INEOS GROUP HOLDINGS S.A.

Three month period ended September 30, 2019

INEOS GROUP HOLDINGS S.A.
INCOME STATEMENT (UNAUDITED)

	Three-Month Period Ended September 30,	
	2019	**2018**
	(€ in millions)	
Revenue	**3,319.3**	**4,321.4**
Cost of sales	(2,809.1)	(3,657.6)
Gross profit	**510.2**	**663.8**
Distribution costs	(51.9)	(52.8)
Administrative expenses	(102.9)	(95.2)
Operating profit	**355.4**	**515.8**
Share of profit of associates and jointly controlled entities using the equity accounting method	16.9	35.2
Profit before net finance costs	**372.3**	**551.0**
Finance income	18.4	22.5
Finance costs	(222.1)	(42.3)
Profit before tax	**168.6**	**531.2**
Tax charge	(27.1)	(89.2)
Profit for the period	**141.5**	**442.0**

The notes on pages 8 to 20 are an integral part of these interim condensed consolidated financial statements.

INEOS GROUP HOLDINGS S.A.
INCOME STATEMENT (UNAUDITED)

	Nine-Month Period Ended September 30,	
	2019	**2018**
	(€ in millions)	
Revenue	**10,490.0**	**12,306.0**
Cost of sales	(8,929.5)	(10,264.3)
Gross profit	**1,560.5**	**2,041.7**
Distribution costs	(164.0)	(158.7)
Administrative expenses	(332.6)	(286.2)
Exceptional administrative expenses	(13.0)	-
Operating profit	**1,050.9**	**1,596.8**
Share of profit/(loss) of associates and jointly controlled entities using the equity accounting method	18.7	(3.7)
Profit on disposal of investments	2.6	-
Profit before net finance costs	**1,072.2**	**1,593.1**
Finance income	64.1	63.8
Finance costs	(361.3)	(251.8)
Exceptional finance costs	(11.7)	-
Profit before tax	**763.3**	**1,405.1**
Tax charge	(133.5)	(253.0)
Profit for the period	**629.8**	**1,152.1**

The notes on pages 8 to 20 are an integral part of these interim condensed consolidated financial statements.

INEOS GROUP HOLDINGS S.A.
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Nine-Month Period Ended September 30,	
	2019	**2018**
	(€ in millions)	
Profit for the period	629.8	1,152.1
Other comprehensive income/(expense):		
Items that will not be recycled to profit and loss:		
Remeasurement of post employment benefit obligations net of tax	(198.0)	16.0
Items that may subsequently be recycled to profit and loss:		
Foreign exchange translation differences	(25.2)	(11.8)
Net gain on hedge of net investment in foreign operations net of tax	236.3	147.9
Other comprehensive income for the period net of tax	**13.1**	**152.1**
Total comprehensive income for the period	**642.9**	**1,304.2**

The notes on pages 8 to 20 are an integral part of these interim condensed consolidated financial statements.

INEOS GROUP HOLDINGS S.A.
CONSOLIDATED BALANCE SHEETS

	September 30, 2019	December 31, 2018
	(Unaudited)	
	(€ in millions)	
Non-current assets		
Property, plant and equipment	6,717.5	5,046.3
Intangible assets	779.7	744.8
Investments in equity-accounted investees	326.0	302.0
Financial assets at fair value through profit or loss	-	251.2
Financial assets at fair value through other comprehensive income	28.3	28.3
Employee benefits	45.3	45.3
Trade and other receivables	911.0	729.7
Deferred tax assets	271.2	201.6
	9,079.0	7,349.2
Current assets		
Inventories	1,230.4	1,407.7
Trade and other receivables	1,696.1	1,748.2
Derivative financial instruments	9.0	10.1
Cash and cash equivalents	1,179.4	2,071.3
	4,114.9	5,237.3
Total assets	**13,193.9**	**12,586.5**
Equity attributable to owners of the parent		
Share capital	0.9	0.9
Share premium	585.6	779.4
Other reserves	(1,944.8)	(1,957.9)
Retained earnings	3,172.4	4,095.1
Total equity	**1,814.1**	**2,917.5**
Non-current liabilities		
Interest-bearing loans and borrowings	6,501.3	6,241.5
Lease liabilities	854.7	-
Trade and other payables	83.3	112.1
Employee benefits	1,066.8	789.8
Provisions	27.4	27.6
Deferred tax liabilities	209.6	206.4
Derivative financial instruments	-	0.4
	8,743.1	7,377.8
Current liabilities		
Interest-bearing loans and borrowings	236.1	61.1
Lease liabilities	109.3	-
Trade and other payables	1,799.7	1,841.6
Tax payable	458.1	377.6
Provisions	9.2	10.9
Derivative financial instruments	24.3	-
	2,636.7	2,291.2
Total liabilities	**11,379.8**	**9,669.0**
Total equity and liabilities	**13,193.9**	**12,586.5**

The notes on pages 8 to 20 are an integral part of these interim condensed consolidated financial statements.

INEOS GROUP HOLDINGS S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Share capital	Share premium	Other reserves	Retained earnings	Total equity
		(€ in millions)			
Balance at 31 December 2018	**0.9**	**779.4**	**(1,957.9)**	**4,095.1**	**2,917.5**
Profit for the period	-	-	-	629.8	629.8
Other comprehensive income/(expense):					
Foreign exchange translation differences	-	-	(25.2)	-	(25.2)
Net gain on hedge of net investment in foreign operations	-	-	236.3	-	236.3
Remeasurement of post employment benefit obligations net of tax	-	-	(198.0)	-	(198.0)
Transactions with owners, recorded directly in equity:					
Capital reduction	-	(193.8)	-	193.8	-
Dividend	-	-	-	(1,746.3)	(1,746.3)
Balance at 30 September 2019	**0.9**	**585.6**	**(1,944.8)**	**3,172.4**	**1,814.1**

	Share capital	Share premium	Other reserves	Retained earnings	Total equity
		(€ in millions)			
Balance at 31 December 2017	**0.9**	**779.4**	**(2,183.2)**	**3,099.7**	**1,696.8**
Impact of new accounting standards	-	-	-	(6.1)	(6.1)
Restated total equity at the beginning of the financial year	**0.9**	**779.4**	**(2,183.2)**	**3,093.6**	**1,690.7**
Profit for the period	-	-	-	1,152.1	1,152.1
Other comprehensive income/(expense):					
Foreign exchange translation differences	-	-	(11.8)	-	(11.8)
Net gain on hedge of net investment in foreign operations	-	-	147.9	-	147.9
Remeasurement of post employment benefit obligations net of tax	-	-	16.0	-	16.0
Balance at 30 September 2018	**0.9**	**779.4**	**(2,031.1)**	**4,245.7**	**2,994.9**

The notes on pages 8 to 20 are an integral part of these interim condensed consolidated financial statements.

INEOS GROUP HOLDINGS S.A.
STATEMENT OF CASH FLOWS (UNAUDITED)

	Nine-Month Period Ended September 30,	
	2019	2018
	(€ in millions)	
Cash flows from operating activities		
Profit before tax	763.3	1,405.1
Adjustments for:		
Depreciation, amortisation and impairment	472.6	334.8
Net finance cost	308.9	188.1
Share of (profit)/loss of equity-accounted investees	(18.7)	3.7
Profit on disposal of investments	(2.6)	-
Increase in trade and other receivables	(95.4)	(281.3)
Decrease/(increase) in inventories	202.6	(187.1)
(Decrease)/increase in trade and other payables	(101.7)	171.9
Decrease in provisions and employee benefits	(6.7)	(9.4)
Tax paid	(64.1)	(153.4)
Net cash from operating activities	**1,458.2**	**1,472.4**
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	0.2	-
Proceeds from sale of investments	260.8	0.4
Interest and other finance income received	40.4	34.6
Dividends received	2.9	3.1
Loan repayments from related parties	-	105.4
Acquisition of businesses, net of cash acquired	(67.1)	(4.1)
Acquisition of property, plant and equipment	(884.7)	(743.0)
Acquisition of intangible assets	(6.4)	-
Acquisition of other investments	-	(12.9)
Net cash used in investing activities	**(653.9)**	**(616.5)**
Cash flows from financing activities		
Securitisation Facility	66.7	(0.7)
Inventory Financing Facility	189.0	-
Proceeds from new Senior Secured Notes	770.0	-
Redemption of Senior Secured Notes	(770.0)	-
Issue costs	(11.4)	(0.4)
Interest paid	(235.4)	(171.3)
Repayment of loans	(47.6)	(48.7)
Proceeds from other loans	141.0	50.7
Dividends paid	(1,746.3)	-
Capital element of lease payments	(82.7)	-
Net cash used in financing activities	**(1,726.7)**	**(170.4)**
Net (decrease)/increase in cash and cash equivalents	(922.4)	685.5
Cash and cash equivalents at January 1	2,071.3	1,366.3
Effect of exchange rate fluctuations on cash held	30.5	24.5
Cash and cash equivalents at September 30	**1,179.4**	**2,076.3**

The notes on pages 8 to 20 are an integral part of these interim condensed consolidated financial statements.

