,318,425	—	89.60%	Investment holding
M&G Polímeros Brasil S.A. (note (b)).	Ipojuca (Brazil), 12 November 2004	248,000,000 shares of \$1 each BRL 209,118,808	—	89.60%	Manufacture of PET
M&G Resinas Participações Ltda. (note (g)).	Ipojuca (Brazil), 5 November 2004	160,595,091 quotes of \$1 each BRL 129,613,446	—	89.98%	Investment holding
Tereftálicos Indústrias Químicas Ltda. (note (b)).	Paulinia (Brazil), 15 December 1970	37,573,293 quotes of \$1 each BRL 37,573,293	—	94.70%	Manufacture of Purified Terephthalic Acid ("PTA")

Name	Place and date of incorporation/ establishment	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Tereftálicos Indústria e Participações Ltda. (note (g)).	Paulinia (Brazil), 25 April 1969	49,864,955 quotes of \$1 each BRL 51,474,021	—	100%	Investment holding

Notes:

- (a) The statutory financial statements of these entities for the years ended 31 December 2010, 2011 and 2012 prepared under Luxembourg GAAP were audited by Ernst & Young S.A., certified public accountants registered in Luxembourg.
- (b) The statutory financial statements of these entities for the years ended 31 December 2010, 2011 and 2012 prepared under Brazilian GAAP were audited by Ernst & Young Terco, certified public accountants registered in Brazil.
- (c) The statutory financial statements of these entities for the years ended 31 December 2010, 2011 and 2012 prepared under Mexican GAAP were audited by Ernst & Young Mancera, S.C., certified public accountants registered in Mexico.
- (d) The statutory financial statements of these entities for the years ended 31 December 2010, 2011 and 2012 prepared under Indian GAAP were audited by Ernst & Young Services Pvt. Ltd., certified public accountants registered in India.
- (e) The statutory financial statements of these entities for the years ended 31 December 2010, 2011 and 2012 prepared under IFRSs were audited by Ernst & Young LLP, certified public accountants registered in the United States of America (“USA”).
- (f) The statutory financial statements of these entities for the year ended 31 December 2010 prepared under PRC GAAP were audited by BDO China Shu Lun Pan, certified public accountants registered in the People’s Republic of China. The statutory financial statements of these entities for the years ended 31 December 2011 and 2012 prepared under PRC GAAP were audited by Ernst & Young Hua Ming LLP, certified public accountants registered in the People’s Republic of China.
- (g) No audited financial statements have been prepared for these entities for the years ended 31 December 2010, 2011 and 2012, as the entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of incorporation.
- (h) M&G Poliéster S.A. is listed on the São Paulo Stock Exchange.
- * On 28 August 2013, MGI was merged into Chemtex Global to form Mossi & Ghisolfi International S.á r.l. as part of the Reorganization. Following the merger, MGI and Chemtex Global did not exist.

2.1 BASIS OF PRESENTATION

In preparation for the listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong (the “Listing”), the Company has undertaken a reorganization to acquire the companies now comprising the Listing Group (the “Reorganization”). Details of the Reorganization have been disclosed in the section headed “History and Corporate Structure” in the prospectus.

The Company became the holding company of the companies now comprising the Listing Group subsequent to the end of the Relevant Periods on 30 September 2013. The companies now comprising the Listing Group were under common control of the Controlling Shareholder before and after the Reorganization. Accordingly, for the purpose of this report, the Financial Information has been prepared on a combined basis by applying the principles of merger accounting.

Pursuant to the Reorganization which was completed after 30 June 2013, M&G Fibras e Resinas Ltda. and M&G Fibras Brasil S.A. (the “Disposed Entities”) which are engaged in activities other than the Relevant Businesses have been disposed of to the Controlling Shareholder. For the purpose of this report, the related financial information of the Disposed Entities has been excluded from the Financial Information throughout the Relevant Periods.

The combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Listing Group for the Relevant Periods include the results and cash flows of the companies now comprising the Listing Group, after excluding the financial results and cash flows of the Disposed Entities, from the earliest date presented or since the date when the subsidiaries and/or businesses first came under the common control of the Controlling Shareholder, where this is a shorter period. The combined statements of financial position of the Listing Group as at 31 December 2010, 2011 and 2012 and 30 June 2013 have been prepared to present the assets and liabilities of the companies now comprising the Listing Group using the existing book values.

Equity interests in the companies now comprising the Listing Group held by parties other than the Controlling Shareholder prior to the Reorganization are presented as non-controlling interests in equity.

All intra-group transactions and balances have been eliminated on combination.

Subsequent to the Relevant Periods, the Company undertook group reorganisation which includes the acquisition of Chemtex Global at a cash consideration of €160 million and merger of certain companies. As the steps of the Reorganization have taken place subsequent to the Relevant Periods, such transaction and any other financial impact arising from the Reorganization will be reflected in the subsequent consolidated financial statements of the Listing Group, and have not been retrospectively restated in the Financial Information. The Group will adopt acquisition method in the preparation of its statutory consolidated financial statements for the year ending 31 December 2013 to account for its acquisition of the subsidiaries now comprising the Listing Group that is under common control. This accounting policy is different from the principles of merger accounting as adopted in the preparation of the accountants' report as disclosed above.

2.2 BASIS OF PREPARATION

The Financial Information has been prepared based on the Underlying Financial Statements for each of the years ended 31 December 2010, 2011 and 2012 and the consolidated management accounts for the six months ended 30 June 2013 which are prepared in accordance with IFRSs as adopted by the European Union, which comprise all standards and interpretations approved by the IASB, and after excluding the financial information of the Disposed Entities throughout the Relevant Periods and making adjustments as considered appropriate. All IFRSs effective for the accounting period commencing from 1 January 2013, together with the relevant transitional provisions, have been early adopted by the Listing Group in the preparation of the Financial Information throughout the Relevant Periods and the period covered by the Interim Comparative Information. There were no material differences between the IFRSs adopted by the European Union and the IFRSs issued by the IASB.

The Financial Information has been prepared under the historical cost convention, except for the derivative financial instruments that have been measured at fair value.

As at 30 June 2013, the current liabilities of the Listing Group exceeded its current assets by approximately €103 million. The directors have prepared the Financial Information on a going concern basis notwithstanding the net current liability position because: (i) the Listing Group is generating cash flows from its operating activities; (ii) short-term loans in Mexico of €153 million were successfully renewed subsequent to the end of the reporting period; and (iii) the directors do not anticipate that any of the existing loan lenders would tighten nor withdraw the credit facilities granted to the Listing Group in the foreseeable future. In light of the above, the directors are satisfied that the Listing Group will be able to meet its financial obligations as and when they fall due for the foreseeable future, and are of the opinion that it is appropriate to prepare Financial Information on a going concern basis.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Issued but not yet effective IFRSs

The Listing Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in the Financial Information.

IFRS 9	<i>Financial Instruments</i> ²
IFRS 10, IFRS 12 and IAS 27 (Revised) Amendments	Amendments to IFRS 10, IFRS 12 and IAS 27 (Revised) — <i>Investment Entities</i> ¹
IAS 32 Amendments	Amendments to IAS 32 <i>Financial Instruments: Presentation — Offsetting Financial Assets And Financial Liabilities</i> ¹
IAS 36 Amendments	Amendments to IAS 36 <i>Impairment of Assets — Recoverable Amount Disclosures for Non-Financial Assets</i> ¹
IAS 39 Amendments	Amendments to IAS 39 <i>Financial Instruments: Recognition and Measurement — Novation of Derivatives and Continuation of Hedge Accounting</i> ¹
IFRIC 21	<i>Levies</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2014

² Effective for annual periods beginning on or after 1 January 2015

The Listing Group is in the process of making an assessment of the impact upon initial adoption of the above new and revised IFRSs. So far, the Listing Group has concluded that these new and revised IFRSs are unlikely to have a significant impact on the Listing Group's results of operations and financial position.

Basis of consolidation

Subsidiaries

An enterprise is considered a subsidiary when it is controlled by the Listing Group.

Control of an investee requires an investor to possess all the following three elements: (i) the power over the investee; (ii) the exposure or rights to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the investor's returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control described above.

The financial statements used in the consolidation are derived from the statutory financial statements approved or prepared by the board of directors of each subsidiary for approval by the respective shareholders' meetings, and duly adjusted, where applicable, in order to align them with the Listing Group's accounting principles.

For business combinations other than common control transactions, subsidiaries are fully consolidated from the date the control by the Listing Group commences until the date such control ceases. The consolidation is carried out according to the line by line consolidation method, assuming the entire amount of assets, liabilities, revenues and expenses of the consolidated companies, regardless of the percentage of ownership held. The carrying amount of investments in consolidated subsidiaries is eliminated against the corresponding share of their shareholders' equity, allocating to assets and liabilities their fair values at the date of the acquisition of the control. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

Changes in the interests in a subsidiary which do not lead to a loss of control are accounted for as an equity transaction. If the Listing Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiaries
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or retained earnings, as appropriate.

All receivables, payables, revenues and expenses among consolidated companies, as well as significant gains and losses arising from transactions among consolidated companies, are eliminated in the consolidated financial statements. Intra-group dividends are eliminated from the statement of comprehensive income.

Unrealized gains or losses on transactions with associates or jointly controlled entities are eliminated to the extent of the Listing Group's interests in those entities.

Non-controlling interests in net assets and in net result of the consolidated companies are reported separately in the consolidated equity of the Listing Group.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

On acquisition, the assets, liabilities, and contingent liabilities of a subsidiary, which satisfy the recognition criteria stated in IFRS 3 (Revised) *Business Combinations*, are measured at their fair value at the date of acquisition, except for non-current assets (or disposal groups) classified as held for sale according to IFRS 5, which are measured at fair value less costs to sell.

Goodwill arising from acquisition is recognized as an asset and initially measured at cost.

Goodwill is measured as the excess of the aggregate of (i) the consideration transferred in the business combination, (ii) the amount of any non-controlling interest in the acquiree and (iii) the fair value of the acquirer's previously held equity interest in the acquiree (if any), over the net of the acquisition date amount of the identifiable assets acquired and liabilities assumed. If the net of the acquisition date amount of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a gain on bargain purchase.

Non-controlling interest is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The selection of the measurement method is made on a transaction-by-transaction basis.

Any contingent consideration arrangement in the business combination is measured at its acquisition date fair value and included as part of the consideration transferred in the business combination in order to determine goodwill. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are recognized retrospectively, with corresponding adjustments to goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which may not exceed one year from the acquisition date) about facts and circumstances that existed as of the acquisition date. Changes in the fair value of the contingent consideration that are not measurement period adjustments, and which is deemed to be an asset or liability, will be recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. In instances where the contingent consideration does not fall within the scope of IAS 39, it is measured in accordance with IAS 37. If the contingent consideration is classified as equity, it will not be re-measured, and its subsequent settlement shall be accounted for within equity.

When a business combination is achieved in stages, the Listing Group's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognized in profit or loss. Changes in the equity interest in the acquiree that have been recognized in other comprehensive income in prior reporting periods are reclassified to profit or loss as if the interest had been disposed of.

Investments in associates

Associates are enterprises over which the Listing Group has significant influence but no control or joint control. Generally, an investment where the entity has 20% or more of voting rights presumes the existence of significant influence.

Associates, over which the Listing Group has significant influence, are accounted for by using the equity method, from the date the significant influence commences until the date that significant influence ceases. According to this method, the carrying value of an investment in an associate is adjusted at each year-end, to take into consideration the result of the associate, net of dividends received, after having adjusted, where necessary, its accounting principles in order to align them with those applied by the Listing Group. Any excess of the cost of the acquisition over the fair values of the Listing Group's interest in assets, liabilities and contingent liabilities identifiable at the acquisition date, is recognized as goodwill. Goodwill is included in the carrying value of related investment and is neither amortized nor individually tested for impairment. The total balance of the investment is tested for impairment if events or changes in circumstances indicate that it might be impaired. Impairment losses, if any, are not allocated to any assets (and goodwill in particular) that forms part of the carrying amount of the investment in the associate, but to the carrying amount of the investment overall. Accordingly, any reversal of that impairment loss is recognized in full. Any decrease of the cost of the acquisition below the fair values of the identifiable net assets acquired is immediately recognized in profit or loss. When the Listing Group's share of losses of an associate, if any, exceeds the carrying amount of the associate in the Listing Group's statement of financial position, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Listing Group has incurred obligations, legal or constructive, in respect of the associate.

Property, plant and equipment and depreciation

Property, plant and equipment are recorded at their purchase price or construction cost, less accumulated depreciation and accumulated impairment losses, if any.

The purchase price corresponds to the price paid, including related expenses, to bring the asset to its location and condition necessary for it to be capable of operating in the manner intended by management, gross of third party contributions, if any, and the initial estimate of costs of dismantling and removing of the asset and restoring the site on which it is located, if needed and recognizable in accordance with IAS 37. Included in the value of internally constructed assets are all construction costs incurred up to the point in which these assets are available and ready for use.

Useful life is defined as the period over which an asset is expected to be available for use.

Costs incurred subsequent to the acquisition (mainly repair, maintenance and overhaul expenses) are capitalized only if they increase the future economic benefits associated with the related item of property, plant and equipment. Repairs, maintenance and overhaul expenses that do not meet the requirements to be recorded as assets are expensed as incurred.

The cost of the assets is depreciated on a straight-line basis over the years in which the assets are utilized, by providing depreciation rates, taking into account their estimated useful life. Depreciation starts when the asset is available and ready to enter into operations.

Depreciation is computed on a straight-line basis over the following estimated useful lives, deemed to represent the economic-technical life of the assets to which they refer:

<u>Category</u>	<u>Useful lives</u>
Land and buildings	16-50 years
Plant and machinery.	5-30 years
Industrial and commercial equipment	3-10 years

The depreciation rate for the first year of depreciation is proportionate to the period of effective utilization.

The asset's residual values, useful life and method of depreciation are reviewed annually and if any changes are required, these are accounted for prospectively.

Each part of an item of property, plant and equipment, with different useful lives and with a cost that is significant in relation to the total cost of the item, is depreciated separately (component approach).

Land is not depreciated.

In the case that an asset is required to be impaired, regardless of the depreciation already provided, the asset is written down accordingly. If in subsequent periods, the reasons for the write-down cease to apply, the original value is reinstated. The increased carrying amount of the asset attributable to a reversal of an impairment loss, can however never exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

Gains and losses arising from de-recognition of property, plant and equipment are determined by the difference between the selling price and the carrying amount and are recorded in profit or loss.

Operating leases

Operating lease payments are recognized as an operating expense in the income statement on a straight line basis over the lease term.

Intangible assets

An intangible asset is an asset without physical substance and is recorded only if it is identifiable, the Listing Group has control over it, it is probable that expected future economic benefits will be realized by the Listing Group and can be measured reliably.

Intangible assets with finite useful life are recorded at their purchase or production cost, less accumulated amortization and impairment losses, if any. Amortization rates reflect expected useful life and the amortization process begins when the asset is available for use. The useful life is reviewed annually and changes in original estimates, if any, are accounted for prospectively. The carrying amount of an intangible asset that has not yet commenced amortization is tested for impairment annually.

Intangible assets with indefinite useful life are not amortized but tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

Intangible assets recognized as a result of a business combination are recorded separately from goodwill, if their fair value can be reliably identified. Useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supported. If not the change in the useful life assessment from indefinite to definite is accounted for on a prospective basis.

Goodwill

Goodwill acquired in a business combination is included in intangible assets.

Goodwill arising from business combinations is initially measured at cost as established at the acquisition date, as defined in the paragraph related to business combinations in the section above headed "Basis of consolidation". Goodwill is recognized as an intangible asset with an indefinite useful life and is not amortized but tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Impairment losses, if any, are immediately recorded in profit or loss and are not reversed in subsequent periods. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. On disposal of a subsidiary, the residual amount of the related goodwill is included in the determination of the gain or loss on disposal.

To execute the impairment test, goodwill is allocated at the cash-generating unit ("CGU") level, identified as a single legal entity.

Intangible assets with definite useful lives

Development costs

Development costs are recognized as assets if, and only if, the cost can be measured reliably, related development activities are clearly identifiable, there is evidence that from these costs future economic benefits will flow to the Listing Group, and it can be demonstrated: (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (ii) the Listing Group's intention to complete the intangible asset and use or sell it; (iii) the availability of adequate technical and financial resources to complete the development and use or sell the intangible asset; (iv) the Listing Group's ability to reliably measure the expenditure attributable to the intangible asset during its development. Amortization is recorded on a straight-line basis over the expected useful life. The period of amortization does not exceed five years.

Development costs that do not meet the above-mentioned requirements are expensed as incurred in profit or loss and they cannot be recognized as intangible assets in subsequent periods.

Other intangible assets

The useful lives are as follows:

<u>Categories</u>	<u>Useful lives</u>
Licenses	10-20 years
Other intangible assets	4-10 years

Impairment of non-financial assets

The Listing Group reviews the recoverability of the carrying amount of tangible and intangible assets whether there is any indication that those assets have suffered an impairment loss. If indication of impairment is present, the carrying amount of the asset is reduced to its recoverable amount. In addition, intangible assets with indefinite useful lives are tested for impairment annually or more frequently, whenever there is an indication that the asset may be impaired. The impairment loss of an asset is equal to the difference between its carrying amount over its recoverable amount. The recoverable amount is the higher of its fair value less cost to sell and its value in use, which is the present value of estimated future operational cash flows, excluding cash flows arising from financing activities. Cash flow projections are based on financial plans and reasonable and supportable assumptions related to the Listing Group's future expected economic results and general economic conditions. The discount rate takes into consideration time value of money and specific industry risks.

If it is not possible to estimate the recoverable amount of an individual asset, the Listing Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When the recoverable amount of an asset (or of a cash-generating unit) is less than its carrying amount, the carrying amount of the asset is reduced to the recoverable amount and the impairment loss is immediately recognized in profit or loss. Then, when there is any indication that an impairment loss recognized in prior periods for an asset (or for a cash-generating unit) other than goodwill may no longer exist, the carrying amount of the asset (or of the cash-generating unit) will be increased to the new estimate of its recoverable amount. The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss cannot exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years. The reversal of the impairment is immediately recognized in profit or loss.

Financial instruments

The Listing Group's financial instruments are reported in the financial statements as follows:

- Non-current assets: non-current receivables, long-term cash deposit and other financial assets.
- Current assets: trade and other receivables, other current financial assets, and cash and cash equivalents.
- Non-current liabilities: non-current borrowings, other non-current financial liabilities and non-current trade and other payables
- Current liabilities: trade and other payables, current portion of borrowings and other current financial liabilities.

Initial recognition and measurement of financial assets

Financial assets within the scope of IAS 39 are classified as loans and receivables.

The Listing Group determines the classification of its financial assets at initial recognition. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. This item includes non-current receivables and other financial assets, trade and other receivables and other current financial assets.

All financial assets are recognized initially at fair value plus transaction costs.

Non-current assets and other financial assets

Non-current assets and other financial assets which the Listing Group intends to hold until maturity, are recognized based on the trade date and initially recorded at acquisition cost (fair value) including (except in the case of assets held for trading) transaction costs directly attributable to the acquisition. These assets are subsequently measured at amortized cost using the effective interest rate method ("EIR").

Trade and other receivables

Trade receivables are initially recorded at fair value, which corresponds to their nominal value, adjusted to the estimated realizable value by means of a provision for doubtful accounts. Receivables for which the collection is deferred beyond the average payment terms are adjusted to their present values and then measured at amortized cost using the effective interest rate method.

Sales of receivables, if any, occur through factoring transactions, which may be with or without recourse; certain without-recourse transactions imply continuing significant exposure to the cash flows deriving from the receivables sold. These kinds of transactions do not meet IAS 39 requirements for assets de-recognition, since the risks and rewards have not been substantially transferred. Consequently, receivables sold through factoring transactions that do not meet IAS 39 de-recognition requirements, are recognized as such in the financial statements, even though they have been legally sold. A corresponding financial liability is recorded for the same amount of the receivables and included in "Other current financial liabilities".

Other current financial assets

Current financial assets and securities the Listing Group intends to hold until maturity are recognized based on the settlement date and initially recorded at acquisition cost (fair value) including transaction costs directly attributable to the acquisition. These assets are subsequently measured at amortized cost using the EIR method.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;

- the Listing Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either
 - the Listing Group has transferred substantially all the risks and rewards of the asset; or
 - the Listing Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Listing Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognized to the extent of the Listing Group’s continuing involvement in the asset. In that case, the Listing Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Listing Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Listing Group could be required to repay.

Impairment of financial assets carried at amortized cost

For financial assets carried at amortized cost, the Listing Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Listing Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset’s original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as finance income in the statements of comprehensive income. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Listing Group. If, in a subsequent year, the amount of the estimated impairment loss increases or

decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statements of comprehensive income.

Cash and cash equivalents

This item includes cash on hand and in bank accounts and other current financial assets with a high level of negotiability that can be promptly converted into cash and that are subject to non-significant risk of reduction in value. For the purpose of the combined statements of cash flows, cash and cash equivalents consist of cash and short-term deposits net of outstanding bank overdrafts.

Financial liabilities

Financial liabilities within the scope of IAS 39 are classified as loans and borrowings. The Listing Group determines the classification of its financial liabilities at initial recognition. This item includes interest-bearing borrowings and trade and other payables, and bank overdrafts, classified as current, as well as current and non-current liabilities. Current and non-current financial liabilities are initially measured at fair value, net of related transaction costs and then measured at the amortized cost using the effective interest rate method. The portion of non-current financial liabilities that is due within 12 months after the end of the reporting period is classified in the item "Current portion of borrowings".

Interest bearing borrowings

Interest-bearing borrowings include bank loans and the subordinated debt issued by the Listing Group on 9 March 2007. The loans and borrowings including the subordinated debt are initially measured and recognized at fair value. Subsequent to initial measurement, loans and borrowings are carried at amortized cost using the EIR method. Gains and losses with respect to the retranslation to the functional currency at the reporting date are recognized in profit or loss. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in financial expenses in the combined statements of comprehensive income.

Trade and other payables

Trade and other payables are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. This category includes the following classes of financial liabilities: trade, tax and other payables. Subsequent to initial measurement at fair value (normally the transaction cost), these financial instruments are carried at amortized cost using the EIR method. However, trade and other payables, insofar as generally representing short-term payables on which no interest accrues, are normally measured on the basis of the nominal value originally stated in the relevant invoice.

Trade and other payables are further classified as current and non-current depending whether these will be realized within 12 months after the end of the reporting period or beyond.

Derivative financial instruments

The Listing Group's operations are exposed mainly to financial risks related to changes in currency and interest rates. To hedge such risks, the Listing Group entered into derivative financial instrument contracts. The use of such instruments is regulated by Group's policies, which define procedures for the use of such derivative contracts, in accordance with the Listing Group's risk management strategy.

All derivative financial instruments (including those embedded that are separated from the host contract) are measured at fair value.

For derivative financial instruments, the following accounting treatment applies:

- Mark-to-market value is computed at the end of the period;
- Any variation over the period of mark-to-market is registered as a gain or loss in the statements of comprehensive income.

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into a current or non-current portion based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- Where the Listing Group will hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistently with the classification of the underlying item.
- Embedded derivatives that are not closely related to the host contract are classified consistently with the cash flows of the host contract.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the combined statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognized in profit or loss.

Contract work in progress

Contract work in progress (or construction contracts) refers to specifically negotiated contracts for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, construction contracts are recognized based on the percentage of completion method applied to the overall contractual price. According to this method, costs, revenues and related profit are accounted for taking into consideration the proportion of work completed. For the computation of the percentage of completion, the economic method of the ratio between production costs already occurred and total budgeted costs of the whole contract (cost-to-cost) is adopted. The evaluation reflects the programs' best available estimate at the end of the reporting period. Assumptions used for the evaluations are revised on a periodic basis. Variations, price adjustments and incentive payments are subsequently included in contract revenues only if they have been agreed with the customer and related adjustments, if any, are accounted for in the accounting period in which they become known.

When the outcome of a construction contract cannot be estimated reliably, revenues are recognized only to the extent of contract costs incurred that will probably be recovered and costs are recognized as expenses in the period in which they are incurred.

Future costs expected to be incurred after the closing of the contract and expected losses are considered by recording a provision, classified as a liability in the item "Provisions for risks". In particular, the expected losses are recognized as expenses immediately at the moment they become known.

The Listing Group shows the balance of contract work in progress as an asset net of progress billing. The following analysis is conducted for each contract: if the gross amount of a specific contract work exceeds progress billing amount, the positive difference is classified in the item "Contract work in progress"; on the contrary, the net negative difference is classified in the item "Amount due to customers for contract work".

Inventories

Inventories are valued at the lower of purchase or production cost or net realizable value, which is defined as the estimated selling price less expected completion costs and selling expenses.

Specifically, raw materials, semi-finished goods and work in progress are initially recorded at purchase or production cost. Purchase cost includes costs paid to suppliers and other costs incurred in bringing the inventories to their present location, net of discounts and allowances. Production cost includes costs incurred in bringing the inventories to the place and condition in which they are at the reporting date: including direct costs and recharges of indirect and general production costs. Inventories are valued adopting the first-in, first-out method. This method is deemed to be the most appropriate for a true, fair and consistent representation of the financial and economic position of the Listing Group.

The value of the inventories is, if necessary, adjusted by providing appropriate reserves in order to consider obsolete and slow-moving materials, with respect to their possible use and future recoverability.

Retirement benefit obligation

Employees of the Listing Group are beneficiaries of post-employment benefit plans, which may be defined benefit or defined contribution plans, and other long-term benefit plans in accordance with local conditions and practices in the countries in which the Listing Group operates.

Defined benefit plans

The Listing Group's companies in North America provide a defined benefit plan and healthcare plans for all employees and retirees. The funds are valued every year by professionally qualified independent actuaries. In 2012, the funds were valued by Buck Consultants, LLC. The obligation and costs of the defined benefits are determined using a projected unit credit method. Actuarial gains and losses for the defined benefit plan are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in retained earnings and are not reclassified to profit or loss in subsequent periods.

Unvested past service costs are recognized as an expense on a straight line basis over the average period until the benefits become vested. Past service costs are recognized immediately if the benefits have already vested immediately following the introduction of, or changes to, a pension plan.

The defined benefit asset or liability is measured at the present value of the defined benefit obligation of estimated future cash flows using a discount rate that is similar to the interest rate on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation, less unrecognized past service costs and less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies.

Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value is based on market price information and, in the case of quoted securities, it is the published bid price. The value of any defined benefit asset recognized is restricted to the sum of any unrecognized past service costs and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

Defined contribution plans

Subsidiaries in the USA and Brazil sponsor defined contribution plans based on local practices and regulations. The plans cover full-time employees and provide for contributions ranging from 2.5% to 10% of the salaries. The contributions relating to defined contribution plans are charged to profit or loss in the year to which they relate.

Provisions

The Listing Group records provisions when it has a present obligation, legal or constructive, as a result of a past event to a third party, when it is probable that an outflow of the Listing Group's resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Provisions are recorded based on the best estimate of costs needed to discharge the obligation at the end of the reporting period. If the effect of the time value of money is significant, provisions are recorded at the discounted present value, and any increase due to the passage of time is subsequently recorded in profit or loss and classified among financial expenses.

Provisions related to lawsuits are determined based on estimates made to determine the probability, terms and amounts involved.

Provisions for future dismantling, removal and clean-up costs related to assets are classified as a reduction of the same assets. Related costs are recognized in profit or loss through the depreciation process of the assets.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Changes in estimate, if any, are accounted for in the accounting period in which changes occur.

No provision is recorded, but only disclosed in the notes, when the obligation is only possible and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future acts not wholly within the control of the entity or the likelihood of an outflow of resources is remote.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Listing Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Listing Group assesses its arrangements against specific criteria to determine if it is acting as principal or agent. The Listing Group has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Listing Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

Long-term contracts and service contracts

Revenues and income from long-term fixed price contracts are recognized on the percentage-of-completion method (POC). The percentage of completion is determined by comparing the cumulative total costs incurred to date to the total estimated costs at completion for each project. Revenue for such contracts equals the cost incurred to date plus the estimated profit to date on such contracts based on the POC methodology described above. If the estimate of total contract revenues and costs on a contract indicates a loss, the entire loss is recognized immediately when known. The cumulative effect of revisions in such estimates during the course of the work is recognized in the accounting period in which the facts that cause the revision become known. Due to uncertainties in the estimation process, it is reasonably possible that estimates will be revised in the near term. A substantial majority of the Company's contracts are of a fixed price nature and take over one year to complete.

Additionally, the Listing Group recognizes revenue for service contracts unrelated to long-term projects. Such contracts may be fixed-price lump-sum contracts, or may be based upon time and

material agreements. For fixed-price lump-sum contracts, revenues are typically recorded as agreed-upon milestones are met in providing the contracted services, which may be measured as labor hours provided compared with contractually agreed total labor hours or when certain agreed-upon processes have been completed. When such contracts are expected to exceed a normal operating cycle, the revenues may be recognized on a percentage-of-completion basis, similar to the long-term contract projects, and similarly based upon labor hours expended compared to total estimated labor hours required for completion of the contracted services. Service revenue on time and material contracts is recognized as services are provided, billed at contractually agreed-upon hourly rates with reimbursements for other expenses related to those services. Any services performed but not billed as of the end of the fiscal period are recorded in accrued income along with a related receivable for earnings in excess of billings.

Interest income

For all financial instruments measured at amortized cost and interest-bearing financial assets classified as available for sale, interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash flow payments or receipts over the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in profit or loss.

Royalties

Royalty revenue is recognized on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Listing Group and the amount of revenue can be measured reliably). Royalties determined on a time basis are recognized on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognized by reference to the underlying arrangements.

Cost of sales

Cost of sales is recognized in the period in which the costs are realized, either through shipments of goods or through providing services. Cost of goods is recorded at actual costs, inclusive of all shipping and handling charges. Cost of services also is recorded at actual costs. The Company does allocate to the direct cost of sales a portion of pre-project engineering costs as well as selling, general and administrative costs as a percentage of direct labor wages from a pool of overhead expenses. Additionally, "pre-signing" selling expenses directly related to long-term fixed price contracts obtained are included in the direct costs of those contracts for estimating the profits to be used in the percentage-of-completion revenue recognition process on those long-term construction projects.

Government grants

Government grants are deferred and amortized to income over the period necessary to match them with the related costs, which they are intended to compensate, on a systematic basis. Grants contributed towards the acquisition of property, plant and equipment are deducted from the cost of those assets and released to profit or loss by way of a reduced depreciation charge.

Expenses

Expenses are accounted for on an accrual basis in respect of the going concern assumption of the Listing Group's companies, net of sales taxes, returns, discounts, allowances and rebates. Provisions are recorded in accordance with the terms provided in the note related to provisions for risks.

Interest expenses are accounted for on an accrual basis, taking into consideration the financed amount and the applicable effective interest rate.

Taxes**Current taxes**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax is calculated on the estimated taxable income in accordance with the legislation currently in force in the countries in which the Listing Group operates.

The liability for current taxes is determined by applying the tax rates that are enacted or substantively enacted at the reporting date in the countries where the Listing Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates position taken in the tax returns with respect to situation in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes

Deferred tax assets and liabilities are the taxes expected to be payable or recoverable on the temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and they are accounted for using the liability method.

Deferred tax liabilities are generally recognized for all taxable temporary differences, except:

- where the deferred tax liabilities arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction (other than a business combination) that affects neither the taxable profit nor the accounting profit.
- in respect of taxable temporary differences arising from investments in subsidiaries and associates, and interests in joint ventures, where the Listing Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- where the deferred tax asset relating to temporary differences arises from the initial recognition of an asset or liability in a transaction (other than a business combination) that affects neither the taxable profit nor the accounting profit.
- in respect of deductible temporary differences arising from investments in subsidiaries and associates, and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the liability is settled or the asset is realized based on tax rates (and tax laws) that have been enacted at the reporting date.

Deferred taxes are recognized in profit or loss, except when they relate to items directly recognized to equity, in which case deferred taxes are also dealt with in equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, if they refer to the same company and are due to the same taxation authority.

Dividends

Dividends payable by the Listing Group are reported as a movement in equity and classified as a current liability in the period in which the distribution is approved by the shareholders' meeting.

Foreign currencies

The individual financial statements of each entity of the Listing Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the combined financial statements, the results and financial position of each entity in the group entity are expressed in Euro which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items

denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting combined financial statements, the assets and liabilities of the Listing Group's foreign operations are expressed in Euro using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of the reporting period, and revenues and expenses.

Estimates are used in many areas, including accounting for bad debt provisions on accounts receivable, inventory obsolescence, depreciation, asset impairment, employee benefits, taxes, provisions for risks and contingencies.

Actual results could differ from those estimates due to uncertainties on which assumptions are based. Estimates and assumptions are reviewed annually in order to verify they still reflect the best available knowledge of the Listing Group's operations and of other factors deriving from actual circumstances. Changes, if any, are immediately accounted for in profit or loss.

The present international macroeconomic context, whose effects are spread into some businesses in which the Listing Group operates, determined the need to make assumptions related to future development with a high degree of uncertainty; for this reason, it is not possible to exclude that, in the next or in subsequent financial years, actual results may differ from estimated results. These differences, at present unforeseeable and unpredictable, may require adjustments to carrying amounts. Assumptions and estimations are mainly related to the expected profitability used as a basis to determine the recoverable amount of the carrying value of non-current assets (goodwill in particular) and of deferred tax assets.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

- a) for the impairment test of goodwill (30 June 2013: €18,277,000; 2012: €18,227,000; 2011: €18,325,000 and 2010: €18,165,000): an impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in arm's length transactions of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the approved and medium-term forecast budget; and do not include restructuring activities

that the Listing Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for different CGUs, are further explained in note 4.3.

- b) by actuaries for the calculation of pension liabilities (30 June 2013: €35,535,000; 31 December 2012: €42,652,000; 31 December 2011: €38,204,000 and 31 December 2010: €27,219,000): the cost of defined benefit pension plans and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currencies with at least AA rating, with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about the assumptions used are given in note 4.18.
- c) for the recoverability of deferred tax assets (30 June 2013: €19,083,000; 31 December 2012: €24,377,000; 31 December 2011: €28,365,000 and 31 December 2010: €53,735,000): deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies (see note 4.7).
- d) for the calculation of the cost and estimated earnings in excess of billings and the amount due to customers for contract work (30 June 2013: €34,476,000; 31 December 2012: €35,027,000; 31 December 2011: €23,648,000 and 31 December 2010: €19,310,000): the percentage of completion is determined by comparing the cumulative total costs incurred to date to the total estimated costs at completion for each project.
- e) for useful lives and impairment of property, plant and equipment: In determining the useful lives of property, plant and equipment, the Listing Group has to consider various factors, such as expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is made based on the experience of the Listing Group with similar assets that are used in a similar way. Depreciation charge is revised if the estimated useful lives of items of property, plant and equipment are different from the previous estimation. Useful lives are reviewed, at each financial year end date, based on changes in circumstances.

- f) for impairment of trade receivables (30 June 2013: €1,739,000; 31 December 2012: €1,281,000; 31 December 2011: €3,351,000 and 31 December 2010: €794,000): The provision policy for impairment of trade receivables of the Listing Group is based on the ongoing evaluation of the collectability and ageing analysis of the outstanding trade receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each customer. If the financial conditions of the customers of the Listing Group were to deteriorate, resulting in an impairment of their ability to make payments, an additional impairment may be required.
- g) for provision for legal and other claims: Where management considers that any proceeding will more likely than not result in the Listing Group compensating third parties, a provision is recognized for the best estimate of the amount expected to be paid. Where management considers that it is more likely than not that proceedings will not result in the Listing Group compensating third parties or where it is not considered possible to provide a sufficiently reliable estimate of the amount expected to be paid, no provision is made for any potential liability under the proceeding except to the extent that the circumstances and uncertainties involved are disclosed as contingent liabilities. The assessment of the likely outcome of legal proceedings and the amount of any potential liability involves significant judgment.

4.1 PROPERTY, PLANT AND EQUIPMENT

The values of property, plant and equipment stated in the statement of financial position, are shown in the following table:

COST

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Construction in progress	TOTAL
	€'000	€'000	€'000	€'000	€'000
At 1 January 2010	100,232	571,957	6,247	6,072	684,508
Additions	99	950	2,136	13,883	17,068
Disposals	(5,615)	(64)	(428)	—	(6,107)
Asset write-off	—	(1,140)	—	—	(1,140)
Disposal of a subsidiary (note 4.37)	(23,145)	(116,751)	(814)	(4,902)	(145,612)
Foreign exchange adjustment	7,700	54,964	650	680	63,994
Transfer	723	10,510	202	(11,435)	—
At 31 December 2010	79,994	520,426	7,993	4,298	612,711
Additions	575	5,499	926	14,347	21,347
Disposals	(1,878)	(1,355)	(543)	(10)	(3,786)
Asset write-off	—	(694)	—	—	(694)
Foreign exchange adjustment	(1,432)	(30,157)	(151)	(303)	(32,043)
Transfer	28,932	(19,444)	192	(9,680)	—
At 31 December 2011	106,191	474,275	8,417	8,652	597,535
Additions	19,925	1,142	558	16,055	37,680
Disposals	—	—	(556)	—	(556)
Asset write-off	(67)	(2,063)	(17)	—	(2,147)
Foreign exchange adjustment	(2,520)	(17,837)	(215)	(595)	(21,167)
Transfer	3,092	15,279	56	(18,427)	—
At 31 December 2012	126,621	470,796	8,243	5,685	611,345
Additions	178	903	420	42,933	44,434
Disposals	(8,236)	(25)	(570)	(15)	(8,846)
Foreign exchange adjustment	(1,381)	(12,412)	(46)	(7)	(13,846)
Transfer	338	4,802	—	(5,140)	—
At 30 June 2013	117,520	464,064	8,047	43,456	633,087

ACCUMULATED DEPRECIATION

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Construction in progress	TOTAL
	€'000	€'000	€'000	€'000	€'000
At 1 January 2010	6,545	58,173	2,420	—	67,138
Depreciation charge for the year .	3,896	39,209	895	—	44,000
Disposals	(933)	—	(334)	—	(1,267)
Disposal of a subsidiary (note 4.37)	(2,527)	(25,133)	(727)	—	(28,387)
Foreign exchange adjustment	(1,354)	8,067	253	—	6,966
Transfer	—	(96)	96	—	—
At 31 December 2010	5,627	80,220	2,603	—	88,450
Depreciation charge for the year .	3,630	26,268	786	—	30,684
Disposals	(336)	—	(359)	—	(695)
Asset write-off	—	(44)	—	—	(44)
Foreign exchange adjustment	1,898	(7,096)	(114)	—	(5,312)
Transfer	2,812	(2,977)	165	—	—
At 31 December 2011	13,631	96,371	3,081	—	113,083
Depreciation charge for the year .	3,682	23,741	863	—	28,286
Disposals	—	—	(518)	—	(518)
Asset write-off	(8)	(144)	(7)	—	(159)
Foreign exchange adjustment	(541)	(5,680)	(140)	—	(6,361)
Transfer	43	3	(46)	—	—
At 31 December 2012	16,807	114,291	3,233	—	134,331
Depreciation charge for the period	1,836	11,851	414	—	14,101
Disposals	—	(1)	(435)	—	(436)
Foreign exchange adjustment	(287)	(4,040)	(51)	—	(4,378)
At 30 June 2013	18,356	122,101	3,161	—	143,618

NET CARRYING AMOUNT

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Construction in progress	TOTAL
	€'000	€'000	€'000	€'000	€'000
Cost.	79,994	520,426	7,993	4,298	612,711
Accumulated depreciation	(5,627)	(80,220)	(2,603)	—	(88,450)
At 31 December 2010.	<u>74,367</u>	<u>440,206</u>	<u>5,390</u>	<u>4,298</u>	<u>524,261</u>
Cost.	106,191	474,275	8,417	8,652	597,535
Accumulated depreciation	(13,631)	(96,371)	(3,081)	—	(113,083)
At 31 December 2011.	<u>92,560</u>	<u>377,904</u>	<u>5,336</u>	<u>8,652</u>	<u>484,452</u>
Cost.	126,621	470,796	8,243	5,685	611,345
Accumulated depreciation	(16,807)	(114,291)	(3,233)	—	(134,331)
At 31 December 2012.	<u>109,814</u>	<u>356,505</u>	<u>5,010</u>	<u>5,685</u>	<u>477,014</u>
Cost.	117,520	464,064	8,047	43,456	633,087
Accumulated depreciation	(18,356)	(122,101)	(3,161)	—	(143,618)
At 30 June 2013.	<u>99,164</u>	<u>341,963</u>	<u>4,886</u>	<u>43,456</u>	<u>489,469</u>

At 30 June 2013, 31 December 2012, 31 December 2011 and 31 December 2010, certain property, plant and equipment of the Listing Group in the amounts of €300 million, €315 million, €342 million and €383 million, respectively, were pledged as security for certain financings of the Listing Group. In particular, M&G Polimeros Mexico's land, buildings and plant guarantee a loan of a nominal value of US\$100 million (€76.5 million) in 2013, 2012, 2011 and 2010; M&G Polimeros Brazil's land, buildings and plant guarantee a loan of initial nominal values of R\$219 million (€75.6 million), R\$292 million (€100.8 million), R\$332 million (€114.6 million) and R\$366 million (€126.3 million) in 2013, 2012, 2011 and 2010, respectively.

As at 30 June 2013, the Listing Group's land included in property, plant and equipment is situated outside Hong Kong with a net carrying amount of €20,643,737 (2012: €28,481,366; 2011: €8,390,717; 2010: €7,969,467) which is held freehold.

4.2 INTANGIBLE ASSETS WITH DEFINITE USEFUL LIVES

MGI acquired in 2007 a licence from a related company, Chemtex Italia S.p.A. (the entity now named Biochemtex S.p.A. following the change of name on 30 August 2013), for the production of Purified Terephthalic Acid ("PTA"). In 2012, MGI acquired a licence of €7.55 million utilized for the production of ethylene glycol produced from renewable sources ("bio-MEG") from a related company, Chemtex Italia S.p.A. The licences will be amortized, as soon as they commence being utilized in the Listing Group's production process. Their recognition as "Intangible assets with definite useful lives" is subject to annual impairment testing and is based upon the estimated profitability of the programme to which they relate. As a consequence of the impairment test performed at 30 June 2013, 31 December 2012, 31 December 2011 and 31 December 2010, no impairment loss was recognized on the carrying value of the licence.

The composition of this account is set out in the following table:

COST

	Licences	Other intangible assets	TOTAL
	€'000	€'000	€'000
At 1 January 2010	20,814	63,843	84,657
Additions	—	13,439	13,439
Disposal of a subsidiary (note 4.37).	—	(8,247)	(8,247)
Foreign exchange adjustment	—	8,928	8,928
At 31 December 2010	20,814	77,963	98,777
Additions	—	329	329
Disposals	—	(5)	(5)
Foreign exchange adjustment	—	(5,471)	(5,471)
Write-off	—	(1,783)	(1,783)
At 31 December 2011	20,814	71,033	91,847
Additions	7,550	50,770	58,320
Disposals	—	(341)	(341)
Foreign exchange adjustment	—	(397)	(397)
At 31 December 2012	28,364	121,065	149,429
Additions	—	3,613	3,613
Disposals	—	(382)	(382)
Foreign exchange adjustment	—	(572)	(572)
Write-off	—	(12,611)	(12,611)
At 30 June 2013	28,364	111,113	139,477

ACCUMULATED AMORTIZATION

	Licences	Other intangible assets	TOTAL
	€'000	€'000	€'000
At 1 January 2010	—	37,273	37,273
Amortization charge for the year	—	13,398	13,398
Asset write-off	—	(13)	(13)
Disposal of a subsidiary (note 4.37)	—	(7,896)	(7,896)
Foreign exchange adjustment	—	3,379	3,379
At 31 December 2010	—	46,141	46,141
Amortization charge for the year	—	11,552	11,552
Asset disposals	—	(5)	(5)
Asset write-off	—	(202)	(202)
Foreign exchange adjustment	—	(2,864)	(2,864)
Write-off	—	(1,783)	(1,783)
At 31 December 2011	—	52,839	52,839
Amortization charge for the year	—	6,976	6,976
Asset disposals	—	(341)	(341)
Foreign exchange adjustment	—	(1,299)	(1,299)
At 31 December 2012	—	58,175	58,175
Amortization charge for the period	—	1,283	1,283
Asset disposals	—	(323)	(323)
Foreign exchange adjustment	—	(1,078)	(1,078)
Write-off	—	(12,611)	(12,611)
At 30 June 2013	—	45,446	45,446

NET CARRYING AMOUNT

	Licences	Other intangible assets	TOTAL
	€'000	€'000	€'000
Cost	20,814	77,963	98,777
Accumulated amortization	—	(46,141)	(46,141)
At 31 December 2010	<u>20,814</u>	<u>31,822</u>	<u>52,636</u>
Cost	20,814	71,033	91,847
Accumulated amortization	—	(52,839)	(52,839)
At 31 December 2011	<u>20,814</u>	<u>18,194</u>	<u>39,008</u>
Cost	28,364	121,065	149,429
Accumulated amortization	—	(58,175)	(58,175)
At 31 December 2012	<u>28,364</u>	<u>62,890</u>	<u>91,254</u>
Cost	28,364	111,113	139,477
Accumulated amortization	—	(45,446)	(45,446)
At 30 June 2013	<u>28,364</u>	<u>65,667</u>	<u>94,031</u>

4.3 INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

The composition of this item is set out in the following table:

COST

	Goodwill	TOTAL
	€'000	€'000
At 1 January 2010	17,809	17,809
Foreign exchange adjustment	356	356
At 31 December 2010	<u>18,165</u>	<u>18,165</u>
Foreign exchange adjustment	160	160
At 31 December 2011	<u>18,325</u>	<u>18,325</u>
Foreign exchange adjustment	(98)	(98)
At 31 December 2012	<u>18,227</u>	<u>18,227</u>
Foreign exchange adjustment	—	—
At 30 June 2013	<u>18,227</u>	<u>18,227</u>

Goodwill arises from the acquisition of Chemtex International (December 2004) of €5 million and the acquisition of Polimeros Brasil (April 2007) of €13 million.

Goodwill was tested for impairment as at 30 June 2013, 31 December 2012, 31 December 2011 and 31 December 2010 and as a result no impairment loss arose to be recognized on the carrying value of the goodwill.

Impairment of Polimeros Brasil's goodwill

To execute the impairment test, goodwill is allocated at the CGU level, identified as the single legal entity Polimeros Brasil S.A. The recoverability of the carrying value was tested by comparing the net invested capital (carrying value) of the CGU with the related recoverable amount (value in use).

The recoverable amount was represented by the present value of future operating cash flows arising from M&G Polimeros Brasil's financial budgets covering a three-year period. Cash flows were discounted at a weighted average cost of capital (net of taxes) of 10% as at 30 June 2013 (2012: 10%; 2011: 12.5%; 2010: 12.5%), using interest rates, which are representative of the current Brazilian market assessment of the time value of money and take into account the Listing Group's specific risks in Brazil, combined with a local full tax rate of 34% as at 30 June 2013 (2012: 34%; 2011: 34%; 2010: 34%). Certain strategic Brazilian capital expenditures key for the generation of cash was also deducted from the cash flows. The cash flows foreseen for the last years of projection were normalized using the perpetuity method, and conservatively considered no growth in the expected cash flows.

The calculation of value in use units is most sensitive to the following assumptions:

- Gross margins
- Discount rates
- Raw materials price inflation
- Market share during the budget period

Gross margins — Gross margins are based on average values achieved in the years preceding the beginning of the budget period. On the longer term, gross margins are increased in line with the Company's business plan.

Discount rates — Discount rates represent the current market assessment of the risks specific to the Brazilian CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Listing Group and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Listing Group's investors. The cost of debt is based on the interest-bearing borrowings the Listing Group is obliged to service. The beta factors are evaluated annually based on publicly available market data.

Raw materials price inflation — Estimates are obtained from published indices for the countries from which materials are sourced, as well as data relating to specific commodities. Forecast figures are used if data is publicly available, otherwise past actual raw material price movements are used as an indicator of future price movements.

Market share assumptions — These assumptions are important because, as well as using industry data for growth rates (as noted below), management assesses how the unit's position, relative to its competitors, might change over the budget period. Management expects the Listing Group's share of the PET market to be stable over the budget period.

Management believes that no reasonable change in any of the above key assumptions would cause the carrying value of the CGU to materially exceed its recoverable amount.

Impairment of Chemtex's goodwill

The recoverable amount of the cash-generating unit (Chemtex International Group) is determined based on a fair value less costs to sell calculation using both an income approach (discounted cash flows) and a market approach (market multiple methodology). As a result of this analysis, management did not identify any impairment as of 30 June 2013, 31 December 2012, 31 December 2011 and 31 December 2010.

Under the discounted cash flow method, the fair value was determined using cash flow projections from financial budgets covering a five-year period. The discount rate applied to the cash flow projections is 14.1% to traditional engineering activity and 17.6% to bio-MEG.

Discount rate: Discount rate represents the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flows estimates. The discount rate (weighted average cost of capital ("WACC")) is based on market comparable observable values. The WACC takes into account both the debt and the equity. The cost of equity is derived from observable data, the cost of debt is based on the 3-month average USD 30 year yield curve. The industry specific risk is incorporated by applying an individual beta factor.

Management believes that no reasonable change in any of the above key assumptions would cause the carrying value of the CGU to materially exceed its recoverable amount.

4.4 INVESTMENT IN AN ASSOCIATE

The composition of this item is set out in the following table:

	<u>31/12/2010</u>	<u>31/12/2011</u>	<u>31/12/2012</u>	<u>30/06/2013</u>
	€'000	€'000	€'000	€'000
Benesi Polysilicon Company Ltd . . .	2,792	—	—	—
Total	<u>2,792</u>	<u>—</u>	<u>—</u>	<u>—</u>

Name	Place and date of incorporation/ establishment	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company	Principal activities
Benesi (Shenyang) Polysilicon. Co. Ltd. . . .	Shenyang (China), 11 August 2009	\$16,000,000	30%	Operating manufacturing company

The Listing Group's shareholding in the associate comprises equity shares held through a wholly owned subsidiary of the Company.

The following table illustrates the summarized financial information of the Listing Group's associate extracted from its financial statements:

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
	€'000	€'000	€'000	€'000
Assets	33,035	33,035	33,035	33,035
Liabilities	26,057	26,057	26,057	26,057
Revenues	—	—	—	—
Profit	—	—	—	—

The reduction of €2.7 million of investments is due to the cancellation of the Benesi project by Chemtex Global. The amount is the sum of a write-off of €0.6 million and the cancellation for €2.1 million of capital commitments.

4.5 NON-CURRENT ASSETS

The composition of this item is set out in the following table:

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
	€'000	€'000	€'000	€'000
Third parties — Guarantee deposits	759	517	500	472
Third parties — Non-current sundry receivables	—	569	130	123
Third parties — Non-current trade receivables	25,517	25,598	316	219
Non current prepayments	—	21,600	34,106	34,404
Vat receivables on fixed assets.	5,901	3,545	3,109	2,720
Total	<u>32,177</u>	<u>51,829</u>	<u>38,161</u>	<u>37,938</u>

Non-current trade receivable in 2011 is a receivable arising from the acquisition by MGI of a credit note of a major customer of the Listing Group from M&G Finanziaria S.r.l. for €25.5 million (2010: €25.5 million) that was collected in March 2012, ahead of maturity, for a total amount of €21 million due to a financial discount granted.

Prepayments in June 2013 include an amount of €34,404,000 (2012:€34,106,000) related to a prepayment made to M&G Finanziaria S.r.l. upon the commencement of engineering project. This prepayment will be incorporated in the engineering, procurement and construction contract.

4.6 OTHER NON-CURRENT FINANCIAL ASSETS

This item is composed of the following:

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
	€'000	€'000	€'000	€'000
Third parties — Non-current financial receivables	—	2,019	890	1,273
Group — Non-current financial receivables	—	346,268	354,970	350,649
Long-term cash deposit	65,044	19,545	19,935	14,073
Others	736	183	303	241
Total	<u>65,780</u>	<u>368,015</u>	<u>376,098</u>	<u>366,236</u>

As at 30 June 2013, long-term cash deposit includes an amount of €12.2 million (R\$35.3 million); 2012: €19.3 million (R\$51.9 million); 2011: €19.2 million (R\$46.5 million); 2010: €21.7 million (R\$48.4 million) related to a cash deposit guaranteeing the corresponding amount of the Brazilian long-term loan (see note 4.15).

Third parties — Non current financial receivables includes an amount of €1.3 million pledged to certain banks to secure the loans granted to the Listing Group as at 30 June 2013.

The related parties of the Listing Group hereinafter are referred to as the “Group”. Group — Non-current financial receivables represent an intercompany loan to M&G Finanziaria S.r.l. The loan has a long-term maturity (30 years from September 2011) and bears interest at a fixed rate of 6.8% per annum up to (and excluding) 9 March 2012 and at the rate of 3 months EURIBOR + 5.625%. From 9 March 2012, the loan may be repaid in advance, at the sole discretion of the borrower, without any penalty.

4.7 DEFERRED TAX

The net amounts of deferred tax assets and deferred tax liabilities are as follows:

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
	€'000	€'000	€'000	€'000
Deferred tax assets	53,735	28,365	24,377	19,083
Deferred tax liabilities	(74,901)	(46,807)	(44,071)	(48,792)
Total	<u>(21,166)</u>	<u>(18,442)</u>	<u>(19,694)</u>	<u>(29,709)</u>

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

	Losses available for offsetting future tax profits	Temporary difference on tax credit	Temporary difference on depreciation and amortization	Other temporary differences	Total
	€'000	€'000	€'000	€'000	€'000
At 1 January 2010	37,818	—	(97,673)	9,668	(50,187)
Credited/(charged) to profit or loss for the year	(187)	5,796	2,594	3,575	11,778
Credit/(charged) to other comprehensive income . . .	—	—	—	154	154
Reclassification to other tax receivables	(4,132)	—	(479)	4,587	(24)
Disposal of a subsidiary (note 4.37)	(1,858)	—	26,149	(3,244)	21,047
Foreign exchange adjustment	<u>3,081</u>	<u>(42)</u>	<u>(7,278)</u>	<u>305</u>	<u>(3,934)</u>
At 31 December 2010	34,722	5,754	(76,687)	15,045	(21,166)
Credited/(charged) to profit or loss for the year	(9,947)	1,085	9,228	(2,798)	(2,432)
Credit/(charged) to other comprehensive income . . .	—	—	—	4,562	4,562
Foreign exchange adjustment	<u>(1,217)</u>	<u>271</u>	<u>1,181</u>	<u>359</u>	<u>594</u>
At 31 December 2011	23,558	7,110	(66,278)	17,168	(18,442)
Credited/(charged) to profit or loss for the year	(6,026)	187	(11,507)	14,233	(3,113)
Credit/(charged) to other comprehensive income . . .	—	—	—	2,240	2,240
Reclassification to other tax receivables	—	—	(205)	2,089	1,884
Foreign exchange adjustment	<u>(1,021)</u>	<u>(141)</u>	<u>84</u>	<u>(1,185)</u>	<u>(2,263)</u>
At 31 December 2012	<u>16,511</u>	<u>7,156</u>	<u>(77,906)</u>	<u>34,545</u>	<u>(19,694)</u>

	Losses available for offsetting future tax profits	Temporary difference on tax credit	Temporary difference on depreciation and amortization	Other temporary differences	Total
	€'000	€'000	€'000	€'000	€'000
Credited/(charged) to profit or loss for the period	(2,550)	—	(1,099)	(3,242)	(6,891)
Credited/(charged) to other comprehensive income	—	—	—	(3,039)	(3,039)
Reclassification to other tax receivables	876	—	—	78	954
Foreign exchange adjustment	(561)	61	(667)	128	(1,039)
At 30 June 2013	<u>14,276</u>	<u>7,217</u>	<u>(79,672)</u>	<u>28,470</u>	<u>(29,709)</u>

The composition of income tax is set out in the following table:

	31/12/2010	31/12/2011	31/12/2012	30/06/2012	30/06/2013
	€'000	€'000	€'000	€'000	€'000
				(Unaudited)	
Current tax expenses in respect of the current year/period	(18,979)	(11,894)	(7,730)	(751)	(8,944)
Adjustment recognised in the current year in relation to the current tax of prior years	—	—	—	—	—
Total current taxes	<u>(18,979)</u>	<u>(11,894)</u>	<u>(7,730)</u>	<u>(751)</u>	<u>(8,944)</u>
Deferred tax effects relating to the origination and reversal of temporary differences:	11,778	(2,432)	(3,113)	(2,435)	(6,891)
Total deferred taxes	<u>11,778</u>	<u>(2,432)</u>	<u>(3,113)</u>	<u>(2,435)</u>	<u>(6,891)</u>
Total	<u>(7,201)</u>	<u>(14,326)</u>	<u>(10,843)</u>	<u>(3,186)</u>	<u>(15,835)</u>

No provision for Hong Kong profits tax has been made as the Listing Group had no assessable profits derived from or earned in Hong Kong during the Relevant Periods.

The Listing Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Listing Group are domiciled and operate.

Country	Type of tax	Tax rate 2010	Tax rate 2011	Tax rate 2012	Tax rate 2013
Luxembourg	Income tax	28.60%	28.80%	28.80%	29.22%
USA	Federal income tax plus state income tax	38.62%	38.62%	38.62%	38.00%
Mexico	Income tax	30.00%	30.00%	30.00%	30.00%
Brazil	Income tax	34.00%	34.00%	34.00%	34.00%

A reconciliation of the tax expense applicable to profit before tax using the statutory tax rate of the Company to the tax expense at the effective tax rate for each of the Relevant Periods is as follows:

	31/12/2010	31/12/2011	31/12/2012	30/06/2012	30/06/2013
	€'000	€'000	€'000	€'000	€'000
				(Unaudited)	
Accounting profit before tax	30,387	30,055	93,495	10,832	38,532
Tax at the applicable M&G International and Chemtex Global statutory tax rate of 29.22% in 2013, 28.80% in 2012, 28.80% in 2011 and 28.59% in 2010	(8,688)	(8,656)	(26,927)	(3,120)	(11,259)
Differences related to the different tax rates	(2,552)	1,086	(1,322)	53	(405)
Tax losses not recognized	(3,276)	(5,201)	(3,787)	(2,017)	(2,731)
Tax losses utilized from previous years	12,682	—	—	—	—
Unrecognized deferred tax asset	—	(533)	(544)	(268)	(280)
Differences related to local and extraordinary taxes	(169)	517	(449)	—	—
Permanent differences and differences on consolidated entries	(5,198)	(1,539)	22,186	2,166	(1,160)
Tax charge per the combined statement of comprehensive income	(7,201)	(14,326)	(10,843)	(3,186)	(15,835)
Effective tax rate	23.70%	47.67%	11.60%	29.41%	41.10%

As at 30 June 2013, the Listing Group has accumulated tax losses of approximately €166 million (2012: €177 million; 2011: €196 million; 2010: €223 million) which are all available indefinitely except for the US (limited to 8 years) for offsetting against future taxable profits.

As at 30 June 2013, deferred tax assets have not been recognized in respect of losses of €130 million (2012: €130 million; 2011: €137 million; 2010: €135 million) as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available to utilize such tax losses.

4.8 INVENTORIES

The composition of inventories is shown in the following table:

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
	€'000	€'000	€'000	€'000
	Net value	Net value	Net value	Net value
Raw materials	62,864	65,030	83,699	52,591
Finished products	110,052	105,779	102,778	164,114
Other materials	2,062	2,169	1,768	2,136
Spare parts	8,440	9,523	10,360	9,873
Total	183,418	182,501	198,605	228,714

Inventories include an amount of €160 million, €120 million, €153 million and €122 million pledged to certain banks to secure the loans granted to the Listing Group as at 30 June 2013, 31 December 2012, 2011 and 2010, respectively (Note 4.15).

4.9 TRADE AND OTHER RECEIVABLES

The composition of trade and other receivables is described below.

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
	€'000	€'000	€'000	€'000
Prepayments and accrued income	(i) 9,145	23,093	13,342	10,753
Trade receivables from third parties	(ii) 173,834	177,552	191,975	148,405
Group — Trade receivables	(iii) 26,256	27,291	49,067	48,535
Other receivables from third parties	(iv) 31,933	40,430	47,966	61,640
Group — Other receivables	(v) 40,966	5,301	8,800	5,528
Total	282,134	273,667	311,150	274,861

Trade and other receivables include an amount of €69 million, €151 million, €145 million and €144 million pledged to certain banks to secure the loans granted to the Listing Group as at 30 June 2013, 31 December 2012, 2011 and 2010, respectively (Note 4.15).

The carrying amounts of such receivables and assets is deemed to approximate to their fair values, with the components set out in the following tables:

(i) *Prepayments and accrued income*

The item is composed of the following:

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
	€'000	€'000	€'000	€'000
Prepaid suppliers	3,704	9,821	8,350	5,970
Advance payments	1,798	10,030	1,717	956
Prepaid expenses	3,233	3,192	3,275	3,827
Accrued income	410	50	—	—
Total	<u>9,145</u>	<u>23,093</u>	<u>13,342</u>	<u>10,753</u>

(ii) *Trade receivables from third parties*

The item is composed of the following:

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
	€'000	€'000	€'000	€'000
Trade receivables — gross	174,628	180,903	193,256	150,144
Bad debt allowance	(794)	(3,351)	(1,281)	(1,739)
Total	<u>173,834</u>	<u>177,552</u>	<u>191,975</u>	<u>148,405</u>

The Company's trading terms with its customers are mainly on credit. The credit period is generally for a period of one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Company seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize the credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing. They are stated net of provisions.

An ageing analysis of the trade receivables not overdue as at the end of each of the Relevant Periods, based on the due date and net of provisions, is as follows:

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
	€'000	€'000	€'000	€'000
Due within 1 month	66,005	103,060	100,597	68,670
Due in 1 to 2 months	63,065	32,272	33,358	27,595
Due in 2 to 3 months	29,899	14,140	15,884	6,126
Due over 3 months	4,102	98	8,449	9,837
Total	<u>163,071</u>	<u>149,570</u>	<u>158,288</u>	<u>112,228</u>

The ageing balance of the net trade receivables overdue at the end of each of the Relevant Periods, based on the due date and net of provisions, is as follows:

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
	€'000	€'000	€'000	€'000
Overdue within 1 month	6,618	18,930	13,560	10,393
Overdue in 1 to 2 months	2,904	4,476	6,900	11,489
Overdue in 2 to 3 months	517	1,228	3,692	4,615
Overdue over 3 months	724	3,348	9,535	9,680
Total	<u>10,763</u>	<u>27,982</u>	<u>33,687</u>	<u>36,177</u>
Total trade receivables, net	<u>173,834</u>	<u>177,552</u>	<u>191,975</u>	<u>148,405</u>

The movements in the allowance for trade and other receivables are as follows:

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
	€'000	€'000	€'000	€'000
1 January	(1,197)	(794)	(3,351)	(1,281)
Impairment losses recognized	(59)	(2,509)	(1,201)	(439)
Impairment losses reversed	127	153	3,174	—
Disposal of subsidiaries	397	—	—	—
Recovery	6	—	—	—
Currency translation adjustments	(68)	(201)	97	(19)
31 December	<u>(794)</u>	<u>(3,351)</u>	<u>(1,281)</u>	<u>(1,739)</u>

Included in the above provision for impairment of trade receivables are provisions for individually impaired trade receivables of €1,739,000, €1,281,000, €3,351,000 and €794,000 with carrying amounts before provision of approximately €3,188,000, €3,108,000, €3,351,000 and €794,000, as at 30 June 2013, 31 December 2012, 2011 and 2010, respectively. The Listing Group does not hold any collateral or other credit enhancements over these balances.

(iii) Group — Trade receivables

Group — Trade receivables are mainly related to the sale of PTA to a related party, M&G Fibras Brasil S.A..

An ageing analysis of the Group - Trade receivables not overdue as at the end of each of the Relevant Periods, based on the due date and net of provisions, is as follows:

	<u>31/12/2010</u>	<u>31/12/2011</u>	<u>31/12/2012</u>	<u>30/06/2013</u>
	€'000	€'000	€'000	€'000
Due within 1 month	6,127	3,852	7,919	6,912
Due in 1 to 2 months	5,421	—	322	2,581
Due in 2 to 3 months	77	—	—	—
Due over 3 months	—	—	—	—
Total	<u>11,625</u>	<u>3,852</u>	<u>8,241</u>	<u>9,493</u>

The ageing balance of the Group - Trade receivables overdue at the end of each of the Relevant Periods, based on the due date and net of provisions, is as follows:

	<u>31/12/2010</u>	<u>31/12/2011</u>	<u>31/12/2012</u>	<u>30/06/2013</u>
	€'000	€'000	€'000	€'000
Overdue within 1 month	836	4,142	2,706	2,854
Overdue in 1 to 2 months	—	3,879	341	1,044
Overdue in 2 to 3 months	447	4,182	101	935
Overdue over 3 months	13,348	11,236	37,678	34,209
Total	<u>14,631</u>	<u>23,439</u>	<u>40,826</u>	<u>39,042</u>
Total Group — Trade receivables	<u>26,256</u>	<u>27,291</u>	<u>49,067</u>	<u>48,535</u>

(iv) Other receivables from third parties

The item is composed of the following:

	<u>31/12/2010</u>	<u>31/12/2011</u>	<u>31/12/2012</u>	<u>30/06/2013</u>
	€'000	€'000	€'000	€'000
Sundry receivables	2,999	4,432	9,123	18,110
Other current receivables	53	58	448	148
VAT receivables	28,406	35,146	38,037	43,345
Tax credits	475	794	358	37
Total	<u>31,933</u>	<u>40,430</u>	<u>47,966</u>	<u>61,640</u>

(v) Group — Other receivables

The item is composed of the following:

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
	€'000	€'000	€'000	€'000
Sundry receivables	40,158	5,301	5,729	4,099
Advance payments	808	—	3,071	1,429
Total	<u>40,966</u>	<u>5,301</u>	<u>8,800</u>	<u>5,528</u>

4.10 OTHER CURRENT FINANCIAL ASSETS

The item is composed of the following:

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
	€'000	€'000	€'000	€'000
Third parties — Current financial assets	5,642	3,996	1,203	1,765
Third parties — Derivatives	368	—	—	—
Third parties — Bond and securities	—	323	1,684	12,665
Group — Cash pooling assets	287,953	1,713	9	1
Group — Current financial assets	20,291	11,087	22,947	41,205
Group — Current financial receivables	1,905	8,810	30,903	41,276
Total	<u>316,159</u>	<u>25,929</u>	<u>56,746</u>	<u>96,912</u>

Group — Cash pooling assets — Cash is managed centrally within the Group of the Parent through the implementation of cash pooling structures involving the European and North American companies of the Group of the Parent. The aim of cash pooling is to promptly guarantee liquidity and to minimize interest and costs.

Group — Current financial assets mainly represent intercompany loans to Chemtex Italia S.p.A. for a total amount of US\$53.2 million (€40.7 million) that bear interests at the rate of LIBOR + 300BPS. The due date of the loans is 31 December 2013.

Group — Current financial receivables relate to interest on intercompany loan included in Group — Non current financial receivable (Note 4.6).

4.11 INCOME TAX RECEIVABLES

	<u>31/12/2010</u>	<u>31/12/2011</u>	<u>31/12/2012</u>	<u>30/06/2013</u>
	€'000	€'000	€'000	€'000
Income tax receivables	15,010	17,538	16,874	10,694
Total	<u>15,010</u>	<u>17,538</u>	<u>16,874</u>	<u>10,694</u>

4.12 CASH AND CASH EQUIVALENTS

The item is composed of the following:

	<u>31/12/2010</u>	<u>31/12/2011</u>	<u>31/12/2012</u>	<u>30/06/2013</u>
	€'000	€'000	€'000	€'000
Cash and cash equivalents	167,763	91,266	157,656	109,481
Short-term deposit	34,605	36,653	11,548	2,165
Total	<u>202,368</u>	<u>127,919</u>	<u>169,204</u>	<u>111,646</u>

At 31 December 2012, 2011 and 2010, the Listing Group held €0.8 million, €1.1 million and €3 million, respectively, in cash pledged to secure bank guarantees on issued and outstanding letters of credit and as collateral for an overdraft facility. At 30 June 2013, the Listing Group has €42 million in cash pledged to secure bank loans.

Cash at banks which include in cash and cash equivalents earns interest at overnight rates for deposits in United States dollars (USD) and at Euro Overnight Index Average (EONIA) rates for deposits in Euro. In Brazil, short-term deposits earn interest at the Certificado de Deposito Interbancario ("CDI", interbank interest rate) deposit rates.

4.13 SHAREHOLDERS' EQUITY

The item is composed of the following:

a) ISSUED CAPITAL

Combined

	<u>31/12/2010</u>	<u>31/12/2011</u>	<u>31/12/2012</u>	<u>30/06/2013</u>
	€'000	€'000	€'000	€'000
Issued capital	<u>108,540</u>	<u>108,540</u>	<u>140,240</u>	<u>140,240</u>

Combined issued capital is the aggregate issued capital of MGI and Chemtex Global as at 31 December 2010, 2011 and 2012 and 30 June 2013.

As at 30 June 2013, issued capital of MGI consisted of 79,040 (2012: 79,040; 2011: 79,040; 2010: 79,040) ordinary shares with a par value of €1,000 each, amounting to €79,040,000 (2012: €79,040,000; 2011: €79,040,000; 2010: €79,040,000) which was fully issued and paid. The authorized capital of MGI totals 150,000 registered shares.

As at 30 June 2013, issued capital of Chemtex Global consisted of 61,200 (2012: 61,200; 2011: 29,500; 2010: 29,500) ordinary shares with a par value of €1,000 each, amounting to €61,200,000 (2012: €61,200,000; 2011: €29,500,000; 2010: €29,500,000) which was fully issued and paid. As at 30 June 2013, the authorized capital of Chemtex Global totals 65,000 (2012: 65,000; 2011: 50,000; 2010: 50,000) registered shares.

During 2012, the authorized capital of Chemtex Global was increased to €65,000,000 with 65,000 ordinary shares and share capital was increased from €29,500,000 to €61,200,000 by the creation of 31,700 additional shares of €1,000 each to M&G Finanziaria S.r.l.

Company

Authorised share capital:

As at the date of this prospectus, the authorised share capital was €860,000,000 divided into 8,600,000,000 shares of €0.10 each.

	<u>30/06/2013</u>
	€'000
Issued capital:	
31,000 ordinary shares of €1 each.	<u>31</u>

Upon the incorporation of the Company, an aggregate of 31,000 ordinary shares of €1 each were issued at par for a total cash consideration of €31,000.

The changes of the Company's share capital subsequent to 30 June 2013 are set out as below.

	<u>Number of</u> <u>shares</u>	<u>At par</u> <u>€</u>	<u>Amounts</u> <u>(€'000)</u>
At 30 June 2013	31,000	1	31
Increase in share capital (Note a)	219,000	1	219
Increase in share capital (Note b)	436,750,000	1	436,750
Share split (Note c)	<u>3,933,000,000</u>		<u>—</u>
At date of this report	<u>4,370,000,000</u>	0.10	<u>437,000</u>

Notes

- (a) On 8 July 2013, the share capital of the Company was increased to €250,000 by the issuance to the Parent, of 219,000 new shares having a par value of €1 each.
- (b) On 30 September 2013, the share capital of the Company was further increased to €437,000,000 by the issuance to the Parent, of 436,750,000 new shares having a par value of €1 each, by way of a contribution in kind from the Parent and consisting in all of the shares in Mossi & Ghisolifi International S.à r.l..
- (c) On 23 October 2013, 437,000,000 shares of the Company having a par value of €1 each were split into a par value of €0.10 each, resulting in 4,370,000,000 shares.

b) RESERVES

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
	€'000	€'000	€'000	€'000
Legal reserve	1,376	1,376	1,665	1,665
Other reserves	518	518	518	518
Total	<u>1,894</u>	<u>1,894</u>	<u>2,183</u>	<u>2,183</u>

Reserves mainly refer to a legal reserve that can only be used to absorb the losses of MGI and Chemtex Global or to increase the share capital in conformity with articles 69-2 and 69-4 of the Luxembourg company law.

c) FOREIGN CURRENCY TRANSLATION RESERVE

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
	€'000	€'000	€'000	€'000
Foreign currency translation reserve	<u>(110,431)</u>	<u>(122,816)</u>	<u>(120,290)</u>	<u>(121,291)</u>

Foreign currency translation adjustments reflect those translation adjustments arising from the consolidation of financial statements of foreign entities.

d) RETAINED EARNINGS

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
	€'000	€'000	€'000	€'000
Retained earnings	269,546	281,634	359,264	384,004
Acquisition of non-controlling interest	—	(17,517)	(17,517)	(17,517)
Total	<u>269,546</u>	<u>264,117</u>	<u>341,747</u>	<u>366,487</u>

Acquisition of non-controlling interest is the equity effect of a transaction carried out in January 2011. The Listing Group acquired 100% of a holding company (Tereftálicos Indústria Participações Ltda) which had non-controlling interest (49%) in Tereftálicos Indústrias Químicas Ltda. The total value of the transaction and therefore of the non-controlling interest purchased was €26 million.

4.14 NON-CONTROLLING INTEREST

The item is composed of the following:

	<u>31/12/2010</u>	<u>31/12/2011</u>	<u>31/12/2012</u>	<u>30/06/2013</u>
	€'000	€'000	€'000	€'000
Share capital	53,460	23,779	23,779	23,779
Accumulated losses	(21,920)	(9,824)	(13,239)	(12,693)
Currency translation reserve	(11,599)	(5,643)	(6,170)	(6,706)
Results of the year/period	<u>698</u>	<u>(3,415)</u>	<u>597</u>	<u>2,219</u>
Total	<u><u>20,639</u></u>	<u><u>4,897</u></u>	<u><u>4,967</u></u>	<u><u>6,599</u></u>

4.15 CURRENT AND NON-CURRENT BORROWINGS

This item is composed of the following:

	<u>31/12/2010</u>	<u>31/12/2011</u>	<u>31/12/2012</u>	<u>30/06/2013</u>
	€'000	€'000	€'000	€'000
Current portion of borrowings	237,782	231,532	298,784	277,117
Non-current borrowings	<u>417,945</u>	<u>307,050</u>	<u>277,534</u>	<u>283,899</u>
Total	<u><u>655,727</u></u>	<u><u>538,582</u></u>	<u><u>576,318</u></u>	<u><u>561,016</u></u>

As at 30 June 2013, current portion of borrowings include an amount of interest of €3 million (2012: €4 million; 2011: €16 million; 2010: €16 million) and non-current borrowings include an amount of interest of €25 million (2012: €23 million; 2011: nil; 2010: nil) less an amount of transaction costs of €3 million (2012, 2011 and 2010: nil).

The details of the principal amounts of current and non-current borrowings are as follows:

	Contractual interest rate	Maturity	31 December 2010		31 December 2011		31 December 2012		30 June 2013			
			Contractual interest rate	Maturity	Contractual interest rate	Maturity	Contractual interest rate	Maturity	Contractual interest rate	Maturity		
	%		€000	%	€000	%	€000	%	€000			
Current												
Bank loans												
- secured	6.38%-9.65%	2011	16,597	5.81%-9.65%	2012	17,862	5.00%-9.86%	2013	20,294	0.83%-11.80%	2014	152,917
- unsecured	1.26%-13.40%	2011	204,587	1.78%-17.00%	2012	197,166	0.85%-11.57%	2013	274,802	7.72%-13.10%	2014	121,552
			<u>221,184</u>			<u>215,028</u>			<u>295,096</u>			<u>274,469</u>
Non-current												
Bank loans												
- secured	4.31%-9.65%	2018	187,159	4.31%-10.00%	2018	167,973	7.72%-9.86%	2018	88,770	7.72%-11.80%	2018	73,506
- secured	8.44%	2017	35,857	8.44%	2017	28,704	4.84%	2015	75,792	4.69%	2015	76,453
- secured	—	—	—	—	—	—	5.00%	2017	14,820	3.94%	2020	38,226
- unsecured										5.13%	2014	4,511
- unsecured	2.03%-11.03%	2015	124,698	2.36%-11.03%	2014	43,695	8.97%-11.30%	2014	7,686	10.04%	2015	1,725
Other loans												
- unsecured	7.50%	No maturity date	70,231	7.50%	No maturity date	66,678	5.82%	No maturity date	66,950	5.83%	No maturity date	66,950
			<u>417,945</u>			<u>307,050</u>			<u>254,018</u>			<u>261,371</u>
Total			<u><u>639,129</u></u>			<u><u>522,078</u></u>			<u><u>549,114</u></u>			<u><u>535,840</u></u>

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
	€'000	€'000	€'000	€'000
Analysed into:				
Bank loans repayable:				
Within one year or on demand	221,184	215,027	295,096	274,469
In the second year	5,383	19,734	29,434	101,864
In the third to fifth years, inclusive	194,241	101,248	150,806	54,331
Beyond five years	<u>148,090</u>	<u>119,391</u>	<u>6,828</u>	<u>38,226</u>
Sub-total	568,898	455,400	482,164	468,890
Other loans repayable:				
Beyond five years	<u>70,231</u>	<u>66,678</u>	<u>66,950</u>	<u>66,950</u>
Sub-total	<u>70,231</u>	<u>66,678</u>	<u>66,950</u>	<u>66,950</u>
Total	<u><u>639,129</u></u>	<u><u>522,078</u></u>	<u><u>549,114</u></u>	<u><u>535,840</u></u>

Bank loans of €42,000,000, €42,000,000, €42,000,000 and €42,000,000 are denominated in Euro, €291,423,000, €211,483,000, €278,771,000 and €286,398,000 are denominated in USD and €235,475,000, €201,917,000, €161,394,000 and €139,035,000 are denominated in BRL as at 31 December 2010, 2011 and 2012 and 30 June 2013, respectively. In addition, at 30 June 2013, €1,458,000 are denominated in Indian Rupia.

Certain of the Listing Group's bank loans are secured or guaranteed by:

- (a) A corporate guarantee provided by M&G Finanziaria S.r.l., amounting to €211,072,827 €180,497,205, €146,367,309 and €131,615,873, as at 31 December 2010, 2011 and 2012 and 30 June 2013, respectively.
- (b) At each of the reporting dates during the Relevant Periods, the following assets of the Listing Group were pledged to certain banks for securing the loans granted to the Listing Group:

	Notes	31/12/2010	31/12/2011	31/12/2012	30/06/2013
		€'000	€'000	€'000	€'000
Property, plant and equipment	4.1	383,236	342,348	315,736	299,822
Other current assets	4.8/4.9	265,858	298,570	271,168	271,368
Other non-current financial assets	4.10	<u>21,760</u>	<u>21,197</u>	<u>20,351</u>	<u>13,720</u>
Total		<u>670,854</u>	<u>662,115</u>	<u>607,255</u>	<u>584,910</u>

The Directors have estimated the fair value of the bank loans by discounting their future cash flows at the market rate. The directors of the Company consider that the carrying amounts of the Listing Group's current borrowings and non-current borrowings approximate to their fair values at each reporting date.

On 9 March 2007, M&G Finance Luxembourg S.A. (the "Issuer"), a wholly-owned subsidiary of MGI issued undated subordinated fixed/floating rate cumulative securities (the "Undated Securities") on the European market for a total amount of €200 million. The Undated Securities bear a fixed interest rate of 7.5% for the first five years and a floating market interest rate starting from the sixth year. The Undated Securities are irrevocably guaranteed, on a joint and several basis, and a subordinated basis by MGI, M&G Mexico Holding, S.A. de C.V. and M&G Polymers USA, LLC. In December 2010, M&G Finanziaria S.r.l., the Parent, launched a public offer on the market for the buy-back of the Undated Securities. Certain holders of the Undated Securities accepted the public offer. Accordingly, the principal amount of the Undated Securities payable to third parties amounted to €70,231,000, €66,678,000, €66,950,000 and €66,950,000 at 31 December 2010, 2011 and 2012 and 30 June 2013, respectively.

4.16 OTHER NON-CURRENT FINANCIAL LIABILITIES

This item is composed of the following:

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
	€'000	€'000	€'000	€'000
Group — Loan payable	28,157	28,157	115,000	115,000
Group — Undated Securities	<u>128,050</u>	<u>133,050</u>	—	—
Total	<u>156,207</u>	<u>161,207</u>	<u>115,000</u>	<u>115,000</u>

In 2011 and 2010, Group — Loan payable (for a nominal amount of € 28,157,000) is a loan granted by the parent company — M&G Finanziaria S.r.l. to the company — Chemtex Global S.à r.l., bearing interest at the European Central Bank official discount rate plus a margin of 1.5%. This loan was repaid in December 2012.

In 2011 and 2010, Group — Undated Securities as referred to in note 4.15, subsequent to the public offer launched by the Parent, the Listing Group recorded a payable to the Parent representing the Undated Securities of €133,050,000 and €128,050,000, respectively. In 2012, Group — Loan payable is a loan granted by the parent company — M&G Finanziaria S.r.l. to the company — Chemtex Global S.à r.l., bearing interest at the EURIBOR discount rate plus a margin of 5.625%. The nominal amount is equal to €115,000,000 and the maturity date is 31 December 2042.

In 2012, the Parent sold its portion of the Undated Securities (note 4.15), including the interest receivable, to Chemtex Global, a company comprising part of the Listing Group, for an amount of €115 million which approximated to the respective fair value supported by an external valuation report. As Chemtex Global forms part of the Listing Group, the respective financial liability and loans receivable were eliminated on the combined level which resulted in a gain of €64,396,000 (note 4.32) recognized in profit or loss. At 31 December 2012, the Listing Group had no Undated Securities owed to the Parent. In addition, as a result of the purchase of the Undated Securities from the Parent by Chemtex Global through a loan arrangement between Chemtex Global and the Parent, a loan payable of €115 million was recognized in the combined statement of financial position. Please see details in the preceding paragraph.

4.17 PROVISIONS

The composition of the reserves for risks and charges is as follows:

	<u>31/12/2010</u>	<u>31/12/2011</u>	<u>31/12/2012</u>	<u>30/06/2013</u>
	€'000	€'000	€'000	€'000
Provision for risks	1,617	1,830	2,393	1,270
Other funds	<u>40</u>	<u>213</u>	<u>196</u>	<u>182</u>
Total non current portion of provisions	1,657	2,043	2,589	1,452
Current portion of provisions	<u>—</u>	<u>—</u>	<u>—</u>	<u>176</u>
Total current portion of provisions	—	—	—	176
Total	<u>1,657</u>	<u>2,043</u>	<u>2,589</u>	<u>1,628</u>

The changes in provisions during the Relevant Periods are detailed as follows:

	Provision for		Total
	risks	Other funds	
	€'000	€'000	€'000
1 January 2010	1,385	—	1,385
Provisions	376	86	462
Utilization	(47)	(50)	(97)
Amounts reversed to income	(77)	—	(77)
Disposal of a subsidiary (note 4.37).....	(164)	—	(164)
Translation adjustments	144	4	148
31 December 2010	<u>1,617</u>	<u>40</u>	<u>1,657</u>
Provisions	293	222	515
Utilization	—	(37)	(37)
Translation adjustments	(80)	(12)	(92)
31 December 2011	<u>1,830</u>	<u>213</u>	<u>2,043</u>
Provisions	1,717	4	1,721
Amounts reversed to income	(959)	—	(959)
Utilization	(22)	—	(22)
Translation adjustments	(173)	(21)	(194)
31 December 2012	<u>2,393</u>	<u>196</u>	<u>2,589</u>
Provisions	534	—	534
Amounts reversed to income	(1,262)	—	(1,262)
Utilization	(99)	—	(99)
Translation adjustments	(120)	(14)	(134)
30 June 2013	<u>1,446</u>	<u>182</u>	<u>1,628</u>

4.18 RETIREMENT BENEFIT OBLIGATION

This item is composed of the following:

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
	€'000	€'000	€'000	€'000
Defined benefit plans — hourly employees.....	24,950	35,457	40,329	33,730
Defined benefit plans — salary employees	2,211	2,682	2,233	1,716
Reserve for termination indemnities	58	65	90	89
Total	<u>27,219</u>	<u>38,204</u>	<u>42,652</u>	<u>35,535</u>

Defined benefit liability

The US subsidiary provides a defined benefit pension plan and a separate post-retirement medical benefit plan (the "OPEB") for its hourly and salary union employees. Provisions for pension obligations are established for benefits payable in the form of retirement, disability and surviving dependent pensions. Benefits are dependent on years of service and the respective employee's compensation. The obligation resulting from defined pension plans is determined using the projected unit credit method. Unrecognized gains and losses resulting from changes in actuarial assumptions are recognized as income/(expense) over the expected remaining service life of active employees.

The following tables summarize the components of net benefit expense recognized in the labor costs of the statement of comprehensive income and the funded status and amounts recognized in the statement of financial position for the respective plans.

Components of Net Periodic Benefit Cost/(Income) - 30 June 2013

	<u>Hourly pension plan</u>	<u>Salary pension plan</u>	<u>Post-retirement medical plan</u>	<u>Total</u>
	€'000	€'000	€'000	€'000
Current service cost	179	—	304	483
Interest expense on obligations	961	143	501	1,605
Actual return on plan assets	<u>(658)</u>	<u>(99)</u>	<u>—</u>	<u>(757)</u>
Total amount recognized in labour cost	482	44	805	1,331
Actuarial (gain)/loss on benefit obligation	(3,106)	(411)	(2,485)	(6,002)
Actuarial (gain)/loss on plan assets .	<u>(1,131)</u>	<u>(170)</u>	<u>—</u>	<u>(1,301)</u>
Total amount recognized in other comprehensive income	<u>(4,237)</u>	<u>(581)</u>	<u>(2,485)</u>	<u>(7,303)</u>
Total	<u><u>(3,755)</u></u>	<u><u>(537)</u></u>	<u><u>(1,680)</u></u>	<u><u>(5,972)</u></u>

Components of Net Periodic Benefit Cost/(Income) - 2012

	Hourly pension plan	Salary pension plan	Post-retirement medical plan	Total
	€'000	€'000	€'000	€'000
Current service cost	328	—	603	931
Interest expense on obligations	2,034	283	960	3,277
Actual return on plan assets	<u>(1,336)</u>	<u>(193)</u>	<u>—</u>	<u>(1,529)</u>
Total amount recognized in labour cost	1,026	90	1,563	2,679
Actuarial (gain)/loss on benefit obligation	4,651	465	3,838	8,954
Actuarial (gain)/loss on plan assets .	<u>(2,272)</u>	<u>(316)</u>	<u>—</u>	<u>(2,588)</u>
Total amount recognized in other comprehensive income	<u>2,379</u>	<u>149</u>	<u>3,838</u>	<u>6,366</u>
Total	<u><u>3,405</u></u>	<u><u>239</u></u>	<u><u>5,401</u></u>	<u><u>9,045</u></u>

Components of Net Periodic Benefit Cost/(Income) - 2011

	Hourly pension plan	Salary pension plan	Post-retirement medical plan	Total
	€'000	€'000	€'000	€'000
Current service cost	235	—	548	783
Interest expense on obligations	1,901	309	964	3,174
Actual return on plan assets	<u>(1,539)</u>	<u>(228)</u>	<u>—</u>	<u>(1,767)</u>
Total amount recognized in labour cost	597	81	1,512	2,190
Actuarial (gain)/loss on benefit obligation	7,245	1,160	1,437	9,842
Actuarial (gain)/loss on plan assets .	<u>1,564</u>	<u>212</u>	<u>—</u>	<u>1,776</u>
Total amount recognized in other comprehensive income	<u>8,809</u>	<u>1,372</u>	<u>1,437</u>	<u>11,618</u>
Total	<u><u>9,406</u></u>	<u><u>1,453</u></u>	<u><u>2,949</u></u>	<u><u>13,808</u></u>

Components of Net Periodic Benefit Cost/(Income) - 2010

	Hourly pension plan	Salary pension plan	Post-retirement medical plan	Total
	€'000	€'000	€'000	€'000
Current service cost	238	(307)	511	442
Interest expense on obligations	2,019	433	951	3,403
Actual return on plan assets	<u>(1,555)</u>	<u>(234)</u>	<u>—</u>	<u>(1,789)</u>
Total amount recognized in labour cost	702	(108)	1,462	2,056
Actuarial (gain)/loss on benefit obligation	1,541	(596)	1,479	2,424
Actuarial (gain)/loss on plan assets .	<u>(1,731)</u>	<u>(300)</u>	<u>—</u>	<u>(2,031)</u>
Total amount recognized in other comprehensive income	<u>(190)</u>	<u>(896)</u>	<u>1,479</u>	<u>393</u>
Total	<u><u>512</u></u>	<u><u>(1,004)</u></u>	<u><u>2,941</u></u>	<u><u>2,449</u></u>

Benefit liability recognized in the statement of financial position is as follows:

As at 30 June 2013

	Hourly pension plan	Salary pension plan	Post-retirement medical plan	Total
	€'000	€'000	€'000	€'000
Benefit obligation	44,130	6,649	21,883	72,662
Fair value of plan assets	<u>(32,283)</u>	<u>(4,933)</u>	<u>—</u>	<u>(37,216)</u>
Net benefit liability	<u><u>11,847</u></u>	<u><u>1,716</u></u>	<u><u>21,883</u></u>	<u><u>35,446</u></u>

As at 31 December 2012

	Hourly pension plan	Salary pension plan	Post-retirement medical plan	Total
	€'000	€'000	€'000	€'000
Benefit obligation	46,991	6,893	24,090	77,974
Fair value of plan assets	<u>(30,750)</u>	<u>(4,660)</u>	<u>—</u>	<u>(35,410)</u>
Net benefit liability	<u><u>16,241</u></u>	<u><u>2,233</u></u>	<u><u>24,090</u></u>	<u><u>42,564</u></u>

As at 31 December 2011

	<u>Hourly pension plan</u>	<u>Salary pension plan</u>	<u>Post-retirement medical plan</u>	<u>Total</u>
	€'000	€'000	€'000	€'000
Benefit obligation	43,453	6,441	20,440	70,334
Fair value of plan assets	(28,433)	(3,758)	—	(32,191)
Net benefit liability	<u>15,020</u>	<u>2,683</u>	<u>20,440</u>	<u>38,143</u>

As at 31 December 2010

	<u>Hourly pension plan</u>	<u>Salary pension plan</u>	<u>Post-retirement medical plan</u>	<u>Total</u>
	€'000	€'000	€'000	€'000
Benefit obligation	35,376	6,608	17,843	59,827
Fair value of plan assets	(28,267)	(4,397)	—	(32,664)
Net benefit liability	<u>7,109</u>	<u>2,211</u>	<u>17,843</u>	<u>27,163</u>

Changes in the present value of the defined benefit obligation are as follows:

	Hourly pension plan	Salary pension plan	Post-retirement medical plan
	€'000	€'000	€'000
Present value of defined benefit obligation at			
1 January 2010	31,635	7,652	14,788
Current service cost	238	(307)	511
Interest expense on obligations	2,019	433	951
Benefits paid	(2,508)	(1,171)	(1,028)
Actuarial (gain)/loss	1,541	(596)	1,479
Exchange differences	2,451	597	1,142
Defined benefit obligation at 31 December 2010	35,376	6,608	17,843
Current service cost	235	—	548
Interest expense on obligations	1,901	309	964
Benefits paid	(2,627)	(1,876)	(1,054)
Actuarial loss	7,245	1,160	1,437
Exchange differences	1,323	240	701
Defined benefit obligation at 31 December 2011	43,453	6,441	20,439
Current service cost	328	—	603
Interest expense on obligations	2,034	283	960
Benefits paid	(2,577)	(165)	(1,316)
Actuarial loss	4,651	465	3,838
Exchange differences	(898)	(131)	(434)
Defined benefit obligation at 31 December 2012	46,991	6,893	24,090
Current service cost	179	—	304
Interest expense on obligations	961	143	501
Benefits paid	(1,309)	(37)	(740)
Actuarial gain	(3,106)	(411)	(2,485)
Exchange differences	414	61	213
Defined benefit obligation at 30 June 2013	44,130	6,649	21,883

Changes in the present value of plan assets are as follows:

	Hourly pension plan	Salary pension plan
	€'000	€'000
Fair value of plan assets at 1 January 2010	24,248	3,964
Actual return on plan assets	1,555	234
Actuarial loss	1,731	300
Employer contributions	1,361	763
Benefits paid	(2,508)	(1,171)
Exchange differences	1,880	307
Fair value of plan assets at 31 December 2010	28,267	4,397
Actual return on plan assets	1,539	228
Actuarial gain	(1,564)	(212)
Employer contributions	1,775	1,060
Benefits paid	(2,627)	(1,876)
Exchange differences	1,043	161
Fair value of plan assets at 31 December 2011	28,433	3,758
Actual return on plan assets	1,336	193
Actuarial loss	2,272	316
Employer contributions	1,868	636
Benefits paid	(2,577)	(165)
Exchange differences	(582)	(78)
Fair value of plan assets at 31 December 2012	30,750	4,660
Actual return on plan assets	658	99
Actuarial loss	1,131	170
Employer contributions	783	—
Benefits paid	(1,309)	(37)
Exchange differences	270	41
Fair value of plan assets at 30 June 2013	32,283	4,933

The Listing Group expects to contribute approximately €968,894 to its defined benefit pension plans in the second half of 2013.

The major categories of plan assets as a percentage of the fair value of the total plan assets are as follows:

	31/12/2010		31/12/2011		31/12/2012		30/06/2013	
	Hourly pension plan	Salary pension plan	Hourly pension plan	Salary pension plan	Hourly pension plan	Salary pension plan	Hourly pension plan	Salary pension plan
Equity securities	61%	61%	60%	60%	59%	60%	59%	60%
Debt securities	38%	39%	39%	40%	40%	40%	40%	40%
Cash.	1%	—	1%	—	1%	—	1%	—

The overall expected rate of return on assets is determined based on the market expectations prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining pension and post-employment medical benefit obligation for the Listing Group's plans are shown below:

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
Discount rate	5.75%	4.86%	4.17%	4.77%
Expected rate of return	8.00%	8.00%	8.00%	—
Future salary increase	4.00%	—	—	—
Healthcare cost increase rate.	10.00%	10.00%	8.00%	8.00%
Post-retirement mortality for pensioners.	2010 IRS mortality tables	2011 IRS mortality tables	2012 IRS mortality tables	2013 IRS mortality tables
Post-employment medical plan	2010 IRS mortality tables	2011 IRS mortality tables	2012 IRS mortality tables	2013 IRS mortality tables
Future pension increase	—	—	—	—

A one percentage point change in the assumed rate of increase in healthcare costs would have the following effects:

	<u>Increase</u>	<u>Decrease</u>
	€'000	€'000
30 June 2013		
Effect on the aggregate current service cost and interest cost. . . .	244	(175)
Effect on the defined benefit obligation	2,541	(2,000)
2012		
Effect on the aggregate current service cost and interest cost. . . .	247	(176)
Effect on the defined benefit obligation	2,793	(2,019)
2011		
Effect on the aggregate current service cost and interest cost. . . .	235	(180)
Effect on the defined benefit obligation	2,326	(1,808)
2010		
Effect on the aggregate current service cost and interest cost. . . .	227	(176)
Effect on the defined benefit obligation	1,847	(1,460)

A one percentage point change in the assumed discount rate would have the following effects:

	<u>Increase</u>	<u>Decrease</u>
	€'000	€'000
30 June 2013		
Effect on the aggregate current service cost and interest cost. . . .	93	(138)
Effect on the defined benefit obligation	(7,939)	9,728
2012		
Effect on the aggregate current service cost and interest cost. . . .	(23)	11
Effect on the defined benefit obligation	(8,795)	10,922
2011		
Effect on the aggregate current service cost and interest cost. . . .	(87)	127
Effect on the defined benefit obligation	(7,304)	9,001
2010		
Effect on the aggregate current service cost and interest cost. . . .	(130)	177
Effect on the defined benefit obligation	(6,763)	8,331

4.19 NON-CURRENT PAYABLES

The item is composed of the following:

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
	€'000	€'000	€'000	€'000
Third parties — Other non-current payables	2,095	12	1,537	31,247
Group — Non-current sundry payables	<u>3,257</u>	<u>2,524</u>	<u>5,256</u>	<u>12,154</u>
Total	<u><u>5,352</u></u>	<u><u>2,536</u></u>	<u><u>6,793</u></u>	<u><u>43,401</u></u>

4.20 TRADE AND OTHER PAYABLES

The composition of trade and other payables is described below. The carrying amounts of such payables and liabilities approximate to their fair values:

		31/12/2010	31/12/2011	31/12/2012	30/06/2013
		€'000	€'000	€'000	€'000
Trade payables to third parties	(i)	373,199	398,509	485,679	414,203
Group — Trade payables . . .	(ii)	4,325	8,485	3,142	6,859
Other payables to third parties	(iii)	63,030	73,757	65,201	67,242
Group — Other payables . . .		<u>11,017</u>	<u>11,947</u>	<u>8,235</u>	<u>749</u>
Total		<u><u>451,571</u></u>	<u><u>492,698</u></u>	<u><u>562,257</u></u>	<u><u>489,053</u></u>

Trade payables are non-interest bearing and are normally settled on 60 days.

(i) *Trade payables to third parties*

The trade payables are non-interest-bearing. The average credit period for trade purchases is 30 days to 90 days.

An aged analysis of the trade payables of the Listing Group as at the end of each of the Relevant Periods, based on the due date, is as follows:

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
	€'000	€'000	€'000	€'000
Due within 1 month	226,670	206,883	256,828	214,459
Due in 1 to 2 months	76,183	110,697	122,269	70,189
Due in 2 to 3 months	32,527	39,198	48,708	37,352
Due over 3 months	<u>37,819</u>	<u>41,731</u>	<u>57,874</u>	<u>92,203</u>
Total	<u><u>373,199</u></u>	<u><u>398,509</u></u>	<u><u>485,679</u></u>	<u><u>414,203</u></u>

(ii) Group — Trade payables

An aged analysis of Group — Trade payables as at the end of each of the Relevant Periods, based on the due date, is as follows:

	<u>31/12/2010</u>	<u>31/12/2011</u>	<u>31/12/2012</u>	<u>30/06/2013</u>
	€'000	€'000	€'000	€'000
Due within 1 month	3,222	2,910	3,112	1,668
Due in 1 to 2 months	1,103	164	30	2,854
Due in 2 to 3 months	—	—	—	—
Due over 3 months	—	5,411	—	2,337
Total	<u>4,325</u>	<u>8,485</u>	<u>3,142</u>	<u>6,859</u>

(iii) Other payables to third parties

The item is composed of the following:

	<u>31/12/2010</u>	<u>31/12/2011</u>	<u>31/12/2012</u>	<u>30/06/2013</u>
	€'000	€'000	€'000	€'000
Third parties — Sundry payables . . .	4,274	43,175	37,244	47,794
VAT payables	8,069	15,157	6,280	4,277
Withholding taxes payables	929	771	2,287	1,276
Real estate and property taxes payables	932	1,141	1,304	1,547
Other tax payables	691	360	150	111
Payables to employees	7,977	5,916	5,817	5,757
Payables to social securities institutions	866	734	718	841
Third parties — Advance payments .	38,754	5,889	6,755	4,822
Deferred income	225	120	32	—
Accrued expenses	313	494	4,614	817
Third parties — Other current payables	<u>63,030</u>	<u>73,757</u>	<u>65,201</u>	<u>67,242</u>

4.21 AMOUNT DUE TO CUSTOMERS FOR CONTRACT WORK AND COST AND ESTIMATED EARNINGS IN EXCESS OF BILLINGS

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
	€'000	€'000	€'000	€'000
Gross amount due to customers for contract work	19,310	23,648	36,653	40,331
Cost and estimated earnings in excess of billings	—	—	(1,626)	(5,855)
Contract work in progress (net amount)	<u>19,310</u>	<u>23,648</u>	<u>35,027</u>	<u>34,476</u>

Chemtex International receives advance payments for all long-term capital project contracts. For long-term projects, such advance payments provide a source of funds for prepayments of long lead-time equipment orders for the respective projects. Typically, a letter-of-credit is issued to the benefit of the customer, as a guarantee of refund in case of default by the Company in satisfying contractual commitments on long-term projects. Receipts of advance payments from customers are recorded as customer advances on open contract liabilities. As contractual commitments are satisfied, such as shipment of equipment on long-term projects, a pro-rata portion of the customer advance payment liabilities is reduced and recorded as earned income from sales.

The following summary tables present the changes in the customer advances and the details of the gross amount due to customers for contract work:

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
	€'000	€'000	€'000	€'000
Contract cost incurred on open contracts	167,797	263,129	245,612	213,032
Recognized earnings	<u>36,800</u>	<u>52,882</u>	<u>50,978</u>	<u>36,724</u>
Revenue earned on open contracts	204,597	316,011	296,590	249,756
less billings to date	<u>(223,907)</u>	<u>(339,659)</u>	<u>(331,617)</u>	<u>(284,232)</u>
Billing in excess of costs and estimated earnings	19,310	23,648	35,027	34,476
Customer advances on open project at January 1	17,324	7,914	3,854	3,521
Foreign exchange adjustment	—	259	(74)	32
Customer advances received during the year/period	27,341	5,212	6,903	4,619
Reduction from delivery of contractual services and products during the year/period	<u>(36,751)</u>	<u>(9,531)</u>	<u>(7,162)</u>	<u>(3,352)</u>
Customer advances on open project	<u>7,914</u>	<u>3,854</u>	<u>3,521</u>	<u>4,820</u>
Total	<u>27,224</u>	<u>27,502</u>	<u>38,548</u>	<u>39,296</u>

4.22 OTHER CURRENT FINANCIAL LIABILITIES

This item is composed of the following:

	<u>31/12/2010</u>	<u>31/12/2011</u>	<u>31/12/2012</u>	<u>30/06/2013</u>
	€'000	€'000	€'000	€'000
Group — Cash pooling payables . . .	20,178	—	484	872
Group — Undated Securities	27,048	38,061	—	—
Group — Loan payable	<u>2,383</u>	<u>4,565</u>	<u>11,896</u>	<u>8,303</u>
Total	<u>49,609</u>	<u>42,626</u>	<u>12,380</u>	<u>9,175</u>

Group — Undated Securities relate to the interest payable to the Parent arising from the Undated Securities included in other non-current financial liabilities (note 4.16).

Group — Loan payable as at 30 June 2013 includes the loan from the Parent of €3,963,311 which bears interest at EURIBOR 12 months +5% per annum and is due on 31 December 2013.

4.23 INCOME TAX PAYABLE

	<u>31/12/2010</u>	<u>31/12/2011</u>	<u>31/12/2012</u>	<u>30/06/2013</u>
	€'000	€'000	€'000	€'000
Income tax payable	<u>16,894</u>	<u>12,565</u>	<u>11,776</u>	<u>15,517</u>
Total	<u>16,894</u>	<u>12,565</u>	<u>11,776</u>	<u>15,517</u>

4.24 REVENUE

Revenues include income mainly from the sale of goods and are composed of the following:

	<u>31/12/2010</u>	<u>31/12/2011</u>	<u>31/12/2012</u>	<u>30/06/2012</u>	<u>30/06/2013</u>
	€'000	€'000	€'000	€'000	€'000
				(Unaudited)	
Third parties — Sales proceeds	1,664,469	1,793,567	1,770,253	895,158	842,766
Group — Sales proceeds . . .	<u>45,817</u>	<u>73,352</u>	<u>83,724</u>	<u>45,507</u>	<u>27,151</u>
Total	<u>1,710,286</u>	<u>1,866,919</u>	<u>1,853,977</u>	<u>940,665</u>	<u>869,917</u>

4.25 OTHER OPERATING INCOME

This item is composed of the following:

	31/12/2010	31/12/2011	31/12/2012	30/06/2012	30/06/2013
	€'000	€'000	€'000	€'000	€'000
				(Unaudited)	
Gain on disposal of fixed assets	12,426	924	—	—	4,481
Insurance and legal claims . .	17,114	—	—	—	—
Engineering income	1,618	2,102	—	—	—
Other income	1,992	1,791	6,212	1,131	465
Total	<u>33,150</u>	<u>4,817</u>	<u>6,212</u>	<u>1,131</u>	<u>4,946</u>

On 30 June 2013, the Listing Group disposed certain fixed assets with carrying amount of US\$0.2 million (approximately €0.2 million), and transferred the employees of Chemtex Global Engineers (Private) Ltd., an engineering entity in India, to Burns & McDonnell (“BMCD”, an independent third party) at a cash consideration of US\$6 million (approximately €4.6 million), resulting in a net gain of US\$5.5 million (approximately €4.2 million) after deducting VAT tax of US\$0.3 million (approximately €0.2 million).

4.26 RAW MATERIALS, CONSUMABLES AND CHANGES IN INVENTORY

	31/12/2010	31/12/2011	31/12/2012	30/06/2012	30/06/2013
	€'000	€'000	€'000	€'000	€'000
				(Unaudited)	
Changes in finished products	7,627	(3,510)	1,024	(4,837)	50,644
Changes in process materials & spare parts . .	(1,927)	6,955	2,575	5,897	20,479
Changes in raw materials . .	17,615	7,899	24,720	(11,613)	(29,181)
Purchases of raw materials, process & spare parts	(1,329,090)	(1,486,206)	(1,450,970)	(717,279)	(709,395)
Project materials	(39,738)	(29,774)	(58,228)	(36,101)	(24,589)
Total	<u>(1,345,513)</u>	<u>(1,504,636)</u>	<u>(1,480,879)</u>	<u>(763,933)</u>	<u>(692,042)</u>

Project materials include equipment built to specifications for the projects as well as bulk materials and other non-specific equipment purchased in commercial markets.

4.27 LABOR COST

This item is composed of the following:

	<u>31/12/2010</u>	<u>31/12/2011</u>	<u>31/12/2012</u>	<u>30/06/2012</u>	<u>30/06/2013</u>
	€'000	€'000	€'000	€'000	€'000
				(Unaudited)	
Wages and salaries	(46,347)	(49,542)	(44,910)	(21,423)	(23,124)
Social security costs	(7,077)	(5,624)	(6,970)	(3,249)	(3,222)
Employee termination indemnities	(3,025)	(2,684)	(3,384)	(1,656)	(1,664)
Other personnel expenses . . .	(6,107)	(1,129)	(382)	(429)	(145)
Total	<u>(62,556)</u>	<u>(58,979)</u>	<u>(55,646)</u>	<u>(26,757)</u>	<u>(28,155)</u>

4.28 DEPRECIATION, AMORTIZATION AND ASSET WRITE-OFF

This item is composed of the following:

	<u>31/12/2010</u>	<u>31/12/2011</u>	<u>31/12/2012</u>	<u>30/06/2012</u>	<u>30/06/2013</u>
	€'000	€'000	€'000	€'000	€'000
				(Unaudited)	
Amortisation expense —					
Intangible assets	(13,398)	(11,552)	(6,976)	(3,578)	(1,283)
Asset write-off	(32)	(932)	(2,253)	(1,255)	(5)
Depreciation expense —					
Property, plant and equipment	(44,000)	(30,684)	(28,286)	(14,274)	(14,101)
Other allowances	(462)	(101)	(1,192)	(1,525)	669
Provision for doubtful debts.	—	(22)	(86)	(4)	(440)
Total	<u>(57,892)</u>	<u>(43,291)</u>	<u>(38,793)</u>	<u>(20,636)</u>	<u>(15,160)</u>

4.29 OTHER OPERATING EXPENSES

This item is composed of the following:

	31/12/2010	31/12/2011	31/12/2012	30/06/2012	30/06/2013
	€'000	€'000	€'000	€'000	€'000
				(Unaudited)	
Distribution expenses	(85,256)	(71,005)	(68,195)	(36,282)	(30,654)
Personnel costs	(2,609)	(2,966)	(3,985)	(1,855)	(1,862)
Travel	(3,613)	(4,195)	(4,103)	(1,939)	(1,845)
Consulting and services	(59,625)	(59,396)	(81,156)	(27,361)	(32,188)
Insurance	(5,598)	(4,764)	(5,330)	(2,427)	(2,618)
Industrial expenses and services	(6,552)	(3,656)	(5,549)	(2,266)	(2,361)
Logistic expenses and services	(7,751)	(8,458)	(6,774)	(3,044)	(4,434)
Total	<u>(171,004)</u>	<u>(154,440)</u>	<u>(175,092)</u>	<u>(75,174)</u>	<u>(75,962)</u>

4.30 FINANCIAL EXPENSES

This item is composed of the following:

	31/12/2010	31/12/2011	31/12/2012	30/06/2012	30/06/2013
	€'000	€'000	€'000	€'000	€'000
				(Unaudited)	
Foreign currency exchange losses	(17,766)	(38,649)	(24,502)	(17,385)	(5,977)
Interest expenses	(49,075)	(29,308)	(35,678)	(12,706)	(12,815)
Group — Interest expenses	(2,927)	(11,218)	(9,450)	(4,998)	(3,532)
Other financial expenses	(19,013)	(22,778)	(41,475)	(28,136)	(15,224)
Total	<u>(88,781)</u>	<u>(101,953)</u>	<u>(111,105)</u>	<u>(63,225)</u>	<u>(37,548)</u>

Other financial expenses consist of several components including the settlement of interest rate swaps and commodity swaps, interest and factoring commission, interest accrued on the Brazilian tax debt, commission on bank guarantees, bank fees and expenses, and financial discounts.

4.31 FINANCIAL INCOME

This item is composed of the following:

	<u>31/12/2010</u>	<u>31/12/2011</u>	<u>31/12/2012</u>	<u>30/06/2012</u>	<u>30/06/2013</u>
	€'000	€'000	€'000	€'000	€'000
				(Unaudited)	
Interest income	3,268	5,647	3,008	2,161	659
Group — Interest income . . .	6,712	13,488	22,839	11,595	11,194
Other financial income	2,706	2,447	4,577	5,005	683
Investment gains	<u>11</u>	<u>36</u>	<u>1</u>	<u>—</u>	<u>—</u>
Total	<u><u>12,697</u></u>	<u><u>21,618</u></u>	<u><u>30,425</u></u>	<u><u>18,761</u></u>	<u><u>12,536</u></u>

4.32 GAIN ON PURCHASE OF UNDATED SECURITIES

Gain on purchase of Undated Securities relates to a gain arising from the acquisition by Chemtex Global of the Undated Securities from M&G Finanziaria S.r.l. realized in December 2012. A nominal value of €133 million of securities plus €46 million of cumulated interest have been acquired for a total consideration of €115 million, generating a gain of €64 million.

4.33 PROFIT BEFORE TAX

The Listing Group's profit before tax is arrived at after charging/(crediting):

	Notes	31/12/2010	31/12/2011	31/12/2012	30/06/2012	30/06/2013
		€'000	€'000	€'000	€'000	€'000
					(Unaudited)	
Cost of goods sold		1,345,513	1,504,636	1,480,879	763,933	692,042
Depreciation	4.1	44,000	30,684	28,286	14,274	14,101
Amortization of intangible assets	4.2	13,398	11,552	6,976	3,578	1,283
Auditors' remuneration		1,153	1,286	1,830	1,015	1,386
Employee benefit expenses (including directors' remuneration (note 5)):						
- Wages and salaries		46,347	49,542	44,910	21,423	23,124
- Social security costs		7,077	5,624	6,970	3,249	3,222
- Employee termination indemnities		3,025	2,684	3,384	1,656	1,664
- Other personnel expenses		6,107	1,129	382	429	145
		<u>62,556</u>	<u>58,979</u>	<u>55,646</u>	<u>26,757</u>	<u>28,155</u>
Provision for doubtful debts, net		—	22	86	4	440
Asset write-off		32	932	2,253	1,255	5
Other allowance		462	101	1,192	1,525	(669)
Investment gains, net		(11)	(36)	(1)	—	—
Foreign currency exchange losses/ (gains), net		<u>17,766</u>	<u>38,649</u>	<u>24,502</u>	<u>17,385</u>	<u>5,977</u>

4.34 DIVIDENDS

No dividend has been declared by the Company since its incorporation.

4.35 EARNINGS PER SHARE

Earnings per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful due to the fact that the Reorganization was completed after the Relevant Periods and the preparation of the results of the Listing Group for the Relevant Periods being made on a combined basis as disclosed in note 2.1.

4.36 SEGMENT INFORMATION

The Listing Group is organized based on various operating segments. An operating segment is intended as a business division whose operating results are regularly reviewed by top management so that it can make decisions about the resources to be allocated to the segment and assess its performance.

The segments are split between primary segments along business areas and secondary segments along geographical presence. Primary segments are PET and Engineering. Within PET, there are two main geographical segments: NAFTA, which includes USA and Mexico, and Brazil. The Engineering business is organized on a global basis and for each project each country participates with its expertise. Therefore, there are no geographical segments identified within the Engineering segment analysis.

Cost of sales in the table below comprises raw materials, consumables and changes in inventory, together with labor costs, depreciation, amortization and asset write-off and other operating expenses.

Business unit reporting:

30 June 2013	PET	Engineering	Inter-segment elimination/ consolidation	Total
	€'000	€'000	€'000	€'000
Revenue and other operating income . . .	821,826	53,037	—	874,863
Cost of sales	(762,412)	(49,263)	356	(811,319)
<i>of which depreciation, amortization and asset write-off</i>	<i>(15,937)</i>	<i>421</i>	<i>356</i>	<i>(15,160)</i>
Operating profit	59,414	3,774	356	63,544
Profit before tax	33,404	5,025	103	38,532
Non-current assets	1,005,425	19,559	—	1,024,984
Current assets	444,736	219,550	64,396	728,682
Capital expenditures*	(47,539)	(508)	—	(48,047)

30 June 2012 (Unaudited)	PET	Engineering	Inter-segment elimination/ consolidation	Total
	€'000	€'000	€'000	€'000
Revenue and other operating income . . .	881,547	60,268	(19)	941,796
Cost of sales	(825,225)	(61,638)	363	(886,500)
<i>of which depreciation, amortization and asset write-off</i>	(19,220)	(1,760)	344	(20,636)
Operating profit	56,322	(1,370)	344	55,296
Profit before tax	9,525	(1,873)	3,180	10,832
Capital expenditures*	(11,551)	(341)	—	(11,892)

31 December 2012	PET	Engineering	Inter-segment elimination/ consolidation	Total
	€'000	€'000	€'000	€'000
Revenue and other operating income . . .	1,726,056	134,133	—	1,860,189
Cost of sales	(1,616,815)	(133,601)	6	(1,750,410)
<i>of which depreciation, amortization and asset write-off</i>	(36,910)	(1,889)	6	(38,793)
Operating profit	109,241	532	6	109,779
Profit before tax	29,122	543	63,830	93,495
Non-current assets	1,006,741	18,390	—	1,025,131
Current assets	471,040	218,768	64,397	754,205
Capital expenditures*	(95,401)	(599)	—	(96,000)

31 December 2011	PET	Engineering	Inter-segment elimination/ consolidation	Total
	€'000	€'000	€'000	€'000
Revenue and other operating income . . .	1,786,175	85,561	—	1,871,736
Cost of sales	(1,679,601)	(82,060)	315	(1,761,346)
<i>of which depreciation, amortization and asset write-off</i>	(42,905)	(653)	267	(43,291)
Operating profit	106,574	3,501	315	110,390
Profit before tax	25,038	4,714	303	30,055
Non-current assets	950,307	39,693	(6)	989,994
Current assets	568,933	58,621	—	627,554
Capital expenditures*	(20,842)	(841)	7	(21,676)

31 December 2010	PET	Engineering	Inter-segment elimination/ consolidation	Total
	€'000	€'000	€'000	€'000
Revenue and other operating income . . .	1,655,717	87,719	—	1,743,436
Cost of sales	(1,557,928)	(79,360)	323	(1,636,965)
<i>of which depreciation, amortization and asset write-off</i>	<i>(57,143)</i>	<i>(1,072)</i>	<i>323</i>	<i>(57,892)</i>
Operating profit	97,789	8,359	323	106,471
Profit before tax	24,335	5,722	330	30,387
Non-current assets	729,256	20,455	(165)	749,546
Current assets	904,758	67,065	27,266	999,089
Capital expenditures*	(29,863)	(1,444)	—	(31,307)

* Capital expenditures consist of additions to property, plant and equipment and intangible assets.

Geographical reporting:

30 June 2013	NAFTA	Brazil	Europe	Inter-segment elimination/ consolidation	Total
	€'000	€'000	€'000	€'000	€'000
Revenue and other operating income	510,042	311,784	—	—	821,826
Non-current assets	661,797	966,546	—	(622,918)	1,005,425
Current assets	900,397	803,949	—	(1,259,610)	444,736

30 June 2012 (Unaudited)	NAFTA	Brazil	Europe	Inter-segment elimination/ consolidation entries	Total
	€'000	€'000	€'000	€'000	€'000
Revenue and other operating income	561,834	319,713	—	—	881,547

31 December 2012	NAFTA	Brazil	Europe	Inter-segment elimination/ consolidation	Total
	€'000	€'000	€'000	€'000	€'000
Revenue and other operating income	1,060,197	665,859	—	—	1,726,056
Non-current assets	570,901	905,628	—	(469,788)	1,006,741
Current assets	979,977	953,991	—	(1,462,928)	471,040

31 December 2011	NAFTA	Brazil	Europe	Inter-segment elimination/ consolidation	Total
	€'000	€'000	€'000	€'000	€'000
Revenue and other operating income	1,128,515	657,660	—	—	1,786,175
Non-current assets	475,423	945,353	—	(470,469)	950,307
Current assets	911,072	928,008	—	(1,270,147)	568,933

31 December 2010	NAFTA	Brazil	Europe	Inter-segment elimination/ consolidation	Total
	€'000	€'000	€'000	€'000	€'000
Revenue and other operating income	874,512	606,533	172,672	2,000	1,655,717
Non-current assets	594,524	620,443	121,898	(607,609)	729,256
Current assets	1,007,333	1,600,417	44,144	(1,747,136)	904,758

Information about major customers

Revenue of approximately €199 million, €336 million, €361 million and €350 million were derived from sales to a customer for the six months ended 30 June 2013 and for the years ended 31 December 2012, 2011 and 2010, respectively, including sales to a group of entities which are known to be under common control with that customer.

4.37 DISPOSAL OF A SUBSIDIARY

On 30 December 2010, MGI has sold its shares held in M&G Polimeri Italia S.p.A. to its parent company, M&G Finanziaria S.r.l., for a selling price of €59.9 million.

	Notes	2010
		€'000
Assets		
Property, plant and equipment	4.1	117,225
Intangible assets with definite useful lives	4.2	352
Non-current receivables		2
Deferred tax assets	4.7	4,319
Non-current assets		<u>121,898</u>
Inventories		18,515
Trade and other receivables		22,130
Other current financial assets		3,293
Cash and cash equivalents		206
Current assets		<u>44,144</u>
Total assets sold		<u><u>166,042</u></u>
Liabilities		
Provisions	4.17	164
Retirement benefit obligation		916
Deferred tax liabilities	4.7	25,366
Non-current liabilities		<u>26,446</u>
Trade and other payables		52,096
Current portion of borrowings		3,617
Other current financial liabilities		23,901
Current liabilities		<u>79,614</u>
Total liabilities sold		<u><u>106,060</u></u>
Net assets disposed of		<u><u>59,982</u></u>
Gain/(loss) resulting from disposal, net of selling cost . . .		<u><u>—</u></u>

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

Total sales price (fully repayable in cash)	59,982
Deferred payment in 2011	(34,982)
Cash disposed of	<u>(206)</u>
Cash flows on disposal	<u>24,794</u>

5. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

The board of Directors of M&G Chemicals is as follows:

<u>Name</u>	<u>Position and Responsibility</u>
Marco Ghisolfi	Chairman and CEO
Marco Toselli	Chief Financial Officer and Executive Director
Evert-Jan W. Van der Slobe	Global Finance and Control Director and Executive Director
Mario Barbieri	Global Supply Chain Director and Executive Director
Fredrick John Fournier	Global Sale & Marketing Director and Executive Director
Massimo Martinetto	Internal Control Manager and Executive Director
William John Long Jr.	Independent Non-Executive Director
Rupert William Nicholl	Independent Non-Executive Director
Guido Croci	Independent Non-Executive Director

Compensation for the Directors of the Company for the Relevant Periods is as follows:

<u>30 June 2013</u>	<u>Fees</u>	<u>Salaries, allowances and benefits in kind</u>	<u>Performance related bonuses</u>	<u>Pension scheme contributions</u>	<u>Total</u>
	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>
<i>Executive Directors</i>					
Fredrick John Fournier	—	105	69	11	185
Massimo Martinetto	—	66	—	5	71
Total	<u>—</u>	<u>171</u>	<u>69</u>	<u>16</u>	<u>256</u>

30 June 2012	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	€'000 (Unaudited)	€'000 (Unaudited)	€'000 (Unaudited)	€'000 (Unaudited)	€'000 (Unaudited)
<i>Executive Directors</i>					
Fredrick John Fournier	—	105	71	11	187
Total	<u>—</u>	<u>105</u>	<u>71</u>	<u>11</u>	<u>187</u>

2012	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	€'000	€'000	€'000	€'000	€'000
<i>Executive Directors</i>					
Fredrick John Fournier	—	234	70	22	326
Massimo Martinetto	—	51	—	—	51
Total	<u>—</u>	<u>285</u>	<u>70</u>	<u>22</u>	<u>377</u>

2011	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	€'000	€'000	€'000	€'000	€'000
<i>Executive Directors</i>					
Fredrick John Fournier	—	203	73	19	295
Total	<u>—</u>	<u>203</u>	<u>73</u>	<u>19</u>	<u>295</u>

2010	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	€'000	€'000	€'000	€'000	€'000
<i>Executive Directors</i>					
Fredrick John Fournier	—	187	70	18	275
Total	<u>—</u>	<u>187</u>	<u>70</u>	<u>18</u>	<u>275</u>

The directors and CEO not included in the tables above did not receive any remuneration from the Listing Group during the Relevant Periods.

The five highest paid employees of the Listing Group, in the Relevant Periods, include five non-directors nor chief executive of the Company, details of whose remuneration are as follows:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>30/06/2012</u>	<u>30/06/2013</u>
	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>
				(Unaudited)	
Salaries, allowances and benefits in kind	1,720	2,040	1,939	1,002	909
Performance related bonuses	489	431	429	188	104
Pension scheme contributions	115	125	130	75	81
Total	<u>2,324</u>	<u>2,596</u>	<u>2,498</u>	<u>1,265</u>	<u>1,094</u>

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>30/06/2012</u>	<u>30/06/2013</u>
Nil to €400,000	2	1	3	5	5
€400,001 to €600,000	1	3	1	—	—
€600,001 to €800,000	2	1	1	—	—
Total	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>

6. OPERATING LEASE ARRANGEMENTS

As lessee

The Listing Group leases certain of its production plants, warehouses and equipment under operating lease arrangements. Leases are negotiated for terms ranging from 1 to 50 years.

At the end of each of the Relevant Periods, the Listing Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	<u>31/12/2010</u>	<u>31/12/2011</u>	<u>31/12/2012</u>	<u>30/06/2013</u>
	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>	<u>€'000</u>
Within one year	1,427	1,775	1,699	3,500
In the second to fifth years, inclusive	4,773	4,597	2,809	5,112
After fifth year	—	—	—	19,075
Total	<u>6,200</u>	<u>6,372</u>	<u>4,508</u>	<u>27,687</u>

7. GUARANTEES GRANTED, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES*Commitment*

As of 30 June 2013, the Listing Group had the following capital commitments:

- In connection with the Corpus Christi Project, the Listing Group will have to pay GPT a total amount of US\$16.704 million (€12.8 million) for the PTA license. The tranches to settle the amount of US\$11.484 million (€8.8 million), US\$3.132 million (€2.4 million) and US\$2.088 million (€1.6 million) will be paid when reaching subsequent project milestones;
- The Listing Group has estimated an amount of US\$8.8 million (€6.7 million) for the settlement of the final payment for the purchase of customer portfolio.

As of 31 December 2012, the Listing Group had the following capital commitments:

- In connection with the Corpus Christi Project, the Listing Group will have to pay for the second tranche of the PTA license for an amount US\$20.88 million (€16 million).

As of 31 December 2011 and 31 December 2010, the Listing Group had no material capital commitments.

Letters of credit

Chemtex Global maintains bank lines of credit for the purposes of financing letters of credit to facilitate contractual arrangements with foreign clients and foreign suppliers. At 30 June 2013 and 31 December 2012, Chemtex Global had outstanding letters of credit in the amount of €8,403,112 and €8,769,964, respectively.

Legal proceedings and contingent assets and liabilities

The Listing Group is exposed to certain legal risks arising from the variety and complexity of laws and regulations to which the industrial and commercial operations of the Listing Group are subject, especially in relation to the environment, health and safety in the workplace, product liability, taxes and antitrust and commercial competition. Therefore, in the ordinary course of business, the Listing Group is a party in certain civil, administrative and criminal judicial proceedings, as either a plaintiff or defendant. Although it is not possible to foresee or determine the outcome of these proceedings, the Listing Group believes their final settlement will not significantly and negatively affect the Listing Group's financial position.

The Listing Group records, however, provisions when it is probable that an outflow of the Listing Group's resources will be required to satisfy the obligation, and when the amount can be reliably estimated.

As at 30 June 2013, the amounts accrued in the provisions for risks and those included in the estimated costs of long-term contracts are deemed adequate in order to face possible liabilities arising from pending or contingent litigations.

The most significant cases are related to the Brazilian companies for which a provision has been recognized in the combined statements of financial position for the following amounts:

€1,033,665 – labor lawsuits – (2012: €620,000; 2011: €662,000; 2010: €582,000)

€418,231 – civil lawsuits – (2012: €408,000; 2011: €453,000; 2010: €469,000)

In December 2010, Chemtex Global sold a building and entered into multiple leaseback agreements with the new owners to remain in the space occupied at the date of the transaction. The terms guaranteed lease payments for three years, with the option to extend the leases to five years.

In addition to the basic minimum rent payments, these leases may provide contingent rents in the forms of escalations for certain real estate taxes and maintenance costs based upon annual comparisons of actual operating expenses and taxes versus base values assigned at lease origination.

There are no lease provisions restricting dividend declarations or debt accumulations.

Based on the contracts entered into between the Listing Group and BMcD, BMcD will pay the Listing Group up to a sum of US\$4 million (€3.1 million) dividend on, (or 3-days before) 30 April 2015, subject to the fulfillment of certain provisions set forth in the contracts.

As of 30 June 2013 and 31 December 2012, the Listing Group had the following contingent liabilities associated with the Mexico Capacity Reservation Agreement:

- In connection with certain exclusivity rights granted to the Listing Group from 2016 onwards, the Listing Group may have to pay US\$14.3 million (€10.9 million) in September 2013 and further US\$14.3 million (€10.9 million) in August 2014.

8. TRANSACTIONS WITH RELATED PARTIES

During the Relevant Periods, the Company was controlled by its Parent, M&G Finanziaria S.r.l.

Except for M&G Finanziaria S.r.l., all related parties below are fellow subsidiaries of the Listing Group under common control of M&G Finanziaria S.r.l.

The Company carries out, on a regular basis, commercial and financial transactions with fellow subsidiaries, conducted in the ordinary course of operations. In particular, they relate to the sale and purchase of goods and services; finance and accounting; IT; personnel management; assistance and advisory services; related receivables and payables at year-end; centralized treasury management and related income and expenses.

The Listing Group carries out, on a regular basis, commercial transactions with certain related companies in relation to the supply of goods and services.

Revenues and costs related to transactions with related parties are as follows:

	31/12/2010	31/12/2011	31/12/2012	30/06/2012	30/06/2013
	€'000	€'000	€'000	€'000	€'000
				(Unaudited)	
Revenue	<u>45,817</u>	<u>73,352</u>	<u>83,724</u>	<u>46,228</u>	<u>27,150</u>
Chemtex Italia S.p.A.	1,709	5,795	27,463	14,166	5,470
Beta Renewables S.p.A.	—	216	1,554	717	632
Carolina Cellulosic Biofuels LLC	—	—	934	—	625
M&G Polimeri Italia S.p.A.	—	8,288	581	577	3,325
M&G Fibras e Resinas Ltda.	227	46	1	1	18
M&G Fibras Brasil S.A.	40,354	59,007	53,174	30,767	17,079
Italian Bio Products S.p.A.	—	—	17	—	1
Nuroll S.p.A.	3,527	—	—	—	—
Other operating income	<u>1,057</u>	<u>1,299</u>	<u>315</u>	<u>176</u>	<u>115</u>
M&G Finanziaria S.r.l.	2	(19)	20	—	—
Beta Renewables S.p.A.	—	—	—	—	—
Cobarr S.p.A.	—	—	(19)	—	—
Chemtex Italia S.p.A.	1,054	1,125	—	—	115
M&G Fibras e Resinas Ltda.	—	—	1	—	—
M&G Fibras Brasil S.A.	1	11	—	—	—
M&G Polimeri Italia S.p.A.	—	182	313	176	—
Financial income	<u>6,712</u>	<u>13,488</u>	<u>22,839</u>	<u>11,595</u>	<u>11,195</u>
Acetati S.p.A.	2	1	—	—	—
Tereftalicos ind. e part. Ltda.	39	—	—	—	—
Mossi & Ghisolfi S.p.A.	115	3	—	—	—
M&G Finanziaria S.r.l.	6,361	12,669	22,160	11,431	10,555
Chemtex Italia S.p.A.	19	143	490	40	625
M&G Polimeri Italia S.p.A.	—	98	—	—	—
Cobarr S.p.A.	1	—	—	—	—
M&G Fibras e Resinas Ltda.	4	—	(2)	(2)	—
M&G Fibras Brasil S.A.	170	574	191	126	15
M&G Resins USA, LLC	1	—	—	—	—

Revenues and costs related to transactions with related parties are as follows:

	31/12/2010	31/12/2011	31/12/2012	30/06/2012	30/06/2013
	€'000	€'000	€'000	€'000	€'000
	(Unaudited)				
Raw materials, consumables and change in inventory.	<u>(20)</u>	<u>(4,068)</u>	<u>(124)</u>	<u>(98)</u>	<u>(179)</u>
Chemtex Italia S.p.A.	—	(3,777)	—	—	—
M&G Fibras e Resinas Ltda.	(16)	(32)	(40)	(19)	(36)
M&G Fibras Brasil S.A.	(4)	(10)	(9)	—	(1)
M&G Polimeri Italia S.p.A.	—	(249)	(75)	(79)	(142)
Other operating expenses.	<u>(20,394)</u>	<u>(17,918)</u>	<u>(17,464)</u>	<u>(9,835)</u>	<u>(9,565)</u>
M&G Finanziaria S.r.l.	(19,601)	(16,341)	(15,774)	(9,288)	(9,429)
Chemtex Italia S.p.A.	(793)	(1,563)	(1,011)	(428)	—
Chemtex Professional Associates	—	—	(639)	(94)	(136)
Cobarr S.p.A.	—	—	(40)	(25)	—
M&G Polimeri Italia S.p.A.	—	(14)	—	—	—
Financial expenses.	<u>(2,926)</u>	<u>(11,218)</u>	<u>(9,450)</u>	<u>(4,998)</u>	<u>(3,532)</u>
Acetati S.p.A.	(3)	(1)	—	—	—
Mossi & Ghisolfi S.p.A.	(241)	(172)	—	—	—
M&G Finanziaria S.r.l.	(2,286)	(10,844)	(9,289)	(4,912)	(3,374)
Chemtex Italia S.p.A.	—	(1)	—	—	—
M&G Polimeri Italia S.p.A.	—	(34)	—	—	—
M&G Fibras e Resinas Ltda.	(388)	(143)	(144)	(86)	(55)
M&G Fibras Brasil S.A.	(8)	(23)	(17)	—	(103)

These transactions and the disposal of a subsidiary to the Parent (note 4.37) were conducted in accordance with the terms agreed between the Listing Group and its related parties.