1. BASIS OF PREPARATION

The interim condensed consolidated financial statements include INEOS Group Holdings S.A. and all its subsidiaries (together referred to as the "Group"). Intra-group transactions and balances have been eliminated on consolidation. The financial and operating results for any period less than a year are not necessarily indicative of the results that may be expected for a full year. The Group does not experience any significant seasonality in its operating results.

The accompanying interim condensed consolidated financial statements of the Group are unaudited.

2. PRINCIPAL ACCOUNTING POLICIES

The financial information has been prepared and approved by the directors in accordance with IAS 34 "Interim financial reporting" as adopted by the European Union in response to the IAS regulation (EC 1606/2002) effective from January 1, 2019. In compliance with IAS 34, the Company has opted for a condensed scope of reporting in the interim financial statements compared with the consolidated annual financial statements. The accounting policies are set out in the INEOS Group Holdings S.A. annual report for the year ended December 31, 2018, although from January 1, 2019 the Group has applied IFRS 16 *Leases* for the first time.

a) Nature of the effect of adopting IFRS 16

IFRS 16 replaces previous leasing guidance, including IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. These liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate.

For leases in which the Group is a lessor, no significant impact has arisen. Lessor accounting in *IFRS 16 Leases* remains similar to the previous standard *IAS 17 Leases*, with lessors continuing to classify leases as finance or operating leases.

i) Adjustments recognised on adoption of IFRS 16 in which the Group is a lessee

The Group has recognised new assets and liabilities for lease contracts previously classified as operating leases, which include vessels, storage and transportation infrastructure. The nature of expenses related to those leases has changed because the Group recognises a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. In addition, the Group no longer recognises provisions for operating leases that it assesses to be onerous. Instead, the Group now includes the payments due under the lease in its lease liability.

The Group has applied *IFRS 16* on January 1, 2019, using the 'modified retrospective approach' which allowed the measurement of the right of use asset to equal the lease liability. Therefore, the cumulative effect of adopting *IFRS 16* has been recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information.

The table below provides a reconciliation between operating lease commitments disclosed as at December 31, 2018 and the lease liability recognised as at January 1, 2019.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

	2019
	(€ in millions)
Operating lease commitments disclosed as at December 31, 2018	1,037.3
Impact of discounting using the Group's incremental borrowing rates at the date of initial application	(227.1)
Less:	
Short-term leases recognised on a straight-line basis as expense	(9.4)
Low-value leases recognised on a straight-line basis as an expense	(0.3)
Add:	
Reassessment of service/non-lease components of leases and service contracts as leases	77.0
Adjustments related to variable lease payments based on an index or rate	0.2
Adjustments as a result of a different treatment of extension and termination options	21.7
Additional lease liability recognised on January 1, 2019	**899.4**
Add finance lease liabilities recognised as at December 31, 2018	1.2
Lease liability recognised as at January 1, 2019	**900.6**
Of which are:	
Current lease liabilities	173.4
Non-current lease liabilities	727.2
	900.6

Included within the lease liability on January 1, 2019 is €40.9 million in respect of related party leases.

The weighted average incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 5.2%.

The change in accounting policy affected the following items in the balance sheet on January 1, 2019:

• *Right-of-use assets* – increase of €903.0 million. This includes the leased assets recognised previously as finance leases of €3.6 million that were reclassified from property, plant and equipment.

• Property, plant and equipment – decrease of €3.6 million. This relates to the reclassification of leased assets, previously recognised as finance leases, to Right-of-use assets.

• *Lease liabilities* – increase of €899.4 million. From January 1, 2019 all lease liabilities (including finance leases recognised as at December 31, 2018) have been categorised within "Lease liabilities" on the balance sheet.

The net impact on retained earnings on January 1, 2019 was €nil.

(ii) Practical expedients applied

The Group had a number of arrangements that were not in the legal form of a lease, for which it concluded that the arrangement contained a lease under IFRIC 4. On transition to *IFRS 16*, the Group did not apply the practical expedient to grandfather the definition of a lease on transition. Therefore, the new definition of a lease under *IFRS 16* has been applied to all of the contracts in place on transition.

When applying the modified retrospective approach to leases previously classified as operating leases under *IAS 17*, the Group has elected to apply the following practical expedients:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics,
- reliance on previous assessments on whether leases are onerous,

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases,
- the accounting for leases with a lease term of 12 months or less as short term leases. The lease payments associated with them will be recognised as an expense on a straight-line basis over the lease term,
- the accounting for leases for which the underlying asset is of low value when it is new as low value leases. The lease payments associated with them will be recognised as an expense on a straight-line basis over the lease term,
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

b) Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from January 1, 2019:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are expensed in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to all leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group also applies the lease of low-value assets recognition exemption to leases of assets that are valued below €10,000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew.

3. SEGMENTAL INFORMATION

Class of business

The Group reports under three business segments: O&P North America, O&P Europe and Chemical Intermediates.

The revenue and operating profit attributable to each different class of business as measured under IFRS is as follows:

	Three-Month Period Ended September 30,		Nine-Month Period Ended September 30,	
	2019	2018	2019	2018
	(€ in millions)		*(€ in millions)*	
Revenue				
O&P North America	790.9	1,110.2	2,438.6	3,036.0
O&P Europe	1,458.4	1,702.2	4,516.4	4,846.0
Chemical Intermediates	1,526.6	2,115.3	4,927.0	6,070.0
Eliminations	(456.6)	(606.3)	(1,392.0)	(1,646.0)
	3,319.3	4,321.4	10,490.0	12,306.0
EBITDA before exceptionals				
O&P North America	215.1	232.9	606.7	662.8
O&P Europe	158.8	170.6	452.2	563.4
Chemical Intermediates	140.3	227.2	477.6	705.4
	514.2	630.7	1,536.5	1,931.6

Reconciliation of earnings from continuing operations before operating exceptional items, interest, taxation, depreciation and amortisation ('EBITDA before exceptionals') to operating profit:

	Three-Month Period Ended September 30,		Nine-Month Period Ended September 30,	
	2019	2018	2019	2018
	(€ in millions)		*(€ in millions)*	
EBITDA before exceptionals	514.2	630.7	1,536.5	1,931.6
Depreciation and amortisation	(158.8)	(114.9)	(472.6)	(334.8)
Exceptional items	-	-	(13.0)	-
Operating profit	355.4	515.8	1,050.9	1,596.8

4. FINANCE COSTS

	Three-Month Period Ended September 30,		Nine-Month Period Ended September 30,	
	2019	2018	2019	2018
	(€ in millions)		*(€ in millions)*	
Interest payable on senior notes	23.4	25.4	73.5	75.7
Interest payable on bank loans and overdrafts	31.7	28.7	93.6	81.8
Interest payable on securitisation	2.4	2.3	7.9	6.6
Interest payable on lease liabilities	11.0	-	35.4	-
Amortisation of issue costs	1.9	1.6	5.0	4.6
Other finance charges	4.2	3.6	13.0	12.9
Net fair value loss/(gain) on derivatives	7.5	(10.6)	34.3	0.6
Finance costs before exchange movements	82.1	51.0	262.7	182.2
Exchange movements	140.9	(8.4)	101.2	70.2
Borrowing costs capitalised in property, plant and equipment	(0.9)	(0.3)	(2.6)	(0.6)
Total finance costs	222.1	42.3	361.3	251.8

The exchange movements reflect net foreign exchange gains or losses associated with short term intra group funding.

5. EXCEPTIONAL FINANCE COSTS

Following the early redemption of the Senior Secured Notes due 2023, an exceptional finance cost of €11.7 million was recognised in April 2019, which included an early prepayment premium of €7.7 million and the write-off of deferred issue costs associated with the redeemed Notes of €4.0 million.

6. TAXATION

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to the expected total annual profit or loss.

After adjusting for the profit from the share of associates and jointly controlled entities, the effective tax rate of approximately 18% for the first nine months of 2019 reflects the anticipated tax rate for the Group for the full year. After adjusting for the profit from the share of associates and jointly controlled entities the effective rate in the same period in 2018 was approximately 18%, which reflected the anticipated tax rate for the full year.