In 2012, MGI has acquired a license of €7.55 million utilized for the production of bio-MEG from the related company, Chemtex Italia S.p.A.

In 2012, as part of the Reorganization, the Parent sold its portion of the Undated Securities, including the interest receivable, to Chemtex Global, a company comprising the Listing Group, for an amount of €115 million. In addition, as a result of the purchase of the Undated Securities from the Parent by Chemtex Global through a loan arrangement between Chemtex Global and the Parent, a loan payable of €115 million was recognized in the combined statement of financial position.

Receivables and payables related to transactions with related parties are as follows:

	31/12/2010	31/12/2011	31/12/2012	30/06/2013
	€'000	€'000	€'000	€'000
Non-current assets	<u>—</u>	<u>—</u>	<u>34,106</u>	<u>34,404</u>
M&G Finanziaria S.r.l.	—	—	34,106	34,404
Non-current financial assets . .	<u>—</u>	<u>346,268</u>	<u>354,970</u>	<u>350,649</u>
M&G Finanziaria S.r.l.	—	346,268	354,970	350,649
Trade and other receivables	<u>67,223</u>	<u>32,592</u>	<u>57,867</u>	<u>54,063</u>
M&G Finanziaria S.r.l.	42,247	7,500	10,821	5,159
Beta Renewables S.p.A.	—	232	362	634
Chemtex Italia S.p.A.	1,408	543	5,679	7,645
Carolina Cellulosic Biofuels LLC	—	—	910	1,544
Chemtex Professional Associates	—	—	8	—
Cobarr S.p.A.	—	—	112	—
M&G Fibras e Resinas Ltda.	8,742	6,579	5,894	5,503
M&G Fibras Brasil S.A.	14,749	17,205	33,928	30,246
M&G Polimeri Italia S.p.A.	77	533	136	3,248
M&G Chemicals S.A.	—	—	—	66
Italian Bio Products S.p.A.	—	—	17	18
Current financial assets	<u>310,149</u>	<u>21,610</u>	<u>53,859</u>	<u>82,482</u>
Acetati S.p.A.	—	1	1	—
Tereftàlicos ind. e part. Ltda.	485	—	—	—
Mossi & Ghisolfi S.p.A.	—	3	3	—
M&G Finanziaria S.r.l.	271,737	10,475	32,478	41,230
Chemtex Italia S.p.A.	1,046	11,087	21,374	40,705
Cobarr S.p.A.	1	—	—	—
M&G Polimeri Italia S.p.A.	20,564	44	3	—
M&G Fibras Brasil S.A.	16,314	—	—	547
M&G Resins USA, LLC	2	—	—	—

Non-current financial assets include a loan that has a long-term maturity (30 years) and bears interest at the fixed rate of 6.8% per annum up to (and excluding) 9 March 2012 and at the rate of EURIBOR 3 months + 5.625% on and after 9 March 2012, the loan can be repaid in advance, at the sole discretion of the borrower, with no penalties.

At the date of this report, the Listing Group's non-trade receivables from related parties have been fully settled.

Receivables and payables related to transactions with related parties are as follows:

	<u>31/12/2010</u>	<u>31/12/2011</u>	<u>31/12/2012</u>	<u>30/06/2013</u>
	€'000	€'000	€'000	€'000
Other non-current financial liabilities	<u>(156,207)</u>	<u>(161,207)</u>	<u>(115,000)</u>	<u>(115,000)</u>
M&G Finanziaria S.r.l.	(156,207)	(161,207)	(115,000)	(115,000)
Non-current trade and other payables	<u>(3,257)</u>	<u>(2,524)</u>	<u>(5,256)</u>	<u>(12,154)</u>
M&G Finanziaria S.r.l.	(3,257)	(2,524)	(5,256)	(12,154)
Trade and other payables	<u>(15,374)</u>	<u>(20,433)</u>	<u>(11,377)</u>	<u>(7,608)</u>
M&G Finanziaria S.r.l.	(11,642)	(11,984)	(8,162)	(4,595)
Chemtex Italia S.p.A.	(3,648)	(8,463)	(3,143)	(3,018)
Chemtex Professional Associates	—	—	(12)	—
Cobarr S.p.A.	—	—	(60)	—
M&G Polimeros Brazil S.A.	32	32	32	32
M&G Fibras e Resinas Ltda.	(7)	—	(15)	(27)
M&G Polimeri Italia S.p.A.	(109)	(18)	(17)	—
Other current financial liabilities	<u>(49,609)</u>	<u>(42,626)</u>	<u>(12,380)</u>	<u>(9,175)</u>
Acetati S.p.A.	(2,461)	—	—	—
Mossi & Ghisolfi S.p.A.	(17,154)	—	—	—
M&G Finanziaria S.r.l.	(29,107)	(40,950)	(10,662)	(8,484)
M&G Fibras Brasil S.A.	—	—	—	(691)
M&G Fibras e Resinas Ltda.	(887)	(1,676)	(1,718)	—

As at 31 December 2011 and 2010, other non-current financial liabilities include (i) Group — Loan payable (for a nominal amount of €28,157,000), a loan granted by the parent company — M&G Finanziaria S.r.l. to the company — Chemtex Global S.à r.l., bearing interest at the European Central Bank official discount rate plus a margin of 1.5%, which was repaid in December 2012; and (ii) Group — Undated Securities for a nominal amount of €133,050,000 (2010: €128,050,000).

As at 30 June 2013 and 31 December 2012, other non-current financial liabilities include Group — Loan payable that is a loan granted by the parent company — M&G Finanziaria S.r.l. to the company — Chemtex Global S.à r.l., bearing interest at the EURIBOR discount rate plus a margin of 5.625%. Its nominal amount is equal to €115,000,000 and the maturity date is 31 December 2042.

At the date of this report, the Listing Group's non-trade payables to related parties have been fully settled.

Compensation of key management personnel of the Listing Group:

	31/12/2010	31/12/2011	31/12/2012	30/06/2012	30/06/2013
	€'000	€'000	€'000	€'000	€'000
				(Unaudited)	
Short-term employee benefits	2,800	3,160	3,109	1,598	1,276
Post-employment benefit	—	—	—	—	—
Total compensation paid to key management personnel	<u>2,800</u>	<u>3,160</u>	<u>3,109</u>	<u>1,598</u>	<u>1,276</u>

9. DISCLOSURES ON FINANCIAL INSTRUMENTS

Categories and fair values of financial assets and liabilities

The carrying amounts of financial assets and liabilities as disclosed in the statement of financial position approximate to their fair values.

		Carrying amount	Fair value
	Notes	30/06/2013	30/06/2013
		€'000	€'000
Financial assets			
Non-current assets	4.5	37,938	37,938
Other non-current financial assets	4.6	366,236	366,236
Trade and other receivables	4.9	274,861	274,861
Other current financial assets	4.10	96,912	96,912
Cash and cash equivalents	4.12	<u>111,646</u>	<u>111,646</u>
Total		<u>887,593</u>	<u>887,593</u>
Financial liabilities			
Non-current borrowings	4.15	283,899	274,861
Other non-current financial liabilities	4.16	115,000	115,000
Non-current payables	4.19	43,401	43,401
Trade and other payables	4.20	489,053	489,053
Current portion of borrowings	4.15	277,117	277,117
Other current financial liabilities	4.22	<u>9,175</u>	<u>9,175</u>
Total		<u>1,217,645</u>	<u>1,208,607</u>

	Notes	Carrying amount	Fair value
		31/12/2012	31/12/2012
		€'000	€'000
Financial assets			
Non-current assets	4.5	38,161	38,161
Other non-current financial assets	4.6	376,098	376,098
Trade and other receivables	4.9	311,150	311,150
Other current financial assets	4.10	56,746	56,746
Cash and cash equivalents	4.12	169,204	169,204
Total		<u>951,359</u>	<u>951,359</u>
Financial liabilities			
Non-current borrowings	4.15	277,534	268,496
Other non-current financial liabilities	4.16	115,000	115,000
Non-current payables	4.19	6,793	6,793
Trade and other payables	4.20	562,257	562,257
Current portion of borrowings	4.15	298,784	298,784
Other current financial liabilities	4.22	12,380	12,380
Total		<u>1,272,748</u>	<u>1,263,710</u>
	Notes	Carrying amount	Fair value
		31/12/2011	31/12/2011
		€'000	€'000
Financial assets			
Non-current assets	4.5	51,829	51,829
Other non-current financial assets	4.6	368,015	368,015
Trade and other receivables	4.9	273,667	273,667
Other current financial assets	4.10	25,929	25,929
Cash and cash equivalents	4.12	127,919	127,919
Total		<u>847,359</u>	<u>847,359</u>
Financial liabilities			
Non-current borrowings	4.15	307,050	270,897
Other non-current financial liabilities	4.16	161,207	89,360
Non-current payables	4.19	2,536	2,536
Trade and other payables	4.20	492,698	492,698
Current portion of borrowings	4.15	231,532	231,532
Other current financial liabilities	4.22	42,626	42,626
Total		<u>1,237,649</u>	<u>1,129,649</u>

	Notes	Carrying amount	Fair value
		31/12/2010	31/12/2010
		€'000	€'000
Financial assets			
Non-current assets	4.5	32,177	32,177
Other non-current financial assets	4.6	65,780	65,780
Trade and other receivables	4.9	282,134	282,134
Other current financial assets	4.10	316,159	316,159
Cash and cash equivalents	4.12	202,368	202,368
Total		<u>898,618</u>	<u>898,618</u>
Financial liabilities			
Non-current borrowings	4.15	417,945	378,373
Other non-current financial liabilities	4.16	156,207	85,780
Non-current payables	4.19	5,352	5,352
Trade and other payables	4.20	451,571	451,571
Current portion of borrowings	4.15	237,782	237,782
Other current financial liabilities	4.22	49,609	49,609
Total		<u>1,318,466</u>	<u>1,208,467</u>

Types of financial risks and correlated hedging activities

The Listing Group is exposed to financial risks deriving from its operating activities, particularly regarding:

- credit risks, relative to commercial relations with customers and financing activities;
- liquidity risks, relative to the availability of financial resources and access to the credit market;
- market risks, mostly deriving from exposure to the variability of exchange rates with regard to accounting in currencies different from the consolidation currency, and interest rates regarding the use of financial instruments bearing interest.

The Listing Group constantly monitors the above-mentioned financial risks, adopting actions aimed at mitigating the potential cash negative effects by means of appropriate policies and special hedging instruments.

In this section, qualitative and quantitative information is supplied with reference to the effect that these risks may have upon the Listing Group.

The quantitative data reported in the following information, do not have any value of a prospective nature and, in particular, the sensitivity analysis on market risks is unable to completely reflect the complexity of the market and its related reactions, which may result from any change that may occur.

Credit risks

The Listing Group's credit concentration risk is different, depending on the nature of transactions carried out and the markets in which the Listing Group operates; however, in both cases, the risk is mitigated by the large number of counterparties and customers. Nevertheless, considered from a global point of view, there is a concentration of credit risk in trade receivables in the North American markets. Trade receivables are recognized net of write-downs for the risk that debtors will be unable to fulfil their contractual obligations, determined on the basis of the available information as to the creditworthiness of the customer and historical data.

Credit risks represent the Listing Group's exposure to potential losses deriving from the non-fulfilment of the obligations agreed upon by the counterparties.

The exposure to credit risk is essentially represented by the carrying amounts stated for receivables, particularly trade receivables, in the statement of financial position.

The maximum credit risk to which the Listing Group was theoretically exposed at 30 June 2013 was represented by the carrying amount of trade receivables.

All major projects of Chemtex International are backed by irrevocable letters of credit issued by primary banks accepted by its management according to its internal policy.

The trade receivables showed, at 30 June 2013, an exposure for past due receivables of €36 million (2012: €33 million; 2011: €27 million; 2010: €10 million). With respect to these receivables, an individual risk valuation was carried out and a specific allowance for doubtful accounts was recorded, taking into account an estimation of the recoverable amounts and any pending litigations.

Liquidity risks

The risk of liquidity to which the Listing Group is subject, is identifiable in the possible difficulties in obtaining, under economic conditions, the financial resources to support the operating activities. The two main factors that determine the Listing Group's liquidity are, on one side, the resources generated or absorbed by the operating and investment activities and, on the other, the debt lending period and renewal characteristics or liquidity of the funds employed.

Cash flows, the need for financing, and liquidity, are monitored and managed centrally through the implementation of centralised treasury systems, in order to promptly guarantee an effective raising of the financial resources or an adequate employment of the funds available, thus optimising the management of the liquidity and cash flows. The Listing Group verifies the compliance of financial covenants on a quarterly basis, and monitors expected and realised cash and updates projected future cash flows in order to optimise liquidity management and to define funds needed, if any.

The funds and lines of credit currently available, negotiated with more banking counterparties, in addition to those that will be generated by the operating and financing activities, are deemed to enable the Listing Group to meet its requirements resulting from its investment activities, working capital needs and reimbursement of debts at their due dates.

Liquidity analysis

The following table represents an analysis by maturity of the future contractual flows arising from financial, trade and the principal other liabilities of the Listing Group at the end of each of the Relevant Periods.

The analysis reports the funds flows not discounted back, inclusive of the principal amount and interest, calculated at the existing market conditions at the end of the reporting period. More precisely, the analysis reflects the assumptions made for the expected cash outflows based on the reimbursement date contractually defined or, in some cases, estimated. In the absence of a predefined reimbursement date, the flows are considered taking into account the first date on which the payment might be requested. For this reason, the treasury accounts are included in the 1 to 12 months maturity.

30 June 2013	1 to 12 months	1 to 3 years	3 to 5 years	Beyond 5 years	Total cash flows
	€'000	€'000	€'000	€'000	€'000
<i>Liabilities other than derivative financial instruments</i>					
- Borrowings	298,362	139,402	47,313	105,176	590,253
- Other non-current financial liabilities .	—	—	—	115,000	115,000
- Non-current payables.	—	2,934	158	40,309	43,401
- Current trade and other payables	489,053	—	—	—	489,053
Total	<u>787,415</u>	<u>142,336</u>	<u>47,471</u>	<u>260,485</u>	<u>1,237,707</u>
<i>Liabilities related to derivative financial instruments</i>					
Fair value of interest rate derivatives (financial liabilities)	(223)	(240)	(220)	—	(683)
Total	<u>(223)</u>	<u>(240)</u>	<u>(220)</u>	<u>—</u>	<u>(683)</u>
Total cash out flow	<u>787,192</u>	<u>142,096</u>	<u>47,251</u>	<u>260,485</u>	<u>1,237,024</u>

APPENDIX I
ACCOUNTANTS' REPORT

31 December 2012	1 to 12 months	1 to 3 years	3 to 5 years	Beyond 5 years	Total cash flows
	€'000	€'000	€'000	€'000	€'000
<i>Liabilities other than derivative financial instruments</i>					
- Borrowings	284,574	191,339	64,434	81,563	621,910
- Other non-current financial liabilities .	—	—	—	115,000	115,000
- Non-current payables	—	1,002	1,002	4,789	6,793
- Current trade and other payables	<u>562,257</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>562,257</u>
Total	<u>846,831</u>	<u>192,341</u>	<u>65,436</u>	<u>201,352</u>	<u>1,305,960</u>
<i>Liabilities related to derivative financial instruments</i>					
Fair value of interest rate derivatives (financial liabilities)	<u>(280)</u>	<u>(595)</u>	<u>(595)</u>	<u>(99)</u>	<u>(1,569)</u>
Total	<u>(280)</u>	<u>(595)</u>	<u>(595)</u>	<u>(99)</u>	<u>(1,569)</u>
Total cash out flow	<u>846,551</u>	<u>191,746</u>	<u>64,841</u>	<u>201,253</u>	<u>1,304,391</u>

Borrowings include a credit facility of €42 million with the maturity date December 2013. This loan is renewable on a yearly basis. On 31 January 2013 the credit facility was renewed and extended until 31 January 2014.

31 December 2011	1 to 12 months	1 to 3 years	3 to 5 years	Beyond 5 years	Total cash flows
	€'000	€'000	€'000	€'000	€'000
<i>Liabilities other than derivative financial instruments</i>					
- Borrowings	241,421	117,699	137,971	100,487	597,578
- Other non-current financial liabilities .	—	28,157	—	133,050	161,207
- Non-current payables	—	374	373	1,789	2,536
- Current trade and other payables	<u>492,698</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>492,698</u>
Total	<u>734,119</u>	<u>146,230</u>	<u>138,344</u>	<u>235,326</u>	<u>1,254,019</u>
<i>Liabilities related to derivative financial instruments</i>					
Fair value of interest rate derivatives (financial liabilities)	<u>128</u>	<u>(16)</u>	<u>(16)</u>	<u>(10)</u>	<u>86</u>
Total	<u>128</u>	<u>(16)</u>	<u>(16)</u>	<u>(10)</u>	<u>86</u>
Total cash out flow	<u>734,247</u>	<u>146,214</u>	<u>138,328</u>	<u>235,316</u>	<u>1,254,105</u>

31 December 2010	1 to 12 months	1 to 3 years	3 to 5 years	Beyond 5 years	Total cash flows
	€'000	€'000	€'000	€'000	€'000
<i>Liabilities other than derivative financial instruments</i>					
- Borrowings	300,566	258,068	172,811	68,722	800,167
- Other non-current financial liabilities	—	156,207	—	—	156,207
- Non-current payables	—	807	807	3,738	5,352
- Current trade and other payables	<u>451,571</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>451,571</u>
Total	<u><u>752,137</u></u>	<u><u>415,082</u></u>	<u><u>173,618</u></u>	<u><u>72,460</u></u>	<u><u>1,413,297</u></u>
<i>Liabilities related to derivative financial instruments</i>					
Fair value of interest rate derivatives (financial liabilities)	<u>(256)</u>	<u>(96)</u>	<u>(40)</u>	<u>(18)</u>	<u>(410)</u>
Total	<u><u>(256)</u></u>	<u><u>(96)</u></u>	<u><u>(40)</u></u>	<u><u>(18)</u></u>	<u><u>(410)</u></u>
Total cash out flow	<u><u>751,881</u></u>	<u><u>414,986</u></u>	<u><u>173,578</u></u>	<u><u>72,442</u></u>	<u><u>1,412,887</u></u>

Market risks

The Listing Group is exposed to market risk from fluctuations in foreign currency exchange rates, as it operates in an international market in which transactions are carried out in many currencies, and interest rates. The exposure to foreign currency risk arises both in connection with the geographical distribution of the Listing Group's industrial activities in which it sells products, and in relation to the use of financing sources denominated in foreign currencies. The exposure to interest rate risk arises substantially from financial liabilities bearing variable interest rates. Change in interest rates could have the effect of either increasing or decreasing the Listing Group's net result.

The Listing Group regularly assesses its exposure to interest rate and foreign currency risk and may consider using derivative financial instruments in accordance with established risk management policies. The Listing Group's policy permits derivatives to be used only for managing the exposure to fluctuations in foreign currency exchange and interest rates on cash flows and not for speculative purposes. The Listing Group may utilize derivative financial instruments mainly to stabilize cash flows.

When derivative financial instruments on foreign exchange risk and interest rate risk qualify for hedging, as provided by IAS 39, the Listing Group provides, from the inception of the hedge, formal designation and documentation of the hedging relationship, the target of risk management and the hedging strategy. In addition, the Listing Group assesses the effectiveness of hedging instruments to compensate for changes in the financial flows attributable to the hedged risk. Such assessment is made at inception throughout the financial reporting periods for which the hedge is designated.

Counterparties to these agreements are major international financial institutions.

Exchange rate risk

The PET business is a USD-based business, that PET prices, PTA and MEG raw material prices are quoted in USD in all geographic areas. Furthermore, freight and energy costs are statistically correlated with oil prices and as such reflect the United States dollar variability. Therefore, the Listing Group largely benefits from a natural foreign exchange hedge with respect to the USD. In this regard, PET margins are denominated in USD irrespective of the reporting currency of each single entity of the Listing Group. At the same time, fluctuations in currency exchange rates, and particularly fluctuations among the USD, the Brazilian Real, Pesos and Euro have a significant impact on both earnings and equity as a result of translations between the currencies in which various transactions, assets and liabilities are denominated, and the reporting currencies of the relevant group entities.

The Engineering business is also a USD-based business, in the sense that projects are quoted in USD in all geographic areas and costs for procurement are generally in the same currency. Therefore, Chemtex Global largely benefits from a natural foreign exchange hedge with respect to the USD. In this regard, Engineering margins are denominated in USD irrespective of the reporting currency of each single entity of Chemtex Global. At the same time, fluctuations in currency exchange rates, and particularly fluctuations among the USD and Euro have a significant impact on both earnings and equity, as a result of foreign currency translations.

The Listing Group conducts a significant portion of operations outside of Europe, particularly in Brazil, in USA and in Mexico, and therefore the Listing Group is exposed to risks associated with the fluctuation of foreign currencies.

The Listing Group is exposed to risk resulting from changes in exchange rates, which can affect its earnings and equity.

As a general policy, the Listing Group hedges only when there are substantial cash effects.

The assets and liabilities of consolidated companies, whose currency of account is different from Euro, may be translated into Euro at different counter values, depending on the variations in exchange rates. According to the accounting principles, the effects of these changes are recognized directly in the item "Foreign currency translation reserve", included in shareholders' equity. The management risk policy is that the Listing Group does not consider the risk associated with the currency translation adjustments as a hedging objective.

Sensitivity analysis

A sensitivity analysis was carried out, assuming a +/- 10% variation in the exchange rate of the Euro against the USD and Brazilian Real, the currencies to which the Listing Group is primarily exposed. This level of variation represents a good estimate of the annual volatility, a good approximation of a level of variation considered reasonably possible by the management of the Listing Group. Due to the fact that the Listing Group considers PET and Engineering USD-based businesses, the Listing Group excluded from the analysis of commercial trade receivables and payables, and has limited the analysis to financial liabilities recorded in the combined statement of financial position at the end of each of the Relevant Periods.

The results of this analysis are shown, gross of the correlated tax effect, in the table below:

30 June 2013	Effect on profit before tax	Effect on shareholders' equity
	€'000	€'000
Increase in the Euro against USD exchange rate of 10%	(28,640)	(28,640)
Increase in the Euro against BRL exchange rate of 10%	(13,904)	(13,904)
Decrease in the Euro against USD exchange rate of 10%	28,640	28,640
Decrease in the Euro against BRL exchange rate of 10%	13,904	13,904
31 December 2012	Effect on profit before tax	Effect on shareholders' equity
	€'000	€'000
Increase in the Euro against USD exchange rate of 10%	(28,526)	(28,526)
Increase in the Euro against BRL exchange rate of 10%	(15,822)	(15,822)
Decrease in the Euro against USD exchange rate of 10%	28,526	28,526
Decrease in the Euro against BRL exchange rate of 10%	15,822	15,822
31 December 2011	Effect on profit before tax	Effect on shareholders' equity
	€'000	€'000
Increase in the Euro against USD exchange rate of 10%	(21,012)	(21,012)
Increase in the Euro against BRL exchange rate of 10%	(20,192)	(20,192)
Decrease in the Euro against USD exchange rate of 10%	21,012	21,012
Decrease in the Euro against BRL exchange rate of 10%	20,192	20,192
31 December 2010	Effect on profit before tax	Effect on shareholders' equity
	€'000	€'000
Increase in the Euro against USD exchange rate of 10%	(29,075)	(29,075)
Increase in the Euro against BRL exchange rate of 10%	(23,524)	(23,524)
Decrease in the Euro against USD exchange rate of 10%	29,075	29,075
Decrease in the Euro against BRL exchange rate of 10%	23,524	23,524

Interest rate risk

The Listing Group is exposed to interest rate risks essentially with reference to financial liabilities at variable rates. The variation of interest rates could have a positive or negative impact on the Listing Group's economic result and combined net equity.

The Listing Group regularly evaluates its own cash exposure to the risk of interest rate variation and manages it using derivative financial instruments with avoidance of any activities of a speculative intention.

The Listing Group uses derivative instruments intended to economically hedge cash flows, aimed at predetermining the interest rate of financial and other liabilities at variable rates. The instruments used in the pursuit of this strategy are substantially the interest rate swaps.

The risk management objectives for the management of the interest rate risks may be summarized as follows:

- the Listing Group's objective is to mitigate the effects of the risks of negative net result variance and cash flow as regards what is foreseen in the budget, and the long-term plan due to the unfavorable interest rate fluctuations, ensuring a fixed rate on part of its financial exposure, subject to variable rates;
- the identified positions (outstanding or expected financing, of which the high reliability is verifiable) are hedged through the use of derivative instruments, generally interest rate swap plain vanilla (also forward starting);
- the use of derivative instruments for a speculative end are not permitted, namely, not to pursue the aforesaid objective.

As of 30 June 2013, the Listing Group economically hedged 8% of its outstanding debt (2012: 7%; 2011: 9%; 2010: 7%).

Sensitivity analysis

The following table indicates the potential impact on the statement of comprehensive income and shareholders' equity, gross of the correlated tax effect, in the event of a parallel variation in the reference rates curve of the single foreign currency in which the interest-bearing borrowings are denominated (expressed in Euro, USD and BRL), proportional to the respective actual annual volatility and considered reasonably possible (€ thousands):

30 June 2013	Effect on profit before tax	Effect on shareholders' equity
	€'000	€'000
Increase of the BRL/CDI rate by 1% (for BRL denominated items)	(1,262)	(1,262)
Increase of the EURIBOR rate by 0.50% (for Euro denominated items)	(545)	(545)
Increase of the US/LIBOR rate by 0.50% (for USD denominated items) . . .	<u>(1,374)</u>	<u>(1,374)</u>
Total	<u><u>(3,181)</u></u>	<u><u>(3,181)</u></u>
Decrease of the BRL/CDI rate by 1% (for BRL denominated items)	1,262	1,262
Decrease of the EURIBOR rate by 0.50% (for Euro denominated items) . . .	545	545
Decrease of the US/LIBOR rate by 0.50% (for USD denominated items) . . .	<u>1,374</u>	<u>1,374</u>
Total	<u><u>3,181</u></u>	<u><u>3,181</u></u>
31 December 2012	Effect on profit before tax	Effect on shareholders' equity
	€'000	€'000
Increase of the BRL/CDI rate by 1% (for BRL denominated items)	(1,368)	(1,368)
Increase of the EURIBOR rate by 0.50% (for Euro denominated items)	(545)	(545)
Increase of the US/LIBOR rate by 0.50% (for USD denominated items) . . .	<u>(924)</u>	<u>(924)</u>
Total	<u><u>(2,837)</u></u>	<u><u>(2,837)</u></u>
Decrease of the BRL/CDI rate by 1% (for BRL denominated items)	1,368	1,368
Decrease of the EURIBOR rate by 0.50% (for Euro denominated items) . . .	545	545
Decrease of the US/LIBOR rate by 0.50% (for USD denominated items) . . .	<u>924</u>	<u>924</u>
Total	<u><u>2,837</u></u>	<u><u>2,837</u></u>

31 December 2011	Effect on profit before tax	Effect on shareholders' equity
	€'000	€'000
Increase of the BRL/CDI rate by 1% (for BRL denominated items)	(1,491)	(1,491)
Increase of the EURIBOR rate by 0.50% (for Euro denominated items)	(211)	(211)
Increase of the US/LIBOR rate by 0.50% (for USD denominated items) . . .	<u>(1,031)</u>	<u>(1,031)</u>
Total	<u>(2,733)</u>	<u>(2,733)</u>
Decrease of the BRL/CDI rate by 1% (for BRL denominated items)	1,491	1,491
Decrease of the EURIBOR rate by 0.50% (for Euro denominated items) . . .	211	211
Decrease of the US/LIBOR rate by 0.50% (for USD denominated items) . . .	<u>1,031</u>	<u>1,031</u>
Total	<u>2,733</u>	<u>2,733</u>
31 December 2010	Effect on profit before tax	Effect on shareholders' equity
	€'000	€'000
Increase of the BRL/CDI rate by 1% (for BRL denominated items)	(419)	(419)
Increase of the EURIBOR rate by 0.50% (for Euro denominated items)	(351)	(351)
Increase of the US/LIBOR rate by 0.50% (for USD denominated items) . . .	<u>(1,383)</u>	<u>(1,383)</u>
Total	<u>(2,153)</u>	<u>(2,153)</u>
Decrease of the BRL/CDI rate by 1% (for BRL denominated items)	419	419
Decrease of the EURIBOR rate by 0.50% (for Euro denominated items) . . .	351	351
Decrease of the US/LIBOR rate by 0.50% (for USD denominated items) . . .	<u>1,383</u>	<u>1,383</u>
Total	<u>2,153</u>	<u>2,153</u>

This analysis was carried out on the financial instruments at a variable rate (in relation to which the possible variation was determined, in interest income and expense attributable to possible reasonable changes in interest rates during the financial year — cash flow sensitivity).

Commodity price risk

The Listing Group is not exposed to material risk resulting from changes in commodity prices, PET and its main raw materials price are influenced by oil and oil derivatives and this constitutes a natural hedge.

Changes in commodity prices do not affect the Listing Group's earnings and equity since the selling prices of PET reflect the variability of raw material prices.

The Listing Group hedges its exposure to the variability of the raw material prices using derivative financial instruments based on gasoline and/or crude oil only when requested by selected customers. At 30 June 2013, there were three derivatives in place for covering commodity risk (2012: none; 2011: none; 2010: none). According to what is established in the Listing Group's risk procedures, derivative financial instruments for speculative intention are not permitted.

Description	Notional at 30/06/2013	Counterpart	Closing date	Due date	M&G receives	M&G pays	MTM 30/06/2013
	€'000						€'000
Commodity Swap . .	8,945	Intesa San Paolo	31/12/2013	The 5th business day after the end of each month	Variable price	Fixed price	(55)
Commodity Swap . .	4,399	Intesa San Paolo	31/12/2013	The 5th business day after the end of each month	Variable price	Fixed price	46
Commodity Swap . .	4,602	Macquarie	31/12/2013	The 5th business day after the end of each month	Variable price	Fixed price	(203)
							<u>(212)</u>

Hedging activities

As a policy the Listing Group implements transactions aimed at economically hedging its exposure to the variability of future cash flows.

At 30 June 2013, there were four derivatives. Two were in place for covering interest rate risk ("IRS"). IRS are booked by M&G Polimeros Brasil and were executed in April 2008 to hedge the risk that unfavorable interest rate variations negatively affect the cost of the financial indebtedness towards banks. The Listing Group receives or pays the net amount calculated as the difference between the fixed rate and the variable rate flows. The others were in place to cover the risk of currency exposure. The first one was executed in February 2013 and covers in full a USD denominated loan of US\$2.5 million (€1.9 million). At maturity the loan will be reimbursed at the original USD/BRL exchange rate. Interest on BRL are paid at fixed rate. The second one was executed in June 2013 and covers a USD denominated loan of US\$6.7 million (€5.1 million). At maturity the loan will be reimbursed at the original USD/BRL exchange rate. Interest are paid at floating rate.

Description	Notional at 30/06/2013	Counterpart	Closing date	Due date	M&G receives	M&G pays	MTM 30/06/2013
	€'000						€'000
IRS	19,079	Itaú BBA	28/04/2008	27/04/2018	8.4436%	70.30% CDI	285
IRS	19,079	Unibanco	28/04/2008	27/04/2018	8.4436%	69.89% CDI	295
Currency Swap .	1,911	HSBC	01/02/2013	28/01/2014	4.2873% + VC	11.83%	165
Currency Swap .	5,147	HSBC	26/06/2013	23/06/2014	4.1709% + VC	141% CDI	(62)
							<u>683</u>

The interest rate derivatives value, as reported, represented the fair value of the contracts. These financial instruments fall in level 2 of the fair value hierarchy (i.e., use of model inputs that are directly or indirectly observable market data).

Capital management

Equity includes capital and reserves attributable to equity holders of the parent company. The primary objective of the Listing Group's capital management is to ensure that it maintains a sufficient capital ratio to support its business and maximize shareholders' value.

The Listing Group manages its capital structure in light of changes in economic and financial conditions. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Listing Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Listing Group includes within net debt, non-current borrowings and current portion of borrowings, cash and cash equivalents and long-term cash and cash equivalents that are included into other non-current financial assets.

	<u>31/12/2010</u>	<u>31/12/2011</u>	<u>31/12/2012</u>	<u>30/06/2013</u>
	€'000	€'000	€'000	€'000
Non-current borrowings	(417,945)	(307,050)	(277,534)	(283,899)
Current portion of borrowings	(237,782)	(231,532)	(298,784)	(277,117)
Cash and cash equivalents	202,368	127,919	169,204	111,646
Long-term cash and cash equivalents	<u>65,044</u>	<u>19,545</u>	<u>19,935</u>	<u>14,073</u>
Net debt	(388,315)	(391,118)	(387,179)	(435,297)
Total equity	<u>(290,188)</u>	<u>(256,632)</u>	<u>(368,847)</u>	<u>(394,218)</u>
Total equity and net debt	<u>(678,503)</u>	<u>(647,750)</u>	<u>(756,026)</u>	<u>(829,515)</u>
<i>Gearing ratio</i>	57%	60%	51%	52%

III. SUBSEQUENT EVENTS

On 30 September 2013, the Reorganization was completed.

Pursuant to the resolution of Board of the Company at a Board meeting held on 14 November 2013, a pre-IPO share option scheme has been adopted by the Company, details of which are set out in the paragraph headed "Pre-IPO Share Option Scheme" in Appendix V to the Prospectus.

IV. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or its subsidiaries in respect of any period subsequent to 30 June 2013.

Yours faithfully,
Ernst & Young
Certified Public Accountants
Hong Kong

The information set out below is the unaudited interim report of one of the Company's subsidiaries, M&G Poliéster S.A. (hereafter referred to as "M&G Poliéster") for the three and nine months ended September 30, 2013 issued on November 21, 2013. It does not form part of the Accountants' Report prepared by the reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, as set out in Appendix I to this prospectus, and is included herein for information purposes only.

INTRODUCTION

M&G Poliéster is one of the subsidiaries of the Company, whose shares are listed on the Sao Paulo Stock Exchange, Brazil. A publicly listed company in Brazil is required to publish its interim results each quarter under the local regulatory requirements. On November 21, 2013, M&G Poliéster issued its interim financial information as at and for the three and nine months ended September 30, 2013, which is prepared in accordance with CPC 21 (R1) — Interim Financial Reporting and International Accounting Standard 34 *Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB") (the "Unaudited Interim Report of M&G Poliéster"). M&G Poliéster has adopted accounting policies which comply with the International Financial Reporting Standards (including all the IFRSs, IASs, and Interpretations) issued by the IASB ("IFRSs"). The directors of M&G Poliéster are responsible for the preparation of the Unaudited Interim Report of M&G Poliéster. The Unaudited Interim Report of M&G Poliéster has been reviewed by its auditors, Ernst & Young Auditores Independentes S.S. ("Ernst & Young Brazil") in accordance with Brazilian and International Standards on Review Engagements NBC TR 2410 and International Standard on Review Engagements 2410 *Review of Interim Financial Statements Performed by The Independent Auditors of The Entity* issued by the International Auditing and Assurance Standards Board ("IAASB").

Investors should note that M&G Poliéster and its subsidiaries only form part of the Group, and accordingly the interim financial information of M&G Poliéster is not representative of the performance of the Group as a whole for the financial periods being presented. In particular, the interim financial information of M&G Poliéster includes, as discontinued operations, the results of operations of M&G Fibras e Resinas Ltda. and M&G Fibras Brasil S.A., which were distributed by partial spin off to M&G Finanziaria S.r.l. with effect from July 31, 2013. The interim financial information of M&G Poliéster has not been subject to any independent audit.

Set out below is an English translation of the published unaudited interim financial information of M&G Poliéster as at and for the three and nine months ended September 30, 2013 with the review report thereon issued by Ernst & Young Brazil, its auditors, and the management report prepared by the management of M&G Poliéster which does not form part of the unaudited interim financial information of M&G Poliéster.

(a)(i) **Unaudited interim financial information of M&G Poliéster for the period ended September 30, 2013 with report on the review of quarterly information**

Balance sheets

September 30, 2013 and December 31, 2012

(In thousands of reais)

	Note	Individual		Consolidated	
		09/30/2013	12/31/2012	09/30/2013	12/31/2012
					(restated)
Assets					
Current assets					
Cash and cash equivalents	5	5	15	3,777	111,408
Securities held for trading		255	310	255	310
Accounts receivable	6	—	—	156,646	286,688
Inventories	7	—	—	408,881	345,497
Related parties	19	1,020	—	47,679	22,284
Recoverable taxes	8	135	122	16,336	24,698
Credits receivable	9	—	—	1,829	12,105
Prepaid expenses		—	—	1,307	2,091
Other accounts receivable		—	—	4,877	13,925
Total current assets		1,415	447	641,587	819,006
Non-current assets					
Financial investment	10	—	—	38,912	54,344
Accounts receivable	6	—	—	132	3,641
Deferred income and social contribution taxes	11.a	—	—	26,215	51,145
Recoverable taxes	8	—	—	8,243	36,952
Credits receivable	9	—	—	—	111,313
Judicial deposits		—	—	1,511	3,206
		—	—	75,013	260,601
Investments	12	272,592	238,650	18	747
Property, plant and equipment	13	—	—	475,326	581,408
Intangible assets	13	—	—	22,490	5,382
Total non-current assets		272,592	238,650	572,847	848,138
Total assets		274,007	239,097	1,214,434	1,667,144

	Note	Individual		Consolidated	
		09/30/2013	12/31/2012	09/30/2013	12/31/2012
					(restated)
Liabilities					
Current liabilities					
Loans and financing - third parties	14	—	—	213,675	264,146
Suppliers		—	46	114,494	98,887
Taxes and contributions	15	20	8	12,451	37,882
Provision for sundry obligations	16	—	—	6,758	6,771
Provision for labor liabilities	17	—	—	10,412	14,610
Related parties	19	7,162	4,636	210,782	429,870
Advances from clients		—	—	814	208
Other accounts payable		—	—	324	—
Total current liabilities		7,182	4,690	569,710	852,374
Non-current liabilities					
Suppliers		—	—	3,047	4,144
Related parties	19	—	—	127,324	102,591
Loans and financing - third parties	14	—	—	233,089	268,746
Taxes and contributions	15	—	—	—	256,062
Provision for loss on investment	12.a	—	68,914	—	—
Legal obligations related to lawsuits	18	—	—	4,604	5,406
Total non-current liabilities		—	68,914	368,064	636,949
Shareholders' equity					
Capital	20	523,208	523,308	523,208	523,308
Capital reserves	20	72,244	72,246	72,244	72,246
Equity evaluation adjustment		—	8,042	—	8,042
Accumulated loss		(328,627)	(438,103)	(328,627)	(438,103)
Interest of non-controlling shareholders		—	—	9,835	12,328
Total shareholders' equity		266,825	165,493	276,660	177,821
Total liabilities		274,007	239,097	1,214,434	1,667,144

See the accompanying notes to the interim financial information.

Statements of results
Three and nine months periods ended September 30, 2013 and 2012
(In thousands of reais, except earnings per thousand shares)

	Individual						Consolidated					
	07/01/2013- 09/30/2013		01/01/2013- 09/30/2013		07/01/2012- 09/30/2012		01/01/2012- 09/30/2012		07/01/2012- 09/30/2012		01/01/2012- 09/30/2012	
	Note										(restated)	(restated)
Continued operations												
Net revenue from the sale of goods and services provided	25	—	—	—	—	—	—	384,834	1,171,343	394,002	1,119,866	
Cost of products sold and services rendered	26	—	—	—	—	—	(302,291)	(964,865)	(964,865)	(332,215)	(928,266)	
Gross income		—	—	—	—	—	82,543	206,478	206,478	61,787	191,600	
Operating income (expenses)												
From sales	26	—	—	—	—	—	(8,863)	(31,066)	(31,066)	(17,073)	(50,777)	
Administrative and general expenses	26	(232)	(978)	(148)	(756)	(31,330)	(31,330)	(90,258)	(90,258)	(27,232)	(77,032)	
Equity pick-up	12.a	21,425	33,944	505	16,987	—	—	—	—	—	—	
Other operating income (expenses), net	26	—	—	(47)	(48)	(1,387)	(1,387)	(3,730)	(3,730)	800	292	
Total operating income (expenses), net		21,193	32,966	310	16,183	(41,580)	(41,580)	(125,054)	(125,054)	(43,505)	(127,517)	
Operating income (loss) before financial income		21,193	32,966	310	16,183	40,963	40,963	81,424	81,424	18,282	64,083	
Financial income		20	34	2	50	3,762	3,762	4,884	4,884	1,186	11,325	
Financial expenses		(199)	(577)	(130)	(651)	(17,581)	(17,581)	(48,421)	(48,421)	(14,044)	(45,392)	
Monetary and exchange variations, net		—	—	—	—	(2,002)	(2,002)	618	618	(6,261)	(11,243)	
Financial loss	27	(179)	(543)	(128)	(601)	(15,821)	(15,821)	(42,919)	(42,919)	(19,119)	(45,310)	
Income (loss) before income and social contribution taxes		21,014	32,423	182	15,582	25,142	25,142	38,505	38,505	(837)	18,773	
Current income and social contribution taxes	11.b	—	—	—	—	(1,541)	(1,541)	(2,638)	(2,638)	(492)	(775)	
Deferred income and social contribution taxes	11.b	—	—	—	—	(3,736)	(3,736)	(5,937)	(5,937)	1,166	(3,457)	
Interest of non-controlling shareholders		—	—	—	—	1,149	1,149	2,493	2,493	344	1,041	
Net income from continued operations		21,014	32,423	182	15,582	21,014	21,014	32,423	32,423	181	15,582	

	Individual				Consolidated			
	07/01/2013- 09/30/2013	01/01/2013- 09/30/2013	07/01/2012- 09/30/2012	01/01/2012- 09/30/2012	07/01/2013- 09/30/2013	01/01/2013- 09/30/2013	07/01/2012- 09/30/2012	01/01/2012- 09/30/2012
	Note						(restated)	(restated)
Discontinued operations								
Loss after taxes for the year resulting from discontinued operations		(4,154)	(35,515)	(8,034)	(22,768)	(4,154)	(35,515)	(8,034)
Income (loss) for the period		16,860	(3,092)	(7,852)	(7,186)	16,860	(3,092)	(7,853)
Basic and diluted income per share in Brazilian reais — operations continued		2.62	4.04	0.02	1.94	2.62	4.04	0.02
Basic and diluted losses per share in Brazilian reais — operations discontinued		(0.52)	(4.43)	(1.00)	(2.84)	(0.52)	(4.43)	(1.00)

See the accompanying notes to the interim financial information.

Comprehensive results statement
Three and nine months periods ended September 30, 2013 and 2012
(In thousands of reais)

	Individual				Consolidated			
	07/01/2013- 09/30/2013	01/01/2013- 09/30/2013	01/07/2012- 09/30/2012	01/01/2012- 09/30/2012	07/01/2013- 09/30/2013	01/01/2013- 09/30/2013	07/01/2012- 09/30/2012	01/01/2012- 09/30/2012
Income (loss) before non-controlling shareholders for the period	16,860	(3,092)	(7,852)	(7,186)	15,711	(5,585)	(8,196)	(8,227)
Comprehensive income (loss) for the period, net of taxes	16,860	(3,092)	(7,852)	(7,186)	15,711	(5,585)	(8,196)	(8,227)
Total comprehensive income (loss) attributed to:								
Interest of controlling shareholders	16,860	(3,092)	(7,852)	(7,186)	16,860	(3,092)	(7,852)	(7,186)
Interest of non-controlling shareholders	—	—	—	—	(1,149)	(2,493)	(344)	(1,041)

See the accompanying notes to the interim financial information.

Statements of changes in shareholders' equity
Nine-month period ended September 30, 2013 and 2012
(In thousands of reais)

	Capital	Capital reserve	Accumulated loss	Equity evaluation adjustment - Deemed cost	Shareholders' equity	Non-controlling interest	Consolidated shareholders' equity
Balances at December 31, 2011	523,308	72,246	(441,621)	20,706	174,639	12,680	187,319
Loss for the period	—	—	(7,186)	—	(7,186)	(1,041)	(8,227)
Realization of equity evaluation adjustments - deemed cost	—	—	9,498	(9,498)	—	—	—
Balances at September 30, 2012	523,308	72,246	(439,309)	11,208	167,453	11,639	179,092
Net income (loss) for the period	—	—	(1,960)	—	(1,960)	689	(1,271)
Realization of equity evaluation adjustments — deemed cost	—	—	3,166	(3,166)	—	—	—
Balances at December 31, 2012	523,308	72,246	(438,103)	8,042	165,493	12,328	177,821
Loss for the period	—	—	(3,092)	—	(3,092)	(2,493)	(5,585)
Corporate restructuring — discontinued operation (Note 1.3)	(100)	—	105,051	(525)	104,426	—	104,426
Realization of equity evaluation adjustments — deemed cost	—	—	7,517	(7,517)	—	—	—
Redemption of shares from non-controlling shareholders (Note 20)	—	(2)	—	—	(2)	—	(2)
Balances at September 30, 2013	523,208	72,244	(328,627)	—	266,825	9,835	276,660

See the accompanying notes to the interim financial information.

Cash flows statements

Nine months periods ended September 30, 2013 and 2012

(In thousands of reais)

	Individual		Consolidated	
	09/30/2013	09/30/2012	09/30/2013	09/30/2012
				(restated)
Cash flow from operating activities				
Income for the period before income tax and social contribution referring to continued operations	32,423	15,582	38,505	18,773
Income for the period before income tax and social contribution referring to discontinued operations	(35,515)	(22,768)	(35,515)	(33,436)
Income (loss) before income and social contribution taxes	(3,092)	(7,186)	2,990	(14,663)
Adjustments to reconcile profit (loss) of the period with cash generated by (applied to) operational activities:				
Depreciation and amortization (Note 13) . . .	—	—	27,821	29,366
Provision for impairment losses of accounts receivable (Note 6)	—	—	321	—
Equity pick-up with the effect of discontinued operations (Note 12)	1,571	5,781	—	—
Write-off in the sale of property, plant and equipment (Note 14)	—	—	101	2,674
Unrealized financial charges and exchange variation (Note 14)	—	—	35,585	44,118
Capitalized finance costs as fixed assets	—	—	862	—
Provision for loss on inventories (Note 7) . .	—	—	(414)	—
Sundry provisions (lawsuits)	—	—	(20)	(283)
Deferred income and social contribution taxes	—	—	5,937	—
	(1,521)	(1,405)	73,183	61,212
Decrease (increase) in operating assets:				
Trade accounts receivable	—	—	120,994	(9,225)
Inventories	—	—	(118,702)	11,188
Related parties	(1,020)	804	(25,781)	(18,454)
Recoverable taxes	(13)	41	(3,830)	16,393
Sundry receivables	—	211	6,384	(2,512)
Prepaid expenses	—	—	275	(335)

	Individual		Consolidated	
	09/30/2013	09/30/2012	09/30/2013	09/30/2012
				(restated)
Increase (decrease) in operating liabilities:				
Suppliers	(46)	(7)	29,706	(32,597)
Taxes payable	12	(12)	(14,587)	(3,319)
Salaries, provisions and social charges	—	—	1,447	2,245
Related parties	2,525	284	(84,601)	49,632
Other liabilities and accounts payable	(2)	—	2,428	(5,683)
Net cash generated (applied in) in operational activities	(65)	(84)	(13,084)	68,545
Cash flow from investing activities				
Securities held for trading	55	—	55	211
Corporate restructuring — decrease in cash and cash equivalents (note 1.3)	—	—	(4,262)	—
Long-term financial investments (Note 10)	—	—	15,432	(1,957)
Additions to intangible assets (Note 13)	—	—	(19,939)	(197)
Acquisition of property, plant and equipment (Note 13)	—	—	(26,093)	(19,182)
Net cash generated (applied in) in investment activities	55	—	(34,807)	(21,125)
Cash flow from financing activities				
Funding - third parties (Note 14)	—	—	224,552	220,513
Interest paid (Note 14)	—	—	(37,865)	(36,394)
Payment of financing (Note 14)	—	—	(246,427)	(291,001)
Net cash generated (applied in) in financing activities	—	—	(59,740)	(106,882)
Decrease in cash and cash equivalents	(10)	(84)	(107,631)	(59,462)
Cash and cash equivalents at the beginning of the period	15	86	111,408	123,898
Cash and cash equivalents at the end of the period	5	2	3,777	64,436
	(10)	(84)	(107,631)	(59,462)

See the accompanying notes to the interim financial information.

Statements of added value

Nine-month period ended September 30, 2013 and 2012

(In thousands of reais)

	Individual				Consolidated			
	09/30/2013	%	09/30/2012	%	09/30/2013	%	09/30/2012	%
Revenue								
Sale of merchandise, products and services	—		—		1,534,585		1,542,497	
Other income	—		—		591		1,339	
	<u>—</u>		<u>—</u>		<u>1,535,176</u>		<u>1,543,836</u>	
Inputs acquired from third parties (including taxes)								
Cost of products and goods sold and services provided	—		—		(1,210,646)		(1,210,707)	
Materials, energy, outsourced services and other	(922)		(699)		(159,036)		(144,177)	
Loss/recovery of asset values	—		(47)		(101)		(852)	
Others	—		—		(1,471)		(1,124)	
	<u>(922)</u>		<u>(746)</u>		<u>(1,371,254)</u>		<u>(1,356,860)</u>	
Gross added value	(922)		(746)		163,922		186,976	
Depreciation and amortization	—		—		(27,821)		(29,366)	
Net added value produced	<u>(922)</u>		<u>(746)</u>		<u>136,101</u>		<u>157,610</u>	
Added value received as transfer								
Equity pick-up (loss)	(1,571)		(5,781)		—		—	
Financial income	34		50		5,993		12,272	
Net exchange variation	—		—		(10,819)		(19,330)	
	<u>(1,537)</u>		<u>(5,731)</u>		<u>(4,826)</u>		<u>(7,058)</u>	
Total added value payable	<u>(2,459)</u>		<u>(6,477)</u>		<u>131,275</u>		<u>150,552</u>	
Distribution of added value	(2,459)		(6,477)		131,275		150,552	
Personnel:	—	0%	—	0%	43,509	33%	42,881	27%
Direct remuneration	—		—		27,827		28,393	
Benefits	—		—		13,541		12,340	
FGTS	—		—		2,141		2,148	
Taxes, rates and contributions:	56	-2%	58	-1%	24,441	19%	41,987	25%
Federal	—		—		(2,883)		5,528	
State	—		—		25,923		35,284	
Municipal	56		58		1,401		1,175	
Remuneration of third party capital	577	-23%	651	-10%	68,910	52%	73,911	48%
Interest	577		651		54,816		60,291	
Rents	—		—		14,094		13,620	
Remuneration of own capital:	(3,092)	126%	(7,186)	111%	(5,585)	-4%	(8,227)	0%
Income (loss) for the period	(3,092)		(7,186)		(3,092)		(7,186)	
Interest of non-controlling shareholders in accumulated losses	—		—		(2,493)		(1,041)	
Total added value paid	<u>(2,459)</u>		<u>(6,477)</u>		<u>131,275</u>		<u>150,552</u>	

See the accompanying notes to the interim financial information.

Notes to the interim financial information
September 30, 2013 and December 31, 2012
(In thousands of Reais, unless otherwise indicated)

1. OPERATIONS

1.1. Overview

M&G Poliéster S.A. (“Company”) is a publicly-held corporation domiciled in Brazil, listed at BM&F Bovespa. The Company’s head office is located at Av. das Nações Unidas, 12.551 - 8º andar - São Paulo - SP - Brazil.

The Company, through its subsidiaries, operates in the production and marketing of PET resin for packaging materials, recycled polyester polymers and purified terephthalic acid (PTA) (this activity is temporarily idle, Note 1.2), as well as provision of services related to such activities.

The controlling shareholder of M&G Poliéster S.A. is M&G Resinas Participações Ltda., and the ultimate controller of M&G Resinas Participações Ltda. is Mossi & Ghisolfi International S.a.r.l. (formerly called Mossi & Ghisolfi International S.A.), which in turn is controlled by M&G Finanziaria S.r.l., headquartered in Tortona, Italy.

1.2. Temporary downtime in Paulínia plant

Production of Purified Terephthalic Acid (PTA), the basic raw material for the polyester production chain, remains suspended at the plant in Paulínia - SP. The industrial assets of this plant are fully depreciated.

Company Management and controlling shareholders have not ruled out the sale of the temporarily closed plant, mentioned above, to potential interested parties.

1.3. Corporate restructure of the Company

On July 19, 2013, the Company conducted a corporate restructuring, as decided in the Extraordinary Shareholders’ Meeting and relevant event published on the same day, and its investments corresponding to the fiber industry - comprised of companies M&G Fibras e Resinas Ltda. and M&G Fibras Brasil S.A., discontinued at M&G Poliéster S.A. and transferred to a new Company created at the same time and denominated M&G Fibras Holding S.A. (privately-held corporation); indirectly controlled by the M&G Finanziaria S.r.l based in Tortona — Italy.

Management of M&G Poliéster S.A. understood that the corporate restructuring was of interest to the Company, since: (a) discontinuance of the Fiber Business will allow M&G Poliéster to focus on activities related to the manufacturing of PET resins (“Business PET” and conjunction with the Fiber Business”) are developed separately, allowing the concentration of efforts and resources on the core business of each unit, directly benefitting all shareholders; (b) permits that results from each business do not affect the other’s results, so that, when one of the businesses generates positive results, these results will benefit that same business, thus permitting, when that is the case, their

distribution to shareholders; (c) the Company's shareholders do incur losses with the transfer of these investments as, in addition to their percentage of interest in M&G Poliéster S.A. investment not being changed, they retain the same percentage of shareholding interest in M&G Fibras Holding S.A. and investment as also the same rights currently held in the Company.

Balance sheet balances referring to discontinued operations on July 31, 2013, date in which the transfer was accounted for, are as follows:

	<u>31/7/2012</u>
Assets	
Current assets	
Cash and cash equivalents	4,262
Accounts receivable	39,562
Provision for impairment losses	(11,283)
Inventories	57,385
Provision for inventory losses	(1,653)
Related parties	386
Recoverable taxes	12,268
Credits receivable	10,743
Prepaid expenses	509
Other accounts receivable	<u>2,333</u>
Total current assets	<u>114,512</u>
Non-current	
Accounts receivable	2,814
Deferred income and social contribution taxes	18,992
Recoverable taxes	28,633
Credits receivable	111,010
Judicial deposits	<u>1,862</u>
	163,311
Investments	729
Property, plant and equipment	106,653
Intangible assets	<u>431</u>
Total non-current assets	<u>271,124</u>
Total assets	<u><u>385,636</u></u>

31/7/2012

Liabilities

Current liabilities

Loans and financing - third parties	51,108
Suppliers	34,053
Taxes and contributions	25,720
Provision for sundry obligations	1,395
Provision for labor liabilities	5,645
Related parties	109,754
Advances from clients	52
Other accounts payable	83
Total current liabilities	<u>227,810</u>

Non-current

Loans and financing - third parties	11,727
Taxes and contributions	249,761
Legal obligations related to lawsuits	764
Total non-current liabilities	<u>262,252</u>

Shareholders' equity

Capital	100
Accumulated loss	(104,526)
Total shareholders' equity	<u>(104,426)</u>
Total liabilities	<u><u>385,636</u></u>

Results from discontinued operations are as follows:

	Consolidated			
	07/01/2013- 09/30/2013	01/01/2013- 09/30/2013	01/07/2012- 09/30/2012 (restated)	01/01/2012- 09/30/2012 (restated)
Discontinued operations				
Net income from the sale of goods and services provided	32,209	186,004	76,495	233,980
Cost of products sold and services rendered	<u>(30,746)</u>	<u>(192,126)</u>	<u>(79,986)</u>	<u>(237,590)</u>
Gross income	1,463	(6,122)	(3,491)	(3,610)
Operating income (expenses)				
From sales	(293)	(2,189)	(1,171)	(3,161)
Administrative and general expenses	(1,829)	(10,491)	(3,601)	(13,046)
Equity in income of subsidiaries and associated companies	—	—	—	—
Other operating income (expenses), net	<u>—</u>	<u>10</u>	<u>4,365</u>	<u>8,421</u>
Total operating income (expenses), net	(2,122)	(12,670)	(407)	(7,786)
Operating income (loss) before financial income	<u>(659)</u>	<u>(18,792)</u>	<u>(3,898)</u>	<u>(11,396)</u>
Financial income	188	2,071	923	2,870
Financial expenses	(233)	(7,356)	(4,667)	(16,823)
Monetary and exchange variations, net	<u>(3,450)</u>	<u>(11,438)</u>	<u>(469)</u>	<u>(8,087)</u>
Financial income (loss)	<u>(3,495)</u>	<u>(16,723)</u>	<u>(4,213)</u>	<u>(22,040)</u>
Income (loss) before income and social contribution taxes	<u>(4,154)</u>	<u>(35,515)</u>	<u>(8,111)</u>	<u>(33,436)</u>
Deferred income and social contribution taxes	<u>—</u>	<u>—</u>	<u>77</u>	<u>10,668</u>
Net income (loss) from continued operations	<u><u>(4,154)</u></u>	<u><u>(35,515)</u></u>	<u><u>(8,034)</u></u>	<u><u>(22,768)</u></u>

2. PRESENTATION AND PREPARATION OF THE FINANCIAL STATEMENTS

The Company's interim individual financial information has been prepared and is being presented in conformity with accounting practices adopted in Brazil, which include standards established by the Brazilian Corporate Law, standards issued by the Brazilian Securities and Exchange Commission (CVM) and pronouncements issued by the Accounting Pronouncements Committee (CPC), which differ from international accounting standards (IFRS) issued by the *International Accounting Standards Board* (IASB) only as regards evaluation of investments in subsidiaries, at the equity method as required by the Brazilian law, while for IFRS purposes, investments must be evaluated at cost or fair value.

Consolidated interim financial information has been prepared and is being presented in conformity with accounting practices adopted in Brazil, which include standards issued by the Brazilian Securities and Exchange Commission (CVM) and pronouncements of the Accounting Pronouncements Committee (CPC), which are in accordance with the international accounting standards (IFRS) issued by the International Accounting Standards Board (IASB).

The Company's interim financial information has been prepared in accordance with several evaluation bases used for accounting estimates. The estimates in the preparation of interim financial information were based on objective and subjective factors, with a basis on Management's judgment for determination of the adequate amount to be recorded in the interim financial statements. Significant items subject to these estimates and assumptions include the selection of estimated useful life of property, plant and equipment and its recoverability in operations, evaluation of financial assets at fair value, credit risk analysis to determine the allowance for doubtful accounts, and the analysis of the remaining risks to determine other provisions, such as inventory losses, provisions for realization of tax credits and legal obligations related to lawsuits. The settlement of transactions involving these estimates may result in significantly different amounts described in the interim financial information due to the probabilistic treatment inherent to the estimation process. The Company reviews its estimates and assumptions on a quarterly basis.

The Company adopted all the standards, revisions of standards, and interpretations issued by the by the Accounting Pronouncements Committee (CPC), IASB and regulatory bodies that were in force on September 30, 2013.

On November 21, 2013, the Directors authorized disclosure interim financial information as of September 30, 2013.

2.1. Basis of consolidation

Consolidated financial statements include financial statements of M&G Poliéster S.A. and the following subsidiaries, whose percentage of interest as of the balance sheet dates is as follows:

	Interest in capital - %		Interest in capital - %	
	09/30/2013		12/31/2012	
	Direct	Indirect	Direct	Indirect
M&G Polímeros Brasil S.A.	100.00	—	100.00	—
M&G Fibras e Resinas Ltda. (a) . . .	—	—	99.99	—
M&G Fibras Brasil S.A. (a)	—	—	—	99.99
Tereftálicos Indústrias Químicas Ltda.	51.00	—	51.00	—

(a) Corporate structure — operations discontinued on July 31, 2013 (note 1.3)

Subsidiaries are fully consolidated as of the date on which the Company obtained control, and continue to be consolidated until the date that such control ceases.

The process of consolidating the balance sheets and income statements horizontally add up to the account balances, and in the consolidation, the parent company's shareholdings in the net equity of the subsidiaries are eliminated, as well as balances of assets and liabilities, unrealized results, and the effects of transactions between these companies on the income statement.

The minority interests was not emphasized in the consolidated interim financial information.

2.2. Restatement of comparison balances

For the purpose of better presenting interim consolidated financial information, as well as of compliance with accounting standards, the Company performed the following reclassifications:

- Commissions in the amount of R\$18,857, classified as of December 31, 2012 in trade accounts payable under current liabilities to trade accounts receivable group under current assets, as an account reduction.
- Income from discontinued operations in the amounts of R\$8,034 and R\$22,768, for the three and nine-month periods ended September 30, 2012, whose details are disclosed in note 1.3.

This restatement was conducted aiming at comparison with interim financial information as of September 30, 2013.

3. IFRS AND CPC PRONOUNCEMENTS**3.1. Standards, interpretations and changes to standards mandatory in 2013 that had no relevant impact on interim financial information**

On January 1, 2013, new standards and revisions issued by the IASB entered into force and were adopted by the Company, with corresponding technical pronouncements issued by the CPC and approved by the CVM (the Brazilian SEC), as disclosed in Note 3 (New standards and interpretations) of the Company's annual financial statements of December 31, 2012.

The adoption of these new standards had no impact on the interim financial statements of September 30, 2013.

3.2. IFRS pronouncement not yet prevailing on September 30, 2013

Below we list the standards issued that had not yet entered into force as of the date of issuance of the interim financial information. This listing of standards and interpretations issued encompasses those that the Company reasonably expects will have an impact on the disclosures, financial position or performance upon application thereof at a future date. The Company intends to adopt those standards when they become effective.

IFRS 9 - Financial Instruments - Classification and Measurement (CPC 38, 39 and 40) - IFRS 9 closes the first part of the project to replace "IAS 39 - Financial Instruments: Recognition and measurement". IFRS 9 uses a simple approach to determine whether a financial asset is measured at amortized cost or fair value, based on the way an entity manages its financial instruments (its business model) and the contractual cash flow characteristic of the financial assets. The standard also requires adoption of a single method for determining losses at the recoverable value of assets. This standard will become effective as of the fiscal years starting on January 1, 2015, and the Company expects no significant effects arising from its adoption.

The IASB has issued clarifications to the IFRS standards and amendments. Below we list key amendments:

IAS 32 - Financial Instruments — Reporting (CPC 39): adds guidance on offsetting financial assets and financial liabilities, the modification of which is effective for annual periods beginning on or after January 1, 2014, and the Company foresees no significant effect as a result adoption thereof.

IAS 16 — PP&E: this improvement explains that the main spare parts and equipment to provide services that meet the definition of PP&E are not part of inventory. The Company foresees no significant effect as a result of adoption thereof.

There are no other standards and interpretations issued and not yet adopted that might, in management's opinion, have a significant impact on the income or shareholders' equity disclosed by the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

Interim financial information is presented based on the same accounting practices described in note no.4 of financial statements as of December 31, 2012, except for the presentation of basic and

diluted results from discontinued operations in the statement of income, for which CPC 41 (IAS33) requires presentation in the statement of income or in notes. The Company chose to demonstrate this information together with other information required for discontinued operations in note 1.3, properly presenting operations in the statement of income.

5. CASH AND CASH EQUIVALENTS

	Consolidated	
	09/30/2013	12/31/2012
Cash and banks - local currency	2,522	57,428
Cash and banks - foreign currency	—	3,423
Financial investment	1,255	50,557
	<u>3,777</u>	<u>111,408</u>

Financial investments in Bank Deposit Certificates (CDBs) are remunerated at an average of 101% of Interbank Deposit Certificate (CDI) (98% as of December 31, 2012), with immediate liquidity and no risk of significant fluctuation due to interest rates.

6. ACCOUNTS RECEIVABLE

	Consolidated	
	09/30/2013	12/31/2012
		(restated)
Current:		
Domestic customers	111,924	278,462
Foreign clients	44,850	16,241
	156,774	294,703
Provision for impairment losses	(128)	(8,015)
	<u>156,646</u>	<u>286,688</u>
Non-current:		
Domestic customers	132	6,755
	132	6,755
Provision for impairment losses	—	(3,114)
	<u>132</u>	<u>3,641</u>
	<u>156,778</u>	<u>290,329</u>

Accounts receivable turnover is 48 days. The Company calculated present value adjustment considering its turnover and the implicit rate of 8.35% p.a. calculated value was not considered relevant for accounting recognition.

Long-term accounts receivable balance refers to trade notes whose maturity dates are being renegotiated.