7. INVENTORIES

	September 30, 2019	December 31, 2018
	(€ in millions)	
Raw materials and consumables	419.4	444.4
Work in progress	22.5	22.1
Finished products	788.5	941.2
	1,230.4	1,407.7

8. BORROWINGS

Borrowing obligations as of September 30, 2019 and December 31, 2018 are as follows:

	September 30, 2019	December 31, 2018
	(€ in millions)	
Non-current liabilities		
Senior Secured Term Loans	3,470.6	3,432.6
Senior Secured Notes due 2023	-	765.8
Senior Secured Notes due 2025	545.4	544.9
Senior Secured Notes due 2026	761.9	-
Schuldschein Loan	139.0	-
Senior Notes due 2024	1,100.5	1,080.2
Receivables Securitisation Facility	359.6	286.6
Koln CoGen Facility	114.0	120.0
Finance lease liabilities	-	1.1
Other loans	10.3	10.3
	6,501.3	6,241.5

	September 30, 2019	December 31, 2018
Current liabilities		
Current portion of borrowings under Senior Secured Term Loans	33.7	33.0
Inventory Financing Facility	188.4	-
Koln CoGen Facility	6.0	-
Noretyl Facility	6.9	26.9
Other loans	1.1	1.1
Current portion of finance lease liabilities	-	0.1
	236.1	61.1

	September 30, 2019		
	Gross loans and borrowings	Issue costs	Net loans and borrowings
		(€ in millions)	
Senior Secured Term Loans	3,513.8	(9.5)	3,504.3
Senior Secured Notes due 2025	550.0	(4.6)	545.4
Senior Secured Notes due 2026	770.0	(8.1)	761.9
Schuldschein Loan	141.0	(2.0)	139.0
Senior Notes due 2024	1,106.7	(6.2)	1,100.5
Receivables Securitisation Facility	360.3	(0.7)	359.6
Inventory Financing Facility	189.0	(0.6)	188.4
Koln CoGen Facility	120.0	-	120.0
Noretyl Facility	6.9	-	6.9
Other	11.4	-	11.4
	6,769.1	(31.7)	6,737.4

8. BORROWINGS (Continued)

	December 31, 2018		
	Gross loans and borrowings	Issue costs	Net loans and borrowings
		(€ in millions)	
Senior Secured Term Loans	3,476.7	(11.1)	3,465.6
Senior Secured Notes due 2023	770.0	(4.2)	765.8
Senior Secured Notes due 2025	550.0	(5.1)	544.9
Senior Notes due 2024	1,087.3	(7.1)	1,080.2
Receivables Securitisation Facility	287.8	(1.2)	286.6
Koln CoGen Facility	120.0	-	120.0
Noretyl Facility	27.5	(0.6)	26.9
Other	12.6	-	12.6
	6,331.9	(29.3)	6,302.6

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity
Senior Secured Term Loans	$/€	LIBOR/EURIBOR plus 2.00%	2024
Senior Secured Notes	€	2.125%-2.875%	2025-2026
Schuldschein Loan	€	EURIBOR plus 2.00%	2024
Senior Notes	$/€	5.375%-5.625%	2024
Receivables Securitisation Facility	$/€/£	Variable	2020
Inventory Financing Facility	€	1.20%	2020
Koln CoGen Facility	€	2.85%	2024
Noretyl Facility	€	EURIBOR plus 2.75%	2019
Other	$	4.525%	2023

Senior Secured Term Loans

The Group has outstanding borrowings under a senior credit facilities agreement (the 'Senior Secured Term Loans' or 'Term Loans') dated April 27, 2012 (as amended and restated). The Term Loans are denominated in both Euros and US dollars with tranches maturing in 2024.

The Senior Secured Term Loans outstanding at September 30, 2019 before issue costs were €3,513.8 million (December 31, 2018: €3,476.7 million) of which €35.8 million (December 31, 2018: €35.1 million) is due within one year. The total amounts outstanding on the Euro denominated Term Loans were €2,024.0 million (December 31, 2018: €2,039.4 million) and the USD denominated Term Loans were €1,489.8 million (December 31, 2018: €1,437.3 million).

The Term Loans are to be repaid in equal quarterly instalments, in aggregate annual amounts equal to 1% of the original principal amount of the Term Loans. The Term Loans mature on March 31, 2024.

8. BORROWINGS (Continued)

The outstanding Term Loans denominated in US dollars bear interest at a rate per annum equal to LIBOR plus the Applicable Margin. The Term Loans denominated in Euros bear interest at a rate per annum equal to EURIBOR (subject to a floor of 0.50% per annum) plus the Applicable Margin.

As at September 30, 2019 the Applicable Margin for the Euro denominated Term Loans and the US dollar denominated Term Loans was 2.00%.

The Senior Secured Term Loans rank pari passu with the Senior Secured Notes due 2025, the Senior Secured Notes due 2026 and the Schuldschein Loan and are structurally senior to the Senior Notes due 2024. The notes are guaranteed by INEOS Group Holdings S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The Term Loans and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the senior secured notes.

The Term Loans have numerous customary operating and financial incurrence covenants including covenants relating to, among other things, limitations on indebtedness, ability to give guarantees, creation of security interests, making acquisitions and investments, disposing of assets and paying dividends. The Term Loans have no financial maintenance covenants.

The Senior Secured Term Loans are stated net of debt issue costs of €9.5 million (December 31, 2018: €11.1 million). These costs are allocated to the profit and loss account over the term of the Term Loans in accordance with IFRS 9 – Financial Instruments.

Senior Secured Notes due 2023

In April 2019 the Group redeemed in full the Senior Secured Notes due 2023 with the proceeds from the issuance of the Senior Secured Notes due 2026 along with cash on hand. Before redemption the Senior Secured Notes due 2023 were listed on the Luxembourg Stock Exchange. The Senior Secured Notes due 2023 bore interest at 4.0% per annum, payable semi-annually in arrears on May 1 and November 1 of each year.

Following the full redemption of the Senior Secured Notes due 2023, unamortised debt issue costs of €4.0 million were charged to exceptional finance costs in April 2019 (see Note 5).

Senior Secured Notes due 2025

In November 2017 the Group issued €550 million of Senior Secured Notes due 2025. The proceeds from the new Notes were used to partially repay the Senior Secured Term Loans. The Senior Secured Notes due 2025 are listed on the Luxembourg Stock Exchange. The Senior Secured Notes due 2025 bear interest at 2.125% per annum, payable semi-annually in arrears on May 15 and November 15 of each year. Unless previously redeemed as noted below, the Senior Secured Notes due 2025 will be redeemed by the Group at their principal amount on November 15, 2025.

The Senior Secured Notes due 2025 will be subject to redemption at any time on or after November 15, 2020, at the option of the Issuer, in whole or in part, on not less than 10 nor more than 60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning November 15 of the year indicated below:

Year	Redemption Price
2020	101.0625%
2021	100.53125%
2022 and thereafter	100.000%

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

8. BORROWINGS (Continued)

The Senior Secured Notes due 2025 rank pari passu with the Senior Secured Term Loans, Senior Secured Notes due 2026 and the Schuldschein Loan and are structurally senior to the Senior Notes due 2024. The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

The Indenture contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Senior Secured Notes due 2025 are stated net of debt issue costs of €4.6 million (December 31, 2018: €5.1 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due 2025 in accordance with IFRS 9 – Financial Instruments.

Senior Secured Notes due 2026

In April 2019, the Group issued €770 million of Senior Secured Notes due 2026. The Senior Secured Notes due 2026 are listed on the Luxembourg Stock Exchange. The Senior Secured Notes due 2026 bear interest at 2.875% per annum, payable semi-annually in arrears on May 1 and November 1 of each year, beginning November 1, 2019. Unless previously redeemed as noted below, the Senior Secured Notes due 2026 will be redeemed by the Group at their principal amount on May 1, 2026.

The Senior Secured Notes due 2026 will be subject to redemption at any time on or after May 1, 2022, at the option of the Issuer, in whole or in part, on not less than 10 nor more than 60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning May 1 of the year indicated below:

Year	Redemption Price
2022	101.4375%
2023	100.71875%
2024 and thereafter	100.000%

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Secured Notes due 2026 rank pari passu with the Senior Secured Term Loans, Senior Secured Notes due 2025 and the Schuldschein Loan and are structurally senior to the Senior Notes due 2024. The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

The Indenture contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

8. BORROWINGS (Continued)

The Senior Secured Notes due 2026 are stated net of debt issue costs of €8.1 million. These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due 2026 in accordance with IFRS 9 – Financial Instruments.

Senior Notes due 2024
The Senior Notes due 2024 are listed on the Luxembourg Stock Exchange and comprise €650 million Senior Notes due 2024 (the "Euro Notes") and $500 million Senior Notes due 2024 (the "Dollar Notes"). The Senior Notes due 2024 bear interest at 5.375% per annum for the Euro Notes and 5.625% for the Dollar Notes, payable semi-annually in arrears on 1 February and 1 August of each year.

Unless previously redeemed as noted below, the Senior Notes due 2024 will be redeemed by the Group at their principal amount on 1 August 2024.

The Senior Notes due 2024 are subject to redemption at the option of the Group, in whole or in part, at the following redemption prices (expressed as percentages of the principal amount), if redeemed during the 12-month period beginning 1 August of the years indicated below:

Year	Euro Notes redemption price	Dollar Notes redemption price
2019	102.688%	102.813%
2020	101.344%	101.406%
2021 and thereafter	100.000%	100.000%

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Notes due 2024 are secured by junior pledges of all of the shares of INEOS Holdings Limited. The Senior Notes due 2024 are guaranteed by INEOS Holdings Limited and its material operating subsidiaries on an unsecured senior subordinated basis. Such guarantees only become due 179 days after an event of default on the Senior Notes due 2024 has occurred or earlier under certain circumstances.