Changes to the allowance for doubtful accounts are as follows:

Current

	Consolidated	
	09/30/2013	12/31/2012
Opening balance	(8,015)	(7,887)
Additions	(321)	(129)
Write-offs	39	1
Discontinued operation (note 1.3)	8,169	—
Closing balance	<u>(128)</u>	<u>(8,015)</u>

Non-current

	Consolidated	
	09/30/2013	12/31/2012
Opening balance	(3,114)	—
Additions	—	(3,114)
Discontinued operation (note 1.3)	3,114	—
Closing balance	<u>—</u>	<u>(3,114)</u>

Trade accounts receivable aging list from domestic and foreign client, net of the allowance for doubtful accounts, is as follows:

	Consolidated	
	09/30/2013	12/31/2012
Receivables falling due:		
Up to 30 days	70,036	159,164
31-60 days	31,313	75,833
61-90 days	6,362	23,869
From 91 to 120 days	44	1,992
Above 120 days	615	879
	<u>108,370</u>	<u>261,737</u>
Receivables overdue:		
Up to 30 days	6,145	13,473
31-60 days	18,884	1,535
61-90 days	6,836	5,239
From 91 to 120 days	3,985	4,662
Above 120 days	12,558	3,683
	<u>48,408</u>	<u>28,592</u>
	<u>156,778</u>	<u>290,329</u>

From overdue receivables, R\$5,469 have already been received until mid October 2013 and R\$22,927 refer to exports that are guaranteed by credit letters and deposits in a Group's company account abroad.

According to Management, other overdue receivables reflect specific situations of customers that do not require a provision for losses.

7. INVENTORIES

	Consolidated	
	09/30/2013	12/31/2012
Finished goods	190,506	93,667
Work in process	32,712	29,224
Raw materials	83,902	110,393
Packaging materials	1,686	2,610
Maintenance Materials	14,459	24,685
Imports in transit	89,690	90,968
	<u>412,955</u>	<u>351,547</u>
Provision for losses	<u>(4,074)</u>	<u>(6,050)</u>
	<u>408,881</u>	<u>345,497</u>

The increase in finished product inventory, which started at the end of the second quarter, was a strategic move and resulted from scheduled production interruption for installations preventive maintenance and to cope with the strong demand in the last quarter of 2013.

Changes in the provision for losses are as follows:

	Consolidated	
	09/30/2013	12/31/2012
Opening balance	(6,050)	(5,690)
Additions	(91)	(360)
Write-offs	414	—
Discontinued operation (note 1.3)	<u>1,653</u>	—
Closing balance	<u>(4,074)</u>	<u>(6,050)</u>

8. RECOVERABLE TAXES

	Consolidated	
	09/30/2013	12/31/2012
Current:		
ICMS recoverable	174	7,587
PIS and COFINS recoverable	12,835	8,962
IPI recoverable	—	1,233
IRPJ and CSLL recoverable	3,327	6,916
	<u>16,336</u>	<u>24,698</u>
Non-current:		
ICMS recoverable	3,112	11,436
ICMS recoverable - provision	—	(2,848)
IRPJ and CSLL recoverable	3,051	24,256
IPI recoverable	—	2,326
PIS and COFINS recoverable	1,670	1,267
Other credits recoverable	410	515
	<u>8,243</u>	<u>36,952</u>

Recoverable PIS and COFINS credits are related to M&G Polímeros Brasil S.A. sales to Manaus Free Trade Zone and from export of PET resin. Sales to Manaus Free Trade Zone and exports are not taxed by these taxes, thus generating credits. The main reason for increased recoverable PIS and COFINS credits in the quarter ended September 30, 2013 was the rise in sales to Manaus Free Trade Zone. To minimize this credit accumulation, the Company is complying with requirements of the Drawback Exemption benefit for future raw material import, which will not be taxed and that totals R\$3,002 (R\$3,155 as of December 31, 2012) on September 30, 2013. The Company has also offset PIS and COFINS credit balance against IPI debts. Long-term amounts refer to remaining portions of property, plant and equipment credit that cannot be offset against IPI debts at this moment.

Recoverable IRPJ (corporate income tax) and CSLL (social contribution on net income) derive from advanced payment and withheld amounts and are being offset against federal taxes. Long-term recoverable portion belongs to subsidiary Tereftálicos Indústrias Químicas Ltda. and shall be recovered through refund requests submitted to the Federal Revenue Service.

Of total long-term recoverable ICMS credits, R\$2,737 (R\$3,305 as of December 31, 2012) refer to credits of subsidiary Tereftálicos Indústrias Químicas Ltda., for which the Company conducted studies that make recovery of these credits feasible, and R\$375 (R\$354 as of December 31, 2012) refer to credits from operation of subsidiary M&G Polímeros Brasil S.A.

9. CREDITS RECEIVABLE

	Consolidated	
	09/30/2013	12/31/2012
Current:		
Credits receivable	1,829	1,830
Credits receivable — IPI	—	10,275
	1,829	12,105
Non-current:		
Credits receivable — IPI	—	111,313
	1,829	123,418

The movement is as follows:

	Consolidated	
	09/30/2013	12/31/2012
Opening balance	123,418	140,253
Additions	—	9,186
Monetary restatements	6,278	10,230
Receipts	(6,114)	(36,251)
Discontinued operation (note 1.3)	(121,753)	—
Closing balance	1,829	123,418

Remaining credits receivable balance refers to the supplement for expenses to be reimbursed by Grupo Rhodia/Solvay to Tereftálicos Indústrias Químicas Ltda.

Amounts to be reimbursed by former parent company Rhodia Brasil Ltda. Credits receivable related to IPI originate from IPI not paid by subsidiary M&G Fibras e Resinas Ltda. (former Rhodia-ster Fibras e Resinas Ltda.) that derives from the use of IPI deemed credit on acquisition of material taxed at zero rate and whose balance of R\$121,753 is part of assets spun-off by the Company, as mentioned in note no. 1.3.

10. FINANCIAL INVESTMENT

Financial investments amounting to R\$38,912 (R\$54,344 as of December 31, 2012) and classified in non-current assets include investments of subsidiary M&G Polímeros Brasil S.A. in Bank Deposit Certificates (CDB's) that are remunerated at rates varying from 99% to 102% of CDI (interbank deposit certificate). At the time these financial investments were contracted, they were determined to be held to maturity and, therefore, were measured at acquisition cost plus earnings through balance sheet date, in accordance with contract terms and conditions. This amount is bound by contract to long-term financing raised from BNDES, transferor commercial banks and BNB and may not be redeemed except when conditions included in these long-term financing contracts are met.

11. INCOME AND SOCIAL CONTRIBUTION TAXES

a) Breakdown of deferred taxes

The deferred income and social contribution taxes arise from:

	Individual				Consolidated			
	09/30/2013		12/31/2012		09/30/2013		12/31/2012	
	Income tax	Social contribution	Income tax	Social contribution	Income tax	Social contribution	Income tax	Social contribution
Tax loss and negative basis	15,107	10,826	13,586	9,773	125,945	122,617	290,799	287,504
Timing differences								
Provision for impairment (Note 6)	—	—	—	—	128	128	11,129	11,129
Provision for legal obligations (Note 18)	—	—	—	—	4,604	4,604	5,406	5,406
Provision for freights (Note 16)	—	—	—	—	1,982	1,982	1,311	1,311
Provision for loss and adjustment of inventories to fair value	—	—	—	—	4,074	4,074	7,036	7,036
Provision for storage (Note 16)	—	—	—	—	1,118	1,118	1,489	1,489
Provision for electric power expenses (Note 16)	—	—	—	—	1,565	1,565	731	731
Provision for logistic expenses (Note 16)	—	—	—	—	1,493	1,493	2,268	2,268
Provision for loss in other investments	—	—	—	—	1,082	1,082	4,762	4,762
Provision for tax credit losses (Note 6)	—	—	—	—	—	—	2,848	2,848
Provision for exchange variation	—	—	—	—	215	215	9,027	9,027
Other labor liabilities	—	—	—	—	3,339	3,339	6,065	6,065
Other temporary differences	—	—	—	—	2,243	2,243	68	68
Calculation basis	15,107	10,826	13,586	9,773	147,788	144,460	342,939	339,644
Rates:	25%	9%	25%	9%	25%	9%	25%	9%
Deferred tax	3,777	974	3,397	880	36,947	13,001	85,735	30,568
Provision for adjustment to realizable value	(3,777)	(974)	(3,397)	(880)	(17,703)	(6,030)	(48,162)	(16,996)
Deferred income tax	—	—	—	—	19,244	6,971	37,573	13,572

Movement of deferred income and social contribution taxes in the consolidated is as follows:

	Consolidated	
	Income tax	Social contribution
Balance at December 31, 2012.....	37,573	13,572
Deferred income taxes and social contribution expenses....	(4,367)	(1,571)
Corporate restructuring — discontinued operation (note 1.3).....	(13,962)	(5,030)
Balance at September 30, 2013	<u>19,244</u>	<u>6,971</u>

Breakdown of deferred income and social contribution taxes by company is as follows:

	Consolidated				
	Tereftálicos Indústrias Químicas Ltda.	M&G Poliéster S.A.	M&G Polímeros Brasil S.A.	M&G Fibras Brasil S.A. (Discontinued operation — note 1.3)	Total
Deferred income and social contribution taxes:					
On tax losses.....	11,755	3,777	15,955	—	31,487
On negative basis.....	4,232	1,016	5,787	—	11,035
On temporary differences....	2,954	—	4,473	—	7,427
Total potential credits	18,941	4,793	26,215	—	49,949
Provision for adjustment to recoverable value	(18,941)	(4,793)	—	—	(23,734)
Balance at September 30, 2013.....	—	—	26,215	—	26,215
Balance at December 31, 2012.....	—	—	32,153	18,992	51,145

Tax credits on tax losses of subsidiary M&G Polímeros Brasil S.A., for 2013 third quarter, were recognized according to projections of future tax income based on the main assumption that the volume of PET resin sales in the domestic market would be maintained. This assumption was approved by the Company's management and expected realization of deferred income tax and social contribution balances is as follows:

	<u>Consolidated</u>
2013	1,922
2014	11,485
2015	<u>12,808</u>
Total	<u><u>26,215</u></u>

b) **Reconciliation of income tax and social contribution expenses for the quarters ended September 30, 2013:**

	<u>Individual</u>		<u>Consolidated</u>	
	<u>09/30/2013</u>	<u>09/30/2012</u>	<u>09/30/2013</u>	<u>09/30/2012</u>
Income for the period before income tax and social contribution referring to continued operations	32,423	15,582	38,505	18,773
Losses for the period before income tax and social contribution referring to discontinued operations	<u>(35,515)</u>	<u>(22,768)</u>	<u>(35,515)</u>	<u>(33,436)</u>
Income (loss) before income and social contribution taxes	<u>(3,092)</u>	<u>(7,186)</u>	<u>2,990</u>	<u>(14,663)</u>
Credit (income) and social contribution tax expense a nominal rate (34%)	1,051	2,443	(1,017)	4,985
Equity pick-up	(534)	(1,966)	—	—
Other permanent additions (exclusions) ..	—	(91)	(176)	241
Tax incentive benefits	—	—	6,793	2,129
Unrecorded tax credits and others	<u>(517)</u>	<u>(386)</u>	<u>(14,175)</u>	<u>(919)</u>
Income tax and social contribution credit (expense) recorded in income for the period	<u>—</u>	<u>—</u>	<u>(8,575)</u>	<u>6,436</u>
Current income and social contribution tax expense	—	—	(2,638)	(775)
Credit (debt) with deferred income and social contribution taxes	<u>—</u>	<u>—</u>	<u>(5,937)</u>	<u>7,211</u>
Effective rate	<u>0.00%</u>	<u>0.00%</u>	<u>286.79%</u>	<u>43.89%</u>
Expenses for income tax and social contribution taxes from continuing operations	—	—	(5,937)	(3,457)
Expenses for income tax and social contribution from discontinued operations	—	—	—	(10,668)

12. INVESTMENTS

a) Company's interest in subsidiaries

9-month period ended September 30, 2013

	<u>Shareholders'</u> <u>equity</u>	<u>Net income</u> <u>(loss)</u>	<u>Direct</u> <u>interest %</u>	<u>Equity</u> <u>pick-up</u>	<u>Balance of</u> <u>investments</u> <u>09/30/2013</u>
Subsidiaries:					
Tereftálicos Indústrias Químicas Ltda.	20,071	(5,087)	51.00	(2,594)	10,236
M&G Polímeros Brasil S.A.	262,356	36,538	100.00	<u>36,538</u>	<u>262,356</u>
				<u>33,944</u>	<u>272,592</u>
Provision for loss in investments (Discontinued operation (note 1.3))					
M&G Fibras e Resinas Ltda.	—	(35,515)	99.99	(35,515)	—
				<u>(35,515)</u>	<u>—</u>

Year ended December 31, 2012

	<u>Shareholders'</u> <u>equity</u>	<u>Net income</u> <u>(loss)</u>	<u>Direct</u> <u>interest %</u>	<u>Equity</u> <u>pick-up</u>	<u>Balance of</u> <u>investments</u> <u>12/31/2012</u>
Subsidiaries:					
Tereftálicos Indústrias Químicas Ltda.	25,158	(718)	51.00	(366)	12,831
M&G Polímeros Brasil S.A.	225,819	23,279	100.00	<u>23,279</u>	<u>225,819</u>
				<u>22,913</u>	<u>238,650</u>
Provision for loss in investments (Discontinued operation (note 1.3))					
M&G Fibras e Resinas Ltda.	(68,914)	(30,066)	99.99	(30,065)	(68,914)
				<u>(30,065)</u>	<u>(68,914)</u>

9-month period ended September 30, 2012

	<u>Shareholders'</u> <u>equity</u>	<u>Net income</u> <u>(loss)</u>	<u>Direct</u> <u>interest %</u>	<u>Equity</u> <u>pick-up</u>	<u>Balance of</u> <u>investments</u> <u>09/30/2012</u>
Subsidiaries:					
Tereftálicos Indústrias					
Químicas Ltda.	23,752	(2,124)	51.00	(1,083)	12,113
M&G Polímeros Brasil					
S.A.	220,609	18,070	100.00	<u>18,070</u>	<u>220,609</u>
				<u>16,987</u>	<u>232,722</u>
Provision for loss in					
investments (Discontinued					
operation (note 1.3)					
M&G Fibras e Resinas					
Ltda.	(61,615)	(22,768)	99.99	<u>(22,768)</u>	<u>(61,614)</u>
				<u>(22,768)</u>	<u>(61,614)</u>

b) **Portion of the balance sheet and income from subsidiaries**

9-month period ended September 30, 2013

	<u>Tereftálicos</u> <u>Indústrias</u> <u>Químicas</u> <u>Ltda.</u>	<u>M&G</u> <u>Polímeros</u> <u>Brasil S.A.</u>	<u>Total</u>
Current assets	10,398	626,945	637,343
Non-current assets	3,581	565,828	569,409
Current liabilities	(1,739)	(566,280)	(568,019)
Non-current liabilities	(2,004)	(364,137)	(366,141)
Investment	<u>10,236</u>	<u>262,356</u>	<u>272,592</u>
Net income	1	1,741,343	1,171,344

Year ended December 31, 2012

	Tereftálicos Indústrias Químicas Ltda.	M&G Fibras e Resinas Ltda. (a)	M&G Polímeros Brasil S.A.	Total
Current assets	11,570	21,188	702,252	735,010
Non-current assets	3,722	213,480	578,250	795,452
Current liabilities	(1,047)	(45,416)	(687,352)	(733,815)
Non-current liabilities	(1,414)	(258,166)	(367,331)	(626,911)
Investment	<u>12,831</u>	<u>(68,914)</u>	<u>225,819</u>	<u>169,736</u>
Net income	—	19,031	1,591,483	1,610,514

(a) Operations discontinued in 2013 (note 1.3).

c) **Movement of investments in subsidiaries**

	Tereftálicos Indústrias Químicas Ltda.	M&G Fibras e Resinas Ltda.	M&G Polímeros Brasil S.A.	Total
Balances at December 31, 2012 . . .	12,831	(68,914)	225,819	169,736
Equity pick-up (loss)	(430)	(10,736)	2,814	(8,352)
Balances at March 31, 2013	12,401	(79,650)	228,633	161,384
Equity pick-up (loss)	(968)	(2,625)	(11,103)	(14,696)
Balances at June 30, 2013	11,433	(82,275)	217,530	146,688
Equity pick-up (loss)	(1,197)	(22,151)	44,826	21,478
Discontinued operation (note 1.3) . .	—	<u>104,426</u>	—	<u>104,426</u>
Balance at September 30, 2013 . . .	<u>10,236</u>	<u>—</u>	<u>262,356</u>	<u>272,592</u>

13. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS
(CONSOLIDATED)

	Land	Buildings and improvements	Facilities, machinery and equipment	Vehicles	Furniture and fixtures	Construction in process and advance to suppliers	Total
Cost of the gross fixed assets							
Balance at December 31, 2012	7,749	122,840	690,739	1,383	9,131	17,592	849,434
Additions	—	—	—	—	—	9,130	9,130
Disposals	—	—	—	(51)	—	—	(51)
Transfers	—	—	616	—	—	(616)	—
Balance at March 31, 2013	7,749	122,840	691,355	1,332	9,131	26,106	858,513
Additions	—	—	—	—	—	9,170	9,170
Disposals	—	—	(99)	—	—	(44)	(143)
Transfers	—	182	1,980	—	—	(2,162)	—
Balance at June 30, 2013	7,749	123,022	693,236	1,332	9,131	33,070	867,540
Additions	—	—	—	—	—	7,793	7,793
Discontinued operation (note 1.3).	(7,749)	(36,242)	(127,750)	(478)	(5,983)	(29,948)	(208,150)
Transfers	—	—	5,136	—	—	(5,136)	—
Balance at September 30, 2013	—	86,780	570,622	854	3,148	5,779	667,183
Average rates of depreciation	—	3.46%	11.31%	15.40%	10.11%	—	—
Accumulated depreciation							
Balance at December 31, 2012	—	(21,285)	(238,410)	(990)	(7,341)	—	(268,026)
Additions	—	(1,062)	(7,842)	(22)	(91)	—	(9,017)
Disposals	—	—	—	17	—	—	17
Transfers	—	—	—	—	—	—	—
Balance at March 31, 2013	—	(22,347)	(246,252)	(995)	(7,432)	—	(277,026)
Additions	—	(1,062)	(7,852)	(22)	(88)	—	(9,024)
Disposals	—	—	76	—	—	—	76
Transfers	—	—	—	—	—	—	—
Balance at June 30, 2013	—	(23,409)	(254,028)	(1,017)	(7,520)	—	(285,974)
Additions	—	(791)	(6,524)	(13)	(52)	—	(7,380)
Discontinued operation (note 1.3).	—	8,757	86,933	400	5,407	—	101,497
Transfers	—	—	—	—	—	—	—
Balance at September 30, 2013	—	(15,443)	(173,619)	(630)	(2,165)	—	(191,857)
Property, plant and equipment (net)							
Balance at December 31, 2012	7,749	101,555	452,329	393	1,790	17,592	581,408
Balance at March 31, 2013	7,749	100,493	445,103	337	1,699	26,106	581,487
Balance at June 30, 2013	7,749	99,613	439,208	315	1,611	33,070	581,566
Balance at September 30, 2013	—	71,337	397,003	224	983	5,779	475,326

	Software use licenses	Consulting and projects	Electrical energy transmission lines	Client portfolio	Other	Total
Cost of gross intangible assets						
Balance at December 31, 2012.....	24,362	16,921	8,059	—	11,156	60,498
Balance at March 31, 2013 .	24,362	16,921	8,059	—	11,156	60,498
Additions.....	44	—	—	—	—	44
Balance at June 30, 2013...	24,406	16,921	8,059	—	11,156	60,542
Additions.....	33	—	—	19,862	—	19,895
Discontinued operation (note 1.3).....	(4,392)	—	—	—	—	(4,392)
Balance at September 30, 2013.....	20,047	16,921	8,059	19,862	11,156	76,045
Average rates of amortization.....	16.18%	20%	20%	10%	8.33%	
Accumulated amortization						
Balance at December 31, 2012.....	(18,980)	(16,921)	(8,059)	—	(11,156)	(55,116)
Additions.....	(815)	—	—	—	—	(815)
Balance at March 31, 2013 .	(19,795)	(16,921)	(8,059)	—	(11,156)	(55,931)
Additions.....	(813)	—	—	—	—	(813)
Balance at June 30, 2013...	(20,608)	(16,921)	(8,059)	—	(11,156)	(56,744)
Additions.....	(772)	—	—	—	—	(772)
Discontinued operation (note 1.3).....	3,961	—	—	—	—	3,961
Balance at September 30, 2013.....	(17,419)	(16,921)	(8,059)	—	(11,156)	(53,555)
Intangible assets (net)						
Balance at December 31, 2012.....	5,382	—	—	—	—	5,382
Balance at March 31, 2013 .	4,567	—	—	—	—	4,567
Balance at June 30, 2013...	3,798	—	—	—	—	3,798
Balance at September 30, 2013.....	2,628	—	—	19,862	—	22,490

During the quarter ended September 30, 2013, property, plant and equipment additions refer mainly to acquisition of equipment for the recycling project of Poços de Caldas, Minas Gerais State, plant in the amount of R\$17,328, whose value is included in assets spin off by the Company, as mentioned in Note 1.3.

Addition of intangible assets originates from the 4th and last portion of the supply contract for resale and other covenants entered into with a former competitor in 2007, already submitted and approved without restrictions by competent public bodies, through which the Company acquired part of its customers' portfolio. This amount will be amortized over 10 years and, during this period, the Company, based on market research prepared by Management, expects to obtain benefits from this customers' portfolio. The contract foresees the possibility that former competitor does not agree with the value of the 4th and final installment and request, through an arbitration process, the revision of the calculation.

Leasing Agreement for PET resin plant in Suape

The M&G Polímeros Brasil S.A. subsidiary's PET resin plant in Suape was built on an 853,389 m² property leased from Complexo Industrial e Portuário de Suape (SUAPE), a state-owned company controlled by the State of Pernambuco Secretary of Development, leased for a non-renewable 50-year term. This leasing agreement was entered into owing to a specific public bid intended to put up a manufacturing plant for thermoplastic resins and their raw materials, without a purchase option on the agreement's expiry pursuant to legislation in force. On contractual expiry and if the parties agree, a new public bidding may take place for contractual renewal pursuant to legislation in force at the time. The parent company's obligations regarding this leasing agreement involve among others, maintenance of activities by the factory built on the land and payment of a monthly rental, which on the contractual signature date was of R\$39. This value is subject to an annual readjustment pursuant to the IPCA — National Ample Consumer Price Index disclosed by Instituto Brasileiro de Geografia e Estatísticas — IBGE. The amount recognized as expenses in the quarter ended September 30, 2013 was R\$469 (R\$473 on September 30, 2012) recorded under caption "Administrative expenses". There are obligations for the withdrawal of assets at the end of the leasing term. Nonetheless, should the Lessor formally express its interest in these buildings and improvements, they will remain on the property at no cost to the Lessor. Therefore, any existing buildings and improvements on the agreement's expiry, once it is extinguished, will become the Lessor's property. The subsidiary's rights and obligations in connection with this leasing agreement were assigned to the lending banks referred to in Explanatory Note 1, in case of contractual default by the Company.

14. LOANS AND FINANCING - THIRD PARTIES

	Effective rate annual average rate - %	Maturities	Consolidated			
			09/30/2013		12/31/2012	
			Current	Non- current	Current	Non- current
In foreign currency:						
Import financing						
(EURO)	9		—	—	1,847	6,266
ACC/ACE	5	2014 e 2015	19,166	13,157	25,255	—
BNDES financing						
(US\$).	7	2018	4,421	15,668	3,835	17,362
			23,587	28,825	30,937	23,628
In local currency:						
Export credit notes . .	14	2014	28,523	—	33,693	423
Industrial credit note .	12	2013 a 2015	93,584	5,000	125,818	20,300
Bank Credit Bill . . .	7	2013 a 2014	31,403	—	24,229	—
Finame	8	2013	—	—	380	2,412
Derivative	4	2014	483	—	—	—
BNDES financing . . .	8	2018	22,854	151,964	36,559	164,783
BNB financing	9	2018	13,241	47,300	12,530	57,200
			190,088	204,264	233,209	245,118
			213,675	233,089	264,146	268,746

Every loan and financing entered into by the Company was obtained from first-class financial institutions.

The Company's import loans were contracted in euros.

Export Credit Notes are denominated in local currency and were contracted by the Company with the purpose of acquiring raw materials — PET to produce PET resins for export in amounts equal to the contractual value.

Industrial Credit Notes were entered into by the Company and are denominated in local currency.

Loans obtained by the parent company M&G Polímeros Brasil S.A. from Banco Nacional de Desenvolvimento Econômico e Social — BNDES, banks that on-lend BNDES funds and Banco do Nordeste do Brasil — BNB, have been paid every month as of May 2008, and include monthly installments until April 2018. These loan agreements include the following liabilities and obligations by M&G Polímeros Brasil S.A.:

- Maintenance of an annual debt coverage ratio without accrued cash (ICSD) of at least 1.30 (one and three tenths) times during the years of the mentioned loan agreement's effectiveness;
- The Company pledged all its shares from M&G Polímeros Brasil S.A. On September 30, 2013, carry amount of shares is R\$220,609 (R\$225,819 as of December 31, 2012). This subsidiary gave as security all of its assets and credit rights created by the transactions, and assigned the rights arising from agreements undersigned by it.

The Company complied appropriately with the contractual clauses and commitments in effect as of September 30, 2013.

The breakdown of long-term installments per year of payment is as follows:

2014	42,759
2015	60,599
2016	55,599
2017	55,599
2018	18,533
	<u>233,089</u>

Below follow transactions with loans and financing:

Balance at December 31, 2012	(532,892)
Funding	(224,552)
Provision for interest	(34,094)
Principal payments	246,427
Payment of interest	37,865
Foreign exchange	(2,353)
Discontinued operations (note 1.3)	62,835
Balance at September 30, 2013	<u>(446,764)</u>

15. TAXES AND CONTRIBUTIONS

	Consolidated	
	09/30/2013	12/31/2012
Current:		
ICMS payable	1,297	3,726
ISS payable	256	135
IPI payable	6,011	7,374
IPI - Installment payment program	—	23,543
Income and social contribution taxes payable	2,638	910
Others	2,249	2,194
	<u>12,451</u>	<u>37,882</u>
Non-current:		
IPI - Installment payment program	—	255,053
Other taxes - installment program	—	1,009
	<u>—</u>	<u>256,062</u>

As of December 31, 2012, balances of the IPI payment in installments program refer to IPI (federal VAT) not paid by former subsidiary M&G Fibras e Resinas Ltda., whose amount is part of assets spun-off by the Company, as mentioned in note 1.3, and derive from the use of deemed credit referring to IPI on acquisition of materials taxed at zero rate.

Until the Company's corporate restructuring, in 2013, the amount of R\$13,972 (R\$13,178 on September 30, 2012) had been paid as amortization of the IPI payment in installments program.

As described in Explanatory Note no. 9, part of the IPI tax liabilities is being refunded by Rhodia Brasil Ltda, the former controller of M&G Fibras e Resinas Ltda.

In 2013, until the Company's corporate restructuring, reimbursement amount was R\$6,114 (R\$9,919 as of December 31, 2012).

16. PROVISION FOR SUNDRY OBLIGATIONS

	Consolidated	
	09/30/2013	12/31/2012
Provision for electric power	1,565	731
Provision for freight	1,982	1,311
Provision for logistics expenses	1,493	2,268
Provision for storage expenses	1,118	1,489
Other provisions	600	972
	<u>6,758</u>	<u>6,771</u>

17. PROVISION FOR LABOR LIABILITIES

	Consolidated	
	09/30/2013	12/31/2012
Provision for vacation and social security charges	6,394	8,531
Profit sharing — collective agreement	2,052	4,861
Provision for 13th salary and social security charges	1,378	—
Payroll charges	588	1,218
	<u>10,412</u>	<u>14,610</u>

18. LEGAL OBLIGATIONS RELATED TO LAWSUITS

Subsidiaries are involved on labor, tax and civil lawsuits related mainly with claims by former employees, federal taxes and environmental suits, currently subject to several instances. The provision defined for these cases is estimated as a likely loss, updated for inflation, based on an assessment by legal counsel and examination by Management, and may be shown as follows:

	Consolidated						Balance at September 30, 2013
	Balance at December 31, 2013	Additions	Reversal	Payments	Charges	Discontinued operation (note 1.3)	
Tax	1,277	—	(1,071)	—	15	(211)	10
Civil	1,193	—	(1)	—	24	—	1,216
Labor	2,936	1,883	(507)	(470)	88	(552)	3,378
	<u>5,406</u>	<u>1,883</u>	<u>(1,579)</u>	<u>(470)</u>	<u>127</u>	<u>(763)</u>	<u>4,604</u>

In accordance with the Company's legal advisors' evaluation, there are also other legal obligations in the approximate amount of R\$55,201, referring to labor lawsuits amounting to R\$3,066, civil lawsuits amounting to R\$10,564 and tax lawsuits amounting to R\$41,571, whose outcomes are considered possible and, according to accounting practices, a provision is not required.

Labor lawsuits consist of employee complaints related to amounts arising from the employment relationship. Civil lawsuits refer mainly to collective damage and main tax lawsuits refer to alleged undue ICMS credit in the amount of R\$30,037 and PIS and COFINS in the amount of R\$11,515.

19. RELATED PARTY TRANSACTIONS

Related party transactions regarding commercial operations and loans are carried out under normal market conditions and are as follows:

Nature of relationship	09/30/2013			12/31/2012		09/30/2012	
	Assets	Liabilities	Income (expenses)	Assets	Liabilities	Income (expenses)	Income (expenses)
At the Parent Company:							
In local currency							
M&G Resinas e Participações							
Ltda.	Parent Company - direct	(a) 1,020	—	29	—	5	41
M&G Fibras e Resinas Ltda.	Subsidiary	(a) —		(148)	—	4,631	(287)
M&G Polimeros S.A.	Subsidiary	(a) —	7,162	(181)	—	—	—
		<u>1,020</u>	<u>7,162</u>	<u>(300)</u>	<u>—</u>	<u>4,636</u>	<u>(246)</u>
In the consolidated:							
Current:							
In local currency							
Mossi & Ghisolfi Internacional							
S.a.r.l	Parent company - indirect	(j) 16,473	—	—	—	—	—
M&G Fibras Brasil S.A.	Affiliate	(l) 147	585	147	—	—	—
M&G Finanziaria S.r.l	Parent company - indirect	(d) —	1,699	(4,498)	—	455	(4,194)
M&G Finanziaria S.r.l	Parent company - indirect	(g) —	—	—	—	19,055	(2,673)
M&G Resinas e Participações							
Ltda.	Parent Company - direct	(a) 1,020	—	29	—	5	41
		<u>17,640</u>	<u>2,284</u>	<u>(4,322)</u>	<u>—</u>	<u>19,515</u>	<u>(6,826)</u>
In foreign currency							
Mossi & Ghisolfi Internacional							
S.a.r.l	Parent company - indirect	(c) —	208,049	(586,671)	1,409	409,953	(769,184)
Mossi & Ghisolfi Internacional	Parent company - indirect	(b) 11,720	—	7,676	11,107	—	25,683
M&G Polimeri Itália	Affiliate	—	—	—	—	45	—
M&G Polimeros Mexico	Affiliate	(i) 15,082	—	16,479	7,117	—	12,291
M&G Polymers USA LLC	Affiliate	(h) —	40	(4)	—	—	(6)
Mossi & Ghisolfi Internacional							
S.a.r.l	Parent company - indirect	(f) 922	409	348	530	357	25
Chemtex Global (former M&G Packaging S.A.L)							
	Affiliate	(e) 2,315	—	—	2,121	—	162
		<u>30,039</u>	<u>208,498</u>	<u>(562,172)</u>	<u>22,284</u>	<u>410,355</u>	<u>(731,029)</u>
		<u>47,679</u>	<u>210,782</u>	<u>(566,494)</u>	<u>22,284</u>	<u>429,870</u>	<u>(737,855)</u>
Non-current:							
In local currency							
Mossi & Ghisolfi Internacional							
S.a.r.l	Parent company - indirect	(b) —	101,179	(2,555)	—	98,624	(20,630)
M&G Finanziaria S.r.l	Parent company - indirect	(g) —	26,145	(3,123)	—	3,967	496
		<u>—</u>	<u>127,324</u>	<u>(5,678)</u>	<u>—</u>	<u>102,591</u>	<u>(20,134)</u>

- (a) Refers to a loan contract between related parties with releases and payments throughout the period. This agreement provides that the incidence of interest be calculated using the CDI variation. Said agreement matures within the next 12 months.
- (b) Subsidiary M&G Polímeros Brasil S.A. entered into, with Mossi & Ghisolfi International S.a.r.l (“MGI” indirect parent company) a contract for the purchase and sale of PET resin, according to which MGI commits to acquiring up to 100% of the unsold production of Suape, Pernambuco State (PE), plant; income from this commitment in the quarter ended September 30, 2013 is R\$7,307 and is classified in the statement of income as “revenue from sales”; of the amount informed as revenue, R\$369 refers to foreign exchange variation, whose receivable balance is R\$11,720. Due to this commitment, M&G Polímeros Brasil S.A. recorded as remuneration to MGI until September 30, 2013, the amount of R\$2,555 that is classified in the statement of income as “Trading expenses”, whose balance payable is R\$101,179. This contract is an integral part of a series of contracts tied to long-term financing obtained from local financial institutions. It is noteworthy that from April 2013 there was not and there will be not more additions to the value of the remuneration to MGI above, and that there was no payment of compensation from the signing of the contract in 2007.
- (c) Subsidiary M&G Polímeros Brasil S.A. entered into with MGI a contract for the supply of raw material (PTA), according to which the foreign company commits to supply up to 25,000 metric tons of raw material per month at international market prices and with average payment term of 60 days. This contract will be valid as long as long-term financing contracts entered into with BNDES, with banks that transfer funds from BNDES (transferors), and with BNB - Banco do Nordeste do Brasil are valid, as described in note 14. The total purchases of raw materials of that related part totaled R\$585,385 during the quarter ended September 30, 2013 (R\$754,355 on September 30, 2012). Of the amount of R\$586,671 reported as an expense in the quarter ended September 30, 2013, the amount of R\$1,286 refers to foreign exchange expenditures.
- (d) Beginning as of January 1, 2007, the Company started to recognize costs from exploration rights for the use of M&G brand in favor of M&G Finanziaria S.r.l. The calculation is done at a rate of 0.4% on net sales of products to third parties, according to the agreement recorded at the National Institute of Industrial Property - INPI, maturing in December 2018. The invoices have a maturity of 30 days after being issued. The amount of R\$4,498, entered as an expense in the quarter ended September 30, 2013, was classified as “administrative expenses” in the income statement.
- (e) Refers to extraordinary expenses with maintenance of equipment incurred by subsidiary M&G Polímeros Brasil S.A., to be refunded by Chemtex Global, supplier of the equipment, with expected maturity in the coming 120 days.
- (f) Refers to expenses with process engineering services whose amount in income was classified as advisory expenses, and whose receipt is expected in the coming 120 days.

With respect to the amount receivable of R\$992, this amount refers to: (i) R\$578 reimbursement for maintenance expenses against collateral, whose responsibility is the equipment supplier. (ii) R\$414 reimbursement of staff costs for services provided from January through September 2013; these amounts are due receive within the next 120 days.

- (g) Refers to expenses with SAP operating system implementation to be paid in 24 quarterly installments, with last installment in October 2015, whose balance payable on September 30, 2013 represents R\$26,145. The amount of R\$3,123, informed as expenses for the nine-month period ended September 30, 2013, is recorded under caption “Administrative expenses”.
- (h) Refers to the provision of system updating of the subsidiary manufacturer M&G Polimeros Brasil S.A., due in the next 90 days.
- (i) Refers to the sale of finished products whose maturity is estimated for the coming 60 days.
- (j) Refers to the balance of accounts receivable that the subsidiary Tereftálicos Industrias Químicas, Ltda. was to have received from the former subsidiary M&G Fibras e Resinas. On September 30, 2013, this payment became the responsibility of indirect subsidiary M&G International S.a.r.l., as per agreement entered into by the parties.. The deadline for receipt is 90 days.
- (l) Refers to finished product sales and service rendering whose maturity is estimated for the coming 60 days.

The Company has no other relationships with any related parties that are not disclosed in the table above.

Expenditures on salaries of directors of the Company are summarized as follows:

	<u>Consolidated</u>	
	<u>09/30/2013</u>	<u>09/30/2012</u>
Short-term management employee benefits - Salaries	2,464	2,376
Post-employment benefits - Pension Plans	80	92
	<u>2,544</u>	<u>2,468</u>

During the quarters ended September 30, 2013 and 2012, the Company had no expenses related to employment contract termination benefits.

20. SHAREHOLDERS' EQUITY

On September 30, 2013 and December 31, 2012, the authorized capital stock was R\$652,000 and the paid-up capital was R\$523,208 and R\$523,308, respectively, represented by 8,024,960,000 common shares, with no par value, the main shareholder being M&G Resinas Participações Ltda.:

	<u>Common shares</u> <u>(in thousands)</u>	<u>Quantity</u> <u>of shares %</u>
M&G Resinas Participações Ltda.	6,008,878	74.88
Mossi & Ghisolfi International S.a.r.l.	1,783,163	22.22
Other shareholders	<u>232,919</u>	<u>2.90</u>
	<u>8,024,960</u>	<u>100.00</u>

There was no change in amounts outstanding and ownership percentage for the period.

The minimum mandatory dividend of 25% on net income for the year, adjusted according to corporate law.

The bylaws provides that the Company may prepare interim balance sheets and that the Executive Board may approve interim dividends based on profits earned on those balances. On September 30, 2013 and December 31, 2012 there was no distribution of interim dividends.

Capital reserve

The balance of capital reserve in the amount of R\$72,244 is comprised by the issue of 91,541,023 shares in the merger of shares of subsidiary M&G Polímeros Brasil S.A. occurred in July 2007.

Considering the Company's corporate restructuring occurred on July 19, 2013, the Company's engagement was changed, and shareholders were given the opportunity to exercise their right of withdrawal in view of this change. Shareholders of 101,000 shares exercised this right and the Company paid R\$0.02 per share, pursuant to the terms of the corporate restructuring agreement. The shares acquired are held in treasury.

Earnings per share

The data related to basic and diluted earnings per share is as follows:

	Consolidated	
	30/09/2013	30/09/2012
Net income from continuing operations attributable to parent shareholders' equity	32,423	15,582
Loss for the period from discontinued operations attributable to parent shareholders' equity	<u>(35,515)</u>	<u>(22,768)</u>
Loss for the period attributable to parent company's shareholders interest	(3,092)	(7,186)
Weighted average of issued shares (in millions)	<u>8,025</u>	<u>8,025</u>
Basic and diluted gains from shares in Brazilian reais — operations continued	<u>4.04</u>	<u>1.94</u>
Basic and diluted losses from shares in Brazilian reais — operations discontinued	<u>(4.43)</u>	<u>(2.84)</u>

21. SEGMENT INFORMATION

On December 31, 2012 the Company was organized into three main business units comprising: (i) PET resins, marketed to produce packaging, (ii) Polyester synthetic fibers for textile applications, marketed for making textiles and other textile products, and (iii) the marketing of recycled polyester polymers. Aiming to focus efforts and resources on the core business of each unit, the Company decided to make a corporate restructuring on July 19, 2013, as described in Note 1.3.

After bookkeeping of corporate restructuring occurred on July 31, 2013, PET resin became the Company's main activity and, on September 30, 2013, the Company is organized as follows:

- PET resins which are marketed for manufacturing packaging;
- Other segments, comprised of fixed costs for the production of PTA (purified terephthalic acid) whose activities have stopped, as disclosed in note 1.2

Management monitors operating results of business units separately for making decisions and assessing Company's performance.

The segment information of these units are as follows:

Period ended September 30, 2013

	PET resins	Other segments	Adjustments and eliminations	Consolidated
Net revenue				
Net revenue - Domestic market	1,086,083	—	—	1,086,083
Net revenue - Foreign market	85,260	—	—	85,260
Intersegment	—	—	—	—
Total net operating income	1,171,343	—	—	1,171,343
Cost of products sold and services rendered	(945,408)	—	—	(945,408)
Depreciation and amortization - Cost	(19,457)	—	—	(19,457)
Gross income (loss)	206,478	—	—	206,478
Operating income (expenses)				
From sales	(31,066)	—	—	(31,066)
Administrative and general expenses	(83,081)	(4,791)	—	(87,872)
Net financial expenses	(42,001)	(918)	—	(42,919)
Administrative depreciation and amortization	(2,386)	—	—	(2,386)
Other operating income	(2,830)	(900)	—	(3,730)
Income (loss) before income tax, social contribution and interest of non-controlling shareholders	45,114	(6,609)	—	38,505
Current and deferred income and social contribution tax expense	(8,575)	—	—	(8,575)
Interest of non-controlling shareholders	—	—	2,493	2,493
Net income (loss)	36,539	(6,609)	2,493	32,423
Assets	1,192,774	27,409	—	1,214,434
Liabilities	930,418	7,339	—	937,774

Period ended September 30, 2012 (restatement)

	PET resins	Other segments	Adjustments and eliminations	Consolidated
Net revenue:				
Net revenue - Domestic market. . .	1,030,521	—	—	1,030,521
Net revenue - Foreign market	89,345	—	—	89,345
Intersegment	<u>368</u>	<u>—</u>	<u>(368)</u>	<u>—</u>
	1,120,234	—	(368)	1,119,866
Cost of products sold and services rendered	(909,700)	—	368	(909,332)
Depreciation and amortization - Cost	<u>(18,934)</u>	<u>—</u>	<u>—</u>	<u>(18,934)</u>
Gross income (loss)	191,600	—	—	191,600
OPERATING INCOME (EXPENSES)				
From sales	(50,777)	—	—	(50,777)
Administrative and general expenses	(71,547)	(2,634)	—	(74,181)
Net financial expenses	(44,650)	(660)	—	(45,310)
Administrative depreciation and amortization	(2,851)	—	—	(2,851)
Other operating income	<u>526</u>	<u>(234)</u>	<u>—</u>	<u>292</u>
Income (loss) before income tax, social contribution and interest of non-controlling shareholders	22,301	(3,528)	—	18,773
Current and deferred income and social contribution tax expense . . .	(4,232)	—	—	(4,232)
Interest of non-controlling shareholders	<u>—</u>	<u>—</u>	<u>1,041</u>	<u>1,041</u>
Net income (loss)	<u>18,069</u>	<u>(3,528)</u>	<u>1,041</u>	<u>15,582</u>
Assets	1,238,763	28,373	—	1,654,723
Liabilities	1,018,155	4,621	—	1,475,631

Transfer prices between operating segments are determined on an arm's length basis, similar to transactions carried out with third parties.

The Company adopts the following accounting bases for any intersegment transactions:

1. Intersegment income is eliminated upon consolidation.
2. Operating income from segments does not consider income on inter-segment sales.

In the PET Resins segment, the Company has sets of clients that individually represent more than 10% of total income.

09/30/2013		09/30/2012	
% of income	Income amount	% of income	Income amount
15.7%	176,908	14.7%	190,063
15.5%	174,808	12.4%	160,635
13.8%	155,554	12.3%	158,943
13.4%	151,215	11.8%	152,867

22. TAX INCENTIVES

a) Income tax

M&G Polímeros Brasil S.A, with a unit in Suape — Pernambuco, is a beneficiary of the income tax on profits reduction incentive in the exploitation of PET resin in production, from the calendar year 2008 to 2017. The reduction of income tax and others is 75%.

b) ICMS

M&G Polímeros Brasil S.A. is a beneficiary of “PRODEPE” incentive by means of State Decree 27,546 of January 13, 2005, and amendments, for a period of 12 years starting from October 2006 and expire on September 2018. The benefit is a reduction of up to 85% in the ICMS balance. For the quarter ended September 30, 2013, the amount recognized as a credit under “Sales Tax” of the consolidated statement of income, regarding these benefits, was R\$29,186 (R\$77,446 as of September 30, 2012).

23. INSURANCE COVERAGE

The Company has a risk management program with respect to which it contracted insurance coverage in amounts considered sufficient by management to cover possible claims, taking into account the nature of its activities and the risks involved in its operations.

The insurance contracted by the Company is as follows:

Insured property	Type policy	Maximum indemnity limit
Facilities / goods / raw materials / inventories / equipment / buildings	Operating risks	779,943
Civil liability	General civil liability	11,390
Car fleet	Auto	32,435
Facilities / equipment	Multirisk	4,350
National transport	Transport	36,699
Transportation - import / exp.	Transport	31,136

24. RETIREMENT SUPPLEMENTATION PLAN

The subsidiaries Tereftálicos Indústrias Químicas Ltda. and M&G Polímeros Brasil S.A. sponsor supplementary retirement benefits of its employees through a defined contribution plan, the Free Benefit Generator Plan - PGBL maintained with BrasilPrev Seguros e Previdência S.A., an open supplementary pension entity.

The contributions of the sponsors to Brasilprev Plan are as follows:

- Ordinary contributions - are designed to accumulate the resources necessary to grant income benefits and are identical to the contribution of the participants, being limited to 4% of participation salaries.
- Extraordinary contributions - can be made at any time at the discretion of sponsors and participants.

In the quarter ended September 30, 2013, the Company made contributions to Brasilprev in the amount of R\$1,765 (R\$1,798 at September 30, 2012) to fund benefit plans.

25. NET REVENUE FROM THE SALE OF GOODS AND SERVICES PROVIDED

	<u>Consolidated</u>	
	<u>09/30/2013</u>	<u>09/30/2012</u>
		(restated)
Gross operating income from the sale of goods and services		
Domestic market	1,265,276	1,226,838
Foreign market	85,260	65,268
	<u>1,350,536</u>	<u>1,292,106</u>
Deductions and rebates:		
Sales tax (ICMS, IPI, PIS, and COFINS)	(140,849)	(146,210)
Refunds and rebates	(38,344)	(26,030)
	<u>(179,193)</u>	<u>(172,240)</u>
Net revenue from the sale of goods and services provided . .	<u>1,171,343</u>	<u>1,119,866</u>

26. EXPENSES PER NATURE

	Consolidated	
	09/30/2013	09/30/2012
		(restated)
Variable and fixed costs and other commercial expenses . . .	(947,963)	(931,242)
Depreciation and amortization	(21,843)	(21,785)
Personnel expenses	(29,820)	(23,944)
Logistic expenses	(55,974)	(51,938)
Others	(34,319)	(26,874)
	<u>(1,089,919)</u>	<u>(1,055,783)</u>
Classified as:		
Cost of products sold and services rendered	(964,865)	(928,266)
Sales expenses	(31,066)	(50,777)
General and administrative expenses	(90,258)	(77,032)
Other operating income (expenses), net	(3,730)	292
	<u>(1,089,919)</u>	<u>(1,055,783)</u>

27. FINANCIAL INCOME (LOSS)

	Consolidated	
	09/30/2013	09/30/2012
		(restated)
Interest on loans, financing and derivatives	(37,407)	(27,660)
Price-level restatement of taxes	(1,560)	(138)
Financial investment	2,653	4,842
Net exchange variation	618	(11,243)
Others	(7,223)	(11,111)
	<u>(42,919)</u>	<u>(45,310)</u>

28. FINANCIAL DERIVATIVE INSTRUMENTS AND RISK MANAGEMENT

The activities of the Company and its subsidiaries carry certain financial risks, mainly interest rate, credit, liquidity and market risks, the latter represented by the cost of financing risk and risk of changes in the relative value of currencies.

The management of these risks is carried out by Treasury in conjunction with the financial executive board of Brazil and of headquarters, according to Company's policies. These policies reflect guidelines aimed at minimizing cash outlays.

Market risk

The market risk is the risk that the fair value of future cash flows of a financial instrument will float due to variations in market prices. Market prices encompass three types of risk: interest rate risk, foreign exchange risk and price risk.

Financial instruments affected by market risk include a portion of loans, financial instruments available for sale and measured at fair value through profit or loss, and derivative financial instruments.

Interest rate risk

Interest rate risk is the risk that fair values of a financial instrument future cash flows fluctuate due to variation in market interest rates. The Company's exposure to the risk of changes in market interest rates refers mainly to the Company's short-term obligations subject to floating rates (CDI). On September 30, 2013, approximately 30% of loans raised by the Company were subject to floating interest rates.

Derivatives

The Company and its subsidiaries have entered into derivative transactions in order to hedge their exposure to interest rates related to loans with BNB, taking into account the context of their operating activities and the horizon of future cash flows subject to such risks. Currently, the derivative financial instrument contracted involves hired swap contracts. No type of guarantee was offered by the Company and there is no provision for margin calls.

Price and commodity risk

The Company is not exposed to material risk arising from changes in commodity prices. PET Resin and PTA, the main raw material, are influenced by oil and its derivatives and this represents a natural hedge. Changes in commodity prices do not affect the Company's results, since the selling prices of PET Resin reflect changes in the prices of raw materials with a time delay due to logistics and the transformation of raw materials into finished product. The difference between the average prices of Resins PET and Polyester fiber raw materials and finished products in the international market were only 0.23% and 1.21%, respectively.

Currency risks

The Company has been managing the risk of exposure to exchange rate changes in order to preserve its cash flows. Thus, depending on the scenario, the Company uses derivative financial instruments or not. Businesses provide the ability to transfer the dollar price fluctuations to the sales prices, thus minimizing impacts on its operations.

Credit risks

Net exposure to foreign exchange rate risk due to assets and liabilities in foreign currency, for the quarter ended September 30, 2013, was a liability of R\$144,613 (R\$284,233 as of December 31, 2012), as follows:

	Consolidated	
	09/30/2013	12/31/2012
Accounts receivable	113,620	211,113
Suppliers - Third-parties	(27,362)	(52,710)
Related party transactions (Note 19)	(178,459)	(388,071)
Loans and financing (Note 14).	<u>(52,412)</u>	<u>(54,565)</u>
Net liabilities exposed to exchange variation	<u>(144,613)</u>	<u>(284,233)</u>

Exposure of trade accounts receivable is comprised by the balance of trade accounts receivable — foreign market of R\$44,850 (R\$16,241 as of December 31, 2012) and the amount of R\$68,770 (R\$194,872 as of December 31, 2012) referring to sales in the domestic market whose amounts receivable are indexed at US dollar rate on maturity.

With respect to credit risk, the Company has specific policies regarding transactions with financial institutions and clients.

There are policies regarding the type and size of financial institutions with which the Company does business and the type of transactions that can be performed.

The client's credit risk is managed by each business unit, subject to the procedures, controls and policies established by the Company in relation to this risk. Credit limits are established for all clients based on internal rating criteria. The credit quality of the client is assessed based on a comprehensive internal credit rating system. Client receivables outstanding are monitored frequently.

The maximum exposure to credit risk at the base date is the carrying amount of each class of financial assets mentioned in Note 6. For such credits, the Company has guarantees such as guarantee letters, mortgages and credit insurance in the amount of R\$113,850.

Liquidity risks

The Company's indebtedness level policy provides for the use of credit facilities exploring the financing capacity of the domestic market for managing adequate levels of short, medium and long term liquidity.

Liquidity risks-continued

To minimize the financial cost risk of long maturity projects, the Company uses specific derivatives among those available on the market. In such cases, the instruments contracted represent 18% of total debt.

The Company and its subsidiaries structure maturities of non-derivative financial contracts, as described in Note 14, and their respective derivatives as shown in Note 28, “Fair value of financial instruments”.

Capital management

The Company’s objectives in managing its capital are to protect the capacity to continue its operations and maintain an adequate capital structure.

The Company, monitoring its daily cash flow added to “forecast” for the next three months, anticipates the possible risks of non-compliance with its obligations. This future vision allows the Company to take measures in advance to mitigate these risks, including the maintenance of the coverage ratio of its debt. One such measure is the use of third-party capital to finance its working capital, as well as to make part of long-term investments.

The Company and its subsidiaries include the following in the structure of the net debt: loans and financing (Note 14), less cash and cash equivalents (Note 5), securities held for trading and long-term financial investment (Note 10).

The dividend payment policy is also a relevant part of the capital management strategy, and the Company has not, in recent years, distributed its cash surplus to the shareholders due to accumulated losses.

For the nine-month period ended September 30, 2013, there was no change in the objectives, policies or processes of capital structure.

Fair value hierarchy

In accordance with the fair value hierarchy defined in CPC 40, the Company’s financial instruments fall into level 1.

Fair value of financial instruments

The Company has assessed its assets and liabilities in relation to the fair values, based on information available in the market for the balance sheet dates. The main assets and liabilities represented by financial instruments on September 30, 2013 and December 31, 2012 have their carry amount close to their fair values, except for the Company’s loans, mainly represented by balances payable to BNDES and BNB that are accounted for at effective rate variations, plus the effective interest rate.

If the Company had adopted the criteria of initial recognition of loans at market fair market, the debt balance would have a decrease of R\$56,105 (R\$79,100 at December 31, 2012) in the subsidiary M&G Polímeros Brasil S.A.

	Consolidated			
	09/30/2013		12/31/2012	
	Carry amount	Fair value	Carry amount	Fair value
Cash and cash equivalents (Note 5) .	3,777	3,777	111,408	111,408
Securities held for trading	255	255	310	310
Interest earning bank deposits -				
Long term (Note 10).	38,912	38,912	54,344	54,344
Loans (Note 14).	(446,764)	(390,659)	(532,892)	(453,792)
Accounts payable.	(455,971)	(455,971)	(654,349)	(654,349)
Sundry receivables.	204,457	204,457	331,470	331,470

Fair values of the Company and its subsidiaries' derivative financial instruments on September 30, 2013 were calculated by projecting future investments flows using contract indices brought to present value at rates disclosed by BM&F. Breakdown of outstanding derivative financial instruments as of September 30, 2013 and December 31, 2012 is as follows:

Description	Notional value	Counterparty	Beginning	Maturity	Asset position	Liability position	Quotation Sep/13 - Fair value (R\$)
Interest rate swap . .	R\$55,000	Itaú BBA	04/28/2008	04/27/2018	Pre 8.4436%	70.30% CDI	470
Interest rate swap . .	R\$55,000	Unibanco	04/28/2008	04/27/2018	Pre 8.4436%	69.80% CDI	497
Swap	US\$ 2,500	HSBC	02/01/2013	01/28/2014	EV + 4.2873%	11.83%	371
Swap	US\$ 6,732	HSBC	06/26/2013	06/23/2014	EV + 4.1709%	141% CDI	(483)
							<u>854</u>

Description	Notional value	Counterparty	Beginning	Maturity	Asset position	Liability position	Quotation Dec/12 Fair Value (R\$)
Interest rate swap . .	R\$55,000	Itaú BBA	04/28/2008	04/27/2018	Pre 8.4436%	70.30% CDI	2,100
Interest rate swap . .	R\$55,000	Unibanco	04/28/2008	04/27/2018	Pre 8.4436%	60.80% CDI	2,131
							<u>4,231</u>

The interpretation of market data, as well as the selection of valuation methods require considerable judgment and estimates to produce the most adequate realizable value. As a result, the estimates presented for the fair value of derivatives do not necessarily indicate the amounts the Company could realize in the current market. The use of different market assumptions and/or methodologies can have an effect on these estimates when such alternative assessment is feasible.

Those transactions involving derivative financial instruments in the light of the amounts settled during the nine-month period ended September 30, 2013 resulted in a cash receipt of R\$1,319 (R\$1,614 at December 31, 2012). The fair value of derivatives at September 30, 2013, represented by a gain in the amount of R\$854 (a gain of R\$4,231 on December 31, 2012) was recorded under “Other accounts receivable”.

Sensitivity analysis

Considering the notional value of derivatives and their maturities, we observed that the risk of cash outflows is due in most part to the increase in interest rates - CDI and devaluation of the real against the U.S. dollar, as below. Sensitivity tests were prepared for derivative financial instruments and their hedging objects.

In preparing sensitivity analyzes, the use of estimates is required for certain assets, liabilities and transactions. Actual results could differ from those estimates. Company’s management considered the market curves available for several terms and instruments analyzed. The interest and exchange rate estimated as likely reflect the average expectation of forecasts that management believes likely over the term for the instrument and transaction. “Possible” and “remote” scenarios reflect expectations of change in such indicators of 25% and 50%, respectively.

Interest derivatives	Year of maturity	Risk	Asset position	Liability position	Notional value	Scenario - Gain (loss)		
						Probable	Possible	Remote
Differential assumptions:								
Interest rate (CDI)						8.71%	10.89%	13.07%
Exchange rate (R\$ per US\$1)								
- Appreciation of the US dollar						2.2300	2.7875	3.3450
Exchange rate (R\$ per US\$1)								
- Depreciation of the US dollar						2.2300	1.6725	1.1150
Loans CDI	10/2013 a 02/2015	Rise of CDI			R\$135,898	(7,958)	(9,934)	(12,591)
						(7,958)	(9,934)	(12,591)
Swap contracts:								
Interest rate swap - Itaú	2018	Rise of CDI	Pre 8.4436%	70.30% CDI	R\$55,000	1,366	540	(197)
Interest rate swap - Unibanco	2018	Rise of CDI	Pre 8.4436%	69.80% CDI	R\$55,000	1,390	568	(165)
Interest rate swap - HSBC	2014	Depreciation of the US dollar	4.2873% + EV	11.83%	US\$2,500	371	(1,012)	(2,463)
Interest rate swap - HSBC	2014	Depreciation of the US dollar	4.1709% + EV	141% CDI	US\$6,732	(483)	(585)	(694)
						(5,314)	(10,423)	(16,110)
Investment (CDI)	2014 a 2015	Rise of CDI			R\$45,165	40,165	50,207	60,248
Net foreign exchange exposure		Rise in the dollar				—	(35,584)	(71,169)
						<u>34,851</u>	<u>4,200</u>	<u>(27,031)</u>

Difference in income presented in derivative fair value (gain of R\$854) and sensitivity analysis charts — probable value (gain of R\$2,644) occurs because the Company uses CDI curve to calculate derivative's fair value and to calculate probable value, the Company uses the same scenario from the beginning to the end of the derivatives contracts, in accordance with CVM Instruction no. 475, Article 3, paragraph 1 and paragraph 2.

In case of foreign exchange devaluation of 25% and 50% in relation to the exchange rate considered probable by management, the impacts would be of R\$4,200 and R\$27,031, respectively. However, such impacts would only materialize in losses if exchange rates resulting from these devaluations remain until the date of realization and settlement of underlying assets and liabilities, or if they occurred exactly at times of receipt and payment of the respective transactions.

29. COMMITMENTS

a) Contract for Lease

Commitments basically refer to contracts for the rent of property and equipment used by the Company, which are considered as operating leases.

Lease contracts establish a monthly rental expense and the amounts of the contracts are adjusted annually based on the General Market Price Index (IGP-M). These contracts are non-cancellable and have terms lasting between five and fifty years. All leases include a clause to enable the review of rental charges annually, according to the prevailing market conditions.

Future commitments related to rental contracts, based on the amounts of September 30, 2013, are as follows:

	<u>Consolidated</u>
2013	17,500
2014 to 2018	23,540
2019 onwards.....	<u>53,423</u>
Total	<u><u>94,463</u></u>

b) Guarantees

Guarantees and commitments made by the Company are described in Notes 13, 14 and 28 (credit risk).

The auditors of M&G Poliéster S.A., Ernst & Young Auditores Independentes S.S. (Ernst & Young Brazil) confirm that:

- (i) Ernst & Young Brazil is member firm of Ernst & Young Global Limited;*
- (ii) Ernst & Young Brazil is regulated by the Comissao de Valores Mobiliarios (CVM). CVM is a member of the International Organization of Securities Commissions (“IOSCO”) and has signed the Multilateral Memorandum of Understanding Concerning Consultation and the Exchange of Information with other IOSCO members (including the SFC);*
- (iii) Ernst & Young Brazil is a member of the Brazilian Institute of Independent Auditors (Ibracon), the Brazil association of audit firms;*
- (iv) Ernst & Young Brazil considers that the International Auditing Standards as adopted for Brazil are comparable, in all material respects, to the International Standards on Auditing issued by the IAASB; and*
- (v) Ernst & Young Brazil is independent from us in accordance with the statements on independence issued by the International Federation of Accountants.*

(a)(ii) Independent auditor’s review report on individual and consolidated quarterly financial information



**Building a better
working world**

Av. Presidente Juscelino Kubitschek, 1830
Torre I - 8º Andar - Itaim Bibi
04543-900 - São Paulo - SP - Brasil

To The Board of Directors and Shareholders
M&G Poliéster S.A.

Introduction

We have reviewed the accompanying individual and consolidated interim financial information contained in the Quarterly Information Form (ITR) of M&G Poliéster S.A. (“Company”) for the quarter ended September 30, 2013, comprising the balance sheet as at September 30, 2013 the related statement of results and comprehensive results statement for the three and nine-month periods then ended, and the statement of changes in equity and cash flows statement for the nine-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual interim financial information in accordance with CPC 21 (R1) — Interim Financial Reporting, and consolidated interim financial information in accordance with CPC 21 (R1) and IAS 34 — Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements NBC TR 2410 and ISRE 2410 — Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the individual interim financial information included in the quarterly information referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of the Quarterly Information (ITR), and presented consistently with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Conclusion on the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information included in the quarterly information referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of the Quarterly Information (ITR), and presented consistently with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters***Statements of value added***

We also reviewed the individual and consolidated statements of value added (SVA), for the nine-month period ended September 30, 2013, prepared under the responsibility of Company management, whose presentation in the interim financial information is required by the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to preparation of Quarterly Information (ITR) and considered supplementary information under IFRS, which do not require SVA presentation. These statements were submitted to the same review procedures previously described and, based on our review, nothing has come to our attention that would make us believe that they were not prepared, in all material respects, in accordance with the overall individual and consolidated interim financial information.

São Paulo, November 21, 2013.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6

Sergio Citeroni
Accountant CRC-1SP170652/O-1

(b) Management report

The following is a free translation from the Portuguese of the management report published by M&G Poliéster S.A. dated November 21, 2013. This information was made public by M&G Poliéster S.A. in accordance with its disclosure obligations as a Brazilian public listed company M&G Poliéster S.A. is a subsidiary of, and forms only a part of, the Group. In addition, the following discussion includes the results of operations of M&G Fibras e Resinas Ltda. and M&G Fibras Brasil S.A., which were distributed by partial spin off to M&G Finanziaria S.r.l. with effect from July 31, 2013. As M&G Fibras e Resinas Ltda. and M&G Fibras Brasil S.A. do not form the group companies upon the completion of the Reorganization, their results of operations are not included in the accountants' report of the Group. Accordingly, the financial condition and results of operations of M&G Poliéster S.A. may not be indicative of, and may differ materially from, that of the Group as a whole, and the following discussion may not be indicative of the Group's results of operations for the periods presented, or at all.

Capitalized terms used in the section (b) shall have the meanings set forth below only for the purpose of this Appendix I-A(b).

Introduction

On July 19, 2013, M&G Poliéster S. A. (the "Company") made the partial split-up of the Company, with the split-up portion corresponding to the polyester fiber manufacture activities undertaken by the Company through its controlled companies M&G Fibras e Resinas Ltda. ("M&G Fibras e Resinas") and M&G Fibras Brasil S.A. ("M&G Fibras Brasil"). The partial split-up referred to above resulted in the assignment of the split-up portion to a new company especially incorporated by means of the partial split-up operation named M&G Fibras Holding S.A. (which is not a listed company), indirectly controlled by the M&G Finanziaria S.r.l, based in Tortona, Italy.

The Directors of M&G Poliéster S.A. consider that the above mentioned partial split-off is in the Company's and its shareholders interest, given that: (a) the split-up of the activities of manufacturing polyester fibers, which did not constitute the main activity of the Company, will allow the Company to focus its efforts and resources towards its core business, i.e., the activities pertaining to the manufacturing of PET resins; (b) the operation allows that the results of the polyester fibers activities and the PET resin activities do not affect each other, so that in case one of such activities generates positive results, it may allow distribution of profits to the shareholders; (c) the partial split-up operation will not result in an equity loss to the Company's minority shareholders, given that, in addition to not having its share participation in the Company altered, they may maintain the same share participation and the same rights in M&G Fibras Holding S.A. as they currently hold in the Company.

Main Indicators - Consolidated (continued operations)

(R\$ million)	9M13	9M12
PET Resin Volume (thousand tons)	310.7	308.1
Net Revenue	1,171.3	1,119.9
Net Loss	(3.1)	(7.2)
EBITDA	103.3	85.9

Statement of the EBITDA - Consolidated (continued operations)

(R\$ million)	9M13	9M12
Net Loss	(3.1)	(7.2)
Net Loss from discontinued operations	35.5	22.8
Finance Income	42.9	45.3
Current and deferred Income Tax&Soc.Contrib.	8.6	4.2
Depreciation & Amortization	21.8	21.8
Minority Participation	(2.4)	(1.0)
EBITDA	103.3	85.9

EBITDA is the added operating profit (loss) of the net financial expenses (revenues), exchange variation, income tax and social contribution, and of depreciations and amortizations. EBITDA is not a measure used in the accounting practices adopted in Brazil or even in other comprehensive accounting policies, and does not represent the cash flow for the periods shown and must not be deemed as an alternative for the net profit as an indicator of our operating performance or an alternative for the cash flow as an indicator of liquidity. EBITDA does not have a standardized meaning and our definition for such indicator may not be comparable to EBITDA as defined by other companies. Even though EBITDA does not provide a measure of the operating cash flow, in accordance with the accounting practices adopted in Brazil, our management uses it to measure our operating performance. Additionally, we understand that certain investors and financial analysts use EBITDA as an indicator of a company's operating performance and/or cash flow.

The nine months of 2013 have shown an increase by 1.9% in the Brazilian industrial sector in line with the growth of the GDP. Despite such growth, the domestic and international macroeconomic scenario is still uncertain and international margins applicable to business PET continued to decline, which is reflected in the Company's financial indicators.

In this scenario, even with the inflation getting near the top of the target established by the government and the per capita consumption indicator decreasing, the 9M13 have shown an increase in the use of PET resin packaging.

The average quotation of exchange has shown a devaluation by 10.3% of the Real in relation to the United States Dollar in the 9M13 (R\$2.118) as compared to the 9M12 (R\$1.92). The period-end rate, represented a devaluation of 12% of the Real in relation to the United States Dollar at the end of the 9M13 (R\$2.23) as compared to the end of the 9M12 (R\$2.0213) and 9.13% as compared to the month of December 2012 (R\$2.0435). If the present scenario remains the same, the Company is expected to have a more competitive environment in 2014.

The Company's net revenue reached R\$1,171.3 million in the 9M13, which is 4.6% higher than in the 9M12. The volume in the 9M13 was 310.7 thousand tons (308.1 thousand tons in the 9M12), 0.8% less than in the 9M12.

The Company's EBITDA was positive and amounted to R\$103.3 million in the 9M13 (R\$85.9 million in the 9M12).

The consolidated net result of the 9M13 was negative and reached R\$3.1 million (R\$7.2 million of negative result in the 9M12), in that, R\$35.5 million have originated from the negative result of the discontinued operations ascertained in the 9MT13. Excluding such effect, the net income in the 9M13 would be positive, amounting to R\$32.4 million, net of income tax and social contribution effects.

Operating Performance

In the PET resin segment, the sales volume in the 9M13 has shown an increase by 0.9% in relation to the 9M12, reaching 310.8 thousand tons (308.1 thousand tons in the 9M12). The net sales revenue in 9M13 has had an increase by 4.6% in relation to the 9M12, totaling R\$1,171.3 million (R\$1,119.9 million in the 9M12).

As mentioned in the introduction of this report, due to the Company's partial spin-off, the Polyester Fibers segment was segregated in the line item Discontinued operations — Loss after taxes for the year resulting from the discontinued operations and its results were computed up to July 2013, when the spin-off was consummated, from an accounting standpoint.

Securities Market

The company has shares of its common stock (CS) traded at BM&FBOVESPA under the code RHDS3, which, at the end of the 9M13, closed at R\$0.09 (R\$0.08 in December 2012), showing an increase of 12.5%.

The daily average financial volume during the 9M13 was R\$28.9 thousand, with an average of 366 thousand shares traded per day.

Evolution of the Indebtedness

At the end of the 9M13, the Company has debts in a total of R\$446.8 million (R\$532.9 million in December 2012), as set forth in Note 14 to the interim accounting information, Loans and Financings. The Company's net debt in this same period amounts to R\$403.8 million, represented by the balance of loans deducted by the balance of cash available (R\$367.1 million in December 2012). About 52% of the indebtedness consists of long-term debts with monthly payments and final maturity scheduled in 2018 (50% in December 2012).

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The information set out in this Appendix does not form part of the Accountants' Report prepared by Ernst & Young, Certified Public Accountants, the reporting accountants of our Company, as set out in Appendix I to this prospectus, and is included herein for information only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the "Accountants' Report" set out in Appendix I to this prospectus.

The following unaudited pro forma financial information prepared in accordance with Rule 4.29 of the Hong Kong Listing Rules is for illustrative purpose only, and is set out below to provide further information on how the financial information of our Group might be affected by the completion of the Global Offering as if the Global Offering had been completed on June 30, 2013 assuming the Over-allotment Option is not exercised.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED COMBINED NET TANGIBLE ASSETS

The following is an illustrative unaudited pro forma statement of adjusted combined net tangible assets of our Company which has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Global Offering as if it had taken place on June 30, 2013. This pro forma financial information has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the financial position of our Company had the Global Offering been completed as at June 30, 2013 or at any future date.

	Audited combined net tangible assets attributable to equity holders of our Company as at June 30, 2013 ⁽¹⁾	Estimated net proceeds from the Global Offering ⁽²⁾	Unaudited pro forma adjusted combined net tangible assets attributable to equity holders of our Company as at June 30, 2013	Unaudited pro forma adjusted combined net tangible assets per Share ⁽³⁾
	(€ '000)	(€ '000)	(€ '000)	(HK\$)
Based on an Offer Price of HK\$1.65 per Share	256,278	343,050	599,328	0.94
Based on an Offer Price of HK\$1.95 per Share	256,278	404,918	661,196	1.03

Notes:

- (1) The audited combined net tangible assets of our Group attributable to equity holders of our Company as at June 30, 2013 of €256,278,000 has been derived from the Accountants' Report of our Company as set out in Appendix I to this prospectus and is based on the audited combined net assets of our Group attributable to equity holders of our Company as at June 30, 2013 of €387,619,000 with an adjustment for the intangible assets with definite useful lives of €94,031,000, the intangible assets with indefinite useful lives of €18,227,000 and deferred tax assets of €19,083,000 as at June 30, 2013.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

- (2) The estimated net proceeds from the Global Offering are based on the Offer Price range of HK\$1.65 per Share at the bottom of the range and HK\$1.95 per Share at the top of the range, respectively, after deduction of the underwriting fees, a 0.5% discretionary incentive fee (assuming such amount will be paid in full to the underwriters) and other expenses related to the Global Offering payable by our Company and takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option. For illustrative purpose, the estimated net proceeds are translated from Hong Kong dollars into Euro at the exchange rate of HK\$10.4932 to €1.00.
- (3) The unaudited pro forma adjusted combined net tangible assets per Share is arrived at after the adjustments referred to in the preceding notes and on the basis that 6,723,060,000 Shares were in issue (including the Shares in issue as of the date of this Prospectus and the Shares to be issued pursuant to the Global Offering), but takes no account of any options which may be issued upon the exercise of the Over-allotment Option.
- (4) No adjustment has been made to reflect any trading result or other transaction of our Group entered into subsequent to June 30, 2013.

REPORT FROM REPORTING ACCOUNTANTS ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report prepared for the purpose of incorporation in this prospectus received from our independent reporting accountants, Ernst & Young, Certified Public Accountants.



22/F CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

29 November 2013

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

TO THE DIRECTORS OF M&G CHEMICALS

We have completed our assurance engagement to report on the compilation of pro forma financial information of M&G Chemicals (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consists of the pro forma adjusted combined net tangible assets as at 30 June 2013 and related notes as set out on pages II-1 and II-2 of the prospectus of the Company dated 29 November 2013 (the "Prospectus") issued by the Company (the "Pro Forma Financial Information"). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in notes 1 to 4.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group's financial position as at 30 June 2013 as if the transaction had taken place at 30 June 2013. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the period ended 30 June 2013, on which an accountant's report has been published.

Directors' responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Reporting Accountant's responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information, in accordance with paragraph 4.29 of the Listing Rules and with reference to AG7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated;

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,
Ernst & Young
Certified Public Accountants
Hong Kong

LUXEMBOURG TAXATION

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice.

Prospective investors in the Offer Shares (the Shareholders) should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporation income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge (together referred to as Luxembourg corporation taxes) invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

TAXATION OF THE SHAREHOLDERS

Withholding tax

Under Luxembourg tax laws currently in force, dividends paid by our Company are in principle subject to a Luxembourg withholding tax equal to 15% of the gross dividend. Responsibility for the withholding of the tax is assumed by our Company.

However, if a double tax treaty between Luxembourg and the country of residence of the Shareholders applies, an exemption or a reduction of the Luxembourg withholding tax may be available pursuant to the relevant provisions of such double tax treaty.

In addition, pursuant to current Luxembourg tax laws, an exemption from Luxembourg dividend withholding tax may apply under the following conditions:

- the Shareholder receiving the dividends is either (i) a fully taxable Luxembourg resident collective entity, (ii) a collective entity resident in a European Union (EU) Member State and falling under article 2 of the Council directive of 30 November 2011 (2011/96/EU) on the common system of taxation applicable in the case of parent companies and subsidiaries of different EU Member States, as amended (the **EU Parent / Subsidiary Directive**), (iii) a permanent establishment of an entity referred to at letters (i) and (ii) above, (iv) a Swiss resident joint-stock company subject to corporate income tax in Switzerland without benefiting from any exemption, (v) a joint-stock company or a cooperative company resident in an European Economic Area (EEA) country (other than a EU Member State) to the extent that such company is fully taxable and subject (in its country of residence) to a tax corresponding to Luxembourg corporate income tax, as well as a permanent

establishment of such company, or (vi) a collective entity resident in a treaty country, to the extent that such entity is fully taxable and subject (in its country of residence) to a tax corresponding to Luxembourg corporate income tax, as well as a domestic permanent establishment of such entity; and

- at the date on which the income is made available, the Shareholder holds or commits to hold directly (or even indirectly under certain conditions) for an uninterrupted period of at least twelve months, a participation of at least 10% in the share capital of our Company (or with an acquisition price of at least EUR 1,200,000) (the **Qualifying Participation**).

In the case where dividend payments are made by our Company to a Shareholder with respect to a Qualifying Participation prior to the expiration of the twelve months holding period, the Luxembourg tax administration generally takes the view that such dividend payments should be subject to withholding tax in Luxembourg. However, the Shareholders may file a withholding tax refund claim once the Qualifying Participation has been held for at least 12 months.

In the case where an exemption or a reduction of the Luxembourg withholding tax may be available pursuant to the relevant provisions of a double tax treaty between Luxembourg and the country of residence of the Shareholders, the Shareholders may file a withholding tax refund claim. In practice, the Shareholders should file the special form n°901bis issued by the Luxembourg tax administration with the Luxembourg tax administration. A certification of tax residency of the Shareholder should be given by the relevant domestic tax administration in the special form n°901bis. Provided that the Shareholders provide all the requested information to the Luxembourg tax administration, the latter will refund the withholding tax directly to the Shareholders.

In the case where the Offer Shares are held through HKSCC Nominees, under Hong Kong law, the legal title over the Offer Shares is with HKSCC Nominees, whereas the beneficial title remains with the ultimate Shareholders. For Luxembourg tax purposes and in accordance with paragraph 11 of the Luxembourg tax adaptation law (*Steueranpassungsgesetz*), the owner for tax purposes is in general the legal owner but where the legal ownership and the economic ownership of an asset (in the case at hand, the Offer Shares) clearly differ, the asset should be attributed to the economic owner. In the case where the Shareholders were to be considered as the economic owners of the Offer Shares, such Offer Shares would have to be attributed to the Shareholders for tax purposes. Consequently, in that case, it would be the Shareholders who/which would have to file a withholding tax refund claim directly with the Luxembourg tax administration. Upon request from the Luxembourg tax administration, evidence may have to be provided that the economic ownership is with the Shareholders and not with HKSCC Nominees in accordance with §164 of the Luxembourg general tax law (*Abgabenordnung*).

Income taxation

(i) Taxation of dividend income

Shareholders who are either Luxembourg resident individuals or Luxembourg fully taxable resident companies (or foreign shareholders having a permanent establishment in Luxembourg through which such Offer Shares are held), will in principle be subject to tax at the ordinary rates on the dividends received from our Company. However, under Luxembourg tax laws currently in force, 50% of the amount of such dividend may be tax exempt at the level of these Shareholders.

The Luxembourg withholding tax levied at source on the dividends paid may, under certain conditions, be credited against the Luxembourg income tax due on these dividends.

Furthermore, certain corporate Shareholders may benefit from an exemption of Luxembourg corporation taxes on dividend income under the following conditions:

- the Shareholder receiving the dividends is either (i) a fully taxable Luxembourg resident collective entity, (ii) a domestic permanent establishment of an EU resident collective entity falling under article 2 of the EU Parent / Subsidiary Directive, (iii) a domestic permanent establishment of a joint-stock company that is resident in a State with which Luxembourg has concluded a double tax treaty, or (iv) a domestic permanent establishment of a joint-stock company or of a cooperative company which is a resident of a EEA Member State (other than a EU Member State); and
- at the date on which the income is made available, the Shareholder holds or commits to hold directly (or even indirectly through certain entities) for an uninterrupted period of at least twelve months, a participation of at least 10% in the share capital of our Company (or with an acquisition price of at least EUR 1,200,000).

The Shareholder which is a Luxembourg resident entity governed by the law of 17 December 2010 on undertakings for collective investment, as amended, by the law of 13 February 2007 on specialised investment funds, as amended, or by the law of 11 May 2007 on the family estate management company, as amended, is not subject to any Luxembourg corporation taxes in respect of dividends received from our Company. No tax credit is then available for Luxembourg withholding tax on dividends received from our Company.

Non-resident shareholders (not having a permanent establishment in Luxembourg through which the Offer Shares are held) will in principle not be subject to Luxembourg income tax on the dividends received from our Company (except for the withholding tax mentioned above, if applicable).

(ii) **Taxation of capital gains**

Under current Luxembourg tax laws, capital gains realised by a Luxembourg resident individual Shareholder (acting in the course of the management of his/her private wealth) upon the disposal of his/her Offer Shares are not subject to Luxembourg income tax, provided this disposal takes place more than six months after the Offer Shares were acquired and he/she does not hold a substantial participation. The participation is considered as substantial if the Shareholder holds or has held (either solely or together with his spouse or partner and minor children) directly or indirectly more than 10% of the share capital of our Company at any time during a period of 5 years before the realisation of capital gain (a **Substantial Participation**).

Capital gains realised upon the disposal of Offer Shares by a Luxembourg resident corporate Shareholder (fully subject to Luxembourg corporation taxes) are in principle fully taxable. However, an exemption from Luxembourg corporation taxes applies under the following conditions:

- the Shareholder realising the capital gains is either (i) a fully taxable Luxembourg resident collective entity, (ii) a domestic permanent establishment of an EU resident collective entity falling under article 2 of the EU Parent / Subsidiary Directive, (iii) a domestic

permanent establishment of a joint-stock company that is resident in a State with which Luxembourg has concluded a double tax treaty, or (iv) a domestic permanent establishment of a joint-stock company or of a cooperative company which is a resident of a EEA Member State (other than a EU Member State); and

- at the date on which the disposal takes place, the Shareholder has held for an uninterrupted period of at least twelve months, a participation of at least 10% in the share capital of our Company (or with an acquisition price of at least EUR 6,000,000).

The Shareholder which is a Luxembourg resident entity governed by the law of 17 December 2010 on undertakings for collective investment, as amended, by the law of 13 February 2007 on specialised investment funds, as amended, or by the law of 11 May 2007 on the family estate management company, as amended, is no subject to any Luxembourg corporation taxes in respect of capital gains realised upon disposal of its Offer Shares.

Under Luxembourg tax laws currently in force (subject to the provisions of double taxation treaties), capital gains realised by a Luxembourg non-resident Shareholder (not acting via a permanent establishment or a permanent representative in Luxembourg through which/whom the Offer Shares are held) are not taxable in Luxembourg unless (a) the Shareholder holds a Substantial Participation in our Company and the disposal of the Offer Shares takes place less than six months after the Offer Shares were acquired or (b) the Shareholder has been a former Luxembourg resident for more than fifteen years and has become a non-resident, at the time of transfer, less than five years ago.

Net wealth taxation

A corporate Shareholder, whether it is resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg through which/whom such Offer Shares are held, is subject to Luxembourg wealth tax on such Offer Shares, except if the Shareholder is governed by the law of 11 May 2007 on family estate management companies as amended, by the law of 17 December 2010 on undertakings for collective investment, as amended, by the law of 13 February 2007 on specialised investment funds, as amended, or is a securitisation company governed by the law of 22 March 2004 on securitisation, as amended, or is a capital company governed by the law of 15 June 2004 on venture capital vehicles, as amended.

The Shareholder which is a Luxembourg resident fully taxable collective entity (or which is (i) a domestic permanent establishment of an EU resident collective entity falling under article 2 of the EU Parent / Subsidiary Directive, (ii) a domestic permanent establishment of a joint-stock company that is resident in a State with which Luxembourg has concluded a double tax treaty, or (iii) a domestic permanent establishment of a joint-stock company or of a cooperative company which is a resident of a EEA Member State (other than a EU Member State)), may be exempt from Luxembourg net wealth tax on its Offer Shares if it holds a participation of at least 10% in the share capital of our Company (or with an acquisition price of at least EUR 1,200,000).

An individual Shareholder, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such Offer Shares.

Other taxes

Under current Luxembourg tax laws, no registration tax or similar tax is in principle payable by the Shareholder upon the acquisition, holding or disposal of the Offer Shares. However, a fixed registration duty of EUR12 may be due upon registration of the Offer Shares in Luxembourg in the case of legal proceedings before Luxembourg courts, in case the Offer Shares must be produced before an official Luxembourg authority, or in the case of a registration of the Offer Shares on a voluntary basis.

When the Shareholder is a Luxembourg resident for inheritance tax assessment purposes at the time of his/her death, the Offer Shares are included in his/her taxable estate for Luxembourg inheritance tax assessment purposes.

Luxembourg gift tax may be due on a gift or donation of the Offer Shares if embodied in a notarial deed signed before a Luxembourg notary or recorded in Luxembourg.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Sections 1471 through 1474 of the U.S. Internal Revenue Code (“FATCA”) impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a “foreign financial institution”, or “FFI” (as defined by FATCA)) that does not become a “Participating FFI” by entering into an agreement with the IRS to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a “United States Account” of the Participating FFI (a “Recalcitrant Holder”). The Issuer does not expect to be classified as an FFI.

The new withholding regime will be phased in beginning July 1, 2014 for payments from sources within the United States and will apply to “foreign passthru payments” (a term not yet defined) no earlier than January 1, 2017.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an “IGA”). Pursuant to FATCA and the “Model 1” and “Model 2” IGAs released by the United States, an FFI in an IGA signatory country could be treated as a “Reporting FI” not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being “FATCA Withholding”) from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States has announced an intention to enter into an agreement with Luxembourg (a “US-Luxembourg IGA”).

If the Issuer is an FFI and does not become a Participating FFI, Reporting FI, or is not treated as exempt from or in deemed compliance with FATCA, the Issuer may be subject to FATCA Withholding on payments received from U.S. sources and Participating FFIs. If the Issuer is an FFI and does become a Participating FFI under FATCA, the Issuer and financial institutions through which

payments on the Shares are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Shares is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Shares.

The discussion below provides information about certain provisions of our Articles of Association.

(A) SUMMARY OF THE ARTICLES OF ASSOCIATION OF OUR COMPANY

Set out below is a summary of certain provisions of the Articles in the form that will be in place upon Listing.

As the information contained below is in summary form, it does not contain all the information that may be important to potential investors. Copies of the full English text of the Articles are available for inspection as mentioned in “Appendix VI — Documents Delivered to the Registrar of Companies and Available for Inspection”.

Our Company is a public limited liability company (*société anonyme*) incorporated and existing under the laws of the Grand-Duchy of Luxembourg on 29 January 2013.

1. Directors**1.1 Power to allot and issue shares**

- (a) At the date of this prospectus, the authorised share capital of our Company is set at €860,000,000 represented by 8,600,000,000 Shares with a par value of €0.10 each. Subject always to compliance with applicable provisions of the Hong Kong Listing Rules, during the period of five (5) years from the date of the publication in the Luxembourg Official Gazette (*Mémorial C, Recueil des Sociétés et Associations*) of the extraordinary general meeting of shareholders approving the authorisation of the Board, the Board is authorised to (i) issue Shares until the subscribed share capital is increased up to the amount of the authorised share capital and (ii) to grant options to subscribe for Shares and to issue any other securities or instruments convertible into Shares until the amount of increased share capital that would be reached as a result of the exercise of the rights attached to those instruments is equal to the authorised share capital. The Board is authorised to make any such issuance to such persons and on such terms as it shall see fit and specifically the Board is authorised to cancel or limit the pre-emptive rights of the shareholders set out in the Luxembourg act on commercial companies dated 10 August 1915 (the “Luxembourg Companies Act”) when proceeding to any such issue.
- (b) The share capital of our Company may also be increased by the shareholders in an extraordinary general meeting.

1.2 Emoluments and compensation for loss of office

- (a) The daily management of our Company as well as the representation of our Company in connection with it may be delegated to one or more Directors, officers, managers or other agents, Shareholder or not, acting alone, jointly or in the form of committee(s). Their nomination, revocation and powers as well as special compensations shall be determined by a resolution of the Board.

- (b) Nothing in the Articles should be taken as depriving a Director removed under any provisions of the Articles of compensation or damages payable to him in respect of the termination of his appointment as a Director or of any other appointment or office as a result of the termination of his appointment as a Director or as derogatory from any power to remove a Director which may exist apart from the provision of the Articles subject always to applicable mandatory Luxembourg laws.

1.3 Loans to directors, supervisors and other officers

Our Company shall not, whether directly or indirectly:

- (a) make a loan or quasi-loan to, or enter into a credit transaction with, a Director or any of his or her associates; or
- (b) enter into a guarantee or provide any security in connection with a loan, quasi-loan or credit transaction made or entered into by any person to such a Director or his or her associates.

1.4 Disclosure of interests in contracts with our company or any of its subsidiaries

- (a) Subject to the Luxembourg Companies Act and to the Articles, no contract or other transaction concluded between our Company and other companies or firms may be affected or invalidated by the fact that one or more Directors, managers or attorneys in fact of our Company has a personal interest in such company or firm, or by the fact that he is a Director, partner, attorney in fact or employee of such company or firm, provided that such Director shall, if his direct or indirect interest in such contract, proposed contract or other transaction is material, declare the nature of his interest at the earliest meeting of the Board at which it is practicable for him to do so, notwithstanding that the question of entering into the contract is not taken into consideration at that meeting, either specifically or by way of a general notice stating that, by reason of the facts specified in the notice, he is to be regarded as interested in any contracts of a specified description which may subsequently be made by our Company.
- (b) If a Director, manager or attorney in fact of our Company should have a personal interest in an operation of our Company, he shall inform the Board of such personal interest and where applicable, he may not take part in the debate or express a vote regarding that operation. A report shall be prepared regarding such affair and the personal interest of such Director, manager or attorney in fact and shall be brought to the knowledge of the next following meeting of shareholders. In such case, the Board may validly debate and make decisions on that matter only if at least the majority of its members who are not conflicted are present or represented and decisions are made by a majority of the remaining Directors present or represented who are not conflicted. Subject to the Luxembourg Companies Law, the expression “personal interest” such as it is used in this section shall not apply to the relations or interest that may exist in any way, in any capacity or for any reason whatsoever in connection with our Company, its subsidiaries or affiliated companies, or yet again in connection with any other company or legal entity which the Board may determine.

- (c) A Director shall not be entitled to vote on (nor shall be counted in the quorum in connection with) any resolution of the Board in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his associates has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution). In such case, the Board may validly debate and make decisions on that matter only if at least the majority of its members who are not conflicted are present or represented and decisions are made by a majority of the remaining Directors present or represented who are not conflicted. This prohibition shall not apply to any proposal concerning any other company in which the Director or any of his associates is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or any of his associates is/are beneficially interested in the shares of that company, provided that the Director and any of his associates is/are not, in aggregate, beneficially interested in five (5) percent. or more of the issued shares of any class of such company (or of any third company through which his interest or that of any of his associates is derived) or of the voting rights.

1.5 Remuneration

- (a) At the annual general meeting our Company shall hear the reports of the Board and of the statutory auditor or independent auditor and discuss the annual accounts. After the annual accounts have been approved, the general meeting shall decide by special resolution on the remuneration and discharge to be granted to our Directors and statutory auditor. See section 1.2 (*Emoluments and compensation for loss of office*) above.

1.6 Appointment, removal and retirement

- (a) Our Directors, who are not required to hold any shares in our Company, shall be elected by the shareholders at a general meeting, which shall determine their number and term of office. The term of the office of a Director shall be of three (3) years, upon the expiry of which each shall be eligible for re-election.
- (b) The Board shall have power from time to time and at any time to appoint any person as a Director to fill a causal vacancy. Any Director so appointed shall hold office only until the next following general meeting (including an annual general meeting) of our Company and shall then be eligible for re-election at that meeting.
- (c) If the Board convenes a general meeting of Shareholders to deliberate on the election of Director(s), the notice of the general meeting of Shareholders shall at least include the names of the person(s) that are the subject matter of the proposed resolutions. A member of our Company that is entitled to attend and vote at the meeting for which such notice is given, may give to the secretary (a) notice of his intention to propose a person for election as Director and (b) a notice signed by the person to be proposed of his willingness to be elected. The member that sends the notices referred to under items (a) and (b) cannot be the person to be proposed as Director. The member must give those notices to the secretary during the period which shall be at least seven calendar days, commencing no earlier than the day after the despatch of the notice of the meeting regarding the appointment of the Director(s) and ending no later than seven days prior to the date of such meeting. In such case, that proposal must be deliberated and voted upon at the meeting.

The previous paragraph is without prejudice to (i) any rights of the Shareholders to convene or to request the Board to convene, as the case may be, a general meeting of Shareholders and to add items to the agenda of a general meeting of Shareholders under these Articles or the Luxembourg Companies Law and (ii) any mandatory rights of the Shareholders to take part to the deliberation and exercise their voting rights at a general meeting of Shareholders.

- (d) A motion for the appointment of two or more persons as Directors by way of a single resolution shall not be made at a general meeting unless a resolution that it shall be so made has been passed without any vote being cast against it. Thus, several directors can be appointed during one shareholders' meeting, provided that each director is appointed upon an individual decision.
- (e) Our Company in general meeting may by ordinary resolution at any time remove any Director (including a managing director or other executive Director) before the expiration of his period of office notwithstanding anything in the Articles or in any agreement between our Company and such Director and may by ordinary resolution elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed.

1.7 Borrowing powers

- (a) Without prejudice to the general powers conferred by the Articles and Luxembourg Companies Act, the Board shall have the power to lend or borrow in the long or short term, including by means of the issue of bonds, with or without guarantees, such bonds being convertible bonds, if so approved by our Company in general meeting or if the issuance is approved by the Board under the authorised share capital.
- (b) Further, our Company may borrow and grant all and any support, loans, advances or guarantees to companies in which it holds a direct or indirect participating interest or which form part of the same group of companies as our Company.

2. *Alteration to the constitutional documents*

- 2.1 Our Company may at any time and from time to time by special resolution passed at an extraordinary general meeting alter or amend its Articles in whole or in part. However, the nationality of our Company may be changed and the commitments of our shareholders may be increased only with the unanimous consent of all shareholders and bondholders (if any) in an extraordinary general meeting.

3. *Variation of rights*

- 3.1 If at any time the share capital of our Company is divided into different classes of shares, all or any of the rights attaching to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the Shares of that class) may be varied or abrogated with the consent affirmative votes by holders of not less than three-quarters in nominal value of the issued shares of that class at an extraordinary general meeting (this majority requirement being applicable both at the first extraordinary general meeting and any extraordinary general meeting reconvened for lack of quorum), in addition to the approval of such variation and/or abrogation by special resolution passed by shareholders at that extraordinary general meeting, including, if applicable, the affirmative vote of the holders of any other category of Shares voting as a separate class. The quorum for the purposes of any such extraordinary general meeting shall be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than half of the nominal value of the issued shares of that class and half of the nominal value of all issued shares (those quorum requirement being applicable both at the first extraordinary general meeting and any extraordinary general meeting reconvened for lack of quorum), and if applicable, any quorum requirement applicable to any other class of Shares voting as a separate class.
- 3.2 The special rights conferred upon the holders of such Shares of any class shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such Shares, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

4. *Resolutions*

- 4.1 Notwithstanding any provision in the Articles, any resolution approving a special matter (as defined in the Articles) requiring shareholders' approval by:
- (a) a simple majority vote shall be passed by more than half of the votes cast in respect of that special matter at the relevant general meeting by shareholders; and
 - (b) special resolution shall be passed by no less than three-quarters,

it being understood that the votes cast shall not include the Shares of those who have abstained from voting pursuant to the Hong Kong Listing Rules.

5. *Voting rights*

- 5.1 Each Share is entitled to one vote. Except as otherwise required by law or the Articles, resolutions at a general meeting of shareholders duly convened will be adopted at a simple majority of the votes cast. The votes cast shall not include votes attaching to Shares in respect of which the shareholder has not taken part in the vote or has abstained or has returned a blank or invalid vote. At any general meeting, any resolution put to the vote of the meeting shall be decided by poll.

5.2 Shareholders may take part to the annual general meeting through video-conference or through other means of communication allowing their identification are entitled to vote and are deemed to be present for the computation of the quorums and votes. The means of communication used must allow all the persons taking part in the meeting to hear one another on a continuous basis and must allow an effective participation of all such persons in the meeting.

6. *Requirements of annual general meetings*

6.1 Our Company shall in each year hold a general meeting as our annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held in Luxembourg at the registered office of our Company and/or at any other location within the municipality of the registered office as may be indicated in the convening notices, on the third Thursday of the month of June at 10:00 a.m. Luxembourg time. If such day is not a business day in Luxembourg, the annual general meeting shall be held on the following business day.

7. *Accounts and audit*

7.1 The operations of our Company, comprising in particular the keeping of our accounts and the preparation of income tax returns or other declarations provided for by Luxembourg law, shall be supervised by a statutory auditor, who need not be shareholder of our Company. However, no statutory auditor shall be appointed if, instead of appointing a statutory auditor, one independent auditor (*réviseur d'entreprises agréé*) is appointed to perform the statutory audit of the annual accounts in accordance with applicable Luxembourg law. The statutory auditor or an independent auditor (*réviseur d'entreprises agréé*) shall be appointed by the general meeting of shareholders. The appointment shall be made for a period of office ending on the day of the next annual general meeting of shareholders once his successor shall have been elected.

7.2 The statutory auditor or an independent auditor (*réviseur d'entreprises agréé*) shall remain in office until he has been re-elected or his successor has been elected.

7.3 The statutory auditor or an independent auditor (*réviseur d'entreprises agréé*) shall be eligible for re-election. The statutory auditor in office may be removed at any time, with or without cause. The independent auditor (*réviseur d'entreprises agréé*) may only be removed (i) with cause; or (ii) with both his approval and the approval of the shareholders in general meeting. The removal or the appointment of a statutory auditor or an independent auditor (*réviseur d'entreprises agréé*) shall be approved by the shareholders in general meeting. In the case of a requisition pursuant to the Articles, the notice of the resolution proposing any appointment or removal of a statutory auditor or an independent auditor (*réviseur d'entreprises agréé*) pursuant to the Articles is deposited at the registered office of our Company in Luxembourg or the office of our Company in Hong Kong at least 28 calendar days before the relevant general meeting and thereupon our Company must give our members 21 calendar days' notice of such a general meeting.

8. *Notice of meeting and business to be conducted thereat*

- 8.1 Our Company shall in each year hold a general meeting as our annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held in Luxembourg at the registered office of our Company, and/or at any other location within the municipality of the registered office as may be indicated in the convening notices, on the third Thursday of the month of June at 10:00 a.m. Luxembourg time. If such day is not a business day in Luxembourg, the annual general meeting shall be held on the following business day. Shareholders may take part in the annual general meeting through video-conference or through other means of communication allowing their identification and such shareholders are entitled to vote and are deemed to be present for the computation of the quorums and votes. The means of communication used must allow all the persons taking part in the meeting to hear one another on a continuous basis and must allow an effective participation of all such persons in the meeting.
- 8.2 The Board may, whenever it thinks fit, convene a general meeting at such time and place as the Board may determine and as shall be specified in the notice of such meeting in accordance with the Articles. Save for any general meeting convened by the Board pursuant to the Articles or the statutory auditor in accordance with the Luxembourg Companies Law, no other general meeting shall be convened except on the written requisition of any one or more members of our Company deposited at the registered office of our Company in Luxembourg or the office of our Company in Hong Kong, specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than the lower of (i) five percent (5%) of the paid up capital of our Company which carries the right of voting at general meetings of our Company or (ii) ten percent (10%) of the subscribed share capital.
- 8.3 If the Board does not within two (2) calendar days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further twenty-eight (28) calendar days, to the extent permitted by the Luxembourg Companies Act, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three (3) months from the date of deposit of the requisition.
- 8.4 An annual general meeting and any other general meeting called for the passing of a special resolution shall be called by not less than twenty-one (21) calendar days' notice in writing and any other general meeting shall be called by not less than fourteen (14) calendar days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given.
- 8.5 Notice of every general meeting shall specify the following:
- (a) the place, day and hour of the meeting;
 - (b) the agenda of the meeting;

- (c) in the case of special business the general nature of that business and the intention to propose the resolution(s) as a special resolution(s);
 - (d) in the case of an annual general meeting that the meeting will be such;
 - (e) such information and explanation as are necessary for the shareholders to make an informed decision on the proposals put before them. Without limiting the generality of the foregoing, where a proposal is made to amalgamate our Company with another, to repurchase the Shares of our Company, to reorganise its share capital, or to restructure our Company in any other way, the terms of the proposed transaction must be provided in detail, and the cause and effect of such proposal must be properly explained;
 - (f) a disclosure of the nature and extent, if any, of the material interests of any Director in the proposed transaction and the effect which the proposed transaction will have on them in their capacity as shareholders in so far as it is different from the effect on the interests of shareholders of the same class;
 - (g) that a member is entitled to vote and to appoint one or more proxies to attend and vote instead of him;
 - (h) if applicable, that a member is entitled to vote through video-conference or through other means of communication allowing his identification is entitled to vote and is deemed to be present for the computation of the quorums and votes. The means of communication used must allow all the persons taking part in the meeting to hear one another on a continuous basis and must allow an effective participation of all such persons in the meeting.
- 8.6 If the Board fails to convene a general meeting (including an annual general meeting) in accordance with the Articles or the Luxembourg Companies Act, any member may apply to a court of competent jurisdiction in Luxembourg to appoint an *ad hoc* representative with the mission of convening that general meeting.
- 8.7 Except as otherwise provided in the Articles, any notice or document may be served by our Company on any member either personally or by sending it through the registered mail in a prepaid letter addressed to such member at his registered address as appearing in the share register or, to the extent permitted by the Luxembourg Companies Act, the Hong Kong Listing Rules and all applicable laws and regulations, by electronic means by transmitting it to any electronic number or address or website supplied by the member to our Company or by placing it on our Company's website provided that our Company has obtained the member's prior express positive confirmation in writing to receive or otherwise have made available to him notices and documents to be given or issued to him by our Company by such electronic means. In the case of convening notices for general shareholders' meetings, notices will be served by our Company by sending through a registered mail to each member pursuant to the provisions of the Articles and also, at the discretion of the Board and if required by the Hong Kong Listing Rules and all applicable laws and regulations, including the Luxembourg Companies Law by advertisement published in the newspapers and the Luxembourg Official Gazette (*Mémorial C, Recueil des Sociétés et Associations*). In the case of joint holders of a Share, all notices shall be given to that holder for the time being whose name stands first in the share register and notice so given shall be sufficient notice to all the joint holders.

- 8.8 Notice of every general meeting shall be given in any manner hereinbefore authorised to:
- (a) every person shown as a member in the share register at the time the meeting is called except that in the case of joint holders the notice shall be sufficient if given to the joint holder first named in the share register;
 - (b) every person upon whom the ownership of a Share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a member of record where the member of record but for his death or bankruptcy would be entitled to receive notice of the meeting;
 - (c) the statutory auditor or an independent auditor (*réviseur d'entreprises agréé*);
 - (d) each Director;
 - (e) the Hong Kong Stock Exchange; and
 - (f) such other person to whom such notice is required to be given in accordance with the Hong Kong Listing Rules.
- 8.9 No other person shall be entitled to receive notices of general meetings.
- 8.10 A member shall be entitled to have notice served on him at any address within Hong Kong. Any member who has not given an express positive confirmation in writing to our Company to receive or otherwise have made available to him notices and documents to be given or issued to him by our Company by electronic means and whose registered address is outside Hong Kong may notify our Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the transfer office and shall have remained there for a period of twenty-four (24) hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed, provided that, without prejudice to the other provisions of the Articles, nothing in the Articles shall be construed as prohibiting our Company from sending, or entitling our Company not to send, notices or other documents of our Company to any member whose registered address is outside Hong Kong.
- 8.11 Any notice or document sent by post shall be deemed to have been served on the day following that on which it is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and put into such post office and a certificate in writing signed by one of the secretary or another person appointed by the Board that the envelope or wrapper containing the notice or document was so addressed and put into such post office shall be conclusive evidence thereof.
- 8.12 Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.
- 8.13 Any notice served by advertisement shall be deemed to have been served on the day of issue of the official publication and/or website(s) and/or newspaper(s) in which the advertisement is published (or on the last day of issue if the publication and/or newspaper(s) are published on different dates).

- 8.14 Any notice given by electronic means as provided herein shall be deemed to have been served and delivered on the day following that on which it is successfully transmitted or at such later time as may be prescribed by the Hong Kong Listing Rules or any applicable laws or regulations.
- 8.15 Any notice or document delivered or sent to any member in pursuance of the Articles shall notwithstanding that such member be then deceased and whether or not our Company has notice of his death be deemed to have been duly served in respect of any registered Shares whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of the Articles be deemed a sufficient service of such notice or document on his personal representatives and all persons (if any) jointly interested with him in any such Shares.
- 8.16 The signature to any notice to be given by our Company may be written or printed by means of facsimile or, where relevant, by any signature affixed in electronic form.

9. *Transfer of shares*

- 9.1 The transfer of Shares shall be carried out by way of an instrument of transfer in the usual or common form or in a form prescribed by the Hong Kong Stock Exchange or in any other form approved by the Board and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time. Our Company shall record in the Register a transfer of Shares made pursuant to any instrument of transfer referred to in the Articles. A transfer of Shares may also be recorded in the Register by and a written declaration of transfer recorded in the Register, such declaration of transfer to be dated and signed (by hand, machine imprinted or otherwise) by both the transferor and the transferee, or by persons holding the necessary representative powers to act in this respect.
- 9.2 Transfers of Shares may be carried out freely, and fully paid Shares shall be free from all lien. The word 'transfer' designates any operation which direct or indirect effect is the assignment to another person, including to a shareholder of our Company, of a right of enjoyment, of any kind whatsoever on the shares of our Company. The same shall apply in particular in the case of sale by mutual agreement or by way of adjudication, exchange, sharing, distribution, partial contribution of assets or simple contribution, as applies in all other cases of assignment, even free of charge.
- 9.3 The Board may also decline to register any transfer of any Shares, and where applicable no such transfer may take place between a transferor and a transferee, unless:
- (a) the declaration of transfer is lodged with our Company accompanied by the certificate for the Shares to which it relates (which shall upon registration of the transfer be cancelled) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
 - (b) the declaration of transfer is in respect of only one class of Shares;

- (c) the declaration of transfer is properly stamped (in circumstances where stamping is required under applicable law);
- (d) in the case of a transfer to joint holders, the number of joint holders to which the Share is to be transferred does not exceed four;
- (e) the Shares concerned are free of any lien in favour of our Company; and
- (f) a fee of such maximum as the Hong Kong Stock Exchange may from time to time determine to be payable (or such lesser sum as the Board may from time to time require) is paid to our Company in respect thereof.

9.4 The registration of transfers may, on fourteen (14) calendar days' notice being given by advertisement published in the newspapers in accordance with the Hong Kong Listing Rules, or, subject to the Hong Kong Listing Rules, by electronic communication in the manner in which notices may be served by our Company by electronic means as herein provided, be suspended and the Share register closed at such times for such periods as the Board may from time to time determine, however registration shall not be suspended nor the Share register closed for more than thirty (30) calendar days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond sixty (60) calendar days in any year). In such a case, any transfer of Shares may take place between a transferor and a transferee during the period in which the Share register is closed but any such transfer shall not be effective towards our Company during that period. Any such transfer will become effective towards our Company the first day the Share register is re-opened.

10. Power of our company to repurchase our own shares

10.1 Subject to the Luxembourg Companies Act, in a case where a shareholder, or a number of shareholders (the **Relevant Shareholder**), gives notice to all other shareholders in our Company, not later than the date that notice of the meeting called for the purpose of authorising the proposed offer is given, that the Relevant Shareholder shall not tender any of the Shares held by it for purchase by our Company, if, during the period of four (4) months beginning on the date of the offer, our Company buys ninety (90) percent of the Shares (other than the Shares held by the Relevant Shareholder) for which our Company has made the offer, our Company may, subject to the Articles, give notice to the holder of any Shares to which the offer relates, and which our Company has not acquired, that it desires to purchase those Shares.

10.2 The Relevant Shareholder shall not tender any of its Shares under the offer.

10.3 Our Company shall not give notice to the Relevant Shareholder of its desire to purchase any of the Relevant Shareholders' Shares.

11. Right of our subsidiaries to own shares in our company

11.1 There is no provision in the Articles preventing a subsidiary of our Company from owning any Shares in our Company. However, in accordance with the Luxembourg Companies Act, the subscription, acquisition or holding of Shares by another company in which our

Company directly or indirectly holds a majority of the voting rights or on which it can directly or indirectly exercise a dominant influence shall be regarded as having been effected by our Company itself as set out in the Luxembourg Companies Act. Any such subscription, acquisition or holding of Shares shall be regulated and, if applicable, prohibited as set out in the Luxembourg Companies Act.

12. Dividends and other methods of profit distribution

12.1 Upon recommendation from the Board, our Company in general meeting shall decide on the allocation of the balance of the annual net profit. Such allocation may include the distribution of dividends, the setting up or provisioning of the legal or other reserves, a carry forward, as well as the amortisation of the Share capital, without such share capital being decreased.

12.2 The Board may proceed to declare and pay out interim dividends subject to such conditions and methods as are set forth by law and in the Articles.

12.3 Our Company shall not make a distribution except out of profits available for this purpose. Our Company's profits available for distribution are our accumulated, realised profits, including those profits allocated to a distributable reserve including any share premium that may be distributed under a distribution mandate granted in accordance with the Articles, so far as not previously utilised by distribution or capitalisation, less our accumulated losses, so far as not previously written off in a reduction or reorganisation of capital duly made and sums to be placed to reserve in accordance with Luxembourg law or the Articles.

12.4 Our Company shall not apply an unrealised profit in paying up debentures, or any amounts unpaid on our issued Shares.

12.5 Our Company may only make a distribution at any time:

- (a) if, at that time the amount of our net assets is not less than the aggregate of our called up share capital and undistributable reserves; and
- (b) if, to the extent that, the distribution does not reduce the amount of those assets to less than that aggregate.

12.6 Our Company's undistributable reserves are:

- (a) the share premium account (subject to the provisions of the Articles) excluding any amount of share premium that may be distributed under a distribution mandate granted in accordance with the Articles;
- (b) the share capital redemption reserve; and
- (c) any other reserve which our Company is prohibited from distributing by any enactment, including the Companies Ordinance, or by the Articles.

12.7 Our Company shall not include any uncalled share capital as an asset in any accounts relevant for the purposes of the above.

12.8 Any amounts regarding all dividends or bonuses (within the meaning of Hong Kong Listing Rules and if applicable under Luxembourg law) unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Board for the exclusive benefit of our Company until claimed and our Company shall not be constituted a trustee in respect thereof or be required to account for any money earned thereon. All dividends and bonuses unclaimed for six (6) years after having been declared may be forfeited by the Board and shall revert to our Company and after such forfeiture no member or other person shall have any right to or claim in respect of such dividends or bonuses. Further, our Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, our Company may exercise our power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such cheque or warrant is returned undelivered.

12.9 Our Company may make distributions of share premium for a total initial maximum amount of €299,795,581 under one or more distribution mandates granted by the general meeting on the following terms and conditions:

- (a) a general meeting shall grant a distribution mandate only pursuant to a special resolution;
- (b) each distribution mandate may only be granted for a maximum amount of EUR 25,000,000;
- (c) a distribution mandate shall be granted by an annual general meeting or any extraordinary general meeting of shareholders that would be held on or around the same date as any such annual general meeting, except for the first distribution mandate which shall be granted by a general meeting on or around November 14, 2013;
- (d) a general meeting shall grant a distribution mandate for a period starting on the date of the meeting (or any subsequent date chosen by the general meeting) and ending (i) at the conclusion of our Company's next annual general meeting; (ii) at the end of the period within which our Company is required by any applicable laws or the Articles to hold the next annual general meeting; or (iii) when varied or revoked by a special resolution in general meeting, whichever is the earliest;
- (e) Within the distribution period, subject to the Articles:
 - (i) the general meeting may make interim or extraordinary distributions of share premium out of the distributable share premium by ordinary resolution; and
 - (ii) the Board may make interim distributions of share premium out of the distributable share premium;

- (f) the total initial maximum amount of €299,795,581 of share premium that may be distributed must be reduced by the aggregate of all amounts distributed as share premium under the distribution mandates;
- (g) the Board shall make a statement in the shareholder circular to be issued for the annual general meeting or the extraordinary general meeting, which are referred to in item (c) above, to such general meeting that our Company (i) on the date of the general meeting, would remain solvent and the realizable value of its assets would remain greater than its liabilities and our issued share capital and share premium account if the entire distributable share premium to be approved at that meeting would be distributed on such date and (ii) within the distribution period, will remain solvent and the realizable value of our assets will remain greater than our liabilities and our issued share capital and share premium account after the distribution of any amount of distributable share premium (it being understood that no such distribution would be made if those requirements were not met at the time of the distribution), except that the requirement under this item (g) and item (h) below are not applicable to the first distribution mandate to be granted at a general meeting on or around November, 14 2013; and
- (h) our Company's statutory auditor or independent auditor, as the case may be, shall issue a special report in relation to the statement from the Board under item (g) above, which shall be presented to the general meeting that will decide on the grant of the distribution mandate.

13. Proxies

- 13.1 Any member of our Company entitled to attend and vote at a meeting of our Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. Votes may be given either personally or by proxy. A proxy need not be a member of our Company. A member may appoint any number of proxies to attend in his stead at any one general meeting (or at any one class meeting).
- 13.2 The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney authorised in writing, or if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.
- 13.3 Every instrument of proxy, whether for a specified meeting or otherwise, shall be in common form and, in addition, in such other form as the Board may from time to time approve, provided that it shall enable a member, according to his intention, to instruct his proxy to vote in favour of or against (or in default of instructions or in the event of conflicting instructions, to exercise his discretion in respect of) each resolution to be proposed at the meeting to which the form of proxy relates.
- 13.4 If our Company makes available a form of proxy for the purpose of a general meeting of shareholders, that form of proxy shall: (a) confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit; and (b) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates, provided that the meeting was originally held within twelve (12) months from such date.

14. Calls on shares and forfeiture of shares

14.1 There are no provisions in the Articles relating to the making of calls on shares or for the forfeiture of shares.

15. Inspection of register of members

15.1 The Shares of our Company shall be in registered form.

15.2 A principal register of shareholders shall be kept at the registered office of our Company in Luxembourg. Such register shall record the name of each shareholder, his residence and elected domicile, the number of Shares he holds, the transfers of Shares and the date of those transfers. If the Board considers it necessary or appropriate, our Company may establish and maintain a branch register or registers of members at such location or locations within or outside Luxembourg as the Board thinks fit. The principal register and any branch register(s) shall together be treated as our Company's register for the purposes of the Articles.

15.3 Any register held in Hong Kong shall during normal business hours (subject to such reasonable restrictions as the Board may impose) be open to inspection by a member without charge and any other person on payment of a fee. Our Company shall cause any copy so required by any person to be sent to that person within a period of ten (10) calendar days commencing on the date next after the day on which the request is received by our Company.

15.4 Any branch register may, on fourteen (14) calendar days' notice being given by advertisement published in the newspapers in accordance with the Hong Kong Listing Rules, or, subject to the Hong Kong Listing Rules, by electronic communication in the manner in which notices may be served by our Company by electronic means as herein provided, be closed for inspection at such times and for such periods as the Board may from time to time determine, either generally or in respect of any class of Shares, provided that the branch register shall not be closed for more than thirty (30) calendar days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond sixty (60) calendar days in any year). Our Company shall, on demand, furnish any person seeking to inspect the branch register or part thereof which is closed by virtue of these Articles with a certificate under the hand of the secretary stating the period for which, and by whose authority, it is closed.

16. Quorum for meetings and separate class meetings

16.1 If at any time the share capital of our Company is divided into different classes of shares, all or any of the rights attaching to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may be varied or abrogated with the consent affirmative votes by holders of not less than three-quarters in nominal value of the issued shares of that class at an extraordinary general meeting (this majority requirement being applicable both at the first extraordinary general meeting and any extraordinary general meeting reconvened for lack of quorum), in addition to the approval of such variation and/or abrogation by special resolution passed by shareholders at that extraordinary general meeting, including, if applicable, the affirmative vote of the

holders of any other category of Shares voting as a separate class. The quorum for the purposes of any such extraordinary general meeting shall be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than half of the nominal value of the issued shares of that class and half of the nominal value of all issued shares (those quorum requirement being applicable both at the first extraordinary general meeting and any extraordinary general meeting reconvened for lack of quorum), and if applicable, any quorum requirement applicable to any other class of Shares voting as a separate class.

16.2 For all purposes the quorum for a general meeting shall be two or more members present in person (or, in the case of a corporation, by its corporate representative) or represented by proxy.

16.3 If within thirty (30) minutes from the time appointed for the meeting a quorum is not present, the meeting shall be dissolved, and it shall stand adjourned to the same day, time and place in the next week (or otherwise as our Directors may determine) provided that such second general meeting was convened jointly together with the first general meeting in the convening notice of the first general meeting, and if at such adjourned meeting a quorum is not present within thirty (30) minutes from the time appointed for holding the meeting, the member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy shall be a quorum and may transact the business for which the meeting was called.

17. *Rights of minority shareholders*

17.1 There are no provisions in the Articles concerning the rights of minority shareholders for fraud or oppression.

18. *Procedures on dissolution*

18.1 Our Company in an extraordinary general meeting may at any time, upon proposal from the Board, by special resolution resolve to dissolve. In the event of a dissolution of our Company, the general meeting of shareholders shall decide on the method to apply to the dissolution and appoint one or more liquidators whose mission shall be to realise the aggregate of the movable and immovable assets of our Company and to settle our liabilities.

18.2 From the net assets resulting from the dissolution once the liabilities have been settled, there shall be deducted a sum necessary to redeem the amount paid up on the Shares and not amortised. The balance shall be allocated pro rata among all the Shares.

(B) LUXEMBOURG COMPANIES ACT

1. *Incorporation*

Our Company is a public limited liability company (*société anonyme*) governed by the Luxembourg Companies Act. We have been incorporated in front of a Luxembourg notary, the minutes of the incorporation meeting, (including the articles of incorporation) being recorded in a notarial deed.

2. *Share capital*

The increase or reduction of the share capital of a company shall be resolved upon by an extraordinary general meeting of shareholders, in accordance with the conditions prescribed for the amendment of the articles of association.

Any extraordinary general meeting held to consider and approve a reduction of capital is required to be held in front of a notary who will record the minutes of the extraordinary general meeting in a notarial deed. Any share capital reduction shall be made in principle in equal terms in respect of each shareholder.

The convening notice to the extraordinary general meeting shall specify the purpose of the reduction and how it is to be carried out.

A share capital reduction may be carried out, amongst others, by a repayment to shareholders or a waiver of their obligation to pay up their shares.

Where the reduction of share capital results in the capital being reduced below the legally prescribed minimum (€30,986.69 for a *société anonyme*), the meeting must at the same time resolve to either increase the capital up to the required level or transform the company into another form of company.

If the reduction is to be carried out by means of a repayment to shareholders or a waiver of their obligation to pay up their shares, creditors whose claims were made prior to the publication in the Luxembourg official gazette (*Memorial C, Recueil des Sociétés et Associations*) of the minutes of the general meeting resolving on the share capital reduction may, within 30 days from such publication, apply for the constitution of security to the judge presiding in the chamber of the District Court (*Tribunal d'Arrondissement*) dealing with commercial matters and sitting in urgency matters. The president may only reject such an application if the creditor already has adequate safeguards or if such security is unnecessary, having regard to the assets of the company. No payment may be made or waiver given to the shareholders until such time as the creditors have obtained satisfaction or until the judge presiding the chamber of the District Court (*Tribunal d'Arrondissement*) dealing with commercial matters and sitting in urgency matters, has ordered that their application should not be acceded to.

3. *Dividends and distributions*

Except for cases of reduction of subscribed share capital, no distributions to shareholders may be made if, on the last day of the last financial year, the net assets value as shown in the annual accounts are, or following such a distribution would become, lower than the amount of the subscribed capital plus the reserves which may not be distributed by law or by virtue of the articles of association.

The amount of a distribution to shareholders may not exceed the amount of the profits at the end of the last financial year plus any profits carried forward and any amounts drawn from reserves which are available for that purpose, less any losses carried forward and sums to be placed to reserve in accordance with the law or the articles of association.

No interim dividends may be paid unless the Articles authorise the Board to do so. The amounts to be distributed shall not exceed the total profits made since the end of the last financial year, for which the annual accounts have been approved, plus any profits carried forward and sums drawn from reserves available for this purpose, less losses carried forward and any sums to be placed in reserve pursuant to the requirements of the law or the articles of association.

4. Shareholders' suits/protection of minority shareholders' rights

The board of directors as well as the statutory auditor(s) shall be obliged to convene a general meeting, to be held within a period of one (1) month, if one or more shareholder(s) representing one-tenth of the company's share capital require so in writing with an indication of the agenda for such general meeting of shareholders.

One or more shareholders, who hold together at least ten (10) percent of the subscribed share capital may request that one or more additional items be put on the agenda of the general meeting. Such request shall be sent by registered mail to the registered office of the company at least five (5) days prior to holding the general meeting.

In the event of default in holding a meeting requisitioned by shareholders as referred to above, criminal penalties apply. Accordingly, any director (including a de facto director) who is in violation of such requirement is subject to a fine of €500 to €25,000.

If, upon a request made by one or more shareholders representing at least ten (10) percent of the share capital to convene a general meeting of shareholders, the board of directors fails to convene such general meeting of shareholders within the period provided for by law, the general meeting of shareholders may be convened by an *ad hoc* representative appointed by the president of the District Court (*Tribunal d'Arrondissement*) dealing with commercial matters upon request made by one or more shareholders representing at least ten (10) percent of the share capital.

In case of emergency, and where the corporate bodies have generally ceased to perform their normal functions, it would be possible for minority shareholders to seek the judicial appointment of a provisional director (*administrateur provisoire*).

Upon application by at least twenty (20) percent of the shareholders to the District Court (*Tribunal d'Arrondissement*), the District Court may, in exceptional circumstances, appoint one or more auditors with the duty to examine the books and the accounts of our Company.

A minority shareholder may challenge the validity of a corporate decision of a company on the basis of an abuse of majority. An abuse of majority is generally described as a decision that is contrary to the interest of the company and that is made for the exclusive purpose of favouring the majority shareholders to the detriment of the minority shareholders.

5. Disposal of assets

The board of directors is vested with the powers to take any action necessary or useful to realise the corporate object. All powers not expressly reserved by law or by the articles of association to the general meeting of shareholders fall within the competence of the board of directors.

6. Accounting and auditing requirements

A public limited liability company (*société anonyme*) must prepare annual financial statements which must be verified or audited, as the case may be, by one or more statutory auditors or independent auditors, as applicable. The annual financial statements and the auditor's report must also be submitted to the annual general meeting of shareholders and the annual financial statements are subject to the approval of the annual general meeting.

The appointment of auditor(s) is voted upon either by the annual general meeting or any other general meeting. The resolution relating to the appointment or dismissal of the auditor(s) is validly adopted by a majority of the votes cast. No quorum is required for such a general meeting.

The annual general meeting generally resolves upon the position of the auditors and shall be held annually within six (6) months of the end of the financial year at the date and time indicated in the Articles. The filing of the annual financial statements with the Luxembourg Trade and Companies Register must be done within one (1) month following the approval of the annual financial statements, that is within a maximum of seven (7) months after the end of the relevant financial year.

The first auditors of the company are appointed at the general meeting of shareholders immediately following the incorporation of the company. The statutory auditors may be removed at any time by a decision of the general meeting of shareholders.

The remuneration of statutory auditor(s) is approved either by the annual general meeting or any further general meeting.

7. *Register of shareholders*

A register of the shareholders shall be maintained at the registered office of the company where every shareholder may examine it. The register shall specify (i) the precise designation of each shareholder and the number of shares or fractional shares held by him/her/it; (ii) the payments made on the shares; and (iii) the transfers and the dates thereof or conversion of the shares into shares in bearer form, if the articles allow bearer shares.

The names of the shareholders and the register of shareholders are not disclosed to the public, except that the names of subscribers of shares shall be published in the notarial deed recording the minutes of the incorporation meeting of the company or any capital increase thereof.

The register is any time available to the shareholders during operating hours at the registered office of the company.

8. *Special resolutions*

Unless otherwise provided for by the articles of association, the extraordinary general meeting is entitled to amend any provisions of the articles, it being understood that the change of the nationality of the company and the increase of the commitments of its shareholders may be only decided by the unanimous consent of all the shareholders and bondholders (if any).

The extraordinary general meeting may only validly deliberate if at least one half of the capital is represented and the agenda indicates the proposed amendments to the articles of association. If the first condition is not satisfied, a second general meeting may be convened. The second meeting shall validly deliberate regardless of the proportion of the capital represented. At both meetings, resolutions, in order to be adopted, must be carried by at least two-thirds of the votes cast. The “votes cast” shall not include the votes attached to the shares for which the shareholder did not participate at the vote, abstained from voting or returned a blank or void voting paper.

However, any increase of the commitments of the shareholders requires the unanimous consent of all shareholders and bond holders (if any).

If there are more than one class of shares, any resolution to change the respective rights of any class of shares shall, in order to be validly adopted, fulfil the conditions as set out above (presence and majority for an extraordinary general meeting) with respect to each class of shares.

Convening notices for an extraordinary general meeting shall contain the agenda and shall take the form of announcements published twice, with a minimum interval of eight (8) days, and eight (8) days before the meeting in the Luxembourg official gazette (*Memorial C, Recueil des Sociétés et Associations*) and in a Luxembourg newspaper.

Notices by mail shall be sent eight (8) days before the meeting to registered shareholders but no proof need be given that this formality has been complied with.

Where all the shares are in registered form the convening notices may be made by registered letters only.

The minutes of any extraordinary general meeting shall be signed in front of a notary in Luxembourg.

9. Power of a company to purchase its own shares

Without prejudice to the principle of equal treatment of all shareholders who are in the same position, and the law on market abuse, a company may acquire its own shares either itself or through a person acting in his own name but on the company's behalf, subject to certain conditions as prescribed under the Luxembourg Companies Act:

- (a) the authorisation to acquire shares shall be given by the general meeting of shareholders, which shall determine the terms and conditions of the proposed acquisition and, in particular, the maximum number of shares to be acquired, the duration of the period for which the authorisation is given which may not exceed five (5) years and, in the case of acquisition for value, the maximum and minimum consideration. The board of directors shall satisfy themselves that, at the time of each authorised acquisition, the conditions referred to in items (b) and (c) below are observed;
- (b) the acquisitions, including shares previously acquired by the company and held by it and shares acquired by a person acting in its own name but on the company's behalf, must not have the effect of reducing the net assets below the aggregate of the subscribed share capital and the reserves which may not be distributed under law or the articles of association. Such amount of subscribed share capital shall be reduced by the amount of subscribed share capital remaining uncalled if the latter amount is not included as an asset in the balance sheet; and
- (c) only fully paid-up shares may be included in the transaction.

Where the acquisition of a company's own shares is necessary in order to prevent serious and imminent harm to the company, the condition under item (a) above shall not apply.

In such a case, the next general meeting must be informed by the board of directors of the reasons for and the purpose of the acquisitions made, the number and nominal values, or in the absence thereof, the accounting par value, of the shares acquired, the proportion of the subscribed capital which they represent and the consideration paid for them.

The condition under item (a) shall likewise not apply in the case of shares acquired by either the company itself or by a person acting in his own name but on behalf of the company for the distribution thereof to the staff of the company.

The distribution of any such shares must take place within twelve (12) months from the date of their acquisition.

10. Takeovers

With respect to a company established in Luxembourg, the Luxembourg law on takeover bids dated 19 May 2006 implementing directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, only applies to takeover bids in relation to transferable securities carrying voting rights, including depositary receipts in respect of shares carrying a possibility to give instructions to vote, when all or some of those securities are admitted to trading on a regulated market in one or more EU/EEA member states within the meaning of directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments. We have not made, and currently have no plans to make, any application for the admission of any of our Shares to trading on any regulated market within the meaning of directive 2004/39/EC or any other stock exchange other than the Hong Kong Stock Exchange. Accordingly, neither the aforesaid directive 2004/25/EC nor any other Luxembourg rules, regulations, laws or directives concerning takeover bids apply to our Company.

11. Liquidation

The winding up of a company is a process resolved upon by three different general meetings. The first general meeting must be held in front of a Luxembourg notary, approving the dissolution and liquidation of the company, as well as appointing one or more liquidators who may be physical persons or corporate entities. Once the liquidator is appointed, his duty will be to realise the assets in order to settle the outstanding liabilities. If no realization of assets is required to pay the liabilities (because sufficient cash is available), the liquidator may, upon request of the shareholder(s), simply pay the liabilities out of the available cash and subsequently distribute the remaining assets to the shareholders.

A second general meeting of shareholders is convened by the liquidator to appoint one or more commissioner(s) (*commissaire(s)*) to examine the documents drawn up by the liquidator(s) and convene another general meeting of shareholders.

After completion of its review of the actions taken and of the report drawn up by the liquidator, the third general meeting of shareholders examines the liquidator's report and the commissioner's report, grants discharge to the liquidator(s) and resolves on the termination of the liquidation.

The termination of the liquidation shall be published in the Luxembourg official gazette (*Memorial C, Recueil des Sociétés et Associations*) in accordance with Luxembourg law. Such publication further contains in particular an indication on the place where the corporate books are deposited and kept for a minimum period of five (5) years.

(C) ENFORCEMENT OF JUDGEMENTS AGAINST OUR COMPANY, OUR DIRECTORS OR OUR MAJOR SHAREHOLDER

Our Luxembourg legal adviser, Allen & Overy, has confirmed that there is nothing under Luxembourg law which would prevent the enforcement of a judgement passed by a court of competent jurisdiction in Hong Kong in proceedings brought by a shareholder of our Company against our Company, our Directors or our major shareholder. Our Luxembourg legal adviser has further confirmed that if the judgement is to be enforced in Luxembourg, a judgement obtained from a court of competent jurisdiction in Hong Kong would be recognised and enforceable in Luxembourg in accordance with, and subject to, applicable enforcement proceedings as provided for in articles 678 et seq. of the Luxembourg new code on civil procedure (*Nouveau code de procédure civile*) relating to the exequatur of judgements and provided that:

- the foreign judgment must be enforceable in the country of origin;
- the court of origin must have had jurisdiction both according to its own laws and to the Luxembourg conflict of jurisdictions rules;
- the foreign proceedings must have been regular in light of the laws of the country of origin;
- the rights of defence must not have been violated;
- the foreign court must have applied the law which is designated by the Luxembourg conflict of laws rules, or, at least, the judgment must not contravene the principles underlying these rules;
- the considerations of the foreign judgment as well as the judgment as such must not contravene Luxembourg international public policy; and
- the foreign judgment must not have been rendered as a result of or in connection with an evasion of Luxembourg law ("*fraude à la loi*").

(D) CERTAIN DISCLOSURE OF INTEREST AND OTHER SHAREHOLDING REQUIREMENTS UNDER LUXEMBOURG LAW DO NOT APPLY TO OUR SHAREHOLDERS

Our Luxembourg legal adviser, Allen & Overy, has confirmed that under Luxembourg corporate law, there are no disclosure of interest or ownership or transfer restrictions applicable to our Shareholders, and in particular has confirmed that the following requirements **do not apply** to our Shareholders:

1. *Disclosure of interest requirements (major holdings) provided for by the Luxembourg act dated 11 January 2008 (the Transparency Act) implementing Directive 2004/109/EC of the European parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.*

Such disclosure of interest requirements only apply in relation to shares admitted to trading on a regulated market within the meaning of directive 2004/39/EC established or operating in a member state of the EU or in one of the states that are contracting parties to the EEA agreement other than a member state of the EU, where Luxembourg is the home member state of the issuer of those shares for purposes of the Transparency Act and provided that voting rights are attached thereto. Since our Company is not listed in Luxembourg or in any other EU/EEA member state, Directive 2004/109/EC and the Transparency Act would not apply to our Company.

Our Luxembourg legal adviser has also confirmed that under the Luxembourg Companies Act, there is no requirement of disclosure of interest for our Shareholders. See “Appendix III — Taxation — Luxembourg Taxation”.

2. *Disclosure obligations under the Law of 21 July 2012 on squeeze-out and sell-out of securities for companies whose securities are or have been admitted to trading on a regulated market or have been subject to a public offer and amending the law dated 23 December 1998 establishing a financial sector supervisory commission (the Squeeze-Out and Sell-Out Law).*

The disclosure obligations for any person becoming or ceasing to be a majority shareholder under the Squeeze-Out and Sell-Out Law would not apply to our Company.

The Squeeze-Out and Sell-Out Law is indeed only applicable to issuers which have their registered office in Luxembourg and in respect of which all or part of their shares: (a) are admitted to trading on a EEA regulated market; or (b) have been admitted to trading on a EEA regulated market but no longer are, provided that the date on which the withdrawal from trading on this regulated market did not take place more than five years earlier; or (c) have been subject to a public offer under the Directive 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading (the **Prospectus Directive**) or for which the obligation to publish a prospectus did not apply in accordance with article 4 of the Prospectus Directive and provided that the opening of the public offer did not take place more than five years earlier.