The Indenture contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Senior Notes due 2024 are stated net of debt issue costs of €6.2 million (December 31, 2018: €7.1 million). These costs are allocated to the profit and loss account over the term of the Senior Notes due 2024 in accordance with IFRS 9 – Financial Instruments.

Receivables Securitisation Facility
The Group has entered into a €800 million receivables securitisation facilities agreement ("Receivables Securitisation Facility") which matures in December 2020. The total amount outstanding at September 30, 2019 before issue costs was €360.3 million (December 31, 2018: €287.8 million). The facility is secured by pledges over the trade receivables sold in to the programme. Interest is charged on the facility at a rate per annum of either EURIBOR or short term commercial paper rates plus a margin.

The Receivables Securitisation Facility is stated net of debt issue costs of €0.7 million (December 31, 2018: €1.2 million).

Koln CoGen Facility
As part of a project at the Group's Koln site to replace part of its incineration or cogeneration unit, the Group has entered into a €120 million loan facility ("Koln CoGen Facility"). The facility matures in December 2024. There are no scheduled interest or amortization payments during the first two years of the facility. The total amount outstanding at September 30, 2019 was €120.0 million (December 31, 2018: €120.0 million) of which €6.0 million (December 31, 2018: €nil) is due within one year.

8. BORROWINGS (Continued)

The Koln CoGen Facility is to be repaid in equal quarterly instalments of €6 million, starting from March 2020. The facility is secured by pledges over the plant and equipment of INEOS Manufacturing Deutschland GmbH's new cogeneration assets. The outstanding Koln CoGen Facility bears a fixed interest rate of 2.85% per annum.

Noretyl Facility

As part of the Group's purchase of the remaining 50% interest in the Noretyl ethylene cracker at Rafnes, Norway from the Kerling group on July 1, 2015, the Group also assumed the obligations of a €140 million loan facility ("Noretyl Facility") that Noretyl had in place. The total amount outstanding at September 30, 2019 before issue costs was €6.9 million (December 31, 2018: €27.5 million), all of which is due within one year.

The Noretyl Facility is to be repaid in equal quarterly instalments, in aggregate annual amounts equal to 6.25% of the original principal amount of the facility starting on March 31, 2016. The facility matures in November 2019. The facility is secured by pledges over the property, plant and equipment of Noretyl AS. The outstanding Noretyl Facility bears interest at a rate per annum equal to EURIBOR (subject to a floor of 0% per annum) plus a margin of 2.75%.

The Noretyl Facility is stated net of debt issue costs of €nil (December 31, 2018: €0.6 million).

Schuldschein Loan

In March 2019 the Group entered into a €141 million floating rate loan facility ("Schuldschein Loan"). The facility matures in March 2024.

The Schuldschein Loan bears interest at a rate per annum equal to EURIBOR for an interest period of six months (subject to a floor of 0.50% per annum) plus a margin of 2.00%. Interest on the Schuldschein Loan is payable semi-annually in arrears in September and March of each year.

The Schuldschein Loan ranks parri passu with the Senior Secured Term Loans and the Senior Secured Notes due 2025 and 2026.

The Schuldschein Loan is stated net of debt issue costs of €2.0 million.

Inventory Financing Facility

In June 2019 the Group entered into an inventory monetisation agreement with J Aron & Company LLC ('J Aron'), for an initial term of one year but extendable by mutual agreement. Under this arrangement, the Group sold certain inventory to J Aron and agreed to buy-back equivalent inventory at the end of the term at the same price. During the term, and subject to certain covenants and rights of J Aron, J Aron provides the Group with a just-in-time service for use of the inventory, and the ability to substitute used inventory with equivalent inventory, in return for a transaction fee. The arrangement is supported by a Group parent company guarantee and a cash collateral mechanism.

The total amount outstanding at September 30, 2019 before issue costs was €189.0 million.

The Inventory Financing Facility is stated net of debt issue costs of €0.6 million.

9. CONTINGENCIES

The Company is subject to various proceedings instituted by governmental authorities arising under the provisions of applicable laws or regulations relating to the discharge of materials into the environment or otherwise relating to the protection of the environment. In management's opinion, none of the proceedings is material to the financial condition or results of operation of the Company.

10. RELATED PARTIES

Related parties comprise:

- Parent entities and their subsidiaries not included within the INEOS Group Holdings S.A. group;
- Entities controlled by the shareholders of INEOS Limited, the ultimate parent company of INEOS Group Holdings S.A.;
- Key management personnel; and
- Joint ventures.

Mr JA Ratcliffe, Mr AC Currie and Mr J Reece are shareholders in INEOS Limited.

INEOS AG, a subsidiary of INEOS Limited, provides operational management services to the Group through a management services agreement. INEOS AG management fees of €21.9 million (September 30, 2018: €21.5 million) were charged to the income statement during the three month period ended September 30, 2019. As at September 30, 2019 amounts owed to INEOS AG were €22.6 million (September 30, 2018: €22.0 million). Amounts owed to INEOS Holdings AG, a wholly owned subsidiary of INEOS AG, were €0.1 million (September 30, 2018: owed by €157.5 million).

In March 2019 the Group received €260.5 million ($296.5 million) of proceeds in relation to the repayment of the Group's preferential interest in INEOS Investments Partnership following the sale by INEOS Investments Partnership of its assets (shares in PQ Corporation) to INEOS Limited. In April 2019 the Group paid the proceeds received as part of a dividend of €296.3 million to its parent company, INEOS Holdings Luxembourg S.A..

INEOS Limited owns and controls a number of operating subsidiaries that are not included in the INEOS Group Holdings S.A. group, including INOVYN Limited, INEOS Industries Limited, INEOS Enterprises Limited and the Lavéra petrochemical assets and businesses together with other French and Italian assets of O&P South.

During the three month period ended September 30, 2019 the Group has made sales to these subsidiaries of €220.1 million (September 30, 2018: €311.2 million), recovered costs of €22.1 million (September 30, 2018: €1.0 million) and made purchases of €234.8 million (September 30, 2018: €274.5 million). As at September 30, 2019, €567.2 million (September 30, 2018: €391.4 million) was owed by and €120.7 million (September 30, 2018: €163.2 million) was owed to these subsidiaries (excluding the INEOS Upstream Limited loans and transactions and balances with INEOS Styrolution).

During 2015 the Group provided a loan of $623.7 million to INEOS Upstream Limited, a related party, in connection with its acquisition of natural gas assets in the North Sea. The loan facility is unsecured and matures on October 26, 2020 and bears interest at 7% per annum. On September 29, 2017, INEOS Upstream Limited, a related party, acquired further natural gas assets in the North Sea through its acquisition of the entire oil and gas business of DONG Energy A/S. In connection with the DONG Acquisition, the Group advanced a loan of $376.2 million (€315.7 million) to INEOS Upstream Limited, the proceeds of which were on-lent to certain of its subsidiaries. The loan is unsecured and matures in June 2022 and bears interest at 7% per annum. During the three month period ended September 30, 2019 no loan repayments were received (September 30, 2018: no loan repayments), leaving $617.1 million (€563.7 million) outstanding under these facilities as at September 30, 2019 (September 30, 2018: $617.1 million (€528.5 million)).

Following the divestment of the Grangemouth petrochemical business in 2013, the Group put in place a €200 million shareholder loan facility to fund the ongoing operations and investments required at the site. In July 2019 INEOS Grangemouth plc entered in to a new €350.0 million Senior Term Loan and Revolving Credit facility and the shareholder loan facility was cancelled in full.

Styrolution was previously a 50-50 joint venture between INEOS Industries Limited, a related party, and BASF. On November 17, 2014 INEOS Industries Limited completed the acquisition of BASF's 50% share in Styrolution for a purchase price of €1.1 billion. During the three month period ended September 30, 2019 the Group has made sales to INEOS Styrolution of €80.1 million (September 30, 2018: €96.4 million), recovered costs of €0.6 million (September 30, 2018: €0.1 million) and made

10. RELATED PARTIES (Continued)

purchases of €0.2 million (September 30, 2018: €nil million). As at September 30, 2019, €32.2 million (September 30, 2018: €32.0 million) was owed by INEOS Styrolution and €3.0 million (September 30, 2018: €1.7 million) was owed to INEOS Styrolution.

INEOS Limited owns interests in a number of joint ventures that are not included in the Ineos Group Holdings S.A. group, including the French joint ventures associated with the Lavera petrochemical assets and businesses which were divested by the Group on July 1, 2014; the refining joint ventures between PetroChina and INEOS Investments (Jersey) Limited, a related party and a joint venture with Sasol Limited to build and operate an HDPE plant at the Battleground site in Texas, USA which became operational at the end of 2017.