3. *Restrictions on ownership of interests in a Luxembourg public limited liability company (société anonyme).*

There are no particular share ownership restrictions for a public limited liability company (*société anonyme*) under Luxembourg corporate law. Ownership of registered shares is established by the registration of the transfer of shares in the shareholders' register. Shares in our Company are therefore in principle freely transferable, subject to our Articles and provided that there exists no agreement which restricts, limits or regulates the transferability of the ownership or transfer restrictions applicable to our Shareholders.

(E) TAXATION OF NON-LUXEMBOURG RESIDENT SHAREHOLDERS

Non-Luxembourg resident Shareholders may be subject to Luxembourg tax in specific circumstances as described in Appendix III on pages III-1 to III-2.

(F) HONG KONG LAW REQUIREMENTS

The Articles were drafted in respect of certain specific matters with a view of affording our Company's shareholders a level of protection in respect of those matters comparable to that provided under Hong Kong law for shareholders of a Hong Kong incorporated company. These matters include:

1. *Certain matters to be decided by a three-quarters majority vote by shareholders in general meeting*

Under Hong Kong law, the following matters are required to be decided by special resolution, that is by a resolution passed by no less than a three-quarters majority vote at a general meeting of shareholders. However, under Luxembourg law, a resolution passed by no less than a two-thirds majority of the votes cast is sufficient. The Articles were drafted to require a three-quarters majority of the votes cast on such matters, namely:

- (a) amendments to the Articles;
- (b) variation to class rights (where the three-quarters majority of the votes cast is required within each class of shares, in addition to any additional majority requirement under the Luxembourg Companies Act (if any));
- (c) reduction of share capital; and
- (d) voluntary liquidation of our Company.

2. *Quorum for general meetings to be required*

Under Luxembourg law, there is no quorum requirement for an ordinary general meeting of shareholders (including the annual general meeting) whereas a quorum of 50 percent of the share capital is required for holding an extraordinary general meeting. Under Hong Kong law, the quorum requirement is two (2) members present in person or by proxy (unless the articles provide otherwise).

The Articles were drafted to provide, in addition to the Luxembourg law quorum requirement applicable in case of an extraordinary general meeting, for the same quorum requirement (that is two (2) members present in person or by proxy in order for ordinary and extraordinary general meetings of shareholders (including the annual general meeting) to be validly held.

3. *Notice period for convening general meetings*

Under Hong Kong law, an annual general meeting and a general meeting called to pass a special resolution are required to be called by giving at least twenty-one (21) days' notice, whereas the notice period under Luxembourg law is eight (8) days if all the shares of our Company are in the form of registered shares. The Articles were drafted to require notice periods required under Hong Kong law.

Further, under Hong Kong law, for a general meeting at which matters relating to the appointment and removal of auditors are considered, at least twenty-eight (28) days' notice of the meeting shall be given to our Company and, further, our Company shall give at least twenty-one (21) days' notice to its shareholders. Under Luxembourg law, a shorter notice period is required. However, under the Articles, an annual general meeting and any other general meeting called for the passing of a special resolution shall be called by not less than 21 calendar days' notice in writing and any other general meeting shall be called by not less than 14 calendar days' notice in writing. Shorter notice is nevertheless effective if (a) in the case of an annual general meeting, all of the members who are entitled to attend and vote at the meeting consent; or (b) in the case of any other meeting, if a majority of member holding not less than ninety-five (95) percent in nominal value of the shares giving a right to attend and vote at the meeting consent. The Articles were drafted to adopt the notice periods required under Hong Kong law.

4. *Public to be entitled to inspect share register*

Both Luxembourg and Hong Kong law require the register of members to be made available for inspection by members. However, under Luxembourg law, the names of the shareholders and the register of shareholders are not disclosed to the public whereas Hong Kong provisions allow the register of shareholders to be open for public inspection upon payment of a certain fee. The Articles were drafted to include a provision that the public is entitled to inspect the register of shareholders at any time during business hours at the registered office of our Company in Luxembourg and in our premises in Hong Kong.

5. *Rights relating to compulsory acquisition following a takeover offer*

The Companies Ordinance contains provisions setting out the circumstances and procedures whereby, following a successful takeover offer (a) the offeror may compulsorily acquire the equity interests of minority shareholders and, alternatively; (b) minority shareholders may require the offeror to acquire their equity interests. The corresponding legal provisions under Luxembourg law are not applicable to our Company, as our shares are listed outside of the EU/EEA. Provisions were included in the Articles to reflect such rights relating to compulsory acquisition following a takeover offer under Hong Kong law. Breach of the above obligations might not result in an award of specific performance pursuant to court orders and may result only in damages.

6. *Requisitioning and convening of general meetings*

Under Hong Kong law, in default of holding an annual general meeting as required, any member of the company can apply to the court to call or direct the calling of a general meeting. By contrast, under Luxembourg law, shareholders representing one-tenth of the issued share capital can require the board of directors to convene a general meeting of shareholders to be held within one (1) month after the written request specifying the agenda is made. If the directors fail to duly convene a meeting within one (1) month upon receipt of such request, members holding no less than one-tenth of the issued share capital may apply to the court to appoint an *ad hoc* representative with the mission of convening a general meeting. The Articles were drafted to lower the threshold such that any member (rather than members holding no less than one-tenth of the issued share capital) may apply to the court to appoint an *ad hoc* representative for the convening of a general meeting of shareholders.

Further, under Hong Kong law, an extraordinary general meeting must be convened by the directors on requisition of members holding not less than five (5) percent of the paid up share capital of the company and who have the right to vote on the date of the deposit of the requisition, whilst the threshold under Luxembourg law is ten (10) percent. In addition, under Hong Kong law, if the directors fail to duly convene a meeting within twenty-one (21) days from the date of deposit of the requisition for a day not more than twenty-eight (28) days after the date on which the notice convening the meeting is given, the requisitionists, or any of them representing more than half the voting rights of all of them, may themselves convene a meeting, whilst under Luxembourg law the shareholders may only seek appointment of an *ad hoc* representative in front of the court for the purpose of convening the general meeting. The Articles specify a lower threshold of five (5) percent for the requisitioning of general meetings, as well as permitting requisitionists to convene a general meeting, to the extent permitted by the Luxembourg Companies Act, to reflect the position under Hong Kong law.

Under Luxembourg law, the convening notice to any general meeting shall contain the agenda and the place, time and date of the general meeting. Provisions were included in the Articles to provide for certain requirements under Hong Kong law as to notices of meetings, including contents of notices, which are not otherwise required under Luxembourg law.

7. *Shareholders may elect chairman of general meeting*

Under Hong Kong law, the chairman of a general meeting may be elected by shareholders present at the meeting, whilst no such procedure is expressly provided for under Luxembourg law. Provisions were included in the Articles whereby the chairman shall take the chair at every general meeting and which also give the chairman or the Board the right to designate an attendee of the general meeting as the chairman of the meeting if the chairman of the Board is unable to attend.

8. *Appointment of directors required to be voted on individually*

Under Hong Kong law, a public company is prohibited from appointing two or more directors by the passing of a single resolution at a general meeting unless the company has first passed a motion approving a multiple appointment. If such motion is passed without any vote being cast against it, the resolution may be put to the general meeting regarding the multiple appointments. Under Luxembourg

law, no distinction is made between the appointment of a single director or multiple directors. The Articles were drafted to prohibit the appointment of two or more directors by the passing of a single resolution to reflect the position under Hong Kong law.

9. *Declaration of interests by directors*

Under Hong Kong law, where a director has a material interest in a contract or a proposed contract with the company, the director is required to declare the nature of the interest at the earliest meeting of directors that is practicable, notwithstanding that the question of entering into the contract is not taken into consideration at that meeting. Luxembourg law is more stringent in that it requires directors to declare any interest (that is, not just material interests) in a transaction submitted for approval to the board of directors conflicting with that of the company, such procedure is not applicable where the decision of the board of directors of the company relates to routine operations entered into under normal conditions. The Articles were drafted to require the declaration of material interests in all transactions (including day-to-day transactions).

Further, under Hong Kong law, when a company proposes to put a resolution to a general meeting of the company, the notice of the meeting must be accompanied by a statement that (among other things) disclose any material interest of any director in the matter which is the subject of the resolution. There is no requirement under Luxembourg law to include a disclosure of any director's conflict of interest in such a notice. The Articles were drafted to include a requirement to disclose any director's conflict of interest in notices of general meetings.

10. *Prohibition of loans to directors*

Under Hong Kong law, there is a general prohibition against the making of loans to, or the provision of guarantees or other security for the benefit of, directors of public companies or persons related to them, unless falling within certain exemptions specified under Hong Kong law. Luxembourg law does not expressly provide for any such limitations. Provisions were included in the Articles to impose prohibitions against such transactions with Directors similar to that under Hong Kong law.

11. *Reduction in share capital*

Under Hong Kong law, a company may reduce its share capital by special resolution (that is, three-quarters majority) if so authorised by its articles of association and subject to confirmation by the court.

The position under Luxembourg law is similar in that the reduction of share capital requires a qualified majority (that is, two-thirds majority of the votes cast) vote rather than a simple majority. The Articles were drafted to require a special resolution (that is, three-quarters majority of the votes cast) for the approval of a capital reduction.

Under Luxembourg law, there is no equivalent requirement to seek confirmation by the courts of a reduction in share capital and Luxembourg courts do not have jurisdiction nor an established process in respect of capital reduction of companies. It would not be legally possible for our Company to create such jurisdiction in a Luxembourg court by amendment of the Articles (e.g. to include a requirement of seeking court approval) where this is not provided by law. However, any general meeting held to consider and approve a reduction of capital is required by Luxembourg law to be held in the presence of a notary. Further, any share capital reduction shall be made in principle in equal

terms to each shareholder. A notary in front of whom a general meeting is held to consider a capital reduction is a public officer appointed by the Grand-Duke of Luxembourg. The profession is governed by the act of 9 December 1976 on the notarial profession, as amended. The notary is bound by professional secrecy and is completely independent from, and unrelated to, the company in question.

12. Redemption of redeemable shares

In general, Hong Kong law and Luxembourg law contain similar provisions relating to permitting the redemption of redeemable shares provided that conditions relating to profitability are met. Hong Kong law and Luxembourg law differ in that, under Hong Kong law, there is a cap placed on the premium payable for redemption whereas Luxembourg law does not have an equivalent requirement. Further, Hong Kong law provides that where a company is wound up without having redeemed its redeemable shares, the terms of the redemption may be enforced against the company and when redeemed they will be treated as cancelled. Luxembourg law is silent in this regard.

The Articles were drafted to reflect the requirements under Hong Kong law such that any premium payable on the redemption of redeemable shares will be subject to a similar cap and that, where our Company is wound up without having redeemed its redeemable shares, the holders of the redeemable shares shall be entitled to receive, as liquidation proceeds available for distribution among shareholders, an amount equal to the redemption price.

13. Distribution of assets/reserves

Both Hong Kong law and Luxembourg law contain provisions governing the distribution of assets by companies which reflect a similar concept, in that both restrict the ability of a company from making a distribution to shareholders unless the company has the required level of profits or reserves. Further, both Hong Kong and Luxembourg laws provide that only realised profits are distributable.

Hong Kong law further provides that where the directors of a company are, after making all reasonable enquiries, unable to determine whether a particular profit made before the appointed day is realised or unrealised, they may treat the profit as realised; and where after making such enquiries they are unable to determine whether a particular loss so made is realised or unrealised, they may treat the loss as unrealised. In addition, under Hong Kong law, a listed company may only make a distribution at any time if (a) at that time the amount of its net assets is not less than the aggregate of its called up share capital and distributable reserves; and (b) to the extent that the distribution does not reduce the amount of those assets to less than that aggregate. Under Hong Kong law, a listed company's undistributable reserves are:

- (a) the share premium account;
- (b) the share capital redemption reserve;

- (c) the amount by which the company's accumulated, unrealised profits, so far as not previously utilised by capitalisation (not including a transfer of profits of the company to its capital reserve on or after the appointed day), exceed its accumulated, unrealised losses (so far as not previously written off in a reduction or reorganisation of capital duly made); and
- (d) any other reserve which the company is prohibited from distributing by any enactment or by its memorandum or articles.

Although Luxembourg law does not further define “undistributable reserves”, it does provide that a company is required to maintain a legal reserve to which five (5) percent of profits must be allocated yearly, up to ten (10) percent of the share capital of the company. The Articles were drafted to reflect the additional specifications relating to undistributable reserves described above, and the Articles also further specified that the share premium is distributable under a distribution mandate as provided for in the Articles.

14. Financial Assistance

Our Company will comply with applicable provisions for the prohibition of giving financial assistance under the Companies Ordinance and the Luxembourg Companies Act, whichever is more stringent from time to time. The Articles were drafted to reflect the general prohibition of financial assistance under Hong Kong law.

1. FURTHER INFORMATION

A. *Incorporation*

We were incorporated and registered in the Grand Duchy of Luxembourg as a public limited liability (*société anonyme*) company on January 29, 2013. Our registered office is in the Grand Duchy of Luxembourg at 37/a Ave. J. F. Kennedy, L-1855 Luxembourg, and we have been registered as a non-Hong Kong company under Part XI of the Companies Ordinance on October 7, 2013. Ms. Cynthia Wong Tak Yee and Ms. Aries Cheung Yuet Fan of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong have been appointed as our agents for the acceptance of service of process in Hong Kong.

As we are incorporated in the Grand Duchy of Luxembourg, we are subject to the relevant laws and regulations of the Grand Duchy of Luxembourg. A summary of our Articles of Association is set out in Appendix IV to this prospectus.

B. *Changes in the registered capital of our Company*

At the time of the establishment of our Company on January 29, 2013, our share capital was €31,000 divided into thirty-one thousand (31,000) Shares of par value of €1 each. On July 8, 2013, resolutions of the sole Shareholder were passed pursuant to which our share capital was increased to the amount of €250,000 by the issuance to M&G Finanziaria S.r.l. of 219,000 new Shares having a par value of €1 each. On September 30, 2013, resolutions of the sole Shareholder were passed pursuant to which our share capital was increased to the amount of €437,000,000 by the issuance to M&G Finanziaria S.r.l. of 436,750,000 new Shares having a par value of €1 each, by way of a contribution in kind from M&G Finanziaria S.r.l. and consisting in all of the shares in M&G International S.à r.l. On October 23, 2013, resolutions of the sole Shareholder were passed pursuant to which the 437,000,000 Shares of our Company having a par value of €1 each were exchanged against 4,370,000,000 Shares of a par value of €0.10 each.

Immediately upon completion of the Global Offering, the registered capital of our Company will be €672,306,000 divided into 6,723,060,000 Shares of par value of €0.10 each.

Save as disclosed in this Appendix, there has been no alteration in our share capital since our establishment.

C. *Changes in share capital of our subsidiaries*

Our subsidiaries are referred to in the accountants' report as set out in Appendix I to this prospectus. The following alternations in the share capital (or registered capital, as the case may be) of our subsidiaries have taken place within two years preceding the date of this prospectus:

- On December 28, 2012, the share capital of Chemtex Global S.à r.l. was increased under the authorized capital procedure by an amount of €31,700,000 by the issuance of 31,700 shares having a par value of €1,000 each; the shares have been issued to M&G Finanziaria S.r.l. pursuant to a payment in cash of an amount of €31,700,000.
- On August 28, 2013, an extraordinary general meeting of Chemtex Global S.à r.l. was held to approve, *inter alia*, the merger of M&G International S.A. into Chemtex Global S.à r.l. In exchange for the transfer of the assets and liabilities of M&G International S.A. to Chemtex Global S.à r.l., the share capital of Chemtex Global S.à r.l. was increased to the

amount of €146,304,000 by the issuance to M&G Finanziaria S.r.l. of 85,104 new shares having a par value of €1,000 each. The share capital of Chemtex Global S.à r.l. was subsequently reduced by an amount of €61,200,000 to €85,104,000 by the cancellation of 61,200 shares having a par value of €1,000 each held by Chemtex Global S.à r.l. as a result of the merger.

- On July 19, 2013, resolutions of an extraordinary general meeting of M&G Poliéster S.A. approved, inter alia, a spin-off by M&G Poliéster S.A., pursuant to which a new company in the name of M&G Fibras Holding S.A. was incorporated. As a result of the spin-off, the share capital of M&G Poliéster S.A. was reduced by an amount of R\$100,000.00 (€33,199) from R\$523,308,741.58 (€173,735,514) to R\$523,208,741.58 (€173,702,315), with no change in the number of shares outstanding.
- On July 19, 2013, resolutions of the shareholders of M&G Resinas Participações Ltda. approved, inter alia, a spin-off by M&G Resinas Participações Ltda., pursuant to which a new limited liability company in the name of M&G Fibras e Participações Ltda. was incorporated. As a result of the spin-off, the share capital of M&G Resinas Participações Ltda. was reduced by an amount of R\$100,000 (€33,199) from R\$160,595,091.00 (€53,316,653) to R\$160,495,091.00 (€53,283,454) by the cancellation of 100,000 shares having a par value of R\$1.00 (€0.33) each.
- On August 15, 2013, M&G Resinas Participações Ltda. capitalized a debt in the amount of R\$86,851,100.00 (€28,834,069) owed to M&G International S.A., which resulted in a capital increase. Resolutions of the shareholders of M&G Resinas Participações Ltda. approved the increase of share capital of R\$86,851,100.00 (€28,834,069) by the issuance of 86,851,100 new shares having a par value of R\$1.00 (€0.33) each, which were fully paid by M&G International S.A. As a result of this capital increase, the share capital of M&G Resinas Participações Ltda. increased from R\$160,495,091.00 (€53,283,454) to R\$247,346,191.00 (€82,117,523).
- On August 30, 2013, the certificate of incorporation of M&G USA Corporation was amended to increase the authorized number of shares by 14 shares with a par value of US\$1.00 (€0.74) per share. As a result, the authorized shares of M&G USA Corporation increased from 100 to 114 shares. The additional 14 shares were issued to SIMEST.

Save as described above, there has been no other alternation in the share capital of the subsidiaries of our Company in the two years preceding the date of this prospectus.

D. Resolutions of our shareholders

Immediately after the incorporation of our Company, our constituting Shareholder, M&G Finanziaria S.r.l. acting as sole Shareholder, held an extraordinary general meeting and passed resolutions appointing the directors of our Company that had been previously in office, appointing our statutory auditor and establishing our registered office.

On May 17, 2013, resolutions of our sole Shareholder were passed to amend certain articles of the Articles of Association of our Company regarding, inter alia, the holding of meeting of our Board.

On May 21, 2013, resolutions of our sole Shareholder were passed to acknowledge the resignation of one of our Directors appointed at the incorporation and to appoint new Directors, except

the independent non-executive Directors. On July 8, 2013, resolutions of our sole Shareholder were passed pursuant to which our share capital was increased to the amount of €250,000 by the issuance to M&G Finanziaria S.r.l. of 219,000 new Shares having a par value of €1 each. On September 30, 2013, resolutions of our sole Shareholder were passed pursuant to which our share capital was increased to the amount of €437,000,000 by the issuance to M&G Finanziaria S.r.l. of 436,750,000 new Shares having a par value of €1 each, by way of a contribution in kind from M&G Finanziaria S.r.l. and consisting in all of the shares in M&G International S.à r.l.

On October 23, 2013, resolutions of the sole Shareholder were passed pursuant to which the 437,000,000 Shares of our Company having a par value of €1 each were exchanged against 4,370,000,000 Shares of a par value of €0.10 each.

On November 14, 2013, resolutions of the sole Shareholder were passed to (i) appoint our independent non-executive Directors and to (ii) approve the remuneration of all our Directors for the financial year ending December 31, 2013.

On November 14, 2013, resolutions of the sole Shareholder were passed pursuant to which:

- (a) our Board was granted the authorisation under the authorised share capital to be set at €860,000,000, whereby the Board is authorised to (i) issue Shares until the subscribed share capital is increased up to the amount of the authorised share capital, (ii) grant options to subscribe for Shares and to issue any other securities or instruments convertible into Shares until the amount of increased share capital that would be reached as a result of the exercise of the rights attached to those instruments is equal to the authorised share capital and (iii) cancel or limit the pre-emptive rights of the Shareholders set out in the Luxembourg Companies Act when proceeding to any such issue;
- (b) our Articles of Association were amended and restated in their entirety to reflect inter alia the authorised share capital, and to comply with the Hong Kong Listing Rules; and
- (c) with effect as of the date on which the Shares are admitted to trading on the Hong Kong Stock Exchange, a general unconditional mandate was granted to make distributions to the shareholders from the share premium account of our Company of up to €25,000,000 out of the total initial maximum amount of €299,795,581 of share premium that may be distributed to all Shareholders as share premium under the Articles, and that distribution mandate will expire: (i) at the conclusion of our Company's next annual general meeting; (ii) at the end of the period within which our Company is required by any applicable laws or the Articles to hold the next annual general meeting; or (iii) when varied or revoked by a special resolution of the Shareholders in general meeting, whichever is the earliest.

Pursuant to resolutions of the sole Shareholder passed on November 14, 2013:

- (a) conditional upon the conditions for completion of the Global Offering being fulfilled and (i) the Listing Committee granting the listing of, and permission to deal in, our Shares in issue and to be issued; and (ii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise, in each case on or before the date falling 30

days after the date of this Prospectus, the Global Offering was approved and it was further approved the allotment and issuance of the Offer Shares by the Board under the authorised share capital procedure as the Board sees fit, on and subject to the terms and conditions stated in the Prospectus and in the relevant Applications Forms;

- (b) a general unconditional mandate was given to the Board, to be implemented under the authorised share capital procedure, to allot, issue and deal with Shares (otherwise than pursuant to, a rights issue, any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with our Articles, or a special authority granted by our Shareholders) with an aggregate nominal value of not more than the sum of:
 - (i) 20 percent of the aggregate nominal value of our share capital in issue immediately following completion of the Global Offering; and
 - (ii) the aggregate nominal value of the Share capital of our Company repurchased by us (if any);
- (c) a general unconditional mandate was granted to our Board to repurchase Shares pursuant to article 49-2 of Luxembourg Companies Act, and under this mandate, the Board was granted the fullest powers to repurchase Shares on the terms and conditions set out in our Articles; the Board was authorized to make offers to repurchase Shares and to subsequently repurchase Shares issued and outstanding, out of funds legally available for such purpose in accordance with our Articles, article 49-2 of the Luxembourg Companies Act, and the Hong Kong Listing Rules, provided that:
 - (i) the total nominal value of the Shares repurchased shall be of not more than 10% of the total nominal value of the share capital of our Company in issue immediately following the completion of the Global Offering; and
 - (ii) the repurchase price shall be made at a price which is not higher by 5% or more than the average closing market price for the five preceding trading days and not lower than the nominal value of the Shares; and
- (d) conditional on the Listing Committee granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including any Shares to be issued pursuant to options which have been granted or may be granted under the Pre-IPO Share Option Scheme) and such listing and permission not having been subsequently revoked prior to the commencement of dealings in the Shares on the Hong Kong Stock Exchange, the Pre-IPO Share Option Scheme, the grant of options by the Board under the Pre-IPO Share Option Scheme, the overall number of Shares covered by options under the Pre-IPO Share Option Scheme and the related amount of share capital increase that would result from the exercise of the options under the Pre-IPO Share Option Scheme, and the specific number of options granted to our Directors were approved.

Each of the general mandates referred to in paragraphs (b) and (c) above will remain in effect until whichever is the earliest of: (i) the conclusion of the next annual general meeting of our Company; (ii) the expiration of the period within which the next annual general meeting of our Company is required to be held by any applicable law or our Articles; or (iii) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting.

E. Repurchase of Shares by our Company

This section sets out information required by the Hong Kong Stock Exchange to be included in this prospectus concerning the repurchase by our Company of its own securities.

Provisions of the Hong Kong Listing Rules

The Hong Kong Listing Rules permit companies with a primary listing on the Hong Kong Stock Exchange to repurchase their own securities on the Hong Kong Stock Exchange subject to certain restrictions, the more important of which are summarized below:

Shareholders' Approval: All proposed repurchase of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Hong Kong Stock Exchange must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a particular transaction.

Source of Funds: Repurchases must be funded out of funds legally available for the purpose in accordance with our Articles and the Hong Kong Listing Rules and the applicable laws of Luxembourg. A listed company may not repurchase its own securities on the Hong Kong Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Hong Kong Stock Exchange. Subject to the foregoing, any repurchases by our Company may be made out of our Company's funds which would otherwise be available for dividend or distribution or out of the proceeds of a new issue of Shares made for the purpose of the repurchase. Any amount of premium payable on the purchase over the par value of our Shares to be repurchased must be paid out of the funds which would otherwise be available for dividend or distribution or from sums standing to the credit of our Company's share premium account.

Trading Restrictions: The total number of shares which a listed company may repurchase on the Hong Kong Stock Exchange is the number of shares representing up to a maximum of ten percent of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Hong Kong Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Hong Kong Stock Exchange if the purchase price is five percent or more than the average closing market price for the five preceding trading days on which its shares were traded on the Hong Kong Stock Exchange. The Hong Kong Listing Rules also prohibits a listed company from repurchasing its securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Hong Kong Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Hong Kong Stock Exchange such information with respect to the repurchase as the Hong Kong Stock Exchange may require.

Status of Repurchased Shares: All repurchased securities (whether effected on the Hong Kong Stock Exchange or otherwise) will be automatically delisted and the certificates for those securities must be cancelled and destroyed.

Suspension of Repurchase: A listed company may not make any repurchase of securities after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been made publicly available. In particular, during the period of one

month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Hong Kong Stock Exchange in accordance with the Hong Kong Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Hong Kong Listing Rules); and (b) the deadline for publication of an announcement of a listed company's results for any year or half-year under the Hong Kong Listing Rules, or quarterly or any other interim period (whether or not required under the Hong Kong Listing Rules), the listed company may not repurchase its shares on the Hong Kong Stock Exchange other than in exceptional circumstances. In addition, the Hong Kong Stock Exchange may prohibit a repurchase of securities on the Hong Kong Stock Exchange if a listed company has breached the Hong Kong Listing Rules.

Reporting Requirements: Certain information relating to repurchases of securities on the Hong Kong Stock Exchange or otherwise must be reported to the Hong Kong Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such purchase, where relevant, and the aggregate prices paid.

Connected Persons: A listed company is prohibited from knowingly repurchasing securities on the Hong Kong Stock Exchange from a "connected person", that is, a director, chief executive or substantial shareholder of the listed company or any of its subsidiaries or their associates and a connected person is prohibited from knowingly selling his securities to the listed company.

Reasons for Repurchases

Our Directors believe that the ability to repurchase Shares is in the interests of our Company and our Shareholders. Repurchases may, depending on the circumstances, result in an increase in the net assets and/or earnings per Share. Our Directors sought the grant of a general mandate to repurchase Shares to give our Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by our Directors at the relevant time having regard to the circumstances then pertaining.

Funding of Repurchases

In repurchasing securities, our Company may only apply funds lawfully available for such purpose in accordance with our Articles, the Hong Kong Listing Rules and the applicable laws of Luxembourg.

There could be a material adverse impact on the working capital or gearing position of our Company (as compared with the position disclosed in this prospectus) if the repurchase mandate were to be carried out in full at any time during the share repurchase period. However, our Directors do not propose to exercise the general mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Company.

General

The exercise in full of the repurchase mandate (in accordance with terms of the Luxembourg law on commercial companies dated 10 August 1915, as amended), on the basis of 6,723,060,000 Shares

in issue immediately following the completion of the Global Offering, could accordingly result in up to approximately 672,306,000 Shares being repurchased by our Company during the period prior to:

- (a) the conclusion of our next annual general meeting;
- (b) the end of the period within which we are required by any applicable law or our Articles to hold our next annual general meeting; or
- (c) when varied or revoked by an ordinary resolution of our Shareholders in general meeting,

whichever is the earliest.

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell any Shares to our Company.

Our Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the repurchase mandate in accordance with the Hong Kong Listing Rules and the applicable laws in Hong Kong.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the repurchase mandate.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25 percent of the Shares then in issue could only be implemented if the Hong Kong Stock Exchange agreed to waive the Hong Kong Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

No connected person of our Company has notified us that he or she has a present intention to sell Shares to us, or has undertaken not to do so, if the repurchase mandate is exercised.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of our material contracts

We have entered into the following contracts (not being contract entered into in the ordinary course of our business) within two years immediately preceding the date of this prospectus which are or may be material:

- (a) the Hong Kong Underwriting Agreement dated November 28, 2013;
- (b) the Deed on Non-Competition dated November 27, 2013;
- (c) the Deed of Indemnity dated November 27, 2013;

- (d) the letter agreement dated June 20, 2012 between M&G Finanziaria S.r.l. and M&G International S.A. (which was acknowledged and agreed by M&G International S.A. on June 22, 2012) pursuant to which the €349,974,695.67 intercompany loan granted pursuant to a credit facility agreement dated September 1, 2011 was re-denominated from euros into U.S. dollars. The conversion rate and interest rate were confirmed in a confirmation letter dated June 21, 2012 (which was acknowledged and agreed by M&G International S.A. on June 22, 2012);
- (e) the securities purchase agreement dated December 13, 2012 between M&G Finanziaria S.r.l. and Chemtex Global S.à r.l. pursuant to which Chemtex Global S.à r.l. purchased from M&G Finanziaria S.r.l. €133,050,000 in nominal value of bearer form undated subordinated fixed/floating rate cumulative securities issued by M&G Finance Luxembourg S.A. for a consideration of €115,000,000;
- (f) the intercompany credit facility agreement dated December 13, 2012 between M&G Finanziaria S.R.L. and Chemtex Global S.à r.l. pursuant to which M&G Finanziaria S.R.L. granted Chemtex Global S.à r.l. a committed term loan facility in the amount of €115,000,000 for the purpose of financing the acquisition of €133,050,000 in nominal value of the €200,000,000 undated subordinated fixed/floating rate cumulative securities issued by M&G Finance Luxembourg S.A. and guaranteed on a joint and several, and a subordinated basis by, inter alia, Mossi & Ghisolfi International S.A.;
- (g) the itemized asset purchase agreement dated March 7, 2013 between Burns & McDonnell Engineering India Private Limited, Chemtex Engineering of India Private Limited and Chemtex Global Engineers (Private) Ltd. pursuant to which Burns & McDonnell Engineering India Private Limited purchased various assets, as set out in the agreement, from Chemtex Global Engineers (Private) Ltd. for a consideration of US\$6,000,000 (€4,434,262);
- (h) the amendment to itemized asset purchase agreement dated March 22, 2013 between Burns & McDonnell Engineering India Private Limited, Chemtex Engineering of India, Ltd., and Chemtex Global Engineers (Private) Ltd., which amended the agreement described in (g) above to change the payment date of the closing payment, to clarify the post-closing position of independent contractors, and to require the execution and delivery of certain ancillary documents at closing as Burns & McDonnell Engineering India Private Limited may reasonably request;
- (i) the employee leasing agreement dated March 22, 2013 between Burns & McDonnell Engineering India Private Limited and Chemtex Global Engineers (Private) Ltd., pursuant to which Chemtex Global Engineers (Private) Ltd. leases from Burns & McDonnell Engineering India Private Limited the services of engineers, draftspersons, technicians, CAD operators, and other personnel as needed in consideration of certain reimbursements as set out in the agreement;
- (j) the amendment to employee leasing agreement dated March 22, 2013 between Burns & McDonnell Engineering India Private Limited and Chemtex Global Engineers Private Limited, which amended the agreement described in (i) above to incorporate references to an additional employee who provides, amongst other services, review of current accounting and administrative procedures, day-to-day project execution and administrative operation services and finance, tax and legal services, and to make corresponding changes;
- (k) the merger proposal dated March 28, 2013 in relation to the merger of Chemtex Global S.à r.l. and Mossi & Ghisolfi International S.A. (abbreviated to M&G International S.A.);

- (l) the agreement for services dated March 31, 2013 between Chemtex International, Inc. and Burns & McDonnell International, Inc. pursuant to which Burns & McDonnell International, Inc. provides, among other things, professional consulting services and professional design services to Chemtex International, Inc. at a service rate of US\$25 (€18) per hour (with compensation amounts and methods defined in each work authorization);
- (m) the noncompetition agreement dated March 31, 2013 between Burns & McDonnell Engineering Company Inc. (“BMcD”), Burns & McDonnell International Inc. (“BMcD Int” and with BMcD together defined as the “BMcD Parties”), M&G Finanziaria S.r.l., Chemtex Global S.a.r.l., Chemtex International Inc., and Indo American Investments Inc. (together defined as the “Chemtex Parties”) pursuant to which the Chemtex Parties covenant, among others, for certain periods of time not to directly or indirectly, without the prior written consent of BMcD, compete with BMcD Int or any of its subsidiaries or hire, engage, or solicit to hire or engage the employees of, the BMcD Parties or the employees of such entities’ subsidiaries for, subject to adjustment, an aggregate consideration of US\$4,000,000 (€2,956,175);
- (n) the take or pay agreement dated March 31, 2013 between Burns & McDonnell International, Inc. and Chemtex International Inc. pursuant to which (i) Chemtex International Inc. purchases or causes one or more of its affiliates (the “Chemtex Companies”) to purchase from Burns & McDonnell International, Inc., on a take or pay basis, in aggregate, a minimum of 200,000 man-hours of engineering services for each of the 2013 and 2014 fiscal years, at a rate of US\$25 (€18) per man-hour, and (ii) Burns & McDonnell International, Inc. makes available to the Chemtex Companies, to the extent ordered by a Chemtex Company, a minimum of 200,000 man-hours of engineering services for each of the 2013 and 2014 fiscal years;
- (o) the mutual guarantee and indemnity agreement dated March 31, 2013 between Burns & McDonnell Engineering Company Inc., Burns & McDonnell International Inc., M&G Finanziaria S.r.l., Chemtex Global, S.a.r.l., Chemtex International Inc., and Indo American Investments Inc. pursuant to which the parties provide reciprocal guarantees in relation to obligations arising out of the itemized asset purchase agreement described in (g) above (as amended) and its related agreements, including those described in (i), (j), (l), (m) and (n) above, as well as reciprocal indemnities against losses arising from the same;
- (p) the bridge services agreement dated April 1, 2013 between Burns & McDonnell International, Inc. and Chemtex International, Inc. pursuant to which Chemtex International, Inc. provides application and infrastructure services as set out therein to Burns & McDonnell International, Inc. and its subsidiaries for US\$30,000 (€22,171) per month (subject to reduction for partial cancellation of services and addition for costs referred to therein and usage of certain software) for a period of 12 months;
- (q) the private deed dated July 23, 2013 between SIMEST S.p.A. (Società italiana per le Imprese all'estero) and Mossi & Ghisolfi International S.A. pursuant to which SIMEST S.p.A. subscribed to a capital increase of M&G USA Corporation, so as to hold an equity interest equal to 12.26% of the share capital of M&G USA Corporation after the capital increase, for an amount of US\$13,000,000 (€9,607,568);
- (r) the notarial deed dated July 30, 2013 in relation to the amendment of the merger proposal dated March 28, 2013 described in (k) above, to extend the deadline for approval of the merger proposal by the relevant shareholders from July 31, 2013 to October 31, 2013;







- (s) the corporate units transfer agreement dated August 19, 2013 between M&G Finanziaria S.r.l. and Mossi&Ghisolfi International S.A. pursuant to which M&G Finanziaria S.r.l. transferred 61,200 corporate units, representing 100% of the shares of Chemtex Global S.à.r.l., to Mossi&Ghisolfi International S.A. for a consideration of €160,000,000, which would offset against a portion of existing debt owed by M&G Finanziaria S.r.l. to Mossi&Ghisolfi International S.A.;
- (t) the share transfer agreement dated September 26, 2013 between Mossi & Ghisolfi International S.à.r.l. (abbreviated to M&G International S.à.r.l.), M&G Finanziaria S.r.l., M&G Fibras Holding S.A. and M&G Fibras eParticipações Ltda. pursuant to which Mossi & Ghisolfi International S.à.r.l. transferred 1,783,161,437 shares in M&G Fibras Holding S.A. and 84,565 quotas in M&G Fibras eParticipações Ltda. to M&G Finanziaria S.r.l. for a consideration of €2;
- (u) the cornerstone investment agreement dated November 26, 2013 between M&G Chemicals, Novozymes A/S and CITIC Securities Corporate Finance (HK) Limited pursuant to which Novozymes A/S agreed to subscribe for such Shares as outlined in “Our Cornerstone Investors” of this prospectus;
- (v) the cornerstone investment agreement dated November 27, 2013 between M&G Chemicals, CEPESA Quimica, S.A. and CITIC Securities Corporate Finance (HK) Limited pursuant to which CEPESA Quimica S.A. agreed to subscribe for such Shares as outlined in “Our Cornerstone Investors” of this prospectus; and
- (w) the cornerstone investment agreement dated November 27, 2013 between M&G Chemicals, ZOC Investment Co., Ltd. and CITIC Securities Corporate Finance (HK) Limited pursuant to which ZOC Investment Co., Ltd. agreed to subscribe for such Shares as outlined in “Our Cornerstone Investors” of this prospectus.

B. Our intellectual property rights

Trademarks

As at the Latest Practicable Date, we have registered the trademarks listed in Appendix VII, Part 1.

We have also applied for registration of the following trademarks in Hong Kong, the registration of which has not yet been granted:

Trademark	Applicant	Date of filing	Application number	Class	Renewal possibility
	Our Company	July 26, 2013	302685015	1, 4, 17, 20, 40 and 42	Registration may be renewed for another ten years, if requested prior to expiry
					
					
	Our Company	July 26, 2013	302685024	1, 4, 17, 20, 40 and 42	Registration may be renewed for another ten years, if requested prior to expiry
					
					

Patents

As at the Latest Practicable Date, we have been granted the key patents listed in Appendix VII, Part 2, which we consider material to our business.

3. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

A. Particulars of Directors' Contracts

None of our Directors has or is proposed to have a service contract with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than the statutory compensation)).

B. Remuneration of Directors

Our Board was appointed in 2013 and therefore M&G Chemicals has paid no remuneration to our Directors during the Track Record Period.

The aggregate amounts of remuneration (including fees, salaries, contributions to pension schemes, housing allowances and other allowances, benefits in kind and discretionary bonuses) which were paid to our Directors in their capacity as employees of the Ghisolfi Group during the three years ended December 31, 2010, 2011 and 2012 and six months ended June 30, 2013 were approximately €1.89 million, €1.84 million, €1.95 million, and €1.2 million, respectively.

The remuneration and benefits in kind, excluding any discretionary bonus, that M&G Chemicals is expected to pay to our Executive Directors in their capacity as employees, for the financial year ending December 31, 2013, is €2.2 million. It is estimated that the remuneration and benefits in kind, excluding any discretionary bonus, payable to all our Directors, including both Executive and Independent Non-Executive Directors, equivalent to approximately €2.3 million in the aggregate, will be paid and granted to our Directors by us in respect of the financial year ending December 31, 2013 under arrangements in force at the date of this prospectus.

Save as disclosed above, no other payments have been paid or are payable by us to our Directors in respect of the three years ended December 31, 2013.

There is no arrangement under which any Director has waived or agreed to waive future emoluments, nor has there been any waiver of emoluments by any Director during the current financial year.

C. Pre-IPO Share Option Scheme

The following is a summary of the principal terms of the Pre-IPO Share Option Scheme adopted on November 14, 2013:

The purpose of the Pre-IPO Share Option Scheme is to provide incentive and/or reward to our Directors and employees for their contribution to, and continuing efforts to promote the interests of, our Company.

The principal terms of the Pre-IPO Share Option Scheme were approved by the Board of our Company at a Board meeting held on November 14, 2013.

The total number of Shares which may be issued upon the exercise of all options granted under the Pre-IPO Share Option Scheme represents approximately 2% of the enlarged issued share capital of our Company immediately after completion of the Global Offering. Any such Shares would be issued only upon the exercise of the options by the holder.

The subscription price or the sale price, as the case may be, under this Pre-IPO scheme shall be equal to 80% of the offer Price.

Save for the options which have been granted as at the Latest Practicable Date, no further options will be granted under the Pre-IPO Share Option Scheme on or after the Listing Date.

The period within which the vested options must be exercised will be specified by our Company at the time of grant. This period must start on the vesting date of the options and expire no later than 10 years from the relevant date of grant. The options could only be exercised during the period between the vesting date of the relevant options and the end date of the exercise period specified by our Company.

The options granted under the scheme are considered to be personal to the grantee and shall not be assignable or transferable, and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any Option or attempt so to do.

The options are granted to grantees who have made important contributions and are important to the long term growth and profitability of our Group. A total of ten current employees, including five Directors and three members of the senior management of our Group (set out in the section headed “Directors, Senior Management and Employees” of this prospectus), plus one prospective employee of our Group, have been conditionally granted options under the Pre-IPO Share Option Scheme.

The following table summarizes the grantees of such options:

Directors

Name of Grantee	Address	Company or its Affiliates	Number of Shares under the options granted	Percentage of interest in our Company immediately after completion of the Global Offering
Marco Toselli	Via Carducci 19, 20123 Milan, Italy	Our Company	23,530,500	0.350%
Mario Barbieri	Flat 48 North Block 5 Chicheley Stret London SE1 7PJ United Kingdom	Our Company	16,807,500	0.250%
Fredrick John Fournier	23 Diamond Oak Ct., The Woodlands, Texas 77381, USA	Our Company	16,807,500	0.250%
Evert-Jan van der Slobe	41 avenue des papalins, MC 98000, Monaco	Our Company	8,403,750	0.125%
Massimo Martinetto	13 rue des Eglantiers, L-1457 Luxembourg	Our Company	1,680,750	0.025%
Subtotal			67,230,000	1.000%

Senior Management

Name of Grantee	Address	Company or its Affiliates	Number of Shares under the options granted	Percentage of interest in our Company immediately after completion of the Global Offering
Sean Ma	Chemtex International Trading Co. Ltd 7 Building, Lane 1000, Zhangheng Road Zhangjian Hi-Tech Park Pudong New District Shanghai, PRC, 2012100	Our Company	16,807,500	0.250%
Mauro Fenoglio	M&G Polymers USA LLC 450 Gears Road Suite 240 Houston, TX 77067 USA	Our Company	16,807,500	0.250%
Luis Apperti	M&G Polímeros Mexico — Boulevar Petrocel KM 2 PUERTO INDUSTRIAL ALTAMIRA - Mexico	Our Company	8,403,750	0.125%
Enrico Colombo	37/a Ave. J.F.Kennedy, L-1855 Luxembourg	Our Company	8,403,750	0.125%
Andrea Caperdoni ¹	M&G Finanziaria srl. Centro Direzionale Milanofiori Strada 4 palazzo A6 20090 Assago (MI) Italy	Our Company	8,403,750	0.125%
Josè Veiga Veiga	M&G Polímeros Brasil S.A. World Trade Center Av. Nacoes Unidas, 12551 8° andar -Brooklin Novo 04578-903 São Paulo, SP Brazil	Our Company	8,403,750	0.125%
Subtotal			67,230,000	1.000%
Total			134,460,000	2.000%

¹ Mr. Caperdoni is a prospective employee of M&G Chemicals. He is currently employed by M&G Finanziaria S.r.l.

Each of the above options is subject to a vesting schedule of five years pursuant to which one-fifth (1/5) of the options shall become vested and exercisable on the same day as the day on which the Listing takes place in the years 2014, 2015, 2016, 2017 and 2018, respectively.

Each participant to the Pre-IPO Share Option Scheme shall not exercise the options granted under the Pre-IPO Share Option Scheme to such an extent that the Shares held by the public (as defined in the Hong Kong Listing Rules) after the Global Offering will fall below the required percentage set out in Rule 8.08 of the Hong Kong Listing Rules or such other percentage as approved by the Hong Kong Stock Exchange from time to time.

Our Board shall at all times have the authority under the articles of association of our Company to (i) issue Shares to satisfy all options which the Board has granted under this Pre-IPO Share Option Scheme, and (ii) to cancel the pre-emptive rights of the existing shareholders of our Company with respect to the issue of Shares to pursuant to the exercise of any such options.

D. Disclosure of Interests

(a) Directors

The interests and short positions of our Directors in the equity or debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO) once our Shares are listed, or which will be required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Hong Kong Listing Rules to be notified to us and the Hong Kong Stock Exchange, or which will be required pursuant to section 352 of the SFO to be entered in the register referred to therein once our Shares are listed, are as follows:

(i) Interests in shares of associated corporation

<u>Name of Director</u>	<u>Nature of interest</u>	<u>Name of associated corporations</u>	<u>Number of shares in the associated corporation</u>	<u>Approximate percentage of total issued shares in the associated corporation</u>
Marco Ghisolfi	Beneficial owner	Mossi & Ghisolfi S.p.A. ⁽¹⁾	581,089	29.56%

⁽¹⁾ Mossi & Ghisolfi S.p.A. holds 100% of the issued share capital of M&G Finanziaria S.r.l. M&G Finanziaria S.r.l. will hold approximately 65.00% of Shares of our Company immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised).

(ii) *Interests of Directors in Underlying Shares of our Company*

<u>Name of Director</u>	<u>Nature of interest</u>	<u>Number of Shares in our Company subject to options granted under the Pre-IPO Share Option Scheme</u>	<u>Approximate percentage of shareholding upon exercise of the options granted under the Pre-IPO Share Option Scheme</u>
Marco Toselli	Beneficial owner	23,530,500	0.350%
Mario Barbieri	Beneficial owner	16,807,500	0.250%
Fredrick John Fournier	Beneficial owner	16,807,500	0.250%
Evert-Jan van der Slobe	Beneficial owner	8,403,750	0.125%
Massimo Martinetto	Beneficial owner	1,680,750	0.025%

(b) *Substantial Shareholders*

So far as our Directors are aware, immediately following the completion of the Global Offering (without taking into account any Shares which may be allotted pursuant to the exercise of the Over-allotment Option), the following persons will have beneficial interests or short positions in our Shares which would, absent the grant of any waiver, fall to be disclosed to us under the provision of Division 2 and 3 of Part XV of the SFO, or are directly and/or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of any member of our Group:

<u>Name of Shareholder</u>	<u>Nature of interest and capacity</u>	<u>Immediately following the Global Offering (assuming the Over-allotment Option is not exercised)</u>	
		<u>Number of Shares held</u>	<u>Approximate percentage</u>
M&G Finanziaria S.r.l. . .	Beneficial owner	4,370,000,000	65.00%
Mossi & Ghisolfi S.p.A. .	Interest in a controlled corporation ⁽¹⁾	4,370,000,000	65.00%

Note:

- (1) M&G Finanziaria S.r.l. is wholly-owned by Mossi & Ghisolfi S.p.A. Therefore, Mossi & Ghisolfi S.p.A. is deemed to be interested in the Shares of our Company held by M&G Finanziaria S.r.l.

Save as disclosed above, our Directors are not aware of any person who will, immediately following completion of the Global Offering (without taking into account any Shares that may be issued pursuant to the exercise of the Options) (other than our Directors or chief executive officer), who will have beneficial interests or short positions in our Shares which would, absent the grant of any waiver, fall to be disclosed to us under the provisions of Division 2 and 3 of Part XV of the SFO, or is directly and/or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of any member of our Group.

E. Disclaimers

Save as disclosed in this prospectus:

- (a) none of our Directors nor any of the parties listed in paragraph “4. Other Information — G. Qualification of experts” of this Appendix is interested in the promotion of our Company, or has any direct or indirect interest in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, our Company, or are proposed to be acquired or disposed of by or leased to our Company;
- (b) none of our Directors nor any of the parties listed in paragraph “4. Other Information — G. Qualification of experts” of this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business as a whole;
- (c) save in connection with the Hong Kong Underwriting Agreement and the International Purchase Agreement, none of the parties in the aforesaid paragraph nor the Underwriters:
 - (i) is interested legally or beneficially in any of our Shares or any shares in any of our subsidiary; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities.
- (d) none of our Directors is a director or employee of a company which is expected to have any interest in our Shares falling to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XI of the SFO once our Shares are listed on the Hong Kong Stock Exchange;
- (e) as at the Latest Practicable Date, none of our Directors, their respective associates, or any of our Shareholders (who to the knowledge of the Directors owns more than 5% of our issued share capital), had any interest in any of our top five suppliers and top five clients in respect of each of our business segments;
- (f) none of our Directors and chief executives of our Company has for the purpose of Divisions 7 and 8 of Part XV of the SFO or the Hong Kong Listing Rules, nor is any of them taken to or deemed to have under Divisions 7 and 8 of Part XV of the SFO, any interests and short positions in the shares, underlying shares and debentures of our Company or any associated corporations (within the meaning of the SFO) or any interests which will have to be entered in the register to be kept by our Company pursuant to section 352 of the SFO or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies once our Shares are listed on the Hong Kong Stock Exchange;

- (g) so far as is known to our Directors or chief executive of our Company, no person has an interest or short position in our Shares and underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group;
- (h) no amount, securities or benefit has been paid, allotted or given within the two years preceding the date of this prospectus to the promoter nor is any such amount, securities or benefit intended to be paid, allotted or give. None of our Directors is interested in any business which competes or is likely to compete, either directly or indirectly, with our business; and
- (i) none of our Directors has been paid in cash or shares or otherwise by any person in respect of the years ended December 31, 2010, 2011 and 2012 and six months ended June 30, 2013 as an inducement to join or upon joining our Company, or otherwise for services rendered by him in connection with the promotion or formation of our Company.

4. OTHER INFORMATION

A. *Indemnities*

Deed of Indemnity

M&G Finanziaria S.r.l. entered into the Deed of Indemnity on November 27, 2013, pursuant to which it will indemnify our Company against certain loss or liability of our Company and/or any member of our Group as a result of or in connection with certain of the tax proceedings and civil proceedings with respect to our Brazilian operations.

See “Risk Factors — Risks Relating to our Businesses — We may be adversely affected by legal proceedings which include tax, labor, proceedings against directors and other proceedings with respect to our Brazilian operations” and “Business — Legal Proceedings — Brazilian civil proceedings” for further information about the proceedings to which the Deed of Indemnity relates.

The indemnities contemplated under the Deed of Indemnity do not apply to any liability:

- (a) to the extent that an allowance, provision or reserve in respect thereof has been made in the Accountants’ Report of our Company in Appendix I to this prospectus or to the extent that payment or discharge of such liability has been taken into account therein;
- (b) to the extent that the matter giving rise to a claim pursuant to the Deed of Indemnity is an amount for which the any member of our Group has a right of recovery against, or an indemnity from, a person other than M&G Finanziaria S.r.l., whether under a provision of applicable law, insurance policy or otherwise howsoever or would have had that right or indemnity but for a change in law or the terms of its insurance after the Underwriting Agreements having become unconditional;
- (c) to the extent that it arose or was increased as a result of any member of our Group failing to act in accordance with any reasonable request of M&G Finanziaria S.r.l. made in accordance with the Deed of Indemnity;

- (d) incurred as a result of or in connection with any proceedings which are not concluded, settled, or otherwise finalized on or before December 31, 2015; and
- (e) which relates to any costs and expenses (including legal and administrative costs and expenses) incurred by any member of our Group in connection with any claim under the Deed of Indemnity.

No claim under the Deed of Indemnity may be brought against M&G Finanziaria S.r.l. after the expiry of seven years from the date of the Underwriting Agreements having become unconditional and M&G Finanziaria S.r.l. shall not be liable under the Deed of Indemnity unless it shall have received written notice from our Company prior to the expiry of such seven-year period giving full and accurate details of the relevant claim in connection with the indemnity and any such claim in connection with the indemnity shall (if not previously satisfied, settled or withdrawn) be deemed to have been waived or withdrawn at the expiry of a period of 6 months after the 7th anniversary of the date of the Underwriting Agreements having become unconditional unless proceedings in respect thereof shall have already been commenced against M&G Finanziaria S.r.l.

M&G Finanziaria S.r.l. shall not be liable for any liability in respect of a claim unless its liability under such claim that would otherwise be recoverable exceeds US\$500,000 (except where the nature of such claim is connected with another claim), in which case M&G Finanziaria S.r.l. shall be liable for the entire amount.

The maximum aggregate amount for which M&G Finanziaria S.r.l. shall be liable in respect of all claims under the Deed of Indemnity shall be limited to R\$20.5 million.

B. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

C. Litigation

Except as disclosed under “Business — Legal Proceedings”, we are not involved in any material litigation, arbitration, tax or administrative proceedings. So far as we are aware, no such material litigation, arbitration, tax or administrative proceedings are pending or threatened against us.

D. Sole Sponsor

The Sole Sponsor has declared its independence pursuant to Rule 3A.07 of the Hong Kong Listing Rules.

The Sole Sponsor has made an application on our behalf to the Listing Committee of the Hong Kong Stock Exchange for listing of, and permission to deal in, our Shares. All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

E. Compliance advisor

We have appointed Rothschild (Hong Kong) Limited as our compliance advisor, or the Compliance Advisor, upon Listing in compliance with Rule 3A.19 of the Hong Kong Listing Rules.

We expect to enter into a compliance advisor's agreement with the Compliance Advisor, the material terms of which we expect to be as follows:

- (a) before the publication of any regulatory announcement, circular or financial report;
- (b) when a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share repurchases;
- (c) when we propose to use the net proceeds of the Global Offering in a manner different from that detailed in this prospectus or when our business activities, developments or results deviate from any forecast, estimate, or other information in this prospectus; and
- (d) when the Hong Kong Stock Exchange makes an inquiry to us regarding unusual movements in the price or trading volume of our Shares.

The term of this appointment shall commence on the Listing Date and is expected to end on the date on which we distribute our annual report in respect of the financial results for the first full financial year commencing after the Listing Date.

F. Preliminary expenses

Our estimated preliminary expenses are approximately €6,049.69, consisting of incorporation and notarial fees, and have been paid by us.

G. Qualification of experts

The qualifications of the experts, as defined under the Hong Kong Listing Rules, who have given opinions in this prospectus are as follows:

Name	Qualification
CITIC Securities Corporate Finance (HK) Limited	Licensed to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO
Ernst & Young	Certified Public Accountants
Ernst & Young Auditores Independentes S.S.	Certified Public Accountants
Allen & Overy	Legal advisers as to Luxembourg law
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Property Valuers
Polyester Analysis Ltd	Industry Consultant
Souza, Cescon, Barriau & Flesch	Legal advisers as to Brazilian law

Save as disclosed in this prospectus, none of these experts has any shareholding in our Company or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company.

Save as disclosed in this prospectus, none of the experts named above is interested in the promotion of our Company, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, our Company, or are proposed to be acquired or disposed of by or leased to our Company.

Save as disclosed in this prospectus, none of the experts named above is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group.

H. Financial advisers

Ambromobiliare S.p.A. (“Ambromobiliare”) Rothschild S.p.A. and Rothschild (Hong Kong) Limited (together with Rothschild S.p.A., “Rothschild”) have been appointed by our Company as its financial advisers in respect of the Global Offering. The appointment of Ambromobiliare and Rothschild was not made pursuant to the requirements of the Hong Kong Listing Rules, and is separate and distinct from the appointment of the Sole Sponsor (which is required to be made by our Company pursuant to the Hong Kong Listing Rules). The Sole Sponsor is responsible for fulfilling its duties as sponsor to our Company’s application for listing on the Hong Kong Stock Exchange, and the Sole Sponsor has not relied on any of the work performed by Ambromobiliare and Rothschild in fulfilling those duties. The role of Ambromobiliare and Rothschild in the Global Offering is different from that of the Sole Sponsor, in that they:

- advise and assist our Company on the selection and hiring of working parties, including the Underwriters;
- advise our Company on procedural aspects of the listing process and assist in the coordination of the working parties;
- advise our Company on the structure, timing and marketing strategy of the Global Offering; and
- perform analyses on the recommendations given by the Sole Sponsor and the Underwriters.

I. No material adverse change

Our Directors confirm that they have performed sufficient due diligence to ensure that, up to the date of this prospectus, there has been no material adverse change in our financial position or prospects since June 30, 2013 (being the date to which our Company's latest consolidated audited financial results were prepared) and there has been no event since June 30, 2013 which would materially affect the information shown in the Accountants' Report set out in Appendix I to this prospectus.

J. Binding effect

This prospectus shall have the effect, if an application is made in pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

K. Miscellaneous

Save as disclosed in this prospectus:

- (a) within the two years immediately preceding the date of this prospectus, we have not issued or agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;
- (b) no share or loan capital of our Group, if any, is under option or is agreed conditionally or unconditionally to be put under option;
- (c) no member of our Group has issued or agreed to issue any founder or management or deferred shares;
- (d) no member of our Group has issued or agreed to issue any debentures;
- (e) our Company has no outstanding convertible debt securities or debentures;
- (f) within the two years immediately preceding the date of this prospectus, no commission, discount, brokerage or other special term has been granted in connection with the issue or sale or any of the shares or loan capital of our Company or any of our subsidiaries;
- (g) there is no arrangement under which future dividends are waived or agreed to be waived;
- (h) there has been no interruption in our business which may have or has had a significant effect on the financial position in the last 12 months;
- (i) no part of the equity or debt securities of our Company, if any, is currently listed on or dealt in on any stock exchange or trading system, and no such listing or permission to list on any stock exchange other than the Hong Kong Stock Exchange is currently being or agreed to be sought;

- (j) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in our Company or any of our subsidiaries; and
- (k) there were no procedures for the exercise of any right of pre-emption or transferability of subscription rights.

L. Consents

Each of the Sole Sponsor, Ernst & Young as our reporting accountants, Ernst & Young Auditores Independentes S.S. as auditors of M&G Poliester S.A., Allen & Overy as our legal advisers as to Luxembourg law, Jones Lang LaSalle Corporate Appraisal and Advisory Limited as our property valuer, Polyester Analysis Ltd as our industry consultant, and Souza, Cescon, Barrieu & Flesch as our legal advisers as to Brazillian law has given and has not withdrawn its respective written consents to the issue of this prospectus with the inclusion of their reports and/or letters and/or valuation certificates and/or any statements made by them and/or the references to their names included herein in the form and context in which they are respectively included.

M. Related party transactions

Our Group entered into the related party transactions within the two years immediately preceding the date of this prospectus as mentioned in the section headed “Connected Transactions” and in Note II.8 of the “Accountants’ Report” in Appendix I to this prospectus.

N. Bilingual prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

This prospectus is written in the English language and contains a Chinese translation for information purposes only. Should there be any discrepancy between the English language of this prospectus and the Chinese translation, the English language version of this prospectus shall prevail.

O. Promoters

Our Company has no promoters for the purpose of the Hong Kong Listing Rules. Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given, nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus.

P. Particulars of the Selling Shareholder

The particulars of the Selling Shareholder are set out below (assuming the Over-allotment Option is exercised in full):

Name:	M&G Finanziaria S.r.l.
Place of Incorporation:	Italy
Date of Incorporation:	October 14, 1988
Registered Office:	Strada Ribrocca, 11 - 15057 Tortona (AL), Italy
Shareholder:	Mossi & Ghisolfi S.p.A., which is owned as to 29.56% by Marco Ghisolfi, a Director of our Company
Nature of business:	Investment holding
Number of Shares to be sold:	352,958,000

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the **WHITE, YELLOW** and **GREEN** Application Forms;
- (b) the written consents referred to in the section headed in “Appendix V — Statutory and General Information — 4. Other Information — G. Qualifications of experts and — L. Consents”;
- (c) a copy of each of the material contracts referred to in the section headed “Appendix V — Statutory and General Information — 2. Further Information about our Business — A. Summary of our material contracts”;
- (d) the statement of adjustments to the accountants’ report of our Group prepared by Ernst & Young; and
- (e) the statement of particulars of the Selling Shareholder.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Allen & Overy at 9th Floor, Three Exchange Square, Central, Hong Kong during normal business hours up to and including the date which is 14 days from this prospectus:

- (a) the Articles of Association;
- (b) the accountants’ report of our Group prepared by Ernst & Young, the text of which is set out in “Appendix I — Accountants’ Report”, and the related statement of adjustments;
- (c) the audited consolidated financial statements of M&G International S.A. and Chemtex Global S.à.r.l. for each of the three financial years ended December 31, 2010, December 31, 2011 and December 31, 2012;
- (d) the interim financial information of M&G Poliéster S.A. for the three and nine months ended September 30, 2013 with the independent auditor’s review report on individual and consolidated quarterly financial information, the text of which is set out in Appendix I-A(a) to this prospectus;
- (e) the report on the unaudited pro forma financial information of the Group from Ernst & Young, the text of which is set out in “Appendix II — Unaudited Pro Forma Financial Information”;
- (f) the letter prepared by Allen & Overy, our legal advisers as to Luxembourg law, on the summary of certain aspects of Luxembourg corporate law referred to in “Appendix IV — Summary of the Articles of Association”;

- (g) the material contracts referred to in the section headed “Appendix V — Statutory and General Information — 2. Further Information about our Business — A. Summary of our material contracts”;
- (h) the written consents referred to in the section headed “Appendix V — Statutory and General Information — 4. Other Information — G. Qualification of experts and — L. Consents”;
- (i) the rules of our Pre-IPO Share Option Scheme; and
- (j) the statement of particulars of the Selling Shareholder, including its name, address and description.

Part 1

Trademarks

MG Ref. No.	Country	Mark	Next Renewal Date	Status
MG.T.002.AR.	Argentina	CLEARTUF	29 May 2017	Registered
MG.T.002.BR.	Brazil	CLEARTUF	28 September 2019	Registered
MG.T.002.CL.	Chile	CLEARTUF	23 January 2018	Registered
MG.T.002.CO.	Colombia	CLEARTUF	28 January 2018	Registered
MG.T.002.EC.	Ecuador	CLEARTUF	16 October 2018	Registered
MG.T.002.MX	Mexico	CLEARTUF		Abandoned
MG.T.002.MX.2.	Mexico	CLEARTUF	16 May 2022	Registered
MG.T.002.NI	Nicaragua	CLEARTUF	05 February 2018	Registered
MG.T.002.PE.	Peru	CLEARTUF	25 August 2017	Registered
MG.T.002.PR.	Puerto Rico	CLEARTUF	15 July 2017	Registered
MG.T.002.PY.	Paraguay	CLEARTUF	10 June 2018	Registered
MG.T.002.UY	Uruguay	CLEARTUF	11 March 2018	Registered
MG.T.002.VE.	Venezuela	CLEARTUF	31 July 2018	Registered
MG.T.007.A.BR.	Brazil	CLEARTUF POWER	28 October 2018	Registered
MG.T.007.B.BR.	Brazil	CLEARTUF POWER	28 October 2018	Registered
MG.T.008.AR.	Argentina	CLEARTUF MAX	01 October 2013	Registered
MG.T.008.BO.	Bolivia	CLEARTUF MAX	11 December 2013	Registered
MG.T.008.BR.	Brazil	CLEARTUF MAX	29 April 2018	Registered
MG.T.008.CL.	Chile	CLEARTUF MAX	04 August 2023	Registered
MG.T.008.CO.	Colombia	CLEARTUF MAX	30 April 2023	Registered
MG.T.008.CR.	Costa Rica	CLEARTUF MAX	05 August 2023	Registered
MG.T.008.EC.	Ecuador	CLEARTUF MAX	17 February 2023	Registered
MG.T.008.HN	Honduras	CLEARTUF MAX	23 January 2023	Registered
MG.T.008.MX	Mexico	CLEARTUF MAX	13 August 2022	Registered
MG.T.008.PA.	Panama	CLEARTUF MAX	20 August 2022	Registered
MG.T.008.PE.	Peru	CLEARTUF MAX	16 March 2014	Registered
MG.T.008.PY.	Paraguay	CLEARTUF MAX	02 July 2023	Registered

APPENDIX VII**INTELLECTUAL PROPERTY**

MG Ref. No.	Country	Mark	Next Renewal Date	Status
MG.T.008.SV	El Salvador	CLEARTUF MAX	08 December 2023	Registered
MG.T.008.UY	Uruguay	CLEARTUF MAX	26 May 2023	Registered
MG.T.008.VE	Venezuela	CLEARTUF MAX	11 November 2013	Registered
MG.T.009.BR.1	Brazil	REPETE	12 June 2017	Registered
MG.T.009.BR.2	Brazil	REPETE	22 January 2018	Registered
MG.T.009.MX.1	Mexico	REPETE	22 August 2013	Registered
MG.T.009.MX.2	Mexico	REPETE	22 August 2013	Registered
MG.T.010.AR.1	Argentina	ACTITUF	19 November 2014	Registered
MG.T.010.AR.2	Argentina	ACTITUF	19 November 2014	Registered
MG.T.010.BO.1	Bolivia	ACTITUF	14 December 2015	Registered
MG.T.010.BO.2	Bolivia	ACTITUF	14 December 2015	Registered
MG.T.010.BR.1	Brazil	ACTITUF	02 January 2018	Registered
MG.T.010.BR.2	Brazil	ACTITUF	26 December 2017	Registered
MG.T.010.BY	Belarus	ACTITUF	14 March 2019	Registered
MG.T.010.CL.1	Chile	ACTITUF	21 November 2013	Registered
MG.T.010.CL.2	Chile	ACTITUF	21 November 2013	Registered
MG.T.010.CO.1	Colombia	ACTITUF	25 February 2014	Registered
MG.T.010.CO.2	Colombia	ACTITUF	28 June 2014	Registered
MG.T.010.CR.1	Costa Rica	ACTITUF	16 March 2014	Registered
MG.T.010.CR.2	Costa Rica	ACTITUF	16 March 2014	Registered
MG.T.010.EC.1	Ecuador	ACTITUF	23 September 2013	Registered
MG.T.010.EC.2	Ecuador	ACTITUF	23 September 2013	Registered
MG.T.010.MX.1	Mexico	ACTITUF	17 June 2013	Registered
MG.T.010.MX.2	Mexico	ACTITUF	17 June 2013	Registered
MG.T.010.PE.1	Peru	ACTITUF	13 October 2013	Registered
MG.T.010.PE.2	Peru	ACTITUF	13 October 2013	Registered
MG.T.010.PY.1	Paraguay	ACTITUF	31 December 2013	Registered
MG.T.010.PY.2	Paraguay	ACTITUF	05 March 2014	Registered
MG.T.010.SV.1	El Salvador	ACTITUF	28 September 2014	Registered
MG.T.010.SV.2	El Salvador	ACTITUF	28 September 2014	Registered

APPENDIX VII**INTELLECTUAL PROPERTY**

MG Ref. No.	Country	Mark	Next Renewal Date	Status
MG.T.012.BR.1	Brazil	CARIPAK	21 November 2020	Registered
MG.T.012.BR.2	Brazil	CARIPAK		Pending
MG.T.013.AR.1	Argentina	OXITUF	19 November 2014	Registered
MG.T.013.AR.2	Argentina	OXITUF	19 November 2014	Registered
MG.T.013.BO.1	Bolivia	OXITUF	14 December 2015	Registered
MG.T.013.BO.2	Bolivia	OXITUF	14 December 2015	Registered
MG.T.013.BY.	Belarus	OXITUF	14 March 2023	Registered
MG.T.013.CL.	Chile	OXITUF	24 November 2013	Registered
MG.T.013.CL.2	Chile	OXITUF	24 November 2013	Registered
MG.T.013.CO.1	Colombia	OXITUF	28 April 2015	Registered
MG.T.013.CO.2	Colombia	OXITUF	26 February 2014	Registered
MG.T.013.CR.1	Costa Rica	OXITUF	19 January 2014	Registered
MG.T.013.CR.2	Costa Rica	OXITUF	19 January 2014	Registered
MG.T.013.EC.1	Ecuador	OXITUF	23 September 2013	Registered
MG.T.013.EC.2	Ecuador	OXITUF	23 September 2013	Registered
MG.T.013.MX.1	Mexico	OXITUF	17 June 2013	Registered
MG.T.013.MX.2	Mexico	OXITUF	17 June 2013	Registered
MG.T.013.PE.1	Peru	OXITUF	23 October 2013	Registered
MG.T.013.PE.2	Peru	OXITUF	23 October 2013	Registered
MG.T.013.PY.1.	Paraguay	OXITUF	05 March 2014	Registered
MG.T.013.PY.2.	Paraguay	OXITUF	31 December 2013	Registered
MG.T.013.SV.1.	El Salvador	OXITUF	28 September 2014	Registered
MG.T.013.SV.2.	El Salvador	OXITUF	28 September 2014	Registered

Part 2
Key Patents

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G POLIESTER - BRA	STD PET	MG.BRA.001.CL	CL - Chile	Utility	Politereftalato de etileno glicol homo ou copolimero para aplicação em artigos moldados com garrafas, embalagens e outros com características de glicol	41086	08 August 2001	24 July 2016	Granted	RHODIA-STER
M&G POLIESTER - BRA	STD PET	MG.BRA.003.AR	AR- Argentina	Utility	A process for manufacturing polyester	ar021394	15 May 2006	25 November 2019	Granted	RHODIA-STER
M&G POLIESTER - BRA	STD PET	MG.BRA.003.BR	BR - Brazil	PCT National Phase Filing	A process for manufacturing polyester	PI9916751	18 November 2008	25 November 2019	Granted	RHODIA-STER
M&G POLIESTER - BRA	STD PET	MG.BRA.003.CA	CA - Canada	PCT National Phase Filing	A process for manufacturing polyester	2352664	06 March 2010	25 November 2019	Granted	RHODIA-STER
M&G POLIESTER - BRA	STD PET	MG.BRA.003.MX	MX - Mexico	PCT National Phase Filing	A process for manufacturing polyester	220723	02 June 2004	25 November 2019	Granted	RHODIA-STER
M&G POLIESTER - BRA	STD PET	MG.BRA.003.US	US - United States	Utility	A process for manufacturing polyester	6590060	08 July 2003	30 August 2021	Granted	RHODIA-STER
M&G POLIESTER - BRA	STD PET	MG.BRA.004.AR	AR- Argentina	Utility	A process for manufacturing polyester	P99010598	25 November 1999	25 November 2019	Pending	RHODIA-STER

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G POLIESTER - BRA	STD PET	MG.BRA.004.BR	BR - Brazil	PCT National Phase Filing	A process for manufacturing polyester	PI 9917609	10 March 2010	25 November 2019	Granted	RHODIA-STER
M&G POLIESTER - BRA	STD PET	MG.BRA.004.MX	MX - Mexico	PCT National Phase Filing	A process for manufacturing polyester	224678	06 December 2004	25 November 2019	Granted	RHODIA-STER
M&G POLIESTER - BRA	STD PET	MG.BRA.005.MX	MX - Mexico	PCT National Phase Filing	Polyester-based compositions having improved thermomechanical properties and process to produce said compositions.	255700	28 March 2008	28 March 2021	Granted	RHODIA-STER
M&G POLIESTER - BRA	STD PET	MG.BRA.005.UY	UY - Uruguay	PCT National Phase Filing	Polyester-based compositions having improved thermomechanical properties and process to produce said compositions.	26645	29 March 2001	29 March 2021	Abandoned	RHODIA-STER
M&G POLIESTER - BRA	STD PET	MG.Design01.BR	BR - Brazil	Design	Jar	DI 5700936.8	31 March 1998	10 July 2022	Granted	RHODIA-STER
M&G POLIESTER - BRA	STD PET	MG.Design02.BR	BR - Brazil	Design	Oil bottle	DI 5801041	30 November 1999	05 June 2023	Granted	RHODIA-STER
M&G USA CORPORATION	STD PET	MG.P.006.AU	AU - Australia	PCT National Phase Filing	Process for the production of high molecular weight polyester resins	664388	05 March 1996	15 October 2012	Expired	COBARR SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		OWNER (Current)
							DATE/ FILING DATE	EXPIRY STATUS	
M&G USA CORPORATION	STD PET	MG.P.006.BE	BE - Belgium	EP Regional Validation	Process for the production of high molecular weight polyester resins	563354	19 November 2003	15 October 2012	Expired COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.006.CA	CA - Canada	PCT National Phase Filing	Process for the production of high molecular weight polyester resins	2096640	18 March 2003	15 October 2012	Expired COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.006.DE	DE - Germany	EP Regional Validation	Process for the production of high molecular weight polyester resins	6923252	19 November 2003	15 October 2012	Expired COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.006.EP	EP - European Patent Office	Utility	Process for the production of high molecular weight polyester resins	563354	19 November 2003	15 October 2012	Expired COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.006.ES	ES - Spain	EP Regional Validation	Process for the production of high molecular weight polyester resins	2208634	19 November 2003	15 October 2012	Expired COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.006.FR	FR - France	EP Regional Validation	Process for the production of high molecular weight polyester resins	563354	19 November 2003	15 October 2012	Expired COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.006.GB	GB - United Kingdom	EP Regional Validation	Process for the production of high molecular weight polyester resins	563354	19 November 2003	15 October 2012	Expired COBARR SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		OWNER (Current)	
							FILING DATE	EXPIRY		STATUS
M&G USA CORPORATION	STD PET	MG.P.006.IT	IT - Italy	EP Regional Validation	Process for the production of high molecular weight polyester resins	1251953	19 November 2003	15 October 2012	Expired	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.006.JP	JP - Japan	PCT National Phase Filing	Process for the production of high molecular weight polyester resins	2790917	12 June 1998	15 October 2012	Expired	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.006.NL	NL - Netherlands	EP Regional Validation	Process for the production of high molecular weight polyester resins	563354	19 November 2003	15 October 2012	Expired	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.006.TW	TW - Taiwan	PCT National Phase Filing	Process for the production of high molecular weight polyester resins	NI-62878	08 November 1993	15 October 2012	Expired	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.006.US	US - United States	PCT National Phase Filing	Process for the production of high molecular weight polyester resins	5376734	27 December 1994	15 October 2012	Expired	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.016.MX	MX - Mexico	Utility	Polyester resins having improved rheological properties	209084	22 July 2002	04 July 2016	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.016.US	US - United States	Utility	Polyester resins having improved rheological properties	6447711	10 September 2002	03 July 2016	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.017.AU	AU - Australia	Utility	Polyester resin with improved color characteristics	705353	26 August 1999	23 July 2016	Granted	COBARR SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		OWNER (Current)	
							DATE/ FILING DATE	EXPIRY		STATUS
M&G USA CORPORATION	STD PET	MG.P.017.BE	BE - Belgium	EP Regional Validation	Polyester resin with improved color characteristics	758663	09 May 2001	22 July 2016	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.017.CA	CA - Canada	Utility	Polyester resin with improved color characteristics	2181870	09 October 2007	23 July 2016	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.017.DE	DE - Germany	EP Regional Validation	Polyester resin with improved color characteristics	69612709.1	09 May 2001	22 July 2016	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.017.ES	ES - Spain	EP Regional Validation	Polyester resin with improved color characteristics	2158199	09 May 2001	22 July 2016	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.017.FR	FR - France	EP Regional Validation	Polyester resin with improved color characteristics	758663	09 May 2001	22 July 2016	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.017.IT	IT - Italy	Utility	Polyester resin with improved color characteristics	1277362	10 November 1997	27 July 2015	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.017.MX	MX - Mexico	Utility	Polyester resin with improved color characteristics	193168	27 August 1999	26 July 2016	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.017.TW	TW - Taiwan	Utility	Polyester resin with improved color characteristics	NI-118960	19 December 2000	26 July 2016	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.017.US	US - United States	Utility	Polyester resin with improved color characteristics	5618908	08 April 1997	22 July 2016	Granted	COBARR SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		OWNER (Current)	
							FILING DATE	EXPIRY		STATUS
M&G USA CORPORATION	STD PET	MG.P.021.BE	BE - Belgium	EP Regional Validation	Improved process for the production of polyester resins	819716	24 April 2002	14 July 2017	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.021.DE	DE - Germany	EP Regional Validation	Improved process for the production of polyester resins	69712136.4	24 April 2002	14 July 2017	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.021.ES	ES - Spain	EP Regional Validation	Improved process for the production of polyester resins	2172718	24 April 2002	14 July 2017	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.021.FR	FR - France	EP Regional Validation	Improved process for the production of polyester resins	819716	24 April 2002	14 July 2017	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.021.GB	GB - United Kingdom	EP Regional Validation	Improved process for the production of polyester resins	819716	24 April 2002	14 July 2017	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.021.IT	IT - Italy	Utility	Improved process for the production of polyester resins	1283166	07 April 1998	18 July 2016	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.021.KR	KR - South Korea	Utility	Improved process for the production of polyester resins	526589	29 October 2005	15 July 2017	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.021.MX	MX - Mexico	Utility	Improved process for the production of polyester resins	200771	02 February 2001	17 July 2017	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.021.NL	NL - Netherlands	EP Regional Validation	Improved process for the production of polyester resins	819716	24 April 2002	14 July 2017	Granted	COBARR SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	STD PET	MG.P.021.US	US - United States	Utility	Process for the production of polyester resins	5902864	11 May 1999	15 July 2017	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.021.US.C1	US - United States	Continuation	Process for the production of polyester resins	6245863	12 June 2001	28 December 2018	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.022.DE	DE - Germany	EP Regional Validation	Blown polyester film	69718251.7	08 January 2003	14 July 2017	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.022.FR	FR - France	EP Regional Validation	Blown polyester film	819728	08 January 2003	14 July 2017	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.022.GB	GB - United Kingdom	EP Regional Validation	Blown polyester film	819728	08 January 2003	14 July 2017	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.022.IT	IT - Italy	Utility	Blown polyester film	1283160	07 April 1998	15 July 2016	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.022.MX	MX - Mexico	Utility	Blown polyester film	201017	09 March 2001	14 July 2017	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.022.US	US - United States	Utility	Blown polyester film	6013360	11 January 2000	14 July 2017	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.023.BE	BE - Belgium	EP Regional Validation	Improved process for the production of polyester resins	0822214	02 November 2006	14 July 2017	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.023.CA	CA - Canada	Utility	Improved process for the production of polyester resins	2210205	13 August 2002	11 July 2017	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.023.DE	DE - Germany	EP Regional Validation	Improved process for the production of polyester resins	69736877	02 November 2006	14 July 2017	Granted	COBARR SPA

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							DATE/ FILING DATE	EXPIRY		
M&G USA CORPORATION	STD PET	MG.P.023.ES	ES - Spain	EP Regional Validation	Improved process for the production of polyester resins	2276410	02 November 2006	14 July 2017	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.023.FR	FR - France	EP Regional Validation	Improved process for the production of polyester resins	0822214	02 November 2006	14 July 2017	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.023.GB	GB - United Kingdom	EP Regional Validation	Improved process for the production of polyester resins	0822214	02 November 2006	14 July 2017	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.023.IT	IT - Italy	EP Regional Validation	Improved process for the production of polyester resins	1283644	02 November 2006	14 July 2017	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.023.KR	KR - South Korea	Utility	Improved process for the production of polyester resins	681569	05 February 2007	01 August 2017	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.023.MX	MX - Mexico	Utility	Improved process for the production of polyester resins	210105	04 September 2002	31 July 2017	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.023.US	US - United States	Utility	Process for the production of polyester resins	6228302	08 May 2001	23 July 2017	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.024.DE	DE - Germany	EP Regional Validation	Process for the dimensional stabilization of containers in polyethylene	69726261	19 November 2003	15 October 2017	Granted	COBARR SPA

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M&G USA CORPORATION	STD PET	MG.P.024.FR	FR - France	EP Regional Validation	Process for the dimensional stabilization of containers in polyethylene	877770	19 November 2003	15 October 2017	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.024.US	US - United States	PCT National Phase Filing	Process for the dimensional stabilization of containers in polyethylene	6458314	01 October 2002	14 July 2018	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.028.AT	AT - Austria	EP Regional Validation	Polyester resins with improved properties	247687	20 August 2003	12 March 2019	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.028.BE	BE - Belgium	EP Regional Validation	Polyester resins with improved properties	943649	20 August 2003	12 March 2019	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.028.CA	CA - Canada	Utility	Polyester resins with improved properties	2265319	09 March 2010	15 March 2019	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.028.DE	DE - Germany	EP Regional Validation	Polyester resins with improved properties	69910474	20 August 2003	12 March 2019	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.028.ES	ES - Spain	EP Regional Validation	Polyester resins with improved properties	2205613	20 August 2003	12 March 2019	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.028.FR	FR - France	EP Regional Validation	Polyester resins with improved properties	943649	20 August 2003	12 March 2019	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.028.GB	GB - United Kingdom	EP Regional Validation	Polyester resins with improved properties	943649	20 August 2003	12 March 2019	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.028.IT	IT - Italy	EP Regional Validation	Polyester resins with improved properties	1298635	20 August 2003	12 March 2019	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.028.JP	JP - Japan	Utility	Polyester resins with improved properties	11-69640	16 March 1999	16 March 2019	Pending	COBARR SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	STD PET	MG.P.028.NL	NL - Netherlands	EP Regional Validation	Polyester resins with improved properties	943649	20 August 2003	12 March 2019	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.028.SE	SE - Sweden	EP Regional Validation	Polyester resins with improved properties	943649	20 August 2003	12 March 2019	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.028.US	US - United States	Utility	Polyester resins with improved properties	6057016	02 May 2000	15 March 2019	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.030.AT	AT - Austria	EP Regional Validation	Polyester resin blends with high level gas barrier properties	263808	07 April 2004	11 June 2018	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.030.AU	AU - Australia	Utility	Polyester resin blends with high-level gas barrier properties	754308	14 November 2002	10 June 2015	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.030.BE	BE - Belgium	EP Regional Validation	Polyester resin blends with high level gas barrier properties	964031	07 April 2004	11 June 2018	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.030.BR	BR - Brazil	Utility	Polyester resin blends with high level gas barrier properties	PI9902233	10 February 2009	11 June 2018	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.030.CA	CA - Canada	Utility	Polyester resin blends with high-level gas barrier properties	2273701	12 February 2008	03 June 2019	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.030.CH	CH - Switzerland	EP Regional Validation	Polyester resin blends with high level gas barrier properties	964031	07 April 2004	11 June 2018	Granted	COBARR SPA

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M&G USA CORPORATION	BARRIER PET	MG.P.030.DE	DE - Germany	EP Regional Validation	Polyester resin blends with high level gas barrier properties	69916174	07 April 2004	11 June 2018	Granted / Null / Under Appeal	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.030.EP	EP - European Patent Office	Utility	Polyester resin blends with high level gas barrier properties	964031	07 April 2004	11 June 2018	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.030.ES	ES - Spain	EP Regional Validation	Polyester resin blends with high level gas barrier properties	2217645	07 April 2004	11 June 2018	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.030.FI	FI - Finland	EP Regional Validation	Polyester resin blends with high level gas barrier properties	964031	07 April 2004	11 June 2018	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.030.FR	FR - France	EP Regional Validation	Polyester resin blends with high level gas barrier properties	964031	07 April 2004	11 June 2018	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.030.GB	GB - United Kingdom	EP Regional Validation	Polyester resin blends with high level gas barrier properties	964031	07 April 2004	11 June 2018	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.030.IN	IN - India	Utility	Polyester resin blends with high-level gas barrier properties	202599	02 March 2007	01 June 2019	Granted	COBARR SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		OWNER (Current)	
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M&G USA CORPORATION	BARRIER PET	MG.P.030.IT	IT - Italy	EP Regional Validation	Polyester resin blends with high-level gas barrier properties	1301690	07 April 2004	11 June 2018	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.030.JP	JP - Japan	Utility	Polyester resin blends with high level gas barrier properties	4412763	27 November 2009	10 June 2019	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.030.JP.DIV	JP - Japan	Divisional	Polyester resin blends with high level gas barrier properties	2009-212032	14 September 2009	10 June 2019	Pending	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.030.KR	KR - South Korea	Utility	Polyester resin blends with high-level gas barrier properties	0609422	28 July 2006	01 June 2019	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.030.MX	MX - Mexico	Utility	Polyester resin blends with high-level gas barrier properties	226199	09 February 2005	10 June 2019	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.030.NL	NL - Netherlands	EP Regional Validation	Polyester resin blends with high level gas barrier properties	964031	07 April 2004	11 June 2018	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.030.SE	SE - Sweden	EP Regional Validation	Polyester resin blends with high level gas barrier properties	964031	07 April 2004	11 June 2018	Granted	COBARR SPA

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M&G USA CORPORATION	BARRIER PET	MG.P.030.TW	TW - Taiwan	Utility	Polyester resin blends with high-level gas barrier properties	123756	11 July 2005	01 June 2019	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.030.US	US - United States	Utility	Polyester resin blends with high level gas barrier properties	6346307	12 February 2002	01 June 2019	Reissued	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.030.US.R	US - United States	Reissue	Polyester resin blends with high level gas barrier properties	RE42925	15 November 2011	01 June 2019	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.032.DE	DE - Germany	EP Regional Validation	Transparent articles of polyester resin	60006728	26 November 2003	25 January 2020	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.032.ES	ES - Spain	EP Regional Validation	Transparent articles of polyester resin	2209692	26 November 2003	25 January 2020	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.032.FR	FR - France	EP Regional Validation	Transparent articles of polyester resin	1024169	26 November 2003	25 January 2020	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.032.IT	IT - Italy	EP Regional Validation	Transparent articles of polyester resin	1307930	26 November 2003	25 January 2020	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.032.JP	JP - Japan	Utility	Transparent articles of polyester resin	1447700	24 January 2000	24 January 2020	Pending	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.032.KR	KR - South Korea	Utility	Transparent articles of polyester resin	620640	29 August 2006	26 January 2020	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.032.MX	MX - Mexico	Utility	Transparent articles of polyester resin	219099	10 February 2004	25 January 2020	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.032.US	US - United States	Utility	Transparent articles of polyester resin	6258452	10 July 2001	20 January 2020	Granted	COBARR SPA

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M&G USA CORPORATION	STD PET	MG.P.033.CA	CA - Canada	Utility	Process for the preparation of polyester resin	2292986	03 March 2009	21 December 2019	Granted COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.033.DE	DE - Germany	EP Regional Validation	Process for the preparation of polyester resin	69923420.4	26 January 2005	20 December 2019	Granted COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.033.ES	ES - Spain	EP Regional Validation	Process for the preparation of polyester resin	2235429	26 January 2005	20 December 2019	Granted COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.033.FR	FR - France	EP Regional Validation	Process for the preparation of polyester resin	1013691	26 January 2005	20 December 2019	Granted COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.033.GB	GB - United Kingdom	EP Regional Validation	Process for the preparation of polyester resin	1013691	26 January 2005	20 December 2019	Granted COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.033.IT	IT - Italy	EP Regional Validation	Process for the preparation of polyester resin	1304797	26 January 2005	20 December 2019	Granted COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.033.JP	JP - Japan	Utility	Process for the preparation of polyester resin	36264999	21 December 1999	21 December 2019	Pending COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.033.KR	KR - South Korea	Utility	Process for the preparation of polyester resin	620665	29 August 2006	23 December 2019	Granted COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.033.MX	MX - Mexico	Utility	Process for the preparation of polyester resin	240013	05 September 2006	03 January 2020	Granted COBARR SPA

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M&G USA CORPORATION	STD PET	MG.P.033.NL	NL - Netherlands	EP Regional Validation	Process for the preparation of polyester resin	1013691	26 January 2005	20 December 2019	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.033.TW	TW - Taiwan	Utility	Process for the preparation of polyester resin	NI-146787	10 April 2002	21 December 2019	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.033.US	US - United States	Utility	Process for the preparation of polyester resin	6143837	07 November 2000	21 December 2019	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.040.AU	AU - Australia	Utility	Preparation of polyester resins using a masterbatch of polyaryleneamide	777598	10 February 2005	26 June 2021	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.040.BE	BE - Belgium	EP Regional Validation	Preparation of polyester resins using a masterbatch of polyaryleneamide	1167447	12 April 2006	21 June 2021	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.040.CA	CA - Canada	Utility	Preparation of polyester resins using a masterbatch of polyaryleneamide	2351758	16 February 2010	26 June 2021	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.040.DE	DE - Germany	EP Regional Validation	Preparation of polyester resins using a masterbatch of polyaryleneamide	60118659	12 April 2006	21 June 2021	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.040.ES	ES - Spain	EP Regional Validation	Preparation of polyester resins using a masterbatch of polyaryleneamide	2260122	12 April 2006	21 June 2021	Granted	COBARR SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		OWNER (Current)	
							FILING DATE	EXPIRY		STATUS
M&G USA CORPORATION	BARRIER PET	MG.P.040.FR	FR - France	EP Regional Validation	Preparation of polyester resins using a masterbatch of polyaryleneamide	1167447	12 April 2006	21 June 2021	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.040.GB	GB - United Kingdom	EP Regional Validation	Preparation of polyester resins using a masterbatch of polyaryleneamide	1167447	12 April 2006	21 June 2021	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.040.IT	IT - Italy	Utility	Preparation of polyester resins using a masterbatch of polyaryleneamide	1318600	27 August 2003	28 June 2020	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.040.IT.EP	IT - Italy	EP Regional Validation	Preparation of polyester resins using a masterbatch of polyaryleneamide	1167447	12 April 2006	21 June 2021	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.040.JP	JP - Japan	Utility	Preparation of polyester resins using a masterbatch of polyaryleneamide	3605376	08 October 2004	27 June 2021	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.040.MX	MX - Mexico	Utility	Preparation of polyester resins using a masterbatch of polyaryleneamide	220276	27 June 2004	27 June 2021	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.040.NL	NL - Netherlands	EP Regional Validation	Preparation of polyester resins using a masterbatch of polyaryleneamide	1167447	12 April 2006	21 June 2021	Granted	COBARR SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.040.TW	TW - Taiwan	Utility	Preparation of polyester resins using a masterbatch of polyaryleneamide	NI 194364	28 April 2004	20 June 2021	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.040.US	US - United States	Utility	Preparation of polyester resins using a masterbatch of polyaryleneamide	6630542	07 October 2003	26 June 2021	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.041.B.AT	AT - Austria	EP Regional Validation	Transparent polyester resins and articles therefrom	417896	17 December 2008	16 September 2022	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.041.B.AU	AU - Australia	PCT National Phase Filing	Transparent polyester resins and articles therefrom	2002338703	16 March 2007	16 September 2022	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.041.B.BE	BE - Belgium	EP Regional Validation	Transparent polyester resins and articles therefrom	1432762	17 December 2008	16 September 2022	Granted Under Appeal	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.041.B.BG	BG - Bulgaria	EP Regional Validation	Transparent polyester resins and articles therefrom	1432762	17 December 2008	16 September 2022	Granted Under Appeal	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.041.B.BR	BR - Brazil	PCT National Phase Filing	Transparent polyester resins and articles therefrom	PI 0213080	16 September 2002	16 September 2022	Pending	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.041.B.CA	CA - Canada	PCT National Phase Filing	Transparent polyester resins and articles therefrom	2461911	26 June 2012	16 September 2022	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.041.B.CZ	CZ - Czech Republic	EP Regional Validation	Transparent polyester resins and articles therefrom	1432762	17 December 2008	16 September 2022	Granted Under Appeal	COBARR SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.041.B.DE	DE - Germany	EP Regional Validation	Transparent polyester resins and articles therefrom	1432762	17 December 2008	16 September 2022	Granted Under Appeal	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.041.B.DK	DK - Denmark	EP Regional Validation	Transparent polyester resins and articles therefrom	1432762	17 December 2008	16 September 2022	Granted Under Appeal	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.041.B.EP	EP - European Patent Office	PCT National Phase Filing	Transparent polyester resins and articles therefrom	1432762	17 December 2008	16 September 2022	Granted Under Appeal	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.041.B.ES	ES - Spain	EP Regional Validation	Transparent polyester resins and articles therefrom	2319746	17 December 2008	16 September 2022	Granted Under Appeal	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.041.B.FI	FI - Finland	EP Regional Validation	Transparent polyester resins and articles therefrom	1432762	17 December 2008	16 September 2022	Granted Under Appeal	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.041.B.FR	FR - France	EP Regional Validation	Transparent polyester resins and articles therefrom	1432762	17 December 2008	16 September 2022	Granted Under Appeal	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.041.B.GB	GB - United Kingdom	EP Regional Validation	Transparent polyester resins and articles therefrom	1432762	17 December 2008	16 September 2022	Granted Under Appeal	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.041.B.IT	IT - Italy	Utility	Transparent polyester resins and articles therefrom	1326956	11 March 2005	16 November 2021	Abandoned	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.041.B.IT.EP	IT - Italy	EP Regional Validation	Transparent polyester resins and articles therefrom	1432762	17 December 2008	16 September 2022	Granted Under Appeal	COBARR SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		OWNER (Current)	
							DATE/ FILING DATE	EXPIRY		STATUS
M&G USA CORPORATION	BARRIER PET	MG.P.041.B.KR	KR - South Korea	PCT National Phase Filing	Transparent polyester resins and articles therefrom	883295	05 February 2009	16 September 2022	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.041.B.MX	MX - Mexico	PCT National Phase Filing	Transparent polyester resins and articles therefrom	249337	24 September 2007	16 September 2022	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.041.B.NL	NL - Netherlands	EP Regional Validation	Transparent polyester resins and articles therefrom	1432762	17 December 2008	16 September 2022	Granted Under Appeal	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.041.B.PL	PL - Poland	PCT National Phase Filing	Transparent polyester resins and articles therefrom	P-367488	16 September 2002	16 September 2022	Pending	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.041.B.RU	RU - Russian Federation	PCT National Phase Filing	Transparent polyester resins and articles therefrom	2289598	20 December 2006	16 September 2022	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.041.B.SK	SK - Slovakia	EP Regional Validation	Transparent polyester resins and articles therefrom	1432762	17 December 2008	16 September 2022	Granted Under Appeal	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.041.B.TR	TR - Turkey	EP Regional Validation	Transparent polyester resins and articles therefrom	1432762	17 December 2008	16 September 2022	Granted Under Appeal	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.041.B.US	US - United States	PCT National Phase Filing	Transparent polyester resins and articles there from	7048981	23 May 2006	26 March 2024	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.041.IT	IT - Italy	Utility	Transparent polyester resins and articles therefrom	1326581	08 February 2005	28 September 2021	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.044.AR	AR- Argentina	Utility	Flexible bottles of polyester resin	039057	30 July 2009	16 July 2022	Granted	COBARR SPA

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Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	STD PET	MG.P.044.AT	AT - Austria	EP Regional Validation	Flexible bottles of polyester resin	367982	25 July 2007	12 July 2022	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.044.BE	BE - Belgium	EP Regional Validation	Flexible bottles of polyester resin	1417141	25 July 2007	12 July 2022	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.044.BR	BR - Brazil	PCT National Phase Filing	Flexible bottles of polyester resin	PI0211233	12 July 2002	12 July 2022	Allowed	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.044.CZ	CZ - Czech Republic	EP Regional Validation	Flexible bottles of polyester resin	1417141	25 July 2007	12 July 2022	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.044.DE	DE - Germany	EP Regional Validation	Flexible bottles of polyester resin	60221401	25 July 2007	12 July 2022	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.044.ES	ES - Spain	EP Regional Validation	Flexible bottles of polyester resin	2289121	25 July 2007	12 July 2022	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.044.FR	FR - France	EP Regional Validation	Flexible bottles of polyester resin	1417141	25 July 2007	12 July 2022	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.044.GB	GB - United Kingdom	EP Regional Validation	Flexible bottles of polyester resin	1417141	25 July 2007	12 July 2022	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.044.GR	GR - Greece	EP Regional Validation	Flexible bottles of polyester resin	3063286	25 July 2007	12 July 2022	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.044.IT	IT - Italy	Utility	Flexible bottles of polyester resin	1325813	21 December 2004	16 July 2021	Abandoned	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.044.IT.EP	IT - Italy	EP Regional Validation	Flexible bottles of polyester resin	1417141	25 July 2007	12 July 2022	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.044.MX	MX - Mexico	PCT National Phase Filing	Flexible bottles of polyester resin	248151	17 August 2007	12 July 2022	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.044.NL	NL - Netherlands	EP Regional Validation	Flexible bottles of polyester resin	1417141	25 July 2007	12 July 2022	Granted	COBARR SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	STD PET	MG.P.044.SE	SE - Sweden	EP Regional Validation	Flexible bottles of polyester resin	1417141	25 July 2007	12 July 2022	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.044.US	US - United States	PCT National Phase Filing	Flexible bottles of polyester resin	7226648	05 June 2007	09 September 2024	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.AT	AT - Austria	EP Regional Validation	Article comprising light absorbing composition to mask the visual haze and related method	359317	11 April 2007	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.AU	AU - Australia	PCT National Phase Filing	Article comprising light absorbing composition to mask the visual haze and related method	2004209002	26 August 2010	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.AU.DIV	AU - Australia	Divisional	Article comprising light absorbent composition to mask visual haze	2010201027	17 March 2010	30 January 2024	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.BE	BE - Belgium	EP Regional Validation	Article comprising light absorbing composition to mask the visual haze and related method	1590398	11 April 2007	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.BG	BG - Bulgaria	EP Regional Validation	Article comprising light absorbing composition to mask the visual haze and related method	1590398	11 April 2007	30 January 2024	Granted	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		OWNER (Current)	
							DATE/ FILING DATE	EXPIRY		STATUS
M&G USA CORPORATION	BARRIER PET	MG.P.048.BR	BR - Brazil	PCT National Phase Filing	Article comprising light absorbing composition to mask the visual haze and related method	P10406993	30 January 2004	30 January 2024	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.CA	CA - Canada	PCT National Phase Filing	Article comprising light absorbing composition to mask the visual haze and related method	2513686	27 September 2011	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.CH	CH - Switzerland	EP Regional Validation	Article comprising light absorbing composition to mask the visual haze and related method	1590398	11 April 2007	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.CN	CN - China	PCT National Phase Filing	Article comprising light absorbent composition to mask visual haze and related methods	100378149	02 April 2008	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.CZ	CZ - Czech Republic	EP Regional Validation	Article comprising light absorbing composition to mask the visual haze and related method	1590398	11 April 2007	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.DE	DE - Germany	EP Regional Validation	Article comprising light absorbing composition to mask the visual haze and related method	602004005823	11 April 2007	30 January 2024	Granted	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.048.DK	DK - Denmark	EP Regional Validation	Article comprising light absorbing composition to mask the visual haze and related method	1590398	11 April 2007	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.EP	EP - European Patent Office	PCT National Phase Filing	Article comprising light absorbent composition to mask visual haze and related methods	1590398	11 April 2007	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.ES	ES - Spain	EP Regional Validation	Article comprising light absorbing composition to mask the visual haze and related method	2285420	11 April 2007	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.FR	FR - France	EP Regional Validation	Article comprising light absorbing composition to mask the visual haze and related method	1590398	11 April 2007	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.GB	GB - United Kingdom	EP Regional Validation	Article comprising light absorbing composition to mask the visual haze and related method	1590398	11 April 2007	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.GR	GR - Greece	EP Regional Validation	Article comprising light absorbing composition to mask the visual haze and related method	3062045	11 April 2007	30 January 2024	Granted	M&G POLIMERI ITALIA SPA

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Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		STATUS	OWNER (Current)
							DATE/ FILING DATE	EXPIRY		
M&G USA CORPORATION	BARRIER PET	MG.P.048.HU	HU - Hungary	EP Regional Validation	Article comprising light absorbing composition to mask the visual haze and related method	1590398	11 April 2007	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.ID	ID - Indonesia	PCT National Phase Filing	Article comprising light absorbent composition to mask visual haze and related methods	ID P 0024449	30 October 2009	30 January 2024	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.IN	IN - India	PCT National Phase Filing	Article comprising light absorbing composition to mask the visual haze and related method	220888	04 July 2008	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.IT	IT - Italy	EP Regional Validation	Article comprising light absorbing composition to mask the visual haze and related method	1590398	11 April 2007	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.JP	JP - Japan	PCT National Phase Filing	Article comprising light absorbent composition to mask visual haze and related methods	4950655	16 March 2012	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.JP.DIV	JP - Japan	Divisional	Article comprising light absorbent composition to mask visual haze and related methods	2010-223482	01 October 2010	30 January 2024	Pending	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		OWNER (Current)	
							FILING DATE	EXPIRY		STATUS
M&G USA CORPORATION	BARRIER PET	MG.P.048.KR	KR - South Korea	PCT National Phase Filing	Article comprising light absorbent composition to mask visual haze and related methods	1055230	02 August 2011	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.KR2	KR - South Korea	PCT National Phase Filing	Transparent polyester resins and articles therefrom	2004-7004481	16 September 2002	30 January 2024	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.MX	MX - Mexico	PCT National Phase Filing	Article comprising light absorbing composition to mask the visual haze and related method	268806	30 July 2009	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.NL	NL - Netherlands	EP Regional Validation	Article comprising light absorbing composition to mask the visual haze and related method	1590398	11 April 2007	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.PL	PL - Poland	PCT National Phase Filing	Article comprising light absorbing composition to mask the visual haze and related method	P-377436	30 January 2004	30 January 2024	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.PL.DIV	PL - Poland	Divisional	Article comprising light absorbent composition to mask visual haze and related methods	P-392907	04 November 2010	30 January 2024	Pending	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.048.PT	PT - Portugal	EP Regional Validation	Article comprising light absorbing composition to mask the visual haze and related method	1590398	11 April 2007	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.RO	RO - Romania	EP Regional Validation	Article comprising light absorbing composition to mask the visual haze and related method	1590398	11 April 2007	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.RU	RU - Russian Federation	PCT National Phase Filing	Article comprising light absorbing composition to mask the visual haze and related method	2323229	27 April 2008	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.SE	SE - Sweden	EP Regional Validation	Article comprising light absorbing composition to mask the visual haze and related method	1590398	11 April 2007	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.TR	TR - Turkey	EP Regional Validation	Article comprising light absorbing composition to mask the visual haze and related method	1590398	11 April 2007	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.048.US	US - United States	PCT National Phase Filing	Article comprising light absorbent composition to mask visual haze and related methods	7833595	16 November 2010	03 February 2026	Granted	M&G USA CORPORATION

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.048.US.CONT.F1	US - United States	Continuation	Article comprising light absorbent composition to mask visual haze and related methods	8053050	08 November 2011	30 January 2024	Granted	M&G USA CORPORATION
M&G USA CORPORATION	BARRIER PET	MG.P.048.US.CONT.F2	US - United States	Continuation	Article comprising light absorbent composition to mask visual haze and related methods	8067074	29 November 2011	30 January 2024	Granted	M&G USA CORPORATION
M&G USA CORPORATION	BARRIER PET	MG.P.048.US.CONT.M1	US - United States	Continuation	Article comprising light absorbent composition to mask visual haze and related methods	8110264	07 February 2012	30 January 2024	Granted	M&G USA CORPORATION
M&G USA CORPORATION	BARRIER PET	MG.P.048.US.CONT.M2	US - United States	Continuation	Article comprising light absorbent composition to mask visual haze and related methods	8057874	15 November 2011	30 January 2024	Granted	M&G USA CORPORATION
M&G USA CORPORATION	BARRIER PET	MG.P.048.US.CONT.M3	US - United States	Continuation	Article comprising light absorbent composition to mask visual haze and related methods	13340936	30 December 2011	30 January 2024	Abandoned	M&G USA CORPORATION
M&G USA CORPORATION	BARRIER PET	MG.P.048.US.CONT.M4	US - United States	Continuation	Article comprising light absorbent composition to mask visual haze and related methods	13648419	10 October 2012	30 January 2024	Allowed	M&G USA CORPORATION

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.048.US.CONT.M5	US - United States	Continuation	Article comprising light absorbent composition to mask visual haze and related methods	14020995	09 September 2013	30 January 2024	Pending	M&G USA CORPORATION
M&G USA CORPORATION	BARRIER PET	MG.P.048.US.CONTA	US - United States	Continuation	Article comprising light absorbent composition to mask visual haze and related methods	7438960	21 October 2008	30 January 2024	Granted	M&G USA CORPORATION
M&G USA CORPORATION	BARRIER PET	MG.P.048.US.DIVA	US - United States	Divisional	Article comprising light absorbent composition to mask visual haze and related methods	8052917	08 November 2011	26 December 2024	Granted	M&G USA CORPORATION
M&G USA CORPORATION	BARRIER PET	MG.P.048.ZA	ZA - South Africa	PCT National Phase Filing	Article comprising light absorbing composition to mask the visual haze and related method	2005/05735	27 September 2006	30 January 2024	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.AR	AR- Argentina	Utility	Compartmentalized resin pellets	P050102024	17 May 2005	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.AR.DIVI	AR- Argentina	Divisional	Compartmentalized resin pellets	P120103835	15 October 2012	17 May 2025	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.AR.DIVII	AR- Argentina	Divisional	Compartmentalized resin pellets	P120103836	15 October 2012	17 May 2025	Pending	M&G POLIMERI ITALIA SPA

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Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.050.AT	AT - Austria	EP Regional Validation	Compartmentalized resin pellets	507050	11 April 2012	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.AU	AU - Australia	PCT National Phase Filing	Compartmentalized resin pellets	2005243901	17 May 2005	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.BE	BE - Belgium	EP Regional Validation	Compartmentalized resin pellets	1750916	11 April 2012	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.BG	BG - Bulgaria	EP Regional Validation	Compartmentalized resin pellets	1750916	11 April 2012	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.BR	BR - Brazil	PCT National Phase Filing	Compartmentalized resin pellets	PI0510880	17 May 2005	17 May 2025	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.CA	CA - Canada	PCT National Phase Filing	Compartmentalized resin pellets	2565922	19 March 2013	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.CH	CH - Switzerland	EP Regional Validation	Compartmentalized resin pellets	1750916	11 April 2012	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.CN	CN - China	PCT National Phase Filing	Compartmentalized resin pellets	200580023737,4	17 May 2010	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.CN.DIVI	CN - China	Divisional	Compartmentalized resin pellets	200910209057,1	30 May 2012	17 May 2025	Granted	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.050.CN.DIVII	CN - China	Divisional	Compartmentalized resin pellets	200910209055.2	17 May 2005	17 May 2025	Allowed	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.CZ	CZ - Czech Republic	EP Regional Validation	Compartmentalized resin pellets	1750916	11 April 2012	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.DE	DE - Germany	EP Regional Validation	Compartmentalized resin pellets	1750916	11 April 2012	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.DK	DK - Denmark	EP Regional Validation	Compartmentalized resin pellets	1750916	11 April 2012	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.EG	EG - Egypt	PCT National Phase Filing	Compartmentalized resin pellets	PCT1094/2006	17 May 2005	17 May 2025	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.EG.DIVI	EG - Egypt	Divisional	Compartmentalized resin pellets	PCT1695/2010	07 October 2010	17 May 2025	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.EG.DIVII	EG - Egypt	Divisional	Compartmentalized resin pellets	PCT1696/2010	07 October 2010	17 May 2025	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.EP	EP - European Patent Office	PCT National Phase Filing	Compartmentalized resin pellets	1750916	11 April 2012	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.EP.DIVI	EP - European Patent Office	Divisional	Compartmentalized resin pellets	2159027	13 February 2013	17 May 2025	Granted	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.050.EP.DIVII	EP - European Patent Office	Divisional	Compartmentalized resin pellets	2159028	12 December 2012	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.ES	ES - Spain	EP Regional Validation	Compartmentalized resin pellets	2365627	11 April 2012	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.FR	FR - France	EP Regional Validation	Compartmentalized resin pellets	1750916	11 April 2012	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.GB	GB - United Kingdom	EP Regional Validation	Compartmentalized resin pellets	1750916	11 April 2012	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.GR	GR - Greece	EP Regional Validation	Compartmentalized resin pellets	1750916	11 April 2012	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.HK	HK - Hong Kong	Utility	Compartmentalized resin pellets	07108532.1	06 August 2007	17 May 2025	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.HK.DIVI	HK - Hong Kong	Divisional	Compartmentalized resin pellets	10108297.1	06 August 2007	17 May 2025	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.HK.DIVII	HK - Hong Kong	Divisional	Compartmentalized resin pellets	10108296.2	06 August 2007	17 May 2025	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.HU	HU - Hungary	EP Regional Validation	Compartmentalized resin pellets	1750916	11 April 2012	17 May 2025	Granted	M&G POLIMERI ITALIA SPA

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Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		OWNER (Current)
							FILING DATE	EXPIRY	
M&G USA CORPORATION	BARRIER PET	MG.P.050.ID	ID - Indonesia	PCT National Phase Filing	Compartmentalized resin pellets	ID P0026447	20 August 2010	17 May 2025	Granted M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.IN	IN - India	PCT National Phase Filing	Compartmentalized resin pellets	240736	26 May 2010	17 May 2025	Granted M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.IN.DIVI	IN - India	Divisional	Compartmentalized resin pellets	1224/chenp/2010	17 May 2005	17 May 2025	Pending M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.IN.DIVII	IN - India	Divisional	Compartmentalized resin pellets	1225/chenp/2010	17 May 2005	17 May 2025	Pending M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.IT	IT - Italy	EP Regional Validation	Compartmentalized resin pellets	1750916	11 April 2012	17 May 2025	Granted M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.IT.DIVII	IT - Italy	EP Regional Validation	Compartmentalized resin pellets	2159028	12 December 2012	17 May 2025	Granted M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.JP	JP - Japan	PCT National Phase Filing	Compartmentalized resin pellets	2007/517250	15 May 2005	17 May 2025	Allowed M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.JP.DIVI	JP - Japan	Divisional	Compartmentalized resin pellets	2011-179330	19 August 2011	17 May 2025	Pending M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.JP.DIV.II	JP - Japan	Divisional	Compartmentalized resin pellets	2012-194374	04 September 2012	17 May 2025	Allowed M&G POLIMERI ITALIA SPA

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Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.050.KR	KR - South Korea	PCT National Phase Filing	Compartmentalized resin pellets	10-1182869	07 September 2012	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.KR.DIV	KR - South Korea	Divisional	Compartmentalized resin pellets	10-1227921	24 January 2013	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.MX	MX - Mexico	PCT National Phase Filing	Compartmentalized resin pellets	280849	11 November 2010	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.NL	NL - Netherlands	EP Regional Validation	Compartmentalized resin pellets	1750916	11 April 2012	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.NO	NO - Norway	PCT National Phase Filing	Compartmentalized resin pellets	20065828	17 May 2005	17 May 2025	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.PH	PH - Philippines	PCT National Phase Filing	Compartmentalized resin pellets	1-2006-502300	14 January 2011	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.PL	PL - Poland	EP Regional Validation	Compartmentalized resin pellets	1750916	11 April 2012	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.PT	PT - Portugal	EP Regional Validation	Compartmentalized resin pellets	1750916	11 April 2012	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.RO	RO - Romania	EP Regional Validation	Compartmentalized resin pellets	1750916	11 April 2012	17 May 2025	Granted	M&G POLIMERI ITALIA SPA

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Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		OWNER (Current)	
							FILING DATE	EXPIRY		STATUS
M&G USA CORPORATION	BARRIER PET	MG.P.050.RU	RU - Russian Federation	PCT National Phase Filing	Compartmentalized resin pellets	2370365	20 October 2009	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.SE	SE - Sweden	EP Regional Validation	Compartmentalized resin pellets	1750916	11 April 2012	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.SG	SG - Singapore	PCT National Phase Filing	Compartmentalized resin pellets	127365	30 June 2009	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.TR	TR - Turkey	EP Regional Validation	Compartmentalized resin pellets	1750916	11 April 2012	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.TW	TW - Taiwan	Utility	Compartmentalized resin pellets	94115911	17 May 2005	17 May 2025	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.US	US - United States	PCT National Phase Filing	Compartmentalized resin pellets	7550203	23 June 2009	22 April 2026	Granted	M&G USA CORPORATION
M&G USA CORPORATION	BARRIER PET	MG.P.050.US.CONT	US - United States	Continuation	Compartmentalized resin pellets	7816008	19 October 2010	17 May 2025	Granted	M&G USA CORPORATION
M&G USA CORPORATION	BARRIER PET	MG.P.050.VN	VN - Vietnam	PCT National Phase Filing	Compartmentalized resin pellets	9506	02 August 2011	17 May 2025	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.050.ZA	ZA - South Africa	PCT National Phase Filing	Compartmentalized resin pellets	2006/10518	25 June 2008	17 May 2025	Granted	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	STD PET	MG.P.060.AU	AU - Australia	PCT National Phase Filing	Compartmentalized chips with similar polymers of different viscosities for improved processability	2006207499	23 September 2010	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.060.BE	BE - Belgium	EP Regional Validation	Compartmentalized chips with similar polymers of different viscosities for improved processability	1841575	27 April 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.060.BR	BR - Brazil	PCT National Phase Filing	Compartmentalized chips with similar polymers of different viscosities for improved processability	PI 0606206	17 January 2006	17 January 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.060.CA	CA - Canada	PCT National Phase Filing	Compartmentalized chips with similar polymers of different viscosities for improved processability	2595008	17 January 2006	17 January 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.060.CN	CN - China	PCT National Phase Filing	Compartmentalized chips with similar polymers of different viscosities for improved processability	200680002557.2	26 January 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	STD PET	MG.P.060.DE	DE - Germany Patent Office	EP Regional Validation	Compartmentalized chips with similar polymers of different viscosities for improved processability	1841575	27 April 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.060.EP	EP - European Patent Office	PCT National Phase Filing	Compartmentalized chips with similar polymers of different viscosities for improved processability	1841575	27 April 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.060.ES	ES - Spain	EP Regional Validation	Compartmentalized chips with similar polymers of different viscosities for improved processability	2365627	27 April 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.060.FR	FR - France	EP Regional Validation	Compartmentalized chips with similar polymers of different viscosities for improved processability	1841575	27 April 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.060.GB	GB - United Kingdom	EP Regional Validation	Compartmentalized chips with similar polymers of different viscosities for improved processability	1841575	27 April 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	STD PET	MG.P.060.GR	GR - Greece	EP Regional Validation	Compartmentalized chips with similar polymers of different viscosities for improved processability	1841575	27 April 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.060.HK	HK - Hong Kong	EP Regional Validation	Compartmentalized chips with similar polymers of different viscosities for improved processability	HK 1117097	09 September 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.060.HU	HU - Hungary	EP Regional Validation	Compartmentalized chips with similar polymers of different viscosities for improved processability	1841575	27 April 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.060.ID	ID - Indonesia	PCT National Phase Filing	Compartmentalized chips with similar polymers of different viscosities for improved processability	ID P0031335	16 July 2012	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.060.IN	IN - India	PCT National Phase Filing	Compartmentalized chips with similar polymers of different viscosities for improved processability	245855	03 February 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	STD PET	MG.P.060.IT	IT - Italy	EP Regional Validation	Compartmentalized chips with similar polymers of different viscosities for improved processability	1841575	27 April 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.060.KR	KR - South Korea	PCT National Phase Filing	Compartmentalized chips with similar polymers of different viscosities for improved processability	2007-7019039	17 January 2006	17 January 2026	Allowed	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.060.MX	MX - Mexico	PCT National Phase Filing	Compartmentalized chips with similar polymers of different viscosities for improved processability	2007008673	07 February 2012	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.060.NL	NL - Netherlands	EP Regional Validation	Compartmentalized chips with similar polymers of different viscosities for improved processability	1841575	27 April 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.060.PL	PL - Poland	EP Regional Validation	Compartmentalized chips with similar polymers of different viscosities for improved processability	1841575	27 April 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	STD PET	MG.P.060.RU	RU - Russian Federation	PCT National Phase Filing	Compartmentalized chips with similar polymers of different viscosities for improved processability	2397866	27 August 2010	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.060.TR	TR - Turkey	EP Regional Validation	Compartmentalized chips with similar polymers of different viscosities for improved processability	1841575	27 April 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.060.UA	UA - Ukraine	PCT National Phase Filing	Compartmentalized chips with similar polymers of different viscosities for improved processability	88048	10 September 2009	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.060.US	US - United States	PCT National Phase Filing	Compartmentalized chips with similar polymers of different viscosities for improved processability	7981510	19 July 2011	18 September 2029	Granted	M&G USA CORPORATION
M&G USA CORPORATION	STD PET	MG.P.060.US.DIV	US - United States	Divisional	Compartmentalized chips with similar polymers of different viscosities for improved processability	8231937	31 July 2012	17 January 2026	Granted	M&G USA CORPORATION

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.062.CN	CN - China	Utility	High-oxygen barrier container wall containing the combination of active and passive barrier	200310117792.2	08 December 2003	17 January 2026	Abandoned	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.062.KR	KR - South Korea	Utility	High-oxygen barrier container wall containing the combination of active and passive barrier	10-1071031	29 September 2011	08 December 2023	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.064.DE	DE - Germany	EP Regional Validation	Polyester composition comprising an organo-metallic compound	1893679	11 March 2009	25 May 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.064.FR	FR - France	EP Regional Validation	Polyester composition comprising an organo-metallic compound	1893679	11 March 2009	25 May 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.064.GB	GB - United Kingdom	EP Regional Validation	Polyester composition comprising an organo-metallic compound	1893679	11 March 2009	25 May 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.064.IT	IT - Italy	EP Regional Validation	Polyester composition comprising an organo-metallic compound	1893679	11 March 2009	25 May 2026	Granted	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.064.MX	MX - Mexico	PCT National Phase Filing	Polyester composition comprising an organo-metallic compound	2007/014873	11 November 2010	25 May 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.064.US	US - United States	PCT National Phase Filing	Polyester composition comprising an organo-metallic compound	11439869	24 May 2006	25 May 2026	Abandoned	M&G USA CORPORATION
M&G USA CORPORATION	BARRIER PET	MG.P.065.BR	BR - Brazil	PCT National Phase Filing	Polyester composition	PI0613200	17 May 2006	17 May 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.065.EP	EP - European Patent Office	PCT National Phase Filing	Polyester composition	6763167.1	31 December 2007	17 May 2026	Abandoned	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.065.MX	MX - Mexico	PCT National Phase Filing	Polyester composition	MX/A/2007/014612	17 May 2006	17 May 2026	Abandoned	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.065.US	US - United States	Utility	Water activated organic scavenger	11385799	17 May 2006	17 May 2026	Abandoned	M&G USA CORPORATION
M&G USA CORPORATION	BARRIER PET	MG.P.066.DE	DE - Germany	EP Regional Validation	Polyester organo iron compositions	1893665	11 March 2009	25 May 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.066.FR	FR - France	EP Regional Validation	Polyester organo iron compositions	1893665	11 March 2009	25 May 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.066.GB	GB - United Kingdom	EP Regional Validation	Polyester organo iron compositions	1893665	11 March 2009	25 May 2026	Granted	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.066.IT	IT - Italy	EP Regional Validation	Polyester organo iron compositions	1893665	11 March 2009	25 May 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.066.MX	MX - Mexico	PCT National Phase Filing	Polyester organo iron compositions	2007014870	11 November 2010	25 May 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.066.US	US - United States	Utility	Polyester organo iron compositions	11439583	24 May 2006	25 May 2026	Abandoned	M&G USA CORPORATION
M&G USA CORPORATION	STD PET	MG.P.067.CA	CA - Canada	PCT National Phase Filing	Process for fast heat-up polyesters	2395252	09 February 2010	20 December 2020	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.067.EP	EP - European Patent Office	PCT National Phase Filing	Process for fast heat-up polyesters	1280851	21 August 2013	20 December 2020	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.067.ID	ID - Indonesia	PCT National Phase Filing	Process for fast heat-up polyesters	ID0020121	16 November 2007	20 December 2020	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.067.JP	JP - Japan	PCT National Phase Filing	Process for fast heat-up polyesters	4363812	28 August 2009	20 December 2020	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.067.KR	KR - South Korea	PCT National Phase Filing	Process for fast heat-up polyesters	715920	02 May 2007	20 December 2020	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.067.MX	MX - Mexico	PCT National Phase Filing	Process for fast heat-up polyesters	261756	29 October 2009	20 December 2020	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.067.US	US - United States	Utility	Process for fast heat-up polyesters	6660792	09 December 2003	14 December 2020	Granted	M&G USA CORPORATION

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	STD PET	MG.P.068.AU	AU - Australia	PCT National Phase Filing	Compartmentalized pellet for improved contaminant removal	2006207500	21 October 2010	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.068.BE	BE - Belgium	EP Regional Validation	Compartmentalized pellet for improved contaminant removal	1846207	25 May 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.068.BR	BR - Brazil	PCT National Phase Filing	Zoned pellet for improved contaminant removal	PI 0606235	17 January 2006	17 January 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.068.CA	CA - Canada	PCT National Phase Filing	Compartmentalized pellet for improved contaminant removal	2595089	11 September 2012	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.068.CN	CN - China	PCT National Phase Filing	Compartmentalized pellet for improved contaminant removal	200680002627.4	19 May 2010	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.068.DE	DE - Germany	EP Regional Validation	Compartmentalized pellet for improved contaminant removal	1846207	25 May 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.068.EP	EP - European Patent Office	PCT National Phase Filing	Compartmentalized pellet for improved contaminant removal	1846207	25 May 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.068.ES	ES - Spain	EP Regional Validation	Compartmentalized pellet for improved contaminant removal	2366799	25 May 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.068.FR	FR - France	EP Regional Validation	Compartmentalized pellet for improved contaminant removal	1846207	25 May 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	STD PET	MG.P.068.GB	GB - United Kingdom	EP Regional Validation	Compartmentalized pellet for improved contaminant removal	1846207	25 May 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.068.GR	GR - Greece	EP Regional Validation	Compartmentalized pellet for improved contaminant removal	1846207	25 May 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.068.HU	HU - Hungary	EP Regional Validation	Compartmentalized pellet for improved contaminant removal	1846207	25 May 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.068.ID	ID - Indonesia	PCT National Phase Filing	Zoned pellet for improved contaminant removal	IDP0024678	11 December 2009	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.068.IN	IN - India	PCT National Phase Filing	Compartmentalized pellet for improved contaminant removal	246722	14 March 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.068.IT	IT - Italy	EP Regional Validation	Compartmentalized pellet for improved contaminant removal	1846207	25 May 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.068.KR	KR - South Korea	PCT National Phase Filing	Compartmentalized pellet for improved contaminant removal	10-2007-7019041	17 January 2006	17 January 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.068.MX	MX - Mexico	PCT National Phase Filing	Compartmentalized pellet for improved contaminant removal	268334	15 July 2009	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.068.NL	NL - Netherlands	EP Regional Validation	Compartmentalized pellet for improved contaminant removal	1846207	25 May 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	STD PET	MG.P.068.PL	PL - Poland	EP Regional Validation	Compartmentalized pellet for improved contaminant removal	1846207	25 May 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.068.RU	RU - Russian Federation	PCT National Phase Filing	Zoned pellet for improved contaminant removal	2397867	27 August 2010	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.068.TR	TR - Turkey	EP Regional Validation	Compartmentalized pellet for improved contaminant removal	1846207	25 May 2011	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.068.UA	UA - Ukraine	PCT National Phase Filing	Zoned pellet for improved contaminant removal	91534	10 August 2010	17 January 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.068.US	US - United States	Utility	Compartmentalized pellet for improved contaminant removal	7931968	26 April 2011	26 February 2030	Granted	M&G USA CORPORATION
M&G USA CORPORATION	STD PET	MG.P.068.US.DIV	US - United States	Divisional	Compartmentalized pellet for improved contaminant removal	13035748	25 February 2011	17 January 2026	Pending	M&G USA CORPORATION
M&G USA CORPORATION	BARRIER PET	MG.P.069.1.US	US - United States	Utility	Compartmentalized thermoplastic pellet	5627218	06 May 1997	20 March 2015	Granted	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.069.2.US	US - United States	Utility	Compartmentalized thermoplastic pellet	5747548	05 May 1998	14 March 2017	Granted	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.071.BR	BR - Brazil	Utility	Method of analysing fibres and article necessary therefore	PI0602927	28 June 2006	28 June 2006	Pending	M&G Polyester SA
M&G USA CORPORATION	STD PET	MG.P.071.US	US - United States	Utility	Method of analysing fibres and article necessary therefore	11763612	15 June 2007	28 June 2026	Abandoned	M&G Polyester SA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.072.AU	AU - Australia	PCT National Phase Filing	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	2006301554	25 August 2011	06 October 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.072.BE	BE - Belgium	EP Regional Validation	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	1931727	27 July 2011	06 October 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.072.BR	BR - Brazil	PCT National Phase Filing	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	PI0617993	06 October 2006	06 October 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.072.CA	CA - Canada	PCT National Phase Filing	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	2624384	06 October 2006	06 October 2026	Allowed	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.072.CN	CN - China	PCT National Phase Filing	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	200680045689.3	06 October 2006	06 October 2026	Allowed	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.072.CZ	CZ - Czech Republic	EP Regional Validation	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	1931727	27 July 2011	06 October 2026	Granted	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.072.DE	DE - Germany	EP Regional Validation	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	602006023390.6	27 July 2011	06 October 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.072.EP	EP - European Patent Office	PCT National Phase Filing	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	1931727	27 July 2011	06 October 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.072.EP.DIV	EP - European Patent Office	Divisional	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	11170053	15 June 2011	06 October 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.072.ES	ES - Spain	EP Regional Validation	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	2369791	27 July 2011	06 October 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.072.FR	FR - France	EP Regional Validation	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	1931727	27 July 2011	06 October 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.072.GB	GB - United Kingdom	EP Regional Validation	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	1931727	27 July 2011	06 October 2026	Granted	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.072.HU	HU - Hungary	EP Regional Validation	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	1931727	27 July 2011	06 October 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.072.IN	IN - India	PCT National Phase Filing	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	2259/CHENP/2008	06 October 2006	06 October 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.072.IT	IT - Italy	EP Regional Validation	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	1931727	27 July 2011	06 October 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.072.JP	JP - Japan	PCT National Phase Filing	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	2008-533948	06 October 2006	06 October 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.072.KR	KR - South Korea	PCT National Phase Filing	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	2008-7010983	06 October 2006	06 October 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.072.MX	MX - Mexico	PCT National Phase Filing	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	296124	14 February 2012	06 October 2026	Granted	M&G POLIMERI ITALIA SPA

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M&G USA CORPORATION	BARRIER PET	MG.P.072.MX.DIV	MX - Mexico	Divisional	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	MX/A/2011/012858	01 December 2011	06 October 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.072.NL	NL - Netherlands	EP Regional Validation	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	1931727	27 July 2011	06 October 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.072.PL	PL - Poland	EP Regional Validation	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	1931727	27 July 2011	06 October 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.072.RO	RO - Romania	EP Regional Validation	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	1931727	27 July 2011	06 October 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.072.RU	RU - Russian Federation	PCT National Phase Filing	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	2414494	20 March 2011	06 October 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.072.US	US - United States	PCT National Phase Filing	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	8465818	18 June 2013	14 June 2030	Granted	M&G USA CORPORATION

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M&G USA CORPORATION	BARRIER PET	MG.P.072.US.CI	US - United States	Continuation	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	13919422	17 June 2013	02 October 2026	Pending	M&G USA CORPORATION
M&G USA CORPORATION	BARRIER PET	MG.P.072.ZA	ZA - South Africa	PCT National Phase Filing	Polyamides and polyesters blended with a lithium salt interfacial tension reducing agent	2008/03709	30 September 2009	06 October 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.074.AR	AR - Argentina	Utility	Dispersions of high carboxyl polyamides into polyesters using an interfacial tension reducing agent	P060104649	25 October 2006	25 October 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.074.AU	AU - Australia	PCT National Phase Filing	Improved dispersions of high carboxyl polyamides into polyesters using an interfacial tension reducing agent	2006307492	15 December 2011	25 October 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.074.BR	BR - Brazil	PCT National Phase Filing	Dispersions of high carboxyl polyamides into polyesters using an interfacial tension reducing agent	PI0619343	25 October 2006	25 October 2026	Pending	M&G POLIMERI ITALIA SPA

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M&G USA CORPORATION	BARRIER PET	MG.P.074.CA	CA - Canada	PCT National Phase Filing	Improved dispersions of high carboxyl polyamides into polyesters using an interfacial tension reducing agent	2626862	25 October 2006	25 October 2026	Allowed	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.074.CN	CN - China	PCT National Phase Filing	Dispersions of high carboxyl polyamides into polyesters using an interfacial tension reducing agent	200680049225.X	25 October 2006	25 October 2026	Allowed	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.074.EP	EP - European Patent Office	PCT National Phase Filing	Improved dispersions of high carboxyl polyamides into polyester using an interfacial tension reducing agent	06831868.2	28 March 2008	25 October 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.074.IN	IN - India	PCT National Phase Filing	Dispersions of high carboxyl polyamides into polyesters using an interfacial tension reducing agent	2597/CHENP/2008	25 October 2006	25 October 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.074.JP	JP - Japan	PCT National Phase Filing	Dispersions of high carboxyl polyamides into polyesters using an interfacial tension reducing agent	2008-537286	25 October 2006	25 October 2026	Allowed	M&G POLIMERI ITALIA SPA

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M&G USA CORPORATION	BARRIER PET	MG.P.074.KR	KR - South Korea	PCT National Phase Filing	Improved dispersions of high carboxyl polyamides into polyesters using an interfacial tension reducing agent	2008-7012573	25 October 2006	25 October 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.074.MX	MX - Mexico	PCT National Phase Filing	Improved dispersions of high carboxyl polyamides into polyester using an interfacial tension reducing agent	MX/A/2008/005304	25 October 2006	25 October 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.074.RU	RU - Russian Federation	PCT National Phase Filing	Dispersions of high carboxyl polyamides into polyesters using an interfacial tension reducing agent	2420543	10 June 2011	25 October 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.074.TW	TW - Taiwan	Utility	Dispersions of high carboxyl polyamides into polyesters using an interfacial tension reducing agent	9513924	25 October 2006	25 October 2026	Allowed	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.074.US	US - United States	PCT National Phase Filing	Improved dispersions of high carboxyl polyamides into polyesters using an interfacial tension reducing agent	8314174	20 November 2012	16 March 2030	Granted	M&G USA CORPORATION