The Refining joint ventures are between PetroChina and INEOS Investments (Jersey) Limited, a related party. During the three month period ended September 30, 2019 the Group recovered costs of €4.1 million (September 30, 2018: €27.9 million) and made purchases of €61.3 million (September 30, 2018: €121.4 million). As at September 30, 2019, €0.7 million (September 30, 2018: €3.4 million) was owed by the Refining joint ventures and €11.2 million (September 30, 2018: €37.9 million) was owed to the Refining joint ventures.

During the three month period ended September 30, 2019 the Group has recovered costs of €6.3 million (September 30, 2018: €21.6 million) and made purchases of €10.6 million (September 30, 2018: €14.5 million) from the HDPE joint venture. As at September 30, 2019, €5.5 million (September 30, 2018: €nil) was owed to and €6.0 million (September 30, 2018: €11.5 million) owed by the HDPE joint venture.

FORWARD-LOOKING STATEMENTS

The Company includes "forward-looking statements," within the meaning of the US securities laws, based on our current expectations and projections about future events, including:

- the cyclical and highly competitive nature of our businesses;
- our significant debt service obligations, as well as our ability to generate sufficient cash flow to service our debt;
- our sales growth across our principal businesses and our strategy for controlling costs, growing margins, increasing manufacturing capacity and production levels, and making capital expenditures;
- our ability to deleverage through strategic disposals of certain assets and non-core businesses;
- raw material costs or supply arrangements;
- our technological and manufacturing assets and our ability to utilize them to further increase sales and the profitability of our businesses;
- impacts of climate change, including regulatory requirements on greenhouse gas emissions, the costs to purchase emissions allowances and the physical risks to our facilities of severe weather conditions;
- current or future health, safety and environmental requirements and the related costs of maintaining compliance with, and addressing liabilities under, those requirements;
- operational hazards, including the risk of accidents that result in injury to persons and environmental contamination;
- our ability to retain existing customers and obtain new customers;
- our ability to develop new products and technologies successfully;
- our ability to successfully integrate acquired businesses with our historical business and realize anticipated synergies and cost savings, including with respect to businesses acquired;
- currency fluctuations;
- our ability to attract and retain members of management and key employees; and
- our relationship with our shareholders.

All statements other than statements of historical facts included in this report including, without limitation, statements regarding our future financial position, risks and uncertainties related to our business and the notes, strategy, capital expenditures, projected costs and our plans and objectives for future operations, may be deemed to be forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties. Words such as "believe," "expect," "anticipate," "may," "intend," "will," "should," "estimate" and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. In addition, from time to time we or our representatives, acting in respect of information provided by us, have made or may make forward-looking statements orally or in writing and these forward-looking statements may be included in but are not limited to press releases (including on our website), reports to our security holders and other communications. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The following discussion is based upon the unaudited consolidated historical financial statements of INEOS prepared in accordance with IFRS. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements.

Overview

Combined Business

We are one of the world's largest chemical companies as measured by revenue. Our business has highly integrated world class chemical facilities and production technologies. We have leading global market positions for a majority of our key products, a strong and stable customer base and a highly experienced management team. We currently operate 33 manufacturing sites in six countries throughout the world. As of December 31, 2018, our total chemical production capacity was approximately 21,900 kta, of which 59% was in Europe and 41% was in North America.

Results of Operations

Consolidated

The following table sets forth, for the periods indicated, our revenue and expenses and such amounts as a percentage of revenue.

	Three-Month Period Ended September 30,			
	2019		2018	
	€m	%	€m	%
Revenue	**3,319.3**	**100.0**	**4,321.4**	**100.0**
Cost of sales	(2,809.1)	(84.6)	(3,657.6)	(84.6)
Gross profit	**510.2**	**15.4**	**663.8**	**15.4**
Distribution costs	(51.9)	(1.6)	(52.8)	(1.2)
Administrative expenses	(102.9)	(3.1)	(95.2)	(1.2)
Operating profit	**355.4**	**10.7**	**515.8**	**11.9**
Share of profit of associates and jointly controlled entities	16.9	0.5	35.2	0.8
Profit before net finance costs	**372.3**	**11.2**	**551.0**	**12.8**
Finance income	18.4	0.6	22.5	0.5
Finance costs	(222.1)	(6.7)	(42.3)	(1.0)
Profit before tax	**168.6**	**5.1**	**531.2**	**12.3**
Tax charge	(27.1)	(0.8)	(89.2)	(2.1)
Profit for the period	**141.5**	**4.3**	**442.0**	**10.2**

Three-Month Period Ended September 30, 2019, Compared to Three-Month Period Ended September 30, 2018

Revenue. Revenue decreased by €1,002.1 million, approximately 23.2%, to €3,319.3 million in the three month period ended September 30, 2019 as compared to €4,321.4 million for the same period in 2018. The decrease in revenues was driven primarily by lower prices and lower sales volumes. The decrease in selling prices generally followed the fall in crude oil prices, which decreased to an average of $62/bbl for the three month period ended September 30, 2019 as compared to $75/bbl in the same period in 2018. Sales volumes were lower in the three month period ended September 30, 2019 as compared to the same period in 2018, largely driven by lower acrylonitrile sales volumes in the Nitriles business following weakness in ABS and acrylic fibre demand due to a weak automotive sector and trade tariff concerns and the adverse impact of some production issues at the facilities in Green Lake and Seal Sands, together with lower phenol and acetone sales as a result of weaker demand. Partially offsetting these decreases were higher sales volumes in the O&P Europe business, driven by higher olefin and benzene sales volumes aided by a number of scheduled competitor turnarounds which constrained industry supply.

Cost of sales. Cost of sales decreased by €848.5 million, approximately 23.2%, to €2,809.1 million in the three month period ended September 30, 2019 as compared to €3,657.6 million for the same period in 2018. The decrease in cost of sales is largely due to lower sales volumes and the decrease in crude oil prices, which has meant lower feedstock prices across the Group in the three month period ended September 30, 2019, as compared to the same period in 2018.

Gross profit. Gross profit decreased by €153.6 million, approximately 23.1%, to €510.2 million in the three month period ended September 30, 2019 as compared to €663.8 million for the same period in 2018. The decrease in profitability was primarily driven by inventory holding losses and lower volumes in the three month period ending September 30, 2019 as compared to the same period in 2018. Inventory holding losses within the O&P segments were approximately €11 million in the three month period ended September 30, 2019, as compared to inventory holding gains of approximately €54 million in the same period in 2018. North American markets were solid, with O&P North America taking full benefit from its flexibility to be able to utilise cheaper gas feedstocks to maintain margins. Market conditions in Europe have remained flat in the three month period ended September 30, 2019, but markets in Asia have seen some weakness during this period. O&P North America experienced lower polyethylene and polypropylene margins and decreased margins in the HDPE pipe business, partially offset by higher olefin margins. The O&P Europe business experienced additional margins from the Trading & Shipping business and also higher cracker margins aided by a number of scheduled competitor turnarounds which constrained supply in the quarter. European polymer margins were lower as margins were adversely impacted by increased competition from US imports. The decrease in profitability in the three month period ending September 30, 2019 as compared to the same period in 2018 was also driven by the Nitriles business. The Nitriles business was adversely impacted by some production issues at the Green Lake and Seal Sands facilities which contributed to significantly lower sales volumes. In addition trade tariff concerns had a negative impact on the market, whilst the ABS sector suffered from a subdued automotive sector and the acrylic fibre market was adversely impacted by competing fibres such as cotton and polyester.

Distribution costs. Distribution costs decreased by €0.9 million, approximately 1.7%, to €51.9 million in the three month period ended September 30, 2019 as compared to €52.8 million for the same period in 2018. The decrease in distribution costs in the period ended September 30, 2019 as compared to the same period in 2018 reflects the lower sales volumes in the quarter. This decrease was partially offset by additional tankage expenditure in support of the LAO expansion project for the Oligomers business expected to come on line later this year and increased transportation costs in the Oxide business as a result of more specialised products being sold in the period.

Administrative expenses. Administrative expenses increased by €7.7 million, approximately 8.1%, to €102.9 million in the three month period ended September 30, 2019 as compared to €95.2 million for the same period in 2018. The increase in administrative expenses was primarily due to higher depreciation charges and a decrease in other operating income in the three month period ended September 30, 2019 as compared to the same period in 2018.

Operating profit. Operating profit decreased by €160.4 million, approximately 31.1%, to €355.4 million in the three month period ended September 30, 2019 as compared to €515.8 million for the same period in 2018.

Share of profit of associates and jointly controlled entities. Share of profit of associates and jointly controlled entities was a profit of €16.9 million in the three month period ended September 30, 2019 as compared to a profit of €35.2 million for the same period in 2018. The share of profit from associates and jointly controlled entities primarily reflects our share of the results of the Refining joint venture with PetroChina. Margins in the European refining market were weaker in the three month period ended September 30, 2019 as compared to the same period in 2018.