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M&G USA CORPORATION	BARRIER PET	MG.P.074.US.CI	US - United States	Continuation	Improved dispersions of high carboxyl polyamides into polyesters	13652533	16 October 2012	25 October 2026	Pending	M&G USA CORPORATION
M&G USA CORPORATION	BARRIER PET	MG.P.074.ZA	ZA - South Africa	PCT National Phase Filing	Dispersions of high carboxyl polyamides into polyesters using an interfacial tension reducing agent	2008/04450	30 September 2009	25 October 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.075.AR	AR- Argentina	Utility	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	P060104648	25 October 2006	25 October 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.075.AU	AU - Australia	PCT National Phase Filing	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	2006307493	17 May 2012	25 October 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.075.BE	BE - Belgium	EP Regional Validation	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	1951810	29 July 2009	25 October 2026	Granted / Null	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.075.BR	BR - Brazil	PCT National Phase Filing	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	P10619344	25 October 2006	25 October 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.075.CA	CA - Canada	PCT National Phase Filing	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	2626878	25 October 2006	25 October 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.075.CN	CN - China	PCT National Phase Filing	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	200680049188.2	31 August 2011	25 October 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.075.CZ	CZ - Czech Republic	EP Regional Validation	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	1951810	29 July 2009	25 October 2026	Granted / Null	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.075.DE	DE - Germany	EP Regional Validation	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	1951810	29 July 2009	25 October 2026	Granted / Null	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.075.DK	DK - Denmark Patent Office	EP Regional Validation	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	1951810	29 July 2009	25 October 2026	Granted / Null	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.075.EP	EP - European Patent Office	PCT National Phase Filing	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	1951810	29 July 2009	25 October 2026	Granted / Null	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.075.ES	ES - Spain	EP Regional Validation	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	2330791	29 July 2009	25 October 2026	Granted / Null	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.075.FR	FR - France	EP Regional Validation	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	1951810	29 July 2009	25 October 2026	Granted / Null	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.075.GB	GB - United Kingdom	EP Regional Validation	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	1951810	29 July 2009	25 October 2026	Granted / Null	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.075.HU	HU - Hungary	EP Regional Validation	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	1951810	29 July 2009	25 October 2026	Granted / Null	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.075.IN	IN - India	PCT National Phase Filing	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	2587/CHENP/2008	25 October 2006	25 October 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.075.IT	IT - Italy	EP Regional Validation	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	1951810	29 July 2009	25 October 2026	Granted / Null	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.075.JP	JP - Japan	PCT National Phase Filing	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	5291822	15 March 2013	25 October 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.075.KR	KR - South Korea	PCT National Phase Filing	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	2008-7012522	25 October 2006	25 October 2026	Pending	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.075.MX	MX - Mexico	PCT National Phase Filing	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	275559	28 April 2010	25 October 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.075.NL	NL - Netherlands	EP Regional Validation	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	1951810	29 July 2009	25 October 2026	Granted / Null	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.075.PL	PL - Poland	EP Regional Validation	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	1951810	29 July 2009	25 October 2026	Granted / Null	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.075.RU	RU - Russian Federation	PCT National Phase Filing	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	2415163	27 March 2011	25 October 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.075.SK	SK - Slovakia	EP Regional Validation	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	1951810	29 July 2009	25 October 2026	Granted / Null	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.075.TR	TR - Turkey	EP Regional Validation	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	1951810	29 July 2009	25 October 2026	Granted / Null	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.075.TW	TW - Taiwan	Utility	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	95139319	25 October 2006	25 October 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.075.US	US - United States	PCT National Phase Filing	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	11552612	25 October 2006	25 October 2026	Pending	M&G USA CORPORATION
M&G USA CORPORATION	BARRIER PET	MG.P.075.ZA	ZA - South Africa	PCT National Phase Filing	Stable polyamides for simultaneous solid phase polymerization of polyesters and polyamides	2008/04449	29 July 2009	25 October 2026	Granted	M&G POLIMERI ITALIA SPA
M&G POLYMERS USA	STD PET	MG.P.076.AU	AU - Australia	PCT National Phase Filing	Apparatus for checking the quality of preforms each having a body made of plastic material	2004240757	22 January 2009	22 May 2023	Granted	M&G POLYMERS USA

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M&G POLYMERS USA	STD PET	MG.P.076.DE	DE - Germany	EP Regional Validation	Apparatus for checking the quality of preforms each having a body made of plastics material	60315138	25 July 2007	22 May 2023	Granted	M&G POLYMERS USA
M&G POLYMERS USA	STD PET	MG.P.076.EP	EP - European Patent Office	PCT National Phase Filing	Apparatus for checking the quality of preforms each having a body made of plastic material	1479454	25 July 2007	22 May 2023	Granted	M&G POLYMERS USA
M&G POLYMERS USA	STD PET	MG.P.076.ES	ES - Spain	EP Regional Validation	Apparatus for checking the quality of preforms each having a body made of plastics material	2290422	25 July 2007	22 May 2023	Granted	M&G POLYMERS USA
M&G POLYMERS USA	STD PET	MG.P.076.FR	FR - France	EP Regional Validation	Apparatus for checking the quality of preforms each having a body made of plastics material	1479454	25 July 2007	22 May 2023	Granted	M&G POLYMERS USA
M&G POLYMERS USA	STD PET	MG.P.076.GB	GB - United Kingdom	EP Regional Validation	Apparatus for checking the quality of preforms each having a body made of plastics material	1479454	25 July 2007	22 May 2023	Granted	M&G POLYMERS USA
M&G POLYMERS USA	STD PET	MG.P.076.IT	IT - Italy	EP Regional Validation	Apparatus for checking the quality of preforms each having a body made of plastics material	1479454	25 July 2007	22 May 2023	Granted	M&G POLYMERS USA

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M&G POLYMERS USA	STD PET	MG.P.076.US	US - United States	PCT National Phase Filing	Apparatus for checking the quality of preforms each having a body made of plastics material	7541556	02 June 2009	07 April 2029	Granted	M&G POLYMERS USA
M&G USA CORPORATION	STD PET	MG.P.078.BE	BE - Belgium	EP Regional Validation	Polyester solid phase polymerization catalyst for low acetaldehyde generating resins	1989245	09 March 2011	09 February 2027	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.078.BR	BR - Brazil	PCT National Phase Filing	Polyester solid phase polymerization catalyst for low acetaldehyde generating resins	PI0706982-0	09 February 2007	09 February 2027	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.078.CN	CN - China	PCT National Phase Filing	Polyester solid phase polymerization catalyst for low acetaldehyde generating resins	200780004722.2	09 February 2007	09 February 2027	Abandoned	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.078.DE	DE - Germany	EP Regional Validation	Polyester solid phase polymerization catalyst for low acetaldehyde generating resins	1989245	09 March 2011	09 February 2027	Granted	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	STD PET	MG.P.078.EP	EP - European Patent Office	PCT National Phase Filing	Polyester solid phase polymerization catalyst for low acetaldehyde generating resins	1989245	09 March 2011	09 February 2027	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.078.FR	FR - France	EP Regional Validation	Polyester solid phase polymerization catalyst for low acetaldehyde generating resins	1989245	09 March 2011	09 February 2027	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.078.GB	GB - United Kingdom	EP Regional Validation	Polyester solid phase polymerization catalyst for low acetaldehyde generating resins	1989245	09 March 2011	09 February 2027	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.078.IN	IN - India	PCT National Phase Filing	Polyester solid phase polymerization catalyst for low acetaldehyde generating resins	4780/CHENP/2008	09 February 2007	09 February 2027	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.078.IT	IT - Italy	EP Regional Validation	Polyester solid phase polymerization catalyst for low acetaldehyde generating resins	1989245	09 March 2011	09 February 2027	Granted	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	STD PET	MG.P.078.JP	JP - Japan	PCT National Phase Filing	Polyester solid phase polymerization catalyst for low acetaldehyde generating resins	2008-553774	09 February 2007	09 February 2027	Abandoned	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.078.MX	MX - Mexico	PCT National Phase Filing	Polyester solid phase polymerization catalyst for low acetaldehyde generating resins	290776	05 October 2011	09 February 2027	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.078.NL	NL - Netherlands	EP Regional Validation	Polyester solid phase polymerization catalyst for low acetaldehyde generating resins	1989245	09 March 2011	09 February 2027	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.078.RU	RU - Russian Federation	PCT National Phase Filing	Polyester solid phase polymerization catalyst for low acetaldehyde generating resins	2428437	10 September 2011	09 February 2027	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.P.078.US	US - United States	PCT National Phase Filing	Polyester solid phase polymerization catalyst for low acetaldehyde generating resins	11673014	09 February 2007	09 February 2027	Abandoned	M&G USA CORPORATION

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.AM	AM - Armenia	EuroAsiatic Nat Phase	Continuous process for solid phase polymerisation of polyesters	007910	06 October 2006	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.AT	AT - Austria	EP Regional Validation	Continuous process for solid phase polymerisation of polyesters	386063	13 February 2008	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.AU	AU - Australia	PCT National Phase Filing	Continuous process for solid phase polymerisation of polyesters	2003246367	27 March 2008	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.AZ	AZ - Azerbaijan	EuroAsiatic Nat Phase	Continuous process for solid phase polymerisation of polyesters	007910	06 October 2006	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.BE	BE - Belgium	EP Regional Validation	Continuous process for solid phase polymerisation of polyesters	1527119	13 February 2008	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.BR	BR - Brazil	PCT National Phase Filing	Continuous process for solid phase polymerisation of polyesters	PI0312987	03 July 2006	03 July 2023	Allowed	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.BY	BY - Belarus	EuroAsiatic Nat Phase	Continuous process for solid phase polymerisation of polyesters	007910	06 October 2006	03 July 2023	Granted	COBARR SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		OWNER (Current)	
							FILING DATE	EXPIRY		STATUS
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.CH	CH - Switzerland	EP Regional Validation	Continuous process for solid phase polymerisation of polyesters	1527119	13 February 2008	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.CN	CN - China	PCT National Phase Filing	Continuous process for solid phase polymerisation of polyesters	z103817595,9	02 May 2007	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.CZ	CZ - Czech Republic	EP Regional Validation	Continuous process for solid phase polymerisation of polyesters	1527119	13 February 2008	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.DE	DE - Germany	EP Regional Validation	Continuous process for solid phase polymerisation of polyesters	1527119	13 February 2008	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.EAPO	EA - Eurasian Patent Office	PCT National Phase Filing	Continuous process for solid phase polymerisation of polyesters	007910	06 October 2006	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.EP	EP - European Patent Office	PCT National Phase Filing	Continuous process for solid phase polymerisation of polyesters	1527119	13 February 2008	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.ES	ES - Spain	EP Regional Validation	Continuous process for solid phase polymerisation of polyesters	2301872	13 February 2008	03 July 2023	Granted	COBARR SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.FR	FR - France	EP Regional Validation	Continuous process for solid phase polymerisation of polyesters	1527119	13 February 2008	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.GB	GB - United Kingdom	EP Regional Validation	Continuous process for solid phase polymerisation of polyesters	1527119	13 February 2008	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.GR	GR - Greece	EP Regional Validation	Continuous process for solid phase polymerisation of polyesters	3065298	13 February 2008	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.ID	ID - Indonesia	PCT National Phase Filing	Continuous process for solid phase polymerisation of polyesters	ID P 0024455	30 October 2009	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.IN	IN - India	PCT National Phase Filing	Continuous process for solid phase polymerisation of polyesters	230209	25 February 2009	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.IT	IT - Italy	Utility	Continuous process for solid phase polymerisation of polyesters	1338026	20 February 2007	09 August 2022	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.IT.EP	IT - Italy	EP Regional Validation	Continuous process for solid phase polymerisation of polyesters	1527119	13 February 2008	03 July 2023	Granted	COBARR SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		OWNER (Current)	
							FILING DATE	EXPIRY		STATUS
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.KG	KG - Kyrgyzstan	Euro-Asiatic Nat Phase	Continuous process for solid phase polymerisation of polyesters	007910	06 October 2006	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.KZ	KZ - Kazakhstan	Euro-Asiatic Nat Phase	Continuous process for solid phase polymerisation of polyesters	007910	06 October 2006	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.LT	LT - Lithuania	EP Regional Validation	Continuous process for solid phase polymerisation of polyesters	1527119	13 February 2008	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.MD	MD - Republic of Moldova	Euro-Asiatic Nat Phase	Continuous process for solid phase polymerisation of polyesters	007910	06 October 2006	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.MX	MX - Mexico	PCT National Phase Filing	Continuous process for solid phase polymerisation of polyesters	255993	04 April 2008	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.NL	NL - Netherlands	EP Regional Validation	Continuous process for solid phase polymerisation of polyesters	1527119	13 February 2008	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.RU	RU - Russian Federation	Euro-Asiatic Nat Phase	Continuous process for solid phase polymerisation of polyesters	007910	06 October 2006	03 July 2023	Granted	COBARR SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.TJ	TJ - Tajikistan	Euro-Asiatic Nat Phase	Continuous process for solid phase polymerisation of polyesters	007910	06 October 2006	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.TM	TM - Turkmenistan	Euro-Asiatic Nat Phase	Continuous process for solid phase polymerisation of polyesters	007910	06 October 2006	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.TR	TR - Turkey	EP Regional Validation	Continuous process for solid phase polymerisation of polyesters	1527119	13 February 2008	03 July 2023	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.079.US	US - United States	PCT National Phase Filing	Continuous process for solid phase polymerisation of polyesters	8293850	23 October 2012	29 April 2030	Granted	COBARR SPA
M&G USA CORPORATION .	PTA TECHNOLOGY	MG.P.081.BR	BR - Brazil	PCT National Phase Filing	A process for preparing high purity terephthalic acid	PI0520801-7	09 December 2005	09 December 2025	Pending	COBARR SPA
M&G USA CORPORATION .	PTA TECHNOLOGY	MG.P.081.CN	CN - China	PCT National Phase Filing	A process for preparing high purity terephthalic acid	200580052245.8	14 September 2011	09 December 2025	Granted	COBARR SPA
M&G USA CORPORATION .	PTA TECHNOLOGY	MG.P.081.IN	IN - India	PCT National Phase Filing	A process for preparing high purity terephthalic acid	3516/CHEN/2008	09 December 2005	09 December 2025	Pending	COBARR SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		OWNER (Current)
							FILING DATE	EXPIRY	
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.081.EP	EP - European Patent Office	PCT National Phase Filing	A process for preparing high purity terephthalic acid	5849575.5	30 June 2008	09 December 2025	Pending COBARR SPA
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.081.MX	MX - Mexico	PCT National Phase Filing	A process for preparing high purity terephthalic acid	294662	13 January 2012	09 December 2025	Granted COBARR SPA
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.081.RU	RU - Russian Federation	PCT National Phase Filing	A process for preparing high purity terephthalic acid	2399610	20 September 2010	09 December 2025	Granted COBARR SPA
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.081.US	US - United States	PCT National Phase Filing	A process for preparing high purity terephthalic acid	12095926	03 June 2008	09 December 2025	Abandoned COBARR SPA
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.083.A.BE	BE - Belgium	EP Regional Validation	Recovery of aromatic dicarboxylic acids from waste polyester resin	2016038	11 November 2009	03 April 2026	Granted COBARR SPA
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.083.A.BR	BR - Brazil	PCT National Phase Filing	Recovery of aromatic dicarboxylic acids from waste polyester resin	PI0621496-7	03 April 2006	03 April 2026	Pending COBARR SPA
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.083.A.CH	CH - Switzerland	EP Regional Validation	Recovery of aromatic dicarboxylic acids from waste polyester resin	2016038	11 November 2009	03 April 2026	Granted COBARR SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.083.A.CN	CN - China	PCT National Phase Filing	Recovery of aromatic dicarboxylic acids from waste polyester resin	200680054017.9	03 April 2006	03 April 2026	Pending	COBARR SPA
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.083.A.DE	DE - Germany	EP Regional Validation	Recovery of aromatic dicarboxylic acids from waste polyester resin	2016038	11 November 2009	03 April 2026	Granted	COBARR SPA
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.083.A.EP	EP - European Patent Office	PCT National Phase Filing	Recovery of aromatic dicarboxylic acids from waste polyester resin	2016038	11 November 2009	03 April 2026	Granted	COBARR SPA
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.083.A.ES	ES - Spain	EP Regional Validation	Recovery of aromatic dicarboxylic acids from waste polyester resin	2335688	11 November 2009	03 April 2026	Granted	COBARR SPA
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.083.A.FR	FR - France	EP Regional Validation	Recovery of aromatic dicarboxylic acids from waste polyester resin	2016038	11 November 2009	03 April 2026	Granted	COBARR SPA
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.083.A.GB	GB - United Kingdom	EP Regional Validation	Recovery of aromatic dicarboxylic acids from waste polyester resin	2016038	11 November 2009	03 April 2026	Granted	COBARR SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.083.A.IN	IN - India	PCT National Phase Filing	Recovery of aromatic dicarboxylic acids from waste polyester resin	5952/CHENP/2008	03 April 2006	03 April 2026	Pending	COBARR SPA
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.083.A.IT	IT - Italy	EP Regional Validation	Recovery of aromatic dicarboxylic acids from waste polyester resin	2016038	11 November 2009	03 April 2026	Granted	COBARR SPA
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.083.A.MX	MX - Mexico	PCT National Phase Filing	Recovery of aromatic dicarboxylic acids from waste polyester resin	276278	31 May 2010	03 April 2026	Granted	COBARR SPA
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.083.A.NL	NL - Netherlands	EP Regional Validation	Recovery of aromatic dicarboxylic acids from waste polyester resin	2016038	11 November 2009	03 April 2026	Granted	COBARR SPA
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.083.A.TR	TR - Turkey	EP Regional Validation	Recovery of aromatic dicarboxylic acids from waste polyester resin	2016038	11 November 2009	03 April 2026	Granted	COBARR SPA
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.083.A.US	US - United States	PCT National Phase Filing	Recovery of aromatic dicarboxylic acids from waste polyester resin	12293901	22 September 2008	03 April 2026	Abandoned	COBARR SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	STD PET	MG.P.085.BR	BR - Brazil	PCT National Phase Filing	Poss compounds for manufacture of polycondensation polymers	PI0713175	18 July 2007	18 July 2027	Pending	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.085.CN	CN - China	PCT National Phase Filing	Poss metal compounds for manufacture of polycondensation polymers	200780034430.3	18 July 2007	18 July 2027	Allowed	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.085.EP	EP - European Patent Office	PCT National Phase Filing	Novel poss compounds, manufacturing routes and their uses	07787698.5	17 February 2009	18 July 2027	Pending	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.085.IN	IN - India	PCT National Phase Filing	Poss compounds for manufacture of polycondensation polymers	871/CHENP/2009	18 July 2007	18 July 2027	Pending	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.085.MX	MX - Mexico	PCT National Phase Filing	Poss compounds for manufacture of polycondensation polymers	MX/A/2009/000628	18 July 2007	18 July 2027	Pending	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.085.RU	RU - Russian Federation	PCT National Phase Filing	Poss metal compounds for the manufacture of polycondensation polymers	2009105502	18 July 2007	18 July 2027	Pending	COBARR SPA
M&G USA CORPORATION	STD PET	MG.P.085.US	US - United States	PCT National Phase Filing	Novel poss compounds, manufacturing routes and their uses	12373968	15 January 2009	18 July 2027	Pending	COBARR SPA

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Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.089.AU	AU - Australia	PCT National Phase Filing	Compartmentalized resin pellets for oxygen scavenging	2006243352	16 September 2010	05 May 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.089.BR	BR - Brazil	PCT National Phase Filing	Compartmentalized resin pellets for oxygen scavenging	PI0612422	05 May 2006	05 May 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.089.CA	CA - Canada	PCT National Phase Filing	Compartmentalized resin pellets for oxygen scavenging	2606539	05 February 2013	05 May 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.089.CN	CN - China	PCT National Phase Filing	Compartmentalized resin pellets for oxygen scavenging	101213059	02 July 2008	05 May 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.089.EG	EG - Egypt	PCT National Phase Filing	Compartmentalized resin pellets for oxygen scavenging	PCT/1198/2007	05 May 2006	05 May 2026	Allowed	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.089.EP	EP - European Patent Office	PCT National Phase Filing	Compartmentalized resin pellets for oxygen scavenging	06753497.4	03 December 2007	05 May 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.089.HK	HK - Hong Kong	EP Regional Validation	Compartmentalized resin pellets for oxygen scavenging	08108420.5	30 July 2008	05 May 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.089.ID	ID - Indonesia	PCT National Phase Filing	Compartmentalized resin pellets for oxygen scavenging	ID P0028949	08 August 2011	05 May 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.089.IN	IN - India	PCT National Phase Filing	Compartmentalized resin pellets for oxygen scavenging	250937	08 February 2012	05 May 2026	Granted	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.089.JP	JP - Japan	PCT National Phase Filing	Compartmentalized resin pellets for oxygen scavenging	2008-509390	05 May 2006	05 May 2026	Allowed	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.089.KR	KR - South Korea	PCT National Phase Filing	Compartmentalized resin pellets for oxygen scavenging	2007-7028439	05 May 2006	05 May 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.089.MX	MX - Mexico	PCT National Phase Filing	Compartmentalized resin pellets for oxygen scavenging	304723	30 October 2012	05 May 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.089.NO	NO - Norway	PCT National Phase Filing	Compartmentalized resin pellets for oxygen scavenging	2007 6238	05 May 2006	05 May 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.089.PH	PH - Philippines	PCT National Phase Filing	Compartmentalized resin pellets for oxygen scavenging	1-2007-502349	05 May 2006	05 May 2026	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.089.RU	RU - Russian Federation	PCT National Phase Filing	Compartmentalized resin pellets for oxygen scavenging	2401735	20 October 2010	05 May 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.089.UA	UA - Ukraine	PCT National Phase Filing	Compartmentalized resin pellets for oxygen scavenging	89823	10 March 2010	05 May 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.089.US	US - United States	PCT National Phase Filing	Compartmentalized resin pellets for oxygen scavenging	7541091	02 June 2009	09 August 2030	Granted	M&G USA CORPORATION
M&G USA CORPORATION	BARRIER PET	MG.P.089.VN	VN - Vietnam	PCT National Phase Filing	Compartmentalized resin pellets for oxygen scavenging	10525	03 August 2012	05 May 2026	Granted	M&G POLIMERI ITALIA SPA

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Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.089.ZA	ZA - South Africa	PCT National Phase Filing	Compartmentalized resin pellets for oxygen scavenging	2007/10381	26 August 2009	05 May 2026	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.091.BR	BR - Brazil	PCT National Phase Filing	Recovery of aromatic dicarboxylic acids from waste polyester resin	pi0621743	21 June 2006	21 June 2026	Pending	COBARR SPA
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.091.CN	CN - China	PCT National Phase Filing	Recovery of aromatic dicarboxylic acids from waste polyester resin	200680055041.4	21 June 2006	21 June 2026	Pending	COBARR SPA
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.091.EP	EP - European Patent Office	PCT National Phase Filing	Recovery of aromatic dicarboxylic acids from waste polyester resin	6780572.1	21 January 2009	21 June 2026	Abandoned	COBARR SPA
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.091.IN	IN - India	PCT National Phase Filing	Recovery of aromatic dicarboxylic acids from waste polyester resin	380/CHENP/2009	21 June 2006	21 June 2026	Pending	COBARR SPA
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.091.KR	KR - South Korea	PCT National Phase Filing	Recovery of aromatic dicarboxylic acids from waste polyester resin	2009-7001167	21 June 2006	21 June 2026	Pending	COBARR SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.091.MX	MX - Mexico	PCT National Phase Filing	Recovery of aromatic dicarboxylic acids from waste polyester resin	MX/A/2008/016450	21 June 2006	21 June 2026	Pending	COBARR SPA
M&G USA CORPORATION	PTA TECHNOLOGY	MG.P.091.US	US - United States	PCT National Phase Filing	Recovery of aromatic dicarboxylic acids from waste polyester resin	12305451	18 December 2008	21 June 2026	Abandoned	COBARR SPA
CHEMTEX INTERNATIONAL	HCIRR-EASY UP TECHNOLOGY	MG.P.094.AR	AR - Argentina	Utility	Radial mixing devices for rotating inclined reactors	P080100450	04 February 2008	05 February 2028	Pending	COBARR SPA
CHEMTEX INTERNATIONAL	HCIRR-EASY UP TECHNOLOGY	MG.P.094.AU	AU - Australia	PCT National Phase Filing	Radial mixing devices for rotating inclined reactors	212914	17 May 2012	05 February 2028	Granted	COBARR SPA
CHEMTEX INTERNATIONAL	HCIRR-EASY UP TECHNOLOGY	MG.P.094.BE	BE - Belgium	EP Regional Validation	Radial mixing devices for rotating inclined reactors	2109501	29 September 2010	05 February 2028	Granted	COBARR SPA
CHEMTEX INTERNATIONAL	HCIRR-EASY UP TECHNOLOGY	MG.P.094.BR	BR - Brazil	PCT National Phase Filing	Radial mixing devices for rotating inclined reactors	PI0806379	05 February 2008	05 February 2028	Pending	COBARR SPA
CHEMTEX INTERNATIONAL	HCIRR-EASY UP TECHNOLOGY	MG.P.094.CA	CA - Canada	PCT National Phase Filing	Radial mixing devices for rotating inclined reactors	2677344	05 February 2008	05 February 2028	Pending	COBARR SPA
CHEMTEX INTERNATIONAL	HCIRR-EASY UP TECHNOLOGY	MG.P.094.CH	CH - Switzerland	EP Regional Validation	Radial mixing devices for rotating inclined reactors	2109501	29 September 2010	05 February 2028	Granted	COBARR SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.094.CN	CN - China	PCT National Phase Filing	Radial mixing devices for rotating inclined reactors	200880011314.4	05 February 2008	05 February 2028	Allowed	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.094.DE	DE - Germany	EP Regional Validation	Radial mixing devices for rotating inclined reactors	2109501	29 September 2010	05 February 2028	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.094.EAPO	EA - Eurasian Patent Office	PCT National Phase Filing	Radial mixing devices for rotating inclined reactors	014970	29 April 2011	05 February 2028	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.094.EP	EP - European Patent Office	PCT National Phase Filing	Radial mixing devices for rotating inclined reactors	2109501	29 September 2010	05 February 2028	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.094.ES	ES - Spain	EP Regional Validation	Radial mixing devices for rotating inclined reactors	2353583	29 September 2010	05 February 2028	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.094.FR	FR - France	EP Regional Validation	Radial mixing devices for rotating inclined reactors	2109501	29 September 2010	05 February 2028	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.094.GB	GB - United Kingdom	EP Regional Validation	Radial mixing devices for rotating inclined reactors	2109501	29 September 2010	05 February 2028	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.094.GR	GR - Greece	EP Regional Validation	Radial mixing devices for rotating inclined reactors	3073159	29 September 2010	05 February 2028	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.094.ID	ID - Indonesia	PCT National Phase Filing	Radial mixing devices for rotating inclined reactors	ID P0030051	17 January 2012	05 February 2028	Granted	COBARR SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.094.IN	IN - India	PCT National Phase Filing	Radial mixing devices for rotating inclined reactors	5260/DELNP/2009	05 February 2008	05 February 2028	Pending	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.094.IT	IT - Italy	EP Regional Validation	Radial mixing devices for rotating inclined reactors	2109501	29 September 2010	05 February 2028	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.094.KR	KR - South Korea	PCT National Phase Filing	Radial mixing devices for rotating inclined reactors	2009-7018560	05 February 2008	05 February 2028	Pending	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.094.MX	MX - Mexico	PCT National Phase Filing	Radial mixing devices for rotating inclined reactors	288024	01 July 2011	05 February 2028	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.094.NL	NL - Netherlands	EP Regional Validation	Radial mixing devices for rotating inclined reactors	2109501	29 September 2010	05 February 2028	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.094.PL	PL - Poland	EP Regional Validation	Radial mixing devices for rotating inclined reactors	2109501	29 September 2010	05 February 2028	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.094.TH	TH - Thailand	Utility	Radial mixing devices for rotating inclined reactors	801000411	28 January 2008	05 February 2028	Pending	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.094.TR	TR - Turkey	EP Regional Validation	Radial mixing devices for rotating inclined reactors	2109501	29 September 2010	05 February 2028	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.094.TW	TW - Taiwan	Utility	Radial mixing devices for rotating inclined reactors	97104185	04 February 2008	05 February 2028	Expired	COBARR SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.094.UA	UA - Ukraine	PCT National Phase Filing	Radial mixing devices for rotating inclined reactors	96319	25 October 2011	05 February 2028	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.094.US	US - United States	PCT National Phase Filing	Radial mixing devices for rotating inclined reactors	8454896	04 June 2013	10 August 2030	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.094.US.C1	US - United States	Continuation	Radial mixing devices for rotating inclined reactors	8454865	04 June 2013	28 July 2029	Granted	COBARR SPA
CHEMTEX INTERNATIONAL.	HCIRR-EASY UP TECHNOLOGY	MG.P.094.US.C2	US - United States	Continuation	Radial mixing devices for rotating inclined reactors	13908181	03 June 2013	05 February 2028	Pending	COBARR SPA
M&G USA CORPORATION	BARRIER PET	MG.P.096.AU	AU - Australia	PCT National Phase Filing	Polyester-polyamide blends maintaining good color under thermal treatment	2008290555	22 August 2008	22 August 2028	Allowed	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.096.BR	BR - Brazil	PCT National Phase Filing	Polyester-polyamide blends maintaining good color under thermal treatment	PI 0815296	22 August 2008	22 August 2028	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.096.CA	CA - Canada	PCT National Phase Filing	Polyester-polyamide blends maintaining good color under thermal treatment	2694422	22 August 2008	22 August 2028	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.096.CN	CN - China	PCT National Phase Filing	Polyester-polyamide blends maintaining good color under thermal treatment	200880104042.2	22 August 2008	22 August 2028	Pending	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		STATUS	OWNER (Current)
							FILING DATE	EXPIRY		
M&G USA CORPORATION	BARRIER PET	MG.P.096.EP	EP - European Patent Office	PCT National Phase Filing	Polyester-polyamide blends maintaining good color under thermal treatment	08803159.6	18 January 2010	22 August 2028	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.096.IN	IN - India	PCT National Phase Filing	Polyester-polyamide blends maintaining good color under thermal treatment	1604/CHENP/2010	22 August 2008	22 August 2028	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.096.JP	JP - Japan	PCT National Phase Filing	Polyester-polyamide blends maintaining good color under thermal treatment	2010-521434	22 August 2008	22 August 2028	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.096.KR	KR - South Korea	PCT National Phase Filing	Polyester-polyamide blends maintaining good color under thermal treatment	2010-7006326	22 August 2008	22 August 2028	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.096.MX	MX - Mexico	PCT National Phase Filing	Polyester-polyamide blends maintaining good color under thermal treatment	MX/A/2010/002106	22 August 2008	22 August 2028	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.096.RU	RU - Russian Federation	PCT National Phase Filing	Polyester-polyamide blends maintaining good color under thermal treatment	2010110804	22 August 2008	22 August 2028	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.096.US	US - United States	PCT National Phase Filing	Composition for maintaining good color when thermally treating polyester-polyamide blends	8436080	07 May 2013	06 September 2030	Granted	M&G USA CORPORATION

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.096.US.CI	US - United States	Continuation	Composition for maintaining good color when thermally treating polyester-polyamide blends	13859836	10 April 2013	22 August 2028	Pending	M&G USA CORPORATION
M&G USA CORPORATION	BARRIER PET	MG.P.096.ZA	ZA - South Africa	PCT National Phase Filing	Polyester-polyamide blends maintaining good color under thermal treatment	2010/00476	30 March 2011	22 August 2028	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.101.BR	BR - Brazil	PCT National Phase Filing	Method to manufacture a compartmentalized pellet directly from a reactor	PI 0807312	26 February 2008	26 February 2028	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.101.MX	MX - Mexico	PCT National Phase Filing	Method to manufacture a compartmentalized pellet directly from a reactor	MX/A/2009/009105	26 February 2008	26 February 2028	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.101.US	US - United States	PCT National Phase Filing	Method to manufacture a compartmentalized pellet directly from a reactor	12038455	27 February 2008	27 February 2028	Abandoned	M&G USA CORPORATION
M&G USA CORPORATION	BARRIER PET	MG.P.104.AU	AU - Australia	PCT National Phase Filing	Phosphite stabilizers for ionomeric polyester compounds	2008288788	22 August 2008	22 August 2028	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.104.BR	BR - Brazil	PCT National Phase Filing	Phosphite stabilizers for ionomeric polyester compounds	PI0815299	22 August 2008	22 August 2028	Pending	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.104.CA	CA - Canada	PCT National Phase Filing	Phosphite stabilizers for ionomeric polyester compounds	2695466	22 August 2008	22 August 2028	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.104.CN	CN - China	PCT National Phase Filing	Phosphite stabilizers for ionomeric polyester compounds	200880104049.4	22 August 2008	22 August 2028	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.104.EP	EP - European Patent Office	PCT National Phase Filing	Phosphite stabilizers for ionomeric polyester compounds	08798545.3	19 January 2010	22 August 2028	Allowed	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.104.IN	IN - India	PCT National Phase Filing	Phosphite stabilizers for ionomeric polyester compounds	1593/CHENO/2010	22 August 2008	22 August 2028	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.104.JP	JP - Japan	PCT National Phase Filing	Phosphite stabilizers for ionomeric polyester compounds	2010-522082	22 August 2008	22 August 2028	Allowed	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.104.KR	KR - South Korea	PCT National Phase Filing	Phosphite stabilizers for ionomeric polyester compounds	10-2010-7006328	22 August 2008	22 August 2028	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.104.MX	MX - Mexico	PCT National Phase Filing	Phosphite stabilizers for ionomeric polyester compounds	MX/A/2010/002103	22 August 2008	22 August 2028	Allowed	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.104.RU	RU - Russian Federation	PCT National Phase Filing	Phosphite stabilizers for ionomeric polyester compounds	2010110807	22 August 2008	22 August 2028	Allowed	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.104.US	US - United States	PCT National Phase Filing	Phosphite stabilizers for ionomeric polyester compounds	12196499	22 August 2008	22 August 2028	Abandoned	M&G USA CORPORATION

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.104.US.DIV1	US - United States	Divisional	Phosphite stabilizers for ionomeric polyester compounds	8063124	22 November 2011	22 August 2028	Granted	M&G USA CORPORATION
M&G USA CORPORATION	BARRIER PET	MG.P.104.ZA	ZA - South Africa	PCT National Phase Filing	Phosphite stabilizers for ionomeric polyester compounds	2010/00481	30 March 2011	22 August 2028	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.105.BR	BR - Brazil	PCT National Phase Filing	Copper containing polyester-polyamide compositions	PI0906157	11 March 2009	11 March 2029	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.105.CA	CA - Canada	PCT National Phase Filing	Copper containing polyester-polyamide compositions	2716725	11 March 2009	11 March 2029	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.105.CN	CN - China	PCT National Phase Filing	Copper containing polyester-polyamide compositions	200980109015.9	11 March 2009	11 March 2029	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.105.EP	EP - European Patent Office	PCT National Phase Filing	Copper containing polyester-polyamide compositions	09720465.5	11 October 2010	11 March 2029	Allowed	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.105.EP.DIV	EP - European Patent Office	Divisional	Copper containing polyester-polyamide compositions	12160640.4	21 March 2012	11 March 2029	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.105.MX	MX - Mexico	PCT National Phase Filing	Copper containing polyester-polyamide compositions	MX/A/2010/010077	11 March 2009	11 March 2029	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.105.US	US - United States	PCT National Phase Filing	Copper containing polyester-polyamide compositions	12399499	06 March 2009	11 March 2029	Pending	M&G USA CORPORATION

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		OWNER (Current)	
							FILING DATE	EXPIRY		STATUS
M&G USA CORPORATION	BARRIER PET	MG.P.107.AU	AU - Australia	PCT National Phase Filing	Polyamide-polydiene blends with improved oxygen reactivity	2010258627	11 June 2010	11 June 2030	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.107.BR	BR - Brazil	PCT National Phase Filing	Polyamide-polydiene blends with improved oxygen reactivity	PI 1009680	11 June 2010	11 June 2030	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.107.CA	CA - Canada	PCT National Phase Filing	Polyamide-polydiene blends with improved oxygen reactivity	2763121	11 June 2010	11 June 2030	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.107.CN	CN - China	PCT National Phase Filing	Polyamide-polydiene blends with improved oxygen reactivity	201080026351.X	11 June 2010	11 June 2030	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.107.EP	EP - European Patent Office	PCT National Phase Filing	Polyamide-polydiene blends with improved oxygen reactivity	10722143.4	10 January 2012	11 June 2030	Allowed	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.107.IN	IN - India	PCT National Phase Filing	Polyamide-polydiene blends with improved oxygen reactivity	255/CHENP/2012	11 June 2010	11 June 2030	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.107.KR	KR - South Korea	PCT National Phase Filing	Polyamide-polydiene blends with improved oxygen reactivity	2012-7000762	11 June 2010	11 June 2030	Pending	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.107.MX	MX - Mexico	PCT National Phase Filing	Polyamide-polydiene blends with improved oxygen reactivity	MX/A/2011/013301	11 June 2010	11 June 2030	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.107.RU	RU - Russian Federation	PCT National Phase Filing	Polyamide-polydiene blends with improved oxygen reactivity	2011153692	11 June 2010	11 June 2030	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.107.TW	TW - Taiwan	PCT National Phase Filing	Polyamide-polydiene blends with improved oxygen reactivity	99119073	11 June 2010	11 June 2030	Pending	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	BARRIER PET	MG.P.107.US	US - United States	PCT National Phase Filing	Polyamide-polydiene blends with improved oxygen reactivity	8409680	02 April 2013	20 July 2030	Granted	M&G USA CORPORATION
M&G USA CORPORATION	BARRIER PET	MG.P.107.US.CI	US - United States	Continuation	Polyamide-polydiene blends with improved oxygen reactivity	13803528	14 March 2013	11 June 2030	Pending	M&G USA CORPORATION
M&G USA CORPORATION	BARRIER PET	MG.P.110.PCT	PCT - Patent Cooperation Treaty	PCT Application	Polar soluble scavenging compositions	PCT/US2012/025744	17 February 2012	17 February 2032	Pending	M&G USA CORPORATION
M&G USA CORPORATION	BARRIER PET	MG.P.110.US	US - United States	PCT National Phase Filing	Polar soluble scavenging compositions	13982832	31 July 2013	17 February 2032	Pending	M&G USA CORPORATION
M&G USA CORPORATION	BARRIER PET	MG.P.112.PCT	PCT - Patent Cooperation Treaty	PCT Application	Color control of polyester-cobalt compounds and polyester-cobalt compositions	PCT/US2012/065351	15 November 2012	15 November 2032	Pending	M&G POLIMERI ITALIA SPA

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
M&G USA CORPORATION	BARRIER PET	MG.P.112.US	US - United States	Utility	Color control of acid based polyester-cobalt compounds	13677345	15 November 2012	15 November 2032	Pending	M&G USA CORPORATION
M&G USA CORPORATION	STD PET	MG.th1112.CA	CA - Canada	PCT National Phase Filing	polyesters containing an infrared absorbing material	2330962	12 February 2008	29 April 2019	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.th1112.JP	JP - Japan	PCT National Phase Filing	polyesters containing an infrared absorbing material	4287052	03 April 2009	29 April 2019	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	STD PET	MG.th1112.MX	MX - Mexico	PCT National Phase Filing	polyesters containing an infrared absorbing material	241305	20 October 2006	29 April 2019	Granted	M&G POLIMERI ITALIA SPA
M&G USA CORPORATION	GREG	MGX.P.002.BR	BR - Brazil	PCT National Phase Filing	Method for hydrogenolysis of sugar alcohols	PI 1006653	27 January 2010		Pending	CHEMTEX ITALIA SPA
M&G USA CORPORATION	GREG	MGX.P.002.EP	EP - European Patent Office	PCT National Phase Filing	Method for hydrogenolysis of sugar alcohols	10703119.7	07 November 2011		Pending	CHEMTEX ITALIA SPA
M&G USA CORPORATION	GREG	MGX.P.002.IN	IN - India	PCT National Phase Filing	Method for hydrogenolysis of sugar alcohols	8283/CHENP/2011	27 January 2010		Pending	CHEMTEX ITALIA SPA
M&G USA CORPORATION	GREG	MGX.P.002.US	US - United States	PCT National Phase Filing	Method for hydrogenolysis of sugar alcohols	13262675	03 October 2011		Pending	CHEMTEX ITALIA SPA

APPENDIX VII

INTELLECTUAL PROPERTY

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		STATUS	OWNER (Current)
							FILING DATE	EXPIRY		
CHEMTEX ITALIA SPA	MOGHI	MGX.P030.PCT	PCT - Patent Cooperation Treaty	PCT Application	Lignin conversion process	PCT/US2012/042746	15 June 2012	15 June 2032	Pending	CHEMTEX ITALIA SPA
BETA RENEWABLES SPA	PROESA	MGB.P.011.AR	AR - Argentina	Utility	High temperature lignin separation process	P 10.01.02525	13 July 2010	13 July 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA	PROESA	MGB.P.011.AU	AU - Australia	PCT National Phase Filing	High temperature lignin separation process	2009349861	13 July 2009	13 July 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA	PROESA	MGB.P.011.BR	BR - Brazil	PCT National Phase Filing	High temperature lignin separation process	BR 11 2012 000748	13 July 2009	13 July 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA	PROESA	MGB.P.011.CA	CA - Canada	PCT National Phase Filing	High temperature lignin separation process	2767201	13 July 2009	13 July 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA	PROESA	MGB.P.011.CN	CN - China	PCT National Phase Filing	High temperature lignin separation process	200980160532.9	13 July 2009	13 July 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA	PROESA	MGB.P.011.EP	EP - European Patent Office	PCT National Phase Filing	High temperature lignin separation process	09829864.9	03 February 2012	13 July 2029	Allowed	Beta Renewables S.p.A.
BETA RENEWABLES SPA	PROESA	MGB.P.011.ID	ID - Indonesia	PCT National Phase Filing	High temperature lignin separation process	WO0201200556	13 July 2009	13 July 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA	PROESA	MGB.P.011.IN	IN - India	PCT National Phase Filing	High temperature lignin separation process	1255/CHENP/2012	13 July 2009	13 July 2029	Pending	Beta Renewables S.p.A.

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
BETA RENEWABLES SPA.	PROESA	MGB.P.011.JP	JP - Japan	PCT National Phase Filing	High temperature lignin separation process	2012-520150	13 July 2009	13 July 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.011.KR	KR - South Korea	PCT National Phase Filing	High temperature lignin separation process	2012-7003534	13 July 2009	13 July 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.011.MX	MX - Mexico	PCT National Phase Filing	High temperature lignin separation process	MX/A/2012/000591	13 July 2009	13 July 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.011.MY	MY - Malaysia	PCT National Phase Filing	High temperature lignin separation process	PI2012000159	13 July 2009	13 July 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.011.PCT	PCT - Patent Cooperation Treaty	PCT Application	High temperature lignin separation process	PCT/IT2009/000302	13 July 2009	13 July 2029	Completed	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.011.RU	RU - Russian Federation	PCT National Phase Filing	High temperature lignin separation process	2012104841	13 July 2009	13 July 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.011.TW	TW - Taiwan	Utility	High temperature lignin separation process	99122602	09 July 2010	13 July 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.011.UA	UA - Ukraine	PCT National Phase Filing	High temperature lignin separation process	99806	25 September 2012	13 July 2029	Granted	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.011.US	US - United States	PCT National Phase Filing	High temperature lignin separation process	13379697	21 December 2011	13 July 2029	Pending	Beta Renewables S.p.A.

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT DATE/ FILING DATE	EXPIRY	STATUS	OWNER (Current)
BETA RENEWABLES SPA.	PROESA	MGB.P.011.ZA	ZA - South Africa	PCT National Phase Filing	High temperature lignin separation process	2012/00545	13 July 2009	13 July 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.016.AR	AR - Argentina	Utility	Pre-treated biomass having enhanced enzyme accessibility	P 11 01 03523	27 September 2011	29 September 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.016.AU	AU - Australia	PCT National Phase Filing	Pre-treated biomass having enhanced enzyme accessibility	2010361837	29 September 2010	29 September 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.016.BR	BR - Brazil	PCT National Phase Filing	Pre-treated biomass having enhanced enzyme accessibility	11 2013 006521 4	29 September 2010	29 September 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.016.CA	CA - Canada	PCT National Phase Filing	Pre-treated biomass having enhanced enzyme accessibility	2810969	29 September 2010	29 September 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.016.CN	CN - China	PCT National Phase Filing	Pre-treated biomass having enhanced enzyme accessibility	201080069370.0	29 September 2010	29 September 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.016.CO	CO - Colombia	PCT National Phase Filing	Pre-treated biomass having enhanced enzyme accessibility	13095073	29 September 2010	29 September 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.016.EP	EP - European Patent Office	PCT National Phase Filing	Pre-treated biomass having enhanced enzyme accessibility	10774293.4	26 March 2013	29 September 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.016.ID	ID - Indonesia	PCT National Phase Filing	Pre-treated biomass having enhanced enzyme accessibility	W00201301783	29 September 2010	29 September 2030	Pending	Beta Renewables S.p.A.

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BETA RENEWABLES SPA.	PROESA	MGB.P.016.JP	JP - Japan	PCT National Phase Filing	Pre-treated biomass having enhanced enzyme accessibility	PCT/IT2010/000410	29 September 2010	29 September 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.016.KR	KR - South Korea	PCT National Phase Filing	Pre-treated biomass having enhanced enzyme accessibility	2013-7010854	29 September 2010	29 September 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.016.MX	MX - Mexico	PCT National Phase Filing	Pre-treated biomass having enhanced enzyme accessibility	MX/A/2013/003102	29 September 2010	29 September 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.016.MY	MY - Malaysia	PCT National Phase Filing	Pre-treated biomass having enhanced enzyme accessibility	2013001063	29 September 2010	29 September 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.016.PCT	PCT - Patent Cooperation Treaty	PCT Application	Pre-treated biomass having enhanced enzyme accessibility	PCT/IT2010/000410	29 September 2010	29 September 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.016.RU	RU - Russian Federation	PCT National Phase Filing	Pre-treated biomass having enhanced enzyme accessibility	2013119739	29 September 2010	29 September 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.016.TH	TH - Thailand	PCT National Phase Filing	Pre-treated biomass having enhanced enzyme accessibility	1301001708	29 September 2010	29 September 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.016.UA	UA - Ukraine	PCT National Phase Filing	Pre-treated biomass having enhanced enzyme accessibility	201305368	29 September 2010	29 September 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.016.US	US - United States	PCT National Phase Filing	Pre-treated biomass having enhanced enzyme accessibility	13817859	20 February 2013	29 September 2030	Pending	Beta Renewables S.p.A.

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BETA RENEWABLES SPA.	PROESA	MGB.P.016.ZA	ZA - South Africa	PCT National Phase Filing	Pre-treated biomass having enhanced enzyme accessibility	2013/03034	29 September 2010	29 September 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.018.AU	AU - Australia	PCT National Phase Filing	Regenerative purification of a pretreated biomass stream	2009356384	11 December 2009	11 December 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.018.BR	BR - Brazil	PCT National Phase Filing	Regenerative purification of a pretreated biomass stream	BR1120120140953	11 December 2009	11 December 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.018.CA	CA - Canada	PCT National Phase Filing	Regenerative purification of a pretreated biomass stream	2782522	11 December 2009	11 December 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.018.CN	CN - China	PCT National Phase Filing	Regenerative purification of a pretreated biomass stream	200980162859.X	11 December 2009	11 December 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.018.CO	CO - Colombia	PCT National Phase Filing	Regenerative purification of a pretreated biomass stream	12109751	11 December 2009	11 December 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.018.EP	EP - European Patent Office	PCT National Phase Filing	Regenerative purification of a pretreated biomass stream	09805873.8	26 June 2012	11 December 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.018.ID	ID - Indonesia	PCT National Phase Filing	Regenerative purification of a pretreated biomass stream	WO0201202737	11 December 2009	11 December 2029	Pending	Beta Renewables S.p.A.

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BETA RENEWABLES SPA.	PROESA	MGB.P.018.IN	IN - India	PCT National Phase Filing	Regenerative purification of a pretreated biomass stream	59757DELNP/2012	11 December 2009	11 December 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.018.JP	JP - Japan	PCT National Phase Filing	Regenerative purification of a pretreated biomass stream	2012-542690	11 December 2009	11 December 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.018.KR	KR - South Korea	PCT National Phase Filing	Regenerative purification of a pretreated biomass stream	2012-7017953	11 December 2009	11 December 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.018.MX	MX - Mexico	PCT National Phase Filing	Regenerative purification of a pretreated biomass stream	MX/A/2012/006610	11 December 2009	11 December 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.018.MY	MY - Malaysia	PCT National Phase Filing	Regenerative purification of a pretreated biomass stream	PI2012002567	11 December 2009	11 December 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.018.PCT	PCT - Patent Cooperation Treaty	PCT Application	Regenerative purification of a pretreated biomass stream	PCT/IT2009/000562	11 December 2009	11 December 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.018.RU	RU - Russian Federation	PCT National Phase Filing	Regenerative purification of a pretreated biomass stream	2012129176	11 December 2009	11 December 2029	Pending	Beta Renewables S.p.A.

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BETA RENEWABLES SPA	PROESA	MGB.P.018.UA	UA - Ukraine	PCT National Phase Filing	Regenerative purification of a pretreated biomass stream	201208553	11 December 2009	11 December 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA	PROESA	MGB.P.018.US	US - United States	PCT National Phase Filing	Regenerative purification of a pretreated biomass stream	8394277	12 March 2013	20 April 2032	Granted	Beta Renewables S.p.A.
BETA RENEWABLES SPA	PROESA	MGB.P.018.US.CI	US - United States	Continuation	Regenerative purification of a pretreated biomass stream	13657755	22 October 2012	11 December 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA	PROESA	MGB.P.018.ZA	ZA - South Africa	PCT National Phase Filing	Regenerative purification of a pretreated biomass stream	2012/04929	11 December 2009	11 December 2029	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA	PROESA	MGB.P.022.AE	AE - United Arab Emirates	PCT National Phase Filing	Improved biomass pretreatment process	P970/11	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA	PROESA	MGB.P.022.AR	AR - Argentina	Utility	Improved biomass pretreatment process	P100101028	30 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA	PROESA	MGB.P.022.AU	AU - Australia	PCT National Phase Filing	Improved biomass pretreatment process	2010231587	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA	PROESA	MGB.P.022.BR	BR - Brazil	PCT National Phase Filing	Improved biomass pretreatment process	P11007595	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.

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BETA RENEWABLES SPA.	PROESA	MGB.P.022.CA	CA - Canada	PCT National Phase Filing	Improved biomass pretreatment process	2764581	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.022.CL	CL - Chile	PCT National Phase Filing	Improved biomass pretreatment process	2332-2011	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.022.CN	CN - China	PCT National Phase Filing	Improved biomass pretreatment process	201080015858.5	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.022.CO	CO - Colombia	PCT National Phase Filing	Improved biomass pretreatment process	127055	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.022.CU	CU - Cuba	PCT National Phase Filing	Improved biomass pretreatment process	2011-0179	31 March 2010	31 March 2030	Allowed	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.022.CU.DIV	CU - Cuba	Divisional	Improved biomass pretreatment process	2013-0060	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.022.EC	EC - Ecuador	PCT National Phase Filing	Improved biomass pretreatment process	SP-11-11416	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.022.EG	EG - Egypt	PCT National Phase Filing	Improved biomass pretreatment process	PCT/1632/2011	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.022.EP	EP - European Patent Office	PCT National Phase Filing	Improved biomass pretreatment process	10714079.0	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.

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BETA RENEWABLES SPA	PROESA	MGB.P.022.HN	HN - Honduras	PCT National Phase Filing	Improved biomass pretreatment process	2011-002564	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA	PROESA	MGB.P.022.ID	ID - Indonesia	PCT National Phase Filing	Improved biomass pretreatment process	W00201103934	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA	PROESA	MGB.P.022.IN	IN - India	PCT National Phase Filing	Improved biomass pretreatment process	7897/CHENP/2011	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA	PROESA	MGB.P.022.JP	JP - Japan	PCT National Phase Filing	Improved biomass pretreatment process	2012-502865	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA	PROESA	MGB.P.022.KE	KE - Kenya	PCT National Phase Filing	Improved biomass pretreatment process	KE/P/2011/001416	31 March 2010	31 March 2030	Allowed	Beta Renewables S.p.A.
BETA RENEWABLES SPA	PROESA	MGB.P.022.KR	KR - South Korea	PCT National Phase Filing	Improved biomass pretreatment process	2011-7025990	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA	PROESA	MGB.P.022.MA	MA - Morocco	PCT National Phase Filing	Improved biomass pretreatment process	33225	02 April 2012	31 March 2030	Granted	Beta Renewables S.p.A.
BETA RENEWABLES SPA	PROESA	MGB.P.022.MX	MX - Mexico	PCT National Phase Filing	Improved biomass pretreatment process	MX/A/2011/010189	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA	PROESA	MGB.P.022.MY	MY - Malaysia	PCT National Phase Filing	Improved biomass pretreatment process	PI 2011004571	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.

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BETA RENEWABLES SPA.	PROESA	MGB.P.022.NG	NG - Nigeria	PCT National Phase Filing	Improved biomass pretreatment process	NG/C/2011/584	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.022.NZ	NZ - New Zealand	PCT National Phase Filing	Improved biomass pretreatment process	595853	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.022.NZ.DIV	NZ - New Zealand	Divisional	Improved biomass pretreatment process	603144	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.022.PCT	PCT - Patent Cooperation Treaty	PCT Application	Improved biomass pretreatment process	PCT/IB2010/051412	31 March 2010	31 March 2030	Completed	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.022.PE	PE - Peru	PCT National Phase Filing	Improved biomass pretreatment process	001721-2011	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.022.PH	PH - Philippines	PCT National Phase Filing	Improved biomass pretreatment process	1-2011-501945	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.022.RU	RU - Russian Federation	PCT National Phase Filing	Improved biomass pretreatment process	2011143865	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.022.SD	SD - Sudan	PCT National Phase Filing	Improved biomass pretreatment process	pct/sd/399	28 February 2012	31 March 2030	Granted	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.022.SG	SG - Singapore	PCT National Phase Filing	Improved biomass pretreatment process	201107004-2	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.

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BETA RENEWABLES SPA.	PROESA	MGB.P.022.SG.DIV	SG - Singapore	Divisional	Improved biomass pretreatment process	201205910-1	08 August 2012	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.022.TH	TH - Thailand	PCT National Phase Filing	Improved biomass pretreatment process	1101002434	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.022.TN	TN - Tunisia	PCT National Phase Filing	Improved biomass pretreatment process	TN2011/0481	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.022.TW	TW - Taiwan	Utility	Improved biomass pretreatment process	99109296	29 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.022.UA	UA - Ukraine	PCT National Phase Filing	Improved biomass pretreatment process	201112672	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.022.US	US - United States	PCT National Phase Filing	Improved biomass pretreatment process	13260340	25 September 2011	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.022.VN	VN - Vietnam	PCT National Phase Filing	Improved biomass pretreatment process	1-2011-02958	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.022.ZA	ZA - South Africa	PCT National Phase Filing	Improved biomass pretreatment process	2011/07664	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.AE	AE - United Arab Emirates	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	P956-11	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.

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BETA RENEWABLES SPA.	PROESA	MGB.P.023.AR	AR - Argentina	Utility	An improved process for the rapid hydrolysis of high solids biomass	P100101029	30 March 2010	31 March 2030	Pending Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.AU	AU - Australia	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	2010231588	31 March 2010	31 March 2030	Pending Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.BR	BR - Brazil	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	PI 1006467	31 March 2010	31 March 2030	Pending Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.CA	CA - Canada	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	2756541	31 March 2010	31 March 2030	Pending Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.CL	CL - Chile	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	2333-2011	31 March 2010	31 March 2030	Pending Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.CN	CN - China	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	201080025029.5	31 March 2010	31 March 2030	Pending Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.CO	CO - Colombia	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	127057	31 March 2010	31 March 2030	Pending Beta Renewables S.p.A.

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BETA RENEWABLES SPA.	PROESA	MGB.P.023.CU	CU - Cuba	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	2011/0180	31 March 2010	31 March 2030	Pending Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.EC	EC - Ecuador	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	SP-11-11418	31 March 2010	31 March 2030	Pending Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.EG	EG - Egypt	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	PCT 1634/2011	31 March 2010	31 March 2030	Pending Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.EP	EP - European Patent Office	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	10715357.9	28 October 2011	31 March 2030	Pending Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.HN	HN - Honduras	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	2011-002549	31 March 2010	31 March 2030	Pending Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.ID	ID - Indonesia	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	WOO201103939	31 March 2010	31 March 2030	Pending Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.IN	IN - India	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	7854/CHENP/2011	31 March 2010	31 March 2030	Pending Beta Renewables S.p.A.

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							FILING DATE	EXPIRY		STATUS
BETA RENEWABLES SPA.	PROESA	MGB.P.023.JP	JP - Japan	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	2012-502866	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.KE	KE - Kenya	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	KE/P/2011/001417	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.KR	KR - South Korea	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	2011-702592	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.MA	MA - Morocco	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	33226	02 April 2012	31 March 2030	Granted	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.MX	MX - Mexico	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	MX/A/2011/010185	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.MY	MY - Malaysia	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	PI 2011004570	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.NG	NG - Nigeria	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	NG/C/2011/580	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		OWNER (Current)
							FILING DATE	EXPIRY	
BETA RENEWABLES SPA.	PROESA	MGB.P.023.NZ	NZ - New Zealand	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	595851	31 March 2010	31 March 2030	Pending Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.PCT	PCT - Patent Cooperation Treaty	PCT Application	An improved process for the rapid hydrolysis of high solids biomass	PCT/IB2010/051413	31 March 2010	31 March 2030	Completed Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.PE	PE - Peru	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	001723-2011	31 March 2010	31 March 2030	Pending Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.PH	PH - Philippines	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	1-2011-501946	31 March 2010	31 March 2030	Pending Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.RU	RU - Russian Federation	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	2011143527	31 March 2010	31 March 2030	Pending Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.SA	SA - Saudi Arabia	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	PCT/IB2010/051413	31 March 2010	31 March 2030	Pending Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.SD	SD - Sudan	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	PCT/SD/471/2011	31 March 2010	31 March 2030	Pending Beta Renewables S.p.A.

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		STATUS	OWNER (Current)
							FILING DATE	EXPIRY		
BETA RENEWABLES SPA.	PROESA	MGB.P.023.SG	SG - Singapore	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	201107053-9	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.TH	TH - Thailand	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	1101002418	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.TN	TN - Tunisia	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	TN/2011/0480	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.TW	TW - Taiwan	Utility	An improved process for the rapid hydrolysis of high solids biomass	99109587	30 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.UA	UA - Ukraine	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	201112671	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.US	US - United States	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	13260281	24 September 2011	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.023.VN	VN - Vietnam	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	1-2011-02957	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		STATUS	OWNER (Current)
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BETA RENEWABLES SPA.	PROESA	MGB.P.023.ZA	ZA - South Africa	PCT National Phase Filing	An improved process for the rapid hydrolysis of high solids biomass	2011/07665	31 March 2010	31 March 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.025.AR	AR- Argentina	Utility	Method to recover sugars of pre-treated lignocellulosic biomass liquids	P110103524	27 September 2010	29 September 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.025.BR	BR - Brazil	PCT National Phase Filing	Method to recover sugars of pre-treated lignocellulosic biomass liquids	11 2013 005998 2	29 September 2010	29 September 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.025.EP	EP - European Patent Office	PCT National Phase Filing	Method to recover sugars of pre-treated lignocellulosic biomass liquids	10773721.5	15 April 2013	29 September 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.025.PCT	PCT - Patent Cooperation Treaty	PCT Application	Method to recover sugars of pre-treated lignocellulosic biomass liquids	PCT/IT/2010/000411	29 September 2010	29 September 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.025.US	US - United States	PCT National Phase Filing	Method to recover sugars of pre-treated lignocellulosic biomass liquids	13817861	20 February 2013	29 September 2030	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.AR	AR- Argentina	Utility	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	P 11 01 03525	29 September 2010	29 September 2031	Pending	Beta Renewables S.p.A.

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		STATUS	OWNER (Current)
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BETA RENEWABLES SPA.	PROESA	MGB.P.026.AU	AU - Australia	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	2011309706	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.BR	BR - Brazil	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	11 2013 007088 9	29 September 2010	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.CA	CA - Canada	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	2810973	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.CL	CL - Chile	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	840-2013	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.CN	CN - China	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	201180044358.9	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		STATUS	OWNER (Current)
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BETA RENEWABLES SPA.	PROESA	MGB.P.026.CO	CO - Colombia	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	13093081	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.CU	CU - Cuba	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	2013-0049	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.EG	EG - Egypt	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	PCT 524/2013	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.EP	EP - European Patent Office	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	11773890.6	28 March 2013	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.HN	HN - Honduras	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	2013-000603	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		STATUS	OWNER (Current)
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BETA RENEWABLES SPA.	PROESA	MGB.P.026.ID	ID - Indonesia	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	W00201301782	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.IT	IT - Italy	Utility	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	TO2010A000792	29 September 2010	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.JP	JP - Japan	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	PCT/JP2011/054293	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.KE	KE - Kenya	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	KE/P/2013/001788	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.KR	KR - South Korea	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	2013-7010855	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		STATUS	OWNER (Current)
							DATE/ FILING DATE	EXPIRY		
BETA RENEWABLES SPA.	PROESA	MGB.P.026.MA	MA - Morocco	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	35835	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.MX	MX - Mexico	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	MX/A/2013/003258	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.MY	MY - Malaysia	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	PI 2013001065	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.NG	NG - Nigeria	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	NG/C/2013/164	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.NZ	NZ - New Zealand	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	609767	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		OWNER (Current)
							DATE/ FILING DATE	EXPIRY STATUS	
BETA RENEWABLES SPA.	PROESA	MGB.P.026.PE	PE - Peru	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	634-2013	29 September 2011	29 September 2031	Pending Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.PCT	PCT - Patent Cooperation Treaty	PCT Application	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	PCT/IB2011/054293	29 September 2011	29 September 2031	Pending Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.PH	PH - Philippines	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	1-2013-500469	29 September 2011	29 September 2031	Pending Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.RU	RU - Russian Federation	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	2013-119378	29 September 2011	29 September 2031	Pending Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.SD	SD - Sudan	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	PCT/SD/503/2013	29 September 2011	29 September 2031	Pending Beta Renewables S.p.A.

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		STATUS	OWNER (Current)
							DATE/ FILING DATE	EXPIRY		
BETA RENEWABLES SPA.	PROESA	MGB.P.026.SG	SG - Singapore	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	201301940-1	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.TH	TH - Thailand	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	1301001709	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.TN	TN - Tunisia	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	TN2013/0096	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.UA	UA - Ukraine	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	201304482	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.US	US - United States	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	13817865	20 February 2013	29 September 2031	Pending	Beta Renewables S.p.A.

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		STATUS	OWNER (Current)
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BETA RENEWABLES SPA.	PROESA	MGB.P.026.VN	VN - Vietnam	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	1-2013-01285	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.026.ZA	ZA - South Africa	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	2013/03031	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.AR	AR- Argentina	Utility	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	P 11 01 03526	27 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.AU	AU - Australia	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	2011309707	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.BR	BR - Brazil	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	11 2013 006641 5	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		STATUS	OWNER (Current)
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BETA RENEWABLES SPA.	PROESA	MGB.P.027.CA	CA - Canada	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	2810975	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.CL	CL - Chile	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	841-2013	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.CN	CN - China	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	201180047204.5	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.CO	CO - Colombia	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	13104499.0	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.CU	CU - Cuba	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	2013-0048	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		STATUS	OWNER (Current)
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BETA RENEWABLES SPA.	PROESA	MGB.P.027.EG	EG - Egypt	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	13104499.0	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.EP	EP - European Patent Office	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	11773891.4	03 April 2013	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.HN	HN - Honduras	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	2013-000600	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.ID	ID - Indonesia	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	W00201301781	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.IT	IT - Italy	Utility	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	TO2010A000794	29 September 2010	29 September 2031	Pending	Beta Renewables S.p.A.

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BETA RENEWABLES SPA.	PROESA	MGB.P.027.JP	JP - Japan	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	PCT/IB2011/054294	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.KE	KE - Kenya	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	KE/P/2013/001789	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.KR	KR - South Korea	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	2013-7010857	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.MA	MA - Morocco	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	35834	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.MX	MX - Mexico	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	MX/A/2013/003252	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		STATUS	OWNER (Current)
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BETA RENEWABLES SPA.	PROESA	MGB.P.027.MY	MY - Malaysia	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	PI 2013001064	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.NG	NG - Nigeria	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	NG/C/2013/172	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.NZ	NZ - New Zealand	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	609775	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.PCT	PCT - Patent Cooperation Treaty	PCT Application	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	PCT/IB2011/054294	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.PE	PE - Peru	PCT Application	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	635-2013	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		STATUS	OWNER (Current)
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BETA RENEWABLES SPA.	PROESA	MGB.P.027.PH	PH - Philippines	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	1-2013-500470	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.RU	RU - Russian Federation	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	2013119637	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.SD	SD - Sudan	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	PCT/SD/504/2013	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.SG	SG - Singapore	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	201302003-7	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.TH	TH - Thailand	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	1301001710	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		STATUS	OWNER (Current)
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BETA RENEWABLES SPA.	PROESA	MGB.P.027.TN	TN - Tunisia	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	TN2013/0095	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.UA	UA - Ukraine	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	201304962	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.US	US - United States	PCT National Phase Filing	Process for recovering sugars from a pretreatment stream of lignocellulosic biomass	13817869	20 February 2013	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.VN	VN - Vietnam	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	1-2013-01292	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.027.ZA	ZA - South Africa	PCT National Phase Filing	Improved process for recovering sugars from a pretreatment stream of lignocellulosic biomass	2013/03033	29 September 2011	29 September 2031	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.035.IT	IT - Italy	Utility	Process for acetic acid removal from pretreated biomass	TO2011A000441	18 May 2011	17 May 2032	Pending	Beta Renewables S.p.A.

Company (Final Owner)	FAMILY	MG REF	COUNTRY	QPAPPLTYPE	TITLE	PATENT NO/ APP NO	GRANT		OWNER (Current)	
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BETA RENEWABLES SPA.	PROESA	MGB.P.035.PCT	PCT - Patent Cooperation Treaty	PCT Application	Process for acetic acid removal from pretreated biomass	PCT/IB2012/052490	17 May 2012	17 May 2032	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.037.AR	AR- Argentina	Utility	An improved hydrolysis step involving vacuum	P120104908	21 December 2012	21 December 2032	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.037.TW	TW - Taiwan	Utility	An improved hydrolysis step involving vacuum	101148956	21 December 2012	21 December 2032	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.041.AR	AR- Argentina	Utility	Improved process for recovery of sugar from lignocellulosic biomass	P 13 01 00072	09 January 2013	09 January 2033	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.041.TW	TW - Taiwan	Utility	Improved process for recovery of sugar from lignocellulosic biomass	102100685	09 January 2013	09 January 2033	Pending	Beta Renewables S.p.A.
BETA RENEWABLES SPA.	PROESA	MGB.P.042.EP	EP - European Patent Office	Utility	Improved pre-soaking process for biomass conversion	12199683.9	28 December 2012	28 December 2032	Pending	Beta Renewables S.p.A.



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