Profit before net finance costs. Profit before net finance costs decreased by €178.7 million, approximately 32.4%, to €372.3 million in the three month period ended September 30, 2019 as compared to €551.0 million for the same period in 2018.

Finance income. Finance income decreased by €4.1 million, approximately 18.2%, to €18.4 million in the three month period ended September 30, 2019 as compared to €22.5 million for the same period in 2018. The income in the three month period ended September 30, 2019 primarily relates to interest income from loans to related parties, including INEOS Upstream. The three month period ended September 30, 2018 also included interest income on the Group's investment in INEOS Investments Partnership, before its disposal by the Group in March 2019.

Finance costs. Finance costs increased by €179.8 million, approximately 425.1%, to €222.1 million in the three month period ended September 30, 2019 as compared to €42.3 million for the same period in 2018. The increase in finance costs for the three month period ended September 30, 2019 reflects an increase in net foreign exchange losses primarily associated with short term intra group funding, which was a loss of €140.9 million in the three month period ended September 30, 2019 as compared to a gain of €8.4 million in the same period in 2018. In addition the group incurred net fair value losses on derivatives of €7.5 million in the three month period ended September 30, 2019 as compared to gains of €10.6 million in the same period in 2018.

Profit before tax. Profit before tax decreased by €362.6 million, approximately 68.3%, to €168.6 million in the three month period ended September 30, 2019 as compared to €531.2 million for the same period in 2018.

Tax charge. Tax charge decreased by €62.1 million, approximately 69.6%, to a charge of €27.1 million in the three month period ended September 30, 2019 as compared to a charge of €89.2 million for the same period in 2018 primarily due to the decreased profitability of the Group. After adjusting for the results from the share of associates and jointly controlled entities, the effective tax rate of approximately 18% for the three month period ended September 30, 2019 reflects the anticipated tax rate for the Group for the full year. The effective rate for the three month period ended September 30, 2018 was approximately 18% after adjusting for the profits from the share of associates and jointly controlled entities, which reflected the anticipated tax rate for the full year for 2018.

Profit for the period. Profit for the period decreased by €300.5 million, approximately 68.0%, to a profit of €141.5 million in the three month period ended September 30, 2019 as compared to €442.0 million for the same period in 2018.

Business segments

The Group reports under three business segments: O&P North America, O&P Europe and Chemical Intermediates.

The following table provides an overview of the historical revenue and EBITDA before exceptionals of each of the business segments for the periods indicated:

	Three-Month Period Ended September 30,		Nine-Month Period Ended September 30,	
	2019	2019	2019	2018
	(€ in millions)		*(€ in millions)*	
Revenue				
O&P North America	790.9	1,110.2	2,438.6	3,036.0
O&P Europe	1,458.4	1,702.2	4,516.4	4,846.0
Chemical Intermediates	1,526.6	2,115.3	4,927.0	6,070.0
Eliminations	(456.6)	(606.3)	(1,392.0)	(1,646.0)
	3,319.3	4,321.4	10,490.0	12,306.0
EBITDA before exceptionals				
O&P North America	215.1	232.9	606.7	662.8
O&P Europe	158.8	170.6	452.2	563.4
Chemical Intermediates	140.3	227.2	477.6	705.4
	514.2	630.7	1,536.5	1,931.6

O&P North America

Revenue. Revenue in the O&P North America segment decreased by €319.3 million, or 28.8%, to €790.9 million in the three month period ended September 30, 2019, as compared to €1,110.2 million for the same period in 2018. The decrease was driven primarily by lower prices and to a lesser extent lower sales volumes, partially offset by the favourable impact of the appreciation of the US dollar against the euro in the three month period ending September 30, 2019 as compared to the same period in 2018. The weighted average sales price for the whole business was lower by approximately 29% in the three month period ended September 30, 2019 as compared to the same period in 2018. Sales volumes decreased by approximately 4% in the three month period ended September 30, 2019 as compared to the same period in 2018, largely due to lower olefin and HDPE pipe sales volumes, partially offset by higher polyethylene sales volumes. Partially offsetting the decrease in revenues was the appreciation of the US dollar by approximately 4% against the euro in the three month period ended September 30, 2019 as compared to the same period in 2018, which has increased reported euro revenues.

EBITDA before exceptionals. EBITDA before exceptionals in the O&P North America segment decreased by €17.8 million, or 7.6%, to €215.1 million in the three month period ended September 30, 2019 as compared to €232.9 million in the same period in 2018. The business has continued to benefit from its flexibility to be able to utilise cheaper gas feedstock. The decrease in profitability during the three month period ended September 30, 2019 as compared to the same period in 2018 was largely due to lower inventory holding gains, higher fixed costs and lower margins, partially offset by the favourable impact of the appreciation of the US dollar against the euro. During the three month period ended September 30, 2019 the US business environment was generally solid with good operating rates throughout the quarter, although margins were lower in the three month period ended September 30, 2019 as compared to the same period in 2018, reflecting lower polyethylene and polypropylene margins and decreased margins in the HDPE pipe business, partially offset by higher olefin margins. Inventory holding gains were approximately €13 million in the three month period ended September 30, 2019, as compared to inventory holding gains of approximately €35 million in the same period in 2018. Partially offsetting these decreases was the appreciation of the US dollar by approximately 4% against the euro in the three month period ended September 30, 2019 as compared to the same period in 2018, which has increased the reported euro profitability.

O&P Europe

Revenue. Revenue in the O&P Europe segment decreased by €243.8 million, or 14.3%, to €1,458.4 million in the three month period ended September 30, 2019 as compared to €1,702.2 million for the same period in 2018. The decrease in revenues was driven primarily by lower selling prices during the three month period ended September 30, 2019 as compared to the same period in 2018. Selling prices were lower during the three month period ended September 30, 2019 as compared to the three month period ended September 30, 2018 as crude oil prices fell to an average of $62/bbl for the three month period ended September 30, 2019 as compared to an average of $75/bbl for the three month period ended September 30, 2018, which in turn led to a fall in prices across most products. The largest price decrease was seen for butadiene, which was influenced by relatively weak end use markets. The ethylene market also saw price decreases following weak demand resulting from softness in derivatives, whilst the propylene market experienced falling prices as a result of a long market and weak downstream demand. Partially offsetting the decrease was an increase in sales volumes which increased by approximately 8% in the third quarter of 2019 as compared to the same period in 2018, driven by higher olefin and benzene sales volumes aided by a number of scheduled competitor turnarounds which constrained industry supply in the quarter. Partially offsetting this increase was lower polymer sales volumes as the market was characterised by weak customer demand and ample supply due to increased imports.

EBITDA before exceptionals. EBITDA before exceptionals in the O&P Europe segment decreased by €11.8 million or 6.9% to €158.8 million in the three month period ended September 30, 2019, as compared to €170.6 million in the same period in 2018. The results for the three month period ended September 30, 2019 have decreased compared to the same period in 2018, primarily due to inventory holding losses, partially offset by improved margins. Inventory holding losses were approximately €24 million in the three month period ended September 30, 2019 as compared to gains of approximately €19 million in the three month period ended September 30, 2018. Partially offsetting this decrease were higher margins in the three month period ended September 30, 2019 as compared to the same period in 2018 driven by additional margins from the olefins business which experienced higher cracker margins aided by a number of scheduled competitor turnarounds which constrained supply in the quarter. In addition the Trading and Shipping business generated additional margins in the third quarter of 2019 as compare to the same quarter in 2018. Partially offsetting this increase were lower polymer margins, which were adversely impacted by increased competition from US imports in the three month period ended September 30, 2019 as compared to the same period in 2018.

Chemical Intermediates

Revenue. Revenue in the Chemical Intermediates segment decreased by €588.7 million, or 27.8%, to €1,526.6 million in the three month period ended September 30, 2019 as compared to €2,115.3 million for the same period in 2018. The Oxide business revenues decreased in the three month period ended September 30, 2019 as compared to the same period in 2018 driven by lower prices and lower sales volumes. Sales prices fell slightly during the third quarter of 2019 as compared to same quarter in 2018, which followed the decrease in raw material pricing of ethylene and propylene. Glycols experienced a more significant fall than the raw material reduction due to weak demand, although the price effect has been partly offset by a shift towards other derivatives aided by the new Alkox 6 unit, which came on stream in Antwerp, Belgium in March 2019. Sales volumes decreased by approximately 3% in the three month period ended September 30, 2019 as compared to the same period in 2018, most notably in the commodity product segment as a result of the weaker economic environment in glycols, although the business sold more speciality products in the quarter aided by the new Alkox 6 unit in Antwerp. The Oligomers business revenues in the three month period ended September 30, 2019 decreased as compared the same period in 2018, as a result of lower sales volumes and to a lesser extent lower prices. The overall market demand trend was good across most products and regions, with particular strength in co-monomers. Overall sales volumes decreased by approximately 7% in the three month period ended September 30, 2019 as compared to the same period in 2018 as a result of lower LAO and PAO volumes which were only partially offset by higher SO volumes. Overall market demand demonstrated strength in most products and regions. LAO sales were higher in Europe and Asia, however these were offset by lower sales volumes in North America as a result of weaker drilling fluids sales. During the quarter PAO sales were lower in all three regions compared to the same quarter in 2018. PAO core lo-viscosity demand continued to be firm during the quarter, however weakness in the European automotive market impacted sales. PAO industrials sales volumes were good and hi-viscosity sales continued to be strong, although they were impacted by Asian tariffs. Partially offsetting these decreases were higher SO sales in the three month period ended September 30, 2019 as compared to the same period in 2018 as a result of very strong European sales only partially offset by lower North American and Asian sales. The market for iso-butylene oligomers was healthy, as well as for isoamylene fragrance applications. Lower SO sales in North America and Asia were as a result of some customer issues and shipment delays. The decrease in revenue was also a result of lower prices in the third quarter of 2019 as compared to the same quarter in 2018, as selling prices largely moved in line with the decrease in underlying raw material prices of ethylene and naphtha. Nitriles revenues decreased in the three month period ended September 30, 2019 as compared to the same period in 2018, driven primarily by lower sales volumes and lower selling prices. Sales volumes of acrylonitrile decreased by approximately 46% in the three month period ended September 30, 2019 as compared to the same period in 2018, as they were impacted by production issues at the Green Lake and Seal Sands facilities during the quarter, which limited product availability. In addition the ABS sector was adversely impacted by a subdued automotive sector and the acrylic fibre market had pressure from competing fibres such as cotton and polyester. The average acrylonitrile sales price fell approximately 22% in the three month period ended September 30, 2019 as compared to the same period in 2018, mainly driven by weaker markets in the ABS and acrylic fibre sectors and falling feedstock prices. Revenues of the Phenol business decreased in the three month period ended September 30, 2019 as compared to the same period in 2018, primarily driven by lower sales volumes and decreased selling prices. Overall sales volumes decreased by approximately 18% in the third quarter of 2019 as compared to the same period in 2018 with both phenol and acetone sales volumes decreasing due to a weaker market, particularly in relation to acetone end use markets. Selling prices moved in line with the underlying raw material prices as benzene and propylene prices decreased in both Europe and North America resulting in a small decrease in phenol prices, whilst acetone prices experienced a larger decrease, falling by approximately 29% in the three month period ended September 30, 2019 as compared to the same period in 2018.

EBITDA before exceptionals. EBITDA before exceptionals in the Chemical Intermediates segment decreased by €86.9 million, or 38.2%, to €140.3 million in the three month period ended September 30, 2019 as compared to €227.2 million for the same period in 2018. The Oxide business results in the three month period ended September 30, 2019 decreased as compared to the same period in 2018, mainly driven by higher fixed costs and lower sales volumes. Fixed costs have increased in the three month period ended September 30, 2019 as compared to the same period in 2018 in support of some expansion projects, mainly at Antwerp where the new Alkox 6 unit and EO storage facilities have started up at the end of the first quarter of 2019. There were also additional start-up costs in the quarter in respect of the Antwerp cogeneration unit, which was acquired by the business from RWE in March 2019. The decrease in sale volumes of approximately 3% in the three month period ended September 30, 2019 as compared to the same period in 2018 was primarily due to a weaker commodity product market as a result of a weaker economic environment in glycols, partially offset by more speciality products being sold during the quarter. The Oligomers business profitability in the three month period ended September 30, 2019 was lower than the same period in 2018, primarily due to higher fixed costs and lower volumes which were only partially offset by higher margins. The increase in fixed costs was driven by increased project support and start-up expenses in respect of the LAO and PAO expansion projects expected to come on line later in the year. In addition overall sales volumes decreased by approximately 7% in the three month period ended September 30, 2019 as compared to the same period in 2018 as a result of lower LAO and PAO volumes which were only partially offset by increased SO volumes. Partially offsetting these decreases were higher LAO, PAO and SO margins in the three month period ended September 30, 2019 as compared to the same period in 2018. LAO margins included solid co-monomer volumes which offset some weakness in oilfield applications. LAO margins also benefitted from comparatively advantaged Joffre feedstock in North America and higher ethylene price discounts in Europe. PAO margins were higher in the three month period ended September 30, 2019 as compared to the same period in 2018 with higher margins recorded in North America and Europe offsetting lower margins in Asia as sales to core customers and strong hi-viscosity sales offset the margins lost as a result of lower automotive demand. SO margins were also higher in the third quarter of 2019 as compared to the same quarter in 2018 across all three major products, benefitting from strong demand and lower raw material prices. Regionally SO margins were higher in both Europe and Asia, but lower in North America. The Nitriles business experienced a decrease in profitability in the three month period ended September 30, 2019 as compared to the same period in 2018, primarily due to lower sales volumes. Sales volumes of acrylonitrile decreased by approximately 46% in the three month period ended September 30, 2019 as compared to the same period in 2018, due to some production issues at the Green Lake and Seal Sands facilities which have adversely impacted volumes. In addition US sanctions on Iran and the US/China trade war had a negative impact on the market whilst the ABS sector suffered from a subdued automotive sector and the acrylic fibre market was adversely impacted by competing fibres such as cotton and polyester. The Phenol business profitability in the three month period ended September 30, 2019 was effectively flat as compared to the same period in 2018 primarily due to lower sales volumes offset by higher margins. Total sales volumes were approximately 18% lower in the three month period ended September 30, 2019 as compared to the same period in 2018, mainly driven by lower market demand, particularly for acetone end use markets. Partially offsetting this decrease were higher phenol margins in the three month period ended September 30, 2019 as compared to the same period in 2018 as a result of successful increases in phenol adders and the use of raw material imports from the US to Europe based on much cheaper US propylene prices. Partially offsetting the higher phenol margins was a decrease in acetone returns and lower benzene prices.

Liquidity and Capital Resources

Capital Resources

Our historical liquidity requirements have arisen primarily from the need for us to meet our debt service requirements, to fund capital expenditures for the general maintenance and expansion of our production facilities and for new facilities, and to fund growth in our working capital.

Our primary sources of liquidity are cash flows from operations of subsidiaries, cash on our balance sheet and borrowings under the Receivables Securitization Program and the Inventory Financing Facility. Our ability to generate cash from our operations depends on future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive market, legislative, regulatory and other factors, many of which are beyond our control.

We believe that our operating cash flows, together with the cash resources and future borrowings under the Receivables Securitization Program and the Inventory Financing Facility, will be sufficient to fund our working capital requirements, anticipated capital expenditures and debt service requirements as they become due, although this may not be the case.

Financing Arrangements

The Group’s capital structure includes a mixture of secured term loans and secured notes, together with unsecured notes. These various debt instruments are denominated in both Euros and US Dollars where appropriate, to approximately match the main currencies of the cash flows generated by the Group’s operations.

The Group has a €800 million Receivables Securitization Program in place, which matures in December 2020.

The Group has an Inventory Financing Facility in place, which matures in June 2020, although this is extendable by mutual agreement.

The Group has a €300.0 million Letter of Credit facility. Under the terms of the facility the Group undertakes to provide cash collateral to cover any letters of credit, guarantees, bonds or indemnities issued under the facility.

Following the Group’s purchase of the remaining 50% interest in the Noretyl ethylene cracker at Rafnes, Norway from the Kerling group in July 2015, the Group assumed the obligations of a €140 million loan facility of Noretyl AS. The facility matures in November 2019.

As part of a project at the Group’s Koln site to replace part of its incineration or cogeneration unit, the Group has entered into a €120 million loan facility. The facility matures in December 2024.

As of September 30, 2019, the Group had a total of €3,513.8 million Senior Secured Term Loans, €1,106.7 million Senior Notes due 2024, €550.0 million Senior Secured Notes due 2025, €770.0 million Senior Secured Notes due 2026, and €141.0 million Schuldschein Loan outstanding.

Capital Expenditures

As part of our strategy to focus capital investments on improving returns, we have instituted measures to ensure the most efficient uses of capital investment. We intend to manage capital expenditures to maintain our well-invested asset base.

Capital expenditure incurred during the nine months ended September 30, 2019 was €884.7 million (€743.0 million in the nine months ended September 30, 2018) analysed by business segment as follows:

	Nine-month period ended September 30,	
	2019	**2018**
	(€ in millions)	
O&P North America	370.3	197.5
O&P Europe	180.5	167.6
Chemical Intermediates	333.9	377.9
	884.7	743.0

The main capital expenditures in the nine month period ended September 30, 2019 related to further expenditure within the O&P North America segment on a furnace replacement project, a cogeneration project and a debottleneck of one of the crackers at Chocolate Bayou, together with a number of smaller turnarounds and growth projects. The main capital expenditures in the O&P Europe segment were at the Koln site on a cogeneration project and new office buildings and a jetty, together with a turnaround on a small butadiene unit, also at Koln. The main expenditure in the Chemical Intermediates segment was additional growth expenditure by the Oligomers business on the LAO and PAO platforms and a barge dock at Chocolate Bayou, USA as well as expenditure on LAO railcars. There was also expenditure within the Oxide business at the Antwerp, Belgium site in respect of commissioning the alkox 6 unit and EO storage project which came into operation during the first quarter of 2019, as well as some turnaround costs. The Phenol business also had expenditure on a new cumene unit project. The remaining capital expenditure related primarily to sustenance expenditure.

The main capital expenditures in the nine month period ended September 30, 2018 related to expenditure within the O&P North America segment on a furnace replacement project, debottleneck on one of the crackers and a number of smaller turnarounds and projects. The main capital expenditures in the O&P Europe segment were at the Koln site on a cogeneration project and new office buildings, together with turnarounds at the Koln and Lillo sites. The main expenditure in the Chemical Intermediates segment was additional growth expenditure by the Oligomers business on the LAO platform and barge dock at Chocolate Bayou, USA. There was also expenditure within the Oxide business at the Antwerp, Belgium site in respect of EO storage projects as well as a turnaround at the Hull site. The remaining capital expenditure related primarily to sustenance expenditure.

Working Capital

We anticipate that our working capital requirements will vary due to changes in raw material costs, which affect inventory and account receivables levels, and sales volumes. Working capital levels typically develop in line with raw material prices, although timing factors can affect flows of capital. We expect to fund our working capital requirements with cash generated from operations and drawings under our Receivables Securitization and Inventory Financing Facilities.

Cash Flows

During the nine month period ended September 30, 2019 and 2018, our cash flow was as follows:

	Nine-month period ended September 30, 2019	Nine-month period ended September 30, 2018
	(€ millions)	
Cash flow from operating activities	1,458.2	1,472.4
Cash flow from investing activities	(653.9)	(616.5)
Cash flow from financing activities	(1,726.7)	(170.4)

Cash flows from operating activities

Net cash flow from operating activities was an inflow of €1,458.2 million for the nine month period ended September 30, 2019 (inflow of €1,472.4 million in the nine month period ended September 30, 2018). The inflow was due to the profit generated from operations together with a working capital inflow of €5.5 million in the nine month period ended September 30, 2019 (outflow of €296.5 million in the nine month period ended September 30, 2018). The working capital inflows in the nine month period ended September 30, 2019 primarily reflected lower working capital levels of the Group due to a number of production site outages during the period.

Taxation payments of €64.1 million were made in the nine month period ended September 30, 2019 (payments of €153.4 million in the nine month period ended September 30, 2018). The payments in the nine month period ended September 30, 2019 primarily reflected payments made to the tax authorities in the US, Germany, Canada, Belgium and Switzerland, partially offset by contributions received from related parties. The payments in the nine month period ended September 30, 2018 primarily reflected payments made to the tax authorities in the US and to a lesser extent the UK, Germany, Canada and Belgium. In addition there was a tax refund from the US tax authorities in relation to overpayments made in prior years.

Cash flows from investing activities

In July 2019 the Group acquired a shale oil & gas business located in the Giddings Field in Texas, USA for cash consideration of €26.4 million.

On March 1, 2019 the Group acquired the INESCO combined heat and power plant from RWE Generation NL B.V for cash consideration of €70.4 million. Cash balances acquired with the business were €41.9 million.

In March 2019 the Group received cash proceeds of €260.5 million ($296.5 million) following the repayment of the Group's preferential interest in INEOS Investments Partnership following the sale by INEOS Investments Partnership of its assets (shares in PQ Corporation) to INEOS Limited, a related party.

During 2015 the Group provided a loan of $623.7 million to INEOS Upstream Limited, a related party, in connection with its acquisition of natural gas assets in the North Sea. The loan facility is unsecured, matures on October 26, 2020 and bears interest at 7% per annum. On September 29, 2017, INEOS Upstream Limited, a related party, acquired further natural gas assets in the North Sea through its acquisition of the entire oil and gas business of DONG Energy A/S. In connection with the DONG Acquisition, the Group advanced a loan of $376.2 million (€315.7 million) to INEOS Upstream Limited, the proceeds of which were on-lent to certain of its subsidiaries. The loan is unsecured and matures in June 2022 and bears interest at 7% per annum. During the nine month period ended September 30, 2019 INEOS Upstream paid interest of €19.5 million (nine month period ended September 30, 2018: €22.4 million) and made no loan repayments (nine month period ended September 30, 2018: €105.4 million loan repayment) in connection with these facilities.

In July 2014 the Group set up a joint venture with Sasol to build and operate an HDPE plant at the Battleground site in Texas, USA which became operational at the end of 2017. During the nine month period ended September 30, 2018 the Group made additional investments of €12.9 million in the joint venture.

In 2016 the Group acquired 100% of the shares of WLP Holding Corporation, one of the largest high density polyethylene (HDPE) pipe manufacturers in North America. During the nine month period ended September 30, 2019 the Group paid a further €12.2 million (nine month period ended September 30, 2018: €4.1 million) of contingent consideration which will be paid out over a three year period from acquisition, subject to the acquired business achieving certain targets.

There were no other significant cash flows from investing activities in the nine month period ended September 30, 2019 and 2018 other than the acquisition of property, plant and equipment (refer to the "Capital Expenditure" section).

Cash flows from financing activities

Interest payments of €235.4 million were made in the nine month period ended September 30, 2019 (€171.3 million in the nine month period ended September 30, 2018). The interest payments during the first nine months of 2019 related primarily to monthly cash payments in respect of the Senior Secured Term Loans, semi-annual interest payments on the Senior Notes due 2024 and Senior Secured Notes due 2025 and interest paid on lease liabilities of €35.4 million following the adoption of the new accounting standard *IFRS 16 Leases* (See Note 2). In addition there was a final interest payment and early prepayment premium of €7.7 million on the Senior Secured Notes due 2023 which were redeemed in April 2019. The interest payments during the first nine months of 2018 related primarily to monthly cash payments in respect of the Senior Secured Term Loans and semi-annual interest payments on the Senior Secured Notes due 2023, Senior Notes due 2024 and Senior Secured Notes due 2025.

In June 2019 the Group entered into an Inventory Financing Facility and has made drawdowns of €189.0 million. The Group paid associated debt issue costs of €0.6 million in relation to the Inventory Financing Facility during the nine month period ended September 30, 2019.

In April 2019 the Group issued €770 million Senior Secured Notes due 2026. The proceeds of the refinancing were used to redeem in full the €770 million Senior Secured Notes due 2023 on May 1, 2019. The Group paid associated debt issue costs of €8.6 million in relation to the refinancing of the Senior Secured Notes during the nine month period ended September 30, 2019.

In March 2019 the Group entered into a €141 million floating rate loan facility (the 'Schuldschein Loan'). The facility matures in March 2024. The Group paid associated debt issue costs of €2.2 million in relation to the Schuldschein Loan during the nine month period ended September 30, 2019.

As part of the Koln project to replace part of its incineration or cogeneration unit, the Group has entered into a €120 million loan facility. In March 2018 the Group made its first drawdown under the facility of €40.3 million. As at December 31, 2018 the loan facility had been fully drawn.

The Group made a drawdown of €66.7 million on the Receivables Securitization Program during the nine month period ended September 30, 2019 (repayment of €0.7 million in the nine month period ended September 30, 2018).

The Group made scheduled repayments of €26.6 million on the Senior Secured Term Loans during the nine month period ended September 30, 2019 (scheduled repayments of €25.9 million in the nine month period ended September 30, 2018). The Group also made scheduled repayments of €20.6 million on the Noretyl Facility during the nine month period ended September 30, 2019 (scheduled repayments of €20.6 million in the nine month period ended September 30, 2018).

The Group made final repayments of €1.8 million on a bilateral bank loan agreement to fund some specific capital expenditure at the Koln, Germany site, during the nine month period ended September 30, 2018. As at December 31, 2018 the loan agreement had been fully paid.

In June 2016, the Group entered into a separate bank loan agreement to fund specific capital expenditure on a freight rail car fleet covering North America for the Oligomers business. The Group has subsequently made scheduled repayments of €0.4 million on the loan agreement during the nine month period ended September 30, 2019 (scheduled repayments of €0.4 million in the nine month period ended September 30, 2018).

During the nine month period ended September 30, 2019 the Group made payments of €82.7 million in respect of the capital element of lease liabilities following the adoption of the new accounting standard *IFRS 16 Leases* (See Note 2).

The Group made total dividend payments of €1,746.3 million in the nine month period ended September 30, 2019.

Net debt

Total net debt as at September 30, 2019 was €5,589.7 million (December 31, 2018: €4,260.6 million). The Group held net cash balances of €1,179.4 million as at September 30, 2019 (December 31, 2018: €2,071.3 million) which included restricted cash of €209.7 million used as collateral against bank guarantees and letters of credit. The Group had availability under undrawn working capital facilities of €223.4 million as at September 30, 2019